

Bayside 2030



2021-2031 Long Term Financial Plan



Telephone Interpreter Services - 131 450

Τηλεφωνικές Υπηρεσίες Διερμηνέων

بخدمة الترجمة الهاتفية

電話傳譯服務處

Служба за преведување по телефон

Table of Contents

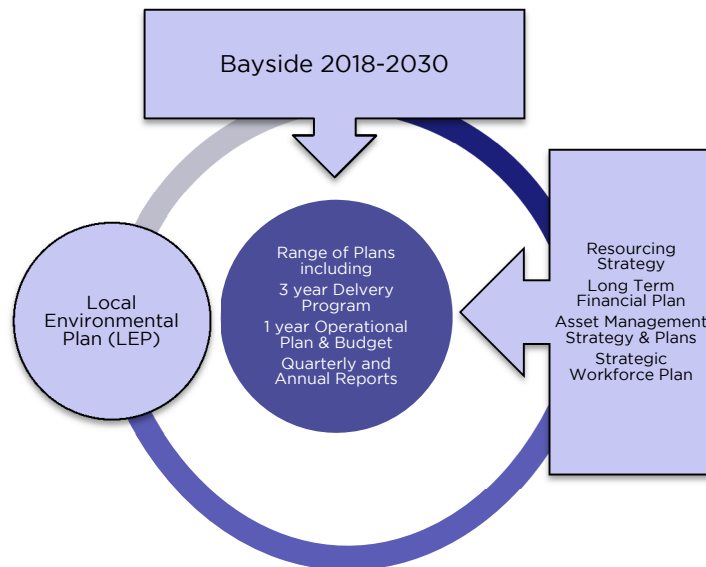
| | | | |
|--|----|---|----|
| Executive Summary..... | 4 | Gains from disposals of assets..... | 11 |
| Long Term Financial Sustainability..... | 5 | Future Expenditure Assumptions..... | 12 |
| Bayside NSW..... | 6 | Employee costs..... | 12 |
| Regulatory Environment..... | 6 | Materials and contracts..... | 12 |
| Legislated principles of sound financial management..... | 6 | Depreciation..... | 12 |
| Socio-economics..... | 7 | Other expenses..... | 12 |
| Residential Properties..... | 7 | New and discontinued operations..... | 12 |
| Housing Tenure..... | 7 | Balance Sheet Projections..... | 13 |
| Household Incomes..... | 7 | Cash and investments..... | 13 |
| Indexes..... | 7 | Inventories and other assets..... | 13 |
| Concessions..... | 7 | Infrastructure, property, plant and equipment..... | 13 |
| Economic Environment..... | 8 | Provisions..... | 13 |
| Business Properties and Industry..... | 8 | Borrowings..... | 13 |
| Gross Regional Product..... | 8 | Sensitivity Analysis..... | 14 |
| Workers..... | 8 | Cash rates..... | 14 |
| Financial Objectives..... | 9 | Consumer price index..... | 14 |
| Deliver operating surpluses..... | 9 | Insurance premiums..... | 14 |
| Fund existing service levels..... | 9 | Monitoring Financial Performance..... | 15 |
| Fund infrastructure renewals..... | 9 | Financial indicators..... | 15 |
| Ensure financial stability..... | 9 | Budget control..... | 15 |
| Financial legacy..... | 9 | Financial Assessment..... | 15 |
| Future Revenue Assumptions..... | 10 | Financial Projection Scenarios..... | 16 |
| Rates..... | 10 | Assumptions..... | 17 |
| Special Rates..... | 10 | Scenario 1 - Base Case - Harmonise Minimum Rates Phased over 4 years..... | 19 |
| User fees and charges..... | 10 | Scenario 2 - Best Case - Harmonise to former Rockdale Minimum in 1 year..... | 23 |
| Annual Charges..... | 11 | Scenario 3 - Worst Case..... | 27 |
| Operating grants and contributions..... | 11 | | |
| Capital grants and contributions..... | 11 | | |

Executive Summary

In planning for our City’s future and the Council’s contribution to the outcomes in the Community Strategic Plan, Council considers resourcing capability and future resourcing needs. Council has developed an overarching Resourcing Strategy which demonstrates how Council will be resourced for the next twelve years. The Resourcing Strategy supports the integration between our finance, workforce, assets and technology.

Key components of Council’s resourcing capability are its assets, its financial position and outlook, existing and potential technologies and human resourcing. While we have separately documented how each of the key resourcing components will contribute to our resourcing, Council considers each component simultaneously in its overarching Resourcing Strategy as part of our long term planning.

The Integrated Planning and Reporting (IP&R) framework encourages and supports the review of each of Council’s resourcing strategies aligned with the review of the Community Strategic Plan and at other times as required.



The Long Term Financial Plan can be read in conjunction with Council’s suite of resourcing strategies. This suite includes:

- ▶ The Long Term Financial Plan
- ▶ The Strategic Workforce Plan
- ▶ The Asset Management Strategy

The Long Term Financial Plan is a decision-making and problem-solving tool. It is intended as a guide for future action. 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.

The strategies from the Long Term Financial Plan will guide the delivery of actions by Council to achieve the following outcomes of the Council Plan.

- ▶ Council has a long-term vision based on financial sustainability
- ▶ Council has the ability to maintain existing facilities and infrastructure to afford what the community wants through sound financial planning, proactive asset management and continuous improvement.

Long Term Financial Sustainability

How do we Define Long Term Financial Sustainability?

A financially sustainable Council is one that has the ability to fund ongoing service delivery, and the renewal and replacement of assets without imposing excessive debt or rate increases on future generations. This definition has been translated into four key financial sustainability principles:

- ▶ Council must achieve a **fully funded operating position** reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation,
- ▶ Council must **maintain sufficient cash reserves** to ensure that it can meet its short term working capital requirements,
- ▶ Council must have a **fully funded capital program**, where the source of funding is identified and secured for both capital renewal and new capital works,
- ▶ Council must **maintain its asset base**, by renewing ageing infrastructure which is identified, and by ensuring cash reserves are set aside for those works which are yet to be identified.

It is important to note that while these principles represent financial sustainability, in the current environment, most council's will find it difficult to obtain this level of sustainability as major ongoing challenge for all NSW councils is the need to provide adequate levels of for the maintenance and renewal of existing infrastructure.

This has been previously highlighted in a number of studies such as the 2006 Local Government and Shires Association's Independent Inquiry into the Financial Sustainability of NSW Local Government and more recently the 2013 report released by NSW Treasury Corporation (TCorp) in regard to financial sustainability of all NSW councils.

The TCorp review identified an infrastructure renewal backlog of \$7.2 billion across all NSW councils. These studies have identified the need for NSW councils to significantly increase funding for the renewal of existing infrastructure. They have further identified that if funding is

not increased in the immediate term, then the infrastructure renewal backlog will continue to increase at a level which may become too great to address without serious ramifications on service delivery.

The backlog in asset renewal is a direct result of councils in NSW not being able to cash fund depreciation. Depreciation represents the average loss of service potential for the asset over its economic life. Current asset renewal funding is based on the actual renewals program and this is often modified to fit within budgetary restraints. This means that as assets are consumed funds are not being put aside to replace the asset at the end of its useful life. This is not a result of poor management, councils simply cannot afford to fund depreciation without compromising existing levels of service. As rates are pegged to a basket of CPI indexes by IPART many councils struggle to keep up with their asset renewal requirements and other cost increases progressively erode the funding base.

Deferring asset renewals compounds the asset renewal problem, as the older assets get, the more they cost a council to maintain. This in part is being addressed through the implementation of Integrated Planning and Reporting, moving a council's focus away from simply maintaining assets to managing an assets life cycle. This framework allows councils to clearly demonstrate to the community the long term financial ramifications of not renewing assets.

How is Long Term Financial Sustainability Measured?

A recent review undertaken by the Independent Pricing and Regulatory Tribunal (IPART) into the Revenue Framework for Local Government identified a number of performance indicators which measure the financial performance and position of NSW councils. The indicators measure both recurrent operations and capital sustainability.

Council will review its Long Term Financial Plan against these indicators as part of assessing the long term financial health of the organisation and its capacity to fund the proposed Delivery Program.

Bayside NSW

Bayside Council is in Sydney's southern and south-eastern suburbs – between 7 and 12 kilometres south of the Sydney CBD. The local government area is highly urbanised and predominantly residential with sizeable industrial areas, parkland/reserves and small suburban commercial areas. Housing density is high to low.

Bayside includes the suburbs of Arncliffe, Banksia, Banksmeadow, Bardwell Park, Bardwell Valley, Bexley, Bexley North, Botany, Brighton Le Sands, Carlton (part), Daceyville, Dolls Point, Eastgardens, Eastlakes, Hillside, Kingsgrove (part), Kogarah (part), Kyeemagh, Mascot, Monterey, Pagewood, Ramsgate (part), Ramsgate Beach,

Rockdale, Rosebery (part), Sandringham, Sans Souci (part), Turrella and Wolli Creek.

The official population of Bayside Council area as of the 30 June 2019, was 178,396 (NEIR 2019). This significant population growth reflects the urban renewal being experienced in parts of Bayside, particularly Wolli Creek and Rockdale Town Centre with the forecast population growth to 2036 calculated as 39,297 on a business as usual basis (Source: Population and Household forecasts 2016 to 2036, the population experts)

Regulatory Environment

In September 2016, the Local Government Amendment (Governance and Planning) Act 2016 commenced, which legislated the approach that councils should now adopt in relation to their financial management.

Legislated principles of sound financial management

Section 8B of the Local Government Act 1993 states that the following principles of sound financial management apply to councils;

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

Socio-economics

When preparing the plan, many factors are taken into consideration noting that rates, annual charges and user fees and charges make up a significant portion of Council's total revenue so capacity to pay is one of those important factors.

Residential Properties

In the 20/21 financial year there were in excess of 66,000 properties across Bayside rated as 'Residential'. These properties include single dwellings, social housing, and multi-unit dwellings.

Housing Tenure

In Bayside, 55% of households were purchasing or fully owned their home, 32.4% renting privately, and 4.2% in social housing in 2016.

The median monthly mortgage repayment across Bayside was \$1,936 which was \$186 more than the Greater Sydney area. 54.1% of renting households were paying \$450 or more per week in rent in 2016.

Household Incomes

According to the 2016 Census in the Bayside Council area, 23.8% of households earned an income of \$2,500 or more per week in 2016. An analysis of household income levels in the Bayside Council area in 2016 compared to Greater Sydney shows that there was a smaller proportion of high income households (those earning \$2,500 per week or more) and a higher proportion of low income households (those earning less than \$650 per week).

Overall, 23.8% of the households earned a high income and 17.1% low income, compared with 28.3% and 15.1% for Greater Sydney.

Indexes

The Bayside Council area SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of Census characteristics.

It is a good place to start to get a general view of the relative level of disadvantage in one area compared to others and is used to advocate for an area based on its level of disadvantage. SEIFA Index of Disadvantage for the Bayside Council area in 2016 was 1001.7 which is slightly higher than the average 1000.0

Concessions

There are concessions available for rates and annual charges for eligible ratepayers who receive an aged or disability support pension under the provisions of the Local Government Act 1993.

Council recognises that from time to time certain ratepayers may have difficulty in paying their Council rates and charges. The Local Government Act allows Council to provide a range of assistance to these ratepayers in circumstances detailed in our Hardship Policy.

Economic Environment

The Bayside Council economy is part of a complex and diverse network of activities.

Key Statistics



Business Properties and Industry

There are 4,598 properties across Bayside which are rated as 'Business' and account for around 6 per cent of the Council's total rateable properties. The Transport, Postal and Warehousing industry had the largest number of total registered businesses in the Bayside Council area, comprising 17.1% of all total registered businesses, compared to 8.1% in New South Wales (ABS).

Gross Regional Product

Bayside Council's Gross Regional Product (GRP) was \$15.71 billion in the 2018/19 financial year. This represents 2.63 per cent of the GRP of the state of NSW.

Workers

In the Bayside Council area, Transport, Postal and Warehousing is the largest employer, generating 29,731 local jobs in 2018/19.

Financial Objectives

In addition to the legislated principles of sound financial management, Bayside Council has five financial objectives that it applies to its financial planning, control and management.

Deliver operating surpluses

Ensure that each financial year the budget has a healthy before capital revenue operating surplus, combined with strong budget management and control, to help deliver an operating surplus for Council.

Fund existing service levels

Ensure existing service levels that Council currently provide continue to be fully funded when preparing budgets and making financial decisions.

Fund infrastructure renewals

The funding allocated to annual capital works programs is as per the Asset Management Program. This will ensure that Council meets the infrastructure renewals ratio benchmark each year.

Ensure financial stability

Council can guarantee its financial stability by maintaining a strong cash position, ensuring its ability to generate its own operating revenue and having sufficient assets to cover its liabilities.

Financial legacy

Ensure that every financial decision that is made, by both the Council and Council management, creates and safeguards the financial legacy of Bayside Council – a legacy of being prudent and responsible.

This is reflected in Council's commitment to maintain a conservative risk/return portfolio.

Future Revenue Assumptions

The base year figures that have been used for operating revenue are those contained within the 2020/21 forecast budget.

In preparing the 2021 - 2031 Long Term Financial Plan, the following underpinning principles have been used:

- ▶ Budgets will aim to maintain assets to at least the same condition as they were at the start of each financial year,
- ▶ Management will continually look for ways to structurally realign resources and/or increase income opportunities without changes to service standards,
- ▶ Services and Infrastructure in any new areas will be provided when they are needed,
- ▶ Council will continue to improve its capacity to fund its recurrent operations and renew critical infrastructure through sustainable financial decision making.

Rates

The rate path freeze for Bayside Council encapsulated in the Local Government Amendment (Rates - Merged Council Areas) Act 2017 is ending on 30 June 2021. Council will need to harmonise its rating structure in accordance with either IPART Minimum Rate Variation approval (phased over 4 years) or the instrument of delegation to the Deputy Secretary Local Government (1 year, effective 2021/22. The process harmonisation of rates is not permitted to increase overall rate revenue yield.

Council's ability to align rating revenues with the increased cost of providing local government services has been restrained for a number of years by rate pegging (since 1977), a legislative instrument whereby the maximum increase in rating revenues is set by the Independent Pricing And Regulatory Tribunal (IPART) NSW. For the rating year commencing 1st July 2021, IPART has determined that the rate pegging limit will be 2%. In achieving this requirement, rates for any land in Bayside Council will be calculated using the rate pegging limit of 2% for 2021/22 determined by IPART.

This long term financial plan models the various options available to Council for harmonisation, including the adopted council position to harmonise at the applicable minimum rate level of the former Rockdale City Council plus the approved rate peg for 2021/22.

The number of properties subject to rating in 2020/21 is as follows:

| Category | # of Properties | Average Rate p.a. excluding Special Rate Variations |
|--------------------------|-----------------|---|
| Residential - minimum | 38,907 | \$687 |
| Residential - ad valorem | 27,887 | \$1,195 |
| Business - minimum | 1,777 | \$635 |
| Business - ad valorem | 2,821 | \$7,213 |
| Farmland - ad valorem | 5 | \$1,479 |
| Total | 71,397 | |

Special Rates

Special Rates include Special Local Area Rates, Community Safety Levies, Community Building Levies and Infrastructure Levies.

Special rates are levied on identified local businesses to cover the cost of any works, services, facilities or activities carried out and for the benefit of specific local business areas.

User fees and charges

Council receives 8% of its annual operating revenue through user fees and charges, set under S610D of the Local Government Act 1993.

This revenue is received through fees and charges applied through areas of Council such as the Bexley Aquatic Centre, the various child care centres, commercial trade waste and the hire of community facilities such as Council's sports fields and community halls. Some of

these are set by statutory regulations and future increases are difficult to predict but have been assumed at the CPI index.

Annual Charges

Section 496 of the Act requires Council to levy a domestic waste management service charge on each residential parcel of land for which the service is available, regardless of whether or not the garbage and recycling collection service is used. This charge will be recovered via the domestic waste admin fee. Almost a quarter of Council's revenue is received through the levying of annual charges.

Section 502 of the Act then allows Council to levy users of the service an annual waste charge dependent upon the number of waste bins being utilised. As required under s504 of the Local Government Act 1993 the domestic waste management charges are calculated so not to exceed the reasonable cost to the council of providing those services. Therefore, the increases in these charges included in the plan are consistent with the increases applied to the operating expenditure incurred by the service.

It is important to note that until such time as the services provided to residents of the new Council are harmonised, the waste fees applicable to each residential parcel of land will vary.

There has been no increase assumed for the stormwater management annual charge. This charge is determined under clause 125AA of the Local Government (General) Regulation 2005 and has remained at the same level since its inception. Overall increases have been set at the CPI factor.

Operating grants and contributions

Bayside Council has demonstrated a moderate degree of reliance on external funding sources such as grants and contributions. There has been no inclusion of any additional grants or contributions in the plan with only those non-speculative, existing, and recurring grants and contributions being included with a very modest increase assumed across the period of the plan.

Capital grants and contributions

Council receives development contributions from property developers which are used to fund community facilities and infrastructure.

The contribution a developer pays for a major new development is capped by NSW legislation. The section 7.11 (formerly S94) contributions received, and the infrastructure to be funded that are contained within this plan, are consistent with Council's Section 7.11 Development Contributions Plan (2019).

Various grants are received by Council throughout financial years for capital projects. These grants are predominately for road construction and the number and value are determined by State or Federal Government programs. Due to the nature of their unpredictability, capital grants contained in the plan are minimal.

Gains from disposals of assets

Gains from the sale of Council's plant and fleet assets are included in the plan. These disposals are in accordance with Council's Plant Replacement Strategy

Future Expenditure Assumptions

The base year figures that have been used for operating expenditure in this plan are those contained within the forecasted 2020/21 budget.

Employee costs

Expenditure relating to the Council workforce accounts for over 40 per cent of total operating expenditure and is therefore one of the largest investments that Council makes on an annual basis.

The forecasted wage percentage increase is based on the Local Government Award 2020 and has been forecasted using historical averages. Council's superannuation expense is aligned to the payments required under the Superannuation Guarantee (Administration) Act 1992. The Act sees the percentage rate grow from 10% in 2021/22 to 12 per cent in 2025/26. This increase has been incorporated into the plan.

Materials and contracts

The Reserve Bank of Australia (RBA) has an inflation target of 2.5 per cent. On average the RBA has been achieving this over the last ten years and therefore this target has been used as an assumption for inflation through the plan.

Depreciation

Depreciation for Council's assets is a non-cash expense that reflects the utilisation of Council's assets and the degradation of their capacity to provide functionality over time.

Depreciation expense is an indicator used by the Office of Local Government to determine the level of asset renewals that councils should be undertaking. Bayside Council uses a straight line method of depreciation which is very commonly applied to local government infrastructure.

Other expenses

Increases in the range of levies imposed by the State Government are hard to predict. Levies such as the State Emergency Services Levy, Fire Brigade Levy and Sydney Regional Development Fund contribution have grown steadily of the past and have been forecast to continue. Continuing efforts from the Sustaining Our City Program in the area of water and energy conservation are having a positive impact on the consumption rates. However, the price per unit continues to rise and is proving reasonably unpredictable.

New and discontinued operations

There are no discontinued operations at this time.

Balance Sheet Projections

The base year figures that have been used for all balance sheet items including cash and investments are those included in the audited financial reports for the 2019/20 year.

Cash and investments

Council has a number of cash reserves both externally and internally restricted. The forecasted balances of cash and investments have taken into account the planned transaction of various reserves such as plant replacement, domestic waste reserve, employee leave entitlements, ICT reserve, stormwater management, section 7.11 contributions reserve and others. Cash levels have been forecasted to ensure that adequate operational liquidity is maintained.

The balance of cash reserves which are considered funding sources in the budgeting process are based on the audited financial reports as at 30 June 2020 at \$437,377,000

Inventories and other assets

The inventory that Council holds at its Works Depot, Aquatic Centre, and Community Nursery have remained stable over the past ten years. These levels have been forecasted to continue over the life of the plan.

Infrastructure, property, plant and equipment

Bayside Council has approximately \$1.45B worth of infrastructure, property plant and equipment. The financial management of these assets are guided by the 2018-30 Asset Management Plans and the

asset renewals and upgrades that have been identified in these plans have been funded in this plan. The asset base maintained by council has been subject to a program of revaluation cycles since the Council was proclaimed in September 2016 and improved asset data information will be used to inform future updates to Council's long term financial plan and strategic asset management.

Provisions

Council has made provisions for payment of employee leave entitlements which predominately consist of annual leave and long service leave. The balance of these provisions are governed by the Leave Policy and have been forecasted in line with its objectives. When determining the value of the provisions, factors such as wage and salary increases, cash rate forecasts, and factors affecting discounting rates have been taken into consideration.

Borrowings

Bayside Council currently has very low levels of external borrowing and is proposing to undertake borrowing from Treasury NSW for park upgrade project in 2021/22 and 2022/23. These proposed new borrowing are included in all scenarios. Council reviews its debt service ratio annually to ensure the level of debt is kept within the recommended levels for NSW Councils.

Sensitivity Analysis

Variations to assumptions applied in this plan may occur during the life of the plan and these variations could have a major or significant impact on the results of the financial modelling.

The plan contains a range of assumptions which are obtained from a various number of sources. Council has ensured that these sources are reputable and are the best known available source for that data.

A conservative approach has been taken in the development of the plan, to ensure that the chosen option is more likely to succeed and exposes Council to the least amount of risk. Conservative financial planning is used as a tool to keep pressure on operating budgets, with any surpluses that eventuate being allocated towards capital expenditure.

Cash rates

Cash rates are at historical lows which realistically means that leaving rates on hold or increasing them are the only anticipated scenarios in the future.

Increases in cash rates will have a positive impact on Council's investment portfolio, as investment returns are driven higher. An increasing cash rate also has a positive impact on Treasury Bond Yields. These yields are used for discounting Council's employee leave provisions, therefore increasing yields result in lower discounting rates and leave provisions.

Higher cash rates do result in higher borrowing costs for both owner occupiers and investors which could create a flow on effect in terms of development activity across the City.

Consumer price index

Consumer Price Index (CPI) assumptions are heavily used throughout the plan and is an assumption used on both expenditure and revenue which mitigates any substantial impact on the results of the financial modelling should there be any significant variance. However, historical inflation over the past ten years have shown insignificant fluctuations of the annual CPI figure with the average rate over that period being 1.90 per cent.

Insurance premiums

Insurance premiums can also be hard to predict and are driven by claims which are often determined by environmental events which Council cannot control. Council endeavours to mitigate any event that may result in an insurance claim through prudent risk management activity.

Workers compensation claim premiums are driven by claims experience.

Monitoring Financial Performance

The Primary Model adopted in this plan has been developed to ensure that it meets Council's five financial objectives, and the benchmarks and/or targets for an array of financial indicators which have either been internally or externally prescribed. There are a number of factors which affect the value and size of certain revenue, operating expenditure, and/or capital expenditure each financial year. However, the impact these variations have on the financial indicators are what should be measured.

Financial indicators

The Primary Model has been developed so that its implementation will meet a set of financial indicators:

- ▶ Balanced Budget
- ▶ Operating Performance Ratio
- ▶ Own Source Operating Revenue Ratio
- ▶ Unrestricted Cash
- ▶ Unrestricted Current Ratio
- ▶ Cash Expense Cover Ratio
- ▶ Debt Service Ratio

- ▶ Asset Maintenance Ratio
- ▶ Capital Expenditure Ratio
- ▶ Capital Funding Ratio

Budget control

Annual budgets are set to meet the financial indicator benchmarks. Consequently, budget control and monitoring is paramount for Council achieving the outcomes of this plan. Budgets are monitored internally on an on-going basis using Council's financial information systems. Monthly Financial Reports and Quarterly Budget Reviews are reported by Council and illustrate the progress against its adopted budgets.

Financial Assessment

Council's budget has faced significant pressures including:

- ▶ An increasing burden as a result of cost shifting from other levels of government,
- ▶ Increases in the cost of procuring goods and services have been consistently higher than rate pegging increases as determined by IPART; and
- ▶ Greater competition between councils in the allocation of external funding such as Financial Assistance Grants.

The biggest single financial issue facing Council is the need to repair and replace ageing assets, while providing new assets to meet the needs and expectations of the community.

Nonetheless our modelled scenarios reflect our sustainability as follows:

- ▶ **Operating results** in modelled scenarios is positive.
- ▶ **Cash** is strong, cash balances are utilised to service capital requirements.
- ▶ Council has a longstanding commitment to adopting balanced budgets. A **balanced budget** is reflected in all scenarios.
- ▶ The **debt service ratio** represents the percentage of Council's total operating revenue. That is attributable to net debt servicing costs. The debt service ratio target achieved are strong and enables council to undertake the new borrowings indicated in the plan.

Financial Projection Scenarios

Council's LTFP contains long term projections based on specific assumptions. As it is difficult to accurately predict all future trends, alternative scenarios have been modelled to help provide an indication of Council's future financial position under a variety of circumstances. These alternative scenarios are summarised below:

Scenario One - Base Case

Based on the current forecasted budgeted financial position for 2021, adjusted for known future quarter review adjustments assuming 100% of proposed Capital Works are undertaken and increases to revenue are capped at the rates growth rate factors included in the model. Future growth is based on the application of minimum rates to forecast number of additional rateable properties for each of the plan. Growth applied is assumed to be constant across all scenarios;

Scenario Two - Best Case

The same basis as for Scenario 1 except for the harmonisation of minimum rates to the same level as the former Rockdale City Council minimum rate in the 2021/22 year.

Scenario Three - Worst Case

The same basis as for Scenario 1 except for the harmonisation of minimum rates down to the former City of Botany Bay Council minimum in the 2021/22 year.

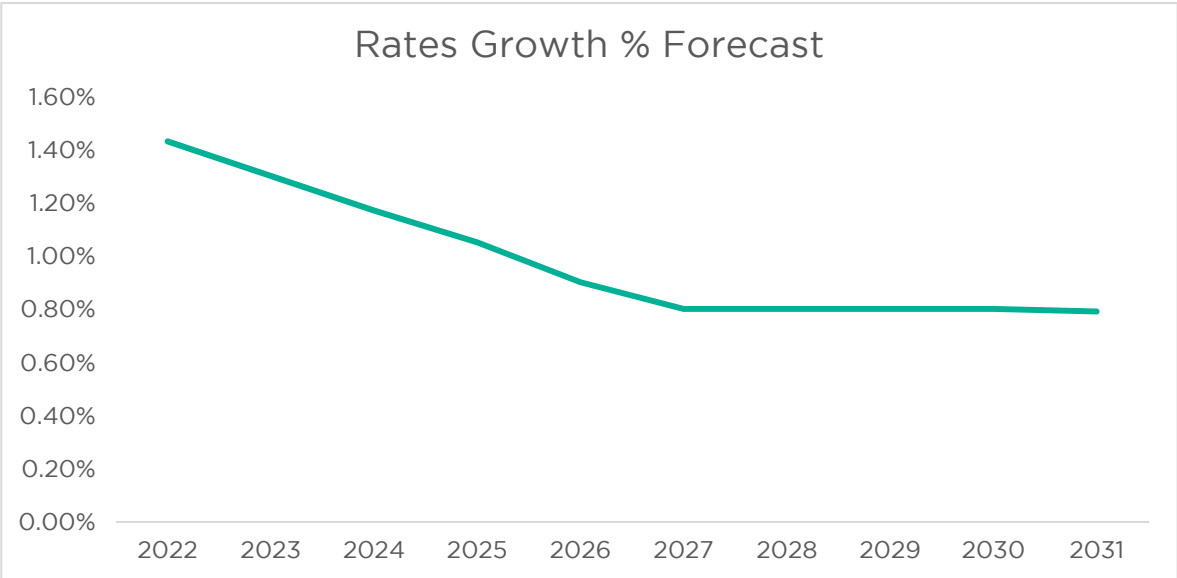
Under this scenario Councils financial position would be unsustainable towards the final years of the plan as unrestricted cash is forecasted to be negative. During the term of the plan Council also has years where it is forecasting an operating deficit before capital grants and contributions. Council would have to make decisions in the future to address these issue and options include, seeking additional revenue sources, reducing capital expenditure and/or services provided.

For Council to achieve financial sustainability, all four financial sustainable principles must be met.

- ▶ Council must achieve a **fully funded operating position** reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation,
- ▶ Council must **maintain sufficient cash reserves** to ensure that it can meet its short term working capital requirements,
- ▶ Council must have a **fully funded capital program**, where the source of funding is identified and secured for both capital renewal and new capital works,
- ▶ Council must **maintain its asset base**, by renewing ageing infrastructure which is identified, and by ensuring cash reserves are set asides for those works which are yet to be identified.

Assumptions

| Assumptions | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| IPART Rate Peg % | 2.60% | 2.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Annual charges% | 2.00% | 2.10% | 2.20% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| User charges and fees% | 2.30% | 2.10% | 2.16% | 2.15% | 2.14% | 2.17% | 2.43% | 2.54% | 2.40% | 2.40% | 2.40% |
| Interest rate on cash % | 1.50% | 0.63% | 0.63% | 0.69% | 0.91% | 1.25% | 1.36% | 1.50% | 1.55% | 1.70% | 1.76% |
| Other revenue% | 1.75% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% |
| Grants and Contributions increase % | 2.50% | 2.10% | 2.10% | 2.10% | 2.10% | 2.33% | 2.55% | 2.78% | 3.00% | 3.00% | 3.00% |
| Employee benefits and on-costs increase % | 2.50% | 2.60% | 2.50% | 2.50% | 2.72% | 3.32% | 3.36% | 3.57% | 3.51% | 3.19% | 3.19% |
| Borrowing costs on new borrowings % | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.59% | 1.69% | 1.83% | 1.89% | 2.04% | 2.09% |
| Materials & contracts increase % | 1.00% | 0.00% | 0.00% | 0.00% | 0.63% | 1.25% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Other expense increase % | 2.50% | 1.40% | 1.40% | 1.40% | 1.68% | 1.95% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| CPI, % (reference rate) | 1.40% | 1.00% | 1.69% | 2.23% | 2.25% | 2.15% | 2.14% | 2.31% | 2.47% | 2.27% | 2.17% |
| Grants and Contributions increase % (Capital Purpose) | 2.50% | 2.50% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |



Capital Works Program

It is assumed that the capital works program is the same for all scenarios.

| Capital Works Program | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Renewals of assets | | | | | | | | | | | |
| Non infrastructure assets | 3,721 | 4,112 | 4,579 | 7,021 | 6,550 | 5,166 | 4,691 | 4,845 | 4,966 | 5,085 | 5,196 |
| Buildings | 7,329 | 5,522 | 1,410 | 4,754 | 4,873 | 4,994 | 5,119 | 5,247 | 5,378 | 5,513 | 5,651 |
| Other Structures | 200 | – | – | 67 | 68 | 70 | 72 | 74 | 75 | 77 | 79 |
| Roads | 6,825 | 3,864 | 3,420 | 4,703 | 4,820 | 4,941 | 5,065 | 5,191 | 5,321 | 5,454 | 5,590 |
| Bridges | 100 | 500 | 500 | 367 | 376 | 385 | 395 | 405 | 415 | 425 | 436 |
| Footpaths | 6,428 | 1,141 | 446 | 2,672 | 2,739 | 2,807 | 2,877 | 2,949 | 3,023 | 3,098 | 3,176 |
| Storm water drainage | 1,155 | 2,803 | 880 | 1,613 | 1,653 | 1,694 | 1,736 | 1,780 | 1,824 | 1,870 | 1,917 |
| Swimming pools & other open spaces | 3,124 | 9,162 | 8,851 | 5,963 | 6,318 | 6,493 | 6,674 | 6,860 | 7,050 | 7,247 | 7,448 |
| Total renewals on infrastructure and assets | 28,883 | 27,103 | 20,085 | 27,158 | 27,396 | 26,551 | 26,629 | 27,350 | 28,053 | 28,770 | 29,493 |
| New assets | | | | | | | | | | | |
| Non infrastructure assets | 4,363 | 5,898 | 7,649 | 8,490 | 14,986 | 22,557 | 25,514 | 25,847 | 27,435 | 29,816 | 25,283 |
| Buildings | 4,957 | 3,950 | 3,650 | 2,038 | 3,761 | 2,961 | 2,696 | 2,441 | 2,402 | 2,496 | 1,535 |
| Other Structures | 1,290 | – | – | 3 | 155 | 74 | 45 | 16 | 6 | 13 | (75) |
| Roads | 1,625 | 105 | 300 | 100 | 1,576 | 520 | 133 | 200 | 200 | 200 | 200 |
| Bridges | – | – | – | 50 | 20 | 100 | 100 | 100 | 100 | 100 | 100 |
| Footpaths | 5,600 | 3,855 | 630 | 2,233 | 2,945 | 2,584 | 2,485 | 2,391 | 2,400 | 2,481 | 2,056 |
| Bulk Earthworks (non-depreciable) | – | – | – | 100 | 118 | 100 | 100 | 100 | 100 | 100 | 100 |
| Storm water drainage | 2,645 | 3,658 | 1,100 | 1,492 | 2,339 | 1,897 | 1,756 | 1,620 | 1,603 | 1,666 | 1,147 |
| Swimming pools & other open spaces | 6,537 | 15,720 | 29,902 | 12,607 | 3,627 | 3,138 | 2,996 | 2,862 | 2,869 | 2,961 | 2,367 |
| Total addition of assets | 27,016 | 33,185 | 43,230 | 27,113 | 29,527 | 33,933 | 35,826 | 35,576 | 37,115 | 39,833 | 32,713 |
| Total | 55,899 | 60,288 | 63,315 | 54,271 | 56,923 | 60,483 | 62,455 | 62,927 | 65,168 | 68,602 | 62,206 |

Scenario 1 – Base Case - Harmonise Minimum Rates Phased over 4 years

Income Statement

Income Statement - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Income from continuing operations | | | | | | | | | | | |
| Rates and annual charges | 127,109 | 130,407 | 134,282 | 138,325 | 142,452 | 146,628 | 150,850 | 155,192 | 159,657 | 164,248 | 168,969 |
| User charges and fees | 10,359 | 12,274 | 13,679 | 14,901 | 15,345 | 15,792 | 16,279 | 16,798 | 17,310 | 17,836 | 18,377 |
| Interest and investment revenue | 4,160 | 2,643 | 2,502 | 2,490 | 3,043 | 3,988 | 4,092 | 4,238 | 4,114 | 4,017 | 3,789 |
| Other revenues | 14,039 | 17,018 | 18,396 | 18,783 | 19,177 | 19,580 | 19,991 | 20,411 | 20,840 | 21,277 | 21,724 |
| Grants and contributions - Operating | 11,203 | 11,825 | 12,073 | 12,327 | 12,586 | 12,878 | 13,207 | 13,573 | 13,980 | 14,400 | 14,832 |
| Grants and contributions - Capital | 6,589 | 6,589 | 6,727 | 6,868 | 7,074 | 7,286 | 7,505 | 7,730 | 7,962 | 8,201 | 8,447 |
| Total Income | 173,459 | 180,755 | 187,660 | 193,694 | 199,677 | 206,152 | 211,924 | 217,943 | 223,862 | 229,979 | 236,137 |
| Expenses from continuing operations | | | | | | | | | | | |
| Employee benefits and oncosts | 70,849 | 72,691 | 74,508 | 76,371 | 78,446 | 81,052 | 83,777 | 86,766 | 89,811 | 92,675 | 95,630 |
| Borrowing costs | 124 | 242 | 166 | 129 | 103 | 83 | 68 | 56 | 44 | 32 | 19 |
| Materials and contracts | 47,145 | 51,608 | 54,541 | 57,025 | 57,633 | 58,548 | 60,143 | 61,777 | 63,459 | 65,177 | 66,900 |
| Depreciation and amortisation | 25,740 | 26,842 | 28,693 | 29,988 | 31,047 | 32,084 | 33,140 | 34,261 | 35,471 | 36,661 | 37,758 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other expenses | 22,665 | 22,475 | 22,790 | 23,109 | 23,496 | 23,954 | 24,553 | 25,167 | 25,796 | 26,441 | 27,102 |
| Total Expenses | 166,523 | 173,858 | 180,698 | 186,622 | 190,725 | 195,721 | 201,681 | 208,027 | 214,581 | 220,986 | 227,409 |
| Net Operating Result | 6,936 | 6,897 | 6,961 | 7,072 | 8,951 | 10,431 | 10,243 | 9,916 | 9,281 | 8,993 | 8,728 |
| Net operating result before grants and contributions provided for capital purposes | 347 | 309 | 235 | 204 | 1,877 | 3,144 | 2,738 | 2,186 | 1,319 | 792 | 281 |

Cash Flow Statement

Statement of Cash Flows - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flows from operating activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| Rates and annual charges | 127,109 | 130,407 | 134,282 | 138,325 | 142,452 | 146,628 | 150,850 | 155,192 | 159,657 | 164,248 | 168,969 |
| User charges and fees | 9,785 | 12,079 | 13,042 | 14,291 | 14,834 | 15,276 | 15,755 | 16,258 | 16,757 | 17,267 | 17,792 |
| Investment revenue and interest | 4,160 | 2,643 | 2,502 | 2,490 | 3,043 | 3,988 | 4,092 | 4,238 | 4,114 | 4,017 | 3,789 |
| Grants and contributions | 17,792 | 18,413 | 18,800 | 19,195 | 19,660 | 20,165 | 20,712 | 21,303 | 21,942 | 22,601 | 23,279 |
| Other | 14,039 | 17,018 | 18,396 | 18,783 | 19,177 | 19,580 | 19,991 | 20,411 | 20,840 | 21,277 | 21,724 |
| <i>Payments:</i> | | | | | | | | | | | |
| Employee benefits and on-costs | (70,310) | (72,116) | (82,054) | (75,728) | (77,706) | (80,141) | (82,764) | (85,607) | (88,528) | (91,293) | (94,068) |
| Materials and contracts | (48,935) | | (53,406) | (55,902) | (56,939) | (57,684) | (59,153) | (60,715) | (62,373) | (64,128) | (65,829) |
| Borrowing costs | (124) | (242) | (166) | (129) | (103) | (83) | (68) | (56) | (44) | (32) | (19) |
| Other | (22,665) | | (22,676) | (22,954) | (23,332) | (23,782) | (24,374) | (24,981) | (25,602) | (26,238) | (26,890) |
| Net cash provided (or used) in operating | 30,852 | 35,521 | 28,719 | 38,371 | 41,085 | 43,947 | 45,040 | 46,044 | 46,762 | 47,719 | 48,745 |
| Cash flows from investing activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| Sale of investments | 5,000 | 30,000 | 33,000 | 28,000 | 10,000 | 15,000 | 20,000 | 23,000 | 25,000 | 20,000 | 20,000 |
| Sale of infrastructure, property, plant and Other | 1,505 1,592 | 1,535 - | 1,570 - | 1,608 - | 1,648 - | 1,689 - | 1,731 - | 1,774 - | 1,819 - | 1,864 - | 1,911 - |
| <i>Payments:</i> | | | | | | | | | | | |
| Purchase of investments | (4,000) | - | - | - | - | - | - | - | - | - | - |
| Purchase of infrastructure, property, plant and equipment Other | (55,560) (542) | (62,968) | (65,202) | (68,185) | (57,173) | (60,596) | (63,930) | (64,645) | (76,352) | (69,172) | (62,606) |
| Net cash provided (or used) in investing | (52,006) | (31,434) | (30,632) | (38,577) | (45,525) | (43,907) | (42,199) | (39,870) | (49,533) | (47,308) | (40,695) |
| Cash flows from financing activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| New loans | - | 4,825 | 4,825 | - | - | - | - | - | - | - | - |
| <i>Payments:</i> | | | | | | | | | | | |
| Loan repayments | (719) | (1,212) | (1,564) | (1,314) | (1,198) | (1,074) | (964) | (976) | (989) | (1,001) | (1,014) |
| Net cash provided (or used) in financing | (719) | 3,613 | 3,261 | (1,314) | (1,198) | (1,074) | (964) | (976) | (989) | (1,001) | (1,014) |
| Net increase / (decrease) in cash | (21,873) | 7,700 | 1,347 | (1,520) | (5,638) | (1,034) | 1,877 | 5,197 | (3,760) | (590) | 7,037 |
| Cash at the beginning of the year | 43,220 | 21,347 | 29,047 | 30,394 | 28,875 | 23,237 | 22,203 | 24,080 | 29,277 | 25,517 | 24,927 |
| Cash at the end of the year | 21,347 | 29,047 | 30,394 | 28,875 | 23,237 | 22,203 | 24,080 | 29,277 | 25,517 | 24,927 | 31,964 |

Balance Sheet

Statement of Financial Position - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current assets | | | | | | | | | | | |
| Cash and investments | 410,482 | 388,101 | 356,334 | 326,660 | 310,858 | 294,652 | 276,350 | 258,361 | 229,407 | 208,614 | 195,439 |
| Receivables | 16,803 | 16,997 | 17,635 | 18,245 | 18,756 | 19,272 | 19,797 | 20,337 | 20,890 | 21,459 | 22,045 |
| Inventories | 49 | 56 | 62 | 69 | 69 | 70 | 72 | 74 | 75 | 77 | 79 |
| Other | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 |
| Total current assets | 428,016 | 405,836 | 374,713 | 345,655 | 330,365 | 314,676 | 296,900 | 279,454 | 251,055 | 230,833 | 218,245 |
| Non-current assets | | | | | | | | | | | |
| Investments | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 |
| Infrastructure, property, plant and equipment | 1,491,049 | 1,545,069 | 1,613,586 | 1,696,200 | 1,768,586 | 1,842,843 | 1,920,917 | 2,004,245 | 2,104,036 | 2,192,577 | 2,273,071 |
| Investments accounted for using the equity method | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 |
| Total non-current assets | 1,503,732 | 1,557,752 | 1,626,269 | 1,708,883 | 1,781,269 | 1,855,526 | 1,933,600 | 2,016,928 | 2,116,719 | 2,205,260 | 2,285,754 |
| Total Assets | 1,931,748 | 1,963,588 | 2,000,982 | 2,054,539 | 2,111,634 | 2,170,201 | 2,230,500 | 2,296,381 | 2,367,774 | 2,436,093 | 2,503,999 |
| Current liabilities | | | | | | | | | | | |
| Payables | 26,475 | 27,803 | 28,944 | 30,073 | 30,767 | 31,632 | 32,624 | 33,687 | 34,775 | 35,826 | 36,898 |
| Income received in advance | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 |
| Borrowings | 756 | 1,564 | 1,314 | 1,198 | 1,074 | 964 | 976 | 989 | 1,001 | 1,014 | 509 |
| Provisions | 23,228 | 23,803 | 16,256 | 16,900 | 17,640 | 18,552 | 19,565 | 20,724 | 22,008 | 23,389 | 24,951 |
| Total current liabilities | 55,924 | 58,635 | 51,979 | 53,636 | 54,946 | 56,613 | 58,630 | 60,865 | 63,248 | 65,694 | 67,824 |
| Non-current liabilities | | | | | | | | | | | |
| Borrowings | 1,410 | 4,214 | 7,725 | 6,527 | 5,453 | 4,489 | 3,513 | 2,524 | 1,523 | 509 | - |
| Provisions | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 |
| Total non-current liabilities | 6,496 | 9,300 | 12,811 | 11,613 | 10,539 | 9,575 | 8,599 | 7,610 | 6,609 | 5,595 | 5,086 |
| Total Liabilities | 62,420 | 67,935 | 64,790 | 65,249 | 65,486 | 66,188 | 67,228 | 68,476 | 69,857 | 71,289 | 72,910 |
| NET ASSETS | 1,869,328 | 1,895,652 | 1,936,192 | 1,989,289 | 2,046,149 | 2,104,014 | 2,163,271 | 2,227,906 | 2,297,917 | 2,364,804 | 2,431,090 |
| Equity | | | | | | | | | | | |
| Accumulated surplus | 1,770,624 | 1,777,521 | 1,784,482 | 1,791,555 | 1,800,506 | 1,810,937 | 1,821,180 | 1,831,097 | 1,840,378 | 1,849,371 | 1,858,099 |
| Revaluation reserves | 98,704 | 118,132 | 151,710 | 197,735 | 245,642 | 293,077 | 342,091 | 396,810 | 457,539 | 515,432 | 572,990 |
| TOTAL EQUITY | 1,869,328 | 1,895,653 | 1,936,192 | 1,989,290 | 2,046,149 | 2,104,014 | 2,163,271 | 2,227,906 | 2,297,917 | 2,364,804 | 2,431,089 |

Key Performance Indicators

| | Target | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|--------------------------|---------|---------|---------|---------|---------|----------|----------|---------|---------|---------|---------|
| | | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s |
| OPERATING SURPLUS RATIO | | | | | | | | | | | | |
| Balanced Budget | >= \$0 | ● 6,936 | ● 6,897 | ● 6,961 | ● 7,072 | ● 8,951 | ● 10,431 | ● 10,243 | ● 9,916 | ● 9,281 | ● 8,993 | ● 8,728 |
| Operating Performance Ratio | > 0% | ● 0.2% | ● 0.2% | ● 0.1% | ● 0.1% | ● 1.0% | ● 1.6% | ● 1.3% | ● 1.0% | ● 0.6% | ● 0.4% | ● 0.1% |
| Own Source Operating Revenue | >= 60% | ● 89.7% | ● 89.8% | ● 90.0% | ● 90.1% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.1% |
| OPERATIONAL LIQUIDITY | | | | | | | | | | | | |
| Unrestricted Cash - | | | | | | | | | | | | |
| Cash & Investments less restricted reserves | >= \$750k | ● 1,836 | ● 1,684 | ● 964 | ● 1,372 | ● 1,569 | ● 1,524 | ● 1,518 | ● 1,401 | ● 1,630 | ● 860 | ● 1,109 |
| Unrestricted Current Ratio | >= 1.50 | ● 1.4 | ● 1.3 | ● 1.4 | ● 1.4 | ● 1.4 | ● 1.3 | ● 1.3 | ● 1.3 | ● 1.2 | ● 1.2 | ● 1.2 |
| Cash Expense Cover Ratio | >= 3 months | ● 36 | ● 33 | ● 29 | ● 26 | ● 24 | ● 22 | ● 20 | ● 18 | ● 16 | ● 14 | ● 13 |
| DEBT SERVICE COVERAGE RATIO | | | | | | | | | | | | |
| | Ratio Target > or = 2 | ● 31 | ● 19 | ● 17 | ● 21 | ● 25 | ● 31 | ● 35 | ● 35 | ● 36 | ● 36 | ● 37 |
| ASSET SUSTAINABILITY RATIO | | | | | | | | | | | | |
| Asset Maintenance Ratio | | | | | | | | | | | | |
| Capital Expenditure Ratio | Ratio Target 90% to 100% | ● 79% | ● 72% | ● 50% | ● 50% | ● 50% | ● 49% | ● 48% | ● 40% | ● 40% | ● 41% | ● 41% |
| Capital Expenditure as a percentage of Total Revenue | Ratio Target > or = 1 | ● 2.2 | ● 2.3 | ● 2.3 | ● 2.3 | ● 1.8 | ● 1.9 | ● 1.9 | ● 1.9 | ● 2.2 | ● 1.9 | ● 1.7 |
| | Ratio Target > or = 20% | ● 33% | ● 36% | ● 36% | ● 36% | ● 30% | ● 30% | ● 31% | ● 31% | ● 35% | ● 31% | ● 27% |

Scenario 2 – Best Case - Harmonise to former Rockdale Minimum in 1 year

Income Statement

Income Statement - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Income from continuing operations | | | | | | | | | | | |
| Rates and annual charges | 127,109 | 130,487 | 134,414 | 138,483 | 142,614 | 146,794 | 151,020 | 155,366 | 159,835 | 164,431 | 169,156 |
| User charges and fees | 10,359 | 12,274 | 13,679 | 14,901 | 15,345 | 15,792 | 16,279 | 16,798 | 17,310 | 17,836 | 18,377 |
| Interest and investment revenue | 4,160 | 2,643 | 2,502 | 2,492 | 3,064 | 4,037 | 4,148 | 4,304 | 4,186 | 4,083 | 3,861 |
| Other revenues | 14,039 | 17,018 | 18,396 | 18,783 | 19,177 | 19,580 | 19,991 | 20,411 | 20,840 | 21,277 | 21,724 |
| Grants and contributions - Operating | 11,203 | 11,825 | 12,073 | 12,327 | 12,586 | 12,878 | 13,207 | 13,573 | 13,980 | 14,400 | 14,832 |
| Grants and contributions - Capital | 6,589 | 6,589 | 6,727 | 6,868 | 7,074 | 7,286 | 7,505 | 7,730 | 7,962 | 8,201 | 8,447 |
| Total Income | 173,459 | 180,836 | 187,792 | 193,853 | 199,860 | 206,367 | 212,150 | 218,183 | 224,113 | 230,228 | 236,397 |
| Expenses from continuing operations | | | | | | | | | | | |
| Employee benefits and oncosts | 70,849 | 72,691 | 74,508 | 76,371 | 78,446 | 81,052 | 83,777 | 86,766 | 89,811 | 92,675 | 95,630 |
| Borrowing costs | 124 | 242 | 166 | 129 | 103 | 83 | 68 | 56 | 44 | 32 | 19 |
| Materials and contracts | 47,145 | 51,608 | 54,541 | 57,021 | 57,621 | 58,535 | 60,129 | 61,760 | 63,444 | 65,159 | 66,876 |
| Depreciation and amortisation | 25,740 | 26,842 | 28,693 | 29,973 | 31,012 | 32,048 | 33,103 | 34,221 | 35,440 | 36,627 | 37,720 |
| Other expenses | 22,665 | 22,475 | 22,790 | 23,109 | 23,496 | 23,954 | 24,553 | 25,167 | 25,796 | 26,441 | 27,102 |
| Total Expenses | 166,523 | 173,858 | 180,698 | 186,603 | 190,677 | 195,672 | 201,631 | 207,970 | 214,535 | 220,933 | 227,347 |
| Net Operating Result | 6,936 | 6,978 | 7,094 | 7,250 | 9,182 | 10,695 | 10,520 | 10,212 | 9,577 | 9,294 | 9,050 |
| Net operating result before grants and contributions provided for capital purposes | 347 | 389 | 367 | 382 | 2,108 | 3,409 | 3,015 | 2,482 | 1,615 | 1,093 | 603 |

Cash Flow Statement

Statement of Cash Flows - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flows from operating activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| Rates and annual charges | 127,109 | 130,487 | 134,414 | 138,483 | 142,614 | 146,794 | 151,020 | 155,366 | 159,835 | 164,431 | 169,156 |
| User charges and fees | 9,785 | 12,079 | 13,024 | 14,287 | 14,833 | 15,276 | 15,754 | 16,257 | 16,756 | 17,266 | 17,791 |
| Investment revenue and interest | 4,160 | 2,643 | 2,502 | 2,492 | 3,064 | 4,037 | 4,148 | 4,304 | 4,186 | 4,083 | 3,861 |
| Grants and contributions | 17,792 | 18,413 | 18,800 | 19,195 | 19,660 | 20,165 | 20,712 | 21,303 | 21,942 | 22,601 | 23,279 |
| Other | 14,039 | 17,018 | 18,396 | 18,783 | 19,177 | 19,580 | 19,991 | 20,411 | 20,840 | 21,277 | 21,724 |
| <i>Payments:</i> | | | | | | | | | | | |
| Employee benefits and on-costs | (70,310) | (72,116) | (82,054) | (75,728) | (77,706) | (80,141) | (82,764) | (85,607) | (88,528) | (91,293) | (94,068) |
| Materials and contracts | (48,935) | (50,287) | (53,406) | (55,900) | (56,929) | (57,671) | (59,139) | (60,699) | (62,358) | (64,111) | (65,807) |
| Borrowing costs | (124) | (242) | (166) | (129) | (103) | (83) | (68) | (56) | (44) | (32) | (19) |
| Other | (22,665) | (22,475) | (22,790) | (23,109) | (23,496) | (23,954) | (24,553) | (25,167) | (25,796) | (26,441) | (27,102) |
| Net cash provided (or used) in operating | 30,852 | 35,521 | 28,719 | 38,375 | 41,114 | 44,002 | 45,100 | 46,113 | 46,833 | 47,781 | 48,815 |
| Cash flows from investing activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| Sale of investments | 5,000 | 30,000 | 33,000 | 28,000 | 10,000 | 15,000 | 20,000 | 23,000 | 25,000 | 20,000 | 20,000 |
| Sale of infrastructure, property, plant and Other | 1,505 1,592 | 1,535 - | 1,570 - | 1,608 - | 1,648 - | 1,689 - | 1,731 - | 1,774 - | 1,819 - | 1,864 - | 1,911 - |
| <i>Payments:</i> | | | | | | | | | | | |
| Purchase of investments | (4,000) | - | - | - | - | - | - | - | - | - | - |
| Purchase of infrastructure, property, plant and equipment Other | (55,560) (542) | (62,968) - | (65,202) - | (66,220) - | (55,755) - | (60,596) - | (63,930) - | (64,644) - | (77,385) - | (69,172) - | (63,185) - |
| Net cash provided (or used) in investing | (52,006) | (31,434) | (30,632) | (36,612) | (44,107) | (43,907) | (42,199) | (39,870) | (50,566) | (47,308) | (41,274) |
| Cash flows from financing activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| New loans | - | 4,825 | 4,825 | - | - | - | - | - | - | - | - |
| <i>Payments:</i> | | | | | | | | | | | |
| Loan repayments | (719) | (1,212) | (1,564) | (1,314) | (1,198) | (1,074) | (964) | (976) | (989) | (1,001) | (1,014) |
| Net cash provided (or used) in financing | (719) | 3,613 | 3,261 | (1,314) | (1,198) | (1,074) | (964) | (976) | (989) | (1,001) | (1,014) |
| Net increase / (decrease) in cash | (21,873) | 7,700 | 1,347 | 448 | (4,191) | (979) | 1,937 | 5,266 | (4,722) | (528) | 6,527 |
| Cash at the beginning of the year | 43,220 | 21,347 | 29,047 | 30,394 | 30,843 | 26,652 | 25,673 | 27,610 | 32,876 | 28,155 | 27,627 |
| Cash at the end of the year | 21,347 | 29,047 | 30,394 | 30,843 | 26,652 | 25,673 | 27,610 | 32,876 | 28,155 | 27,627 | 34,154 |

Balance Sheet

Statement of Financial Position - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current assets | | | | | | | | | | | |
| Cash and investments | 410,482 | 388,182 | 356,529 | 328,978 | 314,787 | 298,808 | 280,745 | 263,011 | 233,290 | 212,762 | 199,289 |
| Receivables | 16,803 | 16,997 | 17,653 | 18,267 | 18,779 | 19,295 | 19,820 | 20,361 | 20,915 | 21,485 | 22,071 |
| Inventories | 49 | 56 | 62 | 69 | 69 | 70 | 72 | 74 | 75 | 77 | 79 |
| Other | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 |
| Total current assets | 428,016 | 405,917 | 374,926 | 347,995 | 334,317 | 318,855 | 301,319 | 284,128 | 254,962 | 235,006 | 222,122 |
| Non-current assets | | | | | | | | | | | |
| Investments | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 |
| Infrastructure, property, plant and equipment | 1,491,049 | 1,545,069 | 1,613,586 | 1,694,250 | 1,765,209 | 1,839,428 | 1,917,464 | 2,000,749 | 2,101,514 | 2,190,027 | 2,271,079 |
| Investments accounted for using the equity method | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 |
| Total non-current assets | 1,503,732 | 1,557,752 | 1,626,269 | 1,706,933 | 1,777,892 | 1,852,111 | 1,930,147 | 2,013,432 | 2,114,197 | 2,202,710 | 2,283,762 |
| Total Assets | 1,931,748 | 1,963,669 | 2,001,195 | 2,054,928 | 2,112,209 | 2,170,966 | 2,231,465 | 2,297,560 | 2,369,158 | 2,437,716 | 2,505,883 |
| Current liabilities | | | | | | | | | | | |
| Payables | 26,475 | 27,803 | 28,944 | 30,072 | 30,764 | 31,629 | 32,620 | 33,683 | 34,771 | 35,821 | 36,892 |
| Income received in advance | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 |
| Borrowings | 756 | 1,564 | 1,314 | 1,198 | 1,074 | 964 | 976 | 989 | 1,001 | 1,014 | 509 |
| Provisions | 23,228 | 23,803 | 16,256 | 16,900 | 17,640 | 18,552 | 19,565 | 20,724 | 22,008 | 23,389 | 24,951 |
| Total current liabilities | 55,924 | 58,635 | 51,979 | 53,635 | 54,943 | 56,610 | 58,626 | 60,861 | 63,245 | 65,689 | 67,818 |
| Non-current liabilities | | | | | | | | | | | |
| Borrowings | 1,410 | 4,214 | 7,725 | 6,527 | 5,453 | 4,489 | 3,513 | 2,524 | 1,523 | 509 | - |
| Provisions | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 |
| Total non-current liabilities | 6,496 | 9,300 | 12,811 | 11,613 | 10,539 | 9,575 | 8,599 | 7,610 | 6,609 | 5,595 | 5,086 |
| Total Liabilities | 62,420 | 67,935 | 64,790 | 65,248 | 65,482 | 66,184 | 67,225 | 68,472 | 69,854 | 71,285 | 72,904 |
| NET ASSETS | 1,869,328 | 1,895,733 | 1,936,405 | 1,989,680 | 2,046,726 | 2,104,782 | 2,164,240 | 2,229,088 | 2,299,305 | 2,366,431 | 2,432,979 |
| Equity | | | | | | | | | | | |
| Accumulated surplus | 1,770,624 | 1,777,602 | 1,784,695 | 1,791,946 | 1,801,128 | 1,811,823 | 1,822,342 | 1,832,554 | 1,842,132 | 1,851,426 | 1,860,476 |
| Revaluation reserves | 98,704 | 118,132 | 151,710 | 197,735 | 245,598 | 292,959 | 341,898 | 396,534 | 457,173 | 515,005 | 572,503 |
| TOTAL EQUITY | 1,869,328 | 1,895,733 | 1,936,405 | 1,989,680 | 2,046,726 | 2,104,782 | 2,164,240 | 2,229,089 | 2,299,305 | 2,366,431 | 2,432,979 |

Key Performance Indicators

| | Target | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|--------------------------|---------|---------|---------|---------|---------|----------|----------|----------|---------|---------|---------|
| | | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s |
| OPERATING SURPLUS RATIO | | | | | | | | | | | | |
| Balanced Budget | >= \$0 | ● 6,936 | ● 6,978 | ● 7,094 | ● 7,250 | ● 9,182 | ● 10,695 | ● 10,520 | ● 10,212 | ● 9,577 | ● 9,294 | ● 9,050 |
| Operating Performance Ratio | > 0% | ● 0.2% | ● 0.2% | ● 0.2% | ● 0.2% | ● 1.1% | ● 1.7% | ● 1.5% | ● 1.2% | ● 0.7% | ● 0.5% | ● 0.3% |
| Own Source Operating Revenue | >= 60% | ● 89.7% | ● 89.8% | ● 90.0% | ● 90.1% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.2% |
| OPERATIONAL LIQUIDITY | | | | | | | | | | | | |
| Unrestricted Cash - | | | | | | | | | | | | |
| Cash & Investments less restricted reserves | >= \$750k | ● 1,836 | ● 1,765 | ● 1,159 | ● 3,690 | ● 5,498 | ● 5,681 | ● 5,913 | ● 6,052 | ● 5,512 | ● 5,008 | ● 4,960 |
| Unrestricted Current Ratio | >= 1.50 | ● 1.4 | ● 1.3 | ● 1.4 | ● 1.4 | ● 1.4 | ● 1.4 | ● 1.3 | ● 1.3 | ● 1.3 | ● 1.2 | ● 1.2 |
| Cash Expense Cover Ratio | >= 3 months | ● 36 | ● 33 | ● 29 | ● 26 | ● 24 | ● 23 | ● 21 | ● 19 | ● 16 | ● 14 | ● 13 |
| DEBT SERVICE COVERAGE RATIO | | | | | | | | | | | | |
| | Ratio Target > or = 2 | ● 31 | ● 19 | ● 17 | ● 21 | ● 26 | ● 31 | ● 35 | ● 36 | ● 36 | ● 37 | ● 37 |
| ASSET SUSTAINABILITY RATIO | | | | | | | | | | | | |
| Asset Maintenance Ratio | | | | | | | | | | | | |
| | Ratio Target 90% to 100% | ● 79% | ● 72% | ● 50% | ● 50% | ● 50% | ● 49% | ● 48% | ● 40% | ● 40% | ● 41% | ● 41% |
| Capital Expenditure Ratio | | | | | | | | | | | | |
| | Ratio Target > or = 1 | ● 2.2 | ● 2.3 | ● 2.3 | ● 2.2 | ● 1.8 | ● 1.9 | ● 1.9 | ● 1.9 | ● 2.2 | ● 1.9 | ● 1.7 |
| Capital Expenditure as a percentage of Total Revenue | | | | | | | | | | | | |
| | Ratio Target > or = 20% | ● 33% | ● 36% | ● 36% | ● 35% | ● 29% | ● 30% | ● 31% | ● 31% | ● 36% | ● 31% | ● 28% |

Scenario 3 – Worst Case

Income Statement

Income Statement - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Income from continuing operations | | | | | | | | | | | |
| Rates and annual charges | 127,109 | 130,263 | 133,973 | 137,832 | 141,762 | 145,751 | 149,798 | 153,957 | 158,229 | 162,619 | 167,130 |
| User charges and fees | 10,359 | 12,274 | 13,679 | 14,901 | 15,345 | 15,792 | 16,279 | 16,798 | 17,310 | 17,836 | 18,377 |
| Interest and investment revenue | 4,160 | 2,643 | 2,501 | 2,487 | 3,053 | 4,011 | 4,106 | 4,239 | 4,096 | 3,956 | 3,697 |
| Other revenues | 14,039 | 17,018 | 18,396 | 18,783 | 19,177 | 19,580 | 19,991 | 20,411 | 20,840 | 21,277 | 21,724 |
| Grants and contributions - Operating | 11,203 | 11,825 | 12,073 | 12,327 | 12,586 | 12,878 | 13,207 | 13,573 | 13,980 | 14,400 | 14,832 |
| Grants and contributions - Capital | 6,589 | 6,589 | 6,727 | 6,868 | 7,074 | 7,286 | 7,505 | 7,730 | 7,962 | 8,201 | 8,447 |
| Total Income | 173,459 | 180,611 | 187,349 | 193,198 | 198,997 | 205,299 | 210,886 | 216,708 | 222,417 | 228,289 | 234,207 |
| Expenses from continuing operations | | | | | | | | | | | |
| Employee benefits and oncosts | 70,849 | 72,691 | 74,508 | 76,371 | 78,446 | 81,052 | 83,777 | 86,766 | 89,811 | 92,675 | 95,630 |
| Borrowing costs | 124 | 242 | 166 | 129 | 103 | 83 | 68 | 56 | 44 | 32 | 19 |
| Materials and contracts | 47,145 | 51,608 | 54,541 | 57,021 | 57,621 | 58,535 | 60,129 | 61,760 | 63,444 | 65,159 | 66,876 |
| Depreciation and amortisation | 25,740 | 26,842 | 28,693 | 29,973 | 31,012 | 32,048 | 33,103 | 34,221 | 35,440 | 36,627 | 37,720 |
| Other expenses | 22,665 | 22,475 | 22,790 | 23,109 | 23,496 | 23,954 | 24,553 | 25,167 | 25,796 | 26,441 | 27,102 |
| Total Expenses | 166,523 | 173,858 | 180,698 | 186,603 | 190,677 | 195,672 | 201,631 | 207,970 | 214,535 | 220,933 | 227,347 |
| Net Operating Result | 6,936 | 6,753 | 6,651 | 6,595 | 8,319 | 9,627 | 9,256 | 8,738 | 7,881 | 7,356 | 6,860 |
| Net operating result before grants and contributions provided for capital purposes | 347 | 165 | (76) | (273) | 1,245 | 2,340 | 1,751 | 1,007 | (81) | (845) | (1,587) |

Cash Flow Statement

Statement of Cash Flows - Consolidated

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flows from operating activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| Rates and annual charges | 127,109 | 130,263 | 133,973 | 137,832 | 141,762 | 145,751 | 149,798 | 153,957 | 158,229 | 162,619 | 167,130 |
| User charges and fees | 9,785 | 12,079 | 13,085 | 14,316 | 14,861 | 15,302 | 15,779 | 16,283 | 16,783 | 17,294 | 17,821 |
| Investment revenue and interest | 4,160 | 2,643 | 2,501 | 2,487 | 3,053 | 4,011 | 4,106 | 4,239 | 4,096 | 3,956 | 3,697 |
| Grants and contributions | 17,792 | 18,413 | 18,800 | 19,195 | 19,660 | 20,165 | 20,712 | 21,303 | 21,942 | 22,601 | 23,279 |
| Other | 14,039 | 17,018 | 18,396 | 18,783 | 19,177 | 19,580 | 19,991 | 20,411 | 20,840 | 21,277 | 21,724 |
| <i>Payments:</i> | | | | | | | | | | | |
| Employee benefits and on-costs | (70,310) | (72,116) | (82,054) | (75,728) | (77,706) | (80,141) | (82,764) | (85,607) | (88,528) | (91,293) | (94,068) |
| Materials and contracts | (48,935) | (50,287) | (53,406) | (55,900) | (56,929) | (57,671) | (59,139) | (60,699) | (62,358) | (64,111) | (65,807) |
| Borrowing costs | (124) | (242) | (166) | (129) | (103) | (83) | (68) | (56) | (44) | (32) | (19) |
| Other | (22,665) | (22,475) | (22,790) | (23,109) | (23,496) | (23,954) | (24,553) | (25,167) | (25,796) | (26,441) | (27,102) |
| Net cash provided (or used) in operating | 30,852 | 35,296 | 28,337 | 37,748 | 40,279 | 42,960 | 43,861 | 44,664 | 45,164 | 45,871 | 46,654 |
| Cash flows from investing activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| Sale of investments | 5,000 | 30,000 | 33,000 | 28,000 | 10,000 | 15,000 | 20,000 | 23,000 | 25,000 | 20,000 | 20,000 |
| Sale of infrastructure, property, plant and Other | 1,505 1,592 | 1,535 - | 1,570 - | 1,608 - | 1,648 - | 1,689 - | 1,731 - | 1,774 - | 1,819 - | 1,864 - | 1,911 - |
| <i>Payments:</i> | | | | | | | | | | | |
| Purchase of investments | (4,000) | - | - | - | - | - | - | - | - | - | - |
| Purchase of infrastructure, property, plant and equipment Other | (55,560) (542) | (62,968) - | (65,202) - | (66,220) - | (55,755) - | (60,596) - | (63,930) - | (64,644) - | (77,385) - | (69,172) - | (63,185) - |
| Net cash provided (or used) in investing | (52,006) | (31,434) | (30,632) | (36,612) | (44,107) | (43,907) | (42,199) | (39,870) | (50,566) | (47,308) | (41,274) |
| Cash flows from financing activities | | | | | | | | | | | |
| <i>Receipts:</i> | | | | | | | | | | | |
| New loans | - | 4,825 | 4,825 | - | - | - | - | - | - | - | - |
| <i>Payments:</i> | | | | | | | | | | | |
| Loan repayments | (719) | (1,212) | (1,564) | (1,314) | (1,198) | (1,074) | (964) | (976) | (989) | (1,001) | (1,014) |
| Net cash provided (or used) in financing | (719) | 3,613 | 3,261 | (1,314) | (1,198) | (1,074) | (964) | (976) | (989) | (1,001) | (1,014) |
| Net increase / (decrease) in cash | (21,873) | 7,476 | 965 | (178) | (5,026) | (2,021) | 698 | 3,818 | (6,390) | (2,437) | 4,366 |
| Cash at the beginning of the year | 43,220 | 21,347 | 28,823 | 29,788 | 29,610 | 24,584 | 22,563 | 23,261 | 27,079 | 20,689 | 18,251 |
| Cash at the end of the year | 21,347 | 28,823 | 29,788 | 29,610 | 24,584 | 22,563 | 23,261 | 27,079 | 20,689 | 18,251 | 22,618 |

Balance Sheet**Statement of Financial Position - Consolidated**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current assets | | | | | | | | | | | |
| Cash and investments | 410,482 | 387,958 | 355,923 | 327,745 | 312,719 | 295,698 | 276,396 | 257,214 | 225,824 | 203,386 | 187,753 |
| Receivables | 16,803 | 16,997 | 17,592 | 18,177 | 18,661 | 19,151 | 19,651 | 20,166 | 20,693 | 21,234 | 21,791 |
| Inventories | 49 | 56 | 62 | 69 | 69 | 70 | 72 | 74 | 75 | 77 | 79 |
| Other | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 | 682 |
| Total current assets | 428,016 | 405,692 | 374,259 | 346,672 | 332,131 | 315,601 | 296,801 | 278,135 | 247,274 | 225,380 | 210,305 |
| Non-current assets | | | | | | | | | | | |
| Investments | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 | 7,096 |
| Infrastructure, property, plant and equipment | 1,491,049 | 1,545,069 | 1,613,586 | 1,694,250 | 1,765,209 | 1,839,428 | 1,917,464 | 2,000,749 | 2,101,514 | 2,190,027 | 2,271,079 |
| Investments accounted for using the equity method | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 | 5,587 |
| Total non-current assets | 1,503,732 | 1,557,752 | 1,626,269 | 1,706,933 | 1,777,892 | 1,852,111 | 1,930,147 | 2,013,432 | 2,114,197 | 2,202,710 | 2,283,762 |
| Total Assets | 1,931,748 | 1,963,444 | 2,000,528 | 2,053,606 | 2,110,023 | 2,167,712 | 2,226,948 | 2,291,568 | 2,361,470 | 2,428,090 | 2,494,066 |
| Current liabilities | | | | | | | | | | | |
| Payables | 26,475 | 27,803 | 28,944 | 30,072 | 30,764 | 31,629 | 32,620 | 33,683 | 34,771 | 35,821 | 36,892 |
| Income received in advance | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 | 5,465 |
| Borrowings | 756 | 1,564 | 1,314 | 1,198 | 1,074 | 964 | 976 | 989 | 1,001 | 1,014 | 509 |
| Provisions | 23,228 | 23,803 | 16,256 | 16,900 | 17,640 | 18,552 | 19,565 | 20,724 | 22,008 | 23,389 | 24,951 |
| Total current liabilities | 55,924 | 58,635 | 51,979 | 53,635 | 54,943 | 56,610 | 58,626 | 60,861 | 63,245 | 65,689 | 67,818 |
| Non-current liabilities | | | | | | | | | | | |
| Borrowings | 1,410 | 4,214 | 7,725 | 6,527 | 5,453 | 4,489 | 3,513 | 2,524 | 1,523 | 509 | - |
| Provisions | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 | 5,086 |
| Total non-current liabilities | 6,496 | 9,300 | 12,811 | 11,613 | 10,539 | 9,575 | 8,599 | 7,610 | 6,609 | 5,595 | 5,086 |
| Total Liabilities | 62,420 | 67,935 | 64,790 | 65,248 | 65,482 | 66,184 | 67,225 | 68,472 | 69,854 | 71,285 | 72,904 |
| NET ASSETS | 1,869,328 | 1,895,509 | 1,935,738 | 1,988,357 | 2,044,540 | 2,101,528 | 2,159,723 | 2,223,096 | 2,291,617 | 2,356,805 | 2,421,162 |
| Equity | | | | | | | | | | | |
| Accumulated surplus | 1,770,624 | 1,777,377 | 1,784,028 | 1,790,623 | 1,798,942 | 1,808,569 | 1,817,824 | 1,826,562 | 1,834,444 | 1,841,800 | 1,848,659 |
| Revaluation reserves | 98,704 | 118,132 | 151,710 | 197,735 | 245,598 | 292,959 | 341,898 | 396,534 | 457,173 | 515,005 | 572,503 |
| TOTAL EQUITY | 1,869,328 | 1,895,509 | 1,935,738 | 1,988,358 | 2,044,540 | 2,101,528 | 2,159,722 | 2,223,096 | 2,291,617 | 2,356,805 | 2,421,162 |

Key Performance Indicators

| | Target | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|--|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|---------|
| | | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s | \$'000s |
| OPERATING SURPLUS RATIO | | | | | | | | | | | | |
| Balanced Budget | >= \$0 | ● 6,936 | ● 6,753 | ● 6,651 | ● 6,595 | ● 8,319 | ● 9,627 | ● 9,256 | ● 8,738 | ● 7,881 | ● 7,356 | ● 6,860 |
| Operating Performance Ratio | > 0% | ● 0.2% | ● 0.1% | ● 0.0% | ● -0.1% | ● 0.6% | ● 1.2% | ● 0.9% | ● 0.5% | ● 0.0% | ● -0.4% | ● -0.7% |
| Own Source Operating Revenue | >= 60% | ● 89.7% | ● 89.8% | ● 90.0% | ● 90.1% | ● 90.1% | ● 90.2% | ● 90.2% | ● 90.2% | ● 90.1% | ● 90.1% | ● 90.1% |
| OPERATIONAL LIQUIDITY | | | | | | | | | | | | |
| Unrestricted Cash - | | | | | | | | | | | | |
| Cash & Investments less restricted reserves | >= \$750k | ● 1,836 | ● 1,540 | ● 552 | ● 2,457 | ● 3,430 | ● 2,571 | ● 1,564 | ● 254 | ● -1,954 | ● -4,367 | ● 6,577 |
| Unrestricted Current Ratio | >= 1.50 | ● 1.4 | ● 1.3 | ● 1.4 | ● 1.4 | ● 1.4 | ● 1.3 | ● 1.3 | ● 1.2 | ● 1.2 | ● 1.1 | ● 1.0 |
| Cash Expense Cover Ratio | >= 3 months | ● 36 | ● 33 | ● 29 | ● 26 | ● 24 | ● 22 | ● 20 | ● 18 | ● 16 | ● 14 | ● 12 |
| DEBT SERVICE COVERAGE RATIO | | | | | | | | | | | | |
| | Ratio Target > or = 2 | ● 31 | ● 19 | ● 17 | ● 21 | ● 25 | ● 30 | ● 34 | ● 34 | ● 34 | ● 35 | ● 35 |
| ASSET SUSTAINABILITY RATIO | | | | | | | | | | | | |
| Asset Maintenance Ratio | | | | | | | | | | | | |
| Capital Expenditure Ratio | Ratio Target 90% to 100% | ● 79% | ● 72% | ● 50% | ● 50% | ● 50% | ● 49% | ● 48% | ● 40% | ● 40% | ● 41% | ● 41% |
| Capital Expenditure as a percentage of Total Revenue | Ratio Target > or = 1 | ● 2.2 | ● 2.3 | ● 2.3 | ● 2.2 | ● 1.8 | ● 1.9 | ● 1.9 | ● 1.9 | ● 2.2 | ● 1.9 | ● 1.7 |
| | Ratio Target > or = 20% | ● 33% | ● 36% | ● 36% | ● 36% | ● 29% | ● 31% | ● 31% | ● 31% | ● 36% | ● 31% | ● 28% |