

Liverpool Plains Shire Council
Long Term Financial Plan 2022-2032



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Foreword

This Long Term Financial Plan (LTFP) is one of the documents in Liverpool Plains Shire Council's Integrated Planning and Reporting (IP&R) framework. It tests community aspirations as contained in the Community Strategic Plan against the financial realities of delivering on those aspirations. The LTFP integrates the Community Strategic Plan through the combined Delivery Program and Operational Plan.

Under the IP&R framework, this LTFP includes:

- Projected income and expenditure, balance sheet and cash flow statement;
- Planning assumptions used to develop the LTFP;
- Sensitivity analysis highlighting the factors and assumptions likely to affect the LTFP;
- Financial modelling for different scenarios; and
- Methods of monitoring financial performance.

This LTFP reflects Council's intentions at the time of adoption and will be reviewed annually as part of Council's IP&R process to ensure that it reflects the prevailing internal and external environment. As with any plan or budget, the actual results may vary from that forecast.

Integrated Planning and Reporting

The Integrated Planning and Reporting (IP&R) framework is set out in the Local Government Act 1993 and requires all councils to lead the development of long-term plans for their communities.

Underpinned by community engagement and consultation, the IP&R framework ensures that local planning and reporting is informed, relevant and responsive to community needs.

Community Strategic Plan

The Community Strategic Plan is the highest-level plan that Council prepares. Its purpose is to identify our community's main priorities and aspirations for the future and to plan strategies for achieving these goals. In doing this, the planning process considers the issues and pressures that may impact the community and the level of resources that will realistically be available to achieve its aspirations.

The Community Strategic Plan seeks to answer four key questions:

- Where are we now?
- Where do we want to be in 10 years' time?
- How will we get there?
- How will we know when we've arrived?

At an operational level, the Community Strategic Plan is implemented through Council's combined Delivery Program and Operational Plan (this document), which details the activities and actions Council will undertake to achieve our shared vision.

Resourcing Strategy

The Community Strategic Plan provides a vehicle for expressing our community's long-term aspirations. However, the vision set out in the Community Strategic Plan will not be achieved without sufficient resources – time, money, assets and people – to carry them out.

The Resourcing Strategy comprises the following components:

- Asset Management Planning
- Long Term Financial Plan (this document)
- Workforce Management Plan
- Delivery Program, and
- Operational Plan

Performance Monitoring and Review

Reporting is a key element of the IP&R framework. Council uses a variety of tools to report back to our community about our progress in achieving the Community Strategic Plan and implementing the combined Delivery Program and Operational Plan, as well as our financial performance against the annual and longer-term budgets using the following documentation:

- Delivery Program and Operation Plan Progress Reports
- Quarterly Budget Review Statements
- Annual Report (including audited Financial Statements)
- End of Term Report, and
- State of the Environment Report.

In addition to monitoring performance against the indicators in the annual statements, Council will continue to monitor the key performance indicators in accordance with the NSW Office of Local Governments Fit for the Future program for the following:

- Operating performance
- Own source operating revenues
- Building and Infrastructure renewals ratio
- Infrastructure Backlog ratio
- Asset Maintenance ratio
- Debt Service ratio, and
- Real Operating Expenditure Per Capita Ratio.

Council will review the LTFP each year in conjunction with the annual Operational Plan. The review will include an assessment of the previous year's performance in terms of the accuracy of the projections made in the LTFP compared to the actual results. Evaluation will include reviewing and amending estimates and scenarios while the assumptions will be adjusted to improve the accuracy of the LTFP.

Executive Summary

Financial sustainability is a challenge for all Local Governments, particularly councils in rural and regional Australia which are faced with the challenge of maintaining and replacing aged assets, while keeping rates and charges affordable for their communities.

As with other similarly sized councils, Liverpool Plains Shire Council does not have a large number of rateable properties to disperse the rate burden across. Further, we must deliver water, sewerage and waste services in line with relevant guidelines and regulations, while ensuring the cost to provide those services remains within our community's capacity-to-pay.

In preparing this LTFP, Council has been careful to ensure projected operating revenues and expenditures, as well as the planned capital works, are reliable and achievable – including the NSW and Commonwealth Government grants we receive. Council revised the Asset Management Plans for the 2021-2031 LTFP and is now more aware of the capital expenditure required to address the maintenance and renewal in a short- and medium- term. Council will continue to review and refine its LTFP and Assets Management Plans to reflect more accurate costs of maintaining our assets and delivering services. There is a high priority to address the deterioration of the assets that has occurred due to limited financial capacity.

Council received a two year temporary Special Rate Variation (SRV) of 8 per cent for 2021-2022 and 2022-2023. As the variation was temporary, in 2023-2024 Council is required to remove the temporary SRV and have outlined this scenario as **Alternative Scenario 1 – without SRV**. This financial plan is not sustainable. Without additional revenue supported by cost reduction and cost containment strategies, the cash position of the General Fund will deteriorate into a cash deficit position. Scenario 1 – without SRV is based on the growth of rating income being limited to the rate peg percentage, estimated at 3 per cent for 2023-2024 with the temporary SRV removed. Rates revenue will drop from \$9.1 Million in 2022-2023 back to \$7.9 Million in 2023-2024 under Scenario 1 – without SRV.

This LTFP includes a base case and two alternative scenarios:

Base Case – Existing SRV permanent: Models the extension of the temporary SRV approved by IPART permanently with increases year on year by the rate peg. In 2023-2024, the rate peg is estimated at 3 per cent. This scenario generates additional cash of \$12.85 million during the 10-year period. This scenario is marginally sustainable but could be with continued cost containment strategies.

Alternative Scenario 1 – without SRV: Models the removal of the temporary SRV and the increase in revenue being limited to the rate peg, which is estimated at 3 per cent in 2023-2024. This model does not provide a sustainable future in either the short term or long term.

Alternative Scenario 3 – Existing SRV Permanent with 5% SRV in 2025-2026: Models the extension of the temporary SRV approved by IPART permanently with an additional permanent SRV at 5 per cent in 2025-2026 and increases year on year of the rate peg. This scenario generates additional cash of \$1.62 Million during the 10-year period over the Base Case and \$14.47 Million above Scenario 1 – without SRV. This scenario is considered sustainable in the long term.

The modelling for the Water Fund and Sewer Fund is the same for all Scenarios and thus have been included with the Base Case report.

The Base Case Scenario is expected to contribute considerably to the General Fund cash position which will lead to Council avoiding a cash deficit position, allows it to address the majority of asset requirements, and maintain the cash balance for the General Fund. However, without further cost containment strategies and service productivity improvements, this scenario is considered not sound for Council's long-term future.

Council undertook a service review of non-core services and a broad cost containment review in 2021-2022 (with the assistance from Morrison Low consultants). Council approved the Commonwealth funded service to be provided by another organisation, thus maintaining service to the community, but rate payers will no longer be required to subsidise the service. The child care service to become user pays with fees increased by 7 per cent in 2020-2023 to ensure the service meets its operational costs. The fitness centre has received a grant for upgrade and installation of security to become a 24/7 operation. This improvement has been modelled to reduce the staffing levels and contain costs from December 2022. Other non-core services have had an increase in fees and charges. Council will continue to conduct reviews of each non-core service going forward.

The cost containment review highlighted a number of areas to gain quick savings. The plan for these has been implemented and will see permanent savings of around \$0.5 million per annum from 1st July 2022. The LTFP has also been modelled to provide an efficiency index over next few years for materials, contractors and consultants.

A comprehensive review of the Fees and Charges has been undertaken. Firstly, to ensure all services that are not under a community service obligation to be user pay and secondly to ensure all opportunities to charge a fee for service has been included. During this process, Council has looked at similar Council's and neighbouring Council's fees and charges to set fees. Whilst some fees have risen between 7 and 10 per cent, most fees and charges have increased by 5 per cent. Also updated were the statutory fees inline with current legislative rates.

Liverpool Plains Shire Council coal mining rates generate around \$0.48 Million per annum of Council's general income. Council's single coal mining ratepayer is planning to cease extraction of coal by 2024-2025. It is expected that the value of the mining tenement and thus NSW Valuer General's valuation to diminish. Thus, all models have been prepared on the basis of no rates revenue being generated from coal mining. For Council to maintain its general income, in 2024-2025 the other categories of rates are expected to increase by approximately 9 per cent which includes an estimated 3 per cent rate peg.

Given the large investments required in our local infrastructure it is important that the administration of the Council delivers on the capital works demand efficiently, through well planned projects that not only are cost effective to deliver, but also reduces the ongoing demand on operational and maintenance costs. Our approach to asset management planning aims to identify the lowest cost approach to the design, delivery, operations and maintenance of our infrastructure, while delivering on the service needs the community has expressed through the Community Strategic Plan.

As outlined in the Combined Delivery Program 2022-2026 and Operational Plan 2022-23, securing local water supply remains a key priority for Council. The Quipolly Water Project, comprising a new water treatment plant near Quipolly Dam and pipeline to Werris Creek and Quirindi, is funded in the LTFP through a combination of grant, borrowing and water cash reserves. Affordability of water is

essential to the community and this LTFP ensures we address our water supply needs while maintaining water prices within the community's capacity to pay.

The majority of the capital works program in this LTFP is invested on the maintenance and renewal of our local and regional transport infrastructure – roads, bridges, footpaths and stormwater assets – ensuring that we provide a safe range of transport options for the community and providing the infrastructure our local economy requires throughout the region.

Current Financial Position

Council's current financial performance, as outlined in the prior year's audited Financial Statements, can be characterised by the following:

- Council frequently reports a negative operating result for the financial year (\$3.85 million in 2021 and \$6.39 million in 2020).
- Despite significant operating deficits, Council's total cash, cash equivalents and investments remain steady with \$33.58 million in 2021 and \$34.03 million in 2020, and borrowings decreased to \$3.85 million by the end of the 2021 financial year.
- Council's expenditure on infrastructure and property, plant and equipment for the 2021 and 2020 financial years was significantly less than the depreciation expense. In 2021 Council invested \$10.59 million in assets compared to depreciation of \$14.35 million, and in 2020 Council invested \$5.38 million in assets compared to depreciation of \$13.35 million.
- Council's financial flexibility position is weak as indicated by the Operating Performance Ratio of -33.87 per cent and Own Source Operating Revenue Ratio 54.21 per cent. The Own Source Operating Revenue Ratio is at only 45.65 per cent of total revenue for the General Fund. The General Fund is reliant upon the continuation of grants from other levels of government, and any reduction could adversely affect Council's financial position and its ability to continue with maintenance of its aging infrastructure.
- Council's liquidity position (4.48 times in 2021) is comparatively sound, with an unrestricted current ratio above the benchmark of 1.5 times. Council has enough current cash to meet current liabilities as they fall due.
- Council's debt service cover ratio servicing capacity was strong (10.82 times) which is above the benchmark of 2.0 times. This indicates Council has sufficient capacity to meet current borrowings.
- Council's outstanding rates, annual and extra charges in 2021 is comparatively high at 10.02 per cent, slightly higher than the benchmark 10 per cent.
- Council has estimated \$10.60 million is required to bring assets to satisfactory standard. While Council's actual maintenance expenditure was above the required amount, the asset renewal in 2021 was \$9.48 million, below the depreciation at \$14.35 million.

IPART approved a two year temporary Special Rates Variation for 2021-2022 and 2022-2023 of 8 per cent each year. The quarterly forecast for 2021-2022 shows an improvement in Council's current financial positions as follows:

- The SRV has increased funding for roads by \$0.46 million in 2021-2022 and \$1.07 million in 2022-2023. Road renewals is forecast at \$8.24 million in 2021-2022 with depreciation estimated at \$8.16 million.
- Council's Operating Performance Ratio is expected to improve by the end of 2021-2022 to minus 22 per cent and Own Source Revenue Ratio exceeding benchmark at 68 per cent.

Planning Assumptions

Levels of Service

Current levels of core services and current asset maintenance standards are assumed to be satisfactory and have therefore been used as a baseline for the financial projections.

Council undertook a service review of non-core services and a cost review in 2021-2022 and efficiencies have resulted. Included in the Proposed Scenarios is an efficiency index as below:

Year Ending	2023	2024	2025	2026	2027 onwards
Materials	-3.0%	-2.0%	-1.0%	-1.0%	-1.0%
Contracts/Consultants	-3.0%	-3.0%	-3.0%	-2.5%	-1.0%

Workforce Levels

Workforce levels are assumed to remain largely the same. The existing structure is due for review in December 2022 and the composition of future workforce levels may change with the changing needs of the organisation.

A position vacancy rate of 5 per cent has been factored into the Proposed Scenario,

Economic Growth

The LTFP assumes minimal increased economic activity. However, Council is actively working to facilitate increased economic growth through its Tourism and Economic Development strategies. As and when any results come to fruition, future revisions to the LTFP will be made to appropriately reflect them.

Asset Renewal Predictions

This LTFP has been informed by asset renewal predictions using broad assumptions at a program level. Condition and capacity assessments are currently limited in providing confident predictions of when individual assets will require renewal or upgrade. Council will continue undertaking necessary actions which will

provide more detailed assessment and predictions of asset renewals at an asset level.

Indexation Rates

As detailed in the tables below a range of indexation has been applied to income, expenditure and capital work planning for the Proposed Scenarios.

Year Ending	2023	2024	2025	2026	2027 onwards
Rate Peg Index	3.0%	3.0%	2.5%	2.5%	2.5%
Annual Charges - Waste	3.0%	4.0%	3.0%	2.5%	2.5%
Annual Charges - Water	3.0%	5.0%	3.0%	2.5%	2.5%
Annual Charges - Sewer	5.0%	5.0%	5.0%	4.5%	2.5%
User Fees & Charges	5.0%	3.0%	3.0%	2.5%	2.5%
Water Charges	5.0%	6.0%	6.0%	5.5%	5.5%
Sewer Charges	5.0%	6.0%	6.0%	5.5%	5.5%
Other Revenue	5.0%	3.0%	3.0%	2.5%	2.5%
Labour Index	3.0%	3.0%	3.0%	2.5%	2.5%
Construction / CPI Index	3.0%	3.0%	3.0%	2.5%	2.5%

Capital works – increase to ongoing operating costs

Included in all Scenarios is the increase to Water filtration costs from 2024-2025 onwards after the commissioning of the Quipolly Water Project at \$0.2 million per annum.

Similarly, after the implementation of the Business System Remediation Project, the annual licensing fee is expected to rise by \$0.3 million per annum from 2024-2025. All other major capital projects are not expected to raise operating costs of services.

Grants Provided for Operational Purposes

Financial Assistance Grants (FAG) are received from the Commonwealth Government and are a major source of Council’s revenue. The amount of the FAG grant provided to Council each year has varied over the past 10 years with variations ranging from no increments to an increase equivalent to CPI. In recent years the FAG indexation freeze has had a significant impact on Council’s LTFP and its ability to be sustainable. Further lobbying is occurring at both a state and national level to gain an increase in this funding. For the purpose of arriving at long term financial figure, the indexation is below:

Year Ending	2023	2024	2025	2026	2027	2028	2029	2030 onwards
Percentage	2.5%	2.5%	2.5%	2.0%	2.0%	1.0%	1.0%	0.0%

Capital Grants

Capital grants of a competitive nature have been included at the cost of the project, or the anticipated portion. Projects relying upon capital grants from 2024-2025 onwards have not been included and will only continue if the funding expected is received, or otherwise prioritised by Council.

Water and Sewer Fees and Charges

A number of major upgrades in the Water and Sewerage Treatment Plants are planned, designed and costed (and in some case commenced) over the period of the LTFP.

Pricing in the areas of water and sewer will be more comprehensively reviewed in future years as more information becomes available for the detailed design and

operations for the new treatment plants. An annual increase as per the Indexation Rates above.

Fees and Charges

Council applies a range of fees and charges for services provided to the community. These are reviewed annually and set as part of Council’s Revenue Policy. The increase in fees and charges are as per the Indexation Rates above.

Capital Works Program

Capital works are asset acquisitions or building and engineering works that construct an asset. Capital works projects would typically include purchase of plant and fleet, construction of new infrastructure and upgrade of existing infrastructure.

Capital expenditure is undertaken to;

- **Renew or replace** - existing assets or a component of an asset that has reached the end of its useful life. With the exception of land, assets have limited useful lives and decline in value due to wear and tear. Examples are the resealing of an existing sealed road or replacing a roof on a building such as a public hall.
- **New** – the construction of an asset that did not previously exist.
- **Upgrade** (growth or enhancement) – increasing the capacity of existing assets beyond their original design capacity or service potential – for example, widening a bridge or extending a building.
- **Disposal or decommission** – removing an asset from service that is no longer required.

Capital Works Projections

Year Ending	Budget	Projected Capital Expenditure								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Buildings	1,118	200	200	150	150	150	150	150	150	150
Plant, Machinery and equipment	850	850	850	850	850	850	850	850	850	850
Fixtures, fittings and furniture	0	30	30	30	30	30	30	30	30	30
Computers and Telecommunications	1,100	86	86	86	86	86	86	86	86	86
Roads	14,691	6,075	6,037	6,093	6,149	6,708	7,280	7,866	8,468	9,084
Bridges	957	0	0	0	0	0	0	0	0	0
Footpaths and Cycleways	75	69	69	69	69	69	69	69	69	69
Other Structures	410	725	425	600	300	100	100	100	100	100
Stormwater	228	142	142	454	142	142	142	142	95	79
Waste	3,600	150	420	285	285	285	285	285	285	285
Water	23,720	4,316	1,835	2,256	1,887	1,901	2,417	2,434	2,451	1,970
Sewer	7,425	8,382	1,080	1,075	1,118	1,118	1,118	1,118	1,118	1,118
Total Capital Works	54,173	21,025	11,174	11,948	11,066	11,627	12,527	13,230	13,701	13,962
Represented by:										
Renew	13,807	11,773	11,027	11,551	10,997	11,369	12,458	13,061	13,632	13,751
New	40,367	9,183	78	16	0	0	0	0	0	0
Total Capital Works	54,173	20,956	11,105	11,567	10,997	11,369	12,458	13,061	13,632	13,751

Base and Alternative Scenarios

Under the IP&R framework, the development process for the LTFP should include financial modelling of different scenarios, such as planned, optimistic and conservative scenarios.

The use of scenarios provides the Council with an idea of how much flexibility is in the LTFP and how much latitude it has with various projects and scenarios.

The scenarios modelled are important when discussing the financial implications of the Community Strategic Plan with residents and will also assist in developing suitable actions for the Delivery Program.

The three scenarios outlined further below are:

- **Base Scenario** – The SRV temporarily approved by the IPART for two year will be extended and remain in Council's rate base permanently with the increase year on year of the rate peg, with 2024-2025 at 3 per cent. This scenario may be unsustainable for the long term unless supported by cost containment and productivity improvements;
- **Alternative Scenario 1** – Current SRV does not get extended beyond 2022/23. This scenario is unsustainable for short and long term; and
- **Alternative Scenario 2** – Base Scenario plus an additional SRV for 2025-2026 at 5 per cent. This scenario may also be unsustainable for the long term unless supported by cost containment and productivity improvements.

Each Scenario uses the same LTFP for the Water Fund and Sewer Fund. These plans have been included with the Base Scenario but relate to each Scenario.

PART 2 –
Assessment of Scenarios

Base Scenario

The Base Scenario sees Council's temporary 2022-2023 SRV becoming permanent and with the general income increase of the rate peg expected at 3 per cent. The projected revenues and expenditure are forecast based upon the proposed 2022-2023 Budget and incorporates cost saving and revenue increases arising from the non-core service review and the cost containment review in 2021-2022.

This scenario presents the current position if Council was to replace and renew assets as required by the updated Asset Management Plan, as well as maintain the current level of services.

Analysis of Consolidated Position

- The Income Statement reports an operating surplus due to large capital grants expected for the large Water, Sewer and Waste Management Projects in 2022-2023 and 2023-2024. While the revenue is reported in the Income Statement, the capital expenditure is not reported in the Income Statement, producing a surplus position. If the capital grants are removed, the net operating result is an operating deficit between \$3.3 million and \$4.3 million per annum.
- The Balance Sheet projects a decline in Council's cash position from \$16.9 million at the beginning of the 2023 financial year to \$13.8 million at the end of 2032 financial year.
- The Balance Sheet indicates borrowings in 2023-2024 of \$8 million for the Quipolly Water Project.
- The Cash Flow Statement indicates that Council generates an average cash surplus each year from recurrent operating activities (including recurrent grants) – but excluding non-recurrent capital grants. This surplus is required to fund an annual capital works program, finance costs of borrowings and to make principal payments on borrowings.

Analysis of General Fund

- The General Fund is expected to produce a small operating surplus each year. Before recurrent capital grants, the General Fund produces an operating deficit of approximately \$3.31 million.

- Predicted is cash growth whilst maintaining minimal capital expenditure in the mid term on renewals. The road maintenance and renewal is estimated at 10.36 million in 2022-2023 and projected to increase by CPI each year.

Analysis of Water Fund

- The Water Fund generates a modest operating surplus or deficit depending on the capital spend but also sufficient to service the new loan for the Quipolly Water Project.
- The cash position of the Water Fund deteriorates due to the Quipolly Water Project and ongoing renewals, however, does not deteriorate below the benchmark throughout the LTFP.

Analysis of Sewer Fund

- The Sewer Fund generates an operating deficit of \$0.4 million on average throughout the LTFP after 2024-2025. This is due to increased depreciation from upgraded sewer assets. In 2022-2023 and 2023-2024, Sewer capital works is funded 75 per cent by grants and thus operating surplus is attributed to the \$4.85 million each year from the grant.
- While the Sewer Fund is expected to begin the 2023 financial year with a cash balance of \$8.77 million, the large capital renewals will deplete the cash position by 2032.

Summary

The Base Scenario cash position is sustainable, however, Council's capital program does not yet meet capital depreciation year on year. Council has moved towards cost containment strategies and will need to continue to review services and improve productivity to allow for future increased expenditure on capital renewals.

Alternative Scenario 1 - (Unsustainable)

Council received a temporary SRV for two years ending in 2022-2024. This Scenario is based on the removal of the SRV, resulting in a reduction of general revenue from \$9.1 Million in 2022-2023 back to \$7.9 Million in 2024-2025.

Analysis of Consolidated Position

- Due to the reduction in revenue, the Operating result will deteriorate to a loss of around \$1 million per annum. The Operating result before capital grants will deteriorate from a loss of \$3.57 million in 2022-2023 to an average loss of \$5.23 million per annum.

- The Balance Sheet projects a decline in Council's cash position from \$16.9 million in 2022-2023 to under \$0.5 million in 2031-2032.

Analysis of General Fund

- The cash position of the General Fund will be exhausted by 2031-2032.

Summary

- The Proposed Scenario is not sustainable in the short or long term.

Alternative Scenario 2 - (Sustainable Long-Term)

Alternative Scenario 2 is modelled based on the continuation of existing temporary SRV being made permanent and an additional permanent SRV in 2024-2025 of 5 per cent. This scenario is considered to be sustainable in the long-term by avoiding a deteriorated cash position over the 10 years.

Analysis of Consolidated Position and General Fund Position

- Due to the increase in the general rate by \$1.60 million over the financial year 2024-2025 compared to the Base Scenario, the operating deficit decreases by an equivalent amount.

Summary

Alternative Scenario 2 is sustainable for the long-term future of Council. Under the proposed scenario, the operating position is improved compared to all other scenarios, and Council's cash position improves.

PART 3 –
Sensitivity Analysis

Sensitivity Analysis

Any variations to the assumptions outlined in this LTFP over the life of the plan may have a significant impact on the Council's future financial plans. The LTFP will be updated annually to ensure the assumptions continually reflect the latest information available.

Below is an analysis of how sensitive the LTFP is to possible variations.

Interest on Investments

Council has a modest investment portfolio that is subject to movements in interest rates. Investments are placed and managed in accordance with the Council's adopted Investment Policy in compliance with the *Local Government Act 1993*. As a custodian of the community's funds, the Council ensures funds are invested with the same care, diligence and skill that a prudent person would exercise.

Council currently has \$25.2million in investments. Therefore, for every 1 per cent change in the interest earned, Council's revenue will be impacted by \$0.25 million. By the end of 2021-2022, Council is likely to start using the cash investments as the Quipolly Water Project progresses.

Rate Pegging and Special Rates Variations

Any changes in rate pegging will significantly impact revenue forecasts. Given the significant uncertainty in the economic forecast, it is very likely that the actual rate peg in future years will be different from the projected in the LTFP.

The revenue expected from the temporary SRV in 2022-2023 is \$9.1 million. Each half of one percent change in the rate peg will affect the total general income by \$0.05 million.

Inflation (CPI and Local Government Index)

Changes in inflation will impact both revenue and expenditure, including the Financial Assistance Grants provided by the Commonwealth Government. Given the heavy reliance upon grant funding, the LTFP is particularly sensitive to the change in the indexation applied to grants.

For every half of one percent variation in the indexation applied to grants for operating purposes Council's revenue base will change by \$0.04 million.

Employee Costs

Given that Council's employee costs for 2022-2023 is estimated to be \$11.17 million (including capitalised cost), any variation to the percentage increase/decrease will have a significant impact on the operating expenditure, capital works costs and employee related liabilities for Council.

For each half of one percent variation in the annual increase to employee costs, the operating expenditure will vary by \$0.06 million.

APPENDIX A:
Current Financial Policies

Current Financial Policies

In developing this LTFP, the following policies of Council have been considered. These policies may be accessed from Council's website at www.liverpoolplains.nsw.gov.au.

Investment Policy

Council must comply with the Ministerial Investment Order (revised on a periodic basis) which notifies forms of investment for the purposes of section 625 (2) of the *Local Government Act 1993*. Council has an investment policy which meets the requirements of the Order and the Act and can be summarised to:

- Undertake authorised investment of surplus funds not required to meet commitments after consideration of credit risk and diversification limits as set out in the policy
- Maximise earnings from authorised investments and ensure the security of Council funds
- Ensure the availability of sufficient funds to meet Council's ongoing commitments for salary, wages, loan repayments, contract payments and general payments and limit usage of the overdraft facility, and
- Meet obligations under Council's Charter as the custodian and trustee of public assets and to effectively account for and manage those assets for which it is responsible.

Revenue (Fees & Charges)

Council's Schedule of Fees and Charges is contained in the Revenue Policy, which is adopted through the annual Operational Plan process. Council's fees and charges range from regulatory prescribed fees, minimum contribution to full cost and overhead recovery.

Loan Borrowings

This policy is to establish guidelines for loan borrowings. Council uses loan funds when it considers that it is in the best interests of the community to carry out capital works or purchase assets and the funding of these purchases are not able to be sourced from existing budgets.

APPENDIX B:

Base Scenario (Cash flow Sustainable)

Base Scenario – Consolidated – Income Statement – 2023
144% existing SRV + 3% – Consolidated – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	14,196	14,668	15,139	15,549	15,940	16,341	16,752	17,173	17,605	18,047
User Charges and Fees	4,652	4,844	5,029	5,199	5,375	5,557	5,748	5,945	6,151	6,365
Interest and Investment Revenue	173	179	184	189	193	198	203	208	213	219
Grants and Contributions - Operating	7,365	7,526	7,720	7,891	8,065	8,196	8,329	8,418	8,508	8,601
Grants and Contributions - Capital	32,536	10,835	4,298	4,565	4,198	3,998	3,998	3,998	3,998	3,998
Other Revenues	575	593	610	626	641	657	674	691	708	726
Total Income from Continuing Operations	59,498	38,644	32,981	34,018	34,412	34,948	35,704	36,433	37,183	37,955
Expenses from Continuing Operations										
Employee Benefits and on-costs	10,019	10,325	10,640	10,911	11,270	11,642	12,026	12,422	12,832	13,256
Borrowing Costs	456	465	439	411	383	355	324	294	248	203
Materials and Contracts	6,363	6,709	6,754	6,819	6,885	7,015	7,148	7,284	7,422	7,563
Depreciation and Amortisation	11,328	12,101	12,623	12,728	12,728	12,728	12,728	12,728	12,728	12,728
Other Expenses	2,363	2,441	2,516	2,597	2,702	2,831	2,980	3,143	3,323	3,521
Total Expenses from Continuing Operations	30,528	32,040	32,971	33,465	33,968	34,571	35,206	35,871	36,553	37,271
Net Operating Result for the Year	28,970	6,604	10	553	444	377	498	562	630	684
Net Operating Result before Grants and Contributions provided for Capital Purposes	(3,566)	(4,232)	(4,288)	(4,012)	(3,754)	(3,621)	(3,500)	(3,436)	(3,368)	(3,314)

Base Scenario – With existing SRV + 3% – Consolidated – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	16,893	13,132	12,691	14,427	15,603	16,447	16,510	15,977	15,027	13,840
Receivables	2,212	2,178	2,217	2,284	2,344	2,412	2,483	2,550	2,620	2,691
Other assets	697	697	1,502	697	697	697	697	697	697	697
Total Current Assets	19,803	16,007	16,410	17,408	18,644	19,556	19,689	19,224	18,344	17,227
Non-Current Assets										
Infrastructure, property, plant & equipment	551,239	560,163	558,714	557,934	556,271	555,170	554,969	555,471	556,444	557,678
Investment Property	600	600	600	600	600	600	600	600	600	600
Total Non-Current Assets	551,839	560,763	559,314	558,534	556,871	555,770	555,569	556,071	557,044	558,278
TOTAL ASSETS	571,641	576,770	575,724	575,942	575,515	575,326	575,258	575,295	575,388	575,505
LIABILITIES										
Current Liabilities										
Payables	3,026	1,504	1,063	1,365	1,122	1,195	1,283	1,426	1,511	1,624
Borrowings	558	665	677	689	704	719	733	749	765	736
Provisions	1,785	1,837	1,891	1,938	2,005	2,074	2,145	2,219	2,296	2,375
Total Current Liabilities	5,369	4,006	3,631	3,992	3,830	3,988	4,161	4,394	4,572	4,735
Non-Current Liabilities										
Borrowings	10,489	10,376	9,696	9,000	8,290	7,567	6,828	6,070	5,355	4,625
Provisions	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587
Total Non-Current Liabilities	23,076	22,963	22,283	21,587	20,877	20,154	19,415	18,657	17,942	17,212
TOTAL LIABILITIES	28,445	26,969	25,914	25,579	24,707	24,142	23,576	23,051	22,514	21,947
Net Assets	543,196	549,800	549,810	550,363	550,808	551,184	551,682	552,244	552,874	553,557
EQUITY										
Retained Earnings	252,067	258,671	258,681	259,234	259,679	260,055	260,553	261,115	261,745	262,428
Revaluation Reserves	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129
TOTAL EQUITY	543,196	549,800	549,810	550,363	550,808	551,184	551,682	552,244	552,874	553,557

Base Scenario – With existing SRV + 3% – Consolidated – Cashflow Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Cash flows from operating Activities										
Receipts:										
Rates and annual charges	14,122	14,621	15,092	15,508	15,901	16,301	16,711	17,131	17,561	18,003
User charges and fees	4,364	4,805	4,992	5,165	5,339	5,521	5,710	5,906	6,110	6,322
Investment and interest revenue received	186	186	185	187	192	195	201	210	215	221
Grants and contributions	39,901	18,361	12,018	12,456	12,263	12,194	12,327	12,416	12,506	12,599
Other	622	706	654	636	657	669	684	702	721	740
Payments:										
Employee benefits and on-costs	-10,013	-10,272	-10,585	-10,864	-11,204	-11,573	-11,954	-12,348	-12,756	-13,177
Materials and contracts	-5,926	-7,679	-8,003	-5,718	-7,134	-6,946	-7,066	-7,149	-7,287	-7,444
Borrowing costs	-456	-465	-439	-411	-383	-355	-324	-294	-248	-203
Other	-2,363	-2,441	-2,516	-2,597	-2,702	-2,831	-2,980	-3,143	-3,323	-3,521
Net cash provided (or used in) operating activities	40,438	17,822	11,398	14,361	12,930	13,175	13,309	13,430	13,500	13,539
Cash flows from investing activities										
Payments:										
Purchase of infrastructure, property, plant	-54,173	-21,025	-11,174	-11,948	-11,066	-11,627	-12,527	-13,230	-13,701	-13,962
Net cash provided (or used in) investing activities	-54,173	-21,025	-11,174	-11,948	-11,066	-11,627	-12,527	-13,230	-13,701	-13,962
Cash flows from financing activities										
Receipts:										
Proceeds from borrowing and advances	8,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	-547	-558	-665	-677	-689	-704	-719	-733	-749	-765
Net cash flow provided (or used in) financing activities	7,453	-558.129	-665	-677	-689	-704	-719	-733	-749	-765
Net increase/(decrease) in cash and cash equivalents	-6,283	-3,762	-441	1,737	1,175	844	63	-533	-950	-1,188
Plus: Cash and cash equivalents and investments - beginning of year	23,176	16,893	13,132	12,691	14,427	15,603	16,447	16,510	15,977	15,027
Cash and cash equivalents and investments - end of the year	16,893	13,132	12,691	14,427	15,603	16,447	16,510	15,977	15,027	13,840

Base Scenario – With existing SRV + 3% – General Fund – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	10,505	10,853	11,182	11,463	11,752	12,048	12,352	12,663	12,982	13,309
User Charges and Fees	3,342	3,456	3,559	3,648	3,739	3,832	3,928	4,026	4,127	4,230
Interest and Investment Revenue	110	114	117	120	123	126	129	132	136	139
Grants and Contributions - Operating	7,365	7,526	7,720	7,891	8,065	8,196	8,329	8,418	8,508	8,601
Grants and Contributions - Capital	14,557	4,135	4,235	4,185	4,135	3,935	3,935	3,935	3,935	3,935
Other Revenues	574	592	609	625	640	656	673	689	707	724
Total Income from Continuing Operations	36,454	26,675	27,422	27,931	28,454	28,794	29,346	29,863	30,394	30,938
Expenses from Continuing Operations										
Employee Benefits and on-costs	8,878	9,149	9,428	9,668	9,987	10,315	10,655	11,006	11,369	11,744
Borrowing Costs	12	-459	-432	-404	-376	-349	-318	-287	-241	-196
Materials and Contracts	5,138	5,367	5,399	5,444	5,491	5,599	5,711	5,824	5,940	6,058
Depreciation and Amortisation	9,566	9,778	9,843	9,843	9,843	9,843	9,843	9,843	9,843	9,843
Other Expenses	2,081	2,157	2,231	2,309	2,407	2,525	2,658	2,804	2,965	3,142
Total Expenses from Continuing Operations	25,675	25,992	26,468	26,860	27,351	27,933	28,548	29,189	29,875	30,590
Net Operating Result for the Year	10,779	683	954	1,071	1,103	860	798	674	519	348
Net Operating Result before Grants and	(3,778)	(3,452)	(3,281)	(3,114)	(3,032)	(3,075)	(3,137)	(3,261)	(3,416)	(3,587)

Base Scenario – With existing SRV + 3% – General Fund – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	4,055	4,674	6,175	8,708	10,970	12,449	13,477	13,728	13,358	12,073
Receivables	1,499	1,496	1,512	1,549	1,585	1,624	1,666	1,702	1,739	1,778
Other assets	697	697	1,502	697	697	697	697	697	697	697
Total Current Assets	6,251	6,867	9,189	10,953	13,251	14,770	15,839	16,128	15,794	14,547
Non-Current Assets										
Infrastructure, property, plant & equipment	427,333	425,825	424,269	423,788	422,451	421,867	421,672	422,207	423,211	425,007
Investment Property	600	600	600	600	600	600	600	600	600	600
Total Non-Current Assets	427,933	426,425	424,869	424,388	423,051	422,467	422,272	422,807	423,811	425,607
TOTAL ASSETS	434,183	433,292	434,058	435,342	436,303	437,237	438,111	438,935	439,605	440,154
LIABILITIES										
Current Liabilities										
Payables	2,594	1,029	849	1,078	932	999	1,066	1,204	1,284	1,406
Contract Liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings	63	63	63	63	63	63	63	63	63	63
Provisions	1,785	1,837	1,891	1,938	2,005	2,074	2,145	2,219	2,296	2,375
Total Current Liabilities	4,441	2,929	2,803	3,079	2,999	3,136	3,274	3,486	3,642	3,844
Non-Current Liabilities										
Borrowings	443	380	318	255	193	130	68	5	0	0
Provisions	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587
Total Non-Current Liabilities	13,030	12,967	12,905	12,842	12,780	12,717	12,655	12,592	12,587	12,587
TOTAL LIABILITIES	17,471	15,896	15,708	15,921	15,779	15,853	15,928	16,078	16,229	16,431
Net Assets	416,712	417,396	418,350	419,421	420,524	421,384	422,182	422,857	423,376	423,723
EQUITY										
Retained Earnings	178,823	179,507	180,461	181,532	182,635	183,495	184,293	184,968	185,487	185,834
Revaluation Reserves	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889
TOTAL EQUITY	416,712	417,396	418,350	419,421	420,524	421,384	422,182	422,857	423,376	423,723

Base Scenario – With existing SRV + 3% – General Fund – Cashflow Statement

Year Ending	Budget	Projected Years									
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	
Cash flows from operating Activities											
Receipts:											
Rates and annual charges	10,447	10,819	11,149	11,435	11,723	12,019	12,321	12,632	12,950	13,276	
User charges and fees	3,010	3,433	3,538	3,630	3,721	3,814	3,909	4,007	4,107	4,209	
Investment and interest revenue received	119	119	118	118	120	123	125	134	138	141	
Grants and contributions	21,922	11,661	11,955	12,076	12,200	12,131	12,264	12,353	12,443	12,536	
Other	638	647	645	636	655	668	685	701	720	737	
Payments:	0	0	0	0	0	0	0	0	0	0	
Employee benefits and on-costs	-8,872	-9,096	-9,374	-9,622	-9,920	-10,246	-10,584	-10,932	-11,293	-11,665	
Materials and contracts	-5,040	-6,379	-5,808	-4,541	-5,455	-5,540	-5,643	-5,714	-5,830	-5,935	
Borrowing costs	-12	459	432	404	376	349	318	287	241	196	
Other	-2,081	-2,157	-2,231	-2,309	-2,407	-2,525	-2,658	-2,804	-2,965	-3,142	
Net cash provided (or used in) operating activities	20,131	9,504	10,425	11,826	11,012	10,792	10,739	10,664	10,511	10,354	
Cash flows from investing activities											
Payments:											
Purchase of infrastructure, property, plant	-23,513	-8,823	-8,862	-9,231	-8,688	-9,250	-9,648	-10,349	-10,819	-11,577	
Net cash provided (or used in) investing activities	-23,513	-8,823	-8,862	-9,231	-8,688	-9,250	-9,648	-10,349	-10,819	-11,577	
Cash flows from financing activities											
Receipts:											
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0	
Payments:											
Repayment of borrowings and advances	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	
Net cash flow provided (or used in) financing activities	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	
Net increase/(decrease) in cash and cash equivalents	-3,444	619	1,501	2,533	2,262	1,479	1,028	252	-370	-1,285	
Plus: Cash and cash equivalents and investments at start of year	7,499	4,055	4,674	6,175	8,708	10,970	12,449	13,477	13,728	13,358	
Cash and cash equivalents and investments at end of year	4,055	4,674	6,175	8,708	10,970	12,449	13,477	13,728	13,358	12,073	

Base Scenario – Water Fund – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	2,376	2,460	2,534	2,598	2,663	2,729	2,797	2,867	2,939	3,012
User Charges and Fees	1,134	1,201	1,273	1,343	1,416	1,493	1,575	1,661	1,752	1,848
Interest and Investment Revenue	22	23	23	24	25	25	26	27	27	28
Grants and Contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants and Contributions - Capital	13,133	1,854	35	352	35	35	35	35	35	35
Other Revenues	1	1	1	1	1	1	1	1	1	1
Total Income from Continuing Operations	16,666	5,539	3,867	4,317	4,139	4,284	4,435	4,591	4,754	4,925
Expenses from Continuing Operations										
Employee Benefits and on-costs	831	856	883	905	935	965	997	1,029	1,063	1,098
Borrowing Costs	444	459	432	404	376	349	318	287	241	196
Materials and Contracts	875	961	970	985	999	1,014	1,030	1,045	1,061	1,077
Depreciation and Amortisation	1,040	1,560	1,716	1,716	1,716	1,716	1,716	1,716	1,716	1,716
Other Expenses	205	206	204	203	206	213	221	231	242	254
Total Expenses from Continuing Operations	3,395	4,042	4,206	4,214	4,233	4,257	4,282	4,309	4,323	4,341
Net Operating Result for the Year	13,271	1,498	(339)	104	(93)	27	153	282	431	584
Net Operating Result before Grants and Contributions provided for Capital Purposes	138	(356)	(374)	(248)	(128)	(8)	118	247	396	549

Base Scenario – Water Fund – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	5,695	4,488	3,364	3,045	2,694	2,520	1,959	1,521	1,215	1,512
Receivables	547	509	523	545	563	585	608	632	658	683
Total Current Assets	6,242	4,996	3,887	3,589	3,256	3,105	2,567	2,153	1,872	2,195
Non-Current Assets										
Infrastructure, property, plant & equipment	90,239	93,051	93,143	92,937	92,535	92,070	92,116	92,135	92,156	91,646
Total Non-Current Assets	90,239	93,051	93,143	92,937	92,535	92,070	92,116	92,135	92,156	91,646
TOTAL ASSETS	96,481	98,047	97,030	96,526	95,791	95,175	94,682	94,288	94,028	93,840
LIABILITIES										
Current Liabilities										
Payables	185	197	124	138	129	131	148	151	153	141
Borrowings	496	602	614	626	641	656	670	686	702	673
Total Current Liabilities	680	800	739	765	770	787	819	837	856	815
Non-Current Liabilities										
Borrowings	10,046	9,996	9,378	8,745	8,097	7,437	6,760	6,065	5,355	4,625
Total Non-Current Liabilities	10,046	9,996	9,378	8,745	8,097	7,437	6,760	6,065	5,355	4,625
TOTAL LIABILITIES	10,727	10,796	10,117	9,509	8,867	8,224	7,579	6,902	6,211	5,440
Net Assets	85,754	87,252	86,913	87,017	86,924	86,951	87,103	87,386	87,817	88,401
EQUITY										
Retained Earnings	54,955	56,453	56,114	56,218	56,125	56,152	56,304	56,587	57,018	57,602
Revaluation Reserves	30,799	30,799	30,799	30,799	30,799	30,799	30,799	30,799	30,799	30,799
TOTAL EQUITY	85,754	87,252	86,913	87,017	86,924	86,951	87,103	87,386	87,817	88,401

Base Scenario – Water Fund – Cashflow Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Cash flows from operating Activities										
Receipts:										
Rates and annual charges	2,367	2,452	2,527	2,591	2,656	2,722	2,791	2,860	2,932	3,005
User charges and fees	1,176	1,188	1,259	1,329	1,401	1,478	1,559	1,644	1,734	1,829
Investment and interest revenue received	26	25	23	24	27	25	28	27	27	28
Grants and contributions	13,133	1,854	35	352	35	35	35	35	35	35
Other	-17	59	8	-0	2	1	-0	1	1	3
Payments:										
Employee benefits and on-costs	-831	-856	-883	-905	-935	-965	-997	-1,029	-1,063	-1,098
Materials and contracts	-697	-948	-1,622	-846	-1,068	-1,008	-1,019	-1,023	-1,039	-1,084
Borrowing costs	-444	-459	-432	-404	-376	-349	-318	-287	-241	-196
Other	-205	-206	-204	-203	-206	-213	-221	-231	-242	-254
Net cash provided (or used in) operating activities	14,508	3,108	711	1,936	1,536	1,727	1,856	1,996	2,144	2,267
Cash flows from investing activities										
Payments:										
Purchase of infrastructure, property, plant	-23,236	-3,820	-1,232	-1,641	-1,260	-1,260	-1,761	-1,763	-1,764	-1,267
Net cash provided (or used in) investing activities	-23,236	-3,820	-1,232	-1,641	-1,260	-1,260	-1,761	-1,763	-1,764	-1,267
Cash flows from financing activities										
Receipts:										
Proceeds from borrowing and advances	8,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	-484	-496	-602	-614	-626	-641	-656	-670	-686	-702
Net cash flow provided (or used in) financing activities	7,516	-495.603	-602.474	-614.474	-626.474	-641.474	-656.474	-670.474	-686.474	-702.474
Net increase/(decrease) in cash and cash equivalents	-1,212	-1,208	-1,124	-319	-351	-174	-561	-438	-306	297
Plus: Cash and cash equivalents and investments - beginning of year	6,907	5,695	4,488	3,364	3,045	2,694	2,520	1,959	1,521	1,215
Cash and cash equivalents and investments - end of the year	5,695	4,488	3,364	3,045	2,694	2,520	1,959	1,521	1,215	1,512

Base Scenario – Sewer Fund – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	1,315	1,355	1,423	1,488	1,526	1,564	1,603	1,643	1,684	1,726
User Charges and Fees	176	186	197	208	220	232	244	258	272	287
Interest and Investment Revenue	41	42	43	45	46	47	48	49	50	52
Grants and Contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants and Contributions - Capital	4,847	4,847	28	28	28	28	28	28	28	28
Other Revenues	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	6,379	6,430	1,692	1,769	1,819	1,870	1,923	1,978	2,034	2,093
Expenses from Continuing Operations										
Employee Benefits and on-costs	310	319	329	337	349	361	374	387	400	414
Borrowing Costs	0	465	439	411	383	355	324	294	248	203
Materials and Contracts	350	381	385	390	395	402	408	414	421	428
Depreciation and Amortisation	722	763	1,064	1,170	1,170	1,170	1,170	1,170	1,170	1,170
Other Expenses	76	79	81	84	88	94	100	108	116	126
Total Expenses from Continuing Operations	1,458	2,007	2,298	2,391	2,385	2,381	2,376	2,373	2,355	2,340
Net Operating Result for the Year	4,920	4,423	(605)	(622)	(566)	(511)	(453)	(395)	(321)	(248)
Net Operating Result before Grants and Contributions provided for Capital Purposes	74	(424)	(633)	(650)	(594)	(539)	(481)	(423)	(349)	(276)

Base Scenario – Sewer Fund – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	7,143	3,971	3,152	2,675	1,939	1,478	1,074	728	455	255
Receivables	167	173	182	190	196	203	209	216	223	230
Total Current Assets	7,310	4,143	3,334	2,866	2,136	1,681	1,284	943	678	485
Non-Current Assets										
Infrastructure, property, plant & equipment	33,667	41,287	41,303	41,208	41,285	41,233	41,181	41,129	41,077	41,025
Total Non-Current Assets	33,667	41,287	41,303	41,208	41,285	41,233	41,181	41,129	41,077	41,025
TOTAL ASSETS	40,977	45,430	44,637	44,074	43,421	42,914	42,465	42,073	41,755	41,510
LIABILITIES										
Current Liabilities										
Payables	247	278	89	149	61	65	68	71	74	77
Total Current Liabilities	247	278	89	149	61	65	68	71	74	77
Total Non-Current Liabilities										
	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	247	278	89	149	61	65	68	71	74	77
Net Assets	40,730	45,153	44,548	43,926	43,360	42,849	42,396	42,002	41,681	41,433
EQUITY										
Retained Earnings	18,289	22,712	22,107	21,485	20,919	20,408	19,955	19,561	19,240	18,992
Revaluation Reserves	22,441	22,441	22,441	22,441	22,441	22,441	22,441	22,441	22,441	22,441
TOTAL EQUITY	40,730	45,153	44,548	43,926	43,360	42,849	42,396	42,002	41,681	41,433

Base Scenario – Sewer Fund – Cashflow Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Cash flows from operating Activities										
Receipts:										
Rates and annual charges	1,308	1,351	1,416	1,482	1,522	1,560	1,599	1,639	1,680	1,722
User charges and fees	178	184	195	206	217	229	242	255	269	284
Investment and interest revenue received	41	42	43	45	46	47	48	49	50	52
Grants and contributions	4,847	4,847	28	28	28	28	28	28	28	28
Other	0	0	0	0	0	0	0	0	0	0
Payments:										
Employee benefits and on-costs	-310	-319	-329	-337	-349	-361	-374	-387	-400	-414
Materials and contracts	-190	-351	-573	-331	-611	-398	-404	-412	-418	-425
Borrowing costs	0	-465	-439	-411	-383	-355	-324	-294	-248	-203
Other	-76	-79	-81	-84	-88	-94	-100	-108	-116	-126
Net cash provided (or used in) operating activities	5,798	5,210	261	599	382	656	714	771	845	918
Cash flows from investing activities										
Payments:										
Purchase of infrastructure, property, plant	-7,425	-8,382	-1,080	-1,075	-1,118	-1,118	-1,118	-1,118	-1,118	-1,118
Net cash provided (or used in) investing activities	-7,425	-8,382	-1,080	-1,075	-1,118	-1,118	-1,118	-1,118	-1,118	-1,118
Cash flows from financing activities										
Receipts:										
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	0	0	0	0	0	0	0	0	0	0
Net cash flow provided (or used in) financing activities	0	0	0	0	0	0	0	0	0	0
Net increase/(decrease) in cash and cash equivalents	-1,627	-3,173	-818	-477	-736	-462	-404	-347	-273	-200
Plus: Cash and cash equivalents and investments - beginning of year	8,770	7,143	3,971	3,152	2,675	1,939	1,478	1,074	728	455
Cash and cash equivalents and investments - end of the year	7,143	3,971	3,152	2,675	1,939	1,478	1,074	728	455	255

APPENDIX C:

**Alternative Scenario 1 – Without SRV
(Unsustainable)**

Scenario 1 – Without SRV – Consolidated – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	14,196	13,383	13,815	14,193	14,550	14,916	15,291	15,675	16,069	16,473
User Charges and Fees	4,652	4,844	5,029	5,199	5,375	5,557	5,748	5,945	6,151	6,365
Interest and Investment Revenue	173	179	184	189	193	198	203	208	213	219
Grants and Contributions - Operating	7,365	7,526	7,694	7,842	7,994	8,101	8,211	8,274	8,339	8,406
Grants and Contributions - Capital	32,536	10,835	4,298	4,565	4,198	3,998	3,998	3,998	3,998	3,998
Other Revenues	575	593	610	626	641	657	674	691	708	726
Total Income from Continuing Operations	59,498	37,359	31,631	32,613	32,950	33,428	34,124	34,792	35,479	36,187
Expenses from Continuing Operations										
Employee Benefits and on-costs	10,019	10,325	10,640	10,906	11,260	11,626	12,004	12,394	12,798	13,214
Borrowing Costs	456	465	439	411	383	355	324	294	248	203
Materials and Contracts	6,363	6,709	6,754	6,819	6,885	7,015	7,148	7,284	7,422	7,563
Depreciation and Amortisation	11,328	12,101	12,623	12,728	12,728	12,728	12,728	12,728	12,728	12,728
Other Expenses	2,363	2,441	2,516	2,597	2,702	2,831	2,980	3,143	3,323	3,521
Total Expenses from Continuing Operations	30,528	32,040	32,971	33,460	33,958	34,555	35,184	35,843	36,518	37,229
Net Operating Result for the Year	28,970	5,319	(1,340)	(847)	(1,007)	(1,128)	(1,060)	(1,051)	(1,039)	(1,043)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(3,566)	(5,517)	(5,638)	(5,412)	(5,205)	(5,126)	(5,058)	(5,049)	(5,037)	(5,041)

Scenario 1 - Without SRV – Consolidated – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	16,893	11,971	10,183	10,524	10,254	9,599	8,111	5,974	3,358	451
Receivables	2,212	2,053	2,090	2,152	2,206	2,268	2,331	2,389	2,455	2,518
Other assets	697	697	1,502	697	697	697	697	697	697	697
Total Current Assets	19,803	14,721	13,775	13,373	13,156	12,564	11,139	9,060	6,510	3,666
Non-Current Assets										
Infrastructure, property, plant & equipment	551,239	560,163	558,714	557,934	556,271	555,170	554,969	555,471	556,444	557,678
Investment Property	600	600	600	600	600	600	600	600	600	600
Total Non-Current Assets	551,839	560,763	559,314	558,534	556,871	555,770	555,569	556,071	557,044	558,278
TOTAL ASSETS	571,641	575,485	573,089	571,907	570,028	568,334	566,708	565,131	563,554	561,944
LIABILITIES										
Current Liabilities										
Payables	3,026	1,504	1,063	1,365	1,121	1,194	1,281	1,424	1,508	1,620
Borrowings	558	665	677	689	704	719	733	749	765	736
Provisions	1,785	1,837	1,891	1,938	2,005	2,074	2,145	2,219	2,296	2,375
Total Current Liabilities	5,369	4,006	3,631	3,992	3,830	3,987	4,159	4,392	4,569	4,731
Non-Current Liabilities										
Borrowings	10,489	10,376	9,696	9,000	8,290	7,567	6,828	6,070	5,355	4,625
Provisions	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587
Total Non-Current Liabilities	23,076	22,963	22,283	21,587	20,877	20,154	19,415	18,657	17,942	17,212
TOTAL LIABILITIES	28,445	26,969	25,914	25,579	24,707	24,141	23,574	23,049	22,511	21,943
Net Assets	543,196	548,515	547,175	546,328	545,321	544,193	543,133	542,082	541,043	540,000
EQUITY										
Retained Earnings	252,067	257,386	256,046	255,199	254,192	253,064	252,004	250,953	249,914	248,871
Revaluation Reserves	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129
TOTAL EQUITY	543,196	548,515	547,175	546,328	545,321	544,193	543,133	542,082	541,043	540,000

Scenario 1 - Without SRV – Consolidated – Cashflow Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Cash flows from operating Activities										
Receipts:										
Rates and annual charges	14,122	13,464	13,772	14,155	14,514	14,879	15,253	15,637	16,030	16,433
User charges and fees	4,364	4,805	4,992	5,165	5,339	5,521	5,710	5,906	6,110	6,322
Investment and interest revenue received	186	191	184	189	195	198	205	216	215	225
Grants and contributions	39,901	18,361	11,992	12,407	12,192	12,099	12,209	12,272	12,337	12,404
Other	622	697	654	636	656	668	684	702	721	739
Payments:										
Employee benefits and on-costs	-10,013	-10,272	-10,585	-10,859	-11,193	-11,557	-11,932	-12,320	-12,721	-13,135
Materials and contracts	-5,926	-7,679	-8,003	-5,719	-7,135	-6,946	-7,067	-7,150	-7,288	-7,444
Borrowing costs	-456	-465	-439	-411	-383	-355	-324	-294	-248	-203
Other	-2,363	-2,441	-2,516	-2,597	-2,702	-2,831	-2,980	-3,143	-3,323	-3,521
Net cash provided (or used in) operating activities	40,438	16,661	10,050	12,966	11,484	11,676	11,758	11,826	11,834	11,820
Cash flows from investing activities										
Payments:										
Purchase of infrastructure, property, plant	-54,173	-21,025	-11,174	-11,948	-11,066	-11,627	-12,527	-13,230	-13,701	-13,962
Net cash provided (or used in) investing activities	-54,173	-21,025	-11,174	-11,948	-11,066	-11,627	-12,527	-13,230	-13,701	-13,962
Cash flows from financing activities										
Receipts:										
Proceeds from borrowing and advances	8,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	-547	-558	-665	-677	-689	-704	-719	-733	-749	-765
Net cash flow provided (or used in) financing activities	7,453	-558.129	-665	-677	-689	-704	-719	-733	-749	-765
Net increase/(decrease) in cash and cash equivalents	-6,283	-4,922	-1,788	341	-270	-655	-1,488	-2,137	-2,616	-2,907
Plus: Cash and cash equivalents and investments - beginning of year	23,176	16,893	11,971	10,183	10,524	10,254	9,599	8,111	5,974	3,358
Cash and cash equivalents and investments - end of the year	16,893	11,971	10,183	10,524	10,254	9,599	8,111	5,974	3,358	451

Scenario 1 - Without SRV – General Fund – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	10,505	9,568	9,858	10,107	10,361	10,623	10,891	11,165	11,447	11,735
User Charges and Fees	3,342	3,456	3,559	3,648	3,739	3,832	3,928	4,026	4,127	4,230
Interest and Investment Revenue	110	114	117	120	123	126	129	132	136	139
Grants and Contributions - Operating	7,365	7,526	7,694	7,842	7,994	8,101	8,211	8,274	8,339	8,406
Grants and Contributions - Capital	14,557	4,135	4,235	4,185	4,135	3,935	3,935	3,935	3,935	3,935
Other Revenues	574	592	609	625	640	656	673	689	707	724
Total Income from Continuing Operations	36,454	25,390	26,072	26,526	26,992	27,273	27,766	28,222	28,690	29,169
Expenses from Continuing Operations										
Employee Benefits and on-costs	8,878	9,149	9,428	9,663	9,976	10,299	10,633	10,978	11,334	11,702
Borrowing Costs	12	-459	-432	-404	-376	-349	-318	-287	-241	-196
Materials and Contracts	5,138	5,367	5,399	5,444	5,491	5,599	5,711	5,824	5,940	6,058
Depreciation and Amortisation	9,566	9,778	9,843	9,843	9,843	9,843	9,843	9,843	9,843	9,843
Other Expenses	2,081	2,157	2,231	2,309	2,407	2,525	2,658	2,804	2,965	3,142
Total Expenses from Continuing Operations	25,675	25,992	26,468	26,855	27,340	27,917	28,526	29,161	29,840	30,548
Net Operating Result for the Year	10,779	(602)	(396)	(329)	(348)	(644)	(760)	(939)	(1,150)	(1,379)
Net Operating Result before Grants and	(3,778)	(4,737)	(4,631)	(4,514)	(4,483)	(4,579)	(4,695)	(4,874)	(5,085)	(5,314)

Scenario 1 - Without SRV – General Fund – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	4,055	3,513	3,667	4,804	5,621	5,601	5,078	3,725	1,689	-1,316
Receivables	1,499	1,372	1,385	1,417	1,446	1,480	1,514	1,541	1,575	1,606
Other assets	697	697	1,502	697	697	697	697	697	697	697
Total Current Assets	6,251	5,582	6,554	6,918	7,764	7,778	7,289	5,963	3,960	986
Non-Current Assets										
Infrastructure, property, plant & equipment	427,333	425,825	424,269	423,788	422,451	421,867	421,672	422,207	423,211	425,007
Investment Property	600	600	600	600	600	600	600	600	600	600
Total Non-Current Assets	427,933	426,425	424,869	424,388	423,051	422,467	422,272	422,807	423,811	425,607
TOTAL ASSETS	434,183	432,007	431,423	431,306	430,815	430,245	429,560	428,771	427,771	426,593
LIABILITIES										
Current Liabilities										
Payables	2,594	1,029	849	1,078	931	998	1,064	1,202	1,281	1,402
Borrowings	63	63	63	63	63	63	63	63	63	63
Provisions	1,785	1,837	1,891	1,938	2,005	2,074	2,145	2,219	2,296	2,375
Total Current Liabilities	4,441	2,929	2,803	3,079	2,998	3,135	3,272	3,484	3,639	3,840
Non-Current Liabilities										
Borrowings	443	380	318	255	193	130	68	5	0	0
Provisions	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587
Total Non-Current Liabilities	13,030	12,967	12,905	12,842	12,780	12,717	12,655	12,592	12,587	12,587
TOTAL LIABILITIES	17,471	15,896	15,708	15,921	15,778	15,852	15,927	16,076	16,226	16,427
Net Assets	416,712	416,110	415,715	415,385	415,037	414,393	413,634	412,695	411,545	410,166
EQUITY										
Retained Earnings	178,823	178,221	177,826	177,496	177,148	176,504	175,745	174,806	173,656	172,277
Revaluation Reserves	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889
TOTAL EQUITY	416,712	416,110	415,715	415,385	415,037	414,393	413,634	412,695	411,545	410,166

Scenario 1 - Without SRV – General Fund – Cashflow Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Cash flows from operating Activities										
Receipts:										
Rates and annual charges	10,447	9,662	9,829	10,082	10,336	10,597	10,864	11,138	11,418	11,706
User charges and fees	3,010	3,433	3,538	3,630	3,721	3,814	3,909	4,007	4,107	4,209
Investment and interest revenue received	119	124	117	120	123	126	129	140	138	145
Grants and contributions	21,922	11,661	11,929	12,027	12,129	12,036	12,146	12,209	12,274	12,341
Other	638	638	645	636	654	667	685	701	719	737
Payments:										
Employee benefits and on-costs	-8,872	-9,096	-9,374	-9,617	-9,909	-10,230	-10,562	-10,904	-11,258	-11,623
Materials and contracts	-5,040	-6,379	-5,808	-4,542	-5,456	-5,541	-5,644	-5,715	-5,831	-5,935
Borrowing costs	-12	459	432	404	376	349	318	287	241	196
Other	-2,081	-2,157	-2,231	-2,309	-2,407	-2,525	-2,658	-2,804	-2,965	-3,142
Net cash provided (or used in) operating activities	20,131	8,343	9,078	10,431	9,567	9,293	9,187	9,059	8,845	8,635
Cash flows from investing activities										
Payments:										
Purchase of infrastructure, property, plant	-23,513	-8,823	-8,862	-9,231	-8,688	-9,250	-9,648	-10,349	-10,819	-11,577
Net cash provided (or used in) investing activities	-23,513	-8,823	-8,862	-9,231	-8,688	-9,250	-9,648	-10,349	-10,819	-11,577
Cash flows from financing activities										
Receipts:										
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63
Net cash flow provided (or used in) financing activities	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63
Net increase/(decrease) in cash and cash equivalents	-3,444	-542	154	1,138	816	-20	-523	-1,352	-2,037	-3,005
Plus: Cash and cash equivalents and investments at start of year	7,499	4,055	3,513	3,667	4,804	5,621	5,601	5,078	3,725	1,689
Cash and cash equivalents and investments at end of year	4,055	3,513	3,667	4,804	5,621	5,601	5,078	3,725	1,689	-1,316

APPENDIX D:

**Alternative Scenario 2 – Base Scenario
with permanent SRV of 5% in 2025
(Cash flow Sustainable)**

Alternative 2 – Base Scenario + 5% 2025 – Consolidated – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	14,196	14,668	15,325	15,740	16,135	16,541	16,957	17,383	17,820	18,268
User Charges and Fees	4,652	4,844	5,029	5,199	5,375	5,557	5,748	5,945	6,151	6,365
Interest and Investment Revenue	173	179	184	189	193	198	203	208	213	219
Grants and Contributions - Operating	7,365	7,526	7,720	7,891	8,065	8,196	8,329	8,418	8,508	8,601
Grants and Contributions - Capital	32,536	10,835	4,298	4,565	4,198	3,998	3,998	3,998	3,998	3,998
Other Revenues	575	593	610	626	641	657	674	691	708	726
Total Income from Continuing Operations	59,498	38,644	33,167	34,208	34,607	35,148	35,908	36,642	37,398	38,175
Expenses from Continuing Operations										
Employee Benefits and on-costs	10,019	10,325	10,640	10,906	11,260	11,626	12,004	12,394	12,798	13,214
Borrowing Costs	456	465	439	411	383	355	324	294	248	203
Materials and Contracts	6,363	6,709	6,754	6,819	6,885	7,015	7,148	7,284	7,422	7,563
Depreciation and Amortisation	11,328	12,101	12,623	12,728	12,728	12,728	12,728	12,728	12,728	12,728
Other Expenses	2,363	2,441	2,516	2,597	2,702	2,831	2,980	3,143	3,323	3,521
Total Expenses from Continuing Operations	30,528	32,040	32,971	33,460	33,958	34,555	35,184	35,843	36,518	37,229
Net Operating Result for the Year	28,970	6,604	196	748	650	592	725	800	880	946
Net Operating Result before Grants and Contributions provided for Capital Purposes	(3,566)	(4,232)	(4,102)	(3,817)	(3,548)	(3,406)	(3,273)	(3,198)	(3,118)	(3,052)

Alternative 2 – Base Scenario + 5% 2025 – Consolidated – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	16,893	13,132	12,858	14,790	16,170	17,229	17,515	17,220	16,518	15,592
Receivables	2,212	2,178	2,236	2,302	2,362	2,431	2,504	2,572	2,642	2,713
Other assets	697	697	1,502	697	697	697	697	697	697	697
Total Current Assets	19,803	16,007	16,596	17,789	19,229	20,356	20,716	20,488	19,857	19,002
Non-Current Assets										
Infrastructure, property, plant & equipment	551,239	560,163	558,714	557,934	556,271	555,170	554,969	555,471	556,444	557,678
Investment Property	600	600	600	600	600	600	600	600	600	600
Total Non-Current Assets	551,839	560,763	559,314	558,534	556,871	555,770	555,569	556,071	557,044	558,278
TOTAL ASSETS	571,641	576,770	575,910	576,323	576,100	576,127	576,285	576,559	576,901	577,279
LIABILITIES										
Current Liabilities										
Payables	3,026	1,504	1,063	1,365	1,121	1,194	1,281	1,424	1,508	1,620
Borrowings	558	665	677	689	704	719	733	749	765	736
Provisions	1,785	1,837	1,891	1,938	2,005	2,074	2,145	2,219	2,296	2,375
Total Current Liabilities	5,369	4,006	3,631	3,992	3,830	3,987	4,159	4,392	4,569	4,731
Non-Current Liabilities										
Borrowings	10,489	10,376	9,696	9,000	8,290	7,567	6,828	6,070	5,355	4,625
Provisions	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587
Total Non-Current Liabilities	23,076	22,963	22,283	21,587	20,877	20,154	19,415	18,657	17,942	17,212
TOTAL LIABILITIES	28,445	26,969	25,914	25,579	24,707	24,141	23,574	23,049	22,511	21,943
Net Assets	543,196	549,800	549,996	550,744	551,394	551,986	552,711	553,511	554,390	555,336
EQUITY										
Retained Earnings	252,067	258,671	258,867	259,615	260,265	260,857	261,582	262,382	263,261	264,207
Revaluation Reserves	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129	291,129
TOTAL EQUITY	543,196	549,800	549,996	550,744	551,394	551,986	552,711	553,511	554,390	555,336

Alternative 2 – Base Scenario + 5% 2025 – Consolidated – Cashflow Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Cash flows from operating Activities										
Receipts:										
Rates and annual charges	14,122	14,621	15,259	15,698	16,096	16,500	16,915	17,340	17,776	18,223
User charges and fees	4,364	4,805	4,992	5,165	5,339	5,521	5,710	5,906	6,110	6,322
Investment and interest revenue received	186	186	184	188	192	195	199	210	215	221
Grants and contributions	39,901	18,361	12,018	12,456	12,263	12,194	12,327	12,416	12,506	12,599
Other	622	706	655	636	657	669	684	702	721	740
Payments:										
Employee benefits and on-costs	-10,013	-10,272	-10,585	-10,859	-11,193	-11,557	-11,932	-12,320	-12,721	-13,135
Materials and contracts	-5,926	-7,679	-8,003	-5,719	-7,135	-6,946	-7,067	-7,150	-7,288	-7,444
Borrowing costs	-456	-465	-439	-411	-383	-355	-324	-294	-248	-203
Other	-2,363	-2,441	-2,516	-2,597	-2,702	-2,831	-2,980	-3,143	-3,323	-3,521
Net cash provided (or used in) operating activities	40,438	17,822	11,565	14,557	13,135	13,390	13,532	13,667	13,749	13,800
Cash flows from investing activities										
Payments:										
Purchase of infrastructure, property, plant	-54,173	-21,025	-11,174	-11,948	-11,066	-11,627	-12,527	-13,230	-13,701	-13,962
Net cash provided (or used in) investing activities	-54,173	-21,025	-11,174	-11,948	-11,066	-11,627	-12,527	-13,230	-13,701	-13,962
Cash flows from financing activities										
Receipts:										
Proceeds from borrowing and advances	8,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	-547	-558	-665	-677	-689	-704	-719	-733	-749	-765
Net cash flow provided (or used in) financing activities	7,453	-558.129	-665	-677	-689	-704	-719	-733	-749	-765
Net increase/(decrease) in cash and cash equivalents	-6,283	-3,762	-274	1,932	1,380	1,058	287	-296	-701	-927
Plus: Cash and cash equivalents and investments - beginning of year	23,176	16,893	13,132	12,858	14,790	16,170	17,229	17,515	17,220	16,518
Cash and cash equivalents and investments - end of the year	16,893	13,132	12,858	14,790	16,170	17,229	17,515	17,220	16,518	15,592

Alternative 2 – Base Scenario + 5% 2025 – General Fund – Income Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	10,505	10,853	11,367	11,654	11,947	12,248	12,557	12,873	13,197	13,529
User Charges and Fees	3,342	3,456	3,559	3,648	3,739	3,832	3,928	4,026	4,127	4,230
Interest and Investment Revenue	110	114	117	120	123	126	129	132	136	139
Grants and Contributions - Operating	7,365	7,526	7,720	7,891	8,065	8,196	8,329	8,418	8,508	8,601
Grants and Contributions - Capital	14,557	4,135	4,235	4,185	4,135	3,935	3,935	3,935	3,935	3,935
Other Revenues	574	592	609	625	640	656	673	689	707	724
Total Income from Continuing Operations	36,454	26,675	27,607	28,121	28,649	28,993	29,551	30,073	30,609	31,158
Expenses from Continuing Operations										
Employee Benefits and on-costs	8,878	9,149	9,428	9,663	9,976	10,299	10,633	10,978	11,334	11,702
Borrowing Costs	12	-459	-432	-404	-376	-349	-318	-287	-241	-196
Materials and Contracts	5,138	5,367	5,399	5,444	5,491	5,599	5,711	5,824	5,940	6,058
Depreciation and Amortisation	9,566	9,778	9,843	9,843	9,843	9,843	9,843	9,843	9,843	9,843
Other Expenses	2,081	2,157	2,231	2,309	2,407	2,525	2,658	2,804	2,965	3,142
Total Expenses from Continuing Operations	25,675	25,992	26,468	26,855	27,340	27,917	28,526	29,161	29,840	30,548
Net Operating Result for the Year	10,779	683	1,140	1,266	1,309	1,076	1,025	912	769	610
Net Operating Result before Grants and	(3,778)	(3,452)	(3,095)	(2,919)	(2,826)	(2,859)	(2,910)	(3,023)	(3,166)	(3,325)

Alternative 2 – Base Scenario + 5% 2025 – General Fund – Balance Sheet

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
ASSETS										
Current Assets										
Cash and cash equivalents	4,055	4,674	6,342	9,070	11,537	13,231	14,482	14,971	14,849	13,825
Receivables	1,499	1,496	1,531	1,567	1,603	1,643	1,687	1,724	1,761	1,800
Other assets	697	697	1,502	697	697	697	697	697	697	697
Total Current Assets	6,251	6,867	9,375	11,334	13,837	15,571	16,866	17,392	17,307	16,322
Non-Current Assets										
Infrastructure, property, plant & equipment	427,333	425,825	424,269	423,788	422,451	421,867	421,672	422,207	423,211	425,007
Investment Property	600	600	600	600	600	600	600	600	600	600
Total Non-Current Assets	427,933	426,425	424,869	424,388	423,051	422,467	422,272	422,807	423,811	425,607
TOTAL ASSETS	434,183	433,292	434,243	435,722	436,888	438,038	439,138	440,199	441,118	441,929
LIABILITIES										
Current Liabilities										
Payables	2,594	1,029	849	1,078	931	998	1,064	1,202	1,281	1,402
Borrowings	63	63	63	63	63	63	63	63	63	63
Provisions	1,785	1,837	1,891	1,938	2,005	2,074	2,145	2,219	2,296	2,375
Total Current Liabilities	4,441	2,929	2,803	3,079	2,998	3,135	3,272	3,484	3,639	3,840
Non-Current Liabilities										
Borrowings	443	380	318	255	193	130	68	5	0	0
Provisions	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587	12,587
Total Non-Current Liabilities	13,030	12,967	12,905	12,842	12,780	12,717	12,655	12,592	12,587	12,587
TOTAL LIABILITIES	17,471	15,896	15,708	15,921	15,778	15,852	15,927	16,076	16,226	16,427
Net Assets	416,712	417,396	418,535	419,801	421,110	422,186	423,211	424,123	424,892	425,502
EQUITY										
Retained Earnings	178,823	179,507	180,646	181,912	183,221	184,297	185,322	186,234	187,003	187,613
Revaluation Reserves	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889	237,889
TOTAL EQUITY	416,712	417,396	418,535	419,801	421,110	422,186	423,211	424,123	424,892	425,502

Alternative 2 – Base Scenario + 5% 2025 – General Fund – Cashflow Statement

Year Ending	Budget	Projected Years								
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
Cash flows from operating Activities										
Receipts:										
Rates and annual charges	10,447	10,819	11,316	11,625	11,918	12,218	12,526	12,841	13,164	13,496
User charges and fees	3,010	3,433	3,538	3,630	3,721	3,814	3,909	4,007	4,107	4,209
Investment and interest revenue received	119	119	117	119	120	123	123	134	138	141
Grants and contributions	21,922	11,661	11,955	12,076	12,200	12,131	12,264	12,353	12,443	12,536
Other	638	647	647	636	655	668	685	701	720	737
Payments:										
Employee benefits and on-costs	-8,872	-9,096	-9,374	-9,617	-9,909	-10,230	-10,562	-10,904	-11,258	-11,623
Materials and contracts	-5,040	-6,379	-5,808	-4,542	-5,456	-5,541	-5,644	-5,715	-5,831	-5,935
Borrowing costs	-12	459	432	404	376	349	318	287	241	196
Other	-2,081	-2,157	-2,231	-2,309	-2,407	-2,525	-2,658	-2,804	-2,965	-3,142
Net cash provided (or used in) operating activities	20,131	9,504	10,592	12,022	11,217	11,006	10,962	10,900	10,760	10,615
Cash flows from investing activities										
Payments:										
Purchase of infrastructure, property, plant	-23,513	-8,823	-8,862	-9,231	-8,688	-9,250	-9,648	-10,349	-10,819	-11,577
Net cash provided (or used in) investing activities	-23,513	-8,823	-8,862	-9,231	-8,688	-9,250	-9,648	-10,349	-10,819	-11,577
Cash flows from financing activities										
Receipts:										
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63
Net cash flow provided (or used in) financing activities	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63
Net increase/(decrease) in cash and cash equivalents	-3,444	619	1,668	2,729	2,467	1,694	1,251	489	-122	-1,024
Plus: Cash and cash equivalents and investments at start of year	7,499	4,055	4,674	6,342	9,070	11,537	13,231	14,482	14,971	14,849
Cash and cash equivalents and investments at end of year	4,055	4,674	6,342	9,070	11,537	13,231	14,482	14,971	14,849	13,825