YOUR CITY
YOUR PLAN

ROCKDALE
CITY COUNCIL
On Historic Botany Bay

Rockdale City Plan 2013 – 2025

Draft Long Term Financial Plan 2013 – 2025

March 2013

Important

This document contains important information about Rockdale City Council. If you do not understand, please visit Council's Customer Service Centre at 2 Bryant Street Rockdale, Monday – Friday from 8.30am – 4.30pm, Saturday from 9am – 1pm. Council Staff will be happy to arrange interpreter services for you.

You may also contact Telephone Interpreter Services on 131 450 and ask them to ring Rockdale City Council on 9562 1666 on your behalf.

Arabic

هام:

تحتوي هذه الوثيقة على معلومات هامة عن بلدية روكدايل. إذا لم تكن قادراً على فهمها، يرجى زيارة مركز خدمة زبائن البلدية على العنوان التالي: 2 Bryant Street في روكدايل من الإثنين إلى الجمعة بين الساعة ٨,٣٠ صباحاً و ٤,٣٠ مساءً، والسبت بين الساعة ٩,٠٠ صباحاً و ١,٠٠ بعد الظهر حيث سيقوم موظفو البلدية بتأمين مترجم لك بكل سرور.

كما يمكنك الاتصال بخدمة الترجمة الهاتفية على الرقم 131 450 والطلب منهم الاتصال ببلدية روكدايل على الرقم 9562 1666 نيابةً عنك.

Chinese

重要消息

本文件載有關於 Rockdale 市政府的重要資訊，如果您有不明白之處，請於星期一至星期五，上午8時30分至下午4時30分，及星期六上午9時至下午1時，前來位於2 Bryant Street，Rockdale，市政府的顧客服務中心。市政府的職員會很樂意為您安排傳譯員的服務。

您也可以聯絡電話傳譯服務處，電話 131 450，並請他們代您致電 9562 1666 給Rockdale市政府。

Greek

Σημαντικό:

Αυτό το έγγραφο περιέχει σημαντικές πληροφορίες για τη Δημαρχία Rockdale City Council. Αν δεν τις καταλαβαίνετε, παρακαλείσθε να επισκεφτείτε το Κέντρο Εξυπηρέτησης Πελατών [Customer Service Centre] του Δήμου στο 2 Bryant Street, Rockdale, Δευτέρα - Παρασκευή από 8.30πμ - 4.30μμ και Σάββατο από 9.00πμ - 1.00μμ. Το Προσωπικό του Δήμου θα χαρεί να κανονίσει υπηρεσίες διερμηνέων για σας.

Μπορείτε επίσης να επικοινωνήσετε με τις Τηλεφωνικές Υπηρεσίες Διερμηνέων [Telephone Interpreter Services] στο 131 450 και να τους ζητήσετε να τηλεφωνήσουν στο Rockdale City Council στο 9562 1666 για λογαριασμό σας.

Italian

Importante:

Questo documento contiene importanti informazioni sul Comune di Rockdale City. Se avete difficoltà a comprenderne il contenuto, recatevi presso il Customer Service Centre del Comune a 2 Bryant Street, Rockdale dal lunedì al venerdì dalle ore 8.30 alle 16.30 e al sabato dalle 9.00 alle 13.00. Il personale del Comune sarà ben lieto di procurarvi un servizio interpreti.

Potete anche chiamare il Servizio telefonico interpreti (TIS) al numero 131 450 chiedendo che telefoni per vostro conto al Comune di Rockdale City al numero 9562 1666.

Macedonian

Важно:

Овој документ содржи важни информации за Rockdale City Council (Градската општина на Rockdale). Ако не го разбирате, ве молиме, посетете го општинскиот Customer Service Centre (Центар за услуги на клиенти), кој се наоѓа на 2 Bryant Street, Rockdale, од понеделник до петок, од 8.30 наутро до 4.30 попладне и во сабота од 9.00 наутро до 1.00 попладне. Вработените во општината со задоволство ќе ви организираат да користите преведувач.

Исто така, можете да телефонирате во Telephone Interpreter Services (Служба за преведување по телефон) на 131 450, и да ги замолите во ваше име да се јават во Градската општина на Rockdale на 9562 1666.

Spanish

Importante:

Este documento contiene información importante sobre el Rockdale City Council (Municipio de Rockdale). Si no la entiende, le rogamos concurrir al Centro de Servicio al Cliente del Municipio, ubicado en 2 Bryant Street, Rockdale, atención de lunes a viernes, de 8:30 am a 4:30 pm y el sábado de 9.00 am a 1.00 pm. El personal del municipio se complacerá en obtener los servicios de un intérprete para usted.

Puede asimismo llamar al Servicio Telefónico de Intérpretes al 131 450 y pedirles que llamen de su parte al Rockdale City Council, teléfono 9562 1666.

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1. Introduction

In October 2009 the NSW Government introduced a new planning and reporting framework for Local Government – the Integrated Planning & Reporting (IPR) framework. The framework was introduced as part of the Local Government Amendment (Planning and Reporting) Act 2009.

Rockdale City Council implemented the Integrated Planning and Reporting legislation as a Group 2 Council, adopting its Rockdale City Plan 2011 - 2025 in June 2011.

Councils are required to prepare a Resourcing Strategy of at least ten years to identify the resources needed to implement the community strategic plan. An essential element of the resourcing strategy is that it must include provisions for long term financial planning.

The Long Term Financial Plan must be for a minimum ten years and is required to include the following:

- The planning assumptions used to develop the plan,
- Projected income and expenditure, balance sheet and cash-flow statement,
- Sensitivity analysis and testing,
- Financial modelling for different scenarios,
- Methods of monitoring financial performance.

The Long Term Financial Plan should be updated annually together with the preparation of the annual Operational Plan. Upon adoption of a new Community Strategic Plan every four years a detailed review of the Long Term Financial Plan should be undertaken to ensure it still represents the outcomes of the Community Strategic Plan.

As required following a local government election, the incoming Council is required to review its Integrated Planning and Reporting (IPR) framework plans, and in Rockdale's case a new Rockdale City Plan 2013 – 2025 (which includes all of the Plans and Programs making up our IPR framework) has been developed. This Long Term Financial Plan 2013 – 2025 is part of the City Plan.

1.1 Purpose of the Long Term Financial Plan

The Long Term Financial Plan acts as a tool for stakeholders (Council and the community) to use in deciding what resources Council needs to apply to deliver on the outcomes contained within the Community Strategic Plan. This Long Term Financial Plan seeks to answer to the following questions:

- Can we survive the financial pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

In particular this Plan models the financial implications of the Community Strategic Plan 2013 - 2025 strategies, along with the ability to maintain existing facilities and infrastructure based on a range of assumptions and within any known constraints.

Three financial scenarios are described in part 4 of the Long Term Financial Plan, and each scenario has been modelled with the detailed results in the Appendix showing for each scenario:

- Income Statement and Capital and Reserve Movements
- Balance Sheet
- Cash Flow
- Financial ratios

1.2 Previous Long Term Financial Plan

As a Group 2 Council, Rockdale prepared a Long Term Financial Plan in 2010/11 for the period 2011 – 2025. The plan has been reviewed during the development of the 2013 – 2025 City Plan.

The budget being developed for 2013/14 for inclusion in the Operational Plan 2013/14, is being developed through a rigorous process of consultation and review with Council and staff. It is Council's opinion that it will be financially responsible and puts forward the framework for Council to achieve the objectives and actions for which it is responsible outlined in the 2013 - 2025 Community Strategic Plan. The Delivery Program 2013 – 2017 and Operational Plan 2013/14 will show the alternative scenario of Council not being successful in its application for a Special Rate Variation, and what cuts to projects, programs and services will need to be made as a result.

2. Long Term Financial Sustainability

2.1 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 asides 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:-

- Funding the life cycle of assets is a major issue for all levels of Government. The Percy Allan Report (released 2006) identified that NSW Councils had an infrastructure renewal backlog of $6.3 billion and an annual renewal gap of $500 million.
- 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 the State Government 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 Council to maintain. This in part is being addressed through the implementation of Integrated Planning and Reporting, moving a Councils focus away from simply maintaining assets to managing an assets life cycle. This framework will also allow Council to clearly demonstrate to the community the long term financial ramifications of not renewing assets.

2.2 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 Council's financial performance and position. 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 2013 - 2017.

Ratio	Calculation	What is Being Measured?	Sustainable Target	2011/12 Actual Ratio	
Operating Result	Total operating revenue less total operating expenditure	Does the Council have a balanced Budget?	Greater than zero	$2.5 million Loss	Unsustainable
Operating Ratio	Operating Result divided by operating revenue	Is the Council sustainable in terms of its operating result?	Sustainable – Greater than zero	-3.1%	Unsustainable
Working Capital	Unrestricted current assets (excludes externally restricted assets) less unrestricted current liabilities	Can the Council withstand any fluctuations in working capital requirements?	Greater than $1.0 m –Sustainable Less than $0 – Unsustainable	$1.81m	Sustainable
Un restricted Current Ratio	Unrestricted current assets (excludes externally restricted assets) divided by unrestricted current liabilities	Council's ability to fund its short-term expenditure needs.	Over 1:1 Sustainable Less than 1:1 Unsustainable	2.54	Sustainable
Rates and Annual Charges Outstanding Ratio	Amount of rates uncollected as a percentage of the total rates	To assess the impact of uncollected rates and annual charges on Council's liquidity.	<5%	5.63%	Unsustainable
Asset Renewal Ratio	Asset renewal expenditure divided by depreciation	Is asset renewal expenditure sufficient to maintain assets in the long-term?	Greater than 1:1 Good Less than 1:1 Unsustainable	1:0.36	Unsustainable
Asset Renewal Gap Ratio	Estimated required asset renewal expenditure divided by current asset renewal	Is there a shortfall in asset renewal funding?	Greater than 100% Sustainable Less than 100% Unsustainable	Less than 100%	Unsustainable
Debt Service Ratio	Interest divided by operating revenue	Indicates whether Council has excessive debt servicing costs relative to operating revenue	Less than 15% Sustainable Over 15% Unsustainable	2.24%	Sustainable

3. Financial Management in Council

3.1 Existing Environment and Past Influences

About Rockdale

The City of Rockdale is a highly urbanised predominantly residential area with sizeable industrial areas, parkland/reserves and small suburban commercial areas. The housing density is medium to low.

The City is going through a period of urban renewal. The population is 103,000 (2011 Census) which was an increase from 92,122 in 2006. This significant population growth reflects the urban renewal being experienced in parts of the City, particularly Wolli Creek and Rockdale Town Centre.

Regulatory Environment

Council operates in a highly regulated environment driven by legislation and State strategies such as:-

- The Local Government Act 1993
  - Defines the scope and boundaries of Council's role and the way it must conduct its business.
- The NSW State Plan
  - The State Plan: A New direction for NSW defines the overarching goals and outcomes that NSW Government has set for this State and which should shape public policy.
- The Sydney Metropolitan Strategy
  - The strategy sets out a long term plan for the Sydney Metropolitan
  - Region

Financial Environment - Rate Pegging

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, a legislative instrument whereby the maximum increase in rating revenues is set by the Independent Pricing And Regulatory Tribunal (IPART) NSW.

Financial Environment – The State of the Council's Finances

While the Council faces challenges in generating sufficient revenue to balance the budget, it has large externally restricted reserves. As at 30 June 2012 the Council has a low level of borrowings at $5.9 million and cash reserves of $64.7 million. $42.5 million of the reserves have external restrictions on how they may be expended.

Three key ratios Working Capital, Unrestricted Current Ratio and Debt Ratio are well within industry guidelines outlined in the table in section 2.2. The operating and asset renewal ratios are currently unsustainable. The operational ratios are improved by the accounting standards requirement to included capital grants and contributions in the operational revenue. The reported operational loss as outlined in the table in section 2.2 has been reduced by the $3.4 million of capital grants and contributions. The unadjusted loss is $5.9 million.

Council has Total Assets of $865.7 million while the Total Liabilities are only $24.6 million. The total liabilities exclude Council's projected contribution of $110.8 million towards the Section 94 Developers Contributions projects.

Financial Environment - Balancing the Budget

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 the Minister for Local Government
- Greater competition between councils in the allocation of external funding such as Financial Assistance Grants.

The effects of the global financial crisis heavily impacted Council's investments portfolio in 2008.

The above factors mean that, as with many councils in NSW, Rockdale is faced with an "Income Gap" with costs increasing at a greater rate than revenues. This Income Gap has been addressed by way of productivity gains and efficiency savings. Council also actively pursues grants, works collaboratively with neighbouring councils and carefully manages its income and expenditure through the use of sound financial reporting systems and regular budgetary monitoring.

Financial Environment - Infrastructure Rehabilitation

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.

In order to balance the budget some years ago, significant cuts were made to the budget allocated to maintain assets, rather than cutting back services. This means there is currently a financial backlog of $38.5 million which is needed to bring these assets up to a satisfactory standard for the community.

As Council could not afford to do these works without cutting back services, Council successfully gained a Special Rate Variation of 5.11% per year in 2007/08. Four percent (4%) of this (approximately $1.3 million p.a.) is used towards asset rehabilitation and upgrade works with the other one percent (1%) used to continue with the Safer Community Program.

In addition, Council has had a 3% Special Rate Variation for 2010/11 approved which provides an additional $1.1 million for the refurbishment of Council's amenities buildings and small community buildings.

3.2 Financial Management Principles

In preparing the 2013 - 2025 Long Term Financial Plan, the following underpinning principles have been used:

- Minimum cash liquidity of $1 million will be maintained at all times,
- 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.

In conjunction with these principles, Council's long term financial plan is guided by a number of policies and strategies which are outlined below:

Rating Income Strategy

Rating Income is generated by a levy on properties within the Council area for the provision of local government services. Council continually reviews its rating system to ensure that it is fair and equitable, where each rating category and property will contribute to the rate levy according to the demands placed on Council's limited resources.

The projected number of properties subject to rating in 2013/14 and the average rate paid is as follows:-

AVERAGE RATE PAID BY RATE CATEGORY		
	# of Properties	**Average Rate p.a.** excluding Special Rate Variations
Residential – minimum	18,801	$690
Residential – ad valorem	19,019	$1,098
Business – minimum	476	$690
Business – ad valorem	1,363	$3,338
Farmland – ad valorem	5	$1,267
Total	**39,639**	

For 2013/14, the average ad valorem residential rate is $1,098.00 p.a. (or approx 1.5 times the minimum rate), and there will be 18,801 residential properties subject to the minimum rate of $690.00 p.a.

The proposed rating strategy for 2013/14 is the same as 2012/13.

Special Rates

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

Council successfully gained a Special Rate Variation of 5% per year in 2007/08 in perpetuity. Four percent (4%) of this (approximately $1.3 million p.a.) is used towards asset rehabilitation and upgrade works with the other one percent (1%) used to continue with the Safer Community Program.

As part of the 2010/11 management planning process Council applied for a Special Rate Variation to fund improvements to its amenities and small community buildings. The proposal sought a 3% increase, to be collected via a new Community Building Levy, to fund the program of works. The Minister for Local Government announced on the 2nd July 2010 that Council's application was approved for a period of three years. This SRV expires on 30 June 2013.

The variation was sought to increase the level of funding available for the rehabilitation and renewal of amenities and smaller community buildings. This asset class had a significant maintenance backlog estimated at $3.8 million with the overall asset condition rated as Fair/Poor in the 2009/10 annual report.

Minimum Working Funds Surplus

Council's current policy is to maintain a minimum working funds surplus of $1 million. These funds are held as part of Council's internal reserves. This amount represents funds readily available in cash, which are not committed in Council's current budget. This amount has been deliberately set aside by Council to allow for situations where emergency funding is required due to major unforseen circumstance within the LGA. The level of the restriction will be reviewed as Council's budget grows.

Investment Principles

Council has an Investment Policy that reinforces its ongoing commitment to maintain a conservative risk/return portfolio, an important component of its ongoing prudent financial management practices. The overall objectives of the policy are to ensure that Council invests its funds:

1. in accordance with the requirements of the Local Government Act (1993) and Council's investment policy, and
2. in a conservative manner where preservation of capital is the principle objective, and
3. in a manner that seeks to ensure the security of the Council's cash and investment portfolio, achieve appropriate earnings and manage cash resources to ensure that there is sufficient liquidity to meet Council's business objectives

The policy outlines:

- the manner in which Council may invest funds,
- the institutions and products which Council can invest in, and
- delegations, and
- the reporting requirements, including benchmarking, of Council's investment portfolio.

Interest on investments is received on three types of funding:

- General fund revenues raised through the year from all sources of revenue, excluding reserves and Section 94 contributions,
- Restricted investments held until expended,
- Section 94 contributions held until expended.

Council has control over the interest it earns on general fund revenues and unrestricted reserves, but Section 94 interest on investments must be utilised for the purpose for which the contribution relates. The interest Council earns on general fund revenue is not tied and forms part of Council's consolidated revenue for distribution across services that are not funded by restricted funds.

Loan Borrowings

Council has an annual borrowing program of $1.1 million per annum to provide for capital projects such as roads, footpaths, drainage works or recreational facilities. This approach enables both current and future generations of ratepayers to contribute towards the use of these assets, thereby more equitably aligning the payment and use of these services. Additional borrowing capacity will be utilised in the delivery of new infrastructure.

Council's **loan funds policy** provides that loan funds are to be used for any lawful purpose as provided by s621 of the Local Government Act, with priority given to Capital Works projects that will provide a benefit to ratepayers and future ratepayers such as:-

i. Acquisition of Land and buildings
ii. Major Public Works Construction
iii. Provision of Parks and reserves Amenities
iv. Major Development of Parks and Reserves

Council reviews its debt service ratio annually to ensure the level of debt is kept within the recommended levels for NSW Councils.

The NSW Treasury (T Corp) is undertaking financial sustainability assessments of Councils on behalf of the NSW Division of Local Government as part of their applications for Local Infrastructure Renewal Scheme (LIRS) loans. Rockdale City Council applied for a loan of $1.7 million which was approved subject to this assessment. A draft report has been written on Rockdale City Council, and the final version is awaited following comments and discussion.

The draft T Corp report concludes that Rockdale City Council has the capacity to undertake the additional borrowing of $1.7 million. It also says that Council has the capacity to undertake further borrowings.

Cash Reserves & Restrictions

Council has a number of cash reserves which are either a legislative requirement (externally restricted) or through a Council decision (internally restricted).

The establishment and funding of cash reserves is a financial management strategy to provide funds for future expenditure that could not otherwise be financed during a single year without having a material impact on the budget. For example, local government elections occur every four years, so Council sets aside one quarter of the estimated cost of this activity each financial year.

The balance of cash reserves as at 30 June 2012 was $69,681,000 comprising:

Externally Restricted Reserves	$47,659,000
Internally Restricted Reserves	$21,022,000
Unrestricted Reserve	$ 1,000,000

Council's reserves are considered as funding sources in the budget process.

Section 94 Developer Contributions

Section 94 of the Environmental Planning and Assessment Act (1979) enables Council to levy contributions for public amenities and services required as a consequence of development.

Council's section 94 Developer Contribution Plan was adopted by Council on 26 May 2004, and since amended in September 2006 (Amendment No. 1), October 2006 (Amendment No. 2), October 2008 (Amendment No. 3) and July 2009 (Amendment No. 4) to provide funds for:

- Recreational facilities (including open space acquisitions and embellishments)
- Stormwater and Pollution Control Facilities
- Town Centre/Streetscaping Improvements
- Community Facilities
- Car Parking
- Roads and Traffic Management Facilities
- Wolli Creek Redevelopment
- Plan Administration and Project Management.

Council also has a section 94A Development Contributions Plan that allows Council to collect a levy (between 0.5 and 1 percent) on development proposals that do not pay section 94 contributions. The S94 and S94A plans contain detailed schedules of works for which development contributions are required.

The S94 and S94A plans and work schedules are currently being reviewed.

As at 30 June 2012 $24.8 million was held in restricted reserves to fund future works. In addition the plans have projected future contributions of $101.6 million to fund projected works of $237.2 million. This leaves a projected shortfall of $110.8 million.

Discretionary & Regulatory Fees & Charges

Council has the ability to raise revenues through the adoption of a fee or a charge for services or facilities. Fees and charges are reviewed on an annual basis in conjunction with the preparation of the annual budget.

The fees and charges which Council can charge can be split into two categories:

1. Regulatory Fees – These fees are generally determined by State Government Legislation, and primarily relate to building, development or compliance activities. Council has no control over the calculation, and any annual increases of these fees and charges.
2. Discretionary Fees - Council has the capacity to determine the charge or fee for discretionary works or services such as the use of community facilities and access to community services.

The general principles under which Council sets its fees and charges are that Council does not intend to "profit" from the setting of fees and charges. Fees are set to recover the cost of services provided. Council will be considering a more detailed review of the fees and charges policy in 2014.

Asset Disposal & Investment Strategy

The majority of Council's property assets deliver on services such as:

- Transport Infrastructure
- Environmental services, such as stormwater management
- Community Facilities
- Operational Assets, including administration buildings

The limited number of property investments which Council currently owns primarily relate to land holdings within industrial and residential areas within the Rockdale LGA.

Council's criteria for the sale of property assets is as follows:

- The asset is no longer used, or is not required for the provision of a core community service
- The asset has reached the end of its useful life and provides no further tangible benefit to the community
- Market conditions indicate that the asset could provide a substantial return which can be redirected into new or renewed assets
- The asset is incurring a higher maintenance cost which directly impacts on Council's financial capacity to maintain the level of services which the community has come to expect

Investment Strategy Working Group

In November 2012 Council established an internal Investment Strategy Working Group to investigate and advise Council on opportunities to use its property portfolio to improve the Council's financial sustainability and create the capacity to increase the range of services and facilities provided to the community. This includes contributing to the funding of Major Projects. Indicative targets have been set for the Investment Strategy Working Group to achieve the funding proposals for the Major Projects.

The Working Party will also ensure the existing property assets are managed more effectively in order to provide new or increased services to the community. Limits on rate income combined with consistent demands for increased community services and facilities require Councils to carefully and methodically consider opportunities to use their property portfolios more effectively.

In addition Elton Consulting has developed a draft Community Services Plan for Council that provides a framework to facilitate a coordinated approach for the planning and development of services and facilities for the Rockdale community. The focus of the plan is not asset rationalisation or reduction of service levels. Rather it is intended to assist Council to plan, deliver and support an effective and efficient network of facilities and services that collectively meet community needs.

The plan also proposes recommendations for improvements in Council's current facility management including policies that seek to maximise facility utilisation, provide access to a wide range of user groups (by encouraging shared use) and include a robust process of monitoring and evaluation of facility use to ensure they consistently and effectively address the needs of the community.

The report has important recommendations including: that Council's approach to leasing and licensing of its community facilities needs to reflect this emphasis on maximising utilisation and also on ensuring that organisations who utilise Council facilities are contributing to addressing broader community needs.

3.3 Asset Management

Rockdale Asset Management Strategy 2013 - 2025

The City of Rockdale is the custodian of infrastructure assets with a value in excess of $894 million. Ensuring these assets are maintained and able to provide the services required of them is an important function of the Council.

The draft Asset Management Strategy provides a systematic way of accounting for these assets and planning for their operation, maintenance, rehabilitation, disposal and renewal. The Strategy also helps Council to review its asset management practices to ensure they are being done in the most cost effective manner possible.

The broad purpose of the Asset Management Strategy is:

- To have proper plans and strategies that ensure the assets provided by previous generations continue to be available to provide the services required by future generations;
- To be able to plan for new assets confident of our understanding of their impact on Council's long term financial sustainability; and
- To provide assurance that assets are being created, operated, maintained, rehabilitated and renewed in the most cost effective ways possible.

The Rockdale Asset Management Strategy 2013 - 2025 includes revised estimates of the value and useful remaining life of the City of Rockdale's assets. The Strategy also includes a comprehensive program of actions to improve the quality of asset data and asset management systems and practices within Council.

The revised estimates of asset value and useful remaining life indicate that Council should be making greater provision for the rehabilitation of existing assets, and that the asset maintenance backlog is probably greater than currently estimated.

The work detailed in the program of actions will provide a basis to develop strategies and actions in the next iterations of the Asset Management Strategy to address the likely gaps.

The Asset Management Strategy is supported by the following documents:

- Recreational & Natural Environment Asset Management Plan (July 2006)
- Property & Building Asset Management Plan (May 2006)
- Stormwater Drainage Asset Management Plan (July 2006)
- Transport & Infrastructure Asset Management Plan (January 2006)

The forward capital works program has been developed in alignment with these documents.

3.4 Long Term Financial Plan Assumptions

The long term financial model requires Council to identify all material items of revenue and expenditure, and determine the external and internal influences which could significantly impact on Council's finances.

In preparing the 2013 – 2025 Long Term Financial Plan, the following underpinning principles have been adopted:

Market Driven Planning Assumptions

Population Growth
Rockdale is a low growth Council however some growth is occurring as a result of changes in housing density. The population forecast is an estimate mainly based on the additional dwelling supply in the city. Information is provided by RCC – Urban and Environmental Strategy

Year	13/14	14/15	15/16	16/17	17/18 onwards
Additional Dwellings	400	650	530	530	530
Population Projection	103,500	104,100	104,700	105,700	106,500 Increasing by 800 annually

Inflation (Consumer Price Index)
In determining the inflationary increase assumption for 2013/14, Council has used the Local Government Price Index as determined by IPART.

Year	Factor 2013/14	Factor 2012/13 to 2024/25
Underlying Inflation	3.7%	3.7%

This assumption has been applied across discretionary budget allocations, where specific data modelling or specific internal assumptions cannot be determined or where the amounts are determined as immaterial (for example, general expense provisions within service centres).

Applying this increase across Council's discretionary budget allocations ensures that Council budget reflects projected movements in real dollar terms.

Interest Rate Movements

Council has used the Reserve Bank January 2013 30 day bank accepted bill rate plus a margin for the 2013/14 return on investment factor. The rates commencing from 2014/15 are based on the January 2013, 2, 3, 5 and 10 year Government Bond pricing.

Borrowing cost projections have been based on the current rate which has been increased by the same proportion as the investment rates.

Year	Factor 2013/14	Factor 2014/15 to 2024/25
Return on Investment	3.75%	4.0-5.0%
Borrowing Cost	5.75%	6.0-8.0%

Revenue and Expenditure Assumptions

The following table outlines Council's planning assumptions by revenue and expenditure types. Included within the assumptions is a brief description as to how Council has determined this assumption and the external influences which impact the assumption.

Note: the assumptions included in the following tables are those which could have a material impact on Council finances.

Revenue Budget Assumptions	Factor 2013/14	Factor 2014/15 to 2024/25
Minister's Allowable Increase	3.4%	3.5%
Special Rate Variation Income		
Rate Income Growth	0.39%	0.39%

Revenue Budget Assumptions	Factor 2013/14	Factor 2014/15 to 2024/25
Rates & Annual Charges	3.4%	3.5%
User Charges and Fees	2%	2%
Interest & Investment Revenue	$3,239,238	This calculated based on the cash held as at 1 July each year and the expected return on investment
Other Revenues	2.5%	2.5%
Grants & Contributions provided for operating purposes	$4,808,892	$4,929,116 then increasing by approximately $100k per year to $6,309,684 in 2024/25
Grants & Contributions provided for capital purposes (roll-up total)	$8,524,707	$9,233,087 then fluctuating between $8.7 million and $9.4 million in 2024/25

Revenue Budget Assumptions	Factor 2013/14	Factor 2014/15 to 2024/25
- Grants	$2,993,147	Fluctuating between $2.4 million and $3.0 million in 2024/25
- Section 94	$5,131,560	$5,765,130 in 2014/15 then reducing to $5,163,490 and remain constant to 2024/25
- Section 94A	$400,000	$400,000 each year

Expenditure Budget Assumption	Factor 2013/14	Factor 2014/15 to 2024/25
Super Guarantee Levy	9.00%	9.00% for 2013/14.Increasing to12% by 2019/20
Employee Benefits & On- costs	3.25%	3.25%
Borrowing Costs	Interest calculated on actual loan	Interest calculated on actual loan
Materials & Contracts	3.7%	3.7%
Depreciation	$19.2 million	Depreciation is based on the projected asset value
Amortization	2.0%	2.0%
Other Expenses	3.7%	3.7%

Capital & Reserve Movements	Factor 2013/14	Factor 2014/15 to 2024/25
Capital Expenditure	$17.8 million	$44.1 million then decreasing to $21.8 million by 2024/25
Loan Repayments	$1.1 million	Actual loan repayments as per loan schedules
Loan Borrowings	$1.1 million	$7.0 Million, 2014/15 $3.2 million, 2015/16 then $1.1 million each year
Proceeds from Plant and Machinery Sales	$950,000	$950,000 each year

Capital Works Program:

	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Asset Renewal Program												
Plant & Equipment	1,514,000	1,559,420	1,606,203	1,654,389	1,681,680	1,709,981	1,739,329	1,769,763	1,801,323	1,834,050	1,867,988	1,903,182
Computers and Office Equipment	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000	470,000
Buildings	3,145,000	2,684,508	3,635,944	3,860,035	5,343,796	5,781,901	6,231,781	6,688,687	7,152,879	7,674,625	8,104,206	8,591,912
Park Development	1,635,000	2,299,751	2,792,808	3,023,659	3,135,534	3,251,549	3,371,856	3,496,615	3,625,990	3,760,152	3,899,278	4,043,551
Road, Bridges and Footpaths	1,483,909	1,607,807	1,656,246	2,961,008	3,070,565	3,184,176	3,301,991	3,424,165	3,550,859	3,682,241	3,818,484	3,959,768
Stormwater Drainage	511,870	475,726	465,524	504,698	523,372	542,737	562,818	583,642	605,237	627,631	650,853	674,935
Library Resources	365,000	365,000	365,000	365,000	365,000	365,000	365,000	365,000	365,000	365,000	365,000	365,000
Total Asset Renewal Program	**9,124,779**	**9,462,212**	**10,991,725**	**12,838,789**	**14,589,947**	**15,305,344**	**16,042,775**	**16,797,872**	**17,571,288**	**18,413,699**	**19,175,809**	**20,008,348**
New Asset Program												
Buildings	4,070,000	29,200,000	11,080,000	2,100,000	-	-	-	-	-	-	-	-
Park Development	100,000	123,600	127,308	131,127	135,716	140,466	145,382	150,470	155,736	161,187	166,829	172,668
Road, Bridges and Footpaths	4,217,000	4,871,900	3,957,157	797,691	827,206	857,813	889,552	922,465	956,596	991,990	1,028,694	1,066,756
Stormwater Drainage	350,000	412,000	400,000	437,091	452,389	468,223	484,611	501,572	519,127	537,296	556,101	575,565
Total New Asset Program	**8,737,000**	**34,607,500**	**15,564,465**	**3,465,909**	**1,415,311**	**1,466,502**	**1,519,545**	**1,574,507**	**1,631,459**	**1,690,473**	**1,751,624**	**1,814,989**
Total Capital Works Program	**17,861,779**	**44,069,712**	**26,556,190**	**16,304,698**	**16,005,258**	**16,771,846**	**17,562,320**	**18,372,379**	**19,202,747**	**20,104,172**	**20,927,433**	**21,823,337**

4. Scenario One – Successful Applications for SRV each year for five years, includes efficiency gains and two major projects

4.1 Introduction

This scenario models the continuation of Council's services as currently provided. It assumes council will continue to achieve a balanced "operational cash budget" by closing any gap between revenue and expenditure by achieving improved efficiency gains in service delivery. A self imposed efficiency of $250,000 p.a. to be transferred from operational budgets to asset renewal and successful applications for Special Rate Variations for a one-off percentage increase to general income to replace the expiring 3% Community Buildings SRV in 2013/14, and a multi year Special Variation to general income commencing from 2014, consisting of a 3% increase (on top of an estimated rate peg of 3%) in each of the years 2014/15, 2015/16, 2016/17 and 2017/18 after which the Special Variation would be included in the rates base.

The SRV Works Program is detailed at pages 48 to 50 of the draft Rockdale Community Strategic Plan.

Two significant capital projects, Rockdale City Library and the Bexley Swimming and Leisure Centre and investigation into a third major project, the Arncliffe Youth Centre have been included in the model.

4.2 Components included in scenario

- The State Government has set an annual rate cap for Councils over the last 30 years. This responsibility has now been passed to IPART NSW which has set a rate increase of 3.4% for the 2013/14 year. The figure assumes that Councils need to make efficiencies to maintain their level of purchasing, and imposes a 0.2% efficiency saving.

- The Workforce Management Plan will not have any significant implications on the annual operating position.

- The capital maintenance, rehabilitation and new capital expenditure program is as outlined in the 12 year City Projects Program.

- S94 funding is based the capital works program as outlined on page 18 and the projected revenue streams

- Council's existing policy is to borrow $1.1 million annually to support the Capital Works Program. The Long Term Financial Plan assumes that Council will need to continue to borrow this amount to support and supplement the annual Capital Works Program

- The value of the proceeds from the sale of plant and equipment is assumed to equal the book value of the plant and equipment and therefore there is no profit or loss on disposal of plant and equipment.

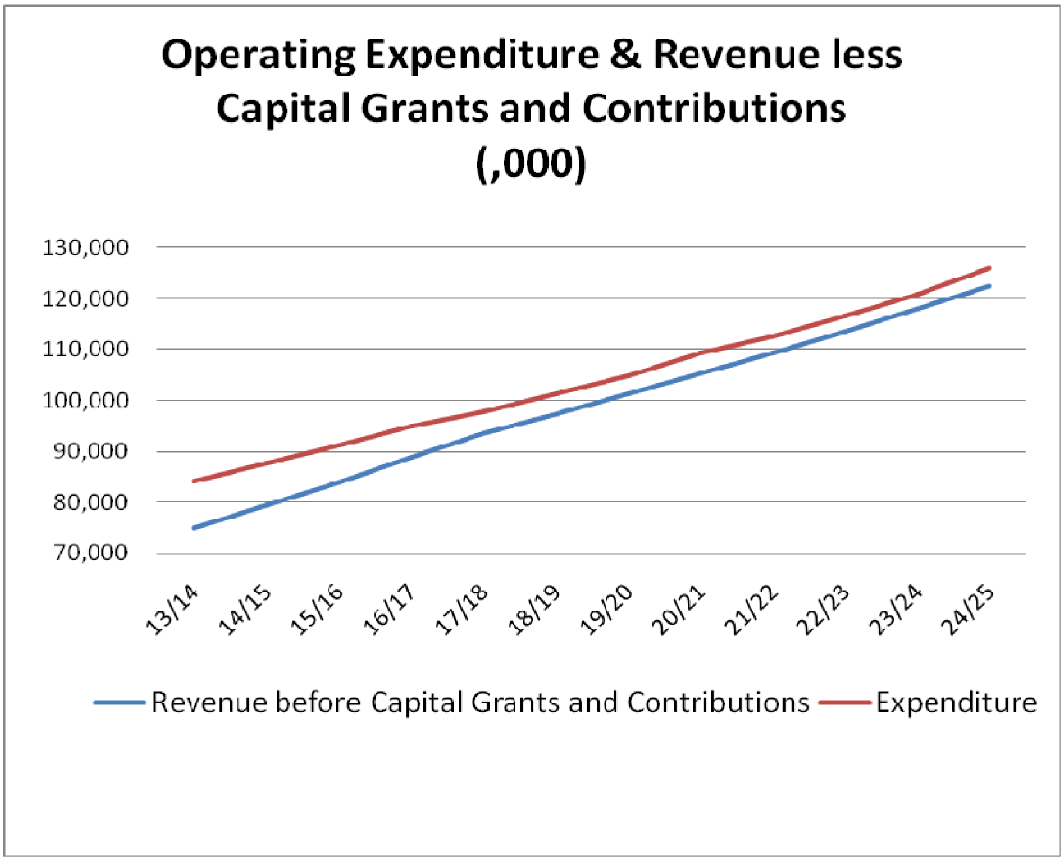
4.3 Sustainability assessment

Scenario One is based on an increased rates revenue and self imposed efficiency gains to fund an increase in expenditure on asset renewal. The additional revenue will improve the financial sustainability. By 2024/25 the operating loss before Capital Grants and Contributions has reduced from $9.1 million to $2.5 million. The Asset Renewal Ratio has improved from 47.4% to 74.4%.

The forecast financial position of this scenario has been assessed in relation to the four financial sustainability principles.

The first sustainability principle is:

- Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation.



The graph above shows that Council is forecasting an operating deficit after capital grants and contributions of $10.2 million in 2013/14 due to operating expenditure being greater than operating revenue. The Long Term Financial Plan predicts the deficit will continue and decrease to $2.5 million by 2024/25.

By removing the non-cash item of depreciation, the operating deficit becomes a surplus of approximately $11.2 million p.a. In the past this has matched the level of expenditure on capital renewal, loan repayments and new projects, providing the “balanced cash budget” situation.

The second principle of financial sustainability is:

- Council must maintain sufficient cash reserves to ensure that it can meet its short-term working capital requirements

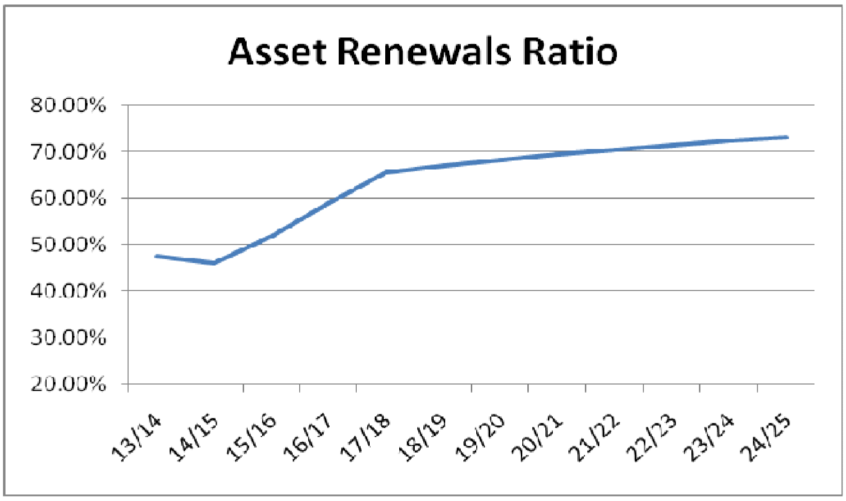
Over the 12 years of the Long Term Financial Plan the cash reserves increase from $82 million to $216 million. This growth in cash reserves has mostly been achieved from the S94 capital contributions exceeding the related capital expenditure programs for new assets over the 12 years of the Plan.

Although the cash balance indicated Council is financially sustainable, it must be recognised a large proportion of the fund will relate to S94 funds held in restricted reserves.

The last two principles of financial sustainability are:

- 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.

It is evident from the commentary and graphs above that although Council is not collecting sufficient revenue for the renewal and development of assets, the programs in this scenario do not reflect sufficient level of capital works. In this scenario the capital expenditure has been restricted to the level of "cash" funding rather than addressing the ongoing maintenance of the capital base. The graph below plots the asset renewal ratio on an upward trend as Council invests the Special Rate Variation and efficiencies in the renewal of assets, there is a significant increase in the ratio over the five year period that the SRV is introduced, to over 70% by 2024/25.



In summary, Scenario One indicates that Council is maintaining financial liquidity even though it is forecasting an operating deficit as the deficit is offset by a reduced investment in infrastructure asset renewal. There are two risks associated with this strategy. Firstly Council's infrastructure assets will continue to deteriorate, requiring significantly increased investment in the future, which has been largely but not completely mitigated by the 2013/14 SRV and self imposed efficiencies.

4.4 Sensitivity Analysis

The two key sensitivities tested for Scenario One are the negative impact sensitivities of:

- Salaries, Wages and Employee costs exceed the forecast 4% annual increase. An annual increase of 5% has been modelled.
- Materials and Contracts exceed the forecast 3.4% annual increase. An annual increase of 6% has been modelled.

The impact of these sensitivities is that the operating position is unsustainable from 2013/14 and the income gap continues to grow as the operating expenditure exceeds the operating revenue.

5. Scenario Two – Efficiencies and Major Projects – Unsuccessful SRV Application

5.1 Introduction

This scenario models the continuation of Council's services as currently provided. It assumes Council will continue to achieve a balanced "operational cash budget" by closing any gap between revenue and expenditure by achieving improved efficiency gains in service delivery. The 2010 Community Buildings Special Rate Variation has expired and no further successful SRV applications have been made.

A specified efficiencies gain of $250,000 per year has been determined to be transferred from operational budgets to increase the total asset renewal spending, this practice will increase the asset renewal ratio from 35% in 2013/14 to 45.5% in 2024 - 2025

Two significant capital projects, Rockdale City Library and the Bexley Swimming and Leisure Centre and investigation into a third major project, the Arncliffe Youth Centre have been included in the model.

5.2 Components included in scenario

- The State Government has set an annual rate cap for Councils over the last 30 years. This responsibility has now been passed to IPART NSW who has set a rate increase of 3.4% for the 2013/14 year. The figure assumes that Councils need to make efficiencies to maintain their level of purchasing and imposes a 0.2% efficiency saving.

- The Workforce Management Plan will not have any significant implications on the annual operating position.

- The capital maintenance, rehabilitation and new capital expenditure program is as outlined in the 12 year City Projects Program.

- S94 funding is based the capital works program as outlined and the projected revenue streams

- Council's existing policy is to borrow $1.1 million annually to support the Capital Works Program. The Long Term Financial Plan assumes that Council will need to continue to borrow this amount to support and supplement the annual Capital Works Program

- The value of the proceeds from the sale of plant and equipment is assumed to equal the book value of the plant and equipment and therefore there is no profit or loss on disposal

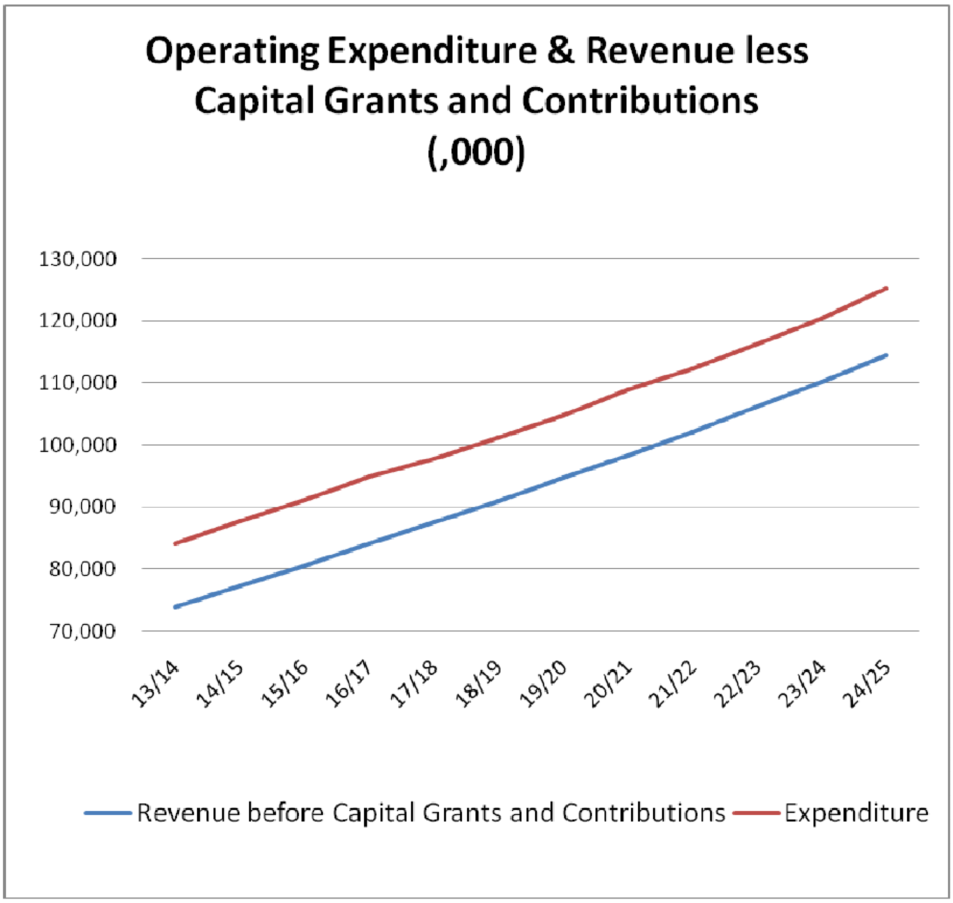
5.3 Sustainability Assessment

The changes in Scenario Two relate to self imposed efficiencies that have been allocated to the asset renewals, the operational deficit increases by $0.1 million between 2013 - 2014 and 2024 – 2025.

The forecast financial position of the scenario has been assessed in relation to the four financial sustainability principles.

The first sustainability principle is:

- Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation



The graph above shows that Council is forecasting an operating deficit after capital grants and contributions of $10.2 million in 2013/14 due to operating expenditure being greater than operating revenue. The Long Term Financial Plan predicts the deficit will continue and increase to $10.3 million by 2024/25.

The second principle of financial sustainability is:

- Council must maintain sufficient cash reserves to ensure that it can meet its short-term working capital requirements

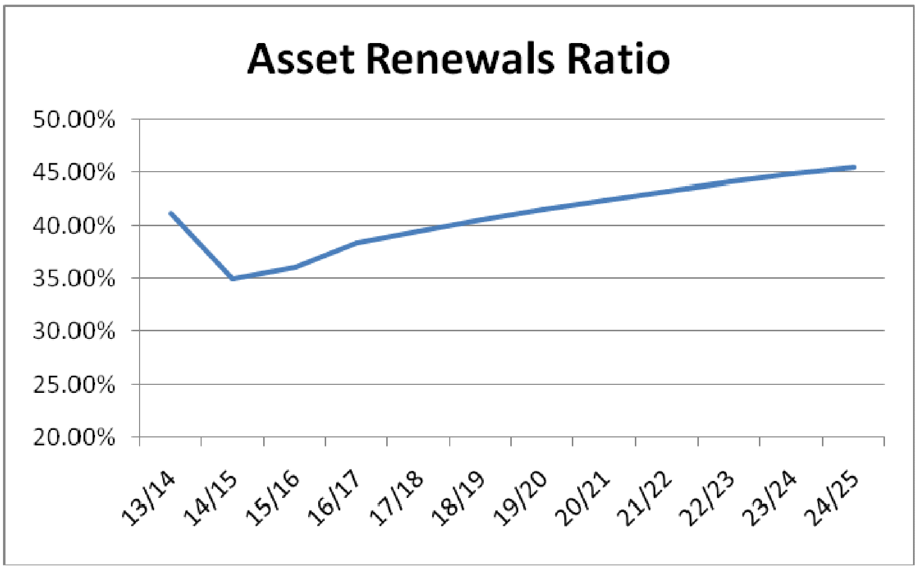
Over the 12 years of the Long Term Financial Plan the cash reserves increase from $82 million to $213 million. This growth in cash reserves has mostly been achieved from the S94 capital contributions exceeding the related capital expenditure programs for new assets over the 12 years of the Plan.

Although the cash balance indicated Council is financially sustainable, it must be recognised a large proportion of the fund will relate to S94 funds held in restricted reserves.

The last two principles of financial sustainability are:

- 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.

It is evident from the commentary and graphs above that although Council is not collecting sufficient revenue for the renewal and development of assets, the programs in this scenario do not reflect sufficient level of capital works. In this scenario the capital expenditure has been restricted to the level of "cash" funding rather than addressing the ongoing maintenance of the capital base. The graph below plots the asset renewal ratio on an upward trend as Council invests the self imposed efficiencies on the renewal of assets, but it only reaches 45% by 2024/25.



In summary Scenario Two, indicates that Council is maintaining financial liquidity even though it is forecasting an operating deficit as the deficit is offset by a reduced investment in infrastructure asset renewal. There are two risks associated with this strategy. Firstly Council's infrastructure assets will continue to deteriorate, requiring significantly increased investment in the future, which has been partly mitigated by self imposed efficiency gains.

5.4 Sensitivity Analysis

The two key sensitivities tested for Scenario Two are the negative impact sensitivities of:

- Salaries, Wages and Employee costs exceed the forecast 4% annual increase. An annual increase of 5% has been modelled.
- Materials and Contracts exceed the forecast 3.4% annual increase. An annual increase of 6% has been modelled.

The impact of these sensitivities is that the operating position is unsustainable from 2013/14 and the income gap continues to grow as the operating expenditure exceeds the operating revenue.

6. Scenario Three – Business as Usual Model

6.1 Introduction

This scenario models the continuation of council's services as currently provided. It assumes council will continue to achieve a balanced "operational cash budget" by closing any gap between revenue and expenditure by achieving improvements and efficiency gains in service delivery and the reduction in asset renewals. The 2010 Community Buildings Special Rate Variation has expired and no further SRV applications have been made.

Two significant capital projects, Rockdale City Library and the Bexley Swimming and Leisure Centre and investigation into a third major project, the Arncliffe Youth Centre have been included in the model.

6.2 Components included in scenario

- The State Government has set an annual rate cap for Councils over the last 30 years. This responsibility has now been passed to IPART NSW who has set a rate increase of 3.4% for the 2013/14 year. The figure assumes that Councils need to make efficiencies of 0.2% of rates to maintain current level of purchasing.

- The Workforce Management Plan will not have any significant implications on the annual operating position

- The capital maintenance, rehabilitation and new capital expenditure program is as outlined in the 12 year City Projects Program.

- S94 funding is based the capital works program as outlined and the projected revenue streams

- Council's existing policy is to borrow $1.1 million annually to support the Capital Works Program. The Long Term Financial Plan assumes that Council will need to continue to borrow this amount to support and supplement the annual Capital Works Program

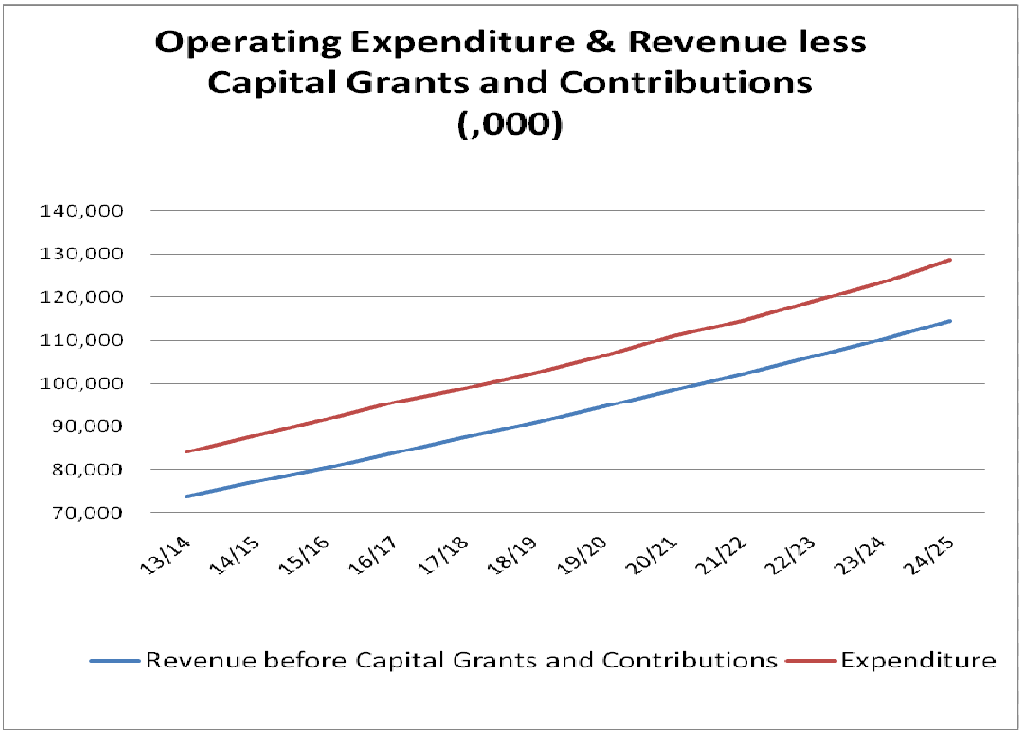
- The value of the proceeds from the sale of plant and equipment is assumed to equal the book value of the plant and equipment and therefore there is no profit or loss on disposal of plant and equipment.

6.3 Sustainability assessment

The forecast financial position for Scenario Three has been assessed in relation to the four financial sustainability principles.

The first principle is:

- Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation



The graph above shows that Council is forecasting an operating deficit after capital grants and contributions of $10.2 million in 2013/14 due to operating expenditure being greater than operating revenue. The Long Term Financial Plan predicts the deficit will continue and increase to $14.3 million by 2024/25.

By removing the non-cash item of depreciation, the operating deficit becomes a surplus of approximately $12.3 million per year. This in the past has matched the level of expenditure on capital renewal, loan repayments and new projects, providing the "balanced cash budget" situation.

The second principle of financial sustainability is:

- Council must maintain sufficient cash reserves to ensure that it can meet its short-term working capital requirements

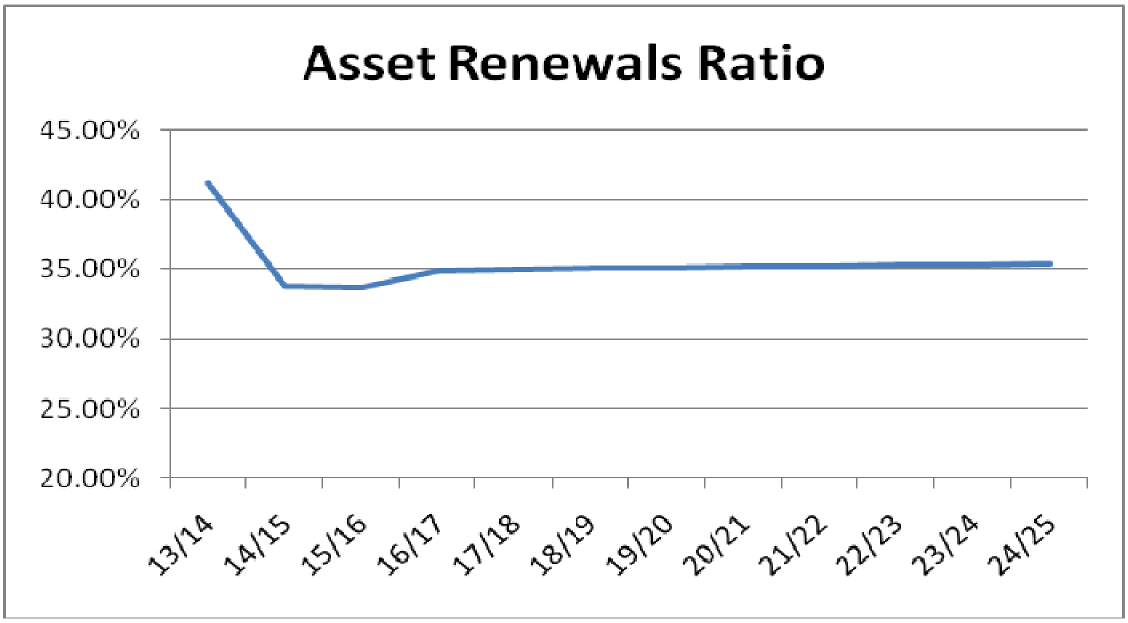
Over the 12 years of the Long Term Financial Plan the cash reserves increase from $82 million to $209 million. This growth in cash reserves has mostly been achieved from the S94 capital contributions exceeding the related capital expenditure programs for new assets over the 12 years of the Plan.

Although the cash balance indicated Council is financially sustainable, it must be recognised a large proportion of the fund will relate to S94 funds held in restricted reserves.

The last two principles of financial sustainability are:

- 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.

It is evident from the commentary and graphs above that although Council is not collecting sufficient revenue for the renewal and development of assets, the programs in this scenario do not reflect sufficient level of capital works. In this scenario the capital expenditure has been restricted to the level of "cash" funding rather than addressing the ongoing maintenance of the capital base. The graph below plots the asset renewal ratio as it remains stable in dollars spent to depreciation, what is not shown is the reduction in the quantum of work completed as when the assets have passed the optional renew point the renewal cost increases significantly. The asset renewals ratio remains at 35%.



In summary, Scenario Three, indicates that Council is maintains financial liquidity even though it is forecasting an operating deficit as the deficit is offset by reducing the investment in infrastructure asset renewal. There are two risks associated with this strategy. Firstly Council's infrastructure assets will continue to deteriorate, requiring significantly increased investment in the future. Secondly the creation of the large restricted reserve held for investment in S94 assets will need to be transformed into community and infrastructure asset that Council will need to manage, operate and maintain in the future, putting additional strain on the operating position.

6.4 Sensitivity Analysis

The two key sensitivities tested for Scenario Three are the negative impact sensitivities of:

- Salaries, Wages and Employee costs exceed the forecast 4% annual increase. An annual increase of 5% has been modelled.
- Materials and Contracts exceed the forecast 3.7% annual increase. An annual increase of 6% has been modelled.

The impact of these sensitivities is that the operating position is unsustainable from 2013/14 and the income gap continues to grow as the operating expenditure exceeds the operating revenue.

- 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.

7. Long Term Financial Sustainability

7.1 Conclusion

Council has committed to undertaking an assessment of its long term financial sustainability by the development of a Long Term Financial Plan. This plan is based on the 2013/14year and forecasts out 12 years to 2024/25.

The Council has considered three scenarios. Scenario One is based on the current known financial position with: a self imposed efficiency of $250,000 p.a. to be transferred from operational budgets to asset renewal: successful applications for Special Rate Variations for a one-off percentage increase to general income to replace the expiring 3% Community Buildings SRV in 2013/14, and a multi year Special Variation to general income commencing from 2014, consisting of a 3% increase (on top of an estimated rate peg of 3%) in each of the years 2014/15, 2015/16, 2016/17 and 2017/18 after which the Special Variation would be included in the rates base, and the completion of two major projects Rockdale Central Library and the Bexley Pool redevelopment.

Over the twelve years of Scenario One, the operational deficit before capital grants and contributions reduces from $10.2 million to $2.5 million. The asset renewal ratio improves from 34.0% to 74.4% moving Council closer to financial sustainability.

Secondly, the creation of the large restricted reserve held for investment in S94 assets will need to be transformed into community and infrastructure asset that Council will need to manage, operate and maintain, putting additional strain on the operating position.

Scenario Two is based on the current known financial position and incorporates the two major capital works projects and the operational efficiency gains transferred to asset renewals, but the existing 3% SRV expires on 30 June 2013 and is not replaced. In this scenario the operational deficit before capital grants and contributions remains relativity constant at $10.2 million, the improvement in Councils financial sustainability is due to the increased spending on asset renewal.

Scenario Three, is based on the current known financial position and incorporates the two major projects. In this scenario Council's financial sustainability reduces as the quantum of asset renewal decrease creating a significant liability for future generations.

Secondly, the creation of the large restricted reserve held for investment in S94 assets will need to be transformed into community and infrastructure asset that Council will need to manage, operate and maintain, putting additional strain on the operating position.

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.

In all three scenarios developed, Council has met one or two of the financial sustainability principles but not all four. To achieve financial sustainability Council must increase operational revenue or reduce operational expenditure or a mixture of both or reduce the value and number of assets held and maintained.

So, successful SRV applications will result in a big improvement in Council's financial sustainability, but do not completely solve the problem. Improvements proposed in the Asset Management Strategy including detailed conditions assessments and community engagement on service levels will further contribute to closing the gap.

Successful SRV applications, with the other elements of the 3 pronged approach, will allow Council to deliver its responsibilities in the Delivery Program, towards achieving the objectives of this Community Strategic Plan. The final version of he Delivery Program will demonstrate the reductions in services and asset condition that will need to be made if the application is unsuccessful.

Appendix

Long Term Financial Plan Income Statement and Capital and Reserve Movements

Scenario One - Successful Application for SRV each year for five year, includes efficiency and two major projects.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income from continuing operations												
Rates and Annual Charges	55,553,618	59,309,986	63,250,381	67,383,292	71,301,974	74,085,352	76,977,383	79,982,312	83,104,543	86,348,652	89,719,401	93,221,732
User Charges and Fees	5,371,288	5,559,284	5,753,862	5,955,250	6,163,684	6,379,415	6,602,693	6,833,786	7,072,968	7,320,521	7,576,739	7,841,926
Interest and Investment Revenue	3,239,238	3,461,337	3,452,620	3,705,073	4,142,034	4,451,393	5,023,432	5,410,103	5,815,511	6,240,568	6,686,236	7,153,523
Other Revenue	6,127,738	6,281,202	6,438,514	6,599,766	6,765,059	6,934,495	7,108,182	7,286,221	7,468,721	7,655,794	7,847,557	8,044,125
Grants and Contributions Operational	4,808,892	4,929,116	5,052,344	5,178,651	5,308,119	5,440,820	5,576,840	5,716,262	5,859,169	6,005,647	6,155,789	6,309,684
Grants and Contributions Capital	8,524,709	9,233,087	8,708,136	8,786,752	8,867,335	8,949,932	9,034,593	9,121,372	9,210,319	9,301,490	9,394,940	9,490,725
Total income from continuing operations	**83,625,483**	**88,774,012**	**92,655,857**	**97,608,784**	**102,548,205**	**106,241,407**	**110,323,123**	**114,350,056**	**118,531,231**	**122,872,672**	**127,380,662**	**132,061,715**
Expenses from continuing operations												
Employee Costs	32,290,804	33,580,232	34,921,174	36,315,697	37,765,951	39,274,167	40,842,645	42,473,792	44,170,127	45,934,249	47,768,846	49,676,772
Borrowing Costs	320,143	328,493	711,777	822,013	797,684	777,885	761,512	737,517	707,993	664,489	611,947	556,920
Material and Contracts	20,747,649	21,103,321	21,887,029	23,259,835	23,539,744	24,410,715	25,313,900	26,810,513	27,221,787	28,228,976	29,273,461	30,916,568
Depreciation and Amortisation	19,152,296	20,574,702	21,178,373	21,675,544	22,239,052	22,856,859	23,518,013	24,204,271	24,937,433	25,700,110	26,514,720	27,363,811
Other Expenses	11,645,813	12,076,758	12,523,609	12,987,001	13,467,530	13,965,839	14,482,581	15,018,450	15,574,173	16,150,359	16,747,912	17,367,604
Total expenses from continuing operations	**84,156,705**	**87,663,506**	**91,221,962**	**95,060,090**	**97,809,961**	**101,285,465**	**104,918,651**	**109,244,543**	**112,611,513**	**116,678,183**	**120,916,886**	**125,881,675**
Net operating profit (loss) for the year	**-531,222**	**1,110,506**	**1,433,895**	**2,548,694**	**4,738,244**	**4,955,942**	**5,404,472**	**5,105,513**	**5,919,718**	**6,194,489**	**6,463,776**	**6,180,040**
Capital and Reserve Movements												
Capital Expenditure	17,811,779	44,069,712	26,556,190	16,254,698	16,005,258	16,771,846	17,562,320	18,372,379	19,202,747	20,054,172	20,927,433	21,823,337
Loan repayments	1,053,140	1,108,556	1,709,979	1,779,559	1,847,562	1,837,351	1,981,055	1,857,378	2,055,293	2,120,150	2,046,048	2,116,514
Loan Borrowings	-1,100,000	-7,000,000	-3,200,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000
Proceeds from sale of assets	-1,180,000	-8,050,000	-11,550,000	-3,050,000	-950,000	-950,000	-950,000	-950,000	-950,000	-950,000	-950,000	-950,000
Net transfers (to) from reserves	1,963,379	-8,498,887	9,074,162	10,244,761	11,151,887	11,198,881	11,412,136	11,083,834	11,598,301	11,676,695	11,980,240	11,650,207
Net Result (Including Depreciation)	**-19,079,520**	**-20,518,875**	**-21,156,436**	**-21,580,325**	**-22,216,462**	**-22,802,136**	**-23,501,039**	**-24,158,079**	**-24,886,624**	**-25,606,529**	**-26,439,945**	**-27,360,018**
Add back: Noncash Items	19,152,296	20,574,702	21,178,373	21,675,544	22,239,052	22,856,859	23,518,013	24,204,271	24,937,433	25,700,110	26,514,720	27,363,811
Cash Surplus (Deficit)	72,776	55,827	21,937	95,219	22,590	54,723	16,974	46,192	50,809	93,581	74,775	3,793

Long Term Financial Plan Balance Sheet

Scenario One - Successful Application for SRV each year for five year, includes efficiency and two major projects.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
CURRENT ASSETS												
Cash and cash equivalents	75,897,000	67,558,000	76,762,000	87,216,000	98,509,000	109,887,000	121,446,000	132,712,000	144,503,000	156,422,000	168,632,000	180,446,000
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	5,813,000	5,975,000	6,143,000	6,315,000	6,492,000	6,673,000	6,860,000	7,052,000	7,250,000	7,453,000	7,661,000	7,876,000
Inventories	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	82,423,000	74,246,000	83,618,000	94,244,000	105,714,000	117,273,000	129,019,000	140,477,000	152,466,000	164,588,000	177,006,000	189,037,000
NON-CURRENT ASSETS												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	445,000	458,000	471,000	484,000	497,000	511,000	526,000	540,000	556,000	571,000	587,000	604,000
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	776,720,000	800,235,000	805,632,000	800,231,000	794,017,000	787,951,000	782,015,000	776,203,000	770,488,000	764,862,000	759,294,000	753,773,000
Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	1,945,000	1,925,000	1,906,000	1,886,000	1,867,000	1,847,000	1,827,000	1,808,000	1,788,000	1,769,000	1,749,000	1,729,000
Other	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000
TOTAL NON CURRENT ASSETS	779,490,000	802,998,000	808,389,000	802,981,000	796,761,000	790,689,000	784,748,000	778,931,000	773,212,000	767,582,000	762,010,000	756,486,000
TOTAL ASSETS	861,913,000	877,244,000	892,007,000	897,225,000	902,475,000	907,962,000	913,767,000	919,408,000	925,678,000	932,170,000	939,016,000	946,523,000
CURRENT LIABILITIES												
Payables	7,966,000	8,244,000	8,533,000	8,832,000	9,141,000	9,461,000	9,792,000	10,134,000	10,489,000	10,856,000	11,236,000	11,629,000
Borrowings	1,109,000	1,710,000	1,780,000	1,848,000	1,837,000	1,981,000	1,857,000	2,055,000	2,120,000	2,046,000	2,117,000	1,362,000
Provisions	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000
TOTAL CURRENT LIABILITIES	18,419,000	19,298,000	19,657,000	20,024,000	20,322,000	20,786,000	20,993,000	21,533,000	21,953,000	22,246,000	22,697,000	22,335,000
NON-CURRENT LIABILITIES												
Payables	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Borrowings	6,269,000	11,559,000	12,980,000	12,232,000	11,495,000	10,614,000	9,856,000	8,901,000	7,881,000	6,935,000	5,918,000	5,656,000
Provisions	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000
TOTAL NON-CURRENT LIABILITIES	7,729,000	13,019,000	14,440,000	13,692,000	12,955,000	12,074,000	11,316,000	10,361,000	9,341,000	8,395,000	7,378,000	7,116,000
TOTAL LIABILITIES	26,148,000	32,317,000	34,097,000	33,716,000	33,277,000	32,860,000	32,309,000	31,894,000	31,294,000	30,641,000	30,075,000	29,451,000
NET ASSETS	835,765,000	844,927,000	857,910,000	863,509,000	869,198,000	875,102,000	881,458,000	887,514,000	894,384,000	901,529,000	908,941,000	916,072,000
EQUITY												
Retained earnings	440,878,000	450,040,000	463,023,000	468,622,000	474,311,000	480,215,000	486,571,000	492,627,000	499,497,000	506,642,000	514,054,000	521,185,000
Revaluation Reserves	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000
TOTAL EQUITY	835,765,000	844,927,000	857,910,000	863,509,000	869,198,000	875,102,000	881,458,000	887,514,000	894,384,000	901,529,000	908,941,000	916,072,000

Long Term Financial Plan Cash Flow

Scenario One - Successful Application for SRV each year for five year, includes efficiency and two major projects.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Cash Flows from Operating Activities												
Receipts												
Rates and annual charges	55,553,618	59,185,983	63,122,906	67,252,248	71,167,260	73,946,866	76,835,020	79,835,962	82,954,096	86,193,992	89,560,411	93,058,290
User charges and fees	5,371,286	5,532,493	5,726,321	5,926,938	6,134,579	6,349,495	6,571,935	6,802,167	7,040,464	7,287,107	7,542,389	7,806,614
Investment revenue and interest	3,239,238	3,445,415	3,436,252	3,688,247	4,124,737	4,433,611	5,005,153	5,391,312	5,796,194	6,220,710	6,665,822	7,132,537
Grants and contributions	13,333,601	14,162,203	13,760,480	13,965,403	14,175,454	14,390,752	14,611,433	14,837,634	15,069,488	15,307,137	15,550,729	15,800,409
Other revenue	6,127,738	6,272,691	6,429,764	6,590,771	6,755,813	6,924,990	7,098,411	7,276,176	7,458,395	7,645,179	7,836,644	8,032,907
Payments												
Employee benefits and on-costs	-32,290,804	-33,580,232	-34,921,174	-36,315,697	-37,765,951	-39,274,167	-40,842,645	-42,473,792	-44,170,127	-45,934,249	-47,768,846	-49,676,772
Materials and contracts	-20,747,649	-20,824,526	-21,598,476	-22,961,183	-23,230,639	-24,090,791	-24,982,779	-26,467,803	-26,867,082	-27,861,856	-28,893,492	-30,523,300
Borrowing costs	-320,143	-328,493	-711,777	-822,013	-797,684	-777,885	-761,512	-737,517	-707,993	-664,489	-611,947	-556,920
Other expenses	-11,645,813	-12,076,756	-12,523,609	-12,987,001	-13,467,530	-13,965,839	-14,482,581	-15,018,450	-15,574,173	-16,150,359	-16,747,912	-17,367,604
Net cash provided by operating activities	18,621,074	21,788,776	22,720,687	24,337,713	27,096,039	27,937,032	29,052,435	29,445,689	30,999,261	32,043,171	33,133,798	33,706,161
Cash Flows from Investing Activities												
Receipts												
Sales of infrastructure,property,plant and equipment	1,180,000	8,050,000	11,550,000	3,050,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Payments												
Purchase of infrastructure,property,plant and equipment	-17,811,779	-44,069,712	-26,556,190	-16,254,698	-16,005,258	-16,771,846	-17,562,320	-18,372,379	-19,202,747	-20,054,172	-20,927,433	-21,823,337
Net cash used in investing activities	-16,631,779	-36,019,712	-15,006,190	-13,204,698	-15,055,258	-15,821,846	-16,612,320	-17,422,379	-18,252,747	-19,104,172	-19,977,433	-20,873,337
Cash Flows from Financing Activities												
Receipts												
Proceeds from borrowings	1,100,000	7,000,000	3,200,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Payments												
Repayment of borrowings	-1,053,140	-1,108,556	-1,709,979	-1,779,559	-1,847,562	-1,837,351	-1,981,055	-1,857,378	-2,055,293	-2,120,150	-2,046,048	-2,116,514
Net cash outflow from financing activities	46,860	5,891,444	1,490,021	-679,559	-747,562	-737,351	-881,055	-757,378	-955,293	-1,020,150	-946,048	-1,016,514
Net increase (decrease) in cash held	2,036,154	-8,339,492	9,204,518	10,453,455	11,293,220	11,377,836	11,559,059	11,265,932	11,791,220	11,918,848	12,210,317	11,816,310
Cash at the beginning of the reporting period	73,861,069	75,897,224	67,557,731	76,762,249	87,215,704	98,508,924	109,886,760	121,445,819	132,711,751	144,502,971	156,421,820	168,632,136
Cash at the end of the reporting period	75,897,224	67,557,731	76,762,249	87,215,704	98,508,924	109,886,760	121,445,819	132,711,751	144,502,971	156,421,820	168,632,136	180,448,447

Long Term Financial Plan Ratio

Scenario One - Successful Application for SRV each year for five year, includes efficiency and two major projects.

		13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Unrestricted current ratio													
Current assets less all external restrictions	Amounts	34,595,894	36,462,543	43,254,710	47,669,901	52,455,546	56,983,763	61,085,039	64,466,721	67,924,602	71,037,245	73,943,494	75,931,611
Current liabilities less specific purpose liabilities		9,018,712	9,074,127	9,954,345	10,312,479	10,679,133	10,978,027	11,441,655	11,649,099	12,189,725	12,609,287	12,902,304	13,352,739
	Indicators	3.84	4.02	4.35	4.62	4.91	5.19	5.34	5.53	5.57	5.63	5.73	5.69
Debt service ratio													
Debt service cost		1,053,140	1,108,556	1,709,979	1,779,559	1,847,562	1,837,351	1,981,055	1,857,378	2,055,293	2,120,150	2,046,048	2,116,514
Revenue from continuing operations excluding capital items and specific purpose grants/contributions	Amounts	79,540,925	83,947,721	88,822,032	93,680,870	97,291,475	101,288,530	105,228,684	109,320,912	113,571,182	117,985,722	122,570,990	127,333,705
	Indicators	0.013	0.013	0.019	0.019	0.019	0.018	0.019	0.017	0.018	0.018	0.017	0.017
Rate coverage ratio													
Rates and annual charges	Amounts	55,553,618	59,309,986	63,250,381	67,383,292	71,301,974	74,085,352	76,977,383	79,982,312	83,104,543	86,348,652	89,719,401	93,221,732
Revenue from continuing operations		83,625,483	88,774,012	92,655,857	97,608,784	102,548,205	106,241,407	110,323,123	114,350,056	118,531,231	122,872,672	127,380,662	132,061,715
	Indicators	0.66	0.67	0.68	0.69	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.71
Building and infrastructure renewals ratio													
Asset renewals (building and infrastructure)	Amounts	6,725,779	7,067,792	8,550,522	10,299,400	12,073,267	12,760,363	13,468,446	14,193,109	14,934,965	15,694,649	16,472,821	17,270,166
Depreciation, amortisation and impairment (building and infrastructure)		15,135,338	16,665,255	17,233,741	17,694,934	18,223,418	18,805,722	19,430,879	20,080,624	20,776,740	21,501,818	22,278,255	23,088,578
	Indicators	0.44	0.42	0.50	0.58	0.66	0.68	0.69	0.71	0.72	0.73	0.74	0.75

Long Term Financial Plan Income Statement and Capital and Reserve Movements

Scenario Two - Efficiencies and two major projects - Unsuccessful SRV Application.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income from continuing operations												
Rates and Annual Charges	54,361,618	57,003,221	59,747,945	62,599,814	65,147,396	67,690,521	70,332,920	73,078,472	75,931,201	78,895,288	81,975,083	85,175,103
User Charges and Fees	5,371,288	5,559,284	5,753,862	5,955,250	6,163,684	6,379,415	6,602,693	6,833,786	7,072,968	7,320,521	7,576,739	7,841,926
Interest and Investment Revenue	3,239,238	3,461,337	3,452,620	3,705,073	4,142,034	4,451,393	5,023,432	5,410,103	5,815,511	6,240,568	6,686,236	7,153,523
Other Revenue	6,127,738	6,281,202	6,438,514	6,599,766	6,765,059	6,934,495	7,108,182	7,286,221	7,468,721	7,655,794	7,847,557	8,044,125
Grants and Contributions Operational	4,808,892	4,929,116	5,052,344	5,178,651	5,308,119	5,440,820	5,576,840	5,716,262	5,859,169	6,005,647	6,155,789	6,309,684
Grants and Contributions Capital	8,524,709	9,233,087	8,708,136	8,786,752	8,867,335	8,949,932	9,034,593	9,121,372	9,210,319	9,301,490	9,394,940	9,490,725
Total income from continuing operations	82,433,483	86,467,247	89,153,421	92,825,306	96,393,627	99,846,576	103,678,660	107,446,216	111,357,889	115,419,308	119,636,344	124,015,086
Expenses from continuing operations												
Employee Costs	32,290,804	33,580,232	34,921,174	36,315,697	37,765,951	39,274,167	40,842,645	42,473,792	44,170,127	45,934,249	47,768,846	49,676,772
Borrowing Costs	320,143	328,493	711,777	822,013	797,684	777,885	761,512	737,517	707,993	664,489	611,947	556,920
Material and Contracts	20,747,649	21,103,321	21,887,029	23,259,835	23,539,744	24,410,715	25,313,900	26,810,513	27,221,787	28,228,976	29,273,461	30,916,568
Depreciation and Amortisation	19,136,767	20,533,321	21,112,631	21,583,905	22,103,907	22,681,681	23,295,999	23,926,978	24,595,453	25,283,437	26,012,189	26,763,632
Other Expenses	11,645,813	12,076,758	12,523,609	12,987,001	13,467,530	13,965,839	14,482,581	15,018,450	15,574,173	16,150,359	16,747,912	17,367,604
Total expenses from continuing operations	84,141,176	87,622,125	91,156,220	94,968,451	97,674,816	101,110,287	104,696,637	108,967,250	112,269,533	116,261,510	120,414,355	125,281,496
Net operating profit (loss) for the year	- 1,707,693	- 1,154,878	- 2,002,799	- 2,143,145	- 1,281,189	- 1,263,711	- 1,017,977	- 1,521,034	- 911,644	- 842,202	- 778,011	- 1,266,410
Capital and Reserve Movements												
Capital Expenditure	16,619,779	41,787,504	23,180,510	11,738,058	10,145,412	10,662,250	11,188,919	11,725,782	12,273,215	12,831,608	13,401,363	13,982,902
Loan repayments	1,053,140	1,108,556	1,709,979	1,779,559	1,847,562	1,837,351	1,981,055	1,857,378	2,055,293	2,120,150	2,046,048	2,116,514
Loan Borrowings	- 1,100,000	- 7,000,000	- 3,200,000	- 1,100,000	- 1,100,000	- 1,100,000	- 1,100,000	- 1,100,000	- 1,100,000	- 1,100,000	- 1,100,000	- 1,100,000
Proceeds from sale of assets	- 1,180,000	- 8,050,000	- 11,550,000	- 3,050,000	- 950,000	- 950,000	- 950,000	- 950,000	- 950,000	- 950,000	- 950,000	- 950,000
Net transfers (to) from reserves	1,963,379	- 8,483,444	8,927,406	10,047,923	10,854,887	10,904,259	11,119,490	10,792,727	11,408,263	11,487,218	11,790,772	11,460,157
Net Result (Including Depreciation)	- 19,063,991	- 20,517,494	- 21,070,694	- 21,558,686	- 22,079,049	- 22,617,571	- 23,257,441	- 23,846,922	- 24,598,416	- 25,231,179	- 25,966,194	- 26,775,983
Add back: Noncash Items	19,136,767	20,533,321	21,112,631	21,583,905	22,103,907	22,681,681	23,295,999	23,926,978	24,595,453	25,283,437	26,012,189	26,763,632
Cash Surplus (Deficit)	72,776	15,827	41,937	25,219	24,858	64,110	38,558	80,056	- 2,963	52,258	45,995	- 12,351

Long Term Financial Plan Balance Sheet

Scenario Two - Efficiencies and two major projects - Unsuccessful SRV Application.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
CURRENT ASSETS												
Cash and cash equivalents	75,897,000	67,533,000	76,611,000	86,798,000	97,796,000	108,889,000	120,177,000	131,185,000	142,733,000	154,421,000	166,413,000	178,023,000
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	5,813,000	5,975,000	6,143,000	6,315,000	6,492,000	6,673,000	6,860,000	7,052,000	7,250,000	7,453,000	7,661,000	7,876,000
Inventories	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	82,423,000	74,221,000	83,467,000	93,826,000	105,001,000	116,275,000	127,750,000	138,950,000	150,696,000	162,587,000	174,787,000	186,612,000
NON-CURRENT ASSETS												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	445,000	458,000	471,000	484,000	497,000	511,000	526,000	540,000	556,000	571,000	587,000	604,000
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	775,544,000	796,818,000	798,905,000	789,079,000	777,140,000	765,140,000	753,053,000	740,871,000	728,568,000	716,136,000	703,545,000	690,784,000
Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	1,945,000	1,925,000	1,906,000	1,886,000	1,867,000	1,847,000	1,827,000	1,808,000	1,788,000	1,769,000	1,749,000	1,729,000
Other	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000
TOTAL NON CURRENT ASSETS	778,314,000	799,581,000	801,662,000	791,829,000	779,884,000	767,878,000	755,786,000	743,599,000	731,292,000	718,856,000	706,261,000	693,497,000
TOTAL ASSETS	860,737,000	873,802,000	885,129,000	885,655,000	884,885,000	884,153,000	883,536,000	882,549,000	881,988,000	881,443,000	881,048,000	880,109,000
CURRENT LIABILITIES												
Payables	7,966,000	8,244,000	8,533,000	8,832,000	9,141,000	9,461,000	9,792,000	10,134,000	10,489,000	10,856,000	11,236,000	11,629,000
Borrowings	1,109,000	1,710,000	1,780,000	1,848,000	1,837,000	1,981,000	1,857,000	2,055,000	2,120,000	2,046,000	2,117,000	1,362,000
Provisions	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000
TOTAL CURRENT LIABILITIES	18,419,000	19,298,000	19,657,000	20,024,000	20,322,000	20,786,000	20,993,000	21,533,000	21,953,000	22,246,000	22,697,000	22,335,000
NON-CURRENT LIABILITIES												
Payables	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Borrowings	6,269,000	11,559,000	12,980,000	12,232,000	11,495,000	10,614,000	9,856,000	8,901,000	7,881,000	6,935,000	5,918,000	5,656,000
Provisions	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000
TOTAL NON-CURRENT LIABILITIES	7,729,000	13,019,000	14,440,000	13,692,000	12,955,000	12,074,000	11,316,000	10,361,000	9,341,000	8,395,000	7,378,000	7,116,000
TOTAL LIABILITIES	26,148,000	32,317,000	34,097,000	33,716,000	33,277,000	32,860,000	32,309,000	31,894,000	31,294,000	30,641,000	30,075,000	29,451,000
NET ASSETS	834,589,000	841,485,000	851,032,000	851,939,000	851,608,000	851,293,000	851,227,000	850,655,000	850,694,000	850,802,000	850,973,000	850,658,000
EQUITY												
Retained earnings	439,702,000	446,598,000	456,145,000	457,052,000	456,721,000	456,406,000	456,340,000	455,768,000	455,807,000	455,915,000	456,086,000	455,771,000
Revaluation Reserves	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000
TOTAL EQUITY	834,589,000	841,485,000	851,032,000	851,939,000	851,608,000	851,293,000	851,227,000	850,655,000	850,694,000	850,802,000	850,973,000	850,658,000

Long Term Financial Plan Cash Flow

Scenario Two - Efficiencies and two major projects - Unsuccessful SRV Application.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Cash Flows from Operating Activities												
Receipts												
Rates and annual charges	54,361,618	56,879,218	59,620,470	62,468,770	65,012,682	67,552,035	70,190,557	72,932,122	75,780,754	78,740,628	81,816,093	85,011,661
User charges and fees	5,371,288	5,532,493	5,726,321	5,926,938	6,134,579	6,349,495	6,571,935	6,802,167	7,040,464	7,287,107	7,542,369	7,806,614
Investment revenue and interest	3,239,238	3,445,415	3,436,252	3,688,247	4,124,737	4,433,611	5,005,153	5,391,312	5,796,194	6,220,710	6,665,822	7,132,537
Grants and contributions	13,333,601	14,162,203	13,760,480	13,965,403	14,175,454	14,390,752	14,611,433	14,837,634	15,069,488	15,307,137	15,550,729	15,800,409
Other revenue	6,127,738	6,272,691	6,429,764	6,590,771	6,755,813	6,924,990	7,098,411	7,276,176	7,458,395	7,645,179	7,836,644	8,032,907
Payments												
Employee benefits and on-costs	- 32,290,804	- 33,580,232	- 34,921,174	- 36,315,697	- 37,765,951	- 39,274,167	- 40,842,645	- 42,473,792	- 44,170,127	- 45,934,249	- 47,768,846	- 49,676,772
Materials and contracts	- 20,747,649	- 20,824,526	- 21,598,476	- 22,961,183	- 23,230,639	- 24,090,791	- 24,982,779	- 26,467,803	- 26,867,082	- 27,861,856	- 28,893,492	- 30,523,300
Borrowing costs	- 320,143	- 328,493	- 711,777	- 822,013	- 797,684	- 777,885	- 761,512	- 737,517	- 707,993	- 664,489	- 611,947	- 556,920
Other expenses	- 11,645,813	- 12,076,758	- 12,523,609	- 12,987,001	- 13,467,530	- 13,965,839	- 14,482,581	- 15,018,450	- 15,574,173	- 16,150,359	- 16,747,912	- 17,367,604
Net cash provided by operating activities	17,429,074	19,482,011	19,218,251	19,554,235	20,941,461	21,542,201	22,407,972	22,541,849	23,825,919	24,589,807	25,389,480	25,659,532
Cash Flows from Investing Activities												
Receipts												
Sales of infrastructure,property,plant and equipment	1,180,000	8,050,000	11,550,000	3,050,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Payments												
Purchase of infrastructure,property,plant and equipment	- 16,619,779	- 41,787,504	- 23,180,510	- 11,738,058	- 10,145,412	- 10,662,250	- 11,188,919	- 11,725,782	- 12,273,215	- 12,831,608	- 13,401,363	- 13,982,902
Net cash used in investing activities	- 15,439,779	- 33,737,504	- 11,630,510	- 8,688,058	- 9,195,412	- 9,712,250	- 10,238,919	- 10,775,782	- 11,323,215	- 11,881,608	- 12,451,363	- 13,032,902
Cash Flows from Financing Activities												
Receipts												
Proceeds from borrowings	1,100,000	7,000,000	3,200,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Payments												
Repayment of borrowings	- 1,053,140	- 1,108,556	- 1,709,979	- 1,779,559	- 1,847,562	- 1,837,351	- 1,981,055	- 1,857,378	- 2,055,293	- 2,120,150	- 2,046,048	- 2,116,514
Net cash outflow from financing activities	46,860	5,891,444	1,490,021	- 679,559	- 747,562	- 737,351	- 881,055	- 757,378	- 955,293	- 1,020,150	- 946,048	- 1,016,514
Net increase (decrease) in cash held	2,036,154	- 8,364,049	9,077,762	10,186,617	10,998,488	11,092,601	11,287,997	11,008,689	11,547,410	11,688,048	11,992,069	11,610,116
Cash at the beginning of the reporting period	73,861,069	75,897,224	67,533,174	76,610,936	86,797,553	97,796,041	108,888,642	120,176,639	131,185,328	142,732,738	154,420,787	166,412,855
Cash at the end of the reporting period	75,897,224	67,533,174	76,610,936	86,797,553	97,796,041	108,888,642	120,176,639	131,185,328	142,732,738	154,420,787	166,412,855	178,022,972

Long Term Financial Plan Ratio

Scenario Two - Efficiencies and two major projects - Unsuccessful SRV Application.

		13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Unrestricted current ratio													
Current assets less all external restrictions	Amounts	34,595,894	36,272,543	42,684,710	46,629,901	50,617,814	54,455,418	57,878,278	60,593,824	63,397,933	65,869,253	68,146,722	69,518,695
Current liabilities less specific purpose liabilities		9,018,712	9,074,127	9,954,345	10,312,479	10,679,133	10,978,027	11,441,655	11,649,099	12,189,725	12,609,287	12,902,304	13,352,739
	Indicators	3.84	4.00	4.29	4.51	4.74	4.96	5.06	5.20	5.20	5.22	5.28	5.21
Debt service ratio													
Debt service cost		1,053,140	1,108,556	1,709,979	1,779,559	1,847,562	1,837,351	1,981,055	1,857,378	2,055,293	2,120,150	2,046,048	2,116,514
Revenue from continuing operations excluding capital items and specific purpose grants/contributions	Amounts	77,234,160	80,445,285	84,038,554	87,526,292	90,896,644	94,644,067	98,324,844	102,147,570	106,117,818	110,241,404	114,524,361	118,972,964
	Indicators	0.014	0.014	0.020	0.020	0.020	0.019	0.020	0.018	0.019	0.019	0.018	0.018
Rate coverage ratio													
Rates and annual charges	Amounts	54,361,618	57,003,221	59,747,945	62,599,814	65,147,396	67,690,521	70,332,920	73,078,472	75,931,201	78,895,288	81,975,083	85,175,103
Revenue from continuing operations		82,433,483	86,467,247	89,153,421	92,825,306	96,393,627	99,846,576	103,678,660	107,446,216	111,357,889	115,419,308	119,636,344	124,015,086
	Indicators	0.66	0.66	0.67	0.67	0.68	0.68	0.68	0.68	0.68	0.68	0.69	0.69
Building and infrastructure renewals ratio													
Asset renewals (building and infrastructure)	Amounts	5,533,779	4,785,584	5,174,842	5,782,760	6,213,421	6,650,767	7,095,045	7,546,512	8,005,433	8,472,085	8,946,751	9,429,731
Depreciation, amortisation and impairment (building and infrastructure)		15,119,809	16,623,874	17,167,999	17,603,295	18,088,273	18,630,544	19,208,865	19,803,331	20,434,760	21,085,145	21,775,724	22,488,399
	Indicators	0.37	0.29	0.30	0.33	0.34	0.36	0.37	0.38	0.39	0.40	0.41	0.42

Long Term Financial Plan Income Statement and Capital and Reserve Movements

Scenario Three - Business as Usual Model

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Income from continuing operations												
Rates and Annual Charges	54,361,618	57,003,221	59,747,945	62,599,814	65,147,396	67,690,521	70,332,920	73,078,472	75,931,201	78,895,288	81,975,083	85,175,103
User Charges and Fees	5,371,288	5,559,284	5,753,862	5,955,250	6,163,684	6,379,415	6,602,693	6,833,786	7,072,968	7,320,521	7,576,739	7,841,926
Interest and Investment Revenue	3,239,238	3,461,337	3,452,620	3,705,073	4,142,034	4,451,393	5,023,432	5,410,103	5,815,511	6,240,568	6,686,236	7,153,523
Other Revenue	6,127,738	6,281,202	6,438,514	6,599,766	6,765,059	6,934,495	7,108,182	7,286,221	7,468,721	7,655,794	7,847,557	8,044,125
Grants and Contributions Operational	4,808,892	4,929,116	5,052,344	5,178,651	5,308,119	5,440,820	5,576,840	5,716,262	5,859,169	6,005,647	6,155,789	6,309,684
Grants and Contributions Capital	8,524,709	9,233,087	8,708,136	8,786,752	8,867,335	8,949,932	9,034,593	9,121,372	9,210,319	9,301,490	9,394,940	9,490,725
Total income from continuing operations	**82,433,483**	**86,467,247**	**89,153,421**	**92,825,306**	**96,393,627**	**99,846,576**	**103,678,660**	**107,446,216**	**111,357,889**	**115,419,308**	**119,636,344**	**124,015,086**
Expenses from continuing operations												
Employee Costs	32,290,804	33,580,232	34,921,174	36,315,697	37,765,951	39,274,167	40,842,645	42,473,792	44,170,127	45,934,249	47,768,846	49,676,772
Borrowing Costs	320,143	328,493	711,777	822,013	797,684	777,885	761,512	737,517	707,993	664,489	611,947	556,920
Material and Contracts	20,747,649	21,362,571	22,415,121	24,066,716	24,635,730	25,806,502	27,020,581	28,839,591	29,585,191	30,939,076	32,343,085	34,359,018
Depreciation and Amortisation	19,136,767	20,529,893	21,104,559	21,569,586	22,081,335	22,648,412	23,249,153	23,863,243	24,511,007	25,174,021	25,872,970	26,589,342
Other Expenses	11,645,813	12,076,758	12,523,609	12,987,001	13,467,530	13,965,839	14,482,581	15,018,450	15,574,173	16,150,359	16,747,912	17,367,604
Total expenses from continuing operations	**84,141,176**	**87,877,947**	**91,676,240**	**95,761,013**	**98,748,230**	**102,472,805**	**106,356,472**	**110,932,593**	**114,548,491**	**118,862,194**	**123,344,760**	**128,549,656**
Net operating profit (loss) for the year	**-1,707,693**	**-1,410,700**	**-2,522,819**	**-2,935,707**	**-2,354,603**	**-2,626,229**	**-2,677,812**	**-3,486,377**	**-3,190,602**	**-3,442,886**	**-3,708,416**	**-4,534,570**
Capital and Reserve Movements												
Capital Expenditure	16,619,779	41,537,504	22,680,510	10,988,058	9,145,412	9,412,250	9,688,919	9,975,782	10,273,215	10,581,608	10,901,363	11,232,902
Loan repayments	1,053,140	1,108,556	1,709,979	1,779,559	1,847,562	1,837,351	1,981,055	1,857,378	2,055,293	2,120,150	2,046,048	2,116,514
Loan Borrowings	-1,100,000	-7,000,000	-3,200,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000
Proceeds from sale of assets	-1,180,000	-8,050,000	-11,550,000	-3,050,000	-950,000	-950,000	-950,000	-950,000	-950,000	-950,000	-950,000	-950,000
Net transfers (to) from reserves	1,963,379	-8,483,444	8,927,406	9,947,923	10,754,887	10,804,259	10,919,490	10,592,727	11,008,263	11,087,218	11,290,772	10,710,157
Net Result (Including Depreciation)	**-19,063,991**	**-20,523,316**	**-21,090,714**	**-21,501,248**	**-22,052,463**	**-22,630,089**	**-23,217,276**	**-23,862,265**	**-24,477,374**	**-25,181,863**	**-25,896,599**	**-26,544,143**
Add back: Noncash Items	**19,136,767**	**20,529,893**	**21,104,559**	**21,569,586**	**22,081,335**	**22,648,412**	**23,249,153**	**23,863,243**	**24,511,007**	**25,174,021**	**25,872,970**	**26,589,342**
Cash Surplus (Deficit)	**72,776**	**6,677**	**13,845**	**68,338**	**28,872**	**18,323**	**31,877**	**978**	**33,633**	**-7,842**	**-23,629**	**45,199**

Long Term Financial Plan Balance Sheet
Scenario Three - Business as Usual Model

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
CURRENT ASSETS												
Cash and cash equivalents	75,897,000	67,524,000	76,574,000	86,703,000	97,606,000	108,553,000	119,634,000	130,364,000	141,548,000	152,776,000	164,198,000	175,116,000
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	5,813,000	5,975,000	6,143,000	6,315,000	6,492,000	6,673,000	6,860,000	7,052,000	7,250,000	7,453,000	7,661,000	7,876,000
Inventories	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000	663,000
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	82,423,000	74,212,000	83,430,000	93,731,000	104,811,000	115,939,000	127,207,000	138,129,000	149,511,000	160,942,000	172,572,000	183,705,000
NON-CURRENT ASSETS												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	445,000	458,000	471,000	484,000	497,000	511,000	526,000	540,000	556,000	571,000	587,000	604,000
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	775,544,000	796,571,000	798,166,000	787,605,000	774,688,000	761,472,000	747,931,000	734,063,000	719,845,000	705,272,000	690,320,000	674,983,000
Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	1,945,000	1,925,000	1,906,000	1,886,000	1,867,000	1,847,000	1,827,000	1,808,000	1,788,000	1,769,000	1,749,000	1,729,000
Other	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000	380,000
TOTAL NON CURRENT ASSETS	778,314,000	799,334,000	800,923,000	790,355,000	777,432,000	764,210,000	750,664,000	736,791,000	722,569,000	707,992,000	693,036,000	677,696,000
TOTAL ASSETS	860,737,000	873,546,000	884,353,000	884,086,000	882,243,000	880,149,000	877,871,000	874,920,000	872,080,000	868,934,000	865,608,000	861,401,000
CURRENT LIABILITIES												
Payables	7,966,000	8,244,000	8,533,000	8,832,000	9,141,000	9,461,000	9,792,000	10,134,000	10,489,000	10,858,000	11,236,000	11,629,000
Borrowings	1,109,000	1,710,000	1,780,000	1,848,000	1,837,000	1,981,000	1,857,000	2,055,000	2,120,000	2,046,000	2,117,000	1,362,000
Provisions	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000	9,344,000
TOTAL CURRENT LIABILITIES	18,419,000	19,298,000	19,657,000	20,024,000	20,322,000	20,786,000	20,993,000	21,533,000	21,953,000	22,246,000	22,697,000	22,335,000
NON-CURRENT LIABILITIES												
Payables	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Borrowings	6,269,000	11,559,000	12,980,000	12,232,000	11,495,000	10,614,000	9,856,000	8,901,000	7,881,000	6,935,000	5,918,000	5,656,000
Provisions	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000
TOTAL NON-CURRENT LIABILITIES	7,729,000	13,019,000	14,440,000	13,692,000	12,955,000	12,074,000	11,316,000	10,361,000	9,341,000	8,395,000	7,378,000	7,116,000
TOTAL LIABILITIES	26,148,000	32,317,000	34,097,000	33,716,000	33,277,000	32,860,000	32,309,000	31,894,000	31,294,000	30,641,000	30,075,000	29,451,000
NET ASSETS	834,589,000	841,229,000	850,256,000	850,370,000	848,966,000	847,289,000	845,562,000	843,026,000	840,786,000	838,293,000	835,533,000	831,950,000
EQUITY												
Retained earnings	439,702,000	446,342,000	455,369,000	455,483,000	454,079,000	452,402,000	450,675,000	448,139,000	445,899,000	443,406,000	440,646,000	437,063,000
Revaluation Reserves	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000	394,887,000
TOTAL EQUITY	834,589,000	841,229,000	850,256,000	850,370,000	848,966,000	847,289,000	845,562,000	843,026,000	840,786,000	838,293,000	835,533,000	831,950,000

Long Term Financial Plan Cash Flow
Scenario Three - Business as Usual Model

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Cash Flows from Operating Activities												
Receipts												
Rates and annual charges	54,361,618	56,879,218	59,620,470	62,468,770	65,012,682	67,552,035	70,190,557	72,932,122	75,780,754	78,740,628	81,816,093	85,011,661
User charges and fees	5,371,288	5,532,493	5,726,321	5,926,938	6,134,579	6,349,495	6,571,935	6,802,167	7,040,464	7,287,107	7,542,389	7,806,614
Investment revenue and interest	3,239,238	3,445,415	3,436,252	3,688,247	4,124,737	4,433,611	5,005,153	5,391,312	5,796,194	6,220,710	6,665,822	7,132,537
Grants and contributions	13,333,601	14,162,203	13,760,480	13,965,403	14,175,454	14,390,752	14,611,433	14,837,634	15,069,488	15,307,137	15,550,729	15,800,409
Other revenue	6,127,738	6,272,691	6,429,764	6,590,771	6,755,813	6,924,990	7,098,411	7,276,176	7,458,395	7,645,179	7,836,644	8,032,907
Payments												
Employee benefits and on-costs	-32,290,804	-33,580,232	-34,921,174	-36,315,697	-37,765,951	-39,274,167	-40,842,645	-42,473,792	-44,170,127	-45,934,249	-47,768,846	-49,676,772
Materials and contracts	-20,747,649	-21,083,776	-22,126,568	-23,768,064	-24,326,625	-25,486,578	-26,689,450	-28,496,881	-29,230,486	-30,571,956	-31,963,116	-33,965,750
Borrowing costs	-320,143	-328,493	-711,777	-822,013	-797,684	-777,885	-761,512	-737,517	-707,993	-664,489	-611,947	-556,920
Other expenses	-11,645,813	-12,076,758	-12,523,609	-12,987,001	-13,467,530	-13,965,639	-14,482,581	-15,018,450	-15,574,173	-16,150,359	-16,747,912	-17,367,604
Net cash provided by operating activities	17,429,074	19,222,761	18,690,159	18,747,354	19,845,475	20,146,414	20,701,291	20,512,771	21,462,515	21,879,707	22,319,856	22,217,082
Cash Flows from Investing Activities												
Receipts												
Sales of infrastructure,property,plant and equipment	1,180,000	8,050,000	11,550,000	3,050,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Payments												
Purchase of infrastructure,property,plant and equipment	-16,619,779	-41,537,504	-22,680,510	-10,988,058	-9,145,412	-9,412,250	-9,688,919	-9,975,782	-10,273,215	-10,581,608	-10,901,363	-11,232,902
Net cash used in investing activities	-15,439,779	-33,487,504	-11,130,510	-7,938,058	-8,195,412	-8,462,250	-8,738,919	-9,025,782	-9,323,215	-9,631,608	-9,951,363	-10,282,902
Cash Flows from Financing Activities												
Receipts												
Proceeds from borrowings	1,100,000	7,000,000	3,200,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Payments												
Repayment of borrowings	-1,053,140	-1,108,556	-1,709,979	-1,779,559	-1,847,562	-1,837,351	-1,981,055	-1,857,378	-2,055,293	-2,120,150	-2,046,048	-2,116,514
Net cash outflow from financing activities	46,860	5,891,444	1,490,021	-679,559	-747,562	-737,351	-881,055	-757,378	-955,293	-1,020,150	-946,048	-1,016,514
Net increase (decrease) in cash held	2,036,154	-8,373,299	9,049,670	10,129,736	10,902,502	10,946,814	11,081,316	10,729,611	11,184,006	11,227,948	11,422,445	10,917,666
Cash at the beginning of the reporting period	73,861,069	75,897,224	67,523,924	76,573,594	86,703,330	97,605,832	108,552,646	119,633,962	130,363,573	141,547,579	152,775,528	164,197,972
Cash at the end of the reporting period	75,897,224	67,523,924	76,573,594	86,703,330	97,605,832	108,552,646	119,633,962	130,363,573	141,547,579	152,775,528	164,197,972	175,115,639

Long Term Financial Plan Ratio
Scenario Three - Business as Usual Model

		13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Unrestricted current ratio													
Current assets less all external restrictions	Amounts	34,595,894	36,263,293	42,647,368	46,435,678	50,427,605	54,119,422	57,335,601	59,772,069	62,212,774	64,223,994	65,931,839	66,611,362
Current liabilities less specific purpose liabilities		9,018,712	9,074,127	9,954,345	10,312,479	10,679,133	10,978,027	11,441,655	11,649,099	12,169,725	12,609,287	12,902,304	13,352,739
	Indicators	3.84	4.00	4.28	4.50	4.72	4.93	5.01	5.13	5.10	5.09	5.11	4.99
Debt service ratio													
Debt service cost		1,053,140	1,108,556	1,709,979	1,779,559	1,847,562	1,837,351	1,981,055	1,857,378	2,055,293	2,120,150	2,046,048	2,116,514
Revenue from continuing operations excluding capital items and specific purpose grants/contributions	Amounts	77,234,160	80,445,285	84,038,554	87,526,292	90,896,644	94,644,067	98,324,844	102,147,570	106,117,818	110,241,404	114,524,361	118,972,964
	Indicators	0.014	0.014	0.020	0.020	0.020	0.019	0.020	0.018	0.019	0.019	0.018	0.018
Rate coverage ratio													
Rates and annual charges	Amounts	54,361,618	57,003,221	59,747,945	62,599,814	65,147,396	67,690,521	70,332,920	73,078,472	75,931,201	78,895,288	81,975,083	85,175,103
Revenue from continuing operations		82,433,483	86,467,247	89,153,421	92,825,306	96,393,627	99,846,576	103,678,660	107,446,216	111,357,889	115,419,308	119,636,344	124,015,086
	Indicators	0.66	0.66	0.67	0.67	0.68	0.68	0.68	0.68	0.68	0.68	0.69	0.69
Building and infrastructure renewals ratio													
Asset renewals (building and infrastructure)	Amounts	5,533,779	4,535,584	4,674,842	5,032,760	5,213,421	5,400,767	5,595,045	5,796,512	6,005,433	6,222,085	6,446,751	6,679,731
Depreciation, amortisation and impairment (building and infrastructure)		15,119,809	16,620,446	17,159,927	17,588,976	18,085,701	18,597,275	19,162,019	19,739,596	20,350,314	20,975,729	21,636,505	22,314,109
	Indicators	0.37	0.27	0.27	0.29	0.29	0.29	0.29	0.29	0.30	0.30	0.30	0.30