

## Attachment B



# Long Term Financial Plan 2013 - 14 to 2022 - 23





# Long term financial plan 2013-14 to 2022-23

## Table of contents

Executive Summary	2
Purpose of the Long Term Financial Plan	2
Financial sustainability	2
Preparation of the plan	3
Further information	3
Long term financial plan objectives	4
Assumptions and forecasts	4
General assumptions	4
Population	4
Inflation	5
Revenue and funding assumptions and forecasts	6
Capacity for rating	6
Fees, charges and other income	10
Interest on investments	11
Grants and subsidies	11
Borrowings	11
Cash reserves	12
Productivity Improvements and Cost Containment	12
Expenditure assumptions and forecasts	13
Employee costs	13
Materials, contracts and other operating costs	14
Capital expenditure and sales	14
Sensitivity Analysis	15
Risk Assessment	16
Two financial models	16
SWOT Analysis	17
Monitoring financial performance	19
Projections	20
Financial Model 1	22
Financial Model 2	30

# Executive Summary

## Purpose of the Long Term Financial Plan

The purpose of the Randwick City Council Long Term Financial Plan (LTFP) is to enable the Council to better plan and understand long term financial requirements. This includes consideration of sustainability, service provision levels and the creation, upgrading and renewal of infrastructure. The Council's first LTFP was adopted on 23 August 2005.

The LTFP is prepared under The Randwick City Plan theme 'Responsible management' and the related outcome 'Leadership in sustainability'. The role of the LTFP is to ensure the Council has a financially sustainable long-term vision.

The Resourcing Strategy Executive Summary 2012 outlines the integration of the LTFP, Asset Management Strategy and Workforce Plan within the Randwick City Council Resourcing Strategy.

The LTFP is a key component of the Randwick City Council Resourcing Strategy. This Strategy underpins the Council's Integrated Planning and Reporting framework and demonstrates how The Randwick City Plan will be resourced over the next 10 years.

The Integrated Planning Framework encourages and supports the review and implementation of plans relating to the Financial, Asset and Workforce contributions to the Council. Through sound financial planning, proactive asset management and the development of a strong workforce, Randwick Council will maintain its position as an industry leader.

## Financial sustainability

Financial sustainability is one of the key issues facing local government. This is due to several contributing factors including cost shifting from other levels of government, ageing infrastructure and constraints on revenue growth. Financial sustainability in local government has been the topic of several industry wide reviews and media articles in recent years.

In April 2013 NSW Treasury Corporation (TCorp) released its report on the Financial Sustainability of the New South Wales Local Government Sector. TCorp rated Randwick City Council's Financial Sustainability (FSR) as 'Sound' and its Financial Outlook as 'Neutral'. It has since received subsequent notification from TCorp that these ratings are trending 'Strong' and 'Positive' respectively.

The Council's auditor, in the Audit Report of the 2012-13 Financial Reports, also assessed the Council's financial position and reported that, in his opinion, the overall financial position is sound.

## Preparation of the plan

The LTFP is created using a set of integrated spreadsheets that draw on information contained within the Council's City Plan, Delivery Program, Operational Plan, Current Budget and costed short, medium and long-term plans. The LTFP is developed in conjunction with the Workforce Plan and Asset Management Strategy and Plans.

Forecasts regarding the \$51 million employee costs and \$15.1 million Employee Leave Entitlements liability reflect the assumptions and strategies contained within the Workforce Plan. The financial impacts of issues such as an ageing workforce, that have been identified in the Workforce Plan, are also addressed in the LTFP through areas such as the management of the Employee Leave Entitlements reserve.

The service levels, asset maintenance and renewal requirements outlined in the Asset Management Plan have determined the capital expenditure and maintenance expenditure components of the LTFP. The objectives of the Asset Management Plans correlate with the LTFP objectives and measures regarding capital expenditure. The Council spent up to \$30.6 million on capital expenditure in 2012-13.

The LTFP is a dynamic document, updated twice each year on the adoption of the Budget and the completion of the annual Financial Reports. The LTFP changes as the needs, strategies and financial position of the Council change over time.

The output from the LTFP provides financial reports over a 10 year period. Copies of the updated reports are provided in this document.

## Further information

For further information regarding the LTFP please contact the Council's Corporate and Financial Planning Department on 9399 0861 or [budget@randwick.nsw.gov.au](mailto:budget@randwick.nsw.gov.au).

## Long term financial plan objectives

The LTFP intends to achieve the following objectives over the 10 year timeframe:

1. Maintain the existing **service levels** to the community.
2. Maintain a strong **cash** position.
3. Maintain a **balanced** annual budget.
4. Maintain a sufficient **Employee Leave Entitlements Cash Reserve** based on the age and entitlements of all staff in accordance with the Council's Workforce Strategy.
5. **Capital expenditure**<sup>1</sup> on asset renewal, upgrades and extensions represents at least 20 per cent of the annual budget.
6. The Council remains **debt free**.
7. All adopted plans have a **10 year financial plan** for incorporation into the LTFP.

## Assumptions and forecasts

The 2013-14 adopted budget and 2012-13 Financial Statements are the base years for the LTFP. The following assumptions have been used to forecast growth in both income and expenditure over the next 10 years.

### General assumptions

#### Population

The most comprehensive population count available in Australia is derived from the Census of Population and Housing conducted by the Australian Bureau of Statistics (ABS) every five years. At the 2011 Census, Randwick City had a resident population of 128,989. However, the Census count is not considered the official population of an area due to limitations in the data collected. For example, it includes international visitors but excludes Australians overseas.

The ABS therefore produces annual 'Estimated Resident Population' (ERP) numbers which include adjustments for factors such as people who miss the count on Census night because they were temporarily overseas. The LTFP is modelled on the ERP figures as they are more closely aligned with the Council's service delivery drivers.

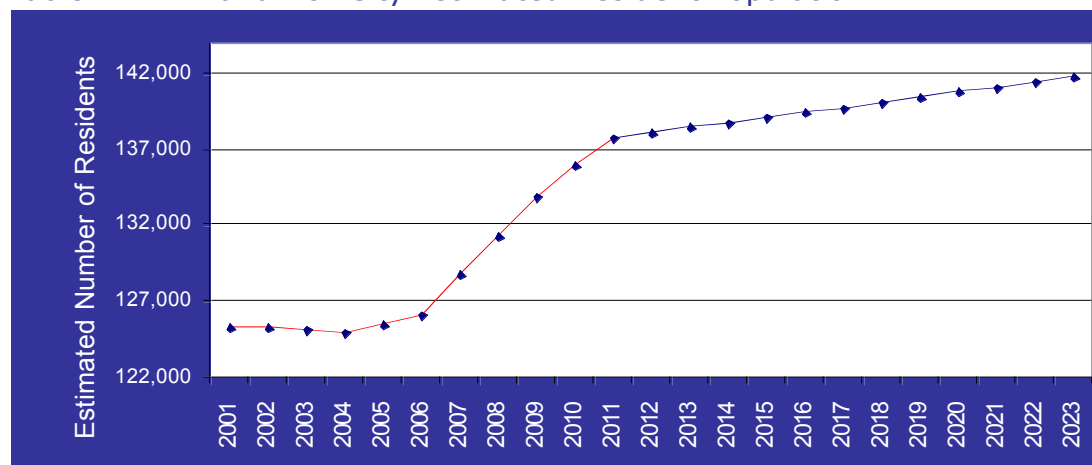
According to the ABS, at 30 June 2011 Randwick City had an ERP of 137,757. Planning NSW projects the resident population will increase to

---

<sup>1</sup>Capital Expenditure is defined as capital expenditure on all asset classes plus the net transfer to the plant replacement reserve and transfers to the infrastructure reserve.

141,100 by 2021, representing an average annual growth rate of 0.2 per cent.

**Table 1**      **Randwick City Estimated Resident Population**



— ABS Estimated Resident Population  
 — Planning NSW Projected Resident Population 2006-2036

## Inflation

The Consumer Price Index (CPI) measures changes in the price of a fixed 'basket' of goods and services as a way of determining how much inflation is occurring in the economy. The ABS publishes a headline CPI which includes the impact of any price shocks up or down (caused by issues such as supply constraints or changes in government taxes).

The headline CPI drives a number of revenue and expenditure items in the LTFP. The Reserve Bank (RBA) and the Federal Treasury provide the 'official' view of CPI forecasts. The RBA's November 2013 'Statement on Monetary Policy' includes forecasts to June 2015. The Federal Treasury in the 2012-13 Budget Papers (released in May 2012) forecasted CPI inflation at 2.5 per cent each year to 2015-16. The Council has used September 2013 Deloitte Access Economics' forecasts to 2017-18.

Inflation Year	Long Term Financial Plan Projection	RBA August 2012 Economic Outlook	Federal Treasury 2012-13 Budget Projections
2014-15	3.0%	n/a	2.5%
2015-16	2.9%	n/a	2.5%
2016-17	2.6%	n/a	n/a
2017-18	2.6%	n/a	n/a
2018-19	2.6%	n/a	n/a
2019-20	2.6%	n/a	n/a
2020-21	2.6%	n/a	n/a
2021-22	2.6%	n/a	n/a
2022-23	2.6%	n/a	n/a

CPI alone, however, is not a sufficient measure of the rise in costs for a local government authority. A number of other assumptions and forecasts have been included in the LTFP models to provide a more accurate reflection of the movements in costs over a 10 year period.

## Revenue and funding assumptions and forecasts

### Capacity for rating

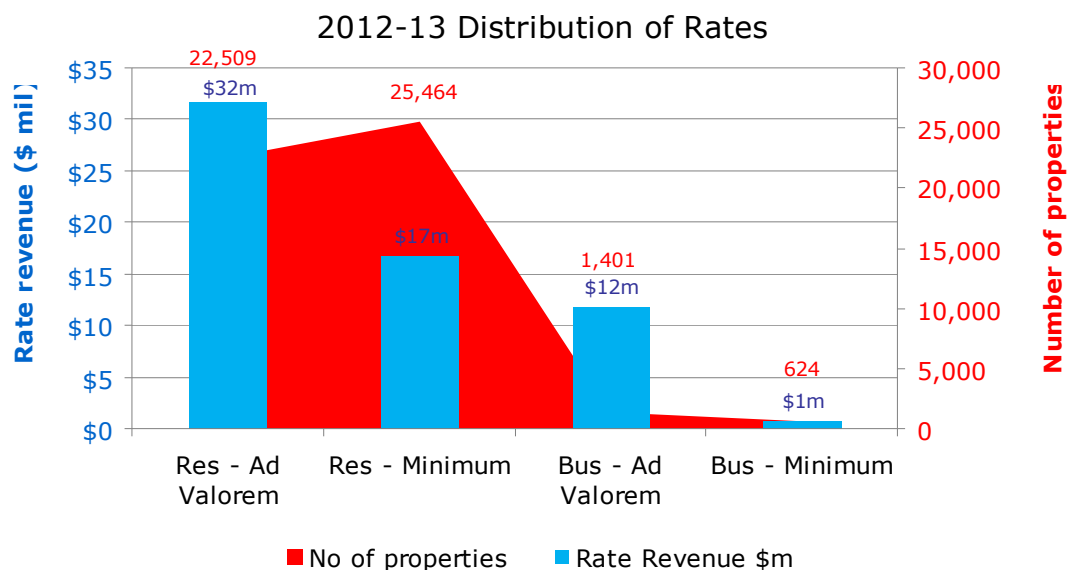
In compiling the Resourcing Strategy, Randwick Council has balanced the service needs of the community relative to their capacity and willingness to pay rates. In addition to community collaboration activities, the Council has assessed its rating policy and analysed the community's median household income and socio-economic index.

### Rating policy:

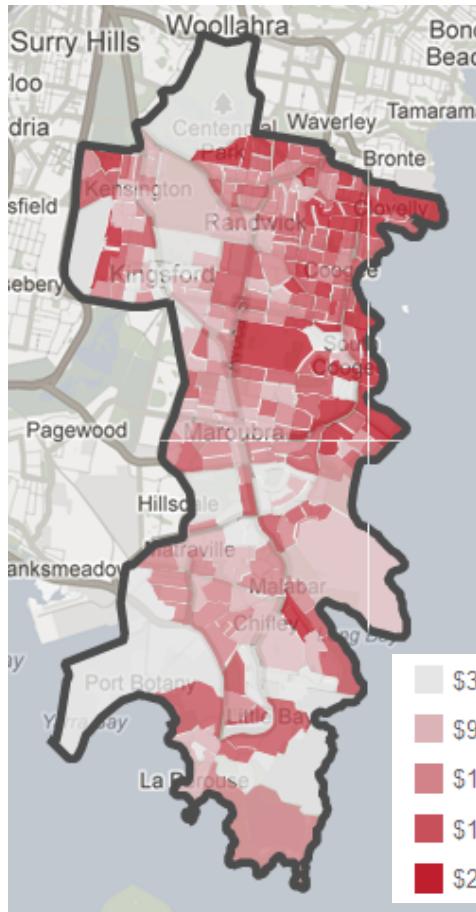
The Council's rating policy is structured on an 'ad valorem' basis with two categories – residential and business. For each category, a minimum rate applies.

The rating structure is reviewed annually to ensure equitable distribution among ratepayers. Any change to the rating structure does not equate to additional income to the Council but redistributes the rating liability of different property types.

The following graph illustrates the existing rates distribution across Randwick City. The graph illustrates that while the majority of residential properties attract the minimum rate (predominately strata units) this group only pays 27 per cent of the Council's total rates revenue. The capacity to pay principle that underpins the 'ad valorem' rating system results in properties with higher rateable land values attracting a higher rate.







2011 Census Median Weekly Household Income

Land values are one of the key measures used by the Grants Commission to allocate the NSW Financial Assistance Grant to Local Government Areas (LGA) across the state. The land value of an LGA is considered a reflection of the revenue raising capacity of a Council. Randwick City has one of the highest average land values in the state and as a result receives the lowest Financial Assistance Grant per capita in Australia.

Properties with high land values are concentrated towards the north and coastal areas of the City. These areas tend to also have higher household incomes, illustrated in the adjacent map.

### Median Weekly Household Income:

In the 2011 Census, households in Randwick City had a median weekly income of \$1,577. This was \$130 more than Greater Sydney.

Within the City, median household weekly incomes ranged from a low of \$1,298 in Matraville to a high of \$2,391 in Clovelly.

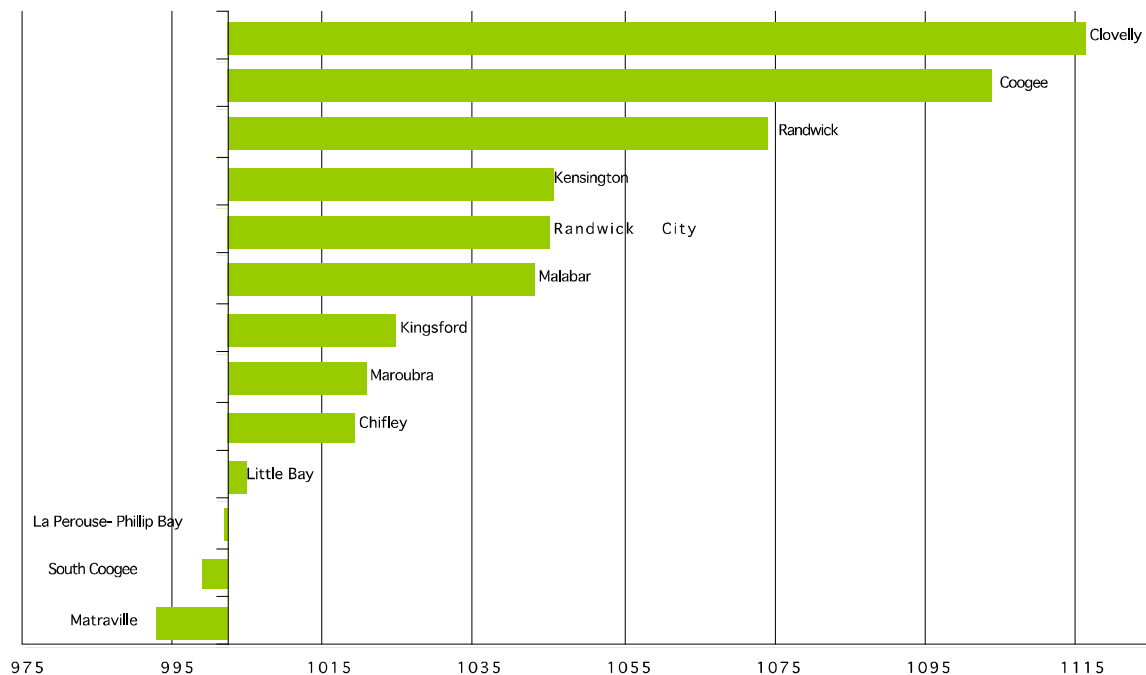
The large range of incomes is reflective of the City's population mix. In the 2011 census, compared to the Sydney average, Randwick City's population had a higher proportion of young adults, people who rent and people living alone. There are also several public housing estates located in City, with rate charges paid by Housing NSW.

The population mix is largely reflective of Randwick City's proximity to the Sydney CBD, the attraction of its beaches and open space and the many places of education. These features ensure strong demand for property in the area and in turn generate both a willingness and capacity to pay rates levied by the Council.

### The Socio-Economic Indexes for Areas:

The Socio-Economic Indexes for Areas (SEIFA) are produced by the ABS using data collected through the Census of Population and Housing. The Index of Relative Socio-Economic Disadvantage (IRSED) is especially useful in identifying geographic areas that are relatively disadvantaged. An area with an IRSED index of 1,000 is considered average while an index of 600 or below is considered to be experiencing high levels of disadvantage.

The graph below shows the SEIFA Index for each of Randwick City's 12 suburbs based on the 2006 Census<sup>2</sup>. The majority of the population is relatively advantaged when compared to the overall Sydney population. The areas experiencing socio-economic disadvantage are the southern suburbs of Matraville and South Coogee, with La Perouse/Phillip Bay and Little Bay following closely behind. The three largest concentrated pockets of disadvantage within the LGA are located in and around the City's public housing estates. The Council's An Inclusive Randwick City Plan has been designed to enhance opportunities for people living within the City who experience social exclusion and disadvantage. The Council also has a Pensioner Concession Policy, Financial Hardship Policy and a Pensioners Accruing Rates and Charges Policy to assist those experiencing difficulties with paying rates.



Australian Bureau of Statistics, 2006, Socio-Economic Indexes for Small Areas (SEIFA 2006)

### Ordinary rates:

The Council was approved by Independent Pricing and Regulatory Tribunal (IPART) to apply a s508A Special Variation to General Revenue for the next four financial years. Rates will increase by 3.59 per cent annually.

**Growth in the number of rate assessments:** Opportunities for growth are limited in well established areas. An additional 0.11 per cent in rates growth has been applied to each year of the three models. Rates growth has been based on a forecasted 100 new strata plan assessments per annum.

### Building levy:

The Council established a building levy in 2010-11 to fund the approved Buildings for our Community Program. The levy was incorporated into the Ordinary Rate. While the building levy applied for three years at 2.69 per cent each year (2010-11 to 2012-13), the total funds for the program will

<sup>2</sup> The Socio-Economic Indexes for Areas based on the 2011 Census is due for release by the ABS on 28 March 2013

be raised over seven years. The additional funds will be absorbed into the ordinary rate from Year 8 and applied to the Council's capital works and maintenance programs.

**Stormwater management service charge:**

This charge was introduced in the 2008-09 financial year to establish a sustainable funding source for providing improved stormwater management across Randwick City. It is assumed the charge will remain in place for each year of the LTFP. The amount chargeable has been prescribed under the Local Government Act with no scope for adjustments in line with inflation or any other costs. It is forecasted the funds raised will only increase in line with growth in the number of new assessments.

**Environment levy:**

The environment levy was first introduced in the 2004-05 financial year for five years. In 2009-10, a five year extension of the program was granted. The environment levy funds a number of sustainability initiatives which are detailed in a financial plan supporting the program. Randwick City Council is applying to IPART for a new five year program covering 2014-19.

**Model 1 – Environment Levy Included:** Model 1 assumes that the Environment Levy Special Variation Application has been approved and is included in the forecasts. It is assumed to continue through to the end of the LTFP.

**Model 2 – Environment Levy Excluded:** Model 2 assumes that the Environment Levy Special Variation Application has been unsuccessful and has been excluded from all forecast in the LTFP.

**Domestic waste management charge:**

All residential ratepayers pay a domestic waste management charge. This charge includes waste and recycling collections, educational programs, illegal dumping management, cleanup collections, the Perry Street Recycling Facility and remediation of former landfill sites.

The Domestic Waste Management Strategy is supported by a 10 year financial strategy which determines the annual charge. The estimated increase in the charge has been set in accordance with the Strategy.

Environment and Waste Levy: The Department of Environment, Climate Change and Water have advised the Environment and Waste Levy charged to the Council will increase by \$10 per annum plus CPI per tonne of waste for the next three years (to 2015-16). The impact of this increase has been factored into the Domestic Waste Management Strategy.

Alternative Waste Technology: The Council is committed to achieving a 66% rate of recovery of recyclable materials from household waste within the next 2 years in accordance with Council's adopted policy and the State Government's target. Furthermore, the Council is committed to ensuring no untreated waste is sent to landfill by 2020.

The Council established a new agreement with waste contractor SITA in 2012-13 to send 7,000 tonnes of waste to an Alternative Waste Technology (AWT) facility. The Council aims to increase this annually for

the next two financial years until the 66% diversion target is met in 2015-16, and for a further five years until all household waste is processed through an AWT facility by 2019-20. The increased cost of this system has been included in the Domestic Waste Management Charge, with the assumption that an AWT facility with the capacity to process the required volume of waste is available.

Rating assumptions are outlined in the following tables:

Rates and charges	2013-14	2014-15	2015-16	2016-17	Thereafter
Growth	0.11%	0.11%	0.11%	0.11%	0.11%
General Rates	3.59%	3.59%	3.59%	3.59%	3.59%
Building Levy	3.59%	3.59%	3.59%	3.59%	Incorporated into General Rates
Environment Levy	3.59%	3.59%	3.59%	3.59%	3.59%
Stormwater Charge	0%	0%	0%	0%	0%
Domestic Waste Charge	6.00%	6.00%	4.50%	3.00%	As per Strategy

### Fees, charges and other income

**Statutory charges:** The Council has no discretion to determine the amount of the fee for a service when the amount is fixed by regulation or by another authority. Examples of statutory fees include development assessment fees, filming permits and planning certificates. The majority of statutory charges do not provide for annual, however some fees are charged on the basis of a percentage of the construction cost of a development. The income derived from these charges is expected to increase by CPI annually.

**User fees and charges:** It is assumed these services will continue to be provided on the same pricing basis. Increases are based on the forecasted rise in the cost of the provision of these services. 75 per cent of the cost is related to employee expenses with the remaining 25 per cent based on movements in the CPI.

An increase in community facilities hire income has been projected for the new centres planned under the Buildings for our Community Program.

**Commercial activities:** Fees for the commercial waste service, community nursery and childcare centre are expected to increase in line with CPI and employee costs.

The Property Development Strategy has been excluded from the LTFP as it is currently under review. The Council's existing property rental income is expected to increase by 5 per cent each year.

Fees for the Des Renford Leisure Centre's (DRLC) existing operations are also expected to increase in line with CPI and employee costs. In addition, the Council is currently constructing an Indoor Multi Purpose Fitness

Facility at the DRLC. An increase in both income and expenses has been included in each model to account for the new facility.

<b>Fees, charges and other income</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>Thereafter</b>
Statutory charges	CPI	CPI	CPI	CPI
User fees and charges	3.9%	4.0%	4.0%	3.9% to 4.0%
Commercial activities-Property rents	5.0%	5.0%	5.0%	5.0%
Commercial activities-Other	3.9%	4.0%	4.0%	3.9% to 4.0%

### Interest on investments

Investments will be made in accordance with the Minister's Investment Order and the Council's Investment Policy. Investment returns have been based on a rate of 0.5 per cent above the forecasted 90 day commercial bank bill rate (as per Access Economics Sept 2012). Movements in cash reserves have also been factored into the forecast.

<b>Interest on investments</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>Thereafter</b>
Return on portfolio	3.7% + 0.5%	4.4% + 0.5%	4.9% + 0.5%	5.6% + 0.5%

### Grants and subsidies

It is assumed all recurrent grant funds will be maintained at current levels with CPI adjustments, with the exception of the pensioner rates rebate granted by the NSW State government which do not increase.

<b>Grants and subsidies</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>Thereafter</b>
Grants and subsidies State Government Pensioner Rates Rebate	CPI No increase	CPI No increase	CPI No increase	CPI No increase

### Borrowings

No loans have been included in the LTFP.

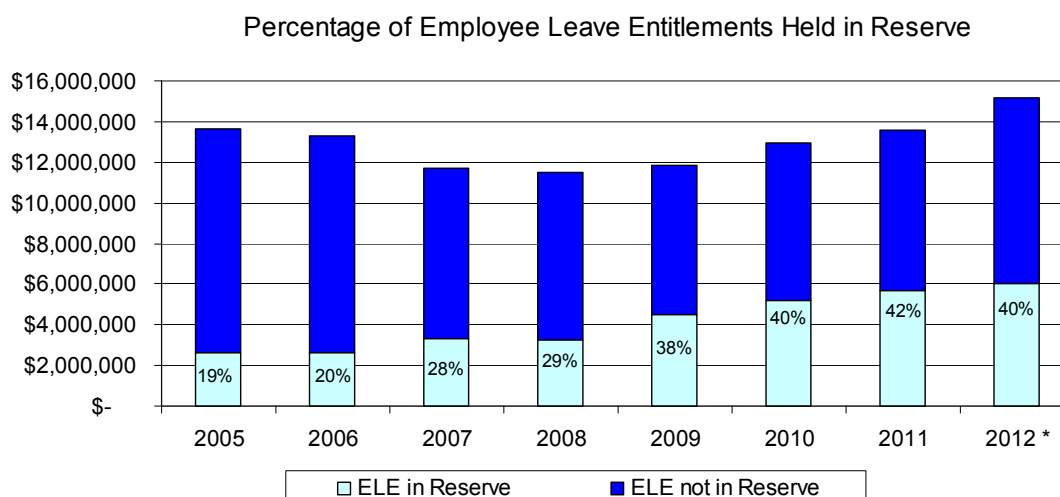
<b>Borrowings</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>Thereafter</b>
Loans	\$nil	\$nil	\$nil	\$nil

## Cash reserves

Transfers to and from reserves have been made in accordance with the Reserves Strategy and the financial plans supporting the various reserves.

Reserves	2013-14	2014-15	2015-16	Thereafter
Reserves	As per strategy and plans	As per strategy and plans	As per strategy and plans	As per strategy and plans

Transfers to the Employee Leave Entitlements reserve have been based on the strategy outlined in the Workforce Plan. The Council has made estimates regarding leave payments required in the future and determined a target reserve balance. The current reserve target is 42 per cent of the Employee Leave Entitlements liability, which is equivalent to \$6.412 million. While this percentage is expected to increase as the workforce ages, the actual value of the reserve is anticipated to fall as the Council continues to focus on staff leave management. The Council's focus on increasing this reserve balance is illustrated by the following graph.



\* The discounting factor applied to the Employee Leave Entitlements present value calculation fell substantially in 2012 to an average of 2.8 per cent compared with 5.0 per cent in the prior year (based on the "Indicative Mid Rates of Selected Commonwealth Securities"). Had the discount rate remained at the previous year's estimates the required provision would have been \$13.802 million and resulted in 44 per cent of the liability held in reserve.

## Productivity Improvements and Cost Containment

Integral to Council's Long Term Financial Planning approach is the identification and implementation of productivity improvements. A sample of recent improvements which will continue to provide savings over the life of the Plan include: new IT system implemented which has been improving efficiency and saving up to \$1 million per annum; restoration of contaminated sites are expected to be substantially completed in 2019-20 with a reduction of the domestic levy of 2%; and the successful implementation of energy and water saving initiatives.

Through a Southern Sydney Regional Organisation of Councils (SSROC) joint procurement venture estimated savings as an SSROC tender

compared to individually calling tenders, or utilising an existing government contract, is approximately \$1.2 million for Randwick City Council annually. Across the region, approximately \$20.7 million was saved last year with estimated savings in excess of \$105 million over the past 10 years (SSROC Fact Sheet).

Council has a programmed and disciplined budget management process whereby costs are contained. A number of mechanisms of cost containment include: centralised costing for stationary and training; a 10-year plant replacement strategy; and a sophisticated purchasing system and transparent purchasing process.

## Expenditure assumptions and forecasts

### Employee costs

Increases in employee costs consist of two components:

- award increases
- movements within the grading system as part of the annual performance review process.

Staff levels are planned to notionally increase over time to meet expected population growth and service level expectations, as outlined in the Workforce Plan. The rise in employee costs has been set with reference to forecasts provided by Access Economics (November 2013).

The Council is party to an Industry Defined Benefit Superannuation Plan. In 2009 the Scheme advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. At 30 June 2012 this deficit was estimated to amount to \$334.2 million.

As a result, the scheme asked for significant increases in contributions from 2009-10 onwards to fund the deficiency. The Council estimates these contributions will be required for the next three years (to 2015-16) at \$581,158 per annum.

Employee costs have also been adjusted in 2013-14 to account for the opening of the DRLC Indoor Multi Purpose Fitness Facility.

Employee costs	2013-14	2014-15	2015-16	Thereafter
Salaries	4.4%	4.5%	4.5%	Average 4.5%
Super Guarantee Contribution Rate	9.25%	9.50%	10.0%	10.5%
Defined Benefits Superannuation – Additional Contribution	No change	No change	No change	2016-17 – Additional contribution ceases
Other Employee Costs	CPI	CPI	CPI	CPI

## Materials, contracts and other operating costs

Expenditure on materials, contracts and other operating costs has been generally based on CPI with the exception of expenditure such as the local government election which only occurs every four years. An adjustment has also been made for payments to other levels of government, such as the emergency services levy, as these costs have increased by an average of 6.79 per cent in the past three years. Utilities have been indexed 4.5% annually.

Operating costs have also been adjusted to account for the opening of the DRLC Indoor Multi Purpose Fitness Facility and other new facilities planned under the Buildings for our Community Program.

<b>Materials, contracts and other operating costs</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>Thereafter</b>
<b>Materials, contracts and other operating costs</b>	<b>Generally CPI</b>	<b>Generally CPI</b>	<b>Generally CPI</b>	<b>Generally CPI</b>
<b>Payments to other levels of government</b>	<b>6.79%</b>	<b>6.79%</b>	<b>6.79%</b>	<b>6.79%</b>
<b>Utilities</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>

## Capital expenditure and sales

All capital expenditure and sales are based on the Council's Asset Management Plans (AMP) and other short and medium term plans.

The Council's AMPs outline the maintenance and renewal strategies for each of the Council's major assets including roads, footpaths, drainage, buildings and open space assets. The AMPs provide a cost schedule for work required for each asset class at present value costs.

While the AMP drives the majority of the capital expenditure budget outlined in the LTFP, there is additional expenditure in the LTFP as:

- The AMP lists costs in today's dollar, while the LTFP takes into account movements in factors such as CPI
- The LTFP covers all assets – minor and major, whereas the AMPs focus on major assets. For example, the asset category "Roads" includes expenditure on cycling facilities and bus shelters within the LTFP. These assets are not covered by the Roads AMP. Further examples include the Footpaths AMP which does not include pram access and mobility ramps and the Open Space AMP does not include depreciable land improvements and signage.

Financial strategies exist for other assets outside of the infrastructure classes, including the Plant Replacement Strategy and the Information Technology Strategy.



## Sensitivity Analysis

The LTFP contains a number of assumptions based on various sources such as legislation, inflation, current service provisions and wage markets. Variations in these assumptions during the life of the plan may have a significant impact on the Council's future financial plans. The LTFP is updated twice each year to ensure the assumptions are continually updated with the latest information available.

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

In 2009-10, the Council's interest earnings fell by \$1.6 million due to economic factors, with \$1.2 million of this impacting the Council's general operating fund. Service levels and capital expenditure are impacted by fluctuations in interest rates.

**Inflation:** Changes in inflation will impact both revenue and expenditure.

**Employee costs:** Changes in employee costs will impact both revenue and expenditure. Termination patterns will impact both the Employee Leave Entitlements' reserve and liability as well as recruitment and training costs.

**Population growth:** Randwick City's population growth is moderate in contrast with the NSW state average. The plan is based on 0.2 per cent population growth. Should the population grow faster than this rate both service costs and rating income will be impacted.

**Grants:** The LTFP models only include recurring grants and capital grants that have already been awarded. The Council does not have a strong reliance on grants revenue in comparison with other sources of revenue. A number of the grants that are received fund specific programs that may not be offered by the Council if the grants were eliminated. The general purpose component of the Council's Financial Assistance Grant is currently \$3.5 million. If this grant was eliminated, the Council would need to consider reducing capital expenditure and service levels.

## Risk Assessment

Throughout the development of the LTFP the assumptions underlying the plan are continually tested through a risk assessment process.

A conservative approach has been taken in developing the LTFP to ensure chosen options are more likely to succeed and expose the Council to the least amount of risk. For example, conservative estimates regarding income generated from the proposed DRLC Indoor Multi Purpose Fitness Facility have been included in the plan. A Capital Expenditure Review has also been undertaken for the DRLC Indoor Multi Purpose Fitness Facility to minimise risk to the Council and ensure a well informed decision-making process.

### Two financial models

Two financial models have been developed to demonstrate the impact of changes in assumptions:

Model 1: The Environment Levy Special Variation has been **approved** and is applied to the forecasts.

Model 2: The Environment Levy Special Variation has been **unsuccessful** and has been excluded from the forecasts.

The Council will remain financially sustainable over the 10 year period under Model 1 and 2 in terms of maintaining a balanced budget, sufficient unrestricted cash and available working capital, strong liquidity, sufficient cash reserves and a good debt collection ratio.

The financial impact of each model is outlined below:

Model 1: Inclusion of the Environment Levy

In this model, the Council will continue to be financially sustainable, with a capacity to generate operating surpluses well into the future and fund capital and infrastructure programs. Under Model 1, all categories of assets would be maintained at a satisfactory standard and the Council would be able to sustain current service levels.

Model 2: Exclusion of the Environment Levy

In the Model, the Council will still continue to be financially sustainable, with a capacity to generate operating surpluses well into the future.

The Council will still be able to fund capital and infrastructure programs; however these will be reduced by the amount normally funded from the Environment Levy Program. This will have an impact on the Council's Infrastructure Assets as illustrated by the Renewal Ratios.

## SWOT Analysis

A SWOT analysis has been undertaken to ensure that fluctuations between the LTFP assumptions and both internal and external influencing factors are detected early and managed.

Strengths	Weaknesses
<ol style="list-style-type: none"> <li>1. All LTFP objectives are measurable with clear guiding targets</li> <li>2. Live financial information is available to all budget managers in a user friendly 'dashboard' style system</li> <li>3. Monthly Financial Reports to managers, the Council and the community</li> <li>4. Annual Financial Reports are produced within two months of the end of the financial year</li> <li>5. The LTFP is updated twice per annum to ensure the plan changes as the needs, strategies and financial position of the Council changes over time and that all assumptions are based on the latest available information</li> <li>6. Improved Employee Leave Entitlements management to reduce liabilities</li> <li>7. The Employee Leave Entitlements reserve has been increased to meet an ageing workforce</li> <li>8. Financial plans supporting various reserves and strategies are updated annually.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Council is continuously working on enhancing asset information and asset modelling techniques. This has enhanced the LTFP and will continue to strengthen future versions of the plan.</li> </ol>

Opportunities	Threats
<ol style="list-style-type: none"> <li>1. Ongoing collaborative engagement with the community with regards to long term resourcing decisions</li> <li>2. Pursue additional grant funds</li> <li>3. Greater than predicted population growth – the plan has been based on a conservative level of growth</li> <li>4. The LTFP has been based on the assumption that contributions to the Defined Benefits Superannuation Scheme will reduce in 2016-17 (Year 4). However, if investment markets continue to improve, the contribution may fall sooner.</li> </ol>	<ol style="list-style-type: none"> <li>1. Political decisions regarding issues such as cost shifting and rate pegging</li> <li>2. Legislation changes</li> <li>3. Costs outside of the control of the Council such as the Emergency Services Levy and street lighting charges</li> <li>4. A new award will be negotiated for Local Government in the 2013-14 financial year. The agreed wage increase may vary from the LTFP assumption</li> <li>5. Fluctuations in interest rates and inflation levels</li> <li>6. If patterns in employee terminations vary from assumptions.</li> </ol>

## Monitoring financial performance

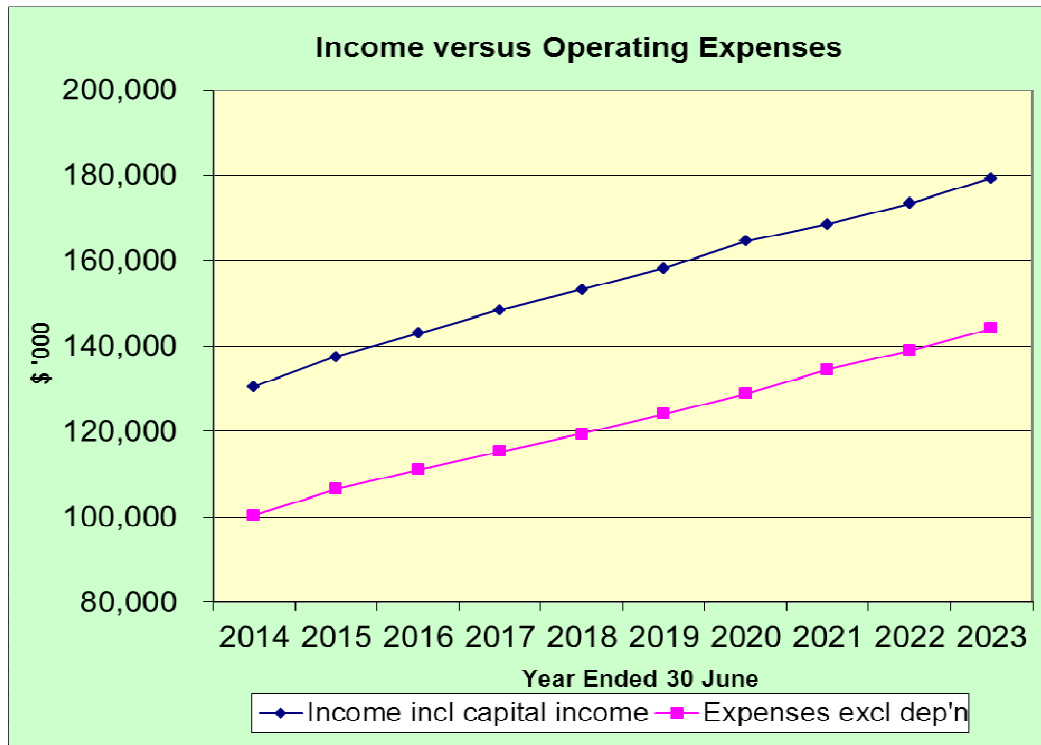
Indicator	Target
<b>Budget Performance</b>	
1. Balanced annual budget position	\$0 or greater
2. Operating surplus ratio - operating surplus (before capital grants and asset sales and excl depreciation) over depreciation	1.0 or greater
<b>Operational Liquidity</b>	
3. Unrestricted cash -Cash less externally and internally restricted reserves	Sufficient to provide liquidity for day to day operations
4. Unrestricted current ratio (DLG ratio) - excluding external restrictions	2.0 or greater
5. Unrestricted current ratio (working capital ratio) - excluding internal and external restrictions	1.0 or greater
6. Rates, annual charges, interest and extra charges outstanding - expressed as a percentage of total rates and charges available for collection in the financial year	Less than 4%
<b>Liability and debt management</b>	
7. Debt servicing costs as a percentage of total revenue - percentage of ordinary rates revenue utilised to repay loans and interest	0% In accordance with RCC's Debt Free Policy
8. Employee Leave Entitlements Funding - percentage employee leave entitlements held in cash	Currently 42% (Based on age of staff and value of entitlements on 30 June 2012)
<b>Asset Management</b>	
9. Infrastructure and Building Assets Renewal Ratio - capital expenditure on renewal of these assets divided by their annual depreciation	100% or greater
10. Buildings, Infrastructure and Open Space Assets Renewal Ratio - capital expenditure on renewal of these assets divided by their annual depreciation	100% or greater
11. Capital expenditure <sup>3</sup> as a percentage of total revenue budget	20% or greater

<sup>3</sup> Capital Expenditure is defined as capital expenditure on all asset classes plus the net transfer to the plant replacement reserve and transfers to the infrastructure reserve.

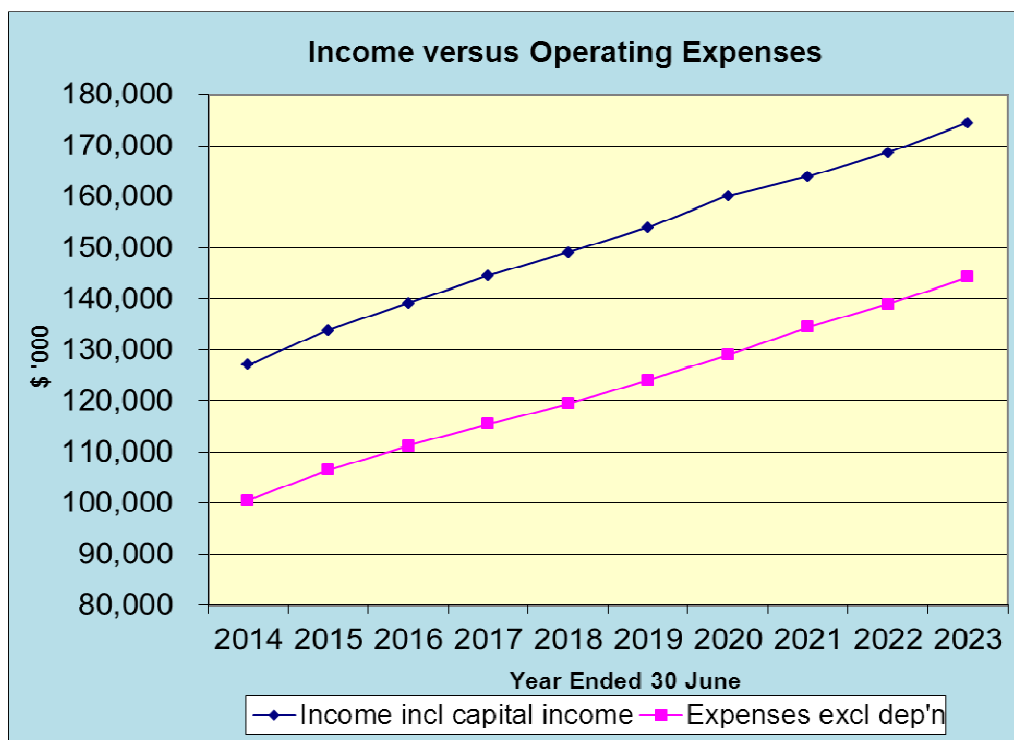
# Projections

The projected income and expenditure over the next 10 years indicates the Council will retain the gap between income and operating expenses under each model. This gap, illustrated below, funds the Council's capital works program.

## Model 1: Environment Levy Included

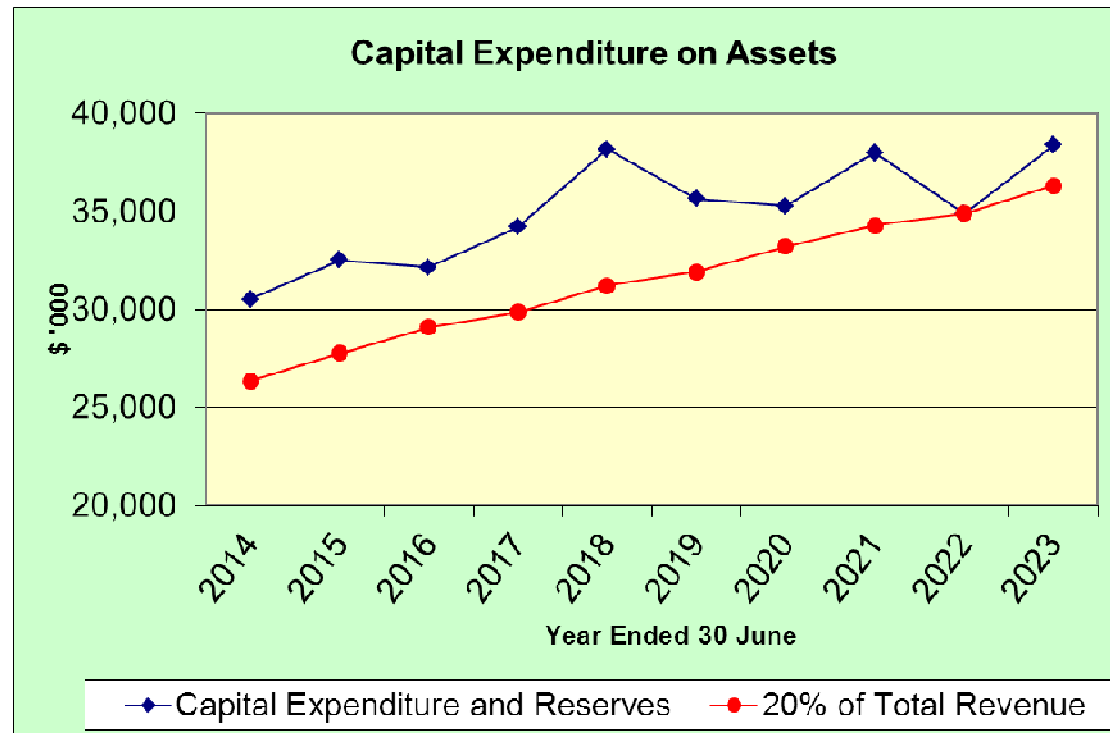


## Model 2: Environment Levy Excluded

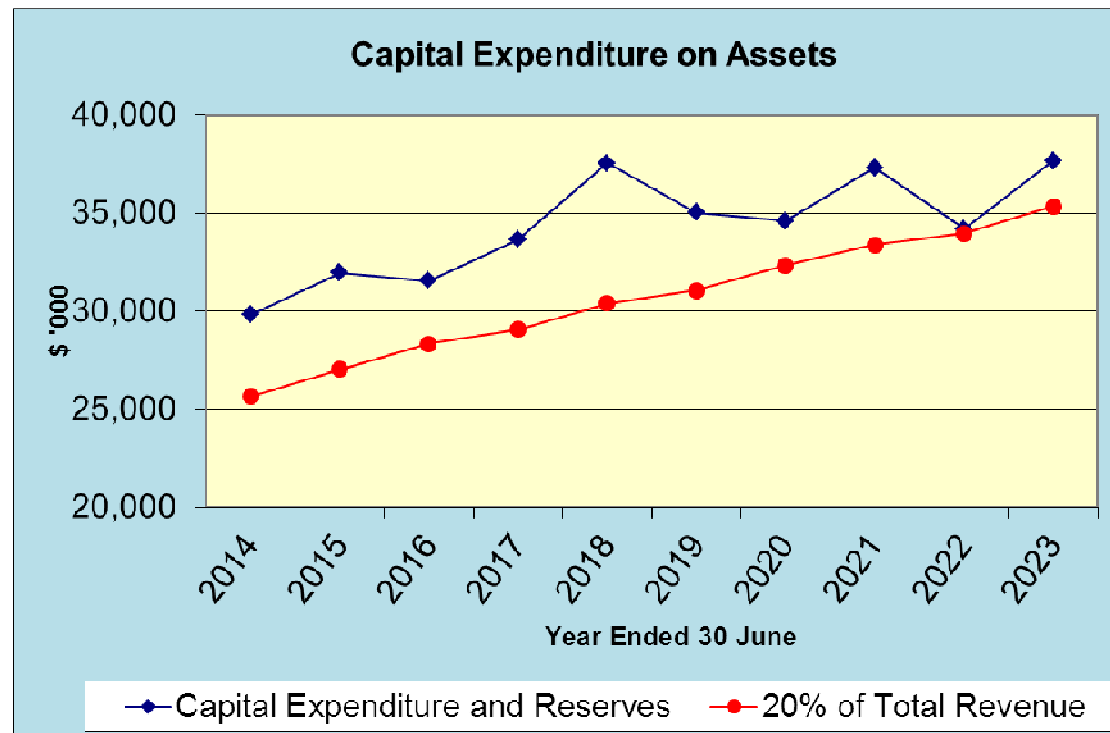


In Model 1 & 2 steady growth in capital expenditure will continue over the next 10 years in line with growth in revenue. The peaks in the graphs below are due to cycles in plant replacement.

**Model 1: Environment Levy Included**



**Model 2: Environment Levy Excluded**



Projected income and expenditure, detailed capital expenditure, balance sheet, reserve funds and cashflow statements are detailed over the following pages for each model.

# Financial Model 1

Environment Levy Included



# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Income and Expenditure

### Model 1 - Including Environment Levy

Year Ended 30 June	Yr 1 2014 \$('000)	Yr 2 2015 \$('000)	Yr 3 2016 \$('000)	Yr 4 2017 \$('000)	Yr 5 2018 \$('000)	Yr 6 2019 \$('000)	Yr 7 2020 \$('000)	Yr 8 2021 \$('000)	Yr 9 2022 \$('000)	Yr 10 2023 \$('000)
<b>Operating Revenue</b>										
Rates and Annual Charges	94,090	98,280	102,218	105,844	109,599	113,487	116,823	120,621	124,191	128,243
Statutory Charges	2,285	2,354	2,422	2,485	2,550	2,616	2,684	2,754	2,826	2,899
User Charges and Fees	16,403	18,255	19,068	19,865	20,832	21,693	22,590	23,525	24,499	25,513
Interest and Investment Revenue	2,779	3,109	3,285	3,569	3,425	3,314	3,335	3,458	3,317	3,469
Other	5,656	5,888	6,129	6,374	6,629	6,894	7,170	7,457	7,755	8,065
Operating Grants and Contributions	6,106	6,268	6,429	6,578	6,731	6,886	7,046	7,210	7,378	7,550
<b>Total Operating Revenue</b>	<b>127,319</b>	<b>134,154</b>	<b>139,551</b>	<b>144,715</b>	<b>149,766</b>	<b>154,890</b>	<b>159,648</b>	<b>165,025</b>	<b>169,966</b>	<b>175,739</b>
<b>Operating Expenses</b>										
Employee Costs	53,200	56,074	58,559	60,509	63,183	65,977	68,895	71,942	75,125	78,450
Finance/Interest Expenses	0	0	0	0	0	0	0	0	0	0
Materials and Contracts	33,730	36,245	37,804	38,989	40,378	41,649	42,932	44,103	45,301	46,529
Depreciation	21,378	21,587	21,877	22,313	22,899	22,788	23,383	23,214	23,400	23,889
Other	13,603	14,186	14,759	15,904	15,901	16,509	17,145	18,427	18,510	19,240
<b>Total Operating Expenses</b>	<b>121,911</b>	<b>128,092</b>	<b>132,999</b>	<b>137,715</b>	<b>142,361</b>	<b>146,923</b>	<b>152,355</b>	<b>157,686</b>	<b>162,336</b>	<b>168,108</b>
<b>Operating Result from Operations before capital - Surplus/(Deficit)</b>	<b>5,408</b>	<b>6,062</b>	<b>6,552</b>	<b>7,000</b>	<b>7,405</b>	<b>7,967</b>	<b>7,293</b>	<b>7,339</b>	<b>7,630</b>	<b>7,631</b>
<b>Capital Revenue:-</b>										
Grants and Contributions	3,337	3,375	3,512	3,763	3,482	3,418	4,941	3,494	3,533	3,573
<b>Operating Result from Operations - Surplus/(Deficit)</b>	<b>8,745</b>	<b>9,437</b>	<b>10,064</b>	<b>10,763</b>	<b>10,887</b>	<b>11,385</b>	<b>12,234</b>	<b>10,833</b>	<b>11,163</b>	<b>11,204</b>
Add back Depreciation	21,378	21,587	21,877	22,313	22,899	22,788	23,383	23,214	23,400	23,889
<b>Funding available for capital expenditure</b>	<b>30,123</b>	<b>31,024</b>	<b>31,941</b>	<b>33,076</b>	<b>33,786</b>	<b>34,173</b>	<b>35,617</b>	<b>34,047</b>	<b>34,563</b>	<b>35,093</b>
Capital Expenditure on Assets	28,900	31,894	33,253	32,406	37,479	34,492	34,590	38,900	33,008	37,089
Proceeds from Sale of Non-Current Ass	(1,171)	(1,385)	(2,571)	(881)	(2,855)	(1,362)	(1,535)	(2,981)	(1,115)	(2,369)
<b>Net Capital Additions</b>	<b>27,728</b>	<b>30,509</b>	<b>30,682</b>	<b>31,525</b>	<b>34,624</b>	<b>33,130</b>	<b>33,056</b>	<b>35,919</b>	<b>31,893</b>	<b>34,720</b>
<b>Net Transfer to / (from) reserves</b>	<b>2,395</b>	<b>515</b>	<b>1,259</b>	<b>1,551</b>	<b>(838)</b>	<b>1,043</b>	<b>2,561</b>	<b>(1,872)</b>	<b>2,670</b>	<b>373</b>
<b>Net Overall Funding Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Capital Expenditure

### Model 1 - Including Environment Levy

Year Ended 30 June	Yr 1 2014 \$('000)	Yr 2 2015 \$('000)	Yr 3 2016 \$('000)	Yr 4 2017 \$('000)	Yr 5 2018 \$('000)	Yr 6 2019 \$('000)	Yr 7 2020 \$('000)	Yr 8 2021 \$('000)	Yr 9 2022 \$('000)	Yr 10 2023 \$('000)
<b>Infrastructure Capital Expenditure</b>										
Parks including Remediation	8,023	7,944	6,789	8,378	9,714	9,654	10,041	8,853	8,963	7,616
Footpaths	2,372	3,250	2,532	3,416	3,703	3,093	2,887	2,784	3,085	3,989
Roads	5,794	6,027	6,129	7,019	7,859	8,232	8,102	8,360	8,383	8,843
Vehicular Access	513	525	538	552	566	580	594	609	624	640
Drainage	1,723	1,756	1,789	1,823	2,109	2,155	2,553	2,472	1,947	2,357
Buildings	5,960	6,192	6,416	7,134	4,449	4,397	4,754	4,821	4,894	5,074
<b>Total Infrastructure</b>	<b>24,386</b>	<b>25,694</b>	<b>24,193</b>	<b>28,322</b>	<b>28,399</b>	<b>28,112</b>	<b>28,931</b>	<b>27,899</b>	<b>27,896</b>	<b>28,518</b>
<b>Other Capital Expenditure</b>										
Plant and Equipment (net sale proceeds)	1,484	1,993	4,694	1,181	4,479	2,808	2,251	5,017	1,965	3,766
Information Technology	1,340	2,322	1,303	1,463	1,220	1,585	1,307	1,367	1,425	1,678
Library Resources	392	406	421	437	453	470	487	505	524	543
Furniture and Fittings	80	-	20	20	20	50	20	1,020	20	100
Heritage Collections	47	93	50	102	54	106	58	110	62	115
<b>Total Other</b>	<b>3,343</b>	<b>4,815</b>	<b>6,489</b>	<b>3,203</b>	<b>6,226</b>	<b>5,019</b>	<b>4,124</b>	<b>8,020</b>	<b>3,997</b>	<b>6,201</b>
<b>Total Capital Expenditure</b>	<b>27,728</b>	<b>30,509</b>	<b>30,682</b>	<b>31,525</b>	<b>34,624</b>	<b>33,130</b>	<b>33,056</b>	<b>35,919</b>	<b>31,893</b>	<b>34,720</b>
<b>Source of Funds</b>										
General Fund	12,480	12,776	13,246	14,314	19,681	20,397	21,189	21,712	22,587	23,267
s94	2,825	2,965	1,500	2,570	2,540	1,972	1,600	1,530	1,540	1,470
Stormwater Levy	883	884	885	886	887	888	889	890	891	892
Domestic Waste	1,500	1,914	2,431	2,891	4,484	2,384	1,235	2,090	0	1,950
Des Renford Leisure Centre	0	100	103	105	508	1,010	113	1,116	119	522
Environment Levy	730	595	600	605	615	631	686	691	706	720
Building Levy	4,165	4,517	4,400	4,880	0	0	0	0	0	0
Grants and Contributions	2,321	2,376	2,533	2,808	2,551	2,513	4,062	2,640	2,706	2,774
Information Technology	1,340	2,322	1,303	1,463	1,220	1,585	1,307	1,367	1,425	1,678
Infrastructure Reserve	0	0	0	0	0	0	0	0	0	0
Plant Replacement Reserve	1,484	1,779	3,661	983	2,119	1,701	1,953	3,863	1,899	1,348
Affordable Housing	0	280	20	20	20	50	20	20	20	100
<b>Total Source of Funds</b>	<b>27,728</b>	<b>30,509</b>	<b>30,682</b>	<b>31,525</b>	<b>34,624</b>	<b>33,130</b>	<b>33,056</b>	<b>35,919</b>	<b>31,893</b>	<b>34,720</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Performance Measurement

### Model 1 - Including Environment Levy

All \$ are expressed as \$'000  
Year Ended 30 June

TARGET

Yr 1  
2014

Yr 2  
2015

Yr 3  
2016

Yr 4  
2017

Yr 5  
2018

Yr 6  
2019

Yr 7  
2020

Yr 8  
2021

Yr 9  
2022

Yr 10  
2023

#### Budget Performance

1	Balanced Annual Budget	\$	0	+	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2	Operating Surplus Ratio - operating surplus (before capital grants and asset sales and excl depreciation) over depreciation		1.00	+		1.25		1.28		1.30		1.31		1.32		1.35		1.31		1.32		1.33		1.32

#### Operational Liquidity

3	Unrestricted Cash - cash less externally and internally restricted reserves	\$	1,000	+	\$	1,157	\$	1,186	\$	1,216	\$	1,246	\$	1,277	\$	1,309	\$	1,342	\$	1,376	\$	1,410	\$	1,445
	Sufficient to provide liquidity for day to day operations																							
4	Unrestricted Current Ratio - excluding external restrictions (DLG Ratio)		2.00	+		2.18		2.23		2.17		2.22		2.39		2.44		2.47		2.40		2.37		2.31
5	Unrestricted Current Ratio - excluding internal and external restrictions (Working Capital Ratio)		1.00	+		1.45		1.54		1.51		1.46		1.68		1.76		1.72		1.84		1.71		1.57
6	Rates and Annual Charges Outstanding - expressed as a percentage of total rates and charges available for collection in the financial year		4%	-		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Performance Measurement

### Model 1 - Including Environment Levy

All \$ are expressed as \$'000

Year Ended 30 June	TARGET	Yr 1 2014	Yr 2 2015	Yr 3 2016	Yr 4 2017	Yr 5 2018	Yr 6 2019	Yr 7 2020	Yr 8 2021	Yr 9 2022	Yr 10 2023
<b>Liability and Debt Management</b>											
7 Debt Commitment Ratio - percentage of ordinary rates revenue utilised to repay loans and interest	0% - Randwick City Council has a debt free policy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		●	●	●	●	●	●	●	●	●	●
8 Employee Leave Entitlements Funding - percentage employee leave entitlements held in cash	+ Determined through age profiling of staff	38.3%	39.2%	40.2%	41.2%	42.6%	42.2%	41.9%	40.4%	37.1%	33.5%
		●	●	●	●	●	●	●	●	●	●
<b>Asset Management</b>											
9 Infrastructure and Building Assets Renewal Ratio - capital expenditure on renewal of these assets divided by their annual depreciation	100% +	93.8%	91.1%	86.9%	100.3%	104.6%	102.3%	102.2%	102.3%	100.7%	111.5%
		●	●	●	●	●	●	●	●	●	●
10 Buildings, Infrastructure and Open Space Assets Renewal Ratio - capital expenditure on renewal of these assets divided by their annual depreciation	100% +	122.1%	117.8%	105.7%	124.0%	130.6%	129.4%	127.3%	122.2%	118.1%	119.1%
		●	●	●	●	●	●	●	●	●	●
11 Capital expenditure as a percentage of total expenditure	20% +	23.2%	23.4%	22.1%	22.9%	24.5%	22.3%	21.2%	22.2%	20.0%	21.1%
		●	●	●	●	●	●	●	●	●	●

## 10 Year Long Term Financial Plan - 2013-14 to 2022-23

### Reserves Closing Balance

### Model 1 - Including Environment Levy

Year Ended 30 June	Yr 1 2014 \$('000)	Yr 2 2015 \$('000)	Yr 3 2016 \$('000)	Yr 4 2017 \$('000)	Yr 5 2018 \$('000)	Yr 6 2019 \$('000)	Yr 7 2020 \$('000)	Yr 8 2021 \$('000)	Yr 9 2022 \$('000)	Yr 10 2023 \$('000)
<b>Externally Restricted Reserves</b>										
Domestic Waste	2,853	3,228	3,464	3,281	1,435	1,561	2,122	1,658	2,695	1,605
Specific Purpose Unexpended Grants	0	0	0	0	0	0	0	0	0	0
Section 94 Development Contributions	3,185	2,083	2,395	1,663	900	655	759	932	1,095	1,329
Section 93D Affordable Housing	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864
Stormwater Management	0	0	0	0	0	0	0	0	0	0
Environment Levy	0	0	0	0	0	0	0	0	0	0
<b>Total Externally Restricted Reserves</b>	<b>7,902</b>	<b>7,175</b>	<b>7,722</b>	<b>6,808</b>	<b>4,199</b>	<b>4,079</b>	<b>4,745</b>	<b>4,453</b>	<b>5,653</b>	<b>4,798</b>
<b>Internally Restricted Reserves</b>										
Des Renford Leisure Centre	286	436	748	1,070	1,003	449	810	251	708	712
Election of Councillors	147	294	441	0	154	308	462	0	161	322
Employee Leave Entitlements	6,403	6,852	7,333	7,850	8,300	8,595	8,929	9,002	8,653	8,163
Information Technology	620	393	676	571	741	531	476	439	740	793
GIS and Online Services	152	31	21	97	42	2	82	82	182	282
Infrastructure	4,200	4,391	4,868	5,330	6,184	6,597	6,763	7,261	7,138	7,651
Insurance Claims / Risk Management	387	387	387	387	387	387	387	387	387	387
Plant Replacement	2,238	2,692	1,112	2,471	2,309	3,059	3,578	2,193	2,879	3,663
Property Development	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
Refundable Bonds & Deposits	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996
Randwick Environmental Park	1,968	1,885	1,802	1,722	1,624	1,528	1,431	1,334	1,236	1,136
Town Hall/Council Chambers	0	0	0	0	0	0	0	0	0	0
Affordable Housing Rental Scheme	286	42	60	79	100	93	117	143	171	120
Buildings for our Community Program	258	96	207	0	0	0	0	0	0	0
Prince Henry Centre	78	78	78	78	78	78	78	78	78	78
<b>Total Internally Restricted Reserves</b>	<b>21,424</b>	<b>21,977</b>	<b>22,134</b>	<b>24,056</b>	<b>25,323</b>	<b>26,027</b>	<b>27,513</b>	<b>25,571</b>	<b>26,732</b>	<b>27,708</b>
<b>Total Reserves</b>	<b>29,326</b>	<b>29,152</b>	<b>29,856</b>	<b>30,863</b>	<b>29,522</b>	<b>30,106</b>	<b>32,258</b>	<b>30,024</b>	<b>32,385</b>	<b>32,506</b>

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Balance Sheet

### Model 1 - Including Environment Levy

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
As at 30 June	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Current Assets</b>											
Cash and Investments	24,893	26,532	26,751	27,210	28,706	28,700	29,375	31,228	29,173	30,968	31,552
Receivables	6,286	6,518	6,759	7,009	7,268	7,537	7,816	8,105	8,405	8,716	9,038
Inventory	568	582	599	616	632	648	665	682	700	718	737
Other	384	391	398	405	412	419	426	434	442	450	458
<b>Total Current Assets</b>	<b>32,131</b>	<b>34,023</b>	<b>34,507</b>	<b>35,240</b>	<b>37,018</b>	<b>37,304</b>	<b>38,282</b>	<b>40,449</b>	<b>38,720</b>	<b>40,852</b>	<b>41,785</b>
<b>Current Liabilities</b>											
Payables	13,871	13,908	14,131	14,359	14,593	14,832	15,077	15,328	15,585	15,848	16,117
Provisions	14,851	16,501	17,243	18,019	18,812	19,259	20,143	21,068	22,034	23,043	24,098
<b>Total Current Liabilities</b>	<b>28,722</b>	<b>30,409</b>	<b>31,374</b>	<b>32,378</b>	<b>33,405</b>	<b>34,091</b>	<b>35,220</b>	<b>36,396</b>	<b>37,619</b>	<b>38,891</b>	<b>40,215</b>
<b>Net Current Assets/(Current Liabilities)</b>	<b>3,409</b>	<b>3,615</b>	<b>3,133</b>	<b>2,862</b>	<b>3,613</b>	<b>3,213</b>	<b>3,062</b>	<b>4,053</b>	<b>1,101</b>	<b>1,961</b>	<b>1,570</b>
<b>Non-Current Assets</b>											
Investments	4,013	3,951	3,587	3,861	3,404	2,099	2,040	2,372	2,227	2,827	2,399
Receivables	496	514	533	553	573	594	616	639	663	688	713
Infrastructure, Property, Plant & Equipment	1,285,559	1,290,771	1,298,255	1,303,642	1,312,037	1,320,863	1,329,840	1,337,860	1,346,879	1,353,929	1,362,383
Other	7	7	7	7	7	7	7	7	7	7	7
<b>Total Non-Current Assets</b>	<b>1,290,075</b>	<b>1,295,243</b>	<b>1,302,382</b>	<b>1,308,063</b>	<b>1,316,021</b>	<b>1,323,563</b>	<b>1,332,503</b>	<b>1,340,878</b>	<b>1,349,776</b>	<b>1,357,451</b>	<b>1,365,502</b>
<b>Total Assets</b>	<b>1,322,206</b>	<b>1,329,266</b>	<b>1,336,889</b>	<b>1,343,303</b>	<b>1,353,039</b>	<b>1,360,867</b>	<b>1,370,785</b>	<b>1,381,327</b>	<b>1,388,496</b>	<b>1,398,303</b>	<b>1,407,287</b>
<b>Non-Current Liabilities</b>											
Payables	260	266	272	279	286	293	300	307	314	322	330
Provisions	205	210	215	220	225	230	236	242	248	254	260
<b>Total Non-Current Liabilities</b>	<b>465</b>	<b>476</b>	<b>487</b>	<b>499</b>	<b>511</b>	<b>523</b>	<b>536</b>	<b>549</b>	<b>562</b>	<b>576</b>	<b>590</b>
<b>Net Assets</b>	<b>1,293,019</b>	<b>1,298,382</b>	<b>1,305,028</b>	<b>1,310,426</b>	<b>1,319,123</b>	<b>1,326,254</b>	<b>1,335,029</b>	<b>1,344,382</b>	<b>1,350,315</b>	<b>1,358,836</b>	<b>1,366,482</b>
<b>Total Equity</b>	<b>1,294,655</b>	<b>1,301,671</b>	<b>1,309,037</b>	<b>1,315,021</b>	<b>1,324,297</b>	<b>1,331,966</b>	<b>1,341,236</b>	<b>1,351,034</b>	<b>1,357,364</b>	<b>1,366,231</b>	<b>1,374,167</b>

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Cashflow Statement

### Model 1 - Including Environment Levy

Year Ended 30 June	Yr 1 2014 \$('000)	Yr 2 2015 \$('000)	Yr 3 2016 \$('000)	Yr 4 2017 \$('000)	Yr 5 2018 \$('000)	Yr 6 2019 \$('000)	Yr 7 2020 \$('000)	Yr 8 2021 \$('000)	Yr 9 2022 \$('000)	Yr 10 2023 \$('000)
<b>Cash Flows from Operating Activities</b>										
<u>Receipts</u>										
Rates & Annual Charges	94,090	98,280	102,218	105,844	109,599	113,487	116,823	120,621	124,191	128,243
User Charges & Fees	18,688	20,609	21,490	22,350	23,382	24,309	25,274	26,279	27,325	28,412
Investment & Interest Revenue Received	2,779	3,109	3,285	3,569	3,425	3,314	3,335	3,458	3,317	3,469
Grants & Contributions	9,443	9,643	9,941	10,341	10,213	10,304	11,987	10,704	10,911	11,123
Other	5,656	5,888	6,129	6,374	6,629	6,894	7,170	7,457	7,755	8,065
<u>Payments</u>										
Employee Benefits & On-Costs	(53,171)	(56,045)	(58,530)	(60,478)	(63,152)	(65,945)	(68,863)	(71,908)	(75,091)	(78,414)
Materials & Contracts	(33,730)	(36,245)	(37,804)	(38,989)	(40,378)	(41,649)	(42,932)	(44,103)	(45,301)	(46,529)
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Other	(13,603)	(14,186)	(14,759)	(15,904)	(15,901)	(16,509)	(17,145)	(18,427)	(18,510)	(19,240)
<b>Net Cash Used in Operating Activities</b>	<b>30,152</b>	<b>31,053</b>	<b>31,970</b>	<b>33,107</b>	<b>33,817</b>	<b>34,205</b>	<b>35,649</b>	<b>34,081</b>	<b>34,597</b>	<b>35,129</b>
<b>Cash Flows from Investing Activities</b>										
<u>Receipts</u>										
Sale of Infrastructure, Property, Plant & Equipment	1,171	1,385	2,571	881	2,855	1,362	1,535	2,981	1,115	2,369
<u>Payments</u>										
Purchase of Infrastructure, Property, Plant & Equipment	(28,900)	(31,894)	(33,253)	(32,406)	(37,479)	(34,492)	(34,590)	(38,900)	(33,008)	(37,089)
<b>Net Cash Used in Investing Activities</b>	<b>(27,728)</b>	<b>(30,509)</b>	<b>(30,682)</b>	<b>(31,525)</b>	<b>(34,624)</b>	<b>(33,130)</b>	<b>(33,056)</b>	<b>(35,919)</b>	<b>(31,893)</b>	<b>(34,720)</b>
<b>Cash Flows from Financing Activities</b>										
Nil										
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,424</b>	<b>544</b>	<b>1,288</b>	<b>1,582</b>	<b>(807)</b>	<b>1,075</b>	<b>2,593</b>	<b>(1,838)</b>	<b>2,704</b>	<b>409</b>
<b>Opening Cash Balance</b>	<b>28,906</b>	<b>31,330</b>	<b>31,873</b>	<b>33,161</b>	<b>34,743</b>	<b>33,936</b>	<b>35,010</b>	<b>37,604</b>	<b>35,766</b>	<b>38,470</b>
<b>Closing Cash Balance</b>	<b>31,330</b>	<b>31,873</b>	<b>33,161</b>	<b>34,743</b>	<b>33,936</b>	<b>35,010</b>	<b>37,604</b>	<b>35,766</b>	<b>38,470</b>	<b>38,879</b>

# Financial Model 2

Environment Levy Excluded



# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Income and Expenditure

### Model 2 - Environment Levy Excluded

Year Ended 30 June	Yr 1 2014 \$('000)	Yr 2 2015 \$('000)	Yr 3 2016 \$('000)	Yr 4 2017 \$('000)	Yr 5 2018 \$('000)	Yr 6 2019 \$('000)	Yr 7 2020 \$('000)	Yr 8 2021 \$('000)	Yr 9 2022 \$('000)	Yr 10 2023 \$('000)
<b>Operating Revenue</b>										
Rates and Annual Charges	90,476	94,532	98,331	101,813	105,419	109,152	112,328	115,960	119,358	123,231
Statutory Charges	2,285	2,354	2,422	2,485	2,550	2,616	2,684	2,754	2,826	2,899
User Charges and Fees	16,403	18,255	19,068	19,865	20,832	21,693	22,590	23,525	24,499	25,513
Interest and Investment Revenue	2,779	3,109	3,285	3,569	3,425	3,314	3,335	3,458	3,317	3,469
Other	5,656	5,888	6,129	6,374	6,629	6,894	7,170	7,457	7,755	8,065
Operating Grants and Contributions	6,106	6,268	6,429	6,578	6,731	6,886	7,046	7,210	7,378	7,550
<b>Total Operating Revenue</b>	<b>123,705</b>	<b>130,406</b>	<b>135,664</b>	<b>140,684</b>	<b>145,586</b>	<b>150,555</b>	<b>155,153</b>	<b>160,364</b>	<b>165,133</b>	<b>170,727</b>
<b>Operating Expenses</b>										
Employee Costs	53,200	56,074	58,559	60,509	63,183	65,977	68,895	71,942	75,125	78,450
Finance/Interest Expenses	0	0	0	0	0	0	0	0	0	0
Materials and Contracts	33,730	36,245	37,804	38,989	40,378	41,649	42,932	44,103	45,301	46,529
Depreciation	21,378	21,558	21,827	22,244	22,810	22,679	23,252	23,059	23,219	23,683
Other	13,603	14,186	14,759	15,904	15,901	16,509	17,145	18,427	18,510	19,240
<b>Total Operating Expenses</b>	<b>121,911</b>	<b>128,063</b>	<b>132,949</b>	<b>137,646</b>	<b>142,272</b>	<b>146,814</b>	<b>152,224</b>	<b>157,531</b>	<b>162,155</b>	<b>167,902</b>
<b>Operating Result from Operations before capital - Surplus/(Deficit)</b>	<b>1,794</b>	<b>2,343</b>	<b>2,715</b>	<b>3,038</b>	<b>3,314</b>	<b>3,741</b>	<b>2,929</b>	<b>2,833</b>	<b>2,978</b>	<b>2,825</b>
<b>Capital Revenue:-</b>										
Grants and Contributions	3,337	3,375	3,512	3,763	3,482	3,418	4,941	3,494	3,533	3,573
<b>Operating Result from Operations - Surplus/(Deficit)</b>	<b>5,131</b>	<b>5,718</b>	<b>6,227</b>	<b>6,801</b>	<b>6,796</b>	<b>7,159</b>	<b>7,870</b>	<b>6,327</b>	<b>6,511</b>	<b>6,398</b>
Add back Depreciation	21,378	21,558	21,827	22,244	22,810	22,679	23,252	23,059	23,219	23,683
<b>Funding available for capital expenditure</b>	<b>26,509</b>	<b>27,276</b>	<b>28,054</b>	<b>29,045</b>	<b>29,606</b>	<b>29,838</b>	<b>31,122</b>	<b>29,386</b>	<b>29,730</b>	<b>30,081</b>
Capital Expenditure on Assets	28,170	31,299	32,653	31,801	36,865	33,862	33,904	38,209	32,302	36,369
Proceeds from Sale of Non-Current Ass	(1,171)	(1,385)	(2,571)	(881)	(2,855)	(1,362)	(1,535)	(2,981)	(1,115)	(2,369)
<b>Net Capital Additions</b>	<b>26,998</b>	<b>29,914</b>	<b>30,082</b>	<b>30,920</b>	<b>34,010</b>	<b>32,500</b>	<b>32,369</b>	<b>35,228</b>	<b>31,187</b>	<b>34,000</b>
<b>Net Transfer to / (from) reserves</b>	<b>(489)</b>	<b>(2,638)</b>	<b>(2,028)</b>	<b>(1,875)</b>	<b>(4,404)</b>	<b>(2,662)</b>	<b>(1,247)</b>	<b>(5,842)</b>	<b>(1,457)</b>	<b>(3,919)</b>
<b>Net Overall Funding Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 10 Year Long Term Financial Plan - 2013-14 to 2022-23

### Capital Expenditure

### Model 2 - Environment Levy Excluded

Year Ended 30 June	Yr 1 2014 \$('000)	Yr 2 2015 \$('000)	Yr 3 2016 \$('000)	Yr 4 2017 \$('000)	Yr 5 2018 \$('000)	Yr 6 2019 \$('000)	Yr 7 2020 \$('000)	Yr 8 2021 \$('000)	Yr 9 2022 \$('000)	Yr 10 2023 \$('000)
<b>Infrastructure Capital Expenditure</b>										
Parks including Remediation	7,393	7,514	6,358	7,947	9,277	9,216	9,502	8,313	8,412	7,064
Footpaths	2,372	3,250	2,532	3,416	3,703	3,093	2,887	2,784	3,085	3,989
Roads	5,694	5,962	6,063	6,951	7,789	8,150	8,018	8,274	8,294	8,743
Vehicular Access	513	525	538	552	566	580	594	609	624	640
Drainage	1,723	1,756	1,789	1,823	2,109	2,155	2,553	2,472	1,947	2,357
Buildings	5,960	6,192	6,416	7,134	4,449	4,397	4,754	4,821	4,894	5,074
<b>Total Infrastructure</b>	<b>23,656</b>	<b>25,199</b>	<b>23,696</b>	<b>27,822</b>	<b>27,892</b>	<b>27,591</b>	<b>28,308</b>	<b>27,273</b>	<b>27,257</b>	<b>27,866</b>
<b>Other Capital Expenditure</b>										
Plant and Equipment (net sale proceeds)	1,484	1,893	4,592	1,076	4,371	2,698	2,188	4,953	1,899	3,698
Information Technology	1,340	2,322	1,303	1,463	1,220	1,585	1,307	1,367	1,425	1,678
Library Resources	392	406	421	437	453	470	487	505	524	543
Furniture and Fittings	80	-	20	20	20	50	20	1,020	20	100
Heritage Collections	47	93	50	102	54	106	58	110	62	115
<b>Total Other</b>	<b>3,343</b>	<b>4,715</b>	<b>6,387</b>	<b>3,098</b>	<b>6,118</b>	<b>4,908</b>	<b>4,061</b>	<b>7,955</b>	<b>3,931</b>	<b>6,133</b>
<b>Total Capital Expenditure</b>	<b>26,998</b>	<b>29,914</b>	<b>30,082</b>	<b>30,920</b>	<b>34,010</b>	<b>32,500</b>	<b>32,369</b>	<b>35,228</b>	<b>31,187</b>	<b>34,000</b>
<b>Source of Funds</b>										
General Fund	12,480	12,776	13,246	14,314	19,681	20,397	21,189	21,712	22,587	23,267
s94	2,825	2,965	1,500	2,570	2,540	1,972	1,600	1,530	1,540	1,470
Stormwater Levy	883	884	885	886	887	888	889	890	891	892
Domestic Waste	1,500	1,914	2,431	2,891	4,484	2,384	1,235	2,090	0	1,950
Des Renford Leisure Centre	0	100	103	105	508	1,010	113	1,116	119	522
Environment Levy	0	0	0	0	0	0	0	0	0	0
Building Levy	4,165	4,517	4,400	4,880	0	0	0	0	0	0
Grants and Contributions	2,321	2,376	2,533	2,808	2,551	2,513	4,062	2,640	2,706	2,774
Information Technology	1,340	2,322	1,303	1,463	1,220	1,585	1,307	1,367	1,425	1,678
Infrastructure Reserve	0	0	0	0	0	0	0	0	0	0
Plant Replacement Reserve	1,484	1,779	3,661	983	2,119	1,701	1,953	3,863	1,899	1,348
Affordable Housing	0	280	20	20	20	50	20	20	20	100
<b>Total Source of Funds</b>	<b>26,998</b>	<b>29,914</b>	<b>30,082</b>	<b>30,920</b>	<b>34,010</b>	<b>32,500</b>	<b>32,369</b>	<b>35,228</b>	<b>31,187</b>	<b>34,000</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Performance Measurement

### Model 2 - Environment Levy Excluded









































All \$ are expressed as \$'000

	TARGET	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Year Ended 30 June		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023

#### Budget Performance

1	Balanced Annual Budget	\$	0 +	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Operating Surplus Ratio - operating surplus (before capital grants and asset sales and excl depreciation) over depreciation	1.00 +	1.08	1.11	1.12	1.14	1.15	1.16	1.13	1.12	1.13	1.12

#### Operational Liquidity

3	Unrestricted Cash - cash less externally and internally restricted reserves	\$	1,000	+	\$	1,157	\$	1,186	\$	1,216	\$	1,246	\$	1,277	\$	1,309	\$	1,342	\$	1,376	\$	1,410	\$	1,445
	Sufficient to provide liquidity for day to day operations																							
4	Unrestricted Current Ratio - excluding external restrictions (DLG Ratio)		2.00	+		2.18		2.23		2.17		2.22		2.39		2.44		2.47		2.40		2.37		2.22
																								
5	Unrestricted Current Ratio - excluding internal and external restrictions (Working Capital Ratio)		1.00	+		1.45		1.54		1.51		1.46		1.68		1.76		1.72		1.84		1.71		1.47
																								
6	Rates and Annual Charges Outstanding - expressed as a percentage of total rates and charges available for collection in the financial year		4%	-		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%		2.4%
																								

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Performance Measurement

### Model 2 - Environment Levy Excluded

All \$ are expressed as \$'000

Year Ended 30 June	TARGET	Yr 1 2014	Yr 2 2015	Yr 3 2016	Yr 4 2017	Yr 5 2018	Yr 6 2019	Yr 7 2020	Yr 8 2021	Yr 9 2022	Yr 10 2023
<b>Liability and Debt Management</b>											
7 Debt Commitment Ratio - percentage of ordinary rates revenue utilised to repay loans and interest	0% - Randwick City Council has a debt free policy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		●	●	●	●	●	●	●	●	●	●
8 Employee Leave Entitlements Funding - percentage employee leave entitlements held in cash	+ Determined through age profiling of staff	38.3%	39.2%	40.2%	41.2%	42.6%	42.2%	41.9%	40.4%	37.1%	33.5%
		●	●	●	●	●	●	●	●	●	●
<b>Asset Management</b>											
9 Infrastructure and Building Assets Renewal Ratio - capital expenditure on renewal of these assets divided by their annual depreciation	100% +	93.1%	90.7%	86.5%	99.8%	104.2%	101.8%	101.7%	101.8%	100.3%	110.9%
		●	●	●	●	●	●	●	●	●	●
10 Buildings, Infrastructure and Open Space Assets Renewal Ratio - capital expenditure on renewal of these assets divided by their annual depreciation	100% +	118.0%	115.2%	103.3%	121.9%	128.6%	127.6%	125.1%	120.1%	116.1%	117.2%
		●	●	●	●	●	●	●	●	●	●
11 Capital expenditure as a percentage of total expenditure	20% +	23.3%	23.6%	22.3%	23.1%	24.7%	22.5%	21.4%	22.4%	20.1%	21.3%
		●	●	●	●	●	●	●	●	●	●

## 10 Year Long Term Financial Plan - 2013-14 to 2022-23

### Reserves Closing Balance

### Model 2 - Environment Levy Excluded

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Year Ended 30 June	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Externally Restricted Reserves</b>										
Domestic Waste	2,853	3,228	3,464	3,281	1,435	1,561	2,122	1,658	2,695	1,605
Specific Purpose Unexpended Grants	0	0	0	0	0	0	0	0	0	0
Section 94 Development Contributions	3,185	2,083	2,395	1,663	900	655	759	932	1,095	1,329
Section 93D Affordable Housing	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864
Stormwater Management	0	0	0	0	0	0	0	0	0	0
Environment Levy	0	0	0	0	0	0	0	0	0	0
<b>Total Externally Restricted Reserves</b>	<b>7,902</b>	<b>7,175</b>	<b>7,722</b>	<b>6,808</b>	<b>4,199</b>	<b>4,079</b>	<b>4,745</b>	<b>4,453</b>	<b>5,653</b>	<b>4,798</b>

### Internally Restricted Reserves

Des Renford Leisure Centre	286	436	748	1,070	1,003	449	810	251	708	712
Election of Councillors	147	294	441	0	154	308	462	0	161	322
Employee Leave Entitlements	6,403	6,852	7,333	7,850	8,300	8,595	8,929	9,002	8,653	8,163
Information Technology	620	393	676	571	741	531	476	439	740	793
GIS and Online Services	152	31	21	97	42	2	82	82	182	282
Infrastructure	4,200	4,391	4,868	5,330	6,184	6,597	6,763	7,261	7,138	7,651
Insurance Claims / Risk Management	387	387	387	387	387	387	387	387	387	387
Plant Replacement	2,238	2,692	1,112	2,471	2,309	3,059	3,578	2,193	2,879	3,663
Property Development	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404
Refundable Bonds & Deposits	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996	2,996
Randwick Environmental Park	1,968	1,885	1,802	1,722	1,624	1,528	1,431	1,334	1,236	1,136
Town Hall/Council Chambers	0	0	0	0	0	0	0	0	0	0
Affordable Housing Rental Scheme	286	42	60	79	100	93	117	143	171	120
Buildings for our Community Program	258	96	207	0	0	0	0	0	0	0
Prince Henry Centre	78	78	78	78	78	78	78	78	78	78
<b>Total Internally Restricted Reserves</b>	<b>21,424</b>	<b>21,977</b>	<b>22,134</b>	<b>24,056</b>	<b>25,323</b>	<b>26,027</b>	<b>27,513</b>	<b>25,571</b>	<b>26,732</b>	<b>27,708</b>

<b>Total Reserves</b>	<b>29,326</b>	<b>29,152</b>	<b>29,856</b>	<b>30,863</b>	<b>29,522</b>	<b>30,106</b>	<b>32,258</b>	<b>30,024</b>	<b>32,385</b>	<b>32,506</b>
-----------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

# 10 Year Long Term Financial Plan - 2013-14 to 2022-23

## Balance Sheet

### Model 2 - Environment Levy Excluded

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
As at 30 June	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
<b>Current Assets</b>											
Cash and Investments	24,893	26,532	26,751	27,210	28,706	28,700	29,375	31,228	29,173	30,968	31,552
Receivables	6,286	6,518	6,759	7,009	7,268	7,537	7,816	8,105	8,405	8,716	9,038
Inventory	568	582	599	616	632	648	665	682	700	718	737
Other	384	391	398	405	412	419	426	434	442	450	458
<b>Total Current Assets</b>	<b>32,131</b>	<b>34,023</b>	<b>34,507</b>	<b>35,240</b>	<b>37,018</b>	<b>37,304</b>	<b>38,282</b>	<b>40,449</b>	<b>38,720</b>	<b>40,852</b>	<b>41,785</b>
<b>Current Liabilities</b>											
Payables	13,871	13,908	14,131	14,359	14,593	14,832	15,077	15,328	15,585	15,848	16,117
Provisions	14,851	16,501	17,243	18,019	18,812	19,259	20,143	21,068	22,034	23,043	24,098
<b>Total Current Liabilities</b>	<b>28,722</b>	<b>30,409</b>	<b>31,374</b>	<b>32,378</b>	<b>33,405</b>	<b>34,091</b>	<b>35,220</b>	<b>36,396</b>	<b>37,619</b>	<b>38,891</b>	<b>40,938</b>
<b>Net Current Assets/(Current Liabilities)</b>	<b>3,409</b>	<b>3,615</b>	<b>3,133</b>	<b>2,862</b>	<b>3,613</b>	<b>3,213</b>	<b>3,062</b>	<b>4,053</b>	<b>1,101</b>	<b>1,961</b>	<b>847</b>
<b>Non-Current Assets</b>											
Investments	4,013	3,951	3,587	3,861	3,404	2,099	2,040	2,372	2,227	2,827	2,399
Receivables	496	514	533	553	573	594	616	639	663	688	713
Infrastructure, Property, Plant & Equipment	1,285,559	1,290,041	1,297,059	1,301,999	1,309,962	1,318,371	1,326,936	1,334,465	1,343,011	1,349,604	1,357,611
Other	7	7	7	7	7	7	7	7	7	7	7
<b>Total Non-Current Assets</b>	<b>1,290,075</b>	<b>1,294,513</b>	<b>1,301,186</b>	<b>1,306,420</b>	<b>1,313,946</b>	<b>1,321,071</b>	<b>1,329,599</b>	<b>1,337,483</b>	<b>1,345,908</b>	<b>1,353,126</b>	<b>1,360,730</b>
<b>Total Assets</b>	<b>1,322,206</b>	<b>1,328,536</b>	<b>1,335,693</b>	<b>1,341,660</b>	<b>1,350,964</b>	<b>1,358,375</b>	<b>1,367,881</b>	<b>1,377,932</b>	<b>1,384,628</b>	<b>1,393,978</b>	<b>1,402,515</b>
<b>Non-Current Liabilities</b>											
Payables	260	266	272	279	286	293	300	307	314	322	330
Provisions	205	210	215	220	225	230	236	242	248	254	260
<b>Total Non-Current Liabilities</b>	<b>465</b>	<b>476</b>	<b>487</b>	<b>499</b>	<b>511</b>	<b>523</b>	<b>536</b>	<b>549</b>	<b>562</b>	<b>576</b>	<b>590</b>
<b>Net Assets</b>	<b>1,293,019</b>	<b>1,297,652</b>	<b>1,303,832</b>	<b>1,308,783</b>	<b>1,317,048</b>	<b>1,323,762</b>	<b>1,332,125</b>	<b>1,340,987</b>	<b>1,346,447</b>	<b>1,354,511</b>	<b>1,360,987</b>
<b>Total Equity</b>	<b>1,291,169</b>	<b>1,294,571</b>	<b>1,298,218</b>	<b>1,300,365</b>	<b>1,305,679</b>	<b>1,309,257</b>	<b>1,314,301</b>	<b>1,319,735</b>	<b>1,321,559</b>	<b>1,325,774</b>	<b>1,328,904</b>

## 10 Year Long Term Financial Plan - 2013-14 to 2022-23

### Cashflow Statement

### Model 2 - Environment Levy Excluded

Year Ended 30 June	Yr 1 2014 \$('000)	Yr 2 2015 \$('000)	Yr 3 2016 \$('000)	Yr 4 2017 \$('000)	Yr 5 2018 \$('000)	Yr 6 2019 \$('000)	Yr 7 2020 \$('000)	Yr 8 2021 \$('000)	Yr 9 2022 \$('000)	Yr 10 2023 \$('000)
<b>Cash Flows from Operating Activities</b>										
<u>Receipts</u>										
Rates & Annual Charges	90,476	94,532	98,331	101,813	105,419	109,152	112,328	115,960	119,358	123,231
User Charges & Fees	18,688	20,609	21,490	22,350	23,382	24,309	25,274	26,279	27,325	28,412
Investment & Interest Revenue Received	2,779	3,109	3,285	3,569	3,425	3,314	3,335	3,458	3,317	3,469
Grants & Contributions	9,443	9,643	9,941	10,341	10,213	10,304	11,987	10,704	10,911	11,123
Other	5,656	5,888	6,129	6,374	6,629	6,894	7,170	7,457	7,755	8,065
<u>Payments</u>										
Employee Benefits & On-Costs	(53,171)	(56,045)	(58,530)	(60,478)	(63,152)	(65,945)	(68,863)	(71,908)	(75,091)	(78,414)
Materials & Contracts	(33,730)	(36,245)	(37,804)	(38,989)	(40,378)	(41,649)	(42,932)	(44,103)	(45,301)	(46,529)
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Other	(13,603)	(14,186)	(14,759)	(15,904)	(15,901)	(16,509)	(17,145)	(18,427)	(18,510)	(19,240)
<b>Net Cash Used in Operating Activities</b>	<b>26,538</b>	<b>27,305</b>	<b>28,083</b>	<b>29,076</b>	<b>29,637</b>	<b>29,870</b>	<b>31,154</b>	<b>29,420</b>	<b>29,764</b>	<b>30,117</b>
<b>Cash Flows from Investing Activities</b>										
<u>Receipts</u>										
Sale of Infrastructure, Property, Plant & Equipment	1,171	1,385	2,571	881	2,855	1,362	1,535	2,981	1,115	2,369
<u>Payments</u>										
Purchase of Infrastructure, Property, Plant & Equipment	(28,170)	(31,399)	(32,756)	(31,906)	(36,972)	(33,972)	(33,967)	(38,274)	(32,368)	(36,437)
<b>Net Cash Used in Investing Activities</b>	<b>(26,998)</b>	<b>(30,014)</b>	<b>(30,185)</b>	<b>(31,025)</b>	<b>(34,117)</b>	<b>(32,610)</b>	<b>(32,432)</b>	<b>(35,293)</b>	<b>(31,253)</b>	<b>(34,068)</b>
<b>Cash Flows from Financing Activities</b>										
Nil										
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(460)</b>	<b>(2,709)</b>	<b>(2,102)</b>	<b>(1,949)</b>	<b>(4,480)</b>	<b>(2,740)</b>	<b>(1,278)</b>	<b>(5,873)</b>	<b>(1,489)</b>	<b>(3,951)</b>
<b>Opening Cash Balance</b>	<b>28,906</b>	<b>28,446</b>	<b>25,736</b>	<b>23,635</b>	<b>21,685</b>	<b>17,205</b>	<b>14,465</b>	<b>13,187</b>	<b>7,314</b>	<b>5,824</b>
<b>Closing Cash Balance</b>	<b>28,446</b>	<b>25,736</b>	<b>23,635</b>	<b>21,685</b>	<b>17,205</b>	<b>14,465</b>	<b>13,187</b>	<b>7,314</b>	<b>5,824</b>	<b>1,874</b>