



# Long term Financial Plan 2020/21

# Executive Summary

The Georges River community, along with the rest of Australia, is facing extraordinary challenges due to the current COVID-19 pandemic. Changes have been moving quickly and this is likely to impact our 2020/21 budget and future forecasts. Over the coming months Council will better understand the longer-term impact of COVID-19 on our community and on our operations. In light of the current events, Council has prepared a budget ready to deliver valued community services, projects and programs during the 2020/21 financial year.

The Long Term Financial Plan (LTFP) has been built using the budget for 2020/21 as the base and presents a financial projection of the next ten years based on the Community Strategic Plan and Delivery Program. The 10 year forecast illustrates the operating results and is based on projected known events. These projections form a roadmap of the operating results, which provides Council an opportunity to:

- Assess different courses of corrective action and quantify the potential outcomes
- Ensure sustainability through positive net results
- Structure the operations, based on affordability and financial sustainability.

Over the past two financial years, the LTFP has illustrated Council's poor and deteriorating financial outlook over a 10 year period. Prior to the events of COVID-19, Council had an adopted forecasted operating deficit (before capital grants) for 2020/21 of \$13 million.

Failure to address the unsustainable financial position places Council in contravention of Section 8B of the Local Government Act 1993 and will compel Council to cut and/or reduce services to ease the unfavourable gap between income and expenditure.

In preparing the draft 2020/21 Budget some difficult decisions have been required during this unpredictable time.

Therefore, in order to minimise Council's projected operating deficit, protect cash reserves and weather any adverse impact of COVID-19, programs, services and projects have been reduced, deferred or deleted. The approach to these decisions has been balanced, in that they have been made across all areas of Council's operations, including employee costs, Councillor costs and community assets.

In order to significantly reduce the adopted operating deficit and address financial sustainability, reductions include \$9 million worth of operational programs project, services and \$350 million in capital projects being deferred, reduced or deleted.

Based on this approach the adopted forecast deficit of \$13 million has been reduced to a projected deficit of \$3.2 million. Though these measures have been introduced and the projected deficit for 2020/21 has been reduced, the projection over 10 years still results in a deteriorating financial position, accelerating in 2021/22.

Based on this outlook the implementation of Council's financial strategies, outlined within this document, are essential in securing the sustainability of Council. Establishing a new rate income base is one of the key strategies and consultation recommenced in September 2020 on the New Rates 2021 proposal.

# Financial Governance Principles

In preparing the Long Term Financial Plan (LTFP) and guiding financial decisions are the Integrated Planning and Reporting documents, the Local Government Act 1993 and financial principles.

Council conducted a program of extensive community engagement to develop Georges River's first Community Strategic Plan. The Community Strategic Plan and associated documents were adopted by Council on 25 June 2018.

The Community Strategic Plan was developed around six themes or pillars which were identified in the consultation process as important to the community.

These six pillars, which underpin our future work, are:

1. A protected environment and green open spaces
2. Quality, well planned development
3. Active and accessible places and spaces
4. A diverse and productive economy
5. A harmonious and proud community with strong social services and infrastructure
6. Leadership and transparency

The Community Strategic Plan is part of a suite of documents which include the Delivery Program and Operational Plan, which outlines our key actions over the next three years and annual budget, Fees and Charges. These key documents feed into the Resourcing Strategy and Council's long-term financial plan.

The Local Government Act 1993 (the Act), outlines the principles of sound financial management in which Council is governed by. Section 8B of the Act states that:

- Council spending should be responsible and sustainable, aligning general revenue and expenses.
- Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- Councils should have effective financial and asset management, including sound policies and processes for the following:
  - performance management and reporting,

- asset maintenance and enhancement,
- funding decisions,
- risk management practices
- Councils should have regard to achieving intergenerational equity, including ensuring the following:
  - policy decisions are made after considering their financial effects on future generations,
  - the current generation funds the cost of its services.

In addition to the legislated principles of sound financial management, Council's actions and strategies are balance on the following principles; Sustainability, Affordability, Accountability and Growth.

## Sustainability

Ensure the long term sustainability of Georges River Council – this involves putting in place measures to fortify its income base (without depending on one-off receipts of grants or contributions) and managing its expenditure to optimum levels, maintain positive Net Operating Results.

## Affordability

Operate within the realms of affordability by structuring expenditure within the boundaries of income received. Plan and execute programs and projects after taking into account the affordability of the long term ongoing impact on future revenue and expenditure.

## Accountability

Continue to be accountable to ratepayers for optimum management of income generated and expenditure incurred. Continue to be accountable to ratepayers for optimum management of Council assets and resources.

## Growth

Approach all activities from the perspective of constantly improving the quality of services provided. Deliver services that benefit the larger community.

# Financial Sustainability Challenges

Georges River Council takes great pride in its role of providing and maintaining high quality local services for our community. If Council is to continue to deliver the current level of services and facilities, we need to effectively plan for the future.

Following extensive consultation with our community in 2018, Council adopted its first ever Community Strategic Plan which details the community's aspirations for the Georges River area over the next 10 years. This Plan highlights many community projects, programs, initiatives and events that require substantial funding to become a reality.

Council, in preparing the LTFP, recognised a number of challenges it will face in the near future.

The challenges, if unaddressed, will have an adverse impact on the long term financial sustainability of Council. These challenges are summarised:

- Experiencing declining profitability, amplified by the loss of income of \$2.3m from the former Hurstville Council Special Rate Variation (SRV). Due to stop on 1 July 2021.
- The compounded impact of the expiring SRV results in a forecast loss of \$19m from 2021/2022 to 2028/2029.
- Dramatic decline in the cash rate and the loss of investment income used to fund operations of \$4m in 5 years.
- Operating performance, net of capital grant income, remains negative with the deficit increasing each year.
- Increase in Council's Net Worth is dependent on the quantum of Capital Grants received and not on the operations being cost effective.

The operating results (actual and forecast); display a downward trend leading to increasingly negative results from 2021/22 onwards. There is a dramatic reduction in Rates income from 2021/22 onwards, due to the termination of the SRV that commenced over 10 years ago. The impact on the operating results is a loss of \$2.3m income in that year, compounded each year thereafter.

In addition, Council's operating results are augmented

by the value of capital grants received. These grants are for exclusive use on capital expenditure and are not to be used to fund operating expenditure. When these funds are excluded, the Operating Results show increasing negative returns each year. This means that Council, in its current form, is unable to fund its operating expenditure from the operating income it receives.

It has also been demonstrated that there is an adverse widening gap between the increases to operating income and the increases to operating expenditure each year.

There are two fundamental problems facing Council's finances:

1. Council does not generate sufficient operating income to fund operating expenditure for its current service portfolio and program of works
2. Each year, increases in operating income are less than the increases in operating expenditure.

When reviewing the actual results of Georges River Council so far, Council has generated surpluses each year since amalgamation. However, these actual results have been favourably impacted by additional operating and capital grants received from the State Government, to assist with the transition to functioning as an amalgamated council. Despite the receipt of these additional operating grants, when capital grants are excluded, the operating results show a negative outcome.

The COVID-19 pandemic has now presented fresh challenges to Council's efforts to improve its financial position, with the financial impact of the pandemic accelerating the financial deficits that were forecast in future years. At this stage, the economic effects of the pandemic are expected to be long lasting, with recovery of activities back to normal anticipated to be slow and gradual rather than an immediate bounce back.

Council has and will continue to find savings, efficiencies and implement improved operating models but without the rate income increase, deep cuts to services will be inevitable. Council's service portfolio is complex and diverse. It provides 200 services which our community members value, and are essential to a thriving and growing community.

If the Council's total rate income does not increase over the next 5 years as proposed by this rate increase, we will be forced to reduce or cease many services. We will be unable to respond to the needs of future population growth which will continue to strain service quality. This will result in higher use/overuse of current assets and poorer condition standards.

In examining the financial statements relating to the former councils, the operating performance ratios in the 4 years leading up to 2014/15, are shown to be negative, with the exception of 2012/13 (for Hurstville) and 2014/15 (for Kogarah). In 2014/15, both Councils recorded depreciation charges which were considerably lower than the previous year. There were no statements or reasons provided for the lower depreciation charge, in either sets of financial statements.



# Financial Strategy

Based on the challenges presented in this Long Term Financial Plan, Council is building on the strong foundations established to ensure the delivery of community aspirations outlined in the Community Strategic plan. To achieve this, Council will take the following steps:

1. Establish a Financial Sustainability Working Group
2. Engage with the community on Council's discretionary service portfolio and the level of support to maintain service levels.
3. Review the rates structure to bring equity of rates charged to ratepayers
4. Seek the views of the community in applying for a Special Rate Variation that will maintain the expiring SRV and contribute towards reducing operating losses
5. Explore potential avenues to raise new streams of income and increase current income levels through a wider application of the user pays model
6. Explore potential savings in operating expenditure by reviewing operating processes
7. Apply strategic assets management principles, ensuring compliance with relevant legislation
8. Continue to benchmark activities and align operations where necessary, to yield optimum results
9. Introduce and implement changes in focus, to view activities as "commercial" or "non-commercial"
10. Evaluate affordability of capital projects from a "long term operating impact" point of view
11. Continue to identify and implement initiatives that improve service efficiency and productivity
12. Evaluate the feasibility of major projects from a cost/benefit perspective and understand the affordability pay-back period in respect of each
13. Focus on bridging the gap between increases in income and expenditure
14. Mitigate the impact of external factors on Council's financial sustainability
15. Provide financial hardship support to those adversely impacted
16. Focus on works projects that are funded from externally restricted reserves.



# Planning for our Future

## – Rates Consultation 2020

The amalgamation of two organisations whilst maintaining everyday services is a complex task that requires the involvement of the entire organisation and the support of the community.

Georges River Council has embraced the fresh start that the merge of the former Hurstville City and Kogarah City Councils presented, building the foundations for a strong organisation that will deliver outstanding results to our community and city. Information on Council efficiencies to date can be further explored in Council's Amalgamation Journey Final Report.

While Council's income has increased and we have made savings as a result of the amalgamation of the former Kogarah and Hurstville Council in 2016, these changes have not kept pace with the increase in costs in providing services, especially as our population continues to grow.

The terms of the amalgamation specified the preservation of the rates structures of the Hurstville and Kogarah City Councils for a period of four years plus 1 year optional extension.

At the Extraordinary Council Meeting held on Monday 10 February 2020, Council considered whether to proceed with an application to Independent Pricing and Regulatory Tribunal (IPART) to introduce in 2020/21 a harmonised minimum rate, harmonised rate in the dollar and also a new Special Rate Variation (SRV) to improve Council's financial sustainability and replace the expiration of the former Hurstville Council SRV. The SRV application was prepared to reduce Council's operating deficit by \$8 million.

At that meeting, Council considered the results of the community consultation which outlined there were more than 6,000 responses received from residents. The consultation found that 78% of respondents were supportive of introducing a consistent minimum rate across the city and 66% supported a minimum rate increase to \$965.80. Additionally, 54% of respondents were supportive of Council applying to IPART for a SRV of 8.1% plus a rate peg of 2.5%.

Council resolved not to proceed with the application for the SRV or the harmonisation of rates in 2020/21 and instead to investigate staff reductions and salary savings as part of future cost saving measures.

Following the adoption of the budget in June 2020 and the presentation of the revised LTFP, Council resolved to recommence consultation with the community on a New Rates 2021 proposal.

The recommendations to Councillors in February 2020, was based on extensive community consultation that took place in October and November 2019, through face-to-face community information sessions, surveys to all ratepayers and other engagement activities.

The consultation undertaken last year was comprehensive in that three options were presented to the community. The preferred option was option 1, Financially Sustainable and was developed after reviewing multiple options with a varying degree of impact, along with comparative metropolitan rating information. The preferred option is based on utilising our stable income source to close the gap between income and expenditure, along with reviewing services to improve efficiency.



The three options consulted on with the community in 2019 are outlined on the right:

## Option 1 FINANCIALLY SUSTAINABLE

Council will apply for a Special Rate Variation (SRV) of 8.1% plus a 2.5% rate peg (total of 10.6%) as well as identifying savings in operating expenditure, and options to increase other income to ensure we become financially sustainable in the long term.

**This option is recommended by Council as there will be minimal change to the services Council provides.**

Total rate income increase  
**\$7.5M - 10.6%**

Continue to deliver new projects

## Option 2 SHORT TERM

Council will apply for a Special Rate Variation (SRV) of 0.8% plus a rate peg of 2.5% (total increase of 3.3%) which is sufficient to cover the loss of the current SRV which is due to stop in 2021. Council will also identify savings in operating expenditure, and options to increase other income.

**This option is not recommended by Council and requires Council to significantly review the services it can deliver. This option does not address the issues of increasing costs and the additional costs of meeting the needs of our growing population.**

Total rate income increase  
**\$2.3M - 3.3 %**

No new projects delivered and service levels reduced

## Option 3 SUBSTANTIAL RATE INCREASE

Council will apply for a Special Rate Variation (SRV) of 19.8% plus a rate peg of 2.5% (total increase of 22.3%) as well as generating savings in operating expenditure, to ensure we become financially sustainable and to provide enhanced services.

**This option will see significant rate increases for all ratepayers and is not recommended by Council as it places a greater financial burden on ratepayers.**

Total rate income increase  
**\$15.8M - 22.3 %**

Increase in new projects delivered and enhanced services

# Planning for our Future – New Rates 2021

Following the decision of Council in February 2020 to defer the 2020 proposal, consultation recommenced in September 2020.

The new proposal's total increase is equivalent to Council's 2019 proposal of a permanent one-off 10.6% increase (rate peg of 2.5% and 8.1% SRV) that did not proceed. The new proposal is a permanent multi-year SRV spread over 5 years. The total Council rate income increase is 29% (inclusive of 16.5% SRV and assumed rate pegs of 2.5% per year or total of 12.5%). The proposed SRV will result in additional rate income of approximately \$23 million over 5 years.

All ratepayers were provided with a brochure outlining the proposed new rating system. The brochure was comprehensive and was complimented by online videos, a rates calculator, webinars and frequently asked questions on Council's website.

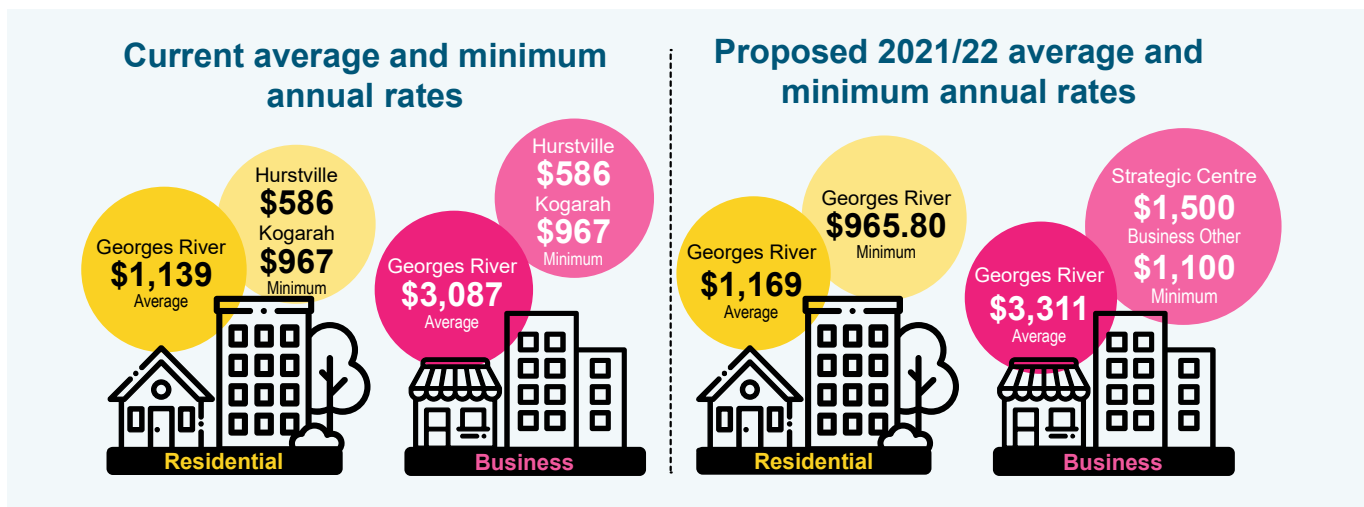
If the Council's total rate income does not increase over the next 5 years as proposed by this rate increase, we will be forced to reduce or cease many services. We will be unable to respond to the needs of future population growth which will continue to strain service quality. This will result in higher use/overuse of current assets and poorer condition standards.

If the proposed new rating system is not approved the average residential rate would be \$1,136, the average business rate would be \$3,074 and the minimum rate would be \$598.

Houses in the old Kogarah Council area will pay almost three times what an apartment currently pays (an average increase of \$300) and apartments will drop – broadening the inequity instead of addressing it.

Houses in the old Hurstville Council area will have an average decrease of \$25 and those who had a large rate increase in 2020/21 will not receive a reduction. Council has and will continue to find savings, efficiencies and implement improved operating models but without the rate income increase, deep cuts to services will be inevitable.

The illustrations below summarise the impact of the proposed rate increase and minimum changes.







For the average residential ratepayer, the proposed changes will mean around **60 cents extra per week** in the first year **followed by \$1.35 per week** increases each year for the following 4 years.



For the average business ratepayer, the proposed changes will mean **\$4.30 extra per week** in the first year **followed by \$5.50 per week** increases each year for the following 4 years.

| Former council's average rate   |            | Current Year | 2021/22 |
|---|------------|--------------|---------|
| Total council rate income increase %  |            | 2.6%         | 5.8%    |
| Residential  | Kogarah    | \$1,221      | \$1,251 |
|   | Hurstville | \$1,081      | \$1,110 |
| Business     | Kogarah    | \$3,167      | \$3,006 |
|   | Hurstville | \$3,043      | \$3,477 |

|   | Current Year     | 2021/22       | 2022/23       | 2023/24       | 2024/25       | 2025/26       |
|---|------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Residential average</b>                    | \$1,139          | \$1,169       | \$1,233       | \$1,300       | \$1,372       | \$1,447       |
| <b>Residential minimum</b>                    | Kogarah \$967    | \$966         | \$990         | \$1015        | \$1,040       | \$1,066       |
|   | Hurstville \$586 |               |               |               |               |               |
| <b>Business average</b>                       | \$3,087          | \$3,311       | \$3,558       | \$3,822       | \$4,105       | \$4,408       |
| <b>Minimum for Kogarah and Hurstville CBD</b> | Kogarah \$967    | \$1,500       | \$1,538       | \$1,576       | \$1,615       | \$1,656       |
|   | Hurstville \$586 |               |               |               |               |               |
| <b>Business minimum other</b>                 | Kogarah \$967    | \$1,100       | \$1,128       | \$1,156       | \$1,185       | \$1,214       |
|   | Hurstville \$586 |               |               |               |               |               |
| <b>Total council rate income increase %</b>   | 2.6%             | 5.8%          | 5.8%          | 5.8%          | 5.8%          | 5.8%          |
| <b>Total council rate income increase \$</b>  |                  | \$4.1 million | \$4.3 million | \$4.6 million | \$4.9 million | \$5.1 million |

Disclaimer: Houses and apartments may be on the minimum, though the majority of minimum rate properties are apartments. The averages quoted within this document have been developed from financial modelling based on current property data and land values as of 1 July 2020. A new set of land values will be supplied by the NSW Valuer General and applied from 1 July 2023. The final 2021/22 rate levies may vary due to Independent Pricing and Regulatory Tribunal (IPART) decisions and marginal movements due to model sensitivity.

# Socio-Economic Snapshot

When preparing the Financial Strategy and Long Term Financial Plan, a key factor taken into consideration was the socio-economic profile of the Georges River Local Government Area (LGA). With rates, annual charges and user fees and charges making up the majority of Council's total revenue, it is important that the capacity to pay is one of those factors.

Key insights of our community:



## Population

**156,293** Estimated residential population in 2017

**185,346** Estimated population by 2030

**8.3%** Population increase from 2011 census to 2016

**15%** Growth projected for future years



## Household income

**\$1,654** Median weekly income

**25.8%** the LGA's largest quartiles were in the largest group for household income



## Employment

**6.5%** unemployment rate compared to 6.3% for NSW

**62%** of workforce worked full time and

**36%** part time



## Education

**52.9%** of people in the area had a tertiary qualification compared to 52.7% for Greater Sydney

**7.7%** are attending university, compared to Greater Sydney 6.1%



## Households

**55,000** Residential dwellings

**45.8%** of dwellings were medium or high density (16.3% medium, 29.5% high)

**44%** of households in the area had access to two or more vehicles

**37%** of the area's workforce also live in the area

**2.84** Average household size is greater compared to Greater Sydney 2.72



## Housing tenure

**62.9%** households were purchasing or fully owned their home compared to Greater Sydney 59%

**30.8%** were renting privately \$2,167 Median monthly mortgage repayment

**\$450** Median weekly rent

**50.9%** of renting households paying \$450 or more in rent

The SEIFA Index measures the relative level of socioeconomic disadvantage based on a range of Census characteristics. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations, and is useful in identifying geographic areas that are relatively disadvantaged.

An area with an SEIFA of 1000 is considered average while a lower score indicates that the area is experiencing more disadvantage.

The SEIFA index by suburb is outlined below. Whilst there is some variation across the LGA, the overall index for Georges River Council Local Government Area (1020) is above the NSW (1001) and Greater Sydney (1018) index.

Council understands that ratepayers may experience financial hardship and has options available under relevant legislation to provide support.

|                            |          |
|----------------------------|----------|
| Connells Point - Kyle Bay  | 1,101.0  |
| Oatley                     | 1,098.8  |
| Lugarno                    | 1,097.2  |
| Hurstville Grove           | 1,082.90 |
| Blakehurst                 | 1,078.00 |
| Kogarah Bay - Carss Park   | 1,071.90 |
| Peakhurst Heights          | 1,066.40 |
| Sans Souci                 | 1,063.30 |
| Beverley Park - Ramsgate   | 1,057.50 |
| Mortdale                   | 1,039.60 |
| SSROC                      | 1,023.70 |
| Georges River Council area | 1,020.00 |
| Greater Sydney             | 1,018.00 |
| Kogarah                    | 1,015.10 |
| Penshurst                  | 1,014.40 |
| St George Region           | 1,012.30 |
| Peakhurst                  | 1,008.80 |
| Carlton                    | 1,002.40 |
| Kingsgrove                 | 1,002.20 |
| Australia                  | 1,001.90 |
| New South Wales            | 1,001.00 |
| South Hurstville           | 998.7    |
| Beverly Hills - Narwee     | 992.0    |
| Allawah                    | 989.4    |
| Hurstville (City Centre)   | 972.1    |
| Hurstville (total)         | 970.1    |
| Hurstville (Remainder)     | 969.5    |
| Riverwood                  | 967.7    |

Source: Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled and presented in profile.id by .id, the population experts <https://home.id.com.au>

# Financial Models Overview

## Model 1 – Current Situation based on 2020/21 Budget

Council had an adopted forecasted operating deficit (before capital grants) for 2020/21 of \$13 million. In order to significantly reduce the adopted operating deficit and address financial sustainability, reductions include \$9 million worth of operational programs project, services and \$350 million in capital projects being deferred, reduced or deleted. The model outlines the forecast result based on the reduced 2020/21 budget. Based on this approach the adopted forecast deficit of \$13 million has been reduced to a projected deficit of \$3.2 million in 2020/21.

This model highlights that the initiatives implemented in 2020/21 are not sufficient to resolve the future deficits. The reduction of \$2.3m in rate income (expiring former Hurstville SRV) in 2021/22 accelerates and widens the deficit. The financial impacts of COVID-19 have not been factored into this model.

## Model 2 – Special Rate Variation (SRV) Proposal of 5.8% each year over a 5 year period commencing in 2021/22

As highlighted in Model 1 the savings identified and addition revenue from the sale of assets do not translate into reducing future year projected deficits. It is evident that Council needs to generate additional income and/or realise savings in Expenditure to address the ever increasing decline in its financial performance.

Model 2 outlines the New Rates 2021 proposals, which is equivalent to Council's 2019 proposal of a permanent one-off 10.6% increase (rate peg of 2.5% and 8.1% SRV) that did not proceed. The new proposal is a permanent multi-year SRV spread over 5 years. The total Council rate income increase is 29% (inclusive of 16.5% SRV and assumed rate pegs of 2.5% per year or total of 12.5%). The proposed SRV will result in additional rate income of approximately \$23 million over 5 years.

### Special Rate Variation Proposal

| 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------|---------|---------|---------|---------|
| 5.8%    | 5.8%    | 5.8%    | 5.8%    | 5.8%    |

## Model 3 - Special Rate Variation (SRV) of 5.8% each year over a 5 year period commencing in 2021/22 plus a further \$12 million in savings identified

This model provides a forecast of a scenario in which Council builds on Model 2, as outlined above but continues to identify savings of \$12 million in order to improve the operating surplus of Council. Initiatives proposed will be outlined in the relevant section of the application to the Independent Pricing and Regulatory Tribunal (IPART).

### Special Rate Variation Proposal

| 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------|---------|---------|---------|---------|
| 5.8%    | 5.8%    | 5.8%    | 5.8%    | 5.8%    |

## Model Sensitivity

These models are based on assumptions which represent the most likely outcome, given the prevailing economic and operating environment. In the context of marginal (and adverse) operating results, particularly from 2021/22, any actual divergent outcomes (by a major extent) to the assumptions could have a material impact on the results.

For example, a one per cent increase in the inflation factor each year in the 10-year period will see the cumulative negative operating result adversely affected by 5.6 times. Interest on investments has been estimated at 1.5% each year.

The proposed 2020/21 budget and the LTFP has not factored in impacts to income and expenditure of COVID-19 pandemic on key affected services. This decision is based on critical factors being unknown, such as the scale of the financial impact, the length of time government orders will stay in place and financial support packages that will be received.

The table below highlights the key services affected by the COVID-19 pandemic and their 2020/21 budget in order to highlight the potential financial impact of a downturn in income. As highlighted the below budget the LTFP has not factored the impact of COVID-19 and will be amended where required in quarterly reviews to Council.

| 2020/21 Budgeted<br>Income Statement \$'000        | Strategic<br>Property | Parking<br>Enforcement | Child<br>Care | Premium<br>Facilities | Events         | Sports<br>Recreation | Library<br>Service |
|--|-----------------------|------------------------|---------------|-----------------------|----------------|----------------------|--------------------|
| <b>Operating Revenue</b>                           |                       |                        |               |                       |                |                      |                    |
| Rates and Annual Charges                           | 0                     | 0                      | 0             | 0                     | 0              | 0                    | 0                  |
| User Charges and Fees                              | 474                   | 0                      | 3,548         | 4,317                 | 37             | 283                  | 126                |
| Interest and Investment<br>Revenue                 | 0                     | 0                      | 0             | 0                     | 0              | 0                    | 0                  |
| Other Revenues                                     | 4,790                 | 3,950                  | 0             | 564                   | 161            | 0                    | 0                  |
| Operating Grants and<br>Contributions              | 0                     | 0                      | 3,555         | 0                     | 0              | 0                    | 388                |
| Capital Grants and<br>Contributions                | 0                     | 0                      | 0             | 0                     | 0              | 400                  | 50                 |
| Profit on Sale of Assets                           | 5,000                 | 0                      | 0             | 0                     | 0              | 0                    | 0                  |
| <b>Total Operating Revenue</b>                     | <b>10,264</b>         | <b>3,950</b>           | <b>7,103</b>  | <b>4,881</b>          | <b>198</b>     | <b>683</b>           | <b>564</b>         |
| <b>Operating Expenditure</b>                       |                       |                        |               |                       |                |                      |                    |
| Employee Costs                                     | 397                   | 878                    | 6,036         | 608                   | 824            | 328                  | 4,866              |
| Interest Charges                                   | 0                     | 0                      | 0             | 0                     | 0              | 0                    | 0                  |
| Materials and Contracts                            | 165                   | 117                    | 175           | 2,814                 | 9              | 805                  | 480                |
| Depreciation and Amortisation                      | 514                   | 0                      | 180           | 0                     | 0              | 0                    | 745                |
| Other Operating Expenses                           | 2,156                 | 522                    | 250           | 2,015                 | 730            | 568                  | 290                |
| <b>Total Expenditure</b>                           | <b>3,232</b>          | <b>1,517</b>           | <b>6,641</b>  | <b>5,437</b>          | <b>1,563</b>   | <b>1,701</b>         | <b>6,380</b>       |
| <b>Operating Result before<br/>Capital Revenue</b> | <b>7,032</b>          | <b>2,433</b>           | <b>461</b>    | <b>(556)</b>          | <b>(1,365)</b> | <b>(1,418)</b>       | <b>(5,866)</b>     |

## Key Performance Indicators

A number of key performance indicators are used by the Office of Local Government to help determine the sustainability of NSW councils. These indicators, together with others that are in use in the commercial environment are shown. The indicators relevant to each stage of operations are shown in the tables. This is to provide a snapshot of the state of Council's current financial position and the comparative results relating to each model.

As is evident from the key performance indicators, the longer term outlook for Council (based on the service portfolio) is not favourable. While surpluses are being generated over the short term, the 10 year trend, as projected in the Long Term Financial Plan is downward. Council is now working towards introducing corrective measures to arrest the decline in performance and ensure long term financial sustainability.

- The Operating Performance, Unrestricted Current and Cash Coverage ratios highlight the essential ingredients for sustainable financial operations.
- The Operating Performance Ratio measures the extent of Council' Revenue (net of Capital Grants) coverage of Expenditure. This needs to be a positive figure and ideally growing.
- The Unrestricted Current Ratio measures Council's liquidity. The benchmark based on successful organisations is set at 1.5 to 2.0. An increasing ratio over time shows improved liquidity and an environment where there is sufficient coverage of Current Liabilities from Current Assets.
- The Cash Coverage Ratio measures Council's cash coverage of expenditure. This shows the number of months that Council will be able to operate unhindered, in the event that Council is unable to generate any additional cash through its operations. The greater the number of months shown, the more comfortable the operating environment.
- Council's Current Ratio is maintained at a healthy level throughout the 10-year period. While there is a projected decrease in Council's cash balances, there is sufficient buffer to maintain adequate (above benchmark) levels of working capital.





## Detailed Financial Models

### Model 1 – Current Situation based 2020/21 Budget

| Model 1  | 2018/19          | 2019/20          | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          | 2025/26          | 2026/27          | 2027/28          | 2028/29          |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income Statement   | ACTUAL           | BUDGET           | BUDGET           | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         |
|  | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          |
| <b>Operating Revenue</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Rates and Annual Charges   | 92,784           | 94,979           | 98,819           | 98,933           | 101,306          | 103,636          | 105,916          | 108,139          | 110,301          | 112,507          | 114,757          |
| User Charges and Fees  | 14,679           | 15,496           | 16,657           | 17,034           | 17,464           | 17,903           | 18,350           | 18,808           | 19,261           | 19,703           | 20,156           |
| Interest and investment revenue                                      | 5,891            | 3,426            | 2,190            | 2,425            | 2,447            | 2,239            | 2,075            | 1,971            | 1,882            | 1,792            | 1,701            |
| Grants and Contributions - Operating                                 | 11,153           | 8,877            | 11,360           | 11,617           | 11,909           | 12,209           | 12,514           | 12,826           | 13,133           | 13,435           | 13,745           |
| Grants and Contributions - Capital                                   | 36,304           | 14,068           | 21,366           | 21,851           | 22,402           | 22,966           | 23,540           | 24,126           | 24,705           | 25,274           | 25,856           |
| Other revenues   | 11,871           | 9,175            | 11,355           | 11,613           | 11,906           | 12,206           | 12,511           | 12,823           | 13,130           | 13,433           | 13,742           |
| <b>Total Operating Revenue</b>                                       | <b>172,682</b>   | <b>146,021</b>   | <b>161,747</b>   | <b>163,473</b>   | <b>167,434</b>   | <b>171,159</b>   | <b>174,906</b>   | <b>178,693</b>   | <b>182,412</b>   | <b>186,144</b>   | <b>189,957</b>   |
| <b>Operating Expenditure</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Employee Costs   | (56,508)         | (58,730)         | (59,500)         | (61,679)         | (63,371)         | (66,035)         | (67,770)         | (70,082)         | (72,934)         | (74,349)         | (76,580)         |
| Materials and Contracts  | (42,454)         | (39,591)         | (41,928)         | (42,623)         | (43,698)         | (44,798)         | (45,918)         | (47,062)         | (48,192)         | (49,301)         | (50,436)         |
| Other Expenses   | (21,606)         | (21,935)         | (23,109)         | (24,200)         | (23,888)         | (24,446)         | (24,648)         | (26,362)         | (26,369)         | (26,462)         | (27,073)         |
| <b>Total Operating Expenditure</b>                                   | <b>(120,568)</b> | <b>(120,256)</b> | <b>(124,537)</b> | <b>(128,502)</b> | <b>(130,957)</b> | <b>(135,279)</b> | <b>(138,336)</b> | <b>(143,506)</b> | <b>(147,495)</b> | <b>(150,112)</b> | <b>(154,089)</b> |
| <b>Surplus/(Deficit) prior to Depreciation &amp; Financing Costs</b> | <b>52,114</b>    | <b>25,765</b>    | <b>37,210</b>    | <b>34,971</b>    | <b>36,477</b>    | <b>35,880</b>    | <b>36,570</b>    | <b>35,187</b>    | <b>34,917</b>    | <b>36,032</b>    | <b>35,868</b>    |
| Depreciation   | (19,557)         | (20,631)         | (24,014)         | (24,895)         | (26,135)         | (27,413)         | (28,691)         | (29,979)         | (31,286)         | (32,601)         | (33,929)         |
| Financing costs (Interest Expenses)                                  | (74)             | (71)             | (55)             | (22)             | (2)              | 0                | 0                | 0                | 0                | 0                | 0                |
| <b>Net Operating Result for period - Surplus/(Deficit)</b>           | <b>32,483</b>    | <b>5,063</b>     | <b>13,141</b>    | <b>10,054</b>    | <b>10,340</b>    | <b>8,467</b>     | <b>7,879</b>     | <b>5,208</b>     | <b>3,631</b>     | <b>3,431</b>     | <b>1,939</b>     |
| Prior year adjustments   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net gains/(losses) from Disposal of Assets                           | 551              | 1,061            | 5,000            |                  |                  |                  |                  |                  |                  |                  |                  |
| Other adjustments / Revaluation                                      | 80,618           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Adjustment on amalgamation   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Net Surplus/(Deficit)</b>   | <b>113,652</b>   | <b>6,124</b>     | <b>18,141</b>    | <b>10,054</b>    | <b>10,340</b>    | <b>8,467</b>     | <b>7,879</b>     | <b>5,208</b>     | <b>3,631</b>     | <b>3,431</b>     | <b>1,939</b>     |
| <b>Result Net of Capital Grants – Surplus/(Deficit)</b>              | <b>(3,270)</b>   | <b>(7,944)</b>   | <b>(3,225)</b>   | <b>(11,797)</b>  | <b>(12,062)</b>  | <b>(14,499)</b>  | <b>(15,661)</b>  | <b>(18,918)</b>  | <b>(21,074)</b>  | <b>(21,843)</b>  | <b>(23,917)</b>  |

| Model 1                              | 2018/19            | 2019/20            | 2020/21            | 2021/22            | 2022/23            | 2023/24            | 2024/25            | 2025/26            | 2026/27            | 2027/28            | 2028/29            |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Statement of Financial Position      | ACTUAL             | BUDGET             | BUDGET             | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           |
|                                      | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             | \$'000             |
| <b>ASSETS</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Current Assets</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Cash, Cash Equivalents & Investments | 166,710            | 143,338            | 130,661            | 129,476            | 126,224            | 123,617            | 120,047            | 114,002            | 107,663            | 101,206            | 94,829             |
| Receivables - Gross                  | 10,707             | 10,479             | 23,475             | 18,827             | 15,915             | 13,000             | 11,977             | 11,792             | 11,808             | 11,818             | 11,877             |
| Less: Provision for Impairment       | (538)              | (290)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              |
| Inventories                          | 155                | 185                | 190                | 194                | 199                | 204                | 209                | 214                | 219                | 224                | 229                |
| Other                                | 455                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                |
| <b>Total Current Assets</b>          | <b>177,489</b>     | <b>154,297</b>     | <b>154,543</b>     | <b>148,714</b>     | <b>142,555</b>     | <b>137,038</b>     | <b>132,450</b>     | <b>126,225</b>     | <b>119,907</b>     | <b>113,465</b>     | <b>107,152</b>     |
| <b>Non-Current Assets</b>            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Property, Plant & Equipment          | 1,366,713          | 1,393,139          | 1,409,388          | 1,425,004          | 1,439,530          | 1,452,928          | 1,465,198          | 1,476,342          | 1,486,354          | 1,495,239          | 1,502,996          |
| Investment Property                  | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             |
| Intangible Assets                    | 1,362              | 1,975              | 1,827              | 2,816              | 3,655              | 4,344              | 4,883              | 5,510              | 5,962              | 6,476              | 6,790              |
| <b>Total Non-Current Assets</b>      | <b>1,385,735</b>   | <b>1,412,774</b>   | <b>1,428,875</b>   | <b>1,445,480</b>   | <b>1,460,845</b>   | <b>1,474,932</b>   | <b>1,487,741</b>   | <b>1,499,512</b>   | <b>1,509,976</b>   | <b>1,519,375</b>   | <b>1,527,446</b>   |
| <b>Total Assets</b>                  | <b>1,563,224</b>   | <b>1,567,071</b>   | <b>1,583,418</b>   | <b>1,594,194</b>   | <b>1,603,400</b>   | <b>1,611,970</b>   | <b>1,620,191</b>   | <b>1,625,737</b>   | <b>1,629,883</b>   | <b>1,632,840</b>   | <b>1,634,598</b>   |
| <b>LIABILITIES</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Current Liabilities</b>           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Payables                             | (23,468)           | (20,318)           | (19,628)           | (20,283)           | (19,701)           | (19,147)           | (19,062)           | (18,830)           | (18,641)           | (17,818)           | (17,087)           |
| Income received in advance           | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              |
| Borrowings                           | (500)              | (500)              | (500)              | (125)              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Accruals & Provisions                | (14,717)           | (16,090)           | (15,486)           | (16,053)           | (15,626)           | (16,283)           | (16,710)           | (17,280)           | (17,984)           | (18,333)           | (18,883)           |
| <b>Total Current Liabilities</b>     | <b>(39,281)</b>    | <b>(37,504)</b>    | <b>(36,210)</b>    | <b>(37,057)</b>    | <b>(35,923)</b>    | <b>(36,026)</b>    | <b>(36,368)</b>    | <b>(36,706)</b>    | <b>(37,221)</b>    | <b>(36,747)</b>    | <b>(36,566)</b>    |
| <b>Non-Current Liabilities</b>       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Borrowings                           | (1,125)            | (625)              | (125)              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Provisions                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Total Non-Current Liabilities</b> | <b>(1,125)</b>     | <b>(625)</b>       | <b>(125)</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>Total Liabilities</b>             | <b>(40,406)</b>    | <b>(38,129)</b>    | <b>(36,335)</b>    | <b>(37,057)</b>    | <b>(35,923)</b>    | <b>(36,026)</b>    | <b>(36,368)</b>    | <b>(36,706)</b>    | <b>(37,221)</b>    | <b>(36,747)</b>    | <b>(36,566)</b>    |
| <b>Net Assets</b>                    | <b>1,522,818</b>   | <b>1,528,942</b>   | <b>1,547,083</b>   | <b>1,557,137</b>   | <b>1,567,477</b>   | <b>1,575,944</b>   | <b>1,583,823</b>   | <b>1,589,031</b>   | <b>1,592,662</b>   | <b>1,596,093</b>   | <b>1,598,032</b>   |
| <b>EQUITY</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Retained Earnings                    | (1,419,106)        | (1,425,230)        | (1,443,371)        | (1,453,425)        | (1,463,765)        | (1,472,232)        | (1,480,111)        | (1,485,319)        | (1,488,950)        | (1,492,381)        | (1,494,320)        |
| Revaluation Reserve                  | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          |
| <b>Total Equity</b>                  | <b>(1,522,818)</b> | <b>(1,528,942)</b> | <b>(1,547,083)</b> | <b>(1,557,137)</b> | <b>(1,567,477)</b> | <b>(1,575,944)</b> | <b>(1,583,823)</b> | <b>(1,589,031)</b> | <b>(1,592,662)</b> | <b>(1,596,093)</b> | <b>(1,598,032)</b> |

| Model 1   | 2018/19         | 2019/20         | 2020/21         | 2021/22         | 2022/23         | 2023/24         | 2024/25         | 2025/26         | 2026/27         | 2027/28         | 2028/29         |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Statement of Cash Flows                                       | ACTUAL          | BUDGET          | BUDGET          | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        |
|   | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         |
| <b>Cash Flows from Operating Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Rates and Annual Charges                                      | 92,586          | 95,098          | 88,144          | 102,983         | 103,854         | 106,316         | 106,983         | 108,072         | 110,236         | 112,440         | 114,690         |
| User Fees and Charges   | 13,325          | 16,881          | 16,527          | 17,038          | 17,417          | 17,855          | 18,301          | 18,758          | 19,211          | 19,655          | 20,106          |
| Grants and Contributions - Operating                          | 11,644          | 8,548           | 11,088          | 11,621          | 11,910          | 12,211          | 12,518          | 12,830          | 13,104          | 13,406          | 13,715          |
| Bonds, Deposits and Retention amounts Received (Net)          | 238             | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Other   | 11,736          | 7,372           | 9,004           | 12,267          | 12,255          | 12,375          | 12,419          | 13,047          | 13,192          | 13,505          | 13,820          |
| Increase in Bad Debt Provision                                | 248             | (248)           | 78              | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Employee Benefits and On-Costs                                | (57,877)        | (57,357)        | (60,104)        | (61,112)        | (63,798)        | (65,378)        | (67,343)        | (69,512)        | (72,230)        | (74,000)        | (76,030)        |
| Materials and Contracts                                       | (42,989)        | (40,095)        | (42,059)        | (42,504)        | (43,511)        | (45,221)        | (45,739)        | (47,523)        | (48,027)        | (49,814)        | (50,977)        |
| Other Expenses  | (19,448)        | (24,141)        | (23,259)        | (23,782)        | (24,662)        | (24,582)        | (24,917)        | (26,159)        | (26,728)        | (26,797)        | (27,268)        |
| Borrowing Costs   | (74)            | (71)            | (55)            | (22)            | (2)             | 0               | 0               | 0               | 0               | 0               | 0               |
| Bonds, Deposits and Retention amounts Refunded                | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Fair Value adjustment on Investment Property                  | 140             | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Net Cash from Operating Activities</b>                     | <b>9,529</b>    | <b>5,987</b>    | <b>(636)</b>    | <b>16,489</b>   | <b>13,463</b>   | <b>13,576</b>   | <b>12,222</b>   | <b>9,513</b>    | <b>8,758</b>    | <b>8,395</b>    | <b>8,056</b>    |
| <b>Cash Flows from Investing Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Investment and Interest Revenue Received                      | 6,143           | 4,282           | 2,622           | 2,361           | 2,508           | 2,351           | 2,168           | 2,045           | 1,948           | 1,854           | 1,711           |
| Grants and Contributions - Capital                            | 36,304          | 14,068          | 21,366          | 21,851          | 22,402          | 22,966          | 23,540          | 24,126          | 24,705          | 25,274          | 25,856          |
| Sale of Investment Securities                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Proceeds from Sale of Assets                                  | 3,443           | 1,763           | 5,000           | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Purchase of Investment Securities                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Capital Works and Purchase of Fixed Assets                    | (70,245)        | (48,972)        | (40,529)        | (41,386)        | (41,500)        | (41,500)        | (41,500)        | (41,729)        | (41,750)        | (41,980)        | (42,000)        |
| <b>Net Cash from Investing Activities</b>                     | <b>(24,355)</b> | <b>(28,859)</b> | <b>(11,541)</b> | <b>(17,174)</b> | <b>(16,590)</b> | <b>(16,183)</b> | <b>(15,792)</b> | <b>(15,558)</b> | <b>(15,097)</b> | <b>(14,852)</b> | <b>(14,433)</b> |
| <b>Cash Flows from Financing Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| New Borrowings  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Repayment of Borrowings                                       | (500)           | (500)           | (500)           | (500)           | (125)           | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Net Cash from Financing Activities</b>                     | <b>(500)</b>    | <b>(500)</b>    | <b>(500)</b>    | <b>(500)</b>    | <b>(125)</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>(15,326)</b> | <b>(23,372)</b> | <b>(12,677)</b> | <b>(1,185)</b>  | <b>(3,252)</b>  | <b>(2,607)</b>  | <b>(3,570)</b>  | <b>(6,045)</b>  | <b>(6,339)</b>  | <b>(6,457)</b>  | <b>(6,377)</b>  |
| Cash and Cash Equivalents - Beginning of the Year             | 182,036         | 166,710         | 143,338         | 130,661         | 129,476         | 126,224         | 123,617         | 120,047         | 114,002         | 107,663         | 101,206         |
| <b>Cash and Cash Equivalents - End of the Year</b>            | <b>166,710</b>  | <b>143,338</b>  | <b>130,661</b>  | <b>129,476</b>  | <b>126,224</b>  | <b>123,617</b>  | <b>120,047</b>  | <b>114,002</b>  | <b>107,663</b>  | <b>101,206</b>  | <b>94,829</b>   |

| Model 1   | Benchmark | 2018/19 | 2019/20 | 2020/21 | 2021/22  | 2022/23  | 2023/24  | 2024/25  | 2025/26  | 2026/27  | 2027/28  | 2028/29  |
|---|-----------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
| Key Performance Indicators  |           | ACTUAL  | BUDGET  | BUDGET  | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE |
| <b>Operating Performance Ratio</b><br><i>(Measures the extent of Council's Revenue (net of Capital Grants) coverage of Expenditure)</i>                 | 0%        | -2.9%   | -6.8%   | -5.9%   | -8.3%    | -8.3%    | -9.8%    | -10.3%   | -12.2%   | -13.4%   | -13.6%   | -14.6%   |
| <b>Own Source Revenue Generated (w/o Grant income)</b><br><i>(Measures Council's dependence on Grants income)</i>                                       | > 80%     | 72.5%   | 84.3%   | 79.8%   | 79.5%    | 79.5%    | 79.4%    | 79.4%    | 79.3%    | 79.3%    | 79.2%    | 79.2%    |
| <b>Unrestricted Current Ratio</b><br><i>(Measures Council's liquidity)</i>  | > 1.5x    | 3.7     | 1.9     | 1.8     | 1.6      | 1.5      | 1.3      | 1.2      | 1.0      | 0.8      | 0.5      | 0.3      |
| <b>Debt Service Cover Ratio</b><br><i>(Measures Council's capacity to service debt)</i>   | > 2.0x    | 27.3    | 45.1    | 28.5    | 25.1     | 110.8    | No Debt  | No Debt  | No Debt  | No Debt  | No Debt  | No Debt  |
| <b>Capital Works &amp; Asset renewals</b><br><i>(Measures Council's expenditure on renewal of assets in relation to the annual Depreciation charge)</i> | > =1.0x   | 1.0     | 1.0     | 0.9     | 0.8      | 0.8      | 0.8      | 0.7      | 0.7      | 0.7      | 0.6      | 0.6      |
| <b>Own Source Revenue Growth</b><br><i>(Measures Council's increase of own source revenue)</i>  | > 0%      | 5%      | -2%     | 5%      | 1%       | 2%       | 2%       | 2%       | 2%       | 2%       | 2%       | 2%       |
| <b>Debtor Days Outstanding - Rates</b>  | < 30      | 11.7    | 11.0    | 50.0    | 35.0     | 25.0     | 15.0     | 11.0     | 11.0     | 11.0     | 11.0     | 11.0     |
| <b>Debtor Days Outstanding - Other Debtors (net of Rates)</b><br><i>(Measures Council's management of Debtors)</i>                                      | < 30      | 35.3    | 54.5    | 58.0    | 53.0     | 50.0     | 47.0     | 46.0     | 44.0     | 43.0     | 42.0     | 41.0     |
| <b>Debtor Collection Rate - Rates</b>   | > = 100%  | 99.8%   | 99.9%   | 89.2%   | 104.1%   | 102.5%   | 102.6%   | 101.0%   | 99.9%    | 99.9%    | 99.9%    | 99.9%    |
| <b>Debtor Collection Rate - Other Debtors (net of Rates)</b><br><i>(Measures Council's Collection Rate of Debtors)</i>                                  | > = 100%  | 101.3%  | 100.5%  | 96.3%   | 100.9%   | 100.6%   | 100.3%   | 99.9%    | 100.4%   | 100.1%   | 100.1%   | 100.0%   |
| <b>Cash Coverage Ratio</b><br><i>(Measures Council's Cash coverage of Expenditure)</i>  | > 3 Mths  | 6.2     | 5.2     | 3.9     | 3.8      | 3.5      | 3.1      | 2.7      | 2.0      | 1.3      | 0.6      | (0.1)    |
| <b>Remaining useful Life of Assets</b><br><i>(Expressed as a % of Gross Cost of Assets)</i>   | > 60%     | 71.9%   | 67.6%   | 66.5%   | 65.6%    | 64.9%    | 64.1%    | 63.3%    | 62.5%    | 61.6%    | 60.7%    | 59.7%    |
| <b>Repairs &amp; Maintenance as a % of WDV of Assets</b>  | 1%        | 0.6%    | 0.5%    | 0.6%    | 0.6%     | 0.6%     | 0.6%     | 0.7%     | 0.7%     | 0.7%     | 0.7%     | 0.7%     |

**Model 1 Assumptions**

|  | 2018/19        | 2019/20 | 2020/21 | 2021/22  | 2022/23  | 2023/24  | 2024/25  | 2025/26  | 2026/27  | 2027/28  | 2028/29  |
|--|----------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
|  | ACTUAL         | BUDGET  | BUDGET  | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE |
| Rate Pegging Limit                               | % 2.30%        | 2.70%   | 2.60%   | 2.50%    | 2.40%    | 2.30%    | 2.20%    | 2.10%    | 2.00%    | 2.00%    | 2.00%    |
| Rate of Inflation                                | % 1.90%        | 2.00%   | 2.02%   | 2.27%    | 2.52%    | 2.52%    | 2.50%    | 2.49%    | 2.40%    | 2.30%    | 2.30%    |
| Rates and Annual Charges as a % of Total Revenue | % 53.7%        | 65.0%   | 61.1%   | 60.5%    | 60.5%    | 60.5%    | 60.6%    | 60.5%    | 60.5%    | 60.4%    | 60.4%    |
| Interest Rate on investments                     | % 3.3%         | 2.5%    | 1.5%    | 1.3%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     |
| Employee Costs as a % of Total Expenditure       | % 40.3%        | 41.7%   | 40.0%   | 40.2%    | 40.3%    | 40.6%    | 40.6%    | 40.4%    | 40.8%    | 40.7%    | 40.7%    |
| Depreciation as a % of Gross Cost of Assets      | % 1.7%         | 1.7%    | 1.8%    | 1.9%     | 1.9%     | 1.9%     | 1.9%     | 2.0%     | 2.0%     | 2.0%     | 2.0%     |
| Loans outstanding                                | \$ '000 1,625  | 1,125   | 625     | 125      | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Interest payments on loans                       | \$ '000 74     | 71      | 55      | 22       | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Capital Works Program                            | \$ '000 68,530 | 45,057  | 38,370  | 35,000   | 35,000   | 35,000   | 35,000   | 35,000   | 35,000   | 35,000   | 35,000   |

**Model 2 – Multi-year permanent Special Rate Variation of 5.8% each year for 5 years from 2021/22**

| Model 2  | 2018/19          | 2019/20          | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          | 2025/26          | 2026/27          | 2027/28          | 2028/29          |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income Statement   | ACTUAL           | BUDGET           | BUDGET           | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE         |
|  | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          | \$ '000          |
| <b>Operating Revenue</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Rates and Annual Charges   | 92,784           | 94,979           | 98,819           | 101,241          | 106,186          | 111,369          | 116,801          | 122,496          | 124,945          | 127,443          | 129,991          |
| User Charges and Fees  | 14,679           | 15,496           | 16,657           | 17,034           | 17,464           | 17,903           | 18,350           | 18,808           | 19,261           | 19,703           | 20,156           |
| Interest and investment revenue                                      | 5,891            | 3,426            | 2,190            | 2,446            | 2,533            | 2,423            | 2,403            | 2,500            | 2,642            | 2,790            | 2,945            |
| Grants and Contributions - Operating                                 | 11,153           | 8,877            | 11,360           | 11,617           | 11,909           | 12,209           | 12,514           | 12,826           | 13,133           | 13,435           | 13,745           |
| Grants and Contributions - Capital                                   | 36,304           | 14,068           | 21,366           | 21,851           | 22,402           | 22,966           | 23,540           | 24,126           | 24,705           | 25,274           | 25,856           |
| Other revenues   | 11,871           | 9,175            | 11,355           | 11,613           | 11,906           | 12,206           | 12,511           | 12,823           | 13,130           | 13,433           | 13,742           |
| <b>Total Operating Revenue</b>                                       | <b>172,682</b>   | <b>146,021</b>   | <b>161,747</b>   | <b>165,802</b>   | <b>172,400</b>   | <b>179,076</b>   | <b>186,119</b>   | <b>193,579</b>   | <b>197,816</b>   | <b>202,078</b>   | <b>206,435</b>   |
| <b>Operating Expenditure</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Employee Costs   | (56,508)         | (58,730)         | (59,500)         | (61,679)         | (63,371)         | (66,035)         | (67,770)         | (70,082)         | (72,934)         | (74,349)         | (76,580)         |
| Materials and Contracts  | (42,454)         | (39,591)         | (41,928)         | (42,623)         | (43,698)         | (44,798)         | (45,918)         | (47,062)         | (48,192)         | (49,301)         | (50,436)         |
| Other Expenses   | (21,606)         | (21,935)         | (23,109)         | (24,200)         | (23,888)         | (24,648)         | (24,648)         | (26,362)         | (26,369)         | (26,462)         | (27,073)         |
| <b>Total Operating Expenditure</b>                                   | <b>(120,568)</b> | <b>(120,256)</b> | <b>(124,537)</b> | <b>(128,502)</b> | <b>(130,957)</b> | <b>(135,279)</b> | <b>(138,336)</b> | <b>(143,506)</b> | <b>(147,495)</b> | <b>(150,112)</b> | <b>(154,089)</b> |
| <b>Surplus/(Deficit) prior to Depreciation &amp; Financing Costs</b> | <b>52,114</b>    | <b>25,765</b>    | <b>37,210</b>    | <b>37,300</b>    | <b>41,443</b>    | <b>43,797</b>    | <b>47,783</b>    | <b>50,073</b>    | <b>50,321</b>    | <b>51,966</b>    | <b>52,346</b>    |
| Depreciation   | (19,557)         | (20,631)         | (24,014)         | (24,895)         | (26,135)         | (27,413)         | (28,691)         | (29,979)         | (31,286)         | (32,601)         | (33,929)         |
| Financing costs (Interest Expenses)                                  | (74)             | (71)             | (55)             | (22)             | (2)              | 0                | 0                | 0                | 0                | 0                | 0                |
| <b>Net Operating Result for period - Surplus/(Deficit)</b>           | <b>32,483</b>    | <b>5,063</b>     | <b>13,141</b>    | <b>12,383</b>    | <b>15,306</b>    | <b>16,384</b>    | <b>19,092</b>    | <b>20,094</b>    | <b>19,035</b>    | <b>19,365</b>    | <b>18,417</b>    |
| Prior year adjustments   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Net gains/(losses) from Disposal of Assets                           | 551              | 1,061            | 5,000            |                  |                  |                  |                  |                  |                  |                  |                  |
| Other adjustments / Revaluation                                      | 80,618           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Adjustment on amalgamation   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>Net Surplus/(Deficit)</b>   | <b>113,652</b>   | <b>6,124</b>     | <b>18,141</b>    | <b>12,383</b>    | <b>15,306</b>    | <b>16,384</b>    | <b>19,092</b>    | <b>20,094</b>    | <b>19,035</b>    | <b>19,365</b>    | <b>18,417</b>    |
| <b>Result Net of Capital Grants – Surplus/(Deficit)</b>              | <b>(3,270)</b>   | <b>(7,944)</b>   | <b>(3,225)</b>   | <b>(9,468)</b>   | <b>(7,096)</b>   | <b>(6,582)</b>   | <b>(4,448)</b>   | <b>(4,032)</b>   | <b>(5,670)</b>   | <b>(5,909)</b>   | <b>(7,439)</b>   |

| Model 2                              | 2018/19            | 2019/20            | 2020/21            | 2021/22            | 2022/23            | 2023/24            | 2024/25            | 2025/26            | 2026/27            | 2027/28            | 2028/29            |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Statement of Financial Position      | ACTUAL             | BUDGET             | BUDGET             | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           |
|                                      | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            |
| <b>ASSETS</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Current Assets</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Cash, Cash Equivalents & Investments | 166,710            | 143,338            | 130,661            | 131,578            | 133,163            | 138,471            | 146,081            | 154,793            | 163,833            | 173,295            | 183,359            |
| Receivables - Gross                  | 10,707             | 10,479             | 23,475             | 19,054             | 16,271             | 13,358             | 12,368             | 12,312             | 12,353             | 12,378             | 12,474             |
| Less: Provision for Impairment       | (538)              | (290)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              |
| Inventories                          | 155                | 185                | 190                | 194                | 199                | 204                | 209                | 214                | 219                | 224                | 229                |
| Other                                | 455                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                |
| <b>Total Current Assets</b>          | <b>177,489</b>     | <b>154,297</b>     | <b>154,543</b>     | <b>151,043</b>     | <b>149,850</b>     | <b>152,250</b>     | <b>158,875</b>     | <b>167,536</b>     | <b>176,622</b>     | <b>186,114</b>     | <b>196,279</b>     |
| <b>Non-Current Assets</b>            |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Property, Plant & Equipment          | 1,366,713          | 1,393,139          | 1,409,388          | 1,425,004          | 1,439,530          | 1,452,928          | 1,465,198          | 1,476,342          | 1,486,354          | 1,495,239          | 1,502,996          |
| Investment Property                  | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             |
| Intangible Assets                    | 1,362              | 1,975              | 1,827              | 2,816              | 3,655              | 4,344              | 4,883              | 5,510              | 5,962              | 6,476              | 6,790              |
| <b>Total Non-Current Assets</b>      | <b>1,385,735</b>   | <b>1,412,774</b>   | <b>1,428,875</b>   | <b>1,445,480</b>   | <b>1,460,845</b>   | <b>1,474,932</b>   | <b>1,487,741</b>   | <b>1,499,512</b>   | <b>1,509,976</b>   | <b>1,519,375</b>   | <b>1,527,446</b>   |
| <b>Total Assets</b>                  | <b>1,563,224</b>   | <b>1,567,071</b>   | <b>1,583,418</b>   | <b>1,596,523</b>   | <b>1,610,695</b>   | <b>1,627,182</b>   | <b>1,646,616</b>   | <b>1,667,048</b>   | <b>1,686,598</b>   | <b>1,705,489</b>   | <b>1,723,725</b>   |
| <b>LIABILITIES</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Current Liabilities</b>           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Payables                             | (23,468)           | (20,318)           | (19,628)           | (20,283)           | (19,701)           | (19,147)           | (19,062)           | (18,830)           | (18,641)           | (17,818)           | (17,087)           |
| Income received in advance           | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              |
| Borrowings                           | (500)              | (500)              | (500)              | (125)              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Accruals & Provisions                | (14,717)           | (16,090)           | (15,486)           | (16,053)           | (15,626)           | (16,283)           | (16,710)           | (17,280)           | (17,984)           | (18,333)           | (18,883)           |
| <b>Total Current Liabilities</b>     | <b>(39,281)</b>    | <b>(37,504)</b>    | <b>(36,210)</b>    | <b>(37,057)</b>    | <b>(35,923)</b>    | <b>(36,026)</b>    | <b>(36,368)</b>    | <b>(36,706)</b>    | <b>(37,221)</b>    | <b>(36,747)</b>    | <b>(36,566)</b>    |
| <b>Non-Current Liabilities</b>       |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Borrowings                           | (1,125)            | (625)              | (125)              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Provisions                           |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Total Non-Current Liabilities</b> | <b>(1,125)</b>     | <b>(625)</b>       | <b>(125)</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>Total Liabilities</b>             | <b>(40,406)</b>    | <b>(38,129)</b>    | <b>(36,335)</b>    | <b>(37,057)</b>    | <b>(35,923)</b>    | <b>(36,026)</b>    | <b>(36,368)</b>    | <b>(36,706)</b>    | <b>(37,221)</b>    | <b>(36,747)</b>    | <b>(36,566)</b>    |
| <b>Net Assets</b>                    | <b>1,522,818</b>   | <b>1,528,942</b>   | <b>1,547,083</b>   | <b>1,559,466</b>   | <b>1,574,772</b>   | <b>1,591,156</b>   | <b>1,610,248</b>   | <b>1,630,342</b>   | <b>1,649,377</b>   | <b>1,668,742</b>   | <b>1,687,159</b>   |
| <b>EQUITY</b>                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Retained Earnings                    | (1,419,106)        | (1,425,230)        | (1,443,371)        | (1,455,754)        | (1,471,060)        | (1,487,444)        | (1,506,536)        | (1,526,630)        | (1,545,665)        | (1,565,030)        | (1,583,447)        |
| Revaluation Reserve                  | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          |
| <b>Total Equity</b>                  | <b>(1,522,818)</b> | <b>(1,528,942)</b> | <b>(1,547,083)</b> | <b>(1,557,466)</b> | <b>(1,594,772)</b> | <b>(1,591,156)</b> | <b>(1,610,248)</b> | <b>(1,630,342)</b> | <b>(1,649,377)</b> | <b>(1,668,742)</b> | <b>(1,687,159)</b> |



| Model 2   | 2018/19         | 2019/20         | 2020/21         | 2021/22         | 2022/23         | 2023/24         | 2024/25         | 2025/26         | 2026/27         | 2027/28         | 2028/29         |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Statement of Cash Flows                                       | ACTUAL          | BUDGET          | BUDGET          | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        |
|   | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         |
| <b>Cash Flows from Operating Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Rates and Annual Charges                                      | 92,586          | 95,098          | 88,144          | 105,070         | 108,621         | 114,065         | 117,858         | 122,324         | 124,872         | 127,367         | 129,914         |
| User Fees and Charges   | 13,325          | 16,881          | 16,527          | 17,038          | 17,417          | 17,855          | 18,301          | 18,758          | 19,211          | 19,655          | 20,106          |
| Grants and Contributions - Operating                          | 11,644          | 8,548           | 11,088          | 11,621          | 11,910          | 12,211          | 12,518          | 12,830          | 13,104          | 13,406          | 13,715          |
| Bonds, Deposits and Retention amounts Received (Net)          | 238             | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Other   | 11,736          | 7,372           | 9,004           | 12,267          | 12,255          | 12,375          | 12,419          | 13,047          | 13,192          | 13,505          | 13,820          |
| Increase in Bad Debt Provision                                | 248             | (248)           | 78              | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Employee Benefits and On-Costs                                | (57,877)        | (57,357)        | (60,104)        | (61,112)        | (63,798)        | (65,378)        | (67,343)        | (69,512)        | (72,230)        | (74,000)        | (76,030)        |
| Materials and Contracts                                       | (42,989)        | (40,095)        | (42,059)        | (42,504)        | (43,511)        | (45,221)        | (45,739)        | (47,523)        | (48,027)        | (49,814)        | (50,977)        |
| Other Expenses  | (19,448)        | (24,141)        | (23,259)        | (23,782)        | (24,662)        | (24,582)        | (24,917)        | (26,159)        | (26,728)        | (26,797)        | (27,268)        |
| Borrowing Costs   | (74)            | (71)            | (55)            | (22)            | (2)             | 0               | 0               | 0               | 0               | 0               | 0               |
| Bonds, Deposits and Retention amounts Refunded                | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Fair Value adjustment on Investment Property                  | 140             | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Net Cash from Operating Activities</b>                     | <b>9,529</b>    | <b>5,987</b>    | <b>(636)</b>    | <b>18,576</b>   | <b>18,230</b>   | <b>21,325</b>   | <b>23,097</b>   | <b>23,765</b>   | <b>23,394</b>   | <b>23,322</b>   | <b>23,280</b>   |
| <b>Cash Flows from Investing Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Investment and Interest Revenue Received                      | 6,143           | 4,282           | 2,622           | 2,376           | 2,578           | 2,517           | 2,473           | 2,550           | 2,691           | 2,846           | 2,928           |
| Grants and Contributions - Capital                            | 36,304          | 14,068          | 21,366          | 21,851          | 22,402          | 22,966          | 23,540          | 24,126          | 24,705          | 25,274          | 25,856          |
| Sale of Investment Securities                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Proceeds from Sale of Assets                                  | 3,443           | 1,763           | 5,000           | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Purchase of Investment Securities                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Capital Works and Purchase of Fixed Assets                    | (70,245)        | (48,972)        | (40,529)        | (41,386)        | (41,500)        | (41,500)        | (41,500)        | (41,729)        | (41,750)        | (41,980)        | (42,000)        |
| <b>Net Cash from Investing Activities</b>                     | <b>(24,355)</b> | <b>(28,859)</b> | <b>(11,541)</b> | <b>(17,159)</b> | <b>(16,520)</b> | <b>(16,017)</b> | <b>(15,487)</b> | <b>(15,053)</b> | <b>(14,354)</b> | <b>(13,860)</b> | <b>(13,216)</b> |
| <b>Cash Flows from Financing Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| New Borrowings  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Repayment of Borrowings                                       | (500)           | (500)           | (500)           | (500)           | (125)           | 0               | 0               | 0               | 0               | 0               | 0               |
| <b>Net Cash from Financing Activities</b>                     | <b>(500)</b>    | <b>(500)</b>    | <b>(500)</b>    | <b>(500)</b>    | <b>(125)</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>(15,326)</b> | <b>(23,372)</b> | <b>(12,677)</b> | <b>917</b>      | <b>1,585</b>    | <b>5,308</b>    | <b>7,610</b>    | <b>8,712</b>    | <b>9,040</b>    | <b>9,462</b>    | <b>10,064</b>   |
| Cash and Cash Equivalents - Beginning of the Year             | 182,036         | 166,710         | 143,338         | 130,661         | 131,578         | 133,163         | 138,471         | 146,081         | 154,793         | 163,833         | 173,295         |
| <b>Cash and Cash Equivalents - End of the Year</b>            | <b>166,710</b>  | <b>143,338</b>  | <b>130,661</b>  | <b>131,578</b>  | <b>133,163</b>  | <b>138,471</b>  | <b>146,081</b>  | <b>154,793</b>  | <b>163,833</b>  | <b>173,295</b>  | <b>183,359</b>  |

| Model 2   | Benchmark | 2018/19 | 2019/20 | 2020/21 | 2021/22  | 2022/23  | 2023/24  | 2024/25  | 2025/26  | 2026/27  | 2027/28  | 2028/29  |
|---|-----------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
| Key Performance Indicators  |           | ACTUAL  | BUDGET  | BUDGET  | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE |
| <b>Operating Performance Ratio</b><br><i>(Measures the extent of Council's Revenue (net of Capital Grants) coverage of Expenditure)</i>                 | 0%        | -2.8%   | -6.8%   | -5.9%   | -6.6%    | -4.7%    | -4.2%    | -2.7%    | -2.4%    | -3.3%    | -3.3%    | -4.1%    |
| <b>Own Source Revenue Generated (w/o Grant income)</b><br><i>(Measures Council's dependence on Grants income)</i>                                       | > 80%     | 72.5%   | 84.3%   | 79.8%   | 79.8%    | 80.1%    | 80.4%    | 80.6%    | 80.9%    | 80.9%    | 80.8%    | 80.8%    |
| <b>Unrestricted Current Ratio</b><br><i>(Measures Council's liquidity)</i>  | > 1.5x    | 1.9     | 1.9     | 1.8     | 1.7      | 1.7      | 1.8      | 1.9      | 2.1      | 2.3      | 2.5      | 2.7      |
| <b>Debt Service Cover Ratio</b><br><i>(Measures Council's capacity to service debt)</i>   | > 2.0x    | 27.5    | 20.5    | 28.5    | 29.6     | 149.9    | No Debt  | No Debt  | No Debt  | No Debt  | No Debt  | No Debt  |
| <b>Capital Works &amp; Asset renewals</b><br><i>(Measures Council's expenditure on renewal of assets in relation to the annual Depreciation charge)</i> | > =1.0x   | 1.9     | 1.1     | 0.9     | 0.8      | 0.8      | 0.8      | 0.7      | 0.7      | 0.7      | 0.6      | 0.6      |
| <b>Own Source Revenue Growth</b><br><i>(Measures Council's increase of own source revenue)</i>  | > 0%      | 5%      | -2%     | 5%      | 3%       | 4%       | 4%       | 4%       | 4%       | 2%       | 2%       | 2%       |
| <b>Debtor Days Outstanding - Rates</b>  | < 30      | 11.7    | 11.0    | 50.0    | 35.0     | 25.0     | 15.0     | 11.0     | 11.0     | 11.0     | 11.0     | 11.0     |
| <b>Debtor Days Outstanding - Other Debtors (net of Rates)</b><br><i>(Measures Council's management of Debtors)</i>                                      | < 30      | 35.3    | 54.5    | 58.0    | 53.0     | 50.0     | 47.0     | 47.0     | 44.0     | 43.0     | 42.0     | 41.0     |
| <b>Debtor Collection Rate - Rates</b>   | > = 100%  | 99.8%   | 100.1%  | 89.2%   | 103.8%   | 102.3%   | 102.4%   | 100.9%   | 99.9%    | 99.9%    | 99.9%    | 99.9%    |
| <b>Debtor Collection Rate - Other Debtors (net of Rates)</b><br><i>(Measures Council's Collection Rate of Debtors)</i>                                  | > = 100%  | 101.3%  | 100.2%  | 96.3%   | 100.9%   | 100.5%   | 100.3%   | 99.9%    | 100.3%   | 100.0%   | 100.1%   | 100.0%   |
| <b>Cash Coverage Ratio</b><br><i>(Measures Council's Cash coverage of Expenditure)</i>  | > 3 Mths  | 6.2     | 5.2     | 3.9     | 4.0      | 4.1      | 4.4      | 4.9      | 5.4      | 5.9      | 6.3      | 6.8      |
| <b>Remaining useful Life of Assets</b><br><i>(Expressed as a % of Gross Cost of Assets)</i>   | > 60%     | 71.9%   | 67.6%   | 66.5%   | 65.6%    | 64.9%    | 64.1%    | 63.3%    | 62.5%    | 61.6%    | 60.7%    | 59.7%    |
| <b>Repairs &amp; Maintenance as a % of WDV of Assets</b>  | 1%        | 0.6%    | 0.5%    | 0.6%    | 0.6%     | 0.6%     | 0.6%     | 0.7%     | 0.7%     | 0.7%     | 0.7%     | 0.7%     |

| <b>Model 2</b>                                   |         | 2018/19       | 2019/20       | 2020/21       | 2021/22         | 2022/23         | 2023/24         | 2024/25         | 2025/26         | 2026/27         | 2027/28         | 2028/29         |
|--|---------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Assumptions</b>                               |         | <b>ACTUAL</b> | <b>BUDGET</b> | <b>BUDGET</b> | <b>ESTIMATE</b> | <b>ESTIMATE</b> | <b>ESTIMATE</b> | <b>ESTIMATE</b> | <b>ESTIMATE</b> | <b>ESTIMATE</b> | <b>ESTIMATE</b> | <b>ESTIMATE</b> |
| Rate Pegging Limit                               | %       | 2.3%          | 2.7%          | 2.6%          | 2.5%            | 2.5%            | 2.5%            | 2.5%            | 2.5%            | 2.0%            | 2.0%            | 2.0%            |
| Gross SRV including Rate Peg                     |         |               |               |               | 5.8%            | 5.8%            | 5.8%            | 5.8%            | 5.8%            |                 |                 |                 |
| Rate of Inflation                                | %       | 1.90%         | 2.00%         | 2.02%         | 2.27%           | 2.52%           | 2.52%           | 2.50%           | 2.49%           | 2.40%           | 2.30%           | 2.30%           |
| Rates and Annual Charges as a % of Total Revenue | %       | 53.7%         | 65.0%         | 61.1%         | 61.1%           | 61.6%           | 62.2%           | 62.8%           | 63.3%           | 63.2%           | 63.1%           | 63.0%           |
| Interest Rate on investments                     | %       | 3.3%          | 2.5%          | 1.5%          | 1.3%            | 1.5%            | 1.5%            | 1.5%            | 1.5%            | 1.5%            | 1.5%            | 1.5%            |
| Employee Costs as a % of Total Expenditure       | %       | 40.3%         | 41.7%         | 40.0%         | 40.2%           | 40.3%           | 40.6%           | 40.6%           | 40.4%           | 40.8%           | 40.7%           | 40.7%           |
| Depreciation as a % of Gross Cost of Assets      | %       | 1.7%          | 1.7%          | 1.8%          | 1.9%            | 1.9%            | 1.9%            | 1.9%            | 2.0%            | 2.0%            | 2.0%            | 2.0%            |
| Loans outstanding                                | \$ '000 | 1,625         | 1,125         | 625           | 125             | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Interest payments on loans                       | \$ '000 | 74            | 71            | 55            | 22              | 2               | 0               | 0               | 0               | 0               | 0               | 0               |
| Capital Works Program                            | \$ '000 | 68,530        | 45,057        | 38,370        | 35,000          | 35,000          | 35,000          | 35,000          | 35,000          | 35,000          | 35,000          | 35,000          |

**Model 3 - Multi-year permanent Special Rate Variation of 5.8% each year for 5 years from 2021/22 plus projected Expenditure Savings of \$12m over 3 years from 2021/22**

| Model 3<br>Income Statement  | 2018/19<br>ACTUAL | 2019/20<br>BUDGET | 2020/21<br>BUDGET | 2021/22<br>ESTIMATE | 2022/23<br>ESTIMATE | 2023/24<br>ESTIMATE | 2024/25<br>ESTIMATE | 2025/26<br>ESTIMATE | 2026/27<br>ESTIMATE | 2027/28<br>ESTIMATE | 2028/29<br>ESTIMATE |
|--|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | \$ '000           | \$ '000           | \$ '000           | \$ '000             | \$ '000             | \$ '000             | \$ '000             | \$ '000             | \$ '000             | \$ '000             | \$ '000             |
| <b>Operating Revenue</b>   |                   |                   |                   |                     |                     |                     |                     |                     |                     |                     |                     |
| Rates and Annual Charges   | 92,784            | 94,979            | 98,819            | 101,241             | 106,186             | 111,369             | 116,801             | 122,496             | 124,945             | 127,443             | 129,991             |
| User Charges and Fees  | 14,679            | 15,496            | 16,657            | 17,034              | 17,464              | 17,903              | 18,350              | 18,808              | 19,261              | 19,703              | 20,156              |
| Interest and investment revenue                                      | 5,891             | 3,426             | 2,190             | 2,470               | 2,658               | 2,708               | 2,879               | 3,179               | 3,531               | 3,899               | 4,283               |
| Grants and Contributions - Operating                                 | 11,153            | 8,877             | 11,360            | 11,617              | 11,909              | 12,209              | 12,514              | 12,826              | 13,133              | 13,435              | 13,745              |
| Grants and Contributions - Capital                                   | 36,304            | 14,068            | 21,366            | 21,851              | 22,402              | 22,966              | 23,540              | 24,126              | 24,705              | 25,274              | 25,856              |
| Other revenues   | 11,871            | 9,175             | 11,355            | 11,613              | 11,906              | 12,206              | 12,511              | 12,823              | 13,130              | 13,433              | 13,742              |
| <b>Total Operating Revenue</b>                                       | <b>172,682</b>    | <b>146,021</b>    | <b>161,747</b>    | <b>165,826</b>      | <b>172,525</b>      | <b>179,361</b>      | <b>186,595</b>      | <b>194,258</b>      | <b>198,705</b>      | <b>203,187</b>      | <b>207,773</b>      |
| <b>Operating Expenditure</b>   |                   |                   |                   |                     |                     |                     |                     |                     |                     |                     |                     |
| Employee Costs   | (56,508)          | (58,730)          | (59,500)          | (59,679)            | (59,321)            | (61,132)            | (62,745)            | (64,932)            | (67,660)            | (68,954)            | (71,061)            |
| Materials and Contracts  | (42,454)          | (39,591)          | (41,928)          | (40,623)            | (39,648)            | (39,896)            | (40,893)            | (41,912)            | (42,918)            | (43,906)            | (44,917)            |
| Other Expenses   | (21,606)          | (21,935)          | (23,109)          | (23,200)            | (21,863)            | (21,870)            | (22,007)            | (23,656)            | (23,598)            | (23,627)            | (24,173)            |
| <b>Total Operating Expenditure</b>                                   | <b>(120,568)</b>  | <b>(120,256)</b>  | <b>(124,537)</b>  | <b>(123,502)</b>    | <b>(120,832)</b>    | <b>(122,898)</b>    | <b>(125,645)</b>    | <b>(130,500)</b>    | <b>(134,176)</b>    | <b>(136,487)</b>    | <b>(140,151)</b>    |
| <b>Surplus/(Deficit) prior to Depreciation &amp; Financing Costs</b> | <b>52,114</b>     | <b>25,765</b>     | <b>37,210</b>     | <b>42,324</b>       | <b>51,693</b>       | <b>56,463</b>       | <b>60,950</b>       | <b>63,758</b>       | <b>64,529</b>       | <b>66,700</b>       | <b>67,622</b>       |
| Depreciation   | (19,557)          | (20,631)          | (24,014)          | (24,895)            | (26,135)            | (27,413)            | (28,691)            | (29,979)            | (31,286)            | (32,601)            | (33,929)            |
| Financing costs (Interest Expenses)                                  | (74)              | (71)              | (55)              | (22)                | (2)                 | (2)                 | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Net Operating Result for period - Surplus/(Deficit)</b>           | <b>32,483</b>     | <b>5,063</b>      | <b>13,141</b>     | <b>17,407</b>       | <b>25,556</b>       | <b>29,050</b>       | <b>32,259</b>       | <b>33,779</b>       | <b>33,243</b>       | <b>34,099</b>       | <b>33,693</b>       |
| Prior year adjustments   |                   |                   |                   |                     |                     |                     |                     |                     |                     |                     |                     |
| Net gains/(losses) from Disposal of Assets                           | 551               | 1,061             | 5,000             |                     |                     |                     |                     |                     |                     |                     |                     |
| Other adjustments / Revaluation                                      | 80,618            |                   |                   |                     |                     |                     |                     |                     |                     |                     |                     |
| Adjustment on amalgamation   |                   |                   |                   |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Net Surplus/(Deficit)</b>   | <b>113,652</b>    | <b>6,124</b>      | <b>18,141</b>     | <b>17,407</b>       | <b>25,556</b>       | <b>29,050</b>       | <b>32,259</b>       | <b>33,779</b>       | <b>33,243</b>       | <b>34,099</b>       | <b>33,693</b>       |
| <b>Result Net of Capital Grants – Surplus/(Deficit)</b>              | <b>(3,270)</b>    | <b>(7,944)</b>    | <b>(3,225)</b>    | <b>(4,444)</b>      | <b>3,154</b>        | <b>6,084</b>        | <b>8,719</b>        | <b>9,653</b>        | <b>8,538</b>        | <b>8,825</b>        | <b>7,837</b>        |

| <b>Model 3</b>                         |                    | 2018/19            | 2019/20            | 2020/21            | 2021/22            | 2022/23            | 2023/24            | 2024/25            | 2025/26            | 2026/27            | 2027/28            | 2028/29  |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------|
| <b>Statement of Financial Position</b> |                    | ACTUAL             | BUDGET             | BUDGET             | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE           | ESTIMATE |
|  |                    | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000            | \$ '000  |
| <b>ASSETS</b>                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |          |
| <b>Current Assets</b>                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |          |
| Cash, Cash Equivalents & Investments   | 166,710            | 143,338            | 130,661            | 135,336            | 145,966            | 163,451            | 184,164            | 206,575            | 229,780            | 254,023            | 279,388            |          |
| Receivables - Gross                    | 10,707             | 10,479             | 23,475             | 19,061             | 16,301             | 13,421             | 12,459             | 12,424             | 12,475             | 12,499             | 12,620             |          |
| Less: Provision for Impairment         | (538)              | (290)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              | (368)              |          |
| Inventories                            | 155                | 185                | 190                | 194                | 199                | 204                | 209                | 214                | 219                | 224                | 229                |          |
| Other                                  | 455                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                | 585                |          |
| <b>Total Current Assets</b>            | <b>177,489</b>     | <b>154,297</b>     | <b>180,179</b>     | <b>162,935</b>     | <b>140,073</b>     | <b>143,954</b>     | <b>161,644</b>     | <b>184,637</b>     | <b>208,572</b>     | <b>233,409</b>     | <b>259,442</b>     |          |
| <b>Non-Current Assets</b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |          |
| Property, Plant & Equipment            | 1,366,713          | 1,393,139          | 1,409,388          | 1,425,004          | 1,439,530          | 1,452,928          | 1,465,198          | 1,476,342          | 1,486,354          | 1,495,239          | 1,502,996          |          |
| Investment Property                    | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             | 17,660             |          |
| Intangible Assets                      | 1,362              | 1,975              | 1,827              | 2,816              | 3,655              | 4,344              | 4,883              | 5,510              | 5,962              | 6,476              | 6,790              |          |
| <b>Total Non-Current Assets</b>        | <b>1,385,735</b>   | <b>1,412,774</b>   | <b>1,428,875</b>   | <b>1,445,480</b>   | <b>1,460,845</b>   | <b>1,474,932</b>   | <b>1,487,741</b>   | <b>1,499,512</b>   | <b>1,509,976</b>   | <b>1,519,375</b>   | <b>1,527,446</b>   |          |
| <b>Total Assets</b>                    | <b>1,563,224</b>   | <b>1,567,071</b>   | <b>1,583,418</b>   | <b>1,600,288</b>   | <b>1,623,528</b>   | <b>1,652,225</b>   | <b>1,684,790</b>   | <b>1,718,942</b>   | <b>1,752,667</b>   | <b>1,786,338</b>   | <b>1,819,900</b>   |          |
| <b>LIABILITIES</b>                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |          |
| <b>Current Liabilities</b>             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |          |
| Payables                               | (23,468)           | (20,318)           | (19,628)           | (19,544)           | (18,259)           | (17,459)           | (17,368)           | (17,201)           | (17,011)           | (16,264)           | (15,613)           |          |
| Income received in advance             | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              | (596)              |          |
| Borrowings                             | (500)              | (500)              | (500)              | (125)              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |          |
| Accruals & Provisions                  | (14,717)           | (16,090)           | (15,486)           | (15,533)           | (14,627)           | (15,074)           | (15,471)           | (16,011)           | (16,683)           | (17,002)           | (17,522)           |          |
| <b>Total Current Liabilities</b>       | <b>(39,281)</b>    | <b>(37,504)</b>    | <b>(36,201)</b>    | <b>(35,798)</b>    | <b>(33,482)</b>    | <b>(33,129)</b>    | <b>(33,435)</b>    | <b>(33,808)</b>    | <b>(34,290)</b>    | <b>(33,862)</b>    | <b>(33,731)</b>    |          |
| <b>Non-Current Liabilities</b>         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |          |
| Borrowings                             | (1,125)            | (625)              | (125)              | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |          |
| Provisions                             | (1,125)            | (625)              | (125)              | (1,125)            | (625)              | (1,125)            | (1,125)            | (1,125)            | (625)              | (1,125)            | (1,125)            |          |
| <b>Total Non-Current Liabilities</b>   | <b>(2,250)</b>     | <b>(1,250)</b>     | <b>(250)</b>       | <b>(1,125)</b>     | <b>(625)</b>       | <b>(2,250)</b>     | <b>(2,250)</b>     | <b>(2,250)</b>     | <b>(625)</b>       | <b>(2,250)</b>     | <b>(2,250)</b>     |          |
| <b>Total Liabilities</b>               | <b>(40,406)</b>    | <b>(38,129)</b>    | <b>(36,335)</b>    | <b>(35,798)</b>    | <b>(33,482)</b>    | <b>(33,129)</b>    | <b>(33,435)</b>    | <b>(33,808)</b>    | <b>(34,290)</b>    | <b>(33,862)</b>    | <b>(33,731)</b>    |          |
| <b>Net Assets</b>                      | <b>1,522,818</b>   | <b>1,528,942</b>   | <b>1,547,083</b>   | <b>1,564,490</b>   | <b>1,590,046</b>   | <b>1,619,096</b>   | <b>1,651,355</b>   | <b>1,685,134</b>   | <b>1,718,377</b>   | <b>1,752,476</b>   | <b>1,786,169</b>   |          |
| <b>EQUITY</b>                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |          |
| Retained Earnings                      | (1,419,106)        | (1,425,230)        | (1,443,371)        | (1,460,778)        | (1,486,334)        | (1,515,384)        | (1,547,643)        | (1,581,422)        | (1,614,665)        | (1,648,764)        | (1,682,457)        |          |
| Revaluation Reserve                    | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          | (103,712)          |          |
| <b>Total Equity</b>                    | <b>(1,522,818)</b> | <b>(1,528,942)</b> | <b>(1,547,083)</b> | <b>(1,564,490)</b> | <b>(1,590,046)</b> | <b>(1,619,096)</b> | <b>(1,651,355)</b> | <b>(1,685,134)</b> | <b>(1,718,377)</b> | <b>(1,752,476)</b> | <b>(1,786,169)</b> |          |

| Model 3   |                 | 2018/19         | 2019/20         | 2020/21         | 2021/22         | 2022/23         | 2023/24         | 2024/25         | 2025/26         | 2026/27         | 2027/28         | 2028/29  |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------|
| Statement of Cash Flows                                       |                 | ACTUAL          | BUDGET          | BUDGET          | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE |
|   |                 | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000         | \$ '000  |
| <b>Cash Flows from Operating Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| Rates and Annual Charges                                      | 92,586          | 95,098          | 88,144          | 105,070         | 108,621         | 114,065         | 117,858         | 122,324         | 124,872         | 127,367         | 129,914         |          |
| User Fees and Charges   | 13,325          | 16,881          | 16,527          | 17,038          | 17,417          | 17,855          | 18,301          | 18,758          | 19,211          | 19,655          | 20,106          |          |
| Grants and Contributions - Operating                          | 11,644          | 8,548           | 11,088          | 11,621          | 11,910          | 12,211          | 12,518          | 12,830          | 13,104          | 13,406          | 13,715          |          |
| Bonds, Deposits and Retention amounts Received (Net)          | 238             | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |          |
| Other   | 11,736          | 7,372           | 9,004           | 12,267          | 12,255          | 12,375          | 12,419          | 13,047          | 13,192          | 13,505          | 13,820          |          |
| Increase in Bad Debt Provision                                | 248             | (248)           | 78              | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |          |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| Employee Benefits and On-Costs                                | (57,877)        | (57,357)        | (60,104)        | (59,632)        | (60,227)        | (60,685)        | (62,348)        | (64,392)        | (66,988)        | (68,635)        | (70,541)        |          |
| Materials and Contracts                                       | (42,989)        | (40,095)        | (42,059)        | (40,860)        | (39,826)        | (40,404)        | (40,734)        | (42,323)        | (42,772)        | (44,363)        | (45,399)        |          |
| Other Expenses  | (19,448)        | (24,141)        | (23,259)        | (23,165)        | (22,975)        | (22,167)        | (22,262)        | (23,438)        | (23,939)        | (23,942)        | (24,347)        |          |
| Borrowing Costs   | (74)            | (71)            | (55)            | (22)            | (2)             | 0               | 0               | 0               | 0               | 0               | 0               |          |
| Bonds, Deposits and Retention amounts Refunded                | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |          |
| Fair Value adjustment on Investment Property                  | 140             | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |          |
| <b>Net Cash from Operating Activities</b>                     | <b>9,529</b>    | <b>5,987</b>    | <b>(636)</b>    | <b>22,317</b>   | <b>27,173</b>   | <b>33,250</b>   | <b>35,752</b>   | <b>36,806</b>   | <b>36,680</b>   | <b>36,993</b>   | <b>37,268</b>   |          |
| <b>Cash Flows from Investing Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| Investment and Interest Revenue Received                      | 6,143           | 4,282           | 2,622           | 2,393           | 2,680           | 2,769           | 2,921           | 3,208           | 3,570           | 3,956           | 4,241           |          |
| Grants and Contributions - Capital                            | 36,304          | 14,068          | 21,366          | 21,851          | 22,402          | 22,966          | 23,540          | 24,126          | 24,705          | 25,274          | 25,856          |          |
| Sale of Investment Securities                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| Proceeds from Sale of Assets                                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| Purchase of Investment Securities                             | 3,443           | 1,763           | 5,000           | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |          |
| Capital Works and Purchase of Fixed Assets                    | (70,245)        | (48,972)        | (40,529)        | (41,386)        | (41,500)        | (41,500)        | (41,500)        | (41,729)        | (41,750)        | (41,980)        | (42,000)        |          |
| <b>Net Cash from Investing Activities</b>                     | <b>(24,355)</b> | <b>(28,859)</b> | <b>(11,541)</b> | <b>(17,142)</b> | <b>(16,418)</b> | <b>(15,765)</b> | <b>(15,039)</b> | <b>(14,395)</b> | <b>(13,475)</b> | <b>(12,750)</b> | <b>(11,903)</b> |          |
| <b>Cash Flows from Financing Activities</b>                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| <b>Receipts</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| New Borrowings  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| <b>Payments</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |          |
| Repayment of Borrowings                                       | (500)           | (500)           | (500)           | (500)           | (125)           | 0               | 0               | 0               | 0               | 0               | 0               |          |
| <b>Net Cash from Financing Activities</b>                     | <b>(500)</b>    | <b>(500)</b>    | <b>(500)</b>    | <b>(500)</b>    | <b>(125)</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        |          |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>(15,326)</b> | <b>(23,372)</b> | <b>(12,677)</b> | <b>4,675</b>    | <b>10,630</b>   | <b>17,485</b>   | <b>20,713</b>   | <b>22,411</b>   | <b>23,205</b>   | <b>24,243</b>   | <b>25,365</b>   |          |
| Cash and Cash Equivalents - Beginning of the Year             | 182,036         | 166,710         | 143,338         | 130,661         | 135,336         | 145,966         | 163,451         | 184,164         | 206,575         | 229,780         | 254,023         |          |
| <b>Cash and Cash Equivalents - End of the Year</b>            | <b>166,710</b>  | <b>143,338</b>  | <b>130,661</b>  | <b>135,336</b>  | <b>145,966</b>  | <b>163,451</b>  | <b>184,164</b>  | <b>206,575</b>  | <b>229,780</b>  | <b>254,023</b>  | <b>279,388</b>  |          |

| Model 3   | Benchmark            | 2018/19         | 2019/20          | 2020/21        | 2021/22          | 2022/23          | 2023/24          | 2024/25         | 2025/26         | 2026/27         | 2027/28         | 2028/29        |
|---|----------------------|-----------------|------------------|----------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Key Performance Indicators  |                      | ACTUAL          | BUDGET           | BUDGET         | ESTIMATE         | ESTIMATE         | ESTIMATE         | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE        | ESTIMATE       |
| <b>Operating Performance Ratio</b><br><i>(Measures the extent of Council's Revenue (net of Capital Grants) coverage of Expenditure)</i>                         | 0%                   | -2.8%           | -6.8%            | -5.9%          | -3.1%            | 2.1%             | 3.9%             | 5.3%            | 5.7%            | 4.9%            | 5.0%            | 4.3%           |
| <b>Own Source Revenue Generated (w/o Grant income)</b><br><i>(Measures Council's dependence on Grants Income)</i>   | > 80%                | 72.5%           | 84.3%            | 79.8%          | 79.8%            | 80.1%            | 80.4%            | 80.7%           | 81.0%           | 81.0%           | 80.9%           | 80.9%          |
| <b>Unrestricted Current Ratio</b><br><i>(Measures Council's liquidity)</i>  | > 1.5x               | 1.9             | 1.9              | 1.8            | 1.8              | 2.2              | 2.7              | 3.2             | 3.8             | 4.4             | 5.1             | 5.8            |
| <b>Debt Service Cover Ratio</b><br><i>(Measures Council's capacity to service debt)</i>   | > 2.0x               | 27.5            | 20.5             | 28.5           | 39.2             | 230.6            | No Debt          | No Debt         | No Debt         | No Debt         | No Debt         | No Debt        |
| <b>Capital Works &amp; Asset renewals</b><br><i>(Measures Council's expenditure on renewal of assets in relation to the annual Depreciation charge)</i>         | > =1.0x              | 1.9             | 1.1              | 0.9            | 0.8              | 0.8              | 0.8              | 0.7             | 0.7             | 0.7             | 0.6             | 0.6            |
| <b>Own Source Revenue Growth</b><br><i>(Measures Council's increase of own source revenue)</i>  | > 0%                 | 5%              | -2%              | 5%             | 3%               | 4%               | 4%               | 4%              | 4%              | 2%              | 2%              | 2%             |
| <b>Debtor Days Outstanding - Rates</b><br><b>Debtor Days Outstanding - Other Debtors (net of Rates)</b><br><i>(Measures Council's management of Debtors)</i>    | < 30<br>< 30         | 11.7<br>35.3    | 11.0<br>54.5     | 50.0<br>58.0   | 35.0<br>53.0     | 25.0<br>50.0     | 15.0<br>47.0     | 11.0<br>47.0    | 11.0<br>44.0    | 11.0<br>43.0    | 11.0<br>42.0    | 11.0<br>41.0   |
| <b>Debtor Collection Rate - Rates</b><br><b>Debtor Collection Rate - Other Debtors (net of Rates)</b><br><i>(Measures Council's Collection Rate of Debtors)</i> | > = 100%<br>> = 100% | 99.8%<br>101.3% | 100.1%<br>100.2% | 89.2%<br>96.3% | 103.8%<br>100.9% | 102.3%<br>100.5% | 102.4%<br>100.3% | 100.9%<br>99.9% | 99.9%<br>100.3% | 99.9%<br>100.0% | 99.9%<br>100.1% | 99.9%<br>99.9% |
| <b>Cash Coverage Ratio</b><br><i>(Measures Council's Cash coverage of Expenditure)</i>  | > 3 Mths             | 6.2             | 5.2              | 3.9            | 4.5              | 5.7              | 7.3              | 9.1             | 10.7            | 12.3            | 14.1            | 15.7           |
| <b>Remaining useful Life of Assets</b><br><i>(Expressed as a % of Gross Cost of Assets)</i>   | > 60%                | 71.9%           | 67.6%            | 66.5%          | 65.6%            | 64.9%            | 64.1%            | 63.3%           | 62.5%           | 61.6%           | 60.7%           | 59.7%          |
| <b>Repairs &amp; Maintenance as a % of WDV of Assets</b>  | 1%                   | 0.6%            | 0.5%             | 0.6%           | 0.6%             | 0.6%             | 0.6%             | 0.7%            | 0.7%            | 0.7%            | 0.7%            | 0.7%           |

**Model 3 Assumptions**

|  | 2018/19         | 2019/20 | 2020/21 | 2021/22  | 2022/23  | 2023/24  | 2024/25  | 2025/26  | 2026/27  | 2027/28  | 2028/29  |
|--|-----------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
|  | ACTUAL          | BUDGET  | BUDGET  | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE | ESTIMATE |
| Rate Pegging Limit                               | % 2.3%          | 2.7%    | 2.6%    | 2.5%     | 2.5%     | 2.5%     | 2.5%     | 2.5%     | 2.0%     | 2.0%     | 2.0%     |
| Gross SRV (including Rate Peg)                   | % 1.90%         | 2.00%   | 2.02%   | 2.27%    | 2.52%    | 2.52%    | 2.50%    | 2.49%    | 2.40%    | 2.30%    | 2.30%    |
| Rate of Inflation                                | % 53.7%         | 65.0%   | 61.1%   | 61.1%    | 61.5%    | 62.1%    | 62.6%    | 63.1%    | 62.9%    | 62.7%    | 62.6%    |
| Rates and Annual Charges as a % of Total Revenue | % 3.3%          | 2.5%    | 1.5%    | 1.3%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     | 1.5%     |
| Interest Rate on investments                     | % 40.3%         | 41.7%   | 40.0%   | 40.2%    | 40.4%    | 40.7%    | 40.7%    | 40.5%    | 40.9%    | 40.8%    | 40.8%    |
| Employee Costs as a % of Total Expenditure       | % 1.7%          | 1.7%    | 1.8%    | 1.9%     | 1.9%     | 1.9%     | 1.9%     | 2.0%     | 2.0%     | 2.0%     | 2.0%     |
| Depreciation as a % of Gross Cost of Assets      | \$ '000 1,625   | 1,125   | 625     | 125      | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Loans outstanding                                | \$ '000 74      | 71      | 55      | 22       | 2        | 0        | 0        | 0        | 0        | 0        | 0        |
| Interest payments on loans                       | \$ '000 \$ '000 | 68,530  | 45,057  | 38,370   | 35,000   | 35,000   | 35,000   | 35,000   | 35,000   | 35,000   | 35,000   |
| Capital Works Program                            |                 |         |         |          |          |          |          |          |          |          |          |







# **RESOURCING STRATEGY**

## **2020/21**

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