

10 Year Long Term Financial Plan

Executive summary

The Liverpool City Council Long Term Financial Plan contains a set of financial projections and assumptions covering a period of 10 years from 2013/2014 to 2022/2023. The assumptions and projections are based on current operational issues, future service demands and infrastructure needs as expected by the community.

The Long Term Financial Plan is structured along the following three scenarios:

1. **Keep existing rate variation and maintain current services** - which shows the financial results of delivering current levels of service assuming approval of the continuation of 9% special rate variation in perpetuity.
2. **Lose existing rate variation and reduce services** - which shows a deficit result of \$66 million over the next ten as a result of the end of the 9% special rate variation. The accumulated deficit from year two to year ten means that Council will have to cut down on services, delaying maintenance costs and defer or cut down on renewal of infrastructure asset Assets.
3. **Increase services to the community** - which shows the financial results of continuation of the 9% special rate variation in perpetuity plus a one off special rate variation of 2.5% for year two

and three of the LTFP to fund \$39 million extra capital expenditure over the next ten years.

Each scenario will result in a level of funding resulting with a possible direct impact on the rate payer and may require different funding strategies to deliver the level of service expected by the community.

Scenario	Total Projected Funding Result 2011/12 - 2020/2021
Keep existing rate variation and maintain current services	Balanced Budget
Lose existing rate variation and reduce services	\$66 million deficit
Increase services to the community	Balanced Budget

Option 1 *Keep existing rate variation and maintain current services* of Council's current operating conditions. A balanced budget delivering \$587.6 million worth of capital expenditure program over the next ten years.

- In contrast option 2 *Lose existing rate variation and reduce services* scenario shows a deficit result of \$66 million over the next ten as a

result of the end of the 9% special rate in June 2014. This scenario would put Council under significant financial and operational constraints having to cut down on services or lowering delivery levels and also cutting down on maintenance and renewal of infrastructure assets. Under this model a deterioration of Council's asset condition and serviceability is expected. The *Increase services to the community* scenario is the preferred model achieving the best outcome for the community and it includes new initiatives to meet future demand associated with the planned growth of Liverpool.

Strategic context

The Long Term Financial Plan is an important part of Council's strategic planning process. This is the point where long term community aspirations and goals are tested against financial realities.

The overall objective of the Long Term Financial Plan is to express in financial terms the activities Council proposes to undertake over the short, medium and long term; to provide a sound basis for strategic decision making and to guide the future strategies and actions of Council to ensure that it continues to operate in a manner that achieves financial sustainability.

The Long Term Financial Plan specifically assesses Council's capacity to deliver the *Growing Liverpool 2023* strategic outcomes.

A key objective and strategy relating to long term financial planning was identified by the community in *Growing Liverpool 2023*, as outlined below.

<i>Growing Liverpool 2023</i> Objective	Strategy
The community is supported by a well managed and responsive Council	Develop, implement and regularly review a financial strategy that balances community aspirations and willingness to pay

The above strategy from *Growing Liverpool 2023* forms the basis for ongoing reporting and monitoring of the Long Term Financial Plan and corresponding actions.

The Long Term Financial Plan will seek to answer the following questions:

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

The Long Term Financial Plan is a decision-making and problem-solving tool. It is not intended that the plan

be set in concrete, it is a guide for future action. The modelling that occurs as part of the plan will help Council to weather unexpected events. It will also provide an opportunity for Council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term timeframe.

The Long Term Financial Plan is a 10 year rolling forecast that will be updated annually as part of the development of Council's Delivery Program and Operational Plan. It will be reviewed in detail as part of the four yearly review of *Growing Liverpool 2023*.

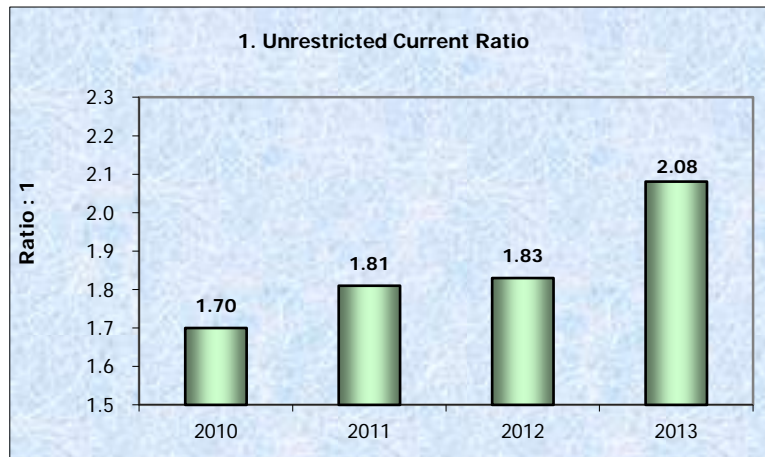
Council's current financial position

Key Performance Indicators

Unrestricted current ratio: 2.08:1

The unrestricted current ratio measures the degree to which current obligations are covered by uncommitted current assets, and is a close approximation of the unencumbered working capital of a council.

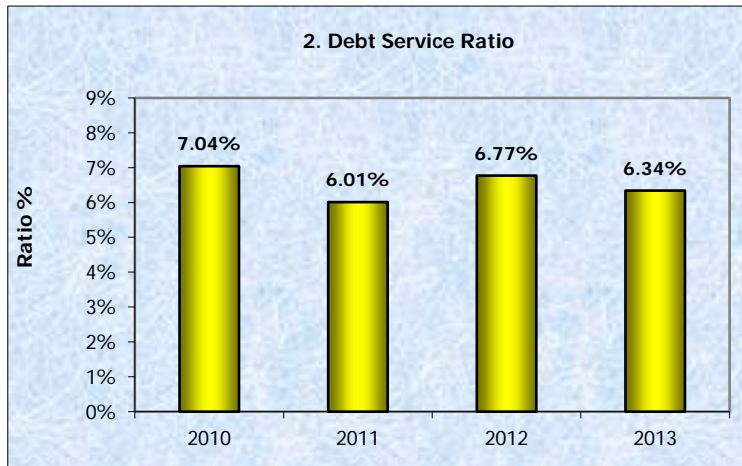
After adjusting for funds subject to external legal restrictions, such as developer contributions and domestic waste management, the unrestricted current ratio (funds over which Council has discretion) has improved in 2013 when compared to the previous three years. The value of this ratio is well above the industry standard of 1:1.



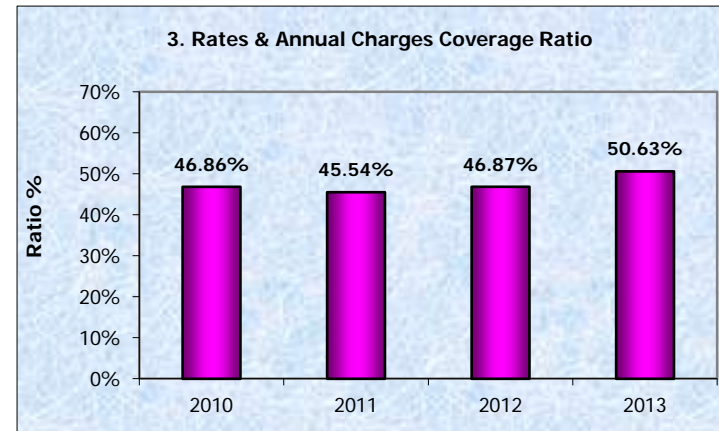
Debt service ratio: 6.34%

The debt service ratio of 7.04 per cent is an assessment of the operating revenue committed to the repayment of debt. The Division of Local Government accepted debt service ratio benchmark of 10 per cent or less is considered satisfactory.

The debt service ratio is projected to fall over the next 10 years as most of the loans in Council's portfolio are fully repaid.



items such as land dedicated to Council and fair value adjustment on investments.



Rates and annual charges coverage ratio: 50.63%

The rates and annual charges coverage ratio is used to assess the degree of dependence upon revenues from rates and annual charges and to assess the security of Council's income.

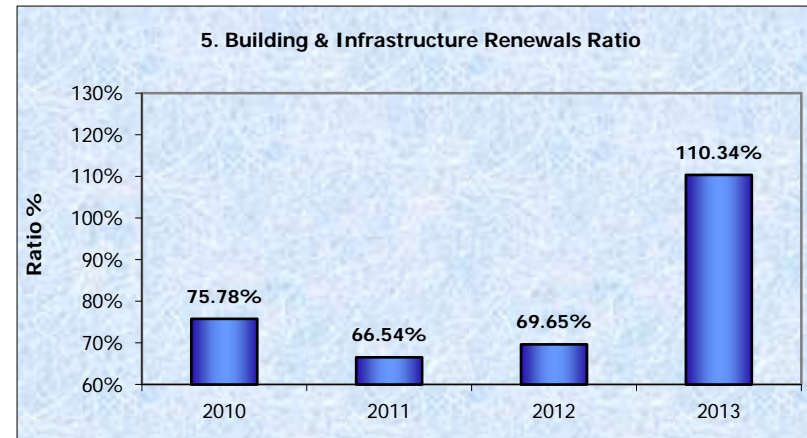
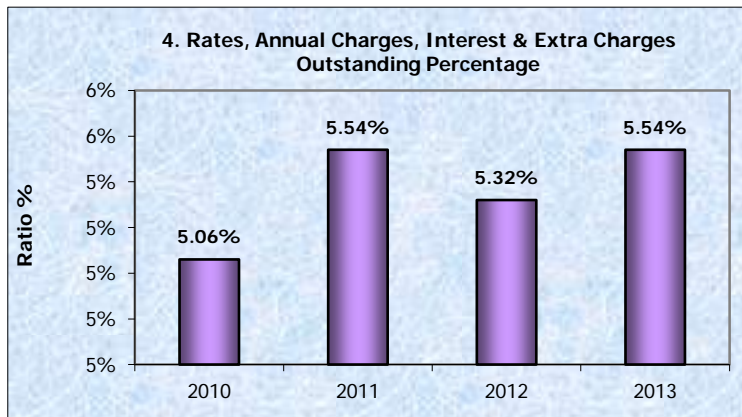
The rates and annual charges coverage ratio is on average 55 to 56 per cent annually (excluding noncash book value adjustments) and is expected to grow to 60 per cent with increased rates revenue from newly released lots in growth areas of Middleton Grange, Carnes Hill, Moorebank and Edmondson Park. The reduction of 10 per cent for this ratio in 2010 is attributed to noncash

Rates and annual charges outstanding percentage: 5.54%

The rates and annual charges outstanding percentage is used to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.

The rates and annual charges ratio has improved compared to the previous two years and is slightly above the industry benchmark of 5 per cent. Two uncontrollable

factors that impact on this ratio are postponed rates and pensioners. It is expected that this ratio will float around 5.75 per cent to 6 per cent due to the increasing ageing population in the Liverpool local government area. This projection is in line with the average ratio for like Councils, as shown in the Department of Local Government comparative information data (refer to page 15).



The infrastructure renewals ratio assesses the rate at which existing infrastructure assets are being replaced. This ratio is calculated from dividing the total expenditure on asset renewal by the annual depreciation expense. The industry benchmark for this ratio is 100 per cent.

This indicator has to be read in conjunction with the assessment of asset condition rating (see below) to gauge the adequacy of Council's budget on asset maintenance and renewal.

Infrastructure renewals ratio: 110%

Asset condition rating

The asset condition rating measures the condition of council buildings and infrastructure assets.

This rating indicates Council's asset condition on a scale of '1', being excellent, to '5', being 'very poor'. Council's rating across all asset classes were reported to be between '2' and '3', (good to average) and being generally in fair condition.

Most assets are considered to be reasonably well maintained given the limited funds available. However, road operation and maintenance expenditures are projected to increase as a result of the advanced state of pavement deterioration and the need to undertake more enhanced maintenance to maintain serviceability. Similarly building maintenance and renewal expenditures are also projected to increase significantly as a result of an ageing portfolio of assets.

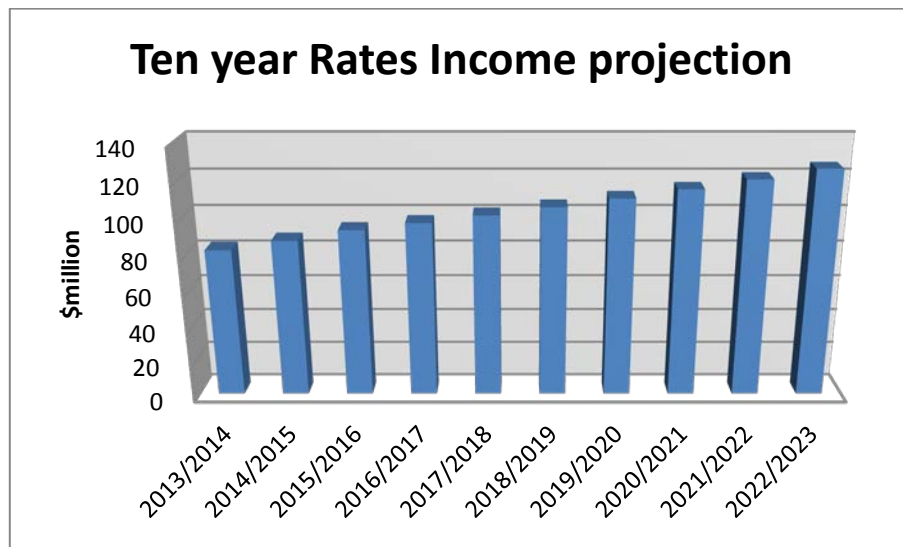
Council forecasts an additional \$39 million within the *Increase services to the community* model to maintain the current 'good to average' condition rating.

Under the Lose existing rate variation and reduce services this ratio is expected to deteriorate as renewal of assets is deferred to balance the annual budget.

Projections

Rates income projection

The graph below shows the projection for general rates income over a period of 10 years from 2013/2014 to 2022/2023. It includes increased rates income due to growth, an estimated annual rate increase of 3 per cent and a decrease in 2014 as a result of the expiring of a special rate variation of 9 per cent for capital works that was approved in 2010.



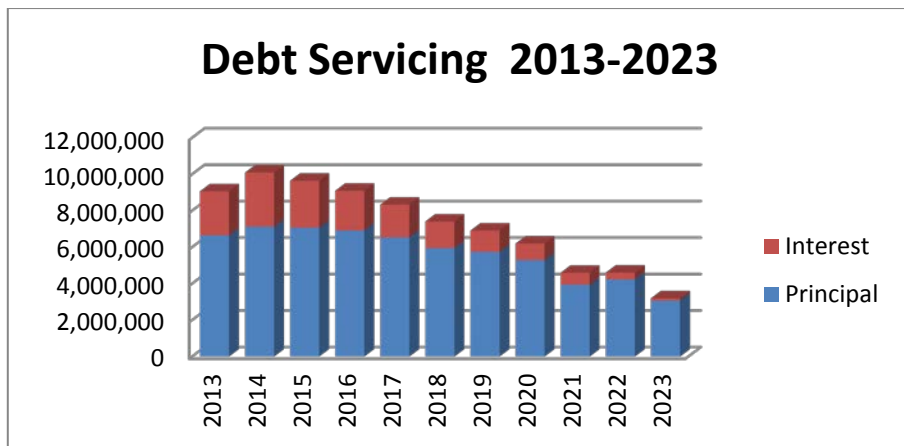
Council expects 12,500 new lots to be gradually released over a period of 10 years in the new land release areas of Middleton Grange, Moorebank, Carnes Hill and

Edmondson Park. The new lots are expected to generate extra rates income of \$63.6 million in total over the next 10 years.

The annual rate increase of 3 per cent from the Independent Pricing and Regulatory Tribunal (IPART) is expected to generate \$24.9 million additional revenue over the same period. Council currently has a special variation to rates under Section 508(2) of the Local Government Act for five years to June 2014. The impact of reverting back to the base rate from July 2014 is \$6.4 million less revenue per annum.

Debt management

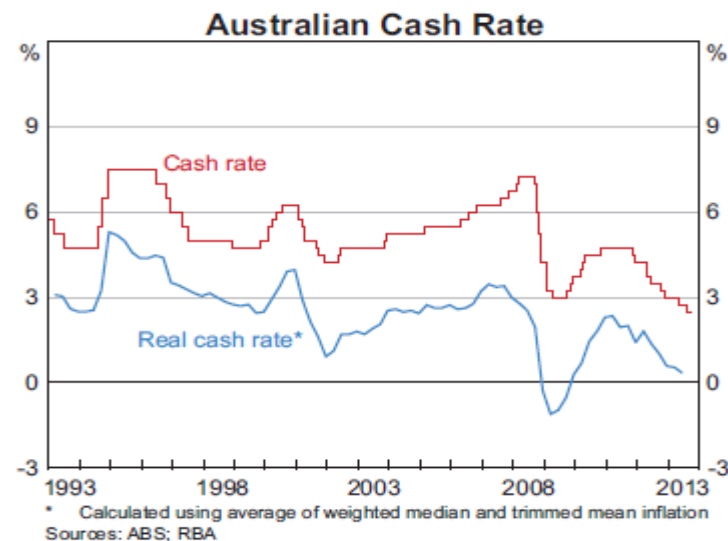
Council has a loan portfolio of \$46.15 million as at 30 June 2013. This is made up of \$8.7 million balance outstanding on 10 year interest free loan to be repaid in full by 31 December 2019; \$9.59 million borrowed in March 2013 under round one of the Local Infrastructure Renewal Scheme (LIRS) for which Council is receives a 4% interest subsidy from the NSW State Government and \$27.95 million predominantly fixed interest loans maturing in one to 11 years. All loans were taken to carryout capital works.



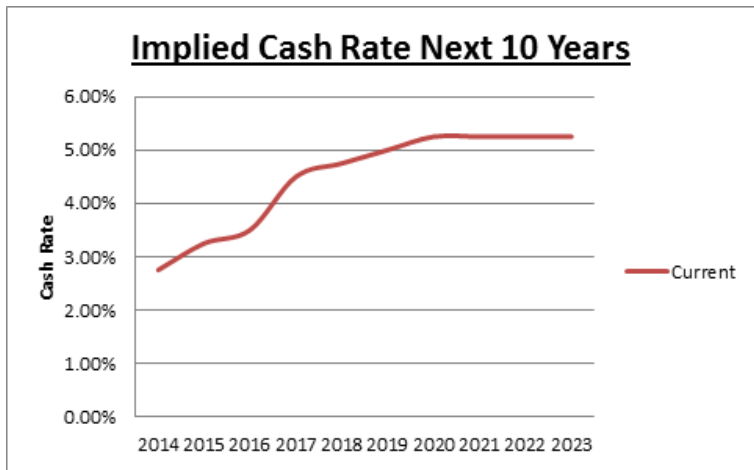
Council applied and obtained approval for borrowing \$10 million under round two of the LIRS. The interest subsidy on the loan is 3 per cent and the funds will be used to build a multi storey car park expected to cost \$11 million.

Investments annual rate of return

The RBA cash rate is currently at its lowest rate as depicted in the graph below. The sharp rate cuts occurred during the peak of the GFC from 7.25 per cent in April 2008 to 3 per cent in March 2009 followed by a mild recovery period between May 2009 to October 2011. The cash rate is now at its lowest for the past twenty years at 2.5 per cent. As a result of the continuing low interest rate period since 2008 council's investment income has significantly been eroded and is expected to continue for the medium term.



The projection for Council's Investment income is expected to track above the cash rate for the next 10 years as per the graph forecast below.



Sources: Amicus Advisory Pty Ltd - October 2013

Workforce projections

It is expected that employee costs will accelerate in coming years due to the anticipated population growth and an increasing demand for services and infrastructure in Liverpool.

Opportunities and barriers

Financial sustainability is a key challenge facing local government due to several contributing factors exerting significant pressure on Council's long term financial sustainability. These include:

- Increased demand for services beyond those traditionally provided
- Cost shifting from other levels of government, ageing infrastructure and constraints on revenue growth
- Rate pegging constraints
- Uncertainty over grant income
- Caps on local development contributions
- Increased maintenance due to an ageing infrastructure network
- Cost increases in major inputs in excess of the consumer price index have all contributed to Council's capacity for borrowing

Community's capacity to pay

Median individual, household and family incomes in Liverpool have increased slightly since 2006, however people in Liverpool continue to pay a large proportion of their income on rent - 12% pay more than 30 per cent of their household income on rent.

Compared to its neighbours, Liverpool has higher median household weekly income (\$1,299) compared with Fairfield (\$1,022), Bankstown (\$1,091) or Campbelltown (\$1,251),

but lower compared with Camden (\$1,727), Sutherland (\$1,674), Wollondilly (\$1,478) or Penrith (\$1,398).

Median monthly mortgage repayments in Liverpool are the same as the Sydney median at \$2,167. This represents a 20 per cent increase since 2006. However, more people in Liverpool pay over 30% of their household incomes on mortgage repayments - 17% compared to 12% in Sydney. This demonstrates the considerable "housing stress" in Liverpool. Compared to its neighbours, median monthly mortgage repayments are equal to Camden, Wollondilly and Penrith, higher than in Fairfield, Campbelltown and Bankstown but lower than in Sutherland.

The ABS also publishes the 'Index of Relative Socio-Economic Disadvantage' index. This has been constructed so that relatively disadvantaged areas (such as areas with a high proportion of low income earners) have low index values. Liverpool local government area scored 949, which is lower than the mean score of 1000. This indicates that Liverpool residents may have a lower capacity to absorb rate increases, emphasising the need to explore additional non-rate revenue sources.

Volatility in the consumer price index

An annual Consumer Price Index (CPI) increase of 3 per cent has been applied to most expenditure items in the 10 year forecast. This assumption is in line with the Reserve Bank of Australia upper inflation target rate. The assumption for this index will be revised annually to reflect changes to the CPI forecast.

Interest rates

In Australia, the cash rate fell from highs of 7.25 per cent in March 2008 to a rate of 3 per cent in April 2009. Since then, there have been seven consecutive rate rises of a quarter of 1 per cent each, with the cash rate remaining stable at 4.75 per cent as at the end of October 2011. From November 2011 the RBA started cutting rates successively to reach 2.5 per cent as at August 2012. Council has assumed an average annual interest rate of 4 per cent in the 10 year forecast.

Interest rate impacts directly on the return of Council's investments and on the cost of borrowing new funds or refinancing existing loans. It also indirectly impacts on the cost of raw materials and employee costs.

Energy prices & carbon tax

Energy price forecasts, especially for fuel and electricity, are unpredictable as it is subject to both market forces and government intervention. While fuel prices are largely dependent on global economic factors, electricity prices in NSW are set by the Independent Pricing and Regulatory Tribunal (IPART). Two main factors impacting the price of electricity are the cost to replace an ageing infrastructure network and the impost of a Carbon Tax for carbon emission from coal fired plant used to generate electricity. A carbon tax was introduced in July 2012 by the previous Federal

Government at \$23 per tonne of CO2 rising to 2.5% for the subsequent two years after which the carbon price would be determined through an emission trading scheme. The newly elected Federal Government intends to repeal the Carbon Tax as early as December 2013 subject to passing of legislation in both houses of parliament.

For the purpose of the Long Term Financial Plan the cost of electricity including street lighting has been forecasted to increase by an average 4 per cent from year 2 to year 10

General insurance costs

The cost of general insurances is on the rise due to the increased number of claims from recent worldwide natural disasters. Council assumed a 3 per cent increase per annum on all insurances.

State and federal taxes

Council assumes that the current Local Government exemption for payroll tax in NSW will continue. Council is subject to various fringe benefit tax liabilities predominantly motor vehicles, residual, expense payment and entertainment benefits. The announcement in the 2011 Federal Government Budget to replace the previous fringe benefits tax sliding scale with a single statutory rate of 20 per cent flat phased in over a period of four years is likely to increase the motor vehicle fringe

benefits tax expense for Council. The fringe benefits tax rate is currently at 47 per cent. Fringe benefits tax minimisation strategies are regularly reviewed to reduce this cost.

Cost Shifting

Cost shifting describes the situation where the responsibility for, or the cost of, providing certain services or regulatory functions are "shifted" from a higher level of government without the provision of corresponding funding or an ability to raise revenue to adequately fund the shifted responsibility.

Examples of cost shifting that impact on Council's financial performance and place additional pressure on its financial sustainability include:

- Contributions to the NSW Fire Brigade
- Inadequate funding for public libraries
- Inadequate reimbursement of pensioner rate rebates
- Cost of regulation of companion animals
- Flood mitigation works
- Transfer of assets without appropriate funding for annual maintenance
- Cost of citizenship ceremonies
- Cost of administering and enforcing environmental regulations

There have been a number of enquiries into and surveys of cost shifting over the years. The latest Local Government and Shires Association survey confirms that

cost shifting continues to place significant burden on the financial sustainability of councils.

The most recent survey, released in early February 2013 based on 2010/2011 financial year, estimates that cost shifting amounts to 5.72 per cent (or \$500 million) of local government's total operating income based on a sample of 86 councils. This ratio is consistent with ratios established in previous years. The ratio for Liverpool was estimated at 4.86% per cent or \$7.4 million.

Findings of the LGSA's cost shifting survey for 2010/2011 are consistent with results of the last five surveys conducted out over the previous five financial years, highlighting the continual moves by the state and federal governments to palm their responsibilities on to Local Governments without the corresponding funding.

Council's Restructure

Council conducted a review of its organisation reporting structure and is progressively realigning its functions and reporting structure to optimise on efficiency and the cost of delivering services to the community.

Efficiency and productivity improvements

Council continually undertakes efficiency and process reviews of its systems. These include replacing and implementing current standalone information technology

systems with integrated and mobile technology solutions, synergies from supply chains and procurement processes, shared services with other Councils where practicable, and identification and elimination of non-value-added activities.

Section 94 Contributions

The State government has made changes to the Planning Legislation to restrict the collection of Section 94 Contributions by Local Government. The changes will not impact on Council's current Section 94 Contribution Plans for our established and current release areas, but will have a significant impact on the new communities within the South West Growth Centre. These changes will restrict the ability for Council to levy new development for the provision of community and recreation facilities, which will result in Council needing to fund these facilities, which include sporting grounds, playgrounds and multi-purpose community centres from general revenue.

Roads to Recovery

The current Roads to Recovery NSW funding allocation ends in 2013/14 and the Federal Government has announced an extension of the program for another five year from 1 July 2014 to 30 June 2019. Council's annual allocation is approximately \$900,000 for the maintenance of local roads. At this stage Council is uncertain if this funding source will be extended past 30 June 2019. Council took the view that the Federal or State

government will replace the Roads to Recovery program with another local roads funding program.

Growth

The Liverpool local government area has experienced significant population growth over the past ten years and it is expected that this trend will continue for the next ten years and beyond.

Liverpool is expected to grow to about 325,000 by 2036. This population growth will occur in new release areas within the South West Growth area as well as within established areas through urban infill development.

In addition, Liverpool City Centre is set to be the regional city for South West Sydney with additional commercial and retail development. It will increase the number of workers and visitors to the city.

The expected growth will place additional pressure on Council to deliver and manage new and additional services to the community, ranging from planning and infrastructure delivery services to community services and management of public space.

This pressure is exacerbated by recent changes to development contributions levied under the Environmental Planning and Assessment Act 1979. These contributions assist in providing new and growing communities in areas of residential development with appropriate infrastructure such as open space, stormwater, community

facilities and roads. Recently the NSW Government placed a cap on the total amount of contributions that could be levied per lot. These changes are likely to restrict or remove a key funding source for critical infrastructure in growing areas. As a growth area, Council will need to consider a range of alternate funding sources to ensure that areas of new residential development have access to needed infrastructure.

City Centre Revitalisation

Revitalisation of the Liverpool City Centre is critical to Liverpool's economic development and will do the 'heavy lifting' required for new employment. It will attract new commercial development, consolidate Liverpool as a hub for commercial, community and retail services, improve the flow between different precincts, change negative perceptions about Liverpool as a commercial destination and lift community pride

Three major city precincts have been identified for infrastructure development: The Liverpool Health and Education Precinct (LHEP): the top end of Macquarie Street and Bigge Park. The five key revitalisation projects to be delivered in those precincts are:

1. A health and medical research precinct which houses one of the busiest and most prestigious hospitals in Australia along Elizabeth Street. It connects to Bigge Park and wraps around to the major bus/train interchange.
2. An "eat -street" at the southern end of the city centre along Macquarie Street

3. A pedestrian mall from Elizabeth Street through to Moore Street offering a wide variety of retail shops.
4. Linkages to the Georges River to take advantage of the active and passive recreational opportunities available
5. Development of the key gateways to Liverpool in a fashion that provides a sense of arrival to the Regional City for South West Sydney.

Carnes Hill Precinct.

Liverpool City Council is committed to develop a new Recreation and Community precinct at Carnes Hill Precinct at Carnes Hill that will bring significant benefits to the local community. The construction of this project is expected to start in early 2014 and expected completion date December 2015. The Recreation and Community Precinct includes the following key features:

- Indoor recreation centre (including gym)
- Library
- Public plaza - with a water feature and public art
- Skate park
- Children's playground
- Outdoor multipurpose sports courts (tennis/basketball/volleyball)
- Community centre
- Picnic area
- Café
- Half-Court basketball courts
- Cycling and walking paths
- Parking for the facilities

Parking Strategy

In February 2010 Council adopted a parking strategy to address the congestion in Liverpool City Centre. In early 2012 Council progressively rolled out paid parking in Council's car parks and on-street within the City Centre. This strategy provides Council an opportunity to manage congestion in the City Centre and generate additional projected net income of \$18.8 million over the next 10 years. The net projected income of \$8.8 million from Yr 1 to Yr 5 will be transferred to the Parking Strategy Reserve and the remaining \$10 million from Yr 6 to Yr 10 will be taken up as general revenue.

Council applied and obtained approval for a 3% interest subsidy for \$10 million under Round two of the LIRS program to fund the construction of a multi storey car park in the CBD to meet the increased demands of future growth. It was envisaged that this would be delivered as five storey multi-level car park. However, council's revitalisation project may present an opportunity for an integrated development that would include provision of 400 car parking spaces, additional commercial and residential space.

Property Portfolio and Strategy

The existing property portfolio, including office spaces recently acquired at 33 Moore Street, will be managed to ensure that income is maximised whilst Council considers

whether to retain existing investment properties or redevelop them at the appropriate time.

Council continuously assesses its property portfolio with a view to identifying properties that are surplus to Council's current requirements. Opportunities for disposal and redevelopment may arise as part of this process. Ultimately the objective of the property strategy is to provide an alternate source of recurrent income to improve the financial sustainability of Council.

Review of financial assistance grants

In the 2011/2012 Federal Budget, the Government committed to conducting a review of the equity and efficiency of the current Financial Assistance Grants (FAGs) program. The Australian Local Government Association (ALGA) 2011 Budget Submission highlighted the reduction of funding for FAGs allocation, which now equates to 0.68 per cent of Commonwealth tax revenue (excluding GST) compared with more than 1 per cent in 1996. According to the ALGA, the growth in financial assistance grants has not kept pace with growth in the economy and the escalation factor and therefore financial assistance grants do not reflect the rate of cost increases faced by Councils.

This review is due to be completed in 2013. In the interim, the general purpose financial assistance grant has been forecast to grow conservatively by 2.14 per cent annually in the Long Term Financial Plan.

Long term financial planning actions

Based on the analysis of Council's current financial position and the presenting opportunities and barriers, a number of actions to support long term financial planning have been developed within the framework of *Growing Liverpool 2023*. These will be included in Council's Delivery Program and Operational Plan to ensure ongoing implementation, monitoring and reporting.

Key objective

The community is supported by a well-managed and responsive Council

Key strategy

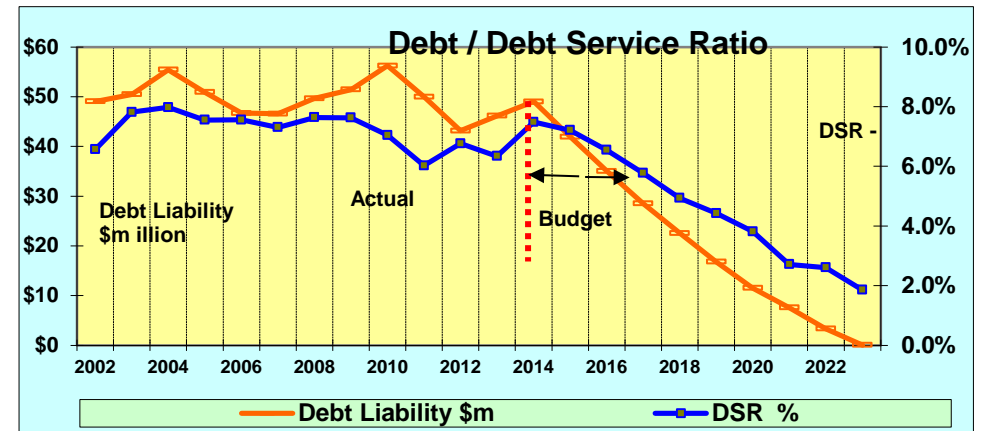
Develop, implement and regularly review a financial strategy that balances community aspirations and willingness to pay

Key Actions

1. Conduct an annual review of the Debt Management Policy in line with Council's financial strategies and current legislative changes

Council's objective is to maintain the debt service ratio below the industry benchmark of 10 per cent. For the past five financial years Council's debt service ratio has been between 7 to 8 per cent. It is expected to drop significantly as loans within Council's portfolio reach their maturity dates, as shown in the

table below. This forecast provides some scope for further borrowing if necessary whilst still maintaining a debt service ratio that is below the industry benchmark. The Financial Services unit will conduct an annual review of Council's borrowing strategy and prepare forecasts for proposed loan funding as required.



Infrastructure sinking fund

Council currently spends in the order of \$9 million per annum on debt servicing for loans that have been taken out in the past to facilitate capital improvements within the local government area. Council has resolved that, as these debts retire, the funds used to service these loans are transferred to an Infrastructure Sinking Fund for strategic allocation towards future

infrastructure needs. The first transfer to this fund occurred in 2012/2013.

2. Diversify and expand Council's income revenue stream from commercial business income

The Long Term Financial Plan forecast includes initiatives to grow and diversify Council's source of income. These include construction of multi storey car park in Liverpool Central Business District to support expected economic growth;

Council will continue to seek opportunities to increase its property investment portfolio to generate a secure future income stream from commercial rent and benefit from capital growth. The revenue from commercial leasing will be devoted exclusively to maintenance and upgrade of the building. Further, Council intends to continue growing its Property Development Fund to fund the expansion of its commercial property portfolio as opportunities arise.

3. Maximise Council's return investments

The Financial Services Management branch conducts a bi-annual review of Council's Investment Strategy in consultation with its investment advisor. Council's investment objective is to optimise interest income within acceptable risk parameters whilst ensuring the security of these funds. This can be achieved whilst complying with relevant legislation by investing in Australian Cash and Fixed Interest Securities.

4. Maintain the building and infrastructure renewal ratio of 100%

This ratio indicates the rate at which building and infrastructure assets are being renewed against the rate at which they are depreciating. Council's objective is to maintain a ratio of 100 per cent and to maintain an asset condition rating of "2" to "3" (good to average) across all infrastructure assets.

5. Review debt recovery procedures in consultation with Managers

The Financial Services unit will conduct an annual review of the debt recovery procedures with various managers, ensuring that they are applied consistently to reduce the risk of incurring bad debts.

6. Develop and implement a system to forecast required staffing levels to correspond with growth or required changes to service levels in partnership with Workforce Management

The expected population growth will impact on the level of service and infrastructure that Council provides and therefore the size of its workforce. Current projections indicate an additional 84 employees by 2023. A system that reviews the current service levels across all Council functional areas requiring expansion as a result of growth will need to be developed and applied consistently across Council. This will be undertaken in partnership with the Workforce Management unit.

7. Monitor changes to the asset management plan as new assets and capital projects emerge, and regularly update the long term financial plan model

Changes that occur in the Asset Management Plan have a significant impact on the Long Term Financial Plan and long term financial projections. As infrastructure opportunities and priorities change, the Long Term Financial Plan model will be updated to ensure a consistent approach to asset management and financial planning.

8. Undertake community engagement to ascertain community aspirations and willingness to pay

It is important that the community have an understanding of the levels of service provided by Council in line with their aspirations and the financial implications. Community engagement through various methods will assist in informing the community about these factors and assessing their willingness to pay for an agreed level of service. This information will assist in Council understanding the community's perspective on strategies to meet any funding gaps.

9. Review levels of service delivery across Council and examine opportunities for sustainable efficiency gains

Opportunities to achieve efficiency and productivity improvements are constantly being reviewed. Efficiency

and productivity gains that are achieved by Council need to be sustainable rather than short term efficiency measures. A systematic review of service levels will be investigated across all departments.

Long term financial plan assumptions

Assumption/Variab le	Calculation Basis	Scenario 1 Keep existing rate variation and maintain current services	Scenario 2 Lose existing rate variation reduce services	Scenario 3 Increase services to the community	Areas Effected
Rate Revenue	IPART annual rate increase of 3% +11,500 new lots	Continuation of existing Special Rate Variation (SRV) + IPART annual rate increase of 3% + 11,500 lots to be released in the next 10 years in new release areas	Last year for existing Special Rate Variation (SRV) in 2013/14 IPART annual rate increase of 3% + 11,500 lots to be released in the next 10 years in new release areas	Continuation of existing Special Rate Variation (SRV) + additional 2.5% SRV for year 2 and year 3 only + IPART annual rate increase of 3% + 11,500 lots to be released in the next 10 years in new release areas	Ordinary Rates
Domestic Waste Charge	Cost Recovery	3%	3%	3%	Domestic Waste Charge
Investment Revenue	4% annually	Applied 4.7% return to an estimated investment holding of \$90m for 2013/2014. From Yr 2 to Yr 10 applied an annual 4% return to closing balance of investment	Applied 4.7% return to an estimated investment holding of \$90m for 2013/2014. From Yr 2 to Yr 10 applied an annual 4% return to closing balance of investment	Applied 4.7% return to an estimated investment holding of \$90m for 2013/2014. From Yr 2 to Yr 10 applied an annual 4% return to closing balance of investment	Investment Portfolio
Financial Assistance Grant (FAG)	Average increase for the past five years	2.14% annual increase	2.14% annual increase	2.14% annual increase	General Purpose Grants
Developers Contributions (S94)	Estimates from Strategic Planning branch	Based on estimates/forecast from Strategic Planning branch for the next 10 years	Based on estimates/forecast from Strategic Planning branch for	Based on estimates/forecast from Strategic Planning branch for the next 10	S94 contributions income

Assumption/Variab le	Calculation Basis	Scenario 1 Keep existing rate variation and maintain current services	Scenario 2 Lose existing rate variation reduce services	Scenario 3 Increase services to the community	Areas Effected
			the next 10 years	years	
Fees & Charges	% increase	3% annually	3% annually	3% annually	Planning & Building and other Regulatory Charges
Other Operating Revenues	% increase	3% annually	3% annually	3% annually	Fines, Rental Income, sales of recycling materials, road restorations
Employee Costs - Salaries	% increase from Local Government State Award	3.25%	3.25% annually	3.25% annually	All Staff costs excluding Superannuation
Materials & Contracts Roads	Roads & Bridges - upper RBA target inflation rate	3%	3%	3%	Materials and Contracts asphalt, concrete and road base
Materials & Contracts Other	Roads & Bridges - upper RBA target inflation rate	3%	3%	3%	Building Materials, Fuels & Oil, Tipping Fees and Garbage disposal costs
Superannuation Costs	% increase from Superannuation Guarantee Charge (SGC)	9.25% gross salary for 2013 and 2014 then an extra 0.5% from 22015 onwards to cap at 12% in 2019-2020	9.25% gross salary for 2013 and 2014 then an extra 0.5% from 22015 onwards to cap at 12% in 2019-2020	9.25% gross salary for 2013 and 2014 then an extra 0.5% from 22015 onwards to cap at 12% in 2019-2020	Superannuation Guarantee costs
Electricity	% increase	4% from year 2 to 10	4% from year 2 to 10	4% from year 2 to 10	Electricity Building and Street Lighting
Interest & repayment of principal on	Various as per repayment schedule	Various as per repayment schedule for each loan in loan portfolio	Various as per repayment schedule for each loan in loan portfolio	Various as per repayment schedule for each loan in loan portfolio	Income statement and Balance sheet

Assumption/Variab le	Calculation Basis	Scenario 1 Keep existing rate variation and maintain current services	Scenario 2 Lose existing rate variation reduce services	Scenario 3 Increase services to the community	Areas Effected
current loans					
Depreciation Expense	Flat rate of 3% every year	3%	3%	3%	Income statement and Balance sheet for depreciable assets
Insurances - Motor Vehicle	CPI	3%	3%	3%	Insurances - Motor Vehicle
Insurances - Industrial Special Risk (ISR)	CPI	3%	3%	3%	Insurances - Industrial Special Risk (ISR)
Insurances - Public Liability	CPI	3%	3%	3%	Insurances - Public Liability
Other expenses	CPI	3%	3%	3%	Advertising, Subscriptions & Publications, Telephone & Communications, water rates

Option 1 - Keep existing rate variation and maintain current services

Liverpool City Council											
10 Year Financial Plan for the Years ending 30 June 2023											
Scenario 1 : Keep existing rate variation and maintain current services											
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
	<i>Original Budget</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	TOTAL
Rates & Annual Charges	(101,293,363)	(105,713,677)	(110,428,309)	(115,358,293)	(121,812,648)	(127,347,831)	(133,130,131)	(139,324,900)	(145,956,255)	(152,881,129)	(1,253,246,537)
User Charges & Fees	(10,513,420)	(11,335,873)	(11,738,549)	(12,157,725)	(12,514,687)	(12,890,128)	(13,276,831)	(13,675,136)	(14,085,391)	(14,507,952)	(126,695,693)
Interest & Investment Revenue	(4,695,124)	(3,471,894)	(2,476,948)	(2,757,067)	(4,526,544)	(5,260,298)	(6,134,892)	(5,968,259)	(4,339,886)	(3,156,634)	(42,787,547)
Grants & Contributions	(35,659,887)	(46,354,625)	(43,048,530)	(50,934,213)	(37,679,112)	(35,786,837)	(29,582,120)	(18,166,453)	(21,858,114)	(22,116,429)	(341,186,320)
Other Operating Revenues	(9,897,679)	(10,194,609)	(10,773,027)	(11,489,277)	(11,833,955)	(11,728,415)	(11,569,891)	(11,962,115)	(12,320,977)	(12,690,606)	(114,460,551)
Total Revenue	(162,059,473)	(177,070,678)	(178,465,363)	(192,696,576)	(188,366,946)	(193,013,509)	(193,693,866)	(189,096,863)	(198,560,622)	(205,352,750)	(1,878,376,647)
Employee Costs	57,943,242	59,930,339	61,799,742	63,733,410	66,790,525	69,170,873	71,354,892	73,715,649	75,862,198	78,266,856	678,567,726
Materials & Contracts	45,562,176	47,630,632	50,365,540	53,537,977	55,492,162	57,428,606	59,644,155	62,362,885	64,610,756	67,171,648	563,806,536
Depreciation	32,199,073	32,684,322	33,023,156	33,512,181	34,603,418	34,657,231	34,735,187	35,587,351	36,209,817	36,972,706	344,184,443
Borrowing Costs	2,917,747	2,452,148	2,065,773	1,697,349	1,353,783	1,073,010	814,865	577,694	317,556	80,590	13,350,515
Other Operating Expenses	11,725,827	12,119,832	12,483,427	13,535,529	12,815,870	13,276,537	13,754,860	15,051,565	14,767,404	15,306,210	134,837,059
Total Expenses	150,348,065	154,817,273	159,737,637	166,016,446	171,055,758	175,606,256	180,303,960	187,295,144	191,767,730	197,798,010	1,734,746,279
Net (Surplus) / Deficit Before Adjustment	(11,711,408)	(22,253,405)	(18,727,727)	(26,680,130)	(17,311,189)	(17,407,253)	(13,389,906)	(1,801,719)	(6,792,892)	(7,554,740)	(143,630,367)
Funding Reconciliation											
Less: Depreciation	(32,199,073)	(32,684,322)	(33,023,156)	(33,512,181)	(34,603,418)	(34,657,231)	(34,735,187)	(35,587,351)	(36,209,817)	(36,972,706)	(344,184,443)
Less: Reserve Funding of Operations	(22,523,443)	(22,914,348)	(23,896,507)	(25,485,263)	(25,935,634)	(26,986,308)	(28,209,092)	(30,316,071)	(30,514,535)	(31,967,192)	(268,748,394)
Add: Transfer to Reserve	5,765,452	5,960,223	5,969,800	5,569,522	6,319,375	6,409,066	6,651,661	6,231,971	6,162,866	7,189,393	62,229,329
Add: Restricted Funds	47,286,248	57,713,183	54,336,679	63,354,551	53,919,201	53,442,813	49,172,266	38,605,828	42,531,431	43,385,502	503,747,703
Total funding reconciliation	(1,670,817)	8,074,737	3,386,816	9,926,628	(300,477)	(1,791,660)	(7,120,353)	(21,065,623)	(18,030,055)	(18,365,003)	(46,955,806)
Operating funds available to finance capital works	(13,382,224)	(14,178,668)	(15,340,910)	(16,753,502)	(17,611,666)	(19,198,913)	(20,510,259)	(22,867,341)	(24,822,947)	(25,919,743)	(190,586,173)
Capital Budget											
Capital expenditure program	58,879,529	73,729,434	49,063,877	32,755,428	46,783,905	45,011,036	63,339,303	82,240,981	68,761,692	67,096,790	587,661,976
Loan principal	7,557,908	7,142,262	6,982,638	6,858,787	6,004,942	5,786,700	5,331,589	3,968,760	4,228,898	2,667,767	56,530,251
Total Capital Expenditure	66,437,437	80,871,696	56,046,515	39,614,215	52,788,847	50,797,736	68,670,892	86,209,741	72,990,590	69,764,557	644,192,227
Capital Funding											
Funded Loan Repayments											
Infrastructure Sinking Fund (LIRS repayment)	(1,532,584)	(1,618,778)	(1,709,823)	(1,805,994)	(1,907,579)	(2,014,882)	(2,128,226)	(2,247,953)	(2,374,420)	(1,881,574)	(19,221,813)
S94 (Edmondson Park - interest free loan)	(900,000)	(1,000,000)	(1,100,000)	(1,200,000)	(1,400,000)	(1,500,000)	(1,600,000)	0	0	0	(8,700,000)
Total funded loan repayments	(2,432,584)	(2,618,778)	(2,809,823)	(3,005,994)	(3,307,579)	(3,514,882)	(3,728,226)	(2,247,953)	(2,374,420)	(1,881,574)	(27,921,813)
Capital Works Funding											
Section 94	(28,966,310)	(44,729,117)	(21,595,628)	(13,520,964)	(12,931,391)	(8,567,254)	(19,783,602)	(33,129,720)	(28,979,773)	(25,529,857)	(237,733,616)
Town Improvement Fund	0	0	0	0	0	0	0	0	0	0	0
Other restricted reserves	(9,793,394)	(10,835,795)	(6,488,280)	(2,129,480)	(2,253,909)	(2,672,182)	(2,750,412)	(2,850,028)	(2,657,499)	(2,369,722)	(44,800,701)
General reserves	(4,179,435)	(807,000)	(2,254,000)	(863,000)	(2,128,829)	(685,681)	(888,542)	(789,177)	(796,406)	(803,817)	(14,195,887)
Grants and contributions	(6,820,790)	(6,868,638)	(6,656,874)	(2,436,775)	(13,744,473)	(15,286,225)	(20,183,351)	(23,527,921)	(12,544,945)	(12,544,945)	(120,614,937)
Income from sale of assets	(862,700)	(833,700)	(901,000)	(904,500)	(811,000)	(872,600)	(826,500)	(797,600)	(814,600)	(714,900)	(8,339,100)
Total capital works funding	(50,622,629)	(64,074,250)	(37,895,782)	(19,854,719)	(31,869,602)	(28,083,942)	(44,432,407)	(61,094,446)	(45,793,223)	(41,963,241)	(425,684,241)
Total Capital funding	(53,055,213)	(66,693,028)	(40,705,605)	(22,860,713)	(35,177,181)	(31,598,824)	(48,160,633)	(63,342,399)	(48,167,643)	(43,844,815)	(453,606,054)
Capital funding result	13,382,224	14,178,668	15,340,910	16,753,502	17,611,666	19,198,912	20,510,259	22,867,342	24,822,947	25,919,743	190,586,174
Funding Result (Surplus) / Deficit	(0)	(0)	(0)	0	1	(1)	0	0	0	(0)	0

Liverpool City Council												
10 Year Financial Plan for the Years ending 30 June 2023												
BALANCE SHEET - GENERAL FUND												
Scenario 1: Keep existing rate variation and maintain current services	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	102,392,000	73,683,404	71,200,158	55,903,030	62,023,431	88,645,870	104,882,116	125,367,238	129,366,325	108,970,238	95,993,987	87,842,992
Investments	2,009,000	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982
Receivables	13,474,000	14,990,592	15,104,296	15,575,645	16,277,124	17,467,624	18,325,157	19,011,606	19,383,457	19,541,121	19,859,805	20,386,211
Inventories	59,000	74,774	71,414	74,656	78,942	83,915	86,978	90,013	93,486	97,747	101,270	105,284
Other	117,000	305,730	295,073	307,756	323,716	345,475	351,833	364,180	378,056	398,738	408,852	424,818
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	118,051,000	96,117,481	93,733,923	78,924,069	85,766,195	113,605,865	130,709,065	151,896,019	156,284,304	136,070,825	123,426,896	115,822,287
Non-Current Assets												
Investments	11,435,000	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018
Receivables	307,000	192,374	201,006	209,777	219,133	228,916	241,724	252,708	264,182	276,475	289,634	303,376
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,746,385,000	1,788,729,386	1,811,905,106	1,849,388,240	1,861,556,865	1,856,821,523	1,865,017,015	1,871,221,070	1,895,615,028	1,937,977,432	1,966,107,538	1,991,792,319
Investments Accounted for using the equity method	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000
Investment Property	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000
Intangible Assets	449,000	312,362	161,557	6,228	0	0	0	0	0	0	0	0
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,772,937,000	1,809,976,140	1,833,009,687	1,870,346,264	1,882,518,016	1,877,792,458	1,886,000,758	1,892,215,797	1,916,621,229	1,958,995,925	1,987,139,191	2,012,837,714
TOTAL ASSETS	1,890,988,000	1,906,093,621	1,926,743,610	1,949,270,333	1,968,284,211	1,991,398,323	2,016,709,823	2,044,111,816	2,072,905,534	2,095,066,751	2,110,566,086	2,128,660,000
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	15,663,000	17,006,178	16,681,877	17,228,818	17,840,735	18,696,728	18,957,508	19,452,723	20,004,773	20,805,111	21,195,508	21,857,504
Borrowings	6,468,000	6,791,710	7,142,262	6,982,638	6,858,787	6,004,942	5,786,700	5,331,589	3,968,760	3,767,324	(461,574)	(3,129,341)
Provisions	13,495,000	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	35,626,000	37,486,118	37,512,369	37,899,687	38,387,752	38,389,901	38,432,439	38,472,542	37,661,763	38,260,665	34,422,164	32,416,393
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	33,820,000	36,609,200	38,700,740	31,718,102	24,859,315	18,854,373	13,067,673	7,736,084	3,767,324	-	-	-
Provisions	3,155,000	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	36,975,000	39,570,970	41,662,510	34,679,872	27,821,085	21,816,143	16,029,443	10,697,854	6,729,094	2,961,770	2,961,770	2,961,770
TOTAL LIABILITIES	72,601,000	77,057,088	79,174,879	72,579,558	66,208,837	60,206,043	54,461,881	49,170,396	44,390,857	41,222,435	37,383,934	35,378,163
Net Assets	1,818,387,000	1,829,036,534	1,847,568,731	1,876,690,774	1,902,075,375	1,931,192,280	1,962,247,942	1,994,941,419	2,028,514,676	2,053,844,316	2,073,182,152	2,093,281,837
EQUITY												
Retained Earnings	1,113,420,000	1,124,069,534	1,142,601,731	1,171,723,774	1,197,108,375	1,226,225,280	1,257,280,942	1,289,974,419	1,323,547,676	1,348,877,316	1,368,215,152	1,388,314,837
Revaluation Reserves	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000
Council Equity Interest	1,818,387,000	1,829,036,534	1,847,568,731	1,876,690,774	1,902,075,375	1,931,192,280	1,962,247,942	1,994,941,419	2,028,514,676	2,053,844,316	2,073,182,152	2,093,281,837
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,818,387,000	1,829,036,534	1,847,568,731	1,876,690,774	1,902,075,375	1,931,192,280	1,962,247,942	1,994,941,419	2,028,514,676	2,053,844,316	2,073,182,152	2,093,281,837

Liverpool City Council												
10 Year Financial Plan for the Years ending 30 June 2023												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario 1: Keep existing rate variation and maintain current services	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	92,414,000	96,783,397	101,068,784	105,485,458	110,184,895	115,103,760	121,479,412	127,062,051	132,831,593	139,005,067	145,613,880	152,523,600
User Charges & Fees	9,881,000	11,294,253	10,577,127	11,223,779	11,683,668	12,100,595	12,466,036	12,838,958	13,224,127	13,620,851	14,029,476	14,450,361
Interest & Investment Revenue Received	7,581,000	6,562,207	4,741,372	3,712,051	2,345,836	2,264,237	4,221,731	4,882,966	6,045,412	6,299,140	4,533,386	3,264,185
Grants & Contributions	41,677,000	33,797,113	42,480,677	53,223,263	49,705,404	53,370,988	51,423,585	51,073,062	49,765,471	41,694,374	34,403,059	34,661,374
Bonds & Deposits Received	576,000	-	-	-	-	-	-	-	-	-	-	-
Other	28,648,000	7,398,246	9,955,918	9,886,722	10,500,279	11,117,813	11,673,411	11,770,320	11,648,393	11,830,175	12,195,695	12,493,229
Payments:												
Employee Benefits & On-Costs	(48,388,000)	(54,556,841)	(57,943,242)	(59,930,339)	(61,799,742)	(63,733,410)	(66,790,525)	(69,170,873)	(71,354,892)	(73,715,649)	(75,862,198)	(78,266,856)
Materials & Contracts	(46,093,000)	(46,665,667)	(45,949,860)	(47,138,211)	(49,749,813)	(52,700,885)	(55,235,749)	(56,946,702)	(59,105,562)	(61,563,665)	(64,215,946)	(66,552,327)
Borrowing Costs	(2,625,000)	(2,140,352)	(2,906,299)	(2,485,631)	(2,098,507)	(1,729,503)	(1,381,934)	(1,100,138)	(839,859)	(596,299)	(337,381)	(93,096)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(11,079,000)	(11,650,656)	(11,725,827)	(12,119,832)	(12,483,427)	(13,535,529)	(12,815,870)	(13,276,537)	(13,754,860)	(15,051,565)	(14,767,404)	(15,306,210)
Net Cash provided (or used in) Operating Activities	72,592,000	40,821,700	50,298,652	61,857,260	58,288,591	62,258,066	65,040,098	67,133,108	68,459,822	61,522,428	55,592,570	57,174,260
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	100,804,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,051,000	1,240,000	862,700	833,700	901,000	904,500	811,000	872,600	826,500	797,600	814,600	714,900
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(103,224,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	(10,270,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(46,540,000)	(73,883,207)	(56,086,689)	(70,845,826)	(46,086,552)	(29,681,340)	(43,609,910)	(41,733,886)	(59,955,646)	(78,747,354)	(65,154,523)	(63,372,388)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(58,179,000)	(72,643,207)	(55,223,989)	(70,012,126)	(45,185,552)	(28,776,840)	(42,798,910)	(40,861,286)	(59,129,146)	(77,949,754)	(64,339,923)	(62,657,488)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	9,590,000	10,000,000	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(6,830,000)	(6,477,090)	(7,557,908)	(7,142,262)	(6,982,638)	(6,858,787)	(6,004,942)	(5,786,700)	(5,331,589)	(3,968,760)	(4,228,898)	(2,667,767)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(6,830,000)	3,112,910	2,442,092	(7,142,262)	(6,982,638)	(6,858,787)	(6,004,942)	(5,786,700)	(5,331,589)	(3,968,760)	(4,228,898)	(2,667,767)
Net Increase/(Decrease) in Cash & Cash Equivalents	7,583,000	(28,708,596)	(2,483,245)	(15,297,128)	6,120,401	26,622,439	16,236,246	20,485,122	3,999,087	(20,396,087)	(12,976,251)	(8,150,995)
plus: Cash, Cash Equivalents & Investments - beginning of year	94,809,000	102,392,000	73,683,404	71,200,158	55,903,030	62,023,431	88,645,870	104,882,116	125,367,238	129,366,325	108,970,238	95,993,987
Cash & Cash Equivalents - end of the year	102,392,000	73,683,404	71,200,158	55,903,030	62,023,431	88,645,870	104,882,116	125,367,238	129,366,325	108,970,238	95,993,987	87,842,992
Cash & Cash Equivalents - end of the year	102,392,000	73,683,404	71,200,158	55,903,030	62,023,431	88,645,870	104,882,116	125,367,238	129,366,325	108,970,238	95,993,987	87,842,992
Investments - end of the year	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000
Cash, Cash Equivalents & Investments - end of the year	115,836,000	87,127,404	84,644,158	69,347,030	75,467,431	102,089,870	118,326,116	138,811,238	142,810,325	122,414,238	109,437,987	101,286,992
Representing:												
- External Restrictions	97,225,857	65,998,229	62,486,489	41,743,509	44,010,250	66,593,839	78,498,328	92,690,726	89,962,363	63,479,880	44,229,843	28,080,461
- Internal Restrictions	24,457,631	16,481,388	15,149,661	17,661,010	18,656,510	19,992,293	21,769,038	25,002,212	28,194,628	30,181,961	32,803,661	36,975,777
- Unrestricted	(5,847,488)	4,647,787	7,008,008	9,942,511	12,800,671	15,503,738	18,058,750	21,118,299	24,853,334	28,752,397	32,404,483	36,230,754
	115,836,000	87,127,404	84,644,158	69,347,030	75,467,431	102,089,870	118,326,116	138,811,238	142,810,325	122,414,238	109,437,987	101,286,992

Option 2 – Lose existing rate variation and reduce services

Liverpool City Council											
10 Year Financial Plan for the Years ending 30 June 2023											
Scenario 2: Lose existing rate variation and reduce services											
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
	Original Budget	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	TOTAL
Rates & Annual Charges	(101,293,363)	(99,378,452)	(103,890,358)	(108,611,127)	(114,634,267)	(119,954,102)	(125,514,588)	(131,480,892)	(137,876,926)	(144,559,420)	(1,187,193,496)
User Charges & Fees	(10,513,420)	(11,335,873)	(11,738,549)	(12,157,725)	(12,514,687)	(12,890,128)	(13,276,831)	(13,675,136)	(14,085,391)	(14,507,952)	(126,695,693)
Interest & Investment Revenue	(4,695,124)	(3,471,894)	(2,476,948)	(2,757,067)	(4,526,544)	(5,260,298)	(6,134,892)	(5,968,259)	(4,339,886)	(3,156,634)	(42,787,547)
Grants & Contributions	(35,659,887)	(46,354,625)	(43,048,530)	(50,934,213)	(37,679,112)	(35,786,837)	(29,582,120)	(18,166,453)	(21,858,114)	(22,116,429)	(341,186,320)
Other Operating Revenues	(9,897,679)	(10,194,609)	(10,773,027)	(11,489,277)	(11,833,955)	(11,728,415)	(11,569,891)	(11,962,115)	(12,320,977)	(12,690,606)	(114,460,551)
Total Revenue	(162,059,473)	(170,735,453)	(171,927,412)	(185,949,410)	(181,188,565)	(185,619,780)	(186,078,323)	(181,252,855)	(190,481,293)	(197,031,041)	(1,812,323,606)
Employee Costs	57,943,242	59,930,339	61,799,742	63,733,410	66,790,525	69,170,873	71,354,892	73,715,649	75,862,198	78,266,856	678,567,726
Materials & Contracts	45,562,176	47,630,632	50,365,540	53,537,977	55,492,162	57,428,606	59,644,155	62,362,885	64,610,756	67,171,648	563,806,536
Depreciation	32,199,073	32,684,322	33,023,156	33,512,181	34,603,418	34,657,231	34,735,187	35,587,351	36,209,817	36,972,706	344,184,443
Borrowing Costs	2,917,747	2,452,148	2,065,773	1,697,349	1,353,783	1,073,010	814,865	577,694	317,556	80,590	13,350,515
Other Operating Expenses	11,725,827	12,119,832	12,483,427	13,535,529	12,815,870	13,276,537	13,754,860	15,051,565	14,767,404	15,306,210	134,837,059
Total Expenses	150,348,065	154,817,273	159,737,637	166,016,446	171,055,758	175,606,256	180,303,960	187,295,144	191,767,730	197,798,010	1,734,746,279
Net (Surplus) / Deficit Before Adjustment	(11,711,408)	(15,918,180)	(12,189,776)	(19,932,964)	(10,132,808)	(10,013,524)	(5,774,363)	6,042,289	1,286,437	766,969	(77,577,326)
Funding Reconciliation											
Less: Depreciation	(32,199,073)	(32,684,322)	(33,023,156)	(33,512,181)	(34,603,418)	(34,657,231)	(34,735,187)	(35,587,351)	(36,209,817)	(36,972,706)	(344,184,443)
Less: Reserve Funding of Operations	(22,523,443)	(22,914,348)	(23,896,507)	(25,485,263)	(25,935,634)	(26,986,308)	(28,209,092)	(30,316,071)	(30,514,535)	(31,967,192)	(268,748,394)
Add: Transfer to Reserve	5,765,452	5,960,223	5,969,800	5,569,522	6,319,375	6,409,066	6,651,661	6,231,971	6,162,866	7,189,393	62,229,329
Add: Restricted Funds	47,286,248	57,713,183	54,336,679	63,354,551	53,919,201	53,442,813	49,172,266	38,605,828	42,531,431	43,385,502	503,747,703
Total funding reconciliation	(1,670,817)	8,074,737	3,386,816	9,926,628	(300,477)	(1,791,660)	(7,120,353)	(21,065,623)	(18,030,055)	(18,365,003)	(46,955,806)
Operating funds available to finance capital works	(13,382,224)	(7,843,443)	(8,802,959)	(10,006,336)	(10,433,285)	(11,805,184)	(12,894,716)	(15,023,333)	(16,743,618)	(17,598,034)	(124,533,132)
Capital Budget											
Capital expenditure program	58,879,529	73,729,434	49,063,877	32,755,428	46,783,905	45,011,036	63,339,303	82,240,981	68,761,692	67,096,790	587,661,976
Loan principal	7,557,908	7,142,262	6,982,638	6,858,787	6,004,942	5,786,700	5,331,589	3,968,760	4,228,898	2,667,767	56,530,251
Total Capital Expenditure	66,437,437	80,871,696	56,046,515	39,614,215	52,788,847	50,797,736	68,670,892	86,209,741	72,990,590	69,764,557	644,192,227
Capital Funding											
Funded Loan Repayments											
Infrastructure Sinking Fund (LIRS repayment)	(1,532,584)	(1,618,778)	(1,709,823)	(1,805,994)	(1,907,579)	(2,014,882)	(2,128,226)	(2,247,953)	(2,374,420)	(1,881,574)	(19,221,813)
S94 (Edmondson Park - interest free loan)	(900,000)	(1,000,000)	(1,100,000)	(1,200,000)	(1,400,000)	(1,500,000)	(1,600,000)	0	0	0	(8,700,000)
Total funded loan repayments	(2,432,584)	(2,618,778)	(2,809,823)	(3,005,994)	(3,307,579)	(3,514,882)	(3,728,226)	(2,247,953)	(2,374,420)	(1,881,574)	(27,921,813)
Capital Works Funding											
Section 94	(28,966,310)	(44,729,117)	(21,595,628)	(13,520,964)	(12,931,391)	(8,567,254)	(19,783,602)	(33,129,720)	(28,979,773)	(25,529,857)	(237,733,616)
Town Improvement Fund	0	0	0	0	0	0	0	0	0	0	0
Other restricted reserves	(9,793,394)	(10,835,795)	(6,488,280)	(2,129,480)	(2,253,909)	(2,672,182)	(2,750,412)	(2,850,028)	(2,657,499)	(2,369,722)	(44,800,701)
General reserves	(4,179,435)	(807,000)	(2,254,000)	(863,000)	(2,128,829)	(685,681)	(888,542)	(789,177)	(796,406)	(803,817)	(14,195,887)
Grants and contributions	(6,820,790)	(6,868,638)	(6,656,874)	(2,436,775)	(13,744,473)	(15,286,225)	(20,183,351)	(23,527,921)	(12,544,945)	(12,544,945)	(120,614,937)
Income from sale of assets	(862,700)	(833,700)	(901,000)	(904,500)	(811,000)	(872,600)	(826,500)	(797,600)	(814,600)	(714,900)	(8,339,100)
Total capital works funding	(50,622,629)	(64,074,250)	(37,895,782)	(19,854,719)	(31,869,602)	(28,083,942)	(44,432,407)	(61,094,446)	(45,793,223)	(41,963,241)	(425,684,241)
Total Capital funding	(53,055,213)	(66,693,028)	(40,705,605)	(22,860,713)	(35,177,181)	(31,598,824)	(48,160,633)	(63,342,399)	(48,167,643)	(43,844,815)	(453,606,054)
Capital funding result	13,382,224	14,178,668	15,340,910	16,753,502	17,611,666	19,198,912	20,510,259	22,867,342	24,822,947	25,919,743	190,586,174
Funding Result (Surplus) / Deficit	(0)	6,335,225	6,537,951	6,747,166	7,178,382	7,393,728	7,615,543	7,844,008	8,079,329	8,321,709	66,053,041

Liverpool City Council												
10 Year Financial Plan for the Years ending 30 June 2023												
BALANCE SHEET - GENERAL FUND												
Scenario 2: Lose existing rate variation and reduce services	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	102,392,000	73,683,404	71,200,158	50,005,382	49,703,835	69,705,140	78,907,832	92,136,291	88,661,242	60,566,793	39,661,227	23,343,038
Investments	2,009,000	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982
Receivables	13,474,000	14,990,592	15,104,296	15,122,677	15,707,661	16,771,620	17,483,278	18,032,138	18,262,043	18,273,507	18,441,605	18,812,907
Inventories	59,000	74,774	71,414	74,656	78,942	83,915	86,978	90,013	93,486	97,747	101,270	105,284
Other	117,000	305,730	295,073	307,756	323,716	345,475	351,833	364,180	378,056	398,738	408,852	424,818
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	118,051,000	96,117,481	93,733,923	72,573,453	72,877,136	93,969,132	103,892,903	117,685,605	114,457,808	86,399,766	65,675,936	49,749,029
Non-Current Assets												
Investments	11,435,000	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018
Receivables	307,000	192,374	201,006	197,206	206,159	215,527	227,479	238,036	249,070	260,910	273,602	286,863
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,746,385,000	1,788,729,386	1,811,905,106	1,849,388,240	1,861,556,865	1,856,821,523	1,865,017,015	1,871,221,070	1,895,615,028	1,937,977,432	1,966,107,538	1,991,792,319
Investments Accounted for using the equity method	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000
Investment Property	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000
Intangible Assets	449,000	312,362	161,557	6,228	0	0	0	0	0	0	0	0
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,772,937,000	1,809,976,140	1,833,009,687	1,870,333,692	1,882,505,042	1,877,779,069	1,885,986,513	1,892,201,125	1,916,606,117	1,958,980,360	1,987,123,158	2,012,821,200
TOTAL ASSETS	1,890,988,000	1,906,093,621	1,926,743,610	1,942,907,145	1,955,382,178	1,971,748,201	1,989,879,416	2,009,886,729	2,031,063,925	2,045,380,126	2,052,799,094	2,062,570,229
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	15,663,000	17,006,178	16,681,877	17,200,856	17,811,877	18,666,948	18,925,825	19,420,089	19,971,160	20,770,489	21,159,847	21,820,774
Borrowings	6,468,000	6,791,710	7,142,262	6,982,638	6,858,787	6,004,942	5,786,700	5,331,589	3,968,760	3,767,324	(461,574)	(3,129,341)
Provisions	13,495,000	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	35,626,000	37,486,118	37,512,369	37,871,724	38,358,894	38,360,120	38,400,755	38,439,908	37,628,150	38,226,043	34,386,503	32,379,663
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	33,820,000	36,609,200	38,700,740	31,718,102	24,859,315	18,854,373	13,067,673	7,736,084	3,767,324	-	-	-
Provisions	3,155,000	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	36,975,000	39,570,970	41,662,510	34,679,872	27,821,085	21,816,143	16,029,443	10,697,854	6,729,094	2,961,770	2,961,770	2,961,770
TOTAL LIABILITIES	72,601,000	77,057,088	79,174,879	72,551,596	66,179,979	60,176,263	54,430,198	49,137,762	44,357,244	41,187,813	37,348,273	35,341,433
Net Assets	1,818,387,000	1,829,036,534	1,847,568,731	1,870,355,549	1,889,202,199	1,911,571,938	1,935,449,219	1,960,748,967	1,986,706,681	2,004,192,313	2,015,450,820	2,027,228,796
EQUITY												
Retained Earnings	1,113,420,000	1,124,069,534	1,142,601,731	1,165,388,549	1,184,235,199	1,206,604,938	1,230,482,219	1,255,781,967	1,281,739,681	1,299,225,313	1,310,483,820	1,322,261,796
Revaluation Reserves	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000
Council Equity Interest	1,818,387,000	1,829,036,534	1,847,568,731	1,870,355,549	1,889,202,199	1,911,571,938	1,935,449,219	1,960,748,967	1,986,706,681	2,004,192,313	2,015,450,820	2,027,228,796
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,818,387,000	1,829,036,534	1,847,568,731	1,870,355,549	1,889,202,199	1,911,571,938	1,935,449,219	1,960,748,967	1,986,706,681	2,004,192,313	2,015,450,820	2,027,228,796

Liverpool City Council												
10 Year Financial Plan for the Years ending 30 June 2023												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario 2: Lose existing rate variation and reduce services	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	92,414,000	96,783,397	101,068,784	99,477,318	103,657,410	108,367,396	114,323,295	119,679,441	125,227,502	131,172,854	137,546,701	144,214,405
User Charges & Fees	9,881,000	11,294,253	10,577,127	11,223,779	11,683,668	12,100,595	12,466,036	12,838,958	13,224,127	13,620,851	14,029,476	14,450,361
Interest & Investment Revenue Received	7,581,000	6,562,207	4,741,372	3,850,505	2,452,267	2,380,391	4,346,197	5,009,865	6,176,346	6,433,998	4,672,290	3,407,256
Grants & Contributions	41,677,000	33,797,113	42,480,677	53,223,263	49,705,404	53,370,988	51,423,585	51,073,062	49,765,471	41,694,374	34,403,059	34,661,374
Bonds & Deposits Received	576,000	-	-	-	-	-	-	-	-	-	-	-
Other	28,648,000	7,398,246	9,955,918	9,858,760	10,499,384	11,116,890	11,671,507	11,769,369	11,647,414	11,829,167	12,194,657	12,492,159
Payments:												
Employee Benefits & On-Costs	(48,388,000)	(54,556,841)	(57,943,242)	(59,930,339)	(61,799,742)	(63,733,410)	(66,790,525)	(69,170,873)	(71,354,892)	(73,715,649)	(75,862,198)	(78,266,856)
Materials & Contracts	(46,093,000)	(46,665,667)	(45,949,860)	(47,138,211)	(49,749,813)	(52,700,885)	(55,235,749)	(56,946,702)	(59,105,562)	(61,563,665)	(64,215,946)	(66,552,327)
Borrowing Costs	(2,625,000)	(2,140,352)	(2,906,299)	(2,485,631)	(2,098,507)	(1,729,503)	(1,381,934)	(1,100,138)	(839,859)	(596,299)	(337,381)	(93,096)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(11,079,000)	(11,650,656)	(11,725,827)	(12,119,832)	(12,483,427)	(13,535,529)	(12,815,870)	(13,276,537)	(13,754,860)	(15,051,565)	(14,767,404)	(15,306,210)
Net Cash provided (or used in) Operating Activities	72,592,000	40,821,700	50,298,652	55,959,612	51,866,643	55,636,933	58,006,543	59,876,445	60,985,686	53,824,064	47,663,255	49,007,066
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	100,804,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,051,000	1,240,000	862,700	833,700	901,000	904,500	811,000	872,600	826,500	797,600	814,600	714,900
Payments:												
Purchase of Investment Securities	(103,224,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	(10,270,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(46,540,000)	(73,883,207)	(56,086,689)	(70,845,826)	(46,086,552)	(29,681,340)	(43,609,910)	(41,733,886)	(59,955,646)	(78,747,354)	(65,154,523)	(63,372,388)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(58,179,000)	(72,643,207)	(55,223,989)	(70,012,126)	(45,185,552)	(28,776,840)	(42,798,910)	(40,861,286)	(59,129,146)	(77,949,754)	(64,339,923)	(62,657,488)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	9,590,000	10,000,000	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(6,830,000)	(6,477,090)	(7,557,908)	(7,142,262)	(6,982,638)	(6,858,787)	(6,004,942)	(5,786,700)	(5,331,589)	(3,968,760)	(4,228,898)	(2,667,767)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(6,830,000)	3,112,910	2,442,092	(7,142,262)	(6,982,638)	(6,858,787)	(6,004,942)	(5,786,700)	(5,331,589)	(3,968,760)	(4,228,898)	(2,667,767)
Net Increase/(Decrease) in Cash & Cash Equivalents	7,583,000	(28,708,596)	(2,483,245)	(21,194,776)	(301,547)	20,001,305	9,202,691	13,228,460	(3,475,049)	(28,094,450)	(20,905,566)	(16,318,189)
plus: Cash, Cash Equivalents & Investments - beginning of year	94,809,000	102,392,000	73,683,404	71,200,158	50,005,382	49,703,835	69,705,140	78,907,832	92,136,291	88,661,242	60,566,793	39,661,227
Cash & Cash Equivalents - end of the year	102,392,000	73,683,404	71,200,158	50,005,382	49,703,835	69,705,140	78,907,832	92,136,291	88,661,242	60,566,793	39,661,227	23,343,038
Cash & Cash Equivalents - end of the year	102,392,000	73,683,404	71,200,158	50,005,382	49,703,835	69,705,140	78,907,832	92,136,291	88,661,242	60,566,793	39,661,227	23,343,038
Investments - end of the year	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000
Cash, Cash Equivalents & Investments - end of the year	115,836,000	87,127,404	84,644,158	63,449,382	63,147,835	83,149,140	92,351,832	105,580,291	102,105,242	74,010,793	53,105,227	36,787,038
Representing:												
External Restrictions	97,225,857	65,998,229	62,486,489	41,743,509	44,010,250	66,593,839	78,498,328	92,690,726	89,962,363	63,479,880	44,229,843	28,080,459
- Internal Restrictions	24,457,631	16,481,388	15,149,661	17,661,010	18,656,510	19,992,293	21,769,038	25,002,212	28,194,628	30,181,961	32,803,661	36,975,777
- Unrestricted	(5,847,488)	(4,647,787)	(7,008,008)	(4,044,863)	(481,075)	(3,436,992)	(7,915,534)	(12,112,647)	(16,051,749)	(19,651,048)	(23,928,277)	(28,269,200)
	115,836,000	87,127,404	84,644,158	63,449,382	63,147,835	83,149,140	92,351,832	105,580,291	102,105,242	74,010,793	53,105,227	36,787,038

Option 3 Increased services to the community

Liverpool City Council											
10 Year Financial Plan for the Years ending 30 June 2023											
Scenario 3: Increase services to the community											
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	TOTAL
	Original Budget	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	
Rates & Annual Charges	(101,293,363)	(107,624,808)	(114,424,573)	(119,480,991)	(126,121,026)	(131,790,200)	(137,710,634)	(144,047,650)	(150,825,483)	(157,901,358)	(1,291,220,087)
User Charges & Fees	(10,513,420)	(11,335,873)	(11,738,549)	(12,157,725)	(12,514,687)	(12,890,128)	(13,276,831)	(13,675,136)	(14,085,391)	(14,507,952)	(126,695,693)
Interest & Investment Revenue	(4,695,124)	(3,471,894)	(2,476,948)	(2,757,067)	(4,526,544)	(5,260,298)	(6,134,892)	(5,968,259)	(4,339,886)	(3,156,634)	(42,787,547)
Grants & Contributions	(35,659,887)	(46,354,625)	(43,048,530)	(50,934,213)	(37,679,112)	(35,786,837)	(29,582,120)	(18,166,453)	(21,858,114)	(22,116,429)	(341,186,320)
Other Operating Revenues	(9,897,679)	(10,194,609)	(10,773,027)	(11,489,277)	(11,833,955)	(11,728,415)	(11,569,891)	(11,962,115)	(12,320,977)	(12,690,606)	(114,460,551)
Total Revenue	(162,059,473)	(178,981,809)	(182,461,627)	(196,819,274)	(192,675,324)	(197,455,878)	(198,274,369)	(193,819,613)	(203,429,850)	(210,372,979)	(1,916,350,197)
Employee Costs	57,943,242	59,930,339	61,799,742	63,733,410	66,790,525	69,170,873	71,354,892	73,715,649	75,862,198	78,266,856	678,567,726
Materials & Contracts	45,562,176	47,630,632	50,365,540	53,537,977	55,492,162	57,428,606	59,644,155	62,362,885	64,610,756	67,171,648	563,806,536
Depreciation	32,199,073	32,684,322	33,023,156	33,512,181	34,603,418	34,657,231	34,735,187	35,587,351	36,209,817	36,972,706	344,184,443
Borrowing Costs	2,917,747	2,452,148	2,065,773	1,697,349	1,353,783	1,073,010	814,865	577,694	317,556	80,590	13,350,515
Other Operating Expenses	11,725,827	12,119,832	12,483,427	13,535,529	12,815,870	13,276,537	13,754,860	15,051,565	14,767,404	15,306,210	134,837,059
Total Expenses	150,348,065	154,817,273	159,737,637	166,016,446	171,055,758	175,606,256	180,303,960	187,295,144	191,767,730	197,798,010	1,734,746,279
Net (Surplus) / Deficit Before Adjustment	(11,711,408)	(24,164,536)	(22,723,991)	(30,802,828)	(21,619,567)	(21,849,622)	(17,970,409)	(6,524,469)	(11,662,120)	(12,574,969)	(181,603,917)
Funding Reconciliation											
Less: Depreciation	(32,199,073)	(32,684,322)	(33,023,156)	(33,512,181)	(34,603,418)	(34,657,231)	(34,735,187)	(35,587,351)	(36,209,817)	(36,972,706)	(344,184,443)
Less: Reserve Funding of Operations	(22,523,443)	(22,914,348)	(23,896,507)	(25,485,263)	(25,935,634)	(26,986,308)	(28,209,092)	(30,316,071)	(30,514,535)	(31,967,192)	(268,748,394)
Add: Transfer to Reserve	5,765,452	5,960,223	5,969,800	5,569,522	6,319,375	6,409,066	6,651,661	6,231,971	6,162,866	7,189,393	62,229,329
Add: Restricted Funds	47,286,248	57,713,183	54,336,679	63,354,551	53,919,201	53,442,813	49,172,266	38,605,828	42,531,431	43,385,502	503,747,703
Total funding reconciliation	(1,670,817)	8,074,737	3,386,816	9,926,628	(300,477)	(1,791,660)	(7,120,353)	(21,065,623)	(18,030,055)	(18,365,003)	(46,955,806)
Operating funds available to finance capital works	(13,382,224)	(16,089,799)	(19,337,174)	(20,876,200)	(21,920,044)	(23,641,282)	(25,090,762)	(27,590,091)	(29,692,175)	(30,939,972)	(228,559,723)
Capital Budget											
Capital expenditure program	58,879,529	75,640,565	53,060,141	36,878,126	51,092,283	49,453,405	67,919,806	86,963,731	73,630,920	72,117,019	625,635,526
Loan principal	7,557,908	7,142,262	6,982,638	6,858,787	6,004,942	5,786,700	5,331,589	3,968,760	4,228,898	2,667,767	56,530,251
Total Capital Expenditure	66,437,437	82,782,827	60,042,779	43,736,913	57,097,225	55,240,105	73,251,395	90,932,491	77,859,818	74,784,786	682,165,777
Capital Funding											
Funded Loan Repayments											
Infrastructure Sinking Fund (LIRS repayment)	(1,532,584)	(1,618,778)	(1,709,823)	(1,805,994)	(1,907,579)	(2,014,882)	(2,128,226)	(2,247,953)	(2,374,420)	(1,881,574)	(19,221,813)
S94 (Edmondson Park - interest free loan)	(900,000)	(1,000,000)	(1,100,000)	(1,200,000)	(1,400,000)	(1,500,000)	(1,600,000)	0	0	0	(8,700,000)
Total funded loan repayments	(2,432,584)	(2,618,778)	(2,809,823)	(3,005,994)	(3,307,579)	(3,514,882)	(3,728,226)	(2,247,953)	(2,374,420)	(1,881,574)	(27,921,813)
Capital Works Funding											
Section 94	(28,966,310)	(44,729,117)	(21,595,628)	(13,520,964)	(12,931,391)	(8,567,254)	(19,783,602)	(33,129,720)	(28,979,773)	(25,529,857)	(237,733,616)
Town Improvement Fund	0	0	0	0	0	0	0	0	0	0	0
Other restricted reserves	(9,793,394)	(10,835,795)	(6,488,280)	(2,129,480)	(2,253,909)	(2,672,182)	(2,750,412)	(2,850,028)	(2,657,499)	(2,369,722)	(44,800,701)
General reserves	(4,179,435)	(807,000)	(2,254,000)	(863,000)	(2,128,829)	(685,681)	(888,542)	(789,177)	(796,406)	(803,817)	(14,195,887)
Grants and contributions	(6,820,790)	(6,868,638)	(6,656,874)	(2,436,775)	(13,744,473)	(15,286,225)	(20,183,351)	(23,527,921)	(12,544,945)	(12,544,945)	(120,614,937)
Income from sale of assets	(862,700)	(833,700)	(901,000)	(904,500)	(811,000)	(872,600)	(826,500)	(797,600)	(814,600)	(714,900)	(8,339,100)
Total capital works funding	(50,622,629)	(64,074,250)	(37,895,782)	(19,854,719)	(31,869,602)	(28,083,942)	(44,432,407)	(61,094,446)	(45,793,223)	(41,963,241)	(425,684,241)
Total Capital funding	(53,055,213)	(66,693,028)	(40,705,605)	(22,860,713)	(35,177,181)	(31,598,824)	(48,160,633)	(63,342,399)	(48,167,643)	(43,844,815)	(453,606,054)
Capital funding result	13,382,224	16,089,799	19,337,174	20,876,200	21,920,044	23,641,281	25,090,762	27,590,092	29,692,175	30,939,972	228,559,724
Funding Result (Surplus) / Deficit	(0)	(0)	(0)	0	1	(1)	0	0	0	(0)	0

Liverpool City Council												
10 Year Financial Plan for the Years ending 30 June 2023												
BALANCE SHEET - GENERAL FUND												
Scenario 3: Increase services to the community	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	102,392,000	73,683,404	71,200,158	55,804,238	61,818,716	88,436,620	104,663,355	125,141,730	129,133,804	108,730,497	95,746,810	87,588,150
Investments	2,009,000	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982	7,062,982
Receivables	13,474,000	14,990,592	15,104,296	15,679,080	16,491,548	17,686,890	18,554,384	19,247,906	19,627,105	19,792,335	20,118,810	20,653,249
Inventories	59,000	74,774	71,414	74,656	78,942	83,915	86,978	90,013	93,486	97,747	101,270	105,284
Other	117,000	305,730	295,073	307,756	323,716	345,475	351,833	364,180	378,056	398,738	408,852	424,818
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	118,051,000	96,117,481	93,733,923	78,928,712	85,775,904	113,615,881	130,719,532	151,906,811	156,295,432	136,082,299	123,438,725	115,834,483
Non-Current Assets												
Investments	11,435,000	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018	6,381,018
Receivables	307,000	192,374	201,006	213,570	227,063	237,097	250,274	261,523	273,272	285,847	299,297	313,338
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,746,385,000	1,788,729,386	1,811,905,106	1,851,299,371	1,867,464,260	1,866,851,616	1,879,355,486	1,890,001,910	1,918,976,371	1,966,061,525	1,999,060,859	2,029,765,869
Investments Accounted for using the equity method	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000	4,091,000
Investment Property	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000	10,270,000
Intangible Assets	449,000	312,362	161,557	6,228	0	0	0	0	0	0	0	0
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,772,937,000	1,809,976,140	1,833,009,687	1,872,261,187	1,888,433,341	1,887,830,732	1,900,347,778	1,911,005,452	1,939,991,662	1,987,089,390	2,020,102,174	2,050,821,226
TOTAL ASSETS	1,890,988,000	1,906,093,621	1,926,743,610	1,951,189,899	1,974,209,245	2,001,446,613	2,031,067,311	2,062,912,263	2,096,287,094	2,123,171,689	2,143,540,899	2,166,655,709
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	15,663,000	17,006,178	16,681,877	17,237,254	17,858,373	18,714,925	18,976,525	19,472,331	20,024,991	20,825,956	21,217,000	21,879,662
Borrowings	6,468,000	6,791,710	7,142,262	6,982,638	6,858,787	6,004,942	5,786,700	5,331,589	3,968,760	3,767,324	(461,574)	(3,129,341)
Provisions	13,495,000	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230	13,688,230
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	35,626,000	37,486,118	37,512,369	37,908,122	38,405,390	38,408,097	38,451,455	38,492,150	37,681,981	38,281,510	34,443,656	32,438,551
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	33,820,000	36,609,200	38,700,740	31,718,102	24,859,315	18,854,373	13,067,673	7,736,084	3,767,324	-	-	-
Provisions	3,155,000	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770	2,961,770
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	36,975,000	39,570,970	41,662,510	34,679,872	27,821,085	21,816,143	16,029,443	10,697,854	6,729,094	2,961,770	2,961,770	2,961,770
TOTAL LIABILITIES	72,601,000	77,057,088	79,174,879	72,587,994	66,226,475	60,224,240	54,480,898	49,190,004	44,411,075	41,243,280	37,405,426	35,400,321
Net Assets	1,818,387,000	1,829,036,534	1,847,568,731	1,878,601,905	1,907,982,770	1,941,222,373	1,976,586,413	2,013,722,259	2,051,876,019	2,081,928,409	2,106,135,473	2,131,255,387
EQUITY												
Retained Earnings	1,113,420,000	1,124,069,534	1,142,601,731	1,173,634,905	1,203,015,770	1,236,255,373	1,271,619,413	1,308,755,259	1,346,909,019	1,376,961,409	1,401,168,473	1,426,288,387
Revaluation Reserves	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000	704,967,000
Council Equity Interest	1,818,387,000	1,829,036,534	1,847,568,731	1,878,601,905	1,907,982,770	1,941,222,373	1,976,586,413	2,013,722,259	2,051,876,019	2,081,928,409	2,106,135,473	2,131,255,387
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,818,387,000	1,829,036,534	1,847,568,731	1,878,601,905	1,907,982,770	1,941,222,373	1,976,586,413	2,013,722,259	2,051,876,019	2,081,928,409	2,106,135,473	2,131,255,387

Liverpool City Council												
10 Year Financial Plan for the Years ending 30 June 2023												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario 3: Increase services to the community												
	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	92,414,000	96,783,397	101,068,784	107,297,918	114,073,504	119,219,930	125,778,204	131,497,502	137,404,964	143,720,472	150,475,546	157,536,033
User Charges & Fees	9,881,000	11,294,253	10,577,127	11,223,779	11,683,668	12,100,595	12,466,036	12,838,958	13,224,127	13,620,851	14,029,476	14,450,361
Interest & Investment Revenue Received	7,581,000	6,562,207	4,741,372	3,703,495	2,338,364	2,265,671	4,220,988	4,882,545	6,044,921	6,298,636	4,532,867	3,263,650
Grants & Contributions	41,677,000	33,797,113	42,480,677	53,223,263	49,705,404	53,370,988	51,423,585	51,073,062	49,765,471	41,694,374	34,403,059	34,661,374
Bonds & Deposits Received	576,000	-	-	-	-	-	-	-	-	-	-	-
Other	28,648,000	7,398,246	9,955,918	9,895,158	10,509,482	11,118,371	11,674,230	11,770,911	11,649,002	11,830,803	12,196,342	12,493,895
Payments:												
Employee Benefits & On-Costs	(48,388,000)	(54,556,841)	(57,943,242)	(59,930,339)	(61,799,742)	(63,733,410)	(66,790,525)	(69,170,873)	(71,354,892)	(73,715,649)	(75,862,198)	(78,266,856)
Materials & Contracts	(46,093,000)	(46,665,667)	(45,949,860)	(47,138,211)	(49,749,813)	(52,700,885)	(55,235,749)	(56,946,702)	(59,105,562)	(61,563,665)	(64,215,946)	(66,552,327)
Borrowing Costs	(2,625,000)	(2,140,352)	(2,906,299)	(2,485,631)	(2,098,507)	(1,729,503)	(1,381,934)	(1,100,138)	(839,859)	(596,299)	(337,381)	(93,096)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(11,079,000)	(11,650,656)	(11,725,827)	(12,119,832)	(12,483,427)	(13,535,529)	(12,815,870)	(13,276,537)	(13,754,860)	(15,051,565)	(14,767,404)	(15,306,210)
Net Cash provided (or used in) Operating Activities	72,592,000	40,821,700	50,298,652	63,669,599	62,178,932	66,376,229	69,338,966	71,568,730	73,033,312	66,237,957	60,454,362	62,186,824
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	100,804,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,051,000	1,240,000	862,700	833,700	901,000	904,500	811,000	872,600	826,500	797,600	814,600	714,900
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(103,224,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	(10,270,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(46,540,000)	(73,883,207)	(56,086,689)	(72,756,957)	(50,082,816)	(33,804,038)	(47,918,288)	(46,176,255)	(64,536,149)	(83,470,104)	(70,023,751)	(68,392,617)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(58,179,000)	(72,643,207)	(55,223,989)	(71,923,257)	(49,181,816)	(32,899,538)	(47,107,288)	(45,303,655)	(63,709,649)	(82,672,504)	(69,209,151)	(67,677,717)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	9,590,000	10,000,000	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(6,830,000)	(6,477,090)	(7,557,908)	(7,142,262)	(6,982,638)	(6,858,787)	(6,004,942)	(5,786,700)	(5,331,589)	(3,968,760)	(4,228,898)	(2,667,767)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(6,830,000)	3,112,910	2,442,092	(7,142,262)	(6,982,638)	(6,858,787)	(6,004,942)	(5,786,700)	(5,331,589)	(3,968,760)	(4,228,898)	(2,667,767)
Net Increase/(Decrease) in Cash & Cash Equivalents	7,583,000	(28,708,596)	(2,483,245)	(15,395,920)	6,014,477	26,617,904	16,226,736	20,478,375	3,992,074	(20,403,307)	(12,983,687)	(8,158,660)
plus: Cash, Cash Equivalents & Investments - beginning of year	94,809,000	102,392,000	73,683,404	71,200,158	55,804,238	61,818,716	88,436,620	104,663,355	125,141,730	129,133,804	108,730,497	95,746,810
Cash & Cash Equivalents - end of the year	102,392,000	73,683,404	71,200,158	55,804,238	61,818,716	88,436,620	104,663,355	125,141,730	129,133,804	108,730,497	95,746,810	87,588,150
Cash & Cash Equivalents - end of the year	102,392,000	73,683,404	71,200,158	55,804,238	61,818,716	88,436,620	104,663,355	125,141,730	129,133,804	108,730,497	95,746,810	87,588,150
Investments - end of the year	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000	13,444,000
Cash, Cash Equivalents & Investments - end of the year	115,836,000	87,127,404	84,644,158	69,248,238	75,262,716	101,880,620	118,107,355	138,585,730	142,577,804	122,174,497	109,190,810	101,032,150
Representing:												
- External Restrictions	97,225,857	65,998,229	62,486,489	41,743,509	44,010,250	66,593,839	78,498,328	92,690,726	89,962,363	63,479,880	44,229,843	28,080,461
- Internal Restrictions	24,457,631	16,481,388	15,149,661	17,661,010	18,656,510	19,992,293	21,769,038	25,002,212	28,194,628	30,181,961	32,803,661	36,922,777
- Unrestricted	(5,847,488)	4,647,787	7,008,008	9,843,719	12,595,956	15,294,487	17,839,989	20,892,792	24,420,813	28,512,656	32,157,306	35,975,912
	115,836,000	87,127,404	84,644,158	69,248,238	75,262,716	101,880,620	118,107,355	138,585,730	142,577,804	122,174,497	109,190,810	101,032,150

Statement of performance measures

Scenario 1 : Keep existing rate variation and maintain current services										
Key Performance Measures for years ended 30 June 2011/12 to 2020/21	Budget 2013/2014	Projecte d 2014/2015	Projecte d 2015/2016	Projecte d 2016/2017	Projecte d 2017/2018	Projecte d 2018/2019	Projecte d 2019/2020	Projecte d 2020/2021	Projecte d 2021/2022	Projecte d 2022/2023
Unrestricted Current Ratio	1.39:1	1.59:1	1.73:1	1.91:1	2.09:1	2.34:1	2.66:1	2.83:1	3.49:1	4.14:1
Debt Service Ratio % - Maintain debt service ratio under 10%	6.51%	5.47%	5.11%	4.48%	3.93%	3.58%	3.19%	2.41%	2.3%	1.34%
Rates & Annual Charges Coverage Ratio	59.98%	57.47%	59.65%	59.12%	60.27%	61.14%	62.25%	65.53%	69.13%	70.16%
Rates & Annual Charges Outstanding %	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%
Asset Renewal Ratio - Maintain asset renewal ratio to 100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Scenario 2 : Lose existing rate variation and reduce services										
Key Performance Measures for years ended 30 June 2011/12 to 2020/21	Budget 2013/2014	Projecte d 2014/2015	Projecte d 2015/2016	Projecte d 2016/2017	Projecte d 2017/2018	Projecte d 2018/2019	Projecte d 2019/2020	Projecte d 2020/2021	Projecte d 2021/2022	Projecte d 2022/2023
Unrestricted Current Ratio	1.39:1	1.36:1	1.26:1	1.20:1	1.12:1	1.10:1	1.11:1	1.03:1	1.11:1	1.20:1
Debt Service Ratio % - Maintain debt service ratio under 10%	6.51%	5.67%	5.31%	4.65%	4.09%	3.72%	3.32%	2.52%	2.40%	1.40%
Rates & Annual Charges Coverage Ratio	59.98%	55.96%	58.17%	57.65%	58.81%	59.71%	60.85%	64.21%	67.91%	68.98%
Rates & Annual Charges Outstanding %	5.29%	5.29%	5.27%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%

Asset Renewal Ratio - Maintain asset renewal ratio to 100%	100%	106%	70%	46%	64%	61%	86%	109%	89%	85%
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Scenario 3 : Increase services to the community

Key Performance Measures for years ended 30 June 2011/12 to 2020/21	Budget 2013/2014	Projecte d 2014/2015	Projecte d 2015/2016	Projecte d 2016/2017	Projecte d 2017/2018	Projecte d 2018/2019	Projecte d 2019/2020	Projecte d 2020/2021	Projecte d 2021/2022	Projecte d 2022/2023
Unrestricted Current Ratio	1.39:1	1.59:1	1.73:1	1.91:1	2.09:1	2.34:1	2.66:1	2.82:1	3.49:1	4.14:1
Debt Service Ratio % - Maintain debt service ratio under 10%	6.51:1	5.41:1	5.00:1	4.39:1	3.85:1	3.5:1	3.12:1	2.35:1	2.24:1	1.31:1
Rates & Annual Charges Coverage Ratio	59.98%	57.91%	60.5%	59.96%	61.1%	61.95%	63.04%	66.28%	69.83%	70.83%
<i>Rates & Annual Charges Outstanding %</i>	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%	5.29%
Asset Renewal Ratio - Maintain asset renewal ratio to 100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Reserves Balances Scenario 1: Keep existing rate variation and maintain current services

Liverpool City Council										
10 Year Financial Plan for the Years ending 30 June 2023										
Keep existing rate variation and maintain current services										
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Original Budget	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
Carry Over Works	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999
CBD Reserve	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062
Asset Maintenance Reserve	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414
Information Technology Reserve	364,015	507,015	203,015	290,015	327,826	592,145	653,603	814,426	968,020	1,114,203
Council Reserve	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087
Elections Reserve	353,806	528,806	703,806	178,806	378,806	578,806	778,806	178,806	403,806	628,806
Employees Leave Entitlement	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132
Property Development Reserve	519,433	663,977	812,319	1,096,416	1,524,278	1,964,373	2,417,048	2,882,676	3,361,623	3,854,262
Insurance Reserve	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143
Plant & Vehicle Replacement	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967
Capital Works Reserve	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250
Parking Strategy Reserve	792,458	1,095,519	407,629	729,052	614,766	497,000	375,644	250,623	121,818	(10,892)
Admin Building Reseve	1,718,092	2,646,340	3,602,258	4,586,667	4,383,773	4,967,170	5,057,480	5,187,378	5,320,959	5,458,324
LEP & DCP Reserve	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830
Apprentice/Trainee Reserve	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048
Professional Engagement Reserve	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443
Special Projects Reserve	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987
CCTV Reserve for Liverpool CBD	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265
Moorebank Voluntary Acquisition Reserve	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200
Tourism and Events Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Infrastructure Sinking Fund	1,256,030	2,073,527	2,781,657	2,965,510	4,393,763	6,256,891	8,766,221	10,722,226	12,481,609	15,785,247
Bus Shelter Reserve	0	0	0	0	0	0	0	0	0	0
Casula Powerhouse Reserve	0	0	0	0	0	0	0	0	0	0
Road Works Reserve	0	0	0	0	0	0	0	0	0	0
Total Internal Reserves	15,149,661	17,661,010	18,656,510	19,992,293	21,769,038	25,002,212	28,194,628	30,181,961	32,803,661	36,975,777
Developer Contributions	37,612,763	24,713,098	30,775,390	52,687,689	62,955,721	75,606,128	71,211,604	42,940,543	21,070,287	1,730,406
Specific Purpose Unexpended Grants	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830
Domestic Waste Management	2,207,482	1,547,639	886,769	227,336	305,954	199,903	169,537	229,368	791,753	1,910,412
Water Fund	0	0	0	0	0	0	0	0	0	0
Sewer Fund	0	0	0	0	0	0	0	0	0	0
Edmonson Park Reserve	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893
Environmental Levy	1,298,568	1,000,932	775,773	527,940	397,232	281,792	182,897	42,050	40,837	42,470
Paving Contributions Reserve	639,081	639,081	639,081	639,081	582,607	526,117	469,466	412,507	412,507	412,507
Town Improvement Fund	3,750,005	5,443,917	6,905,402	8,413,818	10,110,739	11,861,962	13,669,223	15,534,317	17,459,094	19,445,464
Waste and Sustainability Reserve	0	0	0	0	0	0	0	0	0	0
Stormwater Reserve	39,893	54,744	67,113	137,253	185,352	254,102	298,914	360,372	494,643	578,478
LIRS Loan Reserve	12,977,975	4,383,375	0	0	0	0	0	0	0	0
Total External Reserves	62,486,489	41,743,509	44,010,250	66,593,839	78,498,328	92,690,726	89,962,363	63,479,880	44,229,843	28,080,461
Total Reserves	77,636,150	59,404,519	62,666,760	86,586,132	100,267,366	117,692,938	118,156,991	93,661,841	77,033,504	65,056,238

Reserves Balances Scenario 2: Lose existing rate variation and reduce services

Liverpool City Council										
10 Year Financial Plan for the Years ending 30 June 2023										
Lose existing rate variation and reduce services										
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	<i>Original Budget</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>
Carry Over Works	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999
CBD Reserve	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062
Asset Maintenance Reserve	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414
Information Technology Reserve	364,015	507,015	203,015	290,015	327,826	592,145	653,603	814,426	968,020	1,114,203
Council Reserve	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087
Elections Reserve	353,806	528,806	703,806	178,806	378,806	578,806	778,806	178,806	403,806	628,806
Employees Leave Entitlement	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132
Property Development Reserve	519,433	663,977	812,319	1,096,416	1,524,278	1,964,373	2,417,048	2,882,676	3,361,623	3,854,262
Insurance Reserve	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143
Plant & Vehicle Replacement	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967
Capital Works Reserve	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250
Parking Strategy Reserve	792,458	1,095,519	407,629	729,052	614,766	497,000	375,644	250,623	121,818	(10,892)
Admin Building Reseve	1,718,092	2,646,340	3,602,258	4,586,667	4,383,773	4,967,170	5,057,480	5,187,378	5,320,959	5,458,324
LEP & DCP Reserve	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830
Apprentice/Trainee Reserve	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048
Professional Engagement Reserve	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443
Special Projects Reserve	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987
CCTV Reserve for Liverpool CBD	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265
Moorebank Voluntary Acquisition Reserve	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200
Tourism and Events Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Infrastructure Sinking Fund	1,256,030	2,073,527	2,781,657	2,965,510	4,393,763	6,256,891	8,766,221	10,722,226	12,481,609	15,785,247
Bus Shelter Reserve	0	0	0	0	0	0	0	0	0	0
Casula Powerhouse Reserve	0	0	0	0	0	0	0	0	0	0
Road Works Reserve	0	0	0	0	0	0	0	0	0	0
Total Internal Reserves	15,149,661	17,661,010	18,656,510	19,992,293	21,769,038	25,002,212	28,194,628	30,181,961	32,803,661	36,975,777
Developer Contributions	37,612,763	24,713,098	30,775,390	52,687,689	62,955,721	75,606,128	71,211,604	42,940,543	21,070,287	1,730,406
Specific Purpose Unexpended Grants	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830
Domestic Waste Management	2,207,482	1,547,639	886,769	227,336	305,954	199,903	169,537	229,368	791,753	1,910,412
Water Fund	0	0	0	0	0	0	0	0	0	0
Sewer Fund	0	0	0	0	0	0	0	0	0	0
Edmonson Park Reserve	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893
Environmental Levy	1,298,568	1,000,932	775,773	527,940	397,232	281,792	182,897	42,050	40,837	42,470
Paving Contributions Reserve	639,081	639,081	639,081	639,081	582,607	526,117	469,466	412,507	412,507	412,507
Town Improvement Fund	3,750,005	5,443,917	6,905,402	8,413,818	10,110,739	11,861,962	13,669,223	15,534,317	17,459,094	19,445,464
Waste and Sustainability Reserve	0	0	0	0	0	0	0	0	0	0
Stormwater Reserve	39,893	54,744	67,113	137,253	185,352	254,102	298,914	360,372	494,643	578,478
LIRS Loan Reserve	12,977,975	4,383,375	0	0	0	0	0	0	0	0
Total External Reserves	62,486,489	41,743,509	44,010,250	66,593,839	78,498,328	92,690,726	89,962,363	63,479,880	44,229,843	28,080,461
Total Reserves	77,636,150	59,404,519	62,666,760	86,586,132	100,267,366	117,692,938	118,156,991	93,661,841	77,033,504	65,056,238

Reserve Balances Scenario 3: Increase Services to the Community

Liverpool City Council										
10 Year Financial Plan for the Years ending 30 June 2023										
Increase services to the community										
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	<i>Original Budget</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>	<i>FORECAST</i>
Carry Over Works	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999	199,999
CBD Reserve	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062	34,062
Asset Maintenance Reserve	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414	1,283,414
Information Technology Reserve	364,015	507,015	203,015	290,015	327,826	592,145	653,603	814,426	968,020	1,114,203
Council Reserve	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087	167,087
Elections Reserve	353,806	528,806	703,806	178,806	378,806	578,806	778,806	178,806	403,806	628,806
Employees Leave Entitlement	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132	2,891,132
Property Development Reserve	519,433	663,977	812,319	1,096,416	1,524,278	1,964,373	2,417,048	2,882,676	3,361,623	3,854,262
Insurance Reserve	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143	1,310,143
Plant & Vehicle Replacement	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967	223,967
Capital Works Reserve	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250	2,963,250
Parking Strategy Reserve	792,458	1,095,519	407,629	729,052	614,766	497,000	375,644	250,623	121,818	(10,892)
Admin Building Reseve	1,718,092	2,646,340	3,602,258	4,586,667	4,383,773	4,967,170	5,057,480	5,187,378	5,320,959	5,458,324
LEP & DCP Reserve	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830	197,830
Apprentice/Trainee Reserve	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048	60,048
Professional Engagement Reserve	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443	428,443
Special Projects Reserve	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987	152,987
CCTV Reserve for Liverpool CBD	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265	18,265
Moorebank Voluntary Acquisition Reserve	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200	115,200
Tourism and Events Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Infrastructure Sinking Fund	1,256,030	2,073,527	2,781,657	2,965,510	4,393,763	6,256,891	8,766,221	10,722,226	12,481,609	15,785,247
Bus Shelter Reserve	0	0	0	0	0	0	0	0	0	0
Casula Powerhouse Reserve	0	0	0	0	0	0	0	0	0	0
Road Works Reserve	0	0	0	0	0	0	0	0	0	0
Total Internal Reserves	15,149,661	17,661,010	18,656,510	19,992,293	21,769,038	25,002,212	28,194,628	30,181,961	32,803,661	36,975,777
Developer Contributions	37,612,763	24,713,098	30,775,390	52,687,689	62,955,721	75,606,128	71,211,604	42,940,543	21,070,287	1,730,406
Specific Purpose Unexpended Grants	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830	2,934,830
Domestic Waste Management	2,207,482	1,547,639	886,769	227,336	305,954	199,903	169,537	229,368	791,753	1,910,412
Water Fund	0	0	0	0	0	0	0	0	0	0
Sewer Fund	0	0	0	0	0	0	0	0	0	0
Edmonson Park Reserve	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893	1,025,893
Environmental Levy	1,298,568	1,000,932	775,773	527,940	397,232	281,792	182,897	42,050	40,837	42,470
Paving Contributions Reserve	639,081	639,081	639,081	639,081	582,607	526,117	469,466	412,507	412,507	412,507
Town Improvement Fund	3,750,005	5,443,917	6,905,402	8,413,818	10,110,739	11,861,962	13,669,223	15,534,317	17,459,094	19,445,464
Waste and Sustainability Reserve	0	0	0	0	0	0	0	0	0	0
Stormwater Reserve	39,893	54,744	67,113	137,253	185,352	254,102	298,914	360,372	494,643	578,478
LIRS Loan Reserve	12,977,975	4,383,375	0	0	0	0	0	0	0	0
Total External Reserves	62,486,489	41,743,509	44,010,250	66,593,839	78,498,328	92,690,726	89,962,363	63,479,880	44,229,843	28,080,461
Total Reserves	77,636,150	59,404,519	62,666,760	86,586,132	100,267,366	117,692,938	118,156,991	93,661,841	77,033,504	65,056,238

Sensitivity Analysis and resulting impact to Council's operating result

The following table represents a summary of the sensitivity of Council's Income statement due to changes in the underlying assumptions for the following major income and expenses classification:

- Cessation and non-replacement of the Roads to Recovery grant by the Federal Government as from 2018/19 (approx. \$1 million per year)
- Impact of 10 per cent less new land releases than projected on rates income
- An extra 2 per cent increase on the cost of Materials and contracts as from year three due to unanticipated increase in construction costs.

Sensitivity analysis	Scenario 1 Keep existing rate variation \$'000	Scenario 2 Lose existing rate variation \$'000	Scenario 3 Increase services \$'000
Total Funding Deficit for the 10 year long term financial plan	\$0	\$66,053	\$0
Cessation and non-replacement of the Roads to Recovery grant by the Federal Government as from 2014/2015 (approx. \$1000k per year)	\$4,000	\$4,000	\$4,000
Impact of 10% less new land releases than projected on Rates income	\$6,358	\$6,358	\$6,358
Extra 2% increase on Materials and Contracts	\$9,412	\$9,412	\$9,412
Total revised operating result (surplus)/Deficit	\$19,770	\$85,823	\$19,770

Conclusions and recommendations

The Long Term Financial Plan forecasts are based on information available as at October 2013 and do not take into consideration unforeseen economic and political events locally or globally that can significantly impact the actual results.

The *Keep existing rate variation and maintain current services* model shows the financial results of delivering the current levels of service. This Model forecasts a balanced budget until the end of 2022/2023. The balanced budget result can only be achieved from approval of the continuation of the existing special rate variation of 9% in perpetuity.

The *Lose existing rate variation and reduce services* - which shows a deficit result of \$66 million over the next ten years is not viable and a detrimental outcome to the community . Council will have to cut down on services, delaying maintenance costs and defer or cut down on renewal of infrastructure asset Assets.

Liverpool City Council is one of the few growing metropolitan Councils with its population estimated to double in the next 25 years. The *Lose existing rate variation and reduce services* forecasts a substantial shortfall in funds to sustain the projected level of growth in the Liverpool local government area.

The *Increase services to the community* - which shows the financial results of continuation of the 9% special rate variation in perpetuity plus a one off special rate variation of 2.5% for year two and three of the LTFFP to fund \$39 million extra capital expenditure over the next ten years.

The *Increase services to the community* is the preferred Long Term Financial Plan model for Liverpool as it extends beyond the status quo prescribed in the Baseline model to ensure Council's capacity to deliver the strategic objectives outlined in the Community Strategic Plan, Delivery Program and the Operational Plan..

Liverpool City Council, Level 2, 33 Moore Street, Liverpool NSW 2170