

Long Term Financial Plan

2021/22 - 2030/31

Hunter's Hill Council

JUNE 2021





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INTRODUCTION

Council's Long Term Financial Plan (LTFP) forms part of the Resourcing Strategy, which supports a holistic approach to financial planning for the future.

The purpose of the LTFP is to ensure that Council has sufficient financial resources to fund asset maintenance and renewal, and provide services to the standard that the community expect.

In conjunction with the Workforce Plan, Asset Management Plan and Digital and Customer Information Plan, the LTFP has been developed not only to satisfy legislative requirements, but more importantly, to provide financial projections for Council over a 10 year-period and assist in communicating these to our community.

The key objective of the LTFP is financial sustainability in the short, medium and long term, which will enable Council to deliver the actions detailed in its Community Strategic Plan, Delivery Program and Operational Plan.

The Plan documents a series of assumptions and scenarios in conjunction with Council's suite of IP&R documents. most significantly its Digital Asset Management Plan, which sets out current asset conditions and future levels of service, along with projected rating strategies.

The LTFP is used to assist in financial decision making. Consideration is given to what services are to be provided, the level of those services, the level of rate income required, income from other sources, the level of funding required from borrowings and the ability to service those borrowings.

The aim is to ensure that Hunters Hill is able to be sustainable and thriving into the future exceeding the State governments fit for the future benchmarks, and delivering services that our community wants and needs now into the future.



What questions does the LTFP seek to answer?

Can we survive the pressures of the future?

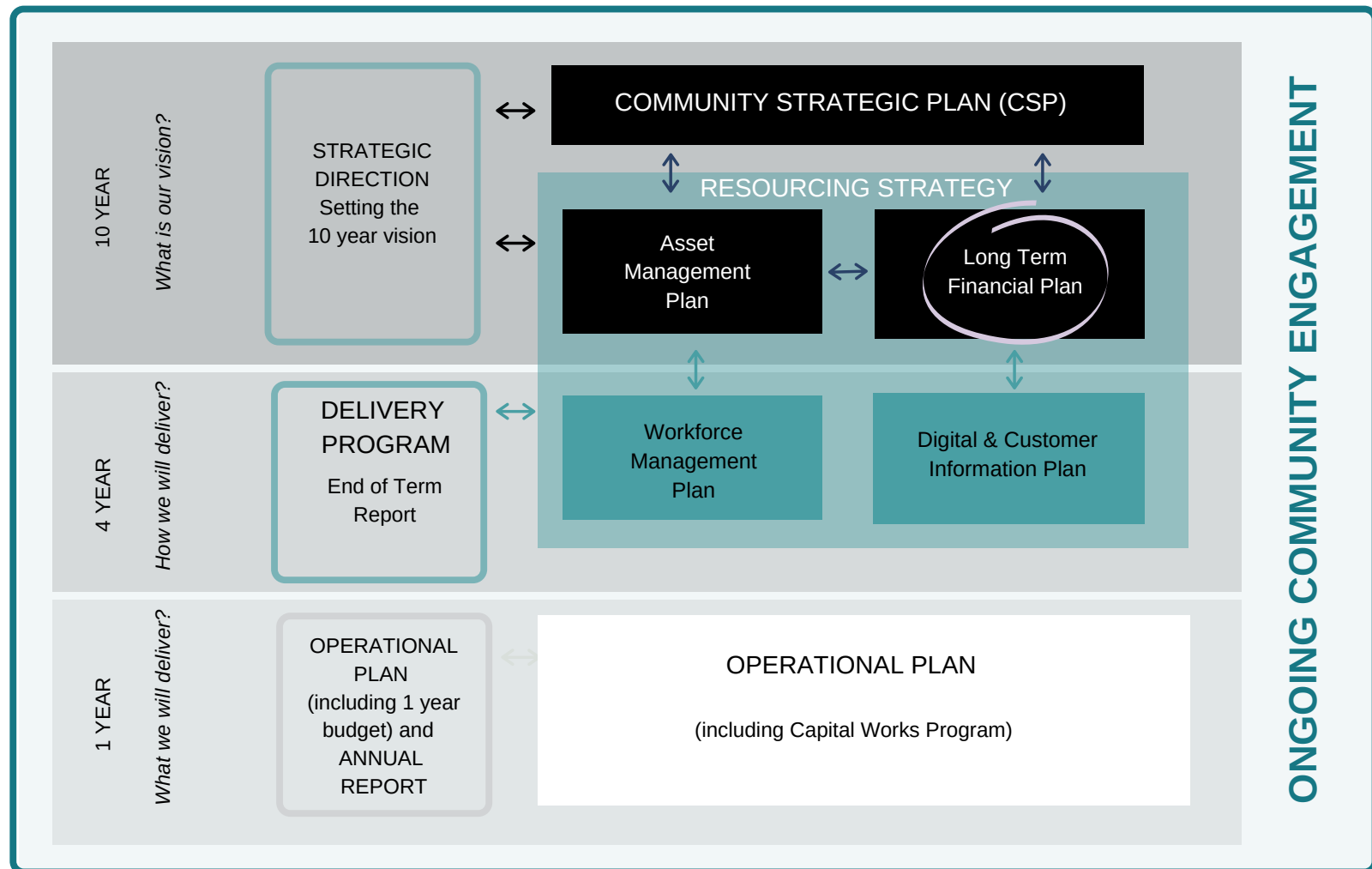
What are the opportunities to increase income?

Can we afford what the community needs and wants?

How do we deliver financial strategies to achieve the objectives of the Community Strategic Plan?

1.3 Where does the LTFP fit in IP&R?

1
2
3



Long Term Financial Plan (LTFP)

WHAT ARE THE ESSENTIAL ELEMENTS OF THE LTFP?



Shows how Council will achieve financial sustainability over the long term



Incorporates easy to read commentary to explain financial information



Includes scenarios (e.g., planned, optimistic, conservative), as well as a sensitivity analysis

WHAT DOES OUR LTFP INCLUDE?

- A 10 year projection which is updated annually as part of the Operational Plan & Budget process
- Planning assumptions used to develop the Plan
- Projected income and expenditure, balance sheet and cash flow statement. A Council endorsed Asset Management Policy
- Sensitivity analysis - highlights factors/assumptions most likely to affect the projections in the Plan
- Financial modelling of scenarios e.g. planned/optimistic/conservative
- Information explaining Special Variation (SV) to rates scenarios, needs and analysis
- Methods of monitoring financial performance

What are our financial objectives?

Financial Planning

Plan and forecast revenue and expenditure

Current Ratio/Liquidity

Ensure Council's level of funds are sufficient to finance recurrent operations, meet liquidity requirements and secure our financial position into the future

Capital Improvements

Ensure improvements are programmed and undertaken within the parameters of available funding

Loan Funding

Provide for capital improvements within the parameters of our debt servicing capacity and annual allocations by the Office of Local Government

Creation and Maintenance of Financial Reserves

Ensure projects and specific expenditure can be undertaken in the future to without material effect on the budget

Investment of Funds

Provide for the secure and optimum return on the investment of funds

The background features a collage of business-related items: a magnifying glass over a document, a calculator, various bar and line charts, and a pen. The text is centered on a purple rectangular overlay.

1. LTFP Strategy, Principles & Initiatives

1.1 Financial sustainability principles

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets. This definition has been translated into four key financial sustainability principles outlined below. It is important to note that while these principles represent financial sustainability, most Councils will find it difficult to obtain this level of sustainability.

The problem with deferring asset renewals is that the older assets get the more they cost a Council to maintain. This in part is being addressed through the implementation of Integrated Planning and Reporting by allowing Councils to demonstrate to their communities the long-term financial ramifications of not renewing assets.

TCorp (New South Wales Treasury Corporation) defines sustainability as: "A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community".

Local Government Code of Accounting Practice and Financial Reporting (Guidelines) and Fit for the Future Performance Measures are used to measure key performance indicators such as:

- own source revenue i.e. the ability of Council to raise funds outside of grants and contributions;
- cash liquidity and Council's ability to pay immediate expenses;
- the proportion of infrastructure backlog as against the total value of all of Council's infrastructure;
- actual expenditure on asset maintenance as against total required asset maintenance;
- the rate at which building assets are being renewed or upgraded against the rate which they are depreciating.

Based on the above ratios, our 4 Sustainability Principles are:

1

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

2

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

3

Council should have a fully funded capital works program, where the source of funding is identified and secured for both capital renewal and new capital works.

4

Council should maintain its asset base, by renewing ageing infrastructure, which is identified, and by ensuring cash reserves are set aside for those works that are yet to be identified.

1.2 Sustainable & Thriving Strategy

Council has developed a Sustainable and Thriving Strategy to support the Delivery Program.

The Strategy has four components: efficiency and process improvements, shared services initiatives, revised asset management plan and diversified revenue growth including property activity.

Several initiatives were implemented over the past 18 months to improve financial performance.

- 01 A focus on shared service opportunities to improve service delivery and reduce costs; good examples being agreements with Lane Cove Council (LCC) to share library services, a shared depot, waste management, road safety and rating services. The shared library service implemented on 1 July 2020 has saved \$350,000 every year, equivalent to around 3.5% of rate income.
- 02 The development of a draft Property Strategy to optimise Council-owned land. Strategy execution has commenced with commissioning of feasibility studies of developable, saleable or leaseable land.
- 03 An ongoing review of fees and charges to change in line with surrounding municipalities and increase to equitably recover costs and maintain service standards.
- 04 Investment in improved technologies to support more customer-friendly systems and drive organisational change and efficiencies. The recently upgraded development application assessment corporate business system, which is integrated with the NSW Government Online Planning Portal.
- 05 Implementation of an industry-leading digital asset management system (AMP). Completion of the AMP last year now gives us a more rigorous assessment of the condition of our infrastructure assets than previous systems that relied heavily on desk-top estimates. The system enables more precise modelling of asset condition at different investment levels.
- 06 Adoption of an action in our Community Strategic Plan that initiates community consultation about extending two SVs due to expire in June 2022 and June 2023. The SVs are 4.80% and 5.27% of rates respectively, and provide funding for roads and environmental works. The consultation process will include expectations about asset service standards and how the longer-term financial outlook can be improved. In addition, Council applied for a SV in 2019/20 for improvements to community facilities. Using the evidence based approach adopted in the AMP, Council will investigate measures to apply for a permanent increase in SVs to fund capital backlog, following scenario analysis and extensive community consultation.

1.3 Sustainable initiatives

OPERATIONAL AND MANAGEMENT INITIATIVES

EFFICIENCY INITIATIVES

A provision for efficiency gains of \$113,000 (0.75% on the original 2020/21 budget (less depreciation)). These are projected gains to be taken to the bottom line; not reallocated specifically to other programs. The saving can come from any source; possibly technology-driven changes, expansion of LED streetlighting, using less paper, or other overheads. As the exact source of these savings has not yet been determined they have been split equally between employee costs and materials and contracts in the LTFP models.

REVENUE INITIATIVES

The following revenue initiatives have been factored into the LTFP models from 2022-23:

- \$30,000 for the increased use of our halls and community centres.
- \$30,000 for the increased use of parks and playing fields (sport, events etc.).



1.3 Sustainable initiatives

The new initiatives shown below have been included in each of the four models in this LTFP to improve financial sustainability.

PROPERTY INITIATIVES

Council's Property Advisory Committee (PAC) has, in concert with the Council, worked over a 12-18 month period to develop a Community Infrastructure Plan (Property Strategy), through a series of workshops and briefings and drawing on the relevant information from research, studies and other strategic documents developed over the past 15 years. Further details of the strategy are included in the section on revenue financial assumptions.

Property-related income will come from proposed development of major sites, the sale of remnant lands and lease of Council sites. Work has commenced to determine what these financial outcomes may be, but this is not yet at a stage where accurate forecasts can be included in long-term forecasts. \$100,000 has been included from 2023/24 as an allowance for ongoing – but as yet unspecified – income from property activity.

As property forecasts are further developed, they will form an important component of the overall financial strategy. For example, where Council can retain the proceeds from the sale of surplus roads, rather than return them to the Crown, Council must spend this money on roads. This could therefore reduce the call on general revenue for increased road renewal expenditure. Funds could be directed to one-off projects that upgrade assets that have higher than normal public use (a footpath outside a school, for example), contributing to an overall improved asset condition rating.

While there may be exceptions, the overall suggested strategic approach is to reinvest sale proceeds, other than from roads, into income-producing assets that inject on-going annual revenue into the budget.

This Approach is widely used with in local government to diversify revenue and reduce the reliance on rates revenue. Hunter's Hill Council currently receives approximately 68% of its revenue from rate income as compared to the average of 54% for other Sydney Metropolitan Councils.

ASSET MANAGEMENT PLAN

Council has undertaken a robust and industry leading analysis of its asset. The result is a `Asset Management Plan (AMP) that is underpinned by data and based on the Institute of Public Works Engineering Australia (IPWEA) standards.

The AMP is delivered on a digital platform that enables modeling and transparency of all its civic assets. Funding of the the maintenance and renewal of assets is core to the sustainability of a Council.

The AMP provides up-to-date data about the current condition of infrastructure assets, their future condition based on current levels of maintenance and renewal spending, and models potential future condition based on various intervention triggers and investment scenarios.

This information will be used to inform future consultation with the community regarding asset service level expectations and associated costs.

Modelling also factors in the current level of maintenance expenditure and shows how this would need to increase just to maintain current asset condition, should the recommended increases to capital expenditure not proceed.

The background features a collage of financial documents and tools. At the top, there's a bar chart with a y-axis ranging from 0 to 5,000 and x-axis labels for Jan, Feb, Mar, Apr, and May. To the right, a pie chart is partially visible. In the center, a magnifying glass is positioned over a document. Below the magnifying glass, a calculator is visible, showing buttons for 0, 00, 2, and =. At the bottom, there's a line graph with data points and a bar chart with x-axis labels for 2018, 2019, 2020, and 2021. The overall theme is financial analysis and reporting.

2. Financial Assumptions – Revenue

2.1 Economic climate & budget parameters

Movements in economic growth are difficult to predict. Council uses a number of budget parameters in its ten-year forecasts in the LTFP.

		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Inflation - Consumer Price Index (CPI) NSW*	2.3%	1.2%	1.7%	2.2%	2.2%	2.1%	2.1%	2.3%	2.5%	2.3%	2.2%
Wages & Salary – Local Government Award	1.5%	2.0%	2.1%	2.6%	2.8%	3.1%	3.7%	2.5%	2.5%	2.5%	2.5%
Rates – Independent Pricing and Regulatory Tribunal	2.6%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Interest Rates (90 days)*		0.80%	.98%	1.38%	1.68%	1.93%	2.06%	2.28%	2.37%	2.53%	2.62%

2.2 Rate income

Rate pegging sets the maximum percentage increase allowable to generate revenue for councils. The rate peg is a percentage amount that is set each year by the Independent Pricing and Regulatory Tribunal (IPART) using the Local Government Cost Index.

In prior years IPART has reduced the rate peg to an amount below the Local Government Cost Index for anticipated productivity increases. For 2021-2022 the rate peg has been set at 2.0%.

This constraint on revenue limits the ability of council to raise revenue to meet the increased costs in providing services. Councils may apply for an increase to general income above the rate peg through seeking a special variation.

Special variations provide an opportunity for councils to increase their general income by an amount greater than the annual rate peg. The IPART assesses and determines applications by councils for special variations under powers delegated by the Minister for Local Government.

Councils may apply for a special variation for a range of purposes. These include:

- community service requirements (e.g., unmet demand for services, new demand for services or community support for enhanced service standards)
- infrastructure requirements (including essential infrastructure associated with new developments or to address infrastructure backlogs)
- projects of regional significance
- other special or unique cost pressures

Council has applied for and been successful in the following special variations:

- 2012-13 - 4.8% for roads and 2% for operations
- 2013-14 - 2.17% for environment, 3.1% for infrastructure and 2% for operations
- 2019-20 - 4.04% for community facilities and 3% for operations

Apart from the 2% operational components in the 2013/14 and 2019/20 increases, which Council can keep permanently, these special variation are for a period of 10 years to cease in 2022, 2023 and 2029 respectively. Any application to renew expiring special variations requires IPART approval.

Four LTFP scenarios have been developed and each has a different financial impact commencing from 2022/23. The four options, summarised below, will be discussed with the community during 2021/22, with a decision on the preferred scenario to be made by no later than February 2022.

SCENARIO 1

A base case which allows the current special variations to expire and not be renewed. Total rate income would fall by approximately \$405,000 (4.7%), \$472,000 (5.3%) and \$435,000 (4.2%) in 2022-23, 2023-24 and 2029-30 respectively. Spending on asset renewal would decrease correspondingly.

Result: A decline in asset condition and an increase in renewal backlog works from the current \$4.7M to \$18.9M (current dollars) in 2030-31.

SCENARIO 2

The income from expiring special variations continue permanently, requiring IPART approval, and is directed to asset renewal in accordance with Digital Asset Management Plan (DAMP) recommendations. Total rate income would increase by the 2.5% IPART rate peg.

Result: Asset condition declines and renewal backlog increases to \$12.0M.

SCENARIO 3

The income from expiring special variations continue permanently and is directed, together with an additional average \$915,000 per annum, to asset renewal in accordance with DAMP recommendations. Total rate income increases by the 2.5% rate peg plus an additional \$830,000 (9.3%) in 2022/23.

Result: Improvements in the condition of some asset classes, particularly roads, and an asset renewal backlog of \$5.5M.

SCENARIO 4

The income from expiring special variations continue permanently and is redirected, together with an additional average \$1,480,000 per annum, to asset renewal in accordance with DAMP recommendations. Total rate income increases by the 2.5% rate peg plus an additional \$1,330,000 (15.0%). This results in improvements in the condition of some asset classes, particularly roads, and elimination of asset renewal backlog by 2030-31.

Result: Additional income results in projected operating surpluses when capital income (e.g., grants and developer contributions) are excluded.

2.3 Domestic waste management

Domestic waste charges have been set at a level to recover estimated costs. The 2021-22 Operational Plan outlines specific charges for different options, aligned with Council's strategy to reduce landfill costs. The 2021-22 standard charge will increase by 0% to 13%. In future years, each model projects these charges to increase by the IPART rate peg (2.5%).

2.4 Stormwater management service charge

If Council did not have a special environmental rate, it would be able to make a Stormwater Management Service Charge. It is assumed this position will remain as the AMP will recommend expenditure on drainage infrastructure, which is funded under existing SVs.

Stormwater management involves the use of structural (e.g., physical infrastructure and treatment techniques) and non-structural (e.g., education programs and monitoring) measures to both improve stormwater quality and mitigate excessive flows. This contributes to pollution abatement, protection of aquatic ecosystem health and flood mitigation.

Under the Local Government (General) Regulation the upper charge limit for urban residential land is \$25 per annum. Urban business land can be charged \$25 plus an additional \$25 per 350m² of land area, or part thereof. This acknowledges the often-greater area, proportionately, of impervious surfaces on urban business land as compared to urban residential land.



2.5 User fees & charges

Council has the ability to raise revenue through the adoption of a fee or a charge for services or facilities. The fees and charges which Council can charge are split into two categories:

Regulatory Fees – These fees are generally determined by State Government Legislation, and primarily relate to building, development or compliance activities. They include inspection services, planning and building regulation (DA fees) and S10.7 Certificates and S603 Certificates. Council has no control over the calculation or any annual increase of these fees and charges. However, these are also subject to the level of activity determined by economic conditions.

Pricing Fees Methodology - Council has the capacity to determine the charge or fee for discretionary works or services such as the use of community facilities and access to community services.

Aside from statutory fees, fees are introduced to offset the cost of service provision or, in the case of commercial activities, to realise a reasonable rate of return on Council assets to support the provision of services and to alleviate the burden that would otherwise be unfairly placed upon ratepayers. Council has given due consideration to the following factors in determining the appropriate price for each fee:

- Cost of providing the service
- Whether the goods or services are supplied on a commercial basis
- Importance of the service to the community
- Capacity of the user to pay
- Impact of the activity on public amenity
- Competitive market prices
- Prices dictated by legislation

In accordance with Section 608 of the Local Government Act 1993, Council determines fees and charges based on one of the following pricing methodologies:

- Full cost recovery - Recovery of all direct and overhead costs associated with providing a service. This includes employee benefits, other direct expenses and overheads.
- Subsidised/Partial cost recovery - Council recovers less than full cost for reasons of community obligation, legislated limits on charging.
- Rate of return - Council recovers the full cost of providing the service/activity plus a profit margin.
- Market - Price of the service determined by investigating alternative prices of surrounding service providers.

For Council's leases, these are reviewed and renegotiated as they fall due and are subject to market valuations and CPI adjustment over the term of the lease. Where a subsidised lease is provided to a community organisation, a report is provided to Council to resolve an appropriate lease rate.

Proposed user charges and fees for 2021/22, including new fees, are listed in a separate fees and charges booklet. The four LTFP scenarios all assume CPI increases from 2022/23.

2.6 Interest & investment revenue

The interest rate on overdue rates and charges is set by the Office of Local Government and after several years of stability has been reducing over the past few years.

Interest on investments is predicted to fall in 2021/22 and is expected to remain low for the near future. Council reviewed its Investment Policy in 2020/21 with a view to improving investment returns.

Council has appointed an investment adviser to (insert scope)

2.7 Other revenues

Other revenues comprise of rental income, fines, commission and agency fees, sundry rents and charges and the waste rebate.

Income levels from these sources are consistent in each of the models and are conservatively assumed to increase by CPI each year. As discussed under 'Sustainable and Thriving Strategy' an allowance has been made for an additional ongoing \$60,000 from 2022-23 for rental of community facilities and playing fields.

Improvements to Council buildings as part of the asset management strategy are expected to contribute to a greater demand for their use by the community.





2.8 Grants & Contributions

Council's operations are regulated by the Local Government Act (1993). Government policy and priorities can affect the level of funding available to Council through grants, for example Financial Assistance Grants.

There is also increased pressure on Councils to provide additional services without being appropriately compensated through Cost Shifting. The 2018 Survey of Cost Shifting by LGNSW identified that in excess of \$820m per year is cost shifted to local government in NSW.

FINANCIAL ASSISTANCE GRANTS AND OTHER OPERATING GRANTS

Council currently receives the set minimum amount of the Financial Assistance Grant and future years are assumed to increase by CPI as with CPI other operating grants from the State Government to support community services and the library services.

CAPITAL WORKS

Council actively seeks grant funding throughout the year to supplement existing funds to be used on capital works as listed in the Delivery Plan. This however depends on grant funds being available and for what purpose they can be used.

CONTRIBUTIONS

Council currently has in place a S7.12 Contributions Plan effective from December 2019. This developer contributions scheme provides for a 1% levy on development costs over \$200,000 and 0.5% for contributions between \$100,001 and \$200,000.

Revenue from S7.12 contributions is used to fund various capital projects identified in the Community Strategic Plan.

2.9 Property strategy

The draft Property Strategy provides a broad overview, which is broken up into short (1-3 years), medium (3-5 years) and long term (5 years+) goals. However, as project plans for each Precinct are developed and/or additional opportunities arise, Council may be in a position to deliver additional projects.

At this stage each of the four LTFP models contains an allowance \$100,000, commencing in 2023-24, for on-going property-related income. This figure will be adjusted once the draft Property Strategy is adopted and implemented and income opportunities are realised.

It is proposed that Proceeds from any land disposals will be expended in accordance with any legal requirements, on priority capital works or invested in other property projects to provide on-going additional revenue. While on-off property sales improve the annual financial position, it is ongoing revenue that boosts Council's strategy to achieve sustainable, on-going surpluses.

Setout below are the 4 key elements of the draft Property Strategy.



The background features a collage of financial documents and tools. At the top, there's a bar chart with five bars and a y-axis labeled from 0 to 5,000. To the right, a pie chart is partially visible. Below these, a magnifying glass and a black pen are positioned over a document. In the bottom right corner, a portion of a calculator is visible, showing buttons for 0, 00, 2, and =. The overall theme is financial analysis and reporting.

3. Financial Assumptions – Expenditure

3.1 Employee benefits & oncosts



Projections for employee costs are consistent across the four LTFP models. They include an on-going saving of \$57,000 from 2022-23, being 50% of the efficiency target from that year (the other 50% is in materials and contracts). The saving is part of Council's Sustainable and Thriving Strategy referred to earlier.

SALARIES & WAGES

Council currently has a Full Time Equivalent staff level of 53. No significant increases in staffing has been provided for.

An increase of 2.0% in 2021/22 in line with the existing Local Government Award has been allowed.

Council has adopted a performance-based scheme that gives a bonus of a maximum of 3% of an employee's annual salary which has to be earned each year by achieving performance objectives.

WORKERS COMPENSATION

The premium for workers compensation is based on claims history and the total wages bill.

The assumption is that there is no large increase due to claims history but that wages and salaries increases would apply.

EMPLOYEE LEAVE ENTITLEMENTS

Employee Leave Entitlements are assumed to increase at the same rate as salaries and wages.

SUPERANNUATION

Council's contribution to superannuation for both the Accumulation and Defined Benefits Scheme is assumed to increase by the same rate as wages and salaries.

At this point in time the government timetable for increases in the superannuation guarantee rate from 9.5% to 12% by 2025/26 is as follows:-

FINANCIAL YEAR	SUPERANNUATION GUARANTEE RATE
14/21	9.50%
21/22	10%
22/23	10.50%
23/24	11%
24/25	11.50%
25/26	12%

3.2 Loan borrowings

Council is currently debt free with its last loan repayment being made in October 2017.

Scenario 3 and 4 in this LTFP propose an annual on-going increase to asset renewal expenditure to gradually reduce the current renewal backlog.

Another approach that has been explored is bringing forward expenditure over a much shorter period to eliminate the backlog earlier, thereby avoiding higher future maintenance costs caused by accelerating asset degradation.

The challenge here is one of affordability.

Reducing the current backlog would require an investment \$4.7M. Even if this was spread over two or three years it is still a substantial annual increase in rates.

Loan borrowings can provide a solution to this as the cost of servicing the debt can be spread over time and this cost replaces, or at least reduces, the annual renewal investment otherwise required. The timing of this is also currently attractive given historically low interest rates.

The Digital Asset Management Plan analysis suggests that the increased annual investment as proposed in the scenarios is a better alternative. This allows for the backlog to be validated after 5 years, by which time a further field assessment should be conducted to gauge the impact of the increased works programs. Increased, staged and prioritised works programs will enable an orderly procurement and delivery of works that can be aligned to the service standards agreed with our community.

3.3 Materials & contracts

MATERIALS

Materials allocation consists of raw materials and consumables used in the maintenance of Council's assets, and in supporting the delivery of services. Therefore, with the same service levels it is assumed that costs would be constant with increases for the CPI and a 0.75% for ongoing efficiency saving, as discussed earlier, has also been factored into the LTFP scenarios.

CONTRACTS

The majority of contractors and consultancy costs relate to service delivery such as waste services and maintenance.

Other contractual costs include audit services and legal fees.

In 2016/17 the NSW Auditor General took over responsibility for Council Audits and are also responsible for setting the audit fee.

The waste contract costs and other contracts have been assumed to increase by CPI.

3.4 Depreciation

Depreciation is the allocation of the depreciable amount of an asset over its useful life.

The Office of Local Government mandated the revaluation of assets to fair value under the following timetable:

- 2014/15 Roads, Bridges, Footpaths and Drainage Assets, and Other Assets
- 2015/16 Community Land
- 2016/17 Water and Sewage Assets
- 2017/18 Operational Land, Buildings, Plant and Equipment

The above valuation cycle will continue into the future. This had the effect of turning an operational surplus into a deficit over time due to increased valuations leading to increased depreciation costs particularly in the roads category.

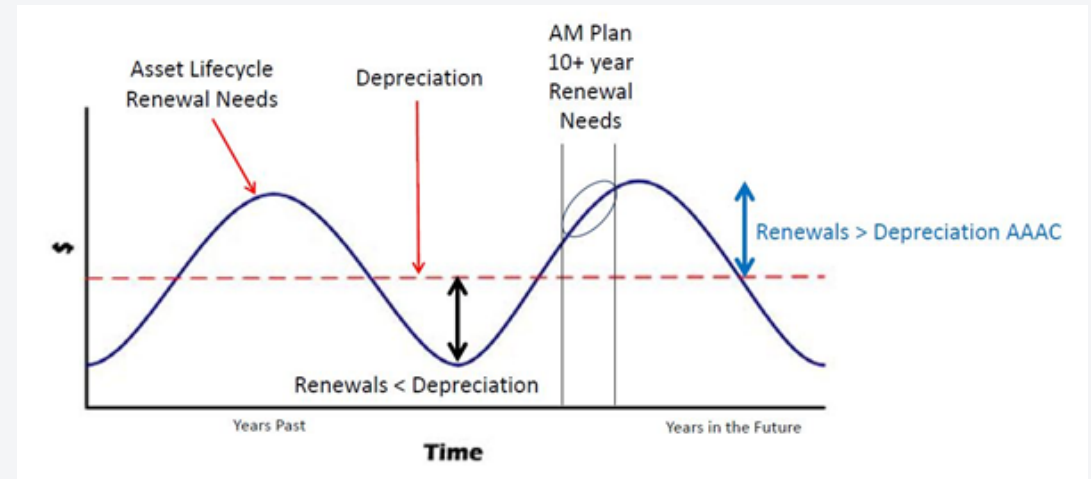
Assetic, Council's asset management contractor, revalued the asset base as at 30 June 2020. The net value of infrastructure assets increased by \$14.4M to \$223.1M, a 7% increase. As part of this work, Assetic also estimated the annual depreciation to apply for 2020/21.

Total annual depreciation on infrastructure and other assets is now estimated to be \$3.5M, however Assetic will be refining the infrastructure component as they gain more detailed knowledge of our assets and our maintenance and renewal practices.

Depreciation is the annual 'using up' of the asset over its useful life calculated on a straight-line basis to meet NSW Government audit requirements, and as referenced in the Certified Practising Accountant (CPA) guide for Valuation and Depreciation:

"It is important to note that "depreciation" is a non-cash accounting estimate of the amount of future economic benefit estimated to be consumed over a 12-month period. It is not an actual cost of delivering a service, neither is it a source of revenue. Accordingly, the use of depreciation as a proxy estimate of future funding needs should be discouraged in favour of the development of robust asset management plans and their associated budget."

The reasoning behind this can be seen in the following Institute of Public Works Engineering Australia (IPWEA) graph:



The DAMP recommendations for asset renewal expenditure (see the section on Asset Management Planning below) included in scenarios 2, 3 and 4 are less than the depreciation estimates over that period. In theory, in the longer-term there will be years when the actual asset renewal spend varies higher or lower from depreciation calculations.

The work undertaken by Council and Assetic, so far has included estimating what our asset renewal expenditure needs are over the next 10 years based on industry benchmarks and a universal service standard and intervention level.

This and future years' requirements will be refined as part of the community engagement process and the gaining of more detailed knowledge about our asset performance.

Some preliminary, broad 20-year modelling shows average renewal expenditure increasing over that period, however this will need to be developed further during 2021-22 as part of the overall financial strategy, particularly determining any revenue that should be set aside to accommodate longer-term asset commitments.

Scenario 4 of this LTFP effectively funds depreciation, provides for a balanced budget (after capital income is excluded), provides the revenue to complete asset backlog works over 10 years, and potentially provides additional capital (which can be held in reserve) for longer-term asset renewal, increased asset service standards, new capital works or meet the costs of unforeseen emergency repair work.



3.5 Other expenses

Other expenses include State government levies of NSW Fire Brigades Levy, Planning Levy and Valuation charges. Other operational costs such as Insurance, subscriptions and publications, Street Lighting, electricity, telephones, bank charges, and Mayoral and Councillors fees.

Where these costs have not been advised unless otherwise stated the CPI has been used in the current and future years.

The background features a collage of financial documents. At the top, there's a bar chart with a 35% label and a smaller bar chart with months (Jan, Feb, Mar, Apr, May) on the x-axis and values (\$5,000, \$10,000, \$15,000) on the y-axis. A magnifying glass is positioned over a pie chart with a 50% label. To the right, another pie chart shows a 20% label. Below the magnifying glass, a calculator is partially visible. At the bottom, a bar chart shows years from 2018 to 2024 with a \$500,000 label. A line graph is also visible in the bottom left corner.

4. Capital Expenditure

4.1 Asset Management Planning

During 2019-20 Council developed, in partnership with its Asset Management Service Partner, Assetic, a robust and evidence based Digital Asset Management Plan (DAMP) to determine its long-term infrastructure investment priorities. The DAMP has informed the Asset Management Plan that accompanies the current suite of Integrated Reporting and Planning documents. Each of the four scenarios in this LTFP is based on the investment options produced by the DAMP, based on a proposed intervention level and summarised in the table below.

The backlog shown in the table is the estimated cost to renew assets that are due for renewal based on adopted service levels, but not able to be funded within the allocated budget. Increases in backlog will generally result in both an increase to required asset maintenance and a reduction in service levels.

Investing in the gradual reduction of any existing backlog will serve to constrain ongoing maintenance costs and meet adopted service levels. The alternative is to reduce service levels across some parts of the asset portfolio to match allocated budgets.

ASSETIC 10-YEAR INVESTMENT MODEL ATTACHED AS APPENDIX 1



The background features a collage of financial and business-related elements. At the top, there's a bar chart with five bars and a y-axis ranging from 0 to 5,000. To the right, a pie chart shows a 20% segment. A magnifying glass is positioned in the upper center. Below it, another pie chart displays a 30% segment. In the bottom right, a calculator is partially visible. At the bottom left, a line graph shows data points for the years 2018 through 2024, with a y-axis labeled \$500,000. The central text is overlaid on a semi-transparent purple rectangle.

5. Risks and LTFP Sensitivity

5.1 Scenarios, IPART & rate pegging

The models in the LTFP are based on the best information currently available. Given they are 10-year projections there can be many unforeseen challenges that can arise over such a long period, which have a direct impact on the assumptions in the Plan and consequently on Council's financial position. While a conservative approach is taken to budgeting, the following risks are present.

Scenarios 2, 3 and 4 in the LTFP all assume community support and IPART approval. Scenario 2 assumes IPART's permanent approval of the renewal of income currently being received, paid already by ratepayers, through three temporary special variations.

Scenario 3 and 4 are also based on this assumption, but with additional amounts sought to address infrastructure renewal backlog.

From 2022/23 the annual IPART rate peg is assumed to 2.5%.

Each 1 % of rates is worth around \$100,000 of income. Any variations to this assumption can have a significant impact on projections over time.

5.2 Review of asset condition

As outlined previously, Council has invested in an evidence-based asset management system to determine its infrastructure investment priorities.

Periodic assessment and field testing of asset condition will be carried out to validate the effectiveness of projects implemented and confirm asset renewal priorities.

A significant unknown at the moment is the condition of the stormwater network in Council's area. CCTV investigations of drainage systems are underway, but it will take some time to complete this program and assess what rectification works may be required.

As a buffer against potential unforeseen costs, the maintenance savings predicted to accrue from an increased level of asset renewal expenditure have not been taken up in the LTFP scenarios.

5.3 Employee costs

Council's total employee costs in 2021/22 are budgeted to be \$6.1M. A 1% shift in employee costs equates to \$61,000. The allowance for future award increases and increases associated with rising superannuation contributions are believed to be adequate, however economic conditions can change and have flow-on effects to this cost, the most significant in Council's budget.

5.4 Economic conditions

The LTFP has been prepared on the basis of stable, post-COVID economic conditions. Changes to these conditions can impact on several areas of the LTFP, including employee costs, investment returns, revenue cash flow, cost increases and government grants.

5.5 Demand for increased services

Council will be consulting the community on the scenarios contained in this LTFP. A significant part of this will be consultation around the community's expectations in regard to the condition of infrastructure assets e.g., roads and footpaths.

As outlined in the Digital Asset Management Plan the assumptions in the LTFP are based on a proposed universal intervention level of '4', on an asset condition scale of 1 to 6, 1 being the best condition. If there are particular assets where the community demands an earlier intervention, this will change financial projections in the scenarios.

Similarly, the Asset Management Plan assumes a universal type of road treatment that may not be applicable in all circumstances. This too will have impact on financial projections.

The scenarios assume continuance of at least the current standards for other services.

An increased demand in other areas will impact on the LTFP assumptions

The background features a collage of financial documents and tools. At the top, there's a bar chart with five bars and a y-axis labeled from 0 to 5,000. To the right, a pie chart is partially visible. In the center, a magnifying glass is positioned over a document. Below the magnifying glass, a calculator is visible, showing buttons for 0, 00, 2, and =. At the bottom, there's a line graph with data points and a bar chart with years 2018, 2019, and 2020 labeled. A pen and pencil are also scattered across the documents.

6. Balance Sheets & Cash Assumptions

6.1 Reserves

Council has cash reserves which are either a legislative requirement (externally restricted) or through a Council decision (internally restricted). These reserves are intended to spread works or other costs over a number of years. An example of this is Council elections are generally held every four years. Each year one quarter of the estimated cost is put aside to meet the election cost.

Set out under Council's reserves:

Externally Restricted:

- Domestic Waste Management: The surplus or deficit on Domestic Waste Management operations is transferred to this reserve. Domestic Waste Management revenue can only be used for this purpose
- S7.12 Developer Contributions: Contributions received can only be used for the purposes stated in the Plan. Often contributions received and expenditure for the same year do not match, as the total funds may not yet have been recovered to meet the full cost of the delivery of a major piece of infrastructure.

Internally Restricted:

- Plant Replacement Reserve: Amounts equivalent to depreciation are transferred here to fund the net cost of future plant replacement, such as backhoes
- Employee Leave Entitlements; Council maintains this reserve at 40% of cash entitlements
- Deposit, retentions and bonds: These monies Council holds in trust for Council services that is repayable to customers e.g. Bonds for hall hire.

- Elections: Funds for council elections, generally held for up to 4 years
- Roads Reserve: Any sale of council road reserves is placed here for expenditure on roads
- Insurance; intended to fund Council excess should a claim occur
- Office Equipment Replacement: to fund replacement equipment including IT equipment
- Construction of Building Reserve; Intended to help fund any major works required
- Property Reserve: intended to fund initial feasibility works for the Property Strategy
- Sustainability Reserve: for Council's street light renewable program and other sustainability projects
- Reserves for urgent maintenance and repairs for stormwater, open space assets (including marine assets) and community buildings
- Community Initiatives and Minor Capital Works reserve totaling \$20,000 has also been allocated for projects advocated by the community that have not been included in Council's operational plan or budget. Drawn-down funds from these reserves requires resolution of Council
- One-off reserve of \$350,000 was created FY2020/21 for the capital costs associated with the development of a shared depot site with Lane Cove. Payments are due to be completed FY2023/24.

The background features a collage of financial documents and tools. At the top, there's a bar chart with a 35% label and a smaller bar chart with months (Jan, Feb, Mar, Apr, May) on the x-axis and values (\$5,000, \$10,000, \$15,000) on the y-axis. A magnifying glass is positioned over a pie chart with a 20% label. To the right, a calculator is partially visible. At the bottom, a bar chart shows years from 2018 to 2024 with a \$500,000 label. A line graph is also visible in the bottom left corner.

7. Financial Scenarios

7.1 Scenario 1

Reducing rate income by these amounts produces significantly higher operating deficits before capital income, averaging \$2.4M over the nine years from 2022-23 to 2030-31.

This scenario assumes the current temporary components of the special variations that are built into Council's rate base are allowed to expire. This shows reduced rate income after the final year of each special variation:

- \$405,000 in 2022-23, a 4.6% reduction from the prior year
- \$472,000 in 2023-24, a 5.2% reduction from the prior year
- \$435,000 in 2029-30, a 4.2% reduction from the prior year

The value of these Special Variations in Council's 2020-21 rate base is \$1,232,000, 12.4% of total rates.

Spending on asset renewal would decrease to match reduced available funds, resulting in a decline in asset condition and an increase in renewal backlog works from the current \$4.7M to \$18.9M (current dollars) in 2030-31.

Reducing rate income by this amount increases the projected operating deficit before capital income from the projected \$1,445,000 deficit in 2021-22. The deficit will increase to \$1,655,000 in 2022-23 and to an average annual deficit of \$2,208,000 over the nine years from 2022-23 to 2030-31. This falls well short of the break-even industry standard.

Over the nine years from 2022-23 to 2030-31 the average annual cash & cash equivalents is projected to be \$1,073,000. The difference between this and the operating result is mainly due to depreciation, a non-cash item, exceeding projected spending on asset renewal during that period.

[A DETAILED SPREADSHEET ATTACHED AS APPENDIX 2](#)

7.2 Scenario 2

This scenario assumes income from expiring Special Variations continues, requiring IPART approval, and is directed to asset renewal priorities in accordance with DAMP recommendations.

Total rate income would increase by the 2.5% IPART rate peg. This scenario maintains the current level of spending on asset renewal. Asset condition declines and renewal backlog increases from the current \$4.7M to \$12.0M (current dollars).

Maintaining the current level of rate income, increased annually by the rate peg, only slightly improves the projected operating deficit before capital income from the projected \$1,445,000 deficit in 2021-22.

The deficit will reduce to \$1,240,000 in 2022-23 and to an average annual deficit of \$1,178,000 over the nine years from 2022-23 to 2030-31. This falls well short of the break-even industry standard.

Over the nine years from 2022-23 to 2030-31 the average annual cash & cash equivalents is projected to be \$1,154,000. The difference between this and the operating result is mainly due to depreciation, a non-cash item, exceeding projected spending on asset renewal during that period.

At this stage the model excludes expenditure of this surplus pending community consultation about the cost of meeting asset condition expectations. Given the predicted deterioration in asset condition in this model, it is likely that the surplus would be used to increase expenditure on asset renewal.

[A DETAILED SPREADSHEET ATTACHED AS APPENDIX 3](#)

7.3 Scenario 3

This scenario assumes the income from expiring Special Variations continues and is directed, together with an additional average \$915,000 per annum, to asset renewal priorities in accordance with DAMP recommendations.

Total rate income increases by the 2.5% rate peg plus an additional \$830,000 (9.3%) in 2022/23. This results in improvements in the condition of some asset classes, particularly roads, and an asset renewal backlog of \$5.5M (current dollars), an increase on the current backlog of \$4.7M.

Increasing rate income by this amount improves the projected operating deficit before capital income from the projected \$1,445,000 deficit in 2021-22. The deficit will reduce to \$410,000 in 2022-23 and to an average annual deficit of \$260,000 over the nine years from 2022-23 to 2030-31.

This falls short of the break-even industry standard however this may be able to be managed as budget options are further developed e.g., increased property-related income pending finalisation of the draft Property Strategy and refinement of depreciation calculations.

Over the nine years from 2022-23 to 2030-31 the average annual cash & cash equivalents is projected to be \$1,157,000. The difference between this and the operating result is mainly due to depreciation, a non-cash item, exceeding projected spending on asset renewal in most years during that period.

At this stage the model excludes expenditure of this surplus pending community consultation about the cost of meeting asset condition expectations. The surplus may be required to fund some assets to a higher standard than the model assumes or can be held in reserve to finance longer-term asset renewal, a more accelerated works program to reduce backlog, new capital works or unforeseen infrastructure cost.

[A DETAILED SPREADSHEET ATTACHED AS APPENDIX 4](#)

7.4 Scenario 4

This scenario assumes the income from expiring Special Variations continues and is redirected, together with an additional average \$1,487,000 per annum, to asset renewal priorities in accordance with DAMP recommendations.

Total rate income increases by the 2.5% rate peg plus an additional \$1,330,000 (15.0%).

This results in improvements in the condition of some asset classes, particularly roads, and the elimination of asset renewal backlog by 2030-31.

Increasing rate income by this amount improves the projected operating deficit before capital income from the projected \$1,445,000 deficit in 2021-22. The deficit will reduce to \$23,000 in 2022-23 but to an average annual surplus of \$169,000 over the nine years from 2022-23 to 2030-31.

This will meet the break-even industry standard and can be further improved as budget options are further developed e.g., increased property-related income pending finalisation of the draft Property Strategy and refinement of depreciation calculations.

Over the nine years from 2022-23 to 2030-31 the average annual cash surplus is projected to be \$855,000. The difference between this and the operating result is mainly due to depreciation, a non-cash item, exceeding projected spending on asset renewal in most years during that period. At this stage the model excludes expenditure of this surplus pending community consultation about the cost of meeting asset condition expectations. The surplus may be required to fund some assets to a higher standard than the model assumes or can be held in reserve to finance longer-term asset renewal, new capital works or unforeseen costs.

[A DETAILED SPREADSHEET ATTACHED AS APPENDIX 5](#)

The background features a collage of business-related items: a magnifying glass over a pie chart, a calculator, various bar and line graphs, and documents with percentages and dates. A semi-transparent purple rectangle is centered over the image, containing the text '8. Conclusion'.

8. Conclusion

8.1 Conclusion

Council has made significant progress in the development of its Digital Asset Management Plan. Evidence-based assessment of the condition of the majority of Council assets has been the starting point for determining the level of investment required to bring these assets up to an acceptable standard. In doing this, assumptions have been made about when in an asset's life Council should intervene and make this investment. These assumptions need to be tested with the community and it is planned to do this during 2021-22.

An aim of this LTFP is to develop a financial plan that matches the standard of infrastructure assets to community expectations. At the same time Council wants to ensure that its longer-term financial position is sound, that it can afford increased investment in asset renewal and that enough revenue is available to meet its ongoing operating expenses.

Model 1 shows the negative impact of allowing current special variations to expire without this funding being renewed. Asset condition declines significantly, and operating deficits continue.

Model 2 assumes renewal of the special variations and continuance of the current level of investment in asset renewal. The asset modelling shows this will not be enough to stop a growth in the backlog of asset renewal. Operating deficits are also projected over the life of the LTFP.

Model 3 renews the funding from the special variations but demonstrates the impact of a 9.3% increase in rate revenue in addition to the assumed 2.5% rate peg increase. Although an asset backlog is still predicted after 10 years, it is considerably less than what it would be in the absence of this additional investment. Much smaller operating deficits are predicted which may be able to be reduced through other budget measures yet to be fully developed.

Model 4 also renews the special variations but shows how a 15% increase in rate revenue in addition to the rate peg can eliminate the asset backlog completely after 10 years. It also produces budget surpluses and meets industry-accepted financial performance indicators.

The operating results in all models are impacted significantly by revised asset depreciation estimates calculated in conjunction with asset revaluations in 2020-21. By removing this non-cash item from cash flow estimates each of the models show annual cash surpluses. Models 3 and 4 have the benefit of making significant inroads into, or eliminating, asset backlog. Cash surpluses can be reserved for other asset requirements, including increased service standards resulting from the upcoming community engagement process, new capital works or unforeseen costs.

This LTFP is on public exhibition during May and June 2021 as part of community consultation on Council's suite of Integrated Planning and Reporting documents. Subject to its adoption, community consultation will occur during 2021-22 about the standard of Council's assets, the cost of meeting community expectations and Council's overall financial sustainability.

The background features a collage of business-related graphics. At the top, there's a bar chart with a 35% label and a smaller bar chart with months (Jan, Feb, Mar, Apr, May) on the x-axis and values (\$5,000, \$10,000, \$15,000) on the y-axis. A magnifying glass is positioned over a circular chart with a 50% label. To the right, another circular chart shows a 20% label. Below these, a calculator is partially visible. At the bottom, a bar chart shows years from 2018 to 2024 with a \$500,000 label. A line graph is also visible in the bottom left corner.

9. Appendices

The background features a collage of business-related images: a bar chart with a 35% label, a line graph, a calculator, a pen, and various charts and documents. A large purple semi-transparent rectangle is centered over the collage, containing the title text.

*Appendix 1 –
Assetic 10 year
Investment Model*

OPTION 1		RENEWAL									
SRV Expiry Adjusted \$7.24M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY
Buildings	2,557,771	312,945	50,581	2,653	790,321	268,578	349,071	428,907	354,715	0	0
Kerb	243,815	72,367	171,448	0	0	0	0	0	0	0	0
Marine Structures	108,896	24,439	16,806	0	44,853	13,664	5,236	0	0	3,898	0
Open Space	169,794	87,170	28,749	0	53,845	14	0	0	0	0	16
Paths	970,668	375,192	130,861	209,453	241,102	12,499	1,561	0	0	0	0
Roads	3,173,368	579,668	370,634	374,836	387,327	396,165	363,933	288,593	229,765	91,092	91,355
Stormwater Pipes	0	0	0	0	0	0	0	0	0	0	0
Stormwater Pits	17,538	5,750	11,788	0	0	0	0	0	0	0	0
Total	7,241,850	1,457,530	780,867	586,942	1,517,448	690,920	719,801	717,500	584,480	94,990	91,371
NPV	6,710,779	1,457,530	761,822	558,660	1,409,101	625,939	636,199	618,698	491,703	77,963	73,163
OPTION 2		RENEWAL (10 yrs)									
Current \$15.78M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY
Buildings	2,935,227	312,945	50,581	2,653	790,321	268,578	349,071	428,907	354,715	186,381	191,073
Kerb	1,617,781	72,367	171,448	138,821	432,241	130,892	108,778	154,003	81,818	65,914	261,499
Marine Structures	345,173	24,439	16,806	43,759	69,270	62,076	19,241	0	0	3,898	105,684
Open Space	710,007	87,170	28,749	123,098	57,886	138,160	83,865	3,116	2,852	99,701	85,409
Paths	1,727,568	375,192	135,331	139,731	141,900	142,995	153,147	153,559	158,943	160,924	165,848
Roads	8,386,766	579,668	786,528	802,213	825,295	844,258	863,367	888,437	906,996	934,516	955,488
Stormwater Pipes	0	0	0	0	0	0	0	0	0	0	0
Stormwater Pits	58,189	5,750	11,788	12,083	6,192	0	8,872	6,669	6,835	0	0
Total	15,780,711	1,457,530	1,201,231	1,262,358	2,323,106	1,586,959	1,586,342	1,634,691	1,512,158	1,451,334	1,765,002
NPV	14,114,209	1,457,530	1,171,932	1,201,530	2,157,235	1,437,706	1,402,096	1,409,589	1,272,126	1,191,178	1,413,287
OPTION 3		RENEWAL (10 yrs)									
Increased \$24.02M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY
Buildings	4,795,612	312,945	50,581	616,696	426,033	898,920	366,459	308,470	274,114	482,832	1,058,561
Kerb	2,330,844	72,367	171,448	138,821	432,241	237,017	178,912	165,486	403,881	65,914	464,758
Marine Structures	905,010	24,439	280,909	0	43,127	13,664	5,236	0	0	199,942	337,693
Open Space	2,953,151	87,170	171,575	94,556	110,123	897,509	262,337	246,897	3,623	458,554	620,808
Paths	2,672,511	375,192	203,329	239,636	143,000	234,612	239,626	320,357	311,431	337,972	267,356
Roads	10,300,748	579,668	872,432	1,097,966	1,276,536	1,015,268	1,035,505	1,059,531	1,097,865	1,120,066	1,145,911
Stormwater Pipes	0	0	0	0	0	0	0	0	0	0	0
Stormwater Pits	58,189	5,750	11,788	12,083	6,192	0	8,872	6,669	6,835	0	0
Total	24,016,065	1,457,530	1,762,061	2,199,759	2,437,252	3,296,990	2,096,947	2,107,411	2,097,749	2,665,279	3,895,087
NPV	21,262,316	1,457,530	1,719,084	2,093,763	2,263,230	2,986,910	1,853,395	1,817,214	1,764,763	2,187,519	3,118,907
OPTION 4		RENEWAL (10 yrs)									
Increased \$29.16M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY
Buildings	4,962,622	312,945	649,648	2,653	426,033	1,251,963	4,590	301,261	284,844	488,262	1,240,422
Kerb	2,330,844	72,367	171,448	138,821	432,241	237,017	178,912	165,486	403,881	65,914	464,758
Marine Structures	905,010	24,439	280,909	0	43,127	13,664	5,236	0	0	199,942	337,693
Open Space	6,833,784	87,170	171,575	94,556	110,123	1,752,760	109,463	0	3,623	452,281	4,052,233
Paths	2,672,511	375,192	203,329	239,636	143,000	234,612	239,626	320,357	311,431	337,972	267,356
Roads	11,394,888	579,668	1,360,324	1,393,948	1,427,732	1,254,366	1,227,858	2,019,967	1,576,153	554,870	0
Stormwater Pipes	0	0	0	0	0	0	0	0	0	0	0
Stormwater Pits	58,189	5,750	11,788	12,083	6,192	0	8,872	6,669	6,835	0	0
Total	29,157,847	1,457,530	2,849,021	1,881,698	2,588,448	4,744,383	1,774,556	2,813,740	2,586,767	2,099,241	6,362,462
NPV	25,718,333	1,457,530	2,779,533	1,791,027	2,403,632	4,298,177	1,568,449	2,426,280	2,176,157	1,722,945	5,094,603
OPTIONS COMPARISON		RENEWAL (10 yrs)									
	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY
Option 1 - SRV Expiry Adjusted \$7.24M (10 Years)	7,241,850	1,457,530	780,867	586,942	1,517,448	690,920	719,801	717,500	584,480	94,990	91,371
Option 2 - Current \$15.78M (10 Years)	15,780,711	1,457,530	1,201,231	1,262,358	2,323,106	1,586,959	1,586,342	1,634,691	1,512,158	1,451,334	1,765,002
Option 3 - Increased \$24.02M (10 Years)	24,016,065	1,457,530	1,762,061	2,199,759	2,437,252	3,296,990	2,096,947	2,107,411	2,097,749	2,665,279	3,895,087
Option 4 - Increased \$29.16M (10 Years)	29,157,847	1,457,530	2,849,021	1,881,698	2,588,448	4,744,383	1,774,556	2,813,740	2,586,767	2,099,241	6,362,462

OPTION 1		MAINTENANCE										
SRV Expiry Adjusted \$7.24M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY	
Buildings	8,895,748	550,309	689,505	723,483	651,986	802,855	914,462	982,530	1,076,049	1,171,709	1,332,860	
Kerb	206,885	15,577	17,156	17,914	19,046	20,252	21,255	22,234	23,234	24,354	25,863	
Marine Structures	135,638	11,191	11,255	12,418	11,659	12,706	13,544	13,883	14,586	16,413	17,983	
Open Space	3,773,027	25,099	27,384	80,064	102,609	174,418	187,966	620,171	773,869	822,524	958,923	
Paths	3,177,411	229,891	255,211	268,148	283,465	303,461	319,098	342,790	365,215	391,504	418,628	
Roads	2,825,939	199,014	199,023	198,028	203,606	218,168	253,816	295,598	335,734	400,923	522,028	
Stormwater Pipes	2,019,544	180,232	184,738	189,356	194,090	198,942	203,916	209,014	214,239	219,735	225,282	
Stormwater Pits	0	0	0	0	0	0	0	0	0	0	0	
Total	21,034,192	1,211,313	1,384,272	1,488,652	1,467,220	1,730,802	1,914,057	2,486,220	2,802,926	3,047,162	3,501,567	
NPV												
OPTION 2		MAINTENANCE (10 yrs)										
Current \$15.78M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY	
Buildings	8,823,853	550,309	689,505	723,483	651,986	802,855	914,462	982,530	1,076,049	1,151,970	1,280,705	
Kerb	201,079	15,577	17,156	17,791	18,748	19,725	20,645	21,498	22,340	23,281	24,319	
Marine Structures	111,773	11,191	11,255	10,966	11,255	10,166	10,326	10,584	11,204	12,067	12,693	
Open Space	3,382,411	25,099	27,384	78,665	100,977	152,724	159,617	589,614	672,410	728,603	847,319	
Paths	3,079,606	229,891	254,895	270,167	288,797	301,391	312,142	329,211	345,012	365,137	382,962	
Roads	2,345,004	199,014	191,187	182,250	180,350	187,659	210,636	234,343	261,120	300,404	398,039	
Stormwater Pipes	2,019,544	180,232	184,738	189,356	194,090	198,942	203,916	209,014	214,239	219,735	225,282	
Stormwater Pits	0	0	0	0	0	0	0	0	0	0	0	
Total	19,963,270	1,211,312	1,376,120	1,473,033	1,445,914	1,673,462	1,831,743	2,376,794	2,602,374	2,801,198	3,171,319	
NPV												
OPTION 3		MAINTENANCE (10 yrs)										
Increased \$24.02M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY	
Buildings	7,812,294	550,309	689,505	603,083	625,995	714,118	801,997	860,408	946,707	990,232	1,029,941	
Kerb	200,253	15,577	17,156	17,791	18,748	19,656	20,587	21,419	22,171	23,107	24,042	
Marine Structures	100,995	11,191	9,033	9,382	9,576	9,792	10,013	10,263	10,520	11,250	9,976	
Open Space	1,514,249	25,099	15,264	53,406	72,576	88,452	84,895	225,578	295,715	276,219	377,045	
Paths	2,926,353	229,891	252,787	264,909	283,187	292,992	299,237	309,116	319,535	331,120	343,580	
Roads	2,166,082	199,014	188,937	174,493	168,342	173,189	190,715	210,382	227,152	269,419	364,439	
Stormwater Pipes	2,019,544	180,232	184,738	189,356	194,090	198,942	203,916	209,014	214,239	219,735	225,282	
Stormwater Pits	0	0	0	0	0	0	0	0	0	0	0	
Total	16,739,771	1,211,312	1,357,421	1,312,419	1,372,513	1,497,141	1,611,359	1,846,180	2,036,039	2,121,082	2,374,304	
NPV												
OPTION 4		MAINTENANCE (10 yrs)										
Increased \$29.16M (10 Years)	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY	
Buildings	7,618,920	550,309	572,041	603,083	625,995	679,140	798,135	860,735	941,385	987,643	1,000,457	
Kerb	200,253	15,577	17,156	17,791	18,748	19,656	20,587	21,419	22,171	23,107	24,042	
Marine Structures	100,995	11,191	9,033	9,382	9,576	9,792	10,013	10,263	10,520	11,250	9,976	
Open Space	664,922	25,099	15,264	53,406	72,576	46,528	49,417	80,003	146,501	123,397	52,732	
Paths	2,926,353	229,891	252,787	264,909	283,187	292,992	299,237	309,116	319,535	331,120	343,580	
Roads	1,880,209	199,014	178,830	159,621	150,083	149,632	161,868	163,594	169,058	229,435	319,074	
Stormwater Pipes	2,019,544	180,232	184,738	189,356	194,090	198,942	203,916	209,014	214,239	219,735	225,282	
Stormwater Pits	0	0	0	0	0	0	0	0	0	0	0	
Total	15,411,197	1,211,312	1,229,850	1,297,548	1,354,254	1,396,682	1,543,171	1,654,143	1,823,408	1,925,687	1,975,142	
NPV												
OPTIONS COMPARISON		MAINTENANCE (10 yrs)										
	Total	2122FY	2223FY	2324FY	2425FY	2526FY	2627FY	2728FY	2829FY	2930FY	3031FY	
Option 1 - SRV Expiry Adjusted \$7.24M (10 Years)	21,034,192	1,211,313	1,384,272	1,488,652	1,467,220	1,730,802	1,914,057	2,486,220	2,802,926	3,047,162	3,501,567	
Option 2 - Current \$15.78M (10 Years)	19,963,270	1,211,312	1,376,120	1,473,033	1,445,914	1,673,462	1,831,743	2,376,794	2,602,374	2,801,198	3,171,319	
Option 3 - Increased \$24.02M (10 Years)	16,739,771	1,211,312	1,357,421	1,312,419	1,372,513	1,497,141	1,611,359	1,846,180	2,036,039	2,121,082	2,374,304	
Option 4 - Increased \$29.16M (10 Years)	15,411,197	1,211,312	1,229,850	1,297,548	1,354,254	1,396,682	1,543,171	1,654,143	1,823,408	1,925,687	1,975,142	

OPTION 1 SRV Expiry Adjusted \$7.24M (10 Years)	TOTEX (RENEWAL + MTCE)	WORKBANK BACKLOG			NET STRATEGY COST	OSI	
		Opening	Closing	Change		Opening	Closing
Buildings	11,453,519	611,367	2,948,919	2,337,552	13,791,071	2.60	3.15
Kerb	450,700	315,378	1,600,505	1,285,127	1,735,827	2.62	2.93
Marine Structures	244,534	274,058	908,434	634,376	878,910	3.02	3.25
Open Space	3,942,821	142,390	6,456,615	6,314,225	10,257,046	2.55	4.38
Paths	4,148,079	0	2,790	2,790	4,150,869	2.50	3.14
Roads	5,999,307	3,258,914	11,673,851	8,414,937	14,414,244	2.67	3.10
Stormwater Pipes	2,019,544	0	0	0	2,019,544	2.69	2.69
Stormwater Pits	17,538	53,843	45,699	-8,144	9,394	2.70	2.70
Total	28,276,042	4,655,950	23,636,813	18,980,863	47,256,905		
NPV		4,655,950	18,926,667	14,270,717			
OPTION 2 Current \$15.78M (10 Years)	TOTEX (RENEWAL + MTCE)	WORKBANK BACKLOG			NET STRATEGY COST	OSI	
		Opening	Closing	Change		Opening	Closing
Buildings	11,759,080	611,367	2,566,804	1,955,437	13,714,517	2.60	3.11
Kerb	1,818,860	315,378	751,477	436,099	2,254,959	2.62	2.81
Marine Structures	456,946	274,058	602,171	328,113	785,059	3.02	2.99
Open Space	4,092,419	142,390	6,271,892	6,129,502	10,221,921	2.55	4.20
Paths	4,807,173	0	0	0	4,807,173	2.50	2.90
Roads	10,731,770	3,258,914	4,759,217	1,500,303	12,232,073	2.67	2.67
Stormwater Pipes	2,019,544	0	0	0	2,019,544	2.69	2.69
Stormwater Pits	58,189	53,843	0	-53,843	4,346	2.70	2.68
Total	35,743,981	4,655,950	14,951,561	10,295,611	46,039,592		
NPV		4,655,950	11,972,139	7,316,189			
OPTION 3 Increased \$24.02M (10 Years)	TOTEX (RENEWAL + MTCE)	WORKBANK BACKLOG			NET STRATEGY COST	OSI	
		Opening	Closing	Change		Opening	Closing
Buildings	12,607,906	611,367	259,692	-351,675	12,256,231	2.60	2.90
Kerb	2,531,097	315,378	0	-315,378	2,215,719	2.62	2.79
Marine Structures	1,006,005	274,058	0	-274,058	731,947	3.02	2.68
Open Space	4,467,401	142,390	3,946,865	3,804,475	8,271,876	2.55	3.40
Paths	5,598,864	0	0	0	5,598,864	2.50	2.64
Roads	12,466,830	3,258,914	2,617,688	-641,226	11,825,604	2.67	2.53
Stormwater Pipes	2,019,544	0	0	0	2,019,544	2.69	2.69
Stormwater Pits	58,189	53,843	0	-53,843	4,346	2.70	2.68
Total	40,755,836	4,655,950	6,824,245	2,168,295	42,924,131		
NPV		4,655,950	5,464,367	808,417			
OPTION 4 Increased \$29.16M (10 Years)	TOTEX (RENEWAL + MTCE)	WORKBANK BACKLOG			NET STRATEGY COST	OSI	
		Opening	Closing	Change		Opening	Closing
Buildings	12,581,542	611,367	0	-611,367	11,970,175	2.60	2.88
Kerb	2,531,097	315,378	0	-315,378	2,215,719	2.62	2.79
Marine Structures	1,006,005	274,058	0	-274,058	731,947	3.02	2.68
Open Space	7,498,705	142,390	0	-142,390	7,356,315	2.55	1.97
Paths	5,598,864	0	0	0	5,598,864	2.50	2.64
Roads	13,275,097	3,258,914	0	-3,258,914	10,016,183	2.67	2.43
Stormwater Pipes	2,019,544	0	0	0	2,019,544	2.69	2.69
Stormwater Pits	58,189	53,843	0	-53,843	4,346	2.70	2.68
Total	44,569,044	4,655,950	0	-4,655,950	39,913,094		
NPV		4,655,950	0	-4,655,950			
OPTIONS COMPARISON	TOTEX (RENEWAL + MTCE)	WORKBANK BACKLOG			NET STRATEGY COST		
		Opening	Closing	Change			
Option 1 - SRV Expiry Adjusted \$7.24M (10 Years)	28,276,042	4,655,950	23,636,813	18,980,863	47,256,905		
Option 2 - Current \$15.78M (10 Years)	35,743,981	4,655,950	14,951,561	10,295,611	46,039,592		
Option 3 - Increased \$24.02M (10 Years)	40,755,836	4,655,950	6,824,245	2,168,295	42,924,131		
Option 4 - Increased \$29.16M (10 Years)	44,569,044	4,655,950	0	-4,655,950	39,913,094		

The background features a collage of financial and business-related elements. At the top, there's a bar chart with five bars and a y-axis labeled from \$0 to \$5,000. To the right, a pie chart shows a 20% segment. A magnifying glass is positioned over a circular chart. Below the main title, a calculator is visible on the right side. At the bottom, another bar chart shows data from 2018 to 2024 with a y-axis up to \$500,000. A line graph is also present in the bottom left corner.

Appendix 2 – Scenario 1

This option assumes the current special variations that are built into Council's rate base are allowed to expire. The model therefore shows reduced rate income after the final years of the special variation: \$405,000 in 2022-23, \$547,000 and \$435,000 in 2023-24. Spending on asset renewal would decrease correspondingly, resulting in a decline in asset condition and an increase in renewal backlog works from the current \$4.7M to \$18.9M (current dollars) in 2030-31.

Scenario 1 - 2021 /22

Income Statement			1	2	3	4	5	6	7	8	9	10
	Actual	Revised	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
	2019-20	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income From Continuing Operations												
Rates & Annual Charges	12,323,000.00	11,411,033.91	11,896,654.75	12,193,554.28	12,498,196.03	12,810,449.48	13,130,436.22	13,458,416.86	13,794,734.21	14,139,602.56	14,492,942.60	14,855,035.95
Road Infrastructure Rate Levy		397,062.00	405,003.24	-	-	-	-	-	-	-	-	-
Other Infrastructure Rate Levy		264,810.60	270,106.81	276,859.48	-	-	-	-	-	-	-	-
Environmental Rate Levy		187,347.60	191,094.55	195,871.92	-	-	-	-	-	-	-	-
Community Buildings Rate Levy		359,100.00	366,282.00	375,439.05	384,825.03	394,445.65	404,306.79	414,414.46	424,774.82	435,394.20	-	-
User Charges & Fees	1,982,000.00	1,330,507.00	1,321,758.62	1,406,084.44	1,436,411.67	1,493,664.93	1,524,771.20	1,556,555.69	1,591,501.42	1,629,788.96	1,666,445.63	1,702,635.41
Interest & Investment Revenue	376,000.00	312,467.00	316,580.03	319,842.45	324,395.82	329,944.87	336,370.27	343,338.54	351,186.67	359,530.55	368,606.76	378,221.12
Other Revenues	2,057,000.00	1,029,082.00	1,189,754.77	1,248,731.60	1,376,204.69	1,406,482.21	1,436,019.72	1,466,177.55	1,499,900.37	1,537,397.87	1,572,758.79	1,607,360.66
Grants & Contributions provided for Operating Purposes	836,000.00	1,329,857.00	931,269.28	817,916.45	835,668.87	853,814.04	871,552.76	889,667.09	909,849.38	932,220.61	953,384.91	974,134.29
Grants & Contributions provided for Capital Purposes	765,000.00	1,871,024.00	3,736,305.00	2,038,790.00	384,568.38	393,028.88	401,282.49	409,709.42	419,132.74	429,611.06	439,492.11	449,160.94
<i>Other Income</i>												
Net Gains from the Disposal of Assets	57,000.00	26,700.00	328,900.00	14,800.00	49,200.00	40,200.00	15,900.00	65,600.00	-	-	37,400.00	14,700.00
Net Share of interests in Joint Ventures & Associates using the equity method		111,000.00	-	-	-	-	-	-	-	-	-	-
Total Income From Continuing Operations	18,396,000.00	18,629,991.11	20,953,709.05	18,887,889.68	17,289,470.48	17,722,030.06	18,120,639.46	18,603,879.63	18,991,079.60	19,463,545.81	19,531,030.81	19,981,248.36
Expenses From Continuing Operations												
Employee Benefits & On-costs	5,216,000.00	5,949,353.00	6,114,642.59	6,208,775.39	6,370,043.27	6,548,158.79	6,750,733.21	6,999,826.67	7,174,735.09	7,354,103.47	7,537,864.56	7,726,170.78
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	6,944,000.00	6,770,702.00	6,139,614.88	5,926,156.00	5,950,171.13	6,250,221.23	6,262,144.63	6,409,212.18	6,484,437.17	6,632,973.10	6,744,592.92	6,893,178.81
Depreciation & Amortisation	2,378,000.00	3,469,375.00	3,537,517.20	3,606,947.04	3,676,151.48	3,778,158.01	3,843,534.67	3,919,342.07	3,996,625.04	4,074,962.24	4,154,867.58	4,237,358.27
Other Expenses	2,435,000.00	2,654,323.00	2,725,807.50	2,614,640.00	2,673,121.28	2,900,864.45	2,799,207.94	2,859,276.01	2,926,189.35	3,159,343.46	3,069,019.22	3,137,869.49
<i>Other Expenses</i>												
Net Losses from the Disposal of Assets	127,000.00	229,703.00	145,000.00	147,900.00	150,858.00	153,875.16	156,952.66	160,091.72	167,593.55	168,559.42	169,890.61	173,288.42
Total Expenses From Continuing Operations	17,100,000.00	19,073,456.00	18,662,582.17	18,504,418.43	18,820,345.17	19,631,277.65	19,812,573.12	20,347,748.65	20,749,580.20	21,389,941.69	21,676,234.89	22,167,865.78
Operating Result from Continuing Operations	1,296,000.00	- 443,464.89	2,291,126.88	383,471.25	- 1,530,874.70	- 1,909,247.59	- 1,691,933.66	- 1,743,869.02	- 1,758,500.60	- 1,926,395.87	- 2,145,204.08	- 2,186,617.42
Net Operating Result for the year before Grants & Contributions provided for capital purposes	531,000.00	- 2,314,488.89	- 1,445,178.12	- 1,655,318.75	- 1,915,443.08	- 2,302,276.47	- 2,093,216.15	- 2,153,578.44	- 2,177,633.34	- 2,356,006.93	- 2,584,696.20	- 2,635,778.35

Scenario 1 - 2021 /22

Statement of Cash Flows		Revised	1	2	3	4	5	6	7	8	9	10
	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts	19,130,000.00	18,629,991.11	20,953,709.05	18,887,889.68	17,289,470.48	17,722,030.06	18,120,639.46	18,603,879.63	18,991,079.60	19,463,545.81	19,531,030.81	19,981,248.36
Payments	-\$16,048,000.00	-\$15,771,726.51	-\$15,222,376.82	-\$15,036,984.14	-\$15,327,808.89	-\$16,040,774.37	-\$16,152,104.17	-\$16,615,316.68	-\$16,961,965.16	-\$17,547,389.48	-\$17,740,529.98	-\$18,144,962.94
Net Cash provided (or used) in Operating Activities	3,082,000.00	2,858,264.60	5,731,332.23	3,850,905.54	1,961,661.58	1,681,255.69	1,968,535.29	1,988,562.94	2,029,114.44	1,916,156.33	1,790,500.83	1,836,285.43
Cash Flows From Investing Activities												
Receipts												
Sale of Infrastructure, Property, Plant and Equipment	115,000.00	140,900.00	142,500.00	63,900.00	125,930.00	164,890.00	158,000.00	168,100.00	121,900.00	68,100.00	95,300.00	245,300.00
Payments												
Purchase of Infrastructure, Property, Plant and Equipment	- 2,696,000.00	- 9,483,471.50	- 6,050,077.47	- 2,663,252.79	- 930,446.09	- 1,939,072.78	- 1,020,662.94	- 1,109,664.60	- 996,499.02	- 812,128.42	- 383,280.37	- 725,799.21
Net Cash provided (or used) in Investing Activities	- 2,581,000.00	- 9,342,571.50	- 5,907,577.47	- 2,599,352.79	- 804,516.09	- 1,774,182.78	- 862,662.94	- 941,564.60	- 874,599.02	- 744,028.42	- 287,980.37	- 480,499.21
Cash Flows From Financing Activities												
Receipts												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used) in Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	501,000.00	- 6,484,306.89	- 176,245.24	1,251,552.75	1,157,145.50	- 92,927.09	1,105,872.34	1,046,998.34	1,154,515.42	1,172,127.90	1,502,520.46	1,355,786.22
Cash & Cash Equivalents at the beginning of the year	22,516,000.00	23,017,000.00	16,532,693.11	16,356,447.87	17,608,000.62	18,765,146.12	18,672,219.03	19,778,091.37	20,825,089.71	21,979,605.13	23,151,733.03	24,654,253.49
Cash & Cash Equivalents at the end of the year	23,017,000.00	16,532,693.11	16,356,447.87	17,608,000.62	18,765,146.12	18,672,219.03	19,778,091.37	20,825,089.71	21,979,605.13	23,151,733.03	24,654,253.49	26,010,039.71

Scenario 1 - 2021 /22

Balance Sheet		1	2	3	4	5	6	7	8	9	10	
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-2030	Draft Projected 2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets												
Current Assets												
Cash & Cash Equivalents	23,017,000.00	16,532,693.11	16,356,447.87	17,608,000.62	18,765,146.12	18,672,219.03	19,778,091.37	20,825,089.71	21,979,605.13	23,151,733.03	24,654,253.49	26,010,039.71
Investments												
Receivables	1,333,000.00	1,363,659.00	1,380,022.91	1,403,483.30	1,434,359.93	1,465,915.85	1,496,700.08	1,528,130.78	1,563,277.79	1,602,359.74	1,639,214.01	1,675,276.72
Inventories	13,000.00	13,299.00	13,458.59	13,687.38	13,988.51	14,296.25	14,596.47	14,903.00	15,245.77	15,626.91	15,986.33	16,338.03
Other	161,000.00	164,703.00	166,679.44	169,512.99	173,242.27	177,053.60	180,771.73	184,567.93	188,813.00	193,533.32	197,984.59	202,340.25
Total Current Assets	24,524,000.00	18,074,354.11	17,916,608.80	19,194,684.29	20,386,736.83	20,329,484.73	21,470,159.65	22,552,691.43	23,746,941.69	24,963,253.01	26,507,438.42	27,903,994.71
Non-Current Assets												
Receivables	31,000.00	31,713.00	32,093.56	32,639.15	33,357.21	34,091.07	34,806.98	35,537.93	36,355.30	37,264.18	38,121.26	38,959.92
Infrastructure , Property, Plant & Equipment	223,131,000.00	228,998,461.00	231,473,132.54	229,672,862.66	227,074,090.53	225,348,981.56	222,640,156.53	219,940,138.76	217,128,714.20	214,143,155.71	210,601,957.44	207,163,792.07
Other	499,000.00	510,477.00	516,602.72	525,384.97	536,943.44	548,756.20	560,280.08	572,045.96	585,203.01	599,833.09	613,629.25	627,129.09
Total Non- Current Assets	223,661,000.00	229,540,651.00	232,021,828.82	230,230,886.78	227,644,391.17	225,931,828.82	223,235,243.59	220,547,722.64	217,750,272.51	214,780,252.98	211,253,707.95	207,829,881.09
Total Assets	248,185,000.00	247,615,005.10	249,938,437.62	249,425,571.07	248,031,128.00	246,261,313.55	244,705,403.24	243,100,414.07	241,497,214.20	239,743,505.99	237,761,146.37	235,733,875.80
Liabilities												
Current Liabilities												
Payables	4,486,000.00	4,589,178.00	4,644,248.14	4,723,200.35	4,827,110.76	4,933,307.20	5,036,906.65	5,142,681.69	5,260,963.37	5,392,487.45	5,516,514.66	5,637,877.99
Income received in Advance	262,000.00											
Borrowings	-											
Grant - Boronia Park	1,000,000.00	1,000,000.00	1,000,000.00									
Grant - Riverglade Res playground	40,000.00	40,000.00										
Provisions	1,385,000.00	1,416,855.00	1,433,857.26	1,458,232.83	1,490,313.96	1,523,100.86	1,555,085.98	1,587,742.79	1,624,260.87	1,664,867.39	1,703,159.34	1,740,628.85
Total Current Liabilities	7,173,000.00	7,046,033.00	7,078,105.40	6,181,433.19	6,317,424.72	6,456,408.06	6,591,992.63	6,730,424.48	6,885,224.24	7,057,354.85	7,219,674.01	7,378,506.83
Non - Current Liabilities												
Payables												
Creditor - Bus shelter contract	-	-										
Borrowings												
Provisions	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Non - Current Liabilities	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Liabilities	7,192,000.00	7,065,470.00	7,097,775.64	6,201,437.83	6,337,869.46	6,477,302.59	6,613,325.94	6,752,205.79	6,907,506.52	7,080,194.18	7,243,038.65	7,402,385.50
Net Assets	240,993,000.00	240,549,535.10	242,840,661.98	243,224,133.24	241,693,258.54	239,784,010.96	238,092,077.30	236,348,208.28	234,589,707.68	232,663,311.81	230,518,107.72	228,331,490.31
Equity												
Retained Earnings	110,890,000.00	110,446,535.11	112,737,661.99	113,121,133.24	111,590,258.54	109,681,010.96	107,989,077.30	106,245,208.28	104,486,707.68	102,560,311.81	100,415,107.72	98,228,490.31
Revaluation Reserves	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00
Council Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	240,993,000.00	240,549,535.11	242,840,661.99	243,224,133.24	241,693,258.54	239,784,010.96	238,092,077.30	236,348,208.28	234,589,707.68	232,663,311.81	230,518,107.72	228,331,490.31

Scenario 1 - 2021 /22

Statement of Performance Measurement - Indicators			1	2	3	4	5	6	7	8	9	10
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-30	Draft Projected 2030-31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Ratio	3.42%	-12.60%	-9.65%	-9.04%	-10.76%	-12.66%	-11.02%	-11.36%	-10.82%	-11.49%	-12.87%	-12.69%
Own Source Operating Revenue Ratio	91.27%	82.80%	77.37%	84.86%	92.92%	92.95%	92.97%	92.99%	93.00%	93.00%	92.85%	92.87%
Unrestricted current ratio	5.06	2.96	2.91	3.75	3.92	3.82	3.97	4.10	4.24	4.36	4.54	4.69
Debt Service Cover Ratio	-	-	-	-	-	-	-	-	-	-	-	-
Rates & Annual Charges Outstanding Percent	3.95%	4.08%	4.08%	4.05%	4.04%	4.03%	4.01%	4.00%	3.99%	3.99%	3.98%	3.97%
Cash Expense CoverRatio	3.50	12.71	12.98	14.18	14.87	14.13	14.86	15.21	15.74	16.05	16.89	17.41
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	71.63%	16.87%	42.76%	19.09%	19.50%	19.05%	15.22%	2.42%	0.00%
Infrastructure Backlog Ratio	8.00%	8.00%	8.33%	7.69%	10.24%	11.86%	14.49%	19.06%	20.17%	25.64%	30.01%	36.53%
Asset Maintenance Ratio	112.53%	112.53%	101.71%	99.47%	94.60%	90.99%	81.45%	74.46%	70.69%	63.96%	58.62%	49.22%
Cost to bring assets to agreed service level	3.25%	3.25%	2.53%	2.23%	2.44%	2.64%	4.43%	5.46%	7.39%	8.12%	8.62%	11.78%
Fit For The Future												
Operating Performance Ratio	3.42%	-12.62%	-9.65%	-9.04%	-10.76%	-12.66%	-11.02%	-11.36%	-10.82%	-11.49%	-12.87%	-12.69%
3 year average	-1.30%	-4.48%	-6.53%	-10.69%	-9.81%	-10.82%	-11.48%	-11.68%	-11.07%	-11.22%	-11.73%	-12.35%
Own Source Operating Revenue Ratio	91.00%	82.79%	77.37%	84.86%	92.92%	92.95%	92.97%	92.99%	93.00%	93.00%	92.85%	92.87%
3 year average	90.02%	86.54%	83.78%	81.64%	85.05%	90.24%	92.95%	92.97%	92.99%	93.00%	92.95%	92.91%
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	71.63%	16.87%	42.76%	19.09%	19.50%	19.05%	15.22%	2.42%	2.29%
3 Year Average	39.86%	67.53%	114.33%	119.26%	85.09%	43.75%	26.24%	27.11%	19.21%	17.92%	12.23%	6.64%
Infrastructure Backlog Ratio	8.00%	8.00%	8.33%	7.69%	10.24%	11.86%	14.49%	19.06%	20.17%	25.64%	30.01%	36.53%
3 Year Average	6.09%	8.01%	8.04%	7.94%	8.75%	9.93%	12.20%	15.14%	17.91%	21.62%	25.27%	30.72%
Asset Maintenance Ratio	112.53%	112.53%	101.71%	99.47%	94.60%	90.99%	81.45%	74.46%	70.69%	63.96%	58.62%	49.22%
3 Year Average	97.18%	108.35%	108.92%	104.57%	98.59%	95.02%	89.02%	82.30%	75.54%	69.70%	64.42%	57.27%
Debt Service Ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3 Year Average	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Real Operating Expenditure Per Capita	0.98	0.98	0.93	0.90	0.89	0.91	0.89	0.90	0.89	0.89	0.88	0.88

The background features a collage of financial documents. At the top, there's a bar chart with a 35% label and a line graph with a 10% label. A magnifying glass is positioned over a circular chart with a 20% label. To the right, a calculator is partially visible. At the bottom, there's a bar chart with years 2018-2024 on the x-axis and a value of \$500,000 on the y-axis. A calculator is also visible at the bottom right.

Appendix 3 – Scenario 2

This option assumes income from expiring special variations continues, requiring IPART approval, and is directed to asset renewal priorities in accordance with DAMP recommendations. Total rate income would increase by the 2.5% IPART rate peg. This option maintains the current level of spending on asset renewal. Asset condition declines and renewal backlog increases from the current \$4.7M to \$12.0M (current dollars). Maintaining the current level of rate income, increased annually by the rate peg, does nothing to improve the projected operating deficits before capital income. These will remain close to current levels, averaging an annual \$1.5M deficit over the nine years from 2022-23 to 2030-31.

Scenario 2 - 2021 /22

Income Statement			1	2	3	4	5	6	7	8	9	10
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-30	Draft Projected 2030-31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income From Continuing Operations												
Rates & Annual Charges	12,323,000.00	12,619,354.00	13,129,141.35	13,456,853.05	13,793,077.27	14,137,702.75	14,490,870.82	14,852,862.33	15,224,040.81	15,604,641.83	15,994,607.85	16,394,242.83
User Charges & Fees	1,982,000.00	1,330,507.00	1,321,758.62	1,406,084.44	1,436,411.67	1,493,664.93	1,524,771.20	1,556,555.69	1,591,501.42	1,629,788.96	1,666,445.63	1,702,635.41
Interest & Investment Revenue	376,000.00	312,467.00	316,580.03	319,842.45	324,395.82	329,944.87	336,370.27	343,338.54	351,186.67	359,530.55	368,606.76	378,221.12
Other Revenues	2,057,000.00	1,029,082.00	1,189,754.77	1,248,731.60	1,376,204.69	1,406,482.21	1,436,019.72	1,466,177.55	1,499,900.37	1,537,397.87	1,572,758.79	1,607,360.66
Grants & Contributions provided for Operating Purposes	836,000.00	1,329,857.00	931,269.28	817,916.45	835,668.87	853,814.04	871,552.76	889,667.09	909,849.38	932,220.61	953,384.91	974,134.29
Grants & Contributions provided for Capital Purposes	765,000.00	1,871,024.00	3,736,305.00	2,038,790.00	384,568.38	393,028.88	401,282.49	409,709.42	419,132.74	429,611.06	439,492.11	449,160.94
<i>Other Income</i>												
Net Gains from the Disposal of Assets	57,000.00	26,700.00	328,900.00	14,800.00	49,200.00	40,200.00	15,900.00	65,600.00	-	-	37,400.00	14,700.00
Net Share of interests in Joint Ventures & Associates using the equity method		111,000.00	-	-	-	-	-	-	-	-	-	-
Total Income From Continuing Operations	18,396,000.00	18,629,991.00	20,953,709.05	19,303,018.00	18,199,526.69	18,654,837.68	19,076,767.27	19,583,910.63	19,995,611.38	20,493,190.88	21,032,696.06	21,520,455.25
Expenses From Continuing Operations												
Employee Benefits & On-costs	5,216,000.00	5,949,353.00	6,114,642.59	6,208,775.39	6,370,043.27	6,548,158.79	6,750,733.21	6,999,826.67	7,174,735.09	7,354,103.47	7,537,864.56	7,726,170.78
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	6,944,000.00	6,770,702.00	6,139,614.88	5,926,156.00	5,950,171.13	6,250,221.23	6,262,144.63	6,409,212.18	6,484,437.17	6,632,973.10	6,744,592.92	6,893,178.81
Depreciation & Amortisation	2,378,000.00	3,469,375.00	3,537,517.20	3,606,947.04	3,676,151.48	3,778,158.01	3,843,534.67	3,919,342.07	3,996,625.04	4,074,962.24	4,154,867.58	4,237,358.27
Other Expenses	2,435,000.00	2,654,323.00	2,725,807.50	2,614,640.00	2,673,121.28	2,900,864.45	2,799,207.94	2,859,276.01	2,926,189.35	3,159,343.46	3,069,019.22	3,137,869.49
<i>Other Expenses</i>												
Net Losses from the Disposal of Assets	127,000.00	229,703.00	145,000.00	147,900.00	150,858.00	153,875.16	156,952.66	160,091.72	167,593.55	168,559.42	169,890.61	173,288.42
Total Expenses From Continuing Operations	17,100,000.00	19,073,456.00	18,662,582.17	18,504,418.43	18,820,345.17	19,631,277.65	19,812,573.12	20,347,748.65	20,749,580.20	21,389,941.69	21,676,234.89	22,167,865.78
Operating Result from Continuing Operations	1,296,000.00	- 443,465.00	2,291,126.88	798,599.57	- 620,818.49	- 976,439.97	- 735,805.85	- 763,838.02	- 753,968.82	- 896,750.80	- 643,538.83	- 647,410.53
Net Operating Result for the year before Grants & Contributions provided for capital purposes	531,000.00	- 2,314,489.00	- 1,445,178.12	- 1,240,190.43	- 1,005,386.87	- 1,369,468.85	- 1,137,088.34	- 1,173,547.44	- 1,173,101.56	- 1,326,361.86	- 1,083,030.95	- 1,096,571.47

Scenario 2 - 2021 /22

Statement of Cash Flows	Actual 2019-20	Revised Budget 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028	Projected 2028-2029	Projected 2029-2030	Projected 2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts	19,130,000.00	18,629,991.00	20,953,709.05	19,303,018.00	18,199,526.69	18,654,837.68	19,076,767.27	19,583,910.63	19,995,611.38	20,493,190.88	21,032,696.06	21,520,455.25
Payments	- 16,048,000.00	- 15,771,726.51	- 15,222,376.82	- 15,036,984.14	- 15,327,808.89	- 16,040,774.37	- 16,152,104.17	- 16,615,316.68	- 16,961,965.16	- 17,547,389.48	- 17,740,529.98	- 18,144,962.94
Net Cash provided (or used) in Operating Activities	3,082,000.00	2,858,264.50	5,731,332.23	4,266,033.86	2,871,717.80	2,614,063.31	2,924,663.10	2,968,593.94	3,033,646.22	2,945,801.40	3,292,166.08	3,375,492.31
Cash Flows From Investing Activities												
Receipts												
Sale of Infrastructure, Property, Plant and Equipment	115,000.00	140,900.00	142,500.00	63,900.00	125,930.00	164,890.00	158,000.00	168,100.00	121,900.00	68,100.00	95,300.00	245,300.00
Payments												
Purchase of Infrastructure, Property, Plant and Equipment	- 2,696,000.00	- 9,483,471.50	- 6,050,077.47	- 3,083,616.05	- 1,605,861.46	- 2,744,731.09	- 1,916,701.98	- 1,976,206.20	- 1,913,689.60	- 1,739,806.97	- 1,739,624.22	- 2,399,430.23
Net Cash provided (or used) in Investing Activities	- 2,581,000.00	- 9,342,571.50	- 5,907,577.47	- 3,019,716.05	- 1,479,931.46	- 2,579,841.09	- 1,758,701.98	- 1,808,106.20	- 1,791,789.60	- 1,671,706.97	- 1,644,324.22	- 2,154,130.23
Cash Flows From Financing Activities												
Receipts												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used) in Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	501,000.00	- 6,484,307.00	- 176,245.24	1,246,317.81	1,391,786.33	34,222.22	1,165,961.12	1,160,487.75	1,241,856.62	1,274,094.43	1,647,841.86	1,221,362.08
Cash & Cash Equivalents at the beginning of the year	22,516,000.00	23,017,000.00	16,532,693.00	16,356,447.76	17,602,765.57	18,994,551.91	19,028,774.13	20,194,735.25	21,355,223.00	22,597,079.61	23,871,174.05	25,519,015.91
Cash & Cash Equivalents at the end of the year	23,017,000.00	16,532,693.00	16,356,447.76	17,602,765.57	18,994,551.91	19,028,774.13	20,194,735.25	21,355,223.00	22,597,079.61	23,871,174.05	25,519,015.91	26,740,377.99

Scenario 2 - 2021 /22

Balance Sheet			1	2	3	4	5	6	7	8	9	10
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-2030	Draft Projected 2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets												
Current Assets												
Cash & Cash Equivalents	23,017,000.00	16,532,693.00	16,356,447.76	17,602,765.57	18,994,551.91	19,028,774.13	20,194,735.25	21,355,223.00	22,597,079.61	23,871,174.05	25,519,015.91	26,740,377.99
Investments												
Receivables	1,333,000.00	1,363,659.00	1,380,022.91	1,403,483.30	1,434,359.93	1,465,915.85	1,496,700.08	1,528,130.78	1,563,277.79	1,602,359.74	1,639,214.01	1,675,276.72
Inventories	13,000.00	13,299.00	13,458.59	13,687.38	13,988.51	14,296.25	14,596.47	14,903.00	15,245.77	15,626.91	15,986.33	16,338.03
Other	161,000.00	164,703.00	166,679.44	169,512.99	173,242.27	177,053.60	180,771.73	184,567.93	188,813.00	193,533.32	197,984.59	202,340.25
Total Current Assets	24,524,000.00	18,074,354.00	17,916,608.69	19,189,449.24	20,616,142.62	20,686,039.83	21,886,803.53	23,082,824.71	24,364,416.17	25,682,694.02	27,372,200.84	28,634,332.99
Non-Current Assets												
Receivables	31,000.00	31,713.00	32,093.56	32,639.15	33,357.21	34,091.07	34,806.98	35,537.93	36,355.30	37,264.18	38,121.26	38,959.92
Infrastructure, Property, Plant & Equipment	223,131,000.00	228,998,461.00	231,473,132.54	230,093,225.92	228,169,869.16	227,250,418.50	225,437,632.51	223,604,156.33	221,709,922.35	219,652,042.41	217,467,187.98	215,702,653.63
Other	499,000.00	510,477.00	516,602.72	525,384.97	536,943.44	548,756.20	560,280.08	572,045.96	585,203.01	599,833.09	613,629.25	627,129.09
Total Non-Current Assets	223,661,000.00	229,540,651.00	232,021,828.82	230,651,250.04	228,740,169.81	227,833,265.76	226,032,719.56	224,211,740.21	222,331,480.66	220,289,139.68	218,118,938.49	216,368,742.65
Total Assets	248,185,000.00	247,615,005.00	249,938,437.52	249,840,699.28	249,356,312.43	248,519,305.59	247,919,523.09	247,294,564.92	246,695,896.83	245,971,833.69	245,491,139.33	245,003,075.64
Liabilities												
Current Liabilities												
Payables	4,486,000.00	4,589,178.00	4,644,248.14	4,723,200.35	4,827,110.76	4,933,307.20	5,036,906.65	5,142,681.69	5,260,963.37	5,392,487.45	5,516,514.66	5,637,877.99
Income received in Advance	262,000.00											
Borrowings	-											
Grant - Boronia Park	1,000,000.00	1,000,000.00	1,000,000.00									
Grant - Riverglade Res playground	40,000.00	40,000.00										
Provisions	1,385,000.00	1,416,855.00	1,433,857.26	1,458,232.83	1,490,313.96	1,523,100.86	1,555,085.98	1,587,742.79	1,624,260.87	1,664,867.39	1,703,159.34	1,740,628.85
Total Current Liabilities	7,173,000.00	7,046,033.00	7,078,105.40	6,181,433.19	6,317,424.72	6,456,408.06	6,591,992.63	6,730,424.48	6,885,224.24	7,057,354.85	7,219,674.01	7,378,506.83
Non-Current Liabilities												
Payables												
Creditor - Bus shelter contract	-	-										
Borrowings												
Provisions	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Non-Current Liabilities	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Liabilities	7,192,000.00	7,065,470.00	7,097,775.64	6,201,437.83	6,337,869.46	6,477,302.59	6,613,325.94	6,752,205.79	6,907,506.52	7,080,194.18	7,243,038.65	7,402,385.50
Net Assets	240,993,000.00	240,549,535.00	242,840,661.88	243,639,261.46	243,018,442.97	242,042,003.00	241,306,197.15	240,542,359.14	239,788,390.31	238,891,639.51	238,248,100.68	237,600,690.14
Equity												
Retained Earnings	110,890,000.00	110,446,535.00	112,737,661.88	113,536,261.45	112,915,442.97	111,939,003.00	111,203,197.15	110,439,359.13	109,685,390.31	108,788,639.51	108,145,100.68	107,497,690.14
Revaluation Reserves	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00
Council Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	240,993,000.00	240,549,535.00	242,840,661.88	243,639,261.45	243,018,442.97	242,042,003.00	241,306,197.15	240,542,359.13	239,788,390.31	238,891,639.51	238,248,100.68	237,600,690.14

Scenario 2 - 2021 /22

Statement of Performance Measurement - Indicators		1	2	3	4	5	6	7	8	9	10	
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-30	Draft Projected 2030-31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Ratio	3.42%	-12.62%	-9.65%	-6.42%	-5.09%	-6.89%	-5.34%	-5.65%	-5.14%	-5.77%	-4.62%	-4.45%
Own Source Operating Revenue Ratio	91.27%	82.79%	77.37%	85.19%	93.28%	93.30%	93.32%	93.34%	93.35%	93.35%	93.37%	93.38%
Unrestricted current ratio	5.06	2.96	2.91	3.75	3.97	3.90	4.05	4.20	4.35	4.49	4.70	4.82
Debt Service Cover Ratio	-	-	-	-	-	-	-	-	-	-	-	-
Rates & Annual Charges Outstanding Percenta	3.95%	4.08%	4.08%	4.05%	4.04%	4.03%	4.01%	4.00%	3.99%	3.99%	3.98%	3.97%
Cash Expense CoverRatio	3.50	12.71	12.98	14.18	15.05	14.40	15.18	15.60	16.19	16.54	17.48	17.90
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	83.96%	36.28%	65.46%	43.84%	42.97%	43.41%	39.37%	37.04%	44.16%
Infrastructure Backlog Ratio	8.00%	8.00%	8.33%	7.24%	9.31%	10.85%	13.21%	16.63%	17.02%	21.81%	24.52%	28.54%
Asset Maintenance Ratio	112.53%	112.53%	102%	101.1%	97.80%	95.38%	86.64%	81.51%	79.31%	73.22%	69.31%	58.96%
Cost to bring assets to agreed service level	3.25%	3.25%	2.53%	1.98%	1.94%	1.81%	3.07%	3.51%	4.75%	5.01%	4.91%	7.45%
Fit For The Future												
Operating Performance Ratio	3.42%	-12.62%	-9.65%	-6.42%	-5.09%	-6.89%	-5.34%	-5.65%	-5.14%	-5.77%	-4.62%	-4.45%
3 year average	-1.30%	-4.48%	-6.28%	-9.56%	-7.05%	-6.13%	-5.77%	-5.96%	-5.37%	-5.52%	-5.18%	-4.95%
Own Source Operating Revenue Ratio	91.00%	82.79%	77.37%	85.19%	93.28%	93.30%	93.32%	93.34%	93.35%	93.35%	93.37%	93.38%
3 year average	90.02%	86.54%	83.81%	81.78%	85.28%	90.59%	93.30%	93.32%	93.34%	93.35%	93.36%	93.37%
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	83.96%	82.31%	80.70%	79.12%	77.56%	76.04%	74.55%	73.09%	71.66%
3 Year Average	39.86%	67.53%	114.33%	123.37%	111.02%	82.32%	80.71%	79.13%	77.57%	76.05%	74.56%	73.10%
Infrastructure Backlog Ratio	8.00%	8.00%	8.33%	7.24%	9.31%	10.85%	13.21%	16.63%	17.02%	21.81%	24.52%	28.54%
3 Year Average	6.09%	8.01%	8.04%	7.79%	8.29%	9.14%	11.12%	13.56%	15.62%	18.49%	21.12%	24.96%
Asset Maintenance Ratio	112.53%	112.53%	102%	101%	98%	95%	87%	82%	79%	73%	69%	59%
3 Year Average	97.18%	108.35%	109%	105%	100%	98%	93%	88%	82%	78%	74%	67%
Debt Service Ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3 Year Average	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Real Operating Expenditure Per Capita	0.98	0.98	0.93	0.90	0.89	0.91	0.89	0.90	0.89	0.89	0.88	0.88



Appendix 4 - Scenario 3

This option assumes the income from expiring special variations continues and is directed, together with an additional average \$915,000 per annum, to asset renewal priorities in accordance with DAMP recommendations. Total rate income increases by the 2.5% rate peg plus an additional \$830,000 (9.3%) in 2022/23. This results in improvements in the condition of some asset classes e.g., roads, and an asset renewal backlog of \$5.5M (current dollars) which is still an increase on the current backlog of \$4.7M. Increasing rate income by this amount improves the projected operating deficits before capital income. These will reduce to an average annual \$420,000 deficit over the nine years from 2022-23 to 2030-31.

Scenario 3 - 2021 /22

Income Statement			1	2	3	4	5	6	7	8	9	10
	Actual	Revised	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
	2019-20	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income From Continuing Operations												
Rates & Annual Charges	12,323,000.00	12,619,354.00	13,129,141.35	13,456,853.05	13,793,077.27	14,137,702.75	14,490,870.82	14,852,862.33	15,224,040.81	15,604,641.83	15,994,607.85	16,394,242.83
Special Rate Levy application maintenance service level and backlog				830,000.00	850,750.00	872,018.75	893,819.22	916,164.70	939,068.82	962,545.54	986,609.18	1,011,274.40
User Charges & Fees	1,982,000.00	1,330,507.00	1,321,758.62	1,406,084.44	1,436,411.67	1,493,664.93	1,524,771.20	1,556,555.69	1,591,501.42	1,629,788.96	1,666,445.63	1,702,635.41
Interest & Investment Revenue	376,000.00	312,467.00	316,580.03	319,842.45	324,395.82	329,944.87	336,370.27	343,338.54	351,186.67	359,530.55	368,606.76	378,221.12
Other Revenues	2,057,000.00	1,029,082.00	1,189,754.77	1,248,731.60	1,376,204.69	1,406,482.21	1,436,019.72	1,466,177.55	1,499,900.37	1,537,397.87	1,572,758.79	1,607,360.66
Grants & Contributions provided for Operating Purposes	836,000.00	1,329,857.00	931,269.28	817,916.45	835,668.87	853,814.04	871,552.76	889,667.09	909,849.38	932,220.61	953,384.91	974,134.29
Grants & Contributions provided for Capital Purposes	765,000.00	1,871,024.00	3,736,305.00	2,038,790.00	384,568.38	393,028.88	401,282.49	409,709.42	419,132.74	429,611.06	439,492.11	449,160.94
<i>Other Income</i>												
Net Gains from the Disposal of Assets	57,000.00	26,700.00	328,900.00	14,800.00	49,200.00	40,200.00	15,900.00	65,600.00	-	-	37,400.00	14,700.00
Net Share of interests in Joint Ventures & Associates using the equity method		111,000.00	-	-	-	-	-	-	-	-	-	-
Total Income From Continuing Operations	18,396,000.00	18,629,991.00	20,953,709.05	20,133,018.00	19,050,276.69	19,526,856.43	19,970,586.49	20,500,075.33	20,934,680.20	21,455,736.42	22,019,305.24	22,531,729.65
Expenses From Continuing Operations												
Employee Benefits & On-costs	5,216,000.00	5,949,353.00	6,114,642.59	6,208,775.39	6,370,043.27	6,548,158.79	6,750,733.21	6,999,826.67	7,174,735.09	7,354,103.47	7,537,864.56	7,726,170.78
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	6,944,000.00	6,770,702.00	6,139,614.88	5,926,156.00	5,950,171.13	6,250,221.23	6,262,144.63	6,409,212.18	6,484,437.17	6,632,973.10	6,744,592.92	6,893,178.81
Depreciation & Amortisation	2,378,000.00	3,469,375.00	3,537,517.20	3,606,947.04	3,676,151.48	3,778,158.01	3,843,534.67	3,919,342.07	3,996,625.04	4,074,962.24	4,154,867.58	4,237,358.27
Other Expenses	2,435,000.00	2,654,323.00	2,725,807.50	2,614,640.00	2,673,121.28	2,900,864.45	2,799,207.94	2,859,276.01	2,926,189.35	3,159,343.46	3,069,019.22	3,137,869.49
<i>Other Expenses</i>												
Net Losses from the Disposal of Assets	127,000.00	229,703.00	145,000.00	147,900.00	150,858.00	153,875.16	156,952.66	160,091.72	167,593.55	168,559.42	169,890.61	173,288.42
Total Expenses From Continuing Operations	17,100,000.00	19,073,456.00	18,662,582.17	18,504,418.43	18,820,345.17	19,631,277.65	19,812,573.12	20,347,748.65	20,749,580.20	21,389,941.69	21,676,234.89	22,167,865.78
Operating Result from Continuing Operations	1,296,000.00	- 443,465.00	2,291,126.88	1,628,599.57	229,931.51	- 104,421.22	158,013.37	152,326.68	185,100.00	65,794.74	343,070.34	363,863.87
Net Operating Result for the year before Grants & Contributions provided for capital purposes	531,000.00	- 2,314,489.00	- 1,445,178.12	- 410,190.43	- 154,636.87	- 497,450.10	- 243,269.12	- 257,382.74	- 234,032.74	- 363,816.32	- 96,421.77	- 85,297.07

Scenario 3 - 2021 /22

Statement of Cash Flows		Revised	1	2	3	4	5	6	7	8	9	10
	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts	19,130,000.00	18,629,991.00	20,953,709.05	20,133,018.00	19,050,276.69	19,526,856.43	19,970,586.49	20,500,075.33	20,934,680.20	21,455,736.42	22,019,305.24	22,531,729.65
Payments	- 16,048,000.00	- 15,771,726.51	- 15,222,376.82	- 15,036,984.14	- 15,327,808.89	- 16,040,774.37	- 16,152,104.17	- 16,615,316.68	- 16,961,965.16	- 17,547,389.48	- 17,740,529.98	- 18,144,962.94
Net Cash provided (or used) in Operating Activities	3,082,000.00	2,858,264.50	5,731,332.23	5,096,033.86	3,722,467.80	3,486,082.06	3,818,482.31	3,884,758.64	3,972,715.03	3,908,346.94	4,278,775.26	4,386,766.71
Cash Flows From Investing Activities												
Receipts												
Sale of Infrastructure, Property,Plant and Equipment	115,000.00	140,900.00	142,500.00	63,900.00	125,930.00	164,890.00	158,000.00	168,100.00	121,900.00	68,100.00	95,300.00	245,300.00
Payments												
Purchase of Infrastructure, Property,Plant and Equipment	- 2,696,000.00	- 9,483,471.50	- 6,050,077.47	- 3,644,446.80	- 2,543,263.24	- 2,858,876.71	- 3,626,733.25	- 2,486,810.44	- 2,386,409.62	- 2,325,397.70	- 2,953,568.91	- 4,529,515.40
Net Cash provided (or used) in Investing Activities	- 2,581,000.00	- 9,342,571.50	- 5,907,577.47	- 3,580,546.80	- 2,417,333.24	- 2,693,986.71	- 3,468,733.25	- 2,318,710.44	- 2,264,509.62	- 2,257,297.70	- 2,858,268.91	- 4,284,215.40
Cash Flows From Financing Activities												
Receipts												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used) in Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	501,000.00	- 6,484,307.00	- 176,245.24	1,515,487.06	1,305,134.56	792,095.35	349,749.06	1,566,048.21	1,708,205.41	1,651,049.24	1,420,506.35	102,551.31
Cash & Cash Equivalents at the beginning of the year	22,516,000.00	23,017,000.00	16,532,693.00	16,356,447.76	17,871,934.82	19,177,069.38	19,969,164.73	20,318,913.79	21,884,962.00	23,593,167.41	25,244,216.65	26,664,723.00
Cash & Cash Equivalents at the end of the year	23,017,000.00	16,532,693.00	16,356,447.76	17,871,934.82	19,177,069.38	19,969,164.73	20,318,913.79	21,884,962.00	23,593,167.41	25,244,216.65	26,664,723.00	26,767,274.32

Scenario 3 - 2021 /22

Balance Sheet			1	2	3	4	5	6	7	8	9	10
	Actual	Revised	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
	2019-20	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets												
Current Assets												
Cash & Cash Equivalents	23,017,000.00	16,532,693.00	16,356,447.76	17,871,934.82	19,177,069.38	19,969,164.73	20,318,913.79	21,884,962.00	23,593,167.41	25,244,216.65	26,664,723.00	26,767,274.32
Investments												
Receivables	1,333,000.00	1,363,659.00	1,380,022.91	1,403,483.30	1,434,359.93	1,465,915.85	1,496,700.08	1,528,130.78	1,563,277.79	1,602,359.74	1,639,214.01	1,675,276.72
Inventories	13,000.00	13,299.00	13,458.59	13,687.38	13,988.51	14,296.25	14,596.47	14,903.00	15,245.77	15,626.91	15,986.33	16,338.03
Other	161,000.00	164,703.00	166,679.44	169,512.99	173,242.27	177,053.60	180,771.73	184,567.93	188,813.00	193,533.32	197,984.59	202,340.25
Total Current Assets	24,524,000.00	18,074,354.00	17,916,608.69	19,458,618.49	20,798,660.09	21,626,430.43	22,010,982.07	23,612,563.72	25,360,503.97	27,055,736.62	28,517,907.93	28,661,229.32
Non-Current Assets												
Receivables	31,000.00	31,713.00	32,093.56	32,639.15	33,357.21	34,091.07	34,806.98	35,537.93	36,355.30	37,264.18	38,121.26	38,959.92
Infrastructure , Property, Plant & Equipment	223,131,000.00	228,998,461.00	231,473,132.54	230,654,056.68	229,668,101.69	228,862,796.65	228,760,041.93	227,437,169.99	226,015,656.04	224,543,366.82	223,572,457.08	223,938,007.91
Other	499,000.00	510,477.00	516,602.72	525,384.97	536,943.44	548,756.20	560,280.08	572,045.96	585,203.01	599,833.09	613,629.25	627,129.09
Total Non- Current Assets	223,661,000.00	229,540,651.00	232,021,828.82	231,212,080.79	230,238,402.34	229,445,643.91	229,355,128.99	228,044,753.87	226,637,214.35	225,180,464.09	224,224,207.59	224,604,096.93
Total Assets	248,185,000.00	247,615,005.00	249,938,437.52	250,670,699.28	251,037,062.43	251,072,074.34	251,366,111.06	251,657,317.59	251,997,718.31	252,236,200.72	252,742,115.52	253,265,326.24
Liabilities												
Current Liabilities												
Payables	4,486,000.00	4,589,178.00	4,644,248.14	4,723,200.35	4,827,110.76	4,933,307.20	5,036,906.65	5,142,681.69	5,260,963.37	5,392,487.45	5,516,514.66	5,637,877.99
Income received in Advance	262,000.00											
Borrowings	-											
Grant - Boronia Park	1,000,000.00	1,000,000.00	1,000,000.00									
Grant - Riverglade Res playground	40,000.00	40,000.00										
Provisions	1,385,000.00	1,416,855.00	1,433,857.26	1,458,232.83	1,490,313.96	1,523,100.86	1,555,085.98	1,587,742.79	1,624,260.87	1,664,867.39	1,703,159.34	1,740,628.85
Total Current Liabilities	7,173,000.00	7,046,033.00	7,078,105.40	6,181,433.19	6,317,424.72	6,456,408.06	6,591,992.63	6,730,424.48	6,885,224.24	7,057,354.85	7,219,674.01	7,378,506.83
Non - Current Liabilities												
Payables												
Creditor - Bus shelter contract	-	-										
Borrowings												
Provisions	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Non - Current Liabilities	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Liabilities	7,192,000.00	7,065,470.00	7,097,775.64	6,201,437.83	6,337,869.46	6,477,302.59	6,613,325.94	6,752,205.79	6,907,506.52	7,080,194.18	7,243,038.65	7,402,385.50
Net Assets	240,993,000.00	240,549,535.00	242,840,661.88	244,469,261.46	244,699,192.97	244,594,771.75	244,752,785.12	244,905,111.80	245,090,211.80	245,156,006.53	245,499,076.88	245,862,940.74
Equity												
Retained Earnings	110,890,000.00	110,446,535.00	112,737,661.88	114,366,261.45	114,596,192.97	114,491,771.75	114,649,785.12	114,802,111.80	114,987,211.80	115,053,006.53	115,396,076.87	115,759,940.75
Revaluation Reserves	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00
Council Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	240,993,000.00	240,549,535.00	242,840,661.88	244,469,261.45	244,699,192.97	244,594,771.75	244,752,785.12	244,905,111.80	245,090,211.80	245,156,006.53	245,499,076.87	245,862,940.75

Scenario 3 - 2021 /22

Statement of Performance Measurement - Indicators	1	2	3	4	5	6	7	8	9	10		
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-30	Draft Projected 2030-31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Ratio	3.42%	-12.62%	-9.65%	7.02%	-0.28%	-2.01%	-0.52%	-0.81%	-0.32%	-0.93%	0.17%	0.33%
Own Source Operating Revenue Ratio	91.27%	82.79%	77.37%	94.06%	93.58%	93.60%	93.62%	93.64%	93.65%	93.65%	93.66%	93.68%
Unrestricted current ratio	5.06	2.96	2.91	3.81	4.01	4.09	4.08	4.31	4.54	4.75	4.90	4.82
Debt Service Cover Ratio	-	-	-	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00
Rates & Annual Charges Outstanding Percentage	3.95%	4.20%	4.08%	4.05%	4.04%	4.03%	4.01%	4.00%	3.99%	3.99%	3.98%	3.97%
Cash Expense CoverRatio	3.50	12.71	12.98	14.40	15.20	15.12	15.27	15.99	16.90	17.50	18.26	17.91
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	100.40%	63.23%	68.68%	91.08%	56.80%	55.96%	54.61%	68.03%	97.46%
Infrastructure Backlog Ratio	8.00%	8.00%	8.29%	6.83%	8.30%	10.07%	11.18%	13.66%	13.81%	18.69%	21.43%	23.70%
Asset Maintenance Ratio	112.53%	112.53%	102%	103%	102%	99%	96%	92%	91%	84%	80%	69%
Cost to bring assets to agreed service level	3.25%	3.25%	2.50%	1.66%	1.22%	1.21%	1.50%	1.62%	2.68%	2.65%	2.14%	3.40%
Fit For The Future												
Operating Performance Ratio	3.42%	-12.62%	-9.65%	7.02%	-0.28%	-2.01%	-0.52%	-0.81%	-0.32%	-0.93%	0.17%	0.33%
3 year average	-1.30%	-4.48%	-6.28%	-5.08%	-0.97%	1.57%	-0.94%	-1.12%	-0.55%	-0.69%	-0.36%	-0.14%
Own Source Operating Revenue Ratio	91.00%	82.79%	77.37%	94.06%	93.58%	93.60%	93.62%	93.64%	93.65%	93.65%	93.66%	93.68%
3 year average	90.02%	86.54%	83.81%	84.74%	88.34%	93.75%	93.60%	93.62%	93.64%	93.65%	93.66%	93.67%
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	100.40%	63.23%	68.68%	91.08%	56.80%	55.96%	54.61%	68.03%	97.46%
3 Year Average	39.86%	67.53%	114.33%	128.85%	110.13%	77.44%	74.33%	72.19%	67.95%	55.79%	59.53%	73.37%
Infrastructure Backlog Ratio	8.00%	8.00%	8.29%	6.83%	8.30%	10.07%	11.18%	13.66%	13.81%	18.69%	21.43%	23.70%
3 Year Average	6.09%	8.01%	8.11%	7.64%	7.81%	8.40%	9.85%	11.64%	12.88%	15.38%	17.97%	21.27%
Asset Maintenance Ratio	112.53%	112.53%	101.83%	102.68%	102.08%	98.86%	95.56%	92.19%	90.97%	83.95%	79.87%	69.36%
3 Year Average	97.18%	108.35%	108.96%	105.68%	102.20%	101.21%	98.84%	95.54%	92.91%	89.04%	84.93%	77.73%
Debt Service Ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3 Year Average	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Real Operating Expenditure Per Capita	0.98	0.98	0.93	0.90	0.89	0.91	0.89	0.90	0.89	0.89	0.88	0.88

The background features a collage of financial and business-related imagery. At the top, there's a bar chart with five bars and a y-axis labeled from \$0 to \$5,000. To the right, a pie chart shows a 20% segment. A magnifying glass is positioned centrally over the charts. Below it, another pie chart shows a 30% segment. In the bottom right corner, a portion of a calculator is visible, showing buttons for 'ON/C', 'CE', '0', '00', '1', '2', '5', and '8'. At the bottom left, a line graph shows data points for the years 2018 through 2024, with a y-axis labeled \$500,000. The overall theme is financial analysis and reporting.

Appendix 5 – Scenario 4

This option assumes the income from expiring special variations continues and is redirected, together with an additional average \$1,480,000 per annum, to asset renewal priorities in accordance with DAMP recommendations. Total rate income increases by the 2.5% rate peg plus an additional \$1,330,000 (15.0%). This results in improvements in the condition of some asset classes e.g., roads, and the elimination of asset renewal backlog by 2030-31. The additional income results in projected operating surpluses when capital income (e.g., grants and developer contributions) are excluded, achieving the industry benchmark for this KPI.

Scenario 4 - 2021 /22

Income Statement			1	2	3	4	5	6	7	8	9	10
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-30	Draft Projected 2030-31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income From Continuing Operations												
Rates & Annual Charges	12,323,000.00	12,619,354.00	13,129,141.35	13,456,853.05	13,793,077.27	14,137,702.75	14,490,870.82	14,852,862.33	15,224,040.81	15,604,641.83	15,994,607.85	16,394,242.83
Special Rate Levy application increase service level				1,330,000.00	1,363,250.00	1,397,331.25	1,432,264.53	1,468,071.14	1,504,772.92	1,542,392.25	1,580,952.05	1,620,475.85
User Charges & Fees	1,982,000.00	1,330,507.00	1,321,758.62	1,406,084.44	1,436,411.67	1,493,664.93	1,524,771.20	1,556,555.69	1,591,501.42	1,629,788.96	1,666,445.63	1,702,635.41
Interest & Investment Revenue	376,000.00	312,467.00	316,580.03	319,842.45	324,395.82	329,944.87	336,370.27	343,338.54	351,186.67	359,530.55	368,606.76	378,221.12
Other Revenues	2,057,000.00	1,029,082.00	1,189,754.77	1,248,731.60	1,376,204.69	1,406,482.21	1,436,019.72	1,466,177.55	1,499,900.37	1,537,397.87	1,572,758.79	1,607,360.66
Grants & Contributions provided for Operating Purposes	836,000.00	1,329,857.00	931,269.28	817,916.45	835,668.87	853,814.04	871,552.76	889,667.09	909,849.38	932,220.61	953,384.91	974,134.29
Grants & Contributions provided for Capital Purposes	765,000.00	1,871,024.00	3,736,305.00	2,038,790.00	384,568.38	393,028.88	401,282.49	409,709.42	419,132.74	429,611.06	439,492.11	449,160.94
<i>Other Income</i>												
Net Gains from the Disposal of Assets	57,000.00	26,700.00	328,900.00	14,800.00	49,200.00	40,200.00	15,900.00	65,600.00	-	-	37,400.00	14,700.00
Net Share of interests in Joint Ventures & Associates using the equity method		111,000.00	-	-	-	-	-	-	-	-	-	-
Total Income From Continuing Operations	18,396,000.00	18,629,991.00	20,953,709.05	20,633,018.00	19,562,776.69	20,052,168.93	20,509,031.80	21,051,981.77	21,500,384.30	22,035,583.13	22,613,648.11	23,140,931.10
Expenses From Continuing Operations												
Employee Benefits & On-costs	5,216,000.00	5,949,353.00	6,114,642.59	6,208,775.39	6,370,043.27	6,548,158.79	6,750,733.21	6,999,826.67	7,174,735.09	7,354,103.47	7,537,864.56	7,726,170.78
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	6,944,000.00	6,770,702.00	6,139,614.88	6,039,376.00	6,065,881.97	6,368,477.71	6,382,884.50	6,532,487.58	6,610,547.91	6,762,236.60	6,876,829.49	7,028,324.58
Depreciation & Amortisation	2,378,000.00	3,469,375.00	3,537,517.20	3,606,947.04	3,676,151.48	3,778,158.01	3,843,534.67	3,919,342.07	3,996,625.04	4,074,962.24	4,154,867.58	4,237,358.27
Other Expenses	2,435,000.00	2,654,323.00	2,725,807.50	2,614,640.00	2,673,121.28	2,900,864.45	2,799,207.94	2,859,276.01	2,926,189.35	3,159,343.46	3,069,019.22	3,137,869.49
<i>Other Expenses</i>												
Net Losses from the Disposal of Assets	127,000.00	229,703.00	145,000.00	147,900.00	150,858.00	153,875.16	156,952.66	160,091.72	167,593.55	168,559.42	169,890.61	173,288.42
Total Expenses From Continuing Operations	17,100,000.00	19,073,456.00	18,662,582.17	18,617,638.43	18,936,056.01	19,749,534.13	19,933,312.99	20,471,024.05	20,875,690.94	21,519,205.19	21,808,471.46	22,303,011.55
Operating Result from Continuing Operations	1,296,000.00	- 443,465.00	2,291,126.88	2,015,379.57	626,720.67	302,634.80	575,718.81	580,957.73	624,693.37	516,377.94	805,176.65	837,919.55
Net Operating Result for the year before Grants & Contributions provided for capital purposes	531,000.00	- 2,314,489.00	- 1,445,178.12	- 23,410.43	242,152.29	- 90,394.08	174,436.32	171,248.30	205,560.63	86,766.88	365,684.54	388,758.61

Scenario 4 - 2021 /22

Statement of Cash Flows		Revised	1	2	3	4	5	6	7	8	9	10
	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts	19,130,000.00	18,629,991.00	20,953,709.05	20,633,018.00	19,562,776.69	20,052,168.93	20,509,031.80	21,051,981.77	21,500,384.30	22,035,583.13	22,613,648.11	23,140,931.10
Payments	- 16,048,000.00	- 15,771,726.51	- 15,222,376.82	- 15,150,204.14	- 15,443,519.73	- 16,159,030.85	- 16,272,844.04	- 16,738,592.09	- 17,088,075.90	- 17,676,652.99	- 17,872,766.54	- 18,280,108.71
Net Cash provided (or used) in Operating Activities	3,082,000.00	2,858,264.50	5,731,332.23	5,482,813.86	4,119,256.96	3,893,138.08	4,236,187.76	4,313,389.69	4,412,308.40	4,358,930.14	4,740,881.57	4,860,822.39
Cash Flows From Investing Activities												
Receipts												
Sale of Infrastructure, Property, Plant and Equipment	115,000.00	140,900.00	142,500.00	63,900.00	125,930.00	164,890.00	158,000.00	168,100.00	121,900.00	68,100.00	95,300.00	245,300.00
Payments												
Purchase of Infrastructure, Property, Plant and Equipment	- 2,896,000.00	- 9,483,471.50	- 6,050,077.47	- 4,731,406.32	- 2,225,201.99	- 3,010,073.40	- 5,074,126.24	- 2,164,420.09	- 3,092,739.07	- 2,814,415.48	- 2,387,531.27	- 6,996,889.89
Net Cash provided (or used) in Investing Activities	- 2,581,000.00	- 9,342,571.50	- 5,907,577.47	- 4,667,506.32	- 2,099,271.99	- 2,845,183.40	- 4,916,126.24	- 1,996,320.09	- 2,970,839.07	- 2,746,315.48	- 2,292,231.27	- 6,751,589.89
Cash Flows From Financing Activities												
Receipts												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used) in Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	501,000.00	- 6,484,307.00	- 176,245.24	815,307.54	2,019,984.97	1,047,954.68	- 679,938.48	2,317,069.59	1,441,469.33	1,612,614.66	2,448,650.30	- 1,890,767.50
Cash & Cash Equivalents at the beginning of the year	22,516,000.00	23,017,000.00	16,532,693.00	16,356,447.76	17,171,755.30	19,191,740.27	20,239,694.95	19,559,756.48	21,876,826.07	23,318,295.40	24,930,910.06	27,379,560.36
Cash & Cash Equivalents at the end of the year	23,017,000.00	16,532,693.00	16,356,447.76	17,171,755.30	19,191,740.27	20,239,694.95	19,559,756.48	21,876,826.07	23,318,295.40	24,930,910.06	27,379,560.36	25,488,792.86

Scenario 4 - 2021 /22

Balance Sheet		1	2	3	4	5	6	7	8	9	10	
	Actual	Revised	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	
	2019-20	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Assets												
Current Assets												
Cash & Cash Equivalents	23,017,000.00	16,532,693.00	16,356,447.76	17,171,755.30	19,191,740.27	20,239,694.95	19,559,756.48	21,876,826.07	23,318,295.40	24,930,910.06	27,379,560.36	25,488,792.86
Investments												
Receivables	1,333,000.00	1,363,659.00	1,380,022.91	1,403,483.30	1,434,359.93	1,465,915.85	1,496,700.08	1,528,130.78	1,563,277.79	1,602,359.74	1,639,214.01	1,675,276.72
Inventories	13,000.00	13,299.00	13,458.59	13,687.38	13,988.51	14,296.25	14,596.47	14,903.00	15,245.77	15,626.91	15,986.33	16,338.03
Other	161,000.00	164,703.00	166,679.44	169,512.99	173,242.27	177,053.60	180,771.73	184,567.93	188,813.00	193,533.32	197,984.59	202,340.25
Total Current Assets	24,524,000.00	18,074,354.00	17,916,608.69	18,758,438.97	20,813,330.98	21,896,960.66	21,251,824.76	23,604,427.79	25,085,631.96	26,742,430.03	29,232,745.29	27,382,747.86
Non-Current Assets												
Receivables	31,000.00	31,713.00	32,093.56	32,639.15	33,357.21	34,091.07	34,806.98	35,537.93	36,355.30	37,264.18	38,121.26	38,959.92
Infrastructure , Property, Plant & Equipment	223,131,000.00	228,998,461.00	231,473,132.54	231,741,016.19	230,436,999.96	229,782,891.60	231,127,529.87	229,482,267.59	228,767,083.09	227,783,811.66	226,246,864.29	229,079,789.61
Other	499,000.00	510,477.00	516,602.72	525,384.97	536,943.44	548,756.20	560,280.08	572,045.96	585,203.01	599,833.09	613,629.25	627,129.09
Total Non- Current Assets	223,661,000.00	229,540,651.00	232,021,828.82	232,299,040.31	231,007,300.60	230,365,738.86	231,722,616.93	230,089,851.47	229,388,641.40	228,420,908.93	226,898,614.80	229,745,878.63
Total Assets	248,185,000.00	247,615,005.00	249,938,437.52	251,057,479.28	251,820,631.59	252,262,699.52	252,974,441.69	253,694,279.26	254,474,273.36	255,163,338.96	256,131,360.08	257,128,626.48
Liabilities												
Current Liabilities												
Payables	4,486,000.00	4,589,178.00	4,644,248.14	4,723,200.35	4,827,110.76	4,933,307.20	5,036,906.65	5,142,681.69	5,260,963.37	5,392,487.45	5,516,514.66	5,637,877.99
Income received in Advance	262,000.00											
Borrowings	-											
Grant - Boronia Park	1,000,000.00	1,000,000.00	1,000,000.00									
Grant - Riverglade Res playground	40,000.00	40,000.00										
Provisions	1,385,000.00	1,416,855.00	1,433,857.26	1,458,232.83	1,490,313.96	1,523,100.86	1,555,085.98	1,587,742.79	1,624,260.87	1,664,867.39	1,703,159.34	1,740,628.85
Total Current Liabilities	7,173,000.00	7,046,033.00	7,078,105.40	6,181,433.19	6,317,424.72	6,456,408.06	6,591,992.63	6,730,424.48	6,885,224.24	7,057,354.85	7,219,674.01	7,378,508.83
Non - Current Liabilities												
Payables												
Creditor - Bus shelter contract	-	-										
Borrowings	-											
Provisions	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Non - Current Liabilities	19,000.00	19,437.00	19,670.24	20,004.64	20,444.74	20,894.52	21,333.31	21,781.31	22,282.28	22,839.34	23,364.64	23,878.66
Total Liabilities	7,192,000.00	7,065,470.00	7,097,775.64	6,201,437.83	6,337,869.46	6,477,302.59	6,613,325.94	6,752,205.79	6,907,506.52	7,080,194.18	7,243,038.65	7,402,385.50
Net Assets	240,993,000.00	240,549,535.00	242,840,661.88	244,856,041.46	245,482,762.13	245,785,396.94	246,361,115.75	246,942,073.48	247,566,766.84	248,083,144.78	248,888,321.44	249,726,240.98
Equity												
Retained Earnings	110,890,000.00	110,446,535.00	112,737,661.88	114,753,041.45	115,379,762.13	115,682,396.93	116,258,115.75	116,839,073.47	117,463,766.84	117,980,144.78	118,785,321.44	119,623,240.98
Revaluation Reserves	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00	130,103,000.00
Council Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	240,993,000.00	240,549,535.00	242,840,661.88	244,856,041.45	245,482,762.13	245,785,396.93	246,361,115.75	246,942,073.47	247,566,766.84	248,083,144.78	248,888,321.44	249,726,240.98

Scenario 4 - 2021 /22

Statement of Performance Measurement - Indicators												
	Actual 2019-20	Revised Budget 2020-2021	Draft Projected 2021-2022	Draft Projected 2022-2023	Draft Projected 2023-2024	Draft Projected 2024-2025	Draft Projected 2025-2026	Draft Projected 2026-2027	Draft Projected 2027-2028	Draft Projected 2028-2029	Draft Projected 2029-30	Draft Projected 2030-31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Ratio	3.42%	-12.62%	-9.65%	0.59%	1.80%	0.12%	1.57%	1.29%	1.77%	1.18%	2.25%	2.41%
Own Source Operating Revenue Ratio	91.27%	82.79%	77.37%	86.14%	93.75%	93.77%	93.79%	93.81%	93.82%	93.82%	93.83%	93.85%
Unrestricted current ratio	5.06	2.96	2.91	3.66	4.01	4.14	3.93	4.31	4.49	4.69	5.03	4.60
Debt Service Cover Ratio	-	-	-	-	-	-	-	-	-	-	-	-
Rates & Annual Charges Outstanding Percentage	3.95%	4.08%	4.08%	4.05%	4.04%	4.03%	4.01%	4.00%	3.99%	3.99%	3.98%	3.97%
Cash Expense CoverRatio	3.50	12.71	12.98	13.73	15.09	15.21	14.59	15.86	16.58	17.15	18.61	16.93
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	132.27%	54.09%	72.94%	131.07%	48.06%	74.72%	67.34%	53.58%	159.20%
Infrastructure Backlog Ratio	8.00%	8.00%	8.29%	6.24%	8.17%	9.82%	9.55%	12.31%	12.83%	18.25%	20.27%	18.29%
Asset Maintenance Ratio	112.53%	112.53%	102%	106.99%	104.90%	102.15%	105.44%	100.53%	99.86%	92.37%	86.15%	85.90%
Cost to bring assets to agreed service level	3.25%	3.25%	2.50%	1.05%	0.85%	0.75%	0.16%	0.23%	0.72%	0.22%	0.00%	0.00%
Fit For The Future												
Operating Performance Ratio	3.42%	-12.62%	-9.65%	0.59%	1.80%	0.12%	1.57%	1.29%	1.77%	1.18%	2.25%	2.41%
3 year average	-1.30%	-4.48%	-6.28%	-7.22%	-2.42%	0.84%	1.16%	0.99%	1.54%	1.41%	1.73%	1.95%
Own Source Operating Revenue Ratio	91.00%	82.79%	77.37%	86.14%	93.75%	93.77%	93.79%	93.81%	93.82%	93.82%	93.83%	93.85%
3 year average	90.02%	86.54%	83.81%	82.10%	85.75%	91.22%	93.77%	93.79%	93.81%	93.82%	93.82%	93.83%
Building and Infrastructure Renewals Ratio	56.85%	119.37%	166.78%	132.27%	54.09%	72.94%	131.07%	48.06%	74.72%	67.34%	53.58%	159.20%
3 Year Average	39.86%	67.53%	114.33%	139.47%	117.71%	86.43%	86.03%	84.03%	84.62%	63.37%	65.21%	93.37%
Infrastructure Backlog Ratio	8.00%	8.00%	8.29%	6.24%	8.17%	9.82%	9.55%	12.31%	12.83%	18.25%	20.27%	18.29%
3 Year Average	0.06	0.08	8.11%	7.44%	7.57%	8.07%	9.18%	10.56%	11.56%	14.47%	17.12%	18.94%
Asset Maintenance Ratio	112.53%	112.53%	101.83%	106.99%	104.90%	102.15%	105.44%	100.53%	99.86%	92.37%	86.15%	85.90%
3 Year Average	97.18%	108.35%	108.96%	107.12%	104.57%	104.68%	104.16%	102.71%	101.94%	97.59%	92.79%	88.14%
Debt Service Ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3 Year Average	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Real Operating Expenditure Per Capita	0.98	0.98	0.93	0.91	0.90	0.91	0.90	0.90	0.90	0.90	0.89	0.88