



**City of Burnside
Long Term Financial Plan 2020/21 - 2029/30**



The *Local Government Act 1999* requires that your Council develops and adopts a long-term financial plan for a period of at least 10 years. This document presents the City of Burnside Long Term Financial Plan 2020/21 - 2029/30.

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1. Executive Summary

The City of Burnside's Long Term Financial Plan (LTFP) is critical to Council's financial planning process. It underpins our long term financial sustainability while meeting the needs and expectations of our communities and delivering Council's Strategic Directions highlighted in our strategic community plan *Be the Future of Burnside 2026 – Our Strategic Community Plan*.

The LTFP is pivotal in setting the high level financial parameters that guide the development and refinement of Council's budgeted plans, strategies and actions and generates information that assists decisions about the mix, timing and affordability of future outlays on operating activities, renewal and replacement of existing assets and funding of additional assets. It is also instrumental in ensuring the City of Burnside delivers enhanced services now and in the future by providing optimal value-for-money community outcomes.

In developing the LTFP, a number of key assumptions are applied. For this LTFP, the 2020/21 Budgeted Statement of Comprehensive Income forms the basis for year one of the Plan. Years 2 to 10 present nine inclusive years of financial projections underpinned by the base data.

The model assumes that overall, service levels will remain materially unchanged throughout the planning period. However, there is recognition of some exceptions to this, outlined below:

- local, national and global economies are facing an unprecedented downturn due to the COVID-19 pandemic. All levels of government have a role to play in stimulating the economy and assisting those in financial hardship. As a result, the City of Burnside has implemented a number of measures to ease the financial burden for our residents including a freeze in 2020/21 on Rate increases.
- provision has been made for outlays for new/upgraded assets across this 10 year period that will add to service levels (\$35.4m).
- varied or additional services may also be added over time in response to changes in community needs and preferences. It is assumed that any variations in the demand for services will not impact the financial bottom line, unless otherwise stated.
- any grant funding opportunities will be actively pursued as they arise as this is an important source of revenue. This may lead to increased service levels.

With these principles and objectives in mind, this Long Term Financial Plan is based on, and achieves, the following outcomes:

- on average a rates freeze for 2020/21 (excluding growth on subdivisions) and despite a 2.4 per cent CPI and 1.6 per cent LGPI (as at March 2020).
- an Operating Surplus of \$1.1m in 2020/21 and surpluses for all remaining years.
- an efficiency saving target of \$750k in 2020/21 in the areas of employee costs, materials and contracts.

- total borrowings as at 30 June 2021 now forecast at \$17.8m (Current Forecast position for 2019/20 is \$18.1m) and at the end of the 10 year period at \$3m (based on the set level of Capital spend assumed in the Plan).
- Majority of the financial indicators within acceptable target levels throughout the 10 year period.
- Renewal and Replacement of existing assets equalling \$14.1m in 2020/21 and totalling \$97.6m across the 10 year period.
- New and Upgraded assets equalling \$7.8m in 2020/21 and totalling \$35.4m across the 10 year period.
- capital contribution of \$5.7m towards the Brownhill Keswick Creek Project across the 10 year period.



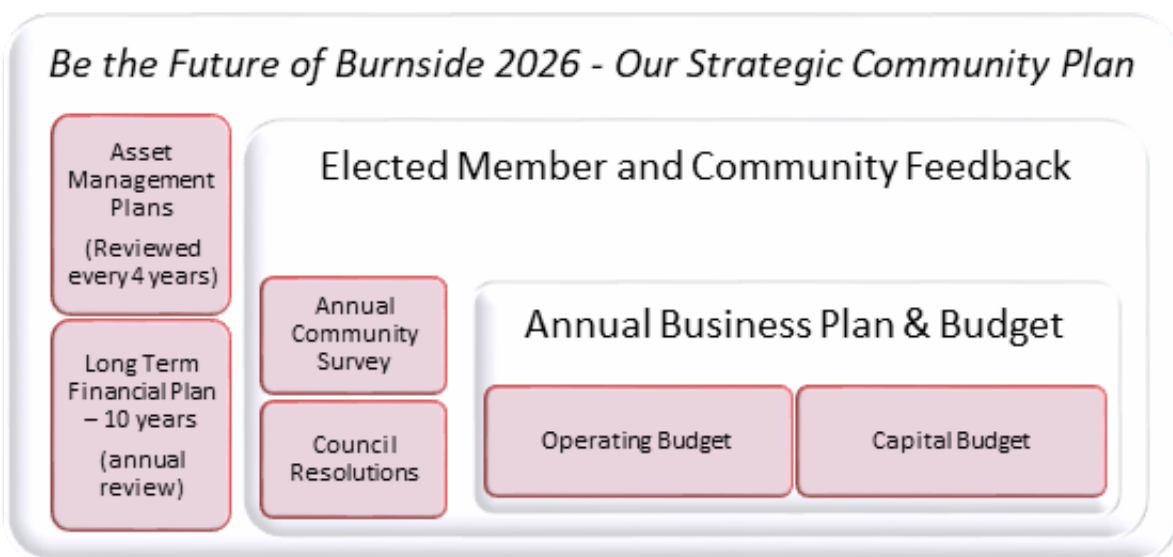
2. Strategic Context

The LTFP is a strategic component of Council’s Strategic Management Framework and supports the delivery of the Strategic Community Plan. The Strategic Framework illustrated below outlines our organisational planning framework and highlights the importance of community feedback into this process.

The LTFP is integral to Council’s suite of Strategic Management Plans providing the critical link between the:

- Strategic Community Plan;
- Asset Management Plans; and,
- Annual Business Plan and Budget.

It translates the objectives and strategies outlined in the Strategic Community Plan and Asset Management Plans (AMP) into financial outcomes for analysis and community consultation. Optimising the integration between these strategic intentions ensures Council develops and implements a robust and transparent system of financial management aimed to uphold and maintain Council’s long term financial sustainability.



Council is currently in the process of reviewing its Strategic Plan. It is expected that once the new Strategic Plan for Council has been adopted in the latter half of 2020, the LTFP will be reviewed to ensure alignment with Council’s revised strategic objectives.





3. Key Influences and Risks

This Long Term Financial Plan generates information which is used to guide decisions about Council operations into the future. However as with any long-term plan, the accuracy of this LTFP is subject to many inherent influences. These variables and risks can be divided into three main groups:

3.1 External Influences – items outside of Council’s control

- Unforeseen economic changes or circumstances such as:
 - financial and economic impacts of the COVID-19 pandemic;
 - interest rates fluctuations;
 - localised economic growth – residential development & new business;
 - Consumer Price Index (All Adelaide);
 - Local Government Price Index (LGPI); and,
 - changes if specific programs such as Federal Assistance Grants.
- Unforeseen political changes or circumstances such as:
 - changes to the restrictions of the COVID19 pandemic;
 - changes to Levies and their conditions (e.g. Environment Protection Authority (SA) Waste Levy);
 - cost of natural resources such as fuel and water;
 - a change in the level of legislative compliance; and,
 - cost shifting (i.e. Increased Emergency Services Levy).
- Variable Climatic Conditions such as:
 - Climate Change
 - storm or Force Majeure Events (i.e. Storm Event of Feb 2014 and 2016)
 - flooding;
 - bushfire; and,
 - drought.

3.2 Internal Influences – items that Council can control

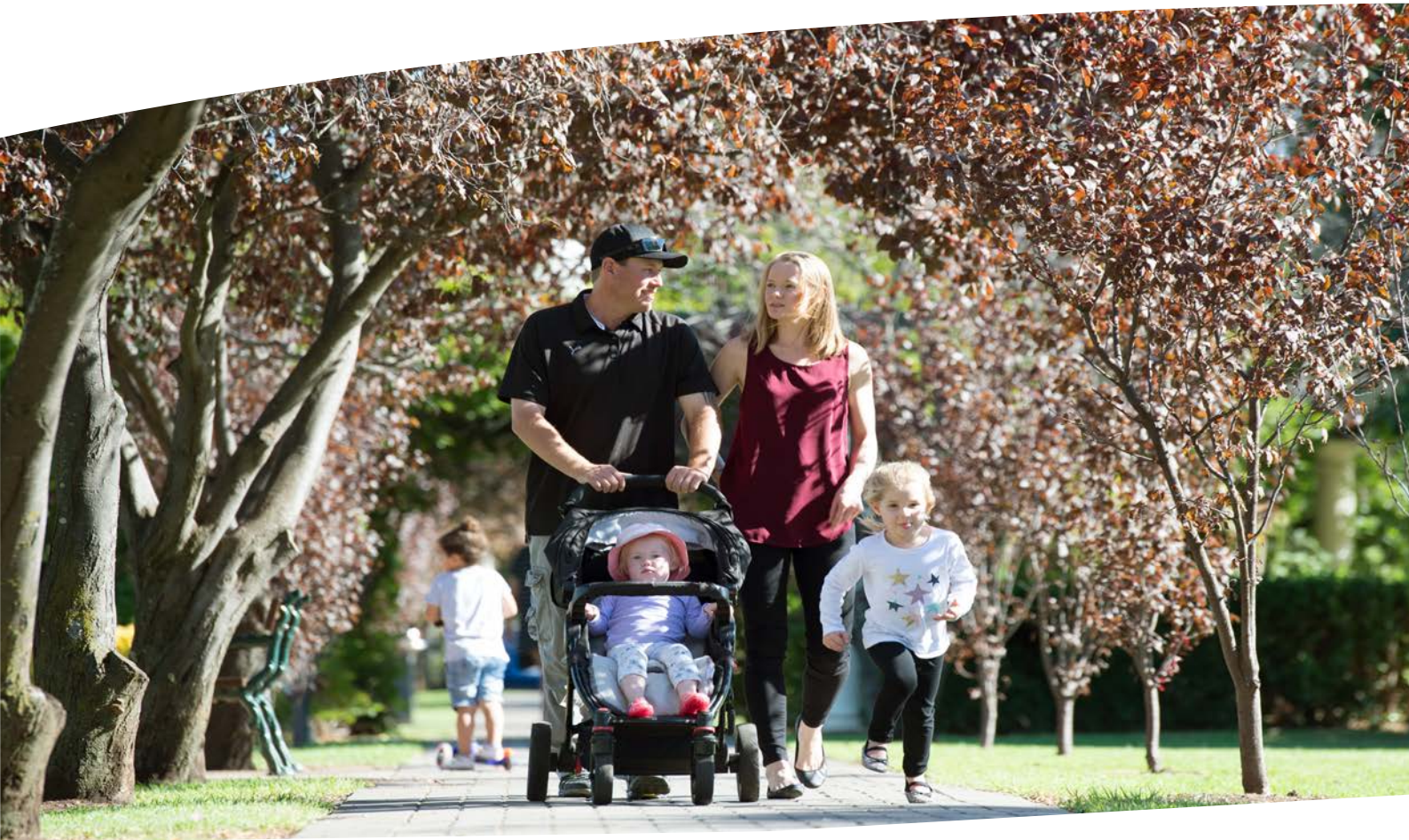
- agreed service level review outcomes;
- infrastructure asset management;
- depreciation (valuations can be considered an external influence) ;
- rate increases and other financial influences;
- performance management;
- efficiencies in service delivery and administrative support; and,
- salaries and wages.

3.3 Community Drivers

- community needs and expectations;
- Annual Community Survey;

- *Strategic Community Plan – Be the Future of Burnside 2026*; and,
- other key strategies.

In order to minimise the inherent risks of long term financial planning, Council reviews and updates its Long Term Financial Plan on a regular basis and ensures that the most recent economic data and forecasts are being used as the basis for developing Council's Long Term Financial Plan.





4. Basis of Preparation

The LTFP is key to establishing funding requirements of Council's Asset Management Plans and other strategic community planning and implementation, ensuring we continue to operate sustainably. It enables Council to effectively and equitably manage service levels, asset funding and revenue raising decisions, balanced with achieving its financial strategy and key performance indicators.

In developing the LTFP, key financial principles are established that underpins Council's forecast financial performance and position over a 10 year time frame. The LTFP incorporates a number of statutory and discretionary reports and assumptions as part of a statutory requirement (within the Local Government Act 1999). Due to the variable nature of the assumptions focusing on changes in the economy, an annual review of the LTFP provides the Council with the opportunity to review the financial principles to easily adapt to these external influences, changes in proposed service levels or projects. This involves concerted input from Council and the Audit Committee.

The financial projections contained within the LTFP, provide an indication of Council's direction and financial capacity into the future and are intended to be viewed as a guide to future actions or opportunities. This in turn encourages Council to analyse the future effects and impacts of current decisions made by Council.

For this LTFP, the 2020/21 Budgeted Statement of Comprehensive Income forms the basis for year 1 of the Plan. Years 2 to 10 present nine inclusive years of financial projections underpinned by the base data.

4.1 Finance Strategy

The City of Burnside continues to employ a strategic approach to our financial planning that is influenced by the current and predicted economic environment, our financial position and the impacts on the organisation both internally and externally. Employing this strategic approach is designed to ensure:

- Support of the achievement of the *Strategic Community Plan – Be the Future 2026*.
- Our long term financial sustainability.
- Intergenerational equity.
- Needs and expectations of the Burnside community are met.
- Delivery of appropriate, targeted, effective and efficient services.
- Responsible rate increases.

This leads to Council achieving:

- continued funding to ensure Councils infrastructure is replaced and maintained when required (includes roads, footpaths, Council owned properties and open spaces).
- commitment to major projects which span more than one year.
- council continues to fund the full life-cycle costs of any new or enhanced services or construction of new assets through savings, rate increases or grant funding.
- maintaining existing services at current service levels.

4.2 Key Economic Assumptions

It is important that Council's Long Term Financial Plan reflects the most recent economic data and forecasts available. A review is conducted each year to ensure that the underlying parameters and assumptions are reasonable given the current economic conditions and expectations. The key economic indicators and drivers used in this Plan are summarised in the Table 1 below.

Table 1: Key Drivers and Assumptions

Financial Year	Budget Year	Cost Index (per LGPI)	Wages	Rates (Exc Growth)	Growth
2020-21	Year 1	Zero based approach	0.5% (increments only)	0.00%	1.24%
2021-22	Year 2	2.20%*	2.00%**	2.00%	1.00%***
2022-23	Year 3	2.20%*	2.00%**	2.20%	1.00%***
2023-24	Year 4	2.20%	2.00%**	2.20%	1.00%***
2024-25	Year 5	2.30%	2.50%**	2.30%	0.50%
2025-26	Year 6	2.30%	2.50%**	2.30%	0.50%
2026-27	Year 7	2.40%	2.50%	2.40%	0.50%
2027-28	Year 8	2.40%	2.50%	2.40%	0.50%
2028-29	Year 9	2.40%	2.50%	2.40%	0.50%
2029-30	Year 10	2.50%	2.50%	2.50%	0.50%

* Based on University of Adelaide's Forecast LGPI for 2021/22 and 2022/23

**Assumes superannuation guarantee increases to 12% by 2025.

***To account for the Cedar Woods and Burnside Shopping Village developments

4.2.1 Cost Index

The Consumer Price Index (CPI) is regarded as Australia's key measure of inflation for household consumables. It is designed to provide a general measure of price inflation for the Australian household sector as a whole. While the CPI drives non-rates income, expenditure on materials is based on the Local Government Price Index (LGPI). While the CPI is regarded as a key measure of household expenditure inflation and is designed to provide a general measure of price inflation for household purchases, the LGPI is considered more suitable for measuring the inflation of Local Government sector services.

The materials expenditure for 2020/21 has not automatically increased by the December 2019 Local Government Price Index (LGPI) of 1.6 per cent but instead been worked through a bottom up methodology which adjusts for savings and cost pressures in each area. It should also be noted that whilst the LGPI increased by 1.6 per cent, not all Council expenses have increased by a comparative amount. For 2020/21, a number of additional cost pressures will be faced by Council and there are also certain expenses which have not been increased by the LGPI index. As such, the true increased cost of business for Council in the next financial year has been calculated as 2.94 per cent.

The South Australian Centre for Economic Studies has projected LGPI for 2021/22 and 2022/23. The cost index has been incrementally increased thereafter.



4.2.2 Salaries and Wages

The 2020/21 forecast for salaries and wages has been undertaken following a bottom up approach and has been fully costed for 163.82 Full Time Equivalents and in line with the endorsed Enterprise Bargaining Agreements for Administration and Field staff.

The salaries and wages staff costs for year 1 has been assumed at zero per cent (excluding increments). The current Enterprise Bargaining Agreement is due to expire on 30 June 2020 and the increase in salaries and wages for 2020/21 and the two years thereafter will be subject to a new Enterprise Bargaining Agreement. If the negotiated increase for 2020/21 is more than zero per cent (excluding increments), Council will look at achieving offsetting savings to be able to fund such an increase.

The salaries and wages increase for years 2 to 4 have been assumed at 2.0 per cent (including increments and the superannuation increase). For years 4 to 10, the index has been left at 2.5 per cent. This LTFP currently includes increases to superannuation beyond the 9.5 per cent.

Legislation to increase the super guarantee was introduced by in 2012. At the time, the super guarantee was 9.0 per cent and was set to increase to 12 per cent by July 2019. While the super guarantee did rise to 9.25 per cent in 2013 and to 9.5 per cent in 2014, it was then frozen. It is now back on the agenda and has been included within this LTFP. In the event that this does not eventuate, the LTFP will be updated to remove these increases.

It is expected that there will be savings during the year due to vacancies and this has been factored into the savings target set by Council.

4.2.3 Rates

The LTFP has proposed an average rates freeze in 2020/21 financial year in light of the economic impacts of COVID-19 and rates for years 2 to 10 of this LTFP have been tied to the projected LGPI. The City of Burnside has 259 new properties for the new financial year and as a result the growth rate is 1.24%.

Natural growth is projected to increase at a steady historical rate of 0.5 per cent pa except for in years 2, 3 and 4. 1.24 per cent has been included as part of 2021/22 which accounts for the Cedar Woods Development and 1 per cent in 2022/23 and 2023/24 which accounts for the Burnside Village Development.



4.2.4 Capital Works

The City of Burnside is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities for our community.

Council has indicated a preference to purchase capital expenditure items through the use of Council borrowings. This iteration of the LTFP has been prepared based on the most up to date capital expenditure forecasts at this time and includes:

- Renewal and Replacement of existing assets totalling \$97.6m across the 10 year period;
- Spending of \$35.4m on New and Upgraded assets across the 10 year period; and,
- Capital contribution of \$5.7m towards the Brownhill Keswick Creek Project.

4.2.5 Debt levels

A major component of services Council provides are asset intensive which often requires a large investment, initially for acquisition of assets and ongoing as a result of maintenance and renewal of those assets. Without the use of debt it is very difficult for Council to finance the acquisition of new assets, while at the same time finance planned and requisite asset renewals. In the absence of adequate debt, Council would have to charge current ratepayers a high charge relative to the benefit derived. This would also lead to issues with intergenerational equity since Council would charge current ratepayers high rates while future ratepayers would continue to derive the benefit of the assets. Using debt, when done equitably and responsibly, will help alleviate these issues of intergenerational equity.

This current LTFP builds in \$97.6m in asset renewal and replacement, \$35.4m in new and upgraded assets and \$5.7m towards the Brownhill Keswick Creek Project over the 10 year period.

Debt has been built into this LTFP based on a treasury management position of drawing down on loans when required and repaying loans when excess cash is available. The debt projections shown show a peak in year 2 of \$18.5m and then a reduction in debt levels to \$3m by year 10.

Borrowings have been assumed at 2.40 per cent interest rate over a 15 year period, which is a conservative and reasonable time frame for Council to aim at repayment of its debt.

The Local Government Finance Authority announced a stimulus package on 26 May 2020 which allows Council to apply for a 0.75% interest discount for a three year period to commence in December 2020. Council is eligible to a \$4.8m facility which equates to an estimated total saving of \$136k in interest over the 3 years of which \$23k has been included in 2020/21 financial year.

Council maintains a Net Financial Liability Ratio between 8.6 – 47.8 per cent across this 10 year period. This is significantly lower than the LGA recommended target of less than 100 per cent of Operating Revenue. This demonstrates the affordability of the capital investments currently budgeted for over the next 10 years.



BOB
POG Robert Rowell
National School Principal
WARRANGEE S.A.



MOUNTAIN FIRE SERVICE



In addition, the 'Debt to Total Income' Ratio is maintained at between 4.7 – 36.24 per cent across this 10 year period. While the NFL ratio includes trade payables, provisions as well as debt, the Debt to Income Ratio solely focuses on measuring debt as a proportion of income.

It should be noted that this is a very conservative view and is based on new capital spend of only \$3.2m in years 3 to 10. This is because at this stage there are no major new capital works scheduled for those years besides \$600k for New Drainage and \$100k for New Open Space Infrastructure. An amount of \$2.5m has been allocated in years 3 to 10 to account for Council decisions in the future which may require capital funding.

Including an unallocated fund, whilst not ideal, is recommended, to ensure that the LTFP does not provide an inflated, unrealistic position. It should also be noted that these inclusions are not locked in and are only estimates which will be reviewed and updated each year as part of the annual budget process.

This LTFP will be updated periodically to ensure that the most up to date capital projections are being captured and accounted for over the 10 year period.

4.2.6 Council subsidiaries

The Net Gain/Loss from Council subsidiaries in 2020/21 has been assumed at a forecast level as Council is yet to receive a draft Budget for all its subsidiaries. It is expected that Council will update its final share of contribution and equity in all its Regional Subsidiaries in the First Quarter Budget review in 2020/21.

This 2020/21 LTFP also does not include any capital contributions towards ERA Water on the basis that ERA borrows its own funds guaranteed by the constituent Councils. In addition, this plan only includes \$5.7m towards Brownhill Keswick Creek (BHKC) over the next 10 years and is based on a 20 year financial model. Any changes to estimates will impact Council's financial modelling.

5. Key Outcomes

This Long Term Financial Plan is based on, and achieves the following outcomes:

- Rates freeze for 2020/21 (on average and excluding growth on subdivisions) and despite a 2.4 per cent CPI and 1.6 per cent LGPI (as at March 2020).
- an Operating Surplus of \$1.1m in 2020/21 and surpluses for all remaining years.
- an efficiency saving target of \$750k in 2020/21 in the areas of employee costs, materials and contracts.
- total borrowings as at 30 June 2021 now forecast at \$17.8m (Current Forecast position for 2019/20 is \$18.1m) and at the end of the 10 year period at \$3m.
- financial indicators within acceptable target levels throughout the 10 year period.
- Renewal and Replacement of existing assets equalling \$14.1m in 2020/21 and totalling \$97.6m across the 10 year period.
- New and Upgraded assets equalling \$7.8m in 2020/21 and totalling \$35.4m across the 10 year period.
- capital contribution of \$5.7m towards the Brownhill Keswick Creek Project across the 10 year period.





5.1 Financial Indicators

Council has adopted a suite of Key Financial Indicators that are primarily based on those included in the Model Financial Statements and recommended by the Australian Local Government Association as appropriate for measuring financial sustainability. The following tables provide a summary of Council's financial indicators and provide the industry accepted approach to analysing and comparing Council's performance from year to year.

Table 2: Key Financial Indicators

Ratio	2020/21 LTFP	LGA Target
Operating Surplus Ratio - %	Between 1.5% - 3.0%	Average of 0 – 10%
Net Financial Liabilities Ratio - %	Between 8.6% - 47.8%	Between 0 - 100%
Interest Cover Ratio - %	Under 1%	No Recommendation
Asset Renewal Funding Ratio - %	87.5% - 110.2%	Greater than 90% but less than 110%
Debt Repayment Term	15 Years	No Recommendation
Debt to Income Ratio - %	Between 4.7% - 36.2%	No recommendation

Table 3: Key Financial Indicator Commentary

Financial Indicator (Ratio) Name	Key Financial Indicator Commentary
Net Operating Ratio	The LTFP currently indicates that an operating surplus will be achieved and maintained throughout the 10 years and will be within the LGA recommended range of 0% - 10%.
Net Financial Liabilities Ratio	Council's ratios across this 10 year plan are comfortably below the LGA recommended maximum target of 100 per cent.
Asset Sustainability Ratio	Council's ratio for years 1 and 2 are out of range due to the timing of capital expenditure. However from year 3 -10 the ratios are within the target range of 90 per cent - 110 per cent. This shows Council is renewing its assets within the recommended timeframes.
Interest Cover Ratio	The LTFP currently indicates that the Interest Cover Ratio will be maintained at under 1per cent across the 10 year period.
Debt to Income Ratio	Ratio introduced to measure Council's proportion of debt compared to its income. This LTFP has been based on a Ratio of between 4.7 per cent and 36.2% across the 10 years.



6. Key Financial Statements

6.1 Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income											
Rates	\$ 41,130,859	\$ 41,635,571	\$ 42,822,453	\$ 44,186,407	\$ 45,593,620	\$ 46,869,046	\$ 48,179,940	\$ 49,573,902	\$ 51,007,992	\$ 52,483,369	\$ 54,052,007
Statutory Charges	\$ 1,360,270	\$ 1,222,164	\$ 1,375,159	\$ 1,405,412	\$ 1,436,331	\$ 1,467,931	\$ 1,500,225	\$ 1,533,230	\$ 1,566,961	\$ 1,601,434	\$ 1,636,666
User Charges	\$ 1,897,342	\$ 1,936,537	\$ 2,239,697	\$ 2,288,971	\$ 2,339,328	\$ 2,390,793	\$ 2,443,391	\$ 2,497,145	\$ 2,552,082	\$ 2,608,228	\$ 2,665,609
Grants, Subsidies and Contributions	\$ 3,771,822	\$ 4,208,213	\$ 3,809,659	\$ 3,893,472	\$ 3,979,128	\$ 4,066,669	\$ 4,156,136	\$ 4,247,571	\$ 4,341,017	\$ 4,436,520	\$ 4,534,123
Investment Income	\$ 38,500	\$ 38,500	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Reimbursements	\$ 658,101	\$ 324,652	\$ 337,547	\$ 337,715	\$ 337,884	\$ 338,053	\$ 338,222	\$ 338,391	\$ 338,561	\$ 338,730	\$ 338,899
Other Income	\$ 420,050	\$ 431,867	\$ 431,867	\$ 431,867	\$ 431,867	\$ 431,867	\$ 431,867	\$ 431,867	\$ 431,867	\$ 431,867	\$ 431,867
Net gain - equity accounted Council businesses	\$ 42,803	\$ 42,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 49,319,748	\$ 49,840,307	\$ 51,056,382	\$ 52,583,844	\$ 54,158,159	\$ 55,604,359	\$ 57,089,781	\$ 58,662,106	\$ 60,278,481	\$ 61,940,148	\$ 63,699,171
Expenses											
Employee Costs	\$ 16,239,696	\$ 16,738,509	\$ 17,098,443	\$ 17,459,489	\$ 17,828,411	\$ 18,280,307	\$ 18,743,654	\$ 19,220,663	\$ 19,709,821	\$ 20,211,436	\$ 20,727,923
Materials, Contracts & Other Expenses	\$ 20,816,814	\$ 21,067,628	\$ 21,672,454	\$ 22,148,898	\$ 22,635,824	\$ 23,156,173	\$ 23,688,491	\$ 24,256,315	\$ 24,837,767	\$ 25,433,674	\$ 26,069,391
Depreciation, Amortisation & Impairment	\$ 9,840,074	\$ 10,228,523	\$ 10,628,166	\$ 11,631,390	\$ 12,003,090	\$ 12,374,174	\$ 13,404,730	\$ 13,775,814	\$ 14,146,001	\$ 15,188,634	\$ 15,558,822
Finance Costs	\$ 501,960	\$ 475,989	\$ 438,960	\$ 451,283	\$ 438,855	\$ 423,587	\$ 366,817	\$ 298,846	\$ 218,990	\$ 154,862	\$ 100,585
Net loss - Equity Accounted Council Businesses	\$ 418,468	\$ 244,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 47,817,012	\$ 48,755,273	\$ 49,838,022	\$ 51,691,060	\$ 52,906,179	\$ 54,234,241	\$ 56,203,691	\$ 57,551,637	\$ 58,912,579	\$ 60,988,606	\$ 62,456,720
Operating Surplus / (Deficit)	\$ 1,502,736	\$ 1,085,034	\$ 1,218,360	\$ 892,784	\$ 1,251,980	\$ 1,370,117	\$ 886,090	\$ 1,110,469	\$ 1,365,902	\$ 951,542	\$ 1,242,451
Asset Disposal & Fair Value Adjustments	\$ 36,000	-\$ 150,000	-\$ 150,000	-\$ 150,000	-\$ 150,000	-\$ 150,000	-\$ 150,000	-\$ 150,000	-\$ 150,000	-\$ 150,000	-\$ 150,000
Amounts Received Specifically for New or Upgraded Assets	\$ 514,108	\$ 5,866,338	\$ 517,100	\$ 183,767	\$ 183,767	\$ 183,767	\$ 183,767	\$ 183,767	\$ 183,767	\$ 183,767	\$ 183,767
Physical Resources Received Free of Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Surplus / (Deficit)	\$ 2,052,844	\$ 6,801,372	\$ 1,585,460	\$ 926,551	\$ 1,285,747	\$ 1,403,884	\$ 919,857	\$ 1,144,236	\$ 1,399,669	\$ 985,309	\$ 1,276,218
Other Comprehensive Income											
Changes in Revaluation Surplus - I,PP&E	\$ -	\$ -	\$ 13,279,809	\$ -	\$ -	\$ 14,013,025	\$ -	\$ -	\$ 14,694,822	\$ -	\$ -
Total Other Comprehensive Income	\$ -	\$ -	\$ 13,279,809	\$ -	\$ -	\$ 14,013,025	\$ -	\$ -	\$ 14,694,822	\$ -	\$ -
Total Comprehensive Income	\$ 2,052,844	\$ 6,801,372	\$ 14,865,268	\$ 926,551	\$ 1,285,747	\$ 15,416,909	\$ 919,857	\$ 1,144,236	\$ 16,094,490	\$ 985,309	\$ 1,276,218



6.2 Balance Sheet

BALANCE SHEET	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,007	\$ 4,377,265
Trade & Other Receivables	\$ 5,749,074	\$ 1,429,633	\$ 1,296,773	\$ 1,319,045	\$ 1,352,362	\$ 1,384,639	\$ 1,417,725	\$ 1,452,490	\$ 1,488,151	\$ 1,524,737	\$ 1,563,195
Inventories	\$ 20,919	\$ 21,143	\$ 21,747	\$ 21,113	\$ 21,575	\$ 22,070	\$ 21,387	\$ 21,898	\$ 22,422	\$ 22,958	\$ 23,530
Total Current Assets	\$ 5,769,993	\$ 1,450,775	\$ 1,318,521	\$ 1,340,158	\$ 1,373,938	\$ 1,406,709	\$ 1,439,112	\$ 1,474,388	\$ 1,510,572	\$ 2,110,702	\$ 5,963,990
Non-Current Assets											
Financial Assets	\$ 92,427	\$ 105,149	\$ 107,022	\$ 109,174	\$ 111,394	\$ 113,406	\$ 115,474	\$ 117,673	\$ 119,935	\$ 122,262	\$ 124,737
Equity Accounted Investments in Council Businesses	\$ 3,467,255	\$ 3,681,245	\$ 4,026,811	\$ 4,423,183	\$ 4,840,067	\$ 5,352,708	\$ 5,774,488	\$ 6,196,268	\$ 6,618,048	\$ 7,039,828	\$ 7,461,608
Infrastructure, Property, Plant & Equipment	\$ 673,842,130	\$ 685,096,895	\$ 700,651,015	\$ 700,513,382	\$ 700,705,040	\$ 714,060,132	\$ 712,365,716	\$ 710,652,930	\$ 722,967,934	\$ 719,628,430	\$ 715,918,739
Other Non-Current Assets (WIP)	\$ 2,651,534	\$ 2,037,362	\$ 2,010,422	\$ 2,054,466	\$ 2,099,480	\$ 2,147,583	\$ 2,196,793	\$ 2,249,284	\$ 2,303,036	\$ 2,358,124	\$ 2,416,892
Total Non-Current Assets	\$ 680,053,345	\$ 690,920,651	\$ 706,795,270	\$ 707,100,205	\$ 707,755,980	\$ 721,673,829	\$ 720,452,470	\$ 719,216,155	\$ 732,008,954	\$ 729,148,645	\$ 725,921,976
TOTAL ASSETS	\$ 685,823,338	\$ 692,371,427	\$ 708,113,790	\$ 708,440,362	\$ 709,129,918	\$ 723,080,538	\$ 721,891,582	\$ 720,690,543	\$ 733,519,526	\$ 731,259,347	\$ 731,885,966
LIABILITIES											
Current Liabilities											
Trade & Other Payables	\$ 4,439,959	\$ 4,592,228	\$ 4,724,020	\$ 4,830,651	\$ 4,939,738	\$ 5,055,556	\$ 5,174,111	\$ 5,300,150	\$ 5,429,284	\$ 5,561,679	\$ 5,702,457
Borrowings	\$ 714,945	\$ 811,279	\$ 935,685	\$ 627,704	\$ 652,186	\$ 677,684	\$ 704,239	\$ 731,899	\$ 760,710	\$ 790,721	\$ 731,455
Provisions	\$ 2,236,651	\$ 2,267,303	\$ 2,297,954	\$ 2,328,606	\$ 2,359,257	\$ 2,389,908	\$ 2,420,560	\$ 2,451,211	\$ 2,481,863	\$ 2,512,514	\$ 2,512,514
Total Current Liabilities	\$ 7,391,556	\$ 7,670,809	\$ 7,957,659	\$ 7,786,961	\$ 7,951,181	\$ 8,123,149	\$ 8,298,910	\$ 8,483,261	\$ 8,671,857	\$ 8,864,914	\$ 8,946,426
Non-Current Liabilities											
Trade & Other Payables	\$ 6,002	\$ 11,073	\$ 11,313	\$ 11,555	\$ 11,802	\$ 12,102	\$ 12,410	\$ 12,726	\$ 13,051	\$ 13,385	\$ 13,728
Borrowings	\$ 17,399,234	\$ 16,982,924	\$ 17,569,581	\$ 17,136,709	\$ 16,372,702	\$ 14,730,797	\$ 12,442,566	\$ 9,909,276	\$ 6,451,498	\$ 3,009,271	\$ 2,277,816
Provisions	\$ 244,349	\$ 247,697	\$ 251,046	\$ 254,394	\$ 257,743	\$ 261,092	\$ 264,440	\$ 267,789	\$ 271,137	\$ 274,486	\$ 274,486
Liability - Equity Accounted in Council Businesses	\$ 1,644,354	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708	\$ 1,519,708
Total Non-Current Liabilities	\$ 19,293,939	\$ 18,761,402	\$ 19,351,648	\$ 18,922,366	\$ 18,161,955	\$ 16,523,698	\$ 14,239,124	\$ 11,709,499	\$ 8,255,395	\$ 4,816,850	\$ 4,085,739
TOTAL LIABILITIES	\$ 26,685,495	\$ 26,432,211	\$ 27,309,307	\$ 26,709,327	\$ 26,113,136	\$ 24,646,847	\$ 22,538,034	\$ 20,192,760	\$ 16,927,252	\$ 13,681,764	\$ 13,032,165
Net Assets	\$ 659,137,844	\$ 665,939,216	\$ 680,804,484	\$ 681,731,035	\$ 683,016,782	\$ 698,433,691	\$ 699,353,548	\$ 700,497,784	\$ 716,592,274	\$ 717,577,583	\$ 718,853,801
EQUITY											
Accumulated Surplus	\$ 232,424,844	\$ 239,146,216	\$ 240,651,675	\$ 241,498,227	\$ 242,703,974	\$ 244,027,858	\$ 244,867,715	\$ 245,931,951	\$ 247,251,619	\$ 248,156,928	\$ 249,353,146
Asset Revaluation Reserves	\$ 425,870,000	\$ 425,870,000	\$ 439,149,809	\$ 439,149,809	\$ 439,149,809	\$ 453,162,833	\$ 453,162,833	\$ 453,162,833	\$ 467,857,655	\$ 467,857,655	\$ 467,857,655
Other Reserves	\$ 843,000	\$ 923,000	\$ 1,003,000	\$ 1,083,000	\$ 1,163,000	\$ 1,243,000	\$ 1,323,000	\$ 1,403,000	\$ 1,483,000	\$ 1,563,000	\$ 1,643,000
Total Equity	\$ 659,137,844	\$ 665,939,216	\$ 680,804,484	\$ 681,731,035	\$ 683,016,782	\$ 698,433,691	\$ 699,353,548	\$ 700,497,784	\$ 716,592,274	\$ 717,577,583	\$ 718,853,801

6.3 Statement of Cash Flows

CASH FLOW STATEMENT	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities											
Receipts:											
Rates Receipts	36,784,062	46,112,241	42,805,745	44,167,206	45,573,810	46,851,091	48,161,486	49,554,278	50,987,804	52,462,599	54,029,924
Statutory Charges	1,424,680	1,231,285	1,365,055	1,403,414	1,434,289	1,465,844	1,498,092	1,531,050	1,564,733	1,599,158	1,634,339
User Charges	2,013,380	1,933,949	2,219,676	2,285,717	2,336,002	2,387,394	2,439,917	2,493,595	2,548,454	2,604,520	2,661,820
Grants, Subsidies and Contributions	3,941,447	3,886,945	4,128,662	3,907,320	3,974,374	4,061,811	4,151,170	4,242,496	4,335,831	4,431,219	4,528,706
Investment Receipts	40,014	38,500	39,963	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Reimbursements	659,720	336,503	337,088	337,709	337,878	338,047	338,216	338,385	338,555	338,724	338,893
Other	182,030	567,567	311,669	435,332	444,033	442,971	443,275	443,970	444,313	444,666	445,445
Payments:											
Payments to Employees	(16,658,098)	(16,537,577)	(17,056,531)	(17,417,527)	(17,786,272)	(18,236,433)	(18,699,529)	(19,176,230)	(19,665,121)	(20,166,463)	(20,716,614)
Payments for Materials, Contracts & Other Expenses	(20,207,323)	(20,466,040)	(21,542,487)	(22,110,674)	(22,597,870)	(23,115,614)	(23,645,810)	(24,212,027)	(24,792,416)	(25,387,195)	(26,019,807)
Finance Payments	(501,960)	(475,989)	(438,960)	(451,283)	(438,855)	(423,587)	(366,817)	(298,846)	(218,990)	(154,862)	(100,585)
Net Cash provided (or used in) Operating Activities	7,677,950	16,627,384	12,169,879	12,597,215	13,317,391	13,811,523	14,360,001	14,956,672	15,583,163	16,212,366	16,842,122
Cash Flows from Investing Activities											
Receipts:											
Amounts Received Specifically for New and Upgraded Assets	514,108	5,866,338	517,100	183,767	183,767	183,767	183,767	183,767	183,767	183,767	183,767
Sale of Replaced Assets	246,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Repayments of Loans by Community Groups	42,533	-	-	-	-	-	-	-	-	-	-
Payments:											
Expenditure on Renewal/Replacement of Assets	(9,731,337)	(14,092,500)	(11,347,477)	(8,633,757)	(9,384,748)	(8,906,242)	(8,900,313)	(9,263,028)	(8,966,184)	(9,049,130)	(9,049,130)
Expenditure on New/Upgraded Assets	(4,440,867)	(7,790,788)	(1,955,000)	(3,260,000)	(3,210,000)	(3,210,000)	(3,210,000)	(3,200,000)	(3,200,000)	(3,200,000)	(3,200,000)
Capital Contributed to Equity Accounted Council Businesses	(351,566)	(540,457)	(345,566)	(396,372)	(416,884)	(512,641)	(421,780)	(421,780)	(421,780)	(421,780)	(421,780)
Net Cash provided (or used in) Investing Activities	(13,721,129)	(16,307,407)	(12,880,943)	(11,856,362)	(12,577,865)	(12,195,116)	(12,098,326)	(12,451,041)	(12,154,197)	(12,237,143)	(12,237,143)
Cash Flows from Financing Activities											
Receipts:											
Net Proceeds from CAD	10,742,277	-	-	410	-	-	-	-	-	-	-
Proceeds from Borrowings	-	1,200,000	1,650,000	200,000	-	-	-	-	-	-	-
Payments:											
Net Repayments of CAD	-	(805,032)	(127,658)	-	(111,822)	(964,221)	(1,583,991)	(1,801,392)	(2,697,067)	(2,651,505)	-
Repayments of Borrowings	(687,098)	(714,945)	(811,279)	(941,263)	(627,704)	(652,186)	(677,684)	(704,239)	(731,899)	(760,710)	(790,721)
Net Cash Flow provided (used in) Financing Activities	10,055,179	(319,977)	711,064	(740,853)	(739,526)	(1,616,407)	(2,261,675)	(2,505,631)	(3,428,966)	(3,412,216)	(790,721)
Net Increase/(Decrease) in Cash & Cash Equivalents	4,012,000	0	0	(0)	(0)	(0)	(0)	-	(0)	563,007	3,814,257
plus: Cash & Cash Equivalents - beginning of year	(4,012,000)	-	0	0	0	0	0	(0)	(0)	(0)	563,007
Cash & Cash Equivalents - end of the year	-	0	0	0	0	0	(0)	(0)	(0)	563,007	4,377,265



6.4 Statement of Changes in Equity

EQUITY STATEMENT	Current Year 2019/20 \$	Year 1 2020/21 \$	Year 2 2021/22 \$	Year 3 2022/23 \$	Year 4 2023/24 \$	Year 5 2024/25 \$	Year 6 2025/26 \$	Year 7 2026/27 \$	Year 8 2027/28 \$	Year 9 2028/29 \$	Year 10 2029/30 \$
Opening Balance	657,085,000	659,137,844	665,939,216	680,804,484	681,731,035	683,016,782	698,433,691	699,353,548	700,497,784	716,592,274	717,577,583
Net Surplus / (Deficit) for Year	2,052,844	6,801,372	1,585,460	926,551	1,285,747	1,403,884	919,857	1,144,236	1,399,669	985,309	1,276,218
Other Comprehensive Income											
- Gain (Loss) on Revaluation of I,PP&E	-	-	13,279,809	-	-	14,013,025	-	-	14,694,822	-	-
Other Comprehensive Income	-	-	13,279,809	-	-	14,013,025	-	-	14,694,822	-	-
Total Comprehensive Income	2,052,844	6,801,372	14,865,268	926,551	1,285,747	15,416,909	919,857	1,144,236	16,094,490	985,309	1,276,218
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	659,137,844	665,939,216	680,804,484	681,731,035	683,016,782	698,433,691	699,353,548	700,497,784	716,592,274	717,577,583	718,853,801

6.5 Uniform Presentation of Finances

UNIFORM PRESENTATION OF FINANCES	Current Year 2019/20 \$	Year 1 2020/21 \$	Year 2 2021/22 \$	Year 3 2022/23 \$	Year 4 2023/24 \$	Year 5 2024/25 \$	Year 6 2025/26 \$	Year 7 2026/27 \$	Year 8 2027/28 \$	Year 9 2028/29 \$	Year 10 2029/30 \$
Operating Activities											
Income	49,319,748	49,840,307	51,056,382	52,583,844	54,158,159	55,604,359	57,089,781	58,662,106	60,278,481	61,940,148	63,699,171
less Expenses	(47,817,012)	(48,755,273)	(49,838,022)	(51,691,060)	(52,906,179)	(54,234,241)	(56,203,691)	(57,551,637)	(58,912,579)	(60,988,606)	(62,456,720)
Operating Surplus / (Deficit)	1,502,736	1,085,034	1,218,360	892,784	1,251,980	1,370,117	886,090	1,110,469	1,365,902	951,542	1,242,451
Capital Activities											
less (Net Outlays) on Existing Assets											
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,731,337)	(14,092,500)	(11,347,477)	(8,633,757)	(9,384,748)	(8,906,242)	(8,900,313)	(9,263,028)	(8,966,184)	(9,049,130)	(9,049,130)
add back Depreciation, Amortisation and Impairment	9,840,074	10,228,523	10,628,166	11,631,390	12,003,090	12,374,174	13,404,730	13,775,814	14,146,001	15,188,634	15,558,822
add back Proceeds from Sale of Replaced Assets	246,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
(Net Outlays) on Existing Assets	354,737	(3,613,977)	(469,311)	3,247,633	2,868,342	3,717,932	4,754,417	4,762,786	5,429,817	6,389,504	6,759,692
less (Net Outlays) on New and Upgraded Assets											
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(4,440,867)	(7,790,788)	(1,955,000)	(3,260,000)	(3,210,000)	(3,210,000)	(3,210,000)	(3,200,000)	(3,200,000)	(3,200,000)	(3,200,000)
add back Amounts Received Specifically for New and Upgraded Assets	514,108	5,866,338	517,100	183,767	183,767	183,767	183,767	183,767	183,767	183,767	183,767
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(3,926,759)	(1,924,450)	(1,437,900)	(3,076,233)	(3,026,233)	(3,026,233)	(3,026,233)	(3,016,233)	(3,016,233)	(3,016,233)	(3,016,233)
Net Lending / (Borrowing) for Financial Year	(2,069,286)	(4,453,393)	(688,852)	1,064,184	1,094,089	2,061,816	2,614,273	2,857,022	3,779,486	4,324,813	4,985,910



6.6 Key Financial Indicators

FINANCIAL PERFORMANCE INDICATORS	Current Year 2019/20	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4 2023/24	Year 5 2024/25	Year 6 2025/26	Year 7 2026/27	Year 8 2027/28	Year 9 2028/29	Year 10 2029/30
Operating Surplus Ratio	3.0%	2.2%	2.4%	1.7%	2.3%	2.5%	1.6%	1.9%	2.3%	1.5%	2.0%
Net Financial Liabilities Ratio	38.9%	46.9%	47.8%	45.2%	42.7%	38.9%	34.1%	29.2%	22.9%	16.1%	8.6%
Asset Renewal Funding Ratio	88.5%	110.2%	87.5%	90.2%	95.5%	92.1%	92.5%	93.4%	91.9%	91.6%	91.0%
Interest Cover Ratio	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%	0.6%	0.4%	0.3%	0.2%	0.1%
Debt to Income	36.7%	35.7%	36.2%	33.8%	31.4%	27.7%	23.0%	18.1%	12.0%	6.1%	4.7%

