



City of Burnside
Long Term Financial Plan 2021/22 - 2030/31



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 2021/22 - 2030/31.

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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 Burnside 2030.

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 2021/22 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 period. However, there is recognition of some exceptions to this, outlined below:

- Provision has been made for outlays for new/upgraded assets across this ten-year period that will add to service levels (\$41.5m).
- 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.
- The 2021/22 Budget includes \$14.7m of capital grants and contributions with \$7.75m of State and Federal funding included for the joint Magill Redevelopment project between the City of Burnside and the City of Campbelltown which will lead to an enhancement in service levels.
- Council will continue to pursue any grant funding opportunities as they arise as this is an important source of revenue. This may also 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 2021/22 (excluding growth on subdivisions) and despite a 1.2 per cent CPI, a 0.4 per cent Local Government Price Index (LGPI) as at March 2021, and a 2.5 per cent Cost of Business.
- An Operating Surplus of \$1.0m in 2021/22 and surpluses for all remaining years.
- A budgeted cost reduction of \$750k in 2021/22 and the inclusion of a further stretch savings target of \$387k in materials and contracts costs.

- Total borrowings as at 30 June 2022 forecast at \$22.0m (Current Forecast position for 2020/21 is \$16.1m) and at the end of the 10-year period at \$24.7m (based on the set level of Capital spend assumed in the Plan).
- All financial indicators within acceptable target levels throughout the 10-year period.
- Renewal and Replacement of existing assets equalling \$22.1m in 2021/22 and totalling \$115.2m across the 10-year period.
- New and Upgraded assets equalling \$9.5m in 2021/22 and totalling \$41.5m across the 10-year period.
- Capital contribution of \$5.6m towards the Brownhill Keswick Creek Project across the 10-year period.





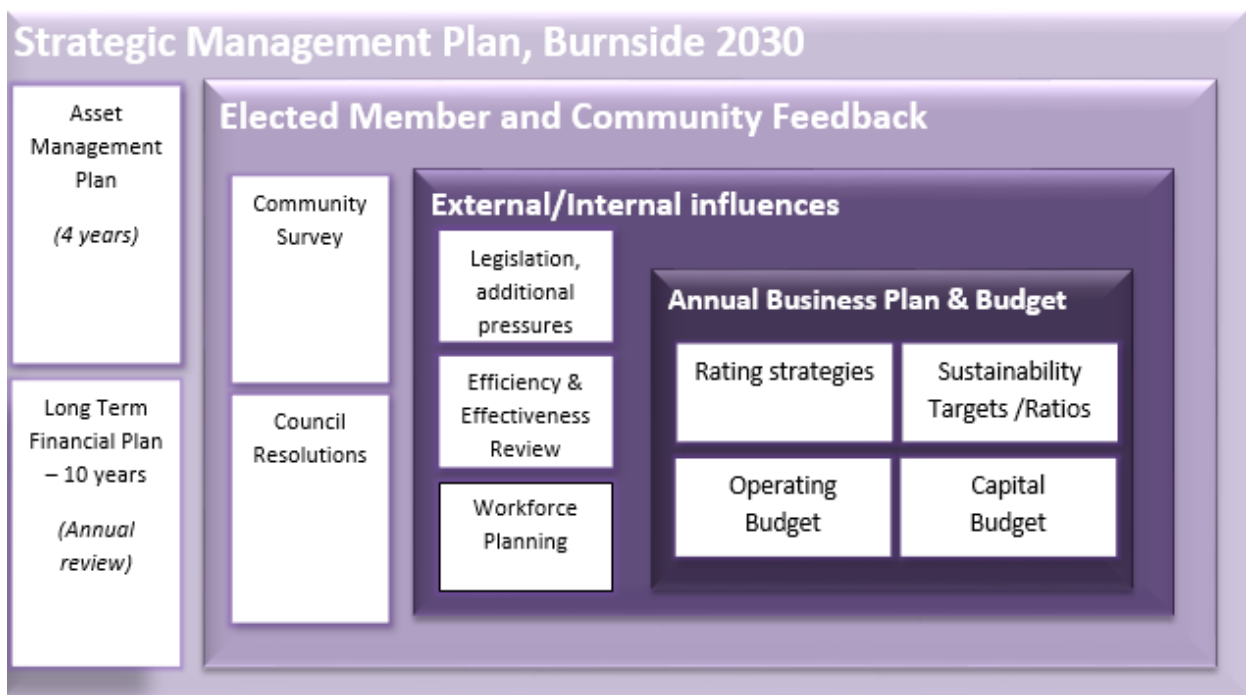
2. Strategic Context

The LTFP is a strategic component of the 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 in 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.





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3. Key Influences and Risks

This Long Term Financial Plan generates information that 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 and 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 – Burnside 2030*; and,
- other key strategies.

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





4. Basis of Preparation

The LTFP consolidates the funding requirements from Council's Asset Management Plans and other strategic documents and provides a holistic view which helps ensure Council operates sustainably over the 10 year period. 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, indicate 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 2021/22 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 – Burnside 2030*.
- Our long term financial sustainability.
- Intergenerational equity.
- The needs and expectations of the Burnside community are met.
- Delivery of appropriate, targeted, effective and efficient services.
- Responsible changes in rating.

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 agreed 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 Table 1 below and have been suggested and endorsed by Council's Audit Committee.

Table 1: Key Drivers and Assumptions

Financial Year	Budget Year	Cost Index (per LGPI)	Wages	Rates (Exc Growth)	Growth
2020-21	Current Year	Zero based approach	0.5% (increments only)	0.00%	0.00%
2021-22	Year 1	Zero based bottom-up approach	2.25%* (1.25% - EB agreement, 0.5% - Superannuation increase; and 0.5% - increments)	0.00%	0.77% (based on actual growth to date)
2022-23	Year 2	1.40%	2.00%*	1.90%	1.00%**
2023-24	Year 3	1.80%	2.00%*	2.10%	1.00%**
2024-25	Year 4	2.10%	2.00%*	2.00%	0.50%
2025-26	Year 5	2.30%	2.00%*	2.00%	0.50%
2026-27	Year 6	2.30%	2.00%	2.00%	0.50%
2027-28	Year 7	2.30%	2.00%	2.00%	0.50%
2028-29	Year 8	2.30%	2.00%	2.00%	0.50%
2029-30	Year 9	2.30%	2.00%	2.00%	0.50%
2030-31	Year 10	2.40%	2.00%	2.00%	0.50%

*Includes superannuation guarantee increases to 12% by 2025/26

**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 2021/22 has not automatically increased by the March 2021 CPI of 1.2 per cent or the LGPI of 0.4 per cent, but instead has been worked through a bottom-up methodology which adjusts for savings and cost pressures in each area resulting in a 'Cost of Business'. It should also be noted that while the LGPI for March 2021 was 0.4 per cent, not all Council expenses have remained constant at prior year costs. In addition, the LGPI and CPI are both historical indices whereas the rates increase is for the year ahead. As such, the Cost of Business calculates the 'projected' cost index.

It is expected that for 2021/22, a number of additional cost pressures will be faced by Council and there are also certain expenses that have not been increased by the LGPI index. As such, the true increased cost of business for Council in the next financial year 2021/2022 has been calculated as 2.5 per cent.





4.2.2 Salaries and Wages

The 2021/22 forecast for salaries and wages has been undertaken following a bottom-up approach for 164.82 Full Time Equivalents and in line with the endorsed Enterprise Bargaining Agreements for Administration and Field staff. However for this year, instead of fully funding the salaries and wages expense, a budgeted cost reduction of \$400k has been included within the budget which factors in a level of vacancy during the year.

The salaries and wages staff costs for year 1 have been included at 1.25 per cent and 1.50 per cent (excluding increments) for Administration and Field staff respectively and is in line with the two current Enterprise Bargaining Agreements due to expire in June 2023. Year 1 also includes a 0.5 per cent in the superannuation guarantee to 10 per cent.

The salaries and wages increase for years 2-10 have been assumed at 2.0 per cent (including increments and the superannuation increase).

4.2.3 Rates

The LTFP has proposed an average rate freeze in the 2021/22 financial year for the second year in a row in light of the economic impacts of COVID-19 and the Revaluation Project. Rates for years 2 to 10 of this LTFP have been modelled keeping in mind the Audit Committee recommendation that an Operating Surplus of \$0.5m - \$1.0m be maintained.

Growth in 2021/22 has been included at 0.77 per cent which is based on the actual growth of 106 new properties across the City (through subdivisions and excluding Independent Living Units). Natural growth is projected to increase at a steady historical rate of 0.5 per cent pa except for in years 2 and 3 which are both based on 1.0 per cent and account for the Cedar Woods and Burnside Village Development.

4.2.4 Revaluation Project

The Valuer-General is South Australia's independent authority on property valuations and is responsible for the delivery of valuations for all properties in the state.

The Office of the Valuer-General has undertaken a project to comprehensively review South Australia's property values. The 'Revaluation Project' involves in-depth property data collection and analysis to improve the accuracy of valuations, ensuring contributions by the community are fair and equitable, in accordance with the Valuation of Land Act 1971. The Revaluation Project assesses individual properties rather than using a 'blanket change' in values for all properties.

The initiative is being delivered across the state in stages. Currently, stage two of the project includes properties within the City of Burnside area. The valuations of these properties have been reviewed in preparation for the 2021-22 financial year. The valuations provided so far for the City of Burnside reveal an average increase of property values across the City of 2.58 per cent.

While overall there is no impact on Council, and Council will still collect the same amount of rates as 2020/21 (due to the rates freeze on average across the City), the impact will be felt by individual ratepayers. Council is conscious that an increase in property valuation could also lead to an increase in other bills such as Water, Emergency Services Levy, Land Tax etc. and is keen to reduce the impact as far as possible.

As such, for 2021/22, Council will cap rates at 12.5 per cent (for properties that face a valuation increase and have not had any capital additions nor a change in the Land Use Code) and provide an automatic cap such that no ratepayer would need to pay more than 12.5 per cent more in rates than that paid in the prior year. Currently, 639 properties are eligible for this cap.

4.2.5 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 purchases new 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 \$115.2m across the 10-year period;
- Spending of \$41.5m on New and Upgraded assets across the 10-year period; and
- Capital contribution of \$5.6m towards the Brownhill Keswick Creek Project.

Council has also been successful in securing a number of grants for capital projects totalling \$14.7m in 2021/22. The most significant grant received totals \$7.75m from the State and Federal governments towards the Magill Road Redevelopment project which is a joint project between the City of Burnside and the City of Campbelltown. The LTFP does not include any capital grant funding for major projects beyond the 2021/22 year.



4.2.6 Debt levels

A major component of services Council provides are asset intensive which often requires a large investment, initially for the 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 \$115.2m in asset renewal and replacement and \$41.5m in new and upgraded assets over the 10-year period and capital contribution of \$5.6m towards the Brownhill Keswick Creek Project.

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 show a consistent increase of debt levels over the 10 years to a peak of \$25.3m by year 9 and falling slightly to \$24.7m in year 10.

Borrowings have been assumed at 2.40 per cent – 3.0 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 (LGFA) announced a stimulus package on 26 May 2020 which provided Council with a 0.75 per cent interest rate discount for a three-year period which commenced in December 2020. Under this package, Council has been provided with a \$4.8m facility at the discounted rate and interest cost savings from this reduction in rates has been included in this LTFP.

On 16 November 2020, the LGFA further announced that it would offer a three year discounted Cash Advance Debenture (CAD) loan facility (-0.75 per cent off the standard CAD rate) to fund Council's component of the projects which have received funding as part of the Local Government Infrastructure Partnership Program (LGIPP). Under this package, Council has been provided with a \$2.88m facility at the discounted rate for the Magill Village project.

In regard to ratios, Council maintains a Net Financial Liability Ratio between 51.6 – 58.9 per cent across this 10-year period. This Ratio measures how significant the net amount owed to others is compared to Council's Operating Income. Council's forecast ratio across the 10 years 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.

In addition, the 'Debt to Total Income' Ratio is maintained at between 39.4 – 45.8 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 conservative view and is based on new capital spend of an average of \$3.5m in years 3 to 10. This is because at this stage there are no major new capital works scheduled for Years 5-10 besides \$600k for new drainage, \$200k for traffic calming and \$100k for new open space infrastructure. An amount of \$2.5m has been allocated in years 2 to 10 to account for Council decisions in the future which may require capital funding. The unallocated capital outlay in outer years is based on 'net' expenditure and does not include any grant funding. Should any grant income be received in future years, the total expenditure on new capital projects will also be increased accordingly.

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.

4.2.7 Council subsidiaries

The Net Gain/Loss from Council subsidiaries in 2021/22 has been included in the draft Budget and LTFP. Council will update the gains and losses for Years 2-10 once the LTFP's for all the subsidiaries have been obtained.

This 2021/22 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 \$5.6m towards Brownhill Keswick Creek (BHKC) over the next 10 years. Any changes to estimates will impact Council's financial modelling and this LTFP will be updated periodically to ensure that the most up to date projections are captured and accounted for over the 10 year period



5. Key Outcomes

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

- On average a rates freeze for 2021/22 (excluding growth on subdivisions) and despite a 1.2 per cent CPI, a 0.4 per cent LGPI (as at March 2021) and a 2.5 per cent Cost of Business.
- An Operating Surplus of \$1.0m in 2021/22 and surpluses for all remaining years.
- A budgeted cost reduction of \$750k in 2021/22 and the inclusion of a further stretch savings target of \$387k in materials and contracts costs.
- Total borrowings as at 30 June 2022 forecast at \$22.0m (Current Forecast position for 2020/21 is \$16.1m) and at the end of the 10-year period at \$24.7m (based on the set level of Capital spend assumed in the Plan).
- All financial indicators within acceptable target levels throughout the 10-year period.
- Renewal and Replacement of existing assets equalling \$22.1m in 2021/22 and totalling \$115.2m across the 10-year period.
- New and Upgraded assets equalling \$9.5m in 2021/22 and totalling \$41.5m across the 10-year period.
- Capital contribution of \$5.6m 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	2021/22 LTFP	LGA Target
Operating Surplus Ratio	Between 2.0% - 2.5%	Average of 0% - 10%
Net Financial Liabilities Ratio	Between 51.6% - 58.9%	Between 0 % - 100%
Asset Renewal Funding Ratio	Between 96.3% - 106.0%*	Greater than 90% but less than 110%
Interest Cover Ratio	Between 0.7% - 1.0%	No Recommendation
Debt to Income	Between 39.4% - 45.8%	No Recommendation
Debt Repayment Term	15 years	No Recommendation

* The Asset Sustainability Ratio for 2021/22 has been calculated excluding the Magill Village Redevelopment and Kensington Garden Projects as these projects are one-off with a significant asset renewal component. Including these projects would result in a Ratio of 201.6%.

Table 3: Key Financial Indicator Commentary

Financial Indicator	Key Financial Indicator Commentary
Operating Surplus Ratio	<p>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 per cent.</p>
Net Financial Liabilities Ratio	<p>Council's ratio across this 10-year plan is comfortably below the LGA recommended maximum target of 100 per cent.</p>
Asset Renewal Funding Ratio	<p>With the exclusion of the two Major Projects being undertaken in 2021/22, Council's ratio for the 10-year plan is within the target range of 90-110 per cent as recommended by the LGA. This shows that Council is renewing its assets within the recommended timeframes.</p>
Interest Cover Ratio	<p>The LTFP indicates that the Interest Cover Ratio will be maintained at 1 per cent and under across the 10-year period. While there is no recommendation from the LGA on this Ratio, the industry practice is to maintain a ratio of between 0-5 per cent.</p>
Debt to Income Ratio	<p>This Ratio was introduced to measure Council's proportion of debt compared to its income. This LTFP has been based on a ratio of between 41.4-45.8 per cent across the 10 years.</p>



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preschool
"the kindy in the park"

kensington
gardens
preschool
"the kindy in the park"

6. Key Financial Statements

6.1 Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	Current Year 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income											
Rates	\$ 41,542,743	\$ 41,810,450	\$ 43,130,916	\$ 44,465,379	\$ 45,582,311	\$ 46,727,047	\$ 47,900,280	\$ 49,102,719	\$ 50,335,093	\$ 51,598,146	\$ 52,892,643
Statutory Charges	\$ 1,415,620	\$ 1,391,620	\$ 1,422,236	\$ 1,453,525	\$ 1,485,503	\$ 1,518,184	\$ 1,551,584	\$ 1,585,719	\$ 1,620,604	\$ 1,656,258	\$ 1,692,695
User Charges	\$ 1,538,735	\$ 1,941,380	\$ 2,281,120	\$ 2,331,305	\$ 2,382,594	\$ 2,435,011	\$ 2,488,581	\$ 2,543,330	\$ 2,599,283	\$ 2,656,467	\$ 2,714,910
Grants, Subsidies and Contributions	\$ 4,525,885	\$ 3,907,899	\$ 3,901,493	\$ 3,960,016	\$ 4,019,416	\$ 4,079,707	\$ 4,140,903	\$ 4,203,016	\$ 4,266,062	\$ 4,330,052	\$ 4,395,003
Investment Income	\$ 21,500	\$ 26,500	\$ 38,500	\$ 38,500	\$ 38,500	\$ 38,500	\$ 38,500	\$ 38,500	\$ 38,500	\$ 38,500	\$ 38,500
Reimbursements	\$ 595,868	\$ 484,368	\$ 501,619	\$ 501,869	\$ 502,120	\$ 502,372	\$ 502,623	\$ 502,874	\$ 503,126	\$ 503,377	\$ 503,629
Other Income	\$ 524,184	\$ 500,431	\$ 495,179	\$ 495,426	\$ 495,674	\$ 495,922	\$ 496,170	\$ 496,418	\$ 496,666	\$ 496,914	\$ 497,163
Net gain - equity accounted Council businesses	\$ 1,485,657	\$ 1,000,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 51,650,191	\$ 51,062,679	\$ 51,771,062	\$ 53,246,021	\$ 54,506,118	\$ 55,796,742	\$ 57,118,640	\$ 58,472,576	\$ 59,859,333	\$ 61,279,715	\$ 62,734,543
Expenses											
Employee Costs	\$ 16,725,031	\$ 17,274,309	\$ 17,502,158	\$ 17,867,815	\$ 18,251,935	\$ 18,644,285	\$ 19,045,045	\$ 19,454,400	\$ 19,872,540	\$ 20,299,655	\$ 20,735,946
Materials, Contracts & Other Expenses	\$ 21,305,656	\$ 21,676,649	\$ 21,724,487	\$ 22,187,550	\$ 22,705,556	\$ 23,235,475	\$ 23,777,083	\$ 24,331,147	\$ 24,898,455	\$ 25,478,811	\$ 26,100,415
Depreciation, Amortisation & Impairment	\$ 10,038,916	\$ 10,479,599	\$ 11,006,757	\$ 11,518,049	\$ 11,878,147	\$ 12,091,279	\$ 12,298,216	\$ 12,588,595	\$ 13,092,904	\$ 13,460,507	\$ 13,716,500
Finance Costs	\$ 431,131	\$ 397,993	\$ 483,865	\$ 530,221	\$ 567,490	\$ 604,937	\$ 610,911	\$ 617,201	\$ 621,605	\$ 638,963	\$ 626,773
Net loss - Equity Accounted Council Businesses	\$ 320,850	\$ 204,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 48,821,584	\$ 50,032,749	\$ 50,717,267	\$ 52,103,635	\$ 53,403,128	\$ 54,575,977	\$ 55,731,255	\$ 56,991,343	\$ 58,485,504	\$ 59,877,936	\$ 61,179,634
Operating Surplus / (Deficit)	\$ 2,828,607	\$ 1,029,929	\$ 1,053,796	\$ 1,142,386	\$ 1,102,990	\$ 1,220,765	\$ 1,387,385	\$ 1,481,233	\$ 1,373,829	\$ 1,401,779	\$ 1,554,909
Asset Disposal & Fair Value Adjustments	-\$ 281,965	-\$ 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	\$ 2,139,318	\$ 14,723,885	\$ 189,381	\$ 189,381	\$ 189,381	\$ 189,381	\$ 189,381	\$ 189,381	\$ 189,381	\$ 189,381	\$ 189,381
Physical Resources Received Free of Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Surplus / (Deficit)	\$ 4,685,960	\$ 15,603,814	\$ 1,093,177	\$ 1,181,767	\$ 1,142,371	\$ 1,260,146	\$ 1,426,766	\$ 1,520,614	\$ 1,413,210	\$ 1,441,160	\$ 1,594,290
Other Comprehensive Income											
Changes in Revaluation Surplus - I, PP&E	-\$ 8,111,259	\$ 17,569,661	\$ 13,417,629	\$ 3,246,694	\$ 0	\$ 0	\$ 18,395,777	\$ 14,829,827	\$ 3,115,395	\$ 0	\$ 0
Total Other Comprehensive Income	-\$ 8,111,259	\$ 17,569,661	\$ 13,417,629	\$ 3,246,694	\$ 0	\$ 0	\$ 18,395,777	\$ 14,829,827	\$ 3,115,395	\$ 0	\$ 0
Total Comprehensive Income	-\$ 3,425,299	\$ 33,173,475	\$ 14,510,806	\$ 4,428,461	\$ 1,142,371	\$ 1,260,146	\$ 19,822,542	\$ 16,350,441	\$ 4,528,606	\$ 1,441,160	\$ 1,594,290



6.2 Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	Current Year 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trade & Other Receivables	\$ 1,222,645	\$ 1,707,047	\$ 1,304,723	\$ 1,335,268	\$ 1,363,891	\$ 1,393,166	\$ 1,423,103	\$ 1,453,723	\$ 1,485,047	\$ 1,517,087	\$ 1,550,179
Inventories	\$ 21,319	\$ 21,730	\$ 21,759	\$ 21,111	\$ 21,603	\$ 22,106	\$ 21,430	\$ 21,929	\$ 22,440	\$ 22,962	\$ 23,521
Total Current Assets	\$ 1,243,965	\$ 1,728,777	\$ 1,326,482	\$ 1,356,379	\$ 1,385,494	\$ 1,415,272	\$ 1,444,533	\$ 1,475,652	\$ 1,507,487	\$ 1,540,049	\$ 1,573,700
Non-Current Assets											
Financial Assets	\$ 105,098	\$ 148,189	\$ 151,163	\$ 154,170	\$ 156,686	\$ 159,265	\$ 161,908	\$ 164,616	\$ 167,393	\$ 170,238	\$ 173,154
Equity Accounted Investments in Council Businesses	\$ 5,241,264	\$ 6,518,832	\$ 7,051,375	\$ 7,604,430	\$ 8,253,242	\$ 8,811,193	\$ 9,369,144	\$ 9,927,095	\$ 10,485,046	\$ 11,042,997	\$ 11,600,948
Infrastructure, Property, Plant & Equipment	\$ 675,692,799	\$ 714,053,115	\$ 729,699,721	\$ 734,556,645	\$ 735,947,462	\$ 736,748,847	\$ 756,087,784	\$ 772,213,122	\$ 776,080,210	\$ 777,390,550	\$ 777,873,897
Other Non-Current Assets (WIP)	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000	\$ 2,590,000
Total Non-Current Assets	\$ 683,629,161	\$ 723,310,135	\$ 739,492,259	\$ 744,905,244	\$ 746,947,390	\$ 748,309,304	\$ 768,208,836	\$ 784,894,833	\$ 789,322,649	\$ 791,193,785	\$ 792,237,999
TOTAL ASSETS	\$ 684,873,125	\$ 725,038,912	\$ 740,818,741	\$ 746,261,624	\$ 748,332,883	\$ 749,724,577	\$ 769,653,369	\$ 786,370,485	\$ 790,830,135	\$ 792,733,834	\$ 793,811,700
LIABILITIES											
Current Liabilities											
Trade & Other Payables	\$ 4,807,874	\$ 5,791,439	\$ 5,783,672	\$ 5,864,142	\$ 5,953,439	\$ 6,044,755	\$ 6,138,061	\$ 6,233,478	\$ 6,331,130	\$ 6,430,992	\$ 6,537,327
Borrowings	\$ 743,767	\$ 1,171,068	\$ 1,365,122	\$ 1,225,350	\$ 1,433,631	\$ 1,591,142	\$ 1,749,188	\$ 1,925,808	\$ 2,107,954	\$ 2,309,423	\$ 2,426,663
Provisions	\$ 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	\$ 2,512,514
Total Current Liabilities	\$ 7,818,943	\$ 9,260,462	\$ 9,477,400	\$ 9,448,749	\$ 9,776,979	\$ 10,056,457	\$ 10,338,461	\$ 10,641,149	\$ 10,951,598	\$ 11,252,930	\$ 11,476,504
Non-Current Liabilities											
Trade & Other Payables	\$ 10,991	\$ 16,140	\$ 16,353	\$ 16,695	\$ 17,055	\$ 17,423	\$ 17,798	\$ 18,182	\$ 18,574	\$ 18,975	\$ 19,384
Borrowings	\$ 15,317,792	\$ 20,860,090	\$ 21,908,612	\$ 22,947,994	\$ 23,544,945	\$ 23,393,298	\$ 23,213,820	\$ 23,274,074	\$ 22,890,929	\$ 23,051,735	\$ 22,311,327
Provisions	\$ 247,697	\$ 251,046	\$ 254,394	\$ 257,743	\$ 261,092	\$ 264,440	\$ 267,789	\$ 271,137	\$ 274,486	\$ 274,486	\$ 274,486
Liability - Equity Accounted in Council Businesses	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000	\$ 1,625,000
Total Non-Current Liabilities	\$ 17,201,481	\$ 22,752,275	\$ 23,804,359	\$ 24,847,432	\$ 25,448,092	\$ 25,300,161	\$ 25,124,407	\$ 25,188,393	\$ 24,808,989	\$ 24,970,196	\$ 24,230,197
TOTAL LIABILITIES	\$ 25,020,424	\$ 32,012,737	\$ 33,281,760	\$ 34,296,181	\$ 35,225,070	\$ 35,356,618	\$ 35,462,868	\$ 35,829,542	\$ 35,760,587	\$ 36,223,125	\$ 35,706,701
Net Assets	\$ 659,852,701	\$ 693,026,176	\$ 707,536,981	\$ 711,965,442	\$ 713,107,813	\$ 714,367,959	\$ 734,190,501	\$ 750,540,942	\$ 755,069,548	\$ 756,510,708	\$ 758,104,998
EQUITY											
Accumulated Surplus	\$ 236,525,960	\$ 252,049,774	\$ 253,062,951	\$ 254,164,717	\$ 255,227,088	\$ 256,407,234	\$ 257,754,000	\$ 259,194,614	\$ 260,527,824	\$ 261,888,984	\$ 263,403,274
Asset Revaluation Reserves	\$ 422,403,741	\$ 439,973,402	\$ 453,391,031	\$ 456,637,725	\$ 456,637,725	\$ 456,637,725	\$ 475,033,501	\$ 489,863,329	\$ 492,978,724	\$ 492,978,724	\$ 492,978,724
Other Reserves	\$ 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	\$ 1,723,000
Total Equity	\$ 659,852,701	\$ 693,026,176	\$ 707,536,981	\$ 711,965,442	\$ 713,107,813	\$ 714,367,959	\$ 734,190,501	\$ 750,540,942	\$ 755,069,548	\$ 756,510,708	\$ 758,104,998

6.3 Statement of Cash Flows

CASH FLOW STATEMENT	Current Year 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities											
Receipts:											
Rates Receipts	42,217,903	41,722,470	43,111,435	44,445,692	45,565,833	46,710,159	47,882,971	49,084,980	50,316,912	51,579,512	52,873,545
Statutory Charges	1,446,866	1,386,973	1,420,257	1,451,503	1,483,436	1,516,071	1,549,425	1,583,512	1,618,349	1,653,953	1,690,340
User Charges	1,605,470	1,908,614	2,259,159	2,328,061	2,379,278	2,431,622	2,485,118	2,539,791	2,595,666	2,652,771	2,711,132
Grants, Subsidies and Contributions	4,473,417	3,222,187	4,708,514	3,956,768	4,016,119	4,076,361	4,137,506	4,199,569	4,262,563	4,326,501	4,391,398
Investment Receipts	21,810	26,316	38,200	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500
Reimbursements	611,020	485,864	501,030	501,861	502,112	502,363	502,614	502,866	503,117	503,369	503,620
Other	1,177,904	788,314	113,889	496,271	496,519	496,768	497,016	497,265	497,513	497,762	498,011
Payments:											
Payments to Employees	(17,404,301)	(17,088,669)	(17,461,870)	(17,823,761)	(18,207,329)	(18,599,451)	(18,999,978)	(19,409,094)	(19,826,990)	(20,287,856)	(20,723,893)
Payments for Materials, Contracts & Other Expenses	(21,781,439)	(20,845,570)	(21,720,428)	(22,122,332)	(22,633,816)	(23,162,085)	(23,700,883)	(24,254,385)	(24,819,858)	(25,398,407)	(26,014,296)
Finance Payments	(431,131)	(397,993)	(483,865)	(530,221)	(567,490)	(604,937)	(610,911)	(617,201)	(621,605)	(638,963)	(626,773)
Net Cash provided (or used in) Operating Activities	11,937,519	11,208,507	12,486,320	12,742,342	13,073,163	13,405,371	13,781,379	14,165,801	14,564,166	14,927,142	15,341,585
Cash Flows from Investing Activities											
Receipts:											
Amounts Received Specifically for New and Upgraded Assets	2,139,318	14,723,885	189,381	189,381	189,381	189,381	189,381	189,381	189,381	189,381	189,381
Sale of Replaced Assets	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Payments:											
Expenditure on Renewal/Replacement of Assets	(12,014,517)	(22,076,429)	(9,575,734)	(9,688,279)	(9,743,964)	(9,727,664)	(10,141,377)	(10,784,105)	(10,689,597)	(11,670,847)	(11,099,847)
Expenditure on New/Upgraded Assets	(4,003,422)	(9,493,825)	(3,960,000)	(3,740,000)	(3,825,000)	(3,465,000)	(3,400,000)	(3,400,000)	(3,455,000)	(3,400,000)	(3,400,000)
Capital Contributed to Equity Accounted Council Businesses	(540,457)	(481,737)	(532,543)	(553,055)	(648,812)	(557,951)	(557,951)	(557,951)	(557,951)	(557,951)	(557,951)
Net Cash provided (or used in) Investing Activities	(14,269,078)	(17,178,106)	(13,728,896)	(13,641,953)	(13,878,395)	(13,411,234)	(13,759,947)	(14,402,675)	(14,363,167)	(15,289,417)	(14,718,417)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings	979,126	478,651	-	-	-	-	-	-	-	36,827	-
Receipt of Funds from Finance Leases	-	6,500,000	3,750,000	3,000,000	3,000,000	2,000,000	2,000,000	2,250,000	2,250,000	2,500,000	2,500,000
Payments:											
Net Repayments of CAD	-	-	(1,231,768)	(652,231)	(886,382)	(505,149)	(377,011)	(204,000)	(465,253)	-	(747,146)
Repayments of Borrowings	(687,393)	(896,230)	(1,217,651)	(1,448,158)	(1,308,386)	(1,488,988)	(1,644,420)	(1,809,126)	(1,985,746)	(2,174,552)	(2,376,021)
Repayment of Finance Lease Liabilities	(120,174)	(112,822)	(58,005)	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	171,559	5,969,599	1,242,576	899,611	805,232	5,863	(21,432)	236,874	(200,999)	362,275	(623,168)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,160,000)	0	(0)	0	0	(0)	0	0	(0)	0	0
plus: Cash & Cash Equivalents - beginning of year	2,160,000	(0)	0	(0)	(0)	0	(0)	(0)	0	(0)	(0)
Cash & Cash Equivalents - end of the year	-	-	-	-	-	-	-	-	-	-	-



6.4 Statement of Changes in Equity

EQUITY STATEMENT	Current Year 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	663,278,000	659,852,701	693,026,176	707,536,982	711,965,442	713,107,813	714,367,959	734,190,501	750,540,943	755,069,548	756,510,708
Net Surplus / (Deficit) for Year	4,685,960	15,603,814	1,093,177	1,181,767	1,142,371	1,260,146	1,426,766	1,520,614	1,413,210	1,441,160	1,594,290
Other Comprehensive Income											
- Gain (Loss) on Revaluation of I,PP&E	(8,111,259)	17,569,661	13,417,629	3,246,694	0	0	18,395,777	14,829,827	3,115,395	0	0
Other Comprehensive Income	(8,111,259)	17,569,661	13,417,629	3,246,694	0	0	18,395,777	14,829,827	3,115,395	0	0
Total Comprehensive Income	(3,425,299)	33,173,475	14,510,806	4,428,461	1,142,371	1,260,146	19,822,542	16,350,441	4,528,606	1,441,160	1,594,290
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	659,852,701	693,026,176	707,536,982	711,965,442	713,107,813	714,367,959	734,190,501	750,540,943	755,069,548	756,510,708	758,104,999

6.5 Uniform Presentation of Finances

UNIFORM PRESENTATION OF FINANCES	Current Year 2020/21 \$	Year 1 2021/22 \$	Year 2 2022/23 \$	Year 3 2023/24 \$	Year 4 2024/25 \$	Year 5 2025/26 \$	Year 6 2026/27 \$	Year 7 2027/28 \$	Year 8 2028/29 \$	Year 9 2029/30 \$	Year 10 2030/31 \$
Operating Activities											
Income	51,650,191	51,062,679	51,771,062	53,246,021	54,506,118	55,796,742	57,118,640	58,472,576	59,859,333	61,279,715	62,734,543
less Expenses	(48,821,584)	(50,032,749)	(50,717,267)	(52,103,635)	(53,403,128)	(54,575,977)	(55,731,255)	(56,991,343)	(58,485,504)	(59,877,936)	(61,179,634)
Operating Surplus / (Deficit)	2,828,607	1,029,929	1,053,796	1,142,386	1,102,990	1,220,765	1,387,385	1,481,233	1,373,829	1,401,779	1,554,909
Capital Activities											
less (Net Outlays) on Existing Assets											
Capital Expenditure on Renewal and Replacement of Existing Assets	(12,014,517)	(22,076,429)	(9,575,734)	(9,688,279)	(9,743,964)	(9,727,664)	(10,141,377)	(10,784,105)	(10,689,597)	(11,670,847)	(11,099,847)
add back Depreciation, Amortisation and Impairment	10,038,916	10,479,599	11,006,757	11,518,049	11,878,147	12,091,279	12,298,216	12,588,595	13,092,904	13,460,507	13,716,500
add back Proceeds from Sale of Replaced Assets	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
(Net Outlays) on Existing Assets	(1,825,601)	(11,446,830)	1,581,023	1,979,770	2,284,183	2,513,615	2,306,839	1,954,490	2,553,307	1,939,660	2,766,653
less (Net Outlays) on New and Upgraded Assets											
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(4,003,422)	(9,493,825)	(3,960,000)	(3,740,000)	(3,825,000)	(3,465,000)	(3,400,000)	(3,400,000)	(3,455,000)	(3,400,000)	(3,400,000)
add back Amounts Received Specifically for New and Upgraded Assets	2,139,318	14,723,885	189,381	189,381	189,381	189,381	189,381	189,381	189,381	189,381	189,381
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(1,864,104)	5,230,060	(3,770,619)	(3,550,619)	(3,635,619)	(3,275,619)	(3,210,619)	(3,210,619)	(3,265,619)	(3,210,619)	(3,210,619)
Net Lending / (Borrowing) for Financial Year	(861,098)	(5,186,841)	(1,135,800)	(428,463)	(248,446)	458,761	483,605	225,104	661,517	130,820	1,110,943



6.6 Key Financial Indicators

FINANCIAL PERFORMANCE INDICATORS	LGA Recommended Target	Current Year 2020/21	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
Operating Surplus Ratio	0-10%	5.5%	2.0%	2.0%	2.1%	2.0%	2.2%	2.4%	2.5%	2.3%	2.3%	2.5%
Net Financial Liabilities Ratio	Between 0-100%	42.7%	55.9%	58.3%	58.6%	58.9%	57.7%	56.5%	55.7%	54.3%	53.7%	51.6%
Asset Renewal Funding Ratio	Greater than 90% but less than 110%	128.1%	106.0%	106.0%	104.1%	99.7%	96.7%	98.5%	103.3%	97.4%	101.1%	96.3%
Interest Cover Ratio	No LGA recommended target. 0-5% considered Industry practice.	0.8%	0.7%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%
Debt to Income	No LGA recommended target. Audit Committee recommendation 0-50%	31.1%	43.1%	45.0%	45.4%	45.8%	44.8%	43.7%	43.1%	41.8%	41.4%	39.4%

	Within target range
	Outside target range

