



Planning for our people,
our place, our future



CESSNOCK

LONG TERM FINANCIAL PLAN 2022-2032

www.cessnock.nsw.gov.au

Welcome

Acknowledgement of Country

Cessnock City Council acknowledges that within its local government area boundaries are the Traditional Lands of the Wonnarua people, the Awabakal people, and the Darkinjung people.

We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past and present.

We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local Government Area.



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Executive Summary

The Long Term Financial Plan provides an indication of Cessnock City Council's future financial position from 2022-23 to 2031-32 if it follows the path outlined in its Community Strategic Plan. The Long Term Financial Plan presents three scenarios.

A summary of the scenarios follows:

Scenario 0

Base case – based upon the forecast 2022-23 budget with continuation of business as usual.

This is the financial forecast based on the 2022-23 proposed budget, indexed for forecast movements in the major areas of cost impacts for every year out to 2032.

Scenario 1

This is the financial forecast based on the proposed 2022-23 budget, indexed for forecast movements in the major areas of cost impacts for every year out to 2032.

This scenario includes a higher amount of income but increasing levels of expenditure due to emerging inflation pressures. In addition this would allow for increased levels of asset maintenance in line with Council's Asset Management Plans.

Scenario 2

This is the financial forecast based on the proposed 2022-23 budget, indexed for forecast movements in the major areas of cost impacts for every year out to 2032.

This scenario assumes zero income growth but still plans for a higher inflation spending environment. This would be considered a worse case scenario and is unlikely to occur.

Foreward

We are pleased to present the Cessnock City Council Long Term Financial Plan 2022-2032 that has been prepared in accordance with the requirements of the integrated planning and reporting framework.

Council's Long Term Financial Plan 2022-2032 is part of our Resourcing Strategy, helping to ensure that the community's long term goals and objectives, as expressed in the Cessnock 2036 Community Strategic Plan are met. Our Long Term Financial Plan links directly with our Cessnock City Council Delivery Program.

The Long Term Financial Plan is a financial projection that quantifies the cost of Council's services for the next ten years. It is more comprehensive than a budget, and includes, in addition to the projected financial statements, a written commentary, sensitivity analysis and scenario options. It examines the impact of Council's revenue, operational and capital expenditure forecasts, taking into account assumptions for economic factors and changes to service delivery levels.

Long term financial planning provides the following benefits for Council:

- Establishes greater transparency and accountability of Council to the community
- Provides an opportunity for early identification of financial issues and any likely impacts in the longer term
- Provides a mechanism to solve financial problems as a whole, see how various plans fit together and understand the impact of some decisions on other plans or strategies
- Provides a means of measuring Council's success in implementing strategies; and
- Confirms that Council can remain financially sustainable in the longer term

Our Long Term Financial Plan does not provide any specific recommendations on what or how Council should provide its services and works, this is addressed in the Delivery Program. Instead, the Plan helps to identify the potential impact of the operational and capital decisions that Council may make as part of the budget process.

This document will help guide the activities and decision making of the organisation into the future. The initiatives will be reviewed annually to ensure applicability in the changing environment and to also incorporate community feedback.



Council's Financial Policies

In developing the Cessnock City Council Long Term Financial Plan 2022-2032 the following financial policies of the Council has been taken into account. The policies can be viewed at Council's website: www.cessnock.nsw.gov.au

Loan Borrowings

This policy is to establish guidelines for loan borrowings. Council uses loan funds when Council considers that it is in the best interests of the community to carry out capital works or purchase assets and the funding of these purchases is not able to be sourced from existing budgets.

Investment Policy

Council must comply with the Ministerial Investment Order (revised on a periodic basis) which notifies forms of investment for the purposes of section 625(2) of the Local Government Act 1993.

Council has an Investment Policy which meets the requirements of the Order and the Act.

Financing Internal Restricted Assets Policy

Council has internally (discretionary) restricted reserves and externally (non-discretionary) restricted reserves. All reserves have a purpose, which has been resolve by Council. Reserves exist for Employee Leave Entitlements, Waste Depot and Rehabilitation, Plant and Vehicles, Lawn Cemetery and Columbariums; Bridge Replacement and Property Investment Fund.

Voted Funds

The objective of this policy is to ensure that all funds voted at budget time are effectively and efficiently spent during the ensuring year with only exceptional circumstances necessitating a carry over of funds to the following year.

Revenue (User Charges)

Council has a broad Fees & Charges Policy, which is adopted through the annual operational plan process. Council's fees and charges range from regulatory prescribed fees, minimum contributions to full cost overhead recovery.

Long Term Financial Plan Objectives

The Long Term Financial Plan intends to achieve the following objectives over the ten year time frame:

- Provide services to the community
- Maintain adequate funding to support Council's asset management plans
- Maintain a strong cash position
- Maintain sufficient Employee Leave Entitlements cash reserves based on the age and entitlements of all staff in accordance with the Council's Workforce Strategy, and
- Ensure all adopted plans and strategies have a ten year financial forecast for incorporation into the Long Term Financial Plan

Council has a commitment to the community for the delivery of strategies outlined in the Cessnock 2036 Community Strategic Plan. The development of the Long Term Financial Plan alongside the strategic plan will assist Council to assess the financial impact of the future strategic directions.

The Long Term Financial Plan is only a starting point and many of the strategic options will require further investigation before the next iteration of the Long Term Financial Plan is prepared. Council has traditionally aimed to operate with a balanced cash budget and continues to review Council operations to reduce costs, increase revenue and improve value for money.

Performance Monitoring and Review

Performance reporting will be in accordance with Statements of Performance Measures as defined by the current Local Government Code of Accounting Practice & Financial Reporting.

Council will review the Long Term Financial Plan each year as part of the development of the annual Operational Plan. The review will include an assessment of the previous year's performance in terms of the accuracy of the projections made in the Long Term Financial Plan compared to the actual results. Evaluation will include reviewing and amending estimates and scenarios, where long term goals are not being achieved or where changes have affected set goals and strategies. Assumptions will be adjusted to improve the accuracy of the Long Term Financial Plan over the longer term.

Council will not only monitor its performance against the Long Term Financial Plan and the annual budget, but will also assess its long term financial sustainability against the following indicators including:

- Operating Performance Ratio
- Own source revenue ratio
- Building and infrastructure asset renewal ratio
- Debt service ratio

Council will thoroughly evaluate the Long Term Financial Plan every four years, in line with the review of the Community Strategic Plan. This will occur after each local government election.



Planning Assumptions

The 2022-23 proposed budget is the base year for the Long Term Financial Plan 2022-2032. The following assumptions have been prepared in accordance with the Council's legislative requirements and in reference to the Cessnock 2036 Community Strategic Plan.

The longer the time frame the greater the uncertainty so forecasts and financial projections may vary in the future particularly in the closing years of this period.

Service Levels

The following general assumptions in relation to service levels have underpinned the development of the Long Term Financial Plan 2022-2032:

- The Council will continue to be responsible for providing services to the community however the range and levels of service may not remain the same depending on the outcomes of Service Reviews
- The quantity and location of assets may not remain the same as Council's asset management practices mature; and
- The current philosophy and practices of condition based maintenance will continue

Workforce

The composition of the workforce will continue to be reviewed over the period, however all scenarios assume a static workforce number.

Inflation Forecasts

These forecasts show an increase in CPI rising from the current level to 2.5% to 5%.

Depreciation

Depreciation is based on the 2020-21 actuals plus growth in line with new and improved assets.

Interest Rates

Interest rates are anticipated to increase to 3% for new loans and 2.5% for interest on investments.

Employee Costs

Employee costs made up 37% of Council's 2020-21 operating expenditure. This reflects the service based nature of a significant proportion of Council activities as well as the construction and maintenance of the considerable infrastructure owned by Council. Movements in rates of pay are determined through industry-wide Award negotiations. The base of the Long Term Financial Plan assumes annual award increases of 2.5%.

Materials and Contracts

Materials and contracts made up 32% of 2020-21 operating expenditure. The base case of the Long Term Financial Plan assume annual increase at the CPI.

Investment Policy

Council has an adopted Investment Policy with the following objectives:

- To undertake authorised investment of surplus funds not required to meet commitments after consideration of credit risk and diversification limits as set out in the policy.
- To maximise earnings from authorised investments and ensure security of Council funds
- To ensure the availability of sufficient funds to meet Council's ongoing commitments for salary, wages, loan repayments, contract payments and general payments and limit usage of the overdraft facility
- To meet obligations under Council's Charter as the custodian and trustee of public assets and to effectively account for and manage those assets for which it is responsible.

The Investment Policy is designed to minimise potential risks that may affect the valuation of its investment portfolio during the period of the Long Term Financial Plan.

Capital Works Program

Capital expenditure is based on Council's asset management plans with an emphasis on the renewal of infrastructure assets.

Available Financial Strategies

Rates and Levies

Rates and Annual Charges

Rates and Annual Charges made up 65% of the 2020–21 operating revenue. The Council cannot apply a rate increase greater than the annual rate pegging limit without a special rate variation.

Aside from a one off Additional Special Rate variation of 1.8% for the 2022–23 financial year there has been no projections including a Special Rate Variation. All growth in the Long Term Financial Plans is assumed from the rate peg plus additional growth in population and housing.

Stormwater Management Service Charge

This charge was introduced in the 2007–08 financial year to establish a sustainable funding source for providing improved stormwater management. It is assumed the charge will remain in place for each year of the Long Term Financial Plan. The amount chargeable has been prescribed under the Local Government Act with no scope for adjustments in line with inflation or any other costs.

Domestic Waste Management Service Charge

All ratepayers who have access to domestic waste collection services incur a domestic waste management charge. This charge includes waste and recycling collections, educational programs, illegal dumping management, cleanup collections, waste collection facilities operations and remediation of landfill sites.

The Domestic Waste Management Strategy is supported by a ten year financial strategy which determines the annual charge. The estimated increase in the charge has been set in accordance with the Strategy.

In addition, the Waste Levy has been assumed from 2023–24 to increase in line with the CPI.

Fees and Charges

User Fees and Charges

For statutory fees and charges the amount is fixed by regulation or by another authority. Examples of statutory fees include development assessment fees and planning certificates. The revenue from Statutory Fees & Charges has been assumed to increase by CPI.

Commercial Activities

Fees for the Performing Arts Centre, airport and swimming pools are expected to increase by CPI.

Section 7.11 Contributions

Section 7.11 contributions provide the facilities required for the increased population resulting from new developments. The Section 7.11 Plans adopted by Council determine contribution rates and works programs.

Interest on Investments

Investments will be made in accordance with the Minister's Investment Order and the Council's Investment Policy. Expected investment returns have been based on a rate of return similar to prior years increasing by 2.5% year on year.

Grants and Subsidies

In the base case of the Long Term Financial Plan it is assumed indexing of the Financial Assistance Grant will be in line with other levels of income growth.

Borrowings

Council has traditionally taken out loan borrowings each year to supplement major infrastructure capital works. Loans for drainage, airport works and cycleways has been included in the Long Term Financial Plan.

Cash Reserves

Transfers to and from reserves have been made in accordance with the Reserves Strategy and the financial plans supporting the various reserves. Reserve movements and balances are reported monthly in Council Investment Reports, quarterly as part of the quarterly budget review statements and in Council's annual financial reports.



Sensitivity Analysis

The Long Term Financial Plan contains a number of assumptions and any variations in these assumptions during the life of the plan may have a significant impact on the Council's future financial position. The Long Term Financial Plan will be reviewed annually to ensure the assumptions continually reflect the latest information available.

Interest on Investments

The Council has a modest investment portfolio that is subject to movements in interest rates. Investments are placed and managed in accordance with the Council's adopted Investment Policy. As a custodian of the community's funds, the Council ensures funds are invested with the same care, diligence and skill that a prudent person would exercise.

Rate Pegging and Special Rates Variations

Changes in rates revenue from the assumed levels will impact the Plan's forecasts. Any future special rate variations will also impact revenues.

Inflation

Changes in inflation will impact both revenue and expenditure.

Employee Costs

Changes in employee costs will impact Council's expenditure. Staff turnover patterns will impact recruitment and training costs.

Population Growth

Variations in the population growth forecasts will impact rating revenues.

Grants

The Long Term Financial Plan scenarios only include recurring grants and capital grants that have already been awarded. The Council has a high proportion of own-source revenue and does not have a strong reliance on grants. A number of the grants that are received fund specific programs that may not be offered by the Council if the grants were eliminated. The general purpose component of the Council's Financial Assistance Grant exceeds \$5 million. If this grant was eliminated the Council would need to reduce service levels and/or asset management expenditure.





Scenario Development

Financial modelling has been used to create three scenarios. Each scenario presents a different financial result depending on the underlying assumptions. The scenarios were developed by varying budgeted revenues and expenditures.

Scenario 0: Base Case

Attachment A shows the financial statements for Scenario 0.

Operating Revenue and Expenditure

All income and expenditure is assumed to increase by 2.5%. Capital income is assumed to have zero growth.

Capital Expenditure

Major planned expenditures are from Council's Delivery Program and projected at \$30m per annum beyond the Delivery Program.

Summary

In this scenario revenue is sufficient to meet budgeted operating and capital expenditure until the end of the projection.

This scenario is a workable financially sustainable projection however does not provide sufficient funds for asset expenditure requirements identified in Council's adopted Asset Management Plans.

Scenario 1

Attachment B shows the financial statements for Scenario 1.

Operating Revenue and Expenditure

Income in this scenario is assumed to increase by 3% primarily on population growth. Capital income is assumed to have zero growth. Expenditure is assumed to increase by 2.5%.

Capital Expenditure

Major planned expenditures are from Council's Delivery Program and projected at \$40m per annum beyond the Delivery Program.

Summary

The Income Statements show increasing surpluses over the life of the projection, aside from two deficits.

Noting that this scenario shows that there is sufficient funds to meet the needs of the operating and capital expenditure as planned it still does not meet the shortfall in funding required to meet the expenditure required in Council's adopted Asset Management Plans.

Scenario 2

Attachment C shows the financial statements for Scenario 2.

Operating Revenue and Expenditure

This scenario assumes that all revenue remains at current levels, with operating expenditure increasing by 3% per annum.

Capital Expenditure

Major planned expenditures are from Council's Delivery Program and projected at an average of \$35m per annum beyond the Delivery Program.

Summary

This is considered a worse case scenario and unlikely to occur. This scenario shows increasing deficits and does not meet the needs of the operating and capital expenditure.

Conclusions

Scenario 0 and 1 both show that Council can meet the requirements of funding day to day operations. The challenge for Council is that asset funding requirements are still significantly short of the amounts required to meet agreed asset conditions. Sources of funding in conjunction with Service Reviews will need to be undertaken as part of the Delivery Program to ascertain any need for any Special Rate Variation required.

Attachment A: Scenario 0

Operating Statement

OPERATING STATEMENT	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
Income												
Ordinary Rates & Annual Charges	(55,898,913)	(58,257,382)	(61,216,230)	(62,747,000)	(64,315,400)	(65,923,000)	(67,571,200)	(69,260,700)	(70,992,300)	(72,767,100)	(74,586,800)	(76,451,700)
User Charges & Fees	(14,127,724)	(9,269,632)	(9,782,190)	(10,026,900)	(10,277,600)	(10,534,500)	(10,797,600)	(11,067,300)	(11,343,600)	(11,626,700)	(11,917,100)	(12,214,600)
Interest & Investment Revenue	(444,702)	(323,419)	(475,500)	(487,300)	(499,500)	(512,000)	(524,700)	(537,700)	(551,100)	(564,700)	(578,700)	(593,200)
Other Revenues	(2,542,023)	(2,188,915)	(2,132,718)	(2,186,000)	(2,240,500)	(2,296,200)	(2,353,300)	(2,412,000)	(2,472,300)	(2,533,900)	(2,597,200)	(2,661,800)
Grants & Contributions for Operating Purposes	(12,946,094)	(11,855,621)	(11,750,730)	(12,044,800)	(12,345,900)	(12,654,800)	(12,971,200)	(13,295,200)	(13,627,500)	(13,968,400)	(14,317,900)	(14,676,200)
Grants & Contributions for Capital Purposes	(46,595,108)	(27,350,068)	(38,870,699)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Gain on Disposal of Assets	-	-	(570,000)	-	-	-	-	-	-	-	-	-
Total Income	(132,554,564)	(109,245,037)	(124,798,067)	(94,492,000)	(96,678,900)	(98,920,500)	(101,218,000)	(103,572,900)	(105,986,800)	(108,460,800)	(110,997,700)	(113,597,500)
Expenditure												
Employee Benefits & On-Costs	35,448,726	32,722,989	34,557,478	35,421,400	36,308,100	37,217,100	38,148,100	39,103,300	40,081,000	41,082,100	42,107,800	43,160,500
Borrowing Costs	262,630	223,900	176,327	178,149	148,101	124,153	99,573	75,019	58,022	42,693	27,014	13,880
Material & Contracts	28,239,611	20,162,446	21,813,530	22,353,700	22,926,600	23,490,800	24,088,400	24,679,700	25,307,600	25,925,000	26,582,000	27,231,300
Depreciation & Amortisation	14,675,635	14,382,116	15,599,112	15,950,643	16,510,294	17,056,336	17,664,219	18,106,089	18,502,266	18,912,016	19,308,491	19,690,682
Other Expenses	10,972,507	11,412,893	11,254,798	11,536,400	11,823,600	12,118,900	12,420,600	12,729,900	13,046,500	13,370,400	13,703,400	14,044,500
Loss on Disposal of Assets	6,314,727	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Expenditure	95,913,836	81,404,344	85,901,182	87,940,292	90,216,695	92,507,289	94,920,892	97,194,008	99,495,388	101,832,209	104,228,705	106,640,862
Operating Result (Surplus)/Deficit	(36,640,728)	(27,840,693)	(38,896,885)	(6,551,708)	(6,462,205)	(6,413,211)	(6,297,108)	(6,378,892)	(6,491,412)	(6,628,591)	(6,768,995)	(6,956,638)
Operating Result Surplus)/Deficit excluding Grants & Contributions for Capital Purposes	9,954,380	(490,625)	(26,186)	448,292	537,795	586,789	702,892	621,108	508,588	371,409	231,005	43,362

Attachment A: Scenario 0

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
Current Assets												
Cash & Cash Equivalents	7,766,080	5,161,595	6,148,188	7,518,443	6,861,933	7,756,096	8,197,047	8,497,287	7,334,523	6,782,548	8,530,048	8,684,021
Investments	47,000,000	44,800,000	63,000,000	70,000,000	66,000,000	61,000,000	57,000,000	54,000,000	53,000,000	52,000,000	49,000,000	49,000,000
Receivables	13,403,148	6,639,295	21,144,453	6,847,369	6,922,259	6,999,085	7,077,917	7,158,797	7,241,766	7,326,873	7,414,201	7,503,763
Inventories	1,690,644	1,648,556	384,068	389,829	395,676	401,611	407,636	413,750	419,956	426,256	432,650	439,139
Other	1,005,869	336,482	546,811	555,013	563,338	571,788	580,365	589,071	597,907	606,875	615,978	625,218
Held for Sale	1,408,789	206,182	-	-	-	-	-	-	-	-	-	-
Total Current Assets	72,274,531	58,792,110	91,223,520	85,310,654	80,743,206	76,728,581	73,262,965	70,658,904	68,594,152	67,142,552	65,992,877	66,252,142
Non-Current Assets												
Investments Using the Equity Method	383,000	-	383,000	383,000	383,000	383,000	383,000	383,000	383,000	383,000	383,000	383,000
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,041,842,878	1,042,824,826	1,072,048,014	1,101,479,798	1,130,900,731	1,168,786,622	1,198,157,830	1,227,670,568	1,257,380,429	1,287,281,741	1,317,400,679	1,359,215,757
Total Non-Current Assets	1,042,225,878	1,042,824,826	1,072,431,014	1,101,862,798	1,131,283,731	1,169,169,622	1,198,540,830	1,228,053,568	1,257,763,429	1,287,664,741	1,317,783,679	1,359,598,757
Current Liabilities												
Payables	(7,894,276)	(7,411,970)	(7,726,584)	(7,363,056)	(7,574,971)	(7,794,506)	(8,021,907)	(8,363,113)	(8,501,362)	(8,641,375)	(8,323,247)	(8,693,985)
Borrowings	(1,557,633)	(1,471,576)	(1,231,514)	(1,007,056)	(1,031,004)	(1,055,584)	(907,207)	(751,273)	(766,602)	(625,202)	(481,257)	(262,482)
Provisions	(10,282,198)	(10,385,529)	(10,436,431)	(10,540,796)	(10,646,204)	(10,752,666)	(10,860,192)	(10,968,794)	(11,078,482)	(11,189,267)	(11,301,160)	(11,414,171)
Contract Liabilities	(7,072,255)	(4,387,554)	(7,178,339)	(7,250,123)	(7,322,624)	(7,395,850)	(7,469,809)	(7,544,507)	(7,619,952)	(7,696,151)	(7,773,113)	(7,850,844)
Lease Liabilities	(17,669)	(60,104)	(5,075)	-	-	-	-	-	-	-	-	-
Total Current Liabilities	(26,824,032)	(23,716,732)	(26,577,943)	(26,161,030)	(26,574,802)	(26,998,605)	(27,259,115)	(27,627,687)	(27,966,398)	(28,151,995)	(27,878,776)	(20,370,638)
Non-Current Liabilities												
Payables	(3,038,558)	(5,713,031)	(5,491,319)	(5,765,885)	(6,054,179)	(6,356,888)	(6,674,732)	(7,008,469)	(7,358,892)	(7,726,837)	(8,113,179)	(8,518,837)
Borrowings	(5,130,535)	(6,722,008)	(6,887,667)	(5,880,611)	(4,849,607)	(3,794,023)	(2,886,816)	(2,135,543)	(1,368,941)	(743,739)	(262,482)	-
Provisions	(14,609,355)	(15,899,474)	(15,314,733)	(15,320,044)	(15,325,462)	(15,330,988)	(15,336,625)	(15,342,374)	(15,348,239)	(15,354,220)	(15,360,322)	(15,366,545)
Lease Liabilities	(5,737)	(23,352)	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	(22,784,185)	(28,357,864)	(27,693,718)	(26,966,540)	(26,229,248)	(25,481,899)	(24,898,173)	(24,486,386)	(24,076,072)	(23,824,796)	(23,735,982)	(23,885,382)
Equity	(1,064,892,192)	(1,049,542,339)	(1,109,382,873)	(1,134,045,882)	(1,159,222,887)	(1,193,417,698)	(1,219,646,507)	(1,246,598,399)	(1,274,315,111)	(1,302,830,502)	(1,332,161,797)	(1,381,594,878)

Attachment A: Scenario 0

Statement of Cash Flows

STATEMENT OF CASH FLOWS	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
Cash Flows from Operating Activities												
RECEIPTS												
Rates & Annual Charges	55,403,593	58,187,123	61,286,915	62,673,002	64,239,538	65,845,192	67,491,376	69,178,818	70,908,319	72,680,971	74,498,440	76,361,095
User Charges & Fees	14,110,918	9,378,479	9,709,468	10,030,680	10,281,418	10,538,356	10,801,495	11,071,234	11,347,573	11,630,713	11,921,153	12,214,600
Interest & Investment Revenue	857,596	315,789	475,500	487,300	499,500	512,000	524,700	537,700	551,100	564,700	578,700	593,200
Bonds, Deposits & Retention Amounts Received	857,864	92,796	-	279,852	293,633	308,101	323,291	339,237	355,979	373,556	392,009	411,383
Other Revenues	949,000	2,343,766	2,972,460	2,186,963	2,241,473	2,297,182	2,354,292	2,413,002	2,473,312	2,534,922	2,598,232	2,662,843
Grants & Contributions for Operating Purposes	30,047,000	38,948,349	39,114,818	33,482,922	19,414,583	19,724,170	20,041,264	20,365,964	20,698,972	21,040,587	21,390,809	21,676,200
PAYMENTS												
Employee Benefits & On Costs	(34,354,000)	(32,574,785)	(34,450,894)	(35,785,116)	(36,097,802)	(37,000,659)	(37,925,322)	(38,768,299)	(39,950,593)	(40,951,625)	(42,437,217)	(42,802,854)
Borrowing Costs	(262,630)	(223,900)	(176,327)	(178,149)	(148,101)	(124,153)	(99,573)	(75,019)	(58,022)	(42,693)	(27,014)	(13,880)
Materials & Contracts	(32,792,000)	(20,115,689)	(21,923,029)	(22,265,886)	(22,831,331)	(23,393,093)	(23,988,193)	(24,576,929)	(25,202,201)	(25,816,904)	(26,471,140)	(27,117,614)
Bonds, Deposits & Retention Amounts Refunded	(3,334,000)	-	(259,246)	-	-	-	-	-	-	-	-	-
Other Expenses	(7,965,000)	(11,155,302)	(11,997,244)	(11,538,602)	(11,825,865)	(12,121,229)	(12,422,995)	(12,732,362)	(13,049,030)	(13,372,999)	(13,706,070)	(14,047,243)
Net Cash Provided/(Used) in Operating Activities	23,518,341	45,196,626	44,752,484	39,372,969	26,067,045	26,585,867	27,100,334	27,753,347	28,075,409	28,641,228	28,737,902	29,937,730
Cash Flows from Investing Activities												
RECEIPTS												
Redemption of Term Deposits	-	-	-	-	4,000,000	5,000,000	4,000,000	3,000,000	1,000,000	1,000,000	3,000,000	-
Sale of IPP&E	3,367,000	693,000	175,300	228,800	283,500	339,300	396,200	454,100	513,100	573,400	634,800	697,500
Sale of IPP&E - Real estate	-	-	1,270,164	-	-	-	-	-	-	-	-	-
PAYMENTS												
Acquisition of Term Deposits	(4,400,000)	(700,000)	(18,200,000)	(7,000,000)	-	-	-	-	-	-	-	-
Purchase of IPP&E	(20,909,000)	(46,599,033)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
Net Cash Provided/(Used) in Investing Activities	(21,942,000)	(46,606,033)	(46,754,536)	(36,771,200)	(25,716,500)	(24,660,700)	(25,603,800)	(26,545,900)	(28,486,900)	(28,426,600)	(26,365,200)	(29,302,500)

STATEMENT OF CASH FLOWS (cont.)	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
Cash Flows from Financing Activities												
RECEIPTS												
Proceeds from Borrowings	2,947,553	3,063,049	4,363,097	-	-	-	-	-	-	-	-	-
PAYMENTS												
Repayment of Borrowings	(1,608,314)	(1,557,633)	(1,374,403)	(1,231,514)	(1,007,056)	(1,031,004)	(1,055,584)	(907,207)	(751,273)	(766,602)	(625,202)	(481,257)
Lease Payments	(59,843)	-	(54,877)	(4,966)	-	-	-	-	-	-	-	-
Net Cash Provided/(Used) in Investing Activities	1,279,396	1,505,416	2,988,646	(1,231,514)	(1,007,056)	(1,031,004)	(1,055,584)	(907,207)	(751,273)	(766,602)	(625,202)	(481,257)
Net increase/(decrease) in cash & cash equivalents	2,859,059	96,009	986,593	1,370,255	(656,510)	894,164	440,951	300,240	(1,162,764)	(551,975)	1,747,500	153,973
Plus : Opening balance of cash & cash equivalents	4,907,021	5,065,586	5,161,595	6,148,189	7,518,444	6,861,933	7,756,097	8,197,047	8,497,287	7,334,523	6,782,549	8,530,048
Cash & Cash Equivalents at end of year	7,766,080	5,161,595	6,148,189	7,518,444	6,861,933	7,756,097	8,197,047	8,497,287	7,334,523	6,782,549	8,530,048	8,684,021
Investments at end of year	47,000,000	44,800,000	63,000,000	70,000,000	66,000,000	61,000,000	57,000,000	54,000,000	53,000,000	52,000,000	49,000,000	49,000,000
Total Cash, Cash Equivalents and Investments	54,766,080	49,961,595	69,148,189	77,518,444	72,861,933	68,756,097	65,197,047	62,497,287	60,334,523	58,782,549	57,530,048	57,684,021



Attachment B: Scenario 1

Operating Statement

OPERATING STATEMENT	FY2021 Actual	FY2022 Budget	FY2023 Projections	FY2024 Projections	FY2025 Projections	FY2026 Projections	FY2027 Projections	FY2028 Projections	FY2029 Projections	FY2030 Projections	FY2031 Projections	FY2032 Projections
Income												
Ordinary Rates & Annual Charges	(55,898,913)	(58,257,382)	(61,216,230)	(63,052,800)	(64,944,400)	(66,892,900)	(68,899,500)	(70,966,400)	(73,095,300)	(75,288,000)	(77,546,600)	(79,873,200)
User Charges & Fees	(14,127,724)	(9,269,632)	(9,782,190)	(10,076,400)	(10,378,800)	(10,690,400)	(11,011,000)	(11,341,400)	(11,681,200)	(12,031,300)	(12,391,800)	(12,763,500)
Interest & Investment Revenue	(444,702)	(323,419)	(475,500)	(489,600)	(504,300)	(519,500)	(535,200)	(551,200)	(567,600)	(584,600)	(602,100)	(620,200)
Other Revenues	(2,542,023)	(2,188,915)	(2,132,718)	(2,196,900)	(2,263,000)	(2,330,800)	(2,400,800)	(2,472,600)	(2,546,900)	(2,623,200)	(2,701,900)	(2,782,900)
Grants & Contributions for Operating Purposes	(12,946,094)	(11,855,621)	(11,750,730)	(12,103,300)	(12,466,400)	(12,840,600)	(13,225,800)	(13,622,700)	(14,031,500)	(14,452,100)	(14,885,700)	(15,332,200)
Grants & Contributions for Capital Purposes	(46,595,108)	(27,350,068)	(38,870,699)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Gain on Disposal of Assets	-	-	(570,000)	-	-	-	-	-	-	-	-	-
Total Income	(132,554,564)	(109,245,037)	(124,798,067)	(94,919,000)	(97,556,900)	(100,274,200)	(103,072,300)	(105,954,300)	(108,922,500)	(111,979,200)	(115,128,100)	(118,372,000)
Expenditure												
Employee Benefits & On Costs	35,448,726	32,722,989	34,557,478	35,421,400	36,308,100	37,217,100	38,148,100	39,103,300	40,081,000	41,082,100	42,107,800	43,160,500
Borrowing Costs	262,630	223,900	176,327	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200
Material & Contracts	28,239,611	20,162,446	21,813,530	22,364,000	22,926,600	23,501,700	24,088,400	24,691,200	25,307,600	25,937,100	26,582,000	27,244,000
Depreciation & Amortisation	14,675,635	14,382,116	15,599,112	16,086,559	16,832,759	17,560,814	18,371,322	18,960,482	19,488,717	20,035,050	20,563,681	21,073,269
Other Expenses	10,972,507	11,412,893	11,254,798	11,536,400	11,823,600	12,118,900	12,420,600	12,729,900	13,046,500	13,370,400	13,703,400	14,044,500
Loss on Disposal of Assets	6,314,727	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Expenditure	95,913,836	81,404,344	85,901,182	88,084,559	90,567,259	93,074,714	95,704,622	98,161,082	100,600,017	103,100,850	105,633,081	108,198,469
Operating Result (Surplus)/Deficit	(36,640,728)	(27,840,693)	(38,896,885)	(6,834,441)	(6,989,641)	(7,199,486)	(7,367,678)	(7,793,218)	(8,322,483)	(8,878,350)	(9,495,019)	(10,173,531)
Operating Result (Surplus)/Deficit excluding Grants & Contributions for Capital Purposes	9,954,380	(490,625)	(26,186)	165,559	10,359	(199,486)	(367,678)	(793,218)	(1,322,483)	(1,878,350)	(2,495,019)	(3,173,531)

Attachment C: Scenario 2

Operating Statement

OPERATING STATEMENT	FY2021 Actual	FY2022 Budget	FY2023 Projections	FY2024 Projections	FY2025 Projections	FY2026 Projections	FY2027 Projections	FY2028 Projections	FY2029 Projections	FY2030 Projections	FY2031 Projections	FY2032 Projections
Income												
Ordinary Rates & Annual Charges	(55,898,913)	(58,257,382)	(61,216,230)	(61,216,200)	(61,216,200)	(61,216,200)	(61,216,200)	(61,216,200)	(61,216,200)	(61,216,200)	(61,216,200)	(61,216,200)
User Charges & Fees	(14,127,724)	(9,269,632)	(9,782,190)	(9,782,300)	(9,782,300)	(9,782,300)	(9,782,300)	(9,782,300)	(9,782,300)	(9,782,300)	(9,782,300)	(9,782,300)
Interest & Investment Revenue	(444,702)	(323,419)	(475,500)	(475,500)	(475,500)	(475,500)	(475,500)	(475,500)	(475,500)	(475,500)	(475,500)	(475,500)
Other Revenues	(2,542,023)	(2,188,915)	(2,132,718)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)
Grants & Contributions for Operating Purposes	(12,946,094)	(11,855,621)	(11,750,730)	(11,750,700)	(11,750,700)	(11,750,700)	(11,750,700)	(11,750,700)	(11,750,700)	(11,750,700)	(11,750,700)	(11,750,700)
Grants & Contributions for Capital Purposes	(46,595,108)	(27,350,068)	(38,870,699)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Gain on Disposal of Assets	-	-	(570,000)	-	-	-	-	-	-	-	-	-
Total Income	(132,554,564)	(109,245,037)	(124,798,067)	(92,357,600)	(92,357,600)	(92,357,600)	(92,357,600)	(92,357,600)	(92,357,600)	(92,357,600)	(92,357,600)	(92,357,600)
Expenditure												
Employee Benefits & On Costs	35,448,726	32,722,989	34,557,478	35,593,500	36,660,900	37,759,500	38,890,500	40,055,100	41,254,500	42,490,100	43,762,600	45,074,100
Borrowing Costs	262,630	223,900	176,327	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200
Material & Contracts	28,239,611	20,162,446	21,813,530	22,469,800	23,143,700	23,836,600	24,550,100	25,282,800	26,038,200	26,816,500	27,617,700	28,443,100
Depreciation & Amortisation	14,675,635	14,382,116	15,599,112	16,339,662	17,001,481	17,625,278	18,211,553	18,765,830	19,207,528	19,666,727	20,131,707	20,608,645
Other Expenses	10,972,507	11,412,893	11,254,798	11,592,400	11,938,700	12,295,000	12,661,500	13,040,100	13,429,900	13,831,000	14,243,900	14,669,800
Loss on Disposal of Assets	6,314,727	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Expenditure	95,913,836	81,404,344	85,901,182	88,671,562	91,420,981	94,192,578	96,989,853	99,820,030	102,606,328	105,480,527	108,432,107	111,471,845
Operating Result (Surplus)/Deficit	(36,640,728)	(27,840,693)	(38,896,885)	(3,686,038)	(936,619)	1,834,978	4,632,253	7,462,430	10,248,728	13,122,927	16,074,507	19,114,245
Operating Result (Surplus)/Deficit excluding Grants & Contributions for Capital Purposes	9,954,380	(490,625)	(26,186)	3,313,962	6,063,381	8,834,978	11,632,253	14,462,430	17,248,728	20,122,927	23,074,507	26,114,245



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