

Long Term Financial Plan

2026 - 2035



Liverpool Plains
Shire Council

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Foreword

The Long-Term Financial Plan (LTFP) is an important part of Council's strategic planning process. This is the point where long-term community aspirations and goals are tested against financial realities. It is also where Council and the community may decide what resources councils need to influence and work with other parties so that they might deliver on their responsibilities.

The LTFP in conjunction with the Workforce Management Plan and the Asset Management Plan form the basis of the Resourcing Strategy.

This LTFP includes:

- Projected income and expenditure, balance sheet and cash flow statement
- Planning assumptions used to develop the LTFP
- Sensitivity analysis highlighting the factors and assumptions likely to affect the LTFP
- Financial modelling for different scenarios and
- Methods of monitoring financial performance.

This LTFP reflects Council's intentions at the time of adoption and will be reviewed annually as part of Council's Integrated Planning and Reporting process to ensure that it reflects the prevailing internal and external environment. As with any plan or budget, the actual results may vary from that forecast.

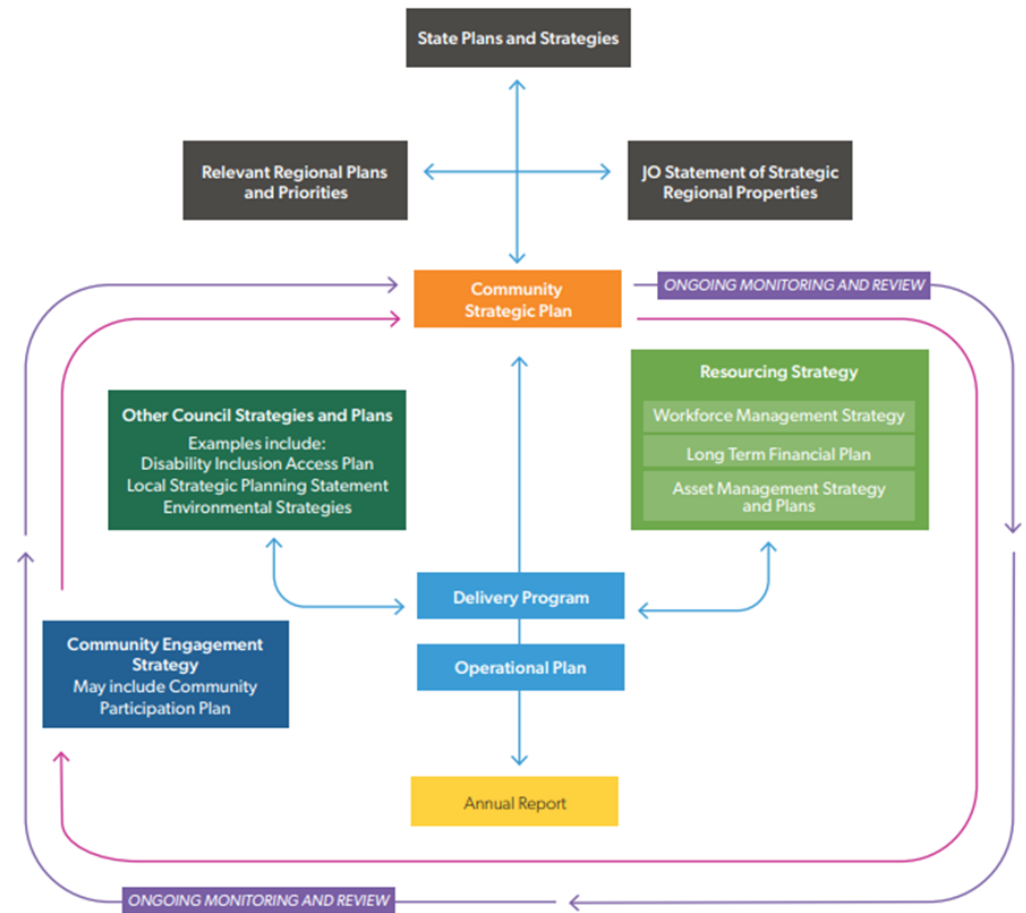
Integrated Planning and Reporting

Our Strategic Approach

The NSW Local Government Integrated Planning and Reporting (IPR) Framework is a legislative requirement for all NSW councils. Council is required to develop a series of strategies and plans that are community focused and provide sustainability for future generations.

Utilising the framework depicted here, the following documents detail how Council plans to deliver on our communities' priorities.

- Community Strategic Plan (10+years)
- Community Engagement Strategy (4 years)
- Resourcing Strategies and Plans (4-10 years)
- Delivery Program (4 years)
- Operational Plan (1 year)



Purpose of Long-Term Financial Plan

The development of a LTFP allows Council to take a much more proactive approach to its financial management. Long term planning provides Council the ability to model what the future could look like given different circumstances and assumptions. It allows Council to identify future financial threats or opportunities and to put measures in place over the short term to reduce the impact or produce benefits. Long term planning allows Council to look at the future financial implications of today's decisions before they are implemented. While a decision to change policy or strategy, introduce a new service or undertake capital works may seem to have no adverse financial impact in the short term the longer-term implications may show a very different picture.

By having a long-term planning process in place Council is much better placed to manage the expectations of the community in terms of what levels of services that it is able to provide. Council is constantly faced with demands for increases to services or continuation of existing services. Through longer term financial plans Council will be able to better explain the decisions that it makes.

Performance Monitoring and Review

Reporting is a key element of the IPR framework. Council uses a variety of tools to report back to our community about our progress in achieving the Community Strategic Plan and implementing the combined Delivery Program and Operational Plan, as well as our financial performance against the annual and LTFP using the following documentation:

- Delivery Program and Operation Plan Progress Reports
- Quarterly Budget Review Statements
- Annual Report (including audited Financial Statements)
- End of Term Report, and
- State of the Environment Report.

In addition to monitoring performance against the indicators in the annual statements, Council will continue to monitor the key performance for the following ratios:

- Operating performance
- Own source operating revenues
- Debt service cover ratio
- Building and Infrastructure renewals ratio

Council will review the LTFP each year in conjunction with the annual Operational Plan. Evaluation will include reviewing and amending estimates and scenarios while the assumptions will be adjusted to improve the accuracy of the LTFP.

Executive Summary

Financial sustainability is a challenge for all Local Governments, particularly councils in rural and regional Australia which are faced with the challenge of maintaining and replacing aged assets, while keeping rates and charges affordable for their communities.

As with other similarly sized councils, Liverpool Plains Shire Council does not have a large number of rateable properties to disperse the rate burden across. Further, we must deliver water, sewerage and waste services in line with relevant guidelines and regulations, while ensuring the cost to provide those services remains within our community's capacity-to-pay.

In preparing this Long-Term Financial Plan (LTFP), Council has been careful to ensure projected operating revenues and expenditures, as well as the planned capital works, are reliable and achievable – including the NSW and Commonwealth Government grants we receive. Council will continue to review and refine its LTFP and Assets Management Plans to reflect more accurate costs of maintaining our assets and delivering services.

A key focus of this updated LTFP is Council's general fund which includes all activities except for water supply and sewer supply, which are accounted for separately under National Competition Policy and legislated requirements for reasonable costs. Three scenarios are considered:

1. A reduced capital renewal program to achieve a balanced cash result with a negative operating result.
2. Modelling to trend towards a positive operating performance ratio, which includes the consolidation of Council's non road infrastructure assets, including sale of land and buildings not utilised effectively for provision of Council's current services and an improvement to the Asset Management Plans.
3. Modelling to achieve a sustainable operating position with the ability to renew assets as they fall due. This model includes a Special Rate Variation (SRV) to raise revenue to be applied to the renewal of assets to achieve a balanced operating position.

Two scenarios are presented for the Water Fund:

1. A reduced capital renewal program to achieve a balanced cash result with a negative operating result
2. Modelling to achieve a sustainable operating position.

One, consistent scenario for the Sewer Fund is included in this update of the LTFP.

Base Case: This financial plan is not sustainable in the long-term. Council will be unable to renew non-road assets as they come to end of life. This plan has been modelled on the existing rates and revenue of Council. It has factored in a conservative estimate of Government grant revenue. This will result in Council remaining in a cash positive position each year, with restricted reserves being used for their intended purposes. The Net Result after Capital Items is a deficit year on year. Council's Operating Performance and Asset Renewal Ratio's remain below benchmark.

Alternative Scenario 1 – Towards Sustainability:

General Fund - Models' additional revenue necessary to trend Council to a positive Operating Performance Ratio. Additional Capital grants revenue of \$2.6 Million over the ten years. Additionally, Council has surplus land and buildings that is either not utilised or underutilised. The model has these properties being sold and the revenue returned to Internally Restricted Reserves. The Net Result after Capital Items returns to a surplus in year seven and the Asset Renewal Ratio is improved.

Water Fund - Models an increase in User Fees and Charges above the base increase.

Alternative Scenario 2 – Sustainability:

General Fund - This model is based on Alternative Scenario 1 with the addition of a permanent Special Rates Variation (SRV) implemented over two years. This Scenario will return Council to a Net Operating Surplus after capital grants and contributions and the renewal of assets will be achieved. This Scenario has no new services being provided by Council and includes an increase in User Fees and Charges.

Water Fund – This model does not include any changes to Alternate Scenario 1.

The Scenarios for the Sewer Fund are the same for all three Models, and thus has only been included in this Base Case Scenario.

Given the large investments required in Council's local infrastructure, it is important that the administration of the Council delivers on the capital works demand efficiently, through well planned projects that not only are cost effective to deliver, but also reduces the ongoing demand on operational and maintenance costs. Our approach to asset management planning aims to identify the lowest cost approach to the design, delivery, operations and maintenance of our infrastructure, while delivering on the service needs the community has expressed through the Community Strategic Plan.

Current Financial Position

Council's current financial performance, as outlined in the 2023-2024 Audited Financial Statements, can be characterised by the following:

- Council frequently reports a negative operating result before grants and contributions provided for capital purposes for the financial year (2024 \$3.03 Million and 2023 \$1.88 Million).
- Council's expenditure on renewing infrastructure, property, plant and equipment for the 2024 and 2023 financial years was significantly less than the depreciation expense. In 2024 Council invested \$11.6 Million in asset renewal compared to depreciation of \$13.87 Million, and in 2023 Council invested \$8.38 Million in asset renewal compared to depreciation of \$13.66 Million.
- Council's financial flexibility position is weak as indicated by the Operating Performance Ratio of negative 8.0 per cent and Own Source Operating Revenue Ratio 51.4 per cent. The General Fund Own Source Operating Revenue Ratio is at only 48.1 per cent of total revenue. The General Fund is reliant upon the continuation of grants from other levels of government, and any reduction could adversely affect Council's financial position.
- Council's liquidity position (37.3 times in 2024) is comparatively sound, with an unrestricted current ratio above the benchmark of 1.5 times. Council has enough current cash to meet current liabilities as they fall due.
- Council's debt service cover ratio servicing capacity was strong (13.0 times) which is above the benchmark of 2.0 times. This indicates Council has sufficient capacity to meet current borrowings.
- Council continued to exceed the benchmark of below 10 per cent for outstanding rates, annual and extra charges in 2024 at 8.3 per cent (7.4 per cent in 2023).

Planning Assumptions

Levels of Service

Current levels of core services and current asset maintenance schedules have been used as a baseline for the financial projections.

Workforce Levels

Workforce levels are assumed to remain largely the same. A position vacancy rate of 5 per cent has been factored into the Scenarios.

Economic Growth

The LTFP assumes minimal increased economic activity. However, Council is actively working to facilitate increased economic growth through its Tourism and Economic Development strategies and Growth Management Strategy. As and when any results come to fruition, future revisions to the LTFP will be made to appropriately reflect them.

Asset Renewal Predictions

This LTFP has been informed by asset renewal predictions using broad assumptions at a program level as outlined in Council's Asset Management Plans.

Indexation Rates

In 2025-2026, the standard indexation rate used is 3.5 per cent, however, indexation for electricity is set at 10 per cent where a fixed contract does not exist. Similarly, general insurance is expected to increase by 12 per cent with cyber insurance by 15 per cent. Forward estimate years from 2027 to 2035 include indexation at 3.0% for expenditure.

Capital works – increase to ongoing operating costs

Included in the Scenarios is the increase to depreciation for the Quipolly Water Treat Plant which equates to ~\$1.2 million from 2025-2026 year going forward.

Grants Provided for Operational Purposes

Financial Assistance Grants (FAG) are received from the Commonwealth Government and the Regional Roads Grants from the State Government. Both grants are a large source of funds to Council. These operating grants have been modelled to increase at a modest 3.0 per cent each year. However, the State Government is currently reviewing the financial funding model of NSW Council's and Council expects an increase in funding is likely. Scenarios 1 and 2 have additional funds from operating grants at \$360 thousand from 2027 onwards.

Capital Grants

Capital grants approved at the time of compiling this LTFP have been included in the projections for the base scenario. Scenario 1 and 2 includes additional Capital grants of \$2.5 Million over the 10-year plan.

Water and Sewer Fees and Charges

In 2024-2025, Council is on the journey of moving to a user pays system for Water, thus Council's Annual Water Charges will reduce slightly in 2025 and remain constant in 2026 and 2027 before increasing in line with expected CPI at 3.0 per cent thereafter. To ensure Council's Water Fund is sustainable, the usage per kilolitre rate will increase by approximately 20 per cent in 2026, 7.0 per cent in 2027, 4.0 per cent in 2028 and 3.0 per cent thereafter.

Sewer Charges will increase by 7 per cent over the forward estimates of 2026 to 2029 and then increase by 3.0 per cent thereafter.

Fees and Charges

Council applies a range of fees and charges for services provided to the community. These are reviewed annually and set as part of Council's Revenue Policy. The average increase in fees and charges for the budget and forward estimates from 2026 is 5.0 per cent, then 3.0 per cent thereafter.

Capital Works Program

Capital works are asset acquisitions or building and engineering works that construct an asset. Capital works projects would typically include purchase of plant and fleet, construction of new infrastructure and upgrade of existing infrastructure.

Capital expenditure is undertaken to renew or replace existing assets or construct new facility. Council's Asset Management Plan outlines Council's strategies in managing the assets.

The major capital works in 2025-2026 consist of six projects, the completion of the redeveloped Quirindi Aquatic Centre, the roof replacements for the Administration Building and the Plains Fitness roof replacement, the village bore replacement project, the roll-out of Automated Water Meter equipment, the renewal of Quirindi Sewer Treatment Plant.

Capital Works Projections

LTFP - CAPITAL WORKS PROJECTIONS - Base Case Scenario

Year Ending	Budget	Projected Capital Expenditure								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Land	0	0	0	0	0	0	0	0	0	0
Buildings	2,111	1,325	582	523	187	132	98	282	30	30
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0
Plant, Machinery and equipment	3,907	730	1,220	1,076	807	728	235	307	165	1,270
Fixtures, fittings and furniture	257	188	110	10	15	15	10	10	10	10
Computers and Communications	74	26	20	20	20	20	20	180	50	309
Roads	8,585	6,545	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580
Bridges	463	0	500	0	0	0	0	0	0	0
Footpaths and Cycleways	80	80	95	95	95	95	95	95	95	95
Other Structures	7,192	120	551	274	211	56	213	189	734	168
Aerodrome	0	0	0	0	0	0	0	0	0	0
Water	5,353	4,359	3,575	2,414	2,439	2,462	2,496	2,340	2,732	2,719
Sewer	13,652	10,500	2,361	541	1,316	1,336	1,356	1,377	1,398	1,398
Total Capital Works	\$ 41,675	\$ 23,874	\$ 15,595	\$ 11,533	\$ 11,670	\$ 11,424	\$ 11,103	\$ 11,359	\$ 11,794	\$ 12,578
Represented by:										
Renew	40,575	23,581	11,829	11,166	11,665	11,419	11,103	11,359	11,794	12,562
New	1,100	293	3,766	367	5	5	0	0	0	16
Total Capital Works	\$ 41,675	\$ 23,874	\$ 15,595	\$ 11,533	\$ 11,670	\$ 11,424	\$ 11,103	\$ 11,359	\$ 11,794	\$ 12,578
General Fund	22,670	9,014	9,659	8,578	7,915	7,627	7,252	7,643	7,664	8,461
Water Fund	5,353	4,359	3,575	2,414	2,439	2,462	2,496	2,340	2,732	2,719
Sewer Fund	13,652	10,500	2,361	541	1,316	1,336	1,356	1,377	1,398	1,398
	\$ 41,675	\$ 23,874	\$ 15,595	\$ 11,533	\$ 11,670	\$ 11,424	\$ 11,103	\$ 11,359	\$ 11,794	\$ 12,578

LTFP - CAPITAL WORKS PROJECTIONS - Scenario 1 - Towards Sustainability

Year Ending	Budget	Projected Capital Expenditure								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Land	0	0	0	0	0	0	0	0	0	0
Buildings	2,111	1,425	682	623	287	282	248	432	180	180
Plant, Machinery and equipment	3,907	730	1,220	1,076	807	728	235	307	165	1,270
Fixtures, fittings and furniture	257	188	110	10	15	15	10	10	10	10
Computers and Communications	74	26	20	20	20	20	20	180	50	309
Roads	8,585	6,545	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580
Bridges	463	0	500	0	0	0	0	0	0	0
Footpaths and Cycleways	80	80	95	95	95	95	95	95	95	95
Other Structures	7,192	270	701	424	361	206	363	389	934	368
Stormwater	0	0	0	0	0	0	0	0	0	0
Water	5,353	4,359	3,575	2,414	2,439	2,462	2,496	2,340	2,732	2,719
Sewer	13,652	10,500	2,361	541	1,316	1,336	1,356	1,377	1,398	1,398
Total Capital Works	\$ 41,675	\$ 24,124	\$ 15,845	\$ 11,783	\$ 11,920	\$ 11,724	\$ 11,403	\$ 11,709	\$ 12,144	\$ 12,928
Represented by:										
Renew	40,575	23,831	12,079	11,416	11,915	11,719	11,403	11,709	12,144	12,912
New	1,100	293	3,766	367	5	5	0	0	0	16
Total Capital Works	\$ 41,675	\$ 24,124	\$ 15,845	\$ 11,783	\$ 11,920	\$ 11,724	\$ 11,403	\$ 11,709	\$ 12,144	\$ 12,928

LTFP - CAPITAL WORKS PROJECTIONS - Scenario 2 - Sustainability

Year Ending	Projected Capital Expenditure									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Land	0	0	0	0	0	0	0	0	0	0
Buildings	2,111	1,425	682	623	287	282	248	432	180	180
Plant, Machinery and equipment	3,907	2,730	2,520	5,726	6,027	6,748	7,325	7,507	7,565	8,145
Fixtures, fittings and furniture	257	188	110	10	15	15	10	10	10	10
Computers and Communications	74	26	20	20	20	20	20	180	50	309
Roads	8,585	6,545	6,580	6,580	6,580	6,580	6,580	6,580	6,580	6,580
Bridges	463	0	500	0	0	0	0	0	0	0
Footpaths and Cycleways	80	80	95	95	95	95	95	95	95	95
Other Structures	7,192	270	701	424	361	206	363	389	934	368
Stormwater	0	0	0	0	0	0	0	0	0	0
Water	5,353	4,359	3,575	2,414	2,439	2,462	2,496	2,340	2,732	2,719
Sewer	13,652	10,500	2,361	541	1,316	1,336	1,356	1,377	1,398	1,398
Total Capital Works	\$ 41,675	\$ 26,124	\$ 17,145	\$ 16,433	\$ 17,140	\$ 17,744	\$ 18,493	\$ 18,909	\$ 19,544	\$ 19,803
Represented by:										
Renew	40,575	25,831	13,379	16,066	17,135	17,739	18,493	18,909	19,544	19,787
New	1,100	293	3,766	367	5	5	0	0	0	16
Total Capital Works	\$ 41,675	\$ 26,124	\$ 17,145	\$ 16,433	\$ 17,140	\$ 17,744	\$ 18,493	\$ 18,909	\$ 19,544	\$ 19,803

Base and Alternative Scenarios

Under the IP&R framework, the development process for the LTFP should include financial modelling of different scenarios, such as planned, conservative and optimistic scenarios.

The use of scenarios provides community with an idea of how much flexibility is in the LTFP and how much latitude it has with various projects and scenarios.

The scenarios modelled are important when discussing the financial implications of the Community Strategic Plan with residents and will also assist in developing suitable actions for the Delivery Program.

The three scenarios outlined below:

Base Case:

This financial plan is not sustainable in the long-term. Council will be unable to renew non-road assets as they come to end of life. This plan has been modelled on the existing rates and revenue of Council. It has factored in conservative estimate of Government grant revenue. This will result in Council remaining in a cash positive position each year, with restricted reserves being used for their

intended purposes. The Net Result after Capital Items is a deficit year on year. Council's Operating Performance Ratio remains below benchmark and Asset Renewal Ratio is also below benchmark.

Alternative Scenario 1 – Towards Sustainability:

This scenario model's additional revenue to have Council trend towards a positive Operating Performance Ratio over the ten-year review period. Additional Capital grant revenue of \$2.6 Million and additional Operating grant revenue of \$3.6 Million over the ten years including a User Fees and Charge increase above the base rate for both the General Fund and the Water Fund. Additionally, Council has surplus land that is either not utilised or underutilised. The model has these properties being sold and the revenue returned to Internally Restricted Reserves. The Net Result after Capital Items returns to a surplus in Year seven and the Asset Renewal Ratio is marginally improved.

Alternative Scenario 2 – Sustainability:

This scenario modelling is based on Alternative Scenario 1 with the addition of a permanent Special Rate Variation (SRV) implemented over two years. This Scenario will return Council to an Operating Surplus before capital Grants in Year ten and renewal of assets will be achieved. This Scenario has no new services being provided by Council and includes an efficiency factor in employee benefits and materials, along with an increase in User Fees and Charges.

This scenario does not include any changes to the above assumptions in Scenario 1 to the Water Fund.

The Scenarios for the Sewer Fund are the same for all three Models, thus has only been included in this Base Case Scenario.

Assessment of Scenarios



Base Case Scenario

The Base Case Scenario sees current revenues and expenditure forecasted to provide the proposed 2025-2026 Budget and forward estimates.

This scenario presents Council's current position while continuing to maintain existing service levels.

Analysis of Consolidated Position

- The Income Statement reports an operating surplus due to large capital grants 2025-2026 of \$20.6 Million. The Net Operating Result before Grants and Contributions provided for capital purposes will result in a deficit of \$8.5 Million. Council's Operating Performance Ratio in 2025-2026 will be below benchmark at negative 26.9%.
- The Balance Sheet projects a improvement in Council's cash position from \$30.3 Million at the beginning of the 2024 financial year to \$33.7 Million at the end of 2035 financial year.
- The Cash Flow Statement indicates that Council generates an average cash surplus each year from recurrent operating activities excluding non-recurrent capital grants. This surplus is required to fund an annual capital works program and make principal payments on borrowings.

Analysis of General Fund

- The Income Statement reports an operating surplus due to large capital grants 2025-2026 of \$9.2 Million. The Net Operating Result before Grants and Contributions provided for capital purposes will result in a deficit of \$8.4 Million. Council's Operating Performance Ratio in 2025-2026 will be below benchmark at negative 33.7%.
- The Balance Sheet projects an increase in Council's cash position from \$22.5 Million at the beginning of the 2026 financial year to \$25.2 Million at the end of the 2035 financial year.

Analysis of Water Fund

- Council is in the process of transitioning to a user pays system. Council has implemented an increase for water usage charges in 2025-2026 of 20% for Step 1 and Step 2 usage, while maintain the annual charge without an increase for 2025-2026. This planned transition to user pays was originally intended to improve future sustainability for the Water Fund, however, this has not been achieved to date.
- The cash position of the Water Fund declines over the forecast period from \$10.9 Million at the start of the 2026 year to \$0.1 Million at the end of 2035.

Analysis of Sewer Fund

- The Sewer Fund generates a modest operating surplus before capital grants and contribution throughout the LTFP.
- The cash position of the Sewer Fund starts to gradually recover as the large capital program is completed over the next couple of years with the cash position anticipated to gradually improve over the remainder of the LTFP.

The Scenarios for the Sewer Fund are the same for all three Models and have only been included in this Base Case Scenario.

Summary

The Base Scenario cash position presents significant challenges with relation to Council's ongoing financial sustainability. Council's capital program does not yet meet capital depreciation year on year and while Council has moved towards cost containment strategies, we need to continue to review services and improve productivity to allow for future increased expenditure on capital renewals.

Alternative Scenario 1 – Towards Sustainability

This scenario has been created to have Council trend towards a positive operating performance ratio. The Base Case has been utilised with the following adjustments:

- Additional grant revenue added from 2027-2035 - \$2.65 Million
- Additional Operating Grant Revenue – as an outcome from the current review of NSW Council's Finances through IPART – 2027 \$0.36 Million. Total 10 year - \$3.66 Million
- User charges increase from 2027 to 2035 at an additional 5%, bringing total to 12%
- Savings in Material Expenses at half a percent from 2027 through the forecast period
- Sale of Council's Investment Property in 2027
- Sale of Other Council Land and Property in 2027 \$0.4 Million, 2028 \$0.2 Million, 2029 \$0.1 Million

Alternative Scenario 2 – Sustainability

This scenario has been created to bring Council back to a sustainable Operating Position with the ability to renew assets. The scenario results in Council's Building & Infrastructure Asset Renewal Ratio returning to benchmark at 100%.

It incorporates all the assumptions in Scenario 1 with the addition of an assumed SRV of 47% over two years - 35% in 2028 and 12% in 2029

Additional capital expenditure on Infrastructure asset renewals included to give a consolidated Asset Renewal Ratio of 100%

This scenario brings Council Operating Performance Ratio back to positive in 2034.

Analysis of Consolidated Position

- Net Operating result before capital grants progressively improves over the outer years, however, does not become a positive position.
- Operating Performance Ratio decreases from negative 27% in 2026 to negative 6% in 2035
- Net Operating Result becomes positive in year seven.
- Asset renewal over the ten year period averages 103% on a consolidated basis
- Own source operating revenue increases to 71% in 2035

Analysis of Consolidated Position and General Fund Position

- The General Fund's operating result before grants and contributions provided for capital purposes improves steadily and returns to a positive position in 2035. The Operating Performance Ratio in 2035 has improved to 1% from negative 34% in 2026
- Cash position improves over the long term and remains steady towards the outer years.

Summary

Alternative Scenario 2 is one possible scenario with a long-term view to bring Council back to a positive operating result within the forecast period.

Sensitivity Analysis



Sensitivity Analysis

Any variations to the assumptions outlined in this LTFP over the life of the plan may have a significant impact on the Council's future financial plans. The LTFP will be updated annually to ensure the assumptions continually reflect the latest information available.

Below is an analysis of how sensitive the LTFP is to possible variations.

Interest on Investments

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 in compliance with the *Local Government Act 1993*. 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.

Council currently has \$40 Million in cash and cash equivalents. Therefore, for every 1 per cent change in the interest rate, Council's revenue will be impacted by \$0.4 Million. The budget in 2025-2026 investment return is based on achieving an average of 3.5 per cent in 2026, then 3% for the forward estimates.

Rate Pegging and Special Rates Variations

Any changes in rate pegging will significantly impact revenue forecasts. Given the significant uncertainty in the economic forecast, it is very likely that the actual rate peg in future years will be different from the projected in the LTFP. Each one percent change in the rate peg will affect the total general income by \$1.02 Million.

Inflation (CPI and Local Government Index)

Changes in inflation will impact both revenue and expenditure, including the Financial Assistance Grants provided by the Commonwealth Government and the Regional Road Grants from the State Government. Given the heavy reliance upon grant funding, the LTFP is particularly sensitive to the change in the indexation applied to grants.

For every one percent variation in the indexation applied to grants for operating purposes Council's revenue base will change by \$0.06 Million.

Employee Costs

Given that Council's employee costs for 2025-2026 is estimated to be \$11.06 Million (including capitalised cost), any variation to the percentage increase/decrease will have a significant impact on the operating expenditure, capital works costs and employee related liabilities for Council.

For each half of one percent variation in the annual increase to employee costs, the operating expenditure will vary by \$0.06 Million.

The background of the slide features a minimalist, stylized landscape. It consists of several thick, dark gray curved lines that create a sense of rolling hills and valleys. On the right side of the image, there is a small, dark gray silhouette of a tree with a rounded canopy and a thin trunk. The overall aesthetic is clean and modern, with a monochromatic color scheme of dark grays on a black background.

APPENDIX A: Current Financial Policies

Current Financial Policies

In developing this LTFP, the following policies of Council have been considered. These policies may be accessed from Council's website at www.liverpoolplains.nsw.gov.au.

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 and can be summarised 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
- Maximise earnings from authorised investments and ensure the security of Council funds

- 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, and
- 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.

Revenue (Fees & Charges)

Council's Fees and Charges schedule is contained in the Revenue Policy, which is adopted through the annual Operational Plan process. Council's fees and charges range from regulatory prescribed fees, minimum contribution to full cost and overhead recovery.

Loan Borrowings

This policy is to establish guidelines for loan borrowings. Council uses loan funds when it 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 are not able to be sourced from existing budgets.

APPENDIX B: Base Case



CONSOLIDATED - Base Case

INCOME STATEMENT Year Ending		Budget	Projected Years								
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations											
Revenue:											
	Rates and Annual Charges	16,281	16,802	17,418	18,060	18,602	19,160	19,734	20,326	20,936	21,564
	User Charges and Fees	7,053	7,355	7,621	7,874	8,111	8,354	8,605	8,863	9,129	9,402
	Interest and Investment Revenue	1,170	1,203	1,237	1,272	1,083	1,111	1,141	1,183	1,226	1,276
	Other Revenues	573	551	564	577	595	612	631	650	669	689
	Grants and Contributions - Operating	6,546	6,125	6,308	6,486	6,681	6,881	7,088	7,300	7,519	7,745
	Grants and Contributions - Capital	20,628	11,698	5,424	5,440	5,603	5,771	5,944	6,122	6,306	6,495
Total Income from Continuing Operations		52,252	43,733	38,572	39,709	40,674	41,889	43,143	44,444	45,785	47,171
Expenses from Continuing Operations											
	Employee Benefits and on-costs	11,058	11,375	11,701	12,037	12,329	12,629	12,936	13,251	13,574	13,905
	Borrowing Costs	628	602	581	554	533	506	483	448	429	410
	Materials and Contracts	13,387	13,705	14,083	14,428	14,755	15,090	15,433	15,785	16,145	16,514
	Depreciation and Amortisation	14,424	14,497	14,867	15,916	16,188	16,351	16,497	16,569	16,663	16,780
	Other Expenses	625	643	663	663	679	696	713	731	750	768
Total Expenses from Continuing Operations		40,122	40,823	41,895	43,597	44,485	45,272	46,063	46,785	47,561	48,377
Net Operating Result for the Year		12,129	2,911	(3,323)	(3,888)	(3,811)	(3,382)	(2,920)	(2,341)	(1,776)	(1,206)
Net Operating Result before Grants and Contributions provided for Capital Purposes		(8,498)	(8,787)	(8,747)	(9,327)	(9,414)	(9,153)	(8,864)	(8,463)	(8,082)	(7,700)

CONSOLIDATED - Base Case

BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	30,253	23,786	19,720	20,173	20,848	22,364	24,816	27,662	30,733	33,706
Receivables	2,196	2,256	2,320	2,386	2,469	2,555	2,642	2,732	2,824	2,918
Other Assets	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Total Current Assets	34,649	28,241	24,240	24,759	25,518	27,119	29,658	32,595	35,757	38,825
Non-Current Assets										
Infrastructure, property, plant & Equipment	671,689	681,065	681,793	677,411	672,891	667,965	662,571	657,360	652,492	648,290
Investment Property	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Other Non-Current Assets	63	26	0	0	0	0	0	0	0	0
Total Non-Current Assets	672,942	682,281	682,983	678,601	674,081	669,155	663,761	658,550	653,682	649,480
LIABILITIES										
Current Liabilities										
Payables	2,339	2,397	2,457	2,519	2,582	2,646	2,713	2,780	2,850	2,921
Borrowings	432	451	476	500	470	496	340	359	380	204
Provisions	2,475	2,500	2,525	2,550	2,600	2,600	2,600	2,600	2,600	2,600
Total Current Liabilities	5,246	5,348	5,458	5,569	5,652	5,742	5,653	5,739	5,830	5,725
Non-Current Liabilities										
Borrowings	10,017	9,566	9,090	8,590	8,120	7,624	7,284	6,925	6,545	6,341
Provisions	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Total Non-Current Liabilities	17,179	16,728	16,252	15,752	15,282	14,786	14,446	14,087	13,707	13,503
Net Assets	685,165	688,446	685,513	682,040	678,666	675,746	673,321	671,319	669,903	669,077
EQUITY										
Retained Earnings	277,034	279,945	276,622	272,735	268,923	265,541	262,621	260,280	258,504	257,298
Revaluation Reserve	408,131	408,501	408,890	409,304	409,742	410,204	410,700	411,040	411,399	411,779
Total Equity	685,165	688,446	685,513	682,039	678,665	675,746	673,320	671,319	669,902	669,077

CONSOLIDATED - Base Case

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	16,170	16,743	17,354	17,994	18,518	19,074	19,647	20,236	20,845	21,470
User charges and fees	7,053	7,355	7,621	7,874	8,111	8,354	8,605	8,863	9,129	9,402
Investment and interest revenue received	1,170	1,203	1,237	1,272	1,083	1,111	1,141	1,183	1,226	1,276
Grants and Contributions	27,174	17,822	11,732	11,926	12,284	12,652	13,031	13,422	13,825	14,240
Other	1,373	551	564	577	595	612	631	650	669	689
Payments:										
Employee benefits and on-costs	11,058	11,375	11,701	12,037	12,329	12,629	12,936	13,251	13,574	13,905
Materials and Contracts	13,325	13,585	13,972	14,341	14,696	15,033	15,367	15,717	16,075	16,443
Borrowing Costs	628	602	581	554	533	506	483	448	429	410
Other	625	643	663	663	679	696	713	731	750	768
Net cash provided (or used in) operating activities	27,304	17,469	11,591	12,049	12,353	12,939	13,556	14,206	14,865	15,552
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	41,327	23,504	15,206	11,119	11,232	10,962	10,607	11,019	11,435	12,198
Net cash provided (or used in) investing activities	(41,327)	(23,504)	(15,206)	(11,119)	(11,232)	(10,962)	(10,607)	(11,019)	(11,435)	(12,198)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	410	432	451	476	446	462	496	340	359	380
Net cash flow provided (or used in) financing activities	(410)	(432)	(451)	(476)	(446)	(462)	(496)	(340)	(359)	(380)
Net increase/(decrease) in cash and cash equivalents	(14,433)	(6,467)	(4,066)	454	675	1,515	2,453	2,846	3,070	2,973
Plus: Cash and cash equivalents and investments - beginning of year	44,686	30,253	23,786	19,720	20,173	20,848	22,364	24,816	27,662	30,733
Cash and cash equivalents and investments - end of the year	30,253	23,786	19,720	20,173	20,848	22,364	24,816	27,662	30,733	33,706

CONSOLIDATED - Base Case

Performance Ratios:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:										
Net Operating Result before Grants and Contributions	(8,498)	(8,787)	(8,747)	(9,327)	(9,414)	(9,153)	(8,864)	(8,463)	(8,082)	(7,700)
Total continuing operating revenue excluding capital expenditures	31,624	32,036	33,148	34,270	35,071	36,119	37,199	38,322	39,479	40,677
Operating Performance Ratio:	-26.9%	-27.4%	-26.4%	-27.2%	-26.8%	-25.3%	-23.8%	-22.1%	-20.5%	-18.9%
Own Source operating revenue ratio:										
Total continuing operating revenue excluding capital expenditures	25,078	25,911	26,840	27,783	28,390	29,237	30,111	31,022	31,960	32,932
Total continuing operating revenue	52,252	43,733	38,572	39,709	40,674	41,889	43,143	44,444	45,785	47,171
Own Source operating revenue ratio:	48.0%	59.2%	69.6%	70.0%	69.8%	69.8%	69.8%	69.8%	69.8%	69.8%
Debt Service cover ratio:										
Operating result before capital expenditures excluding interest	6,554	6,312	6,701	7,142	7,308	7,703	8,116	8,555	9,011	9,490
Principal Repayments plus borrowing costs	1,060	1,053	1,057	1,054	1,003	1,002	823	807	809	614
Debt Service cover ratio:	6.2	6.0	6.3	6.8	7.3	7.7	9.9	10.6	11.1	15.5
Building & Infrastructure Asset Renewal Ratio:										
Asset Renewal	41,836	23,747	15,610	11,475	11,500	11,205	10,686	11,122	11,490	12,634
Depn, Amortisation and impairment	14,424	14,497	14,867	15,916	16,188	16,351	16,497	16,569	16,663	16,780
Building & Infrastructure Asset Renewal Ratio:	290.1%	163.8%	105.0%	72.1%	71.0%	68.5%	64.8%	67.1%	69.0%	75.3%

GENERAL FUND - Base Case

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	12,284	12,691	13,114	13,551	13,957	14,376	14,807	15,251	15,709	16,180
User Charges and Fees	4,772	4,916	5,081	5,252	5,410	5,572	5,739	5,911	6,089	6,271
Interest and Investment Revenue	760	781	803	825	850	875	901	928	956	985
Other Revenues	573	551	564	577	595	612	631	650	669	689
Grants and Contributions - Operating	6,546	6,125	6,308	6,486	6,681	6,881	7,088	7,300	7,519	7,745
Grants and Contributions - Capital	9,207	5,579	5,406	5,421	5,583	5,751	5,923	6,101	6,284	6,473
Total Income from Continuing Operations	34,142	30,643	31,276	32,112	33,075	34,067	35,089	36,142	37,226	38,343
Expenses from Continuing Operations										
Employee Benefits and on-costs	9,761	10,041	10,328	10,625	10,890	11,163	11,442	11,728	12,021	12,321
Borrowing Costs	27	22	20	18	2	0	0	0	0	0
Materials and Contracts	11,382	11,615	11,906	12,173	12,451	12,736	13,028	13,327	13,634	13,948
Depreciation and Amortisation	11,546	11,166	11,168	11,956	12,098	12,112	12,110	12,030	11,971	11,919
Other Expenses	625	643	663	663	679	696	713	731	750	768
Total Expenses from Continuing Operations	33,342	33,487	34,085	35,435	36,121	36,707	37,293	37,816	38,375	38,956
Net Operating Result for the Year	800	(2,843)	(2,809)	(3,323)	(3,046)	(2,640)	(2,204)	(1,674)	(1,149)	(613)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,406)	(8,422)	(8,215)	(8,744)	(8,629)	(8,391)	(8,127)	(7,775)	(7,433)	(7,086)

GENERAL FUND - Base Case

BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	12,849	12,161	10,851	10,870	12,002	13,846	16,507	19,226	22,390	25,240
Receivables	1,706	1,761	1,819	1,880	1,937	1,995	2,055	2,116	2,180	2,245
Other Assets	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Total Current Assets	16,754	16,121	14,871	14,950	16,139	18,041	20,761	23,542	26,770	29,685
Non-Current Assets										
Infrastructure, property, plant & Equipment	501,071	498,919	497,409	494,031	489,848	485,362	480,504	476,118	471,811	468,353
Investment Property	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Other Non-Current Assets	63	26	0	0	0	0	0	0	0	0
Total Non-Current Assets	502,324	500,135	498,599	495,221	491,038	486,552	481,694	477,308	473,001	469,543
LIABILITIES										
Current Liabilities										
Payables	2,339	2,397	2,457	2,519	2,582	2,646	2,713	2,780	2,850	2,921
Borrowings	62	62	62	62	8	0	0	0	0	0
Provisions	2,475	2,500	2,525	2,550	2,600	2,600	2,600	2,600	2,600	2,600
Total Current Liabilities	4,876	4,959	5,044	5,131	5,190	5,246	5,313	5,380	5,450	5,521
Non-Current Liabilities										
Borrowings	194	132	70	8	0	0	0	0	0	0
Provisions	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Total Non-Current Liabilities	7,356	7,294	7,232	7,170	7,162	7,162	7,162	7,162	7,162	7,162
Net Assets	506,847	504,003	501,194	497,871	494,825	492,185	489,982	488,308	487,159	486,546
EQUITY										
Retained Earnings	193,410	190,567	187,758	184,435	181,389	178,749	176,545	174,871	173,722	173,109
Revaluation Reserve	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436
Total Equity	506,846	504,003	501,194	497,871	494,825	492,185	489,981	488,307	487,158	486,545

GENERAL FUND - Base Case

CASHFLOW STATEMENT Year Ending		Budget	Projected Years								
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities											
Receipts:											
	Rates and Annual Charges	12,189	12,636	13,055	13,490	13,901	14,318	14,747	15,190	15,645	16,115
	User charges and fees	4,772	4,916	5,081	5,252	5,410	5,572	5,739	5,911	6,089	6,271
	Investment and interest revenue received	760	781	803	825	850	875	901	928	956	985
	Grants and Contributions	15,753	11,704	11,714	11,907	12,264	12,632	13,011	13,401	13,803	14,217
	Other	1,373	551	564	577	595	612	631	650	669	689
Payments:											
	Employee benefits and on-costs	9,761	10,041	10,328	10,625	10,890	11,163	11,442	11,728	12,021	12,321
	Materials and Contracts	11,320	11,495	11,795	12,087	12,392	12,680	12,962	13,259	13,564	13,876
	Borrowing Costs	27	22	20	18	2	0	0	0	0	0
	Other	625	643	663	663	679	696	713	731	750	768
Net cash provided (or used in) operating activities		13,114	8,388	8,411	8,659	9,055	9,471	9,912	10,362	10,828	11,311
Cash flows from investing activities											
Payments:											
	Purchase of infrastr, property, plant & equipment	22,670	9,014	9,659	8,578	7,915	7,627	7,252	7,643	7,664	8,461
Net cash provided (or used in) investing activities		(22,670)	(9,014)	(9,659)	(8,578)	(7,915)	(7,627)	(7,252)	(7,643)	(7,664)	(8,461)
Cash flow from financing activities											
Receipts:											
	Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:											
	Repayment of borrowings and advances	62	62	62	62	8	0	0	0	0	0
Net cash flow provided (or used in) financing activities		(62)	(62)	(62)	(62)	(8)	0	0	0	0	0
Net increase/(decrease) in cash and cash equivalents		(9,618)	(688)	(1,309)	19	1,132	1,844	2,661	2,719	3,164	2,850
Plus: Cash and cash equivalents and investments - beginning of year		22,467	12,849	12,161	10,851	10,870	12,002	13,846	16,507	19,226	22,390
Cash and cash equivalents and investments - end of the year		12,849	12,161	10,851	10,870	12,002	13,846	16,507	19,226	22,390	25,240

GENERAL FUND - Base Case

Performance Ratios:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:										
Net Operating Result before Grants and Contributions provided	(8,406)	(8,422)	(8,215)	(8,744)	(8,629)	(8,391)	(8,127)	(7,775)	(7,433)	(7,086)
Total continuing operating revenue excluding capital grants and contributions	24,935	25,064	25,870	26,691	27,492	28,317	29,166	30,041	30,942	31,871
Operating Performance Ratio:	-33.7%	-33.6%	-31.8%	-32.8%	-31.4%	-29.6%	-27.9%	-25.9%	-24.0%	-22.2%
Own Source operating revenue ratio:										
Total continuing operating revenue excluding capital grants and contributions	18,389	18,940	19,562	20,205	20,811	21,435	22,078	22,741	23,423	24,126
Total continuing operating revenue	34,142	30,643	31,276	32,112	33,075	34,067	35,089	36,142	37,226	38,343
Own Source operating revenue ratio:	53.9%	61.8%	62.5%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
Debt Service cover ratio:										
Operating result before capital excluding interest and depn/in	3,167	2,765	2,973	3,230	3,471	3,722	3,983	4,255	4,538	4,833
Principal Repayments plus borrowing costs	89	84	82	80	10	0	0	0	0	0
Debt Service cover ratio:	35.5	32.9	36.3	40.4	347.1	0.0	0.0	0.0	0.0	0.0
Building & Infrastructure Asset Renewal Ratio:										
Asset Renewal	23,180	9,257	10,062	8,934	8,184	7,869	7,330	7,745	7,719	8,897
Depn, Amortisation and impairment	11,546	11,166	11,168	11,956	12,098	12,112	12,110	12,030	11,971	11,919
Building & Infrastructure Asset Renewal Ratio:	200.8%	82.9%	90.1%	74.7%	67.6%	65.0%	60.5%	64.4%	64.5%	74.6%

WATER FUND - Base Case

INCOME STATEMENT Year Ending	Act	Estimate	Budget	Projected Years								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	QBRS Q2	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations												
Revenue:												
Rates and Annual Charges	2,371	2,386	2,363	2,362	2,433	2,507	2,582	2,659	2,739	2,821	2,906	2,993
User Charges and Fees	1,556	1,876	2,138	2,285	2,375	2,447	2,520	2,596	2,673	2,754	2,836	2,921
Interest and Investment Revenue	455	114	209	215	222	228	47	39	31	32	33	38
Other Revenues	3	0	0	0	0	0	0	0	0	0	0	0
Grants and Contributions - Operating	18	0	0	0	0	0	0	0	0	0	0	0
Grants and Contributions - Capital	3,989	0	1,465	15	16	16	17	17	18	18	19	19
Total Income from Continuing Operations	8,392	4,376	6,175	4,878	5,046	5,198	5,166	5,311	5,461	5,625	5,794	5,971
Expenses from Continuing Operations												
Employee Benefits and on-costs	718	883	957	994	1,032	1,072	1,099	1,126	1,154	1,183	1,213	1,243
Borrowing Costs	163	622	601	580	561	536	531	506	483	448	429	410
Materials and Contracts	1,596	1,662	1,572	1,641	1,712	1,774	1,811	1,850	1,889	1,929	1,969	2,011
Depreciation and Amortisation	1,427	1,429	1,998	2,179	2,328	2,400	2,520	2,642	2,765	2,889	3,016	3,157
Other Expenses	287	0	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	4,191	4,596	5,128	5,394	5,633	5,781	5,961	6,124	6,291	6,450	6,627	6,821
Net Operating Result for the Year	4,201	(220)	1,047	(517)	(587)	(584)	(796)	(813)	(830)	(824)	(833)	(850)
Net Operating Result before Grants and Contributions provided for Capital Purposes	212	(220)	(418)	(532)	(603)	(600)	(813)	(830)	(847)	(843)	(852)	(869)

WATER FUND - Base Case

BALANCE SHEET Year Ending	Act	Estimate	Budget	Projected Years								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS												
Current Assets												
Cash and Cash Equivalents	9,494	10,864	8,537	5,828	3,980	3,370	2,644	1,999	1,426	1,139	575	149
Receivables	502	341	360	372	385	396	408	420	433	446	459	473
Other Assets	2,684	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	12,680	11,205	8,897	6,200	4,364	3,767	3,052	2,420	1,859	1,585	1,034	623
Non-Current Assets												
Infrastructure, property, plant & Equipment	95,535	133,772	136,757	138,937	140,185	140,199	140,118	139,937	139,668	139,119	138,835	138,397
Investment Property	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	95,535	133,772	136,757	138,937	140,185	140,199	140,118	139,937	139,668	139,119	138,835	138,397
LIABILITIES												
Current Liabilities												
Payables	49	0	0	0	0	0	0	0	0	0	0	0
Borrowings	324	348	370	389	414	438	462	496	340	359	380	204
Provisions	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	373	348	370	389	414	438	462	496	340	359	380	204
Non-Current Liabilities												
Borrowings	10,223	10,193	9,823	9,434	9,020	8,582	8,120	7,624	7,284	6,925	6,545	6,341
Provisions	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Liabilities	10,223	10,193	9,823	9,434	9,020	8,582	8,120	7,624	7,284	6,925	6,545	6,341
Net Assets	97,619	134,436	135,461	135,314	135,115	134,946	134,588	134,237	133,904	133,419	132,945	132,475
EQUITY												
Retained Earnings	56,577	56,357	57,404	56,887	56,300	55,716	54,920	54,107	53,278	52,453	51,620	50,770
Revaluation Reserve	41,042	78,079	78,057	78,427	78,816	79,230	79,668	80,130	80,626	80,966	81,325	81,705
Total Equity	97,619	134,436	135,461	135,314	135,115	134,946	134,588	134,237	133,904	133,419	132,945	132,475

WATER FUND - Base Case

CASHFLOW STATEMENT Year Ending			Budget	Projected Years								
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities		1.09										
Receipts:												
Rates and Annual Charges	2,371	2,596	2,344	2,350	2,420	2,495	2,570	2,647	2,727	2,808	2,893	2,979
User charges and fees	1,556	1,876	2,138	2,285	2,375	2,447	2,520	2,596	2,673	2,754	2,836	2,921
Investment and interest revenue received	455	114	209	215	222	228	47	39	31	32	33	38
Grants and Contributions	4,007	0	1,465	15	16	16	17	17	18	18	19	19
Other	0	0	0	0	0	0	0	0	0	0	0	0
Payments:												
Employee benefits and on-costs	718	883	957	994	1,032	1,072	1,099	1,126	1,154	1,183	1,213	1,243
Materials and Contracts	1,596	1,711	1,572	1,641	1,712	1,774	1,811	1,850	1,889	1,929	1,969	2,011
Borrowing Costs	163	622	601	580	561	536	531	506	483	448	429	410
Other	313	0	0	0	0	0	0	0	0	0	0	0
Net cash provided (or used in) operating activities	5,599	1,370	3,026	1,651	1,727	1,804	1,713	1,817	1,923	2,052	2,169	2,293
Cash flows from investing activities												
Payments:												
Purchase of infrastr, property, plant & equipment	6,713	(324)	5,005	3,989	3,186	2,000	2,001	2,000	2,000	2,000	2,373	2,339
Net cash provided (or used in) investing activities	(6,713)	324	(5,005)	(3,989)	(3,186)	(2,000)	(2,001)	(2,000)	(2,000)	(2,000)	(2,373)	(2,339)
Cash flow from financing activities												
Receipts:												
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0	0	0
Payments:												
Repayment of borrowings and advances	324	324	348	370	389	414	438	462	496	340	359	380
Net cash flow provided (or used in) financing activities	(324)	(324)	(348)	(370)	(389)	(414)	(438)	(462)	(496)	(340)	(359)	(380)
Net increase/(decrease) in cash and cash equivalents	(1,438)	1,370	(2,327)	(2,709)	(1,848)	(610)	(726)	(645)	(573)	(288)	(563)	(426)
Plus: Cash and cash equivalents and investments - beginning of year	10,932	9,494	10,864	8,537	5,828	3,980	3,370	2,644	1,999	1,426	1,139	575
Cash and cash equivalents and investments - end of the year	9,494	10,864	8,537	5,828	3,980	3,370	2,644	1,999	1,426	1,139	575	149

WATER FUND - Base Case

Performance Ratios:			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:												
Net Operating Result before Grants and Contributions provided for Capital Purpos			(418)	(532)	(603)	(600)	(813)	(830)	(847)	(843)	(852)	(869)
Total continuing operating revenue excluding capital grants and contributions			4,710	4,862	5,030	5,181	5,149	5,294	5,444	5,607	5,775	5,952
Operating Performance Ratio:			-8.9%	-10.9%	-12.0%	-11.6%	-15.8%	-15.7%	-15.6%	-15.0%	-14.7%	-14.6%
Own Source operating revenue ratio:												
Total continuing operating revenue excluding capital grants and contributions			4,710	4,862	5,030	5,181	5,149	5,294	5,444	5,607	5,775	5,952
Total continuing operating revenue			6,175	4,878	5,046	5,198	5,166	5,311	5,461	5,625	5,794	5,971
Own Source operating revenue ratio:			76.3%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Debt Service cover ratio:												
Operating result before capital excluding interest and depn/impairmt/amortisati			2,181	2,227	2,285	2,335	2,239	2,318	2,400	2,495	2,593	2,698
Principal Repayments plus borrowing costs			971	969	975	974	993	1,002	823	807	809	614
Debt Service cover ratio:			2.2	2.3	2.3	2.4	2.3	2.3	2.9	3.1	3.2	4.4
Building & Infrastructure Asset Renewal Ratio:												
Asset Renewal			5,005	3,990	3,187	2,000	2,000	2,000	2,000	2,000	2,373	2,339
Depn, Amortisation and impairment			1,998	2,179	2,328	2,400	2,520	2,642	2,765	2,889	3,016	3,157
Building & Infrastructure Asset Renewal Ratio:			250.5%	183.1%	136.9%	83.3%	79.4%	75.7%	72.3%	69.2%	78.7%	74.1%

SEWER FUND - Base Case

INCOME STATEMENT	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	Year Ending '000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	1,635	1,749	1,871	2,002	2,063	2,124	2,188	2,254	2,321	2,391
User Charges and Fees	144	154	164	176	181	186	192	198	204	210
Interest and Investment Revenue	201	207	213	219	187	197	209	222	237	253
Other Revenues	0	0	0	0	0	0	0	0	0	0
Grants and Contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants and Contributions - Capital	9,956	6,103	3	3	3	3	3	3	3	3
Total Income from Continuing Operations	11,934	8,212	2,251	2,400	2,433	2,511	2,592	2,676	2,765	2,857
Expenses from Continuing Operations										
Employee Benefits and on-costs	340	340	340	340	340	340	340	340	340	340
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Materials and Contracts	433	449	466	481	492	504	516	529	542	555
Depreciation and Amortisation	879	1,152	1,372	1,560	1,570	1,596	1,623	1,650	1,677	1,704
Other Expenses	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	1,653	1,941	2,177	2,380	2,403	2,441	2,479	2,519	2,559	2,599
Net Operating Result for the Year	10,282	6,271	74	19	30	70	113	158	206	257
Net Operating Result before Grants and Contributions provided for Capital Purposes	326	168	71	17	28	68	110	155	203	254

SEWER FUND - Base Case

BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	8,867	5,797	4,889	5,933	6,203	6,518	6,883	7,298	7,768	8,317
Receivables	130	123	116	109	124	140	154	170	185	200
Other Assets	0	0	0	0	0	0	0	0	0	0
Total Current Assets	8,997	5,920	5,004	6,042	6,327	6,658	7,037	7,468	7,953	8,517
Non-Current Assets										
Infrastructure, property, plant & Equipment	33,861	43,209	44,198	43,179	42,925	42,665	42,398	42,125	41,846	41,540
Investment Property	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	33,861	43,209	44,198	43,179	42,925	42,665	42,398	42,125	41,846	41,540
LIABILITIES										
Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	0	0	0	0	0	0	0	0	0	0
Non-Current Liabilities										
Borrowings	0	0	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0	0	0
Total Non-Current Liabilities	0	0	0	0	0	0	0	0	0	0
Net Assets	42,858	49,129	49,203	49,222	49,252	49,323	49,435	49,593	49,799	50,057
EQUITY										
Retained Earnings	26,220	32,491	32,565	32,584	32,614	32,685	32,797	32,955	33,161	33,419
Revaluation Reserve	16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638	16,638
Total Equity	42,858	49,129	49,203	49,222	49,252	49,323	49,435	49,593	49,799	50,057

SEWER FUND - Base Case

CASHFLOW STATEMENT Year Ending		Budget	Projected Years								
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities											
Receipts:											
Rates and Annual Charges		1,637	1,756	1,879	2,009	2,047	2,109	2,174	2,238	2,306	2,376
User charges and fees		144	154	164	176	181	186	192	198	204	210
Investment and interest revenue received		201	207	213	219	187	197	209	222	237	253
Grants and Contributions		9,956	6,103	3	3	3	3	3	3	3	3
Other		0	0	0	0	0	0	0	0	0	0
Payments:											
Employee benefits and on-costs		340	340	340	340	340	340	340	340	340	340
Materials and Contracts		433	449	466	481	492	504	516	529	542	555
Borrowing Costs		0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0
Net cash provided (or used in) operating activities		11,164	7,430	1,453	1,586	1,586	1,651	1,721	1,792	1,868	1,947
Cash flows from investing activities											
Payments:											
Purchase of infrastr, property, plant & equipment		13,652	10,500	2,361	541	1,316	1,336	1,356	1,377	1,398	1,398
Net cash provided (or used in) investing activities		(13,652)	(10,500)	(2,361)	(541)	(1,316)	(1,336)	(1,356)	(1,377)	(1,398)	(1,398)
Cash flow from financing activities											
Receipts:											
Proceeds from borrowing and advances		0	0	0	0	0	0	0	0	0	0
Payments:											
Repayment of borrowings and advances		0	0	0	0	0	0	0	0	0	0
Net cash flow provided (or used in) financing activities		0	0	0	0	0	0	0	0	0	0
Net increase/(decrease) in cash and cash equivalents		(2,488)	(3,070)	(908)	1,045	269	315	365	415	470	549
Plus: Cash and cash equivalents and investments - beginning of year		11,355	8,867	5,797	4,889	5,933	6,203	6,518	6,883	7,298	7,768
Cash and cash equivalents and investments - end of the year		8,867	5,797	4,889	5,933	6,203	6,518	6,883	7,298	7,768	8,317

SEWER FUND - Base Case

Performance Ratios:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:										
Net Operating Result before Grants and Contributions provided	326	168	71	17	28	68	110	155	203	254
Total continuing operating revenue excluding capital grants	1,979	2,109	2,248	2,397	2,430	2,508	2,589	2,674	2,762	2,854
Operating Performance Ratio:	16.5%	8.0%	3.2%	0.7%	1.1%	2.7%	4.2%	5.8%	7.3%	8.9%
Own Source operating revenue ratio:										
Total continuing operating revenue excluding capital grants	1,979	2,109	2,248	2,397	2,430	2,508	2,589	2,674	2,762	2,854
Total continuing operating revenue	11,934	8,212	2,251	2,400	2,433	2,511	2,592	2,676	2,765	2,857
Own Source operating revenue ratio:	16.6%	25.7%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Debt Service cover ratio:										
Operating result before capital excluding interest and depreciation	1,206	1,320	1,443	1,577	1,598	1,664	1,733	1,805	1,880	1,959
Principal Repayments plus borrowing costs	0	0	0	0	0	0	0	0	0	0
Debt Service cover ratio:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Building & Infrastructure Asset Renewal Ratio:										
Asset Renewal	13,652	10,500	2,361	541	1,316	1,336	1,356	1,377	1,398	1,398
Depn, Amortisation and impairment	879	1,152	1,372	1,560	1,570	1,596	1,623	1,650	1,677	1,704
Building & Infrastructure Asset Renewal Ratio:	1552.3%	911.3%	172.1%	34.7%	83.8%	83.7%	83.6%	83.5%	83.4%	82.0%

The background of the slide features a minimalist, stylized landscape. It consists of several thick, dark grey curved lines that create a sense of rolling hills and valleys. On the right side of the upper hill, there is a small, dark grey silhouette of a tree with a rounded canopy and a short trunk. The overall aesthetic is clean and modern, using a monochromatic grey palette against a dark background.

APPENDIX C:

Scenario 1 – Towards Sustainability

CONSOLIDATED - Scenario 1 – Towards Sustainability

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	16,281	16,802	17,418	18,060	18,602	19,160	19,734	20,326	20,936	21,564
User Charges and Fees	7,053	7,722	8,388	9,074	9,775	10,520	11,309	12,145	13,032	13,971
Interest and Investment Revenue	1,170	1,203	1,237	1,272	1,083	1,111	1,141	1,183	1,226	1,276
Other Revenues	573	551	564	577	595	612	631	650	669	689
Grants and Contributions - Operating	6,546	6,485	6,679	6,868	7,074	7,286	7,505	7,730	7,962	8,201
Grants and Contributions - Capital	20,628	11,948	5,674	5,690	5,853	6,071	6,244	6,472	6,656	6,845
Total Income from Continuing Operations	52,252	44,711	39,960	41,540	42,982	44,760	46,564	48,506	50,481	52,546
Expenses from Continuing Operations										
Employee Benefits and on-costs	11,058	11,375	11,701	12,037	12,329	12,629	12,936	13,251	13,574	13,905
Borrowing Costs	628	602	581	554	533	506	483	448	429	410
Materials and Contracts	13,387	13,647	14,024	14,367	14,693	15,026	15,368	15,718	16,077	16,444
Depreciation and Amortisation	14,424	14,487	14,855	15,902	16,188	16,351	16,497	16,569	16,663	16,780
Other Expenses	625	243	563	613	679	696	713	731	750	768
Total Expenses from Continuing Operations	40,122	40,354	41,723	43,472	44,423	45,208	45,998	46,718	47,493	48,307
Net Operating Result for the Year	12,129	4,357	(1,763)	(1,932)	(1,441)	(448)	566	1,788	2,988	4,238
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,498)	(7,591)	(7,437)	(7,621)	(7,293)	(6,519)	(5,678)	(4,684)	(3,668)	(2,606)

CONSOLIDATED - Scenario 1 – Towards Sustainability

BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	30,253	26,777	24,421	26,877	29,879	34,282	40,171	47,092	54,868	63,224
Receivables	2,196	2,290	2,392	2,498	2,625	2,757	2,894	3,039	3,188	3,345
Other Assets	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Total Current Assets	34,649	31,267	29,013	31,575	34,703	39,239	45,265	52,331	60,257	68,769
Non-Current Assets										
Infrastructure, property, plant & Equipment	634,359	643,345	643,973	639,564	635,107	630,243	624,913	619,762	614,960	610,826
Investment Property	1,190	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	63	26	0	0	0	0	0	0	0	0
Total Non-Current Assets	635,612	643,371	643,973	639,564	635,107	630,243	624,913	619,762	614,960	610,826
LIABILITIES										
Current Liabilities										
Payables	2,339	2,397	2,457	2,519	2,582	2,646	2,713	2,780	2,850	2,921
Borrowings	432	451	476	500	470	496	340	359	380	204
Provisions	2,475	2,500	2,525	2,550	2,600	2,600	2,600	2,600	2,600	2,600
Total Current Liabilities	5,246	5,348	5,458	5,569	5,652	5,742	5,653	5,739	5,830	5,725
Non-Current Liabilities										
Borrowings	10,017	9,566	9,090	8,590	8,120	7,624	7,284	6,925	6,545	6,341
Provisions	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Total Non-Current Liabilities	17,179	16,728	16,252	15,752	15,282	14,786	14,446	14,087	13,707	13,503
Net Assets	647,836	652,562	651,276	649,818	648,877	648,954	650,080	652,267	655,681	660,367
EQUITY										
Retained Earnings	277,034	281,391	279,628	277,696	276,255	275,807	276,374	278,162	281,150	285,388
Revaluation Reserve	370,801	371,171	371,649	372,124	372,623	373,146	373,705	374,103	374,530	374,978
Total Equity	647,835	652,562	651,277	649,820	648,878	648,954	650,078	652,265	655,680	660,367

CONSOLIDATED - Scenario 1 – Towards Sustainability

CASHFLOW STATEMENT		Budget	Projected Years								
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Year Ending	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities											
Receipts:											
	Rates and Annual Charges	16,170	16,708	17,316	17,954	18,475	19,027	19,597	20,182	20,787	21,408
	User charges and fees	7,053	7,722	8,388	9,074	9,775	10,520	11,309	12,145	13,032	13,971
	Investment and interest revenue received	1,170	1,203	1,237	1,272	1,083	1,111	1,141	1,183	1,226	1,276
	Grants and Contributions	27,174	18,432	12,353	12,558	12,927	13,357	13,749	14,202	14,618	15,046
	Other	1,373	551	564	577	595	612	631	650	669	689
Payments:											
	Employee benefits and on-costs	11,058	11,375	11,701	12,037	12,329	12,629	12,936	13,251	13,574	13,905
	Materials and Contracts	13,325	13,527	13,913	14,281	14,634	14,970	15,302	15,650	16,007	16,373
	Borrowing Costs	628	602	581	554	533	506	483	448	429	410
	Other	625	243	563	613	679	696	713	731	750	768
Net cash provided (or used in) operating activities		27,304	18,870	13,101	13,951	14,680	15,827	16,992	18,281	19,571	20,934
Cash flows from investing activities											
Payments:											
	Purchase of infrastr, property, plant & equipment	41,327	21,914	15,006	11,019	11,232	10,962	10,607	11,019	11,435	12,198
Net cash provided (or used in) investing activities		(41,327)	(21,914)	(15,006)	(11,019)	(11,232)	(10,962)	(10,607)	(11,019)	(11,435)	(12,198)
Cash flow from financing activities											
Receipts:											
	Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:											
	Repayment of borrowings and advances	410	432	451	476	446	462	496	340	359	380
Net cash flow provided (or used in) financing activities		(410)	(432)	(451)	(476)	(446)	(462)	(496)	(340)	(359)	(380)
Net increase/(decrease) in cash and cash equivalents		(14,433)	(3,476)	(2,356)	2,455	3,002	4,403	5,889	6,921	7,777	8,355
Plus: Cash and cash equivalents and investments - beginning of year		44,686	30,253	26,777	24,421	26,877	29,879	34,282	40,171	47,092	54,868
Cash and cash equivalents and investments - end of the year		30,253	26,777	24,421	26,877	29,879	34,282	40,171	47,092	54,868	63,224

CONSOLIDATED - Scenario 1 – Towards Sustainability

Performance Ratios:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:										
Net Operating Result before Grants and Contributions provided	(8,498)	(7,591)	(7,437)	(7,621)	(7,293)	(6,519)	(5,678)	(4,684)	(3,668)	(2,606)
Total continuing operating revenue excluding capital grants	31,624	32,763	34,286	35,851	37,129	38,689	40,320	42,034	43,825	45,701
Operating Performance Ratio:	-26.9%	-23.2%	-21.7%	-21.3%	-19.6%	-16.8%	-14.1%	-11.1%	-8.4%	-5.7%
Own Source operating revenue ratio:										
Total continuing operating revenue excluding capital grants	25,078	26,279	27,607	28,983	30,055	31,403	32,815	34,304	35,863	37,500
Total continuing operating revenue	52,252	44,711	39,960	41,540	42,982	44,760	46,564	48,506	50,481	52,546
Own Source operating revenue ratio:	48.0%	58.8%	69.1%	69.8%	69.9%	70.2%	70.5%	70.7%	71.0%	71.4%
Debt Service cover ratio:										
Operating result before capital excluding interest and depn/	6,554	7,498	7,999	8,834	9,428	10,338	11,302	12,334	13,425	14,584
Principal Repayments plus borrowing costs	1,060	1,053	1,057	1,054	1,003	1,002	823	807	809	614
Debt Service cover ratio:	6.2	7.1	7.6	8.4	9.4	10.3	13.7	15.3	16.6	23.8
Building & Infrastructure Asset Renewal Ratio:										
Asset Renewal	41,836	23,997	15,860	11,725	11,750	11,505	10,986	11,472	11,840	12,984
Depn, Amortisation and impairment	14,424	14,487	14,855	15,902	16,188	16,351	16,497	16,569	16,663	16,780
Building & Infrastructure Asset Renewal Ratio:	290.1%	165.6%	106.8%	73.7%	72.6%	70.4%	66.6%	69.2%	71.1%	77.4%

GENERAL FUND - Scenario 1 – Towards Sustainability

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	12,284	12,691	13,114	13,551	13,957	14,376	14,807	15,251	15,709	16,180
User Charges and Fees	4,772	5,162	5,593	6,052	6,520	7,017	7,543	8,101	8,692	9,319
Interest and Investment Revenue	760	781	803	825	850	875	901	928	956	985
Other Revenues	573	551	564	577	595	612	631	650	669	689
Grants and Contributions - Operating	6,546	6,485	6,679	6,868	7,074	7,286	7,505	7,730	7,962	8,201
Grants and Contributions - Capital	9,207	5,829	5,656	5,671	5,833	6,051	6,223	6,451	6,634	6,823
Total Income from Continuing Operations	34,142	31,499	32,409	33,544	34,829	36,218	37,611	39,112	40,623	42,197
Expenses from Continuing Operations										
Employee Benefits and on-costs	9,761	10,041	10,328	10,625	10,890	11,163	11,442	11,728	12,021	12,321
Borrowing Costs	27	22	20	18	2	0	0	0	0	0
Materials and Contracts	11,382	11,557	11,846	12,112	12,389	12,673	12,963	13,261	13,565	13,878
Depreciation and Amortisation	11,546	11,156	11,156	11,943	12,098	12,112	12,110	12,030	11,971	11,919
Other Expenses	625	243	563	613	679	696	713	731	750	768
Total Expenses from Continuing Operations	33,342	33,019	33,913	35,310	36,059	36,644	37,228	37,750	38,307	38,886
Net Operating Result for the Year	800	(1,519)	(1,504)	(1,766)	(1,229)	(426)	383	1,362	2,316	3,310
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,406)	(7,348)	(7,160)	(7,437)	(7,063)	(6,477)	(5,840)	(5,089)	(4,318)	(3,512)

GENERAL FUND - Scenario 1 – Towards Sustainability

BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	12,849	15,040	15,196	16,829	19,747	23,772	28,983	34,700	41,287	48,017
Receivables	1,706	1,785	1,871	1,960	2,048	2,139	2,235	2,335	2,440	2,550
Other Assets	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Total Current Assets	16,754	19,025	19,267	20,990	23,995	28,111	33,418	39,235	45,928	52,766
Non-Current Assets										
Infrastructure, property, plant & Equipment	501,071	498,529	496,832	493,368	489,184	484,699	479,841	475,454	471,147	467,690
Investment Property	1,190	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	63	26	-	-	-	-	-	-	-	-
Total Non-Current Assets	502,324	498,555	496,832	493,368	489,184	484,699	479,841	475,454	471,147	467,690
LIABILITIES										
Current Liabilities										
Payables	2,339	2,397	2,457	2,519	2,582	2,646	2,713	2,780	2,850	2,921
Borrowings	62	62	62	62	8	-	-	-	-	-
Provisions	2,475	2,500	2,525	2,550	2,600	2,600	2,600	2,600	2,600	2,600
Total Current Liabilities	4,876	4,959	5,044	5,131	5,190	5,246	5,313	5,380	5,450	5,521
Non-Current Liabilities										
Borrowings	194	132	70	8	-	-	-	-	-	-
Provisions	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Total Non-Current Liabilities	7,356	7,294	7,232	7,170	7,162	7,162	7,162	7,162	7,162	7,162
Net Assets	506,847	505,327	503,823	502,057	500,828	500,401	500,785	502,147	504,463	507,773
EQUITY										
Retained Earnings	193,410	191,891	190,387	188,621	187,391	186,965	187,348	188,711	191,027	194,337
Revaluation Reserve	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436
Total Equity	506,846	505,327	503,823	502,057	500,827	500,401	500,784	502,147	504,463	507,773

GENERAL FUND - Scenario 1 – Towards Sustainability

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	12,189	12,612	13,028	13,461	13,870	14,284	14,711	15,151	15,604	16,070
User charges and fees	4,772	5,162	5,593	6,052	6,520	7,017	7,543	8,101	8,692	9,319
Investment and interest revenue received	760	781	803	825	850	875	901	928	956	985
Grants and Contributions	15,753	12,314	12,335	12,539	12,907	13,337	13,728	14,181	14,596	15,024
Other	1,373	551	564	577	595	612	631	650	669	689
Payments:										
Employee benefits and on-costs	9,761	10,041	10,328	10,625	10,890	11,163	11,442	11,728	12,021	12,321
Materials and Contracts	11,320	11,436	11,735	12,026	12,330	12,616	12,897	13,193	13,496	13,807
Borrowing Costs	27	22	20	18	2	0	0	0	0	0
Other	625	243	563	613	679	696	713	731	750	768
Net cash provided (or used in) operating activities	13,114	9,677	9,677	10,173	10,840	11,651	12,463	13,360	14,252	15,191
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	22,670	7,424	9,459	8,478	7,915	7,627	7,252	7,643	7,664	8,461
Net cash provided (or used in) investing activities	(22,670)	(7,424)	(9,459)	(8,478)	(7,915)	(7,627)	(7,252)	(7,643)	(7,664)	(8,461)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	62	62	62	62	8	0	0	0	0	0
Net cash flow provided (or used in) financing activities	(62)	(62)	(62)	(62)	(8)	0	0	0	0	0
Net increase/(decrease) in cash and cash equivalents	(9,618)	2,191	156	1,633	2,918	4,025	5,211	5,717	6,587	6,729
Plus: Cash and cash equivalents and investments - beginning of year	22,467	12,849	15,040	15,196	16,829	19,747	23,772	28,983	34,700	41,287
Cash and cash equivalents and investments - end of the year	12,849	15,040	15,196	16,829	19,747	23,772	28,983	34,700	41,287	48,017

GENERAL FUND - Scenario 1 – Towards Sustainability

Performance Ratios:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:										
Net Operating Result before Grants and Contributions	(8,406)	(7,348)	(7,160)	(7,437)	(7,063)	(6,477)	(5,840)	(5,089)	(4,318)	(3,512)
Total continuing operating revenue excluding capital grants	24,935	25,670	26,753	27,873	28,996	30,167	31,388	32,661	33,989	35,374
Operating Performance Ratio:	-33.7%	-28.6%	-26.8%	-26.7%	-24.4%	-21.5%	-18.6%	-15.6%	-12.7%	-9.9%
Own Source operating revenue ratio:										
Total continuing operating revenue excluding capital grants	18,389	19,186	20,074	21,005	21,922	22,880	23,883	24,931	26,027	27,173
Total continuing operating revenue	34,142	31,499	32,409	33,544	34,829	36,218	37,611	39,112	40,623	42,197
Own Source operating revenue ratio:	53.9%	60.9%	61.9%	62.6%	62.9%	63.2%	63.5%	63.7%	64.1%	64.4%
Debt Service cover ratio:										
Operating result before capital excluding interest and depreciation	3,167	3,829	4,016	4,524	5,038	5,635	6,269	6,941	7,653	8,407
Principal Repayments plus borrowing costs	89	84	82	80	10	0	0	0	0	0
Debt Service cover ratio:	35.5	45.6	49.0	56.5	503.8	0.0	0.0	0.0	0.0	0.0
Building & Infrastructure Asset Renewal Ratio:										
Asset Renewal	23,180	9,507	10,312	9,184	8,434	8,169	7,630	8,095	8,069	9,247
Depn, Amortisation and impairment	11,546	11,156	11,156	11,943	12,098	12,112	12,110	12,030	11,971	11,919
Building & Infrastructure Asset Renewal Ratio:	200.8%	85.2%	92.4%	76.9%	69.7%	67.4%	63.0%	67.3%	67.4%	77.6%

WATER FUND - Scenario 1 – Towards Sustainability

INCOME STATEMENT Year Ending	Budget	Projected Years									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations											
Revenue:											
Rates and Annual Charges	2,363	2,362	2,433	2,507	2,582	2,659	2,739	2,821	2,906	2,993	
User Charges and Fees	2,138	2,399	2,614	2,820	3,038	3,269	3,514	3,774	4,049	4,341	
Interest and Investment Revenue	209	215	222	228	47	39	31	32	33	38	
Other Revenues	0	0	0	0	0	0	0	0	0	0	
Grants and Contributions - Operating	0	0	0	0	0	0	0	0	0	0	
Grants and Contributions - Capital	1,465	15	16	16	17	17	18	18	19	19	
Total Income from Continuing Operations	6,175	4,992	5,284	5,571	5,683	5,984	6,302	6,646	7,007	7,391	
Expenses from Continuing Operations											
Employee Benefits and on-costs	957	994	1,032	1,072	1,099	1,126	1,154	1,183	1,213	1,243	
Borrowing Costs	601	580	561	536	531	506	483	448	429	410	
Materials and Contracts	1,572	1,641	1,712	1,774	1,811	1,850	1,889	1,929	1,969	2,011	
Depreciation and Amortisation	1,998	2,179	2,328	2,400	2,520	2,642	2,765	2,889	3,016	3,157	
Other Expenses	0	0	0	0	0	0	0	0	0	0	
Total Expenses from Continuing Operations	5,128	5,394	5,633	5,781	5,961	6,124	6,291	6,450	6,627	6,821	
Net Operating Result for the Year	1,047	(403)	(349)	(211)	(278)	(139)	11	196	380	570	
Net Operating Result before Grants and Contributions provided for Capital Purposes	(418)	(418)	(365)	(227)	(295)	(157)	(7)	178	361	551	

WATER FUND - Scenario 1 – Towards Sustainability


BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	8,537	5,933	4,314	4,066	3,846	3,862	4,117	4,835	5,469	6,447
Receivables	360	381	404	426	450	474	500	528	556	587
Other Assets	0	0	0	0	0	0	0	0	0	0
Total Current Assets	8,897	6,314	4,717	4,492	4,296	4,337	4,617	5,362	6,025	7,033
Non-Current Assets										
Infrastructure, property, plant & Equipment	99,427	101,607	102,945	103,019	102,999	102,880	102,673	102,182	101,967	101,597
Investment Property	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	99,427	101,607	102,945	103,019	102,999	102,880	102,673	102,182	101,967	101,597
LIABILITIES										
Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	370	389	414	438	462	496	340	359	380	204
Provisions	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	370	389	414	438	462	496	340	359	380	204
Non-Current Liabilities										
Borrowings	9,823	9,434	9,020	8,582	8,120	7,624	7,284	6,925	6,545	6,341
Provisions	0	0	0	0	0	0	0	0	0	0
Total Non-Current Liabilities	9,823	9,434	9,020	8,582	8,120	7,624	7,284	6,925	6,545	6,341
Net Assets	98,131	98,098	98,228	98,491	98,712	99,097	99,666	100,260	101,068	102,085
EQUITY										
Retained Earnings	57,404	57,001	56,653	56,442	56,164	56,024	56,035	56,231	56,611	57,181
Revaluation Reserve	40,727	41,097	41,575	42,050	42,549	43,072	43,631	44,029	44,456	44,904
Total Equity	98,131	98,098	98,228	98,491	98,712	99,097	99,666	100,260	101,068	102,085

WATER FUND - Scenario 1 – Towards Sustainability

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	2,344	2,341	2,410	2,484	2,559	2,635	2,713	2,794	2,877	2,963
User charges and fees	2,138	2,399	2,614	2,820	3,038	3,269	3,514	3,774	4,049	4,341
Investment and interest revenue received	209	215	222	228	47	39	31	32	33	38
Grants and Contributions	1,465	15	16	16	17	17	18	18	19	19
Other	0	0	0	0	0	0	0	0	0	0
Payments:										
Employee benefits and on-costs	957	994	1,032	1,072	1,099	1,126	1,154	1,183	1,213	1,243
Materials and Contracts	1,572	1,641	1,712	1,774	1,811	1,850	1,889	1,929	1,969	2,011
Borrowing Costs	601	580	561	536	531	506	483	448	429	410
Other	0	0	0	0	0	0	0	0	0	0
Net cash provided (or used in) operating activities	3,026	1,756	1,956	2,167	2,219	2,478	2,750	3,058	3,367	3,697
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	5,005	3,989	3,186	2,000	2,001	2,000	2,000	2,000	2,373	2,339
Net cash provided (or used in) investing activities	(5,005)	(3,989)	(3,186)	(2,000)	(2,001)	(2,000)	(2,000)	(2,000)	(2,373)	(2,339)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	348	370	389	414	438	462	496	340	359	380
Net cash flow provided (or used in) financing activities	(348)	(370)	(389)	(414)	(438)	(462)	(496)	(340)	(359)	(380)
Net increase/(decrease) in cash and cash equivalents	(2,327)	(2,604)	(1,620)	(247)	(220)	16	254	718	634	978
Plus: Cash and cash equivalents and investments - beginning of year	10,864	8,537	5,933	4,314	4,066	3,846	3,862	4,117	4,835	5,469
Cash and cash equivalents and investments - end of the year	8,537	5,933	4,314	4,066	3,846	3,862	4,117	4,835	5,469	6,447

WATER FUND - Scenario 1 – Towards Sustainability

Performance Ratios:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:										
Net Operating Result before Grants and Contributions	(418)	(418)	(365)	(227)	(295)	(157)	(7)	178	361	551
Total continuing operating revenue excluding capital grants	4,710	4,976	5,269	5,554	5,666	5,967	6,284	6,628	6,988	7,372
Operating Performance Ratio:	-8.9%	-8.4%	-6.9%	-4.1%	-5.2%	-2.6%	-0.1%	2.7%	5.2%	7.5%
Own Source operating revenue ratio:										
Total continuing operating revenue excluding capital grants	4,710	4,976	5,269	5,554	5,666	5,967	6,284	6,628	6,988	7,372
Total continuing operating revenue	6,175	4,992	5,284	5,571	5,683	5,984	6,302	6,646	7,007	7,391
Own Source operating revenue ratio:	76.3%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%
Debt Service cover ratio:										
Operating result before capital excluding interest payments	2,181	2,341	2,524	2,708	2,756	2,991	3,241	3,516	3,806	4,118
Principal Repayments plus borrowing costs	971	969	975	974	993	1,002	823	807	809	614
Debt Service cover ratio:	2.2	2.4	2.6	2.8	2.8	3.0	3.9	4.4	4.7	6.7
Building & Infrastructure Asset Renewal Ratio:										
Asset Renewal	5,005	3,990	3,187	2,000	2,000	2,000	2,000	2,000	2,373	2,339
Depn, Amortisation and impairment	1,998	2,179	2,328	2,400	2,520	2,642	2,765	2,889	3,016	3,157
Building & Infrastructure Asset Renewal Ratio:	250.5%	183.1%	136.9%	83.3%	79.4%	75.7%	72.3%	69.2%	78.7%	74.1%

The background of the slide features a minimalist, stylized landscape. It consists of several thick, dark grey curved lines that create a sense of rolling hills and valleys. On the right side of the image, there is a small, dark grey silhouette of a tree with a rounded canopy and a short trunk. The overall aesthetic is clean and modern, with a monochromatic color scheme of dark greys and blacks.

APPENDIX D: Scenario 2 – Sustainability

CONSOLIDATED FUND - Scenario 2 – Sustainability

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	16,281	16,802	21,102	23,598	24,306	25,035	25,786	26,560	27,357	28,177
User Charges and Fees	7,053	7,722	8,388	9,074	9,775	10,520	11,309	12,145	13,032	13,971
Interest and Investment Revenue	1,170	1,203	1,237	1,272	1,083	1,111	1,141	1,183	1,226	1,276
Other Revenues	573	551	564	577	595	612	631	650	669	689
Grants and Contributions - Operating	6,546	6,485	6,679	6,868	7,074	7,286	7,505	7,730	7,962	8,201
Grants and Contributions - Capital	20,628	11,948	5,674	5,690	5,853	6,071	6,244	6,472	6,656	6,845
Total Income from Continuing Operations	52,252	44,711	43,645	47,079	48,686	50,636	52,616	54,740	56,901	59,159
Expenses from Continuing Operations										
Employee Benefits and on-costs	11,058	11,375	11,701	12,037	12,329	12,629	12,936	13,251	13,574	13,905
Borrowing Costs	628	602	581	554	533	506	483	448	429	410
Materials and Contracts	13,387	13,647	14,024	14,367	14,693	15,026	15,368	15,718	16,077	16,444
Depreciation and Amortisation	14,424	14,487	14,988	16,122	16,718	17,229	17,777	18,321	18,895	19,506
Other Expenses	625	243	563	613	679	696	713	731	750	768
Total Expenses from Continuing Operations	40,122	40,354	41,857	43,692	44,953	46,086	47,277	48,470	49,725	51,033
Net Operating Result for the Year	12,129	4,357	1,788	3,387	3,734	4,550	5,339	6,270	7,176	8,126
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,498)	(7,591)	(3,886)	(2,303)	(2,119)	(1,521)	(905)	(202)	521	1,281

CONSOLIDATED FUND - Scenario 2 – Sustainability

BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	30,253	24,777	24,437	27,596	31,066	35,307	40,140	46,077	52,855	60,929
Receivables	2,196	2,290	2,760	3,052	3,195	3,345	3,500	3,662	3,830	4,006
Other Assets	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Total Current Assets	34,649	29,267	29,398	32,847	36,461	40,852	45,840	51,939	58,885	67,135
Non-Current Assets										
Infrastructure, property, plant & Equipment	634,359	645,345	647,052	647,013	647,184	647,400	647,817	648,057	648,354	648,303
Investment Property	1,190	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	63	26	0	0	0	0	0	0	0	0
Total Non-Current Assets	635,612	645,371	647,052	647,013	647,184	647,400	647,817	648,057	648,354	648,303
LIABILITIES										
Current Liabilities										
Payables	2,339	2,397	2,457	2,519	2,582	2,646	2,713	2,780	2,850	2,921
Borrowings	432	451	476	500	470	496	340	359	380	204
Provisions	2,475	2,500	2,525	2,550	2,600	2,600	2,600	2,600	2,600	2,600
Total Current Liabilities	5,246	5,348	5,458	5,569	5,652	5,742	5,653	5,739	5,830	5,725
Non-Current Liabilities										
Borrowings	10,017	9,566	9,090	8,590	8,120	7,624	7,284	6,925	6,545	6,341
Provisions	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Total Non-Current Liabilities	17,179	16,728	16,252	15,752	15,282	14,786	14,446	14,087	13,707	13,503
Net Assets	647,836	652,562	654,739	658,540	662,712	667,723	673,558	680,170	687,703	696,210
EQUITY										
Retained Earnings	277,034	281,391	283,179	286,566	290,299	294,849	300,188	306,457	313,634	321,760
Revaluation Reserve	370,801	371,171	371,560	371,974	372,412	372,874	373,370	373,710	374,069	374,449
Total Equity	647,835	652,562	654,739	658,540	662,711	667,723	673,558	680,167	687,703	696,209

CONSOLIDATED FUND - Scenario 2 – Sustainability

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	16,170	16,708	20,632	23,307	24,162	24,886	25,631	26,397	27,188	28,002
User charges and fees	7,053	7,722	8,388	9,074	9,775	10,520	11,309	12,145	13,032	13,971
Investment and interest revenue received	1,170	1,203	1,237	1,272	1,083	1,111	1,141	1,183	1,226	1,276
Grants and Contributions	27,174	18,432	12,353	12,558	12,927	13,357	13,749	14,202	14,618	15,046
Other	1,373	551	564	577	595	612	631	650	669	689
Payments:										
Employee benefits and on-costs	11,058	11,375	11,701	12,037	12,329	12,629	12,936	13,251	13,574	13,905
Materials and Contracts	13,325	13,527	13,913	14,281	14,634	14,970	15,302	15,650	16,007	16,373
Borrowing Costs	628	602	581	554	533	506	483	448	429	410
Other	625	243	563	613	679	696	713	731	750	768
Net cash provided (or used in) operating activities	27,304	18,870	16,417	19,304	20,368	21,685	23,027	24,496	25,973	27,527
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	41,327	23,914	16,306	15,669	16,452	16,982	17,697	18,219	18,835	19,073
Net cash provided (or used in) investing activities	(41,327)	(23,914)	(16,306)	(15,669)	(16,452)	(16,982)	(17,697)	(18,219)	(18,835)	(19,073)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	410	432	451	476	446	462	496	340	359	380
Net cash flow provided (or used in) financing activities	(410)	(432)	(451)	(476)	(446)	(462)	(496)	(340)	(359)	(380)
Net increase/(decrease) in cash and cash equivalents	(14,433)	(5,476)	(340)	3,158	3,470	4,241	4,833	5,937	6,778	8,074
Plus: Cash and cash equivalents and investments - beginning of year	44,686	30,253	24,777	24,437	27,596	31,066	35,307	40,140	46,077	52,855
Cash and cash equivalents and investments - end of the year	30,253	24,777	24,437	27,596	31,066	35,307	40,140	46,077	52,855	60,929

CONSOLIDATED FUND - Scenario 2 – Sustainability

[illegible]

GENERAL FUND - Scenario 2 – Sustainability

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	12,284	12,691	16,798	19,089	19,662	20,251	20,859	21,485	22,129	22,793
User Charges and Fees	4,772	5,162	5,593	6,052	6,520	7,017	7,543	8,101	8,692	9,319
Interest and Investment Revenue	760	781	803	825	850	875	901	928	956	985
Other Revenues	573	551	564	577	595	612	631	650	669	689
Grants and Contributions - Operating	6,546	6,485	6,679	6,868	7,074	7,286	7,505	7,730	7,962	8,201
Grants and Contributions - Capital	9,207	5,829	5,656	5,671	5,833	6,051	6,223	6,451	6,634	6,823
Total Income from Continuing Operations	34,142	31,499	36,093	39,082	40,534	42,093	43,663	45,345	47,043	48,810
Expenses from Continuing Operations										
Employee Benefits and on-costs	9,761	10,041	10,328	10,625	10,890	11,163	11,442	11,728	12,021	12,321
Borrowing Costs	27	22	20	18	2	-	-	-	-	-
Materials and Contracts	11,382	11,557	11,846	12,112	12,389	12,673	12,963	13,261	13,565	13,878
Depreciation and Amortisation	11,546	11,156	11,289	12,163	12,628	12,990	13,389	13,782	14,203	14,644
Other Expenses	625	243	563	613	679	696	713	731	750	768
Total Expenses from Continuing Operations	33,342	33,019	34,046	35,530	36,589	37,522	38,507	39,502	40,539	41,612
Net Operating Result for the Year	800	(1,519)	2,047	3,552	3,945	4,571	5,156	5,844	6,504	7,198
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,406)	(7,348)	(3,609)	(2,119)	(1,888)	(1,479)	(1,068)	(607)	(130)	376

GENERAL FUND - Scenario 2 – Sustainability

BALANCE SHEET Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	12,849	13,040	15,213	17,548	20,934	24,797	28,953	33,685	39,274	45,722
Receivables	1,706	1,785	2,239	2,514	2,618	2,727	2,840	2,959	3,082	3,211
Other Assets	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Total Current Assets	16,754	17,025	19,652	22,263	25,752	29,724	33,993	38,843	44,556	51,133
Non-Current Assets										
Infrastructure, property, plant & Equipment	501,071	500,529	499,999	500,964	501,471	502,127	503,080	504,141	505,002	505,695
Investment Property	1,190	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	63	26	-	-	-	-	-	-	-	-
Total Non-Current Assets	502,324	500,555	499,999	500,964	501,471	502,127	503,080	504,141	505,002	505,695
LIABILITIES										
Current Liabilities										
Payables	2,339	2,397	2,457	2,519	2,582	2,646	2,713	2,780	2,850	2,921
Borrowings	62	62	62	62	8	-	-	-	-	-
Provisions	2,475	2,500	2,525	2,550	2,600	2,600	2,600	2,600	2,600	2,600
Total Current Liabilities	4,876	4,959	5,044	5,131	5,190	5,246	5,313	5,380	5,450	5,521
Non-Current Liabilities										
Borrowings	194	132	70	8	-	-	-	-	-	-
Provisions	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Total Non-Current Liabilities	7,356	7,294	7,232	7,170	7,162	7,162	7,162	7,162	7,162	7,162
Net Assets	506,847	505,327	507,374	510,926	514,872	519,443	524,599	530,442	536,947	544,145
EQUITY										
Retained Earnings	193,410	191,891	193,938	197,490	201,435	206,007	211,162	217,006	223,510	230,708
Revaluation Reserve	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436	313,436
Total Equity	506,846	505,327	507,374	510,926	514,871	519,443	524,598	530,442	536,946	544,144

GENERAL FUND - Scenario 2 – Sustainability

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	12,189	12,612	16,344	18,814	19,558	20,143	20,746	21,366	22,006	22,664
User charges and fees	4,772	5,162	5,593	6,052	6,520	7,017	7,543	8,101	8,692	9,319
Investment and interest revenue received	760	781	803	825	850	875	901	928	956	985
Grants and Contributions	15,753	12,314	12,335	12,539	12,907	13,337	13,728	14,181	14,596	15,024
Other	1,373	551	564	577	595	612	631	650	669	689
Payments:										
Employee benefits and on-costs	9,761	10,041	10,328	10,625	10,890	11,163	11,442	11,728	12,021	12,321
Materials and Contracts	11,320	11,436	11,735	12,026	12,330	12,616	12,897	13,193	13,496	13,807
Borrowing Costs	27	22	20	18	2	-	-	-	-	-
Other	625	243	563	613	679	696	713	731	750	768
Net cash provided (or used in) operating activities	13,114	9,677	12,993	15,526	16,528	17,510	18,497	19,575	20,653	21,784
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	22,670	9,424	10,759	13,128	13,135	13,647	14,342	14,843	15,064	15,336
Net cash provided (or used in) investing activities	- 22,670	- 9,424	- 10,759	- 13,128	- 13,135	- 13,647	- 14,342	- 14,843	- 15,064	- 15,336
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of borrowings and advances	62	62	62	62	8	-	-	-	-	-
Net cash flow provided (or used in) financing activities	- 62	- 62	- 62	- 62	- 8	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	- 9,618	191	2,172	2,336	3,385	3,863	4,156	4,732	5,589	6,448
Plus: Cash and cash equivalents and investments - beginning of year	22,467	12,849	13,040	15,213	17,548	20,934	24,797	28,953	33,685	39,274
Cash and cash equivalents and investments - end of the year	12,849	13,040	15,213	17,548	20,934	24,797	28,953	33,685	39,274	45,722

GENERAL FUND - Scenario 2 – Sustainability

Performance Ratios:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Performance Ratio:										
Net Operating Result before Grants and Contributions	(8,406)	(7,348)	(3,609)	(2,119)	(1,888)	(1,479)	(1,068)	(607)	(130)	376
Total continuing operating revenue excluding capital	24,935	25,670	30,437	33,412	34,701	36,042	37,439	38,894	40,409	41,987
Operating Performance Ratio:	-33.7%	-28.6%	-11.9%	-6.3%	-5.4%	-4.1%	-2.9%	-1.6%	-0.3%	0.9%
Own Source operating revenue ratio:										
Total continuing operating revenue excluding capital	18,389	19,186	23,758	26,544	27,626	28,756	29,934	31,164	32,447	33,786
Total continuing operating revenue	34,142	31,499	36,093	39,082	40,534	42,093	43,663	45,345	47,043	48,810
Own Source operating revenue ratio:	53.9%	60.9%	65.8%	67.9%	68.2%	68.3%	68.6%	68.7%	69.0%	69.2%
Debt Service cover ratio:										
Operating result before capital excluding interest	3,167	3,829	7,700	10,062	10,742	11,511	12,321	13,175	14,073	15,020
Principal Repayments plus borrowing costs	89	84	82	80	10	0	0	0	0	0
Debt Service cover ratio:	35.5	45.6	93.9	125.8	1074.2	0.0	0.0	0.0	0.0	0.0
Building & Infrastructure Asset Renewal Ratio:										
Asset Renewal	23,180	11,257	11,362	13,584	13,404	13,889	14,420	14,945	15,119	15,772
Depn, Amortisation and impairment	11,546	11,156	11,289	12,163	12,628	12,990	13,389	13,782	14,203	14,644
Building & Infrastructure Asset Renewal Ratio:	200.8%	100.9%	100.6%	111.7%	106.1%	106.9%	107.7%	108.4%	106.4%	107.7%

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