



Liverpool Plains Shire Council

Long-Term Financial Plan 2024-2034



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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.

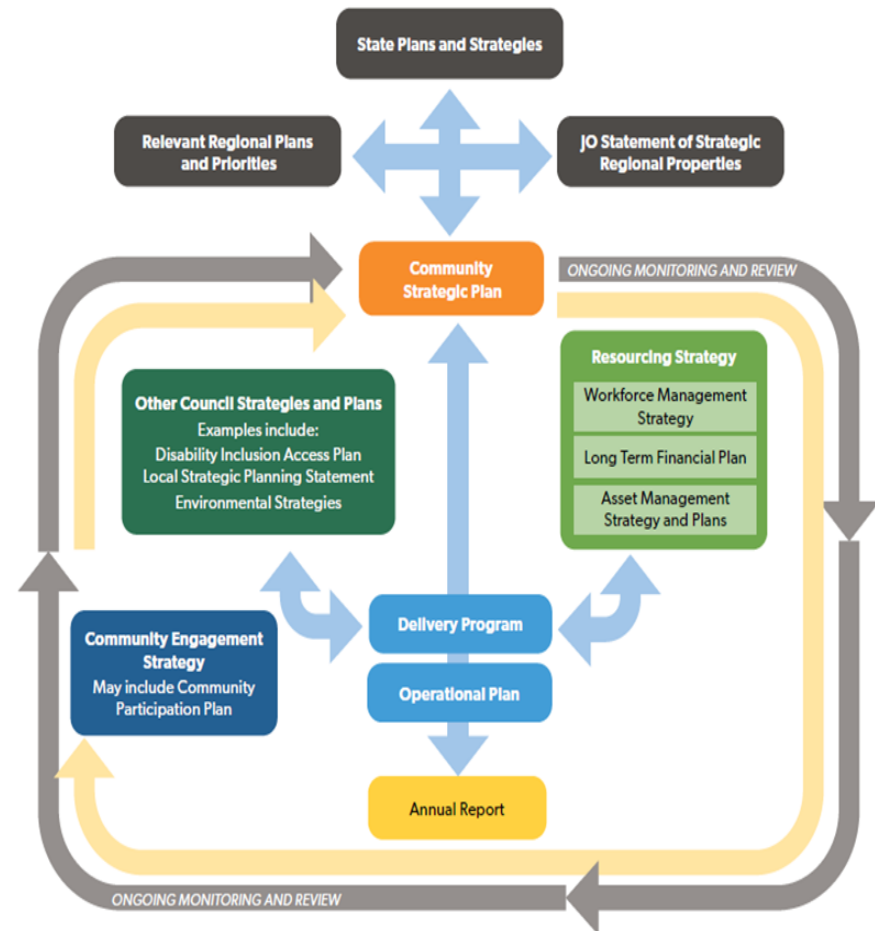
This LTFP reflects Council's intentions at the time of adoption and will be reviewed annually as part of Council's Integrated Planning and Reporting process to ensure that it reflects the prevailing internal and external environment. As with any plan or budget, the actual results may vary from that forecast.

Integrated Planning and Reporting

Our Strategic Approach

Integrated Planning and Reporting (IPR) is a strategic framework mandated by NSW Government legislation. The framework recognises local government's unique position of being a key advocate for community issues. A key requirement of this legislation is for councils and communities to work together to better to plan for the future.

Refer to the following diagram depicting the IPR cycle:



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 achieve a positive operating performance ratio, which includes the consolidation of Council's non road infrastructure assets, including sale of land not utilised effectively for provision of Council's current services and an improvement to the capitalisation methodology and 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 exclusively for the renewal of assets to achieve a balanced operating position.

One, consistent scenario for the Water Supply and 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 conservative estimated 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. Cash available at Year 10 is \$9.6 Million.

Alternative Scenario 1 – Asset Sales and Additional Grant Funding:

Models' additional revenue necessary to return Council to a positive Operating Performance Ratio by Year 10. Additional Capital grants revenue of \$2.6 Million and additional Operating grant revenue of \$3.5 Million over the ten years. 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 10 and the Asset Renewal Ratio is improved. Cash position improves to Year 10 at \$16.4 Million.

Alternative Scenario 2 – Towards Sustainability:

Model is based on Alternative Scenario 1 with the addition of a 17% permanent Special Rates Variation (SRV) implemented over two years. This Scenario will return Council to an Operating Surplus by 2032 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 over the first three years. Cash available at Year 10 is \$18.5 Million.

The Scenarios for the Water Fund and Sewer Fund are the same for all three Models, 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 2022-2023 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 (\$1.882 Million in 2022 and \$5.912 Million in 2022).
- Council's expenditure on renewing infrastructure, property, plant and equipment for the 2023 and 2022 financial years was significantly less than the depreciation expense. In 2023 Council invested \$8.381 Million in asset renewal compared to depreciation of \$13.113 Million, and in 2022 Council invested \$8.878 Million in asset renewal compared to depreciation of \$12.133 Million.
- Council's financial flexibility position is weak as indicated by the Operating Performance Ratio of negative 19.42 per cent and Own Source Operating Revenue Ratio 42.06 per cent. The Own Source Operating Revenue Ratio is at only 43.0 per cent of total revenue for the General Fund. 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 (8.09 times in 2022) 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 (15.03 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 2023 at 7.44 per cent (7.83 per cent in 2022).
- Council has estimated \$45.4 Million is required to bring assets to satisfactory standard being 6.25 per cent of Council's gross replacement cost.

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.

Scenario 2: Towards Sustainability includes half a percent efficiency benefit in Employee Benefit expenses from year 2026 to 2031.

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 2024-2025, the standard indexation rate used is 5 per cent, however, indexation for electricity at 10 per cent. Similarly, insurance is expected to increase by 10 per cent with cyber insurance by 25 per cent. Forward estimate years from 2026 to 2028 include indexation at 4% and the 3%, with future years indexed at 2.5 per cent for expenditure.

Capital works – increase to ongoing operating costs

Included in the Scenarios is the increase to water filtration costs. The commissioning of the Quipolly Water Filtration System occurred in Quarter 3 2023-2024 and thus estimates are yet to be verified.

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 2.5 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 \$350 thousand from 2026 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 2026 and remain constant in 2027 before increasing in line with expected CPI at 2.5 per cent thereafter. To ensure Council's Water Fund is sustainable, the usage per kilolitre rate will increase by approximately 30 per cent in 2025, 20 per cent in 2026, 7 per cent in 2027, 3 per cent in 2028 and 2.5 per cent thereafter.

Sewer Charges will increase by 7 per cent over the forward estimates of 2025 to 2028 and then increase by 2.5 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 2025 to 2028 is 5 per cent, then 2.5 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 2024-2025 consist of four projects, the redevelopment of Quirindi Aquatic Centre, the renewal of Quirindi Sewer Treatment Plant, the construction of the Willow Tree Landfill and creation of the Werris Creek Industrial Precinct Southern Access.

Capital Works Projections

LTFP - CAPITAL WORKS PROJECTIONS - Base Case Scenario

Year Ending	Budget	Projected Capital Expenditure								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Land	0	0	0	0	0	0	0	0	0	0
Buildings	371	260	205	517	523	187	30	132	98	282
Plant, Machinery and equipment	2,888	1,728	882	1,421	1,037	928	1,073	460	464	355
Fixtures, fittings and furniture	10	85	85	10	10	10	10	10	10	10
Computers and Communications	344	74	26	70	20	20	20	20	180	50
Roads	18,603	6,425	6,425	6,798	6,775	6,775	6,775	6,775	6,875	6,775
Bridges	463	0	0	0	0	0	0	0	0	0
Footpaths and Cycleways	95	80	80	95	95	95	95	95	95	95
Other Structures	11,762	53	95	51	274	211	56	213	189	734
Stormwater	135	100	100	135	135	135	135	135	135	135
Water	3,401	2,518	4,359	3,575	2,000	2,000	2,000	2,000	2,000	2,000
Sewer	14,407	8,786	2,366	2,361	541	1,316	1,336	1,356	1,377	1,398
Total Capital Works	52,479	20,110	14,623	15,033	11,411	11,677	11,530	11,196	11,423	11,834
Represented by:										
Renew	37,730	19,725	14,532	12,351	11,038	11,677	11,530	11,196	11,323	11,834
New	14,748	385	91	2,682	373	0	0	0	100	0
Total Capital Works	52,479	20,110	14,623	15,033	11,411	11,677	11,530	11,196	11,423	11,834

LTFP - CAPITAL WORKS PROJECTIONS - Scenario 1 - Asset Sales and Grant Funds

Year Ending	Budget	Projected Capital Expenditure								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Land	0	0	0	0	0	0	0	0	0	0
Buildings	371	460	405	717	723	387	230	332	298	482
Plant, Machinery and equipment	2,888	1,728	882	1,421	1,037	928	1,073	460	464	355
Fixtures, fittings and furniture	10	85	85	10	10	10	10	10	10	10
Computers and Communications	344	74	26	70	20	20	20	20	180	50
Roads	18,603	6,425	6,425	6,798	6,775	6,775	6,775	6,775	6,875	6,775
Bridges	463	0	0	0	0	0	0	0	0	0
Footpaths and Cycleways	95	80	80	95	95	95	95	95	95	95
Other Structures	11,762	153	195	151	394	331	156	333	189	734
Stormwater	135	100	100	135	135	135	135	135	135	135
Water	3,401	2,518	4,359	3,575	2,000	2,000	2,000	2,000	2,000	2,000
Sewer	14,407	8,786	2,366	2,361	541	1,316	1,336	1,356	1,377	1,398
Total Capital Works	52,479	20,410	14,923	15,333	11,731	11,997	11,830	11,516	11,623	12,034
Represented by:										
Renew	37,730	20,025	14,832	12,651	11,358	11,997	11,830	11,516	11,523	12,034
New	14,748	385	91	2,682	373	0	0	0	100	0
Total Capital Works	52,479	20,410	14,923	15,333	11,731	11,997	11,830	11,516	11,623	12,034

LTFP - CAPITAL WORKS PROJECTIONS - Scenario 2 - Scenario 1 plus SRV 17%

Year Ending	Budget	Projected Capital Expenditure								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Land	0	0	0	0	0	0	0	0	0	0
Buildings	371	460	711	1,309	1,316	979	822	924	890	1,075
Plant, Machinery and equipment	2,888	1,728	882	1,421	1,037	928	1,073	460	464	355
Fixtures, fittings and furniture	10	85	85	10	10	10	10	10	10	10
Computers and Communications	344	74	26	70	20	20	20	20	180	50
Roads	18,603	6,425	6,425	6,798	6,775	6,775	6,775	6,775	6,875	6,775
Bridges	463	0	0	0	0	0	0	0	0	0
Footpaths and Cycleways	95	80	80	95	95	95	95	95	95	95
Other Structures	11,762	153	500	744	986	923	749	926	781	1,326
Stormwater	135	100	100	135	135	135	135	135	135	135
Water	3,401	2,518	4,359	3,575	2,000	2,000	2,000	2,000	2,000	2,000
Sewer	14,407	8,786	2,366	2,361	541	1,316	1,336	1,356	1,377	1,398
Total Capital Works	52,479	20,410	15,535	16,517	12,915	13,182	13,014	12,701	12,807	13,219
Represented by:										
Renew	37,730	20,025	15,444	13,835	12,542	13,182	13,014	12,701	12,707	13,219
New	14,748	385	91	2,682	373	0	0	0	100	0
Total Capital Works	52,479	20,410	15,535	16,517	12,915	13,182	13,014	12,701	12,807	13,219

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 estimated 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. Cash available at Year 10 is \$9.6 Million.

Alternative Scenario 1 – Asset Sales and Additional Grant Funding: Models additional revenue necessary to return Council to a positive Operating Performance Ratio by Year 10. Additional Capital grants revenue of \$2.6 Million and additional Operating grant revenue of \$3.5 Million over the ten years. 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 10 and the Asset Renewal Ratio is improved. Cash position improves to Year 10 at \$16.4 Million.

Alternative Scenario 2 – Towards Sustainability: Model is based on Alternative Scenario 1 with the addition of a 17% permanent Special Rates Variation (SRV) implemented over two years. This Scenario will return Council to an Operating Surplus by 2032 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 over the first three years. Cash available at Year 10 is \$18.5 Million.

The Scenarios for the Water Fund and 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 2024-2025 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 2024-2025 of \$26.5 Million. The Net Operating Result before Grants and Contributions provided for capital purposes will result in a deficit of \$7.5 Million. Council's Operating Performance Ratio in 2024-2025 will be below benchmark at negative 23.4%.
- The Balance Sheet projects a decline in Council's cash position from \$32.3 Million at the beginning of the 2024 financial year to \$12.4 Million at the end of 2034 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 2024-2025 of \$23 Million. The Net Operating Result before Grants and Contributions provided for capital purposes will result in a deficit of \$3.4 Million. Council's Operating Performance Ratio in 2024-2025 will be below benchmark at negative 29%.
- The Balance Sheet projects a decline in Council's cash position from \$13.9 Million at the beginning of the 2024 financial year to \$7.7 Million at the end of 2034 financial year.

Analysis of Water Fund

- The Water Fund generates a modest deficit over the forward estimates for the next two years while Council transitions to a user pays system. To achieve a surplus position after capital grants and contributions from 2027 Council has determined an increase for water usage charges of 30% for Step 1 usage and 23% for Step 2 usage, while reducing the annual charge by 0.52% for 2024.2025. This planned transition to user pays has been implemented to improve future financial sustainability for the Water Fund.
- The cash position of the Water Fund remains stable over the next three years then gradually starts to increase as the fund returns to a profitable position from 2027.

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 Water Fund and 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 – Asset sales and additional grant funding

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

- Additional grant revenue added from 2026-2034 - \$2.56 Million
- Additional Operating Grant Revenue – as an outcome from the current review of NSW Council's Finances through IPART – 2026 \$0.35 Million. Total 10 year - \$3.484 Million
- Sale of Council's Investment Property in 2026 - \$1.19 Million
- Sale of Other Council Land and Property in 2026 \$0.4 Million, 2027 \$0.2 Million, 2028 \$0.1 Million
- Increased interest earned due to increased cash balance from above revenue
- Reduction in Depreciation – due to change in methodology - \$0.8 Million per annum

Analysis of Consolidated Position

- Initial operating result before grants remains static with each outgoing year gradually improving in the outer years and returning to a positive position by 2034.
- Council's cash position remains relatively unchanged as the reduction in grant revenue will be offset by an increase in other forms of revenue as they become available.
- The Balance Sheet projects similar results as the Base Case until 2028 where the additional revenue results in a steady increase in Council's cash position from \$13.6 Million in 2028-2029 to \$19.2 Million in 2033-2034

Alternative Scenario 2 – Asset sales and additional grant funding with 17% SRV

A 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 an added SRV of 17% over two years, 2027 at 9% and 2028 at 8%, plus:

- Savings in Employee Expenses and Materials Expenses at half a percent reduction from 2026 to 2031
- User charges increase from 2026 to 2028 at an additional 3%, bringing total to 10%
- There is no change from this Scenario to the 2025 Budget

This scenario brings Council Operating Performance Ratio back positive from 2032.

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 by 2031-2032, with the operating performance ratio returns to 1.3% in 2031-2032.
- Cash position improves over the long term and remains steady towards the outer years.

Summary

Alternative Scenario 2 towards is a long-term view to bring Council back to a positive operating result.

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 \$39.8 Million in cash and cash equivalents. Therefore, for every 1 per cent change in the interest earned, Council's revenue will be impacted by \$0.398 Million. The budget in 2024-2025 investment return is based on achieving an average of 3.5 per cent in 2025, then 3% for the forward estimates to 2028, then 2.5% thereafter.

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 \$0.94 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 \$0.05 Million.

Employee Costs

Given that Council's employee costs for 2024-2025 is estimated to be \$11.87 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 \$0.07 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 or mountains. 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								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	15,526	16,112	16,630	17,241	17,693	18,157	18,633	19,122	19,624	20,140
User Charges and Fees	6,478	6,943	7,386	7,742	7,987	8,239	8,499	8,768	9,045	9,332
Interest and Investment Revenue	571	420	360	276	283	290	297	304	312	320
Other Revenues	541	513	536	560	580	600	621	643	665	689
Grants and Contributions - Operating	8,866	8,500	8,813	8,974	9,288	9,613	9,950	10,298	10,658	11,032
Grants and Contributions - Capital	33,988	8,486	1,660	3,160	2,815	1,702	1,360	660	660	660
Total Income from Continuing Operations	65,970	40,974	35,384	37,953	38,645	38,601	39,360	39,795	40,965	42,171
Expenses from Continuing Operations										
Employee Benefits and on-costs	11,030	11,115	11,372	11,648	11,939	12,237	12,543	12,857	13,178	13,508
Borrowing Costs	778	733	692	657	609	568	531	484	453	422
Materials and Contracts	13,645	13,428	13,528	12,708	12,959	13,216	13,519	13,830	14,148	14,475
Depreciation and Amortisation	13,346	15,188	15,053	14,751	14,737	14,512	14,747	13,267	13,515	12,992
Other Expenses	658	678	698	716	733	752	771	790	810	830
Total Expenses from Continuing Operations	39,457	41,141	41,343	40,478	40,977	41,285	42,110	41,227	42,104	42,226
Net Operating Result for the Year	26,513	(168)	(5,959)	(2,525)	(2,331)	(2,684)	(2,750)	(1,432)	(1,138)	(54)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,475)	(8,653)	(7,619)	(5,685)	(5,146)	(4,386)	(4,110)	(2,092)	(1,798)	(714)

CONSOLIDATED - Base Case

BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	30,009	23,171	14,238	8,225	9,138	9,030	9,015	9,104	9,286	9,561
Receivables	2,088	2,105	2,132	2,158	2,240	2,325	2,409	2,497	2,585	2,675
Other Assets	200	200	200	200	200	200	200	200	200	200
Total Current Assets	32,297	25,475	16,569	10,583	11,578	11,554	11,624	11,801	12,071	12,436
Non-Current Assets										
Infrastructure, property, plant & Equipment	660,372	673,652	683,862	695,694	700,859	706,923	713,056	720,625	728,699	738,011
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	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	661,562	674,842	685,052	696,884	702,049	708,113	714,246	721,815	729,889	739,201
LIABILITIES										
Current Liabilities										
Payables	935	413	396	402	402	396	398	396	406	419
Borrowings	610	631	651	676	701	724	758	546	559	580
Provisions	3,550	2,650	1,794	1,839	1,885	1,932	1,980	2,029	2,080	2,132
Total Current Liabilities	5,095	3,694	2,840	2,917	2,988	3,052	3,136	2,972	3,045	3,131
Non-Current Liabilities										
Borrowings	10,629	10,116	9,588	9,043	8,479	7,900	7,294	6,998	6,615	6,218
Provisions	12,901	13,223	13,554	13,893	14,240	14,596	14,961	15,335	15,718	16,111
Total Non-Current Liabilities	23,530	23,339	23,142	22,936	22,719	22,496	22,255	22,333	22,333	22,329
Net Assets	665,235	673,285	675,639	681,615	687,921	694,119	700,479	708,311	716,581	726,176
EQUITY										
Retained Earnings	285,594	285,426	279,467	276,942	274,611	271,927	269,177	267,745	266,607	266,553
Revaluation Reserve	379,641	387,858	396,170	404,672	413,309	422,191	431,302	440,567	449,974	459,623
Total Equity	665,235	673,285	675,639	681,615	687,921	694,119	700,479	708,311	716,581	726,176

CONSOLIDATED - Base Case

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	15,485	16,096	16,603	17,214	17,611	18,072	18,549	19,034	19,536	20,049
User charges and fees	6,744	7,215	7,674	8,047	8,302	8,565	8,837	9,117	9,407	9,706
Investment and interest revenue received	571	420	360	276	283	290	297	304	312	320
Grants and Contributions	42,855	16,985	10,473	12,134	12,103	11,315	11,310	10,958	11,318	11,692
Other	6,065	3,225	2,714	2,703	2,465	2,351	2,143	2,089	1,929	1,947
Payments:										
Employee benefits and on-costs	11,030	11,115	11,372	11,648	11,939	12,237	12,543	12,857	13,178	13,508
Materials and Contracts	13,833	16,325	18,047	16,973	14,125	14,411	14,733	15,076	15,411	15,763
Borrowing Costs	778	733	692	657	609	568	531	484	453	422
Other	698	718	740	758	777	797	817	837	858	880
Net cash provided (or used in) operating activities	45,381	15,050	6,973	10,338	13,314	12,580	12,511	12,248	12,602	13,142
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	56,587	21,278	15,275	15,700	11,724	11,987	11,802	11,457	11,880	12,308
Net cash provided (or used in) investing activities	(56,587)	(21,278)	(15,275)	(15,700)	(11,724)	(11,987)	(11,802)	(11,457)	(11,880)	(12,308)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	2,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	586	610	631	651	676	701	724	702	540	559
Net cash flow provided (or used in) financing activities	1,414	(610)	(631)	(651)	(676)	(701)	(724)	(702)	(540)	(559)
Net increase/(decrease) in cash and cash equivalents	(9,791)	(6,838)	(8,933)	(6,012)	914	(109)	(15)	89	182	275
Plus: Cash and cash equivalents and investments - beginning of year	39,800	30,009	23,171	14,238	8,225	9,138	9,030	9,015	9,104	9,286
Cash and cash equivalents and investments - end of the year	30,009	23,171	14,238	8,225	9,139	9,029	9,015	9,104	9,286	9,561

CONSOLIDATED - Base Case

Performance Ratios:

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Performance Ratio:	-23.4%	-26.6%	-22.6%	-16.3%	-14.4%	-11.9%	-10.8%	-5.3%	-4.5%	-1.7%
Own Source operating revenue ratio:	35.0%	58.5%	70.4%	68.0%	68.7%	70.7%	71.3%	72.5%	72.4%	72.3%
Debt Service cover ratio:	4.8	5.3	6.1	7.3	7.8	8.3	8.7	11.3	12.0	12.7
Building & Infrastructure Asset Renewal Ratio:	278.6%	126.0%	92.5%	79.5%	70.5%	75.8%	73.4%	78.9%	79.5%	86.5%

GENERAL FUND - Base Case

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	11,644	12,130	12,534	12,951	13,296	13,650	14,014	14,387	14,771	15,165
User Charges and Fees	4,440	4,529	4,804	5,074	5,252	5,436	5,626	5,823	6,027	6,238
Interest and Investment Revenue	225	200	200	200	205	210	215	221	226	232
Other Revenues	541	513	536	560	580	600	621	643	665	689
Grants and Contributions - Operating	8,866	8,500	8,813	8,974	9,288	9,613	9,950	10,298	10,658	11,032
Grants and Contributions - Capital	23,280	1,630	1,630	1,130	2,428	1,672	1,330	630	630	630
Total Income from Continuing Operations	48,995	27,502	28,517	28,890	31,049	31,181	31,756	32,002	32,978	33,985
Expenses from Continuing Operations										
Employee Benefits and on-costs	9,827	9,896	10,135	10,381	10,640	10,906	11,179	11,459	11,745	12,039
Borrowing Costs	156	129	110	94	78	62	48	36	24	12
Materials and Contracts	11,433	11,143	11,179	10,304	10,497	10,694	10,936	11,184	11,438	11,698
Depreciation and Amortisation	11,109	12,611	12,454	12,037	11,981	11,717	11,935	10,392	10,574	10,116
Other Expenses	658	678	698	716	733	752	771	790	810	830
Total Expenses from Continuing Operations	33,183	34,456	34,576	33,531	33,929	34,131	34,869	33,860	34,591	34,694
Net Operating Result for the Year	15,812	(6,954)	(6,059)	(4,641)	(2,880)	(2,950)	(3,113)	(1,858)	(1,613)	(709)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,467)	(8,584)	(7,689)	(5,771)	(5,308)	(4,622)	(4,443)	(2,488)	(2,243)	(1,339)

GENERAL FUND - Base Case

BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	18,024	13,086	8,138	3,189	3,369	3,546	3,722	3,897	4,069	4,240
Receivables	1,608	1,666	1,734	1,803	1,855	1,909	1,964	2,021	2,080	2,140
Other Assets	200	200	200	200	200	200	200	200	200	200
Total Current Assets	19,832	14,952	10,072	5,192	5,423	5,655	5,886	6,118	6,349	6,580
Non-Current Assets										
Infrastructure, property, plant & Equipment	501,999	506,268	512,181	520,644	525,961	531,420	536,946	543,952	551,504	560,209
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	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	503,189	507,458	513,371	521,834	527,151	532,610	538,136	545,142	552,694	561,399
LIABILITIES										
Current Liabilities										
Payables	935	413	396	402	402	396	398	396	406	419
Borrowings	262	262	262	262	262	262	262	206	200	200
Provisions	3,550	2,650	1,794	1,839	1,885	1,932	1,980	2,029	2,080	2,132
Total Current Liabilities	4,747	3,325	2,451	2,503	2,549	2,590	2,640	2,632	2,686	2,751
Non-Current Liabilities										
Borrowings	2,178	1,916	1,654	1,392	1,130	868	606	400	200	0
Provisions	12,901	13,223	13,554	13,893	14,240	14,596	14,961	15,335	15,718	16,111
Total Non-Current Liabilities	15,079	15,139	15,208	15,285	15,370	15,464	15,567	15,735	15,918	16,111
Net Assets	503,195	503,946	505,785	509,239	514,656	520,211	525,816	532,893	540,438	549,117
EQUITY										
Retained Earnings	194,997	188,043	181,984	177,343	174,463	171,513	168,400	166,542	164,929	164,219
Revaluation Reserve	308,198	315,903	323,801	331,896	340,193	348,698	357,415	366,351	375,509	384,897
Total Equity	503,195	503,946	505,785	509,239	514,656	520,211	525,816	532,893	540,438	549,117

GENERAL FUND - Base Case

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	11,567	12,073	12,466	12,883	13,244	13,596	13,958	14,330	14,712	15,105
User charges and fees	4,706	4,801	5,092	5,379	5,567	5,762	5,964	6,172	6,388	6,612
Investment and interest revenue received	225	200	200	200	205	210	215	221	226	232
Grants and Contributions	32,146	10,130	10,443	10,104	11,716	11,285	11,280	10,928	11,288	11,662
Other	4,293	2,034	1,931	1,988	2,052	1,865	1,652	1,593	1,411	1,423
Payments:										
Employee benefits and on-costs	9,827	9,896	10,135	10,381	10,640	10,906	11,179	11,459	11,745	12,039
Materials and Contracts	11,421	13,834	15,487	14,353	11,442	11,663	11,918	12,192	12,457	12,736
Borrowing Costs	156	129	110	94	78	62	48	36	24	12
Other	698	718	740	758	777	797	817	837	858	880
Net cash provided (or used in) operating activities	30,835	4,660	3,661	4,967	9,847	9,290	9,107	8,720	8,943	9,367
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	37,530	9,336	8,347	9,653	9,406	8,851	8,669	8,340	8,570	8,996
Net cash provided (or used in) investing activities	(37,530)	(9,336)	(8,347)	(9,653)	(9,406)	(8,851)	(8,669)	(8,340)	(8,570)	(8,996)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	2,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	262	262	262	262	262	262	262	206	200	200
Net cash flow provided (or used in) financing activities	1,738	(262)	(262)	(262)	(262)	(262)	(262)	(206)	(200)	(200)
Net increase/(decrease) in cash and cash equivalents	(4,957)	(4,938)	(4,948)	(4,948)	180	177	176	175	173	171
Plus: Cash and cash equivalents and investments - beginning of year	22,981	18,024	13,086	8,138	3,189	3,369	3,546	3,722	3,897	4,069
Cash and cash equivalents and investments - end of the year	18,024	13,086	8,138	3,190	3,369	3,546	3,722	3,897	4,069	4,240

GENERAL FUND - Base Case

Performance Ratios:

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Performance Ratio:	-29.0%	-33.2%	-28.6%	-20.8%	-18.5%	-15.7%	-14.6%	-7.9%	-6.9%	-4.0%
Own Source operating revenue ratio:	34.4%	63.2%	63.4%	65.0%	62.3%	63.8%	64.5%	65.9%	65.8%	65.7%
Debt Service cover ratio:	9.1	10.6	13.1	17.9	19.9	22.1	24.3	32.8	37.3	41.5
Building & Infrastructure Asset Renewal Ratio:	184.0%	67.1%	60.9%	73.6%	72.1%	69.3%	66.7%	73.2%	72.9%	81.0%

WATER FUND - Base Case

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	2,386	2,380	2,380	2,452	2,513	2,576	2,640	2,706	2,774	2,843
User Charges and Fees	1,876	2,241	2,396	2,470	2,531	2,595	2,660	2,726	2,794	2,864
Interest and Investment Revenue	114	69	69	39	40	41	42	43	44	45
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	740	740	15	2,015	372	15	15	15	15	15
Total Income from Continuing Operations	5,116	5,429	4,859	6,975	5,456	5,226	5,357	5,490	5,627	5,767
Expenses from Continuing Operations										
Employee Benefits and on-costs	883	892	901	922	945	969	993	1,018	1,043	1,069
Borrowing Costs	622	604	582	563	531	506	483	448	429	410
Materials and Contracts	1,655	1,708	1,751	1,790	1,834	1,878	1,924	1,971	2,019	2,068
Depreciation and Amortisation	1,429	1,609	1,592	1,661	1,692	1,720	1,714	1,750	1,789	1,815
Other Expenses	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	4,589	4,813	4,827	4,936	5,002	5,073	5,114	5,187	5,280	5,362
Net Operating Result for the Year	527	616	33	2,039	454	153	243	303	347	405
Net Operating Result before Grants and Contributions provided for Capital Purposes	(213)	(124)	18	24	82	138	228	288	332	390

WATER FUND - Base Case

BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	5,306	5,049	2,350	2,512	2,644	2,502	2,444	2,482	2,603	2,808
Receivables	326	290	255	217	231	247	262	277	292	307
Other Assets	0	0	0	0	0	0	0	0	0	0
Total Current Assets	5,632	5,339	2,605	2,730	2,876	2,749	2,706	2,759	2,894	3,115
Non-Current Assets										
Infrastructure, property, plant & Equipment	124,195	125,168	128,044	130,048	130,406	130,736	131,072	131,372	131,633	131,868
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	124,195	125,168	128,044	130,048	130,406	130,736	131,072	131,372	131,633	131,868
LIABILITIES										
Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	348	369	389	414	439	462	496	340	359	380
Provisions	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	348	369	389	414	439	462	496	340	359	380
Non-Current Liabilities										
Borrowings	8,451	8,200	7,934	7,651	7,349	7,032	6,688	6,598	6,415	6,218
Provisions	0	0	0	0	0	0	0	0	0	0
Total Non-Current Liabilities	8,451	8,200	7,934	7,651	7,349	7,032	6,688	6,598	6,415	6,218
Net Assets	121,028	121,938	122,326	124,712	125,494	125,991	126,594	127,193	127,754	128,384
EQUITY										
Retained Earnings	66,293	66,909	66,942	68,982	69,436	69,589	69,832	70,135	70,482	70,887
Revaluation Reserve	54,735	55,028	55,383	55,731	56,058	56,402	56,762	57,058	57,272	57,498
Total Equity	121,028	121,938	122,326	124,712	125,494	125,991	126,594	127,193	127,754	128,384

WATER FUND - Base Case

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	2,417	2,416	2,415	2,489	2,499	2,560	2,625	2,691	2,759	2,828
User charges and fees	1,876	2,241	2,396	2,470	2,531	2,595	2,660	2,726	2,794	2,864
Investment and interest revenue received	114	69	69	39	40	41	42	43	44	45
Grants and Contributions	740	740	15	2,015	372	15	15	15	15	15
Other	426	349	517	448	308	310	312	313	331	334
Payments:										
Employee benefits and on-costs	883	892	901	922	945	969	993	1,018	1,043	1,069
Materials and Contracts	1,804	1,862	1,909	1,951	1,999	2,047	2,097	2,148	2,201	2,254
Borrowing Costs	622	604	582	563	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	2,264	2,457	2,020	4,024	2,275	1,998	2,080	2,173	2,270	2,353
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	3,354	2,366	4,350	3,473	1,729	1,701	1,676	1,639	1,809	1,789
Net cash provided (or used in) investing activities	(3,354)	(2,366)	(4,350)	(3,473)	(1,729)	(1,701)	(1,676)	(1,639)	(1,809)	(1,789)
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	324	348	369	389	414	439	462	496	340	359
Net cash flow provided (or used in) financing activities	(324)	(348)	(369)	(389)	(414)	(439)	(462)	(496)	(340)	(359)
Net increase/(decrease) in cash and cash equivalents	(1,413)	(257)	(2,699)	162	132	(142)	(58)	38	121	205
Plus: Cash and cash equivalents and investments - beginning of year	6,719	5,306	5,049	2,350	2,512	2,644	2,502	2,444	2,482	2,603
Cash and cash equivalents and investments - end of the year	5,306	5,049	2,350	2,512	2,644	2,502	2,444	2,482	2,603	2,808

WATER FUND - Base Case

Performance Ratios:

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Performance Ratio:	-4.9%	-2.6%	0.4%	0.5%	1.6%	2.7%	4.3%	5.3%	5.9%	6.8%
Own Source operating revenue ratio:	85.5%	86.4%	99.7%	71.1%	93.2%	99.7%	99.7%	99.7%	99.7%	99.7%
Debt Service cover ratio:	1.9	2.1	2.3	2.3	2.4	2.4	2.5	3.2	3.2	3.3
Building & Infrastructure Asset Renewal Ratio:	162.7%	133.9%	249.6%	30.4%	71.7%	90.8%	89.8%	86.0%	92.8%	90.4%

SEWER FUND - Base Case

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	1,496	1,603	1,716	1,838	1,884	1,931	1,979	2,029	2,079	2,131
User Charges and Fees	162	173	185	198	203	208	214	219	224	230
Interest and Investment Revenue	232	151	91	37	38	39	40	41	42	43
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	9,969	6,116	15	15	15	15	15	15	15	15
Total Income from Continuing Operations	11,859	8,043	2,008	2,088	2,140	2,193	2,248	2,303	2,361	2,419
Expenses from Continuing Operations										
Employee Benefits and on-costs	320	328	336	345	353	362	371	380	390	400
Borrowing Costs	0	0	0	0	0	0	0	0	0	0
Materials and Contracts	558	577	597	613	628	643	659	675	691	708
Depreciation and Amortisation	808	968	1,007	1,054	1,064	1,075	1,098	1,125	1,151	1,061
Other Expenses	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	1,685	1,873	1,940	2,012	2,045	2,080	2,128	2,180	2,233	2,169
Net Operating Result for the Year	10,174	6,170	68	77	95	113	119	123	128	250
Net Operating Result before Grants and Contributions provided for Capital Purposes	205	54	53	62	80	98	104	108	113	235

SEWER FUND - Base Case

BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	6,679	5,035	3,749	2,523	3,125	2,982	2,849	2,726	2,614	2,512
Receivables	154	149	143	139	154	169	183	199	213	228
Other Assets	0	0	0	0	0	0	0	0	0	0
Total Current Assets	6,833	5,184	3,892	2,661	3,279	3,151	3,032	2,924	2,827	2,741
Non-Current Assets										
Infrastructure, property, plant & Equipment	34,178	42,216	43,635	45,001	44,492	44,766	45,037	45,303	45,562	45,934
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	34,178	42,216	43,635	45,001	44,492	44,766	45,037	45,303	45,562	45,934
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	41,011	47,400	47,527	47,663	47,771	47,917	48,070	48,227	48,389	48,675
EQUITY										
Retained Earnings	24,304	30,473	30,541	30,618	30,712	30,825	30,945	31,068	31,196	31,446
Revaluation Reserve	16,707	16,927	16,986	17,045	17,059	17,092	17,125	17,159	17,193	17,228
Total Equity	41,011	47,400	47,527	47,663	47,771	47,917	48,070	48,227	48,389	48,675

SEWER FUND - Base Case

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	1,501	1,608	1,722	1,842	1,869	1,916	1,965	2,013	2,065	2,117
User charges and fees	162	173	185	198	203	208	214	219	224	230
Investment and interest revenue received	232	151	91	37	38	39	40	41	42	43
Grants and Contributions	9,969	6,116	15	15	15	15	15	15	15	15
Other	1,347	843	267	268	105	176	180	183	186	190
Payments:										
Employee benefits and on-costs	320	328	336	345	353	362	371	380	390	400
Materials and Contracts	608	629	651	669	685	701	718	736	754	772
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	12,282	7,933	1,293	1,347	1,192	1,291	1,323	1,355	1,389	1,423
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	15,703	9,577	2,579	2,573	590	1,435	1,456	1,478	1,501	1,524
Net cash provided (or used in) investing activities	(15,703)	(9,577)	(2,579)	(2,573)	(590)	(1,435)	(1,456)	(1,478)	(1,501)	(1,524)
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	(3,421)	(1,644)	(1,286)	(1,226)	602	(144)	(133)	(123)	(112)	(101)
Plus: Cash and cash equivalents and investments - beginning of year	10,100	6,679	5,035	3,749	2,523	3,125	2,982	2,849	2,726	2,614
Cash and cash equivalents and investments - end of the year	6,679	5,035	3,749	2,523	3,125	2,982	2,849	2,726	2,614	2,512

SEWER FUND - Base Case

Performance Ratios:

Operating Performance Ratio:

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
10.9%	2.8%	2.6%	3.0%	3.7%	4.5%	4.7%	4.7%	4.8%	9.8%

Own Source operating revenue ratio:

15.9%	24.0%	99.3%	99.3%	99.3%	99.3%	99.3%	99.3%	99.4%	99.4%
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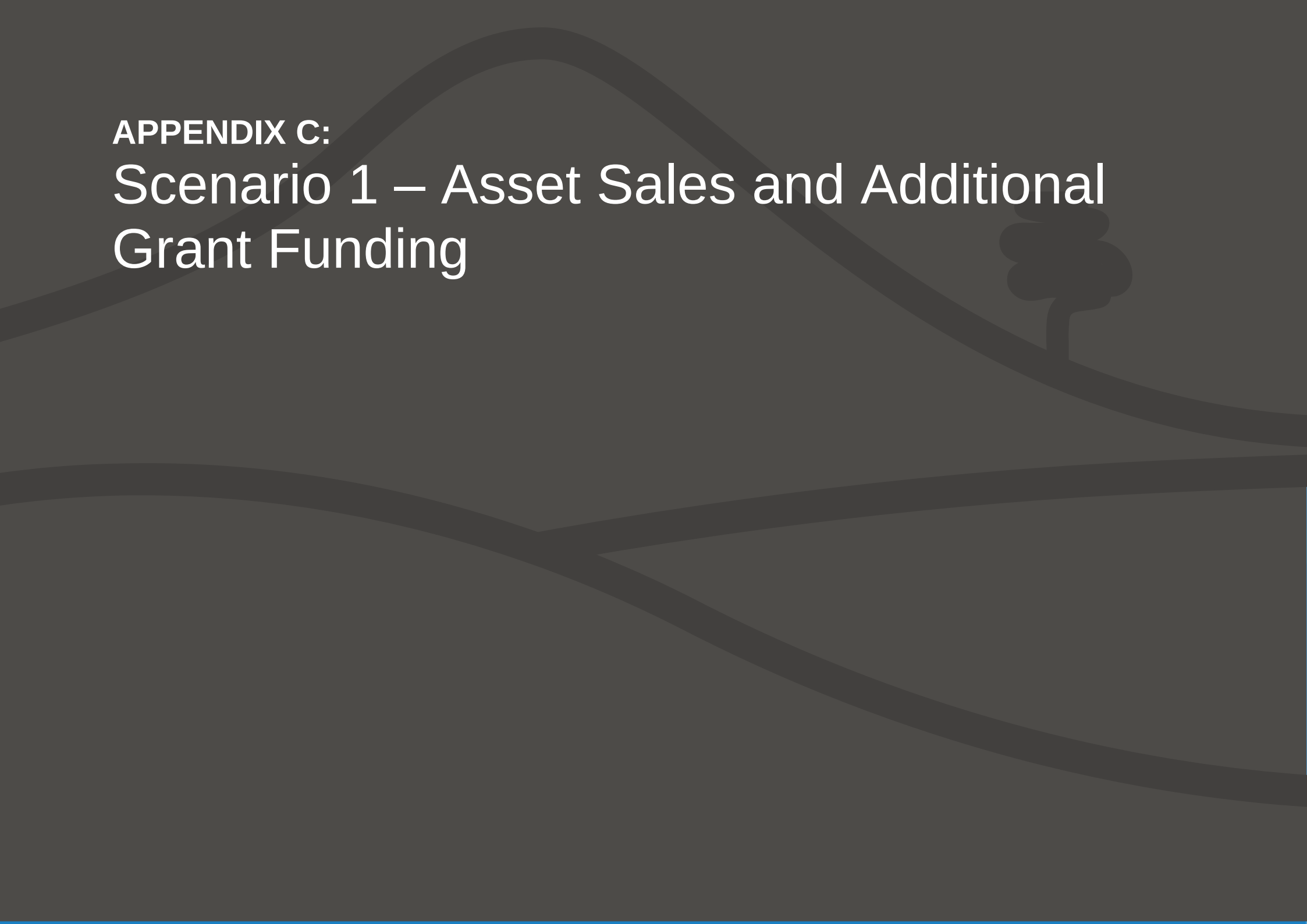
Debt Service cover ratio:

0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Building & Infrastructure Asset Renewal Ratio:

1783.8%	881.7%	235.0%	224.1%	50.9%	122.5%	121.7%	120.6%	119.6%	131.7%
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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 upper half, there is a small, dark gray silhouette of a tree with a rounded canopy and a short trunk. The overall color palette is monochromatic, using various shades of gray against a dark background.

APPENDIX C:

Scenario 1 – Asset Sales and Additional Grant Funding

CONSOLIDATED - Scenario 1 – Asset Sales and Additional Grant Funding

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	15,526	16,112	16,630	17,241	17,693	18,157	18,633	19,122	19,624	20,140
User Charges and Fees	6,478	6,943	7,386	7,742	7,987	8,239	8,499	8,768	9,045	9,332
Interest and Investment Revenue	571	432	384	311	330	353	378	407	439	474
Other Revenues	541	913	736	660	580	600	621	643	665	689
Grants and Contributions - Operating	8,866	8,850	9,172	9,342	9,665	10,000	10,346	10,704	11,075	11,458
Grants and Contributions - Capital	33,988	8,786	1,960	3,460	3,135	2,022	1,660	980	860	860
Total Income from Continuing Operations	65,970	42,036	36,267	38,757	39,390	39,370	40,138	40,624	41,708	42,952
Expenses from Continuing Operations										
Employee Benefits and on-costs	11,030	11,115	11,372	11,648	11,939	12,237	12,543	12,857	13,178	13,508
Borrowing Costs	778	733	692	657	609	568	531	484	453	422
Materials and Contracts	13,645	13,428	13,528	12,708	12,959	13,216	13,519	13,830	14,148	14,475
Depreciation and Amortisation	13,346	14,378	14,240	13,937	13,937	13,712	13,947	12,467	12,715	12,192
Other Expenses	658	678	698	716	733	752	771	790	810	830
Total Expenses from Continuing Operations	39,457	40,331	40,530	39,665	40,177	40,485	41,310	40,427	41,304	41,426
Net Operating Result for the Year	26,513	1,704	(4,264)	(908)	(787)	(1,115)	(1,173)	197	405	1,527
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,475)	(7,081)	(6,224)	(4,368)	(3,922)	(3,136)	(2,833)	(783)	(455)	667

CONSOLIDATED - Scenario 1 – Asset Sales and Additional Grant Funding

BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	30,009	23,657	15,228	9,728	11,163	11,739	12,537	13,580	14,855	16,383
Receivables	2,088	2,105	2,132	2,158	2,240	2,325	2,409	2,497	2,585	2,675
Other Assets	200	200	200	200	200	200	200	200	200	200
Total Current Assets	32,297	25,962	17,559	12,086	13,603	14,263	15,146	16,277	17,640	19,258
Non-Current Assets										
Infrastructure, property, plant & Equipment	660,372	676,227	687,627	700,564	706,752	713,702	720,600	728,845	737,368	747,006
Investment Property	1,190	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	661,562	676,227	687,627	700,564	706,752	713,702	720,600	728,845	737,368	747,006
LIABILITIES										
Current Liabilities										
Payables	935	413	396	402	402	396	398	396	406	419
Borrowings	610	631	651	676	701	724	758	546	559	580
Provisions	3,550	2,650	1,794	1,839	1,885	1,932	1,980	2,029	2,080	2,132
Total Current Liabilities	5,095	3,694	2,840	2,917	2,988	3,052	3,136	2,972	3,045	3,131
Non-Current Liabilities										
Borrowings	10,629	10,116	9,588	9,043	8,479	7,900	7,294	6,998	6,615	6,218
Provisions	12,901	13,223	13,554	13,893	14,240	14,596	14,961	15,335	15,718	16,111
Total Non-Current Liabilities	23,530	23,339	23,142	22,936	22,719	22,496	22,255	22,333	22,333	22,329
Net Assets	665,235	675,156	679,204	686,798	694,649	702,417	710,355	719,817	729,629	740,804
EQUITY										
Retained Earnings	285,594	287,298	283,034	282,127	281,340	280,225	279,053	279,249	279,654	281,181
Revaluation Reserve	379,641	387,858	396,170	404,672	413,309	422,191	431,302	440,567	449,974	459,623
Total Equity	665,235	675,156	679,204	686,798	694,649	702,417	710,355	719,817	729,629	740,804

CONSOLIDATED - Scenario 1 – Asset Sales and Additional Grant Funding

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	15,485	16,096	16,603	17,214	17,611	18,072	18,549	19,034	19,536	20,049
User charges and fees	6,744	7,215	7,674	8,047	8,302	8,565	8,837	9,117	9,407	9,706
Investment and interest revenue received	571	432	384	311	330	353	378	407	439	474
Grants and Contributions	42,855	17,635	11,132	12,802	12,800	12,021	12,006	11,684	11,935	12,318
Other	6,065	3,350	2,835	2,812	2,563	2,585	2,479	2,534	2,479	2,619
Payments:										
Employee benefits and on-costs	11,030	11,115	11,372	11,648	11,939	12,237	12,543	12,857	13,178	13,508
Materials and Contracts	13,833	16,325	18,047	16,973	14,125	14,411	14,733	15,076	15,411	15,763
Borrowing Costs	778	733	692	657	609	568	531	484	453	422
Other	698	718	740	758	777	797	817	837	858	880
Net cash provided (or used in) operating activities	45,381	15,837	7,776	11,150	14,156	13,583	13,624	13,522	13,895	14,595
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	56,587	21,578	15,575	16,000	12,044	12,307	12,102	11,777	12,080	12,508
Net cash provided (or used in) investing activities	(56,587)	(21,578)	(15,575)	(16,000)	(12,044)	(12,307)	(12,102)	(11,777)	(12,080)	(12,508)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	2,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	586	610	631	651	676	701	724	702	540	559
Net cash flow provided (or used in) financing activities	1,414	(610)	(631)	(651)	(676)	(701)	(724)	(702)	(540)	(559)
Net increase/(decrease) in cash and cash equivalents	(9,791)	(6,351)	(8,430)	(5,500)	1,436	575	798	1,043	1,275	1,528
Plus: Cash and cash equivalents and investments - beginning of year	39,800	30,009	23,657	15,228	9,728	11,163	11,739	12,537	13,580	14,855
Cash and cash equivalents and investments - end of the year	30,009	23,657	15,228	9,728	11,163	11,739	12,537	13,580	14,855	16,383

CONSOLIDATED - Scenario 1 – Asset Sales and Additional Grant Funding

Performance Ratios:	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Performance Ratio:	-23.4%	-21.3%	-18.1%	-12.4%	-10.8%	-8.4%	-7.4%	-2.0%	-1.1%	1.6%
Own Source operating revenue ratio:	35.0%	58.0%	69.3%	67.0%	67.5%	69.5%	70.1%	71.2%	71.4%	71.3%
Debt Service cover ratio:	4.8	5.9	6.5	7.7	8.1	8.6	9.0	11.8	12.6	13.3
Building & Infrastructure Asset Renewal Ratio:	278.6%	135.2%	99.9%	86.3%	76.8%	82.6%	79.8%	86.5%	86.1%	93.8%

GENERAL FUND - Scenario 1 – Asset Sales and Additional Grant Funding

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	11,644	12,130	12,534	12,951	13,296	13,650	14,014	14,387	14,771	15,165
User Charges and Fees	4,440	4,529	4,804	5,074	5,252	5,436	5,626	5,823	6,027	6,238
Interest and Investment Revenue	225	212	224	236	253	273	297	323	353	386
Other Revenues	541	913	736	660	580	600	621	643	665	689
Grants and Contributions - Operating	8,866	8,850	9,172	9,342	9,665	10,000	10,346	10,704	11,075	11,458
Grants and Contributions - Capital	23,280	1,930	1,930	1,430	2,748	1,992	1,630	950	830	830
Total Income from Continuing Operations	48,995	28,564	29,399	29,694	31,794	31,951	32,533	32,830	33,721	34,766
Expenses from Continuing Operations										
Employee Benefits and on-costs	9,827	9,896	10,135	10,381	10,640	10,906	11,179	11,459	11,745	12,039
Borrowing Costs	156	129	110	94	78	62	48	36	24	12
Materials and Contracts	11,433	11,143	11,179	10,304	10,497	10,694	10,936	11,184	11,438	11,698
Depreciation and Amortisation	11,109	11,801	11,641	11,223	11,181	10,917	11,135	9,592	9,774	9,316
Other Expenses	658	678	698	716	733	752	771	790	810	830
Total Expenses from Continuing Operations	33,183	33,646	33,764	32,717	33,129	33,331	34,069	33,060	33,791	33,894
Net Operating Result for the Year	15,812	(5,082)	(4,364)	(3,024)	(1,336)	(1,381)	(1,535)	(230)	(70)	871
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,467)	(7,012)	(6,294)	(4,454)	(4,084)	(3,372)	(3,165)	(1,180)	(900)	41

GENERAL FUND - Scenario 1 – Asset Sales and Additional Grant Funding

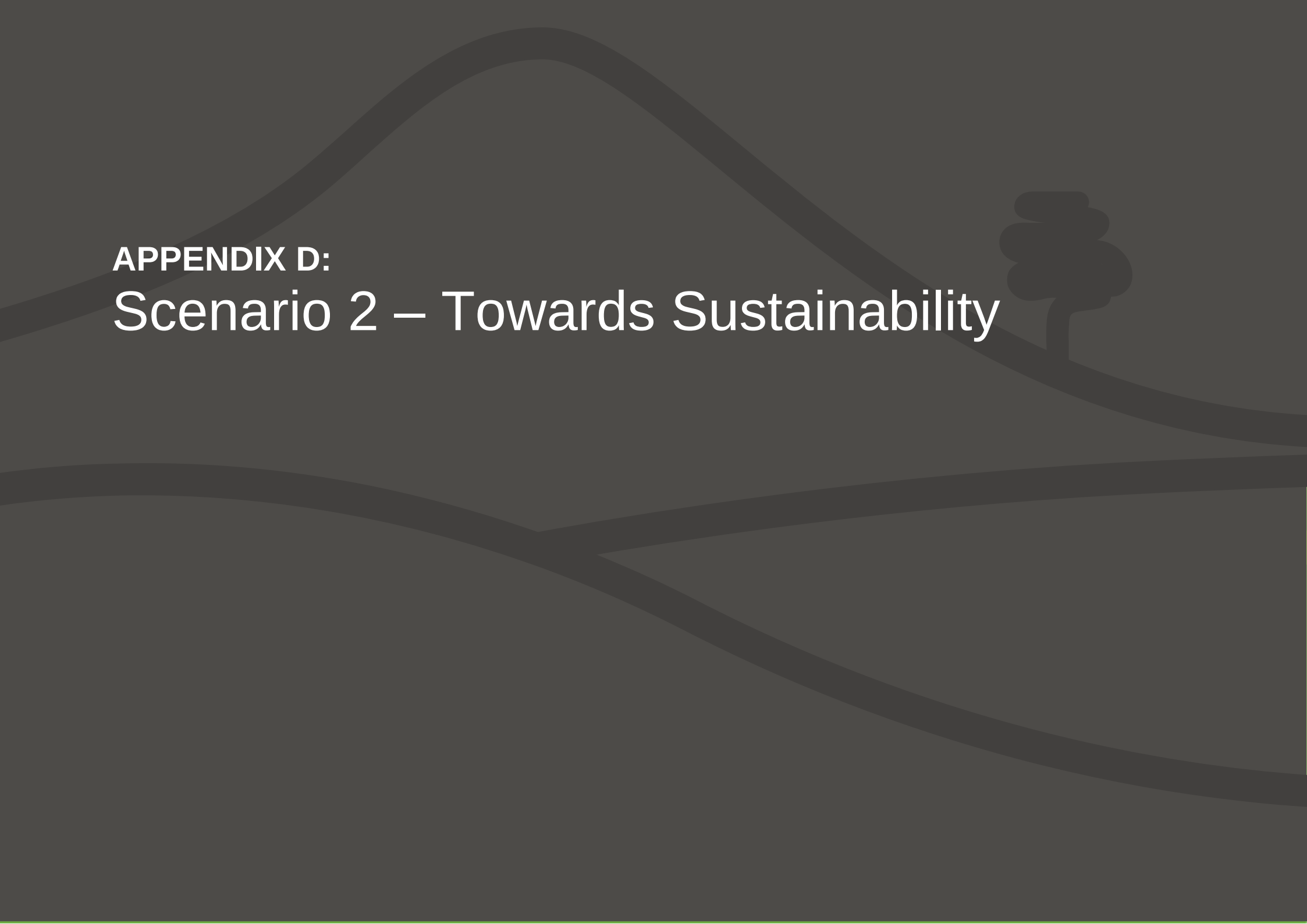
BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	18,024	13,573	9,128	4,692	5,394	6,255	7,244	8,372	9,639	11,063
Receivables	1,608	1,666	1,734	1,803	1,855	1,909	1,964	2,021	2,080	2,140
Other Assets	200	200	200	200	200	200	200	200	200	200
Total Current Assets	19,832	15,439	11,062	6,695	7,449	8,364	9,408	10,593	11,918	13,403
Non-Current Assets										
Infrastructure, property, plant & Equipment	501,999	508,843	515,950	525,517	531,855	538,200	544,490	552,170	560,172	569,204
Investment Property	1,190	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	503,189	508,843	515,950	525,517	531,855	538,200	544,490	552,170	560,172	569,204
LIABILITIES										
Current Liabilities										
Payables	935	413	396	402	402	396	398	396	406	419
Borrowings	262	262	262	262	262	262	262	206	200	200
Provisions	3,550	2,650	1,794	1,839	1,885	1,932	1,980	2,029	2,080	2,132
Total Current Liabilities	4,747	3,325	2,451	2,503	2,549	2,590	2,640	2,632	2,686	2,751
Non-Current Liabilities										
Borrowings	2,178	1,916	1,654	1,392	1,130	868	606	400	200	0
Provisions	12,901	13,223	13,554	13,893	14,240	14,596	14,961	15,335	15,718	16,111
Total Non-Current Liabilities	15,079	15,139	15,208	15,285	15,370	15,464	15,567	15,735	15,918	16,111
Net Assets	503,195	505,818	509,353	514,424	521,385	528,510	535,691	544,396	553,486	563,745
EQUITY										
Retained Earnings	194,997	189,915	185,551	182,527	181,192	179,811	178,276	178,046	177,976	178,848
Revaluation Reserve	308,198	315,903	323,801	331,896	340,193	348,698	357,415	366,351	375,509	384,897
Total Equity	503,195	505,818	509,353	514,424	521,385	528,510	535,691	544,396	553,486	563,745

GENERAL FUND - Scenario 1 – Asset Sales and Additional Grant Funding

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	11,567	12,073	12,466	12,883	13,244	13,596	13,958	14,330	14,712	15,105
User charges and fees	4,706	4,801	5,092	5,379	5,567	5,762	5,964	6,172	6,388	6,612
Investment and interest revenue received	225	212	224	236	253	273	297	323	353	386
Grants and Contributions	32,146	10,780	11,102	10,772	12,413	11,991	11,976	11,654	11,905	12,288
Other	4,293	2,158	2,052	2,096	2,150	2,099	1,987	2,038	1,962	2,096
Payments:										
Employee benefits and on-costs	9,827	9,896	10,135	10,381	10,640	10,906	11,179	11,459	11,745	12,039
Materials and Contracts	11,421	13,834	15,487	14,353	11,442	11,663	11,918	12,192	12,457	12,736
Borrowing Costs	156	129	110	94	78	62	48	36	24	12
Other	698	718	740	758	777	797	817	837	858	880
Net cash provided (or used in) operating activities	30,835	5,447	4,464	5,779	10,689	10,294	10,220	9,994	10,236	10,820
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	37,530	9,636	8,647	9,953	9,726	9,171	8,969	8,660	8,770	9,196
Net cash provided (or used in) investing activities	(37,530)	(9,636)	(8,647)	(9,953)	(9,726)	(9,171)	(8,969)	(8,660)	(8,770)	(9,196)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	2,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	262	262	262	262	262	262	262	206	200	200
Net cash flow provided (or used in) financing activities	1,738	(262)	(262)	(262)	(262)	(262)	(262)	(206)	(200)	(200)
Net increase/(decrease) in cash and cash equivalents	(4,957)	(4,451)	(4,445)	(4,436)	702	861	989	1,129	1,266	1,424
Plus: Cash and cash equivalents and investments - beginning of year	22,981	18,024	13,573	9,128	4,692	5,394	6,255	7,244	8,372	9,639
Cash and cash equivalents and investments - end of the year	18,024	13,573	9,128	4,692	5,394	6,255	7,244	8,372	9,639	11,063

GENERAL FUND - Scenario 1 – Asset Sales and Additional Grant Funding

Performance Ratios:	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Performance Ratio:	-29.0%	-26.3%	-22.9%	-15.8%	-14.1%	-11.3%	-10.2%	-3.7%	-2.7%	0.1%
Own Source operating revenue ratio:	34.4%	62.3%	62.2%	63.7%	61.0%	62.5%	63.2%	64.5%	64.7%	64.7%
Debt Service cover ratio:	9.1	12.6	14.7	19.3	21.1	23.5	25.9	34.9	39.7	44.2
Building & Infrastructure Asset Renewal Ratio:	184.0%	74.2%	67.8%	81.6%	80.1%	77.4%	74.2%	82.6%	80.9%	90.1%

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 silhouette of a tree with a rounded, bushy canopy and a short trunk. The overall color palette is monochromatic, using shades of grey against a dark background.

APPENDIX D:

Scenario 2 – Towards Sustainability

CONSOLIDATED FUND - Scenario 2 – Towards Sustainability

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	15,526	16,112	17,241	18,426	18,907	19,402	19,909	20,430	20,965	21,514
User Charges and Fees	6,478	7,079	7,530	7,895	7,987	8,239	8,499	8,768	9,045	9,332
Interest and Investment Revenue	571	432	384	311	330	353	378	407	439	474
Other Revenues	541	913	736	660	580	600	621	643	665	689
Grants and Contributions - Operating	8,866	8,850	9,172	9,342	9,665	10,000	10,346	10,704	11,075	11,458
Grants and Contributions - Capital	33,988	8,786	1,960	3,460	3,135	2,022	1,660	980	860	860
Total Income from Continuing Operations	65,970	42,171	37,022	40,094	40,604	40,615	41,413	41,932	43,049	44,326
Expenses from Continuing Operations										
Employee Benefits and on-costs	11,030	11,066	11,322	11,596	11,886	12,183	12,487	12,857	13,178	13,508
Borrowing Costs	778	733	692	657	609	568	531	484	453	422
Materials and Contracts	13,645	13,372	13,472	12,656	12,906	13,162	13,464	13,830	14,148	14,475
Depreciation and Amortisation	13,346	14,378	14,240	13,937	13,937	13,712	13,947	12,467	12,715	12,192
Other Expenses	658	678	698	716	733	752	771	790	810	830
Total Expenses from Continuing Operations	39,457	40,226	40,424	39,561	40,071	40,377	41,200	40,427	41,304	41,426
Net Operating Result for the Year	26,513	1,945	(3,402)	533	533	238	214	1,505	1,745	2,900
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,475)	(6,840)	(5,362)	(2,927)	(2,602)	(1,784)	(1,446)	525	885	2,040

CONSOLIDATED FUND - Scenario 2 – Towards Sustainability

BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	30,009	23,900	15,727	10,540	12,222	13,060	14,154	15,416	16,941	18,753
Receivables	2,088	2,118	2,207	2,292	2,361	2,449	2,537	2,628	2,719	2,813
Other Assets	200	200	200	200	200	200	200	200	200	200
Total Current Assets	32,297	26,218	18,134	13,032	14,783	15,709	16,891	18,243	19,860	21,766
Non-Current Assets										
Infrastructure, property, plant & Equipment	660,372	676,210	688,155	702,161	709,435	717,471	725,456	734,788	744,397	755,124
Investment Property	1,190	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	661,562	676,210	688,155	702,161	709,435	717,471	725,456	734,788	744,397	755,124
LIABILITIES										
Current Liabilities										
Payables	935	411	394	401	401	395	397	396	406	419
Borrowings	610	631	651	676	701	724	758	546	559	580
Provisions	3,550	2,650	1,794	1,839	1,885	1,932	1,980	2,029	2,080	2,132
Total Current Liabilities	5,095	3,692	2,839	2,916	2,986	3,051	3,135	2,972	3,045	3,131
Non-Current Liabilities										
Borrowings	10,629	10,116	9,588	9,043	8,479	7,900	7,294	6,998	6,615	6,218
Provisions	12,901	13,223	13,554	13,893	14,240	14,596	14,961	15,335	15,718	16,111
Total Non-Current Liabilities	23,530	23,339	23,142	22,936	22,719	22,496	22,255	22,333	22,333	22,329
Net Assets	665,235	675,397	680,308	689,342	698,513	707,633	716,957	727,727	738,879	751,429
EQUITY										
Retained Earnings	285,594	287,539	284,137	284,670	285,204	285,442	285,655	287,160	288,905	291,805
Revaluation Reserve	379,641	387,858	396,170	404,672	413,309	422,191	431,302	440,567	449,974	459,623
Total Equity	665,235	675,397	680,308	689,342	698,513	707,633	716,957	727,727	738,879	751,429

CONSOLIDATED FUND - Scenario 2 – Towards Sustainability

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	15,485	16,082	17,152	18,341	18,838	19,314	19,821	20,339	20,873	21,420
User charges and fees	6,744	7,359	7,827	8,208	8,302	8,565	8,837	9,117	9,407	9,706
Investment and interest revenue received	571	432	384	311	330	353	378	407	439	474
Grants and Contributions	42,855	17,635	11,132	12,802	12,800	12,021	12,006	11,684	11,935	12,318
Other	6,065	3,353	2,889	2,914	2,656	2,678	2,571	2,632	2,577	2,717
Payments:										
Employee benefits and on-costs	11,030	11,066	11,322	11,596	11,886	12,183	12,487	12,857	13,178	13,508
Materials and Contracts	13,833	16,266	17,986	16,917	14,068	14,353	14,674	15,075	15,411	15,763
Borrowing Costs	778	733	692	657	609	568	531	484	453	422
Other	698	718	740	758	777	797	817	837	858	880
Net cash provided (or used in) operating activities	45,381	16,080	8,644	12,649	15,586	15,031	15,105	14,926	15,330	16,064
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	56,587	21,578	16,186	17,184	13,229	13,492	13,287	12,962	13,265	13,693
Net cash provided (or used in) investing activities	(56,587)	(21,578)	(16,186)	(17,184)	(13,229)	(13,492)	(13,287)	(12,962)	(13,265)	(13,693)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	2,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	586	610	631	651	676	701	724	702	540	559
Net cash flow provided (or used in) financing activities	1,414	(610)	(631)	(651)	(676)	(701)	(724)	(702)	(540)	(559)
Net increase/(decrease) in cash and cash equivalents	(9,791)	(6,109)	(8,173)	(5,187)	1,681	838	1,094	1,262	1,525	1,812
Plus: Cash and cash equivalents and investments - beginning of year	39,800	30,009	23,900	15,727	10,540	12,222	13,060	14,154	15,416	16,941
Cash and cash equivalents and investments - end of the year	30,009	23,900	15,727	10,540	12,222	13,060	14,154	15,416	16,941	18,753

GENERAL FUND - Scenario 2 – Towards Sustainability

Performance Ratios:	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Performance Ratio:	-23.4%	-20.5%	-15.3%	-8.0%	-6.9%	-4.6%	-3.6%	1.3%	2.1%	4.7%
Own Source operating revenue ratio:	35.0%	58.2%	69.9%	68.1%	68.5%	70.4%	71.0%	72.1%	72.3%	72.2%
Debt Service cover ratio:	4.8	6.1	7.1	8.8	9.1	9.7	10.1	13.1	13.9	14.6
Building & Infrastructure Asset Renewal Ratio:	278.6%	135.2%	104.2%	94.8%	85.6%	91.2%	88.3%	96.0%	95.4%	103.5%

GENERAL FUND - Scenario 2 – Towards Sustainability

INCOME STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	11,644	12,130	13,145	14,136	14,510	14,895	15,290	15,695	16,111	16,539
User Charges and Fees	4,440	4,665	4,948	5,227	5,252	5,436	5,626	5,823	6,027	6,238
Interest and Investment Revenue	225	212	224	236	253	273	297	323	353	386
Other Revenues	541	913	736	660	580	600	621	643	665	689
Grants and Contributions - Operating	8,866	8,850	9,172	9,342	9,665	10,000	10,346	10,704	11,075	11,458
Grants and Contributions - Capital	23,280	1,930	1,930	1,430	2,748	1,992	1,630	950	830	830
Total Income from Continuing Operations	48,995	28,700	30,155	31,031	33,008	33,195	33,809	34,138	35,061	36,140
Expenses from Continuing Operations										
Employee Benefits and on-costs	9,827	9,846	10,085	10,329	10,587	10,852	11,123	11,459	11,745	12,039
Borrowing Costs	156	129	110	94	78	62	48	36	24	12
Materials and Contracts	11,433	11,087	11,123	10,253	10,444	10,640	10,881	11,184	11,438	11,698
Depreciation and Amortisation	11,109	11,801	11,641	11,223	11,181	10,917	11,135	9,592	9,774	9,316
Other Expenses	658	678	698	716	733	752	771	790	810	830
Total Expenses from Continuing Operations	33,183	33,540	33,657	32,614	33,024	33,223	33,958	33,060	33,791	33,894
Net Operating Result for the Year	15,812	(4,841)	(3,502)	(1,583)	(15)	(28)	(149)	1,078	1,270	2,245
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,467)	(6,771)	(5,432)	(3,013)	(2,764)	(2,020)	(1,779)	128	440	1,415

GENERAL FUND - Scenario 2 – Towards Sustainability

BALANCE SHEET Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	18,024	13,816	9,628	5,505	6,452	7,576	8,861	10,209	11,725	13,433
Receivables	1,608	1,680	1,809	1,936	1,976	2,033	2,092	2,152	2,214	2,278
Other Assets	200	200	200	200	200	200	200	200	200	200
Total Current Assets	19,832	15,695	11,637	7,641	8,628	9,809	11,153	12,560	14,139	15,911
Non-Current Assets										
Infrastructure, property, plant & Equipment	501,999	508,826	516,476	527,112	534,537	541,969	549,347	558,112	567,202	577,321
Investment Property	1,190	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	503,189	508,826	516,476	527,112	534,537	541,969	549,347	558,112	567,202	577,321
LIABILITIES										
Current Liabilities										
Payables	935	411	394	401	401	395	397	396	406	419
Borrowings	262	262	262	262	262	262	262	206	200	200
Provisions	3,550	2,650	1,794	1,839	1,885	1,932	1,980	2,029	2,080	2,132
Total Current Liabilities	4,747	3,323	2,450	2,502	2,547	2,589	2,639	2,632	2,686	2,751
Non-Current Liabilities										
Borrowings	2,178	1,916	1,654	1,392	1,130	868	606	400	200	0
Provisions	12,901	13,223	13,554	13,893	14,240	14,596	14,961	15,335	15,718	16,111
Total Non-Current Liabilities	15,079	15,139	15,208	15,285	15,370	15,464	15,567	15,735	15,918	16,111
Net Assets	503,195	506,059	510,456	516,967	525,248	533,726	542,294	552,306	562,736	574,369
EQUITY										
Retained Earnings	194,997	190,156	186,654	185,071	185,055	185,027	184,879	185,957	187,227	189,472
Revaluation Reserve	308,198	315,903	323,801	331,896	340,193	348,698	357,415	366,351	375,509	384,897
Total Equity	503,195	506,059	510,456	516,967	525,248	533,726	542,294	552,306	562,736	574,369

GENERAL FUND - Scenario 2 – Towards Sustainability

CASHFLOW STATEMENT Year Ending	Budget	Projected Years								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Cash flows from Operating Activities										
Receipts:										
Rates and Annual Charges	11,567	12,059	13,015	14,009	14,470	14,838	15,231	15,635	16,049	16,475
User charges and fees	4,706	4,945	5,245	5,540	5,567	5,762	5,964	6,172	6,388	6,612
Investment and interest revenue received	225	212	224	236	253	273	297	323	353	386
Grants and Contributions	32,146	10,780	11,102	10,772	12,413	11,991	11,976	11,654	11,905	12,288
Other	4,293	2,162	2,106	2,199	2,243	2,192	2,080	2,136	2,060	2,194
Payments:										
Employee benefits and on-costs	9,827	9,846	10,085	10,329	10,587	10,852	11,123	11,459	11,745	12,039
Materials and Contracts	11,421	13,775	15,426	14,297	11,384	11,604	11,858	12,191	12,457	12,736
Borrowing Costs	156	129	110	94	78	62	48	36	24	12
Other	698	718	740	758	777	797	817	837	858	880
Net cash provided (or used in) operating activities	30,835	5,689	5,332	7,277	12,119	11,742	11,701	11,398	11,671	12,288
Cash flows from investing activities										
Payments:										
Purchase of infrastr, property, plant & equipment	37,530	9,636	9,258	11,138	10,910	10,356	10,154	9,844	9,955	10,380
Net cash provided (or used in) investing activities	(37,530)	(9,636)	(9,258)	(11,138)	(10,910)	(10,356)	(10,154)	(9,844)	(9,955)	(10,380)
Cash flow from financing activities										
Receipts:										
Proceeds from borrowing and advances	2,000	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings and advances	262	262	262	262	262	262	262	206	200	200
Net cash flow provided (or used in) financing activities	1,738	(262)	(262)	(262)	(262)	(262)	(262)	(206)	(200)	(200)
Net increase/(decrease) in cash and cash equivalents	(4,957)	(4,208)	(4,188)	(4,122)	947	1,124	1,285	1,347	1,516	1,708
Plus: Cash and cash equivalents and investments - beginning of year	22,981	18,024	13,816	9,628	5,505	6,452	7,576	8,861	10,209	11,725
Cash and cash equivalents and investments - end of the year	18,024	13,816	9,628	5,505	6,452	7,576	8,861	10,209	11,725	13,433

GENERAL FUND - Scenario 2 – Towards Sustainability

Performance Ratios:	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Operating Performance Ratio:	-29.0%	-25.3%	-19.2%	-10.2%	-9.1%	-6.5%	-5.5%	0.4%	1.3%	4.0%
Own Source operating revenue ratio:	34.4%	62.4%	63.2%	65.3%	62.4%	63.9%	64.6%	65.9%	66.0%	66.0%
Debt Service cover ratio:	9.1	13.2	17.0	23.3	25.0	27.6	30.3	40.3	45.7	50.7
Building & Infrastructure Asset Renewal Ratio:	184.0%	74.2%	73.0%	92.2%	90.9%	88.2%	84.8%	94.9%	93.0%	102.9%

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