

KIAMA MUNICIPAL COUNCIL

LONG TERM FINANCIAL PLAN 2023/24 – 2032/33

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1. Executive summary

Kiama Municipal Council's Long-Term Financial Plan (LTFP) contains a set of long-range financial projections based on a set of assumptions and covers a 10-year time period from 2023/24 to 2032/33.

The Long Term Financial Plan was prepared based on the Strategic Improvement Plan (SIP) and parameters defined in Kiama Municipal Council Liquidity Plan and Financial Sustainability and Cash Flow Strategy adopted by Council on 28 February 2023 with the key strategies being:

- Asset Divestment in the 2023/24 financial year including sale of Bonaira site and services component of Blue Haven at the end of next financial year.
- Refinancing \$15 million TCorp loan with the repayment of the loan tied to sale of Bonaira site and associated business
- Capital Works Program focus on reserve funded projects with minimum allocation from unrestricted cash
- Replenishment of unrestricted funds (working capital)
- Achieving operational efficiencies starting from 2024/25 financial year.

The Long-Term Financial Plan demonstrates that with the implementation of the strategies summarised above Kiama Council (consolidated) will achieve a balanced budget with the positive unrestricted cash movement by 2026/27 financial year. The positive unrestricted cash movement will continue in future years. This will allow Council to build-up its unrestricted cash balance to a sustainable level by 2032/33 financial year.

It is important to note that Council is in a delicate financial position and under much external scrutiny from NSW office Local Government and NSW Audit Office. Council has accepted its predicament and developed a Financial Sustainability Strategy to address the issues. Key divestment decisions have been made. Council's efforts and plans have been shared with these external authorities. More work is required including service reviews, pricing review on Retirement Village accommodation entry payments, operational efficiencies. The Long Term Financial Plan has incorporated the matters that are known but will need to be updated to reflect the outcome of upcoming reviews in future.

1.1 Structure

The LTFP is structured using the forecasted 2022/23 financial results and budgeted forecast 2023/24 financial position and applying a series of assumptions to these numbers for forward financial years. In addition, asset renewal and maintenance have a direct correlation to Council's Asset Management Plans.

Consolidated Financial models and statements have been prepared for all of Council's functions and businesses. For the purposes of improved transparency and understanding, and as identified in Council's adopted Strategic Improvement Plan, separate models and statements have also been provided for the Blue Haven Aged Care and Retirement Village Operations and Holiday Parks.

This iteration of the LTFP presents financial forecasts associated with the following assumptions in line with the Liquidity Plan and Financial Sustainability and Cash Flow Strategy:

- Sale of Bonaira site and services component of Blue Haven at the end of next financial year. This sale is expected to occur by the end 2023 calendar year, however, a conservative approach was taken in LTFP with the sale booked in June 2024. The sale will improve the income statement by some \$2 million initially and up to \$4 million thereafter.
- Refinancing \$15 million TCorp loan with the loan repayment to be dependent on the timing of finalising sale of Bonaira site and services. This will be the last Bonaira TCorp loan repayment with \$30 million having been repaid in 2022/23 financial year.
- Operational efficiencies identified through services review of the general fund operations will result in following savings:
 - 3% reduction in expenditures in 2024/25, 5% in 2024/25, and 2% in 2026/27 and 2027/28 (total savings of \$6.6 million)
 - 5% increase in user charges and fees, other revenue and operational grants in 2024/25 (in addition to annual CPI increase).

Details of all assumptions and indices applied in this Plan are provided in Section 4.

1.2 Sensitivity analysis

Long term financial plans are inherently uncertain given the length of time which they are required to cover and the assumptions that are required to be made. Some of these assumptions have a relatively limited impact if they are wrong; others can have a major impact on future financial plans. If the assumptions are found to be inaccurate, then it will be necessary for Council to reconsider.

At the time of preparing this Draft LTFP, Council's 2021/22 financial accounts remain incomplete and under Audit Office review. This poses a degree of uncertainty and risk on the parameters and input figures used to develop this plan. Any changes required to the previous year's financial statements resulting from the finalised audit may result in amendments being made to this Plan.

Council utilises the LTFP as a management tool and will review and update relevant sections and projections of the LTFP on an annual basis. In addition, Quarterly Budget Review amendments that have a permanent impact are processed into the model to assess the effect on the Plan.

This LTFP demonstrates three scenarios and their implications of financial performance of Council.

Scenario 1 – Base Case:

This scenario represents the Council's preferred outcome and assumes the sale of the Bonaira site by the end of 2023/24, repayment of the remaining \$15 million of the TCorp loan, and the achievement of operational efficiencies from 2024/25 onwards. According to this scenario, Kiama Council is projected to achieve a balanced budget by the 2026/27 financial year and an operational surplus by 2031/32.

Scenario 2 – 10% Special Rates Variation (SRV):

In this scenario, a 10% SRV is assumed to be implemented in 2024/25. This scenario, for obvious reasons, improves the Council's financial performance more quickly than scenario 1 and achieves a balanced budget in 2024/25.

Scenario 3 – Status Quo – Council continues operating Bonaira:

This scenario demonstrates that the continuation of Council operating Bonaira, including care facilities and ILUs, is unsustainable. The LTFP forecasts ongoing Council deficits and no achievement of a balanced budget in the next 10 years.

Sensitivity Analysis Summary – Surplus/(Deficit) before Capital Grants and Contributions

Scenario	Long Term Financial Plan (LTFP)									
	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Scenario 1 - Base Case	18,526,355	-8,140,601	-5,998,239	-4,206,968	-2,374,676	-1,808,670	-1,199,425	-465,492	237,263	990,508
Scenario 2 - 10% SRV in 2024/25	18,526,355	-5,936,343	-3,701,420	-1,813,700	119,094	789,823	1,508,189	2,355,826	3,177,059	4,053,758
Scenario 3 - Bonaira stays with Council	4,971,739	-11,176,458	-8,434,097	-6,492,826	-4,660,533	-4,094,528	-3,485,282	-2,751,349	-2,048,594	-1,295,350

Sensitivity Analysis Summary – Change in Assumptions

Change in assumptions	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Rates (0.5% below baseline)	103,761	108,949	113,525	118,293	123,261	128,438	133,833	139,454	145,311	151,414
employee costs (0.5% increase)	187,589	129,158	133,032	137,023	141,134	145,368	149,729	154,221	158,848	163,613
materials and services (0.5% increase)	197,366	154,079	146,536	143,058	139,722	143,696	147,783	151,966	156,310	160,757
Combined Impact	488,717	392,186	393,093	398,374	404,118	417,502	431,345	445,661	460,469	475,784

2. Introduction

2.1 Purpose of the Long-Term Financial Plan (LTFP)

The (LTFP) exists primarily to facilitate the delivery of the objectives and strategies expressed in the Community Strategic Plan. The LTFP is not an end in itself but is a means of ensuring the objectives of the integrated planning framework are matched by an appropriate resourcing strategy.

The LTFP will link to the Delivery Program 2022-2026 and the Operational Plans 2023/24 under the broader Theme of “Financially Sustainable Council”. Under this theme, a Strategic goal is included in the plan that *“Public funds and assets are managed strategically, transparently and efficiently. Council will: be financially sustainable and has the skills, systems and staff to manage public funds and assets on behalf of our community”*.

Identified actions under this goal include:

- Improving our financial outlook with a robust financial strategy and reporting, tailoring services, focusing on essentials and seeking savings where possible.
- Expenditure will be clear, accountable and well reported.
- The difficult decisions associated with addressing rising operating costs, which are not matched by income, will need to be made.
- Continued delivery of capital works and services will require Council to create and get value from its partnerships and communication with the community.
- Acceptable and agreed levels of service will need to be determined for our assets and services, with the community’s involvement in setting these levels critical to the effective use of scarce resources.

This LTFP represents a comprehensive approach to documenting and integrating the various financial strategies of Council. The development of the long-term financial projections represents the output of several strategy areas, that when combined produce the financial direction of Council as shown below:

Figure 1: Integrated Strategic Approach



2.2 Objectives of the Long-Term Financial Plan

The objectives that this LTFP is designed to achieve are:

- To sustainably return Council to an operational surplus.
- An ability to maintain funding of asset renewal requirements.
- To provide financial targets for the next 10 years.
- To allow various assumptions to be modelled.
- To ensure that external conditions are considered, for example changes in interest rates and population growth.
- An enhanced funding level for capital works from external sources.
- To progress Council towards maintaining a position of financial sustainability in the long term.
- Rate and fee increases that are both manageable and sustainable.
- Investment and funding strategies which promote intergenerational equity.

The LTFP also takes into account following key actions of the Strategic Improvement Plan:

- Restore negative restricted funds (reserves)
- Replenish unrestricted funds (working capital)
- Reassign aged care ILU/RAD liabilities (to Blue Haven Bonaira purchaser)
- Renegotiate terms of remaining TCorp debt and amend cash flow accordingly
- Reinstate debt recovery practice
- Asset revaluations on all classification of assets
- Reassess viability/profitability of business units
- Assess adequacy of operational reserves and cash
- Reposition DP/OP to meet (10 year averaged) key financial ratios (operating performance, own source revenue, cash expense, debt service)
- Differentiate municipal from business unit and aged care services and resourcing
- Monitor quarterly consultant, legal and key project reports; and monthly investment and cashflow
- Reappraise community service obligation (CSO); and pricing (fee) settings for regulatory and private benefit services
- Reset sustainable/recurring revenue streams
- Reframe services, asset standards and levels of service
- Revise rating structures, incl potential SRV to retain own source revenues (OSR) per capita
- Strengthen infrastructure reserves and levels of renewals, aligned to depreciation
- Appropriately attribute corporate overhead to all programs and activities

Kiama Municipal Council has challenges in meeting the OLG benchmarks for financial sustainability on an annual and ongoing basis. Through this Plan, Council will remain committed to the principles of financial sustainability and good financial management. This will include long term and whole of life considerations that ensure we endeavor not to increase future costs through delayed asset maintenance or unreasonably transfer costs to future generations.

Available funds are a cornerstone of Council's financial sustainability and while usage was

appropriate in the short term, the Financial Strategy requires these funds to be re-established over time to return to our former position to ensure we are prepared for any unplanned events in the future. Council recognises that as a large provider of essential services, leadership and economic impact in the municipality our obligation is to strive to continue to provide our high level of services and works while continuing to improve Council's financial position.

In developing the Long-Term Financial Plan, due regard has been given to promoting the financial sustainability of the council through:

- progressive elimination of operating deficits.
- ensuring that any proposed increase in services and/or assets is within the financial means of the council.
- monitoring the adequacy of working capital/unrestricted cash and funding for infrastructure maintenance and renewal.
- the use of borrowings, where appropriate and financially responsible.

In doing so, Council is ensuring compliance with the requirements of section 403 of the Local Government Act 1993 which requires a council to have a long-term resourcing strategy for the provision of the resources required to perform its functions (including implementing the strategies set out in the Community Strategic Plan that it has responsibility for); and Chapter 3 of the Local Government Act which requires Council to consider the long term and cumulative effects of its decisions on future generations.

The LTFP also satisfies requirements of Section 8B of Local Government Act 1993:

- Council spending should be responsible and sustainable, aligning general revenue and expenses.
- Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- Councils should have effective financial and asset management, including sound policies and processes for the following—
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- Councils should have regard to achieving intergenerational equity, including ensuring the following—
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

For the purposes of this Plan, financial sustainability is defined by the following hierarchy of needs approach.

Long Term Sustainability

- Spending more on asset renewals than consumption (ie depreciation).
- Fully funding replacement gap.
- Meeting community service needs.

Medium term Sustainability

- Operating surplus achieved net of abnormal items and capital funding.

Critical, Short-term Sustainability

- Working Capital.
- Cash Liquidity.
- Debt levels.

It is necessary to state the importance of meeting community needs both now and in the future in terms of operational services. Council could achieve financial sustainability by ignoring this need and placing all of its emphasis on cash liquidity and asset management.

Future community service needs are frequently not documented in such a compelling manner as infrastructure requirements and need to be considered in conjunction with asset management strategies.

2.3 Key outcomes of the LTFP

Financial sustainability is a major challenge faced by the majority of councils in New South Wales, including Kiama Municipal Council. However, Kiama Council faces an additional challenge due to the significant resources consumed by the Blue Haven aged care operations, which generate an annual deficit of over \$3 million for the Bonaira site. The Long Term Financial Plan projections demonstrate that the sale of the Bonaira site is critical for the financial sustainability of Kiama Council.

According to the Plan, the Council's current financial position shows that it will face a deficit next year and will need to compensate for the reduction in unrestricted cash with the proceeds from the sale of various assets, including the Bonaira site and operations in June 2024. The sale of the Bonaira site will significantly improve the Council's financial position, and any remaining structural deficit will gradually be eliminated by achieving reasonable operational efficiencies. The Plan also shows that the Council will achieve an ongoing increase in working capital in the 2026/27 financial year.

While a positive working capital position and stable unrestricted cash balance are clear indicators that the Council will have sufficient cash for ongoing operations, achieving an operating surplus is also important. The Plan demonstrates that this will be possible in 7-8 years.

However, the main reason for the ongoing deficit, despite the removal of the Bonaira operations and achieving operational efficiencies, is rate pegging, which restrains the Council's ability to align rating revenue with the increased cost of providing services. Rate pegging is a legislative instrument whereby the maximum increase in rating revenue is set by the Independent Pricing and Regulatory Tribunal (IPART), the NSW State Government independent pricing regulator. For example, in developing the Long Term Financial Plan, the Council has been advised by IPART that the rate peg for 2023/24 will be 5.1% (net effect 4.2% for Kiama Council), while during the same period of time, the CPI rose by 7%. The difference between the actual inflation impacting the cost of services and the rate peg must be addressed over the long term by the Council through budgetary consideration of the range and levels of services. IPART are also reviewing their methodology as many Councils have raised the inequity of the current system.

In summary, the Long Term Financial Plan demonstrates that Kiama Municipal Council can achieve financial sustainability by implementing a range of strategies, including the sale of the Bonaira site and operations, business reviews, asset divestment where there is a demonstrated surplus to needs identified (primarily land holdings and buildings), service transformation, and operational efficiencies. It is important to note that introduction of SRV is not a preferred scenario at this stage and Council will focus on achieving operational efficiencies and service reviews before considering SRV.

2.4 Sustainability review

Kiama Municipal Council is structured around two distinct businesses, one being the aged care residential facility and retirement village operations known as Blue Haven and the other being the traditional local government services. The matters facing KMC are not unusual to local governments, cash flow, asset management, governance issues are all issues that councils experience, however the added complexity of the aged care business presents an unusual circumstance.

Much good work has been done in the past by many involved in the business, however, many of the matters that are impacting on the business have occurred across the span of time to arrive at their current state. In summary there are three fundamental matters immediately affecting the business and future:

1. Financial sustainability – cash flow, liquidity, and financial management.
2. Organisational capability, culture and performance – investment in people, systems, performance management and culture has been weak.
3. Risk and governance – risk exposure created by lack of strategic direction, policy, poor decision making and lack of resources and revenue.

Given the suite of challenges facing the organisation there is a need to ensure that strategic decisions are made to help guide the future sustainability of the business. To this end, Council has developed and adopted a formal Strategic Improvement Plan (SIP) and aims to deliver key business improvements that are required in the immediate and longer term.

Key actions from the SIP have been incorporated into this LTFP, following more detailed analysis and consideration. The Critical Strategic Aims of the SIP are:

1. Ensure the Office of Local Government ratios for sustainability are met and ensure the organisation is positioned to repay the TCorp debt and secure refinancing as per the conditions of the loan.
2. To proactively ensure the Office of Local Government does not need to issue further performance improvement orders to Council.
3. To ensure the business of Blue Haven, with improved financial reporting, enables long term business decisions to be considered.
4. Within three years complete a business transformation program of work that improves the administration and cultural performance of the organisation in all spheres of work.
5. To restore community confidence and trust in the systems and processes of local government and ensure that Kiama Municipal Council is positioned to be sustainable into the future.

Actions within the SIP 2 are grouped under the following Key Issues, with the first two (2) being directly relevant to this Plan:

1. Financial sustainability.
2. Assets, sales, leases, joint ventures, depreciation and whole of life costing impacting on cash flow.
3. Governance and Risk.
4. Organisational capability, culture and performance.

Council is committed to realising all identified opportunities for improvement and working with the community and staff to identify further opportunities. This is demonstrated by the

2023/24 budget focusing on the following key priorities:

- A review of Council's income generating assets to maximise current opportunities.
- Further refining accuracy of financial data and reviewing Domestic Waste to further improve Business Unit Reporting and analysis.
- A focus on grant opportunities with a more controlled strategic plan around Council's operational grants to ensure all available opportunities are taken up.
- Continual review of Council internal and external reserve balances and working capital position.
- Improved reporting to Managers, including monthly reporting and the development of dashboards.
- Revision of fees and charges model

Now and in the future, Council will be continually undergoing a comprehensive sustainability review process. This review involves analysing services provided so that it is clear *what services are provided and how the services are delivered in a financially sustainable way*. The purpose is to ensure that Council's services are affordable and reflect the local community needs and expectations.

3. Link between LTFP and Council's planning framework

3.1 Workforce strategy

In order to deliver our Delivery Program and contribute to the Community Strategic Plan, Council requires a clear workforce resourcing strategy that sets out what type of organisation we need to be and how we plan to get there.

The Workforce Strategy is to be fully integrated with the LTFP. This integration includes:

- Compulsory superannuation guarantee rate increase.
- Vested sick leave.
- Long Service Leave liability.
- Learning and development.
- Organisational development.

3.1.1 Compulsory superannuation guarantee rate increase

The Federal government has changed the phasing of the increases in the superannuation guarantee levy as per the table below. The impact of this change has been factored into the LTFP.

Table 1: Superannuation Guarantee Levy

Year	Rate
2023-24	11.00%
2024-25	11.50%
2025-26 onwards	12.00%

3.1.2 Vested sick leave

Staff employed by Council prior to or on 3 November 1993, who have not previously waived their right to this provision, continue to have an entitlement for the payment of unused sick leave arising out of the termination of employment. An estimated provision for vested sick leave of \$446,000 has been included as a liability in the Statement of Financial Position. For the purpose of the forecast, payments from the provision have been estimated when the eligible employee reaches the age of 65.

3.1.3 Long service leave liability

Long Service Leave entitlements are governed primarily by the Long Service Leave Act 1955. Kiama Municipal Council has not actively required employees to take long service leave as it falls due however if the amount of liability becomes excessive it is likely that employees will be encouraged to keep balances within reasonable limits. A provision of \$4.8 million has been included as a liability in the Balance Sheet. For the purpose of the forecast, payments from the provision have been estimated when the eligible employee reaches the age of 65.

3.1.4 Learning and development

Council provides extensive learning and development opportunities; there are education and training opportunities for employees of all ages. A yearly expenditure on learning and development has been included in the salaries and wages expense in the Income Statement in this Plan.

3.1.5 Workers compensation

Council is committed to maintaining a commitment to a safe workplace and ensuring that the workers compensation premium remains stable. An additional risk is associated with the potential increase in workers compensation insurance premium due to market conditions and unexpected events currently not factored in LTFP.

3.2 Asset Management Plan (AMP)

Kiama Municipal Council is responsible for a large and diverse asset base. These assets include buildings, roads, bridges, footpaths, drains, libraries, holiday parks, convention centre, leisure centre, halls, parks, sporting facilities, fleet, land and information communication technology related assets. Council manages its assets in accordance with the Guiding Principles for councils (Section 8A) and Principles of sound financial management (Section 8B) under the Local Government Act 1993.

Over time Kiama Municipal Council has progressively added to its assets, which has consequently added depreciation, operation and maintenance costs to an already large existing and ageing asset base.

In order to manage this asset base, the Strategic Asset Management Plan (SAMP) has been developed which is designed to address plans and priorities considering asset life cycles and risk. Such strategies and plans ensure that their content addresses priorities in line with organisational objectives. Maintenance and renewal expenditure is also planned and controlled in line with these priorities. Technical levels of service that related to compliance requirements in legislation are also maintained. A specific body of asset management work is also underway for Blue Haven Terralong facilities to document and address upgrade, renewal and depreciation.

Council's SAMP analyses groups of assets generally in the following categories:

- Community buildings and facilities, including libraries, halls, leisure centre, surf clubs.
- Administration buildings including Depots.
- Information and Communication Technology (ICT).
- Library collection.
- Cemeteries.
- Parks and recreational assets including playgrounds, sporting facilities and ocean baths.
- Transport assets including roads, bridges, footpaths, cycleways, car parks, traffic facilities, guardrails and retaining walls.
- Stormwater drainage and culverts.
- Street lighting.
- Waste facility assets.
- Commercial assets – holiday parks and investment properties.
- Land (development).

3.2.1 Non-cash operating expenses

Council's major non-cash operating expense is depreciation. Council's property, plant and equipment are depreciated using the straight-line method which allocates an assets cost over its estimated useful life. Council has considerable stocks of assets with long but finite lives. These estimated useful lives are expected to remain constant over the life of this Plan and are provided in the table below.

It is important to note that LTFP doesn't take into consideration contributed assets that could be transferred to Council from developers and other government agencies and new assets that might be delivered by capital grants.

Progressive reviews of asset condition and remaining useful life are conducted on a scheduled basis with major reviews of buildings and recreational assets undertaken in the last two years. Reviews of footpath assets are currently underway with no scheduled reviews to be undertaken during 2023/24. The result of reviews has typically resulted in an increase in annual depreciation expense through increased valuations.

The straight-line method of depreciation is consistent with Council's Asset Accounting Policy and ensures that there will be no major peaks or troughs in depreciation expense from year to year as this method ensures a uniform rate of depreciation of infrastructure, property, plant and equipment. For the model, the growth in the depreciation expense is linked to the annual investment in infrastructure, property, plant and equipment.

Table 2: Estimated Useful Lives for Each Asset Category

Plant and equipment Office equipment, furniture & fittings Vehicles, Heavy plant / road marking equipment Other plant and equipment	2 to 50 years 5 to 8 years 5 to 40 years
Other equipment Playground equipment Benches, seats etc.	5 to 15 years 10 to 25 years
Buildings Buildings: masonry Buildings: other	50 to 200 years 20 to 40 years
Stormwater drainage Culverts Drains Flood control structures	50 to 100 years 80 to 120 years 20 to 120 years
Transportation assets Sealed roads: surface Sealed roads: structure Unsealed roads Bridge: concrete Bridge: other Kerb, gutter and paths	12 to 30 years 80 to 100 years 20 years 100 years 55 years 40 to 190 years

Other infrastructure	
Bulk earthworks	Infinite
Swimming pools	50 to 100 years
Other open space / recreational assets	15 to 95 years

3.2.2 Infrastructure, property, plant and equipment revaluations

Council's infrastructure, property, plant and equipment are valued at fair value per Australian Accounting Standard 116 Property, Plant and Equipment and the Local Government Code of Accounting Practice and Financial Reporting. The Local Government Code of Accounting Practice and Financial Reporting states that a comprehensive revaluation of each asset should be performed at a minimum every five years, however councils need to ensure that revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Previous years' and planned revaluations are as follows:

Table 3: Asset Revaluation timetable

Asset Type	Year												Notes
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Plant & Equip													Only Annual
Office Equip													Only Annual
Operational Land				✓								✓	
Land Under Roads								✓				✓	
Community Land		✓				✓						✓	
Buildings								✓					
Non specialised buildings				✓				✓					
Other Structures		✓		✓				✓					
Roads	✓					✓					✓		
Bridges & Culverts							✓					✓	
Footpath	✓								✓				
Bulk Earthworks						✓					✓		
Stormwater	✓						✓					✓	
Swimming Pools								✓					
Open Space/Recreational Assets								✓					
Library Books													Only Annual
Other Community								✓					
Investment Property							✓					✓	
Loan Licences for Blue Haven							✓					✓	

As infrastructure, property, plant and equipment are already valued at fair value as opposed to historical cost the periodic revaluations to fair value are not likely to result in a material change to forward estimates. Therefore, it is not necessary to factor in any changes in infrastructure, property, plant and equipment values due to revaluations in this Plan.

3.2.3 Infrastructure supplied by developers

Council becomes liable for maintenance of assets and spaces provided and paid for by the developers of residential estates one year after they are created. There are a number of areas that have potential for future growth and potential for new residential estates to be built. Council may become liable for maintenance of assets and spaces provided by private developers of these residential estates:

- 1) Spring Creek.

- 2) Cedar Grove.
- 3) Kiama.
- 4) Jamberoo.
- 5) Gerringong.

Maintenance costs that may arise from future developments have not been quantified. When the costs are quantified, they will be included in future updates of the LTFP.

Due to environmental and conservation constraints of the Kiama LGA there are only limited opportunities for large scale residential and commercial developments. There has been and will continue to be increased infill development. It is expected that the developments mentioned above will eventuate; however, the estimated future increase in the number of rate assessments, as outlined below in 'financial assumptions' has been estimated conservatively with these environmental and conservation constraints in mind.

It is important to note that whilst Council is planning to sell some of its land assets in 2024/25 financial year onwards (as per divestment strategy), current LTFP includes only sales planned for 2023/24 and doesn't take into consideration further divestments due to uncertainty of timing and financial outcomes.

4. Financial Assumption

The LTFP is structured on a specific **Base Case Scenario** financial outlook associated with the following assumptions:

- A rate peg of 4.2% is applied to rating income for 2023/24 and 3.0% for the ensuing years of the LTFP
- 50 new assessments per year
- Population growth 1.1% per year (Department of Planning)
- Continuation of Stormwater Levy
- Nil increase in Waste Charges for 2023/24 and 3.0% for the ensuing years of the LTFP
- Pensioner Rebate increase of 1.5% per year
- An inflation forecast of 5.0% is applied to most sources of income and 3.0% for the ensuing years of the LTFP
- Depreciation, asset renewal and asset maintenance aligned and integrated with Asset Management Plans

Council has been conservative with income projections in order to not spend outside of Council's means when forecasting its financial future.

The statements are prepared based on current knowledge and service levels and will no doubt be affected by various events which will occur in future years. It is important that the long-term financial outlook is revisited and updated on an annual basis and as the situation is considered highly variable.

Table below summarises major economic parameters used in Long Term Financial Plan

Table 4: LTFP Parameters

Parameter	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33
CPI	3%	3%	3%	3%	3%	3%	3%	3%	3%
Depreciation	3%	3%	3%	3%	2%	2%	2%	2%	2%
DWM Charges	0%	2%	4%	4%	4%	4%	4%	4%	4%
Fees - General	5%	4%	4%	4%	4%	4%	4%	4%	4%
Financial Assistance Grant	5%	3%	3%	3%	3%	3%	3%	3%	3%
Insurances	3%	3%	3%	3%	3%	3%	3%	3%	3%
Ordinary Rates	5%	4%	4%	4%	4%	4%	4%	4%	4%
Employee Costs	4%	4%	3%	3%	3%	3%	3%	3%	3%
Utility Costs	3%	3%	3%	3%	3%	3%	3%	3%	3%

This iteration of the LTFP presents financial forecasts associated with the following assumptions in line with the Liquidity Plan and Financial Sustainability and Cash Flow Strategy:

- Sale of Bonaira site and services component of Blue Haven conservatively reflected at the end of June 2024
- Refinancing \$15 million TCorp loan in August 2023 with the loan repayment to be dependent on the timing of finalising sale of Bonaira site and services.

- Operational efficiencies identified through services review of the general fund operations will result in following savings:
- 3% reduction in expenditures in 2024/25, 5% in 2024/25, and 2% in 2026/27 and 2027/28 (total savings of \$6.6M)
- 5% increase in user charges and fees, other revenue and operational grants in 2024/25 (in addition to annual CPI increase).

The LTFP includes capital expenditure listed in the Forward Capital Works Program as included in the Draft Delivery Program and Operations Plan.

4.1 Financial performance indicators

The financial performance indicators are intended to be indicative of the financial health and presence of good business management practices at Kiama Municipal Council.

4.1.1 Underlying operating result

Definition:	The issue for Council is whether underlying operating surpluses are being achieved. This indicator is calculated by taking the income from continuing operations less grants and contributions provided for capital purposes less expenses from continuing operations.
Analysis:	Ideally Council would be operating with a small surplus. A surplus of \$1.27 million was achieved for the 2021 financial year (consolidated). The 2022/23 projected consolidated result is \$9.2 million surplus mainly due to gain on sale of assets, excluding one-off sales, the result is \$9.4 million deficit. This followed deficits being recorded for each financial period since 2017. LTFP demonstrates surplus results in long-term.

4.1.2 Operating performance ratio

Definition:	This ratio measures a council's achievement of containing operating expenditure within operating revenue. Ratio = total continuing operating revenue excluding capital grants and contributions less operating expenses / total continuing operating revenue excluding capital grants and contributions.
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the operating performance ratio of greater than 0%.

4.1.3 Own source operating revenue ratio

Definition:	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Ratio = total continuing operating revenue excluding all grants and contributions / total continuing operating revenue.
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the own source revenue ratio of greater than 60%.

4.1.4 Unrestricted current ratio

Definition:	This ratio assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council. Ratio = current assets less all external restrictions / current liabilities less specific purpose liabilities.
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the unrestricted current ratio of greater than 1.5 times.

4.1.5 Debt service cover ratio

Definition:	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. Ratio = operating results before capital excluding interest and depreciation, impairment and amortisation / principal repayments (from the Statement of Cash Flows) + borrowing interest costs (from the Income Statement).
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the debt service cover ratio of greater than 2 times

4.1.6 Building and infrastructure asset renewal ratio

Definition:	This ratio assesses the rate at which these assets are being renewed relative to the rate at which they are depreciating. Ratio = asset renewals (building and infrastructure) / depreciation, amortisation and impairment (building and infrastructure)
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the building and asset renewal ratio of greater than 100%.

4.1.7 Infrastructure backlog ratio

Definition:	This ratio measures what proportion the backlog is against the total value of Council's infrastructure. Ratio = estimated cost to bring assets to a satisfactory standard / net carrying amount of infrastructure assets.
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the infrastructure backlog ratio of less than 2%.

4.1.8 Asset maintenance ratio

Definition:	This ratio compares the actual asset maintenance expenditure relative to the required asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing. Ratio = actual asset maintenance / required asset maintenance.
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the asset maintenance ratio of greater than 100%.

4.1.9 Cash Expense Cover Ratio

Definition:	This liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow. Ratio = current year's cash and cash equivalents plus all term deposits / monthly payments from cash flow operating and financing activities.
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the cash expense ratio of greater than 3.

4.1.10 Rates and annual charges outstanding percentage

Definition:	This ratio assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts. Ratio = rates and annual charges outstanding / rates and annual charges collectable.
Analysis:	The Code of Accounting Practice and Financial Reporting uses a benchmark for the rates and annual charges outstanding percentage of less than 10%

4.1.11 Long Term Operating Environment

The long-term operating environment over the next 10 years is uncertain. In a worst-case scenario another recession may occur, potentially triggered by global factors such as military conflict or continuing pandemic impacts. In a recession Council is affected most by the reduction in value of its investments. Council's cash investments are already held at their fair value. This is a conservative approach that takes into consideration the uncertainty of the long-term operating environment.

4.1.12 Future Borrowing Interest Rates

All of the Council's loans are on a fixed interest rate rather than a floating interest rate and borrowing costs were incorporated in LTFP.

4.1.13 Cash and Cash Equivalents

Any surplus cash will be invested in line with Council's Investment Policy. These investments will be limited to short term deposits which are classified as cash equivalents rather than investments.

4.1.14 Investment Properties

The Office of Local Government has determined that investment properties are to be valued at fair value in all cases. Also, that full revaluations should be done every three years with a desktop valuation performed each year between the full revaluations. Investment properties include Terralong and Bonaira Independent Living Units.

4.1.15 Rates Receivable

The rates receivable amount moves in line with total rating income for each year.

4.1.16 Depreciation

Depreciation moves in line with the increase or disposals in total infrastructure, property, plant and equipment. The annual depreciation for 2023/24 is \$11.515 million and for the purpose of forward planning forecast to increase at a rate of 2% - 3%. An impact of future contributed assets was not incorporated in depreciation forecast due to high level of

uncertainty.

4.1.17 Provisions

In line with the Workforce Strategy, Council has a commitment to pay employee entitlements. Included in Provisions is a liability to pay Annual Leave, Long Service Leave and Sick Leave. It is expected that Annual Leave will be taken within the year that it is earned however the payments of accrued Long Service and Vested Sick Leave entitlements have been factored in when the employee reaches the age of 65.

4.1.18 Unexpected/Abnormal Events

During the next 10 years it is possible that some unexpected or abnormal events may occur. As these events are unknown, they cannot be quantified at this time; as events of this nature occur and become quantifiable they will be incorporated annually into the LTFP.

4.1.19 Asset Backlog

The LTFP assumes that Council's capital and maintenance programs are sufficient in addressing the backlog. Maintenance programs are aimed at achieving 96-100% of the required asset maintenance each year and that the SAMP favours asset renewals which are greater than the depreciation expense incurred.

4.1.20 Financial results

According to the Plan, the Council's current financial position shows that it will face a deficit next year and will need to compensate for the reduction in unrestricted cash with the proceeds from the sale of various assets, including the Bonaira site and operations in June 2024.

The sale of the Bonaira site will significantly improve the Council's financial position, and any remaining structural deficit will gradually be eliminated by achieving reasonable operational efficiencies. The Bonaira sale also assists with the removal of annual operating losses. The Plan also shows that the Council will achieve an ongoing increase in working capital in the 2026/27 financial year.

While a positive working capital position and stable unrestricted cash balance are clear indicators that the Council will have sufficient cash for ongoing operations, achieving an operating surplus is also important. The Plan demonstrates that this will be possible in 7-8 years.

5. Long-term borrowing strategies

5.1 Background to Council's current debt portfolio

The table below outlines Council's position in respect of all interest bearing loans.

Table 5: Current debt portfolio

Council loans and borrowing costs			
Loan Description/Purpose	Bank	Original Loan amount	2023/24 borrowing costs
Road Resealing (LIRS LOAN)	NAB	2,025,000	985
Surf Beach Holiday Park Redevelopment	NAB	5,000,000	72,973
Loan Infrastructure Loan	TCorp	4,000,000	78,968
Blue Haven Bonaira Loan	TCorp	15,000,000	231,000
Total		26,025,000	383,926

The majority of these loans will mature within the first two (2) years of this Plan, leaving minimal interest charges (operational borrowing costs) from 2024/25 onwards.

It is important to note that borrowings costs will need to be updated to reflect renegotiated conditions for \$15M T-Corp loan.

5.2 Future loan strategies

5.2.1 What is Council's philosophy on debt?

Many NSW councils are debt averse and view the achievement of a low level of debt or even debt free status as a primary goal. Others see the use of loan funding as being a critical component of the funding mix to deliver much needed infrastructure to the community.

The use of loans to fund capital expenditure can be an effective mechanism to link the payment for the asset (via debt redemption payments) to the successive councils' populations who receive benefits over the life of that asset. This matching concept is frequently referred to as 'inter-generational equity'. Debt should not be used to cover operating or structural deficits.

There are no immediate plans for further loan borrowings, other than the TCORP debt mentioned earlier being the carry over from the Bonaira development.

5.2.2 Measuring what level of debt is appropriate

The 2006 Allen Inquiry into the Financial Sustainability of NSW Local Government gave significant consideration to the role of borrowings as a funding option for NSW councils. The Allen Inquiry's suggestion of using debt has been used by Council however it is not Council's strategy to use excessive levels of debt.

5.2.3 Future Borrowings

The LTFP proposes to pay down the TCorp Blue Haven loan of \$15 million upon sale of Bonaira site and business which as noted previously is conservatively shown as occurring in June 2024.

No new loans were incorporated in LTFP.

6. Long-term restricted asset usage strategies

Councils in NSW have traditionally operated with Restricted Asset funds that are amounts of money set aside for specific purposes in later years. In general, these funds do not have bank accounts of their own but are a split up of the accumulated cash that a council has on hand.

6.1 Background

Local Governments continue to be challenged by a tightening cash position through increasing demands for cash for daily operations, restricted rate income levels, increasing demands for expenditure on new infrastructure and the maintenance and rehabilitation of existing infrastructure. Kiama Municipal Council is certainly subject to these same pressures, exacerbated by minimal growth in population and limited development activity, significant environmental responsibilities and attractiveness as a high-quality tourist destination.

In response to these pressures Kiama Municipal Council has established a Restricted Assets Policy to detail the type and level of internal restrictions that Council should set aside out of available funds to meet cash outgoings. This provides strategic direction and support for Council and delivery of services to the community. The Policy is reviewed annually to ensure it remains current and is made available on Council's website.

The **Principles** set out in the Policy are that:

1. Reserves are accounts established and held within Council's Restricted Assets for the purpose of:
 - Reducing business risk.
 - Improved financial management.
 - Improved strategic capacity.
 - Meeting asset renewal needs.
 - Meeting statutory obligations and other external requirements.
2. Externally and Internally Restricted Reserve balances are reported annually in Council's Financial Statements and must be cash backed.

Externally Restricted Assets (Reserves) are those where there is a legislative obligation or contractual agreement to use funds for the purpose for which they were paid to Council.

Internally Restricted Assets (Reserves) are restricted by a resolution of Council. Internal restrictions are established by Council to cover commitments / obligations that are expected to arise in the future and where it is prudent for Council to hold dedicated cash in restrictions to cover those obligations.

Council may decide to review its internal restrictions at any time to meet financial obligations and requirements of Council's LTFP. A Council resolution is required to return funds no longer required to unrestricted cash.

6.2 Nature and purpose of current restricted assets

External and Internal Restricted Asset (Reserves) held by Kiama Municipal Council are detailed below. Current balances are provided to Council on a monthly basis as part of the Statement of Investments reporting:

6.2.1 Externally Restricted Cash Assets

Deposits, Retentions and Bonds	
Purpose:	An external restriction is placed on deposits, retentions and bonds held by Council.
Source of Funds:	Any person or company that has paid a deposit, retention monies or bond to Council.
Bonds held for Developer's Works	
Purpose:	An external restriction is placed on bonds held by Council.
Source of Funds:	Any developer that has paid a bond to Council.
Developer Contributions	
Purpose:	Section 7.11 or 7.12 of the <i>Environmental Planning & Assessment Act 1979</i> enables Council to levy contributions as a consequence of development. These contributions are essential in providing quality facilities and services to an expanding local population. The Act requires Council to set these funds aside to be used specifically for the provision of these facilities and services.
Source of Funds:	Developer Contributions as levied in accordance with Council's adopted Section 7.11/7.12 Plan.
Specific Purpose Unexpended Grants	
Purpose:	An external restriction is placed on grant funding that has been received for a specific purpose that has not been spent by the end of the financial year.
Source of Funds:	Grant funding that is provided to Council from various sources for a specific purpose.
Domestic Waste Management	
Purpose:	By virtue of Section 496 of the <i>Local Government Act 1993</i> (as amended), Council must levy a separate charge for domestic waste management services, which include garbage and recycling services. Council is obliged to set these funds aside and use them for their specific purpose.
Source of Funds:	Domestic Waste Management Annual Charge.
Stormwater Levy	
Purpose:	An external restriction is placed on income received for certain stormwater related initiatives that has not been spent by the end of the financial year.
Source of Funds:	Stormwater Annual Charge.
Loan Restrictions - TCorp	
Purpose:	\$15 million from proceeds from the sales of Independent Living Units at Blue Haven Boniara to be restricted for loan repayment to NSW Treasury Corporation.

Source of Funds: Proceeds from sale of Independent Living Units at Blue Haven Bonaira.

Unspent Loan Funding

Purpose: To restrict the use of cash which has been borrowed externally for a specific purpose but not yet spent.

Source of Funds: Funds borrowed from banks.

Crown Holiday Parks

Purpose: Net profits from Holiday Parks on Crown Land are retained for reinvestment back into Council infrastructure on Crown Land.

Source of Funds: Surplus from the Holiday Parks on Crown Land.

Blue Haven Terralong Independent Living Units

Purpose: By virtue of Section 20 of the *Retirement Villages Regulation 2017* recurrent charges from village residents can only be spent on items prescribed within the Act and reported within the annual budget of each village.

Source of Funds: Unspent maintenance levy charges from residents a Blue Haven Terralong Village.

Blue Haven Bonaira Independent Living Units

Purpose: By virtue of Section 20 of the *Retirement Villages Regulation 2017* recurrent charges from village residents can only be spent on items prescribed within the act and reported within the annual budget of each village.

Source of Funds: Unspent maintenance levy charges from residents a Blue Haven Bonaira Village.

Blue Haven Aged Care Home

Purpose: Kiama Municipal Council as an approved aged care provider is required to comply prudential standards, which are set out in the Fees and Payments Principles 2014 (No.2) (the Principles). A minimum liquidity is determined defined by expected payments due in the following 12 months in accordance with the *Aged Care Act 1997* and the liquidity management policy.

Source of Funds: Accommodation payments for the Aged Care Home.

Blue Haven Home Care Packages

Purpose: Unspent funds from client home care packages.

Source of Funds: Surplus funds from Department of Health Funding and client contributions.

Community Bus

Purpose: Funds held available for the renewal of assets held under the Transport for New South Wales program. All unspent funds are to be returned if the program were not to continue.

Source of Funds: Funding from client contributions.

6.2.2 Internally Restricted Cash Assets

Carry Over Works

Purpose: Capital works projects that carry over from the previous year.

Source of Funds: Multiple sources including grant funding, loans and general revenue.

Waste and Sustainability

Purpose: To fund programs aligned with better waste recycling across the Local Government Area. These include items relating to household bulky waste and a cardboard bailer.

Source of Funds: General Revenue.

Waste Business Unit

Purpose: Dividend paid to Council to maintain and replace plant and equipment for the Minnamurra Recycling and Waste Depot.

Source of Funds: Waste Business Unit surplus funds.

Employee Leave Entitlements

Purpose: To provide funds for employee leave entitlements which have been accrued but not yet paid.

Source of Funds: General revenue.

Council Election

Purpose: To provide funds for the Local Government Elections which are conducted every four years.

Source of Funds: Funds provided annually from general revenue.

Plant Replacement

Purpose: To fund plant replacement as scheduled and required.

Source of Funds: Plant hire charges.

Land Development

Purpose: Revenue generating investments / activities that provide a commercial rate of return whether in short, medium, or long term. All profits / returns generated from investments / activities be returned to the reserve.

Source of Funds: Land sales, investment activities.

Risk Improvement Incentive

Purpose: Deposits from Insurance company for Incentives to improve Councils risk profile. WHS incentive payment received from State Cover to promote WHS practices. Payment allocation for WHS improvements.

Source of Funds: State Cover incentive payments.

Rating and Annual Charge Strategies

6.3 Assessment of Current Rating Levels

Comparison of rating between councils is affected by the rating and charging strategies each council has adopted. Some councils rely solely on the ordinary rate for rate income while others levy special rates for specific purposes that supplement ordinary rate income. Income from ordinary rates, special rates and drainage services are subject to IPART rate pegging while domestic waste management service annual charge is limited to recovering the reasonable cost of providing those services.

Councils may choose a mix of ordinary and special rates and vary those from year to year, however the annual increase in total rate income from all rates is not to exceed the percentage specified by IPART each year.

The NSW Office of Local Government (OLG) publishes annual comparative information on council rating, financial indicators, service costs and service performance. The information is separated into 11 groups of similar councils based on size and character. Kiama Municipal Council is placed within OLG category 4.

6.4 Rates and Annual Charges Income

6.4.1 Rate Pegging and Additional Special Variation

Councils are subject to rate pegging in New South Wales restricting total rate income to the prior year's notional income plus a percentage increase as allowed by the Independent Pricing and Regulatory Tribunal (IPART). The rate peg percentage increase allowed for Kiama Municipal Council is 5.1% for the 2023/24 financial year. This increase will be reduced by the Additional Special rate Variation of 0.9% factored in to the 2022/23 financial year.

6.4.2 Potential Future Special Rate Variation

In context of the poor operating result modelled in this Plan and considering the identified Strategic Improvement Plan actions, Council must remain focused on cost reduction and revenue generation opportunities in the near future. These options will be explored prior to considering special rates variation.

The scenario presented in LTFP does not include potential additional revenue from special rates variation.

Appendix 1 - Financial Statements

Income Statement – Consolidated - Base Case

Description	Current Year 22/23				Long Term Financial Plan (LTFP)									
	YTD Actual	22/23 Budget	Var \$	% of Budget	23/24 Budget	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Income														
Rates & Annual Charges	26,408,279	27,218,549	810,270	97.02%	28,134,335	29,204,464	30,282,953	31,506,772	32,780,310	34,105,595	35,484,739	36,919,943	38,413,495	39,967,778
User Charges & Fees	20,790,469	27,069,083	6,278,614	76.81%	23,002,301	20,088,311	20,891,495	21,727,067	22,596,057	23,499,805	24,439,698	25,417,184	26,433,767	27,491,008
Other Revenue	5,052,738	7,437,917	2,385,179	67.93%	9,086,546	7,069,875	7,221,022	7,375,948	7,553,802	7,736,637	7,924,590	8,117,807	8,316,434	8,520,622
Grants & Contributions - Operating	15,413,499	16,236,564	823,065	94.93%	15,825,626	3,321,632	3,412,797	3,506,242	3,602,023	3,700,199	3,800,829	3,903,975	4,009,699	4,118,067
Grants & Contributions - Capital	5,379,664	6,238,773	859,109	86.23%	11,445,385	9,997,500	10,022,438	10,047,998	10,074,198	10,101,053	10,128,580	10,156,794	10,185,714	10,215,357
Interest & Investment Income	830,594	686,303	-144,291	121.02%	2,387,133	2,517,863	2,204,813	2,205,101	2,205,431	2,205,770	2,206,119	2,206,477	2,206,846	2,207,225
Other Income	1,597,576	2,381,131	783,555	67.09%	3,129,931	563,990	578,090	592,542	609,133	626,189	643,722	661,746	680,275	699,323
Profit on Disposal	17,038,914	18,609,291	1,570,378	91.56%	31,218,368	0	0	0	0	0	0	0	0	0
Total Income	92,511,732	105,877,611	13,365,878	87.38%	124,229,624	72,763,635	74,613,608	76,961,670	79,420,955	81,975,247	84,628,278	87,383,927	90,246,230	93,219,379
Expense														
Employee Benefits	30,996,933	36,672,257	5,675,323	84.52%	37,517,824	25,831,545	26,606,492	27,404,686	28,226,827	29,073,632	29,945,841	30,844,216	31,769,542	32,722,629
Materials & Services	26,503,691	38,572,785	12,069,093	68.71%	39,473,293	30,815,735	29,307,126	28,611,506	27,944,464	28,739,166	29,556,559	30,397,290	31,262,033	32,151,476
Borrowing Costs	1,283,485	1,600,775	317,290	80.18%	386,926	151,140	151,140	151,140	151,140	151,140	151,140	151,140	151,140	151,140
Depreciation, Amortization & Impairment	8,389,711	11,186,282	2,796,571	75.00%	14,608,055	12,725,898	13,107,675	13,500,906	13,905,933	14,184,051	14,467,732	14,757,087	15,052,229	15,353,273
Other Expenses	2,505,523	2,417,446	-88,077	103.64%	2,271,786	1,382,417	1,416,977	1,452,402	1,493,069	1,534,875	1,577,851	1,622,031	1,667,448	1,714,137
Infrastructure, Property, Plant and Equipment	2,228	0	-2,228	0.00%	0	0	0	0	0	0	0	0	0	0
Total Expense	69,681,573	90,449,544	20,767,972	77.04%	94,257,884	70,906,736	70,589,410	71,120,640	71,721,432	73,682,864	75,699,123	77,692,625	79,823,252	82,013,515
Surplus/(Deficit)	22,830,160	15,428,066	-7,402,094	147.98%	29,971,739	1,856,899	4,024,198	5,841,030	7,699,523	8,292,383	8,929,155	9,691,303	10,422,977	11,205,864
Surplus/(Deficit) before capital grants & contributions	17,450,495	9,189,293	-8,261,202	189.90%	18,526,355	-8,140,601	-5,998,239	-4,206,968	-2,374,676	-1,808,670	-1,199,425	-465,492	237,263	990,508
Surplus/(Deficit) before capital grants & contributions & one-off sales	411,582	-9,419,998	-9,831,580	-4.37%	-12,692,013	-8,140,601	-5,998,239	-4,206,968	-2,374,676	-1,808,670	-1,199,425	-465,492	237,263	990,508

Projected Key Financial Indicators – Consolidated:

Ratio/(Benchmark)	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Operating Performance Ratio (>0%)	16%	-13%	-9%	-6%	-3%	-3%	-2%	-1%	0%	1%
Own Source Operating Revenue (>60%)	78%	82%	82%	82%	83%	83%	84%	84%	84%	85%
Unrestricted Current Ratio (>1.5x)	0.50	0.49	0.43	0.43	0.45	0.49	0.52	0.58	0.65	0.72
Debt Service Cover Ratio (>2x)	2.07	5.47	8.39	10.92	13.50	14.48	15.51	32.87	49.24	52.61
Rates and Annual Charges Outstanding %	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Cash Expense Cover Ratio (>3.00 months)	8.09	14.11	15.77	17.63	19.87	21.68	23.50	25.53	27.48	29.39

Statement of Cash Flow – Consolidated - Base Case

Description	Current Year 22/23				Long Term Financial Plan (LTFP)									
	YTD Actual 23POACT	22/23 23POBR2	Var \$	% of Budget	23/24 24PODRF	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Operating Fund Flows														
Rates & Annual Charges	26,408,279	27,218,549	810,270	97.02%	28,134,335	29,204,464	30,282,953	31,506,772	32,780,310	34,105,595	35,484,739	36,919,943	38,413,495	39,967,778
User Charges & Fees	20,790,469	27,069,083	6,278,614	76.81%	23,002,301	20,088,311	20,891,495	21,727,067	22,596,057	23,499,805	24,439,698	25,417,184	26,433,767	27,491,008
Other Revenue	5,052,738	7,437,917	2,385,179	67.93%	9,086,546	7,069,875	7,221,022	7,375,948	7,553,802	7,736,637	7,924,590	8,117,807	8,316,434	8,520,622
Grants & Contributions - Operating	15,413,499	16,236,564	823,065	94.93%	15,825,626	3,321,632	3,412,797	3,506,242	3,602,023	3,700,199	3,800,829	3,903,975	4,009,699	4,118,067
Grants & Contributions - Capital	5,379,664	6,238,773	859,109	86.23%	11,445,385	9,997,500	10,022,438	10,047,998	10,074,198	10,101,053	10,128,580	10,156,794	10,185,714	10,215,357
Interest & Investment Income	830,594	686,303	-144,291	121.02%	2,387,133	2,517,863	2,204,813	2,205,101	2,205,431	2,205,770	2,206,119	2,206,477	2,206,846	2,207,225
Other Income	1,597,576	2,381,131	783,555	67.09%	3,129,931	563,990	578,090	592,542	609,133	626,189	643,722	661,746	680,275	699,323
Employee Benefits	-30,996,933	-36,672,257	-5,675,323	84.52%	-37,517,824	-25,831,545	-26,606,492	-27,404,686	-28,226,827	-29,073,632	-29,945,841	-30,844,216	-31,769,542	-32,722,629
Materials & Services	-26,503,691	-38,572,785	-12,069,093	68.71%	-39,473,293	-30,815,735	-29,307,126	-28,611,506	-27,944,464	-28,739,166	-29,556,559	-30,397,290	-31,262,033	-32,151,476
Borrowing Costs	-1,283,485	-1,600,775	-317,290	80.18%	-386,926	-151,140	-151,140	-151,140	-151,140	-151,140	-151,140	-72,000	-72,000	-72,000
Other Expenses	-2,505,523	-2,417,446	88,077	103.64%	-2,271,786	-1,382,417	-1,416,977	-1,452,402	-1,493,069	-1,534,875	-1,577,851	-1,622,031	-1,667,448	-1,714,137
Infrastructure, Property, Plant and Equipment	-2,228	0	2,228	0.00%	0	0	0	0	0	0	0	0	0	0
Total Operating Fund Flows	14,180,958	8,005,057	-6,175,901	177.15%	13,361,427	14,582,798	17,131,874	19,341,936	21,605,455	22,476,434	23,396,888	24,448,390	25,475,206	26,559,138
Investing Fund Flows														
Capital Works Program	-7,689,601	-17,306,959	-9,617,358	44.43%	-13,900,069	-9,439,246	-9,662,423	-9,892,296	-10,129,065	-10,372,937	-10,624,125	-11,149,334	-11,423,814	-11,706,529
Asset Sales	17,038,914	18,609,291	1,570,378	91.56%	35,512,500	0	0	0	0	0	0	0	0	0
Total Investing Fund Flows	9,349,313	1,302,332	-8,046,981	717.89%	21,612,431	-9,439,246	-9,662,423	-9,892,296	-10,129,065	-10,372,937	-10,624,125	-11,149,334	-11,423,814	-11,706,529
Financing Fund Flows														
Loan Principal	-15,000,000	-30,000,000	-15,000,000	50.00%	-15,800,722	-714,000	-714,000	-714,000	-714,000	-714,000	-714,000	-365,000	-240,000	-240,000
Total Financing Fund Flows	-15,000,000	-30,000,000	-15,000,000	50.00%	-15,800,722	-714,000	-714,000	-714,000	-714,000	-714,000	-714,000	-365,000	-240,000	-240,000
Net Inc/(Dec) in Funds before Transfers	8,530,270	-20,692,611	-29,222,881	-41.22%	19,173,135	4,429,552	6,755,451	8,735,640	10,762,390	11,389,497	12,058,763	12,934,056	13,811,392	14,612,609
Total Reserve Movements	14,400,000	29,040,000	14,640,000	49.59%	-6,819,431	-3,152,623	-8,200,441	-8,644,196	-8,811,006	-8,694,393	-9,591,061	-8,216,052	-8,309,207	-8,930,951
Net Inc/(Dec) in Unrestricted Funds	22,930,270	8,347,389	-14,582,881	274.70%	12,353,704	1,276,929	-1,444,990	91,444	1,951,384	2,695,104	2,467,702	4,718,004	5,502,185	5,681,658
Net Inc/(Dec) in Unrestricted Funds excluding one-off sales and Lump sum loan	5,891,357	-10,261,902	-16,153,259	-57.41%	-8,158,796	1,276,929	-1,444,990	91,444	1,951,384	2,695,104	2,467,702	4,718,004	5,502,185	5,681,658
Cash, Cash Equivalents & Investments - end of the year	78,041,714	45,167,030			64,340,165	68,769,717	75,525,167	84,260,807	95,023,197	106,412,694	118,471,457	131,405,513	145,216,905	159,829,514
Representing:														
- External Restrictions	60,724,000	21,400,622			30,736,369	36,673,542	47,616,410	57,042,579	66,635,558	76,111,924	86,484,958	95,482,983	105,184,163	115,507,087
- Internal Restrictions	19,819,000	18,709,323			16,193,007	13,408,457	10,666,030	9,884,057	9,102,084	8,320,111	7,538,138	6,756,165	5,364,192	3,972,219
- Unrestricted	-2,501,286	5,057,084			17,410,788	18,687,717	17,242,727	17,334,170	19,285,555	21,980,659	24,448,360	29,166,364	34,668,549	40,350,207
Total	78,041,714	45,167,030			64,340,165	68,769,717	75,525,167	84,260,807	95,023,197	106,412,694	118,471,457	131,405,513	145,216,905	159,829,514

Statement of Financial Position - Consolidated– Base Case

Description	Consolidated Statement of Financial Position									
	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Current Assets										
Cash and cash equivalents	64,340,165	68,769,717	75,525,167	84,260,807	95,023,197	106,412,694	118,471,457	131,405,513	145,216,905	159,829,514
Current Receivables	1,757,000	1,757,000	1,757,000	1,757,000	1,757,000	1,757,000	1,757,000	1,757,000	1,757,000	1,757,000
Total Current Assets	66,097,165	70,526,717	77,282,167	86,017,807	96,780,197	108,169,694	120,228,457	133,162,513	146,973,905	161,586,514
Non Current Assets										
Non Current Receivables	194,919	194,919	194,919	194,919	194,919	194,919	194,919	194,919	194,919	194,919
Infrastructure, Property, Plant and Equipment	484,791,382	481,504,729	478,059,477	474,450,867	470,673,999	466,862,885	463,019,278	459,411,525	455,783,110	452,136,365
Investment Property	96,280,000	96,280,000	96,280,000	96,280,000	96,280,000	96,280,000	96,280,000	96,280,000	96,280,000	96,280,000
Intangibles	0	0	0	0	0	0	0	0	0	0
Total Non Current Assets	581,266,300	577,979,648	574,534,395	570,925,786	567,148,918	563,337,804	559,494,196	555,886,443	552,258,028	548,611,284
Total Assets	647,363,465	648,506,364	651,816,563	656,943,593	663,929,115	671,507,498	679,722,653	689,048,956	699,231,933	710,197,797
Current Liabilities										
Current Payables	67,942,000	67,942,000	67,942,000	67,942,000	67,942,000	67,942,000	67,942,000	67,942,000	67,942,000	67,942,000
Current Borrowings	740,000	740,000	740,000	740,000	740,000	740,000	615,000	250,000	250,000	250,000
Current Provisions	1,643,403	1,643,403	1,643,403	1,643,403	1,643,403	1,643,403	1,643,403	1,643,403	1,643,403	1,643,403
Current Contract Liability	182,814	182,814	182,814	182,814	182,814	182,814	182,814	182,814	182,814	182,814
Total Current Liabilities	70,508,217	70,508,217	70,508,217	70,508,217	70,508,217	70,508,217	70,383,217	70,018,217	70,018,217	70,018,217
Non Current Liabilities										
Non Current Payables	4,299	4,299	4,299	4,299	4,299	4,299	4,299	4,299	4,299	4,299
Non Current Borrowings	6,249,000	5,535,000	4,821,000	4,107,000	3,393,000	2,679,000	2,090,000	2,090,000	1,850,000	1,610,000
Non Current Provisions	71,363	71,363	71,363	71,363	71,363	71,363	71,363	71,363	71,363	71,363
Total Non Current Liabilities	6,324,662	5,610,662	4,896,662	4,182,662	3,468,662	2,754,662	2,165,662	2,165,662	1,925,662	1,685,662
Total Liabilities	76,832,879	76,118,879	75,404,879	74,690,879	73,976,879	73,262,879	72,548,879	72,183,879	71,943,879	71,703,879
Net Assets	570,530,586	572,387,485	576,411,683	582,252,713	589,952,236	598,244,619	607,173,774	616,865,076	627,288,054	638,493,918
Equity										
Retained Earnings and Revaluation Reserve	570,530,586	572,387,485	576,411,683	582,252,713	589,952,236	598,244,619	607,173,774	616,865,076	627,288,054	638,493,918
Total Equity	570,530,586	572,387,485	576,411,683	582,252,713	589,952,236	598,244,619	607,173,774	616,865,076	627,288,054	638,493,918
Total Equity	570,530,586	572,387,485	576,411,683	582,252,713	589,952,236	598,244,619	607,173,774	616,865,076	627,288,054	638,493,918

Income Statement – General Fund - Base Case

Description	Current Year 22/23				Long Term Financial Plan (LTFP)									
	YTD Actual	22/23 Budget	Var \$	% of Budget	23/24 Budget	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Income														
Rates & Annual Charges	26,408,279	27,218,549	810,270	97.02%	28,134,335	29,204,464	30,282,953	31,506,772	32,780,310	34,105,595	35,484,739	36,919,943	38,413,495	39,967,778
User Charges & Fees	7,548,361	11,058,043	3,509,681	68.26%	7,012,266	7,362,010	7,656,142	7,962,299	8,280,699	8,611,832	8,956,207	9,314,353	9,686,822	10,074,186
Other Revenue	1,667,243	2,704,653	1,037,409	61.64%	4,072,222	4,783,187	4,877,166	4,973,496	5,084,082	5,197,764	5,314,629	5,434,767	5,558,268	5,685,228
Grants & Contributions - Operating	4,630,084	4,047,835	-582,249	114.38%	3,139,639	3,321,632	3,412,797	3,506,242	3,602,023	3,700,199	3,800,829	3,903,975	4,009,699	4,118,067
Grants & Contributions - Capital	5,379,664	6,238,773	859,109	86.23%	11,445,385	9,997,500	10,022,438	10,047,998	10,074,198	10,101,053	10,128,580	10,156,794	10,185,714	10,215,357
Interest & Investment Income	358,359	520,000	161,641	68.92%	1,918,739	2,516,843	2,203,768	2,204,029	2,204,329	2,204,638	2,204,955	2,205,281	2,205,616	2,205,960
Other Income	643,650	888,200	244,550	72.47%	1,637,000	563,990	578,090	592,542	609,133	626,189	643,722	661,746	680,275	699,323
Profit on Disposal	17,038,914	18,609,291	1,570,378	91.56%	31,218,368	0	0	0	0	0	0	0	0	0
Total Income	63,674,554	71,285,344	7,610,789	89.32%	88,577,953	57,749,625	59,033,354	60,793,379	62,634,775	64,547,269	66,533,661	68,596,859	70,739,890	72,965,899
Expense														
Employee Benefits	19,910,403	23,944,627	4,034,225	83.15%	24,330,717	25,060,637	25,812,457	26,586,830	27,384,435	28,205,968	29,052,147	29,923,712	30,821,423	31,746,066
Materials & Services	16,077,452	24,602,157	8,524,705	65.35%	24,389,206	23,312,391	21,608,991	20,713,454	19,820,663	20,383,123	20,961,590	21,556,519	22,168,383	22,797,664
Borrowing Costs	84,022	133,082	49,060	63.14%	386,926	151,140	151,140	151,140	151,140	151,140	151,140	72,000	72,000	72,000
Depreciation, Amortization & Impairment	7,446,850	9,929,133	2,482,283	75.00%	9,498,384	9,783,336	10,076,836	10,379,141	10,690,515	10,904,325	11,122,412	11,344,860	11,571,757	11,803,193
Other Expenses	611,564	491,207	-120,357	124.50%	813,423	794,705	814,573	834,937	858,315	882,348	907,054	932,451	958,560	985,400
Infrastructure, Property, Plant and Equipment	2,228	0	-2,228	0.00%	0	0	0	0	0	0	0	0	0	0
Total Expense	44,132,519	59,100,206	14,967,686	74.67%	59,114,683	59,102,209	58,463,996	58,665,503	58,905,069	60,526,905	62,194,343	63,829,542	65,592,123	67,404,322
Surplus/(Deficit)	19,542,035	12,185,138	-7,356,897	160.38%	29,463,270	-1,352,584	569,358	2,127,876	3,729,705	4,020,364	4,339,318	4,767,317	5,147,767	5,561,577
Surplus/(Deficit) before capital grants & contributions	14,162,371	5,946,365	-8,216,006	238.17%	18,017,885	-11,350,084	-9,453,079	-7,920,122	-6,344,493	-6,080,689	-5,789,261	-5,389,477	-5,037,947	-4,653,780
Surplus/(Deficit) before capital grants & contributions & one-off sales	-2,876,543	-12,662,926	-9,786,384	22.72%	-13,200,483	-11,350,084	-9,453,079	-7,920,122	-6,344,493	-6,080,689	-5,789,261	-5,389,477	-5,037,947	-4,653,780

Income Statement – Blue Haven - Base Case

Description	Current Year 22/23				Long Term Financial Plan (LTFP)									
	YTD Actual	22/23 Budget	Var \$	% of Budget	23/24 Budget	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Income														
User Charges & Fees	4,174,285	5,381,636	1,207,351	77.57%	4,946,191	1,177,515	1,224,616	1,273,600	1,324,544	1,377,526	1,432,627	1,489,932	1,549,530	1,611,511
Other Revenue	3,375,433	4,731,600	1,356,167	71.34%	5,012,607	2,284,938	2,342,061	2,400,613	2,467,830	2,536,929	2,607,963	2,680,986	2,756,054	2,833,224
Grants & Contributions - Operating	10,783,415	12,188,729	1,405,314	88.47%	12,685,987	0	0	0	0	0	0	0	0	0
Interest & Investment Income	472,235	166,303	-305,932	283.96%	468,394	1,020	1,046	1,072	1,102	1,132	1,164	1,197	1,230	1,265
Other Income	953,926	1,492,931	539,005	63.90%	1,492,931	0	0	0	0	0	0	0	0	0
Profit on Disposal	0	0	0	0.00%	0	0	0	0	0	0	0	0	0	0
Total Income	19,759,294	23,961,199	4,201,905	82.46%	24,606,110	3,463,473	3,567,723	3,675,285	3,793,476	3,915,588	4,041,755	4,172,116	4,306,814	4,445,999
Expense														
Employee Benefits	10,792,528	12,307,461	1,514,933	87.69%	12,779,836	294,992	303,842	312,957	322,346	332,016	341,977	352,236	362,803	373,687
Materials & Services	5,706,925	8,142,109	2,435,184	70.09%	8,361,854	950,132	976,534	1,003,686	1,033,344	1,063,889	1,095,348	1,127,748	1,161,118	1,195,489
Borrowing Costs	1,132,410	1,369,344	236,934	82.70%	231,000	0	0	0	0	0	0	0	0	0
Depreciation, Amortization & Impairment	942,862	1,257,149	314,287	75.00%	4,252,814	2,060,000	2,121,800	2,185,454	2,251,018	2,296,038	2,341,959	2,388,798	2,436,574	2,485,305
Other Expenses	1,599,681	1,493,298	-106,383	107.12%	1,024,918	145,598	149,238	152,969	157,252	161,655	166,181	170,834	175,618	180,535
Total Expense	20,174,405	24,569,361	4,394,956	82.11%	26,650,422	3,450,722	3,551,414	3,655,066	3,763,959	3,853,598	3,945,464	4,039,616	4,136,113	4,235,016
Surplus/(Deficit)	-415,111	-608,162	-193,051	68.26%	-2,044,312	12,751	16,309	20,219	29,517	61,990	96,291	132,500	170,701	210,983
Surplus/(Deficit) before capital grants & contributions	-415,111	-608,162	-193,051	68.26%	-2,044,312	12,751	16,309	20,219	29,517	61,990	96,291	132,500	170,701	210,983
Surplus/(Deficit) before capital grants & contributions & one-off sales	-415,111	-608,162	-193,051	68.26%	-2,044,312	12,751	16,309	20,219	29,517	61,990	96,291	132,500	170,701	210,983

Income Statement – Holiday Parks - Base Case

Description	Current Year 22/23				Long Term Financial Plan (LTFP)									
	YTD Actual	22/23 Budget	Var \$	% of Budget	23/24 Budget	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Income														
User Charges & Fees	9,067,822	10,629,404	1,561,582	85.31%	11,043,844	11,548,786	12,010,738	12,491,167	12,990,814	13,510,446	14,050,864	14,612,899	15,197,415	15,805,311
Other Revenue	1,454	1,664	210	87.38%	1,716	1,750	1,794	1,839	1,890	1,943	1,998	2,054	2,111	2,170
Profit on Disposal	0	0	0	0.00%	0	0	0	0	0	0	0	0	0	0
Total Income	9,069,276	10,631,068	1,561,792	85.31%	11,045,560	11,550,537	12,012,532	12,493,006	12,992,704	13,512,390	14,052,862	14,614,952	15,199,526	15,807,482
Expense														
Employee Benefits	294,003	420,169	126,166	69.97%	407,271	475,916	490,193	504,899	520,046	535,647	551,717	568,268	585,316	602,876
Materials & Services	4,680,269	5,828,520	1,148,251	80.30%	6,722,233	6,553,212	6,721,601	6,894,366	7,090,456	7,292,154	7,499,621	7,713,023	7,932,532	8,158,324
Borrowing Costs	67,053	98,349	31,296	68.18%	72,973	0	0	0	0	0	0	0	0	0
Depreciation, Amortization & Impairment	0	0	0	0.00%	856,857	882,563	909,039	936,311	964,400	983,688	1,003,362	1,023,429	1,043,898	1,064,776
Other Expenses	294,278	432,941	138,663	67.97%	433,445	442,114	453,167	464,496	477,502	490,872	504,616	518,746	533,270	548,202
Total Expense	5,335,602	6,779,978	1,444,376	78.70%	8,492,779	8,353,804	8,574,001	8,800,071	9,052,404	9,302,361	9,559,316	9,823,466	10,095,017	10,374,177
Surplus/(Deficit)	3,733,674	3,851,090	117,416	96.95%	2,552,781	3,196,732	3,438,531	3,692,935	3,940,300	4,210,028	4,493,546	4,791,486	5,104,509	5,433,305
Surplus/(Deficit) before capital grants & contributions	3,733,674	3,851,090	117,416	96.95%	2,552,781	3,196,732	3,438,531	3,692,935	3,940,300	4,210,028	4,493,546	4,791,486	5,104,509	5,433,305
Surplus/(Deficit) before capital grants & contributions & one-off sales	3,733,674	3,851,090	117,416	96.95%	2,552,781	3,196,732	3,438,531	3,692,935	3,940,300	4,210,028	4,493,546	4,791,486	5,104,509	5,433,305

Scenario 2- Income Statement – Consolidated – 10% Permanent SRV in 2024/25 Scenario

Description	Current Year 22/23				Long Term Financial Plan (LTFP)									
	YTD Actual	22/23 Budget	Var \$	% of Budget	23/24 Budget	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Income														
Rates & Annual Charges	26,408,279	27,218,549	810,270	97.02%	28,134,335	31,408,722	32,579,772	33,900,040	35,274,080	36,704,088	38,192,354	39,741,261	41,353,291	43,031,028
User Charges & Fees	20,790,469	27,069,083	6,278,614	76.81%	23,002,301	20,088,311	20,891,495	21,727,067	22,596,057	23,499,805	24,439,698	25,417,184	26,433,767	27,491,008
Other Revenue	5,052,738	7,437,917	2,385,179	67.93%	9,086,546	7,069,875	7,221,022	7,375,948	7,553,802	7,736,637	7,924,590	8,117,807	8,316,434	8,520,622
Grants & Contributions - Operating	15,413,499	16,236,564	823,065	94.93%	15,825,626	3,321,632	3,412,797	3,506,242	3,602,023	3,700,199	3,800,829	3,903,975	4,009,699	4,118,067
Grants & Contributions - Capital	5,379,664	6,238,773	859,109	86.23%	11,445,385	9,997,500	10,022,438	10,047,998	10,074,198	10,101,053	10,128,580	10,156,794	10,185,714	10,215,357
Interest & Investment Income	830,594	686,303	-144,291	121.02%	2,387,133	2,517,863	2,204,813	2,205,101	2,205,431	2,205,770	2,206,119	2,206,477	2,206,846	2,207,225
Other Income	1,597,576	2,381,131	783,555	67.09%	3,129,931	563,990	578,090	592,542	609,133	626,189	643,722	661,746	680,275	699,323
Profit on Disposal	17,038,914	18,609,291	1,570,378	91.56%	31,218,368	0	0	0	0	0	0	0	0	0
Total Income	92,511,732	105,877,611	13,365,878	87.38%	124,229,624	74,967,893	76,910,428	79,354,938	81,914,725	84,573,740	87,335,892	90,205,245	93,186,026	96,282,630
Expense														
Employee Benefits	30,996,933	36,672,257	5,675,323	84.52%	37,517,824	25,831,545	26,606,492	27,404,686	28,226,827	29,073,632	29,945,841	30,844,216	31,769,542	32,722,629
Materials & Services	26,503,691	38,572,785	12,069,093	68.71%	39,473,293	30,815,735	29,307,126	28,611,506	27,944,464	28,739,166	29,556,559	30,397,290	31,262,033	32,151,476
Borrowing Costs	1,283,485	1,600,775	317,290	80.18%	386,926	151,140	151,140	151,140	151,140	151,140	151,140	72,000	72,000	72,000
Depreciation, Amortization & Impairment	8,389,711	11,186,282	2,796,571	75.00%	14,608,055	12,725,898	13,107,675	13,500,906	13,905,933	14,184,051	14,467,732	14,757,087	15,052,229	15,353,273
Other Expenses	2,505,523	2,417,446	-88,077	103.64%	2,271,786	1,382,417	1,416,977	1,452,402	1,493,069	1,534,875	1,577,851	1,622,031	1,667,448	1,714,137
Infrastructure, Property, Plant and Equipment	2,228	0	-2,228	0.00%	0	0	0	0	0	0	0	0	0	0
Total Expense	69,681,573	90,449,544	20,767,972	77.04%	94,257,884	70,906,736	70,589,410	71,120,640	71,721,432	73,682,864	75,699,123	77,692,625	79,823,252	82,013,515
Surplus/(Deficit)	22,830,160	15,428,066	-7,402,094	147.98%	29,971,739	2,333,039	4,500,338	6,317,170	8,175,663	8,768,523	9,405,295	10,088,303	10,819,977	11,602,864
Surplus/(Deficit) before capital grants & contributions	17,450,495	9,189,293	-8,261,202	189.90%	18,526,355	-5,936,343	-3,701,420	-1,813,700	119,094	789,823	1,508,189	2,355,826	3,177,059	4,053,758
Surplus/(Deficit) before capital grants & contributions & one-off sales	411,582	-9,419,998	-9,831,580	-4.37%	-12,692,013	-5,936,343	-3,701,420	-1,813,700	119,094	789,823	1,508,189	2,355,826	3,177,059	4,053,758

Scenario 3 - Income Statement – Consolidated – Bonaira Operations Stay with Council

Description	Current Year 22/23				Long Term Financial Plan (LTFP)									
	YTD Actual	22/23 Budget	Var \$	% of Budget	23/24 Budget	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Income														
Rates & Annual Charges	26,408,279	27,218,549	810,270	97.02%	28,134,335	29,204,464	30,282,953	31,506,772	32,780,310	34,105,595	35,484,739	36,919,943	38,413,495	39,967,778
User Charges & Fees	20,790,469	27,069,083	6,278,614	76.81%	23,002,301	25,034,502	25,837,686	26,673,258	27,542,248	28,445,996	29,385,889	30,363,375	31,379,958	32,437,199
Other Revenue	5,052,738	7,437,917	2,385,179	67.93%	9,086,546	12,082,483	12,233,629	12,388,555	12,566,409	12,749,244	12,937,198	13,130,414	13,329,041	13,533,229
Grants & Contributions - Operating	15,413,499	16,236,564	823,065	94.93%	15,825,626	16,007,619	16,098,784	16,192,229	16,288,010	16,386,186	16,486,816	16,589,962	16,695,686	16,804,054
Grants & Contributions - Capital	5,379,664	6,238,773	859,109	86.23%	11,445,385	9,997,500	10,022,438	10,047,998	10,074,198	10,101,053	10,128,580	10,156,794	10,185,714	10,215,357
Interest & Investment Income	830,594	686,303	-144,291	121.02%	2,387,133	2,517,863	2,204,813	2,205,101	2,205,431	2,205,770	2,206,119	2,206,477	2,206,846	2,207,225
Other Income	1,597,576	2,381,131	783,555	67.09%	3,129,931	2,056,921	2,071,021	2,085,473	2,102,064	2,119,120	2,136,653	2,154,677	2,173,206	2,192,254
Profit on Disposal	17,038,914	18,609,291	1,570,378	91.56%	6,218,368	0	0	0	0	0	0	0	0	0
Total Income	92,511,732	105,877,611	13,365,878	87.38%	99,229,624	96,901,351	98,751,325	101,099,386	103,558,671	106,112,964	108,765,994	111,521,644	114,383,946	117,357,096
Expense														
Employee Benefits	30,996,933	36,672,257	5,675,323	84.52%	37,517,824	38,615,533	39,390,479	40,188,674	41,010,815	41,857,619	42,729,828	43,628,204	44,553,530	45,506,616
Materials & Services	26,503,691	38,572,785	12,069,093	68.71%	39,473,293	39,177,589	37,668,980	36,973,360	36,306,318	37,101,020	37,918,412	38,759,144	39,623,887	40,513,330
Borrowing Costs	1,283,485	1,600,775	317,290	80.18%	386,926	901,140	301,140	151,140	151,140	151,140	151,140	72,000	72,000	72,000
Depreciation, Amortization & Impairment	8,389,711	11,186,282	2,796,571	75.00%	14,608,055	16,978,713	17,360,490	17,753,720	18,158,747	18,436,866	18,720,547	19,009,901	19,305,043	19,606,088
Other Expenses	2,505,523	2,417,446	-88,077	103.64%	2,271,786	2,407,335	2,441,895	2,477,320	2,517,987	2,559,793	2,602,769	2,646,949	2,692,366	2,739,055
Infrastructure, Property, Plant and Equipment	2,228	0	-2,228	0.00%	0	0	0	0	0	0	0	0	0	0
Total Expense	69,681,573	90,449,544	20,767,972	77.04%	94,257,884	98,080,309	97,162,984	97,544,214	98,145,006	100,106,438	102,122,697	104,116,199	106,246,826	108,437,089
Surplus/(Deficit)	22,830,160	15,428,066	-7,402,094	147.98%	4,971,739	-1,178,958	1,588,341	3,555,173	5,413,665	6,006,525	6,643,298	7,405,445	8,137,120	8,920,007
Surplus/(Deficit) before capital grants & contributions	17,450,495	9,189,293	-8,261,202	189.90%	4,971,739	-1,176,458	-8,434,097	-6,492,826	-4,660,533	-4,094,528	-3,485,282	-2,751,349	-2,048,594	-1,295,350