



**Edward  
River**  
COUNCIL

# Long Term Financial Plan 2020/21-2029/30





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# LONG TERM FINANCIAL PLAN



## Introduction

This Long-Term Financial Plan ("LTFP") makes up one of three parts of Council's Resourcing Strategy as required under the NSW Local Government Act. This Integrated Planning and Reporting ("IP&R") framework supports the implementation and review of plans relating to the financial, asset and workforce contributions to Edward River Council.

The Resourcing Strategy informs, influences and ultimately reflects Council's Community Strategic Plan which outlines the needs and aspirations of the people of Edward River both now, and into the future. Accordingly, the plans contained within the Resourcing Strategy provide key input in shaping both the Delivery Program and Operational Plans of Council.



Chart 1 - NSW Integrated Planning and Reporting (IP&R) Framework

## The LTFP in Context

The precise financial strategy which supports financial sustainability and which balances community expectations with the capacity to pay, challenges Councils. As part of their process strategies, services and investment in infrastructure must be developed that meets the community's needs and is affordable.

The question of what is "financial sustainability" and the appropriate strategy to support this position will be answered differently by every Council. However, there are some common questions that should be asked by Councils in the strategic development process.

These include the range and level of Council services that are to be offered, the affordability of new assets and renewal investment, the suitability of debt amounts and whether rate and charge increases are affordable and the community is willing to pay for services and infrastructure.

The LTFP is an important part of Edward River Council's strategic planning process and how it goes about implementing an effective IP&R framework. It informs the annual budget process and the 4-year plans for the community, and vice versa, i.e. it is an annual process, a part of the continuous improvement cycle.

The LTFP is an opportunity to facilitate the process of aligning community expectations by broadening our understanding of expected pressures that will affect the community, expected economic growth rates and drivers of Council's future financial sustainability.

The LTFP provides a framework to direct where resources need to be allocated to reach a desired future position or vision. Edward River Council is in a transition phase. The LTFP is part of the plan to help Council meet the challenge and weather unexpected events. The COVID-19 impact so far in 2020 being a case in-point.

## Planning Assumptions

Population is an important factor for Council to consider when planning the range of services to provide, setting the levels of service to meet community expectations and maintaining the assets required to deliver those services. Population is also a key measure used by governments to calculate grant funding to Councils.

The Department of Planning population modelling predicts that the Edward River Council area will have continued population decline. The modelling indicates a continued decline of around 300 people per five-year period. It predicts the total population to fall to 7,450 in 2036. This contrasts to the data released by the ABS following the 2016 Census which showed that the estimated resident population of Edward River had been increasing since 2011, up from 8,888 in 2011 to 8,951 in 2016.

Interestingly, the resident population profile in 2016 shows a higher proportion of people aged between 20-34 years old than in previous periods. Residents of Edward River are continuing to be more educated, with the proportion of people with a post school qualification increasing across all levels. The 2016 estimated resident population was 3.5 per cent higher than state government projections for that year. But the proportion of people in school age cohorts (under 20 years old) continued to decline by a further 3.1 per cent to 23.5 per cent of the population in 2016.

On balance, Council takes the view that the population is likely to remain relatively stable. It recognises that future trends are dependent on a range of factors. Our population is sensitive to changes in the key employing sectors which include agriculture, retail, health and education. Changes to water policy, given its importance as a generator of jobs and contributor of economic value, can have a significant impact on the region.

We have an elderly population which creates some challenges with declining personal income levels, increased demand for health services and changing housing needs. As a small rural Council with a small ratepayer base and large geographical area, reliance on grant funds is higher than in large metropolitan Councils.

On the other side of the equation, population growth and lack of housing affordability in large metropolitan and regional centres has the potential to generate demand for better lifestyle and an increase in the visitor economy. Safety, housing affordability and advances in technology offer rural areas like Edward River the opportunity to grow.

### **COVID-induced economic uncertainty and its consequences.**

COVID-19 has resulted in an economic crisis – the unemployment rate is estimated to reach its highest level since the 1990s recession. GDP is forecasted to contract up to 10 per cent in 1H 2020 and Australia will inevitably experience its first official recession since early 1990s.

COVID-19 will reduce the availability of grants to Council during the forecast period. Given that Council has been able to access significant levels of grant funding since the merger in 2017, the capital works funding environment that Council now faces is likely to be less generous.

This 10-year planning period will be a major challenge for Council and the Edward River community.

### **Inflation forecasts**

According to the Australian Bureau of Statistics, there is no single best measure of inflation. A range of indexes can be used to plan for future expenditure. The Australian Consumer Price Index (“CPI”) is considered the

most suitable approach when the primary purpose of the CPI is as a macro-economic indicator of price inflation affecting households.

Consumer Price Index CPI in Australia is expected to be 114.34 points by the end of June 2020 quarter, according to Trading Economics global macro models and analysts’ expectations. Looking forward, we estimate Consumer Price Index CPI in Australia to stand at 117.53 in 12 months’ time. In the long-term, the Australia Consumer Price Index (CPI) is projected to trend around 118.76 points in 2021 and 121.26 points in 2022, according to our econometric models.

*Source: [tradingeconomics.com/australia/consumer-price-index](https://tradingeconomics.com/australia/consumer-price-index)*

### **Interest rate movements**

Interest rates are at record lows (RBA cash rate is currently at 0.25 per cent) and are expected to remain low for the foreseeable future (e.g. 10-year Australian government bond yields remain hovering around the 0.7 per cent-1.0 per cent range).

Council has reduced the likely yield for interest on investments in the short term to below 2.0 per cent but settling on or about 2.0 per cent for the remainder of the planning period. The level of income from interest on investments will be reviewed annually and adjusted accordingly.

A new 5-year fixed term deposit from ICBC (A) is being offered at around 1.75 per cent per annum, while the highest 5-year fixed term deposit from any rated bank is BoQ (BBB+) at 1.50 per cent per annum (annual interest).

A rate of 2.0 per cent is assumed in LTFP modelling given that interest rates are at historic low levels but with progressive increases up to 3.5 per cent for projects commencing at or near the middle of the forecast period has been allowed for.

## Revenue Forecasts

Funding sources can include fees and charges, grants, rates revenue, borrowings and sale of assets surplus to requirements. Rates form a major component of Council's revenue base, approximately 67 per cent of revenue raised for recurrent operations.

The Edward River local government area has a lower than the state average median personal income. Council needs to consider residents' capacity to pay when setting the revenue policy. The Socio-Economic Index (SEIFA) data from 2011 indicates that Deniliquin was in the third percentile of relative socio-economic disadvantage. The SEIFA Index for Deniliquin in 2016 was 957.

Many fees and charges are regulated. Council fees and charges have been increased in most cases in line with the CPI. Fees and charges are set where possible on a full recovery basis. An extensive fees and charges benchmarking exercise was undertaken by Council in early 2020. Further analysis of the full cost of services will be undertaken by Council to address issues such as the need for full cost-recovery where warranted.

There is no plan to introduce new specific rates and charges in the 2020/21 year. The Deniliquin business levy ceased as at 30 June 2018. To ensure future sustainability of the Council whilst keeping costs to ratepayers and service users low, Council will review levels of service and identify and deliver operational efficiencies in the future.

Council has assumed recurrent grant revenue will continue at least at current levels. The Financial Assistance Grant indexation rate is assumed to be 2.4 per cent per annum. Due to the community's capacity or willingness to pay, there is little opportunity to generate other forms of revenue such as metered parking.

## Expenditure Forecasts

The Community Strategic Plan provides a basis for Council to calculate the cost of its Delivery Program and LTFP to meet the community's expectations. Council must balance community expectations, uncertainty of future revenue and expenditure forecasts, along with the operational plan and provision of ongoing services.

Council's decisions now can commit future Councils to significant expenditures and therefore new capital projects must include complete costings for capital and recurrent expenditures. Council's approach is to prioritise capital renewal projects over new, maintain adequate service levels, and to conduct future service reviews and other efficiency savings to fund future works and operations.

## Sensitivity Analysis

Long term financial planning is inherently uncertain. It relies on a wide range of assumptions, including assumptions about population growth, interest rates and the potential effect of inflation on revenues and expenditures.

In developing the LTFP, Council has modelled the plan under different scenarios which adjust for the underlying assumptions. The following table identifies the sensitivity of components of the Council's LTFP to movements in one or more of the assumptions.



Assumption	10% Lower Than Expected	Expected in 2021/22	10% Higher Than Expected
Growth in Rates and Charges	\$385,200	\$428,000	\$470,800
Annual Interest Payments on New Loans (Alternative Scenario 3 - Year 2028/29)	\$260,100	\$289,000	\$317,900
Annual Escalation of Employee Expenses	\$250,200	\$278,000	\$305,800
Material and Contracts Expenses	\$97,200	\$108,000	\$118,800
Indexation on Commonwealth FA Grant	\$145,521	\$161,690	\$177,859
Efficiency Savings (Alternative Scenarios 2 and 3 - Year 2028/29)	\$720,000	\$800,000	\$880,000
<b>Total</b>	<b>\$1,858,221</b>	<b>\$2,064,690</b>	<b>\$2,271,159</b>
Difference from Expected	-\$206,469		\$206,469

## Capital Works Program

Details of the Council's medium-term capital works program, for the period 2020-21 to 2023-24, are outlined in the separate Edward River Council Delivery Program and Operational Plan document. These projections for capital works expenditure over the 10-year planning period are also provided for Scenarios 1 and 2 on Page 10. The long-term capital works program will evolve as Council develops its asset management planning.



Chart 2 - LTFP Sensitivity Analysis, Long Term Financial Planning

**Chart 3 - ERC Capital Works Expenditure Projections - 2020/21 to 2029/30, Scenarios 1 and 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Buildings	5,775	2,585	1,689	197	128	-	14	1,297	206	500
Plant, machinery and equipment	1,090	1,691	977	1,260	2,017	2,648	1,526	1,703	581	1,500
Computers and telecommunications	722	55	55	55	55	55	55	55	55	55
Library books	40	40	40	40	40	40	40	40	40	40
Roads	8,629	5,980	5,230	5,220	5,020	5,060	4,940	4,950	4,980	5,500
Bridges	100	150	150	150	150	150	150	150	150	150
Footpaths and cycle ways	428	552	562	527	526	481	399	365	385	500
Drainage	150	470	450	450	450	450	250	250	250	350
Waste management	-	-	200	-	229	-	423	-	214	-
Parks, open spaces and streetscape	1,015	431	-	25	17	417	17	-	87	100
Aerodromes	-	30	30	3,030	-	-	-	-	-	350
Cemetery	15	-	-	-	-	-	-	-	-	-
Other infrastructure	185	-	30	-	100	148	240	240	240	100
Water	1,445	953	570	914	1,600	426	415	582	421	750
Sewer	580	2,167	1,032	2,121	1,091	1,665	1,011	1,046	2,898	1,500
Swimming Pools	70	-	100	-	100	-	100	-	100	-
<b>Total Capital Works</b>	<b>20,244</b>	<b>15,104</b>	<b>11,115</b>	<b>13,989</b>	<b>11,523</b>	<b>11,540</b>	<b>9,580</b>	<b>10,678</b>	<b>10,607</b>	<b>11,395</b>
<b>Represented by:</b>										
Renewal Investment	17,775	13,401	9,488	8,575	10,836	11,023	9,093	10,361	10,120	11,328
Upgrade Investment	2,385	440	253	3,283	253	253	153	153	153	28
New Investment	85	1,262	1,374	2,131	434	265	334	165	334	40
<b>Total Capital Works</b>	<b>20,244</b>	<b>15,104</b>	<b>11,115</b>	<b>13,989</b>	<b>11,523</b>	<b>11,540</b>	<b>9,580</b>	<b>10,678</b>	<b>10,607</b>	<b>11,395</b>

## LTFP Scenarios Development

The following three scenarios (a base model, and two alternative models) compare the difference in efficiency savings, capital investment decisions and the ability for Council to obtain upfront and ongoing revenue from investments, includes grants, restricted cash, cash injections, borrowings and operational revenue.

Each scenario is accompanied with future predictions for financial statements at consolidated and entity level. Each scenario also predicts future performance indicators in the form of ratios, charts as well as other data analysis considered most relevant to the individual scenario.

The three models are:

- Scenario 1** Base case (COVID-19 Impacted)
- Scenario 2** Base case with Efficiency Savings (COVID-19 Impacted)
- Scenario 3** Major Projects (*Sewer Works, Aerodrome, Retirement Village, Kerbside Recycling & FOGO collection*)





## › Scenario 1

### Background to the Base Case (COVID-19 Impacted)

The Base Case (COVID-19 Impacted) represents Council's modest position. The projected financial performance and position over the next 10 years assumes that the current positive trend in combating COVID-19 continues. Restrictions continue to ease and whilst positive economic conditions return sometime in 2020/21 Council exercises caution by taking on few initiatives and new projects.

**Scenario 1** starts with the current new budget year for 2020/21, forecasts data for the life of the Delivery Program and extends from there out to the remainder of the 10-year planning horizon. The Base Case includes integrating projected capital works data from our draft asset management plans.

Recurrent capital grants are assumed to remain steady out to 2023/24 and the drop by 5 per cent per annum. Except for the Town Hall/Civic Plaza/Estates Building project, there are few major new or upgrade infrastructure projects throughout the forecast period. The main assumption for restricted assets is that the largest value cash restrictions (Water, Sewer, Plant, Waste and Infrastructure Replacement) are not called upon.

#### **Main Impacts Summary**

The operating result in the Base Case (COVID-19 Impacted) erodes Council's cash position in order to fund the renewal of existing assets, based on current asset management planning.

The consolidated cash balance reduces from \$31.4M in 2020/21 to \$21.3M at the end of the financial year 2029/30.

Net operating cash flow is overshadowed by the level of capital works over the 10-year forecast period by \$15.3M, i.e. \$110.5M vs \$125.8M.

The consolidated financial position is a combination of continued significant operating deficits for the General Fund, and operating surpluses for the Water and Sewer funds.

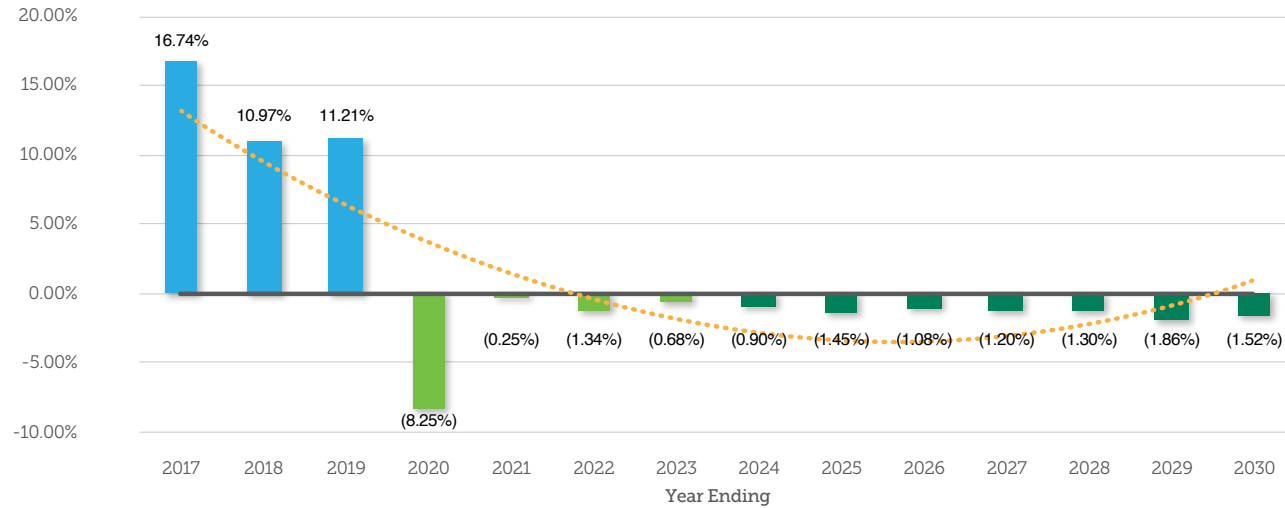
Performance measures and a full history and projections for the ERC (Consolidated) Operating Performance Ratio and Own Source Revenue Ratio are depicted in Charts 4, 5 and 6 below.

**Scenario 1 - Base Case (COVID-19 Impacted)**  
**Performance Measure “Traffic Light” Projections – 2020/21 to 2029/30**

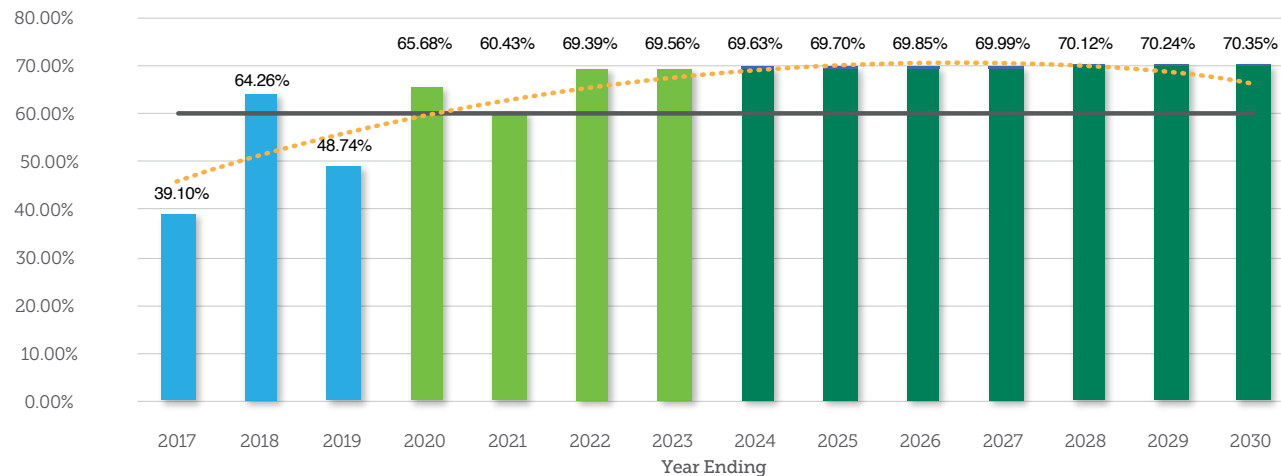
Period start	1 Jul 20 1 Jul 21 1 Jul 22 1 Jul 23 1 Jul 24 1 Jul 25 1 Jul 26 1 Jul 27 1 Jul 28 1 Jul 29												
Period end	30 Jun 21 30 Jun 22 30 Jun 23 30 Jun 24 30 Jun 25 30 Jun 26 30 Jun 27 30 Jun 28 30 Jun 29 30 Jun 30												
Key Ratios Dashboard	Red	Yellow	Green										
Operating Performance Ratio	Less than 0%	-	More/equal to 0%	(0.2%)	(1.3%)	(0.7%)	(0.9%)	(1.5%)	(1.1%)	(1.2%)	(1.3%)	(1.9%)	(1.5%)
Unrestricted Current Ratio	Less than 1.5	-	More than 1.5	10.4	8.7	8.4	7.3	6.8	6.5	6.7	6.7	6.7	6.5
Capital Expenditure Ratio	Less than 1	-	More than 1	2.2	1.6	1.2	1.5	1.2	1.2	0.9	1.0	1.0	1.1
Net result	Less than -10%	-10% to 0%	More than 0%	15.6%	2.1%	2.7%	2.4%	1.7%	1.9%	1.6%	1.3%	0.5%	0.7%
Liquidity	Less than 0.75	0.75 to 1.0	More than 1.00	8.4	7.0	6.7	5.8	5.4	5.2	5.3	5.3	5.3	5.1
Indebtedness	More than 60%	40% to 60%	Less than 40%	4.7%	4.6%	4.5%	4.5%	4.4%	4.3%	4.3%	4.2%	4.2%	4.1%
Internal financing	Less than 75%	75% to 100%	More than 100%	76.1%	68.4%	91.7%	73.9%	89.8%	91.7%	111.7%	101.3%	101.7%	96.8%
Capital replacement ratio	Less than 1.0	1.0 to 1.5	More than 1.5	2.2	1.6	1.2	1.5	1.2	1.2	0.9	1.0	1.0	1.1
Renewal gap	Less than 0.5	0.5 to 1.0	More than 1.0	2.2	1.5	1.0	1.2	1.1	1.1	0.9	1.0	1.0	1.1

### Scenario 1 - Base Case (COVID-19 Impacted)

#### Operating Performance Ratio History and Projections - 2016/17 to 2029/30



#### Own Source Revenue History and Projections - 2016/17 to 2029/30



## Scenario 1 Assumptions Summary - Operating Revenues

1. Given the impact of COVID-19 on the community no general rate increase will apply in 2020/21.
2. General rates foregone in 2020/21 are recovered across 2021/22 and 2022/23 as well as increase by 2.6 per cent per annum until 2024/25 and then increase by 2.4 per cent per annum for the remainder of the forecast period.
3. User charges and interest on investments increase by 2.4 per cent each year.
4. Financial Assistance Grants will continue across the 10-year period, increasing by 2.4 per cent each year.
5. The general fund will receive approximately \$150,000 dividend from the Water and Sewer Funds in 2020/21, increasing by 2.4 per cent each year thereafter.
6. No new rate levy or user charges.
7. The assumption for ongoing capital grants given the impact of COVID-19 is a nil increase from 2021/22 to 2024/25 and then a reduction of 5 per cent per annum until 2029/30.
8. The Town Hall project proceeds but not the Sewerage Treatment Plant upgrade, Waste Recycling program, Retirement Village development or the Aerodrome upgrade project.

## Operating Expenses

1. Employee expenses will increase by 3.0 per cent each year.
2. Materials and contracts and other operating expenses will increase by 2.5 per cent each year.
3. No material new expense items across the forecast period.
4. Additional whole of life costs are factored in at the rate of 3.5 per cent per annum (on New CapEx Total) and 1.75 per cent (on Upgrade CapEx Total).
5. The Water Fund will make a dividend payment of approximately \$60,000 to the General Fund in 2020/21 and increase by 2.4 per cent each year thereafter.
6. The Sewer Fund will make a dividend payment of approximately \$90,000 to the General Fund in 2020/21 and increase by 2.4 per cent each year thereafter.

## Capital Works Program

1. A total of \$20.2M capital works program in 2020/21 and \$125.8M for the 10-year forecast period, 2020/21 to 2029/30.
2. The 2020/21 capital works program includes \$7.37M in capital carried forward from the 2019/20 financial year.
3. The 2020/21 capital program includes:

- Cressy Street Revitalisation \$1.36M
- Waring Gardens Update \$0.49M
- Multi Arts Centre Refurbishment \$0.11M
- LED Streetlighting Program \$0.68M
- Peppin Heritage Centre Refurbishment \$0.21M
- Civic Centre Plaza, Estates Building and Town Hall Project: \$6.4M
- Annual Local Roads Renewal Programs: \$3.81M
- Annual Regional Roads Renewal Program: \$1.08M
- Water and Sewer infrastructure renewal programs: \$1.54M
- Maude Road \$1.6M

4. The 10-year capital works program includes:

- \$61.4M for local and regional road renewals across the 10-year forecast
- \$3.03M for Aerodrome works in 2023/24
- \$1.5M for new drainage works across the 10-year forecast
- \$14.5M for Sewer infrastructure renewal and new works across the 10-year forecast
- \$8.08M for renewals in Water infrastructure across the 10-year forecast
- \$15.0M for renewal and upgrade of Council's plant and fleet across the 10-year forecast

## Cash Reserves

The main assumption for restricted assets is that the largest value cash restrictions, Water, Sewer, Plant, Waste and Infrastructure Replacement, are not called upon. Grants received in advance for the Town Hall and Civic Centre Project are restricted (External Restriction – Specific Unexpended Grants) as at end 2019/20 by \$1.6M. Further grants for the Town Hall and Civic Centre Project in 2020/21 of \$2.7M are transferred to the Account with the sum total of \$4.3M in funds progressively used in 2020/21, \$2.9M; and 2021/22, \$1.4M.





**Chart 7 – ERC Income Statement Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	13,035	13,463	13,905	14,259	14,624	14,975	15,335	15,703	16,080	16,466
User Charges and Fees	3,909	4,003	4,099	4,197	4,298	4,401	4,507	4,615	4,726	4,839
Interest & Investment Revenue	561	574	588	602	617	632	647	662	678	694
Other Revenues	2,992	3,053	3,116	3,180	3,245	3,311	3,379	3,448	3,519	3,591
Grants & Contributions for Operating Purposes	8,074	8,268	8,465	8,668	8,875	9,087	9,304	9,526	9,754	9,987
Grants & Contributions for Capital Purposes - Cash	5,348	1,036	1,033	1,030	1,028	977	929	884	840	799
<b>Total Income from Continuing Operations</b>	<b>33,919</b>	<b>30,397</b>	<b>31,206</b>	<b>31,936</b>	<b>32,686</b>	<b>33,383</b>	<b>34,100</b>	<b>34,838</b>	<b>35,596</b>	<b>36,376</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	9,268	9,546	9,832	10,127	10,431	10,744	11,066	11,398	11,740	12,093
Materials and Contracts	4,307	4,415	4,525	4,638	4,754	4,873	4,995	5,120	5,248	5,379
Depreciation	8,999	9,193	9,377	9,564	9,756	9,951	10,150	10,353	10,560	10,771
Other Expenses	6,067	6,601	6,644	6,855	7,177	7,187	7,356	7,523	7,854	7,877
<b>Total Expenses from Continuing Operations</b>	<b>28,641</b>	<b>29,755</b>	<b>30,379</b>	<b>31,185</b>	<b>32,118</b>	<b>32,755</b>	<b>33,567</b>	<b>34,394</b>	<b>35,402</b>	<b>36,119</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>5,278</b>	<b>642</b>	<b>827</b>	<b>751</b>	<b>568</b>	<b>628</b>	<b>533</b>	<b>444</b>	<b>194</b>	<b>257</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>(70)</b>	<b>(394)</b>	<b>(206)</b>	<b>(279)</b>	<b>(460)</b>	<b>(350)</b>	<b>(397)</b>	<b>(440)</b>	<b>(646)</b>	<b>(542)</b>

**Chart 8 – ERC Balance Sheet Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	31,386	26,632	25,798	22,143	20,963	20,097	21,219	21,361	21,626	21,266
Receivables	3,458	3,067	3,152	3,217	3,301	3,371	3,443	3,507	3,593	3,671
Other (Includes Assets Held for Sale)	41	41	41	41	41	41	41	41	41	41
<b>Total Current Assets</b>	<b>34,886</b>	<b>29,740</b>	<b>28,991</b>	<b>25,401</b>	<b>24,305</b>	<b>23,509</b>	<b>24,703</b>	<b>24,909</b>	<b>25,260</b>	<b>24,978</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	482,781	497,663	500,387	506,521	508,288	520,476	519,906	521,979	523,072	533,573
Other	767	767	767	767	767	767	767	767	767	767
<b>Total Non-Current Assets</b>	<b>483,548</b>	<b>498,430</b>	<b>501,154</b>	<b>507,288</b>	<b>509,055</b>	<b>521,243</b>	<b>520,673</b>	<b>522,746</b>	<b>523,839</b>	<b>534,340</b>
<b>Total Assets</b>	<b>518,434</b>	<b>528,170</b>	<b>530,145</b>	<b>532,689</b>	<b>533,360</b>	<b>544,752</b>	<b>545,376</b>	<b>547,655</b>	<b>549,099</b>	<b>559,318</b>
<b>Current Liabilities</b>										
Payables	1,623	1,686	1,722	1,768	1,834	1,870	1,921	1,966	2,037	2,079
Other	2,531	2,558	2,585	2,614	2,643	2,673	2,704	2,736	2,769	2,803
<b>Total Current Liabilities</b>	<b>4,154</b>	<b>4,244</b>	<b>4,308</b>	<b>4,382</b>	<b>4,477</b>	<b>4,543</b>	<b>4,625</b>	<b>4,703</b>	<b>4,807</b>	<b>4,882</b>
<b>Non Current Liabilities</b>										
Payables	133	136	139	142	145	149	152	156	159	163
Provisions	542	542	542	542	542	542	542	542	542	542
Other	295	300	305	311	317	322	328	334	341	347
<b>Total Non Current Liabilities</b>	<b>970</b>	<b>978</b>	<b>986</b>	<b>995</b>	<b>1,004</b>	<b>1,013</b>	<b>1,022</b>	<b>1,032</b>	<b>1,042</b>	<b>1,052</b>
<b>Total Liabilities</b>	<b>5,123</b>	<b>5,222</b>	<b>5,294</b>	<b>5,377</b>	<b>5,481</b>	<b>5,556</b>	<b>5,647</b>	<b>5,735</b>	<b>5,849</b>	<b>5,934</b>
<b>Net Assets</b>	<b>513,310</b>	<b>522,948</b>	<b>524,851</b>	<b>527,312</b>	<b>527,879</b>	<b>539,196</b>	<b>539,729</b>	<b>541,920</b>	<b>543,250</b>	<b>553,384</b>

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Equity</b>										
Retained Earnings	406,784	408,849	409,676	410,428	410,995	411,623	412,156	412,600	412,794	413,051
Revaluation Reserves	80,145	89,141	90,217	91,926	91,926	102,614	102,614	104,362	105,498	115,375
Other Reserves	26,381	24,958	24,958	24,958	24,958	24,958	24,958	24,958	24,958	24,958
<b>Total Equity</b>	<b>513,310</b>	<b>522,948</b>	<b>524,851</b>	<b>527,312</b>	<b>527,879</b>	<b>539,196</b>	<b>539,729</b>	<b>541,920</b>	<b>543,250</b>	<b>553,384</b>

**Chart 9 – ERC Cash Flow Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	35,131	30,776	31,112	31,862	32,592	33,303	34,018	34,763	35,500	36,287
Payments - Operating Activities	(19,729)	(20,452)	(20,920)	(21,528)	(22,249)	(22,719)	(23,317)	(23,943)	(24,718)	(25,252)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>15,401</b>	<b>10,325</b>	<b>10,191</b>	<b>10,334</b>	<b>10,343</b>	<b>10,584</b>	<b>10,702</b>	<b>10,820</b>	<b>10,782</b>	<b>11,035</b>
<b>Cash Flows from Investing Activities</b>										
Receipts - Infrastructure, Property, Plant & Equipment	215	25	90	-	-	90	-	-	90	-
Purchases - Infrastructure, Property, Plant & Equipment	(20,244)	(15,104)	(11,115)	(13,989)	(11,523)	(11,540)	(9,580)	(10,678)	(10,607)	(11,395)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(20,029)</b>	<b>(15,079)</b>	<b>(11,025)</b>	<b>(13,989)</b>	<b>(11,523)</b>	<b>(11,450)</b>	<b>(9,580)</b>	<b>(10,678)</b>	<b>(10,517)</b>	<b>(11,395)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>(4,628)</b>	<b>(4,754)</b>	<b>(834)</b>	<b>(3,655)</b>	<b>(1,180)</b>	<b>(866)</b>	<b>1,122</b>	<b>142</b>	<b>265</b>	<b>(360)</b>
Cash and Cash Equivalents at Beginning of Reporting Period	36,014	31,386	26,632	25,798	22,143	20,963	20,097	21,219	21,361	21,626
Cash and Cash Equivalents at End of Reporting Period	31,386	26,632	25,798	22,143	20,963	20,097	21,219	21,361	21,626	21,266
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>31,386</b>	<b>26,632</b>	<b>25,798</b>	<b>22,143</b>	<b>20,963</b>	<b>20,097</b>	<b>21,219</b>	<b>21,361</b>	<b>21,626</b>	<b>21,266</b>

**Chart 10 – General Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	8,761	9,086	9,423	9,670	9,925	10,163	10,407	10,657	10,913	11,175
User Charges and Fees	1,683	1,723	1,765	1,807	1,850	1,895	1,940	1,987	2,035	2,083
Interest & Investment Revenue	305	312	320	327	335	343	352	360	369	378
Other Revenues	2,992	3,053	3,116	3,180	3,245	3,311	3,379	3,448	3,519	3,591
Grants & Contributions for Operating Purposes	7,993	8,185	8,381	8,582	8,788	8,999	9,215	9,436	9,663	9,895
Grants & Contributions for Capital Purposes - Cash	5,273	963	963	963	963	915	869	826	784	745
<b>Total Income from Continuing Operations</b>	<b>27,007</b>	<b>23,323</b>	<b>23,968</b>	<b>24,530</b>	<b>25,107</b>	<b>25,627</b>	<b>26,162</b>	<b>26,714</b>	<b>27,282</b>	<b>27,866</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	8,581	8,838	9,104	9,377	9,658	9,948	10,246	10,554	10,870	11,196
Materials and Contracts	3,426	3,512	3,599	3,689	3,782	3,876	3,973	4,072	4,174	4,279
Depreciation	7,684	7,852	8,009	8,169	8,332	8,499	8,669	8,842	9,019	9,200
Other Expenses	3,842	4,296	4,260	4,424	4,699	4,661	4,781	4,897	5,177	5,148
<b>Total Expenses from Continuing Operations</b>	<b>23,533</b>	<b>24,498</b>	<b>24,971</b>	<b>25,659</b>	<b>26,471</b>	<b>26,984</b>	<b>27,669</b>	<b>28,365</b>	<b>29,241</b>	<b>29,822</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>3,474</b>	<b>(1,175)</b>	<b>(1,004)</b>	<b>(1,129)</b>	<b>(1,364)</b>	<b>(1,357)</b>	<b>(1,506)</b>	<b>(1,651)</b>	<b>(1,959)</b>	<b>(1,956)</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>(1,799)</b>	<b>(2,138)</b>	<b>(1,967)</b>	<b>(2,092)</b>	<b>(2,327)</b>	<b>(2,272)</b>	<b>(2,376)</b>	<b>(2,477)</b>	<b>(2,743)</b>	<b>(2,701)</b>

**Chart 11 – General Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	14,316	9,522	7,092	3,197	1,356	(853)	(1,822)	(3,656)	(3,762)	(5,653)
Receivables	2,911	2,507	2,579	2,632	2,702	2,757	2,815	2,866	2,935	2,998
Other (Includes Assets Held for Sale)	30	30	30	30	30	30	30	30	30	30
<b>Total Current Assets</b>	<b>17,257</b>	<b>12,060</b>	<b>9,701</b>	<b>5,859</b>	<b>4,087</b>	<b>1,935</b>	<b>1,022</b>	<b>(760)</b>	<b>(797)</b>	<b>(2,625)</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	415,625	428,728	430,142	434,637	435,136	445,553	445,038	446,994	445,173	454,995
Other	767	767	767	767	767	767	767	767	767	767
<b>Total Non-Current Assets</b>	<b>416,392</b>	<b>429,495</b>	<b>430,909</b>	<b>435,404</b>	<b>435,903</b>	<b>446,320</b>	<b>445,805</b>	<b>447,761</b>	<b>445,940</b>	<b>455,762</b>
<b>Total Assets</b>	<b>433,649</b>	<b>441,555</b>	<b>440,610</b>	<b>441,263</b>	<b>439,991</b>	<b>448,255</b>	<b>446,827</b>	<b>447,001</b>	<b>445,143</b>	<b>453,137</b>
<b>Current Liabilities</b>										
Payables	1,311	1,364	1,390	1,430	1,487	1,515	1,557	1,596	1,658	1,690
Other	2,531	2,558	2,585	2,614	2,643	2,673	2,704	2,736	2,769	2,803
<b>Total Current Liabilities</b>	<b>3,842</b>	<b>3,922</b>	<b>3,976</b>	<b>4,044</b>	<b>4,130</b>	<b>4,188</b>	<b>4,262</b>	<b>4,332</b>	<b>4,427</b>	<b>4,494</b>
<b>Non Current Liabilities</b>										
Provisions	542	542	542	542	542	542	542	542	542	542
Other	295	300	305	311	317	322	328	334	341	347
<b>Total Non Current Liabilities</b>	<b>837</b>	<b>842</b>	<b>847</b>	<b>853</b>	<b>859</b>	<b>864</b>	<b>870</b>	<b>876</b>	<b>883</b>	<b>889</b>
<b>Total Liabilities</b>	<b>4,679</b>	<b>4,764</b>	<b>4,823</b>	<b>4,896</b>	<b>4,988</b>	<b>5,053</b>	<b>5,132</b>	<b>5,209</b>	<b>5,310</b>	<b>5,383</b>
<b>Net Assets</b>	<b>428,970</b>	<b>436,790</b>	<b>435,787</b>	<b>436,366</b>	<b>435,002</b>	<b>443,202</b>	<b>441,695</b>	<b>441,792</b>	<b>439,833</b>	<b>447,754</b>

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Equity</b>										
Retained Earnings	337,050	337,298	336,294	335,164	333,800	332,443	330,937	329,286	327,327	325,371
Revaluation Reserves	80,145	89,141	89,141	90,850	90,850	100,406	100,406	102,154	102,154	112,031
Other Reserves	11,775	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352
<b>Total Equity</b>	<b>428,970</b>	<b>436,790</b>	<b>435,787</b>	<b>436,366</b>	<b>435,002</b>	<b>443,202</b>	<b>441,695</b>	<b>441,792</b>	<b>439,833</b>	<b>447,754</b>

**Chart 12 – General Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	27,081	23,712	23,883	24,463	25,024	25,557	26,091	26,649	27,199	27,789
Payments - Operating Activities	(15,775)	(16,547)	(16,891)	(17,404)	(18,034)	(18,407)	(18,907)	(19,432)	(20,106)	(20,534)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>11,306</b>	<b>7,166</b>	<b>6,992</b>	<b>7,060</b>	<b>6,991</b>	<b>7,151</b>	<b>7,184</b>	<b>7,216</b>	<b>7,092</b>	<b>7,254</b>
<b>Cash Flows from Investing Activities</b>										
Receipts - Infrastructure, Property, Plant & Equipment	215	25	90	-	-	90	-	-	90	-
Purchases - Infrastructure, Property, Plant & Equipment	(18,219)	(11,984)	(9,513)	(10,954)	(8,832)	(9,449)	(8,154)	(9,050)	(7,288)	(9,145)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(18,004)</b>	<b>(11,959)</b>	<b>(9,423)</b>	<b>(10,954)</b>	<b>(8,832)</b>	<b>(9,359)</b>	<b>(8,154)</b>	<b>(9,050)</b>	<b>(7,198)</b>	<b>(9,145)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>(6,698)</b>	<b>(4,793)</b>	<b>(2,431)</b>	<b>(3,894)</b>	<b>(1,841)</b>	<b>(2,208)</b>	<b>(970)</b>	<b>(1,834)</b>	<b>(106)</b>	<b>(1,891)</b>
Cash and Cash Equivalents at Beginning of Reporting Period	21,014	14,316	9,522	7,092	3,197	1,356	(853)	(1,822)	(3,656)	(3,762)
Cash and Cash Equivalents at End of Reporting Period	14,316	9,522	7,092	3,197	1,356	(853)	(1,822)	(3,656)	(3,762)	(5,653)
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>14,316</b>	<b>9,522</b>	<b>7,092</b>	<b>3,197</b>	<b>1,356</b>	<b>(853)</b>	<b>(1,822)</b>	<b>(3,656)</b>	<b>(3,762)</b>	<b>(5,653)</b>



**Chart 13 – Water Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	1,331	1,363	1,396	1,429	1,463	1,499	1,535	1,571	1,609	1,648
User Charges and Fees	1,934	1,980	2,028	2,077	2,126	2,177	2,230	2,283	2,338	2,394
Interest & Investment Revenue	143	146	150	154	157	161	165	169	173	177
Grants & Contributions for Operating Purposes	38	39	39	39	39	39	39	39	39	39
Grants & Contributions for Capital Purposes - Cash	35	33	32	30	29	27	26	24	23	22
<b>Total Income from Continuing Operations</b>	<b>3,481</b>	<b>3,562</b>	<b>3,644</b>	<b>3,728</b>	<b>3,815</b>	<b>3,903</b>	<b>3,994</b>	<b>4,087</b>	<b>4,182</b>	<b>4,280</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	310	319	329	339	349	359	370	381	393	404
Materials and Contracts	536	549	563	577	592	606	622	637	653	669
Depreciation	719	733	748	763	778	794	810	826	842	859
Other Expenses	1,182	1,206	1,230	1,254	1,279	1,305	1,331	1,358	1,385	1,413
<b>Total Expenses from Continuing Operations</b>	<b>2,747</b>	<b>2,808</b>	<b>2,870</b>	<b>2,933</b>	<b>2,998</b>	<b>3,065</b>	<b>3,133</b>	<b>3,202</b>	<b>3,273</b>	<b>3,346</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>734</b>	<b>754</b>	<b>774</b>	<b>795</b>	<b>816</b>	<b>838</b>	<b>861</b>	<b>885</b>	<b>909</b>	<b>934</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>699</b>	<b>721</b>	<b>743</b>	<b>765</b>	<b>788</b>	<b>811</b>	<b>835</b>	<b>860</b>	<b>886</b>	<b>912</b>

**Chart 14 – Water Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	9,561	10,095	11,047	11,690	11,684	12,890	14,145	15,273	16,603	17,645
Receivables	274	281	287	293	301	308	315	321	330	337
Other (Includes Assets Held for Sale)	11	11	11	11	11	11	11	11	11	11
<b>Total Current Assets</b>	<b>9,846</b>	<b>10,387</b>	<b>11,345</b>	<b>11,994</b>	<b>11,996</b>	<b>13,208</b>	<b>14,471</b>	<b>15,605</b>	<b>16,943</b>	<b>17,993</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	35,647	35,867	36,765	36,916	37,737	38,502	38,107	37,863	38,577	38,468
<b>Total Non-Current Assets</b>	<b>35,647</b>	<b>35,867</b>	<b>36,765</b>	<b>36,916</b>	<b>37,737</b>	<b>38,502</b>	<b>38,107</b>	<b>37,863</b>	<b>38,577</b>	<b>38,468</b>
<b>Total Assets</b>	<b>45,493</b>	<b>46,253</b>	<b>48,110</b>	<b>48,910</b>	<b>49,733</b>	<b>51,710</b>	<b>52,577</b>	<b>53,468</b>	<b>55,521</b>	<b>56,462</b>
<b>Current Liabilities</b>										
Payables	167	170	174	178	182	187	191	195	200	204
<b>Total Current Liabilities</b>	<b>167</b>	<b>170</b>	<b>174</b>	<b>178</b>	<b>182</b>	<b>187</b>	<b>191</b>	<b>195</b>	<b>200</b>	<b>204</b>
<b>Non Current Liabilities</b>										
Payables	84	86	88	90	92	94	96	98	101	103
<b>Total Non Current Liabilities</b>	<b>84</b>	<b>86</b>	<b>88</b>	<b>90</b>	<b>92</b>	<b>94</b>	<b>96</b>	<b>98</b>	<b>101</b>	<b>103</b>
<b>Total Liabilities</b>	<b>250</b>	<b>256</b>	<b>262</b>	<b>268</b>	<b>274</b>	<b>281</b>	<b>287</b>	<b>293</b>	<b>300</b>	<b>307</b>
<b>Net Assets</b>	<b>45,243</b>	<b>45,997</b>	<b>47,847</b>	<b>48,642</b>	<b>49,459</b>	<b>51,429</b>	<b>52,290</b>	<b>53,175</b>	<b>55,220</b>	<b>56,154</b>
<b>Equity</b>										
Retained Earnings	36,818	37,572	38,346	39,141	39,958	40,796	41,657	42,542	43,451	44,385
Revaluation Reserves	-	-	1,076	1,076	1,076	2,208	2,208	2,208	3,344	3,344
Other Reserves	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425
<b>Total Equity</b>	<b>45,243</b>	<b>45,997</b>	<b>47,847</b>	<b>48,642</b>	<b>49,459</b>	<b>51,429</b>	<b>52,290</b>	<b>53,175</b>	<b>55,220</b>	<b>56,154</b>

**Chart 15 – Water Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	4,216	3,558	3,640	3,724	3,809	3,898	3,989	4,083	4,176	4,275
Payments - Operating Activities	(2,210)	(2,071)	(2,118)	(2,167)	(2,215)	(2,267)	(2,319)	(2,372)	(2,426)	(2,482)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>2,006</b>	<b>1,487</b>	<b>1,522</b>	<b>1,558</b>	<b>1,594</b>	<b>1,632</b>	<b>1,670</b>	<b>1,710</b>	<b>1,750</b>	<b>1,793</b>
<b>Cash Flows from Investing Activities</b>										
Purchases - Infrastructure, Property, Plant & Equipment	(1,445)	(953)	(570)	(914)	(1,600)	(426)	(415)	(582)	(421)	(750)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(1,445)</b>	<b>(953)</b>	<b>(570)</b>	<b>(914)</b>	<b>(1,600)</b>	<b>(426)</b>	<b>(415)</b>	<b>(582)</b>	<b>(421)</b>	<b>(750)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>561</b>	<b>534</b>	<b>952</b>	<b>644</b>	<b>(6)</b>	<b>1,206</b>	<b>1,255</b>	<b>1,128</b>	<b>1,329</b>	<b>1,043</b>
<b>Cash and Cash Equivalents at Beginning of Reporting Period</b>	<b>9,000</b>	<b>9,561</b>	<b>10,095</b>	<b>11,047</b>	<b>11,690</b>	<b>11,684</b>	<b>12,890</b>	<b>14,145</b>	<b>15,273</b>	<b>16,603</b>
<b>Cash and Cash Equivalents at End of Reporting Period</b>	<b>9,561</b>	<b>10,095</b>	<b>11,047</b>	<b>11,690</b>	<b>11,684</b>	<b>12,890</b>	<b>14,145</b>	<b>15,273</b>	<b>16,603</b>	<b>17,645</b>
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>9,561</b>	<b>10,095</b>	<b>11,047</b>	<b>11,690</b>	<b>11,684</b>	<b>12,890</b>	<b>14,145</b>	<b>15,273</b>	<b>16,603</b>	<b>17,645</b>

**Chart 16 – Sewerage Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	2,943	3,014	3,086	3,160	3,236	3,314	3,393	3,474	3,558	3,643
User Charges and Fees	292	299	306	314	321	329	337	345	353	361
Interest & Investment Revenue	113	116	118	121	124	127	130	133	137	140
Grants & Contributions for Operating Purposes	43	44	45	46	47	48	50	51	52	53
Grants & Contributions for Capital Purposes - Cash	40	39	38	37	36	35	35	34	33	32
<b>Total Income from Continuing Operations</b>	<b>3,431</b>	<b>3,512</b>	<b>3,594</b>	<b>3,678</b>	<b>3,765</b>	<b>3,853</b>	<b>3,944</b>	<b>4,037</b>	<b>4,132</b>	<b>4,230</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	377	388	400	412	424	437	450	464	478	492
Materials and Contracts	345	354	362	372	381	390	400	410	420	431
Depreciation	596	608	620	632	645	658	671	685	698	712
Other Expenses	1,043	1,099	1,155	1,177	1,199	1,222	1,245	1,268	1,292	1,316
<b>Total Expenses from Continuing Operations</b>	<b>2,361</b>	<b>2,449</b>	<b>2,538</b>	<b>2,593</b>	<b>2,649</b>	<b>2,707</b>	<b>2,766</b>	<b>2,826</b>	<b>2,888</b>	<b>2,952</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>1,070</b>	<b>1,063</b>	<b>1,056</b>	<b>1,086</b>	<b>1,116</b>	<b>1,146</b>	<b>1,178</b>	<b>1,211</b>	<b>1,244</b>	<b>1,278</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>1,030</b>	<b>1,024</b>	<b>1,018</b>	<b>1,048</b>	<b>1,079</b>	<b>1,111</b>	<b>1,144</b>	<b>1,177</b>	<b>1,211</b>	<b>1,246</b>

**Chart 17 – Sewerage Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	7,510	7,015	7,660	7,256	7,923	8,060	8,896	9,744	8,785	9,273
Receivables	273	279	286	292	299	306	313	320	328	336
<b>Total Current Assets</b>	<b>7,782</b>	<b>7,294</b>	<b>7,946</b>	<b>7,547</b>	<b>8,222</b>	<b>8,367</b>	<b>9,210</b>	<b>10,064</b>	<b>9,114</b>	<b>9,610</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	31,509	33,068	33,480	34,969	35,414	36,421	36,761	37,123	39,322	40,110
<b>Total Non-Current Assets</b>	<b>31,509</b>	<b>33,068</b>	<b>33,480</b>	<b>34,969</b>	<b>35,414</b>	<b>36,421</b>	<b>36,761</b>	<b>37,123</b>	<b>39,322</b>	<b>40,110</b>
<b>Total Assets</b>	<b>39,291</b>	<b>40,362</b>	<b>41,426</b>	<b>42,516</b>	<b>43,637</b>	<b>44,788</b>	<b>45,971</b>	<b>47,186</b>	<b>48,436</b>	<b>49,720</b>
<b>Current Liabilities</b>										
Payables	145	151	158	161	165	168	172	176	180	184
<b>Total Current Liabilities</b>	<b>145</b>	<b>151</b>	<b>158</b>	<b>161</b>	<b>165</b>	<b>168</b>	<b>172</b>	<b>176</b>	<b>180</b>	<b>184</b>
<b>Non Current Liabilities</b>										
Payables	49	50	51	52	53	55	56	57	59	60
<b>Total Non Current Liabilities</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>59</b>	<b>60</b>
<b>Total Liabilities</b>	<b>194</b>	<b>201</b>	<b>209</b>	<b>213</b>	<b>218</b>	<b>223</b>	<b>228</b>	<b>233</b>	<b>239</b>	<b>244</b>
<b>Net Assets</b>	<b>39,097</b>	<b>40,161</b>	<b>41,217</b>	<b>42,303</b>	<b>43,418</b>	<b>44,565</b>	<b>45,743</b>	<b>46,953</b>	<b>48,197</b>	<b>49,475</b>
<b>Equity</b>										
Retained Earnings	32,916	33,980	35,036	36,122	37,237	38,384	39,562	40,772	42,016	43,294
Other Reserves	6,181	6,181	6,181	6,181	6,181	6,181	6,181	6,181	6,181	6,181
<b>Total Equity</b>	<b>39,097</b>	<b>40,161</b>	<b>41,217</b>	<b>42,303</b>	<b>43,418</b>	<b>44,565</b>	<b>45,743</b>	<b>46,953</b>	<b>48,197</b>	<b>49,475</b>

**Chart 18 – Sewerage Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 1**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	3,833	3,507	3,589	3,674	3,758	3,848	3,938	4,032	4,125	4,223
Payments - Operating Activities	(1,744)	(1,835)	(1,911)	(1,957)	(2,000)	(2,045)	(2,091)	(2,138)	(2,186)	(2,235)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>2,090</b>	<b>1,672</b>	<b>1,678</b>	<b>1,717</b>	<b>1,758</b>	<b>1,802</b>	<b>1,847</b>	<b>1,893</b>	<b>1,940</b>	<b>1,988</b>
<b>Cash Flows from Investing Activities</b>										
Purchases - Infrastructure, Property, Plant & Equipment	(580)	(2,167)	(1,032)	(2,121)	(1,091)	(1,665)	(1,011)	(1,046)	(2,898)	(1,500)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(580)</b>	<b>(2,167)</b>	<b>(1,032)</b>	<b>(2,121)</b>	<b>(1,091)</b>	<b>(1,665)</b>	<b>(1,011)</b>	<b>(1,046)</b>	<b>(2,898)</b>	<b>(1,500)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>1,510</b>	<b>(495)</b>	<b>646</b>	<b>(404)</b>	<b>667</b>	<b>137</b>	<b>836</b>	<b>847</b>	<b>(958)</b>	<b>488</b>
<b>Cash and Cash Equivalents at Beginning of Reporting Period</b>	<b>6,000</b>	<b>7,510</b>	<b>7,015</b>	<b>7,660</b>	<b>7,256</b>	<b>7,923</b>	<b>8,060</b>	<b>8,896</b>	<b>9,744</b>	<b>8,785</b>
<b>Cash and Cash Equivalents at End of Reporting Period</b>	<b>7,510</b>	<b>7,015</b>	<b>7,660</b>	<b>7,256</b>	<b>7,923</b>	<b>8,060</b>	<b>8,896</b>	<b>9,744</b>	<b>8,785</b>	<b>9,273</b>
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>7,510</b>	<b>7,015</b>	<b>7,660</b>	<b>7,256</b>	<b>7,923</b>	<b>8,060</b>	<b>8,896</b>	<b>9,744</b>	<b>8,785</b>	<b>9,273</b>

## › Scenario 2

### Background to the Base case with Efficiency Savings (COVID-19 Impacted)

This Scenario generally increases costs and income items by inflators set at lower levels for items such as wages, materials and fees and charges. Major interventions however include an efficiency saving (cumulative) and a reconfiguring of internal charges.

A Summary of Scenario 2 assumptions that vary from Scenario 1 is as follows:

1. Scenario 2 includes a \$100k per annum efficiency saving which is cumulative or “stepped up” by \$100k each year, but not CPI inflated.
2. Scenario 2 includes a reconfiguration of internal charging (includes corporate overheads) commencing in 2021/22. The General Fund allocates charges of \$2.5M split 50/50 across the Water and Sewerage Funds, increasing by 2 per cent per annum.
3. User charges, fees, fines, other income and interest on investments increase by 1.8 per cent in 2021/22 and then by 2.0 per cent each year.
4. Employee expenses increase by 3.0 per cent in 2021/22 and then by 2.0 per cent each year.
5. Materials, contracts and other operating expenses increase by 2.0 per cent each year.
6. The whole of life costs factored in are at the reduced rate of 2.0 per cent per annum (on New CapEx Total) and 0.75 per cent (on Upgrade CapEx Total).

## Efficiency Savings

Local government exists in a highly regulated environment so it has limited discretion in the things that it can avoid to do for the sake of expediency. Whilst Council has limited discretion in this regard it will work proactively to consolidate its financial position.

In 2020 Council adopted a Financial Sustainability Principles Policy to guide Council when making decisions on the allocation and use of Councils financial resources, to provide direction in the development of short and long-term financial plans and to ensure Council continues to improve its financial sustainability and asset management.

Improved efficiencies will result when the additional workloads from the impacts of COVID-19 dissipate. Internal efficiencies will also accrue from improved process integration. These measures include establishing the right systems, procedures and policies to simplify reporting, compliance and regulatory tasks.

The TechOne system implementation is advancing. The protocols being developed as part of this system and other systems post-merger will improve integration and reduce the level of manual effort and the time taken to complete tasks at most levels.

## Main Impact Summary

The consolidated cash balance reduces from \$31.4M in 2020/21 to \$30.8M at the end of the financial year 2029/30. Net operating cash flow is overshadowed by the level of capital works over the 10-year forecast period by \$5.8M, \$120.0M vs \$125.8M.

The General Fund is anticipated to lose \$4.3M in cash over the 10-year forecast period, from \$14.3M in 2020/21 to \$10.0M in 2029/30. The Sewer Fund is anticipated to lose \$1.2M in cash over the 10-year forecast period, from \$7.5M in 2020/21 to \$6.3M in 2029/30.



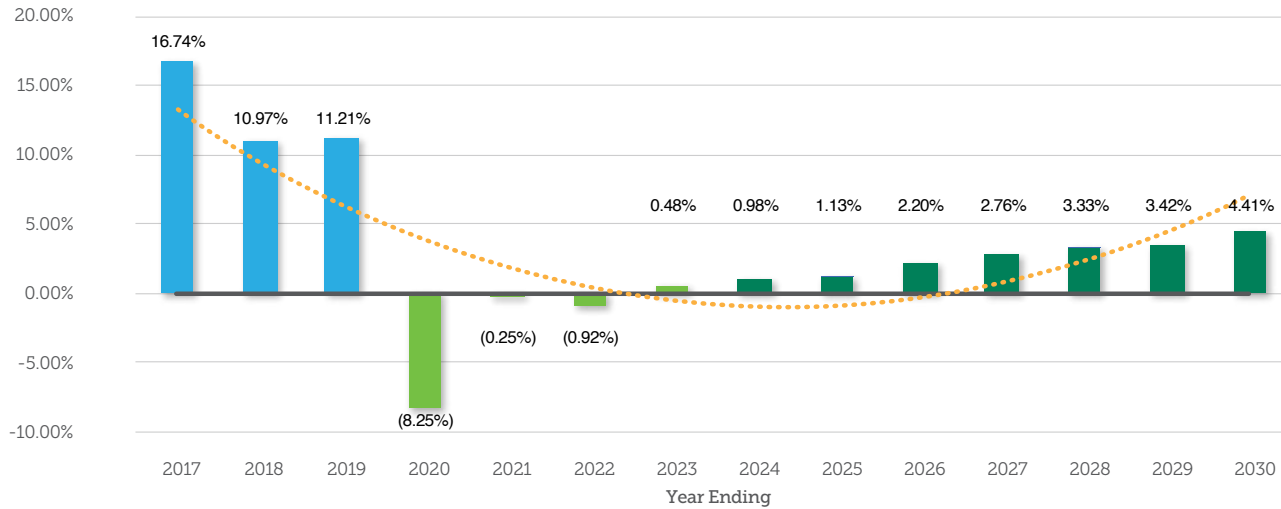


## Scenario 2 - Base Case with Efficiency Savings (COVID-19 Impacted)

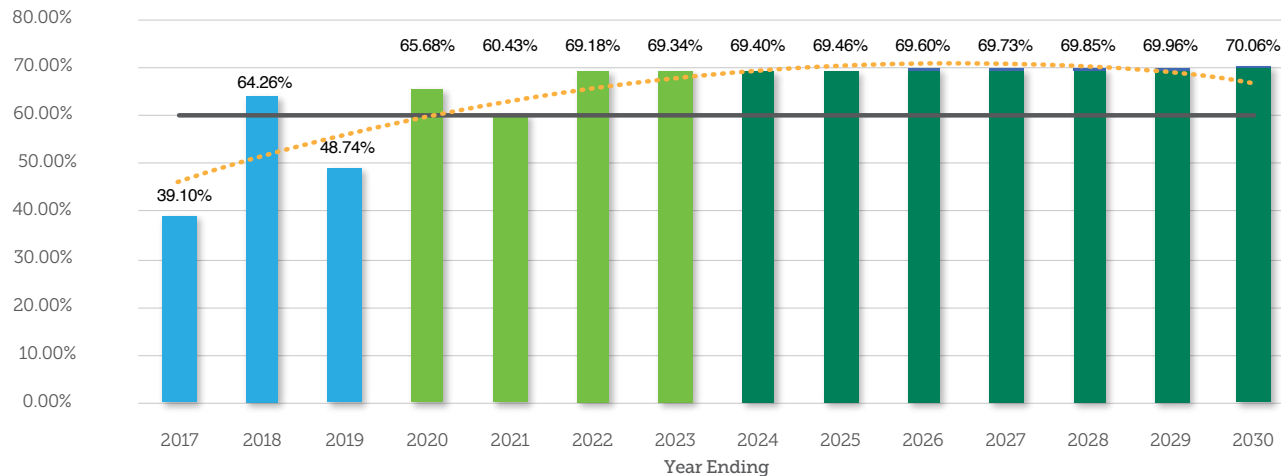
### Performance Measure "Traffic Light" Projections – 2020/21 to 2029/30

Period start	1 Jul 20 1 Jul 21 1 Jul 22 1 Jul 23 1 Jul 24 1 Jul 25 1 Jul 26 1 Jul 27 1 Jul 28 1 Jul 29												
Period end	30 Jun 21 30 Jun 22 30 Jun 23 30 Jun 24 30 Jun 25 30 Jun 26 30 Jun 27 30 Jun 28 30 Jun 29 30 Jun 30												
Key Ratios Dashboard	Red	Yellow	Green										
Operating Performance Ratio	Less than 0%	-	More/equal to 0%	(0.2%)	(0.9%)	0.5%	1.0%	1.1%	2.2%	2.8%	3.3%	3.4%	4.4%
Unrestricted Current Ratio	Less than 1.5	-	More than 1.5	10.4	8.8	8.6	7.6	7.4	7.4	8.0	8.4	8.9	9.2
Capital Expenditure Ratio	Less than 1	-	More than 1	2.2	1.6	1.2	1.5	1.2	1.2	0.9	1.0	1.0	1.1
Net result	Less than -10%	-10% to 0%	More than 0%	15.6%	2.5%	3.8%	4.2%	4.3%	5.1%	5.4%	5.8%	5.7%	6.5%
Liquidity	Less than 0.75	0.75 to 1.0	More than 1.00	8.4	7.1	6.9	6.1	5.9	5.9	6.4	6.7	7.1	7.4
Indebtedness	More than 60%	40% to 60%	Less than 40%	4.7%	4.7%	4.6%	4.5%	4.4%	4.4%	4.3%	4.3%	4.2%	4.1%
Internal financing	Less than 75%	75% to 100%	More than 100%	76.1%	69.2%	94.7%	77.9%	96.6%	100.7%	125.1%	115.7%	118.6%	115.0%
Capital replacement ratio	Less than 1.0	1.0 to 1.5	More than 1.5	2.2	1.6	1.2	1.5	1.2	1.2	0.9	1.0	1.0	1.1
Renewal gap	Less than 0.5	0.5 to 1.0	More than 1.0	2.2	1.5	1.0	1.2	1.1	1.1	0.9	1.0	1.0	1.1

**Scenario 2 - Base Case with Efficiency Savings (COVID-19 Impacted)**  
**Operating Performance Ratio History and Projections - 2016/17 to 2029/30**



**Own Source Revenue History and Projections - 2016/17 to 2029/30**



**Chart 22 – ERC Income Statement Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	13,035	13,463	13,905	14,259	14,624	14,975	15,335	15,703	16,080	16,466
User Charges and Fees	3,909	3,993	4,082	4,173	4,266	4,361	4,458	4,557	4,659	4,763
Interest & Investment Revenue	561	571	583	594	606	618	631	643	656	669
Other Revenues	2,992	2,855	2,912	2,971	3,030	3,091	3,152	3,216	3,280	3,345
Grants & Contributions for Operating Purposes	8,074	8,268	8,465	8,668	8,875	9,087	9,304	9,526	9,754	9,987
Grants & Contributions for Capital Purposes - Cash	5,348	1,036	1,033	1,030	1,028	977	929	884	840	799
<b>Total Income from Continuing Operations</b>	<b>33,919</b>	<b>30,185</b>	<b>30,979</b>	<b>31,695</b>	<b>32,429</b>	<b>33,109</b>	<b>33,809</b>	<b>34,529</b>	<b>35,269</b>	<b>36,029</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	9,268	9,542	9,733	9,928	10,126	10,329	10,535	10,746	10,961	11,180
Materials and Contracts	4,307	4,393	4,481	4,571	4,662	4,755	4,850	4,947	5,046	5,147
Depreciation	8,999	9,193	9,377	9,564	9,756	9,951	10,150	10,353	10,560	10,771
Other Expenses	6,067	6,290	6,213	6,302	6,503	6,390	6,436	6,478	6,684	6,580
<b>Total Expenses from Continuing Operations</b>	<b>28,641</b>	<b>29,418</b>	<b>29,804</b>	<b>30,365</b>	<b>31,047</b>	<b>31,425</b>	<b>31,971</b>	<b>32,524</b>	<b>33,251</b>	<b>33,678</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>5,278</b>	<b>767</b>	<b>1,176</b>	<b>1,329</b>	<b>1,382</b>	<b>1,684</b>	<b>1,838</b>	<b>2,005</b>	<b>2,018</b>	<b>2,351</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>(70)</b>	<b>(268)</b>	<b>143</b>	<b>299</b>	<b>354</b>	<b>706</b>	<b>908</b>	<b>1,121</b>	<b>1,178</b>	<b>1,552</b>

**Chart 23 – ERC Balance Sheet Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	31,386	26,752	26,248	23,151	22,764	22,933	25,337	27,016	29,080	30,789
Receivables	3,458	3,044	3,128	3,191	3,274	3,343	3,413	3,476	3,560	3,636
Other (Includes Assets Held for Sale)	41	41	41	41	41	41	41	41	41	41
<b>Total Current Assets</b>	<b>34,886</b>	<b>29,837</b>	<b>29,417</b>	<b>26,384</b>	<b>26,080</b>	<b>26,317</b>	<b>28,791</b>	<b>30,533</b>	<b>32,681</b>	<b>34,466</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	482,781	497,663	500,387	506,521	508,288	520,476	519,906	521,979	523,072	533,573
Other	767	767	767	767	767	767	767	767	767	767
<b>Total Non-Current Assets</b>	<b>483,548</b>	<b>498,430</b>	<b>501,154</b>	<b>507,288</b>	<b>509,055</b>	<b>521,243</b>	<b>520,673</b>	<b>522,746</b>	<b>523,839</b>	<b>534,340</b>
<b>Total Assets</b>	<b>518,434</b>	<b>528,267</b>	<b>530,571</b>	<b>533,671</b>	<b>535,135</b>	<b>547,559</b>	<b>549,464</b>	<b>553,279</b>	<b>556,520</b>	<b>568,806</b>
<b>Current Liabilities</b>										
Payables	1,623	1,659	1,675	1,701	1,746	1,761	1,790	1,813	1,861	1,879
Other	2,531	2,558	2,585	2,613	2,641	2,670	2,700	2,730	2,761	2,792
<b>Total Current Liabilities</b>	<b>4,154</b>	<b>4,216</b>	<b>4,260</b>	<b>4,314</b>	<b>4,387</b>	<b>4,431</b>	<b>4,489</b>	<b>4,543</b>	<b>4,622</b>	<b>4,671</b>
<b>Non Current Liabilities</b>										
Payables	133	135	138	141	143	146	149	152	155	158
Borrowings	542	542	542	542	542	542	542	542	542	542
Other	295	300	305	311	316	322	327	333	339	345
<b>Total Non Current Liabilities</b>	<b>970</b>	<b>977</b>	<b>985</b>	<b>993</b>	<b>1,002</b>	<b>1,010</b>	<b>1,019</b>	<b>1,027</b>	<b>1,036</b>	<b>1,046</b>
<b>Total Liabilities</b>	<b>5,123</b>	<b>5,194</b>	<b>5,246</b>	<b>5,308</b>	<b>5,389</b>	<b>5,442</b>	<b>5,508</b>	<b>5,571</b>	<b>5,658</b>	<b>5,716</b>
<b>Net Assets</b>	<b>513,310</b>	<b>523,073</b>	<b>525,325</b>	<b>528,364</b>	<b>529,746</b>	<b>542,118</b>	<b>543,956</b>	<b>547,708</b>	<b>550,862</b>	<b>563,090</b>

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Equity</b>										
Retained Earnings	406,784	408,975	410,151	411,480	412,862	414,545	416,383	418,388	420,406	422,757
Revaluation Reserves	80,145	89,141	90,217	91,926	91,926	102,614	102,614	104,362	105,498	115,375
Other Reserves	26,381	24,958	24,958	24,958	24,958	24,958	24,958	24,958	24,958	24,958
<b>Total Equity</b>	<b>513,310</b>	<b>523,073</b>	<b>525,325</b>	<b>528,364</b>	<b>529,746</b>	<b>542,118</b>	<b>543,956</b>	<b>547,708</b>	<b>550,862</b>	<b>563,090</b>

**Chart 24 – ERC Cash Flow Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	35,131	30,587	30,886	31,621	32,335	33,030	33,728	34,455	35,174	35,941
Payments - Operating Activities	(19,729)	(20,143)	(20,365)	(20,729)	(21,199)	(21,411)	(21,744)	(22,098)	(22,592)	(22,838)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>15,401</b>	<b>10,445</b>	<b>10,521</b>	<b>10,892</b>	<b>11,136</b>	<b>11,619</b>	<b>11,984</b>	<b>12,357</b>	<b>12,581</b>	<b>13,104</b>
<b>Cash Flows from Investing Activities</b>										
Receipts - Infrastructure, Property, Plant & Equipment	215	25	90	-	-	90	-	-	90	-
Purchases - Infrastructure, Property, Plant & Equipment	(20,244)	(15,104)	(11,115)	(13,989)	(11,523)	(11,540)	(9,580)	(10,678)	(10,607)	(11,395)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(20,029)</b>	<b>(15,079)</b>	<b>(11,025)</b>	<b>(13,989)</b>	<b>(11,523)</b>	<b>(11,450)</b>	<b>(9,580)</b>	<b>(10,678)</b>	<b>(10,517)</b>	<b>(11,395)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>(4,628)</b>	<b>(4,634)</b>	<b>(504)</b>	<b>(3,097)</b>	<b>(387)</b>	<b>169</b>	<b>2,404</b>	<b>1,679</b>	<b>2,064</b>	<b>1,709</b>
Cash and Cash Equivalents at Beginning of Reporting Period	36,014	31,386	26,752	26,248	23,151	22,764	22,933	25,337	27,016	29,080
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>31,386</b>	<b>26,752</b>	<b>26,248</b>	<b>23,151</b>	<b>22,764</b>	<b>22,933</b>	<b>25,337</b>	<b>27,016</b>	<b>29,080</b>	<b>30,789</b>

**Chart 25 – General Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	8,761	9,086	9,423	9,670	9,925	10,163	10,407	10,657	10,913	11,175
User Charges and Fees	1,683	1,713	1,748	1,783	1,818	1,855	1,892	1,929	1,968	2,007
Interest & Investment Revenue	305	310	317	323	329	336	343	350	357	364
Other Revenues	2,992	2,855	2,912	2,971	3,030	3,091	3,152	3,216	3,280	3,345
Grants & Contributions for Operating Purposes	7,993	8,185	8,381	8,582	8,788	8,999	9,215	9,436	9,663	9,895
Grants & Contributions for Capital Purposes - Cash	5,273	963	963	963	963	915	869	826	784	745
<b>Total Income from Continuing Operations</b>	<b>27,007</b>	<b>23,113</b>	<b>23,744</b>	<b>24,292</b>	<b>24,854</b>	<b>25,359</b>	<b>25,878</b>	<b>26,414</b>	<b>26,964</b>	<b>27,531</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	8,581	8,838	9,015	9,196	9,379	9,567	9,758	9,954	10,153	10,356
Materials and Contracts	3,426	3,495	3,564	3,636	3,708	3,783	3,858	3,935	4,014	4,094
Depreciation	7,684	7,852	8,009	8,169	8,332	8,499	8,669	8,842	9,019	9,200
Other Expenses	3,842	3,302	3,131	3,160	3,299	3,124	3,105	3,082	3,222	3,050
<b>Total Expenses from Continuing Operations</b>	<b>23,533</b>	<b>23,486</b>	<b>23,719</b>	<b>24,160</b>	<b>24,719</b>	<b>24,972</b>	<b>25,391</b>	<b>25,813</b>	<b>26,407</b>	<b>26,699</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>3,474</b>	<b>(373)</b>	<b>25</b>	<b>131</b>	<b>135</b>	<b>386</b>	<b>488</b>	<b>600</b>	<b>557</b>	<b>832</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>(1,799)</b>	<b>(1,336)</b>	<b>(938)</b>	<b>(832)</b>	<b>(828)</b>	<b>(529)</b>	<b>(382)</b>	<b>(226)</b>	<b>(227)</b>	<b>87</b>

**Chart 26 – General Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	14,316	10,264	8,843	6,190	5,827	5,341	6,343	6,738	9,124	9,995
Receivables	2,911	2,484	2,555	2,607	2,675	2,729	2,785	2,835	2,902	2,963
Other (Includes Assets Held for Sale)	30	30	30	30	30	30	30	30	30	30
<b>Total Current Assets</b>	<b>17,257</b>	<b>12,778</b>	<b>11,428</b>	<b>8,827</b>	<b>8,532</b>	<b>8,099</b>	<b>9,158</b>	<b>9,602</b>	<b>12,055</b>	<b>12,988</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	415,625	428,728	430,142	434,637	435,136	445,553	445,038	446,994	445,173	454,995
Other	767	767	767	767	767	767	767	767	767	767
<b>Total Non-Current Assets</b>	<b>416,392</b>	<b>429,495</b>	<b>430,909</b>	<b>435,404</b>	<b>435,903</b>	<b>446,320</b>	<b>445,805</b>	<b>447,761</b>	<b>445,940</b>	<b>455,762</b>
<b>Total Assets</b>	<b>433,649</b>	<b>442,274</b>	<b>442,337</b>	<b>444,230</b>	<b>444,435</b>	<b>454,419</b>	<b>454,962</b>	<b>457,363</b>	<b>457,995</b>	<b>468,750</b>
<b>Current Liabilities</b>										
Payables	1,311	1,281	1,288	1,307	1,343	1,350	1,370	1,387	1,425	1,434
Other	2,531	2,558	2,585	2,613	2,641	2,670	2,700	2,730	2,761	2,792
<b>Total Current Liabilities</b>	<b>3,842</b>	<b>3,839</b>	<b>3,873</b>	<b>3,920</b>	<b>3,984</b>	<b>4,020</b>	<b>4,070</b>	<b>4,117</b>	<b>4,186</b>	<b>4,226</b>
<b>Non Current Liabilities</b>										
Provisions	542	542	542	542	542	542	542	542	542	542
Other	295	300	305	311	316	322	327	333	339	345
<b>Total Non Current Liabilities</b>	<b>837</b>	<b>842</b>	<b>847</b>	<b>853</b>	<b>858</b>	<b>864</b>	<b>869</b>	<b>875</b>	<b>881</b>	<b>887</b>
<b>Total Liabilities</b>	<b>4,679</b>	<b>4,681</b>	<b>4,720</b>	<b>4,773</b>	<b>4,843</b>	<b>4,884</b>	<b>4,940</b>	<b>4,992</b>	<b>5,067</b>	<b>5,114</b>
<b>Net Assets</b>	<b>428,970</b>	<b>437,592</b>	<b>437,617</b>	<b>439,458</b>	<b>439,592</b>	<b>449,535</b>	<b>450,023</b>	<b>452,371</b>	<b>452,928</b>	<b>463,637</b>



Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Equity</b>										
Retained Earnings	337,050	338,100	338,124	338,256	338,390	338,777	339,264	339,864	340,422	341,253
Revaluation Reserves	80,145	89,141	89,141	90,850	90,850	100,406	100,406	102,154	102,154	112,031
Other Reserves	11,775	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352	10,352
<b>Total Equity</b>	<b>428,970</b>	<b>437,592</b>	<b>437,617</b>	<b>439,458</b>	<b>439,592</b>	<b>449,535</b>	<b>450,023</b>	<b>452,371</b>	<b>452,928</b>	<b>463,637</b>

**Chart 27 – General Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	27,081	23,525	23,661	24,227	24,773	25,291	25,809	26,350	26,883	27,456
Payments - Operating Activities	(15,775)	(15,618)	(15,659)	(15,926)	(16,304)	(16,418)	(16,653)	(16,905)	(17,299)	(17,439)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>11,306</b>	<b>7,907</b>	<b>8,002</b>	<b>8,301</b>	<b>8,469</b>	<b>8,873</b>	<b>9,156</b>	<b>9,445</b>	<b>9,584</b>	<b>10,017</b>
<b>Cash Flows from Investing Activities</b>										
Receipts - Infrastructure, Property, Plant & Equipment	215	25	90	-	-	90	-	-	90	-
Purchases - Infrastructure, Property, Plant & Equipment	(18,219)	(11,984)	(9,513)	(10,954)	(8,832)	(9,449)	(8,154)	(9,050)	(7,288)	(9,145)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(18,004)</b>	<b>(11,959)</b>	<b>(9,423)</b>	<b>(10,954)</b>	<b>(8,832)</b>	<b>(9,359)</b>	<b>(8,154)</b>	<b>(9,050)</b>	<b>(7,198)</b>	<b>(9,145)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>(6,698)</b>	<b>(4,052)</b>	<b>(1,421)</b>	<b>(2,653)</b>	<b>(363)</b>	<b>(486)</b>	<b>1,002</b>	<b>395</b>	<b>2,386</b>	<b>872</b>
Cash and Cash Equivalents at Beginning of Reporting Period	21,014	14,316	10,264	8,843	6,190	5,827	5,341	6,343	6,738	9,124
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>14,316</b>	<b>10,264</b>	<b>8,843</b>	<b>6,190</b>	<b>5,827</b>	<b>5,341</b>	<b>6,343</b>	<b>6,738</b>	<b>9,124</b>	<b>9,995</b>

**Chart 28 – Water Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	1,331	1,363	1,396	1,429	1,463	1,499	1,535	1,571	1,609	1,648
User Charges and Fees	1,934	1,980	2,028	2,077	2,126	2,177	2,230	2,283	2,338	2,394
Interest & Investment Revenue	143	146	148	151	154	158	161	164	167	171
Grants & Contributions for Operating Purposes	38	39	39	39	39	39	39	39	39	39
Grants & Contributions for Capital Purposes - Cash	35	33	32	30	29	27	26	24	23	22
<b>Total Income from Continuing Operations</b>	<b>3,481</b>	<b>3,561</b>	<b>3,643</b>	<b>3,726</b>	<b>3,812</b>	<b>3,900</b>	<b>3,990</b>	<b>4,082</b>	<b>4,176</b>	<b>4,273</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	310	319	326	332	339	346	353	360	367	374
Materials and Contracts	536	547	558	569	580	592	604	616	628	641
Depreciation	719	733	748	763	778	794	810	826	842	859
Other Expenses	1,182	1,558	1,589	1,621	1,653	1,686	1,720	1,755	1,790	1,825
<b>Total Expenses from Continuing Operations</b>	<b>2,747</b>	<b>3,157</b>	<b>3,221</b>	<b>3,285</b>	<b>3,351</b>	<b>3,418</b>	<b>3,486</b>	<b>3,556</b>	<b>3,627</b>	<b>3,699</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>734</b>	<b>404</b>	<b>422</b>	<b>441</b>	<b>461</b>	<b>482</b>	<b>504</b>	<b>526</b>	<b>550</b>	<b>574</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>699</b>	<b>370</b>	<b>390</b>	<b>411</b>	<b>433</b>	<b>455</b>	<b>478</b>	<b>502</b>	<b>526</b>	<b>552</b>

**Chart 29 – Water Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	9,561	9,773	10,372	10,662	10,300	11,149	12,046	12,816	13,785	14,467
Receivables	274	281	287	293	301	308	315	321	330	337
Other (Includes Assets Held for Sale)	11	11	11	11	11	11	11	11	11	11
<b>Total Current Assets</b>	<b>9,846</b>	<b>10,065</b>	<b>10,670</b>	<b>10,966</b>	<b>10,612</b>	<b>11,468</b>	<b>12,372</b>	<b>13,148</b>	<b>14,126</b>	<b>14,816</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	35,647	35,867	36,765	36,916	37,737	38,502	38,107	37,863	38,577	38,468
<b>Total Non-Current Assets</b>	<b>35,647</b>	<b>35,867</b>	<b>36,765</b>	<b>36,916</b>	<b>37,737</b>	<b>38,502</b>	<b>38,107</b>	<b>37,863</b>	<b>38,577</b>	<b>38,468</b>
<b>Total Assets</b>	<b>45,493</b>	<b>45,931</b>	<b>47,435</b>	<b>47,881</b>	<b>48,349</b>	<b>49,969</b>	<b>50,479</b>	<b>51,011</b>	<b>52,703</b>	<b>53,284</b>
<b>Current Liabilities</b>										
<b>Total Current Liabilities</b>	<b>167</b>	<b>199</b>	<b>203</b>	<b>207</b>	<b>211</b>	<b>216</b>	<b>220</b>	<b>224</b>	<b>229</b>	<b>233</b>
<b>Non Current Liabilities</b>										
Payables	84	85	87	89	91	93	94	96	98	100
<b>Total Non Current Liabilities</b>	<b>84</b>	<b>85</b>	<b>87</b>	<b>89</b>	<b>91</b>	<b>93</b>	<b>94</b>	<b>96</b>	<b>98</b>	<b>100</b>
<b>Total Liabilities</b>	<b>250</b>	<b>285</b>	<b>290</b>	<b>296</b>	<b>302</b>	<b>308</b>	<b>314</b>	<b>320</b>	<b>327</b>	<b>334</b>
<b>Net Assets</b>	<b>45,243</b>	<b>45,647</b>	<b>47,145</b>	<b>47,586</b>	<b>48,047</b>	<b>49,661</b>	<b>50,165</b>	<b>50,691</b>	<b>52,376</b>	<b>52,950</b>
<b>Equity</b>										
Retained Earnings	36,818	37,222	37,644	38,085	38,546	39,028	39,531	40,058	40,607	41,181
Revaluation Reserves	-	-	1,076	1,076	1,076	2,208	2,208	2,208	3,344	3,344
Other Reserves	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425
<b>Total Equity</b>	<b>45,243</b>	<b>45,647</b>	<b>47,145</b>	<b>47,586</b>	<b>48,047</b>	<b>49,661</b>	<b>50,165</b>	<b>50,691</b>	<b>52,376</b>	<b>52,950</b>

**Chart 30 – Water Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	4,216	3,556	3,638	3,722	3,806	3,894	3,984	4,077	4,170	4,268
Payments - Operating Activities	(2,210)	(2,392)	(2,469)	(2,518)	(2,568)	(2,620)	(2,672)	(2,726)	(2,779)	(2,836)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>2,006</b>	<b>1,165</b>	<b>1,169</b>	<b>1,204</b>	<b>1,238</b>	<b>1,275</b>	<b>1,312</b>	<b>1,351</b>	<b>1,391</b>	<b>1,432</b>
<b>Cash Flows from Investing Activities</b>										
Purchases - Infrastructure, Property, Plant & Equipment	(1,445)	(953)	(570)	(914)	(1,600)	(426)	(415)	(582)	(421)	(750)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(1,445)</b>	<b>(953)</b>	<b>(570)</b>	<b>(914)</b>	<b>(1,600)</b>	<b>(426)</b>	<b>(415)</b>	<b>(582)</b>	<b>(421)</b>	<b>(750)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>561</b>	<b>212</b>	<b>599</b>	<b>290</b>	<b>(362)</b>	<b>849</b>	<b>897</b>	<b>769</b>	<b>970</b>	<b>682</b>
Cash and Cash Equivalents at Beginning of Reporting Period	9,000	9,561	9,773	10,372	10,662	10,300	11,149	12,046	12,816	13,785
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>9,561</b>	<b>9,773</b>	<b>10,372</b>	<b>10,662</b>	<b>10,300</b>	<b>11,149</b>	<b>12,046</b>	<b>12,816</b>	<b>13,785</b>	<b>14,467</b>

**Chart 31 – Sewerage Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	2,943	3,014	3,086	3,160	3,236	3,314	3,393	3,474	3,558	3,643
User Charges and Fees	292	299	306	314	321	329	337	345	353	361
Interest & Investment Revenue	113	115	117	120	122	125	127	130	132	135
Grants & Contributions for Operating Purposes	43	44	45	46	47	48	50	51	52	53
Grants & Contributions for Capital Purposes - Cash	40	39	38	37	36	35	35	34	33	32
<b>Total Income from Continuing Operations</b>	<b>3,431</b>	<b>3,511</b>	<b>3,593</b>	<b>3,677</b>	<b>3,763</b>	<b>3,851</b>	<b>3,941</b>	<b>4,033</b>	<b>4,128</b>	<b>4,225</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	377	385	392	400	408	416	425	433	442	451
Materials and Contracts	345	352	359	366	373	381	389	396	404	412
Depreciation	596	608	620	632	645	658	671	685	698	712
Other Expenses	1,043	1,430	1,493	1,521	1,550	1,580	1,610	1,641	1,672	1,704
<b>Total Expenses from Continuing Operations</b>	<b>2,361</b>	<b>2,774</b>	<b>2,864</b>	<b>2,920</b>	<b>2,977</b>	<b>3,035</b>	<b>3,094</b>	<b>3,155</b>	<b>3,216</b>	<b>3,279</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>1,070</b>	<b>737</b>	<b>729</b>	<b>757</b>	<b>786</b>	<b>816</b>	<b>847</b>	<b>878</b>	<b>911</b>	<b>945</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>1,030</b>	<b>698</b>	<b>691</b>	<b>720</b>	<b>749</b>	<b>780</b>	<b>812</b>	<b>845</b>	<b>879</b>	<b>913</b>

**Chart 32 – Sewerage Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	7,510	6,715	7,033	6,299	6,637	6,443	6,948	7,463	6,171	6,326
Receivables	273	279	286	292	299	306	313	320	328	336
<b>Total Current Assets</b>	<b>7,782</b>	<b>6,994</b>	<b>7,319</b>	<b>6,591</b>	<b>6,936</b>	<b>6,750</b>	<b>7,261</b>	<b>7,783</b>	<b>6,500</b>	<b>6,662</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	31,509	33,068	33,480	34,969	35,414	36,421	36,761	37,123	39,322	40,110
<b>Total Non-Current Assets</b>	<b>31,509</b>	<b>33,068</b>	<b>33,480</b>	<b>34,969</b>	<b>35,414</b>	<b>36,421</b>	<b>36,761</b>	<b>37,123</b>	<b>39,322</b>	<b>40,110</b>
<b>Total Assets</b>	<b>39,291</b>	<b>40,062</b>	<b>40,799</b>	<b>41,560</b>	<b>42,351</b>	<b>43,171</b>	<b>44,022</b>	<b>44,905</b>	<b>45,822</b>	<b>46,772</b>
<b>Current Liabilities</b>										
Payables	145	178	184	187	192	195	199	202	207	211
<b>Total Current Liabilities</b>	<b>145</b>	<b>178</b>	<b>184</b>	<b>187</b>	<b>192</b>	<b>195</b>	<b>199</b>	<b>202</b>	<b>207</b>	<b>211</b>
<b>Non Current Liabilities</b>										
Payables	49	50	51	52	53	54	55	56	57	58
<b>Total Non Current Liabilities</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>
<b>Total Liabilities</b>	<b>194</b>	<b>228</b>	<b>235</b>	<b>239</b>	<b>244</b>	<b>249</b>	<b>254</b>	<b>258</b>	<b>264</b>	<b>269</b>
<b>Net Assets</b>	<b>39,097</b>	<b>39,834</b>	<b>40,563</b>	<b>41,320</b>	<b>42,106</b>	<b>42,922</b>	<b>43,768</b>	<b>44,647</b>	<b>45,558</b>	<b>46,503</b>
<b>Equity</b>										
Retained Earnings	32,916	33,653	34,382	35,139	35,925	36,741	37,587	38,466	39,377	40,322
Other Reserves	6,181	6,181	6,181	6,181	6,181	6,181	6,181	6,181	6,181	6,181
<b>Total Equity</b>	<b>39,097</b>	<b>39,834</b>	<b>40,563</b>	<b>41,320</b>	<b>42,106</b>	<b>42,922</b>	<b>43,768</b>	<b>44,647</b>	<b>45,558</b>	<b>46,503</b>

**Chart 33 – Sewerage Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	3,833	3,506	3,587	3,672	3,756	3,845	3,935	4,028	4,120	4,218
Payments - Operating Activities	(1,744)	(2,133)	(2,238)	(2,284)	(2,328)	(2,373)	(2,419)	(2,467)	(2,514)	(2,563)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>2,090</b>	<b>1,372</b>	<b>1,350</b>	<b>1,388</b>	<b>1,428</b>	<b>1,471</b>	<b>1,515</b>	<b>1,561</b>	<b>1,607</b>	<b>1,655</b>
<b>Cash Flows from Investing Activities</b>										
Purchases - Infrastructure, Property, Plant & Equipment	(580)	(2,167)	(1,032)	(2,121)	(1,091)	(1,665)	(1,011)	(1,046)	(2,898)	(1,500)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(580)</b>	<b>(2,167)</b>	<b>(1,032)</b>	<b>(2,121)</b>	<b>(1,091)</b>	<b>(1,665)</b>	<b>(1,011)</b>	<b>(1,046)</b>	<b>(2,898)</b>	<b>(1,500)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>1,510</b>	<b>(795)</b>	<b>318</b>	<b>(733)</b>	<b>337</b>	<b>(194)</b>	<b>504</b>	<b>515</b>	<b>(1,291)</b>	<b>155</b>
Cash and Cash Equivalents at Beginning of Reporting Period	6,000	7,510	6,715	7,033	6,299	6,637	6,443	6,948	7,463	6,171
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>7,510</b>	<b>6,715</b>	<b>7,033</b>	<b>6,299</b>	<b>6,637</b>	<b>6,443</b>	<b>6,948</b>	<b>7,463</b>	<b>6,171</b>	<b>6,326</b>





## › Scenario 3

### **Background to Major Projects (Sewer Works, Aerodrome, Retirement Village, Kerbside Recycling & FOGO collection) with Efficiency Savings**

Scenario 3 increases costs and income items by inflators set as per Scenario 2. It also includes the \$100k cumulative efficiency saving and the reconfiguring of internal charges.

However, a further 4 aspirational capital projects in addition to the Town Hall/ Civic Plaza/Estates Building development (included in all Scenarios) are taken up progressively over the next ten years, the impacts of which are felt as early as 2020/21. The assumptions for these 4 projects are as follows;

#### **Deniliquin Aerodrome, \$5M (2021/22)**

Council obtains \$2.5M, or 50 per cent, in capital grants to fund \$5M in upgrades and renewal at the Deniliquin Aerodrome, i.e. strengthening and lengthening the existing sealed runway strip (up to 200 metres to achieve approx. 1,400 metres in total length), replace runway lighting and improve surface drainage. The remaining 50 per cent, or \$2.5M, is funded by a loan @ 2 per cent per annum over 10 years.

These works enable Council to increase income by \$50k per annum (user charges) from 2022/23, indexed @ 2 per cent per annum.

Note: Aerodrome restricted cash of \$0.24M is available, if required, to meet up-front design or related costs.

#### **Kerbside collection for Recyclables and FOGO, \$1.22M (2021/22)**

Council approves the introduction of Kerbside collection for Recyclables and Food Organics/Garden Organics (FOGO) kerbside collection in 2021/22.

Capital expenses for the kerbside collection, anticipating that new bins will need to be purchased, assembled and delivered for 3,724 services is \$1.22M, made up as follows;

- Loan funds of \$0.61M, 2.0 per cent per annum, term 10 years
- Grant funds, 10 per cent or \$0.12M
- Waste Restricted Cash, 40 per cent or \$0.49M

Waste charges are increased by \$180 per household in 2022/23 to meet the expected increase in costs, this adds a further \$670K to user charges, indexed @ 2.0 per cent per annum.

#### **Sewer Treatment Plant, \$17M (2022/23 and 2023/24)**

Council is successful in obtaining capital grants to fund 40 per cent (\$6.8M) of the costs of a new Sewerage Treatment Plant. \$17M, staged construction, i.e. \$10M in 2022/23 and \$7M in 2023/24. The remainder is funded 50 per cent by loans (\$8.5M) and 10 per cent (\$1.7M) by Restricted Sewer Cash.

Sewer capital renewal costs from 2024/25 to 2029/30 are reduced by 30 per cent given that the new Sewerage Treatment Plant will require less renewal over the 10-year planning period.

These works enable Council to decrease operational costs and increase income, a total of \$200k per annum from 2022/23, indexed @ 2.0 per cent per annum.

Sewer Restricted Cash at end 2029/30 is \$4.5M and is available, if needed, to fund additional (unplanned) renewal across the network.

#### **Retirement Village, \$14M plus Council In-Kind Land contribution, \$1M (2022/23 and 2028/29)**

Council proceeds with the construction of a 48-unit retirement village, 38 units occupied under a traditional loan and licence agreement and 10 units under a tenancy agreement (i.e. rented).

Unit and Community Facility Construction costs are estimated to total \$12.93M over a staged seven-year construction period beginning in 2022/23. Council incurs \$0.34M in preliminary costs in 2021/22 for design, marketing, approvals, documentation etc. Council provides in kind support up front in the form of land valued at \$1M.

Cash injections (loan and licence agreements) part fund the project, these are in the order of \$9.09M to fund \$6.93M in CapEx and \$2.16M in OpEx. Total borrowings of \$6.0M in the form of 6 loans of \$1M are raised in each year between 2021/22 and 2026/27. Interest at 2.0 per cent per annum for the first 3 loans, then 2.5 per cent per annum, 3.0 per cent per annum and then 3.5 per cent per annum. All loans repaid over 20-years.

Concessional interest rates are anticipated to be obtained through a successful application to NSW Government's TCorp Low Cost Loans Initiative. Under the initiative the NSW Government not only provides low interest loans but may refund 50 per cent of the cost of Council's interest payments. This interest refund is included for the Retirement Village CapEx only.

#### **Cash Reserves**

The main assumptions for restricted asset balances are illustrated in Chart 34 and Chart 35 below. Grants received in advance for the Town Hall and Civic Centre Project are restricted (External Restriction – Specific Unexpended Grants) as at end 2019/20 by \$1.6M. Further grants in 2020/21 of \$2.7M are transferred to the Account. The total grants received of \$4.3M is progressively used, i.e. 2020/21, \$2.9M; and 2021/22, \$1.4M.

**Chart 34 - ERC External Restrictions, Projected Balances 2019/20 to 2029/30, Scenario 3**  
**External Restrictions, Projected Balances 2019/20 to 2029/30**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Ext. All Other External Reserves <+ \$50k	160	160	160	160	160	160	160	160	160	160	160
Ext. Domestic Waste Management	1,300	1,600	1,290	1,420	1,550	1,451	1,581	1,288	1,418	1,334	1,464
Ext. Library	258	258	258	258	258	258	258	258	258	258	258
Ext. Sewerage Services	6,181	6,181	6,181	4,481	4,481	4,481	4,481	4,481	4,481	4,481	4,481
Ext. Specific Unexpended Grants	1,588	1,423	-	-	-	-	-	-	-	-	-
Ext. Unexpended Merger Capital	4,100	780	780	780	780	780	780	780	780	780	780
Ext. Unexpended Merger Operational	300	300	300	300	300	300	300	300	300	300	300
Ext. Water Supplies	8,518	8,368	8,368	8,368	8,368	8,368	8,368	8,368	8,368	8,368	8,368
	22,405	19,070	17,337	15,767	15,897	15,798	15,928	15,635	15,765	15,681	15,811

**Chart 35 - Internal Restrictions, Projected Balances 2019/20 to 2029/30, Scenario 3**

**Internal Restrictions, Projected Balances 2019/20 to 2029/30**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Int. Airport Development	50	50	50	50	50	50	50	50	50	50	50
Int. Airport Runway	187	187	187	187	187	187	187	187	187	187	187
Int. All Other Internal Reserves <= \$50k	269	269	269	269	269	269	269	269	269	269	269
Int. Blighty Upgrade Power	70	70	70	70	70	70	70	70	70	70	70
Int. Canargo and Pretty Pine Landfills	87	87	87	87	87	87	87	87	87	87	87
Int. Canargo Hall	70	70	70	70	70	70	70	70	70	70	70
Int. Cressy Street Revitalisation	400	-	-	-	-	-	-	-	-	-	-
Int. Deposits, retentions and bonds	238	238	238	238	238	238	238	238	238	238	238
Int. Employees Leave	692	692	692	692	692	692	692	692	692	692	692
Int. Infrastructure replacement	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013
Int. Land Development	385	385	385	385	385	385	385	385	385	385	385
Int. Landscaping Plans	90	90	90	90	90	90	90	90	90	90	90
Int. Plant replacement reserve	799	799	860	1,045	1,203	1,265	1,251	1,424	1,590	1,947	2,187
Int. Recreation Reserves/ Village Landscaping	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113
Int. Retirement Living	325	325	325	325	325	325	325	325	325	325	325
Int. Retirement Village	-	-	-	-	1,380	3,174	4,673	6,119	7,499	7,789	7,313
Int. Town Planning Studies	103	103	103	103	103	103	103	103	103	103	103
Int. Waste Facilities	63	63	63	63	63	63	63	63	63	63	63
Int. Water infrastructure	57	57	57	57	57	57	57	57	57	57	57
	<b>8,011</b>	<b>7,611</b>	<b>7,672</b>	<b>7,857</b>	<b>9,395</b>	<b>11,251</b>	<b>12,735</b>	<b>14,355</b>	<b>15,901</b>	<b>16,547</b>	<b>16,312</b>

### **Main Impact Summary**

The ERC Consolidated cash balance reduces from \$34.5M in 2020/21 to \$26.0M at the end of the financial year 2029/30.

Net operating cash flow is overshadowed by the level of capital works over the 10-year forecast period by \$21.0M, \$139.6M vs \$160.6M.

The General Fund is anticipated to lose cash of \$9.9M over the 10-year forecast period, from \$17.4M in 2020/21 to \$7.5M in 2029/30. The Sewer Fund is anticipated to lose cash of \$3.1M over the 10-year forecast period, from \$7.5M in 2020/21 to \$4.4M in 2029/30.



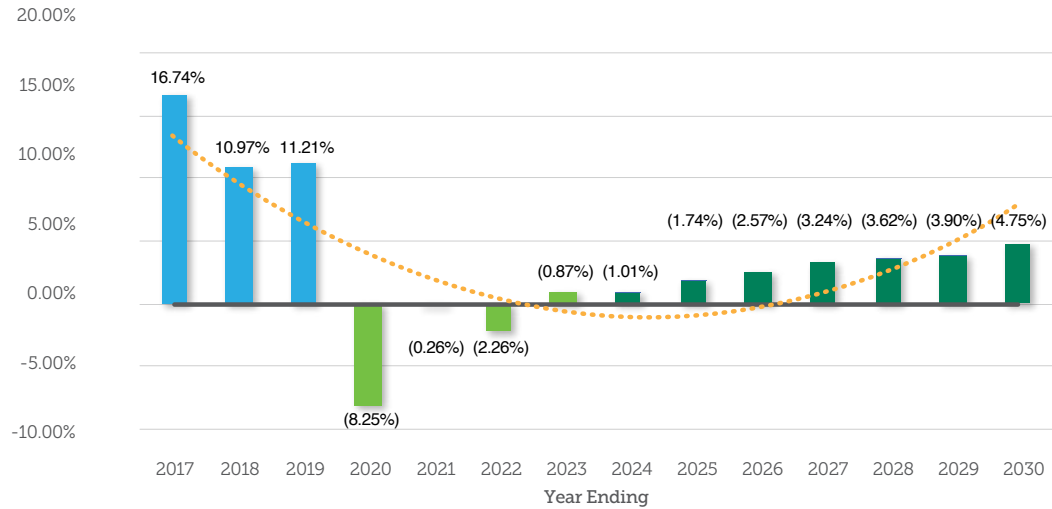
### Scenario 3 - Major Projects

#### Performance Measure "Traffic Light" Projections – 2020/21 to 2029/30

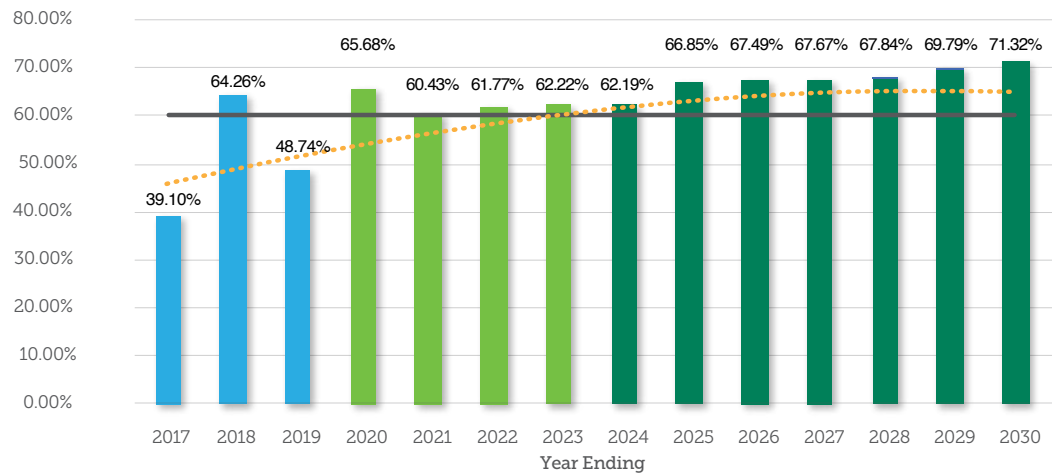
Period start	1 Jul 20 1 Jul 21 1 Jul 22 1 Jul 23 1 Jul 24 1 Jul 25 1 Jul 26 1 Jul 27 1 Jul 28 1 Jul 29												
Period end	30 Jun 21 30 Jun 22 30 Jun 23 30 Jun 24 30 Jun 25 30 Jun 26 30 Jun 27 30 Jun 28 30 Jun 29 30 Jun 30												
Key Ratios Dashboard	Red	Yellow	Green										
Operating Performance Ratio	Less than 0%	-	More/equal to 0%	(0.3%)	(2.3%)	0.9%	1.0%	1.7%	2.6%	3.2%	3.6%	3.9%	4.7%
Unrestricted Current Ratio	Less than 1.5	-	More than 1.5	11.9	7.0	3.3	(1.4)	(1.4)	(1.2)	0.3	0.8	2.0	2.8
Debt Service Ratio	More than 20%	-	Less than 20%	0.1%	1.3%	2.4%	3.1%	3.2%	3.3%	3.4%	3.5%	3.5%	3.4%
Interest Cover Ratio	Less than 4	-	More than 4	1,756.2	139.2	72.2	48.7	41.8	42.4	42.3	41.8	46.1	52.2
Capital Expenditure Ratio	Less than 1	-	More than 1	2.2	2.4	2.5	2.4	1.4	1.4	1.1	1.2	1.0	1.0
Net result	Less than -10%	-10% to 0%	More than 0%	15.5%	11.8%	14.8%	15.1%	9.6%	9.6%	10.0%	10.2%	7.9%	6.7%
Liquidity	Less than 0.75	0.75 to 1.0	More than 1.00	8.6	7.2	6.0	4.4	4.3	4.2	4.6	4.7	5.1	5.3
Indebtedness	More than 60%	40% to 60%	Less than 40%	18.4%	44.2%	58.4%	57.8%	56.5%	55.5%	54.4%	49.2%	44.3%	39.6%
Internal financing	Less than 75%	75% to 100%	More than 100%	76.1%	58.0%	63.0%	65.5%	97.6%	98.6%	121.6%	113.9%	131.3%	121.4%
Capital replacement ratio	Less than 1.0	1.0 to 1.5	More than 1.5	2.2	2.3	2.5	2.4	1.4	1.4	1.1	1.2	1.0	1.0
Renewal gap	Less than 0.5	0.5 to 1.0	More than 1.0	2.2	2.0	2.1	1.9	1.1	1.1	0.9	1.0	0.9	1.0

### Scenario 3 - Major Projects

#### Operating Performance Ratio History and Projections - 2016/17 to 2029/30



#### Own Source Revenue History and Projections - 2016/17 to 2029/30



**Chart 39 – ERC Income Statement Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	13,035	13,463	13,905	14,291	14,886	15,281	15,688	16,105	16,510	16,906
User Charges and Fees	3,909	3,993	4,821	4,944	5,081	5,210	5,342	5,478	5,608	5,733
Interest & Investment Revenue	561	571	583	594	606	618	631	643	656	669
Other Revenues	2,992	2,856	2,924	2,992	3,062	3,136	3,213	3,293	3,355	3,418
Grants & Contributions for Operating Purposes	8,074	8,268	8,465	8,668	8,875	9,087	9,304	9,526	9,754	9,987
Grants & Contributions for Capital Purposes - Cash	5,348	3,658	5,033	5,210	2,843	2,594	2,582	2,572	1,556	760
Contributions for Capital Purposes-Non Cash (S94,S80A)	-	1,000	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>33,919</b>	<b>33,808</b>	<b>35,730</b>	<b>36,699</b>	<b>35,352</b>	<b>35,926</b>	<b>36,759</b>	<b>37,618</b>	<b>37,440</b>	<b>37,474</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	9,268	9,546	9,764	9,959	10,158	10,362	10,569	10,780	10,996	11,216
Borrowing Costs	5	69	178	250	255	264	276	289	269	248
Materials and Contracts	4,307	4,738	4,905	5,016	5,133	5,249	5,365	5,482	5,593	5,705
Depreciation	8,999	9,193	9,403	9,618	9,842	10,072	10,299	10,530	10,745	10,956
Other Expenses	6,067	6,263	6,182	6,329	6,554	6,530	6,563	6,695	6,883	6,846
<b>Total Expenses from Continuing Operations</b>	<b>28,646</b>	<b>29,809</b>	<b>30,431</b>	<b>31,172</b>	<b>31,942</b>	<b>32,476</b>	<b>33,072</b>	<b>33,777</b>	<b>34,485</b>	<b>34,971</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>5,273</b>	<b>3,999</b>	<b>5,299</b>	<b>5,526</b>	<b>3,410</b>	<b>3,449</b>	<b>3,687</b>	<b>3,841</b>	<b>2,955</b>	<b>2,503</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>(75)</b>	<b>(659)</b>	<b>266</b>	<b>317</b>	<b>567</b>	<b>855</b>	<b>1,106</b>	<b>1,269</b>	<b>1,399</b>	<b>1,743</b>



**Chart 40 – ERC Balance Sheet Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	34,471	31,188	26,685	18,981	18,862	18,921	21,484	22,275	24,647	26,033
Receivables	3,458	3,332	3,537	3,622	3,532	3,591	3,673	3,746	3,756	3,775
Other (Includes Assets Held for Sale)	42	42	42	42	111	206	292	392	508	517
<b>Total Current Assets</b>	<b>37,971</b>	<b>34,562</b>	<b>30,264</b>	<b>22,645</b>	<b>22,504</b>	<b>22,717</b>	<b>25,449</b>	<b>26,413</b>	<b>28,910</b>	<b>30,325</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	482,781	496,996	516,699	528,897	536,523	540,215	550,855	556,253	557,152	557,679
Other	767	767	767	767	767	767	767	767	767	767
<b>Total Non-Current Assets</b>	<b>483,548</b>	<b>497,763</b>	<b>517,466</b>	<b>529,664</b>	<b>537,290</b>	<b>540,982</b>	<b>551,622</b>	<b>557,020</b>	<b>557,919</b>	<b>558,446</b>
<b>Total Assets</b>	<b>521,519</b>	<b>532,325</b>	<b>547,730</b>	<b>552,309</b>	<b>559,795</b>	<b>563,700</b>	<b>577,071</b>	<b>583,434</b>	<b>586,830</b>	<b>588,771</b>
<b>Current Liabilities</b>										
Payables	1,623	1,685	1,710	1,742	1,791	1,816	1,845	1,877	1,925	1,949
Borrowings	285	537	733	789	844	899	953	973	994	986
Other	2,531	2,558	2,585	2,613	2,641	2,670	2,700	2,730	2,761	2,792
<b>Total Current Liabilities</b>	<b>4,439</b>	<b>4,780</b>	<b>5,028</b>	<b>5,144</b>	<b>5,277</b>	<b>5,385</b>	<b>5,498</b>	<b>5,580</b>	<b>5,680</b>	<b>5,727</b>
<b>Non Current Liabilities</b>										
Payables	133	135	138	141	143	146	149	152	155	158
Borrowings	2,805	8,247	11,999	12,206	12,359	12,458	12,502	11,529	10,536	9,549
Provisions	542	542	542	542	542	542	542	542	542	542
Other	295	300	305	311	316	322	327	333	339	345
<b>Total Non Current Liabilities</b>	<b>3,775</b>	<b>9,225</b>	<b>12,984</b>	<b>13,200</b>	<b>13,361</b>	<b>13,468</b>	<b>13,521</b>	<b>12,557</b>	<b>11,572</b>	<b>10,595</b>
<b>Total Liabilities</b>	<b>8,213</b>	<b>14,005</b>	<b>18,012</b>	<b>18,344</b>	<b>18,637</b>	<b>18,853</b>	<b>19,019</b>	<b>18,137</b>	<b>17,252</b>	<b>16,322</b>

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Net Assets</b>	513,306	518,320	529,718	533,965	541,157	544,847	558,052	565,296	569,578	572,449
<b>Equity</b>										
Retained Earnings	406,480	411,151	414,836	416,694	418,346	420,181	422,542	424,707	427,100	429,708
Revaluation Reserves	80,145	82,160	91,259	91,979	95,762	96,003	105,521	108,923	110,250	110,618
Other Reserves	26,681	25,009	23,624	25,292	27,049	28,663	29,990	31,666	32,228	32,123
<b>Total Equity</b>	<b>513,306</b>	<b>518,320</b>	<b>529,718</b>	<b>533,965</b>	<b>541,157</b>	<b>544,848</b>	<b>558,053</b>	<b>565,296</b>	<b>569,578</b>	<b>572,449</b>

**Chart 41 – ERC Cash Flow Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	35,131	32,923	35,513	36,604	35,429	35,853	36,663	37,529	37,415	37,441
Payments - Operating Activities	(19,734)	(20,507)	(20,958)	(21,475)	(22,070)	(22,424)	(22,777)	(23,260)	(23,754)	(23,946)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>15,396</b>	<b>12,416</b>	<b>14,555</b>	<b>15,128</b>	<b>13,359</b>	<b>13,429</b>	<b>13,886</b>	<b>14,269</b>	<b>13,661</b>	<b>13,495</b>
<b>Cash Flows from Investing Activities</b>										
Receipts - Infrastructure, Property, Plant & Equipment	215	25	91	-	-	90	-	-	90	-
Purchases - Infrastructure, Property, Plant & Equipment	(20,244)	(21,419)	(23,097)	(23,095)	(13,686)	(13,613)	(11,421)	(12,526)	(10,406)	(11,115)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(20,029)</b>	<b>(21,394)</b>	<b>(23,006)</b>	<b>(23,095)</b>	<b>(13,686)</b>	<b>(13,523)</b>	<b>(11,421)</b>	<b>(12,526)</b>	<b>(10,316)</b>	<b>(11,115)</b>
<b>Cash Flow from Financing Activities</b>										
Receipts - Loan Borrowings	3,113	6,000	4,500	1,000	1,000	1,000	1,000	-	-	-
Payments - Principal Repayments	(23)	(305)	(552)	(737)	(792)	(847)	(901)	(953)	(973)	(994)
<b>Net Cash Provided by (or used in) Financing Activities</b>	<b>3,090</b>	<b>5,695</b>	<b>3,947</b>	<b>264</b>	<b>208</b>	<b>153</b>	<b>99</b>	<b>(953)</b>	<b>(973)</b>	<b>(994)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>(1,543)</b>	<b>(3,283)</b>	<b>(4,503)</b>	<b>(7,704)</b>	<b>(119)</b>	<b>59</b>	<b>2,564</b>	<b>791</b>	<b>2,372</b>	<b>1,387</b>
Cash and Cash Equivalents at Beginning of Reporting Period	36,014	34,471	31,188	26,685	18,981	18,862	18,921	21,484	22,275	24,647
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>34,471</b>	<b>31,188</b>	<b>26,685</b>	<b>18,981</b>	<b>18,862</b>	<b>18,921</b>	<b>21,484</b>	<b>22,275</b>	<b>24,647</b>	<b>26,033</b>

**Chart 42 – ERC Capital Works Expenditure Projections – 2020/21 to 2029/30, Scenarios 1 and 2**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Land	-	1,000	-	-	-	-	-	-	-	-
Buildings	5,775	2,585	3,501	2,133	2,448	2,402	1,988	3,289	704	500
Plant, machinery and equipment	1,090	1,691	977	1,260	2,017	2,648	1,526	1,703	581	1,500
Computers and telecommunications	722	55	55	55	55	55	55	55	55	55
Library books	40	40	40	40	40	40	40	40	40	40
Roads	8,629	5,980	5,230	5,220	5,020	5,060	4,940	4,950	4,980	5,500
Bridges	100	150	150	150	150	150	150	150	150	150
Footpaths and cycle ways	428	552	562	527	526	481	399	365	385	500
Drainage	150	470	450	450	450	450	250	250	250	350
Waste management	-	1,345	370	170	399	170	593	170	385	170
Parks, open spaces and streetscape	1,015	431	-	25	17	417	17	-	87	100
Aerodromes	-	5,000	30	3,030	-	-	-	-	-	350
Other infrastructure	200	-	30	-	100	148	240	240	240	100
Water	1,445	953	570	914	1,600	426	415	582	421	750
Sewer	580	2,167	11,032	9,121	764	1,166	708	732	2,029	1,050
Swimming Pools	70	-	100	-	100	-	100	-	100	-
<b>Total Capital Works</b>	<b>20,244</b>	<b>22,419</b>	<b>23,097</b>	<b>23,095</b>	<b>13,686</b>	<b>13,613</b>	<b>11,421</b>	<b>12,526</b>	<b>10,406</b>	<b>11,115</b>
<b>Represented by:</b>										
Renewal Investment	17,775	16,292	18,469	17,886	10,376	10,296	8,730	9,961	9,334	10,823
Upgrade Investment	2,385	2,493	850	729	454	517	305	323	211	178
New Investment	85	3,633	3,777	4,481	2,856	2,800	2,386	2,242	862	115
<b>Total Capital Works</b>	<b>20,244</b>	<b>22,419</b>	<b>23,097</b>	<b>23,095</b>	<b>13,686</b>	<b>13,613</b>	<b>11,421</b>	<b>12,526</b>	<b>10,406</b>	<b>11,115</b>

**Chart 43 – General Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	8,761	9,086	9,423	9,670	9,925	10,163	10,407	10,657	10,913	11,175
User Charges and Fees	1,683	1,713	2,487	2,537	2,588	2,640	2,692	2,746	2,801	2,857
Interest & Investment Revenue	305	310	317	323	329	336	343	350	357	364
Other Revenues	2,992	2,855	2,912	2,971	3,030	3,091	3,152	3,216	3,280	3,345
Grants & Contributions for Operating Purposes	7,993	8,185	8,381	8,582	8,788	8,999	9,215	9,436	9,663	9,895
Grants & Contributions for Capital Purposes - Cash	5,273	3,585	963	963	915	869	826	784	745	708
<b>Total Income from Continuing Operations</b>	<b>27,007</b>	<b>25,735</b>	<b>24,484</b>	<b>25,046</b>	<b>25,576</b>	<b>26,098</b>	<b>26,636</b>	<b>27,189</b>	<b>27,758</b>	<b>28,344</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	8,581	8,838	9,015	9,196	9,379	9,567	9,758	9,954	10,153	10,356
Borrowing Costs	5	59	53	48	42	36	29	23	16	10
Materials and Contracts	3,426	3,495	3,964	4,043	4,124	4,207	4,291	4,377	4,464	4,553
Depreciation	7,684	7,852	8,009	8,169	8,332	8,499	8,669	8,842	9,019	9,200
Other Expenses	3,842	3,306	3,144	3,176	3,260	3,142	3,078	3,116	3,206	3,090
<b>Total Expenses from Continuing Operations</b>	<b>23,538</b>	<b>23,549</b>	<b>24,185</b>	<b>24,631</b>	<b>25,138</b>	<b>25,450</b>	<b>25,826</b>	<b>26,311</b>	<b>26,858</b>	<b>27,208</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>3,469</b>	<b>2,186</b>	<b>298</b>	<b>415</b>	<b>438</b>	<b>648</b>	<b>810</b>	<b>878</b>	<b>900</b>	<b>1,135</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>(1,804)</b>	<b>(1,400)</b>	<b>(665)</b>	<b>(548)</b>	<b>(477)</b>	<b>(221)</b>	<b>(16)</b>	<b>94</b>	<b>155</b>	<b>427</b>

**Chart 44 – General Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	17,400	9,022	7,655	4,818	4,286	3,586	4,421	4,608	6,833	7,507
Receivables	2,911	2,772	2,635	2,689	2,753	2,809	2,867	2,919	2,988	3,051
Other (Includes Assets Held for Sale)	30	30	30	30	30	30	30	30	30	30
<b>Total Current Assets</b>	<b>20,341</b>	<b>11,823</b>	<b>10,320</b>	<b>7,537</b>	<b>7,069</b>	<b>6,426</b>	<b>7,319</b>	<b>7,557</b>	<b>9,851</b>	<b>10,589</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	415,625	425,047	435,730	439,370	441,278	442,430	451,603	452,538	452,215	452,448
Other	767	767	767	767	767	767	767	767	767	767
<b>Total Non-Current Assets</b>	<b>416,392</b>	<b>425,814</b>	<b>436,497</b>	<b>440,137</b>	<b>442,045</b>	<b>443,197</b>	<b>452,370</b>	<b>453,305</b>	<b>452,982</b>	<b>453,215</b>
<b>Total Assets</b>	<b>436,733</b>	<b>437,637</b>	<b>446,817</b>	<b>447,674</b>	<b>449,114</b>	<b>449,623</b>	<b>459,689</b>	<b>460,861</b>	<b>462,833</b>	<b>463,803</b>
<b>Current Liabilities</b>										
Payables	1,311	1,282	1,321	1,342	1,374	1,386	1,404	1,426	1,461	1,475
Borrowings	285	290	296	302	308	314	321	327	334	312
Other	2,531	2,558	2,585	2,613	2,641	2,670	2,700	2,730	2,761	2,792
<b>Total Current Liabilities</b>	<b>4,127</b>	<b>4,129</b>	<b>4,203</b>	<b>4,257</b>	<b>4,323</b>	<b>4,371</b>	<b>4,425</b>	<b>4,483</b>	<b>4,556</b>	<b>4,579</b>
<b>Non Current Liabilities</b>										
Borrowings	2,805	2,515	2,219	1,916	1,608	1,294	973	646	312	-
Provisions	542	542	542	542	542	542	542	542	542	542
Other	295	300	305	311	316	322	327	333	339	345
<b>Total Non Current Liabilities</b>	<b>3,642</b>	<b>3,357</b>	<b>3,066</b>	<b>2,769</b>	<b>2,467</b>	<b>2,158</b>	<b>1,843</b>	<b>1,521</b>	<b>1,193</b>	<b>887</b>
<b>Total Liabilities</b>	<b>7,769</b>	<b>7,486</b>	<b>7,269</b>	<b>7,026</b>	<b>6,790</b>	<b>6,528</b>	<b>6,267</b>	<b>6,004</b>	<b>5,749</b>	<b>5,467</b>
<b>Net Assets</b>	<b>428,964</b>	<b>430,151</b>	<b>439,548</b>	<b>440,648</b>	<b>442,324</b>	<b>443,095</b>	<b>453,422</b>	<b>454,857</b>	<b>457,084</b>	<b>458,337</b>

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Equity</b>										
Retained Earnings	336,745	339,602	339,587	339,714	340,189	340,721	341,650	342,232	342,860	343,625
Revaluation Reserves	80,145	80,145	89,244	89,929	91,167	91,289	100,807	101,364	102,691	102,808
Other Reserves	12,075	10,403	10,718	11,006	10,969	11,085	10,965	11,261	11,534	11,904
<b>Total Equity</b>	<b>428,965</b>	<b>430,151</b>	<b>439,548</b>	<b>440,648</b>	<b>442,324</b>	<b>443,095</b>	<b>453,422</b>	<b>454,857</b>	<b>457,084</b>	<b>458,337</b>

**Chart 45 – General Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	27,081	25,860	24,607	24,979	25,498	26,028	26,564	27,123	27,674	28,266
Payments - Operating Activities	(15,780)	(15,681)	(16,091)	(16,395)	(16,726)	(16,890)	(17,090)	(17,396)	(17,753)	(17,942)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>11,301</b>	<b>10,180</b>	<b>8,516</b>	<b>8,583</b>	<b>8,772</b>	<b>9,137</b>	<b>9,473</b>	<b>9,727</b>	<b>9,921</b>	<b>10,323</b>
<b>Cash Flows from Investing Activities</b>										
Receipts - Infrastructure, Property, Plant & Equipment	215	25	91	-	-	90	-	-	90	-
Purchases - Infrastructure, Property, Plant & Equipment	(18,219)	(18,299)	(9,683)	(11,124)	(9,002)	(9,619)	(8,324)	(9,220)	(7,459)	(9,315)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(18,004)</b>	<b>(18,274)</b>	<b>(9,592)</b>	<b>(11,124)</b>	<b>(9,002)</b>	<b>(9,529)</b>	<b>(8,324)</b>	<b>(9,220)</b>	<b>(7,369)</b>	<b>(9,315)</b>
<b>Cash Flow from Financing Activities</b>										
Receipts - Loan Borrowings	3,113	-	-	-	-	-	-	-	-	-
Payments - Principal Repayments	(23)	(285)	(290)	(296)	(302)	(308)	(314)	(321)	(327)	(334)
<b>Net Cash Provided by (or used in) Financing Activities</b>	<b>3,090</b>	<b>(285)</b>	<b>(290)</b>	<b>(296)</b>	<b>(302)</b>	<b>(308)</b>	<b>(314)</b>	<b>(321)</b>	<b>(327)</b>	<b>(334)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>(3,614)</b>	<b>(8,379)</b>	<b>(1,366)</b>	<b>(2,837)</b>	<b>(532)</b>	<b>(700)</b>	<b>835</b>	<b>186</b>	<b>2,225</b>	<b>675</b>
Cash and Cash Equivalents at Beginning of Reporting Period	21,014	17,400	9,022	7,655	4,818	4,286	3,586	4,421	4,608	6,833
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>17,400</b>	<b>9,022</b>	<b>7,655</b>	<b>4,818</b>	<b>4,286</b>	<b>3,586</b>	<b>4,421</b>	<b>4,608</b>	<b>6,833</b>	<b>7,507</b>



**Chart 46 – Water Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	1,331	1,363	1,396	1,429	1,463	1,499	1,535	1,571	1,609	1,648
User Charges and Fees	1,934	1,980	2,028	2,077	2,126	2,177	2,230	2,283	2,338	2,394
Interest & Investment Revenue	143	146	148	151	154	158	161	164	167	171
Grants & Contributions for Operating Purposes	38	39	39	39	39	39	39	39	39	39
Grants & Contributions for Capital Purposes - Cash	35	33	32	30	29	27	26	24	23	22
<b>Total Income from Continuing Operations</b>	<b>3,481</b>	<b>3,561</b>	<b>3,643</b>	<b>3,726</b>	<b>3,812</b>	<b>3,900</b>	<b>3,990</b>	<b>4,082</b>	<b>4,176</b>	<b>4,273</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	310	319	326	332	339	346	353	360	367	374
Materials and Contracts	536	547	558	569	580	592	604	616	628	641
Depreciation	719	733	748	763	778	794	810	826	842	859
Other Expenses	1,182	1,558	1,589	1,621	1,653	1,686	1,720	1,755	1,790	1,825
<b>Total Expenses from Continuing Operations</b>	<b>2,747</b>	<b>3,157</b>	<b>3,221</b>	<b>3,285</b>	<b>3,351</b>	<b>3,418</b>	<b>3,486</b>	<b>3,556</b>	<b>3,627</b>	<b>3,699</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>734</b>	<b>404</b>	<b>422</b>	<b>441</b>	<b>461</b>	<b>482</b>	<b>504</b>	<b>526</b>	<b>550</b>	<b>574</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>699</b>	<b>370</b>	<b>390</b>	<b>411</b>	<b>433</b>	<b>455</b>	<b>478</b>	<b>502</b>	<b>526</b>	<b>552</b>

**Chart 47 – Water Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	9,561	9,773	10,372	10,662	10,300	11,149	12,046	12,816	13,785	14,467
Receivables	274	281	287	293	301	308	315	321	330	337
Other (Includes Assets Held for Sale)	11	11	11	11	11	11	11	11	11	11
<b>Total Current Assets</b>	<b>9,846</b>	<b>10,065</b>	<b>10,670</b>	<b>10,966</b>	<b>10,612</b>	<b>11,468</b>	<b>12,372</b>	<b>13,148</b>	<b>14,126</b>	<b>14,816</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	35,647	36,936	36,758	36,909	38,838	38,470	38,075	38,974	38,552	38,443
<b>Total Non-Current Assets</b>	<b>35,647</b>	<b>36,936</b>	<b>36,758</b>	<b>36,909</b>	<b>38,838</b>	<b>38,470</b>	<b>38,075</b>	<b>38,974</b>	<b>38,552</b>	<b>38,443</b>
<b>Total Assets</b>	<b>45,493</b>	<b>47,001</b>	<b>47,428</b>	<b>47,875</b>	<b>49,450</b>	<b>49,938</b>	<b>50,447</b>	<b>52,122</b>	<b>52,678</b>	<b>53,259</b>
<b>Current Liabilities</b>										
Payables	167	199	203	207	211	216	220	224	229	233
<b>Total Current Liabilities</b>	<b>167</b>	<b>199</b>	<b>203</b>	<b>207</b>	<b>211</b>	<b>216</b>	<b>220</b>	<b>224</b>	<b>229</b>	<b>233</b>
<b>Non Current Liabilities</b>										
Payables	84	85	87	89	91	93	94	96	98	100
<b>Total Non Current Liabilities</b>	<b>84</b>	<b>85</b>	<b>87</b>	<b>89</b>	<b>91</b>	<b>93</b>	<b>94</b>	<b>96</b>	<b>98</b>	<b>100</b>
<b>Total Liabilities</b>	<b>250</b>	<b>285</b>	<b>290</b>	<b>296</b>	<b>302</b>	<b>308</b>	<b>314</b>	<b>320</b>	<b>327</b>	<b>334</b>
<b>Net Assets</b>	<b>45,243</b>	<b>46,716</b>	<b>47,138</b>	<b>47,579</b>	<b>49,148</b>	<b>49,629</b>	<b>50,133</b>	<b>51,801</b>	<b>52,351</b>	<b>52,925</b>

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Equity</b>										
Retained Earnings	36,818	37,222	37,644	38,085	38,546	39,028	39,531	40,058	40,607	41,181
Revaluation Reserves	-	1,069	1,069	1,069	2,177	2,177	2,177	3,319	3,319	3,319
Other Reserves	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425	8,425
<b>Total Equity</b>	<b>45,243</b>	<b>46,716</b>	<b>47,138</b>	<b>47,579</b>	<b>49,148</b>	<b>49,629</b>	<b>50,133</b>	<b>51,801</b>	<b>52,351</b>	<b>52,925</b>

**Chart 48 – Water Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	4,216	3,556	3,638	3,722	3,806	3,894	3,984	4,077	4,170	4,268
Payments - Operating Activities	(2,210)	(2,392)	(2,469)	(2,518)	(2,568)	(2,620)	(2,672)	(2,726)	(2,779)	(2,836)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>2,006</b>	<b>1,165</b>	<b>1,169</b>	<b>1,204</b>	<b>1,238</b>	<b>1,275</b>	<b>1,312</b>	<b>1,351</b>	<b>1,391</b>	<b>1,432</b>
<b>Cash Flows from Investing Activities</b>										
Purchases - Infrastructure, Property, Plant & Equipment	(1,445)	(953)	(570)	(914)	(1,600)	(426)	(415)	(582)	(421)	(750)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(1,445)</b>	<b>(953)</b>	<b>(570)</b>	<b>(914)</b>	<b>(1,600)</b>	<b>(426)</b>	<b>(415)</b>	<b>(582)</b>	<b>(421)</b>	<b>(750)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>561</b>	<b>212</b>	<b>599</b>	<b>290</b>	<b>(362)</b>	<b>849</b>	<b>897</b>	<b>769</b>	<b>970</b>	<b>682</b>
<b>Cash and Cash Equivalents at Beginning of Reporting Period</b>	<b>9,000</b>	<b>9,561</b>	<b>9,773</b>	<b>10,372</b>	<b>10,662</b>	<b>10,300</b>	<b>11,149</b>	<b>12,046</b>	<b>12,816</b>	<b>13,785</b>
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>9,561</b>	<b>9,773</b>	<b>10,372</b>	<b>10,662</b>	<b>10,300</b>	<b>11,149</b>	<b>12,046</b>	<b>12,816</b>	<b>13,785</b>	<b>14,467</b>

**Chart 49 – Sewerage Fund Income Statement Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	2,943	3,014	3,086	3,160	3,423	3,505	3,589	3,675	3,764	3,854
User Charges and Fees	292	299	306	314	340	348	357	365	374	383
Interest & Investment Revenue	113	115	117	120	122	125	127	130	132	135
Grants & Contributions for Operating Purposes	43	44	45	46	47	48	50	51	52	53
Grants & Contributions for Capital Purposes - Cash	40	39	4,038	2,837	36	35	33	32	31	30
<b>Total Income from Continuing Operations</b>	<b>3,431</b>	<b>3,511</b>	<b>7,592</b>	<b>6,476</b>	<b>3,968</b>	<b>4,061</b>	<b>4,156</b>	<b>4,253</b>	<b>4,353</b>	<b>4,455</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	377	388	396	404	412	420	429	437	446	455
Borrowing Costs	-	8	104	162	155	148	140	133	125	117
Materials and Contracts	345	352	359	366	373	381	389	396	404	412
Depreciation	596	608	620	632	645	658	671	685	698	712
Other Expenses	1,043	1,399	1,449	1,513	1,596	1,629	1,662	1,696	1,730	1,765
<b>Total Expenses from Continuing Operations</b>	<b>2,361</b>	<b>2,756</b>	<b>2,927</b>	<b>3,078</b>	<b>3,182</b>	<b>3,236</b>	<b>3,291</b>	<b>3,347</b>	<b>3,404</b>	<b>3,462</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>1,070</b>	<b>755</b>	<b>4,665</b>	<b>3,398</b>	<b>786</b>	<b>825</b>	<b>865</b>	<b>907</b>	<b>949</b>	<b>993</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>1,030</b>	<b>716</b>	<b>627</b>	<b>562</b>	<b>751</b>	<b>791</b>	<b>832</b>	<b>874</b>	<b>918</b>	<b>963</b>

**Chart 50 – Sewerage Fund Balance Sheet Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	7,509	11,714	8,920	3,577	4,098	4,045	4,495	4,969	4,194	4,447
Receivables	273	279	614	521	316	324	331	338	347	355
<b>Total Current Assets</b>	<b>7,782</b>	<b>11,993</b>	<b>9,535</b>	<b>4,098</b>	<b>4,414</b>	<b>4,368</b>	<b>4,826</b>	<b>5,307</b>	<b>4,541</b>	<b>4,803</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	31,509	34,013	41,425	47,914	49,470	49,977	50,014	51,562	52,892	53,230
<b>Total Non-Current Assets</b>	<b>31,509</b>	<b>34,013</b>	<b>41,425</b>	<b>47,914</b>	<b>49,470</b>	<b>49,977</b>	<b>50,014</b>	<b>51,562</b>	<b>52,892</b>	<b>53,230</b>
<b>Total Assets</b>	<b>39,291</b>	<b>46,006</b>	<b>50,960</b>	<b>52,012</b>	<b>53,884</b>	<b>54,346</b>	<b>54,840</b>	<b>56,869</b>	<b>57,433</b>	<b>58,032</b>
<b>Current Liabilities</b>										
Payables	145	176	181	187	196	200	204	207	212	216
Borrowings	-	206	354	361	368	376	383	391	399	407
<b>Total Current Liabilities</b>	<b>145</b>	<b>382</b>	<b>535</b>	<b>548</b>	<b>564</b>	<b>576</b>	<b>587</b>	<b>598</b>	<b>611</b>	<b>623</b>
<b>Non Current Liabilities</b>										
Payables	49	50	51	52	53	54	55	56	57	58
Borrowings	-	4,777	7,911	7,550	7,182	6,806	6,423	6,032	5,633	5,226
<b>Total Non Current Liabilities</b>	<b>49</b>	<b>4,827</b>	<b>7,962</b>	<b>7,602</b>	<b>7,235</b>	<b>6,860</b>	<b>6,478</b>	<b>6,088</b>	<b>5,690</b>	<b>5,284</b>
<b>Total Liabilities</b>	<b>194</b>	<b>5,209</b>	<b>8,497</b>	<b>8,150</b>	<b>7,799</b>	<b>7,436</b>	<b>7,065</b>	<b>6,686</b>	<b>6,301</b>	<b>5,907</b>
<b>Net Assets</b>	<b>39,097</b>	<b>40,797</b>	<b>42,463</b>	<b>43,861</b>	<b>46,085</b>	<b>46,910</b>	<b>47,776</b>	<b>50,183</b>	<b>51,132</b>	<b>52,125</b>
<b>Equity</b>										
Retained Earnings	32,916	33,671	37,037	38,435	39,221	40,046	40,912	41,818	42,768	43,761
Revaluation Reserves	-	945	945	945	2,383	2,383	2,383	3,883	3,883	3,883
Other Reserves	6,181	6,181	4,481	4,481	4,481	4,481	4,481	4,481	4,481	4,481
<b>Total Equity</b>	<b>39,097</b>	<b>40,798</b>	<b>42,463</b>	<b>43,861</b>	<b>46,085</b>	<b>46,910</b>	<b>47,775</b>	<b>50,182</b>	<b>51,132</b>	<b>52,125</b>

**Chart 51 – Sewerage Fund Cash Flow Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	3,833	3,505	7,258	6,571	4,174	4,054	4,149	4,247	4,345	4,448
Payments - Operating Activities	(1,744)	(2,117)	(2,302)	(2,439)	(2,528)	(2,574)	(2,615)	(2,658)	(2,701)	(2,745)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>2,089</b>	<b>1,388</b>	<b>4,956</b>	<b>4,131</b>	<b>1,646</b>	<b>1,481</b>	<b>1,534</b>	<b>1,589</b>	<b>1,645</b>	<b>1,703</b>
<b>Cash Flows from Investing Activities</b>										
Purchases - Infrastructure, Property, Plant & Equipment	(580)	(2,167)	(11,032)	(9,121)	(764)	(1,166)	(708)	(732)	(2,029)	(1,050)
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(580)</b>	<b>(2,167)</b>	<b>(11,032)</b>	<b>(9,121)</b>	<b>(764)</b>	<b>(1,166)</b>	<b>(708)</b>	<b>(732)</b>	<b>(2,029)</b>	<b>(1,050)</b>
<b>Cash Flow from Financing Activities</b>										
Receipts - Loan Borrowings	-	5,000	3,500	-	-	-	-	-	-	-
Payments - Principal Repayments	-	(17)	(218)	(354)	(361)	(368)	(376)	(383)	(391)	(399)
<b>Net Cash Provided by (or used in) Financing Activities</b>	<b>-</b>	<b>4,983</b>	<b>3,282</b>	<b>(354)</b>	<b>(361)</b>	<b>(368)</b>	<b>(376)</b>	<b>(383)</b>	<b>(391)</b>	<b>(399)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>1,509</b>	<b>4,204</b>	<b>(2,793)</b>	<b>(5,344)</b>	<b>521</b>	<b>(53)</b>	<b>451</b>	<b>473</b>	<b>(775)</b>	<b>254</b>
Cash and Cash Equivalents at Beginning of Reporting Period	6,000	7,509	11,714	8,920	3,577	4,098	4,045	4,495	4,969	4,194
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>7,509</b>	<b>11,714</b>	<b>8,920</b>	<b>3,577</b>	<b>4,098</b>	<b>4,045</b>	<b>4,495</b>	<b>4,969</b>	<b>4,194</b>	<b>4,447</b>

**Chart 52 – Retirement Village Income Statement Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Income from Continuing Operations</b>										
Rates and Annual Charges	-	-	-	32	74	114	157	201	225	230
User Charges and Fees	-	-	-	17	27	45	64	84	95	99
Other Revenues	-	1	11	21	32	45	61	77	75	73
Grants & Contributions for Capital Purposes - Cash	-	-	-	1,380	1,864	1,664	1,697	1,731	757	-
Contributions for Capital Purposes - Non Cash (S94, S80A)	-	1,000	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>-</b>	<b>1,001</b>	<b>11</b>	<b>1,450</b>	<b>1,997</b>	<b>1,868</b>	<b>1,978</b>	<b>2,093</b>	<b>1,152</b>	<b>402</b>
<b>Expenses from Continuing Operations</b>										
Employee Costs	-	-	27	27	28	29	29	30	31	32
Borrowing Costs	-	2	21	40	58	81	107	133	127	121
Materials and Contracts	-	345	24	38	55	70	82	93	96	98
Depreciation	-	-	26	54	87	121	149	178	185	185
Other Expenses	-	-	0	20	44	73	102	129	157	165
<b>Total Expenses from Continuing Operations</b>	<b>-</b>	<b>346</b>	<b>98</b>	<b>179</b>	<b>272</b>	<b>373</b>	<b>469</b>	<b>563</b>	<b>596</b>	<b>601</b>
<b>Operating Result from Continuing Operations Surplus/(Deficit)</b>	<b>-</b>	<b>655</b>	<b>(87)</b>	<b>1,271</b>	<b>1,724</b>	<b>1,495</b>	<b>1,509</b>	<b>1,530</b>	<b>556</b>	<b>(199)</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)</b>	<b>-</b>	<b>(345)</b>	<b>(87)</b>	<b>(109)</b>	<b>(140)</b>	<b>(169)</b>	<b>(188)</b>	<b>(201)</b>	<b>(201)</b>	<b>(199)</b>



**Chart 53 – Retirement Village Balance Sheet Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Current Assets</b>										
Cash & Cash Equivalents	-	680	(263)	(76)	177	140	521	(117)	(165)	(389)
Receivables	-	0	1	119	162	150	160	168	91	31
Other (Includes Assets Held for Sale)	1	1	1	1	70	165	251	351	467	476
<b>Total Current Assets</b>	<b>1</b>	<b>681</b>	<b>(261)</b>	<b>44</b>	<b>409</b>	<b>456</b>	<b>931</b>	<b>402</b>	<b>393</b>	<b>118</b>
<b>Non-Current Assets</b>										
Infrastructure, Property, Plant & Equipment	-	1,000	2,786	4,704	6,938	9,338	11,163	13,180	13,493	13,558
<b>Total Non-Current Assets</b>	<b>-</b>	<b>1,000</b>	<b>2,786</b>	<b>4,704</b>	<b>6,938</b>	<b>9,338</b>	<b>11,163</b>	<b>13,180</b>	<b>13,493</b>	<b>13,558</b>
<b>Total Assets</b>	<b>1</b>	<b>1,681</b>	<b>2,525</b>	<b>4,748</b>	<b>7,347</b>	<b>9,793</b>	<b>12,094</b>	<b>13,582</b>	<b>13,886</b>	<b>13,677</b>
<b>Current Liabilities</b>										
Payables	-	28	4	7	10	14	17	20	23	24
Borrowings	-	41	83	126	168	208	248	255	261	267
<b>Total Current Liabilities</b>	<b>-</b>	<b>69</b>	<b>87</b>	<b>133</b>	<b>178</b>	<b>222</b>	<b>265</b>	<b>275</b>	<b>284</b>	<b>291</b>
<b>Non Current Liabilities</b>										
Borrowings	-	955	1,869	2,739	3,569	4,357	5,106	4,852	4,591	4,324
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>955</b>	<b>1,869</b>	<b>2,739</b>	<b>3,569</b>	<b>4,357</b>	<b>5,106</b>	<b>4,852</b>	<b>4,591</b>	<b>4,324</b>
<b>Total Liabilities</b>	<b>-</b>	<b>1,025</b>	<b>1,956</b>	<b>2,872</b>	<b>3,747</b>	<b>4,579</b>	<b>5,372</b>	<b>5,127</b>	<b>4,875</b>	<b>4,615</b>
<b>Net Assets</b>	<b>1</b>	<b>656</b>	<b>569</b>	<b>1,876</b>	<b>3,600</b>	<b>5,214</b>	<b>6,723</b>	<b>8,455</b>	<b>9,011</b>	<b>9,062</b>
<b>Equity</b>										
Retained Earnings	1	656	569	460	390	386	449	599	865	1,142
Revaluation Reserves	-	-	-	36	36	154	154	358	358	608
Other Reserves	-	-	-	1,380	3,174	4,673	6,119	7,499	7,789	7,313
<b>Total Equity</b>	<b>1</b>	<b>656</b>	<b>569</b>	<b>1,876</b>	<b>3,600</b>	<b>5,214</b>	<b>6,722</b>	<b>8,456</b>	<b>9,011</b>	<b>9,062</b>

**Chart 54 – Retirement Village Cash Flow Projections – 2020/21 to 2029/30, Scenario 3**

Year Ending	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flows from Operating Activities</b>										
Receipts - Operating Activities	-	1	10	1,332	1,951	1,876	1,966	2,081	1,226	460
Payments - Operating Activities	-	(318)	(96)	(122)	(249)	(340)	(400)	(480)	(521)	(423)
<b>Net Cash Provided by (or used in) Operating Activities</b>	<b>-</b>	<b>(317)</b>	<b>(86)</b>	<b>1,210</b>	<b>1,703</b>	<b>1,536</b>	<b>1,566</b>	<b>1,602</b>	<b>705</b>	<b>37</b>
<b>Cash Flows from Investing Activities</b>										
Purchases - Infrastructure, Property, Plant & Equipment	-	-	(1,812)	(1,936)	(2,320)	(2,402)	(1,974)	(1,992)	(498)	-
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>-</b>	<b>-</b>	<b>(1,812)</b>	<b>(1,936)</b>	<b>(2,320)</b>	<b>(2,402)</b>	<b>(1,974)</b>	<b>(1,992)</b>	<b>(498)</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>										
Receipts - Loan Borrowings	-	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-
Payments - Principal Repayments	-	(3)	(45)	(87)	(129)	(171)	(211)	(248)	(255)	(261)
<b>Net Cash Provided by (or used in) Financing Activities</b>	<b>-</b>	<b>997</b>	<b>955</b>	<b>914</b>	<b>871</b>	<b>829</b>	<b>789</b>	<b>(248)</b>	<b>(255)</b>	<b>(261)</b>
<b>Net Increase/(Decrease) in Cash Assets Held</b>	<b>-</b>	<b>680</b>	<b>(942)</b>	<b>187</b>	<b>253</b>	<b>(37)</b>	<b>381</b>	<b>(638)</b>	<b>(48)</b>	<b>(224)</b>
<b>Cash and Cash Equivalents at Beginning of Reporting Period</b>	<b>-</b>	<b>-</b>	<b>680</b>	<b>(263)</b>	<b>(76)</b>	<b>177</b>	<b>140</b>	<b>521</b>	<b>(117)</b>	<b>(165)</b>
<b>Total Cash, Cash Equivalents and Investments at End of Reporting Period</b>	<b>-</b>	<b>680</b>	<b>(263)</b>	<b>(76)</b>	<b>177</b>	<b>140</b>	<b>521</b>	<b>(117)</b>	<b>(165)</b>	<b>(389)</b>

## Key Trends, All Scenarios and All Entities

Chart 55 – Trends in ERC Key Financials – 2020/21 to 2029/30, all Scenarios

	Cash Position		Operating Performance		Own Source Revenue		Internal Financing		
	2020/21	2029/30	2020/21	2029/30	2020/21	2029/30	10 Year NOCF	CapEX	Nett
Scenario 1	\$31.4M	<b>\$21.3M</b>	0.20%	<b>1.5%</b>	60.4%	<b>70.3%</b>	\$110.5M	\$125.8M	<b>\$15.3M</b>
Scenario 2	\$31.4M	<b>\$30.8M</b>	0.20%	<b>4.4%</b>	60.4%	<b>70.1%</b>	\$120.0M	\$125.8M	<b>\$5.8M</b>
Scenario 3	\$34.5M	<b>\$26.0M</b>	0.30%	<b>4.7%</b>	60.4%	<b>71.3%</b>	\$139.6M	\$160.6M	<b>\$21.0M</b>

Chart 56 – Trends in General Fund Key Financials – 2020/21 to 2029/30, all Scenarios

	Cash Position		Operating Performance		Own Source Revenue		Internal Financing		
	2020/21	2029/30	2020/21	2029/30	2020/21	2029/30	10 Year NOCF	CapEX	Nett
Scenario 1	\$14.3M	<b>\$5.7M</b>	8.3%	<b>10%</b>	50.9%	<b>61.8%</b>	\$75.4M	\$102.6M	<b>\$27.2M</b>
Scenario 2	\$14.3M	<b>\$10.0M</b>	8.3%	<b>3.4%</b>	50.9%	<b>61.4%</b>	\$91.1M	\$102.6M	<b>\$11.5M</b>
Scenario 3	\$17.4M	<b>\$7.5M</b>	8.3%	<b>1.5%</b>	50.9%	<b>62.6%</b>	\$95.9M	\$110.3M	<b>\$14.4M</b>

Chart 57 – Trends in Key Water Fund Financials – 2020/21 to 2029/30, all Scenarios

	Cash Position		Operating Performance		Own Source Revenue		Internal Financing		
	2020/21	2029/30	2020/21	2029/30	2020/21	2029/30	10 Year NOCF	CapEX	Nett
Scenario 1	\$9.6M	<b>\$17.6M</b>	20.3%	<b>21.4%</b>	97.90%	<b>98.60%</b>	\$16.7M	\$8.1M	<b>\$8.6M</b>
Scenario 2	\$9.6M	<b>\$14.5M</b>	20.3%	<b>13.0%</b>	97.90%	<b>98.60%</b>	\$13.5M	\$8.1M	<b>\$5.4M</b>
Scenario 3	\$9.6M	<b>\$14.5M</b>	20.3%	<b>13.0%</b>	97.90%	<b>98.60%</b>	\$13.5M	\$8.1M	<b>\$5.4M</b>

Chart 58 – Trends in Key Sewerage Fund Financials – 2020/21 to 2029/30, all Scenarios

	Cash Position		Operating Performance		Own Source Revenue		Internal Financing		
	2020/21	2029/30	2020/21	2029/30	2020/21	2029/30	10 Year NOCF	CapEX	Nett
Scenario 1	\$7.5M	<b>\$9.3M</b>	30.4%	<b>30.4%</b>	97.6%	<b>98.0%</b>	\$18.4M	\$15.1M	<b>\$3.3M</b>
Scenario 2	\$7.5M	<b>\$6.3M</b>	30.4%	<b>21.8%</b>	97.6%	<b>98.0%</b>	\$15.4M	\$15.1M	<b>\$0.3m</b>
Scenario 3	\$7.5M	<b>\$4.4M</b>	30.4%	<b>21.8%</b>	97.6%	<b>98.1%</b>	\$22.1M	\$29.3M	<b>\$7.2M</b>

## Risk Assessment

In developing the LTFP Scenarios the following challenges and risks have been identified that will require monitoring and action to avoid the risk or action to mitigate the risk:

- The impact of COVID-19 is easing however the timeframe for the removal of forced restrictions remains unknown. Not only is the COVID-19 economic impact likely to reduce user charges it is likely to detract significantly from the ability of Council to attract capital grants over the short to medium term.
- The 2020-21 NSW State Budget has been deferred from June 2020. In effect, many funding decisions will not be known before Council adopts its 20-21 Long Term Financial Plan.
- Asset management maturity (with lower confidence levels than desired) exposes Council to threat of unplanned capital expenditure for asset renewals and upgrades.
- Facility non-compliances are likely in the medium term if there is insufficient new or upgrade investment, e.g. Sewerage Treatment Plant and Aerodrome.
- Capability to deliver a large capital works program requires good project governance and project management, including at corporate level.
- Appropriateness and cost efficiency of fleet and plant.
- Performance of the operational budget (i.e. actual expenditure against budget) requires a commitment to regular and enhanced performance monitoring.

- Levels of service (sustainability of existing levels of service), including the need for further definition of the range and level of services as a key driver of infrastructure investment is lacking.
- Unfunded commitments in strategies adopted by Council expose Council to reputational and other risks.
- Rates harmonization process will add complexity to the ability of Council to achieve the planned level of rate revenue.

## Performance Management and Reporting

Council prepares a Quarterly Budget Review Statement (QBRS). The QBRS presents a summary of Council's financial position at the end of each quarter. The report informs Councillors and the community about the Council's progress against the Operational Plan (original budget) and the last revised budget along with recommended changes and reasons for major variances. The QBRS complies with the minimum standards contained in the Code of Accounting Practice and Financial reporting.

Within five months of the end of each financial year, Council prepares an Annual Report, which, includes a copy of or audited financial reports. The Annual Report details progress against the performance measures in implementing the Delivery Program and the activities undertaken to deliver on the objectives of the Community Strategic Plan.

Council's adherence to sound financial management principles will also be monitored via a series of industry accepted rolling benchmarks. As a minimum, the following metrics will be highlighted and reported to Council and the community on an annual basis.

## NSW Local Government Indicators

- Operating Performance Ratio
- Own Source Operating Revenue Ratio
- Building & Infrastructure Asset Renewal Ratio
- Debt Service Cover Ratio
- Outstanding Charges Percentage
- Cash Expense Cover Ratio

Performance Monitoring			
Measure	What is measures	Target	Calculation
<b>Operating performance Ratio</b>	How well councils keep operating expenses within operating revenue	>0%	Total continuing operating revenue excluding capital grants & contributions less Operating expense/Total continuing operating revenue excluding capital grants & contributions
<b>Own source operating revenue</b>	Council's fiscal flexibility and the degree to which it can generate own source revenue compared with the total revenue from all sources	>60%	Total operating revenue excluding all grants & contributions excluding interest and depreciation/ Principal repayments and borrowing costs
<b>Liquidity and working capital measures</b>	Council's ability to meet its short-term obligations as they fall due	>1.5x	Current assets less all external restrictions/ Current liabilities less specific purposes liabilities
<b>Debt service cover ratio</b>	The availability of operating cash to service debt including interest, principal and lease payments.	>2.0x	Operating result less capital grants & contributions excluding interest and depreciation, impairment & amortisation/ Principal repayments and borrowing costs
<b>Rates, annual, charges, interest and extra charges outstanding</b>	How successful council is in collecting rates and annual charges	<10%	Outstanding rates, annual and extra charges/Revenue from rates, annual and extra charges collectable



Performance Monitoring			
Measure	What is measures	Target	Calculation
<b>Cash expenses cover ratio</b>	Estimates the number of months a council can continue paying the expenses without additional cash inflow	> 3 months	Current years cash and term deposits/ Monthly payments from cash flow of operating and financing activities x 12
<b>Building &amp; infrastructure asset renewal ratio</b>	Assesses the rate at which infrastructure assets are being renewed against the rate at which they are depreciating	>+100%	Asset renewals/Depreciation, amortisation & impairment
<b>Infrastructure backlog ratio</b>	Shows the amount of infrastructure backlog expenditure relative to the total net book value of council's infrastructure assets	<2.0%	Estimated cos to bring assets to satisfactory standard/Net carrying amount of infrastructure assets
<b>Asset maintenance ratio</b>	Compares council's actual asset maintenance expenditure to the amount planned in their asset management plans	>100%	Actual asset maintenance /Required asset maintenance
<b>Capital expenditure ratio</b>	Compares the estimated cost to renew or rehabilitate existing infrastructure assets that have reached the condition-based intervention level adopted by council to the gross replacement cost of the infrastructure asset.	>1	Capital expenditure/Annual depreciation





EDWARD RIVER COUNCIL  
**LONG TERM FINANCIAL PLAN**  
2020/21-2029/30

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