

# Long Term Financial Plan 2009/10 – 2026/27

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## FRAMEWORK

The ability to deliver on Council's strategic directions is dependent on having the financial resources to do so. Good financial management requires implementation of a Long Term Financial Plan which reflects the future activities of Council in financial terms.

A Long Term Financial Plan enables Council to ensure that it can fund its programs and services to the community over the longer term.

### Legislative requirements

The Local Government Act requires councils to have strategic management plans which must address:

- the sustainability of its financial performance and position;
- the maintenance, replacement or development needs for infrastructure;
- proposals with respect to debt levels; and
- identification of any anticipated or predicted changes that will have a significant effect upon the costs of council's activities or operations.

Councils are specifically required to have a Long Term Financial Plan covering a period of at least 10 years. In addition, Long Term Financial Plans must be reviewed by councils as soon as practicable after adopting their Annual Business Plans, such review to also include a report from the Chief Executive Officer on the sustainability of council's long term financial performance and position.

The form of councils' Long Term Financial Plan is not prescribed, but the Local Government (Financial Management) Regulations require it to contain financial statements in the form consistent with the model set of accounts including estimates for Operating Surplus Ratio, Asset Sustainability Ratio and Net Financial Liabilities Ratio. These are included as attachments.

### Relationship to other plans

Council's primary planning document is its Strategic Plan which looks ahead to the future and sets specific directions for the following 5 years.

The Long Term Financial Plan is the primary financial management tool linking to Council's Strategic Plan. It expresses Council's activities over the next 17 years in financial terms and provides guidance to formulate Council's annual business plans and budgets.

The Long Term Financial Plan is informed by Council's Asset Management Plans which provide projections for maintenance, renewal and replacement of Council's assets and infrastructure such as roads, footpaths, drains and coastal reserves.

Council has adopted a longer planning horizon for its Asset Management Plan and Long Term Financial Plan to reflect the significance of its asset management needs. Local government is highly asset intensive. As at 30 June 2009, the City of Holdfast Bay had assets valued in excess of \$500 million – compared with annual operating revenue of \$41 million. Council's assets predominately have long lives with significant life-cycle maintenance and renewal costs, often lumpy in timing. It is important to be able to look ahead as far as practicable to provide sufficient lead time to respond to future needs and adjust strategies when required.



## COMMITMENT TO FINANCIAL SUSTAINABILITY

The City of Holdfast Bay is committed to the principles of financial sustainability. In February 2007, Council adopted the following definition of financial sustainability:

*Council's long term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.*

Our commitment to financial sustainability means that we will adopt prudent financial governance policies and practices to ensure continued cost-effective delivery of services to our community over the long term. This comprises three elements:

**Program sustainability** – ensuring the maintenance of our high priority programs including the renewal and replacement of infrastructure

**Rate stability** – ensuring a reasonable degree of stability and predictability in the overall rate burden

**Intergenerational equity** – ensuring a fair sharing in the distribution of resources and attendant financial burden between current and future users of our services and infrastructure

### Our financial principles

To support our commitment to financial sustainability, Council applies the following key financial principles in its financial planning:

#### Balanced Budget

Council aims to fully fund the cost of its services, including depreciation of its infrastructure and assets (ie. wear and tear), to ensure an equitable sharing between current and future users. Insufficient funding shifts the cost burden of today's services on to future users in the form of higher rates or reduced services.

#### Infrastructure and Asset Management

Council aims to maintain its infrastructure and assets to the requisite standard to ensure continued delivery of services to agreed standards. This involves developing and using long term infrastructure and asset management plans to manage Council's asset portfolio efficiently and the continued investment in its renewal and replacement as our asset stock wears out.

#### Rate Predictability

Council aims to provide its community with a reasonable degree of predictability for rates over the medium term. It is important that ratepayers are fully informed about rates and the corresponding services provided.

#### Funding

Council aims to ensure the financial burden on our ratepayers is kept as low as practicable by increasing funding from other sources and the prudent use of debt.

## COMMITMENT TO FINANCIAL SUSTAINABILITY

### Our financial performance measures

Council measures its performance in achieving its financial principles through a suite of key financial indicators:

Principal	Indicator	Target
To fully fund the cost of services	Operating Result Operating Revenue less Operating Expenditure including depreciation  Operating Ratio Operating Result as a percentage of rate revenue	0 – 10% over a rolling 5-year period
To maintain our assets and infrastructure to requisite standard	Asset Sustainability Ratio Expenditure on renewal and replacement of assets as a percentage of expenditure projected in asset management plans	90 – 110% over a rolling 5-year period
To provide our community with a reasonable degree of rate predictability	Annual rate revenue increase	≤ 4% pa (excluding NRM Levy, development growth and HEAT Fund)
To reduce the burden on our ratepayers	Rate burden Rate revenue as a percentage of total operating revenue	≤ 70% by 2012/13
To use borrowings as a means of accessing funds when appropriate and when affordable over the long term	Net Financial Liabilities Total liabilities less Financial Assets (ie. what we owe others less what we are owed)  Net Financial Liabilities Ratio Net Financial Liabilities as a percentage of Operating Revenue  Interest Cover Ratio Net interest expense as a percentage of Operating Revenue	≤ 35%  ≤ 5%

## KEY INFLUENCES

Council provides a wide range of services and programs to its community. These are shaped by a variety of influences including legislative obligations and community expectations.

The key influences on Council's Long Term Financial Plan are as follows:

### Economic Environment

The economic outlook has a significant effect on our community, ratepayers and Council. Confidence in the economy drives demand, investment and employment.

Residents of Holdfast Bay are, on most measures, comparatively affluent with above average household incomes and are arguably less exposed to economic downturns.

Information provided by the Australian Bureau of Statistics from the latest 2006 Census supports this conclusion. The Holdfast Bay data shows a number of major variances to the national average as below;

- Higher median weekly family income \$1,327 compared to \$1,171 nationally
- Higher proportion of professional managers 40.6% compared to 33% nationally
- Higher proportion of fully owned homes 36.85% compared to 32.6% nationally

The data shows an older community age profile and this is reflected in the proportion of ratepayers who are pensioners and self-funded retirees. For the 2009/10 rating year 17.8% of residential rateable properties were occupied by eligible pensioners, while 5.62% were occupied by self funded retirees.

The global economy has suffered a major downturn as a result of a massive restriction on credit liquidity which appeared in late 2007. The effects of the "credit squeeze" persist although there are tentative signs of an economic recovery.

Although not immune from the downturn, the Australian and local South Australian economies have fared better than most. Interest rates were pushed down to amongst the lowest on record but are now moving up from their historic lows.

The effective halving of interest rates during 2008/09 saw a reduction in Council's investment income of \$242,000 however Council borrowings have been locked in at fixed interest rates to provide certainty and therefore there is no similar shift in the level of repayments. Parking infringement and ticket machine income has also decreased.

To stimulate economic activity and arrest the expected increase in unemployment, the Commonwealth Government implemented a substantial "economic stimulus package", pumping money into households and into infrastructure development. Council received \$196,000 during 2008/09 under the Regional and Local Community Infrastructure Program. This was applied to Public toilets at John Miller Reserve and asbestos removal at Seaclyff Sports Club clubrooms.

Very little impact has been felt by Council in terms of rate payments. There has not been an increase in the applications for hardship but only 2 ratepayers have applied for rates deferral.

### Climate Change

Climate change is one of the greatest economic, social and environmental challenges of our time. Expert scientific evidence confirms that in our region, we will experience rising average temperatures, lower annual rainfall, more extreme weather events and rising sea levels – particularly significant to coastal communities like Holdfast Bay.

Council expects higher demand on resources to address increasing infrastructure maintenance needs and emergency responses. In partnership with the Local Government Association and other councils, we participated in a Climate Change Adaptation Program designed to prepare for the impacts of climate change on our community.

Council has recognised the challenge of climate change and, through its adoption of a Sustainable Futures Directions Plan and Climate Change Response policy, has committed to ensure our operations are carbon neutral by 2019. Council cannot operate without some carbon emissions – becoming carbon neutral means reducing emissions to the lowest levels possible and the purchase or creation of offsets to balance those emissions that cannot be avoided.

## KEY INFLUENCES

In 2009/10 Council allocated a proportion of rates to a separate on-going “environmental Account” known as the Holdfast Environmental Action Trust (HEAT) fund. It is funded through an additional 0.47% increase above the residential rate raising \$100,000 towards projects to address the impacts of climate change. The projects include capital works for stormwater retention and emission reductions, and operational funding for vehicle fleet offsets. Based on the value of an average residential property in 2009/10, this represents an additional \$7.21 per ratepayer. Council has indicated increasing the HEAT Fund over the next two years to achieve an annual sum of \$300,000.

### Waste Management

Zero Waste SA introduced a state-wide waste strategy in 2006. The strategy focused on fostering sustainable behaviour, redirecting waste, and establishing effective recycling systems and policies. The major targets set were that by 2010 75% of all material presented at the kerbside would be recycled, and by 2014 waste to landfill would be reduced by 25%.

In response to this strategy Council introduced a 3-bin domestic waste collection program to reduce the waste going to landfill by separating recyclables and green waste. Since the introduction in 2006/07 Council’s domestic waste to landfill has reduced by 28%, while in 2008/09 47% of kerbside waste was either green waste or presented for recycling. These important programs have increased Council’s collection costs but are aimed at minimising landfill disposal costs and showing community leadership in environmental sustainability while aiming for the Zero Waste Targets.

### Infrastructure and Asset Management

As at 30 June 2009, Council owns infrastructure and assets valued at \$535 million comprising the following broad categories:

- Land \$298m
- Buildings \$62m
- Infrastructure – Drains \$35m
- Infrastructure – Transport \$126m (roads, footpaths, bridges)
- Infrastructure – Parks and Reserves, Coastal \$9m
- Plant & Equipment \$3m
- Furniture & Fittings \$.9m
- Library Lending Materials \$1m

Consistent with the principles of financial sustainability, Council is committed to ensuring its infrastructure and assets remain relevant to the current and future needs of the community. In addition to ongoing repairs and maintenance, it also includes review of service needs, asset conditions and community expectations.

Council is continually adding to its asset management plans and, during 2009/10, is undertaking a comprehensive review of its property portfolio to ensure an efficient and effective management of Council’s substantial property portfolio with a focus on the following priorities:

- the development of a southern regional-level sporting and recreational hub centred around redevelopment of the Seacliff Sports Centre site;
- the development of a Master plan for the Brighton Oval complex; and
- the creation of a City-wide property ‘mud-map’ Master plan to graphically illustrate the various opportunities available at key strategic Council owned sites, clarify current user levels and future demand, and identify the potential community hubs at Glenelg, Central and Southern Holdfast Bay.”

### External Funding Sources

Councils 2009-10 budget indicates a significant reliance (75%) on rate revenue. This is an increase of 1.5% over the previous year. In order to reduce this rate burden attention needs to be given to other sources of revenue including user charges, property leases and grant revenues. Some council services are specifically provided to individuals and a user charge is appropriate. This is even more important in cases where individuals from outside the council area use the services. Maintaining and improving appropriate user charges and lease revenue while seeking opportunities for new grants and subsidies will relieve the overall rate burden. The aim is reduce the rate burden to 70% by 2012/13.

### Service Reviews

In order to continue provide value for money ratepayers need to be assured that existing services are continually reviewed and improved. This is achieved through measuring the efficiency and effectiveness of services. Specific agreed areas will be reviewed as part of an annual process.

### Organisational Effectiveness

The efficiency and effectiveness of some services can be affected by administrative systems and processes. It is important to review administrative practices and systems including technology regularly to maintain effectiveness. Council has almost completed a review of its Depot operations and is undertaking a minor organisational review.



# ASSUMPTIONS

Council's financial projections over the 20-year planning horizon are not meant to be a prediction of financial position or performance but rather an indication of direction and financial capacity. Projections are shaped by a variety of underlying and dynamic assumptions.

Some of the key assumptions underpinning Council's Long Term Financial Plan are as follows:

## Continued provision of existing services at current standards

Council's base case includes a "no policy change" assumption – that is, Council continues to provide existing services at current standards. Base case projections assume no material changes to services or investment in new or upgraded assets other than what is already resolved and planned. The base case doesn't predict any broad changes in direction in response to community demand or emerging developments.

The "no policy change" is an acknowledged unrealistic assumption given that Council typically changes its services in response to a variety of influences, and invests in new and upgraded assets – collectively referred to as "new initiatives". The nature of these new initiatives over the 20-year planning horizon is unknown however for the purpose of providing an indication of projections, a scenario is developed that assumes new initiative expenditure of \$600,000 per annum (in 2010/11 escalated annually at 4%) and apportioned two-thirds capital and one-third operating expenditure.

## Rate Revenue Increase

A rate revenue increase of 4% pa is assumed. This reflects Council's direction to keep rate increases as low as practicable. The annual increase in rate revenue includes a foreshadowed increase in HEAT Fund over 2 years but excludes:

- new property developments in the city
- changes to the NRM Levy collected by Council on behalf of the Natural Resources Management Board

## Cost Escalation and Operating Efficiency

The Reserve Bank of Australia has a target to keep inflation, as measured by the consumer price index, to a band between 2% and 3% per annum.

Council's costs are assumed to escalate at 4% per annum. This is due to the inflationary effect of price changes in the South Australian Local Government sector. Since 2006 this has been measured by the industry and is called a Local Government Price Index (LGPI). The index is similar in nature to the Consumer Price Index (CPI), however the LGPI represents the movements of prices associated with the goods and services consumed by Local Government in South Australia as opposed to goods and services consumed by the 'average household'. Unlike the CPI however, the LGPI is not an "official" ABS publication.

Council is currently undertaking program to ensure its operations are cost-effective with the aim of a 2% sustainable reduction in operating costs. The Long Term Financial Plan is based on achieving such a cost reduction in 2009/10.

## Funding

Interest rates on new borrowings are forecast at 5.8% pa. Interest rates on investments are forecast at 4.5% pa.

Cash and cash equivalents are modelled to include all investments and reserve funds, and borrowings are only provided for when cash is required.

## Grants and Subsidies

Operating grants are forecast to increase by 4% pa.

Specific capital grants have been provided for including;

- \$0.165m for Coast Park in 2009/10
- \$1.5m per annum for replacement of King Street Bridge over 3 years from 2009/10
- \$1.25m for redevelopment of Seacliff SLSC in 2010/11

## Asset Renewal and Replacement

Projections include renewal and replacement as forecast in the asset management plan indexed for construction inflation at 5% per annum.

The following 2010/11 base amounts have therefore been included;

- Buildings \$154,000
- Roads – Seal \$628,000
- Roads – Pavement \$110,000
- Kerb and Water Table \$551,000
- Footpaths \$717,000
- Car parks \$110,000
- Open Space \$219,000
- Coastal \$11,000
- Plant and Equipment \$1,138,000

The following amounts have been included as forecast in the asset management plan for deferred (backlog) works indexed for construction inflation at 5% per annum;

- Buildings 2012/13 – \$1,618,000 – including Glenelg Town Hall \$638,000, Public Conveniences \$608,000, Asbestos roof removal – works depot \$365,000
- Buildings 2013/14 – \$511,000 Holdfast and Helmsdale Tennis clubs
- Buildings 2014/15 – \$5,896,000 – including Brighton Caravan Park \$2,680,000, Brighton Oval \$1,541,000, Holdfast Bay Community Centre \$670,000, Kingston Park Kiosk \$670,000, Holdfast Bay Bowling/Croquet Clubs \$134,000, Glenelg Library \$54,000
- Footpaths 2012/13 – \$243,000 Tree root damage.

## Asset New and Upgrade

The following amounts have been included for new and upgraded works indexed for construction inflation at 5% per annum;

- Buildings 2010/11 – Seacliff SLSC \$2,000,000 less capital grant \$1,250,000
- Road Seal 2010/11 \$88,000 recurrent as per asset management plan
- Footpaths 2010/11 \$110,000 recurrent as per asset management plan
- Bridge – King Street \$9,007,000 over four years from 2009/10 less capital grant \$4,500,000
- Traffic Control Devices 2010/11 \$160,000 recurrent as per asset management plan
- Drainage 2010/11 \$1,103,000 recurrent as per asset management plan
- Coastal 2010/11 \$33,000 recurrent plus one-off amount of \$710,000 in 2014/15 as per asset management plan

## Depreciation

Depreciation allows for capital expenditure and is escalated at 5% per annum to reflect asset revaluations.

## Alwyndor Aged Care

Alwyndor is excluded from the LTFP because it is managed as a self-sustaining operation with all its funding sourced from residents, government funding under aged care arrangements and its investments. Council does however have ultimate liability for the operation.

Projections include a short term \$2.5m bridging loan to Alwyndor to be repaid over 10 years for the Alwyndor redevelopment.

# PROJECTIONS

The following charts show projections for our key financial performance indicators over the 17-year planning horizon. The charts highlight the “no policy change” base case and the “new initiatives” scenario referred to earlier.

The “base case” provides a measure of overall financial capacity to respond to circumstances and undertake new initiatives without adversely affecting the continued provision of services to our community.

The “new initiatives” scenario provides a measure of Council’s ability to continue to respond to community demands by enhancing its services notwithstanding those demands are not defined.

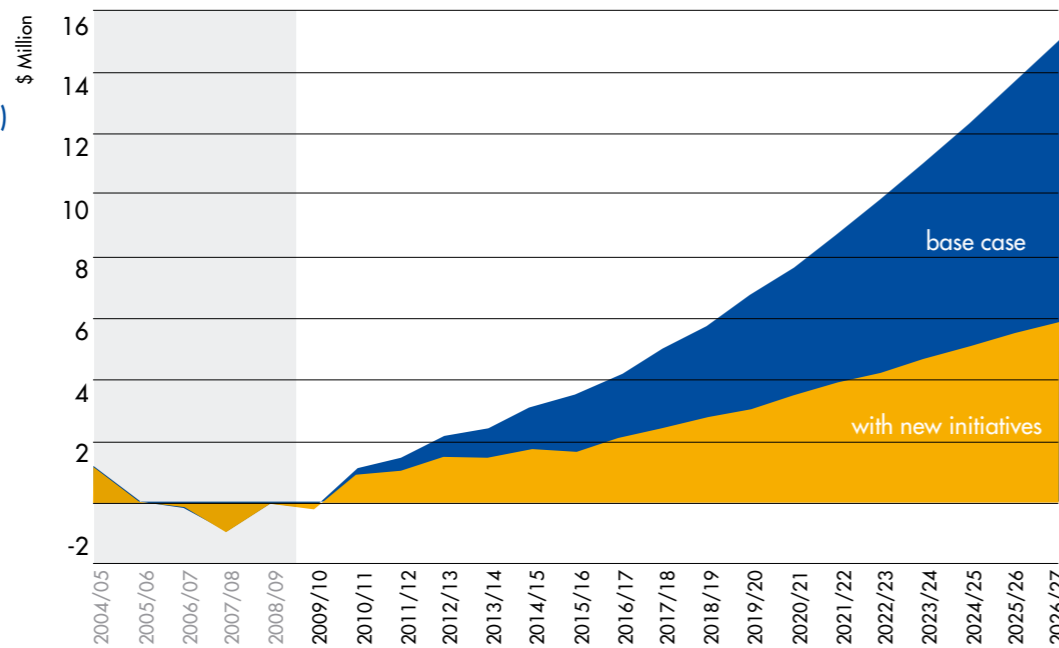
## Operating Surplus

In broad terms, the Operating Surplus is the difference between day-to-day income and expenditure for the period.

Council’s income (or revenue) includes rate revenue, user charges, statutory charges, investment income and grants and subsidies of an operating nature from third parties. Operating expenditure is expenditure incurred in the ordinary course of providing Council’s services, including a charge for depreciation of infrastructure and assets. Depreciation reflects a portion of the capital cost or value of an asset used or consumed during the year and can be regarded as the cost of “wear and tear”.

An Operating Surplus arises when revenue exceeds operating expenditure. Conversely an Operating Deficit arises when operating expenditure exceeds revenue, and indicates that Council’s services are not being adequately funded — this results in the cost of current services being borne by future users. Continued Operating Deficits will result in future financial shocks which may include sudden and significant rate increases and/or significant reduction in services

Operating Result  
Revenue – Operating Costs (incl Depreciation)



## Operating Ratio

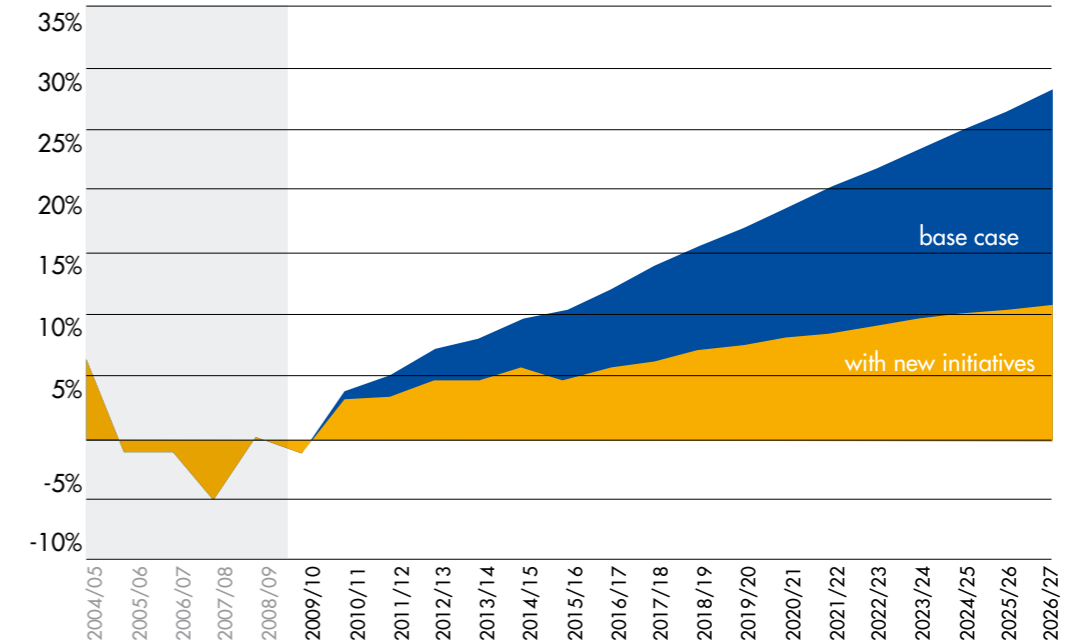
The Operating Ratio measures the Operating Surplus as a percentage of rate revenue.

A positive ratio indicates the percentage of rates available to help fund current and future capital expenditure. A negative ratio indicates the percentage increase in rate revenue that would have been required to achieve a break-even operating result.

Council has set an Operating Ratio target of between 0 and 10% over a rolling 5-year period. This recognises the impact of one-off events that distort an annual ratio.

Operating Ratio

Operating Result / Rate Revenue

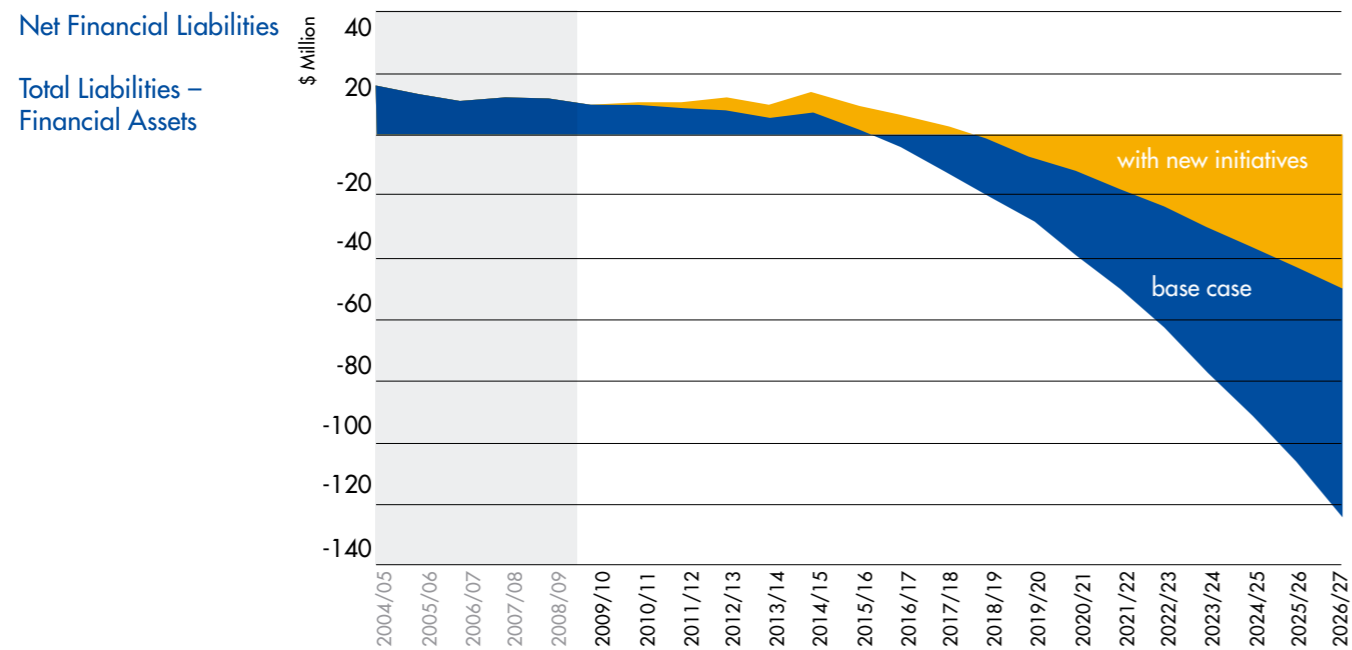


# PROJECTIONS

## Net Financial Liabilities

Net Financial Liabilities is a measure of Council's net debt — what Council owes others less what is owed to Council and is calculated as total liabilities less financial assets.

It is a broader and more appropriate measure than just debt and recognises Council's available financial assets (such as cash and investments) and other liabilities (including employee entitlements and creditors).

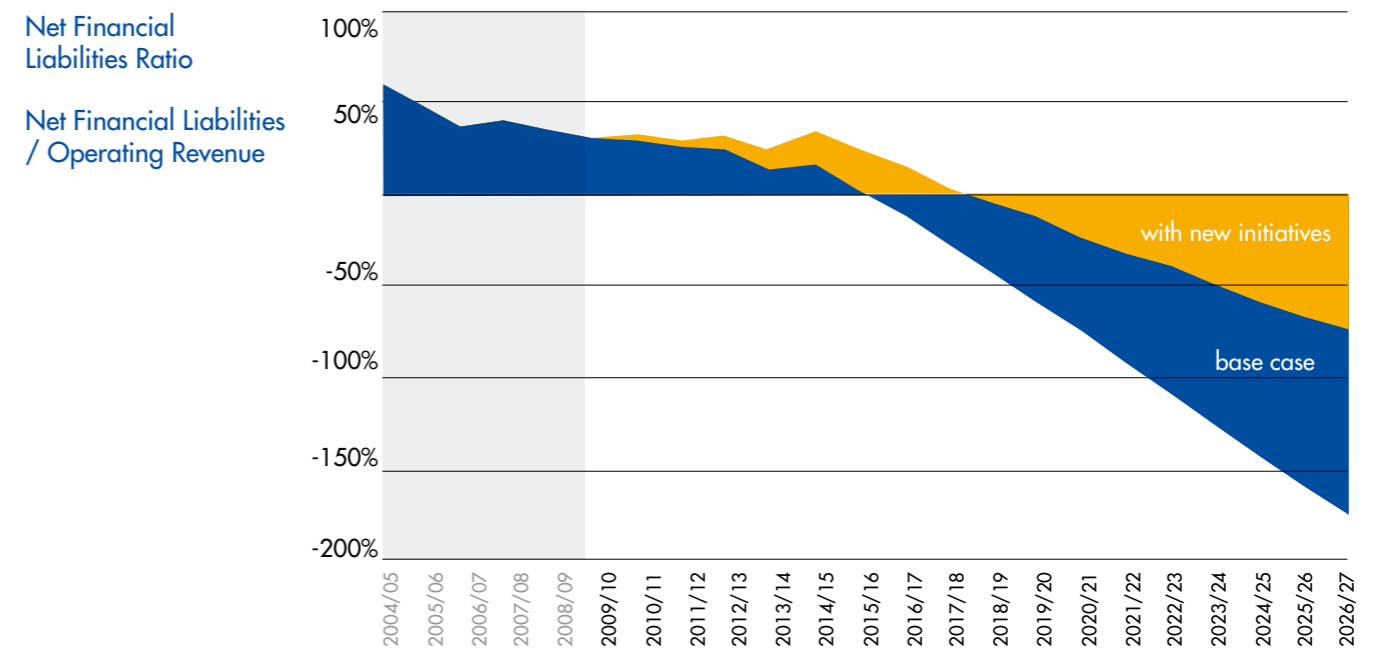


## Net Financial Liabilities Ratio

The Net Financial Liabilities Ratio indicates how significant Council's Net Financial Liabilities are compared to income and indicates the extent to which Net Financial Liabilities could be met by revenue. It is calculated by expressing Net Financial Liabilities as a percentage of revenue.

A declining Net Financial Liabilities Ratio indicates that Council has a corresponding increase in capacity to service its financial obligations.

Council has set a target to maintain a Net Financial Liabilities Ratio of not more than 23%. This is analogous to a household with an annual income of \$100,000 having a mortgage and credit card debt of \$23,000.



# PROJECTIONS

## Interest Cover Ratio

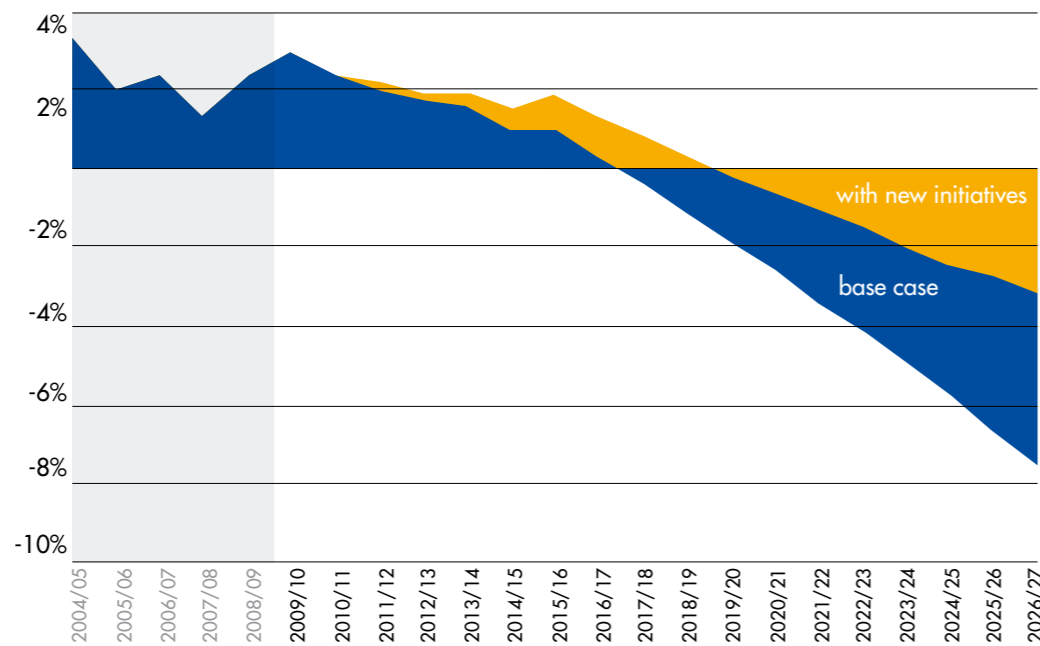
The Interest Cover Ratio measures the portion of annual revenue required to meet Council's net interest expenses.

As with the Net Financial Liabilities Ratio, a declining Interest Cover Ratio indicates that Council has a corresponding increase in capacity to service its financial obligations. This may be the result of declining Net Financial Liabilities and/or falling interest rates.

A high Interest Cover Ratio indicates that Council has reduced flexibility to fund its services.

Council has set a target to maintain an Interest Cover Ratio of not more than 5%. This means that 5 cents out of every \$1 of revenue is used to pay net interest.

Interest Cover  
Net Interest Expense /  
Operating Revenue



## Asset Sustainability Ratio

The Asset Sustainability indicates whether Council is adequately renewing and replacing existing infrastructure and assets as required. It expresses capital expenditure on renewal and replacement as a percentage of the optimal expenditure identified in Council's Asset Management Plans.

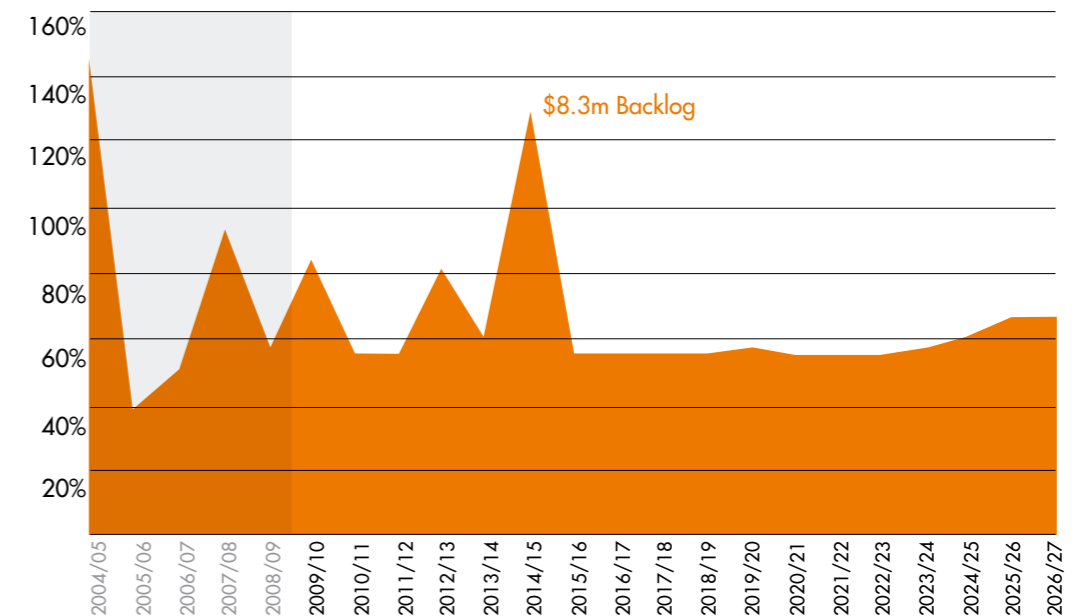
A ratio of less than 100% indicates that Council is not adequately investing in renewal and replacement — Council's asset stock is wearing out faster than it is being renewed or replaced.

Council has set a target range of 90 to 100% over a rolling 5-year period.

This measure is arguably inappropriate given the long term nature of assets and lumpy renewal works. A preferable approach is to aim to spend on renewal what is projected in the Asset Management Plan.

However the chart does highlight that at some time in the future Council will face major renewal expenditure.

Asset Sustainability  
Capital Renewal and Replacement /  
Depreciation



## PROJECTIONS

### Annual Rate Revenue Increase

The Annual Rate Revenue Increase is the percentage annual increase in rate revenue excluding rates on new developments and the NRM Levy which council collects on behalf of the Natural Resources Management Board.

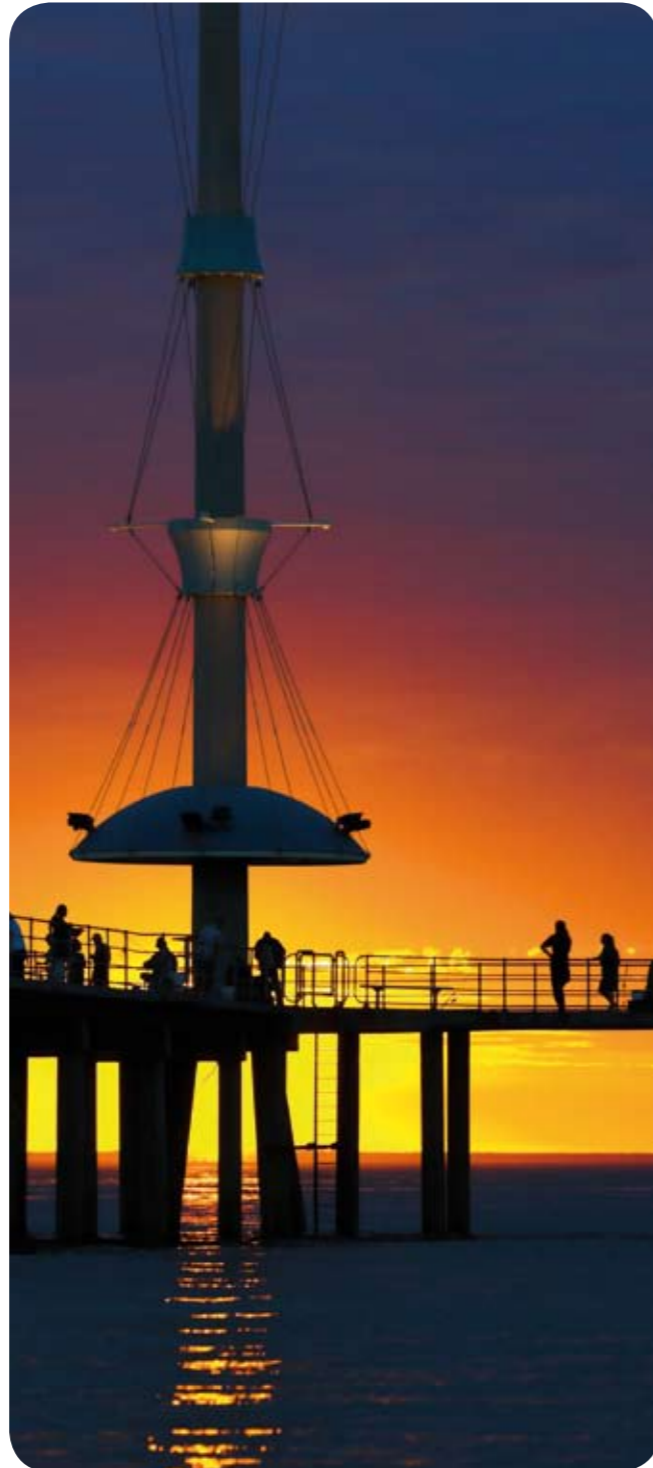
Council has set a target of 4% per annum, plus 0.5% for new property development growth.

### Rate Burden and Types of Rates

Council uses the capital value determined by the State Valuation Office as the basis for valuing land and calculating rates. Council considers that this method provides the fairest and most efficient method of distributing the rate burden across all ratepayers.

The rate burden is measured by comparing revenue sourced from rates to all sources of revenue. A lower rate burden indicates that Council is less reliant on ratepayers for funding goods and services. The 2009/10 budget adopted by Council shows a Rate Burden of 75%. Through improving appropriate user charges and seeking opportunities for new grants and subsidies it is proposed to reduce the rate burden to 70% by 2012/13.

Council levies a number of major rate types including residential, differential and separate rates. For 2009/10 the average (mean) value of residential property is \$461,094 resulting in an average rate of \$1,043. For commercial, industrial and vacant properties a differential rate of 48% applies which will raise approximately 10.2% of Councils total rate revenue. Separate rates exist for Glenelg's Jetty Road shopping precinct on the ongoing maintenance of the lock in the Patawalonga.



## WHAT DO THE PROJECTIONS TELL US?

The projections indicate that, based on current assumptions, Council is in a sound financial position with a favourable outlook.

A growing Operating Surplus coupled with falling indebtedness — in fact having zero net debt between 2015/16 and 2017/18 — provides Council with greater financial capacity and flexibility.

Council has the financial capacity to continue meeting our community's service demands plus the flexibility to respond to changing circumstances as well as initiate new and improved services.

- continually review and enhance services to our community
- continue to invest in renewal and replacement of our assets and infrastructure to ensure they meet the service needs in the most cost-effective manner
- take advantage of opportunities and respond to emerging issues
- growing "head room" to use additional borrowings to fund new or upgraded assets

As with all projections, the view can change as underlying circumstances change. For this reason, Council closely monitors its strategic and financial planning outlook.

## SENSITIVITIES

Unforeseen variations in operational and capital renewal and replacement costs will affect the projections.

The model has allowed for a 4% pa increase in salaries and wages over the extended period. This increase will depend on the prevailing CPI and enterprise bargaining outcomes. The negotiations are often for a two or three year period and this will affect the model projections.

Cost escalations above CPI can also occur across functions where contracts are entered into for periods exceeding one year. Waste Management is one significant area where this occurs.

The amounts projected for new and renewed assets can also be affected by cost escalations above CPI. Presently the model allows for a construction index of 5% pa. This may vary depending on economic conditions and contract terms.

Other areas of sensitivity are in the sustained or otherwise level of grants and subsidies. Grants variations in areas such as HACC and infrastructure can significantly affect the projected results.

These sensitivities will be addressed through the regular updating of the LTFP and the continual monitoring of any AMP amendments.

## FINANCIAL STRATEGIES

Council is adopting the following strategies to:

- maintain long term financial sustainability
- build and maintain adequate financial capacity to fund its services including the flexibility to respond to changing needs and circumstances
- meet its financial targets

### Decision support

Council will use its Long Term Financial Plan as a tool in making key decisions.

### Continue to improve our Asset Management Plans

Council will continue to include all asset classes in its Asset Management Plans and improve the confidence in data in relation to asset conditions and full life cycle cost projections.

### Continue to improve the model underpinning our Long Term Financial Plan

Council will continue to enhance the functionality of its financial model and strengthen the integration with the Asset management Plans.

### Regularly review the Long term Financial Plan

Council will review its Long Term Financial Plan at least twice each year — expected to be immediately following adoption of its Annual Business Plan and then immediately following adoption of its annual financial statements in time to start the next annual planning program.

### Reduce the reliance on rate revenue

Council will look at ways to increase the proportion of non-rate revenue such as through better targeted grant funding, increasing user charges and improved treasury management.

### Continually improve our financial management practices

Council will implement contemporary treasury management practices to improve its funding practices and better manage interest rate risks.

### Measure financial performance

Council will measure and report its performance against its financial targets.



# FINANCIALS

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## PROJECTED INCOME STATEMENT

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>INCOME</b>																					<b>INCOME</b>
Rates	20,733	22,303	24,021	25,197	26,422	27,611	28,854	30,152	31,509	32,927	34,409	35,957	37,575	39,266	41,033	42,880	44,809	46,826	48,933	51,135	Rates
Statutory charges	2,109	2,040	1,894	1,970	2,049	2,130	2,216	2,304	2,397	2,492	2,592	2,696	2,804	2,916	3,032	3,154	3,280	3,411	3,547	3,689	Statutory charges
User charges	2,476	2,492	2,434	2,531	2,633	2,738	2,847	2,961	3,080	3,203	3,331	3,464	3,603	3,747	3,897	4,053	4,215	4,383	4,559	4,741	User charges
Grants, subsidies and contributions	2,331	2,758	2,446	2,544	2,646	2,970	2,970	3,088	3,212	3,340	3,474	3,613	3,757	3,908	4,064	4,227	4,396	4,571	4,754	4,944	Grants, subsidies and contributions
Investment Income	760	375	250	226	137	86	26	57	10	55	129	232	364	511	732	978	1,252	1,539	1,825	2,116	Investment Income
Reimbursements	386	387	384	399	415	432	449	467	486	505	526	547	568	591	615	639	665	692	719	748	Reimbursements
Other Revenues	281	705	528	549	571	594	618	642	668	695	723	752	782	813	845	879	914	951	989	1,028	Other Revenues
<b>Total Revenues</b>	<b>29,076</b>	<b>31,060</b>	<b>31,957</b>	<b>33,417</b>	<b>34,872</b>	<b>36,561</b>	<b>37,979</b>	<b>39,673</b>	<b>41,361</b>	<b>43,218</b>	<b>45,183</b>	<b>47,260</b>	<b>49,453</b>	<b>51,751</b>	<b>54,219</b>	<b>56,809</b>	<b>59,530</b>	<b>62,373</b>	<b>65,327</b>	<b>68,402</b>	<b>Total Revenues</b>
<b>EXPENSES</b>																					<b>EXPENSES</b>
Employee Costs	9,290	10,265	10,897	11,333	11,786	12,258	12,748	13,258	13,788	14,340	14,913	15,510	16,130	16,775	17,446	18,144	18,870	19,625	20,410	21,226	Employee Costs
Materials, contracts & other expenses	13,771	13,295	13,794	13,584	14,220	14,785	15,381	16,010	16,674	17,374	18,112	18,891	19,711	20,575	21,486	22,446	23,457	24,521	25,642	26,823	Materials, contracts & other expenses
Finance Costs	1,139	1,094	1,178	1,000	897	797	746	634	740	597	470	359	262	186	151	121	91	64	41	22	Finance Costs
Depreciation, Amortisation & Impairment	5,904	6,494	6,341	6,658	6,991	7,341	7,708	8,093	8,498	8,922	9,369	9,837	10,329	10,845	11,388	11,957	12,555	13,182	13,842	14,534	Depreciation, Amortisation & Impairment
<b>Total Expenses</b>	<b>30,104</b>	<b>31,148</b>	<b>32,210</b>	<b>32,575</b>	<b>33,894</b>	<b>35,180</b>	<b>36,583</b>	<b>37,995</b>	<b>39,700</b>	<b>41,233</b>	<b>42,864</b>	<b>44,597</b>	<b>46,432</b>	<b>48,382</b>	<b>50,471</b>	<b>52,668</b>	<b>54,973</b>	<b>57,393</b>	<b>59,935</b>	<b>62,604</b>	<b>Total Expenses</b>
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>(1,028)</b>	<b>(88)</b>	<b>(253)</b>	<b>842</b>	<b>978</b>	<b>1,381</b>	<b>1,396</b>	<b>1,678</b>	<b>1,661</b>	<b>1,984</b>	<b>2,319</b>	<b>2,663</b>	<b>3,021</b>	<b>3,369</b>	<b>3,748</b>	<b>4,141</b>	<b>4,557</b>	<b>4,980</b>	<b>5,392</b>	<b>5,798</b>	<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>
Net gain/(loss) on disposal or revaluation of assets	87	(901)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Net gain/(loss) on disposal or revaluation of assets
Share of profit – joint ventures & associates	(382)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Share of profit – joint ventures & associates
Amounts received specifically for new or upgraded assets	921	1,580	1,665	2,750	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amounts received specifically for new or upgraded assets
Physical resources received free of charge	400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Physical resources received free of charge
<b>NET SURPLUS/(DEFICIT)</b>	<b>(2)</b>	<b>591</b>	<b>1,412</b>	<b>3,592</b>	<b>2,478</b>	<b>1,381</b>	<b>1,396</b>	<b>1,678</b>	<b>1,661</b>	<b>1,984</b>	<b>2,319</b>	<b>2,663</b>	<b>3,021</b>	<b>3,369</b>	<b>3,748</b>	<b>4,141</b>	<b>4,557</b>	<b>4,980</b>	<b>5,392</b>	<b>5,798</b>	<b>NET SURPLUS/(DEFICIT)</b>

Note 1: The allocation of income will depend on the Revenue and Financing Policy determined by Council.

## PROJECTED BALANCE SHEET

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27		
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>ASSETS</b>																					<b>ASSETS</b>	
<b>Current Assets</b>																						<b>Current Assets</b>
Cash & cash equivalents	5,713	4,391	5,017	3,042	1,914	573	1,277	213	1,219	2,866	5,147	8,080	11,351	16,276	21,732	27,815	34,201	40,562	47,016	53,710		Cash & cash equivalents
Trade & other receivables	1,589	1,862	1,862	1,861	1,935	2,012	2,093	2,177	2,264	2,354	2,448	2,546	2,648	2,754	2,864	2,979	3,098	3,222	3,351	3,485		Trade & other receivables
Other financial assets	(9)	237	(35)	67	105	113	121	130	139	150	158	167	179	192	180	173	186	199	214	17		Other financial assets
Inventories	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20		Inventories
<b>Total Current Assets</b>	<b>7,313</b>	<b>6,511</b>	<b>6,864</b>	<b>4,990</b>	<b>3,974</b>	<b>2,719</b>	<b>3,511</b>	<b>2,540</b>	<b>3,642</b>	<b>5,390</b>	<b>7,773</b>	<b>10,813</b>	<b>14,198</b>	<b>19,243</b>	<b>24,797</b>	<b>30,986</b>	<b>37,504</b>	<b>44,004</b>	<b>50,601</b>	<b>57,233</b>		<b>Total Current Assets</b>
<b>Non-current Assets</b>																						<b>Non-current Assets</b>
Financial Assets	2,356	2,122	2,452	2,384	2,279	4,666	4,295	3,915	3,526	3,126	2,719	2,302	1,873	1,431	1,001	578	392	193	(22)	(39)		Financial Assets
Equity accounted investments in Council businesses	161	836	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416		Equity accounted investments in Council businesses
Infrastructure, Property, Plant & Equipment	488,773	515,061	515,025	548,191	573,852	600,640	625,425	657,303	683,814	711,345	739,929	769,605	800,671	832,652	865,842	900,223	936,099	973,922	1,013,740	1,055,336		Infrastructure, Property, Plant & Equipment
<b>Total Non-current Assets</b>	<b>491,290</b>	<b>518,019</b>	<b>518,893</b>	<b>551,991</b>	<b>577,547</b>	<b>606,722</b>	<b>631,136</b>	<b>662,634</b>	<b>688,756</b>	<b>715,887</b>	<b>744,064</b>	<b>773,323</b>	<b>803,960</b>	<b>835,499</b>	<b>868,258</b>	<b>902,217</b>	<b>937,908</b>	<b>975,531</b>	<b>1,015,134</b>	<b>1,056,713</b>		<b>Total Non-current Assets</b>
<b>Total Assets</b>	<b>498,603</b>	<b>524,530</b>	<b>525,757</b>	<b>556,981</b>	<b>581,521</b>	<b>609,441</b>	<b>634,648</b>	<b>665,173</b>	<b>692,398</b>	<b>721,276</b>	<b>751,836</b>	<b>784,137</b>	<b>818,158</b>	<b>854,742</b>	<b>893,055</b>	<b>933,203</b>	<b>975,412</b>	<b>1,019,535</b>	<b>1,065,736</b>	<b>1,113,946</b>		<b>Total Assets</b>
<b>LIABILITIES</b>																						<b>LIABILITIES</b>
<b>Current Liabilities</b>																						<b>Current Liabilities</b>
Trade & Other Payables	3,688	2,830	2,600	2,598	2,702	2,810	2,923	3,039	3,161	3,287	3,419	3,556	3,698	3,846	4,000	4,160	4,326	4,499	4,679	4,866		Trade & Other Payables
Borrowings	1,489	1,712	1,491	1,559	1,680	1,650	2,310	2,078	1,867	1,649	1,501	564	522	436	442	405	279	298	113	-		Borrowings
Short-term Provisions	874	975	975	1,014	1,055	1,097	1,141	1,186	1,234	1,283	1,334	1,388	1,443	1,501	1,561	1,623	1,688	1,756	1,826	1,899		Short-term Provisions
<b>Sub-total</b>	<b>6,051</b>	<b>5,517</b>	<b>5,066</b>	<b>5,171</b>	<b>5,436</b>	<b>5,557</b>	<b>6,373</b>	<b>6,303</b>	<b>6,262</b>	<b>6,220</b>	<b>6,255</b>	<b>5,507</b>	<b>5,663</b>	<b>5,782</b>	<b>6,003</b>	<b>6,188</b>	<b>6,294</b>	<b>6,553</b>	<b>6,618</b>	<b>6,765</b>		<b>Sub-total</b>
Liabilities relating to Non-current Assets held for sale																						Liabilities relating to Non-current Assets held for sale
<b>Total Current Liabilities</b>	<b>6,051</b>	<b>5,517</b>	<b>5,066</b>	<b>5,171</b>	<b>5,436</b>	<b>5,557</b>	<b>6,373</b>	<b>6,303</b>	<b>6,262</b>	<b>6,220</b>	<b>6,255</b>	<b>5,507</b>	<b>5,663</b>	<b>5,782</b>	<b>6,003</b>	<b>6,188</b>	<b>6,294</b>	<b>6,553</b>	<b>6,618</b>	<b>6,765</b>		<b>Total Current Liabilities</b>
<b>Non-current Liabilities</b>																						<b>Non-current Liabilities</b>
Long term Borrowings	14,424	13,504	13,770	12,308	10,729	12,700	10,110	12,442	10,093	7,983	6,014	5,052	3,343	2,615	1,837	1,188	872	448	354	169		Long term Borrowings
Long term Provisions	116	166	166	173	180	187	194	202	210	218	227	236	246	256	266	276	287	299	311	323		Long term Provisions
<b>Total Non-current Liabilities</b>	<b>14,540</b>	<b>13,670</b>	<b>13,936</b>	<b>12,481</b>	<b>10,908</b>	<b>12,886</b>	<b>10,304</b>	<b>12,644</b>	<b>10,303</b>	<b>8,202</b>	<b>6,241</b>	<b>5,288</b>	<b>3,588</b>	<b>2,870</b>	<b>2,102</b>	<b>1,465</b>	<b>1,159</b>	<b>747</b>	<b>665</b>	<b>492</b>		<b>Total Non-current Liabilities</b>
<b>Total Liabilities</b>	<b>20,591</b>	<b>19,187</b>	<b>19,002</b>	<b>17,652</b>	<b>16,344</b>	<b>18,443</b>	<b>16,677</b>	<b>18,948</b>	<b>16,565</b>	<b>14,421</b>	<b>12,496</b>	<b>10,796</b>	<b>9,251</b>	<b>8,653</b>	<b>8,105</b>	<b>7,653</b>	<b>7,453</b>	<b>7,300</b>	<b>7,283</b>	<b>7,257</b>		<b>Total Liabilities</b>
<b>NET ASSETS</b>	<b>478,012</b>	<b>505,343</b>	<b>506,755</b>	<b>539,330</b>	<b>565,176</b>	<b>590,998</b>	<b>617,971</b>	<b>646,226</b>	<b>675,834</b>	<b>706,855</b>	<b>739,341</b>	<b>773,341</b>	<b>808,907</b>	<b>846,089</b>	<b>884,950</b>	<b>925,550</b>	<b>967,959</b>	<b>1,012,235</b>	<b>1,058,453</b>	<b>1,106,689</b>		<b>NET ASSETS</b>
<b>EQUITY</b>																						<b>EQUITY</b>
Accumulated Surplus	140,273	142,129	142,829	146,421	148,899	150,280	151,677	153,355	155,016	157,001	159,320	161,983	165,003	168,373	172,121	176,262	180,819	185,799	191,191	196,989		Accumulated Surplus
Asset Revaluation Reserve	333,001	359,541	359,541	388,524	411,892	436,332	461,909	488,486	516,432	545,470	575,636	606,974	639,518	673,331	708,444	744,904	782,755	822,051	862,877	905,315		Asset Revaluation Reserve
Other Reserves	4,738	3,673	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385		Other Reserves
<b>TOTAL EQUITY</b>	<b>478,012</b>	<b>505,343</b>	<b>506,755</b>	<b>539,330</b>	<b>565,176</b>	<b>590,998</b>	<b>617,971</b>	<b>646,226</b>	<b>675,834</b>	<b>706,855</b>	<b>739,341</b>	<b>773,341</b>	<b>808,907</b>	<b>846,089</b>	<b>884,950</b>	<b>925,550</b>	<b>967,959</b>	<b>1,012,235</b>	<b>1,058,453</b>	<b>1,106,689</b>		<b>TOTAL EQUITY</b>

## PROJECTED STATEMENT OF CHANGES IN EQUITY

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27		
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>ACCUMULATED SURPLUS</b>																					<b>ACCUMULATED SURPLUS</b>	
Balance at end of previous reporting period	138,601	140,273	141,929	142,629	146,221	148,699	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	161,783	164,803	168,173	171,921	176,062	180,619	185,599	190,991	Balance at end of previous reporting period	
Net Result for Year	(2)	591	1,412	3,592	2,478	1,381	Plan	Plan	Plan	Plan	Plan	Plan	3,021	3,369	3,748	4,141	4,557	4,980	5,392	5,798	Net Result for Year	
Transfers to Other Reserves	(2,436)	(3,045)	(1,576)	-	-	-	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	-	-	-	-	-	-	-	-	-	Transfers to Other Reserves
Transfers from Other Reserves	4,110	4,110	864	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Transfers from Other Reserves
Balance at end of period	140,273	141,929	142,629	146,221	148,699	150,080	150,080	151,477	153,155	154,816	156,801	159,120	164,803	168,173	171,921	176,062	180,619	185,599	190,991	196,789	Balance at end of period	
<b>ASSET REVALUATION RESERVE</b>							1,396	1,678	1,661	1,984	2,319	2,663									<b>ASSET REVALUATION RESERVE</b>	
Balance at end of previous reporting period	176,440	333,001	359,541	359,541	388,524	411,892	-	-	-	-	-	-	606,974	639,518	673,331	708,444	744,904	782,755	822,051	862,877	Balance at end of previous reporting period	
Gain on revaluation of infrastructure, property, plant & equipment	156,561	26,540	-	28,983	23,369	24,440	-	-	-	-	-	-	32,545	33,813	35,113	36,460	37,851	39,296	40,826	42,438	Gain on revaluation of infrastructure, property, plant & equipment	
Balance at end of period	333,001	359,541	359,541	388,524	411,892	436,332	151,477	153,155	154,816	156,801	159,120	161,783	639,518	673,331	708,444	744,904	782,755	822,051	862,877	905,315	Balance at end of period	
<b>OTHER RESERVES (1)</b>																					<b>OTHER RESERVES (1)</b>	
Balance at end of previous reporting period	6,412	4,738	3,673	4,385	4,385	4,385	436,332	461,909	488,486	516,432	545,470	575,636	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	Balance at end of previous reporting period	
Transfers from Accumulated Surplus	2,436	3,045	1,576	-	-	-	25,577	26,577	27,947	29,037	30,167	31,337	-	-	-	-	-	-	-	-	-	Transfers from Accumulated Surplus
Transfers to Accumulated Surplus	(4,110)	(4,110)	(864)	-	-	-	461,909	488,486	516,432	545,470	575,636	606,974	-	-	-	-	-	-	-	-	-	Transfers to Accumulated Surplus
Balance at end of period	4,738	3,673	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	4,385	Balance at end of period	
<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>478,012</b>	<b>505,143</b>	<b>506,555</b>	<b>539,130</b>	<b>564,976</b>	<b>590,798</b>	<b>617,771</b>	<b>646,026</b>	<b>675,634</b>	<b>706,655</b>	<b>739,141</b>	<b>773,141</b>	<b>808,707</b>	<b>845,889</b>	<b>884,750</b>	<b>925,350</b>	<b>967,759</b>	<b>1,012,035</b>	<b>1,058,253</b>	<b>1,106,489</b>	<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	

Note 1: Reserve funds have been consolidated

**PROJECTED CASH FLOW STATEMENT**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27		
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>CASH FLOWS FROM OPERATING</b>																					<b>CASH FLOWS FROM OPERATING</b>	
<b>Receipts</b>																						<b>Receipts</b>
Operating receipts	28,510	30,412	31,707	33,192	34,661	36,398	37,873	39,532	41,264	43,072	44,960	46,930	48,987	51,135	53,376	55,717	58,160	60,710	63,373	66,152		Operating receipts
Investment receipts	760	375	250	226	137	86	26	57	10	55	129	232	364	511	732	978	1,252	1,539	1,825	2,116		Investment receipts
<b>Payments</b>																						<b>Payments</b>
Operating payments to suppliers and employees	(22,032)	(24,267)	(24,921)	(24,874)	(25,855)	(26,885)	(27,965)	(29,098)	(30,285)	(31,530)	(32,834)	(34,201)	(35,634)	(37,135)	(38,709)	(40,357)	(42,084)	(43,894)	(45,790)	(47,776)		Operating payments to suppliers and employees
Finance payments	(1,139)	(1,094)	(1,178)	(1,000)	(897)	(797)	(746)	(634)	(740)	(597)	(470)	(359)	(262)	(186)	(151)	(121)	(91)	(64)	(41)	(22)		Finance payments
Net Cash provided by (or used in) Operating Activities	6,099	5,426	5,858	7,545	8,046	8,802	9,187	9,858	10,249	11,000	11,785	12,601	13,455	14,324	15,249	16,216	17,235	18,290	19,367	20,470		Net Cash provided by (or used in) Operating Activities
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>																						<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
<b>Receipts</b>																						<b>Receipts</b>
Amounts specifically for new or upgraded assets	921	1,580	1,665	2,750	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amounts specifically for new or upgraded assets
Sale of replaced assets	372	354	299	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Sale of replaced assets
Sale of surplus assets	-	151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Sale of surplus assets
Repayments of loans by community groups	113	123	85	91	98	105	113	121	130	139	150	158	167	179	192	180	173	186	199	214		Repayments of loans by community groups
Distributions received from associated entities	128	(65)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Distributions received from associated entities
<b>Payments</b>																						<b>Payments</b>
Expenditure on renewal/replacement of assets	(5,922)	(4,110)	(5,635)	(3,640)	(3,822)	(5,874)	(4,724)	(10,321)	(4,645)	(4,878)	(5,122)	(5,378)	(5,783)	(5,929)	(6,225)	(6,537)	(7,071)	(7,861)	(8,965)	(9,630)		Expenditure on renewal/replacement of assets
Expenditure on new/upgraded assets	(1,471)	(3,983)	(969)	(7,201)	(5,461)	(3,815)	(2,192)	(3,073)	(2,417)	(2,538)	(2,665)	(2,798)	(3,066)	(3,085)	(3,239)	(3,342)	(3,509)	(3,848)	(3,868)	(4,062)		Expenditure on new/upgraded assets
Loans made to community groups	(400)																					Loans made to community groups
Capital contributed to associated entities	(376)	(538)	(723)	(126)	(30)	(2,500)	250	250	250	250	250	250	250	250	250	250	-	-	-	-		Capital contributed to associated entities
Net Cash provided by (or used in) Investing Activities	(6,635)	(6,488)	(5,278)	(8,126)	(7,716)	(12,084)	(6,554)	(13,022)	(6,683)	(7,026)	(7,387)	(7,768)	(8,433)	(8,585)	(9,022)	(9,448)	(10,407)	(11,524)	(12,634)	(13,477)		Net Cash provided by (or used in) Investing Activities
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>																						<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
<b>Receipts</b>																						<b>Receipts</b>
Proceeds from Borrowings	400	646	1,500	0	0	1,000	0	4,000	0	0	0	0	0	0	0	0	0	0	0	0		Proceeds from Borrowings
<b>Payments</b>																						<b>Payments</b>
Repayments of Borrowings	(1,360)	(1,343)	(1,455)	(1,394)	(1,459)	941	(1,930)	(1,900)	(2,560)	(2,328)	(2,117)	(1,899)	(1,751)	(814)	(772)	(686)	(442)	(405)	(279)	(298)		Repayments of Borrowings
Net Cash provided by (or used in) Financing Activities	(960)	(697)	45	(1,394)	(1,459)	1,941	(1,930)	2,100	(2,560)	(2,328)	(2,117)	(1,899)	(1,751)	(814)	(772)	(686)	(442)	(405)	(279)	(298)		Net Cash provided by (or used in) Financing Activities
Net Increase (Decrease) in cash held	(1,496)	(1,760)	626	(1,974)	(1,128)	(1,341)	704	(1,064)	1,006	1,647	2,281	2,934	3,271	4,925	5,455	6,083	6,386	6,362	6,454	6,694		Net Increase (Decrease) in cash held
Cash & cash equivalents at beginning of period	7,209	5,713	3,953	4,579	2,604	1,476	135	839	(225)	781	2,428	4,709	7,642	10,913	15,838	21,294	27,377	33,763	40,124	46,578		Cash & cash equivalents at beginning of period
Cash & cash equivalents at end of period	5,713	3,953	4,579	2,604	1,476	135	839	(225)	781	2,428	4,709	7,642	10,913	15,838	21,294	27,377	33,763	40,124	46,578	53,272		Cash & cash equivalents at end of period

## SUMMARY STATEMENT INCLUDING FINANCIAL TRANSACTIONS

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27		
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Operating Revenues	29,076	31,060	31,957	33,417	34,872	36,561	37,979	39,673	41,361	43,218	45,183	47,260	49,453	51,751	54,219	56,809	59,530	62,373	65,327	68,402	Operating Revenues	
less Operating Expenses	(30,104)	(31,148)	(32,210)	(32,575)	(33,894)	(35,180)	(36,583)	(37,995)	(39,700)	(41,233)	(42,864)	(44,597)	(46,432)	(48,382)	(50,471)	(52,668)	(54,973)	(57,393)	(59,935)	(62,604)	less Operating Expenses	
Operating Surplus / (Deficit) Before Capital Amounts	(1,028)	(88)	(253)	842	978	1,381	1,396	1,678	1,661	1,984	2,319	2,663	3,021	3,369	3,748	4,141	4,557	4,980	5,392	5,798	Operating Surplus / (Deficit) Before Capital Amounts	
<b>Less: Net Outlays on Existing Assets</b>																					<b>Less: Net Outlays on Existing Assets</b>	
Capital Expenditure on Renewal/ Replacement of Existing Assets	(5,922)	(4,110)	(5,635)	(3,640)	(3,822)	(5,874)	(4,724)	(10,321)	(4,645)	(4,878)	(5,122)	(5,378)	(5,783)	(5,929)	(6,225)	(6,537)	(7,071)	(7,861)	(8,965)	(9,630)	Capital Expenditure on Renewal/ Replacement of Existing Assets	
less Proceeds from Sale of Replaced Assets	372	354	299	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	less Proceeds from Sale of Replaced Assets
less Depreciation, Amortisation & Impairment	5,904	6,494	6,341	6,658	6,991	7,341	7,708	8,093	8,498	8,922	9,369	9,837	10,329	10,845	11,388	11,957	12,555	13,182	13,842	14,534	less Depreciation, Amortisation & Impairment	
Net Outlays on Existing Assets	354	2,738	1,005	3,018	3,169	1,467	2,984	(2,228)	3,852	4,045	4,247	4,459	4,546	4,916	5,162	5,420	5,484	5,321	4,877	4,904	Net Outlays on Existing Assets	
<b>Less: Net Outlays on New and Upgraded Assets</b>																					<b>Less: Net Outlays on New and Upgraded Assets</b>	
Capital Expenditure on New/ Upgraded Assets	(1,471)	(3,983)	(969)	(7,201)	(5,461)	(3,815)	(2,192)	(3,073)	(2,417)	(2,538)	(2,665)	(2,798)	(3,066)	(3,085)	(3,239)	(3,342)	(3,509)	(3,848)	(3,868)	(4,062)	Capital Expenditure on New/ Upgraded Assets	
less Proceeds from Sale of Surplus Assets	-	151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	less Proceeds from Sale of Surplus Assets
less Amounts received specifically for new or upgraded assets	921	1,580	1,665	2,750	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	less Amounts received specifically for new or upgraded assets
Net Outlays on New and Upgraded Assets	(550)	(2,252)	696	(4,451)	(3,961)	(3,815)	(2,192)	(3,073)	(2,417)	(2,538)	(2,665)	(2,798)	(3,066)	(3,085)	(3,239)	(3,342)	(3,509)	(3,848)	(3,868)	(4,062)	Net Outlays on New and Upgraded Assets	
<b>Equals: Net Lending / (Borrowing) for Financial Year</b>	(1,224)	398	1,448	(591)	186	(967)	2,187	(3,622)	3,096	3,491	3,901	4,324	4,500	5,201	5,671	6,220	6,532	6,453	6,400	6,639	<b>Equals: Net Lending / (Borrowing) for Financial Year</b>	

In any one year, the financing transactions identified below are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>FINANCING TRANSACTIONS</b>																					<b>FINANCING TRANSACTIONS</b>
New Borrowings	513	769	1,585	91	98	1,105	113	4,121	130	139	150	158	167	179	192	180	173	186	199	214	New Borrowings
Principal Repayments on Borrowings	(1,760)	(1,343)	(1,455)	(1,394)	(1,459)	(1,559)	(1,930)	(1,900)	(2,560)	(2,328)	(2,117)	(1,899)	(1,751)	(814)	(772)	(686)	(442)	(405)	(279)	(298)	Principal Repayments on Borrowings
(Increase)/Decrease in Cash and Cash Equivalents	1,496	1,760	(626)	1,974	1,128	1,341	(704)	1,064	(1,006)	(1,647)	(2,281)	(2,934)	(3,271)	(4,925)	(5,455)	(6,083)	(6,386)	(6,362)	(6,454)	(6,694)	(Increase)/Decrease in Cash and Cash Equivalents
(Increase)/Decrease in Receivables	194	(273)	-	1	(74)	(77)	(80)	(84)	(87)	(91)	(94)	(98)	(102)	(106)	(110)	(115)	(119)	(124)	(129)	(134)	(Increase)/Decrease in Receivables
Increase/(Decrease) in Payables and Provisions	380	(1,245)	(953)	(82)	121	157	414	420	427	434	442	449	457	465	474	483	242	252	262	273	Increase/(Decrease) in Payables and Provisions
Other – including movement in inventories	401	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Other – including movement in inventories
<b>Equals: Financing Transactions</b>	1,224	(333)	(1,448)	591	(186)	967	(2,187)	3,622	(3,096)	(3,491)	(3,901)	(4,324)	(4,500)	(5,201)	(5,671)	(6,220)	(6,532)	(6,453)	(6,400)	(6,639)	<b>Equals: Financing Transactions</b>

# PROJECTED FUNDING STATEMENT

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Rates	20,733	22,303	24,021	25,197	26,422	27,611	28,854	30,152	31,509	32,927	34,409	35,957	37,575	39,266	41,033	42,880	44,809	46,826	48,933	51,135	Rates
Statutory charges	2,109	2,040	1,894	1,970	2,049	2,130	2,216	2,304	2,397	2,492	2,592	2,696	2,804	2,916	3,032	3,154	3,280	3,411	3,547	3,689	Statutory charges
User charges	2,476	2,492	2,434	2,531	2,633	2,738	2,847	2,961	3,080	3,203	3,331	3,464	3,603	3,747	3,897	4,053	4,215	4,383	4,559	4,741	User charges
Other grants, subsidies and contributions	2,331	2,758	2,446	2,544	2,646	2,970	2,970	3,088	3,212	3,340	3,474	3,613	3,757	3,908	4,064	4,227	4,396	4,571	4,754	4,944	Other grants, subsidies and contributions
Investment Income	760	375	250	226	137	86	26	57	10	55	129	232	364	511	732	978	1,252	1,539	1,825	2,116	Investment Income
Reimbursements	386	387	384	399	415	432	449	467	486	505	526	547	568	591	615	639	665	692	719	748	Reimbursements
Other Revenues	281	705	528	549	571	594	618	642	668	695	723	752	782	813	845	879	914	951	989	1,028	Other Revenues
<b>Operating Revenue</b>	<b>29,076</b>	<b>31,060</b>	<b>31,957</b>	<b>33,417</b>	<b>34,872</b>	<b>36,561</b>	<b>37,979</b>	<b>39,673</b>	<b>41,361</b>	<b>43,218</b>	<b>45,183</b>	<b>47,260</b>	<b>49,453</b>	<b>51,751</b>	<b>54,219</b>	<b>56,809</b>	<b>59,530</b>	<b>62,373</b>	<b>65,327</b>	<b>68,402</b>	<b>Operating Revenue</b>
<b>EXPENSES</b>																					<b>EXPENSES</b>
Employee Costs	9,290	10,265	10,897	11,333	11,786	12,258	12,748	13,258	13,788	14,340	14,913	15,510	16,130	16,775	17,446	18,144	18,870	19,625	20,410	21,226	Employee Costs
Materials, contracts & other services	13,771	13,295	13,794	13,584	14,220	14,785	15,381	16,010	16,674	17,374	18,112	18,891	19,711	20,575	21,486	22,446	23,457	24,521	25,642	26,823	Materials, contracts & other services
Finance Costs	1,139	1,094	1,178	1,000	897	797	746	634	740	597	470	359	262	186	151	121	91	64	41	22	Finance Costs
Depreciation, Amortisation & Impairment	5,904	6,494	6,341	6,658	6,991	7,341	7,708	8,093	8,498	8,922	9,369	9,837	10,329	10,845	11,388	11,957	12,555	13,182	13,842	14,534	Depreciation, Amortisation & Impairment
<b>Operating Expenses</b>	<b>30,104</b>	<b>31,148</b>	<b>32,210</b>	<b>32,575</b>	<b>33,894</b>	<b>35,180</b>	<b>36,583</b>	<b>37,995</b>	<b>39,700</b>	<b>41,233</b>	<b>42,864</b>	<b>44,597</b>	<b>46,432</b>	<b>48,382</b>	<b>50,471</b>	<b>52,668</b>	<b>54,973</b>	<b>57,393</b>	<b>59,935</b>	<b>62,604</b>	<b>Operating Expenses</b>
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>(1,028)</b>	<b>(88)</b>	<b>(253)</b>	<b>842</b>	<b>978</b>	<b>1,381</b>	<b>1,396</b>	<b>1,678</b>	<b>1,661</b>	<b>1,984</b>	<b>2,319</b>	<b>2,663</b>	<b>3,021</b>	<b>3,369</b>	<b>3,748</b>	<b>4,141</b>	<b>4,557</b>	<b>4,980</b>	<b>5,392</b>	<b>5,798</b>	<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>
Depreciation	5,904	6,494	6,341	6,658	6,991	7,341	7,708	8,093	8,498	8,922	9,369	9,837	10,329	10,845	11,388	11,957	12,555	13,182	13,842	14,534	Depreciation
Other non-cash provisions	951	(980)	(230)	45	77	80	83	87	90	94	97	101	105	110	114	118	123	128	133	139	Other non-cash provisions
<b>Plus Non-Cash items in Operating Surplus/Deficit</b>	<b>6,855</b>	<b>5,514</b>	<b>6,111</b>	<b>6,703</b>	<b>7,068</b>	<b>7,421</b>	<b>7,791</b>	<b>8,179</b>	<b>8,588</b>	<b>9,016</b>	<b>9,466</b>	<b>9,938</b>	<b>10,434</b>	<b>10,955</b>	<b>11,501</b>	<b>12,075</b>	<b>12,678</b>	<b>13,311</b>	<b>13,975</b>	<b>14,672</b>	<b>Plus Non-Cash items in Operating Surplus/Deficit</b>

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# PROJECTED FUNDING STATEMENT

CONTINUED

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	
	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>FUNDS GENERATED FROM OPERATING ACTIVITIES</b>	5,827	5,426	5,858	7,545	8,046	8,802	9,187	9,858	10,249	11,000	11,785	12,601	13,455	14,324	15,249	16,216	17,235	18,290	19,367	20,470	<b>FUNDS GENERATED FROM OPERATING ACTIVITIES</b>
Amounts received for new/upgraded assets	921	1,580	1,665	2,750	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Amounts received for new/upgraded assets
Proceeds from disposal of assets	372	505	299	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Proceeds from disposal of assets
<b>Plus funds sourced from Capital Activities</b>	1,293	2,085	1,964	2,750	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>Plus funds sourced from Capital Activities</b>
Capital Expenditure-Asset Renewal and Replacement	(5,922)	(4,110)	(5,635)	(3,640)	(3,822)	(5,874)	(4,724)	(10,321)	(4,645)	(4,878)	(5,122)	(5,378)	(5,783)	(5,929)	(6,225)	(6,537)	(7,071)	(7,861)	(8,965)	(9,630)	Capital Expenditure-Asset Renewal and Replacement
Capital Expenditure-New and Upgraded Assets	(1,471)	(3,983)	(969)	(7,201)	(5,461)	(3,815)	(2,192)	(3,073)	(2,417)	(2,538)	(2,665)	(2,798)	(3,066)	(3,085)	(3,239)	(3,342)	(3,509)	(3,848)	(3,868)	(4,062)	Capital Expenditure-New and Upgraded Assets
<b>Less total capital expenditure</b>	<b>(7,393)</b>	<b>(8,093)</b>	<b>(6,604)</b>	<b>(10,841)</b>	<b>(9,283)</b>	<b>(9,689)</b>	<b>(6,916)</b>	<b>(13,393)</b>	<b>(7,063)</b>	<b>(7,416)</b>	<b>(7,786)</b>	<b>(8,176)</b>	<b>(8,850)</b>	<b>(9,014)</b>	<b>(9,464)</b>	<b>(9,878)</b>	<b>(10,580)</b>	<b>(11,709)</b>	<b>(12,833)</b>	<b>(13,692)</b>	<b>Less total capital expenditure</b>
Club Loans	(400)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Club Loans
Club Loan Repayments	113	123	85	91	98	105	113	121	130	139	150	158	167	179	192	180	173	186	199	214	Club Loan Repayments
Distribution from associated entity	128	(65)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Distribution from associated entity
Less: Contribution to associated entity	(104)	(538)	(723)	(126)	(30)	(2,500)	250	250	250	250	250	250	250	250	250	250	-	-	-	-	Less: Contribution to associated entity
Plus/(less) funds provided (used) by Investing Activities	(263)	(480)	(638)	(35)	67	(2,395)	363	371	380	389	400	408	417	429	442	430	173	186	199	214	Plus/(less) funds provided (used) by Investing Activities
<b>FUNDING REQUIREMENT</b>	<b>(536)</b>	<b>(1,062)</b>	<b>581</b>	<b>(581)</b>	<b>330</b>	<b>(3,282)</b>	<b>2,633</b>	<b>(3,164)</b>	<b>3,566</b>	<b>3,974</b>	<b>4,398</b>	<b>4,833</b>	<b>5,022</b>	<b>5,739</b>	<b>6,227</b>	<b>6,768</b>	<b>6,828</b>	<b>6,767</b>	<b>6,733</b>	<b>6,992</b>	<b>FUNDING REQUIREMENT</b>
<b>Funded by</b>																					<b>Funded by</b>
Increase/(Decrease) in cash and cash equivalents	(1,496)	(1,760)	626	(1,974)	(1,128)	(1,341)	704	(1,064)	1,006	1,647	2,281	2,934	3,271	4,925	5,455	6,083	6,386	6,362	6,454	6,694	Increase/(Decrease) in cash and cash equivalents
Less: proceeds from new borrowings	(400)	(646)	(1,500)	(0)	(0)	(1,000)	(0)	(4,000)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	Less: proceeds from new borrowings
Plus: Principal repayments of borrowings	1,360	1,343	1,455	1,394	1,459	(941)	1,930	1,900	2,560	2,328	2,117	1,899	1,751	814	772	686	442	405	279	298	Plus: Principal repayments of borrowings
	(536)	(1,062)	581	(581)	330	(3,282)	2,633	(3,164)	3,566	3,974	4,398	4,833	5,022	5,739	6,227	6,768	6,828	6,767	6,733	6,992	



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