

At 8.30pm Cr Phelan left the meeting and returned at 8.32pm.
At 8.32pm Cr Aubrey left the meeting and returned at 8.35pm.
At 8.38pm Cr Foxtan left the meeting and returned at 8.40pm.

C13/6062 - LONG TERM FINANCIAL MODEL REVIEW AND PROPOSED CAPITAL WORKS PROGRAM (REC) (ATTACHMENT)

Ward : All
Category : Strategic
Subject Index : Financial Sustainability – Long Term Financial Planning
Budgeting – Estimates
Budgeting – Forward Works Program
Customer Index : Impacts on all Ratepayers of the City of Melville
Disclosure of any Interest : The responsible officer and Elected Members are property owners/ratepayers in the City of Melville however this is an exempt interest in accordance with Section 5.63 (1) (a) & (b) of the Local Government Act 1995
Previous Items : C12/6051 – Long Term Financial Plan
Ordinary Meeting of Council - 11 December 2012
Works Program : 2014/2015
Funding : Not Applicable
Responsible Officer : Marten Tieleman
Director Corporate Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

C13/6062 - LONG TERM FINANCIAL MODEL REVIEW AND PROPOSED CAPITAL WORKS PROGRAM (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- The purpose of this Report is to present the results of the review of the City's Long Term Financial Model for consideration and adoption by the Council; and
- To present the proposed Capital Works Program 2014/2015 for consideration.

BACKGROUND

At the December 2012 Ordinary Meeting of Council, the City's Long Term Financial Plan (2013/2014 to 2022/2023) was considered and adopted by the Council. It was also endorsed that the Long Term Financial Model (the Model) and its assumptions, on which the Long Term Financial Plan (the Plan) is based, be reviewed at each Budget cycle. The 2013/2014 Annual Budget was adopted in June 2012 and was prepared with strong linkage to the Model. The Model has now been reviewed and provides ten year forecasts for the period 2014/2015 to 2023/2024.

The Capital Works Program (CWP) is also reviewed annually and is a significant financial component of the Plan/Model and ultimately the Annual Budget. Therefore it is appropriate to review the CWP and the Model in conjunction with each other.

DETAIL**Long Term Financial Model**

The Model is an Excel based tool and has been constructed in a way that allows assumptions and other inputs to be modelled to determine their short and long term financial impact. The Model takes the form of a Rate Setting Statement, outlining:

- General Purpose Funding (including Rates and Investments)
- Operating Income
- Operating Expenditure
- Capital Income
- Capital Expenditure
- Financial Reserve Transfers

The Model is supported by:

- A table of financial assumptions
- Asset Management data tables
- A schedule of Reserve movements and balances
- Other key information

The review of the Model involved:

- Updating the base year to the 2013/2014 Adopted Annual Budget (formally 2012/2013)
- Reviewing assumptions (indices etc)
- Inputting the latest Asset Management data
- Responding to ongoing changes such as Local Government Reform and developments within the City i.e. the Fiona Stanley Hospital
- Reviewing, in some instances, the City's long term financial approach
- Ensuring synergy with the City's Corporate Plan

C13/6062 - LONG TERM FINANCIAL MODEL REVIEW AND PROPOSED CAPITAL WORKS PROGRAM (REC) (ATTACHMENT)

Outlined below is a summary of the key changes resulting from the review:

Assumptions

All assumptions, including employee costs, utilities and the Consumer Price Index, were reviewed with many remaining unchanged. However, a review of data published by the Australian Bureau of Statistics (ABS) in relation to the Construction and the Road & Bridge Construction indices resulted in these being amended to a lower percentage. This mainly impacted the indexing of capital expenditure costs.

Opening Surplus

The City has historically planned for an opening surplus in the vicinity of \$1.8 million to fund the Annual Budget. Recent results, including the 2012/2013 year end, have indicated that these surpluses are becoming harder to achieve. Savings achieved in prior years are factored into the development of the following years' budgets and the rate increase adjusted down accordingly meaning that when comparing actual to budget those savings will not again be achieved. In addition continued fine tuning during budget development and management has resulted in this shift. It is acknowledged that a year end surplus position is still possible but will be dealt with at the Mid Year Budget Review, once the value is known, rather than making an arbitrary estimate during the Annual Budget process. An opening surplus has been removed from the Model from 2014/2015 onwards.

Asset Management Data

Asset Management Plans (AMP) continue to evolve, with renewal estimates being refined as more accurate information is sourced. There is a direct link between asset management data and the Model. There has been a positive material change in the level of funding required for footpath renewals, with an annual reduction of approximately \$760k (average). It is the City's goal to renew and maintain existing assets before investing in new assets and to fully fund the asset renewal liability. However, this has not been possible in the revised Model due to other financial pressures. The City has had to reduce the transfers to the Infrastructure Reserve for the next three years (a total of \$2.8m), with the situation being corrected by 2020/2021. The Model has provided for an element of 'new' asset funding for such projects as Carawatha, new traffic treatments etc.

Staff Leave Entitlements

The City has a 'Leave Entitlements Reserve' for the purpose of ensuring there is sufficient funding to meet the liability of leave accrued in previous financial years. The annual amount being transferred to this Reserve was insufficient and has been increased by approximately \$200k. It should be noted that the City is actively working with staff to reduce the leave liability balance.

New 'Special Projects Reserve'

The City requires funding for special projects, with the real potential for the amount to vary quite significantly year to year. Special projects can include Council Elections (approximately \$200k required every two years), Asset Management surveys (e.g. a road survey every five years costing \$120k) and Strategic Urban Planning projects (e.g. Murdoch Activity Centre Planning). These items can cause rating spikes, however the revised Model introduces a Special Projects Reserve to 'smooth' this expenditure. An amount of \$950k is transferred to this Reserve annually with the transfer from Reserve varying from \$700k to \$1m annually depending on the current projects. The intention would be to not grow this reserve but use it for short term fluctuations in project costs.

C13/6062 - LONG TERM FINANCIAL MODEL REVIEW AND PROPOSED CAPITAL WORKS PROGRAM (REC) (ATTACHMENT)Fiona Stanley Hospital and St John of God Murdoch Redevelopment

The Fiona Stanley Hospital (FSH) is due for completion late 2014, with significant infrastructure (including roads, paths, drainage, signs and landscaping) in place and already ageing. As a result of this development the City will incur ongoing asset maintenance and renewal costs, totalling approximately \$740k annually. The Model has factored in pro rata expenditure in 2014/2015 and full year expenditure from 2015/2016. This is partly offset by additional rate revenue from rateable commercial medical activities at both FSH and St John of God Murdoch. A conservative full year estimate is approximately \$220k in additional revenue. Overall there is a net negative impact to the City of around \$520k.

Land and Property Reserve

The Plan shows partial interest earned on the Land and Property Reserve funds remaining within the Municipal fund. The revised Model returns these funds to the Reserve, in line with current Policy. However, the Model proposes the introduction of a strategic property position to be funded by the Land and Property Reserve. This position and associated costs have been estimated at \$250k per annum. The purpose of the Land and Property Reserve would need to be amended during the Annual Budget adoption in order for this to occur. The introduction of this position would support the City in the development of its land and property assets and enhance the potential for future income generation. The objective of this Reserve is to purchase revenue earning properties with the revenue earned being credited to the Municipal Fund and supplanting the need to raise rate revenue. The balance is being built up by the transfer of an amount of \$1.5 million per annum – equivalent to the untied amount of the Federal Assistance Grant money received each year. Currently the Commercial lease revenue earned which is credited to the Municipal Fund is in excess of \$1.8 million per annum.

Fleet Operating Costs

The 2012/2013 year end results and 2013/2014 year to date expenditure indicate that recurrent funding for Fleet operating costs is inadequate. Fuel and materials are tracking over budget and as a result additional expenditure of \$100k has been factored into the Model. A review of costings is currently underway.

Local Government Reform

The reform process creates financial uncertainty for the City in both the short and longer term. An annual amount of \$250k has been included in the projections for three years commencing 2014/2015. However, the City will endeavour to access any funds that the State Government make available to local authorities.

Rate Revenue

As a result of the above factors, an adjustment has been made to the percentage increase in rate revenue. The Plan shows a rate revenue rise of 4.7%, this has been revised to 5.5% but tapering down to 4% in future years. Every effort has been made to ensure the impact on ratepayers is minimised but at the same time ensuring prudent and sustainable financial management. This percent is indicative only and will be reviewed as part of the formal Annual Budget process.

C13/6062 - LONG TERM FINANCIAL MODEL REVIEW AND PROPOSED CAPITAL WORKS PROGRAM (REC) (ATTACHMENT)Summary

The results of the Model are loaded into a separate ledger within the City's core financial system enabling greater analysis to occur and financial statements to be produced. These financial statements and ratios can be found in attachment [6062 Long Term Financial Statements](#).

Proposed Capital Works Program

The proposed Capital Works Program, as outlined in attachment [6062 Proposed Capital Works Program](#), includes capital projects for Buildings, Drainage, Environmental, Foreshore facilities, Irrigation, Lighting, Park Streetscape Structures, Paths, Playgrounds and Roads (Waste, Fleet and Information Technology capital projects not included).

The program covers all viable projects listed for consideration for completion as capital works in 2014/2015, as supported by Asset Management Plans and the Long Term Financial Plan. Capital projections in the Long Term Financial Model/Plan are based on long run averages and don't take into account the timing of the various projects. Hence, expenditure by asset category may fluctuate year by year depending on when projects fall due. The Capital Works Program will ultimately form part of the Annual Budget and be a part of that adoption process.

PUBLIC CONSULTATION/COMMUNICATION

Not Applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not Applicable.

STATUTORY AND LEGAL IMPLICATIONS

Section 5.56 of the Local Government Act 1995 refers to planning for the future:

"5.56. Planning for the Future:

- (1) A local government is to plan for the future of the district.
- (2) A local government is to ensure that plans are made under subsection (1) are in accordance with any regulations made about planning for the future of the district".

Division 3 of the Local Government (Administration) Regulations 1996 outlines the minimum requirements for the preparation of the Strategic Community Plan and the Corporate Business Plan. The Long Term Financial Plan is an informing strategy designed to inform the Corporate Business Plan to activate Strategic Community Plan priorities.

Section 1.3(3) of the Local Government Act 1995:

"In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity."

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FINANCIAL IMPLICATIONS

There are no specific financial implications of adopting the review of the Model as it is an indicative tool only for the next 10 years, with more accurate forecasts to be calculated and adopted during the Annual Budget process. Similarly, the Capital Works Program is a draft program and will also be adopted during the 2014/2015 Annual Budget process.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
The Model contains assumptions that may prove to be inaccurate over the long term resulting in projections not reflecting reality and potential to affect long term decision making.	Moderate consequences which are possible, resulting in a Medium level of risk.	The Model is reviewed annually at the completion of the Annual Budget process and updated when informing plans are themselves updated (e.g. Asset Management Plans) and adjustments made accordingly to keep the Model updated and relevant. Assumptions have also been based on long run 10 to 17 year averages thus eliminating variance.
The Long Term Financial Model contains inconsistencies.	Moderate consequences which are unlikely, resulting in a Medium level of risk.	The Model is balanced to the Annual Budget and loaded into the Financial Ledgers and reconciled. During this process the Management reporting structure is reconciled to the Statutory reporting structure. As the Annual Budget is used as the basis for the Plan the budget process will identify any inconsistencies in data or projections on an annual basis. The Model will be subjected to an independent audit at an appropriate time.

POLICY IMPLICATIONS

The Long Term Financial Model has been reviewed with reference to the following policies:

1. CP-008: Financial Sustainability - Forward Planning and Funding Allocation
2. CP-024: Asset Financing and Borrowings
3. CP-025: Accounting
4. CP-031: Asset Management
5. CP-038: Discretionary Services Policy

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The Adopted Long Term Financial Plan contained a variation from policy CP-025 with respect to interest earned on Reserve funding. A 50% share of the interest earned on the balance of the Land and Property Reserve was being used to assist in the funding of general municipal expenditure. As a result of the review this is no longer occurring, interest earned is once again being transferred in full to the Land and Property Reserve.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not Applicable

CONCLUSION

The review of both the Long Term Financial Model and Capital Works Program are essential in ensuring the City is guided by timely and relevant data. The reviews have identified a number of material items that need to be planned for financially to ensure the City is financially sustainable in the longer term.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6062)**APPROVAL**

At 8.28pm Cr Willis moved, seconded Cr Schuster –

That the Council:

- 1. Adopt the review of the Long Term Financial Model (2014/2015 to 2023/2024) for the City of Melville as outlined in this Item and in attachment [6062 Long Term Financial Statements](#).**
- 2. Note the Capital Works Program outlined in attachment [6062 Proposed Capital Works Program](#) for consideration in the 2014/2015 Annual Budget.**

At 8.47pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

Projected Statement of Comprehensive Income for Financial Years 2013/2014 - 2023/2024 by Nature or Type

	Budget 2013/2014 \$'000	Projected 2014/2015 \$'000	Projected 2015/2016 \$'000	Projected 2016/2017 \$'000	Projected 2017/2018 \$'000	Projected 2018/2019 \$'000	Projected 2019/2020 \$'000	Projected 2020/2021 \$'000	Projected 2021/2022 \$'000	Projected 2022/2023 \$'000	Projected 2023/2024 \$'000
Revenues											
Rates	56,113	59,634	62,974	66,249	69,429	72,553	75,673	78,927	82,084	85,367	88,782
Operating Grants, Subsidies and Contributions	2,939	2,969	2,999	3,029	3,059	3,089	3,120	3,152	3,183	3,215	3,247
Fees and Charges	30,024	31,218	32,498	33,873	35,349	36,934	38,635	40,454	42,401	44,486	46,725
Service Charges	3,582	2,510	2,610	2,715	2,823	2,936	3,053	3,176	3,303	3,435	3,572
Interest Earnings	3,821	4,046	4,259	4,398	4,641	4,839	5,092	5,350	5,643	5,951	6,288
Other Revenue	2,804	2,385	2,392	2,399	2,397	2,412	2,426	2,425	2,428	2,443	2,454
	99,283	102,761	107,732	112,663	117,697	122,764	127,999	133,482	139,042	144,896	151,067
Expenses											
Employee Costs	(40,737)	(42,657)	(44,459)	(46,337)	(48,295)	(50,334)	(52,460)	(54,558)	(56,740)	(59,010)	(61,371)
Materials and Contracts	(26,593)	(28,590)	(30,023)	(30,951)	(32,189)	(33,343)	(35,025)	(36,243)	(37,845)	(39,129)	(41,213)
Utility Charges	(3,890)	(4,046)	(4,207)	(4,375)	(4,550)	(4,731)	(4,920)	(5,117)	(5,321)	(5,533)	(5,754)
Insurance Expenses	(1,575)	(1,630)	(1,687)	(1,746)	(1,807)	(1,871)	(1,936)	(2,004)	(2,074)	(2,147)	(2,222)
Depreciation on Non-Current Assets	(15,922)	(16,686)	(17,487)	(18,327)	(19,206)	(20,128)	(21,094)	(22,107)	(23,168)	(24,280)	(25,446)
Interest Expenses	(232)	(204)	(187)	(170)	(143)	(134)	(122)	(96)	(73)	(62)	(47)
Other Expenditure	(4,665)	(3,029)	(3,041)	(3,052)	(3,062)	(3,072)	(3,080)	(3,087)	(3,093)	(3,099)	(3,103)
	(93,615)	(96,842)	(101,092)	(104,958)	(109,253)	(113,613)	(118,638)	(123,212)	(128,316)	(133,261)	(139,155)
Grants/Contributions for the Development of Assets											
Non-Operating Grants, Subsidies and Contributions	2,936	2,010	2,019	2,028	2,038	2,047	2,057	2,067	2,076	2,086	2,096
	2,936	2,010	2,019	2,028	2,038	2,047	2,057	2,067	2,076	2,086	2,096
Net Result	8,604	7,929	8,660	9,732	10,483	11,198	11,418	12,337	12,802	13,722	14,009
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	8,604	7,929	8,660	9,732	10,483	11,198	11,418	12,337	12,802	13,722	14,009

Projected Statement of Cash Flows for Financial Years 2013/2014 - 2023/2024

	Projected 2013/2014 \$'000	Projected 2014/2015 \$'000	Projected 2015/2016 \$'000	Projected 2016/2017 \$'000	Projected 2017/2018 \$'000	Projected 2018/2019 \$'000	Projected 2019/2020 \$'000	Projected 2020/2021 \$'000	Projected 2021/2022 \$'000	Projected 2022/2023 \$'000	Projected 2023/2024 \$'000
Cash Flows from Operating Activities											
Revenues											
Rates	56,113	59,191	62,800	66,074	69,255	72,378	75,495	78,740	81,897	85,171	88,575
Operating Grants, Subsidies and Contributions	2,939	2,969	2,999	3,029	3,059	3,089	3,120	3,152	3,183	3,215	3,247
Fees and Charges	30,226	31,218	32,498	33,873	35,349	36,934	38,635	40,454	42,401	44,486	46,725
Service Charges	4,422	2,510	2,610	2,715	2,823	2,936	3,053	3,176	3,303	3,435	3,572
Interest Earnings	3,850	4,046	4,259	4,398	4,641	4,839	5,092	5,350	5,643	5,951	6,288
Other Revenue	1,964	2,385	2,392	2,399	2,397	2,412	2,426	2,425	2,428	2,443	2,454
	99,514	102,318	107,559	112,488	117,524	122,589	127,821	133,295	138,855	144,700	150,861
Expenses											
Employee Costs	(40,769)	(42,841)	(44,649)	(46,532)	(48,495)	(50,539)	(52,670)	(54,773)	(56,960)	(59,235)	(61,601)
Materials and Contracts	(26,875)	(27,604)	(29,587)	(30,467)	(32,218)	(33,317)	(35,091)	(35,597)	(37,584)	(38,882)	(41,121)
Utility Charges	(3,890)	(4,046)	(4,207)	(4,375)	(4,550)	(4,731)	(4,920)	(5,117)	(5,321)	(5,533)	(5,754)
Insurance Expenses	(1,575)	(1,630)	(1,687)	(1,746)	(1,807)	(1,871)	(1,936)	(2,004)	(2,074)	(2,147)	(2,222)
Interest Expenses	105	(204)	(187)	(170)	(143)	(134)	(122)	(96)	(73)	(62)	(47)
Other Expenditure	(4,204)	(3,029)	(3,041)	(3,052)	(3,062)	(3,072)	(3,080)	(3,087)	(3,093)	(3,099)	(3,103)
	(77,208)	(79,354)	(83,358)	(86,342)	(90,275)	(93,663)	(97,819)	(100,673)	(105,106)	(108,958)	(113,847)
Net Cash Provided by Operating Activities	22,306	22,964	24,200	26,146	27,249	28,926	30,002	32,622	33,748	35,741	37,014
Cash Flows from Investing Activities											
(Increase) / Decrease in Investments	(6)	5,138	2,992	5,930	4,656	6,179	6,307	7,296	7,685	8,511	8,615
Proceeds from Sale of Property and Equipment	655	425	316	1,115	903	1,148	842	392	870	1,067	786
Grants and Contributions for Asset Development	2,930	2,010	2,019	2,028	2,038	2,047	2,057	2,067	2,076	2,086	2,096
Payments for Purchase of Property, Plant and Equipment	(7,243)	(6,648)	(5,601)	(8,732)	(8,272)	(8,748)	(8,378)	(7,292)	(9,805)	(10,284)	(9,545)
Payments for Construction/Acquisition of Infrastructure	(15,788)	(15,855)	(16,000)	(17,146)	(18,432)	(19,745)	(21,151)	(22,627)	(24,194)	(25,941)	(27,850)
Net Cash Used in Investing Activities	(19,452)	(14,930)	(16,275)	(16,805)	(19,108)	(19,119)	(20,324)	(20,163)	(23,367)	(24,560)	(25,898)
Net Increase / (Decrease) in Cash Held	2,854	8,034	7,925	9,341	8,142	9,806	9,678	12,459	10,382	11,181	11,116
Cash at Beginning of Year	80,459	83,313	91,349	99,273	108,613	116,756	126,561	136,239	148,697	159,080	170,260
Cash and Cash Equivalents at the End of Year	83,313	91,349	99,273	108,613	116,756	126,561	136,239	148,697	159,080	170,260	181,377
Reconciliation of Net Cash Provided by Operating Activities to Net Result											
Net Result	8,604	7,929	8,660	9,732	10,483	11,198	11,418	12,337	12,802	13,722	14,009
Add / (Less) Non-Cash / Non-Operating Items											
Depreciation	15,922	16,686	17,487	18,327	19,206	20,128	21,094	22,107	23,168	24,280	25,446
Grants & Contributions for the Development of Assets	(2,936)	(2,010)	(2,019)	(2,028)	(2,038)	(2,047)	(2,057)	(2,067)	(2,076)	(2,086)	(2,096)
Changes in Assets & Liabilities During the Financial Year:											
(Increase)/Decrease in Current Receivables	740	(443)	(174)	(174)	(174)	(175)	(178)	(187)	(187)	(196)	(206)
(Increase)/Decrease in Non-Current Receivables	(591)	275	284	292	(201)	(177)	(230)	381	202	185	135
Increase/(Decrease) in Current Creditors	240	436	(131)	(99)	(121)	(118)	(155)	(116)	(143)	(124)	(178)
Increase/(Decrease) in Non-Current Creditors	(489)	275	284	292	295	321	318	381	202	185	135
Increase/(Decrease) in Provision for Employee Entitlements	816	(184)	(190)	(195)	(200)	(205)	(210)	(215)	(220)	(225)	(230)
Net Cash Provided by Operating Activities	22,306	22,964	24,200	26,146	27,249	28,926	30,002	32,622	33,748	35,741	37,014

Projected Statement of Financial Position for Financial Years 2013/2014 - 2023/2024

	Projected 2013/2014 \$'000	Projected 2014/2015 \$'000	Projected 2015/2016 \$'000	Projected 2016/2017 \$'000	Projected 2017/2018 \$'000	Projected 2018/2019 \$'000	Projected 2019/2020 \$'000	Projected 2020/2021 \$'000	Projected 2021/2022 \$'000	Projected 2022/2023 \$'000	Projected 2023/2024 \$'000
ASSETS											
Current Assets											
Cash and cash equivalents	83,313	91,349	99,273	108,613	116,756	126,561	136,239	148,697	159,080	170,260	181,377
Investments	82	5,220	8,212	14,141	18,797	24,976	31,282	38,579	46,264	54,775	63,390
Receivables	6,136	6,579	6,753	6,927	7,101	7,275	7,453	7,640	7,828	8,024	8,230
Inventories	153	153	153	153	153	153	153	153	153	153	153
Other current assets	578	578	578	578	578	578	578	578	578	578	578
Total Current Assets	90,262	103,878	114,968	130,413	143,384	159,543	175,706	195,647	213,902	233,790	253,728
Non Current Assets											
Receivables - non current	5,865	5,589	5,306	5,014	5,215	5,392	5,622	5,240	5,038	4,853	4,718
Infrastructure, Property, Plant & Equipment	557,027	560,880	569,016	574,354	582,458	588,628	595,479	601,025	609,225	617,222	625,996
Investment Property	10,039	10,039	10,039	10,039	10,535	11,033	11,581	11,581	11,581	11,581	11,581
Other non-current assets	8,210	8,210	8,210	8,210	8,210	8,210	8,210	8,210	8,210	8,210	8,210
Total Non Current Assets	581,141	584,719	592,572	597,617	606,419	613,263	620,892	626,057	634,055	641,866	650,505
TOTAL ASSETS	671,403	688,597	707,540	728,030	749,803	772,806	796,598	821,704	847,957	875,657	904,233
LIABILITIES											
Current Liabilities											
Payables	10,601	10,165	10,296	10,395	10,516	10,634	10,788	10,905	11,048	11,171	11,349
Borrowings	299	299	299	299	299	299	299	299	299	299	299
Provisions	4,921	5,105	5,295	5,490	5,690	5,895	6,105	6,320	6,540	6,765	6,995
Total Current Liabilities	15,821	15,569	15,890	16,184	16,505	16,828	17,193	17,524	17,887	18,236	18,643
Non Current Liabilities											
Payables	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115	2,115
Borrowings	3,436	3,161	2,877	2,585	2,291	1,969	1,651	1,270	1,068	882	747
Provisions	716	716	716	716	716	716	716	716	716	716	716
Total Non Current Liabilities	6,267	5,992	5,708	5,416	5,122	4,801	4,482	4,101	3,899	3,713	3,578
TOTAL LIABILITIES	22,088	21,561	21,598	21,600	21,627	21,629	21,675	21,625	21,786	21,949	22,222
NET ASSETS	649,317	667,037	685,942	706,429	728,173	751,174	774,919	800,076	826,168	853,707	882,008
EQUITY											
Retained Surplus	254,271	257,062	262,730	266,533	272,360	277,379	282,490	287,531	292,648	297,858	303,253
Revaluation Asset Reserves	316,889	326,682	336,927	347,681	358,942	370,746	383,073	395,893	409,183	423,000	437,290
Reserves - Cash / Investment Backed	78,156	83,294	86,286	92,215	96,871	103,050	109,356	116,653	124,338	132,849	141,464
TOTAL EQUITY	649,317	667,037	685,942	706,429	728,173	751,174	774,919	800,076	826,168	853,707	882,008

Rate Setting Statement by Nature or Type

	Budget	Projections									
	2013/2014 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Revenues											
Operating Grants, Subsidies and Contributions	5,870	4,979	5,018	5,057	5,097	5,137	5,177	5,218	5,259	5,301	5,343
Fees and Charges	30,024	31,218	32,498	33,873	35,349	36,934	38,635	40,454	42,401	44,486	46,725
Service Charges	4,422	2,510	2,610	2,715	2,823	2,936	3,053	3,176	3,303	3,435	3,572
Interest Earnings	3,821	4,046	4,259	4,398	4,641	4,839	5,092	5,350	5,643	5,951	6,288
Other Revenue	1,970	2,385	2,392	2,399	2,397	2,412	2,426	2,425	2,428	2,443	2,454
	46,107	45,137	46,777	48,442	50,307	52,258	54,383	56,622	59,034	61,615	64,382
Expenses											
Employee Costs	-40,737	-42,657	-44,459	-46,337	-48,295	-50,334	-52,460	-54,558	-56,740	-59,010	-61,371
Materials and Contracts	-26,593	-28,590	-30,023	-30,951	-32,189	-33,343	-35,025	-36,243	-37,845	-39,129	-41,213
Utility Charges	-3,890	-4,046	-4,207	-4,375	-4,550	-4,731	-4,920	-5,117	-5,321	-5,533	-5,754
Insurance Expenses	-1,575	-1,630	-1,687	-1,746	-1,807	-1,871	-1,936	-2,004	-2,074	-2,147	-2,222
Depreciation on Non-Current Assets	-15,922	-16,686	-17,487	-18,327	-19,206	-20,128	-21,094	-22,107	-23,168	-24,280	-25,446
Interest Expenses	-232	-204	-187	-170	-143	-134	-122	-96	-73	-62	-47
Other Expenditure	-4,665	-3,029	-3,041	-3,052	-3,062	-3,072	-3,080	-3,087	-3,093	-3,099	-3,103
	-93,615	-96,842	-101,092	-104,958	-109,253	-113,613	-118,638	-123,212	-128,316	-133,261	-139,155
Net Result Excluding Rates	-47,509	-51,705	-54,314	-56,516	-58,946	-61,355	-64,255	-66,590	-69,281	-71,646	-74,773
Adjustments for Cash Budget Requirements											
Non-Cash Revenue and Expenditure											
Profit/(Loss) on Asset Disposals	-6	0	0	0	0	0	0	0	0	0	0
Depreciation on Assets	15,922	16,686	17,487	18,327	19,206	20,128	21,094	22,107	23,168	24,280	25,446
Plant Investment Provision	270	273	276	278	281	284	287	290	293	296	298
	16,186	16,959	17,763	18,605	19,488	20,412	21,381	22,397	23,461	24,576	25,744
Capital Revenue & Expenditure											
Purchase of Furniture and Equipment	-2,146	-1,446	-1,935	-1,461	-1,243	-1,346	-1,464	-2,071	-1,580	-1,382	-1,398
Purchase of Plant and Equipment	-2,631	-693	-3,830	-2,122	-4,497	-3,162	-2,558	-2,222	-2,839	-2,740	-2,740
Purchase of Land and Buildings	-2,466	-3,113	-3,266	-3,425	-3,594	-3,769	-3,955	-4,148	-4,352	-4,565	-4,789
Purchase of Infrastructure Assets	-15,789	-14,814	-15,516	-16,302	-17,128	-17,996	-18,909	-19,867	-20,874	-21,930	-23,042
Proceeds from Disposal of Assets	655	316	1,115	903	1,148	842	392	870	1,067	832	832
Repayment of Debentures	-273	-275	-284	-292	-295	-321	-318	-381	-202	-185	-135
Self Supporting Loan Principal Revenue	267	275	284	292	295	321	318	381	202	185	135
Funds to be Used	-19,259	-24,523	-26,167	-28,039	-29,878	-31,333	-32,805	-34,399	-35,998	-37,784	-39,655
Funds to be Used	15,051	19,385	23,175	22,109	25,223	25,155	26,499	27,103	28,313	29,273	31,041
	-26,591	-24,888	-26,423	-28,338	-29,970	-31,610	-32,799	-34,734	-36,263	-38,297	-39,753
Add: Estimated Surplus Brought Forward	1,800	0	0	0	0	0	0	0	0	0	0
Amount Required to be Raised from Rates	-56,113	-59,634	-62,974	-66,249	-69,429	-72,553	-75,673	-78,927	-82,084	-85,367	-88,782

Asset Category	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Fleet										
<i>Renewal</i>	(693)	(3,830)	(2,122)	(4,497)	(3,162)	(2,558)	(2,222)	(2,839)	(2,740)	(2,740)
<i>New/Upgrade</i>										
Recreation Plant & Equipment										
<i>Renewal</i>	(281)	(390)	(561)	(442)	(404)	(511)	(428)	(453)	(307)	(313)
<i>New/Upgrade</i>										
Information Technology										
<i>Renewal</i>	(776)	(1,030)	(595)	(485)	(615)	(615)	(745)	(665)	(665)	(665)
<i>New/Upgrade</i>	0	0	0	0	0	0	0	0	0	0
Parking Machines										
<i>Renewal</i>	0	0	0	0	0	0	(450)	0	0	0
<i>New/Upgrade</i>										
Furniture & Equipment										
<i>Renewal</i>	(152)	(270)	(52)	(54)	(56)	(58)	(157)	(163)	(100)	(100)
<i>New/Upgrade</i>										
Other Assets										
<i>Renewal</i>	(287)	(296)	(306)	(317)	(328)	(339)	(351)	(363)	(375)	(388)
<i>New/Upgrade</i>	(122)	(126)	(131)	(135)	(140)	(144)	(149)	(154)	(160)	(165)
	(20,066)	(24,546)	(23,310)	(26,463)	(26,273)	(26,885)	(28,308)	(29,645)	(30,618)	(31,970)
<i>Renewal</i>	(17,559)	(21,973)	(20,615)	(23,640)	(23,317)	(23,789)	(25,065)	(26,249)	(27,060)	(28,244)
<i>New/Upgrade</i>	(2,507)	(2,573)	(2,695)	(2,823)	(2,956)	(3,096)	(3,243)	(3,397)	(3,557)	(3,726)
	(20,066)	(24,546)	(23,310)	(26,463)	(26,273)	(26,885)	(28,308)	(29,645)	(30,618)	(31,970)