DRAFT LONG TERM FINANCIAL PLAN 2018-2028

May 2018

Ku·ring·gai Council

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Grevillia
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This Plan has been prepared by Ku-ring-gai Council to support the delivery of its long-term strategic direction. It forms part of the Resourcing Strategy for the Community Strategic Plan and Delivery Program and should be read in conjunction with these documents.

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Angohpora in the sun, Jacob Sife

INTRODUCTION

A Long Term Financial Plan (LTFP) is one of the three key Resourcing Strategies required by the NSW Integrated Planning & Reporting legislation. Local government operations are vital to its community, and it is important that stakeholders can understand the financial implications arising from its Community Strategic Plan, Delivery Program and annual Operational Plan.

The Integrated Planning and Reporting Guidelines guide preparation of the LTFP for Local Government in NSW issued by the Office of Local Government.

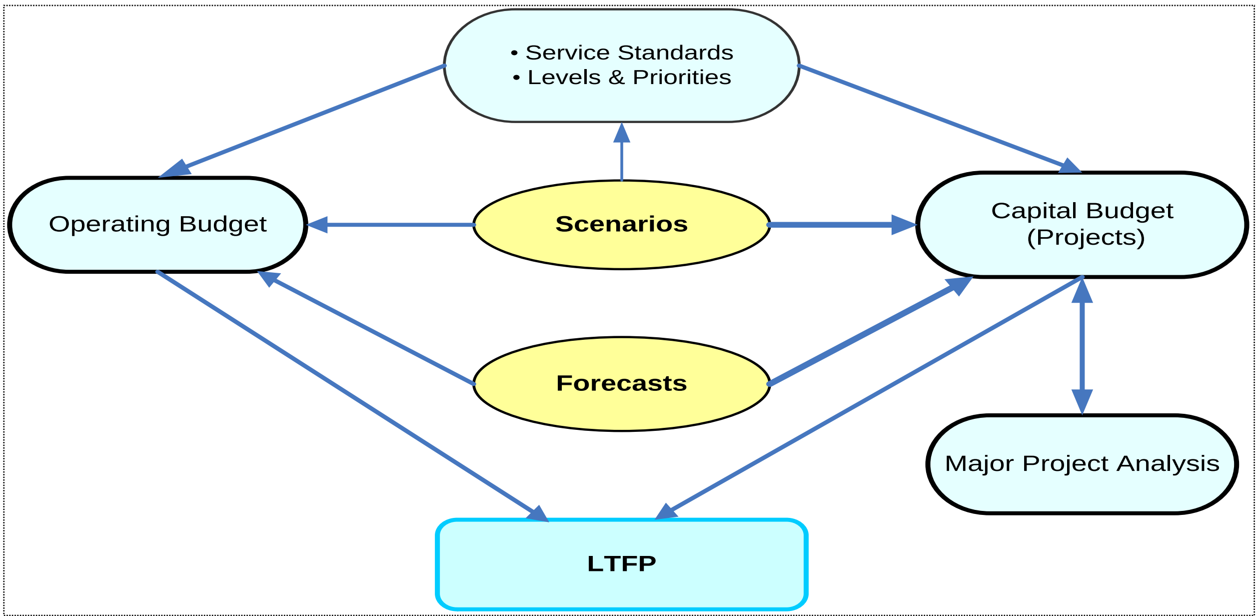
The LTFP includes:

- projected income and expenditure
- balance sheet
- cash flow statement
- planning assumptions used to develop the plan
- sensitivity analysis – highlight factors most likely to affect the plan
- financial modelling for different scenarios
- methods of monitoring financial performance

The LTFP contains a core set of assumptions. These assumptions are based on CPI forecasts, interest rate expectations, employee award increases, loan repayment schedules, special price forecasts for certain Council specific items, planned asset sales and other special income and costs.

The diagram below illustrates the link between the main elements of the LTFP: service standards, levels and priorities, Capital and Operating budget, major project analysis and assumptions and scenarios.

Long Term Financial Plan
Elements of the Plan



OVERVIEW

Ku-ring-gai Council's current Long Term Financial Plan (LTFP) covers the period 2018/19 to 2027/28. It recognises its current and future financial capacity, to continue delivering high quality services, facilities and infrastructure to the community while commencing new initiatives and projects to achieve the goals set down in its Community Strategic Plan

Financial planning over a 10-year time horizon is challenging and relies on a variety of assumptions that will undoubtedly change during this period. The LTFP is therefore closely monitored, and regularly revised, to reflect these changing circumstances. The LTFP is the core document used to guide all financial planning within Council and is the basis for annual budgets and the preparation of the Delivery Program and Operational Plan.

Ku-ring-gai Council is in a sound financial position. The LTFP provides for Operating Surpluses after allowing for the depreciation expense on Council's $1.1 billion portfolio (2016/17) of largely depreciable assets such as roads, footpaths, drains and buildings. If capital grants and contributions are excluded, the operating result remains in surplus throughout the 10 years of the LTFP. Council maintains healthy levels of working capital and reserves in the LTFP, and has a strategy in place to fund renewal of infrastructure assets and to manage its debt funding via identified sources of repayment from its investment property.

Council has identified increasing funding for infrastructure renewal and continuation of the existing environmental levy as a key priority. Two main scenarios are outlined in detail in the LTFP for consideration. The scenario that Council will adopt best addresses the infrastructure renewal requirements that have been identified and continuation of the environmental levy. This scenario includes the permanent continuation of the Special Rate Variation (SRV) for Environment. Continuation of this SRV will require the approval of IPART. If the continuation of the SRV is approved Council will be able to continue funding its environmental programs and works in future.

LONG TERM FINANCIAL PLAN PRINCIPLES

Council's overall guiding principle is to maintain a healthy financial position, underpinned by a sound income base and commitment to control and delivery of services, facilities and infrastructure demanded by the community in an effective and efficient manner.

The LTFP puts this principle into action by formulating and applying specific objective tests of financial sustainability to the LTFP and its scenarios:

1. Maximise funds available for infrastructure renewal and refurbishment by:

   - Maximising the operating profit before capital items
   - Prioritising the use of cash reserves
   - Timing project expenditure over a longer period and linking to funds availability
   - Proceeds of asset sales returned to reserves for expenditure on asset renewals or major asset refurbishment.

2. Satisfy applied tests of financial sustainability:

   - Achieve an operating surplus (excluding capital grants, contributions and asset sales).
   - Target a minimum working capital of 5.5% of operating expenses (excluding depreciation) as recommended by Council's external auditors. Working capital is determined by taking net current assets less internally and externally restricted reserves and adding those current liabilities to be funded from the next year's budget. Essentially, working capital is a measure of Council's liquidity and ability to meet its obligations as they fall due. This will allow for unforeseen expenditure or reductions in revenue or other accounting adjustments.
   - Maintain a minimum Unrestricted Current Ratio of 2.0 (industry benchmark is 1.5 for 'satisfactory' and 2 for 'good').
   - Maintain a sustainable debt level and debt service ratio below the industry benchmark (industry green light benchmark less than 20%).
   - Maintain a minimum level of internal discretionary cash reserves (excluding liability cash reserves) of 10% of revenue.
   - Only capital items to be funded from cash reserves.
   - Maintain all Infrastructure assets ratios at a sustainable level, meeting or outperforming benchmarks.

All of the above objective tests are considered together in the overall evaluation of the LTFP and its scenarios. The tests are not necessarily strictly applied each time, particularly where an LTFP scenario only fails the test for a limited period of time. For example, during the next six years, the Infrastructure Backlog Ratio test will not be satisfied due to insufficient funding allocated to asset renewals in previous years; however, Council has now adopted a new funding strategy that will address this issue. Thus, the Plan is still regarded as sustainable. The new funding strategy is discussed further in this document.

3. Borrowing Strategy

Loan borrowing is a legitimate and responsible financial management tool and the use of loans to fund capital projects can be an effective mechanism of linking the payment for the assets (via debt payments) to the successive rate-paying populations who receive benefits over the life of those assets. This matching concept is frequently referred to as 'inter-generational equity'.

Borrowings are considered as a source of funding in the following circumstances:

- Capital projects that deliver long term benefit to the community
- Building or purchase of assets where sources of repayment are clearly identified and reflected into overall future cash flows over the life of the asset

As borrowings are usually the highest cost source of funds:

- Internal funding sources are considered and used first (including possible re-allocation of funds from lower priority projects or operating items)
- The proposed project may be re-timed to match internal funds availability

LONG TERM FINANCIAL PLAN FUNDING STRATEGY

❖ Roads to Sustainability and Infrastructure Assets review

Council adopted a "Roads to Sustainability" funding strategy for Infrastructure assets renewals which is based on the principle that all available surplus funds will be diverted towards Council's asset renewals as a priority. Additional funding is assumed to be generated from operational savings and income realised from a recent horizontal service review, as well as proceeds from asset sales which will be reinvested into Council's renewal program for infrastructure assets. The new funding strategy was reinforced by a recent independent review on Council's future financial sustainability and the state of infrastructure assets.

The aim of this independent review was to ensure that there is a consistent organisational approach to infrastructure reporting. The following was reviewed: useful lives and future depreciation on each asset class, condition of Council's assets by asset class, Council's methodology to determine cost to bring assets to a satisfactory condition and to agreed level of service, actual asset maintenance compared to required asset maintenance, current asset renewals and required asset renewals. All asset classes reported in Special Schedule 7 " Report on Infrastructure Assets" have been assessed as part of the review as well as the overall cost to bring infrastructure assets to a satisfactory condition and the cost to agreed level of service agreed with the community.

Based on revised condition assessment of Council's infrastructure assets (i.e. roads):

- the current revised backlog "cost to bring assets to a satisfactory condition" has been assessed at $20.6 million with a backlog ratio of 3.29% for 2016/17 *(original backlog reported in 2016/17 Financial statements is $27.5 million)*
- the current revised "cost to bring to agreed level of service" has been assessed at $47 million for 2016/17. *(original backlog reported in 2016/17 Financial statements is $77.3 million)*

The review also identified that Council has an annual shortfall of funding for asset renewals. If this shortfall is not addressed it is likely that the infrastructure backlog will continue to increase in future years. In addition, adequate funding also needs to be directed towards asset maintenance. In light of these observations, additional renewal and maintenance costs have already been incorporated in the current plan to meet the benchmarks.

❖ Infrastructure Assets Renewal : Addressing the infrastructure backlog

As part of the infrastructure assets review Council considered a funding strategy that prioritises asset maintenance and renewal expenditure. Council also intends not only to address the future infrastructure assets backlog “cost to satisfactory” but also to provide funding to bring all assets to the “agreed level of service” identified by the community.

The asset renewals funding strategy ensures that Council has the capacity to provide additional funding to reduce the infrastructure gap, and continue to bring Council’s infrastructure assets to a satisfactory standard within an established timeframe. The benefits of bringing Council’s infrastructure assets to a satisfactory standard will help reduce the annual maintenance requirements as well as the cost of future infrastructure works.

The “Roads to Sustainability” funding strategy identifies additional funding from the following initiatives and sources:

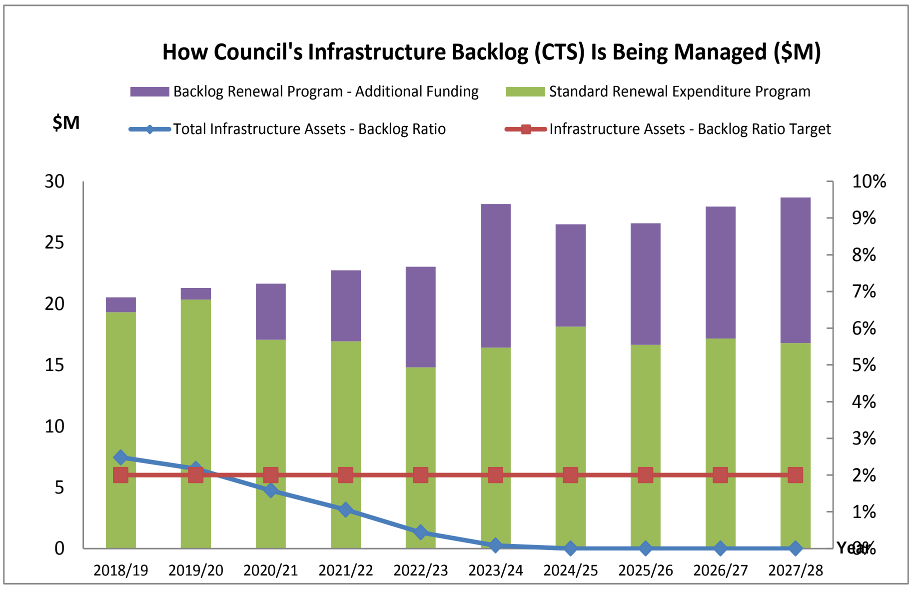
- Horizontal service review - a combination of additional operating revenue and decreases in operating expenditure
- Divestment of assets - proceeds from assets sale
- Property Development Reserve - interest earned from investing proceeds from asset sales - Council has established a Property Development Reserve in the Long Term Financial Plan, accumulated from the proceeds of asset sales. This reserve is created to ensure that Council has sufficient funds in reserve to insulate against the financial risks of development of three town centre revitalisation projects over the next 10 years. These projects are major developments in Lindfield, Turramurra and Gordon that will provide civic improvements and community facilities.

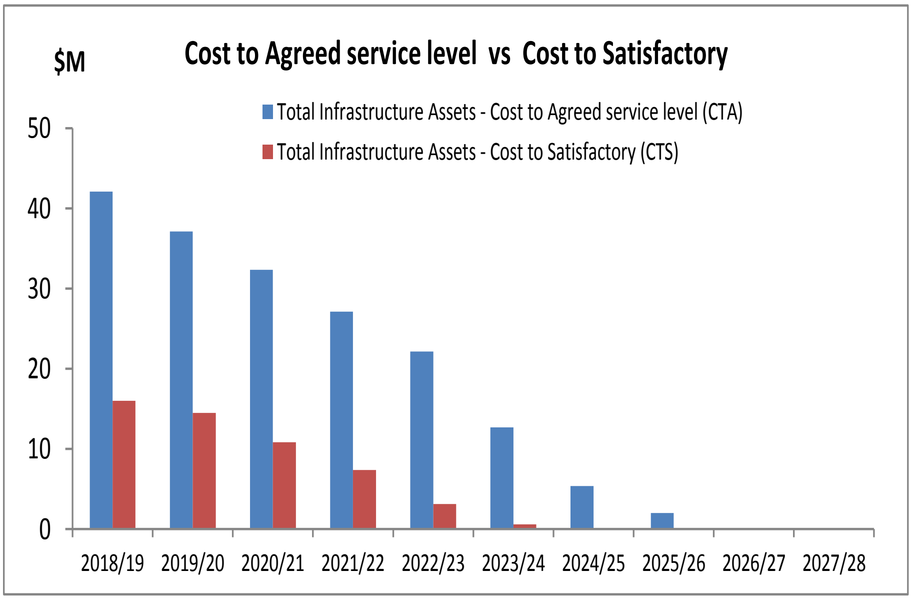
As a result of these initiatives the expenditure on asset renewals will increase by $73.5 million over 10 years in addition to the standard renewal expenditure. In addition, approximately $12 million on average will be allocated in maintenance each year as required by the Asset Management Strategy. Additional funding will also have a positive impact on Council’s infrastructure backlog, with a reduction in backlog of $16 million by 2024/25, from a revised backlog of 3.29% in 2016/17 to nil backlog by 2024/25 meeting and overachieving the current industry benchmark for the backlog ratio. In addition the funds will reduce and eliminate the cost to agreed level of service identified by the community. As per the current plan the cost to agreed level will be fully addressed by year 2027/28.

The following table and charts display the planned asset renewal expenditure in future years, highlighting the standard renewal program and additional funding provided and the positive impact on the future asset renewal requirements.

Projected Asset Renewal Expenditure

$ '000	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Required Renewal	**15,555**	**16,293**	**16,844**	**17,514**	**18,090**	**18,636**	**19,210**	**19,748**	**20,333**	**20,912**
Total - Infrastructure Assets Renewal	**20,523**	**21,277**	**21,634**	**22,734**	**23,027**	**28,150**	**26,491**	**26,580**	**27,941**	**28,675**
Standard Renewal	19,293	20,332	17,062	16,930	14,801	16,411	18,133	16,641	17,154	16,784
Additional Renewal Program	1,230	946	4,572	5,804	8,227	11,739	8,358	9,939	10,788	11,891
Extra Renewal	**4,968**	**4,985**	**4,790**	**5,220**	**4,938**	**9,514**	**7,281**	**6,833**	**7,608**	**7,763**





Additional funding is diverted into asset renewals in the first years and gradually increasing in future years, contributing to a full elimination of the assets infrastructure backlog to bring to satisfactory by 2024/25. The industry benchmark for the backlog ratio is 2% as defined by T-Corp and the OLG. As Council injects more funding into asset renewals in the first six years of the LTFP the cost to agreed level of service decreases significantly as well and is fully eliminated by 2027/28.
Over the 10 years of this LTFP a total of $247 million is invested in infrastructure asset renewals contributing to a full elimination of the infrastructure backlog – cost to satisfactory ($16 million in 2018/19) and the cost to agreed level of service ($42 million in 2018/19) by 2027/28. This is shown in the “Cost to Agreed service level vs Cost to Satisfactory” chart above

As part of the infrastructure review, it was identified that some asset classes have a larger backlog than other asset classes and various allocation of future funding for renewal. The condition of assets was assessed in terms of service potential and funding redirected to those asset classes that have a larger backlog. This will ensure that all infrastructure assets provide an adequate level of service in future. The allocation of renewal funding will be reviewed annually to make sure that assets conditions do not degrade beyond an objective threshold. The average allocation of additional funding into assets classes is as follows: Buildings (35%), Roads & Transport (15%), Stormwater (25%), Parks & Recreation (25%).

❖ Proceeds from Asset Sales for Infrastructure renewal (excluding S94 Co-Contribution Gap)

It is estimated that proceeds from asset sales (excluding asset sales required to meet Council’s co-contribution to S94 funded projects) will produce the following increases in Council revenue over the next 10 years (a total of $85 million) as shown below. As highlighted above a significant part of these proceeds and other operational savings will be used to fund assets renewals. Council also intends to invest a proportion of these proceeds in a Property Development Reserve. The interest earned over the life of this plan from the Property Development Reserve will be diverted back into infrastructure assets renewal.

Projected Asset Sales

$ '000	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Property Development Reserve		-	50,000	-	-	-	-	-	-	-
Infrastructure Renewal Asset Sales	*1,565	-	3,400	3,400	4,400	4,400	4,600	4,600	4,600	4,600
CP2010	-	2,631	-	1,099	1,575	1,082	1,179	1,448	-	619
Total Asset Sales	**1,565**	**2,631**	**53,400**	**4,499**	**5,975**	**5,482**	**5,779**	**6,048**	**4,600**	**5,219**

* 90 Babbage Rd

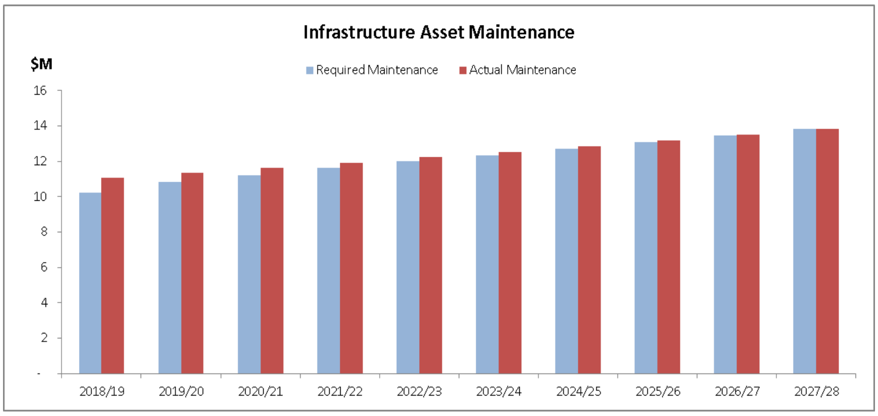
❖ Asset maintenance

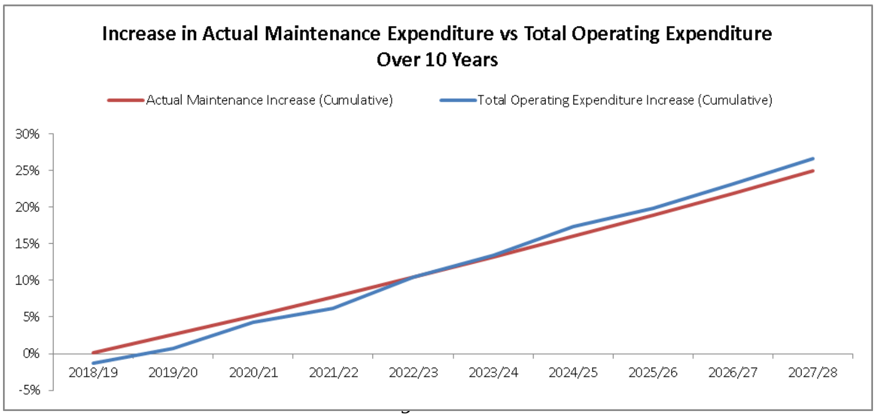
Council's previous Asset Management Strategy identified a shortfall in expenditure on maintenance of infrastructure assets compared to required annual maintenance estimates. Inadequate asset maintenance may result in a shortened useful life and the need for earlier than planned renewal. The current LTFP addresses this issue and allocates adequate funding towards asset maintenance in future years. Council budgeted for $11million (compared to $10.2 million required expenditure) in maintenance costs for infrastructure assets in 2018/19 budget with further increases in future years. Total maintenance expenditure increases in line with other operating expenses (by an average of 2.5%), however in future years the maintenance expense will also increase due to capital projects planned on new assets.

The actual asset maintenance expenditure versus required maintenance, as well as the increasing trend of maintenance expenditure and total operational expenditure are shown below. Council is investing enough funds and slightly above the required level to ensure infrastructure assets reach their useful lives and are maintained in satisfactory condition in the long term.

Required Infrastructure Maintenance Expenditure

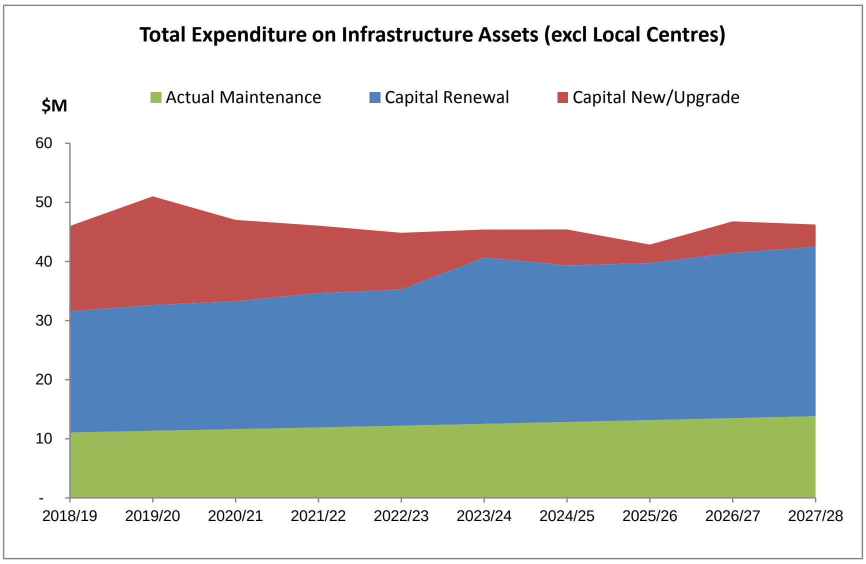
$ '000	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Required Maintenance	10,234	10,840	11,227	11,612	11,996	12,336	12,715	13,072	13,460	13,845
Actual Maintenance	11,071	11,347	11,631	11,922	12,220	12,525	12,838	13,159	13,488	13,826
Variance (Actual less Required)	**837**	**507**	**404**	**310**	**223**	**189**	**123**	**87**	**28**	**-19**





❖ Total capital expenditure on Infrastructure Assets

The current LTFP under `both Scenarios allocates adequate funding towards Infrastructure assets in terms of assets maintenance, renewal and new/upgrade as shown in the chart below. A total of $124 million will be allocated to asset maintenance over 10 years, $247 million to asset renewals and $90.6 million (excluding Major Local Centre Projects) to build new or upgrade existing assets. The new/upgrade expenditure includes new or existing projects largely funded by S94 developer contributions, such as for community facilities to meet the needs of the growing community. Major capital initiatives are planned to begin from 2018/19 with most of the spend being between 2019/20 and 2023/24.



In addition to above, capital expenditure has also been allocated to major Local Centre projects (such as Lindfield Village Green, Lindfield Village Hub, Gordon Cultural Hub, Turramurra Community Hub and others) which is largely expenditure on new and upgraded assets. Details of the full capital works program including major project initiatives are discussed further in this report under the “Project capital expenditure” section.

Funding for all capital works is allocated into the following categories listed below (these figures also include expenditure on new assets funded by s94 development contributions). The largest capital expenditure goes to Streetscape & Public Domain with 37% of total expenditure for the forecast period, followed by Roads & Transport (27%) and Parks & Recreation (18%). Parks & Recreation, among others, includes acquisition of Community land, which is funded by s94 contributions.

Projected Capital Expenditure (including Major Local Centres projects)

$ '000	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Planning, Community & Other	4,386	3,078	3,076	3,614	3,053	3,067	5,523	4,896	4,933	5,074
Roads & Transport	10,399	11,807	21,550	18,800	16,143	17,354	16,022	14,597	16,120	15,580
Streetscape & Public Domain	21,688	37,632	54,329	35,185	50,565	19,769	1,083	306	313	320
Parks & Recreation	14,891	22,920	6,727	6,521	7,617	7,062	6,710	12,812	6,643	13,695
Stormwater Drainage	1,253	1,217	2,147	2,476	3,101	3,995	3,179	3,593	3,827	4,123
Council Buildings	3,455	2,612	3,219	3,620	4,629	3,884	3,065	3,477	3,707	4,001
Trees & Natural Environment	3,158	1,237	1,022	1,297	-	-	-	-	-	-
Total Projects	**59,230**	**80,503**	**92,070**	**71,513**	**85,108**	**55,131**	**35,582**	**39,681**	**35,543**	**42,793**

❖ Major Local Centre Projects

Council is planning for three town centre revitalisation projects over the next ten years, being in major developments in Lindfield, Turramurra and Gordon that will provide civic improvements and community facilities. It is assumed in the Long term Financial Plan that these projects are funded by a combination of developer contributions along with the return from retail and commercial development on the sites. Critical to the success of these projects and Council's financial sustainability is to ensure that Council has sufficient funds in reserve to insulate against the financial risks of development. As such Council has established a Property Development Reserve in the Long Term Financial Plan, accumulated from the proceeds of asset sales. As an added benefit of establishing this reserve, it is assumed in that interest earned on these funds is allocated to renewing Council's infrastructure assets, thereby contribution to financial sustainability by looking after existing assets as well as facilitating the provision of new community facilities.

❖ 828 Pacific Highway, Gordon

Council previously resolved to fund a specific project - Relocation of staff to a new Administration building at 828 Pacific Highway, Gordon (originally funded by external borrowing) through asset sales. Subsequently, the administration building has been reclassified into an Investment property. The building will be leased out generating revenue to cover interest and contribute to discharging the outstanding debt over time.

SCENARIO PLANNING

The LTFP is a model to consider scenarios for the funding of operating and capital expenditure. Detailed forecasts of all sources of operating revenue and expenditure are utilised to derive the maximum surplus available to apply to Council's rolling program of capital investments in new or refurbished infrastructure.

Scenario 1 - Base Case Scenario without the Special Rate Variation (SRV) for Environment (Environmental Levy)

Scenario 2 - Scenario with the continuation of the Special Rate Variation (SRV) for Environment (Environmental Levy)

Both Scenario 1 and 2 are financially sustainable in terms of maintaining a balanced budget, sufficient unrestricted cash and available working capital, sufficient cash reserves and a permissible debt service ratio over the medium term. Both scenarios are also modelled to address Council's renewal assets gap as much as possible as part of the funding strategy discussed earlier, however, the variance between both scenarios is the level of funding allocated to Council's environmental programs and works.

Council's optimal scenario is Scenario 2, which assumes continuation of the SRV for Environment as this will continue the current environmental program without major impact. As this requires approval from an external authority, the Independent Pricing and Regulatory Tribunal (IPART), the base scenario cannot be scenario 1. The base scenario is non-optimal, but is the only one that can be delivered without external approval. Council has resolved to apply to IPART under Section 508(2) of the Local Government Act to continue this SRV permanently. Both scenarios are modelled for a period of 10 years. Each of them considers the impact on key financial indicators in the LTFP, impact on ratepayers and current service levels. The forecast income statement, balance sheet and cash flow statement for the scenarios are provided in appendices to this report.

Scenario 1 - Base Case Scenario without the Special Rate Variation (SRV) for the Environment (Environmental Levy)

The base scenario of the LTFP shows the financial results of delivering the current level of service as per the 2018/19 budget expanded out over 10 years and adjusted by various price forecast indexes as detailed in the financial assumptions section of this document.

The adopted principle under this scenario is that all available surplus funds will be diverted towards Council's assets renewal as a priority. This scenario is sustainable according to the recognised financial sustainability measures and can be delivered, however**, it does not address the delivery of environmental programs and works to meet community expectations about the environment and sustainability**. **This scenario identifies the impact of not continuing the SRV for Environment starting from 2019/20 onwards. The associated environmental programs and works that this levy will fund is also eliminated.**

If IPART does not support the continuation of an Environmental Levy there will be a need to significantly review Council's long term financial plan and service delivery across many areas. Council would need to assess whether or not to continue with some components of the levy program and would then need to determine a funding source from other critical areas and services should it be determined that some components of the current levy will continue. This will lead to a significant reduction in the scale and scope of Council's environmental programs and works, and will impact the operational programs and capital works reliant on Environmental Levy contributions. Council will be unable to manage its natural assets and the sustainability performance of its built assets at current service levels.

The quality of our natural environment, including our waterways and bushland, would decline, as well as the environmental performance of our buildings; support for community programs would decrease; the operational cost savings realised through Levy initiatives would fall; and the essential service functions provided by levy funded staff would be significantly compromised.

The modelling involves reduced rates collections compared to 2018/19 as the special rate variation component of Council's environmental levy, totalling approximately $2.8 million per annum and increasing in future years should be eliminated together with the associated environmental programs that this funds. The scenario modelling shows that without additional funding, not only Council will be unable to undertake the environmental programs it has planned as described above, but also the future impact on the funding shortfall may grow over time as some environmental programs will have to be funded from Council's general revenue.

The scenario without the levy excludes additional revenue from the levy and its associated costs to fund environmental programs like, employee costs, materials & contracts, and other relevant expenses.

❖ Impact on ratepayers

Scenario 1 assumes expiry of the current SRV (Environmental levy) and no continuation

Under Scenario 1 Council assumes that the current SRV is expiring at the end of 2018/19 and the proposed permanent SRV is not approved by IPART. Under this scenario Council will increase the rates each year by the rate peg which has a cumulative effect of 13.1% over 5 years. The current environmental levy of 5% will expire in June 2019 and no additional funding will be received.

The impact of the expiring levy on residential rates is explained in the table and notes below. The example is based on residential rates charged on an average land value of $1.128 million.

- The current Environmental Levy of 5% above the ordinary rate expires in June 2019 and is not renewed. The average residential rate decreases by 2.6% from $1,500 in 2018/19 to $1,461 in 2019/20 due to the expiring Environmental Levy causing rates to decrease to $1,425 and the 2.5% rate peg causing rates to increase from $1,425 to $1,461.
- From 2020/21 rates are impacted by the rates peg (2.5%) increase only.
- The cumulative increase in rates until 2023/24 (over 5 years) is 13.1% or $187 (applied to the level of rates after the Environmental Levy has expired of $1,425).
- Business rates will have similar movements in rates with a cumulative increase over 5 years of 13.1% or $599.
-

Impact on Rates with SV expiring and not being renewed (assumed rate peg of 2.5%)

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	
Residential Rates	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Cumulative Increase**
Average residential rate under the assumed rate peg of 2.5% per annum	$1,500	$1,461	$1,497	$1,535	$1,573	$1,612	13.1%
Annual increase (%)		-2.6%	2.5%	2.5%	2.5%	2.5%	
Cumulative impact of Environmental Levy not being renewed above base year levels after current Environmental Levy expiry ($1,425)		$36	$72	$110	$148	$187	

** Average residential rate on average Land Value of $1,128,000*

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	
Business Rates	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Cumulative Increase**
Average business rate under the assumed rate peg of 2.5% per annum	$4,800	$4,674	$4,791	$4,911	$5,033	$5,159	13.1%
Annual increase (%)		-2.6%	2.5%	2.5%	2.5%	2.5%	
Cumulative impact of Environmental Levy not being renewed above base year levels after current Environmental Levy expiry ($4,560)		$114	$231	$351	$473	$599	

**Average business rate on average Land Value of $905,000*

❖ Impact on Key Financial indicators

There is no significant impact on financial indicators if the levy is not continued due to it's size (around $2.8m per annum) and partial offsetting of operating expenditure associated with it, however, there is still a deterioration in the main financial sustainability ratios as explained below. Most expenditure associated with the environmental levy is operating in nature therefore there is no impact on Infrastructure assets ratios.

Operating Performance Ratio

Operating Performance Ratio is one of the most important financial indicators for Council. It measures Council's ability to contain operating expenditure within operating revenue. Council's long term financial sustainability is dependent upon ensuring that on average over time this indicator is positive, making sure that Council's expenses are below its associated revenue. Council's Operating Performance Ratio from year 2 (2019/20) is expected to permanently drop on average by 0.2% if the environmental levy is not continued. This is due to reduced operating revenue generated from the levy of around $2.8m per annum.

Own Source Revenue Ratio

This ratio assesses the degree of Council's dependence upon grants and contributions. Council's own source revenue ratio remains above the benchmark of >60% in all future years at around 79%, however due to reduced income from the levy, this indicator will also permanently deteriorate by approximately 0.4% per annum.

As explained below if Council does not receive an approval for continuation of the environmental levy and makes no other accommodating adjustments to its spending or revenue raising policies, the operating performance ratios ratio as well as the own source revenue ratios will both continue to deteriorate in future years.

Operating Performance Ratio

Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Scenario 1 - Without Environmental Levy	6.5%	3.1%	5.2%	5.3%	5.0%	4.6%	3.6%	3.5%	3.9%	4.5%
Scenario 2 - With Environmental Levy	6.5%	3.3%	5.5%	5.8%	5.3%	4.8%	3.8%	3.7%	4.1%	4.7%
Impact	*0.0%*	*-0.2%*	*-0.3%*	*-0.5%*	*-0.3%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*

Own Source Revenue

Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Scenario 1 - Without Environmental Levy	82.3%	78.2%	76.8%	75.7%	77.5%	79.3%	80.3%	82.2%	82.3%	82.3%
Scenario 2 - With Environmental Levy	82.3%	78.5%	77.2%	76.3%	77.9%	79.7%	80.6%	82.5%	82.6%	82.6%
Impact	*0.0%*	*-0.3%*	*-0.4%*	*-0.6%*	*-0.4%*	*-0.4%*	*-0.3%*	*-0.3%*	*-0.3%*	*-0.3%*

Scenario 2 - Scenario with the continuation of the Special Rate Variation (SRV) for the Environment (Environmental Levy)

This scenario shows the financial results of delivering the current level of service as per the forecast 2018/19 budget expanded out over 10 years with the current Environmental Levy funding for environmental programs and works. It would mean that existing levels of rates income would be maintained and existing level of funds available for environmental programs will be maintained. This amount is estimated at $2.8 million for 2018/19 and grows in future years with estimated rates pegging and property growth. This scenario requires approval of Council's special rate variation by IPART. Council already has an environmental levy in place and this scenario will mean continuation of the current level of funding for future environmental programs and works. This scenario is Council's preferred one and is considered sustainable. Council considers that the continuation in the level of funding is required to undertake much needed work on Ku-ring-gai's bushland, waterways and urban environment and meet community expectations in regards to sustainability.

The future Environmental Levy program will be based on the priorities and areas of importance expressed by the community through its Community Strategic Plan, as well as the consultation conducted as part of the proposed Special Rate Variation application.
As per the current Environmental Levy program, it is envisaged that programs and works will align with Council's capital works and operational programs; will have a strong focus on the delivery of on-ground outcomes to improve the condition of the natural environment and to address climate change; and will work closely with residents to facilitate behavioural change. The need to augment maintenance activities and budgets will also be important, for example, in the areas of bushland and bush fire management. Ongoing funding for the maintenance of current Environmental Levy projects will also be important. The essential service functions provided by Levy funded staff will also continue.

The result of approving the special variation in full is shown and reflected in the revenue forecast with the additional expenditure levels intended to be funded by the special variation. Income from the continuation of the Environmental Levy will be used entirely to fund Council's environmental works

It is estimated that the special rates variation will produce the following increase in Council revenue over the next 10 years to 2027/28 (refer table below).

Pending approval for an ongoing levy Council will receive approximately $31.5 million in total over a 10-year period. If continuation of the special rate variation is not approved, the environmental program will need to be reduced by eliminating levy funded projects, so that the total program value each year equals only the funding available from other sources.

Projected Environmental Levy Rates

Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Special Rate Variation	2,821	2,891	2,963	3,037	3,113	3,191	3,271	3,353	3,440	3,526
Less: Pensioner Rebates	(15)	(16)	(16)	(16)	(16)	(17)	(17)	(17)	(18)	(18)
Levy available for Environmental Projects	**2,806**	**2,875**	**2,947**	**3,021**	**3,097**	**3,174**	**3,254**	**3,335**	**3,422**	**3,508**

❖ Impact on ratepayers

Scenario 2 assumes expiry of the current SRV and continuation of a permanent SRV for the Environment (Environmental Levy)

Under this scenario the existing SRV will expire at the end of 2018/19 and will be replaced with a permanent levy. The proposed permanent levy is equivalent to the current temporary levy of 5% of the rates income. If the SRV is approved, the additional revenue generated from the special variation will permanently go into council's revenue base.

The impact of the expiring levy and continuation of a permanent levy on residential rates is explained in the table below. It must be noted that if this Scenario is adopted and Council's application is successful there is no change to the status quo as the ratepayers will continue to pay the Environmental Levy at current rates. The increase in rates will be mainly due to the rates peg. The table and notes below explain the impact on residential and business rates. The example is based on residential rates charged on an average land value of $1.128m.

- The current Environmental Levy of 5% above the ordinary rate expires in June 2019 and is replaced with a permanent Environmental Levy at the same rate (5%). The average residential rate increases by 2.1% from $1,500 in 2018/19 to $1,532 in 2019/20 due to the expiring Environmental Levy causing rates to decrease to $1,425 and the new Environmental Levy of 5% and the 2.5% rate peg causing rates to increase from $1,425 to $1,532
- From 2020/21 rates are impacted by the rates peg (2.5%) increase only
- The cumulative increase in rates until 2023/24 (over 5 years) is 18.7% or $266 (applied to the level of rates after the Environmental Levy has expired of $1,425)
- The business rates will have similar movements in rates with a cumulative increase over 5 years of 18.7% or $851.

Impact on Rates with SV expiring and being renewed (assumed rate peg of 2.5%)

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	
Residential Rates	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Cumulative Increase**
Average residential rate with an expiring Environmental Levy of 5% in 2018/19 & a new Environmental Levy of 5% commencing in 2019/20	$1,500	$1,532	$1,570	$1,610	$1,650	$1,691	18.7%
Annual increase (%)		2.1%	2.5%	2.5%	2.5%	2.5%	
Cumulative impact ($) of Environmental Levy being renewed above base year levels after expiry of current Environmental levy ($1,425)		$107	$145	$185	$225	$266	

Average rate on average Land Value of $1,128,000

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	
Business Rates	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Cumulative Increase**
Average business rate with an expiring Environmental Levy of 5% in 2018/19 & a new Environmental Levy of 5% commencing in 2019/20	$4,800	$4,908	$5,030	$5,150	$5,156	$5,285	18.7%
Annual increase (%)		2.1%	2.5%	2.5%	2.5%	2.5%	
Cumulative impact ($) of Environmental Levy being renewed above base year levels after expiry of current Environmental levy ($4,560)		$342	$465	$590	$719	$851	

** Average business rate on average Land Value of $905,000*

Council is seeking a permanent extension of an existing infrastructure levy that has been in place since 2005. As such, the impact on the continuation of the special rate variation on the community is not significant given the size of the proposed levy, the ratepayers' capacity to pay and the fact that the levy is currently being paid by residents. The capacity to pay is also demonstrated by the Socio-Economic Indexes for Areas (SEIFA) which is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. SEIFA confirms that residents of the Ku-ring-gai Council local government area are ranked the most advantaged LGA area in the country. In 2016, household income for the Ku-ring-gai LGA stated that 46.0% of persons household income was in the highest income bracket versus the Sydney average of 28.3%.
The current environmental levy is around $78 per annum on an average residential rate of $1,500 and $65 per annum on an average business rate of $4,800. Due to strong support from the community in previous years and the factors described above it is considered reasonable to ask the ratepayers to continue to pay this levy in future to secure the ongoing delivery and continuity of Council's environmental and sustainability programs and works.

Special rate variations are also included as a rebate within Council rates and charges policy for eligible pensioners. Council's rating policy grants a voluntary pensioner rebate amount of 8.5% of the total Council rates and charges to offset the special rate variations. The continuation of the levy will not create financial stress or hardship as the levy has been in place since 2005 and the community had indicated strong support for its continuation.

❖ Impact on Key Financial indicators

All financial sustainability indicators will improve due to additional revenue of around $2.8 million per annum from the environmental levy; however there is no significant increase in the Operating performance ratio due to additional expenditure associated with the levy offsetting the revenue. The expenditure associated with the environmental levy is mainly operating in nature and is equivalent to the amount of revenue.

The Operating Performance ratio will see a permanent improvement of around 0.2% per annum on average and the Own source operating revenue of around 0.4% per annum on average.

Operating Performance Ratio

Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Scenario 1 - Without Environmental Levy	6.5%	3.3%	5.5%	5.8%	5.3%	4.8%	3.8%	3.7%	4.1%	4.7%
Scenario 2 - With Environmental Levy	6.5%	3.1%	5.2%	5.3%	5.0%	4.6%	3.7%	3.5%	3.9%	4.5%
Impact	*0.0%*	*0.2%*	*0.3%*	*0.5%*	*0.3%*	*0.2%*	*0.1%*	*0.2%*	*0.2%*	*0.2%*

Own Source Revenue

Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Scenario 1 - Without Environmental Levy	82.3%	78.5%	77.2%	76.3%	77.9%	79.7%	80.6%	82.5%	82.6%	82.6%
Scenario 2 - With Environmental Levy	82.3%	78.2%	76.8%	75.7%	77.5%	79.3%	80.3%	82.2%	82.3%	82.3%
Impact	*0.0%*	*0.3%*	*0.4%*	*0.6%*	*0.4%*	*0.4%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*

LTFP ASSUMPTIONS & SENSITIVITY ANALYSIS

The Long Term Financial Plan contains a wide range of assumptions, including assumptions about interest rates, potential effect of inflation on revenues and expenditures, current service levels and others. Major assumptions in the current version of the LTFP are listed below and a detailed list is attached to this report.
Some of these assumptions have relatively limited impact if they are inaccurate; some have a major impact on Council's future financial plan. The LTFP is a dynamic financial model and is updated quarterly to ensure the assumptions are continually updated with the latest information available. The Plan is also tested by varying the amounts of the moderate to significant assumptions and the impact is analysed.

CPI Forecast: An annual 2.4% increase in CPI has been built into the LTFP for both income and expenditure in line with Access Economics forecast for CPI. The Reserve Bank's target for inflation remains between 2% and 3%.

Income from Rates is limited to rates pegging set by IPART (2.3% for 2018/19) averaging an annual increase of 2.5% from 2019/20 onwards**.** In addition, the LTFP assumes an increase of 0.7% annually resulting from population and property growth. Scenario 2 of the LTFP assumes permanent continuation of the Environmental levy (special rate variation).

Fees and charges are expected to increase by 2.4% annually. Charges for domestic and trade waste have not been increased in the early years of the LTFP; however will increase in later years to reflect cost increases in providing the service.

Investment revenue has been estimated based on current cash levels and future expected earnings of BBSW + 1.1% over the 10 year period. The annual interest rate is estimated at 2.9% for 2018/19, 3.4% for 2019/20, 3.9% for 2020/21 and 4.2% for the remaining years to 2027/28.

Grants for both Recurrent and Capital purposes have been increased by 2.3% which is in line with CPI (if relevant for grant).

Proceeds from Asset Sales are projected in the LTFP to begin from 2018/19. The proceeds from sale will be used for infrastructure asset renewals and Section 94 funding gap.

Employee costs have been estimated based on agreed award increases. Workers compensation has been factored by the same rate, which is an average of 3.4% per year. From 2021/22, compulsory super rates increase by 0.05% to reach 12% in 2025/26.

Operational and capital materials and contracts expenditure are estimated to increase by an average of 2.4% as per CPI.

Borrowing Costs have been estimated based on 95 basis points over 90 day BBSW per annum, rising to a maximum rate of 3.4%. The annual interest rate is estimated at 3.0% for 2018/19, 3.3% for 2019/20, and 3.4% for the remaining years to 2027/28.

Sensitivity Analysis

The following table lists the major assumptions affecting the LTFP results and shows the impact of varying them. This impact is classified as Low, Moderate or Significant in terms of quality and quantum of service delivery to constituents.

	Impact	***Comment***
Revenue		
Inflation/CPI	*Low*	Changes in inflation will affect both revenue and expenditure, but increases in the assumption are likely to be negative for the projected operating surplus.
Rates Income – Rate Peg	*Moderate to Significant*	The rate peg for 2018/19 announced by IPART is 2.3%, and 2.5% for future years. Rates income also assumes rates growth of 0.7% per annum through increased development. Changes in rate pegging will affect revenue forecasts, and these will have a moderate impact on the LTFP Model, compared to the calculations using the average LGCI. Non-achievement of property and rates income growth forecasts will directly affect provision of new infrastructure and the rate at which existing infrastructure can be renewed.
Investment Earnings	*Moderate*	Investments are placed and managed in accordance with the Council's adopted Investment Policy in compliance with the Local Government Act. Council's investments portfolio is subject to fluctuations in interest rates. An adverse movement in interest rates will reduce investments income and impact on capital expenditure and service levels, with only a minor offset through savings in variable interest loan costs.
Proceeds from Asset Sales	*Significant*	The LTFP assumes sale of assets for the 10 years. Proceeds from asset sales will be used to fund infrastructure asset renewal leading to a reduction in Councils infrastructure backlog. If the proceeds and timing of sales are not realised as per the plan, this will have a major impact on Council's key infrastructure assets indicators. There will be insufficient funding available to address the current assets backlog. The Asset's Renewal Ratio will deteriorate together with the Infrastructure backlog ratio. Asset sales are also planned to fund Council's

	Impact	*Comment*
Revenue		
		co-contribution in its s94 Developer Contributions plan. If these asset sales are not realised, either cuts to services and other capital would have to be made or alternatively the s94 projects requiring Council co-contributions would have to be deferred or deleted from the program. Property Development Reserve - Council has established a Property Development Reserve in the Long Term Financial Plan, accumulated from the proceeds of asset sales for three town centre revitalisation projects being in major developments in Lindfield, Turramurra and Gordon that will provide civic improvements and community facilities.
Grants	*Low for specific purpose grants.* *Moderate/Significant for general purpose grants*	The LTFP model includes operational grants and capital grants that have already been awarded. The Council does not have a strong reliance on specific purpose grants revenue in comparison with other sources of revenue. Programs funded by specific purpose grants may not be offered by the Council if the grants were eliminated. The general purpose component of the Council's Financial Assistance Grant is currently $3.8 million. If this grant were reduced or eliminated, the Council would need to consider significantly reducing capital expenditure and operating service levels.
Expenditure		
Employee Costs	Significant	This is Council's largest cost. The number of employees in operating activities is assumed to remain constant with cost increases in line with forecast or known Award changes. This volume assumption is at risk from possible future changes to conditions, further devolvement of functions from other levels of government and from growth in Council services requiring additional staffing. The Award increase assumptions are at risk as Council has no direct control over this. Employees engaged in capital projects may increase slightly with increased funding for infrastructure, however this would be met from the new budget allocations. Employee costs associated with the continuation of the levy are operating cost and will be eliminated if the levy is not granted by IPART.

	Impact	*Comment*
Revenue		
Borrowing costs	*Moderate*	Council's outstanding loan balance is expected to decrease to $23 million by 2018/19 and further reduced by the end of the financial plan. The outstanding loan is discharged by general revenue and future net revenue generated from leasing out the investment property at 828 Pacific Highway, Gordon. This carries a moderate risks in term of delays in realising income if the current building is not leased out as predicted in the LTFP assumptions.

The following table illustrates monetary sensitivity to variations in the assumptions.

Income & Expenditure Categories	**Assumption**	**2018/19 Base** **$'000**	**Sensitivity to a 10% Variation in the Assumption** **$**	**Sensitivity to a 20% Variation in the Assumption** **$**
INCOME:				
Rates	3.00%	62,994	188,982	377,964
Fees & Charges	2.39%	20,331	48,591	97,182
Operating Grants	2.39%	6,656	15,908	31,816
Interest on Investments	2.90%	4,182	12,128	24,256
Other Income	2.39%	11,544	27,590	55,180
EXPENDITURE				
Employee Costs	3.40%	41,499	141,097	282,193
Borrowing Costs	2.75%	654	1,799	3,597
Materials & Contracts	2.39%	38,490	91,991	183,982
Depreciation	1.81%	17,268	31,217	62,435
Other Expenditure	2.39%	22,831	54,566	109,132

1. Annual charges have been excluded as there is NIL growth in 2018/19

The sensitivity analysis shows that Rates income and Employee costs would have the greatest impact if there is a future variation from the LTFP assumptions. If there are adverse variations in the future from the LTFP assumptions, adjustments will need to be made to operations and capital programs to maintain financial sustainability. The sensitivity analysis brings into sharp focus the need to manage employee numbers and costs.

HIGHLIGHTS OF THE LONG TERM FINANCIAL PLAN

Financial Performance Summary – Forecast

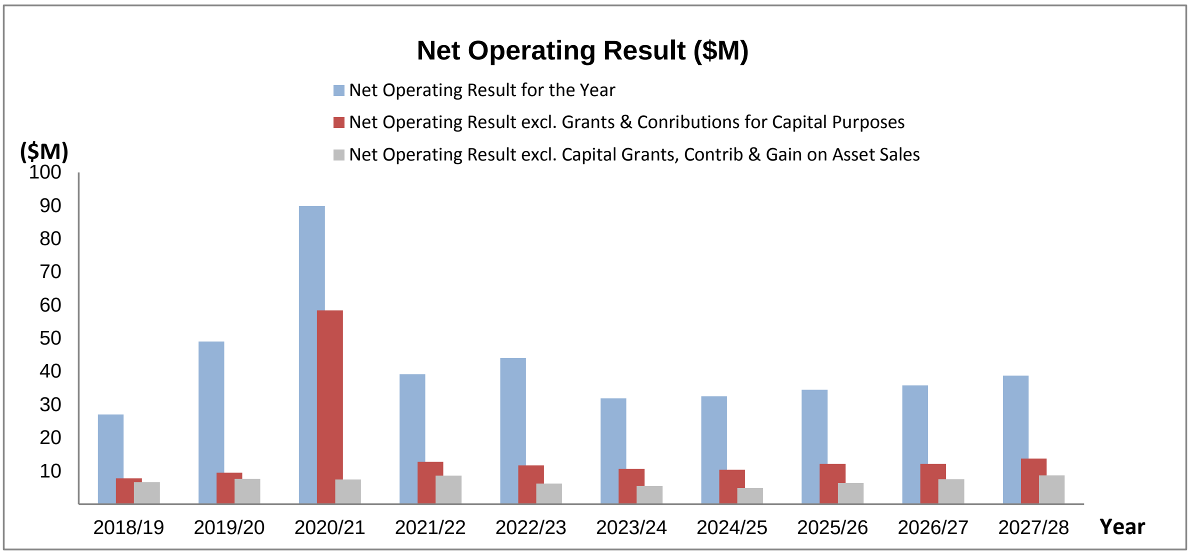
Ku-ring-gai Council's LTFP details Council's expected income, operational and capital expenditure within the external environment that Council is expected to face in future. Council is forecasting a strong operating result with operating surpluses in each year. All key financial ratios are predicted to meet or outperform benchmarks. The following forecast summary on financial performance is based on Scenario 2. This Scenario represents the continuation of the SRV. This is Council's optimal scenario and is financially sustainable in terms of key financial measures.

Operating Result

The operating result after accounting for capital items is a surplus in all projected years. The overall trend in operating result is improving over the forecast period due to revenue growth (averaging 2.8% p.a.) outstripping expenditure growth (averaging 2.5% p.a.). Revenue growth is driven by rates and annual charges, user fees and charges and other revenue including rent income. Another factor in increased revenue is the inflow of additional funds from the property development activity and population growth that is expected to grow the rates base.

The strong results in 2020/21 to 2021/22 are primarily due to forecast gains from sale of assets to fund infrastructure renewal works as well as capital income from partner contributions partly funding major Town Centre projects. Planning for these projects, should consider the inclusion of commercial opportunities of sufficient return to cover ongoing operational costs of the public spaces in the precinct. The proceeds from asset sales are restricted and will be solely used for asset renewals.

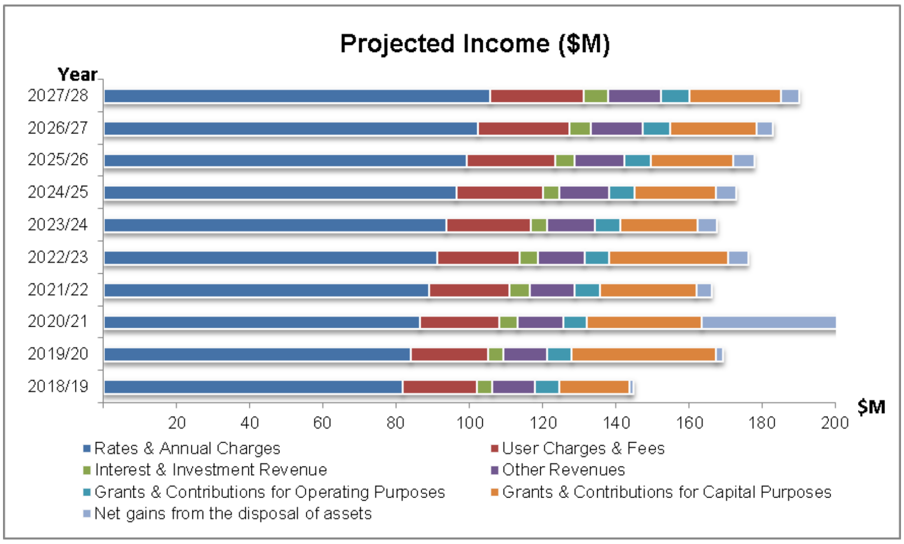
The charts below show the forecast operating result before and after capital grants and contributions items and income from sale of assets. The Net Operating Result for the year includes capital grants and contributions as well as asset sales revenue. As these items are capital in nature, it is useful to focus on the operating result that excludes capital items and assets sales. The elimination of these items are made to focus on analysis of core operating council's results. In 2018/19 Council achieves an operating surplus of $26.9 million after allowing for the depreciation expense. If capital grants and contributions are excluded, the operating result remains in Surplus, with a result of $7.8 million.

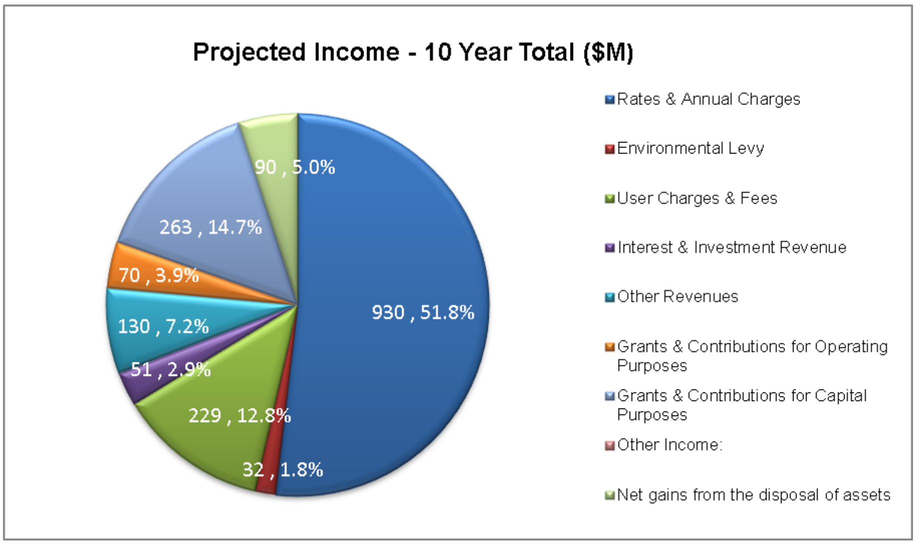


Projected Income

Council obtains revenue from a variety of sources including rates and annual charges, user charges and fees for services, interest and investment revenue, other revenue and grants and contributions for both operating and capital purposes.

Council's revenue has been forecast to increase from $148 million in 2018/19 to $194 million over the ten years, which is an average of 2.8% increase per year. The projected income for the forecast period is detailed in the chart below.





Rates Income & Annual Charges

Council's dependence upon rates income and annual charges is approximately 52%. The rest of the costs of Council's operations are funded from non-rates income. Part of the increased income from rates is due to the forecast development activity leading to additional dwellings, which will be allocated to asset renewals from 2018/19 onwards and have been incorporated into the LTFP projections.

Two special rate variations are included in the LTFP:

- The SRV for Infrastructure is a permanent levy from 2018/19 onwards granted by IPART in 2013/14 based on Council's application for a continuation of this SRV.
- Environmental SRV - an 8-year environmental levy is in place for a special environmental program. This formally expires in 2018/19, and Council is seeking renewal of this levy. Accordingly, the scenario planning in the LTFP discusses continuation of the program of works that it funds and continuation of the levy.

User Charges & Fees Charges

Council derives approximately 13% from user charges & fees and these are forecast to increase by an average of 2.4% per year over the forecast period primarily driven by.

Interest Income

Council has forecast an earning rate on its investments of the expected BBSW rate + 1.10% over the forecast period. Interest revenue changes in line with cash and investment balances.

Operating Grants & Contributions

Operating grants and contributions increase by an average of 2.1% p.a. Council's main form of grant assistance is the financial assistance grant, which is a federal untied grant that is distributed between the States based on their percentage of the total population. Financial assistance grants consist of two components both of which are distributed to councils: general-purpose component and a local road component.

Capital Grants

Capital grants and contributions are volatile over the forecast period as they can relate to specific one-off major projects.

Developer Contributions

Council collects contributions from Developers (s94 Contributions) to help pay for new infrastructure and facilities for the growing population of the area. The Long Term Financial Plan includes the works listed in the Ku-ring-gai Contributions Plan 2010, which came into effect on 19 December 2010. This Contributions Plan applies to development in Ku-ring-gai that gives rise to a net additional demand for infrastructure identified in the Contributions Plan. This period accounts for both the estimated pattern of receipt of Section 94 contributions as well as the delay between contribution receipt and Council's ability to complete works.

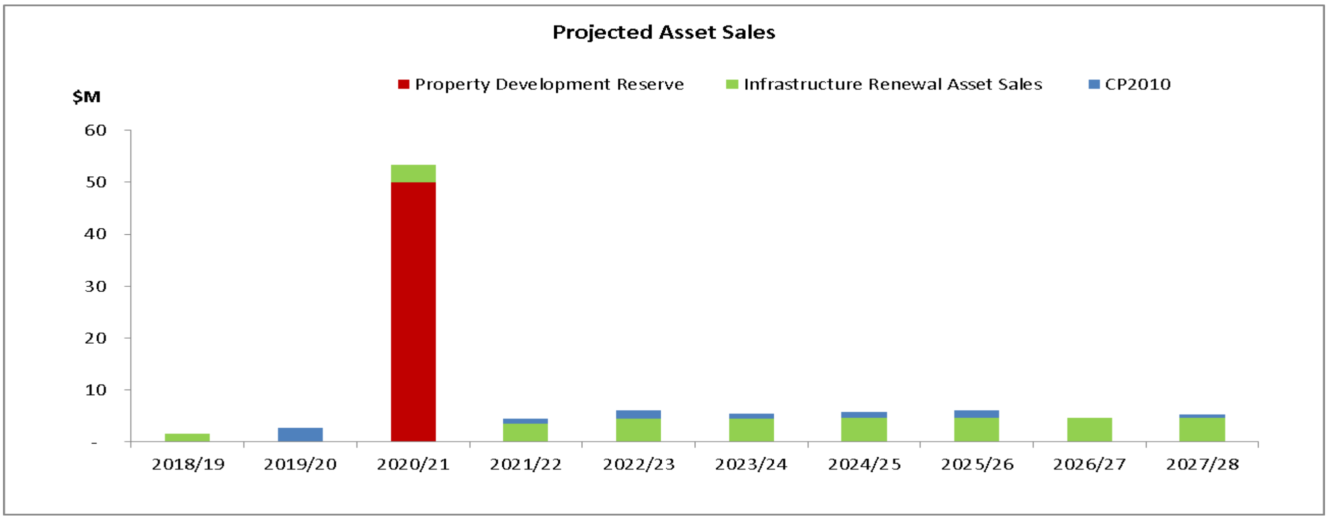
Some of the works to be undertaken in the s.94 plan cater for the existing population and these works require a co-contribution from Council's general funds. Revenue from divestment of Council property assets will be used to meet Council's commitment in its s.94 Developer Contributions Plans for co-contributions of general revenues to accompany developer contributions. The amount of funding required from property asset divestment over the 10 years of the LTFP is $9.2 million.

Income from Asset Sales

This income from asset sales is from rationalisation of property assets that will commence in 2018/19. Planned asset sales are mainly to fund:

- Infrastructure Asset renewals
- Council's co-contribution for projects identified in the Development Contributions Plan 2010. These sales are planned to commence in 2019/20 and continue over a 4-year period as Contribution Plan projects proceed. The total proceeds from asset sales ($9.2 million) will be used for projects commencing in this financial plan and unspent proceeds will be restricted to the Assets Sales Reserve available for projects commencing beyond 10 years.
- Provide a "Property Development Reserve" for major Local Centre projects

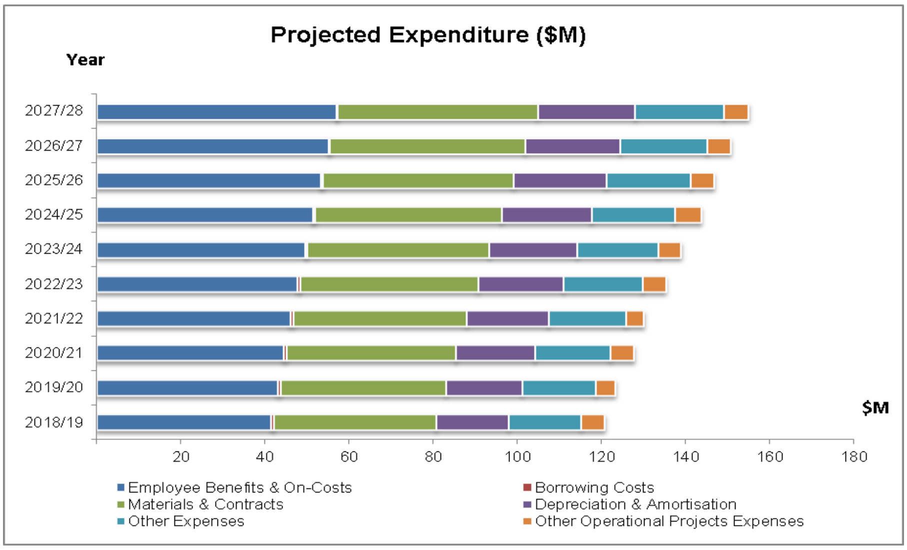
The chart below provides projected asset sales over a 10-year period and identifies the categories to which the funding will be allocated.

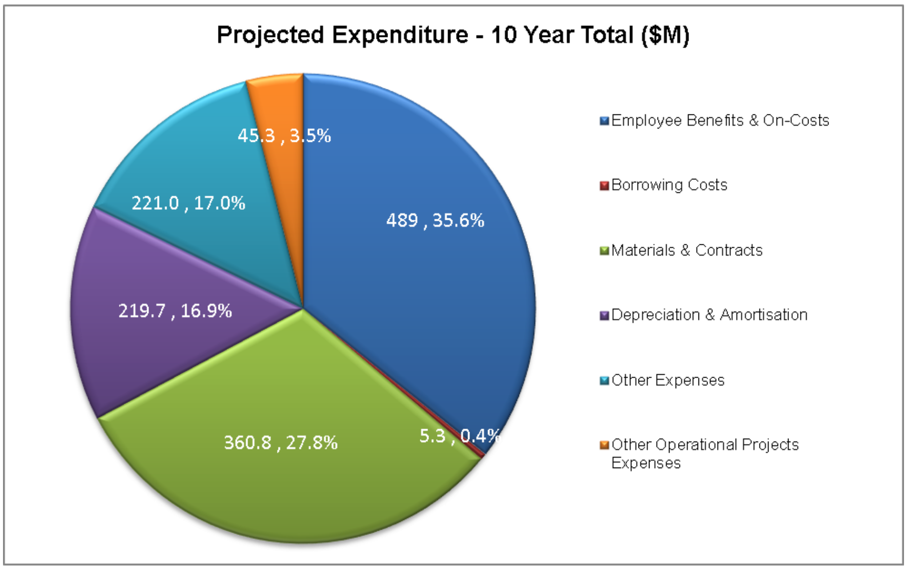


Projected Operational Expenditure

Council incurs the following expenditure in the course of its operations: employee benefits and on-costs, borrowing costs, materials and contracts, depreciation, other expenses. Total operating expenses are projected to increase by an average annual increase of 2.4% over the forecast period.

The projected operational expenditure for the 10 year forecast period is detailed in the chart below.





Employee Costs

Employee costs increase by an average of 3.4% p.a. over the forecast period. Employee related expenditure is the largest expense type incurred by Council. The LTFP reflects the Workforce Strategy. With the allocation of additional funding to Council's infrastructure asset renewals program, workforce resourcing allocation will require review and adjustment in order to meet increased workload demands. Other employee related issues such as maintaining/improving workforce capacity are dealt with in the Workforce Strategy and have therefore not been addressed in the LTFP.

Workers compensation

Workers compensation insurance premium payments are based on previous claims history. Projected premiums therefore take the most recent premium and increase it by CPI.

Capitalisation rate for employee related expenditure

Council capitalises a portion of employee related expenditure that relates to the construction of assets per the requirements of AASB 116 – *Property, Plant and Equipment*. The percentage of employee related expenditure capitalised has been assumed to stay constant from year to year for the purpose of the LTFP.

Superannuation

Contributions by Council to both defined benefit and defined contribution superannuation plans have been forecast to increase per the increase in salaries and wages plus the expected increase in the superannuation guarantee. The Government has announced an increase in the superannuation guarantee rate from 9.5% to 12% between the 2020/21 and 2025/26 financial years.

Employee benefits

Employee leave entitlements such as annual leave and long service leave have been projected to increase at the same rate as general salaries expenditure.

Borrowing costs

Borrowing costs incurred include interest on loans held by council. Borrowing costs form 0.4% of the total expenditure incurred by Council. Borrowing cost projections are based on current loans, including the loan facility for the investment property at 828 Pacific Highway, Gordon. The LTFP plans further borrowings of $1.6 million in 2018/19 for future refurbishment of the Council administration building.

Materials & Contracts

Materials and contracts expenses increase by an average of 2.4% p.a. over the forecast period.

Materials and contractors is the second largest cash expense item incurred by council (31% of total expenditure in the 2018/19 financial year). Materials and contracts payments include contractor and consultancy costs, which also relate predominantly to Council's maintenance program. Other materials and contracts costs include operating lease expenses, legal expenses, and auditor fees.

Depreciation and Amortisation

Depreciation and amortisation expenses increase by an average of 3% p.a. Depreciation expense has been reviewed as part of the review of infrastructure assets together with a thorough review of useful lives for each asset class. Additional depreciation has been reflected in the budget to cater for new and upgraded assets. Depreciation is dealt with in the Asset Management Strategy (AMS) and Asset Management Plans, and further details on all assumptions calculations can be found in the AMS.

Other expenses

Other expenses increase by an average of 2.5% per year from 2018/19 and include items like street lighting charges, insurance costs, utility expenses, rental rebates and other sundry expenditure.

Projected Capital Expenditure

A significant highlight of the LTFP is its commitment to capital works program. The LTFP forecasts delivery of a total capital works and other major projects program over 10 years totalling over $597 million (at future prices). A portfolio of all project proposals has been developed, including estimates of costs and funding sources to determine current and future funding requirements. This project portfolio has been linked to the LTFP. Some significant projects included in this and delivered in the next year are listed below:

Major capital projects initiatives for 2018/19 and future years

Council considers a range of available projects competing for resources each year and evaluates major ones based on their financial sustainability and potential contribution to Community needs. During 2018/19, the following projects will be commenced or progressed:

- **Implementation of Koola Park Master Plan** – the first three stages of the redevelopment of this significant recreation area have been completed over the last 4 years. These include the stormwater harvesting system including a 600,000 litre underground storage tank, the construction of four cricket practice nets, a store room and plant room addition to the western amenities, and a sewer connection to replace the old septic system.

  Major field redevelopment has included field levelling, drainage, irrigation, an extension of the playing fields to gain an additional full size sports ground, sports field floodlights, fencing, outdoor exercise equipment and a perimeter exercise path. Additional car parking and an accessible entry will be constructed in the coming year.

- **Putarri Reserve** – Council is developing plans for the upgrade of Putarri Reserve as part of our long term plan to improve parks and playgrounds in areas of high need. A range of activities will be provided for various age groups and abilities.
  Proposed upgrades will include:
  - A playground catering for a range of age groups and abilities
  - Open areas of lawn for relaxing and sitting
  - Exercise facilities
  - A number of seats, a shelter and picnic table
  - Playful animal sculptures
  - An accessible path network to link the park's activity areas

- **Implementation of St Ives Village Green Master Plan** – early works saw the demolition of the old scouts and girl guides halls, with both groups relocated to newly renovated facilities at Warrimoo Oval St Ives Chase. This will enable the construction of the new youth precinct in the coming year. Features will include a skate and bike park, performance space, an inclusive children's playspace, and picnic facilities. Additionally the FITZ Youth Café and the central amenities building will both be upgraded to complement the precinct. In further years, we will see other parts of the master plan being implemented, including a perimeter exercise path, terraced seating around William Cowan Oval and the relocation of the tennis courts to be adjacent to the bowling club,

- **Lindfield Village Green** – this project will involve constructing a new public park on the site of Council's car park at Tryon Road Lindfield. The existing car parking will be relocated to a new basement car park freeing the surface area to create a public plaza and landscaped open space.

- **Lindfield Village Hub** – is a vibrant new urban village planned to be located on Council's car park off Woodford Lane on the western side of Lindfield. The project will deliver a new park and urban plaza, cutting edge integrated community hub which will provide library and community services, nestled alongside new homes, new retail and dining options. The hub will become a destination for community activities and shopping and dining experiences for the southern part of the Ku-ring-gai LGA.

- **Turramurra Community Hub** - the community hub is planned to be located on Council's car park on the northern side of the Pacific Highway between Ray Street and the rail line. The project will deliver a new park and town square, as well as a new branch library and community centre. The hub will become a focus for community activities for the northern part of the Ku-ring-gai LGA. (Juliet Byrnes)

- **Construction of St Ives Showground Regional Play Space** – a playground upgrade at St Ives Showground is planned to address the lack of play facilities at this important site, and to enable more effective public use of the Showground which is regionally significant open space.

  Project funding is being assisted through a $250,000 NSW Metropolitan Greenspace Program Grant. The objective is to provide an inclusive regional playground in a suitably sized space for outdoor and nature play.

  Set within the remnant edge of Duffy's Forest bushland, the existing playground equipment will be replaced with a range of play equipment and nature-play experiences for all. This playground will sensitively blend with the Showground's character, referencing its cultural history and indigenous vegetation. The play area will not only be a destination place for children and their families, but also add recreational value to the Showground's diverse mix of existing open space opportunities. The project is planned for construction to commence late 2018.

- **Construction of new park at Duff Street & Allan Avenue, Turramurra** – the new park at Allan Avenue, is being built on land Council has purchased as part of its Open Space Acquisition Strategy. This strategy aims to provide new open space and other facilities for the community now and in the future.
  Proposed works include:

  - A playground catering for a range of age groups and abilities
  - Open areas of lawn for relaxing and sitting
  - A number of seats, a shelter and picnic table
  - An accessible path network to link the park's activity areas along with accessible parking.
  - A half-court basketball area.
  - Site terracing an landscaping

  Following extensive community consultation Council has adopted a masterplan for the site and is preparing detailed documentation to enable construction to commence early in 2019.

Projected Capital Expenditure

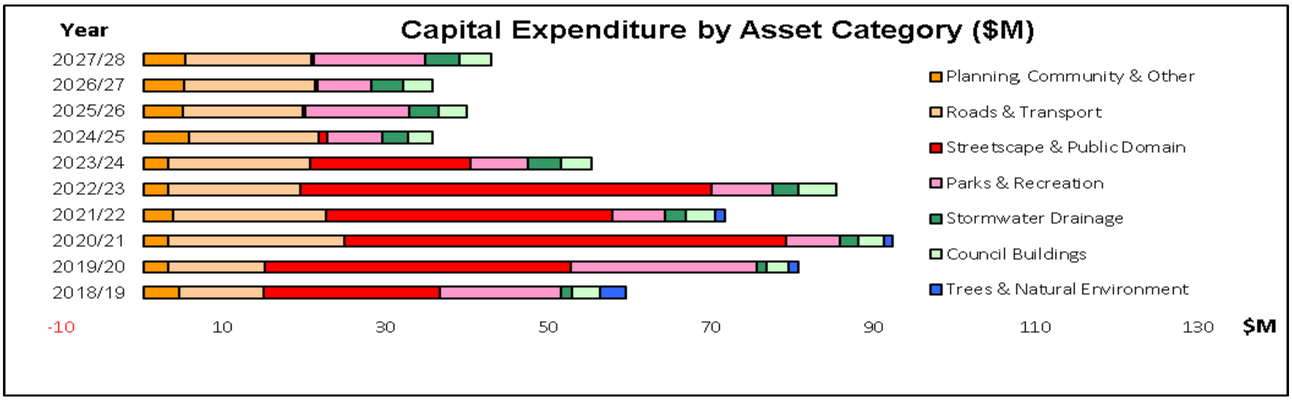
Assumptions around capital expenditure, asset valuations and asset management are covered in the Asset Management Strategy and have been incorporated into the LTFP. A summary of future capital expenditure by asset category is provided below:

Projected Capital Expenditure (including Major Local Centre Projects)

$ '000	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Planning, Community & Other	4,386	3,078	3,076	3,614	3,053	3,067	5,523	4,896	4,933	5,074
Roads & Transport	10,399	11,807	21,550	18,800	16,143	17,354	16,022	14,597	16,120	15,580
Streetscape & Public Domain	21,688	37,632	54,329	35,185	50,565	19,769	1,083	306	313	320
Parks & Recreation	14,891	22,920	6,727	6,521	7,617	7,062	6,710	12,812	6,643	13,695
Stormwater Drainage	1,253	1,217	2,147	2,476	3,101	3,995	3,179	3,593	3,827	4,123
Council Buildings	3,455	2,612	3,219	3,620	4,629	3,884	3,065	3,477	3,707	4,001
Trees & Natural Environment	3,158	1,237	1,022	1,297	-	-	-	-	-	-
Total Projects	**59,230**	**80,503**	**92,070**	**71,513**	**85,108**	**55,131**	**35,582**	**39,681**	**35,543**	**42,793**

The largest capital expenditure goes to Streetscape & Public Domain with 37% of total expenditure for the forecast period, followed by Roads & Transport (27%) and Parks & Recreation Streetscape & Public Domain (18%). Parks & Recreation, among others, includes acquisition of Community land, which is funded by s94 contributions.

The chart below provides the breakdown of capital expenditure by category for the next 10 years and the sources and use of funds for capital projects.



Working Capital & Cash Reserves

Working Capital

Working capital is a measure of Council's liquidity and ability to meet its obligations as they fall due. It is one of the primary measures of the overall financial position of Council, which allows for unforeseen expenditure, reductions in revenue or other accounting adjustments.

Council's current policy is to maintain a minimum working capital of 5.5% of operating expense. This equates to a projected amount of $5 million for 2018/19. The working capital is gradually increasing by an average of 2.5% annually in future years. The level of working capital highlights an adequate liquidity position with Council being able to meet its short term liabilities when they fall due.

Cash Reserves

Council has a number of cash reserves which are held for the following reasons:

- legal constraint (externally restricted) - e.g. Section 94 Developer Contributions
- to manage cash flow for abnormal items and thus reduce impact on service delivery
- specific revenue - e.g. contribution to works

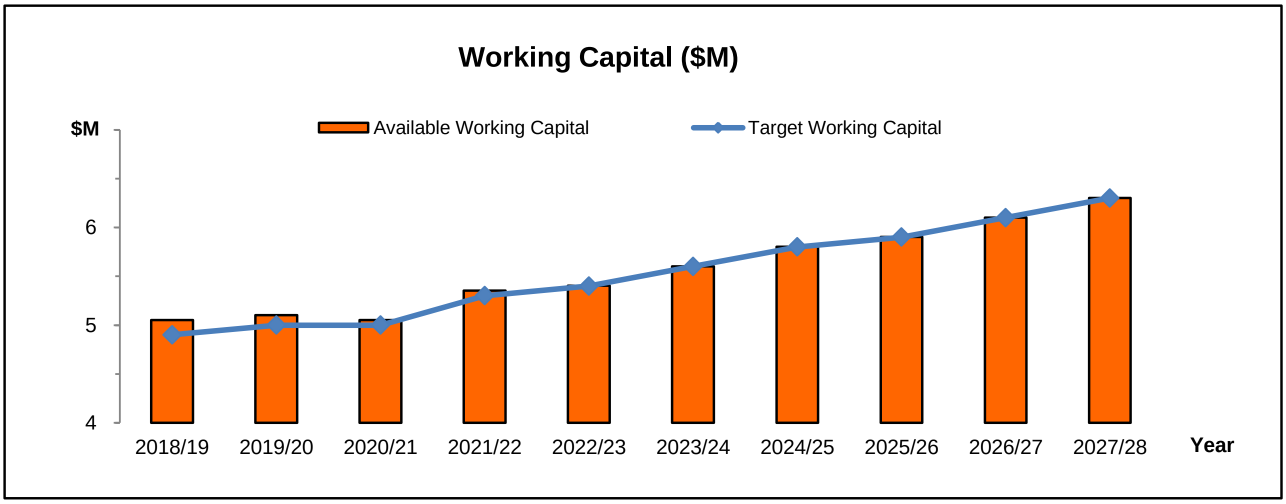
There are three (3) types of cash reserves, namely:

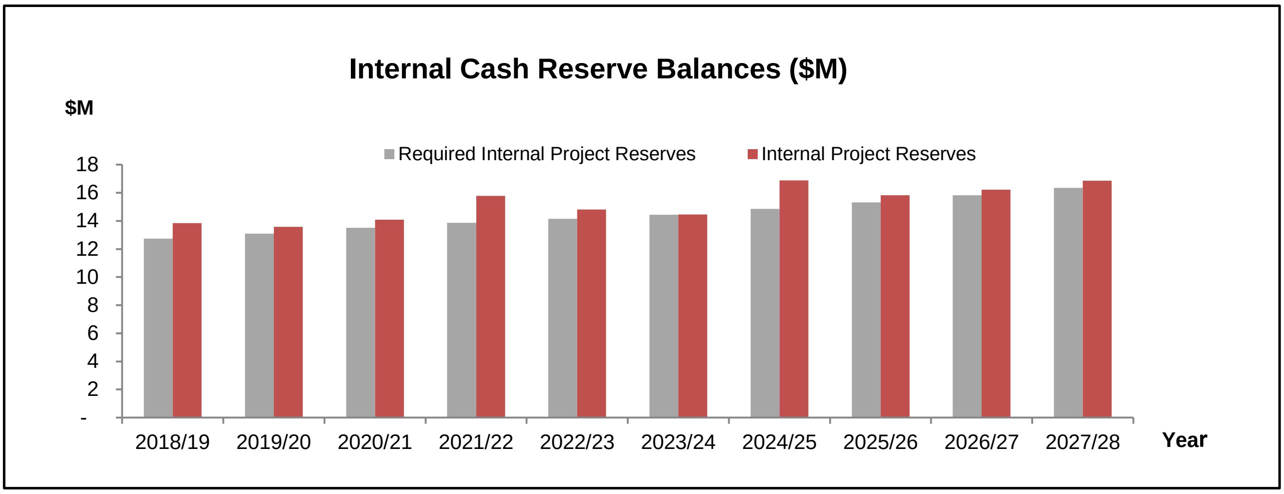
1. Statutory (externally restricted) – e.g. S94 Developer Contributions, Specific Purpose Unexpended Grants, Domestic Waste Management, Infrastructure Levy and Environmental Levy
2. Internal Liability Reserves – to provide for future liabilities e.g. employee entitlements
3. Internal Project Reserves – to provide for future expenditure on assets renewal and other capital projects

External reserves can only be used for the purpose for which funds were collected. Internal projects reserves are used solely to fund capital items. One of the targets identified in the LTFP is to maintain a minimum level of internal discretionary cash reserves (excluding liability cash reserves) of 10% of revenue. Any surplus cash funds are allocated towards future asset renewals.

Cash reserves are carefully managed to achieve optimum investment income and to be available when needed for planned expenditures.

Charts below illustrate the level of working capital and internal cash balances reserves (projects reserves) for the 10-year forecast period.





Summary of Borrowings

One of the major underlying principles incorporated into Council's Long Term Financial Plan is the Borrowing and Debt Strategy. As per this Strategy Council considers borrowings as a source of funding for:

- Capital projects that deliver long term benefit to the community
- Building or purchase of assets where a detailed cash flow analysis shows that full funding costs can be recovered over the life of the asset and economic investments where a new asset or service decreases existing costs or provides new revenue in excess of their funding costs

Using this strategy, the LTFP identifies a permissible level of borrowing in each year to ensure that the required level of borrowing is below this level. This is a borrowing level that the Plan regards as sustainable, principally because;

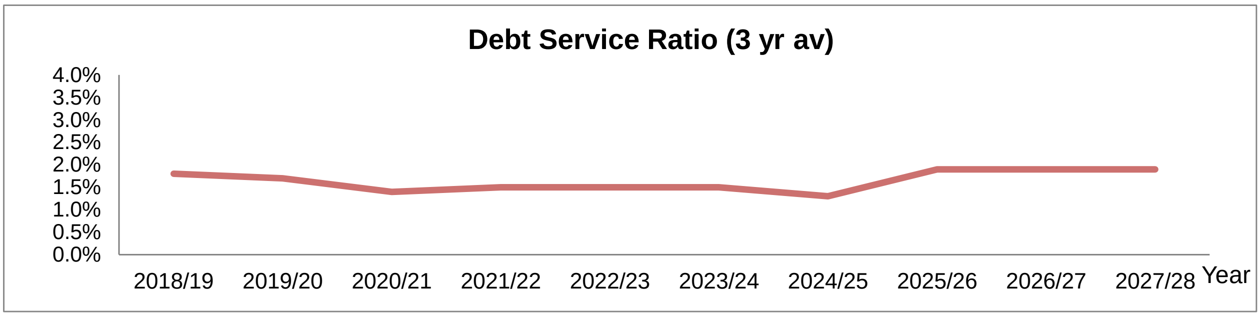
- sources of debt repayment have been identified and modelled into overall cash flows, and
- the Debt Service Ratio (DSR) is within the Fit for the Future benchmark of less than 20 %

Maintaining a maximum Debt Service Ratio below the industry benchmark of 20% in any one year is one of the key financial sustainability tests applied by the LTFP. During the current planning period, this test will be satisfied. Council's ability to service its debt remains strong for the entire period of the LTFP. As per Council's funding strategy, the outstanding debt is discharged over a longer term from net revenue generated through leasing out Council's investment property at 828 Pacific Highway, Gordon.

The acquisition of the 828 Pacific Highway Building in 2012/13 was originally funded by external borrowing with the borrowing to be subsequently discharged by future asset sales. Under the current funding strategy, this building will be fully leased out generating enough revenue over the life of the plan to discharge the outstanding debt over a longer period of time. This principle aligns with the matching concept of 'inter-generational equity'.

Currently a loan of $1.6m is proposed in 2018/19 for future refurbishment of the Council administration building at 818 Pacific Highway, Gordon. This loan will be also be discharged from net revenue generated from leasing out the investment property at 828 Pacific Highway.

Council's Debt Service Ratio will remain in the range of 1% to 3% during the life of the plan. The debt service ratio assesses the impact of loan principal and interest repayments on the discretionary revenue of Council. As can be seen from below Council's ability to service it's debt is excellent and is below the benchmark of less than 20%. The Debt Service Ratio for the next 10 years is provided in the chart below:



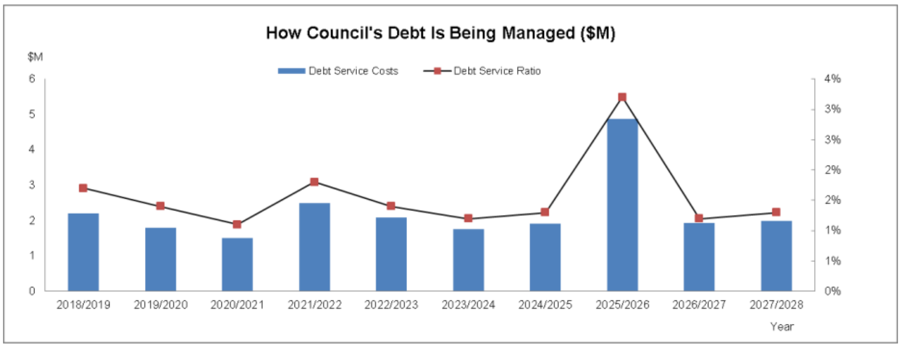
How Council's Debt is being managed

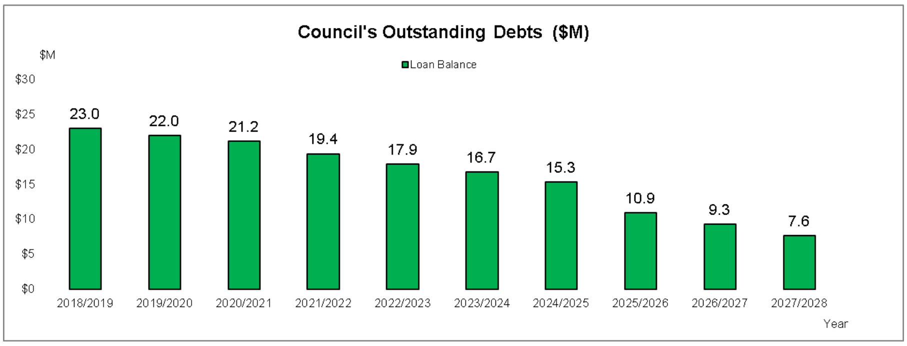
The LTFP includes a dynamic capital management strategy which continuously monitors:

- Actual need for loan funds based on actual expenditure occurring within projects designated for loan funding
- Obtaining loans under terms which not only offer the best interest rate but also offer maximum flexibility for repayment timing and/or further loan drawdown
- Updated forecasts of sources of loan repayment
- Updated reviews of operating budgets, and
- Quoted interest rates on loans compared to interest being earned on invested funds

The LTFP provides for repayments of debt to occur on either a schedule specified by the terms of individual loans or at a time where funds are available and the overall cost of debt can be reduced by making opportunistic repayments. This results in all loans being discharged by 2034.

The following charts show Council's projected outstanding debt and the Net debt service cost for the next 10 years. Total Debt Service Cost includes total interest plus principal repayments.





KEY FINANCIAL INDICATORS

The key financial indicators are industry accepted measures of financial health and sustainability. This section provides the financial ratios for Council's preferred scenario - Scenario 2 which assumes continuation of the environmental levy. As described in the "scenario planning" section of this document there is no significant variation between the two scenarios in terms of financial sustainability indicators (Operating Performance ratio and Own source revenue ratio) due to the size of the levy compared to overall income and the offset of the expenditure associated with it. There is no impact on assets ratio between the two scenarios, as the majority of the expenditure associated with environmental programs and works is operational in nature.

Council's future financial performance and position is measured against the Fit for the Future (FFTF) performance indicators. In addition to the standard FFTF indicators a new ratio has been included "Cost to bring assets to Agreed Service level". This new ratio is prescribed in the latest Draft Code of Accounting Practice (Special Schedules) released by the Office of Local Government (OLG) in April 2018. As per the OLG guidelines: "The ratio indicates proportion of the gross replacement cost of Council assets that have reached the intervention level set by Council based on the condition of the asset." This ratio is simply the sum of the outstanding renewal works, valued as the work will be undertaken, compared to the total replacement cost of Council's assets. The ratio provides a meaningful snapshot of the proportion of outstanding renewal works compared to the total infrastructure assets portfolio. Council's funding strategy addressed future budget decisions in relation to the outstanding works. This ratio is discussed in more detail in the Assets Management Strategy.

A summary of these indicators and their benchmarks is provided below.

Key Financial Indicators	Purpose of indicator	Benchmark
SUSTAINABILITY		
Operating Performance Ratio (Operating revenue excluding capital grants and contributions-operating expenses divided by Operating revenue excluding capital grants and contributions)	*To measure Council's ability to contain operating expenditure within operating revenue*	*>=break-even average over 3 years*
Own Source Revenue Ratio (Total Operating revenue less grants and contributions divided by total Operating revenue)	*To assess the degree of Council's dependence upon grants and contributions*	*>60% average over 3 years*
Building & Infrastructure Renewal Ratio (Asset renewals expenditure divided by depreciation, amortisations & impairment expenses)	*To assess the rates at which assets are renewed relative to the rate at which they are depreciated (consumed)*	*>100% average over 3 years*
INFRASTRUCTURE AND SERVICE MANAGEMENT		
Infrastructure Backlog Ratio (Estimated cost to bring assets to a satisfactory condition (from Special Schedule 7) divided by total infrastructure assets	*To measure the proportion of assets backlog against total value of Council's infrastructure assets*	*<2%*
Cost to agreed level of service (The sum of the outstanding renewal works, valued as the work will be undertaken, compared to the total replacement cost of Council's assets)	*The ratio indicates proportion of the gross replacement cost of Council assets that have reached the intervention level set by Council based on the condition of the asset*	*0*
Asset Maintenance Ratio (Actual maintenance expenditure divided by required annual asset maintenance)	*To assess the actual asset maintenance expenditure relative to required asset maintenance*	*>100% average over 3 years*
Debt service ratio (Net debt service cost divided by revenue from continuing operations)	*To assess the impact of loan principal and interest repayment on the discretionary revenue of Council*	*<20% average over 3 years*
EFFICIENCY		
Real Operating Expenditure per capita (Operating expenditure divided by total population)	*To asses real operational expenditure per capita*	*Decreasing*

The projected key financial indicators for Scenario 2 – continuation of the environmental levy for the next 10 years are presented below.

Key Performance Indicators - Scenario 2

Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/24	2025/26	2026/27	2027/28
SUSTAINABILITY										
Operating Performance Ratio	6.5%	3.3%	5.5%	5.8%	5.3%	4.8%	3.8%	3.7%	4.1%	4.7%
Own Source Revenue	82.3%	78.5%	77.2%	76.3%	77.9%	79.7%	80.6%	82.5%	82.6%	82.6%
Building & Infrastructure Asset Renewal Ratio	132%	131%	128%	130%	127%	151%	138%	135%	137%	137%
INFRASTRUCTURE AND SERVICE MANAGEMENT										
Infrastructure Backlog Ratio to Bring to Satisfactory	2.5%	2.2%	1.6%	1.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%
Infrastructure Backlog Ratio to bring to Agreed Level of Service	3.6%	3.0%	2.6%	2.1%	1.6%	0.9%	0.4%	0.1%	0.0%	0.0%
Asset Maintenance Ratio	108%	105%	104%	103%	102%	102%	101%	101%	100%	100%
Debt Service Ratio (3 year Av)	1.8%	1.7%	1.4%	1.5%	1.5%	1.5%	1.3%	1.9%	1.9%	1.9%
EFFICIENCY										
Real Operating expenditure (per capital)	921	908	908	893	898	891	891	880	872	866

*Council has a new funding strategy to address the current backlog and decrease it in future years as detailed under the LTFP Funding Strategy in this document.

Scenario 2 highlights Council's strong future financial position and performance as indicated by the financial ratios above.

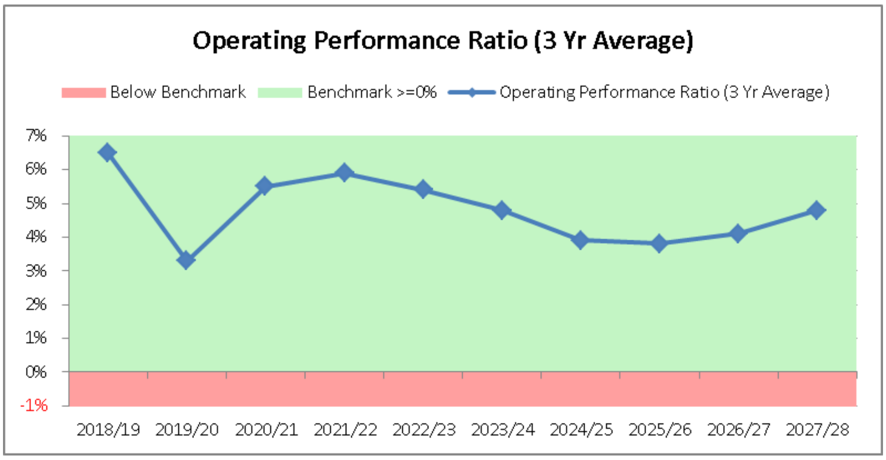
All FFTF Financial indicators are meeting current industry benchmarks in all forecast years. Council adopted a new funding strategy for asset renewals, which will see this ratio significantly decrease by 2022/23 with further reduction in future years. Council forecasts no Infrastructure backlog by 2022/23. The new funding strategy is discussed in detail under the Funding Strategy section in this document.

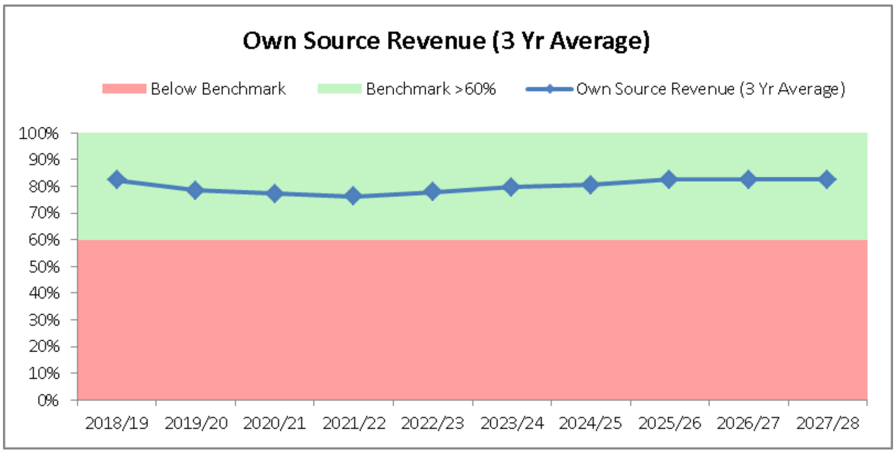
Sustainability Ratios: Operating Performance Ratio, Own Source Revenue Ratio and Infrastructure Backlog Ratio

Operating Performance Ratio is an important financial indicator for Council. Our long-term financial sustainability is dependent upon ensuring that on average over time this indicator is positive, making sure that Council's expenses are below its associated revenue. This indicator excludes capital income and gain or loss on sale of assets.

Council's current performance ratio is above the benchmark, which means that Council can easily contain operating expenditure (excluding capital grants and contributions) within its operating revenue. The ratio outperforms benchmark for the entire forecast period of the LTFP with an increasing trend starting from 2019/20 onwards.

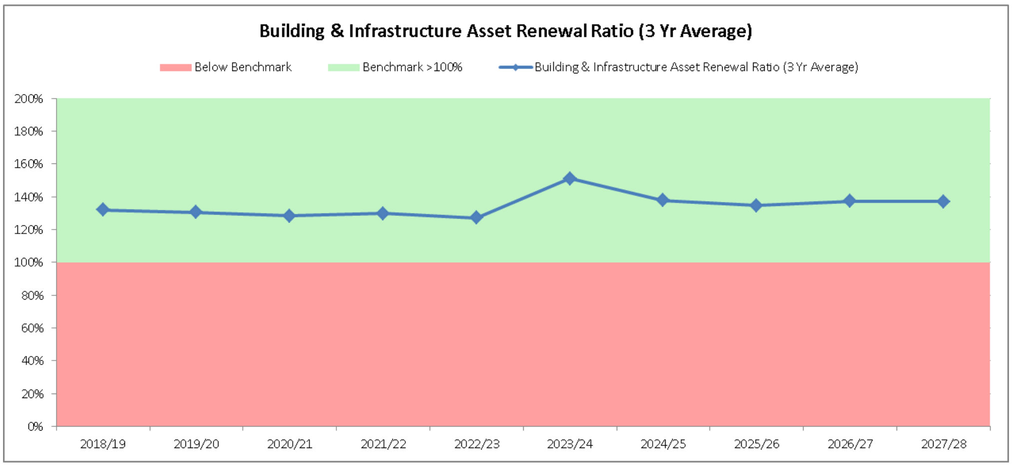
Own Source Revenue Ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Council's Own Source Operating Revenue Ratio remains above the benchmark of (>60%) in all future years. Council forecasts a sufficient level of fiscal flexibility, in the event of being faced with future unforseen events.





Building & Infrastructure Asset renewals Ratio This indicator assesses Council's rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating. An indicator of 100% indicates that the amount spent on asset renewals equals the amount of depreciation. Council's ratio stands at 132% in 2018/19 and will be above benchmark in all future years.

Council is continuing to focus on appropriate asset standards for renewal and maintenance.



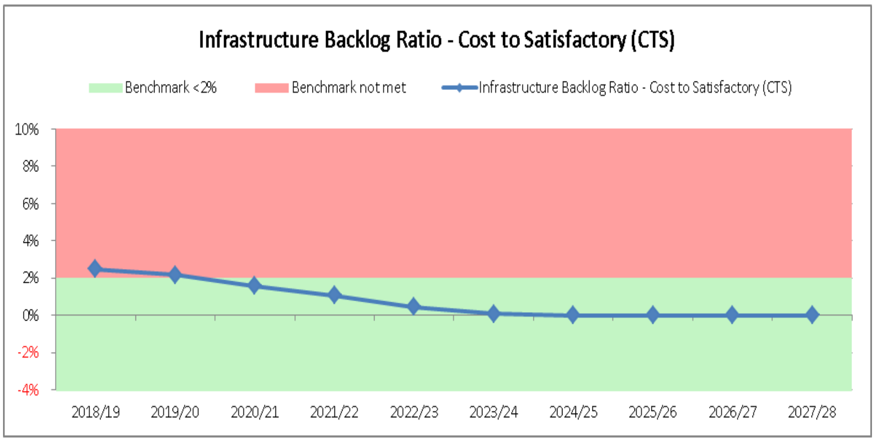
Infrastructure and Service Management: Infrastructure Backlog Ratio, Assets Maintenance Ratio and Debt Service Ratio

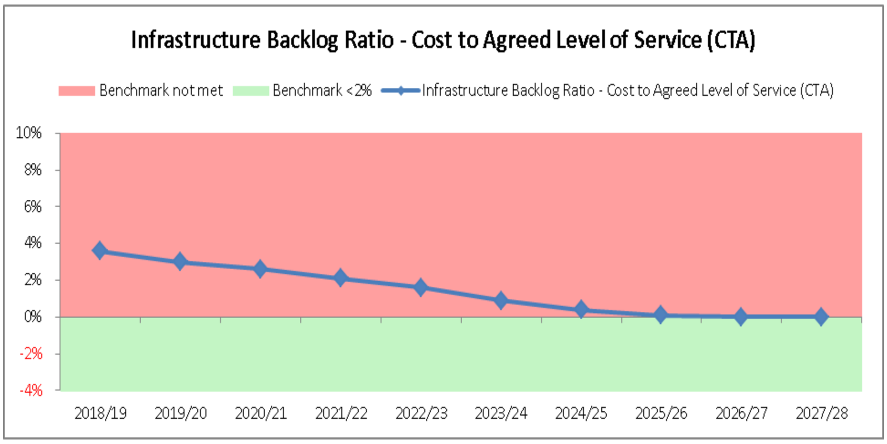
The Infrastructure Assets Ratios measure Council's ability to renew and maintain its asset base to decrease the infrastructure asset backlog in future years. Asset Ratios have been incorporated into Council's Asset Management Strategy and Asset Management Plans and are monitored within Council's Long Term Financial Plan. Council continues its commitment to maintain financial sustainability and decrease the infrastructure backlog.

Infrastructure Backlog Ratio measures what proportion the backlog is against the total value of Council's infrastructure. Council's Infrastructure Backlog Ratio has a positive downward trend in the first 4 years, recording a decrease of 2.3% from 2.4% in 2019 to 0.09% in 2022. The infrastructure backlog will achieve the benchmark of 2% by 2020 and will be fully eliminated by 2023.

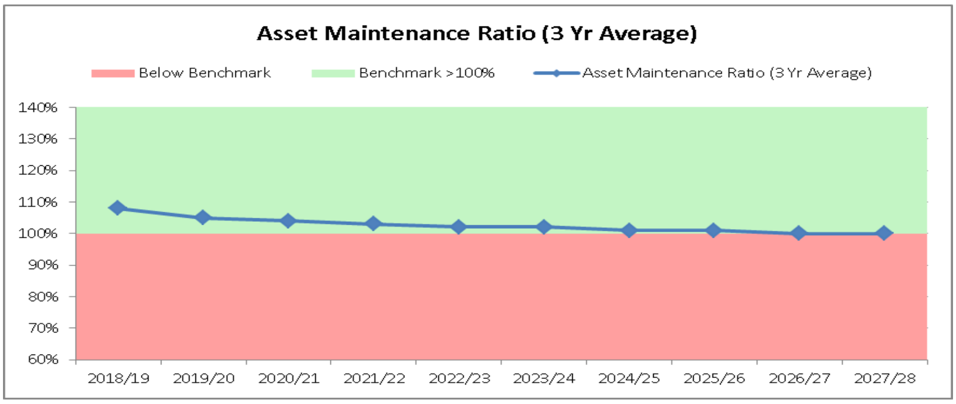
Cost to bring assets to Agreed Service level - this ratio indicates proportion of the gross replacement cost of Council assets that have reached the intervention level set by Council based on the condition of the asset. This ratio is simply the sum of the outstanding renewal works, valued as the work will be undertaken, compared to the total replacement cost of Council's assets. Council's Cost to bring to agreed level was revised in 2018 and stood at $42 million. During the life of this plan this liability is also eliminated by 2027/28.

Over 10 years of this financial plan a total of $247 million is invested into infrastructure asset renewals and the backlog, as well as the cost to agreed level of service is eliminated by the end of this financial plan (from $16 million in 2018/19 for backlog and $42 million in 2017/18 (for cost to agreed level of service) to nil by 2027/28.



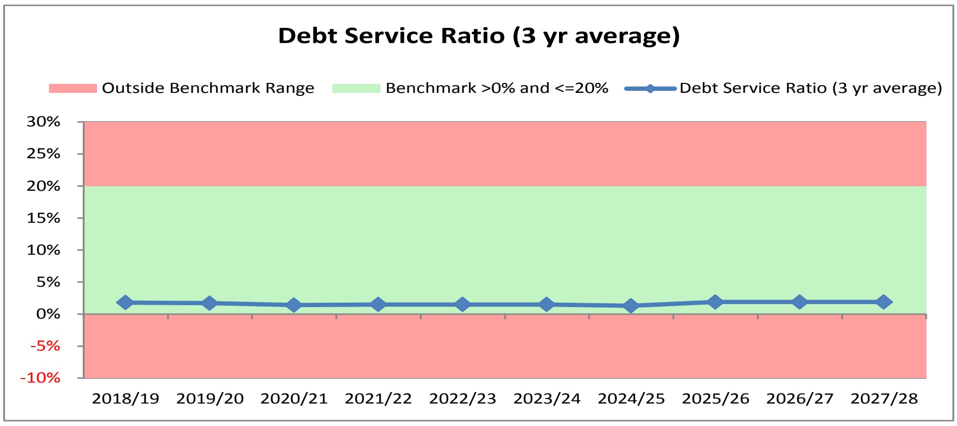


Council's Asset Maintenance Ratio is above benchmark at 100.9%. An indicator above 100% indicates Council is investing enough funds to stop the Infrastructure Backlog from growing. Council is committed to increase expenditure on asset maintenance in future to stop the increase in infrastructure backlog. Assets Maintenance expenditure is explained in more detail in the Funding strategy of this document.



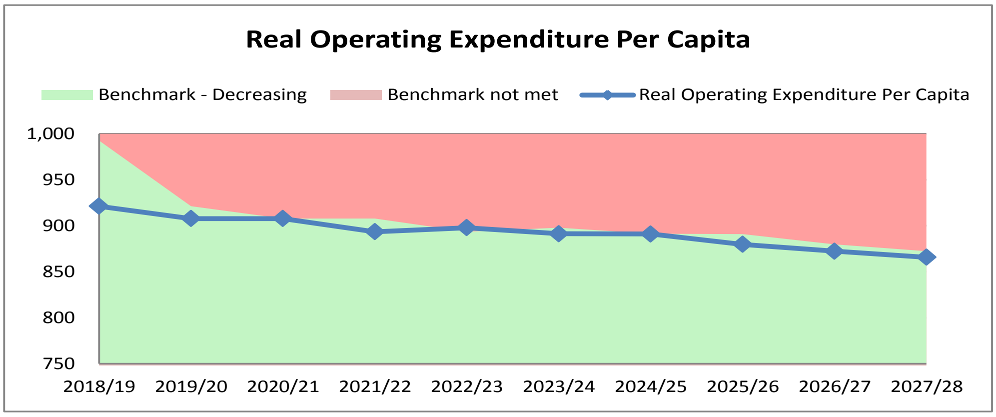
Debt Service Ratio: The purpose of the Debt Service Ratio is to assess the impact of loan principal and interest repayments on the discretionary revenue of Council. In accordance with Council's Long Term Financial Plan, borrowing is only undertaken in accordance with Council's borrowing principles outlined in this document.

Council's ability to service its debt remains strong for the entire period of the LTFP. As per Council's new funding strategy, the outstanding debt for infrastructure renewal is fully discharged by 2034 from general revenue and from net revenue generated through leasing out Council's new administration building for 10 years. The level of Council's borrowing is discussed in more detail under Summary of Borrowing section of this document.



Efficiency Ratio: Real Operating Expenditure per Capita

This indicator compares operational expenditure to population and is a ratio that measures efficiency. Council forecasts a downward trend in all future years of the financial plan. A decrease in the operating expenditure per capita of approximately 1% per year will be achieved while maintaining the same level of service. It is worth mentioning that this can be achieved while maintaining a strong operating surplus in all future years after funding depreciation on infrastructure assets.



CONCLUSION

Ku-ring-gai Council is in a sound financial position. The LTFP provides for Operating Surpluses after allowing for the depreciation expense on Council's $1.1 billion portfolio (2016/17) of largely depreciable assets such as roads, footpaths, drains and buildings. If capital grants and contributions are excluded, the operating result remains in surplus throughout the 10 years of the LTFP. Council maintains healthy levels of working capital and reserves in the LTFP, and has a strategy in place to fund renewal of infrastructure assets and to manage its debt funding via identified sources of repayment from its investment property.

As part of the long term planning, Council has developed strategic asset management plans and is continuously reviewing and quantifying the renewal gap for infrastructure assets, identifying opportunities to broaden the revenue base, and reviewing its borrowing strategies.

The LTFP provides for the following:

- meets all Fit for the Future KPIs during the life of this Plan
- achieves operating surpluses in all years
- has affordable loan borrowing
- fully catches up on the infrastructure assets backlog (cost to satisfactory and cost to agreed level of service) and provision of ongoing renewal expenditure to match depreciation
- invests in capital expenditure to provide new open space and community facilities for our growing community.

Appendix A - LTFP Forecasts and Assumptions

LTFP FORECASTS AND ASSUMPTIONS

	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2025/27	Projected 2025/28
FORECASTS - ACCESS ECONOMICS										
Consumer Price Index (CPI)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Average Weekly Ord Time Earnings	2.8%	2.9%	2.9%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
BBSW - 90 Day	1.8%	2.3%	2.8%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
INCOME ASSUMPTIONS										
Rates										
Rates Pegging Forecast	2.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Rates Growth	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%
Total Rates Change	3.0%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.3%	3.3%
Fees and Charges	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Domestic Waste Price Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	3.0%
Pensioner Rebate Growth	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%
Stormwater Management Charge (rates growth only)	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%
Trade Waste - Annual Charges	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	3.0%	3.0%
Interest Income										
Interest Income - Rate	2.9%	3.4%	3.9%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Grants Income										
Recurrent Grants (CPI)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Capital Grants (CPI)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Proceeds from Assets Sales										
Asset Sales	1,565	2,631	53,400	4,499	5,975	5,482	5,779	6,048	4,600	5,219
EXPENDITURE ASSUMPTIONS										
Labour Costs	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Super - new scheme compulsory increase phased in. (Old Scheme employees at set rates)	9.5%	9.5%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%	12.0%	12.0%
Material & Contracts - Operational Expenditure										
Operating Expenses (CPI)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Street Lighting Charges (IPART Decision)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Building Electricity Charges (IPART)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Water Charges (IPART Determination)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Fire Levy (CPI)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Planning Levy (CPI)	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Materials & Contracts - Capital Expenditure	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Borrowing Costs										
Loan Rate (95 bps over 90 BBSW or max of 3.4%)	3.0%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%

Appendix B - Scenario 1 - Base Case Scenario without the Special Rate Variation for Environment

10 Year Financial Plan for the Years ending 30 June 2028

Projected Income Statement

Scenario 1- Base Case Scenario without the Special Rate Variation for Environment

$'000	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28
Income from Continuing Operations										
Rates & Annual Charges	81,821	83,995	86,571	88,862	91,219	93,643	96,372	99,178	102,443	105,796
Environmental Levy	2,821	-	-	-	-	-	-	-	-	-
User Charges & Fees	20,331	21,006	21,566	22,075	22,595	23,129	23,675	24,233	24,819	25,419
Interest & Investment Revenue	4,182	4,409	5,132	5,604	4,850	4,322	4,614	5,239	5,947	6,757
Other Revenues	11,544	11,930	12,282	12,326	12,742	13,065	13,397	13,738	14,088	14,446
Grants & Contributions for Operating Purposes	6,656	6,651	6,594	6,729	6,900	7,019	7,166	7,308	7,496	7,619
Grants & Contributions for Capital Purposes	19,194	39,512	31,465	26,374	32,316	21,268	22,130	22,377	23,664	25,000
Other Income:										
Net gains from the disposal of assets	1,165	1,881	51,005	4,199	5,555	5,182	5,479	5,748	4,600	5,069
Total Income from Continuing Operations	**147,714**	**169,384**	**214,615**	**166,169**	**176,177**	**167,628**	**172,833**	**177,821**	**183,057**	**190,106**
Total Income excluding Proceeds from Asset Sales & Capital Income	127,355	127,991	132,145	135,596	138,306	141,178	145,224	149,696	154,793	160,037
Expenses from Continuing Operations										
Employee Benefits & On-Costs	41,499	42,903	44,354	46,007	47,727	49,516	51,377	53,313	55,117	56,981
Borrowing Costs	647	737	730	684	626	579	536	439	338	283
Materials & Contracts	38,490	39,388	40,341	41,293	42,268	43,265	44,286	45,331	46,401	47,496
Depreciation & Amortisation	17,268	18,085	18,760	19,373	20,329	20,892	21,460	22,013	22,606	23,191
Other Expenses	17,229	17,498	17,921	18,344	18,778	19,221	19,673	20,138	20,614	21,100
Other Operational Projects Expenses	5,602	2,699	3,361	2,327	2,580	2,420	3,218	2,322	2,412	2,586
Total Expenses from Continuing Operations	**120,735**	**121,310**	**125,467**	**128,028**	**132,308**	**135,893**	**140,550**	**143,556**	**147,488**	**151,637**
Net Operating Result for the Year	**26,979**	**48,074**	**89,148**	**38,141**	**43,869**	**31,735**	**32,283**	**34,265**	**35,569**	**38,469**
Net Operating Result for the year before Grants & Contributions provided for Capital Purposes	7,785	8,562	57,683	11,767	11,553	10,467	10,153	11,888	11,905	13,469

10 Year Financial Plan for the Years ending 30 June 2028

Projected Balance Sheet

Scenario 1- Base Case Scenario without the Special Rate Variation for Environment

$ '000	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28
ASSETS										
Current Assets										
Cash & Cash Equivalents	11,443	15,026	17,636	14,270	17,407	12,875	10,105	11,137	10,857	12,700
Investments	80,711	72,054	54,517	48,555	39,487	38,011	44,956	50,043	58,616	65,655
Receivables	10,750	10,923	11,245	11,503	11,654	11,821	12,138	12,505	12,940	13,388
Inventories	227	227	227	227	227	227	227	227	227	227
Other	1,900	1,900	1,900	1,900	2,000	2,000	2,100	2,100	2,200	2,200
Non-Current Assets Held for Sale	750	2,395	300	420	300	300	300	-	150	3,230
Total Current Assets	**105,781**	**102,526**	**85,825**	**76,875**	**71,076**	**65,235**	**69,827**	**76,013**	**84,991**	**97,400**
Non-Current Assets										
Investments	47,402	42,317	78,004	69,472	56,498	54,386	64,323	71,601	83,867	93,939
Receivables	195	195	195	195	195	195	195	195	195	195
Infrastructure, Property, Plant & Equipment	1,231,769	1,290,745	1,362,820	1,413,357	1,477,755	1,511,644	1,525,417	1,543,041	1,555,784	1,572,113
Investment Property	36,720	36,720	36,720	36,720	36,720	36,720	36,720	36,720	36,720	36,720
Intangible Assets	822	850	987	1,103	1,184	1,235	1,284	1,329	1,372	1,414
Total Non-Current Assets	**1,316,907**	**1,370,826**	**1,478,726**	**1,520,846**	**1,572,351**	**1,604,180**	**1,627,939**	**1,652,886**	**1,677,938**	**1,704,382**
TOTAL ASSETS	**1,422,688**	**1,473,352**	**1,564,551**	**1,597,722**	**1,643,427**	**1,669,415**	**1,697,766**	**1,728,898**	**1,762,929**	**1,801,782**
LIABILITIES										
Current Liabilities										
Payables	21,191	24,444	26,860	23,270	26,114	21,089	18,060	18,868	18,412	19,977
Borrowings	1,549	1,067	783	1,812	1,454	1,184	1,380	4,433	1,592	1,707
Provisions	11,510	11,902	12,306	12,725	13,157	13,605	14,067	14,546	15,040	15,551
Total Current Liabilities	**34,250**	**37,413**	**39,949**	**37,807**	**40,726**	**35,878**	**33,508**	**37,846**	**35,045**	**37,236**
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	21,472	20,887	20,387	17,546	16,450	15,536	13,959	6,473	7,723	5,901
Provisions	343	354	366	379	392	405	419	433	448	463
Total Non-Current Liabilities	21,815	21,241	20,753	17,925	16,842	15,941	14,378	6,906	8,171	6,364
TOTAL LIABILITIES	**56,065**	**58,654**	**60,703**	**55,732**	**57,568**	**51,819**	**47,886**	**44,752**	**43,215**	**43,600**
Net Assets	**1,366,623**	**1,414,698**	**1,503,848**	**1,541,990**	**1,585,859**	**1,617,596**	**1,649,880**	**1,684,146**	**1,719,713**	**1,758,182**
EQUITY										
Retained Earnings	856,998	905,072	994,220	1,032,361	1,038,089	1,064,096	1,070,372	1,098,361	1,105,941	1,136,830
Revaluation Reserves	509,625	509,626	509,628	509,629	547,770	553,500	579,508	585,785	613,772	621,352
Council Equity Interest	**1,366,623**	**1,414,698**	**1,503,848**	**1,541,990**	**1,585,859**	**1,617,596**	**1,649,880**	**1,684,146**	**1,719,713**	**1,758,182**
Total Equity	**1,366,623**	**1,414,698**	**1,503,848**	**1,541,990**	**1,585,859**	**1,617,596**	**1,649,880**	**1,684,146**	**1,719,713**	**1,758,182**

10 Year Financial Plan for the Years ending 30 June 2028

Projected Cash Flow Statement
Scenario 1- Base Case Scenario without the Special Rate Variation for Environment

$ '000	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	84,459	83,822	86,249	88,605	91,067	93,476	96,055	98,811	102,008	105,348
User Charges & Fees	20,331	21,006	21,566	22,075	22,595	23,129	23,675	24,233	24,819	25,419
Investment & Interest Revenue Received	18,828	18,151	- 13,018	20,098	26,892	7,910	- 12,268	- 7,126	- 14,892	- 10,354
Grants & Contributions	25,850	46,163	38,059	33,103	39,216	28,287	29,296	29,685	31,160	32,619
Bonds, Deposits, Retention amounts received	-									
Other	11,444	11,930	12,282	12,326	12,642	13,065	13,297	13,738	13,988	14,446
Payments:										
Employee Benefits & On-Costs	- 41,109	- 42,500	- 43,937	- 45,576	- 47,281	- 49,055	- 50,901	- 52,820	- 54,608	- 56,454
Materials & Contracts	- 35,558	- 36,135	- 37,925	- 44,883	- 39,424	- 48,291	- 47,314	- 44,524	- 46,856	- 45,931
Borrowing Costs	- 647	- 737	- 730	- 684	- 626	- 579	- 536	- 439	- 338	- 283
Bonds, Deposits, Retention amounts refunded	-									
Other	- 22,831	- 20,197	- 21,282	- 20,671	- 21,358	- 21,641	- 22,891	- 22,460	- 23,026	- 23,686
Net Cash provided (or used) in Operating Activities	**60,767**	**81,503**	**41,263**	**64,393**	**83,723**	**46,301**	**28,413**	**39,098**	**32,255**	**41,124**
Cash Flows from Investing Activities										
Receipts:										
Sale of Infrastructure, Property, Plant & Equipment	1,565	2,631	53,400	4,499	5,975	5,482	5,779	6,048	4,600	5,219
Payments:										
Purchase of Infrastructure, Property, Plant & Equipmen	- 59,230	- 79,484	- 91,271	- 70,445	- 85,108	- 55,131	- 35,582	- 39,681	- 35,543	- 42,793
Net Cash provided in Investing Activities	**- 57,665**	**- 76,853**	**- 37,871**	**- 65,946**	**- 79,133**	**- 49,649**	**- 29,803**	**- 33,633**	**- 30,943**	**- 37,574**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	1,585	-	-	-	-	-	-	-	-	-
Payments:										
Repayments of Borrowings & Advances	- 1,549	- 1,067	- 783	- 1,812	- 1,454	- 1,184	- 1,380	- 4,433	- 1,592	- 1,707
Net Cash provided in Financing Activities	36	- 1,067	- 783	- 1,812	- 1,454	- 1,184	- 1,380	- 4,433	- 1,592	- 1,707
Net Increase/(Decrease) in Cash & Cash Equivalents	**3,138**	**3,583**	**2,609**	**- 3,365**	**3,136**	**- 4,532**	**- 2,770**	**1,032**	**- 280**	**1,843**
Plus: Cash & Cash Equivalents - beginning of year	8,305	11,443	15,026	17,636	14,270	17,406	12,874	10,104	11,136	10,856
Cash & Cash Equivalents - end of year	11,443	15,026	17,636	14,270	17,406	12,874	10,104	11,136	10,856	12,699
Plus: Investments on hand - end of year	128,113	114,371	132,521	118,027	95,985	92,397	109,279	121,644	142,483	159,594
Total Cash, Cash Equivalents & Investments	**139,556**	**129,397**	**150,157**	**132,297**	**113,391**	**105,271**	**119,383**	**132,780**	**153,339**	**172,293**

Appendix C - Scenario 2 – Scenario with the continuation of the Special Rate Variation for Environment

10 Year Financial Plan for the Years ending 30 June 2028

Projected Income Statement

Scenario 2 - Scenario with the continuation of the Special Rate Variation for Environment

$'000	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28
Income from Continuing Operations										
Rates & Annual Charges	81,821	83,980	86,556	88,846	91,203	93,626	96,355	99,161	102,426	105,778
Environmental Levy	2,821	2,891	2,963	3,037	3,113	3,191	3,271	3,353	3,440	3,526
User Charges & Fees	20,331	21,006	21,566	22,075	22,595	23,129	23,675	24,233	24,819	25,419
Interest & Investment Revenue	4,182	4,409	5,133	5,600	4,843	4,323	4,623	5,257	5,975	6,795
Other Revenues	11,544	11,930	12,282	12,326	12,742	13,065	13,397	13,738	14,088	14,446
Grants & Contributions for Operating Purposes	6,656	6,651	6,594	6,729	6,900	7,019	7,166	7,308	7,496	7,619
Grants & Contributions for Capital Purposes	19,194	39,512	31,465	26,374	32,316	21,268	22,130	22,377	23,664	25,000
Other Income:										
Net gains from the disposal of assets	1,165	1,881	51,005	4,199	5,555	5,182	5,479	5,748	4,600	5,069
Total Income from Continuing Operations	**147,714**	**172,260**	**217,564**	**169,186**	**179,267**	**170,803**	**176,096**	**181,175**	**186,508**	**193,652**
Total Income excluding Proceeds from Asset Sales & Capital Income	127,355	130,867	135,094	138,613	141,396	144,353	148,487	153,050	158,244	163,583
Expenses from Continuing Operations										
Employee Benefits & On-Costs	41,499	42,903	44,354	46,007	47,727	49,516	51,377	53,313	55,117	56,981
Borrowing Costs	647	737	730	684	626	579	536	439	338	283
Materials & Contracts	38,490	39,388	40,341	41,293	42,268	43,265	44,286	45,331	46,401	47,496
Depreciation & Amortisation	17,268	18,085	18,760	19,373	20,329	20,892	21,460	22,013	22,606	23,191
Other Expenses	17,229	17,498	17,921	18,344	18,778	19,221	19,673	20,138	20,614	21,100
Other Operational Projects Expenses	5,602	4,632	5,585	4,353	5,504	5,414	6,283	5,459	5,622	5,873
Total Expenses from Continuing Operations	**120,735**	**123,243**	**127,691**	**130,054**	**135,232**	**138,887**	**143,615**	**146,693**	**150,698**	**154,924**
Net Operating Result for the Year	**26,979**	**49,017**	**89,873**	**39,132**	**44,035**	**31,916**	**32,481**	**34,482**	**35,810**	**38,728**
Net Operating Result for the year before Grants & Contributions provided for Capital Purposes	7,785	9,505	58,408	12,758	11,719	10,648	10,351	12,105	12,146	13,728

10 Year Financial Plan for the Years ending 30 June 2028

Projected Balance Sheet

Scenario 2 - Scenario with the continuation of the Special Rate Variation for Environment

$ '000	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28
ASSETS										
Current Assets										
Cash & Cash Equivalents	11,443	15,395	17,864	14,658	17,813	13,189	10,528	11,467	11,295	13,047
Investments	80,711	72,037	54,538	48,441	39,462	38,061	45,087	50,264	58,936	66,082
Receivables	10,750	11,021	11,345	11,605	11,759	11,929	12,250	12,621	13,060	13,512
Inventories	227	227	227	227	227	227	227	227	227	227
Other	1,900	1,900	1,900	2,000	2,000	2,100	2,100	2,200	2,200	2,300
Non-Current Assets Held for Sale	750	2,395	300	420	300	300	300	-	150	3,230
Total Current Assets	**105,781**	**102,975**	**86,175**	**77,351**	**71,561**	**65,807**	**70,493**	**76,779**	**85,869**	**98,399**
Non-Current Assets										
Investments	47,402	42,308	78,033	69,310	56,463	54,458	64,511	71,918	84,326	94,550
Receivables	195	195	195	195	195	195	195	195	195	195
Infrastructure, Property, Plant & Equipment	1,231,769	1,291,764	1,364,638	1,416,243	1,480,641	1,514,530	1,528,303	1,545,927	1,558,670	1,575,000
Investment Property	36,720	36,720	36,720	36,720	36,720	36,720	36,720	36,720	36,720	36,720
Intangible Assets	822	850	987	1,103	1,184	1,235	1,284	1,329	1,372	1,414
Total Non-Current Assets	**1,316,907**	**1,371,836**	**1,480,573**	**1,523,571**	**1,575,202**	**1,607,138**	**1,631,013**	**1,656,089**	**1,681,283**	**1,707,879**
TOTAL ASSETS	**1,422,688**	**1,474,811**	**1,566,748**	**1,600,922**	**1,646,764**	**1,672,945**	**1,701,506**	**1,732,868**	**1,767,152**	**1,806,278**
LIABILITIES										
Current Liabilities										
Payables	21,191	24,960	27,389	23,811	26,626	21,612	18,596	19,416	18,974	20,552
Borrowings	1,549	1,067	783	1,812	1,454	1,184	1,380	4,433	1,592	1,707
Provisions	11,510	11,902	12,306	12,725	13,157	13,605	14,067	14,546	15,040	15,551
Total Current Liabilities	**34,250**	**37,929**	**40,478**	**38,348**	**41,237**	**36,401**	**34,044**	**38,395**	**35,606**	**37,810**
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	21,472	20,887	20,387	17,546	16,450	15,536	13,959	6,473	7,723	5,901
Provisions	343	354	366	379	392	405	419	433	448	463
Total Non-Current Liabilities	21,815	21,241	20,753	17,925	16,842	15,941	14,378	6,906	8,171	6,364
TOTAL LIABILITIES	**56,065**	**59,170**	**61,232**	**56,273**	**58,079**	**52,342**	**48,422**	**45,301**	**43,777**	**44,175**
Net Assets	**1,366,623**	**1,415,641**	**1,505,516**	**1,544,649**	**1,588,685**	**1,620,603**	**1,653,084**	**1,687,567**	**1,723,375**	**1,762,103**
EQUITY										
Retained Earnings	856,998	906,015	995,888	1,035,020	1,039,923	1,066,936	1,072,404	1,101,418	1,108,214	1,140,146
Revaluation Reserves	509,625	509,626	509,628	509,629	548,762	553,667	580,680	586,149	615,161	621,957
Council Equity Interest	**1,366,623**	**1,415,641**	**1,505,516**	**1,544,649**	**1,588,685**	**1,620,603**	**1,653,084**	**1,687,567**	**1,723,375**	**1,762,103**
Total Equity	**1,366,623**	**1,415,641**	**1,505,516**	**1,544,649**	**1,588,685**	**1,620,603**	**1,653,084**	**1,687,567**	**1,723,375**	**1,762,103**

10 Year Financial Plan for the Years ending 30 June 2028

Projected Cash Flow Statement
Scenario 2 - Scenario with the continuation of the Special Rate Variation for Environment

$ '000	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	84,459	86,600	89,194	91,624	94,162	96,647	99,305	102,143	105,426	108,852
User Charges & Fees	20,331	21,006	21,566	22,075	22,595	23,129	23,675	24,233	24,819	25,419
Investment & Interest Revenue Received	18,828	18,177	- 13,093	20,420	26,669	7,729	- 12,456	- 7,327	- 15,105	- 10,575
Grants & Contributions	25,850	46,163	38,059	33,103	39,216	28,287	29,296	29,685	31,160	32,619
Bonds, Deposits, Retention amounts received	-									
Other	11,444	11,930	12,282	12,226	12,742	12,965	13,397	13,638	14,088	14,346
Payments:										
Employee Benefits & On-Costs	- 41,109	- 42,500	- 43,937	- 45,576	- 47,281	- 49,055	- 50,901	- 52,820	- 54,608	- 56,454
Materials & Contracts	- 35,558	- 35,618	- 37,913	- 44,870	- 39,454	- 48,278	- 47,302	- 44,511	- 46,843	- 45,918
Borrowing Costs	- 647	- 737	- 730	- 684	- 626	- 579	- 536	- 439	- 338	- 283
Bonds, Deposits, Retention amounts refunded	-									
Other	- 22,831	- 22,130	- 23,506	- 22,697	- 24,282	- 24,635	- 25,956	- 25,597	- 26,236	- 26,973
Net Cash provided (or used) in Operating Activities	**60,767**	**82,891**	**41,922**	**65,620**	**83,741**	**46,209**	**28,523**	**39,004**	**32,363**	**41,033**
Cash Flows from Investing Activities										
Receipts:										
Sale of Infrastructure, Property, Plant & Equipment	1,565	2,631	53,400	4,499	5,975	5,482	5,779	6,048	4,600	5,219
Payments:										
Purchase of Infrastructure, Property, Plant & Equipmen	- 59,230	- 80,503	- 92,070	- 71,513	- 85,108	- 55,131	- 35,582	- 39,681	- 35,543	- 42,793
Net Cash provided in Investing Activities	**- 57,665**	**- 77,872**	**- 38,670**	**- 67,014**	**- 79,133**	**- 49,649**	**- 29,803**	**- 33,633**	**- 30,943**	**- 37,574**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	1,585	-	-	-	-	-	-	-	-	-
Payments:										
Repayments of Borrowings & Advances	- 1,549	- 1,067	- 783	- 1,812	- 1,454	- 1,184	- 1,380	- 4,433	- 1,592	- 1,707
Net Cash provided in Financing Activities	36	- 1,067	- 783	- 1,812	- 1,454	- 1,184	- 1,380	- 4,433	- 1,592	- 1,707
Net Increase/(Decrease) in Cash & Cash Equivalents	**3,138**	**3,952**	**2,469**	**- 3,206**	**3,154**	**- 4,624**	**- 2,660**	**938**	**- 172**	**1,752**
Plus: Cash & Cash Equivalents - beginning of year	8,305	11,443	15,395	17,864	14,658	17,812	13,188	10,527	11,466	11,294
Cash & Cash Equivalents - end of year	11,443	15,395	17,864	14,658	17,812	13,188	10,527	11,466	11,294	13,046
Plus: Investments on hand - end of year	128,113	114,345	132,571	117,751	95,925	92,519	109,598	122,182	143,262	160,632
Total Cash, Cash Equivalents & Investments	**139,556**	**129,740**	**150,435**	**132,409**	**113,737**	**105,707**	**120,125**	**133,648**	**154,556**	**173,678**

Contact Us

For assistance or information regarding any of Council's services or facilities please contact us.

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