Long-term Financial Plan 2018-28

QPRC

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QPRC

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Executive Summary

As part of the Integrated Planning and Reporting Frameworks, all NSW councils are required to develop a Resourcing Strategy. The intention of the Resourcing Strategy is to provide the elected Council, and the community, with a view of the organisation's resources to undertake actions and activities to achieve the aspirations set out in the Community Strategy Plan. Those actions are then outlined in the Delivery Program (DP).

Queanbeyan-Palerang Regional Council's Resourcing Strategy was adopted in June 2018 and includes the following:

- Long Term Financial Plan (LTFP)
- Asset Management Strategy
- Workforce Management Strategy
- ICT Strategy
- Risk Management Strategy

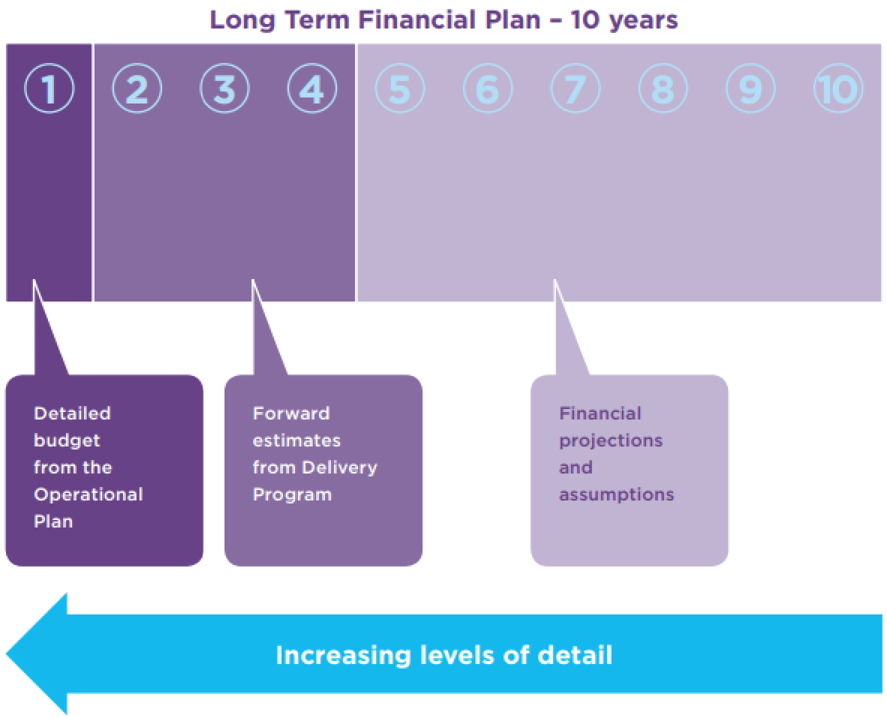
A stocktake of Council's finances has been continuing since the merger, with a number of pieces of work coming together to allow the review of the previously adopted Long Term Financial Plan. Similarly, several 'deep dive' service reviews are underway (transport, recreation, development) and other service and policy reviews that may alter service levels, asset standards, and subsequently the resources, finances and organisation structure.

Council adopted a Financial Strategy and Asset Strategy in 2017. This Strategy was based on the Asset and Financial Sustainability Review undertaken by GHD and Professor Percy Allen of the former Queanbeyan and Palerang Councils. The 'Responsible Scenario' endorsed with that review guided the Financial Strategy and associated principles and benchmarks. That review was updated by Morrison Low in October 2018, based on the DP and aimed at achieving the Office of Local Government's financial benchmarks and merger savings over a 10-year horizon.

This revision of the LTFP considers a number of scenarios based initially on the 2018-21 Delivery Program adopted in June 2018. The scenarios considered in the LTFP are summarised below. Scenario 2 is the preferred approach:

- **Base Case Scenario (1)**:
  - Delivery Program
  - Consumer Price Indexation
  - Debt and Capital Plan
  - Land Sales
- **Scenario 2 (preferred)**
  - Base Case Scenario plus
  - Dividend (Queanbeyan Water & Sewer Funds)
  - 100% Asset Renewals
  - Improve Unrestricted Cash levels to $2 million.
  - Additional Merger Funding and revised User Charges
  - Meet all Financial Principle Ratios
- **Scenario 3**
  - Scenario 2 plus
  - Special Rate Variation 5%.

About the Long Term Financial Plan



The NSW Office of Local Government's (OLG) Integrated Planning and Reporting Manual discusses the Long Term Financial Plan as an important part of a council's strategic planning process. This is the point where long-term community aspirations and goals are tested against financial realities. It is also where the council and the community may decide what resources councils need to influence and work with other parties so that they might deliver on responsibilities.

The Community Strategic Planning process will provide the council with valuable information about the future. From the exercise, both the council and the community will have a better understanding of:

- Expected pressures that will affect the community socially, environmentally and economically and the drivers behind this change
- Expected economic growth rates
- The community's aspirations and priorities for improving its economic, environmental and social outcomes
- The community's priorities in terms of expected levels of service and community projects.

The Long Term Financial Plan is a decision-making and problem-solving tool. It is not intended that the Long Term Financial Plan is set in concrete – it is a guide for future action. The modelling that occurs as part of the plan will help councils to weather unexpected events. It will also provide an opportunity for the council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

The longer the planning horizon, the more general the plan will be in the later years. The first year forms the basis of next year's Operational Plan/Budget, with estimates for the other three years to inform the Delivery Program. Broader provisions are applied to the remaining years of the LTFP.

The Workforce Management Strategy will be updated to reflect the staffing and resourcing planned in the LTFP and organisation structure. It aims to address attraction and retention, skilling, ageing of the workforce and investing in trainees.

The Integrated Planning and Reporting Manual identifies the following foundations of the LTFP:

Essential Element 2.6

The Long Term Financial Plan must include:

- Planning assumptions used to develop the plan
- Projected income and expenditure, balance sheet and cashflow statement
- Sensitivity analysis (factors/assumptions most likely to affect the plan)
- Financial modelling for different scenarios eg planned/optimistic/conservative
- Methods of monitoring financial performance.

Essential Element 2.4

The Long Term Financial Plan must be updated at least annually as part of the development of the Operational Plan.

Essential Element 2.5

The Long Term Financial Plan must be reviewed in detail as part of the four yearly review of the Community Strategic Plan.

The Long Term Financial Planning process is built on four foundations:

- Planning assumptions
- Revenue forecasts
- Expenditure forecasts
- Sensitivity analysis.

Economic Assessment

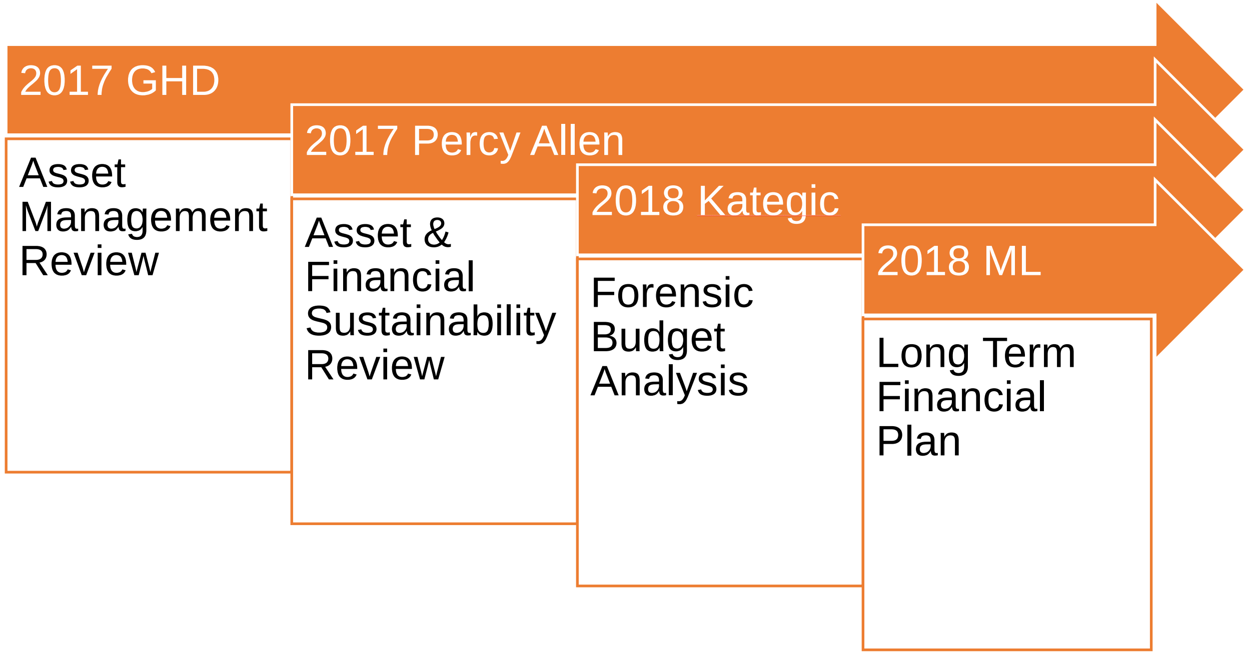
The Financial Statements appended to the LTFP signal an average operational and capital expenditure around $225m per year, supported by around $82m per year in rates and charges.

That expenditure is shaped by an average annual $46m in employment costs (wages, training etc) and a further $38m in operational materials and contracts. Using economic multipliers used with ID Profiler, the combination of local staff and business expenditure in the area generates a significant expenditure and jobs in the LGA.

QPRC's journey

Following the merger of Queanbeyan and Palerang councils in May 2016, significant effort has been put into bringing together the finances of both former councils and developing a long-term financial plan for the organisation. This has been a challenging task, however a number of different actions have been undertaken and have led to the development of the LTFP.

This body of work is illustrated in the graphic on the right.



Asset Management Review
GHD undertook a review the servicing levels of infrastructure assets. The review modelled the shortfall required to bring infrastructure assets in line required service levels.

Asset and Financial Sustainability Review
The Percy Allan review analysed the output from the GHD review and financial data of previous councils enabling a consolidated model forecasting financial sustainability over a 10-year period.

Forensic budget analysis
The Kategic review looked at expenditure of the former councils, and compared the first year expenditure of the amalgamated Council by service. The review highlighted services where expenditure had fluctuated, and where employment and contract expenditures had moved.

Long Term Financial Plan
Morrison Low received all of the data from the previous reviews and developed the foundations for the Long Term Financial Plan. The Plan ensured all financial principle ratios (p14) were being met with the most responsible revenue and expenditure forecast.

Drivers and Pressures

A number of key drivers and pressures on Council's finances that guided the LTFP are summarised below.

Affordability

- Provide essential public services in line with population growth and organisation capacity
- Keep rates, fees and charges affordable
- Borrow at acceptable levels in line with intergenerational equity
- Growth in pensioner rebate level as population ages
- Meet financial benchmarks to be Fit for Future (FFF)
- Service expectations of community
- Reducing (in real terms) government grants
- Obligations to match grants

Asset Serviceability

- Manage the asset backlog
- Renewal and replacement of ageing assets
- Aligning asset renewal spend to the rate of depreciation
- Applying generational equity principles to provision, renewal and upgrade of assets
- Differentiating asset operations or servicing from maintenance
- Gifted assets from Googong, Tralee and Bungendore

Merger

- The NSW Government predicted savings over 20 years for the councils merged in 2016
- Progress towards financial and productivity benefits are reported to government
- General rate structures from the former councils cannot be harmonised or increased beyond the rate cap during the four-year general rate path freeze (till 2020)
- Staff FTE (123) to remain in smaller towns in perpetuity
- Unable to rationalise number of offices and depots

Workforce

- Maintaining skilled and motivated workforce, noting long term staff reaching retirement and proposed increased age of retirement to 70
- Remunerating at attractive levels given proximity to ACT competition for skilled and professional labour
- Retaining skilled design and construction staff to meet RMCC road construction standards of RMS
- Retaining skilled development and engineering staff to meet turnaround benchmarks of government
- No forced redundancies < May 2019

Local Government Indices

- The inflationary measure for local government is the Local Government Cost Index (LGCI) - or the *Rate Peg*.
- The LGCI is calculated by the Independent Pricing and Regulatory Tribunal (IPART) on behalf of the NSW Office of Local Government (OLG), and is generally near CPI.
- Infrastructure construction costs are escalating at around 6-8% pa
- Government levies such as Rural Fire Service and State Emergency Service, charged to Local Government, are greater than CPI
- Council is bound by the NSW LG award in terms of indexing wages and allowances, which is often higher than rate peg

Strategy and Principles

The Financial Strategy includes the following elements:

Assets

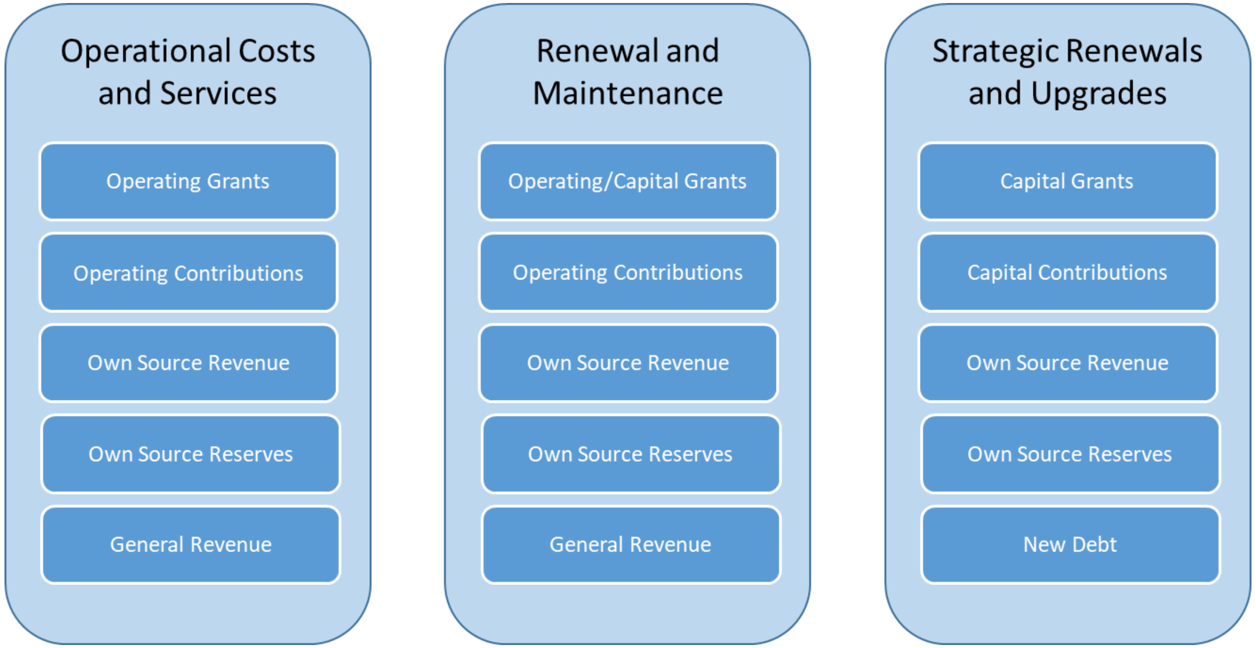
- Rehabilitate required infrastructure (backlog)
- Renew infrastructure when it falls below agreed minimum standards (ICL)
- Align rate of asset renewal and/or placement into an infrastructure reserves to the degradation of those assets (depreciation)
- Expand the total infrastructure stock by enough to cope with residential and business growth
- Engage and fund community groups to maintain and service some community assets
- Sell surplus property and assets
- Commercial property lease returns may be realised

Services

- Identify core services that would be quarantined from any cost cuts, or be subject to specific SRVs
- Differentiate servicing from maintenance of assets
- Fund through
    - adequate revenue measures,
    - operational savings,
    - re-ordering spending priorities,
    - asset leases or disposals
    - extra borrowings
- Obtain extra State or Commonwealth grants

Funding

- Fund these initiatives through adequate revenue measures, operational savings, re-ordering spending priorities, asset leases or disposals and extra borrowings.
- Fund infrastructure maintenance and renewals from operating revenue.
- Fund rehabilitation and enhancements from budget surpluses, capital revenues and borrowings.
- Ensure that the outcome by year 10 complies with the Office of Local Government's Financial Principle Ratios.
- Borrow sufficiently to fund infrastructure renewal.
- Introduce dividend payments from QBN Water and Sewer activities.
- Use debt and cash reserves to help 'smooth' assets renewal or upgrades;
- Place cash surpluses following annual audit into an infrastructure reserve



In addition and to reflect savings anticipated for the merged organisation, Council resolved in 2018 that the cost of servicing debt for the new head office in Queanbeyan occupied by Council staff, would be met by merger, building costs and service review savings.

Financial Policies

The financial policies relating to debt, investments and property, are summarised below.

Debt

- premised on inter-generational equity
- match term of borrowings with expected asset life
- additional borrowings will be used to fund enhancement capex, and rehabilitation capex (eg backlog)
- new debt should be financed from new revenue sources (eg development contributions, lease, dividend or rate SRV)
- utilise borrowings, reserves and sinking funds to smooth out lumpy capex

Investment

- only invest in cash through term deposits or BSP
- utilise Standard & Poors (S&P) ratings system criteria and format
- can access the wholesale market if greater than retail interest rates
- spreads investments across a number of financial institutions
- access NSW Tcorp investments
- investments based on restricted funds
  - Development contribution reserves
  - Unspent grants or loans

Property

- sell or develop ‘employment lands’ or residential lands to generate returns to enable investment in infrastructure. That activity may act as a catalyst to generate private investment that creates jobs and tertiary investment
- use funds from land investment, or use council land holdings to leverage acquisition of other urban or environmental land
- use returns from land holdings to supplement revenue sources
- use land holdings and other property to seed affordable housing or business incubation
- returns from land holdings may be cash, infrastructure or environmental offsets, or long term returns
- apply commercial lease values to all properties, with any rebate or incentive applied per policy

Procurement

- principles
  - Value for money
  - Efficiency and effectiveness
  - Open and effective competition
  - Probity and equity
- consider local content
  - Identifying local economic development, social benefit and environmental protection

Financial Ratios

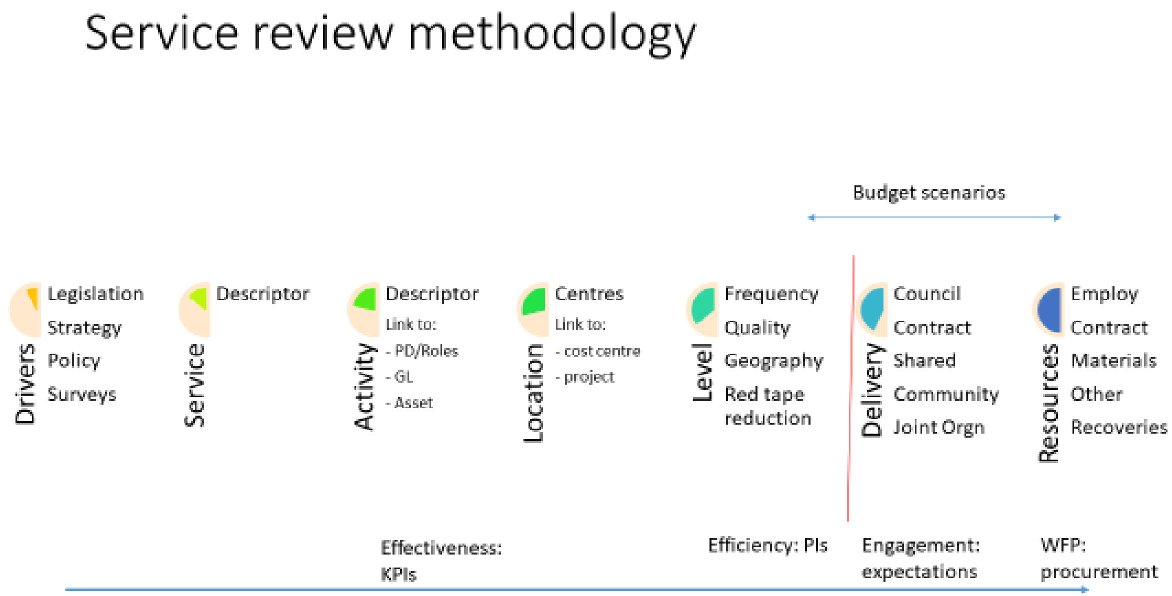
QPRC, and other NSW councils, are required to meet the following benchmarks as set by the Office of Local Government.

Financial Sustainability Ratios	Descriptor	Audit Office
Operating Surplus Ratio	The Operating Surplus Ratio measures how well Council contains operating expenditure within operating revenue (excluding capital, grants and Contributions, fair value adjustments and reversal of revaluation decrements). The benchmark set is greater than 0%.	> 0%
Own Source Revenue Ratio	The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark is greater than 60 per cent.	> 60%
Unrestricted Current Ratio	The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark is greater than 1.5 times.	> 1.5 x
Debt Service Cover Ratio	The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark is greater than two times.	> 2 x
Cash Expense Cover Ratio	This liquidity ratio indicates the number of months the Council can continue paying for its immediate expenses without additional cash inflow. The benchmark is greater than three months.	> 3 months

Financial Sustainability Ratios	Descriptor	Audit Office
Infrastructure Backlog Ratio	The building and infrastructure backlog ratio shows what the proportion the backlog (ie Condition 5, as disclosed on Special Schedule 7 in Financial Statements) is against the total value of Council's infrastructure.	< 2%
Infrastructure Renewal Ratio	The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark is greater than 100 per cent.	> 100%
Infrastructure Maintenance Ratio	The ratio compares actual vs required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.	> 100%

Each year, those ratios may vary above or below those thresholds. The LTFP is designed to meet the benchmarks over a 10 year horizon.

Service Levels



Since the merger, services have been expanded (eg economic, community, tourism) and levels of service increased (eg parks, road reseals) across the LGA. This was undertaken from the period of administration, with initial investment in community engagement and events; procuring and delivering grant-funded community infrastructure projects (eg stronger communities fund); and broadly harmonising services across the three main towns.

This increased the expenditure and resources deployed with services, and the standard of some assets (with subsequent impacts on depreciation and future maintenance).

Council has commenced a ‘deep dive’ service review of transport, recreation and development, as well as implementation of upgraded technology and plant to support delivery of those services.Other reviews of tourism, economic development, community services and events for example, follow development of strategies and councillor workshops on those areas.

An outcome may be a variation to the level of service or standards for some services and assets from 2020, and subsequent effects on resources (workforce, plant, technology, contracts); and revenue options (dividends, SRV, fees, sales).

The community will continue to be engaged in the preparation of the suite of plans associated with the Community Strategic Plan (asset management plans, workforce plan, long term financial plan) in each council term (ie four years), to establish:

- Asset standards
- Levels of service/asset intervention levels.

It is acknowledged that changes above or below those standards and service levels will influence modifications to the asset plans and financial plan, including levels of renewal, borrowings and depreciation.

It is also noted the Australian Standards set some levels for local government to guide works and physical infrastructure services/maintenance. These standards govern ‘the development of land, buildings, roads, parks and gardens, water supply, sewerage and drainage services’.

Long Term Financial Plan assumptions

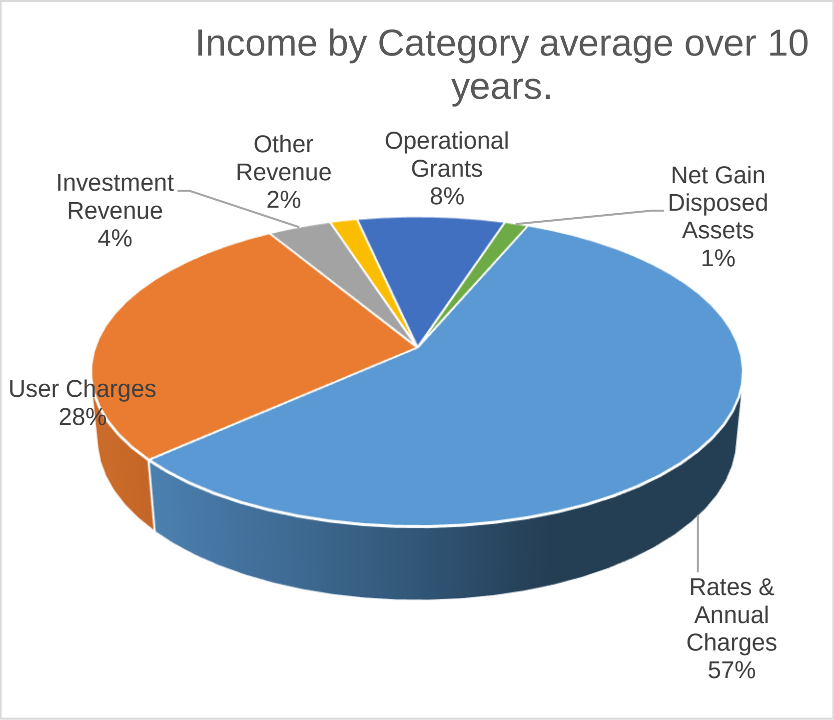
General Fund	Water Fund	Sewer Fund
Capital • Compressed CAPEX Program over 3 years ○ Asset renewal work of $96m ○ New / upgrade asset work of $260m ○ Years 5 to 10, constant asset spend of $4m renewals, funded by new loans ○ Years 5 to 10, no new assets • through ○ Capital grants of $155m ○ Borrowings of $142m ○ Land sales $4.5m	**Capital** • Asset renewal and upgrade work of $11.7m over 3 years • Years 4 to 10, asset renewal of $1.7m in first year, drops to $450k pa	Capital • Asset renewal and upgrade work of $163m over 3 years • Asset renewal $25m for following 3 years • through ○ Capital grants of $60m ○ New loans of $40m
Operating • Operating expenses decreasing by 11.5% over three years • $2 million profit on sale of plant per annum • Asset maintenance work of $22m per annum	**Operating** • Materials and contracts increase by 2.5% pa	**Operating** • Operating expenses increase by 3% over 3 years
Revenue • Bungendore Stormwater Levy from year 4 • Water and sewer dividend – Queanbeyan • Additional fees and charges • Additional merger funding	**Revenue** • Fees and annual charges increase by 2.3% pa • Non-cash capital contributions $2.7m	**Revenue** • Fees and annual charges increase by 2.3% pa • Non-cash developer contributions $7m pa
Ratios • Asset maintenance at 90% • Asset renewal at 100% • Asset renewals for years 4-10 funded from general revenues, not borrowings • Improve unrestricted cash to $2m	**Ratios** • Asset renewals 100%	**Ratios** • Asset renewals 100%

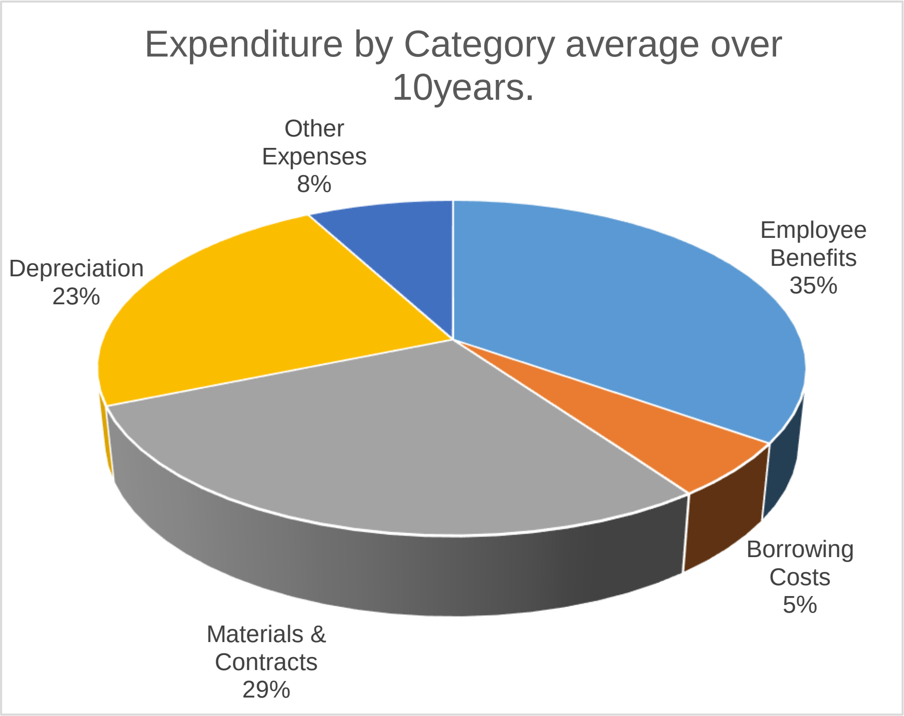
Long Term Financial Plan Profile

The graphs below indicate the breakdown of operational income and expenditure for an average year over the 10-year period.

The income graph shows that QPRC derives operational income primarily from rates/annual charges, user charges and operational grants.

The expenditure graph shows QPRC operational expenditure primarily within employee benefits, materials/contracts and depreciation.



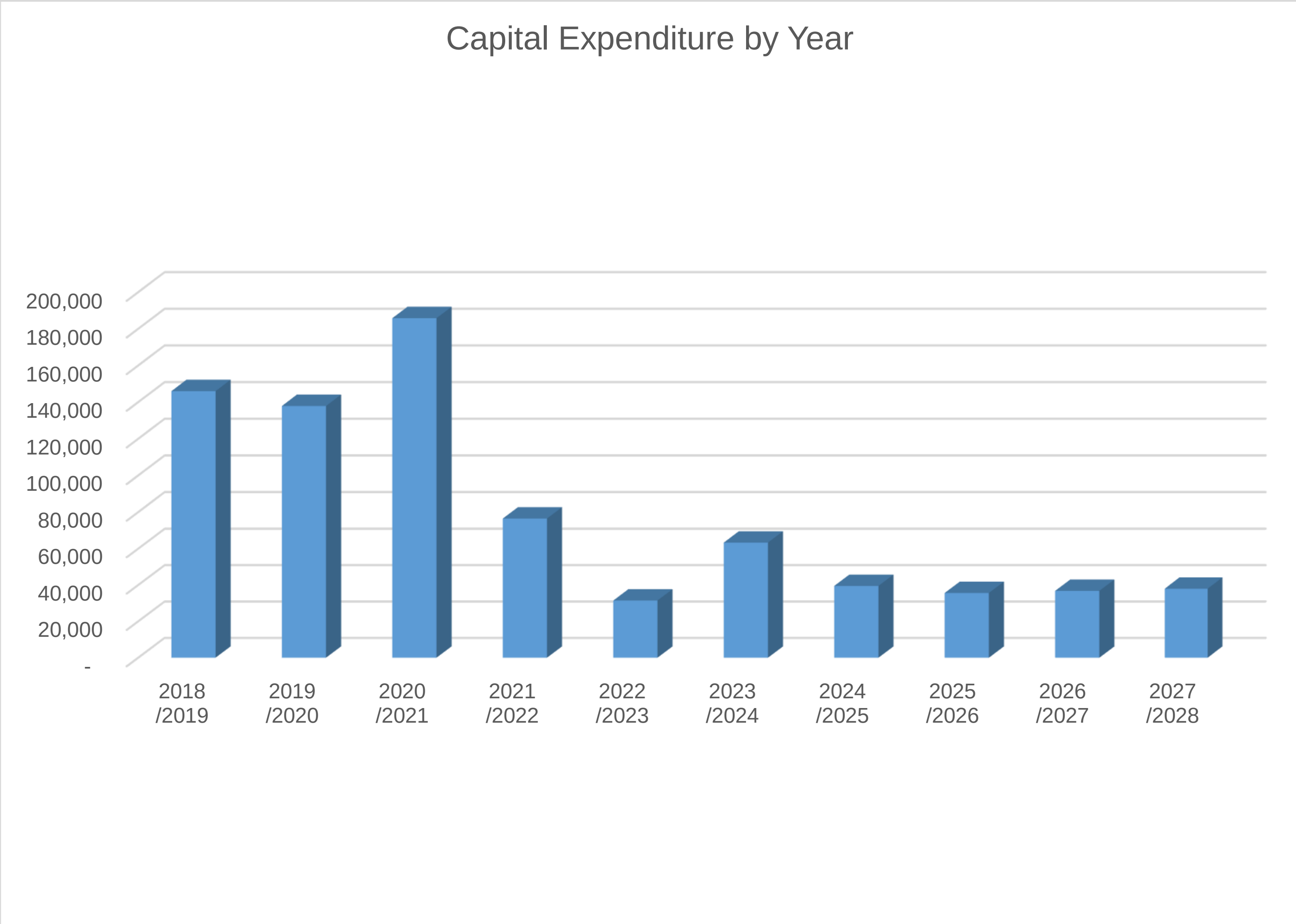


The graph on the right highlights the level of capital expenditure on infrastructure assets over a 10-year period.

Years 2018–21 is a compressed period of high levels of capex, while cost of debt is low (~4% fixed/20 years), and supporting grants are high, including the construction of:

- Ellerton Drive extension
- Queanbeyan Sewer Treatment Plant
- Queanbeyan Administration Building.
- Old Cooma Road Duplication
- Nerriga Road sealing
- Regional Sports Complex

This accelerates asset renewals and new assets, and causes the renewal and maintenance ratios to tilt for a period.

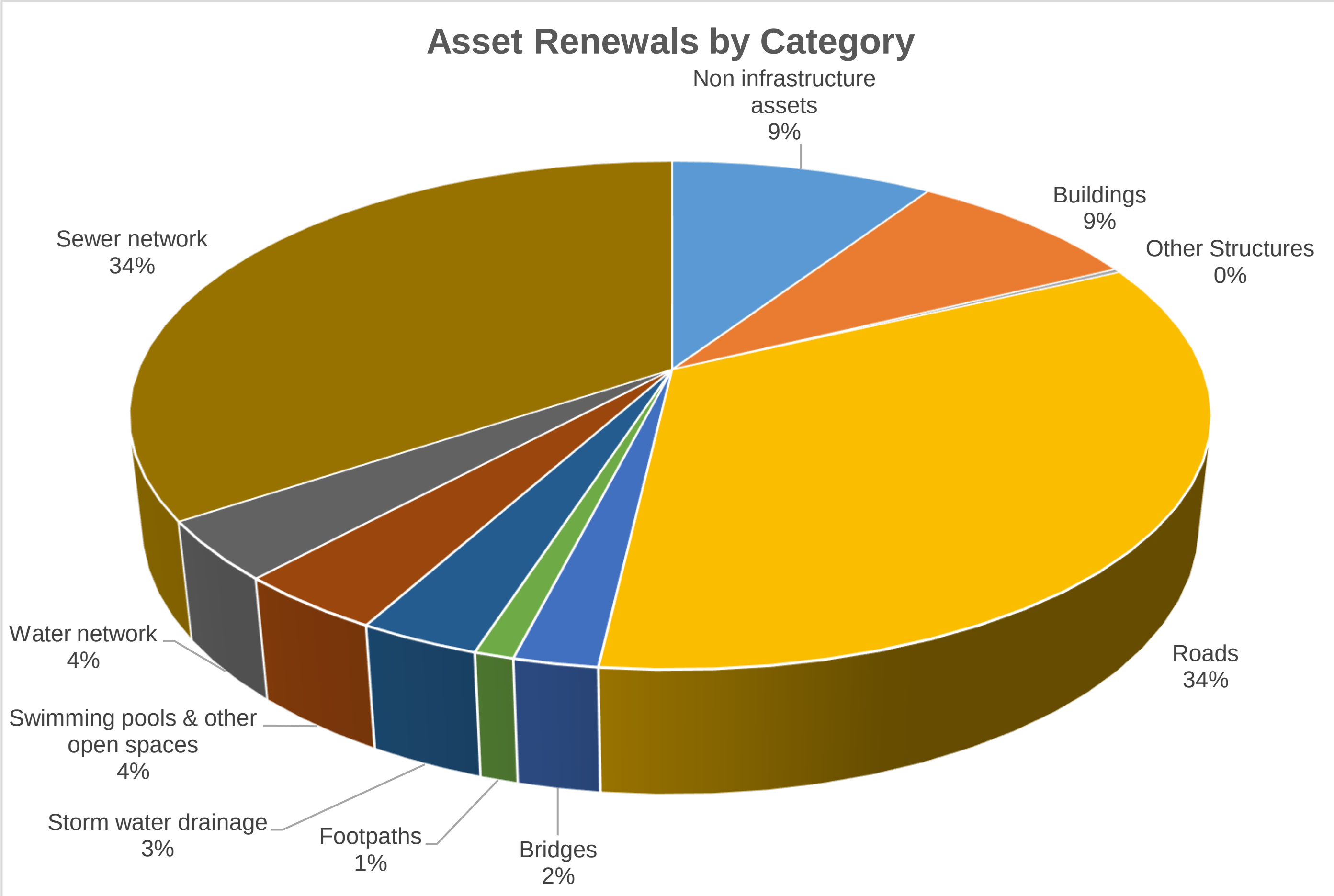


Scenario 2 then recommends the reduction of expenditure to meet the asset renewal benchmarks, rather than exceed, to enable a balance of asset maintenance and renewal.

The graph on the right illustrates the proposed level of asset renewal across Council's asset base.

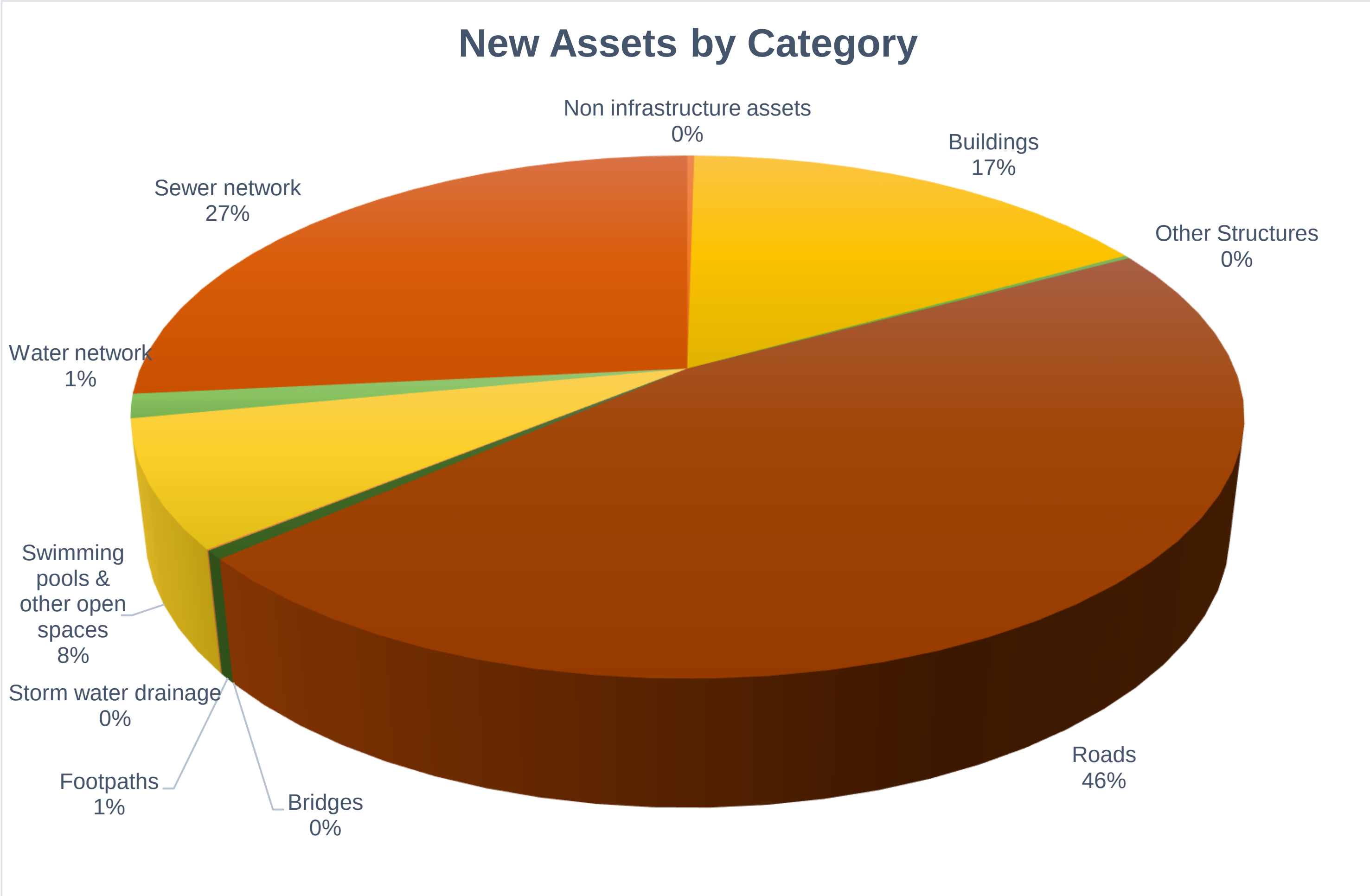
The graph shows that 68% of all renewal expenditure is being spent of sewer and road assets.

Key asset projects include Old Cooma Road duplication, local road renewals, head office renewal and Queanbeyan sewage treatment plant renewal.



Enhanced or new asset expenditure by category indicates the proposed spend on new assets.

The graph shows that 46% of all expenditure for new assets are being spent on road assets. The key new asset project is the Ellerton Drive Extension, while the Queanbeyan sewer plan and head office projects include an upgrade.

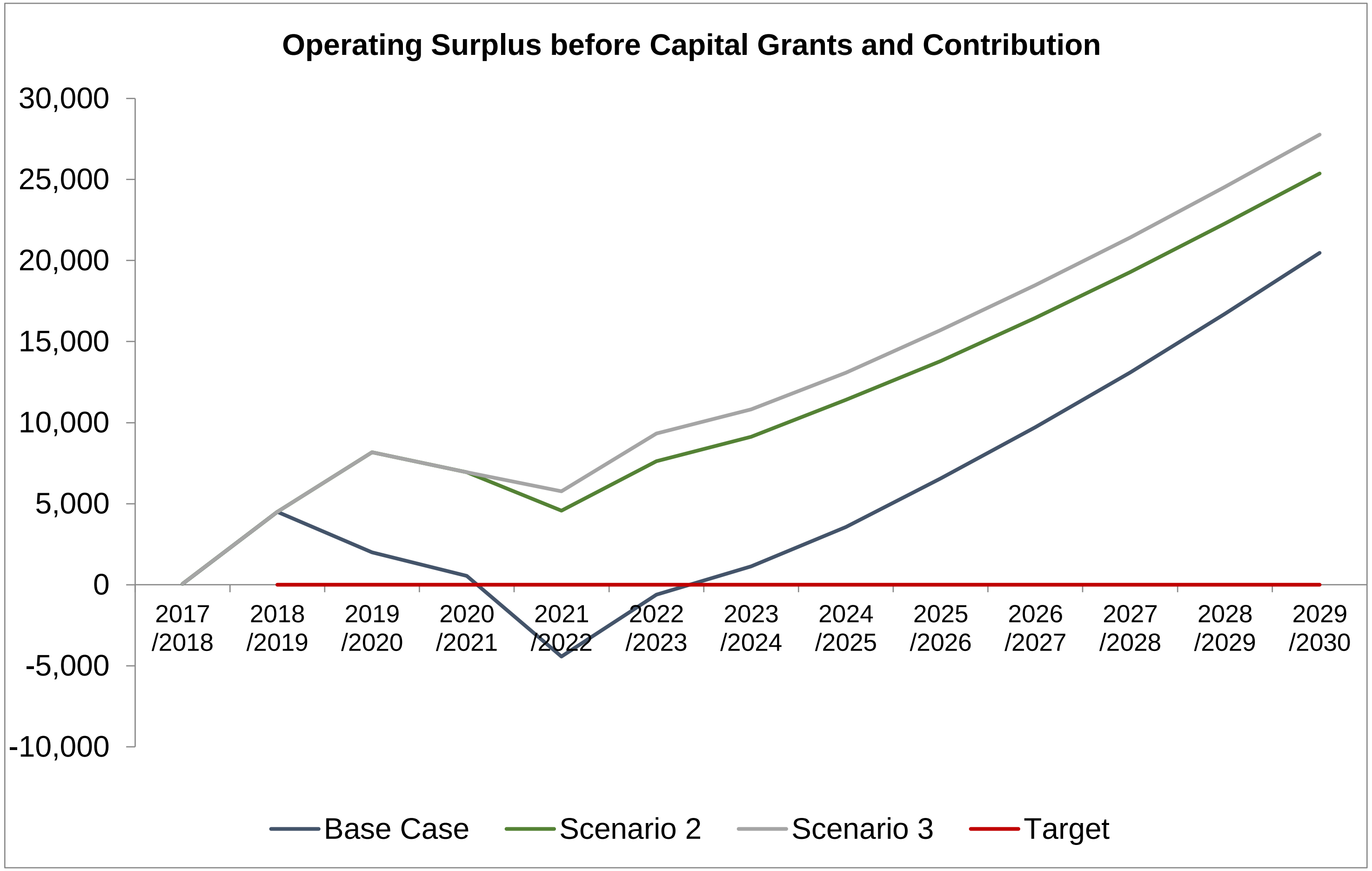


Key Financial Ratio Forecasts

The following charts illustrate forecast results under the Base Scenario, and Scenarios 2 and 3, compared to the benchmark (Target). Scenario 2 is Preferred.

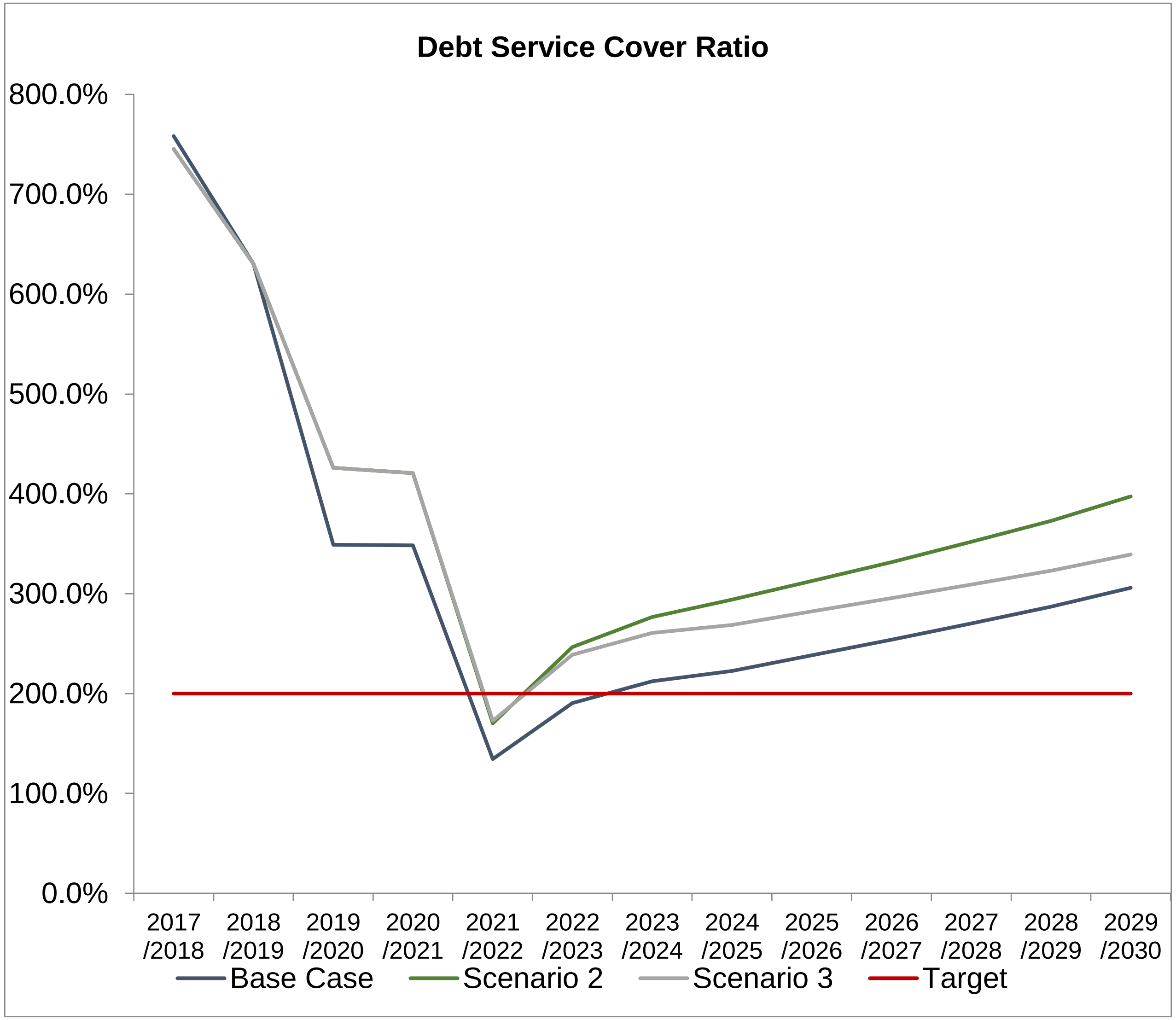
The graph on the right shows the operating surplus before capital grants and contributions and how operating expenditure is spent within operating revenue (excluding capital, grants and contributions, fair value adjustments and reversal of revaluation decrements).

Scenario 2 has been developed to ensure an operating surplus is achieved across the 10-year horizon.



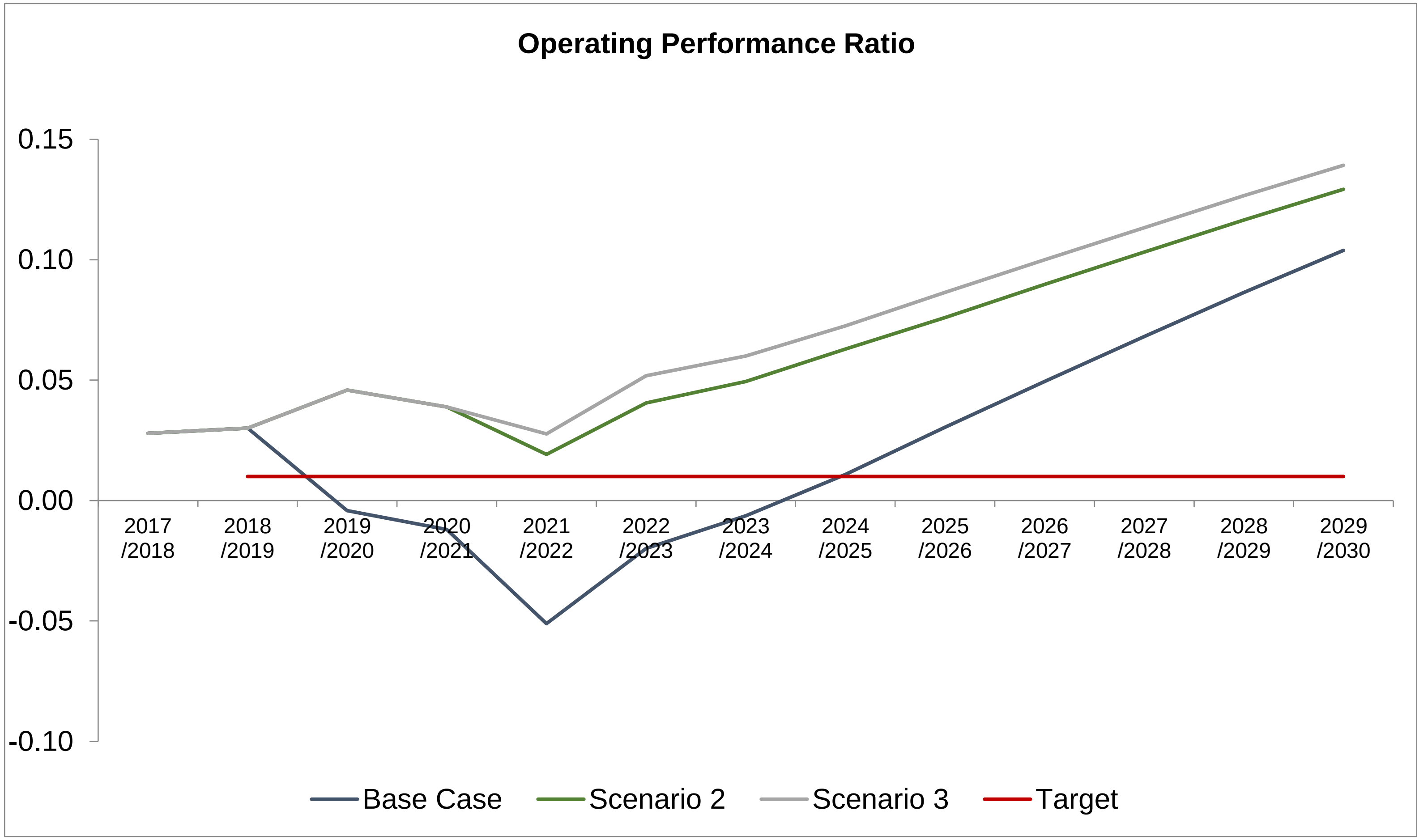
The debt service cover ratio measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by NSW Office of Local Government is greater than 2x (200% in graph)

Scenario 2 has been developed to utilise debt up to the benchmarks. Scenario 2 allows the ratio to dip slightly below the benchmark in one year where the borrowings are taken for the Queanbeyan head office and Queanbeyan sewage treatment plant. The ratio is brought back above the benchmark when principal repayments are made.



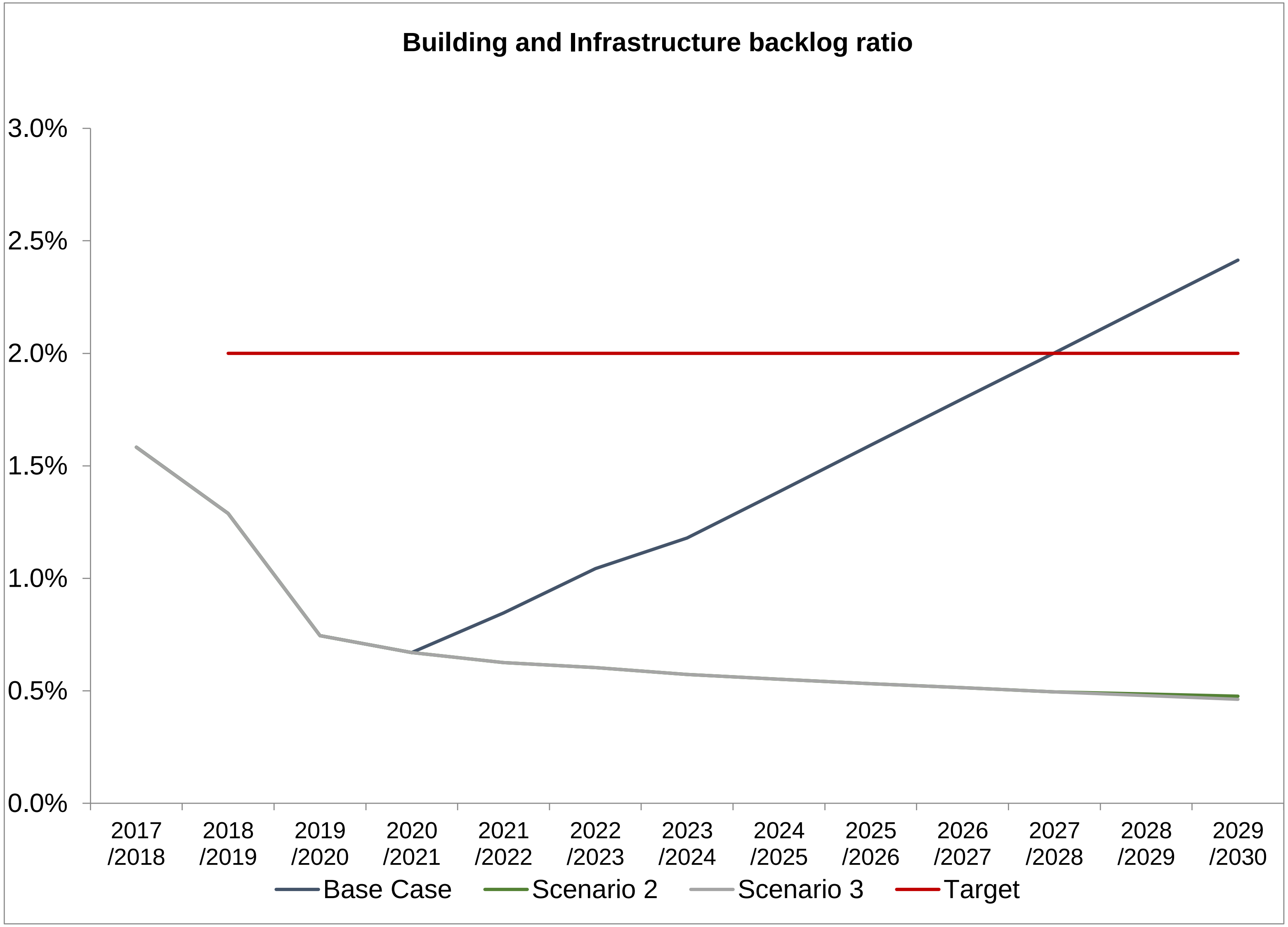
The Operating Performance Ratio measures how well Council contains operating expenditure within operating revenue (excluding capital, grants and Contributions, fair value adjustments and reversal of revaluation decrements). The benchmark set by the Office of Local Government is greater than 0%.

Scenario 2 has been designed to ensure the operating performance ratio meets the required benchmarks.



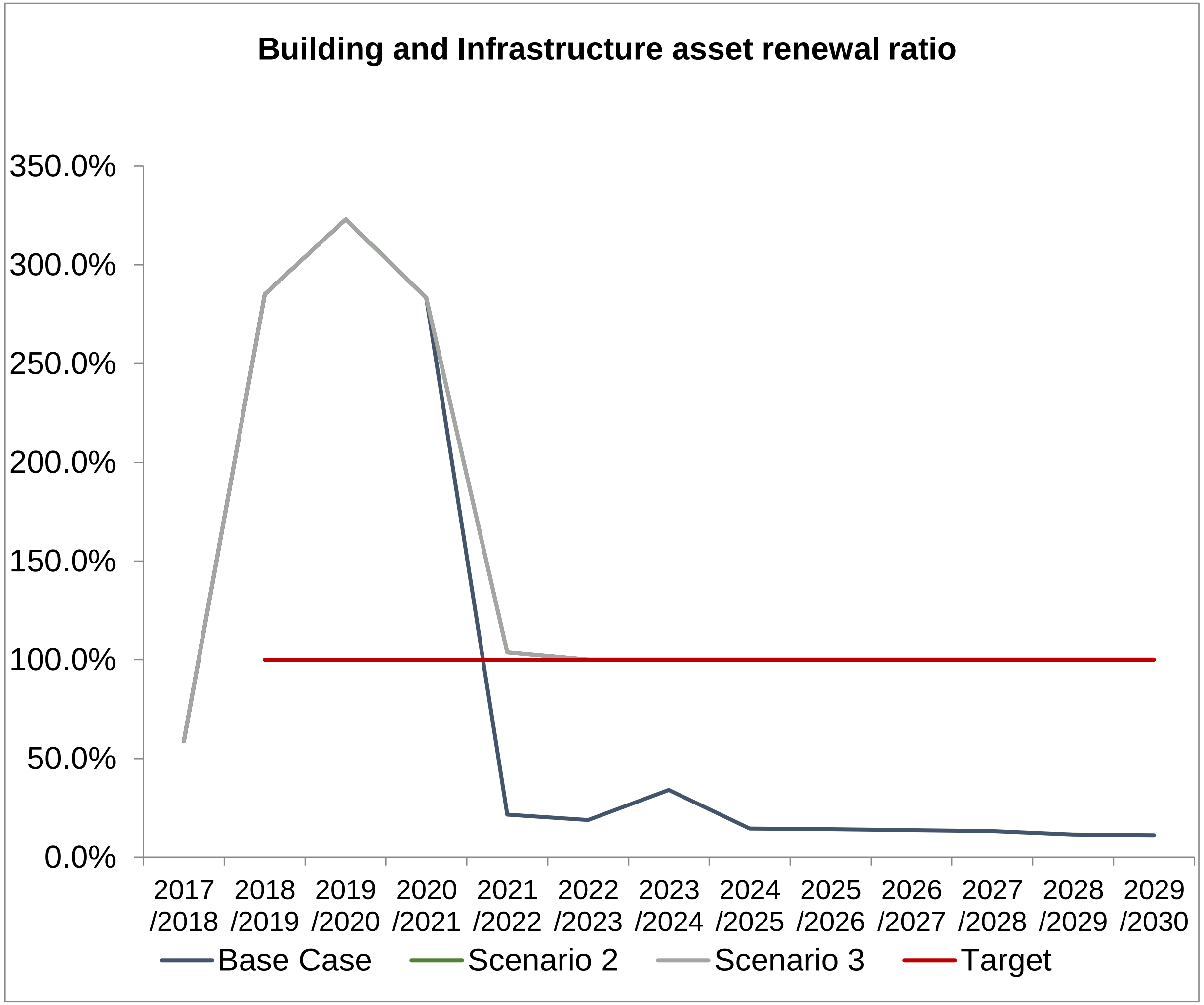
The building and infrastructure backlog ratio shows what the proportion the backlog (ie Condition 5, as disclosed on Special Schedule 7 in Financial Statements) is against the total value of Council's infrastructure.

Scenario 2 has been developed to allow assets are renewed to the agreed service levels and does not fall below benchmarks.



The building and infrastructure asset renewals ratio assesses the rate at which these assets are being renewed against the rate at which they are being depreciated. The benchmark set by Office of Local Government is greater than 100%.

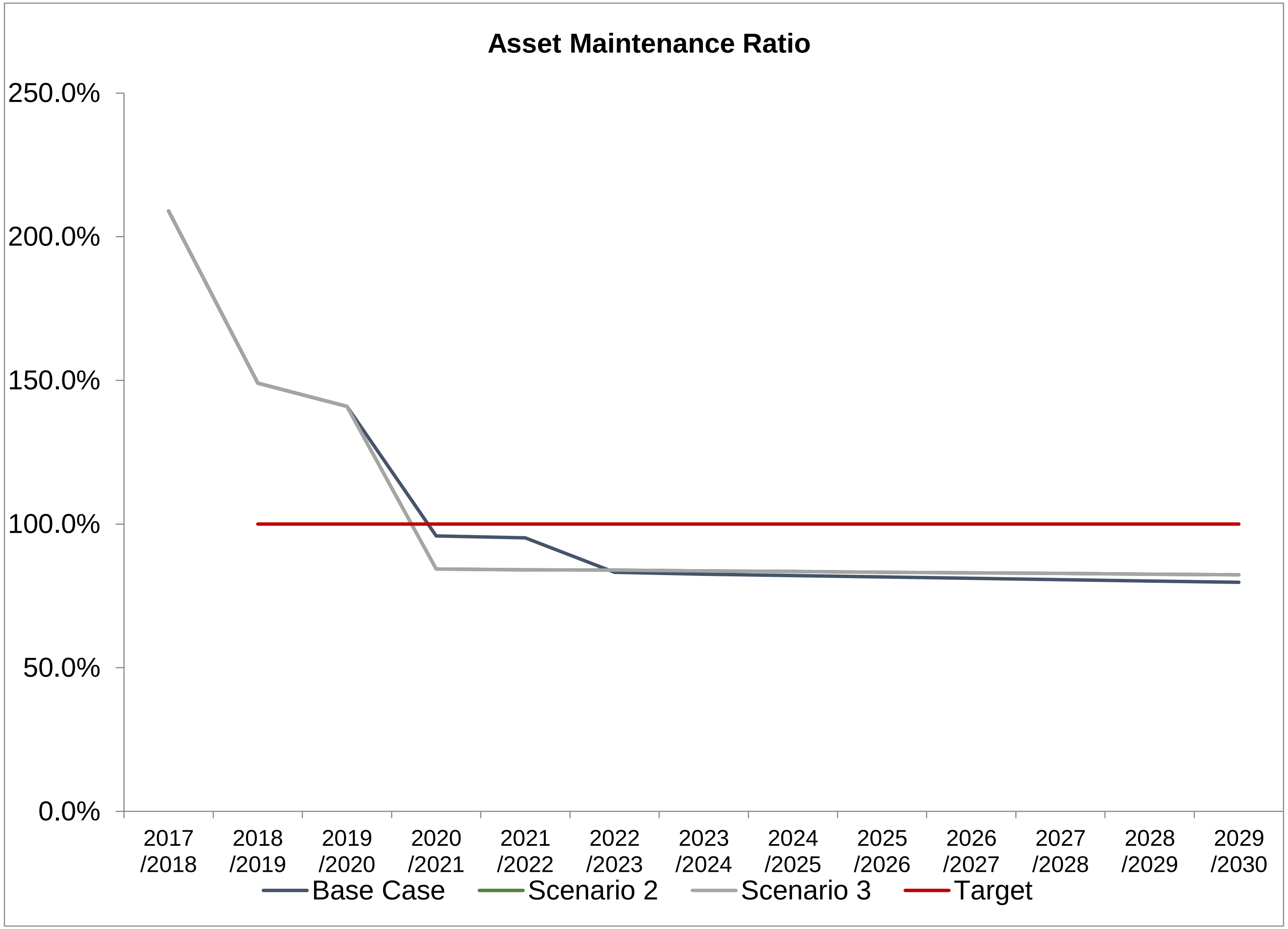
Scenario 2 has been developed to ensure asset renewals are equivalent to 100% of the value of the assets being depreciated.



The graph on the right compares actual vs required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.

Scenario 2 has been developed to focus on renewing assets whilst maintaining assets to around 80% of the required level.

By increasing the level of renewing assets, it allows a greater reduction in the backlog ratio.



Financial Summary – Scenario 2

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Average
OPERATION											
Total Rates and Annual Charges	69,640	71,376	73,156	76,300	79,510	82,826	86,253	89,794	93,423	97,172	81,945
User Charges and Fees	28,686	35,507	36,391	37,268	38,831	40,446	42,117	43,843	45,627	47,458	39,617
Other income	6,891	5,871	5,938	8,176	7,606	7,720	7,900	7,989	8,292	8,665	7,505
Grants and Contributions - Operating Purposes	11,156	11,308	11,500	11,759	12,023	12,294	12,570	12,853	13,142	13,438	12,204
Total Income from Continuing Operations	117,376	126,551	128,988	136,155	140,637	145,969	151,538	157,194	163,202	169,467	175,997
Services – operational expenditure	42,957	53,464	50,891	64,785	66,408	64,460	66,016	67,671	69,367	71,107	60,491
Asset Maintenance	46,493	36,412	38,991	24,600	25,301	29,635	30,527	31,384	32,265	33,169	34,099
Debt expenses	2,412	4,508	5,074	11,016	9,109	8,709	8,343	7,963	7,569	7,158	7,186
Depreciation	21,014	23,991	27,095	30,469	31,472	33,302	34,477	35,598	36,755	37,946	31,212
Total Expenses from Continuing Operations	112,876	118,375	122,051	131,581	133,017	136,851	140,123	143,394	146,738	150,181	153,714
Net Operating Result before Grants and Contributions - Capital Purposes	4,500	8,176	6,937	4,574	7,620	9,119	11,415	13,799	16,465	19,285	10,189
CAPITAL											
Grants and Contributions - Contributed Assets	19,644	20,076	20,517	14,407	14,767	15,136	15,515	15,903	16,300	16,708	16,897
Grants and Contributions - Capital Purposes	68,323	57,178	57,928	3,945	4,016	34,088	4,162	4,237	4,313	4,390	24,258
Borrowings (Debt)	50,400	33,900	105,400	30,000	0	0	0	0	0	0	21,970
Depreciation (non-cash)	21,014	23,991	27,095	30,469	31,472	33,302	34,477	35,598	36,755	37,946	31,212
Asset renewals	65,561	74,969	74,300	31,469	31,472	33,302	34,477	35,598	36,755	37,946	45,585
Asset enhancements	100,059	82,972	132,006	59,407	14,767	45,136	20,515	15,903	16,300	16,708	50,377
Net Reserve Movement	**(6,239)**	**(22,796)**	**4,634**	**(12,055)**	**4,016**	**4,088**	**(838)**	**4,237**	**4,313**	**4,390**	**(1,625)**

List of Appendix

- Consolidated Funds Income Statement - Scenario 2
- Consolidated Funds Statement of Financial Position - Scenario 2
- Consolidated Funds Cash Flow Statement - Scenario 2
- General Fund Income Statement - Scenario 2
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- General Fund Cash Flow Statement - Scenario 2
- Water Fund Income Statement - Scenario 2
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- Water Fund Cash Flow Statement - Scenario 2
- Sewer Fund Income Statement - Scenario 2
- Sewer Fund Statement of Financial Position - Scenario 2
- Sewer Fund Cash Flow Statement - Scenario 2

In ('000) **Scenario 2**

		2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
		Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3	4	5	6	7	8	9	10	11	12	13	14	15	16
Consolidated Funds Income Statement													
Revenue:													
Ordinary Rates		33,083	34,276	35,729	36,621	37,536	38,399	39,965	41,582	43,253	44,978	46,760	48,587
IPART Rate Peg %													
Special Rates		–	–	–	–	–	–	–	–	–	–	–	–
Ordinary Rate SRV	Off	–	–	–	–	–	–	–	–	–	–	–	–
SRV %													
Ordinary Rates(due to growth)		–	–	–	–	–	667	682	698	714	731	734	751
Dwellings growth per year ('000)	Off				*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Average Rate ($)													
Total Rates		**33,083**	**34,276**	**35,729**	**36,621**	**37,536**	**39,066**	**40,647**	**42,280**	**43,967**	**45,709**	**47,494**	**49,337**
Annual Charges (DWM)		34,944	32,336	33,911	34,755	35,620	36,479	38,090	39,756	41,478	43,259	45,099	46,986
Annual charges (CPI increase) %													
Additional annual charges (due to growth)		–	–	–	–	–	755	772	790	808	826	830	849
Average annual charge ($)					*1,439*								
Total Rates and Annual Charges		**68,027**	**66,612**	**69,640**	**71,376**	**73,156**	**76,300**	**79,510**	**82,826**	**86,253**	**89,794**	**93,423**	**97,172**
User Charges and Fees		43,895	37,339	28,686	35,507	36,391	37,268	38,831	40,446	42,117	43,843	45,627	47,458
User charges and fees (CPI increase) %													
Additional user charges and Fees (due to growth)		–	–	–	–	–	649	664	680	695	711	714	731
User charge & fees per dwelling													
Interest and Investment Revenue	New	5,288	5,654	4,823	3,780	3,825	6,014	5,395	5,458	5,585	5,622	5,870	6,188
Interest rate on cash %													
Other Revenue		2,847	1,906	2,068	2,091	2,113	2,162	2,211	2,262	2,314	2,367	2,422	2,478
Other revenue (CPI increase) %													
Own Source (Internal) Revenue		**120,057**	**111,511**	**105,217**	**112,754**	**115,485**	**122,393**	**126,611**	**131,673**	**136,965**	**142,337**	**148,057**	**154,026**
Grants and Contributions - Operating Purposes		26,423	17,882	11,156	11,308	11,500	11,759	12,023	12,294	12,570	12,853	13,142	13,438
Grants and Contributions increase %													
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–
Improvement income	Off	–	–	–	–	–	–	–	–	–	–	–	–
Other Income:													
Net gain from the disposal of assets		210	–	1,003	2,489	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003
Share of interests in joint ventures and associates		–	–	–	–	–	–	–	–	–	–	–	–
Total Income from Continuing Operations		**146,690**	**129,393**	**117,376**	**126,551**	**128,988**	**136,155**	**140,637**	**145,969**	**151,538**	**157,194**	**163,202**	**169,467**
Expenses													
Employee benefits and on-costs		42,322	40,023	43,533	41,839	42,958	44,139	45,353	46,600	47,882	49,199	50,552	51,942
Employee benefits and on-costs increase % (CPI Increase)													
Borrowing costs (Interest expense)		2,708	2,188	2,412	4,508	5,074	11,016	9,109	8,709	8,343	7,963	7,569	7,158
Borrowing costs of average debt outstanding %													
Materials and contracts		55,039	49,683	35,926	38,382	37,074	35,169	36,048	36,949	37,873	38,820	39,790	40,785
Materials & contracts increase % (CPI Increase)													
Depreciation and amortisation	ML	24,905	22,165	21,014	23,991	27,095	30,469	31,472	33,302	34,477	35,598	36,755	37,946
Impairment		–	–	–	–	–	–	–	–	–	–	–	–
Net Losses from the disposal of assets		–	3,557	–	–	–	–	–	–	–	–	–	–
Other expenses		12,655	11,722	9,991	9,655	9,850	10,077	10,308	10,545	10,788	11,036	11,290	11,550
Other expense increase % (CPI Increase)													
Expenses on account of improvement		–	–	–	–	–	–	–	–	–	–	–	–
Maintenance and Operating Expenses - Additional	On	–	–	–	–	–	711	727	744	761	779	782	800

Scenario 2

In ('000)					2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
					Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Maintenance & Ops expenses Gap for asset maintenance					–	–	–	–	–	–	–	–	–	–	–	–
Maintenance & Ops expenses - growth factor		75%			–	–	–	–	–	711	727	744	761	779	782	800
Maintenance & Ops expenses because of efficiency gains					–	–	–	–	–	–	–	–	–	–	–	–
Total Expenses from Continuing Operations					**137,629**	**129,338**	**112,876**	**118,375**	**122,051**	**131,581**	**133,017**	**136,851**	**140,123**	**143,394**	**146,738**	**150,181**
Net Operating Result **before** Grants and Contributions - Capital Purposes					**9,061**	**55**	**4,500**	**8,176**	**6,937**	**4,574**	**7,620**	**9,119**	**11,415**	**13,799**	**16,465**	**19,285**
Grants and Contributions - Capital Purposes					82,123	48,665	87,967	77,254	78,445	18,352	18,783	49,225	19,677	20,140	20,613	21,098
Grants and Contributions increase % (Capital Purpose)																
Net Operating Result **after** Grants and Contributions - Capital Purposes					**91,184**	**48,720**	**92,467**	**85,430**	**85,382**	**22,926**	**26,403**	**58,344**	**31,092**	**33,939**	**37,078**	**40,383**

Scenario 2

In ('000')	2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
	Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3 4	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Consolidated Funds Statement of Financial Position												
ASSETS												
Current Assets												
Cash and cash equivalents	22,612	16,176	63,919	65,805	91,506	68,723	68,698	70,800	69,864	76,025	84,490	95,401
Investments	63,111	70,687	57,778	47,978	38,233	39,272	40,311	41,350	42,389	43,429	44,468	45,507
Receivables	11,455	15,028	19,182	16,549	17,842	17,996	18,777	19,584	20,419	21,282	22,169	23,083
Receivable collection days												
Rates and Charges receivable	2,292	2,561	6,013	6,164	6,318	4,815	5,025	5,241	5,466	5,697	5,935	6,180
Rates and Charges receivable collection days												
Inventories	417	266	326	318	322	360	369	379	388	398	408	418
Inventory days												
Other	609	885	510	501	508	508	508	508	508	508	508	508
Non-Current Assets Classified As Held for Resale	120	120	120	120	120	–	–	–	–	–	–	–
Total Current Assets	98,324	103,162	141,835	131,271	148,531	126,860	128,663	132,621	133,568	141,641	152,043	164,917
Non-Current Assets												
Long term investments	72,250	80,250	43,355	36,352	28,892	28,892	28,892	28,892	28,892	28,892	28,892	28,892
NCA Receivables	573	535	1,796	1,836	1,877	1,006	1,047	1,091	1,135	1,181	1,228	1,277
Receivable collection days												
NCA Inventories	–	–	–	–	–	–	–	–	–	–	–	–
Inventory days												
Infrastructure, property, plant and equipment (Net)	1,281,879	1,318,972	1,462,075	1,639,265	1,865,872	1,980,162	2,051,645	2,155,284	2,236,893	2,315,930	2,397,340	2,481,193
Capital work in progress	–	–	–	–	–	–	–	–	–	–	–	–
% total fair value of assets												
Investments accounted for using the equity method	–	–	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–	–	–
Real Estate	–	–	–	–	–	–	–	–	–	–	–	–
Intangible Assets	–	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059
Total Non-Current Assets	1,354,702	1,402,816	1,510,285	1,680,512	1,899,700	2,013,119	2,084,644	2,188,326	2,269,979	2,349,062	2,430,519	2,514,421
TOTAL ASSETS	**1,453,026**	**1,505,978**	**1,652,120**	**1,811,783**	**2,048,230**	**2,139,979**	**2,213,307**	**2,320,947**	**2,403,547**	**2,490,703**	**2,582,562**	**2,679,338**
LIABILITIES												
Current Liabilities												
Payables	12,298	13,775	15,328	15,073	15,712	12,202	12,524	12,854	13,193	13,542	13,897	14,264
Payable days												
Income received in advance	1,841	177	2,126	1,944	2,077	–	–	–	–	–	–	–
Borrowings (Debt)	1,555	1,619	2,997	3,742	14,869	9,629	9,042	9,417	9,746	10,153	10,574	11,016
Provisions	11,718	12,119	9,624	9,624	9,624	17,877	18,342	18,819	19,309	19,811	20,326	20,855
% of employee benefits & on-costs, materials & contracts and other expenses												
Total Current Liabilities	27,412	27,690	30,075	30,383	42,282	39,708	39,907	41,091	42,248	43,505	44,798	46,136
Non-Current Liabilities												
NCL Payables	–	–	2,002	1,792	1,932	–	–	–	–	–	–	–
NCL Borrowings (Debt)	36,782	35,218	82,381	112,022	202,553	222,924	213,883	204,465	194,719	184,566	173,992	162,976
NCL Provisions	3,657	3,626	5,751	5,751	5,751	5,751	5,751	5,751	5,751	5,751	5,751	5,751
Total Liabilities	**67,851**	**66,534**	**120,209**	**149,948**	**252,518**	**268,383**	**259,541**	**251,307**	**242,718**	**233,823**	**224,541**	**214,863**
EQUITY												
Equity + Retained Earnings	1,385,175	1,433,895	1,526,362	1,611,792	1,697,173	1,720,100	1,746,502	1,804,846	1,835,938	1,869,876	1,906,954	1,947,337

In ('000) **Scenario 2**

					2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
					Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Revaluation Reserves					–	5,549	5,549	51,792	101,191	155,074	211,790	270,293	331,387	394,521	459,631	526,776
Total Equity					**1,385,175**	**1,439,444**	**1,531,911**	**1,663,584**	**1,798,364**	**1,875,174**	**1,958,292**	**2,075,139**	**2,167,325**	**2,264,397**	**2,366,585**	**2,474,114**
					–	–	–	(1,749)	(2,652)	(3,578)	(4,526)	(5,499)	(6,495)	(7,517)	(8,564)	(9,638)

In ('000)

Scenario 2

		2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
		Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	1 2 3 4	5	6	7	8	9	10	11	12	13	14	15	16
Consolidated Funds Cash Flow Statement													
Net Income (net operating result)		9,061	55	4,500	8,176	6,937	4,574	7,620	9,119	11,415	13,799	16,465	19,285
Plus: Depreciation		24,905	22,165	21,014	23,991	27,095	30,469	31,472	33,302	34,477	35,598	36,755	37,946
(Increase)/ Decrease in current assets		(13,054)	(3,660)	(5,100)	2,610	(1,345)	678	(831)	(860)	(889)	(918)	(944)	(973)
Increase / (Decrease) in current liabilities		29,514	183	5,134	(647)	912	734	787	808	829	851	871	896
Cash flow from Operations		50,426	18,743	25,548	34,130	33,599	36,455	39,047	42,369	45,832	49,330	53,146	57,155
Receipts													
Sales of investments (current investments)		–	12,681	23,112	11,358	10,784	–	–	–	–	–	–	–
Sale of long term investments		–	9,119	36,895	8,448	8,424	–	–	–	–	–	–	–
Sale of Investment Securities (equity method)		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Investment Property		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Infrastructure, Property, Plant and Equipment		–	5,185	1,503	3,003	2,003	–	–	–	–	–	–	–
Sale of Real Estate Assets		–	–	–	–	–	–	–	–	–	–	–	–
Sales of Intangible Asset		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Assets Held for Resale		(120)	–	–	–	–	120	–	–	–	–	–	–
Payments													
Purchase of investments (current investments)		(63,111)	(20,257)	(10,203)	(1,558)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,040)	(1,039)	(1,039)
Purchase of long term investments		(72,250)	(17,119)	–	(1,445)	(964)	–	–	–	–	–	–	–
Purchase of Investment Securities (equity method)		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Investment Property		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Infrastructure, Property, Plant and Equipment		(36,174)	(43,127)	(145,976)	(137,865)	(185,789)	(76,469)	(31,472)	(63,302)	(39,477)	(35,598)	(36,755)	(37,946)
Purchase of Real Estate Assets		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Intangible Assets		–	(3,059)	–	–	–	–	–	–	–	–	–	–
(Purchase) / Sale of CWIP		–	–	–	–	–	–	–	–	–	–	–	–
Cash flow from Investing		17,102	(56,577)	(94,669)	(118,059)	(166,581)	(77,388)	(32,511)	(64,341)	(40,516)	(36,638)	(37,794)	(38,985)
Receipts													
Proceeds from Grants and Contributions - Capital purposes		82,123	30,040	67,458	56,294	57,025	3,019	3,067	33,116	3,165	3,215	3,266	3,317
Proceeds from Borrowings (Debt) - Non - Current		36,782	–	50,400	33,900	105,400	30,000	–	–	–	–	–	–
Payments													
Repayments of Borrowings (Debt) - Non - Current		(1,801)	(1,564)	(1,859)	(3,514)	(3,742)	(14,869)	(9,629)	(9,042)	(9,417)	(9,746)	(10,153)	(10,574)
Cash flow from Financing		117,104	28,476	115,999	86,680	158,683	18,150	(6,562)	24,074	(6,252)	(6,531)	(6,887)	(7,258)
Opening cash		30,339	25,534	16,176	63,054	65,805	91,506	68,723	68,698	70,800	69,864	76,025	84,490
Change in cash		(7,727)	(9,358)	46,878	2,751	25,701	(22,782)	(26)	2,102	(936)	6,161	8,465	10,911
Closing cash		**22,612**	**16,176**	**63,054**	**65,805**	**91,506**	**68,723**	**68,698**	**70,800**	**69,864**	**76,025**	**84,490**	**95,401**
		157,973	**167,113**	**165,052**	**150,135**	**158,631**	**136,887**	**137,901**	**141,042**	**141,145**	**148,346**	**157,850**	**169,800**
External Restrictions	*85.5%*	*125,503*	*142,846*	*130,686*	*120,116*	*120,288*	*109,918*	*111,791*	*115,311*	*117,411*	*124,182*	*132,779*	*143,313*
Internal Restrictions	*12.4%*	*28,296*	*20,640*	*25,297*	*6,953*	*4,915*	*3,457*	*3,347*	*3,298*	*3,042*	*3,097*	*3,214*	*3,395*
Unrestricted	*2.2%*	*4,174*	*3,627*	*9,069*	*23,066*	*33,427*	*23,512*	*22,763*	*22,433*	*20,692*	*21,066*	*21,857*	*23,092*

Scenario 2

					2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028
In ('000)					*Actual*	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
General Fund Income Statement																
Revenue:																
Ordinary Rates					33,083	34,276	35,729	36,621	37,536	38,399	39,965	41,582	43,253	44,978	46,760	48,587
IPART Rate Peg %							0.0%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Special Rates		–			–	–	0	0	0	0	0	0	0	0	0	0
Ordinary Rate SRV		Off						0	0	0	0	0	0	0	0	0
SRV %								0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ordinary Rates(due to growth)					–	–	–	0	0	667	682	698	714	731	734	751
Dwellings growth per year ('000)		On						560	560	550	550	550	550	550	540	540
Average Rate ($)					1,370	1,419	1,416	1,159	1,186	1,213	1,241	1,269	1,299	1,328	1,359	1,390
Total Rates					33,083	34,276	35,729	**36,621**	**37,536**	**39,066**	**40,647**	**42,280**	**43,967**	**45,709**	**47,494**	**49,337**
Annual Charges					10,804	10,753	10,565	10,829	11,099	11,394	11,914	12,451	13,007	13,581	14,175	14,784
Annual charges (CPI increase) %								2.5%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Additional annual charges (due to growth)					–	–	–	0	0	252	257	263	269	275	277	283
Average annual charge ($)					447.37	445.26	437.47	437.00	447.05	457	468	479	490	501	512	524
Total Rates and Annual Charges					**43,887**	**45,029**	**46,294**	**47,450**	**48,635**	**50,712**	**52,818**	**54,995**	**57,243**	**59,566**	**61,946**	**64,405**
User Charges and Fees					27,198	18,942	12,984	19,416	19,901	20,398	21,213	22,055	22,925	23,824	24,753	25,706
User charges and fees (CPI increase) %								2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Additional user charges and Fees (due to growth)										297	304	311	318	325	327	334
User charge & fees per dwelling					1126.2	784.3	514.8	515.0	527.9	540.0	552.4	565.1	578.1	591.4	605.0	619.0
Interest and Investment Revenue					2,970	3,173	2,481	2,481	2,481	4,120	3,303	3,272	3,277	3,160	3,225	3,325
Interest rate on cash %					3.9%	4.2%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Revenue					2,101	990	1,926	1,945	1,964	2,009	2,055	2,103	2,151	2,200	2,251	2,303
Other revenue (CPI increase) %								2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Own Source (Internal) Revenue					**76,156**	**68,134**	**63,685**	**71,292**	**72,981**	**77,537**	**79,694**	**82,735**	**85,913**	**89,075**	**92,502**	**96,073**
Grants and Contributions - Operating Purposes					25,948	17,701	11,069	11,219	11,409	11,666	11,928	12,197	12,471	12,752	13,038	13,332
Grants and Contributions increase %						-31.8%	-37.5%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Discontinued Operations					–	–	–	–	–	–	–	–	–	–	–	–
Improvement income		Off			–	–	–	–	–	–	–	–	–	–	–	–
Other Income:																
Net gain from the disposal of assets					210	–	1,003	2,489	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003
Share of interests in joint ventures and associates					–	–	–	–	–	–	–	–	–	–	–	–
Total Income from Continuing Operations					**102,314**	**85,835**	**75,757**	**85,000**	**86,393**	**91,205**	**93,625**	**96,934**	**100,387**	**103,830**	**107,543**	**111,408**
Expenses																
Employee benefits and on-costs					38,286	36,511	40,772	39,008	40,056	41,158	42,289	43,452	44,647	45,875	47,137	48,433
Employee benefits and on-costs increase % (CPI Increase)								2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Borrowing costs (Interest expense)					1,737	1,610	1,656	3,377	3,946	8,064	6,257	5,961	5,703	5,436	5,160	4,871
Borrowing costs of average debt outstanding %					7%	7%	2%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Materials and contracts					36,892	30,111	7,530	10,795	9,197	9,427	9,663	9,904	10,152	10,406	10,666	10,932
Materials & contracts increase % (CPI Increase)							-75.0%	43.4%	-14.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Depreciation and amortisation		ML			18,129	16,802	14,861	17,838	20,942	23,298	24,008	25,535	26,395	27,192	28,012	28,856
Impairment					–	–	–	–	–	–	–	–	–	–	–	–
Net Losses from the disposal of assets					–	3,485	–	–	–	–	–	–	–	–	–	–
Other expenses					5,170	5,315	9,087	8,729	8,899	9,104	9,313	9,527	9,746	9,971	10,200	10,434
Other expense increase % (CPI Increase)							71.0%	-3.9%	1.9%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Expenses on account of improvement					–	–	–	–	–	–	–	–	–	–	–	–
Maintenance and Operating Expenses - Additional					–	–	–	–	–	459	470	481	492	503	505	517
Maintenance & Ops expenses Gap for asset maintenance		85%	Off		–	–	–	–	–	–	–	–	–	–	–	–
Maintenance & Ops expenses - growth factor		50%	On		–	–	–	–	–	459	470	481	492	503	505	517
Maintenance & Ops expenses because of efficiency gains			Off		–	–	–	–	–	–	–	–	–	–	–	–
Total Expenses from Continuing Operations					**100,214**	**93,834**	**73,906**	**79,747**	**83,040**	**91,510**	**92,000**	**94,861**	**97,136**	**99,382**	**101,679**	**104,043**

Scenario 2

	Special rate start and end year	2018	2038		2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028
In ('000)					*Actual*	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Net Operating Result **before** Grants and Contributions - Capital Purposes					**2,100**	**(7,999)**	**1,851**	**5,253**	**3,353**	**(304)**	**1,625**	**2,074**	**3,251**	**4,448**	**5,864**	**7,365**
Net Operating Result before capital - Waste Management Funds						*1,866*	*1,866*	*1,866*	*1,866*	*1,866*	*1,866*	*1,866*	*1,866*	*1,866*	*1,866*	*1,866*
Net Operating Result before capital - General Fund						*-9,865*	*-15*	*3,387*	*1,487*	*-2,170*	*-241*	*208*	*1,385*	*2,582*	*3,998*	*5,499*
Grants and Contributions - Capital Purposes					29,485	42,852	79,875	38,986	39,998	10,000	10,225	40,455	10,690	10,931	11,177	11,428
Grants and Contributions increase % (Capital Purpose)						*45.3%*	*86.4%*	*2.5%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*
Net Operating Result **after** Grants and Contributions - Capital Purposes					**31,585**	**34,853**	**81,726**	**44,239**	**43,351**	**9,696**	**11,850**	**42,529**	**13,942**	**15,378**	**17,040**	**18,793**
Includes non-cash developers contributions (gifted assets for Googong residential development)						**15,767**	**12,552**	**12,828**	**13,110**	**7,000**	**7,175**	**7,354**	**7,538**	**7,727**	**7,920**	**8,118**
Includes non-recurrent capital grants and contributions						**30,894**	**67,670**	**17,185**	**25,895**	**–**	**–**	**30,000**	**–**	**–**	**–**	**–**

Scenario 2

In ('000)	2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028
	Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3 4	5	6	7	8	9	10	11	12	13	14	15	16
General Fund Statement of Financial Position												
ASSETS												
Current Assets												
Cash and cash equivalents	12,242	266	49,678	45,728	54,602	25,242	22,063	20,081	14,069	14,098	15,319	17,808
Investments	21,443	41,700	18,609	20,167	21,206	22,245	23,284	24,323	25,362	26,402	27,441	28,480
Receivables	5,243	8,381	12,599	9,809	10,941	12,566	13,082	13,616	14,167	14,736	15,321	15,924
Receivable collection days	26.9	47.8	77.6	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5	64.5
Rates and Charges receivable	1,115	1,451	3,865	3,962	4,061	4,238	4,414	4,595	4,783	4,977	5,176	5,382
Rates and Charges receivable collection days	9.3	11.8	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.5
Inventories	229	266	136	135	136	170	175	179	184	188	193	198
Inventory days	2.3	3.2	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Other	609	885	510	501	508	508	508	508	508	508	508	508
Non-Current Assets Classified As Held for Resale	120	120	120	120	120	–	–	–	–	–	–	–
Total Current Assets	39,886	51,618	81,652	76,460	87,513	60,732	59,112	58,706	54,290	55,932	58,782	62,917
Non-Current Assets												
Long term investments	42,149	33,030	17,264	18,709	19,673	19,673	19,673	19,673	19,673	19,673	19,673	19,673
NCA Receivables	573	535	781	796	812	955	994	1,034	1,076	1,119	1,164	1,210
Receivable collection days	2.9	3.1	4.8	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
NCA Inventories	–	–	–	–	–	–	–	–	–	–	–	–
Inventory days	–	–	–	–	–	–	–	–	–	–	–	–
Infrastructure, property, plant and equipment (Net)	1,019,485	1,047,186	1,169,009	1,273,302	1,416,013	1,480,682	1,531,117	1,612,992	1,672,098	1,727,871	1,785,230	1,844,222
Capital work in progress	–	–	–	–	–	–	–	–	–	–	–	–
% total fair value of assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investments accounted for using the equity method	–	–	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–	–	–
Real Estate	–	–	–	–	–	–	–	–	–	–	–	–
Intangible Assets	–	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059	3,059
Total Non-Current Assets	1,062,207	1,083,810	1,190,113	1,295,866	1,439,557	1,504,368	1,554,843	1,636,759	1,695,907	1,751,722	1,809,126	1,868,164
TOTAL ASSETS	**1,102,093**	**1,135,428**	**1,271,765**	**1,372,326**	**1,527,071**	**1,565,100**	**1,613,954**	**1,695,465**	**1,750,196**	**1,807,654**	**1,867,908**	**1,931,081**
LIABILITIES												
Current Liabilities												
Payables	9,002	9,431	11,482	11,331	11,926	12,194	12,516	12,846	13,186	13,534	13,889	14,256
Payable days	40.9	47.9	73.0	73	74	74	74	74	74	74	74	74
Income received in advance	1,697	150	1,806	1,617	1,743	–	–	–	–	–	–	–
Borrowings (Debt)	832	1,004	2,266	2,961	12,241	6,893	6,193	6,450	6,655	6,932	7,220	7,522
Provisions	11,718	12,119	9,624	9,624	9,624	11,938	12,253	12,577	12,909	13,250	13,600	13,960
% of employee benefits & on-costs, materials & contracts and other expenses	14.6%	16.8%	16.8%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Total Current Liabilities	23,249	22,704	25,178	25,533	35,534	31,025	30,962	31,873	32,750	33,716	34,710	35,738
Non-Current Liabilities												
NCL Payables	–	–	2,002	1792	1932	0	0	0	0	0	0	0
NCL Borrowings (Debt)	22,549	21,607	69,617	90,383	153,542	146,649	140,456	134,006	127,351	120,418	113,198	105,676
NCL Provisions	3,657	3,626	5,751	5,751	5,751	5,751	5,751	5,751	5,751	5,751	5,751	5,751
Total Liabilities	**49,455**	**47,937**	**102,548**	**123,459**	**196,759**	**183,424**	**177,169**	**171,630**	**165,851**	**159,886**	**153,659**	**147,165**
EQUITY												
Equity + Retained Earnings	1,052,638	1,087,491	1,169,217	1,213,456	1,256,806	1,266,502	1,278,352	1,320,880	1,334,822	1,350,200	1,367,241	1,386,034
Revaluation Reserves	–	–	–	35,411	73,505	115,174	158,434	202,955	249,523	297,568	347,008	397,882
Total Equity	**1,052,638**	**1,087,491**	**1,169,217**	**1,248,867**	**1,330,312**	**1,381,676**	**1,436,785**	**1,523,835**	**1,584,345**	**1,647,768**	**1,714,249**	**1,783,916**
	–	0	0	0	0	0	0	0	0	0	0	0

QPRC

Scenario 2

In ('000)	2018	2038		2016 / 2017	2017 / 2018	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028
				Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
General Fund Cash Flow Statement															
Net Income (net operating result)				2,100	(7,999)	1,851	5,253	3,353	(304)	1,625	2,074	3,251	4,448	5,864	7,365
Plus: Depreciation				18,129	16,802	14,861	17,838	20,942	23,298	24,008	25,535	26,395	27,192	28,012	28,856
(Increase)/ Decrease in current assets				(6,654)	(3,413)	(3,959)	2,785	(1,156)	(1,802)	(560)	(578)	(597)	(617)	(634)	(654)
Increase / (Decrease) in current liabilities				26,074	(748)	5,339	(550)	861	(1,093)	637	654	671	689	706	726
Cash flow from Operations				39,649	4,642	18,092	25,326	24,000	20,099	25,710	27,684	29,721	31,712	33,947	36,293
Receipts															
Sales of investments (current investments)				–	–	23,091	–	–	–	–	–	–	–	–	–
Sale of long term investments				–	9,119	15,766	–	–	–	–	–	–	–	–	–
Sale of Investment Securities (equity method)				–	–	–	–	–	–	–	–	–	–	–	–
Sale of Investment Property				–	–	–	–	–	–	–	–	–	–	–	–
Sale of Infrastructure, Property, Plant and Equipment				–	5,108	1,503	3,003	2,003	–	–	–	–	–	–	–
Sale of Real Estate Assets				–	–	–	–	–	–	–	–	–	–	–	–
Sales of Intangible Asset				–	–	–	–	–	–	–	–	–	–	–	–
Sale of Assets Held for Resale				(120)	–	–	–	–	120	–	–	–	–	–	–
Payments															
Purchase of investments (current investments)				(21,443)	(20,257)	–	(1,558)	(1,039)	(1,039)	(1,039)	(1,039)	(1,039)	(1,040)	(1,039)	(1,039)
Purchase of long term investments				(42,149)	–	–	(1,445)	(964)	–	–	–	–	–	–	–
Purchase of Investment Securities (equity method)				–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Investment Property				–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Infrastructure, Property, Plant and Equipment				(34,929)	(33,844)	(125,635)	(76,895)	(114,452)	(39,298)	(24,008)	(55,535)	(31,395)	(27,192)	(28,012)	(28,856)
Purchase of Real Estate Assets				–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Intangible Assets				–	(3,059)	–	–	–	–	–	–	–	–	–	–
(Purchase) / Sale of CWIP				–	–	–	–	–	–	–	–	–	–	–	–
Cash flow from Investing				(98,641)	(42,933)	(85,275)	(76,895)	(114,452)	(40,217)	(25,047)	(56,574)	(32,434)	(28,232)	(29,051)	(29,895)
Receipts															
Proceeds from Grants and Contributions - Capital purposes				29,485	27,085	67,323	26,158	26,888	3,000	3,050	33,101	3,152	3,204	3,257	3,310
Proceeds from Borrowings				22,549	–	50,400	23,900	75,400	–	–	–	–	–	–	–
Payments															
Loan repayments				(1,801)	(942)	(1,128)	(2,439)	(2,961)	(12,241)	(6,893)	(6,193)	(6,450)	(6,655)	(6,932)	(7,220)
Cash flow from Financing				50,233	26,143	116,595	47,619	99,327	(9,241)	(3,843)	26,908	(3,298)	(3,451)	(3,675)	(3,910)
Opening cash				21,001	12,414	266	49,678	45,728	54,602	25,242	22,063	20,081	14,069	14,098	15,319
Change in cash				(8,759)	(12,148)	49,412	(3,950)	8,875	(29,360)	(3,180)	(1,982)	(6,011)	29	1,221	2,488
Closing cash				**12,242**	**266**	**49,678**	**45,728**	**54,602**	**25,242**	**22,063**	**20,081**	**14,069**	**14,098**	**15,319**	**17,808**
				75,834	**74,996**	**85,551**	**84,604**	**95,481**	**67,160**	**65,020**	**64,077**	**59,104**	**60,173**	**62,433**	**65,961**
External Restrictions	*59.8%*			*43,364*	*50,729*	*51,185*	*54,585*	*57,139*	*40,191*	*38,910*	*38,346*	*35,370*	*36,009*	*37,362*	*39,473*
Internal Restrictions	*5.1%*			*28,296*	*20,640*	*25,297*	*6,953*	*4,915*	*3,457*	*3,347*	*3,298*	*3,042*	*3,097*	*3,214*	*3,395*
Unrestricted	*35.0%*			*4,174*	*3,627*	*9,069*	*23,066*	*33,427*	*23,512*	*22,763*	*22,433*	*20,692*	*21,066*	*21,857*	*23,092*

Scenario 2

In ('000)				2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
				Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Water Fund Income Statement															
Revenue:															
Ordinary Rates				–	–	–	0	0	0	0	0	0	0	0	0
IPART Rate Peg %							2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Special Rates				–	–	–	0	0	0	0	0	0	0	0	0
Ordinary Rate SRV	Off						0	0	0	0	0	0	0	0	0
SRV %							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ordinary Rates(due to growth)				–	–	–	0	0	0	0	0	0	0	0	0
Dwellings growth per year ('000)	On						560	560	550	550	550	550	550	540	540
Average Rate ($)							0	0	0	0	0	0	0	0	0
Total Rates				–	–	–	-	-	-	-	-	-	-	-	-
Access Charges				7,745	6,296	6,529	6,691	6,857	7,015	7,433	7,868	8,318	8,785	9,268	9,765
Annual charges (CPI increase) %							2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Additional annual charges (due to growth)				–	–	–	–	–	252	257	263	269	275	277	283
Average annual charge ($)				320.70	260.70	270.35	437.00	447.05	457	468	479	490	501	512	524
Total Rates and Annual Charges				**7,745**	**6,296**	**6,529**	**6,691**	**6,857**	**7,266**	**7,691**	**8,131**	**8,587**	**9,060**	**9,545**	**10,048**
User Charges and Fees				15,164	16,653	14,938	15,310	15,691	16,052	16,764	17,500	18,261	19,048	19,861	20,695
User charges and fees (CPI increase) %							2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Additional user charges and Fees (due to growth)									335	343	351	359	367	369	377
User charge & fees per dwelling				627.9	689.6	592.2	582.0	595.4	609.1	623.1	637.4	652.1	667.1	682.4	698.1
Interest and Investment Revenue				570	536	538	538	538	476	599	705	834	986	1,163	1,367
Interest rate on cash %				2.6%	2.0%	2.9%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Revenue				412	709	10	11	11	11	12	12	12	12	13	13
Other revenue (CPI increase) %							2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Own Source (Internal) Revenue				**23,891**	**24,194**	**22,015**	**22,550**	**23,097**	**24,141**	**25,407**	**26,698**	**28,053**	**29,473**	**30,951**	**32,500**
Grants and Contributions - Operating Purposes				97	91	87	89	91	93	95	97	99	102	104	106
Grants and Contributions increase %							2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Discontinued Operations				–	–	–	–	–	–	–	–	–	–	–	–
Improvement income	Off			–	–	–	–	–	–	–	–	–	–	–	–
Other Income:															
Net gain from the disposal of assets				–	–	–	–	–	–	–	–	–	–	–	–
Share of interests in joint ventures and associates				–	–	–	–	–	–	–	–	–	–	–	–
Total Income from Continuing Operations				**23,988**	**24,285**	**22,102**	**22,639**	**23,188**	**24,234**	**25,503**	**26,796**	**28,152**	**29,575**	**31,055**	**32,607**
				23,988	24,285	22,102	22,639	23,188	24,313	25,613	26,956	28,387	29,891	31,456	33,097
Expenses															
Employee benefits and on-costs				1,666	1,039	1,266	1,298	1,331	1,368	1,405	1,444	1,484	1,524	1,566	1,609
Employee benefits and on-costs increase % (CPI Increase)							2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Borrowing costs (Interest expense)				417	211	293	283	274	220	216	213	209	205	201	197
Borrowing costs of average debt outstanding %				7%	4%	5%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Materials and contracts				15,037	15,189	19,724	19,168	19,674	17,334	17,767	18,212	18,667	19,133	19,612	20,102
Materials & contracts increase % (CPI Increase)					1.01%	29.86%	-2.82%	2.64%	-11.89%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Depreciation and amortisation	ML			2,112	1,572	1,869	1,869	1,869	1,772	1,816	1,861	1,908	1,955	2,004	2,054
Impairment				–	–	–	–	–	–	–	–	–	–	–	–
Net Losses from the disposal of assets				–	72	–	–	–	–	–	–	–	–	–	–
Other expenses & water purchase charges				3,223	3,093	219	224	230	235	241	246	252	258	264	270
Other expense increase % (CPI Increase)					-4.03%	-92.92%	2.28%	2.68%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Expenses on account of improvement				–	–	–	–	–	–	–	–	–	–	–	–
Maintenance and Operating Expenses - Additional				–	–	–	–	–	126	129	132	135	138	138	142
Maintenance & Ops expenses Gap for asset maintenance		Off		–	–	–	–	–	–	–	–	–	–	–	–
Maintenance & Ops expenses - growth factor	50%	On		–	–	–	–	–	126	129	132	135	138	138	142
Maintenance & Ops expenses because of efficiency gains		Off		–	–	–	–	–	–	–	–	–	–	–	–
Total Expenses from Continuing Operations				**22,455**	**21,176**	**23,371**	**22,842**	**23,378**	**21,054**	**21,574**	**22,108**	**22,654**	**23,214**	**23,785**	**24,374**

Scenario 2

In ('000)	2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
	Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3 4	5	6	7	8	9	10	11	12	13	14	15	16
Net Operating Result **before** Grants and Contributions - Capital Purposes	**1,533**	**3,109**	**(1,269)**	**(203)**	**(190)**	**3,179**	**3,929**	**4,688**	**5,498**	**6,361**	**7,270**	**8,232**
Grants and Contributions - Capital Purposes	1,827	1,578	885	905	924	945	966	988	1,010	1,033	1,056	1,080
Grants and Contributions increase % (Capital Purpose)				*2.50%*	*2.25%*	*2.25%*	*2.25%*	*2.25%*	*2.25%*	*2.25%*	*2.25%*	*2.25%*
Net Operating Result **after** Grants and Contributions - Capital Purposes	**3,360**	**4,687**	**(384)**	**702**	**734**	**4,124**	**4,895**	**5,676**	**6,509**	**7,394**	**8,326**	**9,312**
Includes non-cash developers contributions (gifted assets)		**659**	**865**	**884**	**903**	**926**	**949**	**972**	**997**	**1,022**	**1,047**	**1,073**

Scenario 2

In ('000)	2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
	Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
1 2 3 4	5	6	7	8	9	10	11	12	13	14	15	16
Water Fund Statement of Financial Position												
ASSETS												
Current Assets												
Cash and cash equivalents	4,855	5,237	4,187	3,121	3,188	7,275	10,824	15,111	20,185	26,097	32,892	40,625
Investments	14,416	10,477	10,456	9,449	9,419	9,419	9,419	9,419	9,419	9,419	9,419	9,419
Receivables	4,715	5,145	4,901	5,023	5,148	5,430	5,695	5,969	6,252	6,546	6,848	7,159
Receivable collection days	75.1	81.8	83.3	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Rates and Charges receivable	254	436	520	533	547	577	611	646	682	720	758	798
Rates and Charges receivable collection days	12.0	25.3	29.1	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
Inventories	185	–	188	181	184	190	195	200	205	210	215	220
Inventory days	4.5	0.0	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Other	–	–	–	0	0	0	0	0	0	0	0	0
Non-Current Assets Classified As Held for Resale	–	–	–	–	–	–	–	–	–	–	–	–
Total Current Assets	24,171	20,859	19,732	17,774	17,939	22,314	26,132	30,698	36,060	42,271	49,374	57,424
Non-Current Assets												
Long term investments	3,021	10,793	3,626	3,276	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266
NCA Receivables	–	–	820	841	862	51	54	56	59	62	64	67
Receivable collection days	0.0	0.0	13.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
NCA Inventories	–	–	–	–	–	–	–	–	–	–	–	–
Inventory days	–	–	–	–	–	–	–	–	–	–	–	–
Infrastructure, property, plant and equipment (Net)	100,247	108,730	114,590	119,476	123,354	127,818	132,394	137,085	141,892	146,820	151,871	157,048
Capital work in progress	–	–	–	–	–	–	–	–	–	–	–	–
% total fair value of assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investments accounted for using the equity method	–	–	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–	–	–
Real Estate	–	–	–	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–
Total Non-Current Assets	103,268	119,523	119,036	123,593	127,482	131,135	135,714	140,407	145,217	150,148	155,201	160,382
TOTAL ASSETS	**127,439**	**140,382**	**138,768**	**141,367**	**145,421**	**153,450**	**161,846**	**171,105**	**181,277**	**192,418**	**204,575**	**217,805**
LIABILITIES												
Current Liabilities												
Payables	2,905	3,947	3,099	3,014	3,093	7	7	8	8	8	8	8
Payable days	53.2	74.6	53.3	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Income received in advance	144	27	120	123	127	–	–	–	–	–	–	–
Borrowings (Debt)	479	359	475	196	209	221	233	247	262	278	294	312
Provisions	–	–	–	–	–	3,787	3,883	3,980	4,080	4,183	4,288	4,396
% of employee benefits & on-costs, materials & contracts and other expenses	0.0%	0.0%	0.0%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Total Current Liabilities	3,528	4,333	3,694	3,333	3,429	4,016	4,123	4,235	4,350	4,469	4,591	4,717
Non-Current Liabilities												
NCL Payables	–	–	–	–	–	–	–	–	–	–	–	–
NCL Borrowings (Debt)	5,852	5,495	4,904	4,700	4,491	4,270	4,037	3,790	3,528	3,250	2,956	2,644
NCL Provisions	–	–	–	–	–	–	–	–	–	–	–	–
Total Liabilities	**9,380**	**9,828**	**8,598**	**8,033**	**7,920**	**8,286**	**8,160**	**8,025**	**7,878**	**7,719**	**7,547**	**7,361**
EQUITY												
Equity + Retained Earnings	118,059	122,746	122,362	123,064	123,798	127,922	132,817	138,493	145,001	152,396	160,721	170,033
Revaluation Reserves	–	7,808	7,808	12,019	16,355	20,819	25,395	30,086	34,893	39,821	44,872	50,049
Total Equity	**118,059**	**130,554**	**130,170**	**135,083**	**140,153**	**148,742**	**158,212**	**168,579**	**179,895**	**192,217**	**205,593**	**220,083**
	–	(0)	(0)	(1,749)	(2,652)	(3,578)	(4,526)	(5,499)	(6,496)	(7,517)	(8,564)	(9,638)

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Scenario 2

In ('000)

		2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
		Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3 4		*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Water Fund Cash Flow Statement													
Net Income (net operating result)		1,533	3,109	(1,269)	(203)	(190)	3,179	3,929	4,688	5,498	6,361	7,270	8,232
Plus: Depreciation		2,112	1,572	1,869	1,869	1,869	1,772	1,816	1,861	1,908	1,955	2,004	2,054
(Increase)/ Decrease in current assets		(4,900)	(245)	(764)	(136)	(149)	523	(272)	(281)	(291)	(301)	(310)	(320)
Increase / (Decrease) in current liabilities		3,049	925	(755)	(82)	83	575	95	98	100	103	105	108
Cash flow from Operations		1,794	5,361	(919)	1,448	1,613	6,048	5,568	6,366	7,215	8,118	9,069	10,075
Receipts													
Sales of investments (current investments)		–	3,939	21	1,007	30	–	–	–	–	–	–	–
Sale of long term investments		–	–	7,167	350	10	–	–	–	–	–	–	–
Sale of Investment Securities (equity method)		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Investment Property		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Infrastructure, Property, Plant and Equipment		–	77	–	–	–	–	–	–	–	–	–	–
Sale of Real Estate Assets		–	–	–	–	–	–	–	–	–	–	–	–
Sales of Intangible Asset		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Assets Held for Resale		–	–	–	–	–	–	–	–	–	–	–	–
Payments													
Purchase of investments (current investments)		(14,416)	–	–	–	–	–	–	–	–	–	–	–
Purchase of long term investments		(3,021)	(7,772)	–	–	–	–	–	–	–	–	–	–
Purchase of Investment Securities (equity method)		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Investment Property		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Infrastructure, Property, Plant and Equipment		(1,245)	(2,324)	(7,729)	(2,544)	(1,411)	(1,772)	(1,816)	(1,861)	(1,908)	(1,955)	(2,004)	(2,054)
Purchase of Real Estate Assets		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–
(Purchase) / Sale of CWIP		–	–	–	–	–	–	–	–	–	–	–	–
Cash flow from Investing		(18,682)	(6,080)	(541)	(1,187)	(1,371)	(1,772)	(1,816)	(1,861)	(1,908)	(1,955)	(2,004)	(2,054)
Receipts													
Proceeds from Grants and Contributions - Capital purposes		1,827	919	20	21	21	19	17	15	13	11	9	6
Proceeds from Borrowings		5,852	–	–	–	–	–	–	–	–	–	–	–
Payments													
Loan repayments		(1,801)	(357)	(475)	(483)	(196)	(209)	(221)	(233)	(247)	(262)	(278)	(294)
Cash flow from Financing		5,878	562	(455)	(462)	(175)	(190)	(204)	(218)	(234)	(251)	(269)	(288)
Opening cash		15,865	5,394	5,237	3,322	3,121	3,188	7,275	10,824	15,111	20,185	26,097	32,892
Change in cash		(11,010)	(157)	(1,915)	(201)	67	4,087	3,549	4,287	5,074	5,912	6,795	7,733
Closing cash		**4,855**	**5,237**	**3,322**	**3,121**	**3,188**	**7,275**	**10,824**	**15,111**	**20,185**	**26,097**	**32,892**	**40,625**
		22,292	**26,507**	**18,269**	**15,846**	**15,873**	**19,960**	**23,509**	**27,796**	**32,870**	**38,782**	**45,577**	**53,310**
External Restrictions	*100.0%*	*22,292*	*26,507*	*18,269*	*15,846*	*15,873*	*19,960*	*23,509*	*27,796*	*32,870*	*38,782*	*45,577*	*53,310*
Internal Restrictions	*0.0%*	–	–	–	–	–	–	–	–	–	–	–	–
Unrestricted	*0.0%*	–	–	–	–	–	–	–	–	–	–	–	–

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Scenario 2

In ('000)					2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
					Actual	Actual	Budget	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Sewer Fund Income Statement																
Revenue:																
Ordinary Rates					–	–	–	0	0	0	0	0	0	0	0	0
IPART Rate Peg %								2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Special Rates					–	–	–	0	0	0	0	0	0	0	0	0
Ordinary Rate SRV		Off						0	0	0	0	0	0	0	0	0
SRV %								0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ordinary Rates(due to growth)					–	–	–	0	0	0	0	0	0	0	0	0
Dwellings growth per year ('000)		On						560	560	550	550	550	550	550	540	540
Average Rate ($)								0	0	0	0	0	0	0	0	0
Total Rates					–	–	–	-	-	-	-	-	-	-	-	-
Access Charges					16,395	15,287	16,817	17,235	17,664	18,070	18,743	19,438	20,154	20,893	21,655	22,436
Annual charges (CPI increase) %								2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Additional annual charges (due to growth)					–	–	–	–	–	252	257	263	269	275	277	283
Average annual charge ($)					678.88	633.00	696.36	437.00	447.05	457	468	479	490	501	512	524
Total Rates and Annual Charges					**16,395**	**15,287**	**16,817**	**17,235**	**17,664**	**18,322**	**19,001**	**19,701**	**20,423**	**21,168**	**21,932**	**22,719**
User Charges and Fees					1,533	1,744	764	781	799	817	854	892	931	971	1,013	1,056
User charges and fees (CPI increase) %								2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Additional user charges and Fees (due to growth)										17	18	18	19	19	19	20
User charge & fees per dwelling					63.5	72.2	30.3	30.2	30.9	31.6	32.3	33.1	33.8	34.6	35.4	36.2
Interest and Investment Revenue					1,748	1,945	1,804	761	806	1,418	1,493	1,481	1,475	1,475	1,482	1,495
Interest rate on cash %					2.9%	3.0%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Revenue					334	207	132	135	138	141	144	148	151	155	158	162
Other revenue (CPI increase) %								2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Own Source (Internal) Revenue					**20,010**	**19,183**	**19,517**	**18,912**	**19,407**	**20,716**	**21,510**	**22,240**	**22,999**	**23,789**	**24,604**	**25,452**
Grants and Contributions - Operating Purposes					378	90	–	–	–	–	–	–	–	–	–	–
Grants and Contributions increase %								2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Discontinued Operations					–	–	–	–	–	–	–	–	–	–	–	–
Improvement income		Off			–	–	–	–	–	–	–	–	–	–	–	–
Other Income:																
Net gain from the disposal of assets					–	–	–	–	–	–	–	–	–	–	–	–
Share of interests in joint ventures and associates					–	–	–	–	–	–	–	–	–	–	–	–
Total Income from Continuing Operations					**20,388**	**19,273**	**19,517**	**18,912**	**19,407**	**20,716**	**21,510**	**22,240**	**22,999**	**23,789**	**24,604**	**25,452**
Expenses																
Employee benefits and on-costs					2,370	2,473	1,495	1,533	1,571	1,614	1,659	1,704	1,751	1,799	1,849	1,900
Employee benefits and on-costs increase % (CPI Increase)								2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Borrowing costs (Interest expense)					554	367	463	848	854	2,732	2,636	2,535	2,430	2,322	2,208	2,091
Borrowing costs of average debt outstanding %					6%	4%	6%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Materials and contracts					3,110	4,383	8,672	8,419	8,203	8,408	8,618	8,834	9,055	9,281	9,513	9,751
Materials & contracts increase % (CPI Increase)								2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Depreciation and amortisation		ML			4,664	3,791	4,284	4,284	4,284	5,399	5,648	5,906	6,174	6,451	6,738	7,036
Impairment					–	–	–	–	–	–	–	–	–	–	–	–
Net Losses from the disposal of assets					–	–	–	–	–	–	–	–	–	–	–	–
Other expenses					4,262	3,314	685	702	721	738	755	772	790	808	826	845
Other expense increase % (CPI Increase)								2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Expenses on account of improvement					–	–	–	–	–	–	–	–	–	–	–	–
Maintenance and Operating Expenses - Additional					–	–	–	–	–	126	129	132	135	138	138	142
Maintenance & Ops expenses Gap for asset maintenance			Off		–	–	–	–	–	–	–	–	–	–	–	–
Maintenance & Ops expenses - growth factor		50%	On		–	–	–	–	–	126	129	132	135	138	138	142

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Scenario 2

In ('000)		2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
		Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3 4		*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Maintenance & Ops expenses because of efficiency gains	Off	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenses from Continuing Operations		**14,960**	**14,328**	**15,599**	**15,786**	**15,633**	**19,017**	**19,444**	**19,883**	**20,334**	**20,798**	**21,273**	**21,764**
Net Operating Result **before** Grants and Contributions - Capital Purposes		**5,428**	**4,945**	**3,918**	**3,126**	**3,774**	**1,699**	**2,066**	**2,357**	**2,665**	**2,990**	**3,331**	**3,688**
Grants and Contributions - Capital Purposes		50,811	4,235	7,207	37,363	37,523	7,407	7,592	7,782	7,977	8,176	8,380	8,590
Grants and Contributions increase % (Capital Purpose)					*2.5%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*	*2.3%*
Net Operating Result **after** Grants and Contributions - Capital Purposes		**56,239**	**9,180**	**11,125**	**40,489**	**41,297**	**9,106**	**9,658**	**10,139**	**10,642**	**11,166**	**11,712**	**12,278**
Includes non-cash developers contributions (gifted assets for Googong residential development)			2,199	**7,092**	**7,248**	**7,407**	**7,407**	**7,592**	**7,782**	**7,977**	**8,176**	**8,380**	**8,590**

QPRC Long Term Financial Plan 2018-28

Scenario 2

In ('000)	2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
	Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3 4	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Sewer Fund Statement of Financial Position												
ASSETS												
Current Assets												
Cash and cash equivalents	5,515	10,673	10,054	16,956	33,715	36,206	35,811	35,608	35,610	35,830	36,279	36,968
Investments	27,252	18,510	28,713	18,362	7,608	7,608	7,608	7,608	7,608	7,608	7,608	7,608
Receivables	1,497	1,502	1,682	1,717	1,753	–	–	–	–	–	–	–
Receivable collection days	*30.5*	*32.2*	*34.9*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Rates and Charges receivable	923	674	1,628	1,669	1,710	–	–	–	–	–	–	–
Rates and Charges receivable collection days	*20.5*	*16.1*	*35.3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Inventories	3	–	2	2	2	–	–	–	–	–	–	–
Inventory days	*0.4*	*0.0*	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Other	–	–	–	0	0	0	0	0	0	0	0	0
Non-Current Assets Classified As Held for Resale	–	–	–	–	–	–	–	–	–	–	–	–
Total Current Assets	34,267	30,685	40,451	37,037	43,078	43,814	43,419	43,216	43,218	43,438	43,887	44,576
Non-Current Assets												
Long term investments	27,080	36,427	22,465	14,367	5,953	5,953	5,953	5,953	5,953	5,953	5,953	5,953
NCA Receivables	–	–	195	199	203	–	–	–	–	–	–	–
Receivable collection days	*0.0*	*0.0*	*4.0*	–	–	–	–	–	–	–	–	–
NCA Inventories	–	–	–	–	–	–	–	–	–	–	–	–
Inventory days	–	–	–	–	–	–	–	–	–	–	–	–
Infrastructure, property, plant and equipment (Net)	162,147	163,056	178,476	246,487	326,504	371,662	388,134	405,208	422,903	441,239	460,239	479,923
Capital work in progress	–	–	–	–	–	–	–	–	–	–	–	–
% total fair value of assets	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Investments accounted for using the equity method	–	–	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–	–	–
Real Estate	–	–	–	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–
Total Non-Current Assets	189,227	199,483	201,136	261,053	332,660	377,615	394,087	411,161	428,856	447,192	466,192	485,876
TOTAL ASSETS	**223,494**	**230,168**	**241,587**	**298,090**	**375,739**	**421,429**	**437,507**	**454,377**	**472,074**	**490,630**	**510,079**	**530,452**
LIABILITIES												
Current Liabilities												
Payables	391	397	747	728	693	–	–	–	–	–	–	–
Payable days	*14.6*	*14.2*	*25.1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Income received in advance	–	–	200	204	207	–	–	–	–	–	–	–
Borrowings (Debt)	244	256	256	585	2,418	2,515	2,616	2,720	2,829	2,942	3,060	3,182
Provisions	–	–	–	–	–	2,152	2,206	2,262	2,319	2,378	2,438	2,499
% of employee benefits & on-costs, materials & contracts and other expenses	*0.0%*	*0.0%*	*0.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*
Total Current Liabilities	635	653	1,203	1,517	3,318	4,667	4,822	4,982	5,148	5,320	5,498	5,682
Non-Current Liabilities												
NCL Payables	–	–	–	–	–	–	–	–	–	–	–	–
NCL Borrowings (Debt)	8,381	8,116	7,860	16,939	44,521	72,006	69,390	66,669	63,840	60,898	57,838	54,655
NCL Provisions	–	–	–	–	–	–	–	–	–	–	–	–
Total Liabilities	**9,016**	**8,769**	**9,063**	**18,456**	**47,839**	**76,673**	**74,212**	**71,652**	**68,988**	**66,218**	**63,335**	**60,337**
EQUITY												
Equity + Retained Earnings	214,478	223,658	234,783	275,272	316,569	325,675	335,334	345,473	356,114	367,281	378,992	391,270
Revaluation Reserves	–	(2,259)	(2,259)	4,362	11,330	19,081	27,961	37,253	46,971	57,132	67,751	78,845
Total Equity	**214,478**	**221,399**	**232,524**	**279,634**	**327,899**	**344,757**	**363,295**	**382,725**	**403,085**	**424,412**	**446,743**	**470,115**
	–	–	–	–	–	–	–	–	–	–	–	–

QPRC

Scenario 2

In ('000)		2016 /2017	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
		Actual	*Actual*	*Budget*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
1 2 3 4		5	6	7	8	9	10	11	12	13	14	15	16
Sewer Fund Cash Flow Statement													
Net Income (net operating result)		5,428	4,945	3,918	3,126	3,774	1,699	2,066	2,357	2,665	2,990	3,331	3,688
Plus: Depreciation		4,664	3,791	4,284	4,284	4,284	5,399	5,648	5,906	6,174	6,451	6,738	7,036
(Increase)/ Decrease in current assets		(1,500)	(2)	(377)	(39)	(40)	1,958	–	–	–	–	–	–
Increase / (Decrease) in current liabilities		391	6	550	(15)	(32)	1,252	54	56	57	59	60	62
Cash flow from Operations		8,983	8,740	8,375	7,356	7,986	10,308	7,768	8,319	8,896	9,500	10,129	10,786
Receipts													
Sales of investments (current investments)		–	8,742	–	10,351	10,754	–	–	–	–	–	–	–
Sale of long term investments		–	–	13,962	8,098	8,414	–	–	–	–	–	–	–
Sale of Investment Securities (equity method)		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Investment Property		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Infrastructure, Property, Plant and Equipment		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Real Estate Assets		–	–	–	–	–	–	–	–	–	–	–	–
Sales of Intangible Asset		–	–	–	–	–	–	–	–	–	–	–	–
Sale of Assets Held for Resale		–	–	–	–	–	–	–	–	–	–	–	–
Payments													
Purchase of investments (current investments)		(27,252)	–	(10,203)	–	–	–	–	–	–	–	–	–
Purchase of long term investments		(27,080)	(9,347)	–	–	–	–	–	–	–	–	–	–
Purchase of Investment Securities (equity method)		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Investment Property		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Infrastructure, Property, Plant and Equipment		–	(6,959)	(12,612)	(58,426)	(69,926)	(35,399)	(5,648)	(5,906)	(6,174)	(6,451)	(6,738)	(7,036)
Purchase of Real Estate Assets		–	–	–	–	–	–	–	–	–	–	–	–
Purchase of Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–
(Purchase) / Sale of CWIP		–	–	–	–	–	–	–	–	–	–	–	–
Cash flow from Investing		(54,332)	(7,564)	(8,853)	(39,977)	(50,758)	(35,399)	(5,648)	(5,906)	(6,174)	(6,451)	(6,738)	(7,036)
Receipts													
Proceeds from Grants and Contributions - Capital purposes		50,811	2,036	115	30,115	30,116	–	–	–	–	–	–	–
Proceeds from Borrowings		8,381	–	–	10,000	30,000	30,000	–	–	–	–	–	–
Payments													
Loan repayments		(1,801)	(265)	(256)	(592)	(585)	(2,418)	(2,515)	(2,616)	(2,720)	(2,829)	(2,942)	(3,060)
Cash flow from Financing		57,391	1,771	(141)	39,523	59,531	27,582	(2,515)	(2,616)	(2,720)	(2,829)	(2,942)	(3,060)
Opening cash		(6,527)	7,726	10,673	10,054	16,956	33,715	36,206	35,811	35,608	35,610	35,830	36,279
Change in cash		12,042	2,947	(619)	6,902	16,759	2,491	(395)	(203)	2	220	449	690
Closing cash		**5,515**	**10,673**	**10,054**	**16,956**	**33,715**	**36,206**	**35,811**	**35,608**	**35,610**	**35,830**	**36,279**	**36,968**
		59,847	**65,610**	**61,232**	**49,685**	**47,276**	**49,767**	**49,372**	**49,169**	**49,171**	**49,391**	**49,840**	**50,529**
External Restrictions	*100.0%*	*59,847*	*65,610*	*61,232*	*49,685*	*47,276*	*49,767*	*49,372*	*49,169*	*49,171*	*49,391*	*49,840*	*50,529*
Internal Restrictions	*0.0%*	–	–	–	–	–	–	–	–	–	–	–	–
Unrestricted	*0.0%*	–	–	–	–	–	–	–	–	–	–	–	–