



# Mid-Year Budget Review 2021/22



## Our Vision

A globally connected community  
driven by lifestyle and nature

## Our Purpose






Grow Townsville

## Our Mission

Add 6,400 new jobs by 2026



## Contact us

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## Acknowledgment of Country

The Townsville City Council acknowledges the Wulgurukaba of Gurambilbarra and Yunbenun, Bindal, Gugu Badhun and Nywaigi as the Traditional Owners of this land. We pay our respects to their cultures, their ancestors and their Elders - past and present – and all future generations.

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Townsville City Council is a proud White Ribbon accredited organisation.

## Mayor's Message

Despite the continued challenges posed by the COVID-19 global pandemic, the first half of the 2021/22 financial year has been a period of consistent and reliable service delivery by Townsville City Council to the community, with a strong focus on delivering the new and upgraded infrastructure our city needs as it grows.

The mid-year budget review provides an opportunity for Council to evaluate and, where necessary, adapt and realign our budget and service delivery to ensure it continues to meet the needs of the community. Importantly, Council is making its total \$739 million investment in the community in 2021/22 with no increase in general rates.

We start of the second half of the financial year in a stable financial situation. Council, like private sector businesses, has seen increases in the cost of delivering our core services and infrastructure program. The cost of materials, for example, has increased by some 7 per cent. These cost increases have been offset by increased revenue thanks, in part, to continued growth in the number of rateable properties in the city. Our financial position allows us to look ahead to the second half of the financial year with confidence.

Council continues to deliver on its ambitious capital works program for 2021/22, despite increases in the cost of raw materials as well as labour shortages. Our capital works program includes substantial investments in roads and transport management and water and wastewater services and infrastructure.

As we strive to establish Townsville as a globally connected community driven by lifestyle and nature, Council is also continuing to invest in our parks and open spaces, environment and sustainability services and cultural and community services.

In the second half of the year, we will continue to push our city and region to be at the forefront of new technology and industries through the ongoing development of the Lansdown Eco-Industrial precinct. In addition to the three proponents already committed, recently four new companies have signed on to establish themselves at the nation-leading precinct, highlighting the confidence not only in the precinct itself, but in Townsville as a region at the forefront of innovation.

There is no doubt that coronavirus will continue to cast its shadow over Townsville in the coming months as we move from a pandemic to endemic stage. Council takes its responsibilities to our community seriously and we will continue to ensure we continue to provide high quality, value for money services to the community while also investing for the future.

In closing, I would like to thank each and every member of the Townsville City Council team for their contribution to a successful first half of the 2021/22 and encourage them to continue to work to ensure our city remains a great place to live, work and play now and into the future.



A handwritten signature in black ink that reads "Jenny Hill".

Cr Jenny Hill  
Mayor of Townsville



# Mid-Year Budget

# Review Snapshot



**0%**

## Zero Rate Rise

No general rates increase.



**\$2.3m**

Employee  
cost savings



**\$7m**

## Additional Revenue

From increased  
business activity.



**\$739.8m**

## Total Budget

Total investment in  
community service delivery.



**\$800k**

Reduction of  
budget deficit



**\$8.7m**

## Additional Investment

Investing more into  
the community.



**\$9.7m**














Lower capital  
expenditure

\*Please note some expenditure may appear in multiple categories above.



**Table 1 – Statement of Income and Expenditure (Budget Comparison) to Mid-Year Budget Review**

	Adopted Budget 2021/22 \$'000	Mid-Year Review 2021/22 \$'000	Movement 2021/22 \$'000
<b>Revenue</b>			
General rates	177,226	179,057	1,831
Utility charges	215,753	216,950	1,197
<i>Water</i>	<i>101,726</i>	<i>101,726</i>	-
<i>Wastewater</i>	<i>90,148</i>	<i>91,345</i>	<i>1,197</i>
<i>Refuse and recycling</i>	<i>23,879</i>	<i>23,879</i>	-
Discounts and concessions	(23,180)	(23,180)	-
Fees and charges	30,185	30,933	748
Interest received	1,866	2,364	498
Contributions from developers	100	300	200
Grants and subsidies	20,369	21,511	1,142
Other revenue	14,930	16,447	1,517
<b>Total revenue</b>	<b>437,249</b>	<b>444,382</b>	<b>7,133</b>
<b>Expenses</b>			
Employee costs	146,843	144,519	2,324
Materials and services	145,480	154,155	(8,675)
Depreciation and amortisation	127,399	127,399	-
Finance costs	18,818	18,818	-
Other expenses	540	540	-
<b>Total expenses</b>	<b>439,080</b>	<b>445,431</b>	<b>(6,351)</b>
<b>Operating surplus/(deficit)</b>	<b>(1,831)</b>	<b>(1,049)</b>	<b>782</b>
<b>Operating surplus ratio</b>	<b>(0.42%)</b>	<b>(0.24%)</b>	<b>(0.18%)</b>
<b>Capital income</b>			
Grants, subsidies, contributions and donations	102,938	123,353	20,415
Gain/(loss) on sale of property plant and equipment	-	-	-
<b>Total capital income</b>	<b>102,938</b>	<b>123,353</b>	<b>20,415</b>
<b>Net result</b>	<b>101,107</b>	<b>122,304</b>	<b>21,197</b>

## Mid-Year Budget Review Operating Budget Summary

2021/22 Budget Operating Revenue					
	General rates	\$179.1m		Interest received	\$2.4m
	Utility charges	\$217.0m		Contribution from developers	\$0.3m
	Discounts and concessions	(\$23.2m)		Grants and subsidies	\$21.5m
	Fees and charges	\$30.9m		Other revenue	\$16.4m
Total Operating Revenue \$444.4m					
2021/22 Budget Operating Expenditure					
	Employee costs	\$144.5m		Finance costs	\$18.8m
	Materials and services	\$154.2m		Other expenses	\$0.5m
	Depreciation and amortisation	\$127.4m			
Total Operating Expenditure \$445.4m					
<b>Operating Deficit \$1.0m</b>					

## Mid-Year Budget Review Capital Budget Summary

2021/22 Budget Capital Revenue					
	Grants, donations and contributions			\$123.4m	
Total Capital Revenue \$123.4m					
2021/22 Budget Capital Expenditure					
	Roads & Transport Management	\$59.8m		Parks & Open Space Management	\$15.8m
	Drain & Stormwater Management	\$7.3m		Cultural & Community Services	\$1.2m
	Water Services	\$123.3m		Environment & Sustainability Services	\$0.3m
	Wastewater Services	\$51.3m		Planning & Development	-
	Solid Waste Management	\$5.5m		Service Partners	\$29.9m
Total Capital Expenditure \$294.4m					

**Our**

**Budget**



## Overview

The 2021/22 budget revision has been prepared in accordance with the Local Government Regulation 2012. It remains consistent with the Townsville 2021-2026 (5-year Corporate Plan) and the Operational Plan 2021/22.

## Statement of Income and Expenditure

The Statement of Income and Expenditure included in Table 2 measures Council's financial performance over a specific accounting period. Financial performance is assessed by summarising how Council acquires its revenue and expenditure through both operating and non-operating activities. It also shows how the net result incurs over a specific accounting period, typically over a financial year.

### Revenue

Revenue includes rates and utility charges, less discounts and concessions, plus Council's fees and charges. Interest received relates to interest on bank balances and interest on overdue rates and utility charges. Government grants and contributions include all monies received from Queensland and Australian government sources for the purposes of funding the delivery of Council's services to ratepayers. Other revenue consists of revenue not separately categorised. It includes, but is not limited to, legal recoveries, bad debt recoveries and private works.

### Expenditure

Expenditure includes employee costs, materials and services, depreciation and finance costs. Employee costs include all labour related expenditure such as wages and associated allowances, leave entitlements, and employer superannuation. It also includes payments for external labour hire where the position or skill cannot be filled by internal staff. Materials and services may include, but is not limited to costs relating to repairs and maintenance to Council's infrastructure, building maintenance, grants and sponsorships given to the community, employee related costs such as training, uniforms, plant hire, purchasing of equipment, software licences and other information technology costs, marketing, utilities and insurance. Depreciation and amortisation are accounting measures which reflect the consumption of Council's infrastructure, property, plant and equipment. Finance costs relate to interest and fees on borrowings as well as the valuation of landfill restoration provisions due to discounted cash flow movements (referred to as unwinding of discounts). Other expenses relate to the write off of bad and doubtful debts.

## Statement of Financial Position

The Statement of Financial Position included in Table 3 summarises Council's assets, liabilities and equity at a specific point in time. It presents what Council owns and owes and the value of community equity utilised by Council.

## Statement of Cash Flows

The Statement of Cash Flows included in Table 4 provides an overview of the cash inflows and outflows of Council, typically over a financial year. Council maintains a closing cash balance that represents sufficient cash reserves to fund Council's day to day operations given peaks and troughs in Council's revenue streams. It also enables Council to effectively respond to unforeseen events that may occur during the year.

## Statement of Changes in Equity

The Statement of Changes in Equity included in Table 5 summarises the changes in equity of Council that have occurred during a specific accounting period, typically over a financial year.

## Statement of Business Activities

The Statement of Business Activities included in Table 6 summarises Council's activities to which the competitive code of conduct applies. Council applies full cost pricing to these activities, identifying the cost of community



service obligations (included in Table 7) and eliminating the advantages and disadvantages of public ownership within that activity.

## Our Financial Sustainability

### Long-Term Financial Forecast

Townsville 2021-2026 (5-year Corporate Plan) informs the Long-Term Financial Forecast. The forecast indicates Council's long-term financial sustainability and allows early identification of future financial commitments for the nine years beyond 2021/22. Key assumptions included in the long-term financial forecast are:

- Sustainable rating
- Financial impact of key strategies including the City Deal
- Asset renewal funding identified in the Strategic Asset Management Plan to specifically address underground assets
- Prudent management of debt resulting in debt reduction over the 10-year horizon
- The delivery of projects included in the Local Government Infrastructure Plan, which will deliver the trunk infrastructure required by the city to meet the demand created by growth and new development
- Managing changes to Queensland and Australian government legislation and funding.

The following reports are required under section 171 of the Local Government Regulation 2012:

- Income and Expenditure of Council (Table 9: Statement of Income and Expenditure)
- Value of assets, liabilities and equity of Council (Table 10: Statement of Financial Position).

### Measures of Financial Sustainability

Financial Sustainability measures are required under section 169 of the Local Government Regulation 2012.

#### *Operating Surplus Ratio*

The Operating Surplus Ratio is an indicator of the extent to which revenues raised cover operational expenses or are available for capital funding purposes or other purposes.

#### *Net Financial Asset / Liability Ratio*

The Net Financial Asset / Liability Ratio is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets.

These net financial liabilities must be serviced using available operating revenues.

#### *Asset Sustainability Ratio*

The Asset Sustainability Ratio is an indicator of the extent to which the infrastructure assets managed by Council are being replaced as these reach the end of their useful lives. It can assist in identifying the potential decline or improvement in asset condition and standards.

**Table 2 – Statement of Income and Expenditure**

	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000
<b>Revenue</b>			
General rates	179,057	186,812	195,077
Utility charges	216,950	225,511	235,103
<i>Water</i>	<i>101,726</i>	<i>107,610</i>	<i>114,454</i>
<i>Wastewater</i>	<i>91,345</i>	<i>93,082</i>	<i>94,852</i>
<i>Refuse and recycling</i>	<i>23,879</i>	<i>24,820</i>	<i>25,797</i>
Discounts and concessions	(23,180)	(24,184)	(25,254)
Fees and charges	30,933	32,336	33,607
Interest received	2,364	3,676	3,341
Contributions from developers	300	306	312
Grants and subsidies	21,511	14,500	11,153
Other revenue	16,447	16,563	15,528
<b>Total revenue</b>	<b>444,382</b>	<b>455,520</b>	<b>468,867</b>
<b>Expenses</b>			
Employee costs	144,519	149,344	153,932
Materials and services	154,155	154,433	155,827
Depreciation and amortisation	127,399	133,389	136,899
Finance costs	18,818	18,003	16,626
Other expenses	540	608	628
<b>Total expenses</b>	<b>445,431</b>	<b>455,777</b>	<b>463,912</b>
<b>Operating surplus/(deficit)</b>	<b>(1,049)</b>	<b>(257)</b>	<b>4,955</b>
<b>Operating surplus ratio</b>	<b>(0.24%)</b>	<b>(0.06%)</b>	<b>1.06%</b>
<b>Capital income</b>			
Grants, subsidies, contributions and donations	123,353	229,145	170,069
Gain/(loss) on sale of property plant and equipment	-	-	-
<b>Total capital income</b>	<b>123,353</b>	<b>229,145</b>	<b>170,069</b>
<b>Net result</b>	<b>122,304</b>	<b>228,888</b>	<b>175,024</b>

**Table 3 – Statement of Financial Position**

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
<b>Current assets</b>			
Unrestricted cash and cash equivalents	141,932	122,250	118,534
Externally restricted cash	66,694	424	-
Contract Assets	3,084	-	7,500
Receivables	47,664	49,073	50,485
Inventories	2,003	2,003	2,003
Other assets	4,526	4,526	4,526
<b>Total current assets</b>	<b>265,903</b>	<b>178,276</b>	<b>183,048</b>
<b>Non-current assets</b>			
Property, plant and equipment	5,338,951	5,594,672	5,738,914
Right of use assets	8,033	6,609	5,193
Intangible assets	5,650	3,380	3,358
Other assets	2,796	2,796	2,796
<b>Total non-current assets</b>	<b>5,355,430</b>	<b>5,607,457</b>	<b>5,750,261</b>
<b>Total assets</b>	<b>5,621,333</b>	<b>5,785,733</b>	<b>5,933,309</b>
<b>Current liabilities</b>			
Payables	95,975	96,631	97,606
Contract liabilities	66,698	424	-
Borrowings	41,367	41,076	32,900
Lease liabilities	1,598	1,646	1,647
Provisions	15,226	16,145	17,231
Other current liabilities	979	979	979
<b>Total current liabilities</b>	<b>221,843</b>	<b>156,901</b>	<b>150,363</b>
<b>Non-current liabilities</b>			
Borrowings	379,309	383,279	350,379
Lease liabilities	7,089	5,443	3,796
Provisions	37,043	33,613	36,981
Other non-current liabilities	1,573	1,573	1,573
<b>Total non-current liabilities</b>	<b>425,014</b>	<b>423,908</b>	<b>392,729</b>
<b>Total liabilities</b>	<b>646,857</b>	<b>580,809</b>	<b>543,092</b>
<b>Net community assets</b>	<b>4,974,476</b>	<b>5,204,924</b>	<b>5,390,217</b>
<b>Community equity</b>			
Asset revaluation reserve	896,367	897,927	908,196
Retained surplus	4,078,109	4,306,997	4,482,021
<b>Total community equity</b>	<b>4,974,476</b>	<b>5,204,924</b>	<b>5,390,217</b>

**Table 4 – Statement of Cash Flows**

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers	429,691	449,996	463,660
Payments to suppliers and employees	(288,247)	(306,426)	(307,628)
Interest received	2,364	3,676	3,341
Borrowing costs	(18,195)	(17,380)	(16,003)
<b>Net cash provided by operating activities</b>	<b>125,613</b>	<b>129,866</b>	<b>143,370</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment	(264,335)	(340,442)	(162,323)
Net movement in loans and advances	2,335	-	-
Proceeds from sale of property, plant and equipment	1,172	731	16
Grants, subsidies, contributions and donations	127,624	121,812	57,519
<b>Net cash used in investing activities</b>	<b>(133,204)</b>	<b>(217,899)</b>	<b>(104,788)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	70,000	45,000	-
Repayment of borrowings	(36,016)	(41,321)	(41,076)
Repayment of leases	(2,230)	(1,598)	(1,646)
<b>Net cash provided by financing activities</b>	<b>31,754</b>	<b>2,081</b>	<b>(42,722)</b>
<b>Net increase/(decrease) in cash held</b>	<b>24,163</b>	<b>(85,952)</b>	<b>(4,140)</b>
Cash at beginning of reporting period	184,463	208,626	122,674
<b>Cash at end of reporting period</b>	<b>208,626</b>	<b>122,674</b>	<b>118,534</b>

**Table 5 – Statement of Changes in Equity**

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
<b>Asset revaluation reserve</b>			
Opening balance	896,361	896,367	897,927
Increase in asset revaluation reserve	6	1,560	10,269
<b>Closing balance</b>	<b>896,367</b>	<b>897,927</b>	<b>908,196</b>
<b>Retained surplus</b>			
Opening balance	3,955,805	4,078,109	4,306,997
Net result for the period	122,304	228,888	175,024
<b>Closing balance</b>	<b>4,078,109</b>	<b>4,306,997</b>	<b>4,482,021</b>
<b>Total community equity</b>	<b>4,974,476</b>	<b>5,204,924</b>	<b>5,390,217</b>

**Table 6 – Statement of Business Activities**

Account Classification	Townsville Water 2021/22 \$'000	Townsville Waste 2021/22 \$'000	Performing Arts 2021/22 \$'000
<b>Revenue</b>			
Utility charges	207,886	24,137	-
Discount and concessions	(4,399)	(98)	-
Fees and charges	3,854	27,156	550
Interest received	586	78	-
National Competition Policy revenue/recovery	4,898	584	-
Grants and subsidies	60	220	-
Other revenue	20,627	2,279	1,189
<b>Total revenue</b>	<b>233,512</b>	<b>54,356</b>	<b>1,739</b>
<b>Operating expenses</b>			
Employee costs	21,857	8,335	1,790
Materials and services	74,859	33,007	2,308
Finance costs	13,774	855	-
Depreciation and amortisation	45,749	3,986	42
National Competition Policy expense/charges	579	336	-
Other expenses	-	-	-
<b>Total operating expenses</b>	<b>156,818</b>	<b>46,519</b>	<b>4,140</b>
<b>Operating surplus/(deficit) before income tax and capital items</b>	<b>76,694</b>	<b>7,837</b>	<b>(2,401)</b>
Income tax	27,885	2,367	-
<b>Operating surplus/(deficit) before capital items</b>	<b>48,809</b>	<b>5,470</b>	<b>(2,401)</b>
<b>Capital income</b>			
Capital contributions	6,308	-	-
Capital non-cash contributions	14,180	-	-
Capital grants and subsidies	46,077	100	-
<b>Total capital income</b>	<b>66,565</b>	<b>100</b>	<b>-</b>
<b>Net result</b>	<b>115,374</b>	<b>5,570</b>	<b>(2,401)</b>
<b>Capital works</b>			
Capital works	160,374	5,390	448
Restoration and rehabilitation work	-	100	-
Donated assets	14,180	-	-
<b>Total capital works</b>	<b>174,554</b>	<b>5,490</b>	<b>448</b>

**Table 6 – Statement of Business Activities (continued)**

Account Classification	Townsville Water 2021/22 \$'000	Townsville Waste 2021/22 \$'000	Performing Arts 2021/22 \$'000
<b>Revenue</b>			
Services provided to local government	36,626	13,961	-
Services provided to clients other than local government	193,065	40,088	1,739
Community service obligations	3,821	307	-
<b>Total revenue</b>	<b>233,512</b>	<b>54,356</b>	<b>1,739</b>
<b>Expenses</b>	<b>156,818</b>	<b>46,519</b>	<b>4,140</b>
Other capital income	66,565	100	-
<b>Net result before tax</b>	<b>143,259</b>	<b>7,937</b>	<b>(2,401)</b>
Income tax	27,885	2,367	-
<b>Net result after tax</b>	<b>115,374</b>	<b>5,570</b>	<b>(2,401)</b>

**Table 7 – Community Service Obligations**

Community Service Obligations	Townsville Water 2021/22 \$'000	Townsville Waste 2021/22 \$'000
Concessions on wastewater utility charges	1,219	-
Concessions on water utility charges	2,602	-
Concessions on landfill fees for charity organisations		47
Costs of provision of dead animal collection services		44
Costs of provision of infirmed services		47
Clean-up Australia Day		1
Free dump weekends		150
Community clean up events		18
<b>Total community service obligations</b>	<b>3,821</b>	<b>307</b>

**Table 8 – Change in Rates and Utilities Levied**

The changes in rates and utilities levied is in accordance with section 169 (6) and (7) of the Local Government Regulation 2012 (noting the below changes do not reflect an adjustment to the rate in a dollar charged this financial year).

	2020/21 - 2021/22	2021/22 - 2022/23	2022/23 - 2023/24
Increase in rates and utility changes revenue <u>before discounts and concessions</u> <sup>1</sup>	3.38%	4.12%	4.33%
Increase in rates and utility changes revenue <u>after discounts and concessions</u> <sup>1</sup>	4.36%	4.11%	4.32%

<sup>1</sup>Increases include year on year growth in number of rateable properties

**Table 9 – Statement of Income and Expenditure (Long-Term)**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>										
General rates	179,057	186,812	195,077	201,711	209,613	215,943	222,465	230,329	237,285	244,451
Utility charges	216,950	225,511	235,103	245,989	254,389	262,253	269,435	276,839	285,519	294,480
<i>Water</i>	<i>101,726</i>	<i>107,610</i>	<i>114,454</i>	<i>120,779</i>	<i>126,742</i>	<i>131,970</i>	<i>136,748</i>	<i>141,699</i>	<i>146,830</i>	<i>152,148</i>
<i>Wastewater</i>	<i>91,345</i>	<i>93,082</i>	<i>94,852</i>	<i>96,655</i>	<i>98,493</i>	<i>100,069</i>	<i>101,670</i>	<i>103,297</i>	<i>105,998</i>	<i>108,771</i>
<i>Refuse and recycling</i>	<i>23,879</i>	<i>24,820</i>	<i>25,797</i>	<i>28,555</i>	<i>29,155</i>	<i>30,214</i>	<i>31,018</i>	<i>31,843</i>	<i>32,691</i>	<i>33,561</i>
Discounts and concessions	(23,180)	(24,184)	(25,254)	(26,113)	(27,136)	(27,955)	(28,799)	(29,817)	(30,718)	(31,646)
Fees and charges	30,933	32,336	33,607	34,712	35,681	36,799	37,872	38,890	40,057	42,739
Interest received	2,364	3,676	3,341	3,883	4,026	4,313	4,446	4,118	4,489	4,539
Contributions from developers	300	306	312	318	325	331	338	345	351	359
Grants and subsidies	21,511	14,500	11,153	11,317	11,484	11,484	11,484	11,484	11,484	11,484
Other revenue	16,447	16,563	15,528	15,839	14,397	14,685	14,979	15,278	15,584	15,896
<b>Total revenue</b>	<b>444,382</b>	<b>455,520</b>	<b>468,867</b>	<b>487,656</b>	<b>502,779</b>	<b>517,853</b>	<b>532,220</b>	<b>547,466</b>	<b>564,051</b>	<b>582,302</b>
<b>Expenses</b>										
Employee costs	144,519	149,344	153,932	157,763	161,782	166,627	170,827	175,082	180,367	184,862
Materials and services	154,155	154,433	155,827	162,730	169,188	176,061	182,017	187,708	196,972	203,548
Depreciation and amortisation	127,399	133,389	136,899	141,986	144,568	145,473	147,910	151,082	157,106	161,314
Finance costs	18,818	18,003	16,626	14,678	12,996	11,586	9,814	8,093	6,323	5,219
Other expenses	540	608	628	650	669	687	705	724	745	767
<b>Total expenses</b>	<b>445,431</b>	<b>455,777</b>	<b>463,912</b>	<b>477,807</b>	<b>489,203</b>	<b>500,434</b>	<b>511,273</b>	<b>522,689</b>	<b>541,513</b>	<b>555,710</b>
<b>Operating surplus/(deficit)</b>	<b>(1,049)</b>	<b>(257)</b>	<b>4,955</b>	<b>9,849</b>	<b>13,576</b>	<b>17,419</b>	<b>20,947</b>	<b>24,777</b>	<b>22,538</b>	<b>26,592</b>
<b>Operating surplus ratio</b>	<b>-0.24%</b>	<b>-0.06%</b>	<b>1.06%</b>	<b>2.02%</b>	<b>2.70%</b>	<b>3.36%</b>	<b>3.94%</b>	<b>4.53%</b>	<b>4.00%</b>	<b>4.57%</b>
<b>Capital income</b>										
Grants, subsidies, contributions and donations	123,353	229,145	170,069	88,245	116,591	100,054	149,061	158,485	133,006	62,387
Gain/(loss) on sale of property plant & equipment	-	-	-	-	-	-	-	-	-	-
<b>Total capital income</b>	<b>123,353</b>	<b>229,145</b>	<b>170,069</b>	<b>88,245</b>	<b>116,591</b>	<b>100,054</b>	<b>149,061</b>	<b>158,485</b>	<b>133,006</b>	<b>62,387</b>
<b>Net Result</b>	<b>122,304</b>	<b>228,888</b>	<b>175,024</b>	<b>98,094</b>	<b>130,167</b>	<b>117,473</b>	<b>170,008</b>	<b>183,262</b>	<b>155,544</b>	<b>88,979</b>

**Table 10 – Statement of Financial Position (Long-Term)**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>										
Unrestricted cash and cash equivalents	141,932	122,250	118,534	133,451	133,453	130,165	137,112	128,533	134,953	156,525
Externally restricted cash	66,694	424	-	-	-	-	-	-	-	-
Contract assets	3,084	-	7,500	-	-	-	-	-	-	-
Trade and other receivables	47,664	49,073	50,485	52,587	54,251	55,864	57,259	59,117	60,888	62,860
Inventories	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003
Other current assets	4,526	4,526	4,526	4,526	4,526	4,526	4,526	4,526	4,526	4,526
<b>Total current assets</b>	<b>265,903</b>	<b>178,276</b>	<b>183,048</b>	<b>192,567</b>	<b>194,233</b>	<b>192,558</b>	<b>200,900</b>	<b>194,179</b>	<b>202,370</b>	<b>225,914</b>
<b>Non-current assets</b>										
Property, plant and equipment	5,338,951	5,594,672	5,738,914	5,806,657	5,935,219	6,053,387	6,200,681	6,361,310	6,497,754	6,567,343
Right to use assets	8,033	6,609	5,193	3,778	2,362	1,283	578	496	496	496
Intangible assets	5,650	3,380	3,358	3,335	3,313	3,291	3,269	3,247	3,225	3,202
Other non-current assets	2,796	2,796	2,796	2,796	2,796	2,796	2,796	2,796	2,796	2,796
<b>Total non-current assets</b>	<b>5,355,430</b>	<b>5,607,457</b>	<b>5,750,261</b>	<b>5,816,566</b>	<b>5,943,690</b>	<b>6,060,757</b>	<b>6,207,324</b>	<b>6,367,849</b>	<b>6,504,271</b>	<b>6,573,837</b>
<b>Total assets</b>	<b>5,621,333</b>	<b>5,785,733</b>	<b>5,933,309</b>	<b>6,009,133</b>	<b>6,137,923</b>	<b>6,253,315</b>	<b>6,408,224</b>	<b>6,562,028</b>	<b>6,706,641</b>	<b>6,799,751</b>
<b>Current liabilities</b>										
Trade and other payables	95,975	96,631	97,606	100,929	103,916	107,174	109,739	112,698	116,926	120,002
Contract liabilities	66,698	424	-	-	-	-	-	-	-	-
Borrowings	41,367	41,076	32,900	34,570	38,254	35,682	37,392	35,044	20,765	17,834
Lease liabilities	1,598	1,646	1,647	1,634	1,215	874	73	-	-	-
Provisions	15,226	16,145	17,231	18,258	19,284	20,278	21,364	22,080	23,102	24,128
Other current liabilities	979	979	979	979	979	979	979	979	979	979
<b>Total current liabilities</b>	<b>221,843</b>	<b>156,901</b>	<b>150,363</b>	<b>156,370</b>	<b>163,648</b>	<b>164,987</b>	<b>169,547</b>	<b>170,801</b>	<b>161,772</b>	<b>162,943</b>
<b>Non-current liabilities</b>										
Borrowings	379,309	383,279	350,379	315,808	297,573	261,891	224,500	189,455	168,690	150,856
Lease liabilities	7,089	5,443	3,796	2,162	947	73	-	-	-	-
Provisions	37,043	33,613	36,981	37,908	38,836	38,482	41,850	30,152	30,929	31,821
Other non-current liabilities	1,573	1,573	1,573	1,573	1,573	1,573	1,573	1,573	1,573	1,573
<b>Total non-current liabilities</b>	<b>425,014</b>	<b>423,908</b>	<b>392,729</b>	<b>357,451</b>	<b>338,929</b>	<b>302,019</b>	<b>267,923</b>	<b>221,180</b>	<b>201,192</b>	<b>184,250</b>
<b>Total liabilities</b>	<b>646,857</b>	<b>580,809</b>	<b>543,092</b>	<b>513,821</b>	<b>502,577</b>	<b>467,006</b>	<b>437,470</b>	<b>391,981</b>	<b>362,964</b>	<b>347,193</b>
<b>Net community assets</b>	<b>4,974,476</b>	<b>5,204,924</b>	<b>5,390,217</b>	<b>5,495,312</b>	<b>5,635,346</b>	<b>5,786,309</b>	<b>5,970,754</b>	<b>6,170,047</b>	<b>6,343,677</b>	<b>6,452,558</b>
<b>Community equity</b>										
Asset revaluation reserve	896,367	897,927	908,196	915,197	925,064	958,554	972,991	989,022	1,007,108	1,027,010
Retained surplus	4,078,109	4,306,997	4,482,021	4,580,115	4,710,282	4,827,755	4,997,763	5,181,025	5,336,569	5,425,548
<b>Total community equity</b>	<b>4,974,476</b>	<b>5,204,924</b>	<b>5,390,217</b>	<b>5,495,312</b>	<b>5,635,346</b>	<b>5,786,309</b>	<b>5,970,754</b>	<b>6,170,047</b>	<b>6,343,677</b>	<b>6,452,558</b>



**Table 11 – Statement of Cash Flows (Long-Term)**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>										
Receipts from customers	429,691	449,996	463,660	481,199	496,605	511,426	525,861	540,959	557,245	575,225
Payments to suppliers and employees	(288,247)	(306,426)	(307,628)	(316,017)	(326,834)	(347,599)	(349,138)	(371,629)	(372,133)	(384,240)
Interest received	2,364	3,676	3,341	3,883	4,026	4,313	4,446	4,118	4,489	4,539
Borrowing costs	(18,195)	(17,380)	(16,003)	(14,055)	(12,373)	(10,963)	(9,191)	(7,470)	(5,700)	(4,596)
<b>Net cash provided by operating activities</b>	<b>125,613</b>	<b>129,866</b>	<b>143,370</b>	<b>155,010</b>	<b>161,424</b>	<b>157,177</b>	<b>171,978</b>	<b>165,978</b>	<b>183,901</b>	<b>190,928</b>
<b>Cash flow from investing activities</b>										
Payments for property, plant and equipment	(264,335)	(340,442)	(162,323)	(156,829)	(168,696)	(163,173)	(181,396)	(212,453)	(174,217)	(186,779)
Net movement in loans and advances	2,335	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant & equipment	1,172	731	16	9	-	-	-	-	-	-
Grants, subsidies, contributions and donations	127,624	121,812	57,519	51,274	23,460	42,177	52,921	75,361	31,780	38,188
<b>Net cash used in investing activities</b>	<b>(133,204)</b>	<b>(217,899)</b>	<b>(104,788)</b>	<b>(105,546)</b>	<b>(145,236)</b>	<b>(120,996)</b>	<b>(128,475)</b>	<b>(137,092)</b>	<b>(142,437)</b>	<b>(148,591)</b>
<b>Cash flows from financing activities</b>										
Proceeds from borrowings	70,000	45,000	-	-	20,000	-	-	-	-	-
Repayment of borrowings	(36,016)	(41,321)	(41,076)	(32,900)	(34,552)	(38,254)	(35,682)	(37,392)	(35,044)	(20,765)
Repayment of leases	(2,230)	(1,598)	(1,646)	(1,647)	(1,634)	(1,215)	(874)	(73)	-	-
<b>Net cash provided by financing activities</b>	<b>31,754</b>	<b>2,081</b>	<b>(42,722)</b>	<b>(34,547)</b>	<b>(16,186)</b>	<b>(39,469)</b>	<b>(36,556)</b>	<b>(37,465)</b>	<b>(35,044)</b>	<b>(20,765)</b>
<b>Net increase/(decrease) in cash held</b>	<b>24,163</b>	<b>(85,952)</b>	<b>(4,140)</b>	<b>14,917</b>	<b>2</b>	<b>(3,288)</b>	<b>6,947</b>	<b>(8,579)</b>	<b>6,420</b>	<b>21,572</b>
Cash at beginning of reporting period	184,463	208,626	122,674	118,534	133,451	133,453	130,165	137,112	128,533	134,953
<b>Cash at end of reporting period</b>	<b>208,626</b>	<b>122,674</b>	<b>118,534</b>	<b>133,451</b>	<b>133,453</b>	<b>130,165</b>	<b>137,112</b>	<b>128,533</b>	<b>134,953</b>	<b>156,525</b>

**Table 12 – Statement of Changes in Equity (Long-Term)**

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Asset revaluation reserve</b>										
Opening balance	896,361	896,367	897,927	908,196	915,197	925,064	958,554	972,991	989,022	1,007,108
Increase in asset revaluation reserve	6	1,560	10,269	7,001	9,867	33,490	14,437	16,031	18,086	19,902
<b>Closing balance</b>	<b>896,367</b>	<b>897,927</b>	<b>908,196</b>	<b>915,197</b>	<b>925,064</b>	<b>958,554</b>	<b>972,991</b>	<b>989,022</b>	<b>1,007,108</b>	<b>1,027,010</b>
<b>Retained surplus</b>										
Opening balance	3,955,805	4,078,109	4,306,997	4,482,021	4,580,115	4,710,282	4,827,755	4,997,763	5,181,025	5,336,569
Net result for the period	122,304	228,888	175,024	98,094	130,167	117,473	170,008	183,262	155,544	88,979
<b>Closing balance</b>	<b>4,078,109</b>	<b>4,306,997</b>	<b>4,482,021</b>	<b>4,580,115</b>	<b>4,710,282</b>	<b>4,827,755</b>	<b>4,997,763</b>	<b>5,181,025</b>	<b>5,336,569</b>	<b>5,425,548</b>
<b>Total community equity</b>	<b>4,974,476</b>	<b>5,204,924</b>	<b>5,390,217</b>	<b>5,495,312</b>	<b>5,635,346</b>	<b>5,786,309</b>	<b>5,970,754</b>	<b>6,170,047</b>	<b>6,343,677</b>	<b>6,452,558</b>

**Table 13 – Summary of Council's Financial Sustainability**

Table X is a summary of Council's financial sustainability and indicates the relevant measures of financial sustainability as well as the identified target ranges as described in the Financial Management (Sustainability) Guideline 2013. In addition, it outlines Council's performance against each of the measures over the forecast period.

	Target Ratio	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Operating surplus ratio</b> (Net operating surplus / total operating revenue)	0% - 10%	(0.2%)	(0.1%)	1.1%	2.0%	2.7%	3.4%	3.9%	4.5%	4.0%	4.6%
<b>Net financial asset / liability ratio</b> (Total liabilities less current assets / total operating revenue)	<60%	85.7%	88.4%	76.8%	65.9%	61.3%	53.0%	44.4%	36.1%	28.5%	20.8%
<b>Asset sustainability ratio</b> (Capital expenditure on the replacement of assets (renewals) / depreciation)	>90%	83.7%	98.3%	49.7%	52.3%	70.7%	66.3%	65.2%	72.2%	54.7%	76.3%

