



LONG TERM FINANCIAL STRATEGY

FOR 2006/07 – 2025/26

**AT THE
CITY OF RYDE**

MARCH 2006



LONG TERM FINANCIAL STRATEGY (LTFS)

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1. FOREWORD

1.1 What is a Long Term Financial Strategy?

A Long Term Financial Strategy (LTFS) is a financial projection that quantifies the cost of Council's services for the next 20 years. It is more comprehensive than a budget and includes, in addition to the financial statements, a written commentary, sensitivity analysis and scenario options. It examines the impact of Councils' revenue, operational and capital expenditure forecasts, taking into account assumptions for economic factors and changes to service delivery levels.

A LTFS provides the following benefits for Council:

- It provides an indication of the future financial position of Council.
- It helps Council to determine their "living within their means" boundaries, that is, assess the financial sustainability of service levels.
- It allows scenario testing of different strategies and service levels.
- It identifies any potential funding gap arising from the long-term financial forecasts.
- It enables testing of sensitivity and robustness of the key assumptions used in the long term forecasts.
- It allows the long-term strategic decisions to be quantified and debated.
- It assists Council in determining the risk of future strategic directions.

The LTFS does not aim to provide any specific recommendations on what or how the Council should provide its services but instead aims to identify the potential impact of the operational and capital decisions that Council may make as part of the budget process.

There are a number of assumptions that underpin this analysis:

- Council will continue to be responsible for providing the current range of goods and services.
- Ryde Council will continue with its focus on optimisation of service delivery through effectiveness and efficiency reviews.
- The quantity of assets (built, infrastructure, land etc) will be maintained subject to normal asset optimisation studies conducted using recognised asset management techniques.

This initial Long Term Financial Strategy has been developed in consultation and with assistance from Morrison Low Consultants Pty Limited.

2. EXECUTIVE SUMMARY

This LTFS is to provide a benchmark of the financial position based on current strategies projected out twenty years.

As Council is currently facing the major challenge of improving infrastructure, an estimate of the financial commitment required to maintain the current infrastructure is one the key issues explored in this LTFS.

The LTFS consists of three scenarios:

Base Case:

This is the “benchmark” reflecting Councils current spending. It is assumed that service levels will not alter significantly over the next 20 years, and that the current underspending on existing infrastructural assets continues. The future years are projected taking into account various inflationary factors including adjustments for CPI, wages index and other increases in revenue and costs.

In this scenario, the operational revenue is not sufficient to meet the operational expenditure and over time a growing income gap results from the increasing annual deficit. The existing level of capital is funded from capital grants and contributions as well as the depreciation collected through the operating budget. Overall, the Council is faced with an income gap of \$240 million by 2025/26.

To be sustainable Council will need to fund this deficit arising from the growing income gap. Council’s cash reserves of \$20 million are forecast to be eroded by 2009/10. Unless Council reduces expenditure and increases revenue, it will be faced with a scenario ranging from \$240 million cash shortage by 2025/26 to \$594 million by 2025/26.

In addition to this financial collapse, based on the current underspending on existing infrastructural assets, Council's ability to continue to offer services (such as roads and drainage) will diminish to the extent that services will be significantly withdrawn from public usage.

Sustainable Asset Case – Renewals:

This is modelled on the Base Case plus capital renewal expenditure increasing from the current \$8 million to between \$18 million and \$20 million per year (approximately) over the next 20 years. Based on initial asset management planning this level of spending will be required to sustain infrastructure assets in their current condition over the 20-year period. This then will ensure that Council can continue to offer the current level of service that residents enjoy from infrastructural assets (as opposed to the Base Case as noted previously).

No provision for capital expenditure on new capital works has been allowed for in this case.

The Sustainable Asset Cases includes potential additional revenue in 2006/07 onwards that may be used to assist in funding the asset renewal gap. These revenue options have yet to be considered by Council.

- Infrastructure Levy \$2 million
- Catchment Management Levy \$1 million
- Macquarie Park Corridor Levy \$1 million
- Other Sources of revenue \$1 million in the first year, and \$2.5 million every year thereafter.

The revenue has been increased every year by the same inflation factor, of 3 percent per year, as other Rates Revenue.

This scenario, projects a cash shortage of \$133 m noting that the additional revenue options are not confirmed at this stage.

As with the Base Case, the ongoing deficit results in the consumption of Council's cash reserves and a cash deficit position at the end of the 20 years. However, because no new works expenditure has been allowed for and the potential extra sources of revenue have been included, the position is markedly better than in the Base Case.

The proposed additional revenue sources for 2006/2007 should be viewed as the first instalment of further injections of funding that will be required in the future. This scenario highlights the need for future Council's over the twenty (20) year period, to review it's financial position and funding gap in respect of the City's infrastructure. It is suggested that for this position to be sustainable similar injections of funds proposed for 2006/07 will be required in 2008/2012, 2012/2016, 2016/2020 and 2020/24 that removes the projected deficit and maintains similar levels of cash reserves as currently held by Council.

Sustainable Asset Case – Renewals and New Works:

This case incorporates Sustainable Asset Case – Renewal options including the additional revenue, and allows a further amount for Council to continue to expend a similar level of capital expenditure on new works as currently programmed (approximately averaging \$5 million per year). This scenario projects a cash shortage of \$237 million.

As above, Council is faced with the ongoing deficit and consumption of Council's cash reserve, however at a higher rate due to the funding required for the new works. This scenario also highlights the need for future Council's over the twenty (20) year period, reviewing it's financial position and funding gap in respect of the City's infrastructure. It is suggested that for this position to be sustainable similar injections of funds proposed for 2006/2007 will be required in 2008/2009, 2012/2013 and 2016/2017 that removes the projected deficit.

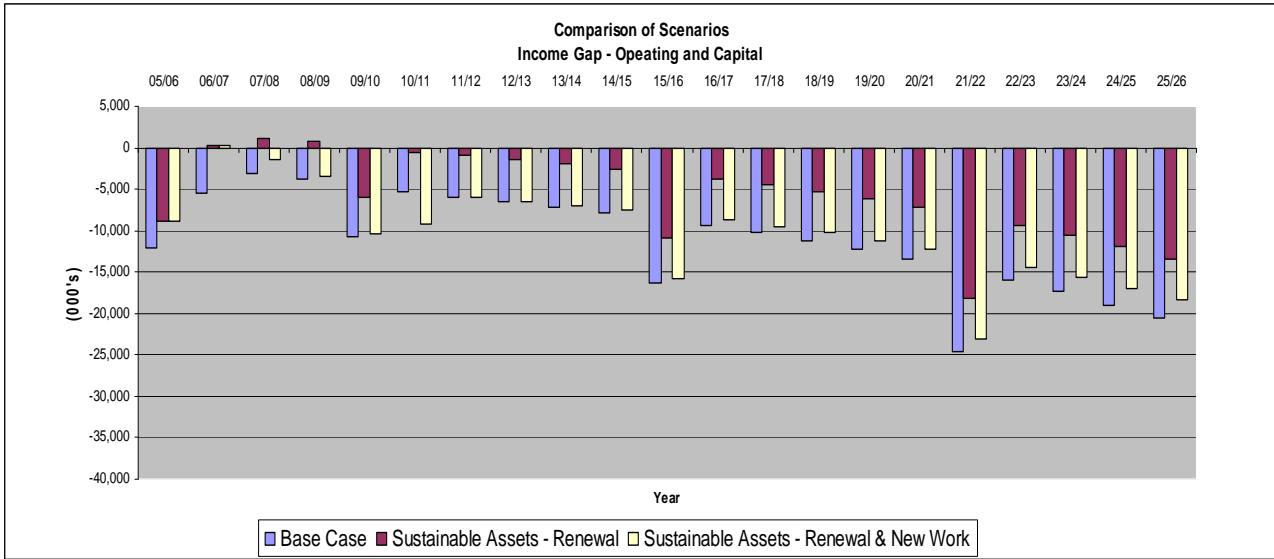
Summary

From the three (3) scenarios evaluated the following projections are made.

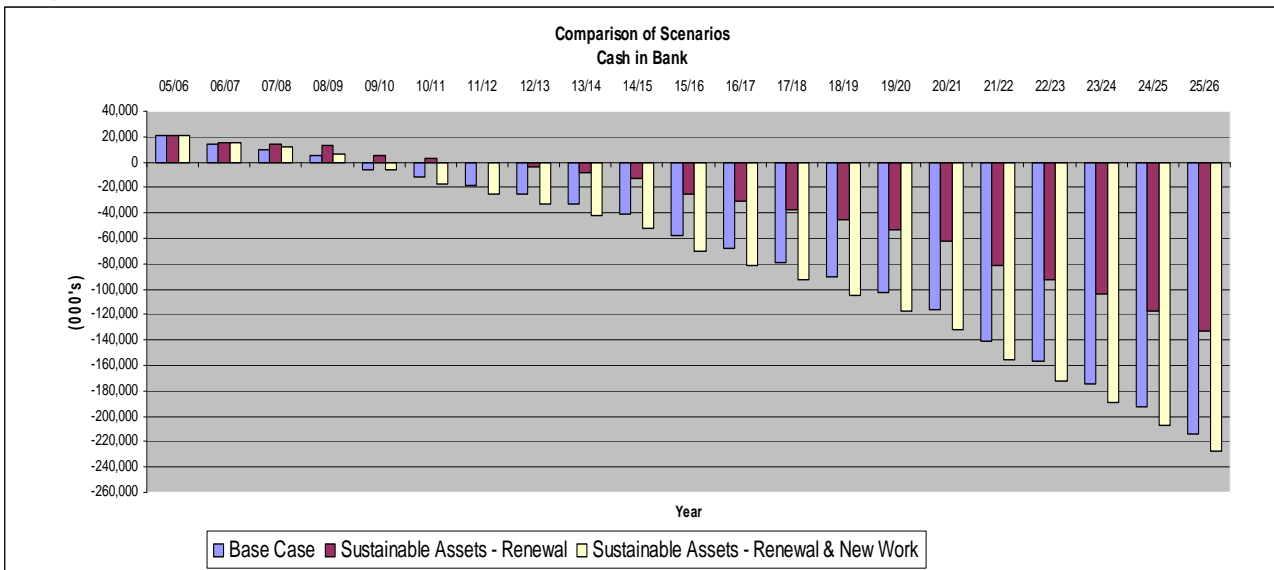
- Base Case - shortfall of \$240 million
- shortfall of \$594 million (sensitivity analysis)
- Sustainability Renewals - \$133 million
- Sustainability Renewals and new work - \$237 million

The comparison of the three scenarios are shown in the following graphs:

Graph 1: Income Gap



Graph 2: Cash in Bank



The LTFS clearly demonstrates that Council cannot become financially sustainable under the three scenarios unless substantial changes occur. In addition to this financial deterioration of its position, Council's ability to continue to offer services (such as roads and drainage) will diminish to the extent that services have to be reviewed for serious consideration in adjusting the levels of services provided.

It is however clear that, given current information and that the various assumptions made are in the correct order, the Base Case (that is to continue as Council currently operates), is the worst position for the City of Ryde.

The Sustainable Asset Case – Renewals and Sustainable Asset Case Renewals plus New Works options are sustainable for the City of Ryde if in addition to the current proposed revenue options, that future injections of funding are made.

Future Strategies:

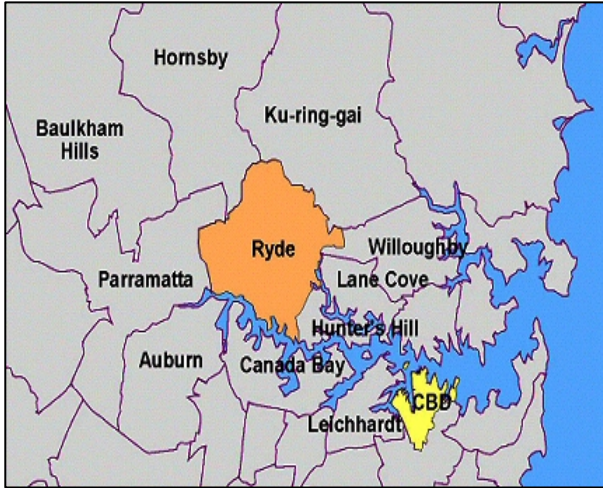
If in the future, revenue streams of \$3 million additional revenue, in the Sustainable Asset Case – Renewals option and \$4.5 million additional revenue, in the Sustainable Asset Case – Renewals and New Works option, are obtained in the periods 2008/2012, 2012/2016, 2016/2020 and 2020/2024 then the future can be viewed more optimistically. The projections for these scenarios results in removing the projected deficits forecasted and maintains similar cash reserves that are currently held.

However, while these additional revenue streams may come from future approved special rate increases, there is no certainty that they will occur. Therefore future Councils must be prepared to review and consider extra levels of revenue being attained that will continue to provide the community with sustainable and viable services to its community.

3. BACKGROUND AND INFLUENCES

3.1 City Profile & Demographics

3.2 Geography



The City of Ryde has an area of approximately 41 km² and over 38,000 residential properties. The Council of the City of Ryde services the needs of a diverse population of over 100,000 people.

The City of Ryde lies in the central northern part of the Sydney Metropolitan area, approximately 12 km's from the centre of Sydney (see map above). The City occupies most of the divide between the Parramatta and Lane Cove rivers, and has 16 suburbs within its boundaries. The suburbs that make up the City of Ryde include Chatswood West, Denistone, Denistone East, Denistone West, East Ryde, Eastwood, Gladesville, Macquarie Park, Marsfield, Meadowbank, Melrose

Park, North Ryde, Putney, Ryde, Tennyson Point, and West Ryde.

Being bounded by two rivers, access into and through the City has always been an important issue. Trains, buses and ferries provide transport into and through the area. Victoria, Lane Cove and Epping Roads connect the City of Ryde area with other parts of Sydney as well as carrying high volumes of through traffic.

3.3 Population

The residential population for the local government area of Ryde, as at the 2001 Census, was estimated at 95,744 persons, 46,152 males, and 49,592 females.

The 2001 Census provides several measures of each area's population on Census night. For example, the population of Ryde may be regarded as:

- 94,244 who are Australian residents (i.e. excluding overseas visitors), or
- 91,628 who live here permanently (i.e. excluding Australian visitors), or
- 93,162 who were staying in private dwellings (i.e. excluding those in group buildings such as hotels, hospitals, boarding houses, or army barracks).

With an area of 40.5 sq km, Ryde had a population density of 24 people per hectare or 2,360 per sq km. By way of comparison, Sydney had 330 people per sq. km.

Some 56,200 of Ryde's people (63%) were born in Australia with 37% born overseas. The most common foreign birthplaces in Ryde were China with 3,654 people, followed by U.K. with 3,500, Hong Kong with 2,652 and Korea with 2,024 people.

While 66% (59,390) of Ryde's people speak only English in their homes, 34% (30,952) speak another language. The most commonly spoken language in 2001 was Cantonese, spoken by 6,048 people (6.7%), followed by Italian (3,319 or 3.7%), then Mandarin, Korean, Armenian, Arabic/ Lebanese and Greek.

Ryde's indigenous population in 2001 was about 227 (207 Aboriginal, 13 Torres Strait Islanders and 7 both).

3.4 Business and Economics

The City of Ryde has been operating since 1870. Due in part to our long establishment, the area is a hub for commerce, education and residential living. It has a wide variety of retail and manufacturing establishments. The city's retail and commercial areas are generally concentrated around Ryde, Gladesville, West Ryde and Eastwood, with the newest and largest centre located at the Macquarie Centre. The North Ryde industrial area is a national centre of technology-oriented land uses and is the most important employment area within the city.

Recently Council has focused its attention on implementing planning strategies that will set the direction for the future. A key initiative has been the adoption of the Urban Villages strategy, which aims to revitalise town centres by encouraging new development, which provides more residential living and better retail and commerce interface in these centres. Town Centre development strategies have been prepared for West Ryde, Eastwood and the Meadowbank Employment Area. Plans are also underway for Ryde, Gladesville and the Macquarie Park Corridor. Macquarie Park through the Master Plan process is projected to provide an additional 1 million square metres of retail/commercial space to the City.

There are a number of excellent education facilities throughout the City including Macquarie University, Meadowbank, and Ryde TAFEs together with many other colleges, primary and high schools.

A large number and wide range of medical facilities from hospitals to specialist medical centres are present throughout the area.

4. STATISTICAL SUMMARY

| | |
|---|--------------------------|
| Area | 40.48 km ² |
| Population (ABS estimate) | 100 317 |
| Properties (residential) | 37 025 |
| Number of people per household (average) | 2.7 |
| Number of Ryde residents in employment | 52 152 |
| Number of vehicles registered to properties in Ryde | 73 238 |
| Number of hospitals in Ryde | 3 |
| Number of railway stations | 7 (3 under construction) |
| Number of churches and places of worship | 53 |
| Educational Facilities | |
| Kindergartens, pre-schools and child care centres | 57 |
| Primary and secondary schools | 28 |
| Tertiary education institutions | 9 |
| Major Networks | |
| Road network length (incl State roads) | 389 kilometres |
| Bridge length | 174 metres |
| Drainage network length | 275 kilometres |
| Community land (managed by Council) | 366.79 hectares |
| including the following sites: | |
| Sports Grounds | 26 |
| Parks | 138 |
| Natural Areas | 73 |
| General Community Use | 9 |
| Uncategorised | 11 |
| Library buildings | 5 |
| Community buildings | 28 |
| Buildings of historical interest | 11 |
| Value of Council Assets | \$1.7 Billion |
| Council Employees | |
| Full Time Equivalent Total | 490 |

5. SIGNIFICANT STRATEGIES

5.1 Management Plan

In the Council's Management Plan provides the blueprint for the next four years. It outlines the following information:

- Structure of Council's Management Plan
- Vision for our City
- Vision for our Council (Organisation)
- Key Outcome Area Framework;
 - Asset Management Principle
 - Environmental Commitment
 - Governance Principles
 - Social Justice Principles
- Integrated Planning Framework
- Plans for the City of Ryde including Action Plans and Key Performance Indicators
 - Assets
 - Environment
 - Governance
 - People

The Vision, Framework, and Plans provide the basis, framework and principles that assist the City of Ryde in formulating its decisions and strategic long-term decisions.

The Vision for Ryde City is:

Ryde will be a dynamic and innovative city, a leader in environmental, economical, and social sustainability.

Recently, the Council has been focussed on implementing planning strategies that will set the future direction for the City. A key initiative has been the adoption of the Urban Villages strategy, which aims to revitalise town centres by encouraging new development that will provide more living that is residential and improved retail and commerce interface in these centres. Town Centre development strategies have been prepared for West Ryde, Eastwood, Meadowbank Employment Area, Ryde, with the strategies for Gladesville and Macquarie Park Corridor, North Ryde being well advanced.

5.2 Operational Review

The City of Ryde has over the past 15 months, undertaken a significant review of its overall operations and undertaken a comprehensive Organisational Review. This process has been focussed at both the Strategic and Operational level for the City that includes:

- review and confirmation of the Vision for the City,
- identified key outcomes to be achieved for the City in the areas of Assets, People, Environment and Governance,
- sharp focus on service delivery in ensuring that it meets customer needs,
- formal review and monitoring of the delivery of the Capital Works Program supported by an improved Project Management framework,
- identified key areas of expenditure to be contested through the calling of public tenders,
- initiated various environmentally sustainable projects to demonstrate City of Ryde's commitment to improve the environmental and social outcomes and introduce triple bottom line analysis,

- reviewing and undertaking various Governance initiatives to ensure our community are fully consulted on key issues and Council builds strong partnerships across its community and with key stakeholders,
- ensuring the City fully understands its diverse community, that services are accessible and to actively engage and utilise the community through encouraging citizen participation.

In the last two years, there have been a number of initiatives undertaken to improve Council's overall financial position and in particular, to address the significant and growing liability Council has in respect of its infrastructure.

Various initiatives taken include:

- undertaking budget reviews in either reducing or optimising programs,
- new initiatives to increase revenues or reduce costs resulting in excess of \$2 million improvement in the 2004/05 financial year,
- benchmarking fees and charges with the view to align where appropriate and consider new fees/income opportunities,
- Public Private Partnership options considered,
- reviewing and rationalising the City's asset portfolio,
- reviewing Section 94 Plans,
- reviewing Rating Structure,
- consideration of Special Rates i.e. Infrastructure and Macquarie Park Corridor, North Ryde,
- Developer Contributions – Planning Agreements,
- Public Domain Works – Conditions of Consent.

5.3 Asset Management

The Management Plan outlines Asset Management as one of the Key Outcome Areas. It defines the purpose of Asset Management as:

- To provide a strategic approach to the management of Council's critical assets
- To establish a corporate objective in key asset areas
- To develop programs and system to allow Council to manage the planning, acquisition, use and disposal of assets in a cost effective manner
- To develop systems to allow easier access to data including graphical data
- To make more informed decisions.

Council has defined the following principles for asset management:

- Asset management has three fundamental levels
 - Strategic Planning – long term view
 - Tactical Planning – defines specific goals
 - Operational Planning – detailed action plans with short-term focus.
- Council will use the life cycle approach to the management of all assets.
- There are two areas of responsibility for asset management
 - Co-ordination of asset management for the whole organisation
 - Individual and specific responsibilities for the management of assets.

Council has identified the following actions need to be undertaken to achieve the principles:

- Council needs a combined Financial Fixed Asset Register. Once the register has been developed, Council will be able to perform fundamental inventory data, develop asset condition assessments and indices, and identify critical assets
- Once the critical assets are identified, Council will be able to work towards specific objectives of the individual Asset Management Plan for each, category of asset

- Council needs to complete a gap analysis to determine the gap between the current and future requirements for assets
- Asset Management Plans are to be prepared based on the identified customer requirements through agreed levels of service, asset condition, and performance.

A key issue for the City of Ryde over the next 5-10 year period will be to address the significant funding gap in respect of the City's infrastructure and work has commenced in developing the Asset Management Plans for all infrastructure assets.

5.4 Environmental Management and Environmental Plans

Council has a range of environment policies and plans. In Council's Management Plan, it states that it will make decisions that:

- Will have considered the principles of ecologically sustainable development and the conservation of biodiversity in all local area decisions, within available resources;
- Will in all services and functions seek to lead by example and establish appropriate environmental standards.

There are currently significant environmental initiatives being undertaken across a number of areas including transport, energy and water savings plans.

5.5 Revenue Sources

The compounding effect of rate pegging that has existed in NSW for over 28 years, the continued transfer and cost shifting of various functions to Local Government, and increased statutory government charges well above the rate pegging limit have all impacted on the day to day pressures on available funds for the City's infrastructure.

Revenue from rates is artificially capped by rate capping and is diluted by narrowing the rating base with legislated exemptions for Government and other properties.

Government grants have not kept pace with Local Government costs. In Ryde's case, this shortfall has amounted to in excess of \$100,000 over the last 4 years. This is because Council receives the minimum grant, due to the operation of the "revenue allowance" formula, which determines that it has a theoretical revenue raising capacity far in excess of its actual capacity that is fixed by rate capping.

5.6 Increasing Resource Pressures

For the 2005/2006 Draft Management Plan, draft Discussion Papers have been prepared for Councillors' consideration to further reinforce issues related to the pressures on Council's Infrastructure that cover the following areas;

- Infrastructure Challenges
- Parks and Open Space
- Traffic Management
- Local Government Amendment (Stormwater) Bill 2005
- Information Management and Technology
- Macquarie Park Corridor, North Ryde

These papers highlight the growing backlog in each area and indicate the required investment to address the various classes of infrastructure.

A further paper examined the impact of State Government Charges on the City of Ryde. It estimated the various constraints or impositions on the City of Ryde by the State Government at \$1.3 million. There is also a significant indirect impact through various legislative requirements/constraints placed on Local Government that could see the overall impact on the City of Ryde to be in excess of \$3 million.

5.7 Independent Inquiry into the Financial Sustainability of NSW Local Government

The City of Ryde made a submission to this inquiry in December 2005 that focused on the issues relating to the City of Ryde. In addition, the Council was a member of the Northern Sydney Region Organisation of Councils who made a submission on behalf of all member Councils.

The Terms of Reference of the Inquiry were to investigate five (5) major aspects of Local Government in NSW:

- the current financial position and performance,
- the adequacy of existing infrastructure,
- adequacy of service delivery,
- the financial and administration capacity of local government,
- potential reform measures that could address any problems identified in the Inquiry.

5.8 Cost Shifting Inquiry – The Hawker Committee

The City of Ryde participated in the submission lodged by NSROC (Northern Sydney Region Organisation of Councils) to this Inquiry. The key points of the submission were;

- There is a clear need to review the funding regime for Local Government
- Local Government does require more options in respect of revenue raising capacity to address its long-term financial sustainability. Options that provide growth revenue back to the Local Government authority that reflects activity or use of its areas facilities should be considered. Eg, proportion of GST distributed back to Local Government. Clearly, in NSW, rate capping should be removed.
- The Federal Government should not only review the amount allocated to Local Government but also consider more direct funding to Local Government for specific projects.
- The Discussion Paper clearly acknowledged Cost Shifting from the State Government was a significant issue. The Independent Inquiry into the Financial Sustainability of NSW Local Government estimate this figure to be between \$70m - \$350m.
- Acknowledgement that there is a need for a tripartite agreement between all levels of government. Constitutional recognition of Local Government should be considered.
- Opportunities to undertake regional initiatives relating to strategic planning, infrastructure etc could be undertaken through a regional body or Regional Organisation of Councils (ROC). However, such a body would require adequate funding.
- Opportunities for partnering and sharing of services with neighbouring Councils in efforts to rationalise and achieve efficiency gains should be pursued.

5.9 Local Government Services

The range of services provided by Local Government is broad and is defined in Section 24 of the Local Government Act, 1993. This broad interpretation can and is applied very differently by individual Councils thereby also creating variances on their on going financial sustainability.

Local Government generally is continually balancing the range and standards of services provided to managing the expectations of its community and key stakeholders such as local businesses and various Government agencies. The City of Ryde is no different and believes that given all the constraints it delivers 'value for money' to its community. However, as previously identified there are many areas/projects that the Council has identified that need to be addressed.

There are also examples where Local Government's role and formal responsibilities are not clear which creates potential overlap in the provision of services with other levels of Government and organisations. Particular examples are in the areas of the environment, roads and traffic, community safety, development approvals process, libraries and community services. This results in operational inefficiencies together with frustrations and delays.

Council would support the examination of more vigorous ways in which to bring about genuine resource sharing and regional partnerships between Councils.

Resource Sharing/Partnerships

The City of Ryde has been very active in promoting partnerships between neighbouring Councils, individually and as members of the Northern Sydney Region Organisation of Councils (NSROC), local businesses and community groups and through Public Private Partnerships and Developer Agreements, where appropriate.

The City of Ryde is continually striving to explore further opportunities in this area.

As examples the City of Ryde has worked closely with all NSROC Council's in sharing resources across all areas of operation to identify improvements, where economies of scale can be achieved in the delivery of services. Through NSROC, significant benefits through joint purchasing arrangements have been achieved. A key partnership with Hunters Hill Council was formed in 1957 with the City of Ryde providing library services to the Hunters Hill Council and it's community. This service has been very successful and is well respected by both the Hunters Hill and the City of Ryde communities.

The City of Ryde also provides other key facilities to adjoining Council's communities such as libraries, parks and the Ryde Aquatic Leisure Centre and has undertaken the recycling of construction materials for both it's own operations and neighbouring Councils. This initiative has realised significant financial and environmental outcomes.

The City of Ryde for many years has provided a number of its facilities for community based child care to be delivered that are heavily subsidised by Council. Strong partnerships have also been formed with many of the educational facilities in the City of Ryde, especially TAFE and Macquarie University. Recent examples in working with Macquarie University are;

- Mapping the community profile onto Council's Land Information System utilising students from the University
- A research project into Social Inclusion to better understand the needs of newly arrived migrant families
- In conjunction with Childrens Week, a conference is to be held at Macquarie University with students from local schools in linking them with a University in the USA.

6. SIGNIFICANT POLICES

In developing this LTFS, the current significant policies of Council have been taken into account.

6.1 Basis of Accounting

Council uses an accrual basis of accounting except for revenue derived from the issuance of parking fines which is treated on a cash basis. The format of the financial information in the LTFS is consistent with the Annual Report format.

6.2 Revenue

Rates and Annual Charges

Council collects rates from the residential and business rates and an Environmental Management Levy.

User Charges and Fees

Council uses a range of fees and charges. User charges are direct charges for the use of a Council facility or service. Fees are charged for regulatory/statutory fees and discretionary fees, including Section 611, environmental planning, private works, vacation care, home maintenance and modification.

Government Grants

Council receives a Financial Assistance Grant and Pensioner Rebate Subsidy in addition to a range of special purpose grants that are applied for and received annually. These grants are expended on the specific program of work related to the grant.

6.3 Investment Policy

The City of Ryde's Investment Policy is based on optimising returns from its investment portfolio. The key points of the Policy are;

- defines authorised investments
- has particular guidelines covering all aspects of undertaking investments on behalf of the City of Ryde.
- sets key performance benchmarks and reporting standards

The City of Ryde has set a budget target to achieve 0.35% above the UBSWA Index.

6.4 Loan Borrowings

The City of Ryde has an existing debt service ratio of 3.2% with \$8.428 million outstanding as at 30 December 2005.

Council's practice has been to borrow funds for new projects with \$4 million borrowed in June 2004 for the proposed new Ryde Central Library. This project is on hold as a broader review of community facilities provided in the Ryde Town Centre precinct is currently being undertaken.

The City of Ryde believes that loan borrowings for renewal of assets is not appropriate and this view is supported.

6.5 Reserves

Council has a number of internal reserves used to manage operational funding.

Council has external reserves for

- Developer contributions (S94)
- Domestic Waste management
- Specific purpose reserves.

6.6 Impacts of adopting Australian equivalents to IFRS

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be first reflected in the Council's financial statements for the year ending 30 June 2006. Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004. The transition to International Financial Reporting Standards is being managed on an industry-wide basis. A National Local government working party has been established, and the NSW Department of Local Government in conjunction with the Local Government Accounting Advisory Group will identify significant changes affecting the industry. The Council has established a project team to manage its own transition to AIFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team has prepared a detailed timetable for managing the transition and is currently on schedule. No material impacts are expected in relation to the statements of cash flows.

6.7 S94 Contributions

Contributions are collected under the provisions of Section 94 of the Environmental Planning and Assessment (EPA) Act 1991.

Equally Council has obligations to provide facilities from these contributions provided by developers which may be expended only for the purposes for which the contributions were required. Council however, may within each area of benefit, apply contributions according to the priorities established in the relevant contributions plans and accompanying works schedules.

Council has two S94 plans:

- City Wide
- Meadowbank

Both plans are currently under review as a result of the new legislation. Council is also developing a S94 plan for Macquarie Park to be introduced in conjunction with any development of Macquarie Park.

7. SIGNIFICANT CONSTRAINTS

Council does not have any significant outstanding financial liabilities that have not been disclosed in the Annual Report. However, Council recognises that unforeseen events do give rise to financial commitments and, on the basis of being prudent financial managers, an expenditure provision has been accrued in the operational expenditure equating to 10 percent of annual operating expenditure (excluding depreciation) once every six years.

8. LTFS FINANCIAL MODELS

8.1 Background

The LTFS is based on the service delivery department structure and projects the 20-year financial position 2006/07 to 2025/26.

The actual financial position for 2005/06 will be used as the base year and recorded in the LTFS. The model will be populated with the budget information from the Management Plan for years 2006/07. The future years are projected taking into account various inflationary factors including adjustments for CPI, wages index and the key future asset requirements identified by Council.

Three scenarios are presented:

- Base Case
- Sustainable Asset Case – Renewals only, and
- Sustainable Asset Case – Renewals and New Work.

The various assumptions applied in each of these three discrete scenarios are outlined in each section with the resulting financial impacts flowing from them.

9. BASE CASE

The first year of the Base Case is taken from the Management Plan. The 2006/07 year is then used as a basis to extrapolate the next 19 years using the assumed indices outlined below.

The Base Case assumes that services levels will not alter significantly over the next 20 years and that Council can contain expenditure within the assumed parameters.

9.1 Assumptions

The following assumptions have been used in the preparation of the financial expenditure and revenue figures for the Base Case.

Rates and Annual Charges Revenue

Rates pegging depends upon political policy but has been loosely correlated with the CPI from the previous year over the last 10 years. Council has used the approved State increase of 3.6 percent for 06/07 and a conservative 3 percent increase per year thereafter.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | 3.6 |
| 2 - 07/08 | 3.0 |
| 3 - 08/09 | 3.0 |
| 4 - 09/10 to 20 - 25/26 | 3.0 |

Domestic Waste Charges

Council has estimated an increase of 5 percent for 06/07 and a conservative 3 percent increase per year thereafter.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | 5.0 |
| 2 - 07/08 | 3.0 |
| 3 - 08/09 | 3.0 |
| 4 - 09/10 to 20 - 25/26 | 3.0 |

User fees and charges

Council has estimated an increase of 5 percent for 06/07 and a conservative 3 percent increase per year thereafter.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | 5.0 |
| 2 - 07/08 | 3.0 |
| 3 - 08/09 | 3.0 |
| 4 - 09/10 to 20 - 25/26 | 3.0 |

Investment Income

The return on the investments of Council is based on the forecasts of Access Economics for Bank Bills for 2006/07 to 2008/09 then constant beyond 2008/09. Council's earning rate is assumed 0.3 percent higher than Bank Bill rate based on past performance. The revenue generated is dependant on the amount of cash invested over the year.

| Year | % Return |
|----------------------------|----------|
| 1 - 06/07 | 5.7 |
| 2 - 07/08 | 5.2 |
| 3 - 08/09 | 5.8 |
| 4 - 09/10 to 20 - 25/26 | 5.8 |

Operating Grants & Contributions

The operating grants and contributions are based on a trend projection derived from Council's revenue pattern since 2002/03.

| Year | \$ |
|------------|-----------|
| 1 - 06/07 | 5,178,990 |
| 2 - 07/08 | 5,239,345 |
| 3 - 08/09 | 5,315,377 |
| 4 - 09/10 | 5,320,609 |
| 5 - 10/11 | 5,405,697 |
| 6 - 11/12 | 5,463,904 |
| 7 - 12/13 | 5,521,560 |
| 8 - 13/14 | 5,574,497 |
| 9 - 14/15 | 5,639,683 |
| 10 - 15/16 | 5,699,758 |
| 11 - 16/17 | 5,760,314 |
| 12 - 17/18 | 5,821,614 |
| 13 - 18/19 | 5,885,062 |
| 14 - 19/20 | 5,948,063 |
| 15 - 20/21 | 6,011,815 |
| 16 - 21/22 | 6,076,387 |
| 17 - 22/23 | 6,141,801 |
| 18 - 23/24 | 6,207,718 |
| 19 - 24/25 | 6,274,385 |
| 20 - 25/26 | 6,341,800 |

Other Revenues

Council has estimated an increase of 2.5 percent for 06/07 and 07/08, and a targeted 3.0 percent increase per year thereafter.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | 2.5 |
| 2 - 07/08 | 2.5 |
| 3 - 08/09 | 3.0 |
| 4 - 09/10 to 20 - 25/26 | 3.0 |

Capital Contributions

It is estimated that the contribution for the 2006/07 year will be \$4,000,000. This amount is assumed to increase by 2 percent per year thereafter.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | - |
| 2 - 07/08 | 2.0 |
| 3 - 08/09 | 2.0 |
| 4 - 09/10 to 20 - 25/26 | 2.0 |

Employee costs

Council has used the negotiated Award changes for 2006/07. Council has estimated an increase of 4 percent per year from 07/08 onwards.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | 4.0 |
| 2 - 07/08 | 4.0 |
| 3 - 08/09 | 4.0 |
| 4 - 09/10 | 4.0 |
| 5 - 10/11 to 20 - 25/26 | 4.0 |

Material and Contracts

Council has estimated an increase of 5 percent per year for 06/07 onwards. The increase is higher than the CPI index to reflect the resources consumed by Council include a significant proportion of expenditure related to construction and oil-based products such as the bitumen used in sheeting roads.

Building Cost Increases sourced from the Rawlinsons Australian Construction Handbook indicate that over the last 10 years the increase has been approximately 4.4% per year.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | 5.0 |
| 2 - 07/08 | 5.0 |
| 3 - 08/09 | 5.0 |
| 4 - 09/10 to 20 - 25/26 | 5.0 |

Borrowing Costs

The outstanding loans as at 30 June 2006 are:

| Loan | Amount | Term | Rate | Amount outstanding 30 June 06 |
|-----------------|-------------|----------|-------|-------------------------------|
| Tunnel 98 | \$2,500,000 | 10 years | 6.28% | 746,206 |
| Tunnel 99 | \$2,200,000 | 10 years | 6.81% | 966,595 |
| Tunnel variable | \$6,825,903 | 15 years | 6.20% | 6,236,529 |
| OCA deferred | \$2,545,000 | 8 years | Fixed | \$636,250 |

| | | | | |
|---------|--|--|--------|--|
| payment | | | amount | |
|---------|--|--|--------|--|

The interest payable based on the commitments for the current outstanding loans will be:

| Year | \$ |
|------------|---------|
| 1 - 06/07 | 475,964 |
| 2 - 07/08 | 411,218 |
| 3 - 08/09 | 351,727 |
| 4 - 09/10 | 313,772 |
| 5 - 10/11 | 289,119 |
| 6 - 11/12 | 262,902 |
| 7 - 12/13 | 235,021 |
| 8 - 13/14 | 205,370 |
| 9 - 14/15 | 173,839 |
| 10 - 15/16 | 140,306 |
| 11 - 16/17 | 104,645 |
| 12 - 17/18 | 66,722 |
| 13 - 18/19 | 26,392 |
| 14 - 19/20 | - |
| 15 - 20/21 | - |
| 16 - 21/22 | - |
| 17 - 22/23 | - |
| 18 - 23/24 | - |
| 19 - 24/25 | - |
| 20 - 25/26 | - |

Depreciation

Depreciation is accrued on a straight-line basis calculated by dividing the original cost of each asset by the accepted useful life of the asset. The cost is based on the current depreciable asset or deemed value balance projected forward by capital spending (including future capex from management plan forecasts) and assumed disposals.

The depreciation lives of major asset groups are:

| | |
|----------------------------|-----------|
| Buildings | 100 years |
| Earthmoving Equipment | 6 years |
| Office Equipment | 10 years |
| Computers | 5 years |
| Office Furniture | 10 years |
| Road Structures & Bridges | 80 years |
| Sealed Roads Surface | 80 years |
| Sealed Roads Structure | 80 years |
| Foot paving | 50 years |
| Drainage assets – Conduits | 80 years |
| Drainage assets – Nodes | 30 years |
| Library Books | 5 years |
| Motor Vehicles | 10 years |

The depreciation levels for the 06/07, 07/08 and 08/09 are based on the Draft Management Plan. A constant amount of depreciation of \$15 million has been assumed from 2009/10 onwards to reflect the increase in Councils asset base value due to the revaluation of assets and the completion of a full asset register.

| Year | \$ (000's) |
|-----------------------|------------|
| 1 - 06/07 | 14,235 |
| 2 - 07/08 | 14,522 |
| 3 - 08/09 | 14,367 |
| 4 - 09/10 to 25/26 | 15,000 |

Other Costs

All other costs have been estimated to increase at a rate of 3 percent per year from 06/07 onwards.

| Year | Percentage increase |
|----------------------------|---------------------|
| 1 - 06/07 | 3.0 |
| 2 - 07/08 | 3.0 |
| 3 - 08/09 | 3.0 |
| 4 - 09/10 to 20 - 25/26 | 3.0 |

Contingent Liability

Council has allowed for a contingent liability provision in the operating expenditure. The amount is calculated at 10 percent of the operating expenditure (excluding depreciation) every six years.

| Year | \$ (000's) |
|------------|------------|
| 4 - 09/10 | 6,700 |
| 10 - 15/16 | 7,700 |
| 16 - 21/22 | 9,900 |

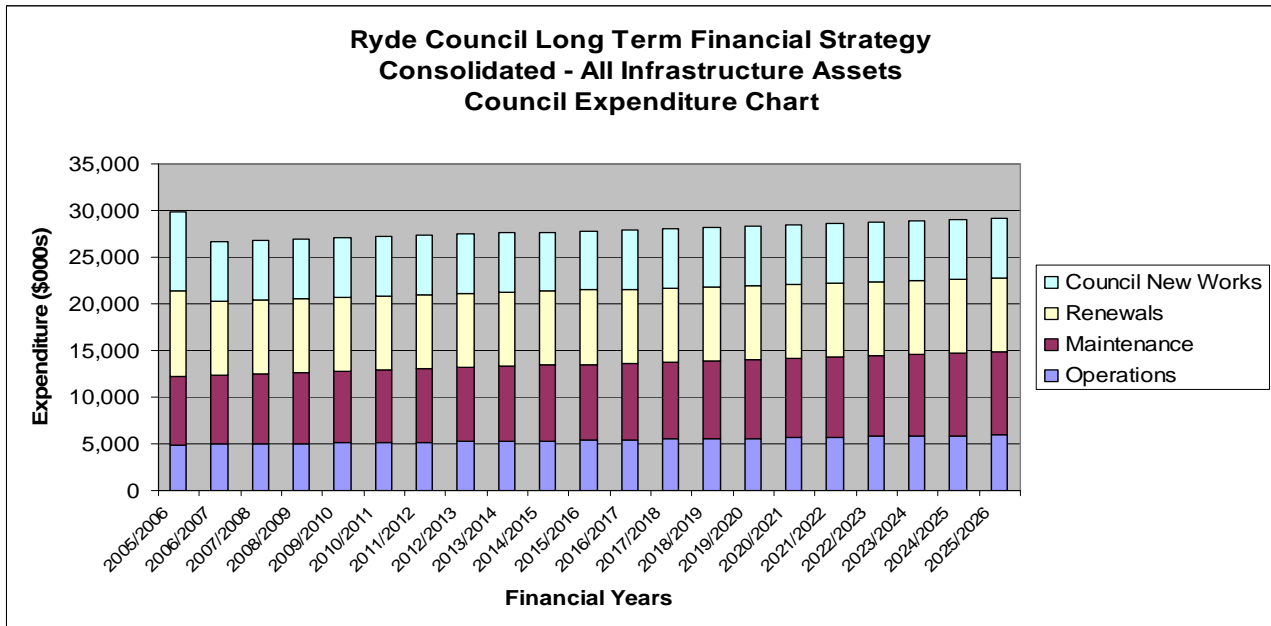
Capital Works Program

The capital expenditure estimated in the Base Case has been projected using the 04/05 and 05/06 levels of Renewals and New Works expenditure based on the assumption that Council continues to spend at the same level. The Renewals expenditure is \$7.92 million per year and the New Works is \$6.377 million per year, giving a total of \$14.297 million per year.

Included within the operating expenditure is asset operations expenditure of approximately \$5 million per year and maintenance expenditure of \$7 million per year building to \$9 million by 2025/26.



Graph 3: Council Capital Expenditure

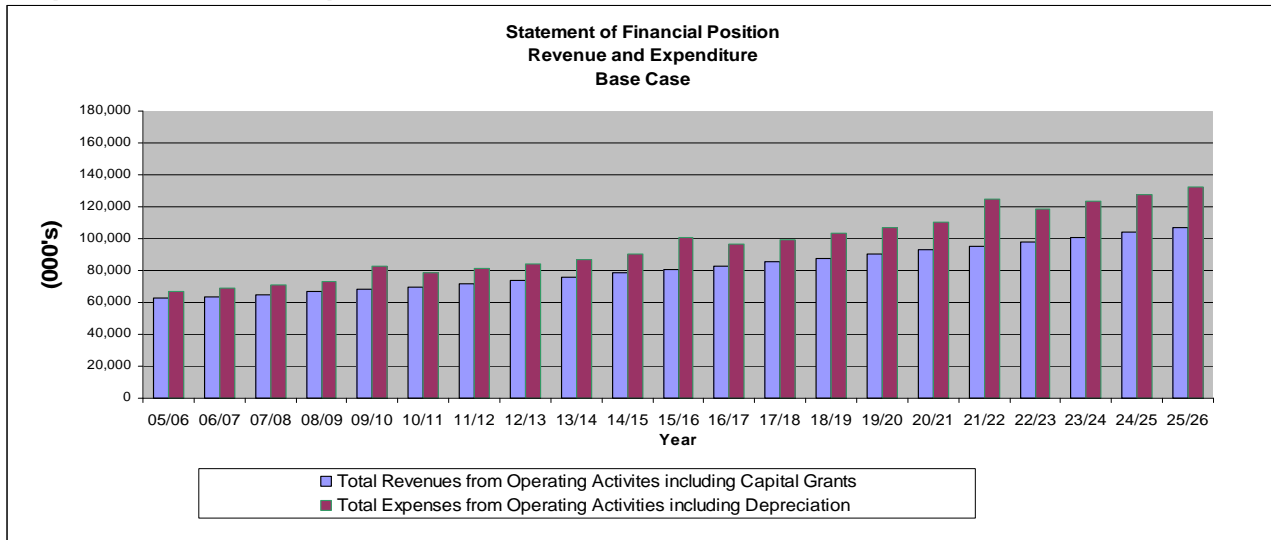




9.2 Financial Impact Base Case

The financial impact of the Base Case is that Council's operating expenditure exceeds the operational revenue it is receiving in all years of this LTFS.

Graph 4: Revenue & Expenditure – Base Case

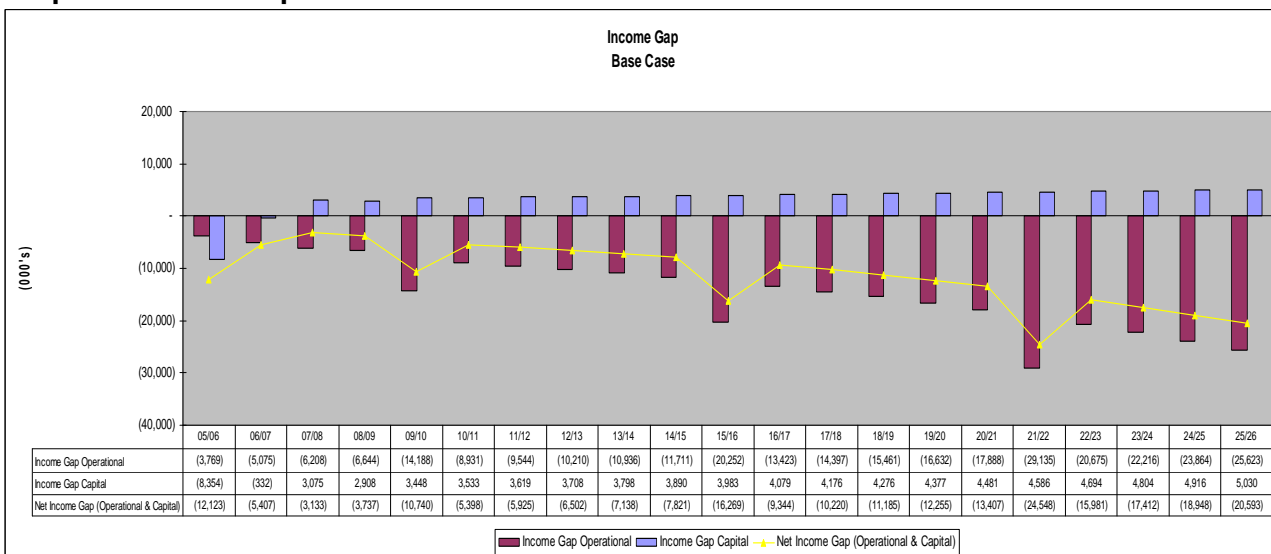


The graph highlights the operational revenue is not sufficient to meet the operational expenditure. Over time a growing income gap results from the increasing annual deficit due to the level of additional expenditure exceeding any additional income.

Capital is funded from capital grants and contributions as well as the depreciation collected through the operating budget. The funding is slightly greater than the estimated capital expenditure on operational, renewal and new work capital projects.

Overall, the Council is faced with an income gap with both operational and capital expenditure exceeds the revenue available.

Graph 5: Income Gap – Base Case

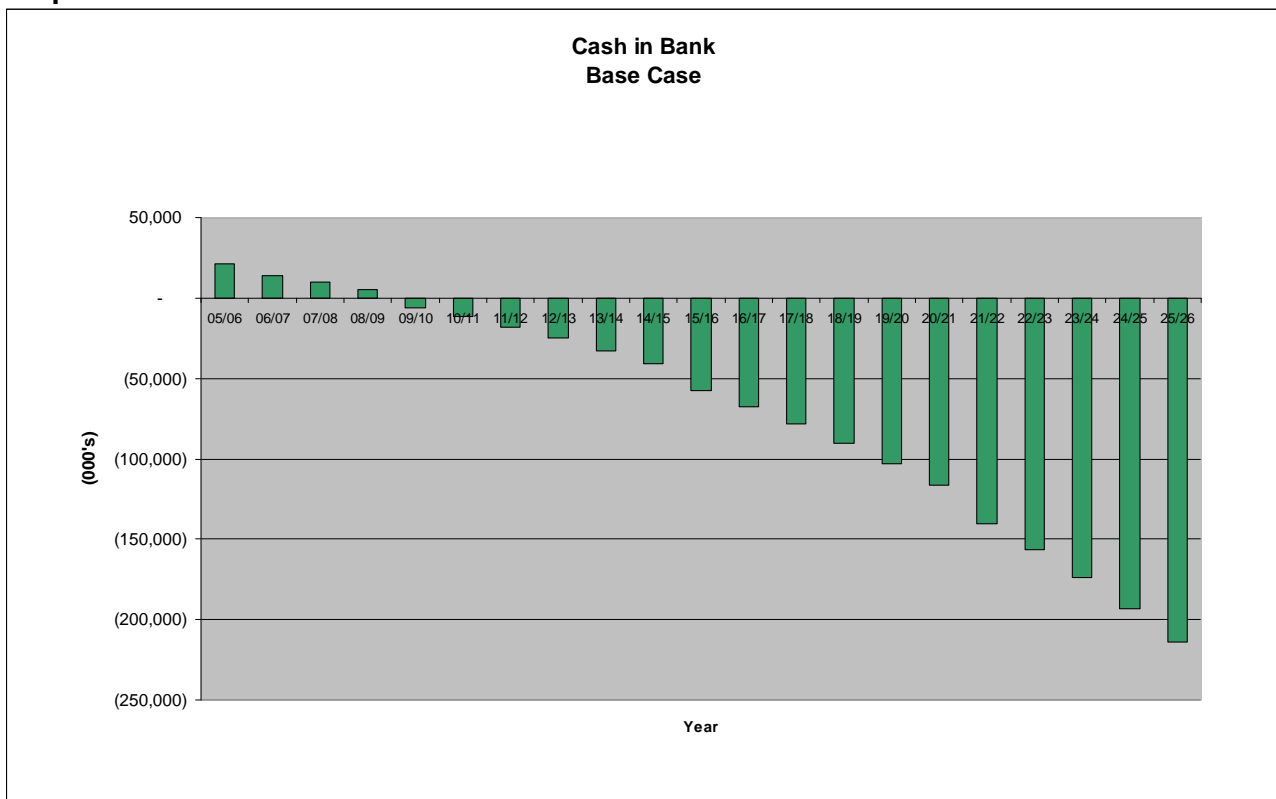


To be sustainable Council will need to fund this deficit but because of the growing income gap, Council's cash reserves of \$20 million are forecast to be eroded by 2009/10. Council will have a significant cash shortfall by 2025/26 unless increased funding totalling approximately \$240 million is received over the next 20 years. (Or a combination of reduced expenditure and increased revenue totalling \$240 million occurs.)

In addition to this deterioration of it's financial position, if the current underspending on existing infrastructural assets continues, as modelled in the Base Case, Council's ability to continue to offer services (such as roads and drainage) will diminish to the extent that services will be required to be reviewed and considered to the level of services that can be provided in the future.

This clearly demonstrates that Council will be expending beyond its means if substantial changes do not occur.

Graph 6: Cash Position – Base Case



The financial statements are attached in Appendix A – Financial Statements – Base Case.



9.3 Sensitivity on Base Case

Two areas of sensitivity in the Base Case have been identified as significant variables.

One of the key costs for Council is employee costs that account for 45 percent of the annual operating expenditure. The assumption in the Base Case is for Council to hold wage costs at a contained level. Any variation on this assumption will have a significant impact on the financial position. In this sensitivity, wages costs are recast at a 6 percent increase per year; 2 percent above the previous Base Case estimates.

While this 2 percent increase may seem extreme there is sufficient weight of evidence to suggest that it could well occur through wage increases coupled with the increasing need to provide more services resulting from such items as further future effects of "cost shifting".

| Year | Base model % | Additional 2% |
|----------------------------|--------------|---------------|
| 1 - 06/07 | 4.0 | 6.0 |
| 2 - 07/08 | 4.0 | 6.0 |
| 3 - 08/09 | 4.0 | 6.0 |
| 4 - 09/10 | 4.0 | 6.0 |
| 5 - 10/11 to 20 - 25/26 | 4.0 | 6.0 |

The other key area of sensitivity is the increasing costs of materials and contracts that account for 33 percent of the operating expenditure. Increases in materials and contracts (such as recent fuel price increases) will significantly affect Council's financial position. In this sensitivity analysis materials and contracts are estimated to increase by 7 percent per year, 2 percent above the Base Case estimates.

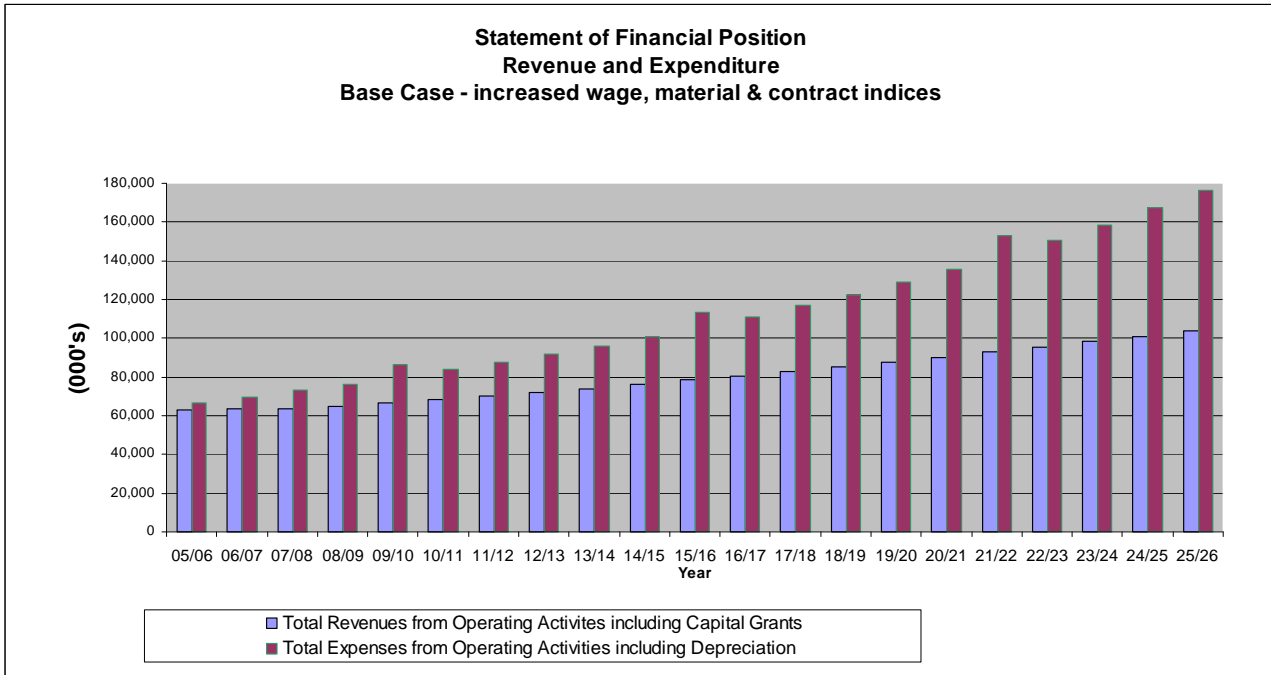
| Year | Base model % | Additional 2% |
|----------------------------|--------------|---------------|
| 1 - 06/07 | 5.0 | 7.0 |
| 2 - 07/08 | 5.0 | 7.0 |
| 3 - 08/09 | 5.0 | 7.0 |
| 4 - 09/10 | 5.0 | 7.0 |
| 5 - 10/11 to 20 - 25/26 | 5.0 | 7.0 |

The impact of adjustments to these two variables predicts that Councils' operating deficit will be even greater and growing at an exponential rate.

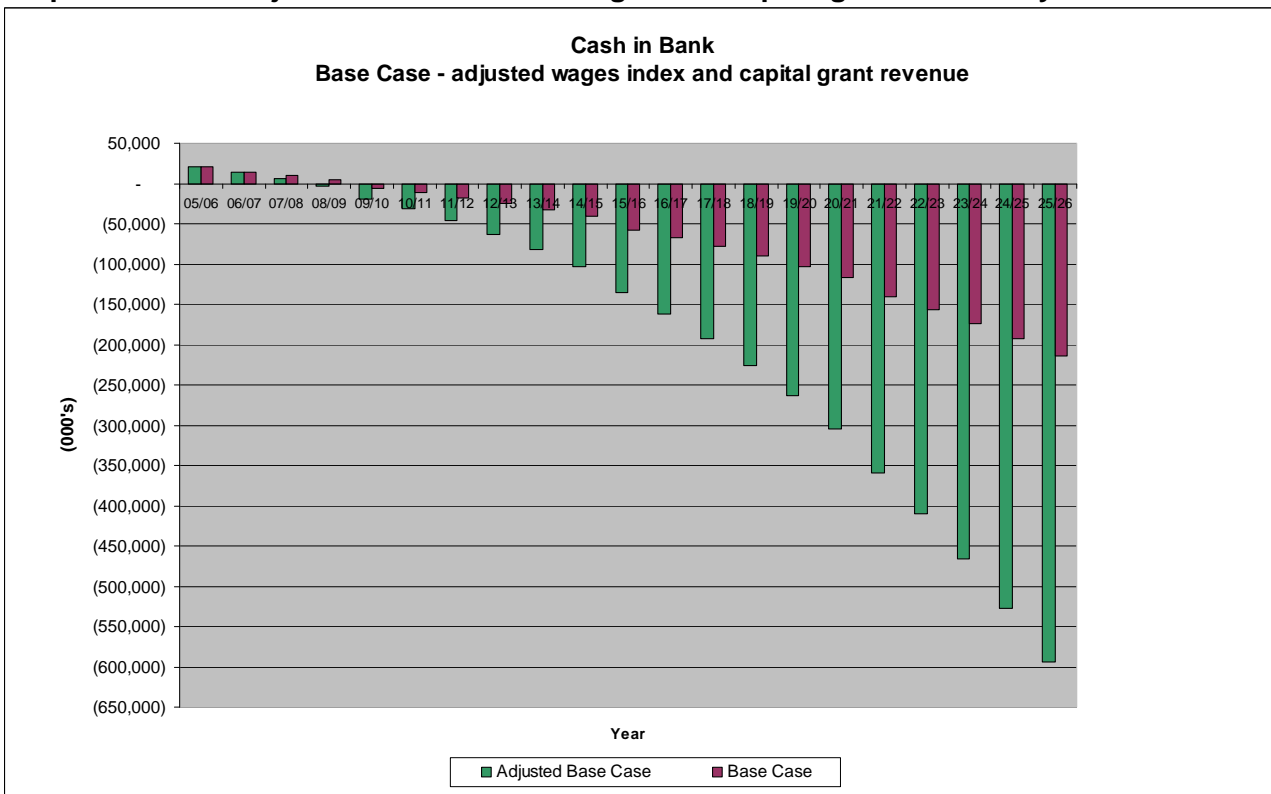
Council would, by 2026/26, have a cash deficit of \$594 million.

Using this sensitivity analysis on the two major areas of expenditure demonstrates the absolute need for Council to contain these costs.

Graph 7: Income Gap – Base Case adjusted indices for wages and materials & contracts



Graph 8: Cash – Adjusted Base Case for wages and capital grant sensitivity



10. SUSTAINABLE ASSET CASE - RENEWALS

The Sustainable Asset Case – Renewals is modelled on the Base Case plus capital renewal expenditure increasing from the current \$8 million to between \$18 million and \$20 million per year (approximately) over the next 20 years. Based on initial asset management planning this level of spending will be required to sustain infrastructure assets in their current condition over the 20-year period. This then will ensure that Council can continue to offer the current level of service that residents enjoy from infrastructural assets (as opposed to the Base Case as noted previously).

No provision for capital expenditure on new capital works has been allowed for in this case.

Additional revenue from proposed special rates and other sources of revenue totalling \$5 million in 2006/07 and \$6.5 thereafter has been included in this case.

10.1 Financial Asset Gap Analysis

As part of the Long Term Financial Strategy, a Financial Asset Gap Analysis has been conducted to assess the current and required levels of Infrastructure Asset operational and capital expenditure.

The detail of the Financial Asset Gap Analysis is attached in Appendix D and provides an outline for each of the following asset groups:

- Roads and Transport
- Stormwater Drainage
- Buildings
- Parks and Recreation
- Foreshore
- City Cultural and Enhancement
- Trees and Natural Environment,

The analysis takes into consideration for each of the above, the current expenditure levels and forecasts, and the future funding and expenditure to ensure the sustainable management of these assets.

10.2 Key Infrastructure Asset Issues

The following issues have been identified from the gap analysis:

- Level of renewal expenditure based on current level of service is insufficient
- A significant expenditure is required to bring assets up to the “satisfactory” condition
- Depreciation is understated and does not reflect the consumption of the assets.

Each of these issues are discussed below and the financial implications taken into consideration in the Sustainable Asset Case. A summary of the financial assumptions are listed at the end of this section.

Asset renewal expenditure:

To sustain the current asset base, Council must spend a sufficient amount on the renewal of existing assets to ensure all assets can maintain their expected service level efficiency. If asset renewal funds align with consumption then this will provide for the asset to be sustained into the future.



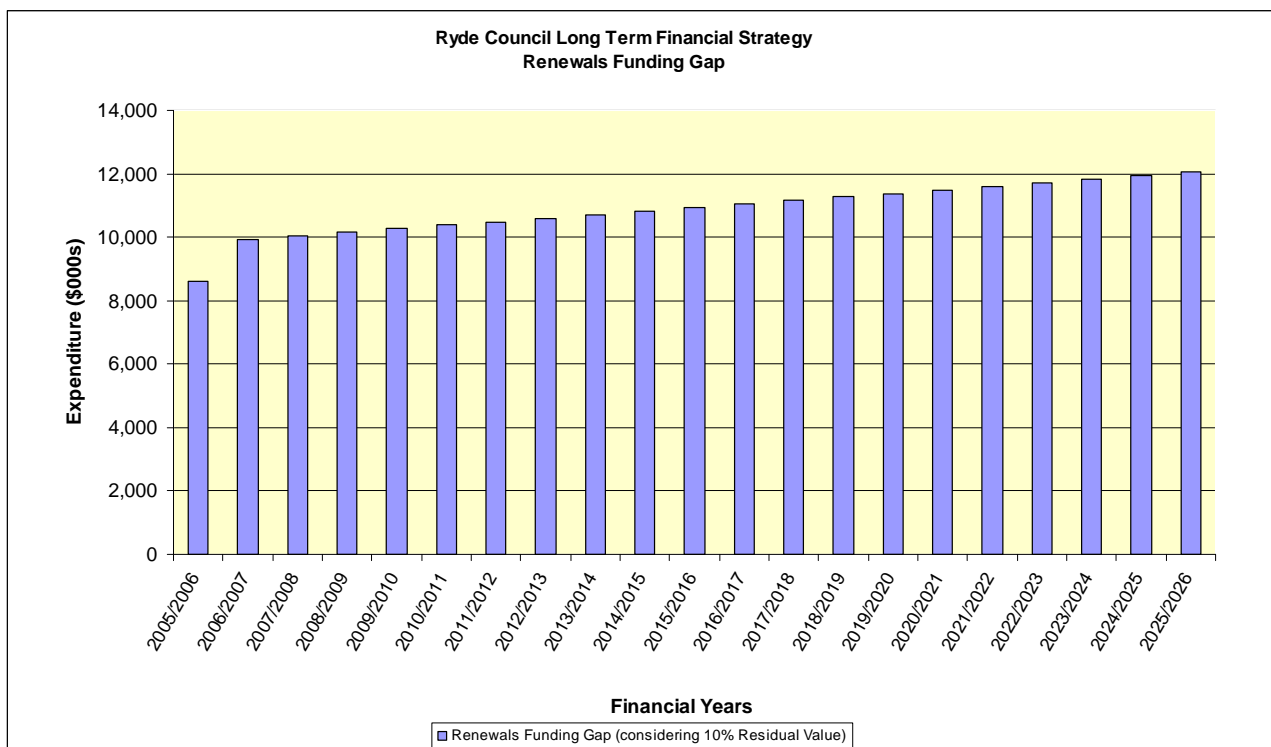
In order to understand the amount of renewal expenditure required to sustain current asset condition and levels of service an estimate has been developed assuming a 10 percent residual value of the assets. (In other words, at the end of any asset's useful life the remnants of that asset will be worth 10 percent of the value of that asset. For example, a road at the end of its useful life still has some value in contributing to replacing the road through being able to build the new road on top of the original subgrade). Additionally it has been assumed that generally, 10 percent of Council's maintenance expenditure on assets actually contributes to renewal of the assets and a higher revised level of current renewal expenditure is therefore considered realistic. This basis has been applied in both Sustainable Asset Cases.

While these forecasts are based on available information and significant experience, they are a first estimate only. The information can be validated if Council initiates core Asset Management Planning including condition assessment to determine a condition-based renewal profile and depreciation estimates that will reflect the "consumption" of the asset rather than the financial allocation.

The implications of the current renewal funding gap are that an increasing number of assets will deteriorate into the poor or failed condition as noted in the Base Case. If current funding levels remain, the rate of deterioration in the next 20 years will accelerate. This will have a significant impact and consequences on the renewal expenditure required in the future and the annual maintenance required to keep the assets operational. Furthermore, the risk and possible litigation against Council will increase.

The following chart illustrates the Renewals Funding Gap between Council's current expenditure and the renewal expenditure required using the rationale above.

Graph 9: Renewal Funding Gap



The graph indicates that Council needs to expend an additional initial \$9 million per annum, rising to \$12 million on renewals by 20025/26.

Asset Condition Capital Expenditure:

Council has identified that there is significant expenditure required to bring existing assets up to a “satisfactory” condition.

An estimate will not be able to be determined until Council has established community acceptable service levels and performed condition assessment on all asset classes. Therefore, no allowance has been made for this provision within the LTFS but it is likely to be substantial.

Depreciation/Consumption:

One of the key assumptions underpinning the asset management information is that the “depreciation” of the asset is aligned with the “consumption” of the asset and therefore if asset “renewals” funding aligns with forecast depreciation of the asset, then this will provide for the asset to be sustained into the future. In simple terms, the annual financial depreciation accrued by Council should match renewals capital expenditure.

Depreciation in the Base Case has been based on a straight-line basis and a deemed value of assets held in the balance sheet and therefore is likely to be understated. This is due to the following:

- The calculation is based on broad asset groups and within each asset group there are many types of assets, which may have a range of useful lives.
- The useful lives used are for standard assets.
- The value used is deemed cost and this may not reflect the actual asset value due to revaluation and not all assets being recording on the financial register.

An estimate of the consumption (not financial depreciation) has been calculated using an estimated Replacement Cost (“like for like”) of Council’s overall asset base.

The key assumptions in this estimate are

- that generally on average the assets are of an age equivalent to half useful life
- that the assets will have approximately 10% residual value at the end of their useful life.

Based on the current information available, infrastructure depreciation accrued in the financial statements should be in the order of \$18 - \$20 million per annum. Currently the infrastructure depreciation is an average of \$12.3 million per annum. Therefore, approximately \$7 - \$8 million of increased depreciation funding is required annually.

10.3 Additional Revenue

The Sustainable Asset Cases include potential additional revenue in 2006/07 onwards that may be used to assist in funding the asset renewal gap. These revenue options have yet to be considered by Council.

- | | |
|---------------------------------|---|
| • Infrastructure Levy | \$2 million |
| • Catchment Management Levy | \$1 million |
| • Macquarie Park Corridor Levy | \$1 million |
| • Additional sources of revenue | \$1 million in the first year, and \$2.5 million every year thereafter. |

The revenue has been increased every year by the same inflation factor, of 3 percent per year, as other Rates Revenue.

10.4 Assumptions

The key changes in the assumptions for the Sustainable Asset Cases are to increase depreciation to reflect the “consumption” of the asset, and the renewal capital expenditure to increase by the Renewals Funding Gap identified in the Long Term Financial Asset Gap Analysis.

| Depreciation | Change | |
|---------------------|----------------------|--|
| Year | Base Case (000)'s | Sustainable Asset Case- Renewals (000)'s |
| 2006/07 | 11,535 | 18,593 |
| 2007/08 | 11,822 | 18,713 |
| 2008/09 | 11,667 | 18,832 |
| 2009/10 | 12,300 | 18,952 |
| 2010/11 | 12,300 | 19,071 |
| 2011/12 | 12,300 | 19,191 |
| 2012/13 | 12,300 | 19,310 |
| 2013/14 | 12,300 | 19,429 |
| 2014/15 | 12,300 | 19,549 |
| 2015/16 | 12,300 | 19,668 |
| 2016/17 | 12,300 | 19,788 |
| 2017/18 | 12,300 | 19,907 |
| 2018/19 | 12,300 | 20,027 |
| 2019/20 | 12,300 | 20,146 |
| 2020/21 | 12,300 | 20,265 |
| 2021/22 | 12,300 | 20,385 |
| 2022/23 | 12,300 | 20,504 |
| 2023/24 | 12,300 | 20,624 |
| 2024/25 | 12,300 | 20,743 |
| 2025/26 | 12,300 | 20,862 |

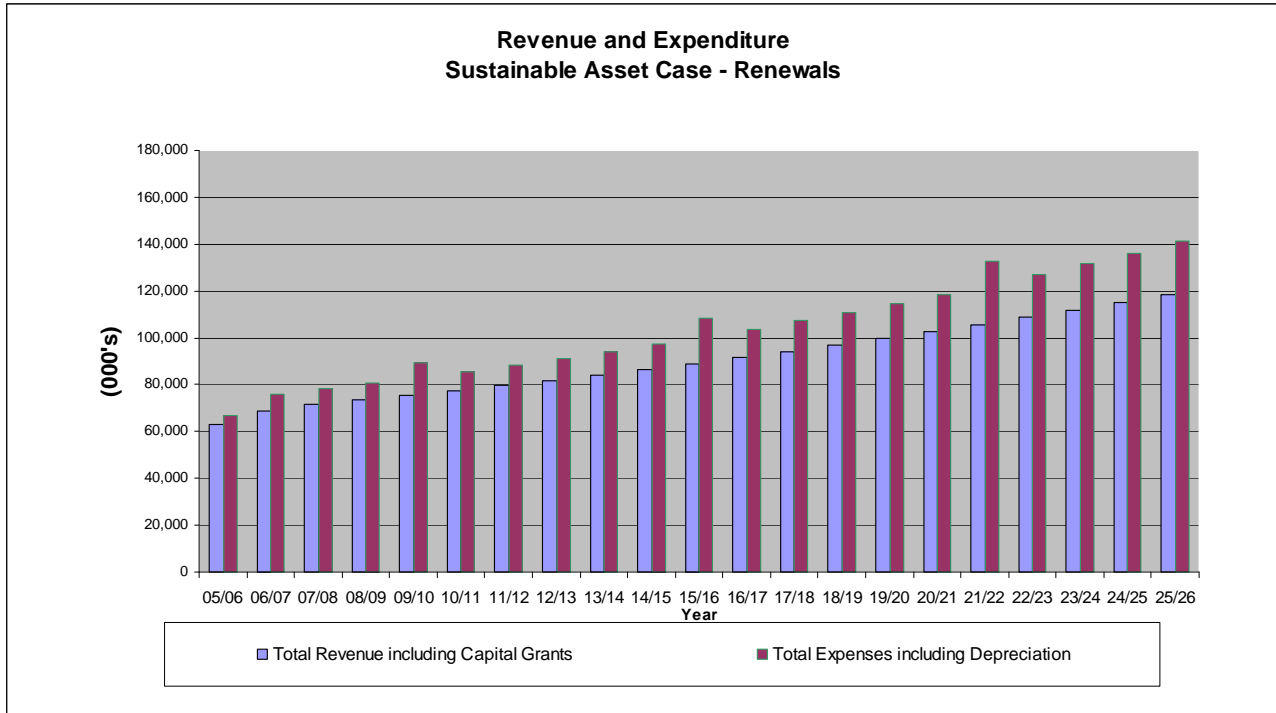
| Capital Expenditure | Change |
|----------------------------|--------------------------------|
| Year | Additional Renewal Expenditure |
| 2006/07 | 9,928 |
| 2007/08 | 10,040 |
| 2008/09 | 10,152 |
| 2009/10 | 10,264 |
| 2010/11 | 10,376 |
| 2011/12 | 10,488 |
| 2012/13 | 10,599 |
| 2013/14 | 10,711 |
| 2014/15 | 10,823 |
| 2015/16 | 10,934 |
| 2016/17 | 11,045 |
| 2017/18 | 11,157 |
| 2018/19 | 11,268 |
| 2019/20 | 11,379 |
| 2020/21 | 11,490 |
| 2021/22 | 11,601 |
| 2022/23 | 11,712 |
| 2023/24 | 11,822 |
| 2024/25 | 11,933 |
| 2025/26 | 12,044 |



10.5 Financial Impact of Sustainable Asset Case - Renewals

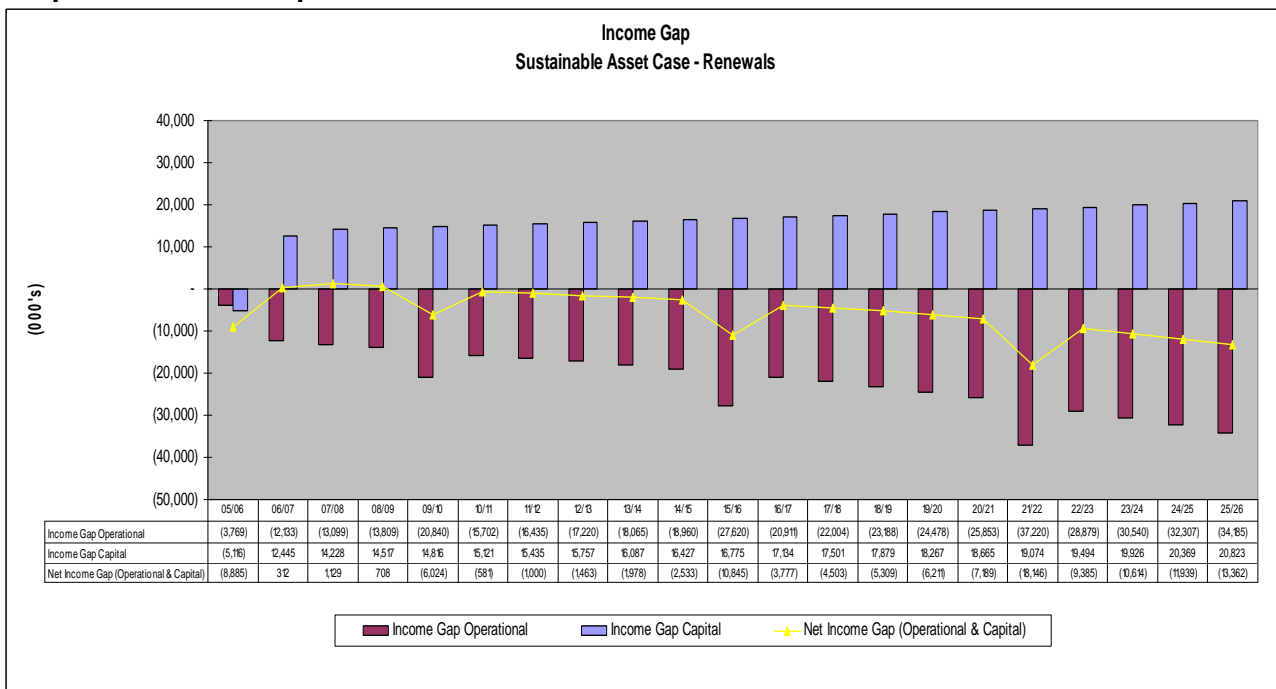
If Council fully funds the renewals requirement, so it matches the depreciation consumption, even with the potential additional revenue identified above, it continues operating with a deficit.

Graph 10: Revenue and Expenditure – Sustainable Asset Case - Renewals



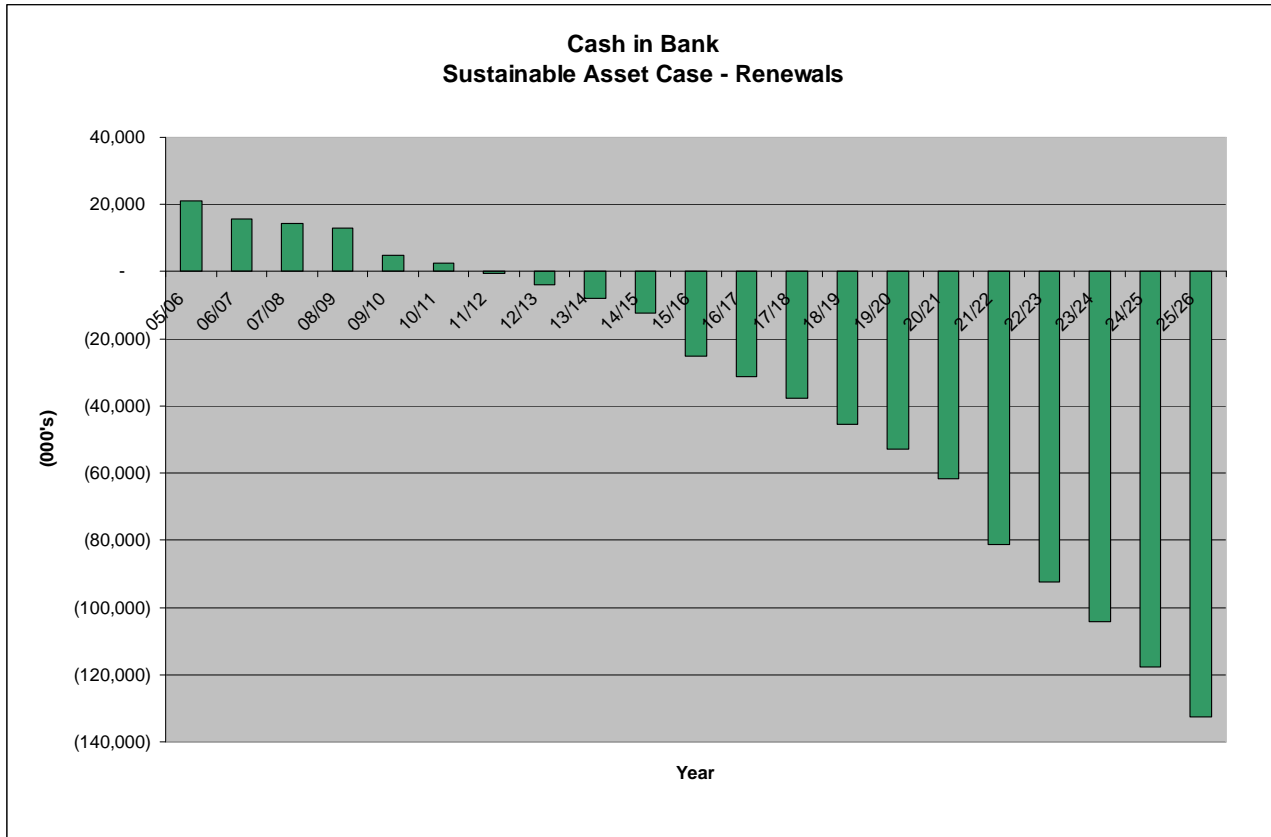
The increased depreciation (asset consumption reflected by the additional renewal expenditure) is only partially offset by the additional revenue sources. Council will still have an income gap.

Graph 11: Income Gap - Sustainable Asset Case - Renewals



The ongoing deficit results in the consumption of Council's cash reserves and a cash deficit position at the end of the 20 years. However, because no new works expenditure has been allowed for and the potential extra sources of revenue have been included, the position is markedly better than in the Base Case.

Graph 12: Cash in Bank – Sustainable Asset Case - Renewals



As in the Base Case, to be sustainable Council will need to fund this deficit. Even with the additional revenue, the increase in renewals expenditure will erode Council's cash reserves by 2012/13. Council will have a significant cash shortfall by 2025/26 unless increased funding totalling approximately \$133 million is received over the next 20 years

This clearly demonstrates that the ability for Council to economically sustain asset infrastructure is currently beyond its means, unless substantial changes occur.

The financial statements are attached in Appendix B – Financial Statements – Sustainable Asset Case - Renewals.

11. SUSTAINABLE ASSET CASE – RENEWALS AND NEW WORKS

This case incorporates Sustainable Asset Case – Renewals, and allows Council to continue to expend a similar level of capital expenditure on new works as currently programmed (approximately averaging \$5 million per year).

This case also includes the same additional revenues as outlined in the Sustainable Asset Case – Renewals.

11.1 Assumptions

New Works Capital Expenditure

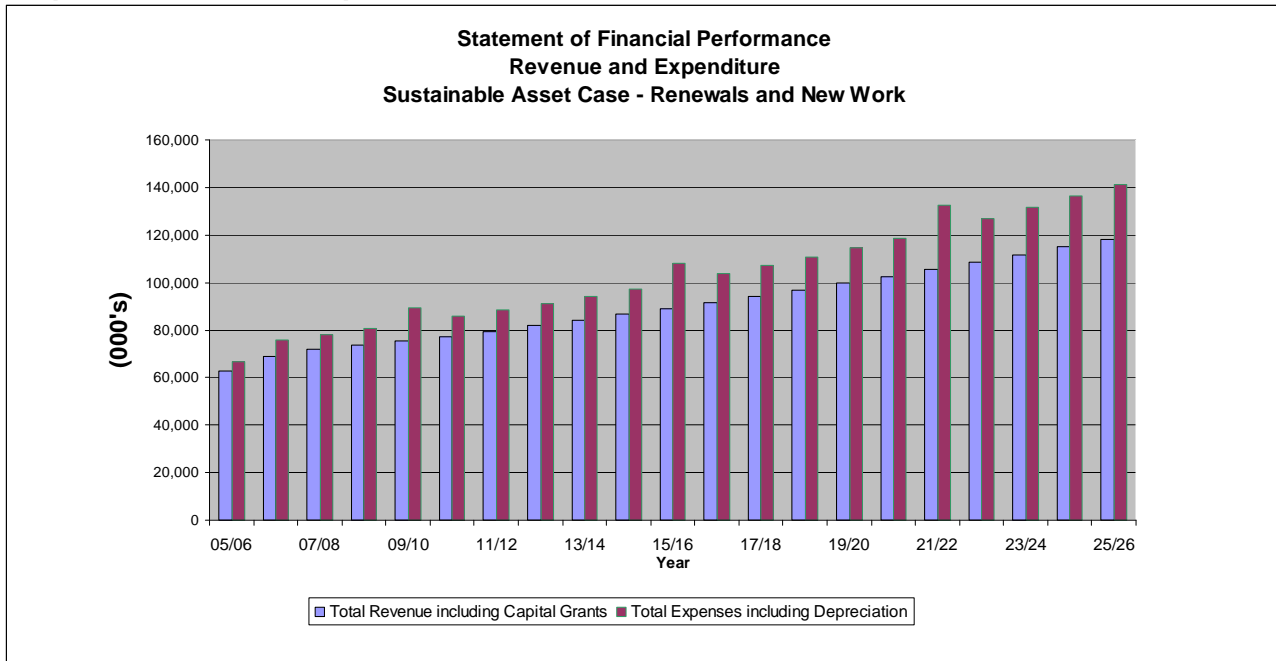
Capital expenditure for New Works of approximate \$5 million per year.

| <i>Year</i> | <i>Additional New Work Capital Expenditure (000)'s</i> |
|-------------|--|
| 2006/07 | 2,635 |
| 2007/08 | 4,230 |
| 2008/09 | 4,313 |
| 2009/10 | 8,554 |
| 2010/11 | 4,997 |
| 2011/12 | 4,997 |
| 2012/13 | 4,997 |
| 2013/14 | 4,997 |
| 2014/15 | 4,997 |
| 2015/16 | 4,997 |
| 2016/17 | 4,997 |
| 2017/18 | 4,997 |
| 2018/19 | 4,997 |
| 2019/20 | 4,997 |
| 2020/21 | 4,997 |
| 2021/22 | 4,997 |
| 2022/23 | 4,997 |
| 2023/24 | 4,997 |
| 2024/25 | 4,997 |
| 2025/26 | 4,997 |

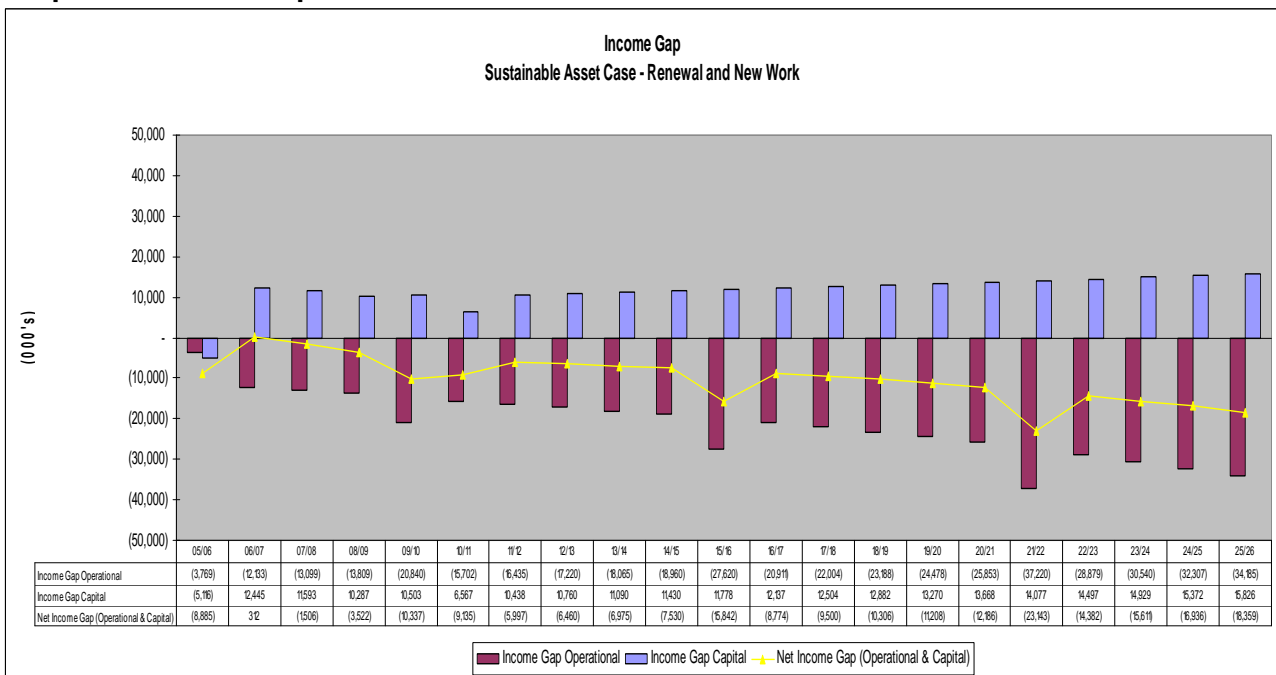
11.2 Financial Impact of Sustainable Asset Case – Renewals and New Work

The expenditure on the capital new work further deteriorates Councils financial position over the Sustainable Asset Case - Renewals.

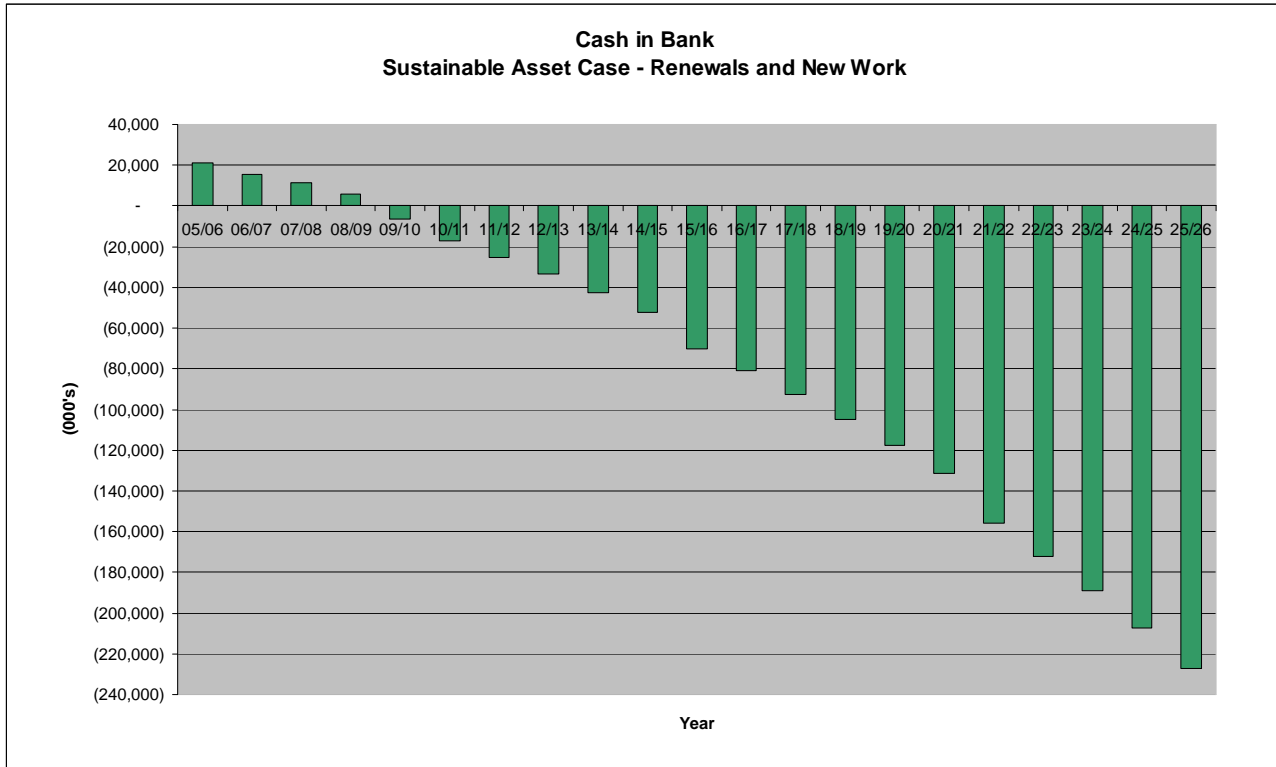
Graph 13: Revenue & Expenditure – Sustainable Asset Case – Renewals and New Work



Graph 14: Income Gap – Sustainable Asset Case – Renewals and New Work



Graph 15: Cash in Bank – Sustainable Asset Case – Renewals and New Work



As in the Sustainable Asset Case - Renewal, to be sustainable Council will need to fund this deficit. Even with the additional revenue, the additional new capital work expenditure will erode Council's cash reserves by 2009/10. Council will have a significant cash shortfall by 2025/26 unless increased funding totalling approximately \$237 million is received over the next 20 years.

This clearly demonstrates that the ability for Council to economically sustain asset infrastructure and new capital works is currently beyond its means, unless substantial changes occur.

The financial statements are attached in Appendix C – Financial Statements – Sustainable Asset Case – Renewals and New Work.

12. FUTURE STRATEGIES/ISSUES

It is acknowledged that this first LTFS is a starting point. It requires significant work in further analysing and forecasting costs and resources as more information comes to hand, especially relating to asset management planning.

Council now has a starting point from which it can formulate possible strategies to improve Council's financial position. It is expected that in the future reviews funding strategies will be developed and refined.

Additional Revenue

If Council can generate revenue in addition to the proposed special rate levy and other sources of income (\$5 million in 2006/07, and \$6.5 million every year thereafter) already indicated in the Sustainable Asset Case – Renewals, then Council could potentially achieve economic sustainability.

The following two scenarios provide an indication of the level of additional income that would be required.

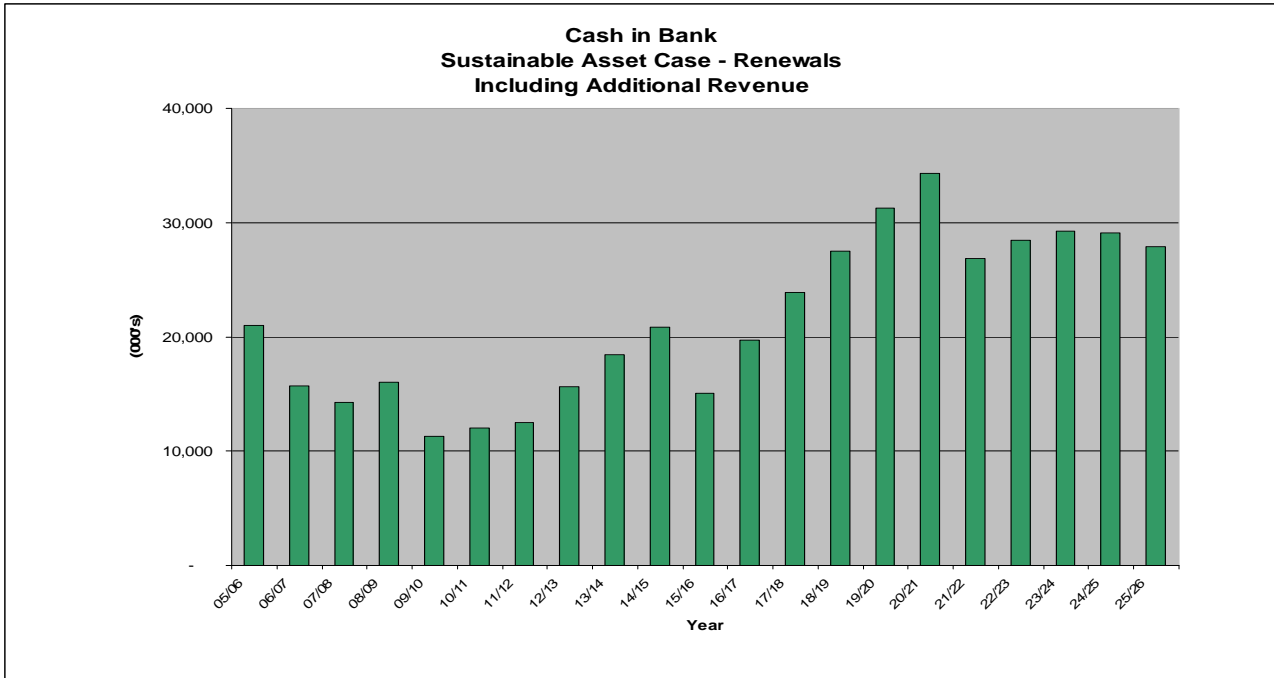
It should be noted that currently there is no strategy and no identified source for this extra revenue unless Council can obtain community and Council support and ultimately the Minister for Local Government's approval for additional special rate levies in the future.

Sustainable Asset Case – Renewals

To achieve financial sustainability in the Sustainable Assets Case – Renewals, an additional revenue of \$3 million in year in 2008/09, a further \$3 million increase in 2012/13 and a further \$3 million increase in 2016/17 has been included.

The impact of this additional revenue is that the cash reserves are maintained at a similar level to the current reserves.

Graph 16 Cash in Bank – Sustainable Asset Case – Renewals – Additional Revenue



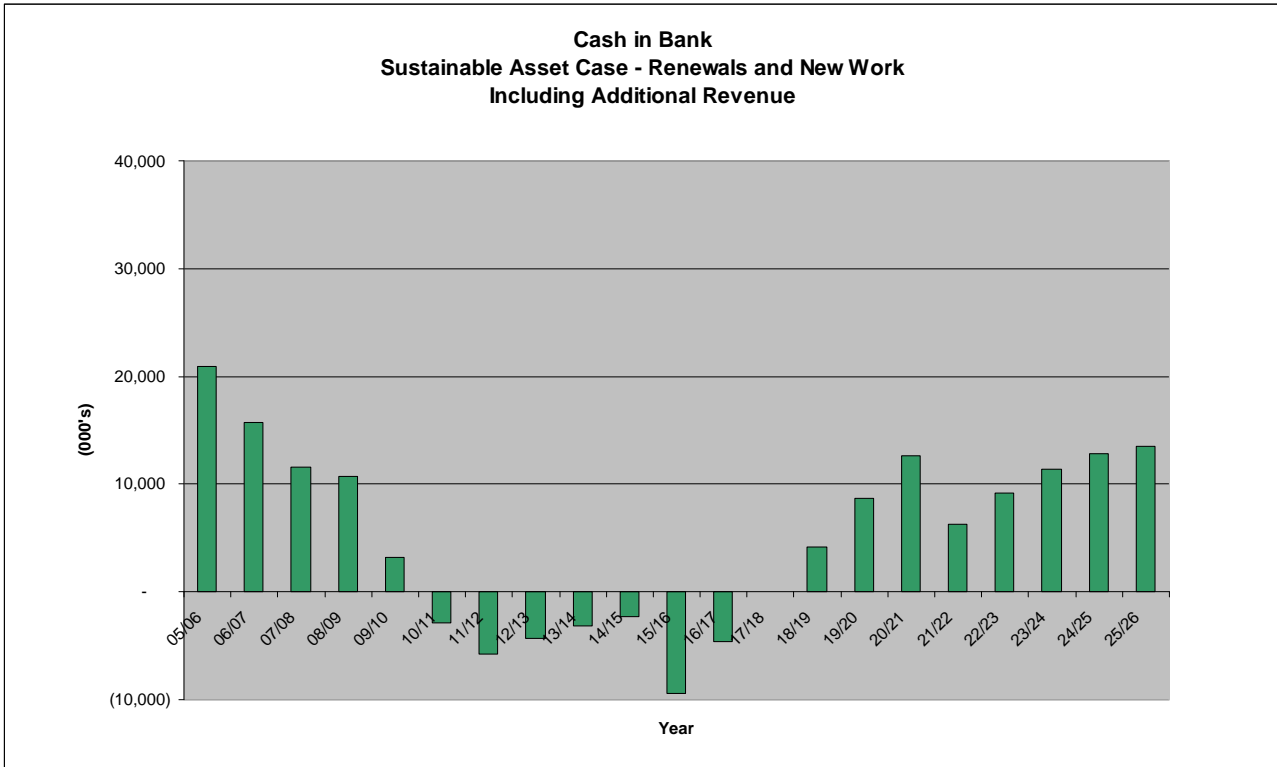
Sustainable Asset Case – Renewals and New Works

To achieve financial sustainability in the Sustainable Assets Case – Renewals and New Works, an additional revenue of \$4.5 million in year in 2008/09, a further \$4.5 million increase in 2012/13 and a further \$4.5 million increase in 2016/17 has been included.

The impact of this additional revenue is that the cash reserves are maintained at a similar level to the current reserves.



Graph 17 Cash in Bank – Sustainable Asset Case – Renewals and New Works – Additional Revenue



PART 13 – APPENDICES

Appendix A – Financial Statements – Base Case

Appendix B – Financial Statements – Sustainable Asset Case - Renewals

Appendix C – Financial Statements – Sustainable Asset Case – Renewals and New Works

Appendix D – Financial Asset Gap Analysis



APPENDIX A – FINANCIAL STATEMENTS – BASE CASE



Long Term Financial Strategy - Statement of Financial Performance

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| LTFS Base Case | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| OPERATIONAL | | | | | | | | | | | |
| REVENUES FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Rates & Annual Charges | 34,272 | 35,506 | 36,571 | 37,668 | 38,798 | 39,962 | 41,161 | 42,396 | 43,668 | 44,978 | 46,327 |
| Domestic Waste Charge | 9,727 | 10,213 | 10,520 | 10,835 | 11,160 | 11,495 | 11,840 | 12,195 | 12,561 | 12,938 | 13,326 |
| User Fees & Charges (including RALC) | 9,177 | 9,636 | 9,925 | 10,223 | 10,529 | 10,845 | 11,171 | 11,506 | 11,851 | 12,206 | 12,573 |
| Investment Income | 2,815 | 1,195 | 741 | 566 | 308 | - | - | - | - | - | - |
| Grants and Contributions | 4,909 | 5,179 | 5,239 | 5,315 | 5,321 | 5,406 | 5,464 | 5,522 | 5,575 | 5,640 | 5,700 |
| Other Revenues | 1,973 | 2,022 | 2,073 | 2,135 | 2,199 | 2,265 | 2,333 | 2,403 | 2,475 | 2,549 | 2,626 |
| Total Revenues from Operating Activities | 62,873 | 63,751 | 65,069 | 66,742 | 68,316 | 69,974 | 71,969 | 74,022 | 76,130 | 78,311 | 80,552 |
| EXPENSES FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Employee Costs | 21,188 | 22,036 | 22,917 | 23,834 | 24,787 | 25,778 | 26,810 | 27,882 | 28,997 | 30,157 | 31,363 |
| Materials & Contracts | 18,326 | 19,242 | 20,204 | 21,215 | 22,275 | 23,389 | 24,559 | 25,787 | 27,076 | 28,430 | 29,851 |
| Borrowing Costs | 665 | 476 | 411 | 352 | 314 | 289 | 263 | 235 | 205 | 174 | 140 |
| Depreciation Infrastructure | 11,300 | 11,535 | 11,822 | 11,667 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 |
| Depreciation Operational | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other Expenses | 12,463 | 12,837 | 13,222 | 13,619 | 20,127 | 14,448 | 14,881 | 15,328 | 15,788 | 16,261 | 24,449 |
| Total Expenses from Operating Activities | 66,642 | 68,826 | 71,276 | 73,386 | 82,504 | 78,905 | 81,513 | 84,231 | 87,066 | 90,022 | 100,804 |
| Surplus / (Deficit) Operational Activities | (3,769) | (5,075) | (6,208) | (6,644) | (14,188) | (8,931) | (9,544) | (10,210) | (10,936) | (11,711) | (20,252) |
| Cumulative Surplus / (Deficit) Operational Activities | (3,769) | (8,844) | (15,051) | (21,695) | (35,883) | (44,814) | (54,358) | (64,568) | (75,504) | (87,215) | (107,467) |
| Surplus / (Deficit) requiring funding - Operating Working Capital Adjustments: | (3,769) | (5,075) | (6,208) | (6,644) | (14,188) | (8,931) | (9,544) | (10,210) | (10,936) | (11,711) | (20,252) |
| Capital Grants and Contributions | 3,346 | 4,000 | 4,080 | 4,162 | 4,245 | 4,330 | 4,416 | 4,505 | 4,595 | 4,687 | 4,780 |
| Capital Expenditure - operational | (3,238) | (4,270) | (1,230) | (1,324) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| Capital Expenditure - renewals | (22,462) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) |
| Capital Expenditure - new works | - | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) |
| Transfers from Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Transfers to Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Add back depreciation as non-cash | 14,000 | 14,235 | 14,522 | 14,367 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Additional funds raised | - | - | - | - | - | - | - | - | - | - | - |
| Repayments of Borrowings & Advances | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Minority Interest | - | - | - | - | - | - | - | - | - | - | - |
| Surplus / (Deficit) in Available Working Capital | (13,366) | (6,710) | (4,501) | (4,447) | (11,128) | (5,811) | (6,364) | (6,969) | (7,635) | (8,349) | (16,831) |
| Cumulative Surplus/(Deficit) in Working Capital | (13,366) | (20,076) | (24,576) | (29,023) | (40,151) | (45,962) | (52,326) | (59,295) | (66,930) | (75,279) | (92,110) |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| LTFS Base Case | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| OPERATIONAL | | | | | | | | | | |
| REVENUES FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Rates & Annual Charges | 47,717 | 49,148 | 50,623 | 52,141 | 53,706 | 55,317 | 56,976 | 58,686 | 60,446 | 62,260 |
| Domestic Waste Charge | 13,726 | 14,138 | 14,562 | 14,999 | 15,449 | 15,912 | 16,389 | 16,881 | 17,388 | 17,909 |
| User Fees & Charges (including RALC) | 12,950 | 13,338 | 13,738 | 14,151 | 14,575 | 15,012 | 15,463 | 15,927 | 16,404 | 16,897 |
| Investment Income | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions | 5,760 | 5,822 | 5,885 | 5,948 | 6,012 | 6,076 | 6,142 | 6,208 | 6,274 | 6,342 |
| Other Revenues | 2,705 | 2,786 | 2,869 | 2,955 | 3,044 | 3,135 | 3,229 | 3,326 | 3,426 | 3,529 |
| Total Revenues from Operating Activities | 82,857 | 85,232 | 87,677 | 90,194 | 92,785 | 95,453 | 98,200 | 101,028 | 103,938 | 106,936 |
| EXPENSES FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Employee Costs | 32,618 | 33,923 | 35,280 | 36,691 | 38,158 | 39,685 | 41,272 | 42,923 | 44,640 | 46,426 |
| Materials & Contracts | 31,344 | 32,911 | 34,556 | 36,284 | 38,098 | 40,003 | 42,004 | 44,104 | 46,309 | 48,624 |
| Borrowing Costs | 67 | 26 | - | - | - | - | - | - | - | - |
| Depreciation Infrastructure | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 | 12,300 |
| Depreciation Operational | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other Expenses | 17,252 | 17,769 | 18,302 | 18,851 | 19,417 | 20,000 | 20,599 | 21,217 | 21,854 | 22,510 |
| Total Expenses from Operating Activities | 96,280 | 99,629 | 103,138 | 106,826 | 110,674 | 124,588 | 118,875 | 123,244 | 127,803 | 132,559 |
| Surplus / (Deficit) Operational Activities | (13,423) | (14,397) | (15,461) | (16,632) | (17,888) | (29,135) | (20,675) | (22,216) | (23,864) | (25,623) |
| Cumulative Surplus / (Deficit) Operational Activities | (120,890) | (135,287) | (150,748) | (167,380) | (185,268) | (214,403) | (235,078) | (257,295) | (281,159) | (306,782) |
| Surplus / (Deficit) requiring funding - Operating Working Capital Adjustments: | (13,423) | (14,397) | (15,461) | (16,632) | (17,888) | (29,135) | (20,675) | (22,216) | (23,864) | (25,623) |
| Capital Grants and Contributions | 4,876 | 4,973 | 5,073 | 5,174 | 5,278 | 5,383 | 5,491 | 5,601 | 5,713 | 5,827 |
| Capital Expenditure - operational | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| Capital Expenditure - renewals | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) |
| Capital Expenditure - new works | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) | (6,377) |
| Transfers from Reserves | | | | | | | | | | |
| Transfers to Reserves | | | | | | | | | | |
| Add back depreciation as non-cash | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Additional funds raised | | | | | | | | | | |
| Repayments of Borrowings & Advances | (598) | (636) | (676) | | | | | | | |
| Minority Interest | | | | | | | | | | |
| Surplus / (Deficit) in Available Working Capital | (9,942) | (10,856) | (11,861) | (12,255) | (13,407) | (24,548) | (15,981) | (17,412) | (18,948) | (20,593) |
| Cumulative Surplus/(Deficit) in Working Capital | (102,052) | (112,908) | (124,769) | (137,024) | (150,432) | (174,980) | (190,961) | (208,373) | (227,322) | (247,915) |



Long Term Financial Strategy - Statement of Cash Flows

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------------|------------------------|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| LTFS Base Case | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| Cash Flows from Operation Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Rates and Annual Charges | 43,999 | 45,719 | 47,091 | 48,503 | 49,959 | 51,457 | 53,001 | 54,591 | 56,229 | 57,916 | 59,653 |
| User Charges and Fees | 9,177 | 9,636 | 9,925 | 10,223 | 10,529 | 10,845 | 11,171 | 11,506 | 11,851 | 12,206 | 12,573 |
| Interest Income | 2,815 | 1,195 | 741 | 566 | 308 | - | - | - | - | - | - |
| Grants and Contributions | 4,909 | 5,179 | 5,239 | 5,315 | 5,321 | 5,406 | 5,464 | 5,522 | 5,575 | 5,640 | 5,700 |
| Other Operating receipts | 1,973 | 2,022 | 2,073 | 2,135 | 2,199 | 2,265 | 2,333 | 2,403 | 2,475 | 2,549 | 2,626 |
| | 62,873 | 63,751 | 65,069 | 66,742 | 68,316 | 69,974 | 71,969 | 74,022 | 76,130 | 78,311 | 80,552 |
| Payments | | | | | | | | | | | |
| Employees Costs | (21,188) | (22,036) | (22,917) | (23,834) | (24,787) | (25,778) | (26,810) | (27,882) | (28,997) | (30,157) | (31,363) |
| Materials and Contracts | (18,326) | (19,242) | (20,204) | (21,215) | (22,275) | (23,389) | (24,559) | (25,787) | (27,076) | (28,430) | (29,851) |
| Borrowing Costs | (665) | (476) | (411) | (352) | (314) | (289) | (263) | (235) | (205) | (174) | (140) |
| Other Operating Payments | (12,463) | (12,837) | (13,222) | (13,619) | (20,127) | (14,448) | (14,881) | (15,328) | (15,788) | (16,261) | (24,449) |
| | (52,642) | (54,591) | (56,754) | (59,019) | (67,504) | (63,905) | (66,513) | (69,231) | (72,066) | (75,022) | (85,804) |
| Net Cash provided by (or used in) Operating Activities | 10,231 | 9,160 | 8,314 | 7,723 | 812 | 6,069 | 5,456 | 4,790 | 4,064 | 3,289 | (5,252) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds from capital grants & contributions | 3,346 | 4,000 | 4,080 | 4,162 | 4,245 | 4,330 | 4,416 | 4,505 | 4,595 | 4,687 | 4,780 |
| Payments | | | | | | | | | | | |
| Purchase of Property, Plant and Equipment | (25,700) | (18,567) | (15,527) | (15,621) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) |
| Net Cash provided by (or used in) Investing Activities | (22,354) | (14,567) | (11,447) | (11,459) | (11,552) | (11,467) | (11,381) | (11,292) | (11,202) | (11,110) | (11,017) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds from borrowings and advances | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayments of Borrowings & Advances | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Net Cash provided by (or used in) Financing Activities | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Net Increase (Decrease) in cash held | (13,366) | (6,710) | (4,501) | (4,447) | (11,128) | (5,811) | (6,364) | (6,969) | (7,635) | (8,349) | (16,831) |
| Cash at the beginning of the reporting period | 34,328 | 20,962 | 14,252 | 9,752 | 5,305 | (5,823) | (11,634) | (17,998) | (24,967) | (32,602) | (40,951) |
| Cash at the end of the reporting period | 20,962 | 14,252 | 9,752 | 5,305 | (5,823) | (11,634) | (17,998) | (24,967) | (32,602) | (40,951) | (57,782) |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| LTFS Base Case | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| Cash Flows from Operation Activities | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Rates and Annual Charges | 61,443 | 63,286 | 65,185 | 67,140 | 69,154 | 71,229 | 73,366 | 75,567 | 77,834 | 80,169 |
| User Charges and Fees | 12,950 | 13,338 | 13,738 | 14,151 | 14,575 | 15,012 | 15,463 | 15,927 | 16,404 | 16,897 |
| Interest Income | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions | 5,760 | 5,822 | 5,885 | 5,948 | 6,012 | 6,076 | 6,142 | 6,208 | 6,274 | 6,342 |
| Other Operating receipts | 2,705 | 2,786 | 2,869 | 2,955 | 3,044 | 3,135 | 3,229 | 3,326 | 3,426 | 3,529 |
| | 82,857 | 85,232 | 87,677 | 90,194 | 92,785 | 95,453 | 98,200 | 101,028 | 103,938 | 106,936 |
| Payments | | | | | | | | | | |
| Employees Costs | (32,618) | (33,923) | (35,280) | (36,691) | (38,158) | (39,685) | (41,272) | (42,923) | (44,640) | (46,426) |
| Materials and Contracts | (31,344) | (32,911) | (34,556) | (36,284) | (38,098) | (40,003) | (42,004) | (44,104) | (46,309) | (48,624) |
| Borrowing Costs | (67) | (26) | - | - | - | - | - | - | - | - |
| Other Operating Payments | (17,252) | (17,769) | (18,302) | (18,851) | (19,417) | (29,899) | (20,599) | (21,217) | (21,854) | (22,510) |
| | (81,280) | (84,629) | (88,138) | (91,826) | (95,674) | (109,588) | (103,875) | (108,244) | (112,803) | (117,559) |
| Net Cash provided by (or used in) Operating Activities | 1,577 | 603 | (461) | (1,632) | (2,888) | (14,135) | (5,675) | (7,216) | (8,864) | (10,623) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds from capital grants & contributions | 4,876 | 4,973 | 5,073 | 5,174 | 5,278 | 5,383 | 5,491 | 5,601 | 5,713 | 5,827 |
| Payments | | | | | | | | | | |
| Purchase of Property, Plant and Equipment | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) | (15,797) |
| Net Cash provided by (or used in) Investing Activities | (10,921) | (10,824) | (10,724) | (10,623) | (10,519) | (10,414) | (10,306) | (10,196) | (10,084) | (9,970) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds from borrowings and advances | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Repayments of Borrowings & Advances | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Net Cash provided by (or used in) Financing Activities | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Net Increase (Decrease) in cash held | (9,942) | (10,856) | (11,861) | (12,255) | (13,407) | (24,548) | (15,981) | (17,412) | (18,948) | (20,593) |
| Cash at the beginning of the reporting period | (57,782) | (67,724) | (78,580) | (90,441) | (102,696) | (116,104) | (140,652) | (156,633) | (174,045) | (192,994) |
| Cash at the end of the reporting period | (67,724) | (78,580) | (90,441) | (102,696) | (116,104) | (140,652) | (156,633) | (174,045) | (192,994) | (213,587) |



Long Term Financial Strategy - Statement of Financial Position

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| LTFS Base Case | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| CURRENT ASSETS | | | | | | | | | | | |
| Cash Assets | 6,701 | 14,252 | 9,752 | 5,305 | (5,823) | (11,634) | (17,998) | (24,967) | (32,602) | (40,951) | (57,782) |
| Receivables | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 |
| Inventories | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Other Current Assets | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 |
| Total Current Assets | 11,052 | 18,603 | 14,103 | 9,656 | (1,472) | (7,283) | (13,647) | (20,616) | (28,251) | (36,600) | (53,431) |
| NON-CURRENT ASSETS | | | | | | | | | | | |
| Cash Assets | 14,261 | - | - | - | - | - | - | - | - | - | - |
| Investment Securities | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| Rural Fire Service | - | - | - | - | - | - | - | - | - | - | - |
| Assets - Land | - | - | - | - | - | - | - | - | - | - | - |
| Assets - Operational | 15,538 | 17,108 | 15,638 | 14,262 | 13,062 | 11,862 | 10,662 | 9,462 | 8,262 | 7,062 | 5,862 |
| Assets - Infrastructure | 1,265,246 | 1,264,008 | 1,262,403 | 1,260,871 | 1,258,624 | 1,256,291 | 1,253,872 | 1,251,364 | 1,248,766 | 1,246,076 | 1,243,293 |
| Total Non-Current Assets | 1,295,211 | 1,281,282 | 1,278,207 | 1,275,299 | 1,271,852 | 1,268,319 | 1,264,700 | 1,260,992 | 1,257,194 | 1,253,304 | 1,249,321 |
| Total Assets | 1,306,263 | 1,299,885 | 1,292,310 | 1,284,956 | 1,270,380 | 1,261,036 | 1,251,053 | 1,240,376 | 1,228,943 | 1,216,704 | 1,195,890 |
| CURRENT LIABILITIES | | | | | | | | | | | |
| Payables | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 |
| Interest bearing Liabilities | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 |
| Provisions | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 |
| Total current liabilities | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 |
| NON-CURRENT LIABILITIES | | | | | | | | | | | |
| Payables | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 |
| Interest bearing Liabilities (Non-Current) | 7,372 | 6,069 | 4,701 | 3,991 | 3,603 | 3,190 | 2,751 | 2,284 | 1,787 | 1,259 | 697 |
| Provisions (Non-Current) | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 |
| Total Non-Current Liabilities | 15,310 | 14,007 | 12,639 | 11,929 | 11,541 | 11,128 | 10,689 | 10,222 | 9,725 | 9,197 | 8,635 |
| Total Liabilities | 23,954 | 22,651 | 21,283 | 20,573 | 20,185 | 19,772 | 19,333 | 18,866 | 18,369 | 17,841 | 17,279 |
| NET ASSETS | 1,282,309 | 1,277,234 | 1,271,027 | 1,264,383 | 1,250,195 | 1,241,264 | 1,231,720 | 1,221,510 | 1,210,574 | 1,198,863 | 1,178,611 |
| EQUITY | | | | | | | | | | | |
| Equity | 1,286,078 | 1,282,309 | 1,277,234 | 1,271,027 | 1,264,383 | 1,250,195 | 1,241,264 | 1,231,720 | 1,221,510 | 1,210,574 | 1,198,863 |
| Surplus/(Deficit) | (3,769) | (5,075) | (6,208) | (6,644) | (14,188) | (8,931) | (9,544) | (10,210) | (10,936) | (11,711) | (20,252) |
| TOTAL EQUITY | 1,282,309 | 1,277,234 | 1,271,027 | 1,264,383 | 1,250,195 | 1,241,264 | 1,231,720 | 1,221,510 | 1,210,574 | 1,198,863 | 1,178,611 |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| LTFS Base Case | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| CURRENT ASSETS | | | | | | | | | | |
| Cash Assets | (67,724) | (78,580) | (90,441) | (102,696) | (116,104) | (140,652) | (156,633) | (174,045) | (192,994) | (213,587) |
| Receivables | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 |
| Inventories | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Other Current Assets | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 |
| Total Current Assets | (63,373) | (74,229) | (86,090) | (98,345) | (111,753) | (136,301) | (152,282) | (169,694) | (188,643) | (209,236) |
| NON-CURRENT ASSETS | | | | | | | | | | |
| Cash Assets | - | - | - | - | - | - | - | - | - | - |
| Investment Securities | | | | | | | | | | |
| Receivables | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| Rural Fire Service | | | | | | | | | | |
| Assets - Land | - | - | - | - | - | - | - | - | - | - |
| Assets - Operational | 4,662 | 3,462 | 2,262 | 1,062 | (138) | (1,338) | (2,538) | (3,738) | (4,938) | (6,138) |
| Assets - Infrastructure | 1,240,414 | 1,237,438 | 1,234,362 | 1,231,184 | 1,227,903 | 1,224,517 | 1,221,023 | 1,217,419 | 1,213,703 | 1,209,873 |
| Total Non-Current Assets | 1,245,242 | 1,241,066 | 1,236,790 | 1,232,412 | 1,227,931 | 1,223,345 | 1,218,651 | 1,213,847 | 1,208,931 | 1,203,901 |
| Total Assets | 1,181,869 | 1,166,836 | 1,150,699 | 1,134,067 | 1,116,179 | 1,087,044 | 1,066,369 | 1,044,152 | 1,020,288 | 994,665 |
| CURRENT LIABILITIES | | | | | | | | | | |
| Payables | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 |
| Interest bearing Liabilities | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 |
| Provisions | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 |
| Total current liabilities | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 |
| NON-CURRENT LIABILITIES | | | | | | | | | | |
| Payables | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 |
| Interest bearing Liabilities (Non-Current) | 99 | (537) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) |
| Provisions (Non-Current) | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 |
| Total Non-Current Liabilities | 8,037 | 7,401 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 |
| Total Liabilities | 16,681 | 16,045 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 |
| NET ASSETS | 1,165,188 | 1,150,791 | 1,135,330 | 1,118,698 | 1,100,810 | 1,071,675 | 1,051,000 | 1,028,783 | 1,004,919 | 979,296 |
| EQUITY | | | | | | | | | | |
| Equity | 1,178,611 | 1,165,188 | 1,150,791 | 1,135,330 | 1,118,698 | 1,100,810 | 1,071,675 | 1,051,000 | 1,028,783 | 1,004,919 |
| Surplus/(Deficit) | (13,423) | (14,397) | (15,461) | (16,632) | (17,888) | (29,135) | (20,675) | (22,216) | (23,864) | (25,623) |
| TOTAL EQUITY | 1,165,188 | 1,150,791 | 1,135,330 | 1,118,698 | 1,100,810 | 1,071,675 | 1,051,000 | 1,028,783 | 1,004,919 | 979,296 |



APPENDIX B – FINANCIAL STATEMENTS – SUSTAINABLE ASSET CASE - RENEWALS



Long Term Financial Strategy - Statement of Financial Performance

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Sustainable Assets - Renewals | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| OPERATIONAL | | | | | | | | | | | |
| REVENUES FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Rates & Annual Charges | 34,272 | 35,506 | 36,571 | 37,668 | 38,798 | 39,962 | 41,161 | 42,396 | 43,668 | 44,978 | 46,327 |
| Additional revenue | | 5,000 | 6,695 | 6,896 | 7,103 | 7,316 | 7,535 | 7,761 | 7,994 | 8,234 | 8,481 |
| Domestic Waste Charge | 9,727 | 10,213 | 10,520 | 10,835 | 11,160 | 11,495 | 11,840 | 12,195 | 12,561 | 12,938 | 13,326 |
| User Fees & Charges | 9,177 | 9,636 | 9,925 | 10,223 | 10,529 | 10,845 | 11,171 | 11,506 | 11,851 | 12,206 | 12,573 |
| Investment Income | 2,815 | 1,195 | 741 | 566 | 308 | - | - | - | - | - | - |
| Grants and Contributions | 4,909 | 5,179 | 5,239 | 5,315 | 5,321 | 5,406 | 5,464 | 5,522 | 5,575 | 5,640 | 5,700 |
| Other Revenues | 1,973 | 2,022 | 2,073 | 2,135 | 2,199 | 2,265 | 2,333 | 2,403 | 2,475 | 2,549 | 2,626 |
| Total Revenues from Operating Activities | 62,873 | 68,751 | 71,764 | 73,638 | 75,418 | 77,289 | 79,504 | 81,783 | 84,124 | 86,545 | 89,033 |
| EXPENSES FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Employee Costs | 21,188 | 22,036 | 22,917 | 23,834 | 24,787 | 25,778 | 26,810 | 27,882 | 28,997 | 30,157 | 31,363 |
| Materials & Contracts | 18,326 | 19,242 | 20,204 | 21,215 | 22,275 | 23,389 | 24,559 | 25,787 | 27,076 | 28,430 | 29,851 |
| Borrowing Costs | 665 | 476 | 411 | 352 | 314 | 289 | 263 | 235 | 205 | 174 | 140 |
| Depreciation Infrastructure | 11,300 | 18,593 | 18,713 | 18,832 | 18,952 | 19,071 | 19,191 | 19,310 | 19,429 | 19,549 | 19,668 |
| Depreciation Operational | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other Expenses | 12,463 | 12,837 | 13,222 | 13,619 | 20,127 | 14,448 | 14,881 | 15,328 | 15,788 | 16,261 | 24,449 |
| Minority Interest | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Operating Activities | 66,642 | 75,884 | 78,167 | 80,551 | 89,156 | 85,676 | 88,404 | 91,241 | 94,195 | 97,271 | 108,172 |
| Surplus / (Deficit) Operational Activities | (3,769) | (7,133) | (6,404) | (6,913) | (13,737) | (8,386) | (8,900) | (9,458) | (10,071) | (10,726) | (19,139) |
| Cumulative Surplus / (Deficit) Operational Activities | (3,769) | (10,902) | (17,305) | (24,219) | (37,956) | (46,342) | (55,242) | (64,700) | (74,771) | (85,496) | (104,636) |
| Surplus / (Deficit) requiring funding - Operating | (3,769) | (7,133) | (6,404) | (6,913) | (13,737) | (8,386) | (8,900) | (9,458) | (10,071) | (10,726) | (19,139) |
| Working Capital Adjustments: | | | | | | | | | | | |
| Capital Grants and Contributions | 3,346 | 4,000 | 4,080 | 4,162 | 4,245 | 4,330 | 4,416 | 4,505 | 4,595 | 4,687 | 4,780 |
| Capital Expenditure - operational | (3,238) | (4,270) | (1,230) | (1,324) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| Capital Expenditure - renewals | (22,462) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) |
| Capital Expenditure - new works | - | - | - | - | - | - | - | - | - | - | - |
| Additional Renewals Expenditure | - | (9,928) | (10,040) | (10,152) | (10,264) | (10,376) | (10,488) | (10,599) | (10,711) | (10,823) | (10,934) |
| Transfers from Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Transfers to Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Add back depreciation as non-cash | 14,000 | 21,293 | 21,413 | 21,532 | 21,652 | 21,771 | 21,891 | 22,010 | 22,129 | 22,249 | 22,368 |
| Additional funds raised | - | - | - | - | - | - | - | - | - | - | - |
| Repayments of Borrowings & Advances | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Minority Interest | - | - | - | - | - | - | - | - | - | - | - |
| Surplus / (Deficit) in Available Working Capital | (13,366) | (5,261) | (1,469) | (1,326) | (7,912) | (2,494) | (2,939) | (3,430) | (3,975) | (4,561) | (12,907) |
| Cumulative Surplus/(Deficit) in Working Capital | (13,366) | (18,627) | (20,095) | (21,421) | (29,333) | (31,828) | (34,767) | (38,197) | (42,172) | (46,733) | (59,640) |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sustainable Assets - Renewals | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |

| OPERATIONAL | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUES FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Rates & Annual Charges | 47,717 | 49,148 | 50,623 | 52,141 | 53,706 | 55,317 | 56,976 | 58,686 | 60,446 | 62,260 |
| Additional revenue | 8,735 | 8,998 | 9,267 | 9,545 | 9,832 | 10,127 | 10,431 | 10,744 | 11,066 | 11,398 |
| Domestic Waste Charge | 13,726 | 14,138 | 14,562 | 14,999 | 15,449 | 15,912 | 16,389 | 16,881 | 17,388 | 17,909 |
| User Fees & Charges | 12,950 | 13,338 | 13,738 | 14,151 | 14,575 | 15,012 | 15,463 | 15,927 | 16,404 | 16,897 |
| Investment Income | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions | 5,760 | 5,822 | 5,885 | 5,948 | 6,012 | 6,076 | 6,142 | 6,208 | 6,274 | 6,342 |
| Other Revenues | 2,705 | 2,786 | 2,869 | 2,955 | 3,044 | 3,135 | 3,229 | 3,326 | 3,426 | 3,529 |
| Total Revenues from Operating Activities | 91,593 | 94,230 | 96,945 | 99,740 | 102,617 | 105,579 | 108,631 | 111,771 | 115,004 | 118,334 |
| EXPENSES FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Employee Costs | 32,618 | 33,923 | 35,280 | 36,691 | 38,158 | 39,685 | 41,272 | 42,923 | 44,640 | 46,426 |
| Materials & Contracts | 31,344 | 32,911 | 34,556 | 36,284 | 38,098 | 40,003 | 42,004 | 44,104 | 46,309 | 48,624 |
| Borrowing Costs | 67 | 26 | - | - | - | - | - | - | - | - |
| Depreciation Infrastructure | 19,788 | 19,907 | 20,027 | 20,146 | 20,265 | 20,385 | 20,504 | 20,624 | 20,743 | 20,862 |
| Depreciation Operational | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other Expenses | 17,252 | 17,769 | 18,302 | 18,851 | 19,417 | 20,000 | 20,599 | 21,217 | 21,854 | 22,510 |
| Minority Interest | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Operating Activities | 103,768 | 107,236 | 110,865 | 114,672 | 118,639 | 122,673 | 127,079 | 131,568 | 136,246 | 141,121 |
| Surplus / (Deficit) Operational Activities | (12,176) | (13,006) | (13,921) | (14,933) | (16,021) | (27,093) | (18,448) | (19,797) | (21,242) | (22,787) |
| Cumulative Surplus / (Deficit) Operational Activities | (116,811) | (129,818) | (143,738) | (158,671) | (174,692) | (201,785) | (220,234) | (240,031) | (261,272) | (284,060) |
| Surplus / (Deficit) requiring funding - Operating | (12,176) | (13,006) | (13,921) | (14,933) | (16,021) | (27,093) | (18,448) | (19,797) | (21,242) | (22,787) |
| Working Capital Adjustments: | | | | | | | | | | |
| Capital Grants and Contributions | 4,876 | 4,973 | 5,073 | 5,174 | 5,278 | 5,383 | 5,491 | 5,601 | 5,713 | 5,827 |
| Capital Expenditure - operational | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| Capital Expenditure - renewals | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) |
| Capital Expenditure - new works | - | - | - | - | - | - | - | - | - | - |
| Additional Renewals Expenditure | (11,045) | (11,157) | (11,268) | (11,379) | (11,490) | (11,601) | (11,712) | (11,822) | (11,933) | (12,044) |
| Transfers from Reserves | - | - | - | - | - | - | - | - | - | - |
| Transfers to Reserves | - | - | - | - | - | - | - | - | - | - |
| Add back depreciation as non-cash | 22,488 | 22,607 | 22,727 | 22,846 | 22,965 | 23,085 | 23,204 | 23,324 | 23,443 | 23,562 |
| Additional funds raised | - | - | - | - | - | - | - | - | - | - |
| Repayments of Borrowings & Advances | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - | - | - | - |
| Surplus / (Deficit) in Available Working Capital | (5,875) | (6,639) | (7,485) | (7,711) | (8,689) | (19,646) | (10,885) | (12,114) | (13,439) | (14,862) |
| Cumulative Surplus/(Deficit) in Working Capital | (65,514) | (72,153) | (79,638) | (87,349) | (96,038) | (115,683) | (126,569) | (138,683) | (152,121) | (166,983) |



Long Term Financial Strategy - Statement of Cash Flows

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------------|------------------------|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sustainable Assets - Renewals | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| Cash Flows from Operation Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Rates and Annual Charges | 43,999 | 50,719 | 53,786 | 55,399 | 57,061 | 58,773 | 60,536 | 62,352 | 64,223 | 66,150 | 68,134 |
| User Charges and Fees | 9,177 | 9,636 | 9,925 | 10,223 | 10,529 | 10,845 | 11,171 | 11,506 | 11,851 | 12,206 | 12,573 |
| Interest Income | 2,815 | 1,195 | 741 | 566 | 308 | - | - | - | - | - | - |
| Grants and Contributions | 4,909 | 5,179 | 5,239 | 5,315 | 5,321 | 5,406 | 5,464 | 5,522 | 5,575 | 5,640 | 5,700 |
| Other Operating receipts | 1,973 | 2,022 | 2,073 | 2,135 | 2,199 | 2,265 | 2,333 | 2,403 | 2,475 | 2,549 | 2,626 |
| | 62,873 | 68,751 | 71,764 | 73,638 | 75,418 | 77,289 | 79,504 | 81,783 | 84,124 | 86,545 | 89,033 |
| Payments | | | | | | | | | | | |
| Employees Costs | (21,188) | (22,036) | (22,917) | (23,834) | (24,787) | (25,778) | (26,810) | (27,882) | (28,997) | (30,157) | (31,363) |
| Materials and Contracts | (18,326) | (19,242) | (20,204) | (21,215) | (22,275) | (23,389) | (24,559) | (25,787) | (27,076) | (28,430) | (29,851) |
| Borrowing Costs | (665) | (476) | (411) | (352) | (314) | (289) | (263) | (235) | (205) | (174) | (140) |
| Other Operating Payments | (12,463) | (12,837) | (13,222) | (13,619) | (20,127) | (14,448) | (14,881) | (15,328) | (15,788) | (16,261) | (24,449) |
| | (52,642) | (54,591) | (56,754) | (59,019) | (67,504) | (63,905) | (66,513) | (69,231) | (72,066) | (75,022) | (85,804) |
| Net Cash provided by (or used in) Operating Activities | 10,231 | 14,160 | 15,009 | 14,619 | 7,915 | 13,385 | 12,991 | 12,552 | 12,058 | 11,523 | 3,229 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds from property, Plant and Equipment | 3,346 | 4,000 | 4,080 | 4,162 | 4,245 | 4,330 | 4,416 | 4,505 | 4,595 | 4,687 | 4,780 |
| Payments | | | | | | | | | | | |
| Purchase of Property, Plant and Equipment | (25,700) | (22,118) | (19,190) | (19,396) | (19,684) | (19,796) | (19,908) | (20,019) | (20,131) | (20,243) | (20,354) |
| Net Cash provided by (or used in) Investing Activities | (22,354) | (18,118) | (15,110) | (15,234) | (15,439) | (15,466) | (15,492) | (15,514) | (15,536) | (15,556) | (15,574) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds from borrowings and advances | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayments of Borrowings & Advances | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Net Cash provided by (or used in) Financing Activities | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Net Increase (Decrease) in cash held | (13,366) | (5,261) | (1,469) | (1,326) | (7,912) | (2,494) | (2,939) | (3,430) | (3,975) | (4,561) | (12,907) |
| Cash at the beginning of the reporting period | 34,328 | 20,962 | 15,701 | 14,233 | 12,907 | 4,995 | 2,500 | (439) | (3,869) | (7,844) | (12,405) |
| Cash at the end of the reporting period | 20,962 | 15,701 | 14,233 | 12,907 | 4,995 | 2,500 | (439) | (3,869) | (7,844) | (12,405) | (25,312) |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Sustainable Assets - Renewals | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| Cash Flows from Operation Activities | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Rates and Annual Charges | 70,178 | 72,284 | 74,452 | 76,686 | 78,986 | 81,356 | 83,796 | 86,310 | 88,900 | 91,567 |
| User Charges and Fees | 12,950 | 13,338 | 13,738 | 14,151 | 14,575 | 15,012 | 15,463 | 15,927 | 16,404 | 16,897 |
| Interest Income | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions | 5,760 | 5,822 | 5,885 | 5,948 | 6,012 | 6,076 | 6,142 | 6,208 | 6,274 | 6,342 |
| Other Operating receipts | 2,705 | 2,786 | 2,869 | 2,955 | 3,044 | 3,135 | 3,229 | 3,326 | 3,426 | 3,529 |
| | 91,593 | 94,230 | 96,945 | 99,740 | 102,617 | 105,579 | 108,631 | 111,771 | 115,004 | 118,334 |
| Payments | | | | | | | | | | |
| Employees Costs | (32,618) | (33,923) | (35,280) | (36,691) | (38,158) | (39,685) | (41,272) | (42,923) | (44,640) | (46,426) |
| Materials and Contracts | (31,344) | (32,911) | (34,556) | (36,284) | (38,098) | (40,003) | (42,004) | (44,104) | (46,309) | (48,624) |
| Borrowing Costs | (67) | (26) | - | - | - | - | - | - | - | - |
| Other Operating Payments | (17,252) | (17,769) | (18,302) | (18,851) | (19,417) | (20,000) | (20,599) | (21,217) | (21,854) | (22,510) |
| | (81,280) | (84,629) | (88,138) | (91,826) | (95,674) | (100,000) | (103,875) | (108,244) | (112,803) | (117,559) |
| Net Cash provided by (or used in) Operating Activities | 10,312 | 9,601 | 8,806 | 7,913 | 6,944 | (4,008) | 4,756 | 3,527 | 2,201 | 775 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds from property, Plant and Equipment | 4,876 | 4,973 | 5,073 | 5,174 | 5,278 | 5,383 | 5,491 | 5,601 | 5,713 | 5,827 |
| Payments | | | | | | | | | | |
| Purchase of Property, Plant and Equipment | (20,465) | (20,577) | (20,688) | (20,799) | (20,910) | (21,021) | (21,132) | (21,242) | (21,353) | (21,464) |
| Net Cash provided by (or used in) Investing Activities | (15,589) | (15,604) | (15,615) | (15,625) | (15,632) | (15,638) | (15,641) | (15,641) | (15,640) | (15,637) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds from borrowings and advances | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Repayments of Borrowings & Advances | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Net Cash provided by (or used in) Financing Activities | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Net Increase (Decrease) in cash held | (5,875) | (6,639) | (7,485) | (7,711) | (8,689) | (19,646) | (10,885) | (12,114) | (13,439) | (14,862) |
| Cash at the beginning of the reporting period | (25,312) | (31,186) | (37,825) | (45,310) | (53,021) | (61,710) | (81,355) | (92,241) | (104,355) | (117,793) |
| Cash at the end of the reporting period | (31,186) | (37,825) | (45,310) | (53,021) | (61,710) | (81,355) | (92,241) | (104,355) | (117,793) | (132,655) |



Long Term Financial Strategy - Statement of Financial Position

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sustainable Assets - Renewals | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| CURRENT ASSETS | | | | | | | | | | | |
| Cash Assets | 6,701 | 15,701 | 14,233 | 12,907 | 4,995 | 2,500 | (439) | (3,869) | (7,844) | (12,405) | (25,312) |
| Receivables | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 |
| Inventories | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Other Current Assets | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 |
| Total Current Assets | 11,052 | 20,052 | 18,584 | 17,258 | 9,346 | 6,851 | 3,912 | 482 | (3,493) | (8,054) | (20,961) |
| NON-CURRENT ASSETS | | | | | | | | | | | |
| Cash Assets | 14,261 | - | - | - | - | - | - | - | - | - | - |
| Investment Securities | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| Rural Fire Service | - | - | - | - | - | - | - | - | - | - | - |
| Assets - Land | - | - | - | - | - | - | - | - | - | - | - |
| Assets - Operational | 15,538 | 17,108 | 15,638 | 14,262 | 13,062 | 11,862 | 10,662 | 9,462 | 8,262 | 7,062 | 5,862 |
| Assets - Infrastructure | 1,265,246 | 1,260,501 | 1,255,668 | 1,250,746 | 1,245,734 | 1,240,629 | 1,235,430 | 1,230,134 | 1,224,741 | 1,219,248 | 1,213,654 |
| Total Non-Current Assets | 1,295,211 | 1,277,775 | 1,271,472 | 1,265,174 | 1,258,962 | 1,252,657 | 1,246,258 | 1,239,762 | 1,233,169 | 1,226,476 | 1,219,682 |
| Total Assets | 1,306,263 | 1,297,827 | 1,290,056 | 1,282,432 | 1,268,307 | 1,259,508 | 1,250,169 | 1,240,244 | 1,229,676 | 1,218,423 | 1,198,721 |
| CURRENT LIABILITIES | | | | | | | | | | | |
| Payables | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 |
| Interest bearing Liabilities | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 |
| Provisions | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 |
| Total current liabilities | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 |
| NON-CURRENT LIABILITIES | | | | | | | | | | | |
| Payables | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 |
| Interest bearing Liabilities (Non-Current) | 7,372 | 6,069 | 4,701 | 3,991 | 3,603 | 3,190 | 2,751 | 2,284 | 1,787 | 1,259 | 697 |
| Provisions (Non-Current) | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 |
| Total Non-Current Liabilities | 15,310 | 14,007 | 12,639 | 11,929 | 11,541 | 11,128 | 10,689 | 10,222 | 9,725 | 9,197 | 8,635 |
| Total Liabilities | 23,954 | 22,651 | 21,283 | 20,573 | 20,185 | 19,772 | 19,333 | 18,866 | 18,369 | 17,841 | 17,279 |
| NET ASSETS | 1,282,309 | 1,275,176 | 1,268,773 | 1,261,859 | 1,248,122 | 1,239,736 | 1,230,836 | 1,221,378 | 1,211,307 | 1,200,582 | 1,181,442 |
| EQUITY | | | | | | | | | | | |
| Equity | 1,286,078 | 1,282,309 | 1,275,176 | 1,268,773 | 1,261,859 | 1,248,122 | 1,239,736 | 1,230,836 | 1,221,378 | 1,211,307 | 1,200,582 |
| Surplus/(Deficit) | (3,769) | (7,133) | (6,404) | (6,913) | (13,737) | (8,386) | (8,900) | (9,458) | (10,071) | (10,726) | (19,139) |
| TOTAL EQUITY | 1,282,309 | 1,275,176 | 1,268,773 | 1,261,859 | 1,248,122 | 1,239,736 | 1,230,836 | 1,221,378 | 1,211,307 | 1,200,582 | 1,181,442 |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sustainable Assets - Renewals | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| CURRENT ASSETS | | | | | | | | | | |
| Cash Assets | (31,186) | (37,825) | (45,310) | (53,021) | (61,710) | (81,355) | (92,241) | (104,355) | (117,793) | (132,655) |
| Receivables | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 |
| Inventories | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Other Current Assets | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 |
| Total Current Assets | (26,835) | (33,474) | (40,959) | (48,670) | (57,359) | (77,004) | (87,890) | (100,004) | (113,442) | (128,304) |
| NON-CURRENT ASSETS | | | | | | | | | | |
| Cash Assets | - | - | - | - | - | - | - | - | - | - |
| Investment Securities | - | - | - | - | - | - | - | - | - | - |
| Receivables | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| Rural Fire Service | - | - | - | - | - | - | - | - | - | - |
| Assets - Land | - | - | - | - | - | - | - | - | - | - |
| Assets - Operational | 4,662 | 3,462 | 2,262 | 1,062 | (138) | (1,338) | (2,538) | (3,738) | (4,938) | (6,138) |
| Assets - Infrastructure | 1,207,955 | 1,202,152 | 1,196,240 | 1,190,218 | 1,184,085 | 1,177,838 | 1,171,475 | 1,164,992 | 1,158,389 | 1,151,664 |
| Total Non-Current Assets | 1,212,783 | 1,205,780 | 1,198,668 | 1,191,446 | 1,184,113 | 1,176,666 | 1,169,103 | 1,161,420 | 1,153,617 | 1,145,692 |
| Total Assets | 1,185,948 | 1,172,305 | 1,157,709 | 1,142,776 | 1,126,755 | 1,099,662 | 1,081,213 | 1,061,416 | 1,040,175 | 1,017,387 |
| CURRENT LIABILITIES | | | | | | | | | | |
| Payables | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 |
| Interest bearing Liabilities | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 |
| Provisions | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 |
| Total current liabilities | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 |
| NON-CURRENT LIABILITIES | | | | | | | | | | |
| Payables | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 |
| Interest bearing Liabilities (Non-Current) | 99 | (537) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) |
| Provisions (Non-Current) | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 |
| Total Non-Current Liabilities | 8,037 | 7,401 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 |
| Total Liabilities | 16,681 | 16,045 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 |
| NET ASSETS | 1,169,267 | 1,156,260 | 1,142,340 | 1,127,407 | 1,111,386 | 1,084,293 | 1,065,844 | 1,046,047 | 1,024,806 | 1,002,018 |
| EQUITY | | | | | | | | | | |
| Equity | 1,181,442 | 1,169,267 | 1,156,260 | 1,142,340 | 1,127,407 | 1,111,386 | 1,084,293 | 1,065,844 | 1,046,047 | 1,024,806 |
| Surplus/(Deficit) | (12,176) | (13,006) | (13,921) | (14,933) | (16,021) | (27,093) | (18,448) | (19,797) | (21,242) | (22,787) |
| TOTAL EQUITY | 1,169,267 | 1,156,260 | 1,142,340 | 1,127,407 | 1,111,386 | 1,084,293 | 1,065,844 | 1,046,047 | 1,024,806 | 1,002,018 |



APPENDIX C – FINANCIAL STATEMENTS – SUSTAINABLE ASSET CASE – RENEWALS AND NEW WORKS



Long Term Financial Strategy - Statement of Financial Performance

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Sustainable Capital - Renewals and New Work | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| OPERATIONAL | | | | | | | | | | | |
| REVENUES FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Rates & Annual Charges | 34,272 | 35,506 | 36,571 | 37,668 | 38,798 | 39,962 | 41,161 | 42,396 | 43,668 | 44,978 | 46,327 |
| Additional Rate Revenue | - | 5,000 | 6,695 | 6,896 | 7,103 | 7,316 | 7,535 | 7,761 | 7,994 | 8,234 | 8,481 |
| Domestic Waste Charge | 9,727 | 10,213 | 10,520 | 10,835 | 11,160 | 11,495 | 11,840 | 12,195 | 12,561 | 12,938 | 13,326 |
| User Fees & Charges | 9,177 | 9,636 | 9,925 | 10,223 | 10,529 | 10,845 | 11,171 | 11,506 | 11,851 | 12,206 | 12,573 |
| Investment Income | 2,815 | 1,195 | 741 | 566 | 308 | - | - | - | - | - | - |
| Grants and Contributions | 4,909 | 5,179 | 5,239 | 5,315 | 5,321 | 5,406 | 5,464 | 5,522 | 5,575 | 5,640 | 5,700 |
| Other Revenues | 1,973 | 2,022 | 2,073 | 2,135 | 2,199 | 2,265 | 2,333 | 2,403 | 2,475 | 2,549 | 2,626 |
| Total Revenues from Operating Activities | 62,873 | 68,751 | 71,764 | 73,638 | 75,418 | 77,289 | 79,504 | 81,783 | 84,124 | 86,545 | 89,033 |
| EXPENSES FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Employee Costs | 21,188 | 22,036 | 22,917 | 23,834 | 24,787 | 25,778 | 26,810 | 27,882 | 28,997 | 30,157 | 31,363 |
| Materials & Contracts | 18,326 | 19,242 | 20,204 | 21,215 | 22,275 | 23,389 | 24,559 | 25,787 | 27,076 | 28,430 | 29,851 |
| Borrowing Costs | 665 | 476 | 411 | 352 | 314 | 289 | 263 | 235 | 205 | 174 | 140 |
| Depreciation Infrastructure | 11,300 | 18,593 | 18,713 | 18,832 | 18,952 | 19,071 | 19,191 | 19,310 | 19,429 | 19,549 | 19,668 |
| Depreciation Operational | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other Expenses | 12,463 | 12,837 | 13,222 | 13,619 | 20,127 | 14,448 | 14,881 | 15,328 | 15,788 | 16,261 | 24,449 |
| Minority Interest | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Operating Activities | 66,642 | 75,884 | 78,167 | 80,551 | 89,156 | 85,676 | 88,404 | 91,241 | 94,195 | 97,271 | 108,172 |
| Surplus / (Deficit) Operational Activities | (3,769) | (7,133) | (6,404) | (6,913) | (13,737) | (8,386) | (8,900) | (9,458) | (10,071) | (10,726) | (19,139) |
| Cumulative Surplus / (Deficit) Operational Activities | (3,769) | (10,902) | (17,305) | (24,219) | (37,956) | (46,342) | (55,242) | (64,700) | (74,771) | (85,496) | (104,636) |
| Surplus / (Deficit) requiring funding - Operating | (3,769) | (7,133) | (6,404) | (6,913) | (13,737) | (8,386) | (8,900) | (9,458) | (10,071) | (10,726) | (19,139) |
| Working Capital Adjustments: | | | | | | | | | | | |
| Capital Grants and Contributions | 3,346 | 4,000 | 4,080 | 4,162 | 4,245 | 4,330 | 4,416 | 4,505 | 4,595 | 4,687 | 4,780 |
| Capital Expenditure - operational | (3,238) | (4,270) | (1,230) | (1,324) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| Capital Expenditure - renewals | (22,462) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) |
| Capital Expenditure - new works | - | - | (2,635) | (4,230) | (4,313) | (8,554) | (4,997) | (4,997) | (4,997) | (4,997) | (4,997) |
| Additional Renewals Expenditure | - | (9,928) | (10,040) | (10,152) | (10,264) | (10,376) | (10,488) | (10,599) | (10,711) | (10,823) | (10,934) |
| Transfers to Reserves | - | - | - | - | - | - | - | - | - | - | - |
| Add back depreciation as non-cash | 14,000 | 21,293 | 21,413 | 21,532 | 21,652 | 21,771 | 21,891 | 22,010 | 22,129 | 22,249 | 22,368 |
| Additional funds raised | - | - | - | - | - | - | - | - | - | - | - |
| Repayments of Borrowings & Advances | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Minority Interest | - | - | - | - | - | - | - | - | - | - | - |
| Surplus / (Deficit) in Available Working Capital | (13,366) | (5,261) | (4,104) | (5,556) | (12,225) | (11,048) | (7,936) | (8,427) | (8,972) | (9,558) | (17,904) |
| Cumulative Surplus/(Deficit) in Working Capital | (13,366) | (18,627) | (22,730) | (28,286) | (40,511) | (51,560) | (59,496) | (67,923) | (76,895) | (86,453) | (104,357) |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sustainable Capital - Renewals and New Work | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |

| OPERATIONAL | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUES FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Rates & Annual Charges | 47,717 | 49,148 | 50,623 | 52,141 | 53,706 | 55,317 | 56,976 | 58,686 | 60,446 | 62,260 |
| Additional Rate Revenue | 8,735 | 8,998 | 9,267 | 9,545 | 9,832 | 10,127 | 10,431 | 10,744 | 11,066 | 11,398 |
| Domestic Waste Charge | 13,726 | 14,138 | 14,562 | 14,999 | 15,449 | 15,912 | 16,389 | 16,881 | 17,388 | 17,909 |
| User Fees & Charges | 12,950 | 13,338 | 13,738 | 14,151 | 14,575 | 15,012 | 15,463 | 15,927 | 16,404 | 16,897 |
| Investment Income | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions | 5,760 | 5,822 | 5,885 | 5,948 | 6,012 | 6,076 | 6,142 | 6,208 | 6,274 | 6,342 |
| Other Revenues | 2,705 | 2,786 | 2,869 | 2,955 | 3,044 | 3,135 | 3,229 | 3,326 | 3,426 | 3,529 |
| Total Revenues from Operating Activities | 91,593 | 94,230 | 96,945 | 99,740 | 102,617 | 105,579 | 108,631 | 111,771 | 115,004 | 118,334 |
| EXPENSES FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Employee Costs | 32,618 | 33,923 | 35,280 | 36,691 | 38,158 | 39,685 | 41,272 | 42,923 | 44,640 | 46,426 |
| Materials & Contracts | 31,344 | 32,911 | 34,556 | 36,284 | 38,098 | 40,003 | 42,004 | 44,104 | 46,309 | 48,624 |
| Borrowing Costs | 67 | 26 | - | - | - | - | - | - | - | - |
| Depreciation Infrastructure | 19,788 | 19,907 | 20,027 | 20,146 | 20,265 | 20,385 | 20,504 | 20,624 | 20,743 | 20,862 |
| Depreciation Operational | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Other Expenses | 17,252 | 17,769 | 18,302 | 18,851 | 19,417 | 20,000 | 20,599 | 21,217 | 21,854 | 22,510 |
| Minority Interest | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Operating Activities | 103,768 | 107,236 | 110,865 | 114,672 | 118,639 | 132,673 | 127,079 | 131,568 | 136,246 | 141,121 |
| Surplus / (Deficit) Operational Activities | (12,176) | (13,006) | (13,921) | (14,933) | (16,021) | (27,093) | (18,448) | (19,797) | (21,242) | (22,787) |
| Cumulative Surplus / (Deficit) Operational Activities | (116,811) | (129,818) | (143,738) | (158,671) | (174,692) | (201,785) | (220,234) | (240,031) | (261,272) | (284,060) |
| Surplus / (Deficit) requiring funding - Operating Working Capital Adjustments: | | | | | | | | | | |
| Capital Grants and Contributions | 4,876 | 4,973 | 5,073 | 5,174 | 5,278 | 5,383 | 5,491 | 5,601 | 5,713 | 5,827 |
| -1500 | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| -7920 | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) | (7,920) |
| 0 | (4,997) | (4,997) | (4,997) | (4,997) | (4,997) | (4,997) | (4,997) | (4,997) | (4,997) | (4,997) |
| -11045 | (11,045) | (11,157) | (11,268) | (11,379) | (11,490) | (11,601) | (11,712) | (11,822) | (11,933) | (12,044) |
| Transfers to Reserves | - | - | - | - | - | - | - | - | - | - |
| Add back depreciation as non-cash | 22,488 | 22,607 | 22,727 | 22,846 | 22,965 | 23,085 | 23,204 | 23,324 | 23,443 | 23,562 |
| Additional funds raised | - | - | - | - | - | - | - | - | - | - |
| Repayments of Borrowings & Advances | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - | - | - | - |
| Surplus / (Deficit) in Available Working Capital | (10,872) | (11,636) | (12,482) | (12,708) | (13,686) | (24,643) | (15,882) | (17,111) | (18,436) | (19,859) |
| Cumulative Surplus/(Deficit) in Working Capital | (115,228) | (126,864) | (139,346) | (152,054) | (165,740) | (190,382) | (206,265) | (223,376) | (241,811) | (261,670) |



Long Term Financial Strategy - Statement of Cash Flows

| City of Ryde | Budget | Management Plan | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------------|------------------------|------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sustainable Capital - Renewals and New Work | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| Cash Flows from Operation Activities | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Rates and Annual Charges | 43,999 | 50,719 | 53,786 | 55,399 | 57,061 | 58,773 | 60,536 | 62,352 | 64,223 | 66,150 | 68,134 |
| User Charges and Fees | 9,177 | 9,636 | 9,925 | 10,223 | 10,529 | 10,845 | 11,171 | 11,506 | 11,851 | 12,206 | 12,573 |
| Interest Income | 2,815 | 1,195 | 741 | 566 | 308 | - | - | - | - | - | - |
| Grants and Contributions | 4,909 | 5,179 | 5,239 | 5,315 | 5,321 | 5,406 | 5,464 | 5,522 | 5,575 | 5,640 | 5,700 |
| Other Operating receipts | 1,973 | 2,022 | 2,073 | 2,135 | 2,199 | 2,265 | 2,333 | 2,403 | 2,475 | 2,549 | 2,626 |
| | 62,873 | 68,751 | 71,764 | 73,638 | 75,418 | 77,289 | 79,504 | 81,783 | 84,124 | 86,545 | 89,033 |
| Payments | | | | | | | | | | | |
| Employees Costs | (21,188) | (22,036) | (22,917) | (23,834) | (24,787) | (25,778) | (26,810) | (27,882) | (28,997) | (30,157) | (31,363) |
| Materials and Contracts | (18,326) | (19,242) | (20,204) | (21,215) | (22,275) | (23,389) | (24,559) | (25,787) | (27,076) | (28,430) | (29,851) |
| Borrowing Costs | (665) | (476) | (411) | (352) | (314) | (289) | (263) | (235) | (205) | (174) | (140) |
| Other Operating Payments | (12,463) | (12,837) | (13,222) | (13,619) | (20,127) | (14,448) | (14,881) | (15,328) | (15,788) | (16,261) | (24,449) |
| | (52,642) | (54,591) | (56,754) | (59,019) | (67,504) | (63,905) | (66,513) | (69,231) | (72,066) | (75,022) | (85,804) |
| Net Cash provided by (or used in) Operating Activities | 10,231 | 14,160 | 15,009 | 14,619 | 7,915 | 13,385 | 12,991 | 12,552 | 12,058 | 11,523 | 3,229 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds from property, Plant and Equipment | 3,346 | 4,000 | 4,080 | 4,162 | 4,245 | 4,330 | 4,416 | 4,505 | 4,595 | 4,687 | 4,780 |
| Payments | | | | | | | | | | | |
| Purchase of Property, Plant and Equipment | (25,700) | (22,118) | (21,825) | (23,626) | (23,997) | (28,350) | (24,905) | (25,016) | (25,128) | (25,240) | (25,351) |
| Net Cash provided by (or used in) Investing Activities | (22,354) | (18,118) | (17,745) | (19,464) | (19,752) | (24,020) | (20,489) | (20,511) | (20,533) | (20,553) | (20,571) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds from borrowings and advances | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayments of Borrowings & Advances | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Net Cash provided by (or used in) Financing Activities | (1,243) | (1,303) | (1,368) | (710) | (388) | (413) | (439) | (467) | (497) | (528) | (562) |
| Net Increase (Decrease) in cash held | (13,366) | (5,261) | (4,104) | (5,556) | (12,225) | (11,048) | (7,936) | (8,427) | (8,972) | (9,558) | (17,904) |
| Cash at the beginning of the reporting period | 34,328 | 20,962 | 15,701 | 11,598 | 6,042 | (6,183) | (17,232) | (25,168) | (33,595) | (42,567) | (52,125) |
| Cash at the end of the reporting period | 20,962 | 15,701 | 11,598 | 6,042 | (6,183) | (17,232) | (25,168) | (33,595) | (42,567) | (52,125) | (70,029) |



| City of Ryde | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sustainable Capital - Renewals and New Work | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| Cash Flows from Operation Activities | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Rates and Annual Charges | 70,178 | 72,284 | 74,452 | 76,686 | 78,986 | 81,356 | 83,796 | 86,310 | 88,900 | 91,567 |
| User Charges and Fees | 12,950 | 13,338 | 13,738 | 14,151 | 14,575 | 15,012 | 15,463 | 15,927 | 16,404 | 16,897 |
| Interest Income | - | - | - | - | - | - | - | - | - | - |
| Grants and Contributions | 5,760 | 5,822 | 5,885 | 5,948 | 6,012 | 6,076 | 6,142 | 6,208 | 6,274 | 6,342 |
| Other Operating receipts | 2,705 | 2,786 | 2,869 | 2,955 | 3,044 | 3,135 | 3,229 | 3,326 | 3,426 | 3,529 |
| | 91,593 | 94,230 | 96,945 | 99,740 | 102,617 | 105,579 | 108,631 | 111,771 | 115,004 | 118,334 |
| Payments | | | | | | | | | | |
| Employees Costs | (32,618) | (33,923) | (35,280) | (36,691) | (38,158) | (39,685) | (41,272) | (42,923) | (44,640) | (46,426) |
| Materials and Contracts | (31,344) | (32,911) | (34,556) | (36,284) | (38,098) | (40,003) | (42,004) | (44,104) | (46,309) | (48,624) |
| Borrowing Costs | (67) | (26) | - | - | - | - | - | - | - | - |
| Other Operating Payments | (17,252) | (17,769) | (18,302) | (18,851) | (19,417) | (20,000) | (20,599) | (21,217) | (21,854) | (22,510) |
| | (81,280) | (84,629) | (88,138) | (91,826) | (95,674) | (100,000) | (103,875) | (108,244) | (112,803) | (117,559) |
| Net Cash provided by (or used in) Operating Activities | 10,312 | 9,601 | 8,806 | 7,913 | 6,944 | (4,008) | 4,756 | 3,527 | 2,201 | 775 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds from property, Plant and Equipment | 4,876 | 4,973 | 5,073 | 5,174 | 5,278 | 5,383 | 5,491 | 5,601 | 5,713 | 5,827 |
| Payments | | | | | | | | | | |
| Purchase of Property, Plant and Equipment | (25,462) | (25,574) | (25,685) | (25,796) | (25,907) | (26,018) | (26,129) | (26,239) | (26,350) | (26,461) |
| Net Cash provided by (or used in) Investing Activities | (20,586) | (20,601) | (20,612) | (20,622) | (20,629) | (20,635) | (20,638) | (20,638) | (20,637) | (20,634) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds from borrowings and advances | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Repayments of Borrowings & Advances | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Net Cash provided by (or used in) Financing Activities | (598) | (636) | (676) | - | - | - | - | - | - | - |
| Net Increase (Decrease) in cash held | (10,872) | (11,636) | (12,482) | (12,708) | (13,686) | (24,643) | (15,882) | (17,111) | (18,436) | (19,859) |
| Cash at the beginning of the reporting period | (70,029) | (80,900) | (92,536) | (105,018) | (117,726) | (131,412) | (156,054) | (171,937) | (189,048) | (207,483) |
| Cash at the end of the reporting period | (80,900) | (92,536) | (105,018) | (117,726) | (131,412) | (156,054) | (171,937) | (189,048) | (207,483) | (227,342) |



Long Term Financial Strategy - Statement of Financial Position

| City of Ryde | Budget | Management Plan | Management Plan | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sustainable Capital - Renewals and New Work | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
| | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" | \$ "000" |
| CURRENT ASSETS | | | | | | | | | | | |
| Cash Assets | 6,701 | 15,701 | 11,598 | 6,042 | (6,183) | (17,232) | (25,168) | (33,595) | (42,567) | (52,125) | (70,029) |
| Receivables | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 |
| Inventories | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Other Current Assets | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 |
| Total Current Assets | 11,052 | 20,052 | 15,949 | 10,393 | (1,832) | (12,881) | (20,817) | (29,244) | (38,216) | (47,774) | (65,678) |
| NON-CURRENT ASSETS | | | | | | | | | | | |
| Cash Assets | 14,261 | - | - | - | - | - | - | - | - | - | - |
| Investment Securities | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| Rural Fire Service | - | - | - | - | - | - | - | - | - | - | - |
| Assets - Land | - | - | - | - | - | - | - | - | - | - | - |
| Assets - Operational | 15,538 | 17,108 | 15,638 | 14,262 | 13,062 | 11,862 | 10,662 | 9,462 | 8,262 | 7,062 | 5,862 |
| Assets - Infrastructure | 1,265,246 | 1,260,501 | 1,258,303 | 1,257,611 | 1,256,912 | 1,260,361 | 1,260,159 | 1,259,860 | 1,259,464 | 1,258,968 | 1,258,371 |
| Total Non-Current Assets | 1,295,211 | 1,277,775 | 1,274,107 | 1,272,039 | 1,270,140 | 1,272,389 | 1,270,987 | 1,269,488 | 1,267,892 | 1,266,196 | 1,264,399 |
| Total Assets | 1,306,263 | 1,297,827 | 1,290,056 | 1,282,432 | 1,268,307 | 1,259,508 | 1,250,169 | 1,240,244 | 1,229,676 | 1,218,423 | 1,198,721 |
| CURRENT LIABILITIES | | | | | | | | | | | |
| Payables | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 |
| Interest bearing Liabilities | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 |
| Provisions | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 |
| Total current liabilities | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 |
| NON-CURRENT LIABILITIES | | | | | | | | | | | |
| Payables | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 |
| Interest bearing Liabilities (Non-Current) | 7,372 | 6,069 | 4,701 | 3,991 | 3,603 | 3,190 | 2,751 | 2,284 | 1,787 | 1,259 | 697 |
| Provisions (Non-Current) | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 |
| Total Non-Current Liabilities | 15,310 | 14,007 | 12,639 | 11,929 | 11,541 | 11,128 | 10,689 | 10,222 | 9,725 | 9,197 | 8,635 |
| Total Liabilities | 23,954 | 22,651 | 21,283 | 20,573 | 20,185 | 19,772 | 19,333 | 18,866 | 18,369 | 17,841 | 17,279 |
| NET ASSETS | 1,282,309 | 1,275,176 | 1,268,773 | 1,261,859 | 1,248,122 | 1,239,736 | 1,230,836 | 1,221,378 | 1,211,307 | 1,200,582 | 1,181,442 |
| EQUITY | | | | | | | | | | | |
| Equity | 1,286,078 | 1,282,309 | 1,275,176 | 1,268,773 | 1,261,859 | 1,248,122 | 1,239,736 | 1,230,836 | 1,221,378 | 1,211,307 | 1,200,582 |
| Surplus/(Deficit) | (3,769) | (7,133) | (6,404) | (6,913) | (13,737) | (8,386) | (8,900) | (9,458) | (10,071) | (10,726) | (19,139) |
| TOTAL EQUITY | 1,282,309 | 1,275,176 | 1,268,773 | 1,261,859 | 1,248,122 | 1,239,736 | 1,230,836 | 1,221,378 | 1,211,307 | 1,200,582 | 1,181,442 |



City of Ryde

Sustainable Capital - Renewals and New Work

| | Projected 16/17 \$ "000" | Projected 17/18 \$ "000" | Projected 18/19 \$ "000" | Projected 19/20 \$ "000" | Projected 20/21 \$ "000" | Projected 21/22 \$ "000" | Projected 22/23 \$ "000" | Projected 23/24 \$ "000" | Projected 24/25 \$ "000" | Projected 25/26 \$ "000" |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| CURRENT ASSETS | | | | | | | | | | |
| Cash Assets | (80,900) | (92,536) | (105,018) | (117,726) | (131,412) | (156,054) | (171,937) | (189,048) | (207,483) | (227,342) |
| Receivables | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 | 3,185 |
| Inventories | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 |
| Other Current Assets | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 | 669 |
| Total Current Assets | (76,549) | (88,185) | (100,667) | (113,375) | (127,061) | (151,703) | (167,586) | (184,697) | (203,132) | (222,991) |
| NON-CURRENT ASSETS | | | | | | | | | | |
| Cash Assets | - | - | - | - | - | - | - | - | - | - |
| Investment Securities | - | - | - | - | - | - | - | - | - | - |
| Receivables | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 |
| Rural Fire Service | - | - | - | - | - | - | - | - | - | - |
| Assets - Land | - | - | - | - | - | - | - | - | - | - |
| Assets - Operational | 4,662 | 3,462 | 2,262 | 1,062 | (138) | (1,338) | (2,538) | (3,738) | (4,938) | (6,138) |
| Assets - Infrastructure | 1,257,669 | 1,256,863 | 1,255,948 | 1,254,923 | 1,253,787 | 1,252,537 | 1,251,171 | 1,249,685 | 1,248,079 | 1,246,351 |
| Total Non-Current Assets | 1,262,497 | 1,260,491 | 1,258,376 | 1,256,151 | 1,253,815 | 1,251,365 | 1,248,799 | 1,246,113 | 1,243,307 | 1,240,379 |
| Total Assets | 1,185,948 | 1,172,305 | 1,157,709 | 1,142,776 | 1,126,755 | 1,099,662 | 1,081,213 | 1,061,416 | 1,040,175 | 1,017,387 |
| CURRENT LIABILITIES | | | | | | | | | | |
| Payables | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 | 5,092 |
| Interest bearing Liabilities | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 | 1,551 |
| Provisions | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 | 2,001 |
| Total current liabilities | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 | 8,644 |
| NON-CURRENT LIABILITIES | | | | | | | | | | |
| Payables | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 | 3,519 |
| Interest bearing Liabilities (Non-Current) | 99 | (537) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) | (1,213) |
| Provisions (Non-Current) | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 | 4,419 |
| Total Non-Current Liabilities | 8,037 | 7,401 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 | 6,725 |
| Total Liabilities | 16,681 | 16,045 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 | 15,369 |
| NET ASSETS | 1,169,267 | 1,156,260 | 1,142,340 | 1,127,407 | 1,111,386 | 1,084,293 | 1,065,844 | 1,046,047 | 1,024,806 | 1,002,018 |
| EQUITY | | | | | | | | | | |
| Equity | 1,181,442 | 1,169,267 | 1,156,260 | 1,142,340 | 1,127,407 | 1,111,386 | 1,084,293 | 1,065,844 | 1,046,047 | 1,024,806 |
| Surplus/(Deficit) | (12,176) | (13,006) | (13,921) | (14,933) | (16,021) | (27,093) | (18,448) | (19,797) | (21,242) | (22,787) |
| TOTAL EQUITY | 1,169,267 | 1,156,260 | 1,142,340 | 1,127,407 | 1,111,386 | 1,084,293 | 1,065,844 | 1,046,047 | 1,024,806 | 1,002,018 |



APPENDIX D – FINANCIAL ASSET GAP ANALYSIS