



Draft Long Term Financial Plan

2020/21–2029/30



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EXECUTIVE SUMMARY

The City of Ryde is committed to sustainable long term financial management. This means achieving operating surpluses, servicing debt without compromising services, prudent funds management, managing operating costs, and identifying new income producing opportunities. This commitment is critical to achieving the community's aspirations as espoused in the Community Strategic Plan.

This document examines the context of the long term financial planning framework for local government and the principles and assumptions that underpin the long term financial forecasts as presented in the 2 Scenarios within this Plan. The LTFP forms part of Council's "Resourcing Strategy" incorporating the Workforce Management Plan (our people), the Information and Communications Technology Plan (our technology) and the Asset Management Plan (our assets).

The LTFP is a tool aimed at assisting decision-making and problem-solving. It is not intended to be set in stone – it is a guide for future action. The modelling that occurs as part of this plan will help Council to weather unexpected events. It will also provide an opportunity for Council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

The overall objective of this Long Term Financial Plan (LTFP) is to ensure that the Council remains financially sustainable and capable of meeting the challenges of growth and community expectations in to the future.

Given these challenges, this LTFP examines two scenarios:

1. The Base Case Scenario (founded on 'current state')
2. The Growth Scenario (focused on 'future state')

The Base Case Scenario is a "current state" scenario underpinned by assumptions for maintaining existing service levels. The Growth Scenario examines the likely impacts of growth using a range of assumptions as well as changes to the Base Case sensitivity analysis, risk assessment and financial performance measures.

The LTFP is assessed against a range of performance measures that inform the success of the plan and the ability for Council to meet its financial management objectives, asset management obligations and quality service delivery standards. The LTFP will be continually monitored and updated annually as part of Council's commitment to the delivering the aspirations as espoused in the Community Strategic Plan.

INTRODUCTION

Our City

The City of Ryde has a rich history with the traditional Aboriginal owners of the land being the Wallumedegal clan of the Dharug people.

Our city is located in Sydney's north-western suburbs 12 kilometres from the Sydney CBD. Set in scenic surrounds between the Parramatta and Lane Cove River, we are connected to other parts of metropolitan Sydney via major road systems, rail, bus and ferry services. The City of Ryde neighbours Hornsby Shire and the Ku-ring-gai council area in the north, Willoughby City, the Lane Cove River and the Hunters Hill Municipality in the east and Parramatta City in the west. Our city includes 16 suburbs; Chatswood West (part), Denistone, Denistone East, Denistone West, East Ryde, Eastwood (part), Gladesville (part), Macquarie Park, Marsfield, Meadowbank, Melrose Park (part), North Ryde, Putney, Ryde, Tennyson Point and West Ryde.

We encompass a total land area of approximately 40 square kilometres, including waterways and parklands, within this sits Macquarie Park Business Park, our Specialist Business Centre, four town centres and 29 neighbourhood centres, Macquarie University, Ryde and Meadowbank Colleges of TAFE, over 14,000 registered businesses, five public libraries, 24 primary schools, five high schools and five hospitals.

Global, national and metropolitan trends and issues present both opportunities and challenges in the way that communities, such as the City of Ryde, are planned and supported. The City of Ryde is an integrated and integral

major centre of Sydney and faces the same challenges as detailed in The Department of Planning and Environment's 'A Plan For Growing Sydney.' Our city is part of an ever changing dynamic global market, and our economic development, particularly the Macquarie Park Corridor, contributes significantly to New South Wales' Global Economic Corridor.

Integrated Planning and Reporting Framework

The Integrated Planning and Reporting framework recognises that most communities share similar aspirations: a safe, healthy and pleasant place to live, a sustainable environment, opportunities for social interaction, opportunities for employment and reliable infrastructure. The difference lies in how each community responds to these needs. It also recognises that council plans and policies should not exist in isolation and that they in fact are connected.

This framework allows Council to draw their various plans together, understand how they interact and get the maximum leverage from their efforts by planning holistically for the future. Importantly, the Long Term Financial Plan draws upon the requirements of other Resource Plans such as the Asset Management Plan, Workforce Plan and Information and Communications Technology Plan.

Together these four Plans represent Council's resource response to the Community Strategic Plan, Ryde 2028.

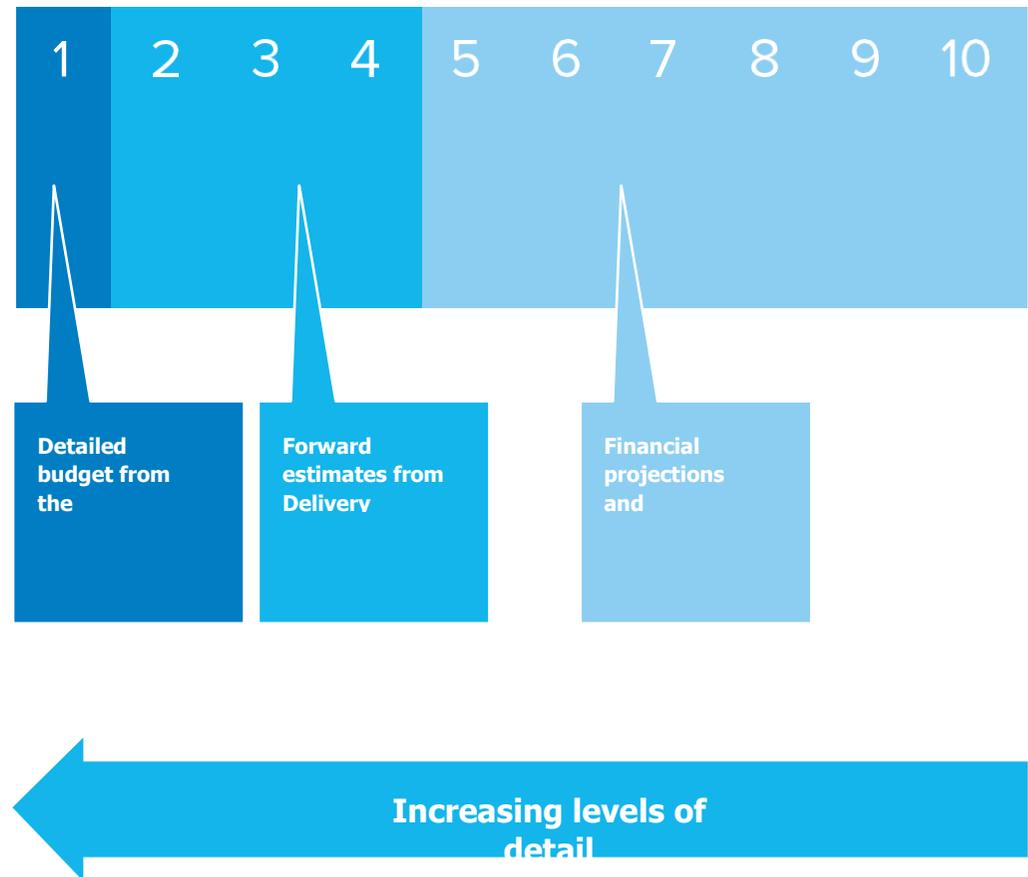
Long Term Financial Planning

This 10 Year Long Term Financial Plan (LTFP) forms part of the NSW Local Government Integrated Planning and Reporting Framework requirements of Council. The formulation of the LTFP is underpinned by the following key elements:

- Planning assumptions used to develop the plan
- Projected income and expenditure, balance sheet and cash flow statement
- Sensitivity analysis (factors/assumptions most likely to affect the plan)
- Financial modelling for two different Scenarios
- Methods of monitoring financial performance.

The LTFP is reviewed and updated annually as part of Council's Operational Plan and Delivery Program. The 10 year planning process is illustrated below:

Long Term Financial Plan – 10 Years



Purpose of the Long Term Financial Plan

The primary purpose of this Long Term Financial Plan is to facilitate effective financial decision-making to deliver the outcomes, goals and strategies that underpin the vision in the Community Strategic Plan:

The place to be for lifestyle and opportunity @ your doorstep.

This plan will model the financial implications of the Community Strategic Plan and Delivery Program, along with the ability to maintain existing facilities and infrastructure based on a range of assumptions and within known constraints.

Challenges and Opportunities

Council's Community Strategic Plan highlights the many challenges and opportunities for the City of Ryde, including:

- Our growing population
- Our changing population
- Our part in Sydney's future
- Valuing our cultural heritage
- Managing traffic and congestion
- Adapting to climate change.

LONG TERM FINANCIAL SUSTAINABILITY

How do we define long term financial sustainability?

A financially sustainable council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without imposing special rate increases on future generations. This definition has been translated into five key financial sustainability principles which Council is committed to.

- Council should aspire to achieve a **fully funded operating position** reflecting that Council collects enough revenue to fund operational expenditure
- Council should **maintain sufficient cash reserves** to ensure that it can meet its short-term working capital requirements
- Council should have an appropriately **funded capital works program** where the source of funding is identified and secured for both capital renewal and new capital works
- Council should **maintain its asset base** by renewing ageing infrastructure which is identified, and by ensuring cash reserves are set asides for those works which are yet to be identified
- Council should aspire to achieve **greater than the benchmark financial performance** over the period of the plan.

The 2020 review of the Long Term Financial Plan highlights that Council is still on track to be financially sustainable in the longer term. This iteration of the Long Term Financial Plan factors in COVID-19 related impacts for the first six months of the Plan (up until December 2020). Any COVID-19 related impacts on Council's budget will be monitored and reported to Council on a quarterly basis through the Quarterly Budget Review Statement process.

How is long term financial sustainability measured?

Council must report annually the following financial indicators (prescribed by the Office of Local Government) as a part of the its Annual Financial Statements audited by the Audit Office of NSW. These performance measures are replicated in Council's Long Term Financial Plan and are detailed in the following table:

RATIO	CALCULATION	WHAT IS BEING MEASURED?	SUSTAINABLE TARGET	2018/19 ACTUAL RATIO
Operating Performance	Total operating revenue (excluding capital grants and contributions) less total operating expenditure. Divided by continuing operating revenue.	Council's achievement of containing operating expenditure within operating revenue.	>0%	10.39%
Own Source Operating Revenue	Total continuing operating revenue (excluding capital grants and contributions). Divided by continuing operating revenue .	Council's achievement of containing operating expenditure within operating revenue.	>60%	71.18%
Unrestricted current ratio	Current assets less all external restrictions. Divided by current liabilities less specific purpose liabilities.	Designed to represent a council's ability to meet short term obligations as they fall due.	> 1.5 times	2.90 times
Debt Service Cover Ratio	Operating results before capital excluding interest and depreciation. Divided by principal repayments + borrowing costs.	Indicates whether Council has excessive debt servicing costs relative to operating revenue.	>2 times	31.74 times
Rates and annual charges outstanding percentage	Rates and annual charges outstanding. Divided by rates and annual charges collectible.	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	<5%	4.92%
Cash expense cover ratio	Current year's cash, cash equivalents and term deposits. Divided by payments from cash flow of operating and financing activities.	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	>3 months	16.80 months
Asset Renewal Ratio (Buildings and Infrastructure)	Asset renewal expenditure divided by depreciation.	To assess the rate at which these assets are being renewed against the rate at which they are depreciating.	>100%	219% (1)
Infrastructure Backlog Ratio	Estimated cost to bring assets to a satisfactory condition. Divided by total value of infrastructure, building and other structures.	What proportion the infrastructure backlog is against the total value of a council's infrastructure.	<=2%	1.6%
Asset Maintenance Ratio	Actual asset maintenance. Divided by required asset maintenance.	Are the assets being adequately maintained?	>100%	102%
Real Operating expenditure per capita	Operating expenditure divided by population.	Operating efficiency of the Council.	Declining trend over time	Steady

Financial Management at a Glance

Guidance on financial reporting and accounting practices is provided by the State Government in the form of the “Local Government Code of Accounting Practice and Financial Reporting”. Applying Australian Accounting Standard, the Code aims to provide:

- A basis for providing assistance in the interpretation and application of management reporting, accounting, auditing and financial reporting requirements of Chapter 13 of the *Local Government Act 1993*(NSW) (the Act)
- A mechanism which will ensure that appropriate accounting policies and practices are implemented by all councils.
- A basis for audit and review functions to be undertaken in the context of comprehensive and approved accounting standards.
- Reliable, comparable and readily comprehensible financial information which will be invaluable for making and evaluating decisions about the allocation of scarce resources, and which will assist in assessing the performance, financial position, finances and investments of councils.
- Enhanced accountability of councils to the community.

The LTFP, Operational Plan and Delivery Program are prepared on this basis providing the following core financial reports:

- Income Statement (projected continuing operating income and expenditure)
- Statements of Financial Position (a balance sheet of assets and liabilities)
- Statement of Cash Flows (the flow of cash from operating, investing and financing activities).

The budgetary framework for the LTFP can be categorised as:

- Continuing Operations – income and expenditure
- Discretionary Projects – generally “one-off” expenditures such as Elections
- Capital works – renewal and new capital expenditure on assets.

Reporting on an accrual basis of accounting, our budget identifies capital sources of income that have been brought to account in prior reporting periods such as contributions from developers. Capital sources of income are held as external or internal restrictions of cash and are effectively “drawn down” to fund future capital expenditure.

This framework enables Council to implement, manage and monitor strategies, plans and objectives to achieve the principles of long term financial sustainability.

Population Growth Forecasts

The City of Ryde population and household forecasts present what is driving population change in the community and how the population, age structure and household types will change each year between now and 2036.

The forecasts are designed to provide community groups, Council, investors, business, students and the general public with knowledge to make confident decisions about the future.

The City of Ryde population as at 2019 was estimated at 131,000 and is forecast to grow by an additional 25,000 people to 160,000 by 2031.

Other key assumptions and forecasts are discussed within each of the 2 Scenarios considered in this Plan.

Scenarios Modelled

As part of its Resource Strategy, Council explored 2 Scenario options.

1. Scenario One – Base Case

This scenario is predicated on existing services remaining largely the same over the next 10 years with a primary reliance on developer and internal reserve funded capital works, and ongoing income streams funding the renewal of existing assets.

This Scenario has a sophisticated level of assumptions and indices applied to current and historical income and expenditure patterns in determining future budget allocations. Growth forecasts are modest and largely based on historical trends. Similarly, growth in Council's staff establishment (Full Time Equivalent Staff) is largely reviewed and considered as part of the annual budget process and is generally limited to addressing short term critical needs.

The base scenario also incorporates Council's Civic Centre redevelopment

known as the Ryde Central Project. Further details on the significance of this redevelopment will be outlined separately (Appendix 3).

2. Scenario Two – Growth Case

This Scenario is modelled using the following inputs and parameters:

- Population growth of 25,000 (based on a historical five year average annual population increase of 2.3%)
- Number of new dwellings is estimated to increase by approximately 10,000 (predominantly residential apartments/units)
- Growth in rates revenue and fees and charges income to reflect the growth in dwellings and population
- Growth in materials and contracts costs and other expenses to reflect increases in growth forecasts. An efficiency factor has been applied to the growth in materials and contracts, acknowledging the efficiency gains (economies of scale) that accrue from growth.
- Consequential changes to depreciation to reflect depreciation on new assets, and increased asset value
- Actual maintenance spend has been increased to reflect the new required levels of maintenance (including asset growth).
- Employee costs have been increased to reflect additional employee retention and development costs (to match industry benchmarks) and costs associated with an increased workforce based on a population increase of 25,000.
- An Efficiency / Productivity factor that includes a 1.0% productivity/ efficiency saving for materials and contracts and 'other expenses'.
- Construction and ongoing operations relating to a new library based at Macquarie Park.

Outcomes of Modelling

In applying the 2 Scenarios, the following high level outcomes are evident:

- Rates revenue in Scenario 2 will be higher than the Base Case. This reflects the increase in revenue from the proposed growth in the rating base under Scenario 2
- Operating Surpluses (before Capital Grants and Contributions) increase over the next 10 years under Scenario 2
- \$660m in capital works (assets) over the next 10 years has been brought to account in Scenario 2
- Real operating expenditure per capita is higher under Scenario 2 due to increases in costs in line with population growth.

The Ryde Central Project

In March 2020, Council resolved to proceed with the redevelopment of the site owned by Council, referred to as Ryde Central, which previously accommodated Council's administration and civic centre in the Ryde Civic Centre Building and includes the Ryde Civic Hall located at Devlin Street, Ryde.

The scope of the redevelopment of the Ryde Central site is the creation of a number of major asset components as follows:

- A six-storey administration and commercial building in the south of the site (referred to as the 'civic building'). The civic building is to be used as Ryde Council's main administration building and includes a café on the ground floor, 2 floors of lettable commercial space for external tenants, 3 levels of office space for Council staff and administrative functions, a separate level for the Council chambers and publicly accessible meeting rooms, and a food outlet on the rooftop level;
- A multi-purpose community and cultural building in the north of the site (referred to as the 'community building'). The community building contains a hall with seating for up to 700 persons, activity rooms, meeting rooms, an art exhibition / function space, public amenities and a bar – all designed for community and public access and use;
- Two levels of basement car parking shared between the two

buildings. The basement contains 236 car spaces over 2 levels. There is also an

additional 78 spaces available in the existing at-grade parking area on Blaxland Road;

- Provision of a public plaza, open space areas and landscaping throughout the site. The public plaza is to be located primarily on the western side of the site and comprises open paved areas, large grassed area, seating, alfresco dining, and landscaping. A community garden is also proposed on the northern end of the site; and
- Realignment of Blaxland Road to form a new T-intersection at Parkes Street.

The Project provides Council with an opportunity to advance the strategic priorities of Council by:

- Creating and delivering a much needed and enhanced community space which is 4 times larger than that currently provided on the site with flexibility of that space to cater for a diverse range of community needs;
- Re-establishing Council's civic and administrative presence on the site through development of a new administration and civic centre which then negates the need for Council to rent space elsewhere;
- Enabling Council to retain 100% ownership of the site in a manner considered both affordable and feasible;
- Controlling development to ensure a thoughtful, low scale / low impact use of the site with purposefully integrated open space, landscaping and public domain; and
- Providing Council with opportunities for additional income streams from new complimentary uses leased to third parties such as additional commercial space and retail outlets.

Council has undertaken significant work to date and has identified that these objectives can be achieved in a manner that is viable and financially

sustainable. Following the awarding of the Tender, Taylor Construction Group have commenced work on the project with completion currently

expected in early 2023. All capital and operating income and expenditure relating to the Ryde Central Project has been factored into Council's Long Term Financial Plan.

Refer to Appendix 3 for financial estimates relating to the Project.

LTFP FINANCIAL MODEL SCENARIO 1 – BASE CASE

Introduction and Assumptions

The Base Case Scenario or “current state” is predicated on:

- Continuation of existing services at current service levels
- Continuation of existing levels of investment in infrastructure maintenance and renewal
- Continuation of existing income sources
- Limited growth contemplated - no new expansionary infrastructure expenditure beyond the current Delivery Program (2018-22) and only a limited number of new positions in Council’s staff establishment.

Observations

Whilst Scenario 1 provides a framework for long term financial planning and modelling purposes, its inclusion of development related growth in a strategic and deliberate manner is limited, particularly in year’s 5 to 10.

The assumptions used in Scenario 1 are sound with the vast majority of those assumptions carrying through to Scenario 2. Similarly, Risk Assessment applied in Scenario 1 is robust and much of this analysis and assessment holds true in Scenario 2.

Base Case Scenario Financial Assumptions – Revenue

REVENUE ITEM	ASSUMPTION
Rates and Annual Charges	Rates – 2.6% rate peg for 2020/21 and 2.6% onwards. Domestic Waste –2.6% increase for 2020/21 and 2.6% from 2021/22 onwards.
User Charges and Fees	3.0% increase 2020/21 and 2.6% for 2021/22 and beyond and not including the introduction of new revenue sources.
Grants and Contributions	Income from grants and contributions is included where funding arrangements are in known. Recurring grant income tied to expenditure is increased by an index of 2.6%.
Interest and Investment Revenue	The City of Ryde’s Investment Policy is based on optimising returns from its investment portfolio within the statutory limitations of Ministerial Orders. The City of Ryde has set a budget target to achieve 0.85% above the Bloomberg Ausbond Bank Bill index.
Other Revenue	3.0% increase 2020/21 and 2.6% for 2021/22 and beyond not including the introduction of new revenue sources.

Base Case Scenario Financial Assumptions – Expenditure

EXPENDITURE ITEM	ASSUMPTIONS
Employee Costs	<p>2.8% increase 2020/21 and 2.6% for 2021/22 and beyond. After the preparation of Council’s Operational Plan, the industrial award rates were negotiated with the following outcomes:</p> <ul style="list-style-type: none"> • 2020/21 – 1.5% • 2021/22 – 2% • 2022/23 – 2% <p>Due to the timing, these have not been included in this iteration of Council’s assumptions.</p>
Borrowing Costs	Borrowing costs for the Ryde Central Project have been included in this scenario.
Materials and Contracts	CPI of 2.0 % for 2020/21 and 2.6% thereafter has been applied throughout the LTFP with additional materials and contract related costs factored in where known.
Depreciation	Depreciation has been modelled in accordance with the Asset Management Plans and statutory accounting practices. Rates will vary dependant on asset classes and components.
Other Expenses	CPI of 2.0% for 2020/21 and 2.6% thereafter has been applied throughout the LTFP with additional ‘other expense’ related costs factored in where known.

*CPI = Consumer Price Index – Sydney All Groups, Australian Bureau of Statistics.

Base Case Scenario Risk Analysis

Council's LTFP is exposed to external impacts such as legislation, technology, the environment, a changing labour force market and vendor relationships. These external factors, in combination with the ability for Council to control the overall revenue or expenditure class, help identify the risks associated with these associated items.

CLASS REVENUE	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTRO L RISK
Rates and Annual Charges	Rates - 2.6% rate peg for 2020/21 and 2.6% onwards. Domestic Waste –2.6% increase for 2020/21 and 2.6% from 2021/22 onwards.	Rates and annual charges are the main source of Council income (58%) and fund core services including infrastructure, community services, sports and recreation, public health, environmental protection and waste collection, treatment and disposal. The NSW State Government “pegs” the maximum percentage by which rates can be increased annually. Council’s ability to levy rates and annual charges are legislated under the <i>Local Government Act 1993</i> .	High	Low
User Charges and Fees	3.0% increase 2020/21 and 2.6% onwards not including the introduction of new revenue sources.	Impact: User fees and charges generally fall into 3 categories 1. Statutory Fees and Charges – established by the State Government. 2. Discretionary Fees and Charges 1 – Council subsidises a service by establishing fees and charges that only partially recover the costs of the service provided. 3. Discretionary Fees and Charges 2 – Council seeks to recover the full cost of the service provided.	Medium Medium Medium	Medium Medium Low
Interest and Investment Revenue	The City of Ryde’s Investment Policy is based on optimising returns from its investment portfolio within the statutory limitations of Ministerial Orders. The City of Ryde has set a budget target to achieve 0.85% above the Bloomberg Ausbond Bank Bill index.	Impact: The Council has a large investment portfolio that is subject to movements in interest rates. Investments are placed and managed in accordance with the Council’s adopted Investment Policy in compliance with the <i>Local Government Act</i> . As a custodian of the community’s funds, the Council ensures funds are invested with the same care, diligence and skill that a prudent person would exercise.	Medium	Medium

CLASS REVENUE	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTROL RISK
Grants and Contributions	Income from grants and contributions is included where funding arrangements are in known. Recurring grant income tied to expenditure is increased by an index of 2.6%.	Grants and contributions are awarded for operating and capital purposes and are usually tied directly to services. Operating grants assist in providing important services to the community such as road safety and environmental initiatives. Capital grants contribute to infrastructure expansion and public amenity aligned to growth and development. If grants are not received, Council will generally not continue to provide that service unless an alternate funding source is identified.	Low	High
Other Revenues	3.0% increase 2020/21 and 2.6% onwards not including the introduction of new revenue sources.	Includes revenue from parking fines, investment property rentals and employee contributions to vehicle private use. Other revenue may fluctuate as a result of fair value increments.	Medium	Medium

CLASS EXPENDITURE	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTROL RISK
Employee Benefits and On-Costs	<p>2.8% increase 2020/21 and 2.6% for 2021/22 and beyond. After the preparation of Council's Operational Plan, the industrial award rates were negotiated with the following outcomes:</p> <ul style="list-style-type: none"> • 2020/21 – 1.5% • 2021/22 – 2% • 2022/23 – 2% <p>Due to the timing, these have not been included in this iteration of Council's assumptions.</p>	Employee costs are the largest expenditure category (40%). Council's Workforce Strategy includes actions to secure a skilled and agile workforce committed to excellence and safety	High	Medium
Borrowing Costs	<ul style="list-style-type: none"> • Borrowing costs for the Ryde Central Project have been included in this scenario. 	While Council looks to retire it's existing debt obligations, Council will look to borrow to fund the Ryde Central Project. Council will repay the vast majority of this loan obligation (interest and principal) with Section 7.11 Developer Contributions.	Medium	Low

CLASS EXPENDITURE	ASSUMPTIONS	ANALYSIS	IMPACT RATING	CONTROL RISK
Materials and Contracts	CPI of 2.0% for 2020/21 and 2.6% thereafter has been applied throughout the LTFP with additional materials and contract related costs factored in where known.	Council's reliance on contractors is significant and reflects the need to be agile in meeting changes in service delivery demands. Contracts are managed in a procurement framework than promotes transparency and value for money principles.	High	Medium
Depreciation and Amortisation	Depreciation has been modelled in accordance with the Asset Management Plans and statutory accounting practices. Rates will vary dependent on asset classes and components.	Depreciation is the annualised deterioration of Council assets captured in a financial context (using a straight-line methodology). Asset classes are revalued up to every 5 years which will have an impact on depreciation. Further information can be found in Council's Strategic Asset Management Plan.	High	Medium
Other Expenses	CPI of 2.0% for 2020/21 and 2.6% thereafter has been applied throughout the LTFP with additional 'other expense' related costs factored in where known.	Includes contributions to other levels of government (such as waste levies, fire control and valuation fees), insurances and utilities including street lighting, electricity and water. Whilst Council works closely with other levels of government, the ability to control or influence costs cannot be guaranteed.	Medium	Low

LTFP FINANCIAL MODEL SCENARIO 2 – PROJECTED GROWTH 25,000

Introduction and Assumptions

Scenario 2 is predicated on:

- All of the assumptions in the Base Case PLUS:
 - Population growth of 25,000 people over the 10 year period of the plan (or 1.9% compounding growth per annum)
 - Both operating income and expenditure will increase in line with the forecast population growth (as above), however some economies of scale are assumed during the growth period
 - Expansion and new Capital Works exceeding \$443 million, funded primarily by developer contributions (via cash, works in kind or voluntary planning agreements) including a new library at Macquarie Park
 - Operating expenditure (depreciation, maintenance and operating expenses) associated with the New Capital Works (as above) will increase
 - The inclusion of a 1% efficiency saving for materials and contracts and other expenses
 - An increase of 78 additional full-time equivalent (FTE) staff (from 533 in 2020/21 to 611 in 2029/30) to assist in servicing the growth.

Observations

Scenario 2 builds on the foundations of Scenario 1. The major difference with Scenario 2 is that it anticipates a more deliberate growth forecast that impacts Council's Operating Statement, Balance Sheet and Cash Flow Statement.

The inclusion of more than \$660 million worth capital works and an increase of 78 additional FTE staff has a significant impact on Council's long term financial sustainability but has a much more realistic outlook than that of Scenario 1.

Scenario 2 Sensitivity and Risk Assessment

In addition to the sensitivity and risk assessment of items identified in Scenario 1 – Base Case Scenario, the following items are considered unique to Scenario 2.

OTHER ITEMS	ASSUMPTIONS	IMPACT AND SENSITIVITY	IMPACT RATING	CONTROL RISK
Population Growth	<p>Population growth is generally reflected in an increase in the rates base (commonly referred to as supplementary rates). Growth in the rates base has traditionally been conservative.</p> <p>An assumed population growth of 25,000 has been established under Scenario 2.</p>	<p>Growth has a major impact on both income and expenditure forecasts. The primary income stream that benefits from population growth is rates revenue, though user fees and charges, operational grants and other revenue do increase proportionally.</p> <p>Population growth also impacts on employee costs, materials and contracts, depreciation and other expenses. An increased population places additional pressure on existing assets and services. New services, an expansion of existing services and the provision of new assets all have expenditure impacts that must be managed carefully.</p>	Medium	Medium
Expanded Asset Growth	<p>Total expanded asset expenditure of \$443 million has been included in Scenario 2 . These new assets will be constructed to help service the needs of the additional 25,000 population and are derived from a Draft iteration of the Section 7.11 Plan.</p>	<p>Impact: The \$443 million in new assets will not only add value to Council's Balance Sheet (non-current assets) but also its Operating Statement via additional Depreciation, Maintenance and Operating Expenses.</p>	Medium	Medium
Efficiency / Productivity Improvement Plan	<p>An Efficiency / Productivity Improvement Plan is necessary to ensure expenditure increases are moderated by targeted savings.</p>	<p>Improvement Plans provide a prudent means of focusing on efficiency targets to contain expenditure increases. The recommended Improvement Plan includes targeted expenditure savings in employee costs (staff turnover), materials and contracts and other expenses.</p>	Medium	Low
Workforce Expansion (FTE Staff)	<p>In light of the 25,000 additional population and their anticipated service needs, Council's workforce (full-time equivalent staff) is expected to grow by 61 FTE staff.</p>	<p>Impact: the additional 61 FTE Staff represents a 12% increase in Council's current staff establishment and equates to approximately \$8 million in expenditure over the next 10 years.</p>	Medium	Medium

KEY PERFORMANCE INDICATORS - FIT FOR THE FUTURE

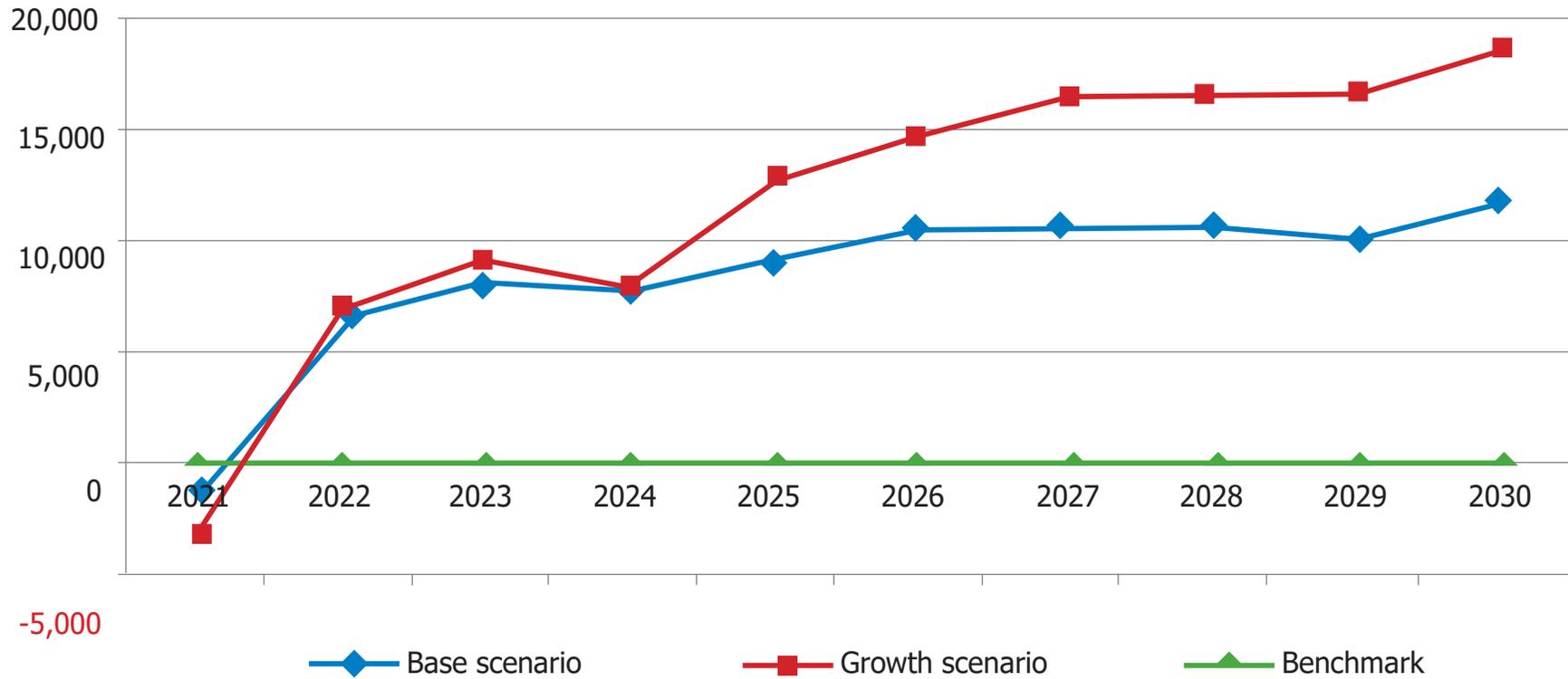
The following measures, indicators and ratios are provided to give the reader an insight into the relative financial impacts of the 2 Scenarios when compared with one another. Financial modelling indicates that Council will continue to perform well under both Scenarios over the next 10 years. All but one of the performance measures meet 'Fit for the Future' benchmarks. The only exception is the Asset Maintenance Ratio. This is not considered a major issue as Council is forecasting an Asset Renewal Ratio well in excess of the benchmark. By reallocating funding from asset renewal to asset maintenance will resolve this issue.

Operating Performance

This ratio measures a council's achievement of containing operating expenditure within operating revenue. It is important to emphasise that this ratio focuses on operating performance, and hence capital grants and contributions, fair value adjustments, and reversal of revaluation adjustments are excluded.

The benchmark is greater than 0%.

Operating Surplus (Deficit) General Fund (excl Capital Grants and Contributions)



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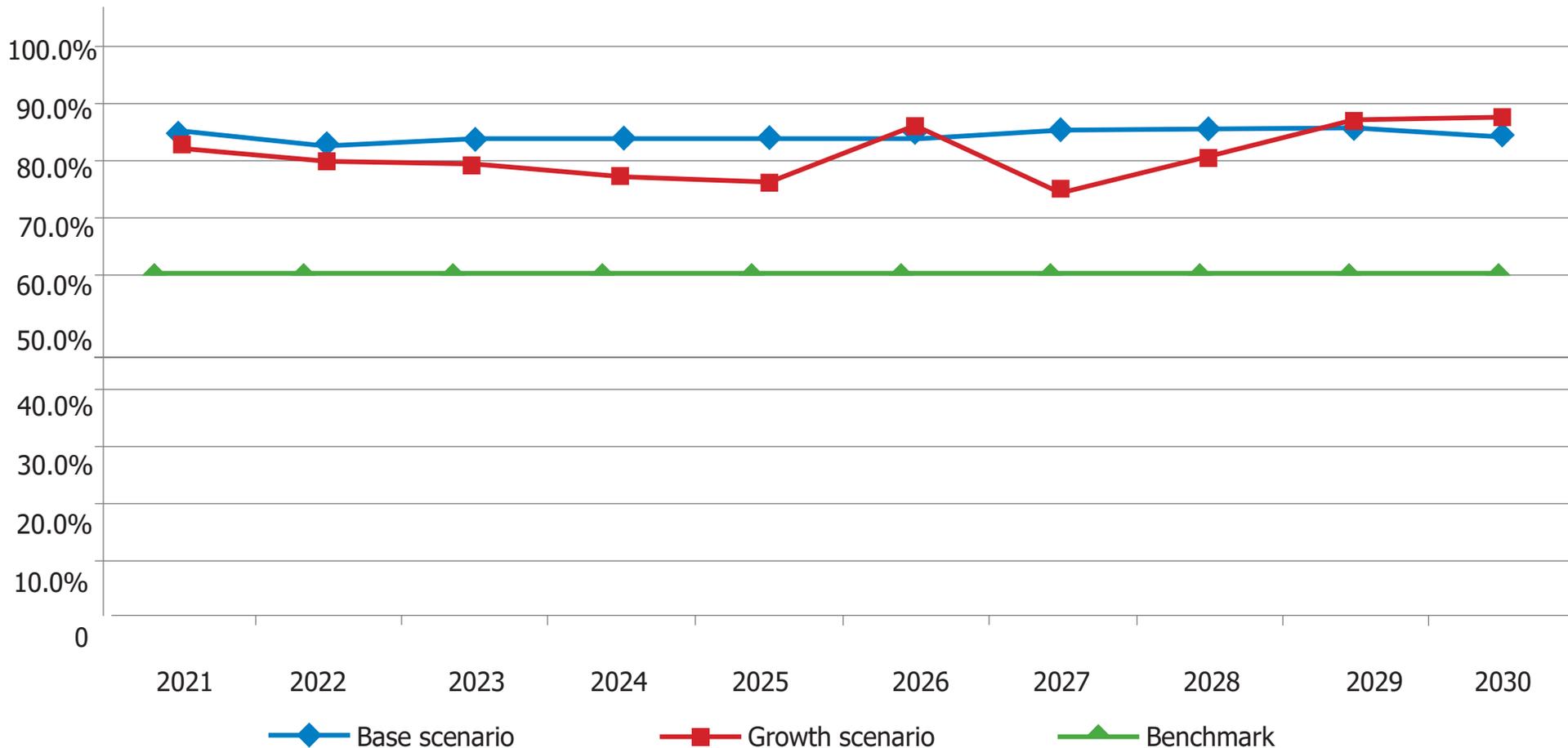
The 2020/21 financial year benchmark has not been met due to the COVID-19 pandemic on Council’s revenue sources. It is anticipated that this will recover in the 2021/22 financial year at the time of publishing this plan.

Own Source Operating Revenue

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. A council's financial flexibility improves as its own source revenue increases.

The benchmark is greater than 60%.

Own Source Revenue Ratio (General Fund) – Annual Measure



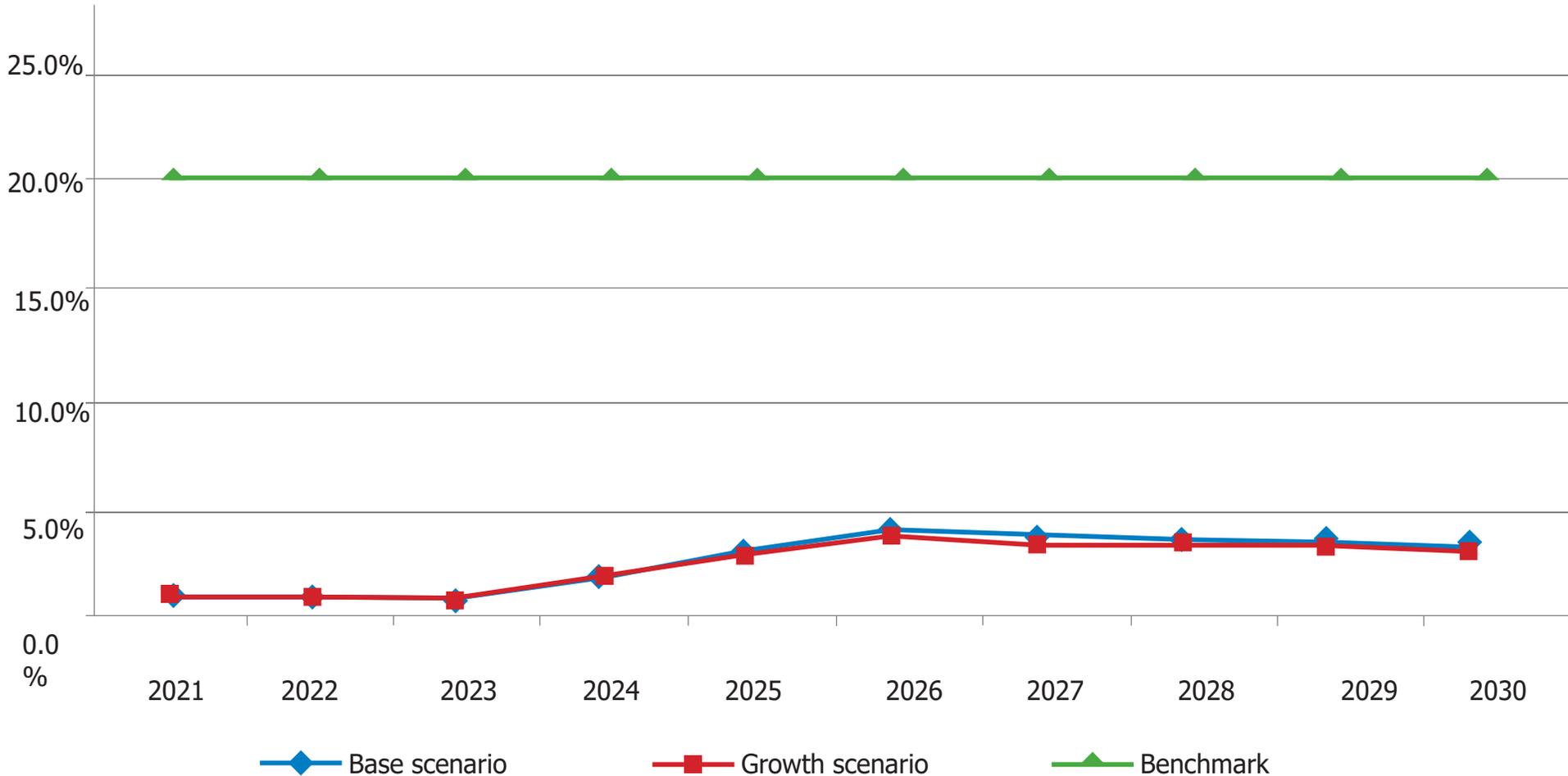
NOT:

Between 2022/23 and 2024/25, Council is expecting significant Developer Contributions (cash and non-cash) which has the effect of reducing Council's 'own source revenue' (including rate revenue) in that particular year. This is also reflected in the 2026/27 and 2027/28 financial years. General fund revenue is generally over 80% of Council's own source revenue. This ratio will generally fluctuate when larger quanta of developer contributions (cash and non-cash) are anticipated to be received.

Debt Service Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The benchmark is greater than two times.

Debt Service Ratio (General Fund) - Annual Measure



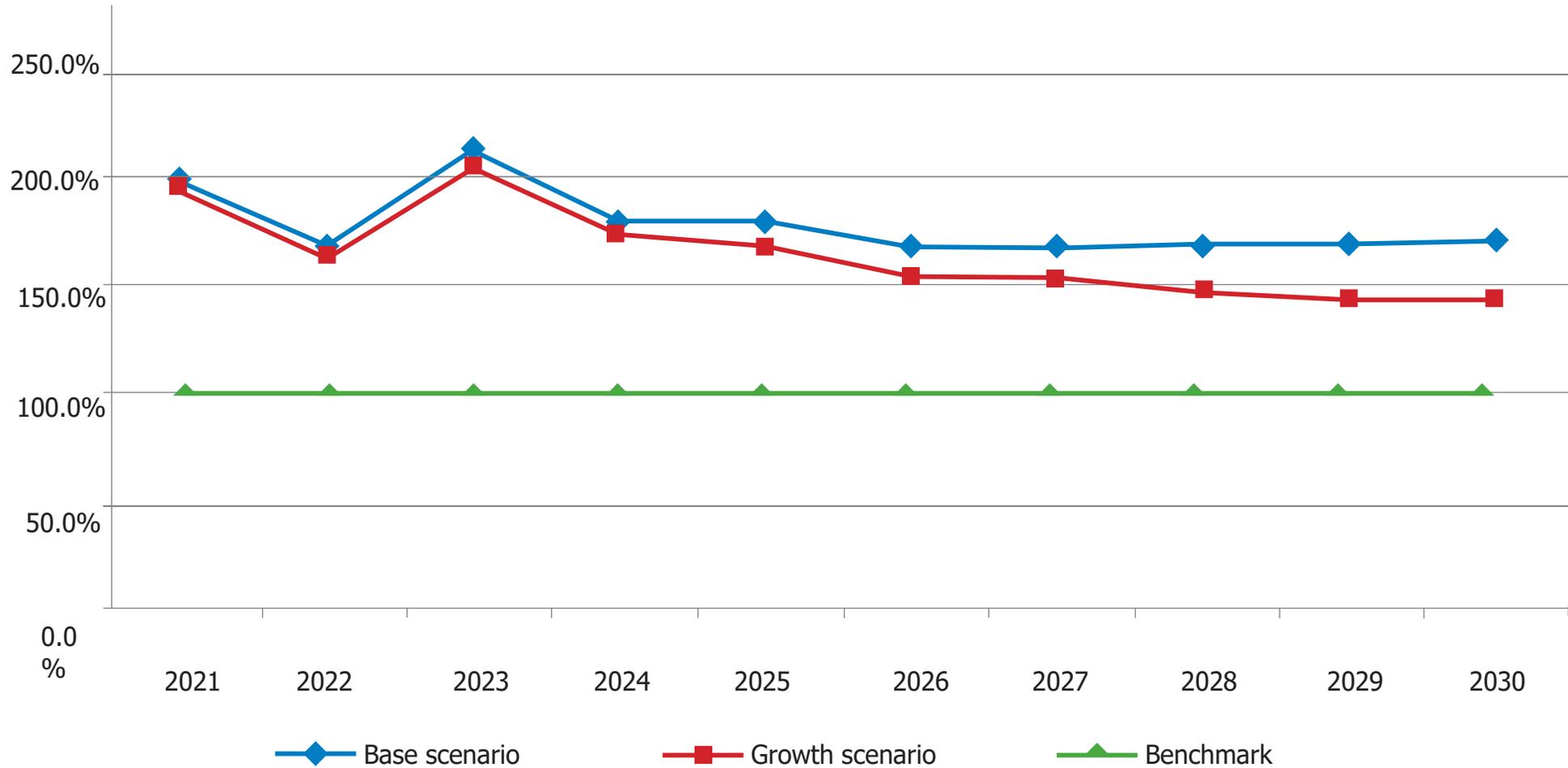
NOTE:
In the 2023/24 financial year, the increase in this ratio is attributed to commencement of loan service (Principal and Interest) for the Ryde Central project.

Buildings and Infrastructure Renewals Ratio

To assess the rate at which these assets are being renewed against the rate at which they are depreciating.

The benchmark is greater than 100%.

Buildings and Infrastructure Renewals Ratio (General Fund) – Annual Measure



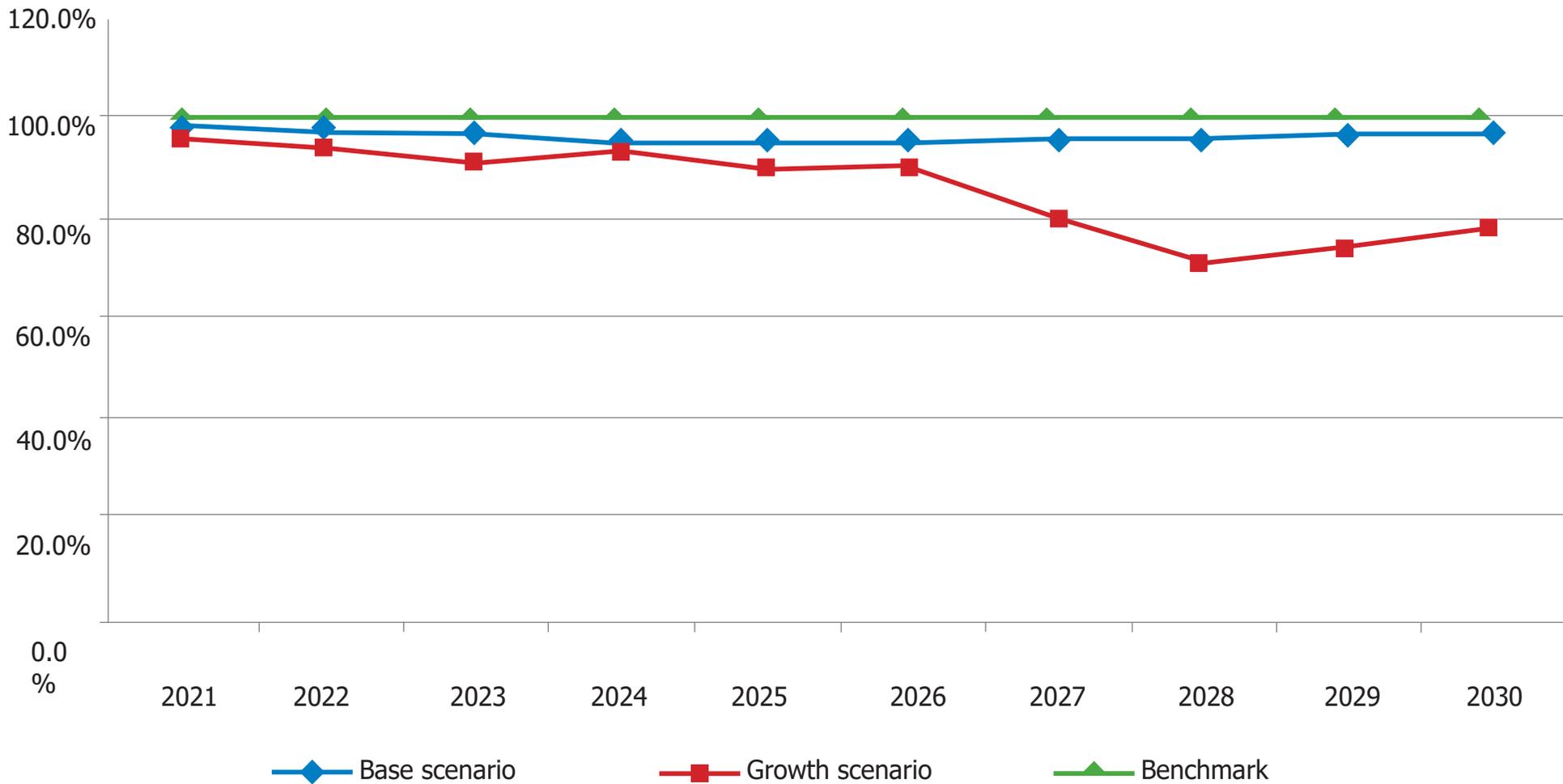
NOTE:
Any excess funds received could be redirected to service any maintenance shortfalls.

Asset Maintenance Ratio

This ratio highlights how much Council is spending on the maintenance of its assets in comparison to the asset maintenance required to be spent, as indicated in Special Schedule 7.

The benchmark is greater than 100%.

Asset Maintenance Ratio (General Fund) – Annual Measure



NOT:

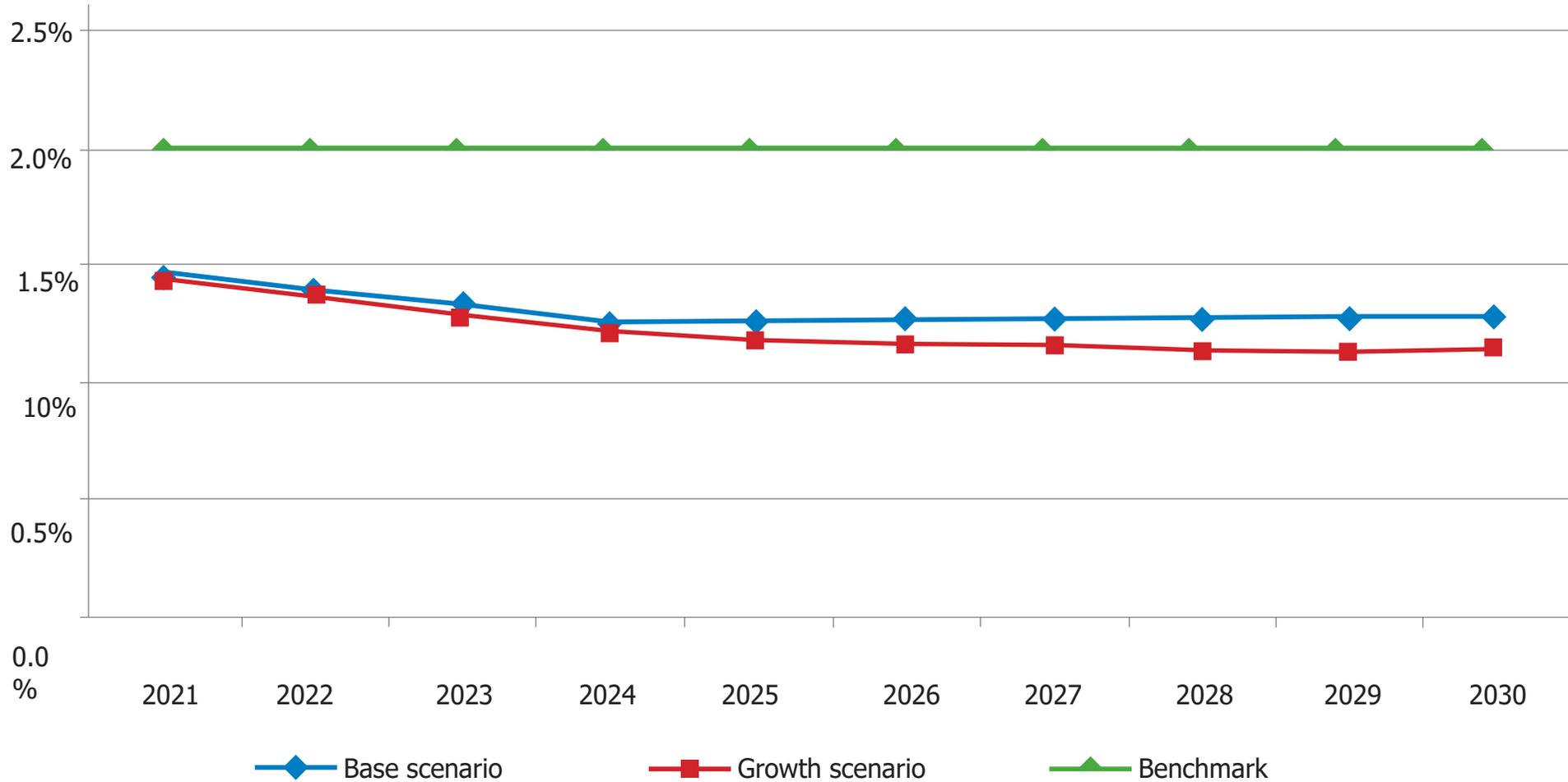
The Growth Scenario indicates the Asset Maintenance Ratio will deteriorate over the next 10 years, falling well below the 100% targeted benchmark. This will need to be corrected with a reallocation of funding from Asset Renewal (currently well above the targeted benchmark of 100%) to Asset Maintenance.

Infrastructure Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure. 'Backlog' is defined as the sum of Condition 5 (Poor Condition) Assets in Council's infrastructure asset network.

The benchmark is less than 2%.

Infrastructure Backlog Ratio (General Fund) – Annual Measure

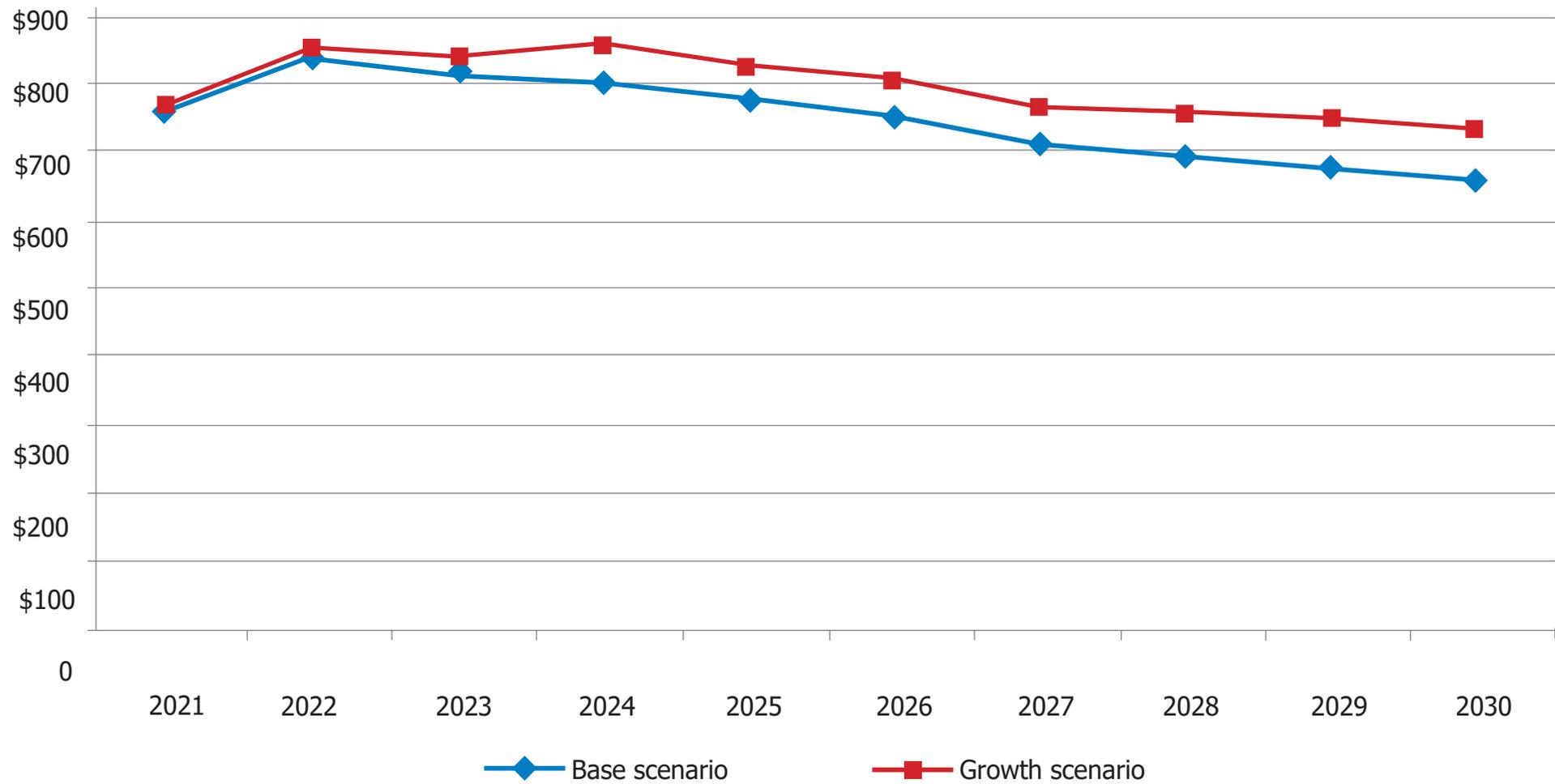


NOTE: Council will continue to monitor the backlog as it collects accurate information on the condition of its assets.

Real Operating Expenditure Per Capita

This figure is a function of both total operating expenses and population. The benchmark is for a declining trend over time.

Real Operating Expenditure per Capita (General Fund) – Annual Measure



NOTE:

Over the term of the Long Term Financial Plan, Council will achieve an efficiency of Operating Expenditure per Capita.

CONCLUSION

In this Long Term Financial Plan, Council has outlined 2 Scenarios (each with underlying assumptions) that affect Council's financial sustainability in slightly different ways. Those Scenarios are as follows:

- **Scenario 1** - This scenario is predicated on existing services remaining largely the same over the next 10 years with a primary reliance on developer and internal reserve funded capital works, and the ongoing SRV income stream funding the renewal of existing assets.
- **Scenario 2** - This Scenario is predicated on available data indicating an additional population of 25,000 by 2028 with a direct correlation between population growth and service provision (both capital and operating) and incorporates an efficiency dividend principally the result of Council's focus on long term financial sustainability and the opportunities that are likely to transpire through economies of scale, asset optimisation and the use of technology over time.

The analysis in this Plan concentrates on the impacts of growth and measures those impacts against the State Government's 'Fit for the Future' benchmarks over the next 10 years. This Plan acknowledges that long term financial forecasting has its limitations. Detailed assumptions, impacts and sensitivity analysis accompany the Plan in an attempt to put the modelled outcomes into perspective.

Whilst both Scenarios have varying degrees of validity, Scenario 2 is considered the most probable scenario and as such will be used as a high level guide to assist in financial decision making from 2020/21 onwards.

NOTE:

For completeness, and so that readers of this LTFP can assess council's overall financial position, the projected financial statements for both Scenarios are presented in Appendix 1 and Appendix 2 to this document.

APPENDIX 1 – BASE CASE FINANCIALS

Ryde City Council 10 Year Financial Plan for the Years ending 30 June 2030

2020/2021 to 2029/2030 Base Case Scenario

INCOME STATEMENT - CONSOLIDATED	Approved Budget	Projected								
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE FROM CONTINUING OPERATIONS										
Rates and annual charges	98,259	101,005	103,601	108,165	108,895	111,696	114,570	117,519	120,544	123,648
User charges and fees	13,429	19,685	20,197	20,722	21,261	21,814	22,381	22,963	23,560	24,172
Interest and investment revenue	3,723	1,542	1,393	2,022	2,706	2,751	2,795	2,834	2,855	2,866
Other revenues	10,254	13,825	14,101	15,817	16,210	16,621	17,042	17,474	17,918	18,372
Grants & contributions - Operating	6,394	6,442	6,599	6,731	6,906	7,085	7,269	7,458	7,652	7,851
Grants & contributions - Capital	15,764	20,420	20,927	20,538	20,449	20,461	20,473	20,485	20,498	20,511
In-Kind Contributions - Capital (non-cash)										
Net gain from the disposal of assets										
Net share of interests in joint ventures & associates using equity method										
TOTAL INCOME FROM CONTINUING OPERATIONS	147,823	162,919	166,818	171,995	176,427	180,428	184,531	188,733	193,027	197,421
EXPENSES FROM CONTINUING OPERATIONS										
Employee benefits and on-costs	53,569	56,445	57,912	59,868	61,426	63,025	64,666	66,349	68,076	69,848
Borrowing costs	183	119	106	1,561	1,486	1,423	1,358	1,292	1,224	1,155
Materials and contracts	35,537	36,166	35,399	37,566	38,327	38,534	39,571	40,636	42,596	42,856
Depreciation and amortisation	21,804	22,302	22,811	22,918	23,453	24,002	24,565	25,141	25,732	26,338
Impairment										
Other expenses	22,431	20,725	21,269	21,499	22,061	22,636	23,227	23,834	24,456	25,094
Interest and Investment losses										
Net loss from the disposal of assets										
Net share of interests in joint ventures & associates using equity method										
TOTAL EXPENSES FROM CONTINUING OPERATIONS	133,523	135,756	137,497	143,413	146,753	149,620	153,387	157,252	162,085	165,292
OPERATING RESULT FROM CONTINUING OPERATIONS	14,300	27,163	29,321	28,582	29,674	30,807	31,144	31,481	30,942	32,129
OPERATING RESULT FROM DISCONTINUED OPERATIONS										
NET OPERATING RESULT FOR THE YEAR	14,300	27,163	29,321	28,582	29,674	30,807	31,144	31,481	30,942	32,129
Attributable to:										
Council	14,300	27,163	29,321	28,582	29,674	30,807	31,144	31,481	30,942	32,129
Minority interests										
NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES EXCLUDING DISCONTINUED OPERATIONS	-1,464	6,743	8,394	8,044	9,225	10,346	10,671	10,995	10,444	11,618
"Cash" generated towards capital works	20,341	29,044	31,205	30,962	32,678	34,348	35,236	36,137	36,177	37,956

Ryde City Council
10 Year Financial Plan for the
Years ending 30 June 2030

2020/2021 to 2029/2030
Base Case Scenario

BALANCE SHEET- CONSOLIDATED	Approved Budget	Projected								
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE SHEET										
CURRENT ASSETS										
Cash and cash equivalents	12,848	12,070	11,751	11,638	12,276	13,025	13,894	14,680	15,493	16,241
Investments	77,500	72,807	70,882	70,203	74,053	78,568	83,809	88,551	93,457	97,971
Receivables	4,926	5,275	5,419	5,553	5,696	5,843	5,994	6,148	6,307	6,470
Inventories	746	746	746	746	746	746	746	746	746	746
Other	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951
Non-current assets classified as held for sale										
TOTAL CURRENT ASSETS	98,970	93,849	91,749	91,092	95,723	101,133	107,394	113,076	118,954	124,379
NON-CURRENT ASSETS										
Investments	104,302	87,886	85,395	84,482	89,663	105,740	112,794	119,174	125,778	131,853
Receivables	7	8	8	8	9	9	9	9	10	10
Inventories										
Infrastructure, property, plant and equipment	1,288,801	1,366,423	1,430,778	1,450,885	1,489,192	1,490,025	1,509,354	1,531,353	1,551,890	1,575,118
Investments accounted for using equity method										
Investment property	118,170	118,170	118,170	118,170	118,170	118,170	118,170	118,170	118,170	118,170
Intangible assets										
Other			0							
TOTAL NON CURRENT ASSETS	1,511,280	1,582,587	1,644,352	1,663,546	1,687,034	1,713,944	1,740,326	1,768,707	1,795,847	1,825,150
TOTAL ASSETS	1,610,250	1,676,435	1,736,100	1,754,637	1,782,757	1,815,077	1,847,720	1,881,782	1,914,801	1,949,530
CURRENT LIABILITIES										
Payables	43,973	50,560	48,971	38,147	35,465	35,769	36,027	37,332	38,097	39,348
Borrowings	332	348	2,807	2,552	2,567	2,632	2,698	2,766	2,836	
Lease Repayments	2,115	2,189	-0							
Provisions	20,594	23,914	27,321	30,843	34,457	38,164	41,969	45,872	49,877	53,986
TOTAL CURRENT LIABILITIES	67,013	77,011	79,099	71,541	72,489	76,565	80,694	85,970	90,809	93,334
NON-CURRENT LIABILITIES										
Payables										
Borrowings	759	31,911	60,104	57,553	54,986	52,354	49,656	46,890	44,054	44,054
Lease Repayments	2,189	-0	0	-0	-0	-0	-0	-0	-0	-0
Provisions	375	435	497	561	627	695	764	835	908	982
TOTAL NON-CURRENT LIABILITIES	3,322	32,346	60,602	58,114	55,612	53,048	50,419	47,724	44,962	45,036
TOTAL LIABILITIES	70,335	109,357	139,701	129,655	128,101	129,613	131,113	133,694	135,771	138,370
NET ASSETS	1,539,916	1,567,078	1,596,400	1,624,982	1,654,656	1,685,463	1,716,607	1,748,088	1,779,030	1,811,159
EQUITY										
Retained earnings	1,299,822	1,326,784	1,356,106	1,384,888	1,414,362	1,445,189	1,476,313	1,507,794	1,538,736	1,570,865
Revaluation Reserves	240,294	240,294	240,294	240,294	240,294	240,294	240,294	240,294	240,294	240,294
Council equity interest	1,539,916	1,567,078	1,596,400	1,624,982	1,654,656	1,685,463	1,716,607	1,748,088	1,779,030	1,811,159
Minority equity interests										
TOTAL EQUITY	1,539,916	1,567,078	1,596,400	1,624,982	1,654,656	1,685,463	1,716,607	1,748,088	1,779,030	1,811,159

Ryde City Council
10 Year Financial Plan for the Years
ending 30 June 2030

2020/2021 to 2029/2030
Base Case Scenario

CASH FLOW STATEMENT - CONSOLIDATED	Approved Budget	Projected								
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates and Annual Charges	99,569	100,655	103,457	106,031	108,752	111,549	114,419	117,364	120,385	123,485
User Charges and Fees	13,429	19,685	20,197	20,722	21,261	21,814	22,381	22,963	23,560	24,172
Investment and Interest Revenue Received	3,723	1,542	1,393	2,022	2,708	2,751	2,795	2,834	2,855	2,868
Grants and Contributions	22,158	26,862	27,526	27,269	27,355	27,546	27,743	27,944	28,150	28,362
Bonds, Deposits and Retention amounts received										
Other	10,254	13,825	14,101	15,817	16,210	16,621	17,042	17,474	17,918	18,372
Payments										
Employee benefits and on-costs	(50,360)	(53,064)	(54,443)	(56,282)	(57,747)	(59,250)	(60,792)	(62,375)	(63,998)	(65,664)
Materials and contracts	(28,847)	(29,578)	(36,988)	(48,391)	(41,009)	(38,230)	(39,313)	(39,331)	(41,831)	(41,605)
Borrowing costs	(183)	(119)	(106)	(1,561)	(1,486)	(1,423)	(1,358)	(1,292)	(1,224)	(1,155)
Deposits and retentions										
Other	(22,431)	(20,725)	(21,269)	(21,499)	(22,061)	(22,636)	(23,227)	(23,834)	(24,456)	(25,094)
Net cash provided from (or used) in operating activities	46,312	59,083	53,868	44,127	53,982	58,742	59,689	61,747	61,358	63,739
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of investments	32,882	11,008	4,516	1,592						
Sale of infrastructure, property, plant and equipment	1,420	1,455	1,490	1,525	1,565	1,605	1,647	1,690	1,734	1,779
Sale of interests in joint ventures/associates										
Proceeds from boundary Adjustment										
Other										
Payments										
Purchase of investments					(9,032)	(10,591)	(12,295)	(11,122)	(11,510)	(10,589)
Purchase of property, plant and equipment	(80,640)	(101,378)	(88,657)	(44,550)	(43,325)	(46,440)	(45,540)	(48,831)	(48,003)	(51,345)
Purchase of interests in joint ventures/associates										
Other										
Net cash provided from (or used in) investing activities	(46,338)	(88,915)	(82,651)	(41,433)	(50,792)	(55,426)	(56,189)	(58,263)	(57,779)	(60,156)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Borrowings and advances		31,500	31,000							
Other										
Payments										
Borrowings and advances repaid	(317)	(332)	(348)	(2,807)	(2,552)	(2,567)	(2,632)	(2,698)	(2,766)	(2,836)
Lease liabilities	(1,981)	(2,115)	(2,189)							
Other										
Net cash provided from (or used in) financing activities	(2,298)	29,053	28,464	(2,807)	(2,552)	(2,567)	(2,632)	(2,698)	(2,766)	(2,836)
Net increase/(decrease) in cash & cash equivalents	(2,324)	(778)	(319)	(112)	638	748	869	786	813	748
Cash & cash equivalents at beginning reporting period	15,171	12,848	12,070	11,751	11,638	12,276	13,025	13,894	14,680	15,493
Cash & Cash Equivalents at end of Reporting Period	12,848	12,070	11,751	11,638	12,276	13,025	13,894	14,680	15,493	16,241
<i>plus: Investments on hand - EOY</i>	181,802	170,794	166,277	164,685	173,717	184,308	196,603	207,725	219,235	229,824
Total Cash, Cash Equivalents and Investments	194,649	182,863	178,028	176,323	185,993	197,332	210,497	222,405	234,728	246,066

APPENDIX 2 – GROWTH CASE FINANCIALS

Ryde City Council
10 Year Financial Plan for the Years ending
30 June 2030

2020/2021 to 2029/2030
Growth Case Scenario

INCOME STATEMENT - CONSOLIDATED	Approved Budget	Projected								
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE FROM CONTINUING OPERATIONS										
Rates and annual charges	98,259	102,574	106,844	111,189	115,819	120,644	125,669	130,908	136,361	142,044
User charges and fees	13,429	19,991	20,829	22,603	23,550	24,538	25,567	26,639	27,756	28,920
Interest and investment revenue	3,723	1,580	1,581	2,430	3,238	3,518	3,614	3,444	3,487	3,543
Other revenues	10,404	14,027	14,307	17,390	17,822	18,273	18,737	19,212	19,699	20,199
Grants & contributions - Operating	6,394	6,442	6,599	6,731	6,908	7,085	7,269	7,458	7,652	7,851
Grants & contributions - Capital	15,764	20,420	20,927	20,538	20,449	20,461	20,473	20,485	20,498	20,511
In-Kind Contributions - Capital (non-cash)	2,445	7,280	11,000	17,932	23,187	597	30,600	16,713		
Net gain from the disposal of assets										
Net share of interests in joint ventures & associates using equity method										
TOTAL INCOME FROM CONTINUING OPERATIONS	150,418	172,313	182,088	198,812	210,973	195,117	231,930	224,858	215,454	223,068
EXPENSES FROM CONTINUING OPERATIONS										
Employee benefits and on-costs	53,569	56,445	58,978	61,604	63,658	66,101	68,149	70,796	72,983	75,499
Borrowing costs	183	46	30	1,561	1,486	1,423	1,358	1,292	1,224	1,155
Materials and contracts	36,898	37,810	37,258	41,230	42,517	43,428	45,421	47,676	51,162	53,130
Depreciation and amortisation	21,804	22,887	23,499	23,621	24,292	25,006	25,234	26,202	26,717	26,997
Impairment										
Other expenses	22,631	20,396	21,037	24,260	22,565	23,347	24,192	25,105	26,093	27,165
Interest and Investment losses										
Net loss from the disposal of assets										
Net share of interests in joint ventures & associates using equity method										
TOTAL EXPENSES FROM CONTINUING OPERATIONS	135,085	137,583	140,803	152,276	154,518	159,306	164,355	171,071	178,178	183,945
OPERATING RESULT FROM CONTINUING OPERATIONS	15,333	34,730	41,285	46,535	56,454	35,811	67,575	53,786	37,275	39,124
OPERATING RESULT FROM DISCONTINUED OPERATIONS										
NET OPERATING RESULT FOR THE YEAR	15,333	34,730	41,285	46,535	56,454	35,811	67,575	53,786	37,275	39,124
Attributable to:										
Council	15,333	34,730	41,285	46,535	56,454	35,811	67,575	53,786	37,275	39,124
Minority interests										
NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES EXCLUDING DISCONTINUED OPERATIONS	-2,876	7,030	9,358	8,065	12,817	14,752	16,502	16,588	16,777	18,613
"Cash" generated towards capital works	18,929	29,917	32,857	31,686	37,109	39,759	41,736	42,790	43,494	45,609

**Ryde City Council
10 Year Financial Plan for the
Years ending 30 June 2030**

**2020/2021 to 2029/2030
Growth Case Scenario**

BALANCE SHEET- CONSOLIDATED	Approved Budget	Projected								
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE SHEET										
CURRENT ASSETS										
Cash and cash equivalents	12,780	11,912	11,870	11,519	11,897	12,834	13,966	14,807	16,381	18,152
Investments	77,094	71,856	70,398	69,484	71,766	77,418	84,246	89,320	98,812	109,499
Receivables	4,928	5,349	5,577	5,835	6,076	6,325	6,584	6,854	7,135	7,427
Inventories	746	746	746	746	746	746	746	746	746	746
Other	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951	2,951
Non-current assets classified as held for sale										
TOTAL CURRENT ASSETS	98,496	92,815	91,343	90,535	93,436	100,274	108,493	114,678	126,025	138,775
NON-CURRENT ASSETS										
Investments	103,755	96,708	94,745	93,514	96,585	104,192	113,382	120,210	132,985	147,367
Receivables	7	8	8	9	9	10	10	10	11	11
Inventories										
Infrastructure, property, plant and equipment	1,291,245	1,378,497	1,453,157	1,493,667	1,544,523	1,565,964	1,618,234	1,663,472	1,676,293	1,690,731
Investments accounted for using equity method										
Investment property	118,170	118,170	118,170	118,170	118,170	118,170	118,170	118,170	118,170	118,170
Intangible assets										
Other										
TOTAL NON CURRENT ASSETS	1,513,177	1,593,381	1,666,080	1,705,360	1,759,287	1,788,335	1,849,796	1,901,862	1,927,459	1,956,280
TOTAL ASSETS	1,611,674	1,686,196	1,757,423	1,795,895	1,852,722	1,888,609	1,958,289	2,016,540	2,053,484	2,095,055
CURRENT LIABILITIES										
Payables	44,363	51,721	49,666	40,720	39,832	38,515	39,170	42,092	40,155	40,916
Borrowings	332	348	2,807	2,552	2,567	2,632	2,698	2,766	2,836	
Lease Repayments	2,115	2,189								
Provisions	20,594	23,914	27,384	31,008	34,753	38,642	42,651	46,816	51,109	55,551
TOTAL CURRENT LIABILITIES	67,403	78,171	79,857	74,280	77,152	79,789	84,519	91,673	94,099	96,467
NON-CURRENT LIABILITIES										
Payables										
Borrowings	759	31,911	60,104	57,553	54,986	52,354	49,656	46,890	44,054	44,054
Lease Repayments	2,189	-0	-0	-0	-0	-0	-0	-0	-0	-0
Provisions	375	435	498	564	632	703	776	852	930	1,011
TOTAL NON-CURRENT LIABILITIES	3,322	32,346	60,603	58,117	55,618	53,057	50,432	47,741	44,984	45,065
TOTAL LIABILITIES	70,725	110,517	140,460	132,397	132,770	132,846	134,951	139,415	139,083	141,531
NET ASSETS	1,540,949	1,575,678	1,616,963	1,663,498	1,719,953	1,755,763	1,823,339	1,877,125	1,914,400	1,953,524
EQUITY										
Retained earnings	1,300,655	1,335,384	1,376,689	1,423,204	1,479,659	1,515,469	1,583,045	1,636,831	1,674,106	1,713,230
Revaluation Reserves	240,294	240,294	240,294	240,294	240,294	240,294	240,294	240,294	240,294	240,294
Council equity interest	1,540,949	1,575,678	1,616,963	1,663,498	1,719,953	1,755,763	1,823,339	1,877,125	1,914,400	1,953,524
Minority equity interests										
TOTAL EQUITY	1,540,949	1,575,678	1,616,963	1,663,498	1,719,953	1,755,763	1,823,339	1,877,125	1,914,400	1,953,524

Ryde City Council
10 Year Financial Plan for the Years
ending 30 June 2030

2020/2021 to 2029/2030
Growth Case Scenario

CASH FLOW STATEMENT - CONSOLIDATED	Approved Budget	Projected								
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates and Annual Charges	98,569	102,149	106,817	110,930	115,579	120,394	125,410	130,635	136,080	141,751
User Charges and Fees	13,429	19,991	20,829	22,603	23,550	24,538	25,567	26,639	27,756	28,920
Investment and Interest Revenue Received	3,723	1,580	1,581	2,430	3,238	3,518	3,614	3,444	3,487	3,543
Grants and Contributions	22,158	26,862	27,528	27,269	27,355	27,548	27,743	27,944	28,150	28,362
Bonds, Deposits and Retention amounts received										
Other	10,404	14,027	14,307	17,390	17,822	18,273	18,737	19,212	19,699	20,199
Payments										
Employee benefits and on-costs	(50,360)	(53,064)	(55,445)	(57,914)	(59,845)	(62,142)	(64,067)	(66,555)	(68,611)	(70,978)
Materials and contracts	(29,819)	(30,452)	(39,312)	(50,176)	(43,405)	(44,744)	(44,767)	(44,754)	(53,099)	(52,369)
Borrowing costs	(183)	(46)	(30)	(1,561)	(1,486)	(1,423)	(1,358)	(1,292)	(1,224)	(1,155)
Deposits and retentions										
Other	(22,631)	(20,396)	(21,037)	(24,260)	(22,565)	(23,347)	(24,192)	(25,105)	(26,093)	(27,165)
Net cash provided from (or used) in operating activities	45,290	60,651	55,035	46,709	60,243	62,614	66,686	70,168	66,145	71,111
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of investments	33,835	12,286	3,419	2,145						
Sale of infrastructure, property, plant and equipment	1,420	1,455	1,490	1,525	1,565	1,605	1,647	1,690	1,734	1,779
Sale of interests in joint ventures/associates										
Proceeds from boundary Adjustment										
Other										
Payments										
Purchase of investments					(5,353)	(13,260)	(16,018)	(11,902)	(22,267)	(25,069)
Purchase of property, plant and equipment	(80,638)	(104,314)	(88,650)	(47,724)	(53,525)	(47,455)	(48,552)	(56,416)	(41,272)	(43,214)
Purchase of interests in joint ventures/associates										
Other										
Net cash provided from (or used in) investing activities	(45,383)	(90,573)	(83,740)	(44,054)	(57,313)	(59,110)	(62,923)	(66,628)	(61,805)	(66,504)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Borrowings and advances		31,500	31,000							
Other										
Payments										
Borrowings and advances repaid	(317)	(332)	(348)	(2,807)	(2,552)	(2,567)	(2,632)	(2,698)	(2,766)	(2,836)
Lease liabilities	(1,981)	(2,115)	(2,189)							
Other										
Net cash provided from (or used in) financing activities	(2,298)	29,053	28,464	(2,807)	(2,552)	(2,567)	(2,632)	(2,698)	(2,766)	(2,836)
<i>Net increase/(decrease) in cash & cash equivalents</i>	<i>(2,391)</i>	<i>(668)</i>	<i>(242)</i>	<i>(152)</i>	<i>378</i>	<i>937</i>	<i>1,132</i>	<i>841</i>	<i>1,574</i>	<i>1,772</i>
<i>Cash & cash equivalents at beginning reporting period</i>	<i>15,171</i>	<i>12,780</i>	<i>11,912</i>	<i>11,670</i>	<i>11,519</i>	<i>11,897</i>	<i>12,834</i>	<i>13,966</i>	<i>14,807</i>	<i>16,381</i>
Cash & Cash Equivalents at end of Reporting Period	12,780	11,912	11,670	11,519	11,897	12,834	13,966	14,807	16,381	18,152
<i>plus: Investments on hand - EOY</i>	<i>180,849</i>	<i>168,562</i>	<i>165,143</i>	<i>162,998</i>	<i>168,351</i>	<i>181,610</i>	<i>197,628</i>	<i>209,530</i>	<i>231,797</i>	<i>256,866</i>
Total Cash, Cash Equivalents and Investments	193,629	180,474	176,813	174,516	180,248	194,444	211,594	224,338	248,178	275,018

APPENDIX 3 – RYDE CENTRAL FINANCIALS

RYDE CENTRAL											
Capital Income and Expenditure											
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Contract Payments	\$34,000,000	\$48,500,000	\$39,000,000								\$121,500,000
Project Management Costs	\$1,000,000	\$1,000,000	\$1,000,000								\$3,500,000
Ryde Central Reserve	-\$15,000,000	-\$3,000,000	-\$1,500,000								-\$20,000,000
Section 7.11 Reserve	-\$20,000,000	-\$15,000,000									-\$35,000,000
Asset Renewal Reserve			-\$7,500,000								-\$7,500,000
Loan Borrowing		-\$31,500,000	-\$31,000,000								-\$62,500,000
Loan Repayment			\$1,995,088	\$3,990,177	\$3,990,177	\$3,990,177	\$3,990,177	\$3,990,177	\$3,990,177	\$3,990,177	\$29,926,326
Section 7.11 Loan Repayment			-\$1,709,028	-\$3,418,056	-\$3,418,056	-\$3,418,056	-\$3,418,056	-\$3,418,056	-\$3,418,056	-\$3,418,056	-\$25,635,420
Asset Replacement Reserve			-\$286,060	-\$572,121	-\$572,121	-\$572,121	-\$572,121	-\$572,121	-\$572,121	-\$572,121	-\$4,290,906
Sub Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

RYDE CENTRAL

Operating Income and Expenditure

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Fees											
Council				\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$383,123
Water/sewerage				\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$306,498
Insurance				Corporate	\$0						
Anchor points certification				\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$22,987
Electricity											
Usage				\$500,000	\$515,000	\$530,450	\$546,364	\$562,754	\$579,637	\$597,026	\$3,831,231
Maintenance				\$150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$173,891	\$179,108	\$1,149,369
Tubes, lamps, globes				\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$38,312
Fire services											
Fire contract				\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$153,249
Brigade monitoring				\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$15,325
Training evacuation				\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$76,625
Repairs				\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$15,325
Gas				\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$38,312
Cleaning											
General cleaning				\$450,000	\$463,500	\$477,405	\$491,727	\$506,479	\$521,673	\$537,324	\$3,448,108
Pest				\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$11,494
Consumables toilet tissue etc.				\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$114,937
Sanitary services				\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$114,937
Lift											
Contract Fee				\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$766,246
Repairs and Maintenance				\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$76,625
Fees				\$200	\$206	\$212	\$219	\$225	\$232	\$239	\$1,532
Plant HVAC											
Maintenance contract				\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$344,811
Water Treatment				\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$11,494
Repair-maintenance											
Plumbing											
(backflow etc.)				\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$40,575	\$41,792	\$268,186
Maintenance				\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$191,562
Security											
Repair locks etc.				\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$76,625
Building access system/CCTV				\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$229,874
Patrols/concierge				\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$766,246
Plants (living)				\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$229,874
General Maintenance				\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$383,123
Waste				\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$153,249
External areas											
Landscaping				\$72,000	\$74,160	\$76,385	\$78,676	\$81,037	\$83,468	\$85,972	\$551,697
Public Domain cleaning				\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$275,849
Cultural & Community Centre											
Staff Community Centre				\$450,000	\$463,500	\$477,405	\$491,727	\$506,479	\$521,673	\$537,324	\$3,448,108
Music use licence				\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$38,312
Creative Programs & Productions				\$85,000	\$87,550	\$90,177	\$92,882	\$95,668	\$98,538	\$101,494	\$651,309
Marketing and promoting				\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$383,123
Sub Total Expenditure				\$2,423,200	\$2,495,896	\$2,570,773	\$2,647,896	\$2,727,333	\$2,809,153	\$2,893,428	\$18,567,678
OPERATING INCOME											
Cultural & Community Centre				-\$900,000	-\$927,000	-\$954,810	-\$983,454	-\$1,012,958	-\$1,043,347	-\$1,074,647	-\$6,896,216
Lease Income from Retail				-\$128,000	-\$131,840	-\$135,795	-\$139,869	-\$144,065	-\$148,387	-\$152,839	-\$980,795
Lease Income from Commercial				-\$452,000	-\$465,560	-\$479,527	-\$493,913	-\$508,730	-\$523,992	-\$539,712	-\$3,463,433
Lease income from Top Ryde				-\$120,000	-\$123,600	-\$127,308	-\$131,127	-\$135,061	-\$139,113	-\$143,286	-\$919,495
Sub Total Income				-\$1,600,000	-\$1,648,000	-\$1,697,440	-\$1,748,363	-\$1,800,814	-\$1,854,839	-\$1,910,484	-\$12,259,939
Sub Total	\$0	\$0	\$0	\$823,200	\$847,896	\$873,333	\$899,533	\$926,519	\$954,314	\$982,944	\$6,307,739
GRAND TOTAL	\$0	\$0	\$0	\$823,200	\$847,896	\$873,333	\$899,533	\$926,519	\$954,314	\$982,944	\$6,307,739



		Years		Year6	
1,500.00	2,600.00	5,03s.00	2,302.00	5,003.00	4,034.00
2,600.00	2,550.00	1,210.00	4,012.00	3,206.00	8,930.00
3,056.00	3,540.00	4,520.00	6,201.00	8,203.00	2,561.00
4,500.00	7,010.00	3,102.00	1,020.00	11,032.00	3,519.00
3,330.00	4,323.00	4,601.00	2,143.00	4,504.00	7,556.00
1,460.00	8,40s.00	5,402.00	3,201.00	7,650.00	2,104.00
4,670.00	2,607.00	7,230.00	1,890.00	1,230.00	6,70s.00
		6,70s.00	1,230.00	1,230.00	6,70s.00



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