



**FINANCIAL MANAGEMENT STRATEGY
& LONG TERM FINANCIAL PLAN
2022-23 to 2031-32**

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Acknowledgement of traditional owners

Litchfield Council respectfully acknowledges the traditional owners of the land that we live and work on and pay our respect to their elders, past, present and future.

Overview

This Long Term Financial Plan (LTFP) is designed to guide decisions regarding the financial sustainability of Litchfield Council over the next ten years by supporting sound financial decision making.

Sustainability in the context of Litchfield means the community has well-maintained facilities and infrastructure and receives good quality services at a reasonable level of property rates both now and into the future.

Council currently has substantial cash reserves and no debt, which provides a good foundation in the short term. In the long term, however, Council faces several challenges, including:

- operating deficits due to depreciation;
- dependency of external funding due to insufficient own-source revenue; and
- inadequate funding for capital expenditure to maintain the existing asset base.

These challenges are not easily resolved and can only be addressed through a long term, disciplined approach to allocating financial resources.

The LTFP is based on the following strategies:

- constrain growth in operating costs;
- advocate strongly for grants from other levels of government to fund existing asset renewal;
- allocate unrestricted reserves and grant funding to capital renewal projects until operational income supports investment in new assets; and
- increase own source income to fund sustainable capital renewal spending.

Combining these strategies will gradually improve Litchfield's sustainability over time with the key objective of increasing the level of capital expenditure on asset renewal, which is currently inadequate.

A ten-year Income Statement, Balance Sheet and Cash Flow Statement have been prepared based on a series of assumptions about the movement of each income and expenditure type. This ten-year view provides the context for the annual Municipal Plan and budget process and aligns with councils recently adopted Strategic Plan 2022-2025 (Strategic Plan). The report also provides Financial Performance Indicators' historical and ten-year forecasts and identifies the Council's financial performance targets.

Financial Management Strategy and Long Term Financial Plan Objective

The *Local Government Act 2019* requires Council to prepare and maintain an LTFP. Accordingly, Litchfield Council has developed a ten-year plan to ensure that today's decisions can be assessed for sustainability in the long term.

An LTFP provides a framework to consider:

- The level of funding required to deliver services for the community.
- The financing of new or upgraded assets.
- What income sources are available, and how these may be maximised?

The goal of the Financial Management Strategy (FMS) and LTFP is to visualise financial decisions strategically, ensuring sustainability and inter-generational equity. Sustainability in the context of Litchfield means the community has well-maintained facilities and infrastructure and receives good quality services at a reasonable level of property rates both now and into the future.

The objective of preparing the FMS and LTFP is to provide Council with a strategic framework to guide the development of annual budgets and long term financial plans. The key objective of the FMS and LTFP is to ensure that Council can fund the ongoing delivery of services whilst implementing the priorities identified in the Strategic Plan and beyond.

Financial Management Strategy

The Litchfield Municipality is the heart of the Top End and boasts a diverse, inclusive community with prosperous economic industries. The vast size of our municipality presents Council with some challenges, but our uniqueness makes Litchfield the best place to live in the Top End.

The Litchfield Council Strategic Plan provides the community with our intentions over the next four years and how we will achieve our vision. It defines the Council's vision, mission, strategic priorities and how the community can be involved along the way.

The Strategic Plan identifies opportunities to ensure the Council remains responsive to the community's needs and adapt to changes, including population growth, community demands, and technologies.

Council will continue to develop Litchfield as 'the best place to live, work, and play in the Top End'.

Alignment with Strategic Plan 2022-2025

The following table aligns the Strategic Plan elements with the requirements for the FMS and LTFP:

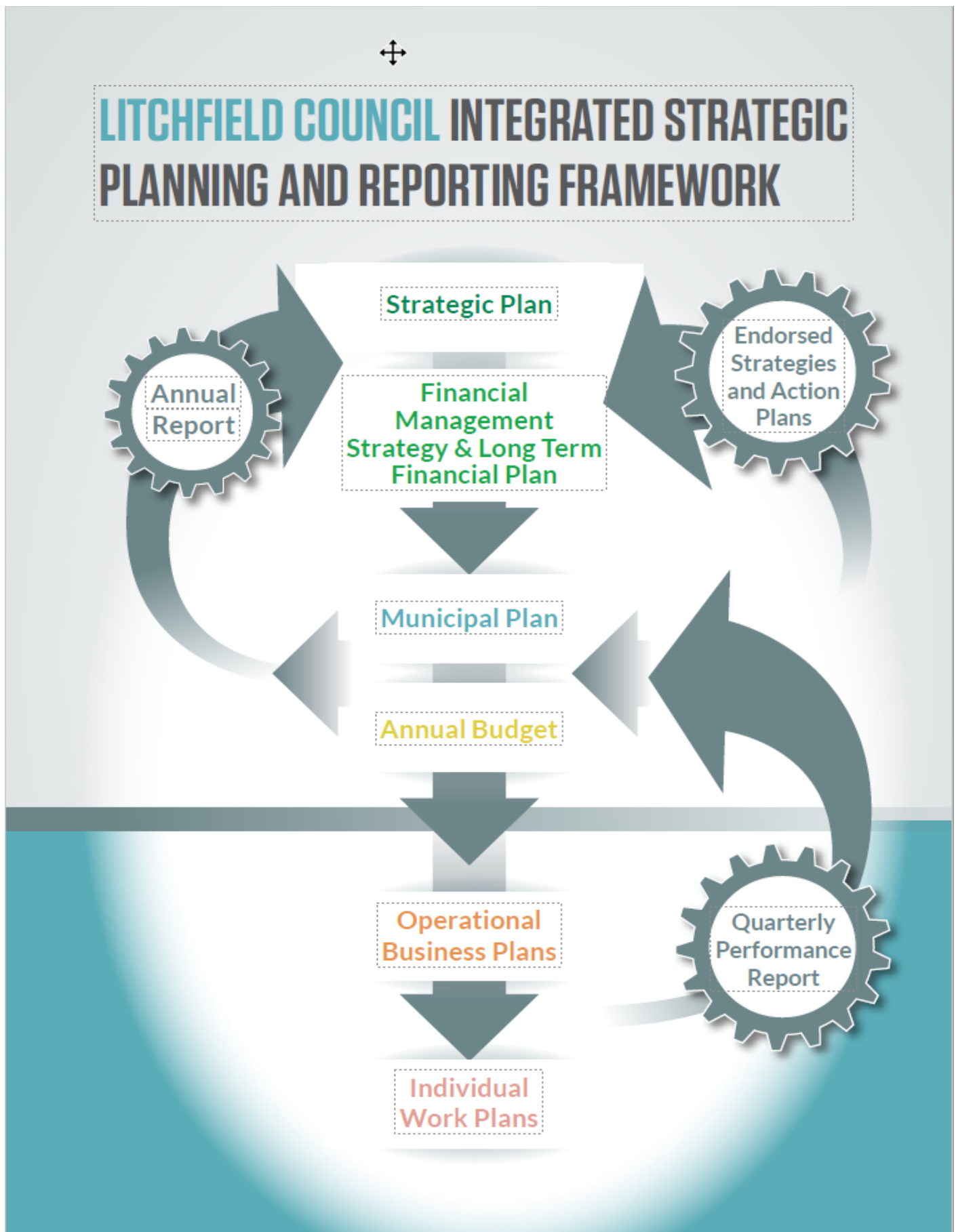
Strategic Plan Element	FMS and LTFP Strategic Requirement
People	
Our community is at the heart of all we do.	<p>Review income structure to improve the equity in the rate burden, including potential changes in rating structure.</p> <p>Continue developing asset management plans, prioritising asset renewals, and grant opportunities to upgrade current assets.</p> <p>Identification and potential construction of a suitable facility for library services.</p> <p>Upgrade waste transfer stations to all-weather sites that support the sorting and collecting of recyclables (avoidable landfill).</p>
Progress	
The majority of the Council's budget each year provides a very broad range of services and facilities that are valued by our communities.	<p>Council will continue to maintain operational spending to maintain service levels and remain vigilant to community demand and expectation changes. Council may design a catalogue of services that defines efficiency in the range of services and assets Council will provide, the reasonable level of service, and resourcing demand now and into the future to inform the LTFP.</p> <p>Council will continue to improve in the planning and management of assets.</p>
Prosperity	
We will work in partnership with our business community to encourage business success and jobs growth.	<p>Budget 2023 contains funding to explore a Litchfield signature event.</p> <p>The Northern Territory Government has commenced a three-stage planning process to shape the growth of areas surrounding Palmerston. Including the development and expansion of suburbs in Holtze, Kowandi and Virginia West, which are currently in the Litchfield Municipality.</p> <p>Council to seek opportunities for investments to grow and diversify the local economy.</p> <p>Budget 2023 contains funding for a Sport & Recreation Officer to support the requirements of the sport, recreation and open space strategy.</p>

Places

<p>Council has a road network of 645km of sealed roads and 70km of unsealed roads, and \$510m of infrastructure. Building and maintaining this infrastructure takes up a significant portion of Council's annual budget – estimated to exceed \$10m over the term of this Council.</p>	<p>Review of the roads delivery program, informed by a lifecycle management approach to roads.</p> <p>Asset management planning for all assets.</p> <p>A project management framework that enhances the project identification, selection and prioritisation (including support of business case for new and upgraded assets) to ensure capital works are efficient and provide value for money.</p>
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Performance

<p>In partnership with our community and stakeholders, our Council will deliver best value through a focus on sustainable and efficient delivery of corporate and community services.</p>	<p>Council will continue to maintain operational spending to maintain service levels and remain vigilant to community demand and expectation changes.</p> <p>Council will measure its performance through community engagement and an annual community survey.</p> <p>Council will continue improvements in financial governance to enhance the management capability, improve reporting and ensure appropriate accountability for efficient use and management of Councils assets and financials.</p> <p>Council has developed a Workforce Plan to ensure staff are attracted, developed and retained in line with the service demands now and into the future.</p>
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Historical Financial Performance

Table 2-1 outlines actual financial performance indicators for the 2019 to 2021 financial years and Budget 2021-22, compared to LTFP Target Indicators. In addition, green and orange indicators have been included to highlight whether a target has been achieved.

From the results in Table 2-1 and a review of the relevant financial statements (including internal reports), the following pertinent observations can be made:

- Council has historically achieved a significant operating deficit. However, operating deficits are not sustainable for local government bodies as sufficient cash must be generated from operations to fund the capital expenditure necessary for asset renewals, upgrades and augmentation.
- Depreciation as a percentage of total assets at 4.1% (2021-22 Budget) is high compared to the industry benchmark of 1.5% to 2%. Therefore, depreciation measurement requires review as part of the financial asset revaluation cycle.
- Despite reporting significant operating deficits, Council has maintained healthy liquidity. With a cash balance above \$23 million from 2019-20 to 2020-21, the budget for 2021-22 projected the cash balance to decrease to \$16 million. Local government bodies can maintain or increase cash despite reporting operating deficits due to expenditure on capital and net movement reduced against budgets.
- The expenditure/renewal demand ratio in Council's Roads Asset Management Plan (RAMP) indicates that Council is completing insufficient renewals to meet demand. The RAMP indicates renewal demand consistently exceeding \$7 million per year for road assets. LTFP spending for resealing of roughly \$1 million per year and pavement rehabilitation of roughly \$1.3 million per year represents significant underinvestment in road renewal. Council must work toward the renewal demand for roads and other assets to ensure intergenerational equity and future sustainability.
- Council has a moderate reliance upon external operating grants (including the Financial Assistance Grants) to fund recurrent operations. The Council has budgeted to receive 53.9% of total revenue through rates in 2021-22. A standard benchmark for local government is to achieve more than 60% of total revenue through annual rates and charges. However, the capacity for Council to achieve a higher proportion through rates depends on council's rating strategy and a range of constraints, including population, population growth, rurality, size of local economy etc.

Table 2-1. Financial Performance Indicators – Historical (2019-21) and Budget (2021-22)

Financial Performance Indicator	Units	2019-20 Actual	2020-21 Actual	2021-22 Budget	LTFP Target	Comment
Financial Performance						
Net Result	%	-53.00%	-28.10%	-23.30%	>0%	Includes capital revenue
Adjusted underlying result	%	-56.70%	-39.10%	-69.70%	>10%	Excludes capital revenue
Operating Surplus/(Deficit) after Adjustments	\$'000	-9,373	-6,106	-5,636	>5,000	Sufficient cash surplus to fund capital works
Financial Position						
Liquidity	ratio	5.22	4.12	3.21	>1.00	Sufficient cash to manage any revenue shocks. Excessive cash to be invested to maximise return on cash holdings
Capital replacement ratio	ratio	0.39	0.66	0.48	>.90	Capital renewal expenditure to be at greater than 90% of depreciation expense
Current Ratio (Current Assets/Current Liabilities)	%	522.50%	412.30%	321.10%	>100%	Sufficient current assets to meet current liabilities
Revenue Ratios						
Rates Outstanding/Total Rates Levied	%	20.70%	20.30%	20.00%	<12%	
Recurrent Grants/Total Revenue	%	20.10%	19.40%	14.90%	>5%	Measure success in obtaining grant funding
Fees & Charges/Total Revenue	%	10.70%	9.30%	6.10%	>6%	Maintain current fees and charges as a proportion
Rate Revenue/Total Adjusted Revenue (excl capital grants and contributions)	%	73.30%	71.60%	74.20%	>55%	Increase in rates projected
Expense Ratios						
Depreciation/Total Assets	%	4.00%	4.20%	4.10%	2.00%	Review and maintain depreciation to reflect actual consumption of assets
Employee Costs as a % of Total Expenses	%	24.60%	23.60%	24.20%	<30%	Maintain employee costs under 30% of total costs
Capital Expenditure (CAPEX) Ratios						
Capital Expenditure on Renewal & Upgrade/Depreciation	%	53.90%	58.40%	48.30%	>90%	
Capital Expenditure/Rate Revenue	%	66.40%	72.90%	56.30%	>50%	
Renewal Expenditure/Renewal Demand Ratio (%)	%	63.20%	69.30%	31.60%	>90%	Ensure asset renewals are completed as planned within the Asset Management Plan
Renewal Gap = Not Funded	\$'000	2,628	2,347	5,910	<1,000	

Requires Improvement

On Target

Forecast Long Term Financial Plan Performance

Table 2-2 outlines forecast financial performance for the financial years from 2022–23 to 2031-32 and benchmark indicators. Green and orange indicators have been included to highlight whether a target has been achieved.

From the results in Table 2-2 and a comparison with benchmarks, the following relevant observations can be made:

- Councils' financial performance remains below target throughout the LTFP period. Council will continue to explore revenue options and constrain costs through budget efficiencies to improve performance.
- Council maintains a healthy liquidity ratio throughout the LTFP period through controlling operational expenditure and will continue to advocate for grant funding to assist with capital demands.
- Council receives the majority of rate revenue by applying a fixed general rate. Fixed general rates create a regressive tax structure where the ratepayers with the least capacity to pay contribute a greater portion of their household income. In a fixed-rate system, new developments with most likely higher land valuations are rated the same as older development with lower land valuations. It is also likely that new developments require a higher level of service. Council may consider reviewing the current rating system.
- The capital expenditure/renewal demand ratio indicates whether the Council has completed asset renewals sufficient to meet the demand outlined in asset management plans. Litchfield Council currently has two asset management plans, 2019 – 2023 Roads Asset Management Plan (dated October 2019) and 2021 – 2031 Fleet, Plant and Equipment Asset Management Plan (dated October 2021). Council currently has no asset management plans for other asset categories (e.g., buildings and facilities). The Roads Asset Management Plan outlines renewal demand of at least \$7.6 million per year. The current annual budget for resealing of approximately \$0.9-1.0 million per year, and pavement rehabilitation of approximately \$1.3 million per year. This would represent significant underinvestment in road renewal. Council will work toward the renewal demand for roads and other assets to ensure inter-generational equity and future sustainability.

Table 2-2. Financial Performance Indicators – Budget 2022-23 and Forecast (2024-32)

Financial Performance Indicator	Units	2022-23 Budget	2023-32 Forecast Average	LTFP Target	Comment
Financial Performance					
Net Result	%	-16.30%	-11.70%	>0%	Includes capital revenue
Adjusted underlying result	%	-26.40%	-12.50%	>10%	Excludes capital revenue
Operating Surplus/(Deficit) after Adjustments	\$'000	-3,536	-2,981	>5,000	Sufficient cash surplus to fund capital works
Financial Position					
Liquidity	ratio	2.90	2.4	>1.00	Sufficient cash to manage any revenue shocks. Excessive cash to be invested to maximise return on cash holdings.
Capital replacement ratio	ratio	0.76	0.64	>.90	Capital renewal expenditure to be at greater than 90% of depreciation expense
Current Ratio (Current Assets/Current Liabilities)	%	291.30%	239.50%	100%	Sufficient current assets to meet current liabilities
Revenue Ratios					
Rates Outstanding/Total Rates Levied	%	18.00%	10.20%	<12%	
Recurrent Grants/Total Revenue	%	17.40%	14.70%	>5%	Excluding Financial Assistance Grants and Roads to Recovery. Measure success in obtaining grants to fund new assets, or upgrades/augmentation.
Fees & Charges/Total Revenue	%	9.40%	9.80%	>6%	Maintain current fees and charges as a proportion
Rate Revenue/Total Adjusted Revenue (excl capital grants and contributions)	%	77.90%	80.90%	>55%	Increase in rates projected
Expense Ratios					
Depreciation/Total Assets	%	2.50%	3.00%	2.00%	Review and maintain depreciation to reflect actual consumption of assets
Employee Costs as a % of Total Expenses	%	29.90%	30.30%	<30%	Maintain employee costs under 30% of total costs
Capital Expenditure (CAPEX) Ratios					
Capital Expenditure on Renewal & Upgrade/Depreciation	%	76.50%	62.20%	>90%	
Capital Expenditure/Rate Revenue	%	46.70%	36.30%	>50%	
Renewal Expenditure/Renewal Demand Ratio (%)	%	44.10%	48.20%	>90%	Ensure asset renewals are completed as planned within the Asset Management Plan
Renewal Gap = Not Funded	\$'000	4,906	4,398	<1,000	

Requires Improvement

On Target

Emerging Issues

The Impact of Growth

Litchfield Municipality has experienced substantial growth in population over the last ten years, with the estimated addition of 5,137 to the resident population (ABS 2011 to 2016), an increase of over 25%.

Population growth can impact the Council's financial position in several ways. Additional properties provide more income to Council through property rates and waste management charges. Whilst pressure on existing services and infrastructure increases. Another impact of growth noted over the past years is increasing community expectations for an expanded range and quality of services, for example, library services and increased regulatory services. Managing these expectations can be challenging as funding new service standards may be beyond the financial capacity of Council, with rate income generated through additional properties not increasing proportionally. Council has struggled with this disproportional growth of residents to rateable properties for several years.

For the LTFP, no growth in rateable properties has been assumed. However, the Northern Territory Government has commenced a three-stage planning process to shape the growth of areas surrounding Palmerston. Including the development and expansion of suburbs in Holtze, Kowandi and Virginia West, which are in the Litchfield Municipality. Council anticipates that Holtze and Kowandi will start coming online in the next two years and gradually grow the councils' rate base.

Asset Management

Council has an extensive network of infrastructure assets with a current replacement value of \$510 million. Maintaining these assets in good order and renewing them as they age requires substantial yearly expenditure.

Depreciation estimates the value of assets consumed during each financial year. The Asset Sustainability Ratio mentioned above highlighted Council's inability to fund the usage of infrastructure assets annually. This means Council is not replacing assets as they are due for renewal in line with current service levels. This challenge also extends to the Thorak Regional Cemetery.

Rates revenue increases or additional grant funding is required to increase funding available for capital expenditure and reduce the rate at which the capital renewal backlog rises each year.

The Way Ahead – Improving Long Term Sustainability

As indicated in the section of this LTFP relating to the current financial position, Council has substantial cash reserves and no debt, which means in the short term, it will be able to continue to deliver services and a limited amount of capital works to the community.

However, Litchfield Council faces several challenges in the long term, including very large operating deficits and inadequate funding for capital expenditure required to maintain its existing asset base. These long-term challenges will require a concerted and disciplined approach to managing financial resources to improve sustainability.

The LTFP aims to improve sustainability by:

1. decreasing the size of the operating deficit; and
2. increasing the funding available for capital expenditure from external sources advocating for sealing Council's unsealed roads; and
3. proactively investigate and lobby for boundary adjustments that benefit Litchfield.

The following strategies are designed to address these challenges.

Constrain Growth in Operating Costs

The major expenditure categories to which this strategy applies are Employee costs, Contractors and Materials. The LTFP assumptions reflect only a three percent growth in operating costs and does not allow for additional staffing.

The LTFP provides a small pool of New Initiative funds of \$200,000 to be allocated to high priority one-off projects and activities each year. Whilst the amount is modest, it does provide a small amount of flexibility in what will otherwise be a constrained budget. Recurrent increases in operating expenditure must be funded from matching income sources or reductions in spending in another part of the budget.

Advocate Strongly for Grants from other levels of government

Council has received substantial grants for one-off capital projects in recent years and continues to advocate strongly for grants relating to works on the road network and recreation reserves. The Local Roads and Community Infrastructure Grant (LRCI) program resulted in \$2.5 million from the Federal Government into Council's capital works over the past two years. Advocacy efforts in this area will lean heavily toward funding for capital renewals. New assets will be considered by exception. However, it is important to note that new assets require ongoing maintenance and long term renewal which will only contribute to the challenge Council faces in generating sufficient income to maintain its asset base.

Given the uncertainty about the allocation of grant funding, the LTFP has taken a conservative approach to forecasting future grant income. However, advocacy efforts and grant applications will be stepped-up to ensure that any available funding consistent with meeting Council's strategic objectives is targeted.

Asset Management

Council has an extensive network of infrastructure assets, and the ongoing maintenance and renewal of these assets is one of its biggest challenges. To ensure that decisions about funding allocation to infrastructure works are sustainable, work will continue to improve the data and analysis of asset condition, valuation, and useful life. The approach is also reflected in the rationalisation of depreciation costs over the term of the LTFP.

Council continues developing and implementing Asset Management Plans, which will provide more reliable data for the projection of costs. Asset Management Plans for roads and vehicles and equipment have been adopted by Council, with other plans in draft form. The current LTFP makes assumptions on asset renewal for some asset classes and includes the cost for significant new and upgraded assets based on the financial capacity of council.

A Capital Works Statement forms part of the below information. It shows councils increasing accumulated renewal gap based on council's current 2019 – 2023 Roads Asset Management Plan and 2021 – 2031 Fleet, Plant and Equipment Asset Management Plan. Current projections estimate that the accumulated renewal gap will grow to \$55 million by 30 June 2023.

Funding Capital Renewal

Council has substantial cash reserves made up of several specific purpose financial reserves. These reserves provide a short-term opportunity to deliver a higher level of capital works but do not represent a long-term solution. Therefore, whilst Council will use financial reserves to fund the renewal of assets, reserves mustn't be completely exhausted to ensure long-term economic sustainability.

Rates and the waste management charge provide approximately 65% of the total revenue and is the most stable and predictable source of income for Council.

The current level of rates is insufficient to fund the level of capital expenditure required to maintain the condition of existing assets. Over time, this will lead to either noticeable deterioration of infrastructure assets as projected by the accumulated renewal gap in the Capital Works Statement below or the need to review the level of rates imposed on properties considerably.

Assumptions

The following assumptions were used in preparing the LTFP to provide current service levels.

Operating income and expenditures

	2024	2025	2026-2032
\$'000's	Forecast	Forecast	Forecast
Assumptions			
Rates - Residential	5.00%	5.00%	5.00%
Rates - Commercial	5.00%	5.00%	5.00%
Rates - Gas Plant	5.00%	5.00%	5.00%
Waste Increase - No Collection	3.00%	3.00%	3.00%
User Charge	5.00%	5.00%	5.00%
Grants	0.00%	0.00%	0.00%
Employee Cost Index - including superannuation	3.00%	3.00%	3.00%
Materials & Contractors	3.00%	3.00%	3.00%
Overdue rates interest rate	17.00%	17.00%	17.00%
Cash Investment Interest Rate	1.80%	2.00%	2.50%

Capital Income and Expenditures

The below Capital Works Statement indicated council's capital works expenditure. Furthermore, capital grants have been predicted and limited to reoccurring historical grants that Council has received consistently.

The Capital Works Statement below represents capital works actuals for 2019 to 2021 and forecast figures up to 2032. The renewal gap represents the unfunded portion of the 2019-2023 Roads Asset Management Plan and the 2021-2031 Fleet, Plant and Equipment Asset Management Plan.

Period start		1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25	1 Jul 26	1 Jul 27	1 Jul 28	1 Jul 29	1 Jul 30	1 Jul 31
Period end		30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26	30 Jun 27	30 Jun 28	30 Jun 29	30 Jun 30	30 Jun 31	30 Jun 32
Capital Works Statement														
Land	\$'000	2,500	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	\$'000	2,504	1,497	1,355	198	145	145	145	1,045	1,045	145	145	145	145
Plant, machinery and equipment	\$'000	464	204	313	610	340	400	286	143	417	469	312	129	300
Roads	\$'000	1,081	4,922	3,920	4,283	4,678	4,098	4,098	4,098	4,098	4,098	4,198	4,198	4,198
Footpaths and cycleways	\$'000	-	414	200	-	-	148	406	347	109	319	79	79	79
Drainage	\$'000	542	444	538	900	1,300	630	630	630	630	630	630	630	630
Recreational, leisure and community facilities	\$'000	-	-	150	120	120	120	120	120	120	120	120	120	120
Other infrastructure	\$'000	-	497	-	306	306	306	306	306	306	306	306	306	306
Total Capital Works	\$'000	7,091	7,978	6,593	6,417	6,889	5,847	5,991	6,689	6,725	6,087	5,790	5,607	5,778
Represented by:														
Renewal Investment	\$'000	4,518	5,288	2,735	3,867	5,241	4,051	3,937	3,794	4,068	4,120	3,963	3,780	3,951
Upgrade Investment	\$'000	2,573	2,690	3,858	2,550	1,648	1,648	1,648	1,648	1,648	1,648	1,748	1,748	1,748
New Investment	\$'000	-	-	-	-	-	148	406	1,247	1,009	319	79	79	79
Total Capital Works	\$'000	7,091	7,978	6,593	6,417	6,889	5,847	5,991	6,689	6,725	6,087	5,790	5,607	5,778
Renewal Demand	\$'000	7,146	7,635	8,645	8,773	8,520	8,616	8,429	8,315	8,686	8,767	8,546	8,305	8,305
Renewal Gap = Not Funded	\$'000	2,628	2,347	5,910	4,906	3,279	4,565	4,492	4,521	4,618	4,647	4,583	4,525	4,354
Accumulated Renewal Gap	\$'000	2,628	4,975	10,885	15,791	19,070	23,635	28,127	32,648	37,266	41,913	46,496	51,021	55,375

Period start		1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25	1 Jul 26	1 Jul 27	1 Jul 28	1 Jul 29	1 Jul 30	1 Jul 31
Period end		30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26	30 Jun 27	30 Jun 28	30 Jun 29	30 Jun 30	30 Jun 31	30 Jun 32
Comprehensive Income Statement														
Revenue from Operating Activities														
Rates and Charges	\$'000	10,685	10,939	11,720	13,741	14,359	15,007	15,685	16,394	17,138	17,916	18,732	19,584	20,479
Grants - Operating (Recurrent)	\$'000	3,558	4,218	3,609	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776	3,776
Grants - Capital (Recurrent)	\$'000	297	2,062	-	-	2,071	1,528	1,528	1,528	1,528	1,528	1,528	1,528	1,528
Grants - Capital (Non-recurrent)	\$'000	408	1,720	2,949	1,733	-	205	205	205	205	205	205	205	205
Contributions (Non monetary)	\$'000	-	-	3,650	-	-	-	-	-	-	-	-	-	-
Reimbursements and Subsidies	\$'000	1	2	-	-	-	-	-	-	-	-	-	-	-
User Charges	\$'000	1,757	1,897	1,289	1,814	1,905	2,000	2,100	2,205	2,315	2,431	2,552	2,680	2,814
Statutory Fees and Fines	\$'000	137	133	189	219	219	219	219	219	219	219	219	219	219
Total Revenue from Operating Activities	\$'000	16,843	20,971	23,406	21,283	22,330	22,735	23,513	24,327	25,181	26,075	27,013	27,992	29,021
Revenue from Outside of Operating Activities														
Interest Revenue	\$'000	690	428	250	323	288	277	384	439	496	542	597	677	775
Other Revenue Outside of Operating Activities	\$'000	154	314	485	92	92	92	92	92	92	92	92	92	92
Total Revenue from Outside Operating Activities	\$'000	844	742	735	415	380	369	476	531	588	634	689	769	867
Total Revenue	\$'000	17,687	21,713	24,141	21,698	22,709	23,104	23,989	24,858	25,769	26,710	27,701	28,761	29,888
Operating Expenses from Ordinary Activities														
Employee Costs	\$'000	(6,644)	(6,553)	(7,218)	(7,542)	(7,768)	(8,001)	(8,241)	(8,489)	(8,743)	(9,006)	(9,276)	(9,554)	(9,841)
Materials & Consumables	\$'000	(7,219)	(7,596)	(8,899)	(9,300)	(9,579)	(9,866)	(10,162)	(10,467)	(10,781)	(11,105)	(11,438)	(11,781)	(12,134)
Depreciation	\$'000	(13,166)	(13,669)	(13,660)	(8,390)	(8,595)	(8,781)	(8,965)	(9,150)	(9,352)	(9,550)	(9,728)	(9,888)	(10,064)
Other Expenses	\$'000	-	-	-	(2)	-	(2)	-	(2)	-	(2)	-	(2)	-
Total Operating Expenses	\$'000	(27,029)	(27,818)	(29,777)	(25,234)	(25,943)	(26,651)	(27,368)	(28,108)	(28,876)	(29,663)	(30,442)	(31,225)	(32,039)
Net Surplus/(Deficit) from Operations	\$'000	(9,342)	(6,105)	(5,636)	(3,536)	(3,233)	(3,548)	(3,379)	(3,249)	(3,107)	(2,953)	(2,740)	(2,464)	(2,151)
Adjustments														
Net Gain/(Loss) on Disposal of Property Plant & Equipment	\$'000	(31)	(1)	-	-	-	-	-	-	-	-	-	-	-
Total Adjustments	\$'000	(31)	(1)	-	-	-	-	-	-	-	-	-	-	-
Operating Surplus/(Deficit) after Adjustments	\$'000	(9,373)	(6,106)	(5,636)	(3,536)	(3,233)	(3,548)	(3,379)	(3,249)	(3,107)	(2,953)	(2,740)	(2,464)	(2,151)
Adjusted Underlying Surplus (Deficit)	\$'000	(9,781)	(7,826)	(12,235)	(5,269)	(3,233)	(3,753)	(3,584)	(3,454)	(3,312)	(3,158)	(2,945)	(2,669)	(2,356)

Period start		1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25	1 Jul 26	1 Jul 27	1 Jul 28	1 Jul 29	1 Jul 30	1 Jul 31
Period end		30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26	30 Jun 27	30 Jun 28	30 Jun 29	30 Jun 30	30 Jun 31	30 Jun 32
Balance Sheet														
Current Assets														
Cash and Cash Equivalents	\$'000	23,903	23,823	15,974	12,616	11,014	10,379	9,916	9,066	8,516	8,953	10,068	11,798	13,836
Trade and Other Receivables	\$'000	2,926	2,953	3,233	5,145	5,369	5,576	5,808	6,050	6,286	6,568	6,847	7,137	7,422
Total Current Assets	\$'000	26,829	26,776	19,207	17,761	16,382	15,955	15,723	15,116	14,802	15,522	16,915	18,936	21,258
Non Current Assets														
Property Plant and Equipment	\$'000	2,059	52,650	-	743	1,126	1,526	1,781	2,758	3,946	4,236	4,335	4,235	4,273
Infrastructure Assets	\$'000	299,311	242,837	314,143	311,427	309,337	306,003	302,774	299,337	295,523	291,769	287,732	283,551	279,227
Right-of-Use Assets	\$'000	-	12	-	-	-	-	-	-	-	-	-	-	-
Other Financial Assets	\$'000	4,365	5,457	-	-	-	-	-	-	-	-	-	-	-
Total Non Current Assets	\$'000	305,735	300,956	314,143	312,170	310,463	307,529	304,555	302,095	299,468	296,005	292,067	287,786	283,500
Total Assets	\$'000	332,564	327,732	333,350	329,931	326,846	323,484	320,279	317,211	314,270	311,527	308,982	306,722	304,759
Current Liabilities														
Trade and Other Payables	\$'000	4,497	5,834	5,346	5,461	5,609	5,794	5,967	6,146	6,313	6,521	6,716	6,918	7,106
Current Provisions	\$'000	605	646	635	636	636	638	638	639	639	640	640	641	641
Current Interest Bearing Liabilities	\$'000	33	14	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	\$'000	5,135	6,494	5,981	6,097	6,246	6,431	6,605	6,785	6,952	7,161	7,356	7,559	7,747
Non Current Liabilities														
Non Current Provisions	\$'000	432	348	453	454	454	455	455	456	456	457	457	458	458
Total Non Current Liabilities	\$'000	432	348	453	454	454	455	455	456	456	457	457	458	458
Total Liabilities	\$'000	5,567	6,842	6,434	6,551	6,700	6,886	7,060	7,241	7,408	7,617	7,813	8,017	8,205
Net Assets	\$'000	326,997	320,890	326,916	323,380	320,146	316,598	313,219	309,970	306,862	303,909	301,169	298,705	296,554
Equity														
Accumulated Surplus	\$'000	11,433	6,586	19,421	17,414	15,707	12,772	9,799	7,337	4,710	1,246	(2,692)	(6,973)	(11,259)
Waste Management Reserve	\$'000	4,785	4,840	4,590	4,360	4,329	4,329	4,309	4,309	4,119	3,899	3,759	3,739	3,739
Asset Reserve	\$'000	11,560	12,154	6,774	5,500	4,026	3,413	3,027	2,284	2,018	2,806	4,184	6,021	8,156
Election Reserve	\$'000	100	100	46	46	46	46	46	46	46	46	46	46	46
Disaster Recovery Reserve	\$'000	500	500	600	600	600	600	600	600	600	600	600	600	600
Strategic Initiatives Reserves	\$'000	500	500	400	400	400	400	400	400	400	400	400	400	400
Unexpended Grants Reserve	\$'000	2,372	-	-	-	-	-	-	-	-	-	-	-	-
Thorak Regional Cemetery	\$'000	665	1,009	683	658	636	636	636	592	567	510	470	470	470
Unexpended Capital Works Reserve	\$'000	12	642	-	-	-	-	-	-	-	-	-	-	-
Developer Contribution Reserve - DCP/ICP	\$'000	768	257	100	100	100	100	100	100	100	100	100	100	100
Asset Revaluation Reserve	\$'000	294,302	294,302	294,302	294,302	294,302	294,302	294,302	294,302	294,302	294,302	294,302	294,302	294,302
Total Equity	\$'000	326,997	320,890	326,916	323,380	320,146	316,598	313,219	309,970	306,862	303,909	301,169	298,705	296,554

Period start		1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25	1 Jul 26	1 Jul 27	1 Jul 28	1 Jul 29	1 Jul 30	1 Jul 31
Period end		30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26	30 Jun 27	30 Jun 28	30 Jun 29	30 Jun 30	30 Jun 31	30 Jun 32
Cash Flow Statement														
Cash flows from Operating Activities														
Rates and Charges Received	\$'000	10,211	11,060	11,398	12,062	14,169	14,781	15,462	16,161	16,909	17,645	18,464	19,304	20,203
Grants - Operational Received	\$'000	3,919	6,217	3,609	3,661	3,777	3,775	3,776	3,776	3,777	3,775	3,776	3,776	3,777
Grants - Capital Received	\$'000	1,792	1,365	2,949	1,680	2,043	1,760	1,733	1,733	1,733	1,733	1,733	1,733	1,733
Interest Received	\$'000	690	428	453	323	288	277	384	439	496	542	597	677	775
User Fees Received	\$'000	1,941	2,041	1,799	1,759	1,898	1,992	2,092	2,196	2,307	2,421	2,542	2,670	2,804
Statutory Fees and Fines Received	\$'000	139	134	-	212	219	219	219	219	219	219	219	219	219
Other Revenue Received	\$'000	2,136	1,382	411	89	92	92	92	92	92	92	92	92	92
Employee Costs Paid	\$'000	(7,166)	(6,902)	(7,218)	(7,529)	(7,751)	(7,980)	(8,222)	(8,468)	(8,724)	(8,982)	(9,254)	(9,531)	(9,819)
Materials and Consumables Paid	\$'000	(8,299)	(7,210)	(8,899)	(9,198)	(9,447)	(9,703)	(10,008)	(10,309)	(10,633)	(10,921)	(11,264)	(11,602)	(11,968)
Net Cash flows from Operating Activities	\$'000	5,363	8,515	4,502	3,059	5,287	5,212	5,528	5,840	6,175	6,524	6,905	7,337	7,816
Cash flows from Investing Activities														
Payment for Property Plant and Equipment and Infrastructure	\$'000	(5,167)	(9,070)	(6,593)	(6,417)	(6,889)	(5,847)	(5,991)	(6,689)	(6,725)	(6,087)	(5,790)	(5,607)	(5,778)
Proceeds from Property Plant and Equipment and Infrastructure	\$'000	79	179	-	-	-	-	-	-	-	-	-	-	-
Net Cash flows from Investing Activities	\$'000	(5,088)	(8,891)	(6,593)	(6,417)	(6,889)	(5,847)	(5,991)	(6,689)	(6,725)	(6,087)	(5,790)	(5,607)	(5,778)
Cash flows from Financing Activities														
Repayments of Interest Bearing Loans and Borrowings	\$'000	(30)	316	-	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities	\$'000	(18)	(20)	-	-	-	-	-	-	-	-	-	-	-
Net Cash flows from Financing Activities	\$'000	(48)	296	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash Held	\$'000	227	(80)	(2,091)	(3,358)	(1,602)	(635)	(463)	(849)	(550)	437	1,115	1,730	2,038
Cash at Beginning of the Financial Year	\$'000	23,676	23,903	18,065	15,974	12,616	11,014	10,379	9,916	9,066	8,516	8,953	10,068	11,798
Cash at End of the Financial Year	\$'000	23,903	23,823	15,974	12,616	11,014	10,379	9,916	9,066	8,516	8,953	10,068	11,798	13,836