Long Term Financial Plan 2024-33

Adopted 29 August 2023

1. Introduction

The purpose of the long-term financial plan (LTFP) is to express, in financial terms, the activities that the District Council of Karoonda East Murray (Council) proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Strategic Plan.

It is a guide for future action based on the longer-term impact of revenue and expenditure proposals. The aggregation of future intended outlays and anticipated revenues enables the accumulating overall financial implications to be readily identified and if warranted, for proposed future activities to be revised.

Long-term financial plans are particularly important for local governments as they are responsible for managing a high level of long-lived assets relative to their income base. A council may have long-periods with modest levels of asset renewal requirements and then other periods when very significant outlays are necessary. All councils need to generate revenue in an equitable manner over time and ensure they have capacity to finance peaks in asset management and other outlays when, and including by way of borrowings where, necessary.

The preparation of a LTFP generates improved information to guide decisions about the mix and timing of outlays on operating activities and additional assets and the funding implications of these. Without a soundly based LTFP & IAMP (Infrastructure & Asset Management Plan) an organisation with significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels and affordable asset stockholding strategies, appropriate revenue targets or optimal treasury management.

2. Key assumptions

The following assumptions have been built into the forecast calculations:

- The content of the LTFP is based on real (2023-24) dollar values for all future years to facilitate comparisons between years.
- Forecast debt and cash reserves in future years have been discounted by 3.25% per annum for 2024-25, 2.75% for 2025-26 then 2.50% each year after that in recognition of the fact that inflation reduces the real value of financial assets and liabilities.

  Refer following extract from the State Budget 2023-24, Budget Paper 5: Budget Measures Statement, Chapter 7: South Australian economy.

Economic forecasts

Table 7.1: Key economic indicators — Australia and South Australia real growth rates (per cent per annum, year averages)

	2021-22 Actual	2022-23 Estimate	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection
Australia[(a)]						
Gross Domestic Product (GDP)	3.7	3¼	1½	2¼	2¾	2¾
South Australia						
Gross State Product (GSP)	5.1	3½	1	1¾	2	2
State Final Demand (SFD)	5.6	2½	1¼	1¾	2	2
Employment	3.9	3	1	¾	1	1
Adelaide Consumer Price Index (CPI)	4.2	7¾	3¾	3¼	2¾	2½

(a) Australian forecasts from Commonwealth Government's 2023-24 Budget, Budget Strategy and Outlook, Budget Paper No.1.

- Investment revenue has been calculated on the assumed rate of 4.3% p.a. for the financial year ending 30 June 2025, 3.8% for the financial years ending 2024, 2.5% p.a. for 2026 each year after that
- Capital renewal expenditure for all classes of assets has been funded at the levels identified from Council's asset management plan 2024-33.
- Wages have been assumed to increase in line with CPI.
- A zero growth or decline in population is assumed.
- Maintenance costs are maintained at current levels.
- Service range & standards are maintained at current levels.
- A pool of funds approach to financing has been assumed. Accordingly, any accumulations of cash have been offset against any debt that may exist.
- Commonwealth Financial Assistance Grant (FAGs) has been evened out such that the plan reflects a stable four payments across each year.
- Supplementary Local Roads funding remains constant throughout the ten years of the financial plan.
- Commonwealth Roads to Recovery funding remains constant throughout the ten years of the financial plan.

3. Financial Strategy

The LTFP projects a Council's operating position is forecast to move from a deficit position into a small surplus position by the implementation of the following financial strategy.

- A 3% plus CPI increase in rate revenue for the year ending 30 June 2025, 2% plus cpi for the year ending 30 June 2026 & 1% above cpi for each year after that.
- The increases in rate revenue are required to produce an operating surplus ratio result that is large enough to hedge against operating expenditure inflation risk or any other risk associated with the loss or reduction in grant revenue.
- The strategy of rate revenue increases will be reviewed annually. Should alternative revenue streams be identified that could subsidise rates or further efficiency gains be implemented the increases of this nature will not be required. Management will continue to pursue opportunities to create revenue generating assets and reducing expenditure through efficiency.
- An alternative option that would achieve the same result as the increased rate revenue would be to review and reduce the range and level of services provided to the community by Council. This has not been included as an option in this version of the plan.
- Significant quantities of debt will not be incurred until a strategy has been identified that will highlight how Council will repay the additional debt. This will be reflected in an updated LTFP to be prepared at that time
- The ceiling target for net financial liabilities will be sufficient enough to allow Council flexibility should unforeseen circumstances lead to a shortfall in funding
- Community wastewater management schemes (CWMS) and waste collection service charges will be increased in line with CPI and be sufficient to recover the whole of life cost of providing these services
- Grant revenue will be targeted in a strategic manner. This means that grant revenue to build new assets would only be pursued and accepted if the new assets were deemed to be warranted, particularly if additional funding was to be contributed by Council. Where an operating grant is

sought and additional Council funds are required to be contributed, then careful consideration will be given to long-term benefits and costs. This will ensure activities that may better fit Council's strategic objectives are not being delayed in lieu of the activity being funded by the grant

- Revaluation of assets will be undertaken in a timely and appropriate manner to allow for increased accuracy with the AMP and asset register and subsequently to ensure accurate depreciation figures can be determined

4. Funding Plan

Council's approach to funding services and infrastructure of the council

The Uniform Presentation of Finances (UPF) in section 7 of this plan identifies future cash surpluses or shortages. This allows a mechanism for Council to make investing and funding decisions independently of one another.

Investing decisions are decisions that determine what services Council will spend its money on whereas funding decisions are decisions made on how best to invest any cash surplus to needs or fund in cash shortages as identified in the UPF.

In most instances, it will always be more cost effective to fund a cash shortfall from cash reserves (if available) rather than from debt due to the gap between the investing and lending rates offered by banks. Any cash surpluses that are identified should be applied against debt for the same reason. Councils' Treasury Management Policy allows flexibility in borrowings to enable this offset to occur.

Council's projected total revenue for the period to which the long-term financial plan relates

Total forecast Operating revenue across the ten years of the plan is $56M.

Intended sources of $56M operating revenue

Rates - General & Other rates account for 41% of Councils ten-year revenue forecast.

General Rates – Section 146 of the Local Government Act 1999 provides for a Council to raise revenue for the broad purposes of the Council through a general rate. This applies to all rateable properties, using differential rating principles that vary according to the locality of the land and its use, rates are calculated with reference to property capital values. Rate calculations are subject to a minimum rate.

Other Rates - In addition, Section 146 of the Local Government Act 1999 also allows Council to raise separate rates, service rates and service charges.

Council charges a service rate for Community Wastewater Management Systems and kerb side bin collection services. The rate is set at a level that will recover the whole of life costs of these services.

Statutory Charges account for 1% of Councils ten year revenue forecast.

These are charges prescribed in various Acts of parliament.

User charges - account for 7% of Councils ten year revenue forecast.

The Local Government Act 1999 allows Council to levy charges for the reasons outlined in Section 188 (1). The charges do not need to be based on cost recovery unless the charge is a Statutory Charge. This means Council can subsidise a service or make a profit on the service dependent upon Council policy.

Grants, subsidies and contributions account for 50% of Councils' ten year revenue forecast.

This income represents amounts received from Government and other entities to assist with a range of Councils operating and capital services.

There are four categories that this revenue is separated into. Recurring operating grants, non–recurring operating grants, non–recurring capital grants and amounts specifically for new or upgraded assets.

Investment income account for 1% of Councils ten year revenue forecast.

Council is only permitted to invest in term deposits. This revenue is dictated by market forces that set the interest income earning rates.

Reimbursements account for 0.05% of Councils ten year revenue forecast.

This revenue is related to activities that Council undertake on behalf of other organisations. It is essentially money in, money out.

Other income accounts for 1% of Councils ten year revenue forecast.

This income relates to any revenue stream that is not specifically covered by any of the categories explained above.

5 Financial Sustainability – Key Indicators

The financial sustainability evaluation of a Council is undertaken with reference to a properly developed and complete LTFP. The financial plan includes the forecast achievement of projected performance against agreed financial sustainability targets. By achieving these targets Council can claim to be operating in a financially sustainable manner.

In order to demonstrate that the financial strategies above are being achieved, Council needs to monitor the operating surplus ratio.

Further to this, two additional ratios will be reported on to demonstrate that assets are being replaced in line with the requirements of the infrastructure and asset management data whilst maintaining sensible debt levels.

These ratios are:

- Net financial liabilities ratio
- Asset renewal funding ratio

The following data has been used to populate the Key Financial Indicator graphs in the sections below:

Year Ending 30 June:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Operating Surplus Ratio											
Operating Surplus	(69)	(8)	1	46	74	100	135	169	195	223	249
Total Operating Revenue	4,653	5,410	5,467	5,513	5,541	5,566	5,602	5,635	5,662	5,689	5,716
	-1%	**0%**	**0%**	**1%**	**1%**	**2%**	**2%**	**3%**	**3%**	**4%**	**4%**
Net Financial Liabilities Ratio											
Net Financial Liabilities	(946)	61	(182)	(589)	(709)	(1,227)	(1,666)	(1,792)	(1,957)	(2,065)	(2,191)
Total Operating revenue	4,653	5,410	5,467	5,513	5,541	5,566	5,602	5,635	5,662	5,689	5,716
	-20%	**1%**	**-3%**	**-11%**	**-13%**	**-22%**	**-30%**	**-32%**	**-35%**	**-36%**	**-38%**
Asset Renewal Funding Ratio											
Net Asset Renewal Expenditure per LTFP	2,050	1,461	1,217	1,353	1,658	1,284	1,185	1,521	1,305	1,385	1,391
Net Asset Renewal Expenditure per AMP	2,050	1,461	1,217	1,353	1,658	1,284	1,185	1,521	1,305	1,385	1,391
	100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

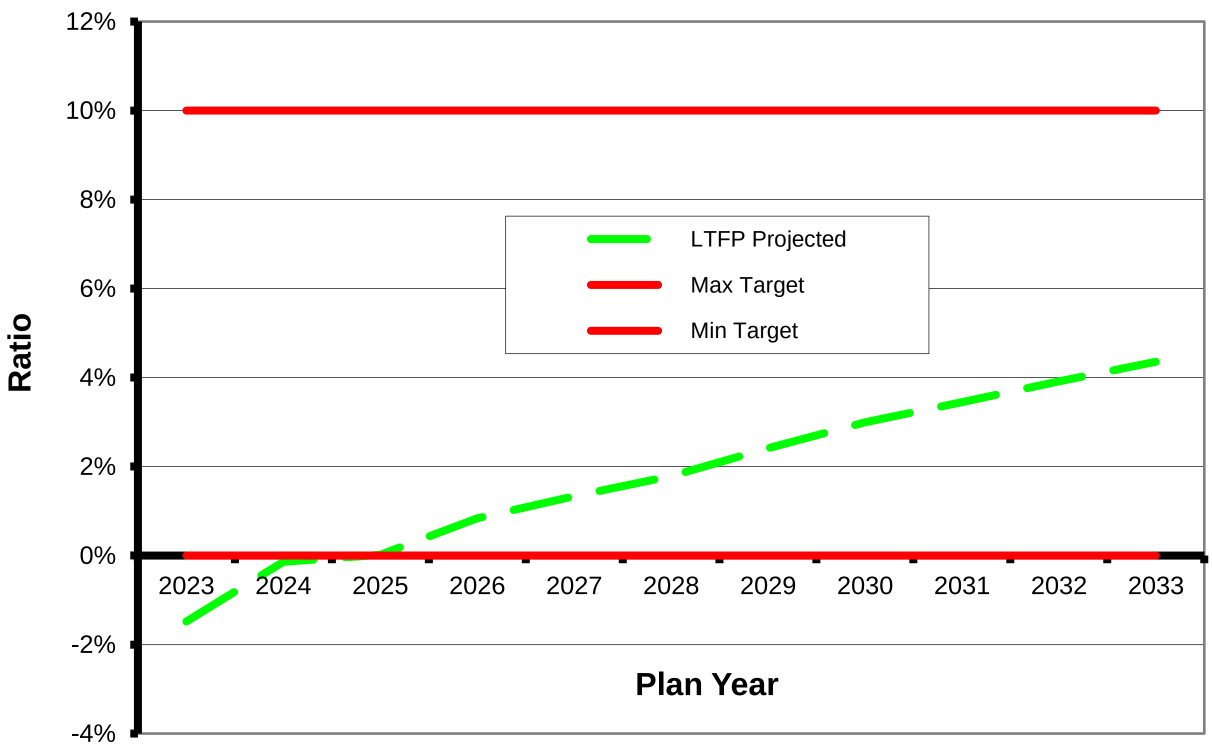
5.1 Operating surplus ratio (OSR)

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of total operating revenue.

Calculated as: Operating revenue minus operating expense divided by operating revenue.

The following graph reflects the impact of the financial strategy included in section 3.

The financial strategy will be reviewed annually as part of the budget setting process, any changes to this strategy determined by Council will most likely impact on the graph below.



The OSR is used to confirm that Council can cover its operating expenditure and depreciation charge from its operating revenue. A negative result indicates that Council is not doing so.

The above information forecasts that Council will be operating in a surplus position from the 2024-25 financial year onwards. The financial strategy ensure Council moves to a situation where there is a reasonable buffer to hedge against unexpected increases to operating expenditure or alternatively unexpected reductions in non-rate revenue.

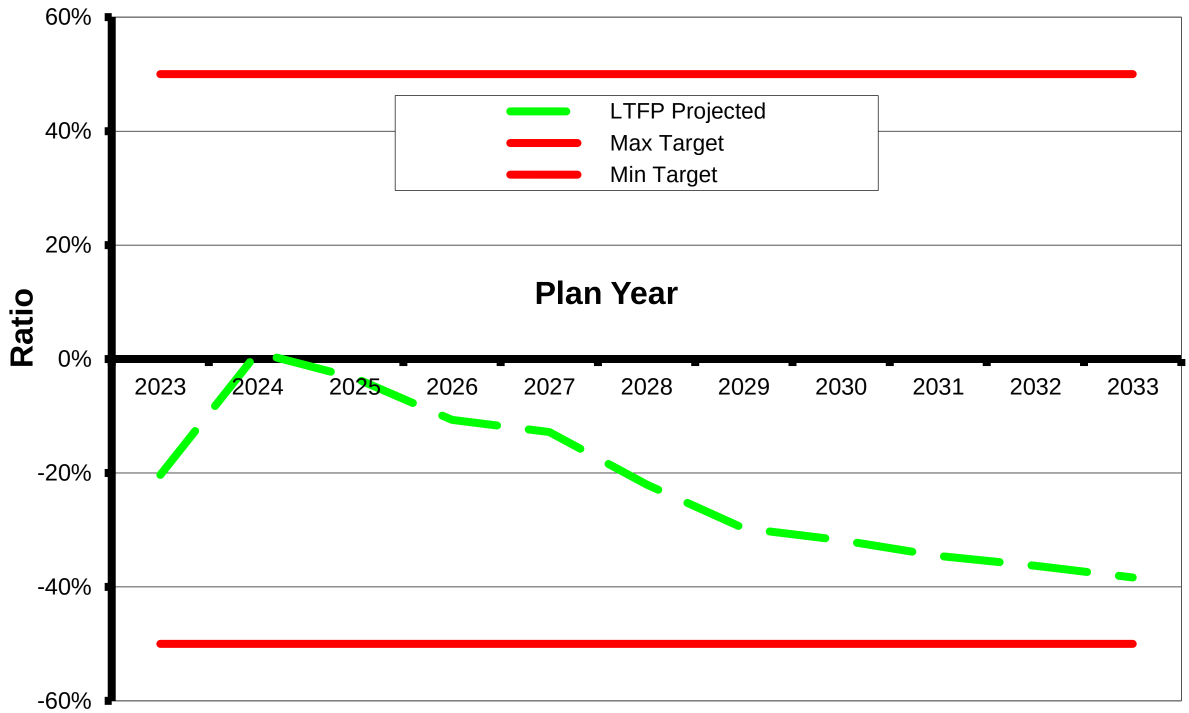
The target range has been set at 0% to 10% for the duration of the plan. This is in line target range for this ratio as required by the assessment framework Escosa are using for the assessment of this ratio

An additional use of this ratio has been identified by Escosa where they use it to understand what is driving a council's operating surplus ratio and the extent to which this indicates potential concerns regarding affordability and cost control risk. This is very similar to how Council have used this ratio to assess its operating performance.

5.2 Net Financial Liabilities Ratio (NFLR)

Net financial liabilities are a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, Net Financial Liabilities equals total liabilities minus financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The NFLR answers the question - Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves? The following graph shows that Council can answer “Yes” to this question.



The District Council of Karoonda East Murray is currently in a net financial assets position; accordingly, the net financial liabilities ratio is showing a negative amount.

Council has set a target range for this ratio of between -50% to 50%.

In relation to the assessment of Councils financial sustainability a result of less than 0% indicates Council is in a net financial assets position, accordingly Council should not be assessed as having a financial sustainability risk due to unmanageable levels of liabilities.

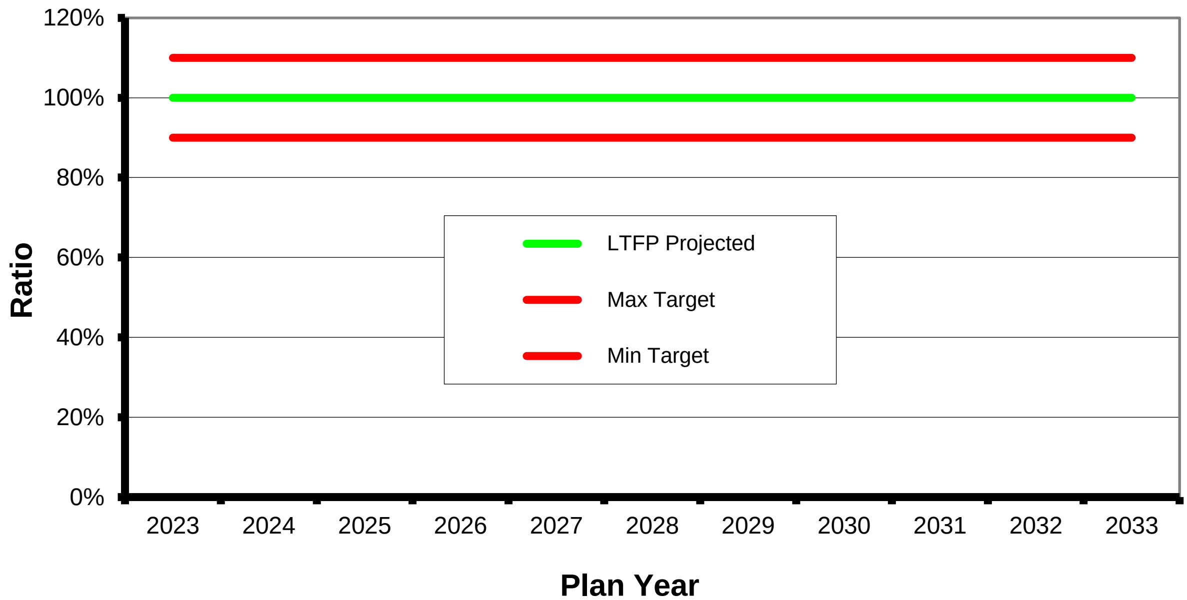
An additional use of this ratio has been identified by Escosa where they use it to understand what is driving a council’s net financial liabilities ratio and the extent to which this indicates potential concerns regarding financial and service sustainability risk. The results of the ratio indicate there are no concerns.

5.3 Asset Renewal Funding Ratio (ARFR)

This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure identified from Council's 2024-33 asset management plan.

If capital expenditure on renewing or replacing existing assets is at least equal to the level required as indicated by Council's asset management plan, then a Council is ensuring optimal timing of replacement of physical assets to maintain service levels. Any material underspending on renewal and replacement over the medium term is likely to adversely impact on the achievement of preferred, affordable service levels and could potentially progressively undermine a Council's financial sustainability.

Council have adopted a range that is consistent with the rest of the Local Government Sector for this ratio of between 90% to 110%.



The above information indicates that the ARFR is targeted to be 100% for the life of the plan indicating that asset renewal directly reflects the requirements of Councils 10 year asset renewal plans outlined in the following table:

Year Ending 30 June:	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
Sealed	0	0	0	250	0	0	225	0	0	0
Unsealed	980	622	884	858	946	795	885	770	894	808
Plant & Equipment	360	595	441	530	175	245	331	530	405	530
CWMS	30	22	18	50	45	45	65	40	16	38
Buildings & Structures, Other	246	268	213	210	213	210	168	240	210	255
Total	**1,616**	**1,507**	**1,556**	**1,898**	**1,379**	**1,295**	**1,674**	**1,580**	**1,525**	**1,631**

The following table includes typical allocations included in the management level operating budgets for the maintenance of Councils assets as outlined on page 8 of the IAMP. These amounts are funded in this LTFP.

Asset Maintenance	Indicative $,000
Community Wastewater Management	94
Water Supply	23
Buildings	108
Child Care Centre	26
Public Conveniences	74
Street Cleaning	29
Streetscaping	35
Parks and Gardens	133
Sporting Facilities	112
Footpaths and Kerbing	45
Roads - Sealed	272
Roads - Unsealed	585
Traffic Management	35

New Assets funded in LTFP 2024-33

New asset construction included in the Annual Business Plan for 2023-24 totals $778k.

Tower Drive Karoonda will be sealed for the first time in 2024-25 at a forecast cost of $250k.

A notional futures fund has been included in the LTFP for the construction of new assets. Amounts of $200k p.a. for the years ending 30 June 2029 & 2030 plus $400k p.a. included for each year after that. These amounts are in recognition of Councils ability to take on future projects in those years.

6 Chief executive officer report on the sustainability of the Council's Long Term Financial performance and position

The analysis of the key financial indicators table and relevant graphs included in the 2024-33 Long Term Financial Plan (LTFP) demonstrates that the Council is forecasting to operate in a financially sustainable manner throughout the life of the plan.

The OSR ranges from 0% trending upwards to 4% across the ten years. This equates to an operating surplus of between $0k trending upwards to $250k p.a.

As with all businesses in Australia, Councils' forecast expenditure is exposed to inflation risk. The LTFP assumes CPI is the relevant yardstick to peg future cost increases to. The risk is that CPI is not reflective of Councils actual cost increases and that Councils costs may in reality increase by more than CPI. Should this occur, Council might be moved into an unsustainable operating deficit position.

Further to this, a level of risk has also been identified in relation to Councils dependence upon recurring grant income, in particular, financial assistance grants, supplementary local road funding and roads to recovery funding. In the 2022-23 financial year, these three streams of revenue accounted for 43% of Councils operating income.

Cash and cash equivalents average $1.4M across the life of the LTFP. As such, should operating expenses increase, or operating revenue decrease due to situations out of Councils' control, there will be sufficient time for Council to update its financial strategy to rectify any financial sustainability issues this may cause.

The Council is committed to ensuring the ten year asset renewal program as well as the LTFP is continually updated when necessary (and at least annually) to ensure that it will always have appropriate strategies in place to ensure it is operating in a financially sustainable manner. The update of the ten year renewal programs will have a focus on asset conditions with external assistance brought in where required to ensure the renewal programs accurately reflect Councils planned capital expenditure needs.

The 2023-24 Annual Business Plan & Budget as well as the 2024-33 AMP & LTFP are consistent with the strategic goals and principal activities of Councils Strategic Management Plan.

Year one of the 2024-33 IAMP & LTFP is consistent with the 2023-24 adopted Annual Business Plan & Budget. The LTFP funds the capital and maintenance identified in the IAMP. This also has been confirmed in discussions held during the July 2023 Audit & Risk Committee meeting.

7. Relevant Legislation

Local Government Act 1999

122—Strategic management plans

(4) A council may review its strategic management plans under this section at any time but must—

(a) undertake a review of—

(i) its long-term financial plan; and

(ii) any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph,

as soon as practicable after adopting the council's annual business plan for a particular financial year;

Local Government (Financial Management) Regulations 2011

5—Long-term financial plans

(1) A long-term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—

(b) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*; and

(c) estimates and target ranges adopted by the council for each year of the long-term financial plan with respect to an operating surplus ratio, a net financial liabilities ratio and an asset renewal funding ratio presented in a manner consistent with the note in the Model Financial Statements entitled *Financial Indicators*.

(2) A long-term financial plan must be accompanied by a statement which sets out—

(a) the purpose of the long-term financial plan; and

(b) the basis on which it has been prepared; and

(c) the key conclusions which may be drawn from the estimates, proposals and other information in the plan.

(3) A statement under sub-regulation (2) must be expressed in plain English and must avoid unnecessary technicality and excessive detail.

8. Uniform Presentation of Finances & Principal Financial Reports

The Summary of Financial Performance & Position statement together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations.

The Summary of Financial Performance & Position report highlights the operating surplus / (deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line or rather the result of this report is the movement in Net Financial Liabilities (Net Lending / Borrowing) for the year based on Council's planned capital and operating budgets for that year.

Achieving a zero result on the net lending / (borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

Explanation / Examples of Components of Uniform Presentation of Finances

Operating Revenue and Expenditure: Represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Roads reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New & Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for new or upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a council building that was no longer required, sale of surplus land.

Uniform Presentation of Finances & Principal Financial Reports

Year Ending 30 June:	2023 Year 0 $'000	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
Operating Revenues	4,653	5,410	5,467	5,513	5,541	5,566	5,602	5,635	5,662	5,689	5,716
less Operating Expenses	4,722	5,418	5,466	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467
Operating Surplus/(Deficit) before Capital Amounts	**(69)**	**(8)**	**1**	**46**	**74**	**100**	**135**	**169**	**195**	**223**	**249**
LESS: Net Outlays on Existing Assets											
Capital Expenditure on Renewal or Replacement of Existing Assets	2,300	1,616	1,507	1,556	1,898	1,379	1,295	1,674	1,580	1,525	1,631
less Depreciation, Amortisation & Impairment	(1,674)	(1,674)	(1,713)	(1,723)	(1,723)	(1,723)	(1,723)	(1,723)	(1,723)	(1,723)	(1,723)
less Proceeds from Sale of Replaced Assets	(250)	(155)	(290)	(203)	(240)	(95)	(110)	(153)	(275)	(140)	(240)
Net Outlays on Existing Assets	**376**	**(213)**	**(496)**	**(370)**	**(65)**	**(439)**	**(538)**	**(202)**	**(418)**	**(338)**	**(332)**
LESS: Net Outlays on New or Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	350	778	250	0	0	0	200	200	400	400	400
less Amounts Specifically for New/Upgraded Assets	0	0	0	0	0	0	0	0	0	0	0
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0
Net Outlays on New or Upgraded Assets	**350**	**778**	**250**	**0**	**0**	**0**	**200**	**200**	**400**	**400**	**400**
EQUALS: Net Lending / (Borrowing) for Financial Year	**(794)**	**(573)**	**247**	**416**	**139**	**539**	**473**	**171**	**213**	**160**	**181**

Statement of Comprehensive Income

Year Ending 30 June:	2023 Year 0 $'000	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
Income											
Rates	1,900	2,128	2,192	2,236	2,258	2,281	2,304	2,327	2,350	2,374	2,397
Statutory charges	43	43	43	43	43	43	43	43	43	43	43
User charges	325	383	383	383	383	383	383	383	383	383	383
Grants, subsidies and contributions	2,312	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782
Investment income	18	18	11	13	19	22	34	45	48	52	55
Reimbursements	3	3	3	3	3	3	3	3	3	3	3
Other income	52	52	52	52	52	52	52	52	52	52	52
Total Operating Revenue	**4,653**	**5,410**	**5,467**	**5,513**	**5,541**	**5,566**	**5,602**	**5,635**	**5,662**	**5,689**	**5,716**
Expenses											
Employee Costs	1,190	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420
Material, Contractors & Other	1,858	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324	2,324
Depreciation, Amortisation & Impairment	1,674	1,674	1,713	1,723	1,723	1,723	1,723	1,723	1,723	1,723	1,723
Finance Charges	0	0	9	0	0	0	0	0	0	0	0
Total Operating Expenses	**4,722**	**5,418**	**5,466**	**5,467**	**5,467**	**5,467**	**5,467**	**5,467**	**5,467**	**5,467**	**5,467**
Operating Surplus / (Deficit)	**(69)**	**(8)**	**1**	**46**	**74**	**100**	**135**	**169**	**195**	**223**	**249**
Net Surplus / (Deficit)	**(69)**	**(8)**	**1**	**46**	**74**	**100**	**135**	**169**	**195**	**223**	**249**
Total Comprehensive Income	**(69)**	**(8)**	**1**	**46**	**74**	**100**	**135**	**169**	**195**	**223**	**249**

Statement of Financial Position

As at 30 June:	2023 Year 0 $'000	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
Assets											
Current Assets											
Cash and Cash Equivalents	1,121	269	358	764	885	1,402	1,841	1,967	2,132	2,241	2,367
Trade & Other Receivables	375	375	375	375	375	375	375	375	375	375	375
Inventories	8	8	8	8	8	8	8	8	8	8	8
Total Current Assets	**1,504**	**652**	**741**	**1,148**	**1,268**	**1,785**	**2,224**	**2,350**	**2,516**	**2,624**	**2,750**
Non Current Assets											
Infrastructure, Property, Plant & Equipment	45,959	46,524	46,278	45,908	45,842	45,403	45,065	45,063	45,044	45,106	45,175
Other Non-current Assets	859	859	859	859	859	859	859	859	859	859	859
Total Non-current Assets	**46,818**	**47,383**	**47,137**	**46,767**	**46,701**	**46,262**	**45,924**	**45,921**	**45,903**	**45,965**	**46,034**
Total Assets	**48,322**	**48,035**	**47,878**	**47,914**	**47,969**	**48,047**	**48,148**	**48,272**	**48,419**	**48,589**	**48,784**
Liabilities											
Current Liabilities											
Trade & Other Payables	334	334	334	334	334	334	334	334	334	334	334
Provisions	194	194	194	194	194	194	194	194	194	194	194
Total Current Liabilities	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**
Non-current Liabilities											
Borrowings	0	154	0	0	0	0	0	0	0	0	0
Provisions	23	23	23	23	23	23	23	23	23	23	23
Total Non-Current Liabilities	**23**	**177**	**23**	**23**	**23**	**23**	**23**	**23**	**23**	**23**	**23**
Total Liabilities	**551**	**705**	**551**	**551**	**551**	**551**	**551**	**551**	**551**	**551**	**551**
Net Assets	**47,771**	**47,329**	**47,327**	**47,363**	**47,418**	**47,496**	**47,597**	**47,721**	**47,868**	**48,038**	**48,233**
Equity											
Accumulated Surplus	17,799	17,357	17,358	17,404	17,478	17,577	17,712	17,881	18,076	18,299	18,547
Asset Revaluation Reserves	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972
Adjustment to Cash & Borrowings for effects of inflation	0	0	(4)	(13)	(32)	(53)	(88)	(132)	(180)	(232)	(287)
Total Equity	**47,771**	**47,329**	**47,327**	**47,363**	**47,418**	**47,496**	**47,597**	**47,721**	**47,868**	**48,038**	**48,233**

Statement of Changes in Equity

Year Ending 30 June:	2023 Year 0 $'000	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
Accumulated Surplus											
Balance at end of previous reporting	17,868	17,365	17,357	17,358	17,404	17,478	17,577	17,712	17,881	18,076	18,299
Net Result for Year	(69)	(8)	1	46	74	100	135	169	195	223	249
Balance at end of period	**17,799**	**17,357**	**17,358**	**17,404**	**17,478**	**17,577**	**17,712**	**17,881**	**18,076**	**18,299**	**18,547**
Asset Revaluation Reserve											
Balance at end of previous reporting	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972	29,972
Gain on Revaluation of Property Plant &	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	**29,972**	**29,972**	**29,972**	**29,972**	**29,972**	**29,972**	**29,972**	**29,972**	**29,972**	**29,972**	**29,972**
Adjustment to Cash & Borrowings for effects of inflation	**0**	**0**	**(4)**	**(13)**	**(32)**	**(53)**	**(88)**	**(132)**	**(180)**	**(232)**	**(287)**
Total Equity at End of Reporting	**47,771**	**47,329**	**47,327**	**47,363**	**47,418**	**47,496**	**47,597**	**47,721**	**47,868**	**48,038**	**48,233**

Statement of Cash Flow

Year Ending 30 June:	2023 Year 0 $'000	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts											
Operating Receipts	4,635	5,392	5,456	5,500	5,522	5,545	5,567	5,590	5,614	5,637	5,661
Investment Receipts	18	18	11	13	19	22	34	45	48	52	55
Payments											
Operating Payments to Suppliers & Employees	3,048	3,745	3,747	3,753	3,762	3,765	3,778	3,789	3,792	3,796	3,798
Finance Payments	0	0	9	0	0	0	0	0	0	0	0
Net Cash provided by (or used in) Operating Activities	**1,605**	**1,665**	**1,710**	**1,759**	**1,778**	**1,801**	**1,824**	**1,847**	**1,870**	**1,893**	**1,917**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Sale of replaced Assets	250	155	290	203	240	95	110	153	275	140	240
Payments											
Expenditure on renewal/replaced assets	2,300	1,616	1,507	1,556	1,898	1,379	1,295	1,674	1,580	1,525	1,631
Expenditure on new/upgraded assets	350	778	250	0	0	0	200	200	400	400	400
Net cash provided by (used in) Investing Activities	**(2,400)**	**(2,239)**	**(1,467)**	**(1,353)**	**(1,658)**	**(1,284)**	**(1,385)**	**(1,721)**	**(1,705)**	**(1,785)**	**(1,791)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Proceeds from Borrowings	0	96	0	0	0	0	0	0	0	0	0
Payments											
Repayment of Borrowings	0	0	154	0	0	0	0	0	0	0	0
Net Cash Provided by (used in) Financing Activities	**0**	**96**	**(154)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Increase / (Decrease) in Cash	**(794)**	**(477)**	**89**	**407**	**121**	**517**	**439**	**126**	**165**	**108**	**126**
Cash and Cash Equivalents at start of reporting period	1,915	746	269	358	764	885	1,402	1,841	1,967	2,132	2,241
Cash & Cash Equivalents at the end of the reporting period	**1,121**	**269**	**358**	**764**	**885**	**1,402**	**1,841**	**1,967**	**2,132**	**2,241**	**2,367**