



# **LONG TERM FINANCIAL PLAN**

## **2022/23 - 2031/32**



**Adopted 27 June 2022**

### **Acknowledgement of Country**

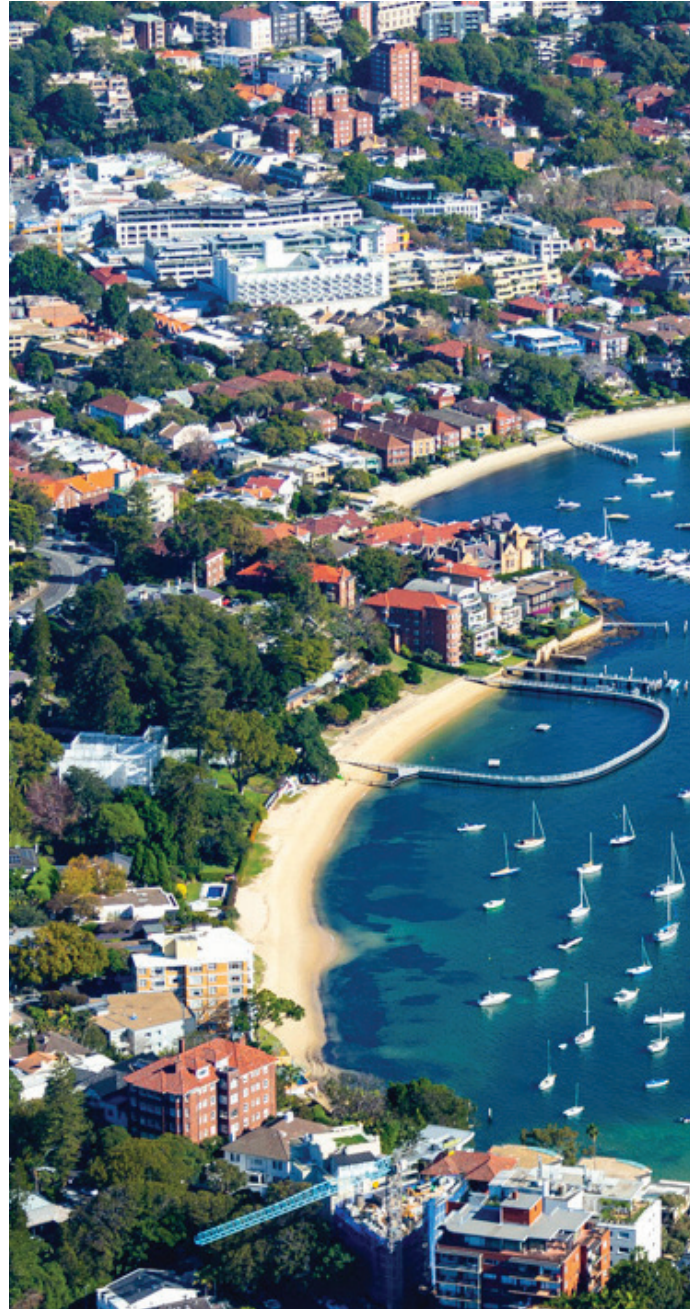
Woollahra Council acknowledges the Gadigal and Birrabirragal people who are the traditional custodians of this land and pay our respects to Elders both past and present and leaders emerging.





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Aerial view of Murray Rose Pool

# Introduction

## What Is A Long Term Financial Plan?

Council needs to maintain a financially sustainable position over time so that we can provide infrastructure and services for the benefit of our community. Our Long Term Financial Plan (LTFP) helps us develop a plan to achieve this. The LTFP expresses in financial terms the activities Council proposes to undertake in the short, medium and long term. Using this, we can identify if we can continue to pay for our services and maintain our infrastructure in good condition (i.e. community buildings, parks, roads and business centres) with the income that we expect to receive.

Using our LTFP we can answer some key questions:

- Where will we be financially in 10 years?
- Is our revenue growing at the same rate as our costs?
- Are we able to financially afford our current service levels over time?
- What would be the financial impact if we did something different?
- Can we afford to do something new or build a new facility for our community to use?

The LTFP is for a period of 10 years and we update it each year. Financial planning over a 10-year period is challenging and relies on a range of assumptions many of which are largely outside of Councils control, for example the rate peg determined each year by the Independent Pricing & Regulatory Tribunal (IPART). We therefore closely monitor our LTFP and regularly update it to reflect these changing circumstances.

We also look at what would be the impact on our finances if trends were to worsen. We do this through a sensitivity analysis using the key assumptions most likely to affect the LTFP and is included on page 16.

Further to this, the LTFP allows us to run different scenarios helping us to answer the question “what would be the financial impact if we did something different?” In developing our LTFP we have looked at four different scenarios which are detailed later.

## What Does Financial Sustainability Mean?

Financial sustainability is the ability to meet our current and future costs as they arise and to have the capacity to respond to foreseeable changes and emerging risks. Put simply it is our ability to:

- Cover our existing expenses and their future increases
- Cover new expenses that we know will be required into the future
- Have the ability to react to cover the expenses from things that we think may occur, for example a major storm event and resulting repair works and clean up that may be required.



## Our Financial Challenges

This year we have updated our LTFP against a backdrop of challenges we have faced over the last five years including that our expenditure has grown at a greater rate than our income. There have been a range of factors contributing to this, only some of which Council are able to control or change. We continue to take significant steps to address these including those outlined in the section “How Are We Addressing Our Financial Challenges” below.

More challenging for Council are external factors which Council has either no control over, or limited capacity to predict, including:

- COVID-19 which has had a significant impact on Council's financial position over the 2019-2020, 2020-2021 and 2021-2022 financial years, of over \$11 million. This was through a combination of support initiatives provided to the community as well as the impact of reduced income across a range of sources.
- \$42 million (41%) of our income comes from rates, excluding capital grants and contributions. The increase in rates income is set annually by the IPART. This constrains our ability to increase our revenue to adequately cover appropriate increases in our costs.

These challenges have resulted in financial deficits in each of 2019-2020, 2020-2021 and 2021-2022 financial years. During the last few years we have been fortunate to have cash reserves to draw on and have been able to maintain Council's services. This is not a long term solution as our cash reserves are limited. We must address these deficits and regain our surplus.

## How Are We Addressing Our Financial Challenges?

We have taken a proactive approach to improving our financial position through the following budget repair actions:

- In April 2021 Council resolved to refinance our Loan for Kiaora Place, the Council-owned Double Bay commercial centre, resulting in:
  - decreased annual interest expense by \$700,000
  - total savings of \$7.87 million over the life of the loan (net of the one-off break costs of \$6.45million)
- During 2021 we extended the replacement of our passenger vehicles from a 2.5 year replacement cycle to a 4 year replacement cycle. This is expected to save \$3.5million over 10 years
- Councillors and Council staff identified and implemented expense efficiencies of \$500,000 in 2021/22, with a further anticipated \$2.7million saving included in 2022/23 through a staff review / redundancy program. These actions have been achieved without impacting adversely on the services provided to our community. With regard to the staffing review, it should be noted that any further expenditure or staff reductions will likely result in an impact on the services Council provides to the community.
- Council continues to look at opportunities to increase income, with potential additional income of around \$2 million per annum. This income is phased in to our LTFP over three years commencing with \$500,000 in 2022-23. This is subject to changes in the Local Environment Plan and future resolutions of Council.

# Our 2022-23 Draft Budget

## Our Budget Goals

Council's overall guiding principle is to establish and maintain a financially sustainable position, underpinned by a sound income base and commitment to the delivery of services, facilities and infrastructure for our community in an effective and efficient manner.

We have established specific goals for our budget to support this:

No.	Goal
1	Maintain or improve our programs and services
2	React to unforeseen circumstances i.e. financial flexibility
3	Prioritise specific one off operational initiative items from year to year i.e. financial flexibility
4	Fully fund our required asset maintenance and renewals – no infrastructure backlog

We note that the above goals are referenced throughout the following pages.

## Budget Overview

The 2022-23 draft operating budget forecasts income of \$109.7 million and operating expenses of \$106.6 million. When we take away the \$3.4 million in capital grants and contributions (money we receive from the Federal and State Governments for capital projects) we have an operating deficit of \$0.3 million. We exclude the capital grants and contributions because they can only be used on capital projects, i.e. not on Council's day to day expenses. Our budget also includes a Capital Works program of \$16.6 million.

With a forecast deficit position, Council is forecasting an Operating Performance ratio in 2022/23 of -0.05% which is below the Office of Local Government (OLG) benchmark of greater than 0%.

Although the anticipated deficit of \$0.3m has been reduced from the December 2021 forecast \$6.8m deficit in the current 2021/22 year, further measures will be required to bring Council into surplus and ensure a long term financially sustainable position.

## Our Longer Term Outlook

As noted earlier, in developing Council's longer term financial outlook through our LTFP we have considered four different scenarios. These scenarios are based on a range of opportunities available to Council to improve long term financial sustainability. Our draft 2022-23 budget is Year 1 in each scenario.



An aerial photograph of a city neighborhood. In the center, a large construction site is visible, featuring a tall yellow crane and a building under construction. The surrounding area is densely packed with various types of buildings, including residential houses with red roofs, multi-story apartment buildings, and commercial structures. A major road with multiple lanes runs along the right side of the image. The scene is captured from a high angle, providing a comprehensive view of the urban landscape.

**SCENARIOS**



### Scenario 1 – Base Case – Annual Rate Peg only

Scenario 1 LTFP is shown in Attachment 1 and models our “Base Case” where:

No	Goal
1	We <b>maintain</b> our current programs and services
2	<b>Implement</b> the budget repair actions as noted above
3	<b>Assume 2.5% rate peg per annum from 2023/24</b> (as instructed by IPART)

The 10 year rate path would be:

Year	Year Ending	Rate Peg
1	2022/23	2.00%
2	2023/24	2.50%
3	2024/25	2.50%
4	2025/26	2.50%
5	2026/27	2.50%
6	2027/28	2.50%
7	2028/29	2.50%
8	2029/30	2.50%
9	2030/31	2.50%
10	2031/32	2.50%

The average residential rate would increase by \$368 over 10 years and in years 1, 2, 5 and 10 would be:

Year	Average Residential Rate
Year 1	\$1,480
Year 2	\$1,517
Year 5	\$1,634
Year 10	\$1,848

The median residential rate is estimated as follows, however this is an estimate only for future years and land valuation could alter this.

Year	Median Residential Rate
Year 1	\$1,160
Year 2	\$1,189
Year 5	\$1,280
Year 10	\$1,449

Scenario 1 in the LTFP forecasts that Council will move into a small surplus position in 2024-25 of \$323,000 and will remain in surplus for future years. This assumes that the full anticipated \$2million in revenue from the proposed new advertising is in place.

Whilst in the last few financial years we have been fortunate to have cash reserves to draw on and have been able to maintain Council's services, this is not a long term solution as our cash reserves are limited. Therefore we need to either look to increase our income from another source or reduce our expenses by reducing our services to the community.

We identified above that to achieve financial sustainability we need to have the ability to react to cover expenses from things that we think could occur, for example a major storm event or to have the ability to do a 'one off', for example a major event or project for our community. We refer to this as 'financial flexibility' and believe a sound level for this to be between \$1million and \$1.5million per annum.

Based on 'building in' financial flexibility of \$1million plus, our Scenario 1 of the LTFP, indicates that this is not achieved for the 10 year horizon of the plan until 2027/28. Annual budget deficits and expenditure incurred in reacting to unforeseen circumstances in the



intervening time would need to be met from Council's cash reserves and as already noted, although used in recent times this is not a long term option for the future.

Following is a table that includes the above-mentioned budget goals and what the result of moving forward with Scenario 1 of the LTFP would do in regard to the achievement of those budget goals:

No.	Goal	Result
1	Maintain or improve our programs and services	Services and Programs are maintained but not improved
2	React to unforeseen circumstances i.e financial flexibility	Not achieved until 2027/28
3	Prioritise specific one off operational initiative items from year to year i.e financial flexibility	Not achieved
4	Fully fund our required asset maintenance and renewals – no infrastructure backlog	Achieved

### Options to Achieve Long Term Financial Sustainability

Scenario 1 does not achieve long term financial sustainability as measured against our budget goals.

In order to bring this long term financial sustainability goal forward, we would need to either reduce our expenditure or increase our income:

- Reduce Expenditure- as noted above under "How We Are Addressing Our Financial Challenges", it is likely that any further expenditure or staff reductions would result in an impact on the programs and

services Council delivers, so Budget Goal 1 would not be achieved.

- Increase Income – introduce measures to increase our income base. Rates comprise 42% of our ongoing income and are the most stable form of income we receive. Scenarios 2, 3 and 4 are based on increasing our total rates income through a Special Rate Variation (SRV).

The additional income achieved through an SRV, would provide Council with the opportunity to improve programs and services including potentially undertaking new capital works projects.

Therefore LTFP Scenarios 2, 3 and 4 incorporate additional expenditure for potential service improvements areas and new capital work projects supported by an SRV. A minimum of \$1.15million per annum in operational areas and \$15 million total in capital areas over the full 10 years has been incorporated. Some examples of how these funds could be utilised are:

- Improving Council's parks and recreational areas
- Improving our existing footpaths
- Construction of new footpaths
- To address Council's substantial backlog of stormwater works
- Implementation of projects as identified Council's Heritage Gap Analysis
- Improvements to business centres

The \$1.15million in operational areas are included in the Income Statements in each of the Scenarios and relevant Attachment however the capital areas are funded from the Income Statement surplus i.e. the Surplus before Capital Grants & Contributions.

## Scenario 2

Scenario 2 LTFP is shown in Attachment 2 and models our “SRV and Improve Option 1” where:

No	Goal
1	We <b>maintain and improve</b> our current programs and services
2	<b>Implement</b> the budget repair actions as noted above
3	<b>2.5% SRV + 2.5% rate peg for 3 consecutive years from 2023/24</b>

The 10 year rate path would be:

Year	Year Ending	Rate Peg	SRV 7.5% over 3 yrs			Rate Path
1	2022/23	2.00%	+		=	2.00%
2	2023/24	2.50%	+	2.50%	=	5.00%
3	2024/25	2.50%	+	2.50%	=	5.00%
4	2025/26	2.50%	+	2.50%	=	5.00%
5	2026/27	2.50%	+		=	2.50%
6	2027/28	2.50%	+		=	2.50%
7	2028/29	2.50%	+		=	2.50%
8	2029/30	2.50%	+		=	2.50%
9	2030/31	2.50%	+		=	2.50%
10	2031/32	2.50%	+		=	2.50%

The average residential rate would increase by \$507 over 10 years and in years 1, 2, 5 and 10 would be:

Year	Average Residential Rate
Year 1	\$1,480
Year 2	\$1,554
Year 5	\$1,756
Year 10	\$1,987

The median residential rate is estimated as follows, however this is an estimate only for future years and land valuation could alter this.

Year	Median Residential Rate
Year 1	\$1,160
Year 2	\$1,218
Year 5	\$1,376
Year 10	\$1,557



### Scenario 3

Scenario 3 LTFP is shown in Attachment 3 and models our “SRV and Improve Option 2 ” where:

No	Goal
1	We <b>maintain and improve</b> our current programs and services
2	<b>Implement</b> the budget repair actions as noted above
3	<b>5.0% SRV + 2.5% rate peg for 3 consecutive years from 2023/24</b>

The 10 year rate path would be:

Year	Year Ending	Rate Peg	SRV 15% over 3 yrs			Rate Path
1	2022/23	2.00%	+		=	2.00%
2	2023/24	2.50%	+	5.00%	=	7.50%
3	2024/25	2.50%	+	5.00%	=	7.50%
4	2025/26	2.50%	+	5.00%	=	7.50%
5	2026/27	2.50%	+		=	2.50%
6	2027/28	2.50%	+		=	2.50%
7	2028/29	2.50%	+		=	2.50%
8	2029/30	2.50%	+		=	2.50%
9	2030/31	2.50%	+		=	2.50%
10	2031/32	2.50%	+		=	2.50%

The average residential rate would increase by \$652 over 10 years and in years 1, 2, 5 and 10 would be:

Year	Average Residential Rate
Year 1	\$1,480
Year 2	\$1,591
Year 5	\$1,885
Year 10	\$2,132

The median residential rate is estimated as follows, however this is an estimate only for future years and land valuation could alter this.

Year	Median Residential Rate
Year 1	\$1,160
Year 2	\$1,247
Year 5	\$1,477
Year 10	\$1,671

#### Scenario 4

Scenario 4 LTFP is shown in Attachment 4 and models our "SRV and Improve Option 3" where:

No	Goal
1	We <b>maintain and improve</b> our current programs and services
2	<b>Implement</b> the budget repair actions as noted above
3	<b>10.0% SRV + 2.5% rate peg in 2023-34 , 5.0% SRV + 2.5% rate peg in 2024-25</b>

The 10 year rate path would be:

Year	Year Ending	Rate Peg		SRV 15% over 2 yrs		Rate Path
1	2022/23	2.00%	+		=	2.00%
2	2023/24	2.50%	+	10.00%	=	12.50%
3	2024/25	2.50%	+	5.00%	=	7.50%
4	2025/26	2.50%	+		=	2.50%
5	2026/27	2.50%	+		=	2.50%
6	2027/28	2.50%	+		=	2.50%
7	2028/29	2.50%	+		=	2.50%
8	2029/30	2.50%	+		=	2.50%
9	2030/31	2.50%	+		=	2.50%
10	2031/32	2.50%	+		=	2.50%

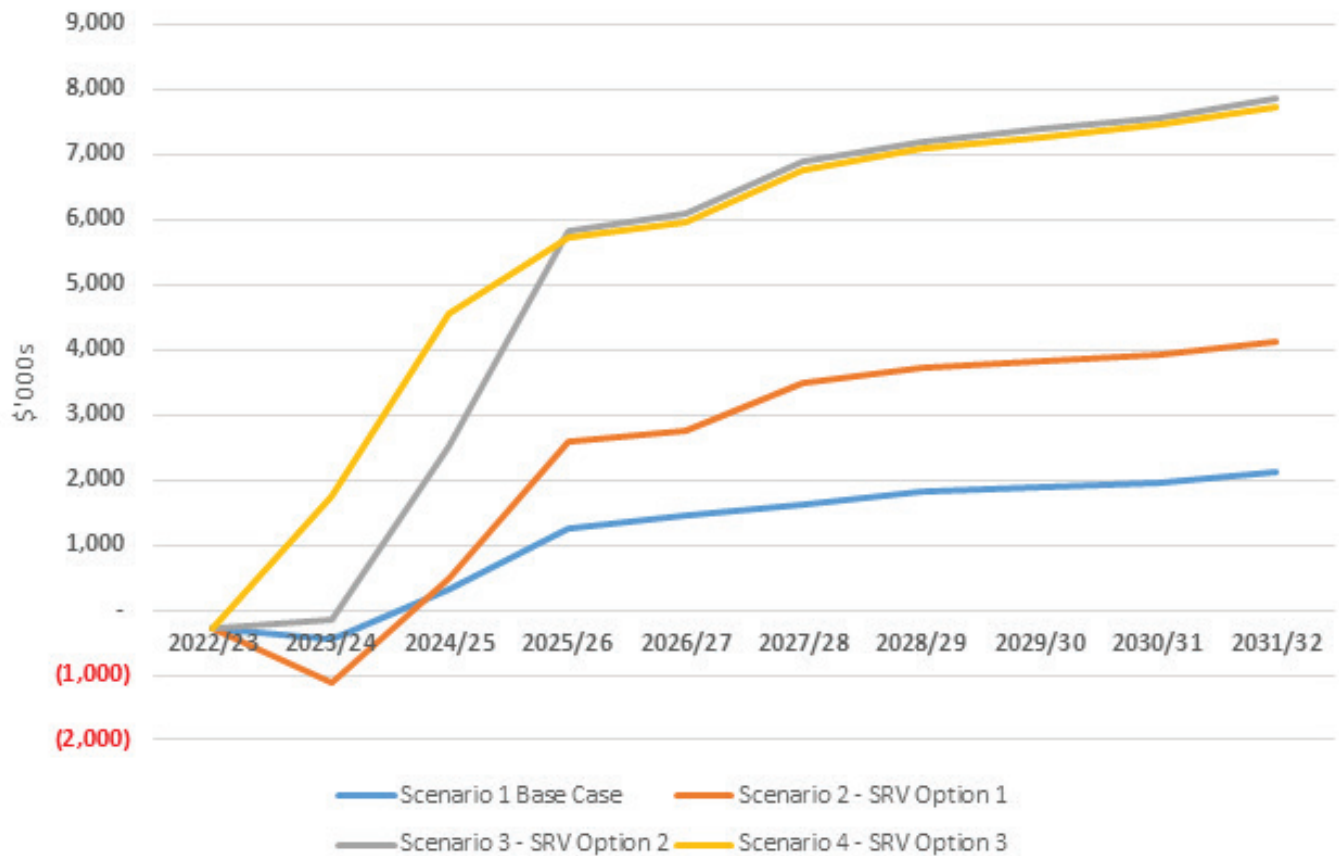
The average residential rate would increase by \$648 over 10 years and in years 1, 2, 5 and 10 would be:

Year	Average Residential Rate
Year 1	\$1,480
Year 2	\$1,655
Year 5	\$1,880
Year 10	\$2,128

The median residential rate is estimated as follows, however this is an estimate only for future years and land valuation could alter this:

Year	Median Residential Rate
Year 1	\$1,160
Year 2	\$1,305
Year 5	\$1,474
Year 10	\$1,668

# Comparison of Scenarios



The above compares the projected Surplus before Capital Grants & Contributions over the ten year period for each scenario. It demonstrates that:

- Scenario 4 would bring Council into a surplus position in 2023/24
- Scenarios 2, 3 and 4 bring Council into a surplus in a shorter timeframe than Scenario 1
- Both Scenario 3 and 4 provide Council with a stronger longer term financial position.



The following table shows the “Available Surplus” in each 2022/23 (Year 1), 2023/24 (Year 2), 2026/27 (Year 5) and 2031/32 (Year 10) under each scenario after building:

- \$1.5 million in financial flexibility (into all Scenarios)
- \$1.25million per annum in additional capital works (into scenarios 2, 3 and 4)

	Scenario			
	1	2	3	4
	\$'000	\$'000	\$'000	\$'000
<b>Net Operating Result 2022/23 (Year1)</b>				
Deficit before Capital Grants & Contributions	(278)	(278)	(278)	(278)
Less Financial Flexibility	(1,500)	(1,500)	(1,500)	(1,500)
Less Funding New Capital Works	0	(1,250)	(1,250)	(1,250)
Available Surplus	(1,778)	(3,028)	(3,028)	(3,028)
<b>Net Operating Result 2023/24</b>				
Deficit before Capital Grants & Contributions	(459)	(1,103)	(148)	1,762
Less Financial Flexibility	(1,500)	(1,500)	(1,500)	(1,500)
Less Funding New Capital Work	0	(1,250)	(1,250)	(1,250)
Available Surplus	(1,959)	(3,853)	(2,898)	(988)
<b>Net Operating Result 2026/27</b>				
Surplus before Capital Grants & Contributions	1,443	2,766	6,082	5,977
Less Financial Flexibility	(1,500)	(1,500)	(1,500)	(1,500)
Less Funding New Capital Works	0	(1,250)	(1,250)	(1,250)
Available Surplus	(57)	16	3,332	3,227
<b>Net Operating Result 2031/32</b>				
Surplus before Capital Grants & Contributions	2,119	4,109	7,860	7,741
Less Financial Flexibility	(1,500)	(1,500)	(1,500)	(1,500)
Less Funding New Capital Works	0	(1,250)	(1,250)	(1,250)
Available Surplus	619	1,359	5,110	4,991

A further key area of comparison are the Average and Median Residential Rates under each scenario:

Average Residential Rates:

Year	Average Residential Rate			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Year 1	\$1,480	\$1,480	\$1,480	\$1,480
Year 2	\$1,517	\$1,554	\$1,591	\$1,665
Year 5	\$1,634	\$1,756	\$1,885	\$1,880
Year 10	\$1,848	\$1,987	\$2,132	\$2,128
10 Year Increase	\$368	\$507	\$652	\$648

Median Residential Rates (noting that this is an estimate only for future years and land valuation could alter this):

Year	Median Residential Rate			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Year 1	\$1,160	\$1,160	\$1,160	\$1,160
Year 2	\$1,189	\$1,218	\$1,247	\$1,305
Year 5	\$1,280	\$1,376	\$1,477	\$1,474
Year 10	\$1,449	\$1,557	\$1,671	\$1,668
10 Year Increase	\$289	\$397	\$511	\$508

The following shows the results of each scenario in relation to Council's budget goals:

No.	Goal
1	Maintain or improve our programs and services
2	React to unforeseen circumstances i.e. financial flexibility
3	Prioritise specific one off operational initiative items from year to year i.e. financial flexibility
4	Fully fund our required asset maintenance and renewals – no infrastructure backlog

Goal	Scenario 1	Scenario 2	Scenario 3	Scenario 4
1	Maintain only	Maintain and Improve	Maintain and Improve	Maintain and Improve
2	Achieved 2027/28	Achieved 2025/26	Achieved 2024/25	Achieved 2024/25
3*	Not Achieved	Achieved 2027/28	Achieved 2025/26	Achieved 2024/25
4	Achieved	Achieved	Achieved	Achieved

\*As measured by a positive "Available Surplus"

# Financial Planning Assumptions

In preparing the Long Term Financial Plan (LTFP), consideration was given to a range of economic factors that affect our finances. We have made assumption in putting together this year's budget and our LTFP which are detailed below. Overall we have taken a conservative and consistent approach to the assumptions so as to pick a historical mid-line rather than being extreme in our assumptions given the uncertain future being faced with global unrest and the impact already being felt on fuel prices.

## Inflation

Overall inflation has assumed to be 2.0% to 2.5% year on year in order to give a realistic but conservative impact on the models. This flows through to items such as Non-statutory Fees & Charges, Grants Received, Rental Income, Insurance Costs, Materials & Contracts Expenses.

## Population Growth

Population growth was included by IPART in the rate peg calculation for the first time, as of December 2021, as announced by the Office of Local Government –Woollahra population growth was assumed by IPART to have ZERO impact on the Rate Peg as population change in the LGA was only +0.1% and this was covered by Supplementary Valuations that occurred through the year. A 0.1% change to the rate peg adds <\$40k pa to rates income.

The LTFP assumes 0.1% percentage going forward and is consistent with population forecasts within Council's Housing Strategy. The change in population has been calculated by IPART using the estimated residential population (ERP) for 2019 and 2020 published by the Australian Bureau of Statistics (ABS). This is the most up to date ABS population data.

2022/23	2023/24	2024/25	2025/26	2026/27	2027/26	2028/29	2029/30	2030/31	2031/32
+2.0%	+2.0%	+2.0%	+2.0%	+2.25%	+2.25%	+2.25%	+2.50%	+2.50%	+2.50%
0%	+0.1%	+0.1%	+0.1%	+0.1%	+0.1%	+0.1%	+0.1%	+0.1%	+0.1%

### Rates & Domestic Waste Management Charges (DWMC)

We have used the IPART recommendation of 2.5% for the Rate Peg and modelled that SRV increase on various scenarios. We have used 2.5% as a conservative increase for DWMC.

### Interest Income

Interest Income has been modelled using a range of 0.71% growing to 1.15% given that interest rates have been below 0.63%

### Other Income & Revenues

- Grants & Contributions for operating purposes
- Statutory Fees & Charges
- Other Fees & Charges

### Employee Costs

We have used a range of 2.5% to 3.0% for employee salaries and wages given the 2022/23 wage increase has been set at +2.5%. Superannuation has been adjusted for changes in the Super Guarantee Charge (SGC).

### Interest Expense

Interest expense has been modelled using existing loan data and are exact expenses over the forward years. Figures in \$'000s.

2022/23	2023/24	2024/25	2025/26	2026/27	2027/26	2028/29	2029/30	2030/31	2031/32
+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%
0.71%	0.75%	0.80%	0.85%	0.90%	0.95%	1.00%	1.05%	1.10%	1.15%
\$4.864m	\$4.961m	\$5.061m	\$5.162m	\$5.265m	\$5.370m	\$5.478m	\$5.587m	\$5.699m	\$5.813m
+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%
+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%	+2.5%
+2.5%	+2.25%	+2.25%	+2.5%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%	+3.0%
1,939	1,809	1,701	1,593	1,490	1,388	1,274	1,160	1,055	968



### Expenses - Other

Overall inflation has assumed to be 2.0% to 2.5% year on year in order to give a realistic but conservative impact on the models. This flows through to items such as Insurance Costs, Materials & Contracts Expenses.

### Depreciation & Maintenance Expense

Footpaths are depreciated at 0.95%; Buildings at average 2.5%; Open Space assets at 3.6%; Plant & Equipment at 9.7%. Maintenance of assets is budgeted for ranging from 2% to 8% per annum

- Depreciation Expense on IPP&E

### Capital Expenditure

#### *Renewal Works:*

Works on our existing assets is prioritised on condition 4 and 5 assets whilst taking opportunities to make cost effective upgrades to assets that are in condition 3 (satisfactory), to prevent them deteriorating to condition 4 or 5.

We balance funds we have available now to undertake these works against the risk of needing to spend more later to bring them back to the adequate condition level.

A 2020/21 review of the condition of our infrastructure assets shows 59.3% of our assets in excellent/very good or good condition. Council currently has no infrastructure backlog.

2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
+2.0%	+2.0%	+2.0%	+2.0%	+2.25%	+2.25%	+2.25%	+2.50%	+2.50%	+2.50%
\$14.073m	\$14.105m	\$14.132m	\$14.161m	\$14.190m	\$14.219m	\$14.248m	\$14.278m	\$14.307m	\$14.336m

#### *New Works:*

Funding of new projects is based on community needs. Needs are documented in strategies and long terms plans developed through engagement with our community. Delivery of new community infrastructure is dependent on availability of funds.

- IPP&E Capital Expenditure

#### **Loan Repayments**

Loan repayments have been modelled using existing loan data and are exact over the forward years.

- Repayment of borrowings

2022/23	2023/24	2024/25	2025/26	2026/27	2027/26	2028/29	2029/30	2030/31	2031/32
\$17.116m	\$16.618m	\$16.596m	\$16.641m	\$16.618m	\$16.618m	\$16.618m	\$16.618m	\$16.618m	\$16.618m
\$3.664m	\$3.794m	\$3.476m	\$3.073m	\$3.172m	\$3.267m	\$3.384m	\$3.491m	\$2.867m	\$2.949m

#### **Notes**

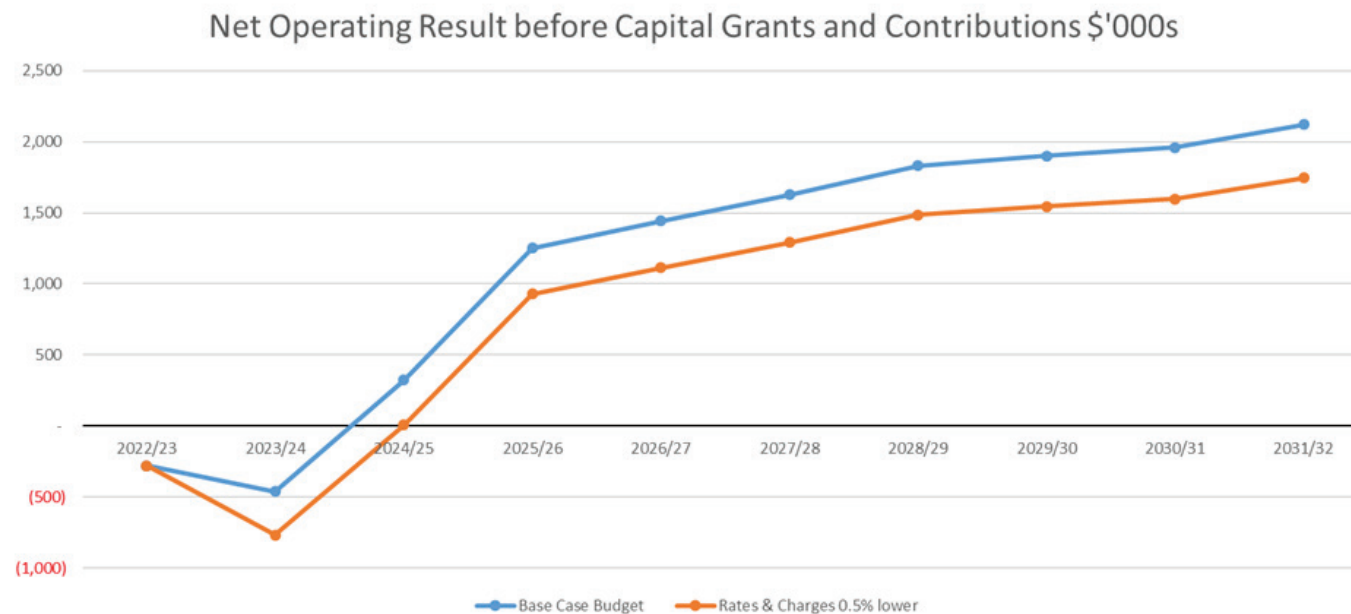
The LTFP Models do not provide for investment in infrastructure that may be required to meet NSW state government housing strategy targets.

# Sensitivity Analysis

Although the assumptions listed in the previous section are our current informed estimate based on a range of reliable sources, long term financial plans are inherently uncertain. They contain a wide range of assumptions about interest rates and the potential effect of inflation on revenues and expenditures which are largely outside our control. Developing our Long Term Financial Plan has included financial modelling taking into account the impact on our finances if trends worsen.

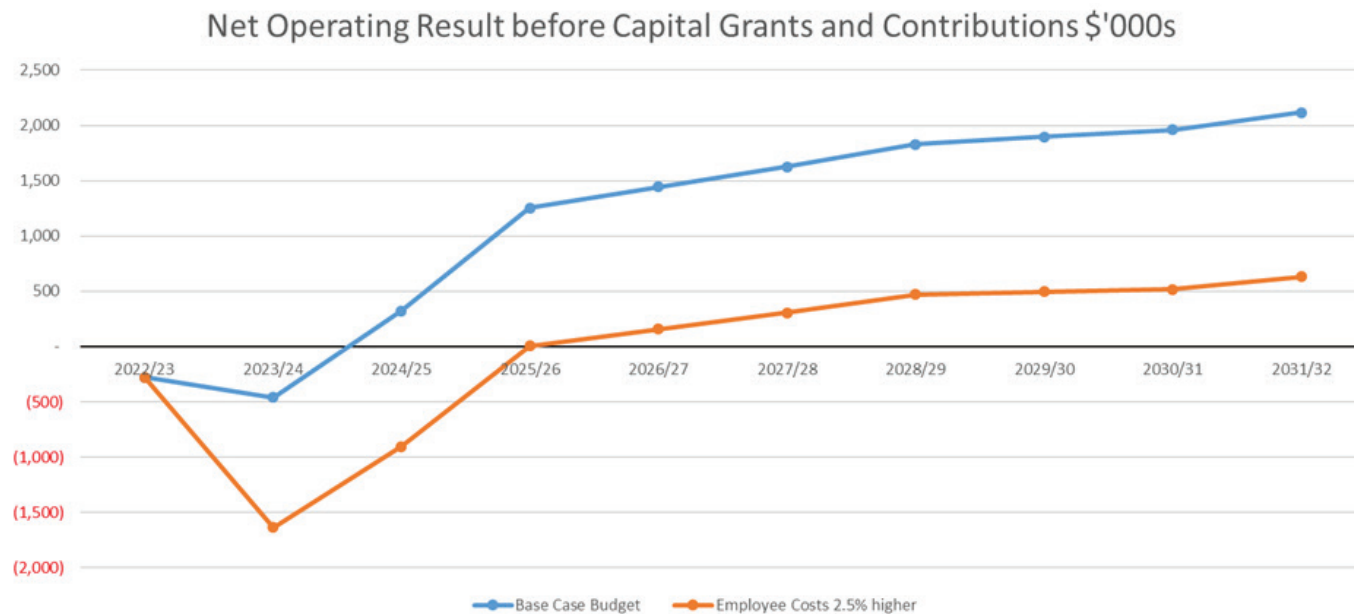
## Rates & Annual Charges

Rates & Annual Charges comprise 54% of our total income. Rates are capped by the State Government and we can only increase rates if we apply for a special increase. If rates are held 0.5% pa below the CPI the budget will decline on average by \$338k for each year of the Long Term Financial Plan.



## Employee Costs

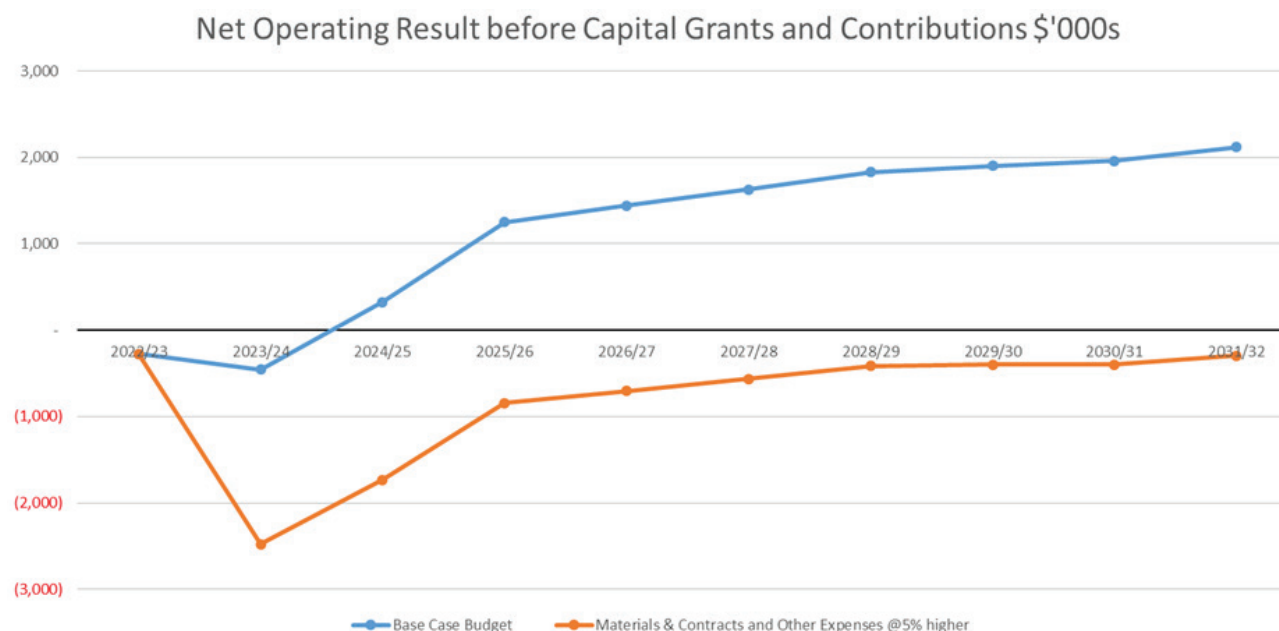
Salary growth is largely subject to the NSW Local Government Award. The current Award provides for an annual increase of 2.5% in 2022/23. We have assumed an annual increase of 2.25% for the following three years then 3.0% thereafter. If the Award increase was 2.5% pa higher than these assumptions then the budget will decline by \$1.3m on average for each year of the Long Term Financial Plan.





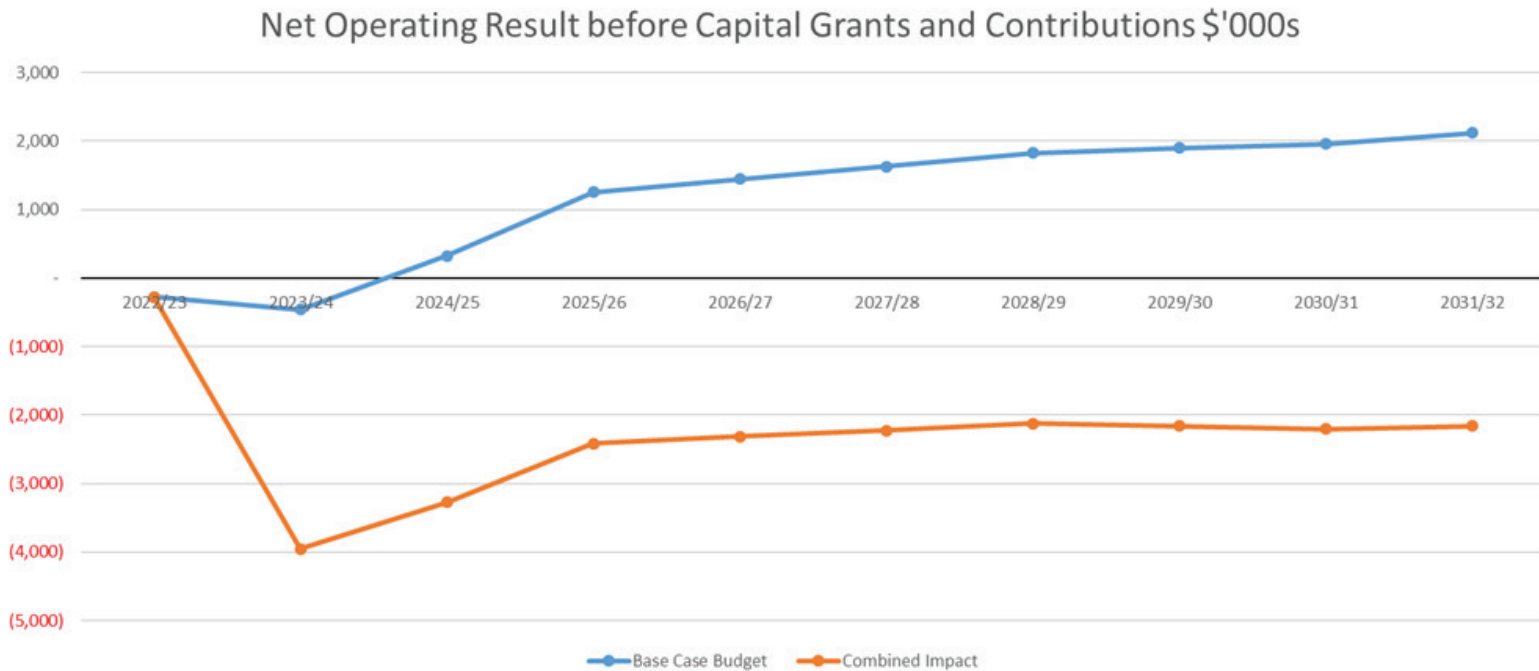
### Materials, Contracts and Other Expenses

Our base case budget uses an inflation rate range of 2.0% to 2.5%, however, fluctuating market conditions could affect the price of certain Materials and Contracts. The chart shows the impact of a 5.0% pa increase in Material, Contracts and Other Expenses above the CPI. The budget would decline on average by \$2.2m for each year of the Long Term Financial Plan.



Combined Impact

The chart shows the combined impact of the changes above in rates, materials and contracts, other expenses and employee costs. The budget would remain in deficit over the ten-year horizon.



# Have Your Say

Council's **Draft Long Term Financial Plan 2022/23 to 2031/32** was placed on formal public exhibition from 6 April to 15 May 2022. Members of the community were invited to make public submissions expressing their views on the draft plan during the public exhibition period to be considered by Council.

Public submissions received during the exhibition period were considered by Council at a meeting of the Strategic & Corporate Committee held 30 May 2022. The Plan was adopted by Council on 27 June 2022, coming into effect 1 July 2022. To continue to engage with Council and to have your say you can:

- Register for notifications from our engagement platform, Your SayWoollahra at **[yoursay.woollahra.nsw.gov.au](https://yoursay.woollahra.nsw.gov.au)**
- Go to Council's website **[www.woollahra.nsw.gov.au](https://www.woollahra.nsw.gov.au)**
- Email council at **[records@woollahra.nsw.gov.au](mailto:records@woollahra.nsw.gov.au)**



Aerial view of Rose Bay beach

# (i) Scenario 1 - Base Case

## Woollahra Municipal Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT

Scenario 1: Base Case with 2% Rate Peg	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	57,921	59,665	61,156	62,685	64,252	65,859	67,505	69,193	70,923	72,696	74,513
User Charges & Fees	10,720	12,863	13,618	14,893	15,198	15,511	15,831	16,159	16,494	16,838	17,190
Other Revenues	8,979	10,602	10,814	11,030	11,251	11,476	11,705	11,939	12,178	12,421	12,670
Grants & Contributions provided for Operating Purposes	5,372	4,864	4,961	5,061	5,162	5,265	5,370	5,478	5,587	5,699	5,813
Grants & Contributions provided for Capital Purposes	13,114	3,400	3,454	3,509	3,565	3,622	3,681	3,740	3,801	3,863	3,927
Interest & Investment Revenue	493	491	498	529	570	613	658	714	769	837	915
<b>Other Income:</b>											
Fair value increment on investment properties	1,100	1,100	-	-	-	-	-	-	-	-	-
Other Income	14,693	16,710	17,045	17,386	17,733	18,088	18,450	18,819	19,195	19,579	19,971
<b>Total Income from Continuing Operations</b>	<b>112,393</b>	<b>109,695</b>	<b>111,546</b>	<b>115,092</b>	<b>117,732</b>	<b>120,434</b>	<b>123,200</b>	<b>126,042</b>	<b>128,948</b>	<b>131,934</b>	<b>134,998</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	47,235	45,875	47,085	48,993	49,826	51,320	52,860	54,446	56,079	57,762	59,494
Borrowing Costs	2,061	1,938	1,809	1,701	1,593	1,490	1,388	1,274	1,160	1,055	968
Materials & Contracts	37,956	39,550	40,341	41,148	41,971	42,916	43,881	44,868	45,990	47,140	48,318
Depreciation & Amortisation	14,250	14,195	14,227	14,254	14,284	14,313	14,342	14,371	14,400	14,429	14,336
Other Expenses	3,823	3,705	3,779	3,855	3,932	4,020	4,111	4,203	4,308	4,416	4,526
Net Losses from the Disposal of Assets	761	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
<b>Total Expenses from Continuing Operations</b>	<b>106,086</b>	<b>106,573</b>	<b>108,551</b>	<b>111,260</b>	<b>112,915</b>	<b>115,368</b>	<b>117,891</b>	<b>120,471</b>	<b>123,247</b>	<b>126,111</b>	<b>128,952</b>
<b>Net Operating Result for the Year</b>	<b>6,306</b>	<b>3,121</b>	<b>2,995</b>	<b>3,832</b>	<b>4,817</b>	<b>5,065</b>	<b>5,309</b>	<b>5,571</b>	<b>5,701</b>	<b>5,823</b>	<b>6,046</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(6,808)</b>	<b>(278)</b>	<b>(459)</b>	<b>323</b>	<b>1,252</b>	<b>1,443</b>	<b>1,628</b>	<b>1,830</b>	<b>1,899</b>	<b>1,960</b>	<b>2,119</b>
<b>Financial Flexibility</b>			<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(1,500)</b>
			<b>(1,959)</b>	<b>(1,177)</b>	<b>(248)</b>	<b>(57)</b>	<b>128</b>	<b>330</b>	<b>399</b>	<b>460</b>	<b>619</b>

<sup>1</sup> The Forecast as at 31 December 2021

Woollahra Municipal Council  
10 Year Financial Plan for the Years ending 30 June 2032  
BALANCE SHEET

Scenario 1: Base Case with 2% Rate Peg	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	10,733	10,435	10,196	10,639	13,078	12,011	11,839	12,265	12,061	12,710	13,373
Investments	52,402	50,948	50,948	50,948	50,948	54,715	57,802	59,883	63,321	66,725	70,207
Receivables	6,843	6,276	6,425	6,629	6,751	6,878	7,009	7,140	7,278	7,426	7,576
Inventories	333	347	354	361	368	377	385	394	404	414	424
Contract assets	809	809	809	809	809	809	809	809	809	809	809
Other	676	700	714	728	742	759	776	794	813	834	855
<b>Total Current Assets</b>	<b>71,796</b>	<b>69,515</b>	<b>69,446</b>	<b>70,114</b>	<b>72,697</b>	<b>75,548</b>	<b>78,620</b>	<b>81,284</b>	<b>84,687</b>	<b>88,917</b>	<b>93,243</b>
<b>Non-Current Assets</b>											
Receivables	106	110	112	115	118	121	124	127	130	134	137
Infrastructure, Property, Plant & Equipment	927,575	928,135	928,664	929,165	929,637	930,080	930,494	930,879	931,234	931,561	931,858
Investment Property	169,550	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650
Right of use assets	205	205	83	757	635	512	390	267	145	22	22
Other	1,075	1,113	1,135	1,158	1,181	1,208	1,235	1,263	1,294	1,327	1,360
<b>Total Non-Current Assets</b>	<b>1,098,512</b>	<b>1,100,213</b>	<b>1,100,644</b>	<b>1,101,846</b>	<b>1,102,221</b>	<b>1,102,571</b>	<b>1,102,893</b>	<b>1,103,186</b>	<b>1,103,454</b>	<b>1,103,693</b>	<b>1,104,027</b>
<b>TOTAL ASSETS</b>	<b>1,170,308</b>	<b>1,169,728</b>	<b>1,170,090</b>	<b>1,171,960</b>	<b>1,174,918</b>	<b>1,178,119</b>	<b>1,181,513</b>	<b>1,184,470</b>	<b>1,188,141</b>	<b>1,192,610</b>	<b>1,197,270</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	40,440	40,006	40,107	40,248	40,324	40,448	40,575	40,705	40,850	41,001	41,155
Income received in advance	1,528	1,834	1,942	2,123	2,167	2,212	2,257	2,304	2,352	2,401	2,451
Contract liabilities	1,331	595	606	617	629	640	652	664	676	689	701
Lease liabilities	94	138	45	74	73	76	80	80	82	85	89
Borrowings	3,664	3,794	3,476	3,073	3,172	3,267	3,384	3,491	2,867	2,949	3,035
Provisions	15,331	16,187	17,078	18,005	18,971	19,979	21,028	22,122	23,260	24,444	25,677
<b>Total Current Liabilities</b>	<b>62,388</b>	<b>62,555</b>	<b>63,255</b>	<b>64,140</b>	<b>65,336</b>	<b>66,622</b>	<b>67,977</b>	<b>69,366</b>	<b>70,087</b>	<b>71,569</b>	<b>73,108</b>
<b>Non-Current Liabilities</b>											
Payables	157	314	471	-	157	314	471	-	157	314	471
Contract liabilities	377	168	171	175	178	181	184	188	191	195	198
Lease liabilities	99	48	4	666	593	517	438	358	276	190	101
Borrowings	60,315	56,521	53,044	49,971	46,799	43,532	40,148	36,657	33,790	30,841	27,806
Provisions	492	520	548	578	609	642	676	711	748	786	826
<b>Total Non-Current Liabilities</b>	<b>61,439</b>	<b>57,571</b>	<b>54,239</b>	<b>51,391</b>	<b>48,337</b>	<b>45,186</b>	<b>41,916</b>	<b>37,913</b>	<b>35,162</b>	<b>32,326</b>	<b>29,402</b>
<b>TOTAL LIABILITIES</b>	<b>123,828</b>	<b>120,126</b>	<b>117,493</b>	<b>115,531</b>	<b>113,673</b>	<b>111,808</b>	<b>109,893</b>	<b>107,279</b>	<b>105,249</b>	<b>103,895</b>	<b>102,510</b>
<b>Net Assets</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,052,597</b>	<b>1,056,429</b>	<b>1,061,246</b>	<b>1,066,311</b>	<b>1,071,620</b>	<b>1,077,191</b>	<b>1,082,892</b>	<b>1,088,715</b>	<b>1,094,761</b>
<b>EQUITY</b>											
Retained Earnings	552,426	555,548	558,543	562,375	567,192	572,257	577,566	583,137	588,838	594,661	600,707
Revaluation Reserves	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054
Council Equity Interest	1,046,480	1,049,602	1,052,597	1,056,429	1,061,246	1,066,311	1,071,620	1,077,191	1,082,892	1,088,715	1,094,761
<b>Total Equity</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,052,597</b>	<b>1,056,429</b>	<b>1,061,246</b>	<b>1,066,311</b>	<b>1,071,620</b>	<b>1,077,191</b>	<b>1,082,892</b>	<b>1,088,715</b>	<b>1,094,761</b>

<sup>1</sup> The Forecast as at 31 December 2021



**Woollahra Municipal Council**  
**10 Year Financial Plan for the Years ending 30 June 2032**  
**CASH FLOW STATEMENT**

Scenario 1: Base Case with 2% Rate Peg

	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	57,467	59,599	61,100	62,628	64,193	65,798	67,443	69,129	70,858	72,629	74,445
User Charges & Fees	10,754	13,023	13,675	14,988	15,221	15,534	15,855	16,183	16,520	16,864	17,216
Investment & Interest Revenue Received	305	515	489	521	548	588	631	690	740	802	879
Grants & Contributions	17,319	8,040	8,419	8,573	8,730	8,891	9,055	9,222	9,392	9,566	9,744
Other	23,492	27,233	27,808	28,348	28,947	29,526	30,116	30,718	31,333	31,959	32,598
<b>Payments:</b>											
Employee Benefits & On-Costs	(46,476)	(45,022)	(46,145)	(48,002)	(48,816)	(50,255)	(51,750)	(53,290)	(54,877)	(56,510)	(58,193)
Materials & Contracts	(37,850)	(39,508)	(40,315)	(41,122)	(41,944)	(42,884)	(43,849)	(44,836)	(45,953)	(47,102)	(48,280)
Borrowing Costs	(2,329)	(1,946)	(1,817)	(1,708)	(1,600)	(1,497)	(1,395)	(1,281)	(1,168)	(1,061)	(975)
Other	(3,769)	(3,540)	(3,577)	(4,280)	(3,728)	(3,814)	(3,903)	(4,623)	(4,097)	(4,203)	(4,312)
<b>Net Cash provided (or used in) Operating Activities</b>	18,912	18,393	19,636	19,944	21,551	21,886	22,202	21,913	22,748	22,944	23,122
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	16,222	1,454	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	947	763	676	676	676	676	676	676	676	676	676
Purchase of Investment Securities	-	-	-	-	-	(3,766)	(3,088)	(2,081)	(3,438)	(3,404)	(3,482)
Purchase of Infrastructure, Property, Plant & Equipment	(33,469)	(17,116)	(16,618)	(16,596)	(16,641)	(16,618)	(16,618)	(16,618)	(16,618)	(16,618)	(16,618)
	(16,300)	(14,899)	(15,943)	(15,920)	(15,965)	(19,709)	(19,030)	(18,023)	(19,381)	(19,346)	(19,424)
<b>Cash Flows from Financing Activities</b>											
Repayment of Borrowings & Advances	(3,531)	(3,664)	(3,794)	(3,476)	(3,073)	(3,172)	(3,267)	(3,384)	(3,491)	(2,867)	(2,949)
Repayment of lease liabilities (principal repayments)	(133)	(128)	(138)	(105)	(74)	(73)	(76)	(80)	(80)	(82)	(85)
<b>Net Cash Flow provided (used in) Financing Activities</b>	(3,664)	(3,792)	(3,932)	(3,582)	(3,147)	(3,245)	(3,344)	(3,464)	(3,571)	(2,949)	(3,035)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(1,052)	(298)	(239)	443	2,439	(1,068)	(172)	426	(204)	648	663
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	11,785	10,733	10,435	10,196	10,639	13,078	12,011	11,839	12,265	12,061	12,710
<b>Cash &amp; Cash Equivalents - end of the year</b>	10,733	10,435	10,196	10,639	13,078	12,011	11,839	12,265	12,061	12,710	13,373
Cash & Cash Equivalents - end of the year	10,733	10,435	10,196	10,639	13,078	12,011	11,839	12,265	12,061	12,710	13,373
Investments - end of the year	52,402	50,948	50,948	50,948	50,948	54,715	57,802	59,883	63,321	66,725	70,207
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	63,135	61,383	61,144	61,587	64,026	66,725	69,641	72,148	75,382	79,435	83,579
<b>Representing:</b>											
- External Restrictions	7,590	6,011	4,926	5,015	5,104	5,193	5,282	5,371	5,460	5,549	5,638
- Internal Restrictions	50,927	50,731	50,535	50,340	50,144	49,949	49,753	49,558	49,362	49,166	48,971
- Unrestricted	4,618	4,641	5,683	6,232	8,778	11,583	14,606	17,219	20,561	24,719	28,971
	63,135	61,383	61,144	61,587	64,026	66,725	69,641	72,148	75,382	79,435	83,579

<sup>1</sup> The Forecast as at 31 December 2021

## (ii) Scenario 2 - SRV Option 1

### Woollahra Municipal Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT

Scenario: SRV Option 2 with 2.0% Rate Peg in 2022-23

	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	57,921	59,665	62,112	64,667	67,337	69,020	70,746	72,515	74,327	76,186	78,090
User Charges & Fees	10,720	12,863	13,618	14,893	15,198	15,511	15,831	16,159	16,494	16,838	17,190
Other Revenues	8,979	10,602	10,814	11,030	11,251	11,476	11,705	11,939	12,178	12,421	12,670
Grants & Contributions provided for Operating Purposes	5,372	4,864	4,961	5,061	5,162	5,265	5,370	5,478	5,587	5,699	5,813
Grants & Contributions provided for Capital Purposes	13,114	3,400	3,454	3,509	3,565	3,622	3,681	3,740	3,801	3,863	3,927
Interest & Investment Revenue	493	491	498	529	570	613	658	714	769	837	915
<b>Other Income:</b>											
Fair value increment on investment properties	1,100	1,100	-	-	-	-	-	-	-	-	-
Other Income	14,693	16,710	17,045	17,386	17,733	18,088	18,450	18,819	19,195	19,579	19,971
<b>Total Income from Continuing Operations</b>	<b>112,393</b>	<b>109,695</b>	<b>112,501</b>	<b>117,074</b>	<b>120,816</b>	<b>123,595</b>	<b>126,441</b>	<b>129,364</b>	<b>132,353</b>	<b>135,424</b>	<b>138,575</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	47,235	45,875	47,585	49,094	50,350	51,860	53,416	55,018	56,669	58,369	60,120
Borrowing Costs	2,061	1,938	1,809	1,701	1,593	1,490	1,388	1,274	1,160	1,055	968
Materials & Contracts	37,956	39,550	41,441	42,851	43,169	44,171	44,673	45,698	46,860	48,046	49,262
Depreciation & Amortisation	14,250	14,195	14,227	14,268	14,314	14,356	14,380	14,403	14,427	14,452	14,354
Other Expenses	3,823	3,705	3,779	3,855	3,932	4,020	4,111	4,203	4,308	4,416	4,526
Net Losses from the Disposal of Assets	761	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
<b>Total Expenses from Continuing Operations</b>	<b>106,086</b>	<b>106,573</b>	<b>110,151</b>	<b>113,077</b>	<b>114,667</b>	<b>117,207</b>	<b>119,277</b>	<b>121,906</b>	<b>124,733</b>	<b>127,647</b>	<b>130,540</b>
<b>Net Operating Result for the Year</b>	<b>6,306</b>	<b>-</b>	<b>3,121</b>	<b>2,350</b>	<b>3,997</b>	<b>6,149</b>	<b>6,388</b>	<b>7,164</b>	<b>7,458</b>	<b>7,619</b>	<b>8,035</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(6,808)</b>	<b>(278)</b>	<b>(1,103)</b>	<b>488</b>	<b>2,584</b>	<b>2,766</b>	<b>3,483</b>	<b>3,718</b>	<b>3,818</b>	<b>3,913</b>	<b>4,109</b>
Financial Flexibility			(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Funding New Capital Works			(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)
			(3,853)	(2,262)	(166)	16	733	968	1,068	1,163	1,359

<sup>1</sup> The Forecast as at 31 December 2021

Woollahra Municipal Council  
10 Year Financial Plan for the Years ending 30 June 2032  
BALANCE SHEET

Scenario: SRV Option 2 with 2.0% Rate Peg in 2022-23	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	10,733	11,049	10,579	8,387	10,093	10,989	10,971	11,502	11,492	12,295	13,118
Investments	52,402	50,334	48,191	48,191	48,191	50,059	53,565	56,154	60,335	64,550	68,870
Receivables	6,843	6,276	6,449	6,677	6,841	6,972	7,111	7,250	7,399	7,557	7,719
Inventories	333	347	364	376	379	388	392	401	411	422	432
Contract assets	809	809	809	809	809	809	809	809	809	809	809
Other	676	700	731	755	762	779	789	807	828	848	870
<b>Total Current Assets</b>	<b>71,796</b>	<b>69,515</b>	<b>67,123</b>	<b>65,196</b>	<b>67,075</b>	<b>69,996</b>	<b>73,637</b>	<b>76,923</b>	<b>81,274</b>	<b>86,482</b>	<b>91,819</b>
<b>Non-Current Assets</b>											
Receivables	106	110	114	119	124	127	130	133	137	140	143
Infrastructure, Property, Plant & Equipment	927,575	928,135	930,414	933,702	936,193	937,893	939,569	941,222	942,550	943,854	945,134
Investment Property	169,550	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650
Right of use assets	205	205	83	757	635	512	390	267	145	22	22
Other	1,075	1,113	1,164	1,202	1,212	1,240	1,255	1,284	1,317	1,350	1,384
<b>Total Non-Current Assets</b>	<b>1,098,512</b>	<b>1,100,213</b>	<b>1,102,424</b>	<b>1,106,430</b>	<b>1,108,814</b>	<b>1,110,423</b>	<b>1,111,995</b>	<b>1,113,556</b>	<b>1,114,798</b>	<b>1,116,016</b>	<b>1,117,334</b>
<b>TOTAL ASSETS</b>	<b>1,170,308</b>	<b>1,169,728</b>	<b>1,169,548</b>	<b>1,171,626</b>	<b>1,175,890</b>	<b>1,180,419</b>	<b>1,185,631</b>	<b>1,190,479</b>	<b>1,196,072</b>	<b>1,202,499</b>	<b>1,209,152</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	40,440	40,006	40,209	40,394	40,443	40,572	40,663	40,797	40,946	41,100	41,258
Income received in advance	1,528	1,834	1,942	2,123	2,167	2,212	2,257	2,304	2,352	2,401	2,451
Contract liabilities	1,331	595	606	617	629	640	652	664	676	689	701
Lease liabilities	94	138	45	74	73	76	80	80	82	85	89
Borrowings	3,664	3,794	3,476	3,073	3,172	3,267	3,384	3,491	2,867	2,949	3,035
Provisions	15,331	16,187	17,078	18,005	18,971	19,979	21,028	22,122	23,260	24,444	25,677
<b>Total Current Liabilities</b>	<b>62,388</b>	<b>62,555</b>	<b>63,357</b>	<b>64,287</b>	<b>65,455</b>	<b>66,746</b>	<b>68,065</b>	<b>69,457</b>	<b>70,183</b>	<b>71,669</b>	<b>73,210</b>
<b>Non-Current Liabilities</b>											
Payables	157	314	471	-	157	314	471	-	157	314	471
Contract liabilities	377	168	171	175	178	181	184	188	191	195	198
Lease liabilities	99	48	4	666	593	517	438	358	276	190	101
Borrowings	60,315	56,521	53,044	49,971	46,799	43,532	40,148	36,657	33,790	30,841	27,806
Provisions	492	520	548	578	609	642	676	711	748	786	826
<b>Total Non-Current Liabilities</b>	<b>61,439</b>	<b>57,571</b>	<b>54,239</b>	<b>51,391</b>	<b>48,337</b>	<b>45,186</b>	<b>41,916</b>	<b>37,913</b>	<b>35,162</b>	<b>32,326</b>	<b>29,402</b>
<b>TOTAL LIABILITIES</b>	<b>123,828</b>	<b>120,126</b>	<b>117,595</b>	<b>115,677</b>	<b>113,792</b>	<b>111,933</b>	<b>109,981</b>	<b>107,371</b>	<b>105,344</b>	<b>103,994</b>	<b>102,613</b>
<b>Net Assets</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,051,952</b>	<b>1,055,949</b>	<b>1,062,098</b>	<b>1,068,486</b>	<b>1,075,650</b>	<b>1,083,108</b>	<b>1,090,727</b>	<b>1,098,504</b>	<b>1,106,539</b>
<b>EQUITY</b>											
Retained Earnings	552,426	555,548	557,898	561,895	568,044	574,432	581,596	589,054	596,673	604,450	612,485
Revaluation Reserves	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054
Council Equity Interest	1,046,480	1,049,602	1,051,952	1,055,949	1,062,098	1,068,486	1,075,650	1,083,108	1,090,727	1,098,504	1,106,539
<b>Total Equity</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,051,952</b>	<b>1,055,949</b>	<b>1,062,098</b>	<b>1,068,486</b>	<b>1,075,650</b>	<b>1,083,108</b>	<b>1,090,727</b>	<b>1,098,504</b>	<b>1,106,539</b>

<sup>1</sup> The Forecast as at 31 December 2021

Woollahra Municipal Council  
10 Year Financial Plan for the Years ending 30 June 2032  
CASH FLOW STATEMENT

Scenario: SRV Option 2 with 2.0% Rate Peg in 2022-23	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	57,467	59,599	62,020	64,571	67,237	68,957	70,681	72,448	74,259	76,116	78,019
User Charges & Fees	10,754	13,023	13,675	14,988	15,221	15,534	15,855	16,183	16,520	16,864	17,216
Investment & Interest Revenue Received	305	515	504	537	550	587	626	686	732	794	871
Grants & Contributions	17,319	8,040	8,419	8,573	8,730	8,891	9,055	9,222	9,392	9,566	9,744
Other	23,492	27,233	27,808	28,348	28,947	29,526	30,116	30,718	31,333	31,959	32,598
<b>Payments:</b>											
Employee Benefits & On-Costs	(46,476)	(45,022)	(46,635)	(48,112)	(49,331)	(50,795)	(52,306)	(53,863)	(55,466)	(57,117)	(58,819)
Materials & Contracts	(37,850)	(39,508)	(41,383)	(42,807)	(43,157)	(44,138)	(44,655)	(45,664)	(46,822)	(48,007)	(49,223)
Borrowing Costs	(2,329)	(1,946)	(1,817)	(1,708)	(1,600)	(1,497)	(1,395)	(1,281)	(1,168)	(1,061)	(975)
Other	(3,769)	(3,540)	(3,577)	(4,280)	(3,728)	(3,814)	(3,903)	(4,623)	(4,097)	(4,203)	(4,312)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>18,912</b>	<b>18,393</b>	<b>19,012</b>	<b>20,110</b>	<b>22,868</b>	<b>23,251</b>	<b>24,074</b>	<b>23,827</b>	<b>24,684</b>	<b>24,910</b>	<b>25,120</b>
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	16,222	2,068	2,143	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	947	763	676	676	676	676	676	676	676	676	676
<b>Payments:</b>											
Purchase of Investment Securities	-	-	-	-	-	(1,868)	(3,505)	(2,590)	(4,180)	(4,216)	(4,320)
Purchase of Infrastructure, Property, Plant & Equipment	(33,469)	(17,116)	(18,368)	(19,396)	(18,691)	(17,918)	(17,918)	(17,918)	(17,618)	(17,618)	(17,618)
	<b>(16,300)</b>	<b>(14,285)</b>	<b>(15,550)</b>	<b>(18,720)</b>	<b>(18,015)</b>	<b>(19,110)</b>	<b>(20,748)</b>	<b>(19,832)</b>	<b>(21,123)</b>	<b>(21,159)</b>	<b>(21,262)</b>
<b>Cash Flows from Financing Activities</b>											
<b>Payments:</b>											
Repayment of Borrowings & Advances	(3,531)	(3,664)	(3,794)	(3,476)	(3,073)	(3,172)	(3,267)	(3,384)	(3,491)	(2,867)	(2,949)
Repayment of lease liabilities (principal repayments)	(133)	(128)	(138)	(105)	(74)	(73)	(76)	(80)	(80)	(82)	(85)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(3,664)</b>	<b>(3,792)</b>	<b>(3,932)</b>	<b>(3,582)</b>	<b>(3,147)</b>	<b>(3,245)</b>	<b>(3,344)</b>	<b>(3,464)</b>	<b>(3,571)</b>	<b>(2,949)</b>	<b>(3,035)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,052)</b>	<b>316</b>	<b>(470)</b>	<b>(2,192)</b>	<b>1,706</b>	<b>896</b>	<b>(18)</b>	<b>530</b>	<b>(9)</b>	<b>803</b>	<b>823</b>
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>11,785</b>	<b>10,733</b>	<b>11,049</b>	<b>10,579</b>	<b>8,387</b>	<b>10,093</b>	<b>10,989</b>	<b>10,971</b>	<b>11,502</b>	<b>11,492</b>	<b>12,295</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>10,733</b>	<b>11,049</b>	<b>10,579</b>	<b>8,387</b>	<b>10,093</b>	<b>10,989</b>	<b>10,971</b>	<b>11,502</b>	<b>11,492</b>	<b>12,295</b>	<b>13,118</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>10,733</b>	<b>11,049</b>	<b>10,579</b>	<b>8,387</b>	<b>10,093</b>	<b>10,989</b>	<b>10,971</b>	<b>11,502</b>	<b>11,492</b>	<b>12,295</b>	<b>13,118</b>
<b>Investments - end of the year</b>	<b>52,402</b>	<b>50,334</b>	<b>48,191</b>	<b>48,191</b>	<b>48,191</b>	<b>50,059</b>	<b>53,565</b>	<b>56,154</b>	<b>60,335</b>	<b>64,550</b>	<b>68,870</b>
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>63,135</b>	<b>61,383</b>	<b>58,770</b>	<b>56,578</b>	<b>58,284</b>	<b>61,048</b>	<b>64,536</b>	<b>67,656</b>	<b>71,827</b>	<b>76,846</b>	<b>81,988</b>
<b>Representing:</b>											
- External Restrictions	7,590	6,011	4,926	5,021	5,116	5,212	5,307	5,403	5,498	5,594	5,690
- Internal Restrictions	50,927	50,731	50,535	48,640	47,816	47,621	47,425	47,230	46,406	46,210	46,015
- Unrestricted	4,618	4,641	3,308	2,917	5,352	8,216	11,804	15,024	19,923	25,041	30,283
	<b>63,135</b>	<b>61,383</b>	<b>58,770</b>	<b>56,578</b>	<b>58,284</b>	<b>61,048</b>	<b>64,536</b>	<b>67,656</b>	<b>71,827</b>	<b>76,846</b>	<b>81,988</b>

<sup>1</sup> The Forecast as at 31 December 2021

# (iii) Scenario 3 - SRV Option 2

## Woollahra Municipal Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT

Scenario: SRV Option 3 with 2.0% Rate Peg in 2022-23	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	57,921	59,665	63,067	66,697	70,572	72,336	74,145	75,998	77,898	79,846	81,842
User Charges & Fees	10,720	12,863	13,618	14,893	15,198	15,511	15,831	16,159	16,494	16,838	17,190
Other Revenues	8,979	10,602	10,814	11,030	11,251	11,476	11,705	11,939	12,178	12,421	12,670
Grants & Contributions provided for Operating Purposes	5,372	4,864	4,961	5,061	5,162	5,265	5,370	5,478	5,587	5,699	5,813
Grants & Contributions provided for Capital Purposes	13,114	3,400	3,454	3,509	3,565	3,622	3,681	3,740	3,801	3,863	3,927
Interest & Investment Revenue	493	491	498	529	570	613	658	714	769	837	915
<b>Other Income:</b>											
Fair value increment on investment properties	1,100	1,100	-	-	-	-	-	-	-	-	-
Other Income	14,693	16,710	17,045	17,386	17,733	18,088	18,450	18,819	19,195	19,579	19,971
<b>Total Income from Continuing Operations</b>	<b>112,393</b>	<b>109,695</b>	<b>113,456</b>	<b>119,104</b>	<b>124,051</b>	<b>126,911</b>	<b>129,839</b>	<b>132,847</b>	<b>135,923</b>	<b>139,084</b>	<b>142,327</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	47,235	45,875	47,585	49,094	50,350	51,860	53,416	55,018	56,669	58,369	60,120
Borrowing Costs	2,061	1,938	1,809	1,701	1,593	1,490	1,388	1,274	1,160	1,055	968
Materials & Contracts	37,956	39,550	41,441	42,851	43,169	44,171	44,673	45,698	46,860	48,046	49,262
Depreciation & Amortisation	14,250	14,195	14,227	14,268	14,314	14,356	14,380	14,403	14,427	14,452	14,354
Other Expenses	3,823	3,705	3,779	3,855	3,932	4,020	4,111	4,203	4,308	4,416	4,526
Net Losses from the Disposal of Assets	761	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
<b>Total Expenses from Continuing Operations</b>	<b>106,086</b>	<b>106,573</b>	<b>110,151</b>	<b>113,077</b>	<b>114,667</b>	<b>117,207</b>	<b>119,277</b>	<b>121,906</b>	<b>124,733</b>	<b>127,647</b>	<b>130,540</b>
<b>Net Operating Result for the Year</b>	<b>6,306</b>	<b>-</b>	<b>3,121</b>	<b>3,306</b>	<b>6,026</b>	<b>9,384</b>	<b>10,563</b>	<b>10,942</b>	<b>11,190</b>	<b>11,437</b>	<b>11,787</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(6,808)</b>	<b>-</b>	<b>(278)</b>	<b>(148)</b>	<b>2,517</b>	<b>5,819</b>	<b>6,082</b>	<b>6,882</b>	<b>7,201</b>	<b>7,389</b>	<b>7,860</b>
Financial Flexibility			(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Funding New Capital Works			(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)
			(2,898)	(233)	3,069	3,332	4,132	4,451	4,639	4,823	5,110

<sup>1</sup> The Forecast as at 31 December 2021



Woollahra Municipal Council  
10 Year Financial Plan for the Years ending 30 June 2032  
BALANCE SHEET

Scenario: SRV Option 3 with 2.0% Rate Peg in 2022-23

	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	10,733	11,049	10,742	10,522	15,390	12,668	13,130	14,248	14,644	16,028	17,446
Investments	52,402	50,334	48,937	48,937	48,937	57,711	64,107	69,564	76,880	84,145	91,590
Receivables	6,843	6,276	6,497	6,786	7,026	7,184	7,351	7,519	7,698	7,887	8,080
Inventories	333	347	364	376	379	388	392	401	411	422	432
Contract assets	809	809	809	809	809	809	809	809	809	809	809
Other	676	700	731	755	762	779	789	807	828	848	870
<b>Total Current Assets</b>	<b>71,796</b>	<b>69,515</b>	<b>68,081</b>	<b>68,186</b>	<b>73,303</b>	<b>79,539</b>	<b>86,579</b>	<b>93,349</b>	<b>101,270</b>	<b>110,139</b>	<b>119,227</b>
<b>Non-Current Assets</b>											
Receivables	106	110	116	123	130	133	136	140	143	147	150
Infrastructure, Property, Plant & Equipment	927,575	928,135	930,414	933,702	936,193	937,893	939,569	941,222	942,550	943,854	945,134
Investment Property	169,550	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650
Right of use assets	205	205	83	757	635	512	390	267	145	22	22
Other	1,075	1,113	1,164	1,202	1,212	1,240	1,255	1,284	1,317	1,350	1,384
<b>Total Non-Current Assets</b>	<b>1,098,512</b>	<b>1,100,213</b>	<b>1,102,426</b>	<b>1,106,434</b>	<b>1,108,820</b>	<b>1,110,429</b>	<b>1,112,001</b>	<b>1,113,563</b>	<b>1,114,805</b>	<b>1,116,023</b>	<b>1,117,341</b>
<b>TOTAL ASSETS</b>	<b>1,170,308</b>	<b>1,169,728</b>	<b>1,170,507</b>	<b>1,174,619</b>	<b>1,182,123</b>	<b>1,189,968</b>	<b>1,198,580</b>	<b>1,206,911</b>	<b>1,216,075</b>	<b>1,226,162</b>	<b>1,236,568</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	40,440	40,006	40,213	40,403	40,456	40,586	40,677	40,811	40,961	41,115	41,273
Income received in advance	1,528	1,834	1,942	2,123	2,167	2,212	2,257	2,304	2,352	2,401	2,451
Contract liabilities	1,331	595	606	617	629	640	652	664	676	689	701
Lease liabilities	94	138	45	74	73	76	80	80	82	85	89
Borrowings	3,664	3,794	3,476	3,073	3,172	3,267	3,384	3,491	2,867	2,949	3,035
Provisions	15,331	16,187	17,078	18,005	18,971	19,979	21,028	22,122	23,260	24,444	25,677
<b>Total Current Liabilities</b>	<b>62,388</b>	<b>62,555</b>	<b>63,360</b>	<b>64,295</b>	<b>65,468</b>	<b>66,760</b>	<b>68,079</b>	<b>69,472</b>	<b>70,197</b>	<b>71,684</b>	<b>73,226</b>
<b>Non-Current Liabilities</b>											
Payables	157	314	471	-	157	314	471	-	157	314	471
Contract liabilities	377	168	171	175	178	181	184	188	191	195	198
Lease liabilities	99	48	4	666	593	517	438	358	276	190	101
Borrowings	60,315	56,521	53,044	49,971	46,799	43,532	40,148	36,657	33,790	30,841	27,806
Provisions	492	520	548	578	609	642	676	711	748	786	826
<b>Total Non-Current Liabilities</b>	<b>61,439</b>	<b>57,571</b>	<b>54,239</b>	<b>51,391</b>	<b>48,337</b>	<b>45,186</b>	<b>41,916</b>	<b>37,913</b>	<b>35,162</b>	<b>32,326</b>	<b>29,402</b>
<b>TOTAL LIABILITIES</b>	<b>123,828</b>	<b>120,126</b>	<b>117,599</b>	<b>115,686</b>	<b>113,805</b>	<b>111,946</b>	<b>109,995</b>	<b>107,385</b>	<b>105,359</b>	<b>104,010</b>	<b>102,628</b>
<b>Net Assets</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,052,907</b>	<b>1,058,933</b>	<b>1,068,317</b>	<b>1,078,022</b>	<b>1,088,585</b>	<b>1,099,526</b>	<b>1,110,716</b>	<b>1,122,153</b>	<b>1,133,940</b>
<b>EQUITY</b>											
Retained Earnings	552,426	555,548	558,853	564,879	574,263	583,968	594,531	605,472	616,662	628,099	639,886
Revaluation Reserves	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054
Council Equity Interest	1,046,480	1,049,602	1,052,907	1,058,933	1,068,317	1,078,022	1,088,585	1,099,526	1,110,716	1,122,153	1,133,940
<b>Total Equity</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,052,907</b>	<b>1,058,933</b>	<b>1,068,317</b>	<b>1,078,022</b>	<b>1,088,585</b>	<b>1,099,526</b>	<b>1,110,716</b>	<b>1,122,153</b>	<b>1,133,940</b>

<sup>1</sup> The Forecast as at 31 December 2021

Woollahra Municipal Council  
10 Year Financial Plan for the Years ending 30 June 2032  
CASH FLOW STATEMENT

Scenario: SRV Option 3 with 2.0% Rate Peg in 2022-23	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	57,467	59,599	62,939	66,560	70,426	72,270	74,077	75,928	77,827	79,772	81,767
User Charges & Fees	10,754	13,023	13,675	14,988	15,221	15,534	15,855	16,183	16,520	16,864	17,216
Investment & Interest Revenue Received	305	515	494	519	523	563	601	660	706	767	844
Grants & Contributions	17,319	8,040	8,419	8,573	8,730	8,891	9,055	9,222	9,392	9,566	9,744
Other	23,492	27,233	27,808	28,348	28,947	29,526	30,116	30,718	31,333	31,959	32,598
<b>Payments:</b>											
Employee Benefits & On-Costs	(46,476)	(45,022)	(46,635)	(48,112)	(49,331)	(50,795)	(52,306)	(53,863)	(55,466)	(57,117)	(58,819)
Materials & Contracts	(37,850)	(39,508)	(41,383)	(42,807)	(43,157)	(44,138)	(44,655)	(45,664)	(46,822)	(48,007)	(49,223)
Borrowing Costs	(2,329)	(1,946)	(1,817)	(1,708)	(1,600)	(1,497)	(1,395)	(1,281)	(1,168)	(1,061)	(975)
Other	(3,769)	(3,540)	(3,577)	(4,280)	(3,728)	(3,814)	(3,903)	(4,623)	(4,097)	(4,203)	(4,312)
<b>Net Cash provided (or used in) Operating Activities</b>	18,912	18,393	19,921	22,081	26,030	26,540	27,445	27,281	28,225	28,540	28,840
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	16,222	2,068	1,397	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	947	763	676	676	676	676	676	676	676	676	676
<b>Payments:</b>											
Purchase of Investment Securities	-	-	-	-	-	(8,774)	(6,396)	(5,457)	(7,316)	(7,265)	(7,445)
Purchase of Infrastructure, Property, Plant & Equipment	(33,469)	(17,116)	(18,368)	(19,396)	(18,691)	(17,918)	(17,918)	(17,918)	(17,618)	(17,618)	(17,618)
	(16,300)	(14,285)	(16,295)	(18,720)	(18,015)	(26,017)	(23,639)	(22,700)	(24,259)	(24,207)	(24,387)
<b>Cash Flows from Financing Activities</b>											
<b>Payments:</b>											
Repayment of Borrowings & Advances	(3,531)	(3,664)	(3,794)	(3,476)	(3,073)	(3,172)	(3,267)	(3,384)	(3,491)	(2,867)	(2,949)
Repayment of lease liabilities (principal repayments)	(133)	(128)	(138)	(105)	(74)	(73)	(76)	(80)	(80)	(82)	(85)
<b>Net Cash Flow provided (used in) Financing Activities</b>	(3,664)	(3,792)	(3,932)	(3,582)	(3,147)	(3,245)	(3,344)	(3,464)	(3,571)	(2,949)	(3,035)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	(1,052)	316	(307)	(220)	4,868	(2,722)	462	1,118	396	1,384	1,418
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	11,785	10,733	11,049	10,742	10,522	15,390	12,668	13,130	14,248	14,644	16,028
<b>Cash &amp; Cash Equivalents - end of the year</b>	10,733	11,049	10,742	10,522	15,390	12,668	13,130	14,248	14,644	16,028	17,446
<b>Cash &amp; Cash Equivalents - end of the year</b>	10,733	11,049	10,742	10,522	15,390	12,668	13,130	14,248	14,644	16,028	17,446
<b>Investments - end of the year</b>	52,402	50,334	48,937	48,937	48,937	57,711	64,107	69,564	76,880	84,145	91,590
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	63,135	61,383	59,679	59,459	64,327	70,379	77,237	83,812	91,524	100,173	109,036
<b>Representing:</b>											
- External Restrictions	7,590	6,011	4,926	5,015	5,104	5,193	5,282	5,371	5,460	5,549	5,638
- Internal Restrictions	50,927	50,731	50,535	49,240	48,416	48,221	48,025	47,830	47,006	46,810	46,615
- Unrestricted	4,618	4,641	4,218	5,204	10,807	16,965	23,930	30,612	39,058	47,814	56,783
	63,135	61,383	59,679	59,459	64,327	70,379	77,237	83,812	91,524	100,173	109,036

# (iv) Scenario 4 - SRV and Improve Option 3

## Woollahra Municipal Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT

Scenario: SRV Option 4 with 2.0% Rate Peg in 2022-23	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22 \$'000s	2022/23 \$'000s	2023/24 \$'000s	2024/25 \$'000s	2025/26 \$'000s	2026/27 \$'000s	2027/28 \$'000s	2028/29 \$'000s	2029/30 \$'000s	2030/31 \$'000s	2031/32 \$'000s
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	57,921	59,665	64,977	68,750	70,469	72,231	74,037	75,888	77,785	79,729	81,723
User Charges & Fees	10,720	12,863	13,618	14,893	15,198	15,511	15,831	16,159	16,494	16,838	17,190
Other Revenues	8,979	10,602	10,814	11,030	11,251	11,476	11,705	11,939	12,178	12,421	12,670
Grants & Contributions provided for Operating Purposes	5,372	4,864	4,961	5,061	5,162	5,265	5,370	5,478	5,587	5,699	5,813
Grants & Contributions provided for Capital Purposes	13,114	3,400	3,454	3,509	3,565	3,622	3,681	3,740	3,801	3,863	3,927
Interest & Investment Revenue	493	491	498	529	570	613	658	714	769	837	915
<b>Other Income:</b>											
Fair value increment on investment properties	1,100	1,100	-	-	-	-	-	-	-	-	-
Other Income	14,693	16,710	17,045	17,386	17,733	18,088	18,450	18,819	19,195	19,579	19,971
<b>Total Income from Continuing Operations</b>	<b>112,393</b>	<b>109,695</b>	<b>115,367</b>	<b>121,157</b>	<b>123,948</b>	<b>126,806</b>	<b>129,732</b>	<b>132,737</b>	<b>135,810</b>	<b>138,968</b>	<b>142,208</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	47,235	45,875	47,585	49,094	50,350	51,860	53,416	55,018	56,669	58,369	60,120
Borrowing Costs	2,061	1,938	1,809	1,701	1,593	1,490	1,388	1,274	1,160	1,055	968
Materials & Contracts	37,956	39,550	41,441	42,851	43,169	44,171	44,673	45,698	46,860	48,046	49,262
Depreciation & Amortisation	14,250	14,195	14,227	14,268	14,314	14,356	14,380	14,403	14,427	14,452	14,354
Other Expenses	3,823	3,705	3,779	3,855	3,932	4,020	4,111	4,203	4,308	4,416	4,526
Net Losses from the Disposal of Assets	761	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
<b>Total Expenses from Continuing Operations</b>	<b>106,086</b>	<b>106,573</b>	<b>110,151</b>	<b>113,077</b>	<b>114,667</b>	<b>117,207</b>	<b>119,277</b>	<b>121,906</b>	<b>124,733</b>	<b>127,647</b>	<b>130,540</b>
<b>Net Operating Result for the Year</b>	<b>6,306</b>	<b>3,121</b>	<b>5,216</b>	<b>8,080</b>	<b>9,281</b>	<b>9,599</b>	<b>10,455</b>	<b>10,831</b>	<b>11,076</b>	<b>11,321</b>	<b>11,668</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(6,808)</b>	<b>(278)</b>	<b>1,762</b>	<b>4,571</b>	<b>5,716</b>	<b>5,977</b>	<b>6,774</b>	<b>7,091</b>	<b>7,275</b>	<b>7,457</b>	<b>7,741</b>
Financial Flexibility			(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Funding New Capital Works			(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)
			(988)	1,821	2,966	3,227	4,024	4,341	4,525	4,707	4,991

<sup>1</sup> The Forecast as at 31 December 2021

Woollahra Municipal Council  
10 Year Financial Plan for the Years ending 30 June 2032  
BALANCE SHEET

Scenario: SRV Option 4 with 2.0% Rate Peg in 2022-23

	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	10,733	11,049	11,163	12,976	17,830	13,340	13,747	14,846	15,188	16,554	17,953
Investments	52,402	50,334	50,334	50,334	50,334	60,772	67,116	72,482	79,739	86,907	94,253
Receivables	6,843	6,276	6,594	6,903	7,049	7,207	7,373	7,540	7,719	7,906	8,099
Inventories	333	347	364	376	379	388	392	401	411	422	432
Contract assets	809	809	809	809	809	809	809	809	809	809	809
Other	676	700	731	755	762	779	789	807	828	848	870
<b>Total Current Assets</b>	<b>71,796</b>	<b>69,515</b>	<b>69,995</b>	<b>72,154</b>	<b>77,164</b>	<b>83,295</b>	<b>90,227</b>	<b>96,886</b>	<b>104,694</b>	<b>113,447</b>	<b>122,416</b>
<b>Non-Current Assets</b>											
Receivables	106	110	119	126	129	133	136	139	143	146	150
Infrastructure, Property, Plant & Equipment	927,575	928,135	930,414	933,702	936,193	937,893	939,569	941,222	942,550	943,854	945,134
Investment Property	169,550	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650	170,650
Right of use assets	205	205	83	757	635	512	390	267	145	22	22
Other	1,075	1,113	1,164	1,202	1,212	1,240	1,255	1,284	1,317	1,350	1,384
<b>Total Non-Current Assets</b>	<b>1,098,512</b>	<b>1,100,213</b>	<b>1,102,430</b>	<b>1,106,438</b>	<b>1,108,820</b>	<b>1,110,429</b>	<b>1,112,001</b>	<b>1,113,563</b>	<b>1,114,805</b>	<b>1,116,023</b>	<b>1,117,340</b>
<b>TOTAL ASSETS</b>	<b>1,170,308</b>	<b>1,169,728</b>	<b>1,172,425</b>	<b>1,178,592</b>	<b>1,185,983</b>	<b>1,193,723</b>	<b>1,202,227</b>	<b>1,210,448</b>	<b>1,219,499</b>	<b>1,229,470</b>	<b>1,239,756</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	40,440	40,006	40,221	40,411	40,456	40,586	40,677	40,811	40,960	41,114	41,273
Income received in advance	1,528	1,834	1,942	2,123	2,167	2,212	2,257	2,304	2,352	2,401	2,451
Contract liabilities	1,331	595	606	617	629	640	652	664	676	689	701
Lease liabilities	94	138	45	74	73	76	80	80	82	85	89
Borrowings	3,664	3,794	3,476	3,073	3,172	3,267	3,384	3,491	2,867	2,949	3,035
Provisions	15,331	16,187	17,078	18,005	18,971	19,979	21,028	22,122	23,260	24,444	25,677
<b>Total Current Liabilities</b>	<b>62,388</b>	<b>62,555</b>	<b>63,368</b>	<b>64,304</b>	<b>65,468</b>	<b>66,760</b>	<b>68,078</b>	<b>69,471</b>	<b>70,197</b>	<b>71,683</b>	<b>73,226</b>
<b>Non-Current Liabilities</b>											
Payables	157	314	471	-	157	314	471	-	157	314	471
Contract liabilities	377	168	171	175	178	181	184	188	191	195	198
Lease liabilities	99	48	4	666	593	517	438	358	276	190	101
Borrowings	60,315	56,521	53,044	49,971	46,799	43,532	40,148	36,657	33,790	30,841	27,806
Provisions	492	520	548	578	609	642	676	711	748	786	826
<b>Total Non-Current Liabilities</b>	<b>61,439</b>	<b>57,571</b>	<b>54,239</b>	<b>51,391</b>	<b>48,337</b>	<b>45,186</b>	<b>41,916</b>	<b>37,913</b>	<b>35,162</b>	<b>32,326</b>	<b>29,402</b>
<b>TOTAL LIABILITIES</b>	<b>123,828</b>	<b>120,126</b>	<b>117,607</b>	<b>115,694</b>	<b>113,805</b>	<b>111,946</b>	<b>109,995</b>	<b>107,385</b>	<b>105,359</b>	<b>104,009</b>	<b>102,628</b>
<b>Net Assets</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,054,818</b>	<b>1,062,897</b>	<b>1,072,179</b>	<b>1,081,778</b>	<b>1,092,233</b>	<b>1,103,064</b>	<b>1,114,140</b>	<b>1,125,461</b>	<b>1,137,129</b>
<b>EQUITY</b>											
Retained Earnings	552,426	555,548	560,764	568,843	578,125	587,724	598,179	609,010	620,086	631,407	643,075
Revaluation Reserves	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054	494,054
Council Equity Interest	1,046,480	1,049,602	1,054,818	1,062,897	1,072,179	1,081,778	1,092,233	1,103,064	1,114,140	1,125,461	1,137,129
<b>Total Equity</b>	<b>1,046,480</b>	<b>1,049,602</b>	<b>1,054,818</b>	<b>1,062,897</b>	<b>1,072,179</b>	<b>1,081,778</b>	<b>1,092,233</b>	<b>1,103,064</b>	<b>1,114,140</b>	<b>1,125,461</b>	<b>1,137,129</b>

<sup>1</sup> The Forecast as at 31 December 2021

Woollahra Municipal Council  
10 Year Financial Plan for the Years ending 30 June 2032  
CASH FLOW STATEMENT

Scenario: SRV Option 4 with 2.0% Rate Peg in 2022-23

	Current Year Forecast <sup>1</sup>	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	57,467	59,599	64,777	68,608	70,405	72,165	73,969	75,818	77,713	79,656	81,648
User Charges & Fees	10,754	13,023	13,675	14,988	15,221	15,534	15,855	16,183	16,520	16,864	17,216
Investment & Interest Revenue Received	305	515	473	504	530	563	602	661	707	768	844
Grants & Contributions	17,319	8,040	8,419	8,573	8,730	8,891	9,055	9,222	9,392	9,566	9,744
Other	23,492	27,233	27,808	28,348	28,947	29,526	30,116	30,718	31,333	31,959	32,598
<b>Payments:</b>											
Employee Benefits & On-Costs	(46,476)	(45,022)	(46,635)	(48,112)	(49,331)	(50,795)	(52,306)	(53,863)	(55,466)	(57,117)	(58,819)
Materials & Contracts	(37,850)	(39,508)	(41,383)	(42,807)	(43,157)	(44,138)	(44,655)	(45,664)	(46,822)	(48,007)	(49,223)
Borrowing Costs	(2,329)	(1,946)	(1,817)	(1,708)	(1,600)	(1,497)	(1,395)	(1,281)	(1,168)	(1,061)	(975)
Other	(3,769)	(3,540)	(3,577)	(4,280)	(3,728)	(3,814)	(3,903)	(4,623)	(4,097)	(4,203)	(4,312)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>18,912</b>	<b>18,393</b>	<b>21,739</b>	<b>24,114</b>	<b>26,017</b>	<b>26,435</b>	<b>27,338</b>	<b>27,172</b>	<b>28,113</b>	<b>28,425</b>	<b>28,722</b>
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	16,222	2,068	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	947	763	676	676	676	676	676	676	676	676	676
<b>Payments:</b>											
Purchase of Investment Securities	-	-	-	-	-	(10,437)	(6,345)	(5,366)	(7,257)	(7,168)	(7,346)
Purchase of Infrastructure, Property, Plant & Equipment	(33,469)	(17,116)	(18,368)	(19,396)	(18,691)	(17,918)	(17,918)	(17,918)	(17,618)	(17,618)	(17,618)
	(16,300)	(14,285)	(17,693)	(18,720)	(18,015)	(27,680)	(23,587)	(22,609)	(24,200)	(24,111)	(24,288)
<b>Cash Flows from Financing Activities</b>											
<b>Payments:</b>											
Repayment of Borrowings & Advances	(3,531)	(3,664)	(3,794)	(3,476)	(3,073)	(3,172)	(3,267)	(3,384)	(3,491)	(2,867)	(2,949)
Repayment of lease liabilities (principal repayments)	(133)	(128)	(138)	(105)	(74)	(73)	(76)	(80)	(80)	(82)	(85)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(3,664)</b>	<b>(3,792)</b>	<b>(3,932)</b>	<b>(3,582)</b>	<b>(3,147)</b>	<b>(3,245)</b>	<b>(3,344)</b>	<b>(3,464)</b>	<b>(3,571)</b>	<b>(2,949)</b>	<b>(3,035)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,052)</b>	<b>316</b>	<b>114</b>	<b>1,813</b>	<b>4,854</b>	<b>(4,490)</b>	<b>407</b>	<b>1,099</b>	<b>343</b>	<b>1,365</b>	<b>1,399</b>
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>11,785</b>	<b>10,733</b>	<b>11,049</b>	<b>11,163</b>	<b>12,976</b>	<b>17,830</b>	<b>13,340</b>	<b>13,747</b>	<b>14,846</b>	<b>15,188</b>	<b>16,554</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>10,733</b>	<b>11,049</b>	<b>11,163</b>	<b>12,976</b>	<b>17,830</b>	<b>13,340</b>	<b>13,747</b>	<b>14,846</b>	<b>15,188</b>	<b>16,554</b>	<b>17,953</b>
Cash & Cash Equivalents - end of the year	10,733	11,049	11,163	12,976	17,830	13,340	13,747	14,846	15,188	16,554	17,953
Investments - end of the year	52,402	50,334	50,334	50,334	50,334	60,772	67,116	72,482	79,739	86,907	94,253
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>63,135</b>	<b>61,383</b>	<b>61,497</b>	<b>63,310</b>	<b>68,165</b>	<b>74,112</b>	<b>80,863</b>	<b>87,328</b>	<b>94,928</b>	<b>103,461</b>	<b>112,206</b>
<b>Representing:</b>											
- External Restrictions	7,590	6,011	4,926	5,015	5,104	5,193	5,282	5,371	5,460	5,549	5,638
- Internal Restrictions	50,927	50,731	50,535	49,240	48,416	48,221	48,025	47,830	47,006	46,810	46,615
- Unrestricted	4,618	4,641	6,036	9,055	14,644	20,698	27,556	34,128	42,462	51,102	59,953
	<b>63,135</b>	<b>61,383</b>	<b>61,497</b>	<b>63,310</b>	<b>68,165</b>	<b>74,112</b>	<b>80,863</b>	<b>87,328</b>	<b>94,928</b>	<b>103,461</b>	<b>112,206</b>

<sup>1</sup> The Forecast as at 31 December 2021

# Woollahra Municipal Council



536 New South Head Road,  
Double Bay NSW 2028  
**[woollahra.nsw.gov.au](http://woollahra.nsw.gov.au)**  
T: 02 9391 7000  
E: [records@woollahra.nsw.gov.au](mailto:records@woollahra.nsw.gov.au)