Long Term Financial Forecast

2021-2022 to 2030-2031

SCENIC RIM
REGIONAL COUNCIL

CSFIN2021.0002

Scenic Rim Regional Council
Long Term Financial Forecast

STATEMENT OF COMPREHENSIVE INCOME	Revised Budget 2020-2021 $'000	Budget 2021-2022 $'000	Projected Years 2022-2023 $'000	2023-2024 $'000	2024-2025 $'000	2025-2026 $'000	2026-2027 $'000	2027-2028 $'000	2028-2029 $'000	2029-2030 $'000	2030-2031 $'000
Income											
Revenue											
Recurrent Revenue											
Gross Rates and Utility Charges	57,066	59,904	62,595	66,075	69,078	72,218	75,500	78,932	82,519	86,270	90,191
Discounts and Pensioner Remissions	-1,803	-1,785	-1,867	-1,970	-2,060	-2,153	-2,251	-2,354	-2,461	-2,573	-2,689
Fees & Charges	5,286	4,974	5,210	5,459	5,721	5,981	6,253	6,537	6,834	7,144	7,469
Interest Received	1,190	1,199	1,217	1,240	1,245	1,273	1,291	1,330	1,401	1,462	1,551
Sales of Contract and Recoverable Works	5,304	4,934	5,095	5,262	5,434	5,611	5,795	5,984	6,180	6,382	6,591
Share of Profit from Associate	1,889	2,435	2,535	2,607	2,770	2,770	2,770	2,770	2,770	2,770	2,770
Other Revenue	4,787	5,789	6,024	6,254	6,531	6,747	6,971	7,205	7,448	7,701	7,964
Operating Grants, Subsidies, Contributions and Donations	9,605	3,835	3,904	3,975	4,046	4,119	4,193	4,269	4,346	4,424	4,503
Total Recurrent Revenue	**83,324**	**81,285**	**84,714**	**88,901**	**92,765**	**96,565**	**100,521**	**104,672**	**109,037**	**113,580**	**118,349**
Capital Revenue											
Capital Grants, Subsidies, Contributions and Donations	25,051	16,310	12,426	6,051	4,415	2,013	2,937	3,243	2,395	2,824	2,879
Contributions from Developers	3,000	2,260	2,305	2,351	2,398	2,446	2,495	2,545	2,596	2,648	2,701
Total Capital Revenue	28,051	18,570	14,731	8,402	6,813	4,459	5,432	5,788	4,991	5,472	5,580
Total Revenue	**111,375**	**99,855**	**99,445**	**97,303**	**99,578**	**101,024**	**105,953**	**110,460**	**114,028**	**119,052**	**123,929**
Total Income	**111,375**	**99,855**	**99,445**	**97,303**	**99,578**	**101,024**	**105,953**	**110,460**	**114,028**	**119,052**	**123,929**
Expenses											
Recurrent Expenses											
Employee Expenses	31,803	32,740	33,825	35,019	36,255	37,535	38,860	40,231	41,651	43,122	44,644
Materials & Services	35,556	30,736	31,303	32,408	33,552	34,736	35,963	37,232	38,546	39,907	41,316
Finance Costs	5,223	1,119	1,092	1,174	1,160	1,111	1,061	1,011	959	927	873
Depreciation & Amortisation	16,993	17,728	18,437	19,175	19,942	20,739	21,569	22,432	23,329	24,262	25,232
Total Recurrent Expenses	**89,575**	**82,323**	**84,657**	**87,775**	**90,908**	**94,121**	**97,452**	**100,905**	**104,486**	**108,218**	**112,065**
Total Expenses	**89,575**	**82,323**	**84,657**	**87,775**	**90,908**	**94,121**	**97,452**	**100,905**	**104,486**	**108,218**	**112,065**
Net Result	**21,800**	**17,532**	**14,789**	**9,528**	**8,670**	**6,904**	**8,501**	**9,555**	**9,542**	**10,834**	**11,864**
Operating Revenue (Recurrent Revenue)	83,324	81,285	84,714	88,901	92,765	96,565	100,521	104,672	109,037	113,580	118,349
Operating Expenses (Recurrent Expenses)	89,575	82,323	84,657	87,775	90,908	94,121	97,452	100,905	104,486	108,218	112,065
Operating Result (Recurrent Result)	**-6,251**	**-1,038**	**58**	**1,126**	**1,857**	**2,445**	**3,069**	**3,767**	**4,551**	**5,362**	**6,284**

Scenic Rim Regional Council
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STATEMENT OF FINANCIAL POSITION

	Revised Budget	Budget	Projected Years								
	2020-2021 $'000	2021-2022 $'000	2022-2023 $'000	2023-2024 $'000	2024-2025 $'000	2025-2026 $'000	2026-2027 $'000	2027-2028 $'000	2028-2029 $'000	2029-2030 $'000	2030-2031 $'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	21,227	20,580	20,847	21,444	20,345	21,051	20,891	22,468	26,734	30,129	35,878
Trade & Other Receivables	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Inventories	900	900	900	900	900	900	900	900	900	900	900
Other Assets	690	690	690	690	690	690	690	690	690	690	690
Total Current Assets	28,417	27,770	28,037	28,634	27,535	28,241	28,081	29,658	33,924	37,319	43,068
Non-Current Assets											
Trade & Other Receivables	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676
Property, Plant & Equipment	954,678	990,124	1,025,721	1,052,382	1,078,641	1,101,945	1,128,125	1,154,092	1,179,871	1,206,169	1,231,610
Investment in Associate	36,892	37,764	38,944	40,301	42,029	43,757	45,485	47,213	48,941	50,669	52,397
Total Non-Current Assets	1,006,246	1,042,564	1,079,341	1,107,359	1,135,346	1,160,378	1,188,286	1,215,981	1,243,488	1,271,514	1,298,683
TOTAL ASSETS	**1,034,663**	**1,070,334**	**1,107,378**	**1,135,993**	**1,162,881**	**1,188,619**	**1,216,367**	**1,245,639**	**1,277,412**	**1,308,833**	**1,341,751**
LIABILITIES											
Current Liabilities											
Trade & Other Payables	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Borrowings	2,270	2,619	2,865	2,830	2,738	2,792	2,846	2,661	3,010	3,069	3,129
Provisions	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400	10,400
Total Current Liabilities	17,170	17,519	17,765	17,730	17,638	17,692	17,746	17,561	17,910	17,969	18,029
Non-Current Liabilities											
Borrowings	43,666	42,362	44,569	43,178	40,439	37,646	34,801	32,141	30,940	27,871	24,742
Provisions	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219
Total Non-Current Liabilities	47,885	46,581	48,788	47,397	44,658	41,865	39,020	36,360	35,159	32,090	28,961
TOTAL LIABILITIES	**65,055**	**64,100**	**66,553**	**65,127**	**62,296**	**59,557**	**56,766**	**53,921**	**53,069**	**50,059**	**46,990**
Net Assets	**969,608**	**1,006,234**	**1,040,825**	**1,070,866**	**1,100,585**	**1,129,062**	**1,159,601**	**1,191,718**	**1,224,343**	**1,258,774**	**1,294,761**
EQUITY											
Asset Revaluation Surplus	297,002	316,096	335,898	356,412	377,461	399,034	421,072	443,634	466,717	490,314	514,437
Accumulated Surplus	672,606	690,138	704,927	714,454	723,124	730,028	738,529	748,084	757,626	768,460	780,324
Total Equity	**969,608**	**1,006,234**	**1,040,825**	**1,070,866**	**1,100,585**	**1,129,062**	**1,159,601**	**1,191,718**	**1,224,343**	**1,258,774**	**1,294,761**

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STATEMENT OF CASH FLOWS	Revised Budget 2020-2021 $'000	Budget 2021-2022 $'000	2022-2023 $'000	2023-2024 $'000	2024-2025 $'000	2025-2026 $'000	2026-2027 $'000	2027-2028 $'000	2028-2029 $'000	2029-2030 $'000	2030-2031 $'000
			Projected Years								
Cash Flows from Operating Activities											
Receipts from Customers	73,772	73,814	77,058	81,080	84,704	88,403	92,267	96,304	100,520	104,924	109,524
Payments to Suppliers and Employees	-75,837	-63,663	-65,318	-67,620	-70,004	-72,473	-75,028	-77,673	-80,412	-83,247	-86,182
	-2,065	10,151	11,740	13,460	14,700	15,930	17,239	18,631	20,108	21,677	23,342
Receipts:											
Interest Received	1,190	1,199	1,217	1,240	1,245	1,273	1,291	1,330	1,401	1,462	1,551
Operating Grants, Subsidies, Contributions and Donations	9,605	3,835	3,904	3,975	4,046	4,119	4,193	4,269	4,346	4,424	4,503
Payments:											
Interest Expense	-5,046	-933	-902	-980	-962	-909	-855	-801	-745	-709	-650
Net Cash Inflow / (Outflow) from Operating Activities	**3,684**	**14,252**	**15,959**	**17,695**	**19,029**	**20,413**	**21,868**	**23,429**	**25,110**	**26,854**	**28,746**
Cash Flows from Investing Activities											
Receipts:											
Proceeds from Sale of Property, Plant & Equipment	1,253	3,260	2,970	1,965	2,011	2,049	2,108	2,111	2,146	2,217	2,261
Dividend Received from Associate	1,657	1,563	1,355	1,250	1,042	1,042	1,042	1,042	1,042	1,042	1,042
Capital Grants, Subsidies, Contributions and Donations	28,051	18,570	14,731	8,402	6,813	4,459	5,432	5,788	4,991	5,472	5,580
Payments:											
Payments for Property, Plant & Equipment	-68,244	-37,340	-37,202	-27,286	-27,164	-24,519	-27,818	-27,947	-28,172	-29,180	-28,811
Net Cash Inflow / (Outflow) from Investing Activities	**-37,283**	**-13,947**	**-18,146**	**-15,669**	**-17,298**	**-16,969**	**-19,236**	**-19,006**	**-19,993**	**-20,449**	**-19,928**
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings	16,500	1,395	5,073	1,436	0	0	0	0	1,810	0	0
Payments:											
Repayment of Borrowings	-2,131	-2,347	-2,619	-2,865	-2,830	-2,738	-2,792	-2,846	-2,661	-3,010	-3,069
Net Cash Flow inflow / (Outflow) from Financing Activities	**14,369**	**-952**	**2,454**	**-1,429**	**-2,830**	**-2,738**	**-2,792**	**-2,846**	**-851**	**-3,010**	**-3,069**
Net Increase/(Decrease) in Cash	-19,230	-647	267	597	-1,099	706	-160	1,577	4,266	3,395	5,749
plus: Cash & Cash Equivalents - beginning of year	40,457	21,227	20,580	20,847	21,444	20,345	21,051	20,891	22,468	26,734	30,129
Cash & Cash Equivalents - end of the year	**21,227**	**20,580**	**20,847**	**21,444**	**20,345**	**21,051**	**20,891**	**22,468**	**26,734**	**30,129**	**35,878**

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STATEMENT OF CHANGES IN EQUITY

	Revised Budget 2020-2021 $'000	Budget 2021-2022 $'000	Projected Years 2022-2023 $'000	2023-2024 $'000	2024-2025 $'000	2025-2026 $'000	2026-2027 $'000	2027-2028 $'000	2028-2029 $'000	2029-2030 $'000	2030-2031 $'000
Accumulated Surplus											
Opening Balance	650,806	672,606	690,138	704,926	714,454	723,124	730,028	738,529	748,084	757,626	768,460
Net Operating Result for the Year	21,800	17,532	14,789	9,528	8,670	6,904	8,501	9,555	9,542	10,834	11,864
Closing Balance	672,606	690,138	704,927	714,454	723,124	730,028	738,529	748,084	757,626	768,460	780,324
Asset Revaluation Surplus											
Opening Balance	278,805	297,002	316,096	335,898	356,413	377,461	399,033	421,072	443,635	466,717	490,314
Asset Revaluation Adjustments	18,197	19,094	19,802	20,514	21,048	21,573	22,039	22,562	23,082	23,597	24,123
Closing Balance	297,002	316,096	335,898	356,412	377,461	399,034	421,072	443,634	466,717	490,314	514,437
Total Equity											
Opening Balance	929,611	969,608	1,006,234	1,040,824	1,070,867	1,100,585	1,129,061	1,159,601	1,191,719	1,224,343	1,258,774
Net Operating Result for the Year	21,800	17,532	14,789	9,528	8,670	6,904	8,501	9,555	9,542	10,834	11,864
Asset Revaluation Adjustments	18,197	19,094	19,802	20,514	21,048	21,573	22,039	22,562	23,082	23,597	24,123
Closing Balance	969,608	1,006,234	1,040,825	1,070,866	1,100,585	1,129,062	1,159,601	1,191,718	1,224,343	1,258,774	1,294,761

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RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY	**Revised Budget 2020-2021**	**Budget 2021-2022**	**Projected Years 2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**	**2030-2031**
Measures per S169(5) of the Local Government Regulation 2012											
Operating Surplus Ratio (Target 0 - 10%)	-7.5%	-1.3%	0.1%	1.3%	2.0%	2.5%	3.1%	3.6%	4.2%	4.7%	5.3%
(Net result (excluding capital item) / recurrent revenue)											
Net Financial Liabilities Ratio (Target <= 60%)	44.0%	44.7%	45.5%	41.0%	37.5%	32.4%	28.5%	23.2%	17.6%	11.2%	3.3%
((Total liabilities less current assets) / recurrent revenue)											
Asset Sustainability Ratio (Target > 90%)	120.3%	78.4%	84.2%	74.8%	77.3%	67.7%	73.6%	68.3%	68.8%	60.5%	67.5%
(Capital renewals on infrastructure assets / infrastructure depreciation)											
Additional measures per SRRC Financial Sustainability Strategy											
Cash Holdings Ratio (Target > 3)	3.5	3.8	3.8	3.8	3.4	3.4	3.3	3.4	4.0	4.3	5.0
(Cash / ((Operating Expenditure less Depreciation Expense)/12 months))											
Current Ratio (Target > 1.1)	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.9	2.1	2.4
(Current Assets / Current Liabilities)											
Debt Service Cover Ratio (Target > 5)	3.7	5.2	5.2	5.2	5.5	6.1	6.5	6.9	7.9	7.7	8.2
((Operating Result + Interest Expense + Depreciation - Profit from Associate + Dividend from Associate) / (Interest Expense + Previous Year Current Loans Outstanding))											