

Kingston District Council

2023/24 - 2032/33

LONG TERM FINANCIAL PLAN



**ADOPTED
JUNE 2023**

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Introduction

The Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 require councils to develop and adopt long term financial plans that include:

- A summary of proposed operating and capital investment activities presented in a manner consistent with the Model Financial Statements entitled Uniform Presentation of Finances, and
- 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 Model Financial Statements entitled Financial Indicators.
- A long term financial plan must be accompanied by a statement which sets out:
 - The purpose of the long term financial plan
 - The basis on which it has been prepared
 - The key conclusions which may be drawn from the estimates, proposals and other information in the plan.

This plan will be reviewed at least annually and consider new information as it comes to hand throughout the budget review cycle.

Councils 2023/24 to 2032/33 Long Term Financial Plan has been prepared according to these legislative requirements.

Purpose of the Long Term Financial Plan

The Long Term Financial Plan (LTFP) is part of Council's strategic management framework.

The LTFP expresses the objectives within its Community Plan in financial terms. It is a guide for future action based on the longer-term impact of revenue and expenditure. The long term financial implications can be readily identified and if warranted, proposed future activities can be revised.

Long term financial plans are particularly important for local governments as they are responsible for managing a high level of long-lasting 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 sound LTFP and Infrastructure and Asset Management Plans (IAMPs), an organisation with significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels and affordable asset management strategies, appropriate revenue targets and optimal treasury management.

Strategic Context

Strong links between the LTFP and other strategic documents are vital in order to provide an accurate picture of Council's financial sustainability and ability to meet its aspirations.

The LTFP provides direct connection between the :

- Community Plan 2019 to 2029
- Infrastructure and Asset Management Plan
- Annual Business Plan and Budget

Community Plan

Council's Community Plan 2019 to 2029 includes the following statements:

Vision Statement

Kingston SE is recognised as a popular Limestone Coast tourist and lifestyle destination. The main streets, parks and beaches are abuzz with locals and holiday makers, all enjoying our beautiful environment, cafes, restaurants, and local produce. Home-grown businesses and primary producers are thriving and the district is well known for its family friendly atmosphere. The community share a sense of pride and common purpose.

Our vision will be achieved by creating a *Thriving Destination* that encourages tourism and lifestyle living, through *Best Practice Planning of Public spaces* and *Neighbourhoods*, supported by *Excellence in Assets & Infrastructure* and *Strong Communities*. Our organisation will be known for *Progressive Leadership* in community engagement and management of community assets.

Themes

- A Thriving Destination
- Best Practice Planning
- Excellence in Assets and Infrastructure
- Strong Communities
- Progressive Leadership

The content of the LTFP has been prepared based on the pursuit of Council's vision and themes.

Statement of Financial Sustainability Based on Forecasts

The definition of Financial Sustainability for Local Government emanated from the independent SA Local Government Financial Sustainability Inquiry in 2005.

It is defined as follows:

“A Council’s long term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.”

The definition was endorsed nationally at the National General Assembly of Local Government in Canberra in November 2006.

Why is it important?

The importance of financial sustainability is to ensure that each generation ‘pays their way’, rather than any generation ‘living off their assets and leaving it to the future generations to address the issue of repairing worn out infrastructure’.

The Council is the custodian of infrastructure and assets with a fair value of \$148.2M (excluding Land).

Council has the responsibility to ensure that assets are managed efficiently and effectively and that decisions regarding the acquisition of new assets and the sale and maintenance of existing assets are undertaken in an open and transparent fashion.

Sound asset management is the key to financial sustainability. There is clearly a direct link between the development and implementation of Council’s Infrastructure and Asset Management Plan and its Long Term Financial Plan. Council expends considerable funds on the acquisition and management of assets. It will be exposed to financial risk over the longer term if budget processes have little regard for ongoing costs associated with the maintenance and renewal of these assets beyond the current budget period. It is incumbent on Council to carefully consider information about the stock of infrastructure and other assets and the contribution that current ratepayers are making to their consumption.

Council is facing many challenges in managing infrastructure and other assets due to issues such as increasing community expectations; replacement of ageing infrastructure; new legislative requirements (e.g. EPA standards) and the growing demands of an ageing population. However, the single largest issue is the immense and growing issues Council has in relation to marine infrastructure.

The term “asset management” is used to describe the process by which the Council manages physical assets to meet current and future levels of service. The Council determines the policy framework within which existing assets are managed and new assets acquired and the overall program for maintenance and disposal of assets. This policy framework typically has regard to the link between the purchase, upgrade and disposal of assets, the delivery of services to communities and consultation processes required to ensure the community is well informed and able to influence the decisions of the Council.

The LTFP is the mechanism by which the funding requirements for the Infrastructure and Asset Management Plan and Community Plan are implemented to ensure Council continue to operate in a financially sustainable way and continue to maintain and develop our district to meet the needs and aspirations of the community.

How is it measured?

To ensure that each generation 'pays its way', it is crucial that current ratepayers effectively fund the current net cost of services provided and community assets consumed. Without this being achieved (i.e. an operating deficit), future generations are effectively subsidising the current cost of service provision and asset consumption. Based on this, the financial sustainability of a Council is measured by the surplus/(deficit) (before capital revenues) disclosed in the Income Statement. A Council's long term financial sustainability is dependent upon ensuring that on average, over time its expenses are less than its associated revenues.

In addition to the Operating Surplus/(Deficit), the following indicators have been developed specifically to focus attention on factors identified as key to securing long term financial security:

- Operating surplus ratio
- Net financial liabilities ratio
- Asset renewal funding ratio

For each indicator, appropriate targets have been nominated to enable meaningful performance measurement. These indicators are consistent with industry standards and are discussed in more detail later in the document.

How is Council addressing the issue?

This Long Term Financial Plan sees Council operating at a significant deficit from 2024/25 to 2030/31 of the plan, finally reaching a surplus position in the 2031/32 year, while keeping rate increases to a minimum.

The LTFP demonstrates that Council will continue to experience financial pressure, largely due to ongoing coastal management costs. It is anticipated efficiency gains will reduce the cost of dredging at Cape Jaffa which accounts for a large proportion of coastal management costs. Further, as Council reaches a sustainable position with sand management at this location, it is anticipated that a decrease in the amount of sand required to be moved will ensue.

Council's long term financial management strategy has carefully considered the ongoing cost of coastal management at Cape Jaffa, the continued maintenance of existing community assets, the sustained economic development of the district, and returning the organisation to surplus as soon as possible.

In year nine (9) of this plan, Council will return to surplus and increase its surplus position for the remaining year of the plan, achieving a healthy operating surplus ratio of 1.70% in year ten (10) with healthy cash reserve of approximately \$2.3M.

Council's sound cash position is expected to enable Council to undertake asset management in a thorough and sustainable manner and to continue to deliver key strategic objectives in accordance with Council's Community Plan 2019 to 2029.

The Long Term Financial Plan will be updated at least annually as part of the Annual Business Planning process to monitor Council's attainment of its financial goals and help determine what refinements and further actions may be warranted.

Basis of Preparation

Financial Strategy

Council is focused on returning the operational surplus (deficit) to a balanced position, to ensure ongoing financial sustainability. The LTFP projects a steady improvement in Council's financial position over the next eight (8) years, returning to surplus in year nine (9). This is based on the achievement of the financial strategies described below:

1. Where possible, consolidate community assets through best practice planning of public spaces and infrastructure. This strategy will help to reduce ongoing maintenance and depreciation costs.
2. Undertake construction of new assets and projects that directly support Council's 2019 to 2029 Community Plan.
3. Only proceed with **major** new works if external funding is secured.
4. Where an operational grant is sought and additional council funds are required to be contributed, then careful consideration will be given to long term benefits and costs.
5. Council's Rating Policy will be applied to ensure all rate payers are contributing in accordance with taxation principles. In year 1 of the plan an average of 6% general rate increase (including growth) has been applied. For subsequent years, total rate revenue raised will increase by 1% above CPI, plus 0.5% for growth.
6. Service charges for the following are proposed to be increased to enable Council to fully recover the costs associated with the delivery of the services:
 - a. Community Wastewater Management Scheme (CWMS)
 - b. Mobile Garbage Bin collection
7. Grant revenue will be targeted in a proactive and 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 of economic benefit and necessary to the community and in line with Council's Community Plan 2019 to 2029.
8. Services provided by Council will need to be reviewed through the course of the plan, cost pressures related to delivery of some services will be assessed and rationalised for efficiency and to reduce the financial impact to rate payers and council resource allocation.

Influences and Challenges

External

1. The Reserve Bank of Australia (RBA) has an inflationary target range of between 2% and 3% per annum. The RBA has indicated that it will continue to increase cash rates until the inflation is within its target range.
2. State and Commonwealth Policy/ Decisions, and funding
 - a. Local Government Reform
 - b. Cost shifting.
3. Increases to the Superannuation Guarantee Levy.
4. Depreciation – increase in value of Council’s infrastructure due to inflation.
5. Adverse economic conditions with higher than anticipated inflationary pressures coupled with higher than expected interest rates.
6. Maintaining council rates and charges in an environment of significant recurrent increases in property valuations and balancing the increases in rates across the ratepayer base at an acceptable level.
7. Controlling costs in an environment where cost increases are increasing above CPI such as:
 - a. Utilities
 - b. Insurance
 - c. Fuel.

Internal

1. Increase in salaries/ wages as per Enterprise Bargaining Agreements (EBA).
2. Council’s strategic decisions (based on key financial indicators).
3. Ongoing costs associated with legislated community consultation requirements and internal controls/ risks.

Key Assumptions

The following assumptions have been built into the forecast calculations:

Description	LTFP Assumptions (Years 1-10)									
	23/24 Year 1 %	24/25 Year 2 %	25/26 Year 3 %	26/27 Year 4 %	27/28 Year 5 %	28/29 Year 6 %	29/30 Year 7 %	30/31 Year 8 %	31/32 Year 9 %	32/33 Year 10 %
General Rates (inclusive of growth)	6	5.1	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Projected increase in Total Rate Revenue sourced from Development Growth	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Increase in other income (excluding Rates and Grants)	7.9	3.6	3	3	3	3	3	3	3	3
Interest Income (based on 10 year bond rate)	3.31	2.83	3.01	3.19	3.37	3.55	3.78	3.3	3.67	3.59
Increase in Employee costs (excluding superannuation)	6.35	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Finance Costs (based on bond rate yields)	5.26	4.78	4.96	5.14	5.32	5.50	5.75	5.78	5.62	5.54
Materials, Contracts and Other	7.9	3.6	3	3	3	3	3	3	3	3
Forecast Inflation (Year 1 based on Adelaide March CPI) future years based on RBA February 2023 forward forecasts)).	7.9	3.6	3	3	3	3	3	3	3	3
Capital Expenditure	0	3.6	3	3	3	3	3	3	3	3

Other Assumptions

The following assumptions have been built into the forecast calculations:

- The superannuation guarantee contribution is legislated to increase (stepped) by 0.5% per annum from the current 10.5% to 12% by 1 July 2025.
- The content of the LTFP is based on objectives, strategies and actions included within Council's Community Plan 2019 to 2029.
- No changes to recurrent service levels.
- No changes to employee levels for life of the plan.
- Existing fees and charges to be increased in line with the revised fees and charges schedule.
- Non-recurrent grants to be based on confirmed funding levels only.
- Financial Assistance and Roads to Recovery Grants to remain throughout the life of the plan.
- Council resolutions for expenditure relating to future years.
- New assets result in maintenance increase of 1%.
- Annual Indexation of assets.
- Depreciation escalates based on new assets.
- Ongoing government operating grants are included at known amounts or where there is a reasonable expectation of continuation. If these are adjusted or removed, the corresponding expenditure is also adjusted or removed.
- Expenditure on assets as per the requirements of the Infrastructure and Asset Management Plans.
- The LTFP 2022/23 financial results are based on Council's forecast third quarter financial results.
- Assumptions are reviewed annually when the LTFP is reviewed.

Operating Projects

A summary of one of Operating Projects included in the LTFP.

Project Name	\$'000	24/25 Year 2	25/26 Year 3	26/27 Year 4	27/28 Year 5	28/29 Year 6	29/30 Year 7	30/31 Year 8	31/32 Year 9	32/33 Year 10
Line Marking	40	X		X		X		X		X
Hard-waste disposal	38	x		x		x		x		x
Election Expense	45			x				x		
By Law Review	6								x	
Electoral Representation Review	7	x								
Asset Valuations/ Condition Assessments	40		x	x			x	x		
Insurance Valuations	10		x				x			

New or Upgraded Assets

New or upgraded assets have been fully funded in the LTFP in line with the IAMP

Project Name	Cross reference	23/24 Year 1 \$'000	24/25 Year 2 \$'000	25/26 Year 3 \$'000	26/27 Year 4 \$'000	27/28 Year 5 \$'000	28/29 Year 6 \$'000	29/30 Year 7 \$'000	30/31 Year 8 \$'000	31/32 Year 9 \$'000	32/33 Year 10 \$'000
Wyomi Rock Seawall	(1)	2,605									
Faun Trackway deployment attachment		92									
Skid steer loader		120									
Janet Street pump station		243									
Chlorination ponds upgrade		40									
Pram ramps		25									
Roller doors		15									
MacDonnell Street storage (stormwater)						379					
Cooke Street pump & storage (stormwater)									429		
Foreshore Development	(2)			2,500							
TOTAL NEW		3,140		2,500		379			429		

Renewal or Replacement of Existing Assets

Renewal and replacement of existing assets has been fully funded in the LTFP in line with IAMP projections as detailed below:

Asset Category	Cross Reference	23/24 Year 1 \$'000	24/25 Year 2 \$'000	25/26 Year 3 \$'000	26/27 Year 4 \$'000	27/28 Year 5 \$'000	28/29 Year 6 \$'000	29/30 Year 7 \$'000	30/31 Year 8 \$'000	31/32 Year 9 \$'000	32/33 Year 10 \$'000
Footpaths & Kerbing		107	145	149	154	158	164	168	173	179	184
Sealed Roads		990	414	427	439	453	466	480	495	510	525
Unsealed Roads		782	824	848	874	900	927	955	984	1013	1043
CWMS		0	130	134	138	142	146	151	155	160	165
Stormwater		15	15	16	16	17	17	18	18	19	20
Buildings		100	104	107	110	113	117	120	124	127	131
Other structures		0	30	31	32	33	34	35	36	37	38
Marine Structures		0	0	194	200	205	212	218	224	231	238
Plant and Equipment		569	197	538	426	357	147	544	106	109	293
TOTAL RENEWAL		2,563	1,859	2,444	2,389	2,378	2,230	2,689	2,315	2,385	2,637

Capital Associated Grant Funding

Summary of grant funding in the LTFP.

Project	Cross Reference	23/24 Year 1 \$'000	24/25 Year 2 \$'000	25/26 Year 3 \$'000	26/27 Year 4 \$'000	27/28 Year 5 \$'000	28/29 Year 6 \$'000	29/30 Year 7 \$'000	30/31 Year 8 \$'000	31/32 Year 9 \$'000	32/33 Year 10 \$'000
Wyomi Rock Seawall	(1)	1,953									
Foreshore Development	(2)			1,250							
TOTAL GRANT		1,953		1,250							

Capital Expenditure Summary

Project	23/24 Year 1 \$'000	24/25 Year 2 \$'000	25/26 Year 3 \$'000	26/27 Year 4 \$'000	27/28 Year 5 \$'000	28/29 Year 6 \$'000	29/30 Year 7 \$'000	30/31 Year 8 \$'000	31/32 Year 9 \$'000	32/33 Year 10 \$'000
Expenditure on new	3,140		2,500		379			429		
Expenditure on renewal	2,563	1,859	2,444	2,389	2,378	2,230	2,689	2,315	2,385	2,637
GROSS CAPITAL	5,703	1,859	4,944	2,389	2,757	2,230	2,689	2,744	2,385	2,637
Less Associated Grants	1,953		1,250							
Less Sale of replaced Assets	215	140	175	180	123	80	265	73	68	171
NET CAPITAL COSTS	3,535	1,720	3,519	2,209	2,634			2,671	2,371	2,466

Excluded Projects

The following capital projects have not been incorporated into forecast calculations:

CWMS Ponds

Council will need to engage engineers to undertake a condition assessment of the CWMS ponds as it is likely the ponds will need desludging and will require new liners. At this time an amount has not been incorporated into the plan due to uncertainties with the condition of the ponds and the value/ timing of potential works.

CWMS Extension

Council has received funding from the LGA CWMS Committee to prepare a concept design with costings for the expansion of the current Kingston CWMS to Rosetown in the north and Pinks Beach in the south. At this stage the costs for the expanded Kingston CWMS are unknown and Council has not made a decision on the project.

Financial Sustainability – Key Financial Indicators

Financial indicators are to be calculated in accordance with the procedures set out in *Information Paper 9 – Financial Indicators* prepared for the LGA Financial Sustainability Program.

Indicator 1 – Operating Surplus Ratio

The operating surplus ratio is the operating surplus (or deficit) expressed ratio as a percentage of operating income.

$$\frac{\text{Operating Surplus/ (Deficit)}}{\text{Total Operating Income}}$$

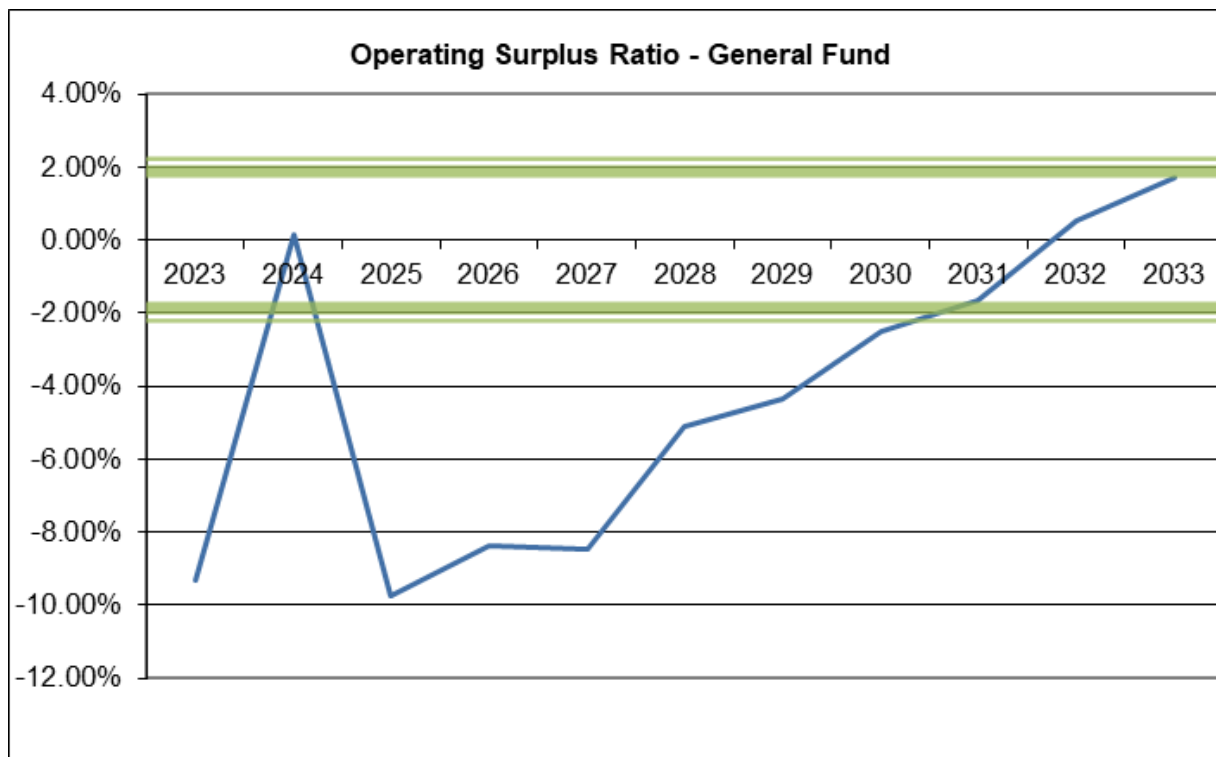
Purpose:

This ratio is designed to highlight the financial performance for the year and is a key indicator for financial sustainability.

A positive ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a break-even operating result.

A negative result indicates that Council is operating at a level beyond their means which will present long term financial difficulties.

It is important that Council aims to achieve an operating surplus within the life of this Plan. A trend in long term deficits would eventually result in Council struggling to maintain standards of service provision.



	23/24 Year 1 %	24/25 Year 2 %	25/26 Year 3 %	26/27 Year 4 %	27/28 Year 5 %	28/29 Year 6 %	29/30 Year 7 %	30/31 Year 8 %	31/32 Year 9 %	32/33 Year 10 %
Each year	0.15	-9.75	-8.39	-8.48	-5.13	-4.35	-2.52	-1.63	0.53	1.7
5 Year Avg.	-6.32	-7.22	-5.77	-4.42	-2.62	-1.25				

Target:

5 year average of 0%, -2% and 2% in any one year

In general Council should not be targeting operating deficits, nor should it be targeting large operating surpluses. Both results negatively affect intergenerational equity.

The range was selected to target the generation of revenue, sufficient to cover Council's operation without over-rating the community. The calculation should be undertaken on a yearly basis. It is also beneficial to review the target in terms of a trend overtime opposed to a single year.

Currently Council is operating outside of these parameters, in years 2 to 6 of this plan. Council will need to work towards improving their operating result to move within these targets.

Indicator 2 – Net Financial Liabilities Ratio

The Net Financial Liabilities ratio is calculated by expressing net financial liabilities at the end of a financial year as a percentage of operating income for the year.

$$\frac{\text{Net Financial Liabilities (NFL)}}{\text{Total Operating Revenue}}$$

Purpose:

This ratio is a measure of the extent to which Council is managing its debt. It's a broader measure of debt than simply looking at borrowing levels. It highlights that borrowings are often an effective means of financial sustainability, rather than trying to fund all assets and services from operating income. The ratio expresses the amount as a percentage of Council's income.

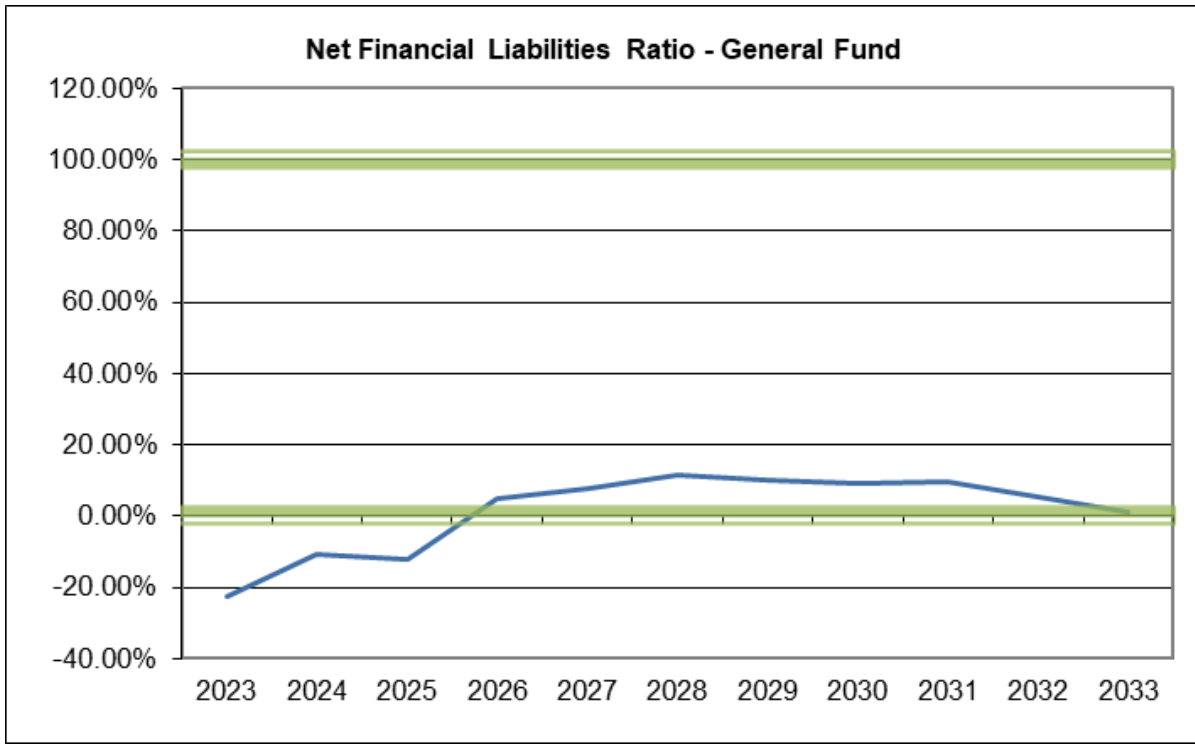
A steady ratio means Council is balancing the need to borrow against their ability to afford debt. An excessive ratio may mean Council is borrowing beyond their means and cannot generate the income required to service assets and operations.

Council's Net Financial Liabilities ratio includes community group, Cape Jaffa development and Council borrowings. It is acknowledged that community group and Cape Jaffa Development Company borrowings are serviced by those organisations through a funding agreement.

	23/24 Year 1 %	24/25 Year 2 %	25/26 Year 3 %	26/27 Year 4 %	27/28 Year 5 %	28/29 Year 6 %	29/30 Year 7 %	30/31 Year 8 %	31/32 Year 9 %	32/33 Year 10 %
Each year	-10.66	-12.30	5.09	7.98	11.73	9.99	9.19	9.83	5.22	1.00

Target:

**Maximum of 100% in any single year
Considered each year against Council's Operating Surplus Ratio**



Target percentage over time should be above zero, this means that Council is using debt as a tool in distributing the burden of debt over more than one generation of ratepayers (intergenerational equity).

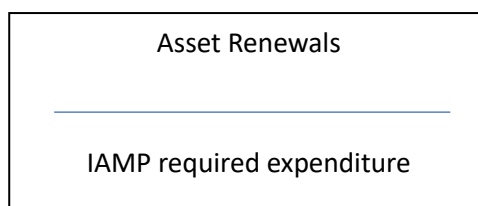
Where the result is negative Council has more cash available than what is owed in Council borrowings. This may indicate that Council is either raising more rates that it needs or is not providing appropriate services and assets to the community.

A falling result means Councils debt position is improving.

In order to ensure this target is meaningful it needs to be aligned with the planning strategy of Council. If Council is in a significant development stage, then a higher rate may be acceptable. The target needs to be flexible based on community needs and long term financial sustainability.

Indicator 3 – Asset Renewal Funding Ratio

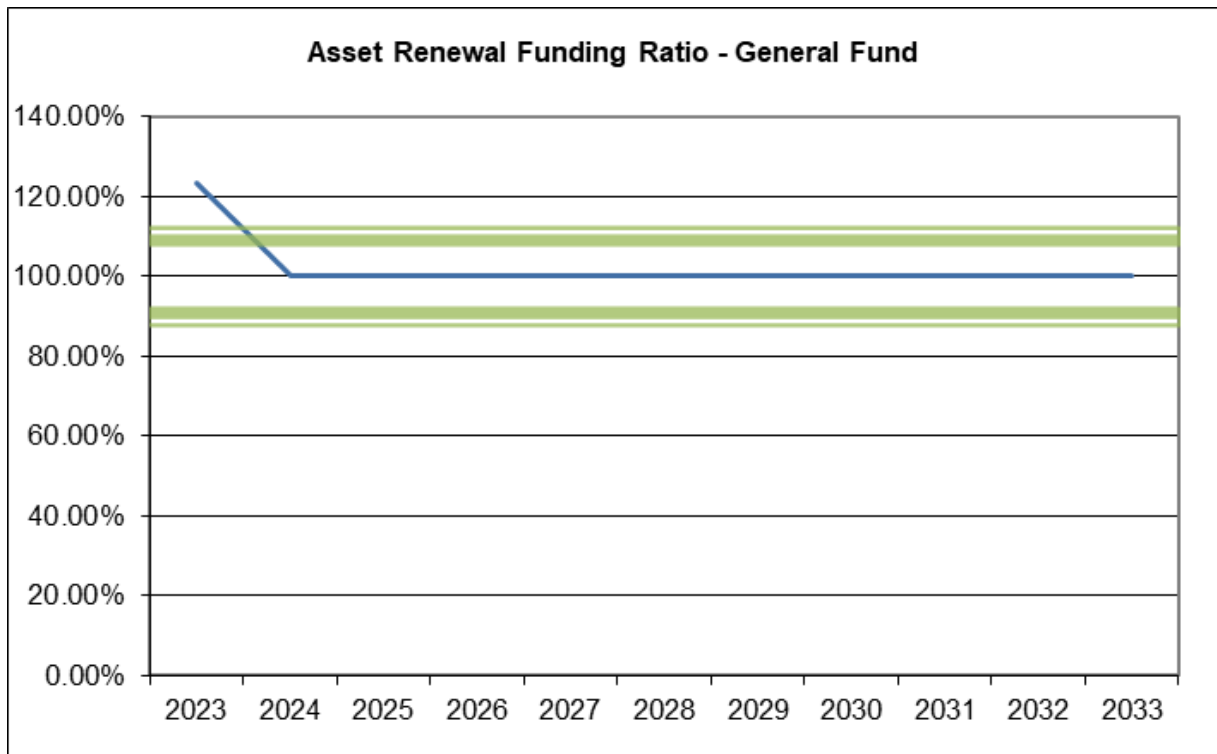
The Asset Renewal Funding Ratio is calculated by measuring capital expenditure on renewal or replacement of assets for a period, divided by the optimal level of such expenditure proposed in the Council’s Infrastructure and Asset Management Plan (IAMP).



Purpose:

This ratio indicates the extent to which existing assets are being renewed and replaced, compared with the asset renewal and replacement expenditure identified in Council’s IAMP.

Council’s IAMP determines, for the given level of service, when assets need to be replaced to ensure that level of service is maintained. If Council is achieving close to 100% for this measure, then it is maintaining the current service levels delivered by assets. This ratio simply measures if Council is performing the required work to replace assets and maintain the level of service.



	23/24 Year 1 %	24/25 Year 2 %	25/26 Year 3 %	26/27 Year 4 %	27/28 Year 5 %	28/29 Year 6 %	29/30 Year 7 %	30/31 Year 8 %	31/32 Year 9 %	32/33 Year 10 %
Each year	100	100	100	100	100	100	100	100	100	100
5 year Avg.	100	100	100	100	100	100				

Target:

5 year average of 100%, between 90% and 110% in any one year

In general, Council should be targeting around 100% of the replacement works determined by the Infrastructure and Asset Management Plan to ensure consistent service delivery.

A lower ratio suggests that Council is not maintaining assets and infrastructure in order to optimise asset lives. A higher ratio suggests that Council is replacing assets earlier than needed.

Currently Council is operating within targeted parameters.

Uniform Presentation of Finances

The Uniform Presentation of Finances (on page 22), together with the results of the key financial indicators provides a summarised report that focuses on Council's finances at a strategic level.

This summary highlights the operating surplus or deficit and shows the 'net lending/ (borrowing)' as the bottom line. The net lending/ (borrowing) takes into account both operating and capital activities for each year.

A zero result means that council has met all of its operating and capital expenditure from the current year's income. A net lending result means that Council has excess funds for the year after paying for all operating and capital expenditure. A net borrowing result means that Council has used more funds than it raised in the year in paying for its operating and capital expenditure.

Whilst operating deficits are forecast for the course of the plan, they are reducing over the life of the plan with a surplus position achieved in Year nine (9).

To enable Council to achieve this result it is assumed that rate revenue increases above CPI (in Year 2 onwards) coupled with cost savings through improved service delivery efficiencies will achieve this surplus position.

In summary, based on the expected levels of capital expenditure and councils operating position over the life of the plan, it is envisaged that cash reserves will be drawn down in order to fund these levels of expenditure. Furthermore, there will be a requirement for loan borrowings in 2025/26 to fund 50% of the major capital project.

Financial Reports

Uniform Presentation of Finances

Kingston District Council												
10 Year Financial Plan for the Years ending 30 June 2033												
UNIFORM PRESENTATION OF FINANCES - GENERAL FUND												
Scenario: Rolled over from V13 (with 21/22 as base year)	Actuals	Budget Review 3	Projected Years									
	2021/22	Current Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Activities												
Income	9,170,000	8,615,267	9,694,864	9,067,716	9,422,793	9,787,811	10,170,843	10,572,446	10,990,436	11,426,130	11,881,754	12,357,056
less Expenses	(8,561,000)	(9,416,928)	(9,680,293)	(9,951,519)	(10,213,498)	(10,617,696)	(10,692,224)	(11,032,097)	(11,267,506)	(11,612,711)	(11,818,854)	(12,147,378)
Operating Surplus / (Deficit)	609,000	(801,661)	14,571	(883,804)	(790,704)	(829,885)	(521,381)	(459,651)	(277,070)	(186,580)	62,900	209,678
Capital Activities												
less (Net Outlays) on Existing Assets												
Capital Expenditure on Renewal and Replacement of Existing Assets	(1,229,000)	(3,048,229)	(2,562,878)	(1,859,040)	(2,444,186)	(2,389,067)	(2,377,923)	(2,229,616)	(2,688,869)	(2,315,714)	(2,384,631)	(2,637,141)
add back Depreciation, Amortisation and Impairment	2,581,000	2,605,981	2,621,699	2,687,832	2,718,670	2,744,098	2,744,102	2,751,132	2,751,133	2,751,137	2,759,073	2,759,074
add back Proceeds from Sale of Replaced Assets	61,000	327,000	215,000	139,860	174,900	179,850	123,200	80,500	265,500	72,600	68,200	171,450
(Net Outlays) on Existing Assets	1,413,000	(115,248)	273,821	968,652	449,384	534,881	489,379	602,016	327,764	508,023	442,642	293,383
less (Net Outlays) on New and Upgraded Assets												
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(1,231,000)	(1,032,500)	(3,139,768)	-	(2,500,000)	-	(379,811)	-	-	(428,812)	-	-
add back Amounts Received Specifically for New and Upgraded Assets	614,000	768,959	1,953,000	-	1,250,000	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	8,000	-	-	-	-	-	-	-	-	-	-	-
(Net Outlays) on New and Upgraded Assets	(609,000)	(263,541)	(1,186,768)	-	(1,250,000)	-	(379,811)	-	-	(428,812)	-	-
Net Lending / (Borrowing) for Financial Year	1,413,000	(1,180,450)	(898,376)	84,848	(1,591,320)	(295,004)	(411,813)	142,365	50,694	(107,369)	505,543	503,062

Statement of Financial Position

10 Year Financial Plan for the Years ending 30 June 2033 STATEMENT OF FINANCIAL POSITION - GENERAL FUND Scenario: Rolled over from V13 (with 21/22 as base year)	Budget Review 3											
	Actuals	Current Year	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	6,122,000	4,130,380	3,083,698	3,146,226	2,649,832	2,254,945	1,743,050	1,814,809	1,775,494	1,587,516	1,986,383	2,392,602
Trade & Other Receivables	272,000	328,856	384,228	315,108	360,140	339,984	351,167	365,246	378,829	393,944	408,243	424,199
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	95,000	103,191	104,957	107,887	110,877	117,466	117,743	123,802	127,535	133,788	136,708	142,322
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	6,489,000	4,562,427	3,572,883	3,569,221	3,120,849	2,712,394	2,211,960	2,303,857	2,281,857	2,115,247	2,531,334	2,959,123
Non-Current Assets												
Financial Assets	2,853,000	2,848,103	2,845,837	2,845,837	2,845,837	2,845,837	2,845,837	2,845,837	2,845,837	2,845,837	2,845,837	2,845,837
Equity Accounted Investments in Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	139,468,000	140,717,381	143,643,953	142,735,663	145,024,044	144,585,659	144,537,635	144,056,385	143,957,758	143,962,464	143,581,908	143,350,611
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Assets	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000	227,000
Total Non-Current Assets	142,548,000	143,792,484	146,716,790	145,808,500	148,096,881	147,658,496	147,610,472	147,129,222	147,030,595	147,035,301	146,654,745	146,423,448
TOTAL ASSETS	149,037,000	148,354,912	150,289,673	149,377,721	151,217,731	150,370,890	149,822,431	149,433,078	149,312,452	149,150,548	149,186,079	149,382,571
LIABILITIES												
Current Liabilities												
Cash Advance Debenture	-	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	1,290,000	1,116,348	1,143,185	1,174,261	1,216,706	1,273,872	1,285,371	1,340,136	1,378,049	1,435,063	1,467,796	1,520,953
Borrowings	1,077,000	156,271	119,587	121,250	170,617	100,120	105,233	110,606	116,254	122,190	128,429	134,987
Provisions	327,000	382,663	382,663	382,663	382,663	382,663	382,663	382,663	382,663	382,663	382,663	382,663
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	2,694,000	1,655,282	1,645,435	1,678,174	1,769,986	1,756,655	1,773,267	1,833,405	1,876,966	1,939,915	1,978,888	2,038,602
Non-Current Liabilities												
Cash Advance Debenture	421,000	-	-	-	-	-	-	-	-	-	-	-
Trade & Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,881,000	3,645,361	3,561,774	3,440,524	4,491,661	4,391,540	4,286,307	4,175,701	4,059,447	3,937,257	3,808,828	3,673,841
Provisions	129,000	73,337	73,337	73,337	73,337	73,337	73,337	73,337	73,337	73,337	73,337	73,337
Liability - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities relating to Non-Current Assets classified as "Held for Sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	3,431,000	3,718,698	3,635,111	3,513,861	4,564,998	4,464,878	4,359,645	4,249,039	4,132,784	4,010,594	3,882,165	3,747,179
TOTAL LIABILITIES	6,125,000	5,373,980	5,280,546	5,192,035	6,334,984	6,221,533	6,132,911	6,082,444	6,009,751	5,950,510	5,861,054	5,785,781
Net Assets	142,912,000	142,980,932	145,009,128	144,185,686	144,882,747	144,149,357	143,689,520	143,350,635	143,302,702	143,200,039	143,325,026	143,596,790
EQUITY												
Accumulated Surplus	24,703,000	24,670,298	26,637,869	25,754,066	26,213,361	25,383,477	24,862,095	24,402,444	24,125,374	23,938,794	24,001,694	24,211,372
Asset Revaluation Reserves	115,313,000	115,414,633	115,475,258	115,535,620	115,773,386	115,869,881	115,931,425	116,052,191	116,281,328	116,365,245	116,427,331	116,489,418
Available for Sale Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000	2,896,000
Total Equity	142,912,000	142,980,932	145,009,128	144,185,686	144,882,747	144,149,357	143,689,520	143,350,635	143,302,702	143,200,039	143,325,026	143,596,790

Income Statement

Kingston District Council		Budget Review 3												
10 Year Financial Plan for the Years ending 30 June 2033														
STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUN		Actuals	Current Year								Projected Years			
Scenario: Rolled over from V13 (with 21/22 as base year)		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Income														
Rates	5,632,000	6,109,720	6,524,142	6,838,696	7,127,340	7,428,383	7,742,363	8,069,846	8,411,419	8,767,697	9,139,322	9,526,962		
Statutory Charges	146,000	165,904	142,229	147,349	151,770	156,323	161,012	165,843	170,818	175,942	181,221	186,657		
User Charges	752,000	926,340	880,930	912,643	940,023	968,223	997,270	1,027,188	1,058,004	1,089,744	1,122,436	1,156,109		
Grants, Subsidies and Contributions	2,401,000	1,019,138	1,813,786	902,395	925,584	949,608	974,496	1,000,281	1,026,993	1,054,668	1,083,338	1,113,041		
Investment Income	50,000	110,146	110,056	34,857	35,872	35,803	38,746	44,625	50,598	57,297	66,232	76,405		
Reimbursements	149,000	197,587	193,660	200,632	209,661	215,950	222,429	229,102	235,975	243,054	250,346	257,856		
Other Income	40,000	86,431	30,061	31,143	32,544	33,521	34,526	35,562	36,629	37,728	38,860	40,026		
Net gain - equity accounted Council businesses	-	-	-	-	-	-	-	-	-	-	-	-		
Total Income	9,170,000	8,615,267	9,694,864	9,067,716	9,422,793	9,787,811	10,170,843	10,572,446	10,990,436	11,426,130	11,881,754	12,357,056		
Expenses														
Employee Costs	2,300,000	2,311,526	2,494,847	2,575,047	2,648,320	2,717,614	2,792,348	2,869,138	2,948,039	3,029,110	3,112,411	3,198,002		
Materials, Contracts & Other Expenses	3,595,000	4,412,983	4,488,504	4,613,785	4,741,681	5,023,439	5,035,271	5,294,395	5,454,038	5,721,434	5,846,327	6,086,392		
Depreciation, Amortisation & Impairment	2,581,000	2,605,981	2,621,699	2,687,832	2,718,670	2,744,098	2,744,102	2,751,132	2,751,133	2,751,137	2,759,073	2,759,074		
Finance Costs	85,000	86,437	75,244	74,855	104,827	132,545	120,503	117,432	114,296	111,029	101,043	103,910		
Net loss - Equity Accounted Council Businesses	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expenses	8,561,000	9,416,928	9,680,293	9,951,519	10,213,498	10,617,696	10,692,224	11,032,097	11,267,506	11,612,711	11,818,854	12,147,378		
Operating Surplus / (Deficit)	609,000	(801,661)	14,571	(883,804)	(790,704)	(829,885)	(521,381)	(459,651)	(277,070)	(186,580)	62,900	209,678		
Asset Disposal & Fair Value Adjustments	(1,144,000)	-	-	-	-	-	-	-	-	-	-	-		
Amounts Received Specifically for New or Upgraded Assets	614,000	768,959	1,953,000	-	1,250,000	-	-	-	-	-	-	-		
Physical Resources Received Free of Charge	-	-	-	-	-	-	-	-	-	-	-	-		
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-		
Net Surplus / (Deficit)	79,000	(32,702)	1,967,571	(883,804)	459,296	(829,885)	(521,381)	(459,651)	(277,070)	(186,580)	62,900	209,678		
Other Comprehensive Income														
Amounts which will not be reclassified subsequently to operating result														
Changes in Revaluation Surplus - I,PP&E	6,300,000	101,633	60,625	60,362	237,765	96,495	61,544	120,766	229,137	83,917	62,086	62,086		
Total Other Comprehensive Income	6,300,000	101,633	60,625	60,362	237,765	96,495	61,544	120,766	229,137	83,917	62,086	62,086		
Total Comprehensive Income	6,379,000	68,932	2,028,196	(823,442)	697,061	(733,389)	(459,837)	(338,885)	(47,933)	(102,663)	124,987	271,765		

Equity Statement

Kingston District Council												
10 Year Financial Plan for the Years ending 30 June 2033												
STATEMENT OF CHANGES IN EQUITY - GENERAL FUND												
Scenario: Rolled over from V13 (with 21/22 as base year)												
	Actuals	Budget Review 3	Projected Years									
	2021/22	Current Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	136,533,000	142,912,000	142,980,932	145,009,128	144,185,686	144,882,747	144,149,357	143,689,520	143,350,635	143,302,702	143,200,039	143,325,026
Net Surplus / (Deficit) for Year	79,000	(32,702)	1,967,571	(883,804)	459,296	(829,885)	(521,381)	(459,651)	(277,070)	(186,580)	62,900	209,678
Other Comprehensive Income												
- Gain (Loss) on Revaluation of I,PP&E	6,300,000	101,633	60,625	60,362	237,765	96,495	61,544	120,766	229,137	83,917	62,086	62,086
- Other Movements	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	6,300,000	101,633	60,625	60,362	237,765	96,495	61,544	120,766	229,137	83,917	62,086	62,086
Total Comprehensive Income	6,379,000	68,932	2,028,196	(823,442)	697,061	(733,389)	(459,837)	(338,885)	(47,933)	(102,663)	124,987	271,765
Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	142,912,000	142,980,932	145,009,128	144,185,686	144,882,747	144,149,357	143,689,520	143,350,635	143,302,702	143,200,039	143,325,026	143,596,790

Statement of Cash Flows

Kingston District Council		Budget Review 3										
10 Year Financial Plan for the Years ending 30 June 2033												
STATEMENT OF CASH FLOWS - GENERAL FUND												
Scenario: Rolled over from V13 (with 21/22 as base year)												
	Actuals	Current Year	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates Receipts	5,667,000	6,078,837	6,525,778	6,839,938	7,128,480	7,429,571	7,743,603	8,071,139	8,412,768	8,769,104	9,140,788	9,528,492
Statutory Charges	146,000	164,294	143,478	147,079	151,536	156,082	160,765	165,588	170,555	175,672	180,942	186,371
User Charges	827,000	914,259	883,325	910,970	938,578	966,735	995,738	1,025,610	1,056,378	1,088,069	1,120,711	1,154,333
Grants, Subsidies and Contributions (operating purpose)	2,431,000	1,013,670	1,760,861	979,011	891,530	982,400	973,831	999,591	1,026,279	1,053,927	1,082,571	1,112,246
Investment Receipts	50,000	108,026	110,059	36,835	35,845	35,805	38,669	44,470	50,441	57,121	65,997	76,137
Reimbursements	155,000	194,228	193,866	200,267	209,188	215,621	222,090	228,753	235,615	242,684	249,964	257,463
Other	170,000	83,828	33,035	31,086	32,471	33,469	34,473	35,508	36,573	37,670	38,800	39,964
Payments:												
Payments to Employees	(2,135,000)	(2,325,961)	(2,492,343)	(2,573,952)	(2,647,319)	(2,716,667)	(2,791,327)	(2,868,089)	(2,946,961)	(3,028,003)	(3,111,273)	(3,196,833)
Payments for Materials, Contracts & Other Expenses	(4,082,000)	(4,580,359)	(4,477,900)	(4,596,195)	(4,723,723)	(4,983,878)	(5,033,610)	(5,258,012)	(5,431,623)	(5,683,890)	(5,828,791)	(6,052,685)
Finance Payments	(87,000)	(84,718)	(76,406)	(76,010)	(94,197)	(134,192)	(121,470)	(118,448)	(115,364)	(112,152)	(102,223)	(105,150)
Net Cash provided (or used in) Operating Activities	3,142,000	1,566,104	2,603,753	1,899,029	1,922,388	1,984,947	2,222,759	2,326,108	2,494,660	2,600,202	2,837,488	3,000,339
Cash Flows from Investing Activities												
Receipts:												
Amounts Received Specifically for New/Upgraded Assets	614,000	768,959	1,953,000	-	1,250,000	-	-	-	-	-	-	-
Sale of Replaced Assets	61,000	327,000	215,000	139,860	174,900	179,850	123,200	80,500	265,500	72,600	68,200	171,450
Sale of Surplus Assets	8,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by Community Groups	330,000	4,415	4,482	2,266	-	-	-	-	-	-	-	-
Payments:												
Expenditure on Renewal/Replacement of Assets	(1,229,000)	(3,048,229)	(2,562,878)	(1,859,040)	(2,444,186)	(2,389,067)	(2,377,923)	(2,229,616)	(2,688,869)	(2,315,714)	(2,384,631)	(2,637,141)
Expenditure on New/Upgraded Assets	(1,231,000)	(1,032,500)	(3,139,768)	-	(2,500,000)	-	(379,811)	-	-	(428,812)	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(1,447,000)	(2,980,355)	(3,530,164)	(1,716,914)	(3,519,286)	(2,209,217)	(2,634,534)	(2,149,116)	(2,423,369)	(2,671,926)	(2,316,431)	(2,465,691)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from CAD	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Borrowings	421,000	-	-	-	1,250,000	-	-	-	-	-	-	-
Proceeds from Bonds & Deposits	100,000	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of CAD	-	(421,000)	-	-	-	-	-	-	-	-	-	-
Repayments of Borrowings	(363,000)	(156,368)	(120,271)	(119,587)	(149,496)	(170,617)	(100,120)	(105,233)	(110,606)	(116,254)	(122,190)	(128,429)
Repayment of Principal Portion of Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	158,000	(577,368)	(120,271)	(119,587)	1,100,504	(170,617)	(100,120)	(105,233)	(110,606)	(116,254)	(122,190)	(128,429)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,853,000	(1,991,620)	(1,046,682)	62,528	(496,394)	(394,887)	(511,895)	71,759	(39,315)	(187,978)	398,867	406,219
plus: Cash & Cash Equivalents - beginning of year	4,269,000	6,122,000	4,130,380	3,083,698	3,146,226	2,649,832	2,254,945	1,743,050	1,814,809	1,775,494	1,587,516	1,986,383
Cash & Cash Equivalents - end of the year	6,122,000	4,130,380	3,083,698	3,146,226	2,649,832	2,254,945	1,743,050	1,814,809	1,775,494	1,587,516	1,986,383	2,392,602
Cash & Cash Equivalents - end of the year	6,122,000	4,130,380	3,083,698	3,146,226	2,649,832	2,254,945	1,743,050	1,814,809	1,775,494	1,587,516	1,986,383	2,392,602
Investments - end of the year	-	-	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	6,122,000	4,130,380	3,083,698	3,146,226	2,649,832	2,254,945	1,743,050	1,814,809	1,775,494	1,587,516	1,986,383	2,392,602