

2019-2020 Budget
Statement of Income and Expenditure

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000
Income			
Operating Revenue			
Differential General Rates	182,055	190,685	199,785
Utility and Other Charges	36,013	38,000	40,102
less Discounts and Remissions	(11,186)	(11,615)	(12,057)
Net Rates, Levies and Charges	206,882	217,070	227,830
Fees and Charges	31,764	33,947	35,827
Rental Income	-	1,061	2,838
Interest and Investment Revenue	4,166	3,987	3,038
Sales Revenue	3,037	3,222	3,419
Other Income	40,100	37,922	38,713
Grants, Subsidies, Contributions and Donations	11,690	11,364	11,737
Total Operating Revenue	297,639	308,573	323,402
Capital Revenue			
Grants, Subsidies, Contributions and Donations	7,837	3,079	4,048
Developer Donated Assets	129,732	67,685	69,716
Developer Cash Contributions	27,357	31,365	32,490
Capital Income	-	-	-
Total Income	462,565	410,702	429,656
Expenses			
Operating Expenses			
Employee Benefits	99,204	101,564	105,835
Materials and Services	96,808	94,708	99,287
Finance Costs	13,692	14,031	13,519
Depreciation and Amortisation	70,355	75,418	77,612
Other Expenses	14,298	16,140	16,965
Total Expenses	294,357	301,861	313,218
Net Result	168,208	108,841	116,438
Operating Result			
Operating Revenue	297,639	308,573	323,402
Operating Expenses	294,357	301,861	313,218
Operating Result	3,282	6,712	10,184

2019-2020 Budget
Statement of Financial Position

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	189,868	126,832	108,553
Receivables	25,119	25,983	27,320
Inventories	1,262	1,338	1,420
Other Current Assets	3,921	3,999	4,081
Total Current Assets	220,170	158,152	141,374
Non-Current Assets			
Investments	310,390	310,390	310,390
Property, Plant & Equipment	2,683,422	2,890,143	3,018,030
Intangible Assets	23,353	29,931	36,599
Total Non-Current Assets	3,017,165	3,230,464	3,365,019
Total Assets	3,237,335	3,388,616	3,506,393
Liabilities			
Current Liabilities			
Payables	25,381	26,106	27,995
Borrowings	31,207	35,699	74,292
Provisions	21,873	22,377	23,302
Other Current Liabilities	1,674	1,754	1,855
Total Current Liabilities	80,135	85,936	127,444
Non-Current Liabilities			
Trade and Other Payables	61	61	61
Borrowings	313,383	349,955	309,663
Provisions	2,928	2,995	3,118
Other Non-Current Liabilities	1,793	1,793	1,793
Total Non-Current Liabilities	318,165	354,804	314,635
Total Liabilities	398,300	440,740	442,079
Net Community Assets	2,839,035	2,947,876	3,064,314
Community Equity			
Asset Revaluation Surplus	482,967	482,967	482,967
Accumulated Surplus'	2,356,068	2,464,909	2,581,347
Total Community Equity	2,839,035	2,947,876	3,064,314

2019-2020 Budget
Statement of Cash Flows

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000
Cash Flows from Operating Activities			
Receipts from Customers	255,932	266,414	279,628
Payments to Suppliers and Employees	(207,613)	(211,779)	(219,851)
Proceeds from Sale Held as Inventory	1,370	-	-
Interest Revenue	4,166	3,987	3,038
Rental income	-	974	2,692
Non-Capital Grants, Subsidies and Contributions	11,690	11,364	11,737
QUU Tax Equivalents and Participation Returns	27,070	24,970	24,970
Borrowing Costs	(13,067)	(13,368)	(12,818)
Other Cash Flows from Operating Activities	(1,225)	(155)	(163)
Net Cash Flow from Operating Activities	78,323	82,407	89,233
Cash Flows from Operating Activities			
Payments for property, plant and equipment	(182,299)	(234,354)	(135,407)
Payments for intangible assets	(4,455)	(11,727)	(12,372)
Net movement in loans and advances	-	-	-
Proceeds from Property, Plant and equipment	4,779	25,049	5,328
Grants, Subsidies, Contributions and Donations	35,194	34,444	36,538
Other Cash Flows from Investing Activities	(14,289)	80	100
Net Cash Flows from Investing Activities	(161,070)	(186,508)	(105,813)
Cash Inflows from Financing Activities			
Proceeds from Borrowings	57,100	73,800	35,000
Repayment of Borrowings	(27,099)	(32,615)	(36,579)
Net Cash Flows from Financing Activities	29,881	41,065	(1,699)
Net Increase/(Decrease) for the year	(52,866)	(63,036)	(18,279)
Opening Cash and Cash Equivalents	242,734	189,868	126,832
Closing Cash and Cash Equivalents	189,868	126,832	108,553

2019-2020 Budget
Statement of Changes in Equity

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000
Balance at Beginning of Year			
Accumulated surplus'	2,187,860	2,356,068	2,464,909
Asset revaluation reserve	482,967	482,967	482,967
Total Community Equity	2,670,827	2,839,035	2,947,876
Net Result for the Period			
Accumulated surplus'	168,208	108,841	116,438
Asset revaluation reserve	-	-	-
Total Community Equity	168,208	108,841	116,438
Asset Revaluation Adjustments			
Accumulated surplus'	-	-	-
Asset Revaluation reserve	-	-	-
Total Community Equity	-	-	-
Balance at End of Period			
Accumulated surplus'	2,356,068	2,464,909	2,581,347
Asset revaluation reserve	482,967	482,967	482,967
TOTAL COMMUNITY EQUITY	2,839,035	2,947,876	3,064,314

2019-2020 Long Term Financial Forecast
Statement of Income and Expenditure

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000	2022-2023 Estimated \$'000	2023-2024 Estimated \$'000	2024-2025 Estimated \$'000	2025-2026 Estimated \$'000	2026-2027 Estimated \$'000	2027-2028 Estimated \$'000	2028-2029 Estimated \$'000
Income										
Operating Revenue										
Differential General Rates	182,055	190,685	199,785	209,381	219,501	231,016	243,212	256,131	269,818	284,320
Utility and Other Charges	36,013	38,000	40,102	42,327	44,681	47,402	50,294	53,367	56,633	60,104
less Discounts and Remissions	(11,186)	(11,615)	(12,057)	(12,512)	(12,980)	(13,464)	(13,961)	(14,472)	(14,996)	(15,534)
Net Rates, Levies and Charges	206,882	217,070	227,830	239,196	251,202	264,954	279,545	295,026	311,455	328,890
Fees and Charges	31,764	33,947	35,827	37,808	39,898	42,102	44,427	46,882	49,472	52,208
Rental Income	-	1,061	2,838	1,271	-	-	-	-	-	-
Interest and Investment Revenue	4,166	3,987	3,038	3,259	3,631	3,838	3,721	4,005	4,691	5,326
Sales Revenue	3,037	3,222	3,419	3,627	3,849	4,084	4,333	4,598	4,878	5,176
Other Income	40,100	37,922	38,713	39,552	40,442	41,387	42,951	44,601	46,343	48,179
Grants, Subsidies, Contributions and Donations	11,690	11,364	11,737	12,131	12,547	12,986	13,449	13,938	14,454	14,998
Total Operating Revenue	297,639	308,573	323,402	336,844	351,569	369,351	388,426	409,050	431,293	454,777
Capital Revenue										
Grants, Subsidies, Contributions and Donations	7,837	3,079	4,048	4,480	4,587	4,675	4,765	4,875	4,986	5,098
Developer Donated Assets	129,732	67,685	69,716	71,518	73,666	75,510	77,775	80,108	82,511	85,000
Developer Cash Contributions	27,357	31,365	32,490	31,684	32,387	33,484	34,315	35,326	40,097	41,000
Capital Income/(Loss)	-	-	-	(8,032)	-	-	-	-	-	-
Total Income	462,565	410,702	429,656	436,494	462,209	483,020	505,281	529,359	558,887	585,875
Expenses										
Operating Expenses										
Employee Benefits	99,204	101,564	105,835	110,163	114,736	119,470	124,368	129,231	134,259	139,458
Materials and Services	96,808	94,708	99,287	101,643	105,537	107,958	114,562	118,560	127,036	130,853
Finance Costs	13,692	14,031	13,519	12,508	11,749	11,218	10,675	9,688	9,145	8,625
Depreciation and Amortisation	70,355	75,418	77,612	80,237	82,033	84,136	86,344	88,626	87,928	91,450
Other Expenses	14,298	16,140	16,965	17,842	18,771	19,758	20,805	21,916	23,096	24,347
Total Expenses	294,357	301,861	313,218	322,393	332,826	342,540	356,754	368,021	381,464	394,733
Net Result	168,208	108,841	116,438	114,101	129,383	140,480	148,527	161,338	177,423	191,142
Operating Result										
Operating Revenue	297,639	308,573	323,402	336,844	351,569	369,351	388,426	409,050	431,293	454,777
Operating Expenses	294,357	301,861	313,218	322,393	332,826	342,540	356,754	368,021	381,464	394,733
Operating Result	3,282	6,712	10,184	14,451	18,743	26,811	31,672	41,029	49,829	60,044

2019-2020 Long Term Financial Forecast
Statement of Financial Position

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000	2022-2023 Estimated \$'000	2023-2024 Estimated \$'000	2024-2025 Estimated \$'000	2025-2026 Estimated \$'000	2026-2027 Estimated \$'000	2027-2028 Estimated \$'000	2028-2029 Estimated \$'000
Assets										
Current Assets										
Cash and Cash Equivalents	189,868	126,832	108,553	119,859	116,251	101,205	89,273	103,430	114,042	135,086
Receivables	25,119	25,983	27,320	28,449	29,592	31,165	32,807	34,547	36,292	38,345
Inventories	1,262	1,338	1,420	1,506	1,597	1,695	1,798	1,908	2,025	2,149
Other Current Assets	3,921	3,999	4,081	4,167	4,257	4,350	4,448	4,550	4,657	4,769
Total Current Assets	220,170	158,152	141,374	153,981	151,697	138,415	128,326	144,435	157,016	180,349
Non-Current Assets										
Investments	310,390	310,390	310,390	310,390	310,390	310,390	310,390	310,390	310,390	310,390
Property, Plant & Equipment	2,683,422	2,890,143	3,018,030	3,084,496	3,222,750	3,388,009	3,547,587	3,672,877	3,818,717	3,968,506
Intangible Assets	23,353	29,931	36,599	38,862	40,656	42,679	45,402	47,866	49,644	50,789
Total Non-Current Assets	3,017,165	3,230,464	3,365,019	3,433,748	3,573,796	3,741,078	3,903,379	4,031,133	4,178,751	4,329,685
Total Assets	3,237,335	3,388,616	3,506,393	3,587,729	3,725,493	3,879,493	4,031,705	4,175,568	4,335,767	4,510,034
Liabilities										
Current Liabilities										
Payables	25,381	26,106	27,995	29,486	31,157	32,889	34,962	36,900	39,192	41,406
Borrowings	31,207	35,699	74,292	43,124	47,823	53,198	45,056	35,485	35,110	33,973
Provisions	21,873	22,377	23,302	24,239	25,229	26,254	27,314	28,367	29,456	30,581
Other Current Liabilities	1,674	1,754	1,855	1,961	2,073	2,191	2,316	2,449	2,589	2,737
Total Current Liabilities	80,135	85,936	127,444	98,810	106,282	114,532	109,648	103,201	106,347	108,697
Non-Current Liabilities										
Trade and Other Payables	61	61	61	61	61	61	61	61	61	61
Borrowings	313,383	349,955	309,663	305,407	306,184	311,318	319,746	308,578	288,063	268,688
Provisions	2,928	2,995	3,118	3,243	3,375	3,511	3,652	3,792	3,937	4,087
Other Non-Current Liabilities	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
Total Non-Current Liabilities	318,165	354,804	314,635	310,504	311,413	316,683	325,252	314,224	293,854	274,629
Total Liabilities	398,300	440,740	442,079	409,314	417,695	431,215	434,900	417,425	400,201	383,326
Net Community Assets	2,839,035	2,947,876	3,064,314	3,178,415	3,307,798	3,448,278	3,596,805	3,758,143	3,935,566	4,126,708
Community Equity										
Asset Revaluation Surplus	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967
Accumulated Surplus¹	2,356,068	2,464,909	2,581,347	2,695,448	2,824,831	2,965,311	3,113,838	3,275,176	3,452,599	3,643,741
Total Community Equity	2,839,035	2,947,876	3,064,314	3,178,415	3,307,798	3,448,278	3,596,805	3,758,143	3,935,566	4,126,708

2019-2020 Long Term Financial Forecast
Statement of Cash Flows

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000	2022-2023 Estimated \$'000	2023-2024 Estimated \$'000	2024-2025 Estimated \$'000	2025-2026 Estimated \$'000	2026-2027 Estimated \$'000	2027-2028 Estimated \$'000	2028-2029 Estimated \$'000
Cash Flows from Operating Activities										
Receipts from Customers	255,932	266,414	279,628	293,956	309,173	325,984	344,083	363,248	383,671	405,025
Payments to Suppliers and Employees	(207,613)	(211,779)	(219,851)	(227,837)	(237,040)	(245,127)	(257,348)	(267,514)	(281,863)	(292,224)
Proceeds from Sale Held as Inventory	1,370	-	-	-	-	-	-	-	-	-
Interest Revenue	4,166	3,987	3,038	3,259	3,631	3,838	3,721	4,005	4,691	5,326
Rental income	-	974	2,692	1,400	104	-	-	-	-	-
Non-Capital Grants, Subsidies and Contributions	11,690	11,364	11,737	12,131	12,547	12,986	13,449	13,938	14,454	14,998
QUU Tax Equivalents and Participation Returns	27,070	24,970	24,970	24,970	24,970	24,970	25,532	26,119	26,733	27,374
Borrowing Costs	(13,067)	(13,368)	(12,818)	(11,765)	(10,960)	(10,383)	(9,789)	(8,748)	(8,149)	(7,569)
Other Cash Flows from Operating Activities	(1,225)	(155)	(163)	(172)	(181)	(191)	(201)	(212)	(224)	(236)
Net Cash Flow from Operating Activities	78,323	82,407	89,233	95,942	102,244	112,077	119,447	130,836	139,313	152,694
Cash Flows from Operating Activities										
Payments for property, plant and equipment	(182,299)	(234,354)	(135,407)	(132,513)	(146,021)	(173,703)	(168,304)	(133,832)	(150,730)	(154,940)
Payments for intangible assets	(4,455)	(11,727)	(12,372)	(8,639)	(8,340)	(8,493)	(9,211)	(9,454)	(9,700)	(9,943)
Net movement in loans and advances	-	-	-	-	-	-	-	-	-	-
Proceeds from Property, Plant and equipment	4,779	25,049	5,328	55,671	5,946	6,288	6,645	7,013	7,396	7,500
Grants, Subsidies, Contributions and Donations	35,194	34,444	36,538	36,164	36,974	38,159	39,080	40,201	45,083	46,098
Other Cash Flows from Investing Activities	(14,289)	80	100	106	112	118	125	132	140	148
Net Cash Flows from Investing Activities	(161,070)	(186,508)	(105,813)	(49,211)	(111,329)	(137,631)	(131,665)	(95,940)	(107,811)	(111,137)
Cash Inflows from Financing Activities										
Proceeds from Borrowings	57,100	73,800	35,000	40,000	50,000	60,000	55,000	25,000	15,000	15,000
Repayment of Borrowings	(27,099)	(32,615)	(36,579)	(75,305)	(44,523)	(49,492)	(54,714)	(45,739)	(35,890)	(35,513)
Net Cash Flows from Financing Activities	29,881	41,065	(1,699)	(35,425)	5,477	10,508	286	(20,739)	(20,890)	(20,513)
Net Increase/(Decrease) for the year	(52,866)	(63,036)	(18,279)	11,306	(3,608)	(15,046)	(11,932)	14,157	10,612	21,044
Opening Cash and Cash Equivalents	242,734	189,868	126,832	108,553	119,859	116,251	101,205	89,273	103,430	114,042
Closing Cash and Cash Equivalents	189,868	126,832	108,553	119,859	116,251	101,205	89,273	103,430	114,042	135,086

2019-2020 Long Term Financial Forecast
Statement of Changes in Equity

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000	2022-2023 Estimated \$'000	2023-2024 Estimated \$'000	2024-2025 Estimated \$'000	2025-2026 Estimated \$'000	2026-2027 Estimated \$'000	2027-2028 Estimated \$'000	2028-2029 Estimated \$'000
Balance at Beginning of Year										
Accumulated surplus'	2,187,860	2,356,068	2,464,909	2,581,347	2,695,448	2,824,831	2,965,311	3,113,838	3,275,176	3,452,599
Asset revaluation reserve	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967
Total Community Equity	2,670,827	2,839,035	2,947,876	3,064,314	3,178,415	3,307,798	3,448,278	3,596,805	3,758,143	3,935,566
Net Result for the Period										
Accumulated surplus'	168,208	108,841	116,438	114,101	129,383	140,480	148,527	161,338	177,423	191,142
Asset revaluation reserve	-	-	-	-	-	-	-	-	-	-
Total Community Equity	168,208	108,841	116,438	114,101	129,383	140,480	148,527	161,338	177,423	191,142
Asset Revaluation Adjustments										
Accumulated surplus'	-	-	-	-	-	-	-	-	-	-
Asset Revaluation reserve	-	-	-	-	-	-	-	-	-	-
Total Community Equity	-	-	-	-	-	-	-	-	-	-
Balance at End of Period										
Accumulated surplus'	2,356,068	2,464,909	2,581,347	2,695,448	2,824,831	2,965,311	3,113,838	3,275,176	3,452,599	3,643,741
Asset revaluation reserve	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967	482,967
TOTAL COMMUNITY EQUITY	2,839,035	2,947,876	3,064,314	3,178,415	3,307,798	3,448,278	3,596,805	3,758,143	3,935,566	4,126,708

2019-2020 Long Term Financial Forecast

FINANCIAL RATIOS (as per Local Government Regulation 2012)

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000	2022-2023 Estimated \$'000	2023-2024 Estimated \$'000	2024-2025 Estimated \$'000	2025-2026 Estimated \$'000	2026-2027 Estimated \$'000	2027-2028 Estimated \$'000	2028-2029 Estimated \$'000
Operating Surplus	1.10%	2.18%	3.15%	4.29%	5.33%	7.26%	8.15%	10.03%	11.55%	13.20%

(Net Result (excluding Capital items)) / Total Operating Revenue)

This is an indicator of what extent to which revenues raised cover operational expenses only or are available for capital funding purposes. The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total operating revenue.

Net Financial Liabilities	59.85%	91.58%	92.98%	75.80%	75.66%	79.27%	78.93%	66.74%	56.38%	44.63%
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(Total Liabilities less Current Assets / Total Operating Revenue)

This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating revenues.

Asset Sustainability	74.47%	77.62%	76.61%	76.67%	89.69%	88.05%	94.49%	90.87%	99.24%	106.97%
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(Capex on replacement of assets / Depreciation Expense)

This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach the end of their useful lives. Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period.

2019-2020 Long Term Financial Forecast
OTHER FINANCIAL RATIOS (as determined by Council)

	2019-2020 Budget \$'000	2020-2021 Estimated \$'000	2021-2022 Estimated \$'000	2022-2023 Estimated \$'000	2023-2024 Estimated \$'000	2024-2025 Estimated \$'000	2025-2026 Estimated \$'000	2026-2027 Estimated \$'000	2027-2028 Estimated \$'000	2028-2029 Estimated \$'000
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Operating Efficiency **1.01** **1.02** **1.03** **1.04** **1.06** **1.08** **1.09** **1.11** **1.13** **1.15**
(Operating Revenue / Operating Expenses)

This ratio provides an indication of Council's capacity to recover the cost of the day to day expenses of Council. This includes the consumption of Council's asset base through depreciation expense.

Debt Servicing **13.49%** **14.90%** **15.27%** **25.85%** **15.78%** **16.21%** **16.61%** **13.32%** **10.21%** **9.47%**
(I & R / Total Operating Revenue)

This ratio provides an indication of Council's capacity to service its outstanding loan borrowings.

Working Capital (-- : 1) **2.75 : 1** **1.84 : 1** **1.11 : 1** **1.56 : 1** **1.43 : 1** **1.21 : 1** **1.17 : 1** **1.40 : 1** **1.48 : 1** **1.66 : 1**
(Current Assets / Current Liabilities)

This ratio provides an indication of Council's ability to meet it's short term obligations as they fall due. Budget estimates are within satisfactory ranges.

Note : Current Liabilities are exclusive of liability for infrastructure Credits.

Return on Assets **0.51%** **0.59%** **0.66%** **0.73%** **0.80%** **0.96%** **1.03%** **1.19%** **1.34%** **1.50%**
(EBIT / Assets)

This ratio provides an indication of Council's efficiency in using its assets to generate earnings. (Where EBIT = Net Operating Result + interest expense + tax)

Estimated Statement of Income and Expenditure

Ipswich Waste Services

In accordance with section 169(3)(i)(2) of the *Local Government Regulation 2012*, Council is required to include in the budget the estimated costs of the activities of the local government's commercial business units.

2019-2020
Estimated
\$'000

Revenue

Utilities and other charges	31,472
Fees and Charges	8,388
Interest revenue	166
Other revenue	6,950
Internal trading revenue	1,706
Total Revenue	48,682

Expenses

Employee Expenses	6,087
Materials and Services	7,164
Depreciation	767
Other expenses	8,397
Internal trading expense	8,720
Tax equivalents expense	6,582
Total Expenses	37,717

Net Operating Surplus	10,965
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Rates Comparison

In accordance with section 169(6) of the *Local Government Regulation 2012* , the Council is required to report the total value of the change, expressed as a percentage in the rates and utility charges levied for the financial year (2019/2020) compared with the rates and utility charges levied in the previous budget (2018/19).

	2018-2019 Budget \$'000	2019-2020 Budget \$'000	
Rates	181,980	186,321	2.39% *
Utility Charges	30,524	31,747	4.01% *
Gross Rates and Charges	212,504	218,068	2.62% *
less Discounts and Remissions	(10,862)	(11,186)	
Net Rates and Charges	201,642	206,882	

*includes estimated growth