

MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENSES
For the year ending 30 June 2019
(including next two financial years)

	Budget 2018/19 \$000	Forward Estimate	
		2019/20 \$000	2020/21 \$000
Operating Revenue			
Rates and utilities charges	235,648	240,128	245,888
Discounts	(17,666)	(18,108)	(18,560)
Remissions	(2,259)	(2,316)	(2,374)
Net Rates and utilities charges	215,723	219,704	224,954
Fees and charges	16,057	16,378	16,705
Rental income	1,298	1,324	1,351
Sales - contracts and recoverable works	6,614	6,746	6,881
Grants and subsidies	19,842	10,506	10,415
Interest earned	5,774	5,625	4,750
Other operating revenue	5,970	5,989	6,122
Total operating revenue	\$ 271,278	\$ 266,272	\$ 271,178
Operating Expenses			
Employee costs	79,624	81,922	84,288
Materials and services	104,405	96,512	98,863
Finance costs	10,009	9,161	8,206
Depreciation	76,758	78,435	79,444
Total operating expenses	270,796	\$ 266,030	\$ 270,801
Operating result	\$ 482	\$ 242	\$ 377
Capital Revenue			
Grants and subsidies	30,576	17,751	12,500
Contributions from developers	2,000	2,000	2,000
Donated assets	4,000	4,000	4,000
Other capital income	-	-	-
Proceeds on disposal of assets	2,787	1,638	1,529
Total capital revenue	39,363	\$ 25,389	\$ 20,029
Net result	\$ 39,845	\$ 25,631	\$ 20,406

MACKAY REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ending 30 June 2019
(including next two financial years)

	Budget 2018/19 \$000	Forward Estimate	
		2019/20 \$000	2020/21 \$000
Current Assets			
Cash and cash equivalents	166,763	148,998	126,152
Trade and other receivables	22,036	23,074	22,104
Inventories	2,645	2,645	2,645
	191,444	174,717	150,901
Non-current assets held for sale	1,358	1,358	1,358
	\$ 192,802	\$ 176,075	\$ 152,259
Non-Current Assets			
Trade and other receivables	1,450	-	-
Investments	3,897	3,897	3,897
Property, plant and equipment	3,287,923	3,317,019	3,346,534
Intangible Assets	5,288	5,112	4,867
	\$ 3,298,558	\$ 3,326,028	\$ 3,355,298
TOTAL ASSETS	\$ 3,491,360	\$ 3,502,103	\$ 3,507,557
Current Liabilities			
Trade and other payables	25,131	24,501	24,767
Borrowings	14,258	15,218	15,911
Provisions	39,528	39,528	39,528
Other liabilities	1,255	1,255	1,255
	\$ 80,172	\$ 80,502	\$ 81,461
Non-Current Liabilities			
Borrowings	132,703	117,485	101,574
Provisions	14,103	14,103	14,103
	\$ 146,806	\$ 131,588	\$ 115,677
TOTAL LIABILITIES	\$ 226,978	\$ 212,090	\$ 197,138
NET COMMUNITY ASSETS	\$ 3,264,382	\$ 3,290,013	\$ 3,310,419
Community Equity			
Retained surplus	2,016,557	2,042,188	2,062,594
Asset revaluation reserve	1,247,825	1,247,825	1,247,825
TOTAL COMMUNITY EQUITY	\$ 3,264,382	\$ 3,290,013	\$ 3,310,419

MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
For the year 30 June 2019
(including next two financial years)

	Budget 2018/19 \$000	Forward Estimate	
		2019/20 \$000	2020/21 \$000
Retained Surplus			
Opening balance	1,976,712	2,016,557	2,042,188
Net result for the period	39,845	25,631	20,406
Transfers to/(from) capital and reserves	-	-	-
Closing balance	\$ 2,016,557	\$ 2,042,188	\$ 2,062,594
Asset Revaluation Reserve			
Opening balance	1,247,825	1,247,825	1,247,825
Asset revaluation adjustments	-	-	-
Closing balance	\$ 1,247,825	\$ 1,247,825	\$ 1,247,825
Total			
Opening balance	3,224,537	3,264,382	3,290,013
Net result for the period	39,845	25,631	20,406
Asset revaluation adjustments	-	-	-
Transfers to/(from) capital and reserves	-	-	-
TOTAL COMMUNITY EQUITY	\$ 3,264,382	\$ 3,290,013	\$ 3,310,419

MACKAY REGIONAL COUNCIL
STATEMENT OF CASH FLOW
For the year ending 30 June 2019
(including next two financial years)

	Budget 2018/19 \$000	Forward Estimate	
		2019/20 \$000	2020/21 \$000
Cash flows from operating activities:			
Receipts from customers	245,221	249,860	255,527
Payments to suppliers and employees	(183,780)	(179,347)	(181,722)
	\$ 61,441	\$ 70,513	\$ 73,805
Interest received	5,774	5,625	4,750
Non capital grants and contributions	19,812	11,199	10,419
Borrowing Costs	(9,731)	(8,878)	(7,918)
Net cash inflow (outflow) from operating activities	\$ 77,296	\$ 78,459	\$ 81,056
Cash flow from investing activities:			
Payments for property, plant and equipment	(105,538)	(103,355)	(104,713)
Proceeds from sale of property plant and equipment	2,787	1,638	1,529
Grants, subsidies, contributions and donations	32,576	19,751	14,500
Other Capital Revenue	-	-	-
Net cash inflow (outflow) from investing activities	\$ (70,175)	\$ (81,966)	\$ (88,684)
Cash flow from financing activities:			
Proceeds from borrowings	-	-	-
Repayment of borrowings	(13,404)	(14,258)	(15,218)
Net cash inflow (outflow) from financing activities	\$ (13,404)	\$ (14,258)	\$ (15,218)
Net increase (decrease) in cash held	\$ (6,283)	\$ (17,765)	\$ (22,846)
Cash at beginning of reporting period	173,046	166,763	148,998
Cash at end of reporting period	\$ 166,763	\$ 148,998	\$ 126,152

MACKAY REGIONAL COUNCIL
KEY FINANCIAL SUSTAINABILITY METRICS
For the year ending 30 June 2019
(including next two financial years)

	Target	Budget 2018/19 \$	Forward Estimate	
			2019/20 \$	2020/21 \$
Operating surplus ratio <i>Operating result (excluding capital items) as a percentage of operating revenue</i>	0% - 10%	0.2%	0.1%	0.1%
Current ratio <i>Current assets / current liabilities</i>	Between 1 and 4	2.4	2.2	1.9
Interest coverage ratio <i>Net interest expense / operating revenue</i>	0% - 5%	1.6%	1.3%	1.3%
Net financial liabilities ratio <i>(Total liabilities - current assets) / total operating revenue (excluding capital items)</i>	< 60%	12.6%	13.5%	16.5%
Asset sustainability ratio <i>Capital expenditure on renewals / depreciation expense</i>	> 90%	80.3%	77.4%	72.7%
Capital expenditure ratio <i>Capital expenditure / depreciation</i>	> 1.1 times	1.4	1.4	1.4

MACKAY REGIONAL COUNCIL
CHANGES IN RATES AND UTILITY CHARGES
For the year ending 30 June 2019

	Original Budget 2017/18 \$000	Amended Budget 2017/18 \$000	Budget 2018/19 \$000	% Change to Original Budget %	% Change to Amended Budget %
Rates, levies and charges					
General rates	115,744	115,744	117,510	1.5%	1.5%
Special rates and charges	4,502	4,502	4,612	2.4%	2.4%
Water consumption and charges	41,840	42,440	42,649	1.9%	0.5%
Sewerage charges	48,079	48,213	49,294	2.5%	2.2%
Garbage charges	21,037	21,037	21,583	2.6%	2.6%
Gross rates, levies and charges	\$ 231,202 \$	\$ 231,936 \$	\$ 235,648	1.9%	1.6%
Less: discounts and pensions and other remissions	(19,505)	(19,504)	(19,925)	2.2%	2.2%
Net rates, levies and charges	\$ 211,697 \$	\$ 212,432 \$	\$ 215,723	1.9%	1.5%

MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENSES
BUSINESS UNITS
For the year ending 30 June 2019

	Water & Sewerage 2018/19 \$000	Waste Services 2018/19 \$000
Operating Revenue		
Rates and utilities charges	91,944	21,583
Discounts	(6,124)	(1,197)
Remissions	(181)	(35)
Net Rates and utilities charges	85,639	20,351
Fees and charges	3,238	5,720
Rental income	195	-
Sales - contracts and recoverable works	1,520	-
Interest earned	2,065	274
Other operating revenue	21	375
Community service obligations	204	47
Total operating revenue	\$ 92,882	\$ 26,767
Operating Expenses		
Employee costs	12,246	1,385
Materials and services	19,784	15,117
Competitive neutrality costs	7,384	1,670
Internal transfers - expenses	1,796	408
Internal transfers - revenue	(1,849)	(612)
Total direct costs	\$ 39,361	\$ 17,968
Earnings before depreciation, interest, dividend and tax	\$ 53,521	\$ 8,799
Depreciation	25,882	2,083
Earnings before interest, dividend and tax	\$ 27,639	\$ 6,716
Finance costs	5,043	1,057
Earnings before dividend and tax	\$ 22,596	\$ 5,659
Dividend and tax	22,896	4,428
Operating result after dividend and tax	\$ (300)	\$ 1,231

**MACKAY REGIONAL COUNCIL
CAPITAL WORKS PROGRAM
For the year ending 30 June 2019
(including next two financial years)**

	Budget	Forward Estimate	
	2018/19 \$000	2019/20 \$000	2020/21 \$000
Buildings and Facilities	22,777	4,918	1,514
Administration Building	255	660	705
Aquatic Facilities	152	-	468
Council Buildings/Houses	3,966	3,851	245
Bus Shelters	152	95	97
Civic Precinct Buildings	542	312	-
Community Buildings	14,947	421	629
Depot Buildings	1,810	653	-
Field of Dreams	50	-	-
General Works	230	-	371
Library Buildings	-	292	174
Park Infrastructure Replacement Program	31	-	-
Public Conveniences	642	-	-
Parks, Gardens, Coastal & Foreshores, Waste	9,270	15,309	10,518
Botanic Gardens Renewal, Upgrade & Expansion Program	140	283	260
CBD Projects	50	50	50
Cemetery Development Program	13	285	72
Civic Precinct Buildings	-	21	-
Coastal Waterway & Sustainability Infrastructure Program	728	57	-
Other Potential Parks Projects	385	-	-
Flood Event 2017	1,969	-	-
General Works	215	241	42
Park Infrastructure Replacement Program	139	988	780
Parks Planning and Design	-	380	-
Park Upgrades Program	1,484	659	-
Shade & Play Equipment Compliance Program	293	895	-
Quarry Remediation	244	801	880
Regional Park Development	2,000	6,600	-
Special Projects	1,500	700	-
Transfer Stations	-	1,816	-
Landfill	111	1,430	5,205
Legacy	-	104	3,229
Recycling	-	-	-
Intangible	1,351	1,573	1,597
Corporate Computer Systems	1,351	1,573	1,597
General Works	-	-	-
Land	2,601	1,421	2,236
Trunk Drainage	1,355	658	2,112
Land	178	763	124
Trunk Roads	1,067	-	-
Plant & Equipment	14,671	13,313	8,863
Civic Precinct Buildings	378	1,781	591
Community Buildings	202	-	-
Corporate Computer Systems	331	634	411
Facilities	162	-	-
General Works	2,251	2,883	696
Library Buildings	20	270	123
Plant	11,006	7,254	6,540
Tools of Trade - Sewerage	96	180	183
Traffic Signals	87	90	92
Waste Capital Plant/Tools of Trade	41	42	42
Transfer Stations	-	-	-
Tools of Trade	96	180	183

**MACKAY REGIONAL COUNCIL
CAPITAL WORKS PROGRAM
For the year ending 30 June 2019
(including next two financial years)**

	Budget 2018/19 \$000	Forward Estimate	
		2019/20 \$000	2020/21 \$000
Roads, Drainage & Network	52,286	45,424	44,118
Boat Ramp	1,307	2,090	-
Bridge Replacement	1,801	300	300
Carpark	-	289	149
Cemetery Development Program	40	-	-
Trunk Drainage	15,123	8,681	9,368
Flood Event 2017	1,372	-	-
Footpath and Bikeways	4,992	5,701	759
General Works	3,082	2,467	100
High Risk Footpath Header	416	424	433
Infrastructure Agreements	-	954	-
LATM Traffic and Road Safety	3,150	1,545	718
Pavement Improvements	6,753	7,000	7,500
Shoulder Treatment Initiatives	850	1,831	-
Special Projects	3,845	7,000	17,000
Trunk Roads	9,554	7,141	7,792
Sewerage	15,287	13,622	4,412
Sewerage Special Projects	1,794	1,000	1,000
Sewerage Treatment Plant	6,529	9,862	364
Sewerage Mains	3,061	2,096	2,372
Sewerage Pump Station	707	663	676
Recycled Water	3,196	-	-
Water	11,294	10,410	14,281
Special Projects	2,183	2,476	2,300
Raw Water	626	111	44
Water Treatment Facilities	1,852	3,103	52
Water Main	5,804	3,604	8,999
Water Pump Station	828	204	208
Water Reservoir	-	912	2,678
	\$ 129,538	\$ 107,355	\$ 88,713