

ASSET RENEWAL RESERVE CALCS

Years 1 to 25 of 70

Version:		May BW6 13 May		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Step 1 - Determine Renewal Expenditure				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Buildings	#1	\$ms	(0.7)	(0.9)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(5.6)	(5.6)	(5.6)	(5.6)	(5.6)	(0.7)	
Parks	#1	\$ms	(2.3)	(2.0)	(1.9)	(1.9)	(1.9)	(2.1)	(2.1)	(2.1)	(2.1)	(3.8)	(3.8)	(3.8)	(3.8)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(6.4)	
Drainage	#1	\$ms	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)				(0.0)	(0.1)	(2.2)	
Transport, excl Roads	#1	\$ms	(0.8)	(0.9)	(0.9)	(0.9)	(0.8)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(2.0)	(1.7)	(1.7)	(1.0)	(1.6)	(1.6)	(3.3)	(1.6)	(1.6)	(1.6)	
Roads	#2	\$ms	(6.1)	(6.4)	(6.5)	(6.5)	(6.7)	(11.0)	(11.0)	(12.0)	(12.0)	(12.0)	(13.0)	(13.0)	(13.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(14.0)	(10.4)	(9.9)	(10.2)	(10.4)	(10.0)	(9.7)	
Lighting	#1	\$ms	(3.4)	(2.3)	(1.5)	(1.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(1.0)	
Fleet	#1	\$ms	(1.9)	(1.6)	(4.4)	(2.1)	(2.3)	(2.4)	(1.6)	(0.9)	(2.6)	(2.2)	(2.8)	(3.6)	(2.5)	(1.9)	(1.5)	(1.3)	(2.0)	(2.7)	(3.1)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	
Growth_CWP	#3	\$ms																				(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	
Growth_Major Projects	#4	\$ms																				(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	
Total		\$ms	(15.3)	(14.2)	(15.8)	(13.7)	(12.7)	(18.6)	(17.8)	(18.1)	(19.8)	(21.1)	(22.3)	(23.1)	(22.1)	(22.4)	(21.9)	(22.1)	(22.5)	(23.2)	(23.0)	(24.0)	(23.5)	(25.5)	(24.0)	(23.7)	(25.6)	
#1 Renewal Requirements are based on Inventory & Useful Lives within FinanceOne System as at 30 June 2018.																												
#2 Roads Renewals currently being reviewed. Values for 2019 to 2067 are based on indicative renewal requirements Dec 2017, and from 2068 onwards the annual depreciation charge																												
#3 Growth_CWP. This line is the renewal requirement caused by New/Upgrade expenditure within the CWP. It is assumed that renewals only required from Year 21																												
#4 Growth Major Projects - This line is the renewal requirement caused by New/Upgrade expenditure within the CWP. It is assumed that renewals only required from Year 21																												

Step 2 - Funding Required by the City			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Renewal total requirement		\$ms	(15.3)	(14.2)	(15.8)	(13.7)	(12.7)	(18.6)	(17.8)	(18.1)	(19.8)	(21.1)	(22.3)	(23.1)	(22.1)	(22.4)	(21.9)	(22.1)	(22.5)	(23.2)	(23.0)	(24.0)	(23.5)	(25.5)	(24.0)	(23.7)	(25.6)
External Funding for Renewals before Internal		\$ms	5.2	4.9	3.9	4.7	2.9	2.9	3.0	2.8	2.4	2.9	2.9	3.1	3.3	3.1	2.8	2.7	2.6	2.8	3.0	3.2	2.9	2.9	2.9	2.9	2.9
Funding required by Asset Renewal Reserve		\$ms	(10.0)	(9.3)	(11.9)	(9.0)	(9.8)	(15.7)	(14.8)	(15.3)	(17.4)	(18.2)	(19.5)	(20.0)	(18.8)	(19.4)	(19.2)	(19.4)	(19.9)	(20.3)	(20.0)	(20.8)	(20.6)	(22.6)	(21.1)	(20.7)	(22.7)

Step 3 - Asset Renewal Reserve Movements			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Opening Balance		\$ms	5.0	7.0	9.9	10.3	13.8	16.5	16.4	17.3	17.8	16.3	13.7	11.9	9.4	8.0	5.9	4.0	4.2	4.1	3.4	3.1	1.9	3.4	3.0	4.1	5.5
Transfer In from Operating Cashflows		\$ms	12.0	12.0	12.0	12.0	12.0	15.0	15.0	15.0	15.0	15.0	17.0	17.0	17.0	17.0	17.0	19.5	19.5	19.5	19.5	19.5	22.0	22.0	22.0	22.0	22.0
Transfer Out to Fund Renewals		\$ms	(10.0)	(9.3)	(11.9)	(9.0)	(9.8)	(15.7)	(14.8)	(15.3)	(17.4)	(18.2)	(19.5)	(20.0)	(18.8)	(19.4)	(19.2)	(19.4)	(19.9)	(20.3)	(20.0)	(20.8)	(20.6)	(22.6)	(21.1)	(20.7)	(22.7)
Interest on Reserve	0% x Average Balance	\$ms	0.2	0.3	0.4	0.6	0.7	0.7	0.7	0.8	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Balance at end of year		\$ms	7.0	9.9	10.3	13.8	16.5	16.4	17.3	17.8	16.3	13.7	11.9	9.4	8.0	5.9	4.0	4.2	4.1	3.4	3.1	1.9	3.4	3.0	4.1	5.5	5.1
Net Transfer In/(Out) for Year		\$ms	2.0	2.9	0.4	3.4	2.7	(0.1)	0.9	0.5	(1.6)	(2.5)	(1.9)	(2.5)	(1.4)	(2.1)	(1.9)	0.3	(0.2)	(0.7)	(0.3)	(1.2)	1.5	(0.4)	1.1	1.5	(0.4)

Step 4 - Operating Cashflows			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Operating Income Baseline	#1	\$ms	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0
Operating Income Growth	#2	\$ms		1.0	1.7	2.5	3.0	3.9	6.7	8.9	9.4	11.5	12.2	12.9	13.7	14.4	14.7	15.0	15.3	15.7	16.0	16.3	16.6	16.9	17.2	17.5	17.8
Operating Income Total	#3	\$ms	157.0	157.9	158.7	159.4	160.0	160.9	163.7	165.9	166.4	168.5	169.2	169.9	170.6	171.3	171.7	172.0	172.3	172.7	173.0	173.3	173.6	173.9	174.2	174.5	174.8
Operating Expenditure Baseline	#1	\$ms	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)
Operating Expenditure Growth	#2	\$ms		(0.9)	(0.8)	(1.1)	(1.2)	(1.8)	(2.6)	(2.6)	(3.5)	(5.2)	(5.6)	(5.9)	(6.3)	(6.8)	(6.8)	(6.8)	(6.8)	(6.8)	(6.8)	(7.0)	(7.2)	(7.4)	(7.6)	(7.8)	(8.0)
Operating Expenditure Total	#3	\$ms	(123.9)	(124.8)	(124.8)	(125.1)	(125.1)	(125.7)	(126.5)	(126.5)	(127.4)	(129.2)	(129.5)	(129.9)	(130.2)	(130.7)	(130.7)	(130.7)	(130.7)	(130.7)	(130.7)	(130.9)	(131.1)	(131.3)	(131.5)	(131.7)	(131.9)
Operating Cash Surplus		\$ms	33.1	33.1	34.0	34.4	34.9	35.1	37.1	39.3	38.9	39.3	39.7	40.0	40.4	40.6	40.9	41.2	41.6	41.9	42.3	42.4	42.5	42.6	42.7	42.8	42.9
#1 Operating Income Baseline and Operating Expenditure Baseline is based on the Adopted Budget 2018/19																											
#2 Operating Income and Expenditure Growth up to 2036/37 is based on projects included in Adopted 20 Year SFP (August 2018). This includes growth in Rates Income from new Residential / Commercial. From year 21 an arbitrary increase has been made																											
#3 Projections exclude escalation. In reality there will be increases in expenses (Enterprise Agreements) and rates will increase. Rates have normally increased by more than expenses so the projections above can be considered prudent																											

Step 5 - Cash to Fund Loans, Upgrade/New Capex			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Operating Cash Surplus			33.1	33.1	34.0	34.4	34.9	35.1	37.1	39.3	38.9	39.3	39.7	40.0	40.4	40.6	40.9	41.2	41.6	41.9	42.3	42.4	42.5	42.6	42.7	42.8	42.9
Transfer out to Fund Renewals			(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)	(19.5)	(19.5)	(19.5)	(19.5)	(19.5)	(22.0)	(22.0)	(22.0)	(22.0)	(22.0)
Remaining Cash to fund New Exp, Loans			21.1	21.1	22.0	22.4	22.9	20.1	22.1	24.3	23.9	24.3	22.7	23.0	23.4	23.6	23.9	21.7	22.1	22.4	22.8	22.9	20.5	20.6	20.7	20.8	20.9

ASSET RENEWAL RESERVE CALCS

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Step 1 - Determine Renewal Expenditure			2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069
Buildings	#1	\$ms	(0.7)	(0.7)	(0.7)	(0.7)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(10.1)	(10.1)	(10.1)	(10.1)	(10.1)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(4.5)
Parks	#1	\$ms	(6.4)	(6.4)	(6.4)	(6.4)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)	(3.2)	(3.2)	(3.2)	(3.2)	(3.2)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(1.5)
Drainage	#1	\$ms	(2.2)	(2.2)	(2.2)	(2.2)	(3.5)	(3.5)	(3.5)	(3.6)	(3.6)	(2.6)	(2.6)	(2.6)	(2.7)	(2.7)	(4.7)	(4.7)	(4.7)	(4.8)	(4.8)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(8.3)
Transport, excl Roads	#1	\$ms	(1.6)	(1.6)	(1.6)	(2.5)	(1.6)	(1.6)	(4.9)	(1.6)	(1.6)	(1.8)	(1.8)	(3.0)	(1.9)	(1.8)	(3.5)	(5.0)	(1.8)	(1.8)	(1.8)	(3.8)	(1.8)	(1.8)	(3.4)	(3.1)	(1.8)
Roads	#2	\$ms	(11.7)	(11.3)	(10.9)	(11.7)	(11.3)	(11.4)	(11.1)	(11.0)	(10.7)	(12.5)	(12.2)	(12.4)	(12.1)	(11.8)	(11.6)	(11.3)	(11.4)	(11.5)	(11.2)	(11.0)	(10.8)	(10.9)	(10.6)	(10.5)	(10.5)
Lighting	#1	\$ms	(1.0)	(1.0)	(1.0)	(1.0)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.5)
Fleet	#1	\$ms	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)
Growth_CWP	#3	\$ms	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(2.6)	(2.6)	(2.6)	(2.6)
Growth_Major Projects	#4	\$ms	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(2.6)	(2.6)	(2.6)	(2.6)
Total		\$ms	(27.6)	(27.2)	(26.9)	(28.5)	(25.3)	(25.4)	(28.3)	(25.1)	(24.8)	(29.0)	(28.7)	(30.1)	(28.7)	(28.4)	(42.8)	(44.1)	(40.9)	(41.0)	(40.8)	(33.2)	(30.9)	(32.7)	(34.1)	(33.6)	(35.5)

#1 Renewal Requirements are based on Inventory & Useful Lives within FinanceOne System as at 30 June 2018.

#2 Roads Renewals currently being reviewed. Values for 2019 to 2067 are based on indicative renewal requirements Dec 2017, and from 2068 onwards the annual depreciation charge

#3 Growth_CWP. This line is the renewal requirement caused by New/Upgrade expenditure within the CWP. It is assumed that renewals only required from Year 21

#4 Growth Major Projects - This line is the renewal requirement caused by New/Upgrade expenditure within the CWP. It is assumed that renewals only required from Year 21

Step 2 - Funding Required by the City

		2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069
Renewal total requirement	\$ms	(27.6)	(27.2)	(26.9)	(28.5)	(25.3)	(25.4)	(28.3)	(25.1)	(24.8)	(29.0)	(28.7)	(30.1)	(28.7)	(28.4)	(42.8)	(44.1)	(40.9)	(41.0)	(40.8)	(33.2)	(30.9)	(32.7)	(34.1)	(33.6)	(35.5)
External Funding for Renewals before Internal	\$ms	2.9	2.9	2.9	2.9	2.9	2.9	2.9	6.2	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	6.2	2.9	2.9	2.9	5.0	2.9	2.9	2.9	2.9
Funding required by Asset Renewal Reserve	\$ms	(24.7)	(24.3)	(23.9)	(25.6)	(22.4)	(22.5)	(25.4)	(18.9)	(21.8)	(26.1)	(25.8)	(27.1)	(25.8)	(25.5)	(39.9)	(41.2)	(34.7)	(38.1)	(37.9)	(30.3)	(25.9)	(29.8)	(31.2)	(30.7)	(32.6)

Step 3 - Asset Renewal Reserve Movements

3 - Asset Renewal Reserve Movements		2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	
Opening Balance	\$ms	5.1	5.7	6.7	8.1	7.9	10.9	16.0	18.4	27.6	34.1	36.7	40.7	43.5	47.8	52.7	43.0	34.6	32.5	26.7	21.0	22.7	31.1	35.9	39.4	43.6	
Transfer In from Operating Cashflows	\$ms	25.0	25.0	25.0	25.0	25.0	27.0	27.0	27.0	27.0	27.0	28.0	28.0	28.0	28.0	28.0	31.0	31.0	31.0	31.0	31.0	33.0	33.0	33.0	33.0	33.0	
Transfer Out to Fund Renewals	\$ms	(24.7)	(24.3)	(23.9)	(25.6)	(22.4)	(22.5)	(25.4)	(18.9)	(21.8)	(26.1)	(25.8)	(27.1)	(25.8)	(25.5)	(39.9)	(41.2)	(34.7)	(38.1)	(37.9)	(30.3)	(25.9)	(29.8)	(31.2)	(30.7)	(32.6)	
Interest on Reserve	0% x Average Balance	\$ms	0.2	0.3	0.3	0.4	0.6	0.8	1.1	1.4	1.6	1.8	1.9	2.1	2.3	2.2	1.8	1.5	1.4	1.1	1.0	1.2	1.5	1.7	1.9	2.1	
Balance at end of year	\$ms	5.7	6.7	8.1	7.9	10.9	16.0	18.4	27.6	34.1	36.7	40.7	43.5	47.8	52.7	43.0	34.6	32.5	26.7	21.0	22.7	31.1	35.9	39.4	43.6	46.0	
Net Transfer In/(Out) for Year		\$ms	0.6	1.0	1.4	(0.2)	3.0	5.1	2.4	9.2	6.6	2.5	4.0	2.8	4.3	4.8	(9.7)	(8.4)	(2.1)	(5.7)	(5.8)	1.7	8.4	4.8	3.5	4.2	2.5

Step 4 - Operating Cashflows

p 4 - Operating Cashflows			2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069
Operating Income Baseline	#1	\$ms	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0
Operating Income Growth	#2	\$ms	18.1	18.4	18.7	19.0	19.3	19.6	19.9	20.2	20.5	20.8	21.1	21.4	21.7	22.0	22.3	22.6	22.9	23.2	23.5	23.8	24.1	24.4	24.7	25.0	25.3
Operating Income Total	#3	\$ms	175.1	175.4	175.7	176.0	176.3	176.6	176.9	177.2	177.5	177.8	178.1	178.4	178.7	179.0	179.3	179.6	179.9	180.2	180.5	180.8	181.1	181.4	181.7	182.0	182.3
Operating Expenditure Baseline	#1	\$ms	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)
Operating Expenditure Growth	#2	\$ms	(8.2)	(8.4)	(8.6)	(8.8)	(9.0)	(9.2)	(9.4)	(9.6)	(9.8)	(10.0)	(10.2)	(10.4)	(10.6)	(10.8)	(11.0)	(11.2)	(11.4)	(11.6)	(11.8)	(12.0)	(12.2)	(12.4)	(12.6)	(12.8)	(13.0)
Operating Expenditure Total	#3	\$ms	(132.1)	(132.3)	(132.5)	(132.7)	(132.9)	(133.1)	(133.3)	(133.5)	(133.7)	(133.9)	(134.1)	(134.3)	(134.5)	(134.7)	(134.9)	(135.1)	(135.3)	(135.5)	(135.7)	(135.9)	(136.1)	(136.3)	(136.5)	(136.7)	(136.9)
Operating Cash Surplus		\$ms	43.0	43.1	43.2	43.3	43.4	43.5	43.6	43.7	43.8	43.9	44.0	44.1	44.2	44.3	44.4	44.5	44.6	44.7	44.8	44.9	45.0	45.1	45.2	45.3	45.4

#1 Operating Income Baseline and Operating Expenditure Baseline is based on the Adopted Budget 2018/19

#2 Operating Income and Expenditure Growth up to 2036/37 is based on projects included in Adopted 20 Year SFP (August 2018). This includes growth in Rates Income from new Residential / Commercial. From year 21 an arbitrary increase has been made

#3 Projections exclude escalation. In reality there will be increases in expenses (Enterprise Agreements) and rates will increase. Rates have normally increased by more than expenses so the projections above can be considered prudent

Step 5 - Cash to Fund Loans, Upgrade/New Capex

5 - Cash to Fund Loans, Upgrade/New Capex	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069
Operating Cash Surplus	43.0	43.1	43.2	43.3	43.4	43.5	43.6	43.7	43.8	43.9	44.0	44.1	44.2	44.3	44.4	44.5	44.6	44.7	44.8	44.9	45.0	45.1	45.2	45.3	45.4
Transfer out to Fund Renewals	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(27.0)	(27.0)	(27.0)	(27.0)	(27.0)	(28.0)	(28.0)	(28.0)	(28.0)	(28.0)	(31.0)	(31.0)	(31.0)	(31.0)	(31.0)	(33.0)	(33.0)	(33.0)	(33.0)	(33.0)
Remaining Cash to fund New Exp, Loans	18.0	18.1	18.2	18.3	18.4	16.5	16.6	16.7	16.8	16.9	16.0	16.1	16.2	16.3	16.4	13.5	13.6	13.7	13.8	13.9	12.0	12.1	12.2	12.3	12.4

ASSET RENEWAL RESERVE CALCS

Years 51 to 70 of 70

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			51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70		
Step 1 - Determine Renewal Expenditure			2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	Total	Average
Buildings	#1	\$ms	(4.5)	(4.5)	(4.5)	(4.5)	(6.3)	(6.3)	(6.3)	(6.3)	(6.3)	(14.3)	(14.3)	(14.3)	(14.3)	(14.3)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(8.2)	(304.2)	(4.3)
Parks	#1	\$ms	(1.5)	(1.5)	(1.5)	(1.5)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(4.9)	(222.4)	(3.2)
Drainage	#1	\$ms	(8.3)	(8.3)	(8.3)	(8.3)	(10.7)	(10.7)	(10.7)	(10.8)	(10.8)	(7.7)	(7.7)	(7.7)	(7.7)	(7.7)	(13.4)	(13.4)	(13.4)	(13.5)	(13.5)	(13.5)	(305.0)	(4.4)
Transport, excl Roads	#1	\$ms	(1.8)	(3.9)	(1.8)	(7.7)	(3.2)	(3.2)	(5.4)	(3.2)	(3.2)	(3.2)	(5.5)	(3.2)	(3.2)	(5.1)	(3.2)	(3.2)	(4.3)	(3.2)	(4.1)	(4.1)	(174.7)	(2.5)
Roads	#2	\$ms	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)	(766.1)	(10.9)
Lighting	#1	\$ms	(1.5)	(1.5)	(1.5)	(1.5)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(76.0)	(1.1)
Fleet	#1	\$ms	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(159.9)	(2.3)
Growth_CWP	#3	\$ms	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	(106.2)	(1.5)
Growth_Major Projects	#4	\$ms	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(108.4)	(1.5)
Total		\$ms	(35.5)	(37.7)	(35.6)	(41.5)	(43.1)	(43.1)	(45.3)	(44.9)	(44.9)	(47.3)	(49.7)	(47.3)	(47.4)	(49.3)	(49.7)	(49.7)	(50.8)	(49.7)	(50.6)	(50.6)	(2,223.0)	(31.8)

#1 Renewal Requirements are based on Inventory & Useful Lives within FinanceOne System as at 30 June 2018.

#2 Roads Renewals currently being reviewed. Values for 2019 to 2067 are based on indicative renewal requirements Dec 2017, and from 2068 onwards the annual depreciation charge

#3 Growth_CWP. This line is the renewal requirement caused by New/Upgrade expenditure within the CWP. It is assumed that renewals only required from Year 21

#4 Growth Major Projects - This line is the renewal requirement caused by New/Upgrade expenditure within the CWP. It is assumed that renewals only required from Year 21

Step 2 - Funding Required by the City			2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	Total	Average
Renewal total requirement		\$ms	(35.5)	(37.7)	(35.6)	(41.5)	(43.1)	(43.1)	(45.3)	(44.9)	(44.9)	(47.3)	(49.7)	(47.3)	(47.4)	(49.3)	(49.7)	(49.7)	(50.8)	(49.7)	(50.6)	(50.6)	(2,223.0)	(31.8)
External Funding for Renewals before Internal		\$ms	2.9	2.9	5.1	2.9	8.9	2.9	2.9	5.1	2.9	2.9	2.9	5.3	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	232.0	3.3
Funding required by Asset Renewal Reserve		\$ms	(32.6)	(34.8)	(30.5)	(38.6)	(34.2)	(40.2)	(42.4)	(39.8)	(42.0)	(44.4)	(46.8)	(42.1)	(44.5)	(46.4)	(46.8)	(46.8)	(47.8)	(46.8)	(47.7)	(47.7)	(1,991.0)	(28.4)

Step 3 - Asset Renewal Reserve Movements			2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	Total	Average
Opening Balance		\$ms	46.0	50.7	53.3	60.4	59.6	63.2	62.9	60.3	60.3	58.1	53.2	47.8	46.9	43.6	38.1	31.9	27.6	21.9	17.0	10.9	5.0	
Transfer In from Operating Cashflows		\$ms	35.0	35.0	35.0	35.0	35.0	37.0	37.0	37.0	37.0	37.0	39.0	39.0	39.0	39.0	39.0	41.0	41.0	41.0	41.0	41.0	1,907.5	27.3
Transfer Out to Fund Renewals		\$ms	(32.6)	(34.8)	(30.5)	(38.6)	(34.2)	(40.2)	(42.4)	(39.8)	(42.0)	(44.4)	(46.8)	(42.1)	(44.5)	(46.4)	(46.8)	(46.8)	(47.8)	(46.8)	(47.7)	(47.7)	(1,991.0)	(28.4)
Interest on Reserve	0% x Average Balance	\$ms	2.2	2.4	2.6	2.8	2.8	2.9	2.8	2.8	2.7	2.6	2.3	2.2	2.1	1.9	1.6	1.4	1.1	0.9	0.6	0.4	83.0	1.2
Balance at end of year		\$ms	50.7	53.3	60.4	59.6	63.2	62.9	60.3	60.3	58.1	53.2	47.8	46.9	43.6	38.1	31.9	27.6	21.9	17.0	10.9	4.6	4.6	0.1
Net Transfer In/(Out) for Year		\$ms	4.6	2.6	7.1	(0.8)	3.6	(0.3)	(2.6)	(0.0)	(2.2)	(4.8)	(5.4)	(0.9)	(3.4)	(5.5)	(6.1)	(4.4)	(5.7)	(4.9)	(6.0)	(6.3)	(0.4)	(0.0)

Step 4 - Operating Cashflows			2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	Total	Average
Operating Income Baseline	#1	\$ms	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	157.0	10,989.0	157.0
Operating Income Growth	#2	\$ms	25.6	25.9	26.2	26.5	26.8	27.1	27.4	27.7	28.0	28.3	28.6	28.9	29.2	29.5	29.8	30.1	30.4	30.7	31.0	31.3	1,392.7	19.9
Operating Income Total	#3	\$ms	182.6	182.9	183.2	183.5	183.8	184.1	184.4	184.7	185.0	185.3	185.6	185.9	186.2	186.5	186.8	187.1	187.4	187.7	188.0	188.3	12,381.6	176.9
Operating Expenditure Baseline	#1	\$ms	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(123.9)	(8,675.1)	(123.9)
Operating Expenditure Growth	#2	\$ms	(13.2)	(13.4)	(13.6)	(13.8)	(14.0)	(14.2)	(14.4)	(14.6)	(14.8)	(15.0)	(15.2)	(15.4)	(15.6)	(15.8)	(16.0)	(16.2)	(16.4)	(16.6)	(16.8)	(17.0)	(691.2)	(9.9)
Operating Expenditure Total	#3	\$ms	(137.1)	(137.3)	(137.5)	(137.7)	(137.9)	(138.1)	(138.3)	(138.5)	(138.7)	(138.9)	(139.1)	(139.3)	(139.5)	(139.7)	(139.9)	(140.1)	(140.3)	(140.5)	(140.7)	(140.9)	(9,366.4)	(133.8)
Operating Cash Surplus		\$ms	45.5	45.6	45.7	45.8	45.9	46.0	46.1	46.2	46.3	46.4	46.5	46.6	46.7	46.8	46.9	47.0	47.1	47.2	47.3	47.4	3,015.3	43.1

#1 Operating Income Baseline and Operating Expenditure Baseline is based on the Adopted Budget 2018/19

#2 Operating Income and Expenditure Growth up to 2036/37 is based on projects included in Adopted 20 Year SFP (August 2018). This includes growth in Rates Income from new Residential / Commercial. From year 21 an arbitrary increase has been made

#3 Projections exclude escalation. In reality there will be increases in expenses (Enterprise Agreements) and rates will increase. Rates have normally increased by more than expenses so the projections above can be considered prudent

Step 5 - Cash to Fund Loans, Upgrade/New Capex			2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	Total	Average
Operating Cash Surplus			45.5	45.6	45.7	45.8	45.9	46.0	46.1	46.2	46.3	46.4	46.5	46.6	46.7	46.8	46.9	47.0	47.1	47.2	47.3	47.4	3,015.3	43.1
Transfer out to Fund Renewals			(35.0)	(35.0)	(35.0)	(35.0)	(35.0)	(37.0)	(37.0)	(37.0)	(37.0)	(37.0)	(39.0)	(39.0)	(39.0)	(39.0)	(39.0)	(41.0)	(41.0)	(41.0)	(41.0)	(41.0)	(1,907.5)	(27.3)
Remaining Cash to fund New Exp, Loans			10.5	10.6	10.7	10.8	10.9	9.0	9.1	9.2	9.3	9.4	7.5	7.6	7.7	7.8	7.9	6.0	6.1	6.2	6.3	6.4	1,107.8	15.8