

## **OUR VISION, MISSION & VALUES**







first



committed team











## to improve our quality of life

A PLACE WHERE PEOPLE ARE VALUED, AN ENVIRONMENT THAT IS RESPECTED, A FUTURE THAT IS BRIGHT, A COMMUNITY THAT IS PROUD.

### **ACKNOWLEDGEMENT OF COUNTRY**

Bland Shire Council acknowledges the Wiradjuri people who are the Traditional Custodians of the land on which our communities are located and pays respect to all Elders past, present and emerging.

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## FINANCIAL SUSTAINABILITY

Council's key objective is financial sustainability in both the short and long term, demonstrating the Council's capacity to deliver the objectives in the Community Strategic Plan, Delivery Program and Operational Plan.

A financially sustainable Council is one that can:

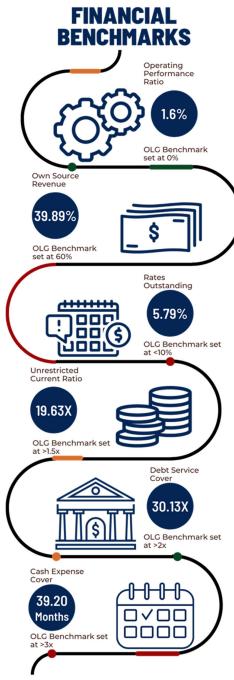
- 1. Achieve a fully funded operating position resulting in a zero or surplus bottom line result, including repayment of debt and funding depreciation.
- 2. Maintain sufficient cash reserves to ensure Council can meet working capital and operational requirements and externally contracted agreements.
- 3. Has a fully funded capital program, where the source of funding is identified and secure.
- 4. The asset base is maintained by renewing infrastructure and ensuring cash reserves are set aside for future works.

The Office of Local Government (OLG) has developed a set of criteria and benchmarks to measure if Council's across NSW are operating strategically and are financially Fit for the Future. The indicators were developed and based on work undertaken by NSW Treasury Corp (TCORP), IPART and the Independent Local Government Review Panel.

Following the review, Council developed an action plan to ensure long term sustainability against criteria set. To date council has met all projections and the Long-Term Financial Plan (LTFP) will assist with meeting the balance with the actions embedded in the delivery program and operational plan.

Of the six financial indicators, Bland Shire meets five. Own source revenue continues to be difficult to meet due to Council's small rate base and high percentage of Grants and Contributions. Rates and Annual Charges contributing to 39.89% (2020/21 FY) of the total income and user charges and fees accounting for 3.6% (2020/21 FY).

Additional income received from mining rates continues to be placed in an infrastructure reserve for discretionary spending and has allowed, and will continue to allow, Council to undertake major projects with particular focus on infrastructure renewal.



Figures based on actual results from the 2020/21 financial year

Council is continually looking for opportunities that will be mutually beneficial to both the community and council, while meeting the KPI's outlined within the Community Strategic Plan, keeping the Fit for the Future benchmarks in mind and meeting the goals and objectives outlined in Delivery Program and Operational Plan.

## **OUR CHALLENGES**

Council has been able to maintain consistently high levels of service for many of its functions and has achieved it without reliance on additional rate increases above rate pegging. However, our Long-Term Financial Plan has revealed that these service levels are unsustainable with the current revenue streams versus expenditure.

Due to strong community opposition to a Special Rate Variation, Council has reviewed service levels, staffing levels and how we provide services to our community, all in an effort to meet our Fit for the Future Plan and be financially sustainable into the future.

Therefore, the key considerations when developing the Long-Term Financial Plan included:

- Level of Service Do the levels of service provided align with the amount of revenue available?
- Infrastructure Management Is there adequate expenditure on existing assets?
- Borrowings and Financial Position When should a Council borrow? How much can be borrowed?
- Financial Sustainability What is affordable in the Long-term?
- What other efficiencies can be achieved?

Many challenges face Local Government, particularly those based in rural and remote areas with limited income streams.

New South Wales Councils can access revenue in a variety of ways including:

- Rates and annual charges
- Fees and charges
- Grants
- Contributions
- Loan arrangements
- Revenue from investments
- Sale of assets/property.

#### LIMITED INCOME STREAMS

Revenue from rates and charges makes up approximately 31.5% (2020/21 FY) of Council's total operating income. This means Council relies heavily on grants and contributions (60% - 2020/21 FY) as many rural and remote Council's do. As a result, Council is constantly reviewing the provision of services and trying to do more with less. This, coupled with reviewing fees and charges and working towards a fee recovery process where possible, is a delicate balance.

#### RATE PEGGING

Council is restricted by the amount it can levy in ordinary rates by the Local Government Act (1993). The rate increase is determined annually under delegated authority by IPART. The rate pegging amount for 2022/23 determined by IPART was only 0.7% a dramatic reduction in our average rate pegging amount of 2.4%. Council has made application for an Additional Special Variation (ASV) to match the 2.4% used in the current adopted Long Term Financial Plan. Both scenarios are included with this draft document

#### **COST SHIFTING**

Cost shifting is another significant issue being faced by Local Government. Local Government groups are lobbying the Office of Local Government, along with State and Federal Governments for a common sense ruling on the Rural Fire Service Assets. As Council has no control over these assets, the accounting standards confirm that the assets should not be included in Council's accounts. Council has adopted a formal position statement in relation to the Accounting of RFS Assets and will continue to lobby relevant authorities in relation to this matter. However the Audit Office has a different view and, as such, this continues to be reflected within Council's Financial Statements as a matter of High Risk. Crown Land parcels have also recently been moved into Council's control, creating further expense for Local Government.

#### **DECLINING POPULATION**

Declining population in rural areas is also a real factor for rural New South Wales. Predictions for the Shire indicate a growth of -0.7%, meaning a prediction of slight decline over the next 10 years. Therefore, future planning and economic development of the Shire is paramount in negating or reversing this trend and assisting Council to work towards long-term sustainability.

#### BUDGETING

It is important the budget reflects the priorities within the Community Strategic Plan as expressed by the community. This then provides a direct link to the actions and strategies in the Delivery Program and Operational Plan.

Ensuring Council has the funds to meet these actions, while remaining sustainable with a zero based or surplus budget in the long-term is a challenge for both the community and council.

# ASSUMPTIONS AND FORECASTS

The Long-Term Financial Plan utilises the current operating budget as the base. It then uses a number of internal and external assumptions to project revenue and expenditure for the following ten years.

The main external assumptions include: interest rates, rate pegging limits, CPI and State government charges. These assumptions are out of Council's control however have been estimated based on industry advice and historic trends.

The specific assumptions underpinning the Long-Term Financial Plan are:

#### **REVENUE**

The revenue against expenditure across the life of the long-term financial plan aims to be proportionately stable. Council's conservative approach to revenue prediction has ensured Council does not overstate income and not meet required targets.

#### **Rates and Charges**

Revenue from rates and charges makes up approximately 31.5% of Council's total operating income (2020/21 FY). The general rate is indexed by IPART and the new formula has Council capped at 0.7%. As Council has applied for a ASV of 2.4%, consistent with historical rate pegging, both scenarios are included.

#### **User Fees and Charges**

Many of the services provided by Council are "user pays" and working towards a cost recovery model. As council continues to strive to be Fit for the Future, the review of fees and charges and the communities capacity to pay will continue.

Statutory fees where the fee is set by the State Government, such as most planning fees, have mainly remained static due to the uncertain nature of the States propensity for changing these fees.

#### **Interest and Investments**

The long-term financial plan investment income has been based on the rates being achieved on existing term deposits and Australian Governments 10 year Bond rate. Interest rates are expected to rise and this is reflected in the Long-Term Financial Plan.

#### Grants

Council receives many grants across the service functions with the core revenue stream being the Financial Assistance Grants. Council has received an increased amount of grant funding over the last few years and this is not expected to continue.

#### **Contributions and Donations**

As part of the Fit for the Future action plan, Council committed to reviewing the Section 4.11 and 7.12 contributions plans. This process is underway and will be presented to Council in conjunction with the review of the Local Environmental Plan.

#### **Asset Disposal**

Disposal of plant is assumed to be at a nil gain/loss due to their operational nature. The disposal of all other assets is budgeted for gain on disposal.

Council is required to revalue assets on a rotating schedule and this, in addition to improvements in depreciation modelling and a review of useful life will potentially reduce the over depreciation liability.

#### **EXPENDITURE**

#### **Consumer Price Index (CPI)**

The Reserve Bank of Australia Governor and Treasurer have agreed that the appropriate target for monetary policy in Australia is to achieve an inflation rate of 2-3%, on average, over the cycle (RBA). The long-term financial plan has taken this policy into consideration and where real costs are unable to be determined; an increase based on the Reserve Bank policy has been applied.

#### **Employee Costs**

Employee costs represent the cost to Council for salary and wages, leave entitlements, superannuation, workers compensation and training costs. These costs represent approximately 28% of Council's total operating expenditure.

Under the New South Wales Local Government Award, Council employees receive a salary increase each year. These costs have been projected at 2.5% in addition to the increases in superannuation guarantee.

Council's Workforce Management Plan has identified a number of potential key position movements over the term of the Plan. The recruitment for these positions has been included within the overall costs of salaries and wages for the long-term financial plan. Any future workforce requirements as identified will need to be provided from the existing structure by identifying opportunities for improved services and/or redeployment where necessary.

#### Borrowings

If Council is to renew community infrastructure or build new infrastructure, it is recommended to borrow funds so the costs of these assets can be shared equitably between current and future generations.

Council has current borrowings from the Holland Park Pool upgrade that were renegotiated in 2015/16 for a 15 year term.

#### **Materials and Contracts**

Council maintains a number of contractual arrangements for the provision of goods and materials. As these contracts are renewed, economic and market conditions will influence price. Where possible, Council will attempt to fix prices to prevent large fluctuations. For goods and materials not supplied under contact, averaging and forecasting has been applied within the long-term financial plan.

#### **Depreciation and Amortisation**

Council is required to revalue different asset classes on a rotating basis in line with the Office of Local Government's scheduled program. This revaluation program has the potential to have significant effect on depreciation expense.

Council utilises a straight line depreciation approach for its infrastructure assets. Depreciation levels and implementation relating to useful life and residual values are subject to ongoing review.

The useful life of the asset is dependent on the associated service levels being provided by the asset and in line with the community's expectations.

Depreciation on Council's road network makes up a large proportion of the depreciation costs.

#### **GENERAL ASSUMPTIONS**

#### **Capital Expenditure**

Capital expenditure will be focused on asset renewal rather than new assets as council continues to reach the guidelines of Fit for the Future.

#### **Council's Community Grants Program**

Council's community grants program is to be reviewed each year with available amounts being dependent on available funds. Council encourages community groups to aim towards achieving self-sustaining events.

## FINANCIAL STRATEGIES

#### 1. BALANCED BUDGETS

With each budget process, Council aims to achieve at the minimum, a balanced budget or a small operating surplus. This will allow Council to maintain a positive working fund balance and be in a better position to fund unforeseen expenditure without utilising reserve funds and meet the requirement of Fit for the Future.

#### 2. ONGOING IDENTIFICATION OF EFFICIENCIES

Council is committed to identifying and implementing initiatives which reduce expenditure and/or increase income to improve the 'bottom-line' and its capacity to improve services.

The initiatives below are under review and are in the process of being implemented:

- Review of Fees and Charges to ensure closer alignment with costs.
- Improved utilisation of Information Management systems and technology systems including remote links.
- Incorporation of Asset management software to assist with 10 year planning and costings.
- Sourcing grant funds to support capital programs and new initiatives.
- Review of Capital Project processes, procedures and outcomes.
- Sourcing contract works to increase Council's own source revenue and better utilise existing Council resources.

#### 3. MANAGEMENT OF CASH AND INVESTMENTS

Council funds are invested in high rated, low risk categories. This approach, although conservative, ensures funds assist Council to meet its interest projections in the long-term financial plan and are not at risk of loss as during the Global Financial Crisis.

#### 4. NARROW THE INFRASTRUCTURE FUNDING GAP

The revaluation of Council's asset base has been met on a rolling basis. Council is continuing this major assets project and has verified and updated the assets register, undertaken an asset condition assessment for all classes as well as completing revaluations of asset classes. This project is still being undertaken with the raw data collection phase complete, the cleansing, development and GIS work still being undertaken with assistance from Assetic. When complete, this will place Council in an extremely good position in relation to knowing its assets and being able to maintain, renew and manage the same. With regard to ongoing funding to deduce the infrastructure backlog, the asset team (including assets, engineering and finance staff) is working together to ascertain the best way forward.

Council continues to work towards the identified Asset Management Goals listed below which will place Council in a position to further reduce the infrastructure gap.

#### **Asset Management Goals:**

- Maintaining asset management software, Assetic
- Taking a lifecycle approach to assets
- Cost effective management strategies
- Defined level of service

- Monitoring service performance
- Understanding Community needs
- Risk Management approach
- Sustainable practices with regard to physical resources
- Continuous improvement practices.

# 5. ASSET RENEWAL HAS A HIGHER PRIORITY THAN THE CREATION OF NEW ASSETS

If asset renewal is prioritised over new assets, this will allow Council to reduce the infrastructure backlog, reduce maintenance costs in the long-term and provide assets of a high quality to the community. The outcome of this is an improved financial performance.

# 6. MAINTAIN OUTSTANDING RATIO AT OR BELOW ACCEPTABLE BENCHMARKS

This ratio measures the percentage of Councils total rates and annual charges that are outstanding. A lower percentage indicates that less income is outstanding and unpaid. The Office of Local Government's accepted benchmark for outstanding rates in rural councils is less than 10%.

As at 30 June 2021, the ratio for Bland Shire Council was 5.79%. Council aims to keep this ratio below 10%.

## **RESERVES**

Council has a number of externally and internally restricted reserves. External restrictions relate to those funds held for specific purpose unexpended grants, developer contributions and money held in reserve for sewer and domestic waste services.

Internal reserves are those funds that have been set aside at Council's discretion for funding of future projects/programs, infrastructure renewal, depreciation or in the case of employee leave entitlement future liabilities. Funds are also required for operational purposes.

All restricted funds are held in reserve so they are utilised for their intended purpose.

#### **EXTERNALLY RESTRICTED RESERVES**

Council externally restricted reserves are those that are restricted by law, or by conditions placed on the funds by the provider. They include the following:

- Development Contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans.
- Specific Purpose Unexpended Grants grants which are not yet expended for the purposes for which the grants were obtained.
- Sewerage Service sewer and domestic waste management and other special rates/levies/charges are extremely restricted assets and must be applied for the purposes for which they are raised.

#### INTERNALLY RESTRICTED RESERVES

Council maintains a wide variety of reserves. These reserves have been established by Council resolution, and include provisions for future projects such as asset maintenance and renewal, plant and vehicle replacements and employee leave entitlements. The main purpose of internal reserves is to ensure that Council has the ability to utilise these funds at a date when and as required.

To support the sustainable and responsible financial management of Bland Shire Council's cash reserves, a policy has been implemented to govern the consistent identification, administration and usage of these reserves. This policy sets the framework for establishment of reserves, transfer of funds to and from reserves and balance maintenance levels.

# SENSITIVITY ANALYSIS AND RISK MANAGEMENT

The purpose of the sensitivity analysis is to identify significant risk to the projections provided within the long-term financial plan. Council's objective is to be financially viable and sustainable with the key factors being the ability to create additional own source revenue and the condition of the Council's infrastructure assets being at the forefront.

#### IDENTIFIED RISKS

#### **Financial Assumptions**

The financial factors of CPI, rate pegging, interest rates (both loans and investments) and frozen grant income will all impact on the operating performance of Council.

#### 'Acts of God'

The condition of Council's infrastructure is an identified risk as 'Acts of God' can seriously impact on the condition of the road network and general infrastructure. This risk needs to be assessed along with the resultant potential increase in infrastructure backlog.

#### Wage Increases

Long term forecasts have been calculated with a 2.8% increase for staff wages each year. This will be monitored as the plan progresses and in conjunction with the Workforce Management Plan. Staff numbers are expected to remain at a similar level, with all new positions requiring approval from the Management executive team (Manex).

#### **Wage Liabilities**

Superannuation has been forecast in line with superannuation guarantee. Leave and entitlements are monitored monthly by Manex. Funds have been restricted to cover the leave provisions and are deemed sufficient by Council's external auditors.

#### **Unfunded Maintenance and Depreciation**

A review of Council's assets, service agreements and fees and charges will assist Council to meet expenditure associated with unfunded maintenance and depreciation. Opportunities to increase own source revenue, public/private partnerships and contracting of works will all contribute towards meeting the shortfall.

#### Rate Pegging

Council's initial long term forecast was based on the rate peg being set at 2-3%. If the rate pegging amount is less than this, the income shortfall will need to be recovered through alternative income streams or reduced expenditure to account for the variance.

#### **Financial Assistance Grants**

Financial Assistance Grants are calculated with a minimal increase of 1.5%. If the increase is less, then the shortfall will need to be recovered from other sources or estimated expenditure reduced, or reduced service levels. Increased funds would allow for further works and/or services to be provided.

## FINANCIAL SCENARIO

#### **LONG-TERM FINANCIAL PLAN – 10 YEARS**



The commentary and analysis provided in the document to this point describes the base care model of the Long-Term Financial Plan. It is the model inclusive of the previously detailed assumptions that will be recommended to Council for adoption.

## **APPENDIX**

- Appendix 1: Income Statement Consolidated (0.7% rate peg)
- Appendix 2: Statement of Cash Flows Consolidated (0.7% rate peg)
- Appendix 3: Balance Sheet Consolidated (0.7% rate peg)
- Appendix 4: Income Statement Consolidated (2.4% rate peg)
- Appendix 5: Statement of Cash Flows Consolidated (2.4% rate peg)
- Appendix 6: Balance Sheet Consolidated (2.4% rate peg)

Income Statement - Consolidated	Budgeted 2022/23	Projected	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
For the year Income from Continuing Operations	2022/23	2023/24	2024/25	2025/20	2020/27	2027/20	2026/29	2023/30	2030/31	2031/32
• •										
Revenue:	10 110	10,275	10,436	10,600	10.700	10.043	11 121	11 204	11,492	11 (05
Rates and Annual Charges	10,119	,	•	•	•	•	•	•	•	,
User Charges and Fees	1,117	,	,	•	,	,	•	•	,	•
Interest and Investment Revenue	606							_		
Other Revenue	627									
Grants and Contributions provided for Operating Purposes	4,850	-	-	•	•	•	•	•	-	•
Grants and Contributions provided for Capital Purposes	4,707	3,215	2,577	4,800	3,160	2,500	1,500	1,600	1,700	1,800
Net gain from the diposal of assets	354	201	418	253	143	147	152	156	161	166
Share of interests in joint ventures and associates										
Total Income from Continuing Operations	22,380	20,932	20,974	23,367	21,962	21,661	21,028	21,506	21,993	22,491
<b>Expenses from Continuing Operations</b>										
Employee Benefits and On Costs	7,561	7,712	7,866	8,023	8,184	8,348	8,514	8,685	8,858	9,036
Borrowing Costs	147	133	132	127	122	117	113	108	103	0
Materials and Contracts	10,426	9,875	8,697	11,242	10,860	9,875	8,979	9,500	10,230	11,500
Depreciation and Amortisation	7,573	7,724	7,879	8,037	8,197	8,361	. 8,528	8,699	8,873	9,050
Impairment										
Net Losses from the disposal of assets										
Other Expenses	1,750	1,462	1,622	1,737	1,657	1,770	1,692	1,804	1,728	1,839
Total Expenses from Continuing Operations	27,457	26,906	26,196	29,166	29,020	28,471	27,827	28,796	29,793	31,425
Operating Result from Continuing Operations	-5,077	-5,975	-5,222	-5,799	-7,058	-6,810	-6,799	-7,290	-7,799	-8,933
Net Operating Resut for the year before Grants and										
Contributions provided for Capital Purposes	-9,784	-9,190	-7,799	-10,599	-10,218	-9,310	-8,299	-8,890	-9,499	-10,733

Statement of Cash Flows - Consolidated	Budgeted	•	Projected							
For the year (000's)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates and Annual Charges	10,119	•	•	•	•	-	•	•	•	
User Charges and Fees	1,117	•	1,162	1,186	1,209	1,234	1,258	1,283	1,309	1,33
Interest and Investment Revenue	606		683	717	752	790	830	871	915	96
Other Revenue	627	504	652	665	678	692	706	720	734	74
Grants and Contributions	9,557	•	7,623	9,947	8,410	7,855	6,962	•	7,382	7,59
Other	(	) 0	C	0	0	0	C	) (	) C	
Payments:										
Employee Benefits and On Costs	-7,561	•	•		•	•	•	•	•	•
Materials and Contracts	-10,426		•	•	•	•	•		•	
Borrowing Costs	-147									
Other	-1,750	•								
Net Cash provided (or used) in Operating Activities	2,142	1,549	2,239	1,985	996	1,404	1,578	1,253	913	-4
Cash Flows from Investing Activities										
Receipts:										
Sale of Investments	(	) 0	C	0	0	0	C	) (	) (	1
Sale of Real Estate Assets	500	500	500	0	0	0	C	) (	) C	)
Sale of Infrastructure, Property, Plant and Equipment	353	362	247	298	150	170	150	150	150	1
Payments:										
Purchase of Investments	(	-2,000	C	0	0	0	C	) (	) (	)
Purchase of Infrastructure, Property, Plant and Equipment	-1,570	-1,700	-1,350	-1,500	-1,250	-1,350	-1,250	-1,250	-1,250	-1,2
Purchase of Real Estate Assets										
Net Cash provided (or used) in Investing Activities	-717	-2,838	-603	-1,202	-1,100	-1,180	-1,100	-1,100	-1,100	-1,10
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowing and Advances	4	1 4	4	. 4	. 4	. 4	. 4	. 4	. 4	-
Payments:										
Repayment of Borrowing and Advances	-147	7 -133	-132	-127	-122	-117	-113	-108	-103	
Net Cash provided (or used) in Financing Activities	-143	-129	-128	-123	-118	-113	-109	-104	-99	
Net Increase/(Decrease) in Cash and Cash Equivalents	1,282	-1,418	1,508	660	-222	111	369	9 49	-286	-1,1
olus: Cash and Cash Equivalents - beginning of year	5,564	6,846	5,428	6,935	7,595	7,373	7,484	7,853	7,901	7,61
	·		•		•		•	•	•	·
Cash and Cash Equivalents - end of year	6,846	5,428	6,935	7,595	7,373	7,484	7,853	7,901	7,615	6,47
olus: Investments on hand - end of year	32,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700	34,70
Total Cash, Cash Equivalents and Investments	39,546	40,128	41,635	42,295	42,073	42,184	42,553	42,601	42,315	41,17

Balance Sheet - Consolidated	Budgeted	Projected								
(000's) As at	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
ASSETS										
Current Assets										
Cash and Cash Equivalents	6,846	•	•		•	-	•	•	•	•
Investments	32,700	•	•		•	34,700	34,700	34,700	34,700	34,70
Receivables	1,043	3 1,064	1,085	1,090	) 1,112	2 1,118	1,140	1,146	1,169	1,17
Inventories	1,613	1 1,426	1,458	3 1,487	1,516	1,546	1,576	1,607	1,638	3 1,67
Other										
Total Current Assets	42,200	42,618	44,179	44,872	44,702	44,847	45,269	45,354	45,122	44,01
Non-Current Assets										
Investments	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Receivables	429	574	440	583	452	592	464	601	476	61:
Infrastructure, Property, Plant and Equipment	367,821	366,483	365,380	364,178	363,078	361,898	360,798	359,698	358,598	357,498
Investment Property	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,25
Other	147	0	. (	)	)	) 0	) (	) .	) (	)
Total Non-Current Assets	382,651	381,311	380,074	379,015	377,784	376,744	375,516	374,553	373,328	372,363
TOTAL ASSETS	424,851	423,929	424,253	423,887	422,486	421,591	420,785	419,907	418,450	416,378
LIABILITIES										
Current Liabilites										
Payables	932	1,012	1,031	1,051	1,071	1,093	1,114	1,136	1,158	1,18:
Borrowings	93	,	95	97	93	93	93	•	93	93
Provisions	2,850		2,980	3,039	3,100	3,162	3,225		3,356	3,423
Total Current Liabilities	3,875		4,105	4,187	4,265	4,348	4,432		4,607	4,690
Non-Current Liabilities										
Payables	25	5 27	. 28	31	. 32	2 34	36	5 38	39	) 4
Borrowings	700									
Provisions		2 2								
Investments (the equity method)	(									
Total Non-Current Liabilities	727	7 629			334	236	138	3 40	) 41	
TOTAL LIABILITIES	4,602	4,655	4,635	4,620	4,599	4,584	4,570	4,558	4,648	4,740
Net Assets	420,249		419,618	419,267	417,887	417,008	416,215	415,349	413,802	411,63
FOLLEY										
EQUITY				4=- ***				.==		
Retained Earnings	175,785	•	175,154	174,803	173,423	172,544	171,751	•	169,338	167,174
Revaluation Reserves	244,464		244,464	244,464	244,464	244,464	244,464	244,464	244,464	244,464
Total Equity	420,249	419,273	419,618	419,267	417,887	417,008	416,215	415,349	413,802	411,63

Income Statement - Consolidated	Budgeted	Projected								
For the year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income from Continuing Operations										
Revenue:	40.000	40.540								10.050
Rates and Annual Charges	10,238	•	•	•	•	,	•	•	•	•
User Charges and Fees	1,117	•	•	•		,	•	•	,	•
Interest and Investment Revenue	606									
Other Revenue	627	504	652	665	678	692	706	720	734	749
Grants and Contributions provided for Operating Purposes	4,850	4,947	5,046	5,147	5,250	5,355	5,462	5,571	5,682	5,796
Grants and Contributions provided for Capital Purposes	4,707	3,215	2,577	4,800	3,160	2,500	1,500	1,600	1,700	1,800
Net gain from the diposal of assets	354	201	418	253	143	147	152	156	161	166
Share of interests in joint ventures and associates										
<b>Total Income from Continuing Operations</b>	22,499	21,175	21,343	23,867	22,597	22,434	21,944	22,569	23,208	23,862
Expenses from Continuing Operations										
Employee Benefits and On Costs	7,561	7,712	7,866	8,023	8,184	8,348	8,514	8,685	8,858	9,036
Borrowing Costs	147	133	132	127	122	! 117	113	108	103	0
Materials and Contracts	10,426	9,875	8,697	11,242	10,860	9,875	8,979	9,500	10,230	11,500
Depreciation and Amortisation	7,573	7,724	7,879	8,037	8,197	8,361	8,528	8,699	8,873	9,050
Impairment										
Net Losses from the disposal of assets										
Other Expenses	1,750	1,462	1,622	1,737	1,657	1,770	1,692	1,804	1,728	1,839
<b>Total Expenses from Continuing Operations</b>	27,457	26,906	26,196	29,166	29,020	28,471	27,827	28,796	29,793	31,425
Operating Result from Continuing Operations	-4,958	-5,732	-4,853	-5,299	-6,423	-6,037	-5,883	-6,227	-6,584	-7,562
Not Operating Result for the year before Curries and										
Net Operating Resut for the year before Grants and	0.665	0.047	7.420	40.000	0.503	0.537	7 202	7.027	0.204	0.262
Contributions provided for Capital Purposes	-9,665	-8,947	-7,430	-10,099	-9,583	-8,537	-7,383	-7,827	-8,284	-9,362

Statement of Cash Flows - Consolidated For the year (000's)	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
Cash Flows from Operating Activities	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Receipts:	10.220	10 510	10.00	11 100	11 404	11 716	12.027	12.267	12 707	12.056
Rates and Annual Charges	10,238	•	•	•	•	,	•	•	•	13,056
User Charges and Fees	1,117	•	1,162	1,186	1,209	1,234	1,258	•	1,309	1,335
Interest and Investment Revenue	606		683	717	752	790	830	871	915	960
Other Revenue	627		652	665	678	692	706	720	734	749
Grants and Contributions	9,557	•	7,623	9,947	8,410		6,962	•	7,382	7,596
Other	(	) 0	(	0	0	0	0	) (	0	(
Payments:	7.50	. 7710	7.000	0.022	0.104	0.240	0.514	0.00	0.050	0.027
Employee Benefits and On Costs	-7,561	•	•	•	•	•	•	•		•
Materials and Contracts	-10,426	•		•		•				•
Borrowing Costs	-147									
Other	-1,750									
Net Cash provided (or used) in Operating Activities	2,261	1,792	2,608	2,485	1,631	2,177	2,494	2,316	2,128	1,322
Cash Flows from Investing Activities										
Receipts:										
Sale of Investments	(	) 0	) (	0	0	0		) (	0	(
Sale of Real Estate Assets	500	500	500	0	0	0		) (	0	(
Sale of Infrastructure, Property, Plant and Equipment	353	362	247	298	150	170	150	150	150	150
Payments:										
Purchase of Investments	(	-2,000	(	0	0	0	, c	) (	0	(
Purchase of Infrastructure, Property, Plant and Equipment	-1,570	-1,700	-1,350	-1,500	-1,250	-1,350	-1,250	-1,250	-1,250	-1,250
Purchase of Real Estate Assets										
Net Cash provided (or used) in Investing Activities	-717	-2,838	-603	-1,202	-1,100	-1,180	-1,100	-1,100	-1,100	-1,100
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowing and Advances	4	1 4	. 4	. 4	. 4	. 4	. 4	4	. 4	4
Payments:										
Repayment of Borrowing and Advances	-147	7 -133	-132	-127	-122	-117	-113	-108	-103	(
Net Cash provided (or used) in Financing Activities	-143	-129	-128	-123	-118	-113	-109	-104	-99	4
Net Increase/(Decrease) in Cash and Cash Equivalents	1,401	L -1,175	1,877	1,160	413	884	1,285	5 1,112	929	226
Net increase/(Decrease) in Cash and Cash Equivalents	1,401	-1,1/5	1,0//	1,100	413	004	1,203	1,112	. 929	220
plus: Cash and Cash Equivalents - beginning of year	5,564	6,965	5,790	7,666	8,826	9,239	10,123	11,408	12,519	13,448
Cash and Cash Equivalents - end of year	6,965	5,790	7,666	8,826	9,239	10,123	11,408	12,519	13,448	13,675
plus: Investments on hand - end of year	32,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700	34,700
Total Cash, Cash Equivalents and Investments	39,665	40,490	42,366	43,526	43,939	44,823	46,108	47,219	48,148	48,375

Balance Sheet - Consolidated	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
(000's) As at	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
ASSETS										
Current Assets	C 005	F 700	7.000	0.000	0.220	40.422	11 100	42.540	42.440	12.67
Cash and Cash Equivalents	6,965	5,790	•	•	•	•	•		•	•
Investments	32,700	34,700	-	•		•	•	•	•	•
Receivables	1,043	-	•	•	•	•	•	•	•	•
Inventories	1,611	1,426	1,458	1,487	1,516	1,546	1,576	1,607	1,638	1,671
Other Table Common Assault	42.240	42.000	44.040	16.100	46.560	47.406	40.024	40.072	50.055	F4 240
Total Current Assets	42,319	42,980	44,910	46,103	46,568	47,486	48,824	49,972	50,955	51,219
Non-Current Assets										
Investments	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Receivables	429	574	440	583	452	592	464	601	476	611
Infrastructure, Property, Plant and Equipment	367,821	366,483	365,380	364,178	363,078	361,898	360,798	359,698	358,598	357,498
Investment Property	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254	1,254
Other	147	0	C	0	C	0	) (	) (	0	) (
Total Non-Current Assets	382,651	381,311	380,074	379,015	377,784	376,744	375,516	374,553	373,328	372,363
TOTAL ASSETS	424,970	424,291	424,984	425,118	424,352	424,230	424,340	424,525	424,283	423,582
LIABILITIES										
Current Liabilites										
Payables	932	1,012	1,031	1,051	1,071	1,093	1,114	1,136	1,158	1,181
Borrowings	93	93	95	97	93	93	93	93	93	93
Provisions	2,850	2,921	2,980	3,039	3,100	3,162	3,225	3,290	3,356	3,423
Total Current Liabilities	3,875	4,026	4,105	4,187	4,265	4,348	4,432	4,519	4,607	4,696
Non-Current Liabilities										
Payables	25	5 27	28	31	. 32	. 34	. 36	38	39	4:
Borrowings	700									
Provisions	2									
Investments (the equity method)	(									
Total Non-Current Liabilities	727	629	530	433	334	236	138	3 40	41	. 43
TOTAL LIABILITIES	4,602	4,655	4,635	4,620	4,599	4,584	4,570	4,558	4,648	4,740
Net Assets	420,368	419,635	420,349	420,498	419,753	419,647	419,770	419,967	419,635	418,842
	,	<u> </u>	<u> </u>	•	<u> </u>	•	<u> </u>		•	
EQUITY										
Retained Earnings	175,785	175,171	175,885	176,034	175,289	175,183	175,306	175,503	175,171	174,378
Revaluation Reserves	244,464	244,464	244,464	244,464	244,464	244,464	244,464	244,464	244,464	244,464
Total Equity	420,249	419,635	420,349	420,498	419,753	419,647	419,770	419,967	419,635	418,842



#### **RESOURCING STRATEGY PART C: LONG-TERM FINANCIAL PLAN**

Endorsed for Public Exhibition: 17 May 2022 Adopted: 28 June 2022