



CLARE & GILBERT  
VALLEYS COUNCIL

# Long Term Financial Plan

2022-2023 to 2031-2032

# Long Term Financial Planning

## **Purpose**

Long term financial planning promotes thinking about the influence of changing circumstances on the decisions made about the service programs and the assessment of potential new projects and their impact on the future financial sustainability of Council business.

Financial planning is a guiding framework, and so is an essential tool for responsible financial management. The importance is recognised in that long term financial plans are a requirement of the Local Government Act.

The preparation of this plan forms the basis for identifying and quantifying service level standards and the future investment requirements to adequately maintain Council's infrastructure and asset portfolio.

The plan is not a commitment by Council to undertake specific projects but an indication of the items that Council will consider when developing the Annual Business Plan each year.

## **Influencing Factors**

There are a number of external and internal factors which influence the assumptions used when preparing the Long Term Financial Plan.

These include:

### **External**

- Australian and State Government new and reviewed legislation and policies
- Current and forecast economic environment
- Consumer Price Index (CPI) and Local Government Price Index (LGPI)
- Increasing impact of the pricing of fuel, power and water
- Interest rates

### **Internal**

- Community expectation
- Asset Management Plans
- Financial sustainability target and goals
- Increase or decrease in service levels (current and future)
- Workforce Planning and Enterprise Agreement conditions and pay rates
- Treasury management and the need for borrowings

## **LTFP Inputs**

### **Operating Income and Expenditure**

The Budget Review 3 figures as approved by Council form the foundation for the updated LTFP and have been adjusted by the assumptions described in this document.

Unless specifically mentioned, there will be no change in services levels over the life of the plan.

### **Capital Income and Expenditure**

Capital Income has been derived from staff estimates of future capital income based upon the activities identified in the LTFP.

Capital expenditure for Infrastructure assets is derived from Council's Infrastructure and Asset Management Plans. Other capital expenditures for plant & equipment and furniture & fittings are taken from capital expenditure plans developed by Council staff.

### **Investments and Borrowings**

In accordance with Council Treasury Management Policy, all excess funds are used to pay off any loans that can be repaid, and any surplus funds are assumed to be invested in short term investments. Where the LTFP indicates that there are insufficient funds to pay for the scheduled activities, the LTFP assumes that short term borrowing, with variable interest rates, is used to cover the cash shortfall.

## **Assumptions**

### **General Assumptions – Nominal Values**

All income and expenditure have been stated at their nominal value, which is all amounts have been adjusted to reflect the impact of inflation on them.

### **General Assumptions – Consumer Price Index**

Unless indicated otherwise all income and expenditure are indexed for inflation at the rates, shown on the plan.

### **Rate Revenue**

Annual rate increases are forecast at the rates shown in the plan, (which includes 0.5% growth).

Council has considered the organisation's future financial sustainability as well as the community's capacity to pay in determining future increases in general rates.

## **Rate Revenue – CWMS, Waste and Landscape Levy Service Charges**

Council's CWMS has moved to full cost recovery with the second year increase of \$35 to \$465 in 2022-2023 (subject to a review of costs and incomes).

For 2022-2023 waste collection charge has increased by CPI to \$225.

The Landscape Levy is assumed to increase by CPI.

## **User Charges**

User Charges are increased by CPI each year.

## **Grant Revenue**

Grant revenue has been assumed to remain consistent with the 2020/21 financial year for Financial Assistance Grants and other ongoing funding. It has been assumed that the Roads to Recovery grant will continue through to 2023/24 as per the current agreement.

All other grant timings are included based on their current funding agreement.

Ongoing grants, subsidies and contributions are assumed to increase by CPI each year.

## **Investment Income**

Interest earned on cash balances and term deposits is calculated by multiplying the average cash balance expected over the year ending 30 June by the assumed interest rate increase from the base rate as at 30 April 2022.

Interest from loans given to community groups is calculated based on the loan schedule or if a variable rate loan the expected CAD rate from the LGFA.

## **Employee Costs**

In the 2022-2023 financial year Council has committed to including one (1) new position within the organisation, a Capital Works Manager. The current EB has a base rate increment of 2% or CPI whichever is greater.

## **Materials, Contracts and Other Expenses**

Other costs include excluding the final contribution to the Clare Oval Redevelopment Committee project are increased by CPI yearly if applicable.

## **Depreciation**

Depreciation expense is based on the expected current value of assets. Additional depreciation is included for asset acquisitions made over the life of the Plan.

Depreciation will increase as revaluations occur, as the values can't be reasonably estimated there has been no allowance made for future years revaluations.

## **Finance costs**

The interest expense for existing fixed interest loans is calculated in accordance with the relevant loan agreement.

New loans are assumed to be short term loans via CAD with an interest rate 2.0% greater than the RBA cash rate.

## **Asset Disposals**

There are no buildings listed for disposal or divestment in this plan.

All buildings for disposal or divestment will be subject to council approval and public consultation.

## **Capital Expenditure**

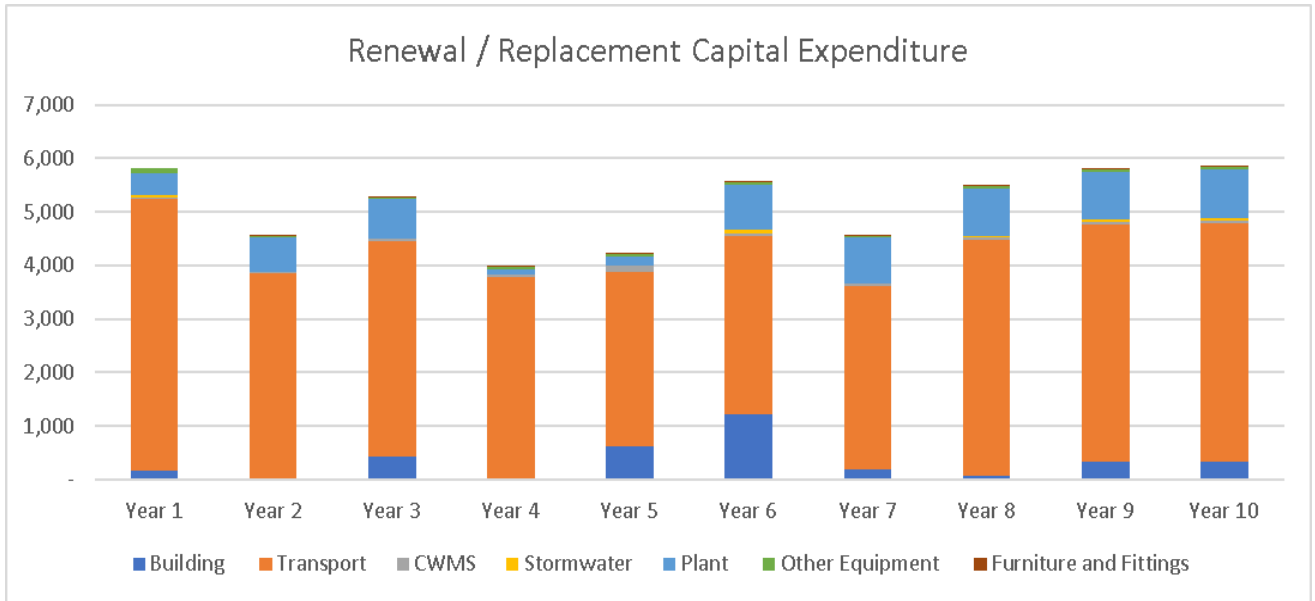
Renewal/replacement and new/upgrade capital expenditure within the Long Term Financial Plan is indexed based upon spending contained within Council's Infrastructure Asset Management Plans (IAMP). The plan includes the following approved IAMPs, all of which can be viewed on Council's web site:

- Transportation, dated 13/5/2020;
- Community Wastewater Management Schemes, dated 22/7/2020;
- Stormwater, dated 13/5/2020.
- Buildings and Structures, dated 19/04/2021

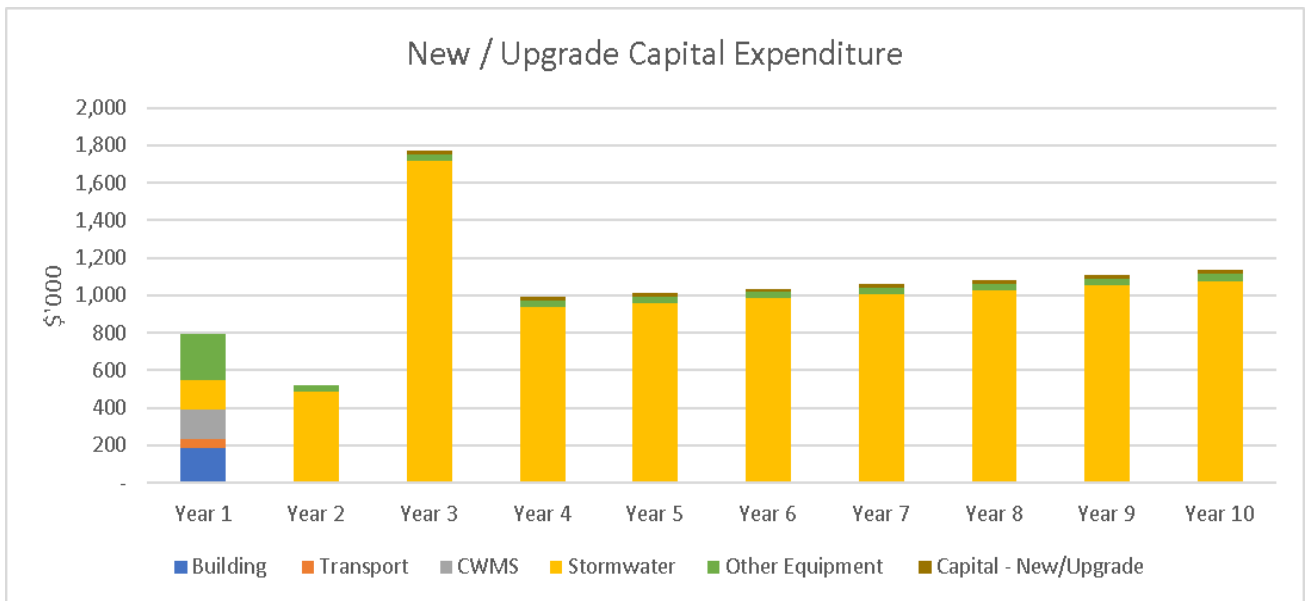
Each of these plans extend out to the 2028-2029 financial year. The expected capital expenditure for the 2029-2030, 2030-2031 and 2031-2032 financial years are calculated as an average of the previous years in the Plan.

The Stormwater IAMP includes a project to construct the Clare Retention Dam, the total estimated cost of this project is \$7,400,000 and is expected to take place in 2022/23 and 2023/24. This project has been removed from this revision of the Long Term Financial Plan pending a detail study scheduled for 2022-23.

The LTFP includes expenditure on renewal or replacement of assets of \$51m over the 10 year period 2022-23 to 2031-32 distributed between the following asset classes.

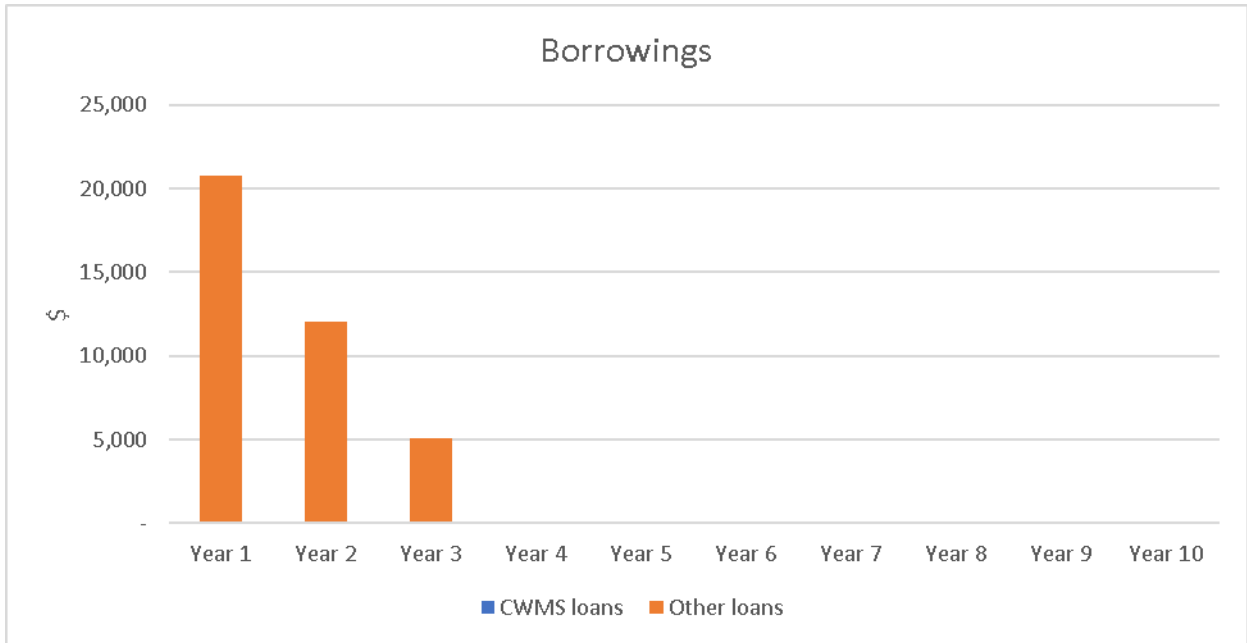


The LTFP includes expenditure on new or upgraded assets of \$10.5m for the period 2022-23 through 2031-32, storm water represents the bulk of this expenditure.



### Borrowing and Finance Costs

Council will not require any new borrowings over the term of this Long Term Financial Plan. Once the detailed study of storm water mitigation has been undertaken it is likely there will be a need to fund through borrowings the identified infrastructure. The following chart shows the current level of borrowings reducing over the period of the Plan.

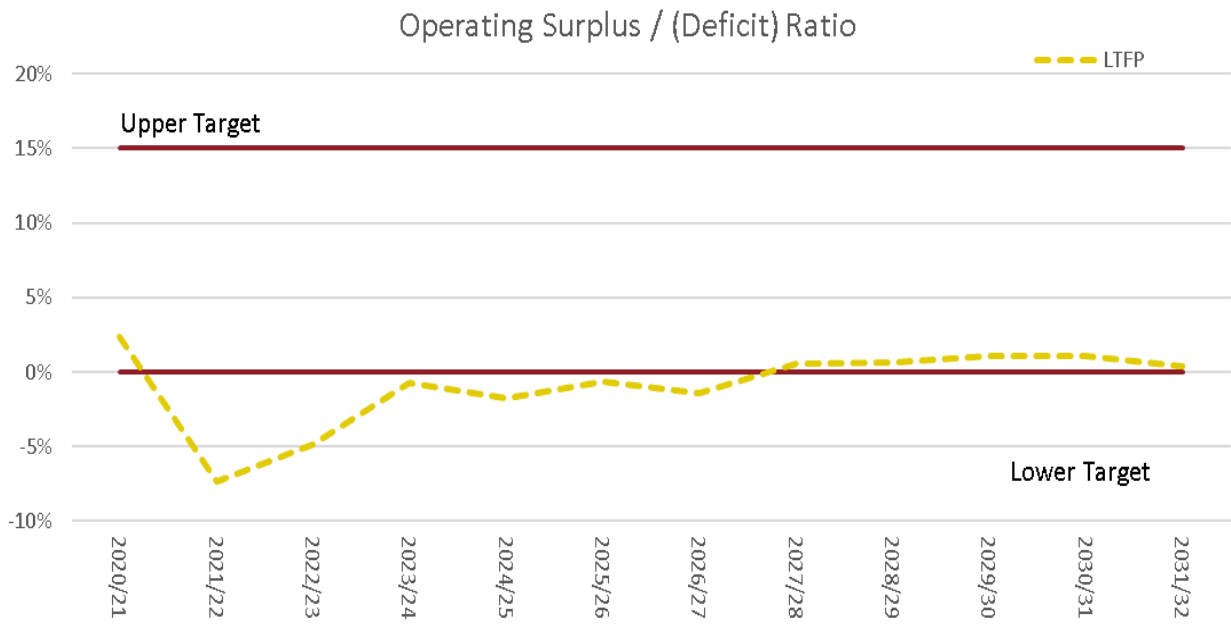


## Financial Sustainability

### Operating Surplus Ratio

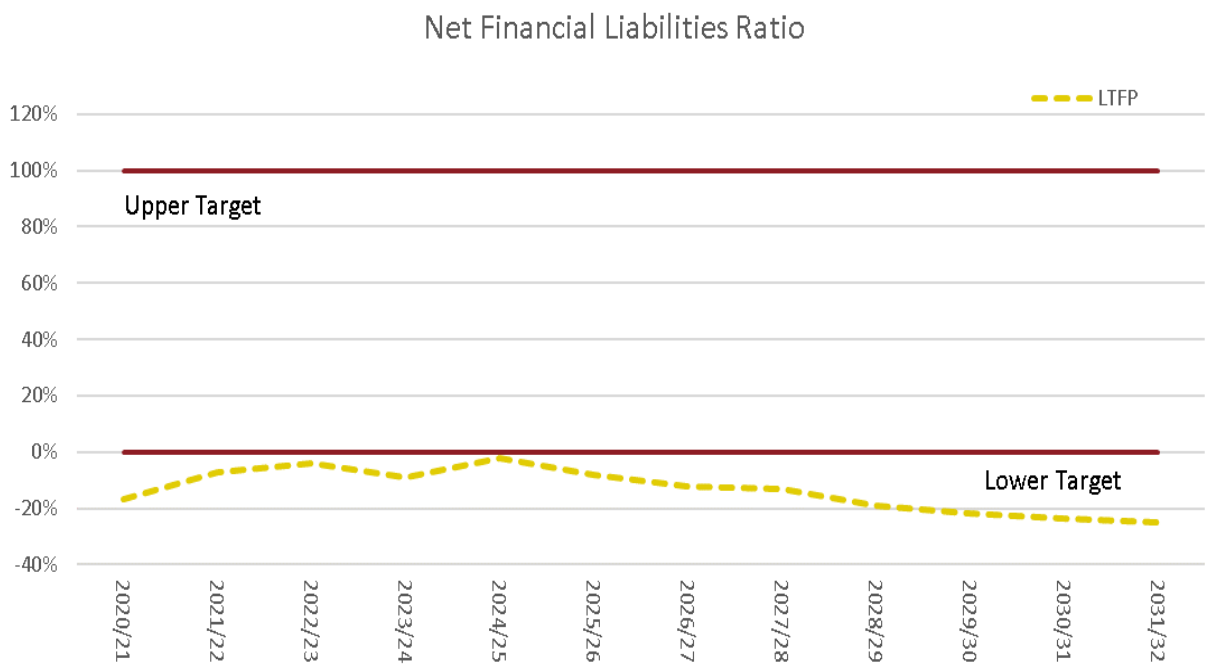
An operating surplus (or deficit) arises when operating income exceeds (or is less than) operating expenses for a period (usually a year). Over time Council will be financially sustainable when its expenses are less than income. The operating surplus ratio expresses the surplus (or deficit) as a percentage of total operating income.

Council has considered how it can return to a trend of small to marginal operating surpluses over time. Past years have seen the Council absorbing increased operating expenses arising from price pressures and service level increases. The forecasts in this Long Term Financial Plan have incorporated principles of full cost recovery for the CWMS and waste service as well as committing to maintaining existing service levels in a way that is equitable for current and future generations of ratepayers. As a result, Council forecasts it will move to achieve an operating surplus from 2027-28 till the end of the plan.



### Net Financial Liabilities Ratio

Net financial liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue and provides information on Council's overall indebtedness. Where the ratio is falling, it indicates that Council's ability to meet its obligations is strengthening.

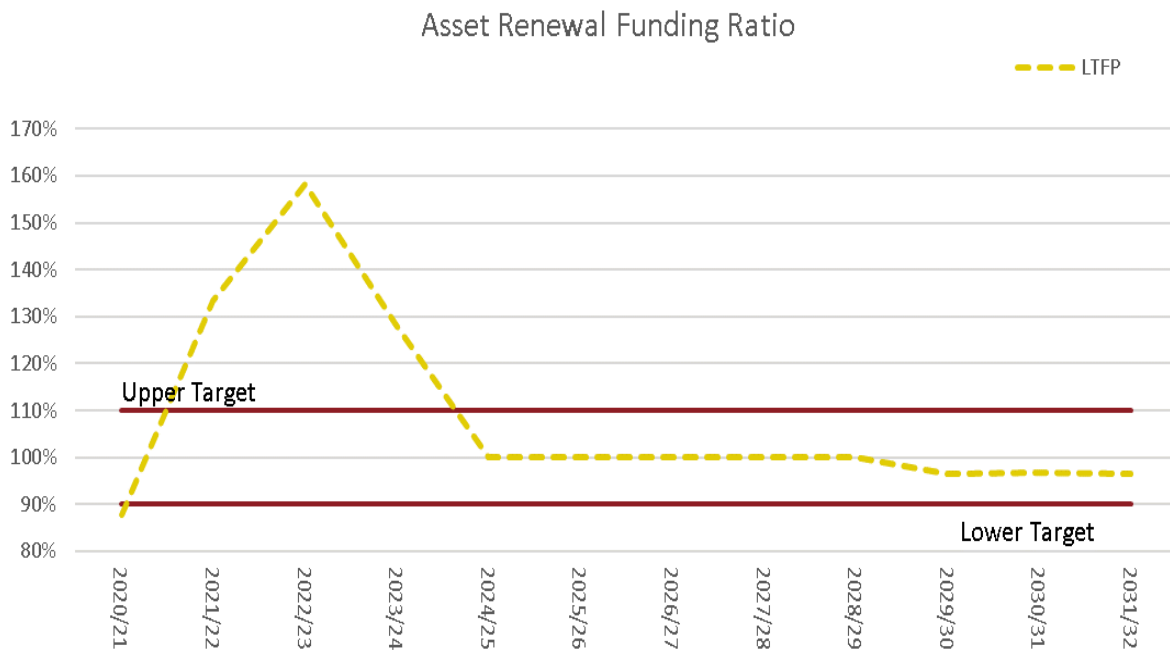




## Asset Renewal Funding Ratio

The asset renewal funding ratio expresses the total expenditure on asset replacement and renewal as a percentage of the indexed expenditure required per Council's Infrastructure Asset Management Plans.

Council will commit to undertaking the renewal and replacement of its infrastructure and other assets at the optimum time to achieve the service levels it has agreed within its Infrastructure Asset Management Plan over the period of the Long Term Financial Plan.



## Operating Cash Flows

The Long Term Financial Plan shows that the operating cash flow puts council in a very strong position for the coming years. This means that Council will have sufficient cash to cover employee costs, materials, contracts and finance repayments in future years. It also shows that Council has the capacity to pay for asset renewal and, where required, potentially add new assets.

This is particularly the case if Council focuses on the renewal of mandatory assets such as roads, plant and storm water infrastructure with careful attention paid to discretionary assets such as halls and museums to ensure that under-utilised assets are not overfunded in the LTFP.

## Future Council Considerations

During the Council's deliberations in finalising the Long Term Financial Plan, it considered the level of service it provides to the community and the related cost.

## Long Term Financial Plan

LOANS INCLUDED												
TOTAL RATES INCREASE INCLUDED	2.90%	3.82%	4.95%	4.30%	3.95%	3.95%	3.95%	3.80%	3.75%	2.50%	2.50%	2.50%
Estimated CPI				4.30%	2.90%	2.90%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
ESTIMATED STATEMENT OF COMPREHENSIVE INCOME												
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	ACTUAL	REVIEW 3 BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001
<b>INCOME</b>												
Rates	13,902	14,488	15,255	15,896	16,485	17,099	17,713	18,329	18,960	19,412	19,876	20,352
Statutory charges	325	259	248	259	267	275	281	287	293	299	305	311
User charges	813	900	936	976	1,004	1,033	1,054	1,075	1,097	1,119	1,141	1,164
Grants, subsidies & contributions	2,967	2,823	2,112	2,154	1,809	1,861	1,899	1,937	1,976	2,015	2,055	2,096
Investment income	75	50	29	11	13	5	19	28	31	50	61	70
Reimbursements	229	210	168	175	180	185	189	193	197	201	205	209
Other income	17	3	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>18,328</b>	<b>18,733</b>	<b>18,748</b>	<b>19,471</b>	<b>19,758</b>	<b>20,458</b>	<b>21,155</b>	<b>21,849</b>	<b>22,554</b>	<b>23,096</b>	<b>23,643</b>	<b>24,202</b>
<b>EXPENSES</b>												
Employee costs	4,612	5,076	5,700	5,966	6,137	6,314	6,439	6,567	6,698	6,831	6,967	7,106
Materials, contracts & other expenses	7,303	9,002	7,896	7,631	7,876	8,078	8,517	8,403	8,596	8,742	8,963	9,353
Depreciation, amortisation & impairment	5,740	5,820	5,890	6,165	6,302	6,459	6,613	6,770	6,931	7,095	7,264	7,442
Finance costs	248	204	173	1	1	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>17,903</b>	<b>20,102</b>	<b>19,659</b>	<b>19,763</b>	<b>20,316</b>	<b>20,851</b>	<b>21,569</b>	<b>21,740</b>	<b>22,225</b>	<b>22,668</b>	<b>23,194</b>	<b>23,901</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>425</b>	<b>(1,369)</b>	<b>(911)</b>	<b>(292)</b>	<b>(558)</b>	<b>(393)</b>	<b>(414)</b>	<b>110</b>	<b>329</b>	<b>428</b>	<b>449</b>	<b>301</b>
Asset Disposal & fair value adjustments	53	29	3	-	-	-	-	-	-	-	-	-
Amounts received specifically for new or upgraded assets	851	1,113	955	-	-	-	-	-	-	-	-	-
Impairment Recoupment Offset TO AAR	(1,200)	(1,000)	-	-	-	-	-	-	-	-	-	-
	(296)	142	958	-	-	-	-	-	-	-	-	-
<b>NET SURPLUS/(DEFICIT)</b>												
transferred to Equity Statement	129	(1,228)	47	(292)	(558)	(393)	(414)	110	329	428	449	301

## Long Term Financial Plan

ESTIMATED STATEMENT OF FINANCIAL POSITION												
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	ACTUAL	REVIEW 3 BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash and cash equivalents	5,981	2,720	2,154	3,237	2,193	3,377	4,146	4,454	6,148	7,132	7,949	8,734
Trade & other receivables	697	1,342	726	740	748	763	778	793	809	824	841	851
Other Financial Assets	1,783	1,789	-	-	-	-	-	-	-	-	-	-
Inventories	185	150	150	150	150	150	150	150	150	150	150	150
<b>Total Current Assets</b>	<b>8,646</b>	<b>6,000</b>	<b>3,030</b>	<b>4,127</b>	<b>3,091</b>	<b>4,290</b>	<b>5,074</b>	<b>5,397</b>	<b>7,107</b>	<b>8,106</b>	<b>8,940</b>	<b>9,735</b>
<b>Non-current Assets</b>												
Financial Assets	104	84	63	48	36	30	24	18	12	6	-	-
Infrastructure, property, plant & equipment	153,431	153,936	154,592	153,399	154,357	154,799	151,744	151,598	150,283	149,784	149,470	149,041
Other Non-current assets	600	600	600	600	600	600	600	600	600	600	600	600
<b>Total Non-current Assets</b>	<b>154,134</b>	<b>154,620</b>	<b>155,255</b>	<b>154,047</b>	<b>154,993</b>	<b>155,429</b>	<b>152,368</b>	<b>152,216</b>	<b>150,895</b>	<b>150,390</b>	<b>150,070</b>	<b>149,641</b>
<b>Total Assets</b>	<b>162,780</b>	<b>160,620</b>	<b>158,285</b>	<b>158,173</b>	<b>158,084</b>	<b>159,718</b>	<b>157,442</b>	<b>157,613</b>	<b>158,003</b>	<b>158,496</b>	<b>159,010</b>	<b>159,377</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Trade & other payables	1,467	1,172	1,091	1,232	1,675	1,873	1,786	1,822	1,857	1,895	1,933	1,973
Current Borrowings	376	182	9	7	5	-	-	-	-	-	-	-
Current Provisions	1,245	982	1,028	1,072	1,103	1,135	1,158	1,181	1,205	1,229	1,254	1,279
<b>Total Current Liabilities</b>	<b>3,088</b>	<b>2,337</b>	<b>2,128</b>	<b>2,311</b>	<b>2,783</b>	<b>3,008</b>	<b>2,944</b>	<b>3,003</b>	<b>3,062</b>	<b>3,124</b>	<b>3,187</b>	<b>3,252</b>
<b>Non-current Liabilities</b>												
Non Current Borrowings	2,370	2,188	12	5	-	-	-	-	-	-	-	-
Non Current Provisions	66	66	69	72	74	76	78	80	82	84	86	88
Other Non-current Liabilities	308	308	308	308	308	308	308	308	308	308	308	308
<b>Total Non-current Liabilities</b>	<b>2,744</b>	<b>2,562</b>	<b>389</b>	<b>385</b>	<b>382</b>	<b>384</b>	<b>386</b>	<b>388</b>	<b>390</b>	<b>392</b>	<b>394</b>	<b>396</b>
<b>Total Liabilities</b>	<b>5,831</b>	<b>4,899</b>	<b>2,518</b>	<b>2,696</b>	<b>3,165</b>	<b>3,392</b>	<b>3,330</b>	<b>3,391</b>	<b>3,452</b>	<b>3,516</b>	<b>3,581</b>	<b>3,648</b>
<b>NET ASSETS</b>	<b>156,949</b>	<b>155,721</b>	<b>155,768</b>	<b>155,477</b>	<b>154,919</b>	<b>156,326</b>	<b>154,112</b>	<b>154,222</b>	<b>154,551</b>	<b>154,980</b>	<b>155,429</b>	<b>155,729</b>

## Long Term Financial Plan

ESTIMATED STATEMENT OF CHANGES IN EQUITY												
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	ACTUAL	REVIEW 3 BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001
<b>ACCUMULATED SURPLUS</b>												
Balance at end of previous reporting period	11,205	12,279	13,551	13,914	13,623	13,065	12,672	12,258	12,368	12,697	13,125	13,574
<b>Net Surplus/(Deficit) for year</b>	1,329	(228)	47	(292)	(558)	(393)	(414)	110	329	428	449	301
<b>Other Comprehensive Income</b>												
Transfers between reserves	(255)	1,500	316	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	12,279	13,551	13,914	13,623	13,065	12,672	12,258	12,368	12,697	13,125	13,574	13,875
<b>ASSET REVALUATION RESERVE</b>												
Balance at end of previous reporting period	139,369	138,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169
<b>Net Surplus/(Deficit) for year</b>												
<b>Other Comprehensive Income</b>												
Gain/(Loss) on revaluation of infrastructure, Property plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-
Impairment Recoupment Offset TO AAR	(1,200)	(1,000)	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	138,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169	137,169
<b>OTHER RESERVES</b>												
Balance at end of previous reporting period	6,247	6,501	5,001	4,685	4,685	4,685	4,685	4,685	4,685	4,685	4,685	4,685
<b>Net Surplus/(Deficit) for year</b>												
<b>Other Comprehensive Income</b>												
Transfers between reserves	254	(1,500)	(316)	-	-	-	-	-	-	-	-	-
<b>Balance at End of Period</b>	6,501	5,001	4,685	4,685	4,685	4,685	4,685	4,685	4,685	4,685	4,685	4,685
<b>Total Equity</b>												
Balance at end of previous reporting period	156,821	156,949	155,721	155,768	155,477	154,919	154,526	154,112	154,222	154,551	154,979	155,429
<b>Net Surplus/(Deficit) for year</b>	1,329	(228)	47	(292)	(558)	(393)	(414)	110	329	428	449	301
<b>Other Comprehensive Income</b>												
Impairment/recoupments offset to asset revaluation reserve	(1,200)	(1,000)	-	-	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of Period</b>	156,949	155,721	155,768	155,477	154,919	154,526	154,112	154,222	154,551	154,979	155,429	155,729

## Long Term Financial Plan

ESTIMATED STATEMENT OF CASH FLOWS												
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	ACTUAL	REVIEW 3 BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Rates - general & other	13,907	14,472	15,235	15,896	16,485	17,089	17,706	18,322	18,953	19,404	19,868	20,344
Fees & other charges	325	259	248	259	267	275	281	287	293	299	305	311
User charges	813	885	936	961	993	1,022	1,046	1,067	1,089	1,111	1,132	1,155
Investment receipts	76	50	29	11	13	5	19	28	31	50	61	70
Grants utilised for operating purposes	2,967	2,823	2,112	2,154	1,809	1,861	1,899	1,937	1,976	2,015	2,055	2,096
Reimbursements	229	210	168	175	180	185	189	193	197	201	205	209
Other revenues	17	3	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Employee costs	(4,509)	(5,053)	(5,653)	(5,919)	(6,104)	(6,280)	(6,414)	(6,542)	(6,672)	(6,805)	(6,940)	(7,079)
Materials, contracts & other expenses	(6,653)	(9,727)	(7,896)	(7,428)	(7,634)	(7,879)	(8,605)	(8,367)	(8,560)	(8,705)	(8,925)	(9,314)
Finance payments	(269)	(204)	(173)	(1)	(1)	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>6,903</b>	<b>3,719</b>	<b>5,006</b>	<b>6,108</b>	<b>6,008</b>	<b>6,278</b>	<b>6,121</b>	<b>6,925</b>	<b>7,307</b>	<b>7,570</b>	<b>7,761</b>	<b>7,792</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Amounts specifically for new or upgraded assets	851	592	1,476	-	-	-	-	-	-	-	-	-
Sale of replaced assets	164	135	87	122	138	17	31	150	150	150	150	150
Repayments of Loans by community groups	271	66	55	21	16	11	6	6	6	6	6	6
<b>Payments</b>												
Expenditure on renewal/replacement of assets	(3,830)	(5,261)	(5,804)	(4,612)	(5,386)	(4,095)	(4,344)	(5,704)	(4,676)	(5,626)	(5,958)	(5,995)
Expenditure on new/upgraded assets	(1,613)	(2,064)	(826)	(548)	(1,813)	(1,022)	(1,045)	(1,069)	(1,093)	(1,117)	(1,142)	(1,168)
Net purchase of investment securities	(1,512)	(6)	-	-	-	-	-	-	-	-	-	-
Loans to community groups	-	(60)	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(5,669)</b>	<b>(6,598)</b>	<b>(5,012)</b>	<b>(5,017)</b>	<b>(7,045)</b>	<b>(5,089)</b>	<b>(5,352)</b>	<b>(6,617)</b>	<b>(5,613)</b>	<b>(6,587)</b>	<b>(6,944)</b>	<b>(7,006)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Repayments of borrowings	(983)	(376)	(2,349)	(9)	(7)	(5)	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(983)</b>	<b>(376)</b>	<b>(2,349)</b>	<b>(9)</b>	<b>(7)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>	<b>1,764</b>	<b>(3,255)</b>	<b>(2,355)</b>	<b>1,082</b>	<b>(1,044)</b>	<b>1,184</b>	<b>769</b>	<b>308</b>	<b>1,694</b>	<b>983</b>	<b>817</b>	<b>786</b>
Cash & cash equivalents at beginning of period	6,000	7,764	4,509	2,154	3,237	2,193	3,377	4,146	4,454	6,148	7,132	7,949
<b>Cash &amp; cash equivalents at end of period</b>	<b>7,764</b>	<b>4,509</b>	<b>2,154</b>	<b>3,237</b>	<b>2,193</b>	<b>3,377</b>	<b>4,146</b>	<b>4,454</b>	<b>6,148</b>	<b>7,132</b>	<b>7,949</b>	<b>8,734</b>

## Long Term Financial Plan

ESTIMATED UNIFORM PRESENTATION OF FINANCES												
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	ACTUAL	REVIEW 3 BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001
Income	18,328	18,733	18,748	19,471	19,758	20,458	21,155	21,849	22,554	23,096	23,643	24,202
less Expenses	17,903	20,102	19,659	19,763	20,316	20,851	21,569	21,740	22,225	22,668	23,194	23,901
<b>Operating Surplus / (Deficit)</b>	425	(1,369)	(911)	(292)	(558)	(393)	(414)	110	329	428	449	301
<b>Net Outlays on Existing Assets</b>												
Capital Expenditure on renewal and replacement of Existing Assets	(3,830)	(5,261)	(5,804)	(4,612)	(5,386)	(4,095)	(4,344)	(5,704)	(4,676)	(5,626)	(5,958)	(5,995)
Depreciation, Amortisation and Impairment	5,740	5,820	5,890	6,165	6,302	6,459	6,613	6,770	6,931	7,095	7,264	7,442
Proceeds from Sale of Replaced Assets	164	135	87	122	138	17	31	150	150	150	150	150
<b>Net (Outlays) on Existing Assets</b>	2,074	694	173	1,675	1,054	2,381	2,300	1,216	2,405	1,619	1,456	1,597
<b>Net Outlays on New and Upgraded Assets</b>												
Capital expenditure on new/upgraded assets	(1,613)	(2,064)	(826)	(548)	(1,813)	(1,022)	(1,045)	(1,069)	(1,093)	(1,117)	(1,142)	(1,168)
Amounts received specifically for New or Upgraded Assets	851	592	1,476	-	-	-	-	-	-	-	-	-
<b>Net (Outlays) on New and Upgraded Assets</b>	(762)	(1,472)	650	(548)	(1,813)	(1,022)	(1,045)	(1,069)	(1,093)	(1,117)	(1,142)	(1,168)
<b>Net Lending / (Borrowing) for Financial Year</b>	1,737	(2,147)	(88)	835	(1,317)	966	841	256	1,641	930	763	730

## Long Term Financial Plan

ESTIMATED KEY FINANCIAL INDICATORS												
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	ACTUAL	REVIEW 3 BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'001
<b>Operating Surplus Ratio</b>	2.3%	(7.3%)	(4.9%)	(1.5%)	(2.8%)	(1.9%)	(2.0%)	0.5%	1.5%	1.9%	1.9%	1.2%
<u>Operating Surplus</u>	425	(1,369)	(911)	(292)	(558)	(393)	(414)	110	329	428	449	301
Total Operating Income	18,328	18,733	18,748	19,471	19,758	20,458	21,155	21,849	22,554	23,096	23,643	24,202
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>												
<b>Net Financial Liabilities Ratio</b>	(16.6%)	(7.2%)	(3.9%)	(8.4%)	(0.6%)	(5.3%)	(9.1%)	(10.0%)	(17.0%)	(20.6%)	(23.3%)	(25.8%)
<u>Net Financial Liabilities</u>	(3,041)	(1,344)	(734)	(1,637)	(120)	(1,086)	(1,926)	(2,182)	(3,825)	(4,754)	(5,517)	(6,245)
Total Operating Income	18,328	18,733	18,748	19,471	19,758	20,458	21,155	21,849	22,554	23,096	23,643	24,202
<i>Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.</i>												
<b>Asset Renewal Funding Ratio</b>	87.6%	133.4%	158.2%	129.9%	100.0%	100.0%	100.0%	100.0%	100.0%	96.1%	96.2%	96.1%
<u>Net Asset Renewals</u>	3,538	5,127	5,717	4,490	5,248	4,078	4,313	5,554	4,526	5,476	5,808	5,845
Infrastructure & Asset Management Plan required expenditure	4,038	3,844	3,614	3,456	5,248	4,078	4,313	5,554	4,526	5,699	6,037	6,081
<i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.</i>												