



CLARE & GILBERT
VALLEYS COUNCIL

Long Term Financial Plan

2021/22 to 2030/31

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1. Long Term Financial Planning

1.1. 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.

1.2. Legislative Requirements

The Local Government Act 1999 requires Council to develop and adopt a Long Term Financial Plan covering a period of at least ten years. This forms part of Council's suite of strategic plans that also include the Strategic Plan 2019-2029 (adopted October 2019) and Infrastructure Asset Management Plans, including Transport, Community Waste Water, Stormwater and Buildings & Structures (final plan of the suite of plans adopted April 2021).

Council is required to review the Long Term Financial Plan annually as soon as possible after the adoption of its Annual Business Plan and undertake a comprehensive review of its strategic management plans including Long Term Financial Plan within two years after each general election. Council will update the LTFP twice each year, once after the financial statements have been finalised and later in the financial year during the preparation of the Annual Business Plan and Budget.

1.3. 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 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

2. LTFP inputs

2.1. 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.

2.2. 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.

2.3. 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.

3. Assumptions

3.1. 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.

3.2. General Assumptions – Consumer Price Index

Unless indicated otherwise all income and expenditure are indexed for inflation at the following rates.

Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
1.50%	1.50%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%

3.3. Rate Revenue

Annual rate increases are forecast at the following rates, (which includes 0.5% growth) for the life of the plan:

Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
3.8%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%

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.

3.4. Rate Revenue – CWMS, Waste and Landscape Levy Service Charges

Council's CWMS is forecasted to move to full cost recovery over 2 years - 2021/22, and 2022/23 resulting in an increased charge of \$430 for 2021/22 and forecast to be \$465 in 2022/23 (subject to a review of costs and incomes).

The Landscape Levy is assumed to increase by CPI.

3.5. User Charges

User Charges are increased by CPI each year.

3.6. 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

Local Road and Community Infrastructure Funding of \$167,000 are all assumed to cease in 2020/21.

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

Ongoing grants are assumed to increase by CPI each year.

3.7. Investment Income

Interest earned on cash balances and term deposits is calculated by multiplying the available cash at 30 June by the assumed interest rate, which is projected CPI less 0.9%.

Interest from loans given to community groups is calculated based on the loan schedule.

3.8. Employee Costs

In the 2021/22 financial year Council has committed to including one (1) new position within the organisation. This is for a Culture and Tourism Officer.

3.9. Materials, Contracts and Other Expenses

Other costs include contributions to the Clare Oval Redevelopment Committee project in 2021/22, 2022/23 and 2023/24 of \$455,000, \$883,000 and \$291,000 respectively.

3.10. 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 is indexed each year by an index appropriate for the class of asset to recognise the impact of periodic asset revaluations.

3.11. 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 0.75% greater than CPI.

3.12. 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.

3.13. 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

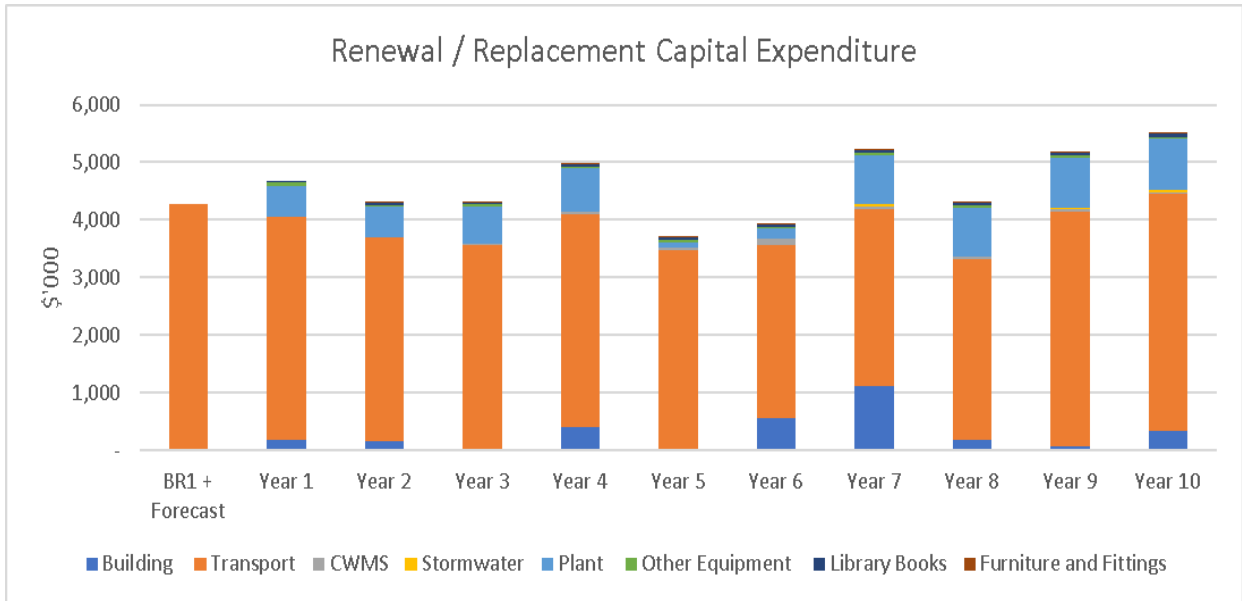
Each of these plans extend out to the 2028/29 financial year. The expected capital expenditure for the 2029/30 and 2030/31 financial years are calculated as an average of the previous years in the Plan.

Council has been notified that it was successful in its recent application to Local Government Infrastructure Partnership Program funding for additional capital expenditure totalling \$1,000,000 on stormwater asset upgrades. Funding of \$500,000 has been included in the LTFP. Both of these amounts have been spread evenly over 2021/22 and 2022/23.

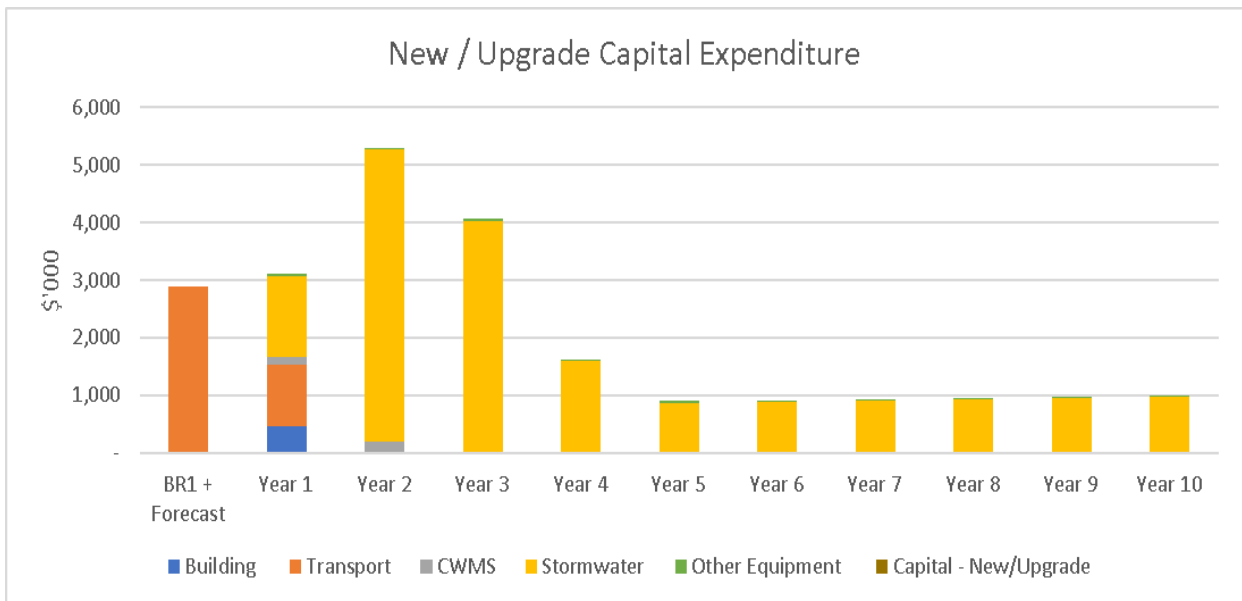
The second round of funding for the Australian Government's Local Road and Community Infrastructure Program of \$566,000 has been approved by Council and the balance of \$416,000 capital expenditure has been included, the other 50% of grant funding is also included in capital revenue for 2021/22.

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 is reliant on grant funding being available to contribute towards the costs of the project. Grant income (shown under Amounts received specifically for new or upgraded assets) of \$2,220,000 has been included in the plan in 2022/23 and 2023/24.

The LTFP includes expenditure on renewal or replacement of assets of \$46.0m (excluding 2020/21), to be invested in the following asset classes.

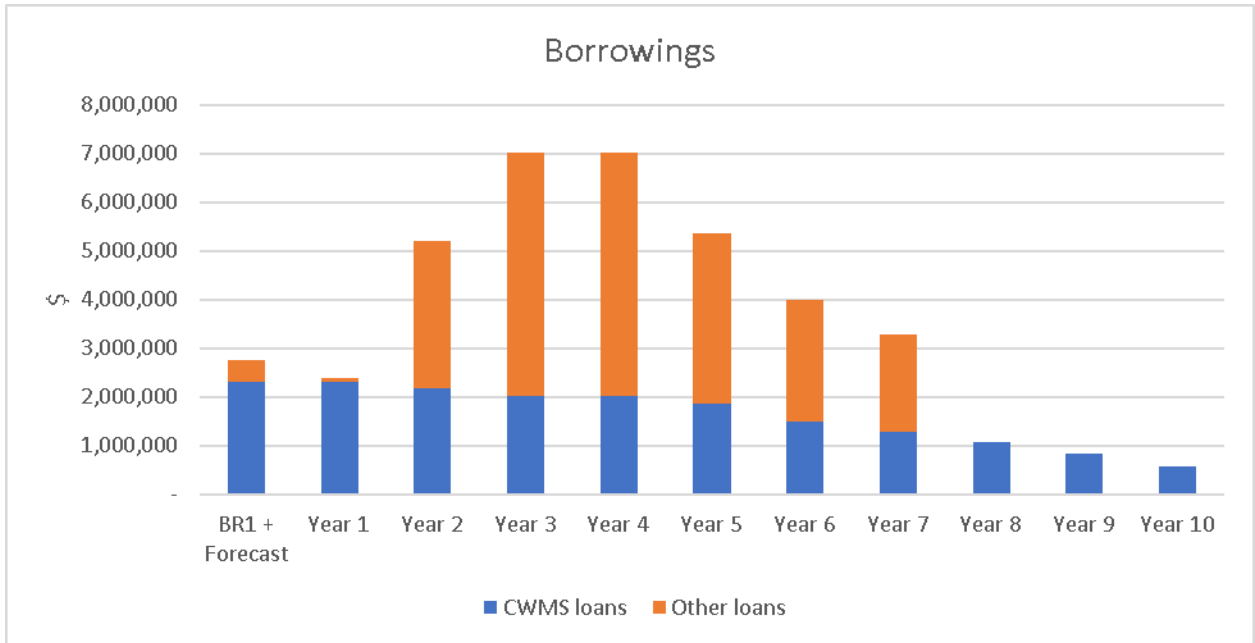


The LTFP includes expenditure on new or upgraded assets of \$19.8m (excluding 2020/21), to be invested in the following asset classes.



3.14. Borrowing and Finance Costs

Council will require additional loans during the term of this Long Term Financial Plan to fund capital projects, these additional borrowings will be repaid over the course of the Plan. The following chart shows the amount of borrowings over the period of the Plan.



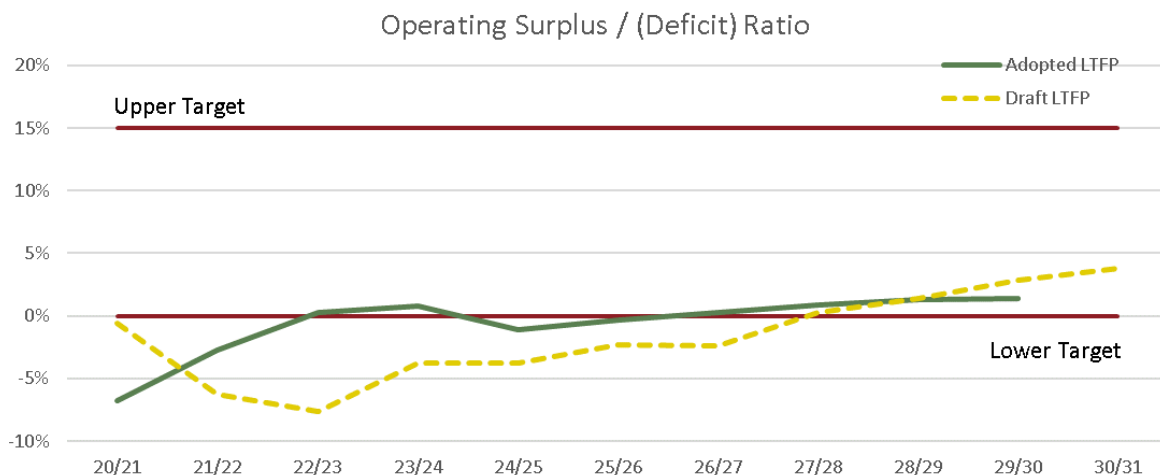
Short term loans are required to fund Council activities in 2022/23 and 2023/24 which can be repaid over the period 2025/26 to 2028/29.

4. Financial Sustainability

4.1. 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. In some instances, it has done so without increasing service charges and general rates. 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 providing service levels that the community can afford in a way that is equitable for the current and future generations of ratepayers. As a result, Council forecasts it will move to achieve an operating surplus from 2027/28 onwards.

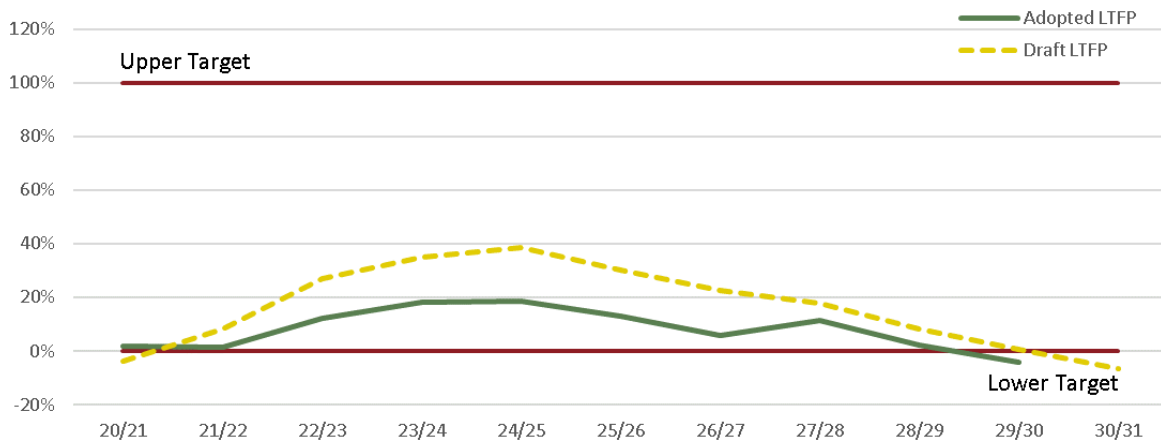


4.2. Net Financial Liabilities Ratio

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.

Short term loans are required to fund Council activities in 2022/23 and 2023/24 which can be repaid over the period 2025/26 to 2028/29.

Net Financial Liabilities Ratio

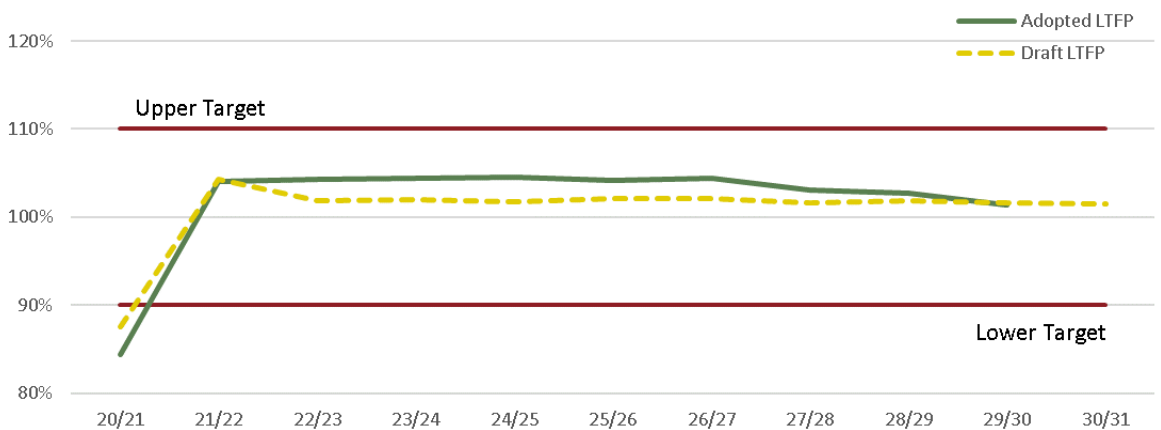


4.3. Asset Renewal Funding Ratio

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.

Asset Renewal Funding Ratio



5. 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.

6. 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. Possible future service level changes considered but not included in the Long Term Financial Plan include;

- disposal of buildings which are surplus to service delivery requirements, and
- inclusion of a special levy to raise funds to support the tourism sector.

7. Long Term Financial Plan

ESTIMATED STATEMENT OF COMPREHENSIVE INCOME												
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	ACTUAL	CURRENT BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME												
Rates	13,384	13,892	14,509	15,058	15,549	16,058	16,585	17,141	17,716	18,311	18,927	19,564
Statutory charges	226	213	230	233	236	240	244	249	254	259	264	269
User charges	771	760	900	914	928	942	956	975	995	1,015	1,035	1,056
Grants, subsidies & contributions	3,147	2,988	2,149	1,963	1,986	1,614	1,638	1,670	1,703	1,736	1,770	1,805
Investment income	115	68	21	14	9	10	6	8	9	11	9	24
Reimbursements	370	182	162	165	167	170	173	176	180	184	188	192
Other income	29	25	15	15	15	15	15	15	15	15	15	15
Total Income	18,042	18,128	17,986	18,362	18,890	19,049	19,617	20,234	20,872	21,531	22,208	22,925
EXPENSES												
Employee costs	4,349	4,680	5,076	5,200	5,303	5,384	5,465	5,575	5,687	5,800	5,916	6,033
Materials, contracts & other expenses	8,766	7,569	8,009	8,330	7,792	7,637	7,725	8,162	8,035	8,219	8,356	8,574
Depreciation, amortisation & impairment	5,729	5,724	5,820	6,035	6,204	6,359	6,484	6,634	6,787	6,944	7,104	7,267
Finance costs	320	253	204	200	294	379	386	343	301	276	198	180
Total Expenses	19,164	18,226	19,109	19,765	19,593	19,759	20,060	20,714	20,810	21,239	21,574	22,054
OPERATING SURPLUS / (DEFICIT)	(1,122)	(98)	(1,123)	(1,403)	(703)	(710)	(443)	(480)	62	292	634	871
Asset Disposal & fair value adjustments	(1,082)	-	7	-	-	-	-	-	-	-	-	-
Amounts received specifically for new or upgraded assets	702	1,029	874	1,381	1,110	-	-	-	-	-	-	-
Physical resources received free of charge	-	-	-	-	-	-	-	-	-	-	-	-
	(380)	1,029	881	1,381	1,110	-	-	-	-	-	-	-
NET SURPLUS/(DEFICIT)												
transferred to Equity Statement	(1,502)	931	(242)	(22)	407	(710)	(443)	(480)	62	292	634	871

7. Long Term Financial Plan

ESTIMATED STATEMENT OF FINANCIAL POSITION												
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	ACTUAL	CURRENT BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets						0			0		0	
Cash and cash equivalents	5,729	3,468	1,399	981	1,221	679	476	533	706	490	1,867	3,272
Trade & other receivables	829	1,381	1,364	1,159	1,163	969	979	998	1,018	1,038	1,058	1,080
Other Financial Assets	271	271	271	275	279	283	287	293	299	305	311	317
Inventories	156	300	300	300	300	300	300	300	300	300	300	300
Non-current Assets held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	6,985	5,420	3,334	2,715	2,963	2,231	2,042	2,124	2,323	2,133	3,536	4,969
Non-current Assets												
Financial Assets	175	84	30	15	5	-	-	-	-	-	-	-
Infrastructure, property, plant & equipment	155,456	156,889	158,803	162,265	164,308	164,399	162,487	160,661	159,867	158,178	157,221	156,452
Other Non-current assets	169	169	169	169	169	169	169	169	169	169	169	169
Total Non-current Assets	155,800	157,142	159,002	162,449	164,482	164,568	162,656	160,830	160,036	158,347	157,390	156,621
Total Assets	162,785	162,562	162,336	165,164	167,445	166,799	164,697	162,954	162,358	160,480	160,926	161,590
LIABILITIES												
Current Liabilities												
Trade & other payables	692	415	781	793	805	1,017	1,017	912	930	949	968	987
Current Borrowings	983	376	182	159	169	180	189	204	220	237	256	276
Current Provisions	1,198	1,278	1,304	1,323	1,343	1,363	1,383	1,411	1,439	1,468	1,497	1,527
Total Current Liabilities	2,873	2,069	2,267	2,275	2,317	2,560	2,589	2,527	2,589	2,654	2,721	2,790
Non-current Liabilities												
Non Current Borrowings	2,746	2,370	2,188	5,029	6,860	6,680	4,991	3,788	3,068	831	575	298
Non Current Provisions	38	64	64	65	66	67	68	69	70	71	72	73
Other Non-current Liabilities	309	309	309	309	309	309	309	309	309	309	309	309
Total Non-current Liabilities	3,093	2,743	2,561	5,403	7,235	7,056	5,368	4,166	3,447	1,211	956	680
Total Liabilities	5,966	4,812	4,828	7,678	9,552	9,616	7,957	6,693	6,036	3,865	3,677	3,470
NET ASSETS	156,819	157,750	157,508	157,486	157,893	157,183	156,740	156,261	156,322	156,615	157,249	158,120
EQUITY												
Accumulated Surplus	11,203	12,134	11,892	11,870	12,277	11,567	11,124	10,645	10,706	10,999	11,633	12,504
Asset Revaluation Reserve	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370
Other Reserves	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246
TOTAL EQUITY	156,819	157,750	157,508	157,486	157,893	157,183	156,740	156,261	156,322	156,615	157,249	158,120

7. Long Term Financial Plan

ESTIMATED STATEMENT OF CHANGES IN EQUITY												
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	ACTUAL	CURRENT BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	9,808	11,203	12,134	11,892	11,870	12,277	11,567	11,124	10,645	10,706	10,999	11,633
Net Surplus/(Deficit) for year	(1,502)	931	(242)	(22)	407	(710)	(443)	(480)	62	292	634	871
Other Comprehensive Income												
Transfers between reserves	2,897	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	11,203	12,134	11,892	11,870	12,277	11,567	11,124	10,645	10,706	10,999	11,633	12,504
ASSET REVALUATION RESERVE												
Balance at end of previous reporting period	131,115	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370
Net Surplus/(Deficit) for year												
Other Comprehensive Income												
Gain/(Loss) on revaluation of infrastructure, Property plant & equipment	8,255	-	-	-	-	-	-	-	-	-	-	-
Transfers between reserves												
Balance at end of period	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370	139,370
OTHER RESERVES												
Balance at end of previous reporting period	9,143	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246
Net Surplus/(Deficit) for year												
Other Comprehensive Income												
Transfers between reserves	(2,897)	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246	6,246
Total Equity												
Balance at end of previous reporting period	150,066	156,819	157,750	157,508	157,486	157,893	157,183	156,740	156,261	156,322	156,615	157,249
Net Surplus/(Deficit) for year	(1,502)	931	(242)	(22)	407	(710)	(443)	(480)	62	292	634	871
Other Comprehensive Income												
Gain on revaluation of infrastructure, Property plant & equipment	8,255	-	-	-	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	156,819	157,750	157,508	157,486	157,893	157,183	156,740	156,261	156,322	156,615	157,249	158,120

7. Long Term Financial Plan

ESTIMATED STATEMENT OF CASH FLOWS												
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	ACTUAL	CURRENT BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts												
Rates - general & other	13,490	13,211	14,509	15,239	15,549	16,258	16,580	17,135	17,710	18,305	18,921	19,557
Fees & other charges	226	213	230	233	236	240	244	249	254	259	264	269
User charges	1,126	504	900	904	918	932	946	962	981	1,001	1,021	1,041
Investment receipts	126	57	21	14	9	10	6	8	9	11	9	24
Grants utilised for operating purposes	3,147	2,988	2,149	1,963	1,986	1,614	1,638	1,670	1,703	1,736	1,770	1,805
Reimbursements	289	263	162	165	167	170	173	176	180	184	188	192
Other revenues	79	140	15	15	15	15	15	15	15	15	15	15
Payments												
Employee costs	(4,162)	(4,607)	(4,968)	(5,180)	(5,282)	(5,363)	(5,444)	(5,546)	(5,658)	(5,770)	(5,886)	(6,002)
Materials, contracts & other expenses	(9,023)	(7,942)	(7,725)	(8,318)	(7,780)	(7,425)	(7,725)	(8,267)	(8,017)	(8,200)	(8,337)	(8,555)
Finance payments	(325)	(276)	(204)	(200)	(294)	(379)	(386)	(343)	(301)	(276)	(198)	(180)
Net Cash provided by (or used in) Operating Activities	4,973	4,551	5,089	4,835	5,524	6,072	6,047	6,059	6,876	7,265	7,767	8,166
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Amounts specifically for new or upgraded assets	702	1,029	874	1,381	1,110	-	-	-	-	-	-	-
Sale of replaced assets	182	62	113	104	122	138	17	31	150	-	-	-
Sale of surplus assets	-	-	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by community groups	227	299	71	49	16	9	5	-	-	-	-	-
Payments												
Expenditure on renewal/replacement of assets	(4,470)	(4,346)	(4,685)	(4,301)	(4,309)	(4,969)	(3,693)	(3,924)	(5,207)	(4,297)	(5,168)	(5,496)
Expenditure on new/upgraded assets	(2,018)	(2,873)	(3,155)	(5,300)	(4,060)	(1,619)	(895)	(915)	(936)	(958)	(979)	(1,002)
Net purchase of investment securities	(7)	-	-	(4)	(4)	(4)	(4)	(6)	(6)	(6)	(6)	(6)
Loans to community groups	(283)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(5,496)	(5,829)	(6,782)	(8,071)	(7,125)	(6,445)	(4,570)	(4,814)	(5,999)	(5,261)	(6,153)	(6,504)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from borrowings	-	-	-	3,000	2,000	-	-	-	-	-	-	-
Payments												
Repayments of borrowings	(1,078)	(983)	(376)	(182)	(159)	(169)	(1,680)	(1,188)	(704)	(2,220)	(237)	(257)
Net Cash provided by (or used in) Financing Activities	(1,128)	(983)	(376)	2,818	1,841	(169)	(1,680)	(1,188)	(704)	(2,220)	(237)	(257)
Net Increase (Decrease) in cash held	(1,651)	(2,261)	(2,069)	(418)	240	(542)	(203)	57	173	(216)	1,377	1,405
Cash & cash equivalents at beginning of period	7,380	5,729	3,468	1,399	981	1,221	679	476	533	706	490	1,867
Cash & cash equivalents at end of period	5,729	3,468	1,399	981	1,221	679	476	533	706	490	1,867	3,272

7. Long Term Financial Plan

ESTIMATED UNIFORM PRESENTATION OF FINANCES												
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	ACTUAL	CURRENT BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income	18,042	18,128	17,986	18,362	18,890	19,049	19,617	20,234	20,872	21,531	22,208	22,925
less Expenses	19,164	18,226	19,109	19,765	19,593	19,759	20,060	20,714	20,810	21,239	21,574	22,054
Operating Surplus / (Deficit)	(1,122)	(98)	(1,123)	(1,403)	(703)	(710)	(443)	(480)	62	292	634	871
Net Outlays on Existing Assets												
Capital Expenditure on renewal and replacement of Existing Assets	(4,470)	(4,346)	(4,685)	(4,301)	(4,309)	(4,969)	(3,693)	(3,924)	(5,207)	(4,297)	(5,168)	(5,496)
Depreciation, Amortisation and Impairment	5,729	5,724	5,820	6,035	6,204	6,359	6,484	6,634	6,787	6,944	7,104	7,267
Proceeds from Sale of Replaced Assets	182	62	113	104	122	138	17	31	150	-	-	-
Net (Outlays) on Existing Assets	1,441	1,440	1,248	1,838	2,017	1,528	2,808	2,741	1,730	2,647	1,936	1,771
Net Outlays on New and Upgraded Assets												
Capital expenditure on new/upgraded assets (including investment property & real estate developments)	(2,018)	(2,873)	(3,155)	(5,300)	(4,060)	(1,619)	(895)	(915)	(936)	(958)	(979)	(1,002)
Amounts received specifically for New or Upgraded Assets	702	1,029	874	1,381	1,110	-	-	-	-	-	-	-
Proceeds from sale of surplus assets (Inc non-current assets held for resale)	171	-	-	-	-	-	-	-	-	-	-	-
Net (Outlays) on New and Upgraded Assets	(1,145)	(1,844)	(2,281)	(3,919)	(2,950)	(1,619)	(895)	(915)	(936)	(958)	(979)	(1,002)
Net Lending / (Borrowing) for Financial Year	(826)	(502)	(2,156)	(3,484)	(1,636)	(801)	1,470	1,346	856	1,981	1,591	1,640

7. Long Term Financial Plan

ESTIMATED KEY FINANCIAL INDICATORS												
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	ACTUAL	CURRENT BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Surplus Ratio	(6.2%)	(0.5%)	(6.2%)	(7.6%)	(3.7%)	(3.7%)	(2.3%)	(2.4%)	0.3%	1.4%	2.9%	3.8%
Operating Surplus	(1,122)	(98)	(1,123)	(1,403)	(703)	(710)	(443)	(480)	62	292	634	871
Total Operating Income	18,042	18,128	17,986	18,362	18,890	19,049	19,617	20,234	20,872	21,531	22,208	22,925
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>												
Net Financial Liabilities Ratio	(7.5%)	(3.9%)	8.1%	26.9%	34.8%	38.7%	30.1%	22.5%	17.7%	8.0%	0.6%	(6.6%)
Net Financial Liabilities	(1,347)	(701)	1,455	4,939	6,575	7,376	5,906	4,560	3,704	1,723	132	(1,508)
Total Operating Income	18,042	18,128	17,986	18,362	18,890	19,049	19,617	20,234	20,872	21,531	22,208	22,925
<i>Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.</i>												
Asset Renewal Funding Ratio	92.6%	87.5%	104.3%	101.9%	102.0%	101.8%	102.2%	102.1%	101.6%	101.9%	101.7%	101.5%
Net Asset Renewals	4,288	4,346	4,685	4,301	4,309	4,969	3,693	3,924	5,207	4,297	5,168	5,496
Infrastructure & Asset Management Plan required expenditure	4,631	4,966	4,494	4,222	4,225	4,882	3,615	3,844	5,124	4,216	5,084	5,414
<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>												