



CLARE & GILBERT  
VALLEYS COUNCIL

## Long Term Financial Plan

2019/2020 to 2028/2029

## 1. Contents

2. Long Term Financial Planning.....	1
2.1. Purpose .....	1
2.2. Legislative Requirements.....	1
2.3. Influencing Factors .....	1
3. Assumptions.....	2
3.1. General Assumptions – Nominal Values.....	2
3.2. General Assumptions – Consumer Price Index.....	2
3.3. Rate Revenue .....	2
3.4. Rate Revenue – NRM Levy & Service Charges .....	2
3.5. Grant Revenue .....	2
3.6. Investment Income .....	2
3.7. Employee Costs.....	2
3.8. Depreciation .....	2
3.9. Other Costs.....	2
3.10. Capital Expenditure .....	3
3.11. Borrowing and Finance Costs .....	3
4. Financial Sustainability.....	4
4.1. Operating Surplus Ratio .....	4
4.2. Net Financial Liabilities Ratio .....	4
4.3. Asset Renewal Funding Ratio.....	5
5. Long Term Financial Plan.....	6

## 2. Long Term Financial Planning

### 2.1. 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.

### 2.2. Legislative Requirements

The Local Government Act 1999 requires Council to develop and adopt a LTFP covering a period of at least 10 years. This forms part of Council's suite of strategic plans that also include the Strategic Plan 2020 (adopted March 2016) and Asset Management Plan (adopted September 2017).

Council is required to review the LTFP 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 2 years after each general election.

### 2.3. 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 power and water
- Interest rates

#### Internal

- Community expectation
- Asset Management Plan
- 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

### 3. Assumptions

#### 3.1. General Assumptions – Nominal Values

All income and expenditure have been stated at their nominal value.

#### 3.2. General Assumptions – Consumer Price Index

Unless known not to be indexed all income and expenditure are indexed for inflation at 1.3% based upon the Consumer Price Index for March 2019 quarter.

#### 3.3. Rate Revenue

To fund the operations of the Council, including the ongoing management and improvements of its vast infrastructure network, requires an average annual rate increase of 3.16% plus growth of 0.5% (3.66% total)

The Council's draft Asset Management Plan highlights the additional investment required by Council.

#### 3.4. Rate Revenue – NRM Levy & Service Charges

Increased by CPI only

#### 3.5. Grant Revenue

Grant revenue has been assumed to remain consistent with the 2018/19 financial year for general purpose and other ongoing funding. It has been assumed that Roads to Recovery (or something similar) will continue from 2019/20 for the life of the Plan. All other grants are included based on their current funding agreement.

#### 3.6. 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 2.05% for the life of this plan.

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

#### 3.7. Employee Costs

In the 2019/20 financial year Council has committed to including two (2) new positions within the organisation. These are:

- Arts & Cultural Tourism Coordinator
- Trainee Maintenance Employee

#### 3.8. Depreciation

Depreciation is calculated based on current valuation data to determine fair value and useful life allowing for changes in prices. Additional depreciation is included for asset acquisitions made over the life of the plan.

#### 3.9. Other Costs

Other costs have been indexed annually by CPI.

### 3.10. Capital Expenditure

Renewal/replacement and new/upgrade capital expenditure within the LTFP is based upon spending contained within Council's draft Asset Management Plan.

### 3.11. Borrowing and Finance Costs

Council will be required to take on additional borrowings during the term of this LTFP as well as repay all borrowing currently held within agreed terms. The following table details the levels of borrowings and related interest rates for each year.

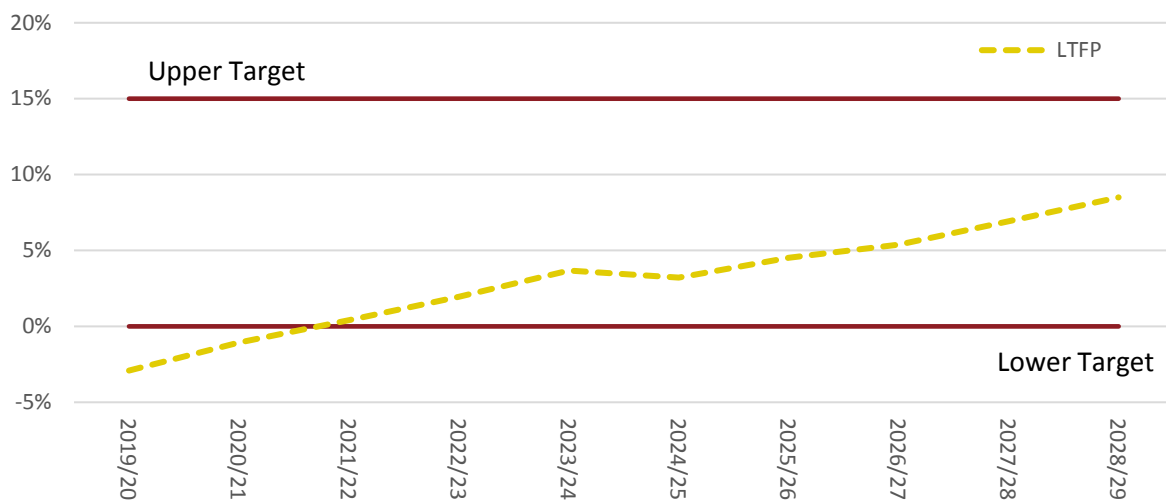
Year	Total Outstanding 30 June	Weighted Average Interest rate
2019/20	3,728,793	7.36%
2020/21	4,545,753	6.06%
2021/22	4,970,188	5.58%
2022/23	4,188,122	5.77%
2023/24	3,210,051	6.23%
2024/25	2,316,547	6.95%
2025/26	1,905,867	7.28%
2026/27	1,858,736	6.95%
2027/28	1,801,798	6.58%
2028/29	1,734,056	6.17%

## 4. Financial Sustainability

### 4.1. Operating Surplus Ratio

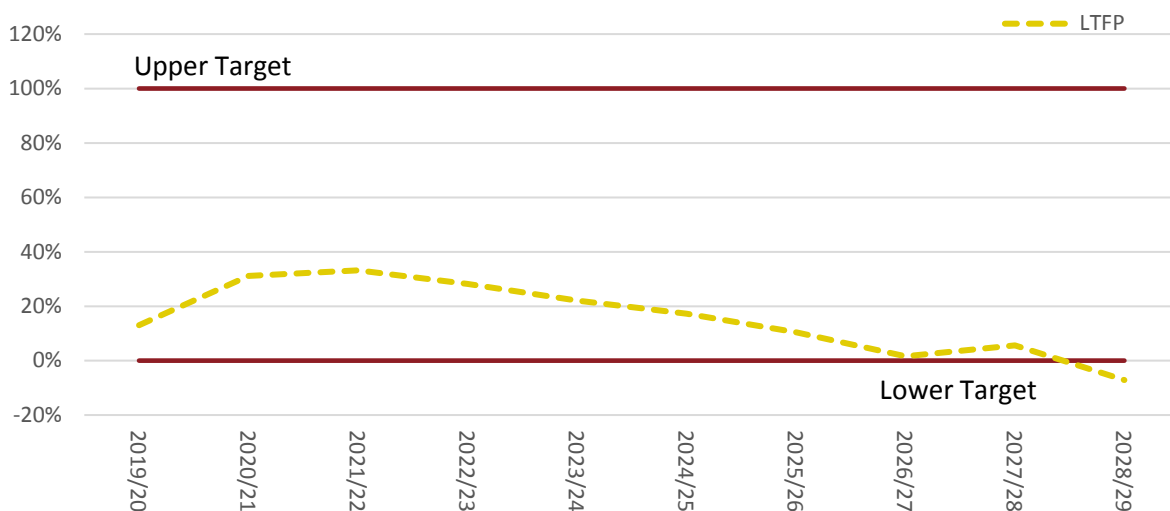
An operating surplus (or deficit) arises when operating income exceeds (or is less than) operating expenses for a period (usually a year). Over time Council will be financially sustainable when its expenses are less than income. The operating surplus ratio expresses the surplus (or deficit) as a percentage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

Council is moving towards achieving an operating surplus in 2021/22 and continuing this for the life of the plan with a maximum rate increase of 4%.



### 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.

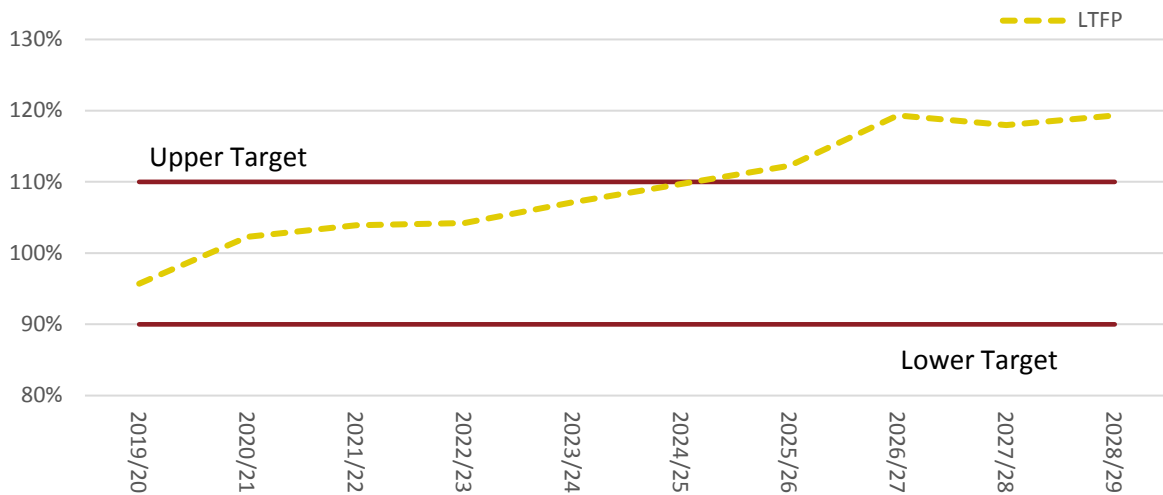


To ensure the ongoing renewal of Councils aging assets, and to fund new projects, additional borrowing will be required in 2020/21 and will be repaid by 2025/26. Where the ratio is falling it indicates that Council's ability to meet its obligations is strengthening.

### 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 expenditure required per Council's draft 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 draft Asset Management Plan over the period of the LTFP.



## 5. Long Term Financial Plan

### ASSUMPTIONS

LOANS INCLUDED		1,800	800	(600)	(850)	(800)	(350)			
TOTAL RATES INCREASE INCLUDED (including estimated Growth)	2.8%	3.8%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	4.0%	4.0%

### ESTIMATED STATEMENT OF COMPREHENSIVE INCOME

	2019/20 DRAFT BUDGET \$'000	2020/21 LTFP \$'000	2021/22 LTFP \$'000	2022/23 LTFP \$'000	2023/24 LTFP \$'000	2024/25 LTFP \$'000	2025/26 LTFP \$'000	2026/27 LTFP \$'000	2027/28 LTFP \$'000	2028/29 LTFP \$'000
<b>INCOME</b>										
Rates	13,498	13,955	14,452	14,968	15,504	16,061	16,503	16,956	17,568	18,205
Statutory charges	218	221	224	227	230	233	236	239	242	245
User charges	856	867	878	889	901	913	925	937	949	961
Grants, subsidies & contributions	2,075	1,998	2,019	2,019	2,018	1,724	1,746	1,768	1,790	1,813
Investment income	176	68	17	12	10	10	10	27	62	44
Reimbursements	180	182	184	186	188	190	192	194	197	200
Other income	50	51	52	53	54	55	56	57	58	59
<b>Total Income</b>	<b>17,053</b>	<b>17,342</b>	<b>17,826</b>	<b>18,354</b>	<b>18,905</b>	<b>19,186</b>	<b>19,668</b>	<b>20,178</b>	<b>20,866</b>	<b>21,527</b>
<b>EXPENSES</b>										
Employee costs	4,542	4,743	4,767	4,840	4,918	5,042	5,168	5,297	5,430	5,565
Materials, contracts & other expenses	7,420	7,112	7,203	7,270	7,339	7,514	7,530	7,627	7,726	7,766
Depreciation, amortisation & impairment	5,267	5,414	5,512	5,612	5,713	5,817	5,922	6,029	6,139	6,250
Finance costs	320	259	269	274	239	197	159	136	127	116
<b>Total Expenses</b>	<b>17,549</b>	<b>17,528</b>	<b>17,751</b>	<b>17,996</b>	<b>18,209</b>	<b>18,570</b>	<b>18,779</b>	<b>19,089</b>	<b>19,422</b>	<b>19,697</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(496)</b>	<b>(186)</b>	<b>75</b>	<b>358</b>	<b>696</b>	<b>616</b>	<b>889</b>	<b>1,089</b>	<b>1,444</b>	<b>1,830</b>
Asset Disposal & fair value adjustments	-	-	-	-	-	-	-	-	-	-
Amounts received specifically for new or upgraded assets	315	831	-	-	-	-	-	-	-	-
Physical resources received free of charge	-	-	-	-	-	-	-	-	-	-
	<b>315</b>	<b>831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(181)</b>	<b>645</b>	<b>75</b>	<b>358</b>	<b>696</b>	<b>616</b>	<b>889</b>	<b>1,089</b>	<b>1,444</b>	<b>1,830</b>
transferred to Equity Statement										



**ASSUMPTIONS**

<b>LOANS INCLUDED</b>		<b>1,800</b>	<b>800</b>	<b>(600)</b>	<b>(850)</b>	<b>(800)</b>	<b>(350)</b>			
<b>TOTAL RATES INCREASE INCLUDED (including estimated Growth)</b>	<b>2.8%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>4.0%</b>	<b>4.0%</b>

**ESTIMATED STATEMENT OF FINANCIAL POSITION**

	<b>2019/20 DRAFT BUDGET \$'000</b>	<b>2020/21 LTFP \$'000</b>	<b>2021/22 LTFP \$'000</b>	<b>2022/23 LTFP \$'000</b>	<b>2023/24 LTFP \$'000</b>	<b>2024/25 LTFP \$'000</b>	<b>2025/26 LTFP \$'000</b>	<b>2026/27 LTFP \$'000</b>	<b>2027/28 LTFP \$'000</b>	<b>2028/29 LTFP \$'000</b>
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and cash equivalents	2,454	148	122	139	179	186	1,047	2,738	1,855	4,503
Trade & other receivables	887	954	949	927	937	947	954	966	979	992
Other Financial Assets	267	270	274	278	282	286	290	294	298	302
Inventories	211	211	211	211	211	211	211	211	211	211
<b>Total Current Assets</b>	<b>3,819</b>	<b>1,583</b>	<b>1,556</b>	<b>1,555</b>	<b>1,609</b>	<b>1,630</b>	<b>2,502</b>	<b>4,209</b>	<b>3,343</b>	<b>6,008</b>
<b>Non-current Assets</b>										
Financial Assets	155	64	21	12	5	-	-	-	-	-
Infrastructure, property, plant & equipment	146,316	150,130	150,727	150,342	150,044	149,781	149,417	148,783	151,066	150,195
Other Non-current assets	731	731	731	731	731	731	731	731	731	731
<b>Total Non-current Assets</b>	<b>147,202</b>	<b>150,925</b>	<b>151,479</b>	<b>151,085</b>	<b>150,780</b>	<b>150,512</b>	<b>150,148</b>	<b>149,514</b>	<b>151,797</b>	<b>150,926</b>
<b>Total Assets</b>	<b>151,021</b>	<b>152,507</b>	<b>153,035</b>	<b>152,639</b>	<b>152,389</b>	<b>152,142</b>	<b>152,650</b>	<b>153,723</b>	<b>155,140</b>	<b>156,934</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Trade & other payables	1,004	1,013	1,026	1,039	1,053	1,067	1,081	1,095	1,109	1,123
Current Borrowings	983	376	182	128	94	61	47	57	68	85
Current Provisions	1,159	1,174	1,189	1,204	1,220	1,236	1,252	1,268	1,284	1,301
<b>Total Current Liabilities</b>	<b>3,146</b>	<b>2,563</b>	<b>2,397</b>	<b>2,371</b>	<b>2,367</b>	<b>2,364</b>	<b>2,380</b>	<b>2,420</b>	<b>2,461</b>	<b>2,509</b>
<b>Non-current Liabilities</b>										
Non Current Borrowings	2,746	4,170	4,788	4,060	3,117	2,256	1,859	1,802	1,734	1,649
Non Current Provisions	93	94	95	96	97	98	99	100	101	102
Other Non-current Liabilities	265	265	265	265	265	265	265	265	265	265
<b>Total Non-current Liabilities</b>	<b>3,104</b>	<b>4,529</b>	<b>5,148</b>	<b>4,421</b>	<b>3,479</b>	<b>2,619</b>	<b>2,223</b>	<b>2,167</b>	<b>2,100</b>	<b>2,016</b>
<b>Total Liabilities</b>	<b>6,250</b>	<b>7,092</b>	<b>7,545</b>	<b>6,792</b>	<b>5,846</b>	<b>4,983</b>	<b>4,603</b>	<b>4,587</b>	<b>4,561</b>	<b>4,525</b>
<b>NET ASSETS</b>	<b>144,771</b>	<b>145,415</b>	<b>145,490</b>	<b>145,847</b>	<b>146,543</b>	<b>147,159</b>	<b>148,047</b>	<b>149,136</b>	<b>150,579</b>	<b>152,409</b>
<b>EQUITY</b>										
Accumulated Surplus	10,417	11,061	11,136	11,493	12,189	12,805	13,693	14,782	16,225	18,055
Asset Revaluation Reserve	125,161	125,161	125,161	125,161	125,161	125,161	125,161	125,161	125,161	125,161
Other Reserves	9,193	9,193	9,193	9,193	9,193	9,193	9,193	9,193	9,193	9,193
<b>TOTAL EQUITY</b>	<b>144,771</b>	<b>145,415</b>	<b>145,490</b>	<b>145,847</b>	<b>146,543</b>	<b>147,159</b>	<b>148,047</b>	<b>149,136</b>	<b>150,579</b>	<b>152,409</b>

**ASSUMPTIONS**

<b>LOANS INCLUDED</b>		1,800	800	(600)	(850)	(800)	(350)			
<b>TOTAL RATES INCREASE INCLUDED (including estimated Growth)</b>	2.8%	3.8%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	4.0%	4.0%

**ESTIMATED STATEMENT OF CHANGES IN EQUITY**

	2019/20 DRAFT BUDGET \$'000	2020/21 LTFP \$'000	2021/22 LTFP \$'000	2022/23 LTFP \$'000	2023/24 LTFP \$'000	2024/25 LTFP \$'000	2025/26 LTFP \$'000	2026/27 LTFP \$'000	2027/28 LTFP \$'000	2028/29 LTFP \$'000
<b>ACCUMULATED SURPLUS</b>										
Balance at end of previous reporting period	10,598	10,417	11,061	11,136	11,493	12,189	12,805	13,693	14,782	16,225
<b>Net Surplus/(Deficit) for year</b>	(181)	645	75	358	696	616	889	1,089	1,444	1,830
<b>Other Comprehensive Income</b>										
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>10,417</b>	<b>11,061</b>	<b>11,136</b>	<b>11,493</b>	<b>12,189</b>	<b>12,805</b>	<b>13,693</b>	<b>14,782</b>	<b>16,225</b>	<b>18,055</b>
<b>ASSET REVALUATION RESERVE</b>										
Balance at end of previous reporting period	125,161	125,161	125,161	125,161	125,161	125,161	125,161	125,161	125,161	125,161
<b>Net Surplus/(Deficit) for year</b>	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>										
Gain/(Loss) on revaluation of infrastructure, Property plant & equipment	-	-	-	-	-	-	-	-	-	-
Impairment/recoupments offset to asset revaluation reserve	-	-	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-
<b>Balance at end of period</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>	<b>125,161</b>
<b>OTHER RESERVES</b>										
Balance at end of previous reporting period	9,193	9,193	9,193	9,193	9,193	9,193	9,193	9,193	9,193	9,193
<b>Net Surplus/(Deficit) for year</b>	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>										
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of Period</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>	<b>9,193</b>
<b>Total Equity</b>										
Balance at end of previous reporting period	144,952	144,771	145,415	145,490	145,847	146,543	147,159	148,047	149,136	150,579
<b>Net Surplus/(Deficit) for year</b>	(181)	645	75	358	696	616	889	1,089	1,444	1,830
<b>Other Comprehensive Income</b>										
Gain on revaluation of infrastructure, Property plant & equipment	-	-	-	-	-	-	-	-	-	-
Impairment/recoupments offset to asset revaluation reserve	-	-	-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of Period</b>	<b>144,771</b>	<b>145,415</b>	<b>145,490</b>	<b>145,847</b>	<b>146,543</b>	<b>147,159</b>	<b>148,047</b>	<b>149,136</b>	<b>150,579</b>	<b>152,409</b>

**ASSUMPTIONS**

<b>LOANS INCLUDED</b>		<b>1,800</b>	<b>800</b>	<b>(600)</b>	<b>(850)</b>	<b>(800)</b>	<b>(350)</b>			
<b>TOTAL RATES INCREASE INCLUDED (including estimated Growth)</b>	<b>2.8%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>4.0%</b>	<b>4.0%</b>

**ESTIMATED STATEMENT OF CASH FLOWS**

	2019/20 DRAFT BUDGET \$'000	2020/21 LTFP \$'000	2021/22 LTFP \$'000	2022/23 LTFP \$'000	2023/24 LTFP \$'000	2024/25 LTFP \$'000	2025/26 LTFP \$'000	2026/27 LTFP \$'000	2027/28 LTFP \$'000	2028/29 LTFP \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Rates - general & other	13,498	13,955	14,452	14,968	15,504	16,061	16,503	16,956	17,568	18,205
Fees & other charges	218	221	224	227	230	233	236	239	242	245
User charges	856	867	878	889	901	913	925	937	949	961
Investment receipts	176	68	17	12	10	10	10	27	62	44
Grants utilised for operating purposes	2,075	1,998	2,019	2,019	2,018	1,724	1,746	1,768	1,790	1,813
Reimbursements	180	182	184	186	188	190	192	194	197	200
Other revenues	43	44	45	46	47	48	49	50	51	52
<b>Payments</b>										
Employee costs	(4,418)	(4,718)	(4,738)	(4,811)	(4,887)	(5,011)	(5,137)	(5,266)	(5,399)	(5,533)
Materials, contracts & other expenses	(7,420)	(7,112)	(7,203)	(7,270)	(7,339)	(7,514)	(7,530)	(7,627)	(7,726)	(7,766)
Finance payments	(320)	(259)	(269)	(274)	(239)	(197)	(159)	(136)	(127)	(116)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>4,888</b>	<b>5,246</b>	<b>5,609</b>	<b>5,992</b>	<b>6,433</b>	<b>6,457</b>	<b>6,835</b>	<b>7,142</b>	<b>7,607</b>	<b>8,105</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Amounts specifically for new or upgraded assets	315	831	-	-	-	-	-	-	-	-
Sale of replaced assets	185	-	-	-	-	-	-	-	-	-
Sale of surplus assets	-	-	-	-	-	-	-	-	-	-
Net disposal of investment securities	-	-	-	-	-	-	-	-	-	-
Repayments of Loans by community groups	55	28	51	34	(2)	(4)	(6)	(11)	(12)	(11)
<b>Payments</b>										
Expenditure on renewal/replacement of assets	(4,839)	(5,079)	(5,009)	(4,250)	(4,511)	(4,631)	(4,617)	(4,432)	(7,460)	(4,416)
Expenditure on new/upgraded assets	(2,048)	(4,149)	(1,101)	(977)	(905)	(923)	(942)	(963)	(963)	(963)
Net purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Loans to community groups	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(6,332)</b>	<b>(8,369)</b>	<b>(6,059)</b>	<b>(5,193)</b>	<b>(5,418)</b>	<b>(5,558)</b>	<b>(5,565)</b>	<b>(5,406)</b>	<b>(8,435)</b>	<b>(5,390)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds from borrowings	-	1,800	800	-	-	-	-	-	-	-
<b>Payments</b>										
Repayments of borrowings	(1,079)	(983)	(376)	(782)	(977)	(894)	(411)	(47)	(57)	(68)
Repayment of finance lease liabilities	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(1,079)</b>	<b>817</b>	<b>424</b>	<b>(782)</b>	<b>(977)</b>	<b>(894)</b>	<b>(411)</b>	<b>(47)</b>	<b>(57)</b>	<b>(68)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>(2,523)</b>	<b>(2,306)</b>	<b>(26)</b>	<b>17</b>	<b>38</b>	<b>5</b>	<b>859</b>	<b>1,689</b>	<b>(885)</b>	<b>2,647</b>
Cash & cash equivalents at beginning of period	4,977	2,454	148	122	139	179	186	1,047	2,738	1,855
<b>Cash &amp; cash equivalents at end of period</b>	<b>2,454</b>	<b>148</b>	<b>122</b>	<b>139</b>	<b>179</b>	<b>186</b>	<b>1,047</b>	<b>2,738</b>	<b>1,855</b>	<b>4,503</b>

## ASSUMPTIONS

<b>LOANS INCLUDED</b>		1,800	800	(600)	(850)	(800)	(350)			
<b>TOTAL RATES INCREASE INCLUDED (including estimated Growth)</b>	2.8%	3.8%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	4.0%	4.0%

## ESTIMATED UNIFORM PRESENTATION OF FINANCES

	2019/20 DRAFT BUDGET \$'000	2020/21 LTFP \$'000	2021/22 LTFP \$'000	2022/23 LTFP \$'000	2023/24 LTFP \$'000	2024/25 LTFP \$'000	2025/26 LTFP \$'000	2026/27 LTFP \$'000	2027/28 LTFP \$'000	2028/29 LTFP \$'000
Income	17,053	17,342	17,826	18,354	18,905	19,186	19,668	20,178	20,866	21,527
less Expenses	17,549	17,528	17,751	17,996	18,209	18,570	18,779	19,089	19,422	19,697
<b>Operating Surplus / (Deficit)</b>	<b>(496)</b>	<b>(186)</b>	75	358	696	616	889	1,089	1,444	1,830
<b>Net Outlays on Existing Assets</b>										
Capital Expenditure on renewal and replacement of Existing Assets	(4,839)	(5,079)	(5,009)	(4,250)	(4,511)	(4,631)	(4,617)	(4,432)	(7,460)	(4,416)
Depreciation, Amortisation and Impairment	5,267	5,414	5,512	5,612	5,713	5,817	5,922	6,029	6,139	6,250
Proceeds from Sale of Replaced Assets	185	-	-	-	-	-	-	-	-	-
<b>Net (Outlays) on Existing Assets</b>	<b>613</b>	335	503	1,362	1,202	1,186	1,305	1,597	(1,321)	1,834
<b>Net Outlays on New and Upgraded Assets</b>										
Capital expenditure on new/upgraded assets (including investment property & real estate developments)	(2,048)	(4,149)	(1,101)	(977)	(905)	(923)	(942)	(963)	(963)	(963)
Amounts received specifically for New or Upgraded Assets	315	831	-	-	-	-	-	-	-	-
Proceeds from sale of surplus assets	-	-	-	-	-	-	-	-	-	-
<b>Net (Outlays) on New and Upgraded Assets</b>	<b>(1,733)</b>	<b>(3,318)</b>	<b>(1,101)</b>	<b>(977)</b>	<b>(905)</b>	<b>(923)</b>	<b>(942)</b>	<b>(963)</b>	<b>(963)</b>	<b>(963)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(1,616)</b>	<b>(3,169)</b>	<b>(523)</b>	743	993	879	1,252	1,723	(840)	2,701

## ASSUMPTIONS

LOANS INCLUDED		1,800	800	(600)	(850)	(800)	(350)			
TOTAL RATES INCREASE INCLUDED (including estimated Growth)	2.8%	3.8%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	4.0%	4.0%

## ESTIMATED KEY FINANCIAL INDICATORS

	2019/20 DRAFT BUDGET \$'000	2020/21 LTFP \$'000	2021/22 LTFP \$'000	2022/23 LTFP \$'000	2023/24 LTFP \$'000	2024/25 LTFP \$'000	2025/26 LTFP \$'000	2026/27 LTFP \$'000	2027/28 LTFP \$'000	2028/29 LTFP \$'000
<b>Operating Surplus Ratio</b>	(3%)	(1%)	0%	2%	4%	3%	5%	5%	7%	8%
<u>Operating Surplus</u>	(496)	(186)	75	358	696	616	889	1,089	1,444	1,830
Total Operating Income	17,053	17,342	17,826	18,354	18,905	19,186	19,668	20,178	20,866	21,527
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>										
<b>Net Financial Liabilities Ratio</b>	13%	31%	33%	28%	22%	17%	10%	2%	6%	(7%)
<u>Net Financial Liabilities</u>	2,222	5,391	5,914	5,171	4,178	3,299	2,047	324	1,164	(1,537)
Total Operating Income	17,053	17,342	17,826	18,354	18,905	19,186	19,668	20,178	20,866	21,527
<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>	96%	102%	104%	104%	107%	110%	112%	119%	118%	119%
<u>Net Asset Renewals</u>	4,839	5,079	5,009	4,250	4,511	4,631	4,617	4,432	7,460	4,416
Infrastructure & Asset Management Plan required expenditure	5,056	4,966	4,820	4,078	4,210	4,221	4,113	3,714	6,324	3,701

*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.*