



LEETON  
SHIRE COUNCIL

**2023/2024  
Long Term  
Financial Plan**

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# Executive Summary

## Background

Since its 'Fit For the Future' Improvement Plan in 2015, Leeton Shire Council (Council) has highlighted the financial sustainability challenges its General Fund faces. *(The General Fund does not include Domestic Waste, Water or Sewer – which are accounted for as separate businesses of Council).*

The General Fund's financial sustainability challenges are firmly entrenched, with operating deficits already reported in the 2020/21 and 2021/22 Annual Financial Statements. This situation will not change in the medium or long term without active intervention.

The following has been forecast:-

- An operating deficit of \$4.8M for 2022/23 – as per the recent Quarterly Budget Reviews
- An operating deficit of \$3.5M for 2023/24 – as per the upcoming Annual Budget. This is positively distorted from being a \$4.3M deficit because of a one-off Regional Local Roads Repair Program operating grant of \$800K received unexpectedly in April 2023.
- Ongoing operating deficits of \$ 3.5 million in 2023/24 increasing to \$6.3 million in 2032/33 - as part of independent modelling and analysis conducted by Morrison Low Consultants in 2022 in consultation with Council's senior management team.
- An average operating deficit of \$5.5M over the ten years to 2032/33 - as part of senior management's most recent updated LTFP forecast (this document) which was prepared with input from Morrison Low.

In 2018 and 2022, Council sought expert advice from \*Morrison Low on its financial position and on both occasions a SRV was recommended. In 2022 Council endorsed the recommendation that this deficit be addressed by way of a SRV in order to maintain the General Fund's financial sustainability over the longer term. In response to this recommendation, Council engaged with the community in October and November 2022, and recommended various Special Rate Variation (SRV) scenarios to achieve financial sustainability.

Following the community engagement, Councillors resolved in November 2022 to not apply for a SRV. As no alternative was proposed, by default Council has continued with the Base Case. This decision is also reflected in the Base Case in this draft LTFP (April 2023).

Council has continued to hold informal workshops about how to achieve financial sustainability which management now formally presents as alternate scenarios in this LTFP for Council's endorsement as part of the draft LTFP April 2023.

These alternative scenarios offer SRV options, reductions in levels of spending, and reductions in levels of asset renewal to achieve financial sustainability. They also show the scale of intervention required to achieve financial sustainability over the medium term.

*\*Morrison Low are well-established advisors to the local government sector in NSW and Australia/NZ, with access to a multidisciplinary team of experts covering finance, asset management and governance.*

# Executive Summary

## Council's financial sustainability obligations

The Local Government Act requires councils to apply sound financial management principles (section 8(b)) and sets out that Council spending should be responsible and sustainable, aligning general revenue and expenses. As outlined to the community in October 2022, this includes:

- Achieving a fully funded operating position
- Maintaining sufficient cash reserves
- Having an appropriately funded capital program
- Maintaining its asset base "fit for purpose"
- Having adequate resources to meet ongoing compliance obligations.

The above is regarded as "not negotiable" and failure to meet these obligations can lead to NSW Office of Local Government (OLG) intervention.

## How serious is Council's financial situation?

Management considers the situation serious and needing attention now. While every attempt will be made to find savings, the financial challenges faced is systemic to the sector where rates capping has consistently failed to match inflation and the true cost of delivering services. Added to this is cost shifting from other tiers of government, growing community service expectations and a range of statutory fees and charges that have not increased in years to cover the cost of service.

As outlined, this draft LTFP forecasts an average operating deficit of \$5.5M per annum over the ten years to 2032/33. As a result of these ongoing deficits, and the requirement to fund of capital works that do not have grant or loan funding, the LTFP forecasts that Council will run out of cash by June 2027.

Furthermore Morrison Low advised in 2022 that Council was underspending on its asset renewals by \$1.6M per year for roads and buildings and needed to address this to ensure assets would remain in satisfactory condition.

## What options are available to Council?

To manage its financial sustainability Council has the following options:-

- Increase revenues via
  - SRV – requires specific community engagement and regulatory approval as well as Council approval.
  - User charges – requires community engagement and Council approval. Generally determined as part of the Annual Budget.
  - Commercial income – identify new business opportunities that generate profits for Council.
- Reduce expenses via
  - Service cuts – requires community engagement and Council approval. Generally determined as part of the Delivery Program and Annual Operating Plan.
  - Operational efficiencies – ongoing responsibility of management. In some cases will require Council approval, eg. outsourcing.

Council has flexibility around the timing and approval of the above, with the exception of the SRV which is outside of Council's Integrated Planning and Reporting Framework (IP & R) and is subject to timing and other constraints set by IPART.

# Executive Summary

What steps should Council take?

In order to meet its obligations under the Local Government Act Council should implement immediate actions to address its operating deficit and ensure that its assets are fit for purpose. Unlike many other Councils, Leeton Shire has never previously applied for a SRV.

Management intends to recommend the following actions for and in the lead up to the 2023/24 financial year:-

- That in April 2023 Council endorses for public consultation this draft LTFP as well as the Annual Operational Plan, both of which signal the need for another round of SRV discussions with the ratepayers of Leeton Shire.
- That in June 2023 Council adopts a final LTFP that acknowledges, in principle, the need for a Special Rate Variation that includes a range of scenarios (existing and/or new) that could be put forward for later community engagement in advance of November 2023.
- That around June and July 2023, Council updates its SAMP (Strategic Asset Management Plan) to confirm costs for maintenance, renewals, new works (where needed) and depreciation.
- That during July and August 2023, Council completes a rates review, seeking to ensure the current proportioning of rates is fair between farmland, residential and business ratepayers.
- That during September to mid-November Council undertakes consultation with the community / ratepayers of Leeton about the need for a SRV, offering a number of different scenarios and including options for reductions in services and service levels to help achieve savings.
- That in December 2023 Council writes to IPART to indicate its plans to apply for a SRV.
- That in February 2024 Council submits an application to IPART and that Council commences plans for reducing operating costs with effect from 1 July 2024, if relevant.

## IMPORTANT NOTE:

Council can determine to note, endorse or change these printed intentions from Management when it considers endorsing this draft LTFP at the April 2023 Council meeting.

Whatever decision Council makes, in endorsing this draft LTFP or the final LTFP in June, all readers need to understand that Council is NOT immediately committing to applying for a SRV but rather signalling to the community the need to talk about one again.

Making a final decision to pursue a SRV is a separate process to endorsing or adopting a LTFP. Council will determine later in the year whether to proceed with consulting on an SRV or not. If Council does proceed, that will be subject to extensive, specific public engagement.

## Council's Objectives: Sound Financial Management

The **NSW Local Government Act** section 8B establishes principles of sound financial management as follows:

- a) Council **spending** should be responsible and sustainable, aligning general revenue and expenses
- b) Councils should invest in responsible and sustainable **infrastructure** for the benefit of the local community
- c) Councils should have effective **financial and asset management**, including sound policies and processes for the following:
  - (i) performance management and reporting,
  - (ii) asset maintenance and enhancement,
  - (iii) funding decisions,
  - (iv) risk management practices.
- d) Councils should have regard to achieving **intergenerational equity**, including ensuring the following:
  - (i) policy decisions are made after considering their financial effects on future generations,
  - (ii) the current generation funds the cost of its services (which also means the current generation shouldn't bear costs for benefit of future generations)

Council has recognised its improvement journey begins at point (c).

This LTFP and the Strategic Asset Management Plan (SAMP) that sits alongside it are evidence of Council's commitment to adhering to these principles and signals that progress has commenced.

Council also recognises *the financial challenges it faces haven't arisen overnight... and they won't be solved overnight*. A longer-term strategy is needed if Council is to realise longer-term benefits and be sustainable. That is why the LTFP and SAMP have a 10+ year horizon.

**Council has identified four financial sustainability objectives (below) that will serve as 'guard rails' to help keep Council 'on track'. These are also reflected in Council's Delivery Program, so progress will be reported against these in Council's Annual Reports.**

## Leeton Shire Council Financial Sustainability Objectives (April 2023)

	Objective	Details
1	Responsible and sustainable spending	<p>Council will work toward aligning general revenues and expenses by:</p> <ul style="list-style-type: none"> <li>• continuing to explore options to be more sustainable (objective 4 below)</li> <li>• documenting these options within Council’s Long Term Financial Plan (LTFP).</li> </ul>
2	Responsible and sustainable infrastructure investment	<p>Council will:</p> <ul style="list-style-type: none"> <li>• allocate funds to infrastructure and other assets in accordance with recommendations in the Strategic Asset Management Plan (SAMP) with a focus on managing risk and renewing existing assets.</li> <li>• identify priorities for new and upgraded assets, and opportunities to dispose of underutilised assets, in the SAMP.</li> <li>• not prioritise funds for further new or upgraded assets over essential renewals except where new assets address unacceptable risks</li> <li>• only build additional new or upgraded assets if the LTFP shows this is affordable</li> <li>• pursue grants wherever possible to minimise Council’s investment, but not vary its priorities significantly simply to obtain a grant</li> <li>• pursue continuous improvement in the management of its assets and infrastructure, guided by actions in the SAMP.</li> </ul>
3	Adequate cash reserves and use of borrowings	<p>Council will aim to maintain an appropriate level of cash reserves by:</p> <ul style="list-style-type: none"> <li>• responsible and sustainable spending (objective 1),</li> <li>• responsible and sustainable infrastructure investment (objective 2)</li> <li>• using borrowings (debt) to overcome shortfalls in available funds to undertake necessary works when they are required.</li> </ul>
4	Explore options to improve financial sustainability	<p>Continue to explore options, internally and externally, to improve financial sustainability <b>in the General Fund</b> by achieving a balanced budget .</p> <ul style="list-style-type: none"> <li>• Internally, continue to identify opportunities to improve efficiency and productivity.</li> <li>• Externally, engage the community as required about their service priorities and willingness to pay</li> </ul>

## Background - How Council's Finances Work

Under the NSW Local Government Act, councils must account for their water supply and sewerage functions as separate businesses, known as the Water Fund and Sewer Funds, respectively. Further Domestic Waste Management (DWM), while not accounted for as separate, must be treated as such. The remainder of Council's functions fall under the scope of Council's General Fund.

### Description of Revenue sources

#### Rates and Annual Charges

*General Fund* : mainly ordinary or land rates.

*Water Fund* : mainly access charges based on the number and size of connections.

*Sewer Fund* : mainly access charges based on the number and size of connections.

*DWM* : mainly landfill management and kerbside collection charges

#### User fees and charges

*General Fund*: mainly childcare fees, the road maintenance contract with Transport for NSW, statutory fees and charges and income from sporting and other user groups. Otherwise it includes income sporting groups, cemeteries, pools and the stadium.

*Water Fund* : mainly consumption charges based on the amount of water consumed.

*Sewer Fun*: mainly trade waste charges.

*DWM* : mainly tipping fees.

#### Grants and contributions provided for capital purposes

*All Funds and DWM*: Council relies on capital grants to help fund asset-related capital expenditure. Outlays can vary from year to year. If capital grants anticipated within the LTFP are not secured, then the projects they relate to may not proceed, unless Council resolves to fund those projects by operating surpluses, cash reserves or borrowings.

Council also levies S64 as well as S7.12 developer contributions.

#### Grants and contributions provided for operating purposes

*General Fund*: The major ongoing grants and contributions for operational purposes include:-

- Financial Assistance Grants – forecast to continue
- Roads to Recovery – forecast to continue
- Regional Roads – forecast to continue
- Community services operating grants and contributions for service delivery. Including for childcare, library, weeds, developer contributions. If grants anticipated within the LTFP are not secured, then the services they relate to may not proceed, unless Council resolves to fund those services by operating surpluses, cash reserves or borrowings.

#### Interest and Investment Revenue

*All Funds and DWM*: derived from interest on cash and investments. Dependent on the level of cash reserves and interest rates.

#### Net gains from disposal of assets

*All Funds and DWM*: generally for the sale of plant and equipment as well as development of industrial estates and other land owned by Council from time to time.

#### Rental Income

*All Funds and DWM*: generally for the rental or licensing of Council or Crown Land properties within the General Fund.

#### Other Income

*General and Water Funds*: mainly sale of Investment and Town Water, respectively.



## Description of Expense types

### Employee benefits and oncosts

*All Funds and DWM*: includes wages/salaries, leave entitlements, superannuation and related expenses such as worker's compensation insurance, personal protective equipment, and training.

### Materials and services

*All Funds and DWM*: includes raw materials and consumables such as bitumen and gravel for road maintenance, materials for repairs and maintenance of facilities, fuel, electricity, telecommunications, contractors (e.g. waste collection, some road and facilities maintenance, cleaning), consultants, auditors and legal expenses, advertising, banking, office and Councillor expenses.

### Other expenses

*All Funds and DWM*: main items are contributions to other levels of government (Rural Fire Service, State Emergency Services and NSW Fire Brigades Council does receive some grants for RFS offsetting these contributions. Also includes donations to community groups.

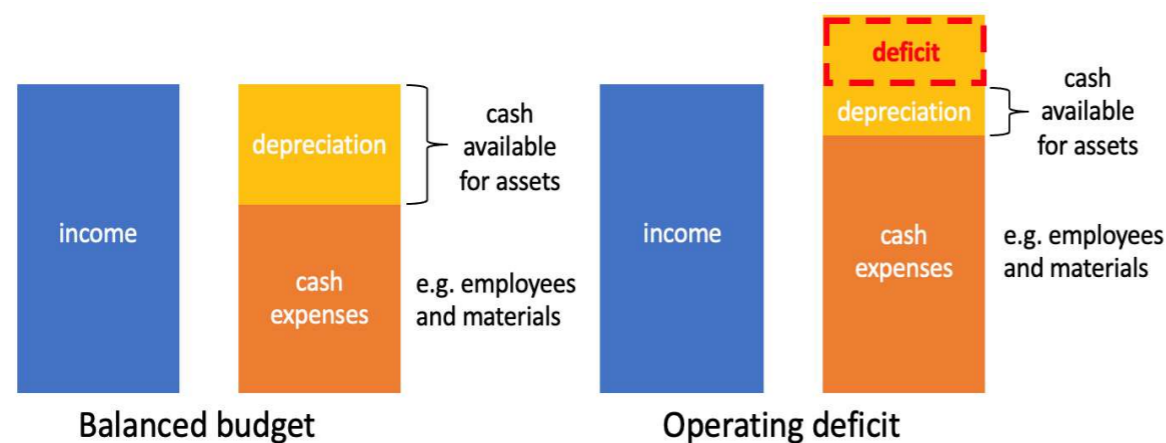
### Borrowing costs

*All Funds and DWM*: derived from interest paid on loans. Dependent on the level of borrowings and interest rates.

### Depreciation

*All Funds and DWM*: Depreciation is non-cash expense that is fundamental to sound financial management as it represents the cost of asset consumption.

Depreciation is best understood as the means by which Council generates cash to fund work on infrastructure and other assets in the context of a balanced budget:



### Why depreciation can be understood as the means of generating cash for work on assets

Ongoing operating deficits mean Council will have enough income to cover its cash expenses (employees, materials, etc.) but not its depreciation, so it may struggle to afford to invest what it needs to in its assets or capital works e.g. to renew a road in poor condition.

However, infrastructure investment needs will vary over time. Consequently cash generated "from" depreciation won't necessarily be spent in the same year it is generated.

Works on Council's assets are financed in 3 ways:

*after* the income is received, which means Council will keep it in a **cash reserve** until it is needed

*at the same time* as the **income** is received (current year income, including grants)

*before* the income is received, so Council will need to **borrow** to pay for the works, and then repay the loan as income comes in over time.

Council needs to ensure its depreciation expense is reasonable in order to achieve:

intergenerational equity (so the current generation pays for the cost of its services, including infrastructure, and future generations also pay their fair share of the costs of built services that benefit them).

financial sustainability (so Council is confident it will have sufficient money available when it needs it – either as cash reserves or as the capacity to repay borrowings).

## Description of Expense types (continued)

In order to ensure accurate asset balances and depreciation expense Council:-

Is currently developing and maturing its asset management system.

Engages external, qualified, valuers to assess asset values and service lives. Valuers consult Council staff and final assessments are signed off by the NSW Audit Office.

### Other expenses

*All Funds and DWM:* main items are contributions to other levels of government (Rural Fire Service, State Emergency Services and NSW Fire Brigades Council does receive some grants for RFS offsetting these contributions. Also includes donations to community groups.

### Net losses from disposal of assets

*All Funds and DWM:* generally losses on the sale of plant and equipment as well as industrial estates and other land owned by Council from time to time.

## Discussion on other items

### Capital Works

Capital works are required to meet the financial sustainability objective of responsible and sustainable infrastructure investment and are guided by the Strategic Asset Management Plan (SAMP). The OLG Building and Asset Renewals Ratio prescribes that councils should spend the equivalent of depreciation on asset renewals over the longer term. Council is forecasting not to meet this benchmark over the next 10 years. This means that Council may need to spend *more* than depreciation in future years, as assets currently in good condition deteriorate, and therefore must maintain adequate cash reserves and/or borrowing capacity. Otherwise future generations may be faced with larger rate increases and/or service cuts to pay for the higher level of renewals required at that time.

### Cash Reserves and Borrowing

One of Council's financial sustainability objectives is maintaining adequate cash reserves and to use borrowings where appropriate. The two are closely related:

Council builds up **cash reserves** when it receives income *ahead of* time compared to expenditure outlays

Council utilises borrowings as a way of overcoming "timing mismatches" [1] where outlays need to occur before the time it receives income to pay for these.

The following sections outline key issues in relation to cash reserves and borrowing.

### Cash reserves

The General Fund cash reserves are described below. There are 3 main types:

*externally restricted* (legislation restricts what Council can spend these funds on)

*internally restricted* (Council has resolved to restrict the funds for specific things)

*unrestricted* (cash available to spend on anything, in accord with Council's budget)

Council can, by resolution, vary its internal restrictions at any time and are available for Council to allocate to any operational or capital activity therefore all such funds are effectively unrestricted. Accordingly, the OLG Unrestricted Current Ratio prescribes that councils includes both unrestricted and internally restricted funds.

In the past councils have used internal restrictions as a substitute for strategic planning. This use dates back to the era of cash accounting and absence of long-term planning required by the IP&R Framework where the SAMP and LTFP set out what Council does need in the future.

Instead of putting funds aside in 'biscuit tins' for specific purposes, IP&R requires councils to focus on forecasting what is required to spend to achieve its objectives and to ensure it has sufficient funds to cover the outlays (whether these funds be current year operating surpluses including grants or cash reserves and/or borrowings).

In addition to Council's operating performance capital works and capital grants impact Council's cash reserves. Council can use borrowings to supplement its cashflow so that its cash reserves don't dip below the minimum OLG benchmark\*.

### Borrowings

As discussed in relation to depreciation and cash reserves borrowings are a means of supplementing a shortfall in cash reserves for financing capital projects.

*\*The OLG's Code of Accounting and Financial Reporting includes a number of performance indicators with benchmarks (page 101). Amongst these is the "Cash Expense Cover ratio" which outlines the minimum level of cash and investments council's should retain to cover operating and investing cost. The benchmark for this ratio is ">3 mnths" which equates to 25% of annual operating and financing costs. For the purpose of the LTFP we have taken a value of \$6M in cash and Investments as a suitable value to strive for.*

# General Fund Excluding DWM

## Assumptions

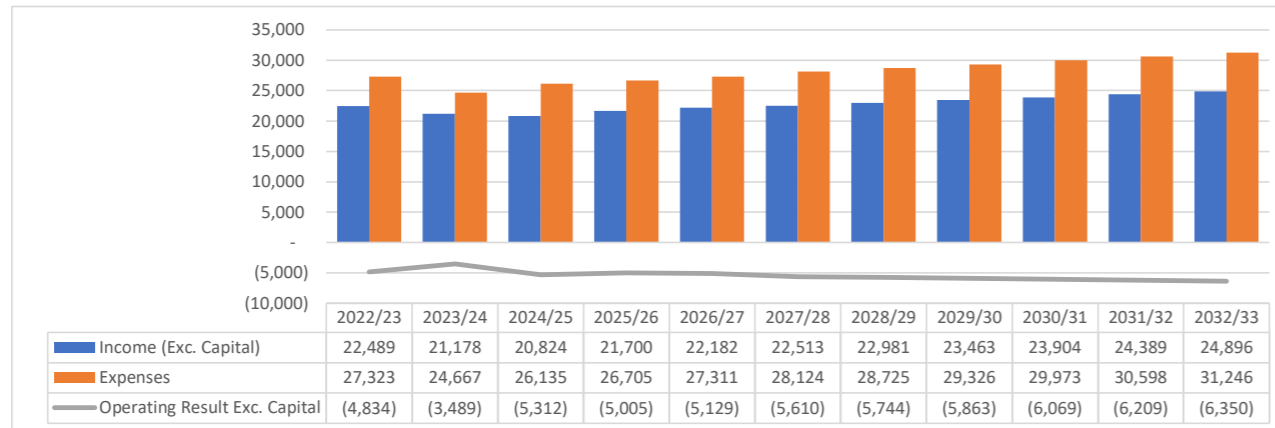
Income items	Assumptions
Rates and annual charges	2023/24: 3.7% 2024/25: 3.0% 2025/26 – 2032/33: 2.5%
User fees and charges	2023/24: \$4.3M 2025/26 – 2032/33: 3.0%
Interest	2023/24: 4.0% 2025/26 – 2032/33: 2.7% increasing to 4.2% Actual \$ calculated on cash and investment balance.
Operating grants and contributions	Ongoing Financial Assistance Grant (FAGs) with 75% prepayment and Regional Roads Block and Repair Grants. Other minor community service and operating grants for service delivery. Roads to Recovery (R2R) and Regional and Local Roads One – off (2023/24 only) Repair Program (RLRRP).
Other revenues	2023/24: \$454K, 2024-25: \$545K 2025/26 – 2032/33: 2.5%
Other income	2023/24: \$302K 2025/26 – 2032/33: 2.5%
Expense items	Assumptions
Employee costs	2023/24: \$9.4M 2024/25: 3.5%, 2025/26: 3.0% thereafter 2.5%
Materials and services + other expenses	2023/24 – 2027/28: 3.0% 2025/26 – 2032/33: 2.5% for Materials 2025/26 – 2032/33: 0% for Other
Borrowing costs	2023/24: \$456K, 2024/25: \$494K 2025/26 – 2032/33: decrease as per payment schedules.
Depreciation	Determined using average depreciation rates for asset classes and estimates. For clarity it is not indexed.

# Leeton Shire Council

## Long Term Financial Plan 2023-2032

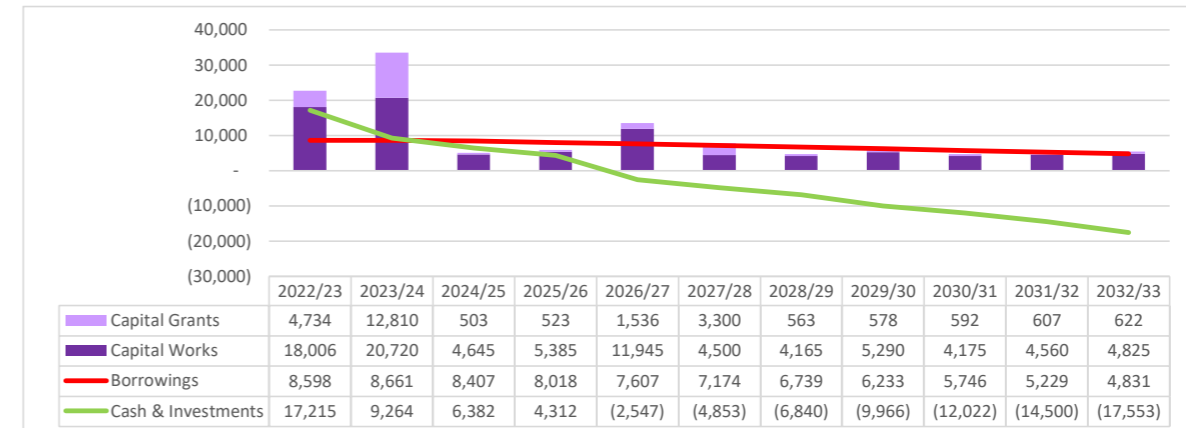
### Operating Statement

General Fund Excluding DWM	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Operating Statement</b>	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	7,809,448	7,982,302	8,221,771	8,427,316	8,637,998	8,853,948	9,075,297	9,302,179	9,534,734	9,773,102	10,017,430
User charges and fees	4,133,820	4,289,266	4,417,944	4,980,482	5,129,897	5,283,794	5,442,307	5,605,577	5,773,744	5,946,956	6,125,365
Grants and contributions provided for capital purposes	12,810,002	503,000	523,206	1,536,286	3,299,693	563,436	577,522	591,960	606,759	621,928	637,476
Grants and contributions provided for operating purposes	9,077,651	7,349,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260	8,331,625
Interest and investment revenue	632,309	379,312	226,973	172,323	127,205	(81,516)	(167,422)	(253,069)	(393,655)	(504,930)	(608,988)
Net gains from the disposal of assets		430,000	-	-	-	-	-	-	-	-	-
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845	366,791
Other revenues	534,553	453,538	544,876	558,498	572,461	586,772	601,442	616,478	631,890	647,687	663,879
<b>Income</b>	<b>35,299,483</b>	<b>21,681,080</b>	<b>21,346,775</b>	<b>23,236,655</b>	<b>25,481,782</b>	<b>23,076,834</b>	<b>23,558,575</b>	<b>24,054,802</b>	<b>24,510,686</b>	<b>25,010,848</b>	<b>25,533,578</b>
<b>Expenses</b>											
Employee benefits and on-costs	8,842,315	9,446,059	9,875,946	10,122,845	10,375,916	10,635,314	10,901,197	11,173,727	11,453,070	11,739,397	12,032,882
Materials and contracts	10,850,773	7,840,080	8,630,282	8,846,039	9,067,190	9,293,870	9,526,217	9,764,372	10,008,481	10,258,693	10,515,161
Borrowing costs	114,445	455,610	493,780	469,124	447,141	423,812	399,050	372,763	344,995	315,936	285,051
Depreciation, amortisation and impairment	7,272,839	5,938,555	6,798,362	6,929,963	7,083,723	7,433,912	7,561,172	7,678,401	7,829,316	7,946,844	8,075,901
Other expenses	231,000	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928
Net losses from the disposal of assets	11,750	650,000	-	-	-	-	-	-	-	-	-
<b>Expenses</b>	<b>27,323,122</b>	<b>24,667,232</b>	<b>26,135,298</b>	<b>26,704,900</b>	<b>27,310,899</b>	<b>28,123,836</b>	<b>28,724,564</b>	<b>29,326,191</b>	<b>29,972,791</b>	<b>30,597,799</b>	<b>31,245,922</b>
<b>Net Operating Result</b>	<b>7,976,361</b>	<b>(2,986,151)</b>	<b>(4,788,523)</b>	<b>(3,468,245)</b>	<b>(1,829,117)</b>	<b>(5,047,003)</b>	<b>(5,165,989)</b>	<b>(5,271,388)</b>	<b>(5,462,105)</b>	<b>(5,586,951)</b>	<b>(5,712,344)</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>(4,833,641)</b>	<b>(3,489,151)</b>	<b>(5,311,729)</b>	<b>(5,004,531)</b>	<b>(5,128,811)</b>	<b>(5,610,439)</b>	<b>(5,743,511)</b>	<b>(5,863,348)</b>	<b>(6,068,863)</b>	<b>(6,208,878)</b>	<b>(6,349,820)</b>



The above table indicates that, based on the assumptions in the LTFP, for the General Fund:

- council's operating **income** is forecast to grow marginally.
- Council's expenses are also forecast to grow and will continue to exceed operating income, resulting in ongoing operating deficits.
- In order to meet its obligations under the Local Government Act Council will need to implement actions to address its operating deficit.



The above table indicates that, based on the assumptions in the LTFP, for the General Fund:

- Currently undertaking a high level of capital works that will revert to a normalised level in future years.
- Currently benefitting from significant capital grants but also using cash reserves and borrowings.
- As a result of the ongoing operating deficits, and the funding of capital works (that do not have matching grant or loan funding) cash reserves are being depleted and a cash deficit is forecast in 2027.
- In order to meet its obligations under the Local Government Act Council will need to implement actions to address its the forecast cash deficit.

## Leeton Shire Council

### Long Term Financial Plan 2023-2032

#### Cash Flow from Operating Activities

Cash Flow from Operating Activities	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Receipts:</b>											
Rates and Annual Charges	7,809,448	7,982,302	8,221,771	8,427,316	8,637,998	8,853,948	9,075,297	9,302,179	9,534,734	9,773,102	10,017,430
User charges and fees	4,133,820	4,289,266	4,417,944	4,980,482	5,129,897	5,283,794	5,442,307	5,605,577	5,773,744	5,946,956	6,125,365
Interest and Investment Revenue	632,309	379,312	226,973	172,323	127,205	(81,516)	(167,422)	(253,069)	(393,655)	(504,930)	(608,988)
Grants & Contributions - Capital	12,810,002	503,000	523,206	1,536,286	3,299,693	563,436	577,522	591,960	606,759	621,928	637,476
Grants & Contributions - Operating	9,877,651	6,549,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260	8,331,625
Other Revenues	534,553	453,538	544,876	558,498	572,461	586,772	601,442	616,478	631,890	647,687	663,879
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845	366,791
<b>Payments:</b>											
Employee benefits and on-costs	(8,842,315)	(9,446,059)	(9,875,946)	(10,122,845)	(10,375,916)	(10,635,314)	(10,901,197)	(11,173,727)	(11,453,070)	(11,739,397)	(12,032,882)
Borrowing Costs	(114,445)	(455,610)	(493,780)	(469,124)	(447,141)	(423,812)	(399,050)	(372,763)	(344,995)	(315,936)	(285,051)
Materials and Contracts	(10,850,773)	(7,840,080)	(8,630,282)	(8,846,039)	(9,067,190)	(9,293,870)	(9,526,217)	(9,764,372)	(10,008,481)	(10,258,693)	(10,515,161)
Other	(231,000)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)
<b>Net Cash Provided (or used) in Operating Activities</b>	<b>16,060,950</b>	<b>2,372,404</b>	<b>2,009,839</b>	<b>3,461,719</b>	<b>5,254,606</b>	<b>2,386,910</b>	<b>2,395,183</b>	<b>2,407,013</b>	<b>2,367,212</b>	<b>2,359,894</b>	<b>2,363,557</b>
<b>Cash Flow from Investing Activities</b>											
<b>Receipts:</b>											
Maturity of Investments		2,500,000	3,000,000	3,000,000	1,028,925						
Deposits on Sale Real Estate Assets	250,000	4,150,000	-	-	-	-	-	-	-	-	-
Disposal of Infrastructure, Property, Plant & Equipment	-	655,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Deferred Debtor Receipts											
<b>Payments:</b>											
Purchase of Investments											
Purchase of Infrastructure, Property, Plant & Equipment	(18,005,686)	(20,719,696)	(4,645,000)	(5,385,000)	(11,945,000)	(4,500,000)	(4,165,000)	(5,290,000)	(4,175,000)	(4,560,000)	(4,825,000)
Deferred Debtor Advances Made											
<b>Net Cash Provided (or used) in Investing Activities</b>	<b>(17,755,686)</b>	<b>(13,414,696)</b>	<b>(1,395,000)</b>	<b>(2,135,000)</b>	<b>(10,666,075)</b>	<b>(4,250,000)</b>	<b>(3,915,000)</b>	<b>(5,040,000)</b>	<b>(3,925,000)</b>	<b>(4,310,000)</b>	<b>(4,575,000)</b>
<b>Cash Flow from Financing Activities</b>											
<b>Receipts:</b>											
Borrowings and Advances (External)	573,000	10,591,866									
Other											
<b>Payments:</b>											
Borrowings and Advances	(349,837)	(5,000,535)	(496,716)	(397,026)	(419,010)	(442,339)	(467,101)	(493,246)	(498,405)	(527,464)	(842,135)
Other											
<b>Net Cash Provided (or used) in Financing Activities</b>	<b>223,163</b>	<b>5,591,330</b>	<b>(496,716)</b>	<b>(397,026)</b>	<b>(419,010)</b>	<b>(442,339)</b>	<b>(467,101)</b>	<b>(493,246)</b>	<b>(498,405)</b>	<b>(527,464)</b>	<b>(842,135)</b>
<b>Net Increase/(Decrease) in Cash &amp; cash Equivalents</b>	<b>(1,471,572)</b>	<b>(5,450,962)</b>	<b>118,123</b>	<b>929,692</b>	<b>(5,830,478)</b>	<b>(2,305,429)</b>	<b>(1,986,918)</b>	<b>(3,126,234)</b>	<b>(2,056,193)</b>	<b>(2,477,570)</b>	<b>(3,053,578)</b>
Cash and Cash Equivalents at Beginning of Period	9,157,828	7,686,256	2,235,294	2,353,417	3,283,109	(2,547,369)	(4,852,798)	(6,839,716)	(9,965,950)	(12,022,143)	(14,499,713)
Cash and Cash Equivalents at End of Period	7,686,256	2,235,294	2,353,417	3,283,109	(2,547,369)	(4,852,798)	(6,839,716)	(9,965,950)	(12,022,143)	(14,499,713)	(17,553,292)
Plus Investments on Hand - End of Year	9,528,925	7,028,925	4,028,925	1,028,925	-	-	-	-	-	-	-
<b>Total Cash, Cash Equivalents and Investments</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>6,382,342</b>	<b>4,312,034</b>	<b>(2,547,369)</b>	<b>(4,852,798)</b>	<b>(6,839,716)</b>	<b>(9,965,950)</b>	<b>(12,022,143)</b>	<b>(14,499,713)</b>	<b>(17,553,292)</b>
Brought Forward Balance	18,418,209	17,215,181	9,264,219	6,382,342	4,312,034	(2,547,369)	(4,852,798)	(6,839,716)	(9,965,950)	(12,022,143)	(14,499,713)
Movement in Cash and Investments	(1,203,027)	(7,950,962)	(2,881,877)	(2,070,308)	(6,859,403)	(2,305,429)	(1,986,918)	(3,126,234)	(2,056,193)	(2,477,570)	(3,053,578)

## Leeton Shire Council

### Long Term Financial Plan 2023-2032

#### Balance Sheet

Balance Sheet	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Current Assets</b>											
Cash and Cash Equivalents	5,131,475	2,235,294	2,353,417	3,283,109	(2,547,369)	(4,852,798)	(6,839,716)	(9,965,950)	(12,022,143)	(14,499,713)	(17,553,292)
Investments	7,028,925	7,028,925	4,028,925	1,028,925	-	-	-	-	-	-	-
Receivables	3,790,000	3,790,000	3,790,000	3,790,000	3,790,000	3,790,000	3,790,000	3,790,000	3,790,000	3,790,000	3,790,000
Inventories	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
<b>Total Current Assets</b>	<b>17,165,400</b>	<b>14,269,219</b>	<b>11,387,342</b>	<b>9,317,034</b>	<b>2,457,631</b>	<b>152,202</b>	<b>(1,834,716)</b>	<b>(4,960,950)</b>	<b>(7,017,143)</b>	<b>(9,494,713)</b>	<b>(12,548,292)</b>
<b>Non-Current Assets</b>											
Investments	2,500,000										
Receivables	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Infrastructure, Property, Plant & Equipment	242,885,473	257,011,614	253,953,252	251,253,289	254,709,565	250,120,653	244,819,481	240,276,080	234,216,763	228,174,919	222,019,018
Intangible Assets	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000
<b>Total Non-Current Assets</b>	<b>254,953,473</b>	<b>266,579,614</b>	<b>263,521,252</b>	<b>260,821,289</b>	<b>264,277,565</b>	<b>259,688,653</b>	<b>254,387,481</b>	<b>249,844,080</b>	<b>243,784,763</b>	<b>237,742,919</b>	<b>231,587,018</b>
<b>Total Assets</b>	<b>272,118,872</b>	<b>280,848,833</b>	<b>274,908,594</b>	<b>270,138,323</b>	<b>266,735,196</b>	<b>259,840,855</b>	<b>252,552,764</b>	<b>244,883,130</b>	<b>236,767,620</b>	<b>228,248,206</b>	<b>219,038,726</b>
<b>Current Liabilities</b>											
Payables	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000
Contract Liabilities	1,700,000	-	-	-	-	-	-	-	-	-	-
Borrowings	349,837	600,535	496,716	397,026	419,010	442,339	467,101	493,246	498,405	527,464	557,085
Provisions	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000
<b>Total Current Liabilities</b>	<b>7,696,837</b>	<b>6,247,535</b>	<b>6,143,716</b>	<b>6,044,026</b>	<b>6,066,010</b>	<b>6,089,339</b>	<b>6,114,101</b>	<b>6,140,246</b>	<b>6,145,405</b>	<b>6,174,464</b>	<b>6,204,085</b>
<b>Non-Current Liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,502,720	7,997,868	8,164,107	8,010,033	7,598,897	7,164,961	6,706,826	6,245,334	5,734,811	5,218,242	4,671,518
Employee Benefit Provisions	226,984	226,984	226,984	226,984	226,984	226,984	226,984	226,984	226,984	226,984	226,984
Provisions	466,996	466,996	466,996	466,996	466,996	466,996	466,996	466,996	466,996	466,996	466,996
<b>Total Non-Current Liabilities</b>	<b>3,196,700</b>	<b>8,691,848</b>	<b>8,858,087</b>	<b>8,704,012</b>	<b>8,292,877</b>	<b>7,858,941</b>	<b>7,400,806</b>	<b>6,939,314</b>	<b>6,428,791</b>	<b>5,912,221</b>	<b>5,365,497</b>
<b>Total Liabilities</b>	<b>10,893,536</b>	<b>14,939,383</b>	<b>15,001,803</b>	<b>14,748,039</b>	<b>14,358,887</b>	<b>13,948,280</b>	<b>13,514,907</b>	<b>13,079,560</b>	<b>12,574,196</b>	<b>12,086,685</b>	<b>11,569,582</b>
<b>Net Assets</b>	<b>261,225,336</b>	<b>265,909,450</b>	<b>259,906,791</b>	<b>255,390,284</b>	<b>252,376,310</b>	<b>245,892,575</b>	<b>239,037,858</b>	<b>231,803,569</b>	<b>224,193,425</b>	<b>216,161,520</b>	<b>207,469,144</b>
<b>Equity</b>											
Retained Earnings	97,320,336	102,004,450	96,001,791	91,485,284	88,471,310	81,987,575	75,132,858	67,898,569	60,288,425	52,256,520	43,564,144
Revaluation Reserves	163,905,000	163,905,000	163,905,000	163,905,000	163,905,000	163,905,000	163,905,000	163,905,000	163,905,000	163,905,000	163,905,000
<b>Total Equity</b>	<b>261,225,336</b>	<b>265,909,450</b>	<b>259,906,791</b>	<b>255,390,284</b>	<b>252,376,310</b>	<b>245,892,575</b>	<b>239,037,858</b>	<b>231,803,569</b>	<b>224,193,425</b>	<b>216,161,520</b>	<b>207,469,144</b>

For noting - While council recognises that items such as Provisions, Payables and Recievables will vary, many cannot be forecast and as such have been left constant.

# Domestic Waste Management

## Assumptions

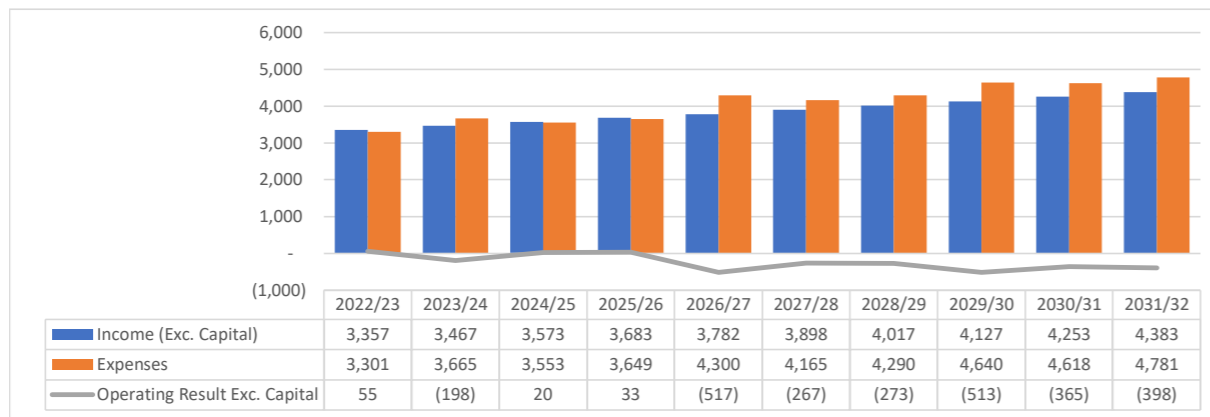
Income items	Assumptions
<i>Rates and annual charges</i>	2023/24: \$2.4M 2025/26: 3.0% then 2.5%
<i>User fees and charges</i>	2023/24: 7% (reduction) 2025/26 – 2032/33: 3.0%
<i>Interest</i>	2023/24: 4.0% 2025/26 – 2032/33: 2.7% increasing to 4.2% Actual \$ calculated on cash and investment balance.
<i>Operating grants</i>	Not Applicable
<i>Other revenues</i>	Minimal/Not Applicable
<i>Total Income</i>	Forecast to increase by 6%
Expense items	Assumptions
<i>Employee costs</i>	2023/24: \$890K 2025/26 – 2032/33: 2.5%
<i>Materials and services + other expenses</i>	2023/24: \$1.5M 2025/26 – 2032/33: 2.5%  Note: does not include additional costs associated with FOGO and other programs or initiatives. These are yet to be determined.
<i>Borrowing costs</i>	Not Applicable.
<i>Depreciation</i>	Determined using average depreciation rates for asset classes and estimates. For clarity it is not indexed.
<i>Other Expenses</i>	2023/24: \$280K Increases by 280K with each new cell. \$560K in 2024/25, \$840K in 2026/27. Note: The annual value of the unwinding of the provision is potentially very volatile.

# Leeton Shire Council

## Long Term Financial Plan 2023-2032

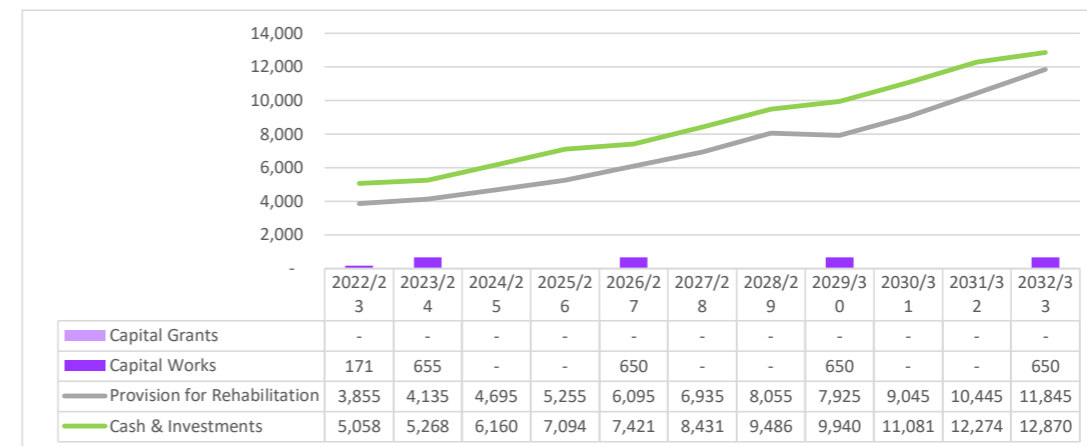
### Operating Statement

Domestic Waste Management	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Operating Statement	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	2,111,830	2,375,625	2,446,894	2,508,066	2,570,768	2,635,037	2,700,913	2,768,436	2,837,647	2,908,588	2,981,302
User charges and fees	913,000	845,655	871,025	897,155	924,070	951,792	980,346	1,009,756	1,040,049	1,071,250	1,103,388
Grants and contributions provided for capital purposes	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	106,480	92,958	105,363	123,203	141,880	148,426	168,613	189,729	198,809	221,629	245,481
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-
Other revenues	41,162	42,563	43,627	44,718	45,836	46,982	48,156	49,360	50,594	51,859	53,155
<b>Income</b>	<b>3,172,472</b>	<b>3,356,801</b>	<b>3,466,908</b>	<b>3,573,142</b>	<b>3,682,553</b>	<b>3,782,236</b>	<b>3,898,028</b>	<b>4,017,281</b>	<b>4,127,099</b>	<b>4,253,326</b>	<b>4,383,326</b>
<b>Expenses</b>											
Employee benefits and on-costs	783,204	887,060	922,542	945,606	969,246	993,477	1,018,314	1,043,772	1,069,866	1,096,613	1,124,028
Materials and contracts	1,507,619	1,604,236	1,652,363	1,693,672	1,736,014	1,779,414	1,823,900	1,869,497	1,916,235	1,964,140	2,013,244
Borrowing costs	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	265,020	530,040	530,040	353,689	104,235	686,641	202,358	257,118	534,215	157,437	243,880
Other expenses	250,000	280,000	560,000	560,000	840,000	840,000	1,120,000	1,120,000	1,120,000	1,400,000	1,400,000
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>	<b>2,805,843</b>	<b>3,301,336</b>	<b>3,664,945</b>	<b>3,552,967</b>	<b>3,649,495</b>	<b>4,299,532</b>	<b>4,164,572</b>	<b>4,290,388</b>	<b>4,640,316</b>	<b>4,618,191</b>	<b>4,781,152</b>
<b>Net Operating Result</b>	<b>366,629</b>	<b>55,465</b>	<b>(198,037)</b>	<b>20,175</b>	<b>33,059</b>	<b>(517,296)</b>	<b>(266,544)</b>	<b>(273,107)</b>	<b>(513,217)</b>	<b>(364,864)</b>	<b>(397,826)</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>366,629</b>	<b>55,465</b>	<b>(198,037)</b>	<b>20,175</b>	<b>33,059</b>	<b>(517,296)</b>	<b>(266,544)</b>	<b>(273,107)</b>	<b>(513,217)</b>	<b>(364,864)</b>	<b>(397,826)</b>



The above table indicates that, based on the assumptions in the LTFP:

- Income has increased marginally as a result of the introduction of domestic tip fees and rises in line with CPI
- Expenses will exceed income mainly due to the recognition of the Landfill Rehabilitation Provision. This is a direct result of the need to recognise the cost of landfill rehabilitation now rather than when it occurs.
- While income increases, the operating result is still forecast to decrease over time the increase is insufficient to cover rehabilitation expense or expected EPA changes. Further it does not cover waste reduction programs or environmental sustainability initiatives.



The graph above shows:

- the predicted capital expenditure on landfill cells and other works
- with the space between the green (cash & Investments) and grey (rehabilitation provision) indicating the cash shortfall to provide for rehabilitation long term.
- forecasts the need to invest in landfill and waste management infrastructure to comply with tightening regulations and to improve environmental sustainability.



## Leeton Shire Council

### Long Term Financial Plan 2023-2032

#### Cash Flow from Operating Activities

Cash Flow from Operating Activities	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Receipts:</b>											
Rates and Annual Charges	2,111,830	2,375,625	2,446,894	2,508,066	2,570,768	2,635,037	2,700,913	2,768,436	2,837,647	2,908,588	2,981,302
User charges and fees	913,000	845,655	871,025	897,155	924,070	951,792	980,346	1,009,756	1,040,049	1,071,250	1,103,388
Interest and Investment Revenue	106,480	92,958	105,363	123,203	141,880	148,426	168,613	189,729	198,809	221,629	245,481
Grants & Contributions - Capital	-	-	-	-	-	-	-	-	-	-	-
Grants & Contributions - Operating	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	41,162	42,563	43,627	44,718	45,836	46,982	48,156	49,360	50,594	51,859	53,155
Rental Income	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Employee benefits and on-costs	(783,204)	(887,060)	(922,542)	(945,606)	(969,246)	(993,477)	(1,018,314)	(1,043,772)	(1,069,866)	(1,096,613)	(1,124,028)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	(1,507,619)	(1,604,236)	(1,652,363)	(1,693,672)	(1,736,014)	(1,779,414)	(1,823,900)	(1,869,497)	(1,916,235)	(1,964,140)	(2,013,244)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided (or used) in Operating Activities</b>	<b>881,649</b>	<b>865,505</b>	<b>892,003</b>	<b>933,864</b>	<b>977,293</b>	<b>1,009,345</b>	<b>1,055,814</b>	<b>1,104,012</b>	<b>1,140,998</b>	<b>1,192,573</b>	<b>1,246,054</b>
<b>Cash Flow from Investing Activities</b>											
<b>Receipts:</b>											
Maturity of Investments	-	-	-	-	-	-	-	-	-	-	-
Deposits on Sale Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
Disposal of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtor Receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(171,204)	(655,000)	-	-	(650,000)	-	-	(650,000)	-	-	(650,000)
Deferred Debtor Advances Made	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided (or used) in Investing Activities</b>	<b>(171,204)</b>	<b>(655,000)</b>	<b>-</b>	<b>-</b>	<b>(650,000)</b>	<b>-</b>	<b>-</b>	<b>(650,000)</b>	<b>-</b>	<b>-</b>	<b>(650,000)</b>
<b>Cash Flow from Financing Activities</b>											
<b>Receipts:</b>											
Borrowings and Advances (External)	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Borrowings and Advances	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided (or used) in Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; cash Equivalents</b>	<b>710,445</b>	<b>210,505</b>	<b>892,003</b>	<b>933,864</b>	<b>327,293</b>	<b>1,009,345</b>	<b>1,055,814</b>	<b>454,012</b>	<b>1,140,998</b>	<b>1,192,573</b>	<b>596,054</b>
Cash and Cash Equivalents at Beginning of Period	492,172	1,202,617	1,413,122	2,305,124	3,238,988	3,566,281	4,575,626	5,631,440	6,085,451	7,226,449	8,419,022
<b>Cash and Cash Equivalents at End of Period</b>	<b>1,202,617</b>	<b>1,413,122</b>	<b>2,305,124</b>	<b>3,238,988</b>	<b>3,566,281</b>	<b>4,575,626</b>	<b>5,631,440</b>	<b>6,085,451</b>	<b>7,226,449</b>	<b>8,419,022</b>	<b>9,015,076</b>
Plus Investments on Hand - End of Year	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004
<b>Total Cash, Cash Equivalents and Investments</b>	<b>5,057,621</b>	<b>5,268,126</b>	<b>6,160,129</b>	<b>7,093,992</b>	<b>7,421,286</b>	<b>8,430,630</b>	<b>9,486,444</b>	<b>9,940,456</b>	<b>11,081,453</b>	<b>12,274,026</b>	<b>12,870,080</b>
Brought Forward Balance	4,347,176	5,057,621	5,268,126	6,160,129	7,093,992	7,421,286	8,430,630	9,486,444	9,940,456	11,081,453	12,274,026
Movement in Cash and Investments	710,445	210,505	892,003	933,864	327,293	1,009,345	1,055,814	454,012	1,140,998	1,192,573	596,054

## Leeton Shire Council

### Long Term Financial Plan 2023-2032

#### Balance Sheet

Balance Sheet	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Current Assets</b>											
Cash and Cash Equivalents	1,202,617	1,413,122	2,305,124	3,238,988	3,566,281	4,575,626	5,631,440	6,085,451	7,226,449	8,419,022	9,015,076
Investments	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004	3,855,004
Receivables	142,350	142,350	142,350	142,350	142,350	142,350	142,350	142,350	142,350	142,350	142,350
Inventories											
Other											
<b>Total Current Assets</b>	<b>5,199,971</b>	<b>5,410,476</b>	<b>6,302,479</b>	<b>7,236,342</b>	<b>7,563,636</b>	<b>8,572,980</b>	<b>9,628,794</b>	<b>10,082,806</b>	<b>11,223,803</b>	<b>12,416,376</b>	<b>13,012,430</b>
<b>Non-Current Assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	141,464	141,464	141,464	141,464	141,464	141,464	141,464	141,464	141,464	141,464	141,464
Infrastructure, Property, Plant & Equipment	626,558	751,518	501,478	147,789	973,555	286,914	364,556	757,437	223,222	345,785	751,905
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>768,022</b>	<b>892,982</b>	<b>642,942</b>	<b>289,253</b>	<b>1,115,019</b>	<b>428,378</b>	<b>506,020</b>	<b>898,901</b>	<b>364,686</b>	<b>487,249</b>	<b>893,370</b>
<b>Total Assets</b>	<b>5,967,993</b>	<b>6,303,458</b>	<b>6,945,421</b>	<b>7,525,596</b>	<b>8,678,654</b>	<b>9,001,358</b>	<b>10,134,814</b>	<b>10,981,707</b>	<b>11,588,490</b>	<b>12,903,625</b>	<b>13,905,800</b>
<b>Current Liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>											
<b>Non-Current Liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Provisions	-	-	-	-	-	-	-	-	-	-	-
Provisions	3,855,004	4,135,004	4,695,004	5,255,004	6,095,004	6,935,004	8,055,004	7,925,004	9,045,004	10,445,004	11,845,004
<b>Total Non-Current Liabilities</b>	<b>3,855,004</b>	<b>4,135,004</b>	<b>4,695,004</b>	<b>5,255,004</b>	<b>6,095,004</b>	<b>6,935,004</b>	<b>8,055,004</b>	<b>7,925,004</b>	<b>9,045,004</b>	<b>10,445,004</b>	<b>11,845,004</b>
<b>Total Liabilities</b>	<b>3,855,004</b>	<b>4,135,004</b>	<b>4,695,004</b>	<b>5,255,004</b>	<b>6,095,004</b>	<b>6,935,004</b>	<b>8,055,004</b>	<b>7,925,004</b>	<b>9,045,004</b>	<b>10,445,004</b>	<b>11,845,004</b>
<b>Net Assets</b>	<b>2,112,989</b>	<b>2,168,454</b>	<b>2,250,416</b>	<b>2,270,591</b>	<b>2,583,650</b>	<b>2,066,354</b>	<b>2,079,809</b>	<b>3,056,703</b>	<b>2,543,486</b>	<b>2,458,621</b>	<b>2,060,795</b>
<b>Equity</b>											
Retained Earnings	2,112,989	2,168,454	2,250,416	2,270,591	2,583,650	2,066,354	2,079,809	3,056,703	2,543,486	2,458,621	2,060,795
Revaluation Reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>2,112,989</b>	<b>2,168,454</b>	<b>2,250,416</b>	<b>2,270,591</b>	<b>2,583,650</b>	<b>2,066,354</b>	<b>2,079,809</b>	<b>3,056,703</b>	<b>2,543,486</b>	<b>2,458,621</b>	<b>2,060,795</b>

For noting - While council recognises that items such as Provisions, Payables and Recievables will vary, many cannot be forecast and as such have been left constant.

# Water

## Assumptions

Income items	Assumptions
<i>Rates and annual charges</i>	2023/24: 7% 2024/25: 3.0% 2025/26 – 2032/33: 2.5%
<i>User fees and charges</i>	2023/24: \$3.2M 2025/26 – 2032/33: 3.0%
<i>Interest</i>	2023/24: 4.0% 2025/26 – 2032/33: 2.7% increasing to 4.2%  Actual \$ calculated on cash and investment balance.
<i>Operating grants and contributions</i>	<i>Not Applicable</i>
<i>Other revenues</i>	Minimal Not applicable
Expense items	Assumptions
<i>Employee costs</i>	2023/24: \$1.9M 2024/25:3.5%, 2025/26: 3.0% thereafter 2.5%
<i>Materials and services + other expenses</i>	2023/24: \$1.8M, 2.5% thereafter
<i>Borrowing costs</i>	Not Applicable
<i>Depreciation</i>	Determined using average depreciation rates for asset classes and estimates. For clarity it is not indexed.

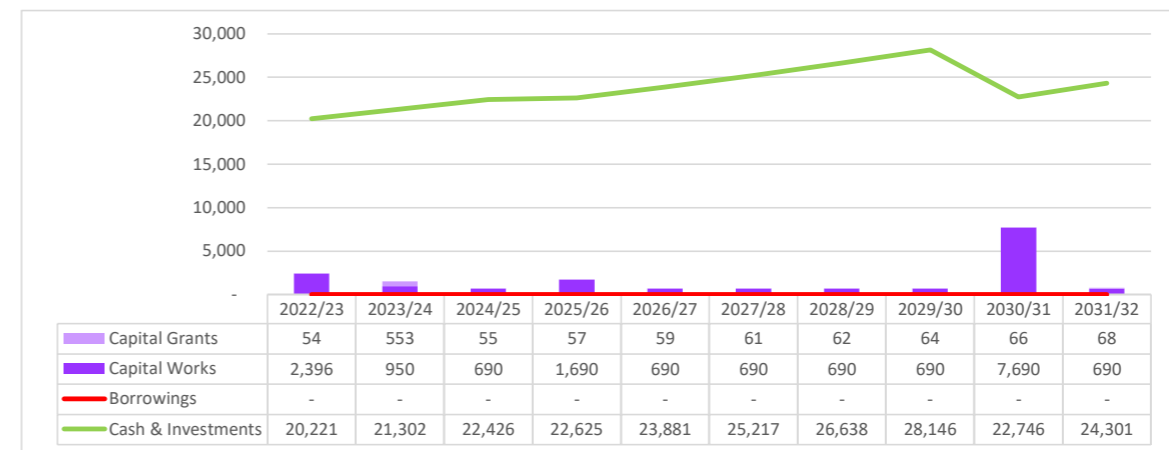
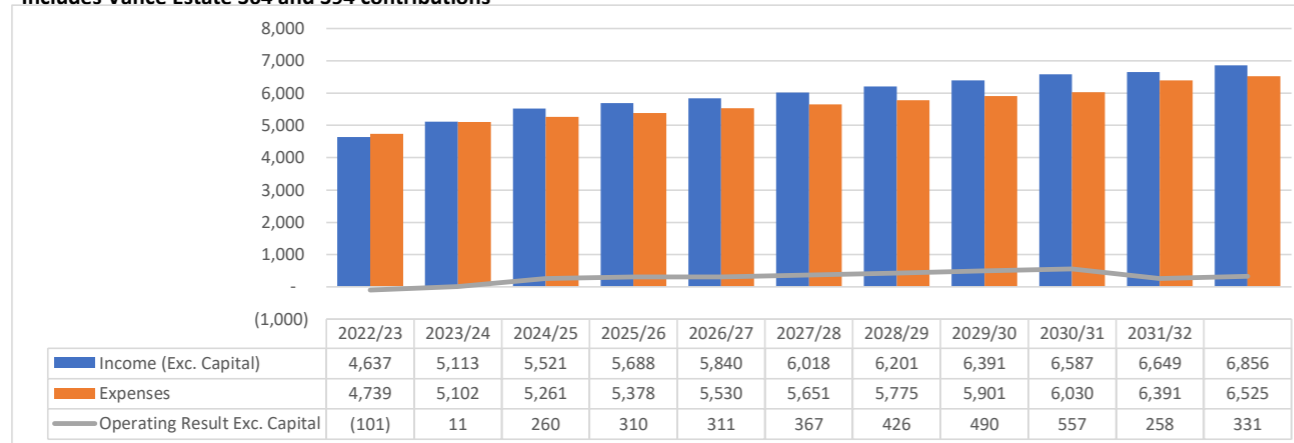
Leeton Shire Council

Long Term Financial Plan 2023-2032

Operating Statement

Water	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Operating Statement</b>	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	1,539,595	1,644,984	1,694,334	1,736,692	1,780,109	1,824,612	1,870,227	1,916,983	1,964,907	2,014,030	2,064,381
User charges and fees	2,596,688	3,246,690	3,344,091	3,444,413	3,547,746	3,654,178	3,763,803	3,876,718	3,993,019	4,112,810	4,236,194
*Grants and contributions provided for capital purposes	53,857	552,894	55,473	57,137	58,851	60,617	62,435	64,308	66,237	68,224	70,271
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	445,515	165,514	426,037	448,523	452,494	477,614	504,344	532,755	562,920	454,914	486,018
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-
Other revenues	55,545	55,546	56,935	58,358	59,817	61,312	62,845	64,416	66,027	67,677	69,369
<b>Income</b>	<b>4,691,200</b>	<b>5,665,628</b>	<b>5,576,868</b>	<b>5,745,123</b>	<b>5,899,017</b>	<b>6,078,333</b>	<b>6,263,655</b>	<b>6,455,180</b>	<b>6,653,110</b>	<b>6,717,656</b>	<b>6,926,233</b>
<b>Expenses</b>											
Employee benefits and on-costs	1,673,216	1,884,342	1,959,716	2,008,709	2,058,926	2,110,399	2,163,159	2,217,238	2,272,669	2,329,486	2,387,723
Materials and contracts	1,597,997	1,750,301	1,802,810	1,847,880	1,894,077	1,941,429	1,989,965	2,039,714	2,090,707	2,142,974	2,196,549
Borrowing costs	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	1,467,545	1,467,545	1,498,641	1,521,226	1,576,544	1,599,130	1,621,715	1,644,300	1,666,886	1,918,599	1,941,184
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>	<b>4,738,758</b>	<b>5,102,188</b>	<b>5,261,166</b>	<b>5,377,815</b>	<b>5,529,548</b>	<b>5,650,958</b>	<b>5,774,839</b>	<b>5,901,253</b>	<b>6,030,262</b>	<b>6,391,059</b>	<b>6,525,456</b>
<b>Net Operating Result</b>	<b>(47,558)</b>	<b>563,440</b>	<b>315,701</b>	<b>367,308</b>	<b>369,469</b>	<b>427,375</b>	<b>488,816</b>	<b>553,927</b>	<b>622,848</b>	<b>326,597</b>	<b>400,777</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>(101,415)</b>	<b>10,546</b>	<b>260,229</b>	<b>310,171</b>	<b>310,618</b>	<b>366,758</b>	<b>426,381</b>	<b>489,619</b>	<b>556,611</b>	<b>258,372</b>	<b>330,506</b>

\* Includes Vance Estate S64 and S94 contributions



The above table indicates that, based on the assumptions in the LTFP:

- Financial performance will improve over time, building on the current surplus and also generating more income from interest on growing reserves.

The above indicates that, based on the assumptions in the LTFP, the Water Fund is:

- Currently not undertaking a high level of capital works and this is forecast to remain so over the LTFP.
- Building up cash reserves (green line) because of its operating surpluses and relatively low levels of capital works. Borrowings are not required.
- Forecasting the upgrade of Leeton Water Treatment Plant in 2031.

## Leeton Shire Council

### Long Term Financial Plan 2023-2032

#### Cash Flow from Operating Activities

Cash Flow from Operating Activities	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2031/33	
<b>Receipts:</b>											
Rates and Annual Charges	1,539,595	1,644,984	1,694,334	1,736,692	1,780,109	1,824,612	1,870,227	1,916,983	1,964,907	2,014,030	2,064,381
User charges and fees	2,596,688	3,246,690	3,344,091	3,444,413	3,547,746	3,654,178	3,763,803	3,876,718	3,993,019	4,112,810	4,236,194
Interest and Investment Revenue	445,515	165,514	426,037	448,523	452,494	477,614	504,344	532,755	562,920	454,914	486,018
Grants & Contributions - Capital	53,857	552,894	55,473	57,137	58,851	60,617	62,435	64,308	66,237	68,224	70,271
Grants & Contributions - Operating	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	55,545	55,546	56,935	58,358	59,817	61,312	62,845	64,416	66,027	67,677	69,369
Rental Income	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Employee benefits and on-costs	(1,673,216)	(1,884,342)	(1,959,716)	(2,008,709)	(2,058,926)	(2,110,399)	(2,163,159)	(2,217,238)	(2,272,669)	(2,329,486)	(2,387,723)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-
Materials and Contracts	(1,597,997)	(1,750,301)	(1,802,810)	(1,847,880)	(1,894,077)	(1,941,429)	(1,989,965)	(2,039,714)	(2,090,707)	(2,142,974)	(2,196,549)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided (or used) in Operating Activities</b>	<b>1,419,987</b>	<b>2,030,985</b>	<b>1,814,342</b>	<b>1,888,535</b>	<b>1,946,013</b>	<b>2,026,505</b>	<b>2,110,531</b>	<b>2,198,227</b>	<b>2,289,734</b>	<b>2,245,195</b>	<b>2,341,961</b>
<b>Cash Flow from Investing Activities</b>											
<b>Receipts:</b>											
Maturity of Investments	2,000,000										
Deposits on Sale Real Estate Assets											
Disposal of Infrastructure, Property, Plant & Equipment											
Deferred Debtor Receipts	-										
<b>Payments:</b>											
Purchase of Investments	-										
Purchase of Infrastructure, Property, Plant & Equipment	(2,396,053)	(950,000)	(690,000)	(1,690,000)	(690,000)	(690,000)	(690,000)	(690,000)	(7,690,000)	(690,000)	(690,000)
Deferred Debtor Advances Made	-										
<b>Net Cash Provided (or used) in Investing Activities</b>	<b>(396,053)</b>	<b>(950,000)</b>	<b>(690,000)</b>	<b>(1,690,000)</b>	<b>(690,000)</b>	<b>(690,000)</b>	<b>(690,000)</b>	<b>(690,000)</b>	<b>(7,690,000)</b>	<b>(690,000)</b>	<b>(690,000)</b>
<b>Cash Flow from Financing Activities</b>											
<b>Receipts:</b>											
Borrowings and Advances (External)	-	-	-	-	-	-	-	-	-	-	-
Other											
<b>Payments:</b>											
Borrowings and Advances	-	-	-	-	-	-	-	-	-	-	-
Other											
<b>Net Cash Provided (or used) in Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; cash Equivalents</b>	<b>1,023,934</b>	<b>1,080,985</b>	<b>1,124,342</b>	<b>198,535</b>	<b>1,256,013</b>	<b>1,336,505</b>	<b>1,420,531</b>	<b>1,508,227</b>	<b>(5,400,266)</b>	<b>1,555,195</b>	<b>1,651,961</b>
Cash and Cash Equivalents at Beginning of Period	3,785,000	4,808,934	5,889,919	7,014,261	7,212,796	8,468,809	9,805,314	11,225,845	12,734,072	7,333,806	8,889,001
<b>Cash and Cash Equivalents at End of Period</b>	<b>4,808,934</b>	<b>5,889,919</b>	<b>7,014,261</b>	<b>7,212,796</b>	<b>8,468,809</b>	<b>9,805,314</b>	<b>11,225,845</b>	<b>12,734,072</b>	<b>7,333,806</b>	<b>8,889,001</b>	<b>10,540,963</b>
Plus Investments on Hand - End of Year	15,411,907	15,411,907	15,411,907	15,411,907	15,411,907	15,411,907	15,411,907	15,411,907	15,411,907	15,411,907	15,411,907
<b>Total Cash, Cash Equivalents and Investments</b>	<b>20,220,841</b>	<b>21,301,826</b>	<b>22,426,168</b>	<b>22,624,703</b>	<b>23,880,716</b>	<b>25,217,221</b>	<b>26,637,752</b>	<b>28,145,979</b>	<b>22,745,713</b>	<b>24,300,909</b>	<b>25,952,870</b>
Brought Forward Balance	17,754,138	20,220,841	21,301,826	22,426,168	22,624,703	23,880,716	25,217,221	26,637,752	28,145,979	22,745,713	24,300,909
Movement in Cash and Investments	2,466,703	1,080,985	1,124,342	198,535	1,256,013	1,336,505	1,420,531	1,508,227	(5,400,266)	1,555,195	1,651,961

# Leeton Shire Council

## Long Term Financial Plan 2023-2032

### Balance Sheet

Balance Sheet	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Current Assets</b>											
Cash and Cash Equivalents	5,131,475	5,889,919	7,014,261	7,212,796	8,468,809	9,805,314	11,225,845	12,734,072	7,333,806	8,889,001	10,540,963
Investments	5,411,907	5,411,907	5,411,907	5,411,907	5,411,907	5,411,907	5,411,907	5,411,907	5,411,907	5,411,907	5,411,907
Receivables	268,000	268,000	268,000	268,000	268,000	268,000	268,000	268,000	268,000	268,000	268,000
Inventories											
Other											
<b>Total Current Assets</b>	<b>10,811,382</b>	<b>11,569,826</b>	<b>12,694,168</b>	<b>12,892,703</b>	<b>14,148,716</b>	<b>15,485,221</b>	<b>16,905,752</b>	<b>18,413,979</b>	<b>13,013,713</b>	<b>14,568,909</b>	<b>16,220,870</b>
<b>Non-Current Assets</b>											
Investments	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Receivables	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Infrastructure, Property, Plant & Equipment	44,834,508	44,316,963	43,508,322	43,677,096	42,790,552	41,881,422	40,949,707	39,995,407	46,018,521	44,789,922	43,538,738
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>54,854,508</b>	<b>54,336,963</b>	<b>53,528,322</b>	<b>53,697,096</b>	<b>52,810,552</b>	<b>51,901,422</b>	<b>50,969,707</b>	<b>50,015,407</b>	<b>56,038,521</b>	<b>54,809,922</b>	<b>53,558,738</b>
<b>Total Assets</b>	<b>65,665,890</b>	<b>65,906,789</b>	<b>66,222,491</b>	<b>66,589,799</b>	<b>66,959,268</b>	<b>67,386,643</b>	<b>67,875,459</b>	<b>68,429,386</b>	<b>69,052,234</b>	<b>69,378,831</b>	<b>69,779,608</b>
<b>Current Liabilities</b>											
Payables	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>
<b>Non-Current Liabilities</b>											
<b>Non-Current Liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Provisions	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>
<b>Net Assets</b>	<b>65,646,890</b>	<b>65,887,789</b>	<b>66,203,491</b>	<b>66,570,799</b>	<b>66,940,268</b>	<b>67,367,643</b>	<b>67,856,459</b>	<b>68,410,386</b>	<b>69,033,234</b>	<b>69,359,831</b>	<b>69,760,608</b>
<b>Equity</b>											
Retained Earnings	29,055,890	29,296,789	29,612,491	29,979,799	30,349,268	30,776,643	31,265,459	31,819,386	32,442,234	32,768,831	33,169,608
Revaluation Reserves	36,591,000	36,591,000	36,591,000	36,591,000	36,591,000	36,591,000	36,591,000	36,591,000	36,591,000	36,591,000	36,591,000
<b>Total Equity</b>	<b>65,646,890</b>	<b>65,887,789</b>	<b>66,203,491</b>	<b>66,570,799</b>	<b>66,940,268</b>	<b>67,367,643</b>	<b>67,856,459</b>	<b>68,410,386</b>	<b>69,033,234</b>	<b>69,359,831</b>	<b>69,760,608</b>

For noting - While council recognises that items such as Provisions, Payables and Recievables will vary, many cannot be forecast and as such have been left constant.

# Sewer

## Assumptions

Income items	Assumptions
<i>Rates and annual charges</i>	2023/24: 9% 2024/25: 3.0% 2025/26 – 2032/33: 2.5%
<i>User fees and charges</i>	2023/24: \$278K (reduced from 2022/23 for reduced Trade Waste) 2025/26 – 2032/33: 3.0%
<i>Interest</i>	2023/24: 4.0% 2025/26 – 2032/33: 2.7% increasing to 4.2% Actual \$ calculated on cash and investment balance.
<i>Operating grants and contributions</i>	Not Applicable
<i>Other revenues</i>	Minimal Not applicable
Expense items	Assumptions
<i>Employee costs</i>	2023/24: \$1.3M 2024/25: 3.5%, 2025/26: 3.0% thereafter 2.5%
<i>Materials and services + other expenses</i>	2023/24: \$1.0M, 2.5% thereafter
<i>Borrowing costs</i>	Not Applicable
<i>Depreciation</i>	Determined using average depreciation rates for asset classes and estimates. For clarity it is not indexed.

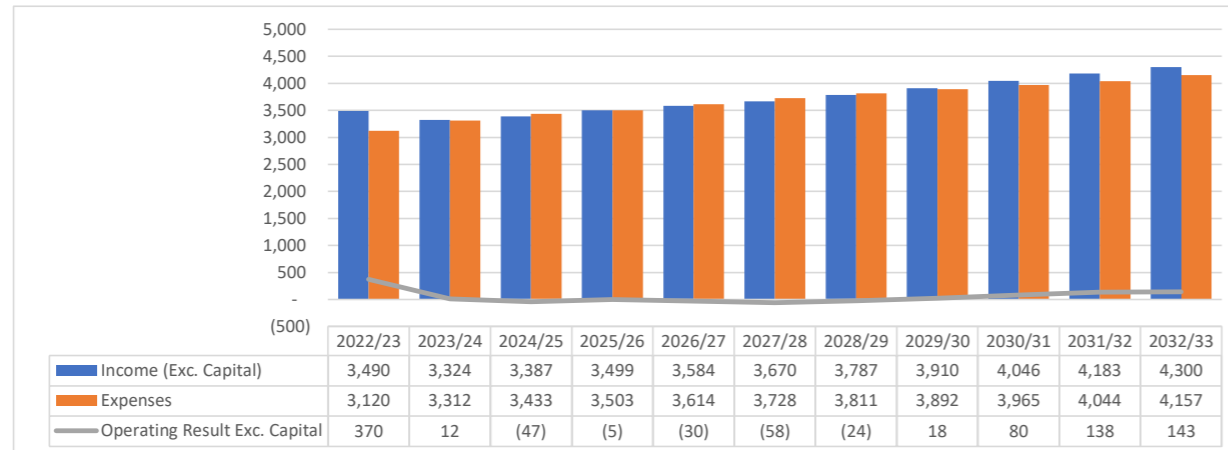
Leeton Shire Council

Long Term Financial Plan 2023-2032

Operating Statement

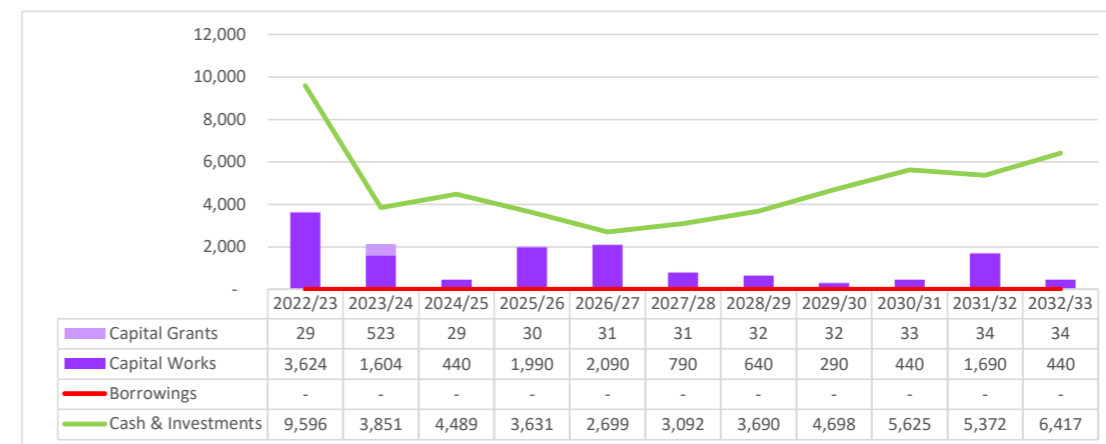
Sewer	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Operating Statement</b>	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	2,678,590	2,928,508	3,016,363	3,106,854	3,200,060	3,296,062	3,394,943	3,496,792	3,601,695	3,709,746	3,821,039
User charges and fees	593,719	278,459	286,812	295,417	304,279	313,407	322,810	332,494	342,469	352,743	363,325
*Grants and contributions provided for capital purposes	28,761	523,000	29,336	29,923	30,521	31,132	31,754	32,390	33,037	33,698	34,372
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	211,180	111,179	77,023	89,781	72,621	53,977	61,849	73,802	93,950	112,493	107,434
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-	-	-
Other revenues	6,260	6,259	6,415	6,575	6,740	6,908	7,081	7,258	7,439	7,625	7,816
<b>Income</b>	<b>3,518,510</b>	<b>3,847,404</b>	<b>3,415,950</b>	<b>3,528,550</b>	<b>3,614,221</b>	<b>3,701,486</b>	<b>3,818,438</b>	<b>3,942,735</b>	<b>4,078,591</b>	<b>4,216,306</b>	<b>4,333,986</b>
<b>Expenses</b>											
Employee benefits and on-costs	1,158,171	1,290,116	1,341,721	1,375,264	1,409,646	1,444,887	1,481,009	1,518,034	1,555,985	1,594,885	1,634,757
Materials and contracts	907,348	967,338	996,358	1,021,267	1,046,798	1,072,968	1,099,792	1,127,287	1,155,469	1,184,356	1,213,965
Borrowing costs	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	1,054,644	1,054,644	1,095,421	1,106,604	1,157,182	1,210,302	1,230,381	1,246,647	1,254,018	1,265,201	1,308,154
Other expenses	-	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>	<b>3,120,163</b>	<b>3,312,098</b>	<b>3,433,499</b>	<b>3,503,134</b>	<b>3,613,626</b>	<b>3,728,157</b>	<b>3,811,182</b>	<b>3,891,969</b>	<b>3,965,472</b>	<b>4,044,442</b>	<b>4,156,876</b>
<b>Net Operating Result</b>	<b>398,347</b>	<b>535,306</b>	<b>(17,549)</b>	<b>25,415</b>	<b>595</b>	<b>(26,671)</b>	<b>7,256</b>	<b>50,767</b>	<b>113,119</b>	<b>171,864</b>	<b>177,110</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>369,586</b>	<b>12,306</b>	<b>(46,886)</b>	<b>(4,508)</b>	<b>(29,926)</b>	<b>(57,803)</b>	<b>(24,499)</b>	<b>18,377</b>	<b>80,082</b>	<b>138,166</b>	<b>142,738</b>

\* Includes Vance Estate S64 and S94 contributions



The above table indicates that, based on the assumptions in the LTFP, for the Sewer Fund:

- Income will continue to increase largely due to interest income on higher cash reserves, so financial sustainability needs to be monitored over time.
- Expense will continue to increase due to investment in the Wamoon Sewer Scheme which will increase both depreciation and operating costs.
- However operating surpluses will improve and build on the current surplus and generate more interest income.



The above table indicates that, based on the assumptions in the LTFP:

- currently forecasting a relatively low level of capital works.
- expecting to increase cash reserves (green line) as a result of the level of capital works and borrowings are not required.



## Leeton Shire Council

### Long Term Financial Plan 2023-2032

#### Cash Flow from Operating Activities

Cash Flow from Operating Activities	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Receipts:</b>											
Rates and Annual Charges	2,678,590	2,928,508	3,016,363	3,106,854	3,200,060	3,296,062	3,394,943	3,496,792	3,601,695	3,709,746	3,821,039
User charges and fees	593,719	278,459	286,812	295,417	304,279	313,407	322,810	332,494	342,469	352,743	363,325
Interest and Investment Revenue	211,180	111,179	77,023	89,781	72,621	53,977	61,849	73,802	93,950	112,493	107,434
Grants & Contributions - Capital	28,761	523,000	29,336	29,923	30,521	31,132	31,754	32,390	33,037	33,698	34,372
Grants & Contributions - Operating	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	6,260	6,259	6,415	6,575	6,740	6,908	7,081	7,258	7,439	7,625	7,816
Rental Income	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>											
Employee benefits and on-costs	(1,158,171)	(1,290,116)	(1,341,721)	(1,375,264)	(1,409,646)	(1,444,887)	(1,481,009)	(1,518,034)	(1,555,985)	(1,594,885)	(1,634,757)
Borrowing Costs											
Materials and Contracts	(907,348)	(967,338)	(996,358)	(1,021,267)	(1,046,798)	(1,072,968)	(1,099,792)	(1,127,287)	(1,155,469)	(1,184,356)	(1,213,965)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided (or used) in Operating Activities</b>	<b>1,452,991</b>	<b>1,589,950</b>	<b>1,077,871</b>	<b>1,132,019</b>	<b>1,157,777</b>	<b>1,183,631</b>	<b>1,237,636</b>	<b>1,297,414</b>	<b>1,367,137</b>	<b>1,437,065</b>	<b>1,485,264</b>
<b>Cash Flow from Investing Activities</b>											
<b>Receipts:</b>											
Maturity of Investments	-	1,500,000									
Deposits on Sale Real Estate Assets											
Disposal of Infrastructure, Property, Plant & Equipment											
Deferred Debtor Receipts	-										
<b>Payments:</b>											
Purchase of Investments	-										
Purchase of Infrastructure, Property, Plant & Equipment	(3,623,586)	(1,604,359)	(440,000)	(1,990,000)	(2,090,000)	(790,000)	(640,000)	(290,000)	(440,000)	(1,690,000)	(440,000)
Deferred Debtor Advances Made	-										
<b>Net Cash Provided (or used) in Investing Activities</b>	<b>(3,623,586)</b>	<b>(104,359)</b>	<b>(440,000)</b>	<b>(1,990,000)</b>	<b>(2,090,000)</b>	<b>(790,000)</b>	<b>(640,000)</b>	<b>(290,000)</b>	<b>(440,000)</b>	<b>(1,690,000)</b>	<b>(440,000)</b>
<b>Cash Flow from Financing Activities</b>											
<b>Receipts:</b>											
Borrowings and Advances (External)		-	-	-	-	-	-	-	-	-	-
Other											
<b>Payments:</b>											
Borrowings and Advances		-	-	-	-	-	-	-	-	-	-
Other											
<b>Net Cash Provided (or used) in Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; cash Equivalents</b>	<b>(2,170,595)</b>	<b>1,485,591</b>	<b>637,871</b>	<b>(857,981)</b>	<b>(932,223)</b>	<b>393,631</b>	<b>597,636</b>	<b>1,007,414</b>	<b>927,137</b>	<b>(252,935)</b>	<b>1,045,264</b>
Cash and Cash Equivalents at Beginning of Period	1,572,000	(598,595)	886,996	1,524,867	666,887	(265,336)	128,295	725,931	1,733,345	2,660,482	2,407,547
<b>Cash and Cash Equivalents at End of Period</b>	<b>(598,595)</b>	<b>886,996</b>	<b>1,524,867</b>	<b>666,887</b>	<b>(265,336)</b>	<b>128,295</b>	<b>725,931</b>	<b>1,733,345</b>	<b>2,660,482</b>	<b>2,407,547</b>	<b>3,452,811</b>
Plus Investments on Hand - End of Year	4,464,163	2,964,163	2,964,163	2,964,163	2,964,163	2,964,163	2,964,163	2,964,163	2,964,163	2,964,163	2,964,163
<b>Total Cash, Cash Equivalents and Investments</b>	<b>3,865,568</b>	<b>3,851,160</b>	<b>4,489,031</b>	<b>3,631,050</b>	<b>2,698,827</b>	<b>3,092,458</b>	<b>3,690,094</b>	<b>4,697,508</b>	<b>5,624,645</b>	<b>5,371,710</b>	<b>6,416,974</b>
Brought Forward Balance	9,576,274	3,865,568	3,851,160	4,489,031	3,631,050	2,698,827	3,092,458	3,690,094	4,697,508	5,624,645	5,371,710
Movement in Cash and Investments	(5,710,705)	(14,409)	637,871	(857,981)	(932,223)	393,631	597,636	1,007,414	927,137	(252,935)	1,045,264

## Leeton Shire Council

### Long Term Financial Plan 2023-2032

#### Balance Sheet

Balance Sheet	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Current Assets</b>											
Cash and Cash Equivalents	5,131,475	886,996	1,524,867	666,887	(265,336)	128,295	725,931	1,733,345	2,660,482	2,407,547	3,452,811
Investments	2,464,163	2,464,163	2,464,163	2,464,163	2,464,163	2,464,163	2,464,163	2,464,163	2,464,163	2,464,163	2,464,163
Receivables	352,000	352,000	352,000	352,000	352,000	352,000	352,000	352,000	352,000	352,000	352,000
Inventories											
Other											
<b>Total Current Assets</b>	<b>7,947,638</b>	<b>3,703,160</b>	<b>4,341,031</b>	<b>3,483,050</b>	<b>2,550,827</b>	<b>2,944,458</b>	<b>3,542,094</b>	<b>4,549,508</b>	<b>5,476,645</b>	<b>5,223,710</b>	<b>6,268,974</b>
<b>Non-Current Assets</b>											
Investments	2,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Receivables	263,000	263,000	263,000	263,000	263,000	263,000	263,000	263,000	263,000	263,000	263,000
Infrastructure, Property, Plant & Equipment	41,494,942	42,044,657	41,389,236	42,272,633	43,205,451	42,785,149	42,194,768	41,238,121	40,424,103	40,848,902	39,980,747
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>43,757,942</b>	<b>42,807,657</b>	<b>42,152,236</b>	<b>43,035,633</b>	<b>43,968,451</b>	<b>43,548,149</b>	<b>42,957,768</b>	<b>42,001,121</b>	<b>41,187,103</b>	<b>41,611,902</b>	<b>40,743,747</b>
<b>Total Assets</b>	<b>51,705,580</b>	<b>46,510,817</b>	<b>46,493,267</b>	<b>46,518,683</b>	<b>46,519,278</b>	<b>46,492,606</b>	<b>46,499,862</b>	<b>46,550,629</b>	<b>46,663,748</b>	<b>46,835,612</b>	<b>47,012,722</b>
<b>Current Liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Contract Liabilities	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>											
<b>Non-Current Liabilities</b>											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Provisions	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>51,705,580</b>	<b>46,510,817</b>	<b>46,493,267</b>	<b>46,518,683</b>	<b>46,519,278</b>	<b>46,492,606</b>	<b>46,499,862</b>	<b>46,550,629</b>	<b>46,663,748</b>	<b>46,835,612</b>	<b>47,012,722</b>
<b>Equity</b>											
Retained Earnings	23,765,580	18,570,816	18,553,265	18,578,680	18,579,274	18,552,601	18,559,856	18,610,622	18,723,740	18,895,603	19,072,712
Revaluation Reserves	27,940,000	27,940,001	27,940,002	27,940,003	27,940,004	27,940,005	27,940,006	27,940,007	27,940,008	27,940,009	27,940,010
<b>Total Equity</b>	<b>51,705,580</b>	<b>46,510,817</b>	<b>46,493,267</b>	<b>46,518,683</b>	<b>46,519,278</b>	<b>46,492,606</b>	<b>46,499,862</b>	<b>46,550,629</b>	<b>46,663,748</b>	<b>46,835,612</b>	<b>47,012,722</b>

For noting - While council recognises that items such as Provisions, Payables and Recievables will vary, many cannot be forecast and as such have been left constant.

Leeton Shire Council

Long Term Financial Plan 2023-2032

<b>Consolidated</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>
<b>Operating Statement</b>	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>										
Rates and annual charges	14,139,464	14,931,419	15,379,362	15,778,928	16,188,935	16,609,659	17,041,381	17,484,390	17,938,983	18,405,467
User charges and fees	8,237,227	8,660,069	8,919,871	9,617,468	9,905,992	10,203,171	10,509,266	10,824,544	11,149,281	11,483,759
Grants and contributions provided for capital purposes	12,892,620	1,578,895	608,015	1,623,346	3,389,066	655,184	671,711	688,657	706,033	723,850
Grants and contributions provided for operating purposes	9,077,651	7,349,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260
Interest and investment revenue	1,395,484	748,962	835,396	833,830	794,200	598,501	567,385	543,216	462,024	284,106
Net gains from the disposal of assets	-	430,000	-	-	-	-	-	-	-	-
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845
Other revenues	404,667	398,067	408,019	418,220	428,675	439,392	450,377	461,636	473,177	485,007
<b>Income</b>	<b>46,681,666</b>	<b>34,550,913</b>	<b>33,806,501</b>	<b>36,083,470</b>	<b>38,677,573</b>	<b>36,638,889</b>	<b>37,538,695</b>	<b>38,469,998</b>	<b>39,369,486</b>	<b>40,198,135</b>
<b>Expenses</b>										
Employee benefits and on-costs	12,456,906	13,507,577	14,099,925	14,452,424	14,813,734	15,184,077	15,563,679	15,952,771	16,351,591	16,760,380
Materials and contracts	14,863,737	12,161,954	13,081,813	13,408,858	13,744,079	14,087,681	14,439,874	14,800,870	15,170,892	15,550,164
Borrowing costs	114,445	455,610	493,780	469,124	447,141	423,812	399,050	372,763	344,995	315,936
Depreciation and amortisation	10,060,048	8,990,784	9,922,463	9,911,482	9,921,684	10,929,985	10,615,626	10,826,467	11,284,435	11,288,081
Other expenses	481,000	616,928	896,928	896,928	1,176,928	1,176,928	1,456,928	1,456,928	1,456,928	1,736,928
Net losses from the disposal of assets	11,750	650,000	-	-	-	-	-	-	-	-
<b>Expenses</b>	<b>37,987,886</b>	<b>36,382,853</b>	<b>38,494,909</b>	<b>39,138,816</b>	<b>40,103,567</b>	<b>41,802,484</b>	<b>42,475,157</b>	<b>43,409,800</b>	<b>44,608,841</b>	<b>45,651,490</b>
<b>Net Operating Result</b>	<b>8,693,780</b>	<b>(1,831,940)</b>	<b>(4,688,408)</b>	<b>(3,055,346)</b>	<b>(1,425,994)</b>	<b>(5,163,595)</b>	<b>(4,936,462)</b>	<b>(4,939,801)</b>	<b>(5,239,355)</b>	<b>(5,453,355)</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>(4,198,840)</b>	<b>(3,410,835)</b>	<b>(5,296,423)</b>	<b>(4,678,692)</b>	<b>(4,815,060)</b>	<b>(5,818,779)</b>	<b>(5,608,173)</b>	<b>(5,628,459)</b>	<b>(5,945,388)</b>	<b>(6,177,205)</b>

## Leeton Shire Council

### Long Term Financial Plan 2023-2032

Cash Flow from Operating Activities	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Receipts:</b>										
Rates and Annual Charges	14,139,463	14,931,419	15,379,362	15,778,928	16,188,935	16,609,659	17,041,381	17,484,390	17,938,983	18,405,467
User charges and fees	8,237,227	8,660,069	8,919,871	9,617,468	9,905,992	10,203,171	10,509,266	10,824,544	11,149,281	11,483,759
Interest and Investment Revenue	1,395,484	748,962	835,396	833,830	794,200	598,501	567,385	543,216	462,024	284,106
Grants & Contributions - Capital	12,892,620	1,578,895	608,015	1,623,346	3,389,066	655,184	671,711	688,657	706,033	723,850
Grants & Contributions - Operating	9,877,651	6,549,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260
Other Revenues	637,520	557,905	651,853	668,149	684,853	701,974	719,524	737,512	755,950	774,848
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845
<b>Payments:</b>										
Employee benefits and on-costs	(12,456,906)	(13,507,577)	(14,099,925)	(14,452,424)	(14,813,734)	(15,184,077)	(15,563,679)	(15,952,771)	(16,351,591)	(16,760,380)
Borrowing Costs	(114,445)	(455,610)	(493,780)	(469,124)	(447,141)	(423,812)	(399,050)	(372,763)	(344,995)	(315,936)
Materials and Contracts	(14,863,737)	(12,161,954)	(13,081,813)	(13,408,858)	(13,744,079)	(14,087,681)	(14,439,874)	(14,800,870)	(15,170,892)	(15,550,164)
Other	(231,000)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)	(336,928)
<b>Net Cash Provided (or used) in Operating Activities</b>	<b>19,815,577</b>	<b>6,858,844</b>	<b>5,794,055</b>	<b>7,416,136</b>	<b>9,335,690</b>	<b>6,606,390</b>	<b>6,799,164</b>	<b>7,006,665</b>	<b>7,165,080</b>	<b>7,234,727</b>
<b>Cash Flow from Investing Activities</b>										
<b>Receipts:</b>										
Maturity of Investments	2,000,000	4,000,000	3,000,000	3,000,000	1,028,925	-	-	-	-	-
Deposits on Sale Real Estate Assets	250,000	4,150,000	-	-	-	-	-	-	-	-
Disposal of Infrastructure, Property, Plant & Equipment	-	655,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Deferred Debtor Receipts	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Purchase of Investments	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(24,196,529)	(23,929,055)	(5,775,000)	(9,065,000)	(15,375,000)	(5,980,000)	(5,495,000)	(6,920,000)	(12,305,000)	(6,940,000)
Deferred Debtor Advances Made	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided (or used) in Investing Activities</b>	<b>(21,946,529)</b>	<b>(15,124,055)</b>	<b>(2,525,000)</b>	<b>(5,815,000)</b>	<b>(14,096,075)</b>	<b>(5,730,000)</b>	<b>(5,245,000)</b>	<b>(6,670,000)</b>	<b>(12,055,000)</b>	<b>(6,690,000)</b>
<b>Cash Flow from Financing Activities</b>										
<b>Receipts:</b>										
Borrowings and Advances (External)	573,000	10,591,866	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Borrowings and Advances	(349,837)	(5,000,535)	(496,716)	(397,026)	(419,010)	(442,339)	(467,101)	(493,246)	(498,405)	(527,464)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided (or used) in Financing Activities</b>	<b>223,163</b>	<b>5,591,330</b>	<b>(496,716)</b>	<b>(397,026)</b>	<b>(419,010)</b>	<b>(442,339)</b>	<b>(467,101)</b>	<b>(493,246)</b>	<b>(498,405)</b>	<b>(527,464)</b>
<b>Net Increase/(Decrease) in Cash &amp; cash Equivalents</b>	<b>(1,907,788)</b>	<b>(2,673,881)</b>	<b>2,772,339</b>	<b>1,204,110</b>	<b>(5,179,394)</b>	<b>434,051</b>	<b>1,087,063</b>	<b>(156,581)</b>	<b>(5,388,325)</b>	<b>17,263</b>
Cash and Cash Equivalents at Beginning of Period	15,007,000	13,099,212	10,425,331	13,197,670	14,401,780	9,222,385	9,656,436	10,743,499	10,586,918	5,198,594
Cash and Cash Equivalents at End of Period	13,099,212	10,425,331	13,197,670	14,401,780	9,222,385	9,656,436	10,743,499	10,586,918	5,198,594	5,215,856
Plus Investments on Hand - End of Year	33,260,000	29,260,000	26,260,000	23,260,000	22,231,075	22,231,075	22,231,075	22,231,075	22,231,075	22,231,075
<b>Total Cash, Cash Equivalents and Investments</b>	<b>46,359,212</b>	<b>39,685,331</b>	<b>39,457,670</b>	<b>37,661,780</b>	<b>31,453,460</b>	<b>31,887,511</b>	<b>32,974,574</b>	<b>32,817,993</b>	<b>27,429,669</b>	<b>27,446,931</b>
Brought Forward Balance	50,095,796	46,359,212	39,685,331	39,457,670	37,661,780	31,453,460	31,887,511	32,974,574	32,817,993	27,429,669
Movement in Cash and Investments	(3,736,584)	(6,673,881)	(227,661)	(1,795,890)	(6,208,320)	434,051	1,087,063	(156,581)	(5,388,325)	17,263

## Leeton Shire Council

### Long Term Financial Plan 2023-2032

Balance Sheet	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Current Assets</b>										
Cash and Cash Equivalents	16,597,041	10,425,331	13,197,670	14,401,780	9,222,385	9,656,436	10,743,499	10,586,918	5,198,594	5,215,856
Investments	18,760,000	18,760,000	15,760,000	12,760,000	11,731,075	11,731,075	11,731,075	11,731,075	11,731,075	11,731,075
Receivables	4,552,350	4,552,350	4,552,350	4,552,350	4,552,350	4,552,350	4,552,350	4,552,350	4,552,350	4,552,350
Inventories	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000	1,166,000
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
<b>Total Current Assets</b>	<b>41,124,391</b>	<b>34,952,681</b>	<b>34,725,020</b>	<b>32,929,130</b>	<b>26,720,810</b>	<b>27,154,861</b>	<b>28,241,924</b>	<b>28,085,343</b>	<b>22,697,019</b>	<b>22,714,281</b>
<b>Non-Current Assets</b>										
Investments	14,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000
Receivables	427,464	427,464	427,464	427,464	427,464	427,464	427,464	427,464	427,464	427,464
Infrastructure, Property, Plant & Equipment	329,841,481	344,124,752	339,352,288	337,350,806	341,679,122	335,074,137	328,328,511	322,267,044	320,882,609	314,159,528
Intangible Assets	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000	9,565,000
<b>Total Non-Current Assets</b>	<b>354,333,945</b>	<b>364,617,216</b>	<b>359,844,753</b>	<b>357,843,270</b>	<b>362,171,586</b>	<b>355,566,601</b>	<b>348,820,975</b>	<b>342,759,508</b>	<b>341,375,074</b>	<b>334,651,992</b>
<b>Total Assets</b>	<b>395,458,336</b>	<b>399,569,897</b>	<b>394,569,773</b>	<b>390,772,400</b>	<b>388,892,396</b>	<b>382,721,462</b>	<b>377,062,899</b>	<b>370,844,852</b>	<b>364,072,092</b>	<b>357,366,273</b>
<b>Current Liabilities</b>										
Payables	2,852,000	2,852,000	2,852,000	2,852,000	2,852,000	2,852,000	2,852,000	2,852,000	2,852,000	2,852,000
Contract Liabilities	1,700,000	-	-	-	-	-	-	-	-	-
Borrowings	349,837	600,535	496,716	397,026	419,010	442,339	467,101	493,246	498,405	527,464
Provisions	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000	2,814,000
<b>Total Current Liabilities</b>	<b>7,715,837</b>	<b>6,266,535</b>	<b>6,162,716</b>	<b>6,063,026</b>	<b>6,085,010</b>	<b>6,108,339</b>	<b>6,133,101</b>	<b>6,159,246</b>	<b>6,164,405</b>	<b>6,193,464</b>
<b>Non-Current Liabilities</b>										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	2,502,720	7,997,868	8,164,107	8,010,033	7,598,897	7,164,961	6,706,826	6,245,334	5,734,811	5,218,242
Employee Benefit Provisions	226,984	226,984	226,984	226,984	226,984	226,984	226,984	226,984	226,984	226,984
Provisions	4,322,000	4,602,000	5,162,000	5,722,000	6,562,000	7,402,000	8,522,000	8,392,000	9,512,000	10,912,000
<b>Total Non-Current Liabilities</b>	<b>7,051,704</b>	<b>12,826,852</b>	<b>13,553,091</b>	<b>13,959,017</b>	<b>14,387,881</b>	<b>14,793,945</b>	<b>15,455,810</b>	<b>14,864,318</b>	<b>15,473,795</b>	<b>16,357,226</b>
<b>Total Liabilities</b>	<b>14,767,541</b>	<b>19,093,388</b>	<b>19,715,807</b>	<b>20,022,043</b>	<b>20,472,891</b>	<b>20,902,284</b>	<b>21,588,911</b>	<b>21,023,565</b>	<b>21,638,200</b>	<b>22,550,690</b>
<b>Net Assets</b>	<b>380,690,795</b>	<b>380,476,509</b>	<b>374,853,966</b>	<b>370,750,357</b>	<b>368,419,505</b>	<b>361,819,179</b>	<b>355,473,988</b>	<b>349,821,287</b>	<b>342,433,892</b>	<b>334,815,584</b>
<b>Equity</b>										
Retained Earnings	152,254,795	152,040,508	146,417,964	142,314,354	139,983,501	133,383,174	127,037,982	121,385,280	113,997,884	106,379,575
Revaluation Reserves	228,436,000	228,436,001	228,436,002	228,436,003	228,436,004	228,436,005	228,436,006	228,436,007	228,436,008	228,436,009
<b>Total Equity</b>	<b>380,690,795</b>	<b>380,476,509</b>	<b>374,853,966</b>	<b>370,750,357</b>	<b>368,419,505</b>	<b>361,819,179</b>	<b>355,473,988</b>	<b>349,821,287</b>	<b>342,433,892</b>	<b>334,815,584</b>

For noting - While council recognises that items such as Provisions, Payables and Recievables will vary, many cannot be forecast and as such have been left constant.

## Overview

### Alternative Scenarios for the General Fund

The Base Case is unacceptable as it forecasts:-

- An average operating deficit of \$5.5M over the ten years to 2032/33
- That Council will be in a cash deficit by June 2027.

Accordingly, the Base Case does not allow Council to be financially sustainable or to meet its obligations under the Local Government Act (LGA).

The General Fund's financial sustainability challenges are firmly entrenched, with operating deficits reported in the 2020/21 and 2021/22 Annual Financial Statements and in recent forecasts, including those prepared by Morrison Low Consultants in 2022. The situation will not change in the medium or long term without intervention.

Morrison Low Consultants also concluded in 2022 that Council was underspending on its asset renewals by \$1.6M per year for roads and buildings. This needs to be reviewed by Management and any changes reflected in the Strategic Asset Management Plan (SAMP).

In response to this current reality scenarios have been prepared for Council to explore to manage its financial sustainability, including by:-

- Increasing revenues via a SRV.
- Reducing expenses via service reductions or operational efficiencies.
- Reducing investment in assets to preserve cash reserves. This is included as a short-term measure in response to the potential cash deficit. Reducing capital investment will inhibit Council's obligation to maintain its asset base as "fit for purpose".

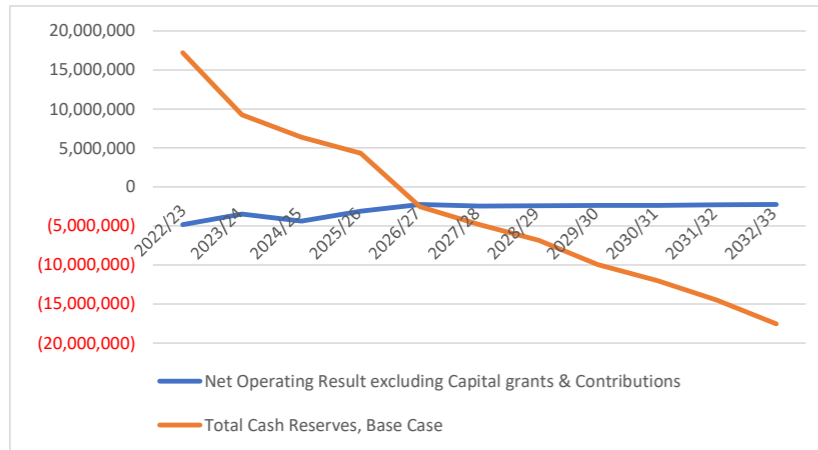
# General Fund Excluding DWM Scenarios

The following scenarios have been developed looking at a combination of increased income through an SRV and operating savings

The scenarios have the following common assumptions with changes due to variables being outlined in each Scenario.

Income items	Assumptions Scenario #0 (Base Case)
Rates and annual charges	Varies with Scenario
User fees and charges	2023/24: \$4.3M 2025/26 – 2032/33: 3.0%
Interest	2023/24: 4.0% 2025/26 – 2032/33: 2.7% increasing to 4.2%  Actual \$ calculated on cash and investment balance.
Operating grants and contributions	Ongoing Financial Assistance Grant (FAGs) with 75% prepayment and Regional Roads Block and Repair Grants. Other minor community service and operating grants for service delivery.  Roads to Recovery (R2R) and Regional and Local Roads  One – off (2023/24 only) Repair Program (RLRRP).
Other revenues	2023/24: \$454K 2025/26 – 2032/33: 2.5%
Other income	2023/24: \$302K 2025/26 – 2032/33: 2.5%
Expense items	Assumptions
Employee costs	2023/24: \$9.4M 2024/25:3.5%, 2025/26: 3.0% thereafter 2.5%
Materials and services + other expenses	2023/24 – 2027/28: 3.0% 2025/26 – 2032/33: 2.5% for Materials 2025/26 – 2032/33: 0% for Other
Borrowing costs	2023/24: \$456K, 2024/25: \$494K 2025/26 – 2032/33: decrease as per payment schedules.
Depreciation	Determined using average depreciation rates for asset classes and estimates. For clarity it is not indexed.
Additional Savings	Varies with Scenario and <u>all cash</u>

Base Case	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate peg assumptions		3.70%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Operating Statement</b>	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	7,809,448	7,982,302	8,221,771	8,427,316	8,637,998	8,853,948	9,075,297	9,302,179	9,534,734	9,773,102	10,017,430
User charges and fees	4,133,820	4,289,266	4,417,944	4,980,482	5,129,897	5,283,794	5,442,307	5,605,577	5,773,744	5,946,956	6,125,365
Grants and contributions provided for capital purposes	12,810,002	503,000	523,206	1,536,286	3,299,693	563,436	577,522	591,960	606,759	621,928	637,476
Grants and contributions provided for operating purposes	9,077,651	7,349,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260	8,331,625
Interest and investment revenue	632,309	379,312	226,973	172,323	127,205	(81,516)	(167,422)	(253,069)	(393,655)	(504,930)	(608,988)
Net gains from the disposal of assets	-	430,000	-	-	-	-	-	-	-	-	-
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845	366,791
Other revenues	534,553	453,538	544,876	558,498	572,461	586,772	601,442	616,478	631,890	647,687	663,879
<b>Income</b>	<b>35,299,483</b>	<b>21,681,080</b>	<b>21,346,775</b>	<b>23,236,655</b>	<b>25,481,782</b>	<b>23,076,834</b>	<b>23,558,575</b>	<b>24,054,802</b>	<b>24,510,686</b>	<b>25,010,848</b>	<b>25,533,578</b>
<b>Expenses</b>											
Employee benefits and on-costs	8,842,315	9,446,059	9,875,946	10,122,845	10,375,916	10,635,314	10,901,197	11,173,727	11,453,070	11,739,397	12,032,882
Materials and contracts	10,850,773	7,840,080	8,630,282	8,846,039	9,067,190	9,293,870	9,526,217	9,764,372	10,008,481	10,258,693	10,515,161
Borrowing costs	114,445	455,610	493,780	469,124	447,141	423,812	399,050	372,763	344,995	315,936	285,051
Depreciation and amortisation & Impairment	7,272,839	5,938,555	6,798,362	6,929,963	7,083,723	7,433,912	7,561,172	7,678,401	7,829,316	7,946,844	8,075,901
Other expenses	231,000	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928
Net losses from the disposal of assets	11,750	650,000	-	-	-	-	-	-	-	-	-
<b>Expenses</b>	<b>27,323,122</b>	<b>24,667,232</b>	<b>26,135,298</b>	<b>26,704,900</b>	<b>27,310,899</b>	<b>28,123,836</b>	<b>28,724,564</b>	<b>29,326,191</b>	<b>29,972,791</b>	<b>30,597,799</b>	<b>31,245,922</b>
<b>Net Operating Result</b>	<b>7,976,361</b>	<b>(2,986,151)</b>	<b>(4,788,523)</b>	<b>(3,468,245)</b>	<b>(1,829,117)</b>	<b>(5,047,003)</b>	<b>(5,165,989)</b>	<b>(5,271,388)</b>	<b>(5,462,105)</b>	<b>(5,586,951)</b>	<b>(5,712,344)</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>(4,833,641)</b>	<b>(3,489,151)</b>	<b>(5,311,729)</b>	<b>(5,004,531)</b>	<b>(5,128,811)</b>	<b>(5,610,439)</b>	<b>(5,743,511)</b>	<b>(5,863,348)</b>	<b>(6,068,863)</b>	<b>(6,208,878)</b>	<b>(6,349,820)</b>
<b>Total Cash Reserves, Base Case</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>6,382,342</b>	<b>4,312,034</b>	<b>(2,547,369)</b>	<b>(4,852,798)</b>	<b>(6,839,716)</b>	<b>(9,965,950)</b>	<b>(12,022,143)</b>	<b>(14,499,713)</b>	<b>(17,553,292)</b>

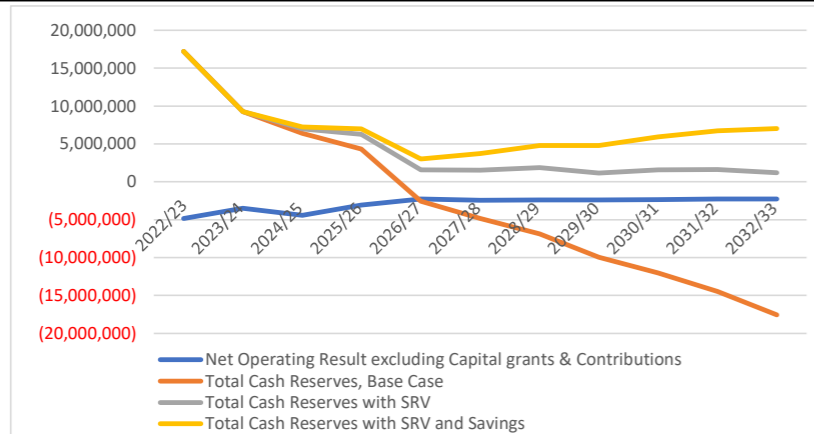


This is the Base Case as presented earlier in this document.  
Reproduced here, in the Scenario, format for ease of reference.



Scenario #1	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate peg assumptions		3.70%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
SRV % includes Rate peg	35%	3.70%	10.52%	10.52%	10.52%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Over term in years		3									
Years to achieve Benchmark		6									
Safe Limit for Cash & Investments	6,000,000										
Final saving required Per annum	730,433										

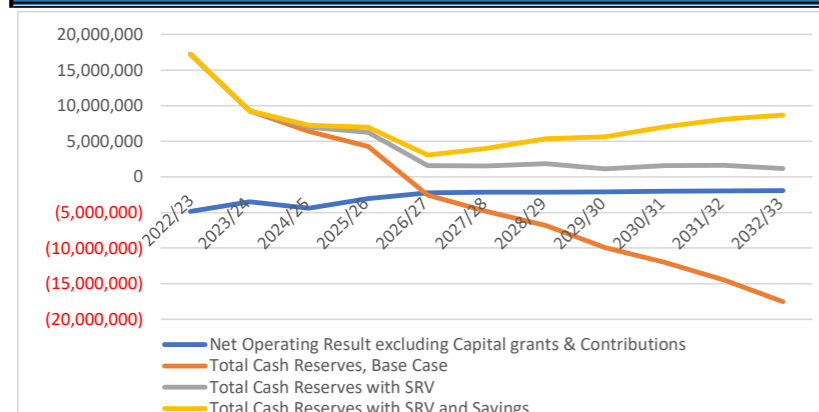
Operating Statement	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	7,809,448	7,982,302	8,221,771	8,427,316	8,637,998	8,853,948	9,075,297	9,302,179	9,534,734	9,773,102	10,017,430
Rates and annual charges - SRV	-	-	600,345	1,322,970	2,138,110	2,191,562	2,246,351	2,302,510	2,360,073	2,419,075	2,479,552
User charges and fees	4,133,820	4,289,266	4,417,944	4,980,482	5,129,897	5,283,794	5,442,307	5,605,577	5,773,744	5,946,956	6,125,365
Grants and contributions provided for capital purposes	12,810,002	503,000	523,206	1,536,286	3,299,693	563,436	577,522	591,960	606,759	621,928	637,476
Grants and contributions provided for operating purposes	9,077,651	7,349,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260	8,331,625
Interest and investment revenue	632,309	379,312	289,047	279,220	121,090	148,514	191,413	191,533	237,326	269,217	281,105
Net gains from the disposal of assets	-	430,000	-	-	-	-	-	-	-	-	-
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845	366,791
Other revenues	534,553	453,538	544,876	558,498	572,461	586,772	601,442	616,478	631,890	647,687	663,879
<b>Income</b>	<b>35,299,483</b>	<b>21,681,080</b>	<b>22,009,193</b>	<b>24,666,522</b>	<b>27,613,776</b>	<b>25,498,425</b>	<b>26,163,761</b>	<b>26,801,915</b>	<b>27,501,740</b>	<b>28,204,070</b>	<b>28,903,223</b>
<b>Expenses</b>											
Employee benefits and on-costs	8,842,315	9,446,059	9,875,946	10,122,845	10,375,916	10,635,314	10,901,197	11,173,727	11,453,070	11,739,397	12,032,882
Materials and contracts	10,850,773	7,840,080	8,630,282	8,846,039	9,067,190	9,293,870	9,526,217	9,764,372	10,008,481	10,258,693	10,515,161
Borrowing costs	114,445	455,610	493,780	469,124	447,141	423,812	399,050	372,763	344,995	315,936	285,051
Depreciation and amortisation	7,272,839	5,938,555	6,798,362	6,929,963	7,083,723	7,433,912	7,561,172	7,678,401	7,829,316	7,946,844	8,075,901
Other expenses	231,000	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928
Net losses from the disposal of assets	11,750	650,000	-	-	-	-	-	-	-	-	-
Savings Required			(243,478)	(486,955)	(730,433)	(730,433)	(730,433)	(730,433)	(730,433)	(730,433)	(730,433)
<b>Expenses</b>	<b>27,323,122</b>	<b>24,667,232</b>	<b>25,891,820</b>	<b>26,217,945</b>	<b>26,580,466</b>	<b>27,393,404</b>	<b>27,994,131</b>	<b>28,595,758</b>	<b>29,242,358</b>	<b>29,867,366</b>	<b>30,515,489</b>
<b>Net Operating Result</b>	<b>7,976,361</b>	<b>(2,986,151)</b>	<b>(3,882,627)</b>	<b>(1,551,423)</b>	<b>1,033,310</b>	<b>(1,894,978)</b>	<b>(1,830,370)</b>	<b>(1,793,843)</b>	<b>(1,740,618)</b>	<b>(1,663,296)</b>	<b>(1,612,266)</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>(4,833,641)</b>	<b>(3,489,151)</b>	<b>(4,405,834)</b>	<b>(3,087,709)</b>	<b>(2,266,383)</b>	<b>(2,458,414)</b>	<b>(2,407,892)</b>	<b>(2,385,803)</b>	<b>(2,347,377)</b>	<b>(2,285,224)</b>	<b>(2,249,742)</b>
<b>Total Cash Reserves, Base Case</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>6,382,342</b>	<b>4,312,034</b>	<b>(2,547,369)</b>	<b>(4,852,798)</b>	<b>(6,839,716)</b>	<b>(9,965,950)</b>	<b>(12,022,143)</b>	<b>(14,499,713)</b>	<b>(17,553,292)</b>
<b>Total Cash Reserves with SRV</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>6,982,687</b>	<b>6,250,057</b>	<b>1,566,382</b>	<b>1,521,544</b>	<b>1,863,601</b>	<b>1,136,162</b>	<b>1,550,556</b>	<b>1,617,404</b>	<b>1,184,174</b>
<b>Total Cash Reserves with SRV and Savings</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>7,226,164</b>	<b>6,980,490</b>	<b>3,027,247</b>	<b>3,712,842</b>	<b>4,785,332</b>	<b>4,788,326</b>	<b>5,933,152</b>	<b>6,730,433</b>	<b>7,027,636</b>
<b>Remove recurring capital spend on discretionary items</b>											
Shoulder widening			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
New Paths			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
<b>Minimum Savings required</b>				(186,955)	(430,433)	(430,433)	(430,433)	(430,433)	(430,433)	(430,433)	(430,433)
<b>Net Operating Result excluding Capital grants &amp; Contributions adjusted for minimum savings</b>			<b>(4,405,834)</b>	<b>(3,274,665)</b>	<b>(2,696,816)</b>	<b>(2,888,847)</b>	<b>(2,838,325)</b>	<b>(2,816,235)</b>	<b>(2,777,809)</b>	<b>(2,715,656)</b>	<b>(2,680,175)</b>



35% SRV over three years (including the Rate Peg) from July 2024 with potential annual savings of up to \$730K per annum  
The attached table demonstrates that under this scenario:-  
- Council does not achieve an operating surplus over the life of the LTFP and is therefore not financially sustainable as required under the LGA.  
- If the savings are not implemented or achieved, Council falls below the OLG benchmark for cash reserves of \$6M by June 2027 and continues to trend down but does not reach a cash deficit over the life of the LTFP.  
- If the savings are able to be achieved, Council is able to almost maintain the OLG benchmark for cash reserves over the life of the LTFP.

Scenario #2	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate peg assumptions		3.70%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
SRV % includes Rate peg	35%	3.70%	10.52%	10.52%	10.52%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Over term in years	3	Gross inc. 4yrs	38.38%								
Years to achieve Benchmark	6										
Safe Limit for Cash & Investments	6,000,000										
Final saving required Per annum	1,000,000										

Operating Statement	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	7,809,448	7,982,302	8,221,771	8,427,316	8,637,998	8,853,948	9,075,297	9,302,179	9,534,734	9,773,102	10,017,430
Rates and annual charges - SRV	-	-	600,345	1,322,970	2,138,110	2,191,562	2,246,351	2,302,510	2,360,073	2,419,075	2,479,552
User charges and fees	4,133,820	4,289,266	4,417,944	4,980,482	5,129,897	5,283,794	5,442,307	5,605,577	5,773,744	5,946,956	6,125,365
Grants and contributions provided for capital purposes	12,810,002	503,000	523,206	1,536,286	3,299,693	563,436	577,522	591,960	606,759	621,928	637,476
Grants and contributions provided for operating purposes	9,077,651	7,349,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260	8,331,625
Interest and investment revenue	632,309	379,312	289,307	280,002	122,655	160,862	214,544	225,446	282,022	324,696	347,367
Net gains from the disposal of assets	-	430,000	-	-	-	-	-	-	-	-	-
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845	366,791
Other revenues	534,553	453,538	544,876	558,498	572,461	586,772	601,442	616,478	631,890	647,687	663,879
<b>Income</b>	<b>35,299,483</b>	<b>21,681,080</b>	<b>22,009,454</b>	<b>24,667,304</b>	<b>27,615,342</b>	<b>25,510,773</b>	<b>26,186,891</b>	<b>26,835,828</b>	<b>27,546,436</b>	<b>28,259,549</b>	<b>28,969,484</b>
<b>Expenses</b>											
Employee benefits and on-costs	8,842,315	9,446,059	9,875,946	10,122,845	10,375,916	10,635,314	10,901,197	11,173,727	11,453,070	11,739,397	12,032,882
Materials and contracts	10,850,773	7,840,080	8,630,282	8,846,039	9,067,190	9,293,870	9,526,217	9,764,372	10,008,481	10,258,693	10,515,161
Borrowing costs	114,445	455,610	493,780	469,124	447,141	423,812	399,050	372,763	344,995	315,936	285,051
Depreciation and amortisation	7,272,839	5,938,555	6,798,362	6,929,963	7,083,723	7,433,912	7,561,172	7,678,401	7,829,316	7,946,844	8,075,901
Other expenses	231,000	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928
Net losses from the disposal of assets	11,750	650,000	-	-	-	-	-	-	-	-	-
Savings Required			(250,000)	(500,000)	(750,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Expenses</b>	<b>27,323,122</b>	<b>24,667,232</b>	<b>25,885,298</b>	<b>26,204,900</b>	<b>26,560,899</b>	<b>27,123,836</b>	<b>27,724,564</b>	<b>28,326,191</b>	<b>28,972,791</b>	<b>29,597,799</b>	<b>30,245,922</b>
<b>Net Operating Result</b>	<b>7,976,361</b>	<b>(2,986,151)</b>	<b>(3,875,844)</b>	<b>(1,537,596)</b>	<b>1,054,443</b>	<b>(1,613,063)</b>	<b>(1,537,672)</b>	<b>(1,490,362)</b>	<b>(1,426,355)</b>	<b>(1,338,250)</b>	<b>(1,276,438)</b>
<b>Net Operating Result excluding Capital grants &amp; Contributions</b>	<b>(4,833,641)</b>	<b>(3,489,151)</b>	<b>(4,399,050)</b>	<b>(3,073,882)</b>	<b>(2,245,251)</b>	<b>(2,176,499)</b>	<b>(2,115,194)</b>	<b>(2,082,322)</b>	<b>(2,033,113)</b>	<b>(1,960,177)</b>	<b>(1,913,913)</b>
<b>Total Cash Reserves, Base Case</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>6,382,342</b>	<b>4,312,034</b>	<b>(2,547,369)</b>	<b>(4,852,798)</b>	<b>(6,839,716)</b>	<b>(9,965,950)</b>	<b>(12,022,143)</b>	<b>(14,499,713)</b>	<b>(17,553,292)</b>
<b>Total Cash Reserves with SRV</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>6,982,687</b>	<b>6,250,057</b>	<b>1,566,382</b>	<b>1,521,544</b>	<b>1,863,601</b>	<b>1,136,162</b>	<b>1,550,556</b>	<b>1,617,404</b>	<b>1,184,174</b>
<b>Total Cash Reserves with SRV and Savings</b>	<b>17,215,181</b>	<b>9,264,219</b>	<b>7,232,687</b>	<b>7,000,057</b>	<b>3,066,382</b>	<b>4,021,544</b>	<b>5,363,601</b>	<b>5,636,162</b>	<b>7,050,556</b>	<b>8,117,404</b>	<b>8,684,174</b>
<b>Remove recurring capital spend on discretionary items</b>											
Shoulder widening		-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
New Paths		-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
<b>Minimum Savings required</b>		-	-	(200,000)	(450,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
<b>Net Operating Result excluding Capital grants &amp; Contributions adjusted for minimum savings</b>			<b>(4,399,050)</b>	<b>(3,273,882)</b>	<b>(2,695,251)</b>	<b>(2,876,499)</b>	<b>(2,815,194)</b>	<b>(2,782,322)</b>	<b>(2,733,113)</b>	<b>(2,660,177)</b>	<b>(2,613,913)</b>



35% SRV over three years (including the Rate Peg) from July 2024 with potential annual savings of up to \$1M per annum

The attached table demonstrates that under this scenario:-

- Council is not able to achieve an operating surplus by the end of the life of the LTFP and will therefore not be financially sustainable as required under the LGA in the longer term.
- If the savings are not implemented or achieved, Council falls below the OLG benchmark for cash reserves of \$6M by June 2027 and continues to trend down but does not reach a cash deficit over the life of the LTFP.
- If the savings are able to be achieved, Council will almost maintain the OLG benchmark and build its cash reserves over the life of the LTFP and enable Council to appropriately maintain its asset base.

Scenario #3	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate peg assumptions		3.70%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
SRV % (excludes Rate Peg) 35%		0.00%	10.52%	10.52%	10.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate % including SRV and Rate peg		3.70%	13.52%	13.02%	13.02%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Over term in years	3	Gross inc. 4yrs	48.63%								
Years to achieve Benchmark	6										
Safe Limit for Cash & Investments	6,000,000										
Final saving required Per annum	1,000,000										

Operating Statement	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	7,809,448	7,982,302	8,221,771	8,427,316	8,637,998	8,853,948	9,075,297	9,302,179	9,534,734	9,773,102	10,017,430
Rates and annual charges - SRV	-	-	839,814	1,814,173	2,937,029	3,010,455	3,085,716	3,162,859	3,241,931	3,322,979	3,406,053
User charges and fees	4,133,820	4,289,266	4,417,944	4,980,482	5,129,897	5,283,794	5,442,307	5,605,577	5,773,744	5,946,956	6,125,365
Grants and contributions provided for capital purposes	12,810,002	503,000	523,206	1,536,286	3,299,693	563,436	577,522	591,960	606,759	621,928	637,476
Grants and contributions provided for operating purposes	9,077,651	7,349,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260	8,331,625
Interest and investment revenue	632,309	379,312	298,886	309,464	184,634	256,630	345,123	391,879	485,382	566,087	627,924
Net gains from the disposal of assets	-	430,000	-	-	-	-	-	-	-	-	-
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845	366,791
Other revenues	534,553	453,538	544,876	558,498	572,461	586,772	601,442	616,478	631,890	647,687	663,879
<b>Income</b>	<b>35,299,483</b>	<b>21,681,080</b>	<b>22,258,502</b>	<b>25,187,969</b>	<b>28,476,240</b>	<b>26,425,434</b>	<b>27,156,835</b>	<b>27,862,610</b>	<b>28,631,654</b>	<b>29,404,844</b>	<b>30,176,543</b>
<b>Expenses</b>											
Employee benefits and on-costs	8,842,315	9,446,059	9,875,946	10,122,845	10,375,916	10,635,314	10,901,197	11,173,727	11,453,070	11,739,397	12,032,882
Materials and contracts	10,850,773	7,840,080	8,630,282	8,846,039	9,067,190	9,293,870	9,526,217	9,764,372	10,008,481	10,258,693	10,515,161
Borrowing costs	114,445	455,610	493,780	469,124	447,141	423,812	399,050	372,763	344,995	315,936	285,051
Depreciation and amortisation	7,272,839	5,938,555	6,798,362	6,929,963	7,083,723	7,433,912	7,561,172	7,678,401	7,829,316	7,946,844	8,075,901
Other expenses	231,000	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928
Net losses from the disposal of assets	11,750	650,000	-	-	-	-	-	-	-	-	-
Savings Required			(250,000)	(500,000)	(750,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Expenses</b>	<b>27,323,122</b>	<b>24,667,232</b>	<b>25,885,298</b>	<b>26,204,900</b>	<b>26,560,899</b>	<b>27,123,836</b>	<b>27,724,564</b>	<b>28,326,191</b>	<b>28,972,791</b>	<b>29,597,799</b>	<b>30,245,922</b>
<b>Net Operating Result</b>	<b>7,976,361</b>	<b>(2,986,151)</b>	<b>(3,626,796)</b>	<b>(1,016,931)</b>	<b>1,915,341</b>	<b>(698,403)</b>	<b>(567,729)</b>	<b>(463,580)</b>	<b>(341,137)</b>	<b>(192,955)</b>	<b>(69,379)</b>

Net Operating Result excluding Capital grants & Contributions	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	(4,833,641)	(3,489,151)	(4,150,002)	(2,553,217)	(1,384,352)	(1,261,838)	(1,145,251)	(1,055,540)	(947,895)	(814,882)	(706,855)

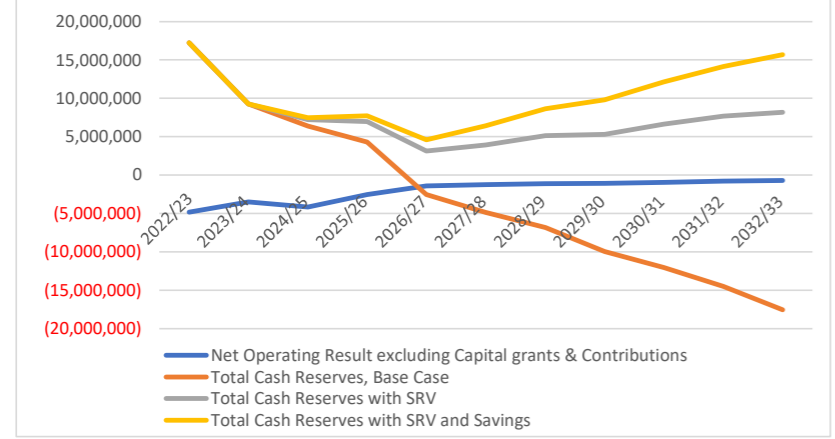
Total Cash Reserves, Base Case	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	17,215,181	9,264,219	6,382,342	4,312,034	(2,547,369)	(4,852,798)	(6,839,716)	(9,965,950)	(12,022,143)	(14,499,713)	(17,553,292)

Total Cash Reserves with SRV	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	17,215,181	9,264,219	7,222,156	6,986,597	3,115,860	3,915,738	5,128,064	5,296,984	6,634,562	7,652,182	8,198,096

Total Cash Reserves with SRV and Savings	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	17,215,181	9,264,219	7,472,156	7,736,597	4,615,860	6,415,738	8,628,064	9,796,984	12,134,562	14,152,182	15,698,096

Remove recurring capital spend on discretionary items	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Shoulder widening	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
New Paths	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
<b>Minimum Savings required</b>	-	-	(200,000)	(450,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)

Net Operating Result excluding Capital grants & Contributions adjusted for minimum savings	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	(4,150,002)	(2,753,217)	(1,834,352)	(1,961,838)	(1,845,251)	(1,755,540)	(1,647,895)	(1,514,882)	(1,406,855)



35% SRV over three years (45% including the Rate Peg as per below) from July 2024 with potential annual savings of up to \$1M per annum.

SRV	10.52%	10.52%	10.52%	34.98%
Rate Peg	3.00%	2.50%	2.50%	8.21%
Compounding effect				1.79%
	13.52%	13.02%	13.02%	44.99%

- The attached table demonstrates that under this scenario:-
- Council is unable to achieve an operating surplus and will not be financially sustainable as required under the LGA.
  - If the savings are not implemented or achieved, Council drops below the OLG benchmark for cash reserves of \$6M during the life of the LTFP but recovers by June 2031.
  - If the savings are able to be achieved, Council still remains within the OLG benchmark for cash reserves of \$6M (excepting 2027) and has the potential to ensure assets are well maintained with the possibility of being held at better condition.

Scenario #4	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate peg assumptions		3.70%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
SRV % (excludes Rate Peg) 47%		0.00%	13.70%	13.70%	13.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate % including SRV and Rate peg		3.70%	16.70%	16.20%	16.20%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Over term in years	3	Gross inc. 4yrs	61.53%								
Years to achieve Benchmark	6										
Safe Limit for Cash & Investments	6,000,000										
Final saving required Per annum	1,000,000										

Operating Statement	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
<b>Revenue</b>											
Rates and annual charges	7,809,448	7,982,302	8,221,771	8,427,316	8,637,998	8,853,948	9,075,297	9,302,179	9,534,734	9,773,102	10,017,430
Rates and annual charges - SRV	-	-	1,093,826	2,397,700	3,941,010	4,039,535	4,140,523	4,244,036	4,350,137	4,458,891	4,570,363
User charges and fees	4,133,820	4,289,266	4,417,944	4,980,482	5,129,897	5,283,794	5,442,307	5,605,577	5,773,744	5,946,956	6,125,365
Grants and contributions provided for capital purposes	12,810,002	503,000	523,206	1,536,286	3,299,693	563,436	577,522	591,960	606,759	621,928	637,476
Grants and contributions provided for operating purposes	9,077,651	7,349,962	7,110,962	7,253,181	7,398,245	7,546,209	7,697,134	7,851,076	8,008,098	8,168,260	8,331,625
Interest and investment revenue	632,309	379,312	309,047	343,214	259,206	373,653	505,884	597,689	737,589	866,078	977,124
Net gains from the disposal of assets	-	430,000	-	-	-	-	-	-	-	-	-
Rental Income	301,700	293,700	301,043	308,569	316,283	324,190	332,295	340,602	349,117	357,845	366,791
Other revenues	534,553	453,538	544,876	558,498	572,461	586,772	601,442	616,478	631,890	647,687	663,879
<b>Income</b>	<b>35,299,483</b>	<b>21,681,080</b>	<b>22,522,674</b>	<b>25,805,247</b>	<b>29,554,793</b>	<b>27,571,538</b>	<b>28,372,403</b>	<b>29,149,597</b>	<b>29,992,067</b>	<b>30,840,746</b>	<b>31,690,053</b>
<b>Expenses</b>											
Employee benefits and on-costs	8,842,315	9,446,059	9,875,946	10,122,845	10,375,916	10,635,314	10,901,197	11,173,727	11,453,070	11,739,397	12,032,882
Materials and contracts	10,850,773	7,840,080	8,630,282	8,846,039	9,067,190	9,293,870	9,526,217	9,764,372	10,008,481	10,258,693	10,515,161
Borrowing costs	114,445	455,610	493,780	469,124	447,141	423,812	399,050	372,763	344,995	315,936	285,051
Depreciation and amortisation	7,272,839	5,938,555	6,798,362	6,929,963	7,083,723	7,433,912	7,561,172	7,678,401	7,829,316	7,946,844	8,075,901
Other expenses	231,000	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928	336,928
Net losses from the disposal of assets	11,750	650,000	-	-	-	-	-	-	-	-	-
Savings Required			(250,000)	(500,000)	(750,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Expenses</b>	<b>27,323,122</b>	<b>24,667,232</b>	<b>25,885,298</b>	<b>26,204,900</b>	<b>26,560,899</b>	<b>27,123,836</b>	<b>27,724,564</b>	<b>28,326,191</b>	<b>28,972,791</b>	<b>29,597,799</b>	<b>30,245,922</b>
<b>Net Operating Result</b>	<b>7,976,361</b>	<b>(2,986,151)</b>	<b>(3,362,624)</b>	<b>(399,653)</b>	<b>2,993,894</b>	<b>447,701</b>	<b>647,839</b>	<b>823,406</b>	<b>1,019,277</b>	<b>1,242,947</b>	<b>1,444,131</b>

Net Operating Result excluding Capital grants & Contributions	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	(4,833,641)	(3,489,151)	(3,885,830)	(1,935,940)	(305,799)	(115,735)	70,317	231,447	412,518	621,020	806,655

Total Cash Reserves, Base Case	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	17,215,181	9,264,219	6,382,342	4,312,034	(2,547,369)	(4,852,798)	(6,839,716)	(9,965,950)	(12,022,143)	(14,499,713)	(17,553,292)

Total Cash Reserves with SRV	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	17,215,181	9,264,219	7,476,168	7,830,359	4,980,161	6,841,334	9,147,090	10,442,225	12,939,726	15,151,938	16,928,098

Total Cash Reserves with SRV and Savings	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	17,215,181	9,264,219	7,726,168	8,580,359	6,480,161	9,341,334	12,647,090	14,942,225	18,439,726	21,651,938	24,428,098

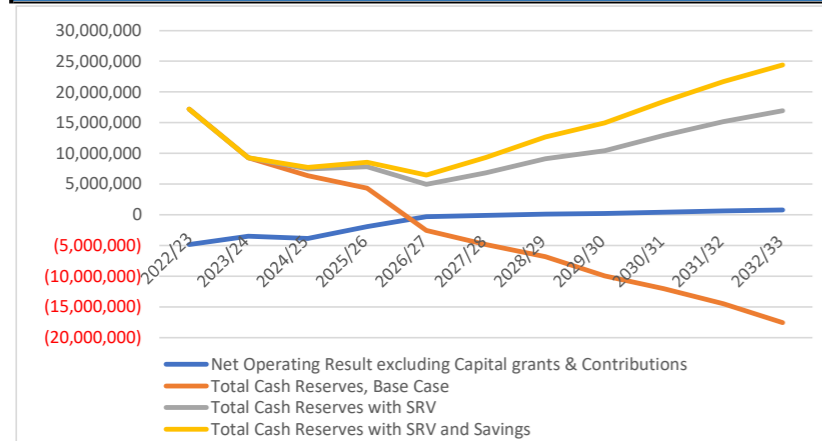
Remove recurring capital spend on discretionary items

Shoulder widening	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	-	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000

New Paths	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	-	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000

Minimum Savings required	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	-	-	(200,000)	(450,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)

Net Operating Result excluding Capital grants & Contributions adjusted for minimum savings	Forecast	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
			(3,885,830)	(2,135,940)	(755,799)	(815,735)	(629,683)	(468,553)	(287,482)	(78,980)	106,655



47% SRV over 3 years (57.6% including the Rate Peg as per below) from July 2024 with potential annual savings of up to \$1M per annum.

SRV	13.70%	13.70%	13.70%	47.00%
Rate Peg	3.00%	2.50%	2.50%	8.21%
Compounding effect				2.37%
	16.70%	16.20%	16.20%	57.59%

The attached table demonstrates that under this scenario:-

- Council is able to (effectively) achieve an operating surplus by June 2027 and will be financially sustainable as required under the LGA.
- If the savings are not implemented or achieved, Council still remains (effectively) within the OLG benchmark for cash reserves of \$6M over the life of the LTFP and is able to appropriately maintain its asset base.
- If the savings are able to be achieved, Council still remains within the OLG benchmark for cash reserves of \$6M over the life of the LTFP and has the potential to ensure assets are well maintained with the possibility of being held at better condition.