



# Balranald Shire Council

Long Term Financial Plan 2017 – 2027

January 2018

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## Executive Summary

Following the public exhibition and community consultation of this Long Term Financial Plan and discussions with IPART the plan has been updated to reflect Councils response to the feedback. Council has resolved to submit an application for a Special Variation (SV). The SV is 10% per year for seven years (including rate peg of 2.3% in year 1 and 2.5% for years 2 to 7).

Following community consultation, Council is in the process of updating its Delivery Program accordingly.

This LTFP document addresses or provides links and references to other relevant documents that address the assessment criteria for a Special Variation application.

### Who we are and the challenges we face

Balranald Shire Council is located in the south western part of New South Wales. The Shire is part of the Western Division of New South Wales, located 850 km south west of Sydney and 450 km north of Melbourne, Balranald Shire Council covers an area of 21,346 square kilometres. Major townships within the Shire are Balranald (population 1,200) and Euston (population 600).

The Shire was formed as part of a large operation in the 1950s to bring much of the unincorporated area under municipal control. As with other examples of small municipalities merging with surrounding rural areas, a better resourced local government administration resulted.

The estimated resident population of Balranald Shire Council at June 2016 was 2,250. This represents a 4.2% decrease from the estimated 2350 resident population in 2011. Projections from the NSW Department of Statistics indicate that the population is expected to decline to 2,100 by 2031, a further 6.4% decrease from the 2011 estimated population. Total households are expected to decrease by 5.3% over the same period.

Despite the incorporation, along with decreasing population trends, Balranald has a very low rate base to anchor the various services required of a modern council. Lack of finance is a major issue. As a consequence there is the reality of Balranald Shire Council struggling with compliance and legislative obligations. Council's location and size significantly increases the cost of service delivery.

In NSW, local government annual rates income is subject to rate pegging with each year's percentage increase determined by the Independent Pricing and Regulatory Tribunal (IPART) under delegation of the Minister for Local Government. The rate peg also incorporates a productivity factor.

### Background and Base Rationale for a Special Variation

Balranald Shire Council was not required, along with the other seven far western councils, to submit Fit for the Future proposal for assessment by IPART.

The 2013 Local Government infrastructure Audit (Premier & Cabinet – Division of Local Government) report involved the collection and analysis of data from councils through an audit survey, desktop reviews, financial assessments by NSW Treasury Corporation (TCorp) of all councils, gap analysis and assistance for Local Government Reform Fund (LGRF) councils, and an on-site review of 35 councils to determine the reliability

and accuracy of the data provided.<sup>1</sup>

The report found that councils were considered to have the capacity to adequately manage its infrastructure assets going forward, if there is evidence of funding in its LTFP to adequately address the goals and strategies outlined in its CSP and DP to manage infrastructure assets, as well as identifying specific staff requirements for asset management over the four years of the plan.<sup>2</sup> Even though Balranald was not one of the Councils that participated in an onsite audit the report indicates that Council was weak in terms of infrastructure management and was not able to provide complete data for bringing assets to a satisfactory standard (BTS) per capita assessment.

The report found that the results of the regional analysis [of trends in infrastructure needs] were consistent with the sustainability findings from the TCorp report. Further it would appear larger Councils are more capable of managing their infrastructure from both a management and financial standpoint.<sup>3</sup>

Morrison Low prepared an Overarching Asset Management Plan July 2107 for Council including a strategic asset management gap analysis. The audit results for Balranald indicate a low level of compliance with asset management practices within the organisation. This is a reflection of Councils limited capacity to manage and fund councils infrastructure assets.

Further, in 2013, Council was assessed by NSW Treasury Corporation (TCorp) with the key findings being:

- ongoing operating deficits
- declining levels of asset renewals and forecast to deteriorate further
- Council advised no infrastructure backlog existed and asset management plans had been completed.

Since the Tcorp report:

- there has been no significant improvement in the operating ratio
- all asset management plans have been reviewed and the infrastructure backlog calculated
- depreciation expenses have been reviewed and adjusted downward
- investment in asset renewals has stabilised.

Council was issued with a Performance Improvement Order (PIO) in April 2017 which included the appointment of a temporary advisor. Council has submitted a Performance Improvement Implementation Plan, which was further extended following the advisor's report to the Office of Local Government. Part of the reasoning for the PIO was that 1. A failure of Council to meet its legislative responsibilities in respect of its financial and governance obligations. 2. Council has budgeted for and subsequently run large operating deficits over a number of years. At the same time, Council has not had a reliable Long Term Financial Plan (LTFP) to provide a path to achieve a break-even result or an ongoing surplus in the future.

Given the above and Morrison Low's assessment of Council's current financial position, detailed in this document, Council is currently in an unsustainable financial position.

In addition this LTFP document models financial options that can lead to financial sustainability and considers the SV assessment criteria in terms of need and impacts on ratepayers and implications for Council.

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<sup>1</sup> 2013 Local Government infrastructure Audit ( Premier & Cabinet – Division of Local Government) report p18

<sup>2</sup> Ibid p68

<sup>3</sup> Ibid p66

## What we know

All councils are required to complete a Long Term Financial Plan (LTFP) as part of the Resourcing Strategy that informs the Community Strategic Plan. There are specific requirements about the financial data to be provided together with a number of ratios which councils must report on.

Following the issue of the Performance Improvement Order, 39 actions have been identified to address this order. One of the key actions is for Council to finalise, resolve and adopt a LTFP that has clear links to Council's asset management plans and strategies in order to improve their financial position. Balranald Shire Council is required to endorse this revised LTFP, in October 2017.

This LTFP document deals with a base case scenario and two other scenario's related to a Special Variation (SV). Council has received a report on its current rating structure and has indicated it will review it in 2019/20. This document highlights the Fit For The Future (FFTF) performance ratio's improvement targets and details strategies to achieve these targets, including a proposed Special Variation (SV).

Council has not been able to generate a sustained operating surplus in the Base Case Scenario 1. Therefore action is required to ensure that Council can demonstrate its ability to move toward being financially sustainable.

Council understands the need to address its financial sustainability into the future and has commenced development of a Business Improvement Plan. This is incorporated in the 39 actions to address the Performance Improvement Order and will provide a pathway for financial improvement. The opportunity is to develop a priorities set of actions and outcomes that can be incorporated into Council's Operational Plan and Resourcing Strategy, in particular the LTFP. The challenge will be committing resources and time to meet the target deadlines and outcomes.

The financial sustainability improvement journey has started with the commissioning of a review and update of our asset management plans and the level of depreciation on our different asset categories. This has resulted in the AMP strategies of asset renewal, new assets and asset maintenance and associated depreciation being integrated with this LTFP. The savings on the annual depreciation expense of \$2 million was identified and included in this LTFP.

Council will continue to strive to achieve further efficiencies and find better ways to do things through the implementation of the Business Improvement Plan. The outcome of this implementation is an improving trend in the real operating expenditure per capita performance target.

In our 2017/18 budget, which is the Scenario 1 base case, Council has taken the approach to reflect the current financial state, including depreciation savings of \$2 million resulting in a small surplus of \$252,000. Operating surpluses trend downward and are not sustained beyond 2022/23. More importantly the current LTFP forecasts do not address the asset management challenges the Council faces with all indicators trending in the wrong direction.

The Scenario 2 option includes proposed solar farm rates and a permanent SV of 10% per year (including rate capping) each year for seven years. If council is successful in an application for a new permanent SV and the proposed improvement measures in this plan will move Council toward improved long term financial sustainability and meeting most of the FFTF ratios.

The Scenario 3 option includes rating of mineral sand mining activities from 2019/20 with offsetting expenditure to meet the extra demand on services and infrastructure.

These scenarios and assumptions will be tested with the community through a community engagement program. A Community Engagement Plan has been created for Council adoption and implementation.

The key to financial sustainability is to have an income stream that delivers Council services while maintaining its asset at a serviceable standard.

## Management of Council finances – by separate fund

Council's finances are managed in three separate groupings or funds:

- The water fund
- The sewer fund
  - (a) Council has a legislative requirement to maintain separate funds for water and sewer operations and these are reported separately in the annual report
- The general fund
  - (a) Represents all other council activities which do not form part of the water or sewer funds
  - (b) In this document two sets of financial statements are presented for each scenario
  - (c) Consolidated financial statements (whole of council – including all separate funds)
  - (d) General fund financial statements

## What scenarios have we modelled?

Council considered a range of options and settled on three scenarios or options. The options considered in developing this LTFP were:

- **Scenario 1 – Base case**

This is the base case and represents the continuation of 'as is' using the approved 2017/18 budget, which includes depreciation savings of \$2 million for general fund, with no other improvement strategies and without the addition of extra asset renewal expenditure to ensure the FFTF asset ratios are achieved.
- **Scenario 2 – Base Case with SV**

This takes the base case and adjusts the financial projections to include rating for solar farm activities and a proposed permanent SV of 10% per year (including rate capping) each year for 7 years commencing in 2018/19. Productivity improvements from the service review program and review of the aged care facility operations have also been considered along with the 39 actions to address the PIO have been considered. Based on the premise that the SV is approved and the new solar farm activities commence in 2018/19 additional expenditure has been included for asset maintenance and renewal to address the FFTF asset ratios.
- **Scenario 3 – Base case with SV and Mines**

This option it takes scenario 2 and adjusts the financial projections to include rating for mineral sand mining activities from 2018/19. A proposed permanent SV of 10% per year (including rate capping) each year for 6 years commencing in 2019/20. These are significant new activities where Council has to determine the impact on its operation and the level of rates these activities should contribute. As a result, for expenditure to meet the demand of extra service provision, infrastructure operation and maintenance has been included. In addition each of the mines have agreed to a road contribution which has been deducted from the gross rate amount.



## What is the recommended approach and why?

The preferred option is scenario 3 where Council seeks a permanent SV of 10%, including the rate cap, per year for seven years commencing in 2018/19 and 2019/20 for the sand mining rates, with the additional rates income from the new mining and solar farming activities. The major reasons for the SV is to create a financially sustainable council by building unrestricted cash, currently Council has very limited financial capacity to meet ongoing commitments let alone unplanned opportunities. Also, to have sufficient resources to employ additional staff in order to deliver current services. Finally to increase asset maintenance and capital renewal expenditure to address two of the key asset FFTF performance targets.

This, when combined with the other improvement measures included in Scenario 2, enables Council to operate with a small surplus for a General Fund which provides additional cash resources to help fund extra infrastructure renewals. This enables Council to meet 5 of the seven FFTF benchmarks, with the exception of own source revenue and real operating costs per capita.

The Scenario 3 option will also deliver increases in total cash but more importantly unrestricted cash. Councils cash position for a general fund will improve from \$2.5 million in 2016/17 to an estimated \$15.4 million in 2026/27. This provides a significant improvement to unrestricted cash resulting directly from the increases in rate revenue. In addition, a total equity increase from \$85.1 million in 2017/18 to \$100 million in 2026/27.

However, there is a high degree of uncertainty for Scenario 3 as to whether the new mineral sand mining activities will commence in 2018/19. The most likely outcome will be making an SV application based on Scenario 2 resulting in the generation of a small operating surplus for each of the 10 years. The backlog ratio is largely achieved but is starting to trend upwards in year 10. The asset maintenance ratio is trending positively, however the real operating expenditure per capita is trending upwards.

One of the key challenges for both Scenario 2 and 3 is the implementation of a range of productivity improvements have been identified as part of the 39 actions to address the Performance Improvement Order (PIO) and Business Improvement Plan. Impacts of these improvements have been introduced to more accurately reflect the council's true financial position and to also demonstrate council's commitment to generate ongoing operational efficiencies.

Scenarios 2 and 3 include additional capital renewal expenditure of \$300,000 and \$350,000 per annum in the general fund to address the backlog ratio. Also including \$150,000 and \$200,000 per annum in the general fund for asset maintenance to address the asset maintenance ratio.

Scenario 1 presents a continuation of the 'status quo' or 'do nothing' solution, where Council delivers existing services and continues to invest at the current levels in asset renewals. Based on this scenario, Council cannot be considered to be financially sustainable with the general fund cash reserves trending downward, inability to deliver ongoing current services and is not able to achieve the key fit for the future (FFTF) benchmarks without adopting a range of improvement measures, including a SV. Councils operating result steadily decreases over the life of the LTFP, resulting in deficits from 2023/24, demonstrating the need for a SV.

## Introduction

### Purpose of the Long Term Financial Plan

The Long Term Financial Plan acts as a tool for stakeholders (Council and the community) to use in deciding what resources Council needs to apply to deliver on the outcomes contained within the Balranald Community Strategic Plan. This Long Term Financial Plan seeks to support Council in addressing the following dilemmas:

- Leading the change required to support a community and economy in transition
- Initiating opportunities for future income and economic growth
- To source revenue to deliver the infrastructure required for a sustainable future

In particular, this plan will model the financial implications of the Balranald Community Strategic Plan and Delivery Program, along with the ability to maintain existing facilities and infrastructure based on a range of assumptions and within any known constraints.

## Long Term Financial Sustainability

### How do we define long term financial sustainability?

A financially sustainable council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without imposing excessive debt or rate increases on future generations. This definition has been translated into four key financial sustainability principles which Council is committed to.

- Council must achieve a **fully funded operating position** reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation
- Council must **maintain sufficient cash reserves** to ensure that it can meet its short-term working capital requirements
- Council must have an appropriately **funded capital program** where the source of funding is identified and secured for both capital renewal and new capital works
- Council must **maintain its asset base** by renewing ageing infrastructure which is identified, and by ensuring cash reserves are set asides for those works which are yet to be identified

### How is long term financial sustainability measured?

The Fit for the Future reassessment process developed a set of performance criteria and benchmarks indicators. These indicators are now being used to assess the financial sustainability of councils as stand-alone entities.

Council has reviewed its Long Term Financial Plan against these indicators as part of assessing the long term financial health of the organisation and its capacity to fund the proposed delivery program. The following table shows our starting point in relation to the general fund.

Ratio	Calculation	What is Being Measured?	Sustainable Target	2016/17 Actual Ratio
<b>Operating Performance</b>	Total operating revenue (excluding capital grants and contributions) less total operating expenditure  Divided by continuing operating revenue	Does the Council have a balanced budget?	Greater than zero	-22.5% 
<b>Own Source Operating Revenue</b>	Total continuing operating revenue (excluding capital grants and contributions)  Divided by continuing operating revenue	Indicates the level of Council's self-sufficiency.	>60%	32.9% 
<b>Asset Renewal Ratio (Buildings and Infrastructure)</b>	Asset renewal expenditure divided by depreciation	Is asset renewal expenditure sufficient to maintain assets in the long-term?	Greater than 100%	11.1% 
<b>Infrastructure Backlog Ratio</b>	Estimated cost to bring assets to a satisfactory condition  Divided by total value of infrastructure, building and other structures	Is the asset backlog manageable?	Less than 2%	6.8% 
<b>Asset Maintenance Ratio</b>	Actual asset maintenance divided by required asset maintenance	Are the assets being adequately maintained?	Greater than or equal to 100%	53.5% 
<b>Debt Service Ratio</b>	Interest divided by operating revenue	Indicates whether Council has excessive debt servicing costs relative to operating revenue	< than 0% and > or equal to 20%	1.8% 
<b>Real Operating expenditure per capita</b>	Operating expenditure divided by population	Operating efficiency of the Council	Inclining trend over time	\$5,916 per capita 

## Financial Management in Council

### Existing environment and past influences

#### *About Balranald*

The Balranald Local Government Area (LGA) has a large geographical area of 21,346 square kilometres. Major townships within the Shire are Balranald (population 1,200) and Euston (population 600) and located 850 km south west of Sydney and 450 km north of Melbourne.

The Shire's economy has traditionally relied upon dry-land and irrigated agricultural production of grains, wool, sheep meet and beef (valued at more than \$80 million in 2006). However primary production is diversifying to encompass horticulture, viticulture, organic agriculture and the growing of fruit and nut trees. Tourism is also now recognised as an important economic driver.

Council was issued with a Performance Improvement Order in April 2017 which included the appointment of a temporary advisor. The advisor has submitted a report which has seen Council's Performance Improvement Implementation Plan expanded to include his recommendations. A key recommendation was to develop an LTFP that enables services to be delivered and assets conditions fit for purpose while considerably enhancing Council's financial sustainability.

#### *Regulatory environment*

Council operates in a highly regulated environment driven by legislation and state strategies such as:

- The Local Government Act 1993
  - Defines the scope and boundaries of Council's role and the way it must conduct its business.
- The NSW State Plan
  - The State Plan: A New direction for NSW defines the overarching goals and outcomes that NSW Government has set for this state and which should shape public policy.

#### *Financial environment - rate pegging*

Council's ability to align rating revenues with the increased cost of providing local government services has been restrained for a number of years by rate pegging, a legislative instrument whereby the maximum increase in rating revenues is set by IPART NSW.

#### *Financial environment – the state of the Council's finances*

Balranald Shire Council has a serviceable balance sheet however currently its operational financial position is very uncertain. The unrestricted cash position is extremely low and there is effectively an estimated operating deficit for 2017/18 of \$1.3m when sales from assets proceeds are excluded.

As at 30 June 2016 Council had total general fund assets of \$86.7 million which included cash assets of \$3 million. Total general fund liabilities were \$4.3 million including external borrowings of \$2.1 million. The comparative data for Council's consolidated position (water and sewer fund included) was total assets of \$103 million including cash assets of \$4.2 million with total liabilities of \$5.3 million including external borrowings of \$3 million.

This shows that the various sustainability ratios on page 6 paints a rather gloomy picture. Council has limited balance sheet capacity and improvement strategies to significantly improve the ratios without needing to significantly increase rates.

Council has prepared a budget based on the delivery of the activities and targets outlined in its draft 2017/18 budgets, and these activities have been projected out for ten years based on a range of assumptions. This forms Scenario 1 (the base case).

The financial impacts based on the adjustments and improvements to these budgets are presented in Scenarios 2 and 3 as outlined in more detail under each Scenario. The improved budget position also forms the basis of the four year delivery program and operational plan.

## Financial management principles

In preparing the 2017-2027 Long Term Financial Plan, and being mindful of the need to improve our financial management practices, the following underpinning principles have been used:

- Council spending is responsible and sustainable, aligning general revenue and expenses.
- Council aims to invest in responsible and sustainable infrastructure for the benefit of the local community.
- Council has effective financial and asset management, including sound policies and processes for performance management and reporting, asset maintenance and renewals, funding decisions, and risk management practices.
- Council has regard to achieving intergenerational equity, through policy decisions that consider the financial effects on future generations and the current generation funding the cost of its services
- Establishment of an audit committee.
- Council will undertake strong engagement with the community.

In conjunction with these principles, Council's Long Term Financial Plan is guided by a number of policies and strategies which are outlined below.

### *Rating income strategy*

Rating income is generated by a levy on properties within the council area for the provision of local government services. Council plans to review its rating structure in 2019/20 to ensure that it is fair and equitable, where each rating category and property will contribute to the rate levy according to the demands placed on Council's limited resources.

### *Domestic waste management charges*

In addition, Council charges a domestic waste management charge to owners of rateable properties. This covers the cost of kerbside collection, and land fill services and includes the full cost of administration, service provision, and tipping fees.

### *Investment principles*

Council has an investment policy that reinforces Council's ongoing commitment to maintain a conservative risk/return portfolio, an important component of its ongoing prudent financial management practices. The overall objectives of the policy are to ensure that Council invests its funds:

- in accordance with the requirements of the Local Government Act (1993) and Council's investment policy

- in a conservative manner where preservation of capital is the principal objective
- in a manner that seeks to ensure the security of the Council's cash and investment portfolio, achieve appropriate earnings and manage cash resources to ensure that there is sufficient liquidity to meet Council's business objectives.

### ***Loan borrowings***

The Council's approach to debt is that it be used to fund the cost of major new community assets or to smooth the cost of major asset renewals. However any minor asset acquisitions and a normal level of asset renewals (up to the level of the annual depreciation charge) should be funded out of operating revenues.

Council also recognises the need to address the issue of intergenerational equity and therefore seeks to match the term of the borrowing with the life of the asset to which the borrowing is related.

### ***Cash reserves and restrictions***

Council has a number of cash reserves which are either a legislative requirement (externally restricted) or through a Council decision (internally restricted).

The establishment and funding of cash reserves is a financial management strategy to provide funds for future expenditure that could not otherwise be financed during a single year without having a material impact on the budget.

The cash reserves are also held as an offset against borrowing requirements. Separate reserves are also maintained for the water and sewer funds.

### ***Section 94 developer contributions***

Section 94 of the Environmental Planning and Assessment Act 1979 enables Council to levy contributions for public amenities and services required as a consequence of development.

### ***Discretionary and regulatory fees and charges***

Council has the ability to raise revenues through the adoption of a fee or a charge for services or facilities. Fees and charges are reviewed on an annual basis in conjunction with the preparation of the annual budget.

The fees and charges which Council can charge can be split into two categories:

- 1 Regulatory Fees - These fees are generally determined by state government legislation, and primarily relate to building, development or compliance activities. Council has no control over the calculation, and any annual increases of these fees and charges.
- 2 Discretionary Fees - Council has the capacity to determine the charge or fee for discretionary works or services such as the use of community facilities and access to community services.

The general principles under which Council sets its fees and charges are that Council aims to maximise returns from of fees and charges. Fees are set to recover or partially recover the cost of services provided.

### ***Asset disposal policy***

The policy aims to achieve best value for money such that Council obtains the best possible return for the goods that are being disposed, as well as maintaining probity and transparency throughout the process. The majority of Council's property assets deliver on services such as:

- transport infrastructure

- environmental services, such as stormwater management
- community facilities
- operational assets, including administration buildings
- waste management.

Council will look to identify and dispose of any assets which are no longer needed to provide services to the community. Any funds received will be used to reduce Council's borrowing requirements.

## Asset management

### *Balranald Asset Management Strategy*

Balranald Shire Council is the custodian of infrastructure assets with a replacement value of \$200 million and a depreciated value of approximately \$103 million. Ensuring these assets are maintained and able to provide the services required of them is an important function of the Council.

The Asset Management Strategy provides a systematic way of accounting for these assets and planning for their operation, maintenance, rehabilitation, disposal and renewal. The strategy also helps Council to review its asset management practices to ensure they are being carried out in the most cost effective manner possible.

The broad purpose of the Asset Management Strategy is:

- to have proper plans and strategies that ensure the assets provided by previous generations continue to be available to provide the services required by future generations
- to be able to plan for new assets confident of our understanding of their impact on Council's long term financial sustainability
- to provide assurance that assets are being created operated, maintained, rehabilitated and renewed in the most cost effective ways possible.

Council recently reviewed and updated its Asset Management Strategy and Plans<sup>4</sup> providing Council with an improved understanding of asset conditions and values, useful life, expected levels of service and funding levels required to adequately maintain replacement and renew infrastructure and other assets.

The strategy also includes a comprehensive improvement plan and program of actions to improve the quality of asset data and asset management systems and practices within Council.<sup>5</sup>

Investment is also required to operate and maintain existing assets, and also to build new assets to meet the needs and aspirations of the community. The Plan highlights an estimated shortfall in required capital renewal expenditure of \$10M over ten years and an estimated shortfall of operational and maintenance expenditure of \$12.5M over ten years. The proposed Special Variation begins to address these issues with inclusion of additional capital renewal expenditure of \$300,000 and \$350,000 per annum, respectively, in general fund to address the backlog ratio and \$150,000 and \$200,000 per annum in general fund for asset maintenance to address the asset maintenance ratio.

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<sup>4</sup> Overarching Asset Management Plan Balranald Shire Council, July 2017

<sup>5</sup> Ibid Appendix

## Long Term Financial Plan considerations and assumptions

The long term financial model requires Council to identify all material items of revenue and expenditure, and determine the external and internal influences which could significantly impact on Council's finances. This includes SV options and the implications for Council and ratepayers.

In preparing the 2017-27 Long Term Financial Plan the following underpinning considerations and assumptions have been adopted.

### Proposed Special Variation

#### Special Variation considerations

Council has been striving to improve its financial sustainability through a range of initiatives. Council has reviewed all operating expenditure to ensure that Council is spending every dollar it receives wisely, coupled with exploring all opportunities to maximise non-rating income. After this process Council is left with two options to become sustainable:

- reviewing its rating structure
- applying for a Special Variation (SV) to increase its annual rates income above the rate peg.

Balranald Shire Council has a very low rate base to anchor the various services required of a modern council. Lack of finance is a major issue. As a consequence, there is the reality of Balranald Shire Council struggling with compliance and legislative obligations. Council's location and size significantly increases the cost of service delivery.

Council commissioned and considered a Rating Review Report<sup>6</sup> and decided to undertake a detailed review of its rating structure during 2018/19 for any implementation year commencing 2019/20. Council then decided to evaluate the options for a Special Variation (SV).

The fundamental bases of the proposed SV application is detailed in the executive summary of this plan, which centres around the limited capacity and capability of Council to become financial sustainable under the current rating and income structure. This has a flow on effect of Council's inability to effectively deliver current services and manage, maintain and fund infrastructure assets at a sustainable level.

Council further evaluated its need for a SV application with the engagement of Morrison Low to work with Council to assess its financial sustainability and options for council determination. The financial evaluation and assessment found that:

- Council is not able to meet the majority of the FTF ratio's by continuing with its current operation
- Council has very limited unrestricted cash
- operating deficits will occur from 2023/24
- Council's current general rate base of \$1.3M is very low
- Council is unable to meet its current service and governance commitments

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<sup>6</sup> Rating Review Report Balranald Shire Council, September 2017



- the need to increase asset capital renewal and maintenance expenses

The assessment concluded that Council's current operation is financially unsustainable. Council was mindful in establishing the quantum of a proposed SV to generate the financial capacity to commence addressing the infrastructure asset issues, to delivery current service levels into the future while creating an operating result that would build its unrestricted cash position. To achieve this, the initial objective was to maintain a small operating surplus for each of the ten years.

In considering these limitations and the objective to have operating surpluses Council developed and exhibited three LTFP Scenarios namely,

- Scenario 1 - the base case models the continuation of Council's current operations based on the 2017/18 adopted budget .
- Scenario 2 - adjusting the base case to include a proposed SV of 10% (including rate peg) commencing in 2018/19 for seven years, productivity improvement options and additional capital renewal and maintenance expenditure.
- Scenario 3 – adjusting Scenario 2 to include additional rating income and associated expenses resulting from the new mining and solar farming activities, with the SV effective from 2019/20. There is an extremely high level of uncertainty as to when the mineral sand mining activities will become rateable and as a result the SV application is based on Scenario 2.

In developing the SV proposal Council considered the Office of Local Government Guidelines for the preparation of an application for a special variation to general income and the need to address the 5 criteria that allows IPART to undertake the assessment. These criteria are,

1. The need for and purpose of a SV is clearly articulated and identified in Councils IP&R documents.
2. Evidence that the Community is aware of the need for and extent of a rate rise.
3. The Impact on affected ratepayers must be reasonable.
4. The relevant IP&R documents must be exhibited approved and adopted by Council.
5. The IP&R documents or Councils application must explain the productivity improvements.

Council developed and adopted a Community Engagement Plan<sup>7</sup> for consultation on the proposal SV's and their implications. Council undertook community consultation and engagement in accordance with the plan. Following the end of the consultation period a Community Engagement report<sup>8</sup> was prepared and considered by Council.

### Special Variation - Scenario 2 Outcomes and Impacts

Following are the outcomes, implications and impacts of the proposed SV.

The estimated additional rating income from the proposed SV, under Scenario 2, for each of the seven years is detailed below.

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<sup>7</sup> Community Engagement Plan Balranald Shire Council October 2017

<sup>8</sup> Community Engagement Report Balranald Shire Council November 2017

	Year1 \$'000	Year 2 \$'000	Year 3 \$'000	Year 4 \$'000	Year 5 \$'000	Year 6 \$'000	Year 7 \$'000
<b>Scenario 2</b>	\$102	\$110	\$121	\$133	\$146	\$161	\$177

The total SV component of the proposed rate increase for seven years is estimated at \$951,000, excluding the rate peg amount, along with a \$14 million saving in depreciation over the same period will be allocated to the assets backlog and maintenance issues and current service provision. The proposed allocation of funds is as follows:

- \$2.1 million on asset backlog;
- \$11.8 million to ensuring the General Fund remains in balance and all service levels across all Council’s functions are maintained;
- \$1.05 million to additional maintenance of council infrastructure assets such as the road and drainage network

The proposed SV under Scenario 2 will impact all ratepayers with a cumulative increase of 95% on total rates over the seven year period. The proposed SV is 10% per year for seven years with 7.7% SV year 1 and 7.5% for each of the remaining years and 2.3% Rate peg for 2018/19 and 2.5% for each of the remaining years. The cumulative rate peg increase for the same period is 18.6%.

The following table illustrates the impact of proposed rate increase on the average land value for each rating category and sub- category. This represents a 95% cumulative increase ( SV and Rate peg increases) on the total average rate.

### Impact of Average Rates by Category

Category	Ave Land Value 2017/18	Average Rates per Property	Average Rates Year1 SV	Average Rates Year 4 SV	Average Rates Year 7 SV
<b>Farmland General</b>	700,174	2,838	3,122	4155	5531
<b>Farmland - Other Rural</b>	72,489	363	399	531	707
<b>Farmland - Intense</b>	123,369	1,183	1301	1732	2305
<b>Farmland - Average</b>	<b>438,314</b>	<b>1,946</b>	<b>2140</b>	<b>2848</b>	<b>3791</b>
<b>Residential - Balranald</b>	40,536	299	329	438	583
<b>Residential - Euston</b>	51,740	293	322	429	570
<b>Residential - General</b>	20,488	189	208	277	368
<b>Residential - Average</b>	<b>41,238</b>	<b>283</b>	<b>311</b>	<b>414</b>	<b>551</b>
<b>Business - Balranald</b>	44,059	1,395	1534	2042	2718
<b>Business - Euston</b>	113,600	2,352	2587	3443	4583
<b>Business - Mining</b>	41,473	470	517	688	916
<b>Business - Rural</b>	8,706	288	317	422	562
<b>Business - Average</b>	<b>35,597</b>	<b>960</b>	<b>1056</b>	<b>1406</b>	<b>1871</b>
<b>Total Average</b>	159,973	861	947	1260	1678

In terms of affordability Councils current average rates are considerably below most of its neighbouring Councils as illustrated in the following table.

Category	Balranald	Central Darling	Hay Shire	Wentworth	Murray River
Farmland	1,946	1,145	2,976	1,581	see note
Residential	283	294	1,820	747	428**
Business	960	313	3,965	1,137	428**

Notes: \*\* Only data on minimum rate available

Following is a further comparison demonstrating the full effects of the proposed SV, under Scenario 2, along with the rate peg increases applied to other Council rates, for the average rate for each category.

Category	Balranald 17/18	Hay Shire Year 7 Rate Peg	Wentworth Year 7 Rate Peg	Balranald Year 7 SV
Farmland	1,946	4,900	1875	3791
Residential	283	708	886	551
Business	960	1991	1349	1871

The 2012/13 Comparative Information on NSW Local Government- Measuring Local Government Performance report shows Councils' average rates are largely lower than the Group Average as detailed below. Also detailed below is the application of the annual rate peg from 2013/14 to 2017/18 to the 2012/13 averages.

	2012/13		2017/18	
Balranald Rate Categories	Balranald Council	Group Ave	Balranald Council	Group Ave
Residential Ave Rate	221	358	248	401
Business Ave Rate	749	694	838	777
Farmland Ave Rate	1752	2408	1960	2695

Councils current total ordinary rate base of \$1.33 million is small compared to its total annual operating expenditure of some \$13.7 million for 2017/18. When compared to neighbouring Councils, it's ordinary rates base is the lowest, with Hay Shire Council at \$2.1 million, Wentworth Shire Council \$4.5 million and Murray River \$5.3 million. Council's low rate base coupled with its location and size significantly increases the cost of service delivery. As a consequence, there is the reality of Balranald Shire Council is also struggling with compliance and legislative obligations.

Another consideration for Council is the ratepayers capacity to pay. A key indicator of capacity to pay is income earnings. The 2016 census for median weekly incomes (people aged 15 and over) for the Balranald

local area for personal income is \$624.<sup>9</sup>

The following table illustrates the comparisons of median weekly incomes for Balranald LGA, NSW and Australia<sup>10</sup>

Median Weekly Incomes	Balranald LGA	New South Wales	Australia
Personal	624	664	662
Family	1,438	1,780	1,734
Household	1,174	1,486	1,438

Another key determinate of capacity and willingness to pay is the level of outstanding rates and charges. Council's outstanding rates and charges has significantly reduced from 17.6% in 2013 to 9.7% in 2017. This is coupled with Council's hardship provisions in debt collection policies provides an indication of the ratepayers capacity to pay.

## Productivity improvements

Council has achieved some operational efficiencies with the significant improvement in the reduction of depreciation costs as a result of the revaluation of council assets. This is currently saving ratepayers \$2million per year. Despite this saving, there is not sufficient funds to meet the costs of providing ongoing services at the current levels.

Council has very limited capacity to deliver significant ongoing productivity improvements. However in preparing this LTFP, a service review program has been included which will see the review 1 to 2 services each year. Council will also review its aged Care operations with a view of reducing the operating deficit. Council also plans to review its rating structure which may lead to further re-categorisation of properties. It will also develop and adopt S94 plans for the Shire and review fees and charges.

In addition Council will be implementing the 39 actions identified to address the Performance Improvement Order issued by the Local Government Minister. Contained in these actions is to implement the Business Improvement Plan.

Refer to Appendix A for a copy of the 39 Actions to address the Performance Improvement Order

## Market driven planning assumptions

### Population forecasts

Balranald's population is currently estimated at 2,250 and this is projected to decrease to 2,100 by 2031. At the same time the number of households in Balranald is projected to fall from 950 to 900 a movement away

<sup>9</sup> 2016 Census QuickStats: Australia | New South Wales | Local Government Areas Balranald (A): Code LGA10300 (LGA)

<sup>10</sup> Ibid

from family households to non-family households.

In this LTTP there has been no allowance made for a change in rate revenues for Council as a result of population and household changes due to the new mining activities.

Council faces a degree of uncertainty in terms of its ongoing rate revenues with significant threats and possible opportunities expected to eventuate over the life of the plan. It is for this reason that no major charges (including an allowance for rating base growth) have been included at this stage, other than scenario 3 – new mining activities.

## Cost and revenue increase assumptions

### *Factors applied to revenue and expenditure in the long term plan*

These are the same as used for the draft 2017/18 Operational Plan in the first four years and they reflect the current low inflation environment in Australia at present.

Assumptions	Year One 2017/18	Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	Years 5 - 10
Rates Cap	1.5%	2.3%	2.5%	2.5%	2.5%
Special Rates – Sewers	1.50%	1.75%	2.50%	2.50%	2.50%
Annual Charges – Water	1.50%	1.75%	2.50%	2.50%	2.50%
Annual Charges – Sewers	1.5%	1.75%	2.50%	2.50%	2.50%
Annual Charges – Waste and other	1.50%	2.00%	2.00%	2.50%	2.50%
Financial Assistance Grant and Other Grants	0.00%	1.00%	1.00%	1.00%	1.50%
Discretionary Fees and Charges	2.50%	2.50%	2.50%	2.50%	2.50%
Salaries and Wages (incl. on costs)	2.00%	2.50%	2.50%	2.60%	2.60%
Materials and Contracts	0.00%	2.00%	2.00%	2.00%	2.20%
Other Expenses	2.00%	2.00%	2.00%	2.00%	2.20%
Depreciation	0.00%	2.00%	2.00%	2.00%	2.20%
Interest / Investment Revenue	3.00%	3.00%	3.00%	3.00%	3.00%
Interest on Borrowings	5.00%	5.00%	5.00%	5.00%	5.00%

In determining the inflationary increase assumption for 2017/18, Council has used IPART projections. The increases for 2018 onwards also reflect guidance on allowances for increases.

### *Specific revenue and expenditure assumptions*

The following tables outline Council's planning assumptions by revenue and expenditure types. Included within the assumptions is a brief description as to how Council has determined this assumption and the external influences which impact the assumption.

**Note:** The assumptions included in the following tables are those which could have a material impact on Council finances.

Rates Income	Assumption
Minister's Allowable Increase	As above – 1.5% per annum for 2017/18, 2.3% for 2018/19, 2.5% for 2019/20, and 2.5% from 2020/21 at the request of IPART due to SV proposal.
Special Rate Variation Income	Scenario 2 provides for a permanent SV of 10% per year (including rate capping) each year for 7 years commencing in 2018/19 . Scenario 3 includes new rates for the mineral sand mining activities from 2018/19. A proposed permanent SV of 10% per year (including rate capping) each year for 6 years commencing in 2019/20.

Other Revenue	
Fees and Charges	Fees and charges are indexed based on the assumptions that service levels will be maintained. Some allowance has been included for small additional increases due to opportunities that have been identified in Scenarios 2 and 3.
Grants and Contributions provided for operating purposes	Financial assistance grant budgets reflect expectations based on guidance from the State and Federal governments. The ten year trend reflected in this LTFF is for operating grants to grow at a slower rate than other income sources (1.5% compared to 2.5% for other sources over the last six years of the plan).
Grants and Contributions provided for capital purposes	An assumption is also made that council will continue to receive ongoing grant funding from the Resources for Regions (or equivalent) funding source.

### Rate income growth

No allowance has been made for additional revenue from new residential properties added each year.

Expenditure	
Depreciation	An allowance has been made for a projected decrease in the depreciation expense of \$2m in general fund based on the revaluation of general fund assets. There was not adjustment to water and sewer depreciation costs.
Interest Costs	Interest at 5% per annum has been allowed on any new borrowings over the life of this plan.
Operational Costs (staff and materials \contracts)	Costs reflect the actual costs to deliver services which includes an additional \$400K for staff resources from 2017/18 to fill long term vacancies.
Asset Maintenance	Additional expenditure has been allowed for the asset maintenance program to the sum of \$150k per year indexed in scenario 2 and \$200k per year indexed in scenario 3.

Capital Expenditure and Revenue	
Asset Renewals	<p>Renewals reflect the Asset Management Strategy with some additional allowance to ensure Council meets the asset renewals benchmark.</p> <p>Scenario 2 includes an allowance for additional \$300k per year for asset renewals for the general fund to address the backlog.</p> <p>Scenario 3 then provides for a further \$50k per year for asset renewal expenditure for the general fund to address the backlog.</p>
New Works	Reflects proposed expenditure in Capital Works Program.
Proceeds from sale of Assets	Scenarios 2 and 3 make no allowance for asset sales

### ***Discussion on the approach to the preparation of the LTFP budgets for key income and expenditure items***

The following provides additional background to the preparation of the LTFP budgets for key income and expenditure items.

#### **Rates and annual charges**

Rates and annual charges account for a large portion of income in future years. Council relies on the annual rate pegging increase set by the Independent Pricing and Regulatory Tribunal (IPART). The Long Term Financial Plan assumes an annual increase of 2.3% from 2018/19 and 2.5% for the remaining life of the plan.

The LTFP includes a proposal for a permanent SV of 10% (including rate cap) per year for seven years. The Scenario 2 proposal will see a cumulative increase in rates of 95% at the end of 7 years.

It is anticipated inflation and the Local Government Cost Index will increase during this period. Indications are that the population of the Local government area could be maintained due to new mining and solar farming activities but with an aging population base. Council will need to consider the write off of rate income due to pension rebates and as a result issues for rating as a revenue source become evident. The issues may be:

- the ageing population is likely to limit scope to raise income, due to the populations' ability to pay and the fact that more pensioner rebates will be being processed resulting in less rate revenue
- the level of rate increases due to the SV.

#### **Water and sewer charges**

The pricing of water and sewerage services is guided by State Government Best Practice Pricing Guidelines. Council has adopted a two part tariff for water supply, consisting of an access charge and a usage charge. Access charges are related to the size of the water connection for both raw and filtered water supplies. The guidelines also require that at least 75% of water revenue for residential customers should be generated through the usage component. Sewerage tariffs adopted by Council consist of a uniform sewerage charge for residential properties, a two part tariff for commercial customers and appropriate fees and charges for liquid trade waste dischargers and septic tanks.



## **Grants and contributions**

Operating grants and contributions, specifically the financial assistance grant, is based on the population of the local government area and the current stagnate population could affect the level of funding available in the future. Due to announcements in last year's Federal Budget the assumption has been to apply a lower inflator to the levels of operating grants and contributions over the life of the plan. This sees revenues from Grants and Contributions increasing at a rate 1% lower than other costs and revenues in this plan.

## **Interest and investments**

Interest on investments is assumed at 3 % in 2017/18 and for the life of the Long Term Financial Plan. Interest rates across the financial markets have been falling for the past twelve months; a low expectation has been set to ensure conservative revenue forecasts. Interest has been calculated on the average balance of funds invested for the year.

## **Employee costs**

Employee costs make up approximately 35% of the annual projected expenditure. This is reflective of the service based nature of a large proportion of activities as well as the construction and maintenance of infrastructure owned by Council. Movement in employee costs is determined through industry wide award negotiations and market forces and Council is aware unplanned changes may occur with employee costs.

The Long Term Financial Plan assumes employee costs will increase by 2.00% for 2017/18, 2.50% for the next two years and 2.6% over the balance of the LTFP.

Council also needs to consider its ability to retain the necessary workforce to achieve the community's expectations for future projects. This will be affected by several internal and external factors such as the rising cost of employment, skills shortages, staff turnover, attraction and retention of Council, an increase in superannuation benefits, maternity and paternity leave, award increases and changes in service levels.

## **Borrowing costs**

The interest for existing loans is as provided for in the existing agreements and the interest assumed on new loans has been calculated at 5% for loans with a tenure of up to 20 years. This interest rate is typical of the interest rates that were on offer in the market place at the time the Long Term Financial Plan was updated, and is consistent with a subsequent cut in official interest rates by the Reserve Bank of Australia.

## **Materials and contracts**

Materials and contracts account for approximately 30% of projected annual expenditure which is reflective of capital works to be constructed and maintained. Considerable pressure is placed on the cost of materials and contracts due to rising raw material costs including fuel and freight. Should unplanned major increases be experienced it will impact on the Long Term Financial Plan. Fuel and energy are subjected to pressure from oil prices and market fluctuations. The costs are indexed at 2.00% for the first four years and at 2.20% per annum from year five onwards.

## **Other costs**

All other expenditure for continuing operations is assumed to increase 2.00% for the first four years and at 2.20% per annum from year five onwards. The Long Term Financial Plan also provides for the additional cost of operations and maintenance of newly constructed or upgraded assets.

## Capital works program

The following shows a summary of the proposed capital works included for the scenarios in this LTFP. For General Fund Scenario 2 includes an additional \$300k for asset renewals and for Scenario 3 an additional \$350k for asset renewals.

### Scenario 1 (Base Case)– General Fund

Capital Expenditure	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
<b>Building and Infrastructure (\$000's)</b>										
New Assets	876	784	799	804	819	824	840	845	861	867
Asset Renewals	2,471	2,126	2,554	2,487	3,112	2,611	2,590	2,324	2,078	2,573
<b>Other Assets (\$000's)</b>										
New Assets	-	-	-	-	-	-	-	-	-	-
Asset Renewals	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,347</b>	<b>2,910</b>	<b>3,353</b>	<b>3,291</b>	<b>3,931</b>	<b>3,435</b>	<b>3,430</b>	<b>3,169</b>	<b>2,939</b>	<b>3,440</b>

### Scenario 2 (Base Case with SV) – General Fund

Capital Expenditure	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
<b>Building and Infrastructure (\$000's)</b>										
New Assets	876	784	799	804	819	824	840	845	861	867
Asset Renewals	2,471	2,426	2,884	2,850	3,511	3,050	3,073	2,855	2,663	3,216
<b>Other Assets (\$000's)</b>										
New Assets	-	-	-	-	-	-	-	-	-	-
Asset Renewals	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,347</b>	<b>3,210</b>	<b>3,683</b>	<b>3,654</b>	<b>4,330</b>	<b>3,874</b>	<b>3,913</b>	<b>3,700</b>	<b>3,524</b>	<b>4,083</b>

### Scenario 3 ( Base Case with SV and Mines) – General Fund

Capital Expenditure	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
<b>Building and Infrastructure (\$000's)</b>										
New Assets	876	784	799	804	819	824	840	845	861	867
Asset Renewals	2,471	2,476	2,939	2,911	3,578	3,123	3,154	2,944	2,760	3,323
<b>Other Assets (\$000's)</b>										
New Assets	-	-	-	-	-	-	-	-	-	-
Asset Renewals	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,347</b>	<b>3,260</b>	<b>3,738</b>	<b>3,715</b>	<b>4,397</b>	<b>3,947</b>	<b>3,994</b>	<b>3,789</b>	<b>3,621</b>	<b>4,190</b>

### Water and Sewer Fund – Scenarios 1, 2 and Scenario 3

Capital Expenditure	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
<b>Water (\$000's)</b>										
New Assets	-	-	-	-	-	-	-	-	-	-
Asset Renewals	375	490	595	495	385	162	162	137	132	144
<b>Sewer (\$000's)</b>										
New Assets	-	-	-	-	-	-	-	-	-	-
Asset Renewals	657	570	72	145	122	115	252	65	72	65
<b>Total</b>	<b>1,032</b>	<b>1,060</b>	<b>667</b>	<b>640</b>	<b>507</b>	<b>277</b>	<b>414</b>	<b>202</b>	<b>204</b>	<b>209</b>

## LTFP Financial Model Scenario 1 – Base Case

### Introduction

This scenario is the base case or ‘do nothing’ option. It models the continuation of Council’s services as currently provided. It is based on the 2017/18 adopted budget .

### Components included in model for Scenario 1

- The State Government has set an annual rate cap for councils over the last 30 years. This responsibility has now been passed to IPART NSW who has set a rate increase of 1.5% for the 2017/18 year and 2.3% for 2018/19. The formula used by IPART assumes that all councils will continue to achieve operational savings.
- No significant changes to rates revenues over the term of this plan, other than from approved increases (rates cap).
- No SV or additional rates from new activities of mineral sand mines and solar farming.
- The capital maintenance, rehabilitation and new capital expenditure program is as previously proposed. See capital program summary for general fund above.
- Scenario 1 is predicated on the idea that no significant changes will occur in terms of the level and nature of services provided by Council, the amount of funding required for the maintenance, replacement and renewal of assets or the general environment in which council operates. It shows what happens if no action is taken to improve performance against the key FFTF ratios.

### Summary and assessment – Scenario 1

As displayed in the key performance measures in the following table (and in the financial statements) Balranald Shire City Council is not able to meet many of the performance measure benchmarks over the term of this LTFP under Scenario 1.

This scenario presents a continuation of a ‘status quo’ or ‘do nothing’ situation where Council delivers existing services and continues to invest at the current levels in asset renewals. Based on this scenario Council cannot be considered to be financially sustainable, with general fund cash reserves trending downward, inadequate funding for asset management resulting in not being able to achieve the key FFTF benchmarks and insufficient financial resources over the medium to long term to maintain the delivery of current services and meet its compliance and legislative obligations.

## Scenario 1 - Base Case (General Fund)

Key Performance Measures										
for years ended 30 June 2017/18 - 2026/27	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Surplus</b>	252	225	178	123	88	30	-16	-61	-100	-136
(achieve and maintain a positive operating balance)										
<b>Operating Performance Ratio</b>										
Annual Trend	1.8%	1.6%	1.3%	0.9%	0.6%	0.3%	-0.01%	-0.3%	-0.5%	-0.7%
(3 year trend - target a positive ratio)	-7.8%	-2.5%	1.5%	1.2%	0.9%	0.5%	0.2%	-0.1%	-0.4%	-0.6%
<b>Own Source Revenue Ratio</b>	36.6%	40.3%	39.9%	40.4%	40.8%	41.1%	41.4%	41.7%	42.0%	42.3%
( 3 year trend - Target is more than 60%)										
<b>Debt Service Ratio (3 year trend)</b>	2.0%	2.2%	2.1%	1.8%	1.5%	1.3%	1.3%	1.3%	1.2%	1.1%
(target is to maintain at less than 20%)										
<b>Building and Infrastructure asset renewal ratio</b>	35.6%	65.1%	91.8%	89.8%	99.6%	97.8%	96.6%	85.3%	77.3%	75.3%
(target to maintain at 100%)										
<b>Building and Infrastructure Backlog ratio</b>	3.1%	3.1%	3.3%	3.3%	3.4%	3.7%	4.2%	4.8%	5.3%	5.9%
(target to maintain at less than 2%)										
<b>Real Operating expenditure per capita</b>	5,823	6,037	5,877	5,918	5,946	5,964	5,986	6,009	6,032	6,046
(a declining trend over time)										

## LTFP Financial Model Scenario 2 – Base Case with a SV

### Introduction

This takes the base case and adjusts the financial projections with a proposed SV of 10% (including rate peg) commencing in 2018/19 for seven years and a range of productivity options to improve Council's financial performance. In addition it also includes provision for additional capital maintenance and renewal expenditure.

### Components included in model for Scenario 2

- The State Government has set an annual rate cap for councils over the last 30 years. This responsibility has now been passed to IPART NSW who has set a rate increase of 1.5% for the 2017/18 and 2.3% for 2018/19 years. A 2.5% increase has been applied for the remainder of the LTFP. The formula used by IPART assumes that all councils will continue to achieve operational savings.
- A 10% SV (including rate peg) for seven years commencing in 2018/19. The increase in total rates income directly apportioned to the SV component of 7.7% in year 1 and 7.5% for the remaining years is estimated at \$ 951,000 after the seventh year. The total general fund rate base will increase from \$1.3M to \$2.7M.
- A range of productivity improvements have been identified as part of the 39 actions to address the PIO and Business Improvement Plan. Impacts of these improvements have been introduced to more accurately reflect the council's true financial position and to also demonstrate council's commitment to generate ongoing operational efficiencies. These include:
  - An annual service review program with the aim of improving productivity.
  - Review the aged care operations with the objective to reduce the operating deficit.
  - Undertaking a review of its rating structure in 2019/20 which may lead to further re-categorisation of properties.
  - Developing and adopting S94 plans for the Shire.
  - Establishing an audit committee and an internal audit framework.
  - Review the operations of Balranald caravan park a significant income stream.
- Additional capital renewal expenditure of \$300,000 per annum in general fund to address the backlog ratio and \$150,000 per annum in general fund for asset maintenance to address the asset maintenance ratio. It is also assumed that renewals expenditure that exceeds the amount needed to clear backlog for particular asset classes is reallocated to asset class that still has backlog.

### Summary and assessment – Scenario 2

As displayed in the key performance measures in the following table (and in the financial statements) Balranald Shire Council generates a small operating surplus and achieves the Operating Performance Ratio. The backlog ratio is largely achieved but is starting to trend upwards in year 10. The asset maintenance ratio is trending positively, however the real operating expenditure per capita is trending upwards.

The challenge for Council is to deliver on the improvement actions to further enhances its operational and



financial management capabilities and hence improve its real operating costs per capita.

Council is able to meet the operating performance ratio from 2019 onwards with a steady increases in operating surpluses until 2024/25 when the SV ends and the trend is downward. Should Council implement the improvement actions it is expected the later trends will be sustained. The other pleasing aspect is that Councils cash position for general fund will improve from \$2.5 million in 2016/17 to an estimated \$13.3 million in 2026/27. This provides a significant improvement to unrestricted cash resulting directly from the increases in rate revenue. In addition total equity increase from \$85.1 million in 2017/18 to \$97.2 million in 2026/27.

This scenario will be the basis of Councils SV application due the uncertainty of scenario 3.

## Scenario 2 - Base with SV (General Fund)

Key Performance Measures										
for years ended 30 June 2017/18 - 2026/27	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Surplus</b>	252	184	233	280	362	439	549	679	646	612
(achieve and maintain a positive operating balance)										
<b>Operating Performance Ratio</b>										
(Annual Trend)	1.8%	1.3%	1.6%	1.8%	2.3%	2.7%	3.3%	4.0%	3.7%	3.4%
(3 year trend - target a positive ratio)	-7.8%	-2.5%	1.6%	1.6%	1.9%	2.3%	2.8%	3.4%	3.7%	3.7%
<b>Own Source Revenue Ratio</b>	36.6%	40.5%	40.4%	41.3%	42.1%	42.8%	43.6%	44.4%	45.0%	45.5%
( 3 year trend - Target is more than 60%)										
<b>Debt Service Ratio (3 year trend)</b>	2.0%	2.2%	2.1%	1.8%	1.5%	1.3%	1.2%	1.2%	1.2%	1.1%
(target is to maintain at less than 20%)										
<b>Building and Infrastructure asset renewal ratio</b>	35.8%	69.1%	102.2%	104.6%	115.7%	114.9%	114.8%	104.4%	97.5%	96.7%
(target to maintain at 100%)										
<b>Building and Infrastructure Backlog ratio</b>	3.1%	3.0%	3.1%	2.9%	2.8%	2.3%	2.2%	2.0%	2.1%	2.2%
(target to maintain at less than 2%)										
<b>Real Operating expenditure per capita</b>	5,823	6,058	5,921	5,987	6,020	6,044	6,072	6,102	6,132	6,154
(a declining trend over time)										

## LTFP Financial Model Scenario 3 – Base Case with SV and Mines

### Introduction

This takes the revised financial projections in Scenario 2 and makes allowances for additional rating income and associated expenses resulting from the new mining and solar farming activities. There is a high level of uncertainty as to when the mineral sand mining activities will become rateable.

### Components included in model for Scenario 3

- The State Government has set an annual rate cap for councils over the last 30 years. This responsibility has now been passed to IPART NSW who has set a rate increase of 1.5% for the 2017/18 and 2.3% for 2018/19 years. A 2.5% increase has been applied for the remainder of the LTFP. The formula used by IPART assumes that all councils will continue to achieve operational savings.
- The various improvements as outlined in Scenario 2.
- The capital renewal and maintenance expenditure programs have been further enhanced, beyond the increases in Scenario 2, due the financial capacity of Council. Under this scenario a further \$100,000 per year for capital renewal and \$50,000 for maintenance. It is also assumed that renewals expenditure that exceeds the amount needed to clear backlog for particular asset class is reallocated to asset class that still has backlog.
- A proposal permanent SV applies from 2019/20 for six years for the new mineral sand mines.

### Summary and assessment – Scenario 3

As displayed in the key performance measures in the following table (and in the financial statements) Balranald Shire Council is able to meet all of the performance measure benchmarks under this scenario, except own source revenue ratio and real operating expenditure per capita.

It is very unlikely the mines will commence operations in 2018/19 therefore this scenario has been developed largely for information for potential future opportunities. However it delivers an operating surplus and therefore the financial capacity to fund the ongoing renewal program and delivery the service requirements to the community.

This scenario enable's council to make significant improvement in meeting its performance measures while maintaining service levels and addressing the asset backlog ratio. Council is on the road to financial sustainability.

### Scenario Three – Base Case with SV and Mines (General Fund)

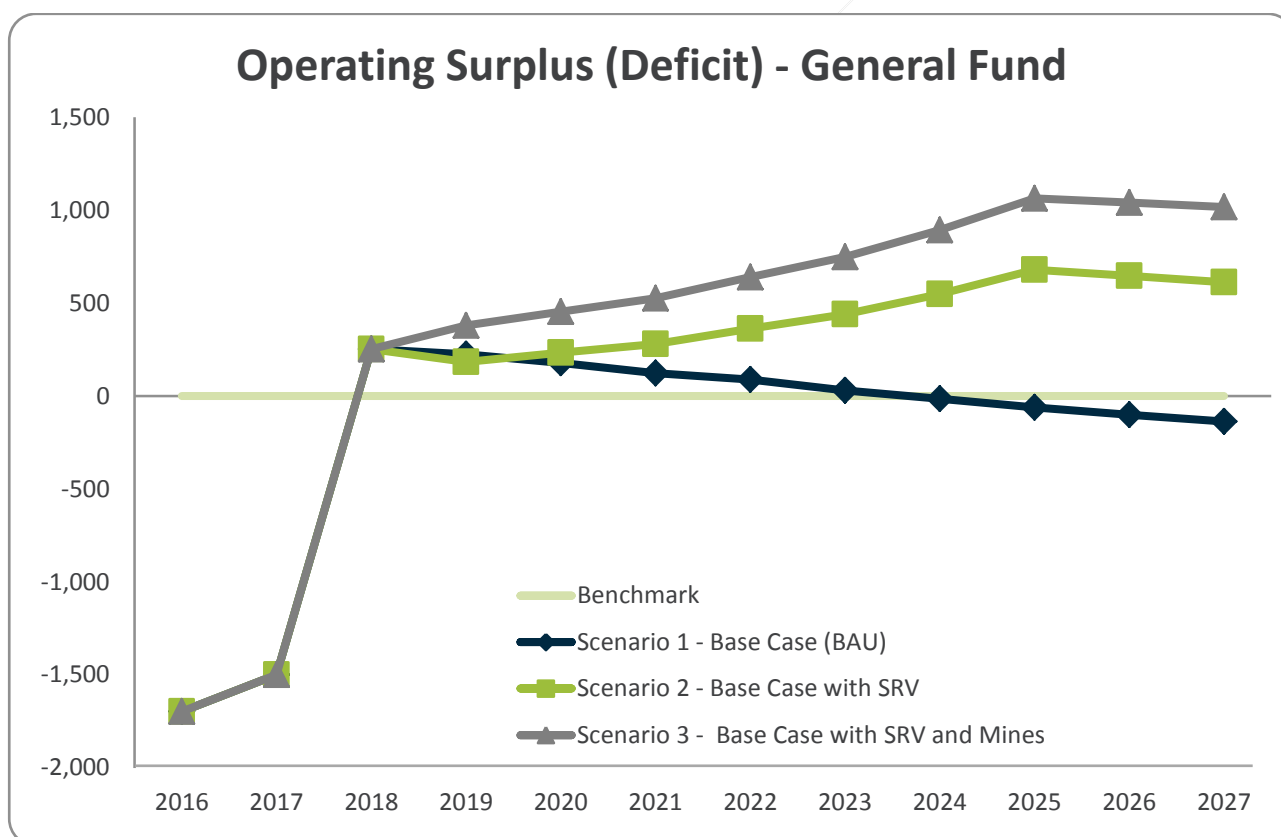
Key Performance Measures										
for years ended 30 June 2017/18 - 2026/27	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Surplus</b>	252	380	453	526	639	748	892	1,063	1,041	1,016
(achieve and maintain a positive operating balance)										
<b>Operating Performance Ratio</b>										
(Annual Trend)	1.8%	2.5%	2.8%	3.2%	3.7%	4.2%	4.9%	5.6%	5.3%	5.1%
(3 year trend - target a positive ratio)	-7.8%	-2.0%	2.4%	2.8%	3.3%	3.7%	4.3%	4.9%	5.3%	5.4%
<b>Own Source Revenue Ratio</b>	36.6%	42.0%	43.3%	45.6%	46.6%	47.7%	48.7%	49.7%	50.5%	51.1%
( 3 year trend - Target is more than 60%)										
<b>Debt Service Ratio (3 year trend)</b>	2.0%	2.1%	2.0%	1.7%	1.4%	1.2%	1.1%	1.1%	1.0%	1.0%
(target is to maintain at less than 20%)										
<b>Building and Infrastructure asset renewal ratio</b>	35.8%	69.6%	103.6%	106.7%	117.9%	117.3%	117.4%	107.2%	100.5%	100.0%
(target to maintain at 100%)										
<b>Building and Infrastructure Backlog ratio</b>	3.1%	3.0%	3.0%	2.8%	2.7%	2.2%	2.0%	1.8%	1.8%	1.9%
(target to maintain at less than 2%)										
<b>Real Operating expenditure per capita</b>	5,823	6,187	6,191	6,409	6,476	6,536	6,603	6,675	6,736	6,776
(a declining trend over time)										

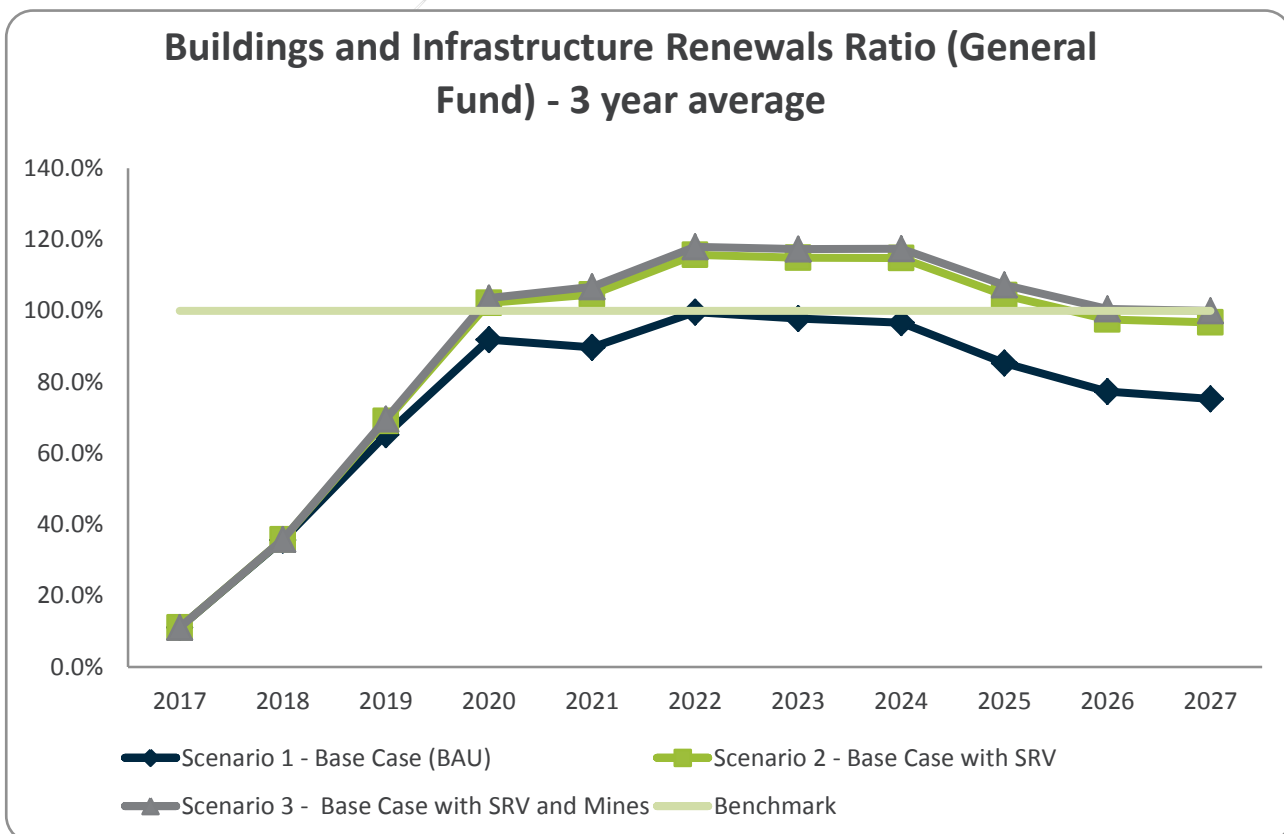
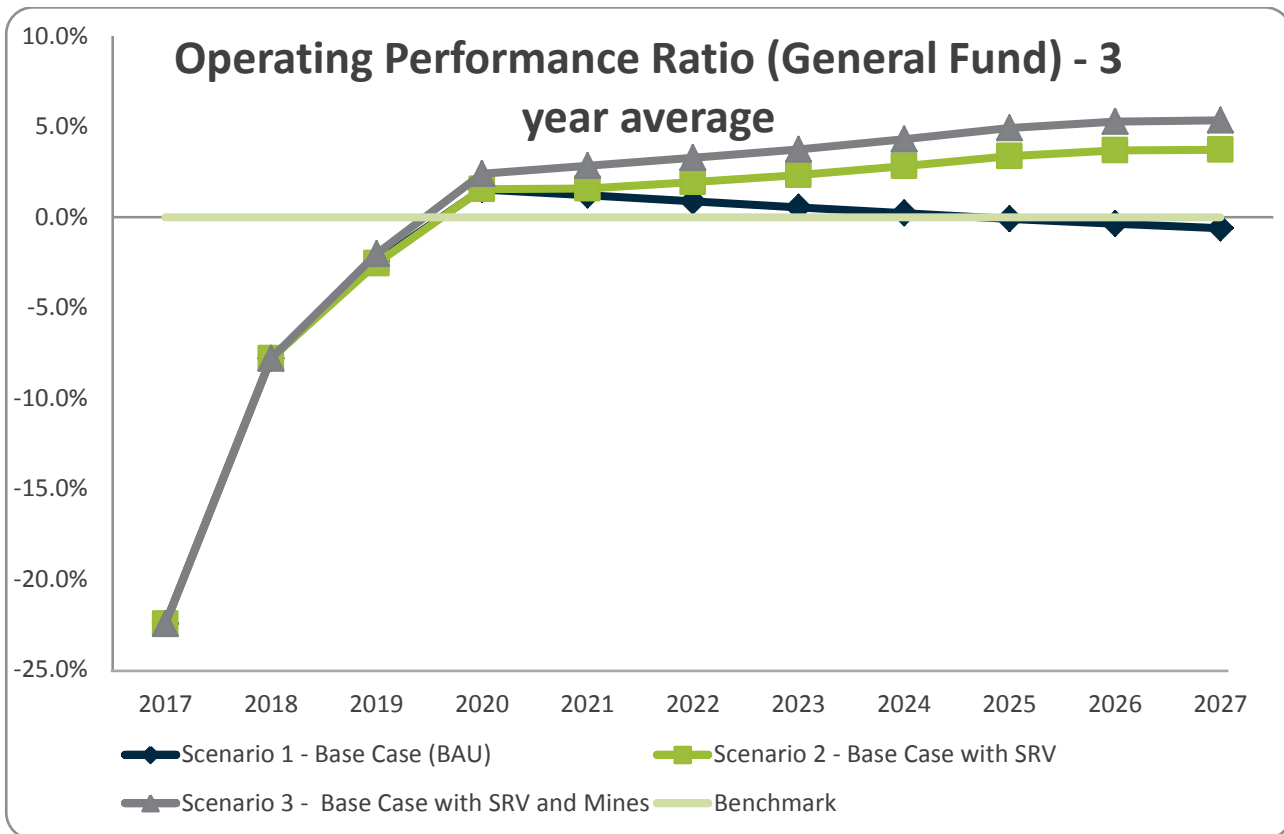
## Performance Measurement

### Comparison of LTFP scenarios against key performance measures

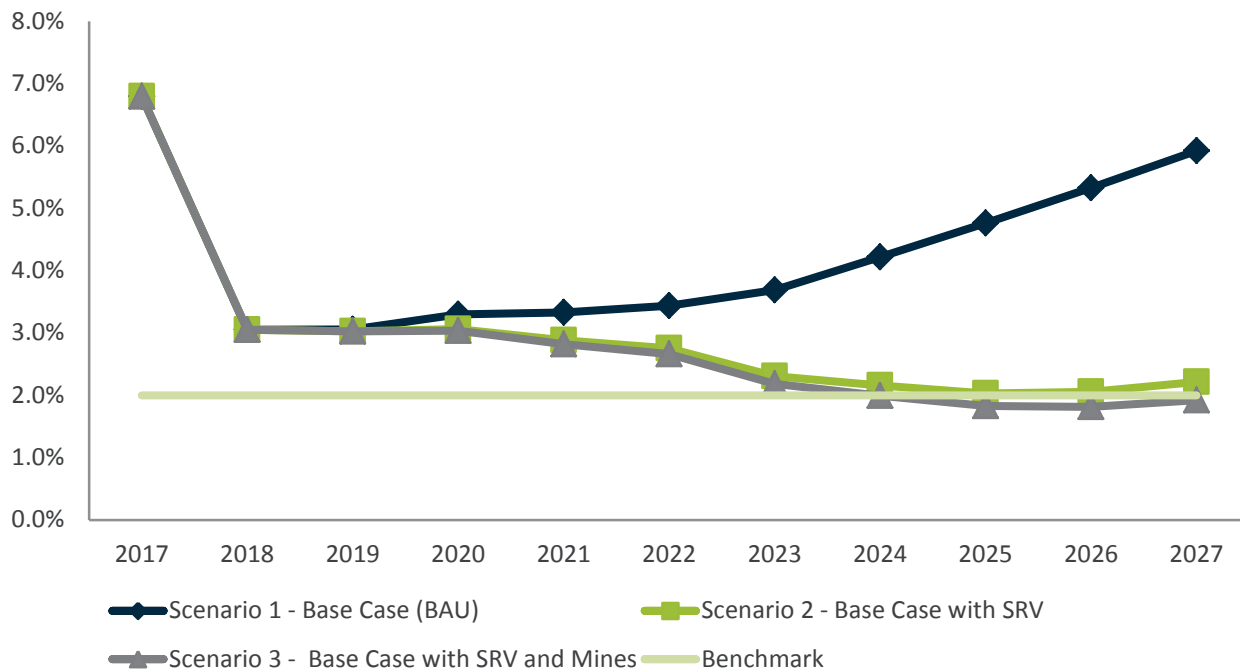
We have used the Fit for the Future measures in determining performance measures for this LTFP. A table is included under each of the scenarios. The following graphs show how the measures for the three scenarios, against each other and, against the relevant benchmark. These graphs show the three year average ratios as per the Fit for the Future ratios which relate to the general fund (excludes water and sewer).

We have retained the original FFTF three year averages rather than the reassessment guidelines which had one year, with the exception of Operating Surplus/(Deficit) graph. This produces a better long term picture of the financial sustainability trend.

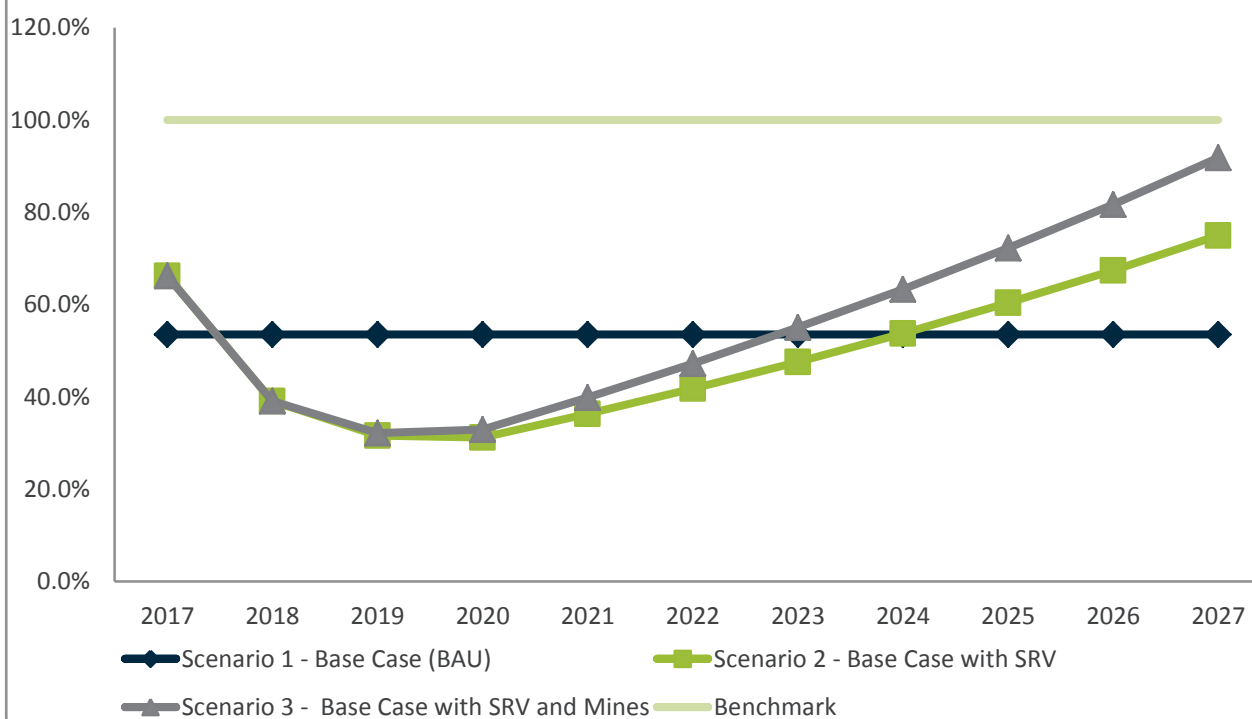




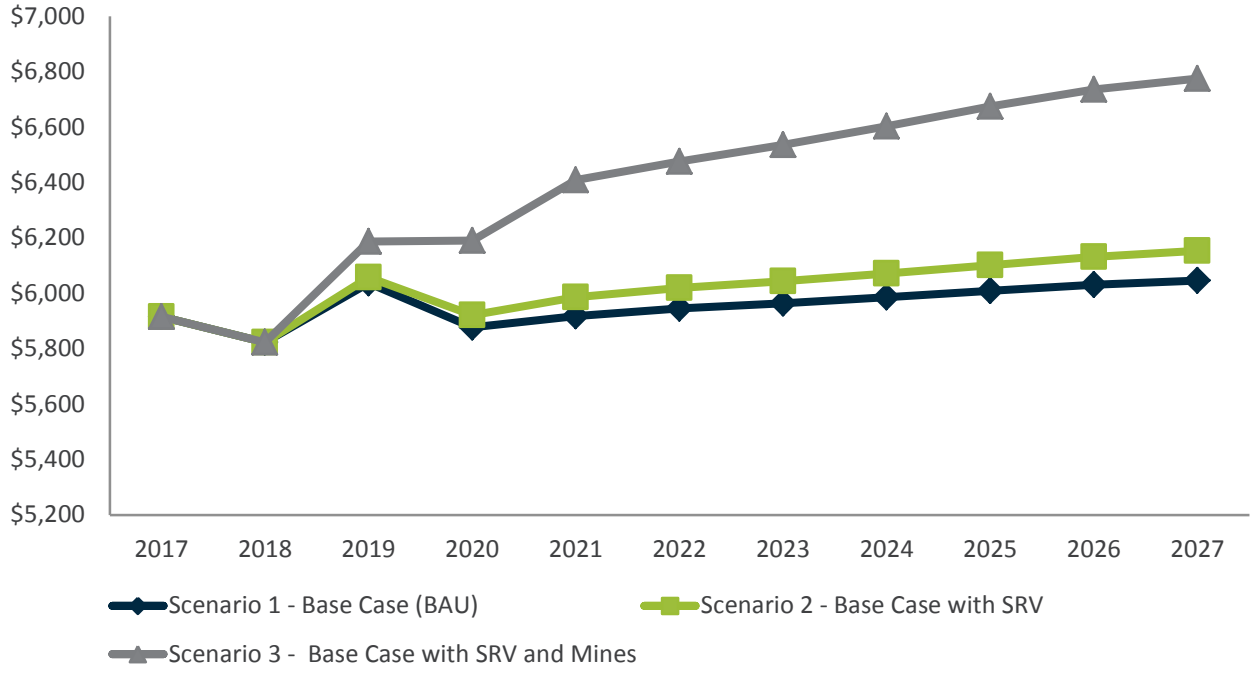
### Infrastructure Backlog Ratio (General Fund) - 3 year average



### Asset Maintenance Ratio (General Fund) - 3 year average



### Real Operating Expenditure per capita (General Fund) - 3 year average





## Risks and Sensitivity Analysis

### Risks

The major risk for Council relates to its revenues and the key assumptions which underpin this LTFP. The major risks relate to

- rates revenue
  - a risk of lower than expected rates cap increases
  - a risk of an erosion in the rating base due to a reduction in activity and a population reduction in the LGA area
  - an unsuccessful SV application
- other revenues such as fees and charges and grants
  - the risk that government grant assistance diminishes or does not grow at the assumed rate
  - loss of or reduction to ongoing grant funding especially in relation to road renewal
  - lower than expected growth in other revenues
- operating expenditure increases for key expenses such as employee costs and materials and contracts
  - higher than expected increases in employee costs and in materials\contract costs without an increase in the assumed rates cap
- interest rates on council borrowings
  - increases in the assumed interest rate on borrowings
- failure to deliver on efficiency targets

### Sensitivity analysis

In this LTFP Council has outlined three scenarios. Scenario 1 is the 'do nothing' or 'status quo' option. Scenario 2 proposes a SV of 10% commencing in 2018/19 for seven years and a range of productivity options to improve Council's financial performance.

Scenario 3 takes Scenario 2 and makes allowances for additional rating income and associated expenses resulting from the new mining and solar farming activities.

The sensitivities and potential impact as outlined in the following paragraphs relate to the general fund financial projections contained in this LTFP.

- Rates revenue
  - Each 1% change in ordinary rates revenue for 2018/19 will result in a \$13,600 change in total rates revenue under scenario 1; \$14,600 for scenario 2; \$25,900 for scenario 3.
- Other revenues such as fees and charges and grants
  - Revenue from operating grants is \$8.2 million in 2018/19 which is approximately 90% of total external operating revenues. Each 1% change represents \$82,200
  - It should be noted that the LTFP already assumes a lower growth assumption for revenues from grants (1% less than other revenues and costs). A 1% change in operating grants revenue represents \$82,200 per annum. The cumulative effect of this revenue source growing at 1% less than other revenues represents a revenue reduction of \$858,000 in year

2026/27

- Operating expenditure increases for key expenses such as employee costs and materials and contracts
  - Employee costs and other operating expenditure (materials and contracts and other) comprise \$4.6 million and \$5.9 million in 2017/18. A 1% movement in these costs represents \$46,000 and \$59,000 (\$105,000 combined effect)
- Interest rates on council borrowings
  - Each 1% increase in council borrowing costs will have the following effect
    - a) As all scenarios propose the same level of borrowings a 1% increase on the general fund debt of \$1.9 million will increase costs by \$19,000

Changes to the revenue or expenditure assumptions could have a material effect on the financial projections in the LTFP however council believes the assumptions used are robust. A regular review of the LTFP will ensure that Council is able to react and plan for any changes in costs and revenues over the term of this plan.

## Summary of this LTFP

### Conclusion

In this LTFP Council has outlined three scenarios.

- Scenario 1 is the base case or 'do nothing' option. It models the continuation of Council's services as currently provided. It is based on the adopted 2017/18 budget.
- Scenario 2 proposes a SV of 10% commencing in 2018/19 for seven years and a range of productivity options to improve Council's financial performance. The increase in total rates income directly apportioned to the SV component of 7.7% in year 1 and 7.5% for the remaining years is estimated at \$ 951,000 after the seventh year. In addition it also includes provision of \$300,000 per annum in general fund for additional resources in asset renewals to address the backlog ratio and \$150,000 per annum in general fund for asset maintenance to address the asset maintenance ratio. This scenario will be the basis for Councils SV application.
- Scenario 3 takes Scenario 2 and makes allowances for additional rating income and associated expenses resulting from the new mining and solar farming activities. It is very unlikely the mines will commence operations in 2018/19 therefore this scenario has been developed largely for information for potential future opportunities. However the additional new rates from these activities is estimated at \$1.1 million for 2018/19 with associated expenditure for service provision and infrastructure servicing is \$876,000 for 2018/19. Inclusive is a provision of \$350,000 per annum in general fund for additional resources in asset renewals to address the backlog ratio and \$200,000 per annum in general fund for asset maintenance to address the asset maintenance ratio.

The analysis in this LTFP concentrates on the financial projections for the Council's general fund (excluding water and sewer) as this is the focus of all key benchmarks, in particular the various fit for the future (FFTF) ratios and the proposed SV.

For completeness and so that readers of this LTFP can assess council's overall financial position the projected financial statements for both the general fund and consolidated fund are presented in the following pages. The financial statements demonstrate the current and long-term position of Council's finances under each scenario.

## Scenario 1 - Financial Statements – 2017-27 LTFP

Income Statement - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Income from Continuing Operations</b>											
<i>Revenue:</i>											
Rates and Annual Charges	1,518	1,581	1,613	1,645	1,686	1,728	1,771	1,816	1,861	1,908	1,955
User Charges and Fees	1,104	1,172	1,201	1,231	1,262	1,294	1,326	1,359	1,393	1,428	1,464
Interest and Investment Revenue	89	106	180	212	231	255	262	284	308	341	383
Other Revenue	3,103	2,968	3,042	3,118	3,196	3,276	3,358	3,442	3,528	3,616	3,707
Grants and Contributions provided for Operating Purposes	7,592	8,122	8,203	8,285	8,368	8,494	8,621	8,750	8,882	9,015	9,150
Grants and Contributions provided for Capital Purposes	529	850	859	867	876	889	902	916	934	953	972
<i>Other Income:</i>											
Net gain from the disposal of assets	189	1,600									
Share of interests in joint ventures and associates											
<b>Total Income from Continuing Operations</b>	<b>14,124</b>	<b>16,399</b>	<b>15,098</b>	<b>15,358</b>	<b>15,619</b>	<b>15,936</b>	<b>16,241</b>	<b>16,567</b>	<b>16,906</b>	<b>17,261</b>	<b>17,631</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits and On-Costs	4,069	4,607	4,722	4,840	4,966	5,095	5,228	5,364	5,503	5,646	5,793
Borrowing Costs	133	118	106	93	78	68	61	54	46	38	33
Materials and Contracts	3,959	4,138	4,221	4,305	4,391	4,488	4,587	4,688	4,791	4,896	5,004
Depreciation and Amortisation	5,002	2,985	3,080	3,151	3,223	3,302	3,384	3,467	3,553	3,640	3,729
Impairment											
Net Losses from the disposal of assets											
Other Expenses	1,741	1,849	1,886	1,924	1,962	2,005	2,049	2,095	2,141	2,188	2,236
<b>Total Expenses from Continuing Operations</b>	<b>14,904</b>	<b>13,697</b>	<b>14,015</b>	<b>14,313</b>	<b>14,620</b>	<b>14,959</b>	<b>15,309</b>	<b>15,667</b>	<b>16,033</b>	<b>16,408</b>	<b>16,795</b>
<b>Operating Result from Continuing Operations</b>	<b>(780)</b>	<b>2,702</b>	<b>1,083</b>	<b>1,045</b>	<b>999</b>	<b>977</b>	<b>932</b>	<b>900</b>	<b>873</b>	<b>853</b>	<b>836</b>
<b>Discontinued Operations</b>											
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,083</b>	<b>1,045</b>	<b>999</b>	<b>977</b>	<b>932</b>	<b>900</b>	<b>873</b>	<b>853</b>	<b>836</b>
<b>Net Operating Result attributable to Council</b>	<b>(780)</b>	<b>2,702</b>	<b>1,083</b>	<b>1,045</b>	<b>999</b>	<b>977</b>	<b>932</b>	<b>900</b>	<b>873</b>	<b>853</b>	<b>836</b>
<b>Net Operating Result attributable to Minority Interests</b>											
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(1,498)	252	225	178	123	88	30	(16)	(61)	(100)	(136)
<b>Net Operating Result for the Year</b> Amounts which will not be reclassified subsequently to the Operating Result	<b>(780)</b>	<b>2,702</b>	<b>1,083</b>	<b>1,045</b>	<b>999</b>	<b>977</b>	<b>932</b>	<b>900</b>	<b>873</b>	<b>853</b>	<b>836</b>
Gain (Loss) on revaluation of I,PP&E											
<b>Total Comprehensive Income for the year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,083</b>	<b>1,045</b>	<b>999</b>	<b>977</b>	<b>932</b>	<b>900</b>	<b>873</b>	<b>853</b>	<b>836</b>

Statement of Cash Flows - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Cash Flows from Operating Activities</b>											
<i>Receipts</i>											
Rates and Annual Charges	1,537	1,868	1,613	1,645	1,686	1,728	1,771	1,816	1,861	1,908	1,955
User Charges and Fees	1,104	1,172	1,201	1,231	1,262	1,294	1,326	1,359	1,393	1,428	1,464
Investment and Interest Revenue Received	89	106	180	212	231	255	262	284	308	341	383
Grants and Contributions	8,121	8,972	9,062	9,152	9,244	9,383	9,523	9,666	9,816	9,968	10,122
Bonds, Deposits and Retention amounts received			-	-	-	-	-	-	-	-	-
Other	3,130	2,941	3,042	3,118	3,196	3,276	3,358	3,442	3,528	3,616	3,707
<i>Payments</i>											
Employee Benefits and On-Costs	(4,125)	(4,429)	(4,722)	(4,840)	(4,966)	(5,095)	(5,228)	(5,364)	(5,503)	(5,646)	(5,793)
Materials and Contracts	(4,510)	(3,885)	(4,221)	(4,305)	(4,391)	(4,488)	(4,587)	(4,688)	(4,791)	(4,896)	(5,004)
Borrowing Costs	(133)	(118)	(106)	(93)	(78)	(68)	(61)	(54)	(46)	(38)	(33)
Bonds, Deposits and Retention amounts refunded			-	-	-	-	-	-	-	-	-
Other	(1,741)	(1,849)	(1,886)	(1,924)	(1,962)	(2,005)	(2,049)	(2,095)	(2,141)	(2,188)	(2,236)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>3,472</b>	<b>4,778</b>	<b>4,163</b>	<b>4,196</b>	<b>4,222</b>	<b>4,279</b>	<b>4,316</b>	<b>4,368</b>	<b>4,426</b>	<b>4,493</b>	<b>4,565</b>
<b>Cash Flows from Investing Activities</b>											
<i>Receipts</i>											
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property											
Sale of Real Estate Assets	-	1,900	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	325	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant and Equipment	(4,884)	(3,347)	(2,910)	(3,353)	(3,291)	(3,931)	(3,435)	(3,430)	(3,169)	(2,939)	(3,440)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(4,884)</b>	<b>(1,122)</b>	<b>(2,910)</b>	<b>(3,353)</b>	<b>(3,291)</b>	<b>(3,931)</b>	<b>(3,435)</b>	<b>(3,430)</b>	<b>(3,169)</b>	<b>(2,939)</b>	<b>(3,440)</b>
<b>Cash Flows from Financing Activities</b>											
<i>Receipts</i>											
Proceeds from Borrowing and Advances	-	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Repayment of borrowing and advances	(154)	(165)	(189)	(202)	(191)	(122)	(129)	(136)	(144)	(152)	(160)
<b>Net Cash provided (or used) in Financing Activities</b>	<b>(154)</b>	<b>(165)</b>	<b>(189)</b>	<b>(202)</b>	<b>(191)</b>	<b>(122)</b>	<b>(129)</b>	<b>(136)</b>	<b>(144)</b>	<b>(152)</b>	<b>(160)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>1,691</b>	<b>(1,577)</b>	<b>3,467</b>	<b>1,051</b>	<b>652</b>	<b>809</b>	<b>220</b>	<b>745</b>	<b>794</b>	<b>1,105</b>	<b>1,394</b>
<b>plus: Cash and Cash Equivalents - beginning of year</b>	<b>2,422</b>	<b>4,113</b>	<b>2,536</b>	<b>6,003</b>	<b>7,053</b>	<b>7,705</b>	<b>8,514</b>	<b>8,734</b>	<b>9,478</b>	<b>10,272</b>	<b>11,377</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>4,113</b>	<b>2,536</b>	<b>6,003</b>	<b>7,053</b>	<b>7,705</b>	<b>8,514</b>	<b>8,734</b>	<b>9,478</b>	<b>10,272</b>	<b>11,377</b>	<b>12,771</b>
plus: Investments on hand - end of year	0	0	0	0	0	0	0	0	0	0	0
<b>Total Cash, Cash Equivalents and Investments</b>	<b>4,113</b>	<b>2,536</b>	<b>6,003</b>	<b>7,053</b>	<b>7,705</b>	<b>8,514</b>	<b>8,734</b>	<b>9,478</b>	<b>10,272</b>	<b>11,377</b>	<b>12,771</b>

Balance Sheet - General Fund As at	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	2,536	6,003	7,053	7,705	8,514	8,734	9,478	10,272	11,377	12,771	13,768
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	479	192	192	192	192	192	192	192	192	192	192
Inventories	43	70	70	70	70	70	70	70	70	70	70
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>3,058</b>	<b>6,265</b>	<b>7,315</b>	<b>7,967</b>	<b>8,776</b>	<b>8,996</b>	<b>9,740</b>	<b>10,534</b>	<b>11,639</b>	<b>13,033</b>	<b>14,030</b>
<b>Non-Current Assets</b>											
<b>Investments</b>											
Infrastructure, Property, Plant and Equipment	83,410	83,147	82,977	83,179	83,248	83,876	83,927	83,890	83,506	82,805	82,516
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Intangibles	260	260	260	260	260	260	260	260	260	260	260
Investment Property	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>83,670</b>	<b>83,407</b>	<b>83,237</b>	<b>83,439</b>	<b>83,508</b>	<b>84,136</b>	<b>84,187</b>	<b>84,150</b>	<b>83,766</b>	<b>83,065</b>	<b>82,776</b>
<b>TOTAL ASSETS</b>	<b>86,728</b>	<b>89,672</b>	<b>90,553</b>	<b>91,407</b>	<b>92,284</b>	<b>93,132</b>	<b>93,928</b>	<b>94,684</b>	<b>95,405</b>	<b>96,098</b>	<b>96,806</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	979	959	959	959	959	959	959	959	959	959	959
Borrowings	177	189	191	122	129	136	144	152	160	128	-
Provisions	820	899	899	899	899	899	899	899	899	899	899
<b>Total Current Liabilities</b>	<b>1,976</b>	<b>2,047</b>	<b>2,049</b>	<b>1,980</b>	<b>1,987</b>	<b>1,994</b>	<b>2,002</b>	<b>2,010</b>	<b>2,018</b>	<b>1,986</b>	<b>1,858</b>
<b>Non-Current Liabilities</b>											
Payables	222	495	495	495	495	495	495	495	495	495	495
Borrowings	1,927	1,726	1,521	1,399	1,270	1,134	990	839	678	551	551
Provisions	199	298	298	298	298	298	298	298	298	298	298
<b>Total Non-Current Liabilities</b>	<b>2,348</b>	<b>2,519</b>	<b>2,314</b>	<b>2,192</b>	<b>2,063</b>	<b>1,927</b>	<b>1,783</b>	<b>1,632</b>	<b>1,471</b>	<b>1,344</b>	<b>1,344</b>
<b>TOTAL LIABILITIES</b>	<b>4,324</b>	<b>4,566</b>	<b>4,364</b>	<b>4,172</b>	<b>4,050</b>	<b>3,921</b>	<b>3,785</b>	<b>3,641</b>	<b>3,490</b>	<b>3,329</b>	<b>3,202</b>
<b>Net Assets</b>	<b>82,404</b>	<b>85,106</b>	<b>86,189</b>	<b>87,234</b>	<b>88,234</b>	<b>89,211</b>	<b>90,143</b>	<b>91,043</b>	<b>91,916</b>	<b>92,768</b>	<b>93,604</b>
<b>EQUITY</b>											
Retained Earnings	37,859	40,561	41,644	42,689	43,689	44,666	45,598	46,498	47,371	48,223	49,059
Revaluation Reserves	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
<b>Total Equity</b>	<b>82,404</b>	<b>85,106</b>	<b>86,189</b>	<b>87,234</b>	<b>88,234</b>	<b>89,211</b>	<b>90,143</b>	<b>91,043</b>	<b>91,916</b>	<b>92,768</b>	<b>93,604</b>

Statement of Changes in Equity - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>RETAINED EARNINGS</b>											
Opening Balance	38,639	37,859	40,561	41,644	42,689	43,689	44,666	45,598	46,498	47,371	48,223
Correction of Prior Period Errors			-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>38,639</b>	<b>37,859</b>	<b>40,561</b>	<b>41,644</b>	<b>42,689</b>	<b>43,689</b>	<b>44,666</b>	<b>45,598</b>	<b>46,498</b>	<b>47,371</b>	<b>48,223</b>
Net Operating Result for the Year	(780)	2,702	1,083	1,045	999	977	932	900	873	853	836
<b>Total Comprehensive Income</b>	<b>(780)</b>	<b>2,702</b>	<b>1,083</b>	<b>1,045</b>	<b>999</b>	<b>977</b>	<b>932</b>	<b>900</b>	<b>873</b>	<b>853</b>	<b>836</b>
<b>Balance at End of the Reporting Period</b>	<b>37,859</b>	<b>40,561</b>	<b>41,644</b>	<b>42,689</b>	<b>43,689</b>	<b>44,666</b>	<b>45,598</b>	<b>46,498</b>	<b>47,371</b>	<b>48,223</b>	<b>49,059</b>
<b>IPP&amp;E ASSET REVALUATION RESERVE</b>											
Opening Balance	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>
<b>Balance at End of the Reporting Period</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>
<b>COUNCIL EQUITY INTEREST</b>											
Opening Balance	83,184	82,404	85,106	86,189	87,234	88,234	89,211	90,143	91,043	91,916	92,768
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>83,184</b>	<b>82,404</b>	<b>85,106</b>	<b>86,189</b>	<b>87,234</b>	<b>88,234</b>	<b>89,211</b>	<b>90,143</b>	<b>91,043</b>	<b>91,916</b>	<b>92,768</b>
Net Operating Result for the Year	(780)	2,702	1,083	1,045	999	977	932	900	873	853	836
<b>Total Comprehensive Income</b>	<b>(780)</b>	<b>2,702</b>	<b>1,083</b>	<b>1,045</b>	<b>999</b>	<b>977</b>	<b>932</b>	<b>900</b>	<b>873</b>	<b>853</b>	<b>836</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of the Reporting Period</b>	<b>82,404</b>	<b>85,106</b>	<b>86,189</b>	<b>87,234</b>	<b>88,234</b>	<b>89,211</b>	<b>90,143</b>	<b>91,043</b>	<b>91,916</b>	<b>92,768</b>	<b>93,604</b>

Income Statement - Consolidated For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Income from Continuing Operations</b>											
<i>Revenue</i>											
Rates and Annual Charges	2,350	2,574	2,623	2,681	2,748	2,816	2,887	2,959	3,033	3,109	3,186
User Charges and Fees	1,690	1,801	1,846	1,892	1,939	1,988	2,038	2,089	2,141	2,194	2,249
Interest and Investment Revenue	113	152	214	231	250	274	286	321	354	404	464
Other Revenue	3,103	2,843	2,913	2,985	3,059	3,135	3,212	3,292	3,373	3,457	3,542
Grants and Contributions provided for Operating Purposes	7,605	8,196	8,278	8,361	8,444	8,571	8,700	8,830	8,963	9,097	9,233
Grants and Contributions provided for Capital Purposes	529	850	859	867	876	889	902	916	934	953	972
<i>Other Income</i>											
Net gain from the disposal of assets	189	1,600	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>15,579</b>	<b>18,016</b>	<b>16,733</b>	<b>17,017</b>	<b>17,316</b>	<b>17,673</b>	<b>18,025</b>	<b>18,406</b>	<b>18,798</b>	<b>19,213</b>	<b>19,647</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits and On-Costs	4,270	4,817	4,937	5,061	5,192	5,327	5,466	5,608	5,754	5,903	6,057
Borrowing Costs	193	174	158	142	127	117	110	103	95	87	82
Materials and Contracts	4,436	4,720	4,814	4,911	5,009	5,119	5,232	5,347	5,464	5,585	5,708
Water purchase charges	-	15	15	15	15	16	16	16	17	17	17
Depreciation and Amortisation	5,476	3,350	3,452	3,531	3,610	3,698	3,788	3,881	3,975	4,072	4,171
Impairment	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,987	1,981	2,019	2,058	2,098	2,142	2,188	2,235	2,283	2,332	2,381
<b>Total Expenses from Continuing Operations</b>	<b>16,362</b>	<b>15,057</b>	<b>15,396</b>	<b>15,717</b>	<b>16,051</b>	<b>16,420</b>	<b>16,801</b>	<b>17,190</b>	<b>17,589</b>	<b>17,996</b>	<b>18,416</b>
<b>Operating Result from Continuing Operations</b>	<b>(783)</b>	<b>2,959</b>	<b>1,337</b>	<b>1,300</b>	<b>1,265</b>	<b>1,253</b>	<b>1,224</b>	<b>1,216</b>	<b>1,209</b>	<b>1,218</b>	<b>1,231</b>
<b>Discontinued Operations</b>											
Net Profit / (Loss) from Discontinued Operations											
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,959</b>	<b>1,337</b>	<b>1,300</b>	<b>1,265</b>	<b>1,253</b>	<b>1,224</b>	<b>1,216</b>	<b>1,209</b>	<b>1,218</b>	<b>1,231</b>
Net Operating Result attributable to Council	(783)	2,959	1,337	1,300	1,265	1,253	1,224	1,216	1,209	1,218	1,231
Net Operating Result attributable to Minority Interests	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(1,501)</b>	<b>509</b>	<b>479</b>	<b>433</b>	<b>389</b>	<b>364</b>	<b>322</b>	<b>300</b>	<b>275</b>	<b>265</b>	<b>259</b>
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,959</b>	<b>1,337</b>	<b>1,300</b>	<b>1,265</b>	<b>1,253</b>	<b>1,224</b>	<b>1,216</b>	<b>1,209</b>	<b>1,218</b>	<b>1,231</b>
Amounts which will not be reclassified subsequently to the Operating Result											
Gain (Loss) on revaluation of I,PP&E											
<b>Total Comprehensive Income for the year</b>	<b>(783)</b>	<b>2,959</b>	<b>1,337</b>	<b>1,300</b>	<b>1,265</b>	<b>1,253</b>	<b>1,224</b>	<b>1,216</b>	<b>1,209</b>	<b>1,218</b>	<b>1,231</b>
<b>Statement of Cash Flows - Consolidated</b>	<b>Budget</b>	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>

For the year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Cash Flows from Operating Activities</b>											
<i>Receipts</i>											
Rates and Annual Charges	2,342	2,869	2,623	2,681	2,748	2,816	2,887	2,959	3,033	3,109	3,186
User Charges and Fees	1,690	1,801	1,846	1,892	1,939	1,988	2,038	2,089	2,141	2,194	2,249
Investment and Interest Revenue Received	113	152	214	231	250	274	286	321	354	404	464
Grants and Contributions	8,134	9,046	9,136	9,228	9,320	9,460	9,602	9,746	9,897	10,050	10,205
Other	3,130	2,962	3,064	3,140	3,219	3,299	3,382	3,466	3,553	3,642	3,733
<i>Payments</i>											
Employee Benefits and On-Costs	(4,326)	(4,639)	(4,937)	(5,061)	(5,192)	(5,327)	(5,466)	(5,608)	(5,754)	(5,903)	(6,057)
Materials and Contracts	(4,987)	(4,482)	(4,829)	(4,926)	(5,024)	(5,135)	(5,248)	(5,363)	(5,481)	(5,602)	(5,725)
Borrowing Costs	(193)	(174)	(158)	(142)	(127)	(117)	(110)	(103)	(95)	(87)	(82)
Other	(1,987)	(2,127)	(2,170)	(2,213)	(2,257)	(2,307)	(2,358)	(2,409)	(2,462)	(2,517)	(2,572)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>3,916</b>	<b>5,408</b>	<b>4,789</b>	<b>4,830</b>	<b>4,875</b>	<b>4,951</b>	<b>5,013</b>	<b>5,097</b>	<b>5,184</b>	<b>5,290</b>	<b>5,402</b>
<b>Cash Flows from Investing Activities</b>											
<i>Receipts</i>											
Sale of Investment Securities	614	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	1,900	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	325	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Purchase of Investment Securities	-	(493)	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant and Equipment	(5,832)	(4,379)	(3,970)	(4,020)	(3,931)	(4,438)	(3,712)	(3,844)	(3,371)	(3,143)	(3,649)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(5,218)</b>	<b>(2,647)</b>	<b>(3,970)</b>	<b>(4,020)</b>	<b>(3,931)</b>	<b>(4,438)</b>	<b>(3,712)</b>	<b>(3,844)</b>	<b>(3,371)</b>	<b>(3,143)</b>	<b>(3,649)</b>
<b>Cash Flows from Financing Activities</b>											
<i>Receipts:</i>											
Proceeds from Borrowing and Advances	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Repayment of borrowing and advances	(240)	(269)	(261)	(191)	(122)	(129)	(136)	(144)	(152)	(160)	(128)
<b>Net Cash provided (or used) in Financing Activities</b>	<b>(240)</b>	<b>(269)</b>	<b>(261)</b>	<b>(191)</b>	<b>(122)</b>	<b>(129)</b>	<b>(136)</b>	<b>(144)</b>	<b>(152)</b>	<b>(160)</b>	<b>(128)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1,542)</b>	<b>2,492</b>	<b>558</b>	<b>619</b>	<b>822</b>	<b>384</b>	<b>1,164</b>	<b>1,109</b>	<b>1,662</b>	<b>1,986</b>	<b>1,625</b>
plus: Cash and Cash Equivalents - beginning of year	4,120	2,578	5,070	5,628	6,247	7,069	7,453	8,618	9,727	11,389	13,375
<b>Cash and Cash Equivalents - end of year</b>	<b>2,578</b>	<b>5,070</b>	<b>5,628</b>	<b>6,247</b>	<b>7,069</b>	<b>7,453</b>	<b>8,618</b>	<b>9,727</b>	<b>11,389</b>	<b>13,375</b>	<b>15,000</b>
plus: Investments on hand - end of year	1,586	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
<b>Total Cash, Cash Equivalents and Investments</b>	<b>4,164</b>	<b>7,149</b>	<b>7,707</b>	<b>8,326</b>	<b>9,148</b>	<b>9,532</b>	<b>10,697</b>	<b>11,806</b>	<b>13,468</b>	<b>15,454</b>	<b>17,079</b>



Balance Sheet - Consolidated As at	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	2,578	5,070	5,628	6,247	7,069	7,453	8,618	9,727	11,389	13,375	15,000
Investments	1,586	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
Receivables	815	520	520	520	520	520	520	520	520	520	520
Inventories	43	70	70	70	70	70	70	70	70	70	70
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>5,022</b>	<b>7,739</b>	<b>8,297</b>	<b>8,916</b>	<b>9,738</b>	<b>10,122</b>	<b>11,287</b>	<b>12,396</b>	<b>14,058</b>	<b>16,044</b>	<b>17,669</b>
<b>Non-Current Assets</b>											
<b>Investments</b>											
Infrastructure, Property, Plant and Equipment	97,851	98,255	98,773	99,262	99,583	100,323	100,247	100,210	99,606	98,677	98,155
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Intangibles	260	260	260	260	260	260	260	260	260	260	260
Investment Property	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>98,111</b>	<b>98,515</b>	<b>99,033</b>	<b>99,522</b>	<b>99,843</b>	<b>100,583</b>	<b>100,507</b>	<b>100,470</b>	<b>99,866</b>	<b>98,937</b>	<b>98,415</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	982	962	962	962	962	962	962	962	962	962	962
Borrowings	257	248	191	122	129	136	144	152	160	128	-
Provisions	820	899	899	899	899	899	899	899	899	899	899
<b>Total Current Liabilities</b>	<b>2,059</b>	<b>2,109</b>	<b>2,052</b>	<b>1,983</b>	<b>1,990</b>	<b>1,997</b>	<b>2,005</b>	<b>2,013</b>	<b>2,021</b>	<b>1,989</b>	<b>1,861</b>
<b>Non-Current Liabilities</b>											
Payables	222	495	495	495	495	495	495	495	495	495	495
Borrowings	2,836	2,576	2,371	2,249	2,120	1,984	1,840	1,689	1,528	1,401	1,401
Provisions	199	298	298	298	298	298	298	298	298	298	298
<b>Total Non-Current Liabilities</b>	<b>3,257</b>	<b>3,369</b>	<b>3,164</b>	<b>3,042</b>	<b>2,913</b>	<b>2,777</b>	<b>2,633</b>	<b>2,482</b>	<b>2,321</b>	<b>2,194</b>	<b>2,194</b>
<b>TOTAL LIABILITIES</b>	<b>5,316</b>	<b>5,478</b>	<b>5,217</b>	<b>5,025</b>	<b>4,903</b>	<b>4,774</b>	<b>4,638</b>	<b>4,494</b>	<b>4,343</b>	<b>4,182</b>	<b>4,055</b>
<b>Net Assets</b>	<b>97,817</b>	<b>100,776</b>	<b>102,113</b>	<b>103,413</b>	<b>104,678</b>	<b>105,931</b>	<b>107,155</b>	<b>108,371</b>	<b>109,580</b>	<b>110,798</b>	<b>112,029</b>
<b>EQUITY</b>											
Retained Earnings	43,135	46,094	47,431	48,731	49,996	51,249	52,473	53,689	54,898	56,116	57,347
Revaluation Reserves	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682
<b>Total Equity</b>	<b>97,817</b>	<b>100,776</b>	<b>102,113</b>	<b>103,413</b>	<b>104,678</b>	<b>105,931</b>	<b>107,155</b>	<b>108,371</b>	<b>109,580</b>	<b>110,798</b>	<b>112,029</b>

Statement of Changes in Equity - Consolidated For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>RETAINED EARNINGS</b>											
Opening Balance	43,918	43,135	46,094	47,431	48,731	49,996	51,249	52,473	53,689	54,898	56,116
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>43,918</b>	<b>43,135</b>	<b>46,094</b>	<b>47,431</b>	<b>48,731</b>	<b>49,996</b>	<b>51,249</b>	<b>52,473</b>	<b>53,689</b>	<b>54,898</b>	<b>56,116</b>
Net Operating Result for the Year	(783)	2,959	1,337	1,300	1,265	1,253	1,224	1,216	1,209	1,218	1,231
<b>Total Comprehensive Income</b>	<b>(783)</b>	<b>2,959</b>	<b>1,337</b>	<b>1,300</b>	<b>1,265</b>	<b>1,253</b>	<b>1,224</b>	<b>1,216</b>	<b>1,209</b>	<b>1,218</b>	<b>1,231</b>
<b>Balance at End of the Reporting Period</b>	<b>43,135</b>	<b>46,094</b>	<b>47,431</b>	<b>48,731</b>	<b>49,996</b>	<b>51,249</b>	<b>52,473</b>	<b>53,689</b>	<b>54,898</b>	<b>56,116</b>	<b>57,347</b>
<b>IPP&amp;E ASSET REVALUATION RESERVE</b>											
Opening Balance	48,868	48,868	48,868	48,868	48,868	48,868	48,868	48,868	48,868	48,868	48,868
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>
<b>Balance at End of the Reporting Period</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>	<b>48,868</b>
<b>COUNCIL EQUITY INTEREST</b>											
Opening Balance	98,600	97,817	100,776	102,113	103,413	104,678	105,931	107,155	108,371	109,580	110,798
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>98,600</b>	<b>97,817</b>	<b>100,776</b>	<b>102,113</b>	<b>103,413</b>	<b>104,678</b>	<b>105,931</b>	<b>107,155</b>	<b>108,371</b>	<b>109,580</b>	<b>110,798</b>
Net Operating Result for the Year	(783)	2,959	1,337	1,300	1,265	1,253	1,224	1,216	1,209	1,218	1,231
<b>Total Comprehensive Income</b>	<b>(783)</b>	<b>2,959</b>	<b>1,337</b>	<b>1,300</b>	<b>1,265</b>	<b>1,253</b>	<b>1,224</b>	<b>1,216</b>	<b>1,209</b>	<b>1,218</b>	<b>1,231</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of the Reporting Period</b>	<b>97,817</b>	<b>100,776</b>	<b>102,113</b>	<b>103,413</b>	<b>104,678</b>	<b>105,931</b>	<b>107,155</b>	<b>108,371</b>	<b>109,580</b>	<b>110,798</b>	<b>112,029</b>

## Scenario 2 - Financial Statements – 2017-27 LTFP

Income Statement - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Income from Continuing Operations</b>											
<i>Revenue</i>											
Rates and Annual Charges	1,518	1,581	1,721	1,875	2,042	2,227	2,429	2,651	2,894	2,967	3,041
User Charges and Fees	1,104	1,172	1,201	1,231	1,262	1,294	1,326	1,359	1,393	1,428	1,464
Interest and Investment Revenue	89	106	180	201	213	231	234	255	281	321	367
Other Revenue	3,103	2,968	3,042	3,118	3,196	3,276	3,358	3,442	3,528	3,616	3,707
Grants and Contributions provided for Operating Purposes	7,592	8,122	8,203	8,285	8,368	8,494	8,621	8,750	8,882	9,015	9,150
Grants and Contributions provided for Capital Purposes	529	850	859	867	876	889	902	916	934	953	972
<i>Other Income</i>											
Net gain from the disposal of assets	189	1,600	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>14,124</b>	<b>16,399</b>	<b>15,207</b>	<b>15,578</b>	<b>15,957</b>	<b>16,410</b>	<b>16,870</b>	<b>17,373</b>	<b>17,912</b>	<b>18,299</b>	<b>18,700</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits and On-Costs	4,069	4,607	4,722	4,840	4,966	5,095	5,228	5,364	5,503	5,646	5,793
Borrowing Costs	133	118	106	93	78	68	61	54	46	38	33
Materials and Contracts	3,959	4,138	4,371	4,470	4,573	4,688	4,806	4,929	5,056	5,188	5,325
Depreciation and Amortisation	5,002	2,985	3,080	3,151	3,223	3,302	3,384	3,467	3,553	3,640	3,729
Impairment	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,741	1,849	1,886	1,924	1,962	2,005	2,049	2,095	2,141	2,188	2,236
<b>Total Expenses from Continuing Operations</b>	<b>14,904</b>	<b>13,697</b>	<b>14,165</b>	<b>14,478</b>	<b>14,802</b>	<b>15,158</b>	<b>15,528</b>	<b>15,909</b>	<b>16,299</b>	<b>16,700</b>	<b>17,117</b>
<b>Operating Result from Continuing Operations</b>	<b>(780)</b>	<b>2,702</b>	<b>1,042</b>	<b>1,100</b>	<b>1,156</b>	<b>1,251</b>	<b>1,341</b>	<b>1,464</b>	<b>1,614</b>	<b>1,599</b>	<b>1,584</b>
<b>Discontinued Operations</b>											
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,042</b>	<b>1,100</b>	<b>1,156</b>	<b>1,251</b>	<b>1,341</b>	<b>1,464</b>	<b>1,614</b>	<b>1,599</b>	<b>1,584</b>
<b>Net Operating Result attributable to Council</b>	<b>(780)</b>	<b>2,702</b>	<b>1,042</b>	<b>1,100</b>	<b>1,156</b>	<b>1,251</b>	<b>1,341</b>	<b>1,464</b>	<b>1,614</b>	<b>1,599</b>	<b>1,584</b>
<b>Net Operating Result attributable to Minority Interests</b>											
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(1,498)</b>	<b>252</b>	<b>184</b>	<b>233</b>	<b>280</b>	<b>362</b>	<b>439</b>	<b>549</b>	<b>679</b>	<b>646</b>	<b>612</b>
<b>Net Operating Result for the Year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,042</b>	<b>1,100</b>	<b>1,156</b>	<b>1,251</b>	<b>1,341</b>	<b>1,464</b>	<b>1,614</b>	<b>1,599</b>	<b>1,584</b>
Amounts which will not be reclassified subsequently to the Operating Result											
<b>Gain (Loss) on revaluation of I,PP&amp;E</b>											
<b>Total Comprehensive Income for the year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,042</b>	<b>1,100</b>	<b>1,156</b>	<b>1,251</b>	<b>1,341</b>	<b>1,464</b>	<b>1,614</b>	<b>1,599</b>	<b>1,584</b>

Statement of Cash Flows - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Cash Flows from Operating Activities</b>											
<i>Receipts</i>											
Rates and Annual Charges	1,537	1,868	1,721	1,875	2,042	2,227	2,429	2,651	2,894	2,967	3,041
User Charges and Fees	1,104	1,172	1,201	1,231	1,262	1,294	1,326	1,359	1,393	1,428	1,464
Investment and Interest Revenue Received	89	106	180	201	213	231	234	255	281	321	367
Grants and Contributions	8,121	8,972	9,062	9,152	9,244	9,383	9,523	9,666	9,816	9,968	10,122
Bonds, Deposits and Retention amounts received	-	-	-	-	-	-	-	-	-	-	-
Other	3,130	2,941	3,042	3,118	3,196	3,276	3,358	3,442	3,528	3,616	3,707
<i>Payments</i>											
Employee Benefits and On-Costs	(4,125)	(4,429)	(4,722)	(4,840)	(4,966)	(5,095)	(5,228)	(5,364)	(5,503)	(5,646)	(5,793)
Materials and Contracts	(4,510)	(3,885)	(4,371)	(4,470)	(4,573)	(4,688)	(4,806)	(4,929)	(5,056)	(5,188)	(5,325)
Borrowing Costs	(133)	(118)	(106)	(93)	(78)	(68)	(61)	(54)	(46)	(38)	(33)
Bonds, Deposits and Retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-
Other	(1,741)	(1,849)	(1,886)	(1,924)	(1,962)	(2,005)	(2,049)	(2,095)	(2,141)	(2,188)	(2,236)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>3,472</b>	<b>4,778</b>	<b>4,122</b>	<b>4,251</b>	<b>4,378</b>	<b>4,554</b>	<b>4,725</b>	<b>4,932</b>	<b>5,166</b>	<b>5,239</b>	<b>5,313</b>
<b>Cash Flows from Investing Activities</b>											
<i>Receipts</i>											
Sale of Investment Securities	0	0	0	0	0	0	0	0	0	0	0
Sale of Investment Property	0	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	2,225	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	0	0	0	0	0	0	0	0	0	0	0
Purchase of Infrastructure, Property, Plant and Equipment	(4,884)	(3,347)	(3,210)	(3,683)	(3,654)	(4,330)	(3,874)	(3,913)	(3,700)	(3,524)	(4,083)
Purchase of Real Estate Assets	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(4,884)</b>	<b>(1,122)</b>	<b>(3,210)</b>	<b>(3,683)</b>	<b>(3,654)</b>	<b>(4,330)</b>	<b>(3,874)</b>	<b>(3,913)</b>	<b>(3,700)</b>	<b>(3,524)</b>	<b>(4,083)</b>
<b>Cash Flows from Financing Activities</b>											
<i>Receipts</i>											
Proceeds from Borrowing and Advances	-	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Repayment of borrowing and advances	(165)	(189)	(202)	(191)	(122)	(129)	(136)	(144)	(152)	(160)	(128)
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(165)</b>	<b>(189)</b>	<b>(202)</b>	<b>(191)</b>	<b>(122)</b>	<b>(129)</b>	<b>(136)</b>	<b>(144)</b>	<b>(152)</b>	<b>(160)</b>	<b>(128)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1,577)</b>	<b>3,467</b>	<b>709</b>	<b>376</b>	<b>602</b>	<b>94</b>	<b>715</b>	<b>875</b>	<b>1,314</b>	<b>1,555</b>	<b>1,102</b>
<b>plus: Cash and Cash Equivalents - beginning of year</b>	<b>4,113</b>	<b>2,536</b>	<b>6,003</b>	<b>6,712</b>	<b>7,089</b>	<b>7,691</b>	<b>7,785</b>	<b>8,500</b>	<b>9,375</b>	<b>10,689</b>	<b>12,244</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>2,536</b>	<b>6,003</b>	<b>6,712</b>	<b>7,089</b>	<b>7,691</b>	<b>7,785</b>	<b>8,500</b>	<b>9,375</b>	<b>10,689</b>	<b>12,244</b>	<b>13,347</b>
plus: Investments on hand - end of year	0	0	0	0	0	0	0	0	0	0	0
<b>Total Cash, Cash Equivalents and Investments</b>	<b>2,536</b>	<b>6,003</b>	<b>6,712</b>	<b>7,089</b>	<b>7,691</b>	<b>7,785</b>	<b>8,500</b>	<b>9,375</b>	<b>10,689</b>	<b>12,244</b>	<b>13,347</b>

Balance Sheet - General Fund As at	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	2,536	6,003	6,712	7,089	7,691	7,785	8,500	9,375	10,689	12,244	13,347
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	479	192	192	192	192	192	192	192	192	192	192
Inventories	43	70	70	70	70	70	70	70	70	70	70
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>3,058</b>	<b>6,265</b>	<b>6,974</b>	<b>7,351</b>	<b>7,953</b>	<b>8,047</b>	<b>8,762</b>	<b>9,637</b>	<b>10,951</b>	<b>12,506</b>	<b>13,609</b>
<b>Non-Current Assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant and Equipment	83,410	83,147	83,277	83,809	84,241	85,268	85,759	86,205	86,352	86,236	86,590
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Intangibles	260	260	260	260	260	260	260	260	260	260	260
Investment Property	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>83,670</b>	<b>83,407</b>	<b>83,537</b>	<b>84,069</b>	<b>84,501</b>	<b>85,528</b>	<b>86,019</b>	<b>86,465</b>	<b>86,612</b>	<b>86,496</b>	<b>86,850</b>
<b>TOTAL ASSETS</b>	<b>86,728</b>	<b>89,672</b>	<b>90,512</b>	<b>91,420</b>	<b>92,453</b>	<b>93,576</b>	<b>94,781</b>	<b>96,102</b>	<b>97,564</b>	<b>99,002</b>	<b>100,458</b>
<b>Current Liabilities</b>											
Payables	979	959	959	959	959	959	959	959	959	959	959
Borrowings	189	202	191	122	129	136	144	152	160	128	-
Provisions	820	899	899	899	899	899	899	899	899	899	899
<b>Total Current Liabilities</b>	<b>1,988</b>	<b>2,060</b>	<b>2,049</b>	<b>1,980</b>	<b>1,987</b>	<b>1,994</b>	<b>2,002</b>	<b>2,010</b>	<b>2,018</b>	<b>1,986</b>	<b>1,858</b>
<b>Non-Current Liabilities</b>											
Payables	222	495	495	495	495	495	495	495	495	495	495
Borrowings	1,915	1,713	1,521	1,399	1,270	1,134	990	839	678	551	551
Provisions	199	298	298	298	298	298	298	298	298	298	298
<b>Total Non-Current Liabilities</b>	<b>2,336</b>	<b>2,506</b>	<b>2,314</b>	<b>2,192</b>	<b>2,063</b>	<b>1,927</b>	<b>1,783</b>	<b>1,632</b>	<b>1,471</b>	<b>1,344</b>	<b>1,344</b>
<b>TOTAL LIABILITIES</b>	<b>4,324</b>	<b>4,566</b>	<b>4,364</b>	<b>4,172</b>	<b>4,050</b>	<b>3,921</b>	<b>3,785</b>	<b>3,641</b>	<b>3,490</b>	<b>3,329</b>	<b>3,202</b>
<b>Net Assets</b>	<b>82,404</b>	<b>85,106</b>	<b>86,148</b>	<b>87,248</b>	<b>88,403</b>	<b>89,655</b>	<b>90,996</b>	<b>92,460</b>	<b>94,074</b>	<b>95,673</b>	<b>97,256</b>
<b>EQUITY</b>											
Retained Earnings	37,859	40,561	41,603	42,703	43,858	45,110	46,451	47,915	49,529	51,128	52,711
Revaluation Reserves	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
<b>Total Equity</b>	<b>82,404</b>	<b>85,106</b>	<b>86,148</b>	<b>87,248</b>	<b>88,403</b>	<b>89,655</b>	<b>90,996</b>	<b>92,460</b>	<b>94,074</b>	<b>95,673</b>	<b>97,256</b>

Statement of Changes in Equity - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>RETAINED EARNINGS</b>											
Opening Balance	38,639	37,859	40,561	41,603	42,703	43,858	45,110	46,451	47,915	49,529	51,128
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
Revised Opening Balance	38,639	37,859	40,561	41,603	42,703	43,858	45,110	46,451	47,915	49,529	51,128
Net Operating Result for the Year	(780)	2,702	1,042	1,100	1,156	1,251	1,341	1,464	1,614	1,599	1,584
Total Comprehensive Income	(780)	2,702	1,042	1,100	1,156	1,251	1,341	1,464	1,614	1,599	1,584
Balance at End of the Reporting Period	37,859	40,561	41,603	42,703	43,858	45,110	46,451	47,915	49,529	51,128	52,711
<b>IPP&amp;E ASSET REVALUATION RESERVE</b>											
Opening Balance	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
Revised Opening Balance	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
Balance at End of the Reporting Period	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
<b>COUNCIL EQUITY INTEREST</b>											
Opening Balance	83,184	82,404	85,106	86,148	87,248	88,403	89,655	90,996	92,460	94,074	95,673
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
Revised Opening Balance	83,184	82,404	85,106	86,148	87,248	88,403	89,655	90,996	92,460	94,074	95,673
Net Operating Result for the Year	(780)	2,702	1,042	1,100	1,156	1,251	1,341	1,464	1,614	1,599	1,584
Total Comprehensive Income	(780)	2,702	1,042	1,100	1,156	1,251	1,341	1,464	1,614	1,599	1,584
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Balance at End of the Reporting Period	82,404	85,106	86,148	87,248	88,403	89,655	90,996	92,460	94,074	95,673	97,256

Income Statement - Consolidated For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Income from Continuing Operations</b>											
<i>Revenue</i>											
Rates and Annual Charges	2,350	2,574	2,732	2,910	3,104	3,315	3,544	3,794	4,066	4,168	4,272
User Charges and Fees	1,690	1,801	1,846	1,892	1,939	1,988	2,038	2,089	2,141	2,194	2,249
Interest and Investment Revenue	113	152	214	221	231	250	258	292	327	383	448
Other Revenue	3,103	2,843	2,913	2,985	3,059	3,135	3,212	3,292	3,373	3,457	3,542
Grants and Contributions provided for Operating Purposes	7,605	8,196	8,278	8,361	8,444	8,571	8,700	8,830	8,963	9,097	9,233
Grants and Contributions provided for Capital Purposes	529	850	859	867	876	889	902	916	934	953	972
<i>Other Income</i>											
Net gain from the disposal of assets	189	1,600	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>15,579</b>	<b>18,016</b>	<b>16,842</b>	<b>17,237</b>	<b>17,654</b>	<b>18,147</b>	<b>18,654</b>	<b>19,212</b>	<b>19,804</b>	<b>20,252</b>	<b>20,716</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits and On-Costs	4,270	4,817	4,937	5,061	5,192	5,327	5,466	5,608	5,754	5,903	6,057
Borrowing Costs	193	174	158	142	127	117	110	103	95	87	82
Materials and Contracts	4,436	4,720	4,964	5,076	5,190	5,319	5,451	5,588	5,730	5,877	6,029
Depreciation and Amortisation	5,476	3,350	3,452	3,531	3,610	3,698	3,788	3,881	3,975	4,072	4,171
Impairment	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,987	1,981	2,019	2,058	2,098	2,142	2,188	2,235	2,283	2,332	2,381
<b>Total Expenses from Continuing Operations</b>	<b>16,362</b>	<b>15,057</b>	<b>15,546</b>	<b>15,882</b>	<b>16,233</b>	<b>16,620</b>	<b>17,020</b>	<b>17,431</b>	<b>17,854</b>	<b>18,288</b>	<b>18,737</b>
<b>Operating Result from Continuing Operations</b>	<b>(783)</b>	<b>2,959</b>	<b>1,296</b>	<b>1,354</b>	<b>1,422</b>	<b>1,527</b>	<b>1,633</b>	<b>1,780</b>	<b>1,950</b>	<b>1,964</b>	<b>1,979</b>
<b>Discontinued Operations</b>											
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,959</b>	<b>1,296</b>	<b>1,354</b>	<b>1,422</b>	<b>1,527</b>	<b>1,633</b>	<b>1,780</b>	<b>1,950</b>	<b>1,964</b>	<b>1,979</b>
Net Operating Result attributable to Council	(783)	2,959	1,296	1,354	1,422	1,527	1,633	1,780	1,950	1,964	1,979
Net Operating Result attributable to Minority Interests	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(1,501)</b>	<b>509</b>	<b>438</b>	<b>487</b>	<b>546</b>	<b>638</b>	<b>731</b>	<b>865</b>	<b>1,016</b>	<b>1,011</b>	<b>1,007</b>
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,959</b>	<b>1,296</b>	<b>1,354</b>	<b>1,422</b>	<b>1,527</b>	<b>1,633</b>	<b>1,780</b>	<b>1,950</b>	<b>1,964</b>	<b>1,979</b>
Amounts which will not be reclassified subsequently to the Operating Result											
Gain (Loss) on revaluation of I,PP&E											
<b>Total Comprehensive Income for the year</b>	<b>(783)</b>	<b>2,959</b>	<b>1,296</b>	<b>1,354</b>	<b>1,422</b>	<b>1,527</b>	<b>1,633</b>	<b>1,780</b>	<b>1,950</b>	<b>1,964</b>	<b>1,979</b>
<b>Statement of Cash Flows - Consolidated</b>	<b>Budget</b>	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>

For the year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Cash Flows from Operating Activities</b>											
<i>Receipts</i>											
Rates and Annual Charges	2,342	2,869	2,732	2,910	3,104	3,315	3,544	3,794	4,066	4,168	4,272
User Charges and Fees	1,690	1,801	1,846	1,892	1,939	1,988	2,038	2,089	2,141	2,194	2,249
Investment and Interest Revenue Received	113	152	214	221	231	250	258	292	327	383	448
Grants and Contributions	8,134	9,046	9,136	9,228	9,320	9,460	9,602	9,746	9,897	10,050	10,205
Other	3,130	2,962	3,064	3,140	3,219	3,299	3,382	3,466	3,553	3,642	3,733
<i>Payments</i>											
Employee Benefits and On-Costs	(4,326)	(4,639)	(4,937)	(5,061)	(5,192)	(5,327)	(5,466)	(5,608)	(5,754)	(5,903)	(6,057)
Materials and Contracts	(4,987)	(4,482)	(4,979)	(5,091)	(5,205)	(5,335)	(5,467)	(5,604)	(5,747)	(5,894)	(6,046)
Borrowing Costs	(193)	(174)	(158)	(142)	(127)	(117)	(110)	(103)	(95)	(87)	(82)
Other	(1,987)	(2,127)	(2,170)	(2,213)	(2,257)	(2,307)	(2,358)	(2,409)	(2,462)	(2,517)	(2,572)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>3,916</b>	<b>5,408</b>	<b>4,748</b>	<b>4,885</b>	<b>5,032</b>	<b>5,226</b>	<b>5,422</b>	<b>5,661</b>	<b>5,925</b>	<b>6,036</b>	<b>6,150</b>
<b>Cash Flows from Investing Activities</b>											
<i>Receipts</i>											
Sale of Investment Securities	614	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	2,225	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Purchase of Investment Securities	-	(493)	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant and Equipment	(5,832)	(4,379)	(4,270)	(4,350)	(4,294)	(4,837)	(4,151)	(4,327)	(3,902)	(3,728)	(4,292)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(5,218)</b>	<b>(2,647)</b>	<b>(4,270)</b>	<b>(4,350)</b>	<b>(4,294)</b>	<b>(4,837)</b>	<b>(4,151)</b>	<b>(4,327)</b>	<b>(3,902)</b>	<b>(3,728)</b>	<b>(4,292)</b>
<b>Cash Flows from Financing Activities</b>											
<i>Receipts</i>											
Proceeds from Borrowing and Advances	-	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Repayment of borrowing and advances	(240)	(269)	(261)	(191)	(122)	(129)	(136)	(144)	(152)	(160)	(128)
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(240)</b>	<b>(269)</b>	<b>(261)</b>	<b>(191)</b>	<b>(122)</b>	<b>(129)</b>	<b>(136)</b>	<b>(144)</b>	<b>(152)</b>	<b>(160)</b>	<b>(128)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1,542)</b>	<b>2,492</b>	<b>217</b>	<b>344</b>	<b>616</b>	<b>259</b>	<b>1,135</b>	<b>1,190</b>	<b>1,871</b>	<b>2,148</b>	<b>1,730</b>
<b>plus: Cash and Cash Equivalents - beginning of year</b>	<b>4,120</b>	<b>2,578</b>	<b>5,070</b>	<b>5,286</b>	<b>5,630</b>	<b>6,245</b>	<b>6,505</b>	<b>7,639</b>	<b>8,830</b>	<b>10,701</b>	<b>12,848</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>2,578</b>	<b>5,070</b>	<b>5,286</b>	<b>5,630</b>	<b>6,245</b>	<b>6,505</b>	<b>7,639</b>	<b>8,830</b>	<b>10,701</b>	<b>12,848</b>	<b>14,578</b>
plus: Investments on hand - end of year	1,586	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
<b>Total Cash, Cash Equivalents and Investments</b>	<b>4,164</b>	<b>7,149</b>	<b>7,365</b>	<b>7,709</b>	<b>8,324</b>	<b>8,584</b>	<b>9,718</b>	<b>10,909</b>	<b>12,780</b>	<b>14,927</b>	<b>16,657</b>



Balance Sheet - Consolidated As at	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	2,578	5,070	5,286	5,630	6,245	6,505	7,639	8,830	10,701	12,848	14,578
Investments	1,586	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
Receivables	815	520	520	520	520	520	520	520	520	520	520
Inventories	43	70	70	70	70	70	70	70	70	70	70
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>5,022</b>	<b>7,739</b>	<b>7,955</b>	<b>8,299</b>	<b>8,914</b>	<b>9,174</b>	<b>10,308</b>	<b>11,499</b>	<b>13,370</b>	<b>15,517</b>	<b>17,247</b>
<b>Non-Current Assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant and Equipment	97,851	98,255	99,073	99,892	100,576	101,715	102,078	102,524	102,452	102,107	102,229
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Intangibles	260	260	260	260	260	260	260	260	260	260	260
Investment Property	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>98,111</b>	<b>98,515</b>	<b>99,333</b>	<b>100,152</b>	<b>100,836</b>	<b>101,975</b>	<b>102,338</b>	<b>102,784</b>	<b>102,712</b>	<b>102,367</b>	<b>102,489</b>
<b>TOTAL ASSETS</b>	<b>103,133</b>	<b>106,254</b>	<b>107,289</b>	<b>108,451</b>	<b>109,751</b>	<b>111,149</b>	<b>112,647</b>	<b>114,283</b>	<b>116,081</b>	<b>117,885</b>	<b>119,736</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	982	962	962	962	962	962	962	962	962	962	962
Borrowings	269	261	191	122	129	136	144	152	160	128	-
Provisions	820	899	899	899	899	899	899	899	899	899	899
<b>Total Current Liabilities</b>	<b>2,071</b>	<b>2,122</b>	<b>2,052</b>	<b>1,983</b>	<b>1,990</b>	<b>1,997</b>	<b>2,005</b>	<b>2,013</b>	<b>2,021</b>	<b>1,989</b>	<b>1,861</b>
<b>Non-Current Liabilities</b>											
Payables	222	495	495	495	495	495	495	495	495	495	495
Borrowings	2,824	2,563	2,371	2,249	2,120	1,984	1,840	1,689	1,528	1,401	1,401
Provisions	199	298	298	298	298	298	298	298	298	298	298
<b>Total Non-Current Liabilities</b>	<b>3,245</b>	<b>3,356</b>	<b>3,164</b>	<b>3,042</b>	<b>2,913</b>	<b>2,777</b>	<b>2,633</b>	<b>2,482</b>	<b>2,321</b>	<b>2,194</b>	<b>2,194</b>
<b>TOTAL LIABILITIES</b>	<b>5,316</b>	<b>5,478</b>	<b>5,217</b>	<b>5,025</b>	<b>4,903</b>	<b>4,774</b>	<b>4,638</b>	<b>4,494</b>	<b>4,343</b>	<b>4,182</b>	<b>4,055</b>
<b>Net Assets</b>	<b>97,817</b>	<b>100,776</b>	<b>102,072</b>	<b>103,426</b>	<b>104,848</b>	<b>106,375</b>	<b>108,009</b>	<b>109,789</b>	<b>111,739</b>	<b>113,702</b>	<b>115,681</b>
<b>EQUITY</b>											
Retained Earnings	43,135	46,094	47,390	48,744	50,166	51,693	53,327	55,107	57,057	59,020	60,999
Revaluation Reserves	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682
<b>Total Equity</b>	<b>97,817</b>	<b>100,776</b>	<b>102,072</b>	<b>103,426</b>	<b>104,848</b>	<b>106,375</b>	<b>108,009</b>	<b>109,789</b>	<b>111,739</b>	<b>113,702</b>	<b>115,681</b>

Statement of Changes in Equity - Consolidated For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>RETAINED EARNINGS</b>											
Opening Balance	43,918	43,135	46,094	47,390	48,744	50,166	51,693	53,327	55,107	57,057	59,020
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>43,918</b>	<b>43,135</b>	<b>46,094</b>	<b>47,390</b>	<b>48,744</b>	<b>50,166</b>	<b>51,693</b>	<b>53,327</b>	<b>55,107</b>	<b>57,057</b>	<b>59,020</b>
Net Operating Result for the Year	(783)	2,959	1,296	1,354	1,422	1,527	1,633	1,780	1,950	1,964	1,979
Total Comprehensive Income	(613)	3,021	1,371	1,444	1,512	1,622	1,731	1,880	2,056	2,071	2,088
<b>Balance at End of the Reporting Period</b>	<b>43,305</b>	<b>46,156</b>	<b>47,465</b>	<b>48,834</b>	<b>50,257</b>	<b>51,787</b>	<b>53,424</b>	<b>55,207</b>	<b>57,163</b>	<b>59,128</b>	<b>61,108</b>
<b>IPP&amp;E ASSET REVALUATION RESERVE</b>											
Opening Balance	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682
<b>Balance at End of the Reporting Period</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>
<b>COUNCIL EQUITY INTEREST</b>											
Opening Balance	98,600	97,817	100,776	102,072	103,426	104,848	106,375	108,009	109,789	111,739	113,702
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>98,600</b>	<b>97,817</b>	<b>100,776</b>	<b>102,072</b>	<b>103,426</b>	<b>104,848</b>	<b>106,375</b>	<b>108,009</b>	<b>109,789</b>	<b>111,739</b>	<b>113,702</b>
Net Operating Result for the Year	(783)	2,959	1,296	1,354	1,422	1,527	1,633	1,780	1,950	1,964	1,979
Total Comprehensive Income	(783)	2,959	1,296	1,354	1,422	1,527	1,633	1,780	1,950	1,964	1,979
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of the Reporting Period</b>	<b>97,817</b>	<b>100,776</b>	<b>102,072</b>	<b>103,426</b>	<b>104,848</b>	<b>106,375</b>	<b>108,009</b>	<b>109,789</b>	<b>111,739</b>	<b>113,702</b>	<b>115,681</b>

## Scenario 3 - Financial Statements – 2017-27 LTFP

Income Statement - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Income from Continuing Operations</b>											
<i>Revenue</i>											
Rates and Annual Charges	1,518	1,581	2,844	3,109	3,400	3,720	4,072	4,458	4,882	5,004	5,129
User Charges and Fees	1,104	1,172	1,201	1,231	1,262	1,294	1,326	1,359	1,393	1,428	1,464
Interest and Investment Revenue	89	106	180	206	222	246	255	283	317	366	421
Other Revenue	3,103	2,968	3,042	3,118	3,196	3,276	3,358	3,442	3,528	3,616	3,707
Grants and Contributions provided for Operating Purposes	7,592	8,122	8,203	8,285	8,368	8,494	8,621	8,750	8,882	9,015	9,150
Grants and Contributions provided for Capital Purposes	529	850	859	867	876	889	902	916	934	953	972
Internal Revenue											
<i>Other Income</i>	-	-	-	-	-	-	-	-	-	-	-
Net gain from the disposal of assets	189	1,600	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>14,124</b>	<b>16,399</b>	<b>16,329</b>	<b>16,817</b>	<b>17,324</b>	<b>17,918</b>	<b>18,534</b>	<b>19,208</b>	<b>19,936</b>	<b>20,382</b>	<b>20,842</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits and On-Costs	4,069	4,607	4,722	4,840	4,966	5,095	5,228	5,364	5,503	5,646	5,793
Borrowing Costs	133	118	106	93	78	68	61	54	46	38	33
Materials and Contracts	3,959	4,138	5,297	5,489	5,693	5,920	6,162	6,420	6,697	6,876	7,063
Overheads	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	5,002	2,985	3,080	3,151	3,223	3,302	3,384	3,467	3,553	3,640	3,729
Impairment	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,741	1,849	1,886	1,924	1,962	2,005	2,049	2,095	2,141	2,188	2,236
<b>Total Expenses from Continuing Operations</b>	<b>14,904</b>	<b>13,697</b>	<b>15,091</b>	<b>15,497</b>	<b>15,922</b>	<b>16,391</b>	<b>16,884</b>	<b>17,400</b>	<b>17,939</b>	<b>18,388</b>	<b>18,854</b>
<b>Operating Result from Continuing Operations</b>	<b>(780)</b>	<b>2,702</b>	<b>1,238</b>	<b>1,320</b>	<b>1,402</b>	<b>1,528</b>	<b>1,650</b>	<b>1,808</b>	<b>1,997</b>	<b>1,993</b>	<b>1,988</b>
<b>Discontinued Operations</b>											
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,238</b>	<b>1,320</b>	<b>1,402</b>	<b>1,528</b>	<b>1,650</b>	<b>1,808</b>	<b>1,997</b>	<b>1,993</b>	<b>1,988</b>
<b>Net Operating Result attributable to Council</b>	<b>(780)</b>	<b>2,702</b>	<b>1,238</b>	<b>1,320</b>	<b>1,402</b>	<b>1,528</b>	<b>1,650</b>	<b>1,808</b>	<b>1,997</b>	<b>1,993</b>	<b>1,988</b>
<b>Net Operating Result attributable to Minority Interests</b>											
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(1,498)</b>	<b>252</b>	<b>380</b>	<b>453</b>	<b>526</b>	<b>639</b>	<b>748</b>	<b>892</b>	<b>1,063</b>	<b>1,041</b>	<b>1,016</b>
<b>Net Operating Result for the Year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,238</b>	<b>1,320</b>	<b>1,402</b>	<b>1,528</b>	<b>1,650</b>	<b>1,808</b>	<b>1,997</b>	<b>1,993</b>	<b>1,988</b>
Amounts which will not be reclassified subsequently to the Operating Result											
<b>Gain (Loss) on revaluation of I,PP&amp;E</b>											
<b>Total Comprehensive Income for the year</b>	<b>(780)</b>	<b>2,702</b>	<b>1,238</b>	<b>1,320</b>	<b>1,402</b>	<b>1,528</b>	<b>1,650</b>	<b>1,808</b>	<b>1,997</b>	<b>1,993</b>	<b>1,988</b>

Statement of Cash Flows - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Cash Flows from Operating Activities</b>											
<i>Receipts</i>											
Rates and Annual Charges	1,537	1,868	2,844	3,109	3,400	3,720	4,072	4,458	4,882	5,004	5,129
User Charges and Fees	1,104	1,172	1,201	1,231	1,262	1,294	1,326	1,359	1,393	1,428	1,464
Investment and Interest Revenue Received	89	106	180	206	222	246	255	283	317	366	421
Grants and Contributions	8,121	8,972	9,062	9,152	9,244	9,383	9,523	9,666	9,816	9,968	10,122
Bonds, Deposits and Retention amounts received	-	-	-	-	-	-	-	-	-	-	-
Other	3,130	2,941	3,042	3,118	3,196	3,276	3,358	3,442	3,528	3,616	3,707
<i>Payments</i>											
Employee Benefits and On-Costs	(4,125)	(4,429)	(4,722)	(4,840)	(4,966)	(5,095)	(5,228)	(5,364)	(5,503)	(5,646)	(5,793)
Materials and Contracts	(4,510)	(3,885)	(5,297)	(5,489)	(5,693)	(5,920)	(6,162)	(6,420)	(6,697)	(6,876)	(7,063)
Borrowing Costs	(133)	(118)	(106)	(93)	(78)	(68)	(61)	(54)	(46)	(38)	(33)
Bonds, Deposits and Retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-
Other	(1,741)	(1,849)	(1,886)	(1,924)	(1,962)	(2,005)	(2,049)	(2,095)	(2,141)	(2,188)	(2,236)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>3,472</b>	<b>4,778</b>	<b>4,318</b>	<b>4,471</b>	<b>4,625</b>	<b>4,830</b>	<b>5,034</b>	<b>5,275</b>	<b>5,549</b>	<b>5,634</b>	<b>5,718</b>
<b>Cash Flows from Investing Activities</b>											
<i>Receipts</i>											
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	2,225	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant and Equipment	(4,884)	(3,347)	(3,260)	(3,738)	(3,715)	(4,397)	(3,947)	(3,994)	(3,789)	(3,621)	(4,190)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(4,884)</b>	<b>(1,122)</b>	<b>(3,260)</b>	<b>(3,738)</b>	<b>(3,715)</b>	<b>(4,397)</b>	<b>(3,947)</b>	<b>(3,994)</b>	<b>(3,789)</b>	<b>(3,621)</b>	<b>(4,190)</b>
<i>Receipts</i>											
Proceeds from Borrowing and Advances	-	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Repayment of borrowing and advances	(165)	(189)	(202)	(191)	(122)	(129)	(136)	(144)	(152)	(160)	(128)
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(165)</b>	<b>(189)</b>	<b>(202)</b>	<b>(191)</b>	<b>(122)</b>	<b>(129)</b>	<b>(136)</b>	<b>(144)</b>	<b>(152)</b>	<b>(160)</b>	<b>(128)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1,577)</b>	<b>3,467</b>	<b>855</b>	<b>542</b>	<b>788</b>	<b>304</b>	<b>950</b>	<b>1,138</b>	<b>1,609</b>	<b>1,852</b>	<b>1,400</b>
<b>plus: Cash and Cash Equivalents - beginning of year</b>	<b>4,113</b>	<b>2,536</b>	<b>6,003</b>	<b>6,858</b>	<b>7,400</b>	<b>8,188</b>	<b>8,492</b>	<b>9,443</b>	<b>10,581</b>	<b>12,189</b>	<b>14,042</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>2,536</b>	<b>6,003</b>	<b>6,858</b>	<b>7,400</b>	<b>8,188</b>	<b>8,492</b>	<b>9,443</b>	<b>10,581</b>	<b>12,189</b>	<b>14,042</b>	<b>15,441</b>
plus: Investments on hand - end of year	0	0	0	0	0	0	0	0	0	0	0
<b>Total Cash, Cash Equivalents and Investments</b>	<b>2,536</b>	<b>6,003</b>	<b>6,858</b>	<b>7,400</b>	<b>8,188</b>	<b>8,492</b>	<b>9,443</b>	<b>10,581</b>	<b>12,189</b>	<b>14,042</b>	<b>15,441</b>

Balance Sheet - General Fund As at	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	2,536	6,003	6,858	7,400	8,188	8,492	9,443	10,581	12,189	14,042	15,441
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	479	192	192	192	192	192	192	192	192	192	192
Inventories	43	70	70	70	70	70	70	70	70	70	70
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>3,058</b>	<b>6,265</b>	<b>7,120</b>	<b>7,662</b>	<b>8,450</b>	<b>8,754</b>	<b>9,705</b>	<b>10,843</b>	<b>12,451</b>	<b>14,304</b>	<b>15,703</b>
<b>Non-Current Assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant and Equipment	83,410	83,147	83,327	83,914	84,406	85,501	86,064	86,590	86,827	86,808	87,268
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Intangibles	260	260	260	260	260	260	260	260	260	260	260
Investment Property	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>83,670</b>	<b>83,407</b>	<b>83,587</b>	<b>84,174</b>	<b>84,666</b>	<b>85,761</b>	<b>86,324</b>	<b>86,850</b>	<b>87,087</b>	<b>87,068</b>	<b>87,528</b>
<b>TOTAL ASSETS</b>	<b>86,728</b>	<b>89,672</b>	<b>90,708</b>	<b>91,836</b>	<b>93,116</b>	<b>94,515</b>	<b>96,029</b>	<b>97,693</b>	<b>99,538</b>	<b>101,371</b>	<b>103,232</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	979	959	959	959	959	959	959	959	959	959	959
Borrowings	189	202	191	122	129	136	144	152	160	128	-
Provisions	820	899	899	899	899	899	899	899	899	899	899
<b>Total Current Liabilities</b>	<b>1,988</b>	<b>2,060</b>	<b>2,049</b>	<b>1,980</b>	<b>1,987</b>	<b>1,994</b>	<b>2,002</b>	<b>2,010</b>	<b>2,018</b>	<b>1,986</b>	<b>1,858</b>
<b>Non-Current Liabilities</b>											
Payables	222	495	495	495	495	495	495	495	495	495	495
Borrowings	1,915	1,713	1,521	1,399	1,270	1,134	990	839	678	551	551
Provisions	199	298	298	298	298	298	298	298	298	298	298
<b>Total Non-Current Liabilities</b>	<b>2,336</b>	<b>2,506</b>	<b>2,314</b>	<b>2,192</b>	<b>2,063</b>	<b>1,927</b>	<b>1,783</b>	<b>1,632</b>	<b>1,471</b>	<b>1,344</b>	<b>1,344</b>
<b>TOTAL LIABILITIES</b>	<b>4,324</b>	<b>4,566</b>	<b>4,364</b>	<b>4,172</b>	<b>4,050</b>	<b>3,921</b>	<b>3,785</b>	<b>3,641</b>	<b>3,490</b>	<b>3,329</b>	<b>3,202</b>
<b>Net Assets</b>	<b>82,404</b>	<b>85,106</b>	<b>86,344</b>	<b>87,664</b>	<b>89,066</b>	<b>90,594</b>	<b>92,244</b>	<b>94,052</b>	<b>96,049</b>	<b>98,042</b>	<b>100,030</b>
<b>EQUITY</b>											
Retained Earnings	37,859	40,561	41,799	43,119	44,521	46,049	47,699	49,507	51,504	53,497	55,485
Revaluation Reserves	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
<b>Total Equity</b>	<b>82,404</b>	<b>85,106</b>	<b>86,344</b>	<b>87,664</b>	<b>89,066</b>	<b>90,594</b>	<b>92,244</b>	<b>94,052</b>	<b>96,049</b>	<b>98,042</b>	<b>100,030</b>

Statement of Changes in Equity - General Fund For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>RETAINED EARNINGS</b>											
Opening Balance	38,639	37,859	40,561	41,799	43,119	44,521	46,049	47,699	49,507	51,504	53,497
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>38,639</b>	<b>37,859</b>	<b>40,561</b>	<b>41,799</b>	<b>43,119</b>	<b>44,521</b>	<b>46,049</b>	<b>47,699</b>	<b>49,507</b>	<b>51,504</b>	<b>53,497</b>
Net Operating Result for the Year	(780)	2,702	1,238	1,320	1,402	1,528	1,650	1,808	1,997	1,993	1,988
Total Comprehensive Income	(780)	2,702	1,238	1,320	1,402	1,528	1,650	1,808	1,997	1,993	1,988
<b>Balance at End of the Reporting Period</b>	<b>37,859</b>	<b>40,561</b>	<b>41,799</b>	<b>43,119</b>	<b>44,521</b>	<b>46,049</b>	<b>47,699</b>	<b>49,507</b>	<b>51,504</b>	<b>53,497</b>	<b>55,485</b>
<b>IPP&amp;E ASSET REVALUATION RESERVE</b>											
Opening Balance	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545	44,545
<b>Balance at End of the Reporting Period</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>	<b>44,545</b>
<b>COUNCIL EQUITY INTEREST</b>											
Opening Balance	83,184	82,404	85,106	86,344	87,664	89,066	90,594	92,244	94,052	96,049	98,042
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>83,184</b>	<b>82,404</b>	<b>85,106</b>	<b>86,344</b>	<b>87,664</b>	<b>89,066</b>	<b>90,594</b>	<b>92,244</b>	<b>94,052</b>	<b>96,049</b>	<b>98,042</b>
Net Operating Result for the Year	(780)	2,702	1,238	1,320	1,402	1,528	1,650	1,808	1,997	1,993	1,988
Total Comprehensive Income	(780)	2,702	1,238	1,320	1,402	1,528	1,650	1,808	1,997	1,993	1,988
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of the Reporting Period</b>	<b>82,404</b>	<b>85,106</b>	<b>86,344</b>	<b>87,664</b>	<b>89,066</b>	<b>90,594</b>	<b>92,244</b>	<b>94,052</b>	<b>96,049</b>	<b>98,042</b>	<b>100,030</b>

<b>Income Statement - Consolidated For the year</b>	<b>Budget 2016/17</b>	<b>Budget 2017/18</b>	<b>Projected 2018/19</b>	<b>Projected 2019/20</b>	<b>Projected 2020/21</b>	<b>Projected 2021/22</b>	<b>Projected 2022/23</b>	<b>Projected 2023/24</b>	<b>Projected 2024/25</b>	<b>Projected 2025/26</b>	<b>Projected 2026/27</b>
<b>Income from Continuing Operations</b>											
<i>Revenue</i>											
Rates and Annual Charges	2,350	2,574	3,859	4,149	4,467	4,813	5,192	5,606	6,059	6,211	6,366
User Charges and Fees	1,690	1,801	1,846	1,892	1,939	1,988	2,038	2,089	2,141	2,194	2,249
Interest and Investment Revenue	113	160	215	226	239	262	274	312	353	416	486
Other Revenue	3,103	2,843	2,913	2,985	3,059	3,135	3,212	3,292	3,373	3,457	3,542
Grants and Contributions provided for Operating Purposes	7,605	8,196	8,278	8,361	8,444	8,571	8,700	8,830	8,963	9,097	9,233
Grants and Contributions provided for Capital Purposes	529	850	859	867	876	889	902	916	934	953	972
<i>Other Income</i>											
Net gain from the disposal of assets	189	1,600	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>15,579</b>	<b>18,024</b>	<b>17,969</b>	<b>18,481</b>	<b>19,025</b>	<b>19,658</b>	<b>20,318</b>	<b>21,045</b>	<b>21,823</b>	<b>22,328</b>	<b>22,849</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits and On-Costs	4,270	4,817	4,937	5,061	5,192	5,327	5,466	5,608	5,754	5,903	6,057
Borrowing Costs	193	174	158	142	127	117	110	103	95	87	82
Materials and Contracts	4,436	4,720	5,890	6,094	6,311	6,551	6,807	7,080	7,371	7,565	7,767
Depreciation and Amortisation	5,476	3,350	3,452	3,531	3,610	3,698	3,788	3,881	3,975	4,072	4,171
Impairment	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,987	1,981	2,019	2,058	2,098	2,142	2,188	2,235	2,283	2,332	2,381
<b>Total Expenses from Continuing Operations</b>	<b>16,362</b>	<b>15,057</b>	<b>16,472</b>	<b>16,901</b>	<b>17,353</b>	<b>17,852</b>	<b>18,376</b>	<b>18,923</b>	<b>19,495</b>	<b>19,976</b>	<b>20,475</b>
<b>Operating Result from Continuing Operations</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,672</b>	<b>1,806</b>	<b>1,942</b>	<b>2,122</b>	<b>2,328</b>	<b>2,352</b>	<b>2,374</b>
<b>Discontinued Operations</b>											
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	1
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,672</b>	<b>1,806</b>	<b>1,942</b>	<b>2,122</b>	<b>2,328</b>	<b>2,352</b>	<b>2,375</b>
Net Operating Result attributable to Council	(783)	2,967	1,497	1,580	1,672	1,806	1,942	2,122	2,328	2,352	2,375
Net Operating Result attributable to Minority Interests	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(1,501)</b>	<b>517</b>	<b>639</b>	<b>713</b>	<b>796</b>	<b>917</b>	<b>1,040</b>	<b>1,206</b>	<b>1,394</b>	<b>1,399</b>	<b>1,403</b>
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,672</b>	<b>1,806</b>	<b>1,942</b>	<b>2,122</b>	<b>2,328</b>	<b>2,352</b>	<b>2,375</b>
Amounts which will not be reclassified subsequently to the Operating Result											
<b>Gain (Loss) on revaluation of I,PP&amp;E</b>											
<b>Total Comprehensive Income for the year</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,672</b>	<b>1,806</b>	<b>1,942</b>	<b>2,122</b>	<b>2,328</b>	<b>2,352</b>	<b>2,375</b>

Statement of Cash Flows - Consolidated For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>Cash Flows from Operating Activities</b>											
<i>Receipts</i>											
Rates and Annual Charges	2,342	2,869	3,859	4,149	4,467	4,813	5,192	5,606	6,059	6,211	6,366
User Charges and Fees	1,690	1,801	1,846	1,892	1,939	1,988	2,038	2,089	2,141	2,194	2,249
Investment and Interest Revenue Received	113	160	215	226	239	262	274	312	353	416	486
Grants and Contributions	8,134	9,046	9,136	9,228	9,320	9,460	9,602	9,746	9,897	10,050	10,205
Other	3,130	2,962	3,064	3,140	3,219	3,299	3,382	3,466	3,553	3,642	3,733
<i>Payments</i>											
Employee Benefits and On-Costs	(4,326)	(4,639)	(4,937)	(5,061)	(5,192)	(5,327)	(5,466)	(5,608)	(5,754)	(5,903)	(6,057)
Materials and Contracts	(4,987)	(4,482)	(5,905)	(6,109)	(6,326)	(6,567)	(6,823)	(7,096)	(7,388)	(7,582)	(7,784)
Borrowing Costs	(193)	(174)	(158)	(142)	(127)	(117)	(110)	(103)	(95)	(87)	(82)
Other	(1,987)	(2,127)	(2,170)	(2,213)	(2,257)	(2,307)	(2,358)	(2,409)	(2,462)	(2,517)	(2,572)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>3,916</b>	<b>5,416</b>	<b>4,949</b>	<b>5,111</b>	<b>5,282</b>	<b>5,504</b>	<b>5,730</b>	<b>6,003</b>	<b>6,304</b>	<b>6,424</b>	<b>6,545</b>
<b>Cash Flows from Investing Activities</b>											
<i>Receipts</i>											
Sale of Investment Securities	614	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	2,225	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Purchase of Investment Securities	-	(493)	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant and Equipment	(5,832)	(4,379)	(4,320)	(4,405)	(4,355)	(4,904)	(4,224)	(4,408)	(3,991)	(3,825)	(4,399)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(5,218)</b>	<b>(2,647)</b>	<b>(4,320)</b>	<b>(4,405)</b>	<b>(4,355)</b>	<b>(4,904)</b>	<b>(4,224)</b>	<b>(4,408)</b>	<b>(3,991)</b>	<b>(3,825)</b>	<b>(4,399)</b>
<b>Cash Flows from Financing Activities</b>											
<i>Receipts</i>											
Proceeds from Borrowing and Advances	-	-	-	-	-	-	-	-	-	-	-
<i>Payments</i>											
Repayment of borrowing and advances	(240)	(269)	(261)	(254)	(188)	(199)	(210)	(222)	(235)	(248)	(221)
<b>Net Cash provided (or used) in Financing Activities</b>	<b>(240)</b>	<b>(269)</b>	<b>(261)</b>	<b>(254)</b>	<b>(188)</b>	<b>(199)</b>	<b>(210)</b>	<b>(222)</b>	<b>(235)</b>	<b>(248)</b>	<b>(221)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1,542)</b>	<b>2,500</b>	<b>368</b>	<b>451</b>	<b>739</b>	<b>401</b>	<b>1,296</b>	<b>1,373</b>	<b>2,078</b>	<b>2,350</b>	<b>1,924</b>
<b>plus: Cash and Cash Equivalents - beginning of year</b>	<b>4,120</b>	<b>2,578</b>	<b>5,077</b>	<b>5,445</b>	<b>5,897</b>	<b>6,636</b>	<b>7,036</b>	<b>8,332</b>	<b>9,705</b>	<b>11,782</b>	<b>14,133</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>2,578</b>	<b>5,077</b>	<b>5,445</b>	<b>5,897</b>	<b>6,636</b>	<b>7,036</b>	<b>8,332</b>	<b>9,705</b>	<b>11,782</b>	<b>14,133</b>	<b>16,057</b>
plus: Investments on hand - end of year	1,586	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
<b>Total Cash, Cash Equivalents and Investments</b>	<b>4,164</b>	<b>7,156</b>	<b>7,524</b>	<b>7,976</b>	<b>8,715</b>	<b>9,115</b>	<b>10,411</b>	<b>11,784</b>	<b>13,861</b>	<b>16,212</b>	<b>18,136</b>



Balance Sheet - Consolidated As at	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	2,578	5,077	5,445	5,959	6,766	7,241	8,617	10,077	12,249	14,702	16,737
Investments	1,586	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079	2,079
Receivables	815	520	520	520	520	520	520	520	520	520	520
Inventories	43	70	70	70	70	70	70	70	70	70	70
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>5,022</b>	<b>7,746</b>	<b>8,114</b>	<b>8,628</b>	<b>9,435</b>	<b>9,910</b>	<b>11,286</b>	<b>12,746</b>	<b>14,918</b>	<b>17,371</b>	<b>19,406</b>
<b>Non-Current Assets</b>											
Investments	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant and Equipment	97,851	98,255	99,123	99,997	100,742	101,947	102,383	102,910	102,926	102,679	102,908
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Intangibles	260	260	260	260	260	260	260	260	260	260	260
Investment Property	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>98,111</b>	<b>98,515</b>	<b>99,383</b>	<b>100,257</b>	<b>101,002</b>	<b>102,207</b>	<b>102,643</b>	<b>103,170</b>	<b>103,186</b>	<b>102,939</b>	<b>103,168</b>
<b>TOTAL ASSETS</b>	<b>103,133</b>	<b>106,262</b>	<b>107,497</b>	<b>108,885</b>	<b>110,437</b>	<b>112,118</b>	<b>113,930</b>	<b>115,917</b>	<b>118,104</b>	<b>120,310</b>	<b>122,573</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	982	962	962	962	962	962	962	962	962	962	962
Borrowings	269	261	191	122	129	136	144	152	160	128	-
Provisions	820	899	899	899	899	899	899	899	899	899	899
<b>Total Current Liabilities</b>	<b>2,071</b>	<b>2,122</b>	<b>2,052</b>	<b>1,983</b>	<b>1,990</b>	<b>1,997</b>	<b>2,005</b>	<b>2,013</b>	<b>2,021</b>	<b>1,989</b>	<b>1,861</b>
<b>Non-Current Liabilities</b>											
Payables	222	495	495	495	495	495	495	495	495	495	495
Borrowings	2,824	2,563	2,371	2,249	2,120	1,984	1,840	1,689	1,528	1,401	1,401
Provisions	199	298	298	298	298	298	298	298	298	298	298
<b>Total Non-Current Liabilities</b>	<b>3,245</b>	<b>3,356</b>	<b>3,164</b>	<b>3,042</b>	<b>2,913</b>	<b>2,777</b>	<b>2,633</b>	<b>2,482</b>	<b>2,321</b>	<b>2,194</b>	<b>2,194</b>
<b>TOTAL LIABILITIES</b>	<b>5,316</b>	<b>5,478</b>	<b>5,217</b>	<b>5,025</b>	<b>4,903</b>	<b>4,774</b>	<b>4,638</b>	<b>4,494</b>	<b>4,343</b>	<b>4,182</b>	<b>4,055</b>
<b>Net Assets</b>	<b>97,817</b>	<b>100,784</b>	<b>102,281</b>	<b>103,860</b>	<b>105,534</b>	<b>107,344</b>	<b>109,292</b>	<b>111,422</b>	<b>113,762</b>	<b>116,128</b>	<b>118,518</b>
<b>EQUITY</b>											
Retained Earnings	43,135	46,102	47,599	49,178	50,852	52,662	54,610	56,740	59,080	61,446	63,836
Revaluation Reserves	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682
<b>Total Equity</b>	<b>97,817</b>	<b>100,784</b>	<b>102,281</b>	<b>103,860</b>	<b>105,534</b>	<b>107,344</b>	<b>109,292</b>	<b>111,422</b>	<b>113,762</b>	<b>116,128</b>	<b>118,518</b>

Statement of Changes in Equity - Consolidated For the year	Budget 2016/17	Budget 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27
<b>RETAINED EARNINGS</b>											
Opening Balance	43,918	43,135	46,102	47,599	49,178	50,852	52,662	54,610	56,740	59,080	61,446
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>43,918</b>	<b>43,135</b>	<b>46,102</b>	<b>47,599</b>	<b>49,178</b>	<b>50,852</b>	<b>52,662</b>	<b>54,610</b>	<b>56,740</b>	<b>59,080</b>	<b>61,446</b>
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,674</b>	<b>1,809</b>	<b>1,948</b>	<b>2,131</b>	<b>2,340</b>	<b>2,366</b>	<b>2,391</b>
<b>Total Comprehensive Income</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,674</b>	<b>1,809</b>	<b>1,948</b>	<b>2,131</b>	<b>2,340</b>	<b>2,366</b>	<b>2,391</b>
<b>Balance at End of the Reporting Period</b>	<b>43,135</b>	<b>46,102</b>	<b>47,599</b>	<b>49,178</b>	<b>50,852</b>	<b>52,662</b>	<b>54,610</b>	<b>56,740</b>	<b>59,080</b>	<b>61,446</b>	<b>63,836</b>
<b>IPP&amp;E ASSET REVALUATION RESERVE</b>											
Opening Balance	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682	54,682
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at End of the Reporting Period</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>	<b>54,682</b>
<b>COUNCIL EQUITY INTEREST</b>											
Opening Balance	98,600	97,817	100,784	102,281	103,860	105,534	107,344	109,292	111,422	113,762	116,128
Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-	-
<b>Revised Opening Balance</b>	<b>98,600</b>	<b>97,817</b>	<b>100,784</b>	<b>102,281</b>	<b>103,860</b>	<b>105,534</b>	<b>107,344</b>	<b>109,292</b>	<b>111,422</b>	<b>113,762</b>	<b>116,128</b>
<b>Net Operating Result for the Year</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,674</b>	<b>1,809</b>	<b>1,948</b>	<b>2,131</b>	<b>2,340</b>	<b>2,366</b>	<b>2,391</b>
<b>Total Comprehensive Income</b>	<b>(783)</b>	<b>2,967</b>	<b>1,497</b>	<b>1,580</b>	<b>1,674</b>	<b>1,809</b>	<b>1,948</b>	<b>2,131</b>	<b>2,340</b>	<b>2,366</b>	<b>2,391</b>
Revaluations - IPP&E Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at End of the Reporting Period</b>	<b>97,817</b>	<b>100,784</b>	<b>102,281</b>	<b>103,860</b>	<b>105,534</b>	<b>107,344</b>	<b>109,292</b>	<b>111,422</b>	<b>113,762</b>	<b>116,128</b>	<b>118,518</b>

## Appendix A    39 Actions for PIO



**Balranald Shire Council Implementation Plan that addresses the findings and recommendations from the Office of Local Government's Report titled "Balranald Shire Council report on Preliminary Enquiries dated August 2016"**

	OLG REPORT RECOMMENDATIONS	PROPOSED OUTCOMES	ACTION BY	STATUS AT 10 August 2017	ADDITIONAL RESOURCES (IF REQUIRED)	COMPLETION DATE
1	That Council finalise and resolve to adopt a LTFP that has clear links to Council's asset management plans.	Asset Management Plans are being developed and will be completed by 28 July 2017. Council has resolved that the LTFP be reported to the August 2017 Council meeting.	GM	Morrison Low are undertaking the preparation of the LTFP in conjunction with the rating review and SRV process. The project plan proposes that Council adopt the 2018/19 LTFP for community consultation on 17 Oct with the final LTFP being adopted on 21 November 2017.	Morrison Low are preparing Council's Asset Management Plans & a former General Manager from the surrounding district is preparing the LTFP which will be provided to the August Council meeting.	30-Nov-17
2	That Council reviews its Quarterly Budget Review Statement with Councillors to ensure accuracy and relevance for decision-making at a strategic level.	Councillors review the Quarterly Budget Review Statement at the November 2016 meeting.	DCCD	Reviewed at November 2016 Council meeting. Completed	In-house	15-Nov-16
3	That all elected councillors undertake financial and code of conduct training directly after the next Council election.	LG NSW organised training day for Code of Conduct scheduled for 19 January 2017 and Finance Training Day on 10 March 2017.	GM	All Councillors attended the Code of Conduct training held on 19 January 2017 along with the Finance Training day held on 10 March 2017. Completed.	LGNSW	10-Mar-17
4	That Council undertake a comprehensive review of all its policies and ensure they are submitted to Council for adoption.	All of Council Policies to be reviewed and adopted by Council at the February 2017 Council meeting. In doing so identify any critical outstanding policies and included them for adoption.	GM	A total of 40 policies were adopted by Council at the February 2017 Council meeting.  There are approximately 6 more relevant policies to be presented to Council.	A consultant with 20+years' experience in governance undertook the review for Council.	21-Feb-17
5	That Council develop a plan to improve its document management processes and system which will meet the requirements of the <i>State Records Act 1998</i> .	Electronic Management System installed, dedicated staff member appointed to manage the system and staff provided training to utilise the system.	DCCD	Project Manager appointed in May 2017 & Casual receptionist 5days/fortnight to allow receptionist to assist project manager. Council accepted a quote from Kapish on 21 June to supply and install Trim (which is utilised by the surrounding Councils). Installation commenced on 3 July and the dedicated position has filled.	External Project Manager appointed to Project Manage the whole project.	29-Sep-17
6	That until Council has an audit committee, councillors review responses to the issues raised in the external auditor's management letters on an annual basis at a Council meeting.	External auditor's management letters Reported to the February 2017 Council Meeting	DCCD	External auditor's management letters Reported to the 21 February 2017 Council Meeting. The Inaugural Audit Committee Meeting was held on 1 June 2017 with a progress report to the June 2017 Council meeting. Completed.	In-house	1-Jun-17
7	That Council's progress in implementing the recommendations from the external auditor's management letter is reported to Council each month.	A monthly progress report be provided to Council up to and including the December 2017 meeting.	DCCD	Audit management letters were reported to the December 2016 and February 2017 meetings with a monthly progress report being reported to the June & July 2017 Council meetings.	In-house	22-Dec-17
8	Council should establish an audit committee and an internal audit framework pursuant to OLG's <i>Internal Audit Guidelines</i> .	Internal audit framework established and first Audit Committee meeting held prior to 30 June 2017.	GM	Internal Audit Framework adopted at the February 2017 Council meeting. External members were appointed at the April Council meeting and the inaugural Audit Committee meeting was held on 1 June 2017. Completed.	In-house	1-Jun-17
9	That Council develop a fraud and corruption policy and conduct a fraud risk assessment.	Fraud and corruption policy adopted by Council and Consultant undertake a fraud risk assessment by 31 August 2017.	GM	Policy adopted at the February 2017 Council meeting. Crowe Horwath have undertaken a survey of all management staff against the key areas of fraud control & will provide a Fraud Risk Assessment Spreadsheet by 18 August.	Crowe Horwath of Albury have been appointed to undertake an Independent fraud risk assessment	31-Aug-17
10	That in addition to the current arrangements, credit card statements for the Mayor and General Manager be reviewed, approved and signed off by another councillor in line with expenditure that has been approved within Council's budget.	Implement Report Recommendation.	GM	Process implemented 15 November 2016 where all relevant staff have been informed in writing of the process and the DCCD will audit. Completed.	In-house	15-Nov-16
11	That for any staff provided with a credit card, their transactions are signed off and approved by the General Manager and the Finance Coordinator.	Implement Report Recommendation.	GM	Process implemented 15 November 2016 where all relevant staff have been informed in writing of the process and the DCCD will audit. Completed.	In-house	15-Nov-16
12	That Council develop an end of year plan to complete and finalise Council's audited financial statements each year and report regularly to a Council meeting on its progress.	End of year plan reported to the June Council meeting with a progress report to the following 3 Council meetings.	DCCD	Initial report provided to February 2017 Council meeting with a follow up report to the June 2017 Council meeting.	In-house	29-Sep-17
13	That Council pursue unrepresented payments including several EFT payments and cheques dating back to August 2014 and February 2014, respectively.	As per report recommendation	DCCD	4 Cheques have been cancelled and reissued 15/11/16. Council's financial system provider rectified the EFT payments. Completed.	In-house	15-Nov-16

23-Jun-17

Shaded box indicates completed action

Note: GM - General Manager, DCCD – Director Corporate & Community Development, DID – Director of Infrastructure & Development

**Balranald Shire Council Implementation Plan that addresses the findings and recommendations from the Office of Local Government's Report titled "Balranald Shire Council report on Preliminary Enquiries dated August 2016"**

	OLG REPORT RECOMMENDATIONS	PROPOSED OUTCOMES	ACTION BY	STATUS AT 10 August 2017	ADDITIONAL RESOURCES (IF REQUIRED)	COMPLETION DATE
14	That Council ensure an authentic and informed LTFP is presented to Council in August 2017.	Adoption of Long term Financial Plan	GM	Morrison Low are undertaking the preparation of the LTFP in conjunction with the rating review and SRV process. The project plan proposes that Council adopt the 2018/19 LTFP for community consultation on 17 Oct with the final LTFP being adopted on 21 November 2017.	Consultant – Morrison Low	30 November 2017
15	That Council consider the future operations of the Balranald Caravan Park to ensure the Park continues to be a major asset for the District and produces realistic income with minimum risk.	Options for future management of the Caravan Park considered and implemented by Council.	GM	Sustainable Park Solutions were appointed by Council at the June meeting to prepare a Master Plan and Business Plan for the Balranald Caravan Park. Furthermore, Council resolved to not to renew the current lease.	Consultant – Sustainable Park Solutions	31 December 2017
16	That Council consider divesting the management and possibly ownership of the Bidgee Haven Hostel in Balranald to ensure income losses do not impact on Council's limited budget and risks to Council are minimized.	Options for the future ownership and management of the facility considered and Council decision made.	DCCD	Report with options being present to the August meeting. Decision on way forward expected at that meeting	In-House	30 September 2017
17	That regardless of the success or otherwise of the application for IWCM business plans be prepared for the Water and Sewer Funds.	Adoption of a IWCM strategy including business plans for the Water & Sewer Funds.	DID	Funding sought from government program for 2017/2018. Council has budgeted \$120k in the budget with the offset of grant income of \$60k	Consultant (estimate \$60k extra if grant not received)	31 December 2018
18	That the "sugar hit" from the sale of the Caltex Service Station be applied to current areas of deficiency (such as staff levels) or modernisation of approaches (such as a Document Management System) or building up Reserves. Council should determine a plan of where the proceeds will be applied or conserved.	Sale of site and funds reserved for specific purposes	DCCD	Council divesting ownership now imminent (contracts exchanged ), Council conscious of the need for judicious expenditure of the sale proceeds	In-house	30 November 2017
19	That Council undertake a rates review to ensure the correct categorisation of properties to ensure equity and income maximization.	Review completed in this calendar year	GM	Morrison Low have been engaged to complete the review in addition to a SRV	Consultant Morrison Low Budgeted \$89,500, which includes the SRV work below	30 November 2017
20	That preparations commence for a general Special Rates Variation (SRV) and that Council look at the possibility of SRVs for mines and solar farms approved or planned.	SRV preparation work undertaken and SRV application submitted	GM	Morrison Low have been engaged to undertake the SRV process (refer to attached project timeline)	Consultant – Morrison Low, as above	31 January 2018
21	That Council embed the recently adopted Business Improvement Plan into its operations.	Recognition of the importance of the Business improvement plan and regularly reporting to Council.	GM	The business improvement plan will be considered quarterly by Council. Where relevant reference will be made to the plan in staff reports. General Manager's performance assessment will be aligned to the Plan.	In-house	Ongoing
22	That Council look to adopting S.94 or S.94A plans to ensure future income opportunities are not lost.	Council is in a position to readily assess impacts of major developments in the shire	DID	To be actioned.	Consultant (estimate \$10k)	30 June 2018
23	That a review of all fees and charges be undertaken, before the next Budget, with a view to establishing full cost recovery or identifying the reasons for not pursuing full cost recovery.	Maximize Council's income from these sources.	DCCD	To be actioned.	In-House	30 April 2018.
24	That a review of plant charges and on costs be made, before the next Budget, to ensure profitability is maximized and all overheads are correctly charged and recovered.	Maximize Council's income from these sources.	DID	To be actioned.	In-House	30 April 2018.
25	That Council recognize that approaches in previous years of not funding depreciation have reduced the cash position of Council and Council commit to cash funding of depreciation.	Council's budgeting process allows for depreciation to be funded.	DCCD	The recent road revaluation reduced Council's total annual depreciation by the amount of \$2.2M. The LTFP will address the situation.	In-House	30 November 2017
26	That a long term financial and improvement plan be prepared for the Visitors Information Centre.	Council adopts a precinct management plan for the Visitor Information Centre and surrounds	DCCD	The plan is currently being prepared in house	In-House	30 October 2017

Shaded box indicates completed action

Note: GM - General Manager, DCCD – Director Corporate & Community Development, DID – Director of Infrastructure & Development

**Balranald Shire Council Implementation Plan that addresses the findings and recommendations from the Office of Local Government's Report titled "Balranald Shire Council report on Preliminary Enquiries dated August 2016"**

	OLG REPORT RECOMMENDATIONS	PROPOSED OUTCOMES	ACTION BY	STATUS AT 10 August 2017	ADDITIONAL RESOURCES (IF REQUIRED)	COMPLETION DATE
27	That Council move quickly to fill staff vacancies as identified in the latest staff structures as presented to Council.	A full complement of suitability qualified staff	GM	Structure presented to Consultative committee and discussion with staff commenced	In-House	28 February 2018
28	That Directors of Council be given more security of tenure.	Directors appointed permanently to positions	GM	Director of Infrastructure & Development appointed permanently and the Director of Corporate & Community Development position currently advertised	In-House	30 October 2017
29	That Council consider a Staff Education Assistance and Encouragement Policy.	Adoption of a formal Staff Education policy	DCCD	To be actioned.	In-House	31 December 2017
30	That Council look to a succession planning approach with staff.	Adopted Workforce Plan that addresses staff succession issues	DCCD	The proposed currently in consultation provides a career path for staff which combined with staff education and training will address succession planning issues.	In-House	31 March 2018
31	That Council monitor Secondary Employment to ensure worker safety is paramount, work obligations are not compromised and conflicts of interest are minimized.	Ongoing monitoring & development of a secondary employment policy	DCCD	Code of conduct training provided to all staff to make them aware of their responsibilities in relation to secondary employment. Reminders issued to staff.	In-House	30 October 2017
32	That Council require the General Manager and Directors to undergo personality profiling and follow up interviews to align their personalities with the rigors of the roles.	Profiling of General Manager and Directors completed	GM	To be actioned.	Consultant – online, approximate cost \$3,000	31 December 2017
33	That Council's newly appointed Performance Review Panel conduct two formal assessments annually and also meet quarterly for discussions with the General Manager.	Action to be implemented	GM	The General Manager has ½ yearly reviews with a facilitator. Quarterly meetings will be implemented.	Consultant for ½ yearly and In-house for the quarterly meetings	30 November 2017
34	That the General Manager's Performance Agreement be a meaningful agreement which reflects the aspirations and obligations of Council including subscribing to Fit for the Future requirements, adherence to the Business Improvement Plan, strategic planning and community engagement.	New Performance Agreement to be established.	GM	Consultant (LGMS Solutions) is now working on this following a recent review.	Consultant – within budget	30 November 2017
35	That Council undertake a definite and sustained campaign of community engagement.	Appointment of a 0.5FTE communication officer	DCCD	Structure that is currently under consideration includes the 0.5FTE communication officer with Position Description complete. The CSP and SRV will demand more sustained communication.	In-house & budgeted for	Ongoing & according to requirements
36	That Council undertake a service level review to inform the planning documents.	Service Levels established for key delivery areas	GM	To be actioned.	Consultants & In-house Estimate of \$50k	31 December 2018.
37	That Councillors recognise the dignity and authority of the position of Mayor at all times.	Awareness of the appropriate relationships emanating from the Code of Conduct, Code of Meeting Practice and Councillor/Staff Interaction Policy.	GM	Appropriate policies are established, polices to be reinforced from time to time.	In-house	ongoing
38	That the Mayor preside over all gatherings where Councillors are present. (Meetings and Workshops). Further that the Mayor familiarise himself with the respective Codes governing behaviour by Councillors and Staff (Code of Conduct, Code of Meeting Practice and Councillor/Staff Interaction Policy) and enforce good behavioural practices.	Authority of Mayor established.	GM	This recommendation has been implemented.	In-house	ongoing
39	That Council do more to "sell itself" by promoting positive news and achievements.	Improved communication and public relation	DCCD	To be actioned following the appointment of a communications officer	In-house	ongoing

Shaded box indicates completed action

Note: GM - General Manager, DCCD – Director Corporate & Community Development, DID – Director of Infrastructure & Development