

The changes are minor:

1. GIPA requirements and Contracts Register for Contracts over \$150,000.00 in Value

As a key compliant measure, Council has completed GIPA requirements consistent with the Act and has progressed to developing a web page for procurement over \$150,000.00, now updated regularly on Council's Website.

2. Vendor Panel Definition

Definition of Vendor Panel recently adopted and operationally available in Council to promote best practice in seeking and administering quotations electronically. This program is designed to manage high-level quotation processes up to the legislated \$250,000.00 figure under the Procurement Policy and increase visibility of suppliers within the Federation LGA to Council Officers.

Conclusion

The Procurement Policy presented to Council is now presented to ensure to the community a high level of confidence and professionalism, increased risk management and accountability in all Council Procurement activity and decision making involving the Federation Council.

Attachments

8.7.1 Procurement Policy (16/19597)

Financial Implications

There will be no financial implications of adopting this policy.

RECOMMENDED:

1. THAT Council note the report on the Procurement Policy; and
2. THAT Council adopt the Federation Council Procurement Policy.

8.8 LONG TERM FINANCIAL PLAN 2020-30

Summary

The purpose of this report is to enable Council to consider an updated Long-Term Financial Plan 2020-2030 that includes greater detail on the impact of the Special Rate Variation for 2021/22 and updates other minor matters.

Background

In July 2020 Council formally adopted the following final documents to provide Council direction and allocate resources to Council priorities:

- Delivery Program and Operational Plan 2020/21.
- Revenue Policy for the financial year 2020/21 (including Fees and Charges schedule).
- Long Term Financial Plan 2020-2030.

These documents detail the long term direction of Council, its key strategic objectives and the associated long term financial projections.

Recognising that new community assets, such as the Corowa Aquatic Centre, would shortly be coming operational, the Long Term Financial Plan included the estimated operating expenditure increases and a need for additional rates to be collected to fund the increased operating costs. The Long Term Financial Plan 2020-2030 recommended to Council and adopted by Council included a 6-8% general rate increase (above the rate peg) to support Council's ongoing financial sustainability.

Now that further modelling has been undertaken of the Corowa Aquatic Centre operating model, with hours of operation, staffing levels and proposed entry fees, It has been confirmed that an 8% general rate increase (including the 2.0% rate peg) is required to fund operation of the new facility.

As a consequence of this more comprehensive information, the Long Term Financial Plan 2020-2030 has been updated to provide additional information on the impact of the rate increase on ratepayers.

The following table provides a summary of the annual impact on the average rates charged in three consolidated rating categories.

		Option A	Option B
Average general rates 2021/22		Increase applied to properties based on land value	Equal increase applied to all properties
	Rate peg	2.00%	2.00%
	Our proposed SRV increase (incl. 2.0% rate peg)	8.00%	8.00%
Residential	Rates without proposed SRV - rate peg only	\$629.24	\$641.27
all	Rates with proposed SRV	\$656.73	\$703.58
	Impact of SRV/Year	\$27.49	\$62.31
	Impact of SRV/Week	\$0.53	\$1.20
Farmland	Rates without proposed SRV - rate peg only	\$3,407.21	\$3,341.31
all	Rates with proposed SRV	\$3,660.18	\$3,403.61
	Impact of SRV/Year	\$252.97	\$62.31
	Impact of SRV/Week	\$4.86	\$1.20
Business	Rates without proposed SRV - rate peg only	\$1,201.20	\$1,197.54
all	Rates with proposed SRV	\$1,274.11	\$1,259.85
	Impact of SRV/Year	\$72.90	\$62.31
	Impact of SRV/Week	\$1.40	\$1.20

The LTFP (Section 4) contains greater detail on the impact on average rates based on the six current rating categories:

- Residential (former Corowa)
- Farmland (former Corowa)
- Business (former Corowa)
- Residential (former Urana)
- Farmland (former Urana)
- Business (former Urana)

Other minor changes to the LTFP are:

- Addition of a summary of Council's financial improvement practices (Section 5.15)
- Recognition of the internal borrowings required in 2020/21 and 2021/22 (Section 5.16)

Community Engagement

The original LTFP, containing the 6-8% Special Rate Variation, was released on public exhibition in June / July 2020. Five submissions were received. These were considered prior to Council adopting the final LTFP in late July 2020.

This updated LTFP will be released on public exhibition and any submissions and proposed amendments will be presented to a meeting of Council in early February 2021.

Attachments

8.8.1 Long Term Financial Plan 2020 – 2030 V 1.1 (20/30503)

Financial Implications

The detail of the financial implications is contained within the attachments. There are no budgetary changes as a result of the proposed amendments to the Long Term Financial Plan.

RECOMMENDED:

1. THAT Council place the amended Long-Term Financial Plan 2020-2030 on public exhibition for at least 28 days commencing 16 December 2020;
2. THAT Council invite submissions from the community in relation to the changes to the document; and
3. THAT Council receive a further report after the public exhibition period at an extraordinary Council meeting on February 2021:
 - i. addressing any submissions made in respect of the amended document; and
 - ii. proposing adoption of the updated Long-Term Financial Plan 2020-30.

8.9 TENDER EVALUATION REPORT – REQUEST FOR TENDER 2020-139 – PROVISION OF LEGAL SERVICES PANEL TO FEDERATION COUNCIL – CONFIDENTIAL

Author: Tony McCarthy, Manager Procurement

Summary

The purpose of this report is to present the outcomes of Request for Tender (RFT) 2020-139 Provision of Legal Services to Federation Council, in compliance to The Local Government Act 1993 and General Regulations 2005. A final evaluation of tenderer information will be conducted in a closed session of Council.

Local Government Regulations

As per Local Government Regulations 2005 Regulation 211 'Authorisation of Expenditure':

- (1) A Council must not incur a liability for expenditure of money unless the Council at an annual meeting held in accordance with subclause (2) of a later ordinary meeting:
 - (a) has approved the expenditure; and
 - (b) has voted the money necessary to meet the expenditure.

The following financial information has been approved for Council to authorise in compliance to this regulation.

LONG TERM FINANCIAL PLAN

10-years 2020 – 2030

(including Annual Budget 2020/21)

Contents:

1	Introduction.....	2
2	Objectives.....	4
3	Planned Scenarios.....	4
4	Special Rate Variation.....	5
5	Sensitivity/Assumptions.....	75
6	Capital Works Plan.....	108
7	Monitoring Key Performance Indicators (KPI'S).....	1613
8	Financial statements.....	2017
	Planned (Base) Scenario Financial Statements.....	2118
	Optimistic Scenario Financial Statements.....	2722
	Conservative Scenario Financial Statements.....	3226



1 INTRODUCTION

Federation Council is a regional Council with a low rate base that serves a growing area. Council has maintained very low general rate charges over many decades. This has been due to rate pegging, strong consideration towards the rural rate base and economic factors. Some excellent achievements have been made by the Council given the limited rate revenue and the high level of infrastructure and service demands.

Council is working to deliver a program focused on improving the long term sustainability of the Council. Key to this is the delivery of the recommendations and action plans developed through the merger-funded Asset Management and Long Term Financial Planning Services Model – completed in the 2019/20 financial year. The objective of this project was to integrate Council's asset management planning and whole-of-life costings into service costings to enable more robust long term financial planning to be undertaken.

The Long Term Financial Plan (LTFP) provides an Annual Budget for 2020/21 and financial projections through to June 2030 and is an essential component of the Council's Resourcing Strategy, as required under the NSW Local Government Integrated Planning and Reporting (IP&R) Framework.

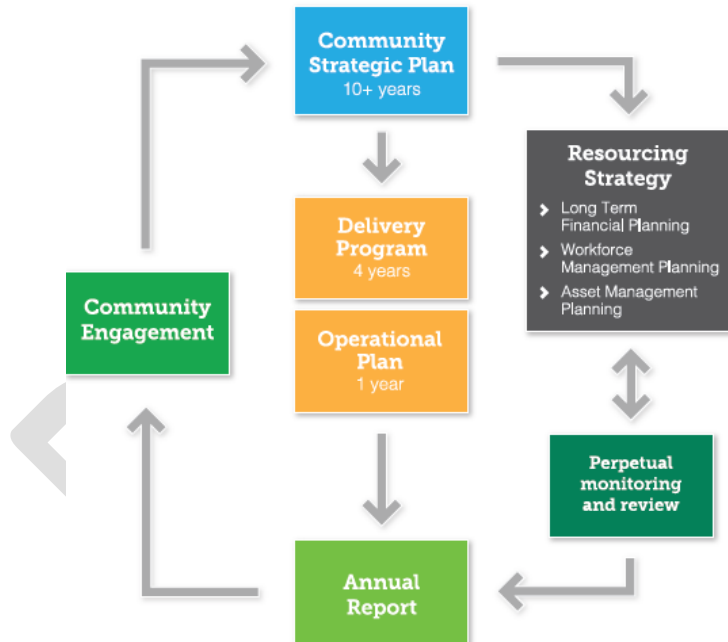



Figure 1 – NSW Local Government Integrated Planning and Reporting Framework

The Community Strategic Plan outlines the needs and aspirations of the Federation community, delivered through the Delivery Program and Operational Plans of Council. The Resourcing Strategy is critical to ensuring Council has the capability and capacity to deliver the services as planned.

The LTFP aligns the delivery of services as outlined in the community expectations with the requirement for responsible management of Council's current and future financial sustainability. The aim of the LTFP is to provide the Council with sound financial information upon which to make decisions. Decision made by Council



will likely require continual revision of the LTFP as estimates of revenues, expenditures and capital investments are refined and become more accurate.

As decisions are made, more detail can be added to the LTFP. For example, as the council finalises its Delivery Program, the first four years of the LTFP will become firmer. As the Operational Plan is completed, the detailed budget will form the first year of the LTFP.

The LTFP has been prepared following a detailed service planning review, with service managers identifying current levels of service, forecasting future service demand, identifying the asset requirements and estimating the future incomes and expenditure. Through service planning Council has a very good understanding of the risks and challenges to the future sustainability of the Council. Therefore, this LTFP outlines a significantly different projection from previous years, and includes management actions required to ensure the future of Federation Council's services are financially sustainable and affordable for the community.

The service planning and prioritisation undertaken as part of this plan will help council to manage unexpected events which will require revision of plans. Council has identified the current financial issues and the mitigation required to address the risk each issue has for the longer term sustainability of Council.

This report presents a full suite of financial statements for 2020/21 to 2029/30.

1.1. Long Term Financial Sustainability

Financial sustainability is about having the capacity to deliver services, absorb changes and shocks and make decisions in the best interests of the community over the long term. This focus is to ensure Council's decisions made today regarding financial, physical and human resources take account of the long-term impacts, which include:


- meeting the agreed service needs of the community;
- maintaining, operating and upgrading infrastructure and equipment to an acceptable condition and capacity to meet service needs;
- absorbing foreseeable changes and unexpected shocks without having to make disruptive revenue or expenditure adjustments;
- having strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision making; and
- reflects the objectives of Federation Council to maintain a financially sustainable position across its 10-year planning horizon.

1.2. Council Services

In 2019/20, Federation Council completed a strategic review of services it provides to its community through the application of a Service Planning framework. The Service Planning framework enables Council to better understand how effectively the organisation is operating and to review the level of service provided, the cost of service and consider the sustainability of the service mix over the life of Council's Long-Term Financial Plan (LTFP).

Council provides forty-five (45) separate services that include statutory responsibilities (core services) and other (non-core) services that are not required under the current enabling legislation, the Local Government Act 1993, or other statutes. The provision of non-core services that require full or part subsidisation from the general rate revenue is a challenge for Council's financial planning. Past cost-shifting from other levels of government to Council without adequate funding places further stresses upon the financial planning of Council.

Core services undertaken by Federation Council include the provision of roads, drainage, bridges, footpaths, cemeteries, waste, emergency management, environmental and natural resources, land management, regulation, water and sewerage, as well as the community leadership, advocacy and management functions of the Council.



An indication of some of the non-core service areas undertaken by Federation Council to support a stronger community are as follows:

- Corowa Swimming Pool and other pools,
- Mulwala Industrial Subdivision,
- Howlong Industrial Subdivision (and associated Stormwater Drainage works),
- Corowa Saleyards,
- Corowa Aerodrome,
- Caravan Parks (e.g. Ball Park Corowa and Urana Caravan Park), and
- Services relating to Youth, Aged, Disability, Libraries, Mobile Preschools, Health, Early and Seniors Education, Social, Arts and Culture, Tourism and Economic Development.

Council values and acknowledges that the non-core services are a priority, given that they make a place more liveable and a place that visitors want to visit, as was communicated by the community through the Community Strategic Plan (CSP) consultation forums and surveys. In addition Council acknowledges its role in supporting economic activity in the Council area, as evidenced by its commitment to developing industrial land and operating caravan parks and the Saleyards. These activities are able to generate returns to Council and assist in alleviating the rates burden.

It is the responsibility of Council to plan and prioritise services through the LTFP, which inevitably includes balancing financial needs of the core and non-core services, as well as the affordability of the rate and charges burden upon the community.

2 OBJECTIVES

The objectives of the Federation Council LTFP are to:

- Understand the cumulative effects of Council's service requirements, asset management commitments and the community aspirations.
- Identify the financial opportunities and threats confronting Council.
- Provide a basis for sound and strategic decision making.
- Ensure that Council's decision-making processes are undertaken within a framework of financial sustainability.
- Meet the requirements of the Office of Local Government (OLG) Integrated Planning and Reporting (IP&R) framework.

3 PLANNED SCENARIOS

Under the NSW Integrated Planning and Reporting framework, the development process for the LTFP should include financial modelling of different scenarios (eg planned/optimistic/conservative). The use of scenarios provides the Council with an idea of how much flexibility is in the Plan and how much latitude it has with various projects and scenarios.

The scenarios modelled are important when discussing the financial implications of the Community Strategic Plan with residents and will also assist councillors in developing suitable actions for the Delivery Program.

If councils are considering applying for a special rate variation, one of the financial scenarios developed must address this option. This will help to enable the discussion with the community about the costs and benefits of any potential increases in rates.

With the opening of significant new community facilities through 2020 and 2021, there is increased operating and maintenance expenditure required to support usage of the facilities. This poses a challenge given the level of Council's existing revenue streams.

To better understand the long term impact, alternate scenarios of the Long Term Financial Plan have been developed.

Planned (Base) Scenario	Introduction of a Special Rate Variation to be introduced in 2021/22 to increase the general rate by 6% - 8% to fund the increased operating and maintenance expenditure required for newly opened community facilities. The construction of these facilities has been primarily funded through the State Government Stronger Communities Fund and Stronger Country Communities Fund. The General Fund returns to a positive cash position earlier, providing capacity for Council to address the asset management demands of existing infrastructure. Short period of an internal loan required between the Sewerage Fund and the General Fund to address the cash deficit in the General Fund.
Optimistic Scenario	Excludes a Special Rate Variation. General Fund does not return to a positive cash position until the 2029/30 financial year. Extended internal loan arrangement required to address the cash deficit in the General Fund. Relies upon constraining the asset maintenance, renewal and upgrades within the current capital works capacity. The detailed asset management planning being undertaken in 2020/21 will determine the asset management demand and the planned optimisation of maintenance treatments and renewals required.
Conservative Scenario	Assumes a Special Rate Variation is not successful and that the anticipated grants are not successful for the planned water and sewerage treatment plants. Extended period for an internal loan for the General Fund, with cash balances in the Water and Sewer Funds reduced by \$8M due to lower grants received, which increases the risk of financial stress due to an unplanned capital requirement.

4 SPECIAL RATE VARIATION

The Independent Pricing and Regulatory Tribunal (IPART) assesses and determines applications by councils for rate variations. IPART expects that a council's Integrated Planning and Reporting documentation will support the application, providing a rationale for the proposed rate increase, include consideration of the impact of the increase on ratepayers, and providing evidence of the consultation the council has undertaken to obtain the community's views on the proposal. The Long Term Financial Plan is a tool for providing commentary that achieves this requirement and explains the rate variation scenario provided in the financial modelling.

As detailed above in the Planned (Base) Scenario, the model includes a 6-8% general rate increase (above the rate peg) to support new community facilities. With the significant progress that has been made on construction of the new Corowa Aquatic Centre, due to open in 2021, further modelling has now been undertaken of the operating model, with proposed hours of operation, staffing levels and entry fees. This modelling confirms that an 8% general rate increase is required to fund operation of the new facility.

General rates consist of a base rate that each ratepayer contributes, and an ad valorem rate based on the land value of the property (as determined by the Valuer General) and the category of the property.

There are currently six categories of land in the Federation Council area:

- | | |
|---|--|
| <ul style="list-style-type: none">• Residential (former Corowa)• Farmland (former Corowa)• Business (former Corowa) | <ul style="list-style-type: none">• Residential (former Urana)• Farmland (former Urana)• Business (former Urana) |
|---|--|

These categories are currently being reviewed through the Federation Council rates harmonisation project. The rates harmonisation will be subject to a separate community engagement approach in early 2021.

Formatted: List Paragraph, Bulleted + Level: 1 + Aligned at: 0.63 cm + Indent at: 1.27 cm

Formatted: Number of columns: 2

Modelling for two options has been prepared for consideration when applying the SRV to properties across the Council area.

Option A provides for the 8% increase to be applied to the ad valorem rates so that the increase is spread across all properties in the Council area based on the value of the land.

Option B provides for the 8% increase to be applied evenly as a fixed amount across all properties in the Council area.

The impact on ratepayers in each category is detail in the following table:

		Option A	Option B
		Increase applied to properties based on land value	Equal increase applied to all properties
		2021/22	2021/22
	Rate peg	2.00%	2.00%
	Our proposed SRV increase	8.00%	8.00%
Residential	Rates without proposed SRV - rate peg only	\$667.00	\$678.38
former Corowa	Rates with proposed SRV	\$696.38	\$740.68
	Impact of SRV/Year	\$29.38	\$62.31
	Impact of SRV/Week	\$0.57	\$1.20
Farmland	Rates without proposed SRV - rate peg only	\$3,489.74	\$3,424.90
former Corowa	Rates with proposed SRV	\$3,739.63	\$3,487.21
	Impact of SRV/Year	\$249.89	\$62.31
	Impact of SRV/Week	\$4.81	\$1.20
Business	Rates without proposed SRV - rate peg only	\$1,329.50	\$1,322.99
former Corowa	Rates with proposed SRV	\$1,410.63	\$1,385.30
	Impact of SRV/Year	\$81.13	\$62.31
	Impact of SRV/Week	\$1.56	\$1.20
Residential	Rates without proposed SRV - rate peg only	\$246.51	\$265.16
former Urana	Rates with proposed SRV	\$254.87	\$327.46
	Impact of SRV/Year	\$8.36	\$62.31
	Impact of SRV/Week	\$0.16	\$1.20
Farmland	Rates without proposed SRV - rate peg only	\$3,310.02	\$3,242.86
former Urana	Rates with proposed SRV	\$3,566.62	\$3,305.16
	Impact of SRV/Year	\$256.60	\$62.31
	Impact of SRV/Week	\$4.93	\$1.20
Business	Rates without proposed SRV - rate peg only	\$518.95	\$1,197.54
former Urana	Rates with proposed SRV	\$548.09	\$1,259.85
	Impact of SRV/Year	\$29.14	\$62.31
	Impact of SRV/Week	\$0.56	\$1.20

Community engagement on the schedule of fees for the Corowa Aquatic Centre, and the corresponding level of general rate increase, is currently being undertaken with a view to a report to Council in January 2021. This engagement is also seeking views of the community with respect to whether the rate increase be applied across properties based on the valuation (Option A) or evenly across all properties in the Council area (Option B).

Council acknowledges that the Special Rate Variation is subject to IPART approval. If the application is not successful for the level requested, Council will revisit the operating hours of the pool to reduce the financial impact and will consider reductions to other services to accommodate the increased operating expenditure.

5 SENSITIVITY/ASSUMPTIONS

The following is an overview of key assumptions which have been in the preparation of the Operating, Delivery Program and Long Term Financial Plan:

5.1 Levels of Service

Current levels of service identified through the Service Planning review and current asset maintenance standards are assumed to be satisfactory and have therefore been used as a baseline for the costing to financial projections.

5.2 Asset Renewal Predictions

This LTFP has been informed by asset renewal predictions using broad assumptions at a program level. Condition and capacity assessments are currently limited in providing confident predictions of when individual assets will require renewal or upgrade. While the renewal planned in the Capital Works Plan is considered adequate to meet minimum legislative requirements and manage known risks at the "system" or "network" level, planned actions will be undertaken in the 2020/21 to provide more detailed assessment and predictions of asset renewals at an asset level.

5.3 Indexation Rates

A range of indexation has been applied to the income, expenditures and capital works planning.

Indexation	Rate
No indexation applied	0.00%
Construction index - low	2.00%
Construction index - base	2.75%
Construction index - high	4.00%
Labour index - low	2.00%
Labour index - base	2.70%
Labour index - high	3.40%
Consumer price index - low	2.00%
Consumer price index - base	2.50%
Consumer price index - high	3.00%
Local government cost index (LGCI)	2.50%
Rate Peg Index	2.60%
Grants index	1.50%

Table 1 – Indexation Rates

5.4 Workforce Levels

Workforce levels have been budgeted based on the organisational structure that was adopted in September 2019.

5.5 Roads to Recovery Funding and Own Source of Funds Expenditure:

Council is required to maintain at least \$1.975 million expenditure on roads per year, funded from own source funds such as rates and charges, to meet the requirements of the Roads to Recovery (RTR) funding agreement. This Federal Government RTR program provides Council with an average amount of around \$1.5m in funding, primarily for use on Council Local Roads and Streets.

5.6 Rate Income and Rate Pegging:

The former Corowa Council was acknowledged as being one of the lowest rated Council in New South Wales. This level of rating supported the NSW Office of Local Government and Independent Pricing and Regulatory Tribunal (IPART) to allow the former Corowa Council to increase the rates income amount by 7% over the 4 years ending 2017/18.

As part of Council's endeavour to continue to work towards satisfying all of the NSW Government's 'Fit for the Future' performance targets, Council is considering a further Special Rate Variation in 2021/22 to fund the additional operating costs of new community facilities, enabling the General Fund to achieve the requirements of 'Fit for the Future', whilst meeting the expectations of the community.

5.7 Water and Sewer Fees and Charges

A number of major upgrades in the Water and Sewerage Treatment Plants (Mulwala Water, Howlong and Corowa Sewerage) are expected to be planned, designed and costed (and in some case commenced) over the period of the LTFP.

Pricing in the areas of water and sewer will be more comprehensively reviewed in future years as more information becomes available for the detailed design and operations for the new treatment plants.

The local government cost index (LGCI) of 2.5% has been applied to the water and sewer fees and charges across the 10 year LTFP.

5.8 Fees and Charges

Federation Council applies a range of fees and charges for services provided to the community. These are reviewed annually and set as part of Council's Revenue Policy.

Regulatory fees have been increased in accordance with legislation.


The base consumer price index (CPI) of 2.5% has been applied to general fees and charges across the 10 year LTFP.

The waste facility / environmental levy increases from \$45 to \$55 per property to meet the cost of regulatory requirements with Council's landfills.

5.9 Grants Provided for Operational Purposes

Financial Assistance Grants (FAGS) are received from the Commonwealth Government and are a major source of Council's revenue.

The amount of the FAGS grant provided to Council each year has varied significantly over the past 10 years with variations ranging from no increments to an increase equivalent to CPI. Further lobbying is occurring both state and nationally to gain an increase in this funding.



Currently, Federation Council is also reliant on the Federal Government to maintain the Roads to Recovery Program for an average amount of \$1.5million. This amount has also been noted as operational revenues though it can only be utilised for Capital Works associated with transport services.

A conservative grant index (CPI) of 1.5% has been applied to recurrent grants anticipated across the 10 year LTFP.

5.10 Capital Grants

Capital grants of a competitive nature have been included at the cost of the project, or the anticipated portion. Projects relying upon capital grants (competitive) will only continue if the funding expected is received, or otherwise prioritised by Council.

5.11 Expenditure - Maintenance Costs

Maintenance budgets have been reviewed by respective management areas and scrutinised through the Service Planning review. Consumer price indexation of 2.5% has been applied to maintenance budgets over the LTFP.

5.12 Expenditure - Wages Increase (inclusive of employee benefits and on-costs)

A low labour indexation of 2.0% has been applied to wages over the LTFP. This is reflective of the current and anticipated economic environment.

5.13 Expenditure – Non-Capital (Depreciation and Amortisation)

Federation Council will continue to undertake a revaluation program on all Council assets as prescribed by the Office of Local Government.

Depreciation costs used in the LTFP relate to existing assets and any proposed capital works. The results of future asset revaluations may result in depreciation estimates being revised over time.

Depreciation expenses have been derived using asset modelling so amounts vary according to projected costs and allowance for capital works (including upgrade and expansion expenditure) over the course of the financial plan.

5.14 Expenditure – Materials, Contracts and Other Operating Expenses

Local government is characterised by relatively high levels of materials and contract expenses due to the large number of assets held, constructed and maintained by Council. This places Council under considerable pressure when rising materials and construction costs occur.

A low consumer price indexation of 2% for the term of the LTFP is expected.

5.15 Financial performance

Measures to improve financial performance were introduced in 2019/20 and will continue to be progressed over 2020/21 and 2021/22.

Key initiatives currently being progressed include:

- Development of a Long Term Financial Plan based on comprehensive service planning and robust asset management practices
- Implementation of a financial improvement strategy with:
 - Improved data integrity and control
 - Improved capability
 - Improved reporting
 - Improved service provision to organisation

- Development of a program of service reviews to consult with the community on service levels
- Identification and implementation of measures to improve productivity and efficiency and reduce operational expenditure.

As detailed in the table below, Council has considered a range of options for funding the operating costs of the Corowa Aquatic Centre.

<u>Option</u>	<u>Considerations</u>
<u>Set user fees for the Corowa Aquatic Centre to provide full cost recovery</u>	<u>This option has not been progressed as the fees would be required to be set at a level that is more than double other similar facilities and it is the view of Council officers that this would deter people from using the facility. There are also general community wellbeing benefits, and tourism benefits that are provided by the facility that will benefit the whole community, rather than just users.</u>
<u>Reduce service levels of other services provided by Council in order to cover the balance of the operating costs (e.g. libraries, parks and gardens, roads, footpaths, etc)</u>	<u>This option has not been progressed as this would result in a deterioration of service level that would likely have significant impact on the broader community.</u>
<u>TBC</u>	

Formatted Table

Council has considered these options, the community engagement undertaken earlier in this project (which provided support for a general rate increase of up to \$157 per annum per property for an indoor pool facility) and has agreed that a Special Rate Variation is appropriate to fund the balance of the operating costs of the new swimming pool.

5.16 Borrowings

As detailed in the Revenue Policy, provision has been made within the budget for the payment of principal and interest on additional external loan borrowings of \$5 million in 2020/21.


These borrowings will be fund the following key projects:

- Corowa Aquatic Centre \$1.5 million
- Howlong Industrial Estate \$2.0 million
- All Abilities Playground Mulwala \$0.45 million
- Urana Aquatic Centre \$0.34 million
- LED Lighting Upgrade \$0.8 million

In addition to these external borrowings, internal borrowings are proposed to provide short term funding whilst Council implements its financial performance strategies. The Long Term Financial Plan includes accessing up to \$1.2m of borrowings from the water and sewer funds during 2020/21 and 2021/22 with a view to full repayment by 2025/26. This will be subject to required government approvals.

Capital works are asset acquisitions or building and engineering works that construct an asset. Capital works projects would typically include purchase of plant and fleet, construction of new infrastructure and upgrade of existing infrastructure.

Capital expenditure is undertaken to;

- 
- **Renew or replace** - existing asset or a component of an asset that has reached the end of its useful life. With the exception of land, assets have limited useful lives and decline in value due to wear and tear – for example, reseal an existing sealed road or replace a roof on a building such as a public hall.
 - **New** - to construct an asset that did not previously exist.
 - **Upgrade** (growth or enhancement) - to increase the capacity of existing assets beyond their original design capacity or service potential – for example, widen a bridge or extend a building.
 - **Disposal or decommission** - to remove an asset from service that is no longer required.

Council's Capital Works Plan has been extensively reviewed as an outcome of the Service Planning review and development of Asset Management Plans.

In developing the Capital Works Plan for the LTFP, Council has applied a disciplined approach to the selection and prioritisation of projects, as well as application of a project decision making framework. The decision-making framework includes the progression of projects through stages from concept through to execution and closure. Generally, only projects that have reached a stage of initiation have been included in the LTFP. Projects that are either at concept or planning phase require further definition before they can be included in the LTFP. This may require further prioritisation to remove or reduce the scope of projects currently included in the LTFP to enable further projects to be included.

The progression of projects through the stages of development will be closely monitored by the Asset Management Committee.

The ten year Capital Works Plan included in all three scenarios is outlined in Table 2.

DRAFT

Federation Council Long Term Financial Plan 2016/17 - 2029/30

Capital Works Statement Projections

Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Land	328	1,300	150	-	-	-	-	-	-	-	-	-
Land improvements	-	-	1,440	-	-	-	-	-	-	-	-	-
Sealed Roads	9,170	18,049	7,444	6,181	4,204	4,044	4,493	4,126	4,211	4,298	4,388	4,481
Unsealed Roads	-	-	850	850	850	850	850	850	850	850	850	850
Bridges	-	-	689	2,000	-	-	2,000	-	-	-	-	-
Kerb and Channel	-	-	227	130	134	137	367	145	149	153	157	162
Footpaths and Pathways	133	-	203	281	161	220	169	116	60	123	63	129
Buildings	1,337	12,039	407	487	1,142	664	374	497	394	147	101	38
Stormwater Drainage	941	285	844	464	476	264	949	104	227	110	239	116
Recreation, Parks and Streetscapes	333	-	2,169	276	471	484	497	174	119	123	126	129
Swimming Pools	-	-	1,915	-	-	-	-	-	-	-	-	-
Sewerage	620	620	1,582	789	1,665	2,259	1,868	2,266	5,130	8,027	5,160	1,742
Water	1,802	1,819	1,484	2,026	2,670	1,919	7,734	7,946	9,060	631	434	446
Plant, machinery and equipment	1,745	2,877	1,567	1,855	1,745	1,418	1,372	2,021	1,009	3,371	1,666	2,324
Fixtures, fittings and furniture	7	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	152	-	242	197	376	160	160	230	206	339	275	160
Other	47	2,142	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	8,837	-	-	-	-	-	-	-	-	-	-	-
LED Lighting	-	1,000	811	-	-	-	-	-	-	-	-	-
Aerodrome	-	3,609	-	456	-	-	-	-	-	-	-	-
Landfill cells	-	-	-	-	-	-	-	-	-	-	-	-
Drought Funding	-	-	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)
Stronger Communities	-	-	-	-	-	-	-	-	-	-	-	-
Capital Works Sustainability Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Spare capex 7	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Works	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728
Represented by:												
Renewal Investment	25,452	43,740	11,594	8,483	8,532	7,787	10,877	10,950	10,544	9,270	7,888	8,175
Upgrade Investment	-	-	3,816	5,439	2,389	2,502	4,203	2,090	4,712	7,844	4,723	1,553
Expansion Investment	-	-	-	812	835	924	4,406	4,528	5,010	-	-	-
New Investment	-	-	5,763	406	1,290	357	497	58	298	208	-	-
Total Capital Works	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728

Table 2- Capital Works Plan

A detailed listing of Capital Works for 2020/21 is outlined below in Table 3.

Local Services	Project ID	Project Name	Project Description	Location	FINANCIAL YEAR
					2020/21
(Units in \$)					
Bridges	132	Doctors Road Timber Bridge	Bridge	Doctors Road	689,287
Sub Total - Bridges					689,287
Council Buildings	52	Oddfellows Hall - water proof barrier	--	Oddfellows Hall	10,137
	70	Aged Car Units - Roofing and guttering	--	Aged Care Units	7,600
	71	Aged Care Units - Airconditioner Replacement	--	Aged Care Units	2,534
	72	Aged Care Units - Upgrade Kitchen and Bathroom	--	Aged Care Units	12,691
	74	Mulwala Civic Centre - Drainage Upgrade	--	Mulwala Civic Centre	50,683
	75	Minor Building Improvements (If Grant Funding Available)	--		316,925
	80	Boat Shed Retaining Wall	--	Mulwala WTP	6,080
Sub Total - Council Buildings					406,650
Depots	59	Corowa Depot - Truck parking Shelter - gutter installation	--	Corowa Depot	8,109
	98	Urana Depot - Stores Shed - Replace	--	Urana Depot	10,137
Sub Total - Depots					18,246
Drainage	133	Drainage Improvements			550,000
Sub Total - Drainage					550,000
Fleet Management	360	Fleet Replacement Program	Annual Fleet Program	Various	1,526,577
Sub Total - Fleet Management					1,526,577
Footpaths	124	Footpath Replacement Program : Footpaths	All	Various	152,049
	208	PAMP implementation	Howlong	#N/A	50,683
Sub Total - Footpaths					202,731
Information Technology	378	Information Technology Capital Program	IT Capital Program	Various	125,529
Sub Total - Information Technology					125,529
Roads	118	Reseals Local Roads and Town Streets	Reseal Program	Various	1,150,000
	119	Reseals Regional Road	All	Regional Roads	585,000
	120	Heavy Patching Local Roads and Town Streets	All	Various	126,707
	121	Heavy Patching Regional Roads	All	Various	202,731
	122	Linemarking Program	All	Various	125,000
	123	Replacement Program - Various : Kerb & Gutter	All	Various	126,707
	232	Corowa Road - 1km From Daysdale St	Oaklands	#N/A	300,000
	239	Federation Way Grant Application	Regional	#N/A	2,885,000
	242	Resheet program : Unsealed	Rural	Various	850,000
	377	Rehabilitation and Maintenance of Local Roads	--	Various	1,494,000
	381	REPAIR Program	REPAIR Program	Various	333,284
Sub Total - Roads					8,178,429
Sewerage	277	Sewer Relining	Informed by the CCTV - Extends life of th	Various	152,049
	278	Mulwala Rising main Lang Street to North St Pump Station - Planning and Design	--	Lang St	20,273
	291	Pump Replacement Program	--	Various	369,578
	319	Corowa Sewerage - Installation of Inlet Flow Monitoring	Corowa	Corowa STP	70,956
	320	Corowa STP - Rebuild Sludge Ponds	Corowa	Corowa STP	10,137
	321	Corowa Sewer - Replace SPS Lids	Corowa	Corowa	30,000
	322	Corowa STP - Establish Tree Irrigation system	Corowa	Corowa STP	15,205

Table 3- Detailed Capital Works 2020/21

Local Services	Project ID	Project Name	Project Description	Location	FINANCIAL YEAR 2020/21
(Units in \$)					
	324	Howlong STP - Complete Rock Dam Walls	Howlong	Howlong STP	20,000
	325	Howlong Sewer - Replace SPS Lids	Howlong	Howlong	30,000
	326	Howlong STP - New Step Screen & Auger	Howlong	Howlong STP	25,341
	327	Mulwala Sewer - Replace SPS lids	Mulwala	Mulwala	30,410
	328	Mulwala STP - Replace Existing Step Screen & Auger	Mulwala	Mulwala STP	20,273
	329	Mulwala STP - Replace Split Cycle A/C for Operational Areas	Mulwala	Mulwala STP	60,000
	330	Oaklands STP - Epoxy Damaged inlet works	Oaklands	Oaklands STP	20,273
	331	Oaklands STP - Amenities building Maintenance	Oaklands	Oaklands STP	10,000
	332	Oaklands Sewer - Inspect & Report on Condition of Existing SPS pumps	Oaklands	Oaklands	10,137
	333	Urana SPS - Epoxy Damaged Inlet Works	Urana	Urana	20,000
	335	Shed for Sewer Rodding Machine & Plumbing Equipment	Sewer Program	Corowa	15,205
	336	Major Microwave Network Upgrade - Corowa Civic Centre to Urana Council Building - Supply	WS Electrical Telemetry Capital Works	Corowa	20,273
	337	Major Microwave Network Upgrade - Corowa Civic Centre to Urana Council Building - Monitor	WS Electrical Telemetry Capital Works	Corowa	15,205
	338	Storm Water PS Telemetry Installation: Install Telemetry - Corowa - 3 Pump Stations	WS Electrical Telemetry Capital Works	Various	10,137
	339	Treatment Plants & Pumping Stations - Backup Generator Connections - Treatment works	WS Electrical Telemetry Capital Works	Various	20,273
	340	Treatment Plants & Pumping Stations - Backup Generator Connections - W & S Pumping Stations	WS Electrical Telemetry Capital Works	Various	20,273
	341	Solar Facility - Telemetry Installation	WS Electrical Telemetry Capital Works	Solar Facility	40,546
	384	Howlong Industrial Estate - Sewerage Fund	Howlong Industrial Estate development	Howlong	423,000
	343	Annual Switchboard Replacement, Upgrade & Maintenance Program - Sewerage Pumping	WS Electrical Telemetry Maintenance P	Various	70,956
	373	Howlong Sewerage Treatment Works	Howlong Sewerage Treatment Works	Howlong	202,731
Sub Total - Sewerage					1,753,230
Sports Play Grounds Presentation	363	Oaklands Recreation Reserve - Tennis Pavillion/Netball changerooms - Kiosk fitout	--	Oaklands Recreation Reserve	6,589
	367	All Abilities Playground	All abilities playground	Howlong	1,875,265
	369	LED Lighting Upgrade	LED Lighting Upgrade Project	Various	810,925
Sub Total - Sports Play Grounds Presentation					2,692,779
Swimming Pools	366	Corowa Swimming Pool	Corowa Swimming Pool Upgrade	Corowa	1,570,154
	368	Urana Aquatic Centre	--	Urana Aquatic Centre	344,643
Sub Total - Swimming Pools					1,914,798
Water	292	Corowa Water - Enclose DAFF Cells	Corowa	Corowa WTP	40,546
	293	Corowa Water - Extension of Filter Platform Walkway	Corowa	Corowa WTP	20,273
	294	Corowa Water - Netherby WPS Flow Meter	Corowa	Corowa WTP	30,410
	295	Corowa Water - Netherby WPS Reline suction main	Corowa	Corowa WTP	76,024
	297	Corowa WTP - Upgrade WPS - Pumps & Board	Corowa	Corowa WTP	60,819
	298	Corowa Water - Netherby WPS - Replace Switchboard	Corowa	Netherby WPS	20,000
	299	Corowa WTP Improve laboratory Facilities	Corowa	Corowa WTP	15,205
	300	Corowa WTP - Investigate & Design New Bore Adjacent to Plant - Emergency Supply	Corowa	Corowa WTP	15,205
	301	Howlong Water - New Trunk Main from WTP to Town Reservoir Planning and Design	Howlong	Howlong WTP	101,366
	302	Howlong Water - Duplicate Existing Backwash Pump	Howlong	Howlong WTP	76,024
	303	Howlong Water - Raw WPS - New Low Level Intake - Investigation & Design	Howlong	Howlong	40,546
	304	Howlong WTP - Refurbish filters	Howlong	Howlong WTP	80,000

Table 3- Detailed Capital Works 2020/21 (continued)

Local Services	Project ID	Project Name	Project Description	Location	FINANCIAL YEAR
					2020/21
(Units in \$)					
	305	Howlong Water - WTP - Provide Shelter over Settled Water Pumps	Howlong	Howlong WTP	7,096
	306	Howlong WTP - Service Water Pump Upgrade	Howlong	Howlong WTP	10,137
	308	Howlong WTP - Investigate & Design New Submersible Pump Capacity & Connection to Existing	Howlong	Howlong WTP	81,093
	309	Mulwala Water - Replace Raw Water Flow Meter	Mulwala	Mulwala WTP	7,096
	310	Mulwala Water - New WTP - Negotiate Land Purchase from Federal & Rezone as part of new	Mulwala	Mulwala WTP	150,000
	311	Mulwala WTP - Replacement of PAC Dosing pumps	Mulwala	Mulwala WTP	10,137
	313	Mulwala Reservoirs - New Chlorine & pH Analysers	Mulwala	Mulwala Reservoirs	16,219
	315	Water Reticulation Analyses & Computer Modelling - Howlong & Mulwala	Water Program	Howlong and Mulwala	101,366
	318	Install pressure sensors at strategic locations	Pressure Sensors	Various	10,137
	344	Annual Switchboard Replacement, Upgrade & Maintenance Program - Other Switchboard R	WS Electrical Telemetry Maintenance P	Various	15,205
	345	Annual Switchboard Replacement, Upgrade & Maintenance Program - Heat Shield Plates	WS Electrical Telemetry Maintenance P	Various	5,068
	346	Annual Switchboard Replacement, Upgrade & Maintenance Program - Switchboard Cabine	WS Electrical Telemetry Maintenance P	Various	15,205
	347	Annual Switchboard Replacement, Upgrade & Maintenance Program - Equipment Tempera	WS Electrical Telemetry Maintenance P	Various	15,205
	348	Variable Speed Drive Installation with Remote Monitoring & Control system	WS Electrical Telemetry Maintenance P	Various	10,137
	349	General W & S Routine Maintenance - Electrical, Radio/Telemetry & Microwave	WS Electrical Telemetry Maintenance P	Various	25,341
	361	Water Main Replacement	Water Main Replacement	Various	486,555
	382	Howlong Industrial Estate - Water Fund	Howlong Industrial Estate development	Howlong	132,000
Sub Total - Water					1,674,412
Economic Development	380	Howlong Industrial Estate - General Fund	Howlong Industrial Estate development	Howlong	1,440,000
Sub Total - Economic Development					1,440,000
TOTAL - All Local Services					21,172,669

Table 3- Detailed Capital Works 2020/21 (continued)

8.7 MONITORING KEY PERFORMANCE INDICATORS (KPI'S)

An important component of the LTFP is the ability to monitor the financial performance of Federation Council within the parameters of the plan. To achieve this, Council will closely monitor the financial performance of outcomes of the plan in accordance with the requirements of Fit for the Future performance measures.

Key Performance Indicators which will be reported on include:

- A) Operating Performance Ratio
- B) Own Source Revenue
- C) Building and Infrastructure Asset Renewal
- D) Infrastructure Backlog
- E) Asset Maintenance Result
- F) Debt Service
- G) Real Operating Expenditure per Capita

Council will review the LTFP each year as part of the development of Council's annual Operational Plan. The review will include an assessment of the previous year's performance in terms of the accuracy of the projections made in the LTFP compared to the actual results. Evaluation will include reviewing and amending estimates and scenarios where long-term goals are not being achieved or where changes have affected set goals and strategies. Assumptions will also be revisited to improve the accuracy of the plan over time.

The following analysis of the performance ratios is based upon the Planned (Base) Scenario for the 2020/21 Budget.

8.17.1 Operating Performance Ratio

Operating Revenue (excl Capital Grants & Contributions) *minus* Operating Expenses *over* Operating Revenue (excl Capital Grants & Contributions)

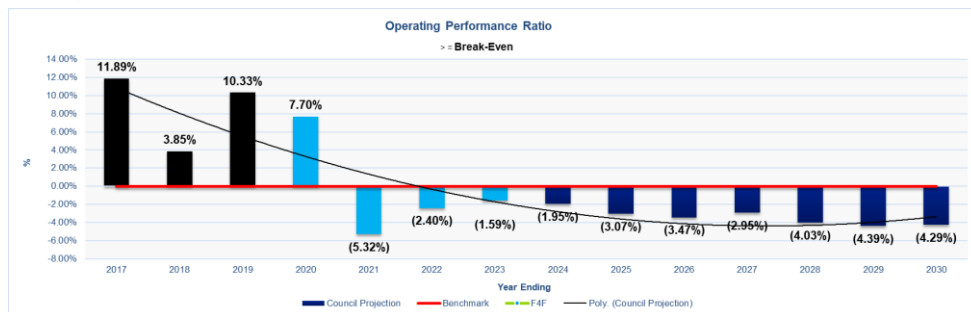


Figure 2 – Operating Performance Ratio

Figure 2 indicates that Council is producing a negative operating performance ratio. This is due to the heavy reliance upon grant funding for regional roads and other grant funded asset renewals – the formula for the ratio removes capital grants and contributions – while the depreciation expense is included in the operating expenditure.

The key for sustainability is whether Council can produce sufficient cash over the long term to replace assets when required. This is more accurately reflected in the Statement of Cashflows, where the cash required for asset renewals is based upon the asset management planning and the Capital Works Plan.

8.27.2 Own Source Revenue

Total Continuing operating revenue *minus* all grants & contributions *over* Total Continuing operating revenue inclusive of Capital Grant

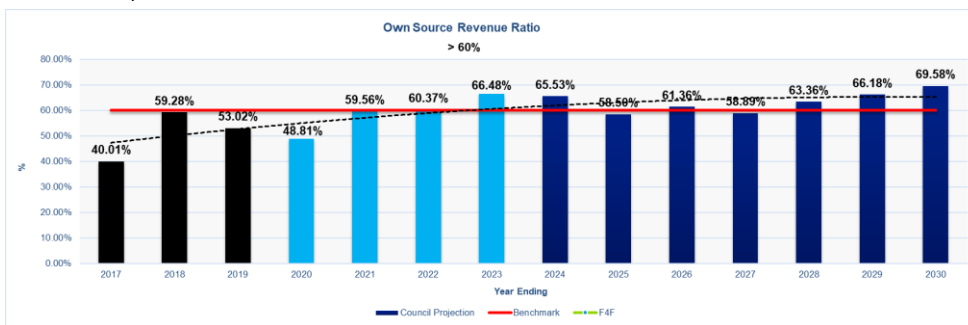


Figure 3 – Own Source Revenue Ratio

Figure 3 indicates that Council's own source revenue as a percentage of the total revenue improves over the 10-year period of the LTFP. This reflects a decreasing reliance upon grants.

8.37.3 Building and Infrastructure Asset Renewal Ratio

Asset renewals (building & infrastructure) *over* Depreciation, amortisation & impairment (building & infrastructure).

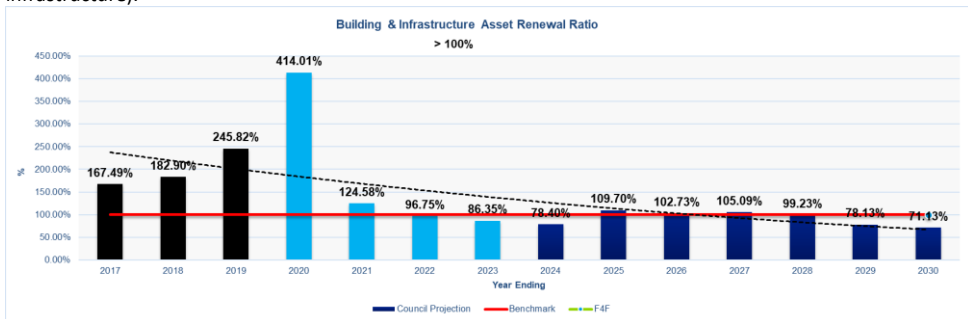


Figure 4 – Building and Infrastructure Asset Renewal Ratio

Figure 4 indicates that Council has invested heavily in the years 2017-2019 on renewal of assets and continues to plan to invest in renewals in the years 2020 and 2021. Following this period, Council plans to invest around or above the benchmark throughout the 10 year period.

8.47.4 Infrastructure Backlog Ratio

Estimated cost to bring assets to a satisfactory condition *over* Total Written Down Value of infrastructure, building, other structures & land improvements

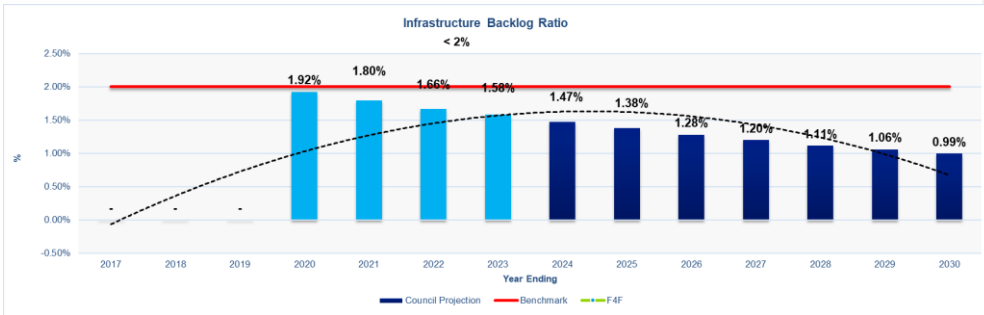


Figure 5 – Infrastructure Backlog Ratio

Figure 5 indicates that Council plans to expend sufficient funding in the renewal of existing assets to reduce the backlog by 5% each year across the 10 years of the LTFP.

8.57.5 Asset Maintenance Result Ratio

Actual Asset Maintenance over Required Asset Maintenance

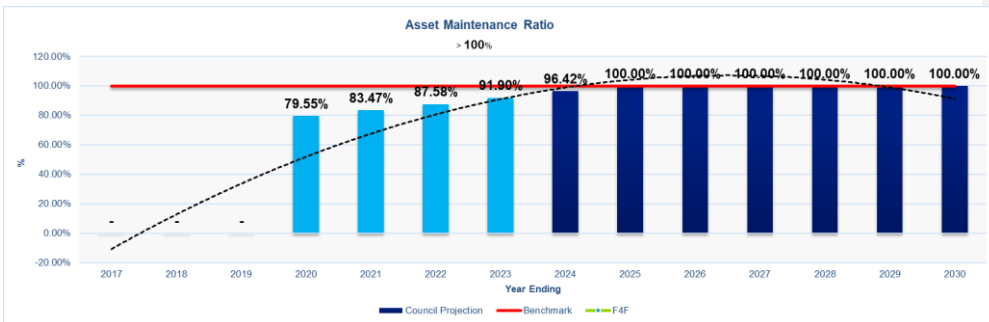


Figure 6 – Asset Maintenance Ratio

Figure 6 indicates that Council is currently below in the investment on maintenance and plans to increase the investment on maintenance to meet the demand by the year 2024. This is a key outcome expected from the focus upon enhanced asset management capability.

7.6 Debt Service Ratio

Cost of debt service (interest expenses & principal repayments) over Total continuing operating revenue (excluding capital grants & contrib.).

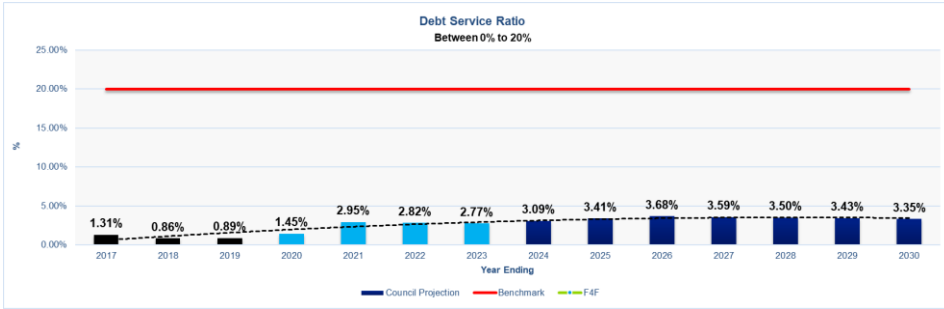


Figure 7 – Debt Service Ratio

Figure 7 indicates that Council maintains affordable borrowings over the 10 year LTFP. This is reliant upon a low interest rate and 20 year term for the new and proposed loans throughout the LTFP.

7.7 Real Operating Expenditure per Capita ratio

Real Operating Expenditure over Population

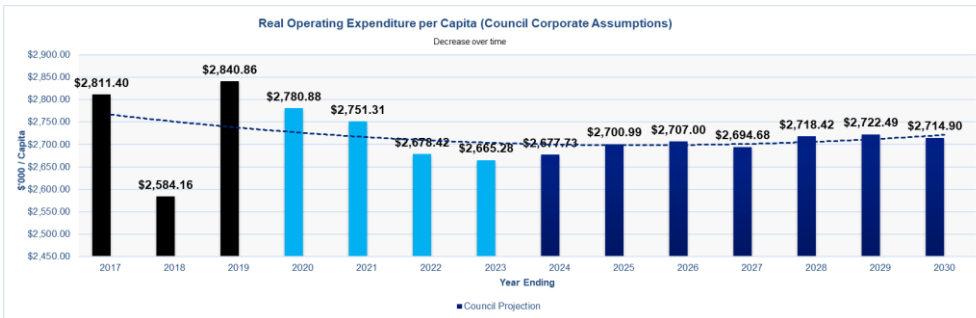


Figure 8 – Real Operating Expenditure per Capita



98 FINANCIAL STATEMENTS

The pages following contain the 10 year financial statements for the following:

Planned (Base) Scenario Statements

- 2020/21 to 2029/30 – Comprehensive Income Statement
- 2020/21 to 2029/30 – Balance Sheet
- 2020/21 to 2029/30 – Cashflow Statement
- 2020/21 to 2029/30 – Capital Works Statement

Optimistic Scenario Statements

- 2020/21 to 2029/30 – Comprehensive Income Statement
- 2020/21 to 2029/30 – Balance Sheet
- 2020/21 to 2029/30 – Cashflow Statement
- 2020/21 to 2029/30 – Capital Works Statement

Conservative Scenario Statements

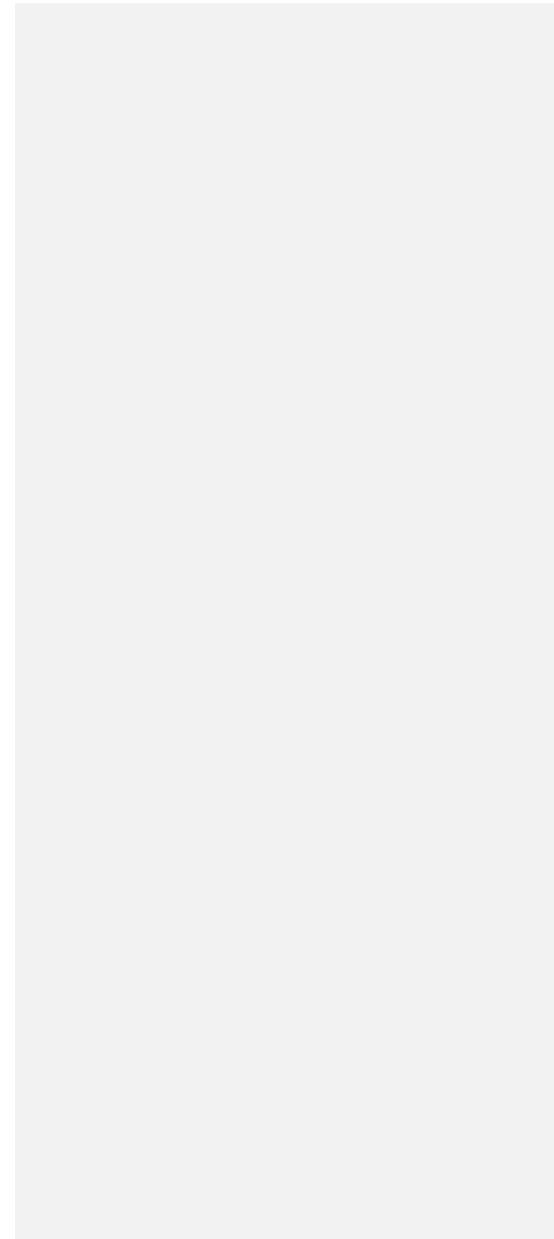
- 2020/21 to 2029/30 – Comprehensive Income Statement
- 2020/21 to 2029/30 – Balance Sheet
- 2020/21 to 2029/30 – Cashflow Statement
- 2020/21 to 2029/30 – Capital Works Statement

PLANNED (BASE) SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Income Statement Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Income from Continuing Operations												
Rates and Annual Charges	14,062	14,497	14,875	15,491	16,171	16,587	17,014	17,451	17,899	18,359	18,831	19,315
User Charges and Fees	9,703	8,935	8,995	9,776	10,005	10,393	10,655	10,947	11,343	11,656	11,953	12,271
Interest & Investment Revenue	1,132	586	457	469	480	492	504	516	529	542	555	568
Other Revenues	779	403	412	426	437	450	459	469	475	483	493	503
Grants & Contributions for Operating Purposes	16,838	13,347	8,419	8,545	8,673	8,804	8,936	9,070	9,207	9,345	9,486	9,629
Grants & Contributions for Capital Purposes - Cash	5,917	12,261	8,378	8,627	4,988	5,880	11,373	9,431	11,905	8,600	6,781	4,649
Contributions for Capital Purposes - Non Cash (S94, S80A)	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	48,431	50,029	41,536	43,333	40,754	42,605	48,940	47,884	51,357	48,984	48,099	46,935
Expenses from Continuing Operations												
Employee Costs	13,029	12,987	14,143	14,312	14,473	14,859	15,253	15,565	15,973	16,339	16,780	17,132
Borrowing Costs	277	314	486	466	452	509	562	605	572	538	502	465
Materials and Contracts	10,625	11,094	10,750	10,306	10,568	10,841	11,100	11,374	11,378	11,791	11,989	12,353
Depreciation	10,354	10,565	10,225	10,455	10,710	10,889	11,064	11,270	11,378	11,714	11,909	12,148
Other Expenses	13,888	975	2,909	2,889	2,998	3,281	3,778	4,090	4,480	4,901	5,310	5,706
Total Expenses from Continuing Operations	48,173	35,935	38,513	38,429	39,201	40,380	41,757	42,903	43,781	45,282	46,490	47,804
Operating Result from Continuing Operations Surplus/(Deficit)	258	14,094	3,023	4,904	1,553	2,225	7,183	4,980	7,576	3,702	1,609	(869)
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)	(5,659)	1,833	(5,355)	(3,723)	(3,435)	(3,655)	(4,190)	(4,451)	(4,329)	(4,898)	(5,173)	(5,518)

PLANNED (BASE) SCENARIO FINANCIAL STATEMENTS

DRAFT BUDGET



Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Balance Sheet Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Current Assets												
Cash & Cash Equivalents	23,120	19,952	19,486	20,248	22,412	26,337	26,530	25,584	23,991	22,583	23,811	25,855
Investments	15,526	-	-	-	-	-	-	-	-	-	-	-
Receivables	7,419	7,419	3,376	3,523	3,310	3,452	3,981	3,893	4,178	3,971	3,908	3,811
Inventories	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835
Other (Includes Assets Held for Sale)	190	190	190	190	190	190	190	190	190	190	190	190
Total Current Assets	48,090	29,396	24,887	25,796	27,747	31,813	32,536	31,502	30,193	28,579	29,744	31,691
Non-Current Assets												
Cash & Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	60	60	60	60	60	60	60	60	60	60	60	60
Infrastructure, Property, Plant & Equipment	513,285	553,917	563,486	577,792	578,899	589,240	597,081	612,950	621,058	636,023	635,646	642,247
Other	585	585	585	585	585	585	585	585	585	585	585	585
Total Non-Current Assets	513,930	554,562	564,131	578,437	579,544	589,885	597,726	613,595	621,703	636,668	636,291	642,892
Total Assets	562,020	583,958	589,018	604,233	607,291	621,698	630,262	645,098	651,896	665,246	666,035	674,583
Current Liabilities												
Payables	4,913	4,913	2,308	2,284	2,327	2,398	2,499	2,573	2,639	2,730	2,824	2,892
Borrowings	108	350	513	533	622	714	810	843	878	913	951	510
Provisions	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994
Other	650	650	650	650	650	650	650	650	650	650	650	650
Total Current Liabilities	8,665	8,907	6,465	6,461	6,593	6,756	6,953	7,060	7,161	7,287	7,419	7,046
Non Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,760	6,222	10,702	10,168	11,541	12,821	14,005	13,162	12,285	11,371	10,421	9,910
Provisions	822	822	822	822	822	822	822	822	822	822	822	822
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non Current Liabilities	4,582	7,044	11,524	10,990	12,363	13,643	14,827	13,984	13,107	12,193	11,243	10,732
Total Liabilities	13,247	15,951	17,989	17,451	18,956	20,400	21,781	21,044	20,268	19,480	18,662	17,779
Net Assets	548,773	568,007	571,030	586,782	588,335	601,299	608,481	624,053	631,628	645,766	647,374	656,805
Equity												
Retained Earnings	496,388	515,622	518,645	523,549	525,102	527,327	534,510	539,490	547,066	550,768	552,377	551,508
Revaluation Reserves	52,385	52,385	52,385	63,233	63,233	73,972	73,972	84,563	84,563	94,998	94,998	105,297
Council Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	548,773	568,007	571,030	586,782	588,335	601,298	608,481	624,053	631,629	645,766	647,374	656,804

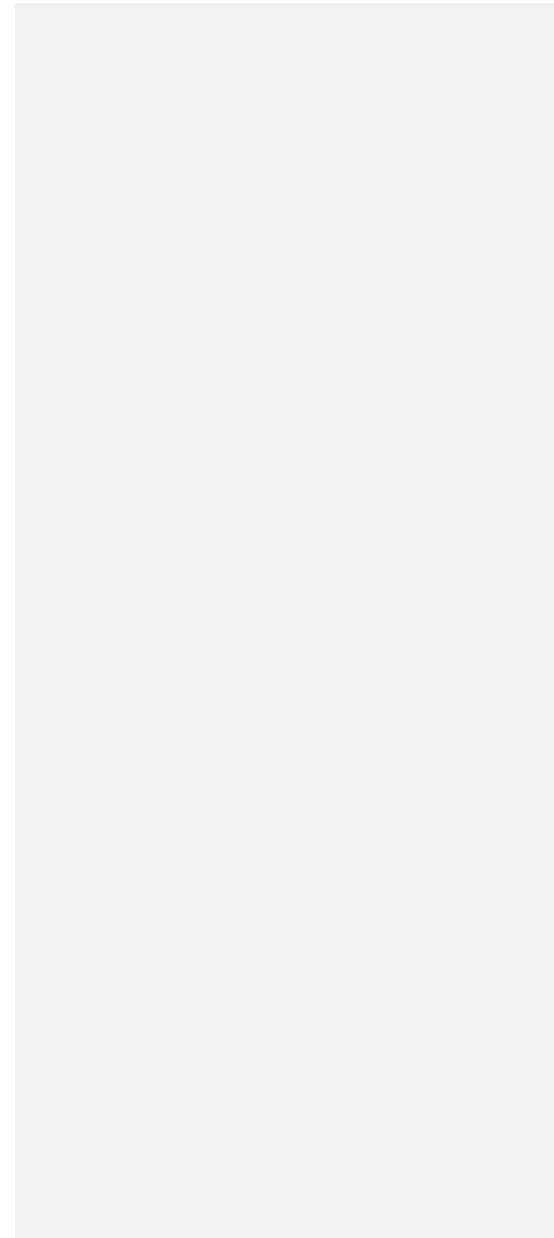
PLANNED (BASE) SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Cash Flow Statement Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cash Flows from Operating Activities												
Receipts - Operating Activities	47,963	50,029	45,579	43,186	40,967	42,463	48,411	47,972	51,072	49,191	48,162	47,031
Payments - Operating Activities	(28,169)	(27,374)	(30,685)	(27,810)	(28,274)	(29,189)	(30,308)	(31,234)	(32,043)	(33,218)	(34,264)	(35,122)
Net Cash Provided by (or used in) Operating Activities	19,794	22,655	14,894	15,376	12,693	13,274	18,102	16,738	19,029	15,973	13,898	11,909
Cash Flows from Investing Activities												
Receipts - Infrastructure, Property, Plant & Equipment	681	2,318	1,656	1,506	1,506	1,356	1,356	1,356	1,356	1,356	1,356	1,278
Purchases - Infrastructure, Property, Plant & Equipment	(25,363)	(43,740)	(21,173)	(15,141)	(13,045)	(11,570)	(19,983)	(17,625)	(20,563)	(17,322)	(12,611)	(9,728)
Receipts/Purchases - Other Assets	24,735	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (or used in) Investing Activities	53	(41,422)	(19,516)	(13,635)	(11,538)	(10,213)	(18,627)	(16,269)	(19,207)	(15,966)	(11,255)	(8,450)
Cash Flow from Financing Activities												
Receipts - Loan Borrowings	-	2,700	5,135	-	2,000	2,000	2,000	-	-	-	-	-
Payments - Principal Repayments	(101)	(235)	(493)	(513)	(539)	(628)	(720)	(810)	(843)	(878)	(913)	(951)
Payments - Finance Costs	(277)	(314)	(486)	(466)	(452)	(509)	(562)	(605)	(572)	(538)	(502)	(465)
Receipts - Council Equity Injection	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (or used in) Financing Activities	(378)	2,151	4,156	(979)	1,009	864	718	(1,415)	(1,415)	(1,415)	(1,415)	(1,415)
Net Increase/(Decrease) in Cash Assets Held	19,469	(16,616)	(466)	762	2,164	3,924	194	(946)	(1,593)	(1,408)	1,228	2,044
Cash and Cash Equivalents at Beginning of Reporting Period	3,651	36,568	19,952	19,486	20,248	22,412	26,337	26,530	25,584	23,991	22,583	23,811
Cash and Cash Equivalents at End of Reporting Period	23,120	19,952	19,486	20,248	22,412	26,337	26,530	25,584	23,991	22,583	23,811	25,855
plus Investments on Hand - End of Reporting Period	15,526	-	-	-	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents and Investments at End of Reporting Period	38,646	19,952	19,486	20,248	22,412	26,337	26,530	25,584	23,991	22,583	23,811	25,855

PLANNED (BASE) SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Capital Works Statement Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Land	328	1,300	150	-	-	-	-	-	-	-	-	-
Land improvements	-	-	1,440	-	-	-	-	-	-	-	-	-
Sealed Roads	9,170	18,049	7,444	6,181	4,204	4,044	4,493	4,126	4,211	4,298	4,388	4,481
Unsealed Roads	-	-	850	850	850	850	850	850	850	850	850	850
Bridges	-	-	689	2,000	-	-	2,000	-	-	-	-	-
Kerb and Channel	-	-	227	130	134	137	367	145	149	153	157	162
Footpaths and Pathways	133	-	203	281	161	220	169	116	60	123	63	129
Buildings	1,337	12,039	407	487	1,142	664	374	497	394	147	101	38
Stormwater Drainage	941	285	844	464	476	264	949	104	227	110	239	116
Recreation, Parks and Streetscapes	333	-	2,169	276	471	484	497	174	119	123	126	129
Swimming Pools	-	-	1,915	-	-	-	-	-	-	-	-	-
Sewerage	620	620	1,582	789	1,665	2,259	1,868	2,266	5,130	8,027	5,160	1,742
Water	1,802	1,819	1,484	2,026	2,670	1,919	7,734	7,946	9,060	631	434	446
Plant, machinery and equipment	1,745	2,877	1,567	1,855	1,745	1,418	1,372	2,021	1,009	3,371	1,666	2,324
Fixtures, fittings and furniture	7	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	152	-	242	197	376	160	160	230	206	339	275	160
Other	47	2,142	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	8,837	-	-	-	-	-	-	-	-	-	-	-
LED Lighting	-	1,000	811	-	-	-	-	-	-	-	-	-
Aerodrome	-	3,609	-	456	-	-	-	-	-	-	-	-
Landfill cells	-	-	-	-	-	-	-	-	-	-	-	-
Drought Funding	-	-	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)
Stronger Communities	-	-	-	-	-	-	-	-	-	-	-	-
Capital Works Sustainability Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Spare capex 7	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Works	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728
Represented by:												
Renewal Investment	25,452	43,740	11,594	8,483	8,532	7,787	10,877	10,950	10,544	9,270	7,888	8,175
Upgrade Investment	-	-	3,816	5,439	2,389	2,502	4,203	2,090	4,712	7,844	4,723	1,553
Expansion Investment	-	-	-	812	835	924	4,406	4,528	5,010	-	-	-
New Investment	-	-	5,763	406	1,290	357	497	58	298	208	-	-
Total Capital Works	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728

DRAFT BUDGET

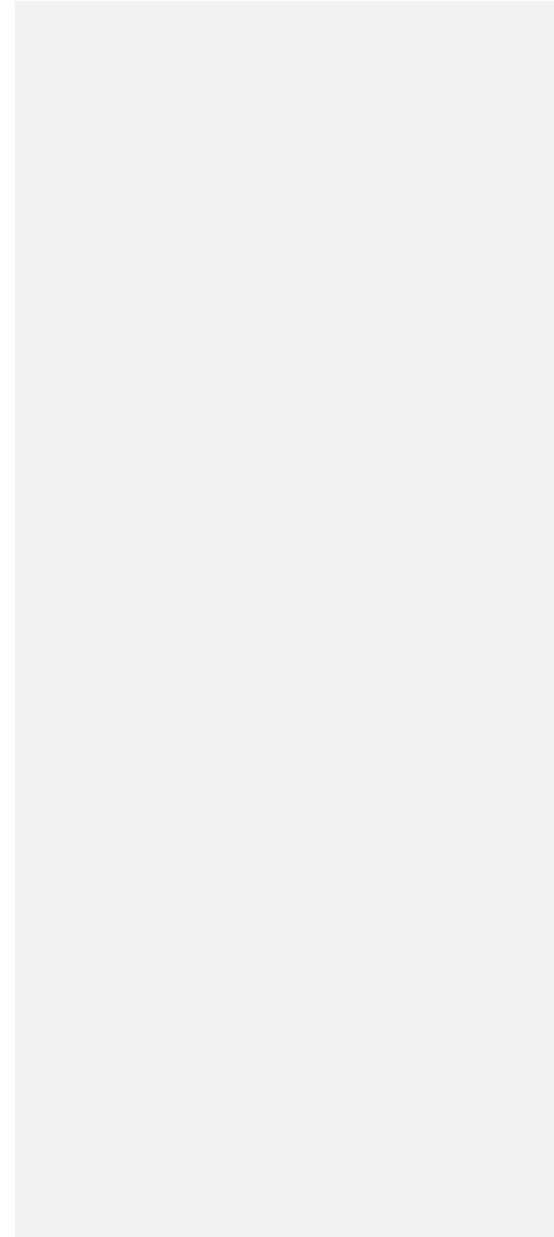


OPTIMISTIC SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Income Statement Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Income from Continuing Operations												
Rates and Annual Charges	14,062	14,497	14,875	15,257	15,649	16,051	16,464	16,886	17,320	17,765	18,222	18,690
User Charges and Fees	9,703	8,935	8,995	9,776	10,005	10,393	10,655	10,947	11,343	11,656	11,953	12,271
Interest & Investment Revenue	1,132	586	457	469	480	492	504	516	529	542	555	568
Other Revenues	779	403	412	426	437	450	459	469	475	483	493	503
Grants & Contributions for Operating Purposes	16,838	13,347	8,419	8,545	8,673	8,804	8,936	9,070	9,207	9,345	9,486	9,629
Grants & Contributions for Capital Purposes - Cash	5,917	12,261	8,378	8,627	4,988	5,880	11,373	8,431	11,905	8,600	6,781	4,649
Contributions for Capital Purposes -Non Cash (\$94 ,580A)	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	48,431	50,029	41,536	43,099	40,232	42,068	48,390	47,320	50,778	48,390	47,490	46,309
Expenses from Continuing Operations												
Employee Costs	13,029	12,987	14,143	14,312	14,473	14,859	15,253	15,565	15,973	16,339	16,780	17,132
Borrowing Costs	277	314	487	466	452	509	562	605	572	538	502	465
Materials and Contracts	10,625	11,094	10,750	10,306	10,568	10,841	11,100	11,374	11,378	11,791	11,989	12,353
Depreciation	10,354	10,565	10,225	10,455	10,710	10,889	11,064	11,270	11,378	11,714	11,909	12,148
Other Expenses	13,888	975	2,909	2,889	2,998	3,281	3,778	4,090	4,480	4,901	5,310	5,706
Total Expenses from Continuing Operations	48,173	35,935	38,513	38,429	39,202	40,380	41,757	42,904	43,781	45,282	46,491	47,804
Operating Result from Continuing Operations Surplus/(Deficit)	258	14,094	3,023	4,670	1,030	1,689	6,632	4,416	6,997	3,108	999	(1,494)
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)	(5,659)	1,833	(5,355)	(3,957)	(3,958)	(4,191)	(4,740)	(5,015)	(4,908)	(5,493)	(5,782)	(6,143)

OPTIMISTIC SCENARIO FINANCIAL STATEMENTS

DRAFT BUDGET



Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Balance Sheet Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Current Assets												
Cash & Cash Equivalents	23,120	19,952	19,490	20,038	21,703	25,092	24,736	23,227	21,055	19,054	19,674	21,093
Investments	15,526	-	-	-	-	-	-	-	-	-	-	-
Receivables	7,419	7,419	3,376	3,504	3,267	3,408	3,936	3,847	4,130	3,922	3,858	3,760
Inventories	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835
Other (Includes Assets Held for Sale)	190	190	190	190	190	190	190	190	190	190	190	190
Total Current Assets	48,090	29,396	24,892	25,567	26,995	30,525	30,697	29,098	27,210	25,001	25,557	26,878
Non-Current Assets												
Cash & Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	60	60	60	60	60	60	60	60	60	60	60	60
Infrastructure, Property, Plant & Equipment	513,285	553,917	563,486	577,792	578,899	589,240	597,081	612,950	621,058	636,023	635,646	642,247
Other	585	585	585	585	585	585	585	585	585	585	585	585
Total Non-Current Assets	513,930	554,562	564,131	578,437	579,544	589,885	597,726	613,595	621,703	636,668	636,291	642,892
Total Assets	562,020	583,958	589,023	604,004	606,539	620,409	628,423	642,694	648,913	661,669	661,848	669,770
Current Liabilities												
Payables	4,913	4,913	2,308	2,284	2,327	2,398	2,499	2,573	2,639	2,730	2,824	2,892
Borrowings	108	350	513	534	622	714	810	843	878	914	951	510
Provisions	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994
Other	650	650	650	650	650	650	650	650	650	650	650	650
Total Current Liabilities	8,665	8,907	6,465	6,462	6,593	6,756	6,953	7,060	7,161	7,288	7,419	7,046
Non Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,760	6,222	10,707	10,173	11,545	12,825	14,009	13,166	12,288	11,374	10,424	9,913
Provisions	822	822	822	822	822	822	822	822	822	822	822	822
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non Current Liabilities	4,582	7,044	11,529	10,995	12,367	13,647	14,831	13,988	13,110	12,196	11,246	10,735
Total Liabilities	13,247	15,951	17,994	17,457	18,961	20,404	21,785	21,048	20,271	19,485	18,665	17,782
Net Assets	548,773	568,007	571,030	586,547	587,578	600,006	606,638	621,646	628,642	642,184	643,183	651,989
Equity												
Retained Earnings	496,388	515,622	518,645	523,315	524,345	526,034	532,666	537,082	544,079	547,187	548,186	546,692
Revaluation Reserves	52,385	52,385	52,385	63,233	63,233	73,972	73,972	84,563	84,563	94,998	94,998	105,297
Council Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	548,773	568,007	571,030	586,547	587,578	600,005	606,638	621,645	628,642	642,184	643,183	651,988

OPTIMISTIC SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Cash Flow Statement Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cash Flows from Operating Activities												
Receipts - Operating Activities	47,963	50,029	45,579	42,972	40,469	41,928	47,862	47,409	50,494	48,598	47,554	46,407
Payments - Operating Activities	(28,169)	(27,374)	(30,685)	(27,810)	(28,274)	(29,189)	(30,308)	(31,234)	(32,043)	(33,218)	(34,264)	(35,122)
Net Cash Provided by (or used in) Operating Activities	19,794	22,655	14,894	15,161	12,195	12,739	17,554	16,175	18,451	15,380	13,290	11,285
Cash Flows from Investing Activities												
Receipts - Infrastructure, Property, Plant & Equipment	681	2,318	1,656	1,506	1,506	1,356	1,356	1,356	1,356	1,356	1,356	1,278
Purchases - Infrastructure, Property, Plant & Equipment	(25,363)	(43,740)	(21,173)	(15,141)	(13,045)	(11,570)	(19,983)	(17,625)	(20,563)	(17,322)	(12,611)	(9,728)
Receipts/Purchases - Other Assets	24,735	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (or used in) Investing Activities	53	(41,422)	(19,516)	(13,635)	(11,538)	(10,213)	(18,627)	(16,269)	(19,207)	(15,966)	(11,255)	(8,450)
Cash Flow from Financing Activities												
Receipts - Loan Borrowings	-	2,700	5,140	-	2,000	2,000	2,000	-	-	-	-	-
Payments - Principal Repayments	(101)	(235)	(493)	(513)	(539)	(628)	(720)	(810)	(843)	(878)	(914)	(951)
Payments - Finance Costs	(277)	(314)	(487)	(466)	(452)	(509)	(562)	(605)	(572)	(538)	(502)	(465)
Receipts - Council Equity Injection	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (or used in) Financing Activities	(378)	2,151	4,161	(979)	1,009	863	718	(1,415)	(1,415)	(1,415)	(1,415)	(1,415)
Net Increase/(Decrease) in Cash Assets Held	19,469	(16,616)	(462)	547	1,665	3,389	(356)	(1,510)	(2,171)	(2,001)	620	1,419
Cash and Cash Equivalents at Beginning of Reporting Period	3,651	36,568	19,952	19,490	20,038	21,703	25,092	24,736	23,227	21,055	19,054	19,674
Cash and Cash Equivalents at End of Reporting Period	23,120	19,952	19,490	20,038	21,703	25,092	24,736	23,227	21,055	19,054	19,674	21,093
plus Investments on Hand - End of Reporting Period	15,526	-	-	-	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents and Investments at End of Reporting Period	38,646	19,952	19,490	20,038	21,703	25,092	24,736	23,227	21,055	19,054	19,674	21,093

OPTIMISTIC SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30												
Capital Works Statement Projections												
Year Ending	Actual	Budget	Proposed Budget									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Land	328	1,300	150	-	-	-	-	-	-	-	-	-
Land improvements	-	-	1,440	-	-	-	-	-	-	-	-	-
Sealed Roads	9,170	18,049	7,444	6,181	4,204	4,044	4,493	4,126	4,211	4,298	4,388	4,481
Unsealed Roads	-	-	850	850	850	850	850	850	850	850	850	850
Bridges	-	-	689	2,000	-	-	2,000	-	-	-	-	-
Kerb and Channel	-	-	227	130	134	137	367	145	149	153	157	162
Footpaths and Pathways	133	-	203	281	161	220	169	116	60	123	63	129
Buildings	1,337	12,039	407	487	1,142	664	374	497	394	147	101	38
Stormwater Drainage	941	285	844	464	476	264	949	104	227	110	239	116
Recreation, Parks and Streetscapes	333	-	2,169	276	471	484	497	174	119	123	126	129
Swimming Pools	-	-	1,915	-	-	-	-	-	-	-	-	-
Sewerage	620	620	1,582	789	1,665	2,259	1,868	2,266	5,130	8,027	5,160	1,742
Water	1,802	1,819	1,484	2,026	2,670	1,919	7,734	7,946	9,060	631	434	446
Plant, machinery and equipment	1,745	2,877	1,567	1,855	1,745	1,418	1,372	2,021	1,009	3,371	1,666	2,324
Fixtures, fittings and furniture	7	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	152	-	242	197	376	160	160	230	206	339	275	160
Other	47	2,142	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	8,837	-	-	-	-	-	-	-	-	-	-	-
LED Lighting	-	1,000	811	-	-	-	-	-	-	-	-	-
Aerodrome	-	3,609	-	456	-	-	-	-	-	-	-	-
Landfill cells	-	-	-	-	-	-	-	-	-	-	-	-
Drought Funding	-	-	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)
Stronger Communities	-	-	-	-	-	-	-	-	-	-	-	-
Capital Works Sustainability Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Spare capex 7	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Works	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728
Represented by:												
Renewal Investment	25,452	43,740	11,594	8,483	8,532	7,787	10,877	10,950	10,544	9,270	7,888	8,175
Upgrade Investment	-	-	3,816	5,439	2,389	2,502	4,203	2,090	4,712	7,844	4,723	1,553
Expansion Investment	-	-	-	812	835	924	4,406	4,528	5,010	-	-	-
New Investment	-	-	5,763	406	1,290	357	497	58	298	208	-	-
Total Capital Works	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728

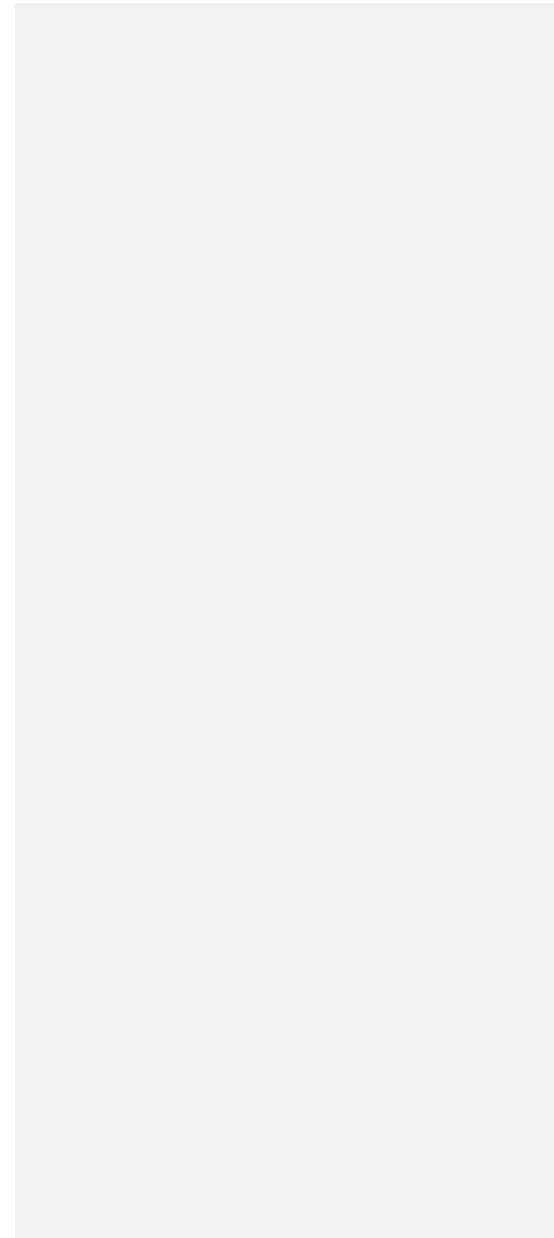
CONSERVATIVE SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30														
Income Statement Projections														
Year Ending	Actual	Actual	Actual	Budget	Proposed Budget									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Income from Continuing Operations														
Rates and Annual Charges	11,983	13,272	14,062	14,497	14,875	15,257	15,649	16,051	16,464	16,886	17,320	17,765	18,222	18,690
User Charges and Fees	7,422	8,383	9,703	8,935	8,995	9,776	10,005	10,393	10,655	10,947	11,343	11,656	11,953	12,271
Interest & Investment Revenue	1,437	1,176	1,132	586	457	469	480	492	504	516	529	542	555	568
Other Revenues	785	588	779	403	412	426	437	450	459	469	475	483	493	503
Grants & Contributions for Operating Purposes	19,130	11,768	16,838	13,347	8,419	8,545	8,673	8,804	8,936	9,070	9,207	9,345	9,486	9,629
Grants & Contributions for Capital Purposes - Cash	13,294	4,320	5,917	12,261	8,348	8,429	4,680	5,446	10,443	8,398	10,390	7,461	6,101	4,455
Contributions for Capital Purposes -Non Cash (S94,S80A)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	54,051	39,507	48,431	50,029	41,506	42,901	39,924	41,634	47,461	46,286	49,263	47,251	46,810	46,115
Expenses from Continuing Operations														
Employee Costs	11,456	10,990	13,029	12,987	14,143	14,312	14,473	14,859	15,253	15,565	15,973	16,339	16,780	17,132
Borrowing Costs	401	209	277	314	490	470	456	513	566	608	575	541	505	467
Materials and Contracts	10,938	8,633	10,625	11,094	10,750	10,306	10,568	10,841	11,100	11,374	11,378	11,791	11,989	12,353
Depreciation	9,575	10,520	10,354	10,565	10,225	10,455	10,710	10,889	11,064	11,270	11,378	11,714	11,909	12,148
Other Expenses	5,771	6,607	13,888	975	2,909	2,889	2,998	3,281	3,778	4,090	4,480	4,901	5,310	5,706
Total Expenses from Continuing Operations	38,141	36,959	48,173	35,935	38,517	38,433	39,205	40,383	41,761	42,907	43,784	45,285	46,493	47,806
Operating Result from Continuing Operations Surplus/(Deficit)	15,910	2,548	258	14,094	2,988	4,468	719	1,251	5,700	3,380	5,479	1,965	316	(1,691)
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)	2,616	(1,772)	(5,659)	1,833	(5,359)	(3,961)	(3,961)	(4,195)	(4,744)	(5,018)	(4,911)	(5,495)	(5,785)	(6,146)

CONSERVATIVE SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30														
Balance Sheet Projections														
Year Ending	Actual	Actual	Actual	Budget	Proposed Budget									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Current Assets														
Cash & Cash Equivalents	2,014	3,651	23,120	19,952	19,555	19,911	21,270	24,228	22,977	20,435	16,781	13,602	13,497	14,675
Investments	41,552	40,203	15,526	-	-	-	-	-	-	-	-	-	-	-
Receivables	4,739	7,874	7,419	7,419	3,374	3,488	3,242	3,372	3,859	3,762	4,006	3,829	3,802	3,744
Inventories	1,473	1,357	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835
Other (Includes Assets Held for Sale)	45	93	190	190	190	190	190	190	190	190	190	190	190	190
Total Current Assets	49,823	53,178	48,090	29,396	24,954	25,424	26,537	29,625	28,861	26,222	22,812	19,455	19,323	20,443
Non-Current Assets														
Cash & Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	60	60	60	60	60	60	60	60	60	60	60	60	60	60
Infrastructure, Property, Plant & Equipment	453,042	512,211	513,285	553,917	563,486	577,792	578,899	589,240	597,081	612,950	621,058	636,023	635,646	642,247
Other	592	551	585	585	585	585	585	585	585	585	585	585	585	585
Total Non-Current Assets	453,694	512,822	513,930	554,562	564,131	578,437	579,544	589,885	597,726	613,595	621,703	636,668	636,291	642,892
Total Assets	503,517	566,000	562,020	583,958	589,085	603,861	606,081	619,510	626,587	639,817	644,514	656,123	655,615	663,336
Current Liabilities														
Payables	3,143	6,233	4,913	4,913	2,308	2,284	2,327	2,398	2,499	2,573	2,639	2,730	2,824	2,892
Borrowings	95	102	108	350	516	537	626	718	815	848	882	918	956	515
Provisions	2,762	2,869	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994	2,994
Other	409	596	650	650	650	650	650	650	650	650	650	650	650	650
Total Current Liabilities	6,409	9,800	8,665	8,907	6,468	6,465	6,597	6,760	6,958	7,065	7,165	7,292	7,424	7,051
Non Current Liabilities														
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,969	3,867	3,760	6,222	10,800	10,263	11,631	12,907	14,087	13,240	12,357	11,439	10,483	9,968
Provisions	718	805	822	822	822	822	822	822	822	822	822	822	822	822
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non Current Liabilities	4,687	4,672	4,582	7,044	11,622	11,085	12,453	13,729	14,909	14,062	13,179	12,261	11,305	10,790
Total Liabilities	11,096	14,472	13,247	15,951	18,090	17,549	19,051	20,490	21,868	21,127	20,344	19,553	18,729	17,841
Net Assets	492,421	551,528	548,773	568,007	570,995	586,312	587,030	599,021	604,719	618,691	624,170	636,570	636,885	645,494
Equity														
Retained Earnings	491,161	496,130	496,388	515,622	518,610	523,079	523,798	525,049	530,748	534,128	539,607	541,572	541,888	540,197
Revaluation Reserves	1,260	55,398	52,385	52,385	52,385	63,233	63,233	73,972	73,972	84,563	84,563	94,998	94,998	105,297
Council Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	492,421	551,528	548,773	568,007	570,995	586,311	587,030	599,020	604,720	618,691	624,170	636,570	636,886	645,494

DRAFT BUDGET



CONSERVATIVE SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30														
Cash Flow Statement Projections														
Year Ending	Actual	Actual	Actual	Budget	Proposed Budget									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cash Flows from Operating Activities														
Receipts - Operating Activities	55,307	39,723	47,963	50,029	45,551	42,788	40,170	41,504	46,973	46,384	49,019	47,427	46,836	46,173
Payments - Operating Activities	(26,960)	(20,614)	(28,169)	(27,374)	(30,685)	(27,810)	(28,274)	(29,189)	(30,308)	(31,234)	(32,043)	(33,218)	(34,264)	(35,122)
Net Cash Provided by (or used in) Operating Activities	28,347	19,109	19,794	22,655	14,866	14,977	11,896	12,315	16,665	15,150	16,976	14,209	12,572	11,051
Cash Flows from Investing Activities														
Receipts - Infrastructure, Property, Plant & Equipment	328	436	681	2,318	1,656	1,506	1,506	1,356	1,356	1,356	1,356	1,356	1,356	1,278
Purchases - Infrastructure, Property, Plant & Equipment	(15,987)	(19,393)	(25,363)	(43,740)	(21,173)	(15,141)	(13,045)	(11,570)	(19,983)	(17,625)	(20,563)	(17,322)	(12,611)	(9,728)
Receipts/Purchases - Other Assets	(33,155)	1,789	24,735	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (or used in) Investing Activities	(48,814)	(17,168)	53	(41,422)	(19,516)	(13,635)	(11,538)	(10,213)	(18,627)	(16,269)	(19,207)	(15,966)	(11,255)	(8,450)
Cash Flow from Financing Activities														
Receipts - Loan Borrowings	-	-	-	2,700	5,240	-	2,000	2,000	2,000	-	-	-	-	-
Payments - Principal Repayments	(131)	(95)	(101)	(235)	(496)	(516)	(543)	(631)	(724)	(815)	(848)	(882)	(918)	(956)
Payments - Finance Costs	-	(209)	(277)	(314)	(490)	(470)	(456)	(513)	(566)	(608)	(575)	(541)	(505)	(467)
Receipts - Council Equity Injection	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (or used in) Financing Activities	(131)	(304)	(378)	2,151	4,254	(986)	1,001	856	711	(1,423)	(1,423)	(1,423)	(1,423)	(1,423)
Net Increase/(Decrease) in Cash Assets Held	(20,598)	1,637	19,469	(16,616)	(397)	356	1,359	2,958	(1,251)	(2,541)	(3,654)	(3,179)	(105)	1,178
Cash and Cash Equivalents at Beginning of Reporting Period	22,612	2,014	3,651	36,568	19,952	19,555	19,911	21,270	24,228	22,977	20,435	16,781	13,602	13,497
Cash and Cash Equivalents at End of Reporting Period	2,014	3,651	23,120	19,952	19,555	19,911	21,270	24,228	22,977	20,435	16,781	13,602	13,497	14,675
plus Investments on Hand - End of Reporting Period	41,552	40,203	15,526	-	-	-	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents and Investments at End of Reporting Period	43,566	43,854	38,646	19,952	19,555	19,911	21,270	24,228	22,977	20,435	16,781	13,602	13,497	14,675

CONSERVATIVE SCENARIO FINANCIAL STATEMENTS

Federation Council Long Term Financial Plan 2016/17 - 2029/30														
Capital Works Statement Projections														
Year Ending	Actual	Actual	Actual	Budget	Proposed Budget									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Land	452	-	328	1,300	150	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	1,440	-	-	-	-	-	-	-	-	-
Sealed Roads	7,826	9,742	9,170	18,049	7,444	6,181	4,204	4,044	4,493	4,126	4,211	4,298	4,388	4,481
Unsealed Roads	-	-	-	-	850	850	850	850	850	850	850	850	850	850
Bridges	-	-	-	-	689	2,000	-	-	2,000	-	-	-	-	-
Kerb and Channel	-	-	-	-	227	130	134	137	367	145	149	153	157	162
Footpaths and Pathways	852	60	133	-	203	281	161	220	169	116	60	123	63	129
Buildings	627	221	1,337	12,039	407	487	1,142	664	374	497	394	147	101	38
Stormwater Drainage	679	57	941	285	844	464	476	264	949	104	227	110	239	116
Recreation, Parks and Streetscapes	7	379	333	-	2,169	276	471	484	497	174	119	123	126	129
Swimming Pools	-	-	-	-	1,915	-	-	-	-	-	-	-	-	-
Sewerage	649	1,089	620	620	1,582	789	1,665	2,259	1,868	2,266	5,130	8,027	5,160	1,742
Water	1,445	414	1,802	1,819	1,484	2,026	2,670	1,919	7,734	7,946	9,060	631	434	446
Plant, machinery and equipment	1,525	3,371	1,745	2,877	1,567	1,855	1,745	1,418	1,372	2,021	1,009	3,371	1,666	2,324
Fixtures, fittings and furniture	116	-	7	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	-	225	152	-	242	197	376	160	160	230	206	339	275	160
Other	-	-	47	2,142	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	1,859	3,683	8,837	-	-	-	-	-	-	-	-	-	-	-
LED Lighting	-	-	-	1,000	811	-	-	-	-	-	-	-	-	-
Aerodrome	-	-	-	3,609	-	456	-	-	-	-	-	-	-	-
Landfill cells	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drought Funding	-	-	-	-	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)
Stronger Communities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Works Sustainability Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spare capex 7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Works	16,037	19,241	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728
Represented by:														
Renewal Investment	16,037	19,241	25,452	43,740	11,594	8,483	8,532	7,787	10,877	10,950	10,544	9,270	7,888	8,175
Upgrade Investment	-	-	-	-	3,816	5,439	2,389	2,502	4,203	2,090	4,712	7,844	4,723	1,553
Expansion Investment	-	-	-	-	-	812	835	924	4,406	4,528	5,010	-	-	-
New Investment	-	-	-	-	5,763	406	1,290	357	497	58	298	208	-	-
Total Capital Works	16,037	19,241	25,452	43,740	21,173	15,141	13,045	11,570	19,983	17,625	20,563	17,322	12,611	9,728