

# CENTRAL HIGHLANDS COUNCIL



## Long Term Financial Plan and Strategy 2017/18 to 2027/28

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## **Executive Summary**

### **Introduction:**

The Central Highlands of Tasmania is one of the most beautiful and unique natural areas in the world. It covers a total area of 8,010 square kilometres (11.6% of the State) and makes a significant and increasing contribution to the economic wealth of Tasmania. Our region supports a large and diverse agriculture industry and a significant livestock industry including meat and dairy production and contains in excess of 15% of the states sheep and lambs. Our horticulture sector produces grapes, stone fruit and berries, and together with the forest industry, power production, trout fishing, tourism and recreation makes our area a diverse rural location.

The Financial Plan 2017/18 to 2027/28 is a 10 year rolling plan for the management of council's finances from 2017 to 2028. It is not intended to be static, but will be reviewed annually as part of the annual planning process and updated to reflect changing circumstances.

The Financial Plan has been developed to assist council in adopting a budget within a longer term prudent financial framework. The key objective of council's financial plan is financial sustainability in the medium to long term, while linking to council's objectives as specified in its Strategic Management Plan. The Plan is a guideline for future action and encourages council to take into consideration the future impact that decisions made today may have on council's long-term sustainability.

### **Vision:**

Our vision is for the Central Highlands to provide residents and visitors opportunities to participate in and enjoy a vibrant local economy, rewarding community life, cultural heritage and a natural environment that is world class.

### **Mission:**

Our mission is to provide the leadership; management and action needed to ensure local government and other services are provided to meet the social, economic and environmental needs of the present day community, whilst trying to ensure the best possible outcomes for future generations.

### **Goals:**

Our goals are:

- To promote and facilitate the long term, sustainable use and protection of the area's valuable heritage, natural resources and environment in balance with the need for a vibrant economy generating local employment opportunities.

- All Central Highlands residents and ratepayers to have access to a road network and other essential property and community services that meet the reasonable economic, health and social needs of the community.
- Local government services and facilities to represent value for money and the optimum use and performance of Council’s assets and resources.
- Effective consultation with local residents and business operators and representation of their needs to appropriate authorities.

**Key Statistics:**

The following table provides a snapshot of the Central Highlands Council:

Area (sq. km)	8010
Population (est.)	2170
Number of Electors	2582
Number of Residential Properties	2194
Total Rates Levied	3,470,202
Total Recurrent Income (2016/17)	6,625,421
Number of FTE’s	31

**Strategic Planning Framework:**

The LTFP is an important part of Council’s overall financial management framework. The following table illustrates how Council’s LTFP fits into Council’s overall financial management framework.



## **Current Financial Performance and Position:**

After several years of operating deficits, council has now attained two years of positive results in 2015/16 and 2016/17. Allowing an operational deficit to continue into the long term would have ultimately jeopardised the adequate funding of capital expenditure and Council's capacity to maintain and replace existing community assets.

Based on current service levels, Council is intending to maintain a positive result into the future.

Council has curtailed capital expenditure for new assets instead focusing on the renewal and rehabilitation of existing assets. Council aims to maintain its infrastructure and assets at an acceptable standard. This involves developing and integrating long-term infrastructure and asset management plans with the LTFP to provide for the continued investment in maintenance, renewal and replacement of asset stock.

## **Long Term Asset Management Plan:**

Infrastructure and Asset Management Plans have been developed to ensure that Council continues to provide effective and comprehensive management of its infrastructure asset portfolios. The Asset Management Plans are separate documents to the LTFP.

The asset management plans indicate that over the next 10 years Council should be spending between \$1.8M and \$2.1M per annum on asset capital renewal. An annual capital works program of around \$2.0M would maintain Council's current infrastructure at a good standard. The projected level of capital expenditure for the renewal and rehabilitation of infrastructure assets is consistent with Council's 10 year capital works program.

## **Long Term Financial Plan Overview:**

Council's underlying operating surplus before capital related income is estimated to improve from \$120k in 2016/17 to an underlying surplus of \$337k in 2027/18.

The 2017/18 budgeted overall net surplus of \$29k should continue to improve each year thereafter.

## **Planning Assumptions:**

The base for the preparation of the LTFP is the Annual Estimates for 2017/18 with one off or non-recurring events adjusted for.

The planning assumptions used in the development of the LTFP are summarised below:

Inflation has not been factored into any future amounts.

Revenue Category	Comments
Rates and Levies	Increase of 3% above inflation for years 2018/19 and 2019/20. Then in line with CPI
Rates Growth	Annual increase of 0.2%
User charges	To be increased in line with CPI

### Operating Revenues:

This section analyses projected revenues of Council from 2017/18 to 2027/28. The table shows summarised movements in Council's key revenue streams over the ten year period.

Revenue Type	2017/18 '000	2022/23 '000	2027/28 '000
Rates and Levies	\$3,470	\$3,662	\$3,691
User Charges & Statutory Fees	\$249	\$249	\$249
Grants Operating	\$2,391	\$2,391	\$2,391
Other Revenue	\$226	\$226	\$226
Interest & Dividends	\$299	\$333	\$412
<b>Total Operating Revenue</b>	<b>\$6,635</b>	<b>\$6,861</b>	<b>\$6,969</b>
Grants - Capital	\$604	\$397	\$397
<b>Total Revenue</b>	<b>\$7,239</b>	<b>\$7,258</b>	<b>\$7,366</b>

### Rates and Levies:

The LTFP assumes the general rate will increase 3% above inflation for years 2018/19 to 2019/20 and then at CPI from 2020/21 to 2027/28.

The LTFP assumes a 0.2% annual increase in rate revenue through growth and development resulting in an increase in rateable properties. The number of new lots being created from subdivisions increases steadily most years and it is felt that a 0.2% increase in rates through growth is reasonable.

Garbage collection and recycling charges are estimated to also increase at CPI.

The fire levy that Council collects on behalf of the Tasmanian Fire Commission is offset by an identical increase in the related expenditure payment.

### User Charges and Statutory Fees:

User charges relate to the recovery of service delivery costs through the charging of fees to users of Council's services. These include the hire of halls, recreation ground hire, pool fees, cemetery charges etc. The key principle in setting user fees has been to ensure that increases approximate CPI increase or market levels.

Statutory fees and fines relate mainly to those levied in accordance with legislative requirements. They include building fees, planning fees, health related fees and dog registrations.

The LTFP assumes an increase in user charges and statutory fees consistent with the CPI.

### **Grants – Operating:**

Operating Grants are funds received from both the State and Federal Government for the purpose of delivering Council services.

The main source of grant revenue is from the State Grants Commission (SGC) in the form of Financial Assistance Grants (FAG). Council has little control over the level of FAG's received with changes likely to occur as a result of a change in population or distribution methodologies.

It is unlikely that there will be any increase in grants, or provision of new grants above CPI.

### **Other Revenue:**

Other Council revenue includes:

- Government rate remission reimbursements
- Private works income
- Motor tax reimbursement
- Salary and other reimbursements

### **Interest and Dividends:**

Estimated interest income over the ten year period is derived from Council's expected cash position at the end of each financial year using an estimated market rate of 2.5%.

As part owner of the Tasmanian Water and Sewerage Corporation, Council is entitled to a dividend after priority dividends, in proportion to its contributed assets. It is expected that the level of dividends will increase steadily over the life of this plan.

### **Grants Capital:**

Capital Grants include all monies received from State, Federal and Community sources for the purposes of funding the capital works program. The LTFP reflects the Commonwealth's Roads to Recovery funding.

Any additional capital funding will not impact on the underlying operating result as the funds will be expended on new capital projects.

### **Non Cash Contributions and Net Gain from Sale of Assets:**

Non Cash contributions are made up of assets donated to Council from property developers in the form of infrastructure (roads etc.) where at the completion of the development Council assumes responsibility for maintaining and replacing the infrastructure. As developer contributions are non-cash and capital in nature they do not affect the underlying operating result and have therefore been excluded from the LTFP.

Should Council dispose of any property during the ten year period, this would be considered as additional revenue.

### **Operating Expenditure:**

This section analyses the expected expenditure of Council from 2017/18 to 2027/28. The table summarises the movements in Council's key expenditure items over the ten year period.

<b>Expenditure Type</b>	<b>2017/18 '000</b>	<b>2022/23 '000</b>	<b>2027/28 '000</b>
Depreciation	\$2,094	\$2,119	\$2,119
Employee Costs	\$1,833	\$1,833	\$1,833
Materials and Contracts	\$1,415	\$1,415	\$1,415
Other Expenses	\$1,264	\$1,264	\$1,264
<b>Total Operating Expenditure</b>	<b>\$6,606</b>	<b>\$6,631</b>	<b>\$6,631</b>

### **Depreciation:**

Depreciation is an accounting measure which allocates the value of assets over their useful lives.

Council's infrastructure assets are held at depreciated replacement cost to ensure adequate provision for renewal of existing infrastructure through depreciation expense. The amount to be spent on asset renewal in any given year is determined by Councils long term asset management plan.

### **Employee Costs:**

Employee costs include all salaries and wages and all employment related expenses including payroll tax, employer superannuation, leave entitlements, fringe benefit tax,

workers compensation insurance and professional development. These costs are expected to increase in line with CPI.

The LTFP assumes that staff numbers are maintained at the 2017/18 levels.

#### **Materials and Contracts, Other Expenses:**

Materials and contracts include the purchase of consumables, payments to contractors for the provision of services, insurances and utility costs. Utility costs relate to telecommunications, water, sewerage, and electricity.

Council aims to maintain the level of growth in materials and contracts expenditure to CPI increases.

The 0.2 percent growth in rates through increased rateable properties is not expected to have a significant impact on expenditure. It is reasonable to assume that new subdivisions would require minimal maintenance over the period of this LTFP.

#### **Levies to State Government:**

Levies to state government include land tax and state fire levies. State fire levies are collected on behalf of the State Fire Commission. These funds are paid directly to the State Fire Commission and Council has no control over the levies.

#### **Analysis of Estimated Cash Flow:**

This section analyses the projected cash flows from the operating, investing and financing activities of Council from 2017/2018 to 2027/2028. The cash flow from operating activities is a key factor in determining the level of capital expenditure that can be sustained without using existing cash reserves.

The analysis is based on the three main categories of cash flows:

1. Operating activities – refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works.
2. Investing activities – refers to cash generated or used in the enhancement or creation of infrastructure or other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.
3. Financing activities – refers to cash generated or used in the financing of Council functions and includes borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

	<b>2017/18 '000</b>	<b>2022/23 '000</b>	<b>2027/28 '000</b>
Net Cash Flow from Operating Activities	\$929	\$2,349	\$2,456
Net Cash Flow used in Investing Activities	(\$2,347)	(\$1,445)	(\$1,675)
Net (Decrease)/Increase in Cash Held	(\$1,418)	\$904	\$781
Cash at End of Year	\$8,172	\$10,924	\$14,732

### **Analysis of Estimated Financial Position:**

This section analyses the projected movements in assets, liabilities and equity from 2017/2018 to 2027/2028.

	<b>2017/18 '000</b>	<b>2022/23 '000</b>	<b>2027/28 '000</b>
Total Current Assets	\$8,405	\$11,157	\$14,966
Total Non-Current Assets	\$91,412	\$91,666	\$91,590
Total Current Liabilities	\$1,192	\$1,192	\$1,192
Total non-Current Liabilities	\$99	\$99	\$99
Net Assets	\$98,526	\$101,532	\$105,265

### **Current Assets and Non-Current Assets:**

Current assets comprise cash, investments and receivables. Current assets are estimated to increase from \$8,405k in 2017/2018 to \$14,966k in 2027/2028. The increase in cash can be attributed to long lived assets such as bridges, buildings etc. that will not be replaced in the timespan of this plan but will need replacing in later years.

Non-Current assets primarily include Land and Buildings, Plant and Vehicles, Furniture and Equipment, Infrastructure, Computers and Intangibles.

### **Current Liabilities and Non-Current Liabilities:**

Liabilities include creditors, employee provisions and other liabilities.

The balance of payables is difficult to predict due to the timing of capital works. It has been predicted that the level of staffing will remain reasonably static and that leave balances will remain relatively constant.

All other liabilities are expected to remain stable.

## Key Financial Indicators:

### Underlying Surplus Ratio:

The underlying Surplus ratio expresses operating revenue over operating expenditure as a percentage. A result greater than 1% indicates a surplus, the larger the surplus the stronger the result and therefore stronger assessment of sustainability. A negative result indicates a deficit which cannot be sustained in the long term.

As evident from the table below, the underlying surplus ratio is currently below the benchmark of 1% which indicates that Council is not fully funding its depreciation expense at present but will be in the future.

	2017/18 '000	2022/23 '000	2027/28 '000
Total Operating Revenue	\$6,635	\$6,862	\$6,969
Total Operating Expenditure	\$6,607	\$6,632	\$6,632
Ratio	(0.4)	3.3	4.8

### Net Financial Liabilities:

This measure shows whether Council's total liabilities can be met by its liquid assets. An excess of total liabilities over liquid assets means that, if all liabilities fell due at once, additional revenue would be needed to fund the shortfall. Council is well positioned due to cash reserves.

	2017/18 '000	2022/23 '000	2027/28 '000
Liquid Assets	\$8,366	\$11,118	\$14,926
Total Liabilities	\$1,291	\$1,291	\$1,291
Net Financial Liabilities	\$7,075	\$9,827	\$13,635

### Net Financial Liabilities Ratio:

This ratio indicates the net financial obligations of Council compared to its recurrent income. Target is 0% to (50%). Council is well above target due to cash reserves.

	2017/18 '000	2022/23 '000	2027/28 '000
Net Financial Liabilities	\$7,075	\$9,827	\$13,635
Recurrent Income	\$6,635	\$6,862	\$6,969
Ratio	107%	143%	196%

### Asset Renewal Funding Ratio:

This ratio is calculated in relation to each asset class included in the long-term strategic asset management plan of Council.

<b>Roads and Bridges</b>	<b>2017/18 '000</b>	<b>2022/23 '000</b>	<b>2027/28 '000</b>
Projected capital funding outlays	\$1,617	\$1,340	\$1,340
Projected capital expenditure funding	\$1,617	\$1,340	\$1,340
Ratio	100%	100%	100%

Projected capital funding outlays are the value of projected funding outlays for an asset identified in Council's long-term financial plan.

Projected capital expenditure funding is the value of projected capital expenditure funding for an asset identified in Council's long-term strategic asset management plan.

### Sensitivity Analysis:

The assumptions related to revenue streams and expenditure line items may have a significant impact on the long term forecast result of Council.

### Materials & Contracts:

The level of Materials & Contracts expenditure is likely be the most subjective and have the greatest potential to impact on the LTFP.

The analysis below demonstrates the impact of changing annual increase in materials & contracts assumption in the LTFP by 1% above inflation.

	<b>2017/18 '000</b>	<b>2022/23 '000</b>	<b>2027/28 '000</b>
Annual Variance	\$14	\$14	\$14
Accum Variance	\$14	\$99	\$170

Over a 10 year period the Council would have generated \$170k less cash as a result of a 1.0% increase in materials & contracts above inflation.

**APPENDIX A - STATEMENT OF COMPREHENSIVE INCOME**

	Actual 2016/17	Budget 2017/18	LTFP 2018/19	LTFP 2019/20	LTFP 2020/21	LTFP 2021/22	LTFP 2022/23	LTFP 2023/24	LTFP 2024/25	LTFP 2025/26	LTFP 2026/27	LTFP 2027/28
<b>Revenue</b>												
Rates	2,590,683	2,688,048	2,693,424	2,698,811	2,704,209	2,709,617	2,715,036	2,720,466	2,725,907	2,731,359	2,736,822	2,742,295
Waste Management	543,388	567,585	567,585	567,585	567,585	567,585	567,585	567,585	567,585	567,585	567,585	567,585
Fire Service Levies	200,891	214,569	214,569	214,569	214,569	214,569	214,569	214,569	214,569	214,569	214,569	214,569
<b>Total Rates &amp; Fire Levies</b>	<b>3,334,962</b>	<b>3,470,202</b>	<b>3,475,578</b>	<b>3,480,965</b>	<b>3,486,363</b>	<b>3,491,771</b>	<b>3,497,190</b>	<b>3,502,620</b>	<b>3,508,061</b>	<b>3,513,513</b>	<b>3,518,976</b>	<b>3,524,449</b>
Grants	2,319,464	1,198,348	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549
User Charges	274,105	248,600	248,600	248,600	248,600	248,600	248,600	248,600	248,600	248,600	248,600	248,600
Interest Earned	173,886	146,250	143,433	149,631	171,917	162,564	180,399	198,485	213,398	233,235	239,264	259,030
Dividends TasWater	156,798	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000
Other Reimbursements/Revenue	366,206	226,001	226,001	226,001	226,001	226,001	226,001	226,001	226,001	226,001	226,001	226,001
FAG's grant received in advance	1,193,201											
<b>Total Revenue</b>	<b>7,818,622</b>	<b>5,442,401</b>	<b>6,638,161</b>	<b>6,649,745</b>	<b>6,677,430</b>	<b>6,673,485</b>	<b>6,696,739</b>	<b>6,720,255</b>	<b>6,740,609</b>	<b>6,765,898</b>	<b>6,777,390</b>	<b>6,802,630</b>
<b>Expenses</b>												
Materials & Contracts	1,447,999	1,415,451	1,415,451	1,415,451	1,415,451	1,415,451	1,415,451	1,415,451	1,415,451	1,415,451	1,415,451	1,415,451
Employee Costs	1,760,118	1,833,717	1,833,717	1,833,717	1,833,717	1,833,717	1,833,717	1,833,717	1,833,717	1,833,717	1,833,717	1,833,717
Borrowing costs												
Other	1,103,547	1,263,734	1,263,734	1,263,734	1,263,734	1,263,734	1,263,734	1,263,734	1,263,734	1,263,734	1,263,734	1,263,734
<b>Total Expenses</b>	<b>4,311,664</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>	<b>4,512,902</b>
<b>Net Operating Surplus (Deficit) before Dep'n &amp; Finance Costs</b>	<b>3,506,958</b>	<b>929,499</b>	<b>2,125,259</b>	<b>2,136,843</b>	<b>2,164,528</b>	<b>2,160,583</b>	<b>2,183,837</b>	<b>2,207,353</b>	<b>2,227,707</b>	<b>2,252,996</b>	<b>2,264,488</b>	<b>2,289,728</b>
Depreciation & Amortisation	2,115,960	2,094,000	2,110,300	2,114,300	2,114,300	2,119,300	2,119,300	2,119,300	2,119,300	2,119,300	2,119,300	2,119,300
<b>Net Operating Surplus (Deficit) before:</b>	<b>1,390,998</b>	<b>(-1,164,501)</b>	<b>14,959</b>	<b>22,543</b>	<b>50,228</b>	<b>41,283</b>	<b>64,537</b>	<b>88,053</b>	<b>108,407</b>	<b>133,696</b>	<b>145,188</b>	<b>170,428</b>
Add back FAGs in advance	(-1,193,201)	1,193,201										
<b>Net Operating Surplus (Deficit)</b>	<b>197,797</b>	<b>28,700</b>	<b>14,959</b>	<b>22,543</b>	<b>50,228</b>	<b>41,283</b>	<b>64,537</b>	<b>88,053</b>	<b>108,407</b>	<b>133,696</b>	<b>145,188</b>	<b>170,428</b>
Capital Grants and Other	1,359,744	604,378	397,466	397,466	397,466	397,466	397,466	397,466	397,466	397,466	397,466	397,466
<b>NET SURPLUS (DEFICIT)</b>	<b>1,557,541</b>	<b>633,078</b>	<b>412,425</b>	<b>420,009</b>	<b>447,694</b>	<b>438,749</b>	<b>462,003</b>	<b>485,519</b>	<b>505,873</b>	<b>531,162</b>	<b>542,654</b>	<b>567,894</b>

<b>APPENDIX B - STATEMENT OF FINANCIAL POSITION</b>												
	<b>Actual 2016/17</b>	<b>Budget 2017/18</b>	<b>LTFP 2018/19</b>	<b>LTFP 2019/20</b>	<b>LTFP 2020/21</b>	<b>LTFP 2021/22</b>	<b>LTFP 2022/23</b>	<b>LTFP 2023/24</b>	<b>LTFP 2024/25</b>	<b>LTFP 2025/26</b>	<b>LTFP 2026/27</b>	<b>LTFP 2027/28</b>
<b>Current Assets</b>												
Cash & Investments	9,590,094	8,171,661	8,481,528	9,595,862	9,128,208	10,019,939	10,924,253	10,924,253	11,669,913	12,963,223	13,951,512	14,732,373
Receivables	194,205	194,205	194,205	194,205	194,205	194,205	194,205	194,205	194,205	194,205	194,205	194,205
Other	38,975	38,975	38,975	38,975	38,975	38,975	38,975	38,975	38,975	38,975	38,975	38,975
<b>Total Current Assets</b>	<b>9,823,274</b>	<b>8,404,841</b>	<b>8,714,708</b>	<b>9,829,042</b>	<b>9,361,388</b>	<b>10,253,119</b>	<b>11,157,433</b>	<b>11,157,433</b>	<b>11,903,093</b>	<b>13,196,403</b>	<b>14,184,692</b>	<b>14,965,553</b>
<b>Non-Current Assets</b>												
Land & Buildings	9,297,870	9,681,870	9,655,870	9,629,870	9,603,870	9,577,870	9,551,870	9,525,870	9,499,870	9,473,870	9,447,870	9,446,870
Plant & Equipment	2,301,753	2,284,853	2,270,553	2,243,253	2,229,953	2,223,653	2,218,353	2,213,053	2,226,753	2,240,453	2,234,153	2,247,853
Infrastructure	71,144,558	71,498,498	71,698,528	71,698,558	71,948,588	71,948,618	71,948,648	71,948,678	71,948,708	71,948,738	71,948,768	71,948,798
Tas Water	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214	7,925,214
Other receivables	20,909											
Other Assets	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
<b>Total Non-Current Assets</b>	<b>90,712,304</b>	<b>91,412,435</b>	<b>91,572,165</b>	<b>91,518,895</b>	<b>91,729,625</b>	<b>91,697,355</b>	<b>91,666,085</b>	<b>91,634,815</b>	<b>91,622,545</b>	<b>91,610,275</b>	<b>91,578,005</b>	<b>91,590,735</b>
<b>TOTAL ASSETS</b>	<b>100,535,578</b>	<b>99,817,276</b>	<b>100,286,873</b>	<b>101,347,937</b>	<b>101,091,013</b>	<b>101,950,474</b>	<b>102,823,518</b>	<b>102,792,248</b>	<b>103,525,638</b>	<b>104,806,678</b>	<b>105,762,697</b>	<b>106,556,288</b>
<b>Current Liabilities</b>												
Creditors	283,308	283,308	283,308	283,308	283,308	283,308	283,308	283,308	283,308	283,308	283,308	283,308
Provisions	748,889	748,889	748,889	748,889	748,889	748,889	748,889	748,889	748,889	748,889	748,889	748,889
Other	159,683	159,683	159,683	159,683	159,683	159,683	159,683	159,683	159,683	159,683	159,683	159,683
<b>Total Current Liabilities</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>	<b>1,191,880</b>
<b>Non-Current Liabilities</b>												
Provisions	98,818	98,818	98,818	98,818	98,818	98,818	98,818	98,818	98,818	98,818	98,818	98,818
<b>Total Non-Current Liabilities</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>	<b>98,818</b>
<b>TOTAL LIABILITIES</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>	<b>1,290,698</b>
<b>NET ASSETS</b>	<b>99,244,880</b>	<b>98,526,578</b>	<b>98,996,175</b>	<b>100,057,239</b>	<b>99,800,315</b>	<b>100,659,776</b>	<b>101,532,820</b>	<b>101,501,550</b>	<b>102,234,940</b>	<b>103,515,980</b>	<b>104,471,999</b>	<b>105,265,590</b>
<b>EQUITY</b>												
Asset Revaluation Reserve	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489	66,384,489
Other Reserves	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025	1,674,025
Accumulated Surplus	31,186,366	30,468,064	30,937,661	31,998,725	31,741,801	32,601,262	33,474,306	33,443,036	34,176,426	35,457,466	36,413,485	37,207,076
<b>TOTAL EQUITY</b>	<b>99,244,880</b>	<b>98,526,578</b>	<b>98,996,175</b>	<b>100,057,239</b>	<b>99,800,315</b>	<b>100,659,776</b>	<b>101,532,820</b>	<b>101,501,550</b>	<b>102,234,940</b>	<b>103,515,980</b>	<b>104,471,999</b>	<b>105,265,590</b>

### APPENDIX C - STATEMENT OF CASH FLOWS

	Actual 2016/17	Budget 2017/18	LTFP 2018/19	LTFP 2019/20	LTFP 2020/21	LTFP 2021/22	LTFP 2022/23	LTFP 2023/24	LTFP 2024/25	LTFP 2025/26	LTFP 2026/27	LTFP 2027/28
<b>CASH FLOWS FROM OPERATING</b>												
Receipts from ratepayers & Users	4,372,934	3,944,803	4,030,821	4,119,591	4,125,316	4,131,053	4,136,802	4,142,562	4,148,334	4,154,117	4,159,912	4,165,718
Payments to Suppliers & Staff	(4,383,559)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)	(4,512,902)
Receipts from Government- Operating	3,512,665	1,198,348	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549	2,391,549
Interest	185,564	146,250	143,433	149,631	171,917	162,564	180,399	198,485	213,398	233,235	239,264	259,030
TasWater Dividends	156,798	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000	153,000
Borrowing Costs												
<b>Net Cash Flow from Operating Activities</b>	<b>3,844,402</b>	<b>929,499</b>	<b>2,205,901</b>	<b>2,300,868</b>	<b>2,328,881</b>	<b>2,325,265</b>	<b>2,348,848</b>	<b>2,372,694</b>	<b>2,393,379</b>	<b>2,418,999</b>	<b>2,430,823</b>	<b>2,456,395</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
Receipts from Government - Capital	1,423,755	604,378	397,466	397,466	397,466	397,466	397,466	397,466	397,466	397,466	397,466	397,466
Other financial assets - Investments												
Proceeds from Sale of Assets	44,609	235,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Purchase/construction of Assets	(2,770,377)	(3,187,310)	(2,328,500)	(1,619,000)	(3,229,000)	(1,866,000)	(1,877,000)	(2,059,500)	(1,834,000)	(2,550,000)	(1,875,000)	(2,108,000)
Loan to TasWater and community	501,644											
<b>Net Cash Flow used in Investing Activities</b>	<b>(800,369)</b>	<b>(2,347,932)</b>	<b>(1,896,034)</b>	<b>(1,186,534)</b>	<b>(2,796,534)</b>	<b>(1,433,534)</b>	<b>(1,444,534)</b>	<b>(1,627,034)</b>	<b>(1,401,534)</b>	<b>(2,117,534)</b>	<b>(1,442,534)</b>	<b>(1,675,534)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Repayment of Borrowings												
<b>Net Cash Flow from Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET (DECREASE) /INCREASE IN CASH HELD</b>	<b>3,044,033</b>	<b>(1,418,433)</b>	<b>309,867</b>	<b>1,114,334</b>	<b>(467,653)</b>	<b>891,731</b>	<b>904,314</b>	<b>745,660</b>	<b>991,845</b>	<b>301,465</b>	<b>988,289</b>	<b>780,861</b>
Cash at the Beginning of the Year	6,546,061	9,590,094	8,171,661	8,481,528	9,595,862	9,128,208	10,019,939	10,924,253	11,669,913	12,661,758	12,963,223	13,951,512
<b>CASH AT END OF YEAR</b>	<b>9,590,094</b>	<b>8,171,661</b>	<b>8,481,528</b>	<b>9,595,862</b>	<b>9,128,208</b>	<b>10,019,939</b>	<b>10,924,253</b>	<b>11,669,913</b>	<b>12,661,758</b>	<b>12,963,223</b>	<b>13,951,512</b>	<b>14,732,373</b>
Reserves (Restricted funds)	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939	1,177,939
<b>UNRESTRICTED CASH AT YEAR END</b>	<b>8,412,155</b>	<b>6,993,722</b>	<b>7,303,589</b>	<b>8,417,923</b>	<b>7,950,269</b>	<b>8,842,000</b>	<b>9,746,314</b>	<b>10,491,974</b>	<b>11,483,819</b>	<b>11,785,284</b>	<b>12,773,573</b>	<b>13,554,434</b>

Asset Renewal/New													
Capex	Actual 2016/17	Budget 2017/18	LTFP 2018/19	LTFP 2019/20	LTFP 2020/21	LTFP 2021/22	LTFP 2022/23	LTFP 2023/24	LTFP 2024/25	LTFP 2025/26	LTFP 2026/27	LTFP 2027/28	Total
Roads - renewal	1,879,746	1,365,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	16,644,746
Roads- new	1,357		200,000		250,000								451,357
Bridges	38,433	145,000		-	1,148,000	-	-	200,000	-	805,000		180,000	2,516,433
Land & Buildings	56,708	485,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	100,000	1,316,708
Stormwater, Drainage	46,919	25,000	100,000										171,919
P&E,	567,825	761,000	451,000	137,000	335,000	363,000	373,000	273,000	311,000	222,000	372,000	380,000	4,545,825
F&F, Computers	50,409	19,400	22,000	9,000	23,000	30,000	31,000	31,000	50,000	50,000	30,000	50,000	395,809
Other Infrastructure	128,980	386,910	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	1,095,890
Municipal Reval			82,500					82,500					165,000
<b>Total Capex</b>	<b>2,770,377</b>	<b>3,187,310</b>	<b>2,328,500</b>	<b>1,619,000</b>	<b>3,229,000</b>	<b>1,866,000</b>	<b>1,877,000</b>	<b>2,059,500</b>	<b>1,834,000</b>	<b>2,550,000</b>	<b>1,875,000</b>	<b>2,108,000</b>	<b>27,303,687</b>
<b>Depreciation</b>													
Roads- renewal	1,345,109	1,339,970	1,339,970	1,339,970	1,339,970	1,339,970	1,339,970	1,339,970	1,339,970	1,339,970	1,339,970	1,339,970	16,084,779
Roads - New	-	30	30	4,030	4,030	9,030	9,030	9,030	9,030	9,030	9,030	9,030	71,330
Bridges	203,645	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	2,200,145
Land & Buildings	107,546	101,000	101,000	101,000	101,000	101,000	101,000	101,000	101,000	101,000	101,000	101,000	1,218,546
Stormwater, Drainage	15,687	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,687
P&E,	316,220	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	362,000	4,298,220
F&F, Computers	44,761	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	444,061
Other Infrastructure	60,992	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	698,992
Municipal Reval amortisation	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	198,000
<b>Total Deprteciation</b>	<b>2,110,460</b>	<b>2,110,300</b>	<b>2,110,300</b>	<b>2,114,300</b>	<b>2,114,300</b>	<b>2,119,300</b>	<b>25,394,760</b>						