

CENTRAL HIGHLANDS COUNCIL



Long Term Financial Plan and Strategy 2018/19 to 2028/29

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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 2018/19 to 2028/29 is a 10 year rolling plan for the management of council's finances from 2018 to 2029. 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.)	2141
Number of Electors	2582
Number of Residential Properties	2194
Total Rates Levied	3,606,569
Total Recurrent Income (2017/18)	6,635,602
Number of FTE's	27

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 three years of positive results from 2015/16 to 2017/18. 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 \$2.0M and \$2.2M per annum on asset capital renewal. An annual capital works program of around \$2.1M 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 \$89k in 2017/18 to an underlying surplus of \$126k in 2028/29.

The 2018/19 budgeted overall net surplus of \$209k should continue to improve each year thereafter.

Planning Assumptions:

The base for the preparation of the LTFP is the Annual Estimates for 2018/19 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 1% above inflation for 2019/20, 2% above inflation for 3 years 2020/21 to 2022/23. 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 2018/19 to 2028/29. The table shows summarised movements in Council's key revenue streams over the ten year period.

Revenue Type	2018/19 '000	2023/24 '000	2028/29 '000
Rates and Levies	\$3,607	\$3,837	\$3,867
User Charges & Statutory Fees	\$239	\$239	\$239
Grants Operating	\$2,318	\$2,318	\$2,318
Other Revenue	\$240	\$240	\$240
Interest & Dividends	\$252	\$263	\$270
Total Operating Revenue	\$6,656	\$6,897	\$6,934
Grants - Capital	\$209	\$471	\$471
Total Revenue	\$6,865	\$7,368	\$7,405

Rates and Levies:

The LTFP assumes the general rate will increase of 1% above inflation for 2019/20, 2% above inflation for 3 years 2020/21 to 2022/23. Then in line with CPI.

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 2.25%.

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 2018/19 to 2028/29. The table summarises the movements in Council's key expenditure items over the ten year period.

Expenditure Type	2018/19 '000	2023/24 '000	2028/29 '000
Depreciation	\$2,116	\$2,209	\$2,268
Employee Costs	\$1,789	\$1,789	\$1,789
Materials and Contracts	\$1,376	\$1,376	\$1,376
Other Expenses	\$1,375	\$1,374	\$1,374
Total Operating Expenditure	\$6,656	\$6,748	\$6,807

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 2018/19 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 2018/2019 to 2028/2029. 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.

	2018/19 '000	2023/24 '000	2028/29 '000
Net Cash Flow from Operating Activities	\$2,116	\$2,357	\$2,395
Net Cash Flow used in Investing Activities	(\$2,479)	(\$2,307)	(\$2,230)
Net (Decrease)/Increase in Cash Held	(\$363)	\$50	\$165
Cash at End of Year	\$8,545	\$8,193	\$8,626

Analysis of Estimated Financial Position:

This section analyses the projected movements in assets, liabilities and equity from 2018/2019 to 2028/2029.

	2018/19 '000	2023/24 '000	2028/29 '000
Total Current Assets	\$8,858	\$8,457	\$8,939
Total Non-Current Assets	\$91,739	\$95,288	\$98,788
Total Current Liabilities	\$1,468	\$1,468	\$1,467
Total non-Current Liabilities	\$86	\$86	\$86
Net Assets	\$99,043	\$102,191	\$106,174

Current Assets and Non-Current Assets:

Current assets comprise cash, investments and receivables. Current assets are estimated to increase from \$8,858k in 2018/2019 to \$8,939k in 2028/2029. 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.

	2018/19 '000	2023/24 '000	2028/29 '000
Total Operating Revenue	\$6,656	\$6,896	\$6,934
Total Operating Expenditure	\$6,655	\$6,748	\$6,807
Ratio	0.0	2.1	1.8

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.

	2018/19 '000	2023/24 '000	2028/29 '000
Liquid Assets	\$8,808	\$8,407	\$8,890
Total Liabilities	\$1,554	\$1,554	\$1,554
Net Financial Liabilities	\$7,254	\$6,853	\$7,336

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.

	2018/19 '000	2023/24 '000	2028/29 '000
Net Financial Liabilities	\$7,254	\$6,853	\$7,336
Recurrent Income	\$6,656	\$6,897	\$6,934
Ratio	109%	99%	106%

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.

Roads and Bridges	2018/19 '000	2023/24 '000	2028/29 '000
Projected capital funding outlays	\$906	\$1,540	\$1,520
Projected capital expenditure funding	\$906	\$1,540	\$1,520
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.

	2018/19 '000	2023/24 '000	2028/29 '000
Annual Variance	\$14	\$14	\$14
Accum Variance	\$14	\$83	\$151

Over a 10 year period the Council would have generated \$151k less cash as a result of a 1.0% increase in materials & contracts above inflation.

APPENDIX A - STATEMENT OF COMPREHENSIVE INCOME												
	Actual 2017/18	Budget 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	LTFP 2028/29
Revenue												
Rates	2,691,103	2,792,800	2,826,314	2,888,492	2,952,039	3,016,984	3,023,018	3,029,064	3,035,122	3,041,193	3,047,275	3,053,370
Waste Management	567,630	597,561	597,561	597,561	597,561	597,561	597,561	597,561	597,561	597,561	597,561	597,561
Fire Service Levies	214,641	216,208	216,208	216,208	216,208	216,208	216,208	216,208	216,208	216,208	216,208	216,208
Total Rates & Fire Levies	3,473,374	3,606,569	3,640,083	3,702,261	3,765,808	3,830,753	3,836,787	3,842,833	3,848,891	3,854,962	3,861,044	3,867,139
Grants	2,339,529	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505
User Charges	304,250	238,500	238,500	238,500	238,500	238,500	238,500	238,500	238,500	238,500	238,500	238,500
Interest Earned	186,803	150,000	169,763	174,332	152,053	155,745	160,734	161,865	168,230	158,766	164,412	167,896
Dividends TasWater	153,484	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
Other Reimbursements/Revenue	399,410	240,034	240,034	240,034	240,034	240,034	240,034	240,034	240,034	240,034	240,034	240,034
Total Revenue	6,856,850	6,655,608	6,708,885	6,775,633	6,816,901	6,885,537	6,896,560	6,903,737	6,916,161	6,912,766	6,924,495	6,934,073
Expenses												
Materials & Contracts	1,570,342	1,375,766	1,375,766	1,375,766	1,375,766	1,375,766	1,375,766	1,375,766	1,375,766	1,375,766	1,375,766	1,375,766
Employee Costs	1,825,969	1,788,651	1,788,651	1,788,651	1,788,651	1,788,651	1,788,651	1,788,651	1,788,651	1,788,651	1,788,651	1,788,651
Other	1,271,697	1,374,973	1,374,973	1,374,973	1,374,973	1,374,973	1,374,973	1,374,973	1,374,973	1,374,973	1,374,973	1,374,973
Total Expenses	4,668,008	4,539,390	4,539,390	4,539,390	4,539,390	4,539,390	4,539,390	4,539,390	4,539,390	4,539,390	4,539,390	4,539,390
Net Operating Surplus (Deficit) before Dep'n & Finance Costs	2,188,842	2,116,218	2,169,495	2,236,243	2,277,511	2,346,147	2,357,170	2,364,347	2,376,771	2,373,376	2,385,105	2,394,683
Depreciation & Amortisation	2,099,464	2,116,000	2,159,900	2,169,326	2,190,232	2,199,658	2,209,084	2,220,510	2,229,936	2,247,412	2,256,838	2,268,064
Net Operating Surplus (Deficit)	89,378	218	9,595	66,917	87,279	146,489	148,086	143,837	146,835	125,964	128,267	126,619
Capital Grants and Other	602,563	209,198	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300
NET SURPLUS (DEFICIT)	691,941	209,416	480,895	538,217	558,579	617,789	619,386	615,137	618,135	597,264	599,567	597,919

APPENDIX B - STATEMENT OF FINANCIAL POSITION												
	Actual 2017/18	Budget 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	LTFP 2028/29
Current Assets												
Cash & Investments	10,099,069	8,545,026	8,748,099	7,757,919	7,922,008	8,143,733	8,143,733	8,193,981	8,056,255	8,307,209	8,462,042	8,626,454
Receivables	263,363	263,363	263,363	263,363	263,363	263,363	263,363	263,363	263,363	263,363	263,363	263,363
Other	49,745	49,745	49,745	49,745	49,745	49,745	49,745	49,745	49,745	49,745	49,745	49,745
Total Current Assets	10,412,177	8,858,134	9,061,207	8,071,027	8,235,116	8,456,841	8,456,841	8,507,089	8,369,363	8,620,317	8,775,150	8,939,562
Non-Current Assets												
Land & Buildings	9,459,526	9,717,423	9,809,367	9,901,311	9,993,255	10,085,199	10,177,143	10,269,087	10,361,031	10,452,975	10,544,919	10,536,713
Plant & Equipment	2,481,492	2,470,444	2,479,731	2,447,238	2,428,745	2,417,252	2,406,759	2,396,266	2,404,773	2,413,280	2,401,787	2,410,294
Infrastructure	71,247,302	71,523,245	72,165,511	72,793,077	73,420,643	74,048,209	74,675,775	75,303,341	75,930,907	76,558,473	77,186,039	77,813,605
Tas Water	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075	8,028,075
Total Non-Current Assets	91,216,395	91,739,187	92,482,684	93,169,701	93,870,718	94,578,735	95,287,752	95,996,769	96,724,786	97,452,803	98,160,820	98,788,687
TOTAL ASSETS	101,628,572	100,597,321	101,543,891	101,240,728	102,105,834	103,035,576	103,744,593	104,503,858	105,094,149	106,073,120	106,935,970	107,728,249
Current Liabilities												
Creditors	646,318	646,318	646,318	646,318	646,318	646,318	646,318	646,318	646,318	646,318	646,318	646,318
Provisions	696,823	696,823	696,823	696,823	696,823	696,823	696,823	696,823	696,823	696,823	696,823	696,823
Other	124,487	124,487	124,487	124,487	124,487	124,487	124,487	124,487	124,487	124,487	124,487	124,487
Total Current Liabilities	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628	1,467,628
Non-Current Liabilities												
Provisions	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262
Total Non-Current Liabilities	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262	86,262
TOTAL LIABILITIES	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890	1,553,890
NET ASSETS	100,074,682	99,043,431	99,990,001	99,686,838	100,551,944	101,481,686	102,190,703	102,949,968	103,540,259	104,519,230	105,382,080	106,174,359
EQUITY												
Asset Revaluation Reserves	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350	66,522,350
Other Reserves	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634
Accumulated Surplus	32,021,698	30,990,447	31,937,017	31,633,854	32,498,960	33,428,702	34,137,719	34,896,984	35,487,275	36,466,246	37,329,096	38,121,375
TOTAL EQUITY	100,074,682	99,043,431	99,990,001	99,686,838	100,551,944	101,481,686	102,190,703	102,949,968	103,540,259	104,519,230	105,382,080	106,174,359

APPENDIX C - STATEMENT OF CASH FLOWS												
	Actual 2017/18	Budget 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	LTFP 2028/29
CASH FLOWS FROM OPERATING												
Receipts from ratepayers & Users	4,315,623	4,085,103	4,118,617	4,180,795	4,244,342	4,309,287	4,315,321	4,321,367	4,327,425	4,333,496	4,339,578	4,345,673
Payments to Suppliers & Staff	(4,620,458)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)	(4,539,390)
Receipts from Government- Operating	2,339,529	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505	2,318,505
Interest	178,701	150,000	169,763	174,332	152,053	155,745	160,734	161,865	168,230	158,766	164,412	167,896
TasWater Dividends	153,484	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
Net Cash Flow from Operating Activities	2,366,879	2,116,218	2,169,495	2,236,243	2,277,511	2,346,147	2,357,170	2,364,347	2,376,771	2,373,376	2,385,105	2,394,683
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts from Government - Capital	611,721	194,198	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300
Proceeds from Sale of Assets	207,959	7,350	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Purchase/construction of Assets	(2,703,720)	(2,680,712)	(2,457,722)	(3,717,722)	(2,604,722)	(2,615,722)	(2,798,222)	(2,572,722)	(3,288,722)	(2,613,722)	(2,721,572)	(2,721,572)
Repayment of loans	26,136											
Net Cash Flow used in Investing Activities	(1,857,904)	(2,479,164)	(1,966,422)	(3,226,422)	(2,113,422)	(2,124,422)	(2,306,922)	(2,081,422)	(2,797,422)	(2,122,422)	(2,230,272)	(2,230,272)
NET (DECREASE) / INCREASE IN CASH HELD	508,975	(362,946)	203,073	(990,179)	164,089	221,725	50,248	282,925	(420,651)	250,954	154,833	164,411
Cash at the Beginning of the Year	9,590,094	10,099,069	8,545,026	8,748,099	7,757,919	7,922,008	8,143,733	8,193,981	8,476,906	8,056,255	8,307,209	8,462,042
Less FAGs received in advance		(-1,191,097)										
CASH AT END OF YEAR	10,099,069	8,545,026	8,748,099	7,757,919	7,922,008	8,143,733	8,193,981	8,476,906	8,056,255	8,307,209	8,462,042	8,626,454
Reserves (Restricted funds)	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634	1,530,634
UNRESTRICTED CASH AT YEAR END	8,568,435	7,014,392	7,217,465	6,227,285	6,391,374	6,613,099	6,663,347	6,946,272	6,525,621	6,776,575	6,931,408	7,095,820

	APPENDIX D - ASSET RENEWAL/NEW												
	Actual	Actual	Budget	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Capex													
Roads - renewal	1,182,961	1,182,961	906,000	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
Roads- new	356,929	356,929	920,000	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300	471,300
Bridges	15,679	15,679	45,000	100,000	1,148,000	-	-	200,000	-	805,000		180,000	180,000
Land & Buildings	366,103	366,103	200,150	200,150	200,150	200,150	200,150	200,150	200,150	200,150	200,150	100,000	100,000
Stormwater, Drainage	39,633	39,633	150,000										
P&E	591,911	591,911	208,510	137,000	335,000	363,000	373,000	273,000	311,000	222,000	372,000	380,000	380,000
F&F, Computers	30,445	30,445	50,780	9,000	23,000	30,000	31,000	31,000	50,000	50,000	30,000	50,000	50,000
Other Infrastructure	120,059	120,059	200,272	200,272	200,272	200,272	200,272	200,272	200,272	200,272	200,272	200,272	200,272
Municipal Reval			-					82,500					
Total Capex	2,703,720	2,703,720	2,680,712	2,457,722	3,717,722	2,604,722	2,615,722	2,798,222	2,572,722	3,288,722	2,613,722	2,721,572	2,721,572
Depreciation													
Roads- renewal	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855	1,317,855
Roads - New	-	-	22,036	40,436	49,862	59,288	68,714	78,140	87,566	96,992	106,418	115,844	125,270
Bridges	204,659	204,659	204,659	204,659	204,659	216,139	216,139	216,139	218,139	218,139	226,189	226,189	227,989
Land & Buildings	108,206	108,206	108,206	108,206	108,206	108,206	108,206	108,206	108,206	108,206	108,206	108,206	108,206
Stormwater, Drainage	16,003	16,003	16,003	17,503	17,503	17,503	17,503	17,503	17,503	17,503	17,503	17,503	17,503
P&E	323,097	323,097	323,097	347,097	347,097	347,097	347,097	347,097	347,097	347,097	347,097	347,097	347,097
F&F, Computers	41,493	41,493	41,493	41,493	41,493	41,493	41,493	41,493	41,493	41,493	41,493	41,493	41,493
Other Infrastructure	66,151	66,151	66,151	66,151	66,151	66,151	66,151	66,151	66,151	66,151	66,151	66,151	66,151
Municipal Reval amortisatio	22,000	22,000	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Total Deprteciation	2,099,464	2,099,464	2,116,000	2,159,900	2,169,326	2,190,232	2,199,658	2,209,084	2,220,510	2,229,936	2,247,412	2,256,838	2,268,064