

# CENTRAL HIGHLANDS COUNCIL



## Long Term Financial Plan and Strategy 2021/22 to 2030/31

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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 2021/22 to 2030/31 is a 10 year rolling plan for the management of council's finances from 2021 to 2031. 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.)                | 2144      |
| Number of Electors               | 2582      |
| Number of Residential Properties | 2420      |
| Total Rates Levied               | 3,760,915 |
| Total Recurrent Income (2020/21) | 7,124,439 |
| 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:**

Council is in a stable financial position and has now attained six years of positive results from 2015/16 to 2020/21 allowing council to adequately fund capital expenditure and maintain and replace existing community assets.

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

Council is now able to increase capital spending on new and upgraded assets and is developing and integrating long-term infrastructure and asset management plans with the LTFP to provide for the continued investment in maintenance, renewal, new, upgrade 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 \$2.1M and \$2.3M per annum on asset capital renewal. An annual capital works program of around \$2.2M 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 a budgeted deficit of \$19k in 2021/22 to an underlying surplus of \$33k in 2030/21.

## **Planning Assumptions:**

The base for the preparation of the LTFP is the Annual Estimates for 2021/22 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 2% above inflation for 2022/23 and 1% above inflation for 2 years 2024/25. 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 2021/22 to 2030/31. The table shows summarised movements in Council's key revenue streams over the ten year period.

| Revenue Type                   | 2021/22<br>'000 | 2025/26<br>'000 | 2030/31<br>'000 |
|--------------------------------|-----------------|-----------------|-----------------|
| Rates and Levies               | \$3,874         | \$4,021         | \$4,053         |
| User Charges & Statutory Fees  | \$337           | \$337           | \$337           |
| Grants Operating               | \$2,511         | \$2,511         | \$2,511         |
| Other Revenue                  | \$192           | \$192           | \$192           |
| Interest & Dividends           | \$162           | \$137           | \$146           |
| <b>Total Operating Revenue</b> | <b>\$7,076</b>  | <b>\$7,198</b>  | <b>\$7,239</b>  |
| Grants - Capital               | \$861           | \$589           | \$589           |
| <b>Total Revenue</b>           | <b>\$7,937</b>  | <b>\$7,787</b>  | <b>\$7,828</b>  |

### Rates and Levies:

The LTFP assumes the general rate will increase of 2% above inflation for 2022/23, 1% above inflation for 2 years 2023/24 to 2024/25. 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 0.5%.

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 2021/22 to 2030/31. The table summarises the movements in Council's key expenditure items over the ten year period.

| <b>Expenditure Type</b>            | <b>2021/22<br/>'000</b> | <b>2025/26<br/>'000</b> | <b>2030/31<br/>'000</b> |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Depreciation                       | \$2,134                 | \$2,227                 | \$2,261                 |
| Employee Costs                     | \$1,993                 | \$1,993                 | \$1,993                 |
| Materials and Contracts            | \$1,380                 | \$1,372                 | \$1,362                 |
| Other Expenses                     | \$1,589                 | \$1,589                 | \$1,589                 |
| <b>Total Operating Expenditure</b> | <b>\$7,096</b>          | <b>\$7,181</b>          | <b>\$7,205</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 2021/22 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 2021/22 to 2030/31. 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>2021/22<br/>'000</b> | <b>2025/26<br/>'000</b> | <b>2030/31<br/>'000</b> |
|--|-------------------------|-------------------------|-------------------------|
| Net Cash Flow from Operating Activities    | \$2,114                 | \$2,244                 | \$2,295                 |
| Net Cash Flow used in Investing Activities | (\$3,076)               | (\$1,713)               | (\$3,698)               |
| Net (Decrease)/Increase in Cash Held       | (\$961)                 | \$530                   | (\$1,404)               |
| Cash at End of Year                        | \$9,243                 | \$7,409                 | \$7,313                 |

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

This section analyses the projected movements in assets, liabilities and equity from 2021/22 to 2030/31.

|                               | <b>2021/22<br/>'000</b> | <b>2025/26<br/>'000</b> | <b>2030/31<br/>'000</b> |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Total Current Assets          | \$9,553                 | \$7,188                 | \$7,313                 |
| Total Non-Current Assets      | \$99,633                | \$105,350               | 108,523                 |
| Total Current Liabilities     | \$1,967                 | \$1,967                 | \$1,967                 |
| Total non-Current Liabilities | \$203                   | \$203                   | \$203                   |
| Net Assets                    | \$107,016               | \$110,368               | \$113,976               |

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

Current assets comprise cash, investments and receivables. Current assets are estimated to reduce from \$9,553k in 2021/22 to \$7,313k in 2030/31. The decrease in cash can be attributed to purchase of new assets identified in the long-term asset management plans.

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.

|                             | 2021/22<br>'000 | 2025/26<br>'000 | 2030/31<br>'000 |
|-----------------------------|-----------------|-----------------|-----------------|
| Total Operating Revenue     | \$7,077         | \$7,198         | \$7,239         |
| Total Operating Expenditure | \$7,096         | \$7,182         | \$7,206         |
| Ratio                       | (0.3)           | 0.2             | 0.5             |

### 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.

|                           | 2021/22<br>'000 | 2025/26<br>'000 | 2030/31<br>'000 |
|---------------------------|-----------------|-----------------|-----------------|
| Liquid Assets             | \$9,553         | \$7,131         | \$7,565         |
| Total Liabilities         | \$2,170         | \$2,170         | \$2,170         |
| Net Financial Liabilities | \$7,324         | \$4,961         | \$5,395         |

### 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.

|                           | 2021/22<br>'000 | 2025/26<br>'000 | 2030/31<br>'000 |
|---------------------------|-----------------|-----------------|-----------------|
| Net Financial Liabilities | \$7,324         | \$4,961         | \$5,395         |
| Recurrent Income          | \$7,077         | \$7,197         | \$7,239         |
| Ratio                     | 104%            | 69%             | 75%             |

### 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>2021/22<br/>'000</b> | <b>2025/26<br/>'000</b> | <b>2030/31<br/>'000</b> |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| Projected capital funding outlays     | \$1,739                 | \$1,941                 | \$3,926                 |
| Projected capital expenditure funding | \$1,739                 | \$1,941                 | \$3,926                 |
| 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>2021/22<br/>'000</b> | <b>2025/26<br/>'000</b> | <b>2030/31<br/>'000</b> |
|-----------------|-------------------------|-------------------------|-------------------------|
| Annual Variance | \$14                    | \$14                    | \$14                    |
| Accum Variance  | \$14                    | \$69                    | \$137                   |

Over a 10 year period the Council would have generated \$137k less cash as a result of a 1.0% increase in materials & contracts above inflation.

| <b>APPENDIX A - STATEMENT OF COMPREHENSIVE INCOME</b>                       |                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | Actual<br>2020/21 | Budget<br>2021/22 | LTFP<br>2022/23  | LTFP<br>2023/24  | LTFP<br>2024/25  | LTFP<br>2025/26  | LTFP<br>2026/27  | LTFP<br>2027/28  | LTFP<br>2028/29  | LTFP<br>2029/30  | LTFP<br>2030/31  |
| <b>Revenue</b>  |                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Rates   | 2,909,658         | 3,012,953         | 3,079,238        | 3,116,189        | 3,153,583        | 3,159,890        | 3,166,210        | 3,172,542        | 3,178,888        | 3,185,245        | 3,191,616        |
| Waste Management  | 625,764           | 634,949           | 634,949          | 634,949          | 634,949          | 634,949          | 634,949          | 634,949          | 634,949          | 634,949          | 634,949          |
| Fire Service Levies   | 225,493           | 226,604           | 226,604          | 226,604          | 226,604          | 226,604          | 226,604          | 226,604          | 226,604          | 226,604          | 226,604          |
| <b>Total Rates &amp; Fire Levies</b>  | <b>3,760,915</b>  | <b>3,874,506</b>  | <b>3,940,791</b> | <b>3,977,742</b> | <b>4,015,136</b> | <b>4,021,443</b> | <b>4,027,763</b> | <b>4,034,095</b> | <b>4,040,441</b> | <b>4,046,798</b> | <b>4,053,169</b> |
| Grants  | 2,668,666         | 2,510,640         | 2,510,640        | 2,510,640        | 2,510,640        | 2,510,640        | 2,510,640        | 2,510,640        | 2,510,640        | 2,510,640        | 2,510,640        |
| User Charges  | 279,289           | 337,250           | 337,250          | 337,250          | 337,250          | 337,250          | 337,250          | 337,250          | 337,250          | 337,250          | 337,250          |
| Interest Earned   | 45,552            | 60,000            | 46,213           | 34,380           | 37,653           | 34,394           | 37,045           | 36,161           | 39,914           | 39,728           | 43,583           |
| Dividends TasWater  | 51,000            | 102,000           | 102,000          | 102,000          | 102,000          | 102,000          | 102,000          | 102,000          | 102,000          | 102,000          | 102,000          |
| Other Reimbursements/Revenue  | 319,017           | 192,200           | 192,200          | 192,200          | 192,200          | 192,200          | 192,200          | 192,200          | 192,200          | 192,200          | 192,200          |
| <b>Total Revenue</b>  | <b>7,124,439</b>  | <b>7,076,596</b>  | <b>7,129,094</b> | <b>7,154,212</b> | <b>7,194,879</b> | <b>7,197,927</b> | <b>7,206,898</b> | <b>7,212,346</b> | <b>7,222,445</b> | <b>7,228,616</b> | <b>7,238,841</b> |
| <b>Expenses</b>   |                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Materials & Contracts   | 1,424,287         | 1,379,666         | 1,377,666        | 1,375,666        | 1,373,666        | 1,371,666        | 1,369,666        | 1,367,666        | 1,365,666        | 1,363,666        | 1,361,666        |
| Employee Costs  | 1,893,449         | 1,993,657         | 1,993,657        | 1,993,657        | 1,993,657        | 1,993,657        | 1,993,657        | 1,993,657        | 1,993,657        | 1,993,657        | 1,993,657        |
| Other   | 1,350,103         | 1,588,983         | 1,588,983        | 1,588,983        | 1,588,983        | 1,588,983        | 1,588,983        | 1,588,983        | 1,588,983        | 1,588,983        | 1,588,983        |
| <b>Total Expenses</b>   | <b>4,667,839</b>  | <b>4,962,306</b>  | <b>4,960,306</b> | <b>4,958,306</b> | <b>4,956,306</b> | <b>4,954,306</b> | <b>4,952,306</b> | <b>4,950,306</b> | <b>4,948,306</b> | <b>4,946,306</b> | <b>4,944,306</b> |
| <b>Net Operating Surplus (Deficit) before<br/>Dep'n &amp; Finance Costs</b> | <b>2,456,600</b>  | <b>2,114,290</b>  | <b>2,168,788</b> | <b>2,195,906</b> | <b>2,238,573</b> | <b>2,243,621</b> | <b>2,254,592</b> | <b>2,262,040</b> | <b>2,274,139</b> | <b>2,282,310</b> | <b>2,294,535</b> |
| Depreciation & Amortisation   | 2,100,532         | 2,134,000         | 2,180,956        | 2,224,756        | 2,208,556        | 2,227,356        | 2,241,156        | 2,244,956        | 2,243,756        | 2,277,556        | 2,261,356        |
| <b>Net Operating Surplus (Deficit)</b>                                      | <b>356,068</b>    | <b>(-19,710)</b>  | <b>(-12,168)</b> | <b>(-28,850)</b> | <b>30,017</b>    | <b>16,265</b>    | <b>13,436</b>    | <b>17,085</b>    | <b>30,383</b>    | <b>4,755</b>     | <b>33,180</b>    |
| Capital Grants and Other  | 1,464,328         | 861,250           | 589,126          | 589,126          | 589,126          | 589,126          | 589,126          | 589,126          | 589,126          | 589,126          | 589,126          |
| <b>NET SURPLUS (DEFICIT)</b>  | <b>1,820,396</b>  | <b>841,540</b>    | <b>576,958</b>   | <b>560,276</b>   | <b>619,143</b>   | <b>605,391</b>   | <b>602,562</b>   | <b>606,211</b>   | <b>619,509</b>   | <b>593,881</b>   | <b>622,306</b>   |

| <b>APPENDIX B - STATEMENT OF FINANCIAL POSITION</b> |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
|---|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | <b>Actual<br/>2020/21</b> | <b>Budget<br/>2021/22</b> | <b>LTFP<br/>2022/23</b> | <b>LTFP<br/>2023/24</b> | <b>LTFP<br/>2024/25</b> | <b>LTFP<br/>2025/26</b> | <b>LTFP<br/>2026/27</b> | <b>LTFP<br/>2027/28</b> | <b>LTFP<br/>2028/29</b> | <b>LTFP<br/>2029/30</b> | <b>LTFP<br/>2030/31</b> |
| <b>Current Assets</b>                               |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash & Investments                                  | 10,204,128                | 9,242,589                 | 6,876,003               | 7,530,534               | 7,530,534               | 6,878,733               | 7,232,197               | 7,982,864               | 7,945,628               | 8,716,565               | 7,312,726               |
| Receivables   | 251,909                   | 251,909                   | 251,909                 | 251,909                 | 251,909                 | 251,909                 | 251,909                 | 251,909                 | 251,909                 | 251,909                 | 251,909                 |
| Other   | 58,228                    | 58,228                    | 58,228                  | 58,228                  | 58,228                  | 58,228                  | 58,228                  | 58,228                  | 58,228                  | 58,228                  | 58,228                  |
| <b>Total Current Assets</b>                         | <b>10,514,265</b>         | <b>9,552,726</b>          | <b>7,186,140</b>        | <b>7,840,671</b>        | <b>7,840,671</b>        | <b>7,188,870</b>        | <b>7,542,334</b>        | <b>8,293,001</b>        | <b>8,255,765</b>        | <b>9,026,702</b>        | <b>7,622,863</b>        |
| <b>Non-Current Assets</b>                           |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Land & Buildings                                    | 9,555,191                 | 9,491,245                 | 10,144,745              | 11,261,995              | 11,164,245              | 11,081,495              | 10,998,745              | 10,900,995              | 10,818,245              | 10,735,495              | 10,637,745              |
| Plant & Equipment                                   | 2,235,343                 | 2,233,843                 | 2,233,843               | 2,233,843               | 2,233,843               | 2,233,843               | 2,233,843               | 2,233,843               | 2,233,843               | 2,233,843               | 2,233,843               |
| Infrastructure                                      | 77,681,787                | 80,342,739                | 81,588,239              | 82,821,739              | 83,255,239              | 84,468,739              | 84,872,239              | 86,075,739              | 86,479,239              | 87,682,739              | 88,086,239              |
| Tas Water   | 7,565,445                 | 7,565,445                 | 7,565,445               | 7,565,445               | 7,565,445               | 7,565,445               | 7,565,445               | 7,565,445               | 7,565,445               | 7,565,445               | 7,565,445               |
| <b>Total Non-Current Assets</b>                     | <b>97,037,766</b>         | <b>99,633,272</b>         | <b>101,532,272</b>      | <b>103,883,022</b>      | <b>104,218,772</b>      | <b>105,349,522</b>      | <b>105,670,272</b>      | <b>106,776,022</b>      | <b>107,096,772</b>      | <b>108,217,522</b>      | <b>108,523,272</b>      |
| <b>TOTAL ASSETS</b>                                 | <b>107,552,031</b>        | <b>109,185,998</b>        | <b>108,718,412</b>      | <b>111,723,693</b>      | <b>112,059,443</b>      | <b>112,538,392</b>      | <b>113,212,606</b>      | <b>115,069,023</b>      | <b>115,352,537</b>      | <b>117,244,224</b>      | <b>116,146,135</b>      |
| <b>Current Liabilities</b>                          |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Creditors   | 849,597                   | 849,597                   | 849,597                 | 849,597                 | 849,597                 | 849,597                 | 849,597                 | 849,597                 | 849,597                 | 849,597                 | 849,597                 |
| Provisions  | 871,408                   | 871,408                   | 871,408                 | 871,408                 | 871,408                 | 871,408                 | 871,408                 | 871,408                 | 871,408                 | 871,408                 | 871,408                 |
| Other   | 245,627                   | 245,627                   | 245,627                 | 245,627                 | 245,627                 | 245,627                 | 245,627                 | 245,627                 | 245,627                 | 245,627                 | 245,627                 |
| <b>Total Current Liabilities</b>                    | <b>1,966,632</b>          | <b>1,966,632</b>          | <b>1,966,632</b>        | <b>1,966,632</b>        | <b>1,966,632</b>        | <b>1,966,632</b>        | <b>1,966,632</b>        | <b>1,966,632</b>        | <b>1,966,632</b>        | <b>1,966,632</b>        | <b>1,966,632</b>        |
| <b>Non-Current Liabilities</b>                      |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Provisions  | 203,417                   | 203,417                   | 203,417                 | 203,417                 | 203,417                 | 203,417                 | 203,417                 | 203,417                 | 203,417                 | 203,417                 | 203,417                 |
| <b>Total Non-Current Liabilities</b>                | <b>203,417</b>            | <b>203,417</b>            | <b>203,417</b>          | <b>203,417</b>          | <b>203,417</b>          | <b>203,417</b>          | <b>203,417</b>          | <b>203,417</b>          | <b>203,417</b>          | <b>203,417</b>          | <b>203,417</b>          |
| <b>TOTAL LIABILITIES</b>                            | <b>2,170,049</b>          | <b>2,170,049</b>          | <b>2,170,049</b>        | <b>2,170,049</b>        | <b>2,170,049</b>        | <b>2,170,049</b>        | <b>2,170,049</b>        | <b>2,170,049</b>        | <b>2,170,049</b>        | <b>2,170,049</b>        | <b>2,170,049</b>        |
| <b>NET ASSETS</b>                                   | <b>105,381,982</b>        | <b>107,015,949</b>        | <b>106,548,363</b>      | <b>109,553,644</b>      | <b>109,889,394</b>      | <b>110,368,343</b>      | <b>111,042,557</b>      | <b>112,898,974</b>      | <b>113,182,488</b>      | <b>115,074,175</b>      | <b>113,976,086</b>      |
| <b>EQUITY</b>                                       |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Asset Revaluation Reserves                          | 69,023,374                | 69,023,374                | 69,023,374              | 69,023,374              | 69,023,374              | 69,023,374              | 69,023,374              | 69,023,374              | 69,023,374              | 69,023,374              | 69,023,374              |
| Other Reserves                                      | 1,653,729                 | 1,653,729                 | 1,653,729               | 1,653,729               | 1,653,729               | 1,653,729               | 1,653,729               | 1,653,729               | 1,653,729               | 1,653,729               | 1,653,729               |
| Accumulated Surplus                                 | 34,704,879                | 36,338,846                | 35,871,260              | 38,876,541              | 39,212,291              | 39,691,240              | 40,365,454              | 42,221,871              | 42,505,385              | 44,397,072              | 43,298,983              |
| <b>TOTAL EQUITY</b>                                 | <b>105,381,982</b>        | <b>107,015,949</b>        | <b>106,548,363</b>      | <b>109,553,644</b>      | <b>109,889,394</b>      | <b>110,368,343</b>      | <b>111,042,557</b>      | <b>112,898,974</b>      | <b>113,182,488</b>      | <b>115,074,175</b>      | <b>113,976,086</b>      |



| <b>APPENDIX C - STATEMENT OF CASH FLOWS</b>       |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
|---|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | <b>Actual<br/>2020/21</b> | <b>Budget<br/>2021/22</b> | <b>LTFP<br/>2022/23</b> | <b>LTFP<br/>2023/24</b> | <b>LTFP<br/>2024/25</b> | <b>LTFP<br/>2025/26</b> | <b>LTFP<br/>2026/27</b> | <b>LTFP<br/>2027/28</b> | <b>LTFP<br/>2028/29</b> | <b>LTFP<br/>2029/30</b> | <b>LTFP<br/>2030/31</b> |
| <b>CASH FLOWS FROM OPERATING</b>                  |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Receipts from ratepayers & Users                  | 4,688,126                 | 4,403,956                 | 4,470,241               | 4,507,192               | 4,544,586               | 4,550,893               | 4,557,213               | 4,563,545               | 4,569,891               | 4,576,248               | 4,582,619               |
| Payments to Suppliers & Staff                     | (4,741,319)               | (4,962,306)               | (4,960,306)             | (4,958,306)             | (4,956,306)             | (4,954,306)             | (4,952,306)             | (4,950,306)             | (4,948,306)             | (4,946,306)             | (4,944,306)             |
| Receipts from Government- Operating               | 2,575,737                 | 2,510,640                 | 2,510,640               | 2,510,640               | 2,510,640               | 2,510,640               | 2,510,640               | 2,510,640               | 2,510,640               | 2,510,640               | 2,510,640               |
| Interest  | 49,939                    | 60,000                    | 46,213                  | 34,380                  | 37,653                  | 34,394                  | 37,045                  | 36,161                  | 39,914                  | 39,728                  | 43,583                  |
| TasWater Dividends                                | 51,000                    | 102,000                   | 102,000                 | 102,000                 | 102,000                 | 102,000                 | 102,000                 | 102,000                 | 102,000                 | 102,000                 | 102,000                 |
| <b>Net Cash Flow from Operating Activities</b>    | <b>2,623,483</b>          | <b>2,114,290</b>          | <b>2,168,788</b>        | <b>2,195,906</b>        | <b>2,238,573</b>        | <b>2,243,621</b>        | <b>2,254,592</b>        | <b>2,262,040</b>        | <b>2,274,139</b>        | <b>2,282,310</b>        | <b>2,294,535</b>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Receipts from Government - Capital                | 1,661,592                 | 816,250                   | 589,126                 | 589,126                 | 589,126                 | 589,126                 | 589,126                 | 589,126                 | 589,126                 | 589,126                 | 589,126                 |
| Proceeds from Sale of Assets                      | 73,636                    | 143,000                   | 143,000                 | 143,000                 | 143,000                 | 143,000                 | 143,000                 | 143,000                 | 143,000                 | 143,000                 | 143,000                 |
| Purchase/construction of Assets                   | (5,376,587)               | (4,428,000)               | (5,267,500)             | (2,273,500)             | (3,622,500)             | (2,445,500)             | (3,163,500)             | (2,243,500)             | (3,043,500)             | (2,243,500)             | (4,430,500)             |
| Budget assets constructed prior year              |                           | 392,922                   |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| <b>Net Cash Flow used in Investing Activities</b> | <b>(3,641,359)</b>        | <b>(3,075,828)</b>        | <b>(4,535,374)</b>      | <b>(1,541,374)</b>      | <b>(2,890,374)</b>      | <b>(1,713,374)</b>      | <b>(2,431,374)</b>      | <b>(1,511,374)</b>      | <b>(2,311,374)</b>      | <b>(1,511,374)</b>      | <b>(3,698,374)</b>      |
| <b>NET (DECREASE) /INCREASE IN CASH HELD</b>      | <b>(1,017,876)</b>        | <b>(961,538)</b>          | <b>(2,366,586)</b>      | <b>654,532</b>          | <b>(651,801)</b>        | <b>530,247</b>          | <b>(176,782)</b>        | <b>750,666</b>          | <b>(37,235)</b>         | <b>770,936</b>          | <b>(1,403,839)</b>      |
| Cash at the Beginning of the Year                 | 11,222,003                | 10,204,127                | 9,242,589               | 6,876,003               | 7,530,534               | 6,878,733               | 7,408,980               | 7,232,197               | 7,982,864               | 7,945,628               | 8,716,565               |
| Less FAGs received in advance                     |                           |                           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| <b>CASH AT END OF YEAR</b>                        | <b>10,204,127</b>         | <b>9,242,589</b>          | <b>6,876,003</b>        | <b>7,530,534</b>        | <b>6,878,733</b>        | <b>7,408,980</b>        | <b>7,232,197</b>        | <b>7,982,864</b>        | <b>7,945,628</b>        | <b>8,716,565</b>        | <b>7,312,726</b>        |
| 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               |
| <b>UNRESTRICTED CASH AT YEAR END</b>              | <b>8,673,493</b>          | <b>7,711,955</b>          | <b>5,345,369</b>        | <b>5,999,900</b>        | <b>5,348,099</b>        | <b>5,878,346</b>        | <b>5,701,563</b>        | <b>6,452,230</b>        | <b>6,414,994</b>        | <b>7,185,931</b>        | <b>5,782,092</b>        |

| <b>APPENDIX D - ASSET RENEWAL/NEW</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                       | Actual           | Budget           | LTFP             | LTFP             | LTFP             | LTFP             | LTFP             | LTFP             | LTFP             | LTFP             | LTFP             |
| Capex                                 | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          | 2025/26          | 2026/27          | 2027/28          | 2028/29          | 2029/30          | 2030/31          |
| Roads - renewal                       | 1,765,475        | 1,739,000        | 1,739,000        | 1,739,000        | 1,739,000        | 1,739,000        | 1,739,000        | 1,739,000        | 1,739,000        | 1,739,000        | 1,739,000        |
| Roads- new                            | 2,100,824        | 530,000          | 800,000          | -                | 800,000          | -                | 800,000          | -                | 800,000          | -                | 800,000          |
| Bridges                               | 209,937          | -                | 854,000          |                  | 569,000          | 202,000          |                  |                  |                  |                  | 1,387,000        |
| Land & Buildings                      | 60,132           | 777,500          | 1,250,000        | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           | 50,000           |
| Stormwater, Drainage - new            | 765,568          | 50,000           |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| P&E                                   | 187,907          | 780,000          | 459,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          |
| F&F, Computers                        | 14,250           | 46,500           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           |
| Other Infrastructure                  | 206,215          | 385,000          | 117,500          | 117,500          | 97,500           | 87,500           | 87,500           | 87,500           | 87,500           | 87,500           | 87,500           |
| Municipal Reval                       | -                | 120,000          |                  |                  |                  |                  | 120,000          |                  |                  |                  |                  |
| <b>Total Capex</b>                    | <b>5,310,308</b> | <b>4,428,000</b> | <b>5,267,500</b> | <b>2,273,500</b> | <b>3,622,500</b> | <b>2,445,500</b> | <b>3,163,500</b> | <b>2,243,500</b> | <b>3,043,500</b> | <b>2,243,500</b> | <b>4,430,500</b> |
| <b>Depreciation</b>                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Roads- renewal                        | 1,337,835        | 1,335,500        | 1,335,500        | 1,335,500        | 1,335,500        | 1,335,500        | 1,335,500        | 1,335,500        | 1,335,500        | 1,335,500        | 1,335,500        |
| Roads - New                           | -                | -                | 12,050           | 30,850           | 29,650           | 48,450           | 47,250           | 66,050           | 64,850           | 83,650           | 82,450           |
| Bridges                               | 212,040          | 212,000          | 212,000          | 212,000          | 212,000          | 212,000          | 212,000          | 212,000          | 212,000          | 212,000          | 212,000          |
| Land & Buildings                      | 124,078          | 124,000          | 132,750          | 147,750          | 132,750          | 132,750          | 147,750          | 132,750          | 132,750          | 147,750          | 132,750          |
| Stormwater, Drainage                  | 16,301           | 16,000           | 24,156           | 24,156           | 24,156           | 24,156           | 24,156           | 24,156           | 24,156           | 24,156           | 24,156           |
| P&E                                   | 309,454          | 309,000          | 309,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          | 319,000          |
| F&F, Computers                        | 47,989           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           | 48,000           |
| Other Infrastructure                  | 73,727           | 73,000           | 87,500           | 87,500           | 87,500           | 87,500           | 87,500           | 87,500           | 87,500           | 87,500           | 87,500           |
| Municipal Reval amortisatio           | -                | 16,500           | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           |
| <b>Total Deprteciation</b>            | <b>2,121,424</b> | <b>2,134,000</b> | <b>2,180,956</b> | <b>2,224,756</b> | <b>2,208,556</b> | <b>2,227,356</b> | <b>2,241,156</b> | <b>2,244,956</b> | <b>2,243,756</b> | <b>2,277,556</b> | <b>2,261,356</b> |