

ATTACHMENT 7

Resourcing Strategy

Long Term Financial Plan 2015-2025



RESOURCING STRATEGY

Long Term Financial Plan 2015-2025

BLAND SHIRE COUNCIL

Adopted: 2 June 2015



YOUR VISION OUR FUTURE

- Our people
- Our places
- Our infrastructure
- Our leadership
- Our prosperity

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OUR VISION, MISSION AND VALUES



Our Long Term Financial Plan

Under the Integrated Planning and Reporting (IPR) Framework for New South Wales Local Government Councils are required to have a Long Term Financial Plan (for a minimum period of 10 years) as a part of their suite of Strategic Management Plans.

The Long Term Financial Plan is designed as a high-level summarised document that outlines the future finances of Council's operations taking into consideration key components such as rate movements, service levels to our community, major infrastructure asset replacement and renewals, as well as borrowings and cash reserves. The Plan is a decision making tool. It is not intended to be a document that specifically indicates what services or which proposed funds are to be allocated to. Rather it addresses areas that impact on Council's ability to fund its services and capital works, whilst living within its means and ensuring financial sustainability

On this basis the plan has been developed based on a number of key assumptions adopted by Council which are outlined later in the document. Council has also endorsed a number of strategic policies which inform and help drive the Long Term Financial Plan (LTFP)

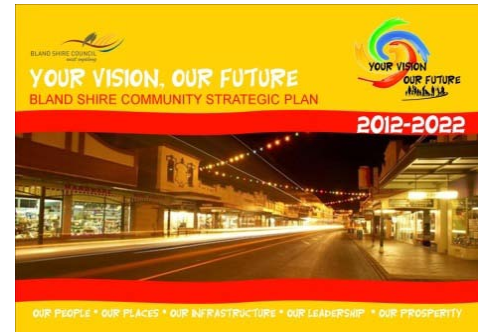
Under the IPR framework, Council is also required to have an Asset Management Plan to guide future renewal/replacement and maintenance of our assets. Considering that the majority of Council's assets are comprised of major community infrastructure assets such as roads, footpaths, stormwater drainage and sewer management systems, it is imperative that there is an appropriate link and consistency between the Asset Management Plan and the LTFP. In this way the LTFP ensures the necessary capital outlays (as per the Asset Management Plan) are identified for the renewal and replacement of existing community assets, as well as earmarking funding for new community assets that are essential to the overall development of the Shire.

INTRODUCTION TO INTEGRATED PLANNING AND REPORTING

Your Vision, Our Future - Bland Shire Council Community Strategic Plan

The Community Strategic Plan provides objectives for both the Council and the community to strive for in cooperation with each other and will determine the future direction of Council and its resources. Strategies within this plan are presented in the following themes:

- **OUR PEOPLE** – our greatest and most important asset
- **OUR PLACES** – where our sense of community shines
- **OUR INFRASTRUCTURE** – reviewing, renewing and improving our core community assets
- **OUR LEADERSHIP** – setting a benchmark for community standards
- **OUR PROSPERITY** – ensuring a vibrant and sustainable future



Delivery Program

The Delivery Program is adopted every four years relative to Local Government elections and is essentially a statement of commitment to the community from the Council. The delivery program is directly linked to the Objectives or “Whats” within the Community Strategic Plan. The Delivery Program is designed to be the single point of reference and all plans, projects, activities and funding allocations must be directly linked to this program.



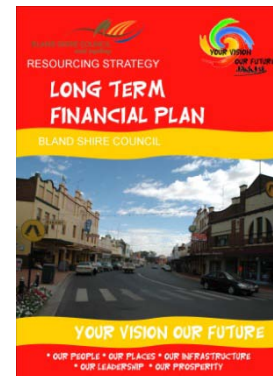
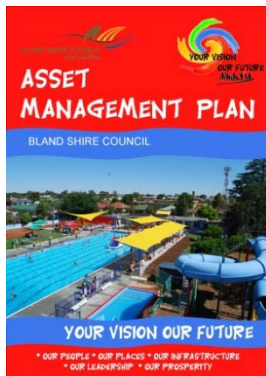
Operational Plan

The document is the operational plan and is an annual plan supporting the Delivery Program and annual budget. It details projects and activities that will be undertaken each year to achieve the commitments in the Delivery Program and Community Strategic Plan.



Resourcing Strategies

For the strategies within the Community Strategic Plan to be realised, the Resourcing Strategies, consisting of the Long Term Financial Plan, Asset Management Plan and Workforce Assessment Plan and Strategy outlines how Council will achieve the relevant objectives with enough time, money, assets and people



EXECUTIVE SUMMARY

Local Government responsibilities and community expectations have increased over many years in a number of areas including community and social services, community facilities, public libraries, economic development, environmental management, quality of open space areas, governance and public accountability.

Due to limited increases in the revenue base of local government, councils have needed to be proactive in the minimisation of costs and the maximisation of efficiencies in order to maintain an increasingly diverse service delivery.

Over recent years financial sustainability in local government has been a major cause for ongoing concern as requests from communities for expanded services have increased beyond those traditionally provided. This demand for expanded services has not always been matched by revenue streams and improved operational efficiencies, as resources have been diverted away from traditional areas of local government expenditure. Rate pegging constraints, uncertainty over grant income, caps on local development contributions and increased maintenance due to an ageing infrastructure network all contribute to limit the ability of a Council to plan for its future with high levels of uncertainty. The development of Asset Management Plans has highlighted the fact that Council's infrastructure is ageing, and that to maintain current levels of service, additional funding is required.

A financial analysis of Bland Shire Council was undertaken by NSW Treasury (T/Corp) in early 2013 as part of the process of the Independent Review into the structure of local government in NSW. This analysis addressed the financial capacity and sustainability of the council.

The analysis covered the following key areas:

- The financial capacity of the Council to undertake further borrowings
- The long term sustainability of the Council
- The financial performance of the Council in comparison to a range of similar councils and measured against prudent benchmarks

Bland Shire Council has been assessed as follows:

- Financial Sustainability Rating (FSR) – Weak
- Outlook – Neutral

Part of this analysis took into account Council's revenue raising capacity and its ability to sustain financial shocks. T/Corp highlighted the fact that Council was heavily reliant on grant funding but this is not unusual for any council with a small rate base. Bland Shire Council's rate income equates to only about 26% of all revenue, so naturally, other sources of income are essential for council to continue to service its community.

Bland Shire Council has been able to maintain constantly high levels of service for many of its functions and has achieved this without any reliance on rate increases above the rate pegging limits. Council also has a very small debt service ratio and is financially positioned to meet current and future loan commitments.

In a further Audit undertaken by the NSW Office of Local Government in 2012, Bland Shire Council has been assessed as 'strong' in regard to infrastructure management. While this is not necessarily a contradiction to the T/Corp analysis it does indicate that Bland Shire Council is financially sound.

The key considerations when developing the Long Term Financial Plan included:

- Level of Service – Do the levels of service provided align with the amount of revenue available
- Infrastructure Management – Is there adequate expenditure on existing assets
- Borrowings and Financial Position – When should a Council Borrow? How much can be borrowed.
- Financial Sustainability – What is affordable in the Long-Term
- What other efficiencies can be achieved

Our Assumptions

The specific assumptions underpinning the Long Term Financial Plan are:

- Councils plan is to review existing levels of service delivery, In line with a review of available funds
- Fees and Charges in general to increase by 2.5% per annum
- Grants & Contributions remain at existing levels
- Employee costs to increase by 2.7-3% per annum
- Maintenance expenditure reduce as available funds reduce
- Utility costs to increase by 3%
- Borrowings extended to 2030 at reduced rate
- Funding for current major capital works to be funded from existing reserves
- Capital expenditure is in line with detailed Capital Works Program. Capital works beyond the 2016/2017 year are yet to be reviewed and finalised in-line with current asset management plans and Councils ability to service any future capital works beyond that time
- Capital expenditure beyond 2016/17 financial year are determined by available funds and Council becoming Fit for the Future
- Application for Special Rate Variation for infrastructure backlog

Our Objectives

The objective of the Long Term Financial Plan is to ensure that Council remains in a financially sustainable position into the future. A financially sustainable Council is one whose Long Term financial performance and position is sustainable, where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

In order to meet this objective the Long Term Financial Plan allows Council to:

- To provide a transparent account of Council's financial position
- Identify the opportunities and challenges facing Council
- Provide a solid financial basis for decision making
- Achieve a balanced budget
- Meet the legislative requirements of Integrated Planning and Reporting and
- Work towards meeting the objectives as outlined by the State Government

Our Financial Strategies

Strategy1

Balanced Budgets

With each budget process, Council aims to achieve at the minimum, a balanced budget or a small operating surplus. This will allow Council to maintain a positive working funds balance and be in a better position to fund unforeseen expenditure without utilising reserve funds.

The base scenario detailed in the Long Term Financial Plan indicates that Council does not show an overall reduction in the deficit results over the next ten years. This scenario is not sustainable and is the focus of Council operations and review processes.

Strategy 2

Ongoing Identification of Efficiencies

Council is committed to identifying and implementing initiatives which reduce expenditure and or/increase income to improve the 'bottom-line' and its capacity to improve services. With the exception of Employee cost, fixed cost and statutory contributions, other budget increases are only approved by Council after all other options have been considered by Councils Management Executive Team.

The initiatives below are currently under review and are in the process of being implemented

- Review of Fees and charges to ensure closer alignment with costs
- Improved Information Management systems and technology systems including off site links and Corporate Management system.
- Improved staff retention rates resulting in lower recruitment costs
- Sourcing grant funds to support capital programs and new initiatives
- Review of Capital project processes, procedures and outcomes
- Sourcing contract works to increase Council's income and utilise existing Council resources

Strategy 3

Management Of Cash And Investments

Council funds are invested in high rated, low risk categories. This approach, although conservative, ensures funds assist Council to meet its interest projections in the Long Term Financial Plan are not at risk of loss as during the Global Financial Crisis.

Strategy 4

Narrow the Infrastructure Funding Gap

Council's Asset Management Plan identifies a shortfall in current maintenance expenditure of approximately \$3.0 million. This position is not sustainable and may have long term effects associated with failing assets due to lack of maintenance. Council is attempting to address this by working within the identified Assets Management Goals of:

- Taking a life cycle approach to assets
- Cost effective management strategies
- Defined level of service
- Monitoring service performance
- Understanding Community demands
- Risk Management approach
- Sustainable practices with regard to physical resources
- Continuous improvement practices

Strategy 5

Maintain Rates & Annual Charges Outstanding Ratio Below Accepted Benchmarks

This ratio measures the percentage of Councils total rates and annual charges that are outstanding. A lower % indicates that less income is tied up in receivables and the more revenue is available for Council purposes.

The Office of Local Government's accepted benchmark for outstanding rates in rural Councils is less than 10%.

As at 30th June 2014, the ratio for Bland Shire Council was 7.58%. Council aims to keep this ratio below 10%. This will largely depend on the state of the local economy.

Our Revenue Streams

New South Wales Councils can access revenue in a variety of ways including:

- Rates and annual charges
- Fees and Charges
- Grants
- Contributions
- Loan arrangements
- Revenue from investments
- Sale of Assets/Property

RATES & ANNUAL CHARGES

Council is highly dependent on Rate revenue and Bland Shire Councils Ordinary Rates represent approximately 25% of total operating revenue.

Council is restricted in the amount it can levy in ordinary rates by legislation found in the Local Government Act, called Rate Pegging. Rate pegging refers to a process where the State Government determines on an annual basis the allowable rate increase which is referred to as rate peg percentage.

This rate peg was previously announced by the NSW Minister for Local Government based on recommendations from the Office of Local Government and Treasury.

Effective from the 2011/2012 financial year the Minister for Local Government has delegated the task of determining the rate pegging limit to the NSW Independent Pricing and Regulatory pricing Tribunal (IPART). Under existing legislation, Councils can make application for a special rate variation (SRV) which if approved increases the allowable percentage increase in order for Council to achieve certain outcomes which are supported by the Community.

The table below shows the Annual Rate Pegging limit since 2009/2010, along with the actual rate increase adopted by Council.

YEAR	RATE PEG LIMIT %	BLAND SHIRE COUNCIL INCREASE
2009/10	3.5	3.5
2010/11	2.6	2.6
2011/12	2.8	2.8
2012/13	3.4	3.4
2013/14	3.6	3.6
2014/15	2.3	2.3
2015/16	2.4	2.4
Average Annual Increase	3.03	3.03

There is an assumption made in the Long Term Financial Plan that ordinary rates will increase in keeping with rate pegging each year. A 2.5% increase is considered a conservative estimate in line with prior years as per the table above.

USER FEES & CHARGES

Council provides a wide range of facilities and services for which it receives revenue from user fees and charges. These services include family day care, cemeteries, Aged Care Services, Sewerage Services, Waste Disposal and Development services

Often this revenue does not fully offset costs associated with providing the service or facility as they are aimed at providing a broad community benefit, in other instances the fees may not be high enough to cover full costs due to the fee being set by Statute.

Council will continue to consider the introduction of User Charges for sporting Ovals.

User Fees and charges revenue for the 2012/2013 & 2013/14 financial years are shown in the table below

Fee Type	2012/13 Revenue \$000	% of Total	2013/14 Revenue \$000	% of Total
Domestic Waste	138	8.18%	145	9.56%
Commercial Waste Services	11	0.65%	25	1.65%
Sewerage Services	38	2.25%	62	40.9%
Development Services	166	9.84%	139	9.16%
Aged Care	23	1.36%	15	0.99%
Cemeteries	82	4.86%	56	3.69%
Child Care	201	11.91%	165	10.88%
RTA Charges (State Roads)	769	45.58%	661	43.57%
Lease Rentals	120	7.11%	116	7.65%
Other Remaining Charges	139	8.24%	133	8.77%
Total User Fees & Charges	1,687	100%	1,517	100%

Historically apart from fees set by Statute, Council has increased the majority of fees and charges in line with CPI (Consumer Price Index)

The Long Term Financial Plan Model includes a projected increase in fees and charges in line with growth in CPI (Consumer Price Index) and assumptions based on historical evidence.

INTEREST & INVESTMENT REVENUE

Council currently hold around \$11,000,000 in its investment portfolio. The portfolio is managed in line with Councils Investment Policy and the Minister for Local Governments Investment Order in relation to Local Government Investments.

Council Interest income is dependent on the performance of market interest rates and the amount of Capital held in the portfolio at any one time.

For the Purposes of Council's Long Term Financial Plan, investment income has been estimated at 3-5% on the expected balance over the next 10 years. Given the volatility of the markets over the past few years, this income will be monitored, and adjustments made to reflect any interest rate changes if required.

GRANTS & CONTRIBUTIONS

This Source of Revenue includes both State & Federal Government Grants. Grants and contributions from these levels of Government contribute directly to Local Governments for specific programs such as bushfire & emergency Services, children's services, youth services, community services, employment & training programs, libraries, noxious weeds & road infrastructure renewals/maintenance. In most instances the funding received does not fully cover the total cost of the program or service, and in some cases Council needs to provide matching funding.

The Financial Assistance Grants (FAG) is the largest source of grant revenue to Council. This is a general purpose grant allocated by the Federal Government to provide financial support to Local Councils to improve their operating capacity.

This grant is allocated on a formula basis by the New South Wales Grants Commission that takes into consideration a wide range of factors such as population, infrastructure assets, and in the case of rural Council such as Bland Shire, their comparative disadvantage due to geographical distance from major metropolitan areas.

In the Long Term Financial Plan, grant revenue is forecast to increase in line with CPI which is estimated to be around 2.5%

DEVELOPER CONTRIBUTIONS

The provisions of the Environmental Planning & Assessment Act 1994 enable Council's to levy section 94 (s94) contributions and/or planning agreements as a means of funding local infrastructure and services that are required as a consequence of development.

This may be the provision of new facilities i.e. car parking or the enhancement of existing facilities, where an already developed area is growing.

Section 94 contributions are imposed by way of a condition of development consent for complying development and can be satisfied by:

- ❖ Dedication of Land
- ❖ A monetary contribution
- ❖ Material public benefit
- ❖ Any combination of the above

Developer contributions are externally restricted funds which must be spent for the purpose for which they are identified under each contributions plan.

For Long Term Financial Plan purposes, developer contributions are difficult to determine and have been projected in line with prior history.

OTHER REVENUES

Other Revenue includes: rental income from Council properties, fines, diesel fuel rebate, general sales, staff contributions, insurance recoveries. Revenue from these sources is difficult to ascertain due to the fact that these revenues are generally influenced by factors that are outside of Council's control. Other revenues for the Long Term Financial Plan have been projected to increase by 2.5% which is in line with historical trends.

Our Expenditure Streams

Much of Council expenditure is regular and ongoing. To ensure Council's expenditure forecasts are accurate, they are regularly reviewed through the quarterly budget review process. This process highlights changes in expenditure, service level delivery and ongoing financial commitments.

The main expenditure items included in the forecasting are as follows:

EMPLOYEE COSTS

Employee costs represent the cost to Council for salary & wages, leave entitlement, superannuation, and workers compensation charges and also training costs. These costs represent approximately 23% of Council's total operating expenditure.

Under the New South Wales Local Government Award, Council employees receive a salary increase each year. The 2015/16 year increase is set at 2.7%. These costs have been projected at 2.5-3% in the Long Term Financial Plan. Over the coming years, these levels will be reviewed, having regard to the changes to superannuation legislation and any changes to Council's existing award and organisational structure.

Council's current Workforce Plan has identified a number of key position requirements over the term of the Long Term Financial Plan, these positions have been assessed in the overall costs of salaries and wages for the Long Term Financial Plan. Any future workforce requirements as identified will need to be provided from the existing structure by identifying opportunities for improved services and/or redeployment where necessary.

BORROWING COSTS

Council's borrowing costs have been calculated on the individual capital projects identified in the Long Term Financial Plan that are to be funded from external borrowings, reserves and any existing loan commitments.

MATERIALS & CONTRACTS

Council maintains a number of contractual arrangements for the provision of goods and services. These arrangements include contracts for street sweeping, services, roads, some major projects and a number of services for legal, audit & consultancy.

Council will be influenced by any changes in economic conditions, market conditions and the availability of resources such as fuels and other materials. Where possible, prices are fixed in order to protect Council from price fluctuations, however this is not always possible, and like any other organisation, Council is vulnerable to both economic and political pressures beyond its control which can have a substantial effect on costs from one year to the next.

The Long Term Financial Plan makes provision for all known future contract price increases and generally assumes an increase of 3% in other contractual costs.

DEPRECIATION

Depreciation is forecast to increase each year in the Long Term Financial Plan. This is reflective of new Capital purchases, which will increase the asset base.

Council utilises a straight line depreciation approach for its infrastructure assets. The revaluation of different classes of infrastructure assets over the 10 year Long Term Financial Plan will have varying degrees of effect on depreciation costs for Council. Depreciation levels will be subject to ongoing review.

Depreciation on Council's road network makes up a large proportion of the depreciation costs. The depreciation relating to these assets has been reviewed in line with revaluation processes and Council's auditors, therefore these will show through the Long Term Financial Plan calculations.

OTHER EXPENSES

Other Operating Expenses include, but are not limited to the following items:

- Advertising
- Bank Charges
- Cleaning
- Contributions/levies to other levels of government
- Councillor Expenses
- Electricity & Gas
- Insurance
- Street Lighting
- Telephone & Communications

Many of these items with the exception of Electricity and gas are generally linked to CPI and the Long Term Financial plan projects a 2.5% increase in these costs. Energy costs have experienced significant price increases over the past few years however, indication is that these costs may reduce in the future. Council is actively perusing efficient alternatives and when these come into fruition, the LTFP will be adjusted accordingly.

CAPITAL WORKS PROGRAM

A 10 year capital works program has been prepared in line with Council's Community Strategic Plan and is based on the latest information and costing available at this time.

Whilst the current Long Term Financial plan is based on these projects, these priorities may change over a period of time, as new projects emerge and priorities change over the course of the 10 year period.

An annual review of the 10 year Capital works program will ensure any changes in priorities will be reflected in the plan.

Our Current Financial Position

Unrestricted Current Ratio

The purpose of the unrestricted current ratio is to assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Ratio	2013/14	2012/13	2011/12	2010/11
Unrestricted Current Ratio	6.07 : 1	5.38 : 1	4.66 : 1	5.34 : 1

Own Source Operating Revenue Ratio

The purpose of own source operating revenue ratio is to assess Council's financial flexibility. It measures the degree on reliance of external funding sources. The benchmark to be achieved is 60%.

Ratio	2013/14	2012/13
Own Source Operating Revenue Ratio	44.34%	26.88%

Rates & Annual Charges Coverage Ratio

The purpose of the Rates and Annual Charges Coverage Ratio is to assess the degree of Council's independence on revenue from rates and annual charges to assess the security of Council's income.

Ratio	2013/14	2012/13	2011/12	2010/11
Rates and Annual Charges Coverage Ratio	26.4%	26.88%	27.58%	26.89%

Rates & Annual Charges Outstanding Percentage

The purpose of the Rates and Annual Charges Percentage Ratio is to assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery methods.

Ratio	2013/14	2012/13	2011/12	2010/11
Rates, Annual Charges, Interest and Extra Charges Outstanding %	7.58%	6.48%	7.08%	6.95%

Our Reserves

Council has a number of externally & internally restricted reserves. External restrictions relate to those funds held for developer contributions (s94 funds) specific purpose unexpended grants, and money held in reserve for sewer and domestic waste services.

Internal reserves are those funds that have been set aside at Council's discretion for funding of future projects/programs or in the case of employee leave entitlement future liabilities.

All these restricted funds are held in reserve so they are utilised for their intended purpose.

EXTERNALLY RESTRICTED RESERVES

Council externally restricted reserves are those that are restricted by law, or by conditions placed on the funds by the provider. They include the following:

- Development Contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans
- Specific Purpose Unexpended Grants- Grants which are not yet expended for the purposes for which the grants were obtained
- Sewerage Services – Sewer & Domestic Waste Management (DWM) & other special rates/levies/charges are extremely restricted assets and must be applied for the purposes for which they are raised

INTERNALLY RESTRICTED RESERVES

Council maintains a wide variety of reserves as detailed in note 6 of the 2013/14 Annual Financial Statements. These reserves have been established by Council resolution, and include provisions for future projects such as Asset maintenance & renewal, Plant & Vehicle Replacements and employee leave entitlements. The main purpose of internal reserves is to ensure that Council has the ability to utilise these funds at a future date when and as required.

Our Policy

INVESTMENT POLICY & STRATEGY

Councils Investment Strategy ensures that Council funds are prudently invested with due diligence. The Investment Policy and strategy requires that Council's Investment Portfolio is managed within the requirements of the Ministers Local Government Investment Order.

Councils Investment Strategy is built around the allocation of funds into a multidimensional framework taking into account the following:

- Allocation of investments within defined investment categories that are included within the approved investment guidelines
- Time horizon/maturity of the portfolio

The Investment Strategy sets out the intended approach to investments in the market conditions that are expected to prevail over the medium to long term investment horizon.

BORROWING STRATEGY

Council has traditionally had no borrowings until the upgrade of the Holland Park Pool in 2010/11. The overall Council approach has been to minimise borrowings by delaying non-critical expenditure and utilising Council's reserves. Council has been prudent in its financial approach by internally restricting mining rates for the specific purpose of infrastructure expenditure within the community.

This has resulted in a debt service ratio which is below industry benchmarks. Council is in a position to consider borrowings as a major funding source for completion of major Capital Works in the future.

The challenge that Council faces is the lack of Capacity from existing revenue to meet debt service requirements, particularly if the Barrick Gold Mine operation ceases in the Shire. It is for this reason that Council needs to maintain its debt service ratio below 10%.

The Debt Service Ratio measures in percentage terms the proportion of debt servicing costs to total revenues, excluding specific purpose grants & contributions. A forecast ratio has been calculated for each of the 10 years of the Long Term Financial Plan. The Office of Local Government have published that a debt service ratio less than 10% is considered acceptable.

ASSET MANAGEMENT STRATEGY

Council has invested significant funds in infrastructure assets over many years in order to service the needs and enhance the quality of life of the Communities within the Shire.

The importance of these assets to our Community and their significance in Council budgets means that Asset Management forms a critical part of Councils planning and service delivery.

This strategy recognises a requirement to manage assets effectively as part of an overall service delivery perspective rather than purely from a financial aspect.

Failure to adequately maintain existing assets, plan for the replacement of existing assets and develop new assets will have the result of agreed service levels not being met by Council.

The objective of the Councils Asset Management Strategy is to describe how Council will meet its commitment to Asset Management as documented in its Asset Management Policy.

This Strategy combined with the Individual Asset Management Plans, developed as a result of the strategy, will provide Council with detailed knowledge to assist with its short and long term planning to achieve the vision for the Shire.

All assets in the Bland Shire Council included in the Asset management Plan are audited under Council's inspection regime, rated against the asset assessment sheets and captured in Council's electronic mapping system. This process allocates a condition rating to each individual asset, or section of asset. This condition rating scale ranges from excellent to very poor. In 2011 a condition rating of average is considered to be a satisfactory level of service or condition.

The gross current replacement value of the existing network of infrastructure, property, plant and equipment as at 30 June 2014 is \$308,029,000. To return all infrastructure identified as being in an unsatisfactory condition (poor and very poor) to a condition deemed satisfactory it is estimated to cost \$6,086,000 as at 30 June 2014.

FLEET MANAGEMENT STRATEGY

Council has in place a 10 year Fleet and Plant Replacement Schedule. Both the scheduled Plant asset purchases and replacements are funded in Councils Capital Budget on an annual basis.

Council also has a Plant Reserve to cater for any unexpected capital replacements over the period.

Income from internal and external hire of plant is calculated each year by taking into account running and maintenance costs of all plant items. Given the size and nature of Councils Fleet, fuel is a major cost component which over the past couple of years has fluctuated greatly.

Council has negotiated a fixed price for all fuel. This has helped maintain stable fuel prices across the fleet for the time being, this will almost certainly change with new pricing.

Council maintains most of its fleet through the depot workshop. This allows for greater control of repair and maintenance costs as well as the ability to oversee usage patterns and general condition of the plant at all times. It is envisaged Council will continue to maintain its own fleet into the future.

Our Budget Scenario

Council's Long Term Financial Plan is compiled using a range of assumptions to project future financial trends. It is not always possible to accurately predict future movements in all of the assumptions used to prepare the Long Term Financial Plan.

Rural communities such as Bland Shire Council have limited resources available to establish any scenario based assumptions that will have any significant impact. By this we mean that Bland Shire Council covers an area of 8,558 square kilometres and has a rate base of around 4,000 assessments. The majority of the land is zoned Farmland and there is limited opportunity for any extra significant income generation, as there are not many avenues that council can draw on with respect to user fees and charges.

With rates being our biggest income generator, and using this as an example on the effect of doing scenario based assumptions. The rate peg increase for 2015-16 is 2.4%. Assuming a special rate variation was approved allowing the increase be 5% this would provide an approximately \$80k which is insignificant in an annual turnover of around \$30M.

On the other side of Council operations, looking at expenditure and using Employees costs as an example, the increase in employee costs for 2014-15 is around 3%. Assuming an increase realistically changed to 4%, it would mean an additional expense of \$80k which as above is insignificant in Council's annual turnover.

As the base scenario is the most realistic for the Bland Shire Council and takes into consideration the commentary above and the Strategic direction of Council, it is the most realistic scenario and therefore presented to council for adoption.

Our Appendices

Appendix 1	Consolidated Income Statement
Appendix 2	Consolidated Balance Sheet
Appendix 3	Consolidated Budget Summary
Appendix 3a	Consolidated Budget Summary – Scenario 2 – Special Rate Variation
Appendix 4	Consolidated Financial Sustainability Charts
Appendix 5	Projected 2015/16 External Restrictions
Appendix 6	Projected 2015/16 Internal Restrictions
Appendix 7	Proposed 2015/16 Capital Works program
Appendix 8	Sewer Services Budget Summary

APPENDIX 1

Bland Shire Council 10 Year Financial Plan for the Years ending 30 June 2025 INCOME STATEMENT - CONSOLIDATED Scenario: STANDARD												
	Actuals 2013/14 \$	Current Year 2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	Projected Years					
							2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	7,653,000	7,855,671	8,143,784	8,347,379	8,556,064	8,769,965	8,989,214	9,213,945	9,444,293	9,680,401	9,922,411	10,170,471
User Charges & Fees	1,517,000	1,089,603	1,352,977	1,380,268	1,409,290	1,438,186	1,467,064	1,497,864	1,529,520	1,562,168	1,595,346	1,631,147
Interest & Investment Revenue	566,000	241,693	278,325	283,325	288,425	293,627	298,933	304,345	309,866	315,496	321,240	321,240
Other Revenues	220,000	2,134,124	575,013	584,333	593,093	602,083	611,105	620,260	629,532	638,831	648,321	657,949
Grants & Contributions provided for Operating Purposes	11,190,000	8,194,027	8,354,559	8,367,503	8,408,007	8,482,583	8,559,444	8,636,421	8,714,651	8,795,161	8,875,980	8,958,137
Grants & Contributions provided for Capital Purposes	1,307,000	2,404,358	3,844,366	2,582,445	2,613,641	2,645,605	2,678,358	2,711,918	2,746,306	2,781,542	2,817,646	2,854,642
Other Income:												
Net gains from the disposal of assets	221,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	22,674,000	21,919,476	22,549,023	21,545,253	21,868,519	22,232,049	22,604,117	22,984,754	23,374,168	23,773,599	24,180,944	24,593,586
Expenses from Continuing Operations												
Employee Benefits & On-Costs	6,174,000	6,386,190	6,487,980	6,651,743	6,819,869	7,011,334	7,209,175	7,412,163	7,622,481	7,837,696	8,059,296	8,287,476
Borrowing Costs	329,000	128,552	120,782	57,641	53,411	49,187	45,206	40,605	36,491	32,261	28,106	23,801
Materials & Contracts	10,617,000	9,017,054	6,722,546	6,638,821	6,737,829	6,729,479	6,856,686	6,963,289	7,083,432	7,203,806	7,328,171	7,454,497
Depreciation & Amortisation	6,247,000	6,033,446	5,939,024	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,996,000	2,311,926	1,956,187	1,919,787	1,907,607	1,948,098	2,001,986	2,101,445	2,102,682	2,149,818	2,207,487	2,312,557
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	25,363,000	23,877,168	21,226,520	21,207,017	21,457,742	21,677,124	22,052,080	22,456,528	22,784,113	23,162,607	23,562,087	24,017,357
Operating Result from Continuing Operations	(2,689,000)	(1,957,692)	1,322,503	338,235	410,777	554,925	552,037	528,226	590,055	610,992	618,857	576,229
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(2,689,000)	(1,957,692)	1,322,503	338,235	410,777	554,925	552,037	528,226	590,055	610,992	618,857	576,229
Net Operating Result before Grants and Contributions provided for Capital Purposes	(3,996,000)	(4,362,050)	(2,521,863)	(2,244,210)	(2,202,864)	(2,090,680)	(2,126,321)	(2,183,692)	(2,156,251)	(2,170,549)	(2,198,789)	(2,278,412)

APPENDIX 2

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BALANCE SHEET - CONSOLIDATED
Scenario: STANDARD

	Actuals 2013/14 \$	Current Year 2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	Projected Years					
							2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
ASSETS												
Current Assets												
Cash & Cash Equivalents	1,831,000	2,490,911	6,054,713	9,401,754	12,874,435	16,623,991	20,197,719	23,834,919	27,836,570	31,648,762	35,490,734	39,043,638
Investments	9,692,000	3,823,830	3,823,830	3,823,830	3,823,830	3,823,830	3,823,830	3,823,830	3,823,830	3,823,830	3,823,830	3,823,830
Receivables	1,992,000	2,800,794	2,112,840	2,097,712	2,157,884	2,222,350	2,285,490	2,350,257	2,419,173	2,487,019	2,555,623	2,622,627
Inventories	1,320,000	868,955	564,434	565,722	573,915	572,275	583,084	591,846	601,951	612,054	622,461	632,947
Other	47,000	70,843	52,896	52,734	53,220	53,351	54,453	55,707	56,414	57,420	58,516	59,927
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	14,882,000	10,055,332	12,608,713	15,941,752	19,483,283	23,295,796	26,944,575	30,656,559	34,737,939	38,629,084	42,551,163	46,182,968
Non-Current Assets												
Investments	-	32,929	32,929	32,929	32,929	32,929	32,929	32,929	32,929	32,929	32,929	32,929
Receivables	59,000	46,437	47,779	48,973	50,197	51,452	52,739	54,057	55,409	56,794	58,214	59,669
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	224,059,000	226,992,704	225,459,183	222,237,607	219,010,530	215,652,757	212,466,347	209,194,559	205,609,262	202,238,368	198,845,365	195,703,411
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	198,000	162,810	121,566	121,193	122,309	122,611	125,144	128,025	129,650	131,963	134,482	137,724
Total Non-Current Assets	224,316,000	227,234,881	225,661,457	222,440,702	219,215,966	215,859,749	212,677,159	209,409,571	205,827,250	202,460,054	199,070,990	195,933,734
TOTAL ASSETS	239,198,000	237,290,213	238,270,170	238,382,454	238,699,249	239,155,546	239,621,733	240,066,130	240,565,189	241,089,138	241,622,153	242,116,702
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	965,000	1,118,238	875,691	749,740	755,759	757,130	771,281	787,452	796,456	809,413	823,570	841,890
Borrowings	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,000	167,000
Provisions	2,771,000	2,814,127	2,814,127	2,814,127	2,814,127	2,814,127	2,814,127	2,814,127	2,814,127	2,814,127	2,814,127	2,814,127
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	3,903,000	4,099,364	3,856,818	3,730,867	3,736,885	3,738,257	3,752,408	3,768,578	3,777,582	3,790,539	3,804,697	3,823,016
Non-Current Liabilities												
Payables	5,000	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667
Borrowings	1,793,000	1,693,000	1,593,000	1,493,000	1,393,000	1,293,000	1,193,000	1,093,000	993,000	893,000	793,000	693,000
Provisions	3,705,000	3,661,873	3,661,873	3,661,873	3,661,873	3,661,873	3,661,873	3,661,873	3,661,873	3,661,873	3,661,873	3,661,873
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,503,000	5,356,540	5,256,540	5,156,540	5,056,540	4,956,540	4,856,540	4,756,540	4,656,540	4,556,540	4,456,540	4,356,540
TOTAL LIABILITIES	9,406,000	9,455,904	9,113,358	8,887,407	8,793,426	8,694,797	8,608,948	8,525,119	8,434,123	8,347,079	8,261,237	8,179,556
Net Assets	229,792,000	227,834,308	229,156,812	229,495,047	229,905,824	230,460,749	231,012,786	231,541,011	232,131,066	232,742,059	233,360,916	233,937,145
EQUITY												
Retained Earnings	119,542,000	117,584,308	118,906,812	119,245,047	119,655,824	120,210,749	120,762,786	121,291,011	121,881,066	122,492,059	123,110,916	123,687,145
Revaluation Reserves	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000	110,250,000
Council Equity Interest	229,792,000	227,834,308	229,156,812	229,495,047	229,905,824	230,460,749	231,012,786	231,541,011	232,131,066	232,742,059	233,360,916	233,937,145
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	229,792,000	227,834,308	229,156,812	229,495,047	229,905,824	230,460,749	231,012,786	231,541,011	232,131,066	232,742,059	233,360,916	233,937,145

APPENDIX 3

SCENARIO 1

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BUDGET SUMMARY - CONSOLIDATED
Scenario: STANDARD

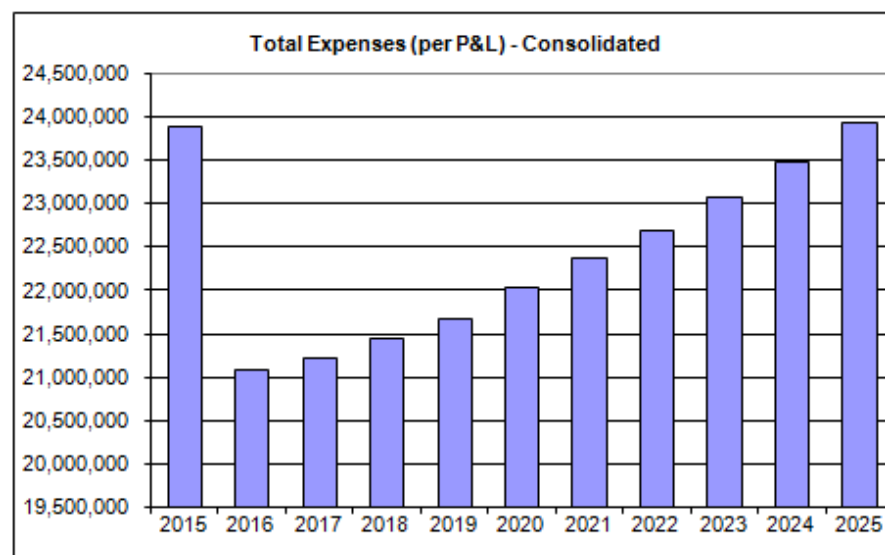
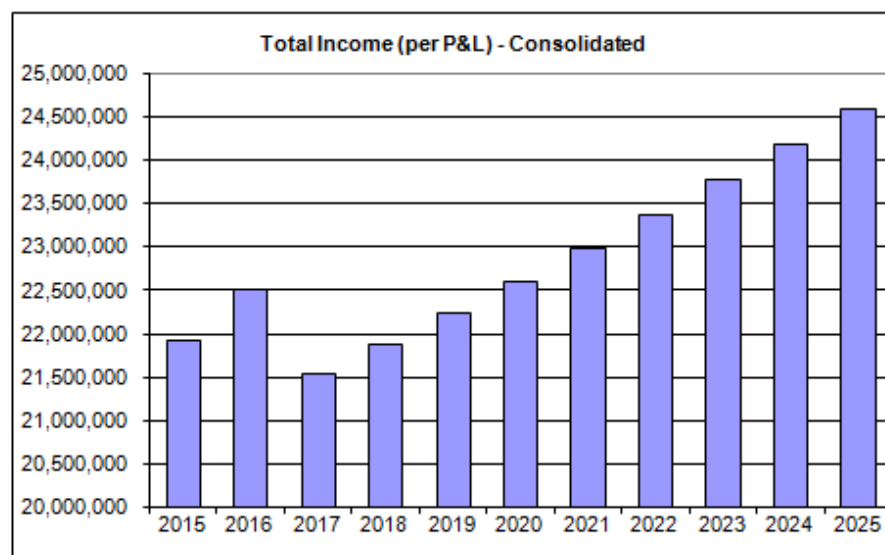
	Current Year 2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	Projected Years					
						2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Income from Continuing Operations											
Rates & Annual Charges	7,855,671	8,143,784	8,347,379	8,556,064	8,769,965	8,989,214	9,213,945	9,444,293	9,680,401	9,922,411	10,170,471
User Charges & Fees	1,089,603	1,352,977	1,380,268	1,409,290	1,438,186	1,467,064	1,497,864	1,529,520	1,562,168	1,595,346	1,631,147
Interest & Investment Revenue	241,693	278,325	283,325	288,425	293,627	298,933	304,345	309,866	315,496	321,240	321,240
Other Revenues	2,134,124	575,013	584,333	593,093	602,083	611,105	620,260	629,532	638,831	648,321	657,949
Grants & Contributions provided for Operating Purposes	8,194,027	8,354,559	8,367,503	8,408,007	8,482,583	8,559,444	8,636,421	8,714,651	8,795,161	8,875,980	8,958,137
Grants & Contributions provided for Capital Purposes	2,404,358	3,844,366	2,582,445	2,613,641	2,645,605	2,678,358	2,711,918	2,746,306	2,781,542	2,817,646	2,854,642
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	21,919,476	22,549,023	21,545,253	21,868,519	22,232,049	22,604,117	22,984,754	23,374,168	23,773,599	24,180,944	24,593,586
Expenses from Continuing Operations											
Employee Benefits & On-Costs	6,386,190	6,487,980	6,651,743	6,819,869	7,011,334	7,209,175	7,412,163	7,622,481	7,837,696	8,059,296	8,287,476
Borrowing Costs	128,874	61,865	57,641	53,411	49,187	45,206	40,605	36,491	32,261	28,106	23,801
Materials & Contracts	9,017,054	6,722,546	6,638,821	6,737,829	6,729,479	6,856,686	6,963,289	7,083,432	7,203,806	7,328,171	7,454,497
Depreciation & Amortisation	6,033,446	5,939,024	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,311,926	1,956,187	1,919,787	1,907,607	1,948,098	2,001,986	2,101,445	2,102,682	2,149,818	2,207,487	2,312,557
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	23,877,490	21,167,603	21,207,017	21,457,742	21,677,124	22,052,080	22,456,528	22,784,113	23,162,607	23,562,087	24,017,357
Net Operating Profit/(Loss) for the Year	(1,958,014)	1,381,421	338,235	410,777	554,925	552,037	528,226	590,055	610,992	618,857	576,229
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(9,285,420)	(4,725,966)	(2,961,660)	(3,013,549)	(2,882,603)	(3,054,716)	(2,903,708)	(2,551,919)	(2,870,062)	(2,814,523)	(3,185,017)
Loan Repayments (External)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Loan Repayments (Internal)	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions paid out	-	-	-	-	-	-	-	-	-	-	-
Reinstatement Provisions paid out	-	-	-	-	-	-	-	-	-	-	-
Other Capital Payments	-	-	-	-	-	-	-	-	-	-	-
Non-cash Income Contra Expense	-	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (External)	3,000,000	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of intangible & tangible Assets	403,270	405,463	244,210	301,600	301,350	302,100	236,470	198,190	301,930	268,500	387,945
Deferred Debtors and Advances received (External)	-	-	-	-	-	-	-	-	-	-	-
Internal Loans - Principal Receipt (rec'd from other Funds)	-	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits received	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions received (from other Councils)	-	-	-	-	-	-	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
Non-cash Expense Contra Income	-	-	-	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	1,932,017	(1,321,415)	(1,516,033)	(1,722,622)	(1,775,264)	(1,847,933)	(1,838,908)	(1,976,332)	(1,988,436)	(2,101,642)	(2,049,333)
Total Capital (Balance Sheet) and Reserve Movements	(4,050,133)	(5,741,918)	(4,333,483)	(4,534,571)	(4,456,517)	(4,700,549)	(4,606,146)	(4,430,061)	(4,656,568)	(4,747,665)	(4,946,405)
Net Result (including Depreciation & Other non-cash items)	(6,008,147)	(4,360,497)	(3,995,247)	(4,123,794)	(3,901,592)	(4,148,512)	(4,077,920)	(3,840,006)	(4,045,576)	(4,128,808)	(4,370,176)
Add back Depreciation Expense (non-cash)	6,033,446	5,939,024	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026
Add back ELE Expense (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Cash Budget Surplus/(Deficit)	25,299	1,578,527	1,943,779	1,815,232	2,037,434	1,790,514	1,861,106	2,099,020	1,893,450	1,810,218	1,568,850

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BUDGET SUMMARY - CONSOLIDATED
Scenario: SCENARIO 2 - SPECIAL RATE VARIATION

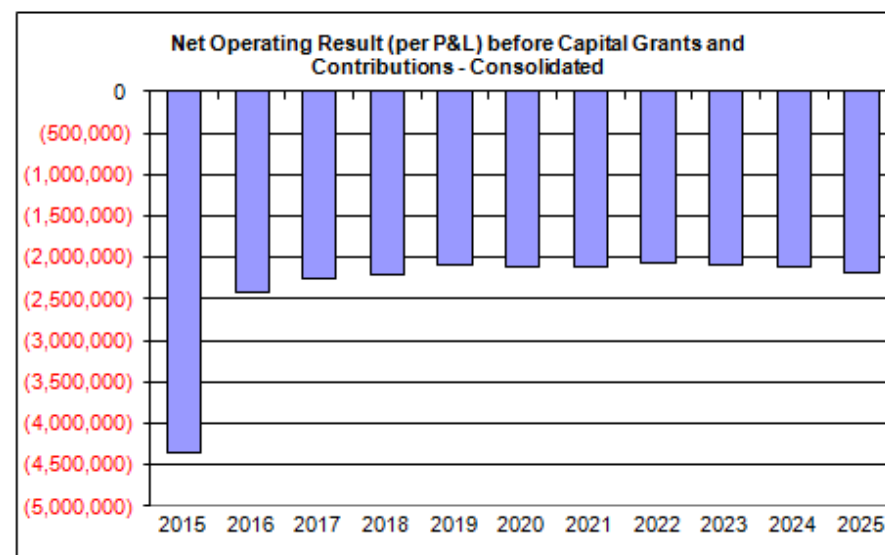
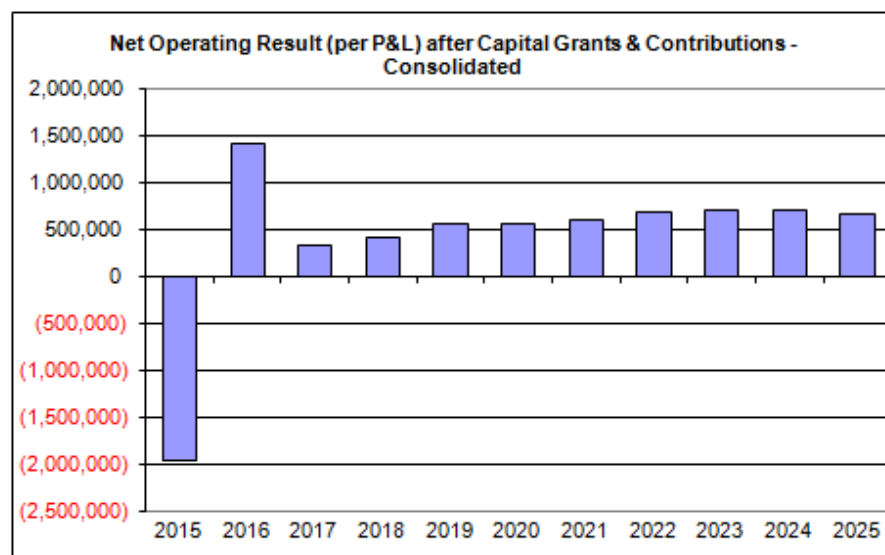
	Current Year 2014/15	2015/16	2016/17	2017/18	2018/19	Projected Years					
	\$	\$	\$	\$	\$	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
						\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	7,855,671	8,143,784	8,962,214	9,877,959	10,903,059	12,051,055	13,337,178	13,670,608	14,012,373	14,362,682	14,721,749
User Charges & Fees	1,089,603	1,352,977	1,382,068	1,411,635	1,440,589	1,469,527	1,500,390	1,532,108	1,564,821	1,598,066	1,633,935
Interest & Investment Revenue	241,693	278,325	288,325	293,325	303,325	328,325	378,325	385,325	398,325	398,325	428,325
Other Revenues	2,201,692	644,337	662,740	672,799	691,455	710,764	730,561	746,308	762,402	778,853	795,668
Grants & Contributions provided for Operating Purposes	8,126,459	8,284,558	8,292,778	8,331,954	8,405,173	8,478,861	8,554,421	8,630,382	8,707,856	8,786,371	8,866,173
Grants & Contributions provided for Capital Purposes	2,404,358	3,844,366	2,582,445	2,613,641	2,645,605	2,678,358	2,711,918	2,746,306	2,781,542	2,817,646	2,854,642
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	21,919,476	22,548,348	22,170,571	23,201,313	24,389,205	25,716,889	27,212,793	27,711,038	28,227,320	28,741,945	29,300,491
Expenses from Continuing Operations											
Employee Benefits & On-Costs	6,386,190	6,487,980	6,650,303	6,816,981	7,008,049	7,205,489	7,408,067	7,617,971	7,832,764	8,053,937	8,282,079
Borrowing Costs	128,874	61,865	57,641	53,411	49,187	45,206	40,605	36,491	32,261	28,106	23,801
Materials & Contracts	9,017,054	6,722,546	6,459,184	6,417,340	6,303,711	6,422,309	6,520,146	6,631,318	6,742,508	6,857,470	6,974,170
Depreciation & Amortisation	6,033,446	5,939,024	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,311,926	1,956,187	1,933,861	1,907,460	1,947,977	2,001,891	2,101,377	2,102,642	2,149,807	2,207,505	2,312,605
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	23,877,490	21,167,603	21,040,014	21,134,217	21,247,950	21,613,921	22,009,221	22,327,449	22,696,366	23,086,044	23,531,681
Net Operating Profit /(Loss) for the Year	(1,958,014)	1,380,745	1,130,556	2,067,096	3,141,255	4,102,969	5,203,571	5,383,589	5,530,954	5,655,901	5,768,810
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(9,285,420)	(4,725,966)	(2,961,660)	(3,013,549)	(2,882,603)	(3,054,716)	(2,903,708)	(2,551,919)	(2,870,062)	(2,814,523)	(3,185,017)
Loan Repayments (External)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Loan Repayments (Internal)	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions paid out	-	-	-	-	-	-	-	-	-	-	-
Reinstatement Provisions paid out	-	-	-	-	-	-	-	-	-	-	-
Other Capital Payments	-	-	-	-	-	-	-	-	-	-	-
Non-cash Income Contra Expense	-	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (External)	3,000,000	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (Internal)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of intangible & tangible Assets	403,270	405,463	244,210	301,600	301,350	302,100	236,470	198,190	301,930	268,500	387,945
Deferred Debtors and Advances received (External)	-	-	-	-	-	-	-	-	-	-	-
Internal Loans - Principal Receipt (rec'd from other Funds)	-	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits received	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions received (from other Councils)	-	-	-	-	-	-	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
Non-cash Expense Contra Income	-	-	-	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	1,932,017	(1,321,415)	(1,604,096)	(1,911,986)	(2,080,604)	(2,286,234)	(2,429,158)	(2,581,338)	(2,608,568)	(2,737,277)	(2,700,861)
Total Capital (Balance Sheet) and Reserve Movements	(4,050,133)	(5,741,918)	(4,421,546)	(4,723,935)	(4,761,857)	(5,138,850)	(5,196,396)	(5,035,067)	(5,276,700)	(5,383,300)	(5,597,933)
Net Result (including Depreciation & Other non-cash items)	(6,008,147)	(4,361,173)	(3,290,990)	(2,656,839)	(1,620,602)	(1,035,881)	7,175	348,522	254,254	272,600	170,877
Add back Depreciation Expense (non-cash)	6,033,446	5,939,024	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026	5,939,026
Add back ELE Expense (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Cash Budget Surplus/(Deficit)	25,299	1,577,851	2,648,036	3,282,187	4,318,424	4,903,145	5,946,201	6,287,548	6,193,280	6,211,626	6,109,903

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
CHARTS - ALL FUNDS (CONSOLIDATED)
Scenario: STANDARD

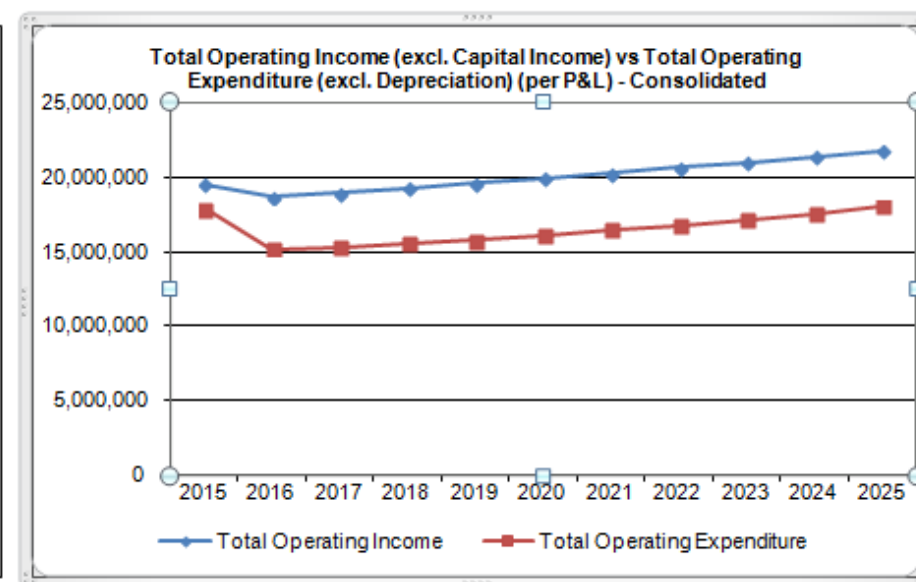
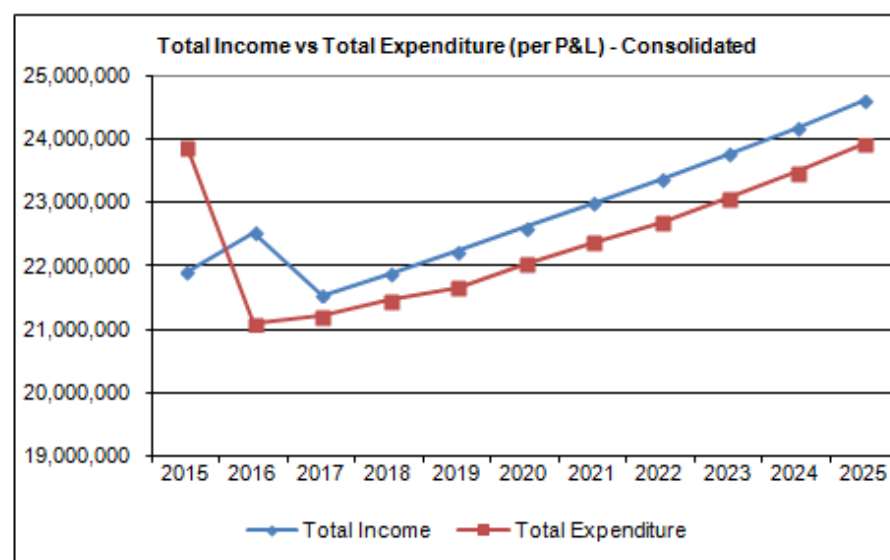
Income Statement Charts



APPENDIX 4 (cont)



Income Statement Charts



APPENDIX 5

GENERAL FUND - EXTERNAL RESTRICTIONS	2015-16 Draft	
	Budget Reserves	
	Result	
Multi Service Outlet	161,801.00	
Community Care - Capital Grant	59,107.00	
Bland Shire Day Care	24,509.00	
HACC Dementia Day Care	47,029.00	
Healthy Grants Program	10,868.00	
MRU Additional Operating Grant	267,009.62	
Family Day Care	31,360.00	
Preschool Reserve	118,674.00	
CSU Reserve	22,330.00	
Older Men's Group	0.00	
Community Heritage Grant	3,675.00	
Community Bus Grant	7,000.00	
Transition Fund Reserve	40,000.00	
Library Revitalising Grant	0.00	
Music NSW Grant - IDENT	0.00	
Access Grant	2,727.00	
Regional Rds Reserve	53,894.00	
State & National Roads Reserve	128,328.00	
RLCIP Funding Community Rose Garden	3,364.00	
RLCIP West Wyalong Tennis Court Resurface	8,545.00	
DECC Funding	16,150.00	
Trust Deposits	11,413.00	
Lachlan Catchment Management Reserve	32,042.50	
Sec 94 Contributions - Open Space	994.50	
Sec 94 Contributions - General Development	80,026.00	
Sec 94 Contributions - Stormwater	636.02	
Sec 94 Contributions - Bushfire	802.30	
Sec 94 Contributions - Car Parking	6,720.00	
Sec 94 Contributions - Studies	755.29	
Sec 94 Contributions - Roads	2,816.92	
Sec 64 Contributions (Sewer)	22,245.00	
<u>Sewer Fund</u>		
Reticulation Reserve	15,000.00	
Sewer Fund - Externally Restricted Reserve	348,077.00	
	1,527,899.15	

APPENDIX 6

GENERAL FUND - INTERNAL RESTRICTIONS	2015-16 Draft	
	Budget Reserves	
	Result	
Employees Leave Entitlements	891,558.61	
Plant Purchases	669,300.00	
Cemetery Reserve	53,853.00	
Business Development Assistance	10,780.00	
Tourism	9,335.00	
Economic Development Reserve	236,479.00	
FAG Grant - Road Component	0.00	
Office Equipment Reserve	0.00	
Insurance Provision	25,606.83	
Future Land Purchases	3,636.36	
Internal Audit Committee Reserve	12,000.00	
S355 Committee Reserve	5,000.00	
Waste Depot Reserve	187,809.00	
Bland Community Child Care	4,975.00	
Gravel Pit Restoration	322,792.44	
Community Facilities	2,377,615.83	
Loan Repayment Reserve	337,507.00	
Council Works	2,978.00	
Planning Exhibition Space	100,000.00	
Election Reserve	39,000.00	
Public Conveniences	95,049.00	
Corporate Legal Expenses	62,039.82	
Library Reserve	15,000.00	
West Wyalong Community Care Centre	32,956.00	
Employee Assist & Attraction Reserve	26,182.00	
Recruitment & Selection Reserve	26,810.00	
Infrastructure Renewal Reserve	400,000.00	
Local Heritage Assistance Funding	0.00	
Holland Park Pool Reserve	21,000.00	
Ungarie Pool Reserve	11,000.00	
Land Development Reserve	709,000.00	
Federation CDO Reserve	0.00	
Verandah/ Façade Restoration Reserve	40,000.00	
<u>Aged Care - Internal Restrictions</u>		
Ungarie Health Service	22,559.98	
	6,751,822.87	

APPENDIX 7

CAPITAL WORKS PROGRAM 2015-16

EXECUTIVE SERVICES	
Visitor Information Centre Technology	150,000
CORPORATE COMMUNITY & DEVELOPMENT SERVICES	
Library Books	12,000
AV Materials	5,000
Heritage Panels MS	10,000
ASSETS & ENGINEERING	
Plant & Equipment Purchases - Cap	1,374,537
Plant Minor - Capital	33,000
MR398 West Widening	300,000
Main St - Concrete strips to replace asphalt at nibs (Renewal)	22,000
Extra Seats - Main ST	3,000
Main Street Works	50,000
Screen for Aberline Toilets	1,500
Playground - Tallimba	10,000
Waste Services - Internal Infrastructure West Wyalong	50,000
Sewer - Saleyard Reticulation Works	100,713
TOTAL CAPITAL EXPENDITURE	2,121,750

APPENDIX 8

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BUDGET SUMMARY - SEWER FUND
Scenario: < Enter Scenario Name on Cover Sheet >

	Current Year 2014/15	2015/16	2016/17	2017/18	2018/19	Projected Years					
	\$	\$	\$	\$	\$	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
						\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	1,143,813	1,238,029	1,268,980	1,300,705	1,333,222	1,366,553	1,400,717	1,435,734	1,471,628	1,508,419	1,546,129
User Charges & Fees	30,000	30,500	31,263	32,044	32,845	33,666	34,508	35,371	36,255	37,161	38,090
Interest & Investment Revenue	10,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Revenues	25,000	30,000	30,450	30,907	31,370	31,841	32,319	32,803	33,295	33,795	34,302
Grants & Contributions provided for Operating Purposes	22,000	20,000	20,500	21,013	21,538	22,076	22,628	23,194	23,774	24,368	24,977
Grants & Contributions provided for Capital Purposes	1,000	1,000	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	1,231,813	1,324,529	1,356,193	1,389,668	1,423,975	1,459,136	1,495,171	1,532,102	1,569,952	1,608,743	1,648,498
Expenses from Continuing Operations											
Employee Benefits & On-Costs	-	-	-	-	-	-	-	-	-	-	-
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	584,730	679,079	585,823	600,354	614,529	629,058	645,248	660,509	676,150	692,181	708,611
Depreciation & Amortisation	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	76,750	81,850	84,281	86,785	89,388	92,070	94,832	97,677	100,607	103,625	106,734
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	884,366	983,815	892,990	910,025	926,803	944,013	962,966	981,072	999,643	1,018,692	1,038,231
Net Operating Profit/(Loss) for the Year	347,447	340,715	463,202	479,643	497,172	515,123	532,205	551,030	570,309	590,051	610,268
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(475,000)	(100,713)	-	-	-	-	-	-	-	-	-
Bonds & Deposits received	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions received (from other Councils)	-	-	-	-	-	-	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
Non-cash Expense Contra Income	-	-	-	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	127,553	(240,000)	(463,202)	(479,643)	(497,172)	(515,123)	(532,205)	(551,030)	(570,309)	(590,051)	(610,268)
Total Capital (Balance Sheet) and Reserve Movements	(347,447)	(340,713)	(463,202)	(479,643)	(497,172)	(515,123)	(532,205)	(551,030)	(570,309)	(590,051)	(610,268)
Net Result (including Depreciation & Other non-cash items)	-	2	0	0	0	(0)	0	0	(0)	(0)	(0)
Add back Depreciation Expense (non-cash)	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886
Add back ELE Expense (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Cash Budget Surplus/(Deficit)	222,886	222,888	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886	222,886

