

DRAFT

LONG TERM FINANCIAL PLAN



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INTRODUCTION

The 2040 Community Strategic Plan articulates how our community would like to grow and develop and the expectations our community have of the future. However, these aspirations can only be achieved if sufficient and sustainable resources are available.

The overall objective of the Long Term Financial Plan (LTFP) is to express, in financial terms, the activities Dubbo Regional Council will undertake to provide a sound basis for strategic decision making. The LTFP will also guide the future strategies and actions of Council to ensure that it continues to operate in a manner that achieves financial sustainability.

Specific objectives of this Plan are to:

- Provide sound forecasts of financial performance and position for a range of planning scenarios that respond to the aspirations of the community.
- Achieve and maintain a sound and stable financial position over the long term.
- Achieve a balanced budget over the long term.
- Identify strategies that support the sustainable provision of services and service levels identified by the community as expressed in the Dubbo 2040 Community Strategic Plan.
- Ensure that Council can meet its financial obligations as and when they fall due.
- Ensure that any loan raised to support the achievement of the community expectations can be serviced over the term of the loan.
- Provide a clear and transparent picture of Council's long term financial situation to the community.

This is Council's fourth Long Term Financial Plan for the 2040 Community Strategic Plan. This Long Term Financial Plan has been updated to present Council's current and projected financial attack.

FINANCIAL SUSTAINABILITY

For Dubbo Regional Council, *financial sustainability* can be defined as the ability to provide services and service levels in line with the priorities and aspirations of the community in a manner that ensures equitable funding of services across both the current and future generations of ratepayers.

Financial sustainability is a key challenge facing local government due to several contributing factors including increased demand for services beyond those traditionally provided (particularly in the area of community services), cost shifting from other levels of government, ageing infrastructure and constraints on increasing revenue.



OUR FINANCIAL STRATEGIES

This Plan highlights strategies to address the financial challenges identified and ensures Council is financially sustainable into the future. Specific proposed actions provided below are part of the overall strategy to contribute to achieving the above objectives, and support the achievement of the strategic targets detailed in the Dubbo 2040 Community Strategic Plan.

Objective	What will we do?	Why?
1. Achieve operating surpluses	1.1 Identify budget expenditure reductions	<p>1.1.1 In response to the financial challenges highlighted in this LTFP, each Division within Council undertook a review of its current expenditure when preparing the 2021/2022 budget to identify possible opportunities to reduce budget expenditure without significant reduction in service levels.</p> <p>1.1.2 All Divisions identified potential savings in the 2021/2022 budget which flow on for each year of the Plan.</p>
2. Continuous improvement of Council's financial position	2.1 Undertake productivity improvements and initiatives	<p>2.1.1 The continued pursuit of productivity improvement over the period of the Plan is a critical component of the strategy developed to deliver financial sustainability.</p> <p>2.1.2 Dubbo Regional Council is committed to a process of continuous improvement and it is considered that this process will continue to deliver productivity improvement that will contribute toward addressing the funding gap.</p>
3. Maintain a positive, unrestricted cash and investment balance	3.1 Review utilisation of internally restricted assets	<p>3.1.1 At the end of the 2020/2021 financial year, Council estimates a total of \$55 million will be held as general fund internally restricted assets. These restricted assets are set aside for specific purposes such as future capital replacement programs, future asset maintenance, property development requirements and Council business operations.</p> <p>3.1.2 Other restrictions, such as the employee entitlements restricted asset, are used to cover fluctuations in expenditure. As a result of the development of the Dubbo 2040 Community Strategic Plan and the supporting Resourcing Strategy (in particular, the Interim Asset Management Strategy), Council now has a greater degree of confidence in the amount of and timing of forecasts for major expenditure. This has provided an opportunity to review the level of restricted assets set aside for these purposes.</p> <p>3.1.3 The review undertaken, in conjunction with the preparation of the 2020/2021 budget, identified projects that had funding held as a restricted asset and, where appropriate, these works have been included in future budgets.</p>

Objective	What will we do?	Why?
4. Maintain and/or improve service levels	4.1 Asset Rationalisation Program	<p>4.1.1 Council will continue to review its property holdings to identify under-utilised assets or assets that were not contributing to the achievement of strategic goals.</p> <p>4.1.2 Divesting of these assets will provide an opportunity to redirect funds to facilities requiring additional funding. A number of properties that met the above criteria were identified and an Asset Rationalisation Program developed.</p>
	4.2 Provide a robust Infrastructure Contributions System	<p>4.2.1 Developer Contributions are an important source of funding for new infrastructure (eg urban roads, car parking, stormwater, water supply, sewerage services, public open space and recreation facilities) required to meet the increased demand for these facilities generated by population growth.</p> <p>4.2.2 Given the population growth that is forecast over the next 10 years and beyond, it is critical that Council's Infrastructure Contributions System recognises this growth.</p>
5. Increase funding for asset maintenance and renewal	5.1 Asset Management Enhancement Program	<p>5.1.1 An asset enhancement initiative is to be undertaken to:</p> <ul style="list-style-type: none"> • Refine cost estimates to bring assets to an appropriate condition, and • Clearly define service levels for all assets. <p>This will ensure more accurate forecasts are available for long term financial planning.</p>
	5.2 Loan funding	<p>5.2.1 The financial strategies developed to deliver financial sustainability include the utilisation of a number of funding sources to fund new capital works. The funding sources include a combination of rates revenue, restricted assets, grants, developer contributions, other contributions and proceeds from any asset rationalisation program.</p> <p>In addition to the above sources of funds, the use of loan funds could be used to fund long-lived infrastructure assets where it can be justified that the loans can be serviced over the period of the loan and that Council's targeted maximum debt service ratio is not exceeded.</p> <p>The use of loans spreads the financing cost of an asset over a long period of time and provides an alternative to a larger increase in rates in the short to medium term to meet the demand for additional facilities and other required capital works.</p> <p>The use of loans enables the cost of long-lived assets to be shared between current and future users and therefore supports the concept of inter-generational equity.</p>

Objective	What will we do?	Why?
	5.3 Government grants	5.3.1 Council will continue to actively pursue grants that may be available for both operating and capital purposes. The Plan does not include expenditure that may be grant-funded, unless the grant has already been formally approved. Additional items will be included as and when grants are sourced.
	5.4 Internally Restricted Asset requirements	<p>5.4.1 As indicated above, given the nature and diversity of the activities undertaken by Council, it is considered a prudent financial strategy to set aside internally restricted assets to cover fluctuations in certain expenditure items and provide for contingencies.</p> <p>5.4.2 The financial strategy developed includes the setting aside of restricted assets for employee leave entitlements and property development, as well as plant replacement, future asset maintenance and improvement to facilities and business operations.</p>
6. Maintain a fair and equitable rating structure	Rates – Special Variation	<p>6.1.1 Total Ordinary (General) Rates are proposed to increase by 2.0% in 2021/2022 in accordance with the rate pegging limit as determined by the IPART (refer to page 11). As required under legislation, the 2021/2022 draft Budget and Fees and Charges have been prepared on the basis of a harmonised rating structure between the former Dubbo City and Wellington Councils.</p> <p>It is considered that after identifying the above components, an increase in rates via a special variation to general income could also be a key component of any financial strategy to deliver financial sustainability in the long term.</p>

The achievement of Council's financial strategies and associated actions will be reported annually in Council's Annual Reporting processes.



FINANCIAL MODELLING ASSUMPTIONS

The LTFP is based on a number of planning assumptions which were used to model and formulate the Plan. The key planning assumptions considered in the development of the LTFP are detailed below.

Property/Economic Growth

Property growth impacts on Council's financial performance by increasing rate revenue as a result of the increased number of rateable assessments. It is important to note however, that the increase in rate revenue resulting from property growth is generally not in direct proportion to the increase in the number of rateable properties.

Inflation/Consumer Price Index (CPI)

Forecast CPI is used as the inflator for the following items in Council's financial modelling:

- All revenue (excluding rates revenue)
- Operating expenditures excluding salary and employment overheads. However, where an expenditure item is identified as increasing by more than the CPI (electricity, insurances, etc), these additional increases have been factored into expenditure projections.

Productivity Improvements and Initiatives

Dubbo Regional Council is committed to a process of continuous improvement and organisational development. It is considered that this process will continue to deliver productivity improvements that will contribute towards addressing any funding gap created by a growth in population. While a number of initiatives have been identified for either implementation or investigation in the short term, it is more difficult to identify specific initiatives in the medium to long term given that many of those initiatives will be made possible by new processes and technologies which are yet to be developed.

Major Projects

One of the key outputs of Council's asset management planning is a capital expenditure program that is based on the outcomes of the Dubbo 2040 Community Strategic Plan and asset lifecycle modelling. The capital expenditure program totals

\$210M over the next four years. This covers new infrastructure, currently scheduled renewal works and additional renewal works required to maintain Council's infrastructure assets in a satisfactory condition.

The Community Strategic Plan identified that the community expects current infrastructure to be maintained in a satisfactory condition. The 10 year projections are based on maintaining current facilities and infrastructure, with the majority of new projects relating to Grant Fund Projects.

Rate Peg Increases in Rates

Council's capacity to generate rate income is controlled through rate pegging. Rate pegging (set by the Independent Pricing and Regulatory Tribunal (IPART)) caps the percentage by which Council can increase its overall annual rate revenue. The rate peg announced by IPART for 2021/2022 is 2.0%. Estimates for future rating revenue has been set at between 2.0% – 2.5%.

Ordinary Rates

The rating structure is reviewed annually and has been harmonised in the 2021/2022 budget to ensure an equitable distribution among ratepayers. It is of note that the change to the structure does not equate to additional income to Council but a redistribution of the rating liability of the different property types.

Domestic Waste Management Charge

The Local Government Act, 1993 requires that Domestic Waste Management Charges must reflect the reasonable cost of providing the service. The Domestic Waste Strategy is supported by a 10 year financial strategy, as part of the LTFP, which determines the annual charge. The forecast increase in the charges has been set in accordance with the Strategy.

Drainage Service Charge

Council levies a drainage service charge. Revenue generated from this charge will continue to fund stormwater improvements and the management of urban stormwater in the local government area. This

charge is subject to rate pegging and as a result, Council has no scope to increase the charge in line with inflation or any other cost increase.

Water Charges

Water charges are set to enable Council to operate and maintain the water supply service. Charges are set to meet the Best Practice Pricing guidelines. Harmonisation of Council water charges will be complete in the 2022/2023 budget. Charges consist of two components; a fixed annual access charge based on meter size and a consumption charge based on actual water consumed. Modelling has focused on consumption and future capital requirements to determine increases to be applied to future charges.

Sewer and Trade Waste Charges

Sewer charges are set to enable Council to operate and maintain a sewerage service. Harmonisation of the former Council charges will be complete in the 2022/2023 budget. An annual charge is levied for residential properties while non-residential properties are charged on a quarterly basis, based on a discharge factor. Trade waste charges are applied in accordance with the Liquid Trade Waste Regulation and fees in accordance with Council's Trade Waste Policy.

User Charges and Fees

Council reviews the basis for its user charges and fees each year and it is assumed the pricing forecasts will increase at least in line with inflation.

Two categories of fees:

- Regulatory – The Council has no discretion to determine the amount of a fee for service when the amount is fixed by regulation or by another authority, and
- Discretionary – Council has the capacity to determine.

User charges and fees include child care fees, fees for use of Council facilities including the airport, livestock markets, theatre, cemetery fees and fees for private works undertaken. They also include statutory and regulatory fees, specific charges for water and sewer, and other waste services. No significant new user charge or fee opportunities have been identified as part of the development of the Dubbo 2040 Community Strategic Plan.

Grants and Contributions

In reviewing grants and contributions, it is considered prudent not to forecast an increase, other than for CPI, over the period of the Plan. It is unlikely that there will be any increase in grants or provision of new grants, for current services. Grants other than the Financial Assistance Grant are tied to particular purposes and projects, therefore any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

Developer Contributions Plans, in addition to Planning Agreements aim to generate contributions that will support the provision of new community infrastructure at current standards.

Interest

Forecast returns on Council's investment portfolio are based on budgeted funds available for investment, current investment rates and the impact on rates of the situation in international markets, in accordance with Council's Investment Strategy. Given the market, a conservative approach has been taken to investment returns in the Plan.

Employee Costs

Salary and wage increases for the forecast period are based on the Local Government (State) Award increase plus an allowance for skill step progressions with the implementation of a new salary system. Accordingly, an amount of 4% has been allocated for 2021/2022 and for each subsequent year of the Plan.

Employee costs consist of salaries and wages, employee leave entitlements, Council's contribution to superannuation schemes, workers' compensation insurance, fringe benefits tax and employee training costs. The base year (2021/2022) employee costs are calculated based on actual rates of pay. The projections include employee on-costs for each employee as well as an allowance for known overtime.

Forecast employee costs have been adjusted to reflect any identified changes in staff numbers, as well as growth in staff numbers required to satisfy increased service levels. As part of its financial strategy, Council sets aside a restricted asset to enable any spikes in employee leave entitlements, particularly resulting from the retirement or resignation of long term employees, to be funded.

Borrowing Costs

In the financial modelling scenarios detailed below, the strategy to address identified funding gaps includes the raising of loans to fund, or part-fund, some of the capital projects included in the capital expenditure program. It has been assumed that future loans will be for a 20 year term and interest rates will be fixed.

Materials, Contracts and Other Operating Costs

Expenditure on materials, contracts and other operating costs has been generally based on CPI. The exceptions to this are expenditures that are either (i) not recurrent every year, (ii) have been identified as increasing by an amount different to CPI, or (iii) are a result of increased services or service levels.

Capital Expenditure

As indicated previously, one of the key outputs of Council's asset management planning is a capital expenditure program based on the outcomes of the Dubbo 2040 Community Strategic Plan and asset lifecycle modelling. The outputs of that capital expenditure program have been incorporated into the LTFP, along with funding options to support the Plan, including proceeds from the sale of assets.

The complete detailed capital expenditure program is included in the Operational Plan Capital Works Program for the next four years.

TABLE OF ASSUMPTIONS

	2021/2022	2022/2023	2023/2024	2024/2025	Years 5 - 10
Consumer Price Index	2.50%	2.50%	2.50%	2.50%	2.50%
Rate pegging limited	2.00%	2.00%	2.00%	2.00%	2.00%
Additional rate income from development	0.30%	0.30%	0.30%	0.30%	0.30%
Stormwater management charge	2.00%	2.00%	2.00%	2.00%	2.00%
Domestic waste charge revenue	3.00%	3.00%	3.00%	3.00%	3.00%
Water user fees and charges	2.50%	2.50%	2.50%	2.50%	2.50%
Sewer services user fees and annual charges	2.50%	2.50%	2.50%	2.50%	2.50%
User fees and charges revenue	2.50%	2.50%	2.50%	2.50%	2.50%
Interest revenue	1.00%	1.00%	1.00%	1.00%	1.00%
Other revenues	2.50%	2.50%	2.50%	2.50%	2.50%
Operating grants and contributions	2.00%	2.00%	2.00%	2.00%	2.50%
Employee costs	4.00%	4.00%	4.00%	4.00%	4.00%
Borrowing costs	Actual	Actual	Actual	Actual	Actual
Material and contracts	2.00%	2.00%	2.00%	2.00%	2.00%
Depreciation	0.00%	0.00%	0.00%	0.00%	0.00%
Other expenses	2.50%	2.50%	2.50%	2.50%	2.50%



RISKS TO OUR FINANCIAL POSITION

Long term financial plans are inherently uncertain with a wide range of assumptions, including assumptions about interest rates and the potential effect of inflation on revenue and expenditure. Some of these assumptions have a relatively limited impact if they are wrong; others can have a major impact on future financial plans. By assessing risks associated with assumptions made within the Plan, sensitivity scenarios can be considered. The LTFP is updated annually to ensure the assumptions and projections are based upon the latest information available.

Rate Pegging

Changes in rate pegging will impact revenue forecasts. Rate pegging is aligned to the Local Government Cost Index developed by IPART each year.

Changes in Economic Conditions and Investment Markets

Changes in inflation will impact both revenue and expenditure.

Cost Shifting

Cost shifting describes a situation where the responsibility for, or the cost of, providing a certain service, concession, facility or regulatory function is shifted from a higher level of government without the provision of corresponding funding or an ability to raise revenue to adequately fund the shifted responsibility. Cost shifting to local government from both federal and state governments is an issue of significant concern to NSW councils.

Contributions to the NSW Fire Brigade, Bushfire Council, lack of adequate funding for public libraries, the cost of regulation of companion animals and administration of environmental regulations, are all examples of cost shifting that impact on Council's financial performance. These place additional pressure on its financial sustainability.

Should federal and state governments continue to transfer responsibility and associated costs for service provision to local government, this will have a negative impact on Dubbo Regional Council's current financial position.

Grant Funding

Increases in capital grant funding over forecasts reduces Council's ability to deliver on planned Council-funded capital works but can also accelerate planned projects.

Changes in Employee Costs and Liability Conditions

Forecast employee costs have been adjusted to reflect any identified changes in staff numbers, as well as growth in staff numbers required to satisfy increased service levels. As part of its financial strategy, Council sets aside a restricted asset to enable any spikes in employee leave entitlements, particularly resulting from the retirement or resignation of long servicing employees, to be funded.

Changes in Future Community Service and Infrastructure Demands

Assumptions have been made on the current Community Strategic Plan and Interim Asset Management Strategy. With future community engagement, this may alter current services levels and require adjustments to future LTFPs and funding requirements.

Conditions of Infrastructure Assets and Ageing

The identified shortfall in infrastructure renewal expenditure and a substantial backlog in infrastructure spending is a major issue facing local government. This is primarily due to limited funding opportunities available in addition to diverse and increasing demands on Council resources.

The development of asset management plans has confirmed that Dubbo Regional Council's infrastructure continues to deteriorate and that current levels of maintenance and renewal fall short of that required to maintain some assets in a satisfactory condition. This infrastructure challenge places further pressure on Council's ability to remain financially sustainable in the long term.

COVID-19

At the time of preparing this Long Term Financial Plan the financial impacts of the COVID-19 pandemic are still being felt across the whole community. Council is not immune to these financial impacts and it is expected that the financial impact will be across both 2021/2022 and 2022/2023 financial years. Due to the long term nature of this document it remains drafted on the basis of a COVID-19 recovery. This provides the necessary alignment with the draft 2021/2022 budget.



FINANCE PERFORMANCE MEASURES AND SCENARIOS

The Integrated Planning and Reporting Guidelines require financial modelling for scenarios to be included in the LTFP. This LTFP brings the budget, resourcing and asset management components together to inform the community of the financial implications of the activities and the level of service outlined in the Dubbo 2040 Community Strategic Plan.

The adopted scenario is based on ordinary rates increasing by the forecast rate peg limit each year. Future modelling will require the formulation of strategies to investigate a combination of loan borrowings, increased revenues, reduced expenditure and efficiency measures to meet identified future

infrastructure backlog projects.

Another scenario relates to the funding of major transport, water supply, sewerage services and stormwater drainage infrastructure works to cater for growth. The financial implications are substantial, particularly when considered in conjunction with infrastructure backlog issues currently being investigated.

The 2021/2022 budget is based on current revenue and expenditure patterns to enable the community expectations, as determined in the Community Strategic Plan, to be undertaken.

	TARGET
Operating Performance Ratio: Council's ability to contain operating expenditure within operating revenue.	>0.00%
Own-Source Operating Revenue: The degree of reliance on external funding sources such as operating grants and contributions and its ability to generate own-source revenue.	>60%
Unrestricted Current Ratio: The purpose of the Unrestricted Current Ratio is to assess the adequacy of working capital and its ability to satisfy financial obligations in the short term for the unrestricted activities of Council.	>1.5
Debt Service Ratio: The debt service ratio is a measure of the degree to which revenues are committed to servicing debt. The purpose of the ratio is to assess the impact of loan principal and interest repayments on the discretionary revenue of Council.	>2.00
Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage: The rates and annual charges outstanding percentage is a measure of the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	<5.00%
Cash Expense Ratio: Indicates the number of months Council can continue to pay expenses without additional cash inflow.	>3 months

Dubbo Regional Council
10 Year Financial Plan for the Years ending 30 June 2031
INCOME STATEMENT - CONSOLIDATED

Projected Years

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	68,303,012	69,895,478	71,525,513	73,193,087	75,022,914	76,898,487	78,820,949	80,791,473	82,811,260	84,881,541
User Charges & Fees	43,878,284	46,000,716	48,706,144	48,743,558	49,962,147	51,211,201	52,491,481	53,803,768	55,148,862	56,527,583
Interest & Investment Revenue	2,484,947	1,981,207	1,900,613	2,035,028	2,085,904	2,138,051	2,191,503	2,246,290	2,302,447	2,360,009
Other Revenues	2,543,970	2,226,456	2,022,744	2,053,465	2,104,802	2,157,422	2,211,357	2,266,641	2,323,307	2,381,390
Grants & Contributions provided for Operating Purposes	21,278,552	20,763,027	20,595,532	20,813,480	21,333,817	21,867,162	22,413,841	22,974,188	23,548,542	24,137,256
Grants & Contributions provided for Capital Purposes	18,386,990	9,725,610	7,935,739	7,977,621	8,057,397	8,137,971	8,219,351	8,301,544	8,384,560	8,468,405
Other Income:										
Net gains/(loss) from the disposal of assets	2,600,260	2,628,644	6,133,339	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total Income from Continuing Operations	159,476,015	153,221,138	158,823,624	155,316,239	159,066,981	162,910,294	166,848,482	170,883,904	175,018,978	179,256,184
Expenses from Continuing Operations										
Employee Benefits & On-Costs	45,506,128	48,004,885	50,394,209	52,899,386	55,015,361	57,215,976	59,504,615	61,884,800	64,360,192	66,934,599
Borrowing Costs	3,129,824	2,793,554	2,487,163	2,203,632	2,104,527	1,817,655	1,601,671	1,370,149	1,167,726	951,083
Materials & Contracts	39,544,722	38,362,680	38,749,934	38,892,664	39,670,517	40,463,928	41,273,206	42,098,670	42,940,644	43,799,457
Depreciation & Amortisation	44,135,922	44,135,922	44,135,922	44,135,922	44,428,222	44,722,457	45,018,641	45,316,787	45,616,907	45,919,015
Other Expenses	16,367,579	15,462,590	15,817,900	16,991,305	17,416,088	17,851,490	18,297,777	18,755,221	19,224,102	19,704,705
Total Expenses from Continuing Operations	148,684,175	148,769,631	151,585,128	155,122,909	158,634,715	162,071,505	165,695,910	169,425,627	173,309,570	177,308,858
Operating Result from Continuing Operations	10,791,840	4,461,507	7,238,496	193,330	432,265	838,789	1,152,572	1,458,277	1,709,408	1,947,326
Net Operating Result for the Year	10,791,840	4,461,507	7,238,496	193,330	432,265	838,789	1,152,572	1,458,277	1,709,408	1,947,326

Dubbo Regional Council
10 Year Financial Plan for the Years ending 30 June 2031
BALANCE SHEET - CONSOLIDATED

Projected Years

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ASSETS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets										
Cash & Cash Equivalents	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Investments	153,112,798	151,566,641	157,689,354	161,349,971	161,193,809	160,803,935	160,022,868	159,756,144	159,024,834	158,081,339
Receivables	13,925,972	13,483,831	13,667,456	13,832,634	14,215,803	14,577,969	14,946,441	15,336,120	15,732,272	16,139,461
Inventories	3,210,331	3,166,678	3,180,980	3,186,251	3,214,977	3,244,278	3,274,164	3,304,649	3,335,743	3,367,459
Other	933,735	898,882	911,283	933,262	953,346	973,867	994,835	1,016,260	1,038,151	1,060,519
Total Current Assets	174,182,836	172,116,032	178,449,073	182,302,118	182,577,936	182,600,050	182,238,309	182,413,173	182,130,999	181,648,778
Non-Current Assets										
Investments	51,037,599	50,522,214	52,563,118	53,783,324	61,142,479	68,915,972	77,048,048	86,022,539	95,414,900	105,387,559
Receivables	634,624	646,906	663,127	676,260	697,044	710,496	724,185	738,115	752,289	766,710
Inventories	3,857,055	3,857,055	3,857,055	3,857,055	3,857,055	3,857,055	3,857,055	3,857,055	3,857,055	3,857,055
Infrastructure, Property, Plant & Equipment	2,436,469,350	2,443,299,970	2,442,261,725	2,438,457,456	2,434,944,944	2,431,729,466	2,428,816,382	2,426,211,137	2,423,919,257	2,421,946,357
Investments Accounted for using the equity method	1,682,227	1,682,227	1,682,227	1,682,227	1,682,227	1,682,227	1,682,227	1,682,227	1,682,227	1,682,227
Other	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000
Total Non-Current Assets	2,494,175,854	2,500,503,372	2,501,522,252	2,498,951,322	2,502,818,749	2,507,390,216	2,512,622,897	2,519,006,073	2,526,120,728	2,534,134,907
TOTAL ASSETS	2,668,358,691	2,672,619,404	2,679,971,325	2,681,253,440	2,685,396,684	2,689,990,265	2,694,861,206	2,701,419,246	2,708,251,727	2,715,783,685
LIABILITIES										
Current Liabilities										
Payables	10,953,338	10,561,136	10,564,537	10,677,133	10,831,309	10,988,600	11,146,788	11,346,868	11,549,770	11,768,244
Income received in advance	1,021,290	1,060,998	1,116,036	1,117,535	1,145,473	1,174,110	1,203,462	1,233,549	1,264,388	1,295,997
Borrowings	5,983,694	6,230,139	5,463,256	3,064,886	3,184,108	3,384,730	2,211,991	2,361,798	2,089,712	2,221,000
Provisions	13,384,493	13,735,572	14,119,531	14,537,190	14,989,394	15,477,006	16,000,910	16,562,014	17,161,249	17,799,567
Total Current Liabilities	31,342,815	31,587,845	31,263,359	29,396,744	30,150,283	31,024,446	30,563,152	31,504,229	32,065,119	33,084,808
Non-Current Liabilities										
Payables	2,592	2,448	2,505	2,690	2,758	2,827	2,897	2,970	3,044	3,120
Borrowings	39,866,445	33,636,306	28,173,050	25,108,164	21,924,056	18,539,326	16,327,335	13,965,537	11,875,825	9,654,825
Provisions	5,137,256	5,150,329	5,164,626	5,180,179	5,197,017	5,215,174	5,234,683	5,255,577	5,277,890	5,301,659
Total Non-Current Liabilities	45,006,293	38,789,084	33,340,181	30,291,033	27,123,831	23,757,327	21,564,915	19,224,083	17,156,759	14,959,604
TOTAL LIABILITIES	76,349,107	70,376,928	64,603,540	59,687,777	57,274,115	54,781,773	52,128,067	50,728,312	49,221,878	48,044,412
Net Assets	2,592,009,583	2,602,242,476	2,615,367,785	2,621,565,663	2,628,122,570	2,635,208,493	2,642,733,139	2,650,690,934	2,659,029,849	2,667,739,273
EQUITY										
Retained Earnings	2,303,440,315	2,307,901,822	2,315,140,318	2,315,333,648	2,315,765,913	2,316,604,702	2,317,757,274	2,319,215,551	2,320,924,958	2,322,872,284
Revaluation Reserves	288,569,269	294,340,654	300,227,467	306,232,016	312,356,657	318,603,790	324,975,866	331,475,383	338,104,891	344,866,988
Total Equity	2,592,009,583	2,602,242,476	2,615,367,785	2,621,565,663	2,628,122,570	2,635,208,493	2,642,733,139	2,650,690,934	2,659,029,849	2,667,739,273

Dubbo Regional Council
10 Year Financial Plan for the Years ending 30 June 2031
CASH FLOW STATEMENT - CONSOLIDATED

Projected Years

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	68,304,988	69,822,268	71,450,173	73,133,888	74,939,200	76,850,660	78,772,407	80,742,210	82,761,270	84,830,819
User Charges & Fees	42,320,310	45,757,698	48,396,372	48,739,274	49,822,619	51,068,184	52,344,889	53,653,511	54,994,849	56,369,720
Interest & Investment Revenue Received	2,811,241	1,989,053	1,794,051	1,962,730	1,984,988	2,035,010	2,088,196	2,127,960	2,183,970	2,236,967
Grants & Contributions	45,980,082	30,905,312	34,130,551	28,668,764	29,190,389	29,735,900	30,295,303	30,868,958	31,457,222	32,060,470
Other	3,250,149	2,588,691	2,281,121	2,024,023	2,080,132	2,132,136	2,185,440	2,240,077	2,296,080	2,353,482
Payments:										
Employee Benefits & On-Costs	(44,157,210)	(46,919,428)	(49,312,494)	(51,813,709)	(53,942,995)	(56,140,715)	(58,426,343)	(60,803,397)	(63,275,533)	(65,846,554)
Materials & Contracts	(35,794,579)	(38,653,968)	(38,645,057)	(38,686,592)	(39,506,256)	(40,296,040)	(41,101,611)	(41,923,285)	(42,761,383)	(43,616,234)
Borrowing Costs	(3,338,363)	(2,971,270)	(2,672,198)	(2,365,891)	(2,195,554)	(1,912,223)	(1,702,197)	(1,435,845)	(1,237,872)	(1,013,148)
Other	(16,367,579)	(15,462,590)	(15,817,900)	(16,991,305)	(17,416,088)	(17,851,490)	(18,297,777)	(18,755,221)	(19,224,102)	(19,704,705)
Net Cash provided (or used in) Operating Activities	63,009,038	47,055,766	51,604,620	44,671,182	44,956,434	45,621,423	46,158,306	46,714,967	47,194,501	47,670,818
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	27,266,296	4,123,084	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,250,059	1,151,121	2,341,487	3,189,210	3,202,924	3,216,696	3,230,528	3,244,419	3,258,370	3,272,381
Payments:										
Purchase of Investment Securities	-	-	(8,163,617)	(4,880,822)	(7,202,994)	(7,383,619)	(7,351,008)	(8,707,768)	(8,661,050)	(9,029,164)
Purchase of Infrastructure, Property, Plant & Equipment	(85,696,487)	(46,346,278)	(39,552,351)	(37,516,314)	(37,891,477)	(38,270,392)	(38,653,096)	(39,039,627)	(39,430,023)	(39,824,323)
Net Cash provided (or used in) Investing Activities	(57,180,132)	(41,072,073)	(45,374,481)	(39,207,926)	(41,891,548)	(42,437,315)	(42,773,576)	(44,502,975)	(44,832,703)	(45,581,106)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(5,828,905)	(5,983,694)	(6,230,139)	(5,463,256)	(3,064,886)	(3,184,108)	(3,384,730)	(2,211,991)	(2,361,798)	(2,089,712)
Net Cash Flow provided (used in) Financing Activities	(5,828,905)	(5,983,694)	(6,230,139)	(5,463,256)	(3,064,886)	(3,184,108)	(3,384,730)	(2,211,991)	(2,361,798)	(2,089,712)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	-	-	-	-	-	-	-	-	-
plus: Cash, Cash Equivalents & Investments - beginning of year	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Cash & Cash Equivalents - end of the year	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

Cash & Cash Equivalents - end of the year	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Investments - end of the year	204,150,397	202,088,855	210,252,472	215,133,294	222,336,289	229,719,908	237,070,916	245,778,683	254,439,734	263,468,898
Cash, Cash Equivalents & Investments - end of the year	207,150,397	205,088,855	213,252,472	218,133,294	225,336,289	232,719,908	240,070,916	248,778,683	257,439,734	266,468,898

Dubbo Regional Council
10 Year Financial Plan for the Years ending 30 June 2031
EQUITY STATEMENT - CONSOLIDATED

	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	2,575,559,522	2,592,009,583	2,602,242,476	2,615,367,785	2,621,565,663	2,628,122,570	2,635,208,493	2,642,733,139	2,650,690,934	2,659,029,849
a. Current Year Income & Expenses Recognised direct to Equity										
- Transfers to/(from) Asset Revaluation Reserve	5,658,221	5,771,385	5,886,813	6,004,549	6,124,640	6,247,133	6,372,076	6,499,517	6,629,508	6,762,098
Net Income Recognised Directly in Equity	5,658,221	5,771,385	5,886,813	6,004,549	6,124,640	6,247,133	6,372,076	6,499,517	6,629,508	6,762,098
b. Net Operating Result for the Year	10,791,840	4,461,507	7,238,496	193,330	432,265	838,789	1,152,572	1,458,277	1,709,408	1,947,326
Total Recognised Income & Expenses	16,450,061	10,232,892	13,125,309	6,197,879	6,556,906	7,085,922	7,524,648	7,957,794	8,338,915	8,709,424
Equity - Balance at end of the reporting period	2,592,009,583	2,602,242,476	2,615,367,785	2,621,565,663	2,628,122,570	2,635,208,493	2,642,733,139	2,650,690,934	2,659,029,849	2,667,739,273

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