



BLAYNEY SHIRE COUNCIL

LONG TERM FINANCIAL PLAN (LTFP)

2014/15 – 2023/24

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PREFACE

THE PATH TO FINANCIAL SUSTAINABILITY

In June 2012 Council adopted a Financial Strategy to provide direction and context for decision making in the allocation, management and use of Council's financial resources. The Strategy set the parameters within which Council would operate to ensure that Council remained financially stable. The strategy seeks to ensure that Council lives within its means while stating the need to develop actions in consultation with its community to move towards sufficient infrastructure works (maintenance and renewal) to ensure that service levels do not diminish and intergenerational equity is maintained. The strategy also seeks to ensure that Council has sufficient cash flows to remain financially sustainable over the life of the Long Term Financial Plan.

Council's Projected Financial Position

Council's Financial Sustainability Rating is **moderate** while its short to medium term financial capacity is considered to be **negative** with a by the NSW Treasury Corporation ('T-Corp') (2012). Council has:

- a large portfolio of operational and community assets,
- balanced cash flows over 10 years,
- a positive financial asset position within low levels of debt, and
- strong cash holdings that provide capacity to manage normal variations in operational performance or provide opportunity for future investment.

The key to long term financial viability, however, is the operational performance of an organisation. Based on current funding levels Council's pre-capital operating forecast continues to be in deficit around \$2M per annum over the next 10 years after allowing for achievement of the savings program. Furthermore there is a significant underinvestment in asset renewals leading to a growing larger gap in asset backlog– a clearly unsustainable position.

The longer term outlooks shows little sign of improvement. Whilst Council continues with its attempts to increase funds available for capital works, the consumption of assets (depreciation) continues to outstrip the funding available for renewal.

TCorp considers these issues to be significant and could impact the long term financial sustainability of Council. Further ongoing cost controls or securing new or additional revenue in future years is recommended by TCorp to address these issues.

The Division of Local Government (DLG) who has an oversight and monitoring responsibility for local government performance in New South Wales, has also indicated that Council needs to more strongly demonstrate how it intends to achieve financial sustainability over the longer term through its Resourcing Strategy. Council's existing Resource Strategy recognises the asset dilemma faced and that the challenge will require us to either increase our revenue, or make concessions on our services or levels of service.

How we begin to take this issue

Council's endorsed Delivery Plan identifies a deliverable to:

'Maintain a stable and secure financial structure for Council.' (DP6.2.3).

Guidelines set by the Independent Pricing and Regulatory Tribunal (IPART) indicate Councils need to have the conversation with their community about any rates increases in the context of its Delivery Program, Resourcing Strategy and Operational Plans.

Community involvement is required in determining the service levels that are appropriate for the community's needs, and the community's capacity and willingness to pay increased rates.

This revised document reflects an approach and options to address Council's Financial Sustainability. The program includes actions which see a continuation of efficiency gains, improving revenue streams where feasible and consideration of services and service levels. Rates increases are part of the picture and are one measure amongst a range of other actions to improve the long term viability of the Council. Current and proposed additional actions include:

- service and operational reviews and adjustments – such reviews would consider service levels, pricing and productivity measures,
- internal budget harvesting, centrally controlling some expenditure and setting revised revenue and expenditure parameters,
- staff structures, establishment levels and delivery methods,
- continued redistribution of capital funds into renewal rather than creation of new assets,
- fees for services,
- asset rationalisation,
- review of subsidisation, grants and donations,
- entrepreneurial and shared service options,
- preparation for potential rate increase application.

How we involve the community

It is far better that these actions happen now to curb the trend toward longer term decline, and to minimise any impact on services to the community. It is important the community are informed of the longer term financial position of the Council, and that they are involved in decisions made about actions to manage it.

Council will continue to review its Delivery Program, Resourcing Strategy and Operational Plan (including Budget) to factor in a financially sustainable target for the organisation and to ensure our operating budget is in balance yet work towards addressing the asset backlog while keeping '*Intergenerational Equity*' with maintenance of our assets. Strategies to achieve this must be affirmed with the community, and the conversation has started and will need to commence again almost immediately.

Council will continue to work with the community in addressing this dilemma.

CONSULTATION AND COMMUNICATION

A financial sustainability target has been set as part of Council's Integrated Planning and Reporting documents and further consultation around financial sustainability will feed into community engagement processes for the Delivery Program, Resourcing Strategy and Operational Plan.

Engagement will need to result in a position from the community on how Council is to achieve long term financial sustainability. The conversation with the community is likely to be iterative to consider community views on services and willingness to pay or seek alternatives to funding priorities. Council has resolved to present further SRV proposals to the community as resolved at its November 2013 meeting.

THE FIRST PHASE OF OUR PATH TO FINANCIAL SUSTAINABILITY

The Process

Over the last 18 months Blayney Shire Councillors and the staff have been undertaking a detailed review of the future direction of Council and the level of services required, to ensure that the Shire roads, bridges, buildings, parks and ovals and community service levels are maintained at a high level. Council's review has recently been confirmed at village meetings and by the community survey that was undertaken where the respondents identified that roads, bridges, and recreational facilities are a high priority to this community.

Based on the resolution of Council at its meeting held 11 November 2013 (shown below), Council has undertaken a detailed review of its assets and has inspected the bridges, the roads, footpaths and buildings to identify unfunded maintenance works. This review is part of the Integrated Planning and Reporting (IP&R) requirements of the NSW Government and has required Councillors to take a detailed look at the organisation and to ensure that it is heading in the direction that residents, identified in the development of the IP&R (community direction) documents. Under these rules, Council is going to the community to seek advice on the revised ten year program that acknowledged what the community wanted and to provide advice to the community on the delivery of those items, review the conditions of its assets (roads, bridges, footpaths, buildings etc.), to determine its workforce and to produce a budget that could fund the works and services for ten years.

The work undertaken in the review of the assets, budgets and the IP&R documents has highlighted that Council due to rate pegging over many years has fallen behind in what it can afford. Without a Special Rate Variation (SRV) we will continue to fall further behind and our roads, bridges and other service areas will continue to deteriorate and become unusable.

The Council has undertaken consultation with the community about introducing a Special Rate Variation (SRV) and has discussed the acceptable level the community can afford and the expected level of service they require Council to meet into the future. Council had discussed and determined that it would present to the community the basis of a SRV and to allow the community to give feedback on the level of service that they believe is acceptable. A community survey was conducted that identified service levels and item importance.

Council has also undertaken an independent review of the SRV to determine if the community can afford the SRVs proposed and to identify groups that may be disadvantaged by such an increase.

Based on the IP&R process and the independent review undertaken by the Western Research Institute at Bathurst, the following permanent SRV options were presented to the community;

1. Reduced Services Model - 3.3% being the proposed rate cap each year (current situation) for all rating categories. This is subject to variation by IPART annually and the rate cap percentage may vary from 3.3%.
2. Maintained Services Model – 10.0% per annum over 4 years (cumulative and permanent) for all rating categories which includes the rate cap proposed by IPART annually.
3. Road to Infrastructure Improvement Model -15% per annum over 6 years (cumulative and permanent) for all rating categories which includes the rate cap proposed by IPART annually.

Council has also sought a financial sustainability assessment by NSW Treasury based on the Road to Infrastructure Improvement Model.

The proposed models have been discussed with the community, and that the information has been made available to inform the residents of the limitations to future budgets around each

service model. The community has expressed an expectation that the elected Councillors will ensure that assets are maintained to a reasonable standard and that improvements are made to reduce long term deterioration. A SRV is required to ensure that we do not down grade assets and those services will be available to future generations.

To ensure that the Community was aware of the proposed special rate variations being considered, Council held 9 community meetings and one requested meeting with the NSW Farmers between 15 and 31 October 2013.

The community was provided with an overview of the special rate variations and Council's reasoning for consideration of the need for these. A handout was provided to all community members and the community was encouraged to ask questions on the SRV.

Council has also provided information on its website, Facebook and Twitter accounts and has included the SRV in the community newsletter posted to all ratepayers. The SRV has also been reported in the local media. Further, Council placed a rates calculator on its website to assist ratepayers to assess its impact.

Council provided attendees with the simple survey results from the village community meetings held up to 24th October that indicated:

- 45% were in favour of the 15% variation over 6 years
- 35% were in favour of the 10% variation over 4 years
- 22% were in favour of the 3.3% variation (current rate peg)
- 3% were informal

The meeting with NSW Farmers saw an overwhelming majority of attendees in favour of the 3.3% variation (current rate-peg).

The Outcome

Council considered the discussion held at the community meetings and the advice from the survey taken at the meetings at a workshop on Monday 4th November. This workshop was to consider the level of special rate variation and the report submitted by Western Research Institute as to the affordability of the rates for all people living in Blayney Shire. This has been further compared to the survey results from the community as to what they want to see for the shire and how they believe the current situation exists.

At its Ordinary meeting held 11 November 2013 Council resolved the following:

1. *That Council apply to IPART for a Special Rate Variation of 6% across all rating categories for 2 years starting 2014/2015 financial year excluding existing Special Rate Variations in place;*
2. *That Council modifies its Long Term Financial Plan to project rate increases of 6% for Farmland rate category and 10% for all other categories, excluding existing Special Rate Variations in place, for 4 years starting financial year 2016/2017;*
3. *That Council undertake a review of the rating structure to combine rate groups and review the base rate for the new rate descriptions;*
4. *That Council provide advice through the local media and councils newsletters as to the decision of Council on the special rate variation; and*
5. *That Council work with Village committees and NSW Farmers to consider, review and develop the future special rate variation from 2016/2017.*

Where the funds will be spent

Funding from the proposed permanent 2 year 6% p.a. Special Rate Variation will be focussed upon the Asset and Infrastructure Renewal programs incorporating the Willage Enhancement program

	2014/15 (\$'000)	2015/16 (\$'000)
Income		
Special Rate variation permanent 6%p.a. 2 years	147	433
Expenditure (Capital)		
Asset and Infrastructure Renewals incorporating Village Enhancement Program	147	433

Note: This Special Rate Variation is part of a longer term funding model for asset renewals. Council's Long Term Financial Plan shows more detail of this 10 year strategy. In the event that Council must deliver services under the Reduced Services model a review of loan borrowings, funding from reserves in conjunction with a service delivery review will be required.

CONCLUSION

Financial Sustainability is a key focus for local government reform. Council has recognised the need to address our long term financial outlook through implementing a number of measures in the past, including a Financial Sustainability Strategy. Actions in addition to our savings program are needed to achieve long term financial sustainability, to ensure that the standard of Councils public assets are fit for purpose over the medium to long term.

Council has sought to address this challenge in the short term with an approach that balances community affordability with financial sustainability for service delivery and maintenance of community assets. The following approach to financial sustainability has been proposed:

- 2 year permanent Special Rate Variation of 6% across all rate categories, excluding existing special rate variations in place.

These additional funds will assist Council to ramp up its asset renewal programs with a view to addressing the funding gap and provide for village enhancement.

Council will also seek to commence work on the next phase of its path to financial sustainability with a community engagement program consulting the community on funding and services in the medium to long term.

N.B. This page has been updated since adoption to correct the details and figures disclosed above to align with the LTFP. The figures used are forecasts available at the time and are subject to variation until adoption of the Operational Plan for the respective year.

1 INTRODUCTION

1.1 Objectives

The Long Term Financial Plan (LTFP) is a requirement under the Integrated Planning and Reporting framework for NSW Local Government. Council's long term financial plan provides a framework to assess its revenue building capacity to meet the activities and level of services outlined in its Community Strategic Plan.

Blayney Shire Council's LTFP seeks to:

- establish greater transparency and accountability of Council to the community;
- provide an opportunity for early identification of financial issues and any likely impacts in the longer term;
- provide a mechanism to:
 - solve financial problems as a whole
 - see how various plans fit together
 - understand the impact of some decisions on other plans or strategies;
- provide a means of measuring Council's success in implementing strategies; and,
- confirm that Council can remain financially sustainable in the longer term.

1.2 Timeframe

The Division of Local Government has set the minimum timeframe at ten years. The Blayney Shire Council LTFP covers the time period from 2014/2015 to 2023/2024.

1.3 Structure

The LTFP is structured into seven main sections.

- Section 1:** Section 1 provides a brief introduction to the plan and the objectives it aims to meet.
- Section 2:** Planning Assumptions. This section details the financial assumptions made in developing the LTFP.
- Section 3:** Revenue Forecasts. Section 3 details the Council's major sources of revenue and the assumptions used in the forecast figures.
- Section 4:** Expenditure Forecasts. This section details the Council's major areas of expenditure and the assumptions used in the forecast figures including asset management.
- Section 5:** Sensitivity Analysis and Financial Modelling. Section 5 details the impact of various scenarios on Council's plans and looks at other variables affecting the LTFP.
- Section 6:** Performance Monitoring. This section provides a number of key performance indicators to monitor Council's performance against the plan.
- Section 7:** Appendices. (Detailed budget forecasts)

2 PLANNING ASSUMPTIONS

A long term financial plan is dependent on a number of planning assumptions. In preparing the LTFP Council considered a range of matters and made appropriate assumptions. These assumptions were used to model and formulate the plan, test a range of scenarios and have ultimately formed the basis of the agreed plan.

Some of the key variables reviewed as part of the setup of the LTFP include:

- Consumer Price Index (CPI): See table at 2.3.
- Salaries and Employee Costs: See table at 2.3.
- Investment Income: See table at 2.3.
- Rate Pegging: See table at 2.3.
- Sewer Rates: See table at 2.3.
- Waste Charges: See table at 2.3.
- Fees and Charges: See table at 2.3.
- Service Levels: Refer to Blayney Shire Council Community Strategic Plan (CSP).
- Population Growth: Given the uncertainty in population growth in regional NSW it was concluded that growth in rate revenue or in additional revenue from fees and charges given the projected size of the market was negligible. Also, any increase in revenue maybe offset against any increase in costs servicing a greater population base. As a result the LTFP has been prepared on the assumption of a constant population base.
- Economic Growth: As per above, due to uncertainties in economic growth rates in regional NSW the LTFP has been prepared on the assumption of a constant economic growth rate.

As part of the planning process Council modelled two different scenarios in the LTFP. The scenarios tested as part of the modelling process are:

- Community Informed Services Model
- Reduced Services Model

2.1 Community Informed Services Model

The 'Community Informed Services Model' is the base model used throughout this document and assumes a permanent 6% per year special rate variation across all categories (excluding current special rate variations in force) in years 2014/15 – 2015/16 and a further assumption of a permanent 6% increase per year for farming land and a permanent 10% per year across all other categories (excluding Mining Special Variation) for years 2016/17 to 2023/2024 of the plan.

All assumptions detailed in Section 3 and 4 are based on the 'Community Informed Services Model'. Please refer to the table in 2.3 for the model assumptions and key indices.

2.2 Reduced Services Model

The purpose of the 'Reduced Services Model' is to model the impact on Councils financial position if Council was not to include any new special variation over the life of LTFP. This Model incorporates a permanent special variation to the Mining rating category that commenced in the 2012/13 financial year to fund road improvements and maintenance, as well as community grants and infrastructure programs.

2.3 Summary of Key Assumptions and Indices

Assumption/Variable	Calculation Basis	LTFP %
Consumer Price Index (CPI)	NSW Treasury Corporation Forecasts	2.50%
Salaries and Employee Oncosts	Award increase 2.75% and performance based increases 0.75%	3.50%
Interest Rate Income	90 day BBSW + 0.5%	3.75% - 5.25%
Rate Pegging (General Rates Income)	Independent Pricing and Regulatory Tribunal (IPART) and Dept. Local Government Figures	2.3% - 14/15 3.00% - (Years 2-10)
Sewer Rates Income*	NSW Public Works	3.00% - 6.65%
Waste Charges Income	Based on reasonable cost estimates	8.50% - 14/15 3.00% - (Years 2-10)
Fees and Charges Income	As per wages above	3.50%

**As referenced from Strategic Business Plan for Sewerage Service (Refer 3.2.1)*

3 REVENUE FORECASTS

The major sources of revenue for councils are:

1. Rates and Annual Charges
2. User Charges and Fees
3. Grants & Contributions
4. Investment Revenue
5. Borrowings
6. Other Revenues

3.1 Rates and Annual Charges

The major component of a Councils' income is produced via the levying of rates. Blayney Shire Council is proactive and determined to produce a fair balance between rates levied on the shire population and the level of services that can be provided. The amount that is required to be raised from rating is determined after considering Councils' proposed capital works program whilst ensuring the long-term financial viability of the funds.

An additional consideration is the limitation on rates income that is set by the Minister for Local Government. This limitation is known as Rate Pegging and involves a percentage cap on the income raised from ordinary and special rates from one year to another.

Section 492 of the Local Government Act 1993 provides two types of rates: Ordinary rates and Special rates.

3.1.1 Ordinary Rates

By virtue of section 494 of the Act, Council is required to make and levy an ordinary rate for each year on all rateable land in its area. This is a mandatory requirement. Land is rated based upon the use of that land or the zoned use of that land. There are four main rating categories, within which Council can create additional sub-categories. The four broad categories provided by Section 493 of the Act are:

- Farmland
- Residential
- Business
- Mining

All rateable land is classed within one of the four categories unless it is deemed non-rateable, such as a church or school or similar institution.

3.1.2 Special Rates

Council has discretion to levy special rates. Special rates must be made pursuant to section 495 of the Local Government Act 1993 but may be levied under either section 495 or the provisions of Division 2 of Part 5 of Chapter 15 of the act. In the former instance, the special rates may be levied for works or services provided or proposed to be provided by Council (e.g. town improvement works benefiting a specific locality, tourism promotion benefiting a particular ratepayer sector) or for other specific purposes. It is important to note that these rates will usually apply to specific rating categories or specific rating areas. Special rates are also capable of application across all ratepayers. For example, all ratepayers in a Council area could be made subject to a special rate, intended to finance a project that will benefit the whole of the Council area. Special rates can also be raised to fund sewer, water supply and waste management projects.

3.1.3 Rate Pegging

Rate pegging is a term that is commonly associated with section 506 and 509 of the Local Government Act 1993. This term refers to the practice of limiting the amount of revenue a Council can raise from ordinary and special rates by setting a limit on the increase of these rates from previous years. It is important to note that this limit (in the form of a percentage cap) does not apply to an individual's rate levy but rather the total rate levies raised from ordinary and special rates. The Independent Pricing and Regulatory Tribunal (IPART) advises Councils of the allowable rate pegging limit in November/December each year.

3.1.4 Special Rate Variation

Blayney Shire Council has modelled its 10 year LTFFP with two separate special rate variations under section 508(2) and 508A of the *Local Government Act 1993*. The Model allows for (i) the continuation of the Community Centre Special Variation approved until 2017/18, however projected costs are forecast to fall below projections and is estimated to end in 2015/16. (ii) the continuation of the 2012/13 Mining only special variation, followed by a permanent (S.508A) general increase of 6% across all categories (excluding SRV's in force) for years 2014/15 – 2015/16. A further 6% for farmland and 10% across all other categories (excluding Mining SRV) for the remainder of the LTFFP. This increase is inclusive of the rate pegging limit set by IPART and will require community support and a separate application to be completed. This decision will allow the alignment of Council services within the context of the Community Strategic Plan with the forthcoming 4 year Delivery Program.

In addressing the significant gap in Council's rapidly aging infrastructure, the special variation funding will be utilised to address infrastructure backlogs and to fund infrastructure maintenance/renewal programs for roads, bridges and building infrastructure.

Without a Special Rate Variation the community will see a further and continuing deterioration in roads, footpaths, kerbing, community buildings, stormwater and various other assets.

The table below shows the additional rate revenue Council will receive each year as a result of the special rate variation assuming a permanent increase (ongoing) to Councils rate base as per section 508 of the *Local Government Act 1993*.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mining Special Var.	1,673	1,729	1,786	1,845	1,906	1,968	2,033	2,100	2,170	2,235
Community SRV	268	411	679	978	1,312	1,683	2,095	2,553	3,062	3,625
Community Centre SRV	275	275	-	-	-	-	-	-	-	-

3.2 User Charges & Fees

In accordance with Sections 496, 501 and 502 of the Local Government Act 1993, Council is able to charge for the provision of sewerage and domestic waste services.

3.2.1 Sewerage Charges

The [NSW Best-Practice Management of Water Supply and Sewerage Framework](#) requires Council to prepare and implement a sound 20 to 30 year strategic business plan and financial plan in accordance with the [NSW Water and Sewerage Strategic Business Planning Guidelines](#)

In December 2013, Council placed on public exhibition the Strategic Business Plan for Sewerage Services (SBP).

Best Practice requires the SBP be reviewed every four-five years, and provides guidance for the future management of sewerage business.

Council is currently reviewing the Typical Residential Bill (TRB), and the timing for the potential of a single TRB across both Blayney and Millthorpe. It is intended to consider the results of this review for possible implementation into the SBP review in 2017/18.

Based on the above Council has set charges to provide sufficient funds to operate and maintain sewerage services, to re-pay existing loans and to generate additional reserves to provide capital works and upgrades in the future.

For Residential Properties

A uniform sewerage charge will be applied to all residential customers in accordance with the Department of Environment, Climate Change and Water Best Practice sewer pricing guidelines.

For Non-Residential Properties

A two-part tariff, being a connection charge and a usage charge will be applied. Non-residential properties include multiple occupancies, such as non-strata flats and units, and those properties which are categorised as “business” for rating purposes.

The connection charge is determined by multiplying the access charge applicable to the water service connection size, by the sewerage discharge factor (SDF).

The usage charge is determined by multiplying the number of kilolitres of water consumed, by the SDF, and then by \$1.15.

Council will issue sewer usage charges every three months in arrears, which will be included on the rates instalment notice.

The SDF is a customer’s estimated volume discharged into the sewerage system to the customers total water consumption. For non-residential properties the SDF varies based on the usage requirements of a customer’s enterprise. For the majority of customers, a SDF is applied within one of the five levels outlined in Councils revenue policy.

3.2.2 Waste Management Charges

The Local Government Act 1993 requires that Domestic Waste Management Charges must reflect the actual cost of providing those services. The service is provided to the residents of Blayney, Millthorpe, Carcoar, Lyndhurst, Neville, Newbridge, Hobbys Yards, Barry, Forest Reefs and specific rural areas. The service includes a weekly garbage collection service and a fortnightly recycling collection service.

The Domestic Waste Strategy is supported by a ten 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 requiring a one off \$30 increase to the kerb side domestic waste service and an average of 3.5% increase throughout the remainder of the plan.

Council through Netwaste are preparing a new waste tender to commence in the 2015 – 2016 financial year that is anticipated to have an adverse impact on the LTFP. Any potential impact as a result of the above will be reflected in the domestic waste user charges.

3.2.3 Statutory Charges

Council has no discretion to determine the amount of a fee for service when the amount is fixed by regulation or by another authority. Examples of statutory fees include development assessment fees and planning certificates.

The majority of statutory charges do not increase annually in line with CPI, however for the purposes of financial modelling these fees are assumed to increase in line with CPI over the long term.

3.2.4 Average Increase for Individual Rating Categories

RESIDENTIAL - BLAYNEY (COMMUNITY INFORMED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rates										
Average General Rates	\$ 650.52	\$ 685.05	\$ 678.55	\$ 746.41	\$ 821.05	\$ 903.15	\$ 993.47	\$ 1,092.81	\$ 1,202.10	\$ 1,322.31
Percentage Increase	5.27%	5.30%	-0.94%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
\$ Increase per year	\$ 32.58	\$ 34.53	-\$ 6.50	\$ 67.86	\$ 74.64	\$ 82.10	\$ 90.32	\$ 99.35	\$ 109.28	\$ 120.21
\$ Increase per week	\$ 0.63	\$ 0.66	-\$ 0.12	\$ 1.30	\$ 1.44	\$ 1.58	\$ 1.74	\$ 1.91	\$ 2.10	\$ 2.31
Services										
Average Sewer Charges	\$ 529.00	\$ 563.00	\$ 598.00	\$ 634.00	\$ 650.00	\$ 666.00	\$ 683.00	\$ 700.00	\$ 718.00	\$ 736.00
Percentage Increase	6.65%	6.43%	6.22%	6.02%	2.52%	2.46%	2.55%	2.49%	2.57%	2.51%
Average Waste Charges	340.00	360.00	380.00	400.00	420.00	440.00	460.00	480.00	500.00	520.00
Percentage Increase	8.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Total	\$ 1,519.52	\$ 1,608.05	\$ 1,656.55	\$ 1,780.41	\$ 1,891.05	\$ 2,009.15	\$ 2,136.47	\$ 2,272.81	\$ 2,420.10	\$ 2,578.31
Total % Increase per year	6.71%	5.83%	3.02%	7.48%	6.21%	6.25%	6.34%	6.38%	6.48%	6.54%
Total \$ Increase per year	\$ 95.58	\$ 88.53	\$ 48.50	\$ 123.86	\$ 110.64	\$ 118.10	\$ 127.32	\$ 136.35	\$ 147.28	\$ 158.21
Total \$ Increase per week	\$ 1.84	\$ 1.70	\$ 0.93	\$ 2.38	\$ 2.13	\$ 2.27	\$ 2.45	\$ 2.62	\$ 2.83	\$ 3.04

*Calculations above are based on a Blayney Residential Rate with an unimproved land value of \$60,000. Figures exclude an increase to Special Rate Variation for the Blayney Shire Community Centre. Sewer charges have been based on the Strategic Business Plan for Sewerage Services (refer to 3.2.1) prepared by NSW Public Works. Waste charges are based on reasonable cost recovery (refer to 3.2.2).

RESIDENTIAL - BLAYNEY (REDUCED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rates										
Average General Rates	\$ 630.43	\$ 647.09	\$ 591.50	\$ 609.25	\$ 627.53	\$ 646.35	\$ 665.74	\$ 685.71	\$ 706.29	\$ 727.47
Percentage Increase	2.02%	2.64%	-8.59%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
\$ Increase per year	\$ 12.49	\$ 16.66	-\$ 55.59	\$ 17.75	\$ 18.28	\$ 18.83	\$ 19.39	\$ 19.97	\$ 20.57	\$ 21.19
\$ Increase per week	\$ 0.24	\$ 0.32	-\$ 1.07	\$ 0.34	\$ 0.35	\$ 0.36	\$ 0.37	\$ 0.38	\$ 0.40	\$ 0.41
Services										
Average Sewer Charges	\$ 529.00	\$ 563.00	\$ 598.00	\$ 634.00	\$ 650.00	\$ 666.00	\$ 683.00	\$ 700.00	\$ 718.00	\$ 736.00
Percentage Increase	6.65%	6.43%	6.22%	6.02%	2.52%	2.46%	2.55%	2.49%	2.57%	2.51%
Average Waste Charges	340.00	360.00	380.00	400.00	420.00	440.00	460.00	480.00	500.00	520.00
Percentage Increase	8.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Total	\$ 1,499.43	\$ 1,570.09	\$ 1,569.50	\$ 1,643.25	\$ 1,697.53	\$ 1,752.35	\$ 1,808.74	\$ 1,865.71	\$ 1,924.29	\$ 1,983.47
Total % Increase per year	5.30%	4.71%	-0.04%	4.70%	3.30%	3.23%	3.22%	3.15%	3.14%	3.08%
Total \$ Increase per year	\$ 75.49	\$ 70.66	-\$ 0.59	\$ 73.75	\$ 54.28	\$ 54.83	\$ 56.39	\$ 56.97	\$ 58.57	\$ 59.19
Total \$ Increase per week	\$ 1.45	\$ 1.36	-\$ 0.01	\$ 1.42	\$ 1.04	\$ 1.05	\$ 1.08	\$ 1.10	\$ 1.13	\$ 1.14

*Calculations above are based on a Blayney Residential Rate with an unimproved land value of \$60,000. Figures exclude an increase to Special Rate Variation for the Blayney Shire Community Centre. Sewer charges have been based on the Strategic Business Plan for Sewerage Services (refer to 3.2.1) prepared by NSW Public Works. Waste charges are based on reasonable cost recovery (refer to 3.2.2).

BUSINESS - BLAYNEY (COMMUNITY INFORMED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rates										
Average General Rates	\$ 835.70	\$ 881.34	\$ 894.47	\$ 983.92	\$ 1,082.31	\$ 1,190.55	\$ 1,309.60	\$ 1,440.56	\$ 1,584.62	\$ 1,743.08
Percentage Increase	5.43%	5.46%	1.49%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
\$ Increase per year	\$ 43.06	\$ 45.64	\$ 13.13	\$ 89.45	\$ 98.39	\$ 108.23	\$ 119.05	\$ 130.96	\$ 144.06	\$ 158.46
\$ Increase per week	\$ 0.83	\$ 0.88	\$ 0.25	\$ 1.72	\$ 1.89	\$ 2.08	\$ 2.29	\$ 2.52	\$ 2.77	\$ 3.05
Services										
Average Sewer Charges	\$ 558.28	\$ 594.16	\$ 631.09	\$ 669.09	\$ 685.97	\$ 702.86	\$ 720.80	\$ 738.74	\$ 760.00	\$ 780.00
Percentage Increase	6.65%	6.43%	6.22%	6.02%	2.52%	2.46%	2.55%	2.49%	2.57%	2.51%
Average Waste Charges	\$ 340.00	\$ 360.00	\$ 380.00	\$ 400.00	\$ 420.00	\$ 440.00	\$ 460.00	\$ 480.00	\$ 500.00	\$ 520.00
Percentage Increase	8.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Total	\$ 1,733.97	\$ 1,835.50	\$ 1,905.57	\$ 2,053.01	\$ 2,188.29	\$ 2,333.40	\$ 2,490.40	\$ 2,659.30	\$ 2,844.62	\$ 3,043.08
Total % Increase per year	6.63%	5.85%	3.82%	7.74%	6.59%	6.63%	6.73%	6.78%	6.97%	6.98%
Total \$ Increase per year	\$ 107.88	\$ 101.52	\$ 70.07	\$ 147.44	\$ 135.28	\$ 145.12	\$ 157.00	\$ 168.90	\$ 185.32	\$ 198.46
Total \$ Increase per week	\$ 2.07	\$ 1.95	\$ 1.35	\$ 2.84	\$ 2.60	\$ 2.79	\$ 3.02	\$ 3.25	\$ 3.56	\$ 3.82

*Calculations above are based on a Blayney Business Rate with an unimproved land value of \$60,000. Figures exclude an increase to Special Rate Variation for the Blayney Shire Community Centre. Sewer rate is based on 20mm water service and 100 Kilolitres per year usage with a sewerage discharge factor of 95%. Waste charges are based on reasonable cost recovery (refer to 3.2.2).

BUSINESS - BLAYNEY (REDUCED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rates										
Average General Rates	\$ 809.15	\$ 831.17	\$ 781.11	\$ 804.54	\$ 828.67	\$ 853.53	\$ 879.14	\$ 905.52	\$ 932.68	\$ 960.66
Percentage Increase	2.08%	2.72%	-6.02%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
\$ Increase per year	\$ 16.51	\$ 22.02	-\$ 50.06	\$ 23.43	\$ 24.14	\$ 24.86	\$ 25.61	\$ 26.37	\$ 27.17	\$ 27.98
\$ Increase per week	\$ 0.32	\$ 0.42	-\$ 0.96	\$ 0.45	\$ 0.46	\$ 0.48	\$ 0.49	\$ 0.51	\$ 0.52	\$ 0.54
Services										
Average Sewer Charges	\$ 558.28	\$ 594.16	\$ 631.09	\$ 669.09	\$ 685.97	\$ 702.86	\$ 720.80	\$ 738.74	\$ 760.00	\$ 780.00
Percentage Increase	6.65%	6.43%	6.22%	6.02%	2.52%	2.46%	2.55%	2.49%	2.57%	2.51%
Average Waste Charges	\$ 340.00	\$ 360.00	\$ 380.00	\$ 400.00	\$ 420.00	\$ 440.00	\$ 460.00	\$ 480.00	\$ 500.00	\$ 520.00
Percentage Increase	8.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Total	\$ 1,707.42	\$ 1,785.33	\$ 1,792.20	\$ 1,873.63	\$ 1,934.65	\$ 1,996.39	\$ 2,059.94	\$ 2,124.25	\$ 2,192.68	\$ 2,260.66
Total % Increase per year	5.00%	4.56%	0.38%	4.54%	3.26%	3.19%	3.18%	3.12%	3.22%	3.10%
Total \$ Increase per year	\$ 81.33	\$ 77.91	\$ 6.87	\$ 81.43	\$ 61.02	\$ 61.75	\$ 63.55	\$ 64.32	\$ 68.43	\$ 67.98
Total \$ Increase per week	\$ 1.56	\$ 1.50	\$ 0.13	\$ 1.57	\$ 1.17	\$ 1.19	\$ 1.22	\$ 1.24	\$ 1.32	\$ 1.31

*Calculations above are based on a Blayney Business Rate with an unimproved land value of \$60,000. Figures exclude an increase to Special Rate Variation for the Blayney Shire Community Centre. Sewer rate is based on 20mm water service and 100 Kilolitres per year usage with a sewerage discharge factor of 95%. Waste charges are based on reasonable cost recovery (refer to 3.2.2).

FARMLAND (COMMUNITY INFORMED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rates										
Average General Rates	\$ 2,272.91	\$ 2,404.78	\$ 2,474.07	\$ 2,622.52	\$ 2,779.87	\$ 2,946.66	\$ 3,123.46	\$ 3,310.87	\$ 3,509.52	\$ 3,720.09
Percentage Increase	5.79%	5.80%	2.88%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Total	\$ 2,272.91	\$ 2,404.78	\$ 2,474.07	\$ 2,622.52	\$ 2,779.87	\$ 2,946.66	\$ 3,123.46	\$ 3,310.87	\$ 3,509.52	\$ 3,720.09
Total \$ Increase per year	\$ 124.41	\$ 131.87	\$ 69.29	\$ 148.44	\$ 157.35	\$ 166.79	\$ 176.80	\$ 187.41	\$ 198.65	\$ 210.57
Total \$ Increase per week	\$ 2.39	\$ 2.54	\$ 1.33	\$ 2.85	\$ 3.03	\$ 3.21	\$ 3.40	\$ 3.60	\$ 3.82	\$ 4.05
FARMLAND (REDUCED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Average General Rates	\$ 2,196.19	\$ 2,259.83	\$ 2,252.62	\$ 2,320.20	\$ 2,389.81	\$ 2,461.50	\$ 2,535.34	\$ 2,611.41	\$ 2,689.75	\$ 2,770.44
Percentage Increase	2.22%	2.90%	-0.32%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Total	\$ 2,196.19	\$ 2,259.83	\$ 2,252.62	\$ 2,320.20	\$ 2,389.81	\$ 2,461.50	\$ 2,535.34	\$ 2,611.41	\$ 2,689.75	\$ 2,770.44
Total \$ Increase per year	\$ 47.69	\$ 63.64	-\$ 7.21	\$ 67.58	\$ 69.61	\$ 71.69	\$ 73.84	\$ 76.06	\$ 78.34	\$ 80.69
Total \$ Increase per week	\$ 0.92	\$ 1.22	-\$ 0.14	\$ 1.30	\$ 1.34	\$ 1.38	\$ 1.42	\$ 1.46	\$ 1.51	\$ 1.55

*Calculations above are based on a Farmland Rate with an unimproved land value of \$500,000. Figures exclude an increase to Special Rate Variation for the Blayney Shire Community Centre.

MINING (COMMUNITY INFORMED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rates										
Total Rate	\$ 2,369,800.94	\$ 2,473,931.94	\$ 2,600,912.53	\$ 2,737,054.79	\$ 2,883,094.27	\$ 3,039,906.19	\$ 3,208,455.81	\$ 3,389,796.69	\$ 3,585,085.86	\$ 3,795,593.85
Percentage Increase	3.38%	3.90%	5.13%	5.23%	5.34%	5.44%	5.54%	5.65%	5.76%	5.87%
Total	\$ 712,099.00	\$ 754,815.94	\$ 830,222.53	\$ 913,244.79	\$ 1,004,569.27	\$ 1,105,026.19	\$ 1,215,528.81	\$ 1,337,081.69	\$ 1,470,789.86	\$ 1,617,868.85
Total \$ Increase per year	\$ 40,299.00	\$ 42,716.94	\$ 75,406.59	\$ 83,022.25	\$ 91,324.48	\$ 100,456.93	\$ 110,502.62	\$ 121,552.88	\$ 133,708.17	\$ 147,078.99
Total \$ Increase per week	\$ 774.98	\$ 821.48	\$ 1,450.13	\$ 1,596.58	\$ 1,756.24	\$ 1,931.86	\$ 2,125.05	\$ 2,337.56	\$ 2,571.31	\$ 2,828.44
MINING (REDUCED SERVICES MODEL)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rates										
Total Rate	\$ 2,344,953.34	\$ 2,426,984.94	\$ 2,499,795.01	\$ 2,574,788.16	\$ 2,652,032.51	\$ 2,731,592.73	\$ 2,813,541.11	\$ 2,897,947.54	\$ 2,984,885.51	\$ 3,074,432.20
Percentage Increase	2.30%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	1657701.936									
Total	\$ 687,251.40	\$ 707,868.94	\$ 729,105.01	\$ 750,978.16	\$ 773,507.51	\$ 796,712.73	\$ 820,614.11	\$ 845,232.54	\$ 870,589.51	\$ 896,707.20
Total \$ Increase per year	\$ 15,451.40	\$ 20,617.54	\$ 21,236.07	\$ 21,873.15	\$ 22,529.34	\$ 23,205.23	\$ 23,901.38	\$ 24,618.42	\$ 25,356.98	\$ 26,117.69
Total \$ Increase per week	\$ 297.14	\$ 396.49	\$ 408.39	\$ 420.64	\$ 433.26	\$ 446.25	\$ 459.64	\$ 473.43	\$ 487.63	\$ 502.26

*Calculations above are inclusive of all mining category assessments and are exclusive of the increase to mining only special rate variation introduced in 2012/13 and special rate variation for the Blayney Shire Community Centre.

3.2.5 Other Fees

User fees and charges include office fees (photocopying, binding etc.), fees for use of Council facilities and other statutory and regulatory fees.

No significant new user charge or fee opportunities have been identified as part of the development of the CSP.

3.3 Grants & 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. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

The Section 94 Developer Contribution Plan aims to generate contributions that will support the maintenance of levels of service for new community infrastructure to the present standard of facilities per head of existing population.

3.4 Investments Revenue

Council's investment strategy is to undertake investment of surplus funds, maximising earnings from authorised investments, whilst ensuring the security of Council funds.

Council also aims to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.

Forecast returns on Council's investment portfolio are based on the forecast 90 Day Bank Bill Swap Rate plus a small margin of 0.5% to reflect strategic investments in longer term investment products where appropriate.

3.5 Borrowings

In the financial modelling scenarios, 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. The amount of proposed borrowings under each scenario is detailed below. More information about the impact on the yearly loan repayments and debt service ratio is included in Section 4.2.

New Borrowings 2014/15 – 2023/24

Loan Purpose	Loan Amount	Loan Term	Annual Repayment (Estimate)
Infrastructure Improvement Program 2014/2015	\$1,175,000	20 years	\$105,402
Infrastructure Improvement Program 2016/2017	\$483,759	20 years	\$43,395
Infrastructure Improvement Program 2018/2019	\$810,444	20 years	\$72,700
Infrastructure Improvement Program 2019/2020	\$1,407,323	20 years	\$126,242
Carcoar and Mandurama Sewerage Schemes 2020/2021	\$615,000	20 years	\$55,168
Lyndhurst Sewerage Scheme 2021/2022	\$1,266,000	30 years	\$113,565

Infrastructure Improvement Program 2014/2015

Description of project: Funding of the identified projects in the Asset Management Plan.

Identified Projects: Bridge improvements throughout the shire (various locations) & waste transfer station.

This project is to commence in:	2014/2015
Complete in:	2017/2018
Total cost of the project will be:	\$1,175,000
To be fully funded by loans:	\$1,175,000
Term of the loan will be:	20 years
Loan will begin in:	2014/2015
Maturing in:	2033/2034

Infrastructure Improvement Program 2016/2017

Description of project: Funding of the identified projects in the Asset Management Plan.

Identified Projects: Garland Road Rehabilitation, Three Brothers Road Rehabilitation & Neville Road Rehabilitation.

This project is to commence in:	2016/2017
Complete in:	2016/2017
Total cost of the project will be:	\$483,759
To be fully funded by loans:	\$483,759
Term of the loan will be:	20 years
Loan will begin in:	2016/2017
Maturing in:	2035/2036

Infrastructure Improvement Program 2018/2019

Description of project: Funding of the identified projects in the Asset Management Plan.

Identified Projects: Mandurama Road Rehabilitation and Moorilda Road Rehabilitation.

This project is to commence in:	2018/2019
Complete in:	2018/2019
Total cost of the project will be:	\$810,444
To be fully funded by loans:	\$810,444
Term of the loan will be:	20 years
Loan will begin in:	2018/2019
Maturing in:	2037/2038

Infrastructure Improvement Program 2019/2020

Description of project: Funding of the identified projects in the Asset Management Plan.

Identified Projects: Three Brothers Road Rehabilitation, Moorilda Road Rehabilitation & Trunkey & Caloola Street Reseals.

This project is to commence in:	2019/2020
Complete in:	2019/2020
Total cost of the project will be:	\$1,407,323
To be fully funded by loans:	\$1,407,323
Term of the loan will be:	20 years
Loan will begin in:	2019/2020
Maturing in:	2038/2039

Carcoar and Mandurama Sewerage Scheme

Description of project: Expansion of sewerage scheme to the villages of Carcoar and Mandurama.

This project is to commence in:	2020/2021
Complete in:	2021/2022
Total cost of the project will be:	\$5,010,000
To be fully funded by loans:	\$615,000
Term of the loan will be:	30 years
Loan will begin in:	2020/2021
Maturing in:	2049/2050

Lyndhurst Sewerage Scheme

Description of project: Expansion of sewerage scheme to the village of Lyndhurst.

This project is to commence in:	2021/2022
Complete in:	2022/2023
Total cost of the project will be:	\$4,028,000
To be fully funded by loans:	\$1,266,000
Term of the loan will be:	30 years
Loan will begin in:	2021/2022
Maturing in:	2050/2051

3.6 Other Revenue

The majority of other revenues are generated by rental income on Council properties and various other sources.

Rentals will vary according to supply and demand, however forecast fluctuations in supply and demand over ten year period, if available, are not considered reliable. Therefore assuming rents will increase in line with CPI over the long term is considered a reasonable approach.

Given that 'other revenues' represent less than 3% of total revenues the potential margin of error of this assumption, and resultant impact on financial position, is considered immaterial.

4 EXPENDITURE FORECASTS

4.1 Salaries, Wages and Employee On-costs

Council's long term forecast relating to staffing is contained in detail within the Workforce Strategy. The Workforce Strategy also identifies the human resources Blayney Shire Council requires to continue its strategic direction and deliver services in an efficient and effective manner.

For the purpose of projecting future salary, wage and ELE costs to Council a percentage increase of 3.5% has been applied (see Planning Assumptions). This is to account for future Award increases and staff competency/performance increases.

Employee on-costs are assigned to labour hours to recover fixed employment costs such as workers compensation and superannuation premiums, and provision of tools and equipment. Further, the attribution of other organisation support costs, such as human resource or IT support, may be distributed based on number of staff or labour hours.

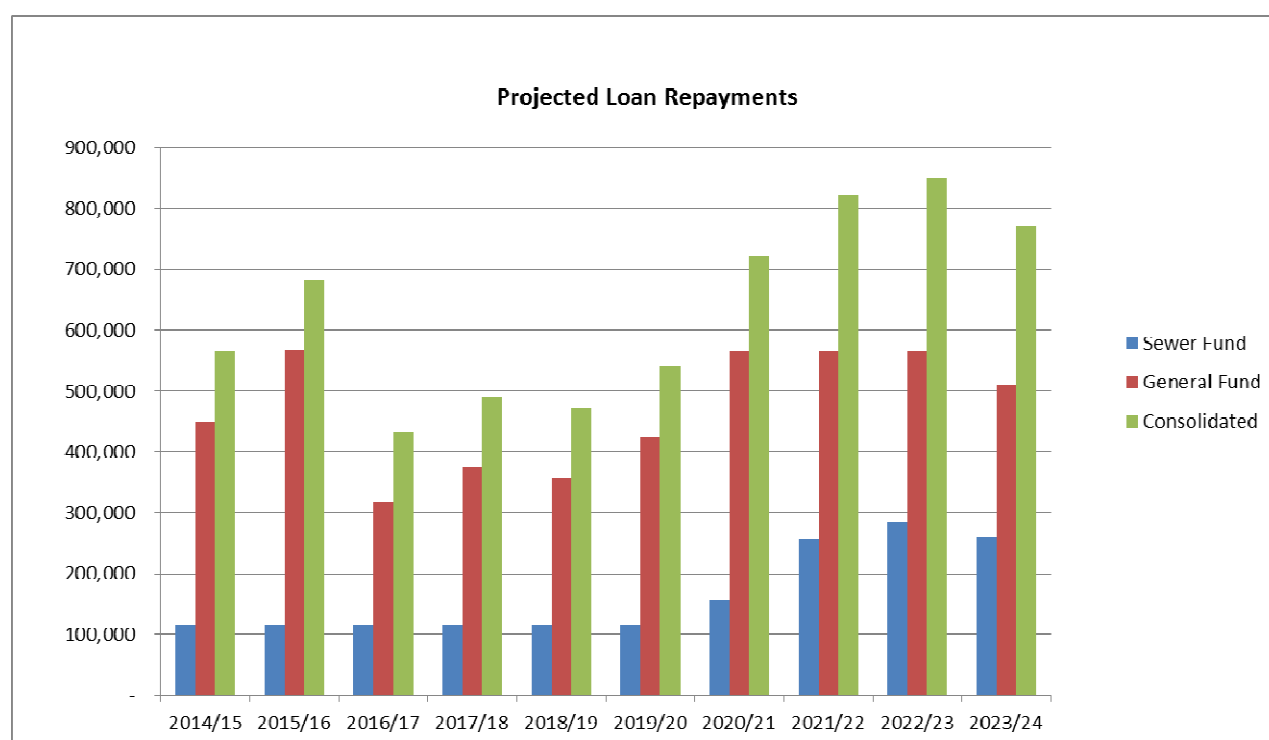
Other employee on-costs e.g. training, protective clothing and travel costs are separately allocated against functions.

Further details about Council's staff costs are included in the Workforce Plan.

4.2 Loans / Debt Service 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 works program. The amount of proposed borrowings under each scenario is detailed in the Revenue Forecasts section of this plan.

The following table shows projected loan repayments for each fund over the LTFP:



Section 6.1.3 shows that Council aims to maintain a debt service ratio below 10%. During the course of the LTFP Council achieves this target.

Where possible the term of the loan will be matched against the future economic benefit of the asset. This means that the asset/borrowing will be paid for by residents who will consume the services provided by the asset over its useful life.

4.3 Materials, Contracts and Other Operating Costs

Expenditure on materials, contracts and other operating cost 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) a result of increased services or service levels. Examples of these expenditures include:

- Council elections and associated cost estimated to be \$56,000 in 2016/17 and \$63,000 in 2020/21.
- Increased waste contractor fees in excess of CPI each year reflecting known increases in the NSW Department of Environment, Climate Change and Water waste levy on waste disposed as landfill.

4.4 Asset Management

Infrastructure (assets) expenditure will progressively be mapped against maintenance and renewal programs recommended by respective asset management plans. In accordance with Council's asset management review, asset maintenance has been increased by CPI with a strong focus on asset renewals as opposed to construction of new assets.

There are a number of large capital projects that the Council has yet to decide on, subject to community comment and the 'achievability and affordability' test described in the Resourcing Strategy.

Subject to successful special rate variations and subsequent loan borrowings, assets should be maintained and renewed in accordance with the respective asset management plans and agreed condition intervention levels.

5 SENSITIVITY ANALYSIS AND FINANCIAL MODELLING

The LTFP is based on a number of underlying assumptions. Sensitivity analysis identifies the impact on Council's financial position of changes in these assumptions and highlights the factors most likely to affect the outcomes of the plan.

Sensitivity analysis looks at "what if" scenarios. For example, what happens to Council's financial position if salary and wages increases are 1% higher than forecast; growth is half that forecast, or investment returns are 1% less than forecast in plan.

All sensitivity analysis was undertaken utilising the Community Informed Services Model scenario in 2.1 above and the impacts were assessed by reference to the changes in the cash and investment balance in year 10 of the LTFP.

The major underlying assumptions underpinning the LTFP have been subject to sensitivity analysis which has identified the following impacts:

Employee Costs

Employee costs make up 32% of projected 2014/2015 operating expenditure. This is reflective of the service based nature of a significant proportion of council activities as well as the

construction and maintenance of the considerable infrastructure owned by Council. As it makes up such a large proportion of the operating expenditure budget, and movements in rates of pay are determined through industry wide Award negotiations and market forces, the council is sensitive to unplanned changes in employee costs. The LTFP assumes annual increases of 3.5% to employee costs.

Due to the above factors an impact of a 1% increase in employee costs each year was modelled. The analysis indicated that the cash and investment balance would be reduced by an estimated \$3,144,000 in year 2023/2024 of the LTFP.

Rates and Annual Charges Revenue

Rates and Annual Charges revenue makes up almost 60% of the projected 2014/2015 operating revenue. The Council cannot set the rate of increase but can only accept the rate pegging imposed on it without a Special Variation application. The LTFP includes a permanent (S.508A) 2 year special rate variation (excluding SRV's in force) across all categories in years 2014/2015 – 2015/16 and a permanent (S.508A) special rate variation for the remainder of the LTFP of 6% for the farmland category and 10% for all other categories (excluding mining SRV). If these increases are not achieved, Council will need to adjust expenditure or revenue appropriately. The LTFP has been prepared on the assumption of a constant population base.

The LTFP modelling has been devised with scenarios that includes the Special Variation; however progress in addressing the Council asset renewal and maintenance challenges is contingent on the success of any applications to increase rates through a Special Variation. The LTFP has been projected on the premise that current rating income collection patterns are maintained. Any financial shocks or changed economic conditions have the ability to impact rate payer capacity to pay and in so doing will affect the Council cash flow from rating. Annual Charges, particularly domestic waste charges, are susceptible to significant cost increases as a result of legislative change in this area of operation (due to Federal and State climate change policies and other regulations).

Due to Council's reliance on rate revenue an impact of a 1% reduction in rates revenue each year was modelled assuming that any special variation would also be reduced by 1%. The analysis indicated that the cash and investment balance would be reduced by an estimated \$2,982,000 in year 2023/2024 of the LTFP.

Inflation

Given the considerable number of assets held, constructed and maintained by Council, variations in underlying inflation have the potential to have a significant impact on the LTFP. Council has considerable pressure from rising raw material costs including fuel and other construction materials. Any major unplanned hikes in these costs will impact the LTFP.

Investment Returns

Council's current approach is that interest earnings from investments are used to fund the operational budget. This source of revenue however, is impacted by the various fluctuations of the investment market and is not necessarily a reliable source of revenue. The potential use of interest income as a source of revenue to balance the operational budget may in turn be impacted.

The impact of a reduction in investment interest rates of 1% was modelled. It was concluded that any impact on Councils operating result was deemed to be immaterial.

Grants

Council relies heavily on income from the Federal Government Financial Assistance and the Roads to Recovery grant programs. These Grants respectively make up 17% and 3% of Councils total revenue.

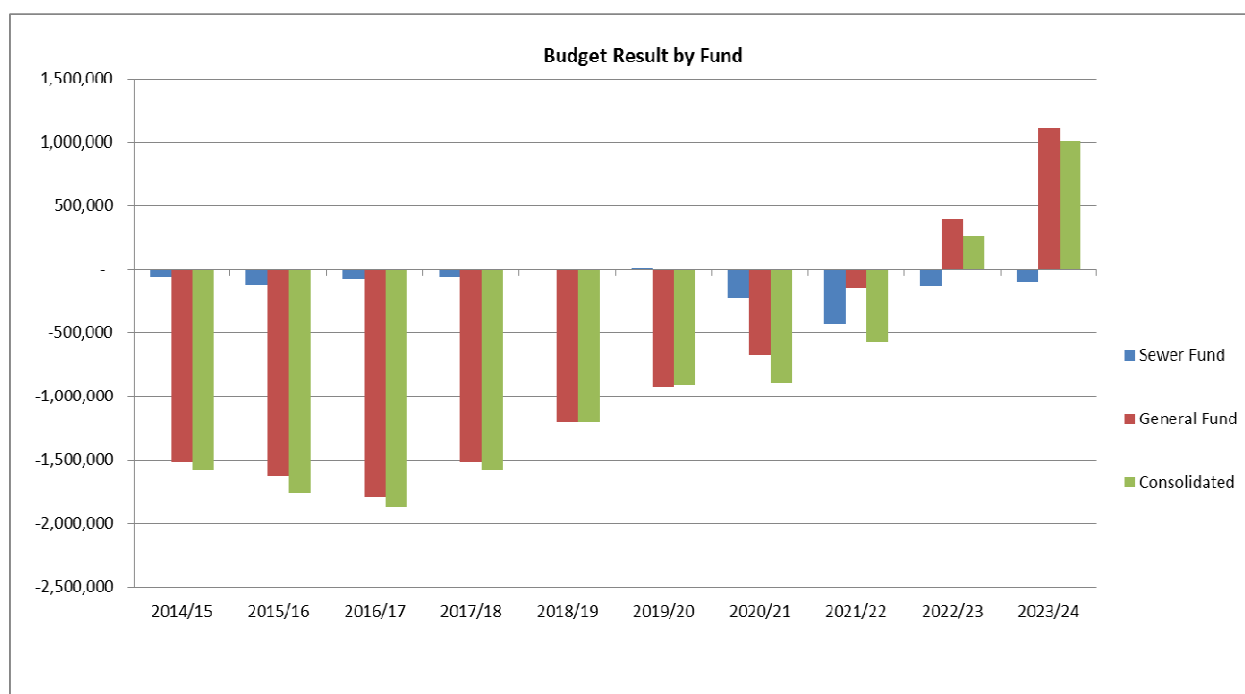
The Financial Assistance Grant is calculated using a formula that takes into account the population of the Local Government areas, road lengths and a number of other demographics. Given the complexity of the formula it is difficult to calculate any potential impacts to Council if any of the inputs were to change; therefore Council has ignored this in the creation of the long term financial plan.

Money provided under the Roads to Recovery Program is not intended to replace council spending on roads but to assist councils in their local road construction or maintenance. The Roads to Recovery Program is scheduled to conclude in 2019. However due to the heavy reliance of this program throughout NSW there has been much lobbying for the continuation of this program. The LTFP has been prepared with the assumption that the Roads to Recovery Program will continue indefinitely.

5.1 Community Informed Services Model

The consolidated budget result under the 'Community Informed Services Model' is provided in the table below.

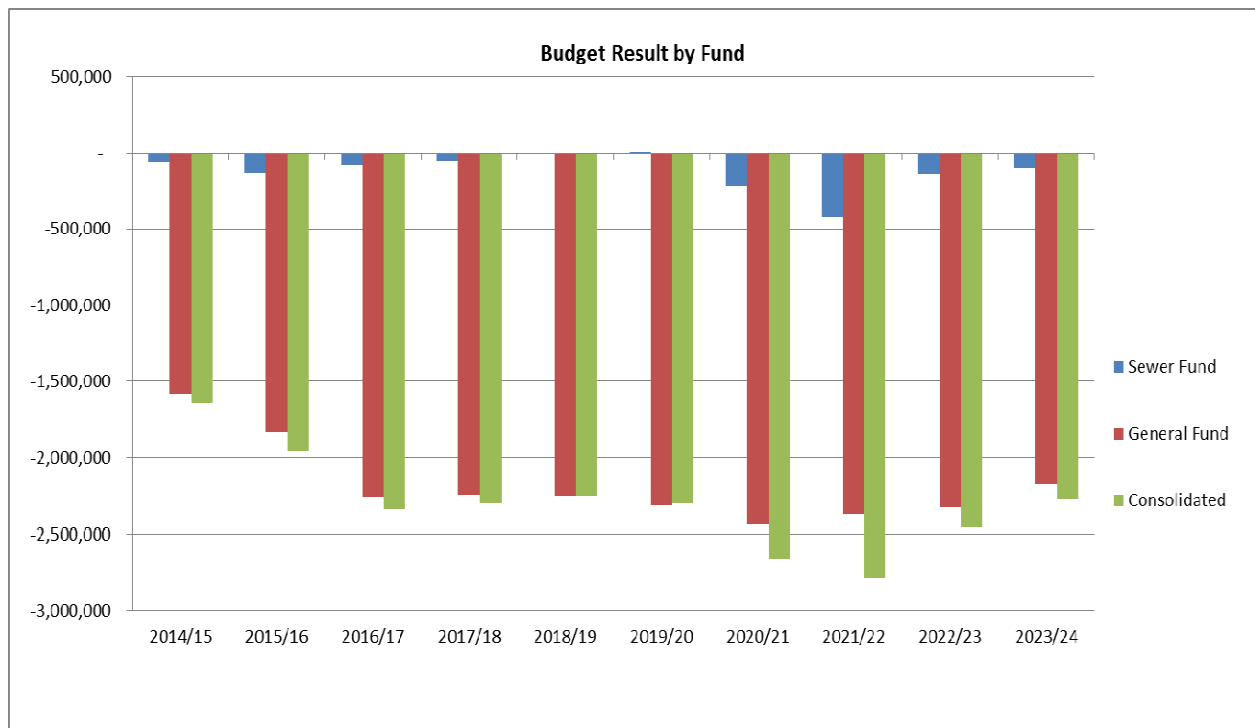
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sewer Fund	- 60,335	- 128,109	- 79,434	- 54,881	- 4,500	10,464	- 221,804	- 421,744	- 134,532	- 98,814
General Fund	- 1,515,567	- 1,628,477	- 1,795,046	- 1,522,959	- 1,197,215	- 923,460	- 677,168	- 151,338	395,772	1,110,459
Consolidated	- 1,575,902	- 1,756,586	- 1,874,480	- 1,577,840	- 1,201,715	- 912,996	- 898,972	- 573,082	261,240	1,011,645



5.2 Reduced Services Model

The consolidated budget result under the Reduced Services Model is provided in the table below.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sewer Fund	- 60,335	- 128,109	- 79,434	- 54,881	- 4,500	10,464	- 221,804	- 421,744	- 134,532	- 98,814
General Fund	- 1,577,720	- 1,827,899	- 2,256,158	- 2,245,615	- 2,247,676	- 2,312,259	- 2,441,553	- 2,369,347	- 2,326,008	- 2,170,099
Consolidated	- 1,638,055	- 1,956,008	- 2,335,592	- 2,300,496	- 2,252,176	- 2,301,795	- 2,663,357	- 2,791,091	- 2,460,540	- 2,268,913



6 PERFORMANCE MEASURES

6.1 Financial Analysis

A number of key indicators have been developed to monitor performance against the LTFP to assess Council's long term sustainability. These key performance indicators will provide clear targets against which the council can report its progress to the community.

6.1.1 Cash / Liquidity Position

Cash and cash management is vital for the short and long term survival and of any business. The ability to convert an asset to cash quickly to meet current obligations/liabilities is an important part of managing Councils' day to day business needs.

Unrestricted Current Ratio

Definition:

$$\frac{\text{Unrestricted Current Assets}}{\text{Unrestricted Current Liabilities}}$$

Description:

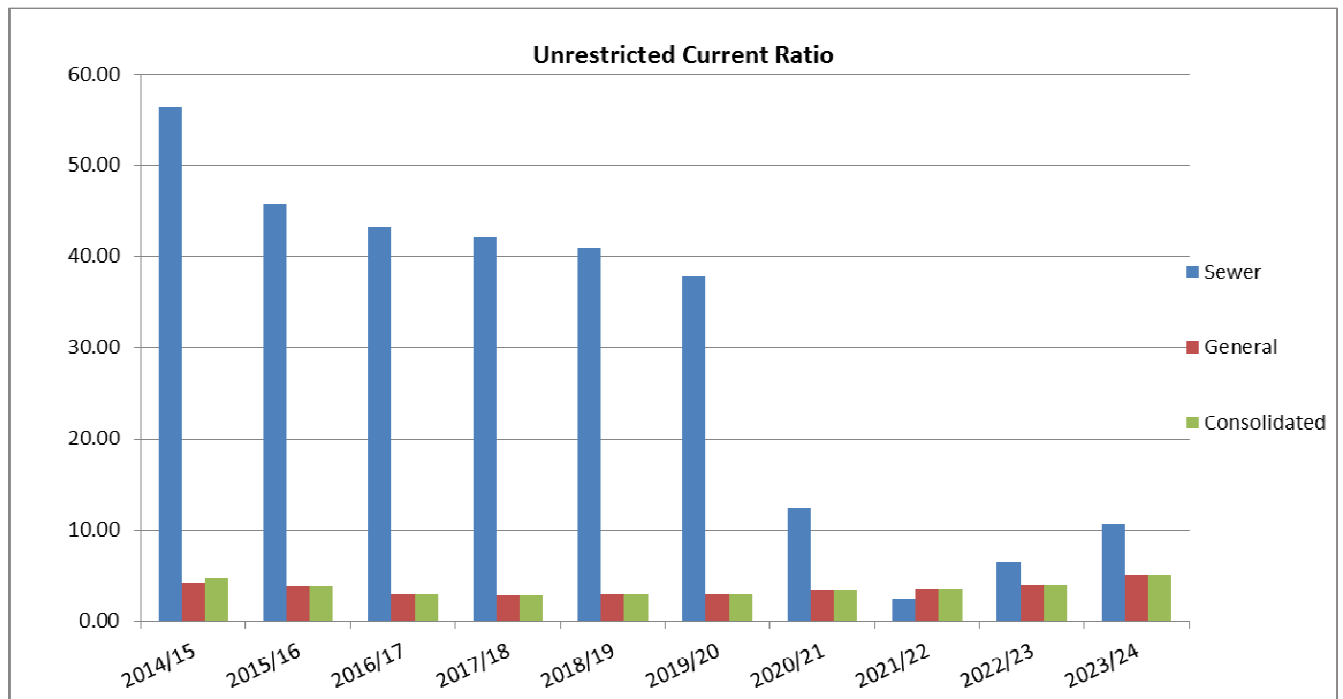
Measures the ability of council to pay its debts as and when they fall due.

Target:

Council aims to maintain a ratio above 2.0 at all times.

Projection:

That the ratio remain above 2.0 for the duration of the LTFP.



6.1.2 Operating Result

Operating Result

Definition:

Result or surplus/deficit from operations after considering all income and expenditure.

Description:

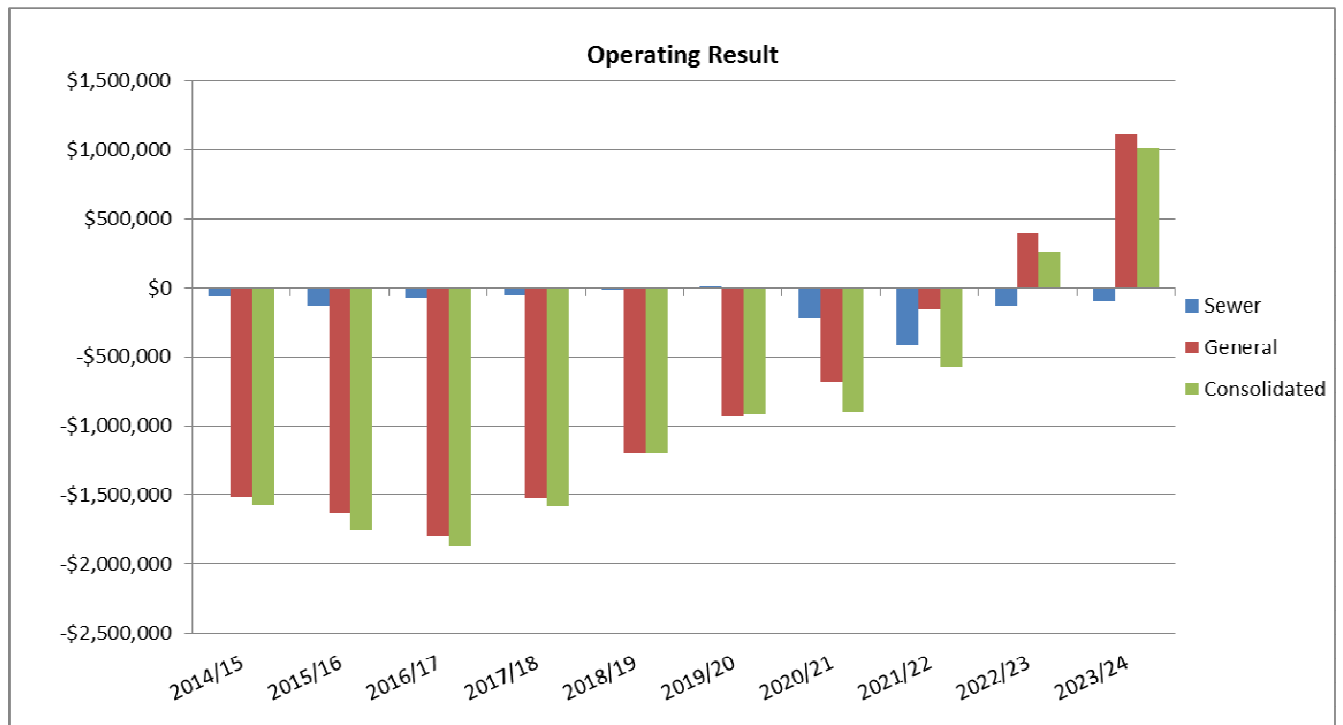
Councils operating result is normally regarded as an important criterion in measuring performance. The issue for Councils is whether the operating results can be maintained and in particular if those operating results can sustain the current level of services into the future.

Target:

To achieve an operating surplus by year 10 of the LTFP.

Projection:

The following graph projects the estimated result for each year of the LTFP.



6.1.3 Debt Management

Prudent financial management dictates that a council does not over commit itself to debts that it cannot fulfil. It is important to assess the ongoing risk that is associated with meeting any debt and interest commitments to ensure there are sufficient funds available to meet any current and future liabilities of Council.

Debt Service Ratio

Definition:

Net Debt Service Cost

Total Revenue from Ordinary Activities

Description:

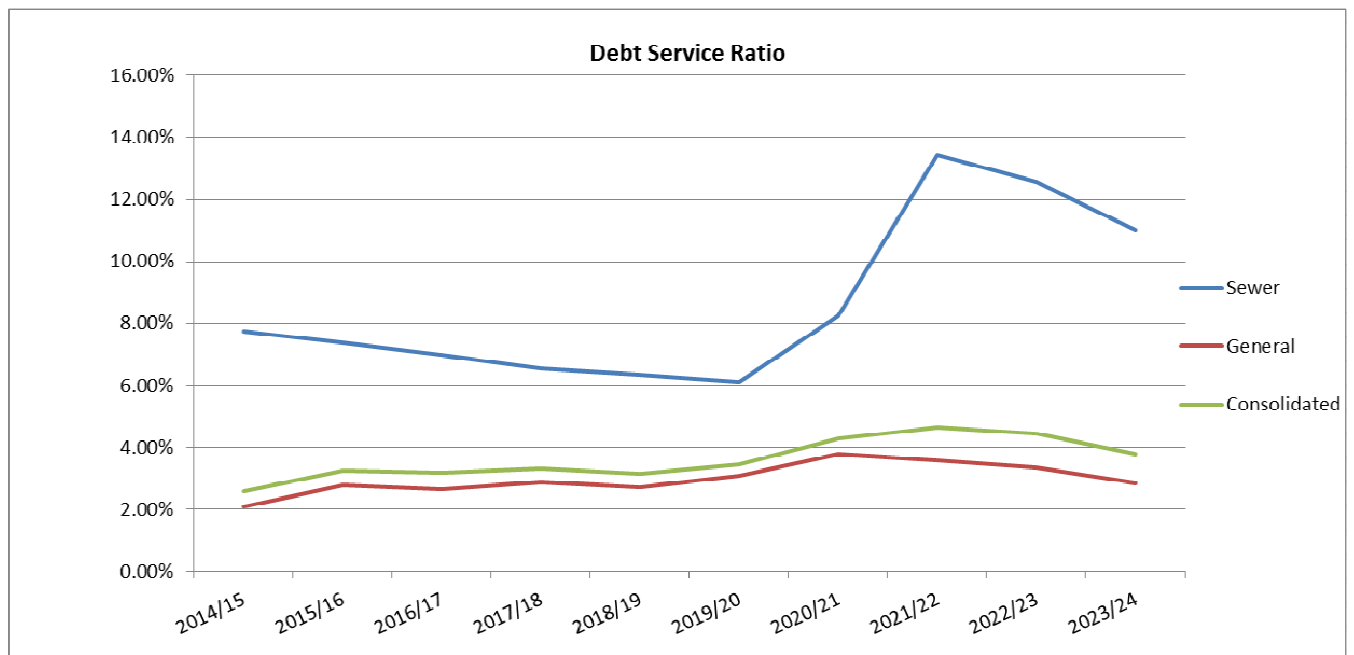
The Debt Service Ratio is used to show the percentage of annual revenue necessary to service annual debt obligations e.g. loan repayments. It also shows the commitment of future revenue necessary to fund long term obligations.

Target:

Council aims to maintain this ratio below 10% at all times.

Projection:

The following graph projects the estimated percentage of the LTFP.



6.1.4 Dependence on Revenue from Rates and Annual Charges

Councils throughout NSW have become dependent on Rating and Annual Charges Revenue to meet the various costs associated with servicing their communities. This dependence highlights the need for Council to look for new opportunities to ensure the long term sustainability of the Shire.

Rates and Annual Charges Coverage Ratio

Definition:

Rates and Annual Charges

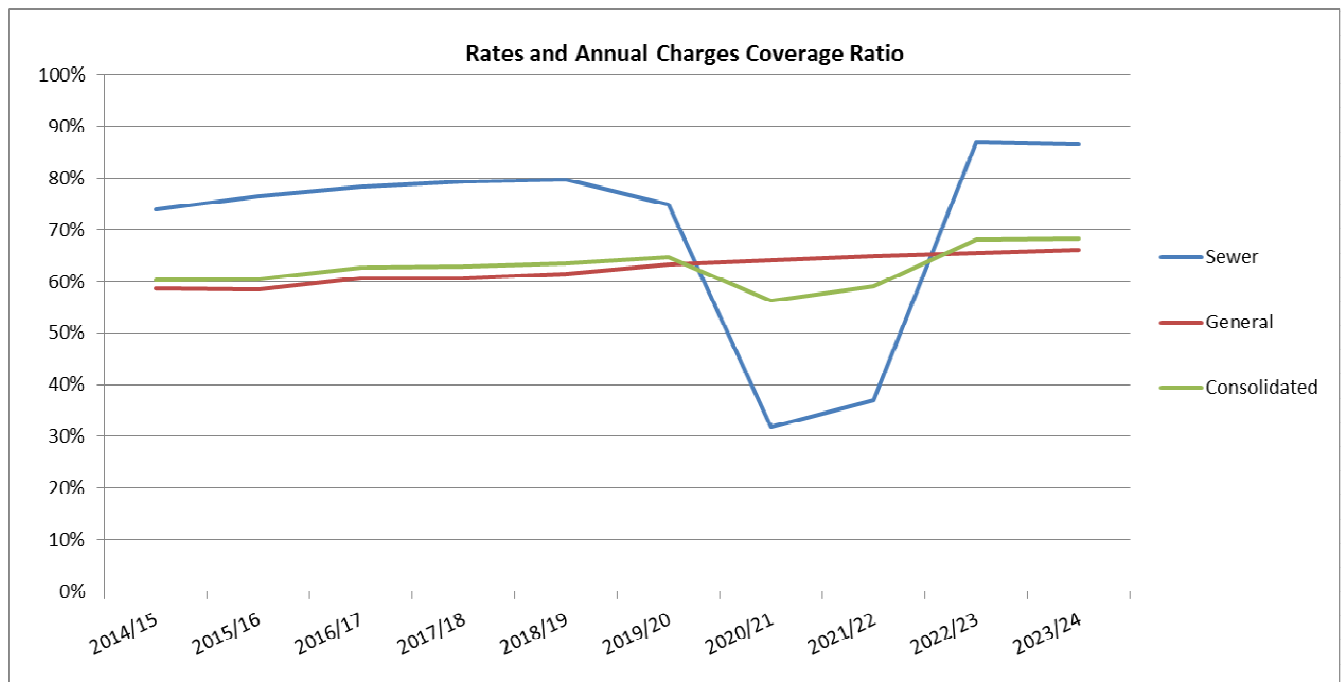
Income from continuing Operations

Description:

Purpose of this ratio is to assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.

Projection:

The following graph projects the estimated percentage of the LTFP.



6.1.5 Building and Infrastructure Renewals

Councils throughout NSW have been underfunding the renewal of their asset infrastructure for many years now resulting in an infrastructure backlog. The ability to fund this backlog is crucial to the long term sustainability for our industry.

Building and Infrastructure Renewals Ratio

Definition:

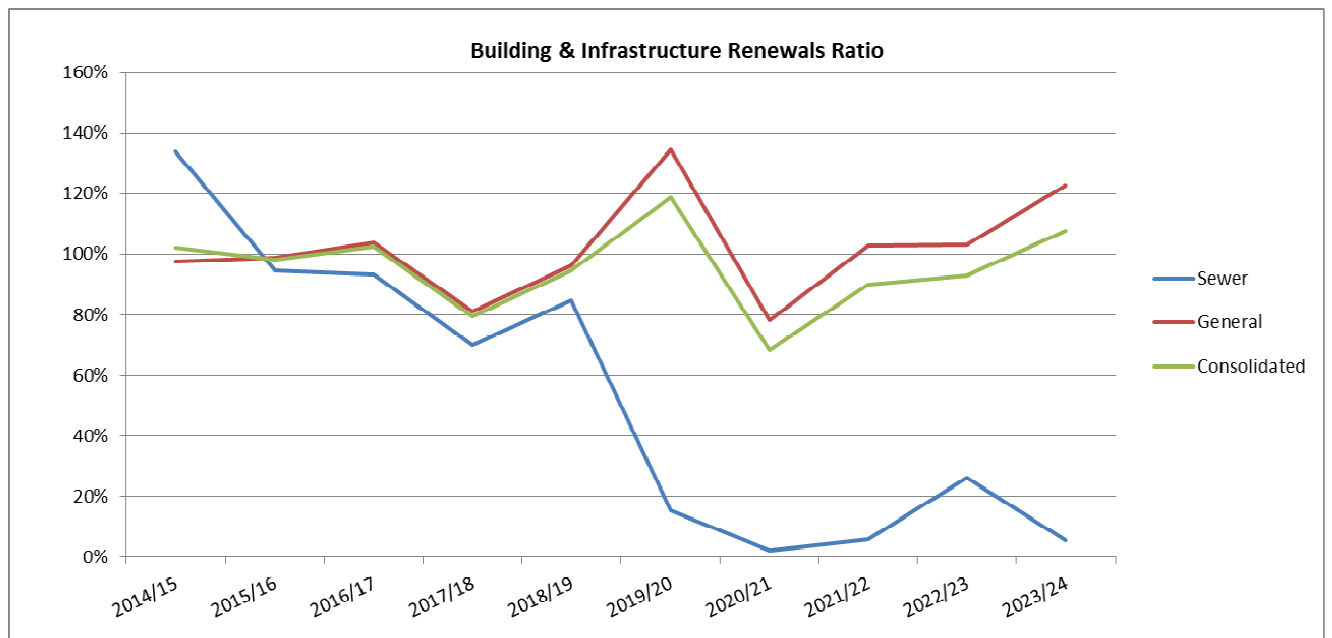
Asset Renewals (Building and Infrastructure)
Depreciation, Amortisation and Impairment

Description:

Purpose of this ratio is to assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Projection:

The following graph projects the estimated percentage of the LTFP.



7 APPENDICES

Budgeted Income Statement – Community Informed Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - CONSOLIDATED												
Scenario: Community Informed Services Model	Past Year	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	7,457,000	7,835,948	8,424,433	8,871,049	9,175,149	9,797,270	10,410,523	11,071,253	11,780,778	12,549,828	13,669,615	14,570,145
User Charges & Fees	1,425,000	996,079	1,067,155	1,103,965	1,139,979	1,179,305	1,219,991	1,262,083	1,305,630	1,350,682	1,397,292	1,445,513
Interest & Investment Revenue	482,000	426,137	479,469	410,022	348,316	338,201	357,836	378,609	371,494	317,721	411,585	570,020
Other Revenues	227,000	271,809	363,608	371,264	380,812	390,606	400,653	410,959	421,532	432,378	443,505	454,919
Grants & Contributions provided for Operating Purposes	3,815,000	2,901,994	2,925,448	2,999,184	3,073,739	3,150,157	3,228,486	3,308,773	3,391,068	3,475,419	3,564,880	3,653,502
Grants & Contributions provided for Capital Purposes	1,636,000	800,118	695,050	907,591	520,451	749,637	789,159	682,767	3,653,066	3,126,729	615,963	629,037
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	15,042,000	13,232,085	13,955,164	14,663,076	14,638,445	15,605,176	16,406,647	17,114,445	20,923,567	21,252,758	20,102,840	21,323,136
Expenses from Continuing Operations												
Employee Benefits & On-Costs	4,951,000	5,360,848	4,831,486	4,959,324	5,130,432	5,293,039	5,445,767	5,633,837	5,829,242	5,982,099	6,194,270	6,340,119
Borrowing Costs	155,000	128,183	132,914	199,944	188,301	207,679	193,715	231,755	335,224	385,443	381,410	355,994
Materials & Contracts	3,357,000	2,878,652	3,547,540	3,863,075	3,966,236	4,114,695	4,190,521	4,636,076	4,509,538	4,626,868	4,750,853	4,884,558
Depreciation & Amortisation	4,627,000	4,555,728	4,778,872	4,906,469	5,030,731	5,158,724	5,290,517	5,100,880	5,648,784	5,878,404	6,029,114	6,183,992
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,843,000	1,485,086	1,545,203	1,583,258	1,676,775	1,659,242	1,698,685	1,742,127	1,846,685	1,826,297	1,869,990	1,917,791
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	24,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	14,957,000	14,408,497	14,836,015	15,512,070	15,992,474	16,433,379	16,819,204	17,344,675	18,169,473	18,699,111	19,225,637	19,682,454
Operating Result from Continuing Operations	85,000	(1,176,412)	(880,852)	(848,994)	(1,354,029)	(828,203)	(412,557)	(230,229)	2,754,095	2,553,647	877,203	1,640,682
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	85,000	(1,176,412)	(880,852)	(848,994)	(1,354,029)	(828,203)	(412,557)	(230,229)	2,754,095	2,553,647	877,203	1,640,682
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,551,000)	(1,976,530)	(1,575,902)	(1,756,585)	(1,874,480)	(1,577,841)	(1,201,716)	(912,997)	(898,972)	(573,082)	261,240	1,011,645

The Community Informed Services Model is part of a long term funding strategy of capital expenditure / asset renewals. To deliver a financially sustainable outcome this scenario is based on a permanent 2 year 6%p.a. special rate variation, excluding current special rate variations in force, commencing 2014/15. An assumption of permanent special variations of 6%p.a (farmland) and 10%p.a (other categories) for the life of the plan.

Budgeted Balance Sheet - Community Informed Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
BALANCE SHEET - CONSOLIDATED												
Scenario: Community Informed Services Model	Past Year	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	10,144,000	9,388,175	8,651,293	7,349,169	6,189,020	6,161,900	6,679,034	7,089,709	6,084,678	5,605,263	6,815,852	8,682,684
Investments	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,108,043	1,108,043	1,108,043
Receivables	642,104	959,292	1,032,973	1,062,896	1,082,159	1,136,595	1,195,513	1,255,971	1,328,660	1,398,772	1,502,994	1,592,004
Inventories	900,000	921,612	971,601	997,255	1,009,108	1,021,280	1,033,779	1,046,614	1,059,795	1,073,329	1,087,229	1,101,502
Other	149,000	175,835	193,448	203,058	210,491	213,535	219,130	224,896	232,856	236,545	242,688	249,011
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	13,068,104	12,677,913	12,082,315	10,845,379	9,723,778	9,766,309	10,360,455	10,850,191	9,938,989	9,421,952	10,756,805	12,733,244
Non-Current Assets												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	60,896	245,949	181,197	187,086	191,999	200,210	208,921	218,169	227,999	238,455	249,591	261,460
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	184,436,000	184,671,090	185,419,151	185,606,467	185,639,959	184,508,236	184,053,061	184,458,105	188,379,031	192,293,313	191,390,401	190,664,742
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	184,496,896	184,917,039	185,600,349	185,793,554	185,831,958	184,708,446	184,261,982	184,676,274	188,607,030	192,531,768	191,639,992	190,926,202
TOTAL ASSETS	197,565,000	197,594,952	197,682,663	196,638,933	195,555,735	194,474,755	194,622,438	195,526,465	198,546,019	201,953,720	202,396,798	203,659,446
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	762,000	996,917	1,081,792	1,123,478	1,158,622	1,177,945	1,213,797	1,261,448	1,296,767	1,318,439	1,350,349	1,384,290
Borrowings	98,000	291,305	236,459	248,101	272,119	286,083	320,743	373,313	409,800	466,064	412,004	274,440
Provisions	1,233,000	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	2,093,000	2,541,748	2,571,777	2,625,105	2,684,266	2,717,554	2,788,066	2,888,286	2,960,093	3,038,028	3,015,879	2,912,256
Non-Current Liabilities												
Payables	2,000	852	844	880	911	929	955	981	1,015	1,036	1,065	1,094
Borrowings	1,710,000	2,489,290	3,427,831	3,179,730	3,391,371	3,105,288	3,594,989	4,629,000	4,822,619	5,598,715	5,186,712	4,912,271
Provisions	506,000	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	2,218,000	2,975,616	3,914,150	3,666,085	3,877,755	3,591,691	4,081,418	5,115,455	5,309,108	6,085,226	5,673,250	5,398,839
TOTAL LIABILITIES	4,311,000	5,517,364	6,485,927	6,291,190	6,562,022	6,309,245	6,869,484	8,003,741	8,269,201	9,123,254	8,689,129	8,311,096
Net Assets	193,254,000	192,077,588	191,196,737	190,347,743	188,993,714	188,165,510	187,752,953	187,522,724	190,276,818	192,830,466	193,707,669	195,348,350
EQUITY												
Retained Earnings	60,583,000	59,406,588	58,525,737	57,676,743	56,322,714	55,494,510	55,081,953	54,851,724	57,605,818	60,159,466	61,036,669	62,677,350
Revaluation Reserves	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000
Council Equity Interest	193,254,000	192,077,588	191,196,737	190,347,743	188,993,714	188,165,510	187,752,953	187,522,724	190,276,818	192,830,466	193,707,669	195,348,350
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	193,254,000	192,077,588	191,196,737	190,347,743	188,993,714	188,165,510	187,752,953	187,522,724	190,276,818	192,830,466	193,707,669	195,348,350

The Community Informed Services Model is part of a long term funding strategy of capital expenditure / asset renewals. To deliver a financially sustainable outcome this scenario is based on a permanent 2 year 6%p.a. special rate variation, excluding current special rate variations in force, commencing 2014/15. An assumption of permanent special variations of 6%p.a (farmland) and 10%p.a (other categories) for the life of the plan.

Budgeted Cash Flow Statement - Community Informed Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Community Informed Services Model												
	Past Year	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	7,529,000	7,634,516	8,382,637	8,838,860	9,152,574	9,753,060	10,367,922	11,025,380	11,731,597	12,496,484	13,586,623	14,507,680
User Charges & Fees	1,857,545	1,034,121	1,068,197	1,100,608	1,136,711	1,175,716	1,216,276	1,258,238	1,301,650	1,346,563	1,393,029	1,441,101
Interest & Investment Revenue Received	436,000	437,063	483,929	418,752	358,665	333,772	346,736	368,447	352,811	305,563	394,710	547,531
Grants & Contributions	7,723,450	3,697,679	3,625,931	3,906,775	3,594,190	3,899,795	4,017,645	3,991,541	7,044,134	6,602,149	4,180,843	4,282,539
Bonds & Deposits Received	10,000	-	-	-	-	-	-	-	-	-	-	-
Other	643,005	53,247	299,793	368,768	376,706	389,057	399,916	411,263	421,696	433,038	444,721	456,754
Payments:												
Employee Benefits & On-Costs	(4,890,000)	(5,360,848)	(4,831,486)	(4,959,324)	(5,130,432)	(5,293,039)	(5,445,767)	(5,633,837)	(5,829,242)	(5,982,099)	(6,194,270)	(6,340,119)
Materials & Contracts	(4,496,000)	(2,721,609)	(3,549,910)	(3,861,952)	(3,958,563)	(4,117,450)	(4,188,815)	(4,629,686)	(4,503,676)	(4,630,979)	(4,748,419)	(4,881,966)
Borrowing Costs	(130,000)	(118,729)	(122,180)	(201,897)	(185,264)	(209,926)	(187,561)	(219,660)	(338,382)	(388,756)	(384,887)	(359,071)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(1,908,000)	(1,499,823)	(1,543,772)	(1,582,470)	(1,676,173)	(1,658,983)	(1,698,237)	(1,741,668)	(1,846,015)	(1,826,012)	(1,869,493)	(1,917,281)
Net Cash provided (or used in) Operating Activities	6,775,000	3,155,617	3,813,137	4,028,120	3,668,414	4,272,001	4,828,115	4,830,018	8,334,574	8,355,952	6,802,857	7,737,168
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	-	-	-	-	-	-	124,957	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	94,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	189,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	24,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(2,947,000)	(4,790,818)	(5,526,933)	(5,093,785)	(5,064,222)	(4,027,002)	(4,835,342)	(5,505,923)	(9,569,711)	(9,792,686)	(5,126,203)	(5,458,332)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(3,640,000)	(4,790,818)	(5,526,933)	(5,093,785)	(5,064,222)	(4,027,002)	(4,835,342)	(5,505,923)	(9,569,711)	(9,667,728)	(5,126,203)	(5,458,332)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	1,000,000	1,175,000	-	483,759	-	810,444	1,407,323	615,000	1,266,000	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(93,000)	(120,624)	(198,086)	(236,459)	(248,101)	(272,119)	(286,083)	(320,743)	(384,894)	(433,639)	(466,064)	(412,004)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(93,000)	879,376	976,914	(236,459)	235,658	(272,119)	524,361	1,086,580	230,106	832,361	(466,064)	(412,004)
Net Increase/(Decrease) in Cash & Cash Equivalents	3,042,000	(755,825)	(736,882)	(1,302,124)	(1,160,150)	(27,120)	517,134	410,675	(1,005,031)	(479,416)	1,210,590	1,866,831
plus: Cash, Cash Equivalents & Investments - beginning of year	7,102,000	10,144,000	9,388,175	8,651,293	7,349,169	6,189,020	6,161,900	6,679,034	7,089,709	6,084,678	5,605,263	6,815,852
Cash & Cash Equivalents - end of the year	10,144,000	9,388,175	8,651,293	7,349,169	6,189,020	6,161,900	6,679,034	7,089,709	6,084,678	5,605,263	6,815,852	8,682,684
Cash & Cash Equivalents - end of the year	10,144,000	9,388,175	8,651,293	7,349,169	6,189,020	6,161,900	6,679,034	7,089,709	6,084,678	5,605,263	6,815,852	8,682,684
Investments - end of the year	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,108,043	1,108,043	1,108,043
Cash, Cash Equivalents & Investments - end of the year	11,377,000	10,621,175	9,884,293	8,582,169	7,422,020	7,394,900	7,912,034	8,322,709	7,317,678	6,713,305	7,923,895	9,790,726

The Community Informed Services Model is part of a long term funding strategy of capital expenditure / asset renewals. To deliver a financially sustainable outcome this scenario is based on a permanent 2 year 6%p.a. special rate variation, excluding current special rate variations in force, commencing 2014/15. An assumption of permanent special variations of 6%p.a (farmland) and 10%p.a (other categories) for the life of the plan.

Budgeted Income Statement - Reduced Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - CONSOLIDATED												
Scenario: Reduced Services Model												
	Past Year	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	7,457,000	7,835,948	8,156,480	8,459,858	8,496,128	8,819,235	9,098,997	9,388,602	9,685,528	9,996,443	10,607,916	10,945,094
User Charges & Fees	1,425,000	996,079	1,067,155	1,103,965	1,139,979	1,179,305	1,219,991	1,262,083	1,305,630	1,350,682	1,397,292	1,445,513
Interest & Investment Revenue	482,000	426,137	479,469	410,022	348,316	338,201	357,836	378,609	371,494	317,721	411,585	570,020
Other Revenues	227,000	271,809	363,608	371,264	380,812	390,606	400,653	410,959	421,532	432,378	443,505	454,919
Grants & Contributions provided for Operating Purposes	3,815,000	2,901,994	2,925,448	2,999,184	3,073,739	3,150,157	3,228,486	3,308,773	3,391,068	3,475,419	3,564,880	3,653,502
Grants & Contributions provided for Capital Purposes	1,636,000	800,118	695,050	907,591	520,451	749,637	789,159	682,767	3,653,066	3,126,729	615,963	629,037
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	15,042,000	13,232,085	13,687,210	14,251,885	13,959,425	14,627,141	15,095,121	15,431,794	18,828,317	18,699,373	17,041,140	17,698,085
Expenses from Continuing Operations												
Employee Benefits & On-Costs	4,951,000	5,360,848	4,831,486	4,959,324	5,130,432	5,293,039	5,445,767	5,633,837	5,829,242	5,982,099	6,194,270	6,340,119
Borrowing Costs	155,000	128,183	132,914	199,944	188,301	176,529	163,380	175,325	248,667	301,460	300,172	277,685
Materials & Contracts	3,357,000	2,878,652	3,341,740	3,651,307	3,598,327	3,740,466	3,809,790	4,248,653	4,115,230	4,225,475	4,342,170	4,468,373
Depreciation & Amortisation	4,627,000	4,555,728	4,778,872	4,906,469	5,030,731	5,158,724	5,290,517	5,100,880	5,648,784	5,878,404	6,029,114	6,183,992
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,843,000	1,485,086	1,545,203	1,583,258	1,676,775	1,659,242	1,698,685	1,742,127	1,846,685	1,826,297	1,869,990	1,917,791
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	24,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	14,957,000	14,408,497	14,630,215	15,300,302	15,624,565	16,028,000	16,408,139	16,900,822	17,688,608	18,213,735	18,735,716	19,187,960
Operating Result from Continuing Operations	85,000	(1,176,412)	(943,005)	(1,048,417)	(1,665,141)	(1,400,859)	(1,313,018)	(1,469,028)	1,139,710	485,638	(1,694,577)	(1,489,876)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	85,000	(1,176,412)	(943,005)	(1,048,417)	(1,665,141)	(1,400,859)	(1,313,018)	(1,469,028)	1,139,710	485,638	(1,694,577)	(1,489,876)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,551,000)	(1,976,530)	(1,638,055)	(1,956,008)	(2,185,592)	(2,150,496)	(2,102,176)	(2,151,795)	(2,513,357)	(2,641,091)	(2,310,539)	(2,118,913)

The Reduced Services Model will require a review of loan borrowings and funding from reserves in conjunction with a review of service delivery / capital expenditure funding priorities in Years 1 and 2, dependent of the outcome of its application for 2 year special rate variation from 2014/15. Such reviews will also be required from Years 3 onwards subject to Council's determination on future funding of works and services.

Budgeted Balance Sheet - Reduced Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
BALANCE SHEET - CONSOLIDATED												
Scenario: Reduced Services Model	Past Year	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	10,144,000	9,388,175	9,001,192	7,827,896	7,076,578	7,106,874	7,440,395	7,374,637	5,703,303	4,450,617	5,376,203	7,999,043
Investments	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,108,043	1,108,043	1,108,043
Receivables	642,104	959,292	1,018,122	1,039,664	1,044,836	1,079,248	1,113,175	1,142,881	1,179,922	1,210,103	1,276,280	1,334,764
Inventories	900,000	921,612	947,116	972,060	965,336	976,756	988,482	1,000,521	1,012,882	1,025,574	1,038,606	1,051,986
Other	149,000	175,835	185,412	194,801	196,052	198,939	204,208	209,699	217,441	220,805	226,519	232,313
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	13,068,104	12,677,913	12,384,842	11,267,421	10,515,803	10,594,818	10,979,259	10,960,738	9,346,548	8,015,141	9,025,650	11,726,149
Non-Current Assets												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	60,896	245,949	178,466	182,896	185,079	190,242	195,554	201,020	206,644	212,431	218,386	224,514
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	184,436,000	184,671,090	185,024,383	184,891,444	183,731,971	182,001,605	180,443,686	179,642,391	182,688,644	185,388,434	182,279,815	177,744,014
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	184,496,896	184,917,039	185,202,850	185,074,340	183,917,049	182,191,847	180,639,240	179,843,410	182,895,288	185,600,865	182,498,201	177,968,527
TOTAL ASSETS	197,565,000	197,594,952	197,587,692	196,341,761	194,432,852	192,786,664	191,618,499	190,804,148	192,241,836	193,616,005	191,523,851	189,694,676
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	762,000	996,917	1,048,996	1,087,905	1,092,225	1,106,751	1,132,934	1,169,720	1,198,909	1,213,835	1,238,323	1,264,101
Borrowings	98,000	291,305	236,459	248,101	259,873	273,022	296,212	334,663	368,575	422,094	365,105	224,418
Provisions	1,233,000	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526	1,253,526
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	2,093,000	2,541,748	2,538,981	2,589,533	2,605,625	2,633,300	2,682,672	2,757,909	2,821,010	2,889,455	2,856,954	2,742,045
Non-Current Liabilities												
Payables	2,000	852	823	858	872	890	915	940	973	993	1,021	1,050
Borrowings	1,710,000	2,489,290	3,427,831	3,179,730	2,919,857	2,646,835	2,742,290	3,321,705	3,556,548	4,376,615	4,011,510	3,787,091
Provisions	506,000	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474	485,474
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	2,218,000	2,975,616	3,914,128	3,666,062	3,406,202	3,133,198	3,228,679	3,808,119	4,042,996	4,863,082	4,498,005	4,273,615
TOTAL LIABILITIES	4,311,000	5,517,364	6,453,109	6,255,595	6,011,827	5,766,498	5,911,350	6,566,027	6,864,006	7,752,537	7,354,959	7,015,660
Net Assets	193,254,000	192,077,588	191,134,583	190,086,166	188,421,025	187,020,166	185,707,149	184,238,121	185,377,830	185,863,468	184,168,892	182,679,016
EQUITY												
Retained Earnings	60,583,000	59,406,588	58,463,583	57,415,166	55,750,025	54,349,166	53,036,149	51,567,121	52,706,830	53,192,468	51,497,892	50,008,016
Revaluation Reserves	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000	132,671,000
Council Equity Interest	193,254,000	192,077,588	191,134,583	190,086,166	188,421,025	187,020,166	185,707,149	184,238,121	185,377,830	185,863,468	184,168,892	182,679,016
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	193,254,000	192,077,588	191,134,583	190,086,166	188,421,025	187,020,166	185,707,149	184,238,121	185,377,830	185,863,468	184,168,892	182,679,016

The Reduced Services Model will require a review of loan borrowings and funding from reserves in conjunction with a review of service delivery / capital expenditure funding priorities in Years 1 and 2, dependent of the outcome of its application for 2 year special rate variation from 2014/15. Such reviews will also be required from Years 3 onwards subject to Council's determination on future funding of works and services.

Budgeted Cash Flow Statement - Reduced Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Reduced Services Model												
	Past Year	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	7,529,000	7,634,516	8,132,827	8,437,368	8,491,689	8,795,272	9,078,978	9,367,858	9,664,285	9,974,120	10,559,342	10,920,775
User Charges & Fees	1,857,545	1,034,121	1,068,197	1,100,608	1,136,711	1,175,716	1,216,276	1,258,238	1,301,650	1,346,563	1,393,029	1,441,101
Interest & Investment Revenue Received	436,000	437,063	483,366	418,895	357,350	336,597	352,545	377,852	364,727	319,143	403,516	545,654
Grants & Contributions	7,723,450	3,697,679	3,625,931	3,906,775	3,594,190	3,899,795	4,017,645	3,991,541	7,044,134	6,602,149	4,180,843	4,282,539
Bonds & Deposits Received	10,000	-	-	-	-	-	-	-	-	-	-	-
Other	643,005	53,247	296,182	366,838	373,097	385,028	395,422	406,262	416,136	426,865	437,871	449,163
Payments:												
Employee Benefits & On-Costs	(4,890,000)	(5,360,848)	(4,831,486)	(4,959,324)	(5,130,432)	(5,293,039)	(5,445,767)	(5,633,837)	(5,829,242)	(5,982,099)	(6,194,270)	(6,340,119)
Materials & Contracts	(4,496,000)	(2,721,609)	(3,340,147)	(3,650,082)	(3,587,562)	(3,743,190)	(3,807,886)	(4,242,121)	(4,109,287)	(4,229,401)	(4,339,451)	(4,465,401)
Borrowing Costs	(130,000)	(118,729)	(122,180)	(201,897)	(190,336)	(178,648)	(161,481)	(168,144)	(251,419)	(304,341)	(303,189)	(280,271)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(1,908,000)	(1,499,823)	(1,544,422)	(1,582,489)	(1,676,666)	(1,659,003)	(1,698,258)	(1,741,689)	(1,846,037)	(1,826,034)	(1,869,516)	(1,917,305)
Net Cash provided (or used in) Operating Activities	6,775,000	3,155,617	3,768,268	3,836,692	3,368,041	3,718,528	3,947,474	3,615,961	6,754,948	6,326,964	4,268,176	4,636,136
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	124,957	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	94,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	189,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	24,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(2,947,000)	(4,790,818)	(5,132,165)	(4,773,530)	(3,871,257)	(3,428,359)	(3,732,598)	(4,299,584)	(8,695,038)	(8,578,194)	(2,920,496)	(1,648,190)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(3,640,000)	(4,790,818)	(5,132,165)	(4,773,530)	(3,871,257)	(3,428,359)	(3,732,598)	(4,299,584)	(8,695,038)	(8,453,236)	(2,920,496)	(1,648,190)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	1,000,000	1,175,000	-	-	-	391,667	914,077	615,000	1,266,000	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(93,000)	(120,624)	(198,086)	(236,459)	(248,101)	(259,873)	(273,022)	(296,212)	(346,243)	(392,415)	(422,094)	(365,105)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(93,000)	879,376	976,914	(236,459)	(248,101)	(259,873)	118,644	617,866	268,757	873,585	(422,094)	(365,105)
Net Increase/(Decrease) in Cash & Cash Equivalents	3,042,000	(755,825)	(386,983)	(1,173,296)	(751,317)	30,296	333,521	(65,758)	(1,671,334)	(1,252,687)	925,586	2,622,841
plus: Cash, Cash Equivalents & Investments - beginning of year	7,102,000	10,144,000	9,388,175	9,001,192	7,827,896	7,076,578	7,106,874	7,440,395	7,374,637	5,703,303	4,450,617	5,376,203
Cash & Cash Equivalents - end of the year	10,144,000	9,388,175	9,001,192	7,827,896	7,076,578	7,106,874	7,440,395	7,374,637	5,703,303	4,450,617	5,376,203	7,999,043
Cash & Cash Equivalents - end of the year	10,144,000	9,388,175	9,001,192	7,827,896	7,076,578	7,106,874	7,440,395	7,374,637	5,703,303	4,450,617	5,376,203	7,999,043
Investments - end of the year	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,233,000	1,108,043	1,108,043	1,108,043
Cash, Cash Equivalents & Investments - end of the year	11,377,000	10,621,175	10,234,192	9,060,896	8,309,578	8,339,874	8,673,395	8,607,637	6,936,303	5,558,659	6,484,245	9,107,086

The Reduced Services Model will require a review of loan borrowings and funding from reserves in conjunction with a review of service delivery / capital expenditure funding priorities in Years 1 and 2, dependent of the outcome of its application for 2 year special rate variation from 2014/15. Such reviews will also be required from Years 3 onwards subject to Council's determination on future funding of works and services.

Capital Works Program – Community Informed Services Model (Consolidated)

Blayney Shire Council										
10 Year Financial Plan for the Years ending 30 June 2024										
CAPITAL EXPENDITURE - CONSOLIDATED FUND										
Scenario: Community Informed Services Model										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
BUILDINGS										
BUILDING CAPITAL WORKS - COUNCIL ADMINISTRATION BUILDING	170,000	100,000	100,000	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - DEPOT BUILDINGS	-	-	-	16,000	-	-	-	-	-	-
BUILDING CAPITAL WORKS - COMMUNITY CENTRE WORKS	-	-	-	10,000	-	-	-	-	30,000	-
BUILDING CAPITAL WORKS - INALA UNITS	-	20,000	-	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - PUBLIC HALLS	3,000	5,000	-	23,000	15,000	-	7,500	-	5,000	-
BUILDING CAPITAL WORKS - CENTREPOINT	100,000	170,000	100,000	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - SPORTING GROUNDS	145,950	11,200	45,000	13,000	10,500	26,000	-	2,000	-	40,000
BUILDING CAPITAL WORKS - SHOWGROUND	-	-	-	-	25,000	-	-	-	-	-
BUILDING CAPITAL WORKS - LIBRARY (PAINTING)	-	-	-	-	21,000	-	-	-	-	-
BUILDING CAPITAL WORKS - SES BUILDING	-	-	6,000	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - OTHER TRANSPORT	2,000	-	-	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - TOURISM	-	20,000	-	5,000	-	-	-	-	-	-
BUILDING CAPITAL WORKS - REAL ESTATE DEVELOPMENT	16,000	-	-	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - PARKS & GARDENS	17,000	1,167	500	-	25,167	9,000	17,000	-	-	-
TOTAL BUILDINGS	453,950	327,367	251,500	67,000	96,667	35,000	24,500	2,000	35,000	40,000
INFRASTRUCTURE										
LOCAL ROADS	2,088,796	2,344,144	2,666,639	2,419,085	2,836,550	2,446,047	2,304,582	2,663,097	3,217,657	4,391,560
BRIDGES REGIONAL	365,295	264,710	212,462	28,029	57,683	1,656,023	18,323	653,622	155,210	-
TOTAL INFRASTRUCTURE	2,454,091	2,608,854	2,879,101	2,447,114	2,894,233	4,102,070	2,322,905	3,316,719	3,372,867	4,391,560
OTHER STRUCTURES										
CAPITAL WORKS - SPORTING GROUNDS OTHER	10,000	41,000	65,000	5,000	1,500	143,000	174,324	-	-	-
CAPITAL WORKS - PARKS & GARDENS OTHER	55,000	-	-	-	20,000	20,000	20,000	20,000	5,000	-
CAPITAL WORKS - SHOWGROUND OTHER	48,000	100,000	-	-	-	-	-	-	-	-
WASTE TRANSFER STATION	500,000	-	-	-	-	-	-	-	-	-
VILLAGE ENHANCEMENT PROGRAM	171,700	171,700	171,700	171,700	171,700	171,700	171,700	171,700	171,700	171,700
FOOTPATHS (INCLUSIVE OF VILLAGE ENHANCEMENT PROGRAM)	123,068	148,555	162,887	114,749	153,898	170,648	162,953	260,192	172,542	179,675
TOTAL OTHER STRUCTURES	907,768	461,255	399,587	291,449	347,098	505,348	528,977	451,892	349,242	351,375
PLANT & EQUIPMENT										
LIGHT VEHICLE REPLACEMENT	46,305	66,707	93,702	26,908	96,908	80,722	51,304	104,329	115,113	31,942
PLANT REPLACEMENT - MINOR	257,250	227,651	228,805	258,894	250,344	102,092	85,508	157,121	116,407	232,912
PLANT REPLACEMENT - MAJOR	560,805	534,715	719,101	504,505	605,670	350,198	305,114	571,919	939,796	292,804
I.T. PROJECT BASED EXPENSES	4,913	10,200	5,202	5,353	10,802	5,668	5,832	11,449	6,175	6,355
I.T. LIFE CYCLE BASED EXPENSES	72,500	57,500	37,500	80,860	62,500	42,500	77,030	67,500	53,620	76,202
LIBRARY - DISABILITY & GEOGRAPHICAL ADJUSTMENT ACQUISITIONS	6,351	6,535	6,725	6,920	7,120	7,327	7,539	7,758	7,983	8,182
TOTAL PLANT & EQUIPMENT	948,124	903,308	1,091,035	883,439	1,033,345	588,507	532,328	920,076	1,239,095	648,397
SEWER										
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	763,000	793,000	443,000	338,000	464,000	275,000	6,161,000	5,102,000	130,000	27,000
TOTAL CAPITAL EXPENDITURE	5,526,933	5,093,785	5,064,223	4,027,002	4,835,342	5,505,925	9,569,711	9,792,686	5,126,203	5,458,332

The Community Informed Services Model is part of a long term funding strategy of capital expenditure / asset renewals. To deliver a financially sustainable outcome this scenario is based on a permanent 2 year 6%p.a. special rate variation, excluding current special rate variations in force, commencing 2014/15. An assumption of permanent special variations of 6%p.a (farmland) and 10%p.a (other categories) for the life of the plan.

Capital Works Program – Reduced Services Model (Consolidated)

Blayney Shire Council										
10 Year Financial Plan for the Years ending 30 June 2024										
CAPITAL EXPENDITURE - CONSOLIDATED FUND										
Scenario: Reduced Services Model										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
BUILDINGS										
BUILDING CAPITAL WORKS - COUNCIL ADMINISTRATION BUILDING	170,000	100,000	100,000	-	-	-	-	-	-	-
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	- 100,000	-	- 100,000							
BUILDING CAPITAL WORKS - DEPOT BUILDINGS	-	-	-	16,000	-	-	-	-	-	-
BUILDING CAPITAL WORKS - COMMUNITY CENTRE WORKS	-	-	-	10,000	-	-	-	-	30,000	-
BUILDING CAPITAL WORKS - INALA UNITS	-	20,000	-	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - PUBLIC HALLS	3,000	5,000	-	23,000	15,000	-	7,500	-	5,000	-
BUILDING CAPITAL WORKS - CENTREPOINT	100,000	170,000	100,000	-	-	-	-	-	-	-
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	-	-	- 50,000							
BUILDING CAPITAL WORKS - SPORTING GROUNDS	145,950	11,200	45,000	13,000	10,500	26,000	-	2,000	-	40,000
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	-	-	-	-	-	-	-	-	-	- 40,000
BUILDING CAPITAL WORKS - SHOWGROUND	-	-	-	-	25,000	-	-	-	-	-
BUILDING CAPITAL WORKS - LIBRARY (PAINTING)	-	-	-	-	21,000	-	-	-	-	-
BUILDING CAPITAL WORKS - SES BUILDING	-	-	6,000	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - OTHER TRANSPORT	2,000	-	-	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - TOURISM	-	20,000	-	5,000	-	-	-	-	-	-
BUILDING CAPITAL WORKS - REAL ESTATE DEVELOPMENT	16,000	-	-	-	-	-	-	-	-	-
BUILDING CAPITAL WORKS - PARKS & GARDENS	17,000	1,167	500	-	25,167	9,000	17,000	-	-	-
TOTAL BUILDINGS	353,950	327,367	101,500	67,000	96,667	35,000	24,500	2,000	35,000	-
INFRASTRUCTURE										
LOCAL ROADS	2,088,796	2,344,144	2,666,639	2,419,085	2,836,550	2,446,047	2,304,582	2,663,097	3,217,657	4,391,560
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	-	-	- 643,378	- 307,194	- 755,646	- 700,991	- 345,696	- 762,600	- 1,854,396	- 3,418,767
BRIDGES REGIONAL	365,295	264,710	212,462	28,029	57,683	1,656,023	18,323	653,622	155,210	-
TOTAL INFRASTRUCTURE	2,454,091	2,608,854	2,235,723	2,139,920	2,138,587	3,401,079	1,977,209	2,554,119	1,518,471	972,793
OTHER STRUCTURES										
CAPITAL WORKS - SPORTING GROUNDS OTHER	10,000	41,000	65,000	5,000	1,500	143,000	174,324	-	-	-
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	-	-	- 65,000	- 5,000	- 1,500	- 143,000	- 174,324			
CAPITAL WORKS - PARKS & GARDENS OTHER	55,000	-	-	-	20,000	20,000	20,000	20,000	5,000	-
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	-	-	-	-	- 20,000	- 20,000	- 20,000	- 20,000	- 5,000	
CAPITAL WORKS - SHOWGROUND OTHER	48,000	100,000	-	-	-	-	-	-	-	-
WASTE TRANSFER STATION	500,000	-	-	-	-	-	-	-	-	-
VILLAGE ENHANCEMENT PROGRAM	171,700	171,700	171,700	171,700	171,700	171,700	171,700	171,700	171,700	171,700
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	- 171,700	- 171,700	- 171,700	- 171,700	- 171,700	- 171,700	- 171,700	- 171,700	- 171,700	- 171,700
FOOTPATHS (INCLUSIVE OF VILLAGE ENHANCEMENT PROGRAM)	123,068	148,555	162,887	114,749	153,898	170,648	162,953	260,192	172,542	179,675
CAPITAL WORKS CHANGES REQUIRED (REDUCED SERVICES)	- 123,068	- 148,555	- 162,887	- 114,749	- 153,898	- 170,648	- 162,953	- 260,192	- 172,542	- 179,675
TOTAL OTHER STRUCTURES	613,000	141,000	-	-	-	-	-	-	-	-
PLANT & EQUIPMENT										
LIGHT VEHICLE REPLACEMENT	46,305	66,707	93,702	26,908	96,908	80,722	51,304	104,329	115,113	31,942
PLANT REPLACEMENT - MINOR	257,250	227,651	228,805	258,894	250,344	102,092	85,508	157,121	116,407	232,912
PLANT REPLACEMENT - MAJOR	560,805	534,715	719,101	504,505	605,670	350,198	305,114	571,919	937,727	292,804
I.T. PROJECT BASED EXPENSES	4,913	10,200	5,202	5,353	10,802	5,668	5,832	11,449	6,175	6,355
I.T. LIFE CYCLE BASED EXPENSES	72,500	57,500	37,500	80,860	62,500	42,500	77,030	67,500	53,620	76,202
LIBRARY - DISABILITY & GEOGRAPHICAL ADJUSTMENT ACQUISITIONS	6,351	6,535	6,725	6,920	7,120	7,327	7,539	7,758	7,983	8,182
TOTAL PLANT & EQUIPMENT	948,124	903,308	1,091,035	883,439	1,033,345	588,507	532,328	920,076	1,237,026	648,397
SEWER										
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	763,000	793,000	443,000	338,000	464,000	275,000	6,161,000	5,102,000	130,000	27,000
TOTAL CAPITAL EXPENDITURE	5,132,165	4,773,529	3,871,258	3,428,359	3,732,599	4,299,586	8,695,037	8,578,195	2,920,497	1,648,190

The Reduced Services Model will require a review of loan borrowings and funding from reserves in conjunction with a review of service delivery / capital expenditure funding priorities in Years 1 and 2, dependent of the outcome of its application for 2 year special rate variation from 2014/15. Such reviews will also be required from Years 3 onwards subject to Council's determination on future funding of works and services. A reduction in maintenance budgets of approximately \$150,000 for years 2016/17 – 2023/24 will also be required under the reduced services model.