

# Long Term Financial Plan 2017-2027



### **Acknowledgement to Country**

Moree Plains Shire Council acknowledges and pays respect to the Kamilaroi people and their Elders, both past and present, as the traditional custodians of this land.

Moree Plains Shire Council recognises the different spelling and pronunciations used to represent the original inhabitants of the Moree Plains Shire. The word *Kamilaroi* will be used throughout the entirety of this document.

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## 1 INTRODUCTION

### 1.1 Objectives

The Long Term Financial Plan (LTFP) is an important part of Moree Plains Shire Council's (Council or MPSC) strategic planning process. One of the primary objectives of the LTFP is to test long-term community aspirations and goals against financial realities. It is also where Council and the community may decide what resources councils need to influence and work with other parties that they might deliver on responsibilities.

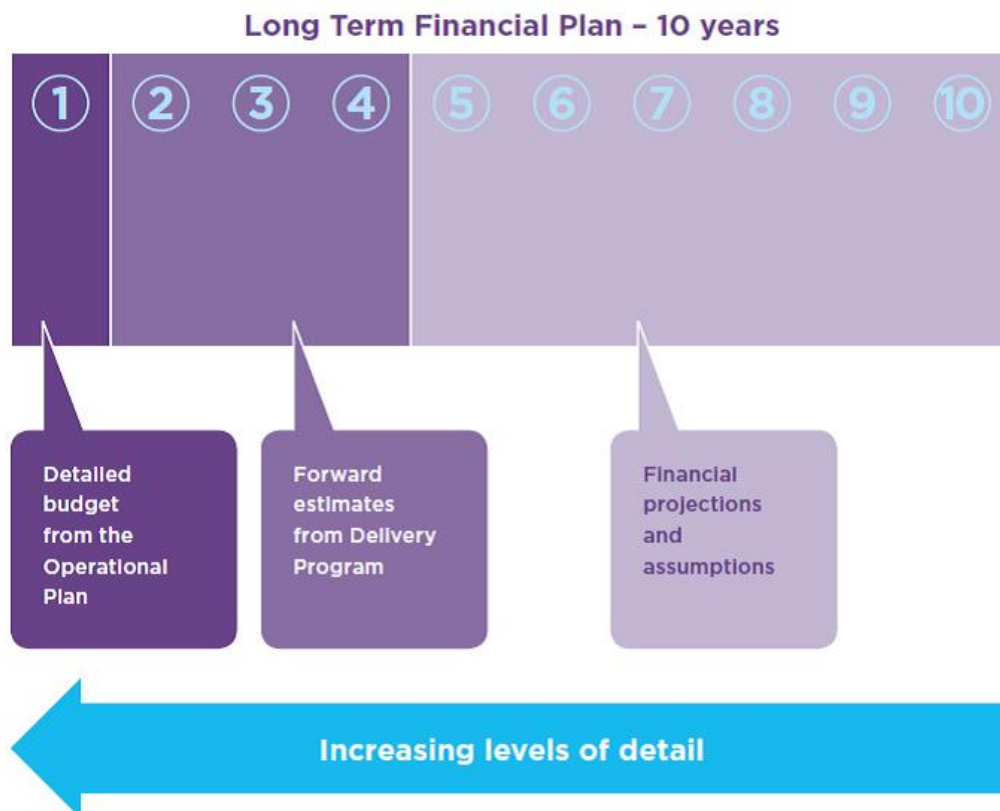
The LTFP will seek to answer the following questions:

- Can we survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

The LTFP is a decision-making and problem-solving tool. It is not intended that the LTFP is set in stone – it is a guide for future action. The modelling that occurs as part of the plan assists Council make informed decisions should unexpected events arise. It also provides an opportunity for Council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.<sup>1</sup>

### 1.2 Timeframe

A Long Term Financial Plan may be prepared for any length of time. The NSW Office of Local Government (OLG) has set the minimum timeframe at ten (10) years. Moree Plains Shire Council's LTFP covers the financial years 2017/18 to 2026/27.



<sup>1</sup> Department and Local Government, Planning and Reporting Manual, page 60.

### 1.3 Method

MPSC's LTFP is based on the four (4) foundations as detailed in the Office of Local Government's Planning and Reporting Manual. These foundations are:

- Planning Assumptions
- Revenue Forecasts
- Expenditure Forecasts
- Sensitivity Analysis / Financial Modelling

### 1.4 Structure

The LTFP is structured into six (6) main sections.

**Section 1: Introduction**

This section provides a brief introduction to the plan and the objectives it aims to meet.

**Section 2: Foundation One – Planning Assumptions**

This section details the financial assumptions made in developing the LTFP.

**Section 3: Foundation Two – Revenue Forecasts**

This section details the Council's major sources of revenue and the assumptions used in the forecast figures.

**Section 4: Foundation Three – Expenditure Forecasts**

This section details the Council's major areas of expenditure and the assumptions used in the forecast figures.

**Section 5: Foundation Four – Sensitivity Analysis and Financial Modelling**

This section details the impact of alternative financial assumptions.

**Section 6: Performance Monitoring**

This section measures Council's long term estimates against financial indicators and ratios, including those put in place by the State Government's Fit for the Future reform initiatives (FFF).

## 2 PLANNING ASSUMPTIONS

In developing the LTFP some underlying assumptions have been made. These assumptions are based on what we know now. As new challenges and opportunities arise the LTFP is reviewed to ensure it continues to provide Council with a reliable tool for decision-making.

The major underlying assumptions of this LTFP are:

1. The services provided as at the date of the LTFP are those that will be provided for the term of this plan and for each such service, the level of service provided will remain at current levels.
2. Capital works included in future years are accurately identified and costed.
3. Council's current mandated requirements remain unchanged.

In addition to the assumptions above indexation assumptions used in the LTFP are outlined in the table below.

ASSUMPTION / VARIABLE	2018/19 to 2019/20	2020/21 to 2026/27	AREAS EFFECTED
<b>Overall</b>			
Cost indexation	0.00%	2.00%	All areas not listed below
<b>Expenditure</b>			
Salaries and Employee Oncosts	4.00%	4.00%	All salaries and wages budgets
Road Construction Index (RCI)	0.00%	2.38%	Road and Facilities maintenance and project budget
Water and Sewer Construction Index (WSCCI)	0.00%	2.16%	Water and Sewer asset maintenance and construction budgets
<b>Income</b>			
Rate Pegging (General Rates)	2.28%	2.28%	General Fund General Revenue budget
Financial Assistance Grant (FAG)	4.00%	4.00%	Financial Assistance Grant payment
Roads to Recovery	2018/19 based on advised allocation. Subsequent years assumes a 12% increase from program to program (each program is for a 4 year period. A 3% annual increase is applied every 4 years)		Urban and Rural Rehab / Construction budgets
Water Charges	2.00% - 3.00%	2.00% - 3.00%	Water Fund General Revenue budget
Sewer Charges	2.00% - 3.00%	2.00% - 3.00%	Sewer Fund General Revenue budget
Waste Charges	2.00%	2.00%	Waste Fund General Revenue budget
Other income	2.00%	2.00%	Income not covered by above indices

**Note:** Through strategies identified in Council's FFF Improvement Proposal, efficiency gains of at least 2% will be achieved during the 2018/19 and 2019/20 financial years. This is reflected in the 0% increase in indices affecting expenditure budgets.

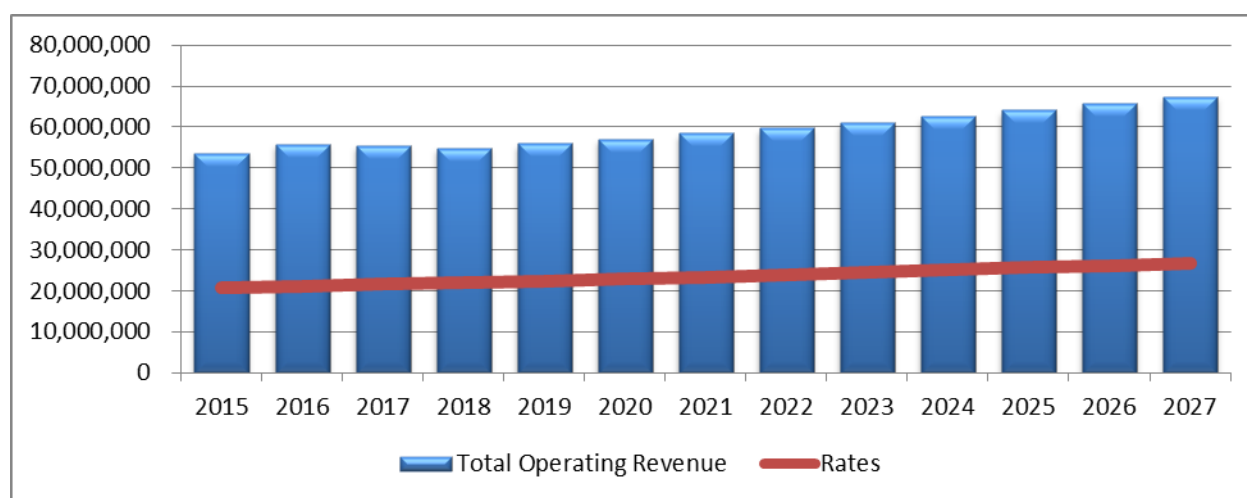
### 3 REVENUE FORECASTS

Section 491 of the *Local Government Act 1993* NSW (the Act) sets out the main sources of Councils' revenue. They are as follows:

- Rates
- Charges
- Fees
- Grants
- Borrowings

#### 3.1 Rates

Rates form a significant proportion of revenue for Council. The table below illustrates MPSC's rates as a proportion of total operating revenue over the period covered by this plan.



The annual allowable increase to total rate revenue is governed by the rate peg which is explained in section 3.1.3 of the LTFP.

Section 492 of the Act provides for two (2) types of rates: Ordinary rates and Special rates.<sup>2</sup>

##### 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 (4) main rating categories, within which Council can create additional sub-categories. The four (4) broad categories provided by Section 493 of the Act are:

- Farmland
- Residential
- Business
- Mining

<sup>2</sup> Moree Plains Shire Council Operational Plan 2017-2018



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.<sup>3</sup> As no mining currently takes place within the Moree Plains Shire, no land falls within the mining category.

### 3.1.2 Special Rates

Council has discretion to levy special rates. Special rates must be made pursuant to section 495 of the Act 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.<sup>4</sup>

Council currently levies two (2) special rates:

1. Industrial Drive Improvement Levy. This levy was commenced in the 2007 financial year and is used to fund ongoing road and drainage infrastructure maintenance and renewal in the industrial drive complex of Moree. The levy applies to 43 assessments and yields \$37,000 per annum.
2. Business Intensive. This levy was commenced in the 2012 financial year and affects cotton gins and grain receivals. The levy is used to fund critical road maintenance in areas affected by the high traffic volumes generated by these industries. The levy applies to 25 assessments and will yield \$288,284 in 2018 and is increased by the rate peg each year thereafter.

### 3.1.3 Rate Pegging

Rate pegging is a term that is commonly associated with sections 506 and 509 of the Act. 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. The rate peg (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.

Since the 2012 financial year the rate peg has been determined by the Independent Pricing and Regulatory Tribunal (IPART). IPART bases the rate peg mainly on the Local Government Cost Index (LGCI). This index measures price changes over the previous year for the goods and labour an average council will use. In addition, IPART also looks at productivity changes over the period.<sup>5</sup>

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<sup>3</sup> Moree Plains Shire Council Operational Plan 2017-2018

<sup>4</sup> Moree Plains Shire Council Operational Plan 2017-2018

<sup>5</sup> Independent Pricing and Regulatory Tribunal

The table below shows the calculation of the LGCI<sup>6</sup>.

Cost Item	Effective weight as at 30/09/2015 (%)	Price change to 30/09/2016 (% annual average)	Contribution to index change (percentage points)
<b>Operating cost items</b>			
Employee benefits and on-costs	41.3	2.3	0.94
Plant & equipment leasing	0.3	-2.7	-0.01
Operating contracts	1.0	1.7	0.02
Legal & accounting services	0.8	1.3	0.01
Office & building cleaning services	0.3	1.0	0.00
Other business services	5.9	1.9	0.11
Insurance	1.6	6.6	0.10
Telecommunications, telephone & Internet services	0.6	-7.1	-0.04
Printing, publishing & advertising	0.6	-3.3	-0.02
Motor vehicle parts	0.3	1.2	0.00
Motor vehicle repairs & servicing	0.6	3.0	0.02
Automotive fuel	0.8	-10.5	-0.08
Electricity	2.7	-0.9	-0.02
Gas	0.1	-10.4	-0.01
Water & Sewerage	0.4	-0.9	0.00
Road, footpath, kerbing, bridge & drain building materials	2.5	0.6	0.02
Other building & construction materials	0.5	2.7	0.01
Office supplies	0.2	-0.4	0.00
Emergency service levies	1.4	3.3	0.05
Other expenses*	8.9	1.5	0.13
<b>Capital cost items</b>			
Buildings – non-dwelling	3.9	2.7	0.11
Construction works – road, drains, footpaths, kerbing, bridges	19.5	0.6	0.13
Construction works – other	2.0	0.6	0.01
Plant & equipment – machinery etc	3.5	0.2	0.01
Plant & equipment – furniture etc	0.1	2.1	0.00
Information technology & software	0.5	-3.7	-0.02
<b>Total change in LGCI</b>	<b>100</b>		<b>1.47</b>

\* Includes miscellaneous expenses with low weights in the Index, eg, councillor and mayoral fees.

**Note:** Figures may not add due to rounding. Percentage changes are calculated from unrounded numbers.

<sup>6</sup> "Rate peg for NSW councils for 2017-18" IPART

### 3.1.4 Special Rate Variations

Pursuant to sections 508 and 508A of the Act councils are permitted to seek a Special Variation of the rate peg for any single year or a period up to 7 years. Applications for Special Variations are made to IPART and assessed against the guidelines set by the OLG. When making an application for a Special Variation councils must show:

- community awareness of their plans
- a demonstrated need for higher increases to charges
- a reasonable impact on ratepayers
- a sustainable financing strategy
- a history of well-documented council productivity improvements

IPART can wholly or partially approve or reject a council's Special Variation application<sup>7</sup>.

Council has received the Special Variations shown in the table below.

Special Rate Variation	Year	Increase %	Purpose
Tourism and Economic Development	2006	5.78	Tourism, economic development and the construction of Industrial Drive
Road Infrastructure maintenance and renewal	2010	9.73	Road infrastructure maintenance and renewal
Road Infrastructure maintenance and renewal	2011	9.25	Critical road infrastructure maintenance and renewal
	2012	9.25	
	2013	9.25	

Council has discussed a special variation as an option to fund additional maintenance work on the unsealed road network. No consideration has been made in this LTFP for a special variation. If at a future date Council makes a formal resolution to make an application for a special variation the LTFP will be updated to reflect this.

### 3.1.5 Rate Yield

MPSC's forecast notional rate yield for the period covered by this plan is shown in the table below.

2018 ('000)	2019 ('000)	2020 ('000)	2021 ('000)	2022 ('000)	2023 ('000)	2024 ('000)	2025 ('000)	2026 ('000)	2027 ('000)
22,261	22,768	23,287	23,818	24,361	24,917	25,485	26,066	26,660	27,268

## 3.2 Charges

In accordance with sections 496, 501 and 502 of the Act, Council is able to charge for the following services:

- water supply services
- sewerage services
- drainage services
- waste management services
- any services prescribed by the regulations

### 3.2.1 Water Charges

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<sup>7</sup> IPART

The level of charges is set to enable Council to provide sufficient funds to operate and maintain a water supply service, re-pay existing loans, minimise the use of loan funds for new capital works and meet the requirements of Best Practice Pricing and the National Competition Policy.

Council's water charging structure is made up of two (2) components; a fixed annual charge for all properties supplied with water from council mains or vacant land within 225 metres of a Council water main and a consumption charge based on actual water consumed. This consumption charge consists of a three tier pricing structure.

### 3.2.2 Sewer and Trade Waste Charges

In accordance with the Act, Council will levy a charge on all assessments connected to, or capable of being connected to Council's sewerage service systems. Council has set charges to provide sufficient funds to operate and maintain sewerage services, re-pay existing loans and generate additional reserves to provide for capital works and upgrades in the future. As with water charges, Council also has a responsibility to implement the principles of Best Practice Pricing and the National Competition Policy.

Council also charges a Trade Waste Discharge fee. This fee applies to non-residential customers, who have significant trade waste discharge. The trade waste discharge fee consists of a fixed fee and a usage charge<sup>8</sup>.

### 3.2.3 Waste Management Charges

Council currently levies four (4) specific types of annual waste charges:

- Domestic Waste Management Service (140lt red bin, 240lt green bin and 240lt yellow bin)
- Domestic Waste Management Charge – Vacant
- Commercial Waste Management Charge
- Waste Management Levy

Additional or upgraded services may also be requested.

### 3.2.4 Developer Charges (Section 64)

Developer charges provide a source of funding for infrastructure required for new urban development. They also provide a pricing signal regarding the cost of urban development and thus encourage less costly forms and areas of development. Councils have the power to levy developer charges for water supply, sewerage and storm-water under section 64 of the Act.<sup>9</sup>

### 3.2.5 Development Contributions (Section 94)

Moree Plains Shire Council's Section 94A Development Contributions Plan was adopted on 10 December 2015. Contributions received from this plan assist Council to provide the appropriate public amenities required to maintain and enhance amenity and service delivery within the local government area.<sup>10</sup>

### 3.2.6 Other Fees

Other fees that Council charges include (but are not limited to):

- Section 603

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<sup>8</sup> Moree Plains Shire Council Operational Plan 2017-2018

<sup>9</sup> Moree Plains Shire Council Operational Plan 2017-2018

<sup>10</sup> Moree Plains Shire Council Section 94A Development Contributions Plan.

- Office fees (photocopying, binding etc)
- *Government Information (Public Access) Act* (GIPA) searches
- Hire of Council property (Hall hire, chambers etc)
- Pool fees
- Cemetery fees
- Aerodrome fees
- Sportsfield fees
- Ranger fees (Dog, cat, stock, pound etc)
- Building Control fees (Compliance and building certificates, DA fees etc)
- Health Control fees
- Landfill fees
- Water and Sewer fees

### 3.3 Grants

Council receives tied (specific purpose) and untied (general purpose) funding. The two (2) main grants received by Council are Roads to Recovery and the Financial Assistance Grant.

#### 3.3.1 Roads to Recovery

The Roads to Recovery (R2R) program is a Federal Government initiative which commenced in 2001 to provide direct funding to local communities. The program was established in recognition of the increasing backlog in local road maintenance and has become an essential element in assisting local government to maintain and upgrade the local road network.

R2R funds are utilised for the maintenance and upgrade of the local road network. The funds are allocated to projects through the annual budget process with a split between rural and urban projects approximately equal to the share of rate revenue received from each of these categories. Funds received under the Roads to Recovery Program are not intended to replace council spending on roads or State Government assistance to Councils for local road construction or maintenance.

The Federal Government has committed to continuing the R2R program for a further two (2) years beyond the current program which finishes in 2019. For the purpose of the LTFP, Council has assumed the R2R program will continue beyond that time. Projections for ongoing R2R program allocations are shown below.

2018 ('000)	2019 ('000)	2020 ('000)	2021 ('000)	2022 ('000)	2023 ('000)	2024 ('000)	2025 ('000)	2026 ('000)	2027 ('000)
2,559	1,279	1,279	1,433	1,433	1,433	1,433	1,605	1,605	1,605

#### 3.3.2 Financial Assistance Grants

Local government financial assistance grants are general purpose grants that are paid to local councils under the provisions of the *Local Government (Financial Assistance) Act 1995* (Cth). This legislation also details how the total amount of grant funds is determined and how the funds are to be distributed between the States (including the ACT and the NT).<sup>11</sup>

The grant is made up of two (2) components; the general purpose component and the local roads component.

#### General Purpose Component

<sup>11</sup> NSW Local Government Grants Commission 2008-09 Annual Report, page 16.

The Grants Commission attempts to assess the extent of relative disadvantage between councils. The approach taken considers cost disadvantage in the provision of services on the one hand (expenditure allowances) and an assessment of revenue raising capacity on the other (revenue allowances). Because the grants are unconditional the methodology is objective and excludes, as far as practicable, councils' policies and practices (the effort neutral principle).

The Commonwealth Act spells it out a little more formally. Section 6(2)(a) requires the payment of grants is to:

*"have regard to the need that the allocation of funds...is made, as far as practicable, on a full horizontal equalisation basis".*

Section 6(3) goes on to define full horizontal equalisation as a basis that:

*"ensures that each local governing body in a State is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State, and that takes account of differences in the expenditure required to be incurred by local governing bodies in the performance of their functions and in the capacity to raise revenue."*<sup>12</sup>

### Local Roads Component

The allocation method for this component was developed by the NSW Roads and Traffic Authority, now the Roads and Maritime Services (RMS). Each council receives funding based on their proportion of the State's population, local road length and the length of bridges on local roads.<sup>13</sup>

### MPSC and Financial Assistance Grants

It should be noted that for MPSC (or any individual council) there is no direct correlation between CPI and increases in councils' Financial Assistance Grant. While the total funds available for allocation is adjusted annually for CPI and population changes, movements in grants for an individual Council from year to year are usually caused by population changes, road and bridge length changes and changes in the data used to assess relative disadvantage.

Council's estimated Financial Assistance Grant for the period covered by this LTFP is shown below.

2018 ('000)	2019 ('000)	2020 ('000)	2021 ('000)	2022 ('000)	2023 ('000)	2024 ('000)	2025 ('000)	2026 ('000)	2027 ('000)
7,278	7,569	7,872	8,186	8,514	8,854	9,209	9,577	9,960	10,358

## 3.4 Investments / Interest

### Investment Policy

The Act, Regulations and Code of Accounting Practice & Financial Reporting provide the framework around which councils are required to exercise their powers of investment.

Council's investment strategy is to:

- Ensure that investments comply with relevant legislative guidelines;
- Ensure that investments comply with council's current investment policy constraints;

<sup>12</sup> NSW Local Government Grants Commission 2008-09 Annual Report, pages 17 and 18.

<sup>13</sup> NSW Local Government Grants Commission 2008-09 Annual Report, page 18.

- Maximise earnings from authorised investments; and
- Maximise percentage of investment portfolio that is capital guaranteed.

The strategy recognises the dual aim of protecting the capital invested and maximising the interest earned on the investment.

#### Makeup of Investment Portfolio

Council's investment portfolio is made up of various investment products as outlined in the Investment Policy. The policy is reviewed annually by Council.

#### MPSC Interest Rate / Interest Received Forecast

Council's interest revenue is made up of interest earned on surplus cash invested and interest on outstanding debts, including overdue rates and charges.

Each year, in accordance with s566 of the Act the Minister specifies the maximum rate of interest for overdue rates and charges. The methodology used to calculate the rate is the Supreme Court methodology, being the Reserve Bank cash rate plus 6%, rounded to the nearest half percent of the maximum interest rate for the previous year. MPSC applies the maximum allowable rate to overdue rates and charges.

Due to the inherent difficulty in forecasting future interest rate movements a conservative approach has been taken in the forecast of interest on investments. A rate of 3% has been used for the term of the LTFP.

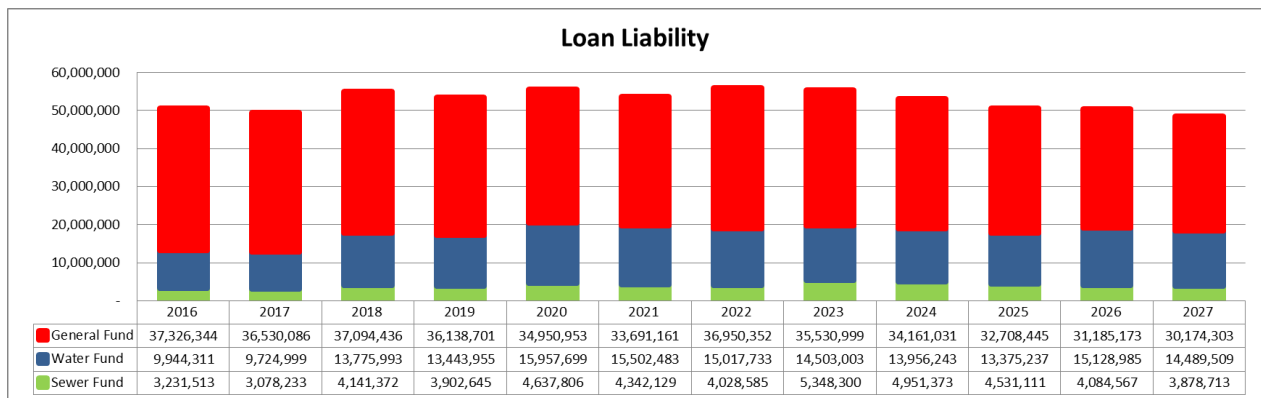
### 3.5 Borrowings

Council has increased borrowings significantly over the past ten years to fund infrastructure works. Council balances the need to achieve inter-generational equity with maintaining a consolidated debt service ratio close to 10%. Council's practice is to restrict use of loan funds to asset purchases/construction, ensuring the loan term is closely tied to the life of the asset. Loan terms for future borrowings are set at a maximum of 20 years.

In 2014 Council established a \$15m line of credit to develop a parcel of Council owned land – the Gateway - to provide economic development opportunities within the Shire. The line of credit has since been reduced by \$2m through the utilisation of part proceeds from sales. In 2018/19 the line of credit will reach maturity at which time Council will investigate the most appropriate funding options. Future sales of lots within the Gateway development will be utilised to further reduce this debt.

In future years should cash surplus' allow, Council will consider paying down debt to allow greater fiscal flexibility in future years.

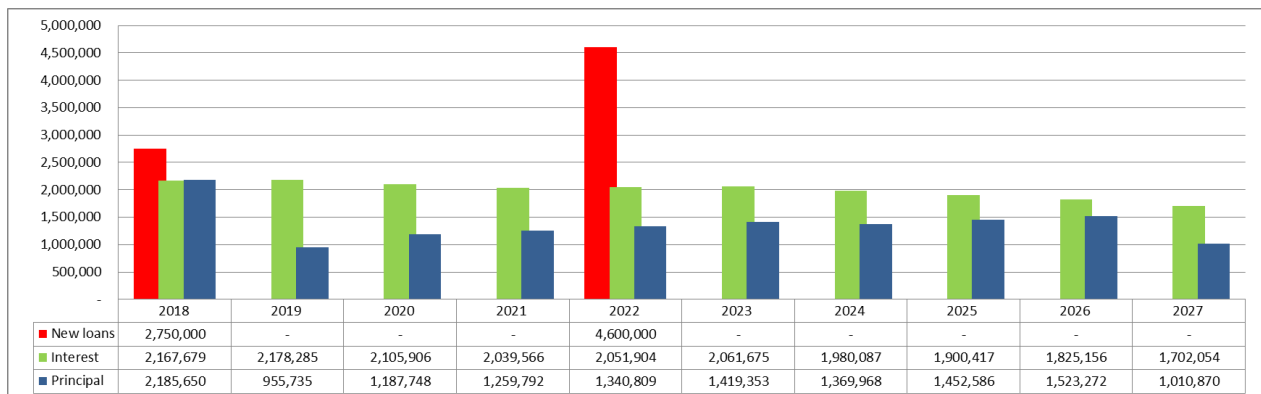
Councils forecast loan liability is shown below.



### 3.5.1 General Fund

The table below shows the General Fund's annual obligation for interest and principal payments and the funds to be accessed through new loans.

New borrowings within General Fund shown in the 2018 financial year relate to development of the Civic Precinct (contingent on matching grant funds), construction of a new animal impounding facility and purchase of plant and equipment associated with a Council leased facility. The \$4.6m forecast to be borrowed in 2022 relates to the extension of the cell at the Moree Waste Management Facility (WMF). The timing of this loan and the associated expenditure is subject to change. Bi-annual reviews of the existing cell are undertaken to determine the expected remaining capacity. A new cell will only be established when the capacity of the existing cell is exhausted.

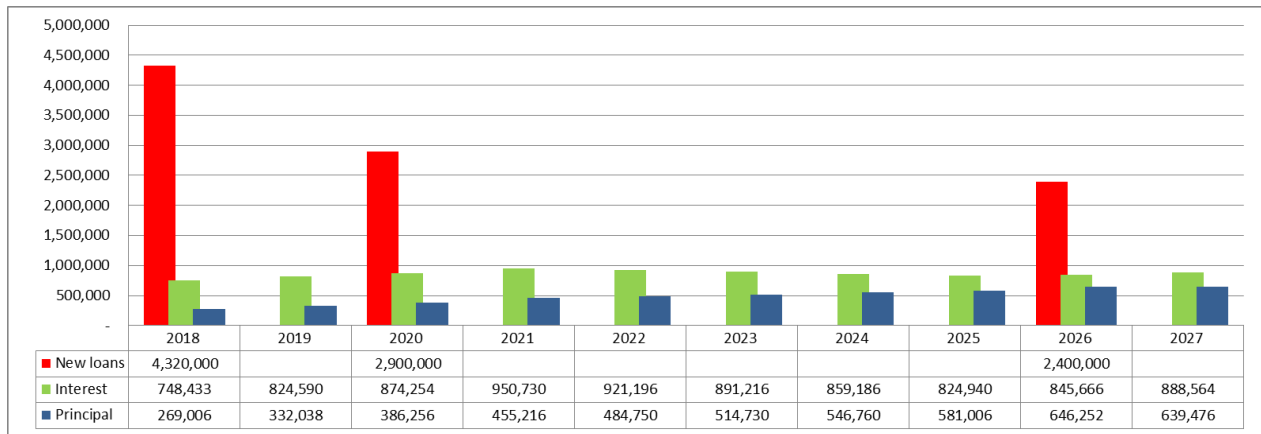


### 3.5.2 Water Fund

The table below shows the Water Fund's annual obligation for interest and principal payments and the funds to be accessed through new loans.

New borrowings within the Water Fund are to be utilised for expansion of water infrastructure, in particular providing water security and performing remediation works on critical assets.

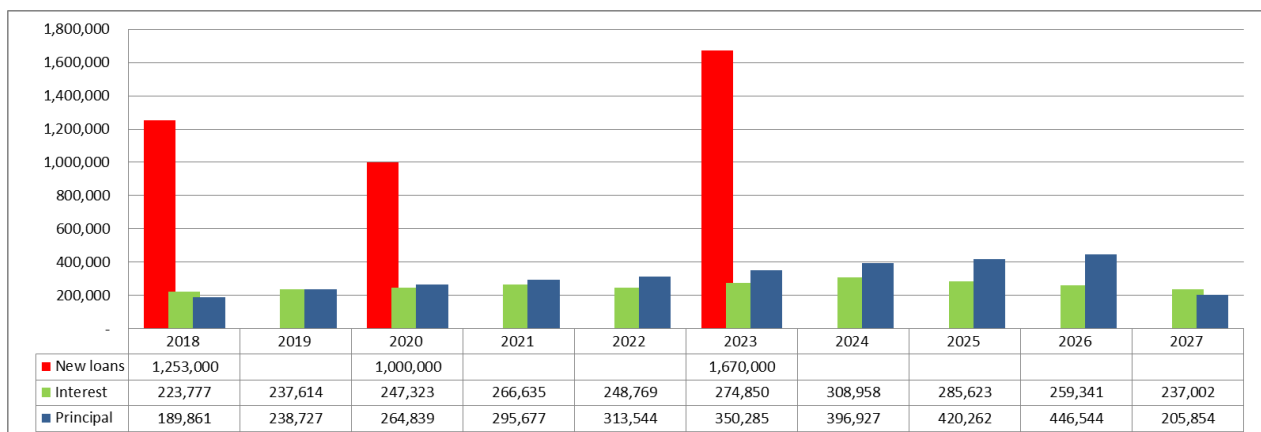




### 3.5.3 Sewer Fund

The table below shows the Sewer Fund's annual obligation for interest and principal payments and the funds to be accessed through new loans.

New borrowings within the Sewer Fund are to improve efficiency of the sewer system through the use of telemetry and for remediation works on critical assets.



## 3.6 Cash Reserves

Restricted funds are maintained by Council to satisfy external and internal demands. External restrictions apply to unexpended loan funds, developer contributions, unexpended grants and levies raised for specific purposes which include domestic waste management, water and sewerage rates. Internal restrictions apply to contributions, employee leave entitlements, asset replacement, revotes and any other purpose that Council resolves. It is a requirement of the *Local Government Act 1993 (the Act)* that all externally restricted funds are cash backed at all times and internally restricted funds are cash backed at the end of each financial year.

### 3.6.1 External Reserves

External Reserves are those which Council are required to restrict due to legislative requirements. The relevant legislation for Local Government is sections 408-411 of the Act and sections 204 and 205 of the Local Government (General) Regulation 2005. It is a requirement of this legislation that externally restricted funds must always be cash backed.

Council's externally restricted funds comprise the following reserves:

- Unexpended Loans
- Unexpended Grants
- Levying of Special Rates and Charges
- Unexpended Contributions
- Special Rate Levy

### 3.6.2 Internal Reserves

Internal Reserves originated in commercial accounting as a device to reserve certain portions of profit in order to make them unavailable for distribution as dividends. They set aside profits for future liabilities and provisions e.g. employee leave entitlements, plant purchases, property acquisitions and investments. However, it was always recognised that the appropriation of profits into reserves did not guarantee that the cash was available for the purpose when required. In Local Government the emphasis has been to support the reserve with cash.

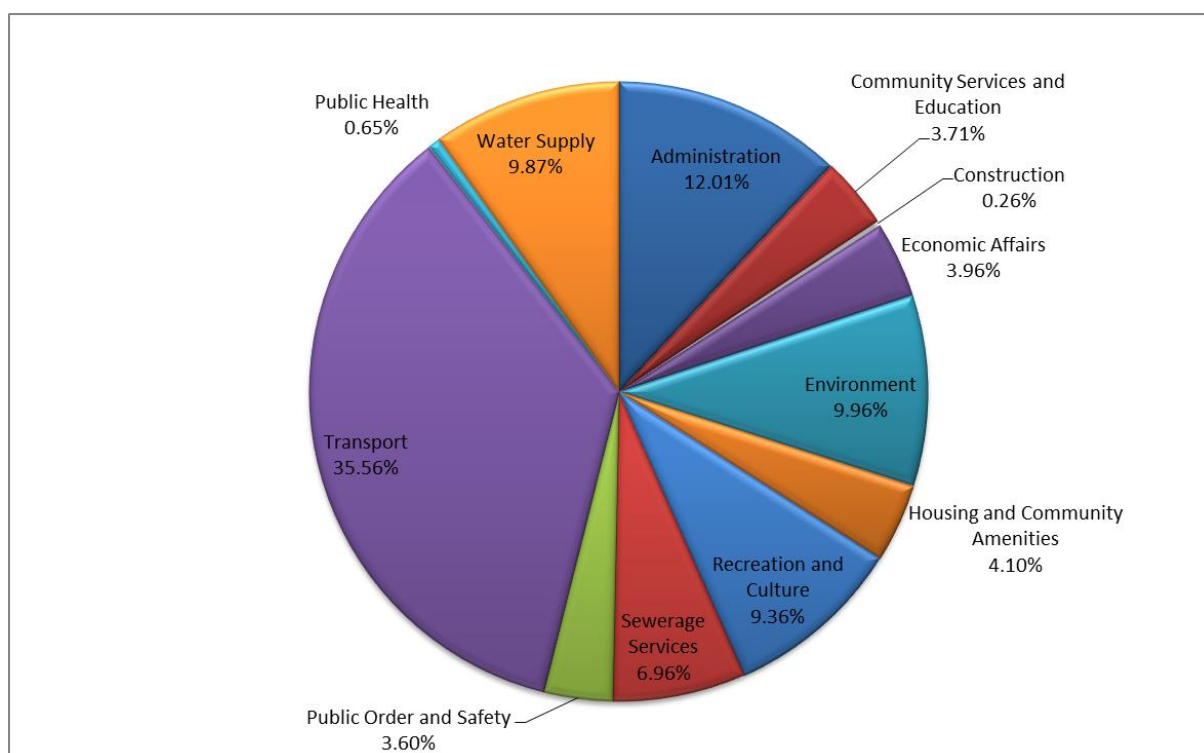
## 4 EXPENDITURE FORECASTS

Council incurs expenditure in relation to performance and provision of the following functions and activities.

Function/Program
<b>Administration</b>
Activities to support the operations of the organisation including those required to meet Councils statutory obligations including Asset Management, Risk, Strategic Planning and Reporting, Finance and Human Resources
<b>Community Services and Education</b>
Aged and Disability Services
Children's Services
Social Protection (Welfare)
Aboriginal Services
Other Community Development
Administration and Education
<b>Construction</b>
Building Control
Quarries and Gravel Pits
<b>Economic Affairs</b>
Economic Development
Real Estate/Industrial/Commercial Development and Promotion
Tourism and related activities
<b>Environment</b>
Noxious Plants monitoring and control
Solid Waste Management
Street Cleaning and Shire Beautification
Drainage and Stormwater management
Flood Plain Management
Spent Artesian Water Management
<b>Housing and Community Amenities</b>

Land Use Planning
Street Lighting
Public Cemetery management
Public Conveniences
<b>Public Health</b>
Enforcement of regulations
<b>Public Order and Safety</b>
Emergency Services
Animal Control
Regulatory Enforcement
Crime Prevention
<b>Recreation and Culture</b>
Community Libraries
Art Gallery
Community Halls
Sporting Grounds and Venues
Swimming Pools
Parks and Gardens
<b>Sewerage Services</b>
<b>Transport</b>
Roads and related infrastructure
Bridges
Parking Areas
Footpaths
Aerodromes
Roads and Maritime Services works
<b>Water Supply</b>

Operating expenditure for each of the functions performed by Council as a percentage of the total for the 2017/18 budget is shown below.



Wages, salaries and materials and contracts form the major component of the cost to deliver these services. Section 2 of the LTFP outlines assumptions used in forecasting future costs. Significant efficiency gains in years one (1) and two (2) of the LTFP are included as committed to in our FFF Improvement Proposal.

## 5 SENSITIVITY ANALYSIS AND FINANCIAL MODELLING

Long term financial plans are inherently uncertain, containing a wide range of assumptions including assumptions about rate peg, interest rates and the potential effect of inflation on revenues and expenditures. Some assumptions used in this plan will have a relatively limited impact if incorrect however others may have a significant impact.

It is important the plan is tested by varying the parameters of moderate to significant assumptions.<sup>14</sup>

Through the development of the LTFP modelling was undertaken on the basis of a more optimistic set of variables and a less optimistic (conservative) approach. The figures contained throughout the LTFP are based on the assumptions set out in Section 2.

<sup>14</sup> Department and Local Government, Planning and Reporting Manual, page 61-62.

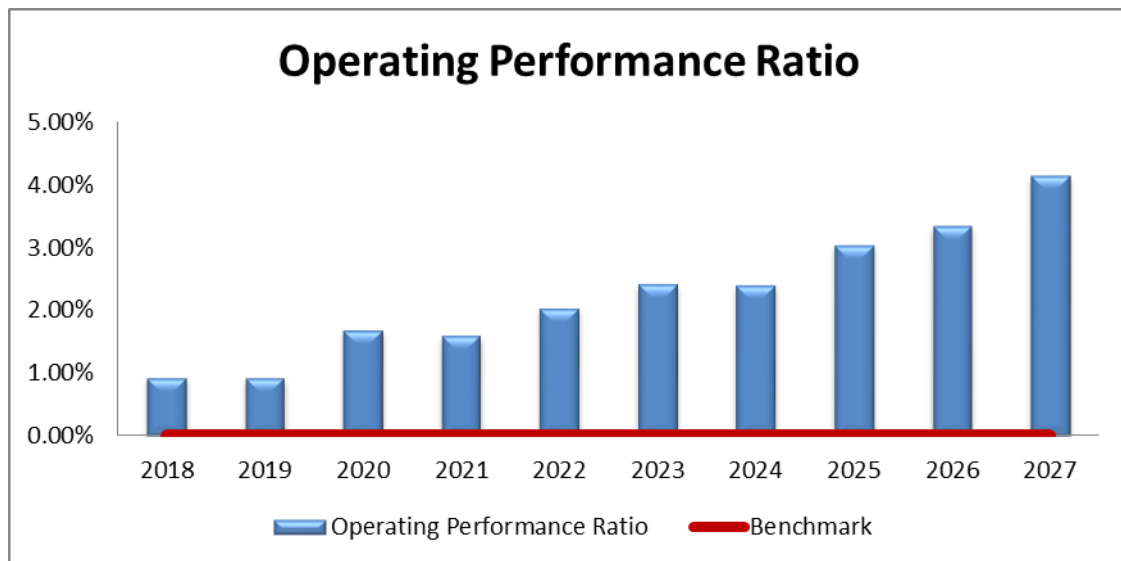
## 6 PERFORMANCE MONITORING

### 6.1 Consolidated Performance Indicators

The consolidated performance indicators look at MPSC's performance for all activities including Water and Sewer services. The source of the benchmark shown for each indicator is the Code of Accounting Practice and Financial Reporting #24.

#### 6.1.1 Operating Performance Ratio

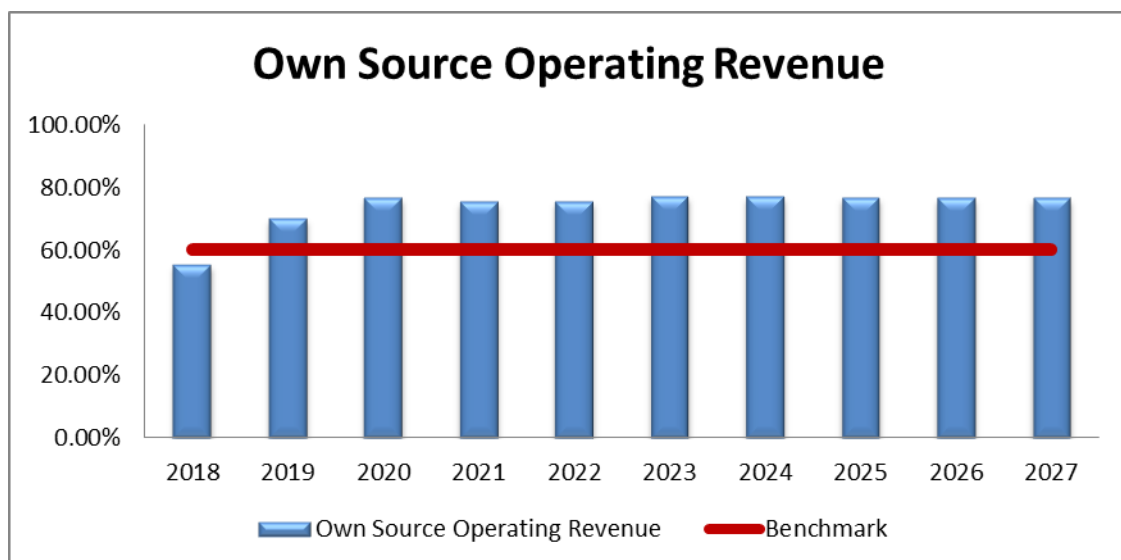
The Operating Performance Ratio measures Council's ability to maintain operating expenditure within operating revenue. A result above the benchmark of 0% is favourable.



#### 6.1.2 Own Source Operating Revenue

This ratio measures fiscal flexibility and the degree of reliance on external funding sources such as operating grants and contributions. A result above the benchmark of 60% is positive.

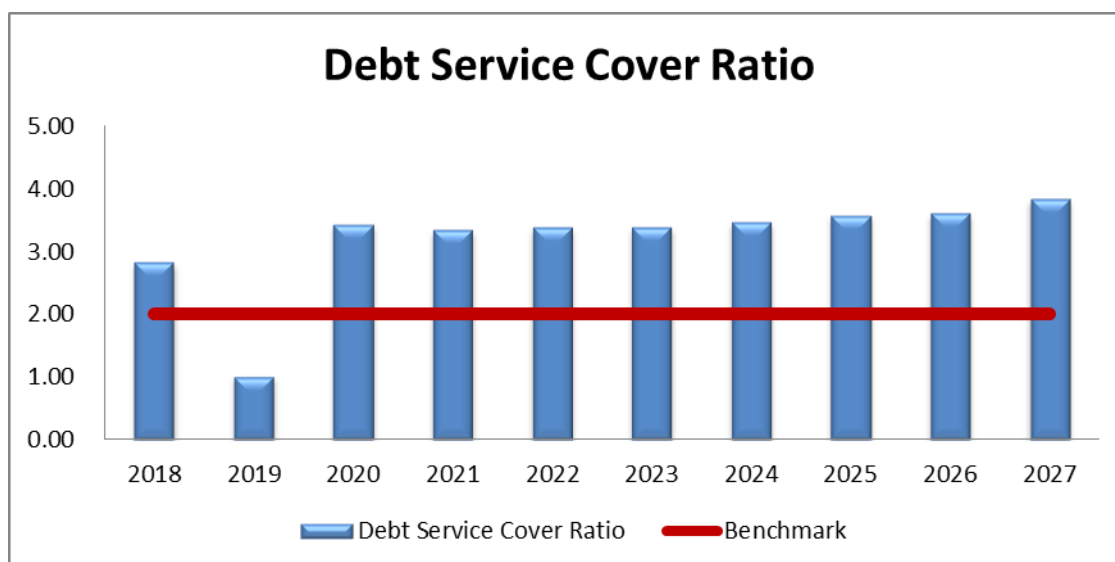
Due to the large amount of grant funded projects included in the 2017/18 financial year budget, MPSC's performance does not meet the benchmark in year one of the LTFP however exceeds the benchmark for all other years covered by the LTFP.



### 6.1.3 Debt Service Cover Ratio

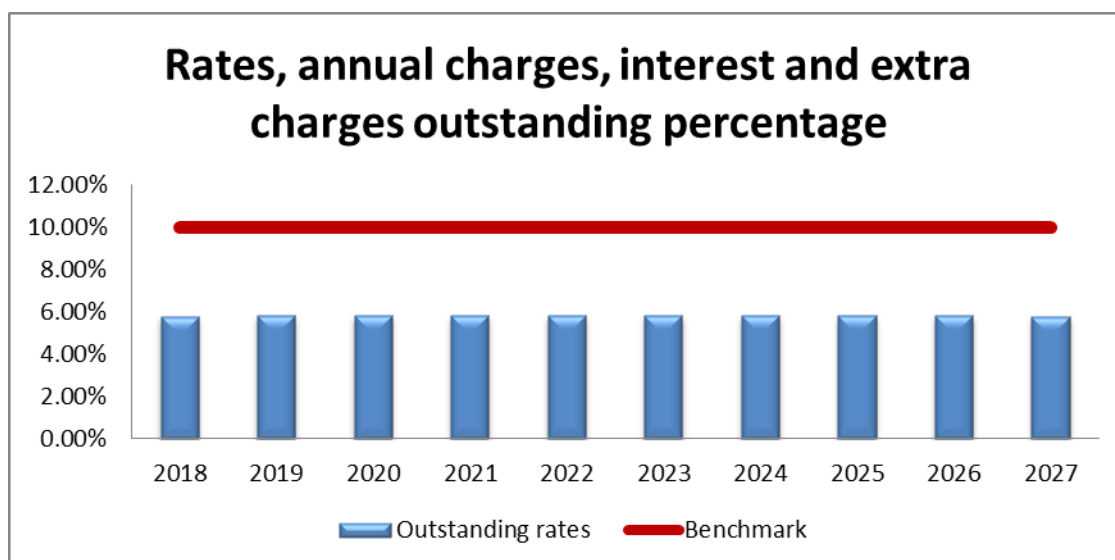
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. A result above the benchmark of 2 is favourable.

In the 2018/19 financial year the line of credit associated with the Gateway land development reaches maturity and must be repaid, resulting in a dip in the performance against this ratio in that year.



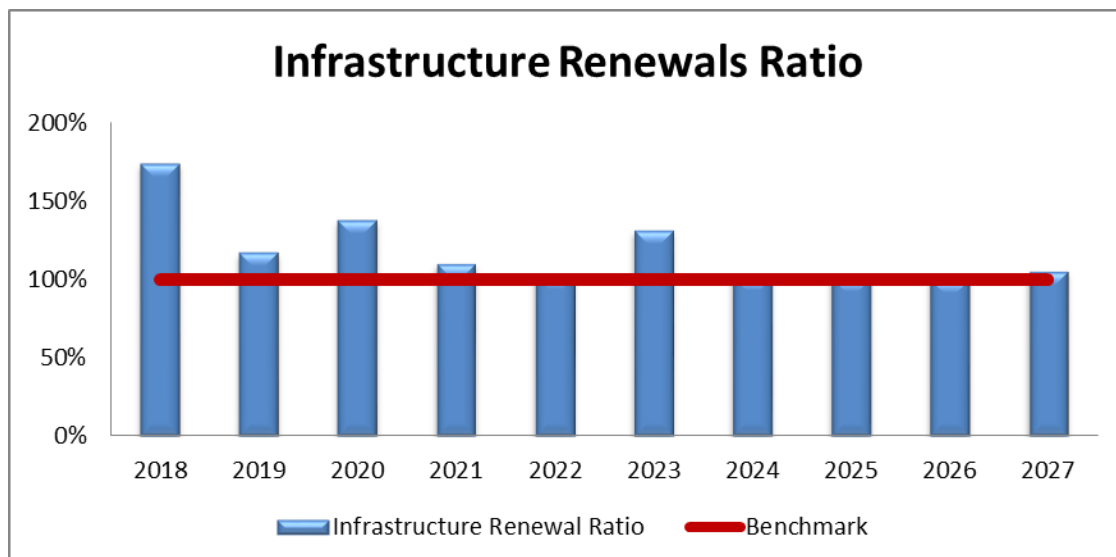
### 6.1.4 Rates, annual charges, interest and extra charges outstanding percentage

This performance indicator shows Council's outstanding rates and charges as a percentage of collectables. A result below the benchmark of 10% is favourable.



### 6.1.5 Infrastructure Renewal Ratio

This ratio assesses the rate at which assets are being renewed relative to the rate which they are depreciating. A result equal to the benchmark of 100% indicates assets are being replaced at an appropriate rate.

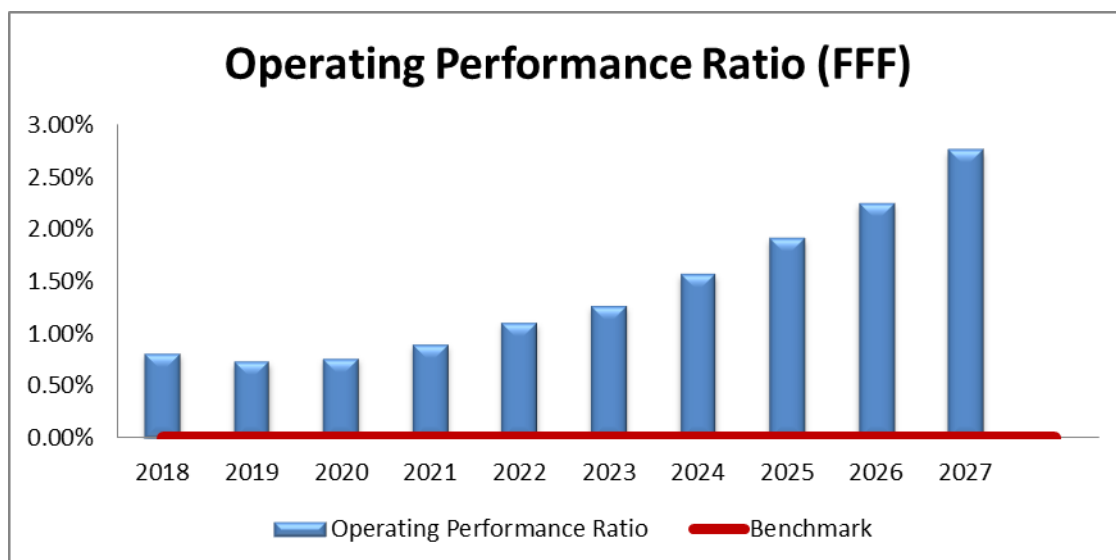


## 6.2 Fit for the Future performance indicators

FFF benchmarks measure the performance of General Fund operations. The calculation methodology averages the current year result and the preceding 2 years to give a three year average of performance. This assists in adjusting for one-off events.

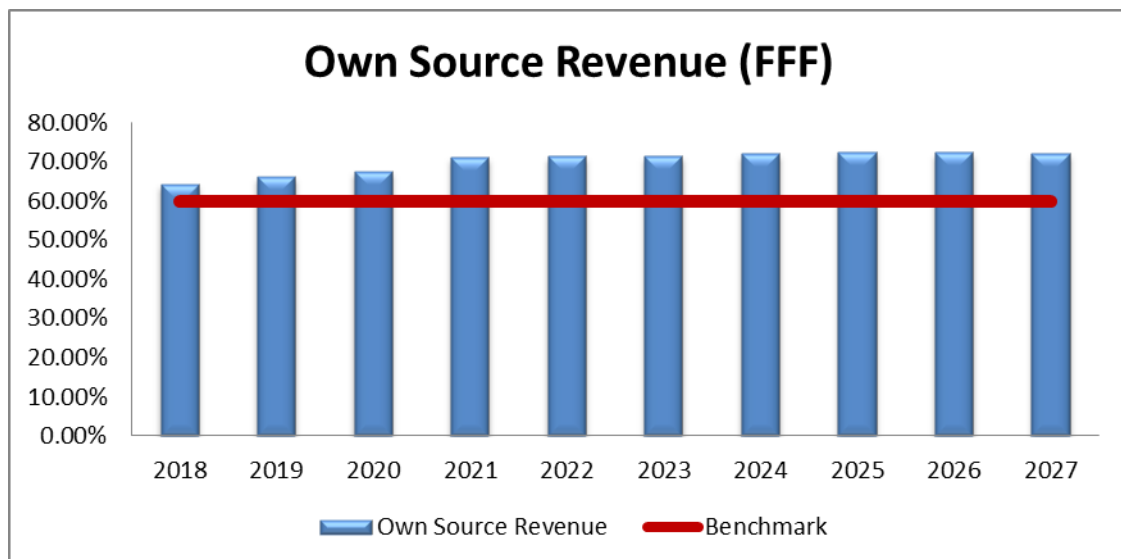
### 6.2.1 General Fund Operating Performance Ratio (FFF)

The Operating Performance Ratio measures Council's ability to maintain operating expenditure within operating revenue. A result above the benchmark of 0% is favourable.



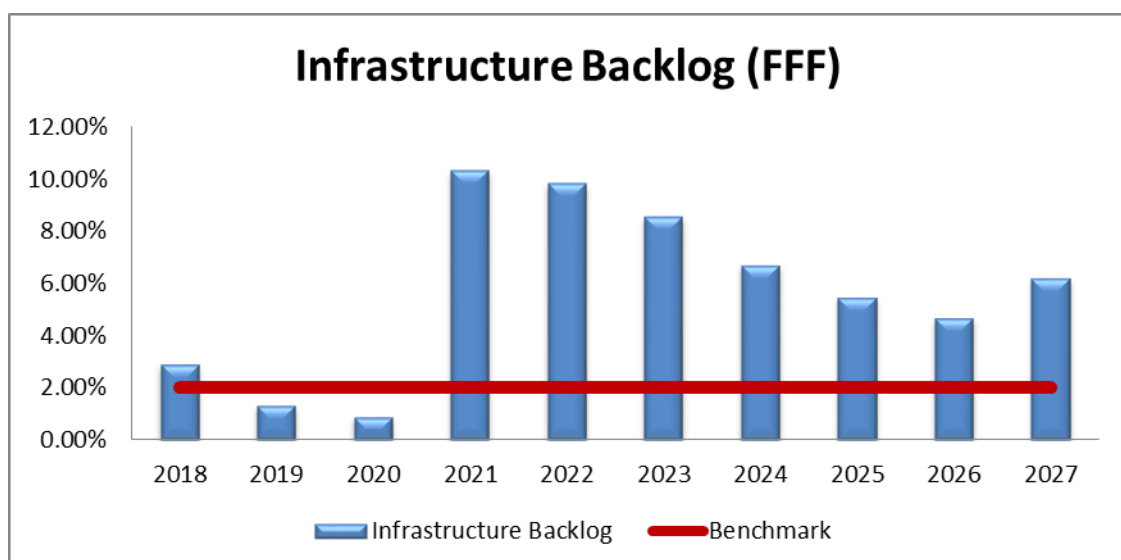
### 6.2.2 General Fund Own Source Revenue (FFF)

This ratio measures fiscal flexibility and the degree of reliance on external funding sources such as operating grants and contributions. A result above the benchmark of 60% is favourable.



#### 6.2.3 General Fund Infrastructure Backlog (FFF)

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure. A result below the benchmark of 2% is favourable.

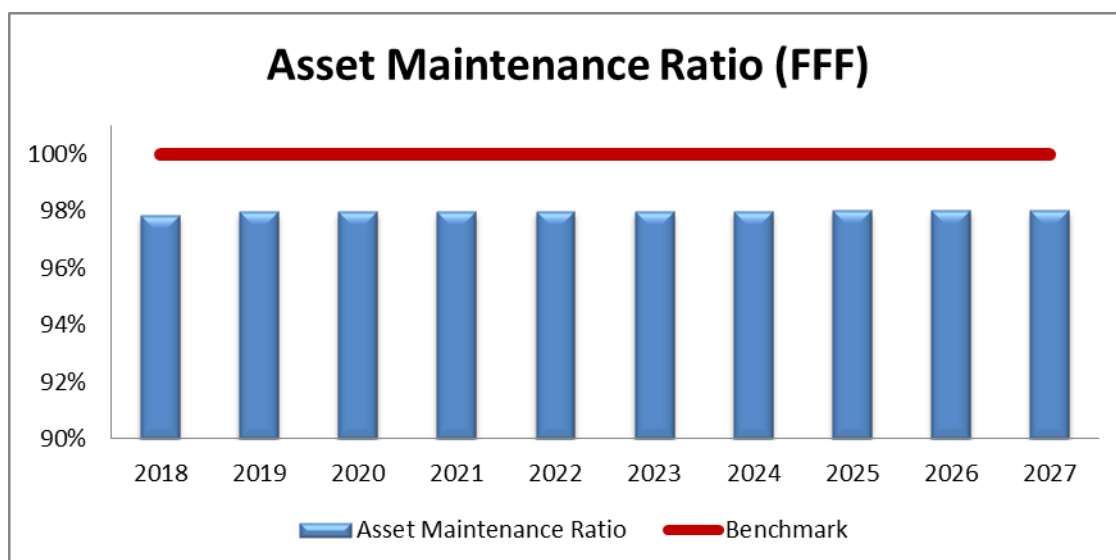


The backlog data used in the calculation of this ratio has been sourced from the Transport Asset Management Plan 2018-2037 Table 16: Projected and LTFP Budgeted Renewals and Financing Shortfall and the Buildings and Other Structures Asset Management Plan 2018-2037 Table 15: Projected and LTFP Budgeted Renewals and Financing Shortfall.

#### 6.2.4 General Fund Asset Maintenance Ratio (FFF)

This ratio compares actual versus required annual asset maintenance. A result equal to or above the benchmark of 1.00 indicates Council is investing adequate funds to prevent infrastructure backlog from increasing.



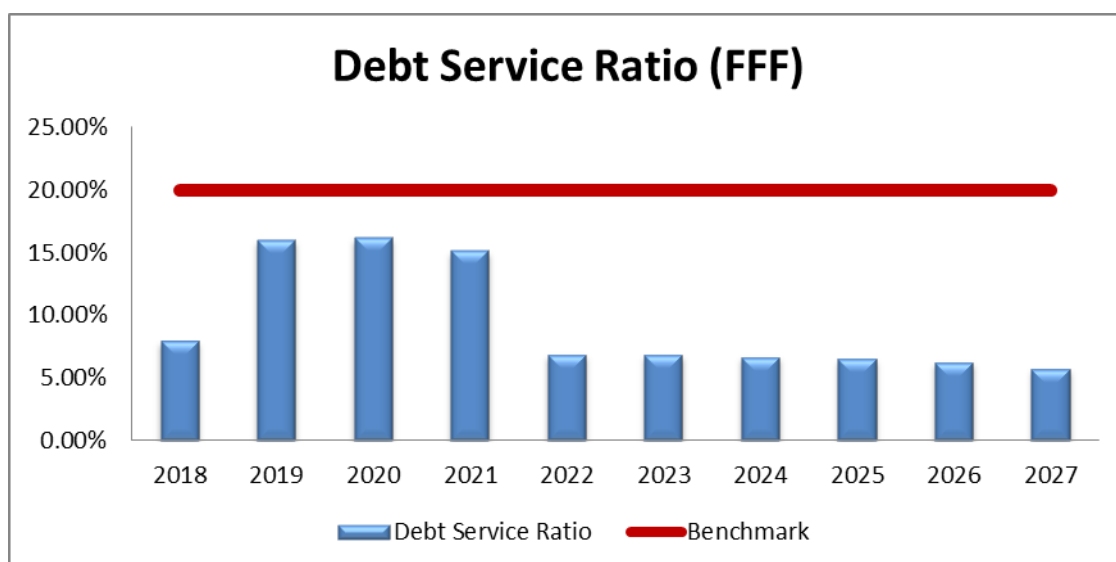


The required annual maintenance data used in the calculation of this ratio has been sourced from the Transport Asset Management Plan 2018-2037 the Buildings and Other Structures Asset Management Plan 2018-2037 base data.

#### 6.2.5 General Fund Debt Service Ratio (FFF)

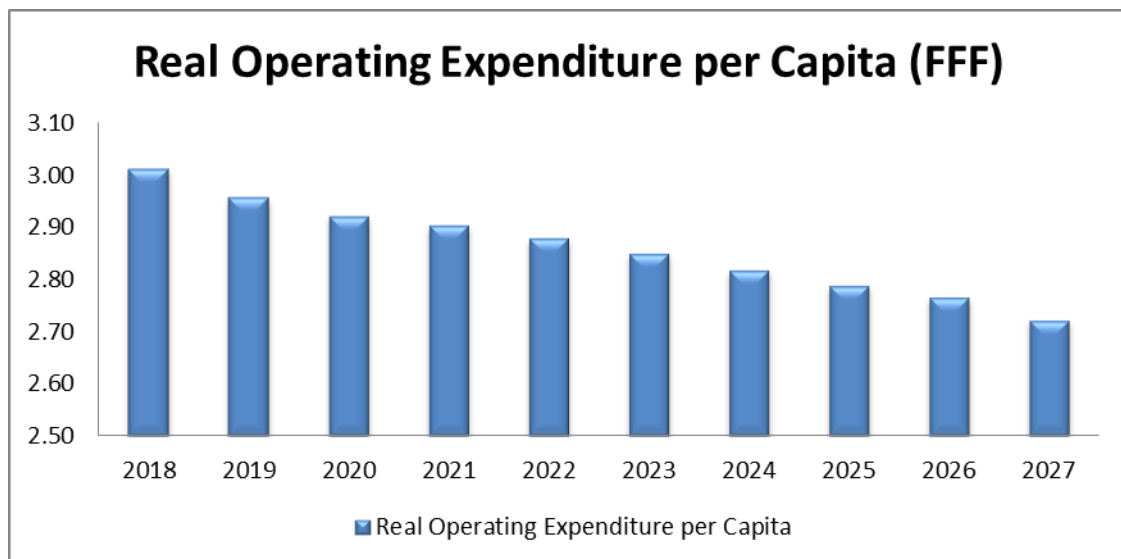
The debt service ratio assesses the impact of loan principal and interest repayments on the discretionary revenue of Council. A result below the benchmark of 20% is favourable.

The increase during 2019, 2020 and 2021 relate to repayments against the Gateway line of credit. As the FFF ratio result for any given year is a 3 year average this has a smoothing effect and does not provide an exact result for any individual year.



#### 6.2.6 General Fund Real Operating Expenditure Ratio (FFF)

The benchmark set for this ratio is a decline in the expenditure per capita over time adjusted for inflation. Future calculations assume a static population and an adjustment to expenditure based on the average of CPI and IPART Local Government Cost Index provided in the Council FFF Self Assessment Tool.



## 7 BUDGET

### 7.1 Consolidated Budget

Moree Plains Shire Council										
Income Statement Budget - Consolidated										
	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>Income from Continuing Operations</b>										
<i>Revenue:</i>										
Rates & Annual Charges	28,731,271	29,398,613	30,095,385	30,791,673	31,504,603	32,226,624	32,948,332	33,686,256	34,431,713	35,193,715
User Charges & Fees	13,136,884	13,398,610	13,671,325	13,978,258	14,294,100	14,617,339	14,931,701	15,252,919	15,577,211	15,888,756
Interest & Investment Revenue	857,219	523,934	518,151	524,882	534,037	545,112	518,762	520,068	561,620	578,437
Other Revenues	1,103,044	1,321,605	1,343,511	1,370,688	1,398,451	1,426,460	1,455,060	1,484,264	1,514,082	1,539,481
Grants & Contributions provided for Operating Purposes	11,167,787	10,995,746	11,334,689	11,712,140	12,108,033	12,516,901	12,953,174	13,383,041	13,846,097	14,317,961
<b>Total Income from Continuing Operations</b>	<b>54,996,205</b>	<b>55,638,508</b>	<b>56,963,062</b>	<b>58,377,641</b>	<b>59,839,224</b>	<b>61,332,436</b>	<b>62,807,029</b>	<b>64,326,548</b>	<b>65,930,724</b>	<b>67,518,348</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits & On-Costs	18,540,758	19,264,990	20,028,491	20,801,731	21,605,347	22,440,538	23,308,555	24,240,703	25,148,334	26,122,854
Borrowing Costs	3,139,889	3,240,489	3,227,483	3,256,931	3,221,869	3,227,741	3,148,231	3,010,980	2,930,163	2,827,620
Materials & Contracts	16,269,621	15,667,647	15,452,162	15,626,989	15,733,939	15,723,983	15,973,625	15,741,235	15,928,605	15,751,156
Depreciation & Amortisation	12,679,200	12,930,004	13,185,824	13,449,541	13,718,531	13,992,902	14,272,760	14,558,215	14,849,380	15,146,367
Other Expenses	3,890,884	3,926,386	4,006,193	4,206,707	4,231,839	4,350,730	4,473,524	4,690,370	4,732,428	4,732,428
<b>Total Expenses from Continuing Operations</b>	<b>54,520,352</b>	<b>55,029,516</b>	<b>55,900,154</b>	<b>57,341,899</b>	<b>58,511,526</b>	<b>59,735,894</b>	<b>61,176,696</b>	<b>62,241,504</b>	<b>63,588,908</b>	<b>64,580,424</b>
<b>Net Operating Result for the year before Grants and Contributions for Capital Purposes</b>	<b>475,853</b>	<b>608,992</b>	<b>1,062,907</b>	<b>1,035,742</b>	<b>1,327,698</b>	<b>1,596,542</b>	<b>1,630,334</b>	<b>2,085,044</b>	<b>2,341,816</b>	<b>2,937,925</b>
Grants & Contributions provided for Capital Purposes	24,505,364	8,093,593	2,477,812	3,427,043	3,298,471	1,841,329	1,841,329	2,013,269	2,013,269	2,013,269
<b>Net Operating Result for the Year</b>	<b>24,981,217</b>	<b>8,702,585</b>	<b>3,540,719</b>	<b>4,462,785</b>	<b>4,626,169</b>	<b>3,437,871</b>	<b>3,471,663</b>	<b>4,098,313</b>	<b>4,355,085</b>	<b>4,951,194</b>

Moree Plains Shire Council										
Cashflow Budget - Consolidated										
	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>Cash Flows from Operating Activities</b>										
<b>Receipts:</b>										
Rates & Annual Charges	28,731,271	29,398,613	30,095,385	30,791,673	31,504,603	32,226,624	32,948,332	33,686,256	34,431,713	35,193,715
User Charges & Fees	13,136,884	13,398,610	13,671,325	13,978,258	14,294,100	14,617,339	14,931,701	15,252,919	15,577,211	15,888,756
Investment & Interest Revenue Received	857,219	523,934	518,151	524,882	534,037	545,112	518,762	520,068	561,620	578,437
Other	1,103,044	1,321,605	1,343,511	1,370,688	1,398,451	1,426,460	1,455,060	1,484,264	1,514,082	1,539,481
Grants & Contributions	35,673,151	19,089,339	13,812,501	15,139,183	15,406,504	14,358,230	14,794,503	15,396,310	15,859,366	16,331,230
<b>Payments:</b>										
Employee Benefits & On-Costs	(18,540,758)	(19,264,990)	(20,028,491)	(20,801,731)	(21,605,347)	(22,440,538)	(23,308,555)	(24,240,703)	(25,148,334)	(26,122,854)
Borrowing Costs	(3,139,889)	(3,240,489)	(3,227,483)	(3,256,931)	(3,221,869)	(3,227,741)	(3,148,231)	(3,010,980)	(2,930,163)	(2,827,620)
Materials & Contracts	(16,269,621)	(15,667,647)	(15,452,162)	(15,626,989)	(15,733,939)	(15,723,983)	(15,973,625)	(15,741,235)	(15,928,605)	(15,751,156)
Other	(3,890,884)	(3,926,386)	(4,006,193)	(4,206,707)	(4,231,839)	(4,350,730)	(4,473,524)	(4,690,370)	(4,732,428)	(4,732,428)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>37,660,417</b>	<b>21,632,589</b>	<b>16,726,543</b>	<b>17,912,326</b>	<b>18,344,700</b>	<b>17,430,773</b>	<b>17,744,423</b>	<b>18,656,528</b>	<b>19,204,465</b>	<b>20,097,561</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts:</b>										
Sale of Infrastructure, Property, Plant & Equipment	2,085,240	790,179	813,884	838,301	863,450	889,353	916,033	943,514	971,820	971,820
<b>Payments:</b>										
Purchase of Infrastructure, Property, Plant & Equipment	(52,862,910)	(23,378,635)	(21,016,359)	(16,915,887)	(21,147,573)	(19,036,883)	(14,968,435)	(15,441,054)	(18,073,164)	(16,220,233)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(50,777,670)</b>	<b>(22,588,456)</b>	<b>(20,202,475)</b>	<b>(16,077,586)</b>	<b>(20,284,123)</b>	<b>(18,147,530)</b>	<b>(14,052,402)</b>	<b>(14,497,540)</b>	<b>(17,101,344)</b>	<b>(15,248,413)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts:</b>										
Proceeds from Borrowings & Advances	8,323,000	11,675,000	3,900,000	-	4,600,000	1,670,000	-	-	2,400,000	-
<b>Payments:</b>										
Repayment of Borrowings & Advances	(2,644,517)	(13,201,500)	(1,838,843)	(2,010,685)	(2,139,103)	(2,284,368)	(2,313,655)	(2,453,854)	(2,616,068)	(1,856,200)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>5,678,483</b>	<b>(1,526,500)</b>	<b>2,061,157</b>	<b>(2,010,685)</b>	<b>2,460,897</b>	<b>(614,368)</b>	<b>(2,313,655)</b>	<b>(2,453,854)</b>	<b>(216,068)</b>	<b>(1,856,200)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(7,438,770)</b>	<b>(2,482,367)</b>	<b>(1,414,774)</b>	<b>(175,945)</b>	<b>521,474</b>	<b>(1,331,125)</b>	<b>1,378,366</b>	<b>1,705,135</b>	<b>1,887,053</b>	<b>2,992,948</b>
plus: Cash & Cash Equivalents - beginning of year	20,638,267	13,199,497	10,717,130	9,302,356	9,126,411	9,647,885	8,316,760	9,695,126	11,400,260	13,287,313
<b>Total Budgeted Cash, Cash Equivalents &amp; Investments - end of year</b>	<b>13,199,497</b>	<b>10,717,130</b>	<b>9,302,356</b>	<b>9,126,411</b>	<b>9,647,885</b>	<b>8,316,760</b>	<b>9,695,126</b>	<b>11,400,260</b>	<b>13,287,313</b>	<b>16,280,261</b>
<b>Budgeted Unrestricted Cash</b>	<b>2,384,709</b>	<b>1,744,059</b>	<b>693,299</b>	<b>1,152,385</b>	<b>1,051,220</b>	<b>1,412,206</b>	<b>1,993,853</b>	<b>2,852,349</b>	<b>3,963,608</b>	<b>6,019,308</b>

Moree Plains Shire Council										
Statement of Financial Position Budget - Consolidated										
<b>\$'000</b>	<b>Budget 2017/18</b>	<b>Budget 2018/19</b>	<b>Budget 2019/20</b>	<b>Budget 2020/21</b>	<b>Budget 2021/22</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Budget 2026/27</b>
<b>ASSETS</b>										
<b>Current assets</b>										
Cash, cash equivalents and Investments	13,199	10,717	9,302	9,126	9,648	8,317	9,695	11,400	13,287	16,280
Receivables	6,016	6,177	6,315	6,460	6,608	6,758	6,907	7,059	7,213	7,367
Inventories	6,028	5,884	5,872	5,960	6,031	6,078	6,203	6,214	6,327	6,360
Other	81	81	81	81	81	81	81	81	81	81
<b>Total current assets</b>	<b>25,324</b>	<b>22,859</b>	<b>21,571</b>	<b>21,627</b>	<b>22,368</b>	<b>21,234</b>	<b>22,886</b>	<b>24,754</b>	<b>26,908</b>	<b>30,089</b>
<b>Non-current assets</b>										
Infrastructure, property, plant and equipment	560,862	570,875	578,247	581,230	588,153	592,664	592,800	593,097	595,705	596,166
<b>Total current assets</b>	<b>560,862</b>	<b>570,875</b>	<b>578,247</b>	<b>581,230</b>	<b>588,153</b>	<b>592,664</b>	<b>592,800</b>	<b>593,097</b>	<b>595,705</b>	<b>596,166</b>
<b>TOTAL ASSETS</b>	<b>586,187</b>	<b>593,734</b>	<b>599,819</b>	<b>602,857</b>	<b>610,520</b>	<b>613,898</b>	<b>615,686</b>	<b>617,851</b>	<b>622,613</b>	<b>626,254</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Payables	4,230	4,074	4,018	4,063	4,091	4,088	4,153	4,093	4,141	4,095
Borrowings	1,292	1,256	1,305	1,257	1,316	1,301	1,222	1,139	1,105	1,012
Provisions	4,450	4,624	4,807	4,992	5,185	5,386	5,594	5,818	6,036	6,269
<b>Total current liabilities</b>	<b>9,972</b>	<b>9,953</b>	<b>10,129</b>	<b>10,312</b>	<b>10,592</b>	<b>10,775</b>	<b>10,969</b>	<b>11,049</b>	<b>11,282</b>	<b>11,377</b>
<b>Non-current liabilities</b>										
Borrowings	53,719	52,230	54,241	52,279	54,681	54,081	51,847	49,476	49,294	47,530
Provisions	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737
<b>Total current liabilities</b>	<b>55,456</b>	<b>53,967</b>	<b>55,978</b>	<b>54,016</b>	<b>56,418</b>	<b>55,818</b>	<b>53,584</b>	<b>51,213</b>	<b>51,031</b>	<b>49,267</b>
<b>TOTAL LIABILITIES</b>	<b>65,429</b>	<b>63,919</b>	<b>66,108</b>	<b>64,328</b>	<b>67,010</b>	<b>66,593</b>	<b>64,553</b>	<b>62,262</b>	<b>62,313</b>	<b>60,644</b>
<b>Net Assets</b>	<b>520,758</b>	<b>529,815</b>	<b>533,711</b>	<b>538,529</b>	<b>543,511</b>	<b>547,305</b>	<b>551,133</b>	<b>555,589</b>	<b>560,301</b>	<b>565,610</b>
<b>EQUITY</b>										
Retained earnings	165,972	174,675	178,215	182,678	187,304	190,742	194,214	198,312	202,667	207,619
Revaluation reserves	354,785	355,140	355,495	355,851	356,207	356,563	356,919	357,276	357,634	357,991
<b>Total equity</b>	<b>520,758</b>	<b>529,815</b>	<b>533,711</b>	<b>538,529</b>	<b>543,511</b>	<b>547,305</b>	<b>551,133</b>	<b>555,589</b>	<b>560,301</b>	<b>565,610</b>

Moree Plains Shire Council										
Capital Budget										
	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027
<b>Capital Expenditure</b>										
Plant and Equipment	2,958,395	2,710,419	2,791,732	2,875,484	2,961,748	3,050,601	3,142,119	3,236,382	3,333,474	3,333,474
Land, Building and Other Structures	11,405,350	2,957,245	1,310,000	2,110,000	6,680,000	330,000	260,000	150,000	210,000	100,000
Roads, Bridges Footpaths	12,010,745	9,138,172	9,483,412	9,023,781	9,430,009	9,476,781	9,628,334	10,090,208	9,948,240	10,175,525
Water Infrastructure	20,786,410	6,066,139	4,937,886	1,853,650	970,431	1,536,929	815,146	832,681	3,274,734	1,468,907
Sewer Infrastructure	4,377,099	2,260,123	2,397,153	939,701	959,959	4,514,930	1,001,916	1,023,521	1,191,046	1,105,394
Other Equipment	1,324,912	246,536	96,175	113,272	145,427	127,642	120,920	108,262	115,670	36,933
<b>Total Capital Expenditure</b>	<b>52,862,910</b>	<b>23,378,635</b>	<b>21,016,359</b>	<b>16,915,887</b>	<b>21,147,573</b>	<b>19,036,883</b>	<b>14,968,435</b>	<b>15,441,054</b>	<b>18,073,164</b>	<b>16,220,233</b>

## 7.2 General Fund Budget

Moree Plains Shire Council											
Income Statement Budget - General Fund											
	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	23,633,761	24,170,786	24,719,916	25,277,035	25,846,726	26,429,274	27,024,968	27,634,106	28,256,992	28,893,937	
User Charges & Fees	9,520,523	9,710,095	9,876,640	10,074,173	10,275,656	10,481,169	10,690,793	10,904,609	11,122,701	11,345,155	
Interest & Investment Revenue	491,181	285,690	324,316	354,426	363,711	395,658	355,642	341,830	404,260	410,998	
Other Revenues	810,960	1,026,399	1,045,121	1,066,330	1,088,006	1,109,806	1,132,073	1,154,817	1,178,047	1,196,724	
Grants & Contributions provided for Operating Purposes	11,085,113	10,912,442	11,250,736	11,626,396	12,020,461	12,427,460	12,861,945	13,289,987	13,751,182	14,221,147	
<b>Total Income from Continuing Operations</b>	<b>45,541,538</b>	<b>46,105,412</b>	<b>47,216,730</b>	<b>48,398,360</b>	<b>49,594,560</b>	<b>50,843,367</b>	<b>52,065,421</b>	<b>53,325,349</b>	<b>54,713,181</b>	<b>56,067,961</b>	
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	16,599,301	17,340,370	18,124,991	18,850,568	19,605,181	20,389,990	21,206,203	22,055,077	22,937,919	23,856,086	
Borrowing Costs	2,167,679	2,178,285	2,105,906	2,039,566	2,051,904	2,061,675	1,980,087	1,900,417	1,825,156	1,702,054	
Materials & Contracts	12,912,455	12,397,955	12,271,838	12,412,271	12,494,832	12,434,392	12,390,964	12,244,546	12,368,412	12,162,353	
Depreciation & Amortisation	10,324,200	10,527,904	10,735,682	10,950,396	11,169,404	11,392,792	11,620,648	11,853,061	12,090,122	12,331,924	
Other Expenses	3,227,600	3,243,110	3,302,309	3,481,412	3,484,476	3,580,618	3,679,961	3,872,634	3,889,771	3,889,771	
<b>Total Expenses from Continuing Operations</b>	<b>45,231,234</b>	<b>45,687,624</b>	<b>46,540,726</b>	<b>47,734,214</b>	<b>48,805,797</b>	<b>49,859,467</b>	<b>50,877,863</b>	<b>51,925,735</b>	<b>53,111,379</b>	<b>53,942,188</b>	
<b>Net Operating Result for the year before Grants and Contributions for Capital Purposes</b>	<b>310,304</b>	<b>417,788</b>	<b>676,004</b>	<b>664,145</b>	<b>788,762</b>	<b>983,901</b>	<b>1,187,558</b>	<b>1,399,614</b>	<b>1,601,803</b>	<b>2,125,773</b>	
Grants & Contributions provided for Capital Purposes	11,135,364	3,783,593	2,477,812	3,427,043	3,298,471	1,841,329	1,841,329	2,013,269	2,013,269	2,013,269	
<b>Net Operating Result for the Year</b>	<b>11,445,668</b>	<b>4,201,381</b>	<b>3,153,816</b>	<b>4,091,188</b>	<b>4,087,233</b>	<b>2,825,230</b>	<b>3,028,887</b>	<b>3,412,883</b>	<b>3,615,072</b>	<b>4,139,042</b>	

Moree Plains Shire Council										
Cashflow Budget - General Fund										
	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>Cash Flows from Operating Activities</b>										
<b>Receipts:</b>										
Rates & Annual Charges	23,633,761	24,170,786	24,719,916	25,277,035	25,846,726	26,429,274	27,024,968	27,634,106	28,256,992	28,893,937
User Charges & Fees	9,520,523	9,710,095	9,876,640	10,074,173	10,275,656	10,481,169	10,690,793	10,904,609	11,122,701	11,345,155
Investment & Interest Revenue Received	491,181	285,690	324,316	354,426	363,711	395,658	355,642	341,830	404,260	410,998
Other	810,960	1,026,399	1,045,121	1,066,330	1,088,006	1,109,806	1,132,073	1,154,817	1,178,047	1,196,724
Grants & Contributions	22,220,477	14,696,035	13,728,548	15,053,439	15,318,932	14,268,789	14,703,274	15,303,256	15,764,451	16,234,416
<b>Payments:</b>										
Employee Benefits & On-Costs	(16,599,301)	(17,340,370)	(18,124,991)	(18,850,568)	(19,605,181)	(20,389,990)	(21,206,203)	(22,055,077)	(22,937,919)	(23,856,086)
Borrowing Costs	(2,167,679)	(2,178,285)	(2,105,906)	(2,039,566)	(2,051,904)	(2,061,675)	(1,980,087)	(1,900,417)	(1,825,156)	(1,702,054)
Materials & Contracts	(12,912,455)	(12,397,955)	(12,271,838)	(12,412,271)	(12,494,832)	(12,434,392)	(12,390,964)	(12,244,546)	(12,368,412)	(12,162,353)
Other	(3,227,600)	(3,243,110)	(3,302,309)	(3,481,412)	(3,484,476)	(3,580,618)	(3,679,961)	(3,872,634)	(3,889,771)	(3,889,771)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>21,769,868</b>	<b>14,729,285</b>	<b>13,889,498</b>	<b>15,041,584</b>	<b>15,256,637</b>	<b>14,218,021</b>	<b>14,649,534</b>	<b>15,265,943</b>	<b>15,705,193</b>	<b>16,470,967</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts:</b>										
Sale of Infrastructure, Property, Plant & Equipment	2,085,240	790,179	813,884	838,301	863,450	889,353	916,033	943,514	971,820	971,820
<b>Payments:</b>										
Purchase of Infrastructure, Property, Plant & Equipment	(27,699,401)	(15,052,373)	(13,681,319)	(14,122,536)	(19,217,184)	(12,985,024)	(13,151,373)	(13,584,852)	(13,607,383)	(13,645,932)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(25,614,161)</b>	<b>(14,262,194)</b>	<b>(12,867,435)</b>	<b>(13,284,235)</b>	<b>(18,353,734)</b>	<b>(12,095,671)</b>	<b>(12,235,340)</b>	<b>(12,641,338)</b>	<b>(12,635,563)</b>	<b>(12,674,112)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts:</b>										
Proceeds from Borrowings & Advances	2,750,000	11,675,000	-	-	4,600,000	-	-	-	-	-
<b>Payments:</b>										
Repayment of Borrowings & Advances	(2,185,650)	(12,630,735)	(1,187,748)	(1,259,792)	(1,340,809)	(1,419,353)	(1,369,968)	(1,452,586)	(1,523,272)	(1,010,870)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>564,350</b>	<b>(955,735)</b>	<b>(1,187,748)</b>	<b>(1,259,792)</b>	<b>3,259,191</b>	<b>(1,419,353)</b>	<b>(1,369,968)</b>	<b>(1,452,586)</b>	<b>(1,523,272)</b>	<b>(1,010,870)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(3,279,943)</b>	<b>(488,644)</b>	<b>(165,685)</b>	<b>497,556</b>	<b>162,094</b>	<b>702,998</b>	<b>1,044,227</b>	<b>1,172,020</b>	<b>1,546,358</b>	<b>2,785,984</b>
plus: Cash & Cash Equivalents - beginning of year	11,239,043	7,959,100	7,470,456	7,304,771	7,802,328	7,964,422	8,667,420	9,711,646	10,883,666	12,430,024
<b>Total Budgeted Cash, Cash Equivalents &amp; Investments - end of year</b>	<b>7,959,100</b>	<b>7,470,456</b>	<b>7,304,771</b>	<b>7,802,328</b>	<b>7,964,422</b>	<b>8,667,420</b>	<b>9,711,646</b>	<b>10,883,666</b>	<b>12,430,024</b>	<b>15,216,007</b>



### 7.3 Water Fund Budget

Moree Plains Shire Council										
Income Statement Budget - Water Fund										
	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>Income from Continuing Operations</b>										
<b>Revenue:</b>										
Rates & Annual Charges	1,512,583	1,544,031	1,589,888	1,636,439	1,684,359	1,726,167	1,769,012	1,812,922	1,849,820	1,887,471
User Charges & Fees	3,650,353	3,722,719	3,829,088	3,940,279	4,054,724	4,172,519	4,275,456	4,380,936	4,489,022	4,580,065
Interest & Investment Revenue	219,215	163,324	136,362	108,173	95,295	88,432	120,752	128,533	99,432	96,572
Other Revenues	120,411	120,411	120,411	122,819	125,276	127,781	130,337	132,943	135,602	138,314
Grants & Contributions provided for Operating Purposes	39,374	39,374	39,374	40,161	40,965	41,784	42,620	43,472	44,342	45,228
<b>Total Income from Continuing Operations</b>	<b>5,541,936</b>	<b>5,589,859</b>	<b>5,715,123</b>	<b>5,847,871</b>	<b>6,000,619</b>	<b>6,156,683</b>	<b>6,338,176</b>	<b>6,498,806</b>	<b>6,618,218</b>	<b>6,747,651</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits & On-Costs	1,254,740	1,229,493	1,199,636	1,228,885	1,258,931	1,289,799	1,321,514	1,384,102	1,387,590	1,422,007
Borrowing Costst	748,433	824,590	874,254	950,730	921,196	891,216	859,186	824,940	845,666	888,564
Materials & Contracts	2,281,830	2,181,881	2,252,233	2,242,492	2,355,925	2,346,560	2,464,425	2,455,549	2,577,964	2,569,699
Depreciation & Amortisation	1,125,000	1,147,500	1,170,450	1,193,859	1,217,736	1,242,091	1,266,933	1,292,271	1,318,117	1,344,479
<b>Total Expenses from Continuing Operations</b>	<b>5,410,003</b>	<b>5,383,464</b>	<b>5,496,572</b>	<b>5,615,966</b>	<b>5,753,789</b>	<b>5,769,666</b>	<b>5,912,057</b>	<b>5,956,863</b>	<b>6,129,337</b>	<b>6,224,750</b>
<b>Net Operating Result for the year before Grants and Contributions for Capital Purposes</b>	<b>131,933</b>	<b>206,395</b>	<b>218,551</b>	<b>231,905</b>	<b>246,830</b>	<b>387,017</b>	<b>426,119</b>	<b>541,943</b>	<b>488,881</b>	<b>522,901</b>
Grants & Contributions provided for Capital Purposes	13,370,000	4,310,000	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>13,501,933</b>	<b>4,516,395</b>	<b>218,551</b>	<b>231,905</b>	<b>246,830</b>	<b>387,017</b>	<b>426,119</b>	<b>541,943</b>	<b>488,881</b>	<b>522,901</b>

Moree Plains Shire Council										
Cashflow Budget - Water Fund										
	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027
<b>Cash Flows from Operating Activities</b>										
<b>Receipts:</b>										
Rates & Annual Charges	1,512,583	1,544,031	1,589,888	1,636,439	1,684,359	1,726,167	1,769,012	1,812,922	1,849,820	1,887,471
User Charges & Fees	3,650,353	3,722,719	3,829,088	3,940,279	4,054,724	4,172,519	4,275,456	4,380,936	4,489,022	4,580,065
Investment & Interest Revenue Received	219,215	163,324	136,362	108,173	95,295	88,432	120,752	128,533	99,432	96,572
Other	120,411	120,411	120,411	122,819	125,276	127,781	130,337	132,943	135,602	138,314
Grants & Contributions	13,409,374	4,349,374	39,374	40,161	40,965	41,784	42,620	43,472	44,342	45,228
<b>Payments:</b>										
Employee Benefits & On-Costs	(1,254,740)	(1,229,493)	(1,199,636)	(1,228,885)	(1,258,931)	(1,289,799)	(1,321,514)	(1,384,102)	(1,387,590)	(1,422,007)
Borrowing Costs	(748,433)	(824,590)	(874,254)	(950,730)	(921,196)	(891,216)	(859,186)	(824,940)	(845,666)	(888,564)
Materials & Contracts	(2,281,830)	(2,181,881)	(2,252,233)	(2,242,492)	(2,355,925)	(2,346,560)	(2,464,425)	(2,455,549)	(2,577,964)	(2,569,699)
Other expenses	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Operating Activities</b>	<b>14,626,933</b>	<b>5,663,895</b>	<b>1,389,001</b>	<b>1,425,764</b>	<b>1,464,566</b>	<b>1,629,108</b>	<b>1,693,052</b>	<b>1,834,214</b>	<b>1,806,998</b>	<b>1,867,381</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts:</b>										
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Purchase of Infrastructure, Property, Plant & Equipment	(20,786,410)	(6,066,139)	(4,937,886)	(1,853,650)	(970,431)	(1,536,929)	(815,146)	(832,681)	(3,274,734)	(1,468,907)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(20,786,410)</b>	<b>(6,066,139)</b>	<b>(4,937,886)</b>	<b>(1,853,650)</b>	<b>(970,431)</b>	<b>(1,536,929)</b>	<b>(815,146)</b>	<b>(832,681)</b>	<b>(3,274,734)</b>	<b>(1,468,907)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts:</b>										
Proceeds from Borrowings & Advances	4,320,000	-	2,900,000	-	-	-	-	-	2,400,000	-
<b>Payments:</b>										
Repayment of Borrowings & Advances	(269,006)	(332,038)	(386,256)	(455,216)	(484,750)	(514,730)	(546,760)	(581,006)	(646,252)	(639,476)
Dividend Payment	(32,176)	(58,238)	(62,493)	(67,167)	(72,391)	(121,456)	(127,690)	(127,690)	(127,690)	(127,690)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>4,018,818</b>	<b>(390,276)</b>	<b>2,451,251</b>	<b>(522,383)</b>	<b>(557,141)</b>	<b>(636,186)</b>	<b>(674,450)</b>	<b>(708,696)</b>	<b>1,626,058</b>	<b>(767,166)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2,140,660)</b>	<b>(792,520)</b>	<b>(1,097,634)</b>	<b>(950,269)</b>	<b>(63,005)</b>	<b>(544,007)</b>	<b>203,456</b>	<b>292,837</b>	<b>158,322</b>	<b>(368,693)</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	<b>5,458,398</b>	<b>3,317,738</b>	<b>2,525,218</b>	<b>1,427,584</b>	<b>477,316</b>	<b>414,311</b>	<b>-129,696</b>	<b>73,759</b>	<b>366,597</b>	<b>524,919</b>
<b>Total Budgeted Cash, Cash Equivalents &amp; Investments - end of year</b>	<b>3,317,738</b>	<b>2,525,218</b>	<b>1,427,584</b>	<b>477,316</b>	<b>414,311</b>	<b>(129,696)</b>	<b>73,759</b>	<b>366,597</b>	<b>524,919</b>	<b>156,226</b>

## 7.4 Sewer Fund Budget

Moree Plains Shire Council										
Income Statement Budget - Sewer Fund										
	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
<b>Income from Continuing Operations</b>										
<b>Revenue:</b>										
Rates & Annual Charges	3,180,672	3,275,299	3,372,744	3,456,561	3,542,889	3,631,372	3,705,160	3,780,457	3,856,344	3,933,754
User Charges & Fees	578,174	591,115	604,359	616,633	630,921	645,543	662,362	679,633	693,434	707,516
Interest & Investment Revenue	146,412	74,509	57,062	61,865	74,603	60,585	41,923	49,251	57,465	70,394
Grants & Contributions provided for Operating Purposes	43,300	43,930	44,579	45,582	46,608	47,657	48,610	49,582	50,574	51,585
<b>Total Income from Continuing Operations</b>	<b>3,948,558</b>	<b>3,984,853</b>	<b>4,078,744</b>	<b>4,180,641</b>	<b>4,295,021</b>	<b>4,385,158</b>	<b>4,458,056</b>	<b>4,558,924</b>	<b>4,657,817</b>	<b>4,763,250</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits & On-Costs	686,717	695,127	703,865	722,279	741,234	760,748	780,838	801,524	822,825	844,762
Borrowing Costs	223,777	237,614	247,323	266,635	248,769	274,850	308,958	285,623	259,341	237,002
Materials & Contracts	1,726,844	1,751,286	1,512,718	1,588,196	1,499,189	1,534,520	1,781,008	1,677,777	1,645,747	1,684,642
Depreciation & Amortisation	1,230,000	1,254,600	1,279,692	1,305,286	1,331,392	1,358,019	1,385,180	1,412,883	1,441,141	1,469,964
<b>Total Expenses from Continuing Operations</b>	<b>3,867,339</b>	<b>3,938,627</b>	<b>3,743,598</b>	<b>3,882,395</b>	<b>3,820,584</b>	<b>3,928,137</b>	<b>4,255,984</b>	<b>4,177,807</b>	<b>4,169,054</b>	<b>4,236,370</b>
<b>Net Operating Result for the year before Grants and Contributions for Capital Purposes</b>	<b>81,220</b>	<b>46,226</b>	<b>335,147</b>	<b>298,245</b>	<b>474,436</b>	<b>457,021</b>	<b>202,071</b>	<b>381,116</b>	<b>488,763</b>	<b>526,881</b>
Grants & Contributions provided for Capital Purposes	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>81,220</b>	<b>46,226</b>	<b>335,147</b>	<b>298,245</b>	<b>474,436</b>	<b>457,021</b>	<b>202,071</b>	<b>381,116</b>	<b>488,763</b>	<b>526,881</b>

Moree Plains Shire Council										
Cashflow Budget - Sewer Fund										
	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020	Budget 2020/2021	Budget 2021/2022	Budget 2022/2023	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027
<b>Cash Flows from Operating Activities</b>										
<u>Receipts:</u>										
Rates & Annual Charges	3,180,672	3,275,299	3,372,744	3,456,561	3,542,889	3,631,372	3,705,160	3,780,457	3,856,344	3,933,754
User Charges & Fees	578,174	591,115	604,359	616,633	630,921	645,543	662,362	679,633	693,434	707,516
Investment & Interest Revenue Received	146,412	74,509	57,062	61,865	74,603	60,585	41,923	49,251	57,465	70,394
Grants & Contributions	43,300	43,930	44,579	45,582	46,608	47,657	48,610	49,582	50,574	51,585
<u>Payments:</u>										
Employee Benefits & On-Costs	(686,717)	(695,127)	(703,865)	(722,279)	(741,234)	(760,748)	(780,838)	(801,524)	(822,825)	(844,762)
Borrowing Costs	(223,777)	(237,614)	(247,323)	(266,635)	(248,769)	(274,850)	(308,958)	(285,623)	(259,341)	(237,002)
Materials & Contracts	(1,726,844)	(1,751,286)	(1,512,718)	(1,588,196)	(1,499,189)	(1,534,520)	(1,781,008)	(1,677,777)	(1,645,747)	(1,684,642)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>1,311,220</b>	<b>1,300,826</b>	<b>1,614,839</b>	<b>1,603,531</b>	<b>1,805,828</b>	<b>1,815,040</b>	<b>1,587,251</b>	<b>1,794,000</b>	<b>1,929,904</b>	<b>1,996,844</b>
<b>Cash Flows from Investing Activities</b>										
<u>Receipts:</u>										
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-
<u>Payments:</u>										
Purchase of Infrastructure, Property, Plant & Equipment	(4,377,099)	(2,260,123)	(2,397,153)	(939,701)	(959,959)	(4,514,930)	(1,001,916)	(1,023,521)	(1,191,046)	(1,105,394)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(4,377,099)</b>	<b>(2,260,123)</b>	<b>(2,397,153)</b>	<b>(939,701)</b>	<b>(959,959)</b>	<b>(4,514,930)</b>	<b>(1,001,916)</b>	<b>(1,023,521)</b>	<b>(1,191,046)</b>	<b>(1,105,394)</b>
<b>Cash Flows from Financing Activities</b>										
<u>Receipts:</u>										
Proceeds from Borrowings & Advances	1,253,000	-	1,000,000	-	-	1,670,000	-	-	-	-
<u>Payments:</u>										
Repayment of Borrowings & Advances	(189,861)	(238,727)	(264,839)	(295,677)	(313,544)	(350,285)	(396,927)	(420,262)	(446,544)	(205,854)
Dividend Payment	(15,427)	(3,179)	(104,301)	(91,386)	(109,940)	(109,940)	(57,725)	(109,940)	(109,940)	(109,940)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>1,047,712</b>	<b>(241,906)</b>	<b>630,860</b>	<b>(387,063)</b>	<b>(423,484)</b>	<b>1,209,775</b>	<b>(454,652)</b>	<b>(530,202)</b>	<b>(556,484)</b>	<b>(315,794)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(2,018,167)</b>	<b>(1,201,203)</b>	<b>(151,455)</b>	<b>276,768</b>	<b>422,385</b>	<b>(1,490,115)</b>	<b>130,683</b>	<b>240,277</b>	<b>182,374</b>	<b>575,657</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	<b>3,940,824</b>	<b>1,922,657</b>	<b>721,454</b>	<b>569,999</b>	<b>846,766</b>	<b>1,269,151</b>	<b>-220,964</b>	<b>-90,281</b>	<b>149,996</b>	<b>332,370</b>
<b>Total Budgeted Cash, Cash Equivalents &amp; Investments - end of year</b>	<b>1,922,657</b>	<b>721,454</b>	<b>569,999</b>	<b>846,766</b>	<b>1,269,151</b>	<b>(220,964)</b>	<b>(90,281)</b>	<b>149,996</b>	<b>332,370</b>	<b>908,027</b>

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