LONG TERM FINANCIAL PLAN 2013-2023

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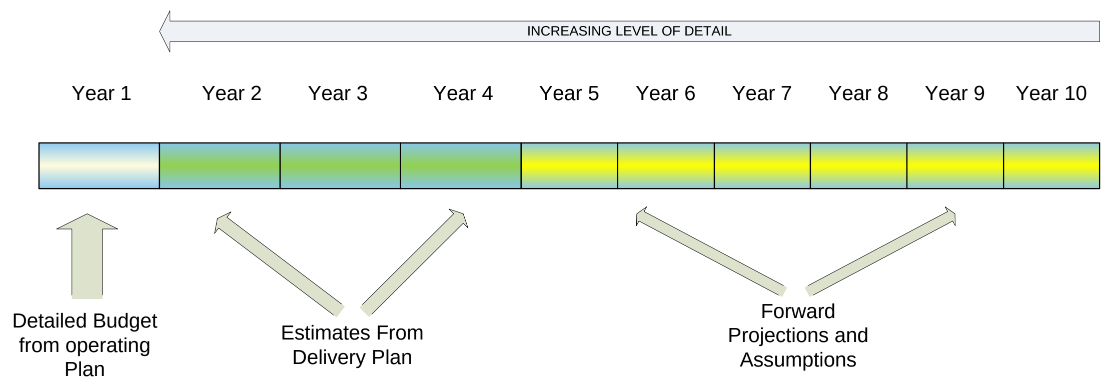
1.1. Introduction

The purpose of this Long term Financial Plan is to provide a framework to assist with short and longer term decision making and to ensure that decisions are made applying good financial governance practices. The plan also assists Councilors and Management in their strategic and operational planning to ensure financial sustainability and achieve the desirable outcomes for the community.

The Long term Financial Plan is where all of the elements of the Council and the Communities aspirations and plans get tested back against the financial capacity to deliver. It also attempts to present to management and council the answers to issues of financial viability and opportunities for income growth.

The long term financial plan is not designed to be set and followed like a task list but is a decision making tool for improved financial governance and problem solving. It is also makes a valuable contribution to whole of life cycle decisions.

The Financial plan is constructed over a 10 year time horizon and integrates with the Operating and Delivery Plan. Each year the plan is rolled forward annually as part of the annual budget and the variables updated so to provide Council with an effective short medium and long term financial picture.



The Integrated Planning and Reporting Framework has the requirement of an effective resources strategy for the operating plan and delivery plan. This Document which outlines the Long Term Financial plan is one component of the resources strategy which is also made up of the Workforce Resources Plan and Assets Management Plan.

The 10 year Long Term Financial Plan establishes the financial targets and bench marks to guide Council in the decision making process across multiple years. It also contains guidelines and aims to promote a consistent financial direction spanning multiple years and Council terms. The 10 year financial model predicts Councils funding requirements to maintain a strong financial position and deliver the facilities and services expected by our community.

In setting out to achieve the corporate and community strategic goals the financial plan promotes the financial sustainability of the organization and ensures that there are sufficient funds in future years for Councils to achieve their goals and objectives. Policy Statements contained in this plan are given authority by the adoption of this plan. These policy statements provide the fundamental framework that guides decision making and the parameters for Management to operate within.

2. POLICY FRAMEWORK

The basic principle of financial management and budgeting is the process by which scarce resources are allocated. The policy Framework in this plan is structured to provide a guide for Council in developing Councils Budget and Long Term Financial Plans, and a format that management needs to work within the annual operating plan.

2.1. Unrestricted Working Funds

This is a measure of liquidity or net financial position. As part of Councils financial governance responsibilities a level needs to be set at which working capital should be maintained.

The unrestricted cash of Council provides an appropriate buffer for unforeseen expenditure and management of daily cash flows. As Councils budget grows the amount allocated will also need to grow in line so as to keep the unrestricted cash at the designated level.

Councils target is to adopt as part of this plan a minimum unrestricted working funds balance of 5% of the unrestricted revenues in the same financial year.

2.2. Employee Leave entitlements

Council creates a liability in its balance sheet each year for outstanding annual and long service leave. This leave liability needs to be paid at some future point in time; however Council does not expect to pay the liability in full in any given year.

As Council is a going concern it maintains a cash reserve equivalent to a reasonable amount that it can expect to pay. Councils target cash reserve provision is a minimum 20% however given the current size of the liability and the employee profiles, the potential for large payments on termination or resignation of employees over the next 5 to 10 years will require council to increase its Liability provision from the current 22% to 40% incrementally to avoid potential cash shortfalls in the operating plan.

2.3. Investments Funds

Council maintains a single investment portfolio across its entire operation.

Councils maintain an investment policy that is reviewed annually on the type and performance of investments. Of the available funds council restricts certain amounts for future works or projects. Funds from the sales of assets surplus equipment or functions with funded depreciation from operating income are directed into an asset management reserve that is to be utilized as part of council's asset management strategy programs.

Council also operates 3 separately identified business units Water Fund, Sewer Fund, and Kolora Aged Care Management, within its consolidated operations. These business units operate separately, and as such have their own income source and are not funded from land rates. Surplus income generated including interest received in these business units is restricted for the purpose of the business unit only. However in this plan, Kolora is requiring additional funds from general fund to finance a new construction project.

2.4. External Borrowings

Council's preference is to fund new or upgraded infrastructure and facilities from within its current income sources. Where the project cost is substantial and its lifecycle is greater than ten years it is economically more equitable to the community between generations to utilize debt and make repayments from future income so long as the income streams will allow the repayment of the loans.

Council tries to limit debt repayments as a percentage of income to between 0 and 10% of own source revenue.

2.5. Operating Budget

Council's operating budget aims to achieve an operating surplus of 2% on both a consolidated and fund level, to maintain an adequate level of working capital and to fund asset replacements or renewals. From any operating surplus Councils goal is to hold 5% cash from total recurrent sources of revenue as unrestricted funds.

2.6. **Infrastructure** Replacement **/ Reserve**

In 2012/2013 Annual Statements, Council recognized an asset expenditure back log in the order of $18.526 million. In addition to this Councils asset renewals compared to required renewals has only been at 60%. This means that the wear away of infrastructure is approximately twice the rate at which Council has the financial capacity to renew and maintain to the required service standard.

3. CURRENT FINANCIAL POSITION

NSW Treasury Corporation

Councils current financial sustainability rating as determined by NSW Treasury Corp in March 2013 was moderate with a negative outlook.
The FSR focuses on a Council's capacity to meet its financial commitments in the short, medium and long term. The Outlook focuses on the potential movement in a local government's FSR in the short term, and differentiates a local government's rating within a FSR category. In TCorp's view, the short term is the next three years, medium term is the next three to five years and long term is a five to ten year horizon.
Whilst the FSR primarily looks at historical performance, TCorp has also assessed each Council in terms of an Outlook that seeks to provide an indication of any potential future movement in the FSR in the short term (up to three years), based on currently known events, existing trends, and/or financial forecasts.

> **Moderate** - A local government with an adequate capacity to meet its financial commitments in the short to medium term and an acceptable capacity in the long term. While it has some record of reporting minor to moderate operating deficits the local government may also have recently reported a significant operating deficit. It is likely able to address its operating deficits, manage unforseen financial shocks and any adverse changes in its business, with moderate revenue and/or expense adjustments. The expense adjustments are likely to result in a number of changes to the range of and/or quality of services offered. Its capacity to manage core business risks is moderate.
> **Negative** – As a result of a foreseeable event or circumstance occurring, There is potential for a deterioration in the Local Governments capacity to meet its financial commitments (short and/or long term) and resulting change in its rating. However it does not necessarily indicate that a rating change may be forthcoming.

Operating Result

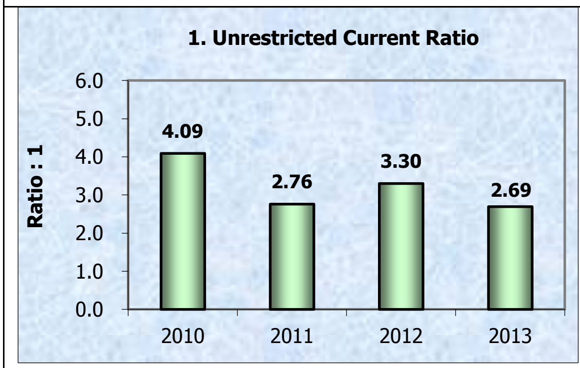
Council in the long term should run a balanced or surplus operating result on average. For the past several years council's operating result has fluctuated. However this result is Council's consolidated financial position for all business units and funds.

General Fund operations are the main part of Councils Road, Recreation, Environmental and Social services. Operating costs in this fund have been on average 3% greater than the published CPI and is subjected to regulatory pricing on how much revenues can be increased. While Council has been able to contain operating costs the Depreciation expense for assets has been increasing significantly and is the main contributor to the operating deficit. What this means is that because Council has been running large operating deficits after depreciation it consequently has not been renewing the public infrastructure at the required rate to sustain the established service level.

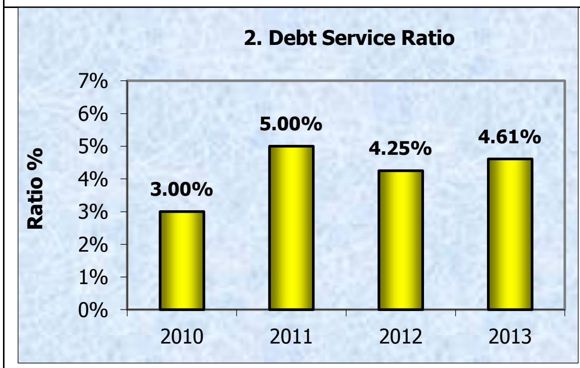
Local Government as a sector has seen increased community demand and a shift in the type of services provided between levels of government that has seen Councils providing many more services than what the sector provided in the 1960s and 1970s. In the past 10 years Guyra Shire Council has seen a 5% per annum increase in net costs for roads, recreation and drainage but 12% per annum increase for social and environmental programs. This is not sustainable and the Delivery Plan is carefully considered with respect to Councils Resourcing.

The current situation of operating deficits, while recognizing an asset backlog of 16% of the total asset base or in dollar terms $18.526 million is not sustainable. *A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community. (TCorp Report on financial sustainability 2013)*

Council’s current allowable income is $3.179 mill so it is important that Council does not add to the asset back log by underfunding asset renewals which has been the outcome to date.

<table>
<tr><th>Performance Indicator</th><th>Purpose of the Ratio</th><th>Commentary</th></tr>
<tr><td>


</td><td>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</td><td>2012/13 Ratio 2.69 : 1

Councils unrestricted ratio remains relatively sound due to 40% of the current liabilities being excluded from the ratio calculation because they are not expected to be settled within the twelve months following the reporting period.</td></tr>
<tr><td>


</td><td>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</td><td>2012/13 Ratio 4.61%

Council has maintained a conservative level of Borrowing due to the need to finance future capital works in 2013-2014 Debt service Ratios up to 10% is deemed to be financially responsible.</td></tr>
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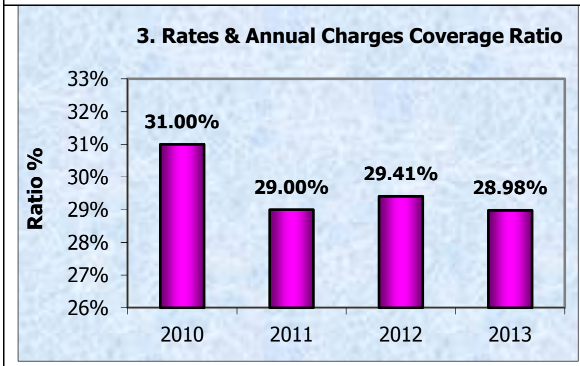
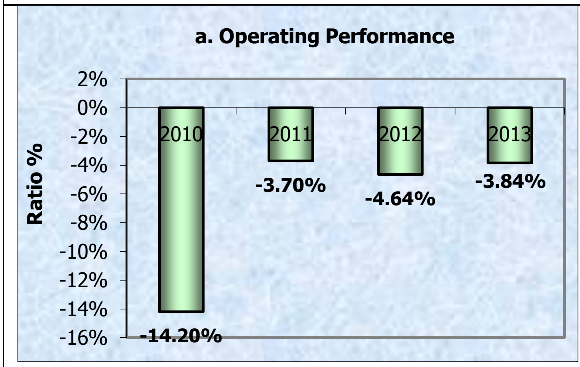
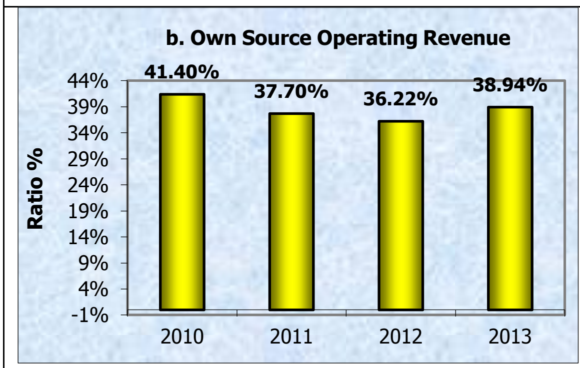
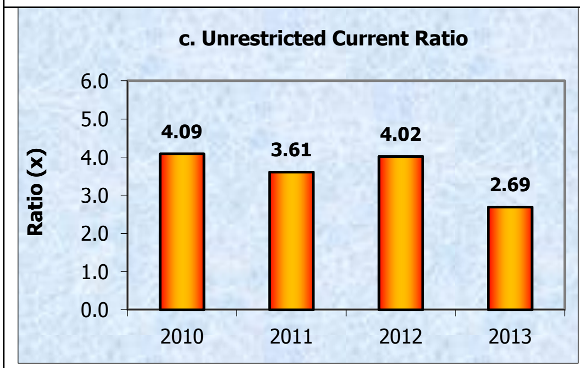
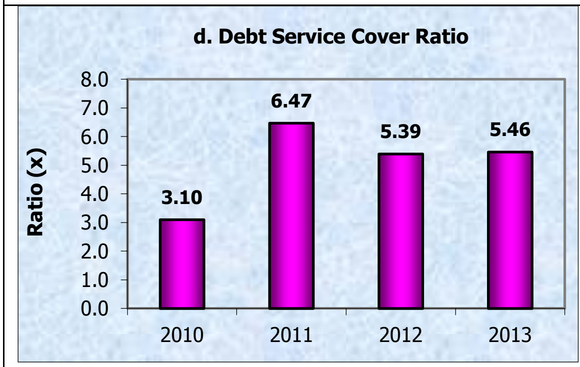
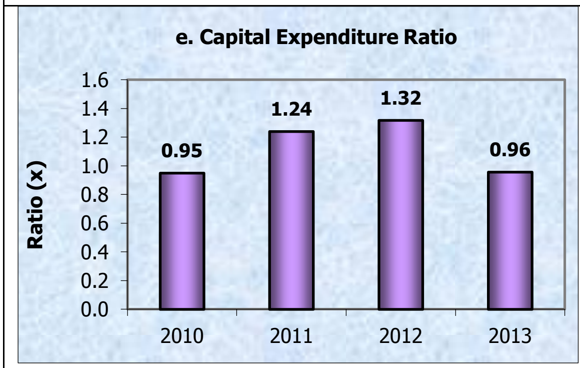
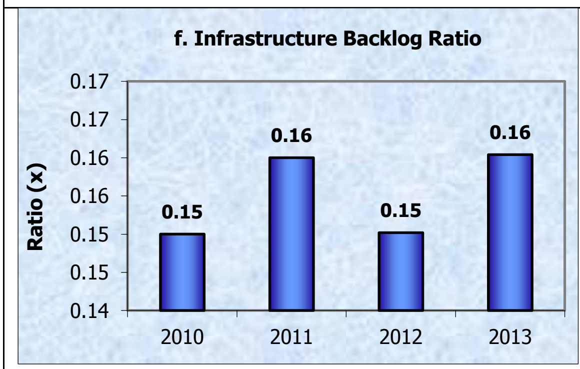
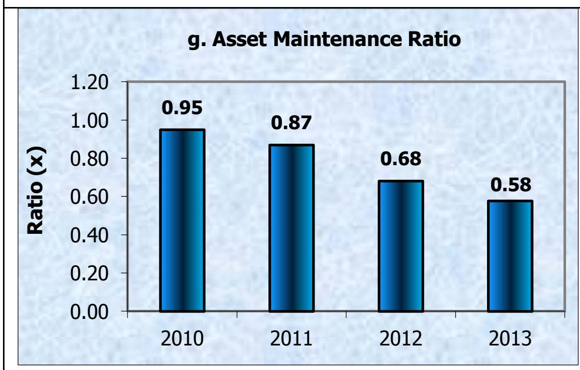
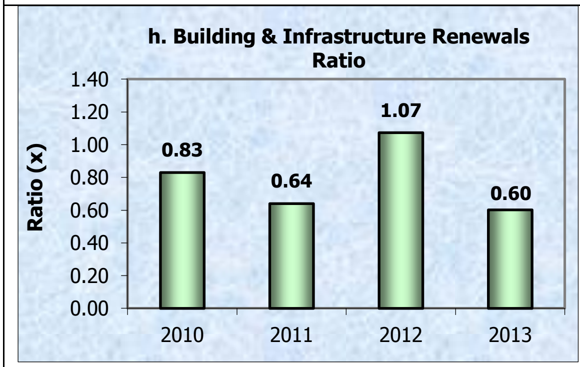
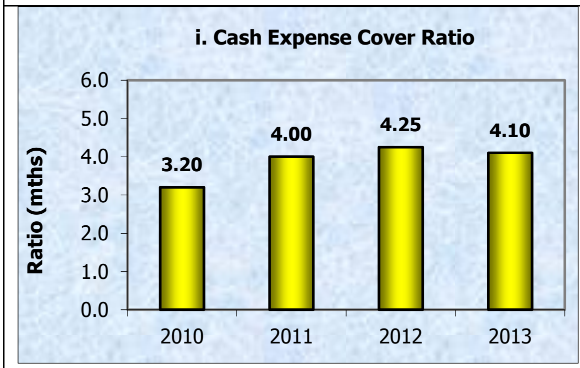
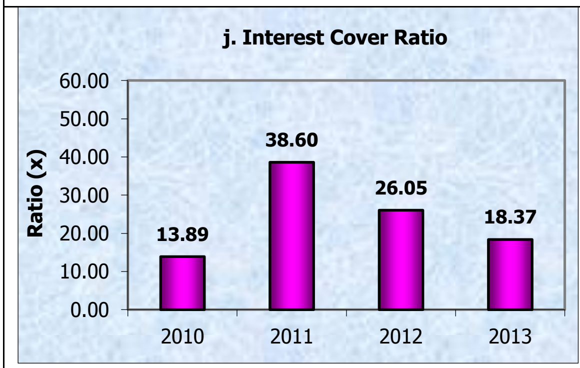
Performance Indicator	Purpose of the Ratio	Commentary
	To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.	**2012/13 Ratio 28.98%** Due to 70% of the annual revenue subject to variation due to government policy and user charges, council continues to strive for new revenue sources and operational productivity improvements in order to maintain existing service levels.
	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	**2012/13 Ratio -3.84%** The ratio indicates the extent to which operating income is sufficient or insufficient to meet the cost of services. Council should target between positive 0 and 10%. It is important to 6ecognize this measure excludes capital grants and contributions, it is focused on operating sources of income.
	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.	**2012/13 Ratio 38.94%** The higher this ratio the stronger the Council's financial flexibility. The minimum target Council should achieve is 60% in order to be financially sound.
	To assess the adequacy of unrestricted working capital and Council's ability to meet short term obligations as they fall due.	**2012/13 Ratio 2.55** Councils unrestricted ratio remains relatively sound due to 40% of the current liabilities being excluded from the ratio calculation because they are not expected to be settled within the twelve months following the reporting period.

Performance Indicator	Purpose of the Ratio	Commentary
	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments	**2012/13 Ratio 5.46** This ratio is different to the Debt Service Ratio in that it is loan interest principal and lease repayments as a percentage of the operating result before Interest income and depreciation. This indicates the additional amount of debt that a council could take on. A bench mark of > 2 is deemed acceptable.
	This ratio assesses the extent to which a Council is expanding its asset base with capital expenditure (on new assets, replacement & renewal of existing assets).	**2012/13 Ratio 0.96** Where a Council has an asset back log and/or the asset long term renewal ratio is less than 1, then Council should not be expanding its current asset base as it is not maintain existing assets. This indicator should be less than 0 where asset renewals and backlogs are under control.
	This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	**2012/13 Ratio 0.16** While each asset class varies in its condition between poor and good, when considered across all assets under management less than 16% are needing to be renewed as they are below a satisfactory condition standard.
	Compares actual vs. required annual asset maintenance. A ratio of > 1.0x indicates enough has been spent to stop the Infrastructure Backlog from growing.	**2012/13 Ratio 0.58** The results of this ratio indicate that Council is under allocating sufficient expenditure to maintenance of assets by 42%. Council should be maintaining a long term level average of 1.

Performance Indicator	Purpose of the Ratio	Commentary
	To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	**2012/13 Ratio 0.60** Asset renewal represents the replacement or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets. To maintain the current Infrastructure Council over the long term needs to maintain a long term ratio average of 1
	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.	**2012/13 Ratio 4.1 mths** Minimum Bench mark for this indicator is 3x. Council's current liquidity is sound.
	This ratio indicates the extent to which a Council can service (thru operating cash) its interest bearing debt & take on additional borrowings.	**2012/13 Ratio 18.37** This ratio is different to the Debt Service Ratio in that it is loan interest repayments as a percentage of the operating result before Interest income and depreciation. This indicates the additional amount of debt that a council could take on. A bench mark of > 4 is deemed acceptable.

Council in most indicators is sound however in the area of asset renewals and operating performance needs to be improved. Council is not currently allocating sufficient funds to capital works at a rate that is sufficient to meet the wear and tear of the asset. This is reflected in the operating result where; as a minimum council should achieve a balanced result after depreciation.

3.1. Cash and Investments

Following at the end of the GFC council had to write down the value of its investments. To date the majority has been recovered and following the result of a Class action against the promoters of the Investment Securities to Councils and Government more than 50% been recovered with the remain amounts being subject to a second class action. The losses incurred in 2008 will be contained to Water and Sewer funds which have absorbed the impact.

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG

(General) Regulation 2005. Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however several have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council. While the community attribute many of the Councils current financial sustainability issues it needs to be recognized that investments are not a source of income and if operations are depended upon the interest generated to fund services then the council introduces a new range of financial sustainability risks.

3.2. Loans and interest bearing Liabilities.

At the 30 June 2013, council's outstanding debts from loans was $1.245 Million. During recent years, Council undertook subdivision works on its own land funded from loans totaling $1.6 Million. Sales of this subdivision are included in the plan. Council has also forecasted to borrow in June 2014 $2 Mill to reconstruct portions of the Guyra/Ebor Road.

3.3. Assets and Infrastructure.

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Division of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- Investment Properties
- Water and Sewerage Network (External Valuation)
- Operational Land (External Valuation)
- Buildings – Specialised/Non Specialised(External Valuation)
- Plant and Equipment(as approximated by depreciated historical cost)
- Roads Assets incl. roads, bridges & footpaths (Internal Valuation)
- Drainage Assets (Internal Valuation)
- Bulk Earthworks (Internal Valuation)
- Community Land (External Valuation)
- Land Improvements (as approximated by depreciated historical cost)
- Other Structures (as approximated by depreciated historical cost)
- Other Assets (as approximated by depreciated historical cost)

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life. Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

Plant & Equipment	
- Office Equipment	5 to 20 years
- Office furniture	5 to 20 years
- Computer Equipment	3 to 5 years
- Library Books	5 years
- Motor Vehicles - Sedans	2 to 5 years
- Trucks and Utilities	5 to 10 years
- Heavy Plant/Road Making equip.	5 to 10 years
- Other plant and equipment	5 to 15 years

Other Equipment

- Playground equipment	5 to 15 years
- Benches, seats etc	10 to 20 years
Buildings	
- Buildings : Masonry	50 to 100 years
- Buildings : Other	20 to 40 years
Stormwater Drainage	
- Drains	80 to 100 years
- Culverts	50 to 80 years
Transportation Assets	
- Sealed Roads : Surface	20 years
- Sealed Roads : Structure	50 years
- Unsealed roads	20 years
- Bridge : Concrete	100 years
- Bridge : Other	50 years
- Road Pavements	60 years
- Kerb, Gutter & Paths	40 years
Water & Sewer Assets	
- Dams and reservoirs	80 to 100 years
- Reticulation pipes : PVC	80 to 100 years
- Reticulation pipes : Other	25 to 75 years
- Water Treatment Plant	70 to 100 years
- Sewer Treatment Plant	50 to 100 years
- Sewer Mains and Pump Stations	50 to 100 years

4. FINANCIAL PLANNING ASSUMPTIONS UNCERTIANTIES AND RISKS

The following assumptions, risks and uncertainties have been identified and in reference to the Council's Community Strategic Plan. Uncertainty increases as the financial information presented extends each year from the current financial data.

These forecast financial statements must be read with caution utilising the details of financial assumptions contained in this statement. Financial years 2014/15 to 2019/20 must be read with the understanding that the forecast is based on professional opinion and estimates and that in broad terms the business of the Council should continue in its current form and what has been forecast in the Community Strategic Plan. Uncontrollable external events or change in State and Federal Government policy will significantly affect the forecast.

The most significant risks include unexpected changes to legislation and/ or regulations. It has been assumed that the organisational structure of Guyra Shire Council will remain relatively unchanged for core services with reshaping the organisation to cater for positions associated with the community strategic direction. Council will be impacted by the issues of an aging workforce identified in the workforce plan. Although climate change and its existence and causes are still being debated, no contingency has been applied and therefore associated costs to Council has been assumed will not significantly change over the next 10 years.

4.1. Service Priorities

It is assumed that the community will continue to endorse and demand the current range of services that the Council provides. Community strategic goals are expected to be funded from existing funds where service levels are not affected otherwise new external funding is to be sourced.
Forecast financial reports include increase in Rates and Charges above the rate pegging to match the cost of providing new capital or debt repayments from financing new facilities or services identified in the Community Strategic Plan. It is also expected that management will be able to achieve the necessary cost reduction and productivity changes to services in order to offset each years increase in operating costs above the rate peg.

4.2. Population Growth and Rates Base

While Council has a desired ambition to increase the population of the local government area the assumed population growth has been assumed to be in line with State and National levels. The New England Regional economy is very reliant on the Education and Agricultural sectors. Both sectors are going through a period of change to operations and competiveness. Reduction in labour for these sectors would have a negative impact on the current population level however new opportunities are emerging with an expected expansion of the tomato farm at Guyra.
In the forward assumptions it has been assumed that any negative impacts could be offset by emerging market and where there is population growth then the demand for services and infrastructure would increase offsetting any additional revenues collected.

4.3. Asset Ownership and management

There are no major assets Sales or change in management identified in the asset management plan that will affect the outcome of the financial reports beyond 2014/2015. Councils current asset register is expected to remain stable from Year to Year. Technology and innovation may change future outcomess however significant changes to Councils policy is not anticipated over the life of the Delivery program. Council is however looking to continue to sell blocks at Claret Ash estate to return surplus funds to operations.

4.4. Interest Rates

Where new borrowing costs have been identified a 6% interest rate has been applied in determining repayments. Interest on money invested is estimated at 4.0% pa.

4.5. Funding Sources

It has been assumed that the level of external funds through the current grant allocations will remain consistent over the 10 years and that there is no significant change to government policy to either decrease or increase. Council will continue to actively pursue grant opportunities but due to their high level of uncertainty cannot be included in the financial projections. The exception to this assumption is in the Federal Governments Roads to Recovery Program that expires June 2014. The website indicates an extension of this program at the same funding levels for a further 5 years. This program is included in the projections only for that 5 year period.
Internal funding sources from Rates, Annual Charges and User charges are expected to increase as a minimum in line with a rate peg limit assumed to be between 2.5% and 3% pa. Where new projects or strategic goals have been endorsed by the community in the Strategic plan, Council is looking to fund some of these initiatives by continued productivity improvements, organisation development and / or through the application of a special rate variation. Rate Variations can be made permanent however the strategy in the forward plan is to apply for SRV's for a period of 7 years and therefore are only utilized for defined projects. All SRV's need to be supported by the community and will need to be approved by IPART.
Included in two scenarios is a special rate variation to spend on increased road asset renewals. If the identified Rate Variation application is unsuccessful the identified projects will not be able to commence and the Long Term Financial Plan adjusted to scenario being the reduction of the current status.

4.6. Depreciation and Useful Lives

Other than land, all assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle all of these assets are not available. While care should be exercised when interpreting financial information all asset classes have been subjected to at least one and in some cases 2 revaluation assessments. Each revaluation increases the confidence level of the estimates.
In 2014 Council is implementing an integrated Asset Management system that collects data and accomplishments at the worksite. Over the next 5 years as this data builds up Council will be able to back test many of the assumptions made in depreciation rates and useful lives.
Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows.

4.7. Outsourcing and Service Delivery

Where council outsources Physical works and professional services, it is assumed this practice will continue. Council's resources plan has identified that over the next 10 years a skills shortage may have an effect on service delivery. In this plan it has identified Council may need to use outsourcing options if there are critical skill gaps that cannot be resolved. The financial forecast has assumed that current recruitment patterns will continue and that Council will be able to fill positions.

Council also has a joint venture with Armidale Dumaresq Council that pools 11 corporate services into one shared service structure. While corporate shared services has delivered real productivity gains it has been identified to be expanded into other functions. The current shared services operation is inline with the Local Government Review Panel recommendations and Council see that the current shared services will be transferred to any regional joint organisation that may form.

4.8. Asset Renewal

The forecast expenditure for infrastructure asset renewal is insufficient to maintain the current level of services. The current financial model has not included any provisions to close the infrastructure renewal gap that has been estimated at approximately $18.5 mill as at the 30 June 2013. The asset management strategy aims to define more accurately what asset classes need to be renewed and the amount of expenditure required. The base assumption of the future financial capital costs has not tried to build in a complete renewal of assets. An upper level asset renewal target has been set at 80% where strategic maintenance and service level adjustment may achieve an acceptable balance. However no scenario comes close to this target so a lot more community engagement is required. Following a number of forums and discussion groups it is clear that the community is presented with a complex situation and they are coming to terms with what it actually means. Once a well defined back log has been established it is expected that without increased external funding Council will need to seek a special rate variation.

4.9. Changes to Service levels

No changes to service levels have been identified in the forward projections. It is assumed that any cost savings in service level reduction will be redirected to asset renewals or existing service delivery and where new services come about or Council seeks to increase the service levels that new funding found. Council has identified the need to review and test service level standards with the community over the 2014-2015 financial years.

5. FINANCIAL PLAN 2014 -2024

The planned financial forecast is aimed at delivering the strategic goals and outcomes set out in Council's Community Strategic plan over the next 10 years with a focus on the next 4 years.

It is based on estimates of future income and expenditure under normal operating conditions. Readers of the financial reports should note the forecast assumptions, uncertainties and risks to the performance of this budget plan set out in this document. The Financial Plan will be updated annually as part of adopting the operating plan at which point assumptions and forward estimates will be updated.

Scenario 1 – No Variation on the Total yield applied to all categories.

The planned scenario includes no provision for an application to IPART for a special rate variation above the normal rate pegging amount in year 1 applicable to fund infrastructure renewals. This effectively reduces councils yield by almost $140,000.

Included in this plan is Councils intention to construct a new Kolora Building in 2015/16 and close the infrastructure renewal gap between years 5 and 10. As this goal has longer term financial implications beyond the current plan detailed funding options have not been finalized. The commencement of these projects will be depended Ministerial Approval and satisfactory funding so not to affect councils longer term viability.

In Water, Sewer, and Waste functions the forecasted user charges are expected to increase to cover ongoing capital and operating requirements.

Planned Operating Income

Rates	Rates are based on an annual increase of 3% rate peg .
Domestic Waste Charges	Annual and user charges have been increased to reflect expected cost increases in providing the service.
User Charges and Fees	User Charges and fees are detailed in Councils 2014/2015 Fees and Charges Schedule included as part of the Operational Plan. Future year's user charges and fees have been increased by an estimated annual CPI increase of 3%. This represents the top of the Reserve Bank's long term target for CPI of 2-3% p.a.
Interest on Investments	An interest rate of 6% p.a. is assumed for interest earned on investments. Interest rates can fluctuate quickly, however a target 6% p.a average rate of return on investment over the life of the plan is considered to be achievable.
Other Revenues	Is expected to increase between 2.5% and 3.5% p.a. over the period of the plan.
Capital and Operating Grants and Contributions	Operational Grants are expected to increase an average of 3% per annum. Capital Grants will fluctuate from year to year but matched by expenditure on the capital project the Grant or contribution is for. Capital Grant Projections has been based on historical trends.

Operating Income Assumptions in LTFP

	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24
Operating Income										
Rates - Ordinary	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Rates - Special	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Rates - Special Variation	0%	0%	10%	10%	0%	0%	0%	0%	0%	0%
Annual Charges	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
User Charges - Specific	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Fees & Charges - Statutory & Regulatory	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Fees & Charges - Other	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other Revenues	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Operating Grants - General Purpose (Untied)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Operating Grants - Specific Purpose	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Operating Contributions - Specific - Developer Contributions	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Operating Contributions - Specific - Other Contributions	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Planned Operating Expenditure

Employee Costs	Employee Costs are expected to Grow at a net rate of 3 %. Employee costs in real terms are expected to increase at 5% per annum which is financially unsustainable in General Fund. Therefore these costs are then discounted by a 2% productivity improvement and lower recruitment rates resulting in a net reduction in total Employee Full Time Equivalents over the term of the plan.
Borrowing Costs	Borrowing Costs have been increased to reflect the additional loan funds for the Kolora Centre and the Guyra/Ebor Road LIRs program.
Materials and Contracts	This has been broadly budgeted at an annual increase of 5% per annum as it is expected that the increases in petrol materials construction equipment and contracts will continue to increase above CPI
Other Operating Expenses	Other operating Expenses have been increased in line with the estimated CPI of 3% with the exception of Electricity and Insurances. Electricity has been increased at an average of 10% per annum and due to the uncertainty of new contracts due in 2014 and Insurances has be increased at 4% per annum in line with historical trends.

Planned Capital Program

Property Plan & Equipment	Currently Council is reviewing its property portfolio. At the time of preparing this plan no sales or purchases have been identified and therefore not included in the financial data. Plant and equipment will be sold in accordance with the Councils replacement strategy. In the financial plan Council has restricted cash equivalent to the depreciation on plant to fund plant replacement.
Capital Works	Capital Works program for 2014-2024 has factored in an increase in costs by 5% over the total cost of the project to reflect the increasing cost of materials and labor. The capital program has been reduced by over $140,000 for each of the years of the plan in road works and drainage works.

Operating Expenditure Assumptions in LTFP

	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24
Operating Expenditure										
Employee Costs - Salaries	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Employee Costs - Casual Wages	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Employee Costs - Other	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Materials & Contracts - Raw Materials & Consumables	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Materials & Contracts - Contracts	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Materials & Contracts - Other	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Materials & Contracts - Capitalised	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other Expenses - Utilities	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other Expenses - Other	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%

Scenario 1 - Income Statement

Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	$3,654,000	$3,786,712	$3,742,870	$4,103,440	$4,494,076	$4,655,608	$4,765,331	$4,878,058	$4,996,662	$5,115,716	$5,238,032	$5,363,699
User Charges & Fees	$1,246,000	$2,819,955	$2,904,045	$2,990,643	$3,085,396	$3,183,152	$3,284,007	$3,388,059	$3,495,410	$3,606,164	$3,720,429	$3,838,316
Interest & Investment Revenue	$485,000	$475,804	$425,274	$415,700	$407,353	$399,450	$390,863	$365,890	$332,320	$302,900	$264,400	$219,900
Other Revenues	$834,000	$97,520	$100,446	$103,459	$106,563	$109,760	$113,052	$116,444	$119,937	$123,535	$127,241	$131,059
Grants & Contributions provided for Operating Purposes	$4,905,000	$3,904,485	$3,979,006	$4,087,161	$4,198,279	$4,312,442	$4,429,733	$4,550,240	$4,674,050	$4,801,255	$4,931,949	$5,066,227
Grants & Contributions provided for Capital Purposes	$803,000	$651,317	$2,351,317	$1,951,317	$651,317	$651,317	$651,317	$223,317	$223,317	$223,317	$223,317	$223,317
Other Income:												
Net gains from the disposal of assets	$681,000	$0	$0	$300	$0	$0	$5,200	$15,280	$1,000	$13,750	$14,000	$0
Total Income from Continuing Operations	**$12,608,000**	**$11,735,794**	**$13,502,958**	**$13,652,020**	**$12,942,984**	**$13,311,728**	**$13,639,505**	**$13,537,289**	**$13,842,697**	**$14,186,638**	**$14,519,368**	**$14,842,518**
Expenses from Continuing Operations												
Employee Benefits & On-Costs	$4,735,000	$4,635,701	$4,628,815	$4,776,864	$4,929,722	$5,087,548	$5,250,507	$5,418,767	$5,592,505	$5,771,902	$5,957,145	$6,148,430
Borrowing Costs	$157,000	$90,534	$331,664	$423,508	$389,782	$353,615	$314,985	$275,994	$238,017	$208,590	$177,067	$143,299
Materials & Contracts	$2,876,000	$2,867,443	$2,598,747	$2,671,529	$2,746,385	$2,823,375	$2,902,558	$2,983,999	$3,067,760	$3,153,909	$3,242,513	$3,333,642
Depreciation & Amortisation	$3,179,000	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665
Other Expenses	$1,286,000	$1,387,037	$1,417,285	$1,462,638	$1,509,443	$1,557,745	$1,607,593	$1,659,036	$1,712,125	$1,766,913	$1,823,454	$1,881,804
Net Losses from the Disposal of Assets	$0	$0	$21,500	$0	$13,131	$4,600	$0	$0	$0	$0	$0	$2,000
Total Expenses from Continuing Operations	**$12,233,000**	**$12,261,381**	**$12,278,677**	**$12,615,205**	**$12,869,128**	**$13,107,548**	**$13,356,308**	**$13,618,461**	**$13,891,072**	**$14,181,979**	**$14,480,845**	**$14,789,841**
Operating Result from Continuing Operations	**$375,000**	**-$525,587**	**$1,224,281**	**$1,036,815**	**$73,856**	**$204,180**	**$283,197**	**-$81,172**	**-$48,375**	**$4,659**	**$38,524**	**$52,677**
Net Operating Result for the Year	$375,000	-$525,587	$1,224,281	$1,036,815	$73,856	$204,180	$283,197	-$81,172	-$48,375	$4,659	$38,524	$52,677
Net Operating Result before Grants and Contributions provided for												
Capital Purposes	**-$428,000**	**-$1,176,904**	**-$1,127,036**	**-$914,502**	**-$577,461**	**-$447,137**	**-$368,120**	**-$304,489**	**-$271,693**	**-$218,658**	**-$184,794**	**-$170,640**

Scenario 1 – Cash Flow Statement

Guyra Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
CASH FLOW STATEMENT - CONSOLIDATED	**Actuals**	**Current Year**	**Projected Years**									
Scenario: Excluding the rate increase	**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	$3,602,000	$3,807,010	$3,735,369	$4,094,657	$4,484,711	$4,646,580	$4,756,172	$4,868,616	$4,986,920	$5,105,681	$5,227,687	$5,353,034
User Charges & Fees	$1,236,000	$2,500,871	$2,891,129	$2,977,343	$3,070,865	$3,168,162	$3,268,543	$3,372,107	$3,478,954	$3,589,188	$3,702,916	$3,820,251
Interest & Investment Revenue Received	$448,000	$482,897	$427,972	$403,029	$393,605	$394,462	$387,883	$362,833	$329,078	$299,680	$261,097	$216,511
Grants & Contributions	$5,600,000	$4,543,230	$6,275,760	$6,047,743	$4,887,212	$4,960,194	$5,077,388	$4,783,321	$4,893,502	$5,020,601	$5,151,185	$5,285,351
Bonds & Deposits Received	$263,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	$604,000	$536,219	$97,251	$116,800	$120,867	$115,315	$116,603	$120,074	$123,755	$127,332	$131,122	$135,026
Payments:												
Employee Benefits & On-Costs	-$4,684,000	-$4,553,403	-$4,627,919	-$4,892,059	-$4,929,722	-$5,087,548	-$5,250,507	-$5,418,767	-$5,592,505	-$5,771,902	-$5,957,145	-$6,148,430
Materials & Contracts	-$2,672,000	-$2,898,312	-$2,582,246	-$2,614,637	-$2,687,689	-$2,762,817	-$2,840,081	-$2,919,540	-$3,001,257	-$3,085,297	-$3,171,725	-$3,260,609
Borrowing Costs	-$37,000	-$30,174	-$278,279	-$377,586	-$351,845	-$324,223	-$294,736	-$265,528	-$238,017	-$208,590	-$177,067	-$143,299
Bonds & Deposits Refunded	-$33,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	-$1,109,000	-$1,387,037	-$1,417,285	-$1,462,638	-$1,509,443	-$1,557,745	-$1,607,593	-$1,659,036	-$1,712,125	-$1,766,913	-$1,823,454	-$1,881,804
Net Cash provided (or used in) Operating Activities	**$3,218,000**	**$3,001,302**	**$4,521,751**	**$4,292,651**	**$3,478,561**	**$3,552,379**	**$3,613,674**	**$3,244,081**	**$3,268,304**	**$3,309,780**	**$3,344,616**	**$3,376,030**
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	$1,677,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$542,286	$714,862
Sale of Real Estate Assets	$385,000	$156,000	$156,000	$144,000	$0	$0	$0	$0	$0	$0	$0	$0
Sale of Infrastructure, Property, Plant & Equipment	$504,000	$114,250	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Payments:												
Purchase of Investment Securities	-$2,258,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase of Infrastructure, Property, Plant & Equipment	-$3,293,000	-$1,825,517	-$10,309,691	-$3,372,869	-$2,081,216	-$2,233,944	-$2,118,560	-$2,505,038	-$2,260,927	-$2,450,918	-$2,809,569	-$2,738,876
Purchase of Real Estate Assets	-$58,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash provided (or used in) Investing Activities	**-$3,043,000**	**-$1,555,267**	**-$10,153,691**	**-$3,228,869**	**-$2,081,216**	**-$2,233,944**	**-$2,118,560**	**-$2,505,038**	**-$2,260,927**	**-$2,450,918**	**-$2,267,283**	**-$2,024,014**
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	$0	$2,000,000	$3,706,330	$0	$0	$0	$0	$0	$0	$0	$0	$0
Payments:												
Repayment of Borrowings & Advances	-$371,000	-$225,382	-$726,680	-$512,005	-$537,376	-$563,094	-$590,969	-$551,852	-$413,152	-$442,579	-$474,102	-$507,870
Net Cash Flow provided (used in) Financing Activities	**-$371,000**	**$1,774,618**	**$2,979,650**	**-$512,005**	**-$537,376**	**-$563,094**	**-$590,969**	**-$551,852**	**-$413,152**	**-$442,579**	**-$474,102**	**-$507,870**
Net Increase/(Decrease) in Cash & Cash Equivalents	-$196,000	$3,220,652	-$2,652,290	$551,778	$859,969	$755,341	$904,146	$187,191	$594,225	$416,283	$603,231	$844,146
plus: Cash, Cash Equivalents & Investments - beginning of	$3,236,000	$3,040,000	$6,260,652	$3,608,362	$4,160,140	$5,020,109	$5,775,450	$6,679,596	$6,866,786	$7,461,011	$7,877,294	$8,480,525
Cash & Cash Equivalents - end of the year	**$3,040,000**	**$6,260,652**	**$3,608,362**	**$4,160,140**	**$5,020,109**	**$5,775,450**	**$6,679,596**	**$6,866,786**	**$7,461,011**	**$7,877,294**	**$8,480,525**	**$9,324,671**

Scenario 1 – Capital Expenditure

Guyra Shire Council													
10 Year Financial Plan for the Years ending 30 June 2024													
CAPITAL WORKS - ALL FUNDS (CONSOLIDATED)			Current Year	Projected Years									
Scenario: Excluding the rate increase			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Income	*)												
Capital Grants & Contributions													
Grants & Contributions provided for Capital Purposes (funded in CAPEX)			$651,317	$2,351,317	$1,951,317	$651,317	$651,317	$651,317	$223,317	$223,317	$223,317	$223,317	$223,317
Additional Grants & Contributions for Capital Purposes (N(	*)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Capital Grants & Contributions			$651,317	$2,351,317	$1,951,317	$651,317	$651,317	$651,317	$223,317	$223,317	$223,317	$223,317	$223,317
Transfer from Reserves													
Transfer from Reserves (Internal & External)			$209,000	$3,200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Transfer from Reserves			**$209,000**	**$3,200,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Loan Funding													
New loans raised			$0	$3,400,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Loan Funding			**$0**	**$3,400,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
General Revenue													
General Revenue			$965,200	$1,358,374	$1,421,552	$1,429,899	$1,582,627	$1,467,243	$2,281,720	$2,037,610	$2,227,601	$2,586,252	$2,515,559
Total General Revenue			$965,200	$1,358,374	$1,421,552	$1,429,899	$1,582,627	$1,467,243	$2,281,720	$2,037,610	$2,227,601	$2,586,252	$2,515,559
Total Income			**$1,825,517**	**$10,309,691**	**$3,372,869**	**$2,081,216**	**$2,233,944**	**$2,118,560**	**$2,505,038**	**$2,260,927**	**$2,450,918**	**$2,809,569**	**$2,738,876**
Expenditure													
Capital Expenditure													
Plant & Equipment		$6,740,844	$209,000	$546,094	$634,550	$550,000	$532,500	$674,500	$738,450	$700,000	$744,750	$711,000	$700,000
Buildings		$6,319,200	$9,200	$6,300,000	$0	$0	$0	$0	$10,000	$0	$0	$0	$0
Other Structures		$117,623	$63,000	$0	$0	$0	$0	$0	$37,900	$0	$0	$0	$16,723
Roads		$16,766,994	$1,139,187	$3,186,397	$2,103,219	$961,766	$1,290,794	$1,192,660	$1,364,154	$1,053,527	$1,165,668	$1,531,369	$1,778,253
Bridges		$2,265,959	$120,000	$64,000	$391,000	$391,000	$175,000	$12,000	$143,959	$309,000	$338,000	$322,000	$0
Stormwater Drainage		$541,875	$0	$50,700	$66,600	$13,950	$65,150	$76,900	$53,075	$52,500	$50,000	$64,000	$49,000
Water Supply Network		$479,500	$35,000	$35,000	$50,000	$37,000	$43,000	$35,000	$40,000	$28,400	$35,000	$63,700	$77,400
Sewerage Network		$500,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$40,000	$40,000	$40,000	$40,000	$40,000
Library Books		$275,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Other Assets		$700,130	$175,130	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500
Total Expenditure		**$34,707,126**	**$1,825,517**	**$10,309,691**	**$3,372,869**	**$2,081,216**	**$2,233,944**	**$2,118,560**	**$2,505,038**	**$2,260,927**	**$2,450,918**	**$2,809,569**	**$2,738,876**

Scenario 2 – 8% Rate Variation on the Total yield applied to all categories.

The planned scenario includes a provision for an application to IPART for a special rate variation of 8% in above the normal rate pegging amount in year 1 applicable to fund infrastructure renewals. This rate variation is applicable for 7 years after which the rates will then revert back to what they would have been had the special rate variation not been applied.

Included in this plan is Councils intention to construct a new Kolora Building in 2015/16 and close the infrastructure renewal gap between years 5 and 10. As this goal has longer term financial implications beyond the current plan detailed funding options have not been finalized. The commencement of these projects will be depended Ministerial Approval and satisfactory funding so not to affect councils longer term viability.

In Water, Sewer, and Waste functions the forecasted user charges are expected to increase to cover ongoing capital and operating requirements.

Planned Operating Income

Rates	Rates are based on an annual increase of 3% rate peg and in Years 1 and 8 an application to the IPART and the Minister for Local Government for a Rate Variation to fund Infrastructure renewals.
Domestic Waste Charges	Annual and user charges have been increased to reflect expected cost increases in providing the service.
User Charges and Fees	User Charges and fees are detailed in Councils 2014/2015 Fees and Charges Schedule included as part of the Operational Plan. Future year's user charges and fees have been increased by an estimated annual CPI increase of 3%. This represents the top of the Reserve Bank's long term target for CPI of 2-3% p.a.
Interest on Investments	An interest rate of 6% p.a. is assumed for interest earned on investments. Interest rates can fluctuate quickly, however a target 6% p.a average rate of return on investment over the life of the plan is considered to be achievable.
Other Revenues	Is expected to increase between 2.5% and 3.5% p.a. over the period of the plan.
Capital and Operating Grants and Contributions	Operational Grants are expected to increase an average of 3% per annum. Capital Grants will fluctuate from year to year but matched by expenditure on the capital project the Grant or contribution is for. Capital Grant Projections has been based on historical trends.

Operating Income Assumptions in LTFP

	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24
Operating Income										
Rates - Ordinary	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Rates - Special	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Rates - Special Variation	8%	0%	10%	10%	0%	0%	0%	0%	0%	0%
Annual Charges	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
User Charges - Specific	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Fees & Charges - Statutory & Regulatory	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Fees & Charges - Other	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other Revenues	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Operating Grants - General Purpose (Untied)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Operating Grants - Specific Purpose	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Operating Contributions - Specific - Developer Contributions	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Operating Contributions - Specific - Other Contributions	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Planned Operating Expenditure

Employee Costs	Employee Costs are expected to Grow at a net rate of 3 %. Employee costs in real terms are expected to increase at 5% per annum which is financially unsustainable in General Fund. Therefore these costs are then discounted by a 2% productivity improvement and lower recruitment rates resulting in a net reduction in total Employee Full Time Equivalents over the term of the plan.
Borrowing Costs	Borrowing Costs have been increased to reflect the additional loan funds for the Kolora Centre and the Guyra/Ebor Road LIRs program.
Materials and Contracts	This has been broadly budgeted at an annual increase of 5% per annum as it is expected that the increases in petrol materials construction equipment and contracts will continue to increase above CPI
Other Operating Expenses	Other operating Expenses have been increased in line with the estimated CPI of 3% with the exception of Electricity and Insurances. Electricity has been increased at an average of 10% per annum and due to the uncertainty of new contracts due in 2014 and Insurances has be increased at 4% per annum in line with historical trends.

Planned Capital Program

Property Plan & Equipment	Currently Council is reviewing its property portfolio. At the time of preparing this plan no sales or purchases have been identified and therefore not included in the financial data. Plant and equipment will be sold in accordance with the Councils replacement strategy. In the financial plan Council has restricted cash equivalent to the depreciation on plant to fund plant replacement.
Capital Works	Capital Works program for 2014-2024 has factored in an increase in costs by 5% over the total cost of the project to reflect the increasing cost of materials and labor.

Operating Expenditure Assumptions in LTFP

	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24
Operating Expenditure										
Employee Costs - Salaries	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Employee Costs - Casual Wages	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Employee Costs - Other	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Materials & Contracts - Raw Materials & Consumables	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Materials & Contracts - Contracts	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Materials & Contracts - Other	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Materials & Contracts - Capitalised	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other Expenses - Utilities	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other Expenses - Other	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%

Scenario 2 - Income Statement

Guyra Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - CONSOLIDATED	**Actuals**	**Current Year**	**Projected Years**									
Scenario: Including retaining rate increase	**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	$3,654,000	$3,786,712	$3,882,481	$4,246,541	$4,640,755	$4,805,953	$4,919,436	$5,036,015	$5,158,726	$5,281,832	$5,408,300	$5,538,224
User Charges & Fees	$1,246,000	$2,819,955	$2,904,045	$2,990,643	$3,085,396	$3,183,152	$3,284,007	$3,388,059	$3,495,410	$3,606,164	$3,720,429	$3,838,316
Interest & Investment Revenue	$485,000	$475,804	$425,274	$415,700	$407,353	$399,450	$390,863	$365,890	$332,320	$302,900	$264,400	$219,900
Other Revenues	$834,000	$97,520	$100,446	$103,459	$106,563	$109,760	$113,052	$116,444	$119,937	$123,535	$127,241	$131,059
Grants & Contributions provided for Operating Purposes	$4,905,000	$3,904,485	$3,979,006	$4,087,161	$4,198,279	$4,312,442	$4,429,733	$4,550,240	$4,674,050	$4,801,255	$4,931,949	$5,066,227
Grants & Contributions provided for Capital Purposes	$803,000	$651,317	$2,351,317	$1,951,317	$651,317	$651,317	$651,317	$223,317	$223,317	$223,317	$223,317	$223,317
Other Income:												
Net gains from the disposal of assets	$681,000	$0	$0	$300	$0	$0	$5,200	$15,280	$1,000	$13,750	$14,000	$0
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	**12,608,000**	**11,735,794**	**13,642,569**	**13,795,122**	**13,089,663**	**13,462,074**	**13,793,609**	**13,695,246**	**14,004,761**	**14,352,754**	**14,689,637**	**15,017,043**
Expenses from Continuing Operations												
Employee Benefits & On-Costs	$4,735,000	$4,635,701	$4,628,815	$4,776,864	$4,929,722	$5,087,548	$5,250,507	$5,418,767	$5,592,505	$5,771,902	$5,957,145	$6,148,430
Borrowing Costs	$157,000	$90,534	$331,664	$423,508	$389,782	$353,615	$314,985	$275,994	$238,017	$208,590	$177,067	$143,299
Materials & Contracts	$2,876,000	$2,867,443	$2,598,927	$2,671,714	$2,746,575	$2,823,570	$2,902,760	$2,984,206	$3,067,973	$3,154,128	$3,242,738	$3,333,874
Depreciation & Amortisation	$3,179,000	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665	$3,280,665
Impairment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Expenses	$1,286,000	$1,387,037	$1,417,105	$1,462,453	$1,509,251	$1,557,547	$1,607,389	$1,658,825	$1,711,907	$1,766,688	$1,823,222	$1,881,565
Interest & Investment Losses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Losses from the Disposal of Assets	$0	$0	$21,500	$0	$13,131	$4,600	$0	$0	$0	$0	$0	$2,000
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	**12,233,000**	**12,261,381**	**12,278,677**	**12,615,204**	**12,869,127**	**13,107,546**	**13,356,305**	**13,618,457**	**13,891,067**	**14,181,973**	**14,480,839**	**14,789,834**
Operating Result from Continuing Operations	**375,000**	**-$525,587**	**1,363,892**	**1,179,917**	**220,536**	**354,528**	**437,304**	**76,789**	**113,693**	**170,780**	**208,798**	**227,210**
Net Operating Result before Grants and Contributions provided for Capital Purposes	**-$428,000**	**-$1,176,904**	**-$987,425**	**-$771,400**	**-$430,781**	**-$296,789**	**-$214,013**	**-$146,529**	**-$109,624**	**-$52,537**	**-$14,519**	**$3,892**

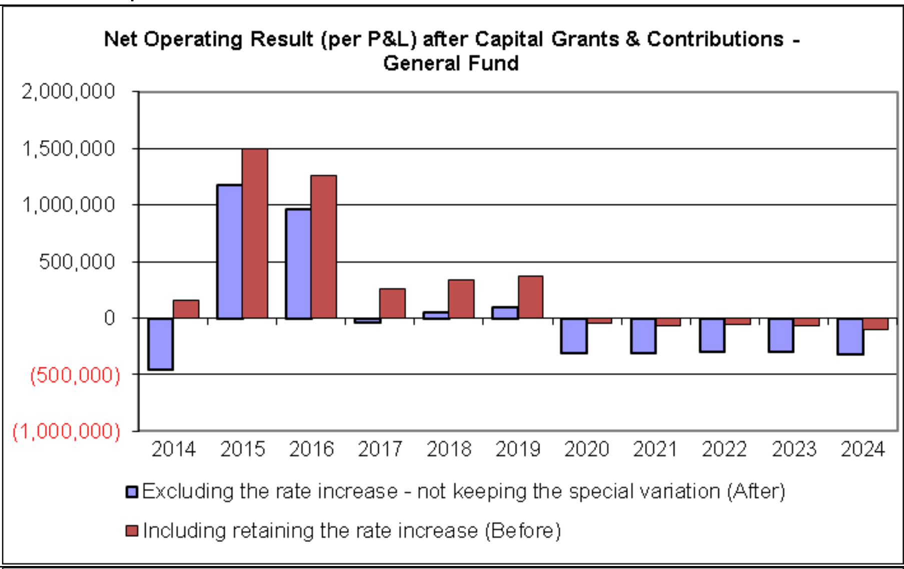
Scenario 2 – Cash Flow Statement

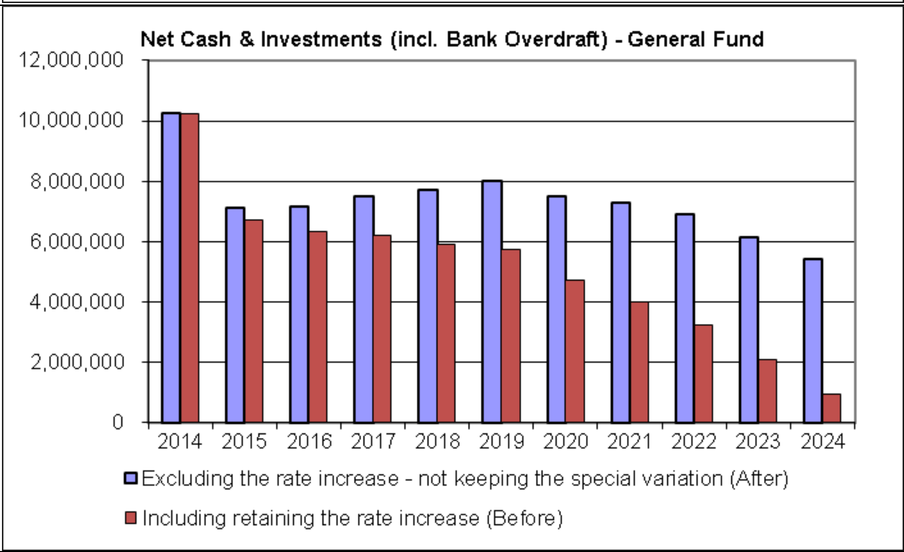
Guyra Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
CASH FLOW STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Including retaining rate increase	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	$	$	$	$	$	$	$	$	$	$	$	$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	$3,602,000	$3,807,010	$3,874,616	$4,237,749	$4,631,380	$4,796,916	$4,910,266	$5,026,563	$5,148,974	$5,271,786	$5,397,944	$5,527,548
User Charges & Fees	$1,236,000	$2,500,871	$2,891,129	$2,977,343	$3,070,865	$3,168,162	$3,268,543	$3,372,107	$3,478,954	$3,589,188	$3,702,916	$3,820,251
Interest & Investment Revenue Received	$448,000	$482,897	$422,656	$402,896	$393,469	$394,322	$387,740	$362,687	$328,921	$299,526	$260,939	$216,349
Grants & Contributions	$5,600,000	$4,543,230	$6,275,760	$6,047,743	$4,887,212	$4,960,194	$5,077,388	$4,783,321	$4,893,502	$5,020,601	$5,151,185	$5,285,351
Bonds & Deposits Received	$263,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	$604,000	$536,219	$102,563	$116,933	$121,003	$115,455	$116,746	$120,221	$123,911	$127,486	$131,280	$135,188
Payments:												
Employee Benefits & On-Costs	-$4,684,000	-$4,553,403	-$4,627,919	-$4,892,059	-$4,929,722	-$5,087,548	-$5,250,507	-$5,418,767	-$5,592,505	-$5,771,902	-$5,957,145	-$6,148,430
Materials & Contracts	-$2,672,000	-$2,898,312	-$2,582,656	-$2,614,829	-$2,687,887	-$2,763,021	-$2,840,290	-$2,919,755	-$3,001,479	-$3,085,525	-$3,171,959	-$3,260,850
Borrowing Costs	-$37,000	-$30,174	-$278,279	-$377,586	-$351,845	-$324,223	-$294,736	-$265,528	-$238,017	-$208,590	-$177,067	-$143,299
Bonds & Deposits Refunded	-$33,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	-$1,109,000	-$1,387,037	-$1,417,105	-$1,462,453	-$1,509,251	-$1,557,547	-$1,607,389	-$1,658,825	-$1,711,907	-$1,766,688	-$1,823,222	-$1,881,565
Net Cash provided (or used in) Operating Activities	**3,218,000**	**3,001,302**	**4,660,764**	**4,435,737**	**3,625,224**	**3,702,710**	**3,767,763**	**3,402,023**	**3,430,353**	**3,475,881**	**3,514,870**	**3,550,542**
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	$1,677,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$218,912	$540,350
Sale of Real Estate Assets	$385,000	$156,000	$156,000	$144,000	$0	$0	$0	$0	$0	$0	$0	$0
Sale of Infrastructure, Property, Plant & Equipment	$504,000	$114,250	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Payments:												
Purchase of Investment Securities	-$2,258,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase of Infrastructure, Property, Plant & Equipment	-$3,293,000	-$1,825,517	-$10,449,691	-$3,517,858	-$2,229,830	-$2,386,273	-$2,274,698	-$2,665,079	-$2,424,969	-$2,450,918	-$2,809,569	-$2,738,876
Purchase of Real Estate Assets	-$58,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cash provided (or used in) Investing Activities	-$3,043,000	-$1,555,267	-$10,293,691	-$3,373,858	-$2,229,830	-$2,386,273	-$2,274,698	-$2,665,079	-$2,424,969	-$2,450,918	-$2,590,657	-$2,198,526
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	$0	$2,000,000	$3,706,330	$0	$0	$0	$0	$0	$0	$0	$0	$0
Payments:												
Repayment of Borrowings & Advances	-$371,000	-$225,382	-$726,680	-$512,005	-$537,376	-$563,094	-$590,969	-$551,852	-$413,152	-$442,579	-$474,102	-$507,870
Net Cash Flow provided (used in) Financing Activities	-$371,000	$1,774,618	$2,979,650	-$512,005	-$537,376	-$563,094	-$590,969	-$551,852	-$413,152	-$442,579	-$474,102	-$507,870
Net Increase/(Decrease) in Cash & Cash Equivalents	-$196,000	$3,220,652	-$2,653,277	$549,874	$858,018	$753,342	$902,097	$185,092	$592,231	$582,384	$450,111	$844,146
plus: Cash, Cash Equivalents & Investments - beginning of year	$3,236,000	$3,040,000	$6,260,652	$3,607,375	$4,157,249	$5,015,267	$5,768,610	$6,670,706	$6,855,798	$7,448,029	$8,030,413	$8,480,525
Cash & Cash Equivalents - end of the year	$3,040,000	$6,260,652	$3,607,375	$4,157,249	$5,015,267	$5,768,610	$6,670,706	$6,855,798	$7,448,029	$8,030,413	$8,480,525	$9,324,671

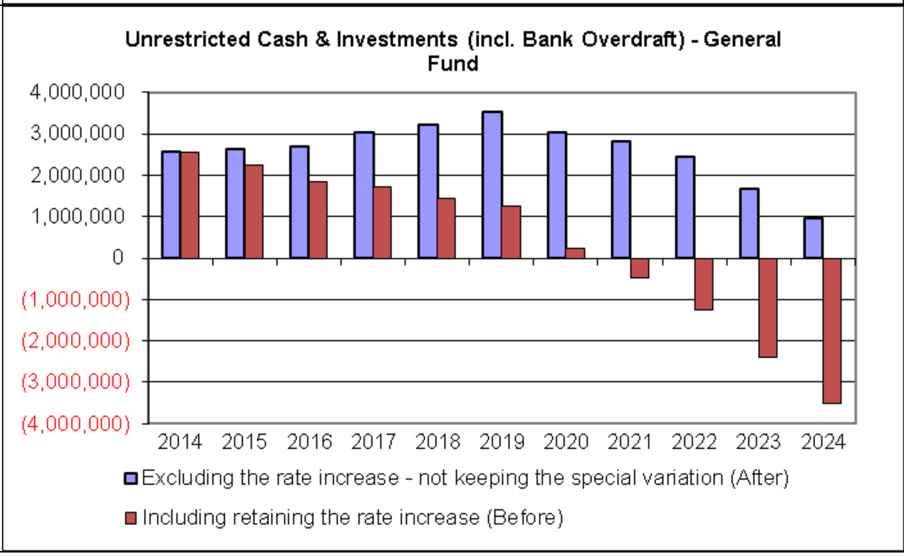
Scenario 2 – Capital Expenditure

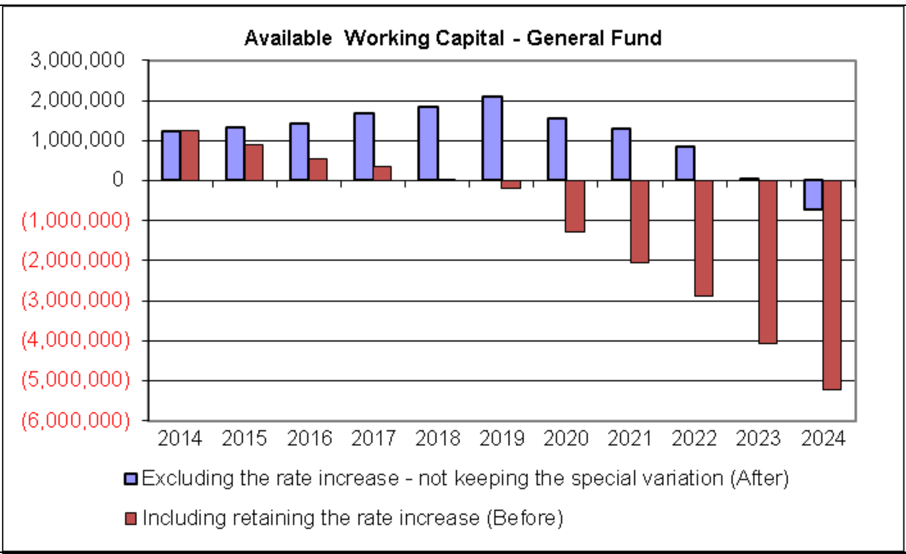
Guyra Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
CAPITAL WORKS - ALL FUNDS (CONSOLIDATED)		Current Year	Projected Years									
Scenario: Including retaining rate increase		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Income	*)											
Capital Grants & Contributions												
Grants & Contributions provided for Capital Purposes (funded in CAPEX)		$651,317	$2,351,317	$1,951,317	$651,317	$651,317	$651,317	$223,317	$223,317	$223,317	$223,317	$223,317
Additional Grants & Contributions for Capital Purposes (NOT bu	*)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Capital Grants & Contributions		$651,317	$2,351,317	$1,951,317	$651,317	$651,317	$651,317	$223,317	$223,317	$223,317	$223,317	$223,317
Transfer from Reserves												
Transfer from Reserves (Internal & External)		$209,000	$3,200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Transfer from Reserves		**$209,000**	**$3,200,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Loan Funding												
New loans raised		$0	$3,400,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Loan Funding		**$0**	**$3,400,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
General Revenue												
General Revenue		$965,200	$1,498,374	$1,566,541	$1,578,513	$1,734,956	$1,623,381	$2,441,761	$2,201,652	$2,227,601	$2,586,252	$2,515,559
Total General Revenue		$965,200	$1,498,374	$1,566,541	$1,578,513	$1,734,956	$1,623,381	$2,441,761	$2,201,652	$2,227,601	$2,586,252	$2,515,559
Total Income		**$1,825,517**	**$10,449,691**	**$3,517,858**	**$2,229,830**	**$2,386,273**	**$2,274,698**	**$2,665,079**	**$2,424,969**	**$2,450,918**	**$2,809,569**	**$2,738,876**
Expenditure												
Capital Expenditure												
Plant & Equipment	$6,740,844	$209,000	$546,094	$634,550	$550,000	$532,500	$674,500	$738,450	$700,000	$744,750	$711,000	$700,000
Buildings	$6,319,200	$9,200	$6,300,000	$0	$0	$0	$0	$10,000	$0	$0	$0	$0
Other Structures	$117,623	$63,000	$0	$0	$0	$0	$0	$37,900	$0	$0	$0	$16,723
Roads	$17,673,106	$1,139,187	$3,326,397	$2,248,208	$1,110,380	$1,443,123	$1,348,798	$1,364,154	$1,217,569	$1,165,668	$1,531,369	$1,778,253
Bridges	$2,426,000	$120,000	$64,000	$391,000	$391,000	$175,000	$12,000	$304,000	$309,000	$338,000	$322,000	$0
Stormwater Drainage	$541,875	$0	$50,700	$66,600	$13,950	$65,150	$76,900	$53,075	$52,500	$50,000	$64,000	$49,000
Water Supply Network	$479,500	$35,000	$35,000	$50,000	$37,000	$43,000	$35,000	$40,000	$28,400	$35,000	$63,700	$77,400
Sewerage Network	$500,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$40,000	$40,000	$40,000	$40,000	$40,000
Library Books	$275,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000	$25,000
Other Assets	$700,130	$175,130	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500	$52,500
Total Expenditure	**$35,773,279**	**$1,825,517**	**$10,449,691**	**$3,517,858**	**$2,229,830**	**$2,386,273**	**$2,274,698**	**$2,665,079**	**$2,424,969**	**$2,450,918**	**$2,809,569**	**$2,738,876**

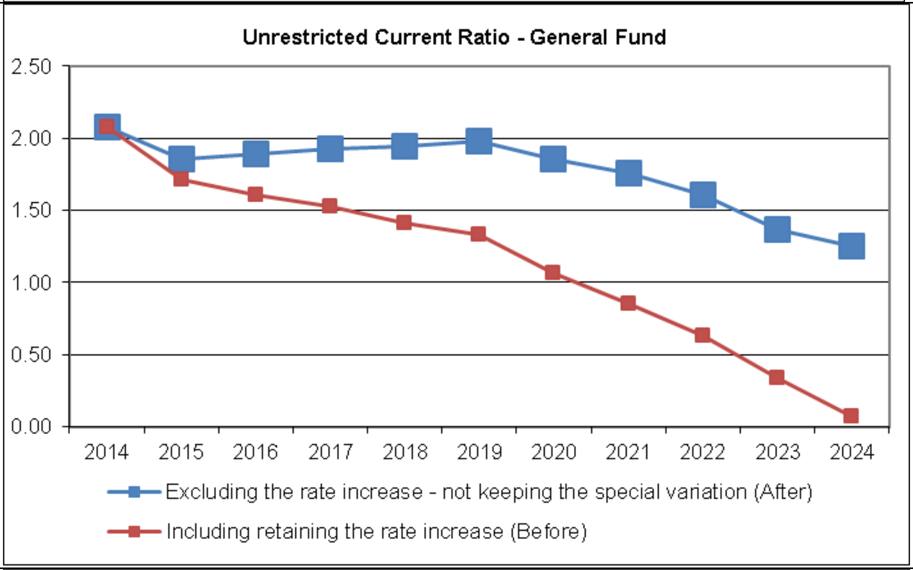
Chart Comparisons.

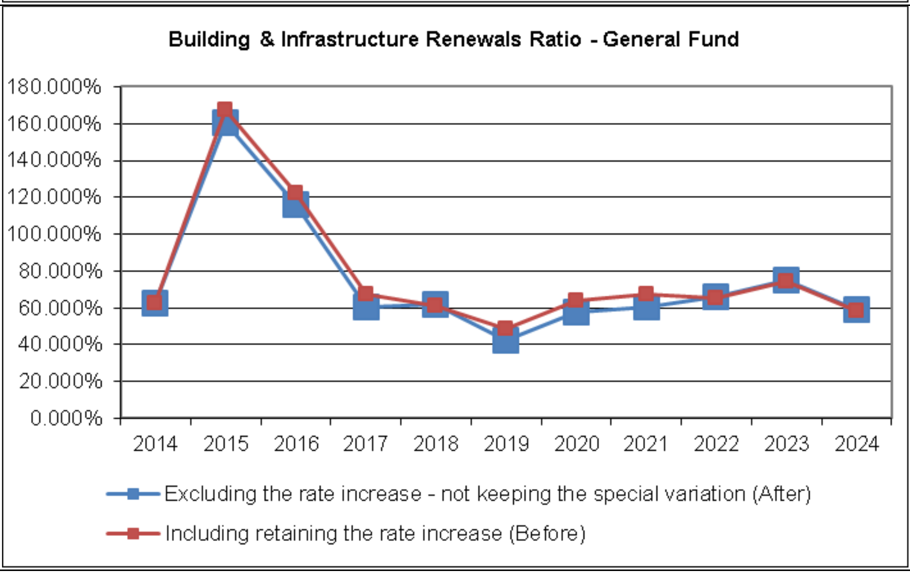







Available Working Capital - General Fund
3,000,000
2,000,000
1,000,000
0
(1,000,000)
(2,000,000)
(3,000,000)
(4,000,000)
(5,000,000)
(6,000,000)
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
Excluding the rate increase - not keeping the special variation (After)
Including retaining the rate increase (Before)


Unrestricted Current Ratio - General Fund
2.50
2.00
1.50
1.00
0.50
0.00
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
Excluding the rate increase - not keeping the special variation (After)
Including retaining the rate increase (Before)


Building & Infrastructure Renewals Ratio - General Fund
180.000%
160.000%
140.000%
120.000%
100.000%
80.000%
60.000%
40.000%
20.000%
0.000%
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
Excluding the rate increase - not keeping the special variation (After)
Including retaining the rate increase (Before)