

BLAYNEY SHIRE COUNCIL

**LONG TERM FINANCIAL
PLAN (LTFP)**

2013/14 – 2022/23

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1 INTRODUCTION

1.1 Objectives

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

Blayney Shire Council's LTFP seeks to:

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

1.2 Timeframe

The Division of Local Government has set the minimum timeframe at ten years. The Blayney Shire Council LTFP covers the time period from 2013/2014 to 2022/2023.

1.3 Structure

The LTFP is structured into seven main sections.

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

2 PLANNING ASSUMPTIONS

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

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

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

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

- Maintained Services Model
- Reduced Services Model - Incorporating Mining Only Special Rate Variation

2.1 Maintained Services Model

The 'Maintained Services Model' is the base model used throughout this document and assumes a 6 year permanent special rate variation across all categories in years 2014/15 – 2019/20 of the plan.

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

2.2 Reduced Services Model – Incorporating Mining Only Special Rate Variation

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

2.3 Summary of Key Assumptions and Indices

Assumption/Variable	Calculation Basis	LTFP %
Consumer Price Index (CPI)	Average CPI 2001-2011 (ABS Figures)	2.90%
Salaries and Employee Oncosts	Estimate (3.25% Award Increase plus 0.75% performance variation factor)	4.00%
Interest Rate Income	1 Year Interest Swap Rate + 1.5%	4.40%
Rate Pegging (General Rates Income)	Average 2001-2011 (IPART and DLG Figures)	13/14 - 3.4% 14/15 - 22/23 - 3.30%
Sewer Rates Income	IPART Figures	3.4%
Waste Charges Income	Based on Reasonable Cost Estimates	4.00%
Fees and Charges Income	Per salaries and wages above	4.00%

3 REVENUE FORECASTS

The major sources of revenue for councils are:

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

3.1 Rates and Annual Charges

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

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

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

3.1.1 Ordinary Rates

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

- Farmland
- Residential
- Business
- Mining

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

3.1.2 Special Rates

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

3.1.3 Rate Pegging

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

3.1.4 Special Rate Variation

Blayney Shire Council has modelled its 10 year LTFFP with two separate special rate variations under section 508(2) and 508A of the *Local Government Act 1993*. The Model allows for the continuation of the 2012/13 Mining only special variation, followed by a general increase of 15% across all categories for the following 6 years from the 2014/2015 year. This increase is inclusive of the rate pegging limit set by IPART and will require community support and a separate application to be completed. This decision will allow the alignment of Council services within the context of the Community Strategic Plan with the forthcoming 4 year Delivery Program.

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

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

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

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mining Special Var.	1,620	1,673	1,729	1,786	1,845	1,906	1,968	2,033	2,100	2,170
Community Special Var.		485	1,059	1,735	2,530	3,462	4,552	4,702	4,857	5,017

3.2 User Charges & Fees

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

3.2.1 Sewerage Charges

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

For Residential Properties

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

For Non-Residential Properties

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

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

The usage charge is determined by multiplying the number of kilolitres of water consumed, by the SDF, and then by \$1.10.

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

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

3.2.2 Waste Management Charges

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

The Domestic Waste Strategy is supported by a ten year financial strategy, as part of the LTFP, which determines the annual charge. The forecast increase in the charges has been set in accordance with the strategy averaging 3%.

It has also been estimated that a green waste service will be introduced in 2015/16 as part of the new waste management contract. Pricing of this additional service and any changes as a result of the new contract pricing will be based on full cost recovery with an estimated increase to the domestic waste charge of 50%.

3.2.3 Statutory Charges

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

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

3.2.4 Average Increase for Residents with Sewer and Waste Services (Maintained Services Model)

Special Rate Variation	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Average General Rates (\$60,000)	\$ 593.94	\$ 611.59	\$ 700.85	\$ 803.50	\$ 849.03	\$ 976.38	\$ 1,122.84	\$ 1,291.26	\$ 1,333.87	\$ 1,377.89	\$ 1,423.36
Percentage Increase	3.60%	3.40%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	3.30%	3.30%	3.30%
Average Sewer Charges	\$ 479.00	\$ 493.00	\$ 507.00	\$ 522.00	\$ 537.00	\$ 553.00	\$ 569.00	\$ 586.00	\$ 603.00	\$ 620.00	\$ 640.00
Percentage Increase		2.92%	2.84%	2.96%	2.87%	2.98%	2.89%	2.99%	2.90%	2.82%	2.82%
Average Waste Charges	\$ 300.00	\$ 310.00	320.00	480.00	500.00	520.00	540.00	560.00	580.00	600.00	620.00
Percentage Increase		3.00%	2.91%	50.00%	2.13%	2.90%	2.96%	2.87%	3.07%	2.98%	2.98%
Total	\$ 1,372.94	\$ 1,414.59	\$ 1,527.85	\$ 1,805.50	\$ 1,886.02	\$ 2,049.38	\$ 2,231.83	\$ 2,437.26	\$ 2,516.88	\$ 2,597.89	\$ 2,683.36
Total % Increase per year		3.03%	8.01%	18.17%	4.46%	8.66%	8.90%	9.20%	3.27%	3.22%	3.29%
Total \$ Increase per year	\$ 167.01	\$ 41.64	\$ 113.26	\$ 277.66	\$ 80.52	\$ 163.36	\$ 182.45	\$ 205.43	\$ 79.62	\$ 81.01	\$ 85.47
Total \$ Increase per week	\$ 3.21	\$ 0.80	\$ 2.18	\$ 5.34	\$ 1.55	\$ 3.14	\$ 3.51	\$ 3.95	\$ 1.53	\$ 1.56	\$ 1.64

*Calculations above are based on a Blayney Residential Rate with a land value of \$60,000.

3.2.5 Average Increase for Residents with Sewer and Waste Services – Reduced Services Model

No Variation	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Average General Rates (\$60,000)	\$ 593.94	\$ 611.59	\$ 629.29	\$ 647.58	\$ 593.95	\$ 613.56	\$ 633.80	\$ 654.72	\$ 676.32	\$ 698.64	\$ 721.70
Percentage Increase	3.60%	3.40%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%
Average Sewer Charges	\$ 479.00	\$ 493.00	\$ 507.00	\$ 522.00	\$ 537.00	\$ 553.00	\$ 569.00	\$ 586.00	\$ 603.00	\$ 620.00	\$ 640.00
Percentage Increase		2.92%	2.84%	2.96%	2.87%	2.98%	2.89%	2.99%	2.90%	2.82%	2.82%
Average Waste Charges	\$ 300.00	\$ 310.00	320.00	480.00	500.00	520.00	540.00	560.00	580.00	600.00	620.00
Percentage Increase		3.00%	2.91%	50.00%	2.13%	2.90%	2.96%	2.87%	3.07%	2.98%	2.98%
Total	\$ 1,372.94	\$ 1,414.59	\$ 1,456.29	\$ 1,649.58	\$ 1,630.95	\$ 1,686.56	\$ 1,742.80	\$ 1,800.72	\$ 1,859.33	\$ 1,918.64	\$ 1,981.70
Total % Increase per year		3.03%	2.95%	13.27%	-1.13%	3.41%	3.33%	3.32%	3.25%	3.19%	3.29%
Total \$ Increase per year	\$ 167.01	\$ 41.64	\$ 41.70	\$ 193.29	-\$ 18.63	\$ 55.60	\$ 56.24	\$ 57.92	\$ 58.61	\$ 59.32	\$ 63.06
Total \$ Increase per week	\$ 3.21	\$ 0.80	\$ 0.80	\$ 3.72	-\$ 0.36	\$ 1.07	\$ 1.08	\$ 1.11	\$ 1.13	\$ 1.14	\$ 1.21

*Calculations above are based on a Blayney Residential Rate with a land value of \$60,000.

3.2.6 Other Fees

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

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

3.3 Grants & Contributions

In reviewing grants and contributions it is considered prudent not to forecast an increase, other than for CPI, over the period of the plan. It is unlikely that there will be any increase in grants, or provision of new grants, for current services. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

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

3.4 Investments Revenue

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

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

Forecast returns on Council's investment portfolio are based on the forecast 1 year swap rate plus a small margin to reflect strategic investments in longer term investment products where appropriate.

3.5 Borrowings

In the financial modelling scenarios, the strategy to address identified funding gaps includes the raising of loans to fund, or part fund, some of the capital projects included in the capital expenditure program. The amount of proposed borrowings under each scenario is detailed below. More information about the impact on the yearly loan repayments and debt service ratio is included in Section 4.2.

New Borrowings 2013/14 – 2022/23

Loan Purpose	Loan Amount	Loan Term	Annual Repayment (Estimate)
Infrastructure Improvement Program 2013/2014	\$876,000	30 years	\$70,056
Infrastructure Improvement Program 2014/2015	\$1,759,997	30 years	\$140,752
Infrastructure Improvement Program 2015/2016	\$1,497,972	30 years	\$119,797
Infrastructure Improvement Program 2016/2017	\$1,733,997	30 years	\$138,672
Infrastructure Improvement Program 2018/2019	\$1,722,298	30 years	\$137,737
Carcoar and Mandurama Sewerage Schemes	\$2,700,000	30 years	\$226,921
Lyndhurst Sewerage Scheme	\$1,500,000	30 years	\$126,067

Infrastructure Improvement Program 2013/2014

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

Identified Projects: Barry Road Rehabilitation, Old Lachlan Road Bridge and Carcoar Dam Road Bridge.

This project is to commence in:	2013/2014
Complete in:	2013/2014
Total cost of the project will be:	\$876,000
To be fully funded by loans:	\$876,000
Term of the loan will be:	30 years
Loan will begin in:	2013/2014
Maturing in:	2043/2044

Infrastructure Improvement Program 2014/2015

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

Identified Projects: Gallymont Road (Felltimber creek) Bridge, Barry Road Rehabilitation, Newbridge Road Rehabilitation and Newry Downs Lane Rehabilitation.

This project is to commence in:	2014/2015
Complete in:	2014/2015
Total cost of the project will be:	\$1,759,997
To be fully funded by loans:	\$1,759,997
Term of the loan will be:	30 years
Loan will begin in:	2014/2015
Maturing in:	2044/2045

Infrastructure Improvement Program 2015/2016

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

Identified Projects: Hobbys Yards Road Rehabilitation, Garland Road Rehabilitation and Tallwood Road Rehabilitation.

This project is to commence in:	2015/2016
Complete in:	2015/2016
Total cost of the project will be:	\$1,497,972
To be fully funded by loans:	\$1,497,972
Term of the loan will be:	30 years
Loan will begin in:	2015/2016
Maturing in:	2045/2046

Infrastructure Improvement Program 2016/2017

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

Identified Projects: Mandurama Road Rehabilitation, Garland Road Rehabilitation and Browns Creek Road Rehabilitation.

This project is to commence in:	2016/2017
Complete in:	2016/2017
Total cost of the project will be:	\$1,733,977
To be fully funded by loans:	\$1,733,977
Term of the loan will be:	30 years
Loan will begin in:	2016/2017
Maturing in:	2046/2047

Infrastructure Improvement Program 2018/2019

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

Identified Projects: Hobbys Yards Road Rehabilitation, Mandurama Road Rehabilitation, Moorilda Road Rehabilitation and Gallymont Road Bridge.

This project is to commence in:	2018/2019
Complete in:	2018/2019
Total cost of the project will be:	\$1,722,298
To be fully funded by loans:	\$1,722,298
Term of the loan will be:	30 years
Loan will begin in:	2018/2019
Maturing in:	2047/2048

Carcoar and Mandurama Sewerage Scheme

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

This project is to commence in:	2014/2015
Complete in:	2015/2016
Total cost of the project will be:	\$5,250,000
To be fully funded by loans:	\$2,700,000
Term of the loan will be:	30 years
Loan will begin in:	2015/2016
Maturing in:	2044/2045

Lyndhurst Sewerage Scheme

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

This project is to commence in:	2019/2020
Complete in:	2019/2020
Total cost of the project will be:	\$2,000,000
To be fully funded by loans:	\$1,500,000
Term of the loan will be:	30 years
Loan will begin in:	2020/2021
Maturing in:	2049/2050

3.6 Other Revenue

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

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

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

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4 EXPENDITURE FORECASTS

4.1 Salaries, Wages and Employee On-costs

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

For the purpose of projecting future salary, wage and ELE costs to Council a percentage increase of 4% has been applied (see Planning Assumptions). This is to account for future Award increases and staff competency/performance increases.

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

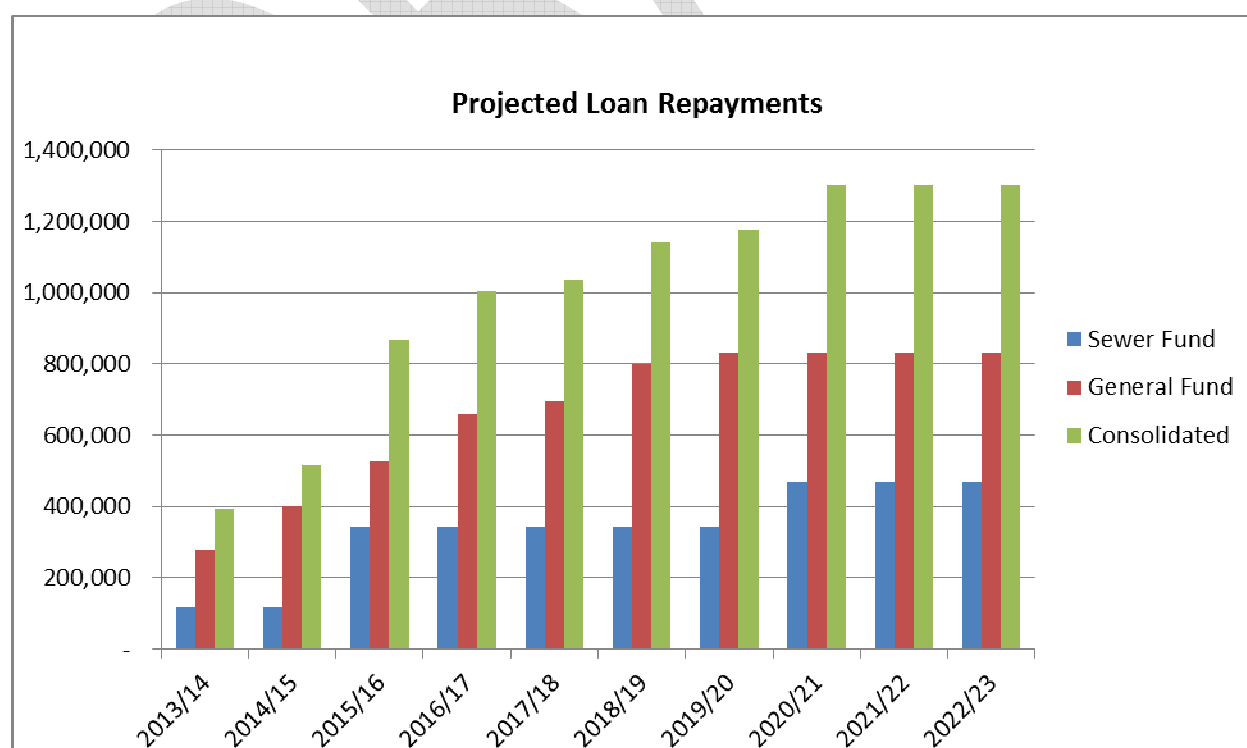
Other employee on-costs e.g. training, protective clothing and travel costs are separately allocated against functions.

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

4.2 Loans / Debt Service Costs

In the financial modelling scenarios detailed below, the strategy to address identified funding gaps includes the raising of loans to fund, or part fund, some of the capital projects included in the capital works program. The amount of proposed borrowings under each scenario is detailed in the Revenue Forecasts section of this plan.

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



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

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

4.3 Materials, Contracts and Other Operating Costs

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

- Council elections and associated cost estimated to be \$56,000 in 2016/17 and \$63,000 in 2020/21.
- Increased waste contractor fees in excess of CPI each year reflecting known increases in the NSW Department of Environment, Climate Change and Water waste levy on waste disposed as landfill.
- Forecast increases in Electricity tariffs' of 15% in excess of CPI for three years commencing 2013/14.

4.4 Asset Management

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

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

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

5 SENSITIVITY ANALYSIS AND FINANCIAL MODELLING

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

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

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

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

Employee Costs

Employee costs make up 37% of projected 2013/2014 operating expenditure. This is reflective of the service based nature of a significant proportion of council activities as well as the construction and maintenance of the considerable infrastructure owned by Council. As it makes up such a large proportion of the operating expenditure budget, and movements in rates of pay are determined through industry wide Award negotiations and market forces, the council is sensitive to unplanned changes in employee costs. The LTFP assumes annual increases of 4% to employee costs.

Due to the above factors an impact of a 1% increase in employee costs each year was modelled. The analysis indicated that the cash and investment balance would be reduced by an estimated \$3,370,000 in year 2022/2023 of the LTFP.

Rates and Annual Charges Revenue

Rates and Annual Charges revenue makes up almost 59% of the projected 2013/2014 operating revenue. The Council cannot set the rate of increase but can only accept the rate pegging imposed on it without a Special Variation application. The LTFP includes a 6 year special rate variation across all categories in years 2014/2015 – 2019/20 and a 3.3% rate peg increase to all other years of the plan. If these increases are not achieved, Council will need to adjust expenditure or revenue appropriately. The LTFP has been prepared on the assumption of a constant population base.

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

Due to Council's reliance on rate revenue an impact of a 1% reduction in rates revenue each year was modelled assuming that any special variation would also be reduced by 1%. The analysis indicated that the cash and investment balance would be reduced by an estimated \$4,261,000 in year 2022/2023 of the LTFP.

Inflation

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

Investment Returns

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

The impact of a reduction in investment interest rates of 30% was modelled. It was concluded that any impact on Councils operating result was deemed to be immaterial.

Grants

Council relies heavily on income from the Federal Government Financial Assistance and the Roads to Recovery grant programs. These Grants respectively make up 18% and 3% of Councils total revenue.

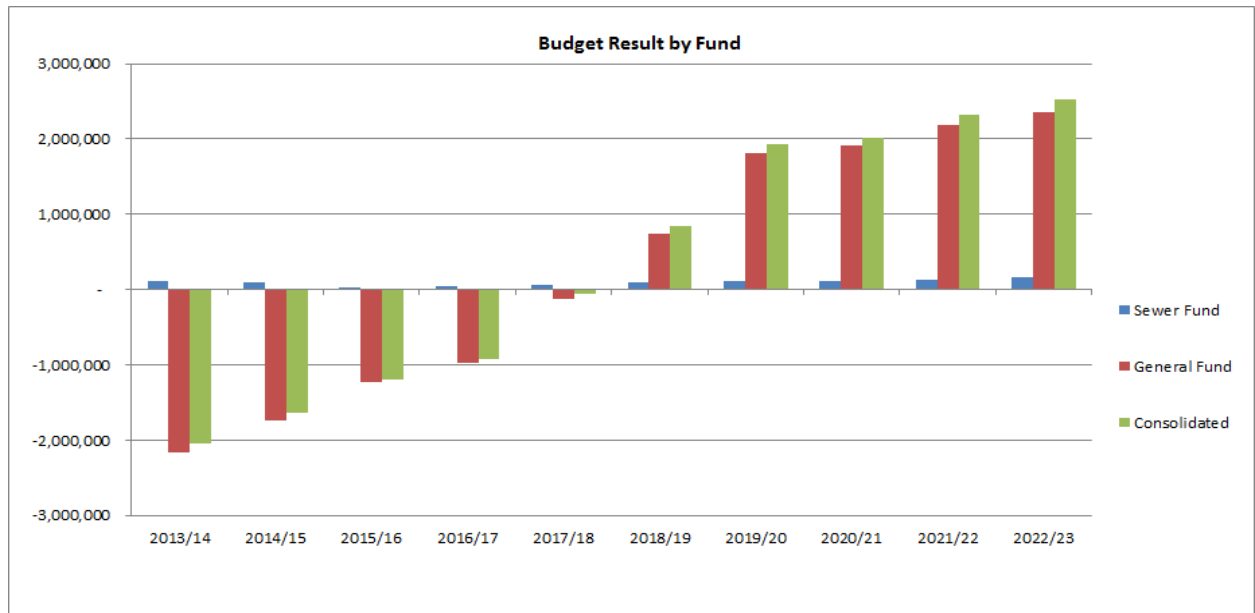
The Financial Assistance Grant is calculated using a formula that takes into account the population of the Local Government areas, road lengths and a number of other demographics. Given the complexity of the formula it is difficult to calculate any potential impacts to Council if any of the inputs were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

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

5.1 Maintained Services Model

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

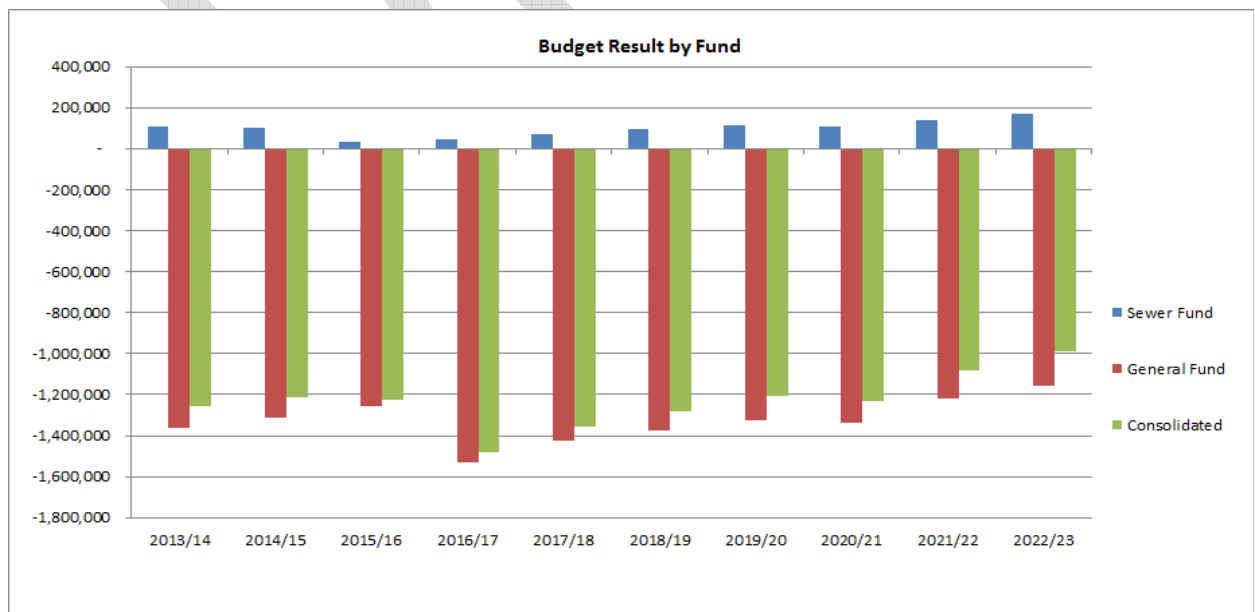
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Sewer Fund	108,651	103,900	32,881	45,763	68,104	92,115	116,591	106,334	136,617	168,287
General Fund	- 2,160,873	- 1,739,306	- 1,221,827	- 970,988	- 129,824	748,672	1,817,552	1,913,965	2,190,805	2,357,901
Consolidated	- 2,052,222	- 1,635,406	- 1,188,946	- 925,225	- 61,720	840,787	1,934,143	2,020,299	2,327,422	2,526,188



5.2 Reduced Services Model

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

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Sewer Fund	108,651	103,900	32,881	45,763	68,104	92,115	116,591	106,334	136,617	168,287
General Fund	- 1,362,199	- 1,314,449	- 1,259,581	- 1,527,964	- 1,425,142	- 1,376,368	- 1,325,630	- 1,335,469	- 1,217,346	- 1,159,908
Consolidated	- 1,253,548	- 1,210,548	- 1,226,700	- 1,482,201	- 1,357,039	- 1,284,253	- 1,209,039	- 1,229,135	- 1,080,729	- 991,622



6 PERFORMANCE MEASURES

6.1 Financial Analysis

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

6.1.1 Cash / Liquidity Position

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

Unrestricted Current Ratio

Definition:

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

Description:

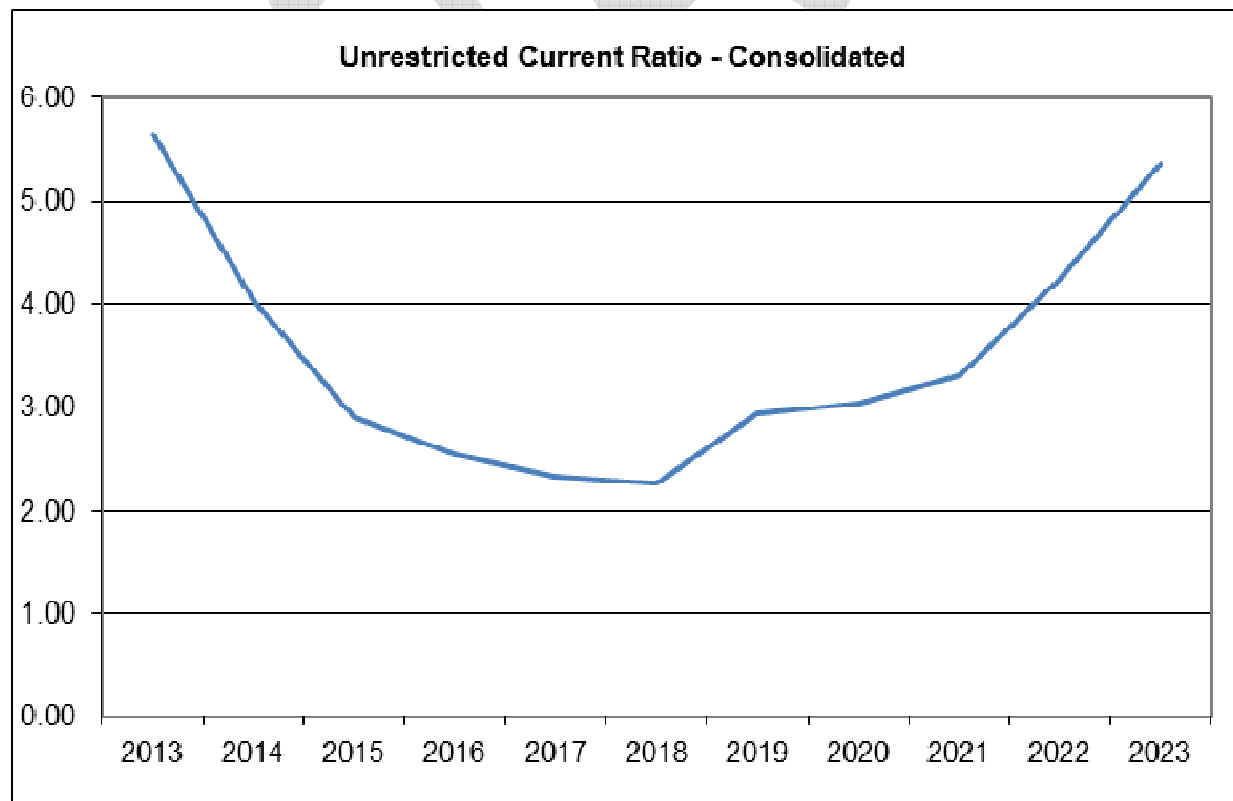
Measures the ability of council to pay its debts as and when they fall due.

Target:

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

Projection:

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



6.1.2 Operating Result

Operating Result

Definition:

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

Description:

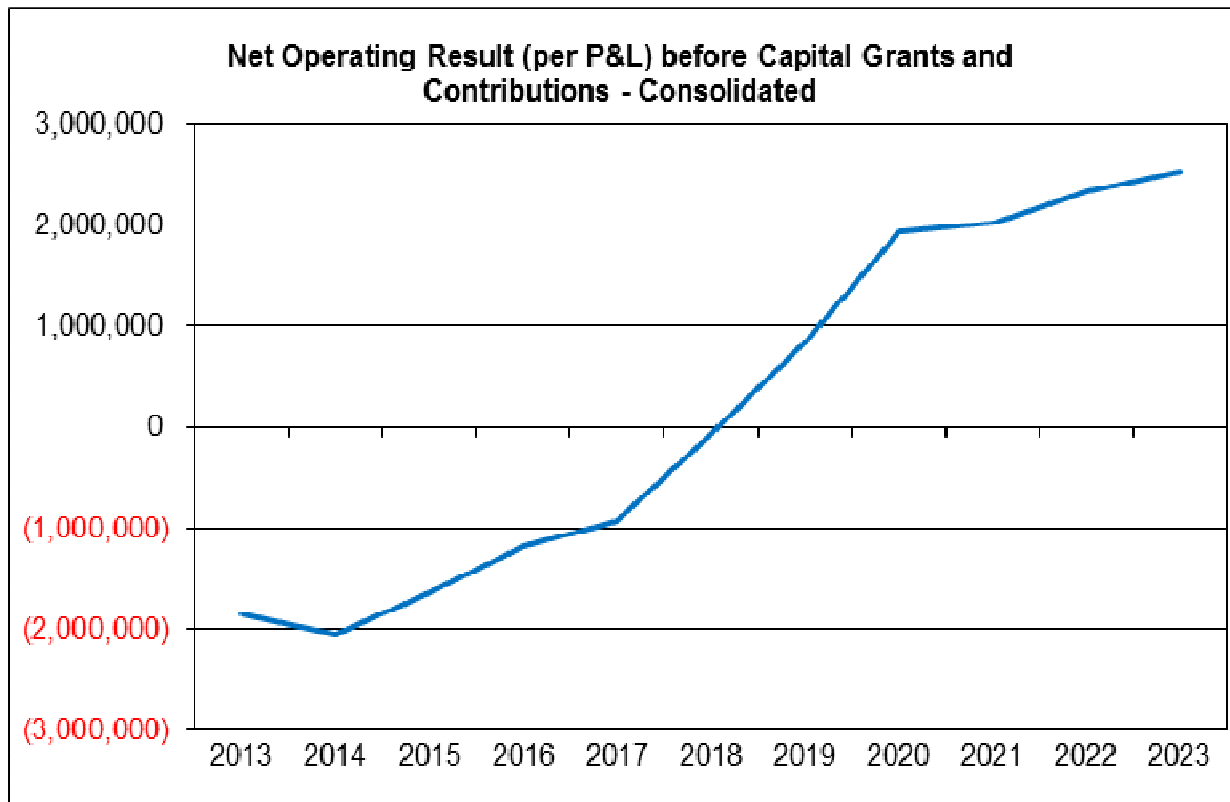
Councils operating result is normally regarded as an important criterion in measuring performance. The issue for Councils is whether the operating results can be maintained and in particular if those operating results can sustain the current level of services into the future.

Target:

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

Projection:

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



6.1.3 Debt Management

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

Debt Service Ratio

Definition:

Net Debt Service Cost

Total Revenue from Ordinary Activities

Description:

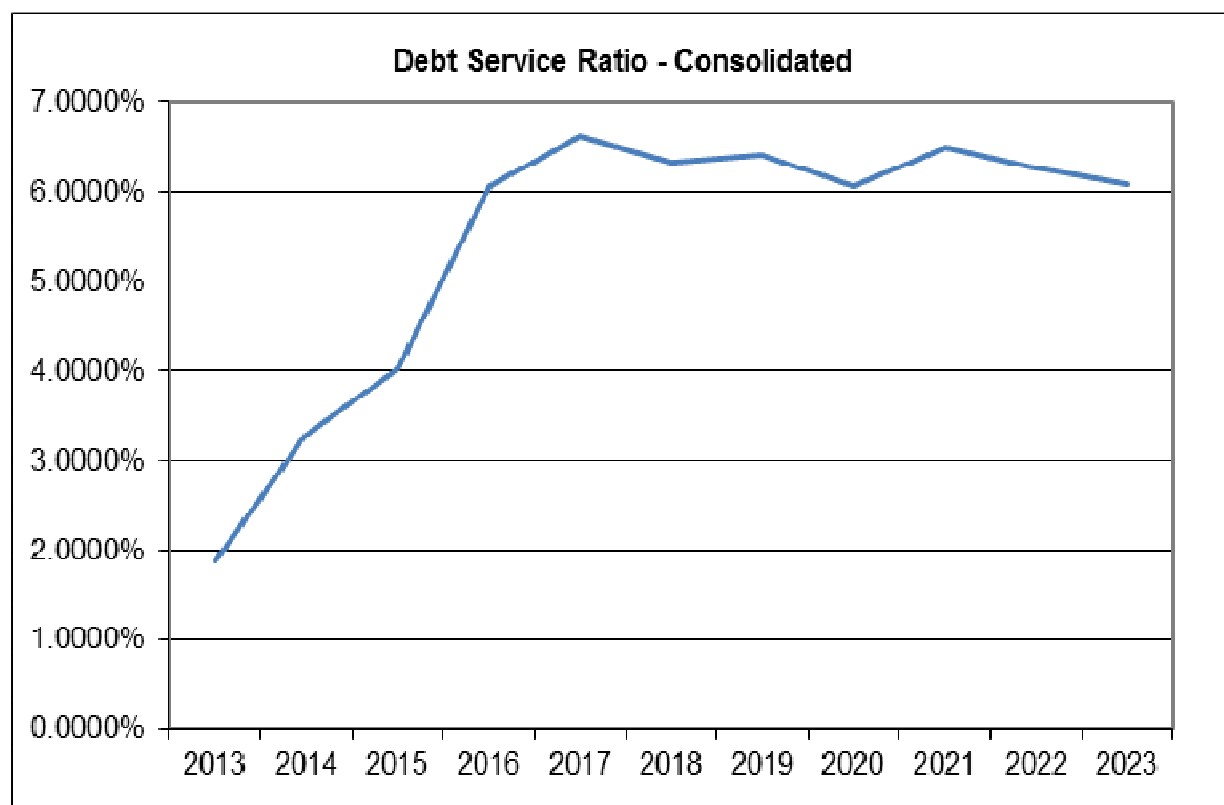
The Debt Service Ratio is used to show the percentage of annual revenue necessary to service annual debt obligations e.g. loan repayments. It also shows the commitment of future revenue necessary to fund long term obligations.

Target:

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

Projection:

The following graph projects the estimated percentage of the LTFP.



6.1.4 Dependence on Revenue from Rates and Annual Charges

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

Rates and Annual Charges Coverage Ratio

Definition:

Rates and Annual Charges

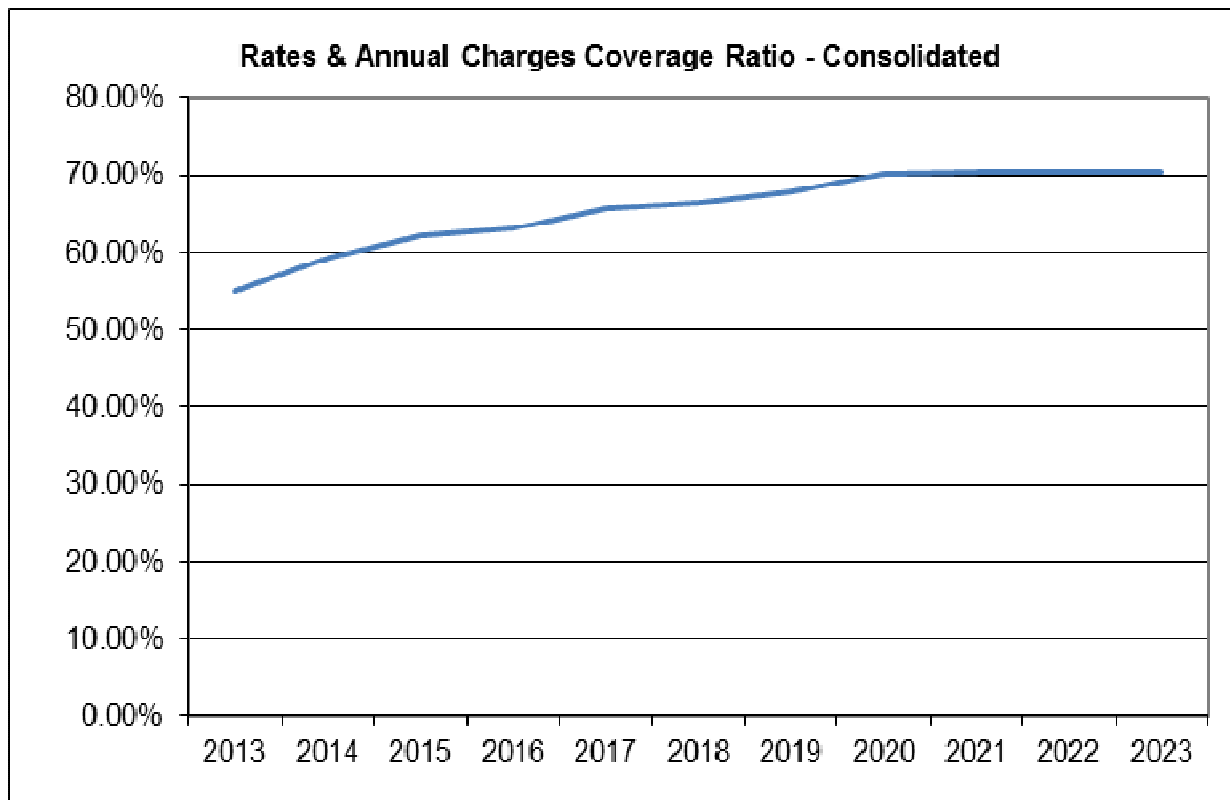
Income from continuing Operations

Description:

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

Projection:

The following graph projects the estimated percentage of the LTFFP.



6.1.5 Building and Infrastructure Renewals

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

Building and Infrastructure Renewals Ratio

Definition:

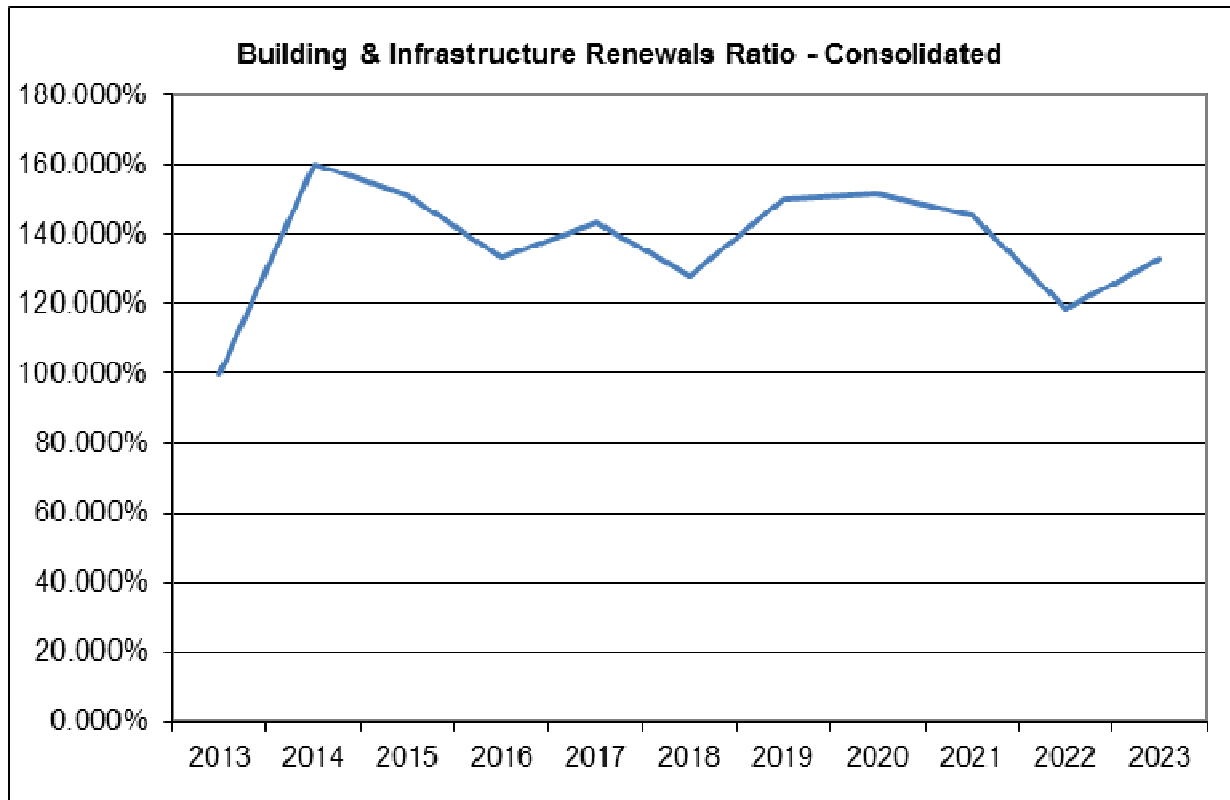
Asset Renewals (Building and Infrastructure)
Depreciation, Amortisation and Impairment

Description:

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

Projection:

The following graph projects the estimated percentage of the LTFP. A ratio above 100% indicates that Council is addressing the infrastructure backlog in the attempt to bring our aging assets up to an appropriate standard.



7 APPENDICES

Budgeted Income Statement – Maintained Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2023												
INCOME STATEMENT - CONSOLIDATED												
Scenario: Maintained Services Model	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	5,640,000	7,271,258	7,835,948	8,572,768	9,904,665	10,593,287	11,685,403	12,924,439	14,331,850	14,886,506	15,383,438	15,897,041
User Charges & Fees	3,232,000	1,162,628	996,079	1,035,657	1,076,810	1,119,601	1,164,096	1,210,361	1,258,468	1,308,491	1,360,504	1,414,589
Interest & Investment Revenue	513,000	385,880	426,137	438,495	451,211	464,296	477,761	491,616	505,873	520,543	535,639	551,172
Other Revenues	191,000	356,195	271,809	279,692	287,803	296,149	304,737	313,575	322,669	332,026	341,655	351,563
Grants & Contributions provided for Operating Purposes	4,301,000	3,154,752	2,901,994	2,986,152	3,072,750	3,161,860	3,253,554	3,347,907	3,444,996	3,544,901	3,647,703	3,753,487
Grants & Contributions provided for Capital Purposes	765,000	874,718	800,118	486,329	900,432	514,945	745,878	787,244	561,057	577,327	594,070	611,298
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	14,642,000	13,205,431	13,232,085	13,799,091	15,693,672	16,150,138	17,631,429	19,075,142	20,424,912	21,169,794	21,863,009	22,579,150
Expenses from Continuing Operations												
Employee Benefits & On-Costs	4,821,000	5,116,746	5,360,848	5,549,364	5,744,740	5,987,223	6,225,235	6,457,590	6,729,716	7,013,822	7,260,248	7,571,090
Borrowing Costs	161,000	130,364	203,875	301,210	600,161	700,792	713,039	783,236	791,604	879,893	853,671	825,607
Materials & Contracts	3,898,000	3,005,088	2,878,652	2,945,122	3,366,891	3,455,366	3,555,572	3,658,684	3,764,785	3,873,965	3,986,310	4,101,912
Depreciation & Amortisation	4,424,000	4,427,335	4,555,728	4,601,285	4,647,298	4,693,771	4,740,709	4,788,116	4,835,997	4,884,357	4,933,200	4,982,532
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,597,000	1,502,015	1,485,086	1,551,187	1,623,096	1,723,266	1,712,717	1,759,486	1,807,611	1,920,131	1,908,088	1,960,523
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	277,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	15,178,000	14,181,548	14,484,188	14,948,169	15,982,186	16,560,419	16,947,271	17,447,111	17,929,713	18,572,167	18,941,517	19,441,664
Operating Result from Continuing Operations	(536,000)	(976,117)	(1,252,103)	(1,149,077)	(288,514)	(410,281)	684,158	1,628,031	2,495,199	2,597,626	2,921,492	3,137,486
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(536,000)	(976,117)	(1,252,103)	(1,149,077)	(288,514)	(410,281)	684,158	1,628,031	2,495,199	2,597,626	2,921,492	3,137,486
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,301,000)	(1,850,835)	(2,052,222)	(1,635,406)	(1,188,946)	(925,225)	(61,720)	840,787	1,934,143	2,020,299	2,327,422	2,526,188

Budgeted Balance Sheet - Maintained Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2023												
BALANCE SHEET - CONSOLIDATED												
Scenario: Maintained Services Model												
	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	7,102,000	9,171,153	7,839,161	4,619,521	4,567,891	4,801,892	5,018,162	6,716,709	6,891,215	7,903,400	10,171,561	12,144,415
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	2,974,000	1,605,764	1,501,817	1,512,046	1,718,744	1,718,875	1,873,375	2,011,199	2,103,066	2,183,110	2,266,793	2,350,675
Inventories	854,000	866,201	895,339	904,891	953,802	965,397	977,327	989,604	1,002,236	1,015,235	1,028,611	1,042,375
Other	160,000	171,540	181,289	187,083	207,356	215,499	219,321	225,565	231,990	241,128	245,404	252,404
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	11,090,000	11,814,658	10,417,605	7,223,541	7,447,793	7,701,663	8,088,184	9,943,076	10,228,507	11,342,874	13,712,369	15,789,869
Non-Current Assets												
Investments	233,000	233,000	-	-	-	-	-	-	-	-	-	-
Receivables	178,240	119,858	128,533	126,523	138,009	145,074	155,714	167,685	181,177	186,598	192,212	198,027
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	183,553,000	182,608,493	183,719,583	190,047,114	190,859,384	191,671,633	191,656,748	192,836,788	196,176,385	197,266,048	197,380,566	197,984,457
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	183,964,240	182,961,351	183,848,117	190,173,637	190,997,393	191,816,708	191,812,462	193,004,473	196,357,562	197,452,646	197,572,778	198,182,483
TOTAL ASSETS	195,054,240	194,776,009	194,265,722	197,397,178	198,445,185	199,518,371	199,900,646	202,947,549	206,586,070	208,795,520	211,285,147	213,972,352
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	1,106,175	896,362	942,778	988,548	1,095,889	1,147,473	1,170,127	1,224,340	1,251,369	1,284,680	1,300,522	1,326,013
Borrowings	92,065	183,379	211,838	257,391	288,917	324,535	344,532	383,707	421,486	447,707	475,772	331,938
Provisions	1,174,000	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	2,372,240	2,258,855	2,333,730	2,425,052	2,563,920	2,651,122	2,693,772	2,787,161	2,851,969	2,911,500	2,955,407	2,837,065
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,809,000	2,625,385	3,292,326	7,481,537	8,679,191	10,075,454	9,730,922	11,056,405	12,134,918	11,687,211	11,211,439	10,879,501
Provisions	459,000	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	2,268,000	3,079,271	3,746,213	7,935,423	9,133,077	10,529,341	10,184,809	11,510,291	12,588,805	12,141,098	11,665,326	11,333,387
TOTAL LIABILITIES	4,640,240	5,338,126	6,079,942	10,360,476	11,696,997	13,180,463	12,878,581	14,297,452	15,440,774	15,052,598	14,620,733	14,170,452
Net Assets	190,414,000	189,437,883	188,185,780	187,036,702	186,748,188	186,337,908	187,022,065	188,650,097	191,145,296	193,742,923	196,664,414	199,801,900
EQUITY												
Retained Earnings	60,277,000	59,300,883	58,048,780	56,899,702	56,611,188	56,200,908	56,885,065	58,513,097	61,008,296	63,605,923	66,527,414	69,664,900
Revaluation Reserves	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000
Council Equity Interest	190,414,000	189,437,883	188,185,780	187,036,702	186,748,188	186,337,908	187,022,065	188,650,097	191,145,296	193,742,923	196,664,414	199,801,900
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	190,414,000	189,437,883	188,185,780	187,036,702	186,748,188	186,337,908	187,022,065	188,650,097	191,145,296	193,742,923	196,664,414	199,801,900

Budgeted Cash Flow Statement - Maintained Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2023												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Maintained Services Model												
	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	5,683,000	7,131,636	7,793,346	8,517,325	9,802,110	10,541,305	11,603,389	12,831,475	14,226,338	14,842,815	15,345,543	15,857,878
User Charges & Fees	3,217,000	1,290,695	1,044,630	1,024,401	1,065,104	1,107,427	1,151,435	1,197,194	1,244,775	1,294,249	1,345,693	1,399,185
Interest & Investment Revenue Received	493,000	343,206	425,164	439,315	442,314	459,732	467,085	470,963	490,659	511,981	518,573	536,138
Grants & Contributions	3,210,000	5,431,790	3,748,352	3,524,968	3,886,118	3,742,571	3,946,971	4,118,738	4,040,608	4,110,119	4,229,312	4,351,962
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,094,000	317,339	327,253	277,170	295,535	292,267	309,623	317,534	325,095	329,895	339,478	349,338
Payments:												
Employee Benefits & On-Costs	(4,776,000)	(5,116,746)	(5,360,848)	(5,549,364)	(5,744,740)	(5,987,223)	(6,225,235)	(6,457,590)	(6,729,716)	(7,013,822)	(7,260,248)	(7,571,090)
Materials & Contracts	(3,479,000)	(3,254,098)	(2,883,626)	(2,939,481)	(3,363,308)	(3,445,779)	(3,557,445)	(3,654,659)	(3,760,643)	(3,863,194)	(3,988,432)	(4,097,399)
Borrowing Costs	(162,000)	(112,765)	(193,313)	(278,181)	(581,281)	(678,894)	(716,478)	(762,125)	(795,698)	(884,221)	(858,244)	(830,441)
Bonds & Deposits Refunded	(25,000)	-	-	-	-	-	-	-	-	-	-	-
Other	(2,446,000)	(1,502,015)	(1,485,086)	(1,551,187)	(1,623,096)	(1,723,266)	(1,712,717)	(1,759,486)	(1,807,611)	(1,920,131)	(1,908,088)	(1,960,523)
Net Cash provided (or used in) Operating Activities	2,809,000	4,529,042	3,415,872	3,464,966	4,178,758	4,308,139	5,266,629	6,302,045	7,233,808	7,407,691	7,763,586	8,035,049
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	500,000	-	233,000	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	190,000	115,000	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	112,000	1	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(4,046,000)	(3,482,828)	(5,666,818)	(10,928,815)	(5,459,568)	(5,506,020)	(4,725,823)	(5,968,155)	(8,175,594)	(5,974,020)	(5,047,718)	(5,586,423)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(3,244,000)	(3,367,827)	(5,433,818)	(10,928,815)	(5,459,568)	(5,506,020)	(4,725,823)	(5,968,155)	(8,175,594)	(5,974,020)	(5,047,718)	(5,586,423)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	1,000,000	876,000	4,459,997	1,497,972	1,733,997	-	1,722,298	1,500,000	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(85,000)	(92,062)	(190,044)	(215,787)	(268,792)	(302,114)	(324,535)	(357,641)	(383,707)	(421,486)	(447,707)	(475,772)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(85,000)	907,938	685,956	4,244,210	1,229,180	1,431,882	(324,535)	1,364,657	1,116,293	(421,486)	(447,707)	(475,772)
Net Increase/(Decrease) in Cash & Cash Equivalents	(520,000)	2,069,153	(1,331,990)	(3,219,640)	(51,630)	234,001	216,270	1,698,547	174,507	1,012,185	2,268,161	1,972,854
plus: Cash, Cash Equivalents & Investments - beginning of year	7,622,000	7,102,000	9,171,153	7,839,163	4,619,523	4,567,893	4,801,894	5,018,164	6,716,711	6,891,217	7,903,402	10,171,563
Cash & Cash Equivalents - end of the year	7,102,000	9,171,153	7,839,163	4,619,523	4,567,893	4,801,894	5,018,164	6,716,711	6,891,217	7,903,402	10,171,563	12,144,417
Cash & Cash Equivalents - end of the year	7,102,000	9,171,153	7,839,163	4,619,523	4,567,893	4,801,894	5,018,164	6,716,711	6,891,217	7,903,402	10,171,563	12,144,417
Investments - end of the year	233,000	233,000	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	7,335,000	9,404,153	7,839,163	4,619,523	4,567,893	4,801,894	5,018,164	6,716,711	6,891,217	7,903,402	10,171,563	12,144,417

Budgeted Income Statement - Reduced Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2023												
INCOME STATEMENT - CONSOLIDATED												
Scenario: Reduced Services Model	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	5,640,000	7,271,258	7,835,948	8,087,761	8,845,896	8,858,157	9,155,379	9,462,645	9,780,295	10,184,750	10,526,524	10,879,849
User Charges & Fees	3,232,000	1,162,628	996,079	1,035,657	1,076,810	1,119,601	1,164,096	1,210,361	1,258,468	1,308,491	1,360,504	1,414,589
Interest & Investment Revenue	513,000	385,880	426,137	438,495	451,211	464,296	477,761	491,616	505,873	520,543	535,639	551,172
Other Revenues	191,000	356,195	271,809	279,692	287,803	296,149	304,737	313,575	322,669	332,026	341,655	351,563
Grants & Contributions provided for Operating Purposes	4,301,000	3,154,752	2,901,994	2,986,152	3,072,750	3,161,860	3,253,554	3,347,907	3,444,996	3,544,901	3,647,703	3,753,487
Grants & Contributions provided for Capital Purposes	765,000	874,718	800,118	486,329	500,432	514,945	529,878	545,244	561,057	577,327	594,070	611,298
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	14,642,000	13,205,431	13,232,085	13,314,085	14,234,902	14,415,008	14,885,405	15,371,348	15,873,357	16,468,038	17,006,095	17,561,957
Expenses from Continuing Operations												
Employee Benefits & On-Costs	4,821,000	5,116,746	4,599,529	4,783,510	4,974,850	5,173,845	5,380,798	5,596,030	5,819,871	6,052,666	6,294,773	6,546,564
Borrowing Costs	161,000	130,364	158,000	148,433	340,014	326,734	313,218	298,213	282,961	378,319	359,674	339,731
Materials & Contracts	3,898,000	3,005,088	2,887,172	2,953,889	3,375,912	3,464,649	3,565,124	3,668,513	3,774,899	3,884,372	3,997,019	4,112,932
Depreciation & Amortisation	4,424,000	4,427,335	4,555,728	4,601,285	4,647,298	4,693,771	4,740,709	4,788,116	4,835,997	4,884,357	4,933,200	4,982,532
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,597,000	1,502,015	1,485,086	1,551,187	1,623,096	1,723,266	1,712,717	1,759,486	1,807,611	1,920,131	1,908,088	1,960,523
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	277,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	15,178,000	14,181,548	13,685,514	14,038,304	14,961,170	15,382,265	15,712,566	16,110,357	16,521,339	17,119,846	17,492,754	17,942,281
Operating Result from Continuing Operations	(536,000)	(976,117)	(453,429)	(724,220)	(726,268)	(967,257)	(827,161)	(739,009)	(647,982)	(651,808)	(486,660)	(380,324)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(536,000)	(976,117)	(453,429)	(724,220)	(726,268)	(967,257)	(827,161)	(739,009)	(647,982)	(651,808)	(486,660)	(380,324)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,301,000)	(1,850,835)	(1,253,548)	(1,210,548)	(1,226,700)	(1,482,201)	(1,357,039)	(1,284,253)	(1,209,039)	(1,229,135)	(1,080,729)	(991,622)

Budgeted Balance Sheet - Reduced Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2023												
BALANCE SHEET - CONSOLIDATED												
Scenario: Reduced Services Model	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	7,102,000	9,171,153	8,798,507	6,014,004	6,376,791	6,476,513	6,765,011	7,376,646	7,045,999	7,099,260	8,341,269	9,867,375
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	2,974,000	1,605,764	1,508,496	1,484,585	1,571,539	1,599,091	1,650,712	1,705,948	1,759,907	1,822,471	1,887,679	1,956,588
Inventories	854,000	866,201	896,280	905,859	954,799	966,422	978,382	990,690	1,003,354	1,016,385	1,029,794	1,043,592
Other	160,000	171,540	181,631	187,435	207,718	215,872	219,704	225,959	232,395	241,546	245,834	252,846
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	11,090,000	11,814,658	11,384,914	8,591,883	9,110,847	9,257,898	9,613,810	10,299,242	10,041,656	10,179,661	11,504,576	13,120,401
Non-Current Assets												
Investments	233,000	233,000	-	-	-	-	-	-	-	-	-	-
Receivables	178,240	119,858	119,086	122,282	128,750	129,900	133,588	137,411	141,373	145,480	149,738	154,150
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	183,553,000	182,608,493	182,670,255	187,260,066	185,856,476	184,527,752	183,100,696	181,425,793	182,270,190	181,194,011	179,059,882	176,730,810
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	183,964,240	182,961,351	182,789,342	187,382,348	185,985,225	184,657,653	183,234,284	181,563,203	182,411,564	181,339,491	179,209,620	176,884,960
TOTAL ASSETS	195,054,240	194,776,009	194,174,256	195,974,231	195,096,073	193,915,551	192,848,094	191,862,445	192,453,219	191,519,152	190,714,196	190,005,362
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	1,106,175	896,362	931,417	948,556	1,024,860	1,053,159	1,067,942	1,091,387	1,115,480	1,149,267	1,165,661	1,191,786
Borrowings	92,065	183,379	192,944	228,194	241,564	255,079	270,085	285,336	316,047	334,691	354,634	202,096
Provisions	1,174,000	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114	1,179,114
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	2,372,240	2,258,855	2,303,475	2,355,864	2,445,537	2,487,352	2,517,141	2,555,837	2,610,640	2,663,072	2,699,409	2,572,996
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,809,000	2,625,385	2,432,441	4,904,247	4,662,683	4,407,604	4,137,519	3,852,182	5,036,135	4,701,445	4,346,810	4,144,714
Provisions	459,000	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886	453,886
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	2,268,000	3,079,271	2,886,327	5,358,133	5,116,570	4,861,490	4,591,405	4,306,069	5,490,022	5,155,331	4,800,697	4,598,601
TOTAL LIABILITIES	4,640,240	5,338,126	5,189,802	7,713,997	7,562,106	7,348,842	7,108,546	6,861,906	8,100,662	7,818,403	7,500,106	7,171,596
Net Assets	190,414,000	189,437,883	188,984,454	188,260,234	187,533,966	186,566,709	185,739,548	185,000,540	184,352,557	183,700,749	183,214,090	182,833,766
EQUITY												
Retained Earnings	60,277,000	59,300,883	58,847,454	58,123,234	57,396,966	56,429,709	55,602,548	54,863,540	54,215,557	53,563,749	53,077,090	52,696,766
Revaluation Reserves	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000	130,137,000
Council Equity Interest	190,414,000	189,437,883	188,984,454	188,260,234	187,533,966	186,566,709	185,739,548	185,000,540	184,352,557	183,700,749	183,214,090	182,833,766
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	190,414,000	189,437,883	188,984,454	188,260,234	187,533,966	186,566,709	185,739,548	185,000,540	184,352,557	183,700,749	183,214,090	182,833,766

Budgeted Cash Flow Statement - Reduced Services Model (Consolidated)

Blayney Shire Council												
10 Year Financial Plan for the Years ending 30 June 2023												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Reduced Services Model	Past Year	Current Year	Projected Years									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	5,683,000	7,131,636	7,793,346	8,068,390	8,786,013	8,856,477	9,132,483	9,438,978	9,755,831	10,152,230	10,500,168	10,852,606
User Charges & Fees	3,217,000	1,290,695	1,044,630	1,024,401	1,065,104	1,107,427	1,151,435	1,197,194	1,244,775	1,294,249	1,345,693	1,399,185
Interest & Investment Revenue Received	493,000	343,206	418,485	441,626	445,907	466,420	475,409	487,300	504,540	519,605	526,864	540,593
Grants & Contributions	3,210,000	5,431,790	3,748,352	3,524,968	3,562,686	3,666,003	3,772,318	3,881,715	3,994,285	4,110,119	4,229,312	4,351,962
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,094,000	317,339	327,253	273,646	287,483	291,236	301,751	310,512	319,527	328,804	338,350	348,174
Payments:												
Employee Benefits & On-Costs	(4,776,000)	(5,116,746)	(4,599,529)	(4,783,510)	(4,974,850)	(5,173,845)	(5,380,798)	(5,596,030)	(5,819,871)	(6,052,666)	(6,294,773)	(6,546,564)
Materials & Contracts	(3,479,000)	(3,254,098)	(2,892,207)	(2,948,250)	(3,372,331)	(3,455,064)	(3,567,000)	(3,664,490)	(3,770,759)	(3,873,604)	(3,999,144)	(4,108,421)
Borrowing Costs	(162,000)	(112,765)	(160,021)	(150,548)	(342,227)	(329,057)	(315,652)	(300,762)	(285,631)	(381,121)	(362,611)	(342,812)
Bonds & Deposits Refunded	(25,000)	-	-	-	-	-	-	-	-	-	-	-
Other	(2,446,000)	(1,502,015)	(1,485,086)	(1,551,187)	(1,623,096)	(1,723,266)	(1,712,717)	(1,759,486)	(1,807,611)	(1,920,131)	(1,908,088)	(1,960,523)
Net Cash provided (or used in) Operating Activities	2,809,000	4,529,042	4,195,223	3,899,537	3,834,689	3,706,333	3,857,230	3,994,932	4,135,085	4,177,484	4,375,772	4,534,201
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	500,000	-	233,000	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	190,000	115,000	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	112,000	1	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(4,046,000)	(3,482,828)	(4,617,490)	(9,191,096)	(3,243,707)	(3,365,047)	(3,313,652)	(3,113,212)	(5,680,395)	(3,808,177)	(2,799,072)	(2,653,460)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(3,244,000)	(3,367,827)	(4,384,490)	(9,191,096)	(3,243,707)	(3,365,047)	(3,313,652)	(3,113,212)	(5,680,395)	(3,808,177)	(2,799,072)	(2,653,460)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	1,000,000	-	2,700,000	-	-	-	-	1,500,000	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(85,000)	(92,062)	(183,377)	(192,944)	(228,194)	(241,564)	(255,079)	(270,085)	(285,336)	(316,047)	(334,691)	(354,634)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(85,000)	907,938	(183,377)	2,507,056	(228,194)	(241,564)	(255,079)	(270,085)	1,214,664	(316,047)	(334,691)	(354,634)
Net Increase/(Decrease) in Cash & Cash Equivalents	(520,000)	2,069,153	(372,644)	(2,784,503)	362,787	99,722	288,498	611,634	(330,646)	53,260	1,242,009	1,526,106
plus: Cash, Cash Equivalents & Investments - beginning of year	7,622,000	7,102,000	9,171,153	8,798,509	6,014,006	6,376,793	6,476,515	6,765,013	7,376,648	7,046,001	7,099,262	8,341,271
Cash & Cash Equivalents - end of the year	7,102,000	9,171,153	8,798,509	6,014,006	6,376,793	6,476,515	6,765,013	7,376,648	7,046,001	7,099,262	8,341,271	9,867,377
Cash & Cash Equivalents - end of the year	7,102,000	9,171,153	8,798,509	6,014,006	6,376,793	6,476,515	6,765,013	7,376,648	7,046,001	7,099,262	8,341,271	9,867,377
Investments - end of the year	233,000	233,000	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	7,335,000	9,404,153	8,798,509	6,014,006	6,376,793	6,476,515	6,765,013	7,376,648	7,046,001	7,099,262	8,341,271	9,867,377