



# LONG TERM FINANCIAL PLAN

2014/15 – 2023/24

May 2014

Part of Walgett Shire Council's Resourcing Strategy

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# 1. Long Term Financial Plan Introduction

Chapter 13 (Part 2) of the Local Government Act 1993 indicates Council's level of accountability in regard to meeting Strategic Planning requirements, through development of the following key items:

- Community Strategic Plan;
- Resourcing Strategy;
- Delivery Program;
- Operational Plan;
- Integrated Planning and Reporting Guidelines;

A key component of the Strategic Planning management is the preparation of the Long Term Financial Plan, specifically as part of the Integrated Planning and Reporting Guidelines which require Council to prepare financial scenarios for the ten year period to 2023/2024.

The Long Term Financial Plan is made up of the following components:

- I. Projected income and expenditure, balance sheet and cash flow statements
- II. Planning assumptions used to develop the Plan
- III. Sensitivity analysis – risks/factors most likely to affect the Plan
- IV. Financial modeling for different scenarios e.g. Base/Best/Worst
- V. Methods of monitoring financial performance.

The first projected year of the LTFP is consistent with the Annual Budget proposed for the 2014/2015 year. It assumes that Council intends to maintain the existing asset stock in a sustainable manner and that Council wants to maintain current service levels. It also includes a number of new initiatives and plans endorsed by Council to date which create new or upgraded facilities within the Shire.

The Long Term Financial Plan is not a standalone document. It is prepared as part of the wider Resourcing Strategy which forms a key part of the Integrated Planning and Reporting Framework set out by the Department of Local Government. Other Plans included within the integrated reporting framework are as follows:

- a) A 10 year Community Strategic Plan
- b) A four year Delivery Program
- c) Asset Management Plans (covering a minimum period of 10 years) for each class of asset (including an overall Asset policy and Strategy)
- d) A four year Workforce Management Plan

Therefore the Long Term Financial Plan should be reviewed in conjunction with these other plans. This is discussed further in section 2.

The Long Term Financial Plan is a tool used to allow informed decision making and reflects the outcomes from review of the Community Strategic Plan, it contains information and development from the Delivery Program, all of which are reviewed as part of the annual Operational Plan.

The Long Term Financial Plan will be used to monitor financial performance within Council to ensure that Council is operating in the most efficient manner and working toward continuing financial sustainability. This is discussed further in sections 7 and 8.

## 2. Links to other Plans prepared under the Integrated Reporting Framework



Local Government Planning and Reporting framework

Taken from the IPR Manual available on the Division of Local Government website

The Community Strategic Plan and Delivery Program set out what the community (and Council) would like to achieve into the future. It is made up of:

- Very broad objectives which detail the area's Council would like to focus on, and what they would like to achieve in those areas.
- Strategies attached to those objectives, which show how Council is going to reach those objectives.

- The Delivery Program sets out actions, which fall under each strategy outlined, these actions make up Council schedule of works on a yearly basis. These actions are influenced by factors included in the Resourcing Strategy, incorporating the Long Term Financial Plan, the Workforce Management Plan and Asset Management Plan respectively.

*EXAMPLE:*

**OBJECTIVE:** Develop a connected, informed and resilient community  
**STRATEGY:** Provide Youth Centre and Library services that respond to identified community needs  
**ACTION:** Run Regular Youth Centre Sessions in Walgett, Lightning Ridge and Collarenebri throughout the year.

**This action is then influenced and limited by:**

- a) Number of Youth workers available to work throughout the year (identified through the Workforce Strategy)
- b) Finance available to pay for wages, materials, building maintenance and running costs (identified through the Long Term Financial Plan)
- c) A safe, comfortable working environment for local youth to meet (identified through the Asset Management Plan, the costs of which will also be included in the Long Term Financial Plan).

***Service Delivery***

The current service level will be the number of youth workers available (as to keep the relevant legislative required ratio of workers to youths) and the number of hours the centre is open. Therefore if the community would like the service to increase (e.g. longer youth sessions) this has a direct impact on the operational costs and therefore Long Term Financial Plan. The plan has been prepared in line with current service levels.

Walgett Shire Council's plans produced since the 2012/2013 year are not yet fully integrated with one another. They do however lay the foundations which will be built upon in the coming years, and will eventually be fully integrated with one another to give a full and true financial position Council is in, taking into consideration all Council assets and renewal expenditures.

### **3. Revenue Policy and Key Assumptions**

Finance is only a resource of Council to complete its set objectives included within the Community Strategic Plan.

Finance is raised for operating expenses through the following methods:

- Rates payments made by landholders in the Shire
- Government grants
- Private works completed for individuals and the RMS
- Other fees and charges

Council will seek to ensure that all rates, charges and fees are set so as to provide adequate cash flows to meet operating costs and to contribute to the of funding capital works. Council will pursue cost effective opportunities in order to maximize its revenue base and seek an optimum commercial rate of return on investments, subject of course to community service obligations.

Council's Revenue Policy for all fees and charges is that fees are charged on a cost recovery 'User Pays' basis. However in reality there are currently many instances of fees being charged below cost (for example community hall hire, or some library services). This is to keep charges at affordable levels for the community, by being subsidized by Council's general revenue.

Council's ability to finance its operations is discussed in more detail in section 5 of this document.

A number of assumptions are required to be made in the compilation of a 10 year financial plan. Some of these assumptions impact the Long Term Financial Plan, and for this reason we have gone through the process to identify and document all assumptions made, and where they impact financial results, include them in the Long Term Financial Plan. However Council stresses that the future is to a large extent unknown, and any assumptions made are subject to change both in the shorter or longer term.

These assumptions used are listed on the table on the following pages.

Title	Assumption	Data source	Evidence Results	Conclusion
<b>Population forecast and number of ratable dwellings</b>	The number of ratable dwellings will remain constant over the next 20 years.	NSW Transport and Population Data Centre 2007	Population is forecast to decline by 0.6% between 2011 and 2031.	Therefore, there is evidence to suggest that the number of ratable properties will remain consistent throughout the 10 year forecast period.
<b>General Government Grant income</b>	The general Government Grant income has been capped, it will not increase by way of index for at least 3 years.	Office of Local Government Circular	Federal and State Government have been supporting of regional Councils, and although they have reigned in expenditure, no major cuts have been advertised for regional Australia.	We expect operational grant income to remain at current levels, it will not incrementally increase over the next 2-3 years (FAG grant). Capital grant income is within the normal application based scenario, Council has taken advantage of these type of grants at every opportunity.
<b>General Rates and Rate Pegging</b>	Rate pegging will continue, and will be in line with CPI growth.	RBA website	IPART has published the 2014-2015 rate to be 2.3% - Council may investigate application for special rate variations for future years.	As it is difficult to assess what will happen with Rate Pegging in the future, we have taken a conservative approach and said that rate pegging will continue in line with rates published for the 2014-15 year. However we understand it is IPART's plan as part of the integrated planning is to eventually abolish rate pegging to give councils more leeway to set their own annual rate increases.
<b>Interest Rate movements (for investments)</b>	Interest rates available on short term investments are currently between 3-4%.	Bank Quotes given from CUA, IMB, Newcastle Permanent, LGFS, and Bankwest	The official interest rate has recently moved to 2.5%. Rates offered by the major institutions are currently between 3-4%. The economic forecast is unknown due to a number of variable climatic changes in the current market.	It is reasonable to assess that interest rates offered by the banks will remain around 3-4%, this is an assumption based on current market trends, in the long run this situation is subject to change.
<b>Interest rate movements (for borrowing)</b>	Interest rates currently available for borrowing with security on non-real estate assets range from 6-10%.	Recent loans taken out from CBA to the value of \$1.72m.	Rates offered by the major institutions are currently around 7% for both fixed and variable rates. The economic forecast is improving over the next 10 years and the best rates could easily rise to 10%. However the State Government has given an offer to clear the infrastructure backlog with funding by loan, which will attract a subsidy interest component.	It is reasonable to assess that interest rates offered by banks for borrowing will remain around 7%. It is noted that State Government is currently offering interest subsidies on loans over \$1m spread over a 10 year term. This level of LIRS loan subsidy is subject to assessment and approval on an individual project basis, which Council will pursue into the future.

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<b>Title</b>	<b>Assumption</b>	<b>Data source</b>	<b>Evidence Results</b>	<b>Conclusion</b>
<b>Rental Values</b>	Rental values will remain stable for the foreseeable future only increasing in line with CPI			Rental prices will increase with CPI
<b>Wages Award increases</b>	Wage costs will continue to increase at an average of 3.0% per year and in addition is Superannuation progressive increase by .25%.	LG Award 2010	For the years of 2012 and 2013 the percentage increase was 3.25%	The published award rates are a good indication that wage increases will be similar in the following years. And a 0.25% allowance is a nominal amount included for job progression as personnel move on in their roles, plus the results of any organizational restructures which may occur. Therefore 3.25% has been used.
<b>Inflation for cost of goods and services</b>	CPI is currently 2.9%	RBA website	The RBA targets are to maintain inflation rates between 2-3%.	CPI will remain on average around 2.5%. Council assume all non pegged rates, fees and charges income, as well as all costs other than those separately identified in this table will increase by CPI year on year.
<b>Increase in energy prices</b>	Energy prices are set to increase with the introduction of the Carbon Tax, but remain relatively static.	IPART	Energy prices increased substantially between 2011/14. At this stage seems to have leveled off due to consumer pressure. A repeal of the Carbon Tax is possible into the future which should see a marginal reduction in costs.	Budgeted figures have increased by inflation rate of 2.5%, to be reviewed following changes in the market and legislation accordingly.
<b>Debt recovery rates</b>	Debt recovery needs to remain an important focus of Council, there has been substantial increase in recovery action.	Audit reports, internal and external.	The NSW Average per the Local Government Comparative statistics is 7%. Generally an aim would be to attain less than 5% outstanding.	Council has undertaken a sale of land for overdue rates, this has had pleasing results, in addition to debt recovery focus Council has outstanding rates below 10%. This trend should continue to improve for the future.



## 4. General Fund Results

### a. Income Statement

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - GENERAL FUND												
Scenario: Base Case												
	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	4,842,000	5,609,000	5,683,053	5,839,268	5,999,784	6,164,719	6,334,197	6,508,342	6,687,282	6,871,150	7,060,083	7,254,219
User Charges & Fees	10,076,000	7,950,435	3,920,520	4,018,533	4,118,996	4,221,971	4,327,520	4,435,708	4,546,601	4,660,266	4,776,773	4,896,192
Interest & Investment Revenue	579,000	393,500	333,500	341,838	350,383	359,143	368,122	377,325	386,758	396,427	406,337	416,496
Other Revenues	2,200,000	3,375,207	2,273,137	2,329,965	2,388,215	2,447,920	2,509,118	2,571,846	2,636,142	2,702,046	2,769,597	2,838,837
Grants & Contributions provided for Operating Purposes	17,632,000	7,152,194	7,903,307	8,100,889	8,303,412	8,510,997	8,723,772	8,941,866	9,165,413	9,394,548	9,629,412	9,870,147
Grants & Contributions provided for Capital Purposes	627,000	2,374,925	6,902,740	2,291,634	2,348,924	2,407,647	2,467,839	2,529,535	2,592,773	2,657,592	2,724,032	2,792,133
Other Income:												
Net gains from the disposal of assets	458,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>36,414,000</b>	<b>26,855,261</b>	<b>27,016,256</b>	<b>22,922,126</b>	<b>23,509,713</b>	<b>24,112,398</b>	<b>24,730,567</b>	<b>25,364,621</b>	<b>26,014,969</b>	<b>26,682,029</b>	<b>27,366,233</b>	<b>28,068,023</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	7,421,000	3,750,963	5,715,830	5,915,884	6,122,940	6,337,243	6,559,047	6,788,614	7,026,215	7,272,133	7,526,657	7,790,090
Borrowing Costs	243,000	341,874	339,146	307,159	273,946	240,500	206,816	173,887	139,708	105,272	70,572	54,690
Materials & Contracts	19,849,000	18,623,659	9,579,401	9,917,342	10,263,732	10,618,782	10,982,707	11,355,731	11,738,081	12,129,988	12,531,694	12,943,443
Depreciation & Amortisation	5,043,000	3,985,407	3,372,772	3,457,091	3,543,519	3,632,107	3,722,909	3,815,982	3,911,382	4,009,166	4,109,395	4,212,130
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	3,154,000	2,727,713	815,168	835,547	856,436	877,847	899,793	922,288	945,345	968,979	993,203	1,018,033
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>35,710,000</b>	<b>29,429,616</b>	<b>19,822,317</b>	<b>20,433,024</b>	<b>21,060,573</b>	<b>21,706,479</b>	<b>22,371,272</b>	<b>23,056,502</b>	<b>23,760,730</b>	<b>24,485,538</b>	<b>25,231,522</b>	<b>26,018,386</b>
<b>Operating Result from Continuing Operations</b>	<b>704,000</b>	<b>(2,574,355)</b>	<b>7,193,939</b>	<b>2,489,101</b>	<b>2,449,140</b>	<b>2,405,919</b>	<b>2,359,295</b>	<b>2,308,120</b>	<b>2,254,238</b>	<b>2,196,491</b>	<b>2,134,711</b>	<b>2,049,637</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>704,000</b>	<b>(2,574,355)</b>	<b>7,193,939</b>	<b>2,489,101</b>	<b>2,449,140</b>	<b>2,405,919</b>	<b>2,359,295</b>	<b>2,308,120</b>	<b>2,254,238</b>	<b>2,196,491</b>	<b>2,134,711</b>	<b>2,049,637</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	77,000	(4,949,280)	291,199	197,468	100,216	(1,728)	(108,544)	(221,415)	(338,535)	(461,101)	(589,321)	(742,496)

## b. Balance Sheet

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
BALANCE SHEET - GENERAL FUND												
Scenario: Base Case												
	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	3,837,000	-	-	366,112	537,858	625,076	620,585	518,776	315,804	6,648	-	98,231
Investments	13,000,000	7,185,394	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,863,051	6,863,051
Receivables	2,920,000	3,030,824	2,174,967	1,995,265	2,047,158	2,096,569	2,146,180	2,195,925	2,245,791	2,295,755	2,349,556	2,407,010
Inventories	1,060,000	1,692,592	1,139,668	1,158,110	1,177,013	1,196,388	1,216,248	1,236,604	1,257,469	1,278,856	1,300,777	1,323,247
Other	-	125,339	68,106	69,808	71,554	73,342	75,176	77,055	78,982	80,956	82,980	85,055
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>20,817,000</b>	<b>12,034,149</b>	<b>10,337,077</b>	<b>10,543,632</b>	<b>10,787,918</b>	<b>10,945,711</b>	<b>11,012,525</b>	<b>10,982,696</b>	<b>10,852,382</b>	<b>10,616,551</b>	<b>10,596,364</b>	<b>10,776,593</b>
<b>Non-Current Assets</b>												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	195,000	261,767	244,372	251,040	257,891	264,929	272,159	279,587	287,218	295,058	303,112	311,387
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	312,847,000	316,132,885	322,868,133	324,222,699	325,611,130	327,034,271	328,492,990	329,988,178	331,520,745	333,091,627	334,701,780	336,352,188
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>313,042,000</b>	<b>316,394,652</b>	<b>323,112,505</b>	<b>324,473,740</b>	<b>325,869,020</b>	<b>327,299,199</b>	<b>328,765,149</b>	<b>330,267,765</b>	<b>331,807,963</b>	<b>333,386,685</b>	<b>335,004,893</b>	<b>336,663,575</b>
<b>TOTAL ASSETS</b>	<b>333,859,000</b>	<b>328,428,801</b>	<b>333,449,582</b>	<b>335,017,371</b>	<b>336,656,939</b>	<b>338,244,911</b>	<b>339,777,674</b>	<b>341,250,461</b>	<b>342,660,346</b>	<b>344,003,236</b>	<b>345,601,257</b>	<b>347,440,168</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	1,335,000	3,078,475	1,737,428	1,657,214	1,697,952	1,739,762	1,782,671	1,826,709	1,871,904	1,918,288	1,966,282	2,015,931
Borrowings	181,000	832,111	841,098	850,311	859,757	869,441	879,370	889,549	899,985	267,059	(317,626)	(578,000)
Provisions	2,037,000	2,014,021	2,014,021	2,014,021	2,014,021	2,014,021	2,014,021	2,014,021	2,014,021	2,014,021	2,014,021	2,014,021
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>3,553,000</b>	<b>5,924,607</b>	<b>4,592,547</b>	<b>4,521,546</b>	<b>4,571,731</b>	<b>4,623,225</b>	<b>4,676,062</b>	<b>4,730,279</b>	<b>4,785,910</b>	<b>4,199,368</b>	<b>3,662,678</b>	<b>3,451,952</b>
<b>Non-Current Liabilities</b>												
Payables	7,652,000	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,955,000	6,356,570	5,515,472	4,665,161	3,805,404	2,935,963	2,056,593	1,167,044	267,059	-	-	-
Provisions	106,000	128,979	128,979	128,979	128,979	128,979	128,979	128,979	128,979	128,979	128,979	128,979
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>11,713,000</b>	<b>6,485,548</b>	<b>5,644,451</b>	<b>4,794,140</b>	<b>3,934,383</b>	<b>3,064,941</b>	<b>2,185,572</b>	<b>1,296,023</b>	<b>396,038</b>	<b>128,979</b>	<b>128,979</b>	<b>128,979</b>
<b>TOTAL LIABILITIES</b>	<b>15,266,000</b>	<b>12,410,156</b>	<b>10,236,998</b>	<b>9,315,686</b>	<b>8,506,113</b>	<b>7,688,166</b>	<b>6,861,634</b>	<b>6,026,302</b>	<b>5,181,948</b>	<b>4,328,347</b>	<b>3,791,657</b>	<b>3,580,931</b>
<b>Net Assets</b>	<b>318,593,000</b>	<b>316,018,645</b>	<b>323,212,584</b>	<b>325,701,685</b>	<b>328,150,826</b>	<b>330,556,745</b>	<b>332,916,040</b>	<b>335,224,159</b>	<b>337,478,398</b>	<b>339,674,889</b>	<b>341,809,600</b>	<b>343,859,237</b>
<b>EQUITY</b>												
Retained Earnings	289,117,000	286,542,645	293,736,584	296,225,685	298,674,826	301,080,745	303,440,040	305,748,159	308,002,398	310,198,889	312,333,600	314,383,237
Revaluation Reserves	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000	29,476,000
Council Equity Interest	318,593,000	316,018,645	323,212,584	325,701,685	328,150,826	330,556,745	332,916,040	335,224,159	337,478,398	339,674,889	341,809,600	343,859,237
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>318,593,000</b>	<b>316,018,645</b>	<b>323,212,584</b>	<b>325,701,685</b>	<b>328,150,826</b>	<b>330,556,745</b>	<b>332,916,040</b>	<b>335,224,159</b>	<b>337,478,398</b>	<b>339,674,889</b>	<b>341,809,600</b>	<b>343,859,237</b>

## c. Cash Flow Statement

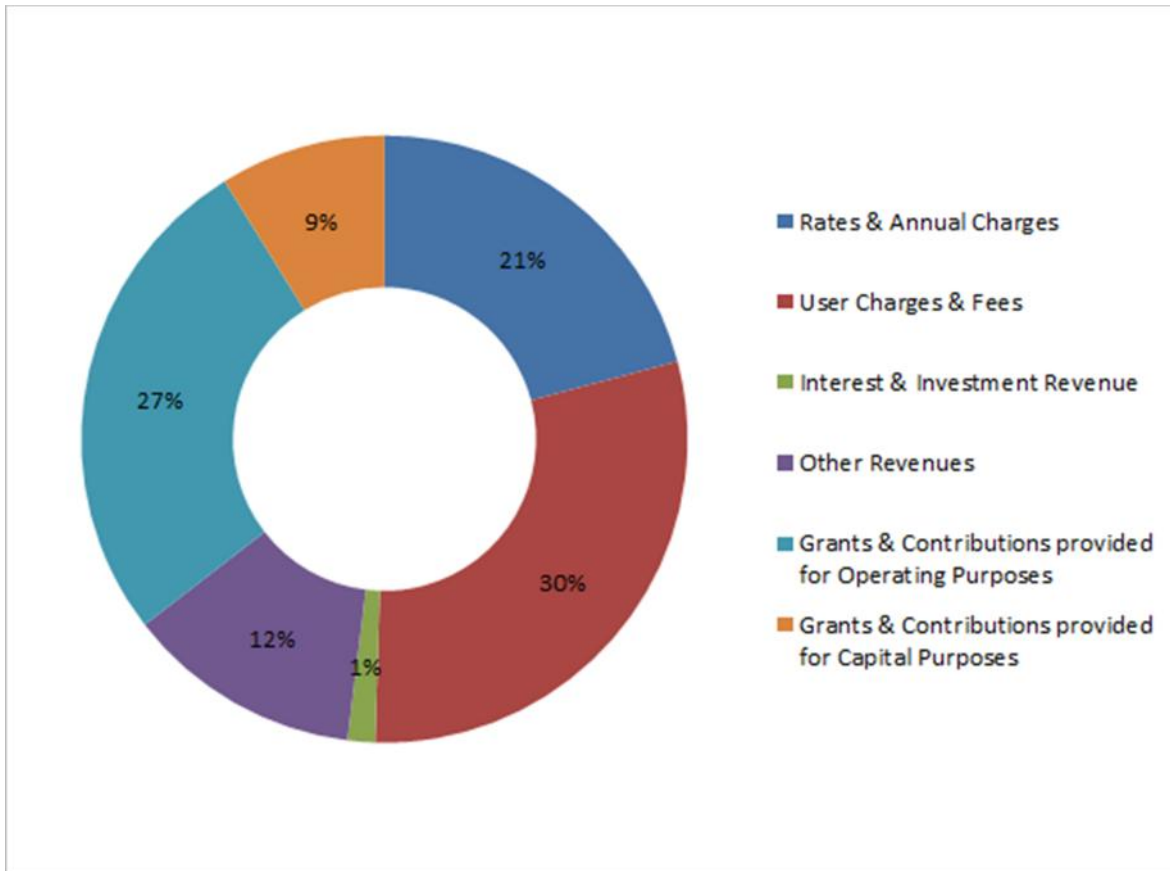
Walgett Shire Council  
10 Year Financial Plan for the Years ending 30 June 2024  
CASH FLOW STATEMENT - GENERAL FUND  
Scenario: Base Case

	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	5,664,741	5,681,175	5,835,305	5,995,712	6,160,536	6,329,899	6,503,925	6,682,744	6,866,487	7,055,291	7,249,295
User Charges & Fees	-	8,288,818	4,981,732	3,992,722	4,092,541	4,194,854	4,299,725	4,407,219	4,517,399	4,630,334	4,746,092	4,864,745
Interest & Investment Revenue Received	-	356,908	344,395	321,296	337,266	349,470	359,237	369,318	379,667	390,302	397,464	405,086
Grants & Contributions	-	9,084,401	14,560,739	10,597,616	10,640,263	10,906,269	11,178,926	11,458,399	11,744,859	12,038,480	12,339,443	12,647,929
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	3,445,899	2,286,983	2,351,470	2,388,524	2,448,240	2,509,448	2,572,187	2,636,495	2,702,410	2,769,973	2,839,226
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(3,883,931)	(5,680,954)	(6,035,793)	(6,122,940)	(6,337,243)	(6,559,047)	(6,788,614)	(7,026,215)	(7,272,133)	(7,526,657)	(7,790,090)
Materials & Contracts	-	(17,667,871)	(10,309,684)	(9,900,034)	(10,245,957)	(10,600,526)	(10,963,957)	(11,336,474)	(11,718,302)	(12,109,674)	(12,510,829)	(12,922,011)
Borrowing Costs	-	(342,247)	(340,144)	(308,169)	(274,966)	(241,532)	(207,859)	(174,942)	(140,775)	(106,352)	(71,274)	(55,002)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(2,727,713)	(815,168)	(835,547)	(856,436)	(877,847)	(899,793)	(922,288)	(945,345)	(968,979)	(993,203)	(1,018,033)
<b>Net Cash provided (or used in) Operating Activities</b>	-	2,219,005	10,709,073	6,018,867	5,954,007	6,002,222	6,046,579	6,088,731	6,130,526	6,170,876	6,206,300	6,221,143
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	1,064,606	231,058	-	-	-	-	-	-	-	91,285	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	324,000	200,000	205,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(7,595,292)	(10,308,020)	(5,016,658)	(5,142,074)	(5,270,626)	(5,402,391)	(5,537,451)	(5,675,888)	(5,817,785)	(5,963,229)	(6,112,310)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(6,206,686)	(9,876,962)	(4,811,658)	(4,931,949)	(5,055,248)	(5,181,629)	(5,311,170)	(5,443,949)	(5,580,048)	(5,628,263)	(5,862,538)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	3,920,000	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(867,319)	(832,111)	(841,098)	(850,311)	(859,757)	(869,441)	(879,370)	(889,549)	(899,985)	(584,684)	(260,374)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	3,052,681	(832,111)	(841,098)	(850,311)	(859,757)	(869,441)	(879,370)	(889,549)	(899,985)	(584,684)	(260,374)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	(935,000)	(0)	366,112	171,746	87,217	(4,491)	(101,809)	(202,972)	(309,156)	(6,648)	98,231
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	3,837,000	2,902,000	2,902,000	3,268,112	3,439,858	3,527,076	3,522,585	3,420,776	3,217,804	2,908,648	2,902,000
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>935,000</b>	<b>2,902,000</b>	<b>2,902,000</b>	<b>3,268,112</b>	<b>3,439,858</b>	<b>3,527,076</b>	<b>3,522,585</b>	<b>3,420,776</b>	<b>3,217,804</b>	<b>2,908,648</b>	<b>2,902,000</b>	<b>3,000,231</b>
Cash & Cash Equivalents - end of the year	935,000	2,902,000	2,902,000	3,268,112	3,439,858	3,527,076	3,522,585	3,420,776	3,217,804	2,908,648	2,902,000	3,000,231
Investments - end of the year	13,000,000	7,185,394	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,954,336	6,863,051	6,863,051
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>13,935,000</b>	<b>10,087,394</b>	<b>9,856,336</b>	<b>10,222,448</b>	<b>10,394,194</b>	<b>10,481,412</b>	<b>10,476,921</b>	<b>10,375,112</b>	<b>10,172,140</b>	<b>9,862,984</b>	<b>9,765,051</b>	<b>9,863,282</b>
<b>Representing:</b>												
- External Restrictions	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000
- Internal Restrictions	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000
- Unrestricted	8,270,000	4,422,394	4,191,336	4,557,448	4,729,194	4,816,412	4,811,921	4,710,112	4,507,140	4,197,984	4,100,051	4,198,282
	<b>13,935,000</b>	<b>10,087,394</b>	<b>9,856,336</b>	<b>10,222,448</b>	<b>10,394,194</b>	<b>10,481,412</b>	<b>10,476,921</b>	<b>10,375,112</b>	<b>10,172,140</b>	<b>9,862,984</b>	<b>9,765,051</b>	<b>9,863,282</b>

#### **d. Notes, and Key Matters of General Interest**

- The Long Term Financial Plan has been completed based on currently known and available information, and on the basis that it will be updated after further analysis of Council's assets, and alignment of expenditure when results from Asset Management Plans, and the Community Strategic Plan become available. Therefore this is just the start of a long process to capture Council's true financial state, to communicate this to the Councillors and to the public, and to put in place measures to ensure and maintain Council's financial sustainability into the future.
- The Income Statement indicates grant funds as two separate items, those being for operational purposes and that of capital purposes for renewal or purchase of Infrastructure, Property, Plant & Equipment. It is assumed that certain levels of grant funds used for both operational and renewal or purchase of I,PP&E are a key component in ensuring a sustainable financial position. With the majority of these items being recurrent grants, Council needs to be mindful in modeling a scale of operations to suit a possible decline in specific non recurrent grant funds.
- Council's balance sheet is representative only as a measure of current liquidity. Where Council is in a sound position in terms of meeting liabilities, a positive net asset position is shown. Revaluation of assets is completed as a cost of replacement scenario, rather than an indicative market value. Whilst this improves Council's asset basis on the balance sheet, the result is an increase in depreciable expense. A long term goal of Council is to have a balanced budget inclusive of this depreciable expense, thereby reducing the overall effect of said revaluations as they occur. This is a key aspect of maintaining longevity in Council's financial position.
- Council has increased its level of borrowings for replacement of assets, by way of loan. Both standard loans and specific purpose loans under the LIRS (Local Infrastructure Renewal Scheme) arrangement where if successful in application, the State Government will grant the first 4% interest repayable on the loan. This is measurable by key performance indicators such as Debt Service Ratio, which shows Council undertaking large scope of works in the public interest and funding them via long term loan liability, falling well within current accepted benchmarking percentages.
- A number of road upgrades and other infrastructure assets have been included in the plan which is shown to be fully funded through external grants. Although grants become available periodically, grants have not necessarily been sourced to cover these asset projects, and if come the time, no grant is available, then the project will be delayed until such funds do become available. It is also noted that extra maintenance and operational costs associated with any new asset have not been included in the operating statement at this time.

## 5. Key Risk Factors



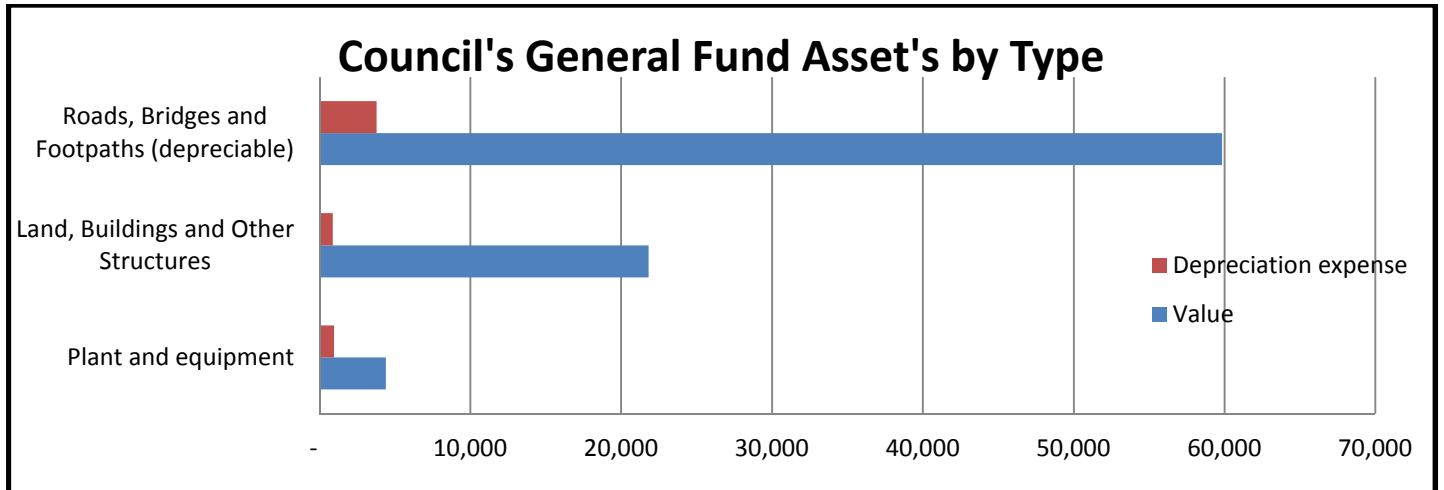
### a) Grant Funding

The majority of grant income comprises of operating grants (Untied), that being the Financial Assistance Grant, along with Capital Grants – non recurrent from Government Agencies for ongoing operations and maintenance or renewal of infrastructure, also Operating Grants for Specific Purposes for renewal or replacement (Road Infrastructure –flood damage).

Both State and Federal Government have an ongoing interest to ensure that regional Shires are well serviced, as they often play a part in wider population strategies, and national income sustainability. However to be so reliant on handouts makes accurate financial planning difficult, and leaves the provision of ongoing Council services at the mercy of government policy change.

### b) Over Committing Council with the Purchase of new assets

Council's General Fund (i.e. not including Water or Sewer's) Asset register is currently sitting at \$310 million. Out of these assets \$36 million relate to land and land structures. The remaining balance of \$274 million will have to be replaced at some time in the future. An estimated cost in the form of depreciation is charged to the accounts each year and the asset balance reduced accordingly. This charge is currently \$4 million per year.



If Council builds or buys new assets, the total asset cost increases, along with the depreciation expense reducing the asset value over time. On top of this cost, other operational and maintenance costs are added to council's expenses on a yearly basis (e.g. a new toilet block needs cleaning and needs to be kept in working order to benefit the community). On average, it has been estimated that there is an increase in operational and maintenance spend of 0.5% the cost of every additional new asset added to Council's asset register.

Based on Council's current asset register, for Council to become fully sustainable by fully funding its depreciation charge Council's rates revenue, and this would mean a 59% increase in everyone in the Shire's general yearly rates bill. In the 2012/2013 year Walgett's residential average general rates bill was \$448. This would increase to \$712 if the Shire were to fund all its **currently held** assets.

Currently Council is only funding part of its depreciation expense, and when an asset comes up for renewal (for example the Walgett Depot), Council has to labour to find adequate sources of finance to pay for it. If grants are not available, then Council must fund the works itself. This can be in one hit during the year (or years) of construction, or over a longer period with an external loan. The issue with funding assets in arrears is that it is difficult to forward plan, especially over a 10 year time period. However when Council continues to purchase or build brand new assets, it is certain that less capital will be available in the years to come to share around the ever increasing number of assets.

The asset management plans currently being developed will allow more accurate management of assets and the renewal funding required in future years.

It is proposed to undertake an asset realisation review during 2014/15 to identify any "lazy" assets that could be cashed out to provide funding/reserves for future capital works.

### **c.i Legislative compliance for Risk Management in the community**

This risk is related to Council's commitment to keep the Shire's public areas in a safe and orderly manner, minimizing any risks of harm to any persons (including employees) or property within the Shire. This includes (but is not limited to) the following:

- Maintaining Council run assets (such as public parks, halls and sporting facilities) to a standard which minimizes the risk of harm due to natural deterioration or vandalism of the asset.
- Maintaining vegetation around the Shire to minimize the risk of harmful bush fire.
- Maintain public roads and footpaths to a safe level
- Ensuring public order and safety services are well resourced and managed (e.g. dog control)
- Maintaining stormwater assets (including the levee), to ensure the risk of harmful flooding is kept at a minimum
- Ensuring Council has enough resources to foresee and deal with any environmental planning issues, and dealing with environmental legislation changes.

If funds are limited to the extent that any of the above cannot fully take place, the financial implications for Council would come in the form of litigation and fines for breach of legislation, and even administration costs.

### **c.ii Legislative compliance for Governance**





Council must comply with various administrative legislation, code of conduct, Local Government Act, and it must be heading towards complying with best practice guidelines in how it administers Council assets. If any of the prescribed legislation is breached on a continued basis, Council may again face financial penalties and administration costs.

Therefore Council must not underestimate its responsibilities to comply with legislation, and must prioritise funds to service these responsibilities above any new asset or asset improvements.

## 6. Scenario's – Base Case

### Sensitivity Analysis

This is the investigation into how projected performance varies along with changes in the key assumptions on which the projections are based. In Council's analysis we have varied key assumptions, and found the following to be the most sensitive, with results as follows:

- **General Government Grant and Contributions income**
  -  Our findings have indicated that if this income source did not increase in line with inflation, and have been capped for the next number of years, Council may experience financial hardship. In the 2014/15 year Council's income would fall by approximately 176K leading to unrestricted cash deficits and therefore over-committing its cash funds, and this figure would be compounded further in the following years.
  
- **Changes in employee expenses**
  -  Employee expenses have been assumed to increase by 3.25% per annum. If this increased to 4%, Council would have short term cash flow difficulties, if it increased to 5% per annum there would be unrestricted cash deficits into the mid-term.
  
- **Increase in Asset renewal cost due to legislative change**
  -  Council has not met depreciation expense in the past, however a revised budget scenario shows Council meeting approx. 25% of its depreciation expense in 2015/16 with a view to increase this percentage figure progressively in future years.
  
- **Application for Special Rate Variation**
  -  Council has resolved to establish a Betterment Reserve to fund upgrading of Rural Local Roads to prevent future damage from local flooding. It is proposed to increase the General Rates by 3% (approx. 140K pa) and to apply for State and Federal funds to match this amount to allow a program of works to proceed over the next 10 years. An initial program identifying projects to be undertaken in the first 5 years has been identified by Council. An application made to IPART for a 3% increase in 2013/14 was successful. This amount will be quarantined by transfer to reserve annually in the future.



## Scenario – Worst Case

The following profit and loss and cash flow schedules have been adapted from the Base case scenario with the following factors in place:

- Council has been unsuccessful in its bid for the LIRS scheme (which grants the first 4% interest in infrastructure backlog capital projects). Therefore interest for these projects has been increased to 7%, this is based on the fact these projects cannot be delayed due to their current condition.
- Council has been unable to sell its property or land which it has forecast to sell in the 2014/15 year, the 2015/16 and 2016/17 years.
- Council has found no alternative to disposing of its waste but to construct a new tip to service both Lightning Ridge and Walgett. The cost of this tip is to be \$9m payable over 3 years starting from 2014/15 year which is to be funded from revenue.
- No extra income is obtained from any source other than that existing in the base case scenario.

### Results

- Net operating result before Grants & Contributions provided for Capital Purposes has projected a deficit from 2017/18 onwards due to Council's revenue funding major projects.
- The cash flow statement shows Council showing significant decreases in cash and cash equivalents for the years mentioned a deficit result, resulting from expenditure on the new waste stations, a need to revise reserves held will be required and possible loan funds sought.

### Strategy to mitigate losses

- Council would need to revisit all capital expenditure, and see if any alternatives could be taken. This could see a drop in service level.
- All operations would need to be analysed to see where efficiencies could be made (as will be happening, and could result in the 3% savings in expenditure as shown in scenario – best case).
- All donations and grants Council awards to the community would need to be revisited

### Other factors which could be included in an unfavourable situation, but Council is still in the process of quantifying:

- Any asset renewals after 2016/17. This information will be gathered from the asset management plans, once they have been updated onto Council's asset management system. It is highly likely that the asset renewal figures will be much higher than what Council is able to afford. Once quantified Council will go through the process of identifying assets which do not add value to the community strategic plan's objectives and goals. These assets will then either be removed, or replaced with less burdening assets ie asset realisation review.

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - GENERAL FUND												
Scenario: Worst Case	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	4,842,000	5,609,000	5,683,053	5,839,268	5,999,784	6,164,719	6,334,197	6,508,342	6,687,282	6,871,150	7,060,083	7,254,219
User Charges & Fees	10,076,000	7,950,435	3,920,520	4,018,533	4,118,996	4,221,971	4,327,520	4,435,708	4,546,601	4,660,266	4,776,773	4,896,192
Interest & Investment Revenue	579,000	393,500	333,500	341,838	350,383	359,143	368,122	377,325	386,758	396,427	406,337	416,496
Other Revenues	2,200,000	3,375,207	2,273,137	2,329,965	2,388,215	2,447,920	2,509,118	2,571,846	2,636,142	2,702,046	2,769,597	2,838,837
Grants & Contributions provided for Operating Purposes	17,632,000	7,152,194	7,903,307	8,100,889	8,303,412	8,510,997	8,723,772	8,941,866	9,165,413	9,394,548	9,629,412	9,870,147
Grants & Contributions provided for Capital Purposes	627,000	2,374,925	6,902,740	2,291,634	2,348,924	2,407,647	2,467,839	2,529,535	2,592,773	2,657,592	2,724,032	2,792,133
Other Income:												
Net gains from the disposal of assets	458,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>36,414,000</b>	<b>26,855,261</b>	<b>27,016,256</b>	<b>22,922,126</b>	<b>23,509,713</b>	<b>24,112,398</b>	<b>24,730,567</b>	<b>25,364,621</b>	<b>26,014,969</b>	<b>26,682,029</b>	<b>27,366,233</b>	<b>28,068,023</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	7,421,000	3,750,963	5,715,830	5,915,884	6,122,940	6,337,243	6,559,047	6,788,614	7,026,215	7,272,133	7,526,657	7,790,090
Borrowing Costs	243,000	341,874	339,146	307,159	273,946	240,500	206,816	173,887	139,708	105,272	70,572	54,690
Materials & Contracts	19,849,000	18,623,659	9,579,401	9,917,342	10,263,732	10,618,782	10,982,707	11,355,731	11,738,081	12,129,988	12,531,694	12,943,443
Depreciation & Amortisation	5,043,000	3,985,407	3,372,772	3,457,091	3,543,519	3,632,107	3,722,909	3,815,982	3,911,382	4,009,166	4,109,395	4,212,130
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	3,154,000	2,727,713	815,168	835,547	856,436	877,847	899,793	922,288	945,345	968,979	993,203	1,018,033
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>35,710,000</b>	<b>29,429,616</b>	<b>19,822,317</b>	<b>20,433,024</b>	<b>21,060,573</b>	<b>21,706,479</b>	<b>22,371,272</b>	<b>23,056,502</b>	<b>23,760,730</b>	<b>24,485,538</b>	<b>25,231,522</b>	<b>26,018,386</b>
<b>Operating Result from Continuing Operations</b>	<b>704,000</b>	<b>(2,574,355)</b>	<b>7,193,939</b>	<b>2,489,101</b>	<b>2,449,140</b>	<b>2,405,919</b>	<b>2,359,295</b>	<b>2,308,120</b>	<b>2,254,238</b>	<b>2,196,491</b>	<b>2,134,711</b>	<b>2,049,637</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>704,000</b>	<b>(2,574,355)</b>	<b>7,193,939</b>	<b>2,489,101</b>	<b>2,449,140</b>	<b>2,405,919</b>	<b>2,359,295</b>	<b>2,308,120</b>	<b>2,254,238</b>	<b>2,196,491</b>	<b>2,134,711</b>	<b>2,049,637</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	77,000	(4,949,280)	291,199	197,468	100,216	(1,728)	(108,544)	(221,415)	(338,535)	(461,101)	(589,321)	(742,496)

**Walgett Shire Council**  
**10 Year Financial Plan for the Years ending 30 June 2024**  
**CASH FLOW STATEMENT - GENERAL FUND**  
**Scenario: Worst Case**

	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	5,664,741	5,681,175	5,835,305	5,995,712	6,160,536	6,329,899	6,503,925	6,682,744	6,866,487	7,055,291	7,249,295
User Charges & Fees	-	8,288,818	4,981,732	3,992,722	4,092,541	4,194,854	4,299,725	4,407,219	4,517,399	4,630,334	4,746,092	4,864,745
Interest & Investment Revenue Received	-	356,908	379,371	356,743	354,006	350,451	359,190	368,147	377,327	386,737	396,381	406,265
Grants & Contributions	-	9,084,401	14,560,739	10,597,616	10,640,263	10,906,269	11,178,926	11,458,399	11,744,859	12,038,480	12,339,443	12,647,929
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	3,445,899	2,286,983	2,351,470	2,388,524	2,448,240	2,509,448	2,572,187	2,636,495	2,702,410	2,769,973	2,839,226
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(3,883,931)	(5,680,954)	(6,035,793)	(6,122,940)	(6,337,243)	(6,559,047)	(6,788,614)	(7,026,215)	(7,272,133)	(7,526,657)	(7,790,090)
Materials & Contracts	-	(17,667,871)	(10,309,684)	(9,900,034)	(10,245,957)	(10,600,526)	(10,963,957)	(11,336,474)	(11,718,302)	(12,109,674)	(12,510,829)	(12,922,011)
Borrowing Costs	-	(342,247)	(340,144)	(308,169)	(274,966)	(241,532)	(207,859)	(174,942)	(140,775)	(106,352)	(71,274)	(55,002)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(2,727,713)	(815,168)	(835,547)	(856,436)	(877,847)	(899,793)	(922,288)	(945,345)	(968,979)	(993,203)	(1,018,033)
<b>Net Cash provided (or used in) Operating Activities</b>	-	2,219,005	10,744,050	6,054,314	5,970,746	6,003,202	6,046,532	6,087,559	6,128,187	6,167,311	6,205,216	6,222,321
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	1,064,606	3,226,082	2,704,191	1,255,121	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	324,000	200,000	205,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(7,595,292)	(13,338,020)	(8,122,408)	(8,325,468)	(5,270,625)	(5,402,391)	(5,537,451)	(5,675,887)	(5,817,784)	(5,963,229)	(6,112,310)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(6,206,686)	(9,911,938)	(5,213,216)	(6,860,222)	(5,055,247)	(5,181,628)	(5,311,169)	(5,443,948)	(5,580,047)	(5,719,548)	(5,862,537)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	3,920,000	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(867,319)	(832,111)	(841,098)	(850,311)	(859,757)	(869,441)	(879,370)	(889,549)	(899,985)	(584,684)	(260,374)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	3,052,681	(832,111)	(841,098)	(850,311)	(859,757)	(869,441)	(879,370)	(889,549)	(899,985)	(584,684)	(260,374)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	(935,000)	(0)	0	(1,739,787)	88,198	(4,538)	(102,980)	(205,311)	(312,721)	(99,017)	99,410
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	3,837,000	2,902,000	2,902,000	2,902,000	1,162,213	1,250,411	1,245,873	1,142,894	937,583	624,862	525,845
<b>Cash &amp; Cash Equivalents - end of the year</b>	935,000	2,902,000	2,902,000	2,902,000	1,162,213	1,250,411	1,245,873	1,142,894	937,583	624,862	525,845	625,256
<b>Representing:</b>												
Cash & Cash Equivalents - end of the year	935,000	2,902,000	2,902,000	2,902,000	1,162,213	1,250,411	1,245,873	1,142,894	937,583	624,862	525,845	625,256
Investments - end of the year	13,000,000	7,185,394	3,959,312	1,255,121	-	-	-	-	-	-	-	-
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	13,935,000	10,087,394	6,861,312	4,157,121	1,162,213	1,250,411	1,245,873	1,142,894	937,583	624,862	525,845	625,256
<b>Representing:</b>												
- External Restrictions	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000
- Internal Restrictions	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000
- Unrestricted	8,270,000	4,422,394	1,196,312	(1,507,879)	(4,502,787)	(4,414,589)	(4,419,127)	(4,522,106)	(4,727,417)	(5,040,138)	(5,139,155)	(5,039,744)
	13,935,000	10,087,394	6,861,312	4,157,121	1,162,213	1,250,411	1,245,873	1,142,894	937,583	624,862	525,845	625,256

## Scenario - Best case

The following profit and loss and cash flow schedules have been adapted from the Base case scenario with the following factors in place:

- Extra revenue is found through the sale of council owned assets, over and above those already included, to the sum of \$300,000 in the 2014/15 and 2015/16 years respectively.
- Council has received additional Flood Damage Grant funds in 2014/15, 2015/16 and 2016/17 years of approximately 4M, which is used to fund existing program of works, with no additional expenditure.

### **Results**

- The result reflects that Council is in a stable position to fund more Capital renewals and engage in a delivery of higher service to the Community, retaining workforce and plant utilization following prior years floods (2010 etc).
- Although large incomes from Flood Damage Grant Funds offset the reliance on Council's revenue for funding, the future years in the plan show a gradual increase in expenditure required to maintain that level of service delivery.

### **Measures which could be taken**

- Council is dependent on grant income for the replacement of its assets, it should be a priority to seek out these grants and take full advantage of them, but only for the RENEWAL of assets.
- Council is constantly looking for where efficiencies can be made in operations. With a full management team in place, Council will be focusing on where these savings can be made, with no loss to service level.
- It is not in Council's interest to propose a future rate variation, however where it becomes apparent that a service level needs to be increased, and the funding cannot be found through reduction of other services provided by Council, or donations made by Council, then Council will consider the option of applying for a special rate variation.

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - GENERAL FUND												
Scenario: Best Case	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	4,842,000	5,609,000	5,683,053	5,839,268	5,999,784	6,164,719	6,334,197	6,508,342	6,687,282	6,871,150	7,060,083	7,254,219
User Charges & Fees	10,076,000	7,950,435	3,920,520	4,018,533	4,118,996	4,221,971	4,327,520	4,435,708	4,546,601	4,660,266	4,776,773	4,896,192
Interest & Investment Revenue	579,000	393,500	333,500	341,838	350,383	359,143	368,122	377,325	386,758	396,427	406,337	416,496
Other Revenues	2,200,000	3,375,207	2,273,137	2,329,965	2,388,215	2,447,920	2,509,118	2,571,846	2,636,142	2,702,046	2,769,597	2,838,837
Grants & Contributions provided for Operating Purposes	17,632,000	7,152,194	11,903,307	12,200,889	12,505,912	8,510,997	8,723,772	8,941,866	9,165,413	9,394,548	9,629,412	9,870,147
Grants & Contributions provided for Capital Purposes	627,000	2,374,925	6,902,740	2,291,634	2,348,924	2,407,647	2,467,839	2,529,535	2,592,773	2,657,592	2,724,032	2,792,133
Other Income:												
Net gains from the disposal of assets	458,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>36,414,000</b>	<b>26,855,261</b>	<b>31,016,256</b>	<b>27,022,126</b>	<b>27,712,213</b>	<b>24,112,398</b>	<b>24,730,567</b>	<b>25,364,621</b>	<b>26,014,969</b>	<b>26,682,029</b>	<b>27,366,233</b>	<b>28,068,023</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	7,421,000	3,750,963	5,715,830	5,915,884	6,122,940	6,337,243	6,559,047	6,788,614	7,026,215	7,272,133	7,526,657	7,790,090
Borrowing Costs	243,000	341,874	339,146	307,159	273,946	240,500	206,816	173,887	139,708	105,272	70,572	54,690
Materials & Contracts	19,849,000	18,623,659	9,579,401	9,917,342	10,263,732	10,618,782	10,982,707	11,355,731	11,738,081	12,129,988	12,531,694	12,943,443
Depreciation & Amortisation	5,043,000	3,985,407	3,372,772	3,457,091	3,543,519	3,632,107	3,722,909	3,815,982	3,911,382	4,009,166	4,109,395	4,212,130
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	3,154,000	2,727,713	815,168	835,547	856,436	877,847	899,793	922,288	945,345	968,979	993,203	1,018,033
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>35,710,000</b>	<b>29,429,616</b>	<b>19,822,317</b>	<b>20,433,024</b>	<b>21,060,573</b>	<b>21,706,479</b>	<b>22,371,272</b>	<b>23,056,502</b>	<b>23,760,730</b>	<b>24,485,538</b>	<b>25,231,522</b>	<b>26,018,386</b>
<b>Operating Result from Continuing Operations</b>	<b>704,000</b>	<b>(2,574,355)</b>	<b>11,193,939</b>	<b>6,589,101</b>	<b>6,651,640</b>	<b>2,405,919</b>	<b>2,359,295</b>	<b>2,308,120</b>	<b>2,254,238</b>	<b>2,196,491</b>	<b>2,134,711</b>	<b>2,049,637</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>704,000</b>	<b>(2,574,355)</b>	<b>11,193,939</b>	<b>6,589,101</b>	<b>6,651,640</b>	<b>2,405,919</b>	<b>2,359,295</b>	<b>2,308,120</b>	<b>2,254,238</b>	<b>2,196,491</b>	<b>2,134,711</b>	<b>2,049,637</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	77,000	(4,949,280)	4,291,199	4,297,468	4,302,716	(1,728)	(108,544)	(221,415)	(338,535)	(461,101)	(589,321)	(742,496)

**Walgett Shire Council**  
**10 Year Financial Plan for the Years ending 30 June 2024**  
**CASH FLOW STATEMENT - GENERAL FUND**  
**Scenario: Best Case**

	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	5,664,741	5,681,175	5,835,305	5,995,712	6,160,536	6,329,899	6,503,925	6,682,744	6,866,487	7,055,291	7,249,295
User Charges & Fees	-	8,288,818	4,981,732	3,992,722	4,092,541	4,194,854	4,299,725	4,407,219	4,517,399	4,630,334	4,746,092	4,864,745
Interest & Investment Revenue Received	-	356,908	297,926	276,853	289,320	312,729	318,580	330,216	339,556	349,189	355,324	361,892
Grants & Contributions	-	9,084,401	18,374,862	14,692,969	14,837,999	11,101,556	11,178,926	11,458,399	11,744,859	12,038,480	12,339,443	12,647,929
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	3,445,899	2,294,377	2,351,655	2,388,713	2,440,471	2,509,448	2,572,187	2,636,495	2,702,410	2,769,973	2,839,226
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(3,883,931)	(5,680,954)	(6,035,793)	(6,122,940)	(6,337,243)	(6,559,047)	(6,788,614)	(7,026,215)	(7,272,133)	(7,526,657)	(7,790,090)
Materials & Contracts	-	(17,667,871)	(10,309,684)	(9,900,034)	(10,245,957)	(10,600,526)	(10,963,957)	(11,336,474)	(11,718,302)	(12,109,674)	(12,510,829)	(12,922,011)
Borrowing Costs	-	(342,247)	(340,144)	(308,169)	(274,966)	(241,532)	(207,859)	(174,942)	(140,775)	(106,352)	(71,274)	(55,002)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(2,727,713)	(815,168)	(835,547)	(856,436)	(877,847)	(899,793)	(922,288)	(945,345)	(968,979)	(993,203)	(1,018,033)
<b>Net Cash provided (or used in) Operating Activities</b>	-	2,219,005	14,484,122	10,069,962	10,103,987	6,152,999	6,005,922	6,049,628	6,090,416	6,129,764	6,164,159	6,177,949
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	1,064,606	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	324,000	200,000	205,000	210,125	215,378	220,763	226,282	231,939	237,737	243,681	249,773
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(7,595,292)	(10,308,020)	(5,016,658)	(5,142,074)	(2,007,647)	(2,057,838)	(2,109,284)	(2,162,016)	(2,216,066)	(2,271,468)	(2,328,255)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(6,206,686)	(10,108,020)	(4,811,658)	(4,931,949)	(1,792,269)	(1,837,075)	(1,883,002)	(1,930,077)	(1,978,329)	(2,027,788)	(2,078,482)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	3,920,000	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(867,319)	(832,111)	(841,098)	(850,311)	(859,757)	(869,441)	(879,370)	(889,549)	(899,985)	(584,684)	(260,374)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	3,052,681	(832,111)	(841,098)	(850,311)	(859,757)	(869,441)	(879,370)	(889,549)	(899,985)	(584,684)	(260,374)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	(935,000)	3,543,991	4,417,207	4,321,727	3,500,974	3,299,405	3,287,256	3,270,789	3,251,450	3,551,687	3,839,092
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	3,837,000	2,902,000	6,445,991	10,863,198	15,184,924	18,685,898	21,985,303	25,272,559	28,543,348	31,794,797	35,346,485
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>935,000</b>	<b>2,902,000</b>	<b>6,445,991</b>	<b>10,863,198</b>	<b>15,184,924</b>	<b>18,685,898</b>	<b>21,985,303</b>	<b>25,272,559</b>	<b>28,543,348</b>	<b>31,794,797</b>	<b>35,346,485</b>	<b>39,185,577</b>
Cash & Cash Equivalents - end of the year	935,000	2,902,000	6,445,991	10,863,198	15,184,924	18,685,898	21,985,303	25,272,559	28,543,348	31,794,797	35,346,485	39,185,577
Investments - end of the year	13,000,000	7,185,394	7,185,394	7,185,394	7,185,394	7,185,394	7,185,394	7,185,394	7,185,394	7,185,394	7,185,394	7,185,394
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>13,935,000</b>	<b>10,087,394</b>	<b>13,631,384</b>	<b>18,048,591</b>	<b>22,370,318</b>	<b>25,871,292</b>	<b>29,170,696</b>	<b>32,457,952</b>	<b>35,728,741</b>	<b>38,980,191</b>	<b>42,531,878</b>	<b>46,370,971</b>
<b>Representing:</b>												
- External Restrictions	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000	3,653,000
- Internal Restrictions	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000	2,012,000
- Unrestricted	8,270,000	4,422,394	7,966,384	12,383,591	16,705,318	20,206,292	23,505,696	26,792,952	30,063,741	33,315,191	36,866,878	40,705,971
	<b>13,935,000</b>	<b>10,087,394</b>	<b>13,631,384</b>	<b>18,048,591</b>	<b>22,370,318</b>	<b>25,871,292</b>	<b>29,170,696</b>	<b>32,457,952</b>	<b>35,728,741</b>	<b>38,980,191</b>	<b>42,531,878</b>	<b>46,370,971</b>

## 7. Financial Strategy

### a. Overview

It is clear that any decisions made by Council today have large impacts on Council in the future. One purpose of the Long Term Financial Plan is to ensure Council and the Community is aware of the financial impacts in the future. This is especially true for any new assets which are proposed for Council to take ownership over, even when they are given a full grant to be constructed.

### b. Financial Indicators

Council will proceed with implementing the following financial targets using the following indicators, which have been recommended by TCorp and the ongoing review of Local Government within NSW over the past number of years, with a continuing effort to improve standards/benchmarking and best practice in service delivery. At the time of the Long Term Financial Plan being established Council has been unable to provide all of the Ratio's indicated below, this will be addressed in conjunction with future development of the Long Term Financial Plan.

#### 1) Operating Surplus Ratio

*'The operating Result (net of capital revenues) expressed as a percentage of total operating income'*

This ratio is calculated as follows: 
$$\frac{\text{Surplus/Deficit before capital revenues}}{\text{Total Operating Income}}$$

This ratio shows us how sufficient Council's income is to meet its expenditures, a suitable target for Council would be 5% which would provide some free funds in case of any unexpected expenditures.

#### 2) Net financial liabilities ratio

*'The significance of net amount owed by an entity compared with its operating income for the period'*

This ratio is calculated as follows: 
$$\frac{\text{Total liabilities less financial assets}}{\text{Total Operating Income}}$$

This ratio shows how capable Council is in meeting its financial obligations, and should not exceed 100% of operating income.

#### 3) Asset sustainability ratio

*'The ratio of asset replacement expenditure relative to depreciation for a period. Measures whether assets are being replaced at a rate they are wearing out'*

This ratio is calculated as follows: 
$$\frac{\text{Capital replacement expenditure}}{\text{Depreciation expense}}$$

If a ratio is 100% on average, then Council is ensuring its value of existing physical assets is being maintained.

4) Asset renewal funding ratio

*'The ratio of net present value (NPV) of asset renewal funding accommodated over a 10 year period in a LTFP relative to the NPV of projected asset renewal expenditures identified in an Asset Management Plan for the same period'.*

This is a long term financial target and is calculated as follows:

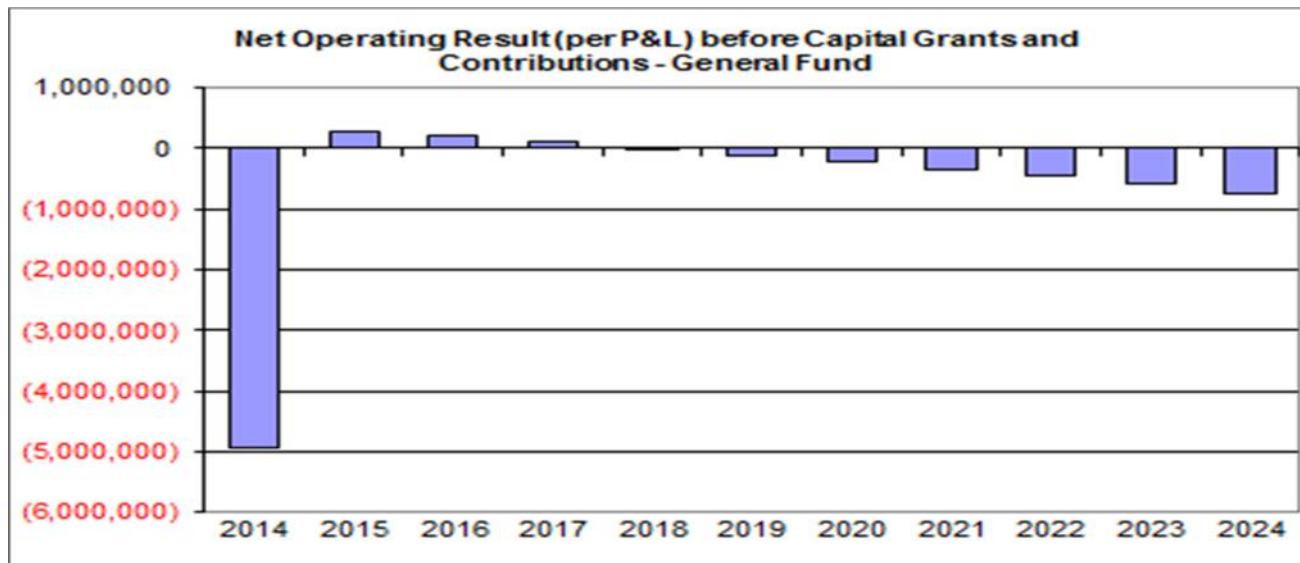
**NPV of Asset Renewal expenditure as set out in LTFP**

**NPV of projected asset renewal expenditure needed as per the Asset Management Plans**

This ratio is a measure of the ability of Council to fund its projected asset renewals/replacements into the future, and a target should be 100%.

**c. Results**

**1) Operating Surplus Ratio**

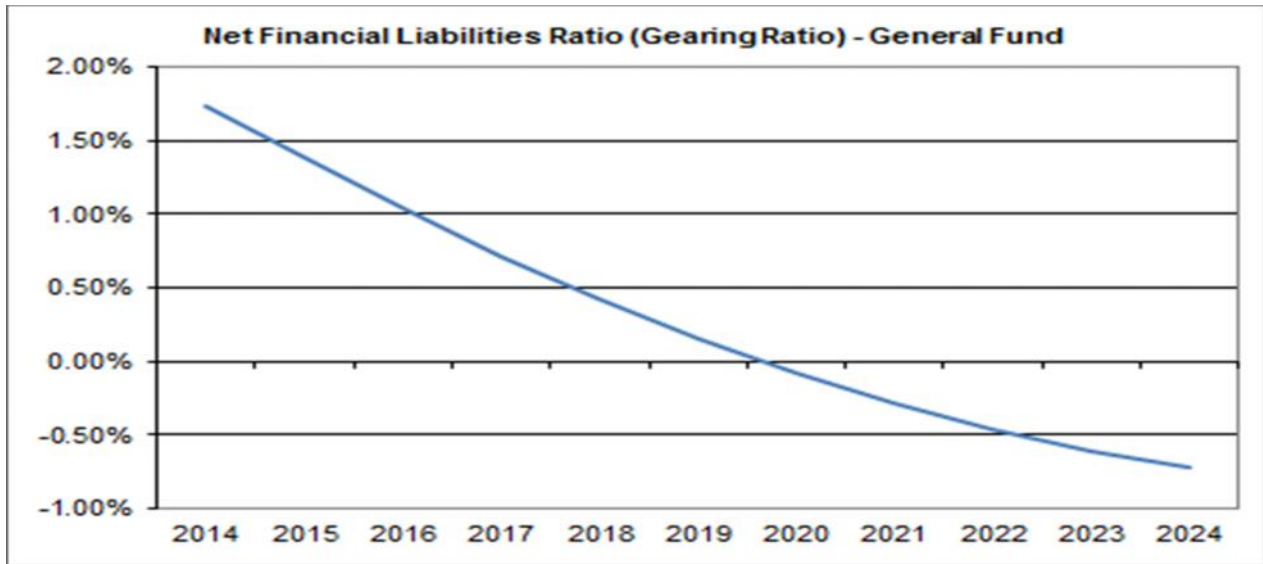


This ratio reflects Council in a better situation compared to the past, this is largely due to a cost saving initiative and a reduction in Capital works in order to fund current operations in a more conservative approach.

It is noted that current results are to be monitored in an ongoing fashion, there are many implicating factors that Council is unable to forecast, which will see an aim toward the future for future development of this Long Term Financial Plan with consideration to Asset Management Plans accordingly.



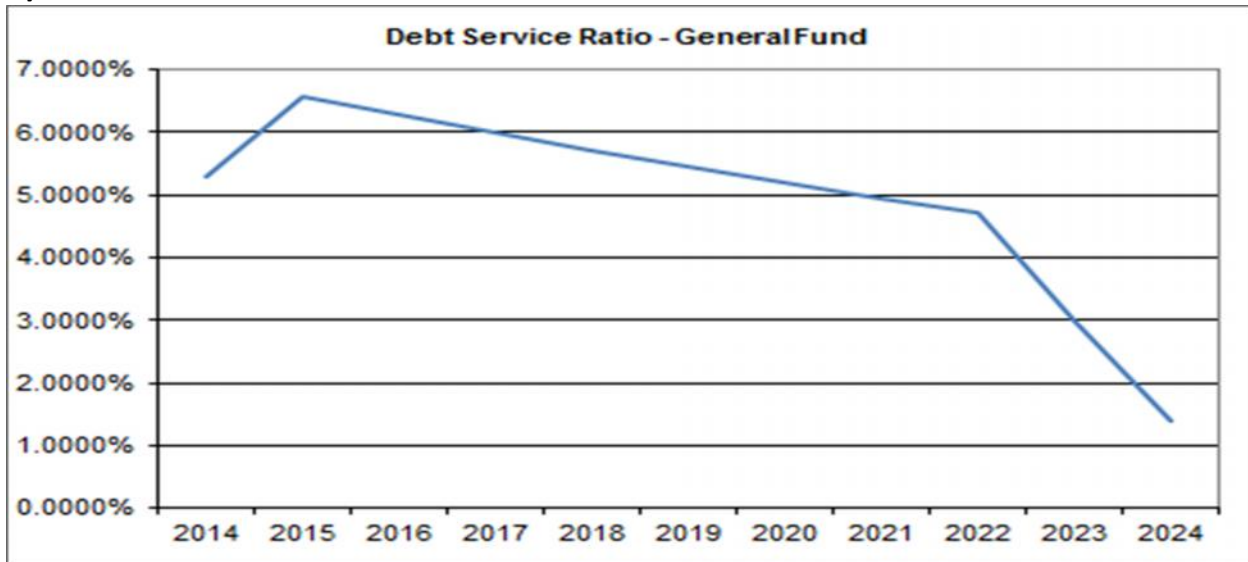
## 2) Net Financial Liabilities Ratio



This chart shows that Council is in a healthy position to pay its debts.

As the result fall's the better the ratio becomes, however the Long Term Financial Plan currently omits a lot of expenditure which is required for the renewal of its assets. This information will be added once the asset management plans are reconciled to the long term financial plan.

## 3) Debt Service Ratio



This Ratio projects that Council will have a reducing Debt Service Ratio over the course of the Long Term Financial Plan, this will be a positive trend in future years.

## 8. Water Fund

### a. Key issues of interest

There are a number of issues arising within the Water fund in the coming years

**i) Water billing**

This is where Council is changing the structure of its pricing of water from an access charge, to a user pays charge where a portion of the bill will be based on the actual consumption measured from water meter readings, which are currently planned to take place three times a year. There will still be a portion of the bill which is an access fee, so even if water is not connected to your property, but a water mains pipe runs closer than 225 from the property, an access fee will be charged.

**ii) Water Pricing**

The pricing for 2014/15 year onward has increased by 3% to meet inflation. Council has also undergone cost examination for the Water Fund, resulting in expenditure savings, this has allowed Council to retain existing billing structure and reduce the burden on rate payers. Council will review this billing structure annually.

**iii) New Water Treatments plant**

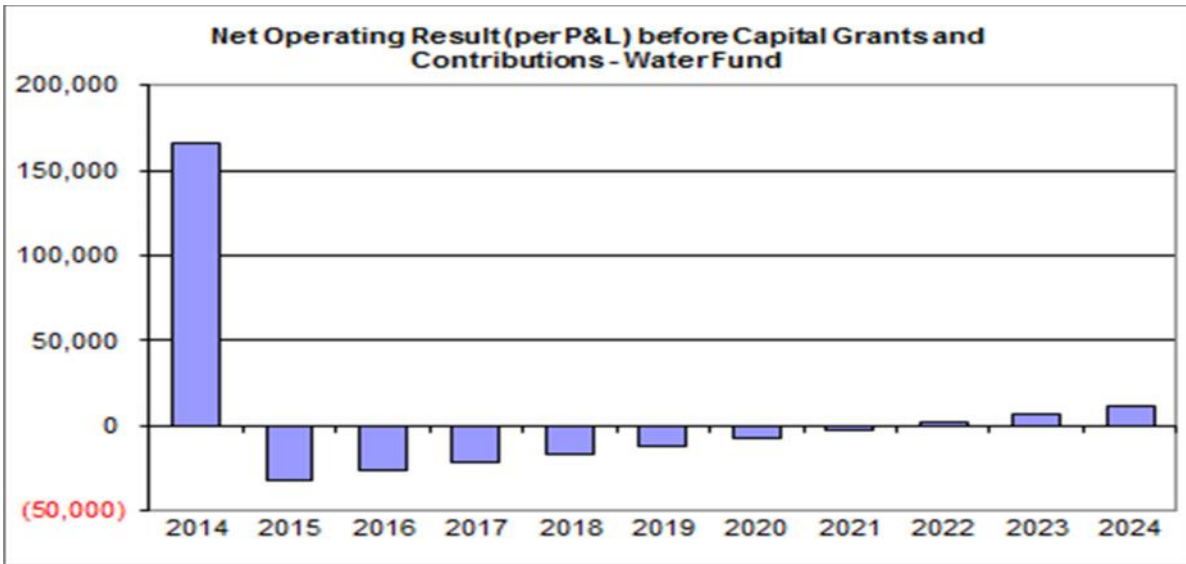
Walgett is receiving a new 1.5 mega litre a day treatment plant constructed which includes an upgrade to the water infrastructure in Walgett in the consecutive 2years. This should increase efficiencies in the water fund in coming years as less maintenance should be required in the new plant. There are also current plans to replace a lot of the water mains within Walgett which have reached the end of the current useful lives.

**iv) New Bore**

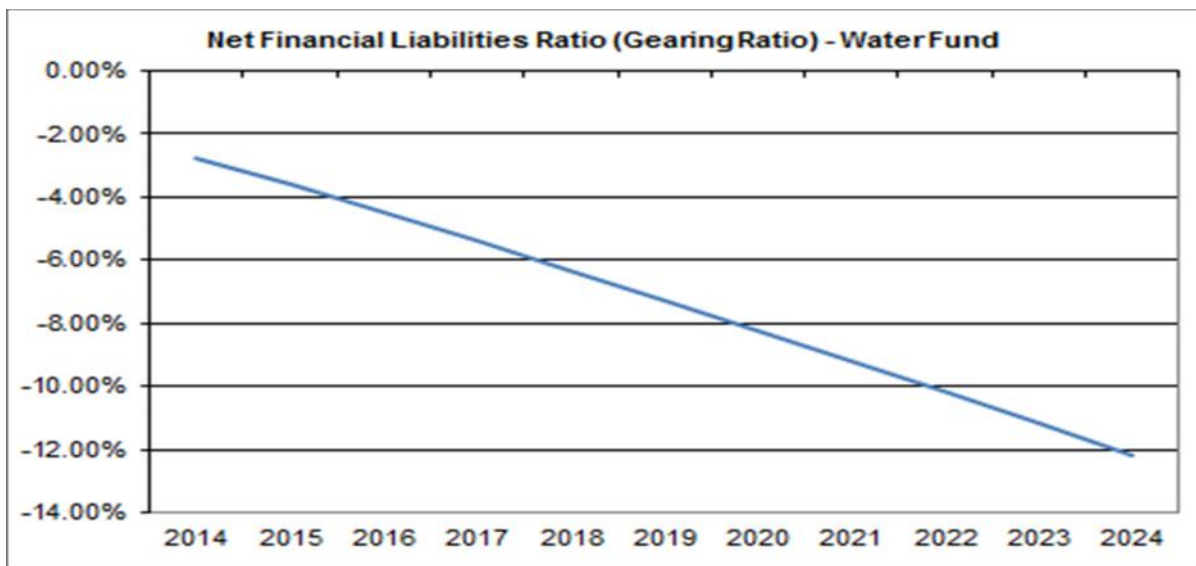
Lightning Ridge has recently received a new bore which will act as the new primary bore, leaving the existing bore as a backup. This is a useful new asset for the Lightning Ridge community, also from a financial perspective it is important to note that this asset also comes with additional costs for the Lightning Ridge water fund.

The Long Term Financial Plan has been compiled on a consolidated basis, due to the interdependency of the funds. It is noted that capital expenditure after the first four years has only been estimated in the absence of the financial information in the Water asset management plan. The asset management plan will be reconciled to the water plan in the coming year.

## b. Financial Indicator results



It is clear that currently the Water fund falls well below its target of 0%. This shows results of a review of the water fund operational result, largely a reduction in expenditure, with continual increases of water rates at a marginal rate (inline with inflation, 2.5-3%) the fund will be in a better position.



It is clear that the Water fund is able to meet all its liabilities on time. This is mainly due to a lot of the administration expenses being paid by the general fund, and then passed on to the water fund through an internal distribution method, and therefore no liability is generated.

### c. Water Statements

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - WATER FUND												
Scenario: Base Case	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	1,543,000	1,506,513	1,551,066	1,589,843	1,629,589	1,670,328	1,712,087	1,754,889	1,798,761	1,843,730	1,889,823	1,937,069
User Charges & Fees	-	1,000	1,000	1,025	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249
Interest & Investment Revenue	23,000	23,531	16,350	16,759	17,178	17,607	18,047	18,499	18,961	19,435	19,921	20,419
Other Revenues	3,000	616,300	2,150	2,204	2,259	2,315	2,373	2,433	2,493	2,556	2,620	2,685
Grants & Contributions provided for Operating Purposes	13,000	-	260,000	266,500	273,163	279,992	286,991	294,166	301,520	309,058	316,785	324,704
Grants & Contributions provided for Capital Purposes	-	3,270,000	550,000	563,750	577,844	592,290	607,097	622,275	637,831	653,777	670,122	686,875
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>1,582,000</b>	<b>5,417,344</b>	<b>2,380,566</b>	<b>2,440,080</b>	<b>2,501,082</b>	<b>2,563,609</b>	<b>2,627,699</b>	<b>2,693,392</b>	<b>2,760,727</b>	<b>2,829,745</b>	<b>2,900,489</b>	<b>2,973,001</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	324,000	500	500	518	536	554	574	594	615	636	658	681
Borrowing Costs	-	5,000	4,000	2,000	2,000	1,000	-	-	-	-	-	-
Materials & Contracts	815,000	1,539,732	1,422,738	1,453,595	1,485,223	1,517,642	1,550,871	1,584,931	1,619,843	1,655,627	1,692,306	1,729,902
Depreciation & Amortisation	500,000	435,599	435,599	446,489	457,651	469,093	480,820	492,840	505,161	517,790	530,735	544,003
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	128,000	-	-	-	-	-	-	-	-	-	-	-
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>1,767,000</b>	<b>1,980,831</b>	<b>1,862,837</b>	<b>1,902,601</b>	<b>1,945,410</b>	<b>1,988,289</b>	<b>2,032,265</b>	<b>2,078,366</b>	<b>2,125,619</b>	<b>2,174,054</b>	<b>2,223,700</b>	<b>2,274,587</b>
<b>Operating Result from Continuing Operations</b>	<b>(185,000)</b>	<b>3,436,513</b>	<b>517,729</b>	<b>537,479</b>	<b>555,672</b>	<b>575,320</b>	<b>595,435</b>	<b>615,026</b>	<b>635,108</b>	<b>655,691</b>	<b>676,789</b>	<b>698,414</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>(185,000)</b>	<b>3,436,513</b>	<b>517,729</b>	<b>537,479</b>	<b>555,672</b>	<b>575,320</b>	<b>595,435</b>	<b>615,026</b>	<b>635,108</b>	<b>655,691</b>	<b>676,789</b>	<b>698,414</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	(185,000)	166,513	(32,271)	(26,271)	(22,171)	(16,969)	(11,662)	(7,248)	(2,724)	1,914	6,667	11,539

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
BALANCE SHEET - WATER FUND												
Scenario: Base Case	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	1,888,000	2,088,950	2,259,859	2,452,256	2,654,319	2,870,290	3,098,416	3,336,952	3,586,156	3,846,297	4,117,646	4,400,484
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	272,000	288,887	297,430	304,866	312,487	320,300	328,307	336,515	344,928	353,551	362,390	371,449
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>2,160,000</b>	<b>2,377,837</b>	<b>2,557,289</b>	<b>2,757,122</b>	<b>2,966,806</b>	<b>3,190,589</b>	<b>3,426,723</b>	<b>3,673,467</b>	<b>3,931,084</b>	<b>4,199,848</b>	<b>4,480,036</b>	<b>4,771,933</b>
<b>Non-Current Assets</b>												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	147,000	125,452	129,162	132,391	135,701	139,093	142,571	146,135	149,788	153,533	157,371	161,306
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	16,305,000	19,519,401	19,841,802	20,172,263	20,510,986	20,858,176	21,214,047	21,578,814	21,952,700	22,335,934	22,728,748	23,131,383
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>16,452,000</b>	<b>19,644,853</b>	<b>19,970,964</b>	<b>20,304,654</b>	<b>20,646,686</b>	<b>20,997,270</b>	<b>21,356,617</b>	<b>21,724,949</b>	<b>22,102,488</b>	<b>22,489,467</b>	<b>22,886,119</b>	<b>23,292,688</b>
<b>TOTAL ASSETS</b>	<b>18,612,000</b>	<b>22,022,690</b>	<b>22,528,253</b>	<b>23,061,776</b>	<b>23,613,493</b>	<b>24,187,859</b>	<b>24,783,341</b>	<b>25,398,415</b>	<b>26,033,573</b>	<b>26,689,314</b>	<b>27,366,155</b>	<b>28,064,622</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	2,177	2,011	2,055	2,099	2,145	2,192	2,240	2,290	2,340	2,392	2,445
Borrowings	-	12,000	4,000	4,000	1,000	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>14,177</b>	<b>6,011</b>	<b>6,055</b>	<b>3,099</b>	<b>2,145</b>	<b>2,192</b>	<b>2,240</b>	<b>2,290</b>	<b>2,340</b>	<b>2,392</b>	<b>2,445</b>
<b>Non-Current Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	50,000	10,000	6,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>50,000</b>	<b>10,000</b>	<b>6,000</b>	<b>2,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>TOTAL LIABILITIES</b>	<b>50,000</b>	<b>24,177</b>	<b>12,011</b>	<b>8,055</b>	<b>4,099</b>	<b>3,145</b>	<b>3,192</b>	<b>3,240</b>	<b>3,290</b>	<b>3,340</b>	<b>3,392</b>	<b>3,445</b>
<b>Net Assets</b>	<b>18,562,000</b>	<b>21,998,513</b>	<b>22,516,242</b>	<b>23,053,721</b>	<b>23,609,393</b>	<b>24,184,714</b>	<b>24,780,148</b>	<b>25,395,175</b>	<b>26,030,283</b>	<b>26,685,974</b>	<b>27,362,763</b>	<b>28,061,176</b>
<b>EQUITY</b>												
Retained Earnings	8,187,000	11,623,513	12,141,242	12,678,721	13,234,393	13,809,714	14,405,148	15,020,175	15,655,283	16,310,974	16,987,763	17,686,176
Revaluation Reserves	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000	10,375,000
Council Equity Interest	18,562,000	21,998,513	22,516,242	23,053,721	23,609,393	24,184,714	24,780,148	25,395,175	26,030,283	26,685,974	27,362,763	28,061,176
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>18,562,000</b>	<b>21,998,513</b>	<b>22,516,242</b>	<b>23,053,721</b>	<b>23,609,393</b>	<b>24,184,714</b>	<b>24,780,148</b>	<b>25,395,175</b>	<b>26,030,283</b>	<b>26,685,974</b>	<b>27,362,763</b>	<b>28,061,176</b>

**Walgett Shire Council**  
**10 Year Financial Plan for the Years ending 30 June 2024**  
**CASH FLOW STATEMENT - WATER FUND**  
**Scenario: Base Case**

	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	1,511,174	1,538,812	1,579,178	1,618,657	1,659,124	1,700,602	1,743,117	1,786,695	1,831,362	1,877,146	1,924,075
User Charges & Fees	-	1,000	1,000	1,025	1,051	1,077	1,104	1,131	1,160	1,189	1,218	1,249
Interest & Investment Revenue Received	-	23,531	16,350	16,759	17,178	17,607	18,047	18,499	18,961	19,435	19,921	20,419
Grants & Contributions	-	3,270,000	810,000	830,250	851,006	872,281	894,089	916,441	939,352	962,836	986,906	1,011,579
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	616,300	2,150	2,204	2,259	2,315	2,373	2,433	2,493	2,556	2,620	2,685
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(500)	(500)	(518)	(536)	(554)	(574)	(594)	(615)	(636)	(658)	(681)
Materials & Contracts	-	(1,537,555)	(1,422,903)	(1,463,551)	(1,485,178)	(1,517,596)	(1,550,824)	(1,584,883)	(1,619,794)	(1,655,577)	(1,692,255)	(1,729,849)
Borrowing Costs	-	(5,000)	(4,000)	(2,000)	(2,000)	(1,000)	-	-	-	-	-	-
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Operating Activities</b>	-	3,878,950	940,909	973,347	1,002,437	1,033,254	1,064,817	1,096,143	1,128,252	1,161,164	1,194,899	1,229,476
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(3,650,000)	(758,000)	(776,950)	(796,374)	(816,283)	(836,690)	(857,607)	(879,048)	(901,024)	(923,549)	(946,638)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(3,650,000)	(758,000)	(776,950)	(796,374)	(816,283)	(836,690)	(857,607)	(879,048)	(901,024)	(923,549)	(946,638)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(28,000)	(12,000)	(4,000)	(4,000)	(1,000)	-	-	-	-	-	-
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	(28,000)	(12,000)	(4,000)	(4,000)	(1,000)	-	-	-	-	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	200,950	170,909	192,397	202,063	215,971	228,126	238,536	249,205	260,140	271,349	282,838
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	1,888,000	2,088,950	2,259,859	2,452,256	2,654,319	2,870,290	3,098,416	3,336,952	3,586,156	3,846,297	4,117,646
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>1,888,000</b>	<b>2,088,950</b>	<b>2,259,859</b>	<b>2,452,256</b>	<b>2,654,319</b>	<b>2,870,290</b>	<b>3,098,416</b>	<b>3,336,952</b>	<b>3,586,156</b>	<b>3,846,297</b>	<b>4,117,646</b>	<b>4,400,484</b>
Cash & Cash Equivalents - end of the year	1,888,000	2,088,950	2,259,859	2,452,256	2,654,319	2,870,290	3,098,416	3,336,952	3,586,156	3,846,297	4,117,646	4,400,484
Investments - end of the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>1,888,000</b>	<b>2,088,950</b>	<b>2,259,859</b>	<b>2,452,256</b>	<b>2,654,319</b>	<b>2,870,290</b>	<b>3,098,416</b>	<b>3,336,952</b>	<b>3,586,156</b>	<b>3,846,297</b>	<b>4,117,646</b>	<b>4,400,484</b>
<b>Representing:</b>												
- External Restrictions	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000	1,888,000
- Internal Restrictions	-	-	-	-	-	-	-	-	-	-	-	-
- Unrestricted	-	200,950	371,859	564,256	766,319	982,290	1,210,416	1,448,952	1,698,156	1,958,297	2,229,646	2,512,484
	<b>1,888,000</b>	<b>2,088,950</b>	<b>2,259,859</b>	<b>2,452,256</b>	<b>2,654,319</b>	<b>2,870,290</b>	<b>3,098,416</b>	<b>3,336,952</b>	<b>3,586,156</b>	<b>3,846,297</b>	<b>4,117,646</b>	<b>4,400,484</b>

## 9. Sewer Fund

### a. Key Issues of interest

#### i. Overall

Council Sewer Fund has undergone investigation regarding levels of expenditure and the impact of this results in a marginal profit. This will be allocated to a reserve for future capital works expenditure, or to fund contingency based items (unforeseen) should they arise.

#### ii. Namoi Village Sewer

Council has received a grant to install a sewer network into Namoi Village. This includes some upgrades to the Walgett infrastructure to be able to cope with the extra load. This work will be commenced in the 2013/14 year, and continue until completion which may carry over to future years.

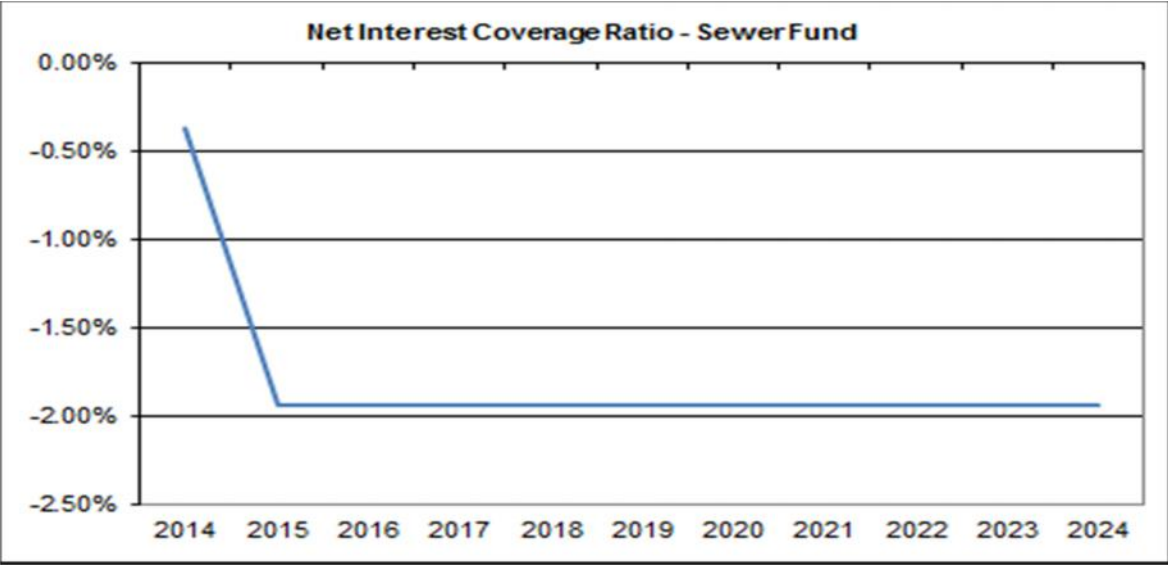
#### iii. Sewer Revaluation

All Water and Sewer infrastructure has been revalued at this stage. At this point in time approx. 63% of depreciable amounts are being funded by operating revenues (excluding capital income). This will however be subject to change in line with the next revaluation of assets (at cost of replacement), thereby reducing the level to which depreciable expense is met.

### b. Financial Indicator Results



The Sewer fund has resulted in a marginal profit before capital grants and contributions, also is meeting depreciation 100%



It is clear that the Sewer fund is able to meet all its liabilities on time. This is mainly due to a lot of the administration expenses being paid by the general fund, and then passed on to the water fund through an internal distribution method, and therefore no liability is generated.



**a. Statements**

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
INCOME STATEMENT - SEWER FUND												
Scenario: Base Case	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	780,000	729,100	751,146	769,925	789,173	808,902	829,125	849,853	871,099	892,877	915,198	938,078
User Charges & Fees	-	89,350	92,031	94,331	96,690	99,107	101,584	104,124	106,727	109,395	112,130	114,934
Interest & Investment Revenue	16,000	16,700	16,700	17,118	17,545	17,984	18,434	18,895	19,367	19,851	20,347	20,856
Other Revenues	3,000	-	-	-	-	-	-	-	-	-	-	-
Grants & Contributions provided for Operating Purposes	9,000	-	-	-	-	-	-	-	-	-	-	-
Grants & Contributions provided for Capital Purposes	1,000,000	3,655,000	-	-	-	-	-	-	-	-	-	-
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>1,808,000</b>	<b>4,490,150</b>	<b>859,877</b>	<b>881,373</b>	<b>903,408</b>	<b>925,993</b>	<b>949,143</b>	<b>972,871</b>	<b>997,193</b>	<b>1,022,123</b>	<b>1,047,676</b>	<b>1,073,868</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	148,000	35,000	40,000	41,400	42,849	44,349	45,901	47,507	49,170	50,891	52,672	54,516
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	87,000	352,725	335,235	341,036	346,983	353,078	359,325	365,729	372,292	379,020	385,916	392,984
Depreciation & Amortisation	324,000	175,415	175,415	179,800	184,295	188,903	193,625	198,466	203,428	208,513	213,726	219,069
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	69,000	76,500	76,500	78,413	80,373	82,382	84,442	86,553	88,717	90,935	93,208	95,538
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>628,000</b>	<b>639,640</b>	<b>627,150</b>	<b>640,649</b>	<b>654,500</b>	<b>668,711</b>	<b>683,293</b>	<b>698,255</b>	<b>713,607</b>	<b>729,359</b>	<b>745,522</b>	<b>762,107</b>
<b>Operating Result from Continuing Operations</b>	<b>1,180,000</b>	<b>3,850,510</b>	<b>232,726</b>	<b>240,724</b>	<b>248,908</b>	<b>257,282</b>	<b>265,850</b>	<b>274,617</b>	<b>283,587</b>	<b>292,764</b>	<b>302,154</b>	<b>311,761</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>1,180,000</b>	<b>3,850,510</b>	<b>232,726</b>	<b>240,724</b>	<b>248,908</b>	<b>257,282</b>	<b>265,850</b>	<b>274,617</b>	<b>283,587</b>	<b>292,764</b>	<b>302,154</b>	<b>311,761</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	180,000	195,510	232,726	240,724	248,908	257,282	265,850	274,617	283,587	292,764	302,154	311,761

Walgett Shire Council												
10 Year Financial Plan for the Years ending 30 June 2024												
BALANCE SHEET - SEWER FUND												
Scenario: Base Case	Actuals	Current Year	Projected Years									
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	3,718,000	4,025,370	4,226,328	4,435,734	4,652,541	4,876,919	5,109,043	5,349,090	5,597,243	5,853,688	6,118,615	6,392,217
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	169,000	175,123	180,418	184,929	189,552	194,291	199,148	204,127	209,230	214,461	219,822	225,318
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>3,887,000</b>	<b>4,200,493</b>	<b>4,406,747</b>	<b>4,620,663</b>	<b>4,842,093</b>	<b>5,071,210</b>	<b>5,308,191</b>	<b>5,553,217</b>	<b>5,806,473</b>	<b>6,068,149</b>	<b>6,338,437</b>	<b>6,617,535</b>
<b>Non-Current Assets</b>												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	91,000	62,432	64,320	65,928	67,576	69,265	70,997	72,772	74,591	76,456	78,367	80,327
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	11,868,000	15,433,585	15,458,170	15,483,370	15,509,199	15,535,675	15,562,812	15,590,627	15,619,138	15,648,362	15,678,317	15,709,020
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>11,959,000</b>	<b>15,496,017</b>	<b>15,522,490</b>	<b>15,549,297</b>	<b>15,576,775</b>	<b>15,604,940</b>	<b>15,633,809</b>	<b>15,663,399</b>	<b>15,693,730</b>	<b>15,724,818</b>	<b>15,756,684</b>	<b>15,789,347</b>
<b>TOTAL ASSETS</b>	<b>15,846,000</b>	<b>19,696,510</b>	<b>19,929,236</b>	<b>20,169,960</b>	<b>20,418,868</b>	<b>20,676,150</b>	<b>20,942,000</b>	<b>21,216,616</b>	<b>21,500,203</b>	<b>21,792,967</b>	<b>22,095,121</b>	<b>22,406,881</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>15,846,000</b>	<b>19,696,510</b>	<b>19,929,236</b>	<b>20,169,960</b>	<b>20,418,868</b>	<b>20,676,150</b>	<b>20,942,000</b>	<b>21,216,616</b>	<b>21,500,203</b>	<b>21,792,967</b>	<b>22,095,121</b>	<b>22,406,881</b>
<b>EQUITY</b>												
Retained Earnings	10,320,000	14,170,510	14,403,236	14,643,960	14,892,868	15,150,150	15,416,000	15,690,616	15,974,203	16,266,967	16,569,121	16,880,881
Revaluation Reserves	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000	5,526,000
Council Equity Interest	15,846,000	19,696,510	19,929,236	20,169,960	20,418,868	20,676,150	20,942,000	21,216,616	21,500,203	21,792,967	22,095,121	22,406,881
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>15,846,000</b>	<b>19,696,510</b>	<b>19,929,236</b>	<b>20,169,960</b>	<b>20,418,868</b>	<b>20,676,150</b>	<b>20,942,000</b>	<b>21,216,616</b>	<b>21,500,203</b>	<b>21,792,967</b>	<b>22,095,121</b>	<b>22,406,881</b>

**Walgett Shire Council**  
**10 Year Financial Plan for the Years ending 30 June 2024**  
**CASH FLOW STATEMENT - SEWER FUND**  
**Scenario: Base Case**

	Actuals 2012/13	Current Year 2013/14	2014/15	2015/16	2016/17	2017/18	Projected Years					2023/24
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	751,545	743,963	763,806	782,901	802,474	822,536	843,099	864,177	885,781	907,926	930,624
User Charges & Fees	-	89,350	92,031	94,331	96,690	99,107	101,584	104,124	106,727	109,395	112,130	114,934
Interest & Investment Revenue Received	-	16,700	16,700	17,118	17,545	17,984	18,434	18,895	19,367	19,851	20,347	20,856
Grants & Contributions	-	3,655,000	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(35,000)	(40,000)	(41,400)	(42,849)	(44,349)	(45,901)	(47,507)	(49,170)	(50,891)	(52,672)	(54,516)
Materials & Contracts	-	(352,725)	(335,235)	(341,036)	(346,983)	(353,078)	(359,325)	(365,729)	(372,292)	(379,020)	(385,916)	(392,984)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(76,500)	(76,500)	(78,413)	(80,373)	(82,382)	(84,442)	(86,553)	(88,717)	(90,935)	(93,208)	(95,538)
<b>Net Cash provided (or used in) Operating Activities</b>	-	4,048,370	400,958	414,406	426,932	439,756	452,886	466,329	480,092	494,182	508,607	523,375
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(3,741,000)	(200,000)	(205,000)	(210,125)	(215,378)	(220,763)	(226,282)	(231,939)	(237,737)	(243,681)	(249,773)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(3,741,000)	(200,000)	(205,000)	(210,125)	(215,378)	(220,763)	(226,282)	(231,939)	(237,737)	(243,681)	(249,773)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	307,370	200,958	209,406	216,807	224,378	232,124	240,047	248,153	256,445	264,927	273,603
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	3,718,000	4,025,370	4,226,328	4,435,734	4,652,541	4,876,919	5,109,043	5,349,090	5,597,243	5,853,688	6,118,615
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>3,718,000</b>	<b>4,025,370</b>	<b>4,226,328</b>	<b>4,435,734</b>	<b>4,652,541</b>	<b>4,876,919</b>	<b>5,109,043</b>	<b>5,349,090</b>	<b>5,597,243</b>	<b>5,853,688</b>	<b>6,118,615</b>	<b>6,392,217</b>
Cash & Cash Equivalents - end of the year	3,718,000	4,025,370	4,226,328	4,435,734	4,652,541	4,876,919	5,109,043	5,349,090	5,597,243	5,853,688	6,118,615	6,392,217
Investments - end of the year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>3,718,000</b>	<b>4,025,370</b>	<b>4,226,328</b>	<b>4,435,734</b>	<b>4,652,541</b>	<b>4,876,919</b>	<b>5,109,043</b>	<b>5,349,090</b>	<b>5,597,243</b>	<b>5,853,688</b>	<b>6,118,615</b>	<b>6,392,217</b>
<b>Representing:</b>												
- External Restrictions	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000	3,718,000
- Internal Restrictions	-	-	-	-	-	-	-	-	-	-	-	-
- Unrestricted	-	307,370	508,328	717,734	934,541	1,158,919	1,391,043	1,631,090	1,879,243	2,135,688	2,400,615	2,674,217
	<b>3,718,000</b>	<b>4,025,370</b>	<b>4,226,328</b>	<b>4,435,734</b>	<b>4,652,541</b>	<b>4,876,919</b>	<b>5,109,043</b>	<b>5,349,090</b>	<b>5,597,243</b>	<b>5,853,688</b>	<b>6,118,615</b>	<b>6,392,217</b>