



Greater Hume Shire

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Greater Hume
Long Term Financial Plan (LTFP)
2015/16 - 2024/25

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PREFACE

The Path To Financial Sustainability

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

Council's Projected Financial Position

In April 2013, the NSW Treasury Corporation ('T-Corp') has assessed Council's Financial Sustainability Rating as being "moderate" with a "negative" Outlook.

T-Corp summarised Council's financial position as follows:

- *The Council has been managed in a satisfactory manner over the review period based on the following observations:*
 - *Council's Unrestricted Current Ratio has been above benchmark in each of the past four years indicating Council had sufficient liquidity*
 - *Over the review period, Council had a moderate level of borrowings (borrowings being 0.7% of Net Assets in 2012) and had therefore flexibility in regard to carrying more long term debt*
- *Areas of concern are that:*
 - *Council's underlying operating results (measured using EBITDA) have declined marginally over the past four years due to the negative effect of the flood events in the recent years.*
 - *Approximately 37.0% of Council's revenue base is derived from own sourced revenue (annual charges, and user charges and fees) compared to a benchmark of 60.0%. The LGA is heavily dependent on external sources of funding.*

The key to long term financial viability, however, is the operational performance of an organisation. Based on current funding levels Council's operating forecast (net of capital grants and contributions) continues to be of concern. Furthermore there is a significant underinvestment in asset renewals leading to an increasing asset backlog– a clearly unsustainable position.

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

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

The Division of Local Government (DLG) who has an oversight and monitoring responsibility for local government performance in New South Wales, has also indicated that Council needs to more strongly

demonstrate how it intends to achieve financial sustainability over the longer term through its Resourcing Strategy. Council's existing Resource Strategy recognises the asset dilemma faced and that the challenge will require us to either increase our revenue, or make concessions on our services or levels of service.

That being the case, Council commissioned industry specialists, Jeff Roorda and Associates, to assist Council in revaluing its roads, bridges and ancillary assets by 30 June 2015 as required by the Office of Local Government (OLG).

In addition, in 2014/2015 Special Schedule 7 which forms part of Council's Annual Financial Statements will be subject to audit review for the first time. This schedule outlines the written down value, asset condition, required annual maintenance, actual annual maintenance and most importantly from a 'Fit for Future' perspective the estimated cost to bring to a satisfactory condition.

Currently the figures disclosed with Greater Hume's Schedule 7 is the cost to bring to current engineering standards (for example if a local road was reconstructed it would be constructed with a 7 metre seal and 9 metres pavement). Whereas the cost to bring to a satisfactory standard should be based on the existing level of service (for example fixing the road like for like, not improving the standard to a 7 metre wide seal).

The key objectives of the project are as follows:

1. Special Schedule 7 - review supporting evidence and methodology against peers and principles in OLG guidelines, Australian Infrastructure Financial Management Guide and International Infrastructure Management Manual.
2. Note 13A – review against evidence base as described above.
3. Note 9a – Review against asset register parameters against evidence base as described above with particular attention to:
 - a. Unit costs
 - b. Asset useful life
 - c. Application of residual values.
4. Provide mentoring and capacity building services and resources to enable Council to complete a revaluation of civil infrastructure.
5. Update the resourcing strategy including Asset Management Plans and Strategy with updated information from asset register, service levels and risk levels.
6. Develop a supporting strategy and documentation to enable effective community engagement to balance revenues, affordable service levels and manage risk.

This project presents an opportunity for Council to implement 'best practice' asset management into Council's operations.

The revaluation and review of unit rates and the useful lives of Council's roads and related infrastructure (supported by the independent assessment by Jeff Roorda and Associates) has significantly reduced the depreciation charges flowing to Council's operating statement. As a result, Council's depreciation methodology and charges are now more in line with industry standards. Combined with Council's Special Rating Variation, Council will be delivering a break even or better financial position by the 2019/2020 financial year. Projected savings from programmed service and efficiency reviews have also been included in the Long Term Financial Plan and will increase Council's capacity for future infrastructure replacement.

How we begin to tackle this issue

Council's adopted Delivery Plan identifies a deliverable to:

'Ensure Greater Hume Shire Council is financially sustainable.' (DP 7.6).

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

Current and proposed additional actions include:

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

How we involve the community

It is important the community are informed of the longer term financial position of the Council, and that they are involved in decisions made about actions to manage it.

Council will continue to review its Delivery Program, Resourcing Strategy and Operational Plan (including Budget) to factor in a financially sustainable target for the organisation and to ensure our operating budget is in balance yet work towards addressing key financial targets. Strategies to achieve this must be affirmed with the community, and the conversation has started through Council's Fit for the Future engagement activities.

CONSULTATION AND COMMUNICATION

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

Engagement will need to result in a position from the community on how Council is to achieve long term financial sustainability. The conversation with the community is likely to focus on the community's views on current services and willingness and capacity to pay or seek alternatives to funding priorities. Council has resolved to present a proposal for a Special Rate Variation to the community as resolved at its November 2013 and December 2013 meetings and further ratified at the November 2014 Council Meeting.

THE FIRST PHASE OF OUR PATH TO FINANCIAL SUSTAINABILITY

The Process

The formation of Council's annual budget continually shows how difficult it is for Council to adequately fund the ongoing maintenance and replacement of Council's infrastructure assets such as roads, bridges and drainage.

In response to this challenge, Council considered the concept of a Special Rate Variation during the development of the 2011/2012 budget and since that time Council has been carefully considering a number of options for a Special Rate Variation at various workshops and meetings over the past two to three years.

In February 2015 Greater Hume Shire Council resolved to apply for a Special Rate Variation (SRV) commencing 1 July 2015, which will apply to all ratepayers in the shire for a period of three years. Council's application was approved by the Independent Pricing and Regulatory Tribunal (IPART) on 19 May 2015. Key elements of the SRV are as follows:

- Increase of 7.21% for the 2015/2016 financial year, 7.46% for the 2016/2017 financial year and 7.15% for the 2017/2018 financial year
- Increases will be retained permanently in Council's rate base.
- Funds raised through the SRV will be allocated to additional expenditure on the local road network, i.e. resealing of sealed roads and gravel resheeting of unsealed rural roads.

CONCLUSION

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

1. INTRODUCTION

1.1 Objectives

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

Greater Hume Shire Council's LTFP seeks to:

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

1.2 Timeframe

The Office of Local Government has set the minimum timeframe at ten years. The Greater Hume Shire Council LTFP covers the time period from 2015/2016 to 2024/2025.

1.3 Structure

The LTFP is structured into seven main sections.

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

2. PLANNING ASSUMPTIONS

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

This LTFP is based on an Improved Services Model of an increase in total rate revenue of 7.21%, 7.46% and 7.15% respectively for a period of three financial years commencing 2015/2016

2.1 Summary of Key Assumptions and Indices

Some of the key variables reviewed as part of the setup of Council's Delivery Plan budget and the LTFP include:

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

Assumption/Variable	Calculation Basis	LTFP %
Consumer Price Index (CPI)	NSW Treasury Corporation Forecasts	2.50%
Salaries and Employee Oncosts	Estimated Award increases and salary system progression increases	3.25%
Interest Rate Income	90 day BBSW + 0.5%	3.75% - 5.25%
Rate Pegging (General Rates Income)	Independent Pricing and Regulatory Tribunal (IPART) and Dept. Local Government Figures	2.4% - 15/16 3.00% - (Years 2-10)
Water and Sewer Rates Income	NSW Public Works	3.00% -

Assumption/Variable	Calculation Basis	LTFP %
Waste Charges Income	Based on reasonable cost estimates	\$5 increase in 15/16, CPI increase thereafter
Fees and Charges Income	As per CPI above	2.50%

3. REVENUE FORECASTS

The major sources of revenue for councils are:

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

3.1 Rates and Annual Charges

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

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

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

3.1.1 Ordinary Rates

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

- Farmland
- Residential
- Business
- Mining

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

3.1.2 Special Rates

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

3.1.3 Rate Pegging

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

3.1.4 Special Rate Variation

Greater Hume Shire Council has modelled its 10 year LTFP to include a Special Rate Variation as approved by the Independent Pricing and Regulatory Tribunal (IPART) on 19 May 2015. Key elements of the SRV are as follows:

- Increase of 7.21% for the 2015/2016 financial year, 7.46% for the 2016/2017 financial year and 7.15% for the 2017/2018 financial year
- Increases will be retained permanently in Council's rate base.

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

3.2 User Charges & Fees

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

3.2.1 Water and Sewerage Charges

The NSW Best-Practice Management of Water Supply and Sewerage Framework requires Council to prepare and implement a sound 20 to 30 year strategic business plan and financial plan in

accordance with the NSW Water and Sewerage Strategic Business Planning Guidelines

In September 2012, Council adopted the Strategic Business Plan for Water Supply and Sewerage Services (SBP).

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

Based on the above business plan, Council has set charges to provide sufficient funds to operate and maintain water and sewerage services and to generate additional reserves to provide capital works and upgrades in the future.

- For Residential Properties.
 - A sewerage charge will be applied to all residential customers in accordance with the Department of Environment, Climate Change and Water Best Practice sewer pricing guidelines.
 - A water charge based on two components being an Access Charge and a Usage Charge will be applied to all residential customers in accordance with the Department of Environment, Climate Change and Water Best Practice sewer pricing guidelines

- For Non-Residential Properties.
 - A two-part sewerage tariff, being a connection charge and a usage charge will be applied. Non-residential properties include multiple occupancies, such as non-strata flats and units, and those properties which are categorised as “business” for rating purposes. The connection charge is determined by multiplying the access charge applicable to the water service connection size, by the sewerage discharge factor (SDF). The usage charge is determined by multiplying the number of kilolitres of water consumed, by the SDF, and then by the appropriate usage charge as adopted. The SDF is a customer’s estimated volume discharged into the sewerage system to the customers total water consumption. For non-residential properties the SDF varies based on the usage requirements of a customer’s enterprise.
 - A water charge based on two components being an Access Charge and a Usage Charge will be applied to all non-residential customers. Access charges are determined by the size of the applicable water meter connected to the property.

Details of applicable charges are outlined in Councils revenue policy.

3.2.2 Waste Management Charges

The Local Government Act 1993 requires that Domestic Waste Management Charges must reflect the actual cost of providing those services. The service includes a weekly garbage collection service and a fortnightly recycling collection service to eligible properties.

3.2.3 Statutory Charges

Council has no discretion to determine the amount of a fee for service when the amount is fixed by regulation or by another authority. Examples of statutory fees include development assessment fees and planning certificates. The majority of statutory charges do not increase annually in line with CPI, however for the purposes of financial modelling these fees are assumed to increase in line with CPI over the long term.

3.2.4 Other Fees

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

facilities and other statutory and regulatory fees.

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

3.3 Grants & Contributions

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

One of the measures announced in the 2014 Federal Budget relates to the pausing of indexation of the Local Government Financial Assistance Grants program for three years commencing 1 July 2014. This decision effectively freezes the amount Council will receive in Financial Assistance Grants for the 2014/2015, 2015/2016 and 2016/2017 financial years to the same level as was received in the 2013/2014 year i.e. a General Purposes Component of \$3,000,319 and a Local Roads Component of \$1,886,717 (total \$4,887,036). Indexation of 2% will be applied for the years 2017/2018 to 2024/2025.

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

3.4 Investments Revenue

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

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

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

3.5 Borrowings

Loans are borrowed for major projects for a term commensurate with the life of the asset (usually not greater than 30 years). Where grants are available and may allow construction of an asset sooner, then loans are used to attract or match that grant.

Loans allow Council to spread the cost of the asset over the length of the loan period, ensuring that both current and future generations contribute to paying for the asset. This is in accordance with inter-generational equity principle. Council avoids borrowing for the annual recurring costs of asset renewals.

All loans are financed from an approved financial institution that offers the most competitive interest rate.

The following new loan borrowings are proposed for the 2015/2016 year:

Upgrade of Henty Swimming Pool	\$1,000,000
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Loans approved in previous years but not yet drawn down will be also utilised during the 2015/2016 financial year. Those loans are:

Holbrook Depot	\$400,000
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As part of the development of this LTFP, Council has reviewed its capacity to service debt and has determined that Council's optimum level of debt is a maximum of \$5.5m at any given time. That being the case, as debt is paid down additional borrowings have been factored into this LTFP so as to maintain, as close as possible, a debt level of approximately \$5.5m. These additional borrowings amount to \$4.5m over the period 2019/20 to 2024/25.

3.6 Other Revenue

The majority of other revenues are generated by rental income on Council properties and various other sources. Rentals will vary according to supply and demand, however forecast fluctuations in supply and demand over ten year period, if available, are not considered reliable. Therefore assuming rents will increase in line with CPI over the long term is considered a reasonable approach. Given that 'other revenues' represent less than 3% of total revenues the potential margin of error of this assumption, and resultant impact on financial position, is considered immaterial.

4. EXPENDITURE FORECASTS

4.1 Salaries, Wages and Employee On-costs

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

For the purpose of projecting future salary, wage and ELE costs to Council a percentage increase of 3.25% has been applied (see Planning Assumptions). This is to account for future Award increases and staff competency/performance increases.

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

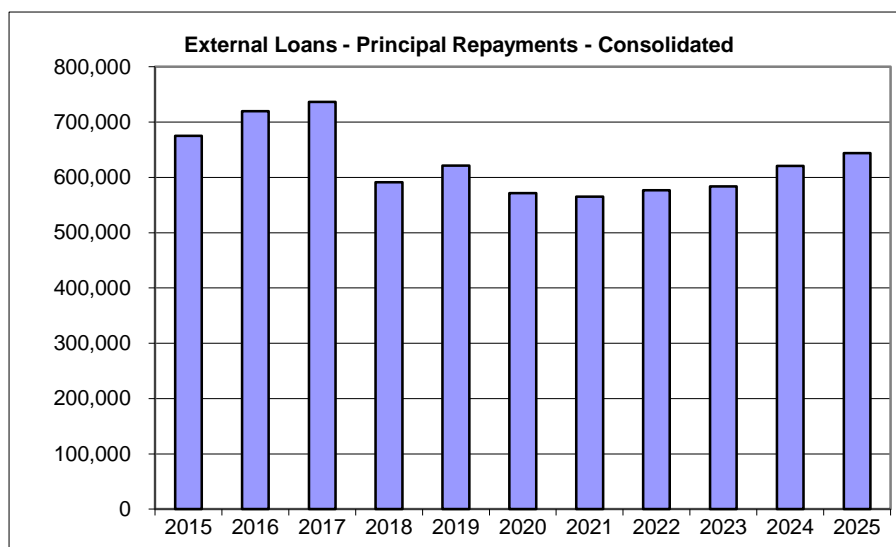
Other employee on-costs e.g. training, protective clothing and travel costs are separately allocated against functions.

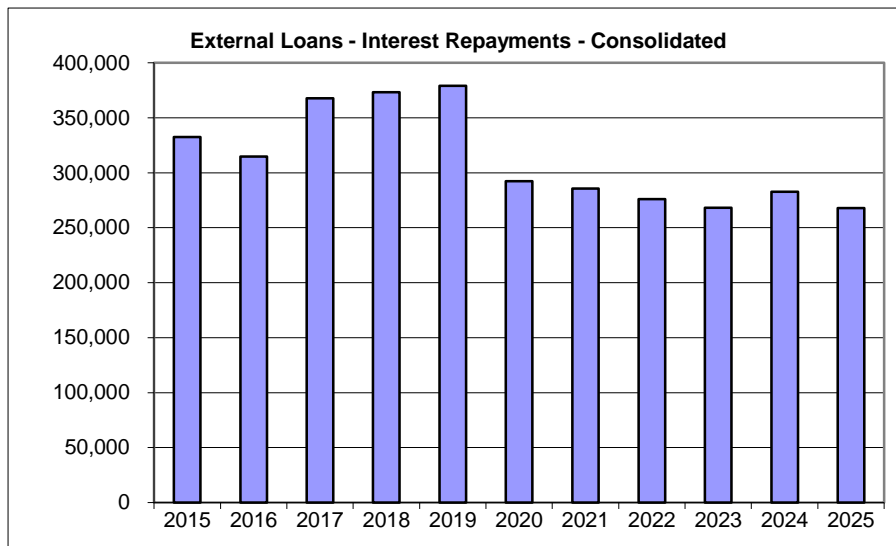
Further details about Council's staff costs are included in the Workforce Plan.

4.2 Loans / Debt Service Costs

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

The following tables show projected loan repayments (consolidated for each fund) over the LTFP:





Section 6.1.3 shows that Council aims to maintain a debt service ratio below 20%. During the course of the LTFP Council achieves this target.

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

4.3 Materials, Contracts and Other Operating Costs

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

- Council elections and associated cost estimated to be \$70,000 in 2016/17 and \$70,000 in 2020/21.
- Increased waste contractor fees in excess of CPI each year reflecting known increases in the NSW Department of Environment, Climate Change and Water waste levy on waste disposed as landfill.

4.4 Asset Management

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

Assets should be maintained and renewed in accordance with the respective asset management plans and agreed condition intervention levels.

5. SENSITIVITY ANALYSIS AND FINANCIAL MODELLING

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

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

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

Employee Costs

Employee costs make up 28% of projected 2014/2015 operating expenditure. This is reflective of the service based nature of a significant proportion of council activities as well as the construction and maintenance of the considerable infrastructure owned by Council. As it makes up such a large proportion of the operating expenditure budget, and movements in rates of pay are determined through industry wide Award negotiations and market forces, the council is sensitive to unplanned changes in employee costs. The LTFP assumes annual increases of 3.25% to employee costs.

Due to the above factors an impact of a 1% increase in employee costs each year was modelled. The analysis indicated that the cash and investment balance would be reduced by an estimated \$2.6m in year 2023/2024 of the LTFP.

Rates and Annual Charges Revenue

Rates and Annual Charges revenue makes up 52% of the projected 2014/2015 operating revenue. The Council cannot set the rate of increase but can only accept the rate pegging imposed on it without a Special Variation application. The LTFP includes a permanent (S.508A) 3 year special rate variation across all categories in years 2015/2016 – 2017/18. If these increases are not achieved, Council will need to adjust expenditure or revenue appropriately. The LTFP has been prepared on the assumption of a constant population base.

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

Due to Council's reliance on rate revenue, an impact of a 1% reduction in rates revenue each year was modelled assuming that any special variation would also be reduced by 1%. The analysis indicated that the cash and investment balance would be reduced by an estimated \$2.9m in year 2023/2024 of the LTFP.

Inflation

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

Any major unplanned increases in these costs above assumed CPI will impact the LTFP.

Investment Returns

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

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

Grants

Council relies heavily on income from the Federal Government Financial Assistance and the Roads to Recovery grant programs.

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

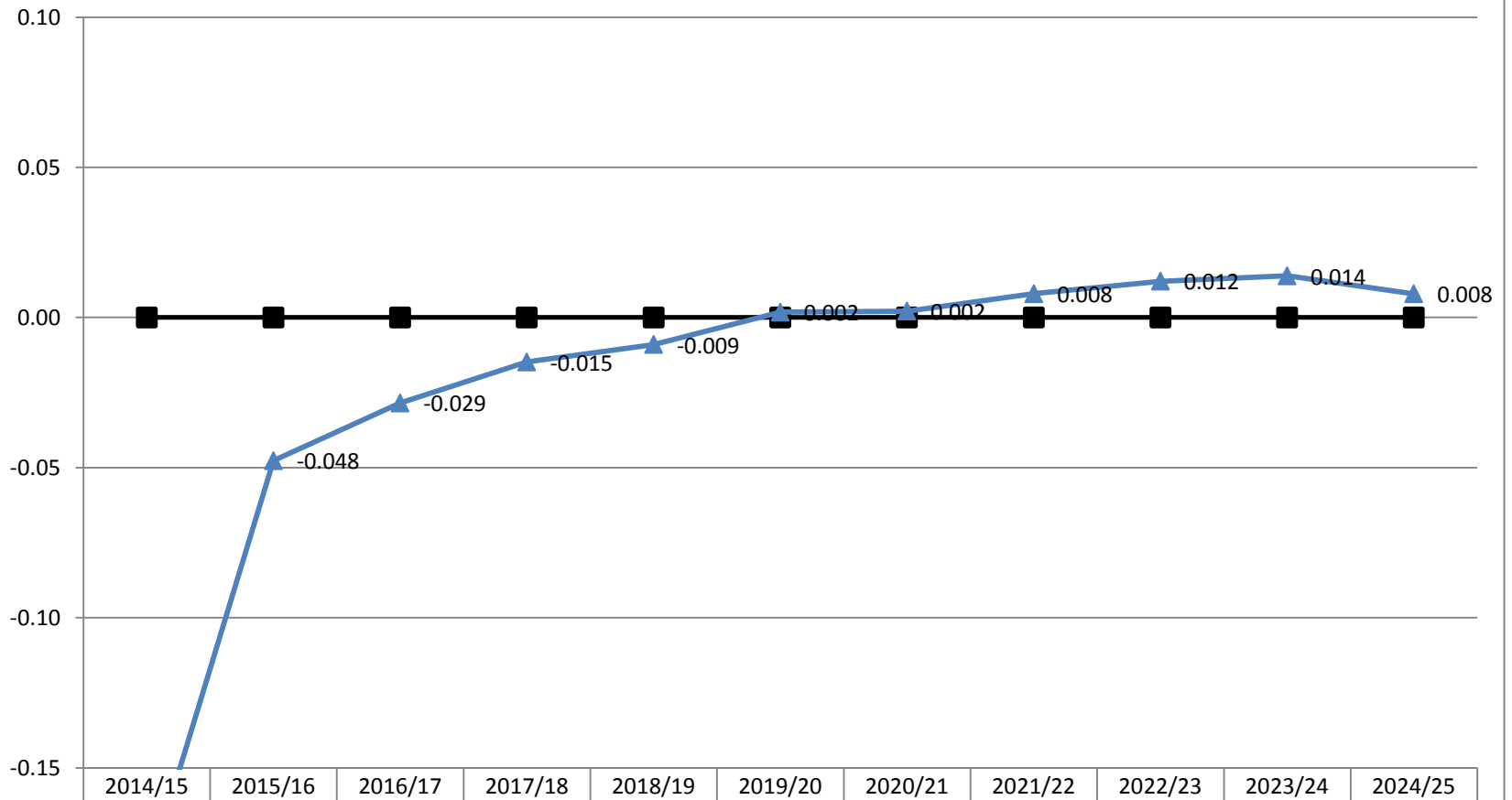
Money provided under the Roads to Recovery Program is not intended to replace council spending on roads but to assist councils in their local road construction or maintenance. The Roads to Recovery Program is scheduled to conclude in 2019. However due to the heavy reliance of this program throughout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

6. PERFORMANCE MEASURES

6.1 Financial Analysis

As part of the Local Government 'Fit for the Future' program, a number of key indicators (General Fund only) have been developed to monitor performance against the LTFP to assess Council's long term sustainability. The following key performance indicators (General Fund only) will provide clear targets against which the council can report its progress to the community.

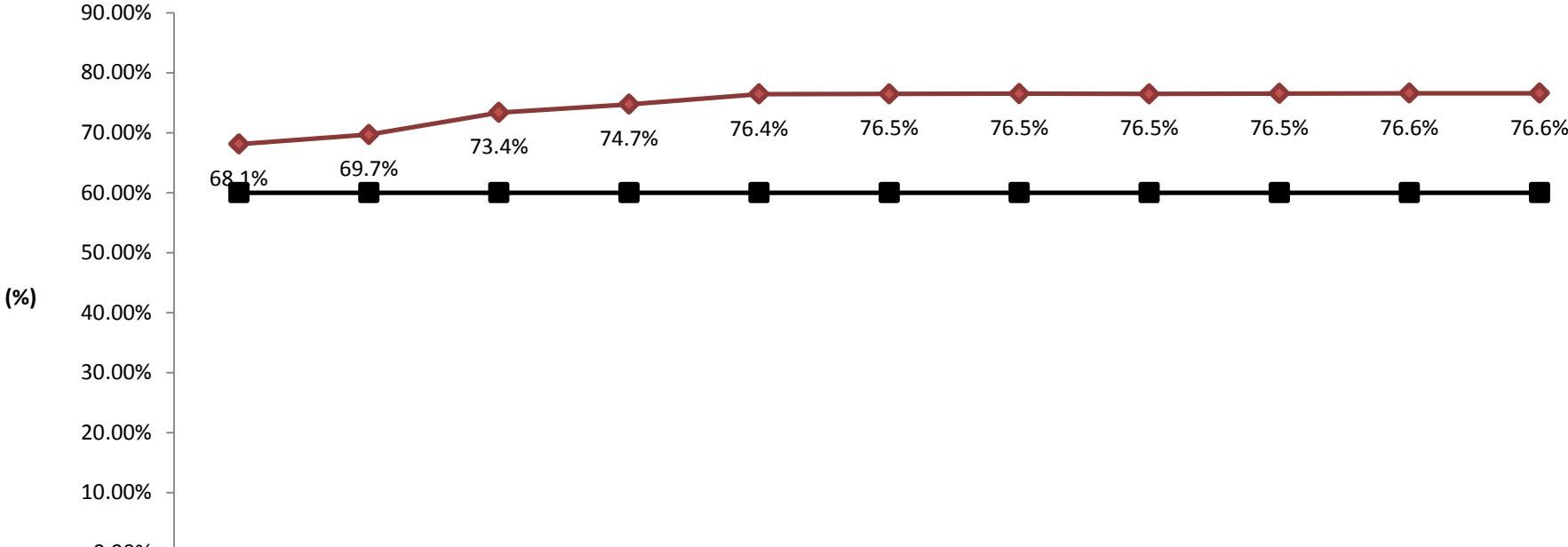
Operating Performance Result



■ Benchmark	0	0	0	0	0	0	0	0	0	0	0
▲ Actual Operating Performance	-0.186	-0.048	-0.029	-0.015	-0.009	0.002	0.002	0.008	0.012	0.014	0.008

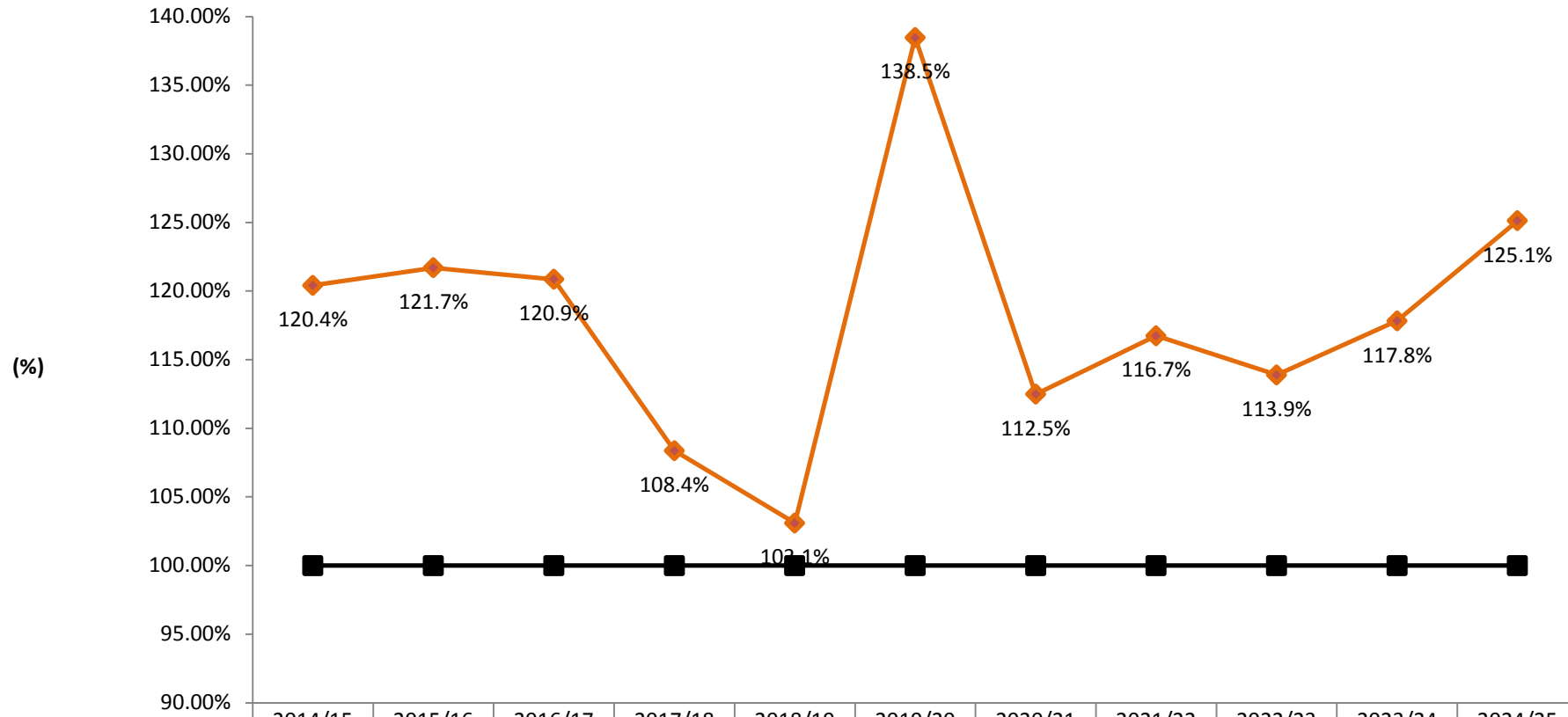
Year

Own Source Revenue



	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
◆ Own Source Revenue	68.1%	69.7%	73.4%	74.7%	76.4%	76.5%	76.5%	76.5%	76.5%	76.6%	76.6%
■ Benchmark	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

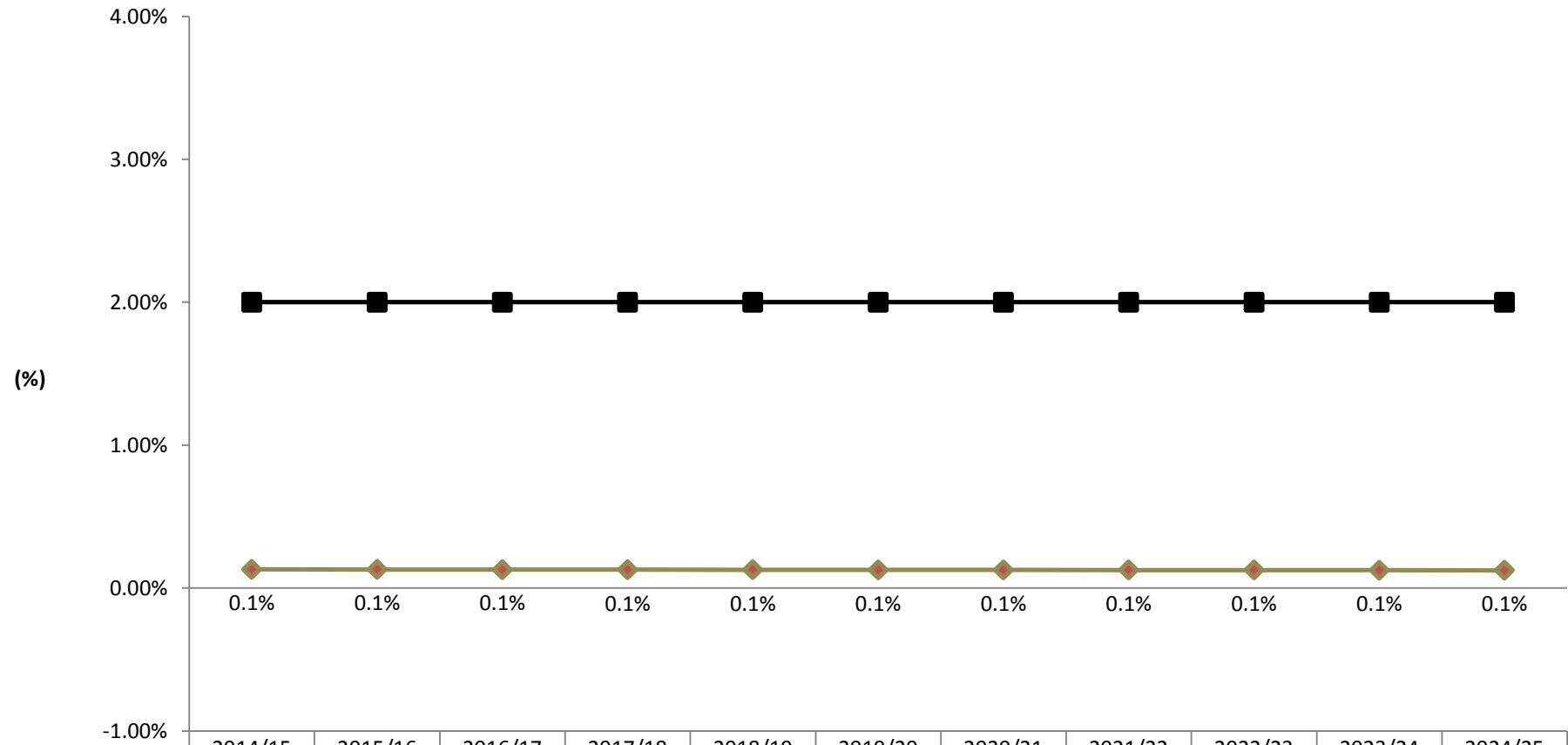
Building and Infrastructure Asset Renewal



	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Infrastructure Renewal Ratio	120.4%	121.7%	120.9%	108.4%	103.1%	138.5%	112.5%	116.7%	113.9%	117.8%	125.1%
Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Year

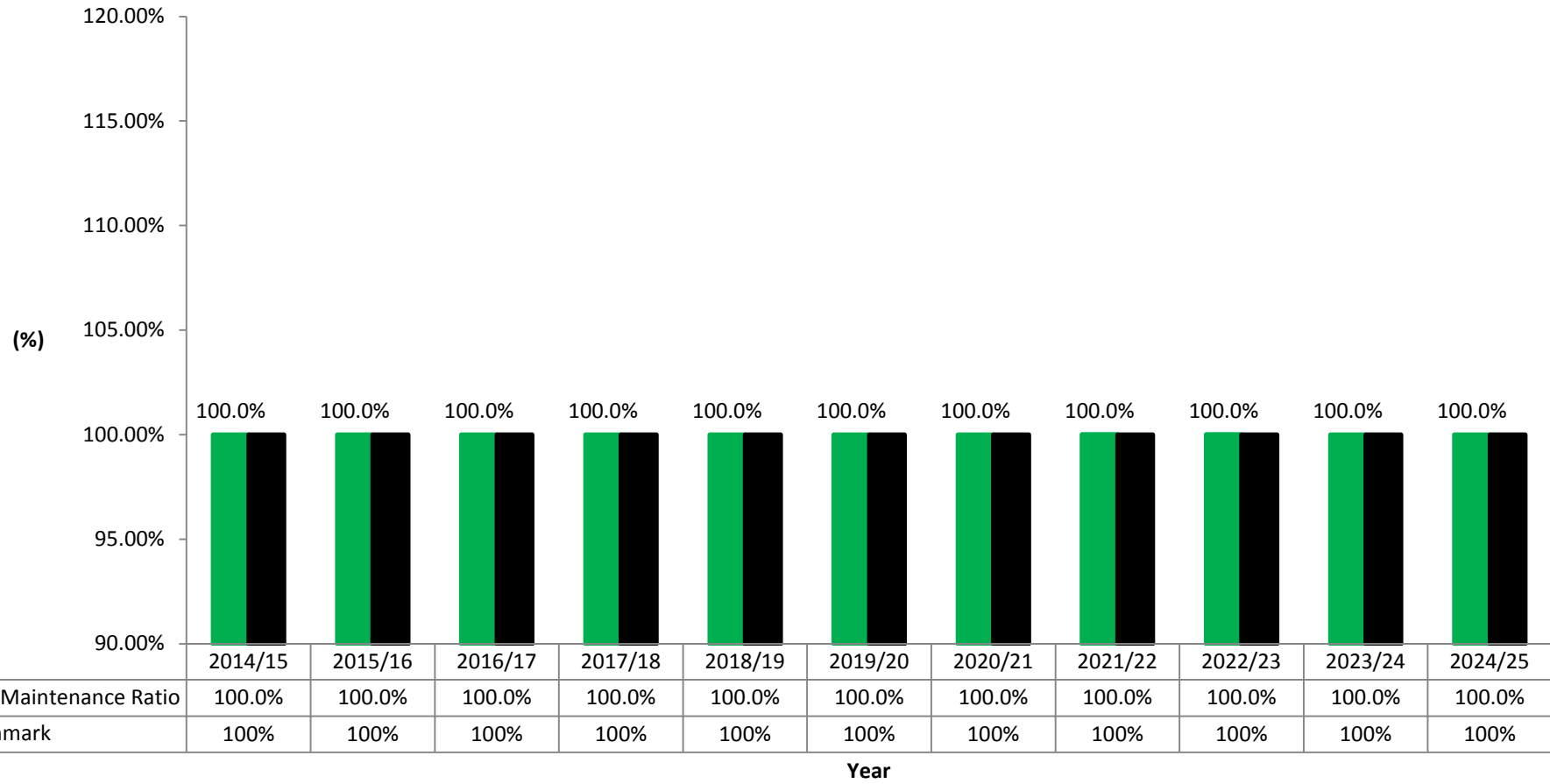
Infrastructure Backlog



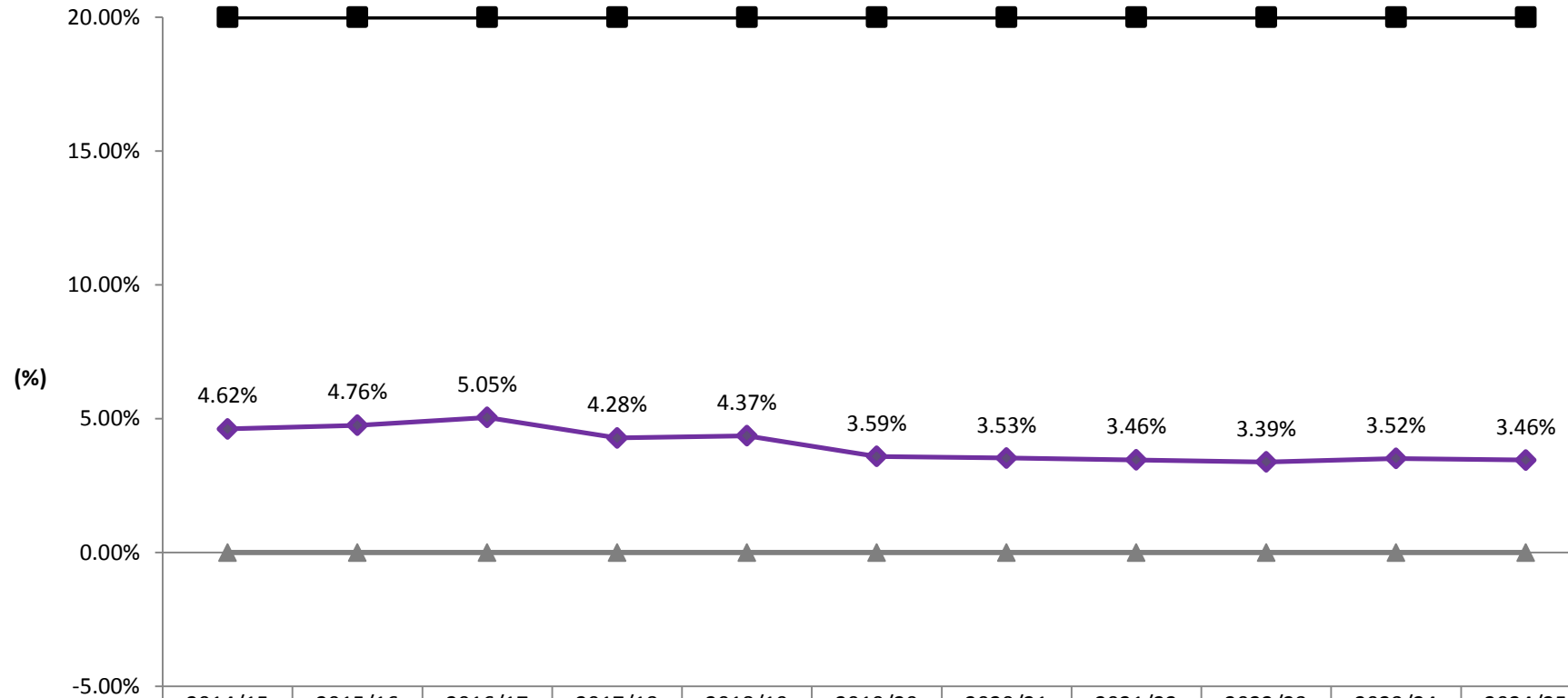
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Infrastructure Backlog	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Benchmark	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Year

Asset Maintenance Ratio



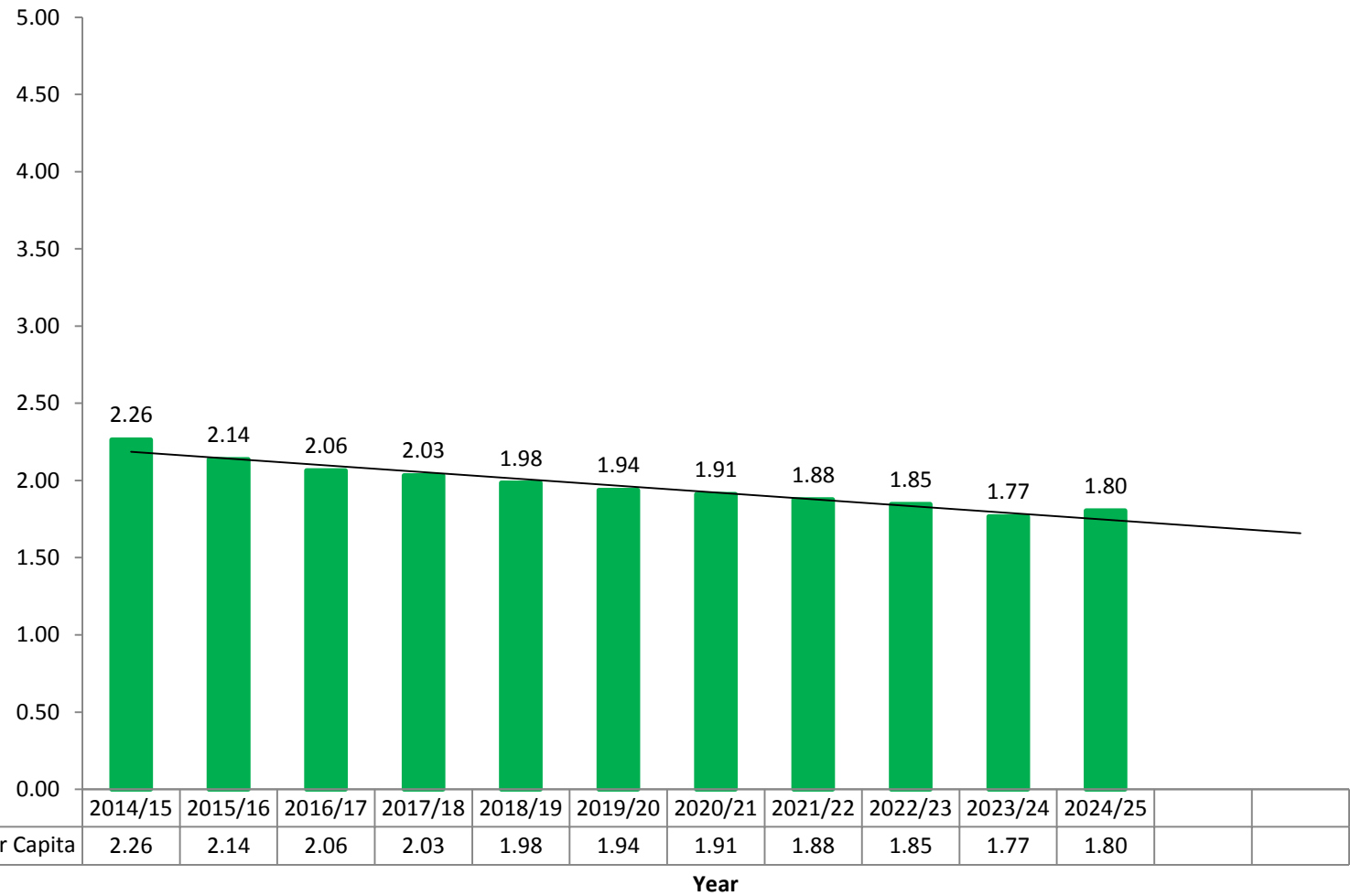
Debt Service Ratio



	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
◆ Debt Service Ratio	4.62%	4.76%	5.05%	4.28%	4.37%	3.59%	3.53%	3.46%	3.39%	3.52%	3.46%
■ Upper Benchmark	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
▲ Lower Benchmark	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Year

Real Operating Expenditure per Capita



7. APPENDICES

Budgeted Income Statement – Consolidated

Greater Hume Shire Council
10 Year Financial Plan for the Years ending 30
June 2025

INCOME STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: 2014/15 Delivery Plan Budget - SRV	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	8,430,000	9,066,323	9,661,750	10,303,966	10,969,264	11,342,987	11,695,707	12,059,743	12,435,475	12,823,295	13,223,610	13,636,841
User Charges & Fees	6,790,000	6,014,437	5,672,155	5,557,828	5,830,121	5,911,818	6,022,727	6,128,284	6,238,271	6,384,099	6,503,479	6,597,699
Interest & Investment Revenue	934,000	653,291	462,500	555,000	552,920	693,750	740,000	740,000	740,000	740,000	740,000	740,330
Other Revenues	737,000	491,480	487,077	492,821	501,595	503,205	513,288	520,136	531,155	539,165	550,922	551,804
Grants & Contributions provided for Operating Purposes	10,405,000	8,671,129	9,030,691	9,109,665	9,102,660	9,264,100	9,456,896	9,654,061	9,855,666	10,061,622	10,272,632	10,488,206
Grants & Contributions provided for Capital Purposes	2,512,000	4,434,138	3,491,136	2,282,103	2,222,382	1,708,167	1,731,971	1,756,371	1,807,015	1,833,291	1,860,224	1,887,224
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	29,808,000	29,330,798	28,805,309	28,301,383	29,178,942	29,424,027	30,160,589	30,858,595	31,607,581	32,381,471	33,150,867	33,902,105
Expenses from Continuing Operations												
Employee Benefits & On-Costs	9,848,000	9,996,030	10,227,590	10,477,153	10,733,476	10,996,748	11,267,259	11,544,880	11,830,020	12,122,884	12,423,680	12,732,624
Borrowing Costs	273,000	332,592	314,817	367,824	373,423	379,130	292,387	285,788	276,082	268,306	282,848	267,846
Materials & Contracts	9,058,000	8,084,002	5,458,783	5,289,931	5,418,355	5,479,779	5,574,739	5,695,474	5,849,871	5,964,515	6,070,787	6,410,873
Depreciation & Amortisation	8,235,000	6,481,532	6,735,570	6,811,782	6,867,320	6,916,361	6,918,704	6,967,625	7,027,367	7,087,221	7,145,355	7,213,555
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,118,000	3,362,590	3,352,109	3,305,052	3,330,381	3,318,172	3,330,297	3,516,447	3,566,636	3,691,158	3,820,249	3,936,990
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	52,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	31,584,000	28,256,745	26,088,869	26,251,741	26,722,954	27,090,190	27,383,386	28,010,214	28,549,976	29,134,085	29,742,919	30,561,888
Operating Result from Continuing Operations	(1,776,000)	1,074,053	2,716,440	2,049,642	2,455,988	2,333,838	2,777,203	2,848,380	3,057,605	3,247,386	3,407,948	3,340,216
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(1,776,000)	1,074,053	2,716,440	2,049,642	2,455,988	2,333,838	2,777,203	2,848,380	3,057,605	3,247,386	3,407,948	3,340,216
Net Operating Result before Grants and Contributions provided for Capital Purposes	(4,288,000)	(3,360,085)	(774,696)	(232,461)	233,606	625,671	1,045,232	1,092,009	1,250,590	1,414,095	1,547,724	1,452,992

Budgeted Balance Sheet - Consolidated

Greater Hume Shire Council
10 Year Financial Plan for the Years
ending 30 June 2025

BALANCE SHEET - CONSOLIDATED Scenario: 2014/15 Delivery Plan Budget - SRV	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	10,605,000	1,727,098	2,050,868	1,886,386	2,771,041	3,590,072	926,092	1,874,837	3,024,575	4,338,026	6,039,015	7,561,550
Investments	11,298,000	11,076,617	10,687,259	9,539,991	9,099,260	8,758,255	7,318,199	7,318,199	7,318,199	7,318,199	7,318,199	7,318,199
Receivables	4,116,000	4,481,760	3,951,024	3,909,480	4,021,364	4,097,154	4,189,150	4,295,156	4,409,008	4,524,719	4,643,138	4,761,644
Inventories	389,000	231,973	199,128	196,357	198,686	199,341	200,374	201,648	203,008	204,289	205,751	208,834
Other	-	37,973	29,278	28,370	29,033	29,135	29,414	30,313	30,797	31,498	32,259	33,406
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	26,408,000	17,555,420	16,917,557	15,560,583	16,119,383	16,673,956	12,663,228	13,720,153	14,985,588	16,416,732	18,238,363	19,883,633
Non-Current Assets												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	42,000	32,499	20,855	13,272	5,302	-	-	-	-	-	-	-
Inventories	1,730,000	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747
Infrastructure, Property, Plant & Equipment	380,090,000	391,541,087	394,958,374	397,657,230	398,992,953	400,162,726	408,417,656	410,187,664	411,932,932	413,704,345	415,204,623	417,310,703
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	382,141,000	393,734,333	397,139,976	399,831,249	401,159,002	402,323,473	410,578,403	412,348,412	414,093,679	415,865,092	417,365,371	419,471,450
TOTAL ASSETS	408,549,000	411,289,753	414,057,533	415,391,832	417,278,386	418,997,430	423,241,632	426,068,565	429,079,267	432,281,823	435,603,734	439,355,084
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	2,580,000	2,286,161	2,057,540	1,878,792	1,900,467	1,906,988	1,945,488	1,989,413	2,019,006	2,057,892	2,092,651	2,147,545
Borrowings	509,000	720,040	736,595	591,109	621,315	571,501	565,371	576,497	583,715	620,796	643,761	648,906
Provisions	3,047,000	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	6,136,000	6,043,641	5,831,575	5,507,341	5,559,222	5,515,929	5,548,299	5,603,350	5,640,161	5,716,128	5,773,852	5,833,891
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,275,000	5,024,500	5,287,905	4,896,796	4,275,481	3,703,980	5,138,609	5,062,112	4,978,397	4,857,601	4,713,840	5,064,934
Provisions	553,000	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560
Total Non-Current Liabilities	3,828,000	5,587,060	5,850,465	5,459,356	4,838,041	4,266,540	5,701,169	5,624,672	5,540,957	5,420,161	5,276,400	5,627,494
TOTAL LIABILITIES	9,964,000	11,630,701	11,682,040	10,966,697	10,397,263	9,782,469	11,249,468	11,228,022	11,181,118	11,136,289	11,050,252	11,461,385
Net Assets	398,585,000	399,659,053	402,375,493	404,425,135	406,881,123	409,214,960	411,992,163	414,840,544	417,898,149	421,145,535	424,553,483	427,893,699
EQUITY												
Retained Earnings	231,981,000	233,055,053	235,771,493	237,821,135	240,277,123	242,610,960	245,388,163	248,236,544	251,294,149	254,541,535	257,949,483	261,289,699
Revaluation Reserves	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000	166,604,000
Council Equity Interest	398,585,000	399,659,053	402,375,493	404,425,135	406,881,123	409,214,960	411,992,163	414,840,544	417,898,149	421,145,535	424,553,483	427,893,699
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	398,585,000	399,659,053	402,375,493	404,425,135	406,881,123	409,214,960	411,992,163	414,840,544	417,898,149	421,145,535	424,553,483	427,893,699

Budgeted Cash Flow Statement - Consolidated

Greater Hume Shire Council
10 Year Financial Plan for the Years ending 30 June
2025

CASH FLOW STATEMENT - CONSOLIDATED Scenario: 2014/15 Delivery Plan Budget - SRV	Actuals 2013/14 \$	Current Year 2014/15 \$	Projected Years 2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	8,327,000	8,956,488	9,630,040	10,270,800	10,940,982	11,314,223	11,668,796	12,031,958	12,406,787	12,793,674	13,193,023	13,605,256
User Charges & Fees	7,168,000	6,147,299	5,667,758	5,537,746	5,779,013	5,871,422	5,996,046	6,101,050	6,209,724	6,351,902	6,472,114	6,567,019
Interest & Investment Revenue Received	969,000	689,882	464,550	559,374	549,906	694,142	742,834	735,672	738,607	737,417	736,092	737,607
Grants & Contributions	15,286,000	12,648,867	13,083,011	11,477,748	11,296,011	10,962,477	11,141,100	11,361,578	11,607,006	11,843,725	12,080,418	12,321,985
Bonds & Deposits Received	81,000	-	-	-	-	-	-	-	-	-	-	-
Other	1,615,000	498,266	487,972	496,806	508,835	505,890	516,671	523,502	534,638	543,012	554,616	554,633
Payments:												
Employee Benefits & On-Costs	(9,498,000)	(10,173,799)	(10,224,260)	(10,639,713)	(10,733,476)	(10,996,748)	(11,267,259)	(11,544,880)	(11,830,020)	(12,122,884)	(12,423,680)	(12,732,624)
Materials & Contracts	(10,174,000)	(7,527,014)	(5,642,139)	(5,298,392)	(5,400,659)	(5,469,205)	(5,558,701)	(5,657,546)	(5,825,419)	(5,931,460)	(6,041,574)	(6,368,883)
Borrowing Costs	(269,000)	(308,071)	(311,383)	(374,322)	(380,581)	(386,654)	(275,088)	(286,580)	(277,008)	(269,320)	(284,311)	(263,532)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(5,212,000)	(3,352,247)	(3,363,178)	(3,306,208)	(3,329,536)	(3,318,042)	(3,329,941)	(3,515,303)	(3,566,019)	(3,690,266)	(3,819,280)	(3,935,530)
Net Cash provided (or used in) Operating Activities	8,293,000	7,579,670	9,792,370	8,723,839	9,230,494	9,177,505	9,634,456	9,749,451	9,998,295	10,255,800	10,467,419	10,485,930
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	3,556,000	221,383	389,358	1,147,268	440,731	341,005	1,440,056	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	224,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	176,000	304,000	349,000	573,500	638,000	459,000	296,000	296,000	296,000	296,000	296,000	296,000
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	29,000	20,562	14,939	11,644	7,583	7,970	6,643	2,300	574	-	-	-
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(9,554,000)	(18,938,619)	(10,501,857)	(10,084,138)	(8,841,043)	(8,545,134)	(15,469,634)	(9,033,634)	(9,068,634)	(9,154,634)	(8,941,634)	(9,615,634)
Purchase of Real Estate Assets	(9,000)	(25,439)	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(5,578,000)	(18,418,113)	(9,748,560)	(8,351,726)	(7,754,729)	(7,737,159)	(13,726,935)	(8,735,334)	(8,772,060)	(8,858,634)	(8,645,634)	(9,319,634)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	2,636,565	1,000,000	200,000	-	-	2,000,000	500,000	500,000	500,000	500,000	1,000,000
Payments:												
Repayment of Borrowings & Advances	(723,000)	(676,025)	(720,040)	(736,595)	(591,109)	(621,315)	(571,501)	(565,371)	(576,497)	(583,715)	(620,796)	(643,761)
Net Cash Flow provided (used in) Financing Activities	(723,000)	1,960,540	279,960	(536,595)	(591,109)	(621,315)	1,428,499	(65,371)	(76,497)	(83,715)	(120,796)	356,239
Net Increase/(Decrease) in Cash & Cash Equivalents	1,992,000	(8,877,902)	323,771	(164,483)	884,655	819,031	(2,663,980)	948,746	1,149,738	1,313,451	1,700,989	1,522,534
plus: Cash, Cash Equivalents & Investments - beginning of year	8,613,000	10,605,000	1,727,098	2,050,868	1,886,386	2,771,041	3,590,072	926,092	1,874,837	3,024,575	4,338,026	6,039,015
Cash & Cash Equivalents - end of the year	10,605,000	1,727,098	2,050,868	1,886,386	2,771,041	3,590,072	926,092	1,874,837	3,024,575	4,338,026	6,039,015	7,561,550
Cash & Cash Equivalents - end of the year	10,605,000	1,727,098	2,050,868	1,886,386	2,771,041	3,590,072	926,092	1,874,837	3,024,575	4,338,026	6,039,015	7,561,550
Investments - end of the year	11,298,000	11,076,617	10,687,259	9,539,991	9,099,260	8,758,255	7,318,199	7,318,199	7,318,199	7,318,199	7,318,199	7,318,199
Cash, Cash Equivalents & Investments - end of the year	21,903,000	12,803,714	12,738,127	11,426,376	11,870,301	12,348,327	8,244,291	9,193,036	10,342,774	11,656,225	13,357,214	14,879,749
Representing:												
- External Restrictions	4,671,000	4,113,137	4,147,843	4,685,290	5,569,946	6,388,976	3,093,870	3,776,280	5,097,728	6,414,278	7,936,504	9,463,172
- Internal Restrictions	13,243,000	6,377,634	5,908,489	4,172,989	3,745,310	3,407,699	3,153,728	2,908,417	2,654,716	2,410,845	2,164,464	1,918,083
- Unrestricted	3,989,000	2,312,943	2,681,794	2,568,097	2,555,045	2,551,652	1,996,693	2,508,339	2,590,330	2,831,103	3,256,246	3,498,494
21,903,000	12,803,714	12,738,127	11,426,376	11,870,301	12,348,327	8,244,291	9,193,036	10,342,774	11,656,225	13,357,214	14,879,749	

Budgeted Income Statement – General Fund

Greater Hume Shire Council

10 Year Financial Plan for the Years ending 30 June 2025

INCOME STATEMENT - GENERAL FUND

Scenario: 2014/15 Delivery Plan Budget - SRV

	Actuals	Current Year	Projected Years										
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations													
Revenue:													
Rates & Annual Charges	6,791,000	7,242,469	7,744,328	8,290,668	8,852,899	9,115,705	9,385,048	9,662,368	9,947,901	10,241,891	10,544,590	10,856,257	
User Charges & Fees	5,733,000	4,902,084	4,412,533	4,192,445	4,348,908	4,303,711	4,340,000	4,367,380	4,395,460	4,455,470	4,484,930	4,484,930	
Interest & Investment Revenue	819,000	534,731	332,080	419,318	411,644	546,519	588,759	584,615	580,332	575,905	571,328	566,924	
Other Revenues	703,000	466,320	461,337	466,437	474,551	475,485	484,800	490,858	501,065	508,240	519,140	519,140	
Grants & Contributions provided for Operating Purposes	10,360,000	8,621,079	8,975,641	9,049,105	9,039,010	9,197,126	9,387,529	9,582,207	9,781,227	9,984,496	10,192,713	10,405,384	
Grants & Contributions provided for Capital Purposes	2,472,000	4,430,259	3,491,136	2,282,103	2,222,382	1,708,167	1,731,971	1,756,371	1,807,015	1,833,291	1,860,224	1,887,224	
Other Income:													
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	26,878,000	26,196,942	25,417,055	24,700,076	25,349,394	25,346,713	25,918,107	26,443,798	27,013,000	27,599,294	28,172,926	28,719,859	
Expenses from Continuing Operations													
Employee Benefits & On-Costs	9,053,000	9,383,120	9,587,240	9,823,023	10,061,590	10,306,162	10,557,923	10,816,509	11,082,104	11,354,898	11,635,085	11,922,867	
Borrowing Costs	271,000	332,134	314,614	367,824	373,423	379,130	292,387	285,788	276,082	268,306	282,848	267,846	
Materials & Contracts	8,614,000	6,536,513	3,781,634	3,497,449	3,631,091	3,625,729	3,649,893	3,692,451	3,740,425	3,780,380	3,833,546	4,086,955	
Depreciation & Amortisation	7,348,000	5,804,532	5,825,775	5,879,242	5,911,466	5,936,610	6,000,216	6,026,175	6,062,380	6,098,110	6,131,516	6,174,370	
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	3,299,000	3,132,061	3,114,462	3,058,304	3,074,162	3,052,142	3,054,552	3,230,622	3,270,352	3,384,022	3,501,852	3,606,908	
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	52,000	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	28,637,000	25,188,359	22,623,725	22,625,842	23,051,732	23,299,773	23,554,970	24,051,545	24,431,342	24,885,716	25,384,847	26,058,945	
Operating Result from Continuing Operations	(1,759,000)	1,008,583	2,793,330	2,074,233	2,297,662	2,046,940	2,363,137	2,392,254	2,581,657	2,713,578	2,788,079	2,660,914	
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(1,759,000)	1,008,583	2,793,330	2,074,233	2,297,662	2,046,940	2,363,137	2,392,254	2,581,657	2,713,578	2,788,079	2,660,914	
Net Operating Result before Grants and Contributions provided for													
Capital Purposes	(4,231,000)	(3,421,676)	(697,806)	(207,869)	75,280	338,773	631,166	635,883	774,642	880,287	927,855	773,690	

Budgeted Balance Sheet – General Fund

Greater Hume Shire Council

10 Year Financial Plan for the Years ending 30 June 2025

BALANCE SHEET - GENERAL FUND

Scenario: 2014/15 Delivery Plan Budget - SRV

	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	9,360,000	818,577	718,283	-	-	-	-	266,335	94,625	91,526	270,289	266,155
Investments	9,198,000	9,198,000	9,198,000	8,067,086	7,626,355	7,285,351	6,476,421	6,476,421	6,476,421	6,476,421	6,476,421	6,476,421
Receivables	3,658,000	3,937,536	3,370,654	3,298,598	3,382,372	3,404,356	3,464,512	3,537,167	3,616,087	3,695,207	3,775,296	3,853,648
Inventories	389,000	231,973	199,128	196,357	198,686	199,341	200,374	201,648	203,008	204,289	205,751	208,834
Other	-	37,973	29,278	28,370	29,033	29,135	29,414	30,313	30,797	31,498	32,259	33,406
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	22,605,000	14,224,059	13,515,343	11,590,411	11,236,446	10,918,183	10,170,720	10,511,884	10,420,938	10,498,942	10,760,016	10,838,465
Non-Current Assets												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	42,000	32,499	20,855	13,272	5,302	-	-	-	-	-	-	-
Inventories	1,730,000	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747	1,881,747
Infrastructure, Property, Plant & Equipment	328,192,000	339,189,834	342,743,416	346,020,812	348,109,389	349,856,413	354,424,831	356,444,290	359,058,544	361,637,068	364,071,186	367,053,450
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000	279,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	330,243,000	341,383,080	344,925,018	348,194,831	350,275,438	352,017,160	356,585,578	358,605,037	361,219,291	363,797,815	366,231,933	369,214,198
TOTAL ASSETS	352,848,000	355,607,139	358,440,362	359,785,243	361,511,884	362,935,343	366,756,299	369,116,922	371,640,230	374,296,757	376,991,950	380,052,663
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	2,315,000	2,101,658	1,857,950	1,665,192	1,685,281	1,683,114	1,712,434	1,746,174	1,764,322	1,790,986	1,818,896	1,862,457
Borrowings	506,000	716,398	736,595	591,109	621,315	571,501	565,371	576,497	583,715	620,796	643,761	648,906
Provisions	3,047,000	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440	3,037,440
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	5,868,000	5,855,496	5,631,985	5,293,741	5,344,036	5,292,055	5,315,245	5,360,111	5,385,477	5,449,222	5,500,097	5,548,803
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,271,000	5,024,500	5,287,905	4,896,796	4,275,481	3,703,980	5,138,609	5,062,112	4,978,397	4,857,601	4,713,840	5,064,934
Provisions	553,000	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560	562,560
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	3,824,000	5,587,060	5,850,465	5,459,356	4,838,041	4,266,540	5,701,169	5,624,672	5,540,957	5,420,161	5,276,400	5,627,494
TOTAL LIABILITIES	9,692,000	11,442,556	11,482,450	10,753,097	10,182,077	9,558,595	11,016,414	10,984,783	10,926,434	10,869,383	10,776,497	11,176,297
Net Assets	343,156,000	344,164,583	346,957,912	349,032,146	351,329,808	353,376,748	355,739,885	358,132,139	360,713,796	363,427,374	366,215,453	368,876,366
EQUITY												
Retained Earnings	208,476,000	209,484,583	212,277,912	214,352,146	216,649,808	218,696,748	221,059,885	223,452,139	226,033,796	228,747,374	231,535,453	234,196,366
Revaluation Reserves	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000	134,680,000
Council Equity Interest	343,156,000	344,164,583	346,957,912	349,032,146	351,329,808	353,376,748	355,739,885	358,132,139	360,713,796	363,427,374	366,215,453	368,876,366
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	343,156,000	344,164,583	346,957,912	349,032,146	351,329,808	353,376,748	355,739,885	358,132,139	360,713,796	363,427,374	366,215,453	368,876,366

Budgeted Cash Flow Statement – General Fund

Greater Hume Shire Council
10 Year Financial Plan for the Years ending 30 June 2025

CASH FLOW STATEMENT - GENERAL FUND
Scenario: 2014/15 Delivery Plan Budget - SRV

	Current Year 2014/15 \$	Projected Years 2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	7,113,635	7,708,722	8,251,907	8,813,010	9,097,060	9,365,939	9,642,693	9,927,643	10,221,033	10,523,115	10,834,145
User Charges & Fees	5,140,169	4,448,177	4,208,469	4,337,516	4,307,002	4,337,358	4,365,386	4,393,416	4,451,101	4,482,785	4,484,930
Interest & Investment Revenue Received	571,322	334,130	423,692	408,630	546,911	591,593	580,287	578,939	573,322	567,420	564,201
Grants & Contributions	12,594,938	13,027,961	11,417,188	11,232,361	10,895,503	11,071,733	11,289,724	11,532,568	11,766,600	12,000,500	12,239,162
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-
Other	473,106	462,232	470,422	481,791	478,170	488,182	494,223	504,548	512,088	522,833	521,969
Payments:											
Employee Benefits & On-Costs	(9,560,889)	(9,583,910)	(9,985,584)	(10,061,590)	(10,306,162)	(10,557,923)	(10,816,509)	(11,082,104)	(11,354,898)	(11,635,085)	(11,922,867)
Materials & Contracts	(5,899,027)	(3,980,079)	(3,519,920)	(3,614,981)	(3,623,844)	(3,643,035)	(3,664,708)	(3,727,419)	(3,759,545)	(3,811,182)	(4,056,298)
Borrowing Costs	(307,613)	(311,180)	(374,322)	(380,581)	(386,654)	(275,088)	(286,580)	(277,008)	(269,320)	(284,311)	(263,532)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-
Other	(3,121,718)	(3,125,531)	(3,059,460)	(3,073,318)	(3,052,012)	(3,054,196)	(3,229,478)	(3,269,735)	(3,383,130)	(3,500,882)	(3,605,448)
Net Cash provided (or used in) Operating Activities	7,003,922	8,980,522	7,832,392	8,142,838	7,955,974	8,324,563	8,375,040	8,580,847	8,757,251	8,865,192	8,796,262
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	-	-	1,130,914	440,731	341,005	808,929	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	304,000	349,000	573,500	638,000	459,000	296,000	296,000	296,000	296,000	296,000	296,000
Deferred Debtors Receipts	20,562	14,939	11,644	7,583	7,970	6,643	2,300	574	-	-	-
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	(17,808,366)	(9,728,357)	(9,730,138)	(8,638,043)	(8,142,634)	(10,864,634)	(8,341,634)	(8,972,634)	(8,972,634)	(8,861,634)	(9,452,634)
Purchase of Real Estate Assets	(25,439)	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(17,509,243)	(9,364,418)	(8,014,080)	(7,551,729)	(7,334,659)	(9,753,062)	(8,043,334)	(8,676,060)	(8,676,634)	(8,565,634)	(9,156,634)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	2,636,565	1,000,000	200,000	-	-	2,000,000	500,000	500,000	500,000	500,000	1,000,000
Payments:											
Repayment of Borrowings & Advances	(672,667)	(716,398)	(736,595)	(591,109)	(621,315)	(571,501)	(565,371)	(576,497)	(583,715)	(620,796)	(643,761)
Net Cash Flow provided (used in) Financing Activities	1,963,898	283,602	(536,595)	(591,109)	(621,315)	1,428,499	(65,371)	(76,497)	(83,715)	(120,796)	356,239
Net Increase/(Decrease) in Cash & Cash Equivalents	(8,541,423)	(100,294)	(718,283)	0	0	0	266,335	(171,710)	(3,098)	178,762	(4,133)
plus: Cash, Cash Equivalents & Investments - beginning of year	9,360,000	818,577	718,283	0	0	0	0	266,335	94,625	91,526	270,289
Cash & Cash Equivalents - end of the year	818,577	718,283	0	0	0	0	266,335	94,625	91,526	270,289	266,155
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Cash & Cash Equivalents - end of the year	818,577	718,283	0	0	0	0	266,335	94,625	91,526	270,289	266,155
Investments - end of the year	9,198,000	9,198,000	8,067,086	7,626,355	7,285,351	6,476,421	6,476,421	6,476,421	6,476,421	6,476,421	6,476,421
Cash, Cash Equivalents & Investments - end of the year	10,016,577	9,916,283	8,067,086	7,626,355	7,285,351	6,476,421	6,742,756	6,571,046	6,567,948	6,746,710	6,742,577
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Representing:											
- External Restrictions	1,326,000	1,326,000	1,326,000	1,326,000	1,326,000	1,326,000	1,326,000	1,326,000	1,326,000	1,326,000	1,326,000
- Internal Restrictions	6,377,634	5,908,489	4,172,989	3,745,310	3,407,699	3,153,728	2,908,417	2,654,716	2,410,845	2,164,464	1,918,083
- Unrestricted	2,312,943	2,681,794	2,568,097	2,555,045	2,551,652	1,996,693	2,508,339	2,590,330	2,831,103	3,256,246	3,498,494
10,016,577	9,916,283	8,067,086	7,626,355	7,285,351	6,476,421	6,742,756	6,571,046	6,567,948	6,746,710	6,742,577	