Latrobe Council

Financial Management Strategy

Incorporating the

Long Term Financial Plan

Updated
November 2023

Contents

1. Executive Summary

The Latrobe Council's Financial Management Strategy (FMS) is an important component of the Council's financial planning process as it underpins financial sustainability whilst meeting the needs and expectations of the community in delivering on Council's Strategic Plan. The FMS is a requirement under s70A of the *Local Government Act 1993.*

This FMS was first adopted by Council in October 2020 and has been updated annually since then.

An integral part of this FMS is the inclusion of the Long-Term Financial Plan (LTFP). A LTFP is a requirement under s70 of the *Local Government Act 1993*.

The FMS is integral to Council in setting the high-level financial parameters which guide the development and refinement of Council's annual budget, strategies, and actions. Council aims to achieve the following outcomes for the forward 10-year period:

- a financially sustainable operating position,
- maintaining a cash balance of around 3 months of annual operating cash payment expenses,
- comfortably meeting financial obligations as and when they fall due,
- being able to respond to unexpected events (i.e. floods, fires, etc), and
- balanced and responsible rating decisions.

In determining the minimum cash balance Council has relied on information provided by the Tasmanian Audit Office (TAO). The TAO in 2019 determined the following benchmarks to assess the adequacy of cash balances held by a council:

- less than 3 months expense coverage – level of cash considered low
- 3 to 6 months – level of cash considered adequate
- 6 to 12 months – level of cash considered high
- greater than 12 months – level of cash considered excessive.

Note: TAO benchmark does not take into consideration capital expenditure requirements.

Based on recurrent expenses between 3 to 4 months, the range identified during the life of the Plan is for a cash balance between $3.3m and $6.4m at the end of each financial year. Council will remain above the mid-range for the life of the plan, however trending down to 3-month target from 2032/33. Council proposes to monitor this in future updates of the LTFP. Achieving the desired level of cash on hand allows Council to have sufficient financial capacity to deal with any unforeseen impacts (i.e. floods, pandemic, etc).

Council has incorporated both the FMS and LTFP into a single document to ensure it meets its statutory obligations, but more importantly it allows a single point of reference when it comes to future financial planning.

The LTFP generates information that will assist Council decision making relating to the mix, timing, and affordability of future outlays on normal operating activities, renewal and the replacement of existing assets and the creation and funding of new assets. The LTFP is instrumental in ensuring Council delivers enhanced services now and into the future by providing optimal value in the delivery of community outcomes.

The LTFP is prepared in 'constant dollars', also known as 'real or today's dollars'. As a result of using 'today's dollars' the plan discounts future loan interest payments to convert them to an equivalent current dollar amount. The discount rate is based on average CPI of 2.5 per cent over the 10-year period.

The Latrobe and Kentish Councils have developed a shared workforce with common management and common systems. This allows the two Councils to share resources, knowledge, and skills to optimise the efficiency and effectiveness of service delivery to their separate communities. Significant efficiencies have been achieved (with more to come) through this arrangement, placing both Councils on a more sustainable trajectory moving forward.

In preparing the LTFP, several key assumptions have been applied. The 2023/24 'Budgeted Statement of Comprehensive Income' forms the base data of the Plan. Adjustments have been made to the 2023/24 Budget to reflect the actual Financial Position from the 2022/23 Financial Statements. The LTFP presents ten years of financial projections underpinned and influenced by this base data.

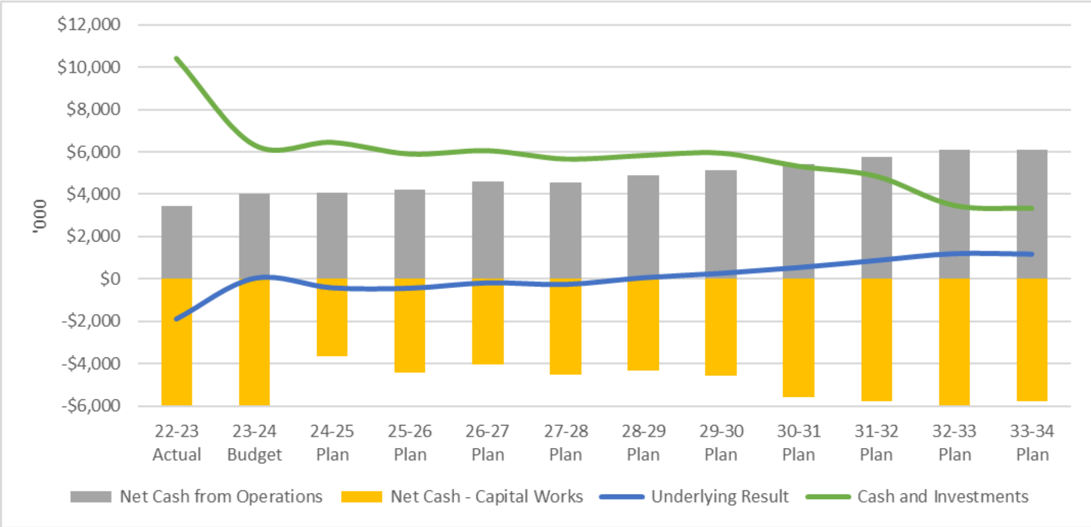
Generally, Council has assumed overall service levels will remain largely unchanged throughout the 10-year forward projection period. It is conceded at times Council can make decisions which impact on its forward plans due to changed or unexpected circumstances (i.e. Council's decision to support the reopening of the hydrotherapy pool at Latrobe). The principles which will guide the Council in determining its financial management strategies are as follows:

- finances will be managed responsibly,
- maintain principles of equity across generations,
- a sustainable financial position will be maintained,
- community benefit will underpin decision-making, and
- a balanced underlying operating result.

Other influences which the Council may consider in making financial decisions include:

- impact of new/increased/additional services,
- provisions for future works,
- grant funding opportunities which may arise,
- awareness of impacts of events such as COVID-19, natural disasters, etc; and
- improved revenue raising options.

With these principles in mind, this Plan is based on, and achieves, the following outcomes:



- Underlying Result $1.9m deficit for 2022/23 financial year with a budgeted surplus of $34k estimated for 2023/24. It is projected for the balance of the Plan, Council will achieve underlying surpluses from 2028/29 with underlying deficits from 2024/25 to 2027/28. Despite underlying deficits until 2028/29, over the ten-year plan, there is an average annual underlying surplus of $290k.
- Borrowings of $6.25m were drawn down in 2020/21 and a further $5.0m to assist in funding the Latrobe Flood Mitigation Project was taken up in June 2022. The State Government interest subsidy on the $6.25m loan expires in April 2024 and this loan will be refinanced at that time. No further borrowings are projected during the life of the Plan. By 2033/34 the Council's loan debt will reduce to $4.8m.
- Renewal and replacement of existing assets equalling $7.2m in 2023/24 and totalling $40.1m during the life of the Plan.
- New and upgraded assets equalling $8.2m in 2023/24 and totalling $23.2m across the life of the Plan. This includes $11m of expenditure commencing in 2030/31 each year towards the rehabilitation of the Port Sorell Landfill Site. An expectation of external government funding of 50 per cent or $5.5m towards the rehabilitation project has also been included in the Plan.
- Capital grants of $13.7m during the life of the Plan. This includes unconfirmed funding of $4m for the Latrobe Youth Centre along with unconfirmed external funding of $5.5m for the Port Sorell Landfill Site.

Based on the assumptions outlined in this Plan it can be assumed the Latrobe Council is financially sustainable into the future.

2. Strategic Context

The statutory requirements Council is to follow in relation to the preparation of the FMS is provided at s70A of the *Local Government Act 1993*.

70A. Financial management strategies

(1) A council is to prepare a financial management strategy for the municipal area.

(2) A financial management strategy for a municipal area is to –

(a) be consistent with the strategic plan for the municipal area; and

(b) contain at least the matters that are specified in an order made under section 70F as required to be included in a financial management strategy.

An integral part of this FMS is the inclusion of the Long Term Financial Plan (LTFP). The *Local Government Act 1993* at s70 outlines what is to be included in the LTFP.

70. Long-term financial management plans

(1) A council is to prepare a long-term financial management plan for the municipal area.

(2) A long-term financial management plan is to be in respect of at least a 10-year period.

(3) A long-term financial management plan for a municipal area is to –

(a) be consistent with the strategic plan for the municipal area; and

(b) refer to the long-term strategic asset management plan for the municipal area; and

(c) contain at least the matters that are specified in an order made under section 70F as required to be included in a long-term financial management plan.

The *Local Government (Content of Plans and Strategies) Order 2014* further outlines the disclosure expectations as to what is to be included in the FMS and the LTFP. This FMS complies with the disclosure requirements of the Order.

The FMS is an integral component of the Council's overall strategic planning framework:

The FMS and LTFP translates the objectives and strategies outlined in the Strategic Plan into projected financial outcomes predicted over a 10-year period.

Optimising the integration between Council's Strategic Plan intentions, ensures the development and implementation of a robust and transparent system of financial management which is aimed at upholding and maintaining Council's long-term financial sustainability.

Financial Sustainability *- A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disrupting impacts on the delivery of services.*

3. Financial Principles

The following principles serve to guide Council in setting its financial goals and strategies:

1. Finances will be managed responsibly

Council will only raise the revenue it requires to meet its needs to provide services and the management and maintenance of community assets. Council will responsibly manage all funds under its control in line with acceptable community standards and expectations.

2. Maintain principles of equity across generations

Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met by revenue streams. When considering the creation of new assets, the Council will equally consider issues relating to inter-generational equity principles.

3. A sustainable financial position will be maintained

Council will accumulate enough financial resources and maintain the borrowing capacity to address unexpected events and volatility. Council's budget will be appropriately managed to allow sufficient flexibility to ensure volatility in revenues and expenses, resulting from a changing economic environment, can be accommodated.

4. Community benefit will underpin decision-making

Council will place a high emphasis on ensuring the appropriate allocation of resources through its budgeting processes. Council will regularly report to the community on its management of the financial resources which have been entrusted to it by its ratepayers.

5. A balanced operating result

Council is committed to the equitable and consistent generation of revenue and the effective delivery of services that are appropriate for the community. The Council will aim to achieve a small underlying surplus on average over the medium-term to provide a buffer against risk and uncertainty. The generation of an average underlying surplus over the medium-term indicates Council can continue to adequately fund existing services into the future. Achieving an underlying surplus assists Council in meeting its future debt repayments and the funding of infrastructure renewal projects and allows Council to deal with unforeseen events which may occur from time to time (i.e. COVID-19, floods, fires, etc).

The Council, providing it follows the principles contained within this Plan, when determining its Annual Plan and Budget Estimates, will be able to demonstrate financial sustainability into the future.

4. Key Influences and Risks

The FMS generates information which is used to guide decisions about Council operations into the future. As with any forward-looking plan, the outcomes achieved are subject to many inherent influences:

External Influences
items outside of Council's control

Internal Influences
items that Council can control

Community Influences / Drivers

4.1 External Influences

- Unforeseen economic changes or circumstances such as:
  - interest rates fluctuations,
  - localised economic growth including residential development and new business,
  - changes to specific programs such as Financial Assistance Grants, and
  - impacts from events such as floods, fire, and other emergencies (i.e. COVID-19)
  - changes in prices as influenced by:
    - Consumer Price Index (CPI)
    - Local Government Association of Tasmania (LGAT) Price Index

- Unforeseen political changes or circumstances such as:
  - changes to levies and their conditions (e.g. Environment Protection Authority, Waste Levy, Fire Levy),
  - cost of resources (e.g. fuel and water),

- cost shifting from other levels of Government,
- a change in the level of legislative compliance, and
- increased environmental standards.

- Variable climatic conditions such as:
  - Storm and fire events,
  - climate change, and
  - sea level rise.

4.2 Internal Influences

- agreed service level review outcomes,
- asset management,
- depreciation estimate,
- risk of unforeseen cost increases on major capital projects,
- rate increases and other financial impacts,
- performance management,
- efficiencies in service delivery and administrative support, and
- salaries and wages and impacts of Enterprise Agreement increases.

4.3 Community Drivers

- community needs and expectations,
- Strategic Plan, and
- other key strategies.

To minimise the inherent risks of long-term financial planning, Council will annually review and update the FMS to ensure the most recent economic data and forecasts are being used as the basis for informing future projections. Any material changes to the way in which the Council operates, or which may be imposed on local government, will also be updated through this annual review process.

5. Long Term Financial Plan - Basis of Preparation

The LTFP is key to establishing funding requirements of Council's Asset Management Plans and other strategic priorities, ensuring the Council continues to operate sustainably into the future. It enables the Council to effectively manage service levels, asset funding and revenue raising decisions, balanced with achieving the desired financial outcomes and identified key performance indicators.

In developing the LTFP, key financial principles are established that underpin Council's projected financial performance and position over the forward 10-year period. Due to the variable nature of the assumptions, Council will undertake an annual review of the LTFP. This will provide the Council with the opportunity to review its financial principles and assumptions allowing it to adapt to any internal or external influences, changes in proposed service levels or identified new/additional projects.

The financial projections contained within this Plan, provide an indication of Council's direction and financial capacity in the future, and are intended to be viewed as a guide. Council will ensure it only raises the revenue it needs and will do so in the most efficient and equitable manner possible.

The financial statements included in the Plan outline the projected long term financial position and performance of the Council over the next 10 years through the following statements:

Estimated Statement of Comprehensive Income - shows the expected operating result over the next 10-year period and is reflective of the Council's known income and expenditures.

Estimated Cashflow Statement - shows the projected net cash inflows and outflows over the same period.

Statement of Financial Position – shows the expected Balance Sheet outcome including assets, liabilities, and accumulated surpluses.

5.1 Finance Strategies

Council has adopted a strategic approach to its financial planning which is influenced by current and predicted economic environments, its financial position, and the impacts of both internal and external influences. Employing a strategic approach to its long-term planning is designed to ensure:

- the Strategic Plan is supported,
- long term financial sustainability,
- intergenerational equity,
- the needs and expectations of the community are catered for,
- delivery of appropriate, targeted, efficient, and effective services, and
- responsible revenue raising and rating decisions.

This will lead Council to achieving:

- continued funding to ensure infrastructure is replaced and maintained when required,
- commitment to major projects which span more than one year,
- full life-cycle costing of any new or enhanced services or construction of new assets through savings, rate increases or grant funding, and
- maintaining services at appropriate levels.

5.1.1 Cost Index

For the purposes of developing the LTFP the 2023/24 budget figures have been used as a 'constant' over the life of the Plan. The only increases applied to revenues and expenditures are those which are likely to be outside the normal cost of living influences (e.g. rates revenue greater than CPI and natural growth, additional employees, or material costs because of new assets or increased service delivery).

The LTFP forecasts an Underlying Operating Surplus of $34k in 2023/24. It is expected that for the remaining years there will be Underlying Operating Surpluses achieved from 2028/29, with underlying deficits from 2024/25 to 2027/28. This strategy is both prudent and essential to produce a balanced and financially sustainable LTFP. The latter years of the Plan show consistent growth in underlying surpluses stabilising at the mid target range in 2033/34. These projections will be influenced by decisions made by future Council's with respect to projects and services which are to be delivered over the medium to longer term and are therefore likely to be adjusted in future iterations of this Plan.

5.1.2 Revenue Strategies

5.1.2.1 Rating Strategy

Rates represent the largest share of Council's income each year and therefore is an important component of the financial planning process. Council aims to balance its service levels by considering the needs and expectations of the community and setting appropriate levels of rates to adequately meet its requirements. Each year in determining the rating levels to be applied Council will consider the following factors:

- level of State and Commonwealth Government funding,
- current economic climate,
- level of services to be delivered,
- impact of CPI increases and the Local Government Cost Index, and
- the capacity of the community to pay.

Council aims to spread the rate burden across the community with those having the greatest capacity to pay, paying more than those with lesser capacity. Council must balance this principle acknowledging that some within the community have a greater impact on services and derive a greater benefit from some services provided. Council acknowledges that service levels provided will vary between localities, but equally valuation levels which influence the rates charged, will be reflective of this.

Council has a Rates and Charges Policy which sets out the property valuation basis used by Council in setting rates.

5.1.2.2 Fees and Charges Strategy

Council will review fees and charges each year with a view to balancing the community's need for the services provided and the capacity of the users to pay for those services. Council adopts the general philosophy that users should pay for the service provided but recognises that full cost recovery may not be possible in all situations.

5.1.2.3 Other Revenue Strategy

Other revenue streams include investment income from dividends and grant income. Council holds a 1.9 per cent equity investment in the Tasmanian Water Corporation (TasWater) and an 11.25 per cent share in the Dulverton Regional Waste Management Authority. As part owners of these entities, Council receives dividends and tax equivalents.

While allowance has been provided for TasWater Dividends to be paid in the future, Council accepts that the payment of dividends is not necessarily guaranteed. If at some point in the future, there are changes to TasWater's dividend policy this Plan will need to be updated to reflect the impact.

The main source of grant income is the Financial Assistance Grant (FAG), administered by the State Grants Commission on behalf of the Federal Government. Council will continue to participate in the review of this grant and provide information to the State Grants Commission to assist it in determining the most equitable distribution of the funds.

Council will identify and apply for operational and capital grant funding as and when opportunities arise.

5.1.3 Expenditure and Service Delivery Strategies

5.1.3.1 Service Delivery and Cost Management Strategy

Council will regularly review its service levels and delivery arrangements to ensure they are provided as efficiently as possible and continue to meet community needs. Council has a focus of developing a cost management culture, encouraging all managers to be involved in maximising value through accountability in the annual budget process, involvement with ongoing monitoring, reporting, and forecasting.

Any additional expenditure highlighted in new strategies developed through the year will be considered through the annual budgeting process.

5.1.3.2 Procurement Strategy

Council will comply with its Purchasing Policy and Code for Tenders and Contracts to ensure that all expenditure is subjected to the appropriate controls and represents best value.

5.1.3.3 Prudent management of assets and liabilities, including debt and cash reserves

Council aims to ensure its assets and liabilities are managed in a manner which will provide sustainable service delivery.

5.1.3.4 Asset Management Strategy

The key objective of Council's asset management process is to maintain existing assets at desired condition levels. The appropriate management of assets should ensure that they continue to deliver services into the future. Council will aim to meet the asset renewal requirements as outlined in its Long-Term Asset Management Plans (LTAMP).

Council has an Asset Management Policy which influences the Asset Management Strategy and individual Asset Management Plans. Together these documents form the framework for how Council plans to manages its assets. The documents will be reviewed regularly to ensure compliance with relevant legislative requirements and contemporary asset management practices.

5.1.3.5 Investment Strategy

Council's cash balances will be managed to achieve the best available investment returns while at the same time ensuring cash is available when needed for the payment of planned expenditures. Any investment of Council funds will be cognizant of the need to manage any associated risks and be in accordance with the Council's Investment Policy.

Council will use the Cash Flow Projections contained in the LTFP to assist in the management of cash and investments and to maintain an acceptable cash balance within the target range.

5.1.3.6 Debt Strategy

Council will consider the use of debt to fund major new capital expenditure which provide benefits to ratepayers into the future. Where appropriate, Council will assess the term of the debt in relation to the life of the asset. The use of debt in this manner attempts to address the issue of inter-generational equity.

When considering new debt, Council will evaluate the impact of borrowing costs on current and future budgets and capacity to repay the debt.

Council will use the Cash Flow Projections contained in the LTFP to assist in the management of debt and cash reserves.

When borrowing, Council will raise all external debt at the most competitive rates and from sources available as defined by legislation.

5.1.3.7 Timely and accurate disclosure of financial information

Council will prepare regular financial reports which will contain summaries of the information contained in the Statement of Comprehensive Income, Statement of Financial Position, Capital Expenditure Report and other relevant financial data and commentary. Council will also prepare an Annual Plan and Budget Estimates each year which will set out the information for the next financial year and the goals and actions proposed.

Council will comply with all statutory requirements in relation to the preparation of its Annual Financial Statement and external audit and will maintain an Audit Panel to provide oversight of risk management and financial performance.

5.2 Key Economic Assumptions

It is important the LTFP reflects the most recent economic data and forecasts which are available to the Council at a point in time. A review will be conducted each year to ensure that the underlying parameters and key assumptions remain reasonable given the current economic conditions and known influences.

5.2.2 Salaries and Wages

The 2023/24 budget for salaries and wages has been undertaken following a bottom-up approach and includes 87.9 Full Time Equivalents (FTE) spread across both the Latrobe and Kentish Councils as part of its Shared Services arrangements. 51.80 FTE are employed by Latrobe.

Staff costs are dependent on future Enterprise Agreement (EA) outcomes. The existing EA has pay increases of 2.75 per cent each year linked to Hobart CPI and capped at a maximum of 3.75per cent. This agreement has a nominal expiry date of 30 June 2025.

5.2.3 Rates

In setting its rates each year Council considers the current economic climate and external impacts which can potentially impact the community’s capacity to pay. The aim in setting Council’s rates and charges policy is to ensure the spread of the burden is fairly distributed across the community.

The Latrobe Council area continues to experience above average growth in building activity. Natural growth has therefore been projected to increase at a steady rate of 2 per cent per year for the life of the Plan.

In addition to growth Council has then allowed a further 2 per cent increase above CPI for three years from 2024/25 and then 1 per cent from 2027/28, to ensure it remains on a sustainable forward trajectory. In recent years Latrobe has had significant population growth above the Tasmanian average. Keeping pace with the development of new facilities and programs to meet the community’s needs requires additional revenue raised through the rating processes.

Over the life of the plan, rating may be affected by external influences which are not currently known (i.e. the recent introduction of the State-wide waste management levy). When the plan is reviewed on an annual basis it will be updated to reflect any such likely impacts. Another example would be a decision to introduce new services such as a Food Organics & Garden Organics (FOGO) collection.

5.2.4 Capital Works

The Council is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities to the community. The renewal of assets is tied to community service level expectations and the various Asset Management Plans.

This LTFP has been prepared based on available capital expenditure forecasts and includes:

- renewal and replacement of existing assets totalling $40.1m, and
- $12.1m on new and upgraded assets.
- $11.1m to commence the rehabilitation of the former Port Sorell Landfill Site.

5.2.5 Debt levels

A major component of the services Council provides are asset intensive which often requires a significant investment, initially for acquisition and then the ongoing costs due to maintenance and future renewal obligations.

Council has for many years had low debt levels. It is recognised though that without the use of debt, it can prove difficult for Council to finance the acquisition of new assets. At times it is appropriate when considering the creation of new assets for these to be funded using debt. Using debt, when done equitably and responsibly, helps reduce the impact of new asset creation being totally funded by current ratepayers as it spreads the cost out over an extended period – otherwise known as intergenerational equity.

No new debt has been built into the LTFP with sufficient cash being generated to meets asset renewals. Consideration will be given to pay down debt if excess cash is available and future liabilities such as the rehabilitation of the Port Sorell Landfill Site can be met.

Council took advantage of the State Government's COVID-19 loan interest subsidy to borrow $6.25m in 2020/21 to assist in funding the Port Sorell Caravan Park upgrade, the Banksia Park redevelopment, the Wild Mersey Bike Bridge, and other community projects.

The loan interest subsidy was for a 3-year period and is reflected in the plan as both an expense and as revenue. The interest subsidy will expire in the 2023/24 financial year, requiring the Council to refinance the borrowings. The LTFP includes the assumption this loan will have a 5.2 per cent interest rate over a 20-years for Port Sorell Caravan Park and Camp Banksia and 10-years for the other community projects which benefited from the initial borrowings.

The Council secured a further $5m through new borrowings in June 2022 to assist it to fund the Latrobe Flood Mitigation Project. The interest rate for this loan is fixed at 4.97 per cent for the first 10 years of the 30-year term.

Council currently exceeds the Treasury benchmark ratio and will need to seek approval for the refinancing of the $6.25m. There is a small residual risk that approval might be withheld which would require Council to repay the debt. In the small likelihood this occurred, the Council would need to review its capital works proposals in the outer years of the Plan.

The loan debt summary, adjusted to 'today's dollars' for the life of the Plan is as follows:

Yer	Opening Debt Balance $'000	New Loans $'000	Repayments $'000	Adjustment to 2023 $'s $'000	Closing Debt Balance $'000
2023/24	11,175	-	79	-	11,097
2024/25	11,097	-	377	271	10,449
2025/26	10,449	-	387	255	9,807
2026/27	9,807	-	397	239	9,170
2027/28	9,170	-	408	224	8,538
2028/29	8,538	-	419	208	7,911
2029/30	7,911	-	430	193	7,288
2030/31	7,288	-	441	178	6,669
2031/32	6,669	-	453	163	6,053
2032/33	6,053	-	465	148	5,441
2033/34	5,441	-	477	133	4,831

6. Overview of the Long-Term Financial Plan

6.1 Estimated Statement of Comprehensive Income (Summary)

	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Budget	24-25 Plan	25-26 Plan	26-27 Plan	27-28 Plan	28-29 Plan	29-30 Plan	30-31 Plan	31-32 Plan	32-33 Plan	33-34 Plan
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Recurrent Income	13,419	15,523	15,714	16,791	16,917	17,064	17,432	17,777	18,137	18,507	18,899	19,285	19,673	20,057
Recurrent Expenses	13,122	20,796	17,614	16,757	17,329	17,498	17,608	18,030	18,071	18,232	18,348	18,398	18,462	18,870
Underlying Result	**297**	**(5,273)**	**(1,900)**	**34**	**(412)**	**(434)**	**(176)**	**(253)**	**66**	**275**	**551**	**887**	**1,211**	**1,187**
Capital Income	1,008	2,777	9,253	7,225	1,041	311	4,311	311	561	311	1,311	1,485	2,554	1,432
Infrastructure Donations	7,632	3,326	1,526	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Adjustment for Grants														
Comprehensive Result	**8,937**	**830**	**8,879**	**8,259**	**1,629**	**877**	**5,135**	**1,058**	**1,627**	**1,586**	**2,862**	**3,372**	**4,765**	**3,619**

6.2 Estimated Cashflow Statement (Summary)

	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Budget	24-25 Plan	25-26 Plan	26-27 Plan	27-28 Plan	28-29 Plan	29-30 Plan	30-31 Plan	31-32 Plan	32-33 Plan	33-34 Plan
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
perating Activities														
eceipts	14,304	16,838	18,360	16,227	16,705	17,021	17,389	17,734	18,094	18,464	18,856	19,242	19,630	20,014
ayments	11,004	13,930	14,913	12,219	12,652	12,787	12,785	13,185	13,199	13,342	13,442	13,477	13,527	13,921
let Cash from Operations	**3,300**	**2,908**	**3,447**	**4,008**	**4,053**	**4,234**	**4,604**	**4,549**	**4,895**	**5,122**	**5,414**	**5,765**	**6,103**	**6,093**
vesting Activities														
eceipts	1,483	2,758	9,091	7,425	1,041	311	4,311	311	561	311	1,311	1,485	2,554	1,432
ayments	6,868	7,769	17,892	15,455	4,677	4,711	8,361	4,845	4,872	4,890	6,906	7,269	9,573	7,192
et Inverstments	2,776	3,524	(10,000)	-	1,000	(500)	-	-	-	-	(500)	-	(1,500)	-
let Cash - Capital Works	**(8,161)**	**(8,535)**	**1,199**	**(8,030)**	**(4,636)**	**(3,900)**	**(4,050)**	**(4,534)**	**(4,311)**	**(4,579)**	**(5,095)**	**(5,784)**	**(5,519)**	**(5,760)**
nancing Activities														
eceipts	6,250	5,090	(85)	-	-	-	-	-	-	-	-	-	-	-
ayments	81	257	81	79	296	387	397	408	419	430	441	453	465	477
let Financing Cost	**6,169**	**4,833**	**(166)**	**(79)**	**(296)**	**(387)**	**(397)**	**(408)**	**(419)**	**(430)**	**(441)**	**(453)**	**(465)**	**(477)**
ash at Beginning	942	2,250	1,456	5,936	1,835	956	903	1,060	667	832	945	823	351	470
ash at Year End	**2,250**	**1,456**	**5,936**	**1,835**	**956**	**903**	**1,060**	**667**	**832**	**945**	**823**	**351**	**470**	**326**
ash and Investments	**13,226**	**15,956**	**10,436**	**6,335**	**6,456**	**5,903**	**6,060**	**5,667**	**5,832**	**5,945**	**5,323**	**4,851**	**3,470**	**3,326**

7. Key Outcomes

The LTFP is based on and achieves the following projected outcomes:

- A comprehensive result (surplus) of $8.3m in 2023/24 and surpluses across all remaining years.
- An underlying surplus of $34k in 2023/24 and Council will achieve underlying surpluses from 2028/29 with underlying deficits from 2024/25 to 2027/28.
- Total loan debt in 2023/24, $11.2m reducing over the life of the Plan to $4.8m in 2033/34.
- Financial indicators are generally acceptable throughout the life of the Plan.
- Renewal and replacement of existing assets equalling $7.3m in 2023/24 and totalling $40.1m during the life of the Plan.
- New and upgraded assets equalling $8.2m in 2023/24 and totalling $12.1m over the life of the Plan.

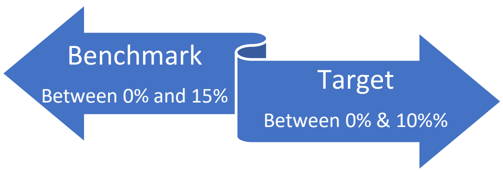
7.1 Financial Indicators

To remain financially sustainable, Council must have enough capacity to be able to manage future financial risks. Example of this were events like the 2016 floods and the COVID19 pandemic.

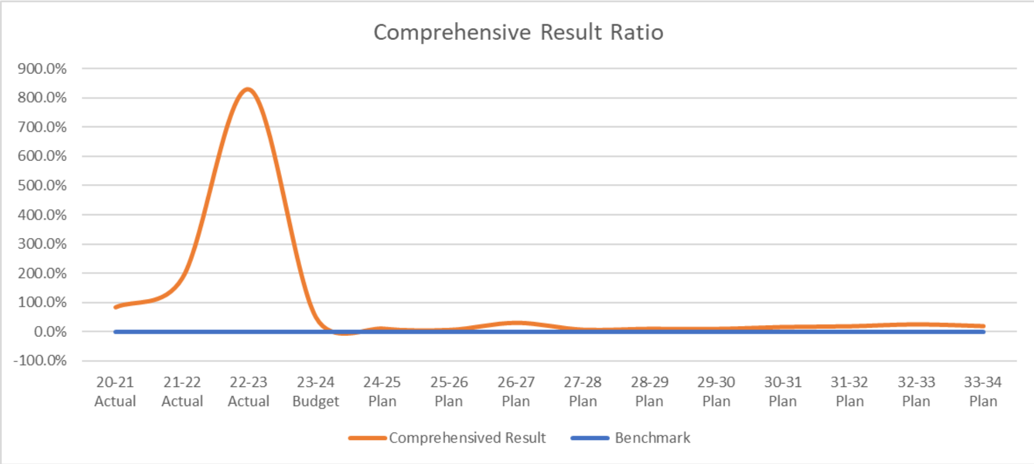
To enable Council to measure performance, the State Government identified several ratios and indicators which are to be applied to all local government entities. These indicators are contained in the *Local Government (Management Indicators) Order 2014*. A number of these indicators have been included in this Plan.

7.1.1 Financial Operating Performance

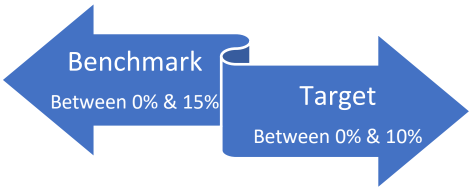
Comprehensive Result Ratio - *the comprehensive result ratio expresses the comprehensive result as a percentage of the recurring operating income.*



This ratio serves as an overall measure of financial operating effectiveness. To ensure long-term financial sustainability Council should budget and operate to break even, thereby avoiding underlying deficits. Achieving a break-even position indicates Council can generate sufficient revenue to fulfil the operating requirements including coverage of its depreciation expense. Breaking even is represented by an underlying surplus ratio of zero. A result greater than 0 per cent indicates a surplus, the larger the surplus the stronger the result and therefore stronger assessment of sustainability. A negative result indicates a deficit which cannot be sustained in the longer-term.

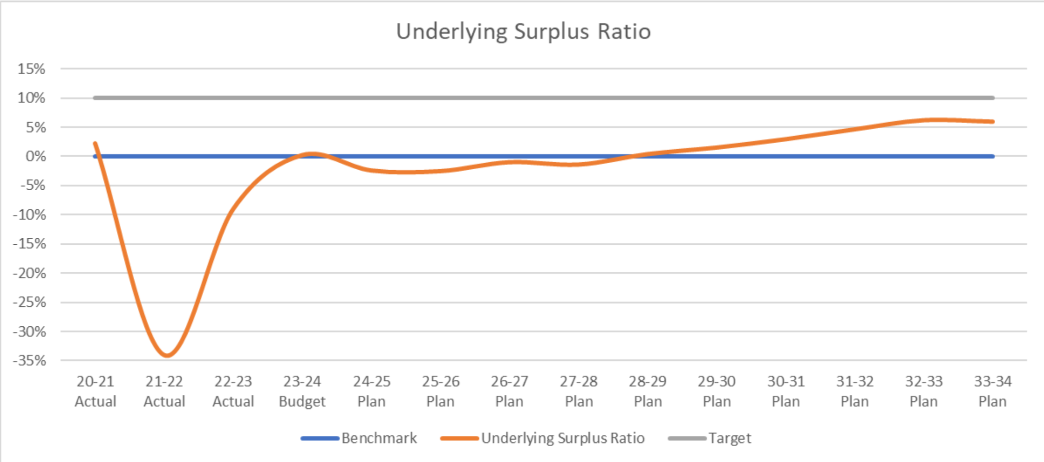


***Underlying Surplus Ratio** - the underlying surplus is the amount that is the recurrent income (not including income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature) for a financial year less the recurrent expenses for the financial year. The underlying surplus ratio expresses the recurrent income as a percentage of recurrent expenditure.*



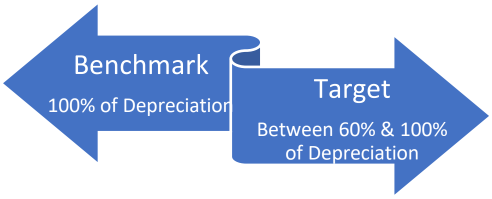
A result greater than 0.0 per cent indicates a surplus, the larger the surplus the stronger the result and therefore the stronger assessment of sustainability. A negative result indicates a deficit which cannot be sustained in the longer-term. The Underlying Surplus Ratio is calculated from using revenue from the comprehensive income statement adjusted for capital grants income, developer contributions and any other material one-off (nonrecurring) items of revenue.

The Underlying Surplus Ratio is forecasted to be within the benchmark for 2023/24 but is budgeted to be a deficit in 2024/25 to 2027/28 before returning to surplus for the life of the Plan, therefore achieving the minimum benchmark of 0.0 per cent for the last six years of the Plan.



7.1.2 Asset Management Performance

Asset Sustainability Ratio - *the asset sustainability ratio indicates whether a Council has been maintaining existing assets at a consistent rate.*

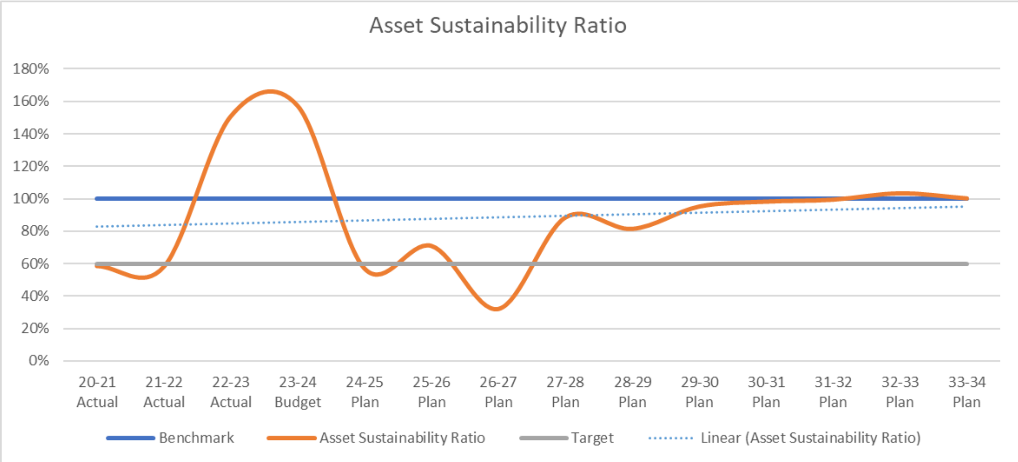


This ratio is calculated as the total capital renewal expenditure divided by depreciation expense. A result of greater than 100 per cent indicates that spending on existing assets is greater than the expected useful lives. The benchmark result is 100 per cent.

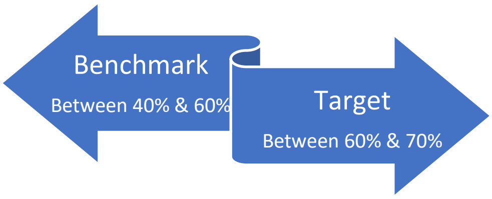
The graph shows that Council does not meet the 100 per cent benchmark for capital expenditure on asset renewal until 2032/33. While this shortfall is sustainable in the medium term, Council plans to address this issue in the future. While the benchmark is not met, the target of 60 per cent is met in all years of the Plan, except 2026/27.

In recent years due to population growth and increased service demands the Council has undertaken an aggressive program of new asset creation. In the early part of the asset life the requirement for maintenance is generally lower and therefore has an impact on this ratio calculation.

This ratio highlights the need for Council to continue to build cash reserves, through the generation of underlying surpluses, to allow increased expenditure on maintaining existing asset infrastructure.

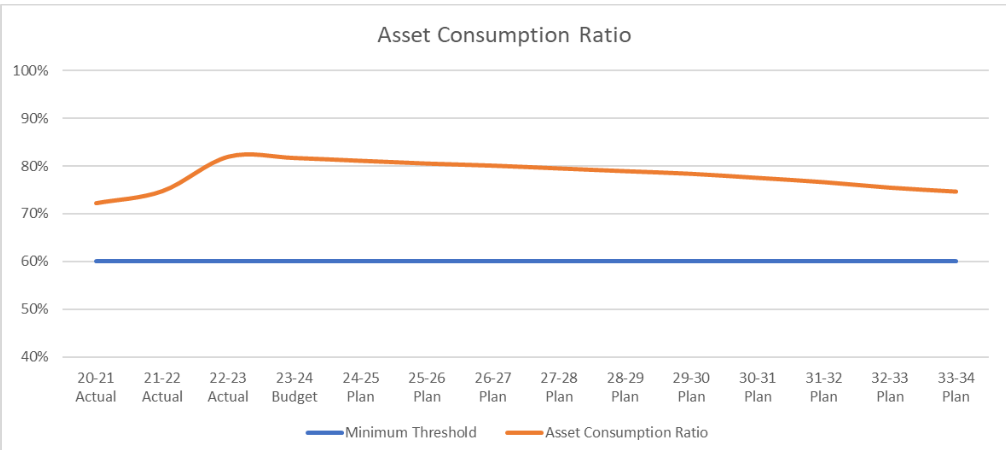


Asset Consumption Ratio - *the asset consumption ratio indicates the level of service potential available in Council's existing asset base.*



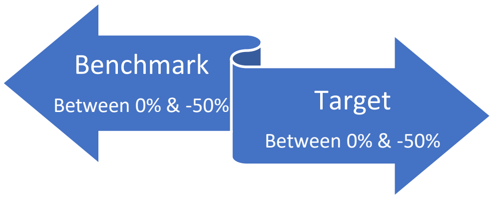
The ratio is calculated by dividing the depreciated replacement cost over the current replacement cost and is an indicator of the remaining useful life of the infrastructure asset. During the life of the Plan, Council maintains a ratio above the minimum threshold of 60 per cent.

On average assets are less than 25 per cent through their useful lives which helps to explain the below benchmark on renewals.



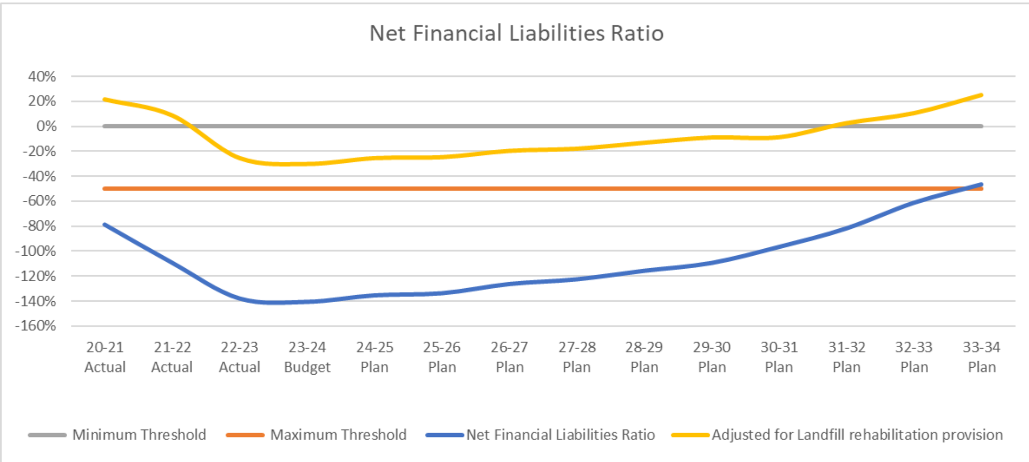
7.1.3 Liquidity Ratios

Net Financial Liabilities Ratio - *this measure shows whether Council's total liabilities can be met by its liquid assets.*



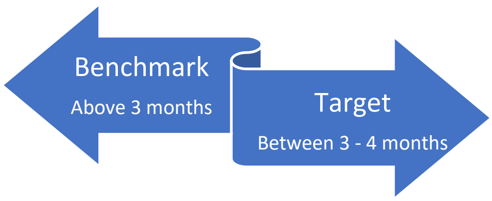
Net Financial Liabilities represent the total value of liabilities less cash and receivables. An excess of total liabilities over liquid assets means that, if all the liabilities fell due at once, additional revenue would be needed to fund the shortfall.

The net financial liabilities ratio exceeds the benchmark during the life of the Plan due in part to the Landfill Rehabilitation Site Provision. This ratio returns to within the benchmark range of 0 per cent to -50 per cent by 2033/34.



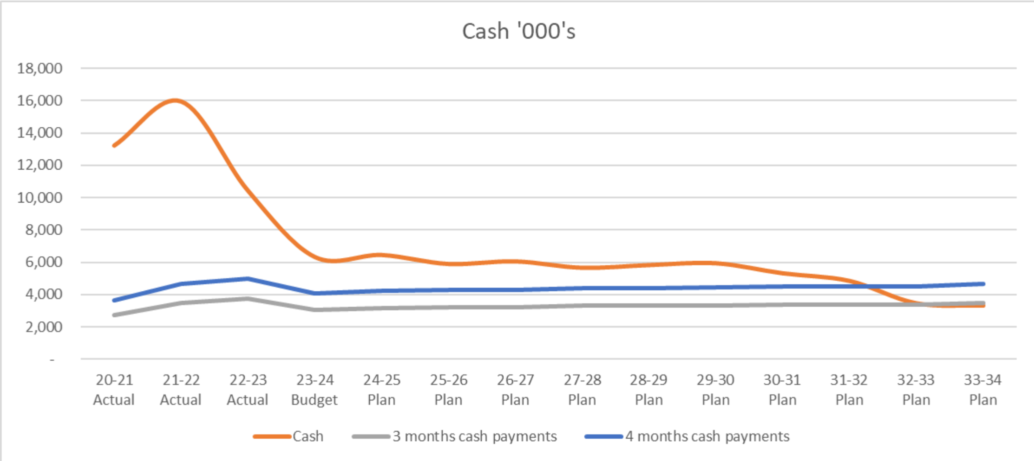
7.1.4 Cash at Bank

Cash at Bank - *looks at the amount of cash held by council compared to operating cash payments each year to demonstrate that Council is maintaining an adequate level of cash to meet its payment obligations within the determined target range.*



Council is holding sufficient cash to comfortably meet its obligations throughout the life of the Plan.

The reduction in cash from 2030/31 is a result of the plan to commence the Port Sorell Landfill Site Rehabilitation Project.



8. Long Term Financial Plan - General Assumptions

8.1 Indexation

All data is expressed at current value, that is, all projections are expressed in 2023/24 values based on Council's adopted budget. Revenue and expenses have not been indexed for CPI. Any material changes in revenue or expenses more than or below CPI are explained below.

8.2 Rounding

All amounts in the Plan are rounded to the nearest $1,000.

8.3 Income Assumptions

8.3.1 Rates

Council currently has two rating categories – General and Service rates.

General rates are levied based on the Annual Assessed Value of properties, as determined by the Valuer General. Council has adopted differential rating based on the use of the property/land. The service rates cover waste management. Council also collects the Fire Levy on behalf of the State Government as a Service rate.

The Plan assumes natural growth rate of 2 per cent due to the level of building and construction activity together with an increase of 2 per cent above CPI for three years from 2024/25 and 1 per cent from 2027/28.

8.3.2 Statutory Fees and User Charges

This category covers a wide range of Council services including revenue from:

- planning and development applications
- inspections
- animal registrations
- user fees relating to various Council owned facilities, (e.g. community housing)

Several allowances were provided in relation to fees and charges due to COVID-19 in the 2020/21 budget. A return to normal fees and charges has been included in the 2023/24 budget following the completion of the redevelopment of the Banksia Facilities.

8.3.3 Government Grants

Operating grants are received from both State and Federal Government for the purpose of delivering Council services. The State Government provided an interest subsidy to Council for new borrowings because of COVID-19. The interest subsidy was for a period of 3 years. The interest subsidy will cease during 2023/24.

The main source of grant revenue is through Financial Assistance Grants (FAG). The level of FAG revenue has been maintained at the same level going forward.

8.3.4 Interest

Interest on investments has been calculated on the estimated average cash balance at a rate of 4 per cent for the life of the Plan. Historically, cash levels are higher in the first half of the financial year than in the second, due to the timing of rate receipts and Council's capital expenditure program. Interest income may fluctuate over the term of the Plan due to changing investment balances.

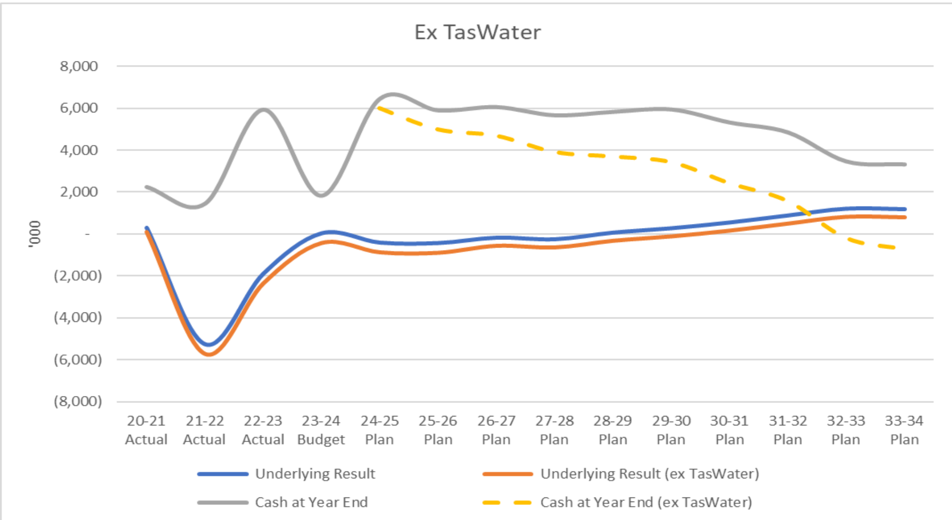
8.3.5 Dividends Received

$458k is forecast to be received in TasWater dividends from 2023/24 to 2025/26 including an annual special dividend of $76.4k to make up for distributions withheld due to COVID-19 impacts. This special dividend is not expected to continue after 2025/26 so distributions are expected to decrease by $76.4k from 2026/27 onwards.

While allowance has been provided for TasWater dividends to be paid, Council accepts the payment of dividends is not necessarily guaranteed.

If at some point in the future, there are further changes to TasWater's dividend policy this Plan will be updated to reflect the impact. A loss of the TasWater dividend would have a negative impact on the financial performance of Council. The dividend if not received would equate to an approximate 5 per cent General Rate increase to make up the shortfall in revenue, or alternatively Council may need to reduce service levels.

The following graph is provided to demonstrate the impact on the Underlying Surplus and Cash on Hand if the dividends are no longer available:



Dividends and tax equivalents from Dulverton Waste Management Authority have been factored in for the life of the Plan.

Dulverton Waste Management Authority has provided three years data on equity distribution for 2023/24 to 2025/26 reducing from $611k in 2023/24 to $44k in 2025/26. The Plan conservatively reflects the $43k from 2025/26.

8.3.5 Other Income

Other income includes a range of revenue from Council facilities, reimbursements, and other contributions. It is expected other income will remain stable during the life of the Plan.

8.4 Expenditure Assumptions

8.4.1 Service Levels and New Developments

The Plan assumes existing service levels will remain relatively constant throughout the period.

The Latrobe and Kentish Councils have developed a shared workforce with common management and systems. This allows the two Councils to share resources, knowledge, and skills to optimise the efficiency and effectiveness of service delivery to their separate communities.

Council is committed to building on the successes achieved to date through the shared services model. Both Councils understand they are stronger together and can achieve more when working in collaboration. The challenge continues to be the delivery of outcomes and ensuring through cooperation, all initiatives provide a shared benefit to both communities. The benefits accrued from shared services will continue to mature during the life of the Plan.

Allowance has been made for the additional operating, maintenance and depreciation costs associated with capital expenditure on new assets.

Council is consistently focused on ensuring services are delivered as efficiently and effectively as possible. This involves regular reviews of service levels and the method of delivery to ensure costs are kept at sustainable levels.

8.4.2 Employees

Employee costs include salaries and wages and all employment related expenses including payroll tax, employer superannuation, leave entitlements, fringe benefits tax, workers compensation insurance and professional development.

Employee costs are anticipated to increase at 1 per cent over the previous year’s total for 2024/25 then increasing to 1.5 per cent each year for the balance of the Plan.

An adjustment has been made for one off employee costs in the 2023/24 budget.

8.4.3 Materials and Services

This category of expenditure covers a wide range of costs and represents most of the Council's day to day operational expenditure. Despite constant cost increases, the cost management culture evolving throughout Council aims to maintain the level of expenditure in materials and services costs in line with CPI. Additional maintenance costs of 1 per cent have been allocated for 2024/25, increasing to 1.5 per cent each year for the balance of the Plan. This allows for the natural growth expected within the municipal area.

Adjustments have been made to reflect land valuations every six years and cost of the storm event in 2023/24 budget.

An adjustment $143k has been made to the 2023/24 Budget to reflect an underestimate for waste management services.

8.4.4 Depreciation

Depreciation expense is based on the current replacement cost of property, plant and equipment, and increased for new capital additions. The asset base has not been indexed or revalued in this Plan remaining consistent in the presentation of figures in 'constant dollar' terms.

8.4.5 Finance Costs

Finance costs primarily relates to interest expense on borrowings. Interest expense over the period of the Plan is based on existing and new debt requirements. The interest payments have been discounted to reflect 'constant dollars'.

8.4.6 Other Expenses

This category includes all other expenses not covered under other criteria. It includes expenses related to elected members, donations, and sponsorships.

It is expected that these costs will remain constant over the life of the Plan with the only exception being that additional costs have been included to cover the holding of Council elections.

Adjustments have been made to reflect councillor elections every four years.

8.5 Capital Grants

It is assumed the Roads to Recovery program will remain consistent for the life of the Plan.

The Plan has allowed for known/expected capital grant contributions.

An adjustment has been made to the 2023/24 Budget to recognise a $2.65m capital grant for flood mitigation works is to be received in 2023/24.

9. Long Term Financial Plan Worksheets

9.1 Estimated Statement of Comprehensive Income

	20-21 Actual '000	21-22 Actual '000	22-23 Actual '000	23-24 Budget '000	24-25 Plan '000	25-26 Plan '000	26-27 Plan '000	27-28 Plan '000	28-29 Plan '000	29-30 Plan '000	30-31 Plan '000	31-32 Plan '000	32-33 Plan '000	33-34 Plan '000
Recurrent income														
Rates and service charges	8,026	8,803	9,511	10,375	10,795	11,231	11,684	12,037	12,401	12,776	13,162	13,559	13,969	14,390
Statutory fees and fines	757	623	637	519	519	519	519	519	519	519	519	519	519	519
User fees	1,758	1,927	1,835	1,841	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843
Government Grants	1,768	2,990	3,015	2,484	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412
Interest	52	48	363	248	376	256	247	239	235	230	236	225	203	166
Other revenue	510	394	379	302	302	302	302	302	302	302	302	302	302	302
Investment revenue from TasWater	191	458	458	458	458	458	382	382	382	382	382	382	382	382
Share of net profits/(losses) of Dulverton Waste Authority accounted for by the equity method	357	280	333	611	212	43	43	43	43	43	43	43	43	43
Investment revenue from Dulverton Waste Authority														
Total recurrent income	**13,419**	**15,523**	**16,531**	**16,838**	**16,917**	**17,064**	**17,432**	**17,777**	**18,137**	**18,507**	**18,899**	**19,285**	**19,673**	**20,057**
Capital Items														
Capital grants received specifically for new or upgraded assets	648	2,361	9,175	6,603	730	-	4,000	-	250	-	1,000	1,174	2,243	1,121
Capital grants received specifically for renewal of assets	311	311	-	622	311	311	311	311	311	311	311	311	311	311
Contributions - Cash	49	105	78	-	-	-	-	-	-	-	-	-	-	-
Contributions - non-monetary	7,632	3,326	1,526	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Capital Items	**8,640**	**6,103**	**10,779**	**8,225**	**2,041**	**1,311**	**5,311**	**1,311**	**1,561**	**1,311**	**2,311**	**2,485**	**3,554**	**2,432**
Total Income	**22,059**	**21,626**	**27,310**	**25,063**	**18,958**	**18,375**	**22,743**	**19,088**	**19,698**	**19,818**	**21,210**	**21,770**	**23,227**	**22,489**
Recurrent expenses														
Employee costs	3,849	4,472	4,484	4,838	4,809	4,887	4,966	5,046	5,127	5,209	5,293	5,378	5,464	5,552
Materials and services	4,382	5,531	6,584	5,374	5,605	5,694	5,551	5,998	5,962	6,055	6,007	6,083	6,078	6,415
Impairment of receivables	3	95	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	3,389	3,850	3,842	4,633	4,677	4,711	4,823	4,845	4,872	4,890	4,906	4,921	4,935	4,949
Finance costs	8	76	319	316	547	515	482	450	419	387	356	325	294	263
Net gain/(loss) on disposal of property, infrastructure plant and	7	283	806	-	-	-	-	-	-	-	-	-	-	-
Increase in provision for landfill rehabilitation	-	5,002	351	-	-	-	-	-	-	-	-	-	-	-
Other expenses	1,484	1,487	1,637	1,691	1,691	1,691	1,786	1,691	1,691	1,691	1,786	1,691	1,691	1,691
Total expenses	**13,122**	**20,796**	**18,023**	**16,852**	**17,329**	**17,498**	**17,608**	**18,030**	**18,071**	**18,232**	**18,348**	**18,398**	**18,462**	**18,870**
Result from continuing operations	**8,937**	**830**	**9,287**	**8,211**	**1,629**	**877**	**5,135**	**1,058**	**1,627**	**1,586**	**2,862**	**3,372**	**4,765**	**3,619**
Other comprehensive income														
Fair value adjustments on equity investment assets	2,160	792	868											
Net asset revaluation increment/decrement		26,470	126,692											
Share of other comprehensive income of associates and joint ventures accounted for by the equity method		299	105											
Adjustment for grants received in advance														
Comprehensive Result - Surplus/(Deficit)	**11,097**	**28,391**	**136,952**	**8,211**	**1,629**	**877**	**5,135**	**1,058**	**1,627**	**1,586**	**2,862**	**3,372**	**4,765**	**3,619**
Underlying Result (Operating Surplus/(Deficit))	**266**	**(5,898)**	**(1,900)**	**34**	**(412)**	**(434)**	**(176)**	**(253)**	**66**	**275**	**551**	**887**	**1,211**	**1,187**

9.2 Estimate Statement of Financial Position

	20-21 Actual '000	21-22 Actual '000	22-23 Actual '000	23-24 Budget '000	24-25 Plan '000	25-26 Plan '000	26-27 Plan '000	27-28 Plan '000	28-29 Plan '000	29-30 Plan '000	30-31 Plan '000	31-32 Plan '000	32-33 Plan '000	33-34 Plan '000
Assets														
Current Assets														
Cash and cash equivalents	2,250	1,456	5,936	1,835	956	903	1,060	667	832	945	823	351	470	326
Trade and other receivables	824	1,144	1,294	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944
Investments	10,976	14,500	4,500	4,500	5,500	5,000	5,000	5,000	5,000	5,000	4,500	4,500	3,000	3,000
Inventories	106	114	161	161	161	161	161	161	161	161	161	161	161	161
Other Assets	302	1,046	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087
Total Current Assets	**14,458**	**18,260**	**12,978**	**11,527**	**11,648**	**11,095**	**11,252**	**10,859**	**11,024**	**11,137**	**10,515**	**10,043**	**8,662**	**8,518**
Non-current Assets														
Investment in associates accounted for using equity method	2,404	2,909	3,273	3,884	4,096	4,139	4,182	4,225	4,268	4,311	4,354	4,397	4,440	4,483
Investment in TasWater	29,001	29,793	30,661	30,661	30,661	30,661	30,661	30,661	30,661	30,661	30,661	30,661	30,661	30,661
Property, plant and equipment	203,567	236,306	377,774	389,109	390,109	391,109	395,647	396,647	397,647	398,647	399,647	400,647	401,800	402,800
Intangible assets					-	-	-	-	-	-	-	-	-	-
Right-of-use assets	22	16	11	11	11	11	11	11	11	11	11	11	11	11
Total Non-current Assets	**234,994**	**269,024**	**411,719**	**423,665**	**424,877**	**425,920**	**430,501**	**431,544**	**432,587**	**433,630**	**434,673**	**435,716**	**436,912**	**437,955**
Total Assets	**249,452**	**287,284**	**424,697**	**435,192**	**436,525**	**437,015**	**441,753**	**442,403**	**443,611**	**444,767**	**445,188**	**445,759**	**445,574**	**446,473**
Liabilities														
Current Liabilities														
Trade and other payables	1,615	2,261	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653	2,653
Trust funds and deposits	447	524	441	441	441	441	441	441	441	441	441	441	441	441
Provisions	1,263	1,166	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119	1,119
Lease liabilities	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Contract liabilities	1,219	500	500	-	-	-	-	-	-	-	-	-	-	-
Interest bearing loans and borrowings	250	-	6,329	296	387	397	408	419	430	441	453	465	477	245
Total Current Liabilities	**4,801**	**4,458**	**11,049**	**4,516**	**4,607**	**4,617**	**4,628**	**4,639**	**4,650**	**4,661**	**4,673**	**4,685**	**4,697**	**4,465**
Non-current Liabilities														
Trust funds and deposits	154	95	44	44	44	44	44	44	44	44	44	44	44	44
Provisions	13,356	18,205	18,535	18,535	18,535	18,535	18,535	18,535	18,535	18,535	16,535	14,187	9,702	7,459
Lease liabilities	14	7	-	-	-	-	-	-	-	-	-	-	-	-
Contract liabilities														
Interest bearing loans and borrowings	6,250	11,250	4,847	10,800	10,062	9,410	8,762	8,119	7,481	6,847	6,216	5,588	4,964	4,586
Total Non-current Liabilities	**19,774**	**29,557**	**23,426**	**29,379**	**28,641**	**27,989**	**27,341**	**26,698**	**26,060**	**25,426**	**22,795**	**19,819**	**14,710**	**12,089**
Total Liabilities	**24,575**	**34,015**	**34,475**	**33,895**	**33,248**	**32,606**	**31,969**	**31,337**	**30,710**	**30,087**	**27,468**	**24,504**	**19,407**	**16,554**
Net Assets	**224,877**	**253,269**	**390,222**	**401,297**	**403,277**	**404,409**	**409,784**	**411,066**	**412,901**	**414,680**	**417,720**	**421,255**	**426,167**	**429,919**
Equity														
Accumulated Surplus	108,231	109,061	118,348	129,423	131,132	132,009	137,144	138,203	139,829	141,416	144,278	147,650	152,415	156,035
Reserves														
Asset revaluation	113,850	140,321	267,014	267,014	267,014	267,015	267,015	267,015	267,015	267,014	267,015	267,015	267,014	267,014
Equity investment assets	2,366	3,158	4,026	4,026	4,026	4,026	4,026	4,026	4,026	4,026	4,026	4,026	4,026	4,026
Share in reserve of associate	430	729	834	834	834	834	834	834	834	834	834	834	834	834
Borrowings adjustment to todays $'s					271	525	765	988	1,197	1,390	1,567	1,730	1,878	2,010
Total Equity	**224,877**	**253,269**	**390,222**	**401,297**	**403,277**	**404,409**	**409,784**	**411,066**	**412,901**	**414,680**	**417,720**	**421,255**	**426,167**	**429,919**

9.3 Estimated Cashflow Statement

	20-21 Actual '000	21-22 Actual '000	22-23 Actual '000	23-24 Budget '000	24-25 Plan '000	25-26 Plan '000	26-27 Plan '000	27-28 Plan '000	28-29 Plan '000	29-30 Plan '000	30-31 Plan '000	31-32 Plan '000	32-33 Plan '000	33-34 Plan '000
Cash Flows from Operating Activities														
Receipts														
Rates	8,022	8,865	9,484	10,375	10,795	11,231	11,684	12,037	12,401	12,776	13,162	13,559	13,969	14,390
Statutory fees and fines	569	623	637	519	519	519	519	519	519	519	519	519	519	519
User fees	1,402	2,300	2,227	1,841	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843
Government grants	1,769	2,990	3,015	2,484	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412
Interest received	64	48	363	248	376	256	247	239	235	230	236	225	203	166
Other receipts	1,241	419	(104)	231	231	231	231	231	231	231	231	231	231	231
Share of profits of associates (Dulverton)	74	74	74	71	71	71	71	71	71	71	71	71	71	71
Investment revenue from TasWater	191	458	458	458	458	458	382	382	382	382	382	382	382	382
Refund of GST tax credits	972	1,061	2,206	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	**14,304**	**16,838**	**18,360**	**16,227**	**16,705**	**17,021**	**17,389**	**17,734**	**18,094**	**18,464**	**18,856**	**19,242**	**19,630**	**20,014**
Payments														
Suppliers	5,906	7,784	8,483	5,374	5,605	5,694	5,551	5,998	5,962	6,055	6,007	6,083	6,078	6,415
Employees	3,840	4,583	4,474	4,838	4,809	4,887	4,966	5,046	5,127	5,209	5,293	5,378	5,464	5,552
Borrowing costs	8	76	319	316	547	515	482	450	419	387	356	325	294	263
Other payments	1,250	1,487	1,637	1,691	1,691	1,691	1,786	1,691	1,691	1,691	1,786	1,691	1,691	1,691
Total Payments	**11,004**	**13,930**	**14,913**	**12,219**	**12,652**	**12,787**	**12,785**	**13,185**	**13,199**	**13,342**	**13,442**	**13,477**	**13,527**	**13,921**
Net Cash from operating activities	**3,300**	**2,908**	**3,447**	**4,008**	**4,053**	**4,234**	**4,604**	**4,549**	**4,895**	**5,122**	**5,414**	**5,765**	**6,103**	**6,093**
Cash Flows from Investing Activities														
Receipts														
Proceeds from sale of non current assets	75	700		700										
Capital Grants	1,359	1,953	9,013	6,725	1,041	311	4,311	311	561	311	1,311	1,485	2,554	1,432
Other	49	105	78	-	-	-	-	-	-	-	-	-	-	-
Payments														
Asset renewals	1,976	2,226	5,783	7,274	2,653	3,330	1,536	4,272	3,954	4,643	4,806	4,881	5,088	4,949
New assets	4,892	5,543	12,109	8,181	2,024	1,381	6,825	573	918	247	100	40	-	-
Landfill Rehab Works	-	-	-	-	-	-	-	-	-	-	2,000	2,348	4,485	2,243
Net payments for investments	2,776	3,524	(10,000)	-	1,000	(500)	-	-	-	-	(500)	-	(1,500)	-
Net Cash used in investing activities	**(8,161)**	**(8,535)**	**1,199**	**(8,030)**	**(4,636)**	**(3,900)**	**(4,050)**	**(4,534)**	**(4,311)**	**(4,579)**	**(5,095)**	**(5,784)**	**(5,519)**	**(5,760)**
Cash Flows from Financing Activities														
Receipts														
Trust Funds and Deposits	-	90	(85)											
New loans	6,250	5,000												
Payments														
Trust Funds and Deposits	75	-												
Repayment of lease liabilities (principal repayments)	6	7	7											
Loan principal repayments	-	250	74	79	296	387	397	408	419	430	441	453	465	477
Net Cash from (or used in) financing activities	**6,169**	**4,833**	**(166)**	**(79)**	**(296)**	**(387)**	**(397)**	**(408)**	**(419)**	**(430)**	**(441)**	**(453)**	**(465)**	**(477)**
Net Increase/(Decrease) in cash held	**1,308**	**(794)**	**4,480**	**(4,101)**	**(879)**	**(53)**	**157**	**(393)**	**165**	**113**	**(122)**	**(472)**	**119**	**(144)**
Cash at beginning of reporting period	942	2,250	1,456	5,936	1,835	956	903	1,060	667	832	945	823	351	470
Cash at end of reporting period	**2,250**	**1,456**	**5,936**	**1,835**	**956**	**903**	**1,060**	**667**	**832**	**945**	**823**	**351**	**470**	**326**