



Long Term Financial Plan 2023 – 2033

Resourcing Strategy 2022 – 2032

Adopted XX June 2023



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Our Vision

In 2032 we will be recognised as a Shire that builds on and promotes our natural assets and advantages to create employment and economic activity to attract residents, families, and tourists

Creating our Preferred Future

Berrigan Shire 2032 is the fourth Community Strategic Plan developed by the Council in partnership with our communities. It is a common strategic planning lens or framework that can be used by other agencies, our local community, and the Council to demonstrate the steps we are taking to realise the aspirations of our community. It is also the Shire Council's statement about how it will work with local communities and other levels of government.

The Long Term Financial Plan includes the financial forecasts for the Council for the next ten years, and is updated annually and rolled forward by one year as part of the development of the Council's Annual Operational Plan. The Long Term Financial Plan is used by the Council to inform its decision-making about the actions it will undertake to contribute to the vision of Berrigan Shire 2032 and the development of the Council's Delivery Program.



1. Introduction

This review of the Council's Long-term Financial Plan (LTFP) 2023 - 2033 has been developed in accordance with the requirements of the NSW Local Government's Integrated Planning and Reporting Framework. Integrated Planning and Reporting describes how the Council will work toward the realisation of our community's Vision.

Integrated Planning and Reporting involves the development by the Council of a Resourcing Strategy 2023 – 2033 a critical element of which is the Council's Long Term Financial Plan 2023 – 2033 together with the Council's Asset Management Plans and reviewed Workforce Development Strategy 2022 – 2026. These complementary and integrated strategies and plans describe how Council resources and activities contribute toward the planning, development, implementation and review of Berrigan Shire 2032.

Council uses the Council's base case LTFP to assess its capacity to deliver the Council activities and services described in its Community Strategic Plan Berrigan Shire 2032, Delivery Program 2022 – 2026 and our annual Operating Plans. It:

- Improves Council transparency and accountability.
- Is an opportunity to identify early financial issues and likely longer-term impacts.
- Reinforces how the Council's various plans come together.
- Measures Council's progress and the success of its financial planning; and
- Verifies Council's longer-term financial sustainability.

Covering a 10-year period the LTFP base case scenario is updated annually and the LTFP rolled forward by one year.

The LTFP is not a series of complex financial statements and spreadsheets. It has been developed recognising residents, local business and other stakeholders do not necessarily need the complex financial information used by Council Officers. As the Council's principal financial planning document, it includes:

- Projected income and expenditure, balance sheet and cash flow statements.
- The assumptions used in planning Council services and the factors that influence demand.
- How we will monitor and report upon our financial performance.
- Sensitivity analysis of the base case financial model.

2. Plan Development

The LTFP describes the financial basis of Council's short, medium, and long-term activities and is used to guide Council decision making on the sustainability of Council operations, planned actions, future project proposals and strategies.

Berrigan Shire 2032 is the Shire's long-term plan; the 2022 – 2026 Delivery Program is the Council's medium term plan; whereas Council's Annual Operational Plans describing Council operations, project proposals and strategies are short term plans.

The LTFP is the tool used by Council to model or 'test' the long term, medium term and or short-term financial impact of Council activities, change in service levels and Council programs. It discusses the financial implications of core Council activities and consolidates these as projected income and expenditure, balance sheet and cash flow statements.

The sustainability of the Council's 10-year financial position and hence the validity of this LTFP is based on there being no change to existing policy. As part of the Long Term Financial Plan's development a number of different scenarios are also modelled.

A sensitivity analysis informs each scenario modelled. This analysis describes implications of each scenario and the likely impact on the Council's capacity to deliver the services described in its Delivery Program 2022 – 2026 should there be significant or material 'change' in projected income or expenditure.

The Council's Financial Strategy 2021 appended to the LTFP and summarised in the next section, is used to inform the development of the LTFP and in doing so ensure the Council's decision making is informed and does not compromise the financial sustainability of Council's operations and its contribution to the realisation of Berrigan Shire 2032 Strategic Outcomes.

2.1 Financial Strategy 2023/24

The Council's Financial Strategy 2023/24 is appended for adoption by the Council. Based on the Council's Financial Strategy 2021 adopted by Council at its Ordinary Council Meeting 17 March 2021 the reviewed strategy included as an appendix identifies four key objectives:

1. Financial sustainability
2. Cost effective maintenance of infrastructure service levels
3. Financial capacity and freedom
4. Economic and community growth

To achieve these objectives Council will:

| | |
|------|---|
| 1.1 | Prepare and review annually a Long Term Financial Plan with the aim of achieving the financial objectives identified in this strategy. |
| 1.2 | Prepare Capital Expenditure Reviews, including an assessment of lifecycle costs, for all new and/or upgraded infrastructure assets – with the exception of upgrades of roads, water mains and sewer mains. |
| 1.3 | Resist the pressure to fund services that are the responsibility of other levels of government. |
| 1.4 | Retain control of urban water supply and sewer services. |
| 1.5 | Recognise that funding for renewal and upgrading of sport, recreation and cultural infrastructure requires a combination of Council funding, community support and preferably some contribution from other levels of government. |
| 1.6 | Seek methods of achieving a return (or at least minimise ratepayer subsidy) on business activities such as the Finley Saleyards, Tocumwal Caravan Park and Tocumwal Aerodrome. |
| 1.7 | Encourage and support the existing model of community provision and operation of sport, recreation and cultural infrastructure. |
| 1.8 | Actively lobby the State and Federal Governments to retain existing grant funding levels for road maintenance and upgrades. |
| 2.1 | Prepare and review its Asset Management Strategy and its Asset Management Plans for the Council's major infrastructure assets annually as part of annual budget preparation. |
| 2.2 | Prioritise the renewal of existing assets over the development and delivery of new services. |
| 2.3 | Implement a Borrowing Policy that allows the Council to borrow only for the development of infrastructure where: <ul style="list-style-type: none"> 1. There is an urgent need for the asset in the short term, or 2. It is most cost-effective to construct the asset in the short term (as opposed to waiting until sufficient on-hand funds are available), and <ul style="list-style-type: none"> a. The Council has access to a funding stream to meet its debt obligations without compromising its other activities, or b. To create economic growth and development. |
| 3.1 | Look to improve investment returns while managing investment risk through a diverse and secure investment portfolio |
| 3.2 | Continue to actively recover outstanding rates debt as identified in the Council's Revenue Policy. |
| 3.3 | Set utility charges for water supply, sewer and waste management services at a level that delivers a return on those assets sufficient to ensure long term sustainability |
| 3.4 | Consider seeking a Special Rates Variation where there is a clearly identified demand for new or significantly improved service levels. Consideration should also be given to the extended lead time and the cost involved in seeking a variation. |
| 4.1. | Where appropriate and affordable, invest in community and infrastructure assets which directly boost the local economy and create employment |
| 4.2 | Actively look for grant funds to deliver improved community amenity |

3. Assumptions

A successful Community Strategic Plan reflects community aspirations (vision) and the steps that residents, business, and government will take to achieve their vision. The LTFP is informed by the Council's Financial Strategy 2023/24 analysis of the political, social, economic, also the environmental assumptions that informed Berrigan Shire 2032 Community Strategic Plan. Namely:

1) Policy context: - That all levels of government are involved in the development of strategic plans that look at the next 10 years and beyond and that these plans consider:

- Population change, growth and decline.
- The changing social, economic and environmental expectations and needs of the people who live and work in our communities.

2) Challenges and Opportunities:

which include:

- a) Ageing Population
- b) Cost of maintaining, developing and operating Council and community owned facilities and services
- c) Economic forecasts and likely impact on Council operations and service delivery
- d) Housing pressures

3) Change imposed by regulatory change by other levels of government which impact service delivery, such as the responsibilities of Crown Land reserve management.

3.1 Service Delivery

The review of Berrigan Shire 2027 and the subsequent development of Berrigan Shire 2032 did not identify any issues that significantly changed the range and type of services delivered by the Council. Expanding Council's role in Visitor Services (a response to the COVID-19 pandemic) is the only exception. Recognition of the importance of the visitor economy to our local community. Community development activities remain discretionary activities with statutory reporting requirements and regulations determining the range of services delivered by the Council and used by our local communities.

For subsequent years the LTFP base scenario is set conservatively at 2.0% ongoing. IPART's rate peg considers the annual change in the Local Government Cost Covering a 10-year period. The LTFP base case scenario is updated annually, and this year's review reflects the increased rate peg. IPART determines the rate peg based on information from the Local Government Cost Index (LGCI), which measures the average costs faced by NSW Councils, in addition to a population factor based on each Council's population growth.

3.2 Rate pegging

The LTFP base scenario assumes there will be no significant increase in the total amount of Ordinary rates raised and that future Ordinary rate increases will be the maximum permissible amount allowed by the Independent Pricing and Regulatory Tribunal (IPART). IPART has set a 2022/23 rate peg for each Council, ranging from 3.7% to 6.8%. IPART determined a 3.7% increase for Berrigan Shire Council.

Hence, the base case scenario is informed by benchmarked average costs in addition to new capital works projects and grant funding. It also includes the financial cost of changes in the Council's organisational structure and reviewed Workforce Development Plan.

3.3 Major planned expenditure

In accordance with the Council's Financial Strategy 2023/24 the Council will implement a Borrowing Policy that allows the Council to borrow only for the development of infrastructure where

1. There is an urgent need for the asset in the short term, or
2. It is most cost-effective to construct the asset in the short term (as opposed to waiting until sufficient on- hand funds are available), and
 - a. The Council has access to a funding stream to meet its debt obligations without compromising its other activities, or
 - b. To create economic growth and development.

4. Revenue Forecasts

The major sources of revenue for Council are:

1. Rates and Annual Charges
2. User Charges and Fees
3. Interest and Investment Revenues
4. Other Revenues
5. Grants and contributions provided for Operating Purposes
6. Grants and contributions provided for Capital Purposes

Figure 1 shows the breakdown on Council's 2021/22 revenues and gives an indication of Council's reliance on the various revenue streams. Whereas Table 1 summarises the percentage change in income projected across revenue streams. Council does not envision that there will be significant change in the source or percentage of Council's revenue across revenue streams.

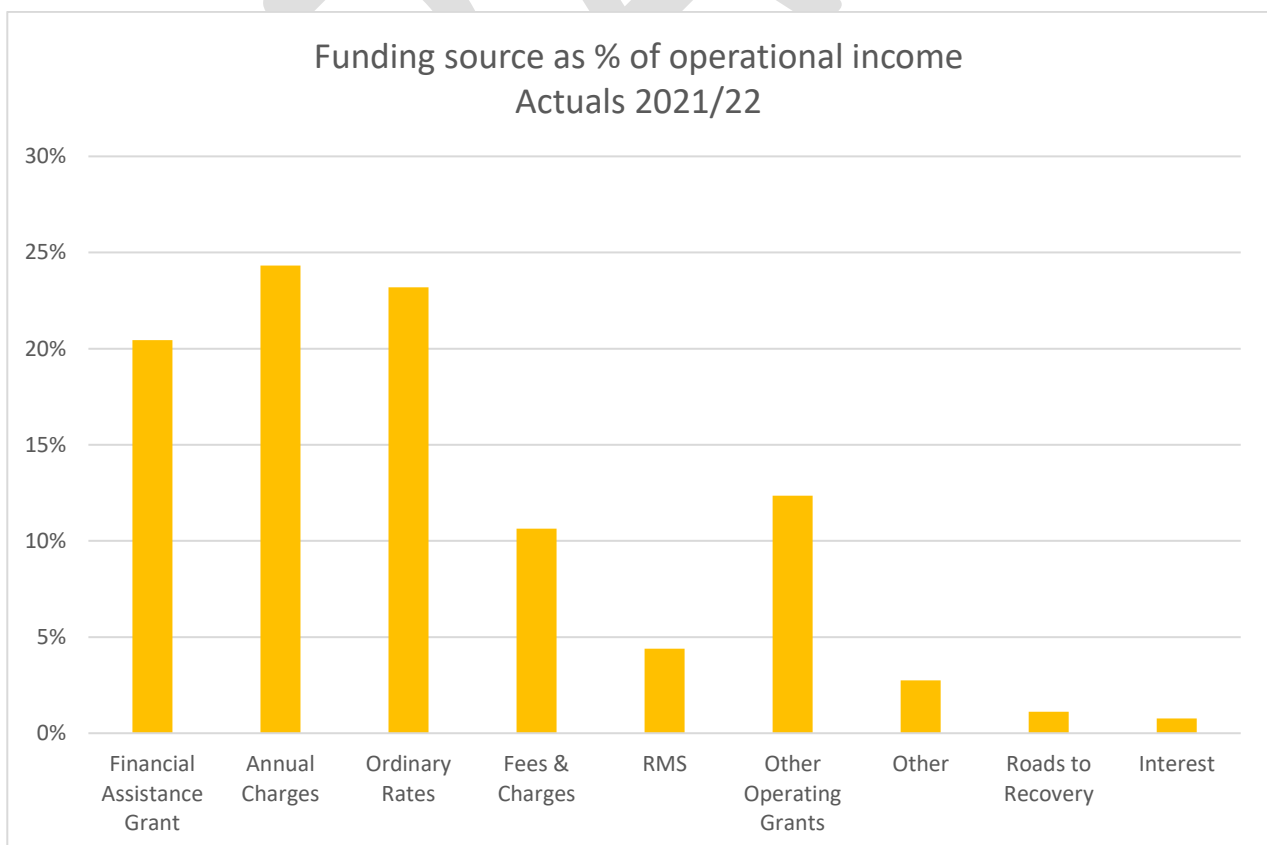


Table 1: Berrigan Shire Council Projected % Change in Global Income 2023 – 2033 (Base Scenario)

| Operating Income | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Rates - Ordinary | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% |
| Annual Charges | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% | 3.7% |
| User Charges - Specific | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Fees & Charges - Statutory & Regulatory | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Fees & Charges - Other | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest & Investment Revenues - o/s Rates & Annual Charges | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest & Investment Revenues - Investments | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| Other Revenues | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Operating Grants - General Purpose (Untied) | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| Operating Grants - Specific Purpose | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| Operating Contributions - General Purpose (Untied) | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |

4.1 Rates and Annual Charges

Council reviews its Rates and Annual Charges Policy each year cognisant of legislative requirements, projected and upcoming change in the number of rating assessments, planned developments and the adequacy of its current schedule of annual charges.

The LTFP's base scenario assumes (Table 1) that Annual Charges will increase by 3.7% (2023/24), then continue to increase by approximately 3.7% per annum 2023 – 2033.

A copy of Council's Rates and Annual Charges Policy is included as an Appendix to the Council's Annual Operating Plan.

Council's Financial Strategy 2023/24 (Appended) notes interest and investment income makes up around 2.5% of the Council's total revenue. The Council takes a conservative approach to investment income. Berrigan Shire Council's Investment Policy 2022 makes the following statement.

Preservation of capital is the principal objective of the investment portfolio. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio.

This includes managing credit and interest rate risk within identified thresholds and parameters. The Council is a "price-taker" regarding its investment returns with interest rates determined by the market.

4.2 User Charges and Fees

Council also reviews annually its schedule of User Charges and Fees and includes this as an Appendix to the Shire's Annual Operating Plan. The Schedule describes:

- The activity or function
- Community Service Obligation
- The title of the fee/charge
- Council's Pricing Policy (% cost recovery);
- Absorbed cost of the service
- The fee or cost to be levied/ GST treatment
- Public/ Private good

The LTFP's base scenario also assumes (Table 1) that User Charges and Fees will increase by 2.5% (2023/24), then continue to increase by approximately 2.5% per annum in 2024 – 2033.

A copy of Council's Rates and Annual Charges Policy is included as an Appendix to the Council's Annual Operating Plan.

At present, the majority of the Council's investments are in Term Deposits with institutions under the oversight of the Australian Prudential Regulation Authority. There may be scope to explore other investment options over the life of this strategy with the aim of improving returns without undue added risk.

Interest rates and investment returns have increased substantially over the past 12 months. However, Council will continue to forecast conservatively in this area as Council learnt quickly throughout the COVID-19 pandemic interest returns are extremely volatile.

4.3 Interest and Investments and Other Revenues

4.4 Other Revenues

Council's Other Revenues are derived from assets used or leased for commercial purposes which include:

- Tocumwal Caravan Park
- Tocumwal Aerodrome
- Hire of Council Plant; and
- Lease arrangements related to Council property

Table 1 notes that the projected change in Other Revenue used for the base scenario is an average 2.5% per annum increase for the period 2023 – 2033.

4.5 Grants - Operating & Capital

Operating and Capital Grants make up a significant proportion of the Council's income. The nature, amount and timing of these grants are not generally in the control of the Council and as such assumptions need to be made about future years. In general, the base case assumes that unless specific information is at hand, recurring grant programs will continue in a similar manner as in the recent past. The LTFP base case assumes that Financial Assistance Grants and Rural Local Road grants will increase by 1.5% per year.

This is consistent with the previous long-term pattern of growth in Financial Assistance Grants and is a conservative position to take. As part of the Local and State Government Road Safety Package announced in the 2023-24 Budget, the Australian Government has committed an additional \$500 million per year to the Local Roads and Community Infrastructure Program.

Included in the base case is the final year of the Federal Government's Roads to Recovery Program \$5,265,162 (\$877,527 p.a.) over the 5-year program which ends 30 June 2024. This plan assumes the program will continue throughout the life of the Long Term Financial Plan.

A similar assumption has been made regarding grant funding from Transport for NSW for the Block Grant and the REPAIR program. The Council has taken a conservative position regarding funding likely to be due under the Natural Disaster Relief and Recovery Assistance program.

Capital grants have been included where specifically known and agreements have been reached. Where appropriate a matching contribution from the Council has been included. The base case scenario does not include any funding for future infrastructure upgrades over and above the grants specifically identified above.

4.6 Net gain from disposal of assets

The LTFP assumes the Council will not dispose of any significant assets over the life of the plan. The Council will routinely continue to trade plant and equipment and the LTFP assumes this will be generally be on a cost recovery significant gain will be made.

5. Expenditure Forecasts

The LTFP in addition to considering the implications of forecast revenues also reviews planned expenditures based on the contribution of Council operations to Berrigan Shire 2032 strategic objectives and Council's Resourcing Strategy requirements.

Previously mentioned, Berrigan Shire 2032 and the Council's response to the challenges faced by its community rely not on the development of new services, nor a substantive increase in service levels, but on ensuring the Council's assets and resources continue to be focused on

- Financial Sustainability
- Investment in the maintenance and further development of the Shire's critical physical infrastructure: levees, roads, stormwater, water supply, sewer and waste management facilities – Life cycle cost Asset Management and Planning
- Economic and Regional Development projects,
- Planning for an Ageing population; and
- Engaging our communities in the implementation of Berrigan Shire 2032.

Table 2 describes the % change in expenditure by type used in the development of the LTFP base scenario the basis of this LTFP.

| Operating Expenditure | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2032/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Employee Costs - Salaries | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% |
| Employee Costs - Superannuation | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |
| Employee Costs - Workers Comp | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Employee Costs - Other | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Materials & Contracts - Raw Materials & Consumables | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Materials & Contracts - Contracts | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Materials & Contracts - Legal Expenses | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Materials & Contracts - Other | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Other Expenses - Insurance | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Other Expenses - Utilities | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Other Expenses - Other | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |

5.1 On-going Commitments

Much of Council's expenditure is regular and ongoing. Council's Resourcing Strategy – Asset Management Plans and Workforce Development Plan provide detailed information about the extent of the services and resources controlled and needed to maintain service levels and Council's ongoing commitments.

Scheduled review of the Shire's Asset Management Plan's and the effectiveness of its Workforce Management Plan during the life of Council's four-year Delivery Program embeds ongoing monitoring and review of Council's commitments ensuring any changes may be anticipated, and expenditure forecasts varied at subsequent reviews of the LTFP.

5.1.1 Employee Costs

The assumptions made in the current Workforce Management Plan are recognised as being out of step with current reality including known labour and skills shortages. A full review of the Workforce Management Plan is therefore scheduled during the 2023-2024 financial year.

The planned review of the Work Force Management Plan and will lead to the development of a comprehensive salary policy: the long-term financial implications of which will be considered as part of the 24/25 financial year review of the LTFP and its base case model.

5.1.2 Borrowing Costs

The Council currently has four significant outstanding loans (external and internal) summarised in the table below:

| PURPOSE | AMOUNT | TERM | RATE | ANNUAL REPAYMENTS | DUE | LENDER |
|----------------------------|-------------|------|--------|-------------------|-----------|------------|
| LIRS Drainage | \$1,630,000 | 10 y | 4.26% | \$200,488 | Dec 2024 | NAB |
| LCLI Lewis Cres | \$1,000,000 | 10 y | 2.32% | \$112,391 | May 2020 | ANZ |
| LCLI Water Plant (Barooga) | \$4,000,000 | 10 y | 1.48% | \$430,586 | Jan 2031 | NAB |
| Water Fund – Finley WTP | \$2,600,000 | 10 y | 1.48% | \$281,630 | June 2031 | Sewer Fund |
| General Fund | \$1,000,000 | 10 y | 1.48 % | \$108,319 | June 2031 | Sewer Fund |

The interest cost of the LIRS drainage loan is partially offset by a 3% (300 basis point) interest rate subsidy from the NSW government under the Local Infrastructure Renewal Scheme (LIRS) program. The interest cost of the Lewis Crescent loan is partially offset by a 50% interest rate subsidy from the NSW government under the Low Cost Loans Initiative (LCLI) – Supporting Local Housing program. The interest cost of Council the remediation and upgrade of the Barooga WTP is also subsidised through LCLI.

The Sewer Fund holds healthy cash reserves that are not required for use for some time so these funds at present are sitting in investment.

During the 2023/24 Financial Year the Council proposes to borrow \$550,000 to fund necessary repairs at the Finley Saleyards and \$2M to fund ongoing Council upgrades including the refit of the Council Administration Office, rollout of upgraded technology to enable hybrid working conditions and increased productivity, including but not limited to new laptops, fibre internet upgrade, software, and server upgrades.

The use of loan funds for these works is in line with the Council's Financial Strategy 2023/24.

The Council's Financial Strategy 2023/24 states Council will implement a Borrowing Policy

that allows the Council to borrow only for the development of infrastructure where a)

There is an urgent need for the asset in the short term, or b) It is most cost-effective to construct the asset in the short term (as opposed to waiting until sufficient on-hand funds are available), and c) The Council has access to a funding stream to meet its debt obligations without compromising its other activities Based on the current LTFP Council is in a position to make these repayments. It will however impact the Council's financial freedom and flexibility over the term of the LTFP.

Based on the Council's loan program, the Council's projected net debt outstanding debt is:

| FUND | 30 June 2023 | 30 June 2024 | 30 June 2025 | 30 June 2026 |
|---------------------|---------------|---------------|---------------|---------------|
| General | \$1,833,752 | \$1,499,782 | \$1,137,932 | \$935,983 |
| Water | \$5,196,914 | \$4,558,990 | \$3,911,586 | \$3,254,561 |
| | | | | |
| Sub Total | \$7,030,639 | \$6,008,779 | \$5,049,518 | \$4,190,544 |
| Less Internal Loans | (\$2,921,678) | (\$2,574,969) | (\$2,223,192) | (\$1,866,082) |
| Net Total | \$4,108,961 | \$3,433,810 | \$2,826,389 | \$2,324,462 |

5.1.3 Outstanding Loans and Redemptions

Total actual repayments of principal and interest for loans are as follows:

| FUND | 30 June 2023 | 30 June 2024 | 30 June 2025 | 30 June 2026 |
|---------------------|--------------|--------------|--------------|--------------|
| General | \$420,939 | \$420,939 | \$337,402 | \$222,091 |
| Water | \$712,216 | \$712,216 | \$712,216 | \$712,216 |
| Sewer | - | - | - | - |
| Sub Total | \$1,113,156 | \$1,133,156 | \$1,049,619 | \$934,307 |
| Less Internal Loans | \$389,950 | \$389,950 | \$389,950 | \$389,950 |
| Total | \$743,206 | \$743,206 | \$659,669 | \$544,358 |
| Less LIRS subsidy | \$8,622 | \$4,704 | \$820 | - |
| Less LCLI subsidy | \$33,274 | \$29,323 | \$25,304 | \$21,215 |
| NET COST | \$701,270 | \$709,179 | \$633,545 | \$523,142 |

5.1.4 Materials and Contracts

The Council has adjusted materials and contracts to represent the current CPI cost increases the Council is currently experiencing.

There is an identified program to upgrade the Council's information technology and financial management systems, the delivery of which has been deferred.

The operating surplus before capital grants and contributions is forecast to be around \$52,000 for 2023/24 due to significant increase in the cost of delivering capital works and the full range of Council services.

Council projects a \$940,000 surplus in 2024/25 with surpluses projected each year over the 10-year period.

5.1.5 Depreciation

This LTFP has included depreciation determined from the Council's existing asset management system and its Asset Management Plans. Where new assets have been proposed, depreciation for those amounts have been included in this report. Depreciation is determined in line with the Council's asset accounting policy as identified in the appropriate Notes to its Annual Financial Statements.

5.1.6 Other Expenses

The LTFP base case proposes the expenses in this category will increase in general terms by 3.0% per year from 2023 – 2033.

While not included in the LTFP base case, the Council has considered the possibility of additional support for the volunteer committees managing some of the Council's recreation and cultural infrastructure such as public halls and recreation reserves. Items such as contributions to NSW Fire & Rescue and NSW Rural Fire Service have been included at historic levels and inflated in the absence of more specific advice.

5.1.7 Income statement

5.1.8 Balance Sheet and Cash Flow Statement

Council's cash and investments are forecast to decrease due to large capital works and ongoing inflation challenges. Council's cash and investments will remain stable over the ten-year life of this plan retaining a balance of \$33M in June 2033. However, it is crucial to note that in June 2033 Council will have no unrestricted funds available. The Council's cash holdings in 2032/33 are mainly restricted for use in the Water and Sewer funds.

6. Asset Management

The Council's asset management plans identify service levels and the condition of assets and the likely cost of asset maintenance and development. The costs resulting from Council's Asset Management Plan are included in the LTFP as capital costs for new assets, renewals, rehabilitation and non-capital expenditure for costs related to maintenance, Council operating costs and depreciation.

Asset related expenditure identified in the Asset Management Plan is being incorporated into the LTFP. Moreover, subsequent reviews of the LTFP will factor in greater detail on planned and forecast expenditure as the Council strengthens its Asset Management capacity through exploration of:

- More efficient use and operation of assets.
- Demand management.
- Asset rationalisation and review of asset growth requests.
- Low-cost strategies over high cost strategies.
- Re-evaluation of service levels and standards.

The Council already incorporates into its Asset Management and Planning:

- Forward provision for renewal by reducing its reliance on debt
- Creating and funding its renewal reserves
- Conducting capital reviews for new and existing projects

The Council's Financial Strategy 2021 describes the key performance indicators (KPIs) used to measure the Council's financial performance and the financial sustainability and efficiency of its Delivery Program and ongoing operations. These include:

- Operating Performance ratio;
- Unrestricted Current ratio
- Rates, Annual Charges, Interest and Extra Charges
- Outstanding Percentage
- Building Infrastructure and Other Structures Renewals ratio;
- Infrastructure Backlog ratio
- Capital Expenditure ratio;
- Debt Service ratio; and
- Cash Expense Cover ratio.

Council reviews its progress against these Key Performance Indicators on an annual basis.

7. Performance Measures

8. Modelling

8.1 Sensitivity Analysis

This Long Term Financial Plan includes a number of assumptions (Section 3), which if they do not occur, may have varying levels of impact on future financial plans. assumptions for example it assumes continuation of Roads to Recovery funding and the continuation of IPART determined rate peg. The base model reviewed by this LTFP scenario 1 is therefore, per the assumptions outlined in this document.

Not modelled in this year's LTFP are optimistic nor pessimistic scenario's = modelling which is generally undertaken when a full review of the LTFP is undertaken in concert with the development of new 4-year Delivery Program.

Long term financial planning is not without risk. Therefore, the following risk factors have been considered in the development of this Long Term Financial Plan and whilst some factors would only have a minor impact on projections, others could have a more significant impact.

Areas which would have a particular impact on the projections, should they occur, include:

- Estimates to fund infrastructural renewal, replacement and significant ongoing asset maintenance being inaccurate
- Rates increase being lower than anticipated
- Construction costs being higher than anticipated
- Utility expenses being higher than estimated
- Significant fluctuations in the rate of return for investments
- Workers compensation insurance costs
- Award determined staff related expenses increasing more than anticipated.

There are also external factors beyond the influence of Council which could potentially impact most on the model, including:

- Further cost shifting from other levels of Government (currently estimated at \$5.9M)
- Freezes to the indexation of recurrent operating grants
- Changes to the taxation regime
- Changes to the Superannuation Guarantee legislation
- Forced amalgamation of Councils
- Natural disasters



9. Appendices/ Updated Base Case Scenarios

Base Case Projected Income Statement - Consolidated

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 INCOME STATEMENT - CONSOLIDATED Scenario: Base Case | | | | | | | | | | | | |
|--|--------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals 2021/22 \$ | Current Year 2022/23 \$ | 2023/24 \$ | 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | Projected Years | | | | | |
| | | | | | | | 2027/28 \$ | 2028/29 \$ | 2029/30 \$ | 2030/31 \$ | 2031/32 \$ | 2032/33 \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 11,234,000 | 11,537,000 | 11,804,000 | 12,256,000 | 12,724,000 | 13,209,000 | 13,528,634 | 14,027,937 | 14,545,426 | 15,081,764 | 15,637,636 | 16,213,756 |
| User Charges & Fees | 2,514,000 | 2,227,000 | 2,129,945 | 2,145,048 | 2,159,155 | 2,176,210 | 2,326,433 | 2,405,608 | 2,487,536 | 2,572,307 | 2,660,021 | 2,750,783 |
| Other Revenues | 468,000 | 703,000 | 519,000 | 543,000 | 538,000 | 538,000 | 560,557 | 582,025 | 594,899 | 617,633 | 630,992 | 655,287 |
| Grants & Contributions provided for Operating Purposes | 9,060,000 | 8,056,000 | 9,586,000 | 8,718,000 | 8,865,000 | 9,017,000 | 9,147,694 | 9,247,590 | 9,348,043 | 9,450,002 | 9,554,432 | 9,660,428 |
| Grants & Contributions provided for Capital Purposes | 3,734,000 | 3,110,000 | 170,000 | 31,000 | 14,000 | 4,000 | 4,000 | 3,000 | 2,000 | 1,000 | - | - |
| Interest & Investment Revenue | 182,000 | 458,000 | 1,002,000 | 1,016,000 | 1,037,000 | 1,050,000 | 872,605 | 881,752 | 891,063 | 900,544 | 910,199 | 920,033 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | 183,000 | 52,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 27,375,000 | 26,143,000 | 25,236,945 | 24,735,048 | 25,363,155 | 26,020,210 | 26,465,923 | 27,173,912 | 27,894,967 | 28,649,250 | 29,419,280 | 30,226,287 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 9,013,000 | 4,993,800 | 5,420,000 | 5,591,850 | 5,766,234 | 5,940,359 | 6,264,261 | 6,565,277 | 6,881,017 | 7,212,212 | 7,559,632 | 7,924,076 |
| Borrowing Costs | 152,000 | 83,873 | 164,463 | 140,565 | 122,244 | 104,984 | 87,122 | 68,634 | 49,473 | 31,530 | 18,823 | 6,762 |
| Materials & Contracts | 6,960,000 | 10,267,860 | 10,802,800 | 10,928,433 | 10,861,631 | 11,004,576 | 11,654,198 | 12,045,776 | 12,409,847 | 12,855,785 | 13,215,732 | 13,661,573 |
| Depreciation & Amortisation | 7,423,000 | 6,309,000 | 6,372,000 | 6,433,000 | 6,498,000 | 6,562,000 | 6,591,690 | 6,649,447 | 6,707,271 | 6,767,164 | 6,827,126 | 6,888,157 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | 17,000 | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 565,000 | 507,000 | 2,255,000 | 670,035 | 700,071 | 731,402 | 748,560 | 767,622 | 787,346 | 807,763 | 828,895 | 850,767 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 1,120,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 25,250,000 | 22,161,533 | 25,014,263 | 23,763,883 | 23,948,180 | 24,343,321 | 25,345,831 | 26,096,756 | 26,834,954 | 27,674,454 | 28,450,208 | 29,331,335 |
| Operating Result from Continuing Operations | 2,125,000 | 3,981,467 | 222,682 | 971,165 | 1,414,975 | 1,676,889 | 1,120,092 | 1,077,156 | 1,060,013 | 974,796 | 969,072 | 894,952 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 2,125,000 | 3,981,467 | 222,682 | 971,165 | 1,414,975 | 1,676,889 | 1,120,092 | 1,077,156 | 1,060,013 | 974,796 | 969,072 | 894,952 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (1,609,000) | 871,467 | 52,682 | 940,165 | 1,400,975 | 1,672,889 | 1,116,092 | 1,074,156 | 1,058,013 | 973,796 | 969,072 | 894,952 |

Base Case Projected Income Statement – General Fund

| Berrigan Shire Council | | | | | | | | | | | | |
|--|-------------|--------------|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 10 Year Financial Plan for the Years ending 30 June 2033 | | | | | | | | | | | | |
| INCOME STATEMENT - GENERAL FUND | | | | | | | | | | | | |
| Scenario: Base Case | | | | | | | | | | | | |
| | Actuals | Current Year | Projected Years | | | | | | | | | |
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 6,849,000 | 6,970,000 | 7,076,000 | 7,345,000 | 7,624,000 | 7,913,000 | 8,203,612 | 8,511,052 | 8,829,757 | 9,160,145 | 9,502,639 | 9,857,687 |
| User Charges & Fees | 1,354,000 | 1,342,000 | 1,187,945 | 1,202,048 | 1,215,155 | 1,230,210 | 1,276,100 | 1,319,396 | 1,364,211 | 1,410,594 | 1,458,600 | 1,508,288 |
| Other Revenues | 338,000 | 651,000 | 467,000 | 491,000 | 496,000 | 496,000 | 498,882 | 518,202 | 528,854 | 549,288 | 560,267 | 582,099 |
| Grants & Contributions provided for Operating Purposes | 9,060,000 | 7,896,000 | 9,468,000 | 8,603,000 | 8,753,000 | 8,908,000 | 9,003,038 | 9,101,394 | 9,200,284 | 9,300,657 | 9,403,477 | 9,507,839 |
| Grants & Contributions provided for Capital Purposes | 2,865,000 | 10,000 | 170,000 | 31,000 | 14,000 | 4,000 | 4,000 | 3,000 | 2,000 | 1,000 | - | - |
| Interest & Investment Revenue | 29,000 | 202,000 | 538,000 | 544,000 | 550,000 | 556,000 | 559,740 | 563,523 | 567,349 | 571,219 | 575,135 | 579,098 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | 183,000 | 52,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 20,678,000 | 17,123,000 | 18,932,945 | 18,242,048 | 18,668,155 | 19,123,210 | 19,571,372 | 20,042,567 | 20,518,455 | 21,018,903 | 21,526,118 | 22,061,011 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 8,266,000 | 4,910,800 | 5,367,000 | 5,538,850 | 5,713,234 | 5,887,359 | 6,201,058 | 6,499,230 | 6,811,998 | 7,140,087 | 7,484,261 | 7,845,313 |
| Borrowing Costs | 59,000 | 48,536 | 133,411 | 113,862 | 99,954 | 87,175 | 73,860 | 59,986 | 45,509 | 31,876 | 18,823 | 6,762 |
| Materials & Contracts | 4,095,000 | 5,988,860 | 6,656,800 | 6,771,433 | 6,673,631 | 6,787,576 | 7,014,114 | 7,290,555 | 7,535,677 | 7,858,714 | 8,091,683 | 8,408,336 |
| Depreciation & Amortisation | 5,563,000 | 5,009,000 | 5,059,000 | 5,106,000 | 5,157,000 | 5,207,000 | 5,258,000 | 5,309,000 | 5,360,000 | 5,413,000 | 5,466,000 | 5,520,000 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | 17,000 | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 565,000 | 504,000 | 2,252,000 | 667,035 | 697,071 | 728,402 | 745,059 | 764,004 | 783,607 | 803,899 | 824,902 | 846,641 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 1,070,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 19,635,000 | 16,461,196 | 19,468,211 | 18,197,180 | 18,340,890 | 18,697,512 | 19,292,091 | 19,922,775 | 20,536,791 | 21,247,576 | 21,885,669 | 22,625,052 |
| Operating Result from Continuing Operations | 1,043,000 | 661,804 | (535,266) | 44,868 | 327,265 | 425,698 | 279,281 | 119,792 | (18,336) | (228,673) | (359,551) | (564,041) |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 1,043,000 | 661,804 | (535,266) | 44,868 | 327,265 | 425,698 | 279,281 | 119,792 | (18,336) | (228,673) | (359,551) | (564,041) |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (1,822,000) | 651,804 | (705,266) | 13,868 | 313,265 | 421,698 | 275,281 | 116,792 | (20,336) | (229,673) | (359,551) | (564,041) |

Base Case Projected Income Statement – Sewer Fund

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 INCOME STATEMENT - SEWER FUND Scenario: Base Case | | | | | | | | | | | | |
|--|--------------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actuals 2021/22 \$ | Current Year 2022/23 \$ | 2023/24 \$ | 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | Projected Years | | | | | |
| | | | | | | | 2027/28 \$ | 2028/29 \$ | 2029/30 \$ | 2030/31 \$ | 2031/32 \$ | 2032/33 \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 2,211,000 | 2,296,000 | 2,373,000 | 2,465,000 | 2,560,000 | 2,659,000 | 2,744,180 | 2,845,714 | 2,951,008 | 3,060,193 | 3,173,421 | 3,290,838 |
| User Charges & Fees | 77,000 | 75,000 | 80,000 | 80,000 | 80,000 | 80,000 | 88,306 | 90,514 | 92,777 | 95,097 | 97,474 | 99,910 |
| Other Revenues | 48,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,104 | 1,132 | 1,160 | 1,189 | 1,219 | 1,249 |
| Grants & Contributions provided for Operating Purposes | - | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 50,946 | 51,710 | 52,486 | 53,273 | 54,072 | 54,883 |
| Grants & Contributions provided for Capital Purposes | 14,000 | - | - | - | - | - | - | - | - | - | - | - |
| Interest & Investment Revenue | 75,000 | 131,297 | 216,240 | 214,110 | 211,901 | 209,618 | 213,215 | 212,547 | 211,918 | 211,330 | 210,784 | 210,054 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 2,423,000 | 2,551,297 | 2,718,240 | 2,808,110 | 2,900,901 | 2,997,618 | 3,097,751 | 3,201,617 | 3,309,347 | 3,421,082 | 3,536,970 | 3,662,934 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 335,000 | 30,000 | - | - | - | - | - | - | - | - | - | - |
| Borrowing Costs | - | - | - | - | - | - | - | - | - | - | - | - |
| Materials & Contracts | 1,204,000 | 1,900,000 | 1,760,000 | 1,774,000 | 1,783,000 | 1,798,000 | 1,917,268 | 1,959,575 | 2,003,152 | 2,048,035 | 2,094,268 | 2,141,882 |
| Depreciation & Amortisation | 1,010,000 | 642,000 | 648,000 | 656,000 | 662,000 | 669,000 | 675,690 | 682,447 | 689,271 | 696,164 | 703,126 | 710,157 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,126 | 1,160 | 1,195 | 1,231 | 1,268 | 1,306 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 15,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 2,564,000 | 2,573,000 | 2,409,000 | 2,431,000 | 2,446,000 | 2,468,000 | 2,594,084 | 2,643,182 | 2,693,618 | 2,745,430 | 2,798,662 | 2,853,345 |
| Operating Result from Continuing Operations | (141,000) | (21,703) | 309,240 | 377,110 | 454,901 | 529,618 | 503,667 | 558,435 | 615,729 | 675,652 | 738,308 | 809,589 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | (141,000) | (21,703) | 309,240 | 377,110 | 454,901 | 529,618 | 503,667 | 558,435 | 615,729 | 675,652 | 738,308 | 809,589 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (155,000) | (21,703) | 309,240 | 377,110 | 454,901 | 529,618 | 503,667 | 558,435 | 615,729 | 675,652 | 738,308 | 809,589 |

Base Case Projected Income Statement – Water Fund

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 INCOME STATEMENT - WATER FUND Scenario: Base Case | | | | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actuals | Current Year | Projected Years | | | | | | | | | |
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 2,174,000 | 2,271,000 | 2,355,000 | 2,446,000 | 2,540,000 | 2,637,000 | 2,580,842 | 2,671,171 | 2,764,663 | 2,861,426 | 2,961,576 | 3,065,231 |
| User Charges & Fees | 1,083,000 | 810,000 | 862,000 | 863,000 | 864,000 | 866,000 | 962,027 | 995,698 | 1,030,548 | 1,066,816 | 1,103,947 | 1,142,585 |
| Other Revenues | 84,000 | 51,000 | 51,000 | 51,000 | 51,000 | 51,000 | 60,571 | 62,691 | 64,885 | 67,156 | 69,506 | 71,939 |
| Grants & Contributions provided for Operating Purposes | - | 112,000 | 70,000 | 67,000 | 64,000 | 61,000 | 93,710 | 94,486 | 95,273 | 96,072 | 96,883 | 97,706 |
| Grants & Contributions provided for Capital Purposes | 855,000 | 3,100,000 | - | - | - | - | - | - | - | - | - | - |
| Interest & Investment Revenue | 78,000 | 173,000 | 291,000 | 296,000 | 308,000 | 312,000 | 121,905 | 122,495 | 123,087 | 123,682 | 124,280 | 124,881 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 4,274,000 | 6,517,000 | 3,629,000 | 3,723,000 | 3,827,000 | 3,927,000 | 3,819,055 | 3,946,541 | 4,078,456 | 4,214,952 | 4,356,192 | 4,502,342 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 412,000 | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 | 63,203 | 66,047 | 69,019 | 72,125 | 75,371 | 78,763 |
| Borrowing Costs | 93,000 | 83,634 | 74,292 | 64,813 | 55,191 | 45,427 | 35,517 | 25,461 | 15,255 | 5,341 | - | - |
| Materials & Contracts | 1,661,000 | 2,379,000 | 2,386,000 | 2,383,000 | 2,405,000 | 2,419,000 | 2,722,816 | 2,795,646 | 2,871,018 | 2,949,036 | 3,029,781 | 3,113,355 |
| Depreciation & Amortisation | 850,000 | 658,000 | 665,000 | 671,000 | 679,000 | 686,000 | 658,000 | 658,000 | 658,000 | 658,000 | 658,000 | 658,000 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,375 | 2,458 | 2,544 | 2,633 | 2,725 | 2,820 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 35,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 3,051,000 | 3,175,634 | 3,180,292 | 3,173,813 | 3,194,191 | 3,205,427 | 3,481,911 | 3,547,612 | 3,615,836 | 3,687,135 | 3,765,877 | 3,852,938 |
| Operating Result from Continuing Operations | 1,223,000 | 3,341,366 | 448,708 | 549,187 | 632,809 | 721,573 | 337,144 | 398,929 | 462,620 | 527,817 | 590,315 | 649,404 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 1,223,000 | 3,341,366 | 448,708 | 549,187 | 632,809 | 721,573 | 337,144 | 398,929 | 462,620 | 527,817 | 590,315 | 649,404 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | 368,000 | 241,366 | 448,708 | 549,187 | 632,809 | 721,573 | 337,144 | 398,929 | 462,620 | 527,817 | 590,315 | 649,404 |

Base Case Projected Balance Sheet – Consolidated

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 BALANCE SHEET - CONSOLIDATED Scenario: Base Case | | | | | | | | | | | | |
|---|--------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals 2021/22 | Current Year 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| | | | | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 17,384,000 | 9,143,406 | 8,260,573 | 7,835,645 | 7,625,606 | 7,467,104 | 9,087,845 | 10,674,156 | 12,240,834 | 13,820,055 | 15,166,013 | 16,495,673 |
| Investments | 26,084,000 | 23,820,907 | 20,879,957 | 19,555,003 | 18,174,440 | 17,262,363 | 16,877,085 | 16,541,110 | 16,258,195 | 16,209,842 | 16,209,842 | 16,209,842 |
| Receivables | 2,874,000 | 2,700,932 | 2,715,551 | 2,677,728 | 2,714,416 | 2,754,233 | 2,805,843 | 2,873,152 | 2,938,881 | 3,008,522 | 3,077,543 | 3,150,040 |
| Inventories | 760,000 | 889,509 | 914,424 | 918,667 | 916,232 | 921,341 | 946,581 | 961,043 | 974,478 | 990,972 | 1,004,255 | 1,020,747 |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 51,000 | 90,929 | 119,925 | 102,430 | 101,624 | 103,352 | 106,246 | 109,781 | 112,911 | 116,996 | 120,018 | 124,020 |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 47,153,000 | 36,645,682 | 32,890,430 | 31,089,473 | 29,532,319 | 28,508,393 | 29,823,399 | 31,159,222 | 32,525,299 | 34,146,187 | 35,577,471 | 37,000,422 |
| Non-Current Assets | | | | | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 355,982,000 | 370,244,000 | 376,567,000 | 378,208,000 | 380,531,000 | 382,599,000 | 381,754,310 | 380,855,658 | 379,895,387 | 378,875,223 | 378,262,097 | 377,587,940 |
| Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Right of use assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Assets | 355,982,000 | 370,244,000 | 376,567,000 | 378,208,000 | 380,531,000 | 382,599,000 | 381,754,310 | 380,855,658 | 379,895,387 | 378,875,223 | 378,262,097 | 377,587,940 |
| TOTAL ASSETS | 403,135,000 | 406,889,682 | 409,457,430 | 409,297,473 | 410,063,319 | 411,107,393 | 411,577,709 | 412,014,880 | 412,420,686 | 413,021,410 | 413,839,568 | 414,588,362 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 2,174,000 | 2,456,394 | 2,953,082 | 2,665,575 | 2,682,211 | 2,731,584 | 2,785,340 | 2,867,212 | 2,944,445 | 3,037,543 | 3,115,268 | 3,209,634 |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | 951,000 | 550,859 | 671,538 | 601,583 | 610,850 | 620,953 | 627,575 | 634,359 | 641,179 | 648,103 | 655,198 | 662,469 |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 659,000 | 675,152 | 773,660 | 675,033 | 692,291 | 710,153 | 728,841 | 738,260 | 474,094 | 235,734 | 247,795 | - |
| Employee benefit provisions | 1,607,000 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 |
| Other provisions | 466,000 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 5,857,000 | 5,836,426 | 6,552,301 | 6,098,212 | 6,139,373 | 6,216,711 | 6,295,576 | 6,393,852 | 6,213,739 | 6,075,401 | 6,172,282 | 6,026,124 |
| Non-Current Liabilities | | | | | | | | | | | | |
| Payables | - | - | - | - | - | - | - | - | - | - | - | - |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 4,109,000 | 3,983,810 | 5,613,000 | 4,937,968 | 4,245,677 | 3,535,524 | 2,806,883 | 2,068,623 | 1,594,529 | 1,358,795 | 1,111,000 | 1,111,000 |
| Employee benefit provisions | 641,000 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 |
| Other provisions | 76,000 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 4,826,000 | 4,619,790 | 6,248,980 | 5,573,948 | 4,881,657 | 4,171,504 | 3,442,863 | 2,704,603 | 2,230,509 | 1,994,775 | 1,746,980 | 1,746,980 |
| TOTAL LIABILITIES | 10,683,000 | 10,456,216 | 12,801,281 | 11,672,160 | 11,021,030 | 10,388,215 | 9,738,439 | 9,098,454 | 8,444,248 | 8,070,175 | 7,919,261 | 7,773,103 |
| Net Assets | 392,452,000 | 396,433,467 | 396,656,149 | 397,627,314 | 399,042,289 | 400,719,179 | 401,839,270 | 402,916,426 | 403,976,439 | 404,951,235 | 405,920,307 | 406,815,259 |
| EQUITY | | | | | | | | | | | | |
| Retained Earnings | 130,522,000 | 134,503,467 | 134,726,149 | 135,697,314 | 137,112,289 | 138,789,179 | 139,909,270 | 140,986,426 | 142,046,439 | 143,021,235 | 143,990,307 | 144,885,259 |
| Revaluation Reserves | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 | 261,930,000 |
| Other Reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| Council Equity Interest | 392,452,000 | 396,433,467 | 396,656,149 | 397,627,314 | 399,042,289 | 400,719,179 | 401,839,270 | 402,916,426 | 403,976,439 | 404,951,235 | 405,920,307 | 406,815,259 |
| Non-controlling equity interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 392,452,000 | 396,433,467 | 396,656,149 | 397,627,314 | 399,042,289 | 400,719,179 | 401,839,270 | 402,916,426 | 403,976,439 | 404,951,235 | 405,920,307 | 406,815,259 |

Base Case Projected Balance Sheet – General

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 BALANCE SHEET - GENERAL FUND Scenario: Base Case | | | | | | | | | | | | |
|---|--------------------------|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals 2021/22 \$ | Current Year 2022/23 \$ | 2023/24 \$ | 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | Projected Years | | | | | |
| | | | | | | | 2027/28 \$ | 2028/29 \$ | 2029/30 \$ | 2030/31 \$ | 2031/32 \$ | 2032/33 \$ |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 9,011,000 | 9,143,406 | 8,260,573 | 7,835,645 | 7,625,606 | 7,400,707 | 8,479,176 | 9,456,610 | 10,344,751 | 11,173,200 | 12,009,379 | 12,692,830 |
| Investments | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 |
| Receivables | 2,628,000 | 2,361,463 | 2,363,822 | 2,312,475 | 2,335,197 | 2,360,567 | 2,413,938 | 2,467,303 | 2,518,590 | 2,573,276 | 2,626,808 | 2,683,265 |
| Inventories | 648,000 | 787,591 | 813,323 | 817,604 | 813,951 | 818,207 | 826,668 | 836,993 | 846,148 | 858,213 | 866,914 | 878,666 |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 51,000 | 90,929 | 119,925 | 102,430 | 101,624 | 103,352 | 106,246 | 109,761 | 112,911 | 116,996 | 120,018 | 124,020 |
| Non-current assets classified as 'held for sale' | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 22,278,000 | 22,423,389 | 21,597,642 | 21,108,154 | 20,916,378 | 20,722,824 | 21,866,028 | 22,910,666 | 23,862,399 | 24,761,684 | 25,663,119 | 26,418,781 |
| Non-Current Assets | | | | | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 271,948,000 | 272,576,000 | 275,502,000 | 275,200,000 | 275,369,000 | 275,659,000 | 274,454,000 | 273,201,795 | 271,894,795 | 270,534,795 | 269,121,795 | 267,654,795 |
| Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Right of use assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as 'held for sale' | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Assets | 271,948,000 | 272,576,000 | 275,502,000 | 275,200,000 | 275,369,000 | 275,659,000 | 274,454,000 | 273,201,795 | 271,894,795 | 270,534,795 | 269,121,795 | 267,654,795 |
| TOTAL ASSETS | 294,226,000 | 294,999,389 | 297,099,642 | 296,308,154 | 296,285,378 | 296,381,824 | 296,320,028 | 296,112,461 | 295,757,194 | 295,296,479 | 294,784,914 | 294,073,576 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 1,926,000 | 2,259,000 | 2,754,926 | 2,466,620 | 2,482,367 | 2,530,844 | 2,584,293 | 2,665,174 | 2,741,380 | 2,833,414 | 2,910,040 | 3,003,266 |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | 951,000 | 550,859 | 671,538 | 601,583 | 610,850 | 620,953 | 627,575 | 634,359 | 641,179 | 648,103 | 655,198 | 662,469 |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 371,000 | 383,936 | 478,096 | 375,055 | 387,833 | 401,148 | 415,022 | 419,967 | 331,001 | 235,734 | 247,795 | - |
| Employee benefit provisions | 1,607,000 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 | 2,009,982 |
| Other provisions | 466,000 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 | 144,039 |
| Liabilities associated with assets classified as 'held for sale' | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 5,321,000 | 5,347,816 | 6,058,581 | 5,567,279 | 5,635,070 | 5,706,966 | 5,780,911 | 5,873,510 | 5,867,580 | 5,871,272 | 5,967,053 | 6,019,756 |
| Non-Current Liabilities | | | | | | | | | | | | |
| Payables | - | - | - | - | - | - | - | - | - | - | - | - |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 1,834,000 | 1,999,790 | 3,924,544 | 3,549,490 | 3,161,657 | 2,760,509 | 2,345,487 | 1,925,530 | 1,594,529 | 1,358,795 | 1,111,000 | 1,111,000 |
| Employee benefit provisions | 641,000 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 | 238,018 |
| Other provisions | 76,000 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 | 397,961 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as 'held for sale' | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 2,551,000 | 2,635,770 | 4,566,524 | 4,185,470 | 3,797,637 | 3,396,489 | 2,981,467 | 2,561,510 | 2,230,509 | 1,994,775 | 1,746,880 | 1,746,880 |
| TOTAL LIABILITIES | 7,872,000 | 7,983,586 | 10,625,105 | 9,752,749 | 9,432,707 | 9,103,454 | 8,762,378 | 8,435,019 | 8,098,089 | 7,866,047 | 7,714,032 | 7,566,736 |
| Net Assets | 286,354,000 | 287,015,804 | 286,480,338 | 286,525,406 | 286,852,671 | 287,278,370 | 287,557,650 | 287,677,442 | 287,659,106 | 287,430,433 | 287,070,882 | 286,506,841 |
| EQUITY | | | | | | | | | | | | |
| Retained Earnings | 91,530,000 | 92,191,804 | 91,656,538 | 91,701,406 | 92,028,671 | 92,454,370 | 92,733,650 | 92,853,442 | 92,835,106 | 92,606,433 | 92,246,882 | 91,682,841 |
| Revaluation Reserves | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 | 194,824,000 |
| Other Reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| Council Equity Interest | 286,354,000 | 287,015,804 | 286,480,538 | 286,525,406 | 286,852,671 | 287,278,370 | 287,557,650 | 287,677,442 | 287,659,106 | 287,430,433 | 287,070,882 | 286,506,841 |
| Non-controlling equity interests | | | | | | | | | | | | |
| Total Equity | 286,354,000 | 287,015,804 | 286,480,538 | 286,525,406 | 286,852,671 | 287,278,370 | 287,557,650 | 287,677,442 | 287,659,106 | 287,430,433 | 287,070,882 | 286,506,841 |

Base Case Projected Balance Sheet - Sewer

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 BALANCE SHEET - SEWER FUND Scenario: Base Case | | | | | | | | | | | | |
|---|--------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals 2021/22 | Current Year 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| | | | | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 508,000 | - | - | - | - | 66,397 | 608,468 | 1,217,546 | 1,896,083 | 2,646,855 | 3,082,789 | 3,598,835 |
| Investments | 4,000,000 | 3,586,717 | 2,798,303 | 2,579,021 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 |
| Receivables | 433,000 | 450,871 | 459,546 | 468,867 | 478,400 | 488,189 | 497,605 | 507,711 | 518,070 | 528,735 | 539,146 | 549,557 |
| Inventories | 9,000 | 11,738 | 10,558 | 10,676 | 10,752 | 10,879 | 11,884 | 12,240 | 12,607 | 12,974 | 13,341 | 13,708 |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 4,950,000 | 4,049,327 | 3,268,407 | 3,058,564 | 2,762,797 | 2,839,109 | 3,391,602 | 4,011,142 | 4,700,405 | 5,072,221 | 5,513,655 | 6,033,401 |
| Non-Current Assets | | | | | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | 2,922,000 | 2,574,970 | 2,223,130 | 1,868,083 | 1,503,751 | 1,136,057 | 762,921 | 384,263 | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 46,351,000 | 47,577,000 | 49,019,000 | 49,963,000 | 51,076,000 | 51,897,000 | 52,221,310 | 52,538,863 | 52,849,592 | 53,153,428 | 53,450,302 | 53,740,145 |
| Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Right of use assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Assets | 49,273,000 | 50,151,970 | 51,242,130 | 51,829,083 | 52,579,751 | 53,033,057 | 52,984,231 | 52,923,126 | 52,849,592 | 53,153,428 | 53,450,302 | 53,740,145 |
| TOTAL ASSETS | 54,223,000 | 54,201,297 | 54,510,537 | 54,887,647 | 55,342,548 | 55,872,166 | 56,375,833 | 56,934,268 | 57,549,997 | 58,225,649 | 58,963,957 | 59,773,546 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - | - |
| Payables | - | - | - | - | - | - | - | - | - | - | - | - |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - |
| Employee benefit provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Other provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-Current Liabilities | | | | | | | | | | | | |
| Payables | - | - | - | - | - | - | - | - | - | - | - | - |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - |
| Employee benefit provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Other provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL LIABILITIES | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Assets | 54,223,000 | 54,201,297 | 54,510,537 | 54,887,647 | 55,342,548 | 55,872,166 | 56,375,833 | 56,934,268 | 57,549,997 | 58,225,649 | 58,963,957 | 59,773,546 |
| EQUITY | | | | | | | | | | | | |
| Retained Earnings | 10,641,000 | 10,619,297 | 10,828,537 | 11,305,647 | 11,780,548 | 12,290,166 | 12,793,833 | 13,352,268 | 13,967,997 | 14,643,649 | 15,381,957 | 16,191,546 |
| Revaluation Reserves | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 | 43,582,000 |
| Other Reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| Council Equity Interest | 54,223,000 | 54,201,297 | 54,510,537 | 54,887,647 | 55,342,548 | 55,872,166 | 56,375,833 | 56,934,268 | 57,549,997 | 58,225,649 | 58,963,957 | 59,773,546 |
| Total Equity | 54,223,000 | 54,201,297 | 54,510,537 | 54,887,647 | 55,342,548 | 55,872,166 | 56,375,833 | 56,934,268 | 57,549,997 | 58,225,649 | 58,963,957 | 59,773,546 |
| Non-controlling equity interests | - | - | - | - | - | - | - | - | - | - | - | - |

Base Case Projected Balance Sheet – Water

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 BALANCE SHEET - WATER FUND Scenario: Base Case | | | | | | | | | | | | |
|---|--------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals 2021/22 \$ | Current Year 2022/23 \$ | 2023/24 \$ | 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | Projected Years | | | | | |
| | | | | | | | 2027/28 \$ | 2028/29 \$ | 2029/30 \$ | 2030/31 \$ | 2031/32 \$ | 2032/33 \$ |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 7,865,000 | - | - | - | - | - | - | - | - | - | 73,845 | 206,308 |
| Investments | 12,044,000 | 10,194,189 | 8,041,654 | 6,935,982 | 5,860,795 | 4,948,718 | 4,563,440 | 4,227,465 | 3,944,550 | 3,895,997 | 3,895,997 | 3,895,997 |
| Receivables | 254,000 | 235,306 | 244,023 | 253,432 | 263,151 | 273,181 | 267,436 | 276,796 | 286,484 | 296,511 | 306,889 | 317,630 |
| Inventories | 103,000 | 90,179 | 90,543 | 90,387 | 91,529 | 92,256 | 108,029 | 111,810 | 115,723 | 119,774 | 123,966 | 128,304 |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 20,266,000 | 10,519,674 | 8,378,220 | 7,279,801 | 6,215,476 | 5,314,155 | 4,938,905 | 4,616,072 | 4,346,758 | 4,312,282 | 4,400,697 | 4,548,239 |
| Non-Current Assets | | | | | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract assets and contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 37,683,000 | 50,091,000 | 52,046,000 | 53,045,000 | 54,086,000 | 55,043,000 | 55,079,000 | 55,115,000 | 55,151,000 | 55,187,000 | 55,690,000 | 56,193,000 |
| Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Right of use assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Assets | 37,683,000 | 50,091,000 | 52,046,000 | 53,045,000 | 54,086,000 | 55,043,000 | 55,079,000 | 55,115,000 | 55,151,000 | 55,187,000 | 55,690,000 | 56,193,000 |
| TOTAL ASSETS | 57,949,000 | 60,610,674 | 60,422,220 | 60,324,801 | 60,301,476 | 60,357,155 | 60,017,905 | 59,731,072 | 59,497,758 | 59,499,282 | 60,090,697 | 60,741,239 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 248,000 | 197,394 | 198,156 | 198,954 | 199,845 | 200,741 | 201,046 | 202,039 | 203,066 | 204,129 | 205,229 | 206,367 |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 629,000 | 637,924 | 647,404 | 657,025 | 666,790 | 676,699 | 686,755 | 696,961 | 527,356 | - | - | - |
| Employee benefit provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Other provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 877,000 | 835,318 | 845,560 | 855,979 | 866,635 | 877,440 | 887,801 | 899,000 | 730,422 | 204,129 | 205,229 | 206,367 |
| Non-Current Liabilities | | | | | | | | | | | | |
| Payables | - | - | - | - | - | - | - | - | - | - | - | - |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 5,197,000 | 4,558,990 | 3,911,586 | 3,254,561 | 2,587,771 | 1,911,072 | 1,224,317 | 527,356 | - | - | - | - |
| Employee benefit provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Other provisions | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 5,197,000 | 4,558,990 | 3,911,586 | 3,254,561 | 2,587,771 | 1,911,072 | 1,224,317 | 527,356 | - | - | - | - |
| TOTAL LIABILITIES | 6,074,000 | 5,394,308 | 4,757,146 | 4,110,540 | 3,454,406 | 2,788,512 | 2,112,118 | 1,426,356 | 730,422 | 204,129 | 205,229 | 206,367 |
| Net Assets | 51,875,000 | 55,216,366 | 55,665,074 | 56,214,261 | 56,847,070 | 57,568,643 | 57,905,787 | 58,304,716 | 58,767,336 | 59,295,153 | 59,885,468 | 60,534,872 |
| EQUITY | | | | | | | | | | | | |
| Retained Earnings | 28,351,000 | 31,692,366 | 32,141,074 | 32,690,261 | 33,323,070 | 34,044,643 | 34,381,787 | 34,780,716 | 35,243,336 | 35,771,153 | 36,361,468 | 37,010,872 |
| Revaluation Reserves | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 | 23,524,000 |
| Other Reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| Council Equity Interest | 51,875,000 | 55,216,366 | 55,665,074 | 56,214,261 | 56,847,070 | 57,568,643 | 57,905,787 | 58,304,716 | 58,767,336 | 59,295,153 | 59,885,468 | 60,534,872 |
| Non-controlling equity interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 51,875,000 | 55,216,366 | 55,665,074 | 56,214,261 | 56,847,070 | 57,568,643 | 57,905,787 | 58,304,716 | 58,767,336 | 59,295,153 | 59,885,468 | 60,534,872 |

Base case Projected Cash Flow Statement – Consolidated

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 CASH FLOW STATEMENT - CONSOLIDATED Scenario: Base Case | | | | | | | | | | | | |
|---|--------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals 2021/22 | Current Year 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| Cash Flows from Operating Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Rates & Annual Charges | 11,240,000 | 11,410,356 | 11,793,509 | 12,245,549 | 12,713,216 | 13,197,838 | 13,532,582 | 14,017,447 | 14,534,564 | 15,070,517 | 15,625,990 | 16,201,697 |
| User Charges & Fees | 2,463,000 | 1,744,908 | 2,179,600 | 2,139,770 | 2,154,250 | 2,170,575 | 2,309,036 | 2,389,342 | 2,470,700 | 2,554,882 | 2,641,987 | 2,732,118 |
| Investment & Interest Revenue Received | 205,000 | 362,784 | 1,008,991 | 1,020,687 | 1,038,331 | 1,052,177 | 861,770 | 872,181 | 882,387 | 892,399 | 902,022 | 913,312 |
| Grants & Contributions | 13,151,000 | 11,667,408 | 9,758,937 | 8,747,297 | 8,879,226 | 9,021,246 | 9,151,855 | 9,250,755 | 9,350,209 | 9,451,171 | 9,554,605 | 9,660,605 |
| Bonds & Deposits Received | 27,026,000 | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1,960,000 | 702,700 | 607,353 | 562,194 | 563,756 | 562,171 | 577,917 | 597,919 | 612,979 | 632,884 | 648,629 | 669,790 |
| Payments: | | | | | | | | | | | | |
| Employee Benefits & On-Costs | (10,544,000) | (4,975,822) | (5,402,697) | (5,593,142) | (5,767,396) | (5,931,688) | (6,261,691) | (6,553,315) | (6,868,457) | (7,199,024) | (7,545,785) | (7,909,537) |
| Materials & Contracts | (7,273,000) | (10,227,227) | (10,407,122) | (11,186,439) | (10,870,833) | (10,984,575) | (11,636,663) | (12,009,067) | (12,377,396) | (12,812,820) | (13,184,970) | (13,619,789) |
| Borrowing Costs | (45,000) | (83,873) | (164,463) | (140,565) | (122,244) | (104,984) | (87,122) | (68,634) | (49,473) | (31,530) | (18,823) | (6,762) |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | (27,714,000) | (497,447) | (2,250,493) | (672,058) | (699,905) | (730,904) | (747,693) | (766,697) | (786,446) | (806,717) | (827,963) | (849,681) |
| Net Cash provided (or used in) Operating Activities | 10,469,000 | 10,103,788 | 7,123,615 | 7,133,294 | 7,898,401 | 8,251,855 | 7,710,092 | 7,729,930 | 7,769,066 | 7,751,761 | 7,795,692 | 7,791,755 |
| Cash Flows from Investing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Sale of Investment Securities | - | 2,263,093 | 2,940,949 | 1,324,954 | 1,380,563 | 912,078 | 385,277 | 335,975 | 282,915 | 48,553 | - | - |
| Sale of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Real Estate Assets | 749,000 | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | 190,000 | 907,000 | 354,000 | 332,000 | 444,000 | 260,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Sale of non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Disposal Groups | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors Receipts | - | - | - | - | 0 | 0 | - | 0 | 0 | 0 | - | - |
| Distributions Received from Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Receipts | 1,942,000 | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | (9,027,000) | (21,405,437) | (13,029,096) | (8,441,517) | (9,257,970) | (8,890,144) | (5,874,575) | (5,860,753) | (5,857,042) | (5,857,000) | (6,324,000) | (6,324,000) |
| Purchase of Real Estate Assets | (979,000) | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors & Advances Made | - | (329) | - | - | - | - | - | - | - | - | - | - |
| Contributions Paid to Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | (7,125,000) | (18,235,672) | (9,734,147) | (6,784,562) | (7,433,407) | (7,718,066) | (5,379,398) | (5,414,778) | (5,464,127) | (5,698,447) | (6,214,000) | (6,214,000) |
| Cash Flows from Financing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | - | 550,000 | 2,561,000 | - | - | - | - | - | - | - | - | - |
| Proceeds from Finance Leases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Repayment of Borrowings & Advances | (644,000) | (658,709) | (833,301) | (773,660) | (675,033) | (692,291) | (710,153) | (728,641) | (738,260) | (474,094) | (235,734) | (247,795) |
| Repayment of lease liabilities (principal repayments) | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash Flow provided (used in) Financing Activities | (644,000) | (108,709) | 1,727,699 | (773,660) | (675,033) | (692,291) | (710,153) | (728,641) | (738,260) | (474,094) | (235,734) | (247,795) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 2,700,000 | (8,240,594) | (882,833) | (424,928) | (210,039) | (158,502) | 1,620,541 | 1,586,511 | 1,566,678 | 1,579,221 | 1,345,958 | 1,329,960 |
| plus: Cash & Cash Equivalents - beginning of year | 14,684,000 | 17,384,000 | 9,143,406 | 8,260,573 | 7,835,645 | 7,625,606 | 7,467,104 | 9,087,645 | 10,674,156 | 12,240,834 | 13,820,055 | 15,166,013 |
| Cash & Cash Equivalents - end of the year | 17,384,000 | 9,143,406 | 8,260,573 | 7,835,646 | 7,625,608 | 7,467,104 | 9,087,646 | 10,674,168 | 12,240,834 | 13,820,066 | 15,166,013 | 16,495,973 |
| Cash & Cash Equivalents - end of the year | 17,384,000 | 9,143,406 | 8,260,573 | 7,835,645 | 7,625,606 | 7,467,104 | 9,087,645 | 10,674,156 | 12,240,834 | 13,820,055 | 15,166,013 | 16,495,973 |
| Investments - end of the year | 26,084,000 | 23,820,907 | 20,879,957 | 19,555,003 | 18,174,440 | 17,262,363 | 16,877,085 | 16,541,110 | 16,258,195 | 16,209,642 | 16,209,642 | 16,209,642 |
| Cash, Cash Equivalents & Investments - end of the year | 43,468,000 | 32,964,313 | 29,140,530 | 27,380,848 | 26,800,048 | 24,729,468 | 26,964,730 | 27,216,288 | 28,499,030 | 30,029,697 | 31,375,666 | 32,705,616 |
| Representing: | | | | | | | | | | | | |
| - External Restrictions | 31,837,000 | 21,334,907 | 17,923,957 | 16,900,003 | 15,818,440 | 15,465,759 | 16,083,310 | 16,841,836 | 17,748,411 | 18,988,002 | 20,062,491 | 21,302,003 |
| - Internal Restrictions | 3,497,000 | 3,740,000 | 3,912,000 | 4,268,000 | 4,721,000 | 4,233,000 | 5,286,165 | 6,405,441 | 7,593,016 | 8,851,149 | 10,182,177 | 11,588,513 |
| - Unrestricted | 8,134,000 | 7,889,406 | 7,304,573 | 6,222,645 | 5,260,606 | 5,030,707 | 4,595,255 | 3,967,989 | 3,157,602 | 2,190,546 | 1,130,987 | (184,901) |
| 43,468,000 | 32,964,313 | 29,140,530 | 27,380,848 | 26,800,048 | 24,729,468 | 26,964,730 | 27,216,288 | 28,499,030 | 30,029,697 | 31,375,666 | 32,705,616 | |

Base Case Projected Cash Flow Statement – General

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 CASH FLOW STATEMENT - GENERAL FUND Scenario: Base Case | | | | | | | | | | | | |
|---|--------------------|-------------------------|-------------|-------------|-------------|-------------|-----------------|-------------|-------------|-------------|-------------|-------------|
| | Actuals 2021/22 | Current Year 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| Cash Flows from Operating Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Rates & Annual Charges | - | 6,893,709 | 7,076,893 | 7,347,266 | 7,626,350 | 7,915,434 | 8,206,060 | 8,513,642 | 8,832,441 | 9,162,926 | 9,506,524 | 9,860,678 |
| User Charges & Fees | - | 860,910 | 1,237,732 | 1,196,771 | 1,210,251 | 1,224,577 | 1,258,929 | 1,303,195 | 1,347,442 | 1,393,238 | 1,440,637 | 1,489,696 |
| Investment & Interest Revenue Received | - | 106,784 | 544,991 | 548,687 | 551,331 | 558,176 | 548,905 | 553,952 | 558,573 | 563,073 | 566,958 | 572,377 |
| Grants & Contributions | - | 8,407,408 | 9,640,937 | 8,632,297 | 8,767,226 | 8,912,246 | 9,007,199 | 9,104,559 | 9,202,450 | 9,301,826 | 9,403,650 | 9,508,016 |
| Bonds & Deposits Received | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 649,705 | 555,353 | 510,194 | 511,756 | 510,171 | 516,243 | 534,096 | 546,934 | 564,539 | 577,904 | 596,603 |
| Payments: | | | | | | | | | | | | |
| Employee Benefits & On-Costs | - | (4,892,822) | (5,249,697) | (5,530,142) | (5,704,396) | (5,878,688) | (6,188,388) | (6,487,268) | (6,799,438) | (7,126,899) | (7,470,414) | (7,830,774) |
| Materials & Contracts | - | (5,964,595) | (7,029,469) | (6,681,673) | (6,766,760) | (6,980,604) | (7,249,901) | (7,499,145) | (7,811,526) | (8,096,553) | (8,360,032) | (8,602,032) |
| Borrowing Costs | - | (48,536) | (133,411) | (113,862) | (99,954) | (87,175) | (73,860) | (59,986) | (45,509) | (31,876) | (18,623) | (6,762) |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | (494,447) | (2,247,493) | (669,058) | (696,905) | (727,904) | (744,192) | (763,079) | (782,707) | (802,853) | (823,970) | (845,555) |
| Net Cash provided (or used in) Operating Activities | - | 5,518,117 | 5,063,348 | 4,892,685 | 5,483,986 | 5,660,078 | 5,550,293 | 5,449,209 | 5,361,140 | 5,212,450 | 5,124,913 | 4,984,246 |
| Cash Flows from Investing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Sale of Investment Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | - | 907,000 | 354,000 | 332,000 | 444,000 | 260,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Sale of non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Disposal Groups | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions Received from Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | - | (6,471,437) | (8,319,096) | (5,171,517) | (5,762,970) | (5,757,144) | (4,180,675) | (4,166,753) | (4,163,042) | (4,163,000) | (4,163,000) | (4,163,000) |
| Purchase of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors & Advances Made | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributions Paid to Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | - | (5,564,437) | (7,965,096) | (4,839,517) | (5,318,970) | (5,497,144) | (4,070,675) | (4,066,753) | (4,053,042) | (4,053,000) | (4,053,000) | (4,053,000) |
| Cash Flows from Financing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | - | 550,000 | 2,561,000 | - | - | - | - | - | - | - | - | - |
| Proceeds from Finance Leases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Repayment of Borrowings & Advances | - | (371,274) | (542,085) | (478,096) | (375,055) | (387,833) | (401,148) | (415,022) | (419,957) | (331,001) | (235,734) | (247,795) |
| Repayment of lease liabilities (principal repayments) | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash Flow provided (used in) Financing Activities | - | 178,726 | 2,018,915 | (478,096) | (375,055) | (387,833) | (401,148) | (415,022) | (419,957) | (331,001) | (235,734) | (247,795) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | - | 132,406 | (882,833) | (424,928) | (210,039) | (224,899) | 1,078,469 | 977,434 | 888,141 | 828,449 | 836,179 | 683,451 |
| plus: Cash & Cash Equivalents - beginning of year | - | 9,011,000 | 9,143,406 | 8,260,573 | 7,835,645 | 7,625,606 | 7,400,707 | 8,479,176 | 9,456,610 | 10,344,751 | 11,173,200 | 12,009,379 |
| Cash & Cash Equivalents - end of the year | - | 9,143,406 | 8,260,573 | 7,835,645 | 7,625,606 | 7,400,707 | 8,479,176 | 9,456,610 | 10,344,751 | 11,173,200 | 12,009,379 | 12,692,830 |
| Cash & Cash Equivalents - end of the year | 9,011,000 | 9,143,406 | 8,260,573 | 7,835,645 | 7,625,606 | 7,400,707 | 8,479,176 | 9,456,610 | 10,344,751 | 11,173,200 | 12,009,379 | 12,692,830 |
| Investments - end of the year | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 | 10,040,000 |
| Cash, Cash Equivalents & Investments - end of the year | 19,051,000 | 18,183,406 | 18,300,573 | 17,876,646 | 17,666,606 | 17,440,707 | 18,519,176 | 19,496,610 | 20,384,751 | 21,213,200 | 22,049,379 | 22,732,830 |
| Representing: | | | | | | | | | | | | |
| - External Restrictions | 7,420,000 | 7,554,000 | 7,084,000 | 7,385,000 | 7,684,000 | 8,177,000 | 8,637,756 | 9,123,180 | 9,634,133 | 10,171,505 | 10,736,215 | 11,329,218 |
| - Internal Restrictions | 3,497,000 | 3,740,000 | 3,912,000 | 4,268,000 | 4,721,000 | 4,233,000 | 5,286,165 | 6,405,441 | 7,593,016 | 8,851,149 | 10,162,177 | 11,588,513 |
| - Unrestricted | 8,134,000 | 7,889,406 | 7,304,573 | 6,222,646 | 5,260,606 | 5,030,707 | 4,595,255 | 3,967,989 | 3,157,602 | 2,130,546 | 1,130,987 | (164,901) |
| Cash, Cash Equivalents & Investments - end of the year | 19,051,000 | 18,183,406 | 18,300,573 | 17,876,646 | 17,666,606 | 17,440,707 | 18,519,176 | 19,496,610 | 20,384,751 | 21,213,200 | 22,049,379 | 22,732,830 |

Base Case Projected Cash Flow Statement – Sewer

| Berrigan Shire Council | | | | | | | | | | | | |
|--|--------------------|-------------------------|-------------|-------------|-------------|-------------|-----------------|-------------|-------------|-------------|-------------|-------------|
| 10 Year Financial Plan for the Years ending 30 June 2033 | | | | | | | | | | | | |
| CASH FLOW STATEMENT - SEWER FUND | | | | | | | | | | | | |
| Scenario: Base Case | | | | | | | | | | | | |
| | Actuals 2021/22 | Current Year 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| | | | | | | | | | | | | |
| Cash Flows from Operating Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Rates & Annual Charges | - | 2,284,330 | 2,369,557 | 2,460,886 | 2,555,752 | 2,654,573 | 2,740,371 | 2,841,174 | 2,946,298 | 3,055,311 | 3,168,358 | 3,285,587 |
| User Charges & Fees | - | 73,512 | 79,501 | 80,000 | 80,000 | 80,000 | 88,141 | 90,470 | 92,732 | 95,051 | 97,427 | 99,862 |
| Investment & Interest Revenue Received | - | 131,297 | 216,240 | 214,110 | 211,501 | 209,618 | 213,215 | 212,547 | 211,918 | 211,330 | 210,784 | 216,054 |
| Grants & Contributions | - | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 50,946 | 51,710 | 52,486 | 53,273 | 54,072 | 54,883 |
| Bonds & Deposits Received | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 1,995 | 1,000 | 1,000 | 1,000 | 1,000 | 1,103 | 1,132 | 1,160 | 1,189 | 1,219 | 1,249 |
| Payments: | | | | | | | | | | | | |
| Employee Benefits & On-Costs | - | (30,000) | - | - | - | - | - | - | - | - | - | - |
| Materials & Contracts | - | (1,902,738) | (1,758,820) | (1,774,118) | (1,783,076) | (1,798,126) | (1,918,273) | (1,959,932) | (2,003,519) | (2,048,413) | (2,094,658) | (2,142,283) |
| Borrowing Costs | - | - | - | - | - | - | - | - | - | - | - | - |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | (1,000) | (1,000) | (1,000) | (1,000) | (1,000) | (1,126) | (1,160) | (1,195) | (1,231) | (1,268) | (1,306) |
| Net Cash provided (or used in) Operating Activities | - | 605,395 | 954,877 | 1,028,878 | 1,112,577 | 1,194,055 | 1,174,378 | 1,235,941 | 1,299,879 | 1,366,509 | 1,435,934 | 1,514,046 |
| Cash Flows from Investing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Sale of Investment Securities | - | 413,283 | 788,415 | 219,282 | 305,376 | - | - | - | - | - | - | - |
| Sale of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of non-current assets classified as 'held for sale' | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Disposal Groups | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors Receipts | - | 341,651 | 346,708 | 351,840 | 357,047 | 362,332 | 367,694 | 373,136 | 378,658 | 384,263 | - | - |
| Distributions Received from Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | - | (1,868,000) | (2,090,000) | (1,600,000) | (1,775,000) | (1,490,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) |
| Purchase of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors & Advances Made | - | (329) | - | - | - | - | - | - | - | - | - | - |
| Contributions Paid to Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | - | (1,113,395) | (954,877) | (1,028,878) | (1,112,577) | (1,127,658) | (632,306) | (626,864) | (621,342) | (615,737) | (1,000,000) | (1,000,000) |
| Cash Flows from Financing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Finance Leases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Repayment of Borrowings & Advances | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment of lease liabilities (principal repayments) | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash Flow provided (used in) Financing Activities | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Increase/(Decrease) in Cash & Cash Equivalents | - | (508,000) | 0 | (0) | - | 66,397 | 542,072 | 609,077 | 678,537 | 750,772 | 435,934 | 514,046 |
| plus: Cash & Cash Equivalents - beginning of year | - | 508,000 | - | 0 | 0 | 0 | 66,397 | 608,468 | 1,217,546 | 1,896,083 | 2,646,855 | 3,082,789 |
| Cash & Cash Equivalents - end of the year | - | - | 0 | 0 | 0 | 66,397 | 608,468 | 1,217,546 | 1,896,083 | 2,646,855 | 3,082,789 | 3,596,835 |
| | | | | | | | | | | | | |
| Cash & Cash Equivalents - end of the year | 508,000 | - | 0 | 0 | 0 | 66,397 | 608,468 | 1,217,546 | 1,896,083 | 2,646,855 | 3,082,789 | 3,596,835 |
| Investments - end of the year | 4,000,000 | 3,586,717 | 2,798,303 | 2,579,021 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 | 2,273,645 |
| Cash, Cash Equivalents & Investments - end of the year | 4,508,000 | 3,686,717 | 2,798,303 | 2,679,021 | 2,273,646 | 2,340,042 | 2,882,113 | 3,491,190 | 4,169,728 | 4,920,600 | 5,366,434 | 5,870,480 |
| Representing: | | | | | | | | | | | | |
| - External Restrictions | - | - | - | - | - | - | - | - | - | - | - | - |
| - Internal Restrictions | 4,508,000 | 3,586,717 | 2,798,303 | 2,579,021 | 2,273,645 | 2,340,042 | 2,882,113 | 3,491,190 | 4,169,728 | 4,920,500 | 5,356,434 | 5,870,480 |
| - Unrestricted | - | - | - | - | - | - | - | - | - | - | - | - |
| | 4,508,000 | 3,686,717 | 2,798,303 | 2,679,021 | 2,273,646 | 2,340,042 | 2,882,113 | 3,491,190 | 4,169,728 | 4,920,600 | 5,366,434 | 5,870,480 |

Cash Flow Statement – Water

| Berrigan Shire Council 10 Year Financial Plan for the Years ending 30 June 2033 CASH FLOW STATEMENT - WATER FUND Scenario: Base Case | | | | | | | | | | | | |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| | Actuals | Current Year | Projected Years | | | | | | | | | |
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Rates & Annual Charges | - | 2,232,317 | 2,347,059 | 2,437,398 | 2,531,114 | 2,627,830 | 2,586,151 | 2,662,632 | 2,755,825 | 2,852,279 | 2,952,109 | 3,055,432 |
| User Charges & Fees | - | 810,486 | 861,967 | 862,999 | 863,999 | 865,999 | 861,966 | 995,677 | 1,030,526 | 1,066,593 | 1,103,523 | 1,142,560 |
| Investment & Interest Revenue Received | - | 173,000 | 291,000 | 296,000 | 308,000 | 312,000 | 121,905 | 122,495 | 123,087 | 123,682 | 124,280 | 124,881 |
| Grants & Contributions | - | 3,212,000 | 70,000 | 67,000 | 64,000 | 61,000 | 53,710 | 54,486 | 95,273 | 95,072 | 96,883 | 97,706 |
| Bonds & Deposits Received | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 51,000 | 51,000 | 51,000 | 51,000 | 51,000 | 60,571 | 62,691 | 64,885 | 67,156 | 69,506 | 71,939 |
| Payments: | | | | | | | | | | | | |
| Employee Benefits & On-Costs | - | (53,000) | (53,000) | (53,000) | (53,000) | (53,000) | (63,203) | (66,047) | (69,019) | (72,125) | (75,371) | (78,763) |
| Materials & Contracts | - | (2,359,894) | (2,386,345) | (2,382,852) | (2,406,084) | (2,419,690) | (2,737,786) | (2,799,235) | (2,874,732) | (2,952,880) | (3,033,760) | (3,117,473) |
| Borrowing Costs | - | (83,634) | (74,292) | (64,813) | (55,191) | (45,427) | (35,517) | (25,461) | (15,255) | (5,341) | - | - |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | (2,000) | (2,000) | (2,000) | (2,000) | (2,000) | (2,375) | (2,458) | (2,544) | (2,633) | (2,725) | (2,820) |
| Net Cash provided (or used in) Operating Activities | - | 3,980,275 | 1,105,389 | 1,211,732 | 1,301,838 | 1,397,712 | 985,422 | 1,044,780 | 1,108,046 | 1,172,803 | 1,234,845 | 1,293,463 |
| Cash Flows from Investing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Sale of Investment Securities | - | 1,849,811 | 2,152,535 | 1,105,672 | 1,075,187 | 912,078 | 385,277 | 335,975 | 282,915 | 48,553 | - | - |
| Sale of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Disposal Groups | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions Received from Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | - | (13,065,000) | (2,620,000) | (1,670,000) | (1,720,000) | (1,643,000) | (654,000) | (654,000) | (654,000) | (654,000) | (1,161,000) | (1,161,000) |
| Purchase of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors & Advances Made | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributions Paid to Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | - | (11,216,189) | (467,465) | (564,328) | (644,813) | (730,922) | (308,723) | (358,025) | (411,085) | (645,447) | (1,161,000) | (1,161,000) |
| Cash Flows from Financing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Finance Leases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Repayment of Borrowings & Advances | - | (529,086) | (637,524) | (647,404) | (657,025) | (666,790) | (676,699) | (686,755) | (696,961) | (527,356) | - | - |
| Repayment of lease liabilities (principal repayments) | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash Flow provided (used in) Financing Activities | - | (529,086) | (637,524) | (647,404) | (657,025) | (666,790) | (676,699) | (686,755) | (696,961) | (527,356) | - | - |
| Net Increase/(Decrease) in Cash & Cash Equivalents | - | (7,865,000) | - | - | - | - | - | - | - | - | 73,845 | 132,463 |
| plus: Cash & Cash Equivalents - beginning of year | - | 7,865,000 | - | - | - | - | - | - | - | - | - | 73,845 |
| Cash & Cash Equivalents - end of the year | - | - | - | - | - | - | - | - | - | - | 73,845 | 206,308 |
| Cash & Cash Equivalents - end of the year | 7,865,000 | - | - | - | - | - | - | - | - | - | 73,845 | 206,308 |
| Investments - end of the year | 12,044,000 | 10,194,189 | 8,041,664 | 6,936,982 | 5,960,795 | 4,948,718 | 4,563,440 | 4,227,465 | 3,944,560 | 3,895,997 | 3,895,997 | 3,895,997 |
| Cash, Cash Equivalents & Investments - end of the year | 19,909,000 | 10,194,189 | 8,041,664 | 6,936,982 | 5,960,795 | 4,948,718 | 4,563,440 | 4,227,465 | 3,944,560 | 3,895,997 | 3,969,842 | 4,102,305 |
| Representing: | | | | | | | | | | | | |
| - External Restrictions | - | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| - Internal Restrictions | 19,909,000 | 10,172,189 | 8,019,664 | 6,913,982 | 5,838,795 | 4,926,718 | 4,541,440 | 4,205,465 | 3,922,560 | 3,873,997 | 3,947,842 | 4,080,305 |
| - Unrestricted | - | - | - | - | - | - | - | - | - | - | - | - |
| 19,909,000 | 10,194,189 | 8,041,664 | 6,936,982 | 5,960,795 | 4,948,718 | 4,563,440 | 4,227,465 | 3,944,560 | 3,895,997 | 3,969,842 | 4,102,305 | |



Financial Strategy 2023/2024

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Executive Summary

The Financial Strategy has been prepared as part of Berrigan Shire Council's overall Integrated Planning and Reporting model. Along with the Asset Management Strategy, the Financial Strategy is designed to inform the preparation of the Council's Long Term Financial Plan (LTFP), itself a part of the Council's Resourcing Strategy.

The financial strategy provides guidance on the financial 'assumptions' or objectives that will guide the development of the LTFP. By establishing a financial strategy, the Council demonstrates how it wishes to progress and the goals it aspires to achieve.

As with everything that Berrigan Shire Council does, this Strategy has been prepared to help Council achieve its stated purpose:

'Building an even better Berrigan Shire'

The Financial Strategy can be broken down into the following components:

- A brief review of the Council's current position – demographically, economically and financially
- A brief analysis of the Council's activities and future plans – especially the Community Strategic Plans and the Asset Management Plans.
- A set of financial objectives that the Council aims to achieve while delivering on its future plans
- Actions that will assist in meeting financial objectives
- A set of indicators and targets to measure progress against the **objectives**.

Objectives

The Financial Strategy identifies four key objectives:

1. Financial sustainability
2. Maintenance of infrastructure service levels
3. Financial capacity and freedom
4. Economic and community growth

Actions

To achieve these objectives, the Council has identified 17 core actions.

| | |
|-----|--|
| | |
| 1.2 | Prepare Capital Expenditure Reviews, including an assessment of lifecycle costs, for all new and/or upgraded infrastructure assets – with the exception of upgrades of roads, water mains and sewer mains. |
| 1.3 | Resist the pressure to fund services that are the responsibility of other levels of government. |
| 1.4 | Retain control of urban water supply and sewer services. |
| 1.5 | Recognise that funding for renewal and upgrading of sport, recreation and cultural infrastructure requires a combination of Council funding, community support and preferably some contribution from other levels of government. |
| 1.6 | Seek methods of achieving a return (or at least minimise ratepayer subsidy) on business activities such as the Finley Saleyards, Tocumwal Caravan Park and Tocumwal Aerodrome. Subsidies to programs not directly related to core Council services should be regularly reviewed. |
| 1.7 | Encourage and support the existing model of community provision and operation of sport, recreation and cultural infrastructure. |
| 1.8 | Actively lobby the State and Federal Governments to retain existing grant funding levels for road maintenance and upgrades. |
| 2.1 | Prepare and review its Asset Management Strategy and its Asset Management Plans for the Council's major infrastructure assets annually as part of annual budget preparation. |
| 2.2 | Prioritise the renewal of existing assets over the development and delivery of new services. |
| 2.3 | Implement a Borrowing Policy that allows the Council to borrow only for the development of infrastructure where <ol style="list-style-type: none"> 1. There is an urgent need for the asset in the short term, or <ul style="list-style-type: none"> It is most cost-effective to construct the asset in the short term (as opposed to waiting until sufficient on-hand funds are available), and a) The Council has access to a funding stream to meet its debt obligations without compromising its other activities, or To create economic growth and development |
| 3.1 | Look to improve investment returns while managing investment risk through a diverse and secure investment portfolio |
| 3.2 | Continue to actively recover outstanding rates debt as identified in the Council's Revenue Policy. |
| 3.3 | Set utility charges for water supply, sewer and waste management services at a level that delivers a return on those assets sufficient to ensure long term sustainability. |
| 3.4 | Consider seeking a Special Rates Variation where there is a clearly identified demand for new or significantly improved service levels. Consideration should also be given to the extended lead time and the cost involved in seeking a variation. |
| 4.1 | Where appropriate and affordable, invest in community and infrastructure assets which directly boost the local economy and create employment. |
| 4.2 | Actively look for grant funds to deliver improved community amenity |

Performance Measures

Berrigan Shire Council will measure whether or not this strategy achieves its objectives using following indicators and performance measures.

These measures have been selected as ones common across local government and able to be derived simply from the Council's existing financing reporting systems.

| Financial Strategy Objectives | Possible Indicators | Performance Measures/Target |
|--|---|--|
| 1. Financial sustainability | Operating Performance Ratio Unrestricted Current Ratio Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage | Greater than 0% across any five year period At least 1.5X To remain under 10% as at 30 June each year |
| 2. Cost effective maintenance of infrastructure service levels | Building, Infrastructure & Other Structures Renewals Ratio Infrastructure Backlog Ratio Asset Maintenance Ratio | To remain over 100% on average over the life of the LTFP. Less than 2% To remain over 100% on average over the life of the LTFP. |
| 3. Financial capacity and freedom | Debt Service Cover Ratio Cash Expense Cover Ratio | Greater than 2X Greater than 3 months |

Statutory and Regulatory Environment

Berrigan Shire Council is a body politic of NSW, Australia and constituted as a local government area by proclamation and duly empowered by the *Local Government Act 1993* (LGA)

The LGA, along with the associated *Local Government (General) Regulation 2005* provides the Council with the authority to raise and collect funds and to expend those funds as required to fulfil its functions. The Council also has a range of obligations under other legislation.

The Council is also bound by other guidelines issued by the Office of Local Government including:

- The Local Government Code of Accounting Practice and Financial Reporting (issued annually)
- Capital Expenditure Guidelines
- Local Government Borrowing Order - 13 May 2009
- Debt Management and Hardship Guidelines
- Local Government Investment Order - 12 January 2011
- Investment Policy Guidelines
- Council Rating and Revenue Raising Manual
- Stormwater Management Service Charge Guidelines
- Tendering Guidelines
- Integrated Planning and Reporting Manual

The LGA requires the Council to undertake an Integrated Planning and Reporting (IP&R) process. This includes the preparation of a Long Term Financial Plan (LTFP). The LTFP is to be used to inform decision making on the Council's other integrated plans and has a minimum 10- year duration. It must be updated annually.

The Council's ability to raise revenue is highly constrained by regulation. The Council is only permitted to increase its general income - for Berrigan Shire, this is its ordinary rate levy - by a maximum percentage each year. This maximum percentage is known as the rate peg. The rate peg is set annually by the Independent Pricing and Regulatory Tribunal (IPART).

Councils wishing to increase general income by an amount over the rate peg must seek approval from IPART for a Special Rates Variation (SRV). This is a costly and time-consuming process effectively working as a deterrent.

Where are we now?

Berrigan Shire is a rural community on the New South Wales and Victorian border with an economy based largely around irrigated agriculture and to a lesser extent, tourism. The Shire has an estimated population of 8,750, growing at around 1% per annum.

Berrigan Shire has four towns. The Murray River border towns of Tocumwal and Barooga support a range of tourism, leisure and lifestyle services while the “inland” towns of Berrigan and Finley service the surrounding dry land and irrigated farming districts.

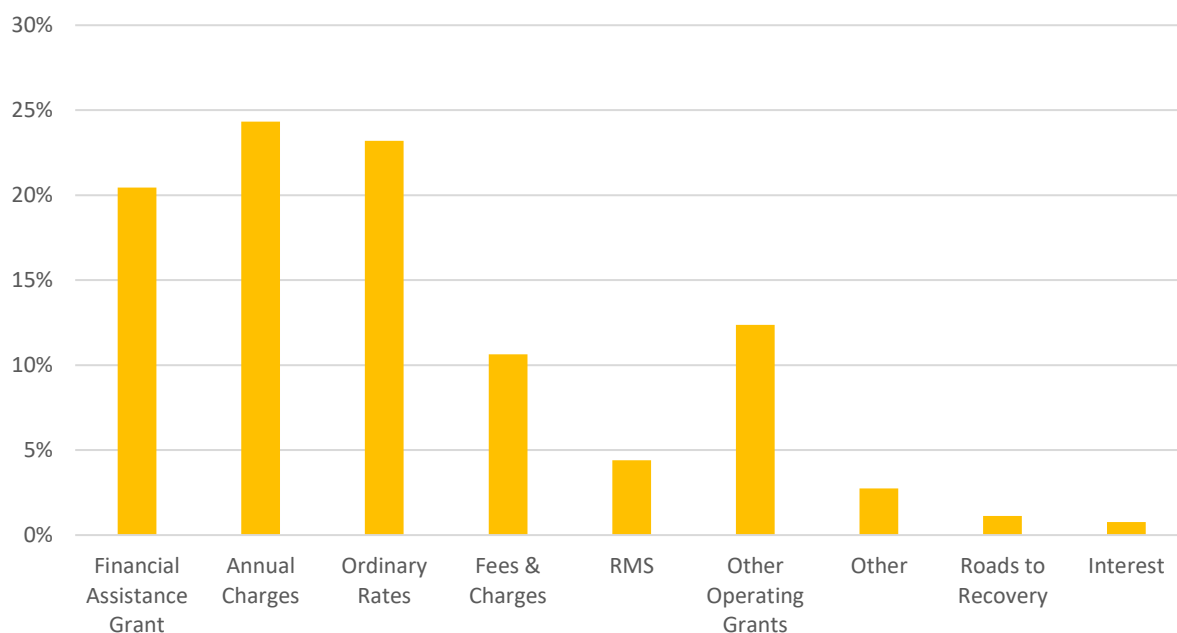
Drought and the impact of the implementation of the Murray-Darling Basin Plan have had a significant impact on the economy of Berrigan and Finley. Recent population growth has been in the Murray River border townships of Barooga and Tocumwal attracting families to lifestyle blocks and retirees from metropolitan Melbourne.

The COVID-19 pandemic and the subsequent closure of State borders and other restrictions highlighted Berrigan Shire’s dependence on Victoria for its services, for its markets, for its visitors and for its future residents.

Funding

The figures on the following pages provide a summary of the source of Council’s funds. The overwhelming majority of the Council’s income is subject to rate pegging or external regulation or control.

Funding source as % of operational income Actuals 2021/22



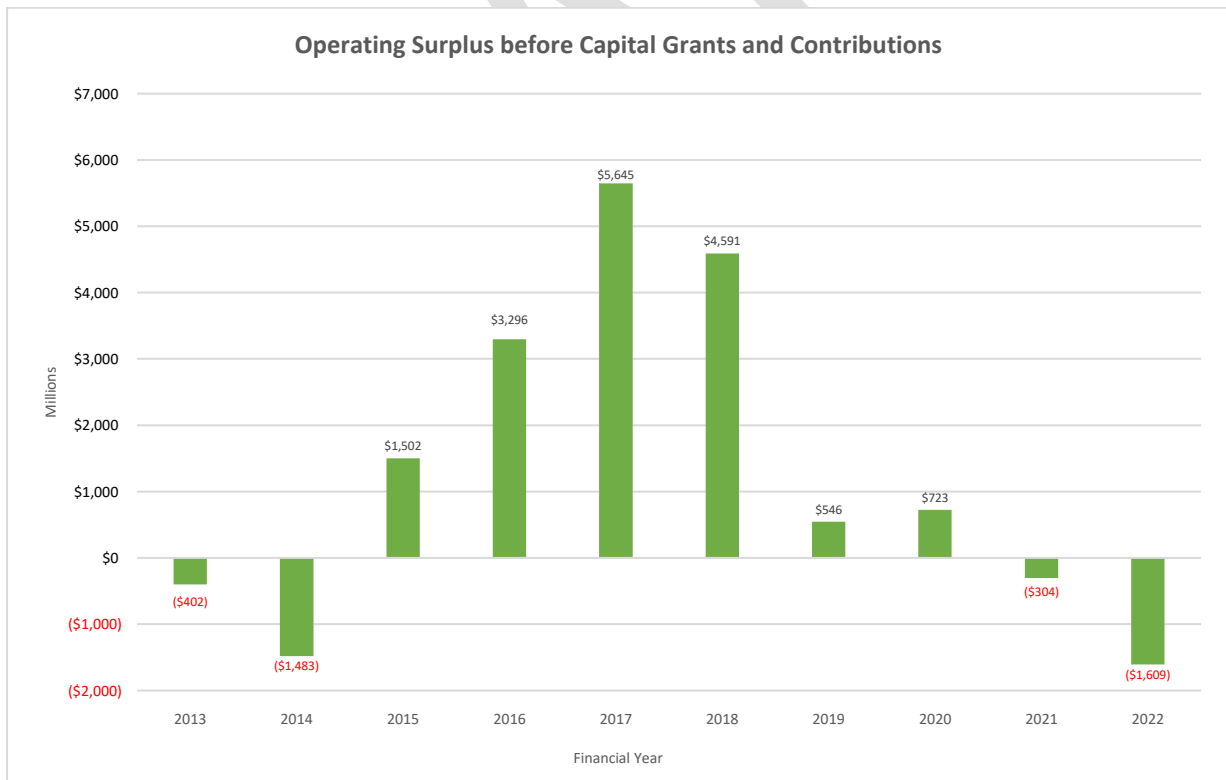
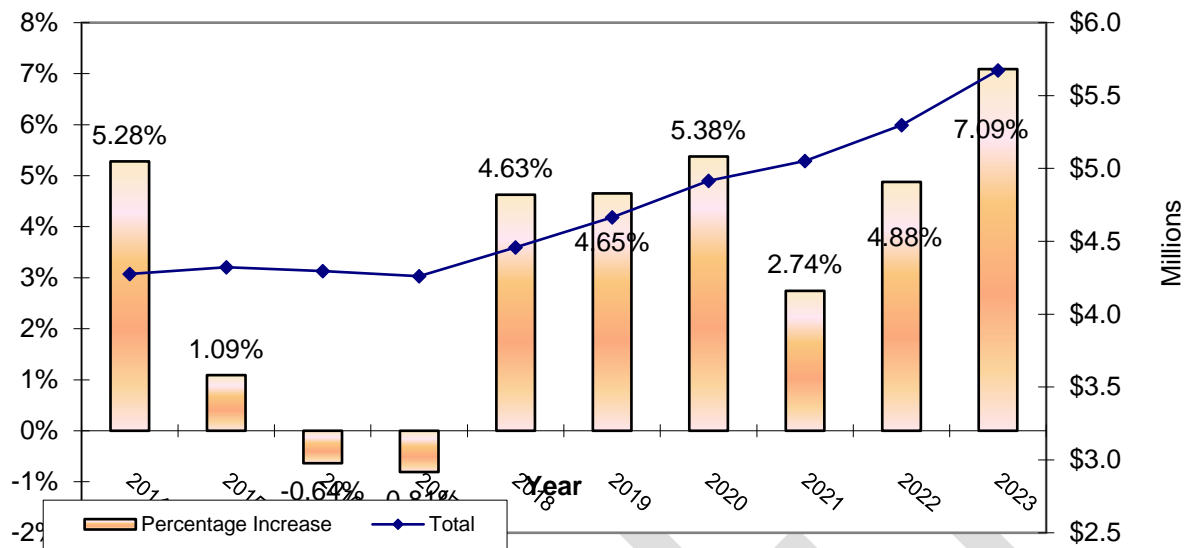
There has been some discussion at NSW Government level about modifying the formula to provide more of the NSW allocation to smaller, rural Councils. This does not appear to have led to any appetite for change at this stage.

In recent years, the Federal Government has made a habit of paying up to 50% of the Council's allocation in advance. For the purposes of the Council, this makes little difference in the use of these funds and this strategy assumes the funds will be used in the year for which they are allocated, rather than the year in which they are received.

Council anticipates moderate growth in rateable properties. However, growth in the Council's Ordinary Rate Revenue will need to come from Rate Peg increases set by the Independent Pricing and Regulatory Tribunal (IPART). Since 2013/14, Rate Peg allowances have ranged between permissible increases of 1.5% and 3.7%. The Council does not expect the Rate Peg to move much outside the lower end of this range.

Berrigan Shire Council has little control over the amount of Financial Assistance Grant (FAG) it receives, with a complex formula distributing the State-wide amount set by the Federal Government across NSW Councils.

Berrigan Shire Council Financial Assistance Grant



Berrigan Shire Council uses Roads to Recovery (R2R) and Transport for NSW (TfNSW) funding to maintain its extensive rural and urban road network. Any reduction in the amount of these grants will significantly impact the Council's ability to maintain its existing road infrastructure service levels.

TfNSW Block Grant funding increases are not keeping up with the increased cost of road maintenance, repair and construction. This is putting pressure on the Council's budget and works program.

The Federal Government in particular has increased funding for programs such as R2R in recent years as part of the general trend to reduce general purpose unpaid grants and increase tied funds for projects such as road construction. The Council expects this trend to continue – meaning capital works on roads will continue to increase while other projects such as upgrades of community facilities may be left behind unless specific grant funding can be found.

The past three years has seen both the Federal and NSW Governments develop large-scale infrastructure grant programs. This has included:

- Stronger Country Communities (NSW)
- Drought Communities Programme (Federal)
- Local Roads and Community Infrastructure Program (Federal)
- Regional Growth - Environment and Tourism Fund (NSW)

While this additional income is welcome, it is mostly tied to specific capital projects. It does, however, allow the Council to upgrade and replace ageing infrastructure and - increasingly - allow the Council to provide increased amenity to help attract visitors and residents.

Approximately 30% of Council's revenue is derived from its utility services and investments. Utility charges for water supply, sewer and waste management services are set at a level that delivers a return on those assets.

Interest and investment income makes up around 1% of the Council's total revenue. The Council traditionally takes a conservative approach to investment income. Berrigan Shire Council's Investment Policy 2022 makes the following statement.

While preservation of capital is the principal objective of the investment portfolio, Council will look to improve its returns inside its statutory and prudential obligations. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit, interest rate and reinvestment risk within identified thresholds and parameters.

Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.

Council will also identify funds that are not required for an extended period and invest these for longer terms if advantageous. Investments are expected to achieve a market average rate of return in line with the Council's risk tolerance.

Operating Results

Over the past 10 years, the Council has moved to a position where it ordinarily makes an operating profit after capital grants and contributions. This position can jump around somewhat from year-to-year - generally as operating grants fluctuate.

The recent, but persistent, habit of the Federal Government paying a portion of the Financial Assistance Grant in advance each year creates a distortion in the Council's operating result - artificially inflating the operating result when first implemented but artificially deflating it when it ceases.

Ongoing CPI increases will make it increasingly hard for Council to make operating surplus' going forward.

While preservation of capital is the principal objective of the investment portfolio, Council will look to improve its returns inside its statutory and prudential obligations. Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit, interest rate and reinvestment risk within identified thresholds and parameters.

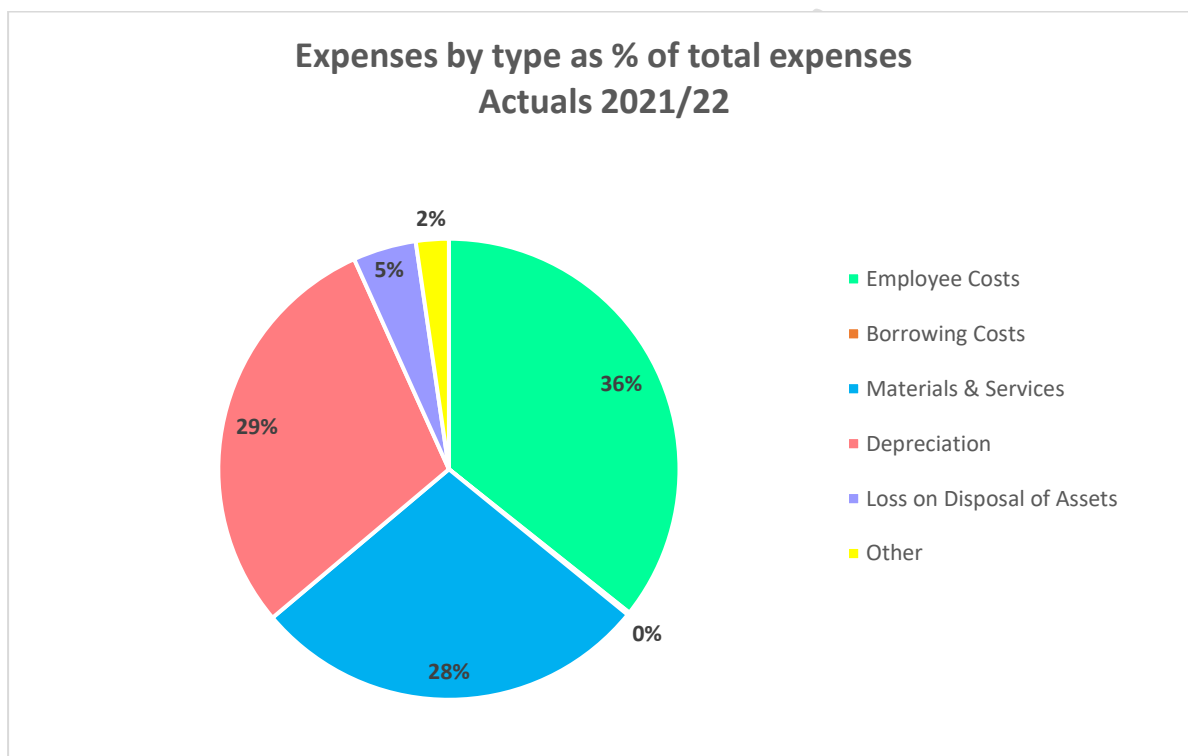
Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.

Council will also identify funds that are not required for an extended period and invest these for longer terms if advantageous. Investments are expected to achieve a market average rate of return in line with the Council's risk tolerance.

Expenses

The chart below provides a summary of the Council's operating expenses by type. Materials and Services, Depreciation and Employee Costs make up the majority of the Council's operating costs.

As can be seen, the largest expenditure item for the Council is employee costs – overwhelmingly consisting of wages and salaries.



The Council's wages and salaries expense is influenced by two major factors:

- The number of staff employed
- The wage and salary rates payable

Council understands the assumptions of the current Workforce Development Plan do not reflect the current reality of local government nor the employment market in which it is operating. Council will therefore undertake a comprehensive review of its Workforce Development Plan during the 2023/2024 financial year.

The burden placed on the Council to meet requirements from other levels of government continues to grow. As these regulatory and reporting requirements grow, it starts to impact on the Council's ability to actually deliver service.

Berrigan Shire Council operates under the NSW Local Government (State) Award 2020. The Award sets out the annual increase in wage rates and salaries that the Council is obliged to pay its workforce. The annual increase has not yet been agreed for 2023/24.

Materials and contracts will increase as a result of inflation. The Reserve Bank has indicated its medium-term target for inflation is between 2-3% on average, as measured by the Consumer Price Index. Given the unique cost pressures on local government, for the Council's purposes, the Local Government Cost Index prepared by IPART provides a better guide to inflation.

Berrigan Shire Council uses Roads to Recovery (R2R) and Transport for NSW (TfNSW) funding to maintain its extensive rural and urban road network. Any reduction in the amount of these grants will significantly impact the Council's ability to maintain its existing road infrastructure service levels.

TfNSW Block Grant funding increases are not keeping up with the increased cost of road maintenance, repair and construction. This is putting pressure on the Council's budget and works program.

On the revenue side, the Council makes the assumption that the rate peg will continue to be set in reference to the Local Government Cost Index (i.e. a measure of inflation). It also makes the assumption that – FAG will be increased more-or-less in line with inflation.

Depreciation expense is simply a method of allocating the cost of assets across multiple accounting periods (i.e. financial years) and as such is discussed in detail in the Asset Management section below.

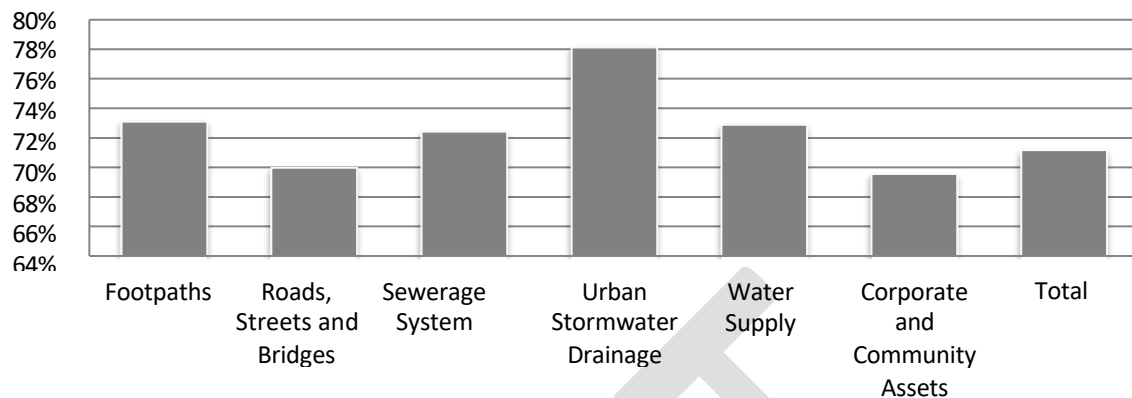
Asset condition

One method of assessing the condition of the Council's assets is to measure how much the Council asset has been depreciated down from its "as new" condition. This gives a rough guide as to how much of the original service potential or productive capacity remains in the asset.

The productive capacity measurement is done by dividing the written down value of the asset (the fair value of the asset less accumulated depreciation) by the fair value of the asset. This is called the Asset Consumption Ratio.

The Asset Consumption ratios of Council's assets at 30 June 2022 are shown below. The Asset Consumption Ratio shows the average proportion of "as new condition" left in assets by comparing the "written down" value of the Council's assets – replacement cost less the depreciation charged to the asset over time – against the replacement of the Council's assets. An asset with a 100% ratio is in "brand new" condition while one at 0% has been fully depreciated over time.

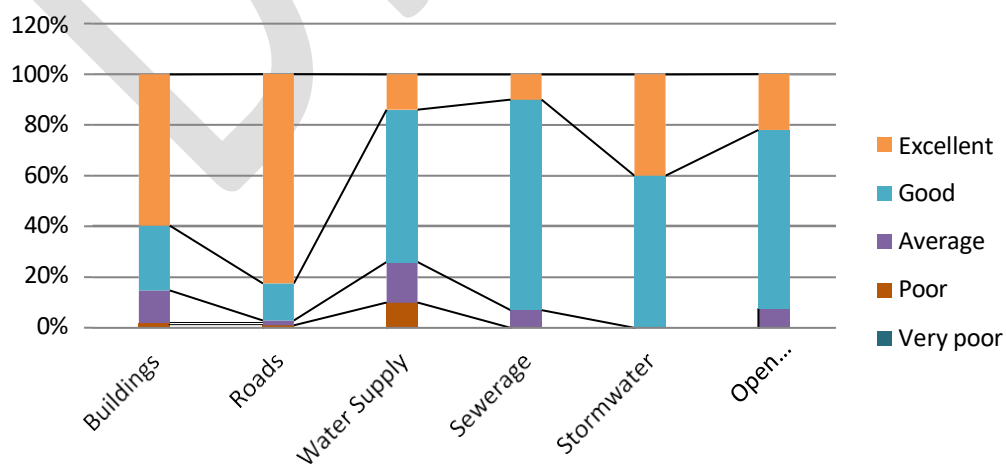
Asset consumption ratio 2022



Another method of measuring the condition of the Council's assets is to make a technical assessment of their condition using measures such as number of faults or breaks along with some professional judgement.

A technical assessment of the condition of the Council's infrastructure assets is shown in the chart below. These condition ratings have been derived from the ratings shown in the Report on Infrastructure Assets included in the 2021/22 Financial Statements

Asset Condition



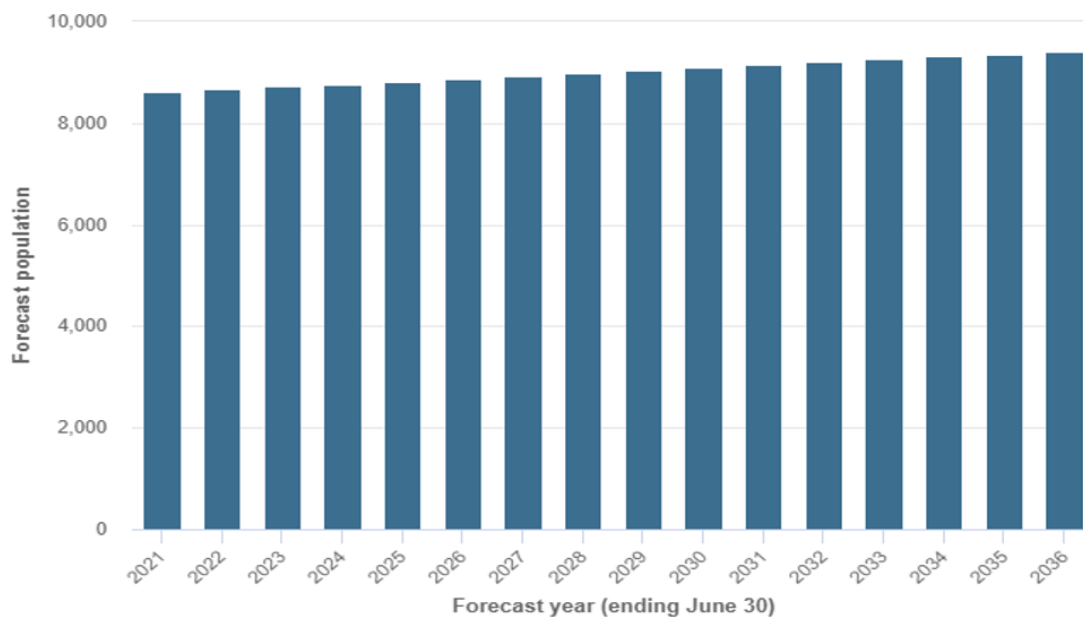
Where are we going?

Population growth

Berrigan Shire is expected to continue growing at a modest rate with the Shire population in 2036 expected to be around 9,414. Population growth will be mainly in the south of the Shire, along the Murray River in Tocumwal and Barooga.

Forecast population

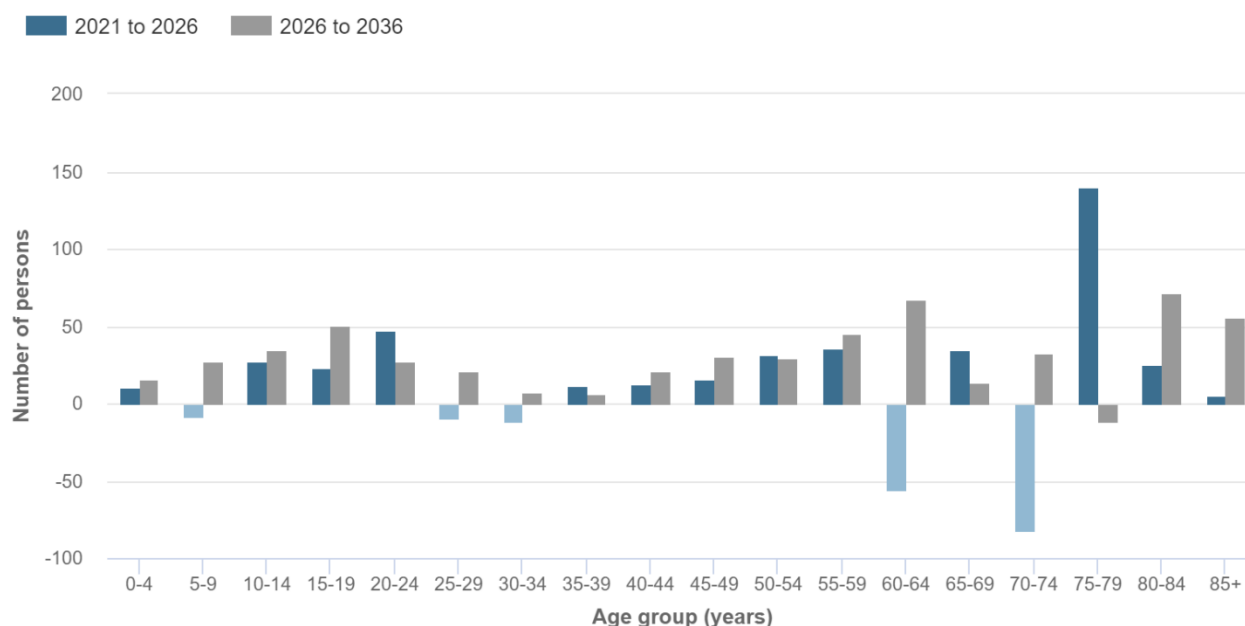
Berrigan Shire



Source: Population and household forecasts, 2021 to 2036, prepared by .id (informed decisions), December 2022.

Forecast change in age structure - 5 year age groups

Berrigan Shire - Total persons



Source: Population and household forecasts, 2021 to 2036, prepared by .id([opens a new window](#)) (informed decisions), December 2022.

.id informed decisions

Housing and Infrastructure

A Land Use Strategy developed in 2018 identified sufficient spare infrastructure capacity in all four towns to cater for expected population growth. There has, however, in the past 18-months been an unprecedented increase in demand for housing, also developer interest in investing greenfield residential subdivisions. Hence, there is a need to review the need for "greenfield" infrastructure.

Concurrent with a post COVID demand for residential housing commercial interest and investment in manufacturing industries has increased. This trend is also likely to place on the Council's commercial waste, transport, and water infrastructure.

On the other hand, for the life of this LTFP planned development is unlikely to add significantly to the Council's rating and revenue base, while placing increased demand on its infrastructure. The Council has the option to raise additional rates via a special rate variation but should be cognisant of the ability of the community to meet a larger rating burden.

Community Strategic Plan

Berrigan Shire Council has facilitated the development of a Community Strategic Plan – Berrigan Shire 2032. The plan adopts the following vision for the shire.

In 2032 we will be recognised as a Shire that builds on and promotes our natural assets and advantages to create employment and economic activity to attract residents, families and tourists.

The aim of this Financial Strategy is to ensure the Council has the financial resources it needs to progress the implementation of Berrigan Shire 2032 objectives and associated Council activities and services.

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| CSP Strategic Outcome | CSP Strategic Objective | Council Activities and Services |
|---|--|--|
| 1. Sustainable Natural and Built Landscapes | <i>Support sustainable use of our natural resources and built landscapes</i> <i>Retain the diversity and preserve the health of our natural landscapes and wildlife</i> <i>Connect and protect our communities</i> | Water, sewerage and drainage Local roads and paths Land use planning and development |
| 2. Good Government | <i>Berrigan Shire 2022 objectives and strategies inform Council planning and community led projects</i> <i>Ensure effective governance by Council of Council operations and reporting Strengthen strategic relationships and partnerships with community, business and government</i> | Council governance, enterprise risk management and business operations Community Planning |
| 3. Supported and Engaged Communities | <i>Create safe, friendly and accessible communities</i> <i>Support community engagement through life-long learning, culture and recreation</i> | Libraries and community services Parks and reserves Environmental health Animal Control |
| 4. Diverse and Resilient Business | <i>Invest in local job creation, retention and innovation</i> <i>Strong and diverse local economy</i> <i>Diversify and promote local tourism</i> | Business and economic development |
| | 4.4 Connect local, regional and national road, rail and aviation infrastructure | Transport Planning Tocumwal Aerodrome |

These activities and services all require the Council:

- To be financially sustainable
- To cost effectively maintain existing infrastructure service levels and increase them when opportunities arise
- To retain sufficient financial flexibility to undertake new projects and/or activities as desired.

Asset planning

The development of this Financial Strategy is also informed by the Council's Asset Management Strategy. The Asset Management Strategy is reviewed annually as part of the Council's annual review of its suite of Integrated Plans. The Council also has adopted an Asset Management Policy and a series of Asset Management Plans:

- Roads, streets and bridges
- Water
- Sewer
- Urban Stormwater
- Footpaths etc.
- Corporate and Community Assets

The Asset Management Strategy has the following aim:

To ensure adequate provision is made for the long-term management and replacement of major technical and physical assets, (including land and property).

In line with this aim, the objectives of the Shire's Asset Management Strategy include:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.

- Establishing processes that integrate asset management and community strategic planning with Council corporate and long-term financial planning.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

Assumptions and scenarios

When preparing its Long Term Financial Plan, the Council is obliged to make a series of assumptions about future events that will have an impact on the Council's financial position. These assumptions are based on the analysis of the Council's position shown above.

These assumptions are as follows:

- Inflation, as measured by the Local Government Cost Index will average 3.5% per annum
- Wages growth will average 5% per annum inclusive of the .5% increase in Superannuation Guarantee Charge, after the expiration of the current mandated award wage rate increases.
- Staffing levels will increase gradually over time to reflect changed community expectations.
- The rate peg will increase by the rate of inflation as measured by the Local Government Cost Index
- The number of rateable properties will increase slowly
- User charges and other fees and charges will increase by the rate of inflation, as will operating grants and contributions.
- Financial Assistance Grant will increase by the rate of inflation as measured by the Local Government Cost Index
- Roads to Recovery (or an analogous program) will continue indefinitely

What is our financial direction?

The medium to long term financial outcomes to be achieved by this strategy are:

1. Financial sustainability

Berrigan Shire will be financially sustainable if its infrastructure capital and its financial capital are able to be maintained over the long term.

A financially sustainable Berrigan Shire will be able to manage likely developments and unexpected financial shocks in future periods without having at some time to introduce economically significant or socially destabilising income or expenditure adjustments.

Financial sustainability is determined by comparing the Council's long-term financial capacity with its long-term financial requirements.

- a. Financial capacity is the sum total of the financial resources (operating and capital) that a Council can mobilise through its (present and prospective) revenue-raising and financing policies.
- b. Financial requirements is the sum total of the spending (operating and capital) that is necessary to meet the Council's present obligations and expected future functions, pressures and shocks.

Maintaining Berrigan Shire's financial capital will require the Council to maintain a position where it is making operating surpluses before capital grants and contributions. Achieving an operating breakeven position or better on average over time is likely to generate sufficient funds to enable renewal or replacement of the Council's existing assets.

2. Maintenance — and gradual and sustainable increase — of service level standards for infrastructure assets.

One of local government's roles is to provide facilities and services to communities that cannot be or are not provided by the private or for-profit sector. In the case of local government, these services are largely physical infrastructure-based services and facilities such as:

- transportation (roads, footpaths etc.);
- public health (water, sewer, waste management, cemeteries, drainage etc.);
- recreational (pools, parks, sporting fields);
- cultural (buildings etc.).

Maintaining the level of service for infrastructure-based services such as the above requires the Council to maintain its physical productive capacity — that is "Is the Council's infrastructure — in an overall sense — in a position to deliver the same level of service at the end of the period as it was at the beginning of the period."

As a general rule, the level of service supplied by infrastructure assets is a function of their age — provided that the assets are maintained in a reasonable fashion. Therefore, a systematic replacement, renewal and improvement program for these assets is the key to ensuring service level standards are maintained.

While the Council continues to look to improve the standard of its infrastructure where possible, this needs to be done in a sustainable and responsible manner.

3. Sufficient financial capacity and freedom to undertake new projects and activities if desired.
- public health (water, sewer, waste management, cemeteries, drainage etc.);
 - recreational (pools, parks, sporting fields);
 - cultural (buildings etc.).

How will we get there?

As community expectations, wants and needs change Berrigan Shire Council needs to retain sufficient financial capacity and flexibility to ensure that it can cater for those changes. Evident in demands for additional investment by the Council to meet developer demands – industry and residential.

Noted, the Council's financial capacity is the sum total of the financial resources that a Council can mobilise through its revenue-raising and financing policies. As well as obvious items such as rates and charges, grants and fees, this includes:

- Cash reserves
- Borrowing capacity
- Discretionary funds (i.e. funds not committed to other specific projects and activities)

In simple terms retaining financial capacity is about ensuring the Council has the ability to access funds as it requires. This means limiting its commitments to new activities with on-going costs, minimising the costs of servicing debt and putting aside funds for future projects.

4. Economic and community growth through investment in improved community amenity where appropriate and affordable

The Council's suite of strategic plans have an emphasis on growing our economy.

Berrigan Shire 2032 lists as objectives:

- "Families with young children will want to live in or come to the area"
- "Tourists will go out of their way to come to the area"
- "Strengthen and diversify the local economy and invest in local job creation and innovation"

In previous years our focus was on the infrastructure used by families and visitors to our towns. Our focus now needs to turn to strategic planning for and investment in the services and infrastructure needed by our agri-manufacturing industries and residential developers: investment and development needed to strengthen and further grow the local economy.

Berrigan Shire 2032 and Financial Strategy Actions

2. Good Government

2.2 *Ensure effective governance by Council of Council operations and reporting*

2.2.2 Council operations support ethical, transparent and accountable corporate governance

| Objectives | Actions |
|-----------------------------|---|
| 1. Financial sustainability | <p>1.1 Prepare and review annually a Long Term Financial Plan with the aim of achieving the financial objectives identified in this strategy.</p> <p>Using a ten year financial planning horizon allows the Council to take into account the longer term consequences of current decision making. It also allows for consideration of short term fluctuations etc.</p> <p>A minimum 10 year Long Term Financial Plan is a component of the Council's resourcing strategy, a core requirement of the new Integrated Planning and Reporting Model</p> |
| | <p>1.2 Prepare Capital Expenditure Reviews, including an assessment of lifecycle costs, for all new and/or upgraded infrastructure assets – with the exception of upgrades of roads, water mains and sewer mains.</p> <p>When making decisions regarding new and upgraded infrastructure it is important that the costs of operating, maintaining and replacing that infrastructure is taken into account. A sustainable Council only takes on obligations that it can afford to meet</p> |
| | <p>1.3 Resist the pressure to fund services that are the responsibility of other levels of government.</p> <p>While cost-shifting is often inevitable, the Council will resist this where possible and certainly will not look to take on obligations properly belonging to other levels of government without a corresponding funding stream.</p> <p>The Council's response to inadequate service delivery from other levels of government will not be to take on these obligations itself but to act as an advocate for the community to the NSW and Federal governments.</p> |
| | <p>1.4 Retain control of urban water supply and sewer services.</p> <p>The Council will continue to resist plans to remove control of its urban water supply and sewer services. Berrigan Shire Council runs these services in an efficient and effective manner.</p> <p>These services share the cost of running the Council's governance, corporate and financial services. Losing these services will significantly financially disadvantage Berrigan Shire Council with little if any benefit to the local community.</p> |

| Objectives | Actions |
|--|--|
| 1. Financial sustainability | <p>1.5 Recognise that funding for renewal and upgrading of sport, recreation and cultural infrastructure requires a combination of Council funding and community support and preferably some contribution from other levels of government. Berrigan Shire Council does not have the capacity to fund the replacement and upgrade of this recreational, sporting and cultural infrastructure (Recreation Reserves, Community Halls, etc.) without support from the community and ideally other levels of government. Without funding assistance from the community and/or other levels of government, the Council cannot responsibly consider upgrade and replacement of these assets</p> |
| | <p>1.6 Seek methods of achieving a return (or at least minimise ratepayer subsidy) on business activities such as the Finley Saleyards, Tocomwal Caravan Park and Tocomwal Aerodrome. Subsidies to programs not directly related to core Council services should be regularly reviewed. The development of the Tocomwal Residential Airpark has increased activity at the precinct contributing to the Council's subsidy of its operations.</p> |
| | <p>1.7 Encourage and support the existing model of community provision and operation of sport, recreation, and cultural infrastructure. Berrigan Shire Council relies on a volunteer-driven model to provide services such as sporting fields, public swimming pools and community halls. Without the in-kind support of these volunteers, the community would be required to choose between service level reductions or rate increases. Cultural change and increasing regulatory burdens have seen this volunteer model come under some stress in recent years. The Council has commenced rolling program of service reviews and will as part of this program review the operations and support needed by its Section 355 Committees. 1.8 Actively lobby the State and Federal Governments to retain existing grant funding levels for road maintenance and upgrades. Without the retention of existing levels of TfNSW and R2R funding, the Council cannot continue to maintain its existing road service levels.</p> |
| 2. Cost effective maintenance of infrastructure service levels | <p>2.1 Prepare and review its Asset Management Strategy and its Asset Management Plans for the Council's major infrastructure assets annually as part of annual budget preparation. The Council reviews its Asset Management Strategy annually and has prepared Asset Management Plans for all its major classes of assets. The Council's major expenditure items relate to replacement and upgrading of its infrastructure assets. It is important that the Council continues to review its asset plans and strategies as circumstances change.</p> |
| | <p>2.2 Prioritise the renewal of existing assets over the development and delivery of new assets and services.</p> |

| Objectives | Actions |
|--|--|
| 2. Cost effective maintenance of infrastructure service levels | <p>2.3 Implement a Borrowing Policy that allows the Council to borrow only for the development of infrastructure where</p> <ul style="list-style-type: none"> a) There is an urgent need for the asset in the short term, or b) It is most cost-effective to construct the asset in the short term (as opposed to waiting until sufficient on-hand funds are available), and <ul style="list-style-type: none"> i. The Council has access to a funding stream to meet its debt obligations without compromising its other activities, or ii. To create economic growth and development. <p>This has been traditionally the Council's preference and adoption of a policy will formalise this process.</p> <p>In effect, this will mean that borrowing will be largely be restricted to functions such as urban water supply, sewer and waste management where the Council retains some control over its future revenues. It may also be an appropriate funding tool for land development in limited circumstances.</p> <p>The policy will still allow for the possibility of borrowing for other services where borrowing is identified as the cheaper whole-of-life funding option or immediate construction allows the Council to access an opportunity that would otherwise be missed. Interest subsidies may influence any decision to borrow.</p> <p>The Council now has the opportunity to cheaper finance via NSW Treasury Corporation which may make borrowing a more attractive option in the future.</p> <p>Finally, if community support can be demonstrated, the borrowing policy for the replacement of recreational, sporting and community assets where it can be tied to additional funding from a Special Rates Variation.</p> |
| 3. Financial capacity and freedom | <p>3.1 Look to improve investment returns while managing investment risk through a diverse and secure investment portfolio</p> <p>Traditionally Council has only invested funds over a period of less than 12 months, due to historic low interest rates Council will consider investing funds over a longer period of time to take advantage of higher interest rates and minimise re-investment risk.</p> <p>At the same time, the Council is acutely aware that the community's risk appetite regarding investments is low and expects that all Council's investments are secure.</p> |
| | <p>3.2 Continue to actively recover outstanding rates debt as identified in the Council's Revenue Policy.</p> <p>The Council has an active and successful debt recovery process and this will continue. This assists the Council to maintain an adequate level of working capital.</p> |
| | <p>3.3 Set utility charges for water supply, sewer and waste management services at a level that delivers a return on those assets sufficient to ensure long term sustainability.</p> <p>The Council may not receive funding assistance for replacement or upgrade of its assets for these services should look to generate sufficient funds from its own sources to do so. Making a return on these assets will generate sufficient funds to ensure the sustainability of these services.</p> <p>A necessary corollary of this action is that revenues generated from these assets should be reasonably predictable. This means targets such as raising at least 50% of its water revenue from variable user charges may not always be appropriate.</p> |

| Objectives | Actions |
|-----------------------------------|--|
| 3. Financial capacity and freedom | <p>3.4 Consider seeking a Special Rates Variation where there is a clearly identified demand for new or significantly improved service levels.</p> <p>While Berrigan Shire Council's preferred approach will be to live within its means where possible, it is of course required to respond to community demand and ensure that it remains competitive and an employer of choice.</p> <p>Where the community has clearly identified that is willing to pay for increased levels of service and competitiveness, the Council will consider applying for a Special Rate Variation to fund this. This will only occur after considering and exhausting all other actions as identified above.</p> |
| 4. Economic and community growth | <p>4.1 Invest in community assets - such as parks, public toilets and main street beautification - that improve town amenity</p> <p>In its suite of integrated plans, the Council has placed an emphasis on attracting more people to live, work and invest in Berrigan Shire. Following on from its significant investment in making our community a more pleasant place to be - such as parks and streetscapes. The Council needs to investigate strategic opportunities for investment in regional projects , also the infrastructure and services needed to grow our agri-processing industries, health and human services.</p> <p>Investment needed to diversify and build a larger economic base for Berrigan Shire.</p> |
| | <p>4.2 Actively look for grant funds to deliver improved community amenity</p> <p>The Council has been successful in recent times in obtaining grant funds to deliver its plans to improve community amenity - often well ahead of schedule.</p> <p>While there is a risk that the grant funding "tap" will be turned off, the Council will actively look for opportunities to leverage its own funds with grants from other levels of government.</p> |

How will we know if we are on course?

Berrigan Shire Council will measure its progress against its three desired outcomes by tracking performance against a set of key performance measures. The Australian Local Government Planning Ministers Council's National Financial Sustainability Frameworks defined performance measures as "signals used to convey the directions being taken by the Council and to assess whether or not desired outcomes are being achieved.

Effective performance indicators:

- Measure those factors which define financial sustainability
- Are relatively few in number
- Are based on information that is readily available and reliable.

Performance measures cannot and should not try and measure everything but rather should be pitched at a reasonably high level. They should be used as a guide as to where to look for reasons behind any differences and trends and to identify specific areas for further analysis.

The Council has chosen to base its performance measures on data that can be found in its Annual Financial Statements. While this is necessarily a "broad-bush" approach, it has the advantages of not requiring the additional work and expense involved in data-gathering and analysis. Data from the Annual Financial Statements is transparent, audited and reasonably consistent from Council to Council.

The measures below have been selected as ones common across local government:

- Operating Performance Ratio
- Own Source Operating Revenue Ratio
- Unrestricted Current Ratio
- Debt Service Cover Ratio
- Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage
- Cash Expenses Cover Ratio
- Building and Infrastructure Renewals Ratio
- Infrastructure Backlog Ratio
- Asset Maintenance Ratio
- Building and Infrastructure Renewals Ratio
- Infrastructure Backlog Ratio
- Asset Maintenance Ratio

| Financial Strategy Objectives | Indicators |
|--|--|
| 1. Financial sustainability | Operating Performance Ratio Unrestricted Current Ratio Operating Surplus before Capital Grants and Contributions Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage |
| 2. Cost effective maintenance of infrastructure service levels | Building and Infrastructure Renewals Ratio Infrastructure Backlog Ratio Asset Maintenance Ratio Asset Consumption Ratio |
| 3. Financial capacity and freedom | Debt Service Cover Ratio Cash Expense Cover Ratio |
| 4. Economic and community growth | Developer Contributions |

- See Appendix for description of indicator and indicative targets

Appendix

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|--------------------------------|--|---|--|--|
| 1. Operating Performance Ratio | The percentage by which income (excluding capital grants) varies from expenses | The operating performance ratio is the operating surplus (or deficit) before capital grants expressed as a percentage of total expenses | Operating surplus/deficit divided by operating expenditure | An operating performance ratio greater than 0% across any five year period |
| What does it mean? | | A positive value indicates the Council is meeting its operating expenses, including depreciation. | | |
| | | A negative value indicates the Council needs to reduce its expenses or raise additional revenue to be sustainable in the long term. | | |

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|-------------------------------|---|---|--|--|
| 2. Unrestricted Current Ratio | The ratio between current assets and current liabilities – not including those assets and liabilities held for a specific purpose | This measure is the Council's current assets (i.e. liquid assets) expressed as a ratio of its current liabilities (i.e. short term debts) – | Current assets (less all external restrictions.) divided by current expenses | An Unrestricted Current Ratio of at least 2x |
| What does it mean? | | If the Council is not maintaining its current assets at the at least the level of its current assets it may not be able to pay its debts and other obligations as and when they fall due. | | |
| | | It means that the Council's obligations over the next 12 months exceed the funds available to pay them as they fall due. If the Council's current liabilities exceed its current assets and the Long Term Financial Plan does not provide a proposal to turn this around, it is inevitable that the Council will face a cash flow crisis in the future. | | |
| | | The position would come to a head when a major obligation was required to be paid and the Council would be required to borrow to meet this obligation – increasing its debt and reducing its financial flexibility. | | |

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|---|--|---|---|--|
| 3. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage | What rates, annual charges are owing to the Council as a proportion of its total rates and annual charges revenue. | Indicates the amount of rates and charges outstanding as a percentage of total rates and charges. | Rates, annual and extra charges outstanding divided by rates, annual and extra charges, expressed as a percentage | Outstanding rates, annual and extra charges percentage to remain under 8% as 30 June each year |
| What does it mean? | | This indicator identifies how well the Council collects its outstanding rates, annual and extra charges | | |
| | | A result of greater than 8% per year – if unchecked – would lead to Council facing potential cash flow problems in the future due to a lack of working capital. | | |

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|---|--|--|---|---|
| 4. Building, Infrastructure & Other Structures Renewals Ratio | The amount spent on asset renewals expressed as a percentage of depreciation and impairment. | Indicates the extent to which Council is renewing its asset base | Asset renewals on buildings, infrastructure and other structures divided by depreciation, amortization and impairment expressed as a percentage | Building, Infrastructure & Other Structures Renewals Ratio to remain over 100% on average over life of the LTFP. When setting this target, the Council should consider that asset replacement is often lumpy – with large changes in asset renewals depending on the needs of the time |
| | | | | The Council should consider its performance on this measure over no shorter than a 10 year period and preferably longer. |
| What does it mean? | | It is possible for the Council to save money by not renewing its assets as they deteriorate over time. This indicator attempts to measure if the Council is renewing its assets at an adequate rate. | | |
| | | A measure below 100% indicates that the Council's asset base is depreciating faster than the Council is able to renew it. | | |

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|--|--|--|
| | | If this continues over time, the Council's assets will eventually become unsuited for purpose, adding to its infrastructure backlog and creating severe financial pressure for future generations. |
|--|--|--|

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|---------------------------------|---|--|--|---|
| 5. Infrastructure Backlog Ratio | The cost to bring the Council's Assets to a satisfactory condition as a proportion of its overall assets. | An overall indicator the standard of the Council's assets. Provide a measure of the amount of work that is required to bring its assets to an acceptable standard | Estimated cost to bring Assets to a Satisfactory Condition divided by the total Value of Infrastructure, Building, Other Structures and depreciable Land Improvement assets, expressed as a percentage | Infrastructure Backlog Ratio to remain at less than 2% at all times |
| What does it mean? | | This indicator is a general guide to the condition of the Council assets. | | |
| | | This indicator tends to reflect the Council's performance against the Building, Infrastructure & Other Structures Renewals Ratio over time. If that ratio is consistently under 100%, the Infrastructure Backlog Ratio will increase. Conversely, reducing the Infrastructure Backlog Ratio tends to require maintaining the Building, Infrastructure & Other Structures Renewals Ratio at greater than 100% over time | | |
| | | If this ratio is over 2% and growing, it indicates that the Council needs to either put more effort into renewing its assets (perhaps requiring rate increases to fund) or reconsider what standard of asset the community feels is acceptable | | |

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|----------------------------|---|--|--|---|
| 6. Asset Maintenance Ratio | The ratio of actual Asset maintenance vs required asset maintenance | Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to Stop the infrastructure backlog growing. | Actual asset maintenance Divided by Required Asset Maintenance | Asset Maintenance Ratio to remain at greater than 100% at all times |
| What does it mean? | | The indicator is a general guide to how Council is keeping up with Asset Maintenance. | | |

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|----------------------------|---|--|---|--|
| 7. Asset Consumption Ratio | The ratio of the Consumption of Council Assets. | This ratio highlights the aged condition of Council's assets. | Written Down Value of Assets vs. Current Replacement Cost | Asset Consumption Ratio to remain above 60% at all times |
| What does it mean? | | This ratio shows the current value of Council's depreciable assets relative to their "as new value" in current prices. | | |

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|-----------------------------|--|---|---|---|
| 8. Debt Service Cover Ratio | The amount of operating cash available as a proportion of its debt repayment obligations | Measures the Availability of operating cash to service debt including interest, principal and lease payments | Operating result before capital excluding interest and depreciation, impairment divided by principal repayments and borrowing costs | Debt service ratio is greater than 2.00 x |
| What does it mean? | | This ratio seeks to highlight if the Council is generating sufficient cash to meet its debt obligations | | |
| | | A ratio of less than 2.00 x, unless addressed, may see the Council struggle to raise sufficient cash to pay its debt obligations without selling realisable assets. | | |
| | | The Council currently has a low level of indebtedness and its Long Term Financial Strategy does not seek to change this. | | |

| Indicator | Description | Comment | Calculation (\$M) | Indicative Target |
|-----------------------------|--|--|---|---|
| 9. Cash Expense Cover Ratio | How many months work of operating expenses can the Council meet with its existing holdings of cash | Measures the number of months a Council can continue paying for its immediate expenses without additional cash inflow | Cash and Cash Equivalents and Term Deposits divided by payments from cash flow of operating and financing activities x 12 | Cash Expense Cover Ratio is to be no less than three months |
| What does it mean? | | This ratio seeks to highlight the Council's ability to meet a short term revenue and/or cash flow shock and continue to operate. | | |
| | | A ratio of less than three months could see the Council struggling to meet expenses on a periodic basis without having to borrow. Rates instalments and Financial Assistance Grants tend to be paid in three-monthly cycles. | | |





BERRIGAN SHIRE

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