

ADOPTED BY COUNCIL 14 MAY 2019



OUR VISION

“The District Council of Robe will be a vibrant, harmonious and prosperous place to live, work & visit”

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Introduction

The purpose of a Long Term Financial Plan (LTFP) is to guide the future direction of Council in a sustainable manner.

The Long Term Financial Plan is designed as a 'high-level' summarised document towards the future planning of Council's financial operations – particularly in relation to key components such as rate increases, service levels to our community, major infrastructure asset replacement/renewal, loan indebtedness and internal cash reserves.

It is driven by the formation of Council's strategic plan which sets out Council's objectives, goals and desired outcomes in financial terms.

It is a guideline for future action and encourages council to think about the future impact decisions made today have on council's long-term sustainability.

The Local Government Act 1999 ("the Act") requires that Councils must develop and adopt Strategic Management Plans.

In February 2005, following consultation with Council's, the public, and the State Government, the Local Government Association of SA commissioned an Independent inquiry into the financial sustainability of Local Government.

The two key initiatives identified in the inquiry was the need for Council's to develop Long Term Financial Plans and sustainable Infrastructure and Asset Management Plans, both of which form integral parts of Council's strategic planning framework.

The Asset Management Plans aim to predict infrastructure consumption and renewal needs and consider infrastructure requirements to meet future community service expectations. The plans set out the forecast capital requirements of the Council for the next 10 years. These expenditure requirements have been incorporated in the Long Term Financial Plan to ensure projected investment in infrastructure can be accommodated without detriment to Council's financial sustainability.

The Plan is a moving document and will be updated on an ongoing ten year rolling basis moving forward. The plan does not include any new initiatives, projects or expansion of services. As these matters arise and are considered by Council, the Plan will be updated to incorporate any future Council decisions on policy, priorities, new initiatives or strategic direction.

Long Term Financial Plan Framework

The Long Term Financial Plan has been drafted within the following framework:

- Remain consistent with Council's current plans;
- To maintain current Council services at their existing service levels;
- To externally borrow monies in accordance with Council's Treasury Management Policy.

The Long Term Financial Plan has been drafted within the underlying key strategies of Council's Strategic Management Plan as follows:

The District Council of Robe will be a vibrant, harmonious and prosperous place to live, work and visit. The following goals were set by Council to realise this objective:

- **Economic Development**
A strong, diverse economy that is innovative and adaptable.
- **Natural and Built Environment**
Maintain and enhance our natural environment complimented by sympathetic buildings, infrastructure and facilities.
- **Community**
Vibrant, cohesive, diverse community providing a healthy, quality lifestyle.
- **Governance & Financial Sustainability**
Provide leadership, good governance, and efficient, effective and responsive Council services.

Initiatives and strategies to achieve these goals include the following:-

Economic Development

- Facilitate the development of a "brand" to act as an umbrella for the future development and growth of all industries
- Provide appropriate signage that promotes the district and informs visitors
- Promote and support the Robe Tourism Association
- Support festivals and events that add value to the District's economy
- Ensure Council owned tourist facilities are of a standard that enhances tourist experiences
- Support appropriate economic development projects
- Support employment and training programs targeted at local business
- Endeavour to remove bureaucratic barriers to businesses
- Work with regional and state organisations to investigate and identify opportunities for the diversification of the District's economy
- Encourage the use of high speed broadband throughout the District
- Consult with business and industry to determine their future infrastructure requirements
- Ensure that road infrastructure within Robe enhances the movement of traffic during holiday periods
- Ensure a regional approach to the funding and provision of road infrastructure improvements
- Advocate for and facilitate the provision of appropriate heavy transport routes and associated infrastructure to assist agricultural producers and business to efficiently transport goods
- Advocate for the provision of appropriate power, water and telecommunication infrastructure to assist the growth of the districts economy

Community

- Advocate for health, family support and related services to have a presence in our District
- Provide public and environmental health services
- Provide appropriately maintained cemeteries within the District

- Assist with the provision of community transport for disadvantaged residents
- Promote the use of information technology to improve community life
- Regulate the future development of our township to promote an active healthy lifestyle
- Advocate for services and facilities that assist our aged and disabled
- Facilitate networking between aged and disabled service providers and their patrons
- Support the provision of child care services
- Support programs that assist in the development and leadership within our youth
- Provide and promote appropriate and accessible facilities and activities for youth
- Support youth training and employment programs
- Maintain and improve Council's sport and recreation facilities
- Provide financial and other appropriate support for community owned recreational sporting and leisure facilities
- Promote recreation and sporting activities within the District
- Provide facilities that encourage passive recreation
- Celebrate the achievements of volunteers
- Facilitate the attraction of new volunteers that assist Council to provide services
- Actively assist and promote community groups and organisations
- Support events and activities that promote the District community spirit and culture
- Provide library services within the District
- Provide public access to internet services
- Encourage the use of high speed broadband throughout the District
- Facilitate learning opportunities for adults
- Provide animal management to ensure public safety
- Assist emergency service organisations in their delivery of emergency services
- Ensure public safety is a key factor in the management of Council assets
- Enhance and maintain street lighting

Natural and Built Environment

- Complete the Robe Township 2040 structure plan
- Commence a structure planning process for the rural areas of the district
- Undertake Development Plan Amendments as identified by the structure planning process that;
 - Ensure that future plan amendments are based on the latest relevant information
 - Ensure that the likely impacts of Climate Change are adequately reflected in planning for the future
 - Ensure that residential, commercial and industrial land uses do not adversely impact the natural environment
 - Encourage appropriate industrial, commercial and residential developments that respects the best aspects of the character of Robe
 - Establish a distinct township boundaries through effective use of land use planning
 - Ensure land use policies protect and enhance primary production land
 - Ensure that the impact of plan amendments is effectively communicated to the community
- Work with neighbouring councils on a regional approach on planning and development
- Collaborate with State Government to ensure that local planning and development aspirations are met
- Ensure quality, consistency and responsiveness in the development assessment and compliance processes
- Encourage the conservation of heritage buildings, items and places of interest via integration of appropriate heritage principles within Councils Development Plans
- Identify and implement projects that embrace and preserve the District's character and acknowledge its heritage
- Engage the services of a Heritage Architect to provide advice to Council and the community
- Seek heritage grants to assist with the maintenance of Councils heritage assets
- Provide and maintain Council owned community facilities

- Plan and develop parks, playgrounds, footpaths and walking trails that encourage an active and healthy lifestyle for the community
- Develop and implement a program to upgrade town entrance statement that reflects Robe's character
- Manage and maintain land under Council's care and control and Council's reserves
- Implement Robe Town Centre streetscape plans
- Advocate for the use of sustainable land management practices
- Advocate and facilitate the preservation and enhancement of native vegetation
- Advocate for the preservation and enhancement of natural marine and coastal assets
- Ensure land use planning policies are consistent with the Natural Resource Management Boards priorities protecting ecological and environmental assets
- Provide appropriate Community Wastewater Management Systems
- Facilitate waste materials recycling, reuse and waste minimisation practices
- Provide an integrated waste management service
- Advocate for a regional approach to waste management and disposal
- Advocate for a coordinated approach to water resource management
- Encourage recycling and reuse of water assets on Council and community assets
- Educate the community about effective water management practices
- Prepare asset management plans for Council's transport assets
- Maintain and upgrade road infrastructure in accordance with asset management plans
- The management of community assets to ensure that resources are allocated efficiently
- Implement the Walking Trails and Bike Trails Master Plan
- Effective management and maintenance of Council's stormwater infrastructure
- Implement the Beach Access Strategy Plan
- Manage and maintain Council's reserves and open space

Governance and Financial Sustainability

- Investigate opportunities for regional cooperation in the provision of services
- Support established regional associations and informal groups
- Maximise the benefit to the community of Council's business enterprises
- Undertake an annual review of Council's fees and charges
- Identify and apply for external funding opportunities that support Council's strategic goals
- Implement appropriate energy efficiency actions identified by the Carbon Footprint audit
- Undertake budget reviews in accordance with legislative requirements
- Ongoing monitoring, review and reporting of the Strategic Plan
- Develop and implement and monitor long term financial plans linked to Council's Strategic Plan
- Monitor and review Annual Business Plan
- Monitor and review Council's asset management plans
- Set service standards and regularly review the delivery of services
- Review and update as required Council's communication policy and practices
- Engage all Council's stakeholders in accordance with Council's Consultation policy, Communication Strategy and Community Engagement principles
- Engage with the community in a meaningful way when developing strategic plans and local initiatives
- Continuous improvement in complying with our legislative obligations
- Successfully complete the Local Government Association Good Governance program
- Ensure appropriate training and development for existing and new elected members
- Exhibit leadership representing a balanced view within the community
- Provide opportunities and incentives for the professional development of staff that can respond to challenges and are committed to high levels of service delivery
- Implement an appropriate staff performance appraisal system
- Undertake work force planning to meet the Council's current and future work force requirements in servicing a growing community
- Facilitates the implementation of safe systems of work, Work Health and Safety training and the provision of a safe work environment for all staff

- Coordinates workers compensation claims administration and injury management services to facilitate the early and safe return to work of injured employees
- Develop a responsible risk management strategy to identify, monitor and proactively review financial and physical risk

Action plans detailing major activities that Council will undertake to achieve these objectives are detailed in the Strategic Management Plan.

Financial Sustainability

The definition of Financial Sustainability for Local Government emanated from the independent SA Local Government Financial Sustainability Inquiry in 2005.

It is defined as follows:

“A Council’s long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.”

The definition was endorsed nationally at the National General Assembly of Local Government in Canberra in November 2006.

Why is it important?

The importance of financial sustainability is to ensure that each generation ‘pays their way’, rather than any generation ‘living off their assets and leaving it to the future generations to address the issue of repairing worn out infrastructure.

The Council is the custodian of infrastructure and assets with a value in excess of \$140 million. Council has the responsibility to ensure that assets are managed efficiently and effectively and that decisions regarding the acquisition of new assets and the sale and maintenance of existing assets are undertaken in an open and transparent fashion.

Sound asset management is the key to financial sustainability. There is clearly a direct link between the development and implementation of Council’s Infrastructure and Asset Management Plan and its Long Term Financial Plan. Council expends considerable funds on the acquisition and management of assets. It will be exposed to financial risk over the longer term if budget processes have little regard for ongoing costs associated with the maintenance and renewal of these assets beyond the current budget period. It is incumbent on Council to carefully consider information about the stock of infrastructure and other assets and the contribution that current ratepayers are making to their consumption.

Council is facing new challenges in managing infrastructure and other assets as a result of issues such as increasing community expectations; population growth; replacement of ageing infrastructure; new legislative requirements (e.g. EPA standards) and the growing demands of an ageing population.

The term “asset management” is used to describe the process by which the Council manages physical assets to meet current and future levels of service. The Council determines the policy framework within which existing assets are managed and new assets acquired and the overall program for maintenance and disposal of assets. This policy framework typically has regard to the link between the purchase, upgrade and disposal of assets, the delivery of services to communities and consultation processes required to ensure the community is well informed and able to influence the decisions of the Council.

How is it measured?

To ensure that each generation ‘pays its way’, it is crucial that current ratepayers effectively fund the current net cost of services provided and community assets consumed. Without this being achieved (i.e. an operating deficit), future generations are effectively subsidising the current cost of service provision and asset consumption.

Based on this, the financial sustainability of a Council is measured by the surplus/(deficit) (before capital revenues) disclosed in the Income Statement. A Council’s long-term financial sustainability is dependent upon ensuring that on average, over time its expenses are less than its associated revenues.

In addition to the Operating Surplus/(Deficit), the following indicators have been developed specifically to focus attention on factors identified as key to securing long-term financial security:

- Net financial liabilities
- Operating surplus ratio
- Net financial liabilities ratio
- Asset sustainability ratio

For each indicator, appropriate targets have been nominated to enable meaningful performance measurement. These indicators are consistent with industry standards and are discussed in more detail later in the document.

How is Council addressing the issue?

This Plan sees Council operating at a slight deficit over the life of the plan whilst keeping rates at a minimum. The operating position needs to return to a surplus position as soon as possible. Council will need to assess operating income and expenditure commencing with the development of the 2019-2020 Annual Business Plan & Budget to address the operating position.

This plan sees Council making significant inroads into its Asset Sustainability Ratio having developed Asset Management Plans. Council is making a conscious effort to concentrate on the sustainability indicators to ensure that Council is heading in the correct direction.

Significant progress has been made towards comprehensive Infrastructure and Asset Management plans to act as stewardship documents in the effective upkeep and renewal of the \$140 Million community infrastructure assets maintained by Council. As can be seen in the Long Term Financial Plan however, Council will need to generate a significant amount of revenue to ensure that the assets are not completely run down.

Long Term Financial Plan Presentation

In accordance with the Local Government (Financial Management) Regulations 1999, Part 2, Section 5 and pursuant to section 122(2)(b) of the Local Government Act 1999, a Long Term Financial Plan must include –

- (a) *an estimated income statement, balance sheet, statement of changes in equity and statement of cashflows with respect to the period of the long-term financial plan presented in a manner consistent with the Model Financial Statements;*
- (b) *a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
- (c) *estimates with respect to an operating surplus ratio, an asset sustainability ratio and net financial liabilities ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.*

Council's Long Term Financial Plan has been expressed and presented in accordance with the above mentioned legislation and can be found as Appendix A.

Influences on Preparation of Plan

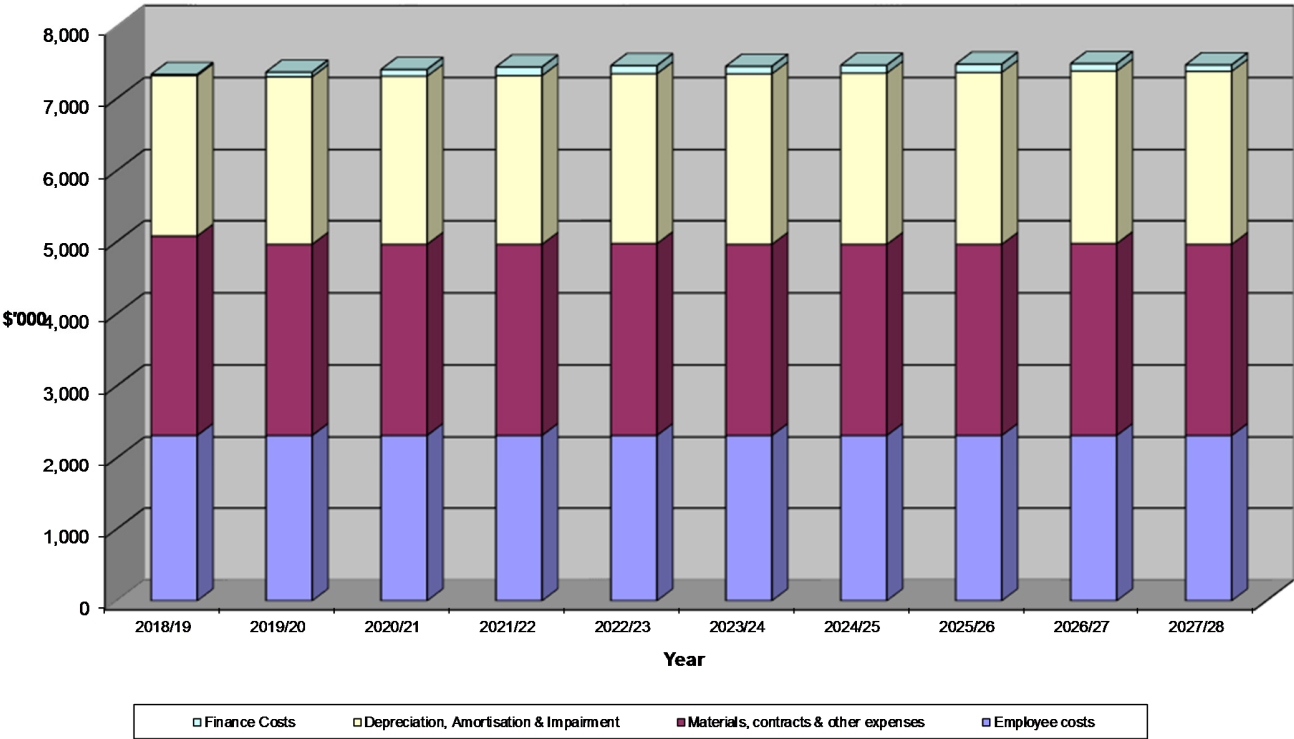
The preparation of the Long Term Financial Plan has been determined based on today's dollars. Any variations to this are assumed as follows:

- Existing service levels will be maintained;
- Rates to increase 1% above CPI for the life of the plan and to increase (Increase above CPI incorporates any development and growth);
- Staff levels will remain constant;
 - Wages increases will be capped at CPI increases
- No new projects have been included in the plan.
- Loan Borrowings have been included to help assist with the costs associated with the CWMS upgrades.

Council Operations Expenditure/Revenue Analysis

EXPENSES

Projected Operating Expenses 2018/19 to 2027/28



Employee Costs

Employee costs include all costs necessarily incurred as a result of their employment. It therefore includes such items as Salaries and Wages as remuneration for labour, employee leave expense, superannuation contributions and workers compensation insurance.

Employee costs are expected to increase by CPI.

We expect staffing numbers to remain the same throughout the plan.

Materials, Contracts & Other Expenses

Materials, Contract & Other Expenses, effectively include all expenses that are NOT employee costs, finance costs, or depreciation, amortisation & impairment.

This plan factors that these costs will remain constant.

Finance Costs

Finance Costs are the costs of financing Council's activities through borrowings or other types of financial accommodation (e.g. finance leases). This does not include bank charges which is included under materials, contract and other expenses.

Finance Charges for the purpose of this plan have been derived by the interest payable over the next ten years on our already existing loan portfolio, additional interest payable on the new loans to be taken out at the estimated rate.

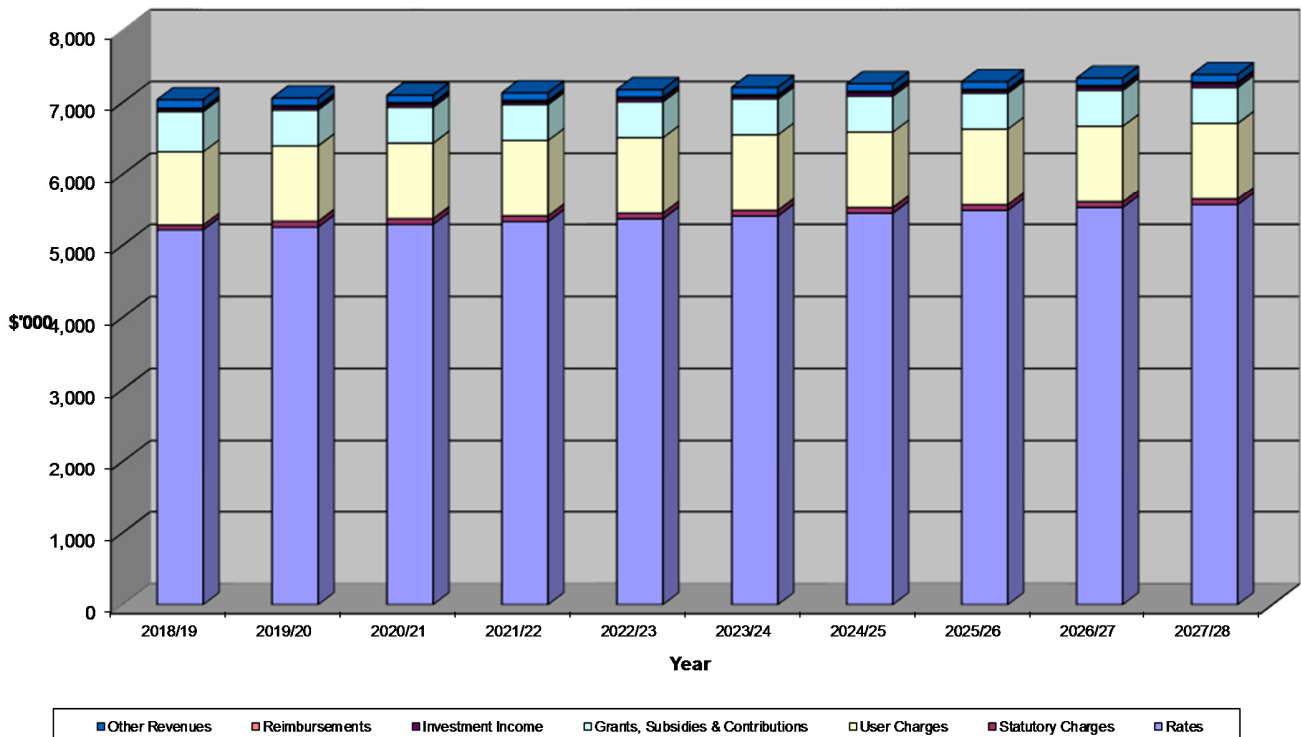
Depreciation, Amortisation & Impairment

Depreciation relates to infrastructure, property, plant and equipment to which the Council has title.

The annual depreciation of an asset reflects the financial value of the rate at which the asset wears out each year and hence the amount of money which will need to be spent at a point in time in the future to either rebuild or replace the asset.

REVENUE

Projected Operating Revenue 2018/19 to 2027/28



Rates

Rates include revenue from General Rates, Service rates (Garbage / CWMS charges), levies collected on behalf of State Government agencies (Natural resource Management Levy) and late rate payment penalty fines.

General rate revenue currently comprises approximately 74% of total operating revenue, and this is projected to increase to approximately 75.6% by 2027/28 with a 1% increase above CPI assumed for the life of the plan for General Rates (Increase above CPI incorporates development and growth).

Rate revenue is an integral part of the Council's finance resource base, the value of which is determined through Council's desire, on behalf of the community, to achieve the strategies articulated in the Council's Community Plan.

Statutory Charges

Statutory Charges are fees from regulatory services. They are associated with the granting of permit/licence, the regulation of an activity or penalties for non-compliance with a regulatory requirement. Statutory Charges include:

Development Act fees; Town planning fees; Rate searches; Animal registration fees and fines; Parking fines and expiation fees; Septic Tank fees; other licences/fees/fines.

Development application fees are determined on an annual basis by State legislation.

User Charges

User Charges are revenues from the sale of goods and services or rent of property/facilities. They are voluntary charges for which the payer receives a direct benefit. They include:

Burning off fees; Marina fees, Caravan park fees; Cemetery/crematoria fees; Parking fees; Sundry sales; Hall Hire; Equipment Hire.

Grants, Subsidies and Contributions

Includes grants and subsidies from all sources but excludes grants and subsidies specifically provided for new/upgraded assets.

The main grants received are the General untied Financial Assistance Grants (general and roads) as well as the Roads to Recovery Grants and Childcare Grants

Investment Income

Investment income is revenue from financial investments or loans to community groups. It includes:
Interest received from the LGFA or banks and interest received on loans to community groups.

Reimbursements

Reimbursements are amounts received as payment for work done by the council acting as an agent for other government bodies and property owners, organisations and individuals.

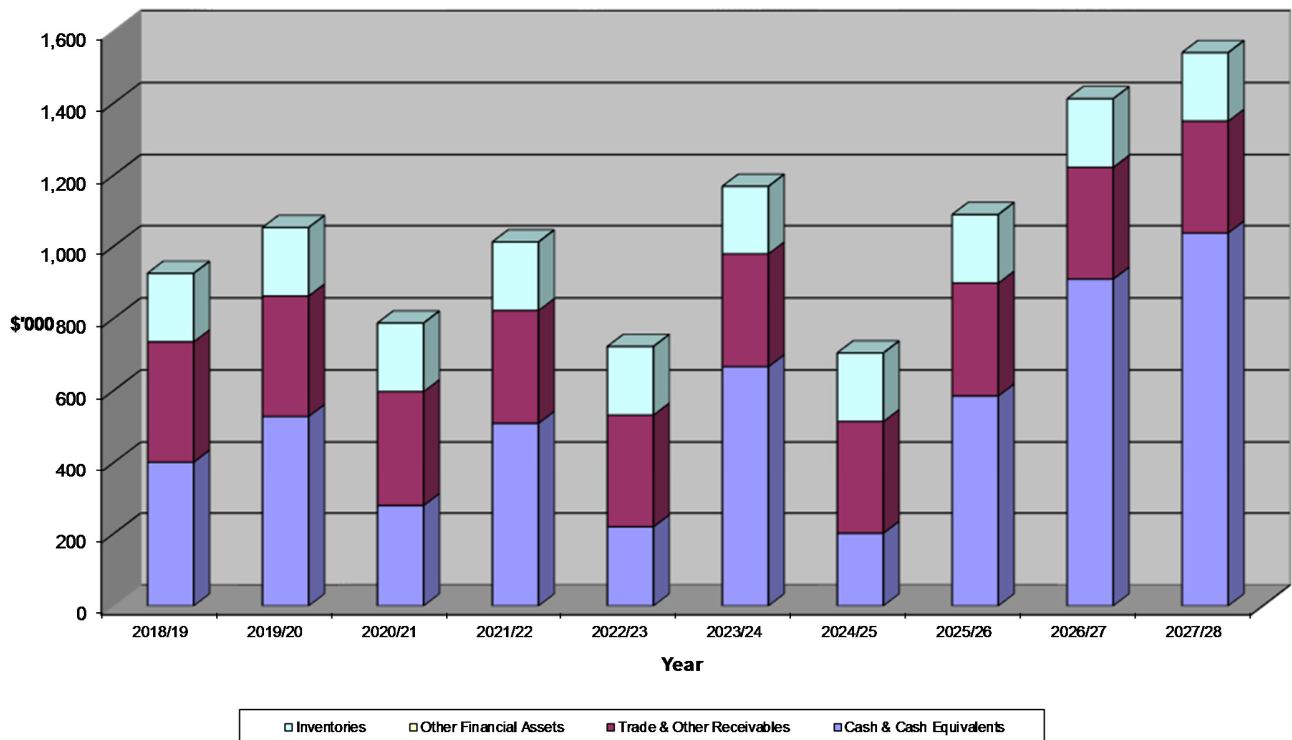
Other Income

Other revenue is revenue not classified elsewhere.

Examples of revenues within this classification include insurance recoupments, rebates and commissions

CURRENT ASSETS

Projected Current Assets 2018/19 to 2027/28



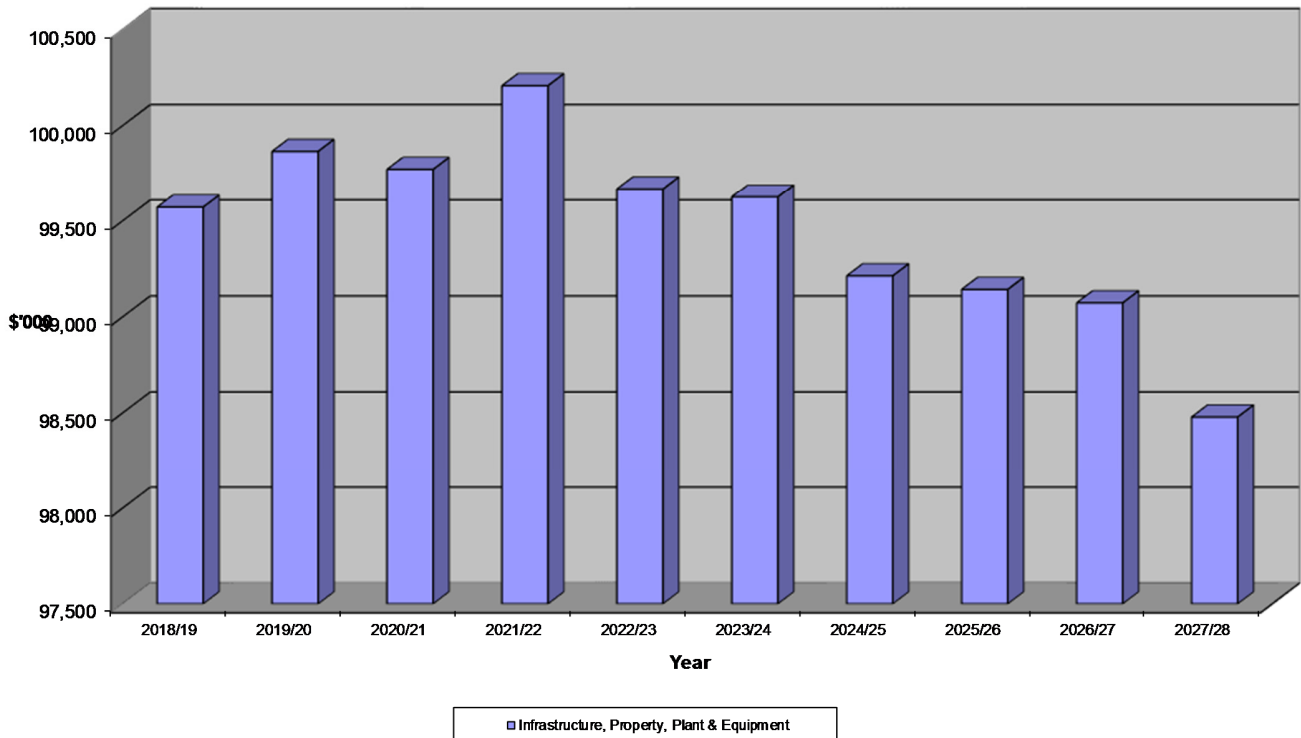
A number of new loan borrowings have been included in this plan to assist with the costs associated with the CWMS upgrades.

The Cash position is decreasing due to the timing of replacement of Long Term assets such as CWMS upgrades. All asset replacement included in this long term financial plan is in accordance with Council's Asset Management Plans.

Outstanding rate and other debtor balances are not expected to change significantly and are at acceptable levels.

NON CURRENT ASSETS

Projected Non Current Assets 2018/19 to 2027/28



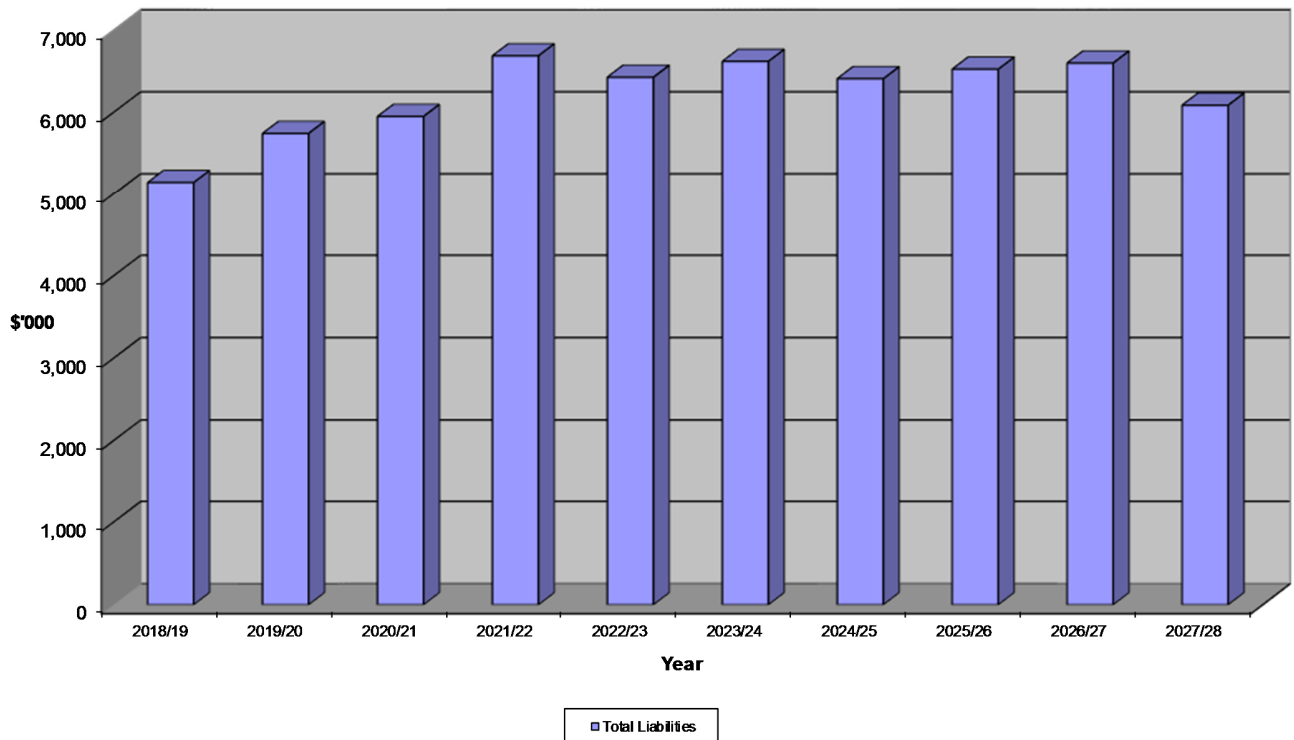
Non-current assets include 'fixed' assets such as Land and Buildings, Infrastructure (e.g. Roads, Footpaths, Stormwater Drainage and CWMS systems), Plant and Equipment and Furniture and Fittings.

With the focus of achieving financial sustainability, Council is constrained by the level of capital works (additions to value of non-current assets) that can be undertaken.

The replacement of Assets is in accordance with Council's Asset Management Plans.

LIABILITIES

Projected Liabilities 2018/19 to 2027/28

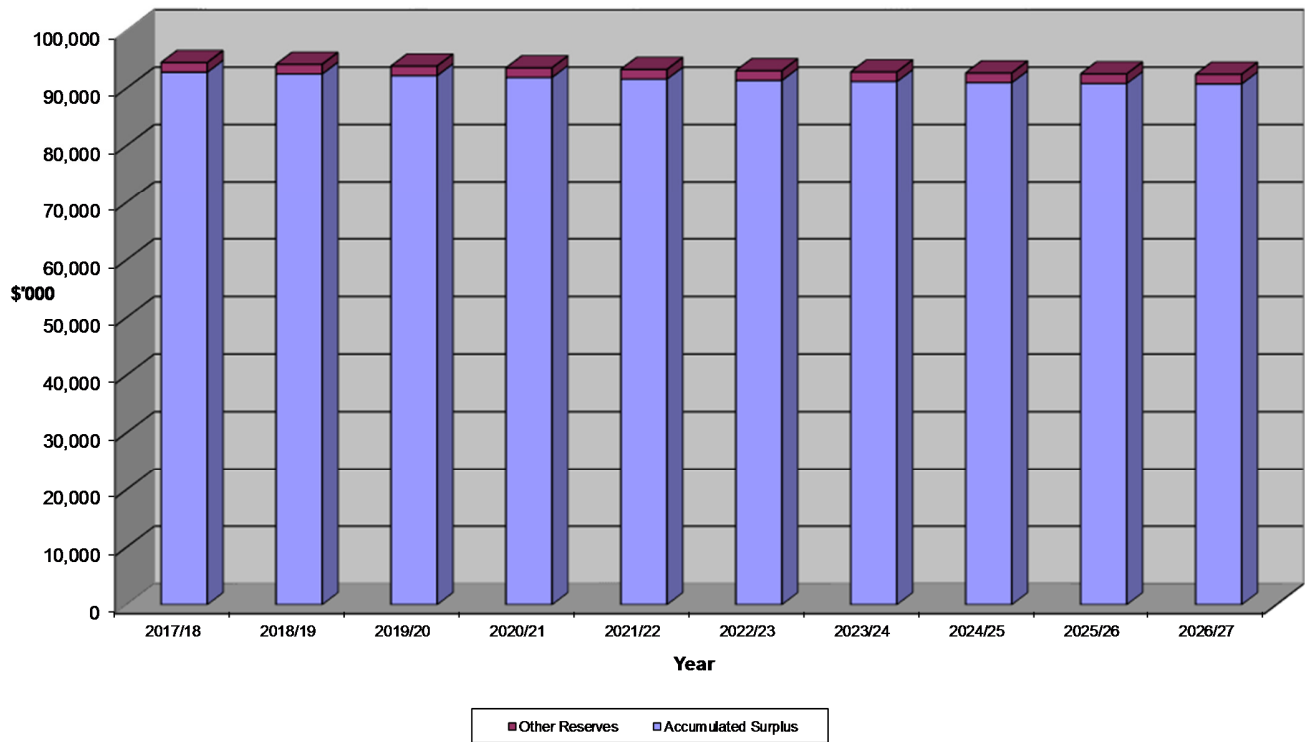


A number of new loan borrowings have been included in this plan to assist with the costs associated with the CWMS upgrades.

\$2.7 Million represents the value of the Marina Leases paid for 99 years. In accordance with Accounting Standards this has been recorded as a Liability and will be reduced as each year expires.

ACCUMULATED SURPLUS / FUNDED RESERVES

Projected Accumulated Surplus / Funded Reserves 2018/19 to 2027/28



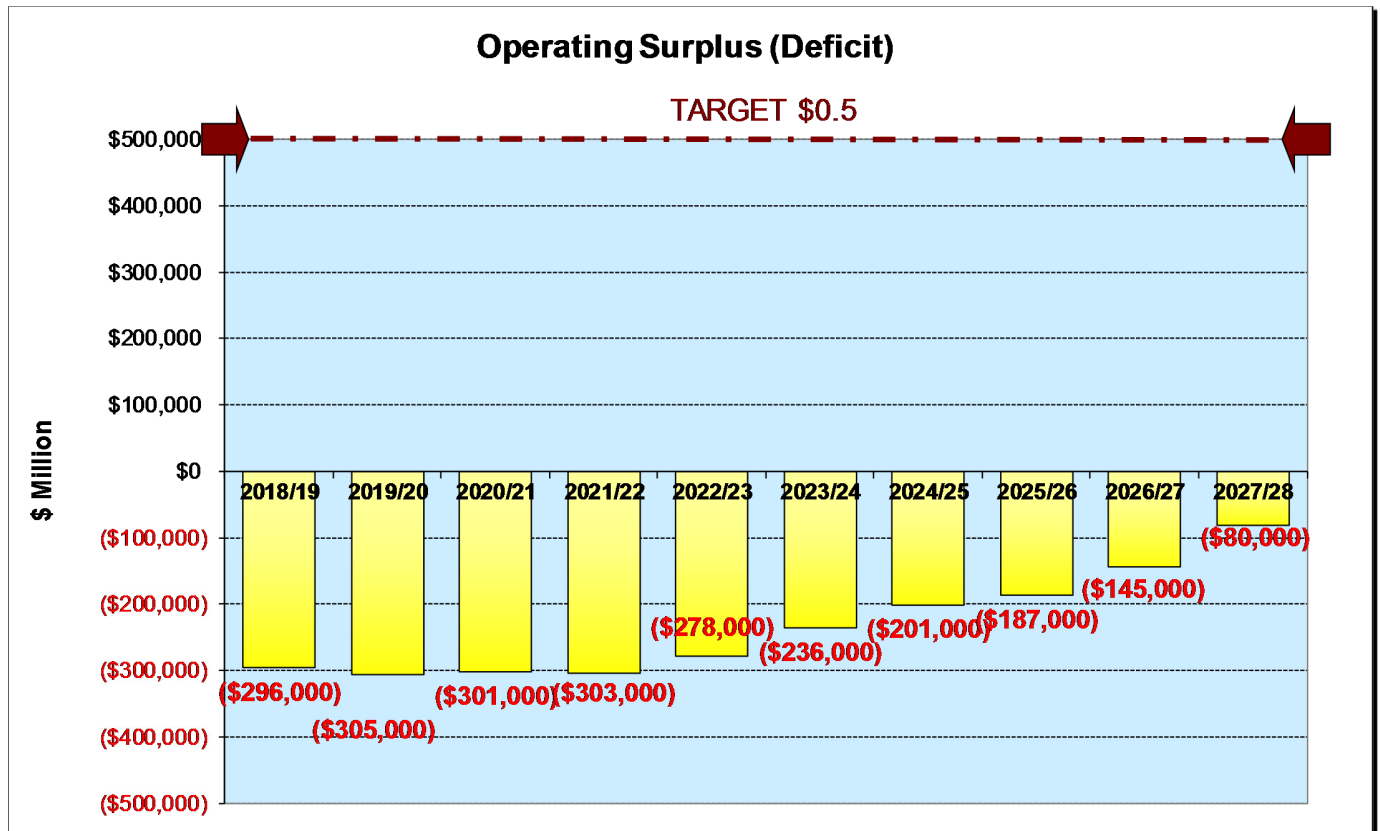
The movement in the Accumulated Surplus / Funded Reserves is determined by the net operating surplus / (deficit) illustrated on the budgeted Income Statement – an operating surplus will increase the overall balance whilst a deficit will reduce it.

Key Financial Indicators

Indicator 1 – Operating Surplus (Deficit)

An operating surplus indicates the extent to which operating revenues are sufficient to meet all operating expenses including depreciation and consequently the extent to which the burden of expenses is being met by current ratepayers.

An operating deficit occurs when total operating expenses exceed total operating revenues and consequently the burden of a portion of expenses will need to be met by future ratepayers.



Council's Long Term Financial Plan indicates through the graph above that it will operate on average over the term at a slight deficit. The average operating deficit is forecast to be \$204,000 over the plan period.

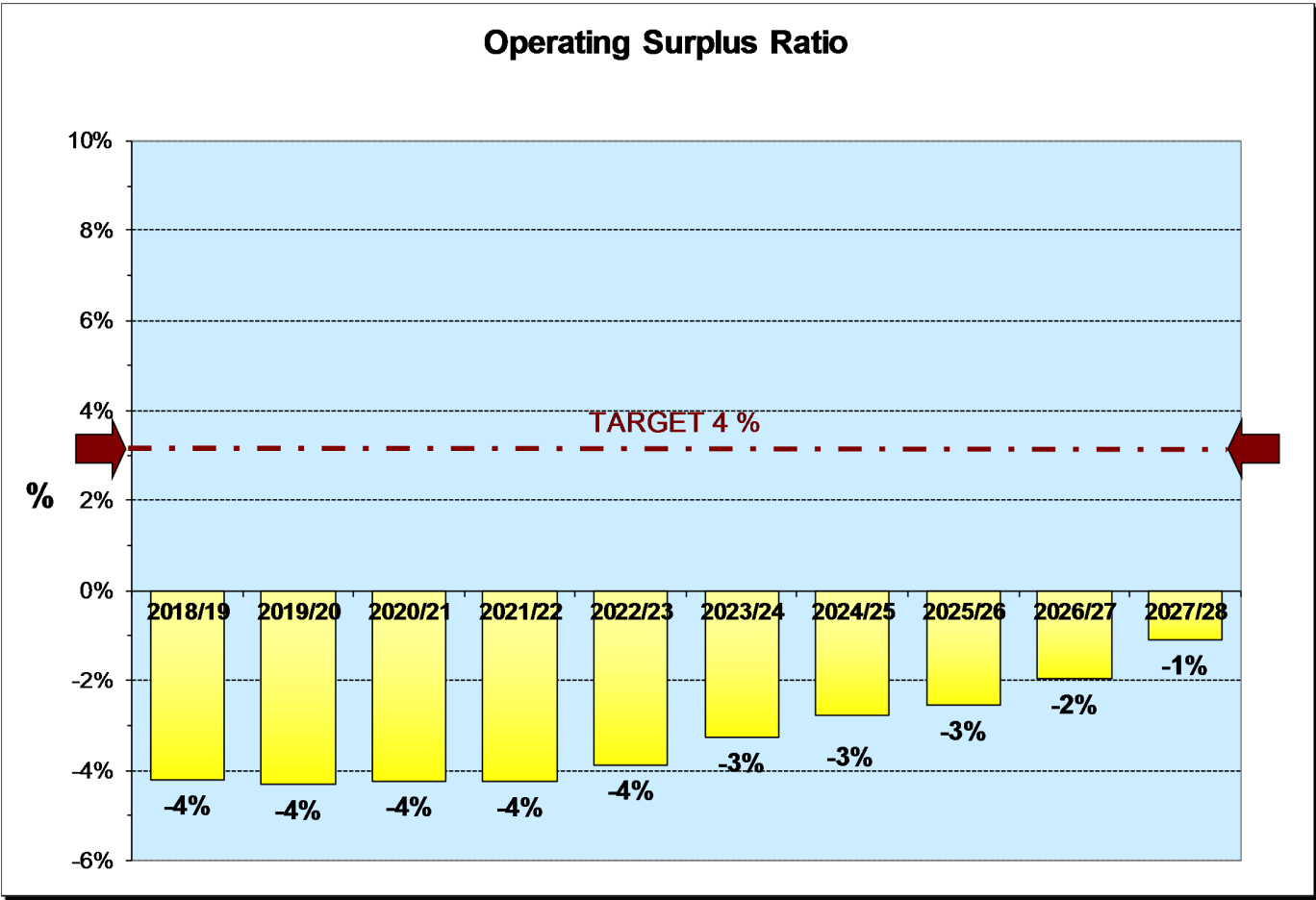
The operating position needs to return to a surplus position as soon as possible. Council will need to assess operating income and expenditure commencing with the development of the 2019-2020 Annual Business Plan & Budget to address the operating position.

Indicator 2 - Operating Surplus (Deficit) Ratio

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates, net of rebates.

A negative ratio indicates the percentage increase in total rates required to achieve a breakeven operating result.

A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense, without increasing Council's level of net financial liabilities. If this amount is not required for capital expenditure it simply reduces the level of net financial liabilities.



Council's Long Term Financial Plan indicates through the graph above that it will operate on average over the term with a slight Operating Deficit.

Local Government sector proposed targets suggest that a Council should achieve an operating surplus ratio of between 0% and 15% over any five year period. The average operating surplus ratio is forecast to be (2.83%) per annum over the Plan period.

This indicates that Council is not operating within the proposed targets issued. The operating surplus ratio needs to return to a surplus position as soon as possible. Council will need to assess operating income and expenditure commencing with the development of the 2019-2020 Annual Business Plan & Budget to address the operating position.

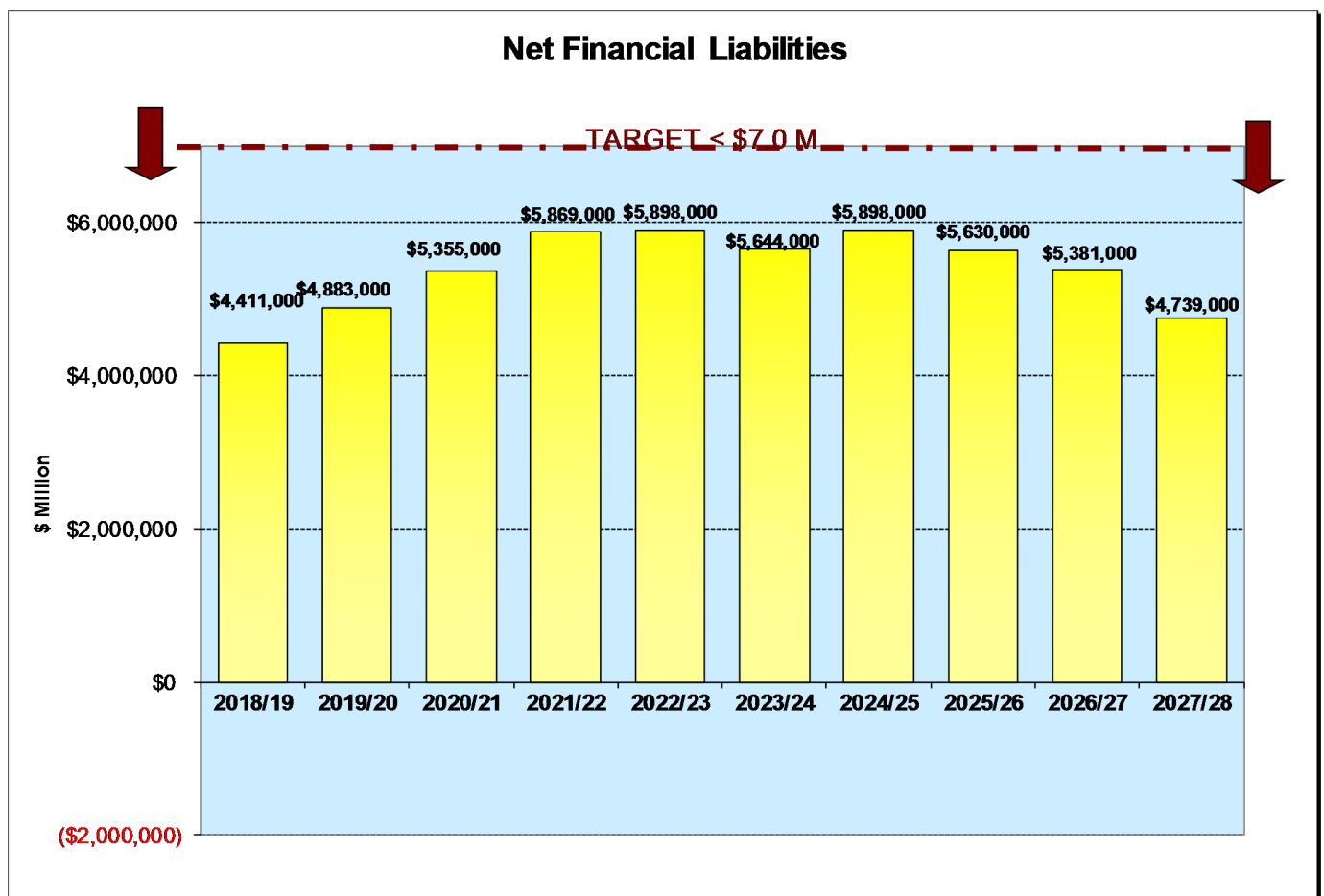
Indicator 3 - Net Financial Liabilities

Net Financial Liabilities measure a Council's total indebtedness.

Net financial liabilities is a broader measure than net debt as it includes all of a Council's obligations including provisions for employee entitlements and creditors.

The level of net financial liabilities increases when a net borrowing result occurs in a financial year and will result in a Council incurring liabilities and/or reducing financial assets.

The level of net financial liabilities decreases when a net lending result occurs in a financial year and will result in a Council purchasing financial assets and/or repaying liabilities.



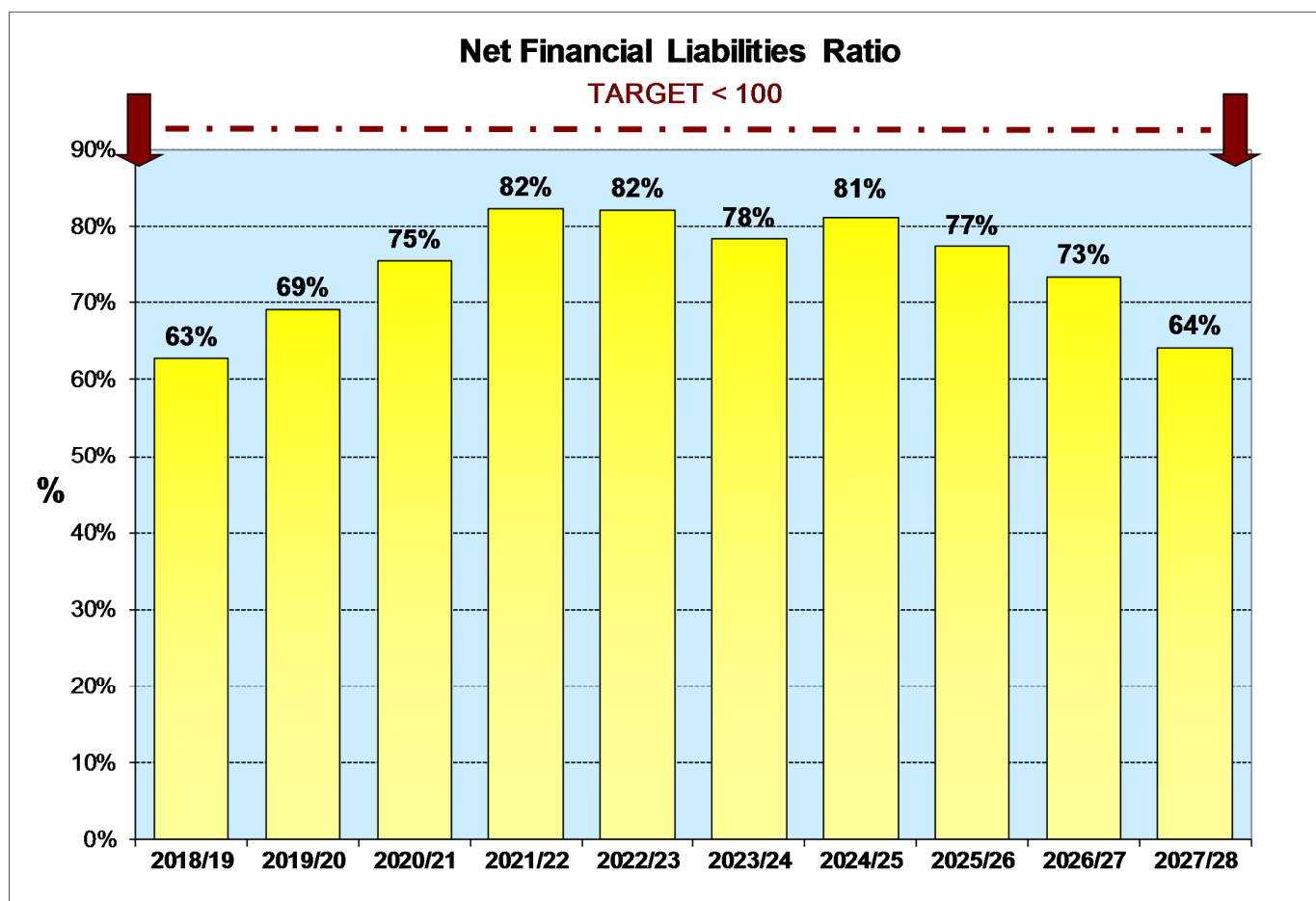
Local Government sector proposed targets for this indicator suggest that a Council's Net Financial Liabilities should not exceed total operating revenue. For the purpose of preparing the Plan a cap of \$7 million was nominally used and Council will remain within this cap over the forecast period.

The Net Financial Liabilities includes \$2.7 Million of Marina Leases paid in advance in 2012/13. This liability will be reduced by 1/99th each year.

Council's Net Financial Liabilities slowly increases due to loan borrowings taken out by Council over the life of the plan to assist with the CWMS upgrades.

Indicator 4 - Net Financial Liabilities Ratio

This ratio indicates the extent to which net financial liabilities of the Council can be met by the Council's total operating revenue. Where the ratio is falling it indicates the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing it indicates a greater amount of Council's operating revenues is required to service its financial obligations.



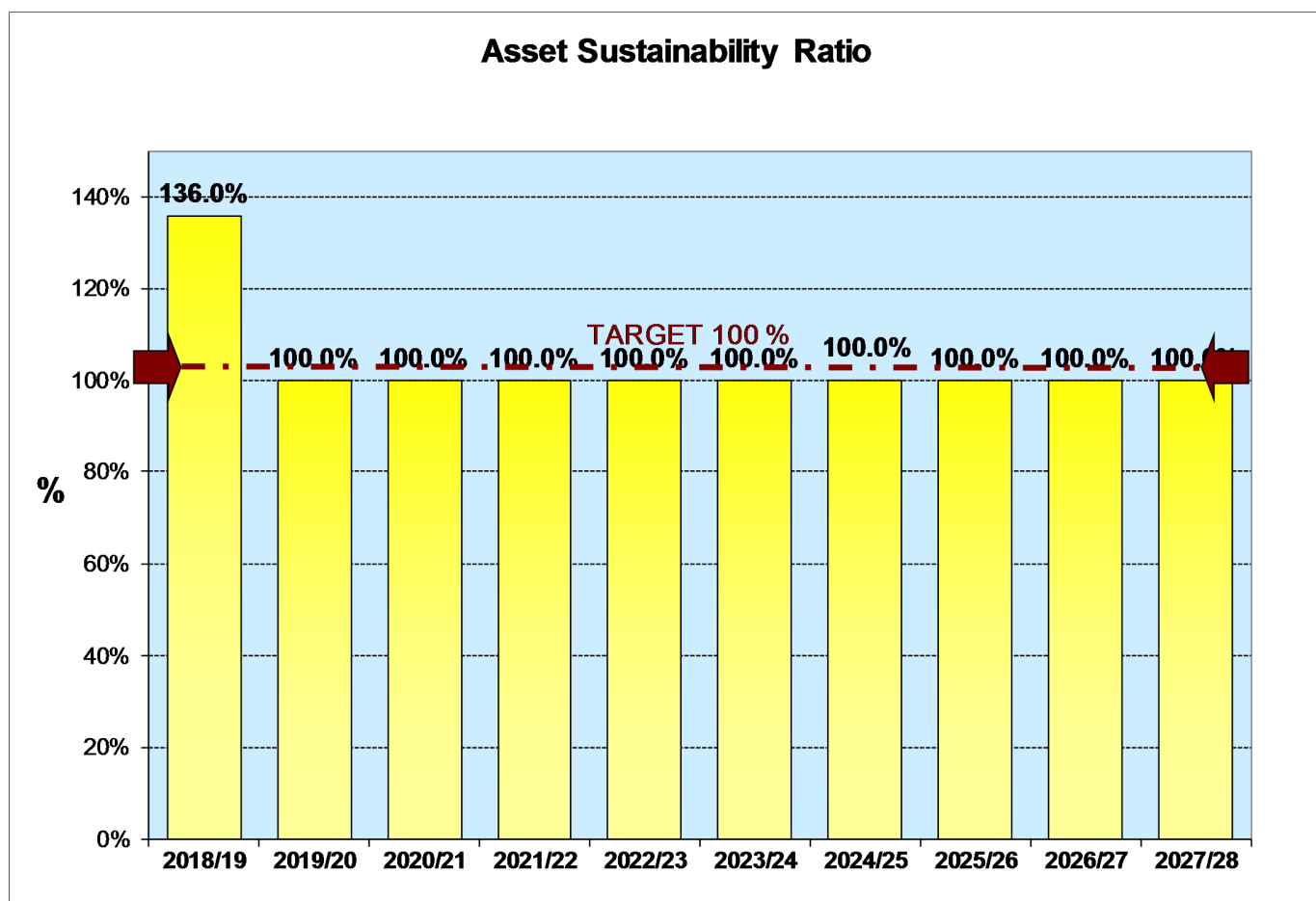
Local Government sector proposed targets for this indicator suggest that a Council's Net Financial liabilities should not exceed total operating revenue or 100%. For the purpose of preparing the Plan a target of 100% has been adopted Council will remain within this target for the life of the plan.

The Net Financial Liabilities includes \$2.7 Million of Marina Leases paid in advance in 2012/13. This liability will be reduced by 1/99th each year in 2017/18 this represents 58% of the total 64% Net Financial Liabilities Ratio.

Councils Net Financial Liabilities slowly increases due to loan borrowings taken out by Council over the life of the plan to assist with the CWMS upgrades.

Indicator 5 - Asset Sustainability Ratio

This ratio indicates whether the Council is renewing or replacing existing physical assets at the rate at which they are wearing out. On occasions, the Council will accelerate or reduce asset expenditures over time to compensate for prior events, or invest in assets by spending more now so that it costs less in the future to maintain.



Local Government sector proposed targets for this indicator suggest that Council's should target a range of between 90% to 100% over any three year period, however this does not allow for the "lumpy" nature of required expenditure on asset renewal, e.g. a drainage pipe requires almost no maintenance expenditure or capital expenditure for many years, however when the pipe fails there can be an immediate and significant expenditure requirement to upgrade or replace the pipe.

Spending above is based on Councils Asset Management Plans that take into account when work is required to be carried out on assets.

Significant Long Term Financial Plan Risks

Whilst the Plan has included all ongoing commitments it primarily forecasts results based on existing activities. There is an inherent risk that circumstances may change in the future which may materially affect the projected financial estimates.

Typically for the Local Government Sector, changes in community expectations and legislative changes can affect costs associated with services, service levels and governance activities. If there is legislative change e.g. legislation on environmental matters, carbon trading or global warming initiatives, this could significantly impact on the LTFP. These potential costs have not been factored into the LTFP, but may need to be considered in future LTFP considerations.

The financial modeling undertaken in developing the roads and drainage I&'s in particular, has been based upon existing asset attributes such as condition rating and construction date data held by the organisation. There is a risk that the data may contain some deficiencies or infrastructure may deteriorate at a faster rate than anticipated due to such factors as changes in traffic patterns, new development, etc. The I&'s outline strategies for future data improvement in order to minimise this type of risk for future financial forecasts.

APPENDIX A

District Council of Robe

Long Term Financial Plan Model

ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year Ended 30 June:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
INCOME													
Rates	4,762	4,976	5,002	5,214	5,251	5,289	5,327	5,366	5,405	5,444	5,484	5,524	5,564
Statutory Charges	86	82	98	66	81	81	81	81	81	81	81	81	81
User Charges	700	807	942	1,032	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062
Grants, subsidies, contributions	815	941	928	558	500	500	500	500	500	500	500	500	500
Investment Income	36	39	48	28	38	41	35	41	34	45	33	43	51
Reimbursements	21	21	22	22	22	22	22	22	22	22	22	22	22
Other Revenue	197	197	175	117	106	106	106	106	106	106	106	106	106
Total Revenues	6,617	7,063	7,215	7,037	7,060	7,101	7,133	7,178	7,210	7,260	7,288	7,338	7,386
EXPENSES													
Employee costs	2,113	2,165	2,130	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312
Materials, contracts & other expenses	2,319	2,511	2,240	2,765	2,651	2,651	2,651	2,662	2,651	2,651	2,651	2,662	2,651
Depreciation	2,206	2,215	2,272	2,240	2,338	2,346	2,354	2,371	2,379	2,389	2,399	2,407	2,414
Finance Costs	18	19	19	16	64	93	119	111	104	109	113	102	89
Total Expenses	6,656	6,910	6,661	7,333	7,365	7,402	7,436	7,456	7,446	7,461	7,475	7,483	7,466
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(39)	153	554	(296)	(305)	(301)	(303)	(278)	(236)	(201)	(187)	(145)	(80)
Net gain/(loss) on disposal or revaluations	22	(93)	(13)	0	0	0	0	0	0	0	0	0	0
Amounts specifically for new assets	10	0	520	131	0	0	0	0	0	0	0	0	0
Physical resources free of charge	0	0	735	0	0	0	0	0	0	0	0	0	0
NET SURPLUS/(DEFICIT)	(7)	60	1,796	(165)	(305)	(301)	(303)	(278)	(236)	(201)	(187)	(145)	(80)
Other Comprehensive Income													
Changes in revaluation surplus - IPP&E	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Comprehensive Income	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME	(7)	60	1,796	(165)	(305)	(301)	(303)	(278)	(236)	(201)	(187)	(145)	(80)

APPENDIX A CONTINUED...

District Council of Robe Long Term Financial Plan Model ESTIMATED BALANCE SHEET

Year Ended 30 June:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
ASSETS													
Current Assets													
Cash & Equivalent Assets	1,051	2,233	2,633	402	529	279	510	220	667	202	586	910	1,038
Trade & Other Receivables	709	358	337	334	334	319	313	313	313	313	313	313	313
Inventories	230	210	190	190	190	190	190	190	190	190	190	190	190
Total Current Assets	1,990	2,801	3,160	926	1,053	788	1,013	723	1,170	705	1,089	1,413	1,541
Non-Current Assets													
Receivables	92	69	45	35	14	8	8	8	8	8	8	8	8
Infrastructure, Property, Plant & Equipment	94,560	93,744	95,879	98,610	98,798	98,975	99,186	98,937	98,447	98,500	98,045	97,651	96,929
Total Non-Current Assets	94,652	93,813	95,924	98,645	98,812	98,983	99,194	98,945	98,455	98,508	98,053	97,659	96,937
Total Assets	96,642	96,614	99,084	99,571	99,865	99,771	100,207	99,668	99,625	99,213	99,142	99,072	98,478
LIABILITIES													
Current Liabilities													
Trade & Other Payables	514	455	1,026	698	952	808	882	845	866	853	862	859	862
Borrowings	9	10	10	42	101	162	164	167	176	208	219	529	239
Provisions	565	607	584	641	638	640	639	640	640	640	640	640	640
Total Current Liabilities	1,088	1,072	1,620	1,381	1,691	1,610	1,685	1,652	1,682	1,701	1,721	2,028	1,741
Non-Current Liabilities													
Trade & Other Payables	2,685	2,638	2,767	2,548	2,936	2,684	2,810	2,747	2,784	2,760	2,772	2,766	2,775
Borrowings	55	45	35	1,143	1,042	1,580	2,116	1,949	2,073	1,865	1,946	1,717	1,478
Provisions	81	66	73	75	77	79	81	83	85	87	90	93	96
Total Non-Current Liabilities	2,821	2,749	2,875	3,766	4,055	4,343	5,007	4,779	4,942	4,712	4,808	4,576	4,349
Total Liabilities	3,909	3,821	4,495	5,147	5,746	5,953	6,692	6,431	6,624	6,413	6,529	6,604	6,090
NET ASSETS	92,733	92,793	94,589	94,424	94,119	93,818	93,515	93,237	93,001	92,800	92,613	92,468	92,388
EQUITY													
Accumulated Surplus	12,418	12,182	13,610	13,445	13,140	12,839	12,536	12,258	12,022	11,821	11,634	11,489	11,409
Asset Revaluation Reserve	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302
Other Reserves	1,013	1,309	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677
TOTAL EQUITY	92,733	92,793	94,589	94,424	94,119	93,818	93,515	93,237	93,001	92,800	92,613	92,468	92,388

APPENDIX A CONTINUED...

**District Council of Robe
Long Term Financial Plan Model
ESTIMATED CASH FLOW STATEMENT**

Year Ended 30 June:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)	\$('000)
CASH FLOWS FROM OPERATING ACTIVITIES													
<u>Receipts</u>													
Rates		4,917	5,092	5,214	5,251	5,289	5,327	5,366	5,405	5,444	5,484	5,524	5,564
Statutory Charges		82	98	66	81	81	81	81	81	81	81	81	81
User Charges		807	942	1,032	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062
Grants, subsidies, contributions		941	928	558	500	500	500	500	500	500	500	500	500
Investment Income		34	50	28	38	41	35	41	34	45	33	43	51
Reimbursements		21	22	22	22	22	22	22	22	22	22	22	22
Other Revenue		198	105	115	110	103	108	105	107	105	107	106	106
<u>Payments</u>													
Employee costs		(2,142)	(2,141)	(2,260)	(2,302)	(2,315)	(2,307)	(2,311)	(2,309)	(2,311)	(2,308)	(2,309)	(2,309)
Materials, contracts & other expenses		(2,595)	(1,525)	(3,303)	(2,024)	(3,037)	(2,457)	(2,759)	(2,595)	(2,686)	(2,632)	(2,671)	(2,639)
Finance Costs		(19)	(19)	(16)	(64)	(93)	(119)	(111)	(104)	(109)	(113)	(102)	(89)
Other Expenses		15	0	0	0	0	0	0	0	0	0	0	0
Net Cash provided by (or used in) Operating Activities		2,259	3,552	1,456	2,674	1,653	2,252	1,996	2,203	2,153	2,236	2,256	2,349
CASH FLOWS FROM INVESTING ACTIVITIES													
<u>Receipts</u>													
Amounts Specifically for New/Upgraded Assets		0	520	131	0	0	0	0	0	0	0	0	0
Sale of Renewed/Replaced Assets		43	238	0	0	0	0	0	0	0	0	0	0
Repayments of Loans by Community Groups		424	23	13	21	21	6	0	0	0	0	0	0
<u>Payments</u>													
Expenditure on Renewal/Replacement of Assets		(625)	(1,480)	(3,731)	(2,436)	(2,433)	(1,833)	(2,032)	(1,649)	(2,242)	(1,794)	(1,963)	(1,642)
Expenditure on New/Upgraded Assets		(910)	(2,443)	(1,240)	(90)	(90)	(732)	(90)	(240)	(200)	(150)	(50)	(50)
Net Cash Provided by (or used in) Investing Activities		(1,068)	(3,142)	(4,827)	(2,505)	(2,502)	(2,559)	(2,122)	(1,889)	(2,442)	(1,944)	(2,013)	(1,692)
CASH FLOWS FROM FINANCING ACTIVITIES													
<u>Receipts</u>													
Proceeds from Borrowings		0	0	1,150	0	700	700	0	300	0	300	300	0
<u>Payments</u>													
Repayments of Borrowings		(9)	(10)	(10)	(42)	(101)	(162)	(164)	(167)	(176)	(208)	(219)	(529)
Net Cash provided by (or used in) Financing Activities		(9)	(10)	1,140	(42)	599	538	(164)	133	(176)	92	81	(529)
Net Increase/(Decrease) in cash held		1,182	400	(2,231)	127	(250)	231	(290)	447	(465)	384	324	128
Opening cash, cash equivalents or (bank overdraft)		1,051	2,233	2,633	402	529	279	510	220	667	202	586	910
Closing cash, cash equivalents or (bank overdraft)		1,051	2,233	2,633	402	529	279	510	220	667	202	586	1,038

APPENDIX A CONTINUED...

District Council of Robe Long Term Financial Plan Model ESTIMATED STATEMENT OF CHANGES IN EQUITY													
Year Ended 30 June:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
ACCUMULATED SURPLUS													
Balance at end of previous reporting period	12,673	12,418	12,182	13,610	13,445	13,140	12,839	12,536	12,258	12,022	11,821	11,634	11,489
Net Result for Year	(7)	60	1,796	(165)	(305)	(301)	(303)	(278)	(236)	(201)	(187)	(145)	(80)
Other Comprehensive Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to Other Reserves	(806)	(296)	(905)	0	0	0	0	0	0	0	0	0	0
Transfers from Other Reserves	558	0	537	0	0	0	0	0	0	0	0	0	0
Balance at end of period	12,418	12,182	13,610	13,445	13,140	12,839	12,536	12,258	12,022	11,821	11,634	11,489	11,409
ASSET REVALUATION RESERVE													
Land	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917	20,917
Buildings & Other Structures	8,319	8,319	8,319	8,319	8,319	8,319	8,319	8,319	8,319	8,319	8,319	8,319	8,319
Roads	46,002	46,002	46,002	46,002	46,002	46,002	46,002	46,002	46,002	46,002	46,002	46,002	46,002
Bridges	4,064	4,064	4,064	4,064	4,064	4,064	4,064	4,064	4,064	4,064	4,064	4,064	4,064
Balance at end of period	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302	79,302
OTHER RESERVES													
Balance at end of previous reporting period	765	1,013	1,309	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677
Transfers from Accumulated Surplus	806	296	905	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	(558)	0	(537)	0	0	0	0	0	0	0	0	0	0
Balance at end of period	1,013	1,309	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677	1,677
TOTAL EQUITY AT END OF REPORTING PERIOD	92,733	92,793	94,589	94,424	94,119	93,818	93,515	93,237	93,001	92,800	92,613	92,468	92,388

APPENDIX A CONTINUED...

District Council of Robe

Long Term Financial Plan Model

SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

Year Ended 30 June:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Operating Revenues	6,617	7,063	7,215	7,037	7,060	7,101	7,133	7,178	7,210	7,260	7,288	7,338	7,386
<i>less Operating Expenses</i>	6,656	6,910	6,661	7,333	7,365	7,402	7,436	7,456	7,446	7,461	7,475	7,483	7,466
Operating Surplus/(Deficit) before Capital Amounts	(39)	153	554	(296)	(305)	(301)	(303)	(278)	(236)	(201)	(187)	(145)	(80)
Less: Net Outlays on Existing Assets													
Capital Expenditure on Renewal/Replacement of Existing Assets	886	625	1,480	3,731	2,436	2,433	1,833	2,032	1,649	2,242	1,794	1,963	1,642
<i>less Depreciation, Amortisation & Impairment</i>	2,206	2,215	2,272	2,240	2,338	2,346	2,354	2,371	2,379	2,389	2,399	2,407	2,414
<i>less Proceeds from Sale of Replaced Assets</i>	58	43	238	0	0	0	0	0	0	0	0	0	0
	(1,378)	(1,633)	(1,030)	1,491	98	87	(521)	(339)	(730)	(147)	(605)	(444)	(772)
Less: Net Outlays on New and Upgraded Assets													
Capital Expenditure on New/Upgraded Assets	507	910	2,443	1,240	90	90	732	90	240	200	150	50	50
<i>less Amounts Specifically for New/Upgraded Assets</i>	10	0	520	131	0	0	0	0	0	0	0	0	0
<i>less Proceeds from Sale of Surplus Assets</i>	172	0	0	0	0	0	0	0	0	0	0	0	0
	325	910	1,923	1,109	90	90	732	90	240	200	150	50	50
Net Lending / (Borrowing) for Financial Year	1,014	876	(339)	(2,896)	(493)	(478)	(514)	(29)	254	(254)	268	249	642
In any one year, the above financing transactions are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.													
Year Ended 30 June:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
FINANCING TRANSACTIONS	Actual	Actual	Actual	Estimate	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
New Borrowings		0	0	1,150	0	700	700	0	300	0	300	300	0
Repayment of Principal on Borrowings		9	10	10	42	101	162	164	167	176	208	219	529
(Increase)/Decrease in Cash and Cash Equivalents		(1,182)	(400)	2,231	(127)	250	(231)	290	(447)	465	(384)	(324)	(128)
(Increase)/Decrease in Receivables		351	21	3	0	15	6	0	0	0	0	0	0
Increase/(Decrease) in Payables & Provisions		(79)	684	(488)	641	(392)	201	(97)	60	(35)	24	(6)	15
Other – Including the Movement in Inventories		25	24	(10)	(63)	(196)	(324)	(328)	(334)	(352)	(416)	(438)	(1,058)
Financing Transactions		(876)	339	2,896	493	478	514	29	(254)	254	(268)	(249)	(642)