

LONG-TERM FINANCIAL MANAGEMENT PLAN

2024 - 2033

The Financial Management Plan is an important component of the Council's integrated planning framework as it underpins financial sustainability, whilst meeting the needs and expectations of the community in delivering the Council's strategic objectives.





Long-Term Financial Management Plan

Approved By: **Council**
 Doc Controller: **Director Corporate
 and Commercial
 Services**

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Document Endorsement

Responsibility:	<p>The Council have responsibility to ensure that financial decisions are made in accordance with this Plan once adopted.</p> <p>The General Manager has overall accountability for implementing the Plan. It is the responsibility of the Director Corporate and Commercial Services to operationalise the Plan and to review the Plan with Council periodically.</p>
Legislative Reference:	<p>This document is designed to meet the following provisions of the <i>Local Government Act 1993</i>:</p> <p>Section 70 – Long Term Financial Management Plan</p>
Document Approval:	Council Resolution – Item AO095-23 dated 27 June 2023
Previous Documents:	<p>This document replaces the previous Financial Management Strategy 2032 which was approved by Council on 28 June 2022, as part of decision AO117-22. This document was updated on 27 March 2024 to reflect the correct nomenclature under S70 of the Act. This is on the basis that at the Council meeting of 26 March 2024, Council adopted its 4-year Financial Management Strategy.</p>
Publication of Strategy:	Members of the public may access this plan on Council's website (www.burnie.tas.gov.au).
Strategic Plan Reference:	<p>Direction 7: An engaging and accountable leadership focused on a strong future.</p> <p>Objective 7.4 Ensure a long term strategic focus drives financial policy and decisions.</p>



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1 Executive Summary

The Burnie City Council's Long-Term Financial Management Plan (FMP) is Council's key funding document. The FMP is a requirement under s70 of the *Local Government Act 1993*. The FMP sets out the principles Council uses when setting its financial strategies. This document provides users with information about how the Burnie City Council (the Council) intends to govern its financial decisions both now and into the future. The FMP guides the development and refinement of the Council's strategies, annual budget and actions. Through its strategies Council determines priorities and makes decisions balancing rates increases, commercial revenue and user fees against the community's capacity to pay, while delivering core services and constructing and maintaining community assets. Burnie is a regional centre and Council provides a broad range of services that rival much larger jurisdictions, and as such rates in Burnie are typically higher than surrounding Councils.

To further conform with the requirements of s70A of the Act, the Council, at its meeting of 26 March 2024 adopted its 4-year Financial Management Strategy as part of its integrated planning framework. This document sets out how the Council will fund the delivery of its 4-year Council Plan and 4-year Asset Management Strategy over the remaining term of the Council.

Council's cash position has been eroded in recent years due to previous financial strategies that saw Council run operating deficits over several years and more recently the impacts of COVID-19. In June 2020 Council borrowed \$10.4 million to support its operations due to insufficient cash reserves at that time. Since then, Council has modified its financial strategies, instead working hard to improve its financial performance and cash position, through reducing expenditure, evaluating income streams and setting expectations of having a balanced or surplus budget position each year. Council's position however will not be repaired in a short period of time, it will take many years for the Council to start to realise financial sustainability for the future. Having adequate cash reserves are vital for responding to unexpected events, such as the substantial road damage caused by floods in October 2022, pandemics such as COVID-19, and is imperative to long term financial sustainability.

Council continues to review its operations to improve performance, build an adequate amount of cash reserves and pay down debt. Significant changes to discretionary services and the organisational structure of the Council over the past several years has realized improvement of the Council's financial position. More must be done however to recognise financial sustainability for the future and there is now limited opportunities to provide savings from an operational perspective.

As such the Council has committed to an improvement over the next two years constituting an uplift of \$450,000 to this FMP. The plan is underpinned by strategic considerations such as disposal of assets and changes to existing services over the two-year period in order to achieve the objectives of this FMS.

Council has limited capacity to borrow funds, due to existing loan commitments and operational constraints, which will limit Council's ability to significantly upgrade or build new community assets, until uncommitted cash reserves are restored.

The FMP provides a foundation for restored financial sustainability now and into the future, with projected surplus budgets over the 10 year period of the plan.

During the FMP horizon, Council looks forward to delivering the following key projects:

- New Coastal Pathway
- New Cultural Precinct
- New UTAS Band Rooms (once transferred to Council)

- Implementing gateway markers at three entrances to Burnie
- Upgrade of Three Mile Line intersection
- Restoring flood damaged roads
- Implementing flood warning systems for Emu River

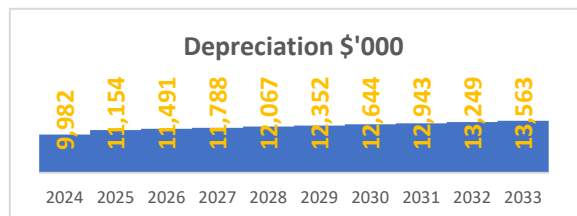
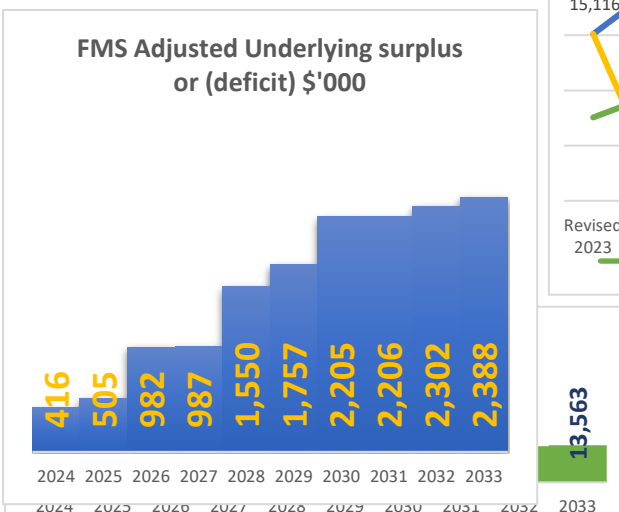
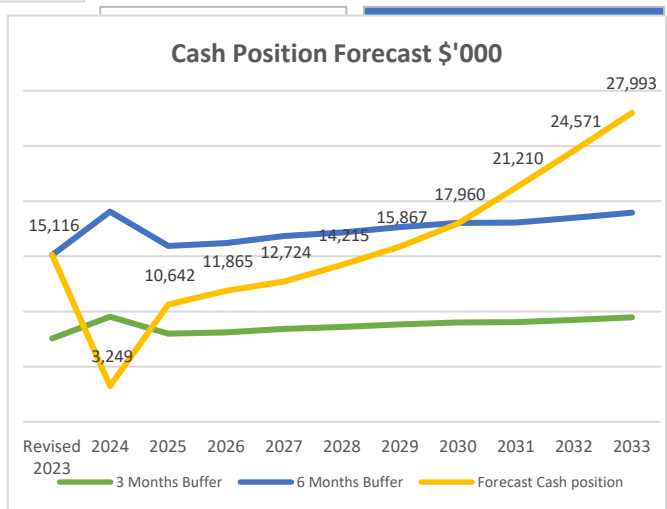
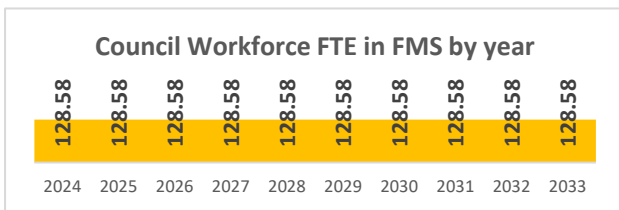
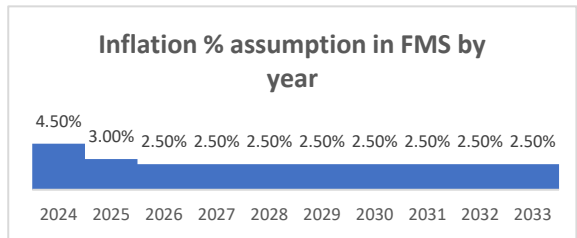
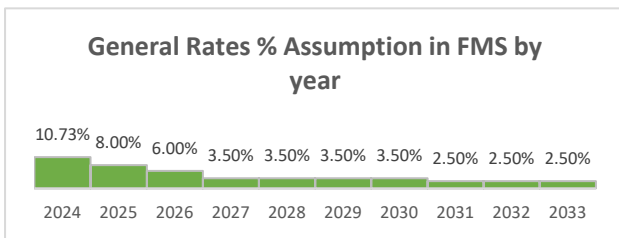
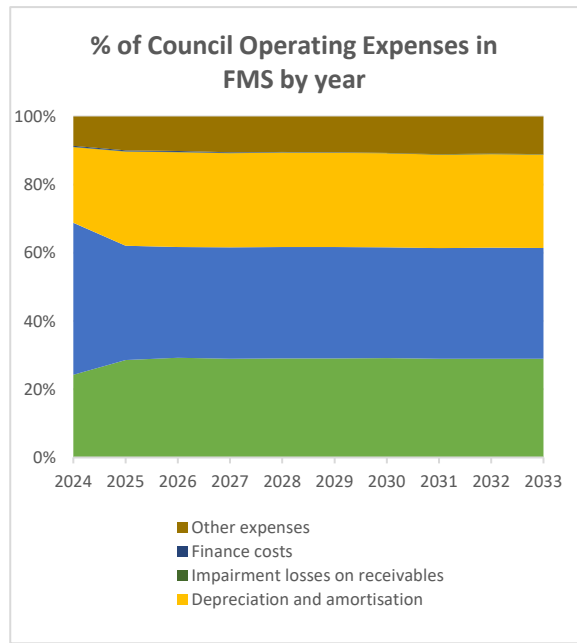
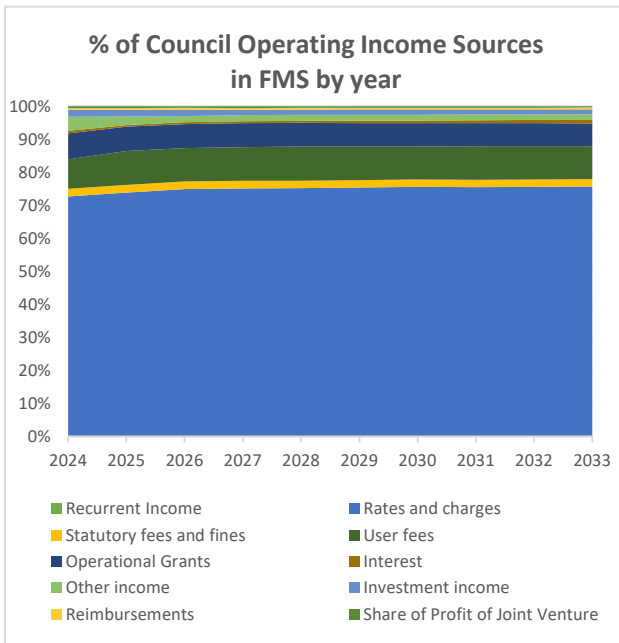
These strategic projects, predominantly government funded, demonstrate Council's commitment to having functional and safe roads, improving our ability to respond to potential disasters while enhancing recreation, arts, culture and creativity for our City.

The projections contained in the financial modelling and which are based upon certain assumptions, produce the following outcomes:

- The ability to keep the rate burden for our community to around CPI each year.
- Surpluses predicted over the full year 10 year period of the FMS.
- Council's cash reserves will be restored and then increase after 2030 (following the discharge of existing borrowings).
- Due to improved cash reserves, Council will have increased capacity to respond to unexpected events and disasters that it has had in the past, but will still rely on significant government contributions to respond appropriately.
- Council will continue to have the necessary funds to deliver its existing services and pay its debts when they fall due. Any future increase in service levels will require additional resources and funds and is therefore likely to increase rates.
- Council will have the necessary funds available for projected capital expenditure requirements over the next 10 years and as cash reserves increase, will be able to start considering strategic infrastructure needs.

These outcomes demonstrate Council's commitment to keeping the rate burden of our community as low as possible whilst maintaining financial sustainability and ensuring the ongoing ability to deliver important services to the community.

This plan is however based upon assumptions and nobody can predict the future. Therefore it is expected that this plan will guide financial decision making, however our success will be dependent upon the Council's capacity to implement it. Council will therefore follow the principles contained within this FMP and underpinning FMS when setting its Annual Plan and Budget Estimates for the organisation so as to ensure a strong financial future for the City of Burnie.



1.2 Alignment with Council Strategy

Council's integrated planning framework guides Council in identifying community needs and aspirations over the long term (Our Vision), medium term (Council Plan – 4 years) and short term (Annual Plan and Budget Estimates). The Council monitors its performance during the year through its reporting framework and is measured on the success of this plan through the Audited Financial Statements and Annual Report.

Council is currently in the process of developing a new Strategic Plan for the next 20 year period. This Plan is being co-created with the Burnie community to ensure that it aligns with the community's expectations for their City during the period, moderated against the Council's capacity to deliver on the outcomes necessary.

The FMP is the key funding document for Council. It ensures that Council can fund its existing operations, maintain and renew its existing community assets and considers future infrastructure needs identified in Council's long term asset management planning. It is therefore one of the primary inputs into the development of Council's Annual Plan and Budget Estimates.

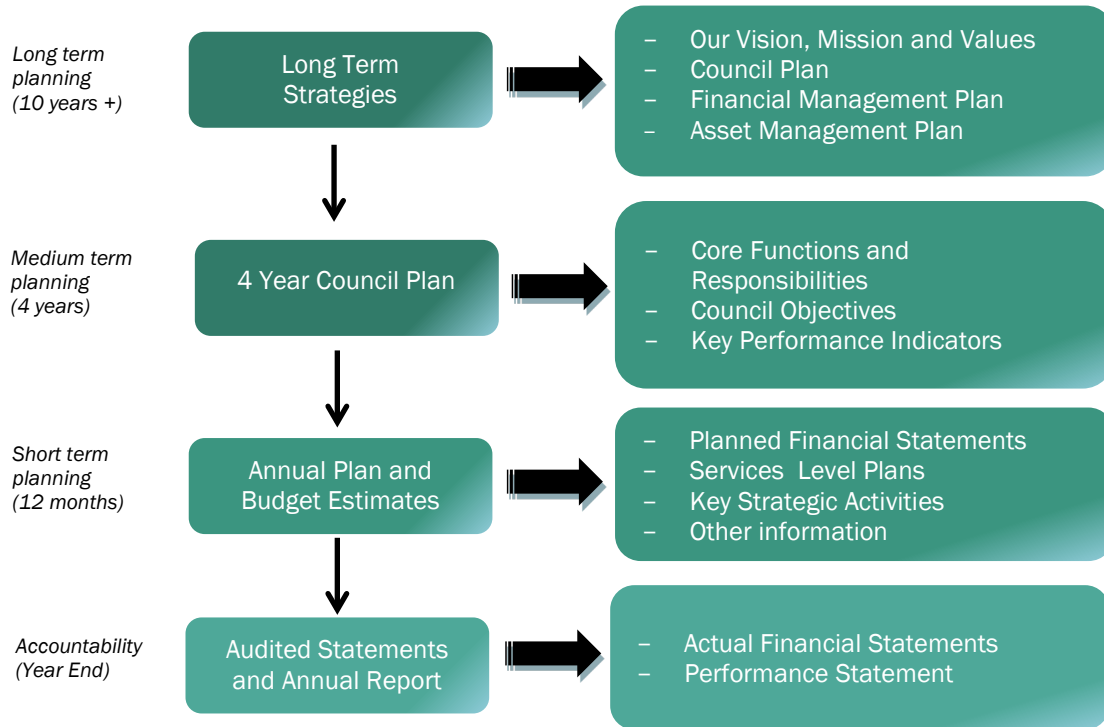
Council make a number of assumptions about the future within the FMP. It is expected that actual performance will differ from planned performance, due to uncertainty, risk and change. Comparing Council performance against the FMS allows Council to identify when corrective actions are required to ensure that financial objectives identified within this plan can still be achieved.

Council documents key aspects of its service that are subject to significant change and variation, which subsequently create a risk for the delivery of its desired outcomes, in its Financial Risk Register (see *Risk Management*).

Council provides sensitivity analysis information that allows users of the FMP to calculate how changes in financial items may impact the financial performance and position of the Council (see *Sensitivity Analysis*).

These assumptions form the basis of key performance indicators, which allow Council to monitor how it is tracking against its planned financial performance over the long term (see *Financial Targets and Financial Management Strategy Insights*).

The linkage between the FMP and Council's integrated planning framework is represented in the following diagram.



1.3 Where does this document fit into Financial Management?

The FMP is an important part of the overall financial management activities of Council. The following table demonstrates the context within how this document fits into the overall financial management framework of the Council.



2 Financial Principles

The Council sets its FMP by considering and balancing the following principles:

Principle 1: The Community's finances will be managed responsibly to enhance the wellbeing of residents.

Council will ensure it only raises the revenue it needs to deliver upon its FMP, and does so in the most efficient and equitable manner possible. Council will manage community funds according to best practice standards and ensure information regarding its financial management decisions is accessible to the community. Council will ensure that it only delivers those services that cannot be delivered more efficiently and effectively by other providers.

Principle 2: Council will maintain community wealth to ensure that the wealth enjoyed by today's generation may also be enjoyed by tomorrow's generation.

Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes).

Council will invest sustainably in community assets to maintain (and at times enhance) service levels where possible.

Principle 3: Council's financial position will be robust enough to recover from unanticipated events, and absorb the volatility inherent in revenues and expenses.

Council will ensure it accumulates and maintains sufficient financial resources and has the borrowing capacity to deal with volatility and unexpected events.

Council's operational budget will be flexible enough to ensure that volatility in revenues and expenses as a result of the changing economic environment can be absorbed.

Principle 4: Resources will be allocated to those activities that generate community benefit.

Council will ensure that robust and transparent processes are in place for the allocation and prioritisation of resources through budgetary decision-making, as well as for choosing the most effective methods for delivering specific services and projects. Strategies will include a robust cost-benefit analysis in preparing and assessing proposals.

3 Financial Management Strategies

3.1 Rating Strategy

Council sets its rating strategy balancing the following factors:-

- The quality, frequency and range of services provided by the Council
- The capital works program, centred around renewal of existing assets but considering future needs such as potential upgrade and new works, including the corresponding full life cycle costs

- The predicted amount of Commonwealth and State funding to be received, based on executed agreements.
- User-pays policies, recovering revenue through the use of council services and assets on a commercial or cost-recovery basis, or community subsidised basis where determined.
- The socio-economic profile of the municipal area as an indicator of our community's capacity to afford increases.
- The current and predicted future economic environment and its implications for the Council's revenue streams and expenditure growth.

Rates revenue comprises 73% (in 2024) of total revenue received by the Council. Therefore this is one of the most important considerations the Council makes, in order to ensure it can operate sustainably both now and into the future.

The aim of rates and charges decision-making is to spread the burden fairly across the community with those that have the greatest capacity to pay paying more than those with a lesser capacity to pay.

Burnie is a regional centre and Council provide a broad range of services which rival larger cities such as Hobart and Launceston, such as an airport, Cultural Centre and Aquatic Centre. This is challenging for our City as our ratepayer base is considerably smaller than those larger cities meaning that costs are not shared across as many ratable properties. As such, rates in Burnie are typically higher than the state average.

Council's rates strategy within the life of this FMP is based upon keeping annual rate increases similar to that of CPI.

3.1.1 Rating Structure

Council has established a rating structure comprising two key elements – general rates and service charges.

The general rates are levied based on the Annual Assessed Value (AAV) of properties as determined by the State Government through the Office of the Valuer-General. Property values generally reflect the capacity of the ratepayer to pay.

Service charges are levied to recover the cost of specific services provided within the municipal area. Council's service rates currently cover stormwater and waste management services. More information regarding Council's approach to determining and collecting rates from the community can be found in Council's Rates and Charges Policy available on Council's website.

3.2 Asset Management Strategy

The key objective of Council's Asset Management Strategy is to hold assets that the community value and use, that also generate income where possible (to reduce the rates burden). Assets that do not meet this criteria may be sold with proceeds either being reinvested in assets that do meet this criteria, or to providing financial sustainability for our City.

As the community asset custodian, Council maintains key assets at the desired condition levels to support effective service delivery and community use. This FMP is based upon maintaining the current level of service. Should an increase in service level be required, this would add additional cost to the

Council. If sufficient funding is not allocated to asset renewal annually then the condition of Council's assets will decline which may subsequently decrease Council's capacity to deliver services to the community.

Council's Asset Management Policy ensures that adequate provision is made for the long-term replacement of existing assets by:

- 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.
- Safeguarding Council assets, including physical assets and employees, by implementing appropriate asset management strategies and the financial treatment of those assets.
- Creating an environment where all Council employees play an integral part in overall management of Council assets, by creating and sustaining asset management awareness throughout the organisation through training and development.
- Meeting legislative compliance 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.

Importantly the FMP is based upon the renewal of existing assets only, it does not provide for new assets with the exception of three new assets that have been determined by the Council. These are the Coastal Pathway, the new Cultural Precinct and the UTAS Band Rooms which will ultimately transfer to the community.

This means that any decision taken by the Council to build any additional new assets outside of the agreed strategic Council priorities, will:

- Increase ongoing lifecycle costs of assets such as depreciation, staffing and maintenance;
- Decrease predicted surpluses and Council's cash reserves;
- Require loan borrowings which will add to inter-generational debt and add significant operational costs to service the loan payments;
- Increase asset renewal funding requirements over the long term; and
- Result in a need to increase rates to support the above.

3.3 Treasury Strategy

Through treasury management, Council ensures there are sufficient funds to support operations and capital program requirements at all times, with surplus funds being invested in low risk term deposits to maximise returns while emphasising security of funds.

Managing financial risk is a core component of treasury management. Ensuring that Council raises and collects sufficient revenue is imperative. Interest rates are a key variable in determining the return Council is able to achieve on its investments.

Council manages the financing and funding of its operations, capital program and future needs through forward financial planning and projections included in this FMP, and the Annual Plan and Budget Estimates. Cash requirements are monitored throughout the year.

Council targets an adequate cash buffer of 3 to 6 months coverage of operating costs in line with the recommendation of the Tasmanian Audit Office. It is imperative this cash buffer is maintained as it allows Council to not only run its business, but respond to unexpected events such as natural disasters and provides security against unforeseen or extenuating circumstances such as experienced recently with the impacts of COVID-19. During this FMP the Council aims to increase its cash buffer towards having 6 months coverage.

Council does not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties.

Council's operating and capital expenditure decisions are made based upon:

- statutory service delivery obligations;
- identified community needs and benefits relative to other options;
- the cost effectiveness of the proposed means of service delivery; and
- the affordability of new proposals having regard to Council's long-term financial sustainability.

More information regarding how Council manages its cash and treasury is contained in Council's Treasury Management Policy available on Council's website.

3.4 Investment Strategy

Cash reserves require careful management to both achieve optimum investment incomes and to ensure that cash is available when needed for planned expenditures. Funds will be invested in a manner that aims to maximise returns based on available interest rates, maturities and funds available to invest, while retaining flexibility in accessing those funds for Council purposes as required.

Council's FMP and Annual Plan and Budget Estimates will be used to provide direction on the amount and term of investments to be made. Council will ensure that enough funds are on hand to ensure that all its obligations can be met at any given time.

Funds are invested in accordance with the approved investment portfolio, credit risk framework and within the Council's stated risk appetite for financial matters which is outlined in the Risk Management Framework.

More information regarding how Council manages its investments is contained in Council's Treasury Management Policy.

3.5 Borrowing Strategy

Council may borrow funds to support the development of strategic capital projects that would otherwise be unable to undertaken. Where these are provided for, they are outlined in Council's relevant strategy documents.

The Council is mindful of intergenerational equity in terms of generating revenue to offset service costs. Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes).

Council aims to achieve an underlying break even, or surplus position. This means that on average over time it will generate sufficient funds to offset the consumption of existing assets (through its depreciation expense). On average over time it will have sufficient capacity to accommodate asset renewal requirements without the need to raise additional borrowings.

In considering new debt, Council will consider the impact of borrowing costs on the sustainability of its operating position and its capacity to repay the debt.

Any funds that are not immediately required to meet approved expenditure may be applied to reduce Councils level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

The FMP does not provide for any new borrowings across the life of this plan.

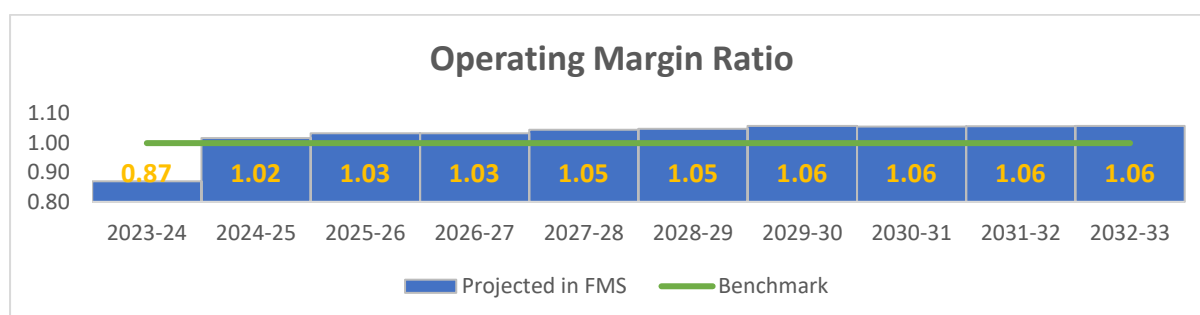
4 Financial Targets

4.1 Council Financial Management Plan Targets

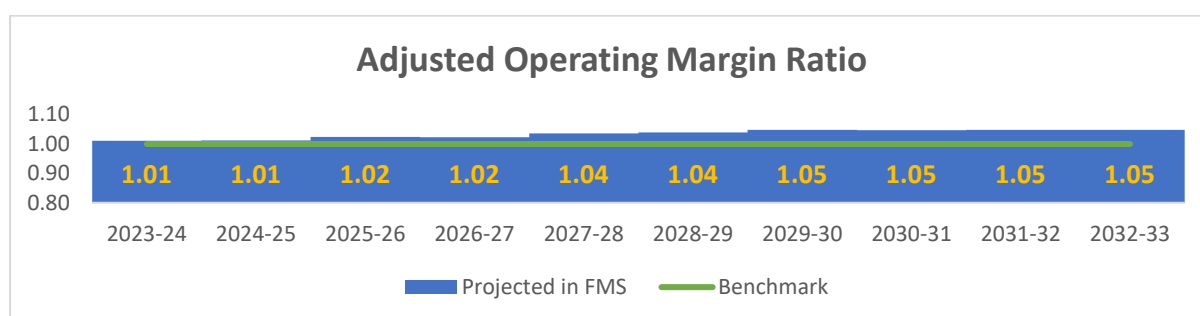
Council sets a number of targets as part of its FMP. These targets enable Council to monitor its performance and take corrective action where necessary to ensure that financial objectives are achieved.

4.1.1 Operating Margin Ratio

The operating margin measures operating effectiveness. The benchmark is 1.00 (when recurrent income equals recurrent expenditure). A result of less than 1.00 indicates a deficit. A result of more than 1.00 indicates a surplus. In 2023-24 Council is showing an operating margin ratio of less than 1.00 due to the impacts of undertaking construction work on the Wynyard section of the Coastal Pathway, which will ultimately be on-charged to Waratah Wynyard Council.

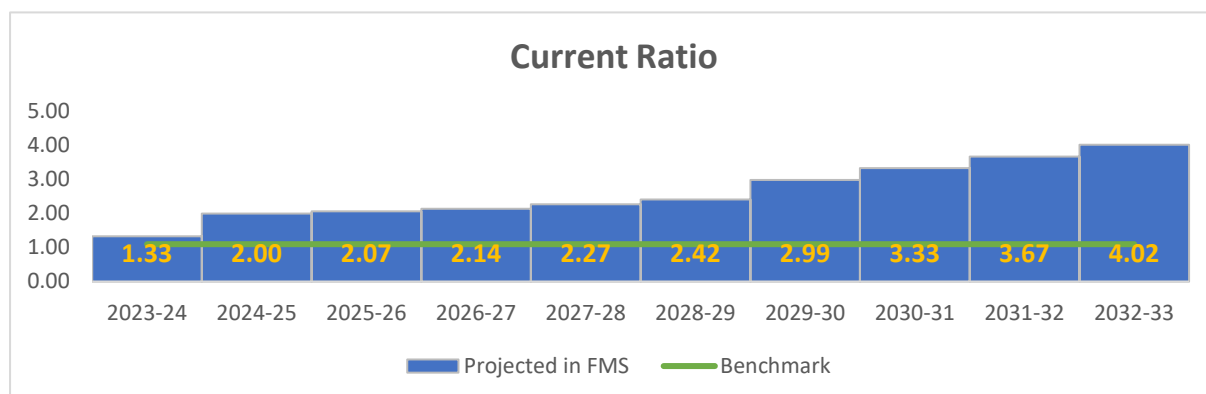


The adjusted operating margin adjusts for timing (Financial Assistance Grants) and one off impacts (such as the Wynyard section of the Coastal Pathway). Council are projecting operating surpluses over the life of the FMP. The Tasmanian Audit Office use the adjusted results when reporting on Council performance to Parliament.



4.1.2 Current Ratio

The current ratio measures the ability of Council to pay its short term financial obligations. The benchmark is greater than 1.10 (at a minimum). A result of less than 1.00 indicates Council cannot pay its bills when they are due. A result of more than 1.00 indicates Council can pay its bills when they are due.

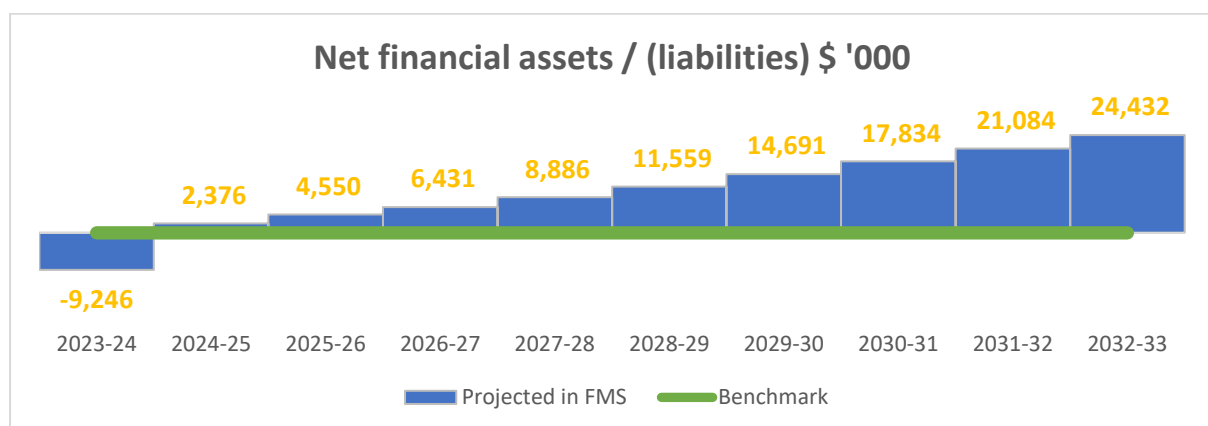
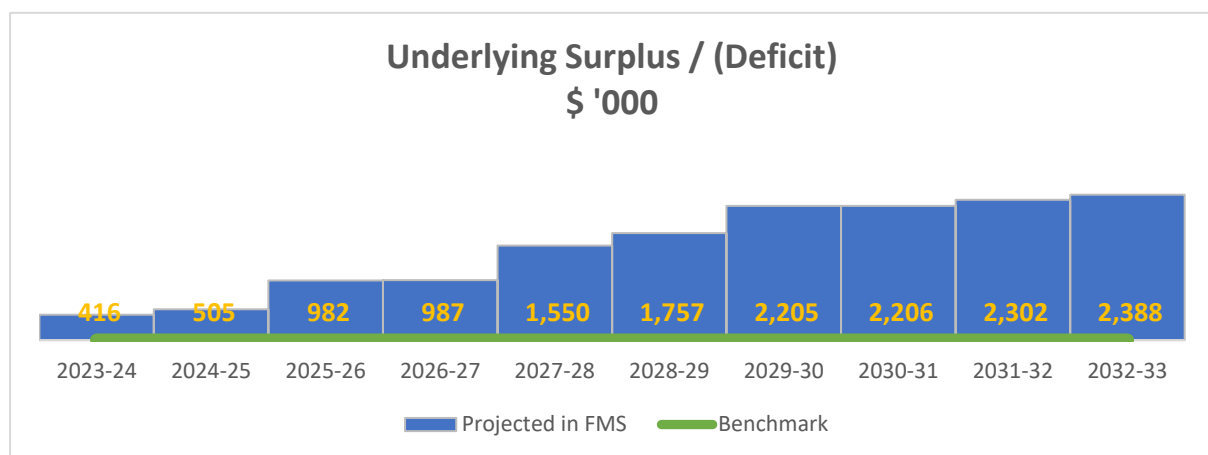


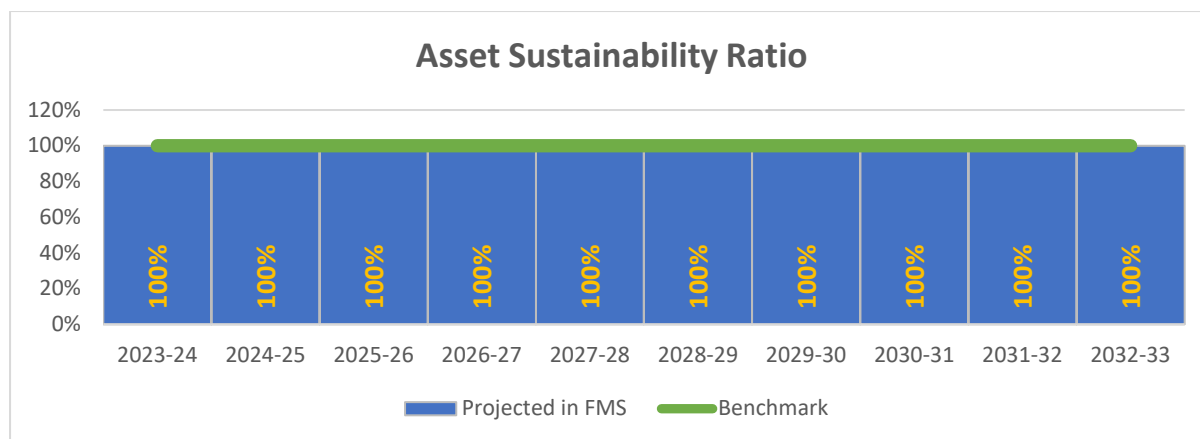
4.2 Council Financial Management Indicators

Section 84(2A) of the Local Government Act and Local Government (Management Indicators) Order (S.R.2014, No. 36) set out a number of indicators that Council must report on. The Tasmanian Audit Office has set the benchmark for each indicator.

Target Measure	Description of Measure	Benchmark	Benchmark achieved in FMS
Underlying surplus / (deficit)	Revenue less expenses for the financial year. Adjusts the net result to remove one off items that are not part of council's normal day to day operations to understand how Council has performed.	>\$0	YES
Underlying surplus (deficit) ratio	A positive percentage indicates a surplus result. A negative percentage indicates a deficit result. The higher the percentage the higher the surplus.	>0%	YES
Net financial assets / (liabilities)	Measures how much liquid assets the council has left after allowing for financial liabilities.	\$0	NO Not met in 2023-24 due to capital work in advance of cash (grant funding) received (see contract assets). Met in all other years
Net financial assets / (liabilities) ratio	Measures the extent to which net liabilities can be met by operating income. A falling ratio indicates capacity to meet obligations in strengthening.	0% to 50%	NO Not met in 2023-24 due to capital work in advance of cash (grant funding) received (see contract assets). Met in all other years
Asset consumption ratio - Buildings	Shows the average 'new' condition left in the depreciable asset class	>60%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot

			be calculated at this time.
Asset consumption ratio - Transport	Shows the average 'new' condition left in the depreciable asset class	>60%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot be calculated at this time.
Asset consumption ratio - Drainage	Shows the average 'new' condition left in the depreciable asset class	>60%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot be calculated at this time.
Asset renewal funding ratio	Measures the capacity to fund asset replacements for the future (based on financial management and asset management long term plans)	90%-100%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot be calculated at this time.
Asset sustainability ratio	Compares spending on existing infrastructure, property, plant and equipment (renewal) with depreciation.	100%	YES





5 Financial Modelling

The Financial Management Plan includes estimated financial statements showing the long-term financial position and performance of the Burnie City Council over the next 10 years. The following statements are included:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows

A number of assumptions, documented below, are made in estimating the future performance and position of the Council. Assumptions are required due to uncertainty in the future. Actual performance may vary in the future with any variances needing to be managed within the annual budget estimates process and performance management during the financial year.

Information regarding risks and uncertainties can be found in the sections related to *Risk Management* and *Sensitivity Analysis*.

These assumptions form the basis of key performance indicators that allow Council to monitor its performance against this plan and take action as required to deliver the projected outcomes over the 10 year period of the Financial Management Plan.

5.1 Modelling Methodology

Following each statement are descriptions of the assumptions specifically applied to produce the FMP estimates.

Modelling is based on:

- The 2022-23 original Annual Plan and Budget Estimates, adjusted for one off items, structural changes and recent council decisions as the base for the projections.
- A review of external economic conditions and context, establishing and linking relevant indexation factors as drivers for future revenue and expenditure changes.
- Alignment with relevant Council strategic documents.

5.2 Economic Context and Indexation Factors

Council conducted a review of the current and projected economic conditions, using reputable sources.

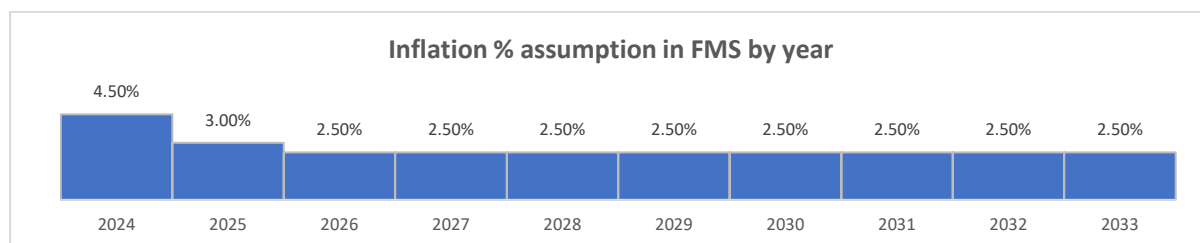
There is continued significant inflationary pressure. The annual increases in General CPI (all groups) measures to 31 December 2022 were 7.83% (Aust wide) and 7.73% (Hobart, TAS). The annual increases in General CPI (all groups) measures to 31 March 2023 were 7.83% (Aust wide) and 6.9% (Hobart, TAS). CPI has continued to be underpinned by house price, construction materials and fuel price increases with wage increasing also starting to exert pressure. CPI continues to remain high even though interests continue to increase.

Predicting inflation rates is extremely challenging and therefore Council uses the mid-range of these economist predictions. These forecasts are based on peak inflation having been reached in December 2022 with lowering inflation until a return to long run inflation of 2.5% within the RBA target inflation band.

There is a risk that Australia will enter a recession (20% – 40% chance) during 2024. There is a risk that a wage price spiral will be created where increasing inflation fuels continued wage increases, though this is currently not expected to arise and is therefore considered a low risk.

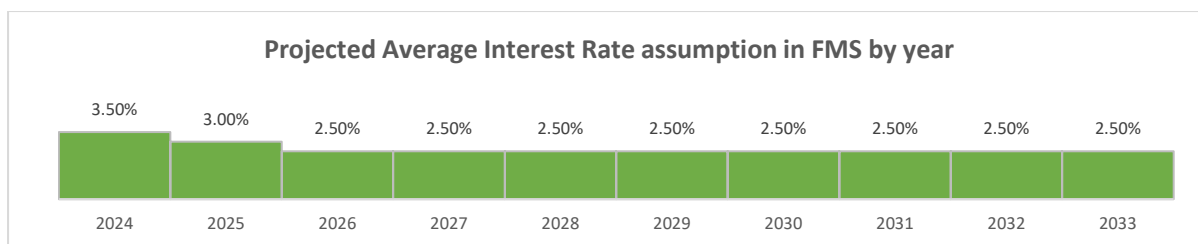
The expected impact of rising interest rates on reducing household spending will continue to be monitored (approximately 6 month lag). This is expected to impact community discretionary income which will impact some council revenue sources. Furthermore, due to cost of living pressures, Council must carefully consider rates increases against the community’s capacity to pay.

Key economic indicators included in the model are



Increased costs due to inflation above predictions will result in higher costs across the FMS horizon. Sensitivity analysis below shows the dollar impact of a 1% variation in inflation and the % increase in rates required to offset.

			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sensitivity Analysis												
Item	Impact of Inflation on Materials											
	Links to expected inflation %											
Current Assumption in FMS	increase within FMP		20,028	13,590	13,387	13,953	14,248	14,672	14,883	15,303	15,731	16,069
\$ impact if	changes (+ / -) by	1.00%	200	136	134	140	142	147	149	153	157	161
% impact on rates if	changes (+ / -) by	1.00%	0.70%	0.45%	0.42%	0.42%	0.42%	0.41%	0.41%	0.41%	0.41%	0.41%



The average interest rate is the expected return Council will achieve on its term deposit investments, not borrowing interest rates. Changes in interest rates will affect Council interest revenue.

5.3 Statement of Comprehensive Income

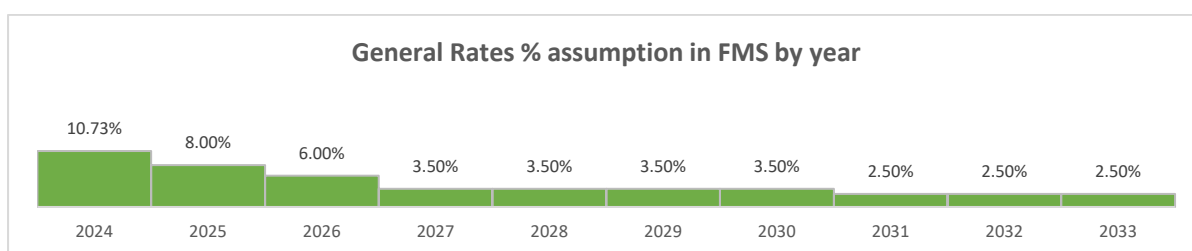
5.3.1 Recurrent Income

Rates and charges

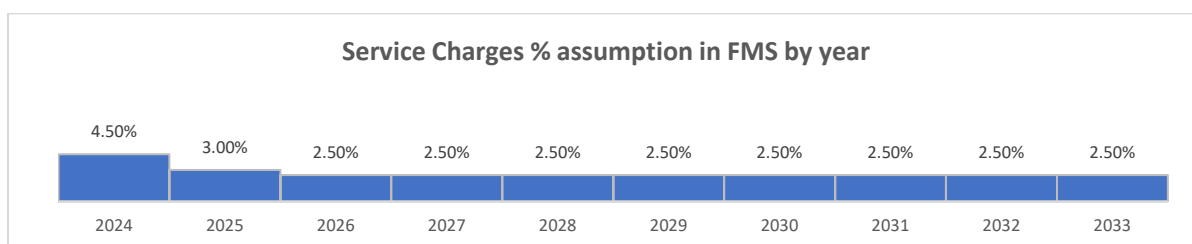
The FMP recognises that the price of delivering services to the community over time will increase, forecast in this FMS to occur each year, which is typically the case. Therefore the level of rates levied to cover those services will also need to increase annually in order to continue to deliver the same level of service. At the same time Council proactively reviews its operations to find cost reductions or additional income streams in order to offset significant rates increases.

Rating decisions are made by Council on an annual basis through the Annual Plan and Budget Estimates process and may vary from the assumptions documented within the FMP.

General Rates in the FMP have been modelled on the basis of a 10.73% increase in 2023-24 based upon the General CPI (all groups) (Hobart TAS) annual measure to 31 December 2022, plus 3%. From 2025 to 2026 rates are scheduled to remain a percentage above expected CPI. From 2027 to 2030 it is expected that rate increases will be able to align more closely with CPI at 3.5% per annum until the \$10.4 million loan is repaid, after which it is forecast to reduce again to 2.5% per annum for the remaining years.



Service charges for waste and stormwater have been modelled on the basis of the 4.5% increase in 2023-24, dropping to 3% in 2025 and then decreasing again in 2026 to 2.5% matching long run inflation expectations.



During 2023-24 Council will be undertaking a comprehensive review of waste services to align the service route with those properties that have access to the service and receive the service charge. It is expected that there will be anomalies found and Council is expecting an uplift of \$100,000 in income for these waste services following completion of this review.

Rates income in the FMP does not take into account the redistributive effects of revaluations in the future. Full revaluation of property only occurs on a seven year basis, and therefore the State Government through the Office of the Valuer-General, undertake Adjusted AAV processes (last reviewed for the 2022-23 financial year) approximately each four year period. This ensures that property values take account of property markets trends periodically, and are not left to ratepayers to absorb each seven year period.

Fire levies are set by the State Government and are outside the control of the Council. The Fire Levy increase has been modelled on the basis of estimates contained within the 2022-23 State Government Budget paper for the State Fire Commission.

The State Government has also introduced a Landfill Levy for all municipal areas which took effect on 1 July 2022 at \$20 plus indexation per tonne of waste. The State Government has advised of increases to \$40 plus indexation per tonne on 1 July 2024 and \$60 plus indexation per tonne on 1 July 2026. These increased costs for waste services have been factored into the FMS on a full cost recovery basis. This will be recovered through a combination of the Landfill Levy applied to each ratable property, and through increased usage fees at the Waste Transfer Station.

The rates discount has been modelled at 2% for the full term of the FMS.

The effective overall rate increase is modelled in the following table:

	Revised Budget	Strategic Projections									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Rates	17,552	19,370	20,919	22,175	22,951	23,754	24,585	25,446	26,082	26,734	27,402
Waste Service Charges	4,312	4,603	4,741	4,859	4,981	5,105	5,233	5,364	5,498	5,635	5,776
Stormwater Service Charges	1,879	1,799	1,853	1,899	1,947	1,995	2,045	2,096	2,149	2,202	2,257
Add: Supplementary Rates	137	152	164	174	180	186	193	199	204	209	215
	23,880	25,923	27,677	29,107	30,058	31,041	32,056	33,105	33,933	34,781	35,651
<i>% change in rates</i>		8.55%	6.77%	5.17%	3.27%	3.27%	3.27%	3.27%	2.50%	2.50%	2.50%
Fire Levy	2,281	2,376	2,481	2,592	2,708	2,830	2,958	3,091	3,230	3,375	3,527
Landfill Levy	120	129	266	273	420	431	442	453	464	475	485
Total rates and charges	26,281	28,428	30,424	31,971	33,186	34,302	35,455	36,649	37,626	38,631	39,663
Overall \$ Change		2,147	1,996	1,547	1,215	1,116	1,154	1,193	978	1,005	1,032
Overall % Change		8.17%	7.02%	5.09%	3.80%	3.36%	3.36%	3.37%	2.67%	2.67%	2.67%

Statutory Fees and Fines

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislative requirements. They include building fees, planning fees, parking fines, and animal registrations. These items are generally indexed to General Fees and Charges unless the item relates to an alternative index. For example permit application fees are linked to the value of building works and indexed accordingly.

User Fees

User fees relate to the recovery of service delivery costs through the charging of fees to users of Council's services. These include income such as for parking fees, cultural precinct revenue and the hire of halls and sporting grounds. These items are generally indexed to General Fees and Charges

unless the item relates to an alternative index. For example parking fees are linked to Council's parking strategy of 3 yearly increases based on the previous 3 year's CPI.

Grants

The main source of grant revenue is from the State Grants Commission (SGC) in the form of Financial Assistance Grants (FAG). FAG payments methodology includes a factor for population changes. It has been assumed that the population will remain constant and the current base funding will continue, indexed at 2.5% based on Commonwealth Government Budget Papers 2022-23 projections. In recent years Council has received 50% of next financial year payment in the current financial year, with 75% received in advance for 2022-23. The adjusted surplus / deficit provided in the FMP is based on Council receiving 50% advance payments in all FMP years, which is traditionally the case.

Other operating grants are included where there is an executed agreement in place.

Reimbursements

Reimbursements are indexed to General Fees and Charges unless the reimbursement relates to cost recovery for an item that is linked to an alternative index.

Council has benefited from receiving a reimbursement of interest paid on its \$10.4 million COVID-19 concessional loan taken in June 2020. This reimbursement ceases in June 2023, reducing income by \$150,435.

Other Income

Other income includes rates penalties and rental income on Council properties.

Rates penalties are based on the current debtor level and structure, to Reserve Bank of Australia 10 year Bond yield rate at the end of February each year for penalty interest rate setting as per the *Local Government Act 1993*. It is expected that the subsequent rates increases will flow through to a corresponding increase in the value of penalties.

Rental income from Council properties is indexed to General CPI, where applicable. Some rentals agreements do not index.

Investment Income

Dividends and distributions occur as a result of Council's ownership interests in other entities and are dependent on continued ownership and profitability of those entities.

Distributions from TasWater have been allowed for in line with the entity's Corporate Plan (based on Council's equity of 4.14%). It should be noted that the distributions are outside the control of Council and there is some risk that dividends will not be paid in line with the entity's Corporate Plan although this is considered a low risk at this time.

Distributions from Burnie Airport Corporation are based on the entity's Corporate Plan and projections. Projected profits are higher than history due to increased travel post COVID-19 and Qantas now flying into the airport. Any reduction in passenger numbers will reduce the profit distribution.

Interest

Interest receipts on investments are based on expected cash flows, funds available for investment and expected interest rates (*see economic conditions*) for Council's investment portfolio. Funds are invested, using rates paid upfront (estimated 60% of ratepayers pay upfront and receive the rates discount) until they are required for operating purposes during the year, in line with the Treasury Management Policy.

5.3.2 Recurrent Expenses

Employee Benefits

The current Council Enterprise Bargaining Agreement contains an annual increase of 2.3%. The agreement finishes on 30 June 2023. Enterprise bargaining between management and employees is under active negotiation. At the time of developing the FMP however it is uncertain the outcome of these negotiations and therefore the Annual Plan and Budget Estimates will need to account for this more precisely once known.

Employee benefits are based on the Council's position establishment, which details the number of employees required to deliver existing Council services. The FMP is modelled on staffing of 128.85 FTE per annum.

A portion of some employee costs are capitalised as part of the construction and renewal of Council assets. Council's ability to set an achievable capital works program, to ensure its full delivery against operational and reactive circumstances is imperative to the Council achieving its desired financial sustainability into the future.

Appropriate provisions for all leave and on-costs are included in the FMP, including the staged increases in the Superannuation Guarantee Contribution.

Materials and Services

In general materials and services has been indexed to General CPI.

Exceptions to this include:

- Insurance costs (expected to grow at 12% per annum in 2023-24 and then at general inflation afterwards) based on current expectations of the insurance market.
- Rental of communications towers for commercial communications operations (indexed at 5%).

As part of its new operating model, Council has allocated funds each year to support the delivery of a range of vibrant and engaging events for the City, and to enable funding for the Council's community grants program.

In addition Council has included projected savings of \$300,000 which will be made possible through the new waste contracting agreement with Dulverton.

Depreciation and Amortisation

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life. It is the financial representation of consumption of the service in Council's assets. Annual depreciation therefore is an estimate of funds that will need to be spent at some time in the future to

renew Councils existing assets (refer to the asset sustainability ratio). Depreciation is estimated based on the expected capital works program.

The factors affecting the consumption of an asset are:

- the quality of the original asset;
- the wear and tear to which the asset is subjected;
- the environment in which the asset is operated or constructed;
- the maintenance provided to the asset;
- technical obsolescence; and
- commercial obsolescence.

Across the life of this FMP, depreciation remains a significant liability which materially impacts the Council's financial sustainability.

During 2023-24 and 2024-25 Council will review its existing assets as part of developing its revised long-term Asset Management Plan and 4-year Asset Management Strategy. Part of this consideration will be to consider the consolidation or disposal of assets that are surplus to requirements that pose a risk to the Council or are not utilized adequately. This review is expected to achieve a saving of \$25,000 (2023-24) and a further \$25,000 (2024-25) on a recurrent basis over the life of the FMP.

Finance Costs

Finance costs relate to interest charged by financial institutions on funds borrowed. The level of borrowings and the level of interest rates influence borrowing costs.

The FMP does not include any new borrowings and includes the principal and interest repayments on Council's existing loan facilities. All Council's existing loans are for a fixed term and are at a fixed interest rate for the full term of the loan.

Other Expenses

Other expenses include levies to the State Government for land tax and fire levies, water and sewer rates, remissions, discounts, councillor allowances and auditor remuneration.

In general other expenses has been indexed to General CPI.

An allowance of \$150,000 has been provided in 2026-27 and 2030-31 for one off electoral commission costs associated with the conduct of local government elections in those years.

5.3.3 Capital Items

Capital grants

Capital grants revenue is recognised as performance obligations are met, based on projected percentage completion of work at the relevant year end. Only executed agreements for those grants that are known, are included in the FMP.

Net gain / (loss) on disposal of assets

Council disposes of assets as part of its normal operations. Net gain / (loss) on disposal of assets is estimated based on previous 5 years historical data, excluding non-recurrent items and any strategic transactions known.

5.4 Statement of Financial Position

Council is projecting a strong current ratio throughout the 10 year FMP period, meaning it will be able to meet its current liabilities as and when they fall due.

It has been assumed that the structure of debtors and payables cycles will remain constant over the 10 year period with the value increasing by CPI.

Inventory levels reflect standard operating requirements.

Other assets predominantly reflect expected prepayments at year end, particularly for software licenses and subscriptions.

Contract assets relate to externally funded capital works that have been completed (based on expected year end completion percentage) under an executed agreement creating a receivable to be paid in the future. These amounts must be funded prior to receiving.

Council no longer operates Tas Communications, so there are no investments in subsidiaries.

Council estimates the value of revaluations based on expected asset values and relevant indices.

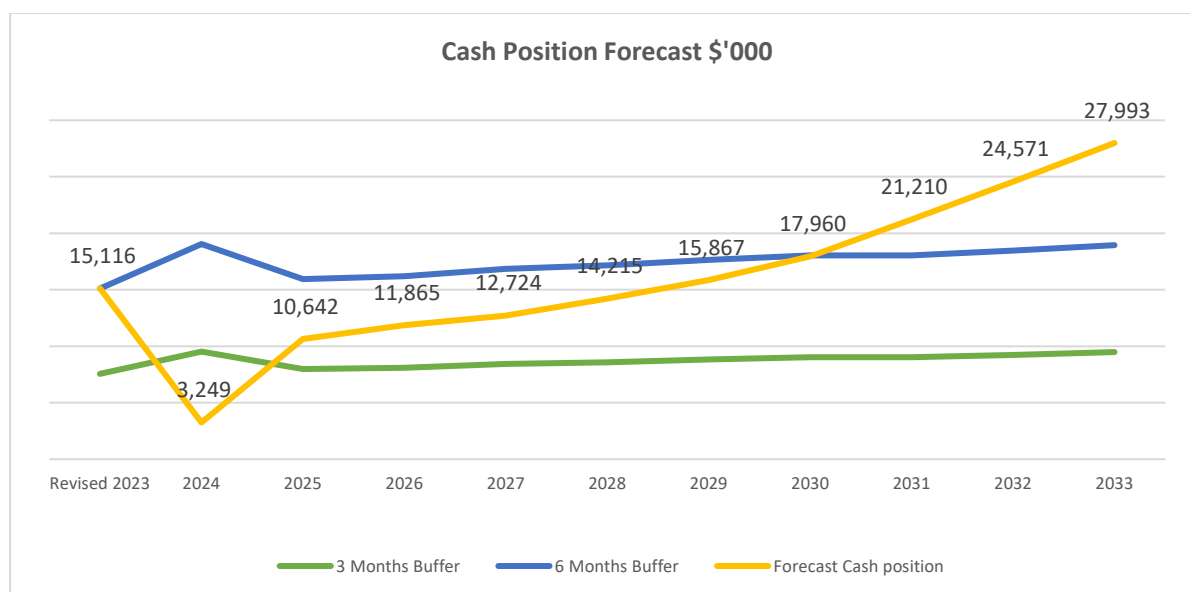
Contract liabilities reflect funds Council has received under an executed deed but services or capital projects have not yet been delivered. Once delivered, revenue is recognised and the contract liability is extinguished.

Employee provisions reflect expected FTE (128.85 per year) and anticipated wages indexation.

5.5 Statement of Cash Flows

Council needs to ensure that enough funds are on hand at any point in order to meet its operational funding requirements.

The Tasmanian Audit Office consider a cash buffer (using the cash expense cover ratio) of between 3 to 6 months as “adequate” to cover operating activities of the Council. This ratio indicates the number of months the Council could operate on current monthly expenditure (excluding the delivery of capital works) without additional cash flow. Council’s expected cash position against the buffer is displayed below.



Council will maintain an appropriate cash buffer across 9 out of the 10 years of the Financial Management Plan. The buffer is lower in 2023-24 financial year due to council funding major capital projects prior to the receipt of grant funds (refer to contract assets on the statement of financial position for details). After these major projects are completed the cash buffer is restored. The cash buffer starts to accumulate following the payout out of the current COVID-19 concessional loan in 2030. The accumulation of cash outside of the cash buffer, allows Council to consider funding new strategic assets.

5.5.1 Operating Activities

Cash generated from operating activities refers to cash generated or used in the delivery of Council's normal services. Cash remaining after paying for the provision of services to the community may be available for investment in capital works or repayment of debt. Council predominantly uses the funds generated from operating activities to fund its capital works program.

The net cash flows provided by operating activities do not equal the operating result for the year due to the expected revenues and expenses including non-cash items which have been excluded from the Statement of Cash Flows. The following table is a reconciliation of cash provided from operating activities to the operating surplus/(deficit) for the year in line with the Comprehensive Income Statement:

	Revised	Strategic Projections									
	Budget 2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000
Result from continuing operations	4,721	29,510	5,720	1,502	1,508	2,072	2,281	2,729	2,731	2,828	2,915
Non-cash flows											
Depreciation and amortisation	9,284	9,982	11,154	11,491	11,788	12,067	12,352	12,644	12,943	13,249	13,563
Net (gain) / loss on disposal of assets	392	(539)	371	381	390	400	410	420	431	441	453
Contributions - non-monetary assets	(3,496)	-	-	-	-	-	-	-	-	-	-
Capital grants received specifically for new or upgraded :	(1,931)	(34,806)	(5,397)	(484)	(484)	(484)	(484)	(484)	(484)	(484)	(484)
Changes in assets and liabilities											
- (increase)/decrease in trade and other receivables	21	(481)	(232)	(160)	(144)	(73)	(114)	(117)	(89)	(90)	(91)
- (increase)/decrease in other assets	(72)	(24)	(17)	(14)	(15)	(15)	(16)	(16)	(16)	(17)	(17)
- (increase)/decrease in inventories	(5)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
- increase/(decrease) in trade and other payables	268	235	180	151	121	124	128	131	120	123	126
- increase/(decrease) in other liabilities	23	-	-	-	-	-	-	-	-	-	(40)
- increase/(decrease) in provisions	55	121	102	106	69	71	72	74	76	78	80
Cash flow from operations	9,259	3,994	11,879	12,971	13,231	14,160	14,627	15,380	15,709	16,126	16,501

5.5.2 Investing Activities

This refers to cash generated or used in the enhancement or creation of infrastructure assets and other assets. These activities also include capital grants and proceeds from the sale of property, infrastructure, plant and equipment.

Council plans for the renewal of its existing infrastructure in order to maintain current service levels. Only current committed strategic projects are included in the FMP and are funded, including the Coastal Pathway, Cultural Precinct redevelopment and the UTAS Band Rooms which will ultimately transfer to the Council. Council are counting on significant government funds to support the delivery of capital projects in 2023-24 and 2024-25.

Capital expenditure decisions are made based upon:

- identified community needs and benefits relative to other expenditure options;
- the cost effectiveness of the proposed means of service delivery; and
- the affordability of proposals having regard to Council's long-term financial sustainability.

Any asset sales over the life of the FMP will increase Council's cash reserves.

5.5.3 Financing Activities

This refers to cash generated or used in the financing of Council functions and include borrowings and repayment of borrowings and any associated costs.

5.5.4 Capital Works Expenditure and Asset Renewal Needs

The capital works program is based on committed strategic projects and ensuring the renewal of existing assets. Renewal expenditure reinstates the existing service potential or the life of an asset up to that which it had originally. It may reduce future operating and maintenance expenditure if completed at the optimum time.

Asset upgrades may be carried out to address deficiencies in current service levels or to meet new standards or statutory requirements. Expenditure on new assets will result in future costs for operations, maintenance, depreciation and capital renewal expenditure and therefore needs to be carefully considered by the Council. Council has not provisioned in the FMP for any new or upgraded assets above those that have a current Council decision.

Instead the FMP is based on the renewal of assets across the 10 year period of the FMP modelled on an asset sustainability ratio of 100%, or alternatively explained as the investment of funds equivalent to depreciation.

5.6 Sensitivity Analysis

Council has conducted a sensitivity analysis (what if scenarios) looking at material variabilities of projected revenue and expenditure within the FMP. These items include:

- The impact of inflation on materials and services expenditure
- A change in employee benefits expenditure due to changes in wage negotiations or structure
- The variation in commercial revenue and user fees that will be generated due to economic and market changes
- The variation in depreciation due to capital program delivery changes, the nature of work undertaken, and review of useful lives and revaluations

The table below shows the average impact for each item across the 10 year FMP horizon, the percentage change in the item, what the dollar impact is and what the corresponding percentage impact on the rating strategy would need to be to accommodate the revised scenarios. These figures are indicative only and are provided so users of the FMP can assess what the impact of positive and negative changes will be to the operating position of Council and its rating strategy.

		Average impact over 10 years of FMP
Item	Impact of Inflation on Materials and Services Expenditure	Amounts in \$'000
Current Budget Assumption in FMP	Links to expected inflation % increase within FMP	15,186
\$ impact if	changes (+ / -) by 1.00%	152
% impact on rates if	changes (+ / -) by 1.00%	0.44%
Item	Increase in Employee Benefits expenditure	
Current Budget Assumption in FMP	Links to expected wages % increase within FMP	12,793
\$ impact if	changes (+ / -) by 1.00%	128
% impact on rates if	changes (+ / -) by 1.00%	0.37%

Item	Commercial Revenue Variability		
Current Budget Assumption in FMP	This relates to income earned from commercial activities and user fees, that may be impacted by changes in demand		4,628
\$ impact if	changes (+ / -) by	10.00%	463
% impact on rates if	changes (+ / -) by	10.00%	1.34%
Item	Depreciation Variability		
Current Budget Assumption in FMP	Depreciation may vary in any particular year depending on capital program delivery, the nature of work undertaken (new, upgrade or renewal), reviews of useful lives and revaluations.		12,123
\$ impact if	changes (+ / -) by	1.00%	121
% impact on rates if	changes (+ / -) by	1.00%	0.35%

6 Risk Management

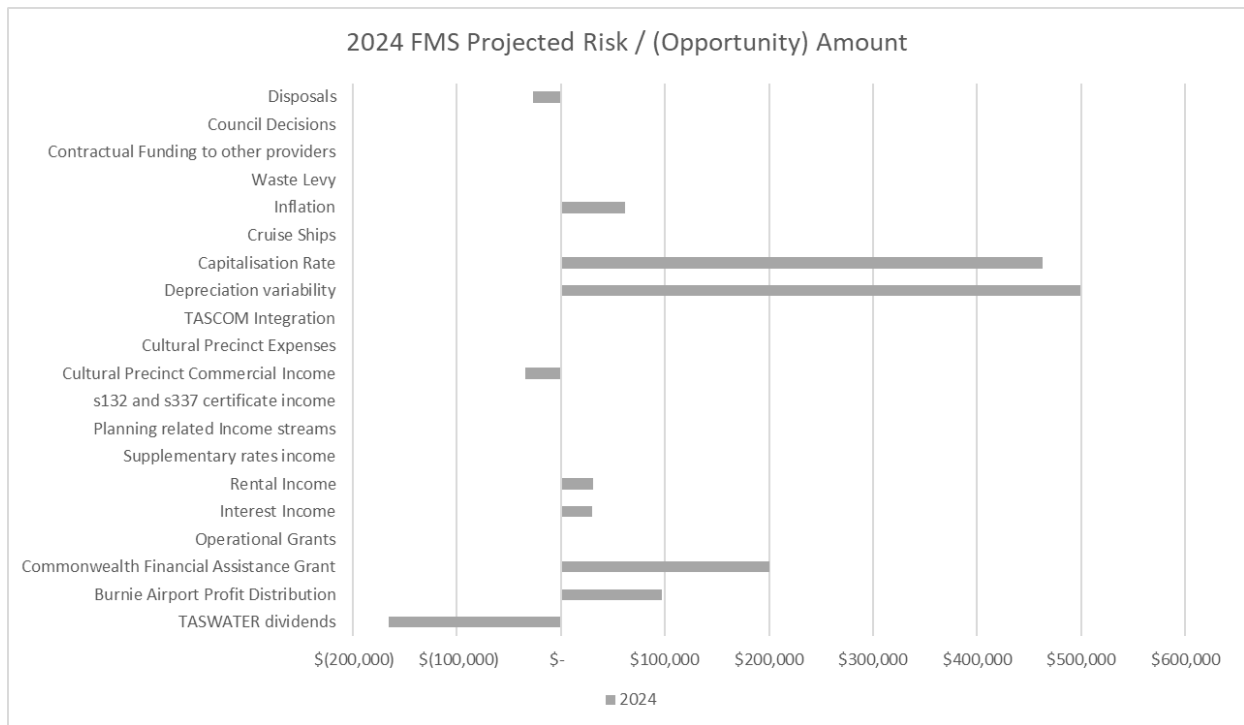
Council monitors key financial risks that may have a material impact on realising its FMP goals. These key risks highlight the uncertainty Council must manage to achieve its objectives. In accordance with the Risk Management Framework, Council has a “minimal” financial risk appetite with a preference for options that avoid risk or have low inherent risk.

6.1 Financial Risk Register

A summary view of the Council’s financial risk register, based on current risks within the Statement of Comprehensive Income is included below (*Please note: Bracketed figures are revenue / non bracketed figures are expenses*).

Council maintain a comprehensive, detailed financial risk register that is reported against as part of Quarterly Council Financial Reports.

The risk register shows the items that will materially affect (in a positive or negative way) the predicted financial performance of Council. Council has management strategies in place to manage these risks. Items with no dollar value are not expected to vary, based on current assumptions or cannot be estimated at this time.



7 Estimated Financial Statements

Burnie City Council											
Statement of Comprehensive Income											
Revised Budget	Strategic Projections										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurrent Income											
Rates and charges	26,281	28,428	30,424	31,971	33,186	34,302	35,455	36,649	37,626	38,631	39,663
Statutory fees and fines	1,100	912	943	1,002	1,011	1,039	1,064	1,089	1,119	1,145	1,173
User fees	3,879	3,485	4,224	4,284	4,500	4,711	4,779	4,849	5,076	5,150	5,226
Operational Grants	2,443	3,067	3,041	3,114	3,188	3,264	3,342	3,422	3,504	3,548	3,634
Interest	678	297	202	254	276	304	337	377	432	497	564
Other income	735.96	1,675	1,075	787	802	817	832	847	859	871	883
Investment income	828	828	828	828	711	731	756	780	780	780	780
Reimbursements	505	217	224	231	236	242	248	255	261	268	274
Share of Profit of Joint Venture	64	194	211	203	239	200	200	200	200	200	200
Total recurrent income	36,514	39,104	41,172	42,672	44,149	45,610	47,013	48,466	49,857	51,090	52,396
Recurrent Expenses											
Employee benefits	11,324	10,896	11,557	12,074	12,375	12,685	13,002	13,327	13,660	14,002	14,352
Materials and services	12,296	20,028	13,590	13,387	13,953	14,248	14,672	14,883	15,303	15,731	16,069
Depreciation and amortisation	9,284	9,982	11,154	11,491	11,788	12,067	12,352	12,644	12,943	13,249	13,563
Impairment losses on receivables	-	40	42	44	46	48	50	53	55	57	60
Finance costs	160	136	114	95	75	56	36	15	-	-	-
Other expenses	3,763	3,857	4,021	4,183	4,497	4,517	4,695	4,879	5,218	5,265	5,470
Total recurrent expenses	36,828	44,939	40,478	41,274	42,735	43,621	44,807	45,801	47,180	48,305	49,513
Operating surplus/(deficit) before capital items	(313)	(5,836)	694	1,399	1,414	1,988	2,206	2,665	2,678	2,785	2,884
Capital Items											
Capital grants	1,931	34,806	5,397	484	484	484	484	484	484	484	484
Contributions - non-monetary assets	3,496	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) on disposal of assets	(392)	539	(371)	(381)	(390)	(400)	(410)	(420)	(431)	(441)	(453)
	5,034	35,346	5,026	104	94	84	74	64	53	43	32
Result from continuing operations Surplus/(Deficit)	4,721	29,510	5,720	1,502	1,508	2,072	2,281	2,729	2,731	2,828	2,915
Other Comprehensive Income											
Net asset revaluation increment/(decrement)	32,900	19,105	14,236	12,221	12,509	12,805	13,107	13,417	13,734	14,059	14,391
Total Other Comprehensive Income	32,900	19,105	14,236	12,221	12,509	12,805	13,107	13,417	13,734	14,059	14,391
Total Comprehensive Result	37,621	48,615	19,956	13,723	14,017	14,877	15,388	16,146	16,466	16,887	17,307
Operating Margin	0.99	0.87	1.02	1.03	1.03	1.05	1.05	1.06	1.06	1.06	1.06
Underlying surplus or deficit											
Recurrent Income											
Total income from continuing operations	41,549	74,449	46,198	42,776	44,243	45,694	47,087	48,530	49,911	51,132	52,428
Less non operating income											
Capital grants	(1,931)	(34,806)	(5,397)	(484)	(484)	(484)	(484)	(484)	(484)	(484)	(484)
Contributions - non-monetary assets	(3,496)	-	-	-	-	-	-	-	-	-	-
Revenue from Constructed Assets	-	(923)	(308)	-	-	-	-	-	-	-	-
Disposal of Land	-	(900)	-	-	-	-	-	-	-	-	-
Adjustments to timing of Financial Assistance Grants	755	51	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)
Recurrent Income	36,877	37,871	40,458	42,256	43,722	45,172	46,364	48,006	49,386	50,606	51,901
Recurrent Expenditure	36,828	44,939	40,478	41,274	42,735	43,621	44,807	45,801	47,180	48,305	49,513
Less non-operational expenditure											
Capital works completed on assets not owned by Council	-	(7,484)	(525)	-	-	-	-	-	-	-	-
Recurrent Expenditure	36,828	37,456	39,953	41,274	42,735	43,621	44,807	45,801	47,180	48,305	49,513
Adjusted Underlying surplus or (deficit)	50	416	505	982	987	1,550	1,757	2,205	2,206	2,302	2,388
Adjusted Operating Margin	1.00	1.01	1.01	1.02	1.02	1.04	1.04	1.05	1.05	1.05	1.05

Burnie City Council Statement of Financial Position											
	Revised Budget	Strategic Projections									
	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000
Assets											
Current assets											
Cash and cash equivalents	15,116	3,249	10,642	11,865	12,724	14,215	15,867	17,960	21,210	24,571	27,993
Trade and other receivables	3,414	3,895	4,126	4,287	4,431	4,504	4,618	4,735	4,824	4,914	5,005
Investments	-	-	-	-	-	-	-	-	-	-	-
Prepayments	535	559	576	590	605	620	636	652	668	685	702
Inventories	72	75	77	79	81	83	85	87	90	92	94
Contract Assets	121	6,645	308	-	-	-	-	-	-	-	-
Total current assets	19,258	14,422	15,729	16,821	17,841	19,422	21,206	23,433	26,791	30,261	33,794
Non-current assets											
Investment in water corporation	64,551	64,551	64,551	64,551	64,551	64,551	64,551	64,551	64,551	64,551	64,551
Investment in joint venture	3,341	3,341	3,341	3,341	3,341	3,341	3,341	3,341	3,341	3,341	3,341
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Property, infrastructure, plant and equipment	433,996	486,043	500,695	512,535	524,653	537,058	549,756	562,753	576,056	589,674	603,613
Total non-current assets	501,888	553,935	568,587	580,426	592,545	604,950	617,647	630,644	643,948	657,566	671,505
Total assets	521,146	568,357	584,315	597,247	610,387	624,372	638,853	654,078	670,739	687,827	705,299
Liabilities											
Current liabilities											
Trade and other payables	3,716	3,951	4,131	4,282	4,403	4,527	4,654	4,786	4,905	5,028	5,154
Trust funds and deposits	132	132	132	132	132	132	132	132	132	132	132
Contract liabilities	4,040	3,290	40	40	40	40	40	40	40	40	-
Provisions	2,305	2,420	2,517	2,618	2,683	2,750	2,819	2,889	2,962	3,036	3,112
Interest-bearing loans and borrowings	1,010	1,029	1,048	1,067	1,087	1,107	1,127	-	-	-	-
Total current liabilities	11,204	10,822	7,868	8,139	8,345	8,556	8,773	7,847	8,039	8,236	8,398
Non-current liabilities											
Provisions - NC	125	131	136	142	145	149	153	157	160	164	169
Interest-bearing loans and borrowings - NC	6,465	5,436	4,388	3,321	2,234	1,127	-	-	-	-	-
Total non-current liabilities	6,590	5,567	4,524	3,463	2,379	1,276	153	157	160	164	169
Total liabilities	17,793	16,389	12,392	11,602	10,724	9,832	8,925	8,004	8,200	8,400	8,566
Net Assets	503,353	551,968	571,923	585,646	599,663	614,540	629,928	646,074	662,540	679,426	696,733
Equity											
Reserves	215,695	234,800	249,035	261,256	273,765	286,570	299,677	313,094	326,829	340,888	355,279
Surplus / (deficit)	4,721	29,510	5,720	1,502	1,508	2,072	2,281	2,729	2,731	2,828	2,915
Accumulated surplus / (deficit)	282,937	287,658	317,168	322,888	324,390	325,898	327,970	330,251	332,980	335,711	338,538
Total Equity	503,353	551,968	571,923	585,646	599,663	614,540	629,928	646,074	662,540	679,426	696,733
CURRENT RATIO	1.72	1.33	2.00	2.07	2.14	2.27	2.42	2.99	3.33	3.67	4.02

Burnie City Council
Statement of Cash Flows

	Revised 2023 \$'000	2024 - 2027					Strategic Projections				
		2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000
Cash flows from operating activities											
Rates	26,182	28,313	30,329	31,895	33,139	34,253	35,405	36,596	37,587	38,591	39,622
Statutory fees and fines	1,094	905	938	998	1,007	1,035	1,059	1,084	1,114	1,141	1,168
User fees (inclusive of GST)	4,195	3,739	4,580	4,655	4,891	5,122	5,196	5,271	5,520	5,599	5,680
Operational Grants (inclusive of GST)	2,490	3,067	3,041	3,114	3,188	3,264	3,342	3,422	3,504	3,548	3,594
Reimbursements (inclusive of GST)	555	238	246	254	260	267	273	280	287	294	302
Rents (inclusive of GST)	657	672	693	707	719	731	743	754	766	777	788
Other receipts (inclusive of GST)	152	1,170	489	158	162	167	172	176	179	181	183
Interest	675	293	200	252	274	301	335	374	430	495	561
Investment revenue from Water Corporation	828	828	828	828	711	731	756	780	780	780	780
Distributions from Joint Venture	326	-	194	211	203	239	200	200	200	200	200
Payments to employees	(11,265)	(10,764)	(11,446)	(11,959)	(12,301)	(12,608)	(12,923)	(13,247)	(13,578)	(13,917)	(14,265)
Payments to suppliers	(13,457)	(21,940)	(14,886)	(14,671)	(15,293)	(15,616)	(16,080)	(16,311)	(16,772)	(17,241)	(17,611)
Finance Costs paid	(160)	(136)	(114)	(95)	(75)	(56)	(36)	(15)	-	-	-
Other payments	(4,105)	(4,243)	(4,423)	(4,601)	(4,947)	(4,969)	(5,164)	(5,367)	(5,740)	(5,791)	(6,017)
Net GST refund / (payment)	1,091	1,851	1,209	1,227	1,291	1,300	1,351	1,381	1,433	1,471	1,516
Net cash provided by (used in) operating activities	9,259	3,994	11,879	12,971	13,231	14,160	14,627	15,380	15,709	16,126	16,501
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(16,316)	(44,384)	(11,941)	(11,491)	(11,788)	(12,067)	(12,352)	(12,644)	(12,943)	(13,249)	(13,563)
Proceeds from sale of property, plant, infrastructure and eq	-	2,000	-	-	-	-	-	-	-	-	-
Capital grants	5,312	27,533	8,484	792	484	484	484	484	484	484	484
Receipts from maturity of short term investments	7,512	-	-	-	-	-	-	-	-	-	-
Funds deposited as short term investments	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	(3,492)	(14,852)	(3,457)	(10,699)	(11,304)	(11,583)	(11,868)	(12,160)	(12,459)	(12,765)	(13,078)
Cash flows from financing activities											
Proceeds from trust funds and deposits	-	-	-	-	-	-	-	-	-	-	-
Repayment of interest bearing loans and borrowings	(1,230)	(1,010)	(1,029)	(1,048)	(1,067)	(1,087)	(1,107)	(1,127)	-	-	-
Net cash provided by (used in) financing activities	(1,230)	(1,010)	(1,029)	(1,048)	(1,067)	(1,087)	(1,107)	(1,127)	-	-	-
Net increase (decrease) in cash and cash equivalents	4,536	(11,868)	7,393	1,223	859	1,490	1,652	2,093	3,250	3,361	3,423
Cash and cash equivalents at the beginning of the financial year	10,580	15,116	3,249	10,642	11,865	12,724	14,215	15,867	17,960	21,210	24,571
Cash and cash equivalents at the end of the period	15,116	3,249	10,642	11,865	12,724	14,215	15,867	17,960	21,210	24,571	27,993

	Revised Budget 2023 \$'000	Strategic Projections									
		2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000	2033 \$'000
Result from continuing operations	4,721	29,510	5,720	1,502	1,508	2,072	2,281	2,729	2,731	2,828	2,915
Non-cash flows											
Depreciation and amortisation	9,284	9,982	11,154	11,491	11,788	12,067	12,352	12,644	12,943	13,249	13,563
Net (gain) / loss on disposal of assets	392	(539)	371	381	390	400	410	420	431	441	453
Contributions - non-monetary assets	(3,496)	-	-	-	-	-	-	-	-	-	-
Capital grants received specifically for new or upgraded asse	(1,931)	(34,806)	(5,397)	(484)	(484)	(484)	(484)	(484)	(484)	(484)	(484)
Changes in assets and liabilities											
- (increase)/decrease in trade and other receivables	21	(481)	(232)	(160)	(144)	(73)	(114)	(117)	(89)	(90)	(91)
- (increase)/decrease in other assets	(72)	(24)	(17)	(14)	(15)	(15)	(16)	(16)	(16)	(17)	(17)
- (increase)/decrease in inventories	(5)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
- increase/(decrease) in trade and other payables	268	235	180	151	121	124	128	131	120	123	126
- increase/(decrease) in other liabilities	23	-	-	-	-	-	-	-	-	-	(40)
- increase/(decrease) in provisions	55	121	102	106	69	71	72	74	76	78	80
Cash flow from operations	9,259	3,994	11,879	12,971	13,231	14,160	14,627	15,380	15,709	16,126	16,501



Burnie City Council
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