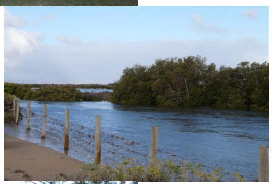
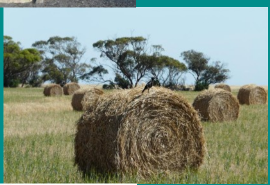
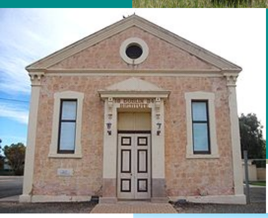






Long Term Financial Plan 2013—2022

District Council of Mallala

CONTENTS

1. INTRODUCTION

The District is made up of approximately 926km2 covering an area that is predominately rural with a large tidal coastal region facing the Gulf of St Vincent. The District borders the City of Playford in the South, Wakefield Regional Council in the North and the Light Regional Council to the East.

The main townships within the District are Two Wells, Mallala and Dublin with coastal settlements at Middle Beach, Thompson Beach and Parham. Within these coastal settlements you will find pristine, sensitive tidal flats famous for its blue crabs and a place to find some interesting and unique vehicles called 'jinkers' that locals use to get there boats out to the deeper water. In land you will find some beautiful natural assets like our Rockies Reserve which is a permanent water source forming part of the Light River and is a great place to visit and enjoy the natural setting.

The District also encompasses Lewiston which is one of the major population areas. Within Lewiston you will find the Animal Husbandry Zone where residents are able to participate in the breeding of animals, with a particular focus on dogs and horses.

The District now has approximately 8,500 residents, with major growth predicted in the next 5 to 20 years and in line with the Greater Adelaide 30 year plan.

The District is home to some key industries, including the successful D'Vine Ripe tomatoes producer at Two Wells and engineering firm Sharman’s, which provides silos to many of the State's farming entities. The area is also home to a number of agricultural pursuits such as wheat, barley, canola, lucerne and hay production.

As a floodplain, the District is dissected by the Light and Gawler Rivers. A look at our logo shows the two rivers in blue amongst the green and yellow reflecting the rural landscape.

The District is only a short 50 minute trip from the Adelaide CBD which brings with it enormous potential for growth. This potential has been identified in the State's 30 year Plan for Greater Adelaide with the challenge for the Council and the community to manage this growth in a sustainable manner, whilst protecting the rural character of the District.

2. PLANNING FRAMEWORK

This document presents the District Council of Mallala's Long Term Financial Plan (LTFP) with 2 years of actual results in the years ending 30 June 2011 and 2012 and 10 years of predictions from 2013 to 2022. The basis of the LTFP is consistent with the Annual Financial Statements 30 June 2012 and the 2012/13 Annual Business Plan and Budget adopted by Council and amended as at 30 September 2012.

The purpose of a long term financial plan is to assist Council in setting its future financial direction. Longer term planning is essential in order to assess revenue raising needs and capacity, to review and vary service levels and the capacity to undertake major additional capital works while ensuring that a Council remains financially viable in the long term.

A long term financial plan is similar to, but usually less detailed than the annual budget. Without a long term financial plan a Council is at risk of taking on additional services without careful consideration of the implications for their financial sustainability. Therefore, like the annual budget a long term financial plan should guide the Council's future decisions and timing of actions, while encouraging it to think about the impact of these on future revenues and expenses.

The intention is that each year the assumptions applied throughout the Long Term Financial Plan (LTFP) are reviewed and amended, if necessary, to reflect community needs as well as the economic drivers of the today and into the future.

Council is mindful of the community's ability to pay and as a growing area has worked hard over recent years to maintain the operating result to a reasonable level over the initial periods of the development by identifying and monitoring costs without sacrificing any of the services it provides.

All new proposed initiatives will be evaluated in terms of meeting Council's strategic directions and incorporate a cost benefit analysis which if applicable include whole of life costings. The operational budget has been structured in such a way that there is to be no reliance on asset sales to fund core services. Debt will be utilised as a tool to be used in a strategic perspective to provided both community and operational assets.

Debt Management and Treasury Policy

Debt will be considered:

- In the context of the strategic objectives of Council
- In the context of long term financial projections and objectives
- As funding for long term infrastructure asset creation
- As a means of spreading the cost of infrastructure over a period that is affordable by the community
- As a mechanism to fund temporary cash shortfalls

In line with Council's management of debt and ongoing cash requirements a Treasury Management Policy has been adopted which provides clear direction to management, staff and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its annual budget and long-term financial plan and associated projected and actual cash flow receipts and outlays.

This Treasury Management Policy establishes a decision framework to ensure that:

- funds are available as required to support approved outlays;
- interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed;
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.

Legislation requirements

Under section 122 (1a) of the Local Government Act 1999 a Council must, in conjunction with its strategic management plans develop and adopt a long term financial plan for a period of 10 years. Within the plan the following must be taken into account:

- expected expenses and capital outlays for each year of the plan;
- expected revenues for each year and their source;
- any variations in net debt required as a result of expected cash flow needs;
- performance measures to enable assessment of the Council's financial sustainability;
- other documents that relate to the LTFP;
- assumptions that have been used in the development of the LTFP which may include variations to service levels provided to the community;

Potential Long Term Financial Plan Risks

Whilst the Plan has included ongoing commitments it primarily forecasts results based on existing activities and expected substantial growth predominately in and around the Two Wells Township. There is an inherent risk that circumstances may change in the future which may materially effect 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 reviews.

Council recently acquired and implemented Conquest, an Asset Management Program to better manage and account for the costs involved in the maintenance and upgrade of assets, in particular Road Infrastructure which has been based upon detailed asset attributes such as condition rating and construction data held by the organisation. There is a risk that the infrastructure may deteriorate at a faster rate than anticipated due to such factors as changes in traffic patterns, new development, etc.

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.

Council's balance sheet contains a significant number of community infrastructure assets such as roads, footpaths, stormwater drainage and buildings. Due to their nature they are long lived assets which require regular maintenance before eventual renewal or replacement. It is important that Council's implement appropriate strategies so that the cost of this asset maintenance and renewal is fairly and equitably funded between current and future ratepayers. This intergenerational equity ensures each generation 'pays their way'.

Financial Indicators

To ensure that Council's long term strategies are effective it is important to be able to measure performance against such strategies. It is important that current ratepayers meet the cost of the services and community assets they consume. This can be measured by the operating 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:

- Operating surplus ratio
- Net financial liabilities
- Net financial liabilities ratio
- Interest cover ratio
- Asset Sustainability ratio
- Asset Consumption ratio

For each indicator, appropriate targets have been nominated to enable meaningful performance measurement. These indicators are consistent with industry standards and are considered in more detail as outlined below.

Financial Indicators (Continued)

During periods of significant development which require council to spend on infrastructure it is to be expected that some of the financial indicators will be outside of the normal range band. Below is a table with a summary of all seven indicators forecast results over the 10 year period of the Plan.

ESTIMATED KEY FINANCIAL INDICATORS

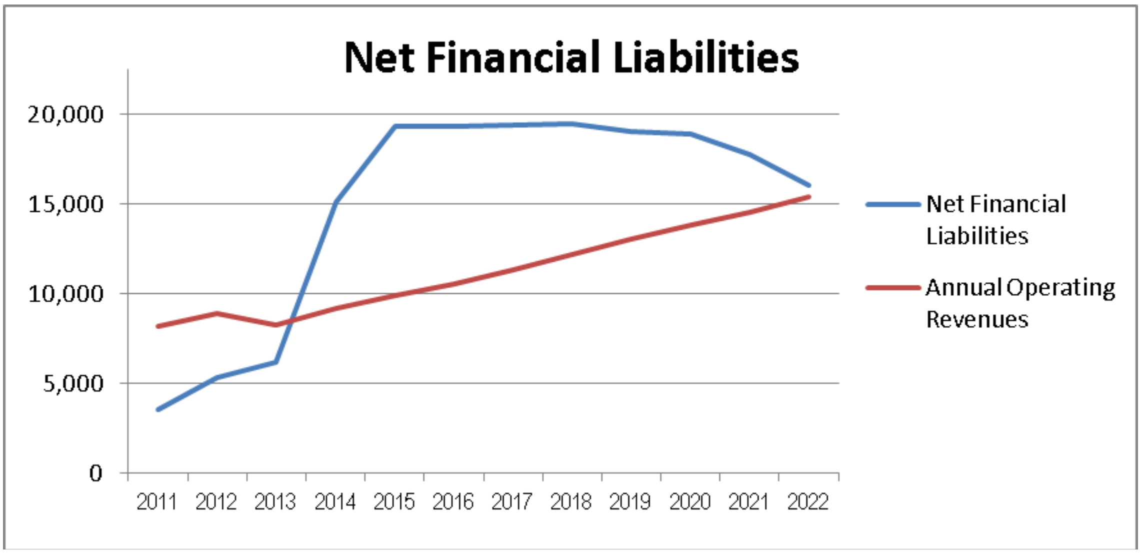
	2013 Plan Year 1	2014 Plan Year 2	2015 Plan Year 3	2016 Plan Year 4	2017 Plan Year 5	2018 Plan Year 6	2019 Plan Year 7	2020 Plan Year 8	2021 Plan Year 9	2022 Plan Year 10
Operating Surplus/(Deficit)- $'000	(1,182)	(1,999)	(1,390)	(1,246)	(919)	(530)	(121)	130	471	844
Operating Surplus Ratio	(18)%	(28)%	(19)%	(16)%	(11)%	(6)%	(1)%	1%	4%	7%
Net Financial Liabilities- $'000	6,192	15,132	19,320	19,357	19,427	19,493	19,026	18,914	17,761	16,015
Net Financial Liabilities Ratio	74.8%	164.8%	195.3%	183.4%	171.1%	159.7%	145.7%	137.0%	121.8%	104.1%
Interest Cover Ratio	4.5%	5.9%	9.9%	9.4%	8.5%	7.9%	7.1%	6.4%	5.6%	4.7%
Asset Sustainability Ratio	147%	130%	114%	116%	94%	81%	77%	76%	76%	77%
Asset Consumption Ratio	72%	73%	74%	73%	72%	71%	70%	69%	68%	68%

The industry standard targets of the indicators are outlined below with a brief summary of how Council is currently tracking and how it expects to in the following years.

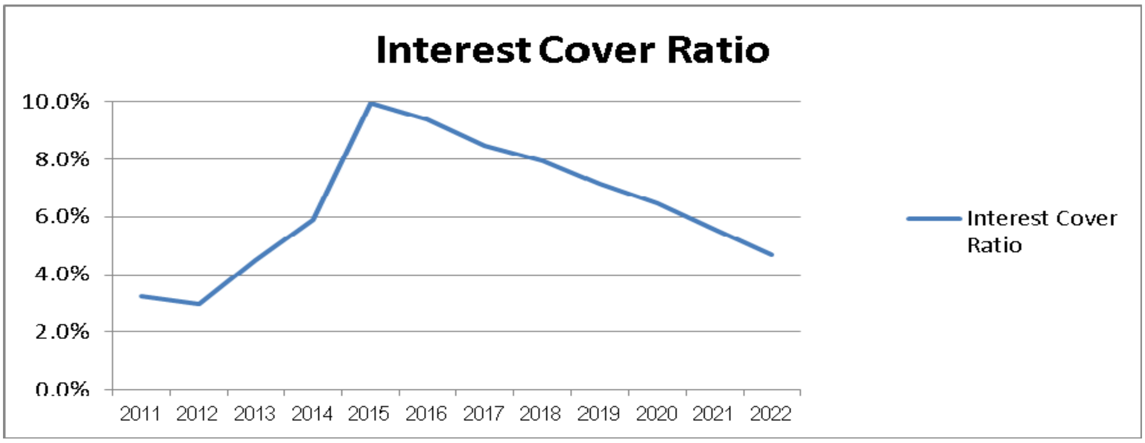
The operating surplus target is to achieve breakeven or better in any 5 year period of the long term plan, Council will not be within this range until the 2018-19 year. This reflects the operating costs associated with the development particularly in 2013-14 with a $1 million contribution to a State Government controlled road which requires a roundabout and additional infrastructure to support the expected growth.

The operating surplus ratio target should range between minus 5% to positive 10%, in the period of the long term plan, Council will not be within this range until the 2018-19 year as explained above in the operating surplus target.

Financial Indicators (Continued)



The net financial liabilities target is between zero and total annual operating revenue, from the 2013-14 year with the expected capital projects expenditure, council will not be within this range for the balance of the forecast period.



The interest cover ratio target is between 0% and 8%, from 2014-15 until 2016-17 interest on the debt used to fund capital projects will mean council will not be in the target range for the 3 years stated.

The asset sustainability ratio target is to have capital outlays on renewing/replacing assets between 75% and 110% of depreciation expense over a rolling 3 year period. As expected with the increased capital expenditure during the long term period council will exceed the 110% in the 4 year period 2012-13 until 2015-16 but be within range from that period till the end of the forecast.

The asset consumption ratio is the remaining life of an asset based on accumulated depreciation with the being target between 40% and 80%. Council will be within this range during the forecast period.

3. ASSUMPTIONS

Underpinning the development of any long term strategic document will be a base set of core assumptions that are used to develop a set of reasonable guidelines for the progression of the plans going forward.

In developing this long term plan, Council has elected to take a conservative approach to the assumptions used, basing these assumptions where possible on a mixture of historical evidence or upon reasonable expectations of what may occur in the future. It is important to note that on occasions there is no historical data and the timing of certain projects may not occur at the time projected in this plan. As such the below assumptions and the overall long term plan is reviewed annually.

As outlined above Long Term Financial Plan has been prepared with a number of key assumptions being determined. They are outlined below.

Income

The average rate rise excluding growth will be 5% each year during the 10 year report period which includes an estimated CPI factor and a modest allowance for new projects. Additional rate revenue is estimated as per the following table to allow for the expected growth:

Growth of 1% per year for the period 2013-14 to 2014-15.
Growth of 2.8% for the period 2015-16.
Growth of 3.5% for the period 2016-17.
Growth of 3.2% for the period 2017-18.
Growth of 1.5% for the period 2018-19.
Growth of 1.4% for the period 2019-20.
Growth of 1.3% for the period 2020-21.
Growth of 1.2% for the period 2021-22.

The majority of the growth is expected from the proposed Hickinbotham development to the immediate North of the Two Wells Township
.
Mallala Community Wastewater Management Scheme (CWMS) connections of existing properties is expected to commence in 2014/2015 at 70% of total connections with 100% connection after 5 years.

Two Wells CWMS connections of existing properties is expected to commence in 2015/2016 at 70% of total connections with 100% after 5 years.

All new properties will connect to either CWMS if or when the systems are operational.

Local Government Grants Commission will continue from State Government and are expected to increase at the rate of 2.5% each year from 2012-13.

Expenses

Wages are budgeted to increase at the rate of 4% each year as per the current Enterprise Bargaining Agreement (EBA) from 2012-13 until 2014-15, then at the rate of 3% until 2021-22.

External costs are estimated to increase at the rate of 3.5% each year from 2012-13.

Costs related directly to growth predominately the Hickinbotham development have increased in proportion to those as stated in the Income. Expected Council contribution to the Two Wells Roundabout Project of $1.0 million in 2013/2014 as part of the Hickinbotham development.

An additional full time employee will commence in 2015-16 and each year from 2018-19 to 2020-21. Two additional full time employees will commence 2013-14 and 2016-17.

Cash deficits will be met by Local Government Finance Authority (LGFA) borrowings at variable interest rates. The modelled interest rate on new borrowings is estimated at an average of 5.25% for 2014-2016, and an average of 5.5% for the remainder of the forecast period. If interest rates move unfavourably during the period the mix between variable and fixed interest loans will be adjusted accordingly in line with Council's Treasury Management Policy.

Capital

Project Title	Expected Cost	Subsidy/Contribution	Net Cost	Commencement Year
Mallala CMWS	$3.8 million	$1.9 million	$1.9 million	2012/2013
Two Wells CWMS	$4.4 million	$2.2 million	$2.2 million	2013/2014
Two Wells Town Centre Development	$1 million	$500,000	$500,000	2013/2014
Two Wells Office/Community Centre Development	$2.6 million	$600,000	$2.0 million	2014/2015
Two Wells Bike Path	$178,000	$54,000	$124,000	2012/2013
Two Wells Flood Mitigation Project	$2.0 million	$613,000	$1,387,000	2018/2019

The Flood mitigation expenditure is based on the upper range included in the development deed. This is to allow Council to renegotiate if the actual costs are higher. The actual estimate is considerably lower.

Due to a shortfall in net spending the Roads to Recovery funds over the last couple of financial years the Roads Program for the next 3 years has been increased as per the decision from the Council meeting held on 17 September stating:

"that Council, having considered Item 12.6.3 *Roads to Recovery Funding* dated 17 September 2012, approves the increases to the road expenditure to recoup the short fall in funding over the next three financial years."

From this resolution the Capital Roads Program over the next 3 years is budgeted to increase as per the following:
2012/2013 - $650,000
2013/2014 - $1.1m
2014/2015 - $1.1m

From the 2015/2016 year the addition works will be scaled back to continue at the current service level, with an indexation factor.

Plant and vehicle replacement are proposed to continue based on the existing adopted changeover schedule.

4. SUMMARY & FINANCIAL STATEMENTS

Council have undertaken a substantial review their Long Term Financial Plan for the period 2013 to 2022. The plan now contains the most recent updated information available to Council particularly in the area of the expected growth in and around Two Wells. This plan will also be used as the base for the yearly Council Annual Business Plan.

The final aspect of the plan are the statutory Estimated Financial Statements and Key Financial Indicators Summary. The Following are attached as part of the Plan:

- Estimated Comprehensive Income Statement
- Estimated Balance Sheet
- Estimated Cash Flow Statement
- Estimated Statement of Changes in Equity
- Estimated Key Financial Indicators

The District Council of Mallala is entering an exiting period of growth that has the potential to enhance the communities well-being if managed effectively and sustainably. The LTFP identifies that the journey will in the short to medium term create financial pressures on Council that it needs to proactively mange to ensure the appropriate outcome is achieved.

Council's decision making should be strongly aligned to the achievement of the LTFP and ensure reactive decisions are not made that increase the likelihood of not achieving a sustainable financial position. A reactive approach will only increase the likelihood of more financial pressure being placed on the community. If the proposed LTFP Outcome is achieved, Council will be placed in a position to provide better and more services to its growing community.

District Council of Mallala

Long Term Financial Plan 2013 to 2022

ESTIMATED COMPREHENSIVE INCOME STATEMENT

Year Ended 30 June:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Plan	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
	$	$	$	$	$	$	$	$	$	$	$	$
INCOME												
Rates	5,737,670	6,228,473	6,622,000	7,022,500	7,685,395	8,297,841	9,045,193	9,850,437	10,647,794	11,340,199	12,059,182	12,811,542
Statutory Charges	255,724	282,739	334,000	339,010	344,095	349,256	354,495	359,812	365,209	370,687	376,247	381,891
User Charges	87,887	83,515	76,000	77,140	78,297	79,471	80,663	81,873	83,101	84,348	85,613	86,897
Grants, subsidies, contributions	1,431,949	1,805,425	905,425	1,405,425	1,440,561	1,476,575	1,513,489	1,551,326	1,590,109	1,629,862	1,670,609	1,712,374
Investment Income	68,198	45,436	11,000	0	0	0	0	0	0	0	0	0
Reimbursements	582,437	430,170	277,000	282,540	288,191	293,955	299,834	305,831	311,948	318,187	324,551	331,042
Other Income	46,358	38,168	53,000	54,060	55,141	56,244	57,369	58,516	59,686	60,880	62,098	63,340
Total Revenues	**8,210,223**	**8,913,926**	**8,278,425**	**9,180,675**	**9,891,680**	**10,553,342**	**11,351,043**	**12,207,795**	**13,057,847**	**13,804,163**	**14,578,300**	**15,387,086**
EXPENSES												
Employee costs	3,394,391	3,760,404	4,333,004	4,646,324	4,832,177	5,105,464	5,429,683	5,726,870	6,035,945	6,357,383	6,691,678	7,039,345
Materials, contracts & other expenses	3,658,046	2,915,327	2,790,000	3,910,650	3,156,650	3,320,488	3,482,188	3,631,885	3,779,721	3,973,683	4,122,153	4,285,291
Depreciation, Amortisation & Impairment	1,599,005	1,965,110	1,965,373	2,081,574	2,309,433	2,383,372	2,395,341	2,409,568	2,431,992	2,452,508	2,482,021	2,496,160
Finance Costs	265,309	265,445	372,337	541,566	983,025	990,012	963,163	969,572	930,908	890,266	811,234	722,355
Loss - Joint Ventures	(3,109)	401,333	0	0	0	0	0	0	0	0	0	0
Total Expenses	**8,913,642**	**9,307,619**	**9,460,714**	**11,180,114**	**11,281,285**	**11,799,336**	**12,270,375**	**12,737,895**	**13,178,566**	**13,673,840**	**14,107,086**	**14,543,151**
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNT	**(703,419)**	**(393,693)**	**(1,182,289)**	**(1,999,439)**	**(1,389,605)**	**(1,245,994)**	**(919,332)**	**(530,100)**	**(120,719)**	**130,323**	**471,214**	**843,935**
Amounts specifically for new assets	260,397	208,808	2,870,000	2,200,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000
Sales Proceeds Fixed Assets	389,636	325,803	336,500	330,000	123,000	135,000	137,000	211,500	478,950	279,850	312,000	207,900
Value of Assets Disposed	(559,869)	(338,380)	(561,489)	(415,620)	(152,940)	(158,460)	(154,940)	(266,020)	(517,120)	(319,300)	(341,040)	(261,900)
NET SURPLUS/(DEFICIT)	**(613,255)**	**(197,462)**	**1,462,722**	**114,941**	**(1,234,545)**	**(1,084,454)**	**(752,272)**	**(399,620)**	**26,111**	**275,873**	**627,174**	**974,935**
Other Comprehensive Income												
Changes in revaluation surplus - IPP&E	2,411,651	16,848,915	0	0	0	0	0	0	0	0	0	0
Total Other Comprehensive Income	**2,411,651**	**16,848,915**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL COMPREHENSIVE INCOME	**1,798,396**	**16,651,453**	**1,462,722**	**114,941**	**(1,234,545)**	**(1,084,454)**	**(752,272)**	**(399,620)**	**26,111**	**275,873**	**627,174**	**974,935**

District Council of Mallala

Long Term Financial Plan 2013 to 2022

ESTIMATED BALANCE SHEET

Year Ended 30 June:	2011 Actual $	2012 Actual $	2013 Plan Year 1 $	2014 Plan Year 2 $	2015 Plan Year 3 $	2016 Plan Year 4 $	2017 Plan Year 5 $	2018 Plan Year 6 $	2019 Plan Year 7 $	2020 Plan Year 8 $	2021 Plan Year 9 $	2022 Plan Year 10 $
ASSETS												
Current Assets												
Cash & Equivalent Assets	1,073,736	3,210,125	226,236	0	0	0	0	0	0	0	0	0
Trade & Other Receivables	567,763	772,547	772,547	772,547	772,547	772,547	772,547	772,547	772,547	772,547	772,547	772,547
Inventories	469,211	3,041,879	1,653,077	2,700,819	2,936,379	2,825,129	2,986,991	3,010,201	3,098,324	3,155,120	3,239,820	3,301,723
Sub-total	2,110,710	7,024,551	2,651,860	3,473,366	3,708,926	3,597,676	3,759,538	3,782,748	3,870,871	3,927,667	4,012,367	4,074,270
Total Current Assets	2,110,710	7,024,551	2,651,860	3,473,366	3,708,926	3,597,676	3,759,538	3,782,748	3,870,871	3,927,667	4,012,367	4,074,270
Non-Current Assets												
Equity Accounted Investments in Council Businesses	4,875,605	4,474,272	4,474,272	4,474,272	4,474,272	4,474,272	4,474,272	4,474,272	4,474,272	4,474,272	4,474,272	4,474,272
Infrastructure, Property, Plant & Equipment	51,400,501	67,634,260	71,372,729	79,379,535	82,097,082	81,160,712	80,316,553	79,960,552	79,431,540	79,538,559	78,927,763	78,095,037
Total Non-Current Assets	56,276,106	72,108,532	75,847,001	83,853,807	86,571,354	85,634,984	84,790,825	84,434,824	83,905,812	84,012,831	83,402,035	82,569,309
Total Assets	**58,386,816**	**79,133,083**	**78,498,861**	**87,327,173**	**90,280,280**	**89,232,660**	**88,550,363**	**88,217,572**	**87,776,683**	**87,940,498**	**87,414,402**	**86,643,579**
LIABILITIES												
Current Liabilities												
Trade & Other Payables	832,242	2,323,714	1,371,678	1,807,108	1,855,211	1,635,796	1,789,656	1,753,438	1,808,825	1,816,659	1,858,090	1,871,070
Borrowings	508,578	708,142	714,225	621,931	528,239	559,948	596,242	630,472	666,679	468,104	484,995	0
Provisions	833,834	920,929	519,540	796,617	696,783	786,185	791,164	839,439	864,901	903,633	937,521	975,769
Sub-total	2,174,654	3,952,785	2,605,443	11,905,516	16,634,116	17,212,135	17,875,329	18,561,477	18,753,882	19,099,698	18,422,042	16,665,609
Total Current Liabilities	**2,174,654**	**3,952,785**	**2,605,443**	**11,905,516**	**16,634,116**	**17,212,135**	**17,875,329**	**18,561,477**	**18,753,882**	**19,099,698**	**18,422,042**	**16,665,609**
Non-Current Liabilities												
Borrowings	2,978,983	5,270,841	4,556,616	12,614,539	16,960,323	17,076,698	16,948,517	16,957,906	16,366,576	16,396,297	15,141,436	13,818,770
Provisions	39,771	64,596	29,219	64,454	51,745	70,508	73,531	84,684	91,958	102,188	111,569	122,244
Total Non-Current Liabilities	3,018,754	5,335,437	4,585,835	3,999,133	3,458,185	2,917,000	2,323,781	1,704,462	1,045,057	587,183	111,569	122,244
Total Liabilities	**5,193,408**	**9,288,222**	**7,191,278**	**15,904,649**	**20,092,301**	**20,129,135**	**20,199,110**	**20,265,939**	**19,798,939**	**19,686,881**	**18,533,611**	**16,787,853**
NET ASSETS	**53,193,408**	**69,844,861**	**71,307,583**	**71,422,524**	**70,187,979**	**69,103,525**	**68,351,253**	**67,951,633**	**67,977,744**	**68,253,617**	**68,880,791**	**69,855,726**
EQUITY												
Accumulated Surplus	24,948,201	25,139,354	26,602,076	26,717,017	25,482,472	24,398,018	23,645,746	23,246,126	23,272,237	23,548,110	24,175,284	25,150,219
Asset Revaluation Reserve	27,668,073	44,516,988	44,516,988	44,516,988	44,516,988	44,516,988	44,516,988	44,516,988	44,516,988	44,516,988	44,516,988	44,516,988
Other Reserves	577,134	188,519	188,519	188,519	188,519	188,519	188,519	188,519	188,519	188,519	188,519	188,519
TOTAL EQUITY	**53,193,408**	**69,844,861**	**71,307,583**	**71,422,524**	**70,187,979**	**69,103,525**	**68,351,253**	**67,951,633**	**67,977,744**	**68,253,617**	**68,880,791**	**69,855,726**

District Council of Mallala

Long Term Financial Plan 2013 to 2022

ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:	2011 Actual $	2012 Actual $	2013 Plan Year 1 $	2014 Plan Year 2 $	2015 Plan Year 3 $	2016 Plan Year 4 $	2017 Plan Year 5 $	2018 Plan Year 6 $	2019 Plan Year 7 $	2020 Plan Year 8 $	2021 Plan Year 9 $	2022 Plan Year 10 $
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts												
Rates		6,136,408	6,622,000	7,022,500	7,685,395	8,297,841	9,045,193	9,850,437	10,647,794	11,340,199	12,059,182	12,811,542
Statutory Charges		282,739	334,000	339,010	344,095	349,256	354,495	359,812	365,209	370,687	376,247	381,891
User Charges		83,515	76,000	77,140	78,297	79,471	80,663	81,873	83,101	84,348	85,613	86,897
Grants, subsidies, contributions		1,805,425	905,425	1,405,425	1,440,561	1,476,575	1,513,489	1,551,326	1,590,109	1,629,862	1,670,609	1,712,374
Investment Income		38,018	11,000	0	0	0	0	0	0	0	0	0
Reimbursements		460,083	277,000	282,540	288,191	293,955	299,834	305,831	311,948	318,187	324,551	331,042
Other Income		38,168	53,000	54,060	55,141	56,244	57,369	58,516	59,686	60,880	62,098	63,340
Payments												
Employee costs		(3,760,404)	(4,333,004)	(4,646,324)	(4,832,177)	(5,105,464)	(5,429,683)	(5,726,870)	(6,035,945)	(6,357,383)	(6,691,678)	(7,039,345)
Materials, contracts & other expenses		(2,915,327)	(2,790,000)	(3,910,650)	(3,156,650)	(3,320,488)	(3,482,188)	(3,631,885)	(3,779,721)	(3,973,683)	(4,122,153)	(4,285,291)
Finance Costs		(265,445)	(372,337)	(541,566)	(983,025)	(990,012)	(963,163)	(969,572)	(930,908)	(890,266)	(811,234)	(722,355)
Net Cash provided by (or used in) Operating Activities		**1,903,180**	**783,084**	**82,135**	**919,828**	**1,137,378**	**1,476,009**	**1,879,468**	**2,311,273**	**2,582,831**	**2,953,235**	**3,340,095**
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Amounts Specifically for New/Upgraded Assets		208,808	2,870,000	2,200,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000
Sale of Renewed/Replaced Assets		325,803	336,500	330,000	123,000	135,000	137,000	211,500	478,950	279,850	312,000	207,900
Payments												
Expenditure on Renewal/Replacement of Assets		(991,298)	(1,252,886)	(946,092)	(453,627)	(505,462)	(706,122)	(719,587)	(1,620,100)	(928,827)	(1,712,265)	(1,625,334)
Expenditure on New/Upgraded Assets		(1,738,380)	(5,012,445)	(9,857,908)	(5,026,293)	(1,100,000)	(1,000,000)	(1,600,000)	(800,000)	(1,950,000)	(500,000)	(300,000)
Net Cash Provided by (or used in) Investing Activities		**(2,195,067)**	**(3,058,831)**	**(8,274,000)**	**(5,171,920)**	**(1,285,462)**	**(1,384,122)**	**(1,923,087)**	**(1,756,150)**	**(2,413,977)**	**(1,715,265)**	**(1,532,434)**
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Proceeds from Borrowings		3,000,000	0	8,679,854	4,874,029	676,323	468,061	639,861	75,349	497,825	0	0
Payments												
Repayments of Borrowings		(508,578)	(708,142)	(714,225)	(621,937)	(528,239)	(559,948)	(596,242)	(630,472)	(666,679)	(1,237,970)	(1,807,661)
Repayment of Aged Care Facility Deposits		(63,146)	0	0	0	0	0	0	0	0	0	0
Net Cash provided by (or used in) Financing Activities		**2,428,276**	**(708,142)**	**7,965,629**	**4,252,092**	**148,084**	**(91,887)**	**43,619**	**(555,123)**	**(168,854)**	**(1,237,970)**	**(1,807,661)**
Net Increase/(Decrease) in cash held		**2,136,389**	**(2,983,889)**	**(226,236)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Opening cash, cash equivalents or (bank overdraft)		1,073,736	3,210,125	226,236	0	0	0	0	0	0	0	0
Closing cash, cash equivalents or (bank overdraft)	**1,073,736**	**3,210,125**	**226,236**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

District Council of Mallala

Long Term Financial Plan 2013 to 2022

ESTIMATED STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June:	2011 Actual $	2012 Actual $	2013 Plan Year 1 $	2014 Plan Year 2 $	2015 Plan Year 3 $	2016 Plan Year 4 $	2017 Plan Year 5 $	2018 Plan Year 6 $	2019 Plan Year 7 $	2020 Plan Year 8 $	2021 Plan Year 9 $	2022 Plan Year 10 $
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	25,562,691	24,948,201	25,139,354	26,602,076	26,717,017	25,482,472	24,398,018	23,645,746	23,246,126	23,272,237	23,548,110	24,175,284
Net Result for Year	(613,255)	(197,462)	1,462,722	114,941	(1,234,545)	(1,084,454)	(752,272)	(399,620)	26,111	275,873	627,174	974,935
Transfers to Other Reserves	(1,235)	(85,604)	0	0	0	0	0	0	0	0	0	0
Transfers from Other Reserves	0	474,219	0	0	0	0	0	0	0	0	0	0
Balance at end of period	**24,948,201**	**25,139,354**	**26,602,076**	**26,717,017**	**25,482,472**	**24,398,018**	**23,645,746**	**23,246,126**	**23,272,237**	**23,548,110**	**24,175,284**	**25,150,219**
ASSET REVALUATION RESERVE												
Land	4,812,165	8,904,630	8,904,630	8,904,630	8,904,630	8,904,630	8,904,630	8,904,630	8,904,630	8,904,630	8,904,630	8,904,630
Buildings and Structures	2,708,382	8,144,598	8,144,598	8,144,598	8,144,598	8,144,598	8,144,598	8,144,598	8,144,598	8,144,598	8,144,598	8,144,598
Roads Infrastructure	19,008,413	26,328,647	26,328,647	26,328,647	26,328,647	26,328,647	26,328,647	26,328,647	26,328,647	26,328,647	26,328,647	26,328,647
Other Infrastructure	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355	1,014,355
Equity Accounted Entity	124,758	124,758	124,758	124,758	124,758	124,758	124,758	124,758	124,758	124,758	124,758	124,758
Balance at end of period	**27,668,073**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**	**44,516,988**
OTHER RESERVES												
Balance at end of previous reporting period	575,899	577,134	188,519	188,519	188,519	188,519	188,519	188,519	188,519	188,519	188,519	188,519
Transfers from Accumulated Surplus	1,235	85,604	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	0	(474,219)	0	0	0	0	0	0	0	0	0	0
Balance at end of period	**577,134**	**188,519**	**188,519**	**188,519**	**188,519**	**188,519**	**188,519**	**188,519**	**188,519**	**188,519**	**188,519**	**188,519**
TOTAL EQUITY AT END OF REPORTING PERIOD	**53,193,408**	**69,844,861**	**71,307,583**	**71,422,524**	**70,187,979**	**69,103,525**	**68,351,253**	**67,951,633**	**67,977,744**	**68,253,617**	**68,880,791**	**69,855,726**

District Council of Mallala

Long Term Financial Plan 2013 to 2022

ESTIMATED KEY FINANCIAL INDICATORS

	2011 Actual	2012 Actual	2013 Plan Year 1	2014 Plan Year 2	2015 Plan Year 3	2016 Plan Year 4	2017 Plan Year 5	2018 Plan Year 6	2019 Plan Year 7	2020 Plan Year 8	2021 Plan Year 9	2022 Plan Year 10
Operating Surplus / (Deficit) - $'000	(703,419)	(393,693)	(1,182,289)	(1,999,439)	(1,389,605)	(1,245,994)	(919,332)	(530,100)	(120,719)	130,323	471,214	843,935
Operating Surplus Ratio - %	(12)%	(6)%	(18)%	(28)%	(19)%	(16)%	(11)%	(6)%	(1)%	1%	4%	7%
Net Financial Liabilities - $'000	3,551,909	5,305,550	6,192,495	15,132,102	19,319,754	19,356,588	19,426,563	19,493,392	19,026,392	18,914,334	17,761,064	16,015,306
Net Financial Liabilities Ratio - %	43.3%	59.5%	74.8%	164.8%	195.3%	183.4%	171.1%	159.7%	145.7%	137.0%	121.8%	104.1%
Interest Cover Ratio - %	3.2%	3.0%	4.5%	5.9%	9.9%	9.4%	8.5%	7.9%	7.1%	6.4%	5.6%	4.7%
Asset Sustainability Ratio - %	48%	163%	147%	130%	114%	116%	94%	81%	77%	76%	76%	77%
Asset Consumption Ratio - %	63%	71%	72%	73%	74%	73%	72%	71%	70%	69%	68%	68%