



**SOUTHERN SLOPES COUNTY
COUNCIL**

**T/A SOUTHERN SLOPES
NOXIOUS PLANTS AUTHORITY**

**Draft Operational Plan
2015/2016**

And

**Draft Long Term Financial Plan
2016–2025**

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Executive Summary

The NSW Local Government Act states that Council's Resourcing Strategy must include provision for long-term financial planning. Each Council must prepare a Long Term Financial Plan (LTFP) and this plan must be used to inform decision making during the finalisation of the Community Strategic Plan and the development of the Delivery Program. The Long Term Financial Plan must be for a minimum of 10 years.

The LTFP is an important part of Council's strategic planning process. This is the point where long-term community aspirations and goals are tested against financial realities. It is a decision making and problem solving tool but is not intended to be set in concrete, it is a guide for future action. The modelling that occurs as part of the plan will help Council to weather unexpected events. It will also provide an opportunity for Council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

Council will seek to answer the following questions with the LTFP:

- Can we survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

Included in the LTFP are the following:

- Planning assumptions used to develop the plan;
- Projected income and expenditure statement;
- Sensitivity analysis (factors/assumptions most likely to affect the plan);

The plan will be updated annually as part of the development of the Operational Plan. It will also be reviewed in detail as part of the four yearly review of the Delivery Program as part of the Community Strategic Plan process.

SSCC'S VISION STATEMENT

"To enhance the environment and provide a more agriculturally productive region for future generations, through effective weed management."

SSCC'S MISSION STATEMENT

"To provide a significant impact on the presence of noxious weeds, through inspections and control measures, ensuring agricultural productivity is increased and a healthier environment is created".

COUNTY COUNCIL PROFILE

SSCC incorporates the Shires of Boorowa, Harden, Young and Yass Valley, covering an area of approximately 12,000 square kilometres, located in the South West Slopes of NSW.

SSCC was formed in January 1992 with the head office located at Boorowa, which is the centre of the County area.

SSCC is a Local Government noxious weeds authority operating under the Noxious Weeds ACT 1993. Funding is obtained through constituent council contributions, Department of Primary Industry grants, and contract works.

A classing system is in place to grade noxious weeds in the County area. Different programs are implemented for different noxious weeds with integrated control techniques in place for each weed category. Some weeds may be prohibited State wide while others are managed locally depending on the climate and agricultural enterprises of the specific Shire area.

For noxious weed classes refer to the Department of Primary industries website:

www.dpi.nsw.gov.au/agriculture/pests-weeds/weeds

ROLE OF GENERAL MANAGER, & COUNCILLORS

The roles and responsibilities of the General Manager/Chief Weeds Officer are as follows:

- a) To ensure the efficient and effective operation of the County organisation.
- b) Manage the County operation on a day to day basis.
- c) To appoint appropriate staff approved by the Councillors.
- d) To direct and dismiss staff.
- e) Implement the County's Equal Employment Opportunity plan.
- f) Ensure safe working conditions for all staff according the OH &S Act.

The role of the Councillors is as follows:

- a) To direct and control the affairs of the County Council in accordance with the Noxious Weeds ACT 1993.
- b) To participate in the optimum allocation of the County's resources for the benefit of ratepayers in the four Local Government areas.
- c) To review the County's policies and objectives, and the criteria relating to the exercise of regulatory functions.
- d) To review the performance of the County and its delivery of services, and the Management Plan and Revenue Policy.

County Council Meetings

The Noxious Weeds Council comprises of two Councillors from each of the four Shire Councils that make up the County Council. They meet every 3rd Thursday of every 2nd month of the year (February, April, June, August, October, and December).

Business papers can be inspected by the public at the Old Council Chambers, 65 Court St Boorowa NSW 2586, or by request forwarded by mail at the prescribed cost.

Councillors & Executive Staff

Chairperson: Cecil Burgess (Yass Valley)
Deputy Chairperson: John Horton (Harden)

Members:	T Flanery (Harden)	Tim McGrath (Boorowa)
	Chris Corcoran (Boorowa)	Allan Miller (Young)
	Tony Wallace (Young)	Gary Ware (Yass Valley)

General Manager: Damian Minehan
Finance & Admin: Ian Percival
Auditors: Auswild & Co

COUNCILS ORGANISATIONAL PROFILE

Brief overview:

SSCC established: 1992

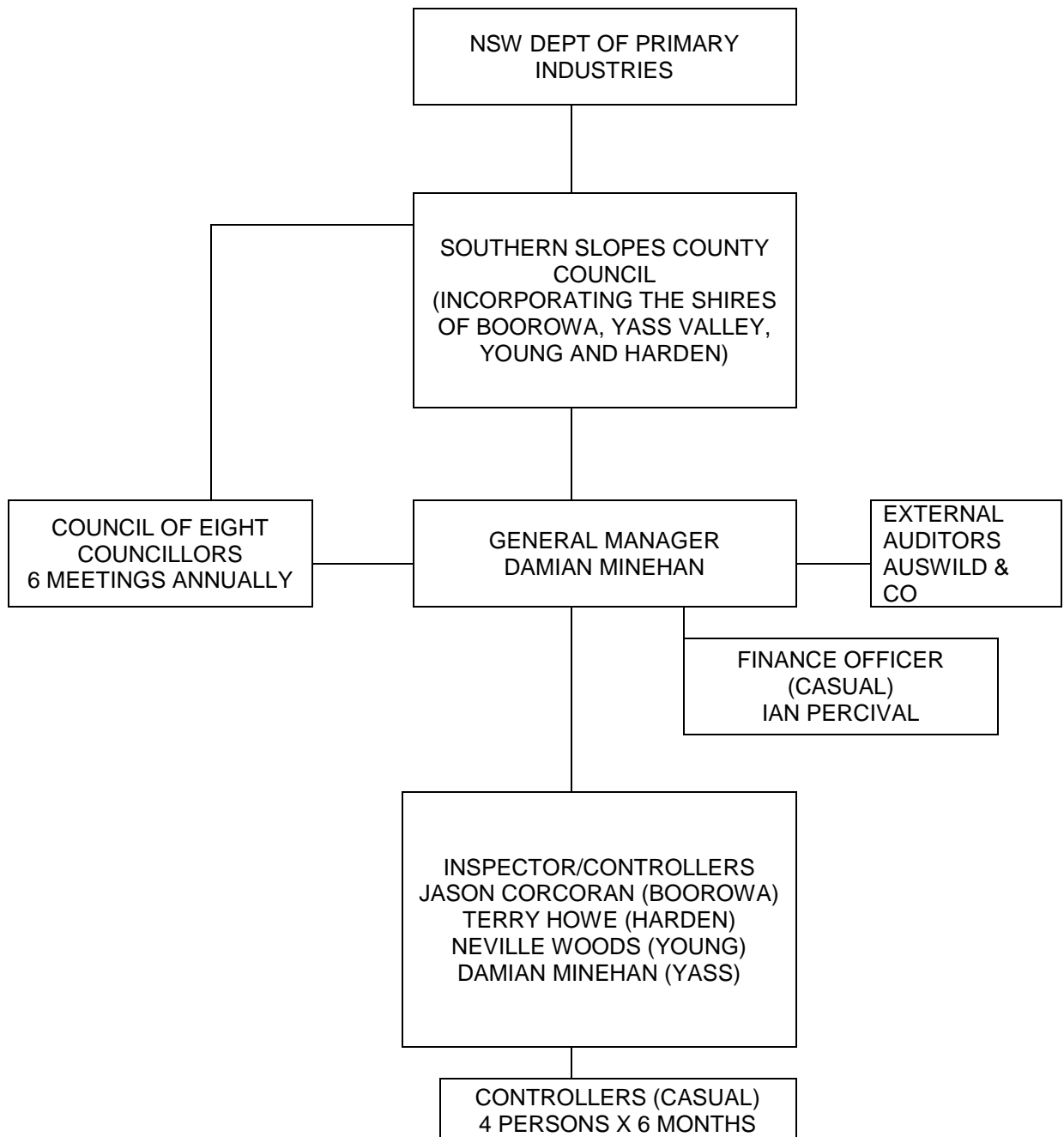
Constituent Councils: Boorowa, Harden, Young, Yass Valley

Area: approximately 12,000 square kilometres

Rural landholdings: Approximately 5,000

Number of employees: 5 x fulltime, 1 x part time, 5 x casuals

Organisation Structure



CONTACT INFORMATION

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STRATEGIC PRIORITIES, GOALS AND OBJECTIVES

SSCC has a number of goals which are intended to reflect the vision of the County. They provide a statement of broad direction or intent for Council's principle objectives, and are as follows:

Sustainable Environment

The principal goal of the County Council is to ensure a quality natural environment throughout the four shire districts, through ongoing noxious weed identification, control and education.

Landholder Protection

The County aims to protect landholders from noxious weed infestation from neighbouring properties, roadsides and reserves, and outside influences such as traveling stock, fodder movement and contract harvesting.

The County will provide services which are:

- Responsive to the diverse needs of the community.
- Affordable within the County's resources.
- Planned in a local and regional context.
- Practical and beneficial to the community.

Community Cohesion and Wellbeing

The County's goals are:

- To contribute to the health, safety and wellbeing of the community.
- Involve the community and relevant stakeholders to plan, develop and assist in facilitation of noxious weed programs.
- Promote awareness and understanding within the community of landholder responsibilities.
- To encourage the community to take ownership of noxious weed control programs and environmental protection.

Financial Plan

Source of funds:

- Council Contributions.
- Department of Primary Industries grants.
- Private Works.
- Other financial assistance grants.

Application of funds:

- Wages and employment costs.
- External goods and services.

Strategic Priorities

- Noxious weed private property inspections.
- Roadside and reserve weed maintenance.
- Education of community.
- Encourage community group involvement in projects.
- Provide a contract weed control service.
- Enhance agricultural production through noxious weed control.
- Encourage environmentally friendly practices.

Statement of the Principal Activities/Services that the Council Proposes to Conduct

1. Administration
2. Environment

Good Governance

The County's goal is to exercise good governance as an independent Noxious Weeds County Council, which is well administered and engages actively with the community.

The County will:

- Ensure that ethical principles of honest, fairness and integrity are followed by all Councillors and staff.
- Ensure that the structure and activities of the organisation meet our legal obligations.
- Ensure that the activities of the organisation are conducted to achieve a high standard of accountability, probity and transparency.
- Consult and communicate with stakeholders.
- Ensure that all people involved in the direction and control of the County comply with their roles and responsibilities.

Sound Financial and Resource Management

The County's goal is for sound financial management that secures the resources to meet its commitments in the short and long term.

The County will:

- Provide accurate external and internal financial reporting in accordance with statutory requirements.
- Ensure that there is effective internal control of Council's financial and management systems.
- Ensure that it had financial viability based on generating income from available legitimate sources, including private works surpluses.
- Apply financial policies which maintain or improve the value of its asset base.
- Strive for excellence in management of its human resources.

PRINCIPAL ACTIVITY NO. 1 – ADMINISTRATION

Services Provided:

Meetings, Reports & Advice	Financial Management	Secretarial,
Clerical	Revenue	Insurance
Budgeting	Correspondence & Filing	E.E.O.
Telecommunications	Freedom of Information	Training
Computer	OH & S	

Objectives:

To manage the County's resources so as to achieve priorities, objectives and plans, with a commitment to the principles of accountability, total quality and continuous improvement.

To employ sound management and accounting systems for the effective benefit of the community and to maintain a stable and secure financial structure in order to effectively deliver and to provide services to the community.

Performance Targets:

General

To implement sound management techniques and to ensure the County's financial records are maintained in accordance with the Local Government Code of Accounting.

To provide on-the-job training to all staff and to encourage participation in structured training programs and the acquiring of relevant qualifications.

Specific

To review and update all required policy manuals on a regular basis.
To reduce outstanding debtor accounts.

Means of Achieving Target:

- Employment of best available staff.
- Implementation of training programs.
- Encourage professional development.
- Regular up-date of computer software.
- Follow-up outstanding debts.

Assessment of Performance:

- To meet all required statutory obligations.
- Achievement of annual financial plan.
- Annual review of appropriate performance criteria and indicators.
- Annual review and update of staff statement of duties.
- Annual external Audit Report.

Asset Replacement:

- Upgrade office equipment as required.

Sale of Assets:

- Nil for 2015/2016.

Training Programs 2015/2016:

- Computer and taxation training
- Train the Trainer Course
- Matter of Management Course

Health and Safety:

To provide a safe and healthy environment for all employees, by implementing sound Occupational Health and Safety work methods and recommendations.

E.E.O. Plan:

Refer separate E.E.O. management plan. The County will implement the various aspects of the plan as and when required.

PRINCIPAL ACTIVITY NO. 2 - ENVIRONMENT

Service Provided:

Noxious weed control

Objectives:

To ensure that the County's agricultural base is maintained through the control of noxious weeds.

Performance Targets:

General

To ensure through a programmed control of noxious weeds the preservation and management of our fragile vegetation and soil resources for future generations.

Specific

- To place greater emphasis on the control of those weeds likely to cause greatest economic loss, either because of their limited presence or ability to spread rapidly in the future.
- To prevent the infestation of new noxious plants into the area.
- To place greater emphasis on private property inspections.
- Aim for a 50% reduction of noxious weeds in heavily infested areas.
- Aim for the elimination of noxious weeds in lightly infested areas within a 10 year control program.
- The compulsory control of noxious weeds within 40m of property boundaries.
- Annual high risk pathway inspections.
- Focus on identifying and removing all new and emerging invasive species for biosecurity purposes.

Means of Achieving Target:

- Employment of a full-time General Manager/Chief Weeds Officer.
- Employment of trained and competent personnel.
- Provisions of adequate support facilities.
- Adoption of control programs for various weeds.
- Create public awareness of weed control need (& responsibilities).
- Regular inspections of both private and public lands.
- Carry out proper and appropriate policing and enforcement program on both private and public land.
- Implement statutory requirements.
- Annual increase in properties inspected.
- Adopt weed infestation prevention policies
- Adopt aims, goals and milestones of Regional Management Plans.
- Meet requirements of the Biosecurity Act & Invasive Species Act.

Assessment of Performance

- Reduction in control measures for particular weeds.
- Greater number of “clear” inspection reports.
- Meeting statutory requirements.
- Successfully carry out requirements of Regional Management Plans and Local Weed Control Plans.
- Continually monitor performance targets and assess progress, and ability to meet the targets.
- Review Staff Annually
- Reduced number of weed complaints
- Increased number of property control programs.

Services:

To provide advice to other Authorities and landowners on the best management practices for the control of noxious weeds.

ASSET REPLACEMENT:

	PURCH	VALUE	15/16	16/17	17/18	18/19
		30/06/14				
BOOROWA						
5030 T/L’Cruiser	10/08/10	15,361			X	
5032 Ford Ranger	30/03/15	48,645			X	
HARDEN						
5029 T/L’Cruiser	10/08/10	23,278		X		
5024 Toyota Hilux (TBA)						
YASS						
5021 T/L’Cruiser	25/06/14	54,000				X
5022 Holden Rodeo	31/08/99	0				
YOUNG						
5025 T/L’Cruiser	07/09/12	42,112		X		
G/M VEHICLE						
5035 Toyota Hilux	23/02/12	27,446	X			X
MISCELLANEOUS						
Honda 450 (4x4)	Various	61,713	X		X	
Motor Bikes & Quick Spray Units Kubota UTV						

Council Policy on Vehicle Replacement

- GM’s vehicle - Dual Cab 40,000km, or most economical time
 Inspector’s vehicles - Dual Cab at 40,000km or 3 years.
 Spray Operators - Landcruiser 60,000km or 3 years.

BUSINESS/COMMERCIAL ACTIVITIES:

Provide contract spraying to constituent Councils and landholders, for the control and management of noxious weeds.

TRAINING PROGRAMS:

General Manager/Inspectors and Plant Operators are provided with up-to-date training in the areas of weed identification, weed management, OH & S, chemical application and first aid. These courses are provided both in-house and externally.

ACCESS & EQUITY SUMMARY

Access and equity activities or strategies are defined as those which benefit the broader community and/or particular groups and help:

- Promote fairness in the distribution of resources particularly for those most in need.
- Recognise and promote people's rights and improve the accountability of decision makers.
- Ensure that people have fairer access to the economic resources and services essential to meeting their basic needs and improving their quality of life.
- Give people better opportunities for genuine participation and consultation about decisions affecting their lives.

SSCC does not currently have a Community/Social plan in place, but makes every attempt to promote the above strategies on a day to day basis.

HUMAN RESOURCE ACTIVITIES

Human resource activities are undertaken to maintain and improve the skills, performance, opportunities and condition of all staff at the County Council, and to reinforce the importance of the County's workforce as vital to the success of the organization. Human resource activities are prepared effectively and fairly for the accomplishment of the individual, the County and the community.

Human resource activities within the County include, but are not limited to, recruitment and selection, training and development, performance management, industrial relations, workers compensation and rehabilitation and planning for current and future human resource needs.

The annual performance, development appraisal system will continue to promote better communication and performance among all employees and provides a means for management and employees to discuss issues such as job expectations, goals and future development. The performance development appraisal system also identifies future training needs and possible career paths for employees.

Human Resource Management

Policy

To annually review this plan so as to achieve an ongoing improvement in the quality, performance, safety and working conditions of all County staff.

Organisation Restructuring:

To develop a more efficient and cost effective work force by reviewing current work practices.

Position Descriptions:

To draw up position descriptions so that staff are fully aware of their duties and responsibilities.

Staff Training:

To offer training opportunities to improve the skills or provide new skills to employees, resulting in a multi skilled workforce. This will be achieved by in-house training and subsidised training programs.

Health and Safety:

To provide a safe and healthy environment for all employees, by implementing sound OH. & S. practices and recommendations.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

Southern Slopes County Council is committed to Equal Employment Opportunity (EEO) i.e. the implementation of personnel procedures which ensures that people with equal probability of job success have an equal chance of being hired or promoted to a position.

The objectives of the Policy are:

- To eliminate and ensure the absence of discrimination in employment within the County on the grounds of race, sex, marital status and physical impairment; and
- To promote EEO for women, members of racial minority and physical handicapped persons in Council.

The policy also aims to eliminate all forms of workplace harassment.

PROTECTION OF ENVIRONMENTALLY SENSITIVE AREAS

The County recognises its responsibility to protect the environment for the utilisation and enjoyment of future generations.

In recognition of this:

- The County will actively co-operate with Catchment Management Groups in the protection of roadside trees and vegetation.
- County staff will ensure that chemicals used are not injurious to the surrounding area or vegetation.
- The County will continually liaise with the EPA and obtain permits when necessary.
- The County will provide full staff training on endangered native flora.
- The County's Spray Drift Policy is in place.
- The County's Pesticide Notification is in place.

REVENUE POLICY 2015/2016

During 2015/2016 Council proposes to fund the services of this Management plan by way of revenue raised from the following sources;

Contributions:

To seek a contribution from each constituent Council based on the area of each Council in square kilometres.

Following is a summary of constituent Council contributions for 2015/2016, based on a 2.4% increase on 2014/2015 contributions.

Council	Contribution
Boorowa	\$70,274
Harden	\$69,356
Yass	\$116,058
Young	\$72,362
	<hr/>
	\$328,050

Fees and Charges:

To recover the cost of providing a service except where such cost may be unreasonable or limited by regulation.

Following is a list of fees and charges provided by the County, and the cost of Providing these services for 2015/2016.

Section 64 Certificate	\$150.00 GST Free
Sub-Division Inspections	\$50.00/Allotment + GST
Supply of Business Paper	\$35.00 + GST
Supply of Management Plan	\$35.00 + GST

Grants:

A grant is received from the Department of Primary Industries for the inspectorial program and administration expenses. Further grants maybe received from other Government Departments and Authorities, where the application is successful.

Private Works:

The County provides a contract spraying service on a fair and equitable cost basis without loss to Council. Contract rates charged in 2015/2016 will be as follows:

Labour/Plant hire - One Operator	\$74.00/hour + 10% GST
- Two Operators	\$119.00/hour + 10% GST
4 X 4 Motorbike with operator	\$74.00/hour + 10% GST
Minimum charge for any private work	\$74.00 + 10% GST

Herbicides at average cost plus 20% + 10% GST (excluding Fluproponate herbicide, which will be charged at average cost + GST).

- These charges will apply to constituent Councils and landowners.
- These indicative rates are subject to prevailing market forces and individual circumstances. It is Council's objective to receive a commercial rate of return on all works, with the aim of at least a 25% profit margin.
- Tax invoices will be issued, quoting the County's ABN number, for all Private Works, as GST Inclusive.

Borrowing:

To be limited to loans for major works and where possible should only be over relatively short periods (i.e. by use of overdraft facility).

DETAILED ESTIMATES 2015/2016

**SOUTHERN SLOPES NOXIOUS PLANTS AUTHORITY
ESTIMATES FOR 2015/2016**

EXPENSE ITEM	2014/2015 ESTIMATE	2014/2015 REVISED ESTIMATE	2015/2016 ESTIMATE
<u>EMPLOYEES COSTS</u>			
Staff Training & Conferences	8,000	12,000	12,000
Salaries - Administration	57,000	60,000	65,000
Accrual of Employment Leave	30,000	33,000	35,000
Public Holidays	10,000	10,000	10,500
Worker Comp Insurance	12,000	15,100	16,000
Employer - Medicals	3,000	3,000	3,000
Superannuation	49,000	50,000	55,000
Purchase of Uniforms	1,500	1,500	1,800
Protective Clothing	3,500	3,500	4,000
Fringe Benefits Tax	9,000	9,000	9,000
Workers Compensation Excess	1,000	1,000	1,000
	<u>184,000</u>	<u>198,100</u>	<u>212,300</u>
<u>OTHER OPERATING EXPENSES</u>			
Insurances	24,000	23,840	24,500
Electricity/Gas/Cleaning	4,000	4,000	4,000
Office Equipment Maintenance & Repair	3,700	3,500	3,700
Advertising	3,000	3,000	3,000
Printing & Stationery	3,000	3,000	3,000
Postage	1,700	1,700	1,700
Telephone	15,000	15,000	16,000
Members Expenses	25,000	24,000	25,000
Bank Fees & Charges	500	500	500
Legal Expenses	500	1,430	500
Sundries (Subs, Books Etc)	500	500	500
Provision for Doubtful Debt	5,000	5,000	5,000
	<u>85,900</u>	<u>85,470</u>	<u>87,400</u>
<u>DEPRECIATION EXPENSE</u>			
Plant & Equipment	67,000	68,000	75,000
Furniture & Fittings	5,000	6,000	5,000
	<u>72,000</u>	<u>74,000</u>	<u>80,000</u>
<u>MATERIALS & CONTRACTS</u>			
-			
Depot Expenditure	3,000	3,000	3,000
Audit Fees	10,000	10,000	10,000
Rent/Lease of buildings & Sheds	17,000	16,500	17,000
Private Works	160,000	210,000	210,000
Department of Lands	0	5,000	5,000
Prop & Roadside Inspections	225,000	210,000	225,000
Noxious Weed Control	110,000	80,000	110,000
	<u>525,000</u>	<u>534,500</u>	<u>580,000</u>
<u>TOTAL EXPENDITURE</u>	<u>866,900</u>	<u>892,070</u>	<u>959,700</u>

**SOUTHERN SLOPES NOXIOUS PLANTS AUTHORITY
ESTIMATES FOR 2015/2016**

INCOME ITEM	2014/2015 ESTIMATE	2014/2015 REVISED ESTIMATE	2015/2016 ESTIMATE
<u>GRANTS & CONTRIBUTIONS</u>			
Govt Grants	193,319	198,730	198,730
Land & Water Conservation	0	12,000	12,000
Contribution by Councils	320,361	320,360	328,050
	513,680	531,090	538,780
<u>USER CHARGES</u>			
Private Works	260,000	290,000	300,000
Fees - Property Information	8,000	9,000	8,000
	268,000	299,000	308,000
<u>INTEREST ON INVESTMENTS</u>			
	18,000	16,000	18,000
<u>PROFIT/LOSS ON SALE OF ASSETS</u>			
	35,000	35,000	35,000
<u>OTHER INCOME</u>			
Council Vehicle Hire - FBT	2,600	2,500	3,120
Sundry Income	3,000	2,000	3,000
Interest on Overdue Accounts	500	500	500
Diesel Fuel Rebate	7,000	7,000	7,000
	13,100	12,000	13,620
TOTAL INCOME	847,780	893,090	913,400
ESTIMATED PROFIT (+) LOSS (-)	-19,120	1,020	-46,300
PURCHASE OF ASSETS (Net) FROM RESERVES	40,000	40,000	40,000

ESTIMATED INCOME/EXPENSES BROKEN DOWN BY SHIRE FOR 2015/2016

	Boorowa \$	Harden \$	Young \$	Yass \$	Total \$
Contribution	70,274.00	69,356.00	72,362.00	116,058.00	328,050.00
Share of Grant	42,530.00	41,930.00	43,920.00	70,350.00	198,730.00
Total Income	112,804.00	111,286.00	116,282.00	186,408.00	526,780.00
Inspections Costs	48,150.00	47,480.00	49,730.00	79,640.00	225,000.00
Roadside Control	23,540.00	23,210.00	24,310.00	38,940.00	110,000.00
Administration Costs	88,750.00	87,500.00	91,650.00	146,800.00	414,700.00
Total Expenses	160,440.00	158,190.00	165,690.00	265,380.00	749,700.00
Shortfall	-47,636.00	-46,904.00	-49,408.00	-78,972.00	-222,920.00
Net Income Generated From Private Works					90,000.00
Other Income					<u>86,620.00</u>
Net Result					-46,300.00

Long Term Planning assumptions

Most of the planning assumptions have come from general financial planning practices.

Assumptions from the Community Strategic Plan include:

- Inflation forecasts - The Governor of the Reserve Bank of Australia and the Treasurer have agreed that the appropriate target for monetary policy in Australia is to achieve an inflation rate of 2-3 per cent, on average over the cycle. We have assumed 3% per annum over the life of the plan.
- Interest rates for both investments and borrowings - Council generally uses a 1% differential with investments. In the LTFP investment rates are applied at 3%.

Council has produced a financial model and it has been prepared using a number of assumptions including those mentioned above.

The assumptions are as follows:

Revenue forecasts/assumptions

The major sources of revenue for council are:

1. Grants
2. Council Contributions
3. User charges & Fees
4. Interest
5. Profit on Sale of Assets
6. Other Revenues

1. Grants

Council receives a specific purpose grant (22% of total income) from the NSW State Government for the control and eradication of noxious weeds and may also receive other grants for specific programs. The LTFP assumes that the specific purpose grant will increase at a rate of 3% per year

The majority of other grants that Council receives are for specific projects. The expected grant income is included in the year that the grant is to be expended.

2. Council Contributions

Council receives contributions from the four constituent councils, Boorowa Council, Harden Shire Council, Young Shire Council and Yass Valley Council, which represents 36% of Council's operating income. The contributions increase annually by the allowable rate increase handed down by the NSW Local Government Department. The LTP assumes that the allowable rate increase will be 3% per annum.

3. User Charges & Fees

33% of Council's income is derived from providing a contract service to the constituent Councils and landholders for the spraying of noxious weeds. The contract fees are generally increased by the allowable rate increase determined by the NSW Local Government Department but we also take into account economic costs and market forces. Use charges and fees will be increased by 3% over the life of the plan.

Other fees and charges are generally determined by economic cost or user pays principle.

4. Interest and Investments

Interest on investments will vary depending on the amount of investments that Council has at any point in time. The LTFP calculates the interest on investments based on an average of the beginning and ending investment balance in any one year. An assumed interest rate of 3% over the life of the plan has been applied to all of Council's investments.

5. Profit on Sale of Assets

As part of its revenue policy Council trades in its plant and equipment after two years or 40,000km. As the trade-in value can vary up or down each year, the profit on sale of assets revenue has been left static over the life of the plan.

6. Other Revenues

This category includes revenues such as Diesel Fuel Rebate and staff contributions to Fringe Benefits Tax. An increase over the life of the plan of 3% has been included.

Cash Reserves

Cash reserves have been set up for three purposes, leave liability, asset reserve fund and an unrestricted fund for expenditure peaks and troughs, which is dependant on climate.

These amounts are increased each year by 5%, in line with the assumed interest rate.

Borrowings

Council has a small bank overdraft which is very rarely used and no other borrowings. Therefore no allowance has been made in the LTFP for interest.

Expenditure forecasts/assumptions

As Council's only purpose is to control noxious weeds within the County area, much of the expenditure is regular and ongoing.

The workforce is fairly static as we only have a limited number of vehicles for doing inspections and contract spraying. The main variant for Council's expenditure is the climate. If there is a drought, expenses are low, if there is a lot of spring/summer rain expenses will be high, but this is also reflected in the income.

The main assets Council has are motor vehicles, trailers and spray units, which are replaced on a regular basis from the asset reserve fund.

1. Employee benefits and on-costs

The individual cost of each employee is calculated as part of the Operational Plan. All on-costs associated with the employment of staff are included.

In 2015/2016 the County will be carrying an additional full time employee, this will revert back in 2016/2017, when a current employee retires.

The LTFP assumes an increase each year of 3% to cover wage increases and increases in employee on-costs. This percentage may need to be reviewed if the superannuation guarantee is increased in the next few years. The Government's current plan is to increase the superannuation guarantee to 12% by 2019-20.

2. Materials and Contracts

The LTFP assumes a 3% increase to materials and contracts expense over the life of the plan.

3. Depreciation and Amortisation

Depreciation is calculated on a straight line basis and an increase of 3% in depreciation has been allowed over the life of the plan.

4. Other Expenses

This category includes a number of expense items including electricity costs, telephone charges, Administrator/Council expenses, insurance and bank charges.

The LTFP assumes a 3% increase to these items over the life of the plan.

Sensitivity Analysis

Long term financial plans are inherently uncertain. They contain a wide range of assumptions, including assumptions about interest rates and the potential effect of inflation on revenues and expenditures. Some of these assumptions have a relatively limited impact if they are wrong, others can have a major impact on future financial plans. If the assumptions above are found to be inaccurate then it will be necessary for Council to reconsider the current strategies on expenditure and revenue and realign the LTFP to fund any changes in costs or revenues.

Generally Council's income and expenditure will not change significantly from year to year. The only time major increase or decreases could occur is if boundary changes resulted in the change of the size of the county. This of course cannot be reflected in the plan as it is an unknown quantity.

FOUR YEAR DELIVERY PROGRAM - INCOME/EXPENDITURE FORECASTS				
	2015/2016	2016/2017	2017/2018	2019/2020
	\$'000	\$'000	\$'000	\$'000
Income				
Grants	211	217	224	231
Council Contributions	328	338	348	358
User Charges & Fees	308	317	327	337
Interest	18	19	19	20
Profit on Sale of Assets	35	35	35	35
Other Revenue	13	13	14	14
Total Income	913	939	966	994
Expenses				
Employee Benefits/Oncosts	595	560	577	594
Materials & Contracts	197	203	209	215
Depreciation/amortisation	80	82	85	87
Other Expenses	87	85	88	90
Total Expenses	959	930	958	987
Anticipated Result	-46	9	8	7

LONG TERM FINANCIAL PLAN - INCOME/EXPENDITURE FORECASTS

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2013/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Grants	211	217	224	231	237	245	252	260	267	275
Council Contributions	328	338	348	359	369	380	392	404	416	428
User Charges & Fees	308	317	327	336	346	357	367	379	390	402
Interest	18	19	19	20	20	21	21	22	23	23
Profit on Sale of Assets	35	35	35	35	35	35	35	35	35	35
Other Revenue	13	13	14	14	15	15	16	16	16	17
Total Income	913	940	966	994	1023	1053	1083	1115	1147	1180
Expenses										
Employee Benefits/Oncosts	595	560	577	594	612	630	649	669	689	709
Materials & Contracts	197	203	209	215	222	228	235	242	250	257
Depreciation/amortisation	80	82	85	87	90	93	96	98	101	104
Other Expenses	87	85	88	90	93	96	99	101	105	108
Total Expenses	959	930	958	987	1017	1047	1078	1111	1144	1178
Anticipated Profit	-46	9	8	7	6	6	5	4	3	2