

LONG-TERM FINANCIAL PLAN

2023-2033



Acknowledgement of Country

Snowy Monaro Regional Council acknowledges the Traditional custodians of the region's land and water, the Ngarigo, Walgalu, Southern Ngunnawal and Bidawal Peoples.

We pay our respects to Elders past, present and emerging.
The Snowy Monaro is, and always will be, Aboriginal Country.



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1. Introduction

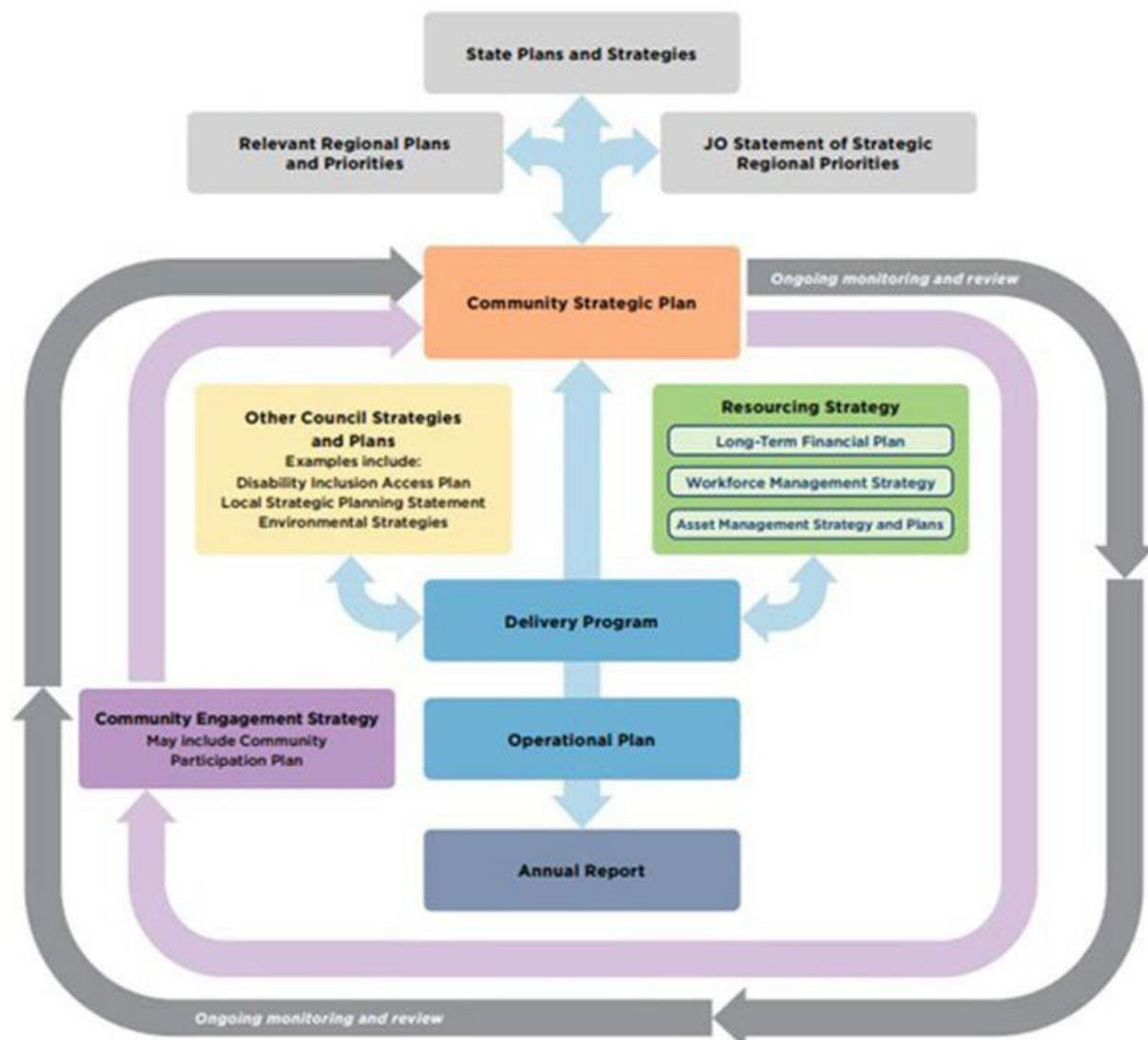
The Integrated Planning and Reporting framework (see Figure 1 below) allows the Council to bring plans and strategies together in a way that supports a clear vision for the future and provides an agreed roadmap for delivering community priorities and aspirations.

As one of three components of the resourcing strategy, the Long-Term Financial Plan (LTFP) is situated within the framework to emphasise the important role that resource planning plays in delivering Council's strategic objectives.

The LTFP provides a roadmap for the achievement of Council's planned services and infrastructure while maintaining long-term financial sustainability and affordability for current and future generations. It is one of the three key resourcing strategies – alongside the Workforce Plan and the Asset Management Strategy, that Council has established to ensure the vision and planned services and infrastructure as outlined in the Snowy Monaro 2042 Community Strategic Plan is achieved.

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 also where Council and the community may decide what resources councils need to influence and work with other parties so that they might deliver on their responsibilities.

Figure 1 – Integrated Planning and Reporting Framework



1.1 Purpose of Long-Term Financial Planning

The purpose of the LTFP is to outline how Council will resource the achievement of the vision and planned services outlined in the Snowy Monaro 2042 Community Strategic Plan as well as the four-year Delivery Program.

The development of a LTFP allows Council to take a much more proactive approach to its financial management. Long-term planning gives Council the ability to model what the future could look like given different circumstances and assumptions. It allows Council to identify future financial threats or opportunities and to put measures in place over the short term to reduce the impact or produce benefits.

Long-term planning also allows Council to look at the future financial implications of today's decisions before they are implemented. While a decision to change policy or strategy, introduce a new service or undertake capital works may seem to have no adverse financial impact in the short term, the longer term implication may show a very different picture.

By having a long-term planning process in place, Council is much better placed to manage the expectations of the community in terms of what levels of services it can provide. Council is constantly faced with demands for increases to services and/or continuation of existing services. Through longer term financial plans, Council will be able to better explain the decisions that it makes.

1.2 Key Points of the Plan

The LTFP includes the following considerations and determinations of the Council:

- Current and future planning context
- Alignment with other key plans and strategies
- Assumptions used to develop the plan
- Sensitivity analysis highlighting factors/assumptions most likely to affect the plan
- Financial modelling of projected income and expenditure, balance sheet and cash flow statements for the base case and two alternative cases
- Methods of monitoring financial performance

2. Financial Sustainability Policy

Councils across New South Wales face numerous issues that hinder long-term financial sustainability. Cost shifting from Federal and State governments, an ageing infrastructure network and limits on annual increases for rates and regulatory income are some key issues that affect many Councils, including Snowy Monaro.

The Council will be financially sustainable if it can deliver the Community Strategic Plan and Delivery Program while demonstrating capacity to maintain financial capital and infrastructure capital over the short (1-4 years), medium (4-10 years) and long-term (10-25 years).

Council needs to maintain cash into the future to meet the service and infrastructure needs of the community and must be able to provide physical assets over the long-term to meet the service requirements and demand.

A financially sustainable Council can invest in developing and growing the local economy, and can withstand, react and adapt to unplanned shocks. Council must be able to manage likely developments and unexpected financial changes in future periods without unplanned increases in rates and charges or disruptive cuts to services, thereby providing a degree of stability and predictability in the overall rate burden allowing for an equitable distribution of council resources between current and future ratepayers.

Being financially sustainable ensures future generations are not burdened with excessively high debt, rates charges or assets in serious disrepair.

Council's long-term strategic and financial planning is aimed at Council achieving and maintaining financial sustainability over a period of time, through engagement with the community regarding agreed service levels, and consideration of the community's capacity to contribute to Council's rating revenue.

2.1 Financial Sustainability Strategy

Council will work within a strategic financial planning and sustainability framework when developing the Annual Budget and Long-Term Financial Plans, and when making decisions including the consideration of funding options for infrastructure projects that impact on the both the present and future financial position of Council.

Council will remain financially sustainable into the future based on the following criteria.

- Operating position – Council will be able to generate sufficient revenue and control of services and infrastructure costs to produce sufficient cash from operations.
- Availability of cash – Council will be able to maintain sufficient cash (or access to cash) to meet the needs of operations, investments and financing (borrowings).
- Investment in assets – Council will be able to renew or replace assets to maintain the desired level of service and the provision of new assets to meet demand for growth in services.

2.1.1 Service Levels

Council's services are heavily reliant on an asset infrastructure that has been built up over generations. These assets require significant on-going investment in maintenance and renewal activities to ensure they are fit-for-purpose and able to deliver expected levels of service. Service levels are defined as the quality for a particular service against which service performance may be measured. Service levels usually relate to safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance. Technical measures may relate to quality eg. roughness of roads, condition of a building, quantity - area of parks per resident.

It is necessary to engage the community in discussions on desired service levels. The outcome of these discussions will drive the operating position that is necessary to be achieved by Council to ensure sufficient cash is available for the investment in assets that is required to support the agreed service levels.

2.1.2 Operating Income

Council will ensure that it has a consistent recurrent source of revenue through rates and annual charges. Growth in rating revenue will be pursued and supported to reduce reliance on external grant funding as a source of revenue and to facilitate the spread of the rating burden over a larger ratepayers' base.

User fees and charges will be reviewed annually to ensure full cost recovery as far as practical, while considering affordability by the users of the services. Council will continually explore alternative sources of revenue to supplement rating revenue, thereby reducing the burden on ratepayers.

Council will continue to pursue external grant funding for services that are a community service obligation.

Council's cash will be managed in accordance with the adopted Investment Policy, maximising returns while investing within the parameters of the Policy.

2.1.3 Operating Expenditure

Council will undertake strategic service planning and ongoing service reviews to ensure that funding allocation for operational expenditure is aligned with the community's service requirements as informed by the Snowy 2042 Community Strategic Plan and integrated with operational requirements outlined in the Workforce Management Strategy and the Strategic Asset Management Strategy.

Council will pursue the implementation of productivity improvements identified through operational reviews that have been undertaken, ensuring that initial investment in the necessary systems, processes and capability enhancement is allowed for in its long-term financial planning.

Expenditure incurred in the procurement of goods and services will be undertaken through rigorous procurement processes to ensure best value for money is obtained. Council will explore opportunities for regional collaboration and the achievement of economies of scale.

The Depreciation cost will be closely managed and accurately accounted for in line with sound asset management and reporting guided by the Strategic Asset Management Strategy. Increases in depreciation due to an increase in the asset management base will be identified, managed and reflected in Council's long-term financial planning.

2.1.4 Capital Expenditure

Capital expenditure regarding infrastructure assets will be guided by principles outlined in the Strategic Asset Management Strategy.

The focus of Council's capital expenditure will be renewal of existing assets. Consideration of new assets will be assessed through Council's project management framework, including the development of a business case to support the expenditure.

Where grant funding is available to Council for the creation of new assets, Council will undertake an assessment of the proposed expenditure through the development of a business case. The business case will consider the initial investment and the whole of life cost of the asset, including additional depreciation, maintenance costs and future asset renewal or replacement. If the net impact of the asset on Council's future operating results and cash availability is adverse, Council will consider not accepting the funding, or if accepting the funding, future long-term financial plans are adjusted to reflect the impact of the new asset.

2.1.5 Borrowings

Council will explore financing assets through loan borrowings to achieve inter-generational equity, for assets that will serve present and future ratepayers. Loan borrowings will be based on Council's capacity to service the borrowings over the applicable term.

3. Financial Planning

Financial planning is an integral part of the strategic management planning activities of Council. It involves the development of long-term financial plans that are consistent with the resource allocation objectives and the timeframes set out in the Community Strategic Plan.

Council's ability to remain financially sustainable in accordance with its Financial Sustainability Policy is underpinned by its ability to generate sufficient revenue to maintain enough cash to invest in infrastructure assets.

Council's main revenue stream is rating revenue. The percentage by which a council can increase its rates from one year to the next (rate-peg) is determined by the Independent Pricing and Regulatory Tribunal (IPART). If a council needs to increase its rating revenue by a higher percentage a business case needs to be made to justify the increased required, and an application for a Special Rate Variation (SRV) must be submitted to IPART.

The rate-peg increase for Snowy Monaro for 2023/24 is 4%. The assumed rate-peg in the outer years is 2.5%. The SRV increases referred to in the Plan reflect the total rating increase, including the rate-pegging increase.

The LTFP has considered the following three case scenarios:

- 1. Scenario One** – Rating revenue is increased by 53% in 2023/24 and then by the rate-peg each year after that. The total rating revenue increase under this scenario is an additional \$97.9 million compared to Scenario 3 over a 10-year period. This increase in revenue will enable an additional investment of \$64.3 million in asset renewal, and current service levels in other areas to be maintained over the longer term. This scenario enables Council to maintain current service levels (including assets) and allows for investment in asset management capability. The scenario does not allocate funding to address the backlog of renewals, which may cause some deterioration in asset serviceability, impacting on service quality levels in the short to medium term.
- 2. Scenario Two** – Rating revenue is increased by 12.25% in 2023/24 and then 10.75% in each of the following 4 years. The total rating revenue increase under this scenario is an additional \$76.7 million compared to Scenario 3 over a 10-year period. This increase in

revenue will enable an additional investment of \$51.1 million in asset renewal when compared to Scenario 3 but will require current service levels in other service areas to be reduced. The staged introduction of a SRV over 5 years will enable a staged introduction of increased expenditure on asset renewals to maintain current service levels over time and allows for investment in asset management capability. The scenario does not allocate funding to address the backlog of renewals, which may cause some deterioration in asset serviceability, impacting on service quality levels in the short to medium term.

3. **Scenario 3** – Rating revenue is limited to the rate-peg increase as determined by IPART. This scenario results in a deterioration in service levels, as revenue generated is not sufficient to generate the cash required for investment in infrastructure.

Council has proceeded with an application to IPART for a special rate variation based on scenario two. This LTFP is updated to reflect this change to rates revenue across 5 years.

Note - The Water, Sewer and Waste Funds are not impacted by the Special Rate Variation.

3.1 Context

The LTFP has been developed to respond to the resourcing requirements of the Snowy Monaro 2042 Community Strategic Plan, as well as the challenges, constraints and opportunities presented by the socio-economic context for our region.

As part of the Resourcing Strategy, the LTFP focuses on the funding requirements of the responsibilities of Council to achieve the vision for the community as outlined in Snowy Monaro 2042 Community Strategic Plan. The Asset Management Strategy addresses how Council will acquire, operate, maintain and renew the physical assets necessary to deliver the planned services and infrastructure, while the Workforce Plan addresses how Council will recruit, develop and retain the necessary workforce and capabilities.

3.2 Snowy Monaro 2042 Community Strategic Plan

The provision of Council's services and infrastructure is guided by the strategic objectives outlined in the Snowy Monaro 2042 Community Strategic Plan and provide a vision for what the Council is planning to achieve.

Table 1 - Strategic Objectives

Strategic Outcome	Strategic Objective	Supporting Documents, Plans or Strategies
Our Community Our health and wellbeing needs are met through living in an inclusive and safe community, provided with quality services.	The relaxed lifestyle and close community feel of the region. Our health allows us to live an enjoyable lifestyle. Our region's cultural identity is respected and embraced. We are a safe and caring community.	Snowy Monaro Youth Strategy 2019-2022 Snowy Monaro Regional Council Disability Inclusion Action Plan 2017-2021
Our Economy We are a vibrant and prosperous community providing opportunities for growth, learning and innovation.	Have increased work opportunities available enhanced by innovation. Improve the affordability of living within the region.	Snowy Monaro Regional Economic Development Strategy 2018-2022 Snowy Monaro Regional Economic Development Strategy Bushfire Impact Review Snowy Monaro Destination Management Plan 2019 Snowy Monaro Local Strategic Planning Statement South East and Tablelands Regional Plan
Our Environment Our natural environment and heritage is preserved and enhanced while balancing the needs for regional development and growth.	Ensure the natural environment and the ability of the community to enjoy and use this environment is protected. Have in place land use controls that protect the natural environment landscape including visual and scenic values.	Snowy Monaro Local Strategic Planning Statement Snowy Monaro Waste Management Strategy Snowy Monaro Regional Council On-Site Sewage Management Strategy South East and Tablelands Regional Plan 2036
Our Infrastructure Our infrastructure is resilient and supports our economy and way of life. We optimise our asset management by being innovative and maximising value for money.	Our health is supported by fit for purpose infrastructure. Transport infrastructure allows us to effectively move around the region and beyond as needed. Telecommunication networks allow us to be connected when and where needed. We have in place infrastructure that supports our lifestyles.	South-East Tablelands Regional Plan 2036 Snowy Monaro Asset Management Strategy Snowy Monaro Asset Management Plans Snowy Monaro Local Strategic Planning Statement
Our Civic Leadership We have contemporary leadership and governance that is open, transparent, and accountable, enabled by effective communication and engagement.	That the community has confidence in leadership. Our community is informed and engaged to provide transparency in decision making. That effective strategies are in place to achieve the Community Strategic Plan outcomes.	Customer Service Charter Snowy Monaro Community Participation Plan

3.3 Socioeconomic profile for Snowy Monaro

Snowy Monaro Local Government Area (LGA) covers an area of approximately 15,164 km² (ABS, 2019) and includes the regional townships of Cooma, Jindabyne, Berridale, Bombala, Adaminaby, Delegate and Nimmitabel, along with numerous smaller localities and ski villages such as Perisher and Thredbo.

The region is located in southern New South Wales, between the Canberra border to the north and Victorian border in the south.

Snowy Monaro LGA has grown by 0.6% per annum (on average) over the ten years to June 2021, to reach an estimated resident population of approximately 21,660 persons (ABS, 2022 a). Population projections suggest population growth will remain similar to historical levels, growing by 0.6% per annum (on average) over the ten years to 2031 to reach approximately 23,100 persons (NSW Government, 2022), noting that growth in the region will also be impacted by the SAP.

Snowy Monaro LGA recorded approximately 158 residential building approvals in 2021-22, equating to approximately \$67.7 million in total value. The number of residential building approvals has generally trended upwards within the region over the last 10 years, peaking at \$15.9 million in December 2020.

Non-residential building approval activity over the same period was minimal (ABS, 2022 b) While the (ABS, 2022) data is current, the Socio-Economic Indexing for Areas (SEIFA) 2016 data is the most current available at the time of authoring this Plan.

Snowy Monaro LGA scores well and ranks highly in all four socio-economic indexes: The Index of Relative Socio-economic Disadvantage (IRSD): The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD): The Index of Economic Resources (IER): The Index of Education and Occupation (IEO).

Of the 544 Councils across Australia and the 130 Councils across NSW within the ABS SEIFA, the following scores, rank, decile and percentiles are reported for the Snowy Monaro LGA:

3.3.1 Index of Relative Socio-economic Disadvantage (IRSD)

Snowy Monaro LGA scored 1008, ranked 400 nationally and ranked 100 state-wide, with ranking ordered from the lowest to highest score for (IRSD). Based on these rankings, Snowy Monaro LGA is not reporting as an area of significant disadvantage, falling within a decile of 8 and within the percentile of 74 nationally and 77 state-wide. The score indicates a relative lack of disadvantage in general, which means fewer households with lower incomes, fewer people with no qualifications and fewer people in low skilled occupations.

3.3.2 Index of Relative Socio-economic Advantage and Disadvantage (IRSAD)

The ABS broadly defines relative socio-economic advantage and disadvantage in terms of people's access to material and social resources, and their ability to participate in society.

Snowy Monaro LGA scored 985, ranked 375 nationally and ranked 90 state-wide with ranking ordered from the lowest to highest score for (IRSAD). Based on these rankings, Snowy Monaro is reporting as an area of advantage rather than as one of disadvantage, further supported by falling within the decile of 7 and percentile of 69 both nationally and state-wide. This means that the Snowy Monaro LGA has more households with higher incomes, more people in skilled occupations and fewer people on lower incomes and skilled occupations.

3.3.3 Index of Economic Resources (IER)

Snowy Monaro LGA scored 1004, ranked 376 nationally and ranked 93 statewide with ranking ordered from lowest to the highest score for (IER). Based on these rankings, Snowy Monaro LGA is reported as an area with good access to economic resources in general, further supported by falling within the national decile of 7, state-wide decile of 8, and a national percentile of 69 and state-wide percentile of 71. This means that the Snowy Monaro LGA has many households with high-income or many-owned homes, fewer low-income households or fewer households paying low rent.

3.3.4 Index of Relative Education and Occupation (IEO)

Snowy Monaro LGA scored 988, ranked 393 nationally and ranked 90 state-wide, with ranking from the lowest to the highest score for (IEO). Based on these rankings, Snowy Monaro LGA is reported as an area with a higher education and occupation status. This is further supported by falling within the national decile of 8, a state-wide decile of 7, a national percentile of 72 and statewide percentile of 69.

This means that the Snowy Monaro LGA has many people with higher education qualifications or many people in skilled occupations and fewer people without qualifications or fewer people in low skilled occupations.

3.4 Independent Financial Sustainability Review

In response to concerns regarding the financial sustainability of the Council raised by the community, the NSW Audit Office, NSW Office of Local Government and individual Councillors, Council initiated an independent Financial Sustainability Review.

The prime objective of the Financial Sustainability Review is to identify robust options to ensure the Council can operate sustainably and efficiently into the future.

The independent assessment of Council's financial sustainability was guided by the following definition of sustainability:

Financial sustainability is the ability of an entity to maintain financial capital and infrastructure capital over the long-term.

- Maintaining financial capital is concerned with the ability to sustain availability of cash into the future to meet the service and infrastructure needs of the entity.
- Maintaining infrastructure capital is concerned with the entity's ability to provide physical assets over the long-term to meet the service requirements and demand.

The assessment of Council's financial sustainability concluded that based on the independent financial forecast of Council's operating result, cash availability and the required investment in assets, Council is not financially sustainable under the current financial settings.

Council will not be able to sustain current service levels and the associated asset maintenance and renewal expenditure requirements.

Since receiving the review Council has been working on identifying the resourcing needed to achieve the outcomes in the financial sustainability review as well as quantifying areas where an issue was identified, but not quantified.

This has led to the need for increased revenue over that shown in the financial sustainability review report.

3.5 Assets and Services

The Delivery Program outlines the projects and services to be delivered by each of the business units and service areas – see Table 2 below for an outline of the services provided. The Delivery Program includes the service level target for each of the services. The measures also provide an insight into the levels of service required and to be funded through the Annual Budget and Long-Term Financial Plan.

Table 2 - Planned Services

Portfolio	Business Unit	Service Area
Executive	Executive Office	Executive Office
Operations	Built and Natural Environment	Biosecurity Building Certification Development Assessment Public Health and Environment Cemeteries Ranger Services
	Community Services	Community Facilities Community Support Programs Library Services Residential Aged Care
	Infrastructure	Roads Infrastructure Civic Maintenance Land and Property
	Resource and Waste	Resource and Waste
	Water and Wastewater	Water and Wastewater
Communications	Economic Development and Tourism	Economic Development and Tourism, Events and Visitor Centres
	Engagement	Communications/Media, Engagement, Education, Customer Service
Finance	Financial Services	Financial Services
Strategy	Corporate Projects	Corporate Projects Risk RFS/SES Support Services
	Fleet and Plant	Fleet and Plant
	Governance	Governance
	Information Communications and Technology	Information Communications and Technology
	Internal Audit	Internal Audit
	Strategy Development	Asset Management Corporate Reporting Strategic Planning
Workforce	Workforce Management	Workforce Management

Source: SMRC Delivery Program 2022-2026

Table 3 below outlines the quantum of infrastructure and assets owned and managed by Council.

Table 3 - Overview of Council Owned Infrastructure and Assets

Group	Type	Measure
General Facilities	Council offices	4
	Works depots	5
	Visitor centres	2
	Libraries	3
	Mobile library	1
Community and Recreation	Aged care facilities	2
	Doctors/health centres	3
	Childcare	2
	Halls	24
	Showgrounds	7
	Sporting/recreation fields	19
	Swimming pools	5
	Holiday/caravan parks	6
	Public toilets	21
	Airport	1
	Saleyards	2
	Community centres	2
Waste Management	Landfills	3
	Transfer stations	6
Transport Infrastructure	Sealed roads	1,000km
	Unsealed roads	1,700km
	Bridges	127
	Culverts	7,184
Water and Wastewater	Water treatment plants	2
	Water pump stations intakes	12
	Water distribution pump stations	11
	Water reticulation pipe	330km
	Supply reservoirs	39
	Supply dams	1
	Wastewater treatment facilities	8
	Wastewater pump stations	28
	Wastewater drainage pipe	280km

Table 4 below outlines the financial measures of assets under the control of the Council. As at 30 June 2022 Council controlled assets with a total gross replacement cost of \$1,845 million and a carrying amount of \$1,224 million.

Council estimates the required annual maintenance across all assets for 2021/22 to total \$26.6 million, however the actual maintenance for 2021/22 was \$15.3 million.

Table 4 outlines the estimated cost by Council to bring assets to satisfactory standard - \$143.5 million in total – which has been calculated by Council to be 50% of the gross replacement cost of assets reported to be in condition 4 and condition 5.

The water supply network has the largest cost to bring assets to a satisfactory standard (\$72.9 million), followed by the sewerage network (\$28.2 million), bridges (\$10.7 million), unsealed roads (\$10.3 million) and sealed roads (\$9.4 million).

Table 4 - Overview of Asset Financial Measures by Asset Category (as at 30 June 2022)

Asset Category	Estimated cost to bring assets to satisfactory standard*	Estimated cost to bring assets to the agreed level of service set by Council*	2021/22 Required Maintenance**	2021/22 Actual Maintenance	Net carrying amount	Gross replacement cost
	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s
Buildings - specialised	2,821	2,821	2,510	161	15,975	59,770
Buildings - non specialised	5,305	5,305	1,714	365	24,727	68,569
Sealed Roads	9,406	9,406	3,858	3,946	202,145	296,767
Unsealed Roads	10,280	10,280	3,419	3,497	169,224	262,999
Bridges	10,667	10,667	1,730	414	77,516	133,073
Footpaths	246	246	203	62	8,341	15,624
Bulk earthworks	-	-	-	-	441,196	441,196
Water supply network	72,869	72,869	7,986	2,744	151,177	332,769
Sewerage network	28,207	28,207	4,297	3,054	97,608	179,044
Stormwater drainage	722	722	275	28	20,811	30,504
Swimming pools	1,248	1,248	47	82	2,697	4,705
Other recreation/open space	486	486	231	762	4,910	7,686
Other structures	1,285	1,285	373	200	8,475	12,422
Total - all assets	143,541	143,541	26,643	15,314	1,224,802	1,845,128

Table 5 below outlines the condition of each asset category controlled by Council. Asset categories with 20% or more gross replacement cost in either poor or very poor condition scores include the water supply network (43.4%), sewerage network (31.6%), swimming pools (53.0%) and other structures (20.7%).

Table 5 Asset in Condition as a Percentage of Gross Replacement Cost

Asset Category	Asset Condition Score Categories				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very Poor
Buildings - specialised	7.2%	14.7%	68.6%	8.5%	1.0%
Buildings - non specialised	16.7%	29.3%	38.6%	14.5%	1.0%
Sealed Roads	10.3%	43.0%	40.4%	5.8%	0.5%
Unsealed Roads	26.9%	16.1%	49.2%	6.4%	1.4%
Bridges	16.3%	40.1%	27.5%	2.4%	13.6%
Footpaths	13.8%	19.0%	64.0%	2.8%	0.4%
Bulk earthworks	100.0%	0.0%	0.0%	0.0%	0.0%
Water supply network	15.4%	17.1%	23.7%	37.9%	5.9%
Sewerage network	20.8%	28.8%	18.9%	10.5%	21.0%
Stormwater drainage	7.4%	73.1%	14.7%	4.7%	0.0%
Swimming pools	0.0%	26.8%	20.2%	53.0%	0.0%
Other recreation/open space	23.1%	42.7%	21.6%	12.2%	0.5%
Other structures	45.5%	15.1%	18.8%	16.1%	4.6%

3.5.1 Snowy Mountains Special Activation Precinct

The Snowy Mountains Special Activation Precinct (SAP) is a major state government funded project to ensure a year-round visitor economy, working closely with Council. The SAP Master Plan outlines a 40-year strategic plan for the precinct and is now in the delivery phase, having now finalised the Master Plan after years of intensive project work.

The Jindabyne Growth Precinct comprises seven sub-precincts that will support the visitor and population growth projected over the 40 years of the Master Plan. The resident and visitor population growth predicted to result from the SAP has been modelled on the activation of year-round tourism and employment opportunities, investment in regional infrastructure and strengthening the visitor economy.

The NSW Government has announced an estimated total funding of SAP to be \$391.3 million starting in 2022 with completion in 2027. Included in the works funded by the NSW Government includes assets to be transferred to Council, including responsibility to fund ongoing operations, maintenance and future renewal.

Table 6 below outlines the assets that are proposed to be transferred to Council – totalling \$169.62 million. It should be noted that Table 5 does not include the lead in road segments for Kosciusko Rd. This is an additional approximately 4km of 2 lane urban road, with associated kerb & gutter that will increase the value of assets contributed to Council.

Table 6 - Assets Developed by SAP to be transferred to Council

Infrastructure Project	Estimated Handover	Construction Cost (M)	Comment
Claypits	2024	\$10.58	N/A
Town Centre	2025	\$57.1	N/A
Kosciuszko Road	2026	\$22.47	Includes only section being upgraded. Additional length past Barry Way will need to be considered by Council with an approx. value of \$4m
Water Treatment Plant	2024	\$28.2	N/A
Sewerage Treatment Plant	2024	\$41.93	N/A
Water Services	2024	\$4.6	Includes reservoirs, pumps and network upgrades
Sewage Services	2024	\$4.74	Includes pumps, storage tanks and network upgrades
TOTAL		\$169.62	

Source – NSW Government

The SAP provides significant opportunity for Council to benefit from the development through externally funded asset renewals and upgrades and increased revenue from rates, annual service charges and other revenue sources. In particular, the renewal and upgrade of water and sewer assets in Jindabyne, as well as road works and precinct upgrades funded by the NSW Government replaces funding that Council would have had to fund internally or sought borrowings to address the depleted assets.

Table 7 below outlines the development yield estimated by the NSW Government (as outlined in the Master Plan) and includes 1,564 additional residential dwellings, and additional 134,950m² of commercial floor space and 1,918 dwellings for tourist accommodation and seasonal workers.

Table 7 - Proposed Development Yield from Snowy Mountains Special Activation Precinct

Sub-precinct	Tourist accommodation dwellings	Seasonal worker dwellings	Residential dwellings	Additional commercial floor space (m ²)
Jindabyne Catalyst Precinct				
Jindabyne Town Centre	412	56	118	88,750
Western Lake Jindabyne	689	36	0	1,200
Jindabyne Growth Precinct				
Jindabyne Town Centre Growth	153	31	123	0
Jindabyne West	130	43	693	30,000
Jindabyne South	21	0	186	10,000
East Jindabyne	47	0	264	5,000
Barry Way South	200	100	180	0
Total	1,652	266	1,564	134,950

Source – NSW Government (2022), Snowy Mountains Special Activation Project Master Plan

4. Strategic Alignment

The LTFP is one of three components of the Resourcing Strategy to deliver the Snowy Monaro 2042 Community Strategic Plan. The three components are:

- Long-Term Financial Planning
- Workforce Management Planning
- Asset Management Planning

4.1 Alignment with Other Resourcing Strategy components

4.1.1 Asset Management Strategy

The development of the LTFP is linked to the Asset Management Strategy. The Asset Management Strategy demonstrates how the asset portfolios will meet the service delivery needs of the community into the future and to ensure the integration of Councils' asset management practices with the long-term strategic plans.

This LTFP supports the asset management improvement plan and the associated resources required to bring Council to a minimum 'core' level of asset maturity and competence, as outlined in the Asset Management Strategy.

4.1.2 Workforce Planning

The development of the LTFP has included workforce needs and requirements for the next 10 years. Adequate funding in the plan is provided to resource key workforce initiatives within the planning horizon to ensure Council can meet future workforce and organisational challenges.

4.2 Alignment with Other Key Strategies and Plans

4.2.1 Snowy Monaro Waste Management Strategy

The adopted strategy outlines how Council will work towards the ambitious targets set out in the NSW 20 Year Waste Strategy for waste diverted from landfill and recycling. The challenges outlined in the strategy include:

- Current underperformance of Council regarding the NSW 20 Year Waste Strategy targets
- Variation of services and facilities across the region
- High cost associated with operating waste management facilities and services
- Accessibility and utilisation of waste facilities.
- Key infrastructure actions outlined in the strategy are:
 - Landfill upgrades
 - Upgrade to transfer stations
 - Conversion of drop off model service to collection and "bank of bins" service model
 - Expansion of bank of bins
 - Remediate legacy landfills and convert to emergency landfills where appropriate
 - Upgrade collection trucks.

4.2.2 Divestment of Residential Aged Care Services

On 21 October 2021, Council accepted an Evaluation Panel's recommendation to enter into a 12-month Due Diligence period for the divestment of Residential Aged Care Services through a transfer of the services to Sapphire Coast Community Aged Care. T Due diligence has been extended and is ongoing.

5. Council's Financial Position

The Council maintains three fund types – a general fund, a sewer fund and a water fund. The sewer fund includes all revenue and expenditure that is specifically tied to the sewer service, by legislation. The water fund includes all revenue and expenditure that is specifically tied to the water service, by legislation. The general fund includes all other revenue and expenditure that is not tied to the water or sewer service.

Council must report on the fund types separately and the use of constrained reserves for the water or sewer service must be used on the water and sewer services respectively, unless otherwise approved by the Minister.

Council's historical and projected financial performance is analysed in the following section, based on a consolidated basis and by fund.

5.1 Historical Financial Performance

Council has historically produced operating deficits. While Council has historically prioritised renewal and maintenance of existing assets, the amount available for these activities has been insufficient.

The Office of Local Government has set key financial sustainability indicators for councils. Council has generally not met all the infrastructure assets key financial sustainability indicators regarding infrastructure assets backlog, asset renewal and asset maintenance.

An explanation of the key performance measures is included in Appendix A to this Plan. Council's historical financial performance measured against the key performance measures is shown in Table 8 below.

5.1.1 Operating Performance Ratio

In the last three financial years Council has not met the operating performance ratio, generating an operating deficit year on year, with the deficit being in the general fund, noting that the sewer fund also generated an operating deficit in 2021/22. Council has not been generating sufficient recurrent revenue to fund all recurrent operating expenditure, including depreciation.

5.1.2 Own Source Revenue Ratio

Council, like similar rural regional centres relies heavily on grant funding, with Council's general fund not meeting the own revenue source ratio target of 60%. While grant funding reduces the rating burden on ratepayers, it does place Council at risk of a significant revenue shortfall should any of the grant funding be discontinued or is significantly reduced.

5.1.3 Unrestricted Ratio

In the last three financial years Council has met the unrestricted current ratio, noting the general fund was only just above the target of 1.5x in 2021/22. This result indicates that Council must monitor its restrictions closely to ensure restricted funds are not utilised against the intended use and without the necessary authority.

5.1.4 Debt Service Ratio

Except for 2020/21, Council has met the debt service cover ratio, indicating that it currently has the capacity to service loans.

5.1.5 Asset Maintenance Ratio

Based on the reported ratios Council has consistently not met the asset maintenance ratio for general fund assets. In the water and sewer fund maintenance has fluctuated from not meeting the ratio to exceeding the ratio over the last three years. Council has been undertaking asset maintenance based on a reactive rather than planned approach, as constrained by the availability of funding and/or resources to undertake the works.

5.1.6 Building and Infrastructure Renewal Ratio

Based on the reported amounts, for general fund assets Council has exceeded the ratio in 2019/20 and 2020/21 but did not meet the ratio in 2021/22. The reported ratio for water and sewer assets has fluctuated significantly over the most recent three years indicating a reactive approach to renewal and potentially gaps in asset renewal information.

5.1.7 Infrastructure Backlog Ratio

Based on the reported amounts Council has not met the infrastructure backlog ratio for the general fund and has been significantly well above the target backlog for water and sewer fund assets. The infrastructure backlog ratio for general fund is \$42.5 million (or 4.18%) as at 30 June 2022. For water fund assets, there is an infrastructure backlog of \$72.9 million (or 48.2%) as at 30 June 2022, well in excess of the benchmark of 2%, with asset renewals ratio not meeting benchmark over the period. For sewer fund assets, an infrastructure backlog ratio of \$28.2 million (or 28.09%) reported as at 30 June 2021/22. Asset renewal was minimal until 2021/22, when a major investment in sewerage treatment was commenced.

As part of the independent financial sustainability review it was recognised that Council needs to invest in asset management capability and capacity to ensure that asset data and asset management planning and practices are improved – refer to the Asset Management Strategy for planned improvements in asset management.

5.2 Summary

Based on Council's financial performance over the most recent three years, Council is currently:

- Not achieving the required operating position
- Maintaining only minimal unrestricted cash
- Not undertaking the required investment in asset maintenance and renewal

Based on the current financial settings, Council will not be financially sustainable in the long-term.

Based on the current operating revenue and expenditure trajectory, Council will not generate sufficient cash to undertake the required investment in asset maintenance and renewal. Without intervention to correct this trajectory, Council's infrastructure backlog will continue to grow, and assets will deteriorate and not meet the desired service levels. Council will need to balance the allocation of funding, including significant service level reductions to ensure that an appropriate amount of funding remains available to maintain an acceptable level of risk, and compliance with legislative requirements.

Table 8 - Key Financial Sustainability Indicators over the most recent three financial years

Performance Measure	Target	Consolidated			General Fund			Water Fund			Sewer Fund		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Operating Performance Ratio	> 0.00%	(7.20%)	(30.27%)	(2.99%)	(5.08%)	(43.27%)	(3.47%)	9.07%	8.89%	1.30%	10.45%	9.81%	(3.16%)
Own Source Revenue Ratio	>60.00%	58.29%	60.19%	49.96%	44.09%	54.22%	41.27%	89.06%	91.16%	83.83%	83.61%	63.59%	93.97%
Unrestricted Ratio	>1.50x	2.79x	2.27x	1.61x	5.40x	2.27x	1.61x	82.80x	53.09x	11.02x	3,290.33x	5,563.67x	-
Debt Service Ratio	>2.00x	23.19x	(1.18) x	26.34x	22.73x	(6.87) x	20.89x	35.36x	29.17x	2348x	-	-	-
Asset Maintenance Ratio	>100%	50.53%	102.44%	57.48%	51.20%	65.66%	66.27%	40.31%	140.13%	34.36%	61.72%	226.71%	71.07%
Building and Infrastructure Renewal Ratio	>=100%	142.65%	129.82%	110.92%	138.26%	161.46%	30.93%	14.22%	0.00%	48.20%	270.42%	0.00%	1086.64%
Infrastructure Backlog Ratio	<2.00%	6.02%	2.38%	11.34%	3.62%	2.78%	4.18%	14.22%	0.00%	48.20%	26.84%	0.00%	28.90%

6. Projected Financial Performance

6.1 Methodology

The financial plan draws on the information contained in the Community Strategic Plan, Delivery Program, Operational Plan, Workforce Plan and Asset Management Strategy.

These documents help set the scope of what Council will seek to undertake over the life of the plan and include the financial implication of those activities. This Plan also considers the outcome of the independent financial sustainability review referred to earlier in this Plan.

This Plan has been developed based on:

- The recommendations of the independent financial sustainability review
- Special Rate Variation application of 55.25% over 5 years (compounded increase to council revenue of 68.87%), as outlined in option 2 of the previously adopted Long Term Financial Plan
- Each separate fund has had a review of projected operating revenue and expenditure, based on assumptions detailed later in this Plan
- The Asset Management Strategy, as reviewed
- The Workforce Management Strategy, as reviewed

6.2 Long-term Financial Plan Objectives

As indicated by Council's historical financial performance and financial projections considered as part of the financial sustainability review, Council's current financial settings will not support financial sustainability.

This Long Term Financial Plan is evaluated against the key financial sustainability indicators established by the Office of Local Government.

In line with the Financial Sustainability Policy, this LTFP aims to identify a path for Council to:

- Generate sufficient revenue and control of services and infrastructure costs to produce sufficient cash from operations.
- Maintain sufficient cash (or access to cash) to meet the needs of operations, investments and financing (borrowings).
- Be able to renew or replace assets to maintain the desired level of service and the provision of new assets to meet demand for growth in services.

This LTFP will enable Council to build the capacity over time to be able to invest in developing and growing the local economy. The LTFP provides a basis for Council to continue to review its operations to maximise productivity and be able to apply cost effective asset management practices to further improve its financial capacity to withstand, react and adapt to unplanned shocks.

This LTFP allows for council to engage the community in discussions on desired service levels. The outcome of these discussions will drive the operating position that is necessary to be achieved by Council to ensure sufficient cash is available for the investment in assets that is required to support the agreed service levels.

6.3 General Assumptions

6.3.1 Demographics

Snowy Monaro has a population of approximately 21,207 people, comprising of 14,315 rateable properties. Taking into consideration expected population growth and the impact of the SAP on growth an allowance of 1.23% growth per annum has been allowed for in this LTFP. The growth allowance has been applied to revenue impacted by growth, and to expenditure relating to service requirements that are expected to be impacted by population growth.

6.3.2 Inflation

The assumption for annual increase in expenditure has been based on the CPI forecast included in the 2022 Federal Government Budget. The assumed inflation increase in expenditure impacted by CPI is 3.5% in 2023/24 and 2.5% in each year thereafter.

6.3.3 Economy

Snowy Monaro Regional Council's Gross Regional Product is estimated at \$1.18 billion, which represents 0.18% of the state's GSP (Gross State Product). There were 9,473 jobs located in Snowy Monaro Regional Council area in the year ending June 2021 and were 10,394 residents employed in the year ending June 2021. In the 2021 December quarter, the unemployment rate in Snowy Monaro Regional Council area was 5.1%

The value of building approvals in Snowy Monaro Regional Council area was \$58m in the 2021-22 Jan FYTD financial year.

In February 2022, the retail trade estimate for NSW rose 2.8% from the previous year.

The Snowy Mountain regional economy is one of the most tourism dependent regional economies in Australia. In 2019/20, the total tourism and hospitality sales in Snowy Monaro Regional Council area was \$611.4m, the total value added was \$279.1 million.

Agriculture has historically underpinned the Snowy Monaro's economy and will continue to be an important economic driver into the future. In 2015/16, the total value of agricultural output in Snowy Monaro Regional Council area was \$117m. The largest commodity produced was livestock slaughtering, which accounted for 61.0% of Snowy Monaro Regional Council area's total agricultural output in value terms.

Cooma is the commercial hub of the Snowy Monaro region and will continue to be an important aspect of the local economy. Facilities and services provided by the town include medical, aged care, education, agricultural and government.

6.3.4 Snowy Mountains Special Activation Precinct (SAP)

As detailed earlier in this Plan the SAP will result in a significant increase in Council's asset base. This results in a significant increase in ongoing maintenance, and depreciation, and asset renewal costs in future years. The SAP is also likely to generate growth in the ratepayers' base. This LTFP reflects additional costs associated with the SAP in the estimated asset maintenance, depreciation and renewal costs. It also allows for likely growth in revenue resulting from the SAP, as part of the 1.23% assumed growth rate.

6.4 Revenue Assumptions

6.4.1 General Rates

General Rates have been assumed to increase by the rate-pegging with further SRV increases assumed as modelled in Scenario 2.

IPART has advised that the rate-peg applicable to Snowy Monaro for 2023/24 is 4%. Rate-pegging increases for each year thereafter have been assumed at 2.5%.

	2023/24	2024/25	2025/26	2026/27	2027/28
Rate Peg	4%	2.5%	2.5%	2.5%	2.5%
SRV	8.25%	8.25%	8.25%	8.25%	8.25%
	12.25%	10.75%	10.75%	10.75%	10.75%

It is noted that IPART is currently reviewing the rate-peg methodology, however the outcome of the review is not known at this time. It is further noted that the financial modelling in this LTFP is based on the estimated total rating revenue, inclusive of the rate-pegging increase. Accordingly, any changes to the assumed rate-pegging increase over the LTFP period will not impact on the scenarios modelled.

6.4.2 Domestic Waste Charge

The Domestic Waste Management (DWM) service is provided by Council to the residential properties in townships and the immediate surrounding area of towns within the region. The DWM service provides garbage, recycling and green waste kerbside collection services. The basis of the DWM annual charge is on a full cost recovery basis to allow for the future upgrade of the DWM plant fleet, garbage bins, and partial allocation for the rehabilitation of the waste centres (rubbish tips) in the Region.

Council will continue to complete and publish in the Operational Plan a comprehensive domestic waste reasonable cost calculation in accordance with the Local Government Act 1993 requirements and to ensure any service changes are consulted with and conveyed to the community. The DWM charge will be reviewed each year as part of the development of the annual Operational Plan. The annual charge may need to be adjusted to ensure that it remains consistent with the mandated reasonable cost recovery basis.

The DWM service is accounted for through a restricted fund, therefore any changes in the estimated charges will not impact on the general fund revenue.

6.4.3 User Charges and Fees

Council raises revenue through fees and charges for provision of services and use of facilities. These are split into two categories:

Statutory fees – determined by State Government Legislation and relates primarily to building, development and compliance activities. Council has no control over increases to these fees. Development fees are also affected by the levels of development within the shire. No escalation increases have been estimated regarding statutory fees.

Discretionary fees – Council can vary these fees in line with the costs associated with providing the service or facility. Discretionary fees have been estimated to increase by 3.0% over the next 10-year period, to align with the estimated corresponding inflation increases applicable to expenditure. It is further noted that for services largely delivered through Council staff future fee increases will need to reflect increases in employee costs, which are likely to be more than 2.5%.

Where applicable the estimated revenue from user fees and charges, includes an estimated growth of 1.23%.

6.4.4 Water Revenue

Water supply charges are assumed to increase between 2.5% and 8.5% over the next 10-year period. A 1.23% to 2% growth factor has also been allowed in the associated

estimated revenue. As part of the financial sustainability review process, it has been identified that future increases in charges may need to be reviewed following a detailed review of asset maintenance and renewal requirements, including the impact of assets transferred through the SAP. The water supply service is accounted for through a restricted fund, therefore any changes in the estimated charges will not impact on the general fund revenue. The water service is a business activity of Council.

6.4.5 Sewer Revenue

Sewer charges are assumed to increase between 4.5% and 8% over the next 10-year period. A 1.23% to 2% growth factor has also been allowed in the associated estimated revenue. As part of the financial sustainability review process, it has been identified that future increases in charges may need to be reviewed following a detailed review of asset maintenance and renewal requirements, including the impact of assets transferred through the SAP. The sewer service is accounted for through a restricted fund, therefore any changes in the estimated charges will not impact on the general fund revenue. The sewer service is a business activity of Council.

6.4.6 Waste Charges (Other than Domestic Waste Collection)

Council provides other waste collection services including trade waste, tipping fees and recycling. Increases in fees may need to be reviewed in future years to ensure that sufficient funds are available in the internally restricted fund held for the purpose of future landfill remediation and capital improvements to ensure compliance with legislation.

6.4.7 Interest and Investment Income

Interest earned on investments is driven by the projected cash balances at the end of each year and the interest rate achieved. Council's cash balances and restrictions will fluctuate over the next 10-year period. The interest rate achieved will also fluctuate based on the economic and monetary policies.

Due to uncertainties associated with the latter factors, this LTFP assumes interest income achievable at current average interest rates to remain over the life of the plan.

6.4.8 Operating Grants and Contributions

Council's most important and material recurrent operating grant is the untied Financial Assistance Grants (FAG) received from the Federal Government and administered by the NSW Local Government Grants Commission. The FAG grant accounts for around 50% of Council's total operating grants and contributions received annually.

Other levels of government have indicated that due to recent financial pressures on Federal and State Governments due to COVID 19 and ongoing natural disasters, grant funding is likely to be significantly reduced.

Council provides several services that are currently partially or fully grant funded. Council has assumed that all recurrent grants and contributions for operating purposes will increase an estimated 2.5% each year over the next 10-year period. While Council will continue to advocate for grant funding aligned with the cost of providing services, a reduction in the estimated increase is a risk.

6.4.9 Capital Grants and Contributions

Capital grants are by their nature highly variable from year to year depending on the availability of other government grant programs to assist in funding major capital improvement projects. Capital grant funding that has already been secured or there is a likelihood it will be secured has been included as a funding source for some capital works in this LTFP.

All major capital works will be evaluated through Council's project management framework. If the expected grant funding does not eventuate, the project funded by the grant will not proceed, unless alternative funding can be identified from within Council's projected total envelop of funding available for capital works.

6.4.10 Other

Other income such as Council owned property rentals and leaseback fees are projected to increase 2.5% each year over the 10-year period of the Plan.

6.5 Expenditure Assumptions

The cost escalation assumptions used for operating and capital expenditure are detailed below. In scenarios where revenue is not sufficient to fund the required expenditure, the expenditure has been reduced accordingly, reflecting a reduction in service levels.

6.5.1 Employee Costs

Employee costs have been informed by the Workforce management Plan and the Asset management Strategy. Employee costs have been estimated to increase by 4.6% in 2023/24, 3.25% in 2024/25, 3.5% in 2025/26 and then 2.5% each year over the period of the Plan. The estimated increases include an allowance for a significant increase in the Local Government Award in line with recent legislative changes, and the progressive increases in the superannuation guarantee. An addition growth allowance of 1% has also been included.

6.5.2 Materials and Contracts

Materials purchased and contract and consultancies for services are a significant cost input for providing Council services. An annual increase of 2.5% each year is projected over the next 10-year period for materials and contracts expenditure.

6.5.3 Other Expenses

An estimated increase of 2.5% each year is projected over the next 10-year period for other expenses, such as levies paid to the state government for the rural fire and emergency services and the NSW fire brigade. An increase of between 5% and 10% has been allowed for in 2023/24 for utilities.

6.6 Capital Expenditure

Capital expenditure requirements included in this LTFP have been informed by the Asset Management Strategy and associated Asset Management Plans. The level of capital expenditure varies in the respective scenarios modelled in this Plan, based on the availability of funding in each respective scenario.

6.7 Aged Care

This LTFP is based on Council divesting aged care services in 2023/24.

6.8 Loans

Loan borrowings assumptions are based on a 30-year term at a 5.5% fixed interest rate.

6.9 Table of indexes

The following index rates have been used to develop the Long Term Financial Plans for each fund.

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Income:									
General Fund Rates	10.75%	10.75%	10.75%	10.75%	2.5%	2.5%	2.5%	2.5%	2.5%
General Fund User Fees & Charges	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Waste Annual Charges	40%	20%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Waste User Fees & Charges	40%	20%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Water Annual Charges	6.3%	7.5%	8.5%	8.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Water User Fees & Charges	6.3%	7.5%	8.5%	8.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Sewer Annual Charges	6.3%	7.5%	8.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Sewer User Fees & Charges	6.3%	7.5%	8.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Operating Grants	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Interest & Investment revenue	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Other revenue	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Expenditure:									
Employee costs	4.2%	4.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Materials & contracts	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other expenses	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

7. Financial Scenario

The LTFP has been prepared to integrate with the Asset Management Strategy and the Workforce Management Strategy – collectively providing the Resourcing Strategy to deliver the Snowy Monaro 2042 Community Strategic Plan and the Delivery Program.

The target is to meet or improve the key financial indicators whilst maintain an appropriate level of unrestricted cash.

The Financial Statements for each scenario and by Fund are included as Appendix B to this Plan.

7.1 Scenario 1 - SRV as a Permanent 53% increase (including rate-pegging) in 2023/24

This scenario was ultimately not Council's preferred option. At the council meeting of 30 January 2023 this option was endorsed and an application to IPART for a special rate variation based on this scenario was lodged. A subsequent rescission motion was received and addressed at the council meeting on 16 February 2023. At this same meeting the council resolved to lodge an updated application as documented in Scenario 2.

Financial modelling of this option can be found in the 2022-2032 Long Term Financial Plan.

This scenario is based on Council's rating revenue increasing by 53% (including the rate-peg increase of 4%) in 2023/24. This will generate additional rating revenue of \$97.9 million over the 10-year period from 2023/24 when compared to Scenario 3 (Base Case). This additional revenue will be applied to an additional investment in assets of \$64.3 million over the period of the Plan. An additional \$33.6 million will be applied to maintain current service levels over the period of the Plan while also progressively improving the operating result.

Under this scenario Council will generate additional rating revenue sufficient to progressively improve the operating performance ratio and to maintain asset maintenance and renewal expenditure at a level sufficient to stabilise the current infrastructure backlog. This case allows for enhanced asset management when compared to Scenario 3 (Base Case). Under this scenario, Council will be able to maintain the current operating expenditure levels and the associated service levels.

Over the period of the Plan, the operating performance ratio will progressively improve to 1.72 in 2031/32 – including the impact of the SAP. The operating deficit will average \$1.5 million annually between 2023/24 and 2031/32. The operating performance ratio will average -1.59 % over the period of the Plan from 2023/24.

Under this scenario Council will be able to maintain an appropriate level of unrestricted cash over the next 10 years with an average of \$4.9million being held from 2023/24.

Council will be able to maintain the current levels of service into the future and prevent deterioration of infrastructure assets, thereby stabilising the current level of infrastructure backlog. However, the current infrastructure backlog will not be addressed. With improved understanding of the current assets through implementing the Asset Management Strategy the quantum of the backlog can be verified. It is also noted that the current flood restoration works and the SAP development is renewing assets that are in the current backlog of renewals.

This scenario allows for an investment in asset management capacity and capability. It is envisaged that improvements in asset management methodologies will result in savings and release of funding to progressively address the infrastructure backlog.

7.2 Scenario 2 - SRV of 55.25% (including rate-pegging) over 5 years commencing in 2023/24

This is Council's preferred option and forms the basis for the 2023/24 budget and updated Long Term Financial Plan.

This scenario is based on Council's rating revenue increasing by 55.25% (total of 5 annual increases including the rate-peg increase of 4% in 2023/24 and an assumed rate-peg of 2.5% in the following 4 years) over a period of 5 years between 2023/24 and 2028/29. The compounding effect of the proposed rate rise would result in an increase to council revenue of 68.87% over the 5 years.

This will generate additional rating revenue of \$79 million over the 10-year period from 2023/24. This additional revenue will be applied to an additional investment in assets of \$51.1 million over the period of the Plan. The remaining \$25.6 million will be applied to minimise service level reduction over the period of the Plan, while also progressively improving the operating result.

Under this scenario Council will generate additional rating revenue sufficient to progressively improve the operating performance ratio and to maintain asset maintenance and renewal expenditure at a level sufficient to stabilise the current infrastructure backlog. This case allows for enhanced asset management when compared to Scenario 3 (Base Case.)

However, in the short-term some service level reductions will be required. Reduced funding for Bridge renewal will impact 2023/24 financial year.

The divestment process of the Residential Aged Care service is ongoing. This service will impact the 2023/24 financial year while it is still being operated by Council.

These service reductions are reflected through a reduction in funding available for operational activities. Identification of service reductions are ongoing.

Under this scenario Council will be able to maintain an appropriate level of unrestricted cash over the next 10 years, with an average of \$3.9million being held from 2023/24.

Under this scenario, Council will be able to maintain the current level of service into the future and prevent deterioration of infrastructure assets, thereby stabilising the current level of infrastructure backlog over a period of time. The current infrastructure backlog will not be addressed. The delayed renewal of assets resulting in increased costs over the long-term, as more invasive interventions are required to return the asset to acceptable performance and/or shorter useful life leading to early replacement of the asset.

This scenario allows for an investment in asset management capacity and capability. It is envisaged that improvements in asset management methodologies will result in savings and release of funding to progressively address the infrastructure backlog.

The special rate variation is to be expended in 2023/24 as outlined below and forms part of the SRV application:

Enhanced asset management & reporting	\$279,857
Enhanced property management & maintenance	\$153,166
Enhanced staff training and development	\$213,789
Asset Renewal: Roads	\$834,136

If IPART determines the Special Rate Variation application to be unsuccessful or Council decides not to proceed with the SRV, the expenditure listed above will be removed from the 2023/24 budget.

7.2.1 Special Variation for Snowy Monaro Regional Council for 2023/24 to 2026/27

IPART has assessed Council's special rate variation application and has determined under section 508A of the Act that:

1. The percentage by which Snowy Monaro Regional Council may increase its general income for the period from year 2023/24 to Year 2026/27 (inclusive) is 52.48% consisting of annual increases as set out in the table below:

Year	Annual increase in general income	Cumulative increase in general income
2023/24	12.25%	12.25%
2024/25	10.75%	24.32%
2025/26	10.75%	37.68%
2026/27	10.75%	52.48%

2. The percentage increase set out in clause 1 is subject to the following conditions:
 - a. The Council use the Additional Income for the purpose of funding the Proposed Program.
 - b. The Council report in its annual report for each Year from Year 2023-24 to Year 2027-28 (inclusive):
 - i. the program of expenditure that was actually funded by the Additional Income, and any differences between this program and the Proposed Program;
 - ii. any significant differences between the Council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in its Long-Term Financial Plan, and the reasons for those differences;
 - iii. the outcomes achieved as a result of the Additional Income;
 - iv. the productivity savings and cost containment measures the Council has in place, the annual savings achieved through these measures, and what these savings equate to as a proportion of the Council's total annual expenditure; and
 - v. whether or not the Council has implemented the productivity improvements identified in its application, and if not, the rationale for not implementing them.

The outcome of this assessment is a reduction of rating revenue of \$14.4m over the 10-year period from 2023/24 compared to the additional revenue identified in Scenario 2. This will impact the level of investment in asset renewal over the 10 year period.

Council will need to consider whether to apply again (for a special rate variation) in four years' time for a fifth year of variation as outlined in Scenario 2, or to modify the long term financial plan to take into account the reduced revenue from the fifth year onwards.

7.3 Summary Consolidated Financial Statements

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	(\$,000s)	(\$,000s)	(\$,000s)	(\$,000s)	(\$,000s)	(\$,000s)	(\$,000s)	(\$,000s)	(\$,000s)	(\$,000s)
Summary of Operating Position										
Total income from continuing operations	149,963	109,293	164,307	141,369	118,184	123,064	126,036	129,515	132,536	137,275
Total expenses from continuing operations	100,502	99,323	104,283	108,320	112,554	115,354	118,286	120,937	123,828	126,809
Net Result	49,460	9,970	60,024	33,050	5,629	7,711	7,750	8,578	8,707	10,456
Net Result before grants and contributions provided for capital purposes	(6,221)	(3,740)	(27)	1,128	2,895	4,590	4,712	5,625	6,078	7,624
Summary of Financial Position										
Current assets	104,423	103,961	113,875	127,560	138,634	152,327	167,131	186,240	205,186	224,954
Non-current assets	1,563,508	1,579,441	1,634,184	1,656,006	1,652,152	1,647,537	1,641,913	1,632,776	1,623,960	1,616,149
Total Assets	1,667,931	1,683,402	1,748,060	1,783,566	1,790,786	1,799,864	1,809,044	1,819,017	1,829,147	1,841,103
Current liabilities	29,545	29,044	30,752	32,477	34,398	36,115	37,914	39,698	41,533	43,458
Non-current liabilities	37,871	43,874	46,799	47,531	47,200	46,850	46,481	46,092	45,680	45,245
Total Liabilities	67,416	72,917	77,551	80,007	81,598	82,965	84,395	85,790	87,213	88,703
Net Assets	1,600,515	1,610,485	1,670,509	1,703,558	1,709,188	1,716,899	1,724,649	1,733,227	1,741,934	1,752,399

7.4 NSW Local Government Performance Indicators

Indicator	Target	Fund	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Operating Performance Ratio	Greater than 0%	Consolidated	-8.51%	-4.99%	-1.18%	0.47%	1.83%	2.36%	2.85%	3.64%	4.29%	4.95%
		General	-1.52%	-3.16%	-2.18%	-0.52%	0.56%	0.20%	-0.23%	-0.16%	-0.33%	-0.44%
		Waste	-8.81%	-6.37%	7.71%	7.44%	8.28%	10.00%	11.67%	13.23%	14.74%	16.2%
		Water	-29.43%	-14.22%	9.89%	5.26%	1.52%	0.96%	3.37%	5.72%	8.01%	10.23%
		Sewer	-6.76%	-5.15%	-1.03%	0.90%	2.47%	4.01%	5.54%	7.04%	8.52%	9.98%
Own Source Operating Revenue Ratio	Greater than 60%	Consolidated	42.14%	62.90%	46.70%	57.91%	74.02%	74.15%	74.58%	75.00%	75.54%	75.78%
		General	31.70%	47.07%	30.17%	40.75%	59.60%	59.53%	59.85%	60.15%	60.64%	60.71%
		Waste	100.00%	98.96%	99.73%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
		Water	48.74%	92.85%	93.27%	93.71%	94.13%	94.35%	94.55%	94.75%	94.94%	95.13%
		Sewer	85.85%	94.23%	94.60%	94.96%	95.16%	95.34%	95.53%	95.70%	95.87%	96.03%
Unrestricted Current Ratio	Greater than 1.5	Consolidated	2.68	2.59	2.88	3.17	3.28	3.48	3.66	3.96	4.20	4.42
		General	3.44	3.47	3.65	3.79	3.86	3.97	4.03	4.16	4.22	4.28
		Waste	61.18	23.56	27.22	34.97	35.16	39.12	45.28	55.52	64.74	73.35
		Water	18.06	21.67	26.05	28.8	32.50	39.22	44.52	51.03	58.01	65.40
		Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service Cover Ratio	Greater than 2.0	Consolidated	688.92	34.44	25.72	23.66	23.93	24.65	25.19	26.10	27.06	28.05
		General	969.67	1341.11	3461.43	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Waste	51.71	2.29	3.92	3.56	3.65	3.95	4.26	4.59	4.92	5.28
		Water	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building and Infrastructure Renewal Ratio	≥100%	Consolidated	208.98%	71.43%	66.16%	74.42%	79.99%	76.01%	77.23%	75.89%	75.74%	74.77%
		General	243.95%	66.42%	66.03%	73.91%	83.23%	82.05%	80.90%	79.78%	78.69%	77.55%
		Waste	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Water	113.00%	66.53%	54.60%	71.02%	68.26%	57.11%	60.90%	58.35%	62.06%	61.58%
		Sewer	178.16%	121.71%	94.98%	91.89%	87.93%	77.49%	89.81%	88.77%	87.76%	86.77%
Infrastructure Backlog Ratio	<2.00%	Consolidated	9.32%	7.99%	7.00%	6.83%	6.88%	6.40%	6.13%	5.81%	5.01%	5.09%
		General	3.12%	2.36%	1.78%	1.71%	1.98%	1.92%	1.68%	1.66%	1.69%	1.86%
		Waste	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Water	39.74%	32.12%	31.57%	31.00%	30.43%	29.87%	29.32%	28.75%	28.18%	27.60%
		Sewer	24.21%	17.01%	14.35%	14.48%	13.39%	9.48%	9.30%	6.79%	-0.09%	-0.08%

7.5 Consolidated Proposed Capital Works Program

Service	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Planned Capital Works										
Bridges	9,534,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Buildings Non-specialised	5,168,000	0	5,000,000	5,000,000	6,500,000	7,100,000	6,500,000	5,500,000	5,500,000	6,500,000
Buildings Specialised	3,343,000	5,000,000	0	0	0	0	0	0	0	0
Office Equipment	419,000	419,000	419,000	419,000	419,000	419,000	419,000	419,000	419,000	419,000
Other Infrastructure	1,060,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Other Open Space Recreation	11,275,000	0	0	122,000	483,000	205,000	536,000	407,000	1,910,000	200,000
Plant & Equipment (incl Fleet	4,487,000	3,075,000	6,299,000	3,507,000	2,968,000	6,284,000	4,821,000	2,618,000	2,107,000	3,485,000
Resource and Waste	9,804,000	10,141,000	843,000	37,000	3,012,000	37,000	37,000	37,000	37,000	37,000
Roads	29,542,000	8,770,000	8,770,000	10,162,000	10,067,000	9,737,000	9,997,000	10,117,000	9,605,000	10,305,000
Stormwater	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Swimming Pools	5,950,000	0	45,000	0	0	0	0	0	0	0
Wastewater	4,376,000	3,059,000	2,425,000	2,375,000	2,300,000	2,050,000	2,400,000	2,400,000	2,400,000	2,400,000
Water	14,095,000	5,500,000	5,400,000	3,300,000	3,200,000	2,700,000	2,900,000	2,800,000	3,000,000	3,000,000
TOTAL	99,354,000	38,409,000	31,576,000	27,367,000	31,394,000	30,977,000	30,055,000	26,743,000	27,423,000	28,791,000
Type of Investment										
New	38,061,000	8,974,000	6,254,000	1,144,000	0	0	0	0	0	0
Renewal	61,293,000	29,435,000	25,322,000	26,223,000	31,394,000	30,977,000	30,055,000	26,743,000	27,423,000	28,791,000
Funding										
General Revenue	15,935,000	8,963,000	7,535,000	11,446,000	10,544,000	10,161,000	10,223,000	8,408,000	9,024,000	9,216,000
SRV	834,000	2,508,000	4,401,000	6,434,000	8,959,000	9,177,000	9,400,000	9,629,000	9,863,000	10,102,000
Grant Funding	53,635,000	7,865,000	7,128,728	2,452,000	2,735,000	3,120,000	3,038,000	2,953,000	2,629,000	2,842,000
Borrowings	9,983,000	6,234,000	3,209,000	1,045,000	0	0	0	0	0	0
Restricted cash	18,967,000	12,839,000	9,302,000	5,990,000	9,156,000	8,519,000	7,394,000	5,754,000	5,907,000	6,632,000
TOTAL	99,354,000	38,409,000	31,576,000	27,367,000	31,394,000	30,977,000	30,055,000	26,743,000	27,423,000	28,791,000

7.6 Scenario 3 - Base Case (No SRV)

This scenario was not Council's preferred option. Financial modelling of this option can be found in the 2022-2032 Long Term Financial Plan.

This scenario is based on Council's rating revenue increasing only by the rate-peg of 4% in 2023/24 and then assumed rate-pegging of 2.5% each year thereafter.

Based on this scenario Council will continue to generate operating deficits and not meet the operating performance ratio over the next ten years.

This scenario reflects significant service level reductions reflected through a reduction in funding available for operational activities, and a reduced investment in assets.

Including the impact of the SAP, the operating deficit will average \$8.5 million annually between 2023/24 and 2031/32. The operating performance ratio will average -10.05% over the period of the Plan from 2023/24.

In addition to having an ongoing structural operating deficit, under this scenario Council will not generate sufficient cash to maintain and renew its assets.

In order to maintain an appropriate level of unrestricted cash, a significant reduction in asset renewal funding is necessary. The current infrastructure backlog will not be addressed. Funds available for asset maintenance and renewal will be significantly reduced and the infrastructure backlog will continue to grow as additional assets deteriorate below satisfactory condition.

Management of assets will be within the constraints of current revenue generated through rates, charges and other revenue streams, including the provision of grants to address asset management requirements. The infrastructure assets backlog, building and infrastructure renewal and asset maintenance ratios will not be met in any of the years over the next 10 years.

Under this scenario, asset renewal expenditure will be restricted to \$324.5 million over the period of the Plan.

In addition, service level reductions totaling \$28.8 million over the next 10 years across various Council operations will also be required. Service level reductions will impact on infrastructure asset maintenance and other Council services and may require consideration of discontinuation of full services.

This scenario does not support the objective of achieving and maintaining financial sustainability over the next 10 years. This scenario is not sustainable over the long-term due to insufficient investment in asset maintenance and renewal.

8. Risk Management and Sensitivity Analysis

The risks outlined below present a significant threat to the successful achievement of the Financial Sustainability Strategy through the implementation of this LTFP:

8.1 Certainty of Revenue Streams

Projections of revenue streams over the period of the LTFP are based upon historical trends, anticipated economic conditions, planned pricing, known grants and current statutory prices. Uncertainty in the projection of revenue streams is a significant concern for Council sustainability. While Council controls most of its annual operating revenue, Council has historically relied upon grants.

8.2 Expenditure Estimates

A key risk to the accuracy of the long-term forecast of operating and capital expenditure is the accuracy of cost estimates and actual inflation in future years being above assumptions used in the forecast.

During the preparation period of this LTFP there were significant inflationary pressures being experienced nation-wide. The inflationary pressures were assumed to be mostly due to supply constraints and international affairs. Extended periods of higher inflation remain a risk to the accuracy of operating expenditure projections.

Capital expenditure estimates are based upon best information at hand during the planning of the projects. Further detailed planning, including design and cost estimation, and significant increases in construction costs may result in capital expenditure that is significantly different to that outlined in the LTFP.

Cost of construction for future capital works is assumed to increase based on projected indexation of 3.5%. Higher costs of construction than projected is a significant risk and a major risk to the accuracy of the projected financial position for Council.

8.3 Changes to Service Levels

The Plan assumes that current service levels will be maintained where funding is available. No increase in service levels has been included. If Council decides to increase levels of service, increased expenditure will be a risk to achieving the objectives of the Plan.

The outcome of service reviews undertaken in line with Integrated Planning and Reporting requirements may impact assumptions and will need to be captured in future reviews of this Plan.

8.4 Impairment and Early Deterioration of Assets

While renewals are planned through the asset management planning process, the actual deterioration and performance of assets may deteriorate faster than projected or be impacted through natural disasters or other unforeseen events, bringing forward the need to renew and replace assets. This will require either re-prioritisation across the capital works plan, or additional cash investment.

Council maintains current asset management plans that outlines the sustainable and responsible management of assets. The planned treatment of assets for renewals and replacement is based upon the predicted lifecycle of the assets. However, there is a range of variability amongst asset groups, and despite routine inspections, assets can deteriorate faster than the projected lifecycle, requiring earlier treatment of assets – that is, early deterioration of assets.

Earlier deterioration of assets is a threat to the planned expenditure on assets, and while mostly immaterial, can be significant depending upon the replacement value and criticality of the asset.

Furthermore, events such as disasters can impact significantly upon assets, which results in the need to impair the asset (right down the value of the asset). If the impairment of the assets is significant to require the replacement or renewal, the expenditure will not be included in the Long-Term Financial Plan. Although Council is funded under certain

circumstances for disasters, there is a significant risk that Council will need to fund all or at least majority of the replacement cost.

8.5 Economic Conditions

Council is impacted by the volatility of economic conditions. This has been experienced most significantly during the recent COVID-19 outbreak, where the income earned by Council for a range of services was significantly reduced. As such, any further impacts leading to significant change from the market assumptions adopted (will require further revision by Council of planned investments and service expenditure).

8.6 Funding Development

The NSW Government regulates a cap on the per lot contributions paid and limits the types of infrastructure that a council can levy for development. This limitation has required Council to use other funding sources (including funding set aside for asset renewal) to provide infrastructure Council is responsible to provide for new development. This is particularly important for areas of greenfield development, which impact on the demands for Council infrastructure such as community centres, libraries and recreational facilities.

The following assessment has been completed upon the major assumptions included in the preparation of the LTFP. The table below indicates the impact to the relevant financial element due to a change in an assumption included in the Plan. The sensitivity analysis is based on the Scenario 1 (Base Case).

8.7 Aged Care Divestment

This LTFP assumes divestment from aged care by June 2024. If this divestment does not proceed this LTFP will be significantly impacted through an increase in the operating deficit of between \$1 million and \$2.5 million annually.

8.8 Sensitivity Analysis of Key Assumptions

Financial Element	Change	Impact over period of the Plan
Revenue		
Rates and Annual Charges	Reduction in the rates by 1%	\$3.1 million
User Charges and Fees	Reduction on charges and fees by 1%	\$2.3 million
Investment Interest	Interest rate increased by 1%	\$0.4 million
Operating Grants	Additional 1% in grants received	\$2.8 million
Operating Expenditure		
Employee benefits	Employee costs increase by 1% higher	\$3.9 million
Materials and contracts	Costs increase by 1% higher	\$3.9 million
Capital Expenditure		
Total construction costs	Costs increase by 1% higher	\$3.7 million

9. Challenges and Opportunities

As Council implements the financial sustainability strategic objectives, it is likely to confront the following list of challenges and opportunities.

9.1 Challenges

- Volatility in the economic environment – During the preparation of this Financial Sustainability Strategy, the Australian economy was experiencing high volatility, with high inflation and supply chain issues, the continuation of which is likely to increase the cost of services and the cost of construction/acquisition of assets, as well as potentially delay the delivery of capital works, increase borrowing costs and potentially limit the availability of funding from external sources (e.g., grants).
- Impact of the SAP on Council's financial position – Approximately \$169 million in assets funded by the NSW Government are proposed to be contributed to Council upon completion of construction. This will increase the expenditure on operating and maintaining the assets, as well as a significant increase in the depreciation expense. If additional revenue through rates, charges and other revenue streams does not match the increase in operating expenditure, the completion of the SAP will impact negatively upon the financial position of the Council.
- Balancing demands for capital expenditure – Council will need to balance the demands for new or upgraded assets to address population and economic growth, to comply with changes in regulatory requirements and/or to address changing community demands with the need to appropriately fund the renewal and replacement of deteriorating assets and infrastructure.
- Productivity improvements limited by legislation – For example, constraints on staff reduction in rural areas.
- Policy changes from other levels of Government – changes to policies and strategies set by the State and Federal Governments are likely to impact upon Council's financial sustainability, therefore requiring strong advocacy and engagement with key stakeholders to protect the interests of the Council and its community.
- Capacity of the Council – Council faces challenges in attracting and retaining skilled resources due to the geographical location of the council as well as significant competition by main employers in the area. Council will need to invest in its ability attract, develop and retain skilled resourcing.

9.2 Opportunities

- Innovation and Technological Advancement – Council can improve long-term sustainability through enhanced productivity and efficiencies achieved through adopting innovation and technological advancements, which will require Council to maintain effective relationships and professional networks with industry leaders.
- Regional Economic Development – The SAP presents significant opportunity to council to leverage and realise significant development of the local economy and enhancement to the socio-economic profile of the region. Other economic development opportunities are also outlined in the Regional Economic Development Strategy. Council can maximise the realised benefit through advocating and pursuing the Council's interests, as well as more broadly the community's economic and socio-demographic interests.
- Enhancements to Project Management – considering the large annual investment in the capital works program and other projects, significant improvements in Council sustainability may be achieved through implementation of the project management framework, including better decision making in the selection, prioritisation and initiation of projects, consideration and comparison of whole-of-life costs, as well as in the more efficient delivery of projects.
- Development of a Service Catalogue and Service Review Program – through the development of a service catalogue, integrated with resource planning, and the engagement of Council and the community in strategic service planning, Council sustainability is likely to be improved through the continued review, prioritisation and rationalisation of the range and levels of services and infrastructure provided to meet community demands and community affordability.

- Asset Recycling and Rationalisation – through the process of developing the Asset Management Plans, Council is likely to be presented with opportunities to recycle under-utilised assets (e.g., buildings and land) to obtain better utilisation and improve overall sustainability by reducing the cost of under-utilised assets and achieving commercial returns through asset recycling.
- Water and Sewer Businesses – considering the Guidelines issued by the NSW Department of Planning and Environment regarding the payment of dividend from water supply and sewer businesses, there may be opportunities for Council to harness the significant water and sewer infrastructure in the area, including additional assets to be dedicated through the SAP.
- Stormwater Charge – Council could consider the application of an annual Stormwater charge in accordance with the Local Government Act 1993, and the associated Regulations and guidelines issued by the NSW Office of Local Government, to all applicable properties in the local government area. Revenue from this charge will need to be applied to an enhanced stormwater management program.

10. Monitoring Financial Performance

Council will monitor its financial performance through the following performance framework.

10.1 Management Reporting

Managers can access online financial reports, which allow them to monitor budgets and adjust for any significant variances.

10.2 Monthly Reporting and Reviews

Since February 2022, Council has been provided with monthly reports on financial performance, capital expenditure and cash position. Any adjustments highlighted in the monthly reviews are included for Council approval.

10.3 Quarterly and Annual Reporting and Reviews

Council will review the LTFP on an annual basis in line with the annual review of the Delivery Program and Operational Plan. This review will include an assessment of the previous year's performance to determine whether estimates were accurate, and assumptions were appropriate. Adjustments will be made if required.

The assessment of performance will be based upon a range of financial indicators that are reported to the Council through the Quarterly Budget Review Statement and the Annual Financial Statements.

The Quarterly Budget Review Statement provides a summary of Council's financial position to the Council, so that budgetary adjustments may be made, if necessary. It is the mechanism by which community and councillors are informed of progress against Operational Plan (original budget) and last revised budget.

The Annual Financial Statements presents the council's operating results and financial position for the year, including schedules that report on key performance indicators, including measures to assess the long-term financial sustainability of the council.

Council will monitor and report against the following indicators:

- Operating Performance Ratio
- Own Source Revenue Ratio
- Building and Infrastructure Asset Renewal Ratio
- Infrastructure Backlog Ratio
- Asset Maintenance Ratio
- Debt Service Ratio
- Debt Service Cover Ratio
- Unrestricted Current Ratio
- Rates & Outstanding Charges Ratio
- Cash Expense Cover Ratio

Appendix A -

NSW Office Of Local Government Financial Sustainability Indicators

Indicator	Explanation of Indicator	Benchmark
Operating performance ratio	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	> 0.00%
Own source operating revenue	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.	> 60.00%
Unrestricted current ratio	To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	> 1.50x
Debt service current ratio	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.	> 2.00x
Rates and annual charges outstanding percentage	To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	< 10.00%
Cash expense cover ratio	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.	> 3.00 months
Buildings and infrastructure renewals ratio	To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	>= 100.00%
Infrastructure backlog ratio	This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	< 2.00%
Asset maintenance ratio	Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.	> 100.00%
Cost to bring assets to agreed service level	This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.	N/A

Appendix B - Financial Projections

Income Statement (Consolidated)

INCOME STATEMENT - CONSOLIDATED	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Income from continuing operations										
Rates and annual charges	36,936	42,321	48,771	52,973	57,237	59,226	61,288	63,429	65,649	67,954
User charges and fees	20,166	20,680	22,203	23,255	24,285	25,249	26,252	27,297	28,385	29,517
Other revenue	391	374	382	390	398	406	415	424	433	443
Grants and contributions provided for operating purposes	29,889	26,490	26,892	27,325	27,768	28,223	28,689	29,167	29,656	30,158
Grants and contributions provided for capital purposes	55,682	13,709	60,051	31,922	2,735	3,120	3,038	2,953	2,629	2,842
Interest and investment revenue	3,562	3,443	3,471	3,499	3,527	3,556	3,585	3,615	3,644	3,674
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	2,060	982	1,184	612	798	1,805	1,245	1,062	522	1,022
Rental income	1,276	1,314	1,354	1,394	1,436	1,479	1,523	1,569	1,616	1,665
Total income from continuing operations	149,963	109,293	164,307	141,369	118,184	123,064	126,036	129,515	132,536	137,275
Expenses from continuing operations										
Employee benefits and on-costs	36,013	34,490	36,238	37,477	38,780	40,128	41,501	42,922	44,392	45,913
Materials and services	34,805	34,067	36,005	37,690	40,060	41,135	42,553	43,527	44,533	45,572
Borrowing costs	-	546	890	1,043	1,084	1,066	1,048	1,028	1,007	986
Depreciation, amortisation and impairment of non-financial assets	27,583	28,056	28,932	29,815	30,248	30,592	30,679	30,880	31,239	31,603
Other expenses	2,101	2,163	2,228	2,294	2,362	2,433	2,505	2,580	2,657	2,736
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	100,502	99,323	104,283	108,320	112,554	115,354	118,286	120,937	123,828	126,809
Operating result from continuing operations	49,460	9,970	60,024	33,050	5,630	7,711	7,750	8,578	8,707	10,465
Net operating result for the year before grants and contributions provided for capital purposes	(6,221)	(3,740)	(27)	1,128	2,895	4,590	4,712	5,625	6,078	7,624

Balance Sheet (Consolidated)

STATEMENT OF FINANCIAL POSITION - CONSOLIDATED	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	56,694	60,900	69,538	82,230	92,209	105,188	119,159	137,442	155,573	174,463
Investments	17,476	14,709	14,709	14,709	14,709	14,709	14,709	14,709	14,709	14,709
Receivables	22,444	20,525	21,695	22,578	23,449	24,086	24,799	25,570	26,326	27,146
Inventories	3,134	3,146	3,228	3,312	3,486	3,544	3,638	3,680	3,723	3,767
Contract assets and contract cost assets	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868
Other	807	813	837	862	912	930	958	972	986	1,000
Total Current Assets	104,423	103,961	113,875	127,560	138,634	152,327	167,131	186,240	205,186	224,954
Non-Current Assets										
Investments	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578	18,578
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,524,434	1,588,798	1,613,973	1,636,213	1,632,774	1,628,574	1,623,102	1,613,965	1,605,150	1,597,338
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	2,460	2,045	1,630	1,215	801	386	233	233	233	233
Right of use assets	37	20	4	-	-	-	-	-	-	-
Total Non-Current Assets	1,563,508	1,579,441	1,634,184	1,656,006	1,652,152	1,647,537	1,641,913	1,632,776	1,623,960	1,616,149
TOTAL ASSETS	1,667,931	1,683,402	1,748,060	1,783,566	1,790,786	1,799,864	1,809,044	1,819,017	1,829,147	1,841,103
LIABILITIES										
Current Liabilities										
Payables	14,446	14,718	15,115	15,513	16,058	16,335	16,669	16,935	17,211	17,495
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	3,451	1,403	1,419	1,428	1,455	1,496	1,515	1,535	1,543	1,579
Lease liabilities	12	5	-	-	-	-	-	-	-	-
Borrowings	135	227	283	313	331	349	369	390	412	434
Employee benefit provision	11,501	12,691	13,935	15,222	16,555	17,934	19,361	20,838	22,367	23,950
Provisions	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	29,545	29,044	30,752	32,477	34,398	36,115	37,914	39,698	41,533	43,458
Non-Current Liabilities										
Lease liabilities	5	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	9,848	15,855	18,780	19,512	19,181	18,832	18,463	18,073	17,661	17,226
Provisions	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019	28,019
Total Non-Current Liabilities	37,871	43,874	46,799	47,531	47,200	46,850	46,481	46,092	45,680	45,245
TOTAL LIABILITIES	67,416	72,917	77,551	80,007	81,598	82,965	84,395	85,790	87,213	88,703
NET ASSETS	1,600,515	1,610,485	1,670,509	1,703,558	1,709,188	1,718,899	1,724,649	1,733,227	1,741,934	1,752,399
EQUITY										
Accumulated surplus	1,346,753	1,356,723	1,416,747	1,449,796	1,455,426	1,463,137	1,470,887	1,479,465	1,488,172	1,498,637
Revaluation reserves	253,762	253,762	253,762	253,762	253,762	253,762	253,762	253,762	253,762	253,762
Other reserves	-	-	-	-	-	-	-	-	-	-
Council equity interest	1,600,515	1,610,485	1,670,509	1,703,558	1,709,188	1,718,899	1,724,649	1,733,227	1,741,934	1,752,399
Total equity	1,600,515	1,610,485	1,670,509	1,703,558	1,709,188	1,718,899	1,724,649	1,733,227	1,741,934	1,752,399

Cash Flow Statement (Consolidated)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Cash Flows from operating activities										
Receipts:										
Rates and annual charges	38,114	41,901	48,203	52,605	56,947	59,066	61,021	63,150	65,359	67,651
User charges and fees	20,955	20,487	22,065	23,119	24,113	25,068	26,064	27,102	28,181	29,305
Investment and interest revenue received	2,784	3,242	3,173	3,294	3,335	3,400	3,440	3,433	3,484	3,513
Grants and contributions	85,700	29,922	29,841	29,975	30,499	31,337	31,724	32,116	32,284	32,994
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,488	2,170	1,723	1,773	1,819	1,855	1,913	1,966	2,025	2,076
Payments:										
Employee benefits and on-costs	(34,773)	(33,262)	(34,952)	(36,156)	(37,432)	(38,712)	(40,036)	(41,406)	(42,823)	(44,289)
Materials and services	(34,591)	(34,068)	(36,036)	(37,721)	(40,129)	(41,154)	(42,588)	(43,539)	(44,546)	(45,586)
Borrowing costs	-	(546)	(880)	(1,043)	(1,084)	(1,066)	(1,048)	(1,028)	(1,007)	(986)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(2,049)	(2,065)	(2,084)	(2,161)	(2,177)	(2,309)	(2,360)	(2,460)	(2,534)	(2,610)
Net cash provided (or used in) operating activities	77,626	27,780	31,053	33,686	35,889	37,483	38,130	39,333	40,423	42,070
Cash Flows from investing activities										
Receipts:										
Sale of investments	2,088	2,766	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	2,660	982	1,184	612	798	1,805	1,245	1,062	522	1,022
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(99,354)	(38,409)	(31,576)	(27,367)	(31,394)	(30,977)	(30,055)	(26,743)	(27,423)	(28,791)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(94,605)	(34,660)	(30,392)	(26,756)	(30,597)	(29,172)	(28,810)	(25,681)	(26,902)	(27,769)
Cash Flows from financing activities										
Receipts:										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	9,983	6,234	3,209	1,045	-	-	-	-	-	-
Payments:										
Repayment of borrowings and advances	(30)	(147)	(232)	(283)	(313)	(331)	(349)	(369)	(390)	(412)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	9,953	6,087	2,977	762	(313)	(331)	(349)	(369)	(390)	(412)
Net increase/(decrease) in cash and cash equivalents	(7,026)	(794)	3,638	7,692	4,79	7,980	8,971	13,283	13,132	13,889
Cash and cash equivalents - beginning of year	52,027	45,001	44,208	47,845	55,537	60,517	68,496	77,467	90,750	103,881
Cash and cash equivalents - end of the year	44,987	44,208	47,845	55,537	60,517	68,496	77,467	90,750	103,881	117,770
Investments on hand - end of year	36,054	33,288	33,288	33,288	33,288	33,288	33,288	33,288	33,288	33,288
Total cash, cash equivalents and investments	81,055	77,495	81,133	88,825	93,804	101,784	110,754	124,037	137,169	151,058

Income Statement (General Fund)

INCOME STATEMENT - GENERAL FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Income from continuing operations										
Rates and annual charges	20,183	22,365	24,776	27,446	30,403	31,175	31,968	32,780	33,614	34,468
User charges and fees	8,437	8,541	8,650	8,762	8,878	9,150	9,430	9,719	10,016	10,323
Other revenue	199	179	184	189	194	200	205	211	217	223
Grants and contributions provided for operating purposes	27,629	26,365	26,785	27,215	27,656	28,107	28,571	29,045	29,532	30,031
Grants and contributions provided for capital purposes	41,384	12,269	58,705	30,622	1,435	1,820	1,738	1,653	1,329	1,542
Interest and investment revenue	1,940	1,957	1,974	1,992	2,009	2,027	2,045	2,063	2,082	2,100
Net gains from the disposal of assets	1,782	853	768	516	598	984	901	817	493	705
Rental income	1,276	1,314	1,354	1,394	1,436	1,479	1,523	1,569	1,616	1,665
Total income from continuing operations	102,828	73,843	123,195	98,136	72,609	74,943	76,381	77,857	78,899	81,057
Expenses from continuing operations										
Employee benefits and on-costs	26,093	27,161	28,335	29,302	30,302	31,337	32,407	33,514	34,659	35,844
Materials and services	15,223	15,337	16,085	16,855	18,448	18,980	19,836	20,219	20,613	21,019
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment of non-financial assets	17,558	17,980	18,446	18,895	19,068	19,246	19,164	19,193	19,376	19,562
Other expenses	2,101	2,163	2,228	2,294	2,362	2,433	2,505	2,580	2,657	2,736
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	60,977	62,641	65,113	67,345	70,180	71,995	73,912	75,506	77,305	79,160
Operating result from continuing operations	41,851	11,202	58,082	30,791	2,429	2,948	2,469	2,352	1,594	1,897
Net operating result for the year before grants and contributions provided for capital purposes	467	(1,068)	(623)	169	995	1,128	731	699	265	356

Balance Sheet (General Fund)

STATEMENT OF FINANCIAL POSITION - GENERAL FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	40,202	46,485	52,913	59,077	64,466	70,477	75,738	82,620	88,481	94,231
Investments	5,111	5,111	5,111	5,111	5,111	5,111	5,111	5,111	5,111	5,111
Receivables	16,136	13,630	14,161	14,645	15,173	15,536	15,862	16,228	16,563	16,940
Inventories	3,134	3,146	3,228	3,312	3,486	3,544	3,638	3,680	3,723	3,767
Contract assets and contract cost assets	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868	3,868
Other	807	813	837	862	912	930	958	972	986	1,000
Total Current Assets	69,258	73,052	80,118	86,875	93,015	99,436	105,174	112,478	118,731	124,917
Non-Current Assets										
Investments	16,763	16,763	16,763	16,763	16,763	16,763	16,763	16,763	16,763	16,763
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,194,702	1,201,930	1,255,013	1,281,139	1,279,723	1,278,351	1,277,001	1,273,798	1,270,937	1,268,535
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	2,227	1,812	1,397	982	568	153	-	-	-	-
Right of use assets	37	20	3	-	-	-	-	-	-	-
Total Non-Current Assets	1,213,729	1,220,525	1,273,177	1,298,884	1,297,054	1,295,267	1,293,764	1,290,561	1,287,701	1,285,298
TOTAL ASSETS	1,282,987	1,293,577	1,353,294	1,385,759	1,390,070	1,394,703	1,398,938	1,403,039	1,406,431	1,410,215
LIABILITIES										
Current Liabilities										
Payables	10,980	11,239	11,618	11,996	12,519	12,783	13,103	13,355	13,616	13,884
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	3,451	1,403	1,419	1,428	1,455	1,496	1,515	1,535	1,543	1,579
Lease liabilities	12	5	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provision	11,501	12,691	13,935	15,222	16,555	17,934	19,361	20,838	22,367	23,950
Provisions	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	25,944	25,337	26,972	28,646	30,528	32,213	33,979	35,728	37,526	39,413
Non-Current Liabilities										
Lease liabilities	5	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	41	41	41	41	41	41	41	41	41	41
Total Non-Current Liabilities	46	41	41	41	41	41	41	41	41	41
TOTAL LIABILITIES	25,989	25,378	27,013	28,687	30,569	32,254	34,020	35,769	37,567	39,454
NET ASSETS	1,256,997	1,268,199	1,326,281	1,357,072	1,359,501	1,362,449	1,364,918	1,367,270	1,368,864	1,370,761
EQUITY										
Accumulated surplus	1,118,098	1,129,300	1,187,382	1,218,173	1,220,602	1,223,550	1,226,019	1,228,371	1,229,965	1,231,862
Revaluation reserves	138,899	138,899	138,899	138,899	138,899	138,899	138,899	138,899	138,899	138,899
Other reserves	-	-	-	-	-	-	-	-	-	-
Council equity interest	1,256,997	1,268,199	1,326,281	1,357,072	1,359,501	1,362,449	1,364,918	1,367,270	1,368,864	1,370,761
Total equity	1,256,997	1,268,199	1,326,281	1,357,072	1,359,501	1,362,449	1,364,918	1,367,270	1,368,864	1,370,761

Cashflow Statement (General Fund)

STATEMENT OF CASH FLOWS - GENERAL	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Cash Flows from operating activities										
<i>Receipts:</i>										
Rates and annual charges	20,654	22,260	24,661	27,319	30,261	31,138	31,930	32,741	33,574	34,427
User charges and fees	8,239	8,516	8,624	8,735	8,850	9,085	9,363	9,650	9,946	10,250
Investment and interest revenue received	1,128	1,846	1,734	1,817	1,843	1,893	1,922	1,905	1,946	1,965
Grants and contributions	69,141	28,377	28,387	28,565	29,086	29,921	30,305	30,695	30,860	31,567
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,295	1,975	1,525	1,572	1,615	1,648	1,703	1,754	1,809	1,856
<i>Payments:</i>										
Employee benefits and on-costs	(24,853)	(25,933)	(27,049)	(27,981)	(28,935)	(29,922)	(30,942)	(31,998)	(33,090)	(34,219)
Materials and services	(15,011)	(15,338)	(16,115)	(16,886)	(18,516)	(18,999)	(19,871)	(20,232)	(20,626)	(21,032)
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(2,049)	(2,065)	(2,084)	(2,161)	(2,177)	(2,309)	(2,359)	(2,460)	(2,534)	(2,610)
Net cash provided (or used in) operating activities	58,545	19,638	19,682	20,981	22,028	22,455	22,050	22,055	21,884	22,204
Cash Flows from investing activities										
<i>Receipts:</i>										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	2,381	853	768	516	598	984	901	817	893	705
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(66,035)	(19,196)	(19,018)	(20,332)	(22,238)	(22,458)	(22,661)	(20,990)	(21,516)	(21,160)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(63,654)	(18,343)	(18,249)	(19,817)	(21,640)	(21,474)	(21,759)	(20,173)	(21,023)	(21,454)
Cash Flows from financing activities										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-
Principal component of lease payments	(17)	(12)	(5)	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	(17)	(12)	(5)	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(5,126)	1,283	1,428	1,164	389	981	291	1,882	861	750
Cash and cash equivalents - beginning of year	23,454	18,328	19,611	21,039	22,203	22,592	23,573	23,864	25,746	26,607
Cash and cash equivalents - end of the year	18,328	19,611	21,039	22,203	22,592	23,573	23,864	25,746	26,607	27,357
Investments on hand - end of year	21,874	21,874	21,874	21,874	21,874	21,874	21,874	21,874	21,874	21,874
Total cash, cash equivalents and investments	40,202	41,485	42,913	44,077	44,466	45,447	45,738	47,620	48,481	49,230

Income Statement (Aged Care)

INCOME STATEMENT – AGED CARE FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Income from continuing operations										
Rates and annual charges	-	-	-	-	-	-	-	-	-	--
User charges and fees	1,221	-	-	-	-	-	-	-	-	--
Other revenue	-	-	-	-	-	-	-	-	-	--
Grants and contributions provided for operating purposes	2,158	-	-	-	-	-	-	-	-	--
Grants and contributions provided for capital purposes	2,998	-	-	-	-	-	-	-	-	--
Interest and investment revenue*	147	-	-	-	-	-	-	-	-	--
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	--
Total income from continuing operations	6,523	-	-	-	-	-	-	-	-	--
Expenses from continuing operations										
Employee benefits and on-costs	2,980	-	-	-	-	-	-	-	-	--
Materials and services	2,617	-	-	-	-	-	-	-	-	--
Borrowing costs	-	-	-	-	-	-	-	-	-	--
Depreciation, amortisation and impairment of non-financial assets	621	-	-	-	-	-	-	-	-	--
Other expenses	-	-	-	-	-	-	-	-	-	--
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	6,218	-	-	-	-	-	-	-	-	--
Operating result from continuing operations	305	-	-	-	-	-	-	-	-	--
Net operating result for the year before grants and contributions provided for capital purposes	(2,692)	-	-	-	-	-	-	-	-	--

Note: *This plan is based on the divestment of Residential Aged Care services within the 2023/24 year. Additional income and expenditure is incurred with the removal of assets through the divestment process, from Council's records.

Balance Sheet (Aged Care)

STATEMENT OF FINANCIAL POSITION - GENERAL FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Current Assets	-	-	-	-	-	-	-	-	-	-
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	11,620	-	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	233	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	11,853	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	-	-	-	-	-	-	-	-	-	-
LIABILITIES										
Current Liabilities										
Payables	3,259	-	-	-	-	-	-	-	-	-
Bank overdraft – General Fund	9,126	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provision	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	12,385	-	-	-	-	-	-	-	-	-
Non-Current Liabilities										
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	12,385	-	-	-	-	-	-	-	-	-
NET ASSETS	(531)	-	-	-	-	-	-	-	-	-
EQUITY										
Accumulated surplus	(1,638)	-	-	-	-	-	-	-	-	-
Revaluation reserves	1,107	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-	-
Council equity interest	(531)	-	-	-	-	-	-	-	-	-
Total equity	(531)	-	-	-	-	-	-	-	-	-

Cashflow Statement (Aged Care)

STATEMENT OF CASH FLOWS – AGED CARE	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Cash Flows from operating activities										
<i>Receipts:</i>										
Rates and annual charges	-	-	-	-	-	-	-	-	-	-
User charges and fees	1,549	-	-	-	-	-	-	-	-	-
Investment and interest revenue received	147	-	-	-	-	-	-	-	-	-
Grants and contributions	5,156	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Employee benefits and on-costs	(2,980)	-	-	-	-	-	-	-	-	-
Materials and services	(2,617)	-	-	-	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) operating activities	1,255	-	-	-	-	-	-	-	-	-
Cash Flows from investing activities										
<i>Receipts:</i>										
Sale of investments	2,088	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(3,343)	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(1,255)	-	-	-	-	-	-	-	-	-
Cash Flows from financing activities										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(0)	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - beginning of year	(7,038)	-	-	-	-	-	-	-	-	-
Cash and cash equivalents - end of the year	(9,126)	-	-	-	-	-	-	-	-	-
Investments on hand - end of year	13,963	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	4,837	-	-	-	-	-	-	-	-	-

Income Statement (Waste Fund)

INCOME STATEMENT - WASTE FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Income from continuing operations										
Rates and annual charges	6,356	8,898	12,092	12,636	13,205	13,799	14,420	15,069	15,747	16,456
User charges and fees	2,901	4,060	4,871	5,090	5,319	5,558	5,808	6,069	6,342	6,628
Other revenue	192	195	198	201	203	207	210	213	216	220
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	-	140	47	-	-	-	-	-	-	-
Interest and investment revenue	204	206	208	210	212	215	217	219	221	223
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	103	18	225	62	21	492	270	40	28	216
Rental income	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	9,756	13,518	17,640	18,199	18,961	20,271	20,924	21,610	22,555	23,743
Expenses from continuing operations										
Employee benefits and on-costs	2,447	2,650	2,979	3,083	3,190	3,302	3,417	3,536	3,660	3,787
Materials and services	6,571	9,149	10,048	10,333	10,646	10,957	11,280	11,628	11,989	12,367
Borrowing costs	-	546	880	1,043	1,084	1,066	1,048	1,028	1,007	986
Depreciation, amortisation and impairment of non-financial assets	1,485	1,864	2,122	2,330	2,451	2,475	2,500	3,636	2,550	2,576
Other expenses	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	(747)	(693)	1,611	1,411	1,590	2,471	2,680	2,894	3,348	4,028
Operating result from continuing operations	(747)	(693)	1,611	1,411	1,590	2,471	2,680	2,894	3,348	4,028
Net operating result for the year before grants and contributions provided for capital purposes	(747)	(833)	1,564	1,411	1,590	2,471	2,680	2,894	3,348	4,028

Balance Sheet (Waste Fund)

STATEMENT OF FINANCIAL POSITION - WASTE FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	362	-	2,050	5,285	5,901	7,870	10,843	15,702	20,638	25,799
Investments	10,533	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767
Receivables	8,57	1,070	1,379	1,390	1,453	1,518	1,586	1,658	1,732	1,810
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Current Assets	11,751	8,837	11,196	14,442	15,121	17,155	20,197	25,126	30,138	35,376
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	31,800	40,122	42,355	41,281	41,859	41,985	41,274	38,868	36,816	35,193
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	31,800	40,122	42,355	41,281	41,859	41,985	41,274	38,868	36,816	35,193
TOTAL ASSETS	43,552	48,958	53,551	55,723	57,000	59,140	61,470	63,995	66,953	70,569
LIABILITIES										
Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	135	227	283	313	331	349	369	390	412	434
Employee benefit provision	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	135	227	283	313	331	349	369	390	412	434
Non-Current Liabilities										
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	9,848	15,855	18,780	19,512	19,181	18,832	18,463	18,073	17,661	17,226
Provisions	27,978	27,978	27,978	27,978	27,978	27,978	27,978	27,978	27,978	27,978
Total Non-Current Liabilities	37,825	43,833	46,758	47,490	47,159	46,809	46,440	46,051	45,639	45,204
TOTAL LIABILITIES	37,960	44,060	47,041	47,803	47,490	47,159	46,809	46,440	46,051	45,639
NET ASSETS	5,591	4,898	6,510	7,920	9,510	11,981	14,661	17,554	20,903	24,930
EQUITY										
Accumulated surplus	5,566	4,873	6,485	7,895	9,485	11,956	14,636	17,529	20,878	24,905
Revaluation reserves	25	25	25	25	25	25	25	25	25	25
Other reserves	-	-	-	-	-	-	-	-	-	-
Council equity interest	5,591	4,898	6,510	7,920	9,510	11,981	14,661	17,554	20,903	24,930
Total equity	5,591	4,898	6,510	7,920	9,510	11,981	14,661	17,554	20,903	24,930

Cashflow Statement (Waste Fund)

STATEMENT OF CASH FLOWS – WASTE FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Cash Flows from operating activities										
Receipts:										
Rates and annual charges	6,338	8,733	11,805	12,587	13,154	13,746	14,364	15,011	15,686	16,392
User charges and fees	2,963	4,042	4,887	5,134	5,314	5,553	5,803	6,064	6,337	6,622
Investment and interest revenue received	195	176	170	204	206	207	209	211	213	215
Grants and contributions	-	140	47	-	-	-	-	-	-	-
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	192	195	198	201	203	207	210	213	216	220
Payments:										
Employee benefits and on-costs	(2,447)	(2,650)	(2,979)	(3,083)	(3,190)	(3,302)	(3,417)	(3,536)	(3,660)	(3,787)
Materials and services	(6,571)	(9,149)	(10,048)	(10,033)	(10,646)	(10,957)	(11,280)	(11,628)	(11,989)	(12,367)
Borrowing costs	-	(546)	(880)	(1,043)	(1,084)	(1,066)	(1,048)	(1,028)	(1,007)	(986)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) operating activities	670	941	3,199	3,667	3,957	4,388	4,841	5,307	5,796	6,309
Cash Flows from investing activities										
Receipts:										
Sale of investments	-	2,766	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	103	18	225	62	21	492	270	40	28	216
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(11,003)	(10,186)	(4,355)	(1,256)	(3,048)	(2,581)	(1,788)	(120)	(497)	(953)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(10,900)	(7,401)	(4,130)	(1,195)	(3,027)	(2,089)	(1,519)	(80)	(469)	(737)
Cash Flows from financing activities										
Receipts:										
Proceeds from borrowings	9,982	6,234	3,209	1,045	-	-	-	-	-	-
Payments:										
Repayment of borrowings and advances	(12)	(135)	(227)	(283)	(313)	(331)	(349)	(369)	(390)	(412)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	9,970	6,099	2,981	762	(313)	(331)	(349)	(369)	(390)	(412)
Net increase/(decrease) in cash and cash equivalents	(259)	(362)	2,050	3,235	616	1,969	2,973	4,858	4,937	5,161
Cash and cash equivalents - beginning of year	(1,570)	(1,829)	(2,191)	(141)	3,094	3,710	5,679	8,652	13,511	18,447
Cash and cash equivalents - end of the year	(1,829)	(2,191)	(141)	3,094	3,710	5,679	8,652	13,511	18,447	23,608
Investments on hand - end of year	10,533	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767	7,767
Total cash, cash equivalents and investments	8,704	5,576	7,626	10,861	11,477	13,446	16,419	21,278	26,214	31,375

Income Statement (Water Fund)

INCOME STATEMENT - WATER FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Income from continuing operations										
Rates and annual charges	2,916	3,104	3,345	3,639	3,958	4,140	4,331	4,530	4,739	4,956
User charges and fees	5,300	5,630	6,052	6,566	7,124	7,444	7,779	8,129	8,495	8,877
Other revenue	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for operating purposes	53	55	56	57	59	60	62	63	65	67
Grants and contributions provided for capital purposes	9,700	700	700	700	700	700	700	700	700	700
Interest and investment revenue	1,059	1,067	1,076	1,084	1,093	1,102	1,110	1,119	1,128	1,137
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	91	91	84	29	117	189	52	133	-	36
Rental income	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	19,119	10,647	11,313	12,076	13,051	13,636	14,034	14,675	15,127	15,773
Expenses from continuing operations										
Employee benefits and on-costs	2,237	2,329	2,470	2,554	2,682	2,774	2,869	2,967	3,069	3,175
Materials and services	5,026	4,067	4,193	4,320	4,618	4,680	4,743	4,808	4,875	4,943
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment of non-financial assets	4,811	4,859	4,908	5,069	5,120	5,171	5,223	5,275	5,328	5,381
Other expenses	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	12,074	11,258	11,570	11,943	12,420	12,625	12,835	13,050	13,272	13,498
Operating result from continuing operations	7,045	(611)	(258)	133	632	1,011	1,200	1,625	1,855	2,275
Net operating result for the year before grants and contributions provided for capital purposes	(2,655)	(1,311)	(958)	(567)	(68)	311	500	925	1,155	1,575

Balance Sheet (Water Fund)

STATEMENT OF FINANCIAL POSITION - WATER FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	17,373	17,656	16,555	18,090	20,036	22,830	25,882	29,483	33,456	37,810
Investments	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833
Receivables	2,509	2,580	2,682	2,811	2,942	3,0476	3,216	3,362	3,514	3,674
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Current Assets	24,418	22,904	22,062	23,913	26,203	29,194	32,452	36,268	40,465	45,054
Non-Current Assets										
Investments	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814	1,814
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	185,487	186,403	187,005	185,307	183,671	181,705	179,660	177,483	175,155	172,856
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	187,301	188,218	188,819	187,121	185,486	183,519	181,474	179,298	176,970	174,671
TOTAL ASSETS	211,719	211,122	210,881	211,065	21,689	212,713	213,926	215,565	217,435	219,725
LIABILITIES										
Current Liabilities										
Payables	207	220	237	258	281	294	307	321	336	351
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provision	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	207	220	237	258	281	294	307	321	336	351
Non-Current Liabilities										
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	207	220	237	258	281	294	307	321	336	351
NET ASSETS	211,512	210,901	210,644	210,776	211,408	212,419	213,619	215,244	217,099	219,374
EQUITY										
Accumulated surplus	115,004	114,393	114,136	114,268	114,900	115,911	117,111	118,736	120,591	122,866
Revaluation reserves	96,508	96,508	96,508	96,508	96,508	96,508	96,508	96,508	96,508	96,508
Other reserves	-	-	-	-	-	-	-	-	-	-
Council equity interest	211,512	210,901	210,644	210,776	211,408	212,419	213,619	215,244	217,099	219,374
Total equity	211,512	210,901	210,644	210,776	211,408	212,419	213,619	215,244	217,099	219,374

Cashflow Statement (Water Fund)

STATEMENT OF CASH FLOWS - WATER	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Cash Flows from operating activities										
Receipts:										
Rates and annual charges	3,340	3,039	3,299	3,583	3,898	4,106	4,295	4,493	4,699	4,915
User charges and fees	6,000	5,496	5,949	6,440	6,988	7,366	7,697	8,044	8,406	8,784
Investment and interest revenue received	1,104	1,1014	1,065	1,071	1,079	1,094	1,102	1,110	1,119	1,128
Grants & Contributions	9,753	755	755	757	759	760	762	763	765	767
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Payments:										
Employee benefits and on-costs	(2,237)	(2,327)	(2,470)	(2,554)	(2,682)	(2,774)	(2,869)	(2,967)	(3,069)	(3,175)
Materials and services	(5,026)	(4,070)	(4,193)	(4,320)	(4,618)	(4,680)	(4,743)	(4,808)	(4,875)	(4,943)
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) operating activities	12,935	3,906	4,407	4,979	5,423	5,872	6,244	6,635	7,045	7,476
Cash Flows from investing activities										
Receipts:										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	91	91	84	29	117	189	52	113	-	36
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(14,396)	(5,776)	(5,510)	(3,371)	(3,481)	(3,204)	(3,178)	(3,098)	(3,000)	(3,082)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(14,305)	(5,685)	(5,426)	(3,341)	(3,367)	(3,015)	(3,126)	(2,965)	(3,000)	(3,046)
Cash Flows from financing activities										
Receipts:										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(1,370)	(1,779)	(1,019)	1,637	2,056	2,858	3,118	3,670	4,045	4,430
Cash and cash equivalents - beginning of year	20,233	18,863	17,084	16,065	17,702	19,759	22,616	25,734	29,404	33,449
Cash and cash equivalents - end of the year	18,863	17,084	16,065	17,702	19,759	22,616	25,734	29,404	33,449	37,879
Investments on hand - end of year	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647
Total cash, cash equivalents and investments	22,510	20,731	19,712	21,349	23,406	26,263	29,381	33,051	37,096	41,526

Income Statement (Sewer Fund)

INCOME STATEMENT - SEWER FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Income from continuing operations										
Rates and annual charges	7,482	7,954	8,558	9,251	9,671	10,110	10,569	11,049	11,550	12,074
User charges and fees	2,307	2,449	2,630	2,837	2,964	3,097	3,235	3,380	3,531	3,689
Other revenue	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for operating purposes	49	50	51	53	54	55	57	58	59	61
Grants and contributions provided for capital purposes	1,600	600	600	600	600	600	600	600	600	600
Interest and investment revenue	212	212	212	213	213	213	213	213	213	213
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	85	20	107	5	61	139	22	72	6	65
Rental income	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	11,735	11,286	12,159	12,959	13,563	14,214	14,696	15,372	15,954	16,702
Expenses from continuing operations										
Employee benefits and on-costs	2,257	2,350	2,454	2,538	2,625	2,715	2,808	2,904	3,004	3,107
Materials and services	5,365	5,511	5,680	6,183	6,349	6,519	6,693	6,872	7,056	7,244
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment of non-financial assets	3,107	3,352	3,436	3,522	3,610	3,700	3,793	3,888	3,985	4,085
Other expenses	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	10,729	11,214	11,570	12,243	12,584	12,934	13,294	13,664	14,045	14,436
Operating result from continuing operations	1,006	72	589	716	979	1,280	1,402	1,708	1,910	2,266
Net operating result for the year before grants and contributions provided for capital purposes	(594)	(528)	(11)	116	379	680	802	1,108	1,310	1,666

Balance Sheet (Sewer Fund)

STATEMENT OF FINANCIAL POSITION - SEWER FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	4,724	4,787	5,966	7,621	,9539	11,712	14,300	17,172	20,461	24,010
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	3,398	3,507	3,660	3,834	3,881	3,956	4,135	4,322	4,517	4,722
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Current Assets	8,121	8,294	9,626	11,455	13,420	15,667	18,434	21,494	24,978	28,732
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	118,824	118,723	117,980	116,866	115,880	114,913	113,548	112,196	110,621	109,133
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	118,824	118,723	117,980	116,866	115,880	114,913	113,548	112,196	110,621	109,133
TOTAL ASSETS	126,945	127,017	127,606	128,321	129,300	130,580	131,982	133,690	135,599	137,865
LIABILITIES										
Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provision	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities										
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
NET ASSETS	126,945	127,017	127,606	128,321	129,300	130,580	131,982	133,690	135,599	137,865
EQUITY										
Accumulated surplus	109,722	109,794	110,383	111,098	112,077	113,357	114,759	116,467	118,376	120,642
Revaluation reserves	17,223	17,223	17,223	17,223	17,223	17,223	17,223	17,223	17,223	17,223
Other reserves	-	-	-	-	-	-	-	-	-	-
Council equity interest	126,945	127,017	127,606	128,321	129,300	130,580	131,982	133,690	135,599	137,865
Total equity	126,945	127,017	127,606	128,321	129,300	130,580	131,982	133,690	135,599	137,865

Cashflow Statement (Sewer Fund)


STATEMENT OF CASH FLOWS – SEWER FUND	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Cash Flows from operating activities										
<i>Receipts:</i>										
Rates and annual charges	7,781	7,868	8,438	9,115	9,634	10,075	10,432	10,905	11,400	11,917
User charges and fees	2,204	2,432	2,606	2,809	2,961	3,063	3,220	3,344	3,493	3,649
Investment and interest revenue received	209	205	204	202	207	206	206	206	206	206
Grants and contributions	1,649	650	652	653	654	655	657	658	659	661
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Employee benefits and on-costs	(2,257)	(2,350)	(2,454)	(2,538)	(2,625)	(2,715)	(2,808)	(2,904)	(3,004)	(3,107)
Materials and services	(5,365)	(5,511)	(5,680)	(6,183)	(6,349)	(6,519)	(6,693)	(6,872)	(7,045)	(7,244)
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) operating activities	4,221	3,294	3,765	4,059	4,481	4,767	4,994	5,336	5,698	6,081
Cash Flows from investing activities										
<i>Receipts:</i>										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	85	20	107	5	61	139	22	72	6	65
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(4,577)	(3,251)	(2,694)	(2,407)	(2,624)	(2,734)	(2,427)	(2,536)	(2,410)	(2,597)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(4,492)	(3,231)	(2,587)	(2,403)	(2,563)	(2,595)	(2,405)	(2,464)	(2,409)	(2,532)
Cash Flows from financing activities										
<i>Receipts:</i>										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(207)	64	1,178	1,656	1,918	2,172	2,588	2,872	3,289	3,549
Cash and cash equivalents - beginning of year	5,073	4,803	4,866	6,045	7,700	9,618	11,791	14,379	17,251	20,540
Cash and cash equivalents - end of the year	4,803	4,866	6,045	7,700	9,618	11,791	14,379	17,251	20,540	24,089
Investments on hand - end of year	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	4,803	4,866	6,045	7,700	9,618	11,791	14,379	17,251	20,540	24,089

Further Information

The Snowy Monaro 2042 Community Strategic Plan, Delivery Program, Operational Plan and Annual Reports can be viewed on Council's website.

For further information visit:

 www.snowymonaro.nsw.gov.au

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Your Feedback

A copy of this document can be obtained from Council's website: www.snowymonaro.nsw.gov.au

We are interested to know your thoughts about Council Plans. Your comments and suggestions are valuable because they highlight opportunities for us to improve the quality of our services, plans and reports. If you would like to comment, or require additional information regarding this report please contact us.

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