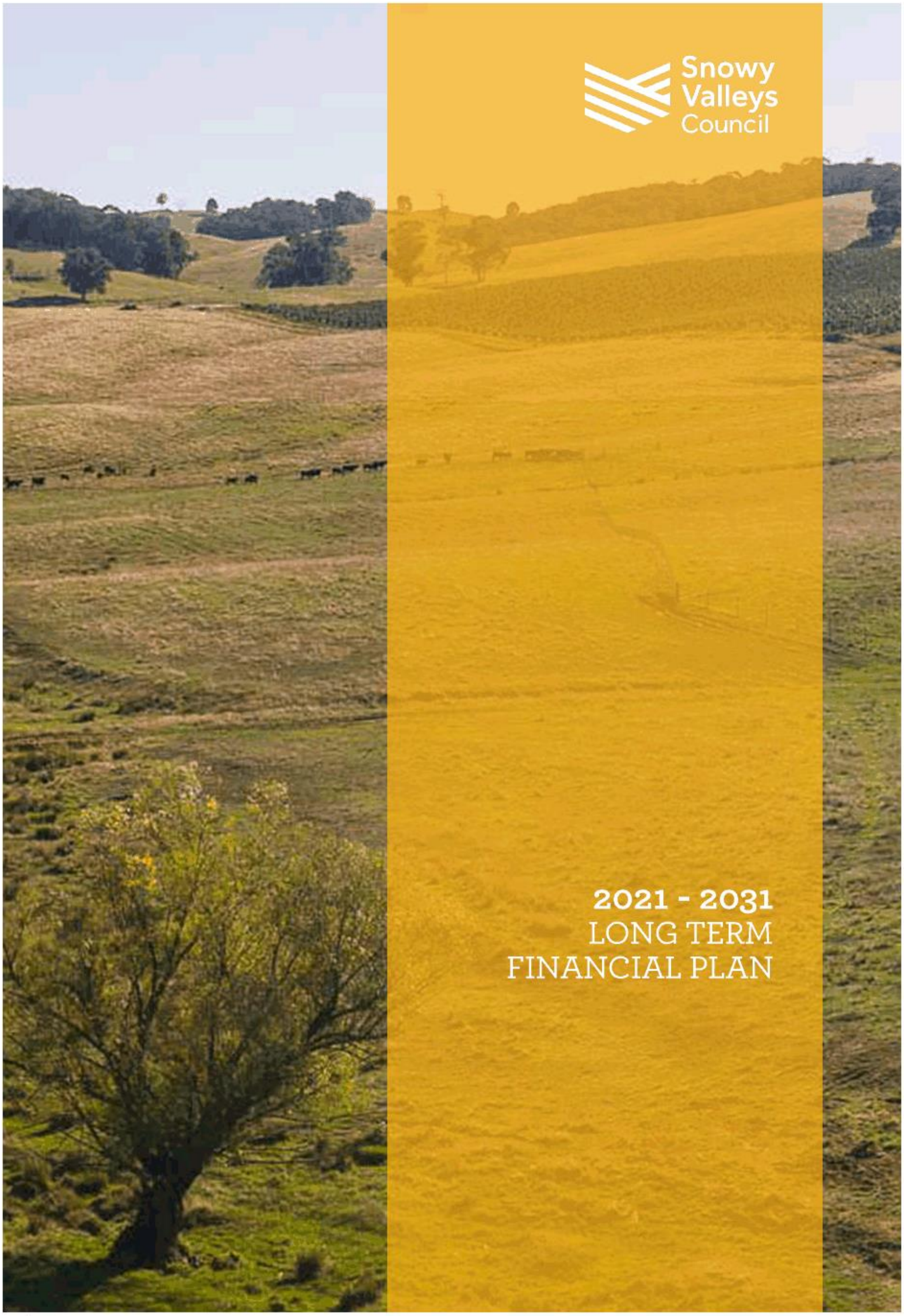

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This updated Long Term Financial Plan 2021-2031 was adopted by Council at its Ordinary Meeting held Thursday 17 June 2021, following consideration of any comments or submissions received from public exhibition and consultation with the community.

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Introduction

The Long-Term Financial Plan (LTFP) is a planning and decision-making tool that shows the long-term financial impacts of Council's decisions based on a set of assumptions. It is a requirement under the Integrated Planning and Reporting (IP&R) framework for NSW Local Government. Snowy Valleys Council's LTFP is an important and central part of Council's strategic planning process that spans a rolling 10-year period and is a document that is intended to remain flexible. The LTFP is reviewed and updated at least annually.

The three key elements of the LTFP correspond to Council's primary financial reporting documents, namely the income statement, the statement of financial position and the statement of cash flows. The income statement (or profit and loss statement) details Council's operating revenue and expenditure associated with ongoing activities with a focus on the operating result which shows whether Council is spending more or less than it earns. The statement of financial position (or balance sheet) details changes in Council's assets and liabilities. The statement of cash flows details where Council plans to generate and spend its cash in operating (ongoing) activities and capital programs (renewals, upgrades and new assets).

The key focus of this updated LTFP is Council's general fund which includes all activities except for water supply and wastewater businesses, which are accounted for separately under National Competition Policy requirements. Three scenarios are considered:

- a Baseline Scenario;
- an SRV Scenario; and
- an Optimistic Scenario.

Financial modelling has also been completed for Council's Water Supply and Wastewater Funds. Only one scenario each for the Water Supply and Wastewater Funds is included in this updated LTFP at this stage. Further modelling work is currently being undertaken. A complete revaluation of all assets for these two funds will be undertaken in the 2021/22 financial year.

1. Key Financial Sustainability Objectives

Council recognises that the principles of sound financial management in the NSW Local Government Act (chapter 3, section 8B) emphasise two key elements:

- Responsible and sustainable spending (aligning general revenue and expenses and achieving a small operating surplus); and
- Responsible and sustainable infrastructure investment (adequate provision in maintenance and renewal).

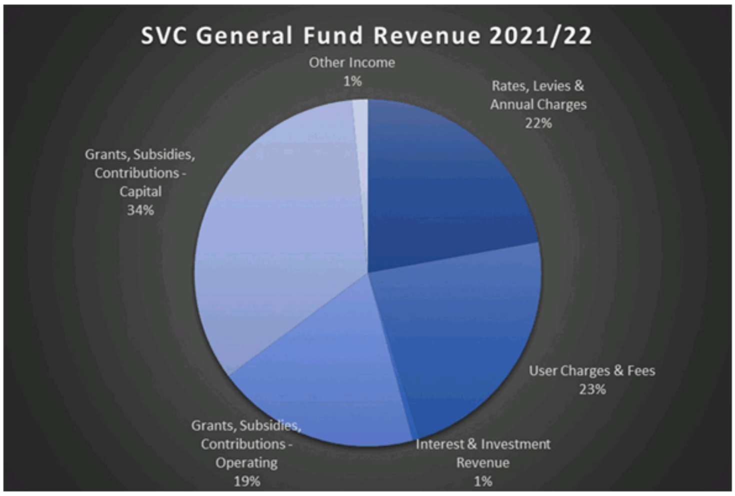
Assumptions informing the SRV scenario for the general fund have been developed with the primary aim of achieving an operating surplus in the long-term.

Council also ensures it provides sufficient funding for renewal of existing assets based on an analysis of actual renewal requirements as set out in its Service Management Plans. Because its assets are in good condition, Council proposes to keep its renewal program stable, but may revise this forecast following a needs analysis in consultation with users.

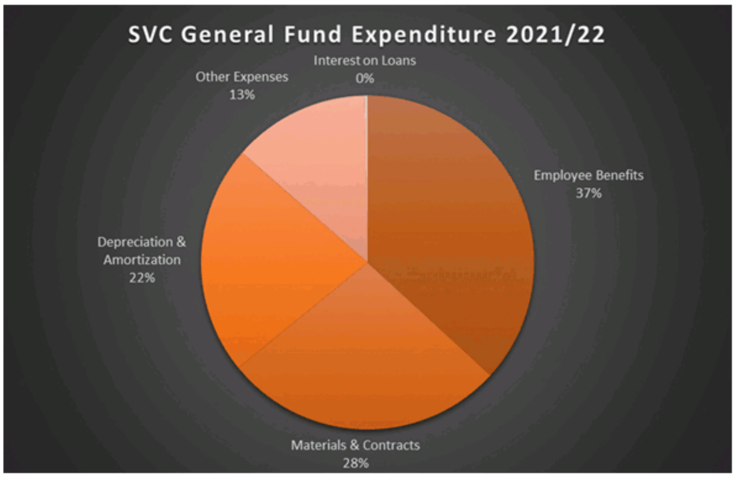
In addition to the above, Council aims to maintain sufficient cash, manage its debtors, maintain its debt within acceptable limits and to keep the typical residential bill for water and wastewater services as low as possible and stable over the long term. Initial modelling has been undertaken to assess the need for changes.

2. Key Items of Operating Revenue and Expenditure

The following charts summarise the key areas of revenue and expenditure associated with operational programs in Council's 2021/22 budget for the **General Fund**:



Council expects to receive 45% of its revenue from rates, levies, annual charges and user charges and fees. 53% of revenue is expected to result from operational and capital grants, which for 2021/22 includes $9.9M grant from Softwoods and $9.5 in bushfire recovery / economic stimulus funding. The remaining 2% of revenue are from investment returns and other income streams.



Council expenditure on employee benefits is expected to comprise 37% of total expenditure. Materials, contracts, and other expenses that are used in direct inputs to operations will make up 41% and depreciation 22%. Interest payments on outstanding loans are below 1% of total expenditure.

3. Rates Harmonisation

Council approved the structure of its harmonised rates across its local government area after extensive community consultation. Council will levy general rates within four rating categories, residential, business, farmland, and mining. Details are available in the Revenue Policy and on Council's website.

4. Special Rate Variation

A Special Rate Variation (SRV) applied to residential and business land in the former Tumut Shire and expired on 30 June 2020. To date no additional SRV has been imposed. However, it is evident that Council is unable to continue to provide services at current levels, maintain and renew its infrastructure and continue to replace ageing community assets within the currently available revenues.

The SRV scenario (second below) includes a proposed new and permanent SRV from 2022/23 onwards to allow Council to:

- maintain current service levels,
- fund ongoing maintenance,
- fund renewal of infrastructure assets,
- increase capacity to renew deteriorating assets,
- ensure and improve financial sustainability,
- deliver key priorities in the Community Strategic Plan and Delivery Program, and
- reduce reliance on external grant funding for asset renewals.

The SRV scenario includes a compounded SRV of 25.44% over and above the IPART rate peg introduced in two steps of 12% over two years. The baseline scenario has been forecast without an SRV. The optimistic scenario contains a reduced SRV. Council believes that an SRV is unavoidable unless service levels are considerably reduced across the Council area. Based on feedback received over the previous years, it is unlikely that the community is willing to accept reduced service levels or declining infrastructure.

Extensive community engagement will be undertaken over the coming months to establish community understanding and willingness to accept an SRV to allow Council to return to a sustainable operating model. This will include engagement about the size required and the options of phasing the introduction of an SRV. Further information will be provided during the engagement period and prior to Council's submission to the Independent Pricing & Regulatory Tribunal (IPART).

5. Baseline Scenario

The assumptions that inform the baseline scenario are detailed below. The baseline scenario extrapolates from the 2021/22 operational budget. The primary financial reports for the scenario follow the discussion of assumptions. It is important to remember that the LTFP is subject to uncertainties and change including changes due to uncontrollable events such as legislative changes, natural disasters, and economic shocks.

Rates and User Fees & Charges

Rates, Fees and Charges increase in line with assumed CPI. However, in the future Council utilities charges may change at a different rate depending on service level plans and infrastructure needs.

Commercial works revenue is included in fees & charges revenue, albeit at a reduced level from year 3 due to ongoing uncertainty over commercial works contracts.

Grants and other External Funding

Operational grant funding is assumed to remain at current levels. Council will pursue funding with a preference for operational funding. Any new and upgrade proposals to service levels and asset infrastructure are reviewed prior to funding submission and recommendations are based on whole-of-life costing, community benefit and affordability in the long-term. Financially unsustainable projects will not be pursued.

Employee Costs and Organisational Structure

Council's organisational structure budget reflects all current positions. It is based on the re-structured administration that was put in place in November 2019. Further organisational structure reviews are expected and will have an impact on future planning.

Employee costs make up 37% of consolidated Council ongoing expenses (General Fund 37%, Water Supply Fund 34%, Wastewater Fund 40%). The overall salaries and wages budget is $17.9M for the financial year 2021/22. Cost decreases resulted from a recent restructure and from a shift in accounting for some employees (primarily those working in the Infrastructure Works division) from operational activities to capital activities, particularly grant-funded construction projects. Cost increases result from mandated wage increases under the Local Government Award and staff moving through the Award structure. Historically Award increases have been higher than CPI and the allowable increase in rates revenue under the rating peg. Statutory increase in superannuation contributions come into effect during the next 5 years.

Materials & Contracts and Other Inputs

Materials and contracts make up 28% and other operational inputs 12% of Council ongoing expenses. These costs are assumed to increase in line with CPI.

Population Growth Projections

Overall population growth is forecast to be less than 1%. Due to the minor forecast, the LTFP has been prepared based on a no-net population change basis.

Indexation

Base indexation of assumed CPI of 2% has been used except for employee expenses to which an assumed index of 2.5% has been applied.

Asset Ownership, Management and Renewal

Council is seeking to maximise the useful life of all assets and aims to achieve this by adequately funding maintenance and renewals. Council continues to manage assets in accordance with its adopted Asset Management Plans within budget constraints. Council owned/controlled assets receive priority spending and Council will continue to review circumstances that have an impact on strategy, including condition assessment protocols, determining remaining asset lives and service levels.

The forecast expenditure is insufficient to meet the cost of predicted asset renewals risking declining levels of asset conditions leading to more costly replacements, reductions in service levels and a backlog of renewals. Council is fully utilising the revenue from Roads to Recovery and other State and Commonwealth grants to fund renewals and maintenance activities. A key assumption in the LTFP is that capital works are at least partially linked to external grant funding. Council may need to identify additional income sources and/or reduce the service levels provided should the level of grant funding decrease in future years,

Depreciation

Depreciation makes up 22% of consolidated Council operating expenses (General Fund 22%, Water Supply Fund 26%, Wastewater Fund 19%). By the end of the 10-year forecast period, depreciation is expected to rise to 24%. The forecast assumes no significant valuation movements that would affect the current charges and the method for applying useful lives. While there is potential to reduce depreciation by disposing of underutilised assets, such a move will need to be considered in consultation with users.

Council's stormwater drainage assets are being revalued in the financial year 2020/21. At this stage there is no indication whether this will result in a change to depreciation expenses.

Service Levels

Council is currently undertaking a comprehensive service level review and preparing new and updated Service Management Plans (SMP). Corporate overhead costs and, where applicable, identified direct costs will be recovered from all services, capital projects and commercial works to avoid cross-subsidisation of services.

All services will be evaluated for community benefit, delivery costs, full-cost recovery, community service obligations and alternative delivery options. In engagement with the community, Council will identify services the private sector may be better placed to efficiently deliver and low-value services for reduction, divesting and rationalisation. Services that promise highest value to the community and are financially sustainable will be prioritised and those services that draw excessively on Council resources will be considered for reduction. Maintenance management systems and plans are aligned with preferred service levels and funding opportunities.

Natural Disasters

The LTFP assumes that Natural Disaster impacts on public infrastructure will be funded from State / Commonwealth natural disaster arrangements. However, the recent bushfire crisis has shown that in the case of a major disaster, these funding arrangements are inadequate to cover all costs to Council. No allowance has been made for future disaster events, however, if Council achieves its financial sustainability goals, it will be much better placed to respond should a major disaster affect the area. The baseline scenario leaves no room for this.

Funding is not received for Water and Wastewater Infrastructure, Public Open Space and Recreational Facilities, damage to which must be funded from available reserves or is covered under insurance arrangements.

External Factors

In the past few years financial assistance grants have been partially prepaid. While this has a negative effect (reduction in income) on the operating budget of the following year, the fact that it has occurred on a regular basis has resulted in minimal impact against forecast income. All scenarios assume that all grant funding will be received during the financial year it has been allocated.

Interest Rates

Due to the ongoing economic uncertainty a conservative approach has been taken for the initial two years. For the following years, a slightly higher return has been assumed.

External Borrowings

Council currently holds several external loans against water, wastewater, caravan park and building assets. At this stage only one future loan is forecast within the LTFP (Water Fund). Loans will be considered in future where required and beneficial to Council's cash flow management.

Implications

The baseline scenario shows an operating deficit after capital grants for all 10 years. The importance of the implications of an ongoing operating deficit forecast in this scenario cannot be overstated. Over the next 10 years the general fund cumulative deficit $40 million and the consolidated cumulative deficit reaches $35 million. General fund cash holdings reduce by $17 million, to well below the level of cash required for ongoing operations. It will also result in deteriorating infrastructure assets due to the inability to fund required renewals. This scenario fails to meet the key principle of financial sustainability to achieve a balanced result.

Council's sustainability cannot be maintained if grant funding reduces. Over the longer term, as assets which are currently in good condition deteriorate, Council will need to increase its investment in replacements and to do so, it will need to draw on its operating income and its reserves unless additional grant funding can be sourced. The baseline scenario shows no room to achieve this.

Without taking measures to increase revenue and decrease expenditure, Council will not be able to afford the provision of the level of services and infrastructure it currently provides to the community. Such a course of action will also fail to meet the key principle of financial sustainability regarding intergenerational equity where Council is unable to maintain its infrastructure assets as required.

Baseline Scenario – Primary Financial Reports

Following are the reports for Council's General Fund, Water Supply Fund and Wastewater Fund and a consolidated model incorporating all three.

General Fund Income Statement — Baseline Scenario

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	12,492,269	12,742,114	12,996,957	13,256,896	13,522,034	13,792,474	14,068,324	14,349,690	14,636,684	14,929,418
User charges and fees	12,995,892	13,255,810	9,520,926	9,711,345	9,905,571	10,103,683	10,305,757	10,511,872	10,722,109	10,936,551
Interest & Investment Revenue	350,000	156,238	293,197	266,481	239,182	211,507	183,126	156,497	130,178	104,131
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	18,987,000	7,710,000	1,744,200	1,779,084	1,814,666	1,850,959	1,925,738	1,964,252	2,003,538	2,043,608
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Total Income	56,392,606	45,654,683	36,581,611	37,280,664	37,993,648	38,721,063	39,500,632	40,260,353	41,036,111	41,828,183
Expenses										
Employee Benefits	14,614,370	14,979,729	15,354,222	15,738,078	16,131,529	16,534,818	16,948,188	17,371,893	17,806,190	18,251,345
Materials & Contracts	10,850,316	11,067,322	7,688,668	7,842,442	7,999,290	8,159,276	8,322,462	8,488,911	8,658,689	8,831,863
Depreciation & Amortization	8,848,000	9,822,798	10,131,557	10,202,478	10,273,895	10,345,813	10,418,233	10,491,161	10,564,599	10,638,551
Other Expenses	5,278,376	5,410,335	5,545,594	5,684,234	5,826,339	5,971,998	6,121,298	6,274,330	6,431,189	6,591,968
Interest on Loans	106,421	94,200	83,614	77,096	70,721	64,403	58,408	53,184	47,643	42,679
Total Expenses	39,697,482	41,374,384	38,803,655	39,544,327	40,301,776	41,076,308	41,868,589	42,679,479	43,508,310	44,356,407
Operating Result - Surplus/(Deficit)	16,695,124	4,280,300	(2,222,044)	(2,263,663)	(2,308,128)	(2,355,245)	(2,367,957)	(2,419,126)	(2,472,199)	(2,528,224)
Surplus/(Deficit) after Capital Grants	(2,291,876)	(3,429,700)	(3,966,244)	(4,042,747)	(4,122,793)	(4,206,204)	(4,293,695)	(4,383,378)	(4,475,736)	(4,571,832)

General Fund Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	2,883,039	2,880,080	2,877,061	2,873,982	2,870,842	2,867,639	2,864,372	2,861,039	2,857,640	2,854,173
Current Investments	15,623,810	14,659,866	13,324,055	11,959,105	10,575,372	9,156,305	7,824,862	6,508,906	5,206,550	3,898,889
Current Receivables	1,400,961	1,403,920	1,406,939	1,410,018	1,413,158	1,416,361	1,419,628	1,422,961	1,426,360	1,429,827
Total Current Assets	19,907,810	18,943,866	17,608,055	16,243,105	14,859,372	13,440,305	12,108,862	10,792,906	9,490,550	8,182,889
Non Current Assets										
Infrastructure, Property, Plant and Equipment	549,385,889	554,649,179	553,889,312	553,124,127	552,353,584	551,577,648	550,796,281	550,009,444	549,217,099	548,419,208
Total Non Current Assets	549,385,889	554,649,179	553,889,312	553,124,127	552,353,584	551,577,648	550,796,281	550,009,444	549,217,099	548,419,208
Total Assets	569,293,699	573,593,045	571,497,367	569,367,232	567,212,956	565,017,953	562,905,143	560,802,350	558,707,649	556,602,097
Current Liabilities										
Current Payables	2,337,840	2,384,597	2,432,289	2,480,935	2,530,553	2,581,164	2,632,788	2,685,443	2,739,152	2,793,935
Current Borrowings	380,830	283,742	287,071	277,504	282,147	198,555	148,970	99,700	66,725	44,657
Current Provisions	7,985,900	8,385,777	8,795,884	9,216,483	9,647,839	10,090,228	10,543,930	11,009,232	11,486,430	11,975,826
Total Current Liabilities	10,704,570	11,054,116	11,515,244	11,974,921	12,460,540	12,869,947	13,325,687	13,794,375	14,292,307	14,814,418
Non Current Liabilities										
Non Current Borrowings	1,692,002	1,408,260	1,121,189	843,685	561,538	362,983	214,013	114,313	47,588	2,931
Non Current Provisions	407,950	418,149	428,602	439,318	450,300	461,558	473,097	484,924	497,047	509,474
Total Non Current Liabilities	2,099,952	1,826,409	1,549,791	1,283,003	1,011,838	824,541	687,110	599,237	544,635	512,404
Total Liabilities	12,804,522	12,880,524	13,065,035	13,257,924	13,472,378	13,694,488	14,012,797	14,393,612	14,836,942	15,326,823
Net Assets	556,489,177	560,712,521	558,432,332	556,109,308	553,740,578	551,323,465	548,892,346	546,408,737	543,870,706	541,275,274
Equity										
Council equity	556,489,177	560,712,521	558,432,332	556,109,308	553,740,578	551,323,465	548,892,346	546,408,737	543,870,706	541,275,274
Total Equity	556,489,177	560,712,521	558,432,332	556,109,308	553,740,578	551,323,465	548,892,346	546,408,737	543,870,706	541,275,274
Total Equity	556,489,177	560,712,521	558,432,332	556,109,308	553,740,578	551,323,465	548,892,346	546,408,737	543,870,706	541,275,274

General Fund Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	12,492,269	12,742,114	12,996,957	13,256,896	13,522,034	13,792,474	14,068,324	14,349,690	14,636,684	14,929,418
User charges and fees	12,995,892	13,255,810	9,520,926	9,711,345	9,905,571	10,103,683	10,305,757	10,511,872	10,722,109	10,936,551
Interest & Investment Revenue	350,000	156,238	293,197	266,481	239,182	211,507	183,126	156,497	130,178	104,131
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	18,987,000	7,710,000	1,744,200	1,779,084	1,814,666	1,850,959	1,925,738	1,964,252	2,003,538	2,043,608
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Payments:										
Employee Benefits	(14,224,470)	(14,579,852)	(14,944,115)	(15,317,479)	(15,700,173)	(16,092,429)	(16,494,487)	(16,906,591)	(17,328,992)	(17,761,948)
Materials and Contracts	(10,850,316)	(11,067,322)	(7,688,668)	(7,842,442)	(7,999,290)	(8,159,276)	(8,322,462)	(8,488,911)	(8,658,689)	(8,831,863)
Other Expenses	(5,278,376)	(5,410,335)	(5,545,594)	(5,684,234)	(5,826,339)	(5,971,998)	(6,121,298)	(6,274,330)	(6,431,189)	(6,591,968)
Net cash provided (or used in) operating activities	26,039,445	14,597,174	8,403,235	8,436,509	8,467,846	8,497,360	8,562,386	8,590,521	8,617,241	8,642,403
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(31,005,939)	(15,086,088)	(9,371,690)	(9,437,292)	(9,503,353)	(9,569,877)	(9,636,866)	(9,704,324)	(9,772,254)	(9,840,660)
Net cash provided (or used in) investing activities	(31,005,939)	(15,086,088)	(9,371,690)	(9,437,292)	(9,503,353)	(9,569,877)	(9,636,866)	(9,704,324)	(9,772,254)	(9,840,660)
Payments:										
Repayment of Borrowings and Advances	(674,589)	(475,030)	(367,356)	(364,167)	(348,225)	(346,550)	(256,963)	(202,154)	(147,343)	(109,405)
Net cash provided (or used in) financing activities	(674,589)	(475,030)	(367,356)	(364,167)	(348,225)	(346,550)	(256,963)	(202,154)	(147,343)	(109,405)
Net increase / (decrease) in cash	(5,641,083)	(963,944)	(1,335,811)	(1,364,950)	(1,383,733)	(1,419,067)	(1,331,443)	(1,315,956)	(1,302,356)	(1,307,661)

SNOWY VALLEYS COUNCIL – UPDATED LONG TERM FINANCIAL PLAN 2021 - 2031

Water Fund Income Statement

Baseline Scenario

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	1,601,760	1,633,795	1,666,471	1,699,801	1,733,797	1,768,472	1,803,842	1,839,919	1,876,717	1,914,251
User charges and fees	3,000,000	3,060,000	3,121,200	3,183,624	3,247,296	3,312,242	3,378,487	3,446,057	3,514,978	3,585,278
Interest & Investment Revenue	30,000	21,686	21,882	19,481	16,293	27,544	34,238	30,160	42,471	53,653
Grants, subsidies, contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants, subsidies, contributions - Capital	66,000	1,994,978	5,003,768	0	0	0	792,593	0	0	242,123
Other Income	0	0	0	0	0	0	0	0	0	0
Total Income	**4,697,760**	**6,710,458**	**9,813,321**	**4,902,905**	**4,997,386**	**5,108,259**	**6,009,160**	**5,316,136**	**5,434,166**	**5,795,306**
Expenses										
Employee Benefits	1,490,083	1,527,335	1,565,518	1,604,656	1,644,773	1,685,892	1,728,039	1,771,240	1,815,521	1,860,909
Materials & Contracts	1,274,615	1,300,107	1,326,109	1,352,632	1,379,684	1,407,278	1,435,424	1,464,132	1,493,415	1,523,283
Depreciation & Amortization	1,167,000	1,208,030	1,273,310	1,419,477	1,432,482	1,434,757	1,443,209	1,478,777	1,482,090	1,487,169
Other Expenses	357,700	366,643	375,809	385,204	394,834	404,705	414,822	425,193	435,823	446,718
Interest on Loans	137,572	101,144	66,813	56,716	51,764	49,041	45,429	42,079	38,976	36,102
Total Expenses	**4,426,970**	**4,503,259**	**4,607,559**	**4,818,684**	**4,903,537**	**4,981,673**	**5,066,924**	**5,181,422**	**5,265,824**	**5,354,181**
Operating Result - Surplus/(Deficit)	**270,790**	**2,207,199**	**5,205,762**	**84,221**	**93,849**	**126,586**	**942,237**	**134,714**	**168,342**	**441,124**
Surplus/(Deficit) after Capital Grants	**204,790**	**212,222**	**201,994**	**84,221**	**93,849**	**126,586**	**149,644**	**134,714**	**168,342**	**199,001**

Water Fund Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	2,651,152	2,646,595	2,641,947	2,637,206	2,632,370	2,627,438	2,622,407	2,617,275	2,612,040	2,606,701
Current Investments	2,168,566	1,094,104	974,041	814,646	1,377,211	1,711,920	1,508,010	2,123,533	2,682,646	2,701,011
Current Receivables	227,848	232,405	237,053	241,794	246,630	251,562	256,593	261,725	266,960	272,299
Total Current Assets	**5,047,566**	**3,973,104**	**3,853,041**	**3,693,646**	**4,256,211**	**4,590,920**	**4,387,010**	**5,002,533**	**5,561,646**	**5,580,011**
Non Current Assets										
Infrastructure, Property, Plant and Equipment	50,895,000	53,554,970	60,226,660	60,167,184	59,564,702	59,269,945	60,326,735	59,752,958	59,265,868	59,588,700
Total Non Current Assets	**50,895,000**	**53,554,970**	**60,226,660**	**60,167,184**	**59,564,702**	**59,269,945**	**60,326,735**	**59,752,958**	**59,265,868**	**59,588,700**
Total Assets	**55,942,566**	**57,528,074**	**64,079,701**	**63,860,830**	**63,820,913**	**63,860,865**	**64,713,745**	**64,755,491**	**64,827,514**	**65,168,711**
Current Liabilities										
Current Borrowings	621,691	654,134	303,093	133,766	86,634	89,356	92,969	96,318	99,928	153,673
Total Current Liabilities	**621,691**	**654,134**	**303,093**	**133,766**	**86,634**	**89,356**	**92,969**	**96,318**	**99,928**	**153,673**
Non Current Liabilities										
Non Current Borrowings	1,648,507	994,373	2,691,280	2,557,514	2,470,880	2,381,524	2,288,555	2,192,237	2,092,309	1,938,636
Total Non Current Liabilities	**1,648,507**	**994,373**	**2,691,280**	**2,557,514**	**2,470,880**	**2,381,524**	**2,288,555**	**2,192,237**	**2,092,309**	**1,938,636**
Total Liabilities	**2,270,198**	**1,648,507**	**2,994,373**	**2,691,280**	**2,557,514**	**2,470,880**	**2,381,524**	**2,288,555**	**2,192,237**	**2,092,309**
Net Assets	**53,672,368**	**55,879,567**	**61,085,328**	**61,169,550**	**61,263,399**	**61,389,985**	**62,332,221**	**62,466,936**	**62,635,277**	**63,076,402**
Equity										
Council equity	53,672,368	55,879,567	61,085,329	61,169,550	61,263,399	61,389,985	62,332,221	62,466,936	62,635,277	63,076,402
Total Equity	**53,672,368**	**55,879,567**	**61,085,328**	**61,169,550**	**61,263,399**	**61,389,985**	**62,332,221**	**62,466,936**	**62,635,277**	**63,076,402**
Total Equity	**53,672,368**	**55,879,567**	**61,085,328**	**61,169,550**	**61,263,399**	**61,389,985**	**62,332,221**	**62,466,936**	**62,635,277**	**63,076,402**

Water Fund Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	1,601,760	1,633,795	1,666,471	1,699,801	1,733,797	1,768,472	1,803,842	1,839,919	1,876,717	1,914,251
User charges and fees	3,000,000	3,060,000	3,121,200	3,183,624	3,247,296	3,312,242	3,378,487	3,446,057	3,514,978	3,585,278
Interest & Investment Revenue	30,000	21,686	21,882	19,481	16,293	27,544	34,238	30,160	42,471	53,653
Grants, subsidies, contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants, subsidies, contributions - Capital	66,000	1,994,978	5,003,768	0	0	0	792,593	0	0	242,123
Other Income	0	0	0	0	0	0	0	0	0	0
Payments:										
Employee Benefits	(1,490,083)	(1,527,335)	(1,565,518)	(1,604,656)	(1,644,773)	(1,685,892)	(1,728,039)	(1,771,240)	(1,815,521)	(1,860,909)
Materials and Contracts	(1,274,615)	(1,300,107)	(1,326,109)	(1,352,632)	(1,379,684)	(1,407,278)	(1,435,424)	(1,464,132)	(1,493,415)	(1,523,283)
Other Expenses	(357,700)	(366,643)	(375,809)	(385,204)	(394,834)	(404,705)	(414,822)	(425,193)	(435,823)	(446,718)
Net cash provided (or used in) operating activities	**1,575,362**	**3,516,373**	**6,545,884**	**1,560,414**	**1,578,095**	**1,610,384**	**2,430,875**	**1,655,571**	**1,689,407**	**1,964,395**
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(2,635,000)	(3,868,000)	(7,945,000)	(1,360,000)	(830,000)	(1,140,000)	(2,500,000)	(905,000)	(995,000)	(1,810,000)
Net cash provided (or used in) investing activities	**(2,635,000)**	**(3,868,000)**	**(7,945,000)**	**(1,360,000)**	**(830,000)**	**(1,140,000)**	**(2,500,000)**	**(905,000)**	**(995,000)**	**(1,810,000)**
Cash Flows from Financing Activities										
Receipts:										
Borrowings and Advances	0	0	2,000,000	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings and Advances	(727,144)	(722,835)	(720,947)	(359,809)	(185,530)	(135,675)	(134,785)	(135,048)	(135,294)	(136,030)
Net cash provided (or used in) financing activities	**(727,144)**	**(722,835)**	**1,279,053**	**(359,809)**	**(185,530)**	**(135,675)**	**(134,785)**	**(135,048)**	**(135,294)**	**(136,030)**
Net increase / (decrease) in cash	**(1,786,782)**	**(1,074,462)**	**(120,063)**	**(159,395)**	**562,565**	**334,709**	**(203,910)**	**615,523**	**559,113**	**18,365**

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SNOWY VALLEYS COUNCIL – UPDATED LONG TERM FINANCIAL PLAN 2021 - 2031

Snowy Valleys Council

Wastewater Fund Income Statement

Baseline Scenario

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	4,407,810	4,495,966	4,585,886	4,677,603	4,771,155	4,866,578	4,963,910	5,063,188	5,164,452	5,267,741
User charges and fees	277,390	282,938	288,597	294,368	300,256	306,261	312,386	318,634	325,007	331,507
Interest & Investment Revenue	30,000	48,280	51,062	56,874	47,853	51,832	41,541	47,176	39,524	5,364
Grants, subsidies, contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants, subsidies, contributions - Capital	0	3,568,620	0	789,192	14,590	1,100,264	0	2,363,020	2,729,329	0
Other Income	0	0	0	0	0	0	0	0	0	0
Total Income	**4,715,200**	**8,395,804**	**4,925,544**	**5,818,037**	**5,133,854**	**6,324,935**	**5,317,837**	**7,792,018**	**8,258,312**	**5,604,612**
Expenses										
Employee Benefits	1,745,734	1,789,377	1,834,111	1,879,964	1,926,963	1,975,137	2,024,516	2,075,129	2,127,007	2,180,182
Materials & Contracts	1,431,156	1,459,779	1,488,974	1,518,754	1,549,129	1,580,111	1,611,714	1,643,948	1,676,827	1,710,363
Depreciation & Amortization	810,000	837,300	964,627	969,681	1,005,684	1,016,227	1,063,065	1,071,634	1,161,118	1,263,707
Other Expenses	207,200	212,380	217,690	223,132	228,710	234,428	240,288	246,296	252,453	258,764
Interest on Loans	123,062	102,680	89,158	78,960	73,043	66,851	60,370	53,587	47,566	42,222
Total Expenses	**4,317,151**	**4,401,515**	**4,594,560**	**4,670,490**	**4,783,529**	**4,872,754**	**4,999,952**	**5,090,593**	**5,264,971**	**5,455,238**
Operating Result - Surplus/(Deficit)	398,049	3,994,289	330,984	1,147,547	350,325	1,452,181	317,884	2,701,424	2,993,341	149,374
Surplus/(Deficit) after Capital Grants	398,049	425,669	330,984	358,355	335,736	351,917	317,884	338,405	264,012	149,374

Wastewater Fund Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	3,533,345	3,526,312	3,519,138	3,511,821	3,504,357	3,496,744	3,488,979	2,481,059	2,472,980	2,464,739
Current Investments	4,828,020	2,553,093	2,843,696	2,392,668	2,591,608	2,077,030	2,358,800	1,976,199	268,216	811,757
Current Receivables	351,655	358,688	365,862	373,179	380,643	388,256	396,021	403,941	412,020	420,261
Total Current Assets	**8,713,020**	**6,438,093**	**6,728,696**	**6,277,668**	**6,476,608**	**5,962,030**	**6,243,800**	**4,861,199**	**3,153,216**	**3,696,757**
Non Current Assets										
Infrastructure, Property, Plant and Equipment	67,085,000	73,032,700	72,803,073	74,118,392	74,142,708	75,976,481	75,873,416	79,811,782	84,360,664	83,806,958
Total Non Current Assets	**67,085,000**	**73,032,700**	**72,803,073**	**74,118,392**	**74,142,708**	**75,976,481**	**75,873,416**	**79,811,782**	**84,360,664**	**83,806,958**
Total Assets	75,798,020	79,470,793	79,531,769	80,396,060	80,619,316	81,938,511	82,117,216	84,672,981	87,513,880	87,503,715
Current Liabilities										
Current Borrowings	321,516	270,008	283,256	127,069	132,986	139,179	145,660	152,442	159,540	166,968
Total Current Liabilities	**321,516**	**270,008**	**283,256**	**127,069**	**132,986**	**139,179**	**145,660**	**152,442**	**159,540**	**166,968**
Non Current Liabilities										
Non Current Borrowings	2,036,938	1,766,930	1,483,674	1,356,605	1,223,619	1,084,440	938,780	786,338	626,798	459,830
Total Non Current Liabilities	**2,036,938**	**1,766,930**	**1,483,674**	**1,356,605**	**1,223,619**	**1,084,440**	**938,780**	**786,338**	**626,798**	**459,830**
Total Liabilities	2,358,454	2,036,938	1,766,930	1,483,674	1,356,605	1,223,619	1,084,440	938,780	786,338	626,798
Net Assets	73,439,566	77,433,855	77,764,839	78,912,386	79,262,711	80,714,892	81,032,776	83,734,201	86,727,542	86,876,917
Equity										
Council equity	73,439,566	77,433,855	77,764,839	78,912,386	79,262,711	80,714,892	81,032,776	83,734,201	86,727,542	86,876,917
Total Equity	73,439,566	77,433,855	77,764,839	78,912,386	79,262,711	80,714,892	81,032,776	83,734,201	86,727,542	86,876,917

Wastewater Fund Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	4,407,810	4,495,966	4,585,886	4,677,603	4,771,155	4,866,578	4,963,910	5,063,188	5,164,452	5,267,741
User charges and fees	277,390	282,938	288,597	294,368	300,256	306,261	312,386	318,634	325,007	331,507
Interest & Investment Revenue	30,000	48,280	51,062	56,874	47,853	51,832	41,541	47,176	39,524	5,364
Grants, subsidies, contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants, subsidies, contributions - Capital	0	3,568,620	0	789,192	14,590	1,100,264	0	2,363,020	2,729,329	0
Other Income	0	0	0	0	0	0	0	0	0	0
Payments:										
Employee Benefits	(1,745,734)	(1,789,377)	(1,834,111)	(1,879,964)	(1,926,963)	(1,975,137)	(2,024,516)	(2,075,129)	(2,127,007)	(2,180,182)
Materials and Contracts	(1,431,156)	(1,459,779)	(1,488,974)	(1,518,754)	(1,549,129)	(1,580,111)	(1,611,714)	(1,643,948)	(1,676,827)	(1,710,363)
Other Expenses	(207,200)	(212,380)	(217,690)	(223,132)	(228,710)	(234,428)	(240,288)	(246,296)	(252,453)	(258,764)
Net cash provided (or used in) operating activities	1,331,111	4,934,269	1,384,769	2,196,188	1,429,052	2,535,259	1,441,319	3,826,646	4,202,025	1,455,302
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(1,770,000)	(6,785,000)	(735,000)	(2,285,000)	(1,030,000)	(2,850,000)	(960,000)	(5,010,000)	(5,710,000)	(710,000)
Net cash provided (or used in) investing activities	(1,770,000)	(6,785,000)	(735,000)	(2,285,000)	(1,030,000)	(2,850,000)	(960,000)	(5,010,000)	(5,710,000)	(710,000)
Payments:										
Repayment of Borrowings and Advances	(428,608)	(424,196)	(359,166)	(362,216)	(200,112)	(199,837)	(199,549)	(199,247)	(200,008)	(201,761)
Net cash provided (or used in) financing activities	(428,608)	(424,196)	(359,166)	(362,216)	(200,112)	(199,837)	(199,549)	(199,247)	(200,008)	(201,761)
Net increase / (decrease) in cash	(867,497)	(2,274,927)	290,603	(451,028)	198,940	(514,578)	281,770	(1,382,601)	(1,707,983)	543,541

SNOWY VALLEYS COUNCIL – UPDATED LONG TERM FINANCIAL PLAN 2021 - 2031

Snowy Valleys Council

Consolidated Income Statement (General + Water + Wastewater Funds)

Baseline Scenario

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	18,501,839	18,871,876	19,249,313	19,634,300	20,026,986	20,427,525	20,836,076	21,252,797	21,677,853	22,111,410
User charges and fees	16,273,282	16,598,748	12,930,723	13,189,337	13,453,124	13,722,186	13,996,630	14,276,563	14,562,094	14,853,336
Interest & Investment Revenue	410,000	226,204	366,141	342,836	303,328	290,884	258,905	233,833	212,173	163,148
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	19,053,000	13,273,598	6,747,968	2,568,276	1,829,255	2,951,223	2,718,331	4,327,272	4,732,867	2,285,732
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Total Income	**65,805,566**	**60,760,946**	**51,320,476**	**48,001,606**	**48,124,888**	**50,154,257**	**50,827,629**	**53,368,507**	**54,728,589**	**53,228,101**
Expenses										
Employee Benefits	17,850,186	18,296,441	18,753,852	19,222,698	19,703,265	20,195,847	20,700,743	21,218,262	21,748,718	22,292,436
Materials & Contracts	13,556,086	13,827,208	10,503,752	10,713,827	10,928,103	11,146,666	11,369,599	11,596,991	11,828,931	12,065,509
Depreciation & Amortization	10,825,000	11,868,128	12,369,494	12,591,635	12,712,061	12,796,797	12,924,508	13,041,572	13,207,807	13,389,427
Other Expenses	5,843,276	5,989,358	6,139,092	6,292,569	6,449,883	6,611,130	6,776,409	6,945,819	7,119,464	7,297,451
Interest on Loans	367,055	298,024	239,585	212,772	195,528	180,295	164,207	148,850	134,185	121,003
Total Expenses	**48,441,603**	**50,279,158**	**48,005,774**	**49,033,501**	**49,988,841**	**50,930,735**	**51,935,465**	**52,951,494**	**54,039,105**	**55,165,826**
Operating Result - Surplus/(Deficit)	**17,363,963**	**10,481,788**	**3,314,702**	**(1,031,895)**	**(1,863,953)**	**(776,478)**	**(1,107,836)**	**417,013**	**689,484**	**(1,937,726)**
Surplus/(Deficit) after Capital Grants	**(1,689,037)**	**(2,791,809)**	**(3,433,266)**	**(3,600,171)**	**(3,693,208)**	**(3,727,700)**	**(3,826,167)**	**(3,910,259)**	**(4,043,383)**	**(4,223,457)**

Consolidated Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	9,067,536	9,052,987	9,038,146	9,023,009	9,007,570	8,991,821	8,975,757	7,959,373	7,942,660	7,925,613
Current Investments	22,620,396	18,307,063	17,141,792	15,166,419	14,544,191	12,945,255	11,691,672	10,608,638	8,157,412	7,411,657
Current Receivables	1,980,464	1,995,013	2,009,854	2,024,991	2,040,430	2,056,179	2,072,243	2,088,627	2,105,340	2,122,387
Total Current Assets	**33,668,396**	**29,355,063**	**28,189,792**	**26,214,419**	**25,592,191**	**23,993,255**	**22,739,672**	**20,656,638**	**18,205,412**	**17,459,657**
Non Current Assets										
Infrastructure, Property, Plant and Equipment	667,365,889	681,236,849	686,919,046	687,409,703	686,060,995	686,824,075	686,996,433	689,574,184	692,843,632	691,814,865
Total Non Current Assets	**667,365,889**	**681,236,849**	**686,919,046**	**687,409,703**	**686,060,995**	**686,824,075**	**686,996,433**	**689,574,184**	**692,843,632**	**691,814,865**
Total Assets	**701,034,285**	**710,591,912**	**715,108,838**	**713,624,122**	**711,653,186**	**710,817,330**	**709,736,105**	**710,230,822**	**711,049,044**	**709,274,522**
Current Liabilities										
Current Payables	2,337,840	2,384,597	2,432,289	2,480,935	2,530,553	2,581,164	2,632,788	2,685,443	2,739,152	2,793,935
Current Borrowings	1,324,037	1,207,884	873,420	538,339	501,767	427,060	387,599	348,460	326,193	365,298
Current Provisions	7,985,900	8,385,777	8,795,884	9,216,483	9,647,839	10,090,228	10,543,930	11,009,232	11,486,430	11,975,826
Total Current Liabilities	**11,647,777**	**11,978,258**	**12,101,593**	**12,235,756**	**12,680,160**	**13,098,482**	**13,564,316**	**14,043,135**	**14,551,775**	**15,135,060**
Non Current Liabilities										
Non Current Borrowings	5,377,447	4,169,563	5,296,143	4,757,804	4,256,037	3,828,947	3,441,348	3,092,888	2,766,695	2,401,397
Non Current Provisions	407,950	418,149	428,602	439,318	450,300	461,558	473,097	484,924	497,047	509,474
Total Non Current Liabilities	**5,785,397**	**4,587,712**	**5,724,745**	**5,197,122**	**4,706,337**	**4,290,505**	**3,914,445**	**3,577,812**	**3,263,742**	**2,910,870**
Total Liabilities	**17,433,174**	**16,565,969**	**17,826,338**	**17,432,878**	**17,386,497**	**17,388,987**	**17,478,761**	**17,620,947**	**17,815,517**	**18,045,930**
Net Assets	**683,601,111**	**694,025,943**	**697,282,499**	**696,191,244**	**694,266,689**	**693,428,342**	**692,257,344**	**692,609,875**	**693,233,526**	**691,228,592**
Equity										
Council equity	683,601,111	694,025,943	697,282,499	696,191,244	694,266,689	693,428,342	692,257,344	692,609,875	693,233,526	691,228,592
Total Equity	**683,601,111**	**694,025,943**	**697,282,499**	**696,191,244**	**694,266,689**	**693,428,342**	**692,257,344**	**692,609,875**	**693,233,526**	**691,228,592**
Total Equity	**683,601,111**	**694,025,943**	**697,282,499**	**696,191,244**	**694,266,689**	**693,428,342**	**692,257,344**	**692,609,875**	**693,233,526**	**691,228,592**

Consolidated Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	18,501,839	18,871,876	19,249,313	19,634,300	20,026,986	20,427,525	20,836,076	21,252,797	21,677,853	22,111,410
User charges and fees	16,273,282	16,598,748	12,930,723	13,189,337	13,453,124	13,722,186	13,996,630	14,276,563	14,562,094	14,853,336
Interest & Investment Revenue	410,000	226,204	366,141	342,836	303,328	290,884	258,905	233,833	212,173	163,148
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	19,053,000	13,273,598	6,747,968	2,568,276	1,829,255	2,951,223	2,718,331	4,327,272	4,732,867	2,285,732
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Payments:										
Employee Benefits	(17,460,286)	(17,896,564)	(18,343,744)	(18,802,099)	(19,271,909)	(19,753,458)	(20,247,042)	(20,752,960)	(21,271,520)	(21,803,040)
Materials and Contracts	(13,556,086)	(13,827,208)	(10,503,752)	(10,713,827)	(10,928,103)	(11,146,666)	(11,369,599)	(11,596,991)	(11,828,931)	(12,065,509)
Other Expenses	(5,843,276)	(5,989,358)	(6,139,092)	(6,292,569)	(6,449,883)	(6,611,130)	(6,776,409)	(6,945,819)	(7,119,464)	(7,297,451)
Net cash provided (or used in) operating activities	**28,945,918**	**23,047,816**	**16,333,888**	**12,193,111**	**11,474,993**	**12,643,003**	**12,434,580**	**14,072,738**	**14,508,674**	**12,062,101**
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(35,410,939)	(25,739,088)	(18,051,690)	(13,082,292)	(11,363,353)	(13,559,877)	(13,096,866)	(15,619,324)	(16,477,254)	(12,360,660)
Net cash provided (or used in) investing activities	**(35,410,939)**	**(25,739,088)**	**(18,051,690)**	**(13,082,292)**	**(11,363,353)**	**(13,559,877)**	**(13,096,866)**	**(15,619,324)**	**(16,477,254)**	**(12,360,660)**
Cash Flows from Financing Activities										
Receipts:										
Borrowings and Advances	0	0	2,000,000	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings and Advances	(1,830,341)	(1,622,061)	(1,447,469)	(1,086,192)	(733,867)	(682,062)	(591,297)	(536,449)	(482,645)	(447,196)
Net cash provided (or used in) financing activities	**(1,830,341)**	**(1,622,061)**	**552,531**	**(1,086,192)**	**(733,867)**	**(682,062)**	**(591,297)**	**(536,449)**	**(482,645)**	**(447,196)**
Net increase / (decrease) in cash	**(8,295,362)**	**(4,313,332)**	**(1,165,271)**	**(1,975,374)**	**(622,227)**	**(1,598,936)**	**(1,253,583)**	**(2,083,035)**	**(2,451,226)**	**(745,756)**

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6. SRV Scenario

Based on feedback received from the community as part of the Service Level Review and Rates Harmonisation, Council does not believe that the community is willing to accept reduced service levels or declining infrastructure without considerable community discussion and engagement.

The SRV scenario shows a path that allows Council to increase its revenues via increased rates and reduce its expenditure through efficiency gains and cost savings with moderate adjustments to service levels. It assumes that these shifts can be sustained in the long-term. Council's Road to Sustainability Plan outlines several actions Council is taking to achieve its objective of delivering sustainable best value to the community.

The SRV scenario represents Council's preferred long-term path to financial sustainability.

Assumptions

The key assumptions contrasting to the baseline scenario are:

- Introduction of a permanent SRV under S508A of the *Local Government Act* of 25.44% over and above the IPART rate peg over two years which incurs an estimated $125K implementation cost in 2021/22
- Increased income based on community acceptance of user-pay fees for Council services
- Slower increases to employee costs from lower-than-expected award increases, redeployment, and reductions
- Reduction in operational input costs due to efficiencies, savings from day-to-day operations and moderate adjustments to service levels
- Asset renewals and maintenance at level required to avoid infrastructure renewal backlogs and deteriorating assets

Implications

The SRV scenario shows a return to operating profits for the general fund from year 7. It allows Council to increase its asset replacement reserves to make sure services can be delivered into the future. The SRV scenario meets all key principles of sound financial management. It returns operations to a surplus in the long-term, invests responsibly in infrastructure and avoids burdening future generations with excessive costs or extensive reductions to services.

However, while this scenario shows reduced reliance on external grant funding, Council continues to rely on external funding for infrastructure renewals. Additional external funding of approximately $4 million over the next 10 years will be required to fully fund required renewals in the general fund. Council considers this level of additional funding achievable.

SRV Scenario – Primary Financial Reports

Following are the reports for Council's General Fund and the consolidated model. Note that the Water Supply Fund and Wastewater Fund do not change under this scenario.

Snowy Valleys Council

General Fund Income Statement

SRV Scenario

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	12,492,269	13,871,256	15,438,613	15,747,385	16,062,333	16,383,580	16,711,251	17,045,476	17,386,386	17,734,113
User charges and fees	12,995,892	13,355,810	9,822,926	10,019,385	10,219,772	10,424,168	10,632,651	10,845,304	11,062,210	11,283,454
Interest & Investment Revenue	350,000	154,988	305,751	327,014	353,716	386,364	424,938	472,218	527,096	589,881
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	18,987,000	7,710,000	1,744,200	1,779,084	1,814,666	1,850,959	1,925,738	1,964,252	2,003,538	2,043,608
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Total Income	56,392,606	46,882,575	39,337,821	40,139,726	40,962,682	41,807,510	42,712,266	43,605,292	44,522,832	45,465,531
Expenses										
Employee Benefits	14,614,370	14,906,657	15,204,790	15,508,886	15,819,064	16,135,445	16,458,154	16,787,317	17,123,063	17,465,524
Materials & Contracts	10,850,316	10,931,693	7,513,681	7,570,033	7,626,808	7,684,009	7,741,640	7,799,702	7,858,200	7,917,136
Depreciation & Amortization	8,848,000	9,822,798	10,161,026	10,262,636	10,365,262	10,468,915	10,573,604	10,679,340	10,786,133	10,893,995
Other Expenses	5,403,376	5,357,552	5,437,915	5,519,484	5,602,276	5,686,310	5,771,605	5,858,179	5,946,051	6,035,242
Interest on Loans	106,421	94,200	83,614	77,096	70,721	64,403	58,408	53,184	47,643	42,679
Total Expenses	39,822,482	41,112,899	38,401,025	38,938,134	39,484,131	40,039,082	40,603,410	41,177,721	41,761,091	42,354,577
Operating Result - Surplus/(Deficit)	16,570,124	5,769,676	936,796	1,201,591	1,478,551	1,768,428	2,108,856	2,427,571	2,761,741	3,110,955
Surplus/(Deficit) after Capital Grants	(2,416,876)	(1,940,324)	(807,404)	(577,493)	(336,114)	(82,531)	183,118	463,318	758,204	1,067,346

General Fund Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	2,883,039	2,880,080	2,877,061	2,873,982	2,870,842	2,867,639	2,864,372	2,861,039	2,857,640	2,854,173
Current Investments	15,498,810	15,287,533	16,350,694	17,685,813	19,318,217	21,246,886	23,610,888	26,354,791	29,494,030	33,027,656
Current Receivables	1,400,961	1,403,920	1,406,939	1,410,018	1,413,158	1,416,361	1,419,628	1,422,961	1,426,360	1,429,827
Total Current Assets	19,782,810	19,571,533	20,634,694	21,969,813	23,602,217	25,530,886	27,894,888	30,638,791	33,778,030	37,311,656
Non Current Assets										
Infrastructure, Property, Plant and Equipment	549,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889
Total Non Current Assets	549,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889	555,385,889
Total Assets	569,168,699	574,957,422	576,020,583	577,355,702	578,988,106	580,916,775	583,280,777	586,024,680	589,163,919	592,697,545
Current Liabilities										
Current Payables	2,337,840	2,384,597	2,432,289	2,480,935	2,530,553	2,581,164	2,632,788	2,685,443	2,739,152	2,793,935
Current Borrowings	380,830	283,742	287,071	277,504	282,147	198,555	148,970	99,700	66,725	44,657
Current Provisions	7,985,900	8,385,777	8,795,884	9,216,483	9,647,839	10,090,228	10,543,930	11,009,232	11,486,430	11,975,826
Total Current Liabilities	10,704,570	11,054,116	11,515,244	11,974,921	12,460,540	12,869,947	13,325,687	13,794,375	14,292,307	14,814,418
Non Current Liabilities										
Non Current Borrowings	1,692,002	1,408,260	1,121,189	843,685	561,538	362,983	214,013	114,313	47,588	2,931
Non Current Provisions	407,950	418,149	428,602	439,318	450,300	461,558	473,097	484,924	497,047	509,474
Total Non Current Liabilities	2,099,952	1,826,409	1,549,791	1,283,003	1,011,838	824,541	687,110	599,237	544,635	512,404
Total Liabilities	12,804,522	12,880,524	13,065,035	13,257,924	13,472,378	13,694,488	14,012,797	14,393,612	14,836,942	15,326,823
Net Assets	556,364,177	562,076,898	562,955,548	564,097,778	565,515,728	567,222,287	569,267,980	571,631,068	574,326,977	577,370,722
Equity										
Council equity	556,364,177	562,076,898	562,955,548	564,097,778	565,515,728	567,222,287	569,267,980	571,631,068	574,326,977	577,370,722
Total Equity	556,364,177	562,076,898	562,955,548	564,097,778	565,515,728	567,222,287	569,267,980	571,631,068	574,326,977	577,370,722
Total Equity	556,364,177	562,076,898	562,955,548	564,097,778	565,515,728	567,222,287	569,267,980	571,631,068	574,326,977	577,370,722

General Fund Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	12,492,269	13,871,256	15,438,613	15,747,385	16,062,333	16,383,580	16,711,251	17,045,476	17,386,386	17,734,113
User charges and fees	12,995,892	13,355,810	9,822,926	10,019,385	10,219,772	10,424,168	10,632,651	10,845,304	11,062,210	11,283,454
Interest & Investment Revenue	350,000	154,988	305,751	327,014	353,716	386,364	424,938	472,218	527,096	589,881
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	18,987,000	7,710,000	1,744,200	1,779,084	1,814,666	1,850,959	1,925,738	1,964,252	2,003,538	2,043,608
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Payments:										
Employee Benefits	(14,224,470)	(14,506,780)	(14,794,683)	(15,088,287)	(15,387,707)	(15,693,056)	(16,004,452)	(16,322,015)	(16,645,865)	(16,976,128)
Materials and Contracts	(10,850,316)	(10,931,693)	(7,513,681)	(7,570,033)	(7,626,808)	(7,684,009)	(7,741,640)	(7,799,702)	(7,858,200)	(7,917,136)
Other Expenses	(5,403,376)	(5,357,552)	(5,437,915)	(5,519,484)	(5,602,276)	(5,686,310)	(5,771,605)	(5,858,179)	(5,946,051)	(6,035,242)
Net cash provided (or used in) operating activities	25,914,445	16,086,550	11,591,543	11,961,922	12,345,891	12,744,134	13,194,569	13,625,397	14,072,716	14,537,025
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(31,005,939)	(15,822,798)	(10,161,026)	(10,262,636)	(10,365,262)	(10,468,915)	(10,573,604)	(10,679,340)	(10,786,133)	(10,893,995)
Net cash provided (or used in) investing activities	(31,005,939)	(15,822,798)	(10,161,026)	(10,262,636)	(10,365,262)	(10,468,915)	(10,573,604)	(10,679,340)	(10,786,133)	(10,893,995)
Payments:										
Repayment of Borrowings and Advances	(674,589)	(475,030)	(367,356)	(364,167)	(348,225)	(346,550)	(256,963)	(202,154)	(147,343)	(109,405)
Net cash provided (or used in) financing activities	(674,589)	(475,030)	(367,356)	(364,167)	(348,225)	(346,550)	(256,963)	(202,154)	(147,343)	(109,405)
Net increase / (decrease) in cash	(5,766,083)	(211,277)	1,063,161	1,335,119	1,632,404	1,928,669	2,364,002	2,743,903	3,139,239	3,533,626

SNOWY VALLEYS COUNCIL – UPDATED LONG TERM FINANCIAL PLAN 2021 - 2031

Consolidated Income Statement (General + Water + Wastewater Funds)

SRV Scenario

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	18,501,839	20,001,018	21,690,970	22,124,789	22,567,285	23,018,630	23,479,003	23,948,583	24,427,555	24,916,106
User charges and fees	16,273,282	16,698,748	13,232,723	13,497,377	13,767,325	14,042,671	14,323,524	14,609,995	14,902,195	15,200,239
Interest & Investment Revenue	410,000	224,954	378,695	403,369	417,863	465,741	500,717	549,554	609,090	648,898
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	19,053,000	13,273,598	6,747,968	2,568,276	1,829,255	2,951,223	2,718,331	4,327,272	4,732,867	2,285,732
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Total Income	**65,805,566**	**61,988,838**	**54,076,686**	**50,860,668**	**51,093,922**	**53,240,704**	**54,039,263**	**56,713,446**	**58,215,309**	**56,865,449**
Expenses										
Employee Benefits	17,850,186	18,223,369	18,604,420	18,993,506	19,390,800	19,796,474	20,210,709	20,633,686	21,065,591	21,506,616
Materials & Contracts	13,556,086	13,691,579	10,328,764	10,441,418	10,555,621	10,671,399	10,788,777	10,907,782	11,028,441	11,150,782
Depreciation & Amortization	10,825,000	11,868,128	12,398,962	12,651,793	12,803,428	12,919,899	13,079,878	13,229,751	13,429,341	13,644,870
Other Expenses	5,968,276	5,936,574	6,031,413	6,127,819	6,225,820	6,325,443	6,426,715	6,529,667	6,634,327	6,740,725
Interest on Loans	367,055	298,024	239,585	212,772	195,528	180,295	164,207	148,850	134,185	121,003
Total Expenses	**48,566,603**	**50,017,673**	**47,603,144**	**48,427,309**	**49,171,197**	**49,893,509**	**50,670,286**	**51,449,736**	**52,291,885**	**53,163,996**
Operating Result - Surplus/(Deficit)	**17,238,963**	**11,971,164**	**6,473,542**	**2,433,359**	**1,922,726**	**3,347,195**	**3,368,977**	**5,263,710**	**5,923,424**	**3,701,453**
Surplus/(Deficit) after Capital Grants	**(1,814,037)**	**(1,302,433)**	**(274,426)**	**(134,916)**	**93,470**	**395,972**	**650,646**	**936,438**	**1,190,557**	**1,415,721**

Consolidated Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	9,067,536	9,052,987	9,038,146	9,023,009	9,007,570	8,991,821	8,975,757	7,959,373	7,942,660	7,925,613
Current Investments	22,495,396	18,934,730	20,168,431	20,893,127	23,287,036	25,035,836	27,477,698	30,454,523	32,444,892	36,540,424
Current Receivables	1,980,464	1,995,013	2,009,854	2,024,991	2,040,430	2,056,179	2,072,243	2,088,627	2,105,340	2,122,387
Total Current Assets	**33,543,396**	**29,982,730**	**31,216,431**	**31,941,127**	**34,335,036**	**36,083,836**	**38,525,698**	**40,502,523**	**42,492,892**	**46,588,424**
Non Current Assets										
Infrastructure, Property, Plant and Equipment	667,365,889	681,973,559	688,415,622	689,671,465	689,093,299	690,632,315	691,586,041	694,950,629	699,012,422	698,781,547
Total Non Current Assets	**667,365,889**	**681,973,559**	**688,415,622**	**689,671,465**	**689,093,299**	**690,632,315**	**691,586,041**	**694,950,629**	**699,012,422**	**698,781,547**
Total Assets	**700,909,285**	**711,956,289**	**719,632,053**	**721,612,592**	**723,428,335**	**726,716,151**	**730,111,739**	**735,453,152**	**741,505,314**	**745,369,971**
Current Liabilities										
Current Payables	2,337,840	2,384,597	2,432,289	2,480,935	2,530,553	2,581,164	2,632,788	2,685,443	2,739,152	2,793,935
Current Borrowings	1,324,037	1,207,884	873,420	538,339	501,767	427,090	387,599	348,460	326,193	365,298
Current Provisions	7,985,900	8,385,777	8,795,884	9,216,483	9,647,839	10,090,228	10,543,930	11,009,232	11,486,430	11,975,826
Total Current Liabilities	**11,647,777**	**11,978,258**	**12,101,593**	**12,235,756**	**12,680,160**	**13,098,482**	**13,564,316**	**14,043,135**	**14,551,775**	**15,135,060**
Non Current Liabilities										
Non Current Borrowings	5,377,447	4,169,563	5,296,143	4,757,804	4,256,037	3,828,947	3,441,348	3,092,888	2,766,695	2,401,397
Non Current Provisions	407,950	418,149	428,602	439,318	450,300	461,558	473,097	484,924	497,047	509,474
Total Non Current Liabilities	**5,785,397**	**4,587,712**	**5,724,745**	**5,197,122**	**4,706,337**	**4,290,505**	**3,914,445**	**3,577,812**	**3,263,742**	**2,910,870**
Total Liabilities	**17,433,174**	**16,565,969**	**17,826,338**	**17,432,878**	**17,386,497**	**17,388,987**	**17,478,761**	**17,620,947**	**17,815,517**	**18,045,930**
Net Assets	**683,476,111**	**695,390,320**	**701,805,715**	**704,179,714**	**706,041,838**	**709,327,164**	**712,632,978**	**717,832,205**	**723,689,796**	**727,324,041**
Equity										
Council equity	683,476,111	695,390,320	701,805,715	704,179,714	706,041,838	709,327,164	712,632,978	717,832,205	723,689,796	727,324,041
Total Equity	**683,476,111**	**695,390,320**	**701,805,715**	**704,179,714**	**706,041,838**	**709,327,164**	**712,632,978**	**717,832,205**	**723,689,796**	**727,324,041**
Total Equity	**683,476,111**	**695,390,320**	**701,805,715**	**704,179,714**	**706,041,838**	**709,327,164**	**712,632,978**	**717,832,205**	**723,689,796**	**727,324,041**

Consolidated Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	18,501,839	20,001,018	21,690,970	22,124,789	22,567,285	23,018,630	23,479,003	23,948,583	24,427,555	24,916,106
User charges and fees	16,273,282	16,698,748	13,232,723	13,497,377	13,767,325	14,042,671	14,323,524	14,609,995	14,902,195	15,200,239
Interest & Investment Revenue	410,000	224,954	378,695	403,369	417,863	465,741	500,717	549,554	609,090	648,898
Grants, subsidies, contributions - Operating	10,740,156	10,954,959	11,174,058	11,397,539	11,625,490	11,858,000	12,095,160	12,337,063	12,583,805	12,835,481
Grants, subsidies, contributions - Capital	19,053,000	13,273,598	6,747,968	2,568,276	1,829,255	2,951,223	2,718,331	4,327,272	4,732,867	2,285,732
Other Income	827,289	835,562	852,273	869,319	886,705	904,439	922,528	940,978	959,798	978,994
Payments:										
Employee Benefits	(17,460,286)	(17,823,492)	(18,194,312)	(18,572,908)	(18,959,443)	(19,354,085)	(19,757,007)	(20,168,384)	(20,588,393)	(21,017,219)
Materials and Contracts	(13,556,086)	(13,691,579)	(10,328,764)	(10,441,418)	(10,555,621)	(10,671,399)	(10,788,777)	(10,907,782)	(11,028,441)	(11,150,782)
Other Expenses	(5,968,276)	(5,936,574)	(6,031,413)	(6,127,819)	(6,225,820)	(6,325,443)	(6,426,715)	(6,529,667)	(6,634,327)	(6,740,725)
Net cash provided (or used in) operating activities	**28,820,918**	**24,537,193**	**19,522,196**	**15,718,523**	**15,353,038**	**16,889,777**	**17,066,763**	**19,107,613**	**19,964,148**	**17,956,722**
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(35,410,939)	(26,475,798)	(18,841,026)	(13,907,636)	(12,225,262)	(14,458,915)	(14,033,604)	(16,594,340)	(17,491,133)	(13,413,995)
Net cash provided (or used in) investing activities	**(35,410,939)**	**(26,475,798)**	**(18,841,026)**	**(13,907,636)**	**(12,225,262)**	**(14,458,915)**	**(14,033,604)**	**(16,594,340)**	**(17,491,133)**	**(13,413,995)**
Cash Flows from Financing Activities										
Receipts:										
Borrowings and Advances	0	0	2,000,000	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings and Advances	(1,830,341)	(1,622,061)	(1,447,469)	(1,086,192)	(733,867)	(682,062)	(591,297)	(536,449)	(482,645)	(447,196)
Net cash provided (or used in) financing activities	**(1,830,341)**	**(1,622,061)**	**552,531**	**(1,086,192)**	**(733,867)**	**(682,062)**	**(591,297)**	**(536,449)**	**(482,645)**	**(447,196)**
Net increase / (decrease) in cash	**(8,420,362)**	**(3,560,666)**	**1,233,701**	**724,696**	**2,393,909**	**1,748,800**	**2,441,862**	**1,976,825**	**1,990,369**	**4,095,532**

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7. Optimistic Scenario

The optimistic scenario shows the implications of a path that allows Council to increase its revenues from various sources and gain efficiencies and cost savings at a better-than-expected rate.

Assumptions

The key assumptions contrasting to the SRV scenario are:

- Reduced SRV of 10% only
- Continued ability to secure commercial works at higher level
- Increased income based on extended user-pays fees for Council services
- Increased investment returns in favourable economic environment
- State and Federal Government provide increased operational support to offset recent and ongoing cost-shifting
- Dividend from the water and sewer funds to the general fund
- Considerably slower increases to employee costs achieved by lower-than-expected award increases, postponement of superannuation changes, redeployment and reductions following service level adjustments
- Higher than expected reduction for operational input due to new efficiencies, for example from regional purchasing contracts, and service level reductions
- Fully funded infrastructure renewal and maintenance
- Ability to moderately upgrade infrastructure and source additional external funding

Implications

The optimistic scenario shows a balanced result for the general fund over the 10-year forecast with the consolidated result returning to profitable levels in year 5. It allows Council to continually upgrade assets, fully fund asset renewals and maintenance, and increase asset replacement reserves to make sure services can be delivered at levels expected by the community into the future. It uses a reduced SRV with the possibility of phasing it out towards the end of the forecast period.

The optimistic scenario meets all key principles of sound financial management. However, it is not considered achievable and is based on tenuous assumptions, particularly the ability of other levels of government to increase support to local government from what is currently provided. It is also unlikely that the community will accept service rationalisations and service level reductions to the degree required to achieve this scenario.

Optimistic Scenario – Primary Financial Reports

Following are the reports for Council's General Fund and the consolidated model. Note that the Water Supply Fund and Wastewater Fund change only marginally under this scenario.

Snowy Valleys Council

General Fund Income Statement **Optimistic Scenario**

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	12,492,269	13,683,066	13,956,727	14,235,862	14,520,579	14,810,991	15,107,210	15,409,355	15,717,542	16,031,893
User charges and fees	12,995,892	13,505,810	11,775,926	12,011,445	12,251,673	12,496,707	12,746,641	13,001,574	13,261,605	13,526,837
Interest & Investment Revenue	350,000	154,988	423,321	431,000	452,824	489,848	542,424	614,765	705,785	816,345
Grants, subsidies, contributions - Operating	10,740,156	11,384,565	11,612,257	11,844,502	12,081,392	12,323,020	12,569,480	12,820,870	13,077,287	13,338,833
Grants, subsidies, contributions - Capital	18,987,000	7,710,000	1,998,717	2,036,655	2,075,328	2,114,749	2,192,693	2,234,411	2,276,938	2,320,290
Other Income	827,289	885,562	903,273	921,339	939,765	958,561	977,732	997,287	1,017,232	1,037,577
Total Income	56,392,606	47,323,991	40,670,221	41,480,801	42,321,561	43,193,875	44,136,180	45,078,261	46,056,389	47,071,774
Expenses										
Employee Benefits	14,614,370	14,760,513	14,908,118	15,057,200	15,207,772	15,359,849	15,513,448	15,668,582	15,825,268	15,983,521
Materials & Contracts	10,850,316	11,067,322	9,688,668	9,785,555	9,883,410	9,982,245	10,082,067	10,182,888	10,284,717	10,387,564
Depreciation & Amortization	8,848,000	9,822,798	10,180,671	10,302,839	10,426,473	10,551,591	10,678,210	10,806,349	10,936,025	11,067,257
Other Expenses	5,403,376	5,212,396	5,147,241	5,082,901	5,019,365	4,956,623	4,894,665	4,833,481	4,773,063	4,713,400
Interest on Loans	106,421	94,200	83,614	77,096	70,721	64,403	58,408	53,184	47,643	42,679
Total Expenses	39,822,482	40,957,229	40,008,313	40,305,590	40,607,741	40,914,710	41,226,797	41,544,484	41,866,715	42,194,420
Operating Result - Surplus/(Deficit)	16,570,124	6,366,762	661,907	1,175,211	1,713,820	2,279,165	2,909,382	3,533,778	4,189,674	4,877,354
Surplus/(Deficit) after Capital Grants	(2,416,876)	(1,343,238)	(1,336,809)	(861,444)	(361,507)	164,416	716,689	1,299,366	1,912,736	2,557,064

General Fund Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	2,883,039	2,880,080	2,877,061	2,873,982	2,870,842	2,867,639	2,864,372	2,861,039	2,857,640	2,854,173
Current Investments	15,498,810	15,393,479	15,672,718	16,466,315	17,812,664	19,724,491	22,355,109	25,664,901	29,685,272	34,431,934
Current Receivables	1,400,961	1,403,920	1,406,939	1,410,018	1,413,158	1,416,361	1,419,628	1,422,961	1,426,360	1,429,827
Total Current Assets	19,782,810	19,677,479	19,956,718	20,750,315	22,096,664	24,008,491	26,639,109	29,948,901	33,969,272	38,715,934
Non Current Assets										
Infrastructure, Property, Plant and Equipment	549,385,889	555,877,029	556,386,062	556,901,204	557,422,528	557,950,108	558,484,018	559,024,336	559,571,137	560,124,500
Total Non Current Assets	549,385,889	555,877,029	556,386,062	556,901,204	557,422,528	557,950,108	558,484,018	559,024,336	559,571,137	560,124,500
Total Assets	569,168,699	575,554,508	576,342,780	577,651,519	579,519,192	581,958,599	585,123,127	588,973,237	593,540,409	598,840,434
Current Liabilities										
Current Payables	2,337,840	2,384,597	2,432,289	2,480,935	2,530,553	2,581,164	2,632,788	2,685,443	2,739,152	2,793,935
Current Borrowings	380,830	283,742	287,071	277,504	282,147	198,555	148,970	99,700	66,725	44,657
Current Provisions	7,985,900	8,385,777	8,795,884	9,216,483	9,647,839	10,090,228	10,543,930	11,009,232	11,486,430	11,975,826
Total Current Liabilities	10,704,570	11,054,116	11,515,244	11,974,921	12,460,540	12,869,947	13,325,687	13,794,375	14,292,307	14,814,418
Non Current Liabilities										
Non Current Borrowings	1,692,002	1,408,260	1,121,189	843,685	561,538	362,983	214,013	114,313	47,588	2,931
Non Current Provisions	407,950	418,149	428,602	439,318	450,300	461,558	473,097	484,924	497,047	509,474
Total Non Current Liabilities	2,099,952	1,826,409	1,549,791	1,283,003	1,011,838	824,541	687,110	599,237	544,635	512,404
Total Liabilities	12,804,522	12,880,524	13,065,035	13,257,924	13,472,378	13,694,488	14,012,797	14,393,612	14,836,942	15,326,823
Net Assets	556,364,177	562,673,984	563,277,745	564,393,596	566,046,814	568,264,110	571,110,330	574,579,624	578,703,466	583,513,611
Equity										
Council equity	556,364,177	562,673,984	563,277,745	564,393,596	566,046,814	568,264,110	571,110,330	574,579,624	578,703,466	583,513,611
Total Equity	556,364,177	562,673,984	563,277,745	564,393,596	566,046,814	568,264,110	571,110,330	574,579,624	578,703,466	583,513,611
Total Equity	556,364,177	562,673,984	563,277,745	564,393,596	566,046,814	568,264,110	571,110,330	574,579,624	578,703,466	583,513,611

General Fund Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	12,492,269	13,683,066	13,956,727	14,235,862	14,520,579	14,810,991	15,107,210	15,409,355	15,717,542	16,031,893
User charges and fees	12,995,892	13,505,810	11,775,926	12,011,445	12,251,673	12,496,707	12,746,641	13,001,574	13,261,605	13,526,837
Interest & Investment Revenue	350,000	154,988	423,321	431,000	452,824	489,848	542,424	614,765	705,785	816,345
Grants, subsidies, contributions - Operating	10,740,156	11,384,565	11,612,257	11,844,502	12,081,392	12,323,020	12,569,480	12,820,870	13,077,287	13,338,833
Grants, subsidies, contributions - Capital	18,987,000	7,710,000	1,998,717	2,036,655	2,075,328	2,114,749	2,192,693	2,234,411	2,276,938	2,320,290
Other Income	827,289	885,562	903,273	921,339	939,765	958,561	977,732	997,287	1,017,232	1,037,577
Payments:										
Employee Benefits	(14,224,470)	(14,360,636)	(14,498,011)	(14,636,601)	(14,776,415)	(14,917,460)	(15,059,746)	(15,203,280)	(15,348,070)	(15,494,124)
Materials and Contracts	(10,850,316)	(11,067,322)	(9,688,668)	(9,785,555)	(9,883,410)	(9,982,245)	(10,082,067)	(10,182,888)	(10,284,717)	(10,387,564)
Other Expenses	(5,403,376)	(5,212,396)	(5,147,241)	(5,082,901)	(5,019,365)	(4,956,623)	(4,894,665)	(4,833,481)	(4,773,063)	(4,713,400)
Net cash provided (or used in) operating activities	25,914,445	16,683,636	11,336,300	11,975,745	12,642,371	13,337,547	14,099,702	14,858,612	15,650,540	16,476,687
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(31,005,939)	(16,313,937)	(10,689,705)	(10,817,981)	(10,947,797)	(11,079,170)	(11,212,121)	(11,346,666)	(11,482,826)	(11,620,620)
Net cash provided (or used in) investing activities	(31,005,939)	(16,313,937)	(10,689,705)	(10,817,981)	(10,947,797)	(11,079,170)	(11,212,121)	(11,346,666)	(11,482,826)	(11,620,620)
Payments:										
Repayment of Borrowings and Advances	(674,589)	(475,030)	(367,356)	(364,167)	(348,225)	(346,550)	(256,963)	(202,154)	(147,343)	(109,405)
Net cash provided (or used in) financing activities	(674,589)	(475,030)	(367,356)	(364,167)	(348,225)	(346,550)	(256,963)	(202,154)	(147,343)	(109,405)
Net increase / (decrease) in cash	(5,766,083)	(105,331)	279,239	793,597	1,346,349	1,911,827	2,630,618	3,309,792	4,020,371	4,746,662

SNOWY VALLEYS COUNCIL – UPDATED LONG TERM FINANCIAL PLAN 2021 - 2031

Snowy Valleys Council

Consolidated Income Statement (General + Water + Wastewater Funds)

Optimistic Scenario

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income										
Rates, Levies & Annual Charges	18,501,839	19,812,827	20,209,084	20,613,266	21,025,531	21,446,041	21,874,962	22,312,462	22,758,711	23,213,885
User charges and fees	16,273,282	16,848,748	15,185,723	15,489,437	15,799,226	16,115,210	16,437,515	16,766,265	17,101,590	17,443,622
Interest & Investment Revenue	410,000	224,954	495,265	505,309	513,833	564,948	612,737	685,395	779,779	866,014
Grants, subsidies, contributions - Operating	10,740,156	11,384,565	11,612,257	11,844,502	12,081,392	12,323,020	12,569,480	12,820,870	13,077,287	13,338,833
Grants, subsidies, contributions - Capital	19,053,000	13,273,598	7,002,485	2,825,847	2,089,917	3,215,013	2,985,286	4,597,431	5,006,267	2,562,413
Other Income	827,289	885,562	903,273	921,339	939,765	958,561	977,732	997,287	1,017,232	1,037,577
Total Income	**65,805,566**	**62,430,254**	**55,408,085**	**52,199,699**	**52,449,664**	**54,622,793**	**55,457,712**	**58,179,709**	**59,740,867**	**58,462,343**
Expenses										
Employee Benefits	17,850,186	18,077,225	18,307,748	18,541,820	18,779,507	19,020,879	19,266,003	19,514,951	19,767,796	20,024,612
Materials & Contracts	13,556,086	13,827,208	12,503,752	12,656,940	12,812,223	12,969,634	13,129,204	13,290,967	13,454,958	13,621,210
Depreciation & Amortization	10,825,000	11,868,128	12,418,608	12,691,997	12,864,639	13,002,575	13,184,484	13,356,760	13,579,232	13,818,132
Other Expenses	5,968,276	5,841,419	5,791,989	5,743,768	5,696,753	5,650,946	5,606,346	5,562,955	5,520,773	5,479,802
Interest on Loans	367,055	298,024	239,585	212,772	195,528	180,295	164,207	148,850	134,185	121,003
Total Expenses	**48,566,603**	**49,912,003**	**49,261,682**	**49,847,296**	**50,348,651**	**50,824,328**	**51,350,244**	**51,874,483**	**52,456,944**	**53,064,760**
Operating Result - Surplus/(Deficit)	**17,238,963**	**12,518,250**	**6,146,403**	**2,352,403**	**2,101,013**	**3,798,465**	**4,107,468**	**6,305,225**	**7,283,923**	**5,397,584**
Surplus/(Deficit) after Capital Grants	**(1,814,037)**	**(755,347)**	**(856,081)**	**(473,444)**	**11,096**	**583,452**	**1,122,182**	**1,707,795**	**2,277,655**	**2,835,170**

Consolidated Balance Sheet

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Assets										
Cash and cash equivalents	9,067,536	9,052,987	9,038,146	9,023,009	9,007,570	8,991,821	8,975,757	7,959,373	7,942,660	7,925,613
Current Investments	22,495,396	18,990,676	19,388,205	19,516,802	21,567,675	23,240,167	25,886,609	29,364,631	32,168,698	37,406,997
Current Receivables	1,980,464	1,995,013	2,009,854	2,024,991	2,040,430	2,056,179	2,072,243	2,088,627	2,105,340	2,122,387
Total Current Assets	**33,543,396**	**30,038,676**	**30,436,205**	**30,564,802**	**32,615,675**	**34,288,167**	**36,934,609**	**39,412,631**	**42,216,698**	**47,454,997**
Non Current Assets										
Infrastructure, Property, Plant and Equipment	667,365,889	682,464,699	689,415,796	691,186,780	691,129,938	693,196,534	694,684,170	698,589,076	703,197,670	703,520,157
Total Non Current Assets	**667,365,889**	**682,464,699**	**689,415,796**	**691,186,780**	**691,129,938**	**693,196,534**	**694,684,170**	**698,589,076**	**703,197,670**	**703,520,157**
Total Assets	**700,909,285**	**712,503,375**	**719,852,001**	**721,751,582**	**723,745,613**	**727,484,701**	**731,618,779**	**738,001,707**	**745,414,368**	**750,975,154**
Current Liabilities										
Current Payables	2,337,840	2,384,597	2,432,289	2,480,935	2,530,553	2,581,164	2,632,788	2,685,443	2,739,152	2,793,935
Current Borrowings	1,324,037	1,207,884	873,420	538,339	501,767	427,090	387,599	348,460	326,193	365,298
Current Provisions	7,985,900	8,385,777	8,795,884	9,216,483	9,647,839	10,090,228	10,543,930	11,009,232	11,486,430	11,975,826
Total Current Liabilities	**11,647,777**	**11,978,258**	**12,101,593**	**12,235,756**	**12,680,160**	**13,098,482**	**13,564,316**	**14,043,135**	**14,551,775**	**15,135,060**
Non Current Liabilities										
Non Current Borrowings	5,377,447	4,169,563	5,296,143	4,757,804	4,256,037	3,828,947	3,441,348	3,092,888	2,766,695	2,401,397
Non Current Provisions	407,950	418,149	428,602	439,318	450,300	461,558	473,097	484,924	497,047	509,474
Total Non Current Liabilities	**5,785,397**	**4,587,712**	**5,724,745**	**5,197,122**	**4,706,337**	**4,290,505**	**3,914,445**	**3,577,812**	**3,263,742**	**2,910,870**
Total Liabilities	**17,433,174**	**16,565,969**	**17,826,338**	**17,432,878**	**17,386,497**	**17,388,987**	**17,478,761**	**17,620,947**	**17,815,517**	**18,045,930**
Net Assets	**683,476,111**	**695,937,406**	**702,025,662**	**704,318,705**	**706,359,116**	**710,095,713**	**714,140,018**	**720,380,759**	**727,598,850**	**732,929,224**
Equity										
Council equity	683,476,111	695,937,406	702,025,662	704,318,705	706,359,116	710,095,714	714,140,018	720,380,759	727,598,850	732,929,224
Total Equity	**683,476,111**	**695,937,406**	**702,025,662**	**704,318,705**	**706,359,116**	**710,095,714**	**714,140,018**	**720,380,759**	**727,598,850**	**732,929,224**
Total Equity	**683,476,111**	**695,937,406**	**702,025,662**	**704,318,705**	**706,359,116**	**710,095,714**	**714,140,018**	**720,380,759**	**727,598,850**	**732,929,224**

Consolidated Cash Flow

Account Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	18,501,839	19,812,827	20,209,084	20,613,266	21,025,531	21,446,041	21,874,962	22,312,462	22,758,711	23,213,885
User charges and fees	16,273,282	16,848,748	15,185,723	15,489,437	15,799,226	16,115,210	16,437,515	16,766,265	17,101,590	17,443,622
Interest & Investment Revenue	410,000	224,954	495,265	505,309	513,833	564,948	612,737	685,395	779,779	866,014
Grants, subsidies, contributions - Operating	10,740,156	11,384,565	11,612,257	11,844,502	12,081,392	12,323,020	12,569,480	12,820,870	13,077,287	13,338,833
Grants, subsidies, contributions - Capital	19,053,000	13,273,598	7,002,485	2,825,847	2,089,917	3,215,013	2,985,286	4,597,431	5,006,267	2,562,413
Other Income	827,289	885,562	903,273	921,339	939,765	958,561	977,732	997,287	1,017,232	1,037,577
Payments:										
Employee Benefits	(17,460,286)	(17,677,348)	(17,897,641)	(18,121,221)	(18,348,151)	(18,578,490)	(18,812,301)	(19,049,649)	(19,290,598)	(19,535,216)
Materials and Contracts	(13,556,086)	(13,827,208)	(12,503,752)	(12,656,940)	(12,812,223)	(12,969,634)	(13,129,204)	(13,290,967)	(13,454,958)	(13,621,210)
Other Expenses	(5,968,276)	(5,841,419)	(5,791,989)	(5,743,768)	(5,696,753)	(5,650,946)	(5,606,346)	(5,562,955)	(5,520,773)	(5,479,802)
Net cash provided (or used in) operating activities	**28,820,918**	**25,084,279**	**19,214,703**	**15,677,770**	**15,592,537**	**17,423,724**	**17,909,860**	**20,276,138**	**21,474,538**	**19,826,115**
Cash Flows from Investing Activities										
Payments:										
Purchase of infrastructure, plant and equipment	(35,410,939)	(26,966,937)	(19,369,705)	(14,462,981)	(12,807,797)	(15,069,170)	(14,672,121)	(17,261,666)	(18,187,826)	(14,140,620)
Net cash provided (or used in) investing activities	**(35,410,939)**	**(26,966,937)**	**(19,369,705)**	**(14,462,981)**	**(12,807,797)**	**(15,069,170)**	**(14,672,121)**	**(17,261,666)**	**(18,187,826)**	**(14,140,620)**
Cash Flows from Financing Activities										
Receipts:										
Borrowings and Advances	0	0	2,000,000	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings and Advances	(1,830,341)	(1,622,061)	(1,447,469)	(1,086,192)	(733,867)	(682,062)	(591,297)	(536,449)	(482,645)	(447,196)
Net cash provided (or used in) financing activities	**(1,830,341)**	**(1,622,061)**	**552,531**	**(1,086,192)**	**(733,867)**	**(682,062)**	**(591,297)**	**(536,449)**	**(482,645)**	**(447,196)**
Net increase / (decrease) in cash	**(8,420,362)**	**(3,504,720)**	**397,530**	**128,597**	**2,050,873**	**1,672,491**	**2,646,443**	**2,478,023**	**2,804,067**	**5,238,299**

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8. Sensitivity Analysis

Both the baseline and SRV scenarios have been evaluated in relation to their sensitivity to changes in the assumptions. The optimistic scenario has not been sensitivity tested as it is not considered to be the community preference or achievable at this stage.

Employee Costs

Council's ability to contain rises in employee costs has a major impact on future performance. A key issue is the level of capitalisation (allocating employees to capital works programs rather than operational) and the level of resourcing required for civil contracting activities.

Future increases (indexation) of employee costs due to award increases and progression of staff through the salary system are critical components of the modelling. Employee costs increasing by an average of 1% higher than the assumed rate results in an additional $9 million and $8 million to employee costs by the end of the 10-year period for the baseline and SRV scenario respectively.

Interest Rates

Council has very low levels of borrowings and the existing loans are at fixed rates with interest payments decreasing over time. However, the interest received on investments has an impact on operating results. Further, utilising reserves for major capital investments decreases the available investment assets from which interest is received.

Capital Works Programs

A significant increase in Council's capital works programs over what is proposed in the updated LTFP will reduce reserves and cash holdings. If Council embarked on adding new capital projects resulting in additional assets, not only would the reserves decrease, but operational costs would increase both for maintenance and depreciation.

Grant Programs

Council relies heavily on external funding for its operations and capital works renewal program. If such grants were reduced or discontinued, Council would have to generate considerably more revenues from other sources. It has been assumed that Government funding remains at current levels, however, should such funding decrease because of current economic stimulus spending, Council's operating result would significantly worsen.

Rates Income

Rates Income is restricted to rate pegging as set each financial year by the Independent Pricing & Regulatory Tribunal (IPART). If rate pegging was abolished, Council would have greater flexibility to achieve financial sustainability.

Cost Shifting

Over the years other levels of government have shifted costs associated, among other, with emergency services, weed management, food safety regulation, road safety programs and fire and emergency services levy to local government without funding. It is likely that this trend will continue and negatively affect Council's operating results.

Energy Costs

Increased energy costs are occurring with Council continually looking at ways to minimise future costs. Solar panels and geothermal heating/cooling for Council buildings have resulted in savings with further projects being investigated.

Insurance and Workers Compensation

Forecasting insurance premiums is difficult. Considerable increases in insurance premiums are possible, influenced by several issues, particularly the occurrence of natural disasters, economic uncertainty and climate change.

Workers' compensation premiums can increase at any time following a rise in claims or with major open cases. Council's safety, risk & quality committee is committed to reducing premiums and claims through increased risk mitigation, awareness and workplace safety programs.

Superannuation

Council is responsible to fund investment shortfalls in the defined benefits member scheme until all staff in the scheme have retired. Council has been advised to expect to be called upon to fund investment shortfalls in this scheme due to the current economic environment. However, no additional allowance has been made in the financial forecast at this stage as the extend of the funding requirement is unclear.

9. Indicators

Council's key objectives include the achievement of an operating surplus over the planning cycle and adequate funding of asset renewals. This is achieved under the SRV Scenario. Other considerations include the achievement of industry benchmarks that Council must report on as part of its annual report.

The following ratios are anticipated to occur under the SRV scenario (comment included where divergent for the baseline scenario):

Operating Performance Ratio – Benchmark > 0%

This ratio measures financial sustainability and indicates Council's capacity to meet its ongoing expenditure by comparing revenues with operating expenses (excluding capital grants and contributions). In the SRV scenario, Council reaches the benchmark by 2025/26. Under the baseline scenario, Council is unable to reach this benchmark.

Own Source Revenue – Benchmark > 60%

This ratio indicates Council's ability to control its own operating performance and financial sustainability. It compares operating revenues gained from sources other than grants and contributions to its total operating revenues. Council meets this benchmark in 9 out of 10 years.

Unrestricted Current Ratio – Benchmark >1.5

This ratio indicates Council's ability to meet short term obligations as they fall due. Council meets this ratio throughout the period of the LTFP. However, in the baseline scenario, Council assets quickly deplete, and Council is unable to meet this ratio from about 2025/26.

Debt Service Cover Ratio – Benchmark >2

This ratio indicates the proportion of operating revenues being utilised for interest and principal repayments on loans. Council is well within the benchmark over the entire period of the LTFP.

Rates and Annual Charges Outstanding – Benchmark <10%

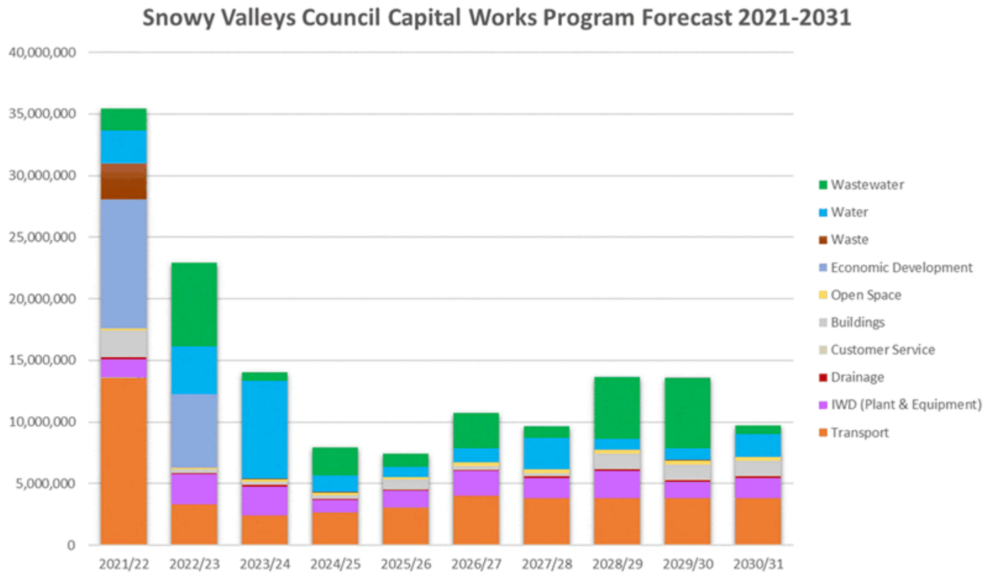
This ratio assesses the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts. It is expected to be achieved over the entire period of the LTFP. However, economic factors may influence rates and charges collection in the earlier years of the forecast.

Cash Expenses Cover Ratio – Benchmark >3 months

This ratio indicates Council's liquidity. It determines the number of months a Council can continue paying for its immediate expenses without additional cash flow. The ratio is expected to be achieved over the period of the LTFP. But under the baseline scenario Council is unable to meet this ratio from year 2027/28.

10. Capital Works Program

The capital works program for 2021/22 is included in the operational plan and budget paper. The chart below shows the planned capital expenditure over the next ten years.



Council's Strategic Asset Management Plan contains further information on Council's asset portfolio.