Mail: 76 Capper Street, Tumut NSW 2720
Telephone: 1300 ASK SVC (1300 275 782)
Website: www.svc.nsw.gov.au

Long-Term Financial Plan
2022 - 2032

Presented to Council for endorsement for Public Exhibition

17 March 2022

Table of Contents

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 Special Rate Variation (SRV) Scenario as proposed during the community consultation in 2021 and in Council's application to IPART;
- A Service-Reduction Scenario (No-SRV) with a balanced operational result;
- A Reduced-SRV Scenario with a reduced SRV in year one only.

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. A complete revaluation of all assets for these two funds is currently being undertaken.

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).

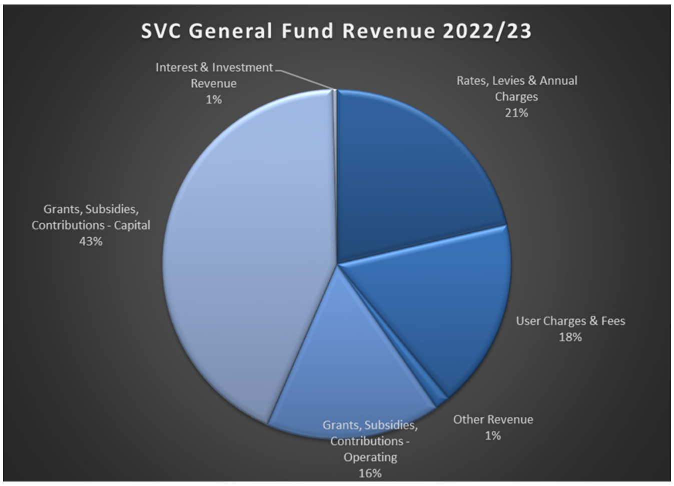
Assumptions informing the SRV scenario for the general fund have been developed with the primary aim of achieving an operating surplus in the long-term.

Council also ensures it provides sufficient funding for renewal of existing assets based on an analysis of 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.

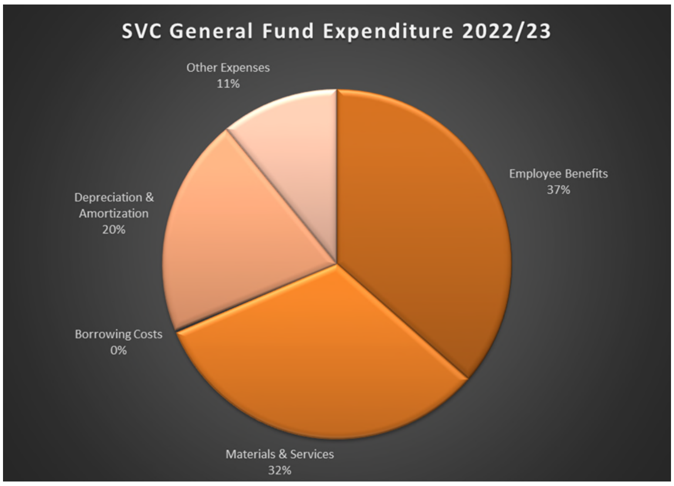
In addition to the above, Council aims to maintain sufficient cash, manage its debtors, maintain its debt within acceptable limits and to keep the typical residential bill for water and wastewater services as low as possible and stable over the long term. Initial modelling has been undertaken to assess 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 under the SRV scenario in Council's 2022/23 budget for the **General Fund**:



Council expects to receive 39% of its revenue from rates, levies, annual charges and user charges and fees. 59% of revenue is expected to result from operational and capital grants, which for 2022/23 includes $28.7 million for capital 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 43% and depreciation 20%. Interest payments on outstanding loans are below 1% of total expenditure.

3. Special Rate Variation

It has been evident for a number of years 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 without posting ongoing operational deficits.

Between July and December 2021 Council undertook extensive community engagement around a potential SRV to establish community understanding and willingness to accept an SRV to allow Council to return to a sustainable operating model. A report outlining this engagement and the feedback received was presented to Council at its ordinary meeting on 20 January 2022. On that date Council approved the submission of an SRV application to the Independent Pricing & Regulatory Tribunal (IPART).

The SRV scenario represents Council's preferred long-term path to financial sustainability and includes a proposed new and permanent SRV introduced over two years in 2022/23 and 2023/24 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 35.95% including the IPART rate peg introduced in two steps over two years. Each step is made up of the IPART prescribed rate peg plus 15% additional increase in the financial years 2022/23 and 2023/24.

Two other scenarios have been modelled, a Service-Reduction (No-SRV) scenario which has been forecast without an SRV, but with large service level reductions to achieve a balanced budget and a Reduced-SRV scenario with a much lower SRV introduced in 2022/23. Council believes that the full SRV of 35.95% as applied to IPART is unavoidable unless services and service levels are considerably reduced across the Council area.

4. SRV Scenario

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

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 assumptions that inform the SRV scenario are detailed below. The SRV scenario extrapolates from the 2022/23 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

Ordinary rates increase in line with the announced and assumed rate pegs. In addition, the rates increase by a 15% special rate variation each in the years 2022/23 and 2023/24.

Annual Charges

Annual charges increase as per the fees schedule for 2022/23 for the Waste, Water, Wastewater Funds and other charges, and then in line with CPI. However, in the future Council utilities charges may change at a different rate depending on service level plans and infrastructure needs.

User Charges & Fees

Rates, fees and charges increase in line with assumed CPI. Commercial works revenue is included in fees & charges revenue.

Grants and other External Funding

Operational grant funding is assumed to remain at current levels, but no extraordinary revenue has been forecast. 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.

Council's sustainability cannot be maintained should grant funding reduce. 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.

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 and includes the efficiency savings per Council's sustainability plan. Further organisational structure reviews are expected and will have an impact on future planning.

Employee costs make up 35% of consolidated Council ongoing expenses. The overall salaries and wages budget is $17.2 million for the financial year 2022/23 excluding capitalised wages. Cost decreases resulted from the removal of positions from the structure between October 2021 and June 2022 and some further savings are expected into the future. Cost increases result from mandated wage increases under the Local Government Award, superannuation guarantee increases and staff moving through the award structure. Historically, award increases have been higher than the allowable rate peg; for the financial year 2022/23 the difference is 2.3%.

Materials & Contracts and Other Inputs

Materials and contracts make up 30% and other operational inputs 12% of Council ongoing expenses. These costs are assumed to increase in line with, or slightly below CPI with further savings made through efficiencies and minor service level adjustments.

Population Growth Projections

The LTFP has been prepared based on a no-net population change basis.

Indexation

Base indexation of assumed CPI of 2.5% has been used except where a slightly lower index is more appropriate (eg. other expenses).

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 Strategic Asset Management Plan 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 sufficient to meet the cost of predicted asset renewals, and thus avoids 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 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 and is expected to remain proportionally at the same levels over the 10-year forecast period compared to overall expenditure. The forecast assumes only moderate valuation movements. Some reduction to depreciation and maintenance costs by disposing of underutilised assets is included in the scenario, but any such move will be considered in consultation with users.

Council’s water and wastewater assets are being revalued in the financial year 2021/22. At report writing date information on the effect of the valuation on depreciation expenditure was not available.

Service Levels

Council undertook a service level review and prepared new and updated Service Management Plans (SMPs). Corporate overhead costs and, where applicable, identified direct costs are being recovered from all services, capital projects and commercial works to avoid cross-subsidisation of services.

All services are being evaluated for community benefit, delivery costs, full-cost recovery, community service obligations and alternative delivery options. In the Delivery Program, Council has identified services that will be reviewed over the coming years. This may result in Council identifying services the private sector may be better placed to efficiently deliver and a reduction, divesting or rationalisation of other services. 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, recent fire and weather events have shown that in the case of a major disaster, these funding arrangements are inadequate to cover all costs to Council and may also result in cash flow management issues. 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 No-SRV and Reduced-SRV scenarios leave no room for this. Disaster 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 be 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 to.

Interest Rates

Due to the ongoing economic uncertainty a conservative approach has been taken and interest rates have been phased to increase over the 10-year forecast period, but not in the early years.

External Borrowings

Council currently holds several external loans against water, wastewater, caravan park and building assets. At this stage additional external borrowing is forecast for the Water and Wastewater Funds. Other borrowing can be considered where required and beneficial to Council's cash flow management.

Implications

The SRV scenario shows a return to operating profits for the general fund from year 2023/24 and an overall balanced budget over the 10-year period with a total forecast surplus of $3.5 million, with a break-even 10-year result for the General Fund when excluding the Waste Fund. The SRV scenario results in a cash surplus that allows Council to increase its asset replacement reserves to make sure services can be delivered into the future. The SRV scenario meets the 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. Council considers the ongoing level of additional funding achievable.

SRV Scenario – Primary Financial Reports

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

SCENARIO WITH SRV 35.95%

SRV Scenario

General Fund Income Statement

including Waste Fund

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	14,260	16,205	16,592	16,988	17,394	17,809	18,235	18,671	19,117	19,574
User Charges & Fees	11,731	12,024	12,825	12,896	12,968	13,292	13,624	13,965	14,314	14,672
Other Revenue	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Grants, Subsidies, Contributions - Operating	10,800	10,500	10,658	10,817	10,980	11,144	11,311	11,481	11,653	11,828
Grants, Subsidies, Contributions - Capital	28,743	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Interest & Investment Revenue	270	270	304	354	529	597	664	719	782	848
Total Income	**66,738**	**41,646**	**43,049**	**43,750**	**44,590**	**45,588**	**46,606**	**47,634**	**48,693**	**49,776**
Expenses										
Employee Benefits	14,418	14,601	15,039	15,490	15,877	16,274	16,681	17,098	17,525	17,963
Materials & Services	12,716	12,272	12,425	12,581	12,840	13,161	13,490	13,828	14,173	14,528
Borrowing Costs	94	77	70	62	55	49	42	36	30	23
Depreciation & Amortization	8,023	8,484	8,794	8,835	8,870	8,959	9,009	9,040	9,081	9,115
Other Expenses	4,319	4,559	4,624	4,881	4,909	4,954	5,011	5,078	5,154	5,237
Total Expenses	**39,570**	**39,992**	**40,951**	**41,848**	**42,552**	**43,397**	**44,233**	**45,080**	**45,963**	**46,866**
Operating Result - Surplus/(Deficit)	**27,168**	**1,654**	**2,098**	**1,902**	**2,038**	**2,192**	**2,373**	**2,554**	**2,730**	**2,911**
Surplus/(Deficit) before Capital Grants	**(1,575)**	**(46)**	**398**	**202**	**338**	**492**	**673**	**854**	**1,030**	**1,211**
External Cash Restrictions	3,605	3,919	4,186	4,421	3,379	3,337	3,880	4,213	4,790	5,376
Internal Cash Restrictions	10,698	12,142	15,276	18,727	22,030	25,476	28,731	31,030	35,035	37,624
Unrestricted Cash	2,541	2,526	2,511	2,496	2,481	2,466	2,451	2,436	2,421	2,406

General Fund Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046
Current Investments	8,797	10,541	13,927	17,598	19,844	23,232	27,016	29,633	34,199	37,359
Current Receivables	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427
Inventories	92	92	92	92	92	92	92	92	92	92
Current Assets - Other	344	344	344	344	344	344	344	344	344	344
Total Current Assets	**16,706**	**18,451**	**21,836**	**25,508**	**27,754**	**31,142**	**34,925**	**37,542**	**42,109**	**45,269**
Non Current Assets										
Investments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Reiceivables	11	11	11	11	11	11	11	11	11	11
Inventories	147	147	147	147	147	147	147	147	147	147
Infrastructure, Property, Plant & Equipment	582,798	586,312	589,843	593,242	598,009	601,849	605,258	608,934	612,529	616,191
Investment Property	340	340	340	340	340	340	340	340	340	340
Intangible Assets	165	748	2,531	2,154	1,778	1,401	1,024	647	270	(107)
Total Non Current Assets	**588,461**	**592,558**	**597,872**	**600,895**	**605,284**	**608,747**	**611,780**	**615,079**	**618,297**	**621,583**
Total Assets	**605,167**	**611,008**	**619,709**	**626,402**	**633,038**	**639,889**	**646,705**	**652,621**	**660,406**	**666,852**
Current Liabilities										
Payables	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413
Borrowings	278	271	278	196	203	154	106	112	119	126
Employee Benefit Provisions	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621
Provisions	154	131	297	234	185	147	117	93	75	60
Total Current Liabilities	**8,465**	**8,436**	**8,610**	**8,464**	**8,422**	**8,335**	**8,257**	**8,240**	**8,228**	**8,220**
Non Current Liabilities										
Borrowings	1,743	1,473	1,194	998	796	641	536	424	305	186
Employee Benefit Provisions	388	388	388	388	388	388	388	388	388	388
Provisions	1,616	1,486	1,188	954	769	622	505	412	337	276
Total Non Current Liabilities	**3,748**	**3,346**	**2,771**	**2,341**	**1,953**	**1,652**	**1,429**	**1,224**	**1,030**	**851**
Total Liabilities	**12,213**	**11,782**	**11,380**	**10,805**	**10,375**	**9,987**	**9,686**	**9,463**	**9,258**	**9,071**
Net Assets	**592,954**	**599,227**	**608,328**	**615,598**	**622,663**	**629,902**	**637,019**	**643,158**	**651,148**	**657,781**
Equity										
Accumulated Surplus	513,467	516,826	522,996	527,317	531,416	535,665	539,772	542,885	547,830	551,401
Asset Revaluation Reserves	79,486	82,400	85,332	88,281	91,247	94,238	97,247	100,273	103,318	106,380
Total Equity	**592,954**	**599,227**	**608,328**	**615,598**	**622,663**	**629,902**	**637,019**	**643,158**	**651,148**	**657,781**

General Fund Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	14,260	16,205	16,592	16,988	17,394	17,809	18,235	18,671	19,117	19,574
User charges & fees	11,731	12,024	12,825	12,896	12,968	13,292	13,624	13,965	14,314	14,672
Investment & Interest Revenue	270	270	304	354	529	597	664	719	782	848
Grants & Contributions	39,543	12,200	12,358	12,517	12,680	12,844	13,011	13,181	13,353	13,528
Other Income	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Payments:										
Employee Benefits	(14,418)	(14,601)	(15,039)	(15,490)	(15,877)	(16,274)	(16,681)	(17,098)	(17,525)	(17,963)
Materials & Services	(12,716)	(12,272)	(12,425)	(12,581)	(12,840)	(13,161)	(13,490)	(13,828)	(14,173)	(14,528)
Borrowing Costs	(94)	(77)	(70)	(62)	(55)	(49)	(42)	(36)	(30)	(23)
Other Expenses	(4,319)	(4,559)	(4,624)	(4,881)	(4,909)	(4,954)	(5,011)	(5,078)	(5,154)	(5,237)
Net cash provided (or used in) operating activities	**35,191**	**10,138**	**10,892**	**10,737**	**10,908**	**11,151**	**11,382**	**11,595**	**11,810**	**12,026**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(36,339)	(8,116)	(7,236)	(6,787)	(8,467)	(7,560)	(7,445)	(8,872)	(7,132)	(8,747)
Net cash provided (or used in) investing activities	**(36,339)**	**(8,116)**	**(7,236)**	**(6,787)**	**(8,467)**	**(7,560)**	**(7,445)**	**(8,872)**	**(7,132)**	**(8,747)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings	(271)	(278)	(271)	(278)	(196)	(203)	(154)	(106)	(112)	(119)
Net cash provided (or used in) financing activities	**(271)**	**(278)**	**(271)**	**(278)**	**(196)**	**(203)**	**(154)**	**(106)**	**(112)**	**(119)**
Net (increase) / decrease in cash	**(1,420)**	**1,744**	**3,386**	**3,671**	**2,246**	**3,388**	**3,783**	**2,617**	**4,567**	**3,160**

SNOWY VALLEYS COUNCIL – LONG TERM FINANCIAL PLAN 2022 – 2032
– presented to Council 17 March 2022 for public exhibition

Water Fund Income Statement

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	1,815	1,860	1,907	1,955	2,003	2,054	2,105	2,157	2,211	2,267
User Charges & Fees	3,132	3,210	3,291	3,373	3,457	3,544	3,632	3,723	3,816	3,911
Other Revenue	0	0	0	0	0	0	0	0	0	0
Grants, Subsidies, Contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants, Subsidies, Contributions - Capital	66	0	0	1,000	1,000	500	0	0	0	0
Interest & Investment Revenue	30	30	30	30	30	30	30	30	30	30
Total Income	**5,043**	**5,101**	**5,227**	**6,357**	**6,491**	**6,127**	**5,767**	**5,910**	**6,057**	**6,208**
Expenses										
Employee Benefits	1,466	1,510	1,555	1,602	1,642	1,683	1,725	1,768	1,812	1,858
Materials & Services	1,063	1,090	1,117	1,145	1,173	1,203	1,233	1,264	1,295	1,328
Borrowing Costs	138	59	142	136	130	124	117	109	101	93
Depreciation & Amortization	1,318	1,370	1,445	1,497	1,582	1,676	1,731	1,746	1,760	1,799
Other Expenses	824	840	857	874	892	910	928	947	965	985
Total Expenses	**4,809**	**4,870**	**5,117**	**5,254**	**5,419**	**5,595**	**5,734**	**5,833**	**5,935**	**6,062**
Operating Result - Surplus/(Deficit)	**234**	**231**	**111**	**1,103**	**1,072**	**532**	**33**	**77**	**123**	**146**
Surplus/(Deficit) before Capital Grants	**168**	**231**	**111**	**103**	**72**	**32**	**33**	**77**	**123**	**146**
External Cash Restrictions	5,686	2,691	4,688	3,304	1,667	1,175	1,863	2,413	2,275	2,243
Internal Cash Restrictions	0	0	0	0	0	0	0	0	0	0
Unrestricted Cash	0	0	0	0	0	0	0	0	0	0

Water Fund Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	975	975	975	975	975	975	975	975	975	975
Current Investments	4,711	1,716	3,713	2,329	692	200	888	1,438	1,300	1,268
Current Receivables	269	269	269	269	269	269	269	269	269	269
Inventories	0	0	0	0	0	0	0	0	0	0
Current Assets - Other	0	0	0	0	0	0	0	0	0	0
Total Current Assets	**5,955**	**2,960**	**4,957**	**3,573**	**1,936**	**1,444**	**2,132**	**2,682**	**2,544**	**2,512**
Non Current Assets										
Investments	0	0	0	0	0	0	0	0	0	0
Reiceivables	0	0	0	0	0	0	0	0	0	0
Inventories	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment	51,523	54,489	56,536	59,919	63,668	65,872	66,441	66,998	68,533	70,076
Investment Property	0	0	0	0	0	0	0	0	0	0
Intangible Assets	0	0	0	0	0	0	0	0	0	0
Total Non Current Assets	**51,523**	**54,489**	**56,536**	**59,919**	**63,668**	**65,872**	**66,441**	**66,998**	**68,533**	**70,076**
Total Assets	**57,478**	**57,449**	**61,493**	**63,492**	**65,605**	**67,316**	**68,573**	**69,680**	**71,078**	**72,588**
Current Liabilities										
Payables	53	53	53	53	53	53	53	53	53	53
Borrowings	253	184	139	144	151	157	163	170	177	185
Employee Benefit Provisions	0	0	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	**306**	**237**	**192**	**197**	**204**	**210**	**216**	**223**	**230**	**238**
Non Current Liabilities										
Borrowings	741	657	3,518	3,373	3,223	3,066	2,903	2,733	2,555	2,378
Employee Benefit Provisions	0	0	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0	0	0
Total Non Current Liabilities	**741**	**657**	**3,518**	**3,373**	**3,223**	**3,066**	**2,903**	**2,733**	**2,555**	**2,378**
Total Liabilities	**1,047**	**894**	**3,710**	**3,571**	**3,426**	**3,276**	**3,119**	**2,956**	**2,786**	**2,616**
Net Assets	**56,431**	**56,555**	**57,783**	**59,921**	**62,178**	**64,040**	**65,454**	**66,724**	**68,292**	**69,972**
Equity										
Accumulated Surplus	54,110	53,977	54,932	56,787	58,745	60,288	61,373	62,311	63,544	64,881
Asset Revaluation Reserves	2,321	2,579	2,851	3,134	3,433	3,752	4,081	4,413	4,748	5,091
Total Equity	**56,431**	**56,555**	**57,783**	**59,921**	**62,178**	**64,040**	**65,454**	**66,724**	**68,292**	**69,972**

Water Fund Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	1,815	1,860	1,907	1,955	2,003	2,054	2,105	2,157	2,211	2,267
User charges & fees	3,132	3,210	3,291	3,373	3,457	3,544	3,632	3,723	3,816	3,911
Investment & Interest Revenue	30	30	30	30	30	30	30	30	30	30
Grants & Contributions	66	0	0	1,000	1,000	500	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0
Payments:										
Employee Benefits	(1,466)	(1,510)	(1,555)	(1,602)	(1,642)	(1,683)	(1,725)	(1,768)	(1,812)	(1,858)
Materials & Services	(1,063)	(1,090)	(1,117)	(1,145)	(1,173)	(1,203)	(1,233)	(1,264)	(1,295)	(1,328)
Borrowing Costs	(138)	(59)	(142)	(136)	(130)	(124)	(117)	(109)	(101)	(93)
Other Expenses	(824)	(840)	(857)	(874)	(892)	(910)	(928)	(947)	(965)	(985)
Net cash provided (or used in) operating activities	**1,552**	**1,601**	**1,556**	**2,600**	**2,653**	**2,208**	**1,765**	**1,823**	**1,883**	**1,945**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(2,670)	(4,343)	(2,375)	(3,845)	(4,145)	(2,550)	(920)	(1,110)	(1,850)	(1,800)
Net cash provided (or used in) investing activities	**(2,670)**	**(4,343)**	**(2,375)**	**(3,845)**	**(4,145)**	**(2,550)**	**(920)**	**(1,110)**	**(1,850)**	**(1,800)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	3,000	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings	(656)	(253)	(184)	(139)	(144)	(151)	(157)	(163)	(170)	(177)
Net cash provided (or used in) financing activities	**(656)**	**(253)**	**2,816**	**(139)**	**(144)**	**(151)**	**(157)**	**(163)**	**(170)**	**(177)**
Net (increase) / decrease in cash	**(1,774)**	**(2,994)**	**1,997**	**(1,384)**	**(1,636)**	**(493)**	**688**	**550**	**(137)**	**(32)**
			* older water borrowings expire this year							

Page | 11

Wastewater Fund Income Statement

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	4,693	4,810	4,931	5,054	5,180	5,310	5,442	5,579	5,718	5,861
User Charges & Fees	278	285	292	299	307	315	322	330	339	347
Other Revenue	0	0	0	0	0	0	0	0	0	0
Grants, Subsidies, Contributions - Operating	0	0	0	0	0	0	0	0	0	0
Grants, Subsidies, Contributions - Capital	0	0	0	0	0	0	0	0	0	0
Interest & Investment Revenue	30	30	30	30	30	30	30	30	30	30
Total Income	**5,001**	**5,125**	**5,253**	**5,383**	**5,517**	**5,654**	**5,795**	**5,939**	**6,087**	**6,238**
Expenses										
Employee Benefits	1,360	1,401	1,443	1,486	1,523	1,561	1,600	1,640	1,681	1,723
Materials & Services	1,029	1,055	1,081	1,108	1,136	1,164	1,193	1,223	1,254	1,285
Borrowing Costs	112	82	76	70	63	57	185	173	161	148
Depreciation & Amortization	1,643	1,670	1,764	1,856	1,905	1,954	1,973	2,088	2,226	2,239
Other Expenses	646	659	672	686	699	713	728	742	757	772
Total Expenses	**4,790**	**4,866**	**5,035**	**5,205**	**5,327**	**5,450**	**5,679**	**5,866**	**6,078**	**6,168**
Operating Result - Surplus/(Deficit)	**211**	**260**	**217**	**178**	**191**	**204**	**116**	**73**	**8**	**71**
Surplus/(Deficit) before Capital Grants	**211**	**260**	**217**	**178**	**191**	**204**	**116**	**73**	**8**	**71**
External Cash Restrictions	9,259	6,770	4,539	3,934	2,940	3,893	5,070	1,107	2,207	3,370
Internal Cash Restrictions	0	0	0	0	0	0	0	0	0	0
Unrestricted Cash	0	0	0	0	0	0	0	0	0	0

Wastewater Fund Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	850	850	850	850	850	850	850	850	850	850
Current Investments	8,409	5,920	3,689	3,084	2,090	3,043	4,220	257	1,357	2,520
Current Receivables	382	382	382	382	382	382	382	382	382	382
Inventories	0	0	0	0	0	0	0	0	0	0
Current Assets - Other	0	0	0	0	0	0	0	0	0	0
Total Current Assets	**9,641**	**7,152**	**4,921**	**4,316**	**3,322**	**4,275**	**5,452**	**1,489**	**2,589**	**3,752**
Non Current Assets										
Investments	0	0	0	0	0	0	0	0	0	0
Reiceivables	0	0	0	0	0	0	0	0	0	0
Inventories	0	0	0	0	0	0	0	0	0	0
Infrastructure, Property, Plant & Equipment	67,361	71,123	74,804	76,778	78,761	79,505	84,103	89,623	90,171	90,722
Investment Property	0	0	0	0	0	0	0	0	0	0
Intangible Assets	0	0	0	0	0	0	0	0	0	0
Total Non Current Assets	**67,361**	**71,123**	**74,804**	**76,778**	**78,761**	**79,505**	**84,103**	**89,623**	**90,171**	**90,722**
Total Assets	**77,002**	**78,275**	**79,724**	**81,094**	**82,084**	**83,781**	**89,555**	**91,112**	**92,760**	**94,474**
Current Liabilities										
Payables	30	30	30	30	30	30	30	30	30	30
Borrowings	283	127	133	139	146	302	313	325	336	348
Employee Benefit Provisions	0	0	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	**313**	**157**	**163**	**169**	**176**	**332**	**343**	**355**	**366**	**378**
Non Current Liabilities										
Borrowings	1,789	1,662	1,529	1,390	1,244	5,592	5,279	4,954	4,618	4,282
Employee Benefit Provisions	0	0	0	0	0	0	0	0	0	0
Provisions	0	0	0	0	0	0	0	0	0	0
Total Non Current Liabilities	**1,789**	**1,662**	**1,529**	**1,390**	**1,244**	**5,592**	**5,279**	**4,954**	**4,618**	**4,282**
Total Liabilities	**2,103**	**1,819**	**1,692**	**1,559**	**1,420**	**5,924**	**5,622**	**5,309**	**4,984**	**4,660**
Net Assets	**74,899**	**76,455**	**78,032**	**79,535**	**80,664**	**77,856**	**83,933**	**85,804**	**87,776**	**89,815**
Equity										
Accumulated Surplus	68,281	69,500	70,721	71,850	72,595	69,394	75,073	76,523	78,047	79,635
Asset Revaluation Reserves	6,618	6,955	7,311	7,685	8,068	8,462	8,860	9,280	9,728	10,179
Total Equity	**74,899**	**76,455**	**78,032**	**79,535**	**80,664**	**77,856**	**83,933**	**85,804**	**87,776**	**89,815**

Wastewater Fund Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	4,693	4,810	4,931	5,054	5,180	5,310	5,442	5,579	5,718	5,861
User charges & fees	278	285	292	299	307	315	322	330	339	347
Investment & Interest Revenue	30	30	30	30	30	30	30	30	30	30
Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0
Payments:										
Employee Benefits	(1,360)	(1,401)	(1,443)	(1,486)	(1,523)	(1,561)	(1,600)	(1,640)	(1,681)	(1,723)
Materials & Services	(1,029)	(1,055)	(1,081)	(1,108)	(1,136)	(1,164)	(1,193)	(1,223)	(1,254)	(1,285)
Borrowing Costs	(112)	(82)	(76)	(70)	(63)	(57)	(185)	(173)	(161)	(148)
Other Expenses	(646)	(659)	(672)	(686)	(699)	(713)	(728)	(742)	(757)	(772)
Net cash provided (or used in) operating activities	**1,854**	**1,929**	**1,981**	**2,034**	**2,095**	**2,159**	**2,089**	**2,160**	**2,234**	**2,310**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(1,385)	(4,135)	(4,085)	(2,505)	(2,950)	(1,060)	(5,110)	(5,810)	(810)	(810)
Net cash provided (or used in) investing activities	**(1,385)**	**(4,135)**	**(4,085)**	**(2,505)**	**(2,950)**	**(1,060)**	**(5,110)**	**(5,810)**	**(810)**	**(810)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	0	0	0	0	4,500	0	0	0
Payments:										
Repayment of Borrowings	(270)	(283)	(127)	(133)	(139)	(146)	(302)	(313)	(325)	(336)
Net cash provided (or used in) financing activities	**(270)**	**(283)**	**(127)**	**(133)**	**(139)**	**(146)**	**4,198**	**(313)**	**(325)**	**(336)**
Net (increase) / decrease in cash	**199**	**(2,489)**	**(2,231)**	**(604)**	**(994)**	**953**	**1,176**	**(3,963)**	**1,100**	**1,164**

SNOWY VALLEYS COUNCIL – LONG TERM FINANCIAL PLAN 2022 – 2032
– presented to Council 17 March 2022 for public exhibition

SCENARIO WITH SRV 35.95%

SRV Scenario

Consolidated Income Statement

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	20,768	22,875	23,429	23,996	24,577	25,173	25,782	26,407	27,047	27,702
User Charges & Fees	15,141	15,520	16,408	16,568	16,732	17,150	17,579	18,018	18,469	18,931
Other Revenue	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Grants, Subsidies, Contributions - Operating	10,800	10,500	10,658	10,817	10,980	11,144	11,311	11,481	11,653	11,828
Grants, Subsidies, Contributions - Capital	28,809	1,700	1,700	2,700	2,700	2,200	1,700	1,700	1,700	1,700
Interest & Investment Revenue	330	330	364	414	589	657	724	779	842	908
Total Income	**76,782**	**51,872**	**53,529**	**55,491**	**56,598**	**57,370**	**58,168**	**59,484**	**60,837**	**62,223**
Expenses										
Employee Benefits	17,244	17,511	18,037	18,578	19,042	19,518	20,006	20,506	21,019	21,545
Materials & Services	14,808	14,416	14,622	14,834	15,149	15,528	15,916	16,314	16,722	17,140
Borrowing Costs	344	218	288	268	249	229	344	318	292	264
Depreciation & Amortization	10,984	11,524	12,003	12,187	12,357	12,589	12,713	12,874	13,067	13,154
Other Expenses	5,789	6,058	6,153	6,441	6,500	6,577	6,666	6,767	6,876	6,993
Total Expenses	**49,169**	**49,727**	**51,103**	**52,307**	**53,298**	**54,441**	**55,646**	**56,780**	**57,976**	**59,096**
Operating Result - Surplus/(Deficit)	**27,613**	**2,145**	**2,426**	**3,184**	**3,300**	**2,928**	**2,523**	**2,704**	**2,861**	**3,127**
Surplus/(Deficit) before Capital Grants	**(1,196)**	**445**	**726**	**484**	**600**	**728**	**823**	**1,004**	**1,161**	**1,427**
External Cash Restrictions	18,549	13,381	13,412	11,659	7,987	8,405	10,813	7,733	9,272	10,989
Internal Cash Restrictions	10,698	12,142	15,276	18,727	22,030	25,476	28,731	31,030	35,035	37,624
Unrestricted Cash	2,541	2,526	2,511	2,496	2,481	2,466	2,451	2,436	2,421	2,406

Consolidated Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871
Current Investments	21,916	18,177	21,328	23,011	22,627	26,476	32,123	31,327	36,856	41,147
Current Receivables	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078
Inventories	92	92	92	92	92	92	92	92	92	92
Current Assets - Other	344	344	344	344	344	344	344	344	344	344
Total Current Assets	**32,302**	**28,563**	**31,714**	**33,397**	**33,013**	**36,861**	**42,509**	**41,713**	**47,242**	**51,533**
Non Current Assets										
Investments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Reiceivables	11	11	11	11	11	11	11	11	11	11
Inventories	147	147	147	147	147	147	147	147	147	147
Infrastructure, Property, Plant & Equipment	701,682	711,923	721,183	729,939	740,438	747,226	755,802	765,556	771,233	776,990
Investment Property	340	340	340	340	340	340	340	340	340	340
Intangible Assets	165	748	2,531	2,154	1,778	1,401	1,024	647	270	(107)
Total Non Current Assets	**707,345**	**718,169**	**729,212**	**737,591**	**747,714**	**754,124**	**762,323**	**771,701**	**777,001**	**782,381**
Total Assets	**739,647**	**746,732**	**760,926**	**770,988**	**780,727**	**790,985**	**804,833**	**813,414**	**824,243**	**833,914**
Current Liabilities										
Payables	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496
Borrowings	814	582	550	479	499	614	582	607	633	658
Employee Benefit Provisions	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621
Provisions	154	131	297	234	185	147	117	93	75	60
Total Current Liabilities	**9,084**	**8,829**	**8,965**	**8,831**	**8,801**	**8,877**	**8,816**	**8,817**	**8,825**	**8,836**
Non Current Liabilities										
Borrowings	4,274	3,792	6,241	5,762	5,263	9,300	8,717	8,111	7,478	6,846
Employee Benefit Provisions	388	388	388	388	388	388	388	388	388	388
Provisions	1,616	1,486	1,188	954	769	622	505	412	337	276
Total Non Current Liabilities	**6,278**	**5,666**	**7,818**	**7,104**	**6,420**	**10,310**	**9,611**	**8,910**	**8,203**	**7,510**
Total Liabilities	**15,362**	**14,495**	**16,783**	**15,935**	**15,221**	**19,187**	**18,427**	**17,728**	**17,028**	**16,346**
Net Assets	**724,285**	**732,237**	**744,143**	**755,053**	**765,505**	**771,798**	**786,406**	**795,686**	**807,216**	**817,568**
Equity										
Accumulated Surplus	635,859	640,303	648,650	655,954	662,756	665,347	676,218	681,719	689,421	695,918
Asset Revaluation Reserves	88,426	91,934	95,494	99,100	102,749	106,452	110,188	113,967	117,794	121,651
Total Equity	**724,285**	**732,237**	**744,143**	**755,053**	**765,505**	**771,798**	**786,406**	**795,686**	**807,216**	**817,568**

Consolidated Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	20,768	22,875	23,429	23,996	24,577	25,173	25,782	26,407	27,047	27,702
User charges & fees	15,141	15,520	16,408	16,568	16,732	17,150	17,579	18,018	18,469	18,931
Investment & Interest Revenue	330	330	364	414	589	657	724	779	842	908
Grants & Contributions	39,609	12,200	12,358	13,517	13,680	13,344	13,011	13,181	13,353	13,528
Other Income	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Payments:										
Employee Benefits	(17,244)	(17,511)	(18,037)	(18,578)	(19,042)	(19,518)	(20,006)	(20,506)	(21,019)	(21,545)
Materials & Services	(14,808)	(14,416)	(14,622)	(14,834)	(15,149)	(15,528)	(15,916)	(16,314)	(16,722)	(17,140)
Borrowing Costs	(344)	(218)	(288)	(268)	(249)	(229)	(344)	(318)	(292)	(264)
Other Expenses	(5,789)	(6,058)	(6,153)	(6,441)	(6,500)	(6,577)	(6,666)	(6,767)	(6,876)	(6,993)
Net cash provided (or used in) operating activities	**38,597**	**13,668**	**14,428**	**15,370**	**15,657**	**15,517**	**15,236**	**15,578**	**15,928**	**16,281**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(40,394)	(16,594)	(13,696)	(13,137)	(15,562)	(11,170)	(13,475)	(15,792)	(9,792)	(11,357)
Net cash provided (or used in) investing activities	**(40,394)**	**(16,594)**	**(13,696)**	**(13,137)**	**(15,562)**	**(11,170)**	**(13,475)**	**(15,792)**	**(9,792)**	**(11,357)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	3,000	0	0	0	4,500	0	0	0
Payments:										
Repayment of Borrowings	(1,197)	(814)	(582)	(550)	(479)	(499)	(614)	(582)	(607)	(633)
Net cash provided (or used in) financing activities	**(1,197)**	**(814)**	**2,418**	**(550)**	**(479)**	**(499)**	**3,886**	**(582)**	**(607)**	**(633)**
Net (increase) / decrease in cash	**(2,995)**	**(3,739)**	**3,151**	**1,683**	**(384)**	**3,849**	**5,648**	**(796)**	**5,529**	**4,291**

Page | 13

5. Service-Reduction Scenario (No-SRV)

Based on feedback received from the community as part of the Service Level Review and Rates Harmonisation and further feedback during the engagement around a potential SRV, Council does not believe that the community is willing to accept vastly reduced service levels or declining infrastructure.

However, the following scenario has been developed to show the effect of not introducing an SRV as proposed in the preferred scenario above and through the community engagement and IPART application process while still aiming for a balanced, sustainable financial position. Assumptions are largely the same as in the SRV scenario with the exception that a large portion of non-statutory services have been removed or reduced from the forecast.

The Service-Reduction scenario has been established on a balanced budget basis achieved from year 1. It shows a path that drastically reduces Council's services and service levels offered to the community beginning 2022/23 with only a minor possibility of re-introducing or increasing these services in future years. It also introduces high increases to non-statutory fees and charges transferring a larger portion of the cost of services and facilities to the direct users and beneficiaries. Additionally underutilised assets will be sold, disposed of, or repurposed. These options were communicated to the community during the SRV engagement in 2021.

The severity of the service reductions cannot be overstated. Most services will be affected by removal or reduction, with internal services and staffing levels reduced in step with diminishing service requirements as external services are removed. The effect on the total Council workforce is expected to be a reduction of approximately 45 to 48 full-time equivalent positions.

Service Transfer or Removal	Service Reduction or Transfer	Asset Rationalisation
Program & Grants	Organisational Leadership	Investment Properties
Community & Development	Financial Services	Batlow Memorial Park Amenities
Economic Development	Libraries	
Tourism & Visitor Services	Communication, Engagement & Corporate Planning	Khancoban Store
Children Services		Khancoban Shopping Centre
Multi-Service-Outlet		Roths Corner Medical Centre
Community Transport	Governance & Risk	Tumbarumba Council Chambers
Road Safety Programs	Information Management	
	Customer Services	Tumbarumba Retirement Village
	Emergency Management	
	Regulatory Services	Tumbarumba Rotary Park
	Growth & Development	Tumbarumba Showground/Stadium
	People & Culture	
	Caravan Parks	Tumut Museum
	Technical Services	Tumut Neighbourhood Centre
	Roads & Bridges	
	Footpaths, Carparks & Kerb/Gutter	Tumut Railway Precinct
		Tumut Boys Club
	Fleets & Depot	Tumut Community Centre Complex
	Cemeteries	
	Public Toilets	Tumut Community Centre Complex - Radio Office
	Sporting Grounds	
	Parks	Tumut Saleyards
	Swimming Pools	Old Tumut Bridge (walk bridge)
	Aerodromes	

Service-Reduction Scenario – Primary Financial Reports

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

SCENARIO WITH NO SRV

Service-Reduction (No-SRV) Scenario

General Fund Income Statement including Waste Fund

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	12,872	13,176	13,487	13,806	14,132	14,466	14,808	15,159	15,517	15,884
User Charges & Fees	11,891	12,348	12,657	12,973	13,298	13,630	13,971	14,320	14,678	15,045
Other Revenue	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Grants, Subsidies, Contributions - Operating	10,800	10,500	10,658	10,817	10,980	11,144	11,311	11,481	11,653	11,828
Grants, Subsidies, Contributions - Capital	28,743	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Interest & Investment Revenue	270	291	322	364	535	596	657	705	761	820
Total Income	**65,510**	**38,962**	**39,795**	**40,656**	**41,665**	**42,582**	**43,519**	**44,463**	**45,436**	**46,432**
Expenses										
Employee Benefits	11,798	11,332	11,822	12,177	12,481	12,793	13,113	13,441	13,777	14,121
Materials & Services	12,716	12,784	13,103	13,431	13,767	14,111	14,464	14,825	15,196	15,576
Borrowing Costs	94	77	70	62	55	49	42	36	30	23
Depreciation & Amortization	7,773	8,002	8,331	8,390	8,444	8,551	8,620	8,670	8,729	8,783
Other Expenses	4,319	4,559	4,624	4,881	4,909	4,954	5,011	5,078	5,154	5,237
Total Expenses	**36,700**	**36,754**	**37,950**	**38,940**	**39,656**	**40,457**	**41,249**	**42,050**	**42,886**	**43,740**
Operating Result - Surplus/(Deficit)	**28,810**	**2,208**	**1,845**	**1,716**	**2,008**	**2,125**	**2,270**	**2,413**	**2,550**	**2,692**
Surplus/(Deficit) before Capital Grants	**67**	**508**	**145**	**16**	**308**	**425**	**570**	**713**	**850**	**992**
External Cash Restrictions	3,605	3,919	4,186	4,421	3,379	3,337	3,880	4,213	4,790	5,376
Internal Cash Restrictions	10,698	10,698	10,698	10,698	10,698	10,698	10,698	10,698	10,698	10,698
Unrestricted Cash	3,933	5,435	7,837	10,642	13,474	16,430	19,177	20,949	24,408	26,430

General Fund Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046
Current Investments	10,189	12,006	14,675	17,715	19,505	22,418	25,709	27,814	31,849	34,458
Current Receivables	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427
Inventories	92	92	92	92	92	92	92	92	92	92
Current Assets - Other	344	344	344	344	344	344	344	344	344	344
Total Current Assets	**18,098**	**19,915**	**22,584**	**25,625**	**27,414**	**30,328**	**33,618**	**35,723**	**39,759**	**42,368**
Non Current Assets										
Investments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Reiceivables	11	11	11	11	11	11	11	11	11	11
Inventories	147	147	147	147	147	147	147	147	147	147
Infrastructure, Property, Plant & Equipment	582,798	586,312	589,843	593,242	598,009	601,849	605,258	608,934	612,529	616,191
Investment Property	340	340	340	340	340	340	340	340	340	340
Intangible Assets	165	748	2,531	2,154	1,778	1,401	1,024	647	270	(107)
Total Non Current Assets	**588,461**	**592,558**	**597,872**	**600,895**	**605,284**	**608,747**	**611,780**	**615,079**	**618,297**	**621,583**
Total Assets	**606,559**	**612,473**	**620,457**	**626,519**	**632,698**	**639,075**	**645,398**	**650,802**	**658,055**	**663,950**
Current Liabilities										
Payables	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413
Borrowings	278	271	278	196	203	154	106	112	119	126
Employee Benefit Provisions	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621
Provisions	154	131	297	234	185	147	117	93	75	60
Total Current Liabilities	**8,465**	**8,436**	**8,610**	**8,464**	**8,422**	**8,335**	**8,257**	**8,240**	**8,228**	**8,220**
Non Current Liabilities										
Borrowings	1,743	1,473	1,194	998	796	641	536	424	305	186
Employee Benefit Provisions	388	388	388	388	388	388	388	388	388	388
Provisions	1,616	1,486	1,188	954	769	622	505	412	337	276
Total Non Current Liabilities	**3,748**	**3,346**	**2,771**	**2,341**	**1,953**	**1,652**	**1,429**	**1,224**	**1,030**	**851**
Total Liabilities	**12,213**	**11,782**	**11,380**	**10,805**	**10,375**	**9,987**	**9,686**	**9,463**	**9,258**	**9,071**
Net Assets	**594,346**	**600,691**	**609,076**	**615,715**	**622,324**	**629,088**	**635,712**	**641,339**	**648,798**	**654,880**
Equity										
Accumulated Surplus	514,859	518,291	523,744	527,433	531,076	534,850	538,465	541,066	545,480	548,499
Asset Revaluation Reserves	79,486	82,400	85,332	88,281	91,247	94,238	97,247	100,273	103,318	106,380
Total Equity	**594,346**	**600,691**	**609,076**	**615,715**	**622,324**	**629,088**	**635,712**	**641,339**	**648,798**	**654,880**

General Fund Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	12,872	13,176	13,487	13,806	14,132	14,466	14,808	15,159	15,517	15,884
User charges & fees	11,891	12,348	12,657	12,973	13,298	13,630	13,971	14,320	14,678	15,045
Investment & Interest Revenue	270	291	322	364	535	596	657	705	761	820
Grants & Contributions	39,543	12,200	12,358	12,517	12,680	12,844	13,011	13,181	13,353	13,528
Other Income	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Payments:										
Employee Benefits	(11,798)	(11,332)	(11,822)	(12,177)	(12,481)	(12,793)	(13,113)	(13,441)	(13,777)	(14,121)
Materials & Services	(12,716)	(12,784)	(13,103)	(13,431)	(13,767)	(14,111)	(14,464)	(14,825)	(15,196)	(15,576)
Borrowing Costs	(94)	(77)	(70)	(62)	(55)	(49)	(42)	(36)	(30)	(23)
Other Expenses	(4,319)	(4,559)	(4,624)	(4,881)	(4,909)	(4,954)	(5,011)	(5,078)	(5,154)	(5,237)
Net cash provided (or used in) operating activities	**36,583**	**10,210**	**10,175**	**10,106**	**10,452**	**10,676**	**10,890**	**11,083**	**11,279**	**11,475**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(36,339)	(8,116)	(7,236)	(6,787)	(8,467)	(7,560)	(7,445)	(8,872)	(7,132)	(8,747)
Net cash provided (or used in) investing activities	**(36,339)**	**(8,116)**	**(7,236)**	**(6,787)**	**(8,467)**	**(7,560)**	**(7,445)**	**(8,872)**	**(7,132)**	**(8,747)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings	(271)	(278)	(271)	(278)	(196)	(203)	(154)	(106)	(112)	(119)
Net cash provided (or used in) financing activities	**(271)**	**(278)**	**(271)**	**(278)**	**(196)**	**(203)**	**(154)**	**(106)**	**(112)**	**(119)**
Net (increase) / decrease in cash	**(28)**	**1,817**	**2,669**	**3,040**	**1,790**	**2,913**	**3,291**	**2,105**	**4,035**	**2,609**

SNOWY VALLEYS COUNCIL – LONG TERM FINANCIAL PLAN 2022 – 2032
– presented to Council 17 March 2022 for public exhibition

SCENARIO WITH NO SRV

Service-Reduction (No-SRV) Scenario

Consolidated Income Statement

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	19,380	19,847	20,325	20,814	21,316	21,830	22,356	22,895	23,446	24,012
User Charges & Fees	15,301	15,844	16,240	16,646	17,062	17,488	17,925	18,374	18,833	19,304
Other Revenue	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Grants, Subsidies, Contributions - Operating	10,800	10,500	10,658	10,817	10,980	11,144	11,311	11,481	11,653	11,828
Grants, Subsidies, Contributions - Capital	28,809	1,700	1,700	2,700	2,700	2,200	1,700	1,700	1,700	1,700
Interest & Investment Revenue	330	351	382	424	595	656	717	765	821	880
Total Income	**75,554**	**49,188**	**50,275**	**52,396**	**53,672**	**54,364**	**55,081**	**56,313**	**57,580**	**58,878**
Expenses										
Employee Benefits	14,624	14,243	14,820	15,265	15,646	16,037	16,438	16,849	17,270	17,702
Materials & Services	14,808	14,928	15,301	15,684	16,076	16,478	16,890	17,312	17,745	18,189
Borrowing Costs	344	218	288	268	249	229	344	318	292	264
Depreciation & Amortization	10,734	11,042	11,539	11,742	11,930	12,181	12,324	12,504	12,715	12,822
Other Expenses	5,789	6,058	6,153	6,441	6,500	6,577	6,666	6,767	6,876	6,993
Total Expenses	**46,299**	**46,490**	**48,102**	**49,399**	**50,402**	**51,502**	**52,662**	**53,750**	**54,899**	**55,969**
Operating Result - Surplus/(Deficit)	**29,255**	**2,699**	**2,172**	**2,997**	**3,271**	**2,862**	**2,419**	**2,563**	**2,681**	**2,908**
Surplus/(Deficit) before Capital Grants	**446**	**999**	**472**	**297**	**571**	**662**	**719**	**863**	**981**	**1,208**
External Cash Restrictions	18,549	13,381	13,412	11,659	7,987	8,405	10,813	7,733	9,272	10,989
Internal Cash Restrictions	10,698	10,698	10,698	10,698	10,698	10,698	10,698	10,698	10,698	10,698
Unrestricted Cash	3,933	5,435	7,837	10,642	13,474	16,430	19,177	20,949	24,408	26,430

Consolidated Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871
Current Investments	23,308	19,642	22,076	23,128	22,287	25,661	30,816	29,508	34,506	38,246
Current Receivables	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078
Inventories	92	92	92	92	92	92	92	92	92	92
Current Assets - Other	344	344	344	344	344	344	344	344	344	344
Total Current Assets	**33,694**	**30,027**	**32,462**	**33,514**	**32,673**	**36,047**	**41,202**	**39,894**	**44,892**	**48,632**
Non Current Assets										
Investments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Reiceivables	11	11	11	11	11	11	11	11	11	11
Inventories	147	147	147	147	147	147	147	147	147	147
Infrastructure, Property, Plant & Equipment	701,682	711,923	721,183	729,939	740,438	747,226	755,802	765,556	771,233	776,990
Investment Property	340	340	340	340	340	340	340	340	340	340
Intangible Assets	165	748	2,531	2,154	1,778	1,401	1,024	647	270	(107)
Total Non Current Assets	**707,345**	**718,169**	**729,212**	**737,591**	**747,714**	**754,124**	**762,323**	**771,701**	**777,001**	**782,381**
Total Assets	**741,039**	**748,197**	**761,674**	**771,105**	**780,387**	**790,171**	**803,525**	**811,595**	**821,893**	**831,013**
Current Liabilities										
Payables	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496
Borrowings	814	582	550	479	499	614	582	607	633	658
Employee Benefit Provisions	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621
Provisions	154	131	297	234	185	147	117	93	75	60
Total Current Liabilities	**9,084**	**8,829**	**8,965**	**8,831**	**8,801**	**8,877**	**8,816**	**8,817**	**8,825**	**8,836**
Non Current Liabilities										
Borrowings	4,274	3,792	6,241	5,762	5,263	9,300	8,717	8,111	7,478	6,846
Employee Benefit Provisions	388	388	388	388	388	388	388	388	388	388
Provisions	1,616	1,486	1,188	954	769	622	505	412	337	276
Total Non Current Liabilities	**6,278**	**5,666**	**7,818**	**7,104**	**6,420**	**10,310**	**9,611**	**8,910**	**8,203**	**7,510**
Total Liabilities	**15,362**	**14,495**	**16,783**	**15,935**	**15,221**	**19,187**	**18,427**	**17,728**	**17,028**	**16,346**
Net Assets	**725,677**	**733,702**	**744,891**	**755,170**	**765,166**	**770,984**	**785,099**	**793,867**	**804,866**	**814,667**
Equity										
Accumulated Surplus	637,251	641,768	649,398	656,070	662,417	664,532	674,911	679,900	687,071	693,016
Asset Revaluation Reserves	88,426	91,934	95,494	99,100	102,749	106,452	110,188	113,967	117,794	121,651
Total Equity	**725,677**	**733,702**	**744,891**	**755,170**	**765,166**	**770,984**	**785,099**	**793,867**	**804,866**	**814,667**

Consolidated Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	19,380	19,847	20,325	20,814	21,316	21,830	22,356	22,895	23,446	24,012
User charges & fees	15,301	15,844	16,240	16,646	17,062	17,488	17,925	18,374	18,833	19,304
Investment & Interest Revenue	330	351	382	424	595	656	717	765	821	880
Grants & Contributions	39,609	12,200	12,358	13,517	13,680	13,344	13,011	13,181	13,353	13,528
Other Income	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Payments:										
Employee Benefits	(14,624)	(14,243)	(14,820)	(15,265)	(15,646)	(16,037)	(16,438)	(16,849)	(17,270)	(17,702)
Materials & Services	(14,808)	(14,928)	(15,301)	(15,684)	(16,076)	(16,478)	(16,890)	(17,312)	(17,745)	(18,189)
Borrowing Costs	(344)	(218)	(288)	(268)	(249)	(229)	(344)	(318)	(292)	(264)
Other Expenses	(5,789)	(6,058)	(6,153)	(6,441)	(6,500)	(6,577)	(6,666)	(6,767)	(6,876)	(6,993)
Net cash provided (or used in) operating activities	**39,989**	**13,741**	**13,712**	**14,739**	**15,200**	**15,043**	**14,743**	**15,066**	**15,396**	**15,730**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(40,394)	(16,594)	(13,696)	(13,137)	(15,562)	(11,170)	(13,475)	(15,792)	(9,792)	(11,357)
Net cash provided (or used in) investing activities	**(40,394)**	**(16,594)**	**(13,696)**	**(13,137)**	**(15,562)**	**(11,170)**	**(13,475)**	**(15,792)**	**(9,792)**	**(11,357)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	3,000	0	0	0	4,500	0	0	0
Payments:										
Repayment of Borrowings	(1,197)	(814)	(582)	(550)	(479)	(499)	(614)	(582)	(607)	(633)
Net cash provided (or used in) financing activities	**(1,197)**	**(814)**	**2,418**	**(550)**	**(479)**	**(499)**	**3,886**	**(582)**	**(607)**	**(633)**
Net (increase) / decrease in cash	**(1,603)**	**(3,667)**	**2,435**	**1,052**	**(840)**	**3,374**	**5,155**	**(1,308)**	**4,998**	**3,740**

6. Reduced-SRV Scenario

This third scenario presented is based on the SRV scenario and includes the efficiency gains from Council's sustainability plan, but no further service reductions. It results in large and ongoing operating deficits.

The key assumptions are:

- Introduction of a permanent SRV of 15.7% in 2022/23 with no further rates increases other than the rate peg over the 10 years, in other words only the first part of the planned SRV will be implemented
- No service level reductions
- No transfer/removal of services
- No rationalisation of assets
- No additional fees and charges increases

It is important to note the implications of an ongoing operating deficit forecast in this scenario. Over the next 10 years the general fund cumulative deficit $37 million. General fund cash holdings reduce by $10 million, to well below the level of cash required for ongoing operations, depleting all internal General Fund cash reserves. It also results in deteriorating infrastructure assets due to the inability to fund required renewals. This scenario fails to meet any of the key principles of financial sustainability.

This scenario clearly shows that without taking measures to increase revenue beyond year one 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 principle of financial sustainability regarding intergenerational equity where Council is unable to maintain its infrastructure assets as required.

Reduced-SRV Scenario – Primary Financial Reports

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

SCENARIO WITH SRV 15.7%

Reduced-SRV Scenario

General Fund Income Statement including Waste Fund

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	14,260	14,599	14,946	15,301	15,664	16,037	16,418	16,808	17,208	17,618
User Charges & Fees	11,481	11,768	12,062	12,364	12,673	12,990	13,314	13,647	13,988	14,338
Other Revenue	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Grants, Subsidies, Contributions - Operating	10,800	10,500	10,658	10,817	10,980	11,144	11,311	11,481	11,653	11,828
Grants, Subsidies, Contributions - Capital	28,743	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Interest & Investment Revenue	270	232	214	206	256	247	233	204	180	154
Total Income	**66,488**	**39,746**	**40,550**	**41,383**	**42,293**	**43,163**	**44,049**	**44,939**	**45,856**	**46,792**
Expenses										
Employee Benefits	14,668	15,108	15,561	16,028	16,429	16,840	17,261	17,692	18,134	18,588
Materials & Services	13,216	12,959	13,226	13,498	13,776	14,120	14,473	14,835	15,206	15,586
Borrowing Costs	94	77	70	62	55	49	42	36	30	23
Depreciation & Amortization	8,210	8,921	9,233	9,274	9,311	9,401	9,452	9,485	9,526	9,562
Other Expenses	4,319	4,559	4,624	4,881	4,909	4,954	5,011	5,078	5,154	5,237
Total Expenses	**40,507**	**41,624**	**42,713**	**43,743**	**44,480**	**45,363**	**46,239**	**47,126**	**48,050**	**48,995**
Operating Result - Surplus/(Deficit)	**25,981**	**(1,879)**	**(2,163)**	**(2,360)**	**(2,188)**	**(2,200)**	**(2,191)**	**(2,187)**	**(2,194)**	**(2,203)**
Surplus/(Deficit) before Capital Grants	**(2,762)**	**(3,579)**	**(3,863)**	**(4,060)**	**(3,888)**	**(3,900)**	**(3,891)**	**(3,887)**	**(3,894)**	**(3,903)**
External Cash Restrictions	3,605	3,919	4,186	4,421	3,379	3,337	3,880	4,213	4,790	5,376
Internal Cash Restrictions	9,198	8,498	7,798	7,398	6,948	6,448	5,548	3,548	3,048	948
Unrestricted Cash	3,041	2,075	2,071	2,084	2,038	2,018	2,037	2,025	2,036	2,042

General Fund Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046
Current Investments	7,797	6,446	6,009	5,857	4,318	3,757	3,419	1,739	1,827	320
Current Receivables	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427	4,427
Inventories	92	92	92	92	92	92	92	92	92	92
Current Assets - Other	344	344	344	344	344	344	344	344	344	344
Total Current Assets	**15,706**	**14,355**	**13,918**	**13,767**	**12,228**	**11,666**	**11,329**	**9,649**	**9,737**	**8,230**
Non Current Assets										
Investments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Reiceivables	11	11	11	11	11	11	11	11	11	11
Inventories	147	147	147	147	147	147	147	147	147	147
Infrastructure, Property, Plant & Equipment	582,798	586,312	589,843	593,242	598,009	601,849	605,258	608,934	612,529	616,191
Investment Property	340	340	340	340	340	340	340	340	340	340
Intangible Assets	165	748	2,531	2,154	1,778	1,401	1,024	647	270	(107)
Total Non Current Assets	**588,461**	**592,558**	**597,872**	**600,895**	**605,284**	**608,747**	**611,780**	**615,079**	**618,297**	**621,583**
Total Assets	**604,167**	**606,913**	**611,791**	**614,662**	**617,512**	**620,414**	**623,109**	**624,728**	**628,034**	**629,812**
Current Liabilities										
Payables	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413	3,413
Borrowings	278	271	278	196	203	154	106	112	119	126
Employee Benefit Provisions	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621
Provisions	154	131	297	234	185	147	117	93	75	60
Total Current Liabilities	**8,465**	**8,436**	**8,610**	**8,464**	**8,422**	**8,335**	**8,257**	**8,240**	**8,228**	**8,220**
Non Current Liabilities										
Borrowings	1,743	1,473	1,194	998	796	641	536	424	305	186
Employee Benefit Provisions	388	388	388	388	388	388	388	388	388	388
Provisions	1,616	1,486	1,188	954	769	622	505	412	337	276
Total Non Current Liabilities	**3,748**	**3,346**	**2,771**	**2,341**	**1,953**	**1,652**	**1,429**	**1,224**	**1,030**	**851**
Total Liabilities	**12,213**	**11,782**	**11,380**	**10,805**	**10,375**	**9,987**	**9,686**	**9,463**	**9,258**	**9,071**
Net Assets	**591,954**	**595,131**	**600,410**	**603,857**	**607,137**	**610,427**	**613,423**	**615,265**	**618,776**	**620,742**
Equity										
Accumulated Surplus	512,467	512,731	515,078	515,576	515,890	516,189	516,176	514,992	515,458	514,361
Asset Revaluation Reserves	79,486	82,400	85,332	88,281	91,247	94,238	97,247	100,273	103,318	106,380
Total Equity	**591,954**	**595,131**	**600,410**	**603,857**	**607,137**	**610,427**	**613,423**	**615,265**	**618,776**	**620,742**

General Fund Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	14,260	14,599	14,946	15,301	15,664	16,037	16,418	16,808	17,208	17,618
User charges & fees	11,481	11,768	12,062	12,364	12,673	12,990	13,314	13,647	13,988	14,338
Investment & Interest Revenue	270	232	214	206	256	247	233	204	180	154
Grants & Contributions	39,543	12,200	12,358	12,517	12,680	12,844	13,011	13,181	13,353	13,528
Other Income	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Payments:										
Employee Benefits	(14,668)	(15,108)	(15,561)	(16,028)	(16,429)	(16,840)	(17,261)	(17,692)	(18,134)	(18,588)
Materials & Services	(13,216)	(12,959)	(13,226)	(13,498)	(13,776)	(14,120)	(14,473)	(14,835)	(15,206)	(15,586)
Borrowing Costs	(94)	(77)	(70)	(62)	(55)	(49)	(42)	(36)	(30)	(23)
Other Expenses	(4,319)	(4,559)	(4,624)	(4,881)	(4,909)	(4,954)	(5,011)	(5,078)	(5,154)	(5,237)
Net cash provided (or used in) operating activities	**34,191**	**7,043**	**7,069**	**6,914**	**7,123**	**7,201**	**7,262**	**7,298**	**7,332**	**7,359**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(36,339)	(8,116)	(7,236)	(6,787)	(8,467)	(7,560)	(7,445)	(8,872)	(7,132)	(8,747)
Net cash provided (or used in) investing activities	**(36,339)**	**(8,116)**	**(7,236)**	**(6,787)**	**(8,467)**	**(7,560)**	**(7,445)**	**(8,872)**	**(7,132)**	**(8,747)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings	(271)	(278)	(271)	(278)	(196)	(203)	(154)	(106)	(112)	(119)
Net cash provided (or used in) financing activities	**(271)**	**(278)**	**(271)**	**(278)**	**(196)**	**(203)**	**(154)**	**(106)**	**(112)**	**(119)**
Net (increase) / decrease in cash	**(2,420)**	**(1,351)**	**(437)**	**(151)**	**(1,539)**	**(562)**	**(337)**	**(1,680)**	**88**	**(1,507)**

SNOWY VALLEYS COUNCIL – LONG TERM FINANCIAL PLAN 2022 – 2032
– presented to Council 17 March 2022 for public exhibition

SCENARIO WITH SRV 15.7%

Reduced-SRV Scenario

Consolidated Income Statement

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income										
Rates, Levies & Annual Charges	20,768	21,269	21,783	22,309	22,848	23,400	23,965	24,544	25,138	25,745
User Charges & Fees	14,891	15,263	15,645	16,036	16,437	16,848	17,269	17,701	18,143	18,597
Other Revenue	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Grants, Subsidies, Contributions - Operating	10,800	10,500	10,658	10,817	10,980	11,144	11,311	11,481	11,653	11,828
Grants, Subsidies, Contributions - Capital	28,809	1,700	1,700	2,700	2,700	2,200	1,700	1,700	1,700	1,700
Interest & Investment Revenue	330	292	274	266	316	307	293	264	240	214
Total Income	**76,532**	**49,972**	**51,030**	**53,124**	**54,300**	**54,944**	**55,610**	**56,789**	**58,000**	**59,238**
Expenses										
Employee Benefits	17,494	18,019	18,559	19,116	19,594	20,084	20,586	21,101	21,628	22,169
Materials & Services	15,308	15,103	15,424	15,751	16,085	16,487	16,899	17,322	17,755	18,199
Borrowing Costs	344	218	288	268	249	229	344	318	292	264
Depreciation & Amortization	11,171	11,961	12,441	12,626	12,797	13,031	13,156	13,318	13,512	13,600
Other Expenses	5,789	6,058	6,153	6,441	6,500	6,577	6,666	6,767	6,876	6,993
Total Expenses	**50,106**	**51,360**	**52,866**	**54,202**	**55,226**	**56,408**	**57,651**	**58,826**	**60,063**	**61,225**
Operating Result - Surplus/(Deficit)	**26,426**	**(1,388)**	**(1,836)**	**(1,079)**	**(926)**	**(1,463)**	**(2,041)**	**(2,037)**	**(2,063)**	**(1,987)**
Surplus/(Deficit) before Capital Grants	**(2,383)**	**(3,088)**	**(3,536)**	**(3,779)**	**(3,626)**	**(3,663)**	**(3,741)**	**(3,737)**	**(3,763)**	**(3,687)**
External Cash Restrictions	18,549	13,381	13,412	11,659	7,987	8,405	10,813	7,733	9,272	10,989
Internal Cash Restrictions	9,198	8,498	7,798	7,398	6,948	6,448	5,548	3,548	3,048	948
Unrestricted Cash	3,041	2,075	2,071	2,084	2,038	2,018	2,037	2,025	2,036	2,042

Consolidated Balance Sheet

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Current Assets										
Cash & Cash Equivalents	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871	4,871
Current Investments	20,916	14,082	13,410	11,270	7,101	7,000	8,527	3,434	4,484	4,108
Current Receivables	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078	5,078
Inventories	92	92	92	92	92	92	92	92	92	92
Current Assets - Other	344	344	344	344	344	344	344	344	344	344
Total Current Assets	**31,302**	**24,468**	**23,796**	**21,656**	**17,487**	**17,386**	**18,913**	**13,820**	**14,870**	**14,494**
Non Current Assets										
Investments	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Reiceivables	11	11	11	11	11	11	11	11	11	11
Inventories	147	147	147	147	147	147	147	147	147	147
Infrastructure, Property, Plant & Equipment	701,682	711,923	721,183	729,939	740,438	747,226	755,802	765,556	771,233	776,990
Investment Property	340	340	340	340	340	340	340	340	340	340
Intangible Assets	165	748	2,531	2,154	1,778	1,401	1,024	647	270	(107)
Total Non Current Assets	**707,345**	**718,169**	**729,212**	**737,591**	**747,714**	**754,124**	**762,323**	**771,701**	**777,001**	**782,381**
Total Assets	**738,647**	**742,637**	**753,008**	**759,247**	**765,201**	**771,510**	**781,236**	**785,520**	**791,871**	**796,875**
Current Liabilities										
Payables	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496	3,496
Borrowings	814	582	550	479	499	614	582	607	633	658
Employee Benefit Provisions	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621	4,621
Provisions	154	131	297	234	185	147	117	93	75	60
Total Current Liabilities	**9,084**	**8,829**	**8,965**	**8,831**	**8,801**	**8,877**	**8,816**	**8,817**	**8,825**	**8,836**
Non Current Liabilities										
Borrowings	4,274	3,792	6,241	5,762	5,263	9,300	8,717	8,111	7,478	6,846
Employee Benefit Provisions	388	388	388	388	388	388	388	388	388	388
Provisions	1,616	1,486	1,188	954	769	622	505	412	337	276
Total Non Current Liabilities	**6,278**	**5,666**	**7,818**	**7,104**	**6,420**	**10,310**	**9,611**	**8,910**	**8,203**	**7,510**
Total Liabilities	**15,362**	**14,495**	**16,783**	**15,935**	**15,221**	**19,187**	**18,427**	**17,728**	**17,028**	**16,346**
Net Assets	**723,285**	**728,142**	**736,225**	**743,312**	**749,980**	**752,323**	**762,809**	**767,793**	**774,844**	**780,529**
Equity										
Accumulated Surplus	634,859	636,208	640,732	644,213	647,230	645,871	652,622	653,826	657,050	658,878
Asset Revaluation Reserves	88,426	91,934	95,494	99,100	102,749	106,452	110,188	113,967	117,794	121,651
Total Equity	**723,285**	**728,142**	**736,225**	**743,312**	**749,980**	**752,323**	**762,809**	**767,793**	**774,844**	**780,529**

Consolidated Cash Flow

Account Description	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates, Levies & Annual Charges	20,768	21,269	21,783	22,309	22,848	23,400	23,965	24,544	25,138	25,745
User charges & fees	14,891	15,263	15,645	16,036	16,437	16,848	17,269	17,701	18,143	18,597
Investment & Interest Revenue	330	292	274	266	316	307	293	264	240	214
Grants & Contributions	39,609	12,200	12,358	13,517	13,680	13,344	13,011	13,181	13,353	13,528
Other Income	934	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154
Payments:										
Employee Benefits	(17,494)	(18,019)	(18,559)	(19,116)	(19,594)	(20,084)	(20,586)	(21,101)	(21,628)	(22,169)
Materials & Services	(15,308)	(15,103)	(15,424)	(15,751)	(16,085)	(16,487)	(16,899)	(17,322)	(17,755)	(18,199)
Borrowing Costs	(344)	(218)	(288)	(268)	(249)	(229)	(344)	(318)	(292)	(264)
Other Expenses	(5,789)	(6,058)	(6,153)	(6,441)	(6,500)	(6,577)	(6,666)	(6,767)	(6,876)	(6,993)
Net cash provided (or used in) operating activities	**37,597**	**10,573**	**10,606**	**11,548**	**11,872**	**11,568**	**11,115**	**11,281**	**11,449**	**11,613**
Cash Flows from Investing Activities										
Payments:										
Purchase of Infrastructure, Plant & Equipment	(40,394)	(16,594)	(13,696)	(13,137)	(15,562)	(11,170)	(13,475)	(15,792)	(9,792)	(11,357)
Net cash provided (or used in) investing activities	**(40,394)**	**(16,594)**	**(13,696)**	**(13,137)**	**(15,562)**	**(11,170)**	**(13,475)**	**(15,792)**	**(9,792)**	**(11,357)**
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings	0	0	3,000	0	0	0	4,500	0	0	0
Payments:										
Repayment of Borrowings	(1,197)	(814)	(582)	(550)	(479)	(499)	(614)	(582)	(607)	(633)
Net cash provided (or used in) financing activities	**(1,197)**	**(814)**	**2,418**	**(550)**	**(479)**	**(499)**	**3,886**	**(582)**	**(607)**	**(633)**
Net (increase) / decrease in cash	**(3,995)**	**(6,834)**	**(672)**	**(2,140)**	**(4,169)**	**(101)**	**1,527**	**(5,093)**	**1,050**	**(376)**

7. Sensitivity Analysis

The scenarios have been evaluated in relation to their sensitivity to changes in the assumptions.

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 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 $7.5 million respectively to employee costs by the end of the 10-year period for the SRV and No-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 capital works forecast will reduce reserves and cash holdings. If Council embarked on adding new capital projects resulting in additional assets, not only will the reserves decrease, but operational costs will 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 are reduced or discontinued, Council will have to generate considerably more revenues from other sources. It has been assumed that Government funding remains stable, however, should such funding decrease because of current economic stimulus spending, Council's operating result would significantly worsen.

Rates Income

Apart from the introduction of an SRV, 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 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.

Sustainability Plan

Council is committed to the actions in its Sustainability Plan to achieve its objective of delivering sustainable best value to the community. It is likely that some additional measures will need to be taken when and where additional cost pressures eventuate, such as rate pegging not meeting wages price or input cost indexation.

8. 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 three scenarios:

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).

SRV Scenario	Reaches benchmark in year 2023/24
Service-Reduction Scenario	Reaches benchmark in year 2022/23
Reduced-SRV Scenario	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.

SRV Scenario	Meets benchmark in 9 out of 10 years
Service-Reduction Scenario	Meets benchmark in 9 out of 10 years
Reduced-SRV Scenario	Meets 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.

SRV Scenario	Meets benchmark throughout the 10 years
Service-Reduction Scenario	Meets benchmark throughout the 10 years
Reduced-SRV Scenario	Meets benchmark in 7 of 10 years

Debt Service Cover Ratio – Benchmark >2

This ratio indicates the proportion of operating revenues being utilised for interest and principal repayments on loans.

SRV Scenario	Meets benchmark throughout the 10 years
Service-Reduction Scenario	Meets benchmark throughout the 10 years
Reduced-SRV Scenario	Meets benchmark throughout the 10 years

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.

SRV Scenario	Expected to be achieved throughout the 10 years
Service-Reduction Scenario	Expected to be achieved throughout the 10 years

Reduced-SRV Scenario	Expected to be achieved throughout the 10 years

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.

SRV Scenario	Meets benchmark throughout the 10 years
Service-Reduction Scenario	Meets benchmark throughout the 10 years
Reduced-SRV Scenario	Meets benchmark throughout the 10 years

9. Capital Works Program

The capital works program for 2022/23 to 2025/26 is included in Council's Delivery Program and Operational Plan. The chart below shows the planned capital expenditure over the next ten years; however, this forecast requires regular updating due to changes to the works program and available funding opportunities. It will be updated in line with the Community Strategic Plan and Delivery Program. Council's Strategic Asset Management Plan contains further information on Council's asset portfolio.