



# **Long-Term Financial Plan 2025-2035**

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## INTRODUCTION

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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.

Financial modelling has also been completed for Council's Water Supply and Wastewater Funds, is included in this updated LTFP.

## BUDGET ASSUMPTIONS

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### Rates

Ordinary rates increase by 4.3%↑ in line with the current IPART rate peg for FY2025-2026.

### Annual Charges

Annual charges increase as per the fees schedule for FY2025-2026 for the Waste, Water, Wastewater Funds and other charges, and then in line with the CPI. However, in the future Council utilities charges may change at a different rate depending on service level plans and infrastructure needs/upgrade.

### 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 projected to decline by 16%↓ in FY2025-2026, with no extraordinary revenue has been included in the long-term forecast. In addition, capital grant funding is expected to reduce by 18%↓ compared to the FY2024-25 budget.

Council will pursue funding with a preference for operational funding. Any new and upgrade proposals to service levels and asset infrastructure are thoroughly 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.

The Council's financial sustainability is dependent on maintaining grant funding levels. 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

The Council's organizational structure budget includes all current positions. Employee costs for the FY2025-26 budget have increased by 5%↑ compared to the current year's budgeted costs. The total salaries and wages budget for FY2025-26 is \$23 million, excluding capitalized wages, and accounts for 37% of the Council's ongoing expenses.

The FY2025-26 budget incorporates a 3% mandated wage increase under the Local Government Awards, superannuation guarantee increases, and staff progression within the award structure. Historically, award increases have exceeded the allowable rate peg.

## **Materials & Services**

Materials and contracts account for 37% of the Council's ongoing expenses, reflecting a 6%↓ reduction from the FY2024-25 budget. While material prices are expected to remain stable in 2025, labour costs are projected to rise.

These expenses are projected to grow in line with, or slightly below, the CPI. However, high inflation and a tight labour market continue to exert pressure on materials and contract costs.

## **Population Growth Projections**

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

## **Indexation**

Materials and contract costs for FY2025–2026 have been set at known values where available or otherwise increased at or below the CPI rate of 3.6%. For FY2026–2027, an indexation rate of 3% has been applied, followed by a rate of 2.5% per annum for subsequent years of the forecast period.

## **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 2025-2026 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 just 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 utilising the revenue from Roads to Recovery and other State and Commonwealth grants to help 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 accounts for approximately 21% of the Council's consolidated operating expenses and is projected to increase marginally by 0.16% in FY2025–2026. This slight increase is attributed to the completion of major infrastructure projects expected by the end of FY2024–2025. Depreciation is anticipated to remain proportionally consistent with overall expenditure throughout the forecast period. The financial projections assume a 3% annual increase in asset valuations from FY2025–2026 onward. As depreciation and maintenance costs are indexed to asset valuations, a gradual increase in these expenses is expected. Additionally, asset disposals are assumed at 25 cents for every dollar spent on renewals.

## Natural Disasters

The Long-Term Financial Plan assumes that natural disaster impacts on public infrastructure will be funded from State / Commonwealth natural disaster arrangements. However, previous 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. Additionally, disaster funding does not extend to Water and Wastewater Infrastructure, Public Open Spaces, or Recreational Facilities. Any damage to these assets must be funded through available reserves or covered by insurance.

## 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. Council assumes that all grant funding will be received during the financial year it has been allocated to.

## Interest Rates

Increased interest rates have contributed to an uplift in the Council's interest and investment revenue; however, this benefit is moderated by a declining cash and cash equivalents base over the past five years. Investment returns are forecast at an interest rate of 4.7% for FY2025–2026, before reducing to 3% annually for the remainder of the forecast period.

## External Borrowings

The Council currently holds several external loans associated with Water, Wastewater, Caravan Park, and building assets. The Retirement Village loan, held within the General Fund, is expected to be fully repaid over the course of the financial forecast period. Loans associated with Water and Wastewater are anticipated to be settled by FY2037–2038. Further borrowing may be considered where it supports prudent cash flow management and delivers financial benefit to the Council.

**Primary Financial Reports**

Following are the reports for Council’s General Fund, Water Supply Fund and Wastewater Fund and a consolidated report incorporating a base budget.



## Financial Statements

### Income Statement - Consolidated

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Income from continuing operations</b>										
Rates and annual charges	25,089	25,819	26,509	27,172	27,851	28,547	29,261	29,993	30,742	31,511
User charges and fees	15,616	16,200	16,724	17,142	17,571	18,010	18,461	18,922	19,395	19,880
Interest and investment revenue	2,188	2,428	2,081	1,758	1,727	1,711	1,726	1,767	1,869	621
Other revenues	2,415	2,487	2,555	2,626	2,698	2,772	1,913	1,475	1,512	1,549
Grants and contributions - Operating	13,453	14,090	14,642	15,213	15,804	16,415	17,046	17,699	18,142	18,595
Grants and contributions - Capital	21,584	7,314	6,812	6,731	5,446	5,435	5,111	4,600	5,084	4,735
Net gain from the disposal of assets	782	413	218	-	-	-	-	-	-	-
<b>Total Income</b>	<b>81,128</b>	<b>68,751</b>	<b>69,543</b>	<b>70,642</b>	<b>71,096</b>	<b>72,890</b>	<b>73,518</b>	<b>74,456</b>	<b>76,744</b>	<b>76,892</b>
<b>Expenses from continuing operations</b>										
Employee benefits and oncosts	22,934	24,105	24,695	25,434	26,181	26,944	27,608	28,418	29,125	29,873
Borrowing costs	189	173	158	140	124	106	87	67	47	28
Materials and contracts	23,204	23,342	24,464	25,762	26,355	27,371	28,166	29,587	30,085	30,875
Depreciation and amortisation	13,505	14,257	14,703	15,147	15,631	16,091	16,583	17,083	17,582	18,096
Other expenses	1,271	1,309	1,342	1,375	1,410	1,445	1,481	1,518	1,556	1,595
Net loss from the disposal of assets	1,500	1,545	1,584	1,623	1,664	1,705	1,748	1,792	1,837	1,882
<b>Total Expenses</b>	<b>62,603</b>	<b>64,731</b>	<b>66,945</b>	<b>69,481</b>	<b>71,364</b>	<b>73,662</b>	<b>75,673</b>	<b>78,465</b>	<b>80,231</b>	<b>82,349</b>
<b>Net Operating Result</b>	<b>18,525</b>	<b>4,019</b>	<b>2,597</b>	<b>1,161</b>	<b>(268)</b>	<b>(772)</b>	<b>(2,155)</b>	<b>(4,009)</b>	<b>(3,487)</b>	<b>(5,457)</b>
<b>Net operating result before grants and contributions provided for capital purposes</b>	<b>(3,058)</b>	<b>(3,294)</b>	<b>(4,215)</b>	<b>(5,570)</b>	<b>(5,714)</b>	<b>(6,207)</b>	<b>(7,266)</b>	<b>(8,610)</b>	<b>(8,572)</b>	<b>(10,192)</b>

## Statement of Financial Position - Consolidated

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Current assets</b>										
Cash and investments	38,909	30,944	26,156	22,621	21,201	20,887	21,989	25,381	31,071	36,090
Receivables	8,811	9,100	9,370	9,604	9,844	10,090	10,343	10,601	10,866	11,138
Inventories	1,906	1,912	1,925	1,939	1,944	1,955	1,963	1,978	1,982	1,990
Other	603	621	637	653	669	686	703	720	738	757
<b>Total current assets</b>	<b>50,229</b>	<b>42,577</b>	<b>38,088</b>	<b>34,817</b>	<b>33,658</b>	<b>33,618</b>	<b>34,997</b>	<b>38,680</b>	<b>44,658</b>	<b>49,974</b>
<b>Non-current assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	160	160	161	161	162	162	162	163	163	164
Inventories	182	187	198	211	215	224	231	245	248	255
Infrastructure, property, plant and equipment	994,036	1,058,474	1,117,118	1,173,120	1,226,256	1,278,209	1,328,928	1,375,844	1,425,028	1,474,439
Investment property	350	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>994,728</b>	<b>1,058,821</b>	<b>1,117,477</b>	<b>1,173,491</b>	<b>1,226,633</b>	<b>1,278,595</b>	<b>1,329,322</b>	<b>1,376,252</b>	<b>1,425,440</b>	<b>1,474,858</b>
<b>Total Assets</b>	<b>1,044,957</b>	<b>1,101,398</b>	<b>1,155,565</b>	<b>1,208,309</b>	<b>1,260,291</b>	<b>1,312,213</b>	<b>1,364,319</b>	<b>1,414,932</b>	<b>1,470,098</b>	<b>1,524,831</b>
<b>Current liabilities</b>										
Payables	4,774	4,949	5,140	5,361	5,502	5,694	5,848	6,090	6,214	6,376
Income received in advance	5,500	5,000	5,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Borrowings	454	382	347	306	323	341	360	380	347	172
Provisions	5,671	6,028	6,200	6,419	6,641	6,867	7,061	7,301	7,376	7,592
<b>Total current liabilities</b>	<b>16,399</b>	<b>16,359</b>	<b>16,687</b>	<b>16,586</b>	<b>16,966</b>	<b>17,401</b>	<b>17,768</b>	<b>18,271</b>	<b>18,437</b>	<b>18,640</b>
<b>Non-current liabilities</b>										
Borrowings	3,186	2,804	2,457	2,151	1,828	1,488	1,128	748	401	229
Provisions	775	775	775	775	775	775	775	775	775	775
<b>Total non-current liabilities</b>	<b>3,961</b>	<b>3,579</b>	<b>3,232</b>	<b>2,926</b>	<b>2,603</b>	<b>2,263</b>	<b>1,903</b>	<b>1,523</b>	<b>1,176</b>	<b>1,004</b>
<b>Total Liabilities</b>	<b>20,361</b>	<b>19,939</b>	<b>19,919</b>	<b>19,512</b>	<b>19,569</b>	<b>19,664</b>	<b>19,671</b>	<b>19,794</b>	<b>19,613</b>	<b>19,644</b>
<b>NET ASSETS</b>	<b>1,024,596</b>	<b>1,081,460</b>	<b>1,135,646</b>	<b>1,188,796</b>	<b>1,240,722</b>	<b>1,292,549</b>	<b>1,344,648</b>	<b>1,395,138</b>	<b>1,450,485</b>	<b>1,505,187</b>
<b>Equity</b>										
Accumulated surplus	674,157	678,176	680,773	681,934	681,667	680,895	678,740	674,730	671,243	665,786
Revaluation reserves	350,440	403,284	454,873	506,862	559,056	611,654	665,909	720,408	779,242	839,402
<b>TOTAL EQUITY</b>	<b>1,024,596</b>	<b>1,081,460</b>	<b>1,135,646</b>	<b>1,188,796</b>	<b>1,240,722</b>	<b>1,292,549</b>	<b>1,344,648</b>	<b>1,395,138</b>	<b>1,450,485</b>	<b>1,505,187</b>

## Statement of Cash Flows - Consolidated

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Cash flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	25,039	25,794	26,484	27,149	27,827	28,523	29,236	29,967	30,716	31,484
User charges and fees	12,912	15,437	16,479	16,431	17,355	17,789	18,233	18,689	19,156	19,635
Investment revenue and interest	2,188	2,428	2,081	1,758	1,727	1,711	1,726	1,767	1,869	621
Grants and contributions	35,037	21,404	21,455	21,945	21,250	21,850	22,157	22,300	23,226	23,330
Other	2,560	2,488	2,556	2,626	2,698	2,772	1,914	1,475	1,512	1,550
<i>Payments:</i>										
Employee benefits and on-costs	(21,964)	(24,462)	(24,866)	(25,653)	(26,402)	(27,170)	(27,802)	(28,658)	(29,200)	(30,088)
Materials and contracts	(24,925)	(24,382)	(25,553)	(26,861)	(27,555)	(28,573)	(28,506)	(29,379)	(29,972)	(31,686)
Borrowing costs	(189)	(173)	(158)	(140)	(124)	(106)	(87)	(67)	(47)	(28)
Other	(1,289)	(1,327)	(1,357)	(1,391)	(1,426)	(1,462)	(1,498)	(1,536)	(1,574)	(1,614)
<b>Net cash provided (or used) in operating activities</b>	<b>29,369</b>	<b>17,206</b>	<b>17,120</b>	<b>15,863</b>	<b>15,350</b>	<b>15,335</b>	<b>15,374</b>	<b>14,558</b>	<b>15,686</b>	<b>13,205</b>
Purchase of infrastructure, property, plant and equipment	(34,537)	(26,956)	(22,401)	(19,236)	(16,494)	(14,956)	(13,315)	(9,684)	(10,441)	(9,849)
<b>Net cash provided (or used) in investing activities</b>	<b>(27,162)</b>	<b>(24,783)</b>	<b>(21,572)</b>	<b>(19,103)</b>	<b>(16,457)</b>	<b>(15,318)</b>	<b>(13,923)</b>	<b>(10,798)</b>	<b>(11,613)</b>	<b>(11,069)</b>
<b>Cash flows from financing activities</b>										
<i>Receipts:</i>										
New loans	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Loan repayments	(361)	(376)	(337)	(298)	(315)	(333)	(352)	(371)	(338)	(356)
<b>Net cash provided (or used) in financing activities</b>	<b>(361)</b>	<b>(376)</b>	<b>(337)</b>	<b>(298)</b>	<b>(315)</b>	<b>(333)</b>	<b>(352)</b>	<b>(371)</b>	<b>(338)</b>	<b>(356)</b>
<b>Net increase / (decrease) in cash</b>	<b>1,847</b>	<b>(7,952)</b>	<b>(4,789)</b>	<b>(3,538)</b>	<b>(1,422)</b>	<b>(316)</b>	<b>1,099</b>	<b>3,389</b>	<b>3,736</b>	<b>1,780</b>
Cash, Cash Equivalents & Investments - Beginning of the Years	66,697	68,547	60,597	55,810	52,274	50,854	50,540	51,642	55,033	55,944
Total Cash, Cash Equivalents & Investments - end of Years	<b>68,544</b>	<b>60,595</b>	<b>55,808</b>	<b>52,271</b>	<b>50,852</b>	<b>50,538</b>	<b>51,639</b>	<b>55,031</b>	<b>58,769</b>	<b>57,724</b>

## Financial Statements

### Income Statement - General Fund

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Income from continuing operations</b>										
Rates and annual charges	17,574	18,078	18,575	19,039	19,515	20,003	20,503	21,015	21,541	22,079
User charges and fees	11,500	11,960	12,378	12,688	13,005	13,330	13,663	14,005	14,355	14,714
Interest and investment revenue	1,224	1,273	1,319	1,352	1,385	1,420	1,456	1,492	1,529	294
Other revenues	1,225	1,261	1,293	1,325	1,358	1,392	1,427	1,463	1,499	1,537
Grants and contributions - Operating	13,211	13,840	14,386	14,951	15,535	16,139	16,763	17,410	17,845	18,291
Grants and contributions - Capital	21,174	6,904	6,402	6,321	5,036	5,025	4,701	4,190	4,674	4,325
Net gain from the disposal of assets	782	413	218	-	-	-	-	-	-	-
<b>Total Income</b>	<b>66,689</b>	<b>53,729</b>	<b>54,571</b>	<b>55,676</b>	<b>55,834</b>	<b>57,310</b>	<b>58,513</b>	<b>59,575</b>	<b>61,444</b>	<b>61,240</b>
<b>Expenses from continuing operations</b>										
Employee benefits and oncosts	20,526	21,624	22,152	22,828	23,510	24,206	24,802	25,541	26,177	26,851
Borrowing costs	66	59	54	47	41	34	28	21	15	11
Materials and contracts	16,727	17,180	18,248	19,391	19,825	20,678	21,306	22,555	22,877	23,487
Depreciation and amortisation	10,993	11,673	12,024	12,365	12,725	13,096	13,478	13,872	14,277	14,695
Other expenses	1,271	1,309	1,342	1,375	1,410	1,445	1,481	1,518	1,556	1,595
Net loss from the disposal of assets	1,469	1,513	1,551	1,590	1,629	1,670	1,712	1,755	1,799	1,844
<b>Total Expenses</b>	<b>51,052</b>	<b>53,358</b>	<b>55,372</b>	<b>57,596</b>	<b>59,140</b>	<b>61,130</b>	<b>62,807</b>	<b>65,262</b>	<b>66,700</b>	<b>68,481</b>
<b>Net Operating Result</b>	<b>15,636</b>	<b>370</b>	<b>(801)</b>	<b>(1,920)</b>	<b>(3,305)</b>	<b>(3,820)</b>	<b>(4,293)</b>	<b>(5,688)</b>	<b>(5,257)</b>	<b>(7,242)</b>
<b>Net operating result before grants and contributions provided for capital purposes</b>	<b>(5,537)</b>	<b>(6,533)</b>	<b>(7,203)</b>	<b>(8,241)</b>	<b>(8,341)</b>	<b>(8,846)</b>	<b>(8,994)</b>	<b>(9,878)</b>	<b>(9,931)</b>	<b>(11,567)</b>

## Statement of Financial Position - General Fund

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Current assets</b>										
Cash and investments	10,020	9,757	9,899	8,959	9,558	10,055	10,989	11,789	14,680	16,795
Receivables	7,567	7,818	8,056	8,258	8,464	8,676	8,893	9,115	9,343	9,576
Inventories	1,906	1,912	1,925	1,939	1,944	1,955	1,963	1,978	1,982	1,990
Other	603	621	637	653	669	686	703	720	738	757
<b>Total current assets</b>	<b>20,096</b>	<b>20,108</b>	<b>20,517</b>	<b>19,808</b>	<b>20,635</b>	<b>21,371</b>	<b>22,547</b>	<b>23,602</b>	<b>26,743</b>	<b>29,117</b>
<b>Non-current assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	160	160	161	161	162	162	162	163	163	164
Inventories	182	187	198	211	215	224	231	245	248	255
Infrastructure, property, plant and equipment	850,303	887,864	925,157	963,366	999,134	1,035,669	1,072,200	1,108,355	1,146,545	1,184,742
Investment property	350	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>850,995</b>	<b>888,211</b>	<b>925,516</b>	<b>963,737</b>	<b>999,511</b>	<b>1,036,055</b>	<b>1,072,594</b>	<b>1,108,763</b>	<b>1,146,956</b>	<b>1,185,161</b>
<b>Total Assets</b>	<b>871,091</b>	<b>908,318</b>	<b>946,033</b>	<b>983,545</b>	<b>1,020,146</b>	<b>1,057,427</b>	<b>1,095,141</b>	<b>1,132,365</b>	<b>1,173,699</b>	<b>1,214,278</b>
<b>Current liabilities</b>										
Payables	4,433	4,616	4,803	5,016	5,149	5,331	5,476	5,709	5,824	5,976
Income received in advance	5,500	5,000	5,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Borrowings	278	197	152	100	106	112	119	125	78	82
Provisions	5,671	6,028	6,200	6,419	6,641	6,867	7,061	7,301	7,376	7,592
<b>Total current liabilities</b>	<b>15,882</b>	<b>15,841</b>	<b>16,155</b>	<b>16,035</b>	<b>16,395</b>	<b>16,810</b>	<b>17,155</b>	<b>17,635</b>	<b>17,778</b>	<b>18,150</b>
<b>Non-current liabilities</b>										
Borrowings	1,219	1,022	870	770	664	552	434	309	231	149
Provisions	775	775	775	775	775	775	775	775	775	775
<b>Total non-current liabilities</b>	<b>1,994</b>	<b>1,797</b>	<b>1,645</b>	<b>1,545</b>	<b>1,439</b>	<b>1,327</b>	<b>1,209</b>	<b>1,084</b>	<b>1,006</b>	<b>924</b>
<b>Total Liabilities</b>	<b>17,876</b>	<b>17,638</b>	<b>17,800</b>	<b>17,580</b>	<b>17,834</b>	<b>18,137</b>	<b>18,364</b>	<b>18,719</b>	<b>18,784</b>	<b>19,074</b>
<b>NET ASSETS</b>	<b>853,215</b>	<b>890,681</b>	<b>928,233</b>	<b>965,965</b>	<b>1,002,311</b>	<b>1,039,289</b>	<b>1,076,777</b>	<b>1,113,646</b>	<b>1,154,916</b>	<b>1,195,204</b>
<b>Equity</b>										
Accumulated surplus	545,450	545,820	545,019	543,099	539,794	535,974	531,681	525,993	520,736	513,495
Revaluation reserves	307,765	344,861	383,214	422,866	462,517	503,315	545,096	587,653	634,179	681,709
<b>TOTAL EQUITY</b>	<b>853,215</b>	<b>890,681</b>	<b>928,233</b>	<b>965,965</b>	<b>1,002,311</b>	<b>1,039,289</b>	<b>1,076,777</b>	<b>1,113,646</b>	<b>1,154,916</b>	<b>1,195,204</b>

## Statement of Cash Flows - General Fund

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Cash flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	17,524	18,053	18,550	19,016	19,491	19,978	20,478	20,990	21,515	22,052
User charges and fees	8,871	11,234	12,165	12,010	12,822	13,143	13,471	13,808	14,153	14,507
Investment revenue and interest	1,224	1,273	1,319	1,352	1,385	1,420	1,456	1,492	1,529	294
Grants and contributions	34,384	20,744	20,788	21,272	20,571	21,164	21,464	21,600	22,519	22,616
Other	1,370	1,262	1,293	1,326	1,359	1,393	1,428	1,463	1,500	1,537
<i>Payments:</i>										
Employee benefits and on-costs	(19,602)	(21,981)	(22,324)	(23,047)	(23,731)	(24,432)	(24,996)	(25,782)	(26,252)	(27,066)
Materials and contracts	(17,263)	(17,008)	(18,086)	(19,205)	(19,703)	(20,516)	(21,175)	(22,351)	(22,770)	(23,349)
Borrowing costs	(66)	(59)	(54)	(47)	(41)	(34)	(28)	(21)	(15)	(11)
Other	(1,289)	(1,327)	(1,357)	(1,391)	(1,426)	(1,462)	(1,498)	(1,536)	(1,574)	(1,614)
<b>Net cash provided (or used) in operating activities</b>	<b>25,153</b>	<b>12,190</b>	<b>12,294</b>	<b>11,285</b>	<b>10,727</b>	<b>10,655</b>	<b>10,600</b>	<b>9,663</b>	<b>10,605</b>	<b>8,967</b>
Purchase of infrastructure, property, plant and equipment	(26,697)	(11,506)	(10,671)	(10,536)	(8,394)	(8,376)	(7,835)	(6,984)	(7,791)	(7,209)
<b>Net cash provided (or used) in investing activities</b>	<b>(20,884)</b>	<b>(12,256)</b>	<b>(12,003)</b>	<b>(12,125)</b>	<b>(10,023)</b>	<b>(10,046)</b>	<b>(9,547)</b>	<b>(8,738)</b>	<b>(9,589)</b>	<b>(9,052)</b>
<i>Payments:</i>										
Loan repayments	(191)	(197)	(149)	(100)	(106)	(112)	(118)	(125)	(78)	(82)
<b>Net cash provided (or used) in financing activities</b>	<b>(191)</b>	<b>(197)</b>	<b>(149)</b>	<b>(100)</b>	<b>(106)</b>	<b>(112)</b>	<b>(118)</b>	<b>(125)</b>	<b>(78)</b>	<b>(82)</b>
<b>Net increase / (decrease) in cash</b>	<b>4,078</b>	<b>(263)</b>	<b>142</b>	<b>(940)</b>	<b>599</b>	<b>497</b>	<b>934</b>	<b>800</b>	<b>938</b>	<b>(167)</b>
Cash, Cash Equivalents & Investments - Beginning of the Years	35,558	39,637	39,373	39,515	38,576	39,174	39,671	40,606	41,405	42,344
Total Cash, Cash Equivalents & Investments - end of Years	<b>39,637</b>	<b>39,373</b>	<b>39,515</b>	<b>38,576</b>	<b>39,174</b>	<b>39,671</b>	<b>40,606</b>	<b>41,405</b>	<b>42,344</b>	<b>42,177</b>



## Financial Statements

### Income Statement - Water Fund

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Income from continuing operations</b>										
Rates and annual charges	2,047	2,108	2,161	2,215	2,270	2,327	2,385	2,445	2,506	2,568
User charges and fees	3,508	3,614	3,704	3,797	3,891	3,989	4,088	4,191	4,295	4,403
Interest and investment revenue	451	428	246	91	56	43	36	23	50	57
Other revenues	1,180	1,215	1,252	1,290	1,328	1,368	475	-	-	-
Grants and contributions - Operating	153	157	161	165	169	173	178	182	187	191
Grants and contributions - Capital	200	200	200	200	200	200	200	200	200	200
<b>Total Income</b>	<b>7,539</b>	<b>7,722</b>	<b>7,724</b>	<b>7,757</b>	<b>7,915</b>	<b>8,100</b>	<b>7,362</b>	<b>7,041</b>	<b>7,238</b>	<b>7,419</b>
<b>Expenses from continuing operations</b>										
Employee benefits and oncosts	1,278	1,316	1,349	1,383	1,417	1,453	1,489	1,526	1,564	1,603
Borrowing costs	50	47	44	40	36	32	28	23	17	11
Materials and contracts	3,262	3,160	3,139	3,217	3,298	3,380	3,464	3,551	3,640	3,731
Depreciation and amortisation	1,188	1,224	1,278	1,315	1,397	1,442	1,485	1,541	1,586	1,633
Net loss from the disposal of assets	20	21	21	22	22	23	23	24	24	25
<b>Total Expenses</b>	<b>5,798</b>	<b>5,767</b>	<b>5,831</b>	<b>5,977</b>	<b>6,171</b>	<b>6,330</b>	<b>6,489</b>	<b>6,665</b>	<b>6,832</b>	<b>7,003</b>
<b>Net Operating Result</b>	<b>1,740</b>	<b>1,955</b>	<b>1,893</b>	<b>1,780</b>	<b>1,745</b>	<b>1,771</b>	<b>873</b>	<b>376</b>	<b>406</b>	<b>416</b>
<b>Net operating result before grants and contributions provided for capital purposes</b>	<b>1,540</b>	<b>1,755</b>	<b>1,693</b>	<b>1,580</b>	<b>1,545</b>	<b>1,571</b>	<b>673</b>	<b>176</b>	<b>206</b>	<b>216</b>



## Statement of Financial Position - Water Fund

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Current assets</b>										
Cash and investments	10,692	6,845	3,644	2,253	1,734	1,459	930	1,997	2,827	3,782
Receivables	730	758	782	807	832	858	884	911	939	967
Inventories	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>11,422</b>	<b>7,603</b>	<b>4,426</b>	<b>3,060</b>	<b>2,566</b>	<b>2,317</b>	<b>1,814</b>	<b>2,908</b>	<b>3,766</b>	<b>4,749</b>
<b>Non-current assets</b>										
Infrastructure, property, plant and equipment	57,351	69,335	80,413	88,920	96,365	103,376	111,099	116,493	122,718	128,939
<b>Total non-current assets</b>	<b>57,351</b>	<b>69,335</b>	<b>80,413</b>	<b>88,920</b>	<b>96,365</b>	<b>103,376</b>	<b>111,099</b>	<b>116,493</b>	<b>122,718</b>	<b>128,939</b>
<b>Total Assets</b>	<b>68,773</b>	<b>76,939</b>	<b>84,839</b>	<b>91,980</b>	<b>98,932</b>	<b>105,693</b>	<b>112,912</b>	<b>119,402</b>	<b>126,484</b>	<b>133,688</b>
<b>Current liabilities</b>										
Payables	226	223	223	229	235	240	246	253	259	265
Income received in advance	-	-	-	-	-	-	-	-	-	-
Borrowings	37	39	43	46	50	54	59	63	69	74
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>263</b>	<b>262</b>	<b>266</b>	<b>275</b>	<b>285</b>	<b>295</b>	<b>305</b>	<b>316</b>	<b>328</b>	<b>340</b>
<b>Non-current liabilities</b>										
Borrowings	578	538	495	449	399	345	286	223	154	80
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>578</b>	<b>538</b>	<b>495</b>	<b>449</b>	<b>399</b>	<b>345</b>	<b>286</b>	<b>223</b>	<b>154</b>	<b>80</b>
<b>Total Liabilities</b>	<b>840</b>	<b>800</b>	<b>762</b>	<b>724</b>	<b>684</b>	<b>639</b>	<b>591</b>	<b>539</b>	<b>482</b>	<b>420</b>
<b>NET ASSETS</b>	<b>67,933</b>	<b>76,138</b>	<b>84,078</b>	<b>91,256</b>	<b>98,248</b>	<b>105,054</b>	<b>112,321</b>	<b>118,863</b>	<b>126,002</b>	<b>133,268</b>
<b>Equity</b>										
Accumulated surplus	50,855	52,810	54,703	56,483	58,227	59,998	60,871	61,247	61,653	62,069
Revaluation reserves	17,078	23,328	29,375	34,773	40,021	45,056	51,450	57,616	64,349	71,199
<b>TOTAL EQUITY</b>	<b>67,933</b>	<b>76,138</b>	<b>84,078</b>	<b>91,256</b>	<b>98,248</b>	<b>105,054</b>	<b>112,321</b>	<b>118,863</b>	<b>126,002</b>	<b>133,268</b>

## Statement of Cash Flows - Water Fund

Account Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Cash flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	2,023	2,107	2,161	2,214	2,270	2,326	2,385	2,444	2,505	2,567
User charges and fees	3,645	3,586	3,680	3,772	3,866	3,963	4,062	4,164	4,268	4,374
Investment revenue and interest	451	428	246	91	56	43	36	23	50	57
Grants and contributions	353	357	361	365	369	373	378	382	387	391
Other	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Employee benefits and on-costs	(1,255)	(1,316)	(1,349)	(1,383)	(1,417)	(1,453)	(1,489)	(1,526)	(1,564)	(1,603)
Materials and contracts	(3,242)	(3,162)	(3,138)	(3,211)	(3,292)	(3,373)	(3,458)	(3,544)	(3,633)	(3,723)
Borrowing costs	(50)	(47)	(44)	(40)	(36)	(32)	(28)	(23)	(17)	(11)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used) in operating activities</b>	<b>1,924</b>	<b>1,952</b>	<b>1,917</b>	<b>1,809</b>	<b>1,817</b>	<b>1,848</b>	<b>1,886</b>	<b>1,920</b>	<b>1,995</b>	<b>2,052</b>
<b>Cash flows from investing activities</b>										
<i>Receipts:</i>										
Sale of infrastructure, property, plant and equipment	853	1,130	985	697	575	451	543	231	333	307
Purchase of infrastructure, property, plant and equipment	(4,550)	(6,890)	(6,060)	(3,850)	(2,860)	(2,520)	(2,900)	(1,020)	(1,430)	(1,330)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used) in investing activities</b>	<b>(3,698)</b>	<b>(5,760)</b>	<b>(5,075)</b>	<b>(3,153)</b>	<b>(2,285)</b>	<b>(2,069)</b>	<b>(2,357)</b>	<b>(789)</b>	<b>(1,097)</b>	<b>(1,023)</b>
<b>Cash flows from financing activities</b>										
<i>Receipts:</i>										
New loans	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Loan repayments	(37)	(39)	(43)	(46)	(50)	(54)	(59)	(63)	(69)	(74)
<b>Net cash provided (or used) in financing activities</b>	<b>(37)</b>	<b>(39)</b>	<b>(43)</b>	<b>(46)</b>	<b>(50)</b>	<b>(54)</b>	<b>(59)</b>	<b>(63)</b>	<b>(69)</b>	<b>(74)</b>
<b>Net increase / (decrease) in cash</b>	<b>(1,810)</b>	<b>(3,847)</b>	<b>(3,201)</b>	<b>(1,391)</b>	<b>(519)</b>	<b>(275)</b>	<b>(530)</b>	<b>1,068</b>	<b>830</b>	<b>955</b>
Cash, Cash Equivalents & Investments - Beginning of the Years	12,502	10,692	6,845	3,644	2,253	1,734	1,459	929	1,997	2,827
<b>Total Cash, Cash Equivalents &amp; Investments - end of Years</b>	<b>10,692</b>	<b>6,845</b>	<b>3,644</b>	<b>2,253</b>	<b>1,734</b>	<b>1,459</b>	<b>929</b>	<b>1,997</b>	<b>2,827</b>	<b>3,782</b>

## Financial Statements

### Income Statement - Sewer Fund

Account Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Income from continuing operations</b>											
Rates and annual charges	5,241	5,469	5,633	5,774	5,918	6,066	6,218	6,373	6,532	6,696	6,863
User charges and fees	607	608	626	642	658	675	691	709	726	745	763
Interest and investment revenue	501	513	728	516	315	285	248	234	252	290	271
Other revenues	10	10	10	11	11	11	11	12	12	12	13
<b>Total Income</b>	<b>6,707</b>	<b>6,900</b>	<b>7,300</b>	<b>7,248</b>	<b>7,210</b>	<b>7,347</b>	<b>7,480</b>	<b>7,643</b>	<b>7,840</b>	<b>8,063</b>	<b>8,233</b>
<b>Expenses from continuing operations</b>											
Employee benefits and oncosts	1,131	1,130	1,164	1,193	1,223	1,254	1,285	1,317	1,350	1,384	1,419
Borrowing costs	79	73	67	60	54	46	39	31	23	15	6
Materials and contracts	2,273	3,215	3,002	3,077	3,153	3,232	3,313	3,396	3,481	3,568	3,657
Depreciation and amortisation	1,295	1,323	1,361	1,401	1,466	1,509	1,553	1,620	1,671	1,719	1,769
Net loss from the disposal of assets	-	11	11	12	12	12	13	13	13	13	14
<b>Total Expenses</b>	<b>4,777</b>	<b>5,752</b>	<b>5,606</b>	<b>5,743</b>	<b>5,909</b>	<b>6,054</b>	<b>6,203</b>	<b>6,378</b>	<b>6,538</b>	<b>6,699</b>	<b>6,865</b>
<b>Net Operating Result</b>	<b>1,929</b>	<b>1,148</b>	<b>1,694</b>	<b>1,505</b>	<b>1,301</b>	<b>1,293</b>	<b>1,278</b>	<b>1,265</b>	<b>1,302</b>	<b>1,363</b>	<b>1,368</b>
<b>Net operating result before grants and contributions provided for capital purposes</b>	<b>1,804</b>	<b>938</b>	<b>1,484</b>	<b>1,295</b>	<b>1,091</b>	<b>1,083</b>	<b>1,068</b>	<b>1,055</b>	<b>1,092</b>	<b>1,153</b>	<b>1,158</b>

## Statement of Financial Position - Sewer Fund

Account Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Current assets</b>											
Cash and investments	18,637	18,219	14,379	12,650	11,445	9,945	9,409	10,107	11,631	13,601	15,548
Receivables	302	514	523	532	540	548	557	566	575	585	594
<b>Total current assets</b>	<b>18,939</b>	<b>18,733</b>	<b>14,902</b>	<b>13,182</b>	<b>11,985</b>	<b>10,493</b>	<b>9,966</b>	<b>10,673</b>	<b>12,206</b>	<b>14,185</b>	<b>16,143</b>
<b>Non-current assets</b>											
Infrastructure, property, plant and equipment	78,260	86,382	101,275	111,548	120,834	130,757	139,163	145,629	150,995	155,766	160,758
<b>Total non-current assets</b>	<b>78,260</b>	<b>86,382</b>	<b>101,275</b>	<b>111,548</b>	<b>120,834</b>	<b>130,757</b>	<b>139,163</b>	<b>145,629</b>	<b>150,995</b>	<b>155,766</b>	<b>160,758</b>
<b>Total Assets</b>	<b>97,199</b>	<b>105,115</b>	<b>116,177</b>	<b>124,730</b>	<b>132,819</b>	<b>141,250</b>	<b>149,129</b>	<b>156,302</b>	<b>163,201</b>	<b>169,951</b>	<b>176,901</b>
<b>Current liabilities</b>											
Payables	90	115	111	113	116	119	122	125	128	132	135
Borrowings	133	139	146	152	160	167	175	183	191	200	16
Provisions	22	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>246</b>	<b>255</b>	<b>256</b>	<b>266</b>	<b>276</b>	<b>286</b>	<b>297</b>	<b>308</b>	<b>320</b>	<b>332</b>	<b>151</b>
<b>Non-current liabilities</b>											
Borrowings	1,529	1,390	1,244	1,092	932	765	590	408	216	16	(0)
<b>Total non-current liabilities</b>	<b>1,529</b>	<b>1,390</b>	<b>1,244</b>	<b>1,092</b>	<b>932</b>	<b>765</b>	<b>590</b>	<b>408</b>	<b>216</b>	<b>16</b>	<b>(0)</b>
<b>Total Liabilities</b>	<b>1,775</b>	<b>1,644</b>	<b>1,500</b>	<b>1,358</b>	<b>1,208</b>	<b>1,051</b>	<b>887</b>	<b>716</b>	<b>536</b>	<b>348</b>	<b>151</b>
<b>NET ASSETS</b>	<b>95,424</b>	<b>103,471</b>	<b>114,677</b>	<b>123,372</b>	<b>131,611</b>	<b>140,199</b>	<b>148,242</b>	<b>155,586</b>	<b>162,665</b>	<b>169,603</b>	<b>176,750</b>
<b>Equity</b>											
Accumulated surplus	76,703	77,852	79,546	81,051	82,352	83,645	84,923	86,188	87,490	88,853	90,222
Revaluation reserves	18,721	25,619	35,131	42,322	49,259	56,554	63,319	69,398	75,175	80,750	86,528
<b>TOTAL EQUITY</b>	<b>95,424</b>	<b>103,471</b>	<b>114,677</b>	<b>123,372</b>	<b>131,611</b>	<b>140,199</b>	<b>148,242</b>	<b>155,586</b>	<b>162,665</b>	<b>169,603</b>	<b>176,750</b>

## Statement of Cash Flows - Sewer Fund

Account Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Cash flows from operating activities</b>											
<i>Receipts:</i>											
Rates and annual charges	5,241	5,469	5,633	5,774	5,918	6,066	6,218	6,373	6,532	6,696	6,863
User charges and fees	648	396	617	634	650	666	683	700	717	735	754
Investment revenue and interest	501	513	728	516	315	285	248	234	252	290	271
Other	10	10	10	11	11	11	11	12	12	12	13
<i>Payments:</i>											
Employee benefits and on-costs	(1,153)	(1,108)	(1,164)	(1,193)	(1,223)	(1,254)	(1,285)	(1,317)	(1,350)	(1,384)	(1,419)
Materials and contracts	(2,218)	(3,212)	(2,992)	(3,073)	(3,151)	(3,229)	(3,310)	(3,393)	(3,478)	(3,565)	(3,654)
Borrowing costs	(79)	(73)	(67)	(60)	(54)	(46)	(39)	(31)	(23)	(15)	(6)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used) in operating activities</b>	<b>3,299</b>	<b>2,295</b>	<b>3,067</b>	<b>2,912</b>	<b>2,773</b>	<b>2,809</b>	<b>2,837</b>	<b>2,892</b>	<b>2,980</b>	<b>3,089</b>	<b>3,145</b>
 Purchase of infrastructure, property, plant and equipment	(4,082)	(3,290)	(8,560)	(5,670)	(4,850)	(5,240)	(4,060)	(2,580)	(1,680)	(1,220)	(1,310)
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used) in investing activities</b>	<b>(3,099)</b>	<b>(2,581)</b>	<b>(6,767)</b>	<b>(4,496)</b>	<b>(3,825)</b>	<b>(4,150)</b>	<b>(3,206)</b>	<b>(2,020)</b>	<b>(1,273)</b>	<b>(928)</b>	<b>(996)</b>
<b>Cash flows from financing activities</b>											
<i>Receipts:</i>											
New loans	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Loan repayments	(137)	(133)	(139)	(146)	(152)	(160)	(167)	(175)	(183)	(191)	(200)
<b>Net cash provided (or used) in financing activities</b>	<b>(137)</b>	<b>(133)</b>	<b>(139)</b>	<b>(146)</b>	<b>(152)</b>	<b>(160)</b>	<b>(167)</b>	<b>(175)</b>	<b>(183)</b>	<b>(191)</b>	<b>(200)</b>
 <b>Net increase / (decrease) in cash</b>	<b>63</b>	<b>(418)</b>	<b>(3,839)</b>	<b>(1,729)</b>	<b>(1,205)</b>	<b>(1,501)</b>	<b>(536)</b>	<b>698</b>	<b>1,524</b>	<b>1,970</b>	<b>1,948</b>
 Cash, Cash Equivalents & Investments - Beginning of the Years	16,710	18,637	18,219	14,379	12,650	11,446	9,945	9,409	10,107	11,631	13,600
<b>Total Cash, Cash Equivalents &amp; Investments - end of Years</b>	<b>16,773</b>	<b>18,219</b>	<b>14,379</b>	<b>12,650</b>	<b>11,446</b>	<b>9,945</b>	<b>9,409</b>	<b>10,107</b>	<b>11,631</b>	<b>13,600</b>	<b>15,549</b>

## **SENSITIVITY ANALYSIS**

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The base budget has been evaluated in relation to their sensitivity to changes in the assumptions.

### **Employee Costs**

The Council's capacity to manage growth in employee costs is a key factor influencing future financial performance. A significant consideration is the extent to which employee costs can be capitalised—allocating staff to capital works projects rather than operational activities—as well as the resourcing requirements for civil contracting. Projected increases in employee expenses, driven by Award adjustments and staff progression through the salary structure, are critical assumptions within the financial modelling.

### **Interest Rates**

Council continues to maintain a low level of debt, with existing loans set at fixed interest rates and repayments gradually reducing over time. Income generated from investments contributes positively to Council's operating results. However, using financial reserves to fund major capital projects reduces the amount of money available to invest, which in turn impacts the level of interest income Council can earn in future years.

Interest rate increases by the Reserve Bank of Australia (RBA) over the past two years have led to short-term gains in investment returns. However, as the broader economic outlook evolves, future rate cuts may reduce these returns. Council will continue to monitor interest rate movements and economic conditions to manage investment performance responsibly and ensure the long-term financial sustainability of services and infrastructure for the community.

### **Capital Works Programs**

Council has been expanding its capital asset base through the development of new and upgraded community infrastructure, largely supported by external grants. While these investments enhance community services, they also result in increased depreciation and ongoing operating and maintenance costs.

The financial forecast reflects the anticipated impact of these costs, with additional depreciation accounted for major projects, such as the completion of the Evacuation (Multipurpose) Centre and fire support infrastructure at the Aerodrome. As additional capital projects are undertaken, operating, maintenance, and depreciation expenses are expected to rise.

Capital works focused on renewing existing infrastructure often involve upgrades to meet evolving regulatory and community requirements. These enhancements further contribute to higher long-term financial obligations through increased depreciation and operating costs, all of which are considered in the long-term financial planning to ensure fiscal sustainability.

### **Grant Programs**

Council's operations and capital works renewal program are heavily dependent on external funding, particularly government grants. Should these grants be reduced or discontinued, Council would need to identify alternative revenue sources to sustain its service levels and capital projects.

The Long-Term Financial Plan (LTFP) reflects a decrease in government funding for the forecast periods, largely due to the absence of confirmed funding sources for future capital works. This reduction could potentially pose a risk to Council's operating results and overall financial stability. To mitigate this risk, securing alternative funding sources and long-term funding commitments will be crucial to ensuring the continued development, sustainability, and delivery of essential services and infrastructure for the community.

### **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 to local government without funding. It is anticipated that this trend will continue, further challenging Council's ability to manage its financial position effectively.



## Energy Costs

Council is proactively addressing the impact of rising energy costs on its budget. Key initiatives include the installation of solar panels, battery storage, and geothermal heating/cooling systems for Council buildings. Additionally, Council is seeking to leverage relevant building-related grant programs that support the provision of energy-efficient infrastructure, where applicable, to further reduce energy expenses.

## Insurance and Workers Compensation

Council expects insurance premiums to increase in line with the CPI, however, these premiums are also susceptible to significant fluctuations driven by external factors such as natural disasters, climate change, and evolving government policies. To manage this uncertainty, Council is proactively reviewing its insurance coverage, considering options such as self-management of claims, refining claim thresholds, and continuing to invest in targeted risk management initiatives across the organisation.

In relation to workers' compensation premiums, increases are anticipated in line with award adjustments. However, premium rates may also be influenced by future claims and the timeframes associated with workers' return-to-work. The Council remains committed to mitigating these costs by focusing on workplace safety, enhancing risk awareness, and implementing robust safety programs designed to reduce claims and premiums over time.

## Indicators (Consolidated Fund)

Council's key objectives include the achievement of an operating surplus over the planning cycle and adequate funding of asset renewals. 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 base budget:

### **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).

Base Budget Unable to reach this benchmark.

**Own Source Revenue – Benchmark > 60%**

This ratio measures a council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. It compares operating revenues gained from sources other than grants and contributions to its total operating revenues.

Base Budget 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 budget, Council assets quickly deplete, and Council is unable to meet this ratio.

Base Budget meets benchmark throughout the 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.

Base Budget meets benchmark 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.

Base Budget meets benchmark throughout the 10 years



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