Long Term Financial Plan

2025/26 – 2034/35

Contents

INTRODUCTION

The Long Term Financial plan forms part of Warren Shire Council's overall Resourcing Strategy. The Resourcing Strategy consists of Council's Long Term Financial Plan, Workplace Management Strategy and Asset Management Strategic Plan.

These documents give consideration of the capacity of Warren Shire Council to deliver on items identified in the "Warren Shire 2035" Community Strategic Plan and to prioritise items into the four year Delivery Program and the one year Operational Plan.

The Long Term Financial Plan (LTFP) also provides a means of determining service levels and the rate of infrastructure renewal possible based on different funding scenarios. Council will further develop this aspect as Council's Asset Management Strategic Plan is being implemented.

Council's LTFP covers all areas of Council operations and considers the high degree of infrastructure renewal required.

The LTFP will be subject to continuous review and adjustment as circumstances and priorities change as driven by the "Warren Shire 2035" Community Strategic Plan and other factors which impact upon Council's resourcing plans.

The LTFP enables Council to model the financial impacts of various activities, initiatives, service levels and programs as well as perform risk analysis in terms of measuring the impacts of changing assumptions such as inflation, rate pegging, interest rates etc.

This LTFP covers the 10 year planning period from 2025/26 to 2034/35.

Integrated Planning & Reporting Framework

OBJECTIVES OF THE LONG TERM FINANCIAL PLAN

This is the third comprehensive LTFP developed by Warren Shire Council under the new integrated planning guidelines. Accordingly, the plan will be subject to further refinement as the Asset Management Plans are further developed.

The LTFP has taken into considered areas of priority that are consistent with the “Warren Shire 2035” Community Strategic Plan and Asset Management Plans with identified service level objectives.

The LTFP sets the basis of resourcing Council’s activities that are included in Council’s Delivery Program 2025/26 to 2028/29. The Delivery Program sets the program of actions for Council over that period. The Operational Plan is be prepared based on Council’s known resourcing strategy that defines the limits of Council’s capacity to deliver services and renew and provide infrastructure.

The aim of the LTFP is to put in place a financial structure for strategic financial decision making based on guiding principles for the short and long term periods.

FINANCIAL SUSTAINABLITY

Financial sustainability is a key challenge facing Council and Local Government in general due to several contributing factors including:

- increased demand for services beyond those traditionally provided,
- cost shifting from other levels of government,
- ageing infrastructure and constraints on revenue growth,
- rate pegging constraints,
- uncertainty over grant income,
- increased maintenance due to an ageing infrastructure network,
- cost increases in major inputs in excess of CPI

The financial modelling underpinning this LTFP confirms that if Council is to maintain current service levels, ensure existing assets are maintained and renewed as required and the demand for new facilities is met it is not financially sustainable in the long term given its current level of resourcing.

The financial challenges identified have emerged over a number of years and can be attributed to:

- cost shifting from other levels of Government, with local government being forced to take on increased responsibilities without being provided appropriate funding to meet these additional responsibilities,
- increase in regulatory compliance and reporting (red tape),
- freezing of the Financial Assistance Grant for 3 years – 2014/15 to 2016/17 this has a multiplier effect each year i.e.: the gap is increasing each year and will never be caught up.

Cost Shifting

Cost shifting describes the situation where the responsibility for, or the cost of, providing a certain service, concession, facility or regulatory function are ‘shifted’ from a higher level of Government without the provision of corresponding funding or an ability to raise revenue to adequately fund the shifted responsibility.

There have been several enquiries and surveys of cost shifting over the years with the latest LGNSW survey for 2015/16 confirming that cost shifting continues to place significant burden on Council’s financial situation. Warren Shire Council’s estimated cost amounted to $871,284.00 or 3.4% of total general fund operating expenses, applied to the 2025/26 estimates.

Contributions to the Fire & Rescue NSW, NSW Rural Fire Service and State Emergency Service, lack of adequate funding for public libraries, the NSW Government’s failure to reimburse the full mandatory pensioner rebates, the cost of regulation of companion animals, swimming pool compliance, and administration of environmental regulations are all examples of cost shifting that impact on Council’s financial performance and place additional pressure on its financial sustainability.

Cost Increases

Council has experienced cost increases well in excess of inflation for a number of major expenditure items over the past few years, a trend that is expected to continue.

Therefore, Council’s expenditure base has increased at a significantly higher rate than its revenue base.

Infrastructure Renewals and Backlog

The issue of financial sustainability of local government has been identified as a major issue in several State based and National inquiries and studies into the issue over many years. Each has identified a shortfall in infrastructure renewal expenditure and a substantial backlog in infrastructure spending as the major issue facing the industry, primarily due to limited funding opportunities available, coupled with the diverse and increasing demand on Council’s resources.

Council is constantly developing asset management plans and indications are that current levels of maintenance and renewals currently adequate of that required to maintain the assets in a satisfactory condition.

The asset management plans will quantify the level of spending required to maintain existing infrastructure assets and address any infrastructure backlog.

Further detail of this issue, including its impacts and associated risks if not addressed, is contained in Council’s Asset Management Plans.

PLANNING ASSUMPTIONS

The LTFP is based on a number of planning assumptions. These assumptions were used to model and formulate the plan and test a range of scenarios, a process which ultimately formed the basis of the proposed LTFP.

The key planning assumptions considered in the development of the LTFP are detailed below.

Rate Pegging Increases in Rates

On 4 June 2010 the NSW Government announced a number of new functions for the Independent Pricing and Regulatory Tribunal (IPART) relating to Local Government.

The new functions include IPART determining the peg for Councils general rate revenue, and reviewing Council's applications for special variations and minimum rate increases under the Local Government Act 1993. Part of this new framework includes IPART establishing a Local Government Cost Index (LGCI), which will be used in the setting of the maximum allowable increase in general revenue.

Interest on Investments

- Scenario 1 (Planned Forecast), Interest on Investment forecast rate of 5.0% in 2025/26 then 5.0% for the life of the plan,
- Scenario 2 (Optimistic Forecast) Interest on Investment forecast rate of 5.0% in 2025/26 then 10.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) Interest on Investment forecast rate of 5.0% in 2025/26 then 0.0% for the life of the plan.

Inflation *Consumer Price Index (CPI)*

- Scenario 1 (Planned Forecast), CPI forecast rate of 2.8% in 2025/26 then 2.5% for the life of the plan,
- Scenario 2 (Optimistic Forecast) CPI forecast rate of 4.0% in 2025/26 then 0.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) CPI forecast rate of 4.0% in 2025/26 then 8.0% for the life of the plan.

REVENUE FORECASTS

Rates & Annual Charges

In preparing this LTFP, three scenarios were modelled to identify possible strategies to address the financial challenges facing Warren Shire Council.

- Scenario 1 (Planned Forecast), rates increased by 3.5% in 2025/26 then 3.6% for the life of the plan. Annual Charges have been increased by 5.0% in 2025/26 then 5.0% for the life of the plan,
- Scenario 2 (Optimistic Forecast) rates increased by 4.5% in 2025/26 then 8.0% for the life of the plan. Annual Charges have been increased by 5.0% in 2025/26 then 8.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) rates increased by 4.5% in 2025/26 then 1.0% for the life of the plan. Annual Charges have been increased by 5.0% in 2025/26 then 1.0% for the life of the plan.

User Charges and Fees & Other Revenues

User Fees and Charges include fees for use of Council facilities and fees for private works undertaken.

No new User Charges or Fees opportunities have been identified as part of the development of the Community Strategic Plan. These services are assumed to be provided on the same pricing basis and are forecast to increase in line with inflation.

Given that User Charges and Fees and Other Revenues represent between 5 to 7% of total revenues each year the potential error margin of this assumption, and resultant impact on financial position, is not considered material to Council's operations.

Interest

Interest income has been calculated by multiplying the interest rate by the previous year's projected total cash in the Balance Sheet each year based on the below scenarios.

- Scenario 1 (Planned Forecast), Interest on Investment forecast rate of 5.0% in 2025/26 then 5.0% for the life of the plan,
- Scenario 2 (Optimistic Forecast) Interest on Investment forecast rate of 5.0% in 2025/26 then 10.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) Interest on Investment forecast rate of 5.0% in 2025/26 then 0.0% for the life of the plan.

Operating Grants & Contributions

In reviewing operating grants and contributions it is considered prudent not to forecast an increase, other than for CPI, over the period of the plan. It is unlikely that there will be any increase in grants, or provision of new grants, for current services. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

Capital Grants & Contributions

As with the operating grants and contributions it is considered prudent not to forecast an increase, other than for CPI, over the period of the plan. It is unlikely that there will be any increase in grants, or provision of new grants, for capital works. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

EXPENDITURE FORECASTS

Much of Council's expenditure is ongoing and regular. Expenditure forecasts are regularly reviewed through the quarterly budget review process and as a part of the annual review and updating of the LTFP. This process identifies any changes in services provided, service levels, commitments and changes to costs for goods and services consumed.

The basis of the forecasts for major expenditure items are detailed below.

Employee Costs

Employee costs consist of salaries and wages, employee leave entitlements, Council's contribution to superannuation schemes, workers compensation insurance and fringe benefits tax.

Salaries and wages make up most of the employee cost and combined with employee leave entitlements represent 88% of this expenditure item.

As part of its financial strategy, Council sets aside a reserve to enable any 'spikes' in employee leave entitlements, particularly resulting from the retirement or resignation of long serving employees, to be funded. The reserve currently represents 26% of total employee entitlement provisions and is forecast to remain at this percentage for the 10 year plan.

Borrowing Costs

The LTFP does not include any anticipated loans for the duration of the plan.

Materials, Contracts and Other Operating Costs

Expenditure on materials, contracts and other operating cost has been generally based on CPI.

Capital Works – Asset Acquisitions/Renewals

The capital works program in this plan have been taken from rolling works programs, Plant Replacement Program, Water & Sewerage Strategic Plan, Buildings Asset Management Plan, Recreation Asset Management Plan, Stormwater Asset Management Plan and other know works scheduled. Some capital works are fully funded by grant funding (i.e.: Roads & Maritime Services - Block Grant, Supplementary Block Grant and Repair Program) if the funding is not received the capital works will not be undertaken.

The plan assumes the Roads to Recovery Program will be in place for the next 10 years.

SENSITIVITY ANALYSIS

The LTFP is based on a number of underlying assumptions. Sensitivity analysis identifies the impact on Council's financial position any changes in these assumptions will affect outcomes of the plan.

Sensitivity analysis looks at 'what if' scenarios. For example, what happens to Council's financial position if salary and wages increases are 1% higher than forecast; or investment returns are 1% less than forecast in the LTFP Plan.

The major underlying assumptions underpinning the LTFP have been subject to sensitivity analysis which has identified the following impacts:

Rate Pegging

The impact of a 1% reduction in rate pegging each year from Scenario 1 (Planned Forecast) was modelled the analysis indicated that general fund rates would be reduced by a total of $3,028,000 over the last nine years of the plan.

Inflation

The impact of a 1% increase in inflation over the estimate each year resulted in materials, contracts and other expenses compounding to an extra $5,920,000 (or an average of $657,777 each year) for the last nine years of the plan.

FINANCIAL STRATEGIES UNDERPINNING THE LTFP

This LTFP identifies possible strategies that need to be addressed to ensure Council is financially sustainable into the future. The key strategies underpinning the LTFP are:

- achieving balanced cash budgets
- maintaining a sound financial position
- maintaining a positive unrestricted cash and investment balance
- maintaining service levels
- progressively increasing funding for asset maintenance and renewal
- maintaining a fair and equitable rating structure

Without the identification of appropriate financial strategies, Council is clearly not financially sustainable in the long term and as a result, the community aspirations identified and articulated in the CSP would not be able to be achieved.

The financial challenges faced by Council, as measured in the scenarios below, will require an innovative multi-faceted financial strategy if Council is to continue to deliver the level of services currently provided and satisfy the demand for additional facilities and existing asset renewals.

Identifying Budget Expenditure Reductions

In response to the financial challenges highlighted in this LTFP each department within Council will undertake an ongoing annual review of its current activities and service levels to identify possible opportunities to reduce budget expenditures without significant reductions in service levels.

Productivity Improvements & Initiatives

The continued pursuit of productivity improvements over the period of the plan is a critical component of the strategy developed to deliver financial sustainability. As previously indicated, Warren Shire Council is committed to a process of continuous improvement and organisational development and this process will continue to deliver productivity improvements that will contribute to addressing unexpected funding gaps that may occur.

FINANCIAL MODELLING SCENARIOS

In preparing this LTFP, three (3) scenarios have been modelled to inform the community of the financial implications of the activities and the level of services under different strategies.

The three (3) scenarios are:

Scenario 1 – (Planned Forecast)

This scenario is based on general rates and garbage charges increased by 3.5% in 2025/26 then 3.6% for the life of the plan. Annual Water and Sewerage Charges have been increased by 5.0% in 2025/26 then 5.0% for the life of the plan.

Interest on investments has been estimated at 5.0% in 2025/26, then 5.0% for the life of the plan.

CPI forecast rate of 2.8% in 2025/26 then 3.5% for the life of the plan.

The trend of this scenario based on the operational income and expenses and capital works program Council will be in a sustainable position by the end of the plan.

Scenario 2 – (Optimistic Forecast)

This scenario is based upon a 4.5% general rate revenue increase in 2025/26 then an increase of 8% in all rates and annual charges each year after.

Interest on investments has been estimated at 5.0% in 2025/26, then 10.0% for the life of the plan.

CPI forecast rate of 4.0% in 2025/26 then 0.0% for the life of the plan.

The trend of this scenario would see General Fund having a cash balance of $175,435,000 by the end of the plan.

Scenario 3 – (Conservative Forecast)

This scenario is based upon a 4.5% general rate revenue increase in 2025/26 then a 1.0% increase in all rates and annual charges each year after.

Interest on investments has been estimated at 5.0% in 2025/26 then 0% for the life of the plan.

Inflation estimated at 4.0% in 2025/26 then 8% for the life of the plan.

The trend of this scenario would see all General Fund cash being exhausted in 2030/31 with a deficit of $38,758,000 by the end of the plan.

SUMMARY OF THE LTFP

This is the fourth comprehensive LTFP prepared by Council under the new Integrated Planning and Reporting guidelines.

The plan has been prepared based on Council's known financial position together with financial forecasts.

The plan has highlighted that Council cannot maintain services in the general fund without operating on a funding deficit that is projected for the next 10 years. This indicates that Councils forecast financial position is not sustainable without some corrective action being taken in the short to medium term.

The LTFP will to be monitored and amended each year in line with Council's actual situation, the economic climate and forecast, and future changes in Council's priorities.

FINANCIAL MODELLING OUTPUTS

Following are the financial modelling outputs for each of the three (3) scenarios being:

- i) Projected (Consolidated Funds) Income Statement
- ii) Projected (Consolidated Funds) Statement of Cash Flows
- iii) Projected (Consolidated Funds) Statement of Financial Position

INCOME STATEMENT - SCENARIO No. 1 - (Planned Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2025/26 to 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
REVENUES										
Rates & Annual Charges	7,458	7,745	8,044	8,354	8,676	9,011	9,359	9,720	10,096	10,488
User Charges & Fees	7,790	8,042	8,290	8,546	8,810	9,081	9,361	9,650	9,949	10,257
Other Revenues	365	377	391	404	418	432	447	463	479	496
Operating Grants & Contributions	14,332	14,825	15,344	15,881	16,437	17,013	17,608	18,225	18,862	19,523
Capital Grants & Contributions	6,792	7,030	7,276	7,530	7,794	8,067	8,349	8,641	8,944	9,257
Interest	434	622	1,046	1,462	1,911	2,422	3,305	3,947	4,639	5,485
Other Income	165	170	176	182	188	195	202	209	216	224
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	**37,336**	**38,811**	**40,566**	**42,359**	**44,234**	**46,220**	**48,632**	**50,855**	**53,185**	**55,730**
EXPENSES										
Employee Benefits & Costs	7,531	7,722	7,992	8,271	8,561	8,861	9,171	9,492	9,825	10,169
Borrowing Costs	91	82	76	73	68	63	58	83	81	81
Materials & Contracts	11,967	12,449	12,885	13,335	13,802	14,285	14,785	15,302	15,837	16,391
Depreciation	4,237	4,385	4,538	4,697	4,862	5,032	5,208	5,390	5,579	5,774
Other Expenses	258	269	278	287	297	307	317	328	339	350
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	**24,084**	**24,907**	**25,769**	**26,663**	**27,590**	**28,548**	**29,539**	**30,595**	**31,661**	**32,765**
Operating Result - Surplus / (Deficit)	**13,252**	**13,904**	**14,797**	**15,696**	**16,644**	**17,672**	**19,093**	**20,260**	**21,524**	**22,965**
Op Result less Capital Grants	**6,460**	**6,874**	**7,521**	**8,166**	**8,850**	**9,606**	**10,744**	**11,618**	**12,580**	**13,708**
Rate Pegging Limit	**3.5%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**
Annual Garbage Charge Increase	**3.5%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**	**3.6%**
Water Annual Charge Increase	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Water User Charge Increase	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Sewerage Annual Charge Increase	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Sewerage User Charge Increase	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Investment Interest Rates	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**
Inflation Percentages Used	**2.8%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**
Loan Borrowing Interest Rates	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**	**5.0%**

The above Income Statement is consistent with the normal ongoing operations of Warren Shire Council, it provides for existing levels of service in all operations of Council.

The Income Statement does not forecast for any profit or loss on the disposal of assets.

STATEMENT OF CASH FLOWS - SCENARIO No. 1 - (Planned Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2025/26 TO 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	7,965	7,775	8,073	8,384	8,706	15,069	9,379	9,756	10,214	10,601
User Charges & Fees	7,730	8,042	8,290	8,546	8,810	9,081	9,359	9,652	10,011	10,319
Interest Earned	434	622	1,046	1,462	1,911	2,422	3,305	3,947	4,639	5,485
Grants	21,124	21,855	22,619	23,411	24,231	25,079	25,957	26,866	27,806	28,780
Other Revenues	365	377	391	404	418	432	447	463	479	496
Receipts from Operations	**37,618**	**38,671**	**40,419**	**42,207**	**44,076**	**52,083**	**48,448**	**50,684**	**53,149**	**55,681**
Payments										
Employee Benefits & Costs	7,400	7,722	7,992	8,270	8,561	8,861	9,171	9,513	8,340	8,684
Materials & Contracts	11,968	12,449	12,885	13,335	13,802	14,285	14,785	15,302	15,837	16,391
Borrowing Costs	91	82	76	73	68	63	58	83	81	81
Other Expenses	260	269	278	287	297	307	317	328	339	350
Payments from Operations	**19,719**	**20,522**	**21,231**	**21,965**	**22,728**	**23,516**	**24,331**	**25,226**	**24,597**	**25,506**
Net Cash from Operations	**17,899**	**18,149**	**19,188**	**20,242**	**21,348**	**28,567**	**24,117**	**25,458**	**28,552**	**30,175**
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	203	210	217	225	233	241	249	258	258	0
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	**203**	**210**	**217**	**225**	**233**	**241**	**249**	**258**	**258**	**0**
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	15,063	9,122	9,439	9,768	9,608	9,533	9,867	10,212	10,212	10,212
Infrastructure - Water Supply Fund	1,746	176	66	91	59	61	61	0	0	0
Infrastructure - Sewerage Services Fund	678	163	247	256	265	85	85	88	92	92
Plant, Property & Equipment	854	883	914	946	980	1,014	1,049	1,086	1,086	1,086
Other Assets	414	227	235	243	252	261	270	279	279	279
Payments from Capital Activity	**18,755**	**10,571**	**10,901**	**11,304**	**11,164**	**10,954**	**11,332**	**11,665**	**11,669**	**11,669**
Net Cash from Capital Activity	**(18,552)**	**(10,361)**	**(10,684)**	**(11,079)**	**(10,931)**	**(10,713)**	**(11,083)**	**(11,407)**	**(11,411)**	**(11,669)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Payments										
Repayment of Loans	171	176	181	188	193	198	203	209	216	224
Payments from Finance Activity	**171**	**176**	**181**	**188**	**193**	**198**	**203**	**209**	**216**	**224**
Net Cash from Financing	**(171)**	**(176)**	**(181)**	**(188)**	**(193)**	**(198)**	**(203)**	**(209)**	**(216)**	**(224)**
NET CHANGE CASH & INVESTMENTS	**(824)**	**7,612**	**8,323**	**8,975**	**10,224**	**17,656**	**12,831**	**13,842**	**16,925**	**18,282**
Current Year Cash	**(824)**	**7,612**	**8,323**	**8,975**	**10,224**	**17,656**	**12,831**	**13,842**	**16,925**	**18,282**
Cash at Start of Year	**14,116**	**13,292**	**20,904**	**29,227**	**38,202**	**48,426**	**66,082**	**78,913**	**92,754**	**109,679**
Cash at End of Year	**13,292**	**20,904**	**29,227**	**38,202**	**48,426**	**66,082**	**78,913**	**92,754**	**109,679**	**127,961**

BALANCE SHEET - SCENARIO No. 1 - (Planned Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2025/26 to 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
ASSETS										
Cash and Investments	13,292	20,904	29,227	38,202	48,426	66,082	78,913	92,754	109,679	127,961
Receivables - Rates & Charges	6,315	6,285	6,256	6,226	6,196	138	128	118	113	112
Receivables - Other	60	60	60	60	60	60	62	62	62	62
Inventories	811	811	811	811	811	811	811	811	811	811
Other	20	20	20	20	20	105	105	105	105	105
Infrastructure, Property, Plant & Equipment	455,278	461,309	467,510	473,947	480,071	485,807	491,737	497,809	503,696	509,646
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	**475,776**	**489,389**	**503,884**	**519,266**	**535,584**	**553,003**	**571,756**	**591,659**	**614,466**	**638,697**
LIABILITIES										
Creditors	2,330	1,330	1,265	1,200	1,135	1,070	294	294	294	294
Borrowings	3,186	3,010	2,829	2,641	2,448	1,831	1,286	1,157	1,025	889
Provisions	1,835	1,837	1,839	1,842	1,844	1,846	1,848	1,850	1,852	1,854
Total Liabilities	**7,351**	**6,177**	**5,933**	**5,683**	**5,427**	**4,747**	**3,428**	**3,301**	**3,171**	**3,038**
Net Assets	**468,425**	**483,212**	**497,951**	**513,583**	**530,157**	**548,256**	**568,328**	**588,358**	**611,295**	**635,659**
EQUITY										
Accumulated Surplus	164,370	179,102	193,786	209,363	225,882	243,926	263,943	283,918	306,800	331,110
Asset Revaluation Reserve	304,055	304,110	304,165	304,220	304,275	304,330	304,385	304,440	304,495	304,550
Total Equity	**468,425**	**483,212**	**497,951**	**513,583**	**530,157**	**548,256**	**568,328**	**588,358**	**611,295**	**635,660**

Note : Cash & Investments is comprised of :

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
General Fund Cash & Investments	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,100	2,900	2,700	2,500	2,300	2,100	100	100	100	100
Water Supply	784	2,124	3,709	5,416	7,316	9,386	11,649	14,166	16,957	19,975
Sewerage Services	623	622	558	508	469	633	831	1,038	1,279	1,561
Domestic Waste Management	110	110	110	110	110	110	110	110	110	110
Internal Restrictions	8,175	14,648	21,650	29,168	37,731	53,354	65,723	76,840	90,733	105,715
Cash and Investments	**13,292**	**20,904**	**29,227**	**38,202**	**48,426**	**66,082**	**78,913**	**92,754**	**109,679**	**127,961**

INCOME STATEMENT - SCENARIO No. 2 - (Optimistic Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2025/26 to 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
REVENUES										
Rates & Annual Charges	7,812	8,437	9,112	9,841	10,629	11,480	12,399	13,391	14,463	15,620
User Charges & Fees	4,969	5,238	5,509	5,796	6,098	6,416	6,750	7,102	7,473	7,864
Other Revenues	345	344	344	344	344	344	344	344	344	344
Operating Grants & Contributions	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948
Capital Grants & Contributions	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Interest	1,028	2,649	3,476	4,475	5,672	7,150	8,924	10,987	13,395	16,554
Other Income	146	145	145	145	145	145	145	145	145	145
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	**26,248**	**28,761**	**30,534**	**32,549**	**34,836**	**37,483**	**40,510**	**43,917**	**47,768**	**52,475**
EXPENSES										
Employee Benefits & Costs	5,782	5,709	5,709	5,709	5,709	5,709	5,709	5,709	5,709	5,709
Borrowing Costs	86	82	76	73	68	63	58	83	81	81
Materials & Contracts	8,299	8,361	8,361	8,361	8,361	8,361	8,361	8,361	8,361	8,361
Depreciation	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844
Other Expenses	248	248	248	248	248	248	248	248	248	248
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	**18,259**	**18,244**	**18,238**	**18,235**	**18,230**	**18,225**	**18,220**	**18,245**	**18,243**	**18,243**
Operating Result - Surplus / (Deficit)	**7,989**	**10,517**	**12,296**	**14,314**	**16,606**	**19,258**	**22,290**	**25,672**	**29,525**	**34,232**
Op Result less Capital Grants	**2,989**	**5,517**	**7,296**	**9,314**	**11,606**	**14,258**	**17,290**	**20,672**	**24,525**	**29,232**
Rate Pegging Limit	**4.5%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Annual Garbage Charge Increase	**5.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Water Annual Charge Increase	**5.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Water User Charge Increase	**5.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Sewerage Annual Charge Increase	**5.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Sewerage User Charge Increase	**5.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Investment Interest Rates	**5.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**
Inflation Percentages Used	**4.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Loan Borrowing Interest Rates	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**

The above income statement has been forecast to increase general rates, garbage, water and sewerage annual charges by 8% for the last 9 years of the plan, as can be seen the operating result would turn into large surpluses over the years that could potentially enable a vast increase in the levels of service in all operations of Council.

The Income Statement does not forecast for any profit or loss on the disposal of assets.

STATEMENT OF CASH FLOWS - SCENARIO No. 2 - (Optimistic Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2025/26 TO 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	7,842	8,467	9,141	9,871	10,659	11,618	12,419	13,427	14,581	15,733
User Charges & Fees	12,969	5,238	5,509	5,796	6,098	6,416	6,748	7,104	9,571	9,962
Interest Earned	1,028	2,649	3,476	4,475	5,672	7,150	8,924	10,987	13,395	16,554
Grants	11,948	11,948	11,948	11,948	11,948	11,948	11,948	11,948	11,948	11,948
Other Revenues	345	344	344	344	344	344	344	344	344	344
Receipts from Operations	**34,132**	**28,646**	**30,418**	**32,434**	**34,721**	**37,476**	**40,383**	**43,810**	**49,839**	**54,541**
Payments										
Employee Benefits & Costs	5,781	5,709	5,709	5,708	5,709	5,709	5,709	5,730	4,224	4,224
Materials & Contracts	8,299	8,361	8,361	8,361	8,361	8,361	8,361	8,361	8,361	8,361
Borrowing Costs	86	82	76	73	68	63	58	83	81	81
Other Expenses	248	248	248	248	248	248	248	248	248	248
Payments from Operations	**14,414**	**14,400**	**14,394**	**14,390**	**14,386**	**14,381**	**14,376**	**14,422**	**12,914**	**12,914**
Net Cash from Operations	**19,718**	**14,246**	**16,024**	**18,044**	**20,335**	**23,095**	**26,007**	**29,388**	**36,925**	**41,627**
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	480	480	480	480	480	480	480	480	480	0
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	**480**	**480**	**480**	**480**	**480**	**480**	**480**	**480**	**480**	**0**
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	5,748	4,738	4,738	4,738	4,238	4,148	4,148	4,148	4,148	4,148
Infrastructure - Water Supply Fund	135	165	0	0	0	50	50	0	0	0
Infrastructure - Sewerage Services Fund	0	0	224	224	224	70	70	70	70	70
Plant, Property & Equipment	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355
Other Assets	15	15	15	50	20	20	20	20	20	20
Payments from Capital Activity	**7,253**	**6,273**	**6,332**	**6,367**	**5,837**	**5,643**	**5,643**	**5,593**	**5,593**	**5,593**
Net Cash from Capital Activity	**(6,773)**	**(5,793)**	**(5,852)**	**(5,887)**	**(5,357)**	**(5,163)**	**(5,163)**	**(5,113)**	**(5,113)**	**(5,593)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Payments										
Repayment of Loans	171	176	181	188	193	198	203	209	216	224
Payments from Finance Activity	**171**	**176**	**181**	**188**	**193**	**198**	**203**	**209**	**216**	**224**
Net Cash from Financing	**(171)**	**(176)**	**(181)**	**(188)**	**(193)**	**(198)**	**(203)**	**(209)**	**(216)**	**(224)**
NET CHANGE CASH & INVESTMENTS	**12,774**	**8,277**	**9,991**	**11,969**	**14,785**	**17,734**	**20,641**	**24,066**	**31,596**	**35,810**
Current Year Cash	**12,774**	**8,277**	**9,991**	**11,969**	**14,785**	**17,734**	**20,641**	**24,066**	**31,596**	**35,810**
Cash at Start of Year	**13,703**	**26,478**	**34,755**	**44,747**	**56,716**	**71,502**	**89,236**	**109,878**	**133,944**	**165,540**
Cash at End of Year	**26,478**	**34,755**	**44,747**	**56,716**	**71,502**	**89,236**	**109,878**	**133,944**	**165,540**	**201,351**

BALANCE SHEET - SCENARIO No. 2 - (Optimistic Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2025/26 to 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
ASSETS										
Cash and Investments	26,478	34,755	44,747	56,716	71,502	89,236	109,878	133,944	165,540	201,351
Receivables - Rates & Charges	395	365	336	306	276	138	128	118	113	112
Receivables - Other	2,096	2,096	2,096	2,096	2,096	2,096	2,098	2,098	2,098	2,098
Inventories	807	807	807	807	807	807	807	807	807	807
Other	20	20	20	20	20	105	105	105	105	105
Infrastructure, Property, Plant & Equipment	278,440	280,444	282,507	284,605	286,173	287,547	288,921	290,245	291,569	293,373
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	**308,236**	**318,487**	**330,513**	**344,550**	**360,874**	**379,929**	**401,937**	**427,317**	**460,232**	**497,846**
LIABILITIES										
Creditors	2,291	1,291	1,226	1,161	1,096	1,031	294	294	294	294
Borrowings	3,185	3,009	2,828	2,640	2,447	1,830	1,286	1,157	1,025	889
Provisions	1,533	1,535	1,537	1,540	1,542	1,544	1,546	1,548	1,550	1,552
Total Liabilities	**7,009**	**5,835**	**5,591**	**5,341**	**5,085**	**4,405**	**3,126**	**2,999**	**2,869**	**2,736**
Net Assets	**301,227**	**312,652**	**324,922**	**339,209**	**355,789**	**375,524**	**398,811**	**424,318**	**457,363**	**495,110**
EQUITY										
Accumulated Surplus	170,635	182,005	194,220	208,452	224,977	244,657	267,889	293,341	326,331	364,024
Asset Revaluation Reserve	130,592	130,647	130,702	130,757	130,812	130,867	130,922	130,977	131,032	131,087
Total Equity	**301,227**	**312,652**	**324,922**	**339,209**	**355,789**	**375,524**	**398,811**	**424,318**	**457,363**	**495,111**

Note : Cash & Investments is comprised of :

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
General Fund Cash & Investments	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,100	2,900	2,700	2,500	2,300	2,100	100	100	100	100
Water Supply	1,248	2,167	3,419	4,874	6,562	8,462	10,665	13,241	16,252	19,686
Sewerage Services	585	853	990	1,217	1,546	2,149	2,903	3,806	4,906	6,230
Domestic Waste Management	110	110	110	110	110	110	110	110	110	110
Internal Restrictions	20,935	28,225	37,028	47,515	60,484	75,915	95,600	116,187	143,672	174,725
Cash and Investments	**26,478**	**34,755**	**44,747**	**56,716**	**71,502**	**89,236**	**109,878**	**133,944**	**165,540**	**201,351**

INCOME STATEMENT - SCENARIO No. 3 - (Conservative Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2025/26 to 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
REVENUES										
Rates & Annual Charges	7,425	7,500	7,575	7,651	7,728	7,805	7,883	7,961	8,040	8,120
User Charges & Fees	4,618	4,675	4,721	4,767	4,814	4,861	4,909	4,957	5,007	5,057
Other Revenues	359	387	418	451	487	526	568	613	662	715
Operating Grants & Contributions	6,974	7,532	8,134	8,785	9,487	10,246	11,065	11,950	12,906	13,938
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	411	0	0	0	0	0	0	0	0	0
Other Income	152	163	176	190	205	221	239	258	279	301
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	**19,939**	**20,257**	**21,024**	**21,844**	**22,721**	**23,659**	**24,664**	**25,739**	**26,894**	**28,131**
EXPENSES										
Employee Benefits & Costs	6,053	6,464	6,980	7,539	8,142	8,794	9,497	10,256	11,077	11,963
Borrowing Costs	86	82	76	73	68	63	58	83	81	81
Materials & Contracts	8,852	9,621	10,390	11,221	12,119	13,089	14,136	15,267	16,488	17,806
Depreciation	3,998	4,318	4,663	5,035	5,437	5,872	6,341	6,848	7,396	7,988
Other Expenses	257	278	300	324	350	378	408	440	475	512
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	**19,246**	**20,763**	**22,409**	**24,192**	**26,116**	**28,196**	**30,440**	**32,894**	**35,517**	**38,350**
Operating Result - Surplus / (Deficit)	**693**	**(506)**	**(1,385)**	**(2,348)**	**(3,395)**	**(4,537)**	**(5,776)**	**(7,155)**	**(8,623)**	**(10,219)**
Op Result less Capital Grants	**693**	**(506)**	**(1,385)**	**(2,348)**	**(3,395)**	**(4,537)**	**(5,776)**	**(7,155)**	**(8,623)**	**(10,219)**
Rate Pegging Limit	**4.5%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Annual Garbage Charge Increase	**5.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Water Annual Charge Increase	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Water User Charge Increase	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Sewerage Annual Charge Increase	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Sewerage User Charge Increase	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Investment Interest Rates	**5.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Inflation Percentages Used	**4.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**	**8.0%**
Loan Borrowing Interest Rates	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**

The above conservative income statement with increases in rates and annual charges of 1% and inflation at 8% for the term of the plan shows that Council would be operating in deficits each year which is not sustainable and would have no cash by the year ending 2029/30. The only way Council could survive under this scenario would be dramatically cut staff and therefore levels of service in all operations of Council.

The Income Statement does not forecast for any profit or loss on the disposal of assets.

STATEMENT OF CASH FLOWS - SCENARIO No. 3 - (Conservative Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2025/26 TO 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	7,455	7,530	7,604	7,681	7,758	7,943	7,903	7,997	8,158	8,233
User Charges & Fees	12,618	4,675	4,721	4,767	4,814	4,861	4,907	4,959	7,105	7,155
Interest Earned	411	0	0	0	0	0	0	0	0	0
Grants	6,974	7,532	8,134	8,785	9,487	10,246	11,065	11,950	12,906	13,938
Other Revenues	359	387	418	451	487	526	568	613	662	715
Receipts from Operations	**27,817**	**20,124**	**20,877**	**21,684**	**22,546**	**23,576**	**24,443**	**25,519**	**28,831**	**30,041**
Payments										
Employee Benefits & Costs	6,052	6,464	6,980	7,538	8,142	8,794	9,497	10,277	9,592	10,478
Materials & Contracts	8,852	9,621	10,390	11,221	12,119	13,089	14,136	15,267	16,488	17,806
Borrowing Costs	86	82	76	73	68	63	58	83	81	81
Other Expenses	257	278	300	324	350	378	408	440	475	512
Payments from Operations	**15,247**	**16,445**	**17,746**	**19,156**	**20,679**	**22,324**	**24,099**	**26,067**	**26,636**	**28,877**
Net Cash from Operations	**12,570**	**3,679**	**3,131**	**2,528**	**1,867**	**1,252**	**344**	**(548)**	**2,195**	**1,164**
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	499	539	582	629	679	733	792	855	855	0
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	**499**	**539**	**582**	**629**	**679**	**733**	**792**	**855**	**855**	**0**
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	6,152	5,629	6,075	6,558	6,578	6,966	7,523	8,125	8,125	8,125
Infrastructure - Water Supply Fund	141	186	0	0	0	76	76	0	0	0
Infrastructure - Sewerage Services Fund	0	0	272	294	318	107	107	116	125	125
Plant, Property & Equipment	1,409	1,522	1,643	1,775	1,917	2,070	2,236	2,415	2,415	2,415
Other Assets	19	21	23	59	34	37	40	43	43	43
Payments from Capital Activity	**7,721**	**7,358**	**8,013**	**8,686**	**8,847**	**9,256**	**9,982**	**10,699**	**10,708**	**10,708**
Net Cash from Capital Activity	**(7,222)**	**(6,819)**	**(7,431)**	**(8,057)**	**(8,168)**	**(8,523)**	**(9,190)**	**(9,844)**	**(9,853)**	**(10,708)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Payments										
Repayment of Loans	171	176	181	188	193	198	203	209	216	224
Payments from Finance Activity	**171**	**176**	**181**	**188**	**193**	**198**	**203**	**209**	**216**	**224**
Net Cash from Financing	**(171)**	**(176)**	**(181)**	**(188)**	**(193)**	**(198)**	**(203)**	**(209)**	**(216)**	**(224)**
NET CHANGE CASH & INVESTMENTS	**5,177**	**(3,316)**	**(4,481)**	**(5,717)**	**(6,494)**	**(7,469)**	**(9,049)**	**(10,601)**	**(7,874)**	**(9,768)**
Current Year Cash	**5,177**	**(3,316)**	**(4,481)**	**(5,717)**	**(6,494)**	**(7,469)**	**(9,049)**	**(10,601)**	**(7,874)**	**(9,768)**
Cash at Start of Year	**13,103**	**18,281**	**14,965**	**10,484**	**4,767**	**(1,727)**	**(9,196)**	**(18,244)**	**(28,845)**	**(36,719)**
Cash at End of Year	**18,281**	**14,965**	**10,484**	**4,767**	**(1,727)**	**(9,196)**	**(18,244)**	**(28,845)**	**(36,719)**	**(46,487)**

BALANCE SHEET - SCENARIO No. 3 - (Conservative Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2025/26 to 2034/35

Inflated $'000s

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35
ASSETS										
Cash and Investments	18,281	14,965	10,484	4,767	(1,727)	(9,196)	(18,244)	(28,845)	(36,719)	(46,487)
Receivables - Rates & Charges	395	365	336	306	276	138	128	118	113	112
Receivables - Other	2,096	2,096	2,096	2,096	2,096	2,096	2,098	2,098	2,098	2,098
Inventories	807	807	807	807	807	807	807	807	807	807
Other	20	20	20	20	20	105	105	105	105	105
Infrastructure, Property, Plant & Equipment	278,735	281,291	284,114	287,191	289,977	292,683	295,587	298,638	301,150	303,925
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	**300,334**	**299,544**	**297,857**	**295,187**	**291,449**	**286,633**	**280,481**	**272,921**	**267,554**	**260,560**
LIABILITIES										
Creditors	2,291	1,291	1,226	1,161	1,096	1,031	294	294	294	294
Borrowings	3,185	3,009	2,828	2,640	2,447	1,830	1,286	1,157	1,025	889
Provisions	1,533	1,535	1,537	1,540	1,542	1,544	1,546	1,548	1,550	1,552
Total Liabilities	**7,009**	**5,835**	**5,591**	**5,341**	**5,085**	**4,405**	**3,126**	**2,999**	**2,869**	**2,736**
Net Assets	**293,325**	**293,709**	**292,266**	**289,846**	**286,364**	**282,228**	**277,355**	**269,922**	**264,685**	**257,824**
EQUITY										
Accumulated Surplus	162,733	163,062	161,564	159,089	155,552	151,361	146,433	138,945	133,653	126,738
Asset Revaluation Reserve	130,592	130,647	130,702	130,757	130,812	130,867	130,922	130,977	131,032	131,087
Total Equity	**293,325**	**293,709**	**292,266**	**289,846**	**286,364**	**282,228**	**277,355**	**269,922**	**264,685**	**257,825**

Note : Cash & Investments is comprised of :

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
General Fund Cash & Investments	500	500	500	500	(2,163)	(8,556)	(14,590)	(24,052)	(30,662)	(38,968)
External Restrictions	3,100	2,900	2,700	2,500	2,300	2,100	100	100	100	100
Water Supply	223	(126)	(355)	(658)	(1,041)	(1,586)	(2,214)	(2,873)	(3,582)	(4,417)
Sewerage Services	397	345	(17)	(440)	(933)	(1,264)	(1,650)	(2,130)	(2,685)	(3,312)
Domestic Waste Management	110	110	110	110	110	110	110	110	110	110
Internal Restrictions	13,951	11,236	7,546	2,755	0	0	0	0	0	0
Cash and Investments	**18,281**	**14,965**	**10,484**	**4,767**	**(1,727)**	**(9,196)**	**(18,244)**	**(28,845)**	**(36,719)**	**(46,487)**

As can be seen in the above conservative balance sheet forecast the Council would be in overdraft by the end of the 2028/29 financial year.

FINANCIAL INDICATORS

Financial indicators are a benchmark tool to assess actual performance against performance targets, the most common tools used are included in the General Purpose Financial Statements in Note 13 – Statement of Performance Measurement - Indicators.

Unrestricted Current Ratio – this ratio measures Councils council's ability to meet its financial obligations in the short term, such as paying for goods and services supplied.

Local Government Benchmark:

Greater than 2	Financially Sustainable
Between 1 and 2	Corrective Action required for long term sustainability
Less than 1	Financially Unsustainable

Debt Service Ratio – this ratio measures the cost of paying debt (principal & interest) as a percentage of income from continuing operations.

FFTF Benchmark:

Greater than 0% and Less than 20%

Rates & Annual Charges Coverage Ratio – this ratio measures percentage of rates and annual charges levied compared to the total income from continuing operations.

Rates & Annual Charges Outstanding Percentage – this ratio measures the percentage of all rates and annual charges collectable for the year against the actual collections for the year.

Local Government Benchmark of acceptability for Rural Councils is <10%

Asset Renewal Ratio (General Fund) – this ratio measures Councils rate at which assets are being renewed against the rate at which they are depreciating.

FFTF Benchmark is 100% or greater.

A percentage of 100% indicates that the renewal of assets equals the amount of depreciation.

Operating Performance Ratio (General Fund) – this ratio measures Councils ability to generate continuing income to meet its continuous expenses each year.

FFTF Benchmark is break even or better.

On the following pages are tables of the above ratios using all scenarios.

FINANCIAL INDICATORS – SCENARIO 1 – (Planned Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	15,317	21,760	28,733	36,221	44,754	54,319	66,680	77,787	91,675	106,656	
Current Liabilities	2,426	2,038	1,958	1,875	1,791	1,567	1,131	1,089	1,046	1,003	
Ratio to 1	**6.31**	**10.68**	**14.67**	**19.32**	**24.99**	**34.66**	**58.96**	**71.43**	**87.64**	**106.34**	**>1.5x**
Debt Service Ratio											
Debt Service Cost	262	258	257	261	261	261	261	292	297	305	
Income from Continuing Operations less Specific Purpose Grants	25,755	26,737	27,973	29,229	30,548	31,959	33,774	35,381	37,074	38,958	
Percentage	**1.02%**	**0.96%**	**0.92%**	**0.89%**	**0.85%**	**0.82%**	**0.77%**	**0.83%**	**0.80%**	**0.78%**	**>0% & <20%**
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	7,458	7,745	8,044	8,354	8,676	9,011	9,359	9,720	10,096	10,488	
Income from Continuing Operations	37,336	38,811	40,566	42,359	44,234	46,220	48,632	50,855	53,185	55,730	
Percentage	**19.98%**	**19.96%**	**19.83%**	**19.72%**	**19.61%**	**19.50%**	**19.24%**	**19.11%**	**18.98%**	**18.82%**	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	6,315	6,285	6,256	6,226	6,196	138	128	118	113	112	
Collectable Rates & Annual Charges	7,965	7,775	8,073	8,384	8,706	15,069	9,369	9,730	10,101	10,489	
Percentage	**79.28%**	**80.84%**	**77.49%**	**74.26%**	**71.17%**	**0.92%**	**1.37%**	**1.21%**	**1.12%**	**1.07%**	**<10%**
Asset Renewal Ratio											
Asset Renewals	17,487	9,461	9,752	10,115	9,932	9,679	10,013	10,300	10,304	10,304	
Depreciation	3,337	3,485	3,638	3,797	3,962	4,132	4,308	4,490	4,679	4,874	
Percentage	**524.03%**	**271.48%**	**268.06%**	**266.39%**	**250.68%**	**234.24%**	**232.43%**	**229.40%**	**220.22%**	**211.41%**	**>=100%**
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	5,309	5,639	6,146	6,637	7,158	7,737	8,674	9,362	10,092	10,966	
Total Operating Income less Capital Grants	27,524	28,619	29,927	31,249	32,631	34,100	35,958	37,599	39,316	41,213	**> or Equal to**
Percentage	**19.29%**	**19.70%**	**20.54%**	**21.24%**	**21.94%**	**22.69%**	**24.12%**	**24.90%**	**25.67%**	**26.61%**	**Break Even**

FINANCIAL INDICATORS – SCENARIO 2 – (Optimistic Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	24,189	31,449	40,223	50,680	63,619	78,912	98,589	119,166	146,646	177,698	
Current Liabilities	2,313	1,926	1,845	1,763	1,678	1,454	1,032	990	947	903	
Ratio to 1	**10.46**	**16.33**	**21.80**	**28.75**	**37.91**	**54.27**	**95.53**	**120.37**	**154.85**	**196.79**	**>1.5x**
Debt Service Ratio											
Debt Service Cost	257	258	257	261	261	261	261	292	297	305	
Income from Continuing Operations less Specific Purpose Grants	22,051	24,564	26,337	28,352	30,639	33,286	36,313	39,720	43,571	48,278	
Percentage	**1.17%**	**1.05%**	**0.98%**	**0.92%**	**0.85%**	**0.78%**	**0.72%**	**0.74%**	**0.68%**	**0.63%**	**>0% & <20%**
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	7,812	8,437	9,112	9,841	10,629	11,480	12,399	13,391	14,463	15,620	
Income from Continuing Operations	26,248	28,761	30,534	32,549	34,836	37,483	40,510	43,917	47,768	52,475	
Percentage	**29.76%**	**29.33%**	**29.84%**	**30.23%**	**30.51%**	**30.63%**	**30.61%**	**30.49%**	**30.28%**	**29.77%**	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	395	365	336	306	276	138	128	118	113	112	
Collectable Rates & Annual Charges	7,842	8,467	9,141	9,871	10,659	11,618	12,409	13,401	14,468	15,621	
Percentage	**5.04%**	**4.31%**	**3.68%**	**3.10%**	**2.59%**	**1.19%**	**1.03%**	**0.88%**	**0.78%**	**0.72%**	**<10%**
Asset Renewal Ratio											
Asset Renewals	5,883	4,903	4,962	4,962	4,462	4,268	4,268	4,218	4,218	4,218	
Depreciation	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	
Percentage	**199.83%**	**166.54%**	**168.55%**	**168.55%**	**151.56%**	**144.97%**	**144.97%**	**143.27%**	**143.27%**	**143.27%**	**>=100%**
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	2,301	4,594	6,108	7,829	9,782	12,047	14,630	17,533	20,809	24,859	
Total Operating Income less Capital Grants	18,593	20,875	22,387	24,108	26,060	28,324	30,906	33,808	37,083	41,133	**> or Equal to**
Percentage	**12.38%**	**22.01%**	**27.28%**	**32.47%**	**37.54%**	**42.53%**	**47.34%**	**51.86%**	**56.11%**	**60.44%**	**Break Even**

FINANCIAL INDICATORS – SCENARIO 3 – (Conservative Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32	Estimate 2032/33	Estimate 2033/34	Estimate 2034/35	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	17,205	14,460	10,741	5,920	472	(6,059)	(12,101)	(21,573)	(28,188)	(36,495)	
Current Liabilities	2,313	1,926	1,845	1,763	1,678	1,454	1,032	990	947	903	
Ratio to 1	**7.44**	**7.51**	**5.82**	**3.36**	**0.28**	**(4.17)**	**(11.73)**	**(21.79)**	**(29.77)**	**(40.42)**	**>1.5x**
Debt Service Ratio											
Debt Service Cost	257	258	257	261	261	261	261	292	297	305	
Income from Continuing Operations less Specific Purpose Grants	15,716	15,476	15,641	15,810	15,985	16,164	16,350	16,540	16,739	16,944	
Percentage	**1.64%**	**1.67%**	**1.64%**	**1.65%**	**1.63%**	**1.61%**	**1.60%**	**1.77%**	**1.77%**	**1.80%**	**>0% & <20%**
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	7,425	7,500	7,575	7,651	7,728	7,805	7,883	7,961	8,040	8,120	
Income from Continuing Operations	19,939	20,257	21,024	21,844	22,721	23,659	24,664	25,739	26,894	28,131	
Percentage	**37.24%**	**37.02%**	**36.03%**	**35.03%**	**34.01%**	**32.99%**	**31.96%**	**30.93%**	**29.89%**	**28.86%**	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	395	365	336	306	276	138	128	118	113	112	
Collectable Rates & Annual Charges	7,455	7,530	7,604	7,681	7,758	7,943	7,893	7,971	8,045	8,121	
Percentage	**5.30%**	**4.85%**	**4.42%**	**3.98%**	**3.56%**	**1.74%**	**1.62%**	**1.48%**	**1.40%**	**1.38%**	**<10%**
Asset Renewal Ratio											
Asset Renewals	6,293	5,815	6,347	6,852	6,896	7,149	7,706	8,241	8,250	8,250	
Depreciation	3,098	3,418	3,763	4,135	4,537	4,972	5,441	5,948	6,496	7,088	
Percentage	**203.13%**	**170.13%**	**168.67%**	**165.71%**	**151.99%**	**143.79%**	**141.63%**	**138.55%**	**127.00%**	**116.39%**	**>=100%**
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	1,235	208	(522)	(1,321)	(2,189)	(3,136)	(4,164)	(5,284)	(6,501)	(7,823)	
Total Operating Income less Capital Grants	18,439	18,776	19,528	20,332	21,194	22,116	23,106	24,165	25,303	26,523	**> or Equal to**
Percentage	**6.70%**	**1.11%**	**(2.67%)**	**(6.50%)**	**(10.33%)**	**(14.18%)**	**(18.02%)**	**(21.87%)**	**(25.69%)**	**(29.50%)**	**Break Even**