



Long Term Financial Plan

2024/25 – 2033/34

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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 2024/25 to 2033/34.

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 2022/23 to 2025/26. 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 SUSTAINABILITY

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 \$777,600,00 or 3.4% of total general fund operating expenses, applied to the 2024/25 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 2024/25 then 5.0% for the life of the plan,
- Scenario 2 (Optimistic Forecast) Interest on Investment forecast rate of 5.0% in 2024/25 then 10.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) Interest on Investment forecast rate of 5.0% in 2024/25 then 0.0% for the life of the plan.

Inflation *Consumer Price Index (CPI)*

- Scenario 1 (Planned Forecast), CPI forecast rate of 4.0% in 2024/25 then 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 2024/25 then 0.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) CPI forecast rate of 4.0% in 2024/25 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 4.5% in 2024/25 then 3.5% for the life of the plan. Annual Charges have been increased by 5.0% in 2024/25 then 3.5% for the life of the plan,
- Scenario 2 (Optimistic Forecast) rates increased by 4.5% in 2024/25 then 8.0% for the life of the plan. Annual Charges have been increased by 5.0% in 2024/25 then 8.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) rates increased by 4.5% in 2024/25 then 1.0% for the life of the plan. Annual Charges have been increased by 5.0% in 2024/25 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 2024/25 then 5.0% for the life of the plan,
- Scenario 2 (Optimistic Forecast) Interest on Investment forecast rate of 5.0% in 2024/25 then 10.0% for the life of the plan,
- Scenario 3 (Conservative Forecast) Interest on Investment forecast rate of 5.0% in 2024/25 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 \$2,969,000 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 \$5,164,000 (or an average of \$573,777 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 4.5% in 2024/25 then 3.5% for the life of the plan. Annual Water and Sewerage Charges have been increased by 5.0% in 2024/25 then 5.0% for the life of the plan.

Interest on investments has been estimated at 5.0% in 2024/25, then 5.0% for the life of the plan.

CPI forecast rate of 4.0% in 2024/25 then 2.8% in 2025/26 then 2.5% 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 2024/25 then an increase of 8% in all rates and annual charges each year after.

Interest on investments has been estimated at 5.0% in 2024/25, then 10.0% for the life of the plan.

CPI forecast rate of 4.0% in 2024/25 then 0.0% for the life of the plan.

The trend of this scenario would see General Fund having a cash balance of \$69,126,000 by the end of the plan.

Scenario 3 – (Conservative Forecast)

This scenario is based upon a 4.5% general rate revenue increase in 2024/25 then a 1.0% increase in all rates and annual charges each year after.

Interest on investments has been estimated at 5.0% in 2024/25 then 0% for the life of the plan.

Inflation estimated at 4.0% in 2024/25 then 8% for the life of the plan.

The trend of this scenario would see all General Fund cash being exhausted in 2029/30 with a deficit of \$5,694,000 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 Council's 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 - 2024/25 to 2033/34

Inflated \$'000s

	Estimate 2024/25	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
REVENUES										
Rates & Annual Charges	7,142	7,409	7,687	7,975	8,274	8,584	8,907	9,242	9,591	9,952
User Charges & Fees	8,533	4,795	4,957	5,112	5,273	5,438	5,608	5,784	5,966	6,153
Other Revenues	346	355	363	372	381	391	401	411	421	432
Operating Grants & Contributions	24,148	6,684	6,851	7,022	7,197	7,377	7,562	7,751	7,945	8,144
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	589	459	746	729	671	611	581	571	562	561
Other Income	147	150	153	157	161	165	169	173	177	181
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	40,905	19,852	20,757	21,367	21,957	22,566	23,228	23,932	24,662	25,423
EXPENSES										
Employee Benefits & Costs	6,784	5,972	6,048	6,199	6,354	6,513	6,676	6,843	7,014	7,189
Borrowing Costs	91	86	82	76	73	68	63	58	83	81
Materials & Contracts	13,826	8,686	8,966	9,190	9,419	9,655	9,896	10,144	10,398	10,658
Depreciation	3,844	3,952	4,050	4,151	4,255	4,362	4,471	4,582	4,697	4,814
Other Expenses	248	255	261	267	273	280	287	294	301	308
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	24,793	18,951	19,407	19,883	20,374	20,878	21,393	21,921	22,493	23,050
Operating Result - Surplus / (Deficit)	16,112	901	1,350	1,484	1,583	1,688	1,835	2,011	2,169	2,373
Op Result less Capital Grants	16,112	901	1,350	1,484	1,583	1,688	1,835	2,011	2,169	2,373
Rate Pegging Limit	4.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Annual Garbage Charge Increase	4.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
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	4.0%	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Loan Borrowing Interest Rates	4.0%	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 - 2024/25 TO 2033/34

Inflated \$'000s

	Estimate 2024/25	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
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CASH FLOWS FROM OPERATING ACTIVITIES

<u>Receipts</u>										
Rates & Annual Charges	7,265	7,439	7,717	8,004	8,304	8,614	9,045	9,262	9,627	10,070
User Charges & Fees	8,734	12,795	4,957	5,112	5,273	5,438	5,608	5,782	5,968	8,251
Interest Earned	589	459	746	729	671	611	581	571	562	561
Grants	24,148	6,684	6,851	7,022	7,197	7,377	7,562	7,751	7,945	8,144
Other Revenues	346	355	363	372	381	391	401	411	421	432
Receipts from Operations	41,082	27,732	20,634	21,239	21,826	22,431	23,197	23,777	24,523	27,458
<u>Payments</u>										
Employee Benefits & Costs	6,726	5,971	6,048	6,199	6,353	6,513	6,676	6,843	7,035	5,704
Materials & Contracts	13,826	8,686	8,966	9,190	9,419	9,655	9,896	10,144	10,398	10,658
Borrowing Costs	91	86	82	76	73	68	63	58	83	81
Other Expenses	248	255	261	267	273	280	287	294	301	308
Payments from Operations	20,891	14,998	15,357	15,732	16,118	16,516	16,922	17,339	17,817	16,751
Net Cash from Operations	20,191	12,734	5,277	5,507	5,708	5,915	6,275	6,438	6,706	10,707

CASH FLOWS FROM CAPITAL ACTIVITIES

<u>Receipts</u>										
Sale of Assets	480	493	505	518	531	544	558	572	586	586
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	480	493	505	518	531	544	558	572	586	586
<u>Payments</u>										
<u>Acquisition/Renewal of Fixed Assets</u>										
Infrastructure - General Fund	17,638	6,031	5,170	5,298	5,429	5,064	5,080	5,207	5,337	5,337
Infrastructure - Water Supply Fund	1,125	139	174	0	0	0	58	58	0	0
Infrastructure - Sewerage Services Fund	1,427	0	0	242	248	255	81	81	83	86
Plant, Property & Equipment	1,430	1,393	1,428	1,463	1,500	1,537	1,576	1,615	1,656	1,656
Other Assets	612	18	19	19	54	26	26	27	28	28
Payments from Capital Activity	22,232	7,581	6,791	7,022	7,231	6,882	6,821	6,988	7,104	7,107
Net Cash from Capital Activity	(21,752)	(7,088)	(6,286)	(6,504)	(6,700)	(6,338)	(6,263)	(6,416)	(6,518)	(6,521)

CASH FLOWS FROM FINANCING ACTIVITIES

<u>Receipts</u>										
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
<u>Payments</u>										
Repayment of Loans	167	171	176	181	188	193	198	203	209	216
Payments from Finance Activity	167	171	176	181	188	193	198	203	209	216
Net Cash from Financing	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)	(209)	(216)
NET CHANGE CASH & INVESTMENTS	(1,728)	5,475	(1,185)	(1,178)	(1,180)	(616)	(186)	(181)	(21)	3,970
Current Year Cash	(1,728)	5,475	(1,185)	(1,178)	(1,180)	(616)	(186)	(181)	(21)	3,970
Cash at Start of Year	12,000	10,272	15,748	14,563	13,385	12,205	11,590	11,403	11,222	11,201
Cash at End of Year	10,272	15,748	14,563	13,385	12,205	11,590	11,403	11,222	11,201	15,171

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2024/25 to 2033/34

Inflated \$'000s

	Estimate 2024/25	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
<u>ASSETS</u>										
Cash and Investments	10,272	15,748	14,563	13,385	12,205	11,590	11,403	11,222	11,201	15,171
Receivables - Rates & Charges	425	395	365	336	306	276	138	128	118	113
Receivables - Other	10,096	2,096	2,096	2,096	2,096	2,096	2,096	2,098	2,098	2,098
Inventories	857	807	807	807	807	807	807	807	807	807
Other	20	20	20	20	20	20	105	105	105	105
Infrastructure, Property, Plant & Equipment	275,456	278,647	280,938	283,346	285,846	287,877	289,724	291,613	293,489	295,251
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	297,126	297,713	298,789	299,990	301,280	302,666	304,273	305,973	307,818	313,545
<u>LIABILITIES</u>										
Creditors	3,791	2,291	1,291	1,226	1,161	1,096	1,031	294	294	294
Borrowings	3,356	3,185	3,009	2,828	2,640	2,447	1,830	1,286	1,157	1,025
Provisions	1,530	1,533	1,535	1,537	1,540	1,542	1,544	1,546	1,548	1,550
Total Liabilities	8,677	7,009	5,835	5,591	5,341	5,085	4,405	3,126	2,999	2,869
Net Assets	288,449	290,704	292,954	294,399	295,939	297,581	299,868	302,847	304,819	310,676
<u>EQUITY</u>										
Accumulated Surplus	157,912	160,112	162,307	163,697	165,182	166,769	169,001	171,925	173,842	179,644
Asset Revaluation Reserve	130,537	130,592	130,647	130,702	130,757	130,812	130,867	130,922	130,977	131,032
Total Equity	288,449	290,704	292,954	294,399	295,939	297,581	299,868	302,847	304,819	310,676
<u>Note : Cash & Investments is comprised of :</u>										
General Fund Cash & Investment	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100	100	100
Water Supply	447	260	48	21	16	36	25	53	168	380
Sewerage Services	398	433	490	330	182	44	101	188	281	406
Domestic Waste Management	110	110	110	110	110	110	110	110	110	110
Internal Restrictions	5,517	11,345	10,515	9,724	8,897	8,600	8,567	10,271	10,042	13,675
Cash and Investments	10,272	15,748	14,563	13,385	12,205	11,590	11,403	11,222	11,201	15,171

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2024/25 to 2033/34

Inflated \$'000s

	Estimate 2024/25	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
REVENUES										
Rates & Annual Charges	7,142	7,712	8,329	8,995	9,715	10,492	11,332	12,239	13,218	14,276
User Charges & Fees	8,533	4,969	5,238	5,509	5,796	6,098	6,416	6,750	7,102	7,473
Other Revenues	346	345	344	344	344	344	344	344	344	344
Operating Grants & Contributions	24,148	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	589	1,028	1,701	1,829	2,058	2,406	2,950	3,695	4,626	5,786
Other Income	147	146	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	40,905	20,208	21,765	22,830	24,066	25,493	27,195	29,181	31,443	34,032
EXPENSES										
Employee Benefits & Costs	6,784	5,782	5,709	5,709	5,709	5,709	5,709	5,709	5,709	5,709
Borrowing Costs	91	86	82	76	73	68	63	58	83	81
Materials & Contracts	13,826	8,299	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	24,793	18,259	18,244	18,238	18,235	18,230	18,225	18,220	18,245	18,243
Operating Result - Surplus / (Deficit)	16,112	1,949	3,521	4,592	5,831	7,263	8,970	10,961	13,198	15,789
Op Result less Capital Grants	16,112	1,949	3,521	4,592	5,831	7,263	8,970	10,961	13,198	15,789
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	4.5%	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	4.0%	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 - 2024/25 TO 2033/34

Inflated \$'000s

	Estimate 2024/25	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
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CASH FLOWS FROM OPERATING ACTIVITIES

<u>Receipts</u>										
Rates & Annual Charges	7,265	7,742	8,359	9,024	9,745	10,522	11,470	12,259	13,254	14,394
User Charges & Fees	8,734	12,969	5,238	5,509	5,796	6,098	6,416	6,748	7,104	9,571
Interest Earned	589	1,028	1,701	1,829	2,058	2,406	2,950	3,695	4,626	5,786
Grants	24,148	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008	6,008
Other Revenues	346	345	344	344	344	344	344	344	344	344
Receipts from Operations	41,082	28,092	21,650	22,714	23,951	25,378	27,188	29,054	31,336	36,103
<u>Payments</u>										
Employee Benefits & Costs	6,726	5,781	5,709	5,709	5,708	5,709	5,709	5,709	5,730	4,224
Materials & Contracts	13,826	8,299	8,361	8,361	8,361	8,361	8,361	8,361	8,361	8,361
Borrowing Costs	91	86	82	76	73	68	63	58	83	81
Other Expenses	248	248	248	248	248	248	248	248	248	248
Payments from Operations	20,891	14,414	14,400	14,394	14,390	14,386	14,381	14,376	14,422	12,914
Net Cash from Operations	20,191	13,678	7,250	8,320	9,561	10,992	12,807	14,678	16,914	23,189

CASH FLOWS FROM CAPITAL ACTIVITIES

<u>Receipts</u>										
Sale of Assets	480	480	480	480	480	480	480	480	480	480
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	480
<u>Payments</u>										
<u>Acquisition/Renewal of Fixed Assets</u>										
Infrastructure - General Fund	17,638	5,748	4,738	4,738	4,738	4,238	4,148	4,148	4,148	4,148
Infrastructure - Water Supply Fund	1,125	135	165	0	0	0	50	50	0	0
Infrastructure - Sewerage Services Fund	1,427	0	0	224	224	224	70	70	70	70
Plant, Property & Equipment	1,430	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355	1,355
Other Assets	612	15	15	15	50	20	20	20	20	20
Payments from Capital Activity	22,232	7,253	6,273	6,332	6,367	5,837	5,643	5,643	5,593	5,593
Net Cash from Capital Activity	(21,752)	(6,773)	(5,793)	(5,852)	(5,887)	(5,357)	(5,163)	(5,163)	(5,113)	(5,113)

CASH FLOWS FROM FINANCING ACTIVITIES

<u>Receipts</u>										
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
<u>Payments</u>										
Repayment of Loans	167	171	176	181	188	193	198	203	209	216
Payments from Finance Activity	167	171	176	181	188	193	198	203	209	216
Net Cash from Financing	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)	(209)	(216)
NET CHANGE CASH & INVESTMENTS	(1,728)	6,734	1,281	2,287	3,486	5,442	7,446	9,312	11,592	17,860
Current Year Cash	(1,728)	6,734	1,281	2,287	3,486	5,442	7,446	9,312	11,592	17,860
Cash at Start of Year	12,000	10,272	17,007	18,288	20,576	24,062	29,505	36,951	46,264	57,856
Cash at End of Year	10,272	17,007	18,288	20,576	24,062	29,505	36,951	46,264	57,856	75,716

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2024/25 to 2033/34

Inflated \$'000s

	Estimate 2024/25	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
ASSETS										
Cash and Investments	10,272	17,007	18,288	20,576	24,062	29,505	36,951	46,264	57,856	75,716
Receivables - Rates & Charges	425	395	365	336	306	276	138	128	118	113
Receivables - Other	10,096	2,096	2,096	2,096	2,096	2,096	2,096	2,098	2,098	2,098
Inventories	857	807	807	807	807	807	807	807	807	807
Other	20	20	20	20	20	20	105	105	105	105
Infrastructure, Property, Plant & Equipment	275,456	278,440	280,444	282,507	284,605	286,173	287,547	288,921	290,245	291,569
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	297,126	298,765	302,020	306,342	311,896	318,877	327,644	338,323	351,229	370,408
LIABILITIES										
Creditors	3,791	2,291	1,291	1,226	1,161	1,096	1,031	294	294	294
Borrowings	3,356	3,185	3,009	2,828	2,640	2,447	1,830	1,286	1,157	1,025
Provisions	1,530	1,533	1,535	1,537	1,540	1,542	1,544	1,546	1,548	1,550
Total Liabilities	8,677	7,009	5,835	5,591	5,341	5,085	4,405	3,126	2,999	2,869
Net Assets	288,449	291,756	296,185	300,751	306,555	313,792	323,239	335,197	348,230	367,539
EQUITY										
Accumulated Surplus	157,912	161,164	165,538	170,049	175,798	182,980	192,372	204,275	217,253	236,507
Asset Revaluation Reserve	130,537	130,592	130,647	130,702	130,757	130,812	130,867	130,922	130,977	131,032
Total Equity	288,449	291,756	296,185	300,751	306,555	313,792	323,239	335,197	348,230	367,539

Note : Cash & Investments is comprised of :

General Fund Cash & Investment	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100	100	100
Water Supply	447	308	193	307	511	823	1,209	1,747	2,492	3,488
Sewerage Services	398	485	635	634	699	839	1,223	1,724	2,336	3,102
Domestic Waste Management	110	110	110	110	110	110	110	110	110	110
Internal Restrictions	5,517	12,504	13,950	16,325	19,742	24,933	31,809	42,083	52,318	68,416
Cash and Investments	10,272	17,007	18,288	20,576	24,062	29,505	36,951	46,264	57,856	75,716

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2024/25 to 2033/34

	Inflated \$'000s									
	Estimate 2024/25	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
REVENUES										
Rates & Annual Charges	7,142	7,214	7,287	7,360	7,434	7,509	7,584	7,660	7,736	7,813
User Charges & Fees	8,533	4,618	4,675	4,721	4,767	4,814	4,861	4,909	4,957	5,007
Other Revenues	346	373	402	434	469	507	548	592	639	690
Operating Grants & Contributions	24,148	7,940	8,575	9,261	10,002	10,802	11,667	12,600	13,608	14,697
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	589	0	0	0	0	0	0	0	0	0
Other Income	147	158	170	184	199	215	232	251	271	293
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	40,905	20,303	21,109	21,960	22,871	23,847	24,892	26,012	27,211	28,500
EXPENSES										
Employee Benefits & Costs	6,784	6,325	6,759	7,299	7,882	8,513	9,194	9,929	10,724	11,582
Borrowing Costs	91	86	82	76	73	68	63	58	83	81
Materials & Contracts	13,826	9,406	10,220	11,038	11,921	12,875	13,905	15,017	16,218	17,516
Depreciation	3,844	4,152	4,485	4,843	5,230	5,649	6,101	6,590	7,117	7,686
Other Expenses	248	268	289	312	337	364	393	424	457	493
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	24,793	20,237	21,835	23,568	25,443	27,469	29,656	32,018	34,599	37,358
Operating Result - Surplus / (Deficit)	16,112	66	(726)	(1,608)	(2,572)	(3,622)	(4,764)	(6,006)	(7,388)	(8,858)
Op Result less Capital Grants	16,112	66	(726)	(1,608)	(2,572)	(3,622)	(4,764)	(6,006)	(7,388)	(8,858)
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	4.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Water Annual Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Water User Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sewerage Annual Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sewerage User Charge Increase	5.0%	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	4.0%	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 2028/29. 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 - 2024/25 TO 2033/34

Inflated \$'000s

	Estimate 2024/25	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
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	7,265	7,244	7,317	7,389	7,464	7,539	7,722	7,680	7,772	7,931
User Charges & Fees	8,734	12,618	4,675	4,721	4,767	4,814	4,861	4,907	4,959	7,105
Interest Earned	589	0	0	0	0	0	0	0	0	0
Grants	24,148	7,940	8,575	9,261	10,002	10,802	11,667	12,600	13,608	14,697
Other Revenues	346	373	402	434	469	507	548	592	639	690
Receipts from Operations	41,082	28,175	20,969	21,805	22,702	23,662	24,798	25,779	26,978	30,423
Payments										
Employee Benefits & Costs	6,726	6,324	6,759	7,299	7,881	8,513	9,194	9,929	10,745	10,097
Materials & Contracts	13,826	9,406	10,220	11,038	11,921	12,875	13,905	15,017	16,218	17,516
Borrowing Costs	91	86	82	76	73	68	63	58	83	81
Other Expenses	248	268	289	312	337	364	393	424	457	493
Payments from Operations	20,891	16,084	17,350	18,725	20,212	21,820	23,555	25,428	27,503	28,187
Net Cash from Operations	20,191	12,091	3,619	3,080	2,490	1,842	1,243	351	(525)	2,236
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	480	518	559	604	652	704	760	821	887	887
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	480	518	559	604	652	704	760	821	887	887
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	17,638	6,555	6,065	6,546	7,066	7,127	7,533	8,135	8,786	8,786
Infrastructure - Water Supply Fund	1,125	146	193	0	0	0	79	79	0	0
Infrastructure - Sewerage Services Fund	1,427	0	0	283	305	330	111	111	120	130
Plant, Property & Equipment	1,430	1,463	1,580	1,707	1,843	1,991	2,150	2,322	2,508	2,508
Other Assets	612	24	26	28	65	40	43	47	51	51
Payments from Capital Activity	22,232	8,188	7,864	8,564	9,279	9,488	9,916	10,694	11,465	11,475
Net Cash from Capital Activity	(21,752)	(7,670)	(7,305)	(7,960)	(8,627)	(8,784)	(9,156)	(9,873)	(10,578)	(10,588)
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	167	171	176	181	188	193	198	203	209	216
Payments from Finance Activity	167	171	176	181	188	193	198	203	209	216
Net Cash from Financing	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)	(209)	(216)
NET CHANGE CASH & INVESTMENTS	(1,728)	4,250	(3,862)	(5,061)	(6,325)	(7,135)	(8,111)	(9,725)	(11,312)	(8,568)
Current Year Cash	(1,728)	4,250	(3,862)	(5,061)	(6,325)	(7,135)	(8,111)	(9,725)	(11,312)	(8,568)
Cash at Start of Year	12,000	10,272	14,522	10,660	5,599	(725)	(7,860)	(15,972)	(25,697)	(37,009)
Cash at End of Year	10,272	14,522	10,660	5,599	(725)	(7,860)	(15,972)	(25,697)	(37,009)	(45,577)

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2024/25 to 2033/34

Inflated \$'000s

	Estimate 2024/25	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
ASSETS										
Cash and Investments	10,272	14,522	10,660	5,599	(725)	(7,860)	(15,972)	(25,697)	(37,009)	(45,577)
Receivables - Rates & Charges	425	395	365	336	306	276	138	128	118	113
Receivables - Other	10,096	2,096	2,096	2,096	2,096	2,096	2,096	2,098	2,098	2,098
Inventories	857	807	807	807	807	807	807	807	807	807
Other	20	20	20	20	20	20	105	105	105	105
Infrastructure, Property, Plant & Equipment	275,456	279,029	281,904	285,076	288,528	291,718	294,828	298,166	301,682	304,639
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	297,126	296,869	295,852	293,934	291,032	287,057	282,002	275,607	267,801	262,185
LIABILITIES										
Creditors	3,791	2,291	1,291	1,226	1,161	1,096	1,031	294	294	294
Borrowings	3,356	3,185	3,009	2,828	2,640	2,447	1,830	1,286	1,157	1,025
Provisions	1,530	1,533	1,535	1,537	1,540	1,542	1,544	1,546	1,548	1,550
Total Liabilities	8,677	7,009	5,835	5,591	5,341	5,085	4,405	3,126	2,999	2,869
Net Assets	288,449	289,860	290,017	288,343	285,691	281,972	277,597	272,481	264,802	259,316
EQUITY										
Accumulated Surplus	157,912	159,268	159,370	157,641	154,934	151,160	146,730	141,559	133,825	128,284
Asset Revaluation Reserve	130,537	130,592	130,647	130,702	130,757	130,812	130,867	130,922	130,977	131,032
Total Equity	288,449	289,860	290,017	288,343	285,691	281,972	277,597	272,481	264,802	259,316
Note : Cash & Investments is comprised of :										
General Fund Cash & Investment	500	500	500	500	500	(8,104)	(15,105)	(21,780)	(31,918)	(39,183)
External Restrictions	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100	100	100
Water Supply	447	201	(153)	(381)	(682)	(1,063)	(1,609)	(2,237)	(2,893)	(3,599)
Sewerage Services	398	361	287	(110)	(570)	(1,103)	(1,468)	(1,890)	(2,408)	(3,005)
Domestic Waste Management	110	110	110	110	110	110	110	110	110	110
Internal Restrictions	5,517	10,250	7,016	2,780	0	0	0	0	0	0
Cash and Investments	10,272	14,522	10,660	5,599	(725)	(7,860)	(15,972)	(25,697)	(37,009)	(45,577)

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 2024/25	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	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	17,220	14,978	14,128	13,317	12,470	12,153	11,992	13,696	13,467	17,100	
Current Liabilities	2,663	1,973	1,508	1,464	1,418	1,373	1,326	806	806	806	
Ratio to 1	6.47	7.59	9.37	9.10	8.79	8.85	9.04	16.99	16.71	21.22	>1.5x
Debt Service Ratio											
Debt Service Cost	48	48	49	48	50	50	50	50	50	51	
Income from Continuing Operations less Specific Purpose Grants	38,454	18,296	19,132	19,670	20,185	20,715	21,290	21,895	22,517	23,161	
Percentage	0.12%	0.26%	0.26%	0.24%	0.25%	0.24%	0.23%	0.23%	0.22%	0.22%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	5,986	6,195	6,412	6,636	6,868	7,108	7,357	7,614	7,881	8,156	
Income from Continuing Operations	38,454	18,296	19,132	19,670	20,185	20,715	21,290	21,895	22,517	23,161	
Percentage	15.57%	33.86%	33.51%	33.74%	34.03%	34.31%	34.56%	34.78%	35.00%	35.21%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	310	290	270	250	230	210	82	82	82	82	
Collectable Rates & Annual Charges	5,650	5,847	6,051	6,262	6,480	6,706	7,048	7,162	7,413	7,672	
Percentage	5.49%	4.96%	4.46%	3.99%	3.55%	3.13%	1.16%	1.14%	1.11%	1.07%	<10%
Asset Renewal Ratio											
Asset Renewals	19,605	7,442	6,617	6,780	6,983	6,627	6,682	6,849	7,021	7,021	
Depreciation	2,382	2,474	2,558	2,644	2,733	2,824	2,917	3,012	3,110	3,210	
Percentage	823.05%	300.81%	258.68%	256.43%	255.51%	234.67%	229.07%	227.39%	225.76%	218.72%	>=100%
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	15,629	1,365	1,790	1,898	1,969	2,044	2,153	2,281	2,413	2,557	
Total Operating Income less Capital Grants	38,454	18,296	19,132	19,670	20,185	20,715	21,290	21,895	22,517	23,161	
Percentage	40.64%	7.46%	9.36%	9.65%	9.75%	9.87%	10.11%	10.42%	10.72%	11.04%	> or Equal to Break Even

FINANCIAL INDICATORS – SCENARIO 2 – (Optimistic Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2024/25	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	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	17,220	16,137	17,563	19,918	23,315	28,486	35,234	45,508	55,743	71,841	
Current Liabilities	2,663	1,973	1,508	1,464	1,418	1,373	1,326	806	806	806	
Ratio to 1	6.47	8.18	11.65	13.61	16.44	20.75	26.57	56.46	69.16	89.13	>1.5x
Debt Service Ratio											
Debt Service Cost	48	48	49	48	50	50	50	50	50	51	
Income from Continuing Operations less Specific Purpose Grants	38,454	18,593	20,031	20,959	22,038	23,282	24,769	26,495	28,456	30,696	
Percentage	0.12%	0.26%	0.24%	0.23%	0.23%	0.21%	0.20%	0.19%	0.18%	0.17%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	5,986	6,464	6,981	7,539	8,142	8,794	9,498	10,258	11,079	11,966	
Income from Continuing Operations	38,454	18,593	20,031	20,959	22,038	23,282	24,769	26,495	28,456	30,696	
Percentage	15.57%	34.77%	34.85%	35.97%	36.95%	37.77%	38.35%	38.72%	38.93%	38.98%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	310	290	270	250	230	210	82	82	82	82	
Collectable Rates & Annual Charges	5,650	6,100	6,586	7,111	7,678	8,291	9,061	9,648	10,420	11,254	
Percentage	5.49%	4.75%	4.10%	3.52%	3.00%	2.53%	0.90%	0.85%	0.79%	0.73%	<10%
Asset Renewal Ratio											
Asset Renewals	19,605	7,118	6,108	6,108	6,143	5,613	5,523	5,523	5,523	5,523	
Depreciation	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	
Percentage	823.05%	298.82%	256.42%	256.42%	257.89%	235.64%	231.86%	231.86%	231.86%	231.86%	>=100%
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	15,629	2,301	3,750	4,680	5,759	7,004	8,492	10,219	12,181	14,422	
Total Operating Income less Capital Grants	38,454	18,593	20,031	20,959	22,038	23,282	24,769	26,495	28,456	30,696	> or Equal to
Percentage	40.64%	12.38%	18.72%	22.33%	26.13%	30.08%	34.28%	38.57%	42.81%	46.98%	Break Even

FINANCIAL INDICATORS – SCENARIO 3 – (Conservative Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2024/25	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	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	17,220	13,883	10,629	6,373	990	(5,051)	(12,180)	(18,855)	(28,993)	(36,258)	
Current Liabilities	2,663	1,973	1,508	1,464	1,418	1,373	1,326	806	806	806	
Ratio to 1	6.47	7.04	7.05	4.35	0.70	(3.68)	(9.19)	(23.39)	(35.97)	(44.99)	>1.5x
Debt Service Ratio											
Debt Service Cost	48	48	49	48	50	50	50	50	50	51	
Income from Continuing Operations less Specific Purpose Grants	38,454	18,800	19,588	20,421	21,313	22,270	23,295	24,395	25,574	26,841	
Percentage	0.12%	0.26%	0.25%	0.24%	0.23%	0.22%	0.21%	0.20%	0.20%	0.19%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	5,986	6,046	6,107	6,168	6,230	6,293	6,356	6,420	6,484	6,549	
Income from Continuing Operations	38,454	18,800	19,588	20,421	21,313	22,270	23,295	24,395	25,574	26,841	
Percentage	15.57%	32.16%	31.18%	30.20%	29.23%	28.26%	27.28%	26.32%	25.35%	24.40%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	310	290	270	250	230	210	82	82	82	82	
Collectable Rates & Annual Charges	5,650	5,706	5,763	5,820	5,878	5,937	6,104	6,036	6,096	6,157	
Percentage	5.49%	5.08%	4.69%	4.30%	3.91%	3.54%	1.34%	1.36%	1.35%	1.33%	<10%
Asset Renewal Ratio											
Asset Renewals	19,605	8,042	7,671	8,281	8,974	9,158	9,726	10,504	11,345	11,345	
Depreciation	2,382	2,645	2,929	3,235	3,566	3,923	4,309	4,726	5,176	5,662	
Percentage	823.05%	304.05%	261.90%	255.98%	251.65%	233.44%	225.71%	222.26%	219.18%	200.37%	>=100%
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	15,629	682	32	(696)	(1,492)	(2,358)	(3,302)	(4,328)	(5,445)	(6,658)	
Total Operating Income less Capital Grants	38,454	18,800	19,588	20,421	21,313	22,270	23,295	24,395	25,574	26,841	> or Equal to Break Even
Percentage	40.64%	3.63%	0.16%	(3.41%)	(7.00%)	(10.59%)	(14.17%)	(17.74%)	(21.29%)	(24.81%)	