



**COOTAMUNDRA-
GUNDAGAI** REGIONAL
COUNCIL

Operational Plan 2020 -2021 Part 4

2020-21 to 2029-30 Long Term Financial Plan

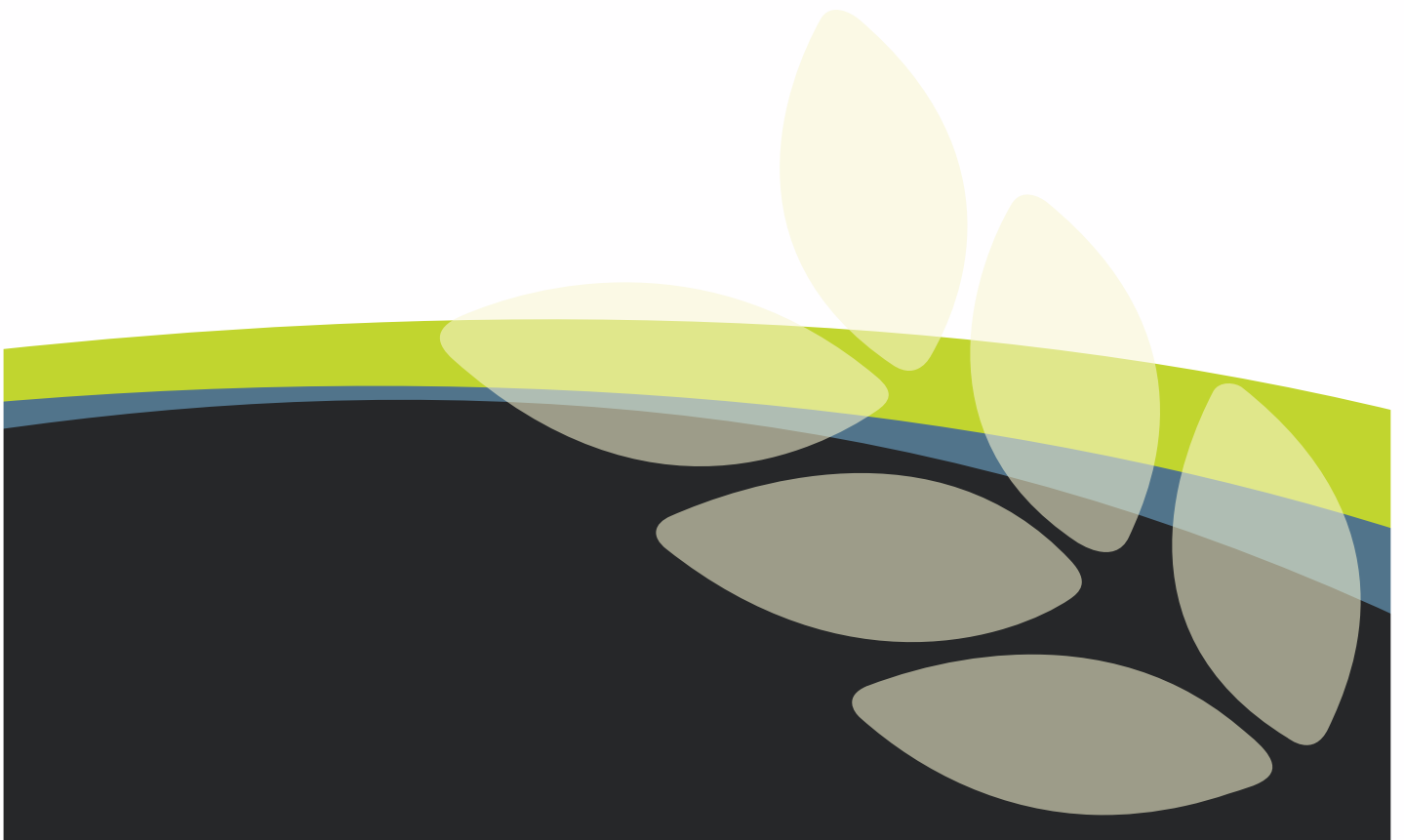


Table of Contents

<u>Information and Background</u>	2
<u>About this plan</u>	2
<u>Planning Framework</u>	3
<u>Asset Management Planning</u>	4
<u>Financial Sustainability</u>	4
<u>Where are we now: our current financial position</u>	4
<u>Where are we going: constraints and opportunities</u>	4
<u>Where do we want to be: our plan for the future</u>	5
<u>How do we get there: Financial Strategy</u>	6
<u>Financial Modelling</u>	7
<u>Scenario 1: Base Case</u>	7
<u>Scenario 2: Budget Repair</u>	7
<u>Planning Assumptions</u>	7
<u>Capital Works Program</u>	7
<u>Borrowings</u>	8
<u>Special Rate Variation</u>	8
<u>Sensitivity Analysis</u>	9
<u>Plan Improvement and Monitoring</u>	9
<u>Financial Statements</u>	10
<u>Income Statements by Fund</u>	11
<u>Cashflow Statement</u>	16
<u>Capital Budget</u>	18
<u>Reserves</u>	19

Version Control

Ref	Date	Date effective	Council Resolution	Description
1.0	1 June 2020	1 June 2020	134/2020	Placed on public exhibition.

Information and Background

About this plan

The Long Term Financial Plan is an important part of Council's strategic planning process. This is the point where community aspirations and goals are tested against financial realities.

The Long Term Financial Plan seeks to answer the questions:

- Can Council survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can Council afford what the community wants?
- What income is needed to achieve these outcomes?

The Long Term Financial Plan is a decision making and problem solving tool. The modelling that occurs as part of the plan will help Council to align resources with strategies, providing information that helps Council to capitalise on opportunities and weather unexpected events. It is a dynamic document, reviewed and updated at each of Council's quarterly budget reviews. The Long Term Financial Plan changes as the needs, strategies and financial position of Council change over time.

The output of the Long Term Financial Plan is a ten year budget; financial reports over a ten year planning period. The current budget information is included in the appendices of this document.

Planning Framework

This Long Term Financial Plan has been prepared in accordance with the Integrated Planning and Reporting Framework¹. The framework allows Council to draw all its plans together, planning holistically for the future. The Community Strategic Plan is the highest level plan that Council prepares, and all other plans and policies support the achievement of the community's vision for the future.



The Long Term Financial Plan forms part of the resourcing strategy, along with Council's Asset Management Plans and Workforce Management Plan. It has a timeframe of 10 years, although it will be reviewed and updated annually as part of the development of the Operational Plan.

All of the activities and capital works detailed in the Delivery Program and Operational Plan have been budgeted for within this Long Term Financial Plan. Council also has Asset Management Plans that aim to predict maintenance and renewal needs of major community infrastructure assets such as roads, bridges, footpaths, stormwater drainage, water and sewerage networks, and community buildings. There is appropriate consistency between this long term financial plan and each of Council's Asset Management Plans, and this ensures that the necessary capital outlays (as per the Asset Management Plans) are included in Council's ten year budget.

The projected income and expenditure statement, balance sheet and cash flow statement have been prepared on an accruals basis and in accordance with Australian Accounting Standards. The accounting policies applied to these budgets are as detailed in Council's General Purpose Financial Statements. Financial amounts are indexed to represent the expected actual dollar amount required in each year.

¹ In accordance with section 403 of the Local Government Act 1993.

Asset Management Planning

Councils provide physical assets to for the community to meet the need for public access to major economic and social facilities and services. A key issue facing local governments throughout Australia is the management and financing of ageing assets that are in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present particular challenges as their condition and longevity can be difficult to determine and increasing public demands on quality and standards adds to the complexity. The cost of asset renewal, maintenance and upgrades is large and requires planning for large peaks and troughs in expenditure.

Council has developed an asset management strategy, and initial asset management plans for every class of assets. This long term financial plan will be kept current, and updated to include all asset maintenance and renewal, to match the amounts reflected in the asset management plans, as those plans continue to be developed.

Financial Sustainability

Where are we now: our current financial position²

Operating Performance

Cootamundra-Gundagai Regional Council faces a number of challenges in terms of financial sustainability. We are a small regional NSW Council with a population of 11,235, responsible for providing services across an area of 3,990 sq km, and maintaining \$602³ million of community assets.

Cootamundra-Gundagai Regional Council reported an operating profit of \$4.3 million for 2019, following a loss of \$7.1 million the previous year. These fluctuations are largely due to timing differences between the receipt of grant funding and the expenditure. With a significant proportion of council's income and expenditure being grant-related, this situation is likely to continue.

Financial Position

At 30 June 2019, Council had \$33 million of current assets, predominantly cash and investments, and current liabilities of \$8.1 million, mostly being provisions for employee leave. Council had two loans at 30 June 2019, relating to the construction of the Cootamundra indoor pool and the revitalisation of the Gundagai main street. The total amount of the loans is \$2.6 million.

Council's long term assets amount to \$384 million⁴, with the majority of this being the value of roads infrastructure.

² Financial position has been summarised from the most recent audited financial statements, for the year ended 30 June 2019.

³ Gross value of assets as at 30 June 2019.

⁴ Written down value of assets as at 30 June 2019.

Where are we going: constraints and opportunities

Rate Pegging

NSW Councils are subject to rate pegging legislation, whereby the amount of revenue councils can raise from ordinary and special rates is limited by a capped percentage increase announced by the Independent Pricing and Regulatory Tribunal each year. For the 2020-21 year, the rate peg has been set at 2.6%.

The rate peg is generally not equivalent to real increases in Council's costs including wage increases, government regulatory charges and electricity. There are provisions for Councils to apply for Special Rate Variations (SRVs) to increase general rates above the rate peg amount, and most NSW Councils have applied for at least one SRV in the past 6 years.

Rates Path Freeze

Council has been constrained by the State Government's decision to freeze the rate paths of the former Cootamundra and Gundagai Shire Councils for four years, which has rendered Council ineligible to apply for a Special Rates Variation (SRV) during that period. With rates to be harmonised from 1 July 2020, it is council's intention to apply for an SRV to be implemented from the following year.

Capital Grants

With constraints placed over major sources of income, the Council faces the necessity to increase income from other sources while finding savings to enable financial sustainability. A greater reliance on capital grants will be necessary for asset renewal to maintain an acceptable level of asset infrastructure.

The NSW Government has announced significant capital grant funding in the short term, including for asset renewals, upgrades and new assets.

Unrestricted Cash

Significant expenditure is required on water and sewer infrastructure in coming years. To help fund this expenditure, council has borrowed \$4,000,000 in its Water Fund, and intends to do the same in the Sewer Fund in the 2020/21 financial year. Over the next ten years the Water and Sewer Funds will have sufficient income to repay these loans and maintain adequate reserves, while paying rental fees to the General Fund for the land occupied by the pipe networks. The General Fund is not so healthy, and without these rental fees and an SRV would exhaust its unreserved cash within 3 years.

Where do we want to be: our plan for the future

Community Vision and Key Directions

The Cootamundra-Gundagai community vision:

A vibrant region attracting people, investment and business through innovation, diversity and community spirit.

The vision for the future is built around four key directions:

- A vibrant and supportive community: all members of our community are valued and connected
- A prosperous and resilient economy: we are innovative and 'open for business'
- Sustainable natural and built environments: we connect with the places and spaces around us
- Good governance: an actively engaged community and strong leadership team

Financial Objectives

In order to live sustainably the Council has to look into the future and provide future generations with a sustainable infrastructure and environment without the burden of excessive debt. A long term financial plan promotes this sustainability by ensuring that decision makers have information about the long term cumulative effects of their decisions.

The aim of the Long Term Financial Plan is to provide a structure for financial decision-making at a very high level by providing guiding principles for the short, medium and long term.

The objective of the Long Term Financial Plan is to ensure that Council remains financially sustainable into the future. A financially sustainable Council is one whose long term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services⁵.

The objectives of the Cootamundra-Gundagai Regional Council are:

- to have a sound financial strategy that will ensure Council's financial sustainability is protected and improved,
- to accommodate asset maintenance and asset renewal and replacement activity and be fully integrated with Council's Asset Management Plans, and
- to accommodate service levels proposed in Council's Delivery Program and Operational Plan.

How do we get there: Financial Strategy

This Long Term Financial Plan projects modest surpluses, with the exception of the 2020/21 year when capital grants relating to the Gundagai Sewerage Treatment Plant positively skew the result.

Achieving these results is built upon the following key points:

Operational Savings

An ongoing expenditure review has resulted in a reduction in budgeted operational expenditure of \$3.8m. These budgeted savings have been achieved without a reduction in service levels. This process will continue, with additional improvements intended for adoption through the Quarterly Budget Review process.

Best Practice Water Management

NSW Public Works Advisory are currently updating our Integrated Water Cycle Management (IWCM) plan to reflect the merged council operation. This will include a comprehensive 30-year programme of capital works, which will inform future fee structures.

The IWCM is a major step towards meeting the Best Practice Water & Sewer Guidelines, and is required in order to access funding through the NSW Safe & Secure Water Program.

Special Rate Variation (SRV)

In January 2020 council engaged Dr. Joseph Drew from The University of Technology Sydney to prepare a submission for the Local Government Boundaries Commission proposal to re-establish the pre-merger councils. In preparing the submission, Dr Drew conducted a full review of councils finances. The review observed that councils rates are significantly lower than the average of our class (OLG Group 11), and recommends Special Rate Variations of 17.5% in each of the 2021/22 and 2022/23 years, and 10% in the 2023/24 year, before returning to the rate peg the following year.

The effect of this SRV is to return the consolidated result to a surplus before capital grants in 2022/23, with the same for General Fund from 2025/26.

Overhaul of User Fees and Charges

Dr Drew's report also identified a need to increase fees and charges to help meet the costs of required infrastructure upgrades. It recommended the alignment of the fee structures that have been in place for the Water and Sewer operations in the two former councils since amalgamation. Waste charges have been aligned where the operations in the former areas were compatible, and increased to prepare for tip remediation works.

Further information on the Boundaries Commission Inquiry, and the work of Dr Joseph Drew can be found at <https://www.cgrc.nsw.gov.au/boundaries-commission-inquiry/>

⁵ Definition of Financial Sustainability that was endorsed at the National General Assembly of Local Government in Canberra in November 2006.

Financial Modelling

Scenario 1: Budget Repair

Budget Overview for scenario 1:

This represents current operational status, with a reduction to operating expenditure of \$3.8m. The recommended special rate variation is included, along with easement rental payments from the Water and Sewer Funds to General Fund. A rationalisation of the depot operations in Cootamundra is also included in the later years of the plan.

The forecast consolidated operating profit is \$15.9 million in 2020/21, largely due to the grant income expected as partial funding for the Gundagai Sewerage Treatment Plant. The result before capital income is a small loss of \$186K. A modest surplus is forecast for 2021/22, with generally improving results thereafter.

Under this scenario unrestricted cash remains stable around \$4m in the first three years before gradually increasing.

The financial model for this scenario is included in the appendix of this long term financial plan.

Scenario 2: Base Case

Budget Overview for scenario 2:

The base case also includes reduced operational expenditure of \$3.8m. It excludes an SRV, easement rental payments, and the Cootamundra depot rationalisation, that cannot be funded under this scenario. This results in general fund operating deficits from years 2 – 9, and negative unrestricted cash from 2022/23. This scenario is clearly unsustainable and demonstrates the need for the adoption of scenario 1, and ongoing review of council operations. The water, sewer and waste fund operations appear sustainable based on current data, but will need to be reviewed when comprehensive long term capital works programs are developed. Planning Assumptions

It is impossible to be precise about forward projects for individual line items, and such information is not necessary for a reliable useful long term financial plan. However, it is necessary to understand the calculation of outcomes for financial indicators in order to identify the drivers of variations in performance between years. The following planning assumptions are constant in all financial modelling scenarios.

Capital Works Program

The capital works program is structured to provide significant asset renewal funding to community infrastructure; primarily roads, bridges and footpaths. The works program is developed through analysis of the state of Council's assets, with decisions targeted to reduce total expenditure over the life of the asset by renewing assets at the optimal time.

The program budget is based upon maintaining current expenditure levels for all ten years of the plan. A full revaluation of transport assets is due to be finalised in June, and could recommend significant changes to required capital expenditure. It is hoped that this information will be available in time for it to be included in the budget prior to adoption.

Borrowings

Council is proposing to borrow \$4 million to complete the Gundagai Sewerage Treatment Plant replacement project.

Special Rate Variation

In order to ensure that Council can provide the infrastructure and services expected by the community, Council has modelled a financial scenario that includes a special rate variation to increase the rate base.

Features of the long term financial plan identified as risks and volatile factors include:

Operating Revenue

Operating revenue from grants is expected to remain constant over the planning period, this includes estimated annual grant income from major sources as follows. Any government policy decisions to reduce the relative value of these significant operating grants would significantly impact Council's road asset maintenance and renewal program.

Grant	Average annual income (today's dollars)	Comment
Roads to Recovery	\$885,000	
Regional Roads Block Grant	\$875,000	Council maintains and renews 100km of regional roads.
Financial Assistance Grant	\$5.3 million	Indexed from previous year.

Operating revenue from state government contracts is expected to generate \$1.9 million in 2020/21, before increasing to around \$2.5 million throughout the ten year planning period. Due to Council's reliance on this revenue stream, any change in government policy in relation to these contracts could have significant impact on Council's operations.

Employee Costs

The current budget includes full time equivalent employees of 163 including staff engaged specifically for project related work. It is assumed the cost of the latter are paid for by grant income and don't extend beyond the 2020/21 financial year.

Wage costs are forecast to grow at 2.5% per annum based on the current Award provisions.

Depreciation and Asset Renewals

Depreciation expenses have been calculated based on previous actual depreciation. All classes of assets are revalued regularly.

Other Operating Expenses

Based on ongoing reviews of expenditure, operating expenditure has been cut by \$3.8 million.

Loan Repayments

Loan servicing costs including loan repayments and interest expense have been allowed for current loans outstanding for the following purposes:

Loan	Principal Repayment 2020-21	Interest Expense 2020-21	Closing Balance 30 June 2021	Remaining years
Indoor pool construction	\$164,206	\$34,778	\$358,099	2
Sheridan Street redevelopment	\$303,773	\$64,336	\$1,346,658	4
Water Mains - Cootamundra	\$364,988	\$76,666	\$3,635,001	9
Grader Purchase	\$41,408	\$11,503	\$423,430	9

The interest expense for the Gundagai main street development and the Cootamundra indoor pool is partly subsidised by the NSW Governments through the *Local Infrastructure Renewal Scheme (LIRS)*. New borrowing of \$4 million is planned for the completion of the Gundagai Sewerage Treatment Plant replacement project. Repayments are budgeted to be the same as the Water Mains loan listed above.

Sensitivity Analysis

Long term financial plans are inherently uncertain. They contain a wide range of assumptions about interest rates and potential effect of inflation on revenues and expenditures. Some of these assumptions will have a relatively limited impact if they are wrong. Others can have a major impact on future financial plans. The following table analyses the sensitivity of various assumptions.

Assumption	Sensitivity	Probability (High / Medium / Low)	Impact
Annual rate increase	Minus 1%	M	1% reduction in rates increase assumption for 4 years from 2027 reduces income by \$501,921 per annum by 2030.
Financial Assistance Grant	One off increase 5%	L	Operating surplus increases by \$184,800 in first year, this compounds to an increase in operating surplus of \$205,000 by year 10.
	One off decrease 3%	H	Operating surplus decreases by \$238,000 in first year, this compounds to a decrease in operating surplus of \$264,000 by year 10.
State Roads Contracts	Plus or minus 10%	H	\$190,000 impact on income and expenses in first year. A significant increase or decrease will affect Council's workforce management and plant management planning.
Transport Assets Revaluation outcomes	Plus or minus 10%	H	\$429,000 impact on required annual capital expenditure.

Financial Statements

Council has projected budgets for the consolidated financial statements. The financial statements set out the financial performance, financial position and cashflows projected for the next ten years, with the 2019-20 original budget included for comparative purposes. These are the consolidated financial statements which include Council's General Fund, Water Fund, Sewer Fund and Waste Fund.

The format of the financial statements is standard across NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and legislative requirements set down by the Office of Local Government.

Index of Appendices	
Income Statements	
- Consolidated	11
- General Fund	12
- Water Fund	13
- Sewer Fund	14
- Waste Fund	15
Cashflow Statement	
- Consolidated	16
Capital Expenditure & Funding	17
Cash Movement	18
Cash Reserves	19

Income Statements by Fund

Consolidated - Financial Statement Operating plan



	Operational Plan 2020/21	2021/22		2022/23		2023/24		2024/25		2025/26		2026/27		2027/28		2028/29		2029/30	
		Delivery Program	Delivery Program	Delivery Program	Delivery Program	Delivery Program	Delivery Program	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan
Income from continuing operations																			
Rates and annual charges	14,895,445	16,353,077	18,066,866	19,266,825	19,243,592	19,648,780	20,064,315	20,490,468	20,927,515	21,375,742									
User charges and fees	7,873,231	8,512,026	8,654,344	8,813,964	8,955,914	9,101,059	9,249,482	9,401,272	9,556,519	9,715,314									
Interest and investment revenue	209,800	258,632	279,081	319,461	352,189	407,399	443,676	500,439	578,104	651,258									
Other revenues	346,850	350,349	353,882	357,452	361,058	364,700	368,380	372,096	375,851	379,643									
Operating grants and contributions	10,209,458	8,138,158	8,219,121	8,300,895	8,383,488	8,466,908	8,551,164	8,636,264	8,722,216	8,809,029									
Capital grants and contributions	16,123,054	1,075,770	76,548	77,334	78,128	78,930	79,741	80,560	81,387	82,223									
Recovery of corporate overhead expenditure	1,877,561	1,894,691	1,912,018	1,929,544	1,947,272	1,965,204	1,983,341	2,001,688	2,020,245	2,039,016									
Easement rental income	790,810	890,810	890,810	890,810	890,810	940,810	1,040,810	1,140,810	1,240,810	1,340,810									
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-									
Total Income	52,326,209	37,473,512	38,452,671	39,956,285	40,212,451	40,973,790	41,780,909	42,623,597	43,502,647	44,393,035									
Expenses from continuing operations																			
Employee benefits and on-costs	12,460,981	12,917,454	13,230,431	13,551,865	13,881,304	14,218,948	14,565,000	14,919,670	15,283,173	15,655,729									
Borrowing costs	280,667	242,245	199,803	161,455	127,890	97,019	76,587	55,638	34,159	12,137									
Materials and contracts	8,718,842	8,793,295	8,869,465	8,951,032	9,033,453	9,116,736	9,200,892	9,285,928	9,371,854	9,458,681									
Depreciation and amortisation	8,940,130	8,887,745	8,887,745	8,887,745	8,887,745	8,887,745	8,887,745	8,887,745	8,887,745	8,887,745									
Other expenses	3,320,199	3,365,881	3,397,525	3,429,485	3,461,822	3,494,482	3,527,469	3,560,786	3,594,435	3,628,422									
Corporate overhead costs	1,877,561	1,894,691	1,912,018	1,929,544	1,947,272	1,965,204	1,983,341	2,001,688	2,020,245	2,039,016									
Easement rental expenditure	790,810	890,810	890,810	890,810	890,810	940,810	1,040,810	1,140,810	1,240,810	1,340,810									
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-									
Total Expenses	36,389,190	36,992,122	37,387,798	37,801,937	38,230,297	38,720,944	39,281,844	39,852,264	40,432,422	41,022,540									
Net Operating Result	15,937,019	481,391	1,064,873	2,154,348	1,982,155	2,252,845	2,499,065	2,771,333	3,070,225	3,370,496									
Net operating result before grants and contributions provided for capital purposes	(186,035)	(594,379)	988,326	2,077,015	1,904,027	2,173,915	2,419,324	2,690,773	2,988,838	3,288,273									

General fund - Financial Statement



	Operational Plan 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Delivery Program 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29	Long Term Financial Plan 2029/30
Income from continuing operations										
Rates and annual charges	7,554,827	8,892,597	10,464,633	11,519,818	11,391,686	11,689,452	11,994,975	12,308,458	12,630,107	12,960,136
User charges and fees	4,153,911	4,726,450	4,773,715	4,821,452	4,869,666	4,918,363	4,967,547	5,017,222	5,067,394	5,118,068
Interest and investment revenue	35,000	142,453	155,926	186,609	209,885	248,357	273,945	320,097	378,713	440,444
Other revenues	340,850	344,259	347,701	351,178	354,690	358,237	361,819	365,437	369,092	372,783
Operating grants and contributions	10,101,458	8,029,498	8,109,793	8,190,891	8,272,800	8,355,528	8,439,083	8,523,474	8,608,709	8,694,796
Capital grants and contributions	5,313,054	1,065,650	66,307	66,970	67,639	68,316	68,999	69,689	70,386	71,090
Recovery of corporate overhead expenditure	1,877,561	1,894,691	1,912,018	1,929,544	1,947,272	1,965,204	1,983,341	2,001,688	2,020,245	2,039,016
Easement rental income	790,810	890,810	890,810	890,810	890,810	940,810	1,040,810	1,140,810	1,240,810	1,340,810
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	30,167,471	25,986,407	26,720,902	27,957,272	28,004,448	28,544,266	29,130,519	29,746,875	30,385,455	31,037,142
Expenses from continuing operations										
Employee benefits and on-costs	10,700,609	11,045,108	11,316,007	11,593,625	11,878,132	12,169,697	12,468,498	12,774,714	13,088,531	13,410,138
Borrowing costs	86,487	68,413	44,461	25,070	10,943	-	-	-	-	-
Materials and contracts	4,684,527	4,731,372	4,778,686	4,826,473	4,874,738	4,923,485	4,972,720	5,022,447	5,072,671	5,123,398
Depreciation and amortisation	7,894,034	7,894,034	7,894,034	7,894,034	7,894,034	7,894,034	7,894,034	7,894,034	7,894,034	7,894,034
Other expenses	2,952,250	2,981,773	3,011,590	3,041,706	3,072,123	3,102,844	3,133,873	3,165,212	3,196,864	3,228,832
Corporate overhead costs	432,000	436,320	440,683	445,090	449,541	454,036	458,577	463,162	467,794	472,472
Easement rental expense	-	-	-	-	-	-	-	-	-	-
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	26,749,907	27,157,020	27,485,461	27,825,999	28,179,510	28,544,097	28,927,701	29,319,569	29,719,894	30,128,875
Net Operating Result	3,417,564	(1,170,613)	(764,559)	131,273	(175,062)	169	202,818	427,305	665,561	908,268
Net operating result before grants and contributions provided for capital purposes	(1,895,490)	(2,236,263)	(830,866)	64,304	(242,701)	(68,147)	133,819	357,616	595,175	837,178

Water - Financial Statement



	Operational Plan 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Delivery Program 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29	Long Term Financial Plan 2029/30
Income from continuing operations										
Rates and annual charges	1,950,664	1,989,677	2,049,368	2,110,849	2,174,174	2,239,399	2,306,581	2,375,779	2,447,052	2,520,464
User charges and fees	2,703,000	2,757,060	2,839,772	2,939,164	3,027,339	3,118,159	3,211,704	3,308,055	3,407,296	3,509,515
Interest and investment revenue	59,000	50,947	48,758	48,101	51,436	57,571	62,698	68,278	77,027	84,206
Other revenues	6,000	6,090	6,181	6,274	6,368	6,464	6,561	6,659	6,759	6,860
Operating grants and contributions	55,000	55,660	56,328	57,004	57,688	58,380	59,081	59,790	60,507	61,233
Capital grants and contributions	10,000	10,120	10,241	10,364	10,489	10,615	10,742	10,871	11,001	11,133
Recovery of corporate overhead expenditure	-	-	-	-	-	-	-	-	-	-
Easement rental income	-	-	-	-	-	-	-	-	-	-
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	4,783,664	4,869,554	5,010,648	5,171,756	5,327,494	5,490,587	5,657,366	5,829,431	6,009,643	6,193,412
Expenses from continuing operations										
Employee benefits and on-costs	533,217	544,948	555,691	567,389	579,400	591,733	604,397	617,398	630,745	644,447
Borrowing costs	97,090	86,916	77,671	68,192	58,474	48,510	38,293	27,819	17,079	6,068
Materials and contracts	2,380,675	2,403,550	2,426,688	2,450,094	2,473,771	2,497,721	2,521,948	2,546,455	2,571,246	2,596,324
Depreciation and amortisation	479,343	478,988	478,988	478,988	478,988	478,988	478,988	478,988	478,988	478,988
Other expenses	160,800	176,903	178,672	180,459	182,263	184,086	185,927	187,786	189,664	191,561
Corporate overhead costs	616,510	623,908	631,395	638,972	646,639	654,399	662,252	670,199	678,241	686,380
Easement rental expense	100,000	200,000	200,000	200,000	200,000	250,000	350,000	450,000	550,000	650,000
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	4,367,635	4,515,212	4,549,106	4,584,093	4,619,535	4,705,437	4,841,805	4,978,645	5,115,964	5,253,769
Net Operating Result	416,029	354,342	461,542	587,662	707,959	785,150	815,562	850,786	893,679	939,643
Net operating result before grants and contributions provided for capital purposes	406,029	344,222	451,301	577,298	697,470	774,536	804,820	839,915	882,678	928,510

Sewer - Financial Statement



	Operational Plan 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Delivery Program 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29	Long Term Financial Plan 2029/30
Income from continuing operations										
Rates and annual charges	2,739,462	2,780,554	2,822,262	2,864,596	2,864,596	2,864,596	2,864,596	2,864,596	2,864,596	2,864,596
User charges and fees	569,200	576,030	582,943	589,938	589,938	589,938	589,938	589,938	589,938	589,938
Interest and investment revenue	59,800	65,232	74,398	84,751	90,868	101,471	107,032	112,064	122,364	126,608
Other revenues	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Capital grants and contributions	10,800,000	-	-	-	-	-	-	-	-	-
Recovery of corporate overhead expenditure	-	-	-	-	-	-	-	-	-	-
Easement rental income	-	-	-	-	-	-	-	-	-	-
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	14,221,462	3,474,816	3,532,603	3,592,286	3,598,402	3,609,005	3,614,566	3,619,599	3,629,898	3,634,142
Expenses from continuing operations										
Employee benefits and on-costs	698,790	714,409	730,420	746,830	763,651	780,892	798,564	816,679	835,246	854,277
Borrowing costs	97,090	86,916	77,671	68,192	58,474	48,510	38,293	27,819	17,079	6,068
Materials and contracts	335,975	335,699	336,381	337,072	337,771	338,478	339,193	339,917	340,650	341,392
Depreciation and amortisation	422,756	422,756	422,756	422,756	422,756	422,756	422,756	422,756	422,756	422,756
Other expenses	195,800	195,800	195,800	195,800	195,800	195,800	195,800	195,800	195,800	195,800
Corporate overhead costs	451,000	456,412	461,889	467,432	473,041	478,717	484,462	490,275	496,159	502,113
Easement rental expense	690,810	690,810	690,810	690,810	690,810	690,810	690,810	690,810	690,810	690,810
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	2,892,221	2,902,802	2,915,727	2,928,892	2,942,302	2,955,963	2,969,879	2,984,056	2,998,500	3,013,216
Net Operating Result	11,329,241	572,014	616,876	663,394	656,101	653,043	644,688	635,542	631,398	620,926
Net operating result before grants and contributions provided for capital purposes	529,241	572,014	616,876	663,394	656,101	653,043	644,688	635,542	631,398	620,926

Waste Services - Financial Statement

Operating plan



	Operational Plan 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Delivery Program 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29	Long Term Financial Plan 2029/30
Income from continuing operations										
Rates and annual charges	2,650,492	2,690,249	2,730,603	2,771,562	2,813,136	2,855,333	2,898,163	2,941,635	2,985,760	3,030,546
User charges and fees	447,120	452,485	457,915	463,410	468,971	474,599	480,294	486,058	491,890	497,793
Interest and investment revenue	56,000	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Recovery of corporate overhead expenditure	-	-	-	-	-	-	-	-	-	-
Easement rental income	-	-	-	-	-	-	-	-	-	-
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	3,153,612	3,142,735	3,188,518	3,234,972	3,282,107	3,329,931	3,378,457	3,427,693	3,477,650	3,528,339
Expenses from continuing operations										
Employee benefits and on-costs	528,365	612,989	628,314	644,021	660,122	676,625	693,541	710,879	728,651	746,867
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Materials and contracts	1,317,665	1,322,674	1,327,710	1,337,394	1,347,175	1,357,053	1,367,031	1,377,108	1,387,286	1,397,566
Depreciation and amortisation	143,997	91,967	91,967	91,967	91,967	91,967	91,967	91,967	91,967	91,967
Other expenses	11,349	11,406	11,463	11,520	11,635	11,752	11,869	11,988	12,108	12,229
Corporate overhead costs	378,051	378,051	378,051	378,051	378,051	378,051	378,051	378,051	378,051	378,051
Easement rental expense	-	-	-	-	-	-	-	-	-	-
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	2,379,427	2,417,086	2,437,504	2,462,953	2,488,950	2,515,448	2,542,459	2,569,993	2,598,063	2,626,680
Net Operating Result	774,185	725,649	751,014	772,019	793,157	814,483	835,998	857,699	879,587	901,659
Net operating result before grants and contributions provided for capital purposes	774,185	725,649	751,014	772,019	793,157	814,483	835,998	857,699	879,587	901,659

Cashflow Statement

Cash flow report



	Operational Plan 2020/21	2021/22	2022/23	Delivery Program 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29	Long Term Financial Plan 2029/30
Cash in bank at the start of the year	14,650	18,735	18,289	19,508	21,525	23,311	24,325	24,181	25,179	27,876
Funds received										
Rates and annual charges	14,895	16,353	18,067	19,267	19,244	19,649	20,064	20,490	20,928	21,376
User fees and charges	7,873	8,512	8,654	8,814	8,956	9,101	9,249	9,401	9,557	9,715
Grant income	26,333	9,214	8,296	8,378	8,462	8,546	8,631	8,717	8,804	8,891
Interest income	210	259	279	319	352	407	444	500	578	651
Sale of assets	419	528	495	952	798	718	581	499	567	648
Proceeds from loans	4,000	-	-	-	-	-	-	-	-	-
Other income	347	350	354	357	361	365	368	372	376	380
Total funds received	54,077	35,216	36,145	38,088	38,172	38,786	39,337	39,980	40,809	41,661
Funds spent										
Salaries and wages	12,461	12,917	13,230	13,552	13,881	14,219	14,565	14,920	15,283	15,656
Materials and contracts	8,719	8,793	8,869	8,951	9,033	9,117	9,201	9,286	9,372	9,459
Other	3,320	3,366	3,398	3,429	3,462	3,494	3,527	3,561	3,594	3,628
Repayment of loans	1,464	1,464	1,464	1,273	1,273	905	905	905	905	905
Capital works	24,028	9,122	7,965	8,866	8,736	10,037	11,284	10,311	8,957	8,304
Total funds spent	49,992	35,662	34,926	36,071	36,386	37,772	39,482	38,982	38,112	37,952
Net funds saved / (used)	4,085	(446)	1,219	2,017	1,786	1,014	(145)	998	2,697	3,709
Cash in bank at the end of the year	18,735	18,289	19,508	21,525	23,311	24,325	24,181	25,179	27,876	31,585
Funds set aside for:										
Water network	2,038	1,506	1,271	1,154	1,347	1,607	1,887	2,192	2,529	2,902
Sewer network	3,900	3,779	3,685	3,618	3,526	3,411	3,268	3,096	2,900	2,672
Waste services	3,013	3,691	4,484	5,048	5,543	6,059	6,597	7,157	7,739	8,342
Grant funds for specific projects	152	152	152	152	152	152	152	152	152	152
Grant funds for general use	-	-	-	-	-	-	-	-	-	-
Town improvement (Gundagai)	1,415	1,295	1,175	1,055	935	815	695	575	455	335
Plant and vehicle replacement	750	1,116	1,526	1,752	1,829	1,546	888	1,130	804	1,220
Employee leave entitlement	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385
Merger implementation works	-	-	-	-	-	-	-	-	-	-

Cash flow report



	Operational Plan 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Delivery Program 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29	Long Term Financial Plan 2029/30
Works to be completed in next financial year	-	-	-	-	-	-	-	-	-	-
Aerodrome resurfacing	245	245	245	245	245	245	245	245	245	245
Stormwater	263	263	263	263	103	103	103	103	103	103
Saleyards	35	35	35	35	35	35	35	35	35	35
Development	604	604	604	604	604	604	604	604	604	604
Other minor items	277	252	227	199	199	199	199	199	199	199
Unallocated cash	4,626	3,934	4,424	5,982	7,376	8,131	8,089	8,272	10,693	13,358
Financial statement balance	18,702	18,256	19,475	21,492	23,278	24,292	24,148	25,146	27,843	31,552

Capital Budget

Capital expenditure & funding Operating plan

	2019/20	Operational Plan 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Delivery Program 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29	Long Term Financial Plan 2029/30
Capital expenditure											
Plant and equipment	2,484,000	1,466,000	1,706,288	1,629,854	2,271,500	2,267,288	2,548,000	2,785,000	1,802,288	2,438,500	1,775,000
Office equipment	40,000	40,000	40,400	40,804	41,212	41,624	42,040	42,461	42,885	43,314	43,747
Buildings	205,000	834,526	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Land improvements	193,000	25,000	25,000	25,000	25,000	-	-	-	-	-	-
Waste infrastructure	-	455,000	140,000	50,000	300,000	390,000	390,000	390,000	390,000	390,000	390,000
Roads, bridges and footpaths	4,290,000	7,450,000	5,090,000	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000
Stormwater drainage	750,000	160,000	170,000	170,000	170,000	170,000	180,000	180,000	180,000	180,000	180,000
Recreation assets	129,000	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Water supply network	4,100,000	1,000,000	1,000,000	800,000	800,000	600,000	600,000	600,000	600,000	600,000	600,000
Sewerage network	6,174,000	12,597,339	750,000	759,000	768,108	777,325	786,653	796,093	805,646	815,314	825,098
Other assets	5,170,226	-	-	-	-	-	1,000,000	2,000,000	2,000,000	-	-
Total Capital Expenditure	23,535,226	24,027,865	9,121,688	7,964,658	8,865,820	8,736,237	10,036,694	11,283,554	10,310,820	8,957,128	8,303,845
Capital Funding											
Rates & Other United Funding	178,226	73,811	4,279,630	4,479,256	4,478,878	4,453,496	5,453,110	6,452,720	6,452,326	4,451,927	4,451,525
Capital Grants & Contributions	12,278,000	16,123,054	1,075,770	76,548	77,334	78,128	78,930	79,741	80,560	81,387	82,223
Reserves:											
- External Restrictions/Reserves	4,595,000	2,365,000	2,060,000	1,779,000	2,038,108	1,937,325	1,956,653	1,966,093	1,975,646	1,985,314	1,995,098
- Internal Restrictions/Reserves	1,787,000	1,047,000	1,178,288	1,134,854	1,319,500	1,469,288	1,830,000	2,204,500	1,303,288	1,871,500	1,127,450
New Loans	4,000,000	4,000,000	-	-	-	-	-	-	-	-	-
Receipts from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
- Plant & Equipment	697,000	419,000	528,000	495,000	952,000	798,000	718,000	580,500	499,000	567,000	647,550
- Land & Buildings	-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding	23,535,226	24,027,865	9,121,688	7,964,658	8,865,820	8,736,237	10,036,694	11,283,554	10,310,820	8,957,128	8,303,845
Net capital funding	-	-	-	-	-	-	-	-	-	-	-



Reserves

Cash and Investments



Operational Plan	Delivery Program	Delivery Program	Delivery Program	Long Term			Long Term			Long Term			Long Term			
				Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan	Financial Plan					
Externally Restricted ⁽¹⁾ Developers Contributions Sheridan Street Upgrade Loan Funds Specific Purpose Unexpended Grants & Contributions Water network infrastructure Sewer network infrastructure Gundagai Town Improvement District Domestic Waste Management Stormwater infrastructure renewal Total Externally Restricted	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30						
	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000						
	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000						
	2,037,809	1,505,559	1,271,265	1,153,612	1,346,537	1,606,690	1,887,037	2,192,135	2,529,386	2,901,590						
	3,899,658	3,778,848	3,684,655	3,618,394	3,525,904	3,411,063	3,268,212	3,096,187	2,899,611	2,671,768						
	1,415,000	1,295,000	1,175,000	1,055,000	935,000	815,000	695,000	575,000	455,000	335,000						
	3,013,182	3,690,798	4,483,779	5,047,765	5,542,889	6,059,340	6,597,305	7,156,971	7,738,525	8,342,150						
	263,000	263,000	263,000	263,000	103,000	103,000	103,000	103,000	103,000	103,000						
	10,790,649	10,695,205	11,039,700	11,299,771	11,615,330	12,157,093	12,712,554	13,285,293	13,887,522	14,515,509						
	Internally Restricted ⁽²⁾ Merger Implementation Fund Stronger Communities Fund Aerodrome Bitumen Resurfacing Bradman's Birthplace Coolac bypass Cootamundra Caravan Park Council Election Reserve Development Employee Leave Entitlements Financial Assistance Grant Heritage Centre Incomplete Works Plant Replacement Quarries & Pit Restoration Saleyards Special Projects Swimming Pool Pump & Equipment Cemetery Reserve Total Internally Restricted	-	-	-	-	-	-	-	-	-	-					
		-	-	-	-	-	-	-	-	-	-					
		245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000					
		53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000					
		102,000	77,000	52,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000					
		92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000					
-		-	-	-	-	-	-	-	-	-						
594,000		594,000	594,000	594,000	594,000	594,000	594,000	594,000	594,000	594,000						
1,385,000		1,385,000	1,385,000	1,385,000	1,385,000	1,385,000	1,385,000	1,385,000	1,385,000	1,385,000						
-		-	-	-	-	-	-	-	-	-						
14,000		14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000						
33,000		33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000						
749,880		1,115,636	1,525,887	1,752,265	1,829,329	1,545,846	887,709	1,130,302	803,860	1,220,295						
16,000		16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000						
35,000		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000						
-	-	-	-	-	-	-	-	-	-							
-	-	-	-	-	-	-	-	-	-	-						
-	-	-	-	-	-	-	-	-	-	-						
3,318,880	3,659,636	4,044,887	4,243,265	4,320,329	4,036,846	3,378,709	3,621,302	3,294,860	3,711,295							
4,625,719	3,934,395	4,423,710	5,981,888	7,375,718	8,131,364	8,089,391	8,271,964	10,693,186	13,357,856							
18,735,248	18,289,237	19,508,297	21,524,925	23,311,377	24,325,302	24,180,654	25,178,559	27,875,568	31,584,660							
Total Cash & Investments																

Externally Restricted ⁽¹⁾

Developers Contributions
Sheridan Street Upgrade Loan Funds
Specific Purpose Unexpended Grants & Contributions
Water network infrastructure
Sewer network infrastructure
Gundagai Town Improvement District
Domestic Waste Management
Stormwater infrastructure renewal

Total Externally Restricted

(1) Funds that must be spent for a specific purpose

Internally Restricted ⁽²⁾

Merger Implementation Fund
Stronger Communities Fund
Aerodrome Bitumen Resurfacing
Bradman's Birthplace
Coolac bypass
Cootamundra Caravan Park
Council Election Reserve
Development
Employee Leave Entitlements
Financial Assistance Grant
Heritage Centre
Incomplete Works
Plant Replacement
Quarries & Pit Restoration
Saleyards
Special Projects
Swimming Pool Pump & Equipment
Cemetery Reserve

Total Internally Restricted

(2) Funds that Council has earmarked for a specific purpose

Unrestricted (ie. available after the above Restrictions)

Total Cash & Investments