SUPPORTING PLAN

Financial Management Strategy 2026-36

DRAFT

CANTERBURY BANKSTOWN

7 destinations

Safe & Strong
A proud inclusive community that unites, celebrates and cares

Safe & Strong documents cover such themes as being a child friendly City, social justice, children's services, community safety and crime prevention, inclusiveness, community services, universal access, reconciliation, ageing, community harmony and youth.

Clean & Green
A cool, clean and sustainable city with healthy waterways and natural areas

Clean & Green documents cover such themes as managing our catchments and waterways, natural resources, environmental hazards and risks, weather/ climate emergencies, biodiversity, climate change, resilience, and corporate sustainability.

Prosperous & Innovative
A smart and evolving city with exciting opportunities for investment and creativity

Prosperous & Innovative documents cover such themes as economic growth and employment, investment, art, culture, heritage preservation, pursuing digital solutions and being creative.

Moving & Integrated
An accessible city with great local destinations and many options to get there

Moving & Integrated documents cover such themes as accessibility, pedestrian and cycling networks, pedestrian and road safety, transport hubs, and asset management.

Healthy & Active
A motivated city that nurtures healthy minds and bodies

Healthy & Active documents cover such themes lifelong learning, active and healthy lifestyles, open spaces, passive parks, play spaces, and providing quality sport and recreation infrastructure and programs.

Liveable & Distinctive
A well designed, attractive city which preserves the identity and character of local villages

Liveable & Distinctive documents cover such themes as preserving the character and personality of centres and revitalising them, affordable housing, well-managed development, and complying with local laws.

Leading & Engaged
A well-governed city with brave and future focused leaders who listen

Leading & Engaged documents cover such themes as open government, managing assets, improving services, long term funding, operational excellence, monitoring performance, being a good employer, civic leadership, and engaging, educating and communicating with our community.

Strategic Planning Framework Summary

The Strategic Planning Framework (SPF) maps out the role of all current and future Council strategies and plans that work to deliver the vision for the City. The framework works from the highest level of strategic direction from the Community Strategic Plan through to more detailed plans that will eventually drive works, projects and programs on the ground. The framework is comprised of the following levels:

The **COMMUNITY STRATEGIC PLAN (CSP)** is our highest level plan and translates the community's desired outcomes for the city into key destinations. The CSP includes community suggested actions which can be tested in the development of all other plans.

1 **SUPPORTING PLANS** identify broad works projects and programs required to deliver on these actions. Supporting plans include indicative costing and resourcing requirements and delivery timeframes.

2 **DETAILED ACTION PLANS** take actions from SUPPORTING PLANS and identify specific works projects and programs required to deliver on these actions. These plans include detailed costing and resourcing requirements and delivery timeframes.

3 **GUIDELINES, POLICIES AND CODES** provide detailed information, rules for activities or guidance for specific works on Council or other lands.

Acknowledgement

The City of Canterbury Bankstown acknowledges the Traditional Custodians of the land, water and skies of Canterbury-Bankstown, the Darug (Darag, Dharug, Daruk, Dharuk) People. We recognise and respect Darug cultural heritage, beliefs and relationship with the land. We acknowledge the First Peoples' continuing importance to our Canterbury-Bankstown community.

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Message from the Chief Executive Officer

Council's current fiscal position is sound and well placed to ensure we continue to deliver the great services we provide for our community. Amidst the current economic and financial landscape, and cost of living pressures experienced by most residents, Council's financial management strategy and its long-term financial plan (Plan) sets out our commitment to:

- responsible and sustainable spending;
- investing in the renewal and ongoing maintenance of our infrastructure; and
- achieving intergenerational equity.

Our Plan takes into consideration the expected growth across our city and meeting the increasing demands and challenges of our community.

There is little doubt that demands will be great, but it is imperative we stay the course to ensure we remain financially sustainable. Council's Plan clearly demonstrates a balanced approach to managing its long-term fiscal position, it also conveys the relevant strategies to managing some of the challenges we will face – and importantly need to address - over the next decade.

I am quite confident and have a positive outlook on what the future holds. Our foundations are strong and are ideally positioned to both manage uncertainties and continue to build on our strengths and opportunities. I am pleased to present Councils Plan to our community.

Integrated Planning and Reporting (IP&R)

Communities do not exist in isolation – they are part of a larger natural, social, economic and political environment. Council's plans and strategies also do not exist in isolation – land use and infrastructure planning support social, environmental and economic outcomes, and vice-versa – they are all connected and must therefore be integrated.

Under the Local Government Act 1993, Councils are required to develop a hierarchy of plans known as the Integrated Planning and Reporting (IP&R) Framework. IP&R requires councils to draw their various plans together and understand how they interact.

IP&R also acknowledges that the City is constantly changing and that decisions made now may have a long 'lead' time before they are realised in the future. Planning must prepare for a sustainable future, one that ensures that future generations aren't left with an unsustainable legacy. IP&R allows councils to get the maximum leverage from their efforts by planning holistically for the future.

Importantly, IP&R opens the way for councils and their communities to have important conversations about funding priorities, service levels, preserving local identity and planning in partnership for a more sustainable future.

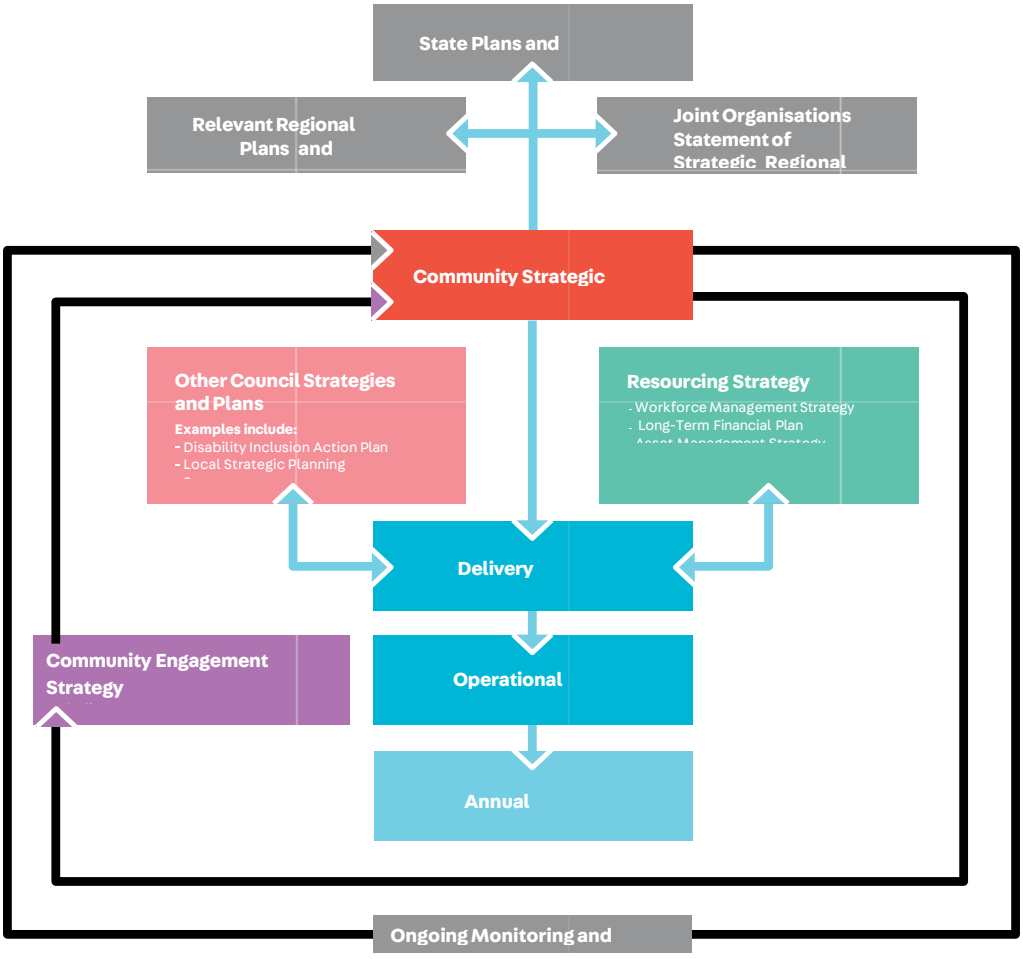
The essentials of the Integrated Planning and Reporting Framework are shown in the adjacent image. This Annual Report forms part of the perpetual reporting and review phase shown.

Council's IP&R obligations are detailed in Section 8c of the Local Government Act 1993 which outlines the principles for strategic planning that must be applied to the IP&R Framework.

These principles are to:

- Identify and prioritise key local community needs and aspirations and consider regional priorities.
- Identify strategic goals to meet those needs and aspirations.
- Develop activities, and prioritise actions, to work towards the strategic goals.
- Ensure that the strategic goals and activities to work towards them may be achieved within Council resources.
- Regularly review and evaluate progress towards achieving strategic goals.
- Maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals.
- Collaborate with others to maximise achievement of strategic goals.

- Manage risks to the local community or area or to the Council effectively and proactively; and
- Make appropriate evidence-based adaptations to meet changing needs and circumstances.



Decisions made by Council should:

- Recognise diverse local community needs and interests.
- Consider social justice principles – access, equity, rights and participation.
- Consider the long term and cumulative effects of actions on future generations.
- Consider the principles of ecologically sustainable development; and
- Be transparent and accountable in decision-making.

The Community Strategic Plan

CB2036 guides Canterbury-Bankstown for the next decade and beyond on its journey to be a thriving, dynamic and real city of people who are interested and

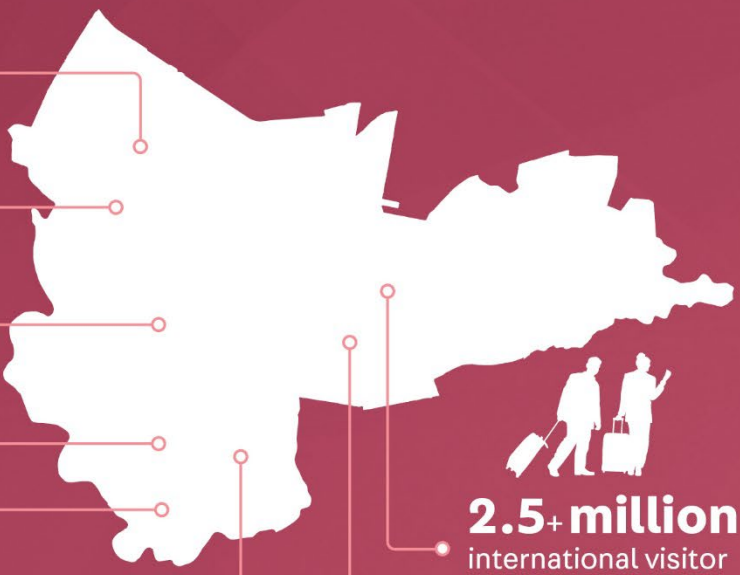
Your City

17 kilometres southwest of the Sydney CBD

41 suburbs

110 square kilometres

160,000+ employed residents



2.5+ million international visitor nights (2024/25)

99,000+ local workers

$18.8 billion gross regional product

42,700+ businesses

YOUR ASSETS

3 river catchments

270+ playgrounds

600+ parks

75+ sporting complexes

18 train stations

416+ Council buildings

900+ kilometres Council roads

1,200+ kilometres footpaths

5,400+ traffic management devices

Your Community

389,687
population in 2025

500,000
population by 2036

36
median age

45%
born overseas

59%
speak a language other than English at home

20.5%
over 60

23.5%
under 18

1
art centre

126
schools

1
university

2
TAFE campuses

2
hospitals

11
libraries

91
Gross Pollutant Traps

683km+
drainage conduits

Understanding the Purpose of our Strategy

Introduction

For Council to be financially sustainable, resources need to be managed so that financial commitments can be met both now and into the future whilst also ensuring that the community needs are being met.

The strategy has been prepared to guide Council in its financial decision-making ensuring that the following principles are followed:

- The community's finances will be managed responsibly to enhance the wellbeing of residents;
- Community wealth be maintained ensuring the wealth enjoyed by today's generation may also be enjoyed by tomorrow's generation;
- Council's financial position will be robust enough to recover from unanticipated events and to absorb the volatility inherent in revenues and expenses.

Council's Financial Management Strategy (Strategy) provides a forecast of Council's financial performance over a ten (10) year period based on existing income trends, continuing with existing service levels and the renewal/replacement of its existing asset base – as outlined in its Asset Management Strategy.

Separately, Council is required to provide additional financial options/scenarios which assess varied income and service/asset delivery options – to assist in understanding the likely financial impact if they were to be implemented – in considering its ongoing financial sustainability.

Importantly, it should be noted that the scenarios outlined in Council's Strategy is not what Council plans and/or intends to do – but merely provide our community with alternate/relevant information regarding Council's long-term financial position over a ten (10) year period.

Policy Statement

City of Canterbury Bankstown (CBCity) will have sound integrated planning, financial management and operating principles, while maintaining financial sustainability for the longer term.

This will be underpinned by current financial management practices that ensure delegation of integrated planning, financial and operational responsibilities. Further robust practices for budget and financial forecasting, compilation and audit of the financial statements and day to day financial processes will be in place.

Council's key focus areas over the life of this plan are to:

- Effectively engage with our Community to determine our service levels, revenue strategy and more broadly, ensuring that our services remain affordable;

- Create a culture within Council that has a strong focus on operational efficiencies at all levels to ensure services are delivered to the community in a cost-effective manner;

- Understand and manage risk in a transparent and prudent manner, ensuring Council's position is not unnecessarily risk adverse;

- Ensure that Council has the appropriate assets, that are fit for purpose to meet community needs. This would also include rationalisation of existing assets where appropriate;

- Undertake workforce planning to ensure Council has the right skills and capabilities in place to meet the community's future needs;

- Undertake planning to develop Council's long-term infrastructure investment requirements and to ensure that this is funded by the optimal mix of internal funding, external grants and contributions, and borrowings;

- Develop a robust capital governance framework to ensure Council makes prudent, consistent and disciplined decisions regarding asset creation and renewal; and

- Develop sound financial management practices that ensures maximum returns on investment (at acceptable risk levels), prudent procurement policies, minimise opportunities for fraud and appropriate use of debt funding.

Strategic Allocation of Funds and Resources

The FMS guides Council's budgetary framework and informs funding decisions to maintain fiscal discipline and align Council expenditure with funding priorities.

Council's budgetary framework links Council's Statement of Revenue Policy with its funding priorities being ordered as follows:

- Funding Council Liabilities;
- Funding Council's dedicated reserves in accordance with Council Policy; and
- Funding Council's Operational and Capital Budgets.

Strategic Principles and Objectives

Council's financial objectives provide the very framework for developing its LTFP and support consistent and informed decision-making – particularly in terms of:

Financial sustainability:

Generate sufficient income to fund ongoing services, renew and replace assets, meet future commitments, and maintain sufficient cash levels to support liquidity needs and unplanned events.

To do this we will:

- integrate asset management, long-term financial and strategic resource planning;
- continually seek time, cost and quality service improvements and efficiencies and opportunities to increase income;
- consider lifecycle costs in decisions relating to new and upgraded services and assets;
- maintain sufficient cash and investments to ensure short-term working capital requirements are met:
- maintain sufficient cash and investments to ensure Council is able to deal with unplanned events, emergencies and liabilities;

- limit the use of loan funds when producing asset and new infrastructure projects with consideration to intergenerational equity;

- maintain a sound financial position, reflected in Council's performance ratios.

Safeguard our financial future:

Create and safeguard our financial future by making prudent and responsible decisions that consider the financial impact on future generations.

To do this we will:

- ensure the current generation covers the cost of its services through a fully funded operating budget; and

- Implement mechanisms to fund specific capital expenditure and operations, considering the ratepayers who benefit from them, with an aim to achieve equity between generations of ratepayers.

Deliver a balanced budget:

Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, the repayment of debt, depreciation and maintaining cash reserves in accordance with Council's Policies.

To do this we will:

- Fund Council's capital program, where the source of funding is identified and secured for both capital renewal and new capital works;

- manage the immediate and ongoing financial impacts of shocks – such as a pandemic and/or extraordinary events - to safeguard long-term financial sustainability; and

- maintain an unrestricted current ratio of greater than 1.5 to ensure the required level of cash is maintained to meet

operational requirements as well as build cash reserves for contingencies that may arise. Strengthening this position over the years of the LTFP is a priority.

Maintain current levels of service:

The operating budget is designed to deliver current services and service levels.

To do this we will:

- Continue to provide services at current levels and standards to the community; and
- any changes to future service levels will be determined in consultation with the community.

Fund infrastructure renewal:

A disciplined approach is undertaken in fully using depreciation for the renewal of assets, informed by asset management plans and the prioritisation of assets in poor condition.

To do this we will:

- Fully use depreciation for the renewal of assets and provide the appropriate level of funding for their scheduled and reactive maintenance – i.e. prioritise asset renewal needs over new assets;
- continually monitor asset conditions to minimise the likelihood of infrastructure backlogs;
- link the Asset Management Plans to the LTFP; and
- When funding is available, we will provide well-maintained community assets that are fit for purpose and provide the best possible community benefit.

Responsible funding of new community assets:

Surplus funds and other funding sources are sought to meet additional

infrastructure needs of the community in a prudent, ethical and responsible manner.

To do this we will:

- achieve operating surpluses (excluding grants and contributions provided for capital purposes) which can be used to provide new assets when there are insufficient development contributions or grant funding;

- fund capital expenditure in a prudent, ethical and responsible manner. Council will seek and accept external funding contributions to a project where the acceptance of the funding will not compromise Council's principles or objectives;

When funding is available, we will;

- Ensure the community has access to the required infrastructure to meet community needs within a framework of LGA-wide priorities; and

- Ensure asset management decisions consider sustainability and adaptability, based on full life cycle costs through acquisition, operation, maintenance, renewal, adaptation and disposal.

Building the Right Financial Capacity

In managing both our expectations and deliverables, we need to ensure we have the financial capacity to be able to deliver on our agreed outcomes.

This requires Council to develop sustainable revenue strategies, which are both equitable and affordable for our community.

Council will develop actions, in consultation with its community, to move towards and maintain:

- Surplus budgets in the future based on the Net Operating Result (pre-capital).

- The basis to this is ensuring that the annual growth in general funded expenses is less than the long-term average general funded revenue growth.

- Policy decisions are made having regard to their financial effects on future generations.

- The current generation funds the cost of its services.

- Alignment of Council services with community expectations will continue to play an important part in determining the future needs and operations of the organisation.

- Assuring the right things are done in the most efficient way and being able to measure that performance should provide a sound platform for communicating and planning to meet agreed community expectations.

- Council will maintain an ongoing review of its services that seeks to better define service requirements, refine delivery methods and balance service aims against affordability for both the Council and our customers.

- Any cash surpluses of a general fund nature will be restricted and held for strategic priorities, as determined by Council

In principle, Council's major revenues will reflect the following:

- ***General Rates*** – establish an appropriate and fair tax-base which will fund essential whole of community services not funded through other sources;

- ***Annual Charges*** - apply a specific annual charge for managing Council's Domestic Waste Management Service including the rehabilitation of our tip sites, and a Stormwater Levy to fund new stormwater assets;

- ***Grants and Contributions*** – seek grant and contribution opportunities from government and other organisations to assist with the delivery of Council services and infrastructure especially in supporting the expected growth throughout the City;

- ***Pricing of Goods & Services and Regulatory Charges*** – Council will establish relevant pricing policies, fees and charges for user specific services. Council will also recognise its obligation to partially fund and/or subsidise services, where appropriate;

- ***Proceeds from the Sale of Assets*** – funds from divesting community assets will be restricted and used to construct, upgrade and/or replace agreed facilities, infrastructure and/or equipment, as determined by Council;

- ***Cash Investments and Restrictions*** – Council will hold cash investments which satisfy its legislative requirements (External Restrictions) and for certain funding policies set by Council (Internal Restrictions), for example - asset replacement reserves as well as managing known commitments, liabilities and/or other contingencies;

  When cash is invested, Council will apply a prudent risk management approach in accordance with government and legislative requirements;

- ***Debt / Loan Borrowings*** – where appropriate, Council will utilise debt to fund capital expenditure, subject to it fulfilling agreed economic, social or environmental benefits and not affect existing recurrent operations and/or cashflows. Importantly:

  - The use of loan funds will, in the main, be limited to income producing assets and new infrastructure projects where intergenerational equity considerations justify spreading the cost between generations of ratepayers who benefit from the expenditure;

  - Loans will not be used as a funding source for operating expenditure;

  - The total amount of loan borrowings must be sustainable in terms of ability to meet future repayments and budgetary obligations. The funding source to meet repayments must be identified before entering any new loan arrangement; and

  - The term of any loan is not to exceed the expected economic life of the asset being funded.

- ***Other General Income Sources*** – Council will look to investigate and generate other alternate sources of revenue, as determined by Council; and

- ***Surpluses from Previous Financial Years*** – any cash surpluses of

a general fund nature will be restricted and held for strategic priorities, as determined by Council.

Annually, Council will consider and adopt its Statement of Revenue Policy in accordance with statutory requirements.

Serving Our Community

Managing Our Operations

Council will plan for the provision of services and assets by setting clear and appropriate priorities, as determined by the community. This will be undertaken within a strategic planning environment focused on retaining a financially sustainable and viable position.

Council's approach will be to establish relevant and appropriate operational strategies to ensure that it is able to have the flexibility and freedom to respond to community demands, as and when appropriate.

In terms of managing its recurrent operational services/programs, Council will:

- Establish and manage an effective Workforce Strategy. Council will regularly review its organisational structure and ensure it remains flexible to adapt to delivering required outcomes. Council will continually look to broaden and improve its staff's knowledge, skills and capacity to ensure it meets its required challenges and constraints;

- Manage operations determining the required resources to support its long-term service plans and reflect them in its delivery and operational plans;

- Plan to absorb any service expansion as part of its ongoing service reviews;

- Where appropriate, Council will continue to assess augmenting its core workforce with specialised services through competitive tendering and other collaborative, regional service delivery and industry reform options;

- Apply a business partnering approach to managing corporate

support functions, with the view to capitalise on economies of scale throughout the organisation and build scale and capacity as growth occurs throughout the City;

- Apply, where appropriate, a commercial approach to managing agreed services/functions and other non-core outcomes;

- Continually assess its support/overhead cost structure;

- Manage issues of "cost shifting", statutory and other non-discretionary costs, as required;

- Ensure it provides an appropriate balance and scale of services with respect to its available financial resources/capacity;

- Ensure decisions reflect the agreed social, community and environmental management strategies set by Council;

- In setting its priorities, Council will take into consideration both its current and expected population, demographics, density, distribution and growth when developing its long-term service and asset management plans;

- In cases where services may also be provided by other levels of government, Council will consult with the appropriate Departments to ensure that it:

  - Is the most appropriate level of government to provide the service;
  - Manages any overlap with similar federal or state government provided services; and

  - Determines the most cost effective and appropriate service delivery option.

- As part of any consultation process, Council will consult with its community in setting its priorities, and in doing so, Council will:

  - adequately reflect the community's key priorities;

  - manage community expectations and ensure that the community understands the trade- offs between increasing services and increasing revenue;

  - increase awareness of existing services and assets currently provided; and

- inform the community on the implications of not prioritising its services.

Maintaining Our Assets

Council is the custodian of around $6.2B in public assets throughout our local government area. Our responsibilities and/or obligations to ensuring they appropriately support our services, are fittingly maintained and/or renewed, is of the highest priority.

Council's existing asset base is of a good standard and support our existing services well. That said, Council's long-term asset plans raise several warnings, which must be both recognised and addressed. Those issues include:

- the increasing cost of maintaining and renewing our assets;
- funding the annual "renewal gap" – the difference between what we can afford to allocate towards maintaining and renewing our assets and what is actually required (Depreciation Expense). Based on Council's adopted LTFP – which includes additional funding approved through the SRV – Council's estimated the gap is still around $68M by 2035/36;
- funding the "asset backlog" – funding assets which have deteriorated to the point where they should have already been replaced. At present, Council's "asset backlog" is estimated at around $176M.
- An important comparison as at 2035/36 is as follows:

Description	2035/36 Based on OLG Benchmark $M	2035/36 Including Current SRV $M	2035/36 Excluding Current SRV $M
Annual Renewal Gap	-	68	114
Asset Backlog	89	778	1,031

- funding new assets – both to accommodate growth throughout our City and meet growing community expectation.

Accounting for Depreciation Expense – Its Purpose

Depreciation Expense is a non-cash item which aims to broadly account for the level of use/consumption of assets on an annual basis. Whilst the amount is of a non-cash nature, the figure provides an important guide as to the level of funding Council should be preserving on an annual basis in the form of cash reserves for the eventual replacement of assets, as and when required.

Where an adequate level of funding is not made available – this will ultimately leads to an aging/deterioration of assets such as leaking roofs, cracking and pot-holes throughout our road network and uneven playing surfaces.

At present, Council has identified its level of Depreciation to be around $113M per annum, which means that as a minimum, it should be spending and/or restricting cash of a similar amount for the purposes of replacing its existing assets and importantly maintaining our infrastructure asset base to current standards.

Based on the above, Council will continue to assess its community, operational and investment assets, which support Council agreed services, with the view to:

- reviewing, revising and/or rationalising its asset base to match the service needs and priorities of the community;
- establishing effective renewal strategies and plans based on condition assessments; and
- determining the agreed scale of asset quality demanded by the community.

Council's LTFP provides a more detailed assessment of required funding options to address the above issues. Separately, a more comprehensive assessment of Council's asset management issues is outlined in Council's Asset Management Strategy.

Being Efficient

Council recognises any decision it makes must represent value-for-money and remain affordable for our community. In ensuring this, Council will apply reasonable measures, which:

- Establish clear links/relationships for all our strategies as part of

Council's Integrated Planning and Reporting Framework;

- Maximise efficiency savings through its on ongoing assessment of its services, improvements in its operations, digital transformation, procurement, and tendering processes; and

- Partnering with others, particularly other levels of Government, and investigating alternative funding mechanisms to support the expected growth throughout our City.

Since merging, Council has applied a rigorous approach to reviewing its operations with the intent of realising service and process efficiencies and importantly the many economies of scale expected from the amalgamation.

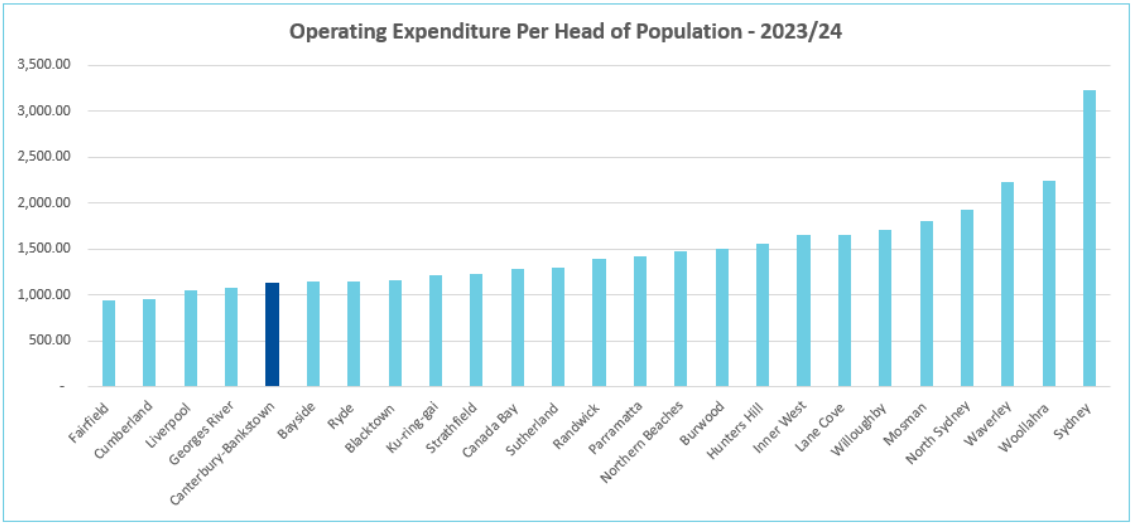
In 2022, Council carried out high-level financial assessment to assess/estimate the ongoing savings/benefit derived due to amalgamation was around $20M per annum since merging.

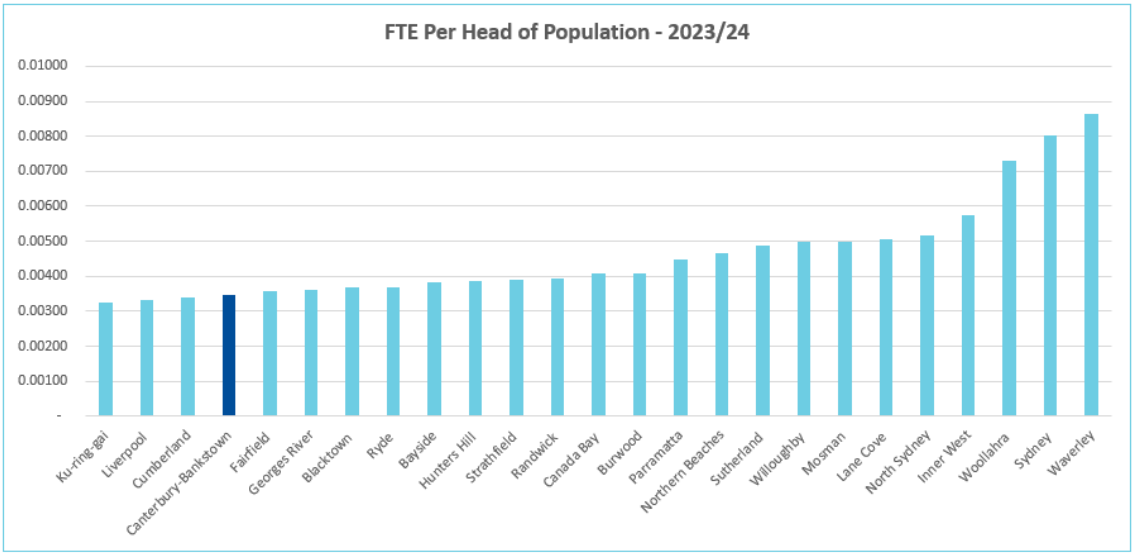
Since then, and like many other sectors/industries, Council has experienced/faced a number of economic pressures, cost escalations and issues concerning Government Policy – particularly general inflationary pressure, shortage in the labour market for construction works, the impact of the rate-peg component of Council's SRV, declining general purpose grants and more recently the fuel shortage crisis – have in part eroded the benefits it had been able to achieve.

That said, the earlier derived benefits has certainly assisted in ensuring that Council have in part been able to somewhat absorb the economic impacts we have faced.

Nevertheless, Council continues to focus on being efficient as one of its core principles in managing its operations. An important comparison in efficiency is our effectiveness and capacity to deliver the significant array of services to one of the most populous communities throughout NSW.

An important comparison published by the NSW Office of Local Government include the following:

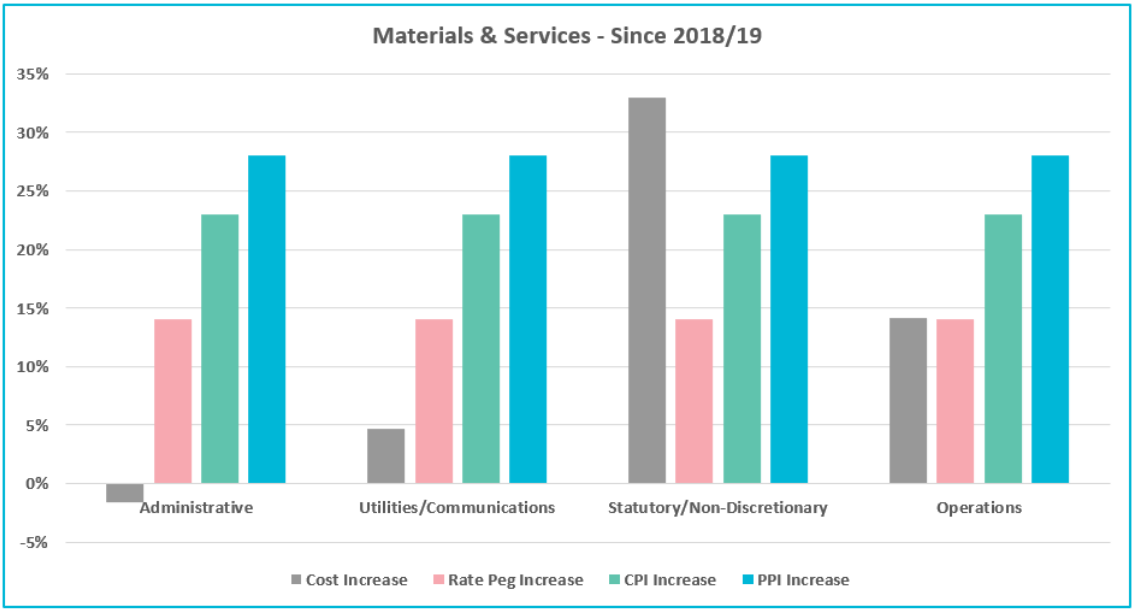




As illustrated above, Council is one of most efficient and leanest – in terms of its cost structure and staffing numbers – across all Sydney metropolitan Council's.

The savings from efficiencies have been both crucial and necessary in allowing Council to absorb the significant escalation in costs experienced by all NSW councils generally – whilst continuing to deliver high standard of services for our community and significant capital investment throughout our City.

Council's strong commitment to efficiently managing its operations is best demonstrated when assessing its largest external cost, materials and contracts.



As demonstrated, Council's focus on effectively managing its costs is evident, displaying considerably lower than CPI and other industry indices in the graph above. The savings have been quite crucial – in that they have largely been absorbed in managing escalating statutory and other non-discretionary costs – well above general economic indices.

Council's ongoing commitment to being efficient will continue – a journey which not only focuses on our costs but providing an effective, transparent and engaging approach to ensuring a positive customer experience.

Financial Governance

Council's FMS provides the required framework which will ensure that monetary decisions are made and implemented in meeting its financial goals and outputs.

The strategy will ensure that Council effectively manages its obligations to:

- promote confidence within the community;
- produce better Council outputs and outcomes;
- enhance its value and standing;
- meet required legislative responsibilities;
- deliver on the community's requirements.

Council will continue to ensure that there will be robust and transparent financial management and governance established and maintained to meet accountability to its community and stakeholders, particularly in

terms of its stewardship of community assets, both now and in the future.

Council's External Audit obligations together with its Internal Audit Program will actively focus on both reviewing and ensuring Council's approach to effectively managing its financial management requirements.

Risk Management

Managing risks is key, and Council's approach to policymaking is one based on sound decision-making and prudence.

Council's FMS and LTFP provide the required measures and approach towards managing its exposure to financial risk.

Council's decisions regarding its financial capacity and requirements will be managed within the context of an agreed Enterprise Risk Management framework, which reflects accepted financial performance objectives in ensuring that it remains sustainable, together with agreed cash reserves to manage fluctuation in recurrent operations and contingencies.

It will establish and maintain an effective approach to identifying, assessing, monitoring and managing its organisational risks having regard to the parameters as set out in this strategy.

Broadly, Council notes several financial risks that it carefully considers in fulfilling its objectives, including:

- Regulatory financial management restrictions placed on Council and its ability to raise revenue limit Council's ability to forward plan with certainty, when the largest funding source is reliant on the annual rate peg announcement;

- Ongoing economic instability results in further uncertainty in estimating costs and setting prices – particularly as it relates to cost-shifting from other tiers of Government, waste management, market conditions and competition, workforce and resourcing challenges;

- Pressures from population growth and increased property values will drive increased exposure to our entire community,

from a safety, wellbeing, and financial perspective unless we take active steps to manage these risks;

- Many projects are funded through grants. It is often not possible to submit grant applications several years in advance, and a subsequent failure to receive grant funding may severely affect the ability of the Council to deliver a project. Grants that are not recurring in nature or secured are not included in the LTFP for this reason; and

- Political decisions at the State and Commonwealth level that change policy and legislation that Council operates under could negatively impact on our revenue generating capability, transfer greater service delivery responsibility to Council or result in population growth with insufficient planning and funding.

Measuring Our Performance

Financial Sustainability Definition and Measures

The foundation to financial sustainability is found in the NSW Local Government Act – Chapter 3, which include:

- 8A - Guiding principles for councils
- 8B - Principles of sound financial management
- 8C - Integrated planning and reporting principles that apply to councils

A financially sustainable Council, as defined by the NSW Government, is one that over the long term can generate sufficient funds to provide the level and scope of services and infrastructure agreed with its community through the Integrated Planning and Reporting process – (Source: NSW Government, 2012).

To achieve this, Council has set a series of broad strategic milestones and/or performance measures to guide it on its way to financial sustainability. Importantly, these measures will be used for broader reporting purposes for Council and its community.

Current Financial Position

Council's Adopted Approach

Council's current financial position is considered sound – particularly from a cashflow perspective. This is largely attributable to Council's effective method of financial management – particularly its balanced approach to managing its costs, liabilities, and servicing demands.

Importantly, in 2021, IPART approved Council's SRV – and provided the very basis for it to both address the former Council's financial constraints and its longer-term financial challenges – and importantly create a well-balanced path towards financial sustainability.

As a snapshot, Council's SRV was determined to gradually provide – over a four-year period - an additional $40M in rating revenue, with particular focus on;

- increasing funding ($4M per annum) to improve several operational services;
- adding $31M per annum to replace, renew and address the deterioration of our existing asset base into the future; and
- fund the debt servicing costs required to fund Council's Leisure and Aquatics Strategy.

At the time - Council's LTFP provided the appropriate balance and surety to safeguard Council's financial sustainability – and importantly have the capacity to fund around 80% of our depreciation expense, an amount considered quite sound and appropriate to manage Council's ongoing Long-term asset management requirements.

Special Rate Variation Constraints

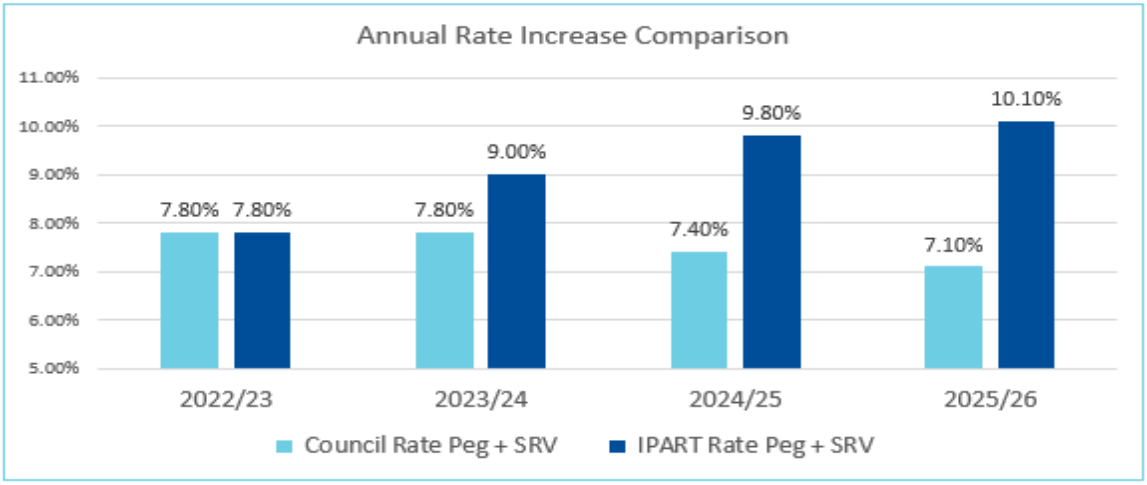
That said – and since implementing Council's SRV - the broader economic landscape and the constraints imposed on Council's SRV (rate-peg component) by IPART have placed further financial pressure on Council's longer-term financial forecast – particularly its ongoing ability to both renew and replace its current $6.4B infrastructure asset base.

By way of background – when approving Council's SRV back in May 2021 – IPART set Council's rate-peg for the duration of the SRV period, being for a four (4) year period. Given the broader economic climate – particularly increasing inflation and interest rates – subsequent rate-peg increase for NSW Council's have been significantly higher than that set by IPART for Council.

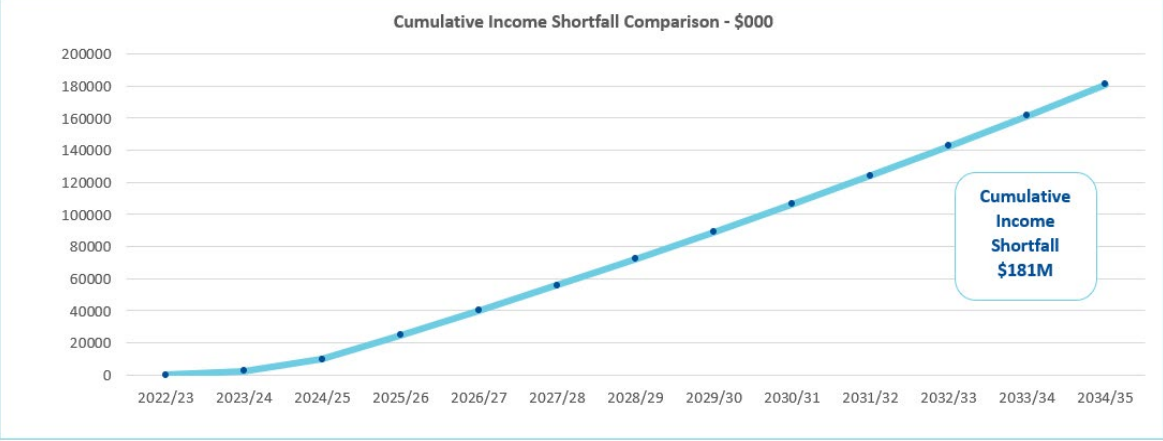
A comparison of Council's rate-peg versus the general peg approved for all other NSW Council's is as follows:

Description	2022/23	2023/24	2024/25	2025/26
CB City Rate-Peg	2.5 %	2.5 %	2.5 %	2.5 %
General Rate-Peg – NSW Councils	2.5 %	3.7 %	4.9 %	5.5 %

The financial impact of the rate-peg gap is quite significant for Council – and has a significant financial consequence in the long-term. When combined with Council's SRV component, the comparison is as follows:



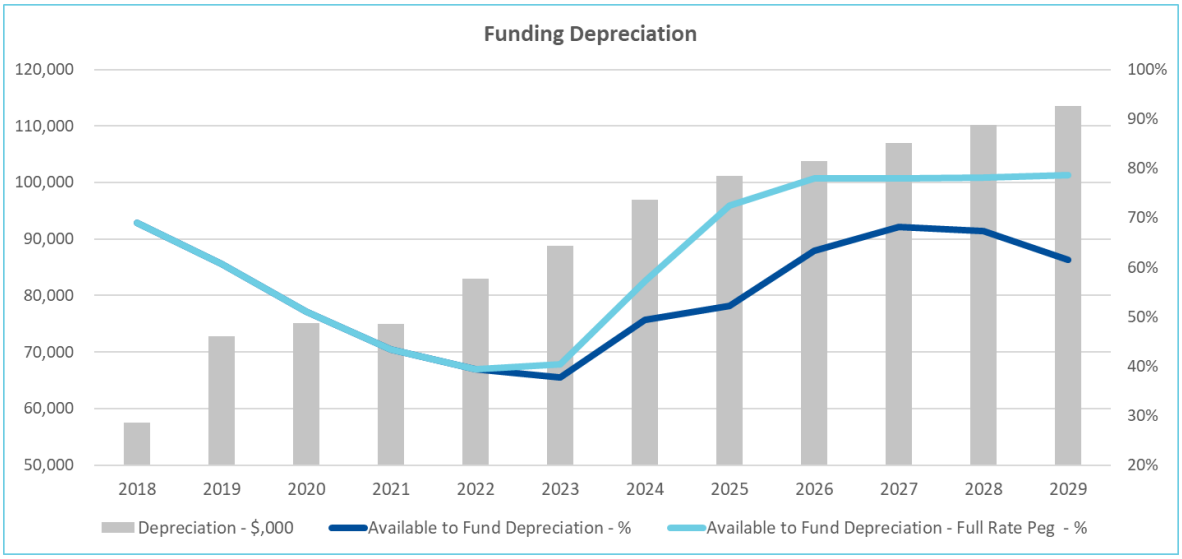
In financial terms, the cumulative effect by 2034/35, of the rate-peg gap is as follows:



Importantly, the rate-peg gap significantly changes Council original long term financial strategy in terms of funding depreciation.

The repercussions of this means that Council will only be able to fund depreciation up to a value of 58% - which ultimately will lead to a more rapid deterioration of our assets and increased maintenance costs.

The comparison between Council intended Depreciation Funding Strategy as part of the SRV and Council's current path is as follows:



Regrettably, Council's SRV constraints have now altered its path to achieving long-term financial sustainability – and thereby requires Council to reconsider its approach to addressing the funding shortfall.

Council's LTFP scenarios (detailed further in the document) provide various strategies to correcting Council's SRV shortfall.

Broader Economic Conditions

The current broader economic environment/climate remains a challenge. The NSW Government – in delivering its 2024/25 Budget had suggested that:

- Cost-of-living pressures remain sufficiently elevated to suggest the slowdown in economic activity, particularly on a per capita basis, will continue in the short term. Along with a gradual rise in unemployment and uncertainty over the timing of interest rate cuts, households are expected to remain cautious with their spending.

- This weakness in activity is expected to see employment growth slow further, with job creation failing to keep pace with the growth in the supply of labour. Accordingly, the unemployment rate is forecast to continue to rise to a peak of 4½ per cent in mid-2025.

- By historical standards, this peak in the unemployment rate is relatively low. Alongside an elevated employment-to-population ratio, this suggests labour market conditions will remain relatively tight for some time.

- Inflation is forecast to maintain its path back toward the Reserve Bank of Australia's (RBA) target supported by a continued easing in goods inflation and domestic demand. However, elevated labour costs in the near term are expected to underpin persistent higher services inflation. This is expected to keep inflation above its target range until 2025.

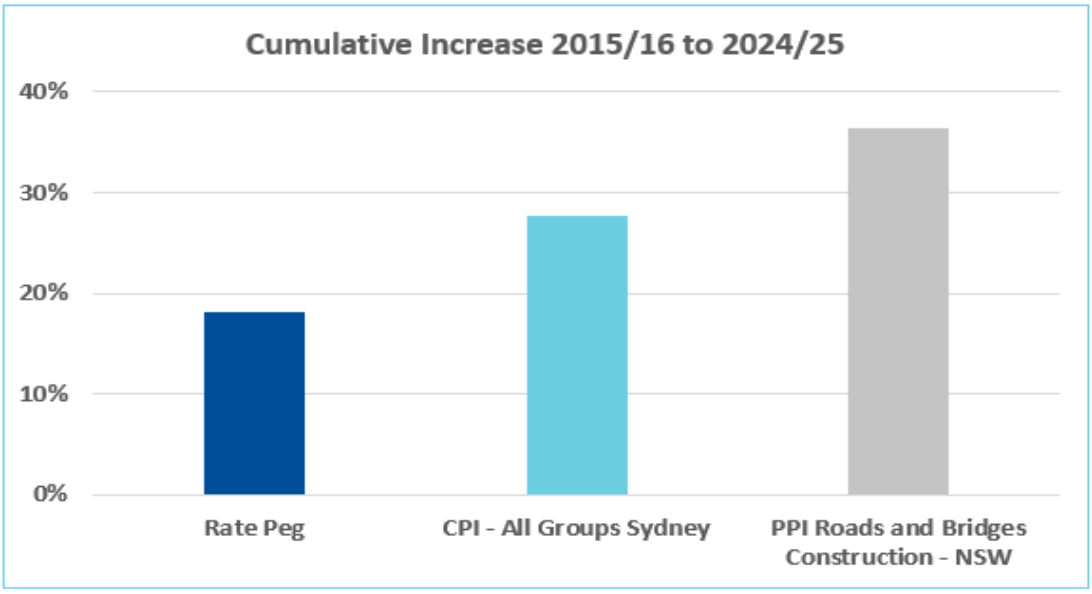
- Momentum is anticipated to increase as conditions allow the RBA to start lowering interest rates in the first half of 2025. This, as well as support to incomes from stage 3 income tax cuts, and falling inflation, will ease cost-of-living pressures for households and should provide a boost to consumption. Resilient labour demand will also support a recovery in activity, adding to an overall outlook consistent with a soft landing for the economy.

Council is not immune to the broader economic pressures experienced throughout NSW. Council is similarly affected by the very same issues – both directly and indirectly in managing its operations.

Pertinently, NSW Council's are further affected by the constraints of rate-pegging on councils ability to raise rates. Whilst this plan does not attempt to intricately discuss the shortcomings of rate pegging in NSW – it's abundantly clear that the impact of the rate peg over the past 40 years has had a detrimental financial impact on NSW Councils ability to remain financial sustainable.

Regrettably, the rate peg set by IPART each year does not adequately keep pace with the estimated change in the base costs of providing councils current services and service levels to households, businesses, and the broader community – let alone recognise the growing asset management funding gaps that exists throughout the State.

Council estimates that the cumulative gap between Council's rate peg, CPI and the Producer Price Index over the past 10 years to be as follows:



As can be seen – the gap cannot simply be addressed by way of further efficiencies and process improvement. The only real option rests with reviewing how councils continue to service their communities, the types and level of services provided, and what acceptable level and/or what level of further deterioration of its asset and infrastructure are our communities are willing to accept.

Nevertheless, Council's decision-making will take into consideration the current economic environment and how it might influence the preparation of Council's annual budgets and its LTFP forecast. The financial impact and certain forecast data has been utilised in formulating Council's plan.

Cost Shifting

Cost shifting onto local government remains one of the most significant challenges facing NSW councils today.

In their most recent report, LGNSW have identified that:

- The unrelenting growth of cost shifting to councils is increasingly eroding any possibility of a financially sustainable local government**,** and risks the capacity of councils to both deliver tailored, grassroots services to their communities and properly maintain vital local infrastructure;

- Alarmingly, the latest research commissioned by LGNSW shows

that the increase in cost shifting has been accelerated by various NSW Government policies; and

- The difficult economic climate, rising costs and severe skills and labour shortages are impacting council budgets and affecting service and infrastructure delivery in local communities. The continual shifting of the obligations and costs for State (or Federal) functions and services onto local government, coupled with a defective rate peg system, is only making the situation worse.

- LGNSW have estimated the total cost shifted onto councils in the 2021/22 financial year at $1.36B. This is a dramatic increase of 78 per cent since the 2015/16 financial year, when the total cost shift was estimated at $820M.

- The research suggests that in 2021/22:

  - Each NSW ratepayer had the equivalent of $460.67 of their paid rates eaten by state government costs. The proportion of council rates subsumed by cost-shifted obligations ranged from $420.90 for ratepayers on the metropolitan fringes to $590.80 for rural ratepayers;

  - The largest direct cost shift to councils is from emergency service contributions and other emergency service obligations, totaling $165.4M.

  - The cost of rate exemptions represents a total of $273.1M of potential rates that are exempted and redistributed to other ratepayers to pay;

  - An additional $288.2M in waste levies are passed onto the ratepayers through the waste collection fees in their rates bill; and

  - A further $156.7M in costs for libraries is also being covered by councils to make up the difference between the committed funding for councils' libraries and the subsidies received.

Council is certainly not immune to the issues raised by LGNSW. In fact, Council's estimates its own financial impact of cost shifting was around $69.5M for the 2021/22 financial year.

Consequently, councils ongoing financial sustainability is significantly

reliant on some level of Government intervention. Recently, NSW Government Standing Committee on State Development, carried out an inquiry on the *Ability of local governments to fund infrastructure and services.*

Amidst the seventeen (17) recommendations made, the Committee recommended that the NSW Government:

Identify opportunities to reduce cost shifting to local government;

- *undertake greater consultation with local government prior to making decisions that may result in cost shifting;*
- *review the practice of discounting infrastructure and other funding applications by border councils due to use by interstate residents;*
- *use its waste levy review to examine how the Waste Levy can better support infrastructure and services that support the transition to a circular economy.*
- *Council will continue to monitor, advocate and reflect in its LTFP - the ongoing impact of cost shifting on local government councils.*

Current Financial Strategy

Introduction

Council's LTFP forecasts its financial performance and position over a ten (10) year period, particularly:

- utilising financial projections and assumptions to determine its

projected annual income and operating expenditure, capital works and asset delivery, acquisitions and disposals of property and the resultant projected cash flows;

- measuring to what extent Council can fund the renewal and maintenance of existing assets, and the provision of new assets as outlined in Councils Asset Management Plan; and

- providing evidence of Councils funding capacity to meet existing service levels and growing community expectations.

As is the case with any long-term projections, they are subject to change, particularly due to:

- a variety of external factors affecting our City, predominantly those outside the control of Council;

- legislative and/or statutory changes, which may impact our operations; and

- any decisions that Council itself may make throughout the period.

Council's LTFP includes a sensitivity analysis to demonstrate potential impacts on the LTFP forecasts due to both known and unknown changes, and the long-term nature of the forecasts. To ensure a commitment to relevance, Council's LTFP will be reviewed annually as part of Council's annual budgeting process.

Planning Assumptions

Economic Assumptions

Population Growth

Canterbury-Bankstown Council is committed to responsible growth and quality housing, evident through our successful track record in planning for density, and housing delivery. Guided by the principles of 'Density done Well', we prioritise well-planned, place-specific development, engaging our community and government agencies in the process.

Our vision and commitment align seamlessly with the Council's strategic planning framework, which includes Connective City 2036, our local Strategic Planning Statement (LSPS), and our housing, employment lands, and affordable housing strategies.

Highlighting our achievements, Council has approved 12,194 dwelling approvals in the first five years of the Government's 2036 Housing Targets, an impressive 97% of the 12,500 anticipated during this period. In addition, through proactive and place-based master planning of Bankstown City Centre, Campsie Town Centre, and the Belmore, Lakemba and Canterbury centres, Council has planned for a further 25,000 new dwellings. This new housing capacity is supported by jobs growth in well serviced locations, working towards our target of 50,000 new dwellings by 2036. It is noted that new, long term housing targets are yet to be released by the NSW Government.

Whilst some general anticipated growth is reflected in Council's LTFP, we will look to continue to revise our projections and its impact, particularly as Council's housing strategies are determined.

Council's financial modelling includes an anticipated increase in income and expenditure associated with the growth in population. Whilst it is anticipated that service priorities will change as the area's population grows, it is assumed that the range of services will remain consistent to that currently being delivered.

Council's population growth throughout the term of the plan is as follows:

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Population	403,694	408,525	412,675	416,678	420,430	423,968	427,578	431,345	435,182	439,053
Dwellings - for Rating Purposes	750	750	750	750	750	750	750	750	750	750

Inflation / Consumer Price Index (CPI)

Whilst predicting the rate of inflation – particularly for longer term period – can be quite imprecise, Council has assumed a consistent rate throughout the term of the plan.

The level of inflation assumed for Council's purposes is as follows:

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
CPI	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Council CPI	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Reserve Bank of Australia Statement on Monetary Policy – February 2025, Council is using a lower indexation for 2026/27 as part of its cost containment strategies

Revenue Assumptions

Current Revenue Framework – Council Operations

Broadly, Council manages its operations by generating revenue from three (3) major sources of income, which include:

- Rating Revenue – approximately 55% of our income and is utilised to manage all remaining services, and manage our assets and liabilities;

- Annual Charges (Waste & Stormwater); – approximately 23% of our income, however these are restricted sources of income and can only be used to manage those specific services; and

- Fee/Charges & Other Revenues – approximately 22% of our income, encompassing interest income, grants, contributions, and general fees and charges for our facilities.

Ultimately, our ability and capacity to raise revenue from fees and charges is extremely limited as rates are set/pegged in a way that supports our community, such as community halls, sporting facilities and aquatics. Most of Council's income from this category is market and / or demand driven, derived from:

- Statutory Fees (representing 60% of our fees/charges) and are largely set by legislation and/or by the Government

- Regulatory Fees/Charges – such as parking fines

- Fees/charges commensurate with other Council's

Rating Revenue Principles, Structure and Assumptions

Key Tax Principles

Ultimately, rates are a form of tax paid by Ratepayers. The rationale for setting rates is based on several tax principles endorsed by IPART, namely:

- Efficiency;
- Equity;
- Simplicity;
- Sustainability; and
- Competitive neutrality.

In terms of setting rates, the above principles essentially require councils to ensure that:

- each ratepayer is required to pay an equitable share of funding for services and infrastructure;

- the share of funding paid is based on one's ability to pay – where property values correlate with wealth and ability to pay – principles used by IPART to assess the current rating system;

- taxes should be equitable over time – meaning the current generation of ratepayers should not pay the total costs of services that will also benefit future generations (intergenerational equity), and conversely not deferring today's liabilities onto the next generation at an unsustainable level;

- rates income is sustainable, in that it can meet the required cost of providing services, maintaining our infrastructure, withstand changing economic conditions and grow over time to support the future needs of councils; and

- treating all ratepayers in a similar way – which promotes fairness and equality amongst competing businesses throughout our area.

Calculating Rates

In accordance with the Local Government Act 1993, Council has two rating categories – namely a:

- Residential Rates category; and
- Business Rates category.

In applying appropriate tax principles set by IPART, Council has established specific Sub-Categories for calculating its Business Rates, being:

Business Sub-Categories	Local Strategic Planning Statement Hierarchy	Rating Differential
Business – Commercial Large	Major Shopping Centres (Bankstown / Roselands)	4 X Residential Ad Valorem Rate
Business – Commercial General	Bankstown CBD, Campsie, Local Centres	3 X Residential Ad Valorem Rate

Business Sub-Categories	Local Strategic Planning Statement Hierarchy	Rating Differential
Business – Industrial Large	Business Parks, Major Industrial Areas	4 X Residential Ad Valorem Rate
Business – Industrial General	All Other Industrial Areas	3 X Residential Ad Valorem Rate
Business - Ordinary	Village, Small & Neighbourhood Centres	2 X Residential Ad Valorem Rate

The basis to establishing the dollar amount each category of rates will be required to pay throughout the local government area, includes:

- **An Ad Valorem amount** – which is set as a proportion of the unimproved land value (UV) of the rateable property (rate-in-the-dollar) – that is, the value of the property without any buildings, houses or capital investments; and

- **A Minimum amount** - which when applied, is a fixed charge that applies instead of the ad valorem amount, particularly when the unimproved land value (UV) is quite low (eg. individual units) compared to a standard residential property.

Harmonising the Former Council's Rating Databases

In accordance with its proclamation as a newly established City, Council has determined to harmonise the former Canterbury and Bankstown Council's rating databases over an eight (8) year period – commencing 1 July 2021.
The harmonisation process means that Council is still required to both separately calculate and manage each former Council's rating database throughout the harmonisation period.

Rating Revenue Assumption

In 2021, IPART approved Council SRV for the purpose of gradually supplying – over a four-year period - an additional $40M in rating revenue, specifically to provide;

- additional $4M per annum to improve several operational services;

- an added $31M per annum to replace, renew and address the deterioration of our existing asset base into the future; and
- a further $5M per annum to fund the debt servicing costs required to fund Council's Leisure and Aquatics Strategy.

- Further, the additional income of the SRV was also for the purpose of:

  - ensuring we continue to maintain adequate cash reserves to protect our liabilities and weather unforeseen events; and
  - ensuring we meet required NSW Government financial indicators expected of all councils.

- It is important to note that unfortunately, the current SRV will:

  - not provide for broad/expand services – beyond those identified as part of the SRV;

  - only looks to maintain our existing asset base at current levels and prevent/suppress ongoing deterioration over a 10-year horizon;

  - not provide additional funding for new and/or enhanced facilities; and

  - not provide the additional funding required to compliment the use of Developer Contributions (Section 7.11 funding) provided to Council.

Council's SRV will be fully implemented throughout the 2025/26 financial year. Subsequent year rate increases will be the standard *rate-peg* percentage – as determined by IPART. Having regard to IPART's methodology, an estimate increase has been applied to forecast Council's rating revenue for the period of the LTFP.

Council's Plan also assumes that:

- Council will restrict 25% of the income generated from the growth in Rates Revenue annually to provide funding for operations to support the forecast growth and ensures Council remains financially sustainable over the medium to longer term – Base Year 2021/22. Funds will be held for specific initiatives/priorities agreed through Council's IP&R process; and

- Council will restrict the remaining 75% of the income generated from the growth in Rates Revenue annually to provide funding for assets and infrastructure to support the forecast growth and ensures Council remains financially sustainable over the medium to longer term – Base Year 2021/22. Funds will be held for specific initiatives/priorities agreed through Council's IP&R process.

Council Financial Management Strategy – Former Bankstown City Council Rates Structure

Council's Financial Management Strategy position for the former Bankstown Council is as follows:

Category	Description
Rating Structure:	Council will maintain its rate structures based entirely upon property valuations (ad valorem) but with minimum rates applying, where appropriate.
Rating Distribution:	No fixed distribution between residential and business properties
Sub-categorisation:	New subcategories for all business properties to apply from 1 July 2021
Special Rate:	CBD Infrastructure Improvement Fund – removed from 1 July 2022
Minimum Rates:	Minimum rates for both residential and business properties will be harmonised from 1 July 2021 in accordance with Council's approved Minimum Rates application from IPART

Category	Description
Ad Valorem Rates:	Council's Ad Valorem rates for Residential and Business properties will be gradually harmonised over an eight-year period and will have one harmonised rating structure for CBCity from 1 July 2028
Special Rate Variation:	Approved IPART SRV application for cumulative increase of 36.34% over a five-year period from 2021-22 to 2025-26 consisting of annual increases of 2% (2021-22), 7.8% (2022-23), 7.8% (2023-24), 7.4% (2024-25) and 7.1% (2025-26)

Council Financial Management Strategy – Former Canterbury City Council Rates Structure

Council's Financial Management Strategy position for the former Canterbury Council is as follows:

Category	Description
Rating Structure:	Council will maintain its rate structures based entirely upon property valuations (ad valorem) but with minimum rates applying, where appropriate.
Rating Distribution:	No fixed distribution between residential and business properties
Sub-categorisation:	New subcategories for all business properties to apply from 1 July 2021
Special Rate:	None
Minimum Rates:	Minimum rates for both residential and business properties will be harmonised from 1 July 2021 in accordance with Council's approved Minimum Rates application from IPART

Category	Description
Ad Valorem Rates:	Council's Ad Valorem rates for Residential and Business properties will be gradually harmonised over an eight-year period and will have one harmonised rating structure for CBCity from 1 July 2028
Special Rate Variation	Infrastructure and Renewal Levy – Ended 30 June 2019
Special Rate Variation	Sustainability Levy – 7.5% increase – compounded - 3 years – Ended 30 June 2017
Special Rate Variation	Approved IPART SRV application for cumulative increase of 36.34% over a five year period from 2021-22 to 2025-26 consisting of annual increases of 2% (2021-22), 7.8% (2022-23), 7.8% (2023-24), 7.4% (2024-25) and 7.1% (2025-26)

Council's forecast throughout the term of the plan is as follows:

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Rate-Peg	4.1%	4.0%	4.0%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Annual Charges – Waste Services

Council is required to set a separate Domestic Waste Management Charges (DWMC), which recoups the reasonable cost of providing Council's domestic waste service.

The DWMC includes the required revenue for Council to:

- Providing the day-to-day operations in managing the domestic waste service;

- Manage future increases in NSW Government Levies and Council's capacity to respond to unplanned events/contingencies;
- Future replacement of garbage bins;
- Future replacement of vehicles;
- Rehabilitating former domestic waste tip sites;
- Preparing for the introduction of the Food Organics and Garden Organics (FOGO) recycling service by July 2030 – as mandated by the NSW Government.

In terms of the 2025/26 financial year – Council estimates the reasonable cost of providing the service and funding projections for the above-mentioned requirements is adequate and as such will apply a zero percent increase. This is due to Council's:

- Waste services operations are performing effectively, having realised significant operational efficiencies, economies of scale and the application of technology to support the service;
- waste liabilities projections and asset replacement requirements are defined and considered stable;
- positive cash and investment interest returns on Council's Waste Reserve; and
- sufficient available capital funding - at this stage – for FOGO (subject to final implementation plan over the next three (3) years).

In terms of subsequent years, it has been assumed that costs and thereby the DWMC will generally increase in line with the *rate-peg* as set by IPART, with adjustments for certain costs – such as fuel costs and NSW Government Waste Levies – as required.

Council Financial Management Strategy – Waste Services

The Domestic Waste charges of the two former Council's applicable at the time of amalgamation were grandfathered with increases applied proportionally to reflect any increased cost of operations. Council aligned its Domestic waste services and its Domestic Waste charges from 1 July 2021.

Category	Description
DWM Charge – CBCity	Annual DWM Charge – applicable to all Residential properties only
Trade/Commercial Waste Charge – Former Bankstown City Council	Trade (Business) Waste Charge – Fee set in accordance with S608 of the Local Government Act 1993
Trade/Commercial Waste Charge – Former Canterbury City Council	Annual Trade Waste Charge – applicable to all Business properties in accordance with S501 of the Local Government Act 1993

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Waste Charge	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Annual Charges – Stormwater Levy

The Stormwater Levy is a fee legislated in accordance with the Local Government Act 1993. The Levy is capped – and has not changed since its introduction in 2006/07.

Council will develop a stormwater management plan to guide the application of funds obtained through the annual levy.

Council does not expect the fee to be changed throughout the term of the plan – which does create a long-term funding concern for Council given that the levy does not appropriately reflect the increasing cost of constructing stormwater management infrastructure.

Council Financial Management Strategy – Stormwater Levy

Council will use the levy to plan and construct required stormwater assets. The pricing structure set for the levy is as follows:

Residential Properties

- Annual Residential Charge of $25.00 per property.
- Annual Residential Strata Charge of $12.50 per property.

Business Properties

- Annual Charge of $25.00 per property plus an additional $25 for each 350 square metres or part of 350 square metres by which the area of the parcel of land exceeds 350 sqm.

Mixed Development

- Adopt the dominant Rating category as applied to the parcel of land as determined by the Valuer General and apply to each relevant property. In the event that a mixed development is 50% residential and 50% business, Council will apply a residential charge.

Exemptions

In addition to the exemptions stipulated in the Local Government Act 1993 and the Local Government (General) Regulation 2021, the following exemptions will also apply in managing the service:

- Council-owned land;
- Bowling and Golf Clubs - where the dominant use is open space;
- Properties zoned - Open space 6(a), Private Recreation 6(b), Rural

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Stormwater Charge	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

User Fees & Charges and Other Revenues

Council's User Fees & Charges and Other Revenues are determined as follows:

- Council has the ability to raise revenues through the adoption of a fee or a charge for services or facilities. Fees and charges are reviewed on an annual basis in conjunction with the preparation of the annual budget.

- Some fees and charges are at the discretion of Council whilst others are non-discretion and set by legislation. Changes to the pricing of statutory fees and charges determined by the NSW Government.

- Council's strategy will be to establish relevant pricing policies, fees and charges for user specific services and recognise its obligations to partially fund and/or subsidise services, where appropriate.

- Where set by Council, Fees and Charges will increase as per the *rate-peg* set by IPART.

- Other Revenues principally comprise income from fines, ex-gratia payments of rates and recoveries. CPI has been used to project future income from other revenues except for fines – which are set by the NSW Government and not expected to increase through the term of this plan.

Council Financial Management Strategy – Pricing Policy

Where appropriate, Council will assess and apply a user pays model in setting its pricing based on the following provisions:

Cost of Provision

The cost to Council of providing goods or services is a primary consideration when determining pricing. Council recognises that rational and relevant pricing decisions can only be made when there is a full understanding of the cost to Council – and the community – of resourcing specific service areas.

Community Service Obligations

Council acknowledges that it has an obligation to provide some goods and services as a community service. As a result, Council accepts responsibility for at least partially funding these goods and services from other sources of revenue. This is reflected in varying degrees of pricing subsidy, dependant on the nature of the good or service being provided.

Where it is not feasible to collect fees from private beneficiaries for a good or service, which provides a wider community benefit, full subsidy will be applied. Where cost recovery can be achieved but Council recognises an obligation in terms of equity and social justice considerations, and the merit and well-being of the community, an appropriate level of subsidisation will be applied.

Private Benefit

Some goods and services provided by Council are not provided on the basis of wider community benefit and are used by private beneficiaries. Goods or services of a commercial nature will be subject to commercially competitive pricing principles, which reflect market conditions and full cost recovery.

Where Council are engaged in providing any commercial/business operations, it will price such services at full cost recovery, to cover both the cost of capital and a commercial rate of return. Council will look to generate an agreed positive

return on assets so as to not reduce financial viability.

Where required, Council will ensure compliance with 'competitive neutrality' provisions of the National Competition Policy and categorisation (i.e. category 1 or 2 business activities).

Statutory Limitation

It is acknowledged that certain fees, charges and levies are set by legislation and Council has no control over pricing in these circumstances.

Community Considerations

There are circumstances in which fees and charges levied under this policy may be further subsidised or discounted by Council on the basis of:

- ***Ability to Pay –*** Some members of the community may have difficulty accessing Council's services because of a lower ability to pay. Where a fee or charge is discounted on this basis, it must be specified in Council's Schedule of Fees & Charges or approved by Council.

- ***Special Community Benefit –*** In certain circumstances the discounting of a fee or charge will assist in attracting a user or level of use which will result in a special benefit to the community. Council acknowledges that some degree of flexibility may be applied when levying a fee or charge where such a benefit is anticipated.

Council Financial Management Strategy – Other General Income Sources

- Council generates several other regulatory and non-core revenues such as rental income on Council properties and income from fines.

- Council will continue to review its pricing and revenue raising opportunities, with the view to provide a recurrent alternate income stream and support its ability to provide the required services and community outcomes.

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Fees & Charges – Statutory	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Fees & Charges - Council	4.1%	4.0%	4.0%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Fines	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Revenues	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Interest and Investment Revenue

Council's Interest and Investment Revenue is determined as follows:

- CBCITY invests funds that are surplus to its current needs in accordance with the investment options prescribed under the Ministerial Investment Order, which restricts Council investment activity, and its own Investment Policy and Strategy.
- The size of the investment portfolio and interest rate returns determine the revenue generated from the Council's cash investment portfolio.

- Investment returns will be appropriately apportioned between both external and internal reserves.

- In conjunction with its Investment Advisors – Council will assess and forecast its cash balances, funding required to manage its operations and broader market/economic conditions in managing its portfolio.

Council Financial Management Strategy – Interest Income

Council applies a prudent risk management approach to managing its cash investments. The key objectives to managing investments are to ensure:

- That Council effectively secures the investment of funds which are surplus to the City's current operational requirements.
- The security of Council's portfolio by limiting associated risk and its exposure to individual institutions and products.
- The portfolio generates acceptable and sound returns compared to industry standards and appropriate benchmarks.
- That Council obtain prudent and independent investment advice.
- That an appropriate delegation process exists to manage Council's funds.
- Ensure compliance with relevant parts of the Local Government Act 1993, Regulations, Ministerial Orders and Accounting Standards.
- Council's Cash Investment Policy provides Council's adopted policy framework and approach to managing its cash investments.

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Investment Return	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%

Operational Grants and Contributions

Council's Operational Grants and Contributions is determined as follows:

- Council receives several operational grants from various Government agencies. The largest of these being the Financial Assistance Grant.
- The Financial Assistance Grant is a Federal "untied" grant, distributed through the various states by the Local Government Grants Commission. Which due to its untied nature, provide Council with a greater ability to meet its financial sustainability obligations.
- Over the years, councils have seen a tightening of grant funds allocated to metropolitan councils, particularly due to funds being diverted to regional and rural councils throughout NSW. This is evident when assessing Council's allocation of the Financial Assistance Grant, which has been declining over the years.
- Council's Plan has also assumed that it will continue to receive existing recurrent grants throughout the term of this plan.
- Grants and Contributions will form part of the LTFP but will not exceed Council's capacity to service the program beyond the funding term. Continued effort in obtaining and improving Council's success in targeted grant funding is critical to long term financial stability.
- In accepting capital grants or seed funding to develop new infrastructure or services, Council will also assess the corresponding whole-of-life costs, including recurrent operating costs, maintenance and renewals to ensure that they do not affect existing operations
- Development related capital infrastructure contributions collected (and interest earned on those funds) will form part of Council's Asset Management funding.

Council Financial Management Strategy – Operating Grants and Contributions

- Council will continue to seek grant and contribution opportunities from government and other organisations to assist with the delivery of Council services and infrastructure especially in supporting the expected growth throughout the City.

- Council will continue to advocate for an increased allocation of funding to all councils under the Federal Government's Financial Assistance Grant Program.

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Grants - Operating	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Capital Grants and Contributions

Council's Capital Grants and Contributions is determined as follows:

- Developer infrastructure contributions provide significant funding towards the cost of essential public facilities, amenities and infrastructure provided by Council, reflecting the increased demand generated by increases in resident populations.

- Developer contributions are a significant source of capital revenue. That said, predicting the amount of revenues received from this source is uncertain given that it is essentially market driven and depends on the timing of developments.

- Following review and consolidation of previous contributions plans, in September 2022 the Canterbury-

Bankstown Local Infrastructure Contributions Plan 2022 commenced. The Plan reflects current forecasts for contributions income and growth forecast to 2036.

- Various grants are also received by Council for capital projects. These grants are predominately for road construction, and sport and recreation facilities. The number of grants received, and value are determined by State or Federal Government programs. Council has assumed that it will continue to receive similar capital grants throughout the term of this plan.

- Whilst they provide and support the delivery of important infrastructure initiatives, these grants and contributions do not fund operation, maintenance and renewal costs for this new infrastructure.

- Consequently, Council is left with a financial liability that it must manage into the future when there are already constraints on its existing budgets to manage, operate, maintain and renew existing infrastructure. Ultimately, councils are forced to divert and/or allocate funding from maintaining and replacing existing assets to similarly/also maintain new grant-funded infrastructure.

- Where specific capital grants are known – they will be reflected in the appropriate financial year.

Council Financial Management Strategy – Capital Grants and Contributions

- Council will continue to seek grant and contribution opportunities from government and other organisations to assist with the delivery of Council services and infrastructure especially in supporting the expected growth throughout the City.

- Council will continue to advocate for the removal of the current $20,000 cap on Developer Contributions for residential developments and/or for the NSW Government to vary the legislation to allow councils to index the cap. The reason is to ensure the contributions plans reflect the cost of infrastructure delivery.

- Where appropriate, Council will separately consider as part of its Integrated Planning and Reporting Framework the use of other existing reserves to supplement specific projects when utilising Developer Contributions.

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Grants – Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Developer Contributions	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Operating Expenditure Assumptions

Employee costs

Council's Employee Costs are determined as follows:

- Council has assumed a stable/similar workforce throughout the term of the plan. The plan assumes no change to working hours, a stable vacancy rate and the use of agency staff during peak operational periods – eg. summer periods.
- Award-based step increases are expected to be absorbed from within existing annual budgets and/or efficiencies.
- Where appropriate – Council's structure will vary between carrying out a function/service inhouse and/or by way of a suitable contract – though expects no cost differential between either option.
- Council's budget will make a reasonable allowance for staff development and training – consistent with current estimates for the term of the plan.
- The Local Government State Award dictates the relevant annual increase and superannuation costs are a statutory cost which Council has assumed will not increase beyond the 12%.

Council Financial Management Strategy – Employee Costs

- Council's strategy will implement relevant requirements and/or initiatives identified as part of Council's Workforce Management Strategy.

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Local Government Award	4.0%	4.0%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Superannuation	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%

Estimates as the new Local Government Award commencing FY 2026/27 has not yet been finalised.

Borrowing costs

Council's Borrowing Costs are determined as follows:

- Council has commenced its borrowing program for its Leisure and Aquatics Strategy – with its initial loan of $44M for the Canterbury Leisure and Aquatic Centre and a further loan planned of $44M for the Max Parker Leisure and Aquatic Centre in 2030/31.

- Ongoing funding to cover debt and interest repayment costs was approved as part of Council's SRV in 2021. Interest on loans is fixed and will annually be reflected, as required.

- The tip remediation discount – which relates to proposed remediation work on existing domestic waste land-fill sites – will accordingly be reflected annually throughout the term of the plan. The cost estimates are calculated annually to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations and are subject to formal review at regular intervals.

- Where appropriate, and in accordance with its FMS, Council will separately utilise debt to fund capital expenditure, subject to it fulfilling agreed economic, social or environmental benefits and not affect existing

recurrent operations and/or cash flows.

Council Financial Management Strategy – Debt / Loan Borrowings

- Debt is used as a financial tool to amortise the capital costs over a longer period and is not to be considered a revenue source.

- The term of any debt must not exceed the life of the asset it is used to fund. Debt must also not be used to fund on-going operational expenses.

- The use of debt for asset renewal or the creation of new long-life assets assists with intergenerational equity through appropriate allocation of the servicing costs.

- Debt will be considered as part of the capital budget process and will only be approved where there is evidence of economic, social or environmental benefit from the project and where other sources of funding are not available.

- The discount rate is utilised to adjust the landfill remediation provision each year so that it reflects the present value of the estimated future expenditure to remediate the site. Accordingly, Council's financial reports provide/account for the liability. Council's Domestic Waste Reserve will include funding required to remediate the land fill sites - equivalent to the total liability.

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Interest Rate on Loans	5.7%	5.7%	5.7%	5.7%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Tip Remediation Discount	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%

Materials and Services and Other Expenses

Council's Materials & Services and Other Expenses are determined as follows:

- Materials and services expenditures form a significant proportion of Council's total operating expenditure. This category includes costs for materials used in operations to deliver services, contracted services provided by external parties, legal costs, audit fees, and tipping fees.

- Council has significant infrastructure and facility asset holdings that need to be maintained to a quality standard, whilst providing a broad and diverse range of quality services for its community. Expectations for increasing levels of service and new community facilities and assets will lead to increase in these costs in the future.

- Recent experience and market conditions suggests that materials and services – particular those used by councils - will continue to grow at a rate beyond general CPI increases.

- Other expenses are those which are not part of the day-to-day operations of Council and generally relate to write downs of financial assets, contributions and levies payable to other levels of government that can significantly change over time.

- This category largely includes the majority of non-discretionary costs that Council is required to manage on an annual basis. Some of these non-discretionary costs – such as the NSW Government's Emergency Services Levy - have increased in the past by more than the prevailing inflation rate.

- Notwithstanding a level of uncertainty in estimating the increase CPI has been applied for the purposes of preparing Council's plan.

Council Financial Management Strategy – Materials and Services and Other Expenses

- Council will manage is required resources – balancing its workforce strategy requirements and the use of specialised services through competitive tendering and other collaborative, regional service delivery and industry reform options.

- Council will continue assess its annual discretionary and administrative costs, ensuring effective use of resources.

- Council will continue to advocate on the ongoing impacts of cost shifting on local government councils.

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Materials and Services	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Other Expenses	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%

Council is using a lower indexation for 2026/27 as part of its cost containment strategies

Depreciation

Council's Depreciation Expense is determined as follows:

- Depreciation of assets is a non-cash expense that systematically allocates the financial benefit of a fixed asset and recognises degradation of its capacity to continue to provide functionality over time. Depreciation provides an approximate indicator of the reduction of the asset's estimated useful life, on the proviso that it is maintained to a standard condition.

- Depreciation is based upon each asset's value and an annual rate of depreciation calculated on the estimated useful life for each asset class. Depreciation is not influenced by other factors such as CPI and will only change if

asset values or useful lives vary, or assets are acquired or sold.

- Depreciation is a notional calculation of asset consumption over its useful life. It is not a measure of the required renewal expenditure on an asset in any given year. It does not inherently reflect the actual physical degradation of the asset condition.

- Council uses the depreciation charge as a guide towards the funds that should be allocated towards the renewal of assets either on an annual basis or in the provision of internal reserves to be used on renewals in the future capital works program.

- CBCity's investment in new infrastructure, community facilities and other assets, and the periodic revaluation of existing assets will see the depreciation costs rise over time. The actual depreciation expenditure in future years will be impacted by future asset revaluation methods and timing as stipulated by relevant accounting standards.

- This Plan assumes a continuation of present-day depreciation methodology, and accordingly increases in depreciation expense have been modelled based on the funding provided for renewal, upgrade and new assets.

- Council uses Depreciation Expense as guide/measure of funding required to be set aside and be used to renew and replace its assets and infrastructure – at the appropriate time.

- For the purposes of estimating Council's expense, Depreciation is forecast to increase by CPI +0.5%.

Council Financial Management Strategy – Depreciation

- Council's Depreciation methodology can be found in the Notes to the Financial Statements. The Depreciation Expense assumed in the LTFP has been calculated in accordance with this methodology. Estimates have also been included for the projected depreciation cost of new assets which have been identified within the proposed Capital Works Program along with the impact of revaluations.

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Depreciation Expense	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%	CPI + 0.5%

Capital Expenditure

Council will fund capital expenditure based on its agreed asset management plans. For a detailed assessment of Councils asset management approach, refer to the Asset Management Strategy.

In managing its assets, Council will:

- manage the whole life of an asset, from planning, purchase, operation, maintenance, and disposal at life end using appropriate accounting practices;
- plan to allocate sufficient funds each year for routine maintenance, renewal of infrastructure and unfunded renewals;
- ensure effective renewal and replacement strategies exist for operational plant and equipment to support Council's long-term service plans;
- rely on the IP&R planning process and other relevant demand drivers in determining the replacement, renewal, rationalisation, retirement and creation of new assets;
- apply a transparent prioritisation model for infrastructure projects to support its strategic principles and approach;
- Utilise dedicated asset reserves to fund specific community outcomes and programs.

Council Financial Management Strategy – Capital Expenditure

- Council's strategy will implement relevant requirements identified as part of Council's Integrated Planning and Reporting Framework, applicable asset funding strategies identified throughout this Strategy and importantly, Council's Asset Management Strategy.

Cash Reserves - (Internal/External) Restrictions

Council will hold cash investments which satisfy its legislative requirements (External Restrictions) and for certain funding policies set by Council (Internal Restrictions).

Use must be reflected in Council's Operational Plan and/or based on agreed policies. Use must be approved through the appropriate Annual and/or Quarterly Budget process.

Council's LTFP has outlined a series of restrictions to:

- manage both externally imposed statutory or regulatory requirements as well as those set by Council;

- Generally, internally restricted reserves are set aside and utilised for a specific purpose and/or its prudent approach to ensuring that Council is able to meet its liquidity ratio targets, working capital commitments and obligations (liabilities) – including maintaining sufficient reserves to ensure Council is able to deal with unplanned events, emergencies and liabilities, as required;
- The ongoing management of these reserves are reviewed annually by Council based on legislative requirements, replacement and initiative strategies, known commitments and/or contingencies; and

- Council's Asset Management Plan provides the required time frames and commitments to drawing on required funding from reserves to meet Council's required outcomes.

Council's Financial Management Strategy – Cash Reserves.

Council will establish a series of restrictions to manage both externally imposed statutory or regulatory requirements as well as those set by Council.

Council's primary/core reserves are as follows:

External Restrictions

- *Contributions – Developer Infrastructure*: restrict contributions received in accordance with Section 7.11 and 7.12 of the EP&A Act and any planning agreements – refer to section: *Capital Grants and Contributions.*

- *Unexpended Grants*: restrict unexpended funds received for specific purpose – refer to section: *Operational Grants and Contributions and Capital Grants and Contributions.*

- *Unexpended Funds – Bankstown Town Centre Improvement Rate*: restrict unexpended funds collected through the Bankstown Town Centre Special Rate (Special Rate discontinued from 1 July 2022).

- *Unexpended Funds – Domestic Waste Reserve*: restrict unexpended domestic waste funds to fund future domestic waste operational, capital liabilities and remediation of land fill sites and introduction of FOGO – refer to section: *Annual Charges – Waste Services.*

- *Unexpended Funds – Stormwater Levy*: restricted unexpended stormwater levy funds to allow Council to undertake significant improvements to the stormwater system and provide a cleaner and safer environment for the benefit of owners, residents and visitors – refer to section: *Annual Charges – Stormwater Levy.*

Internal Restrictions

- **Funding Liabilities**

  - *Liabilities – Employee Entitlements*: restrict funds equivalent to 40% of total employee entitlements

  - *Liabilities – Workers Compensation*: restrict funds required to cover Council's self-insurance license requirements and Bank Guarantee

  - *Liabilities – Holding Deposit:* restrict 100% of accrued deposits held for the use of Council facilities/works

  - *Liabilities – Contingent Insurance:* maintain funds for any uninsured losses that may eventuate.

- **Funding the Replacement of Infrastructure – Including Special Rate Variation Funds**

  - *Asset Replacement – General Funded*: Objective is to restrict net available general funds (indexed annually in line with rate-peg increase) as a cash equivalent to fund Depreciation Expense and release in accordance with Council's Asset Management Strategy. Proceeds from the sale of operational equipment will also be restricted.

  - *Asset Replacement - (Special Rate Variation -SRV)*: Objective is to compliment the above reserves and restrict cash in accordance with Council's approved 2021 SRV and utilise for the purposes of renewing/replacing Council's existing assets/infrastructure. Council's aim is to fund its Depreciation Expense and release in accordance with Asset Management Strategy.

  - *Operational – Operational/Loan Categories (SRV):* Objective is to restrict cash in accordance with Council's approved 2021 SRV for operational and borrowing requirements.

- **Funding Growth**

  - *Assets – Growth Fund - Strategic Priorities*: Council will restrict 75% of the income generated from the growth in Rates Revenue annually to provide funding for assets and infrastructure to support the forecast growth and ensures Council remains financially sustainable over the medium to longer term – Base Year 2021/22. Funds will be held for specific initiatives/priorities agreed through Council's IP&R process.

  - *Operational – Growth Fund - Strategic Priorities:* Council will restrict 25% of the income generated from the growth in Rates Revenue annually to provide funding for operations to support the forecast growth and ensures Council remains financially sustainable over the medium to longer term – Base Year 2021/22. Funds will be held for specific initiatives/priorities agreed through Council's IP&R process.

- **Land Investment Fund**

  - *Other – Land Investment Fund:* proceeds from land sales and/or other funding held specifically for agreed renewals, initiatives and specific decisions of Council.

- **Other Reserves**

  - Other – Council Elections: restrict 25% per annum of expected cost of conducting Council's elections.

    Other – Councillor Ward Funds: restrict $5K per Ward Councillor and use for asset/infrastructure purposes – Note: unspent reserves at the end of each Council term are returned to consolidated revenue.

  - *Other Liquidity Management Reserve:* restrict a minimum of 10% and a maximum of 15% of Operational Costs (excluding Depreciation) and funding for variations to major capital works contracts.

    Macro and micro economic factors can impact Council's budget during the financial year. Council makes every effort to accurately budget taking into consideration all economic factors known at the time of setting the annual budget.

Council is required to undertake regular reviews of the budget every quarter to account for any variations to the original budget. This operational reserve provides a level of protection for Council's operational budget to address unexpected fluctuations (reduced operational income and/or increased operational expenditure) that cannot be offset by other operational budget adjustments.

Council may utilise this reserve below the 10% minimum target during emergency events (as determined by Council) and must restore reserve to a minimum of 10% over a reasonable period in future budgets.

- Council will establish other restrictions to assist in fulfilling its financial management obligations and/or specific Council decisions, as required.

- **Unrestricted Working Funds**

  - In additional to the above, Council will separately maintain an unrestricted working fund balance equivalent to 2% of operational revenues for contingency purposes.

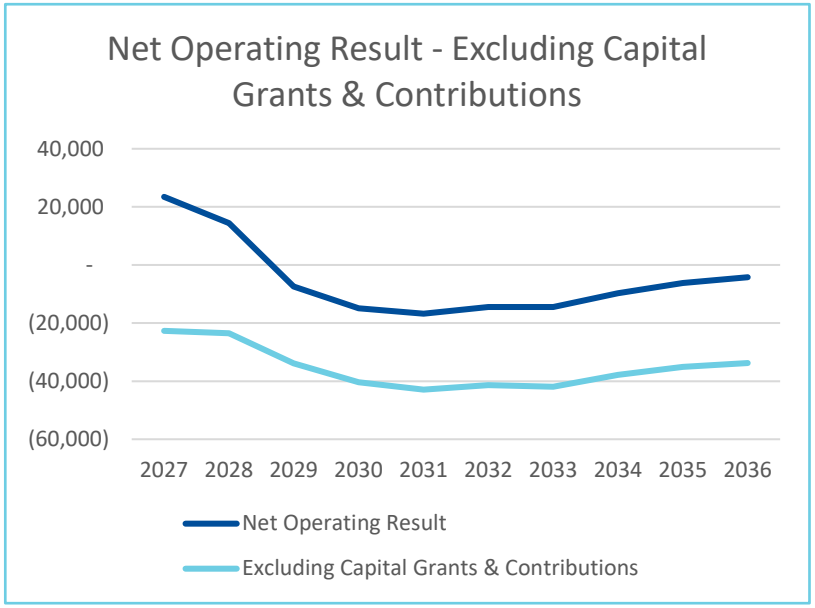
Long-Term Financial Plan Assessment

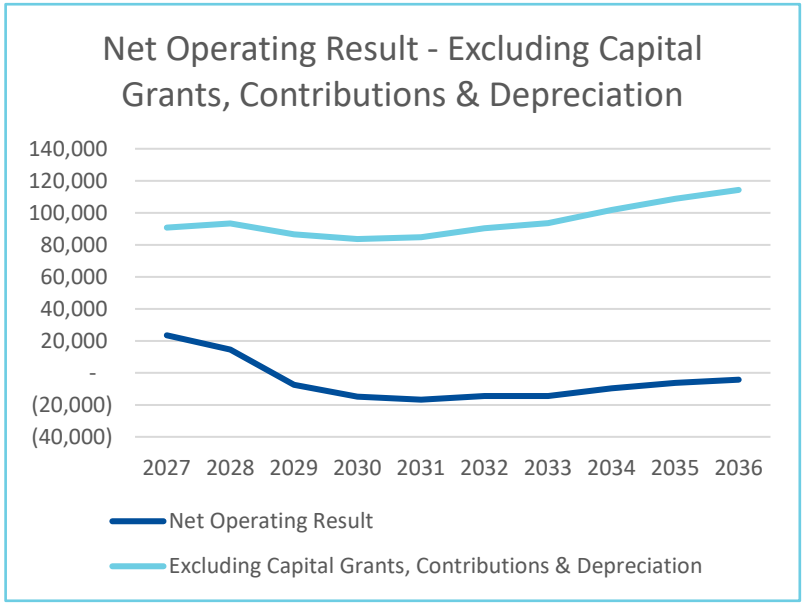
Overview – Current Financial Strategy

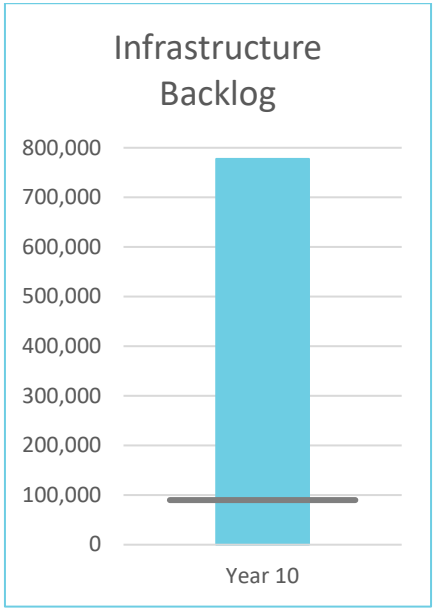
Strategy Overview

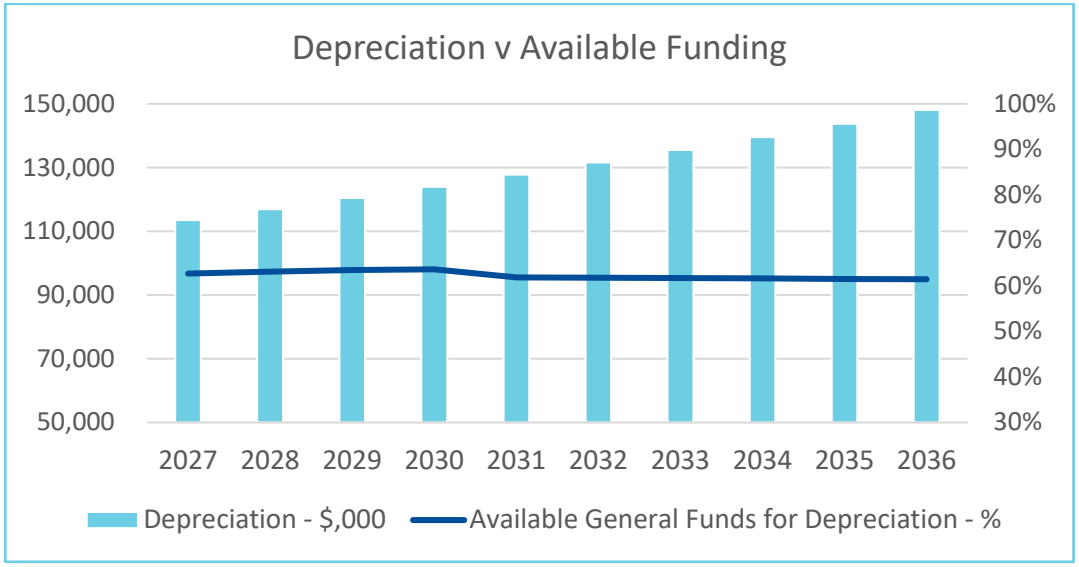
- **Council's operating cashflow, liquidity and level of cash reserves remain stable throughout the ten (10) year period.**
- **Projected income levels are not sufficient to both fund existing service levels and depreciation expense. This will result in Council being unable to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Council financial capacity to fund Depreciation Expense reduces to around 62% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $777M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to weaken – particularly Council's Operating Performance and Asset Management Ratios. Five (5) of the nine (9) ratios remain within accepted levels.**

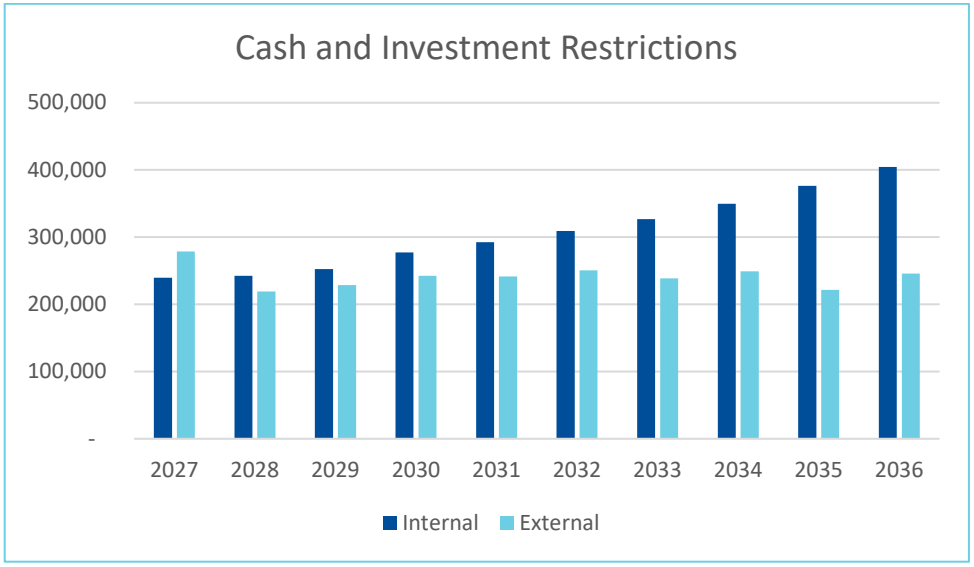
Performance Overview – Current Financial Strategy











Financial Reports – Current Financial Strategy

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	380,881	393,674	407,064	420,822	435,083	449,860	465,024
User Charges and Fees	26,823	27,896	29,012	30,028	31,259	32,540	33,875	35,263	36,709	38,214
Interest and Investment Revenues	25,025	23,167	22,616	23,454	22,428	23,075	24,169	24,448	25,875	25,883
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**496,216**	**498,893**	**514,113**	**529,114**	**546,630**	**565,074**	**583,321**	**603,351**	**622,474**
Expenses from Continuing Operations										
Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480
Materials and Services	143,404	145,609	157,623	168,520	172,490	176,558	183,428	185,003	189,384	193,875
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**364,887**	**385,891**	**405,014**	**418,152**	**429,587**	**444,042**	**453,424**	**465,842**	**478,607**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**131,330**	**113,002**	**109,099**	**110,962**	**117,043**	**121,032**	**129,897**	**137,509**	**143,867**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083
Operating Result from Continuing Operations	**23,445**	**14,432**	**(7,403)**	**(14,918)**	**(16,775)**	**(14,527)**	**(14,485)**	**(9,686)**	**(6,261)**	**(4,216)**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(23,477)**	**(33,921)**	**(40,424)**	**(42,919)**	**(41,325)**	**(41,952)**	**(37,840)**	**(35,119)**	**(33,796)**

STATEMENT OF FINANCIAL POSITION	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,509	233,740	243,998	261,862	265,767	289,253	288,453	325,152
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378
Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,487**	**296,210**	**306,960**	**325,316**	**329,713**	**353,691**	**353,383**	**390,574**
Non-Current Assets										
Investments	267,049	249,895	255,716	267,387	271,783	279,439	281,113	291,178	290,835	306,563
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,606,261	4,585,510	4,537,986	4,557,032	4,522,188	4,507,445	4,469,643	4,470,071	4,419,082
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,870,695**	**4,855,775**	**4,819,931**	**4,843,382**	**4,816,203**	**4,803,143**	**4,775,415**	**4,775,510**	**4,740,259**
Total Assets	**5,104,419**	**5,125,107**	**5,124,262**	**5,116,141**	**5,150,342**	**5,141,519**	**5,132,856**	**5,129,106**	**5,128,893**	**5,130,833**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	2026/27 Budget $,000	2027/28 Year2 $,000	2028/29 Year3 $,000	2029/30 Year4 $,000	2030/31 Year5 $,000	2031/32 Year6 $,000	2032/33 Year7 $,000	2033/34 Year8 $,000	2034/35 Year9 $,000	2035/36 Year10 $,000
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976
Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,425**	**113,220**	**109,846**	**106,293**	**102,551**	**98,609**	**94,458**
Total Liabilities	**190,139**	**196,395**	**202,954**	**209,750**	**260,726**	**266,430**	**272,252**	**278,188**	**284,235**	**290,392**
Net Assets	**4,914,280**	**4,928,712**	**4,921,309**	**4,906,391**	**4,889,615**	**4,875,088**	**4,860,604**	**4,850,918**	**4,844,657**	**4,840,441**
Equity										
Retained Earnings	3,793,960	3,808,392	3,800,989	3,786,071	3,769,295	3,754,768	3,740,284	3,730,598	3,724,337	3,720,121
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,928,712**	**4,921,309**	**4,906,391**	**4,889,615**	**4,875,088**	**4,860,604**	**4,850,918**	**4,844,657**	**4,840,441**

CASHFLOW STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Cash Flows from Operating Activities										
Add: Receipts	489,672	496,216	498,893	514,113	529,114	546,630	565,074	583,321	603,351	622,474
Less: Payments	(345,921)	(357,716)		(397,149)	(410,014)	(421,170)				(469,001)
Net Cash Flows from Operating Activities	**143,751**	**138,500**	**120,542**	**116,964**	**119,100**	**125,460**	**129,736**	**138,894**	**146,806**	**153,472**
Cash Flows from Investing / Financing										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(198,744)	(102,674)	(79,772)	(150,143)	(100,170)	(124,304)	(105,399)	(147,907)	(100,895)
Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)
Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(195,680)**	**(101,136)**	**(78,065)**	**(104,446)**	**(99,939)**	**(124,157)**	**(105,343)**	**(147,950)**	**(101,045)**
Net Cash Flow	**25,491**	**(57,180)**	**19,406**	**38,900**	**14,655**	**25,520**	**5,579**	**33,551**	**(1,144)**	**52,427**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific	125,138	208,715	112,488	91,194	165,290	105,756	111,508	111,907	115,099	118,388
Less: Cash Reserves Restricted for Specific	(150,629)	(151,535)	(131,893)	(130,094)	(179,945)	(131,276)	(117,087)	(145,458)	(113,956)	(170,815)
Net Cash Reserve Movements	**(25,491)**	**57,180**	**(19,406)**	**(38,900)**	**(14,655)**	**(25,520)**	**(5,579)**	**(33,551)**	**1,144**	**(52,427)**
Net Cash Flows / Working Fund for the Period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

SUMMARY OF RESTRICTIONS	2026/27 Closing Balance $,000	2027/28 Closing Balance $,000	2028/29 Closing Balance $,000	2029/30 Closing Balance $,000	2030/31 Closing Balance $,000	2031/32 Closing Balance $,000	2032/33 Closing Balance $,000	2033/34 Closing Balance $,000	2034/35 Closing Balance $,000	2035/36 Closing Balance $,000
External Restrictions										
Contributions - Developer	125,563	54,074	59,211	78,388	79,225	99,593	121,231	144,200	168,568	194,402
Unexpended Funds - Grants & Contributions	136	136	136	136	136	136	136	136	136	136
Unexpended Funds - Domestic Waste Reserve	145,019	157,260	159,986	157,598	155,902	144,208	110,957	98,545	46,422	44,764
Unexpended Funds - Other	8,139	7,478	9,103	6,497	6,497	6,497	6,497	6,497	6,497	6,497
Total External Restrictions	**278,857**	**218,948**	**228,437**	**242,619**	**241,760**	**250,435**	**238,821**	**249,380**	**221,624**	**245,800**
Internal Restrictions										
Liabilities - Employee Leave Entitlement	23,922	25,085	26,294	27,552	28,842	30,163	31,518	32,907	34,330	35,789
Liabilities - Workers Compensation	14,477	15,707	16,987	18,296	19,611	20,933	22,260	23,590	24,922	26,255
Liabilities - Holding Deposit	6,767	6,767	6,767	6,767	6,767	6,767	6,767	6,767	6,767	6,767
Asset Reserves	41,219	45,232	40,357	43,358	43,358	43,358	43,358	43,358	43,358	43,358
Special Rate Variation Funded Projects	44,070	34,119	40,901	50,937	51,556	51,556	51,556	51,556	51,556	51,556
City Growth Funds	14,906	18,932	23,858	29,712	36,515	44,292	53,070	62,871	73,718	86,108
Land Investment Fund	41,534	40,717	40,717	40,717	40,717	40,717	40,717	40,717	40,717	40,717
Other Funds	52,770	55,835	56,430	59,690	65,176	71,601	77,335	87,808	100,818	113,888
Total Internal Restrictions	**239,665**	**242,394**	**252,311**	**277,029**	**292,542**	**309,388**	**326,580**	**349,573**	**376,186**	**404,437**
Total Restrictions	**518,522**	**461,342**	**480,748**	**519,648**	**534,303**	**559,823**	**565,402**	**598,953**	**597,810**	**650,237**

CAPITAL EXPENDITURE SUMMARY	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Bridges	8,840	16,369	1,574	1,340	1,078	1,516	1,922	1,243	1,799	1,551
Buildings	11,349	83,395	16,595	4,860	88,639	5,582	7,380	4,272	6,745	5,581
Carparks	495	610	430	1,890	1,521	2,138	2,711	1,754	2,537	2,188
Drainage Conduits, Structures	5,673	5,170	7,002	7,747	6,233	8,764	11,111	7,188	10,401	8,966
Water Quality	1,010	2,675	650	1,205	969	1,363	1,728	1,118	1,618	1,395
Waste Management	8,100	2,270	5,115	1,200	2,200	11,200	11,200	32,735	42,200	10,000
Town Centres	5,530	10,870	5,110	925	744	1,046	1,327	858	1,242	1,071
Other Structures	8,550	350	300	300	241	339	430	278	403	347
Open Space	6,570	19,075	11,893	9,955	8,009	11,262	14,278	9,237	13,365	11,522
Park/ Street Furniture	1,957	1,100	1,205	1,280	1,030	1,448	1,836	1,188	1,718	1,481
Park Lighting	1,360	500	500	500	402	566	717	464	671	579
Pathways and Boardwalks	6,733	6,680	4,085	1,789	1,439	2,024	2,566	1,660	2,402	2,071
Road Pavement	27,497	34,363	34,601	35,745	28,758	40,437	51,268	33,165	47,990	41,372
Traffic Management	680	599	639	650	523	735	932	603	873	752
Operational Assets	25,837	14,718	12,975	10,386	8,356	11,749	14,896	9,636	13,943	12,020
Total Capex	**120,180**	**198,744**	**102,674**	**79,772**	**150,143**	**100,170**	**124,304**	**105,399**	**147,907**	**100,895**

Financial Ratios – Current Financial Strategy

STATEMENT OF PERFORMANCE MEASURES

	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(5.12)%	(7.18)%	(8.27)%	(8.53)%	(7.95)%	(7.80)%	(6.82)%	(6.11)%	(5.70)%
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.67%	89.90%	90.28%	90.32%	90.39%	90.48%	90.54%	90.63%	90.69%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio *represents a council's ability to meet short-term obligations as they fall due.*	> 1.5x	2.60	2.11	2.08	2.16	2.08	2.08	1.99	2.01	1.90	1.99
Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.*	> 3 months	17.92	15.42	15.18	15.62	15.62	15.91	15.54	16.10	15.64	16.54
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	26.06	24.18	23.39	15.88	13.51	13.96	15.10	16.05	16.83
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	63.11 %	63.50 %	63.65 %	96.32 %	61.78 %	61.73 %	61.64 %	61.56 %	61.47 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	11.46 %	13.85 %	16.31 %	17.04 %	19.60 %	22.25 %	24.99 %	27.83 %	30.76 %
Asset Maintenance Ratio *ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.*	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

Sensitivity Analysis – Current Financial Strategy

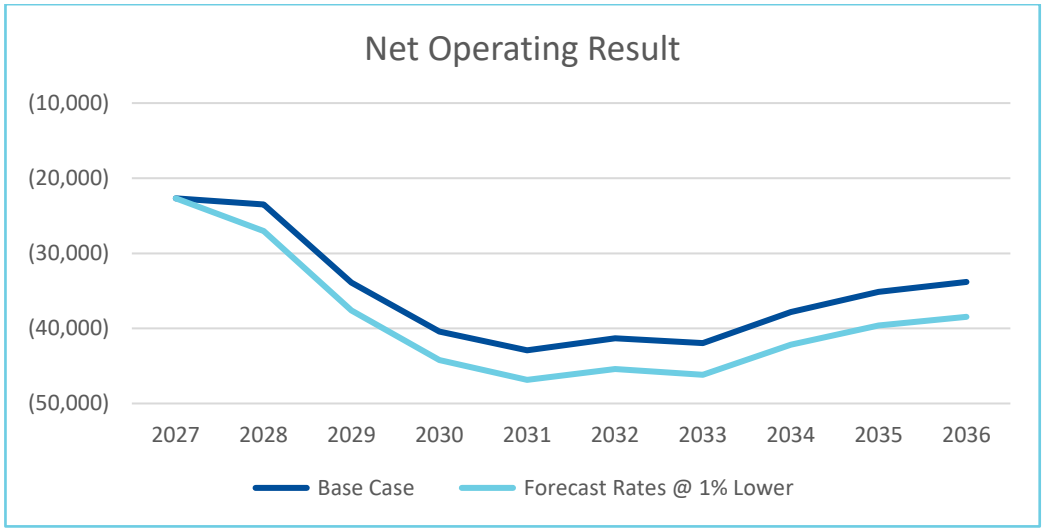
LTFPs are inherently uncertain and based on a range of assumptions. Accordingly, variations to these assumptions during the life of the plan may have a significant impact on the Council's Plan. As a result, Council's Plan is therefore updated annually in conjunction with the preparation of the Operational Plan. Key drivers in the estimates provided in the Plan and the impact of slight variations to Council's assumptions.

On that basis, Council provides some general analysis on variations to certain income and expenditure categories – to assess the impact on Council's current financial strategy.

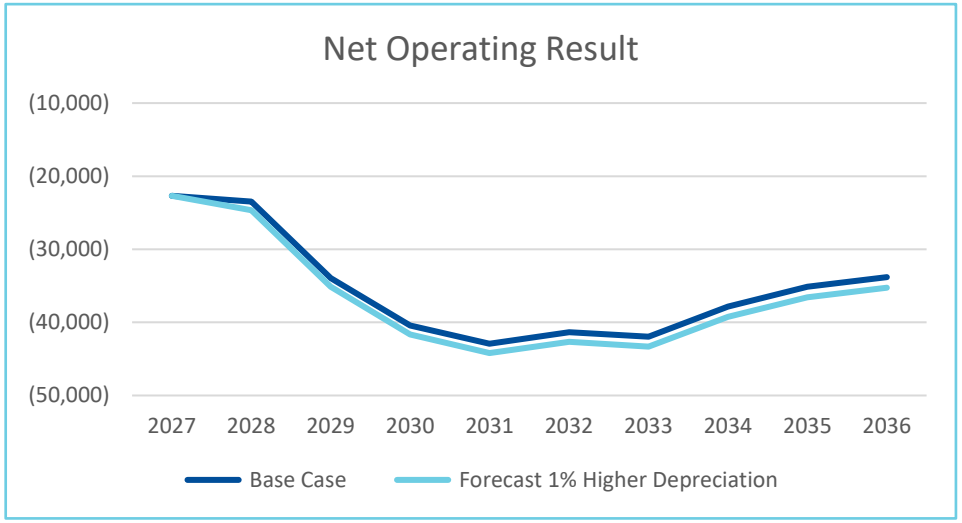
Sensitivity Table

Option	Option Description	Details
1	Reduction in Rating Revenue	Assume Rate-Peg is 1% less than forecast under Council's Current Financial Strategy
2	Increases to Employee Costs, Materials & Contracts	Assume Costs are 1% more than forecast under Council's Current Financial Strategy
3	Increase to Depreciation Expense	Assume Cost is 1% more than forecast under Council's Current Financial Strategy
4	Increase to Both Income and Operating Expenses	Assume all the above options

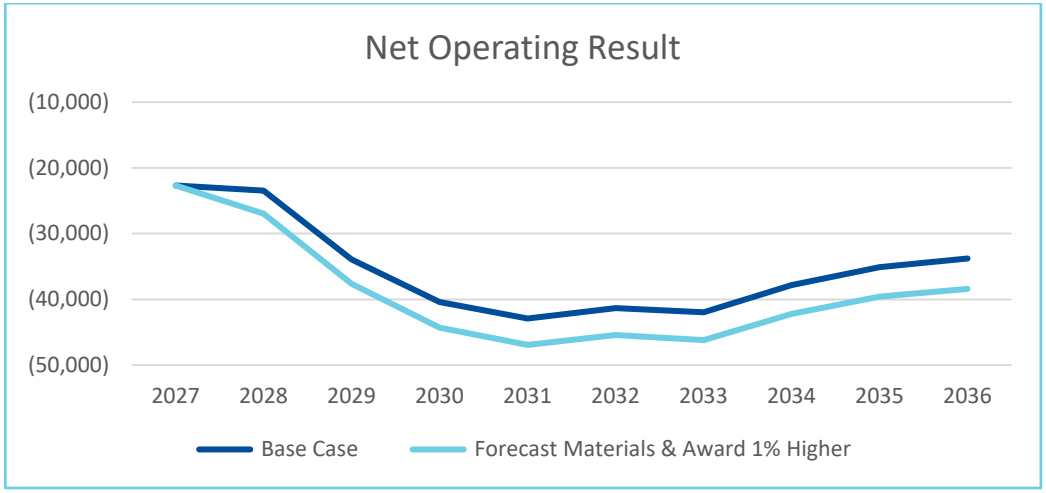
Option 1 – Reduction in Rating Revenue



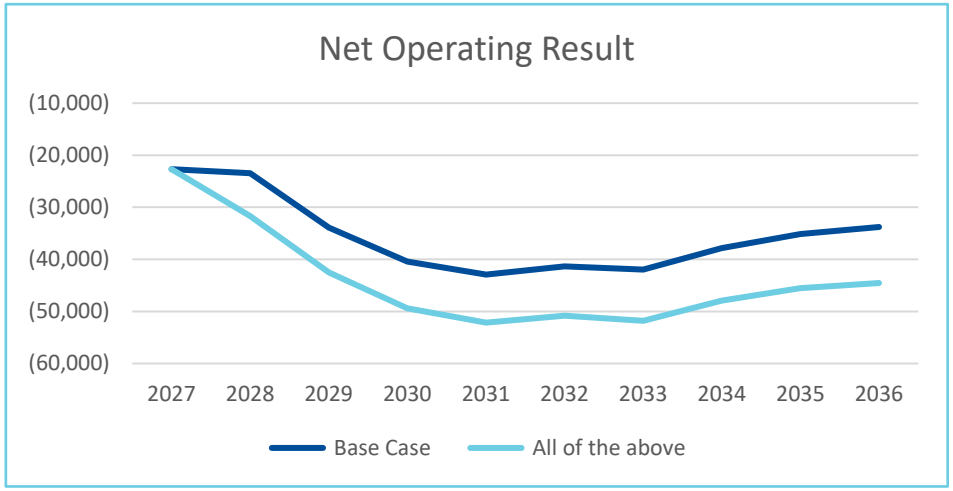
Option 3 – Increase to Depreciation Expense



Option 2 – Increases to Employee Costs, Materials & Contracts



Option 4 – Increase in All Options



Other Long Term Financial Scenarios

Introduction

Following workshops, discussions and consultation with Councillors on Council's long-term financial sustainability, Council's Plan includes several options / scenarios which provide alternate estimated long-term financial paths for our community's information.

These options and scenarios provide key information that Councillors used to both assess and determine its current rating revenue policy and establish the preferred financial path for the City.

That said, and for the purposes of providing a general basis to understanding how Council may approach the matter into the future, the LTFP outlines eight (8) potential financial modelling scenarios, which assist in explaining what Council's financial performance and position could potentially looks like over a ten (10) year period.

Whilst the focus of Council's plan is for a ten (10) year period, it is important to understand the longer-term condition of our assets, their replacement and likely impact on our financial position beyond this period. The scenarios utilised are outlined below.

Importantly, it should be noted that the scenarios outlined in Council's Strategy is not what Council plans and/or intends to do – but merely provide our community with alternate/relevant information regarding Council's long-term financial position over a ten (10) year period.

Scenario Summary

Scenario	Scenario Description
1	▪ New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement.
2	▪ New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement. ▪ New SRV to Fund Construction of New Capital Initiatives - $5M ($1M Per Ward).
3	▪ New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement. ▪ New SRV to Fund Construction of New Capital Initiatives - $5M ($1M Per Ward). ▪ New SRV to Fund Increased Services Levels - $5M.
4	▪ New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement. ▪ Increase Recurrent Fees, Charges & Other Income ($5M) and Cut Discretionary Costs/Programs and Other Services ($5M) to fund the construction of New Capital Initiatives - $5M ($1M Per Ward); and increased Service Levels - $5M.
5	▪ Increase Recurrent Fees, Charges & Other Income and Cut Discretionary Costs/Programs and Other Services to fund Asset Renewals/Replacement.
6	▪ Cut Existing Capital Asset Renewal/Replacement Funding by $5M and Fund Constructing New Capital Initiatives - $5M ($1M Per Ward).
7	▪ Cut Existing Capital Asset Renewal/Replacement Funding by $5M and Fund Increased Service Levels - $5M.
8	▪ Cut Existing Asset Renewal/Replacement Funding by $10M and fund the constructing New Capital Initiatives - $5M ($1M Per Ward) and increased Service Levels - $5M.

Scenario Overview - Financial Performance

	Net Operating Result Before Capital Grants at Year 10 ($M)	Net Operating Result (Earnings) Before Capital Grants + Depreciation at Year 10 ($M)	Asset Backlog at Year 10 ($M)	Depreciation Funded at Year 10 %	Ratio Performance at Year 10
Scenario 1	(4.7)	143.4	602.0	81%	5 / 9
Scenario 2	1.3	149.3	602.0	81%	6 / 9
Scenario 3	1.3	149.3	602.0	81%	6 / 9
Scenario 4	1.7	149.8	602.0	81%	6 / 9
Scenario 5	(6.4)	141.7	555.2	80%	5 / 9
Scenario 6	(33.8)	114.3	829.0	57%	5 / 9
Scenario 7	(40.2)	107.9	829.0	57%	5 / 9
Scenario 8	(40.2)	107.9	880.4	53%	5 / 9

Scenario 1 – Detailed Summary

- **New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement.**

Scenario Objective

This option suggests that Council request a new SRV to restore Council's rate-peg shortfall over the past three (3) financial years.

The scenario will restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV – and utilised for the renewal/replacement of existing Council assets.

The scenario assumes no change to existing operational services.

Scenario Rationale

The rate-peg shortfall between Council's 2021 SRV and the general rate-peg for NSW councils is as follows:

Description	2022/23	2023/24	2024/25	2025/26
General Rate-Peg – NSW Councils	2.5 %	3.7 %	4.9 %	5.5 %
Council's Rate-Peg	2.5 %	2.5 %	2.5 %	2.5 %
Net Rate-Peg Shortfall	**-**	**1.2%**	**2.4%**	**3.0%**

The scenario suggests that the net financial impact of a new SRV over two (2) financial years as follows:

Description	2026/27	2027/28	2028/29	2029/30	2030/31
General Rate-Peg – NSW Councils	4.1%	4.0%	4.0%	3.5%	3.0%
New SRV – Rate-Peg Shortfall	-	-	-	4.6%	4.0%
Rate Increase	**4.1%**	**4.0%**	**4.0%**	**8.1%**	**7.0%**

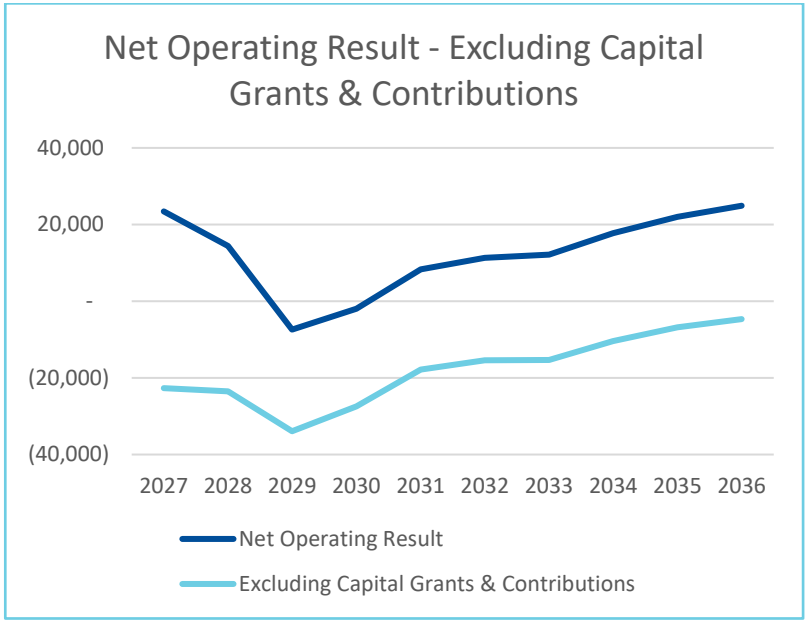
No change to Council's existing approach to setting annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government.

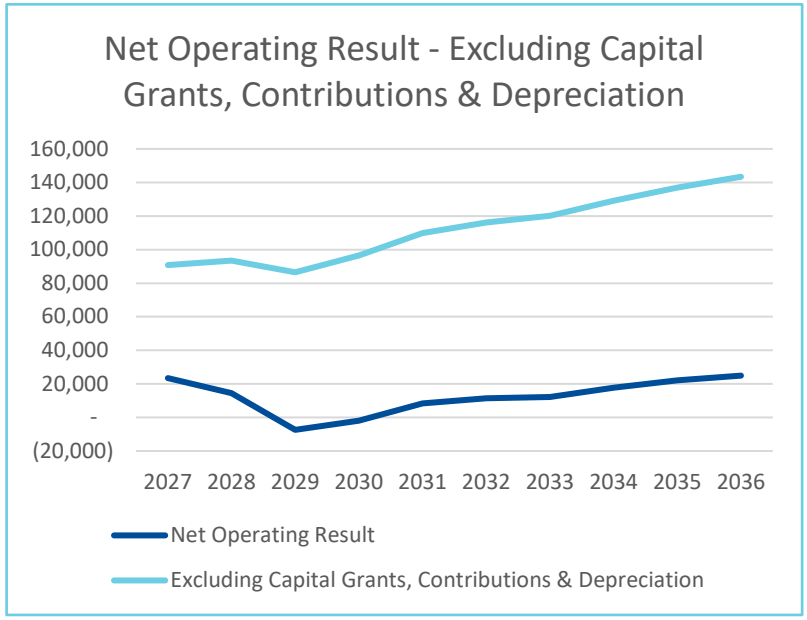
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

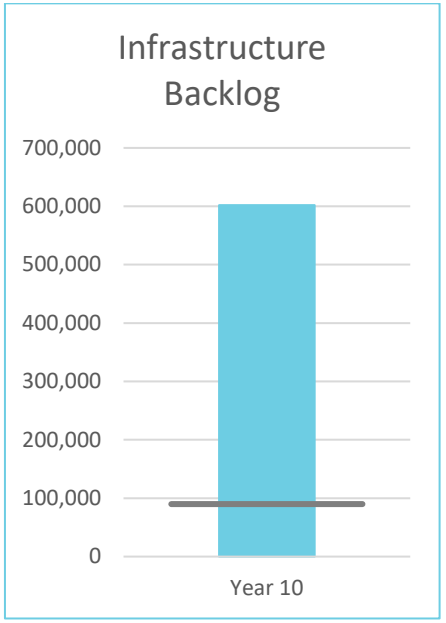
Strategy Overview

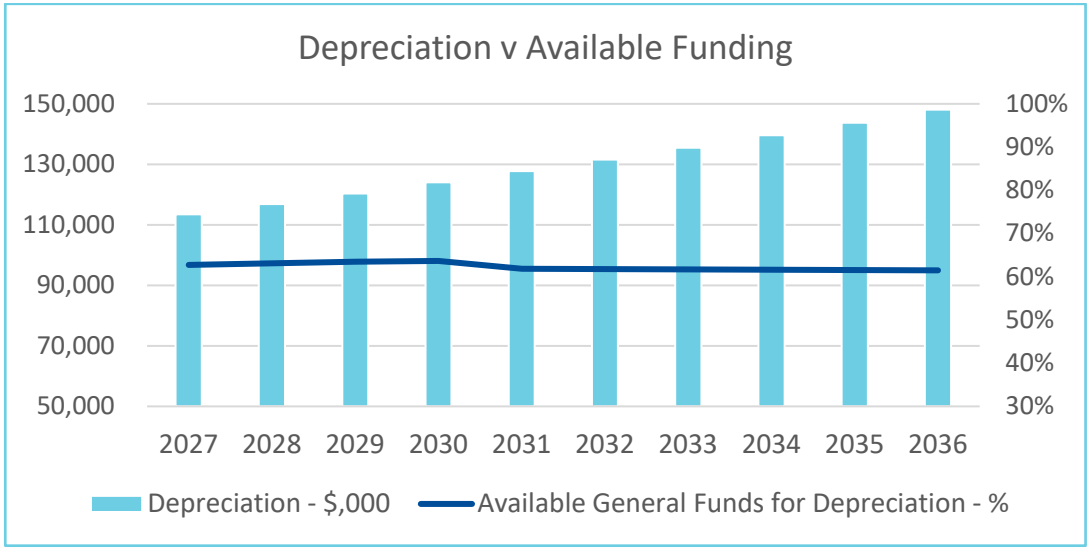
- **Council's operating cashflow, liquidity and level of cash reserves remain strong throughout the ten (10) year period.**
- **Projected income levels are sufficient to both fund existing service levels and depreciation expense. This will result in Council being able to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Council financial capacity to fund Depreciation Expense increases to around 80% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $602M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to improve – particularly Council's Asset Management Ratios. Five (5) of the nine (9) ratios remain within accepted levels.**

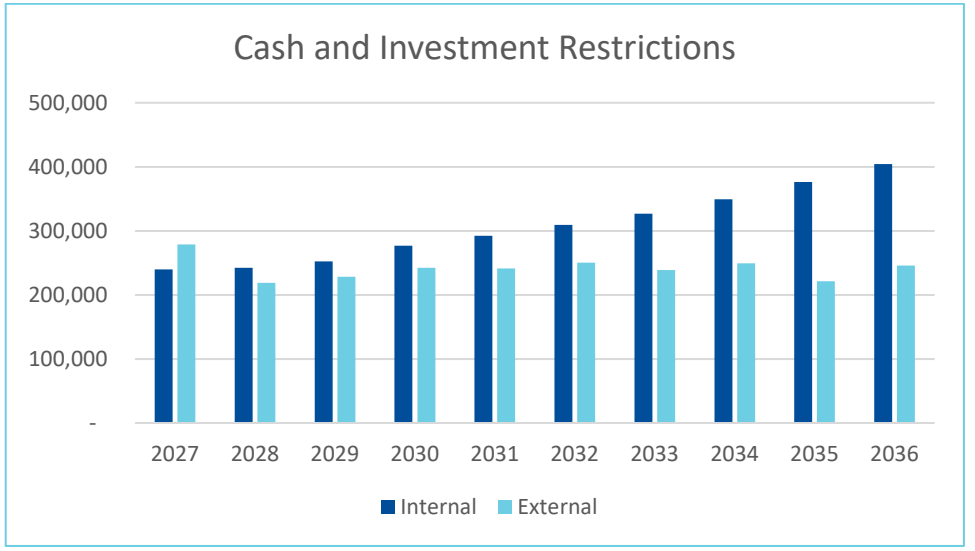
Scenario 1 - Performance Overview











Scenario 1 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	393,840	418,807	432,952	447,487	462,548	478,148	494,161
User Charges and Fees	26,823	27,896	29,012	30,028	31,259	32,540	33,875	35,263	36,709	38,214
Interest and Investment Revenues	25,025	24,991	22,691	23,532	22,502	23,151	24,249	24,531	25,962	25,972
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**496,216**	**498,893**	**527,072**	**554,240**	**572,510**	**591,730**	**610,776**	**631,630**	**651,601**
Expenses from Continuing Operations										
Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719

Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480
Materials and Services	143,404	145,609	157,623	168,520	172,490	176,558	183,428	185,003	189,384	193,875
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**364,887**	**385,891**	**405,014**	**418,152**	**429,587**	**444,042**	**453,424**	**465,842**	**478,607**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**131,330**	**113,002**	**122,058**	**136,088**	**142,922**	**147,688**	**157,352**	**165,788**	**172,994**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083
Operating Result from Continuing Operations	**23,445**	**14,432**	**(7,403)**	**(1,959)**	**8,350**	**11,353**	**12,171**	**17,770**	**22,018**	**24,911**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(23,477)**	**(33,921)**	**(27,466)**	**(17,793)**	**(15,445)**	**(15,296)**	**(10,384)**	**(6,840)**	**(4,668)**

STATEMENT OF FINANCIAL POSITION	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,509	233,608	243,860	261,719	265,618	289,098	288,291	324,984
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378
Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,487**	**296,078**	**306,822**	**325,173**	**329,564**	**353,536**	**353,221**	**390,406**

Non-Current Assets										
Investments	267,049	249,895	255,716	267,330	271,724	279,378	281,049	291,111	290,766	306,491
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,606,261	4,585,510	4,551,134	4,595,313	4,586,357	4,598,278	4,587,940	4,616,657	4,594,804
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,870,695**	**4,855,775**	**4,833,021**	**4,881,605**	**4,880,312**	**4,893,914**	**4,893,648**	**4,922,028**	**4,915,911**
Total Assets	**5,104,419**	**5,125,107**	**5,124,262**	**5,129,099**	**5,188,427**	**5,205,486**	**5,223,478**	**5,247,184**	**5,275,249**	**5,306,316**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	**2026/27 Budget $,000**	**2027/28 Year2 $,000**	**2028/29 Year3 $,000**	**2029/30 Year4 $,000**	**2030/31 Year5 $,000**	**2031/32 Year6 $,000**	**2032/33 Year7 $,000**	**2033/34 Year8 $,000**	**2034/35 Year9 $,000**	**2035/36 Year10 $,000**
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976
Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,425**	**113,223**	**109,849**	**106,294**	**102,552**	**98,610**	**94,459**

Total Liabilities	**190,139**	**196,395**	**202,954**	**209,750**	**260,728**	**266,432**	**272,253**	**278,190**	**284,236**	**290,393**
Net Assets	**4,914,280**	**4,928,712**	**4,921,309**	**4,919,349**	**4,927,700**	**4,939,052**	**4,951,223**	**4,968,993**	**4,991,011**	**5,015,923**
Equity										
Retained Earnings	3,793,960	3,808,392	3,800,989	3,799,029	3,807,380	3,818,732	3,830,903	3,848,673	3,870,691	3,895,603
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,928,712**	**4,921,309**	**4,919,349**	**4,927,700**	**4,939,052**	**4,951,223**	**4,968,993**	**4,991,011**	**5,015,923**

CASHFLOW STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Cash Flows from Operating Activities										
Add: Receipts	489,672	496,216	498,893	527,072	554,240	572,510	591,730	610,776	631,630	651,601
Less: Payments	(345,921)	(357,716)	(378,350)	(397,149)	(410,014)	(421,170)	(435,338)	(444,427)	(456,545)	(469,001)
Net Cash Flows from Operating Activities	**143,751**	**138,500**	**120,542**	**129,923**	**144,226**	**151,340**	**156,392**	**166,349**	**175,086**	**182,600**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(198,744)	(102,674)	(92,919)	(175,277)	(126,058)	(150,968)	(132,863)	(176,195)	(130,032)
Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)
Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(195,680)**	**(101,137)**	**(91,211)**	**(129,580)**	**(125,827)**	**(150,821)**	**(132,807)**	**(176,239)**	**(130,181)**
Net Cash Flow	**25,491**	**(57,179)**	**19,405**	**38,711**	**14,647**	**25,512**	**5,571**	**33,542**	**(1,153)**	**52,418**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	208,715	112,488	104,153	190,423	131,643	138,172	139,371	143,387	147,525
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(151,536)	(131,892)	(142,864)	(205,070)	(157,155)	(143,743)	(172,913)	(142,235)	(199,943)
Net Cash Reserve Movements	**(25,491)**	**57,179**	**(19,405)**	**(38,711)**	**(14,647)**	**(25,512)**	**(5,571)**	**(33,542)**	**1,153**	**(52,418)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 1 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES

	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(5.12)%	(7.18)%	(5.48)%	(3.37)%	(2.83)%	(2.71)%	(1.78)%	(1.13)%	(0.75)%
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.67%	89.90%	90.52%	90.76%	90.83%	90.90%	90.97%	91.05%	91.11%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio *represents a council's ability to meet short-term obligations as they fall due.*	> 1.5x	2.60	2.11	2.08	2.16	2.08	2.08	1.99	2.01	1.90	1.99
Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow*	> 3 months	17.92	15.42	15.18	15.61	15.61	15.91	15.53	16.10	15.63	16.53
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	26.06	24.18	26.87	20.32	17.18	17.74	18.99	20.06	20.96
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	63.11 %	63.50 %	74.10 %	116.00 %	81.46 %	81.40 %	81.32 %	81.23 %	81.15 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	11.46 %	13.85 %	15.80 %	15.53 %	17.07 %	18.66 %	20.32 %	22.03 %	23.82 %
Asset Maintenance Ratio *ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.*	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

Scenario 2 – Detailed Summary

- **New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement.**
- **New SRV to Fund Construction of New Capital Initiatives - $5M ($1M Per Ward).**

Scenario Objective

This option suggests that Council request a new SRV to restore Council's rate-peg shortfall over the past three (3) financial years.
The scenario will restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV – and utilised for the renewal/replacement of existing Council assets.

The scenario assumes no change to existing operational services.

Separately the new SRV is to also annually generate/provide a further $5M ($1M per Ward) of funding for annual capital initiatives.

Scenario Rationale

The rate-peg shortfall between Council's 2021 SRV and the general rate-peg for NSW councils is as follows:

Description	2022/23	2023/24	2024/25	2025/26
General Rate-Peg – NSW Councils	2.5 %	3.7 %	4.9 %	5.5 %
Council's Rate-Peg	2.5 %	2.5 %	2.5 %	2.5 %
Net Rate-Peg Shortfall	**-**	**1.2%**	**2.4%**	**3.0%**

The scenario suggests that the net financial impact of a new SRV over two (2) financial years as follows:

Description	2026/27	2027-28	2028-29	2029/30	2030/31
General Rate-Peg – NSW Councils	4.1%	4.0%	4.0%	3.5%	3.0%
New SRV – Rate-Peg Shortfall	-	-	-	4.6%	4.0%
New SRV – Capital Initiatives	-	-	-	1.0%	0.75%
Rate Increase	**4.1%**	**4.0%**	**4.0%**	**9.1%**	**7.75%**

- No change to Council's existing approach to setting annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government.

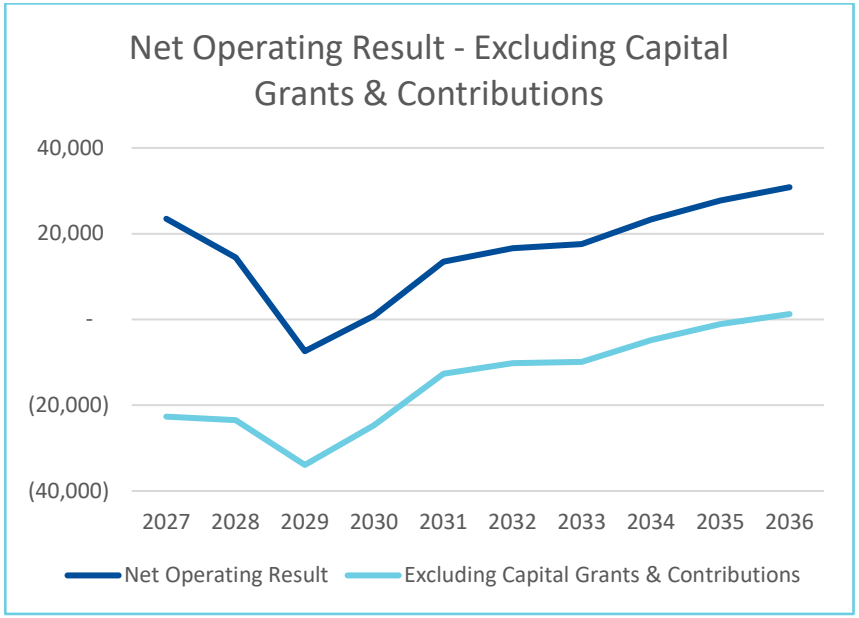
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

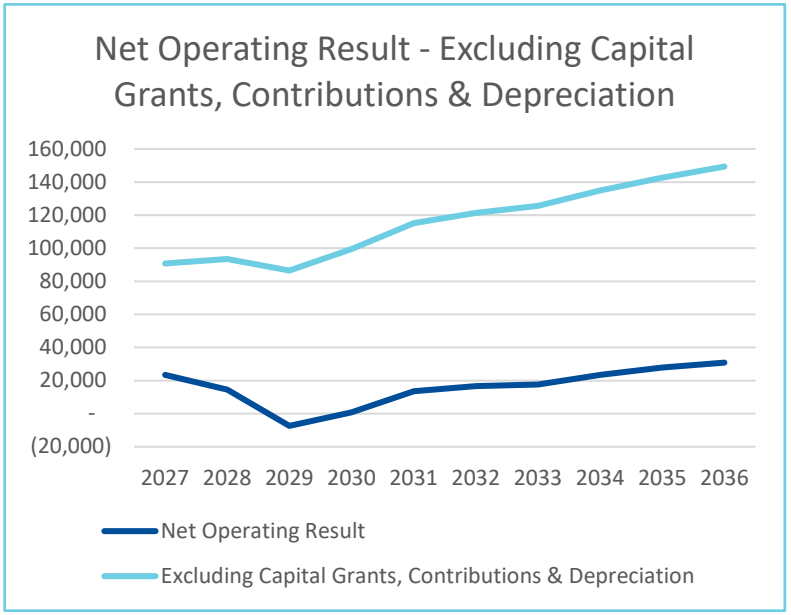
Scenario 2 – Strategy Overview

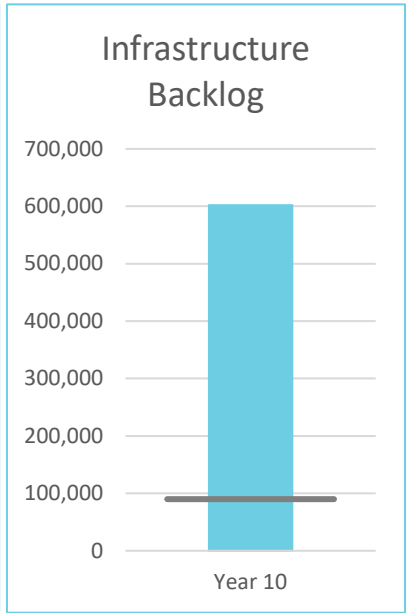
Strategy Overview

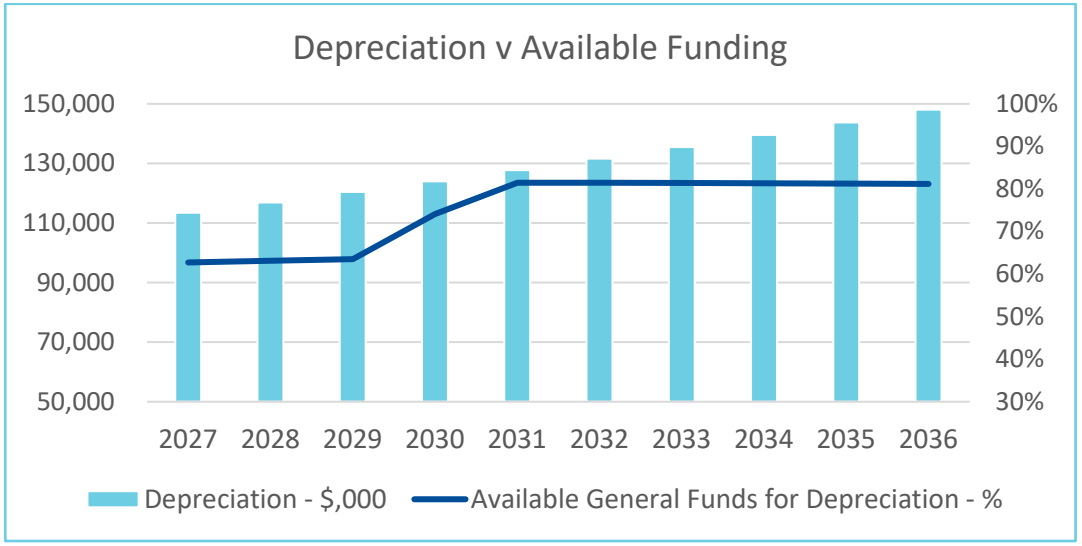
- **Council's operating cashflow, liquidity and level of cash reserves remain strong throughout the ten (10) year period.**
- **Projected income levels are sufficient to fund existing service levels, new capital initiatives and depreciation expense. This will result in Council being able to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Council financial capacity to fund Depreciation Expense increases to around 80% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $602M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to improve – particularly Council's Asset Management Ratios. Six (6) of the nine (9) ratios remain within accepted levels.**

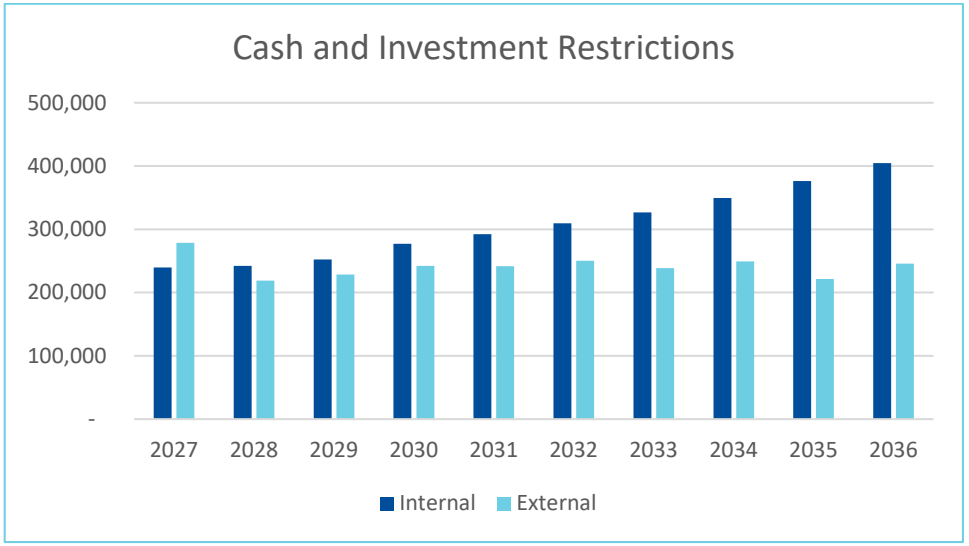
Scenario 2 - Performance Overview











Scenario 2 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	396,657	423,919	438,216	452,909	468,133	483,901	500,087
User Charges and Fees	26,823	27,896	29,012	30,028	31,259	32,540	33,875	35,263	36,709	38,214
Interest and Investment Revenues	25,025	24,991	22,691	23,532	22,500	23,150	24,247	24,529	25,960	25,970
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**496,216**	**498,893**	**529,889**	**559,350**	**577,773**	**597,151**	**616,360**	**637,381**	**657,525**
Expenses from Continuing Operations										

Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480
Materials and Services	143,404	145,609	157,623	168,520	172,490	176,558	183,428	185,003	189,384	193,875
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**364,887**	**385,891**	**405,014**	**418,152**	**429,587**	**444,042**	**453,424**	**465,842**	**478,607**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**131,330**	**113,002**	**124,875**	**141,198**	**148,185**	**153,109**	**162,936**	**171,539**	**178,918**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083
Operating Result from Continuing Operations	**23,445**	**14,432**	**(7,403)**	**858**	**13,460**	**16,616**	**17,592**	**23,354**	**27,769**	**30,835**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(23,477)**	**(33,921)**	**(24,649)**	**(12,684)**	**(10,182)**	**(9,875)**	**(4,801)**	**(1,089)**	**1,255**

STATEMENT OF FINANCIAL POSITION

	2026/27 Budget $,000	**2027/28 Year 2 $,000**	**2028/29 Year 3 $,000**	**2029/30 Year 4 $,000**	**2030/31 Year 5 $,000**	**2031/32 Year 6 $,000**	**2032/33 Year 7 $,000**	**2033/34 Year 8 $,000**	**2034/35 Year 9 $,000**	**2035/36 Year 10 $,000**
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,509	233,579	243,831	261,687	265,586	289,064	288,256	324,947
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378

Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,487**	**296,049**	**306,793**	**325,141**	**329,532**	**353,502**	**353,186**	**390,369**
Non-Current Assets										
Investments	267,049	249,895	255,716	267,318	271,711	279,364	281,035	291,097	290,751	306,476
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,606,261	4,585,510	4,553,992	4,603,282	4,599,591	4,616,935	4,612,183	4,646,653	4,630,726
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,870,695**	**4,855,775**	**4,835,867**	**4,889,562**	**4,893,534**	**4,912,557**	**4,917,876**	**4,952,009**	**4,951,816**
Total Assets	**5,104,419**	**5,125,107**	**5,124,262**	**5,131,916**	**5,196,355**	**5,218,675**	**5,242,089**	**5,271,378**	**5,305,195**	**5,342,186**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	**2026/27 Budget $,000**	**2027/28 Year2 $,000**	**2028/29 Year3 $,000**	**2029/30 Year4 $,000**	**2030/31 Year5 $,000**	**2031/32 Year6 $,000**	**2032/33 Year7 $,000**	**2033/34 Year8 $,000**	**2034/35 Year9 $,000**	**2035/36 Year10 $,000**
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390

Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976
Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,425**	**113,223**	**109,849**	**106,296**	**102,554**	**98,612**	**94,461**
Total Liabilities	**190,139**	**196,395**	**202,954**	**209,750**	**260,728**	**266,433**	**272,255**	**278,191**	**284,238**	**290,395**
Net Assets	**4,914,280**	**4,928,712**	**4,921,309**	**4,922,166**	**4,935,627**	**4,952,242**	**4,969,835**	**4,993,188**	**5,020,957**	**5,051,792**
Equity										
Retained Earnings	3,793,960	3,808,392	3,800,989	3,801,846	3,815,307	3,831,922	3,849,515	3,872,868	3,900,637	3,931,472
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,928,712**	**4,921,309**	**4,922,166**	**4,935,627**	**4,952,242**	**4,969,835**	**4,993,188**	**5,020,957**	**5,051,792**

CASHFLOW STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Cash Flows from Operating Activities										
Add: Receipts	489,672	496,216	498,893	529,889	559,350	577,773	597,151	616,360	637,381	657,525
Less: Payments	(345,921)	(357,716)	(378,350)	(397,149)	(410,014)	(421,170)	(435,338)	(444,427)	(456,545)	(469,001)
Net Cash Flows from Operating Activities	**143,751**	**138,500**	**120,542**	**132,740**	**149,336**	**156,602**	**161,813**	**171,933**	**180,837**	**188,523**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(198,744)	(102,674)	(95,777)	(180,388)	(131,323)	(156,391)	(138,448)	(181,948)	(135,958)

Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)
Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(195,680)**	**(101,137)**	**(94,069)**	**(134,690)**	**(131,092)**	**(156,244)**	**(138,393)**	**(181,991)**	**(136,107)**
Net Cash Flow	**25,491**	**(57,180)**	**19,405**	**38,670**	**14,646**	**25,510**	**5,568**	**33,541**	**(1,155)**	**52,416**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	208,715	112,488	106,970	195,535	136,908	143,595	144,956	149,140	153,450
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(151,535)	(131,892)	(145,640)	(210,181)	(162,418)	(149,163)	(178,497)	(147,986)	(205,866)
Net Cash Reserve Movements	**(25,491)**	**57,180**	**(19,405)**	**(38,670)**	**(14,646)**	**(25,510)**	**(5,568)**	**(33,541)**	**1,155**	**(52,416)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 2 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(5.12)%	(7.18)%	(4.89)%	(2.38)%	(1.85)%	(1.73)%	(0.82)%	(0.18)%	0.20 %
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.67%	89.90%	90.57%	90.84%	90.91%	90.99%	91.05%	91.13%	91.19%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio *represents a council's ability to meet short-term obligations as they fall due.*	> 1.5x	2.60	2.11	2.08	2.16	2.08	2.08	1.99	2.01	1.90	1.99
Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.*	> 3 months	17.92	15.42	15.18	15.61	15.61	15.91	15.53	16.10	15.63	16.53
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	26.06	24.18	27.63	21.22	17.92	18.50	19.78	20.88	21.80
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	63.11 %	63.50 %	74.10 %	116.00 %	81.46 %	81.40 %	81.32 %	81.23 %	81.15 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	11.46 %	13.85 %	15.80 %	15.53 %	17.07 %	18.66 %	20.32 %	22.03 %	23.82 %
Asset Maintenance Ratio *ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.*	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

Scenario 3 – Detailed Summary

- **New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement.**
- **New SRV to Fund Construction of New Capital Initiatives - $5M ($1M Per Ward).**
- **New SRV to Fund Increased Services Levels - $5M.**

Scenario Objective

This option suggests that Council request a new SRV to restore Council's rate-peg shortfall over the past three (3) financial years.

The scenario will restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV – and utilised for the renewal/replacement of existing Council assets.

Separately the new SRV is to also annually generate/provide:

- a further $5M ($1M per Ward) of funding for annual capital initiatives; and
- a further $5M to enhanced agreed Council services (in addition to the approved $4M as part of Council's original SRV)

Scenario Rationale

The rate-peg shortfall between Council's 2021 SRV and the general rate-peg for NSW councils is as follows:

Description	2022/23	2023/24	2024/25	2025/26
General Rate-Peg – NSW Councils	2.5 %	3.7 %	4.9 %	5.5 %
Council's Rate-Peg	2.5 %	2.5 %	2.5 %	2.5 %
Net Rate-Peg Shortfall	**-**	**1.2%**	**2.4%**	**3.0%**

The scenario suggests that the net financial impact of a new SRV over two (2) financial years as follows:

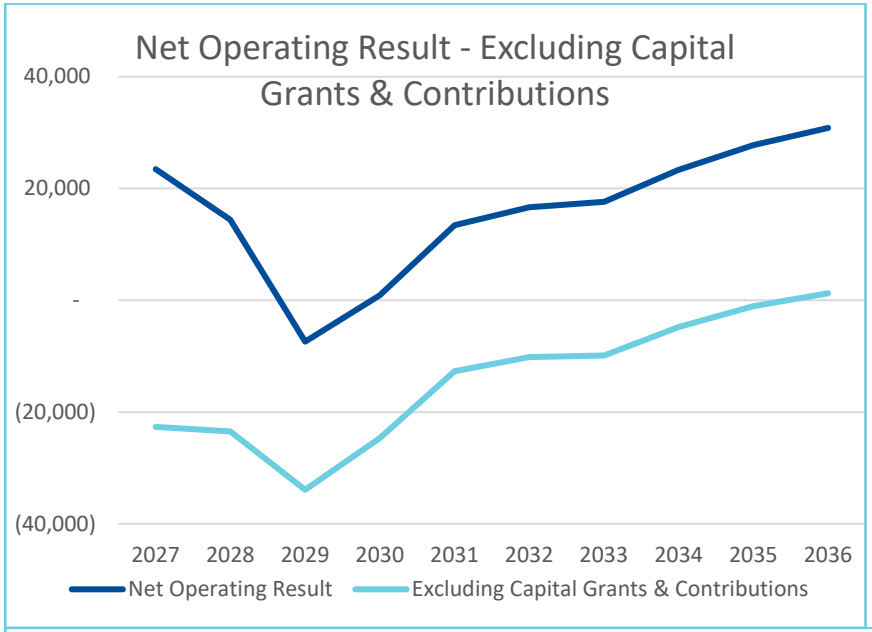
Description	2026/27	2027-28	2028-29	2029/30	2030/31
General Rate-Peg – NSW Councils	4.1%	4.0%	4.0%	3.5%	3.0%
New SRV – Rate-Peg Shortfall	-	-	-	4.6%	4.0%
New SRV – Capital Initiatives	-	-	-	1.0%	0.75%
New SRV – Service Enhancements	-	-	-	1.0%	0.75%
Rate Increase	**4.1%**	**9.5%**	**3.0%**	**10.1%**	**8.5%**

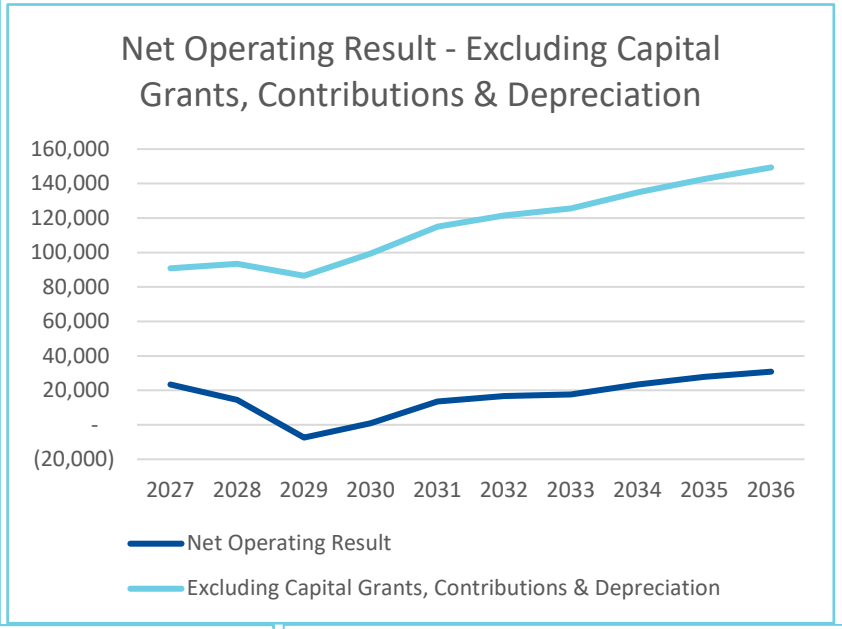
- No change to Council's existing approach to setting annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government.
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

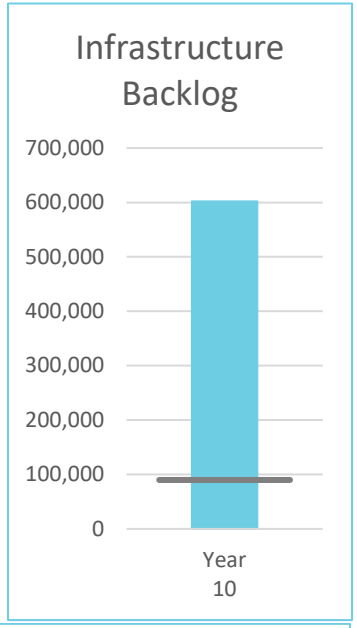
Strategy Overview

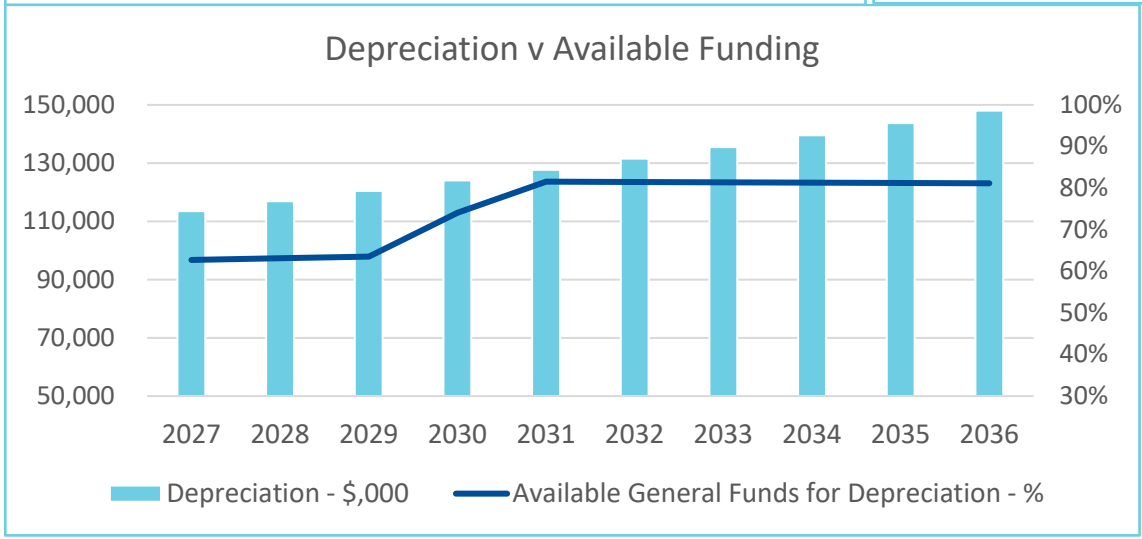
- **Council's operating cashflow, liquidity and level of cash reserves remain strong throughout the ten (10) year period.**
- **Projected income levels are sufficient to fund both existing & new service levels and depreciation expense. This will result in Council being able to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Council financial capacity to fund Depreciation Expense increases to around 80% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $602M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to improve – particularly Council's Asset Management Ratios. Six (6) of the nine (9) ratios remain within accepted levels.**

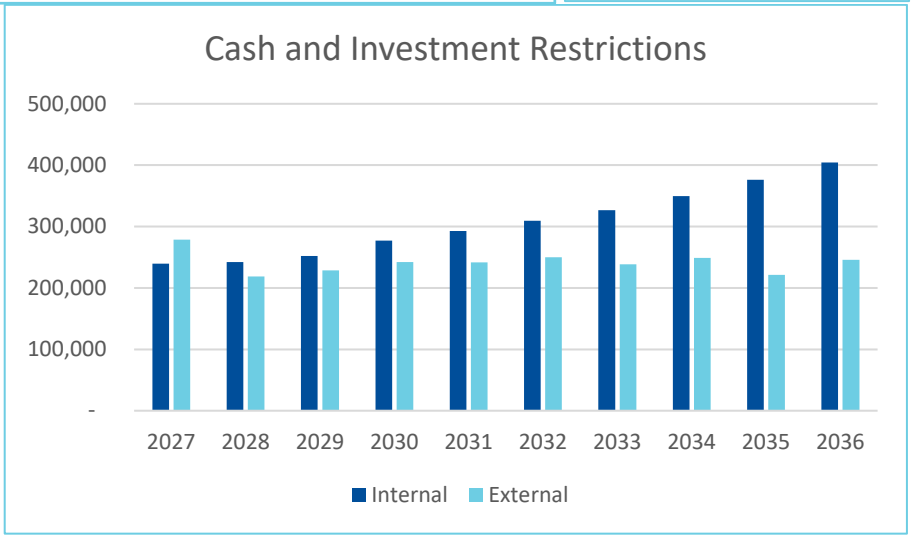
Scenario 3 - Performance Overview











Scenario 3 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	399,474	429,030	443,481	458,332	473,719	489,654	506,013
User Charges and Fees	26,823	27,896	29,012	30,028	31,259	32,540	33,875	35,263	36,709	38,214
Interest and Investment Revenues	25,025	24,991	22,691	23,532	22,500	23,150	24,247	24,529	25,960	25,970
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**496,216**	**498,893**	**532,706**	**564,461**	**583,038**	**602,574**	**621,945**	**643,134**	**663,450**
Expenses from Continuing Operations										
Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480
Materials and Services	143,404	145,609	157,623	171,337	177,601	181,823	188,851	190,588	195,137	199,800
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**364,887**	**385,891**	**407,831**	**423,263**	**434,852**	**449,465**	**459,009**	**471,595**	**484,533**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**131,330**	**113,002**	**124,875**	**141,198**	**148,185**	**153,109**	**162,936**	**171,539**	**178,918**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083

Operating Result from Continuing Operations	**23,445**	**14,432**	**(7,403)**	**858**	**13,460**	**16,616**	**17,592**	**23,354**	**27,769**	**30,835**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(23,477)**	**(33,921)**	**(24,649)**	**(12,684)**	**(10,182)**	**(9,875)**	**(4,801)**	**(1,089)**	**1,255**

STATEMENT OF FINANCIAL POSITION	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,509	233,579	243,831	261,687	265,586	289,064	288,256	324,947
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378
Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,487**	**296,049**	**306,793**	**325,141**	**329,532**	**353,502**	**353,186**	**390,369**
Non-Current Assets										
Investments	267,049	249,895	255,716	267,318	271,711	279,364	281,035	291,097	290,751	306,476
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,606,261	4,585,510	4,553,992	4,603,282	4,599,591	4,616,935	4,612,183	4,646,653	4,630,726
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,870,695**	**4,855,775**	**4,835,867**	**4,889,562**	**4,893,534**	**4,912,557**	**4,917,876**	**4,952,009**	**4,951,816**
Total Assets	**5,104,419**	**5,125,107**	**5,124,262**	**5,131,916**	**5,196,355**	**5,218,675**	**5,242,089**	**5,271,378**	**5,305,195**	**5,342,186**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663

Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	**2026/27 Budget $,000**	**2027/28 Year2 $,000**	**2028/29 Year3 $,000**	**2029/30 Year4 $,000**	**2030/31 Year5 $,000**	**2031/32 Year6 $,000**	**2032/33 Year7 $,000**	**2033/34 Year8 $,000**	**2034/35 Year9 $,000**	**2035/36 Year10 $,000**
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976
Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,425**	**113,223**	**109,849**	**106,294**	**102,552**	**98,610**	**94,459**
Total Liabilities	**190,139**	**196,395**	**202,954**	**209,750**	**260,728**	**266,433**	**272,253**	**278,189**	**284,236**	**290,393**
Net Assets	**4,914,280**	**4,928,712**	**4,921,309**	**4,922,166**	**4,935,627**	**4,952,242**	**4,969,835**	**4,993,188**	**5,020,957**	**5,051,792**
Equity										
Retained Earnings	3,793,960	3,808,392	3,800,989	3,801,846	3,815,307	3,831,922	3,849,515	3,872,868	3,900,637	3,931,472
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,928,712**	**4,921,309**	**4,922,166**	**4,935,627**	**4,952,242**	**4,969,835**	**4,993,188**	**5,020,957**	**5,051,792**

CASHFLOW STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Cash Flows from Operating Activities										
Add: Receipts	489,672	496,216	498,893	532,706	564,461	583,038	602,574	621,945	643,134	663,450
Less: Payments	(345,921)	(357,716)	(378,350)	(399,966)	(415,126)	(426,435)	(440,761)	(450,012)	(462,298)	(474,927)
Net Cash Flows from Operating Activities	**143,751**	**138,500**	**120,542**	**132,740**	**149,336**	**156,603**	**161,813**	**171,933**	**180,837**	**188,523**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(198,744)	(102,674)	(95,777)	(180,388)	(131,323)	(156,391)	(138,448)	(181,948)	(135,958)
Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)
Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(195,680)**	**(101,136)**	**(94,069)**	**(134,690)**	**(131,093)**	**(156,244)**	**(138,393)**	**(181,992)**	**(136,107)**
Net Cash Flow	**25,491**	**(57,179)**	**19,405**	**38,670**	**14,646**	**25,510**	**5,568**	**33,541**	**(1,155)**	**52,416**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	208,715	112,488	106,970	195,535	136,908	143,595	144,956	149,140	153,450
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(151,536)	(131,892)	(145,640)	(210,181)	(162,418)	(149,163)	(178,497)	(147,986)	(205,866)
Net Cash Reserve Movements	**(25,491)**	**57,179**	**(19,405)**	**(38,670)**	**(14,646)**	**(25,510)**	**(5,568)**	**(33,541)**	**1,155**	**(52,416)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 3 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(5.12)%	(7.18)%	(4.86)%	(2.36)%	(1.83)%	(1.72)%	(0.81)%	(0.18)%	0.20 %
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.67%	89.90%	90.62%	90.92%	90.99%	91.07%	91.13%	91.21%	91.26%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio *represents a council's ability to meet short-term obligations as they fall due.*	> 1.5x	2.60	2.11	2.08	2.16	2.08	2.08	1.99	2.01	1.90	1.99
Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.*	> 3 months	17.92	15.42	15.18	15.50	15.42	15.71	15.34	15.90	15.44	16.32
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	26.06	24.18	27.63	21.22	17.92	18.50	19.78	20.88	21.80
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	63.11 %	63.50 %	74.10 %	116.00 %	81.46 %	81.40 %	81.32 %	81.23 %	81.15 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	11.46 %	13.85 %	15.80 %	15.53 %	17.07 %	18.66 %	20.32 %	22.03 %	23.82 %

Asset Maintenance Ratio *ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.*	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

Scenario 4 – Detailed Summary

- **New SRV to Correct Rate-Peg Shortfall Set by IPART to Fund Asset Renewals/Replacement.**
- **Increase Recurrent Fees, Charges & Other Income ($5M) and Cut Discretionary Costs/Programs and Other Services ($5M) to Fund:**
  - **Construction of New Capital Initiatives - $5M ($1M Per Ward); and**
  - **Increased Service Levels - $5M**

Scenario Objective

This option suggests that Council request a new SRV to restore Council's rate-peg shortfall over the past three (3) financial years.

The scenario will restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV – and utilised for the renewal/replacement of existing Council assets.

Separately, identify additional funds from existing operational funding model to generate/provide:

- a further $5M ($1M per Ward) of funding for annual capital initiatives; and
- a further $5M to enhanced agreed Council services (in addition to the approved $4M as part of Council's original SRV)

Scenario Rationale

The rate-peg shortfall between Council's 2021 SRV and the general rate-peg for NSW councils is as follows:

Description	2022/23	2023/24	2024/25	2025/26
General Rate-Peg – NSW Councils	2.5 %	3.7 %	4.9 %	5.5 %
Council's Rate-Peg	2.5 %	2.5 %	2.5 %	2.5 %
Net Rate-Peg Shortfall	**-**	**1.2%**	**2.4%**	**3.0%**

The scenario suggests that the net financial impact of a new SRV over two (2) financial years as follows:

Description	2026/27	2027-28	2028-29	2029-30	2030-31
General Rate-Peg – NSW Councils	4.1%	4.0%	4.0%	3.5%	3.0%
New SRV – Rate-Peg Shortfall	-	-	-	4.6%	4.0%
Rate Increase	**4.1%**	**4.0%**	**4.0%**	**8.1%**	**7.0%**

Operational funding of $10M for Capital Initiatives ($5M) and Enhanced Service Delivery ($5M) to be funded as follows:

Description	2026/27	2027-28	2028-29
Increase recurrent Fees and Charges / Other Income (2)	-	$5M	-
Cut Discretionary Services/Programs or Other Services	-	$5M	-

(2) all existing Fees / Charges and Other Income will continue to increase as per Council's LTFP

- Identifying the specific Fees and Charges / Other Income that would increase and cuts to discretionary services/programs or other existing services would be subject to a detailed review and consideration by Council if the scenario were be to considered.

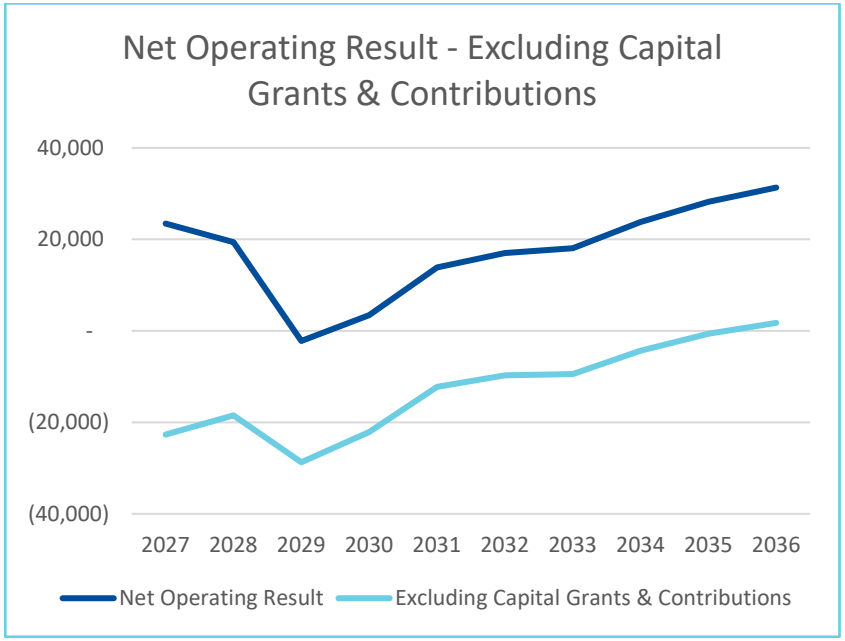
- No change to Council's approach to setting existing annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government

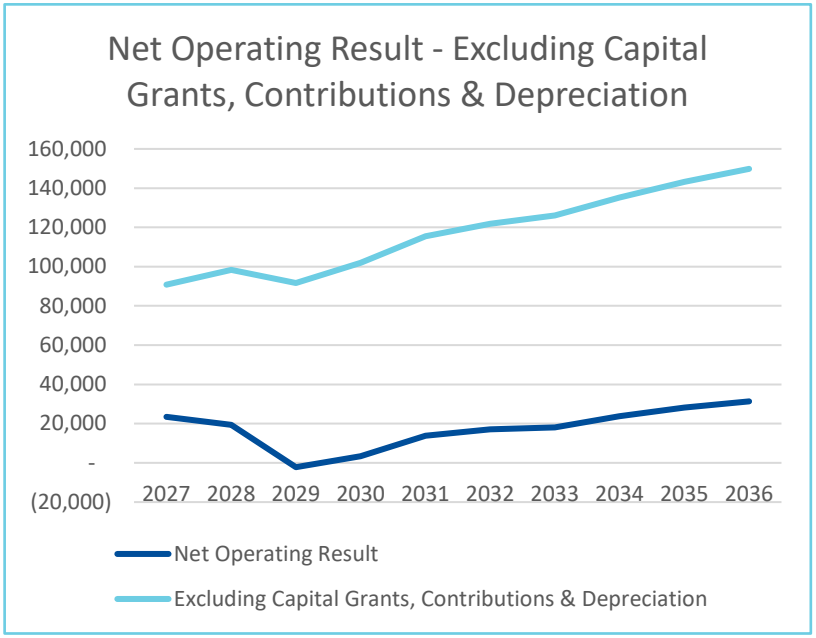
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

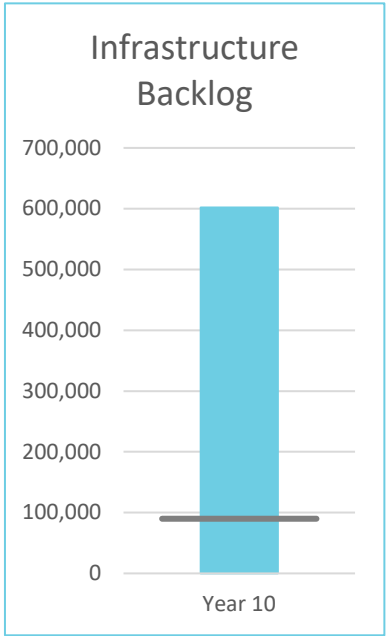
Strategy Overview

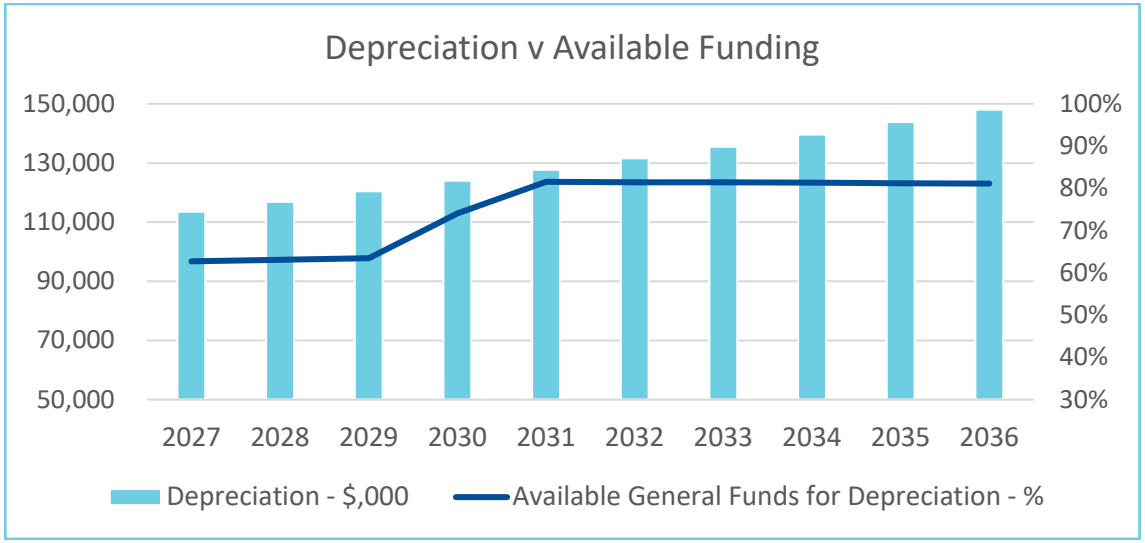
- **Council's operating cashflow, liquidity and level of cash reserves remain strong throughout the ten (10) year period.**
- **Projected income levels are sufficient to fund both existing service levels and depreciation expense. This will result in Council being able to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Fees, Charges and Other Income will need to increase ($5M) to fund new capital initiatives.**
- **Cuts to discretionary services/programs and certain services ($5M) to fund the expansion of other identified services.**
- **Council financial capacity to fund Depreciation Expense increases to around 80% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $602M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to improve – particularly Council's Asset Management Ratios. Six (6) of the nine (9) ratios remain within accepted levels.**

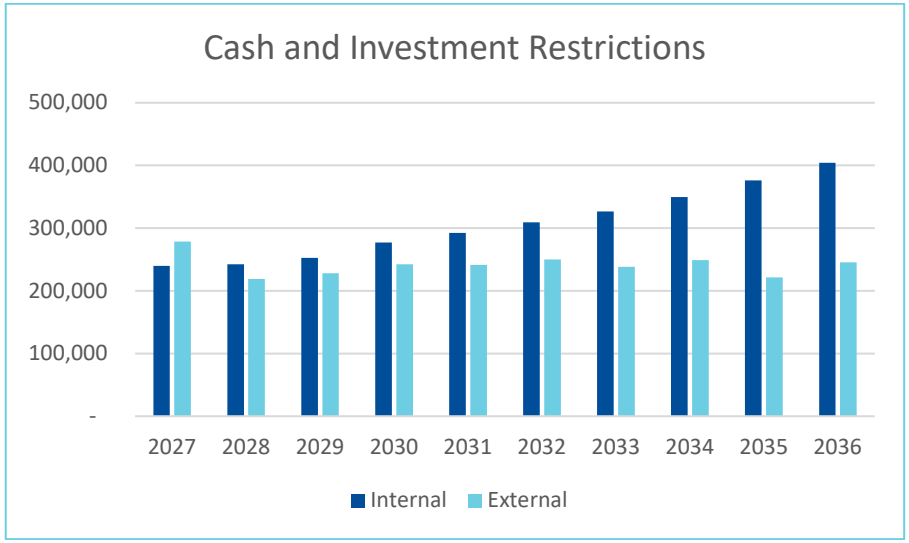
Scenario 4 - Performance Overview











Scenario 4 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	393,840	418,807	432,952	447,487	462,548	478,148	494,161
User Charges and Fees	26,823	32,896	34,212	35,410	36,802	38,250	39,756	41,321	42,948	44,641
Interest and Investment Revenues	25,025	24,991	22,688	23,526	22,492	23,141	24,238	24,520	25,950	25,960
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**501,216**	**504,090**	**532,447**	**559,774**	**578,209**	**597,600**	**616,823**	**637,858**	**658,016**
Expenses from Continuing Operations										
Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480

Materials and Services	143,404	145,609	157,623	168,520	172,490	176,558	183,428	185,003	189,384	193,875
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**364,887**	**385,891**	**405,014**	**418,152**	**429,587**	**444,042**	**453,424**	**465,842**	**478,607**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**136,330**	**118,199**	**127,433**	**141,622**	**148,622**	**153,559**	**163,399**	**172,016**	**179,409**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083
Operating Result from Continuing Operations	**23,445**	**19,432**	**(2,206)**	**3,416**	**13,884**	**17,052**	**18,042**	**23,816**	**28,246**	**31,326**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(18,477)**	**(28,724)**	**(22,090)**	**(12,260)**	**(9,745)**	**(9,426)**	**(4,338)**	**(612)**	**1,746**

STATEMENT OF FINANCIAL POSITION	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,875	206,403	233,443	243,688	261,539	265,432	288,903	288,089	324,774
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378
Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,361**	**268,381**	**295,913**	**306,650**	**324,993**	**329,378**	**353,341**	**353,019**	**390,196**

Non-Current Assets										
Investments	267,049	249,873	255,671	267,259	271,650	279,301	280,969	291,028	290,679	306,401
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,611,334	4,595,859	4,566,943	4,616,665	4,613,419	4,631,221	4,626,941	4,661,897	4,646,471
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,875,746**	**4,866,079**	**4,848,759**	**4,902,882**	**4,907,296**	**4,926,775**	**4,932,563**	**4,967,179**	**4,967,485**
Total Assets	**5,104,419**	**5,130,107**	**5,134,460**	**5,144,672**	**5,209,532**	**5,232,289**	**5,256,153**	**5,285,905**	**5,320,198**	**5,357,680**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	**2026/27 Budget $,000**	**2027/28 Year2 $,000**	**2028/29 Year3 $,000**	**2029/30 Year4 $,000**	**2030/31 Year5 $,000**	**2031/32 Year6 $,000**	**2032/33 Year7 $,000**	**2033/34 Year8 $,000**	**2034/35 Year9 $,000**	**2035/36 Year10 $,000**
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976
Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,425**	**113,223**	**109,847**	**106,293**	**102,551**	**98,610**	**94,458**
Total Liabilities	**190,139**	**196,395**	**202,954**	**209,751**	**260,727**	**266,431**	**272,252**	**278,188**	**284,236**	**290,392**

Net Assets	**4,914,280**	**4,933,712**	**4,931,506**	**4,934,922**	**4,948,806**	**4,965,859**	**4,983,900**	**5,007,717**	**5,035,963**	**5,067,288**
Equity										
Retained Earnings	3,793,960	3,813,392	3,811,186	3,814,602	3,828,486	3,845,539	3,863,580	3,887,397	3,915,643	3,946,968
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,933,712**	**4,931,506**	**4,934,922**	**4,948,806**	**4,965,859**	**4,983,900**	**5,007,717**	**5,035,963**	**5,067,288**

CASHFLOW STATEMENT	**2026/27 Budget $,000**	**2027/28 Year 2 $,000**	**2028/29 Year 3 $,000**	**2029/30 Year 4 $,000**	**2030/31 Year 5 $,000**	**2031/32 Year 6 $,000**	**2032/33 Year 7 $,000**	**2033/34 Year 8 $,000**	**2034/35 Year 9 $,000**	**2035/36 Year 10 $,000**
Cash Flows from Operating Activities										
Add: Receipts	489,672	501,216	504,090	532,447	559,774	578,209	597,600	616,823	637,858	658,016
Less: Payments	(345,921)	(357,716)	(378,350)	(397,149)	(410,014)	(421,170)	(435,338)	(444,427)	(456,545)	(469,001)
Net Cash Flows from Operating Activities	**143,751**	**143,500**	**125,740**	**135,298**	**149,760**	**157,039**	**162,262**	**172,396**	**181,313**	**189,014**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(203,816)	(107,949)	(98,379)	(180,820)	(131,768)	(156,849)	(138,920)	(182,434)	(136,459)
Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)

Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(200,752)**	**(106,412)**	**(96,671)**	**(135,123)**	**(131,538)**	**(156,702)**	**(138,865)**	**(182,478)**	**(136,608)**
Net Cash Flow	**25,491**	**(57,252)**	**19,327**	**38,627**	**14,638**	**25,501**	**5,560**	**33,532**	**(1,165)**	**52,407**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	213,715	117,688	109,535	195,967	137,353	144,053	145,428	149,626	153,951
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(156,463)	(137,014)	(148,162)	(210,605)	(162,854)	(149,613)	(178,960)	(148,462)	(206,358)
Net Cash Reserve Movements	**(25,491)**	**57,252**	**(19,327)**	**(38,627)**	**(14,638)**	**(25,501)**	**(5,560)**	**(33,532)**	**1,165**	**(52,407)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 4 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(3.99)%	(6.01)%	(4.36)%	(2.30)%	(1.77)%	(1.65)%	(0.74)%	(0.10)%	0.28 %
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.79%	90.00%	90.61%	90.85%	90.92%	90.99%	91.06%	91.14%	91.19%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio	> 1.5x	2.60	2.11	2.08	2.15	2.08	2.08	1.98	2.01	1.90	1.99

represents a council's ability to meet short-term obligations as they fall due.											
Rates , Annual Charges, interest & Extra Charges Outstanding Percentage	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
expressed as a percentage of total rates and charges available for collection in the financial year.											
Cash Expense Cover Ratio	> 3 months	17.92	15.42	15.17	15.60	15.60	15.90	15.52	16.09	15.62	16.52
liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.											
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio	> 2x	25.37	27.41	25.58	28.32	21.29	17.98	18.57	19.84	20.94	21.87
measures the availability of operating cash to service loan repayments.											
ASSET MANAGEMENT											
Asset Renewals Ratio	> 100%	62.72 %	63.11 %	63.50 %	74.10 %	116.00 %	81.46 %	81.40 %	81.32 %	81.23 %	81.15 %
assesses the rate at which these assets are being renewed against the rate at which they are depreciating.											
Infrastructure Backlog Ratio	< 2%	9.13 %	11.46 %	13.85 %	15.80 %	15.53 %	17.07 %	18.66 %	20.32 %	22.03 %	23.82 %
ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.											
Asset Maintenance Ratio	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %
ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.											

Scenario 5 – Detailed Summary

- **Increase Recurrent Fees, Charges & Other Income and Cut Discretionary Costs/Programs and Other Services to Fund Asset Renewals/Replacement.**

Scenario Objective

This option suggests that Council identify additional funds from its existing operational funding model to generate/provide funding to restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV – and utilised for the renewal/replacement of existing Council assets

Scenario Rationale

The rate-peg shortfall between Council's 2021 SRV and the general rate-peg for NSW councils is as follows:

Description	2022/23	2023/24	2024/25	2025/26
General Rate-Peg – NSW Councils	2.5 %	3.7 %	4.9 %	5.5 %
Council's Rate-Peg	2.5 %	2.5 %	2.5 %	2.5 %
Net Rate-Peg Shortfall	**-**	**1.2%**	**2.4%**	**3.0%**

To restore the rate-peg shortfall and in turn generate adequate funding – the option would require the following:

Description	2026/27	2027/28	2028/29
Increase recurrent Fees and Charges / Other Income (2)	-	$10M	-
Cut Discretionary Services/Programs or Other Services	-	$12M	-

(2) all existing Fees / Charges and Other Income will continue to increase as per Council's LTFP

- Identifying the specific Fees and Charges / Other Income that would increase and cuts to discretionary services/programs or other existing services would be subject to a detailed review and consideration by Council if the scenario were be to be considered.

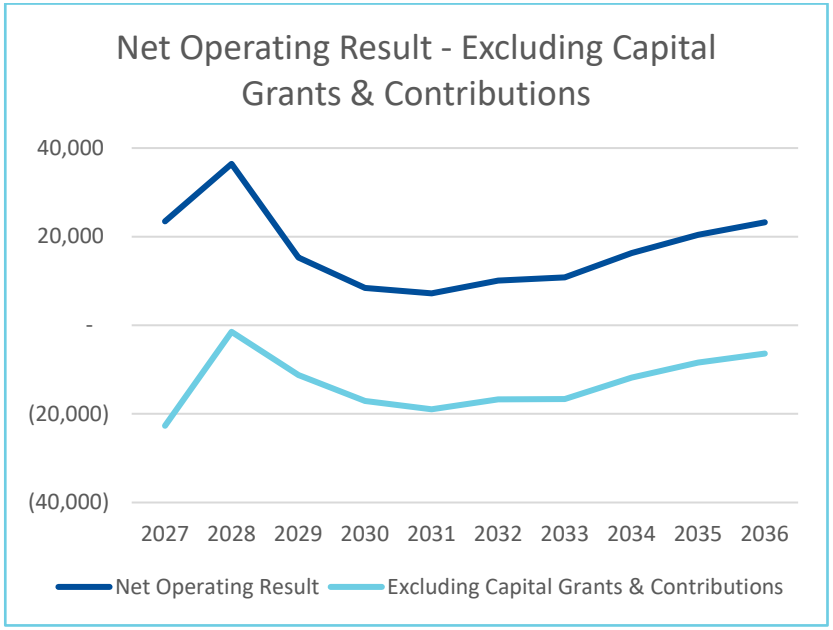
- No change to Council's approach to setting existing annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government

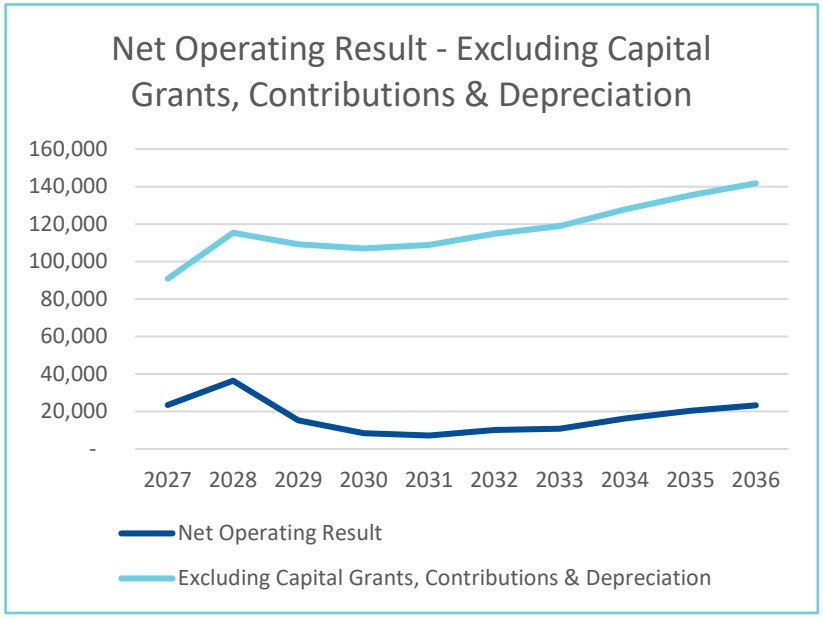
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

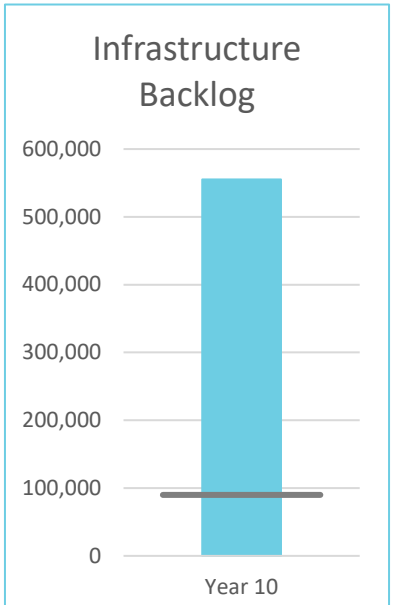
Strategy Overview

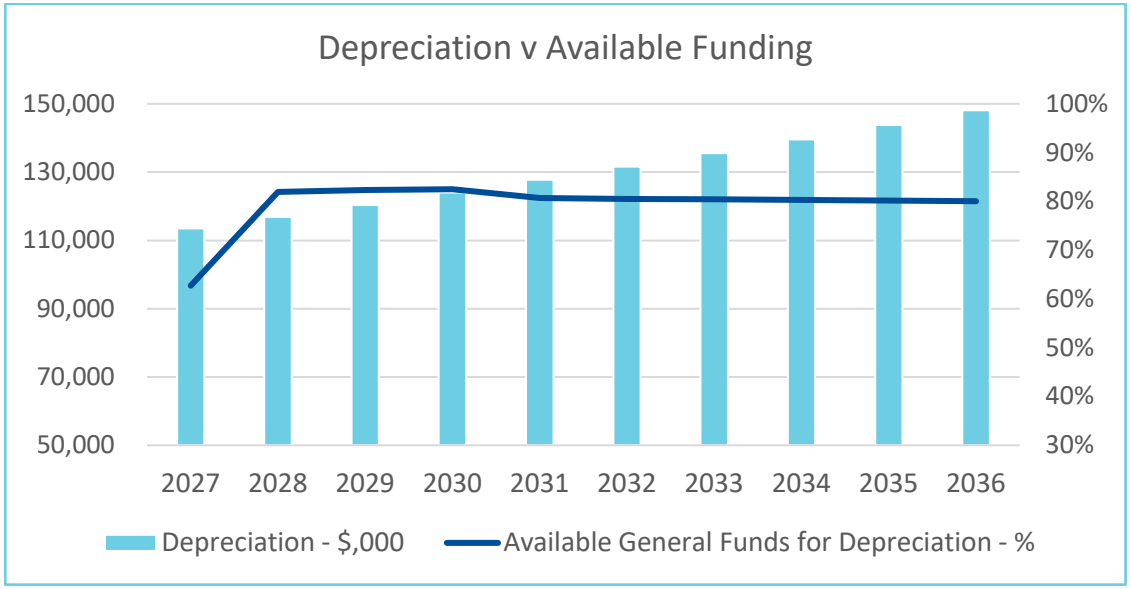
- **Council's operating cashflow, liquidity and level of cash reserves remain sound throughout the ten (10) year period.**
- **Projected income levels are sufficient to fund both existing service levels and depreciation expense. This will result in Council being able to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Fees, Charges and Other Income will need to increase ($5M) to fund new capital initiatives.**
- **Cuts to discretionary services/programs and certain services ($5M) to fund the expansion of other identified services.**
- **Council financial capacity to fund Depreciation Expense increases to around 80% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $555M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to weaken – particularly Council's Operating Performance Ratio and Asset Management Ratios. Five (5) of the nine (9) ratios remain within accepted levels.**

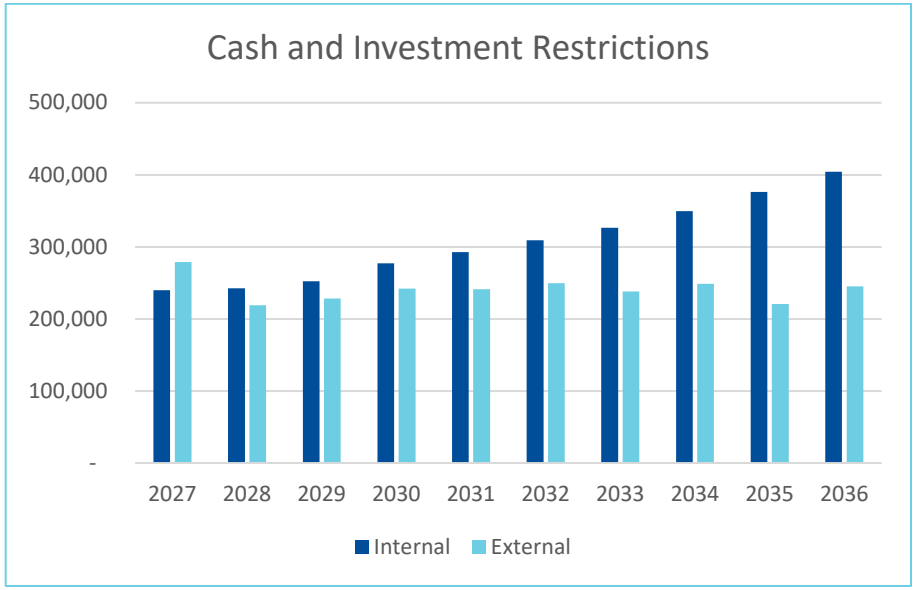
Scenario 5 - Performance Overview











Scenario 5 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	380,881	393,674	407,064	420,822	435,083	449,860	465,024
User Charges and Fees	26,823	37,896	39,412	40,792	42,346	43,960	45,637	47,378	49,188	51,067
Interest and Investment Revenues	25,025	24,991	22,691	23,518	22,481	23,130	24,227	24,508	25,938	25,947
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**506,216**	**509,293**	**524,864**	**540,173**	**558,020**	**576,806**	**595,404**	**615,797**	**635,292**
Expenses from Continuing Operations										

Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480
Materials and Services	143,404	133,609	145,323	155,913	159,567	163,312	169,851	171,086	175,120	179,254
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**352,887**	**373,591**	**392,406**	**405,229**	**416,342**	**430,465**	**439,507**	**451,578**	**463,986**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**153,330**	**135,702**	**132,457**	**134,944**	**141,679**	**146,341**	**155,896**	**164,218**	**171,306**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083
Operating Result from Continuing Operations	**23,445**	**36,432**	**15,297**	**8,440**	**7,206**	**10,109**	**10,824**	**16,314**	**20,449**	**23,223**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(1,477)**	**(11,221)**	**(17,066)**	**(18,938)**	**(16,689)**	**(16,644)**	**(11,840)**	**(8,409)**	**(6,356)**

STATEMENT OF FINANCIAL POSITION	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,278	233,261	243,499	261,342	265,226	288,690	287,867	324,542
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378

Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,256**	**295,731**	**306,461**	**324,796**	**329,172**	**353,128**	**352,797**	**389,964**
Non-Current Assets										
Investments	267,049	249,895	255,617	267,181	271,569	279,216	280,881	290,937	290,584	306,302
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,628,261	4,630,541	4,606,729	4,649,784	4,639,606	4,650,202	4,638,431	4,665,602	4,642,086
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,892,695**	**4,900,706**	**4,888,468**	**4,935,920**	**4,933,400**	**4,945,668**	**4,943,962**	**4,970,789**	**4,963,001**
Total Assets	**5,104,419**	**5,147,107**	**5,168,962**	**5,184,199**	**5,242,381**	**5,258,196**	**5,274,840**	**5,297,090**	**5,323,586**	**5,352,965**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	**2026/27 Budget $,000**	**2027/28 Year2 $,000**	**2028/29 Year3 $,000**	**2029/30 Year4 $,000**	**2030/31 Year5 $,000**	**2031/32 Year6 $,000**	**2032/33 Year7 $,000**	**2033/34 Year8 $,000**	**2034/35 Year9 $,000**	**2035/36 Year10 $,000**
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976

Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,426**	**113,222**	**109,849**	**106,295**	**102,552**	**98,611**	**94,460**
Total Liabilities	**190,138**	**196,395**	**202,953**	**209,751**	**260,726**	**266,433**	**272,253**	**278,188**	**284,236**	**290,393**
Net Assets	**4,914,280**	**4,950,712**	**4,966,009**	**4,974,449**	**4,981,655**	**4,991,764**	**5,002,588**	**5,018,902**	**5,039,350**	**5,062,574**
Equity										
Retained Earnings	3,793,960	3,830,392	3,845,689	3,854,129	3,861,335	3,871,444	3,882,268	3,898,582	3,919,030	3,942,254
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,950,712**	**4,966,009**	**4,974,449**	**4,981,655**	**4,991,764**	**5,002,588**	**5,018,902**	**5,039,350**	**5,062,574**

CASHFLOW STATEMENT	**2026/27 Budget $,000**	**2027/28 Year 2 $,000**	**2028/29 Year 3 $,000**	**2029/30 Year 4 $,000**	**2030/31 Year 5 $,000**	**2031/32 Year 6 $,000**	**2032/33 Year 7 $,000**	**2033/34 Year 8 $,000**	**2034/35 Year 9 $,000**	**2035/36 Year 10 $,000**
Cash Flows from Operating Activities										
Add: Receipts	489,672	506,216	509,293	524,864	540,173	558,020	576,806	595,404	615,797	635,292
Less: Payments	(345,921)	(345,716)	(366,050)	(384,541)	(397,091)	(407,924)	(421,761)	(430,510)	(442,280)	(454,380)
Net Cash Flows from Operating Activities	**143,751**	**160,500**	**143,243**	**140,322**	**143,081**	**150,096**	**155,044**	**164,893**	**173,516**	**180,912**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-

Less: Acquisition of Assets	(120,180)	(220,744)	(125,704)	(103,483)	(174,153)	(124,835)	(149,643)	(131,430)	(174,650)	(128,369)
Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)
Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(217,680)**	**(124,167)**	**(101,776)**	**(128,455)**	**(124,606)**	**(149,496)**	**(131,374)**	**(174,693)**	**(128,518)**
Net Cash Flow	**25,491**	**(57,180)**	**19,075**	**38,546**	**14,627**	**25,491**	**5,548**	**33,520**	**(1,177)**	**52,393**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	230,715	135,188	114,566	189,299	130,421	136,847	137,938	141,842	145,861
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(173,535)	(154,262)	(153,112)	(203,926)	(155,912)	(142,395)	(171,458)	(140,666)	(198,254)
Net Cash Reserve Movements	**(25,491)**	**57,180**	**(19,075)**	**(38,546)**	**(14,627)**	**(25,491)**	**(5,548)**	**(33,520)**	**1,177**	**(52,393)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 5 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(0.32)%	(2.32)%	(3.42)%	(3.68)%	(3.14)%	(3.03)%	(2.09)%	(1.43)%	(1.05)%
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.91%	90.11%	90.48%	90.52%	90.59%	90.67%	90.73%	90.82%	90.88%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio *represents a council's ability to meet short-term obligations as they fall due.*	> 1.5x	2.60	2.11	2.08	2.15	2.08	2.07	1.98	2.01	1.90	1.99
Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.*	> 3 months	17.92	15.95	15.67	16.10	16.10	16.40	16.01	16.60	16.11	17.04
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	31.98	30.29	29.67	20.12	17.00	17.55	18.78	19.84	20.72
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	81.93 %	82.35 %	82.50 %	115.12 %	80.53 %	80.42 %	80.29 %	80.16 %	80.03 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	10.59 %	12.08 %	13.61 %	13.40 %	14.98 %	16.63 %	18.34 %	20.12 %	21.97 %
Asset Maintenance Ratio *ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.*	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

Scenario 6 – Detailed Summary

- **Cut Existing Capital Asset Renewal/Replacement Funding by $5M and Fund Constructing New Capital Initiatives – $5M ($1M Per Ward).**

Scenario Objective

- This option suggests that Council re-direct $5M of existing capital asset renewal/replacement funding towards new capital initiatives - $1M per Ward.

- The scenario assumes no change to existing operational services.

Scenario Rationale

- Re-directing $5M existing capital asset renewal/replacement funding towards new capital initiatives would negatively impact Council's capacity to restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV.

- No change to Council's approach to setting existing annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government

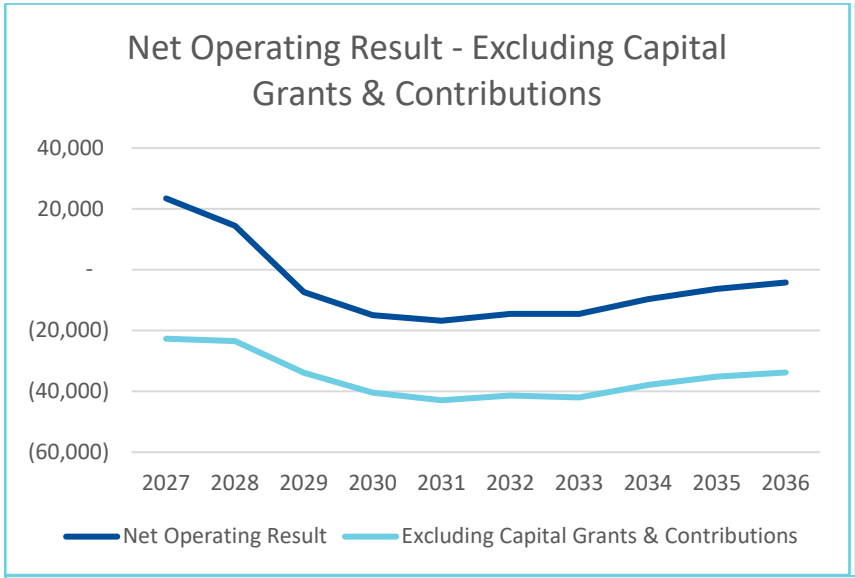
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

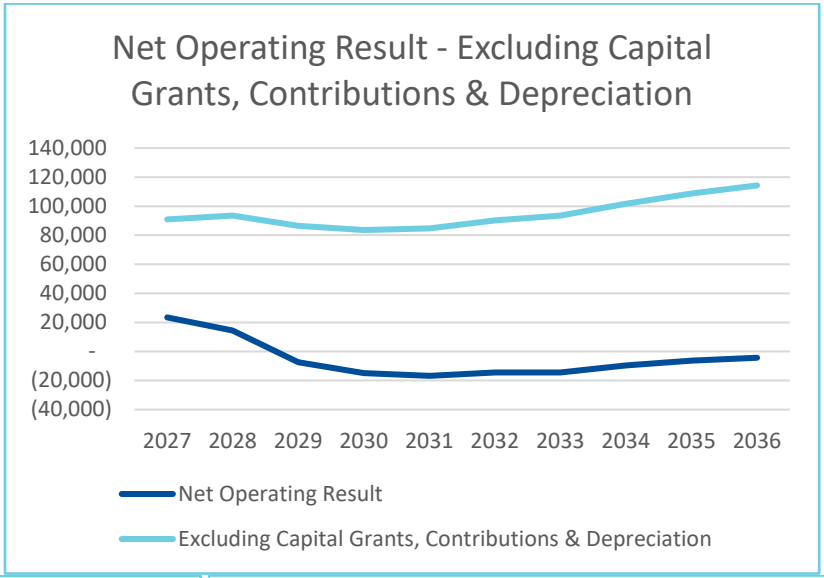
Scenario 6 – Strategy Overview

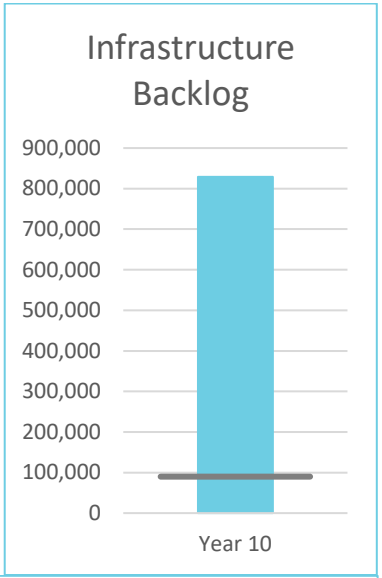
Strategy Overview

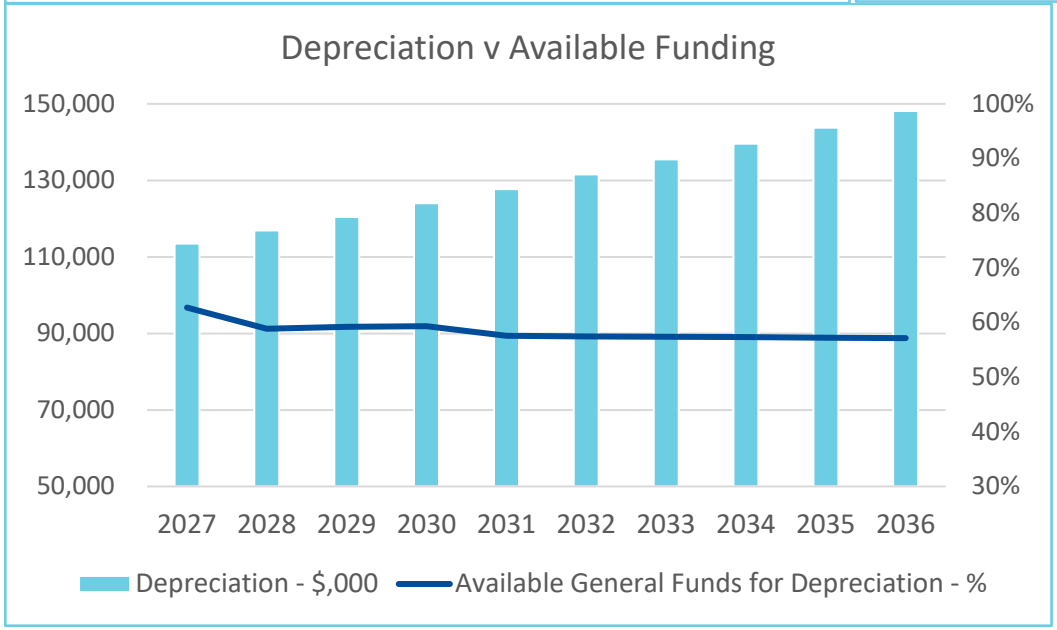
- **Council's operating cashflow, liquidity and level of cash reserves remain sound throughout the ten (10) year period.**
- **Projected income levels are not sufficient to fund both existing service levels and depreciation expense. This will result in Council being unable to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Council will fund the expansion of other identified services at the expense of renewing / replacing existing assets.**
- **Council financial capacity to fund Depreciation Expense reduces to around 57% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $829M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to weaken – particularly Council's Operating Performance Ratio and Asset Management Ratios. Five (5) of the nine (9) ratios remain within accepted levels.**

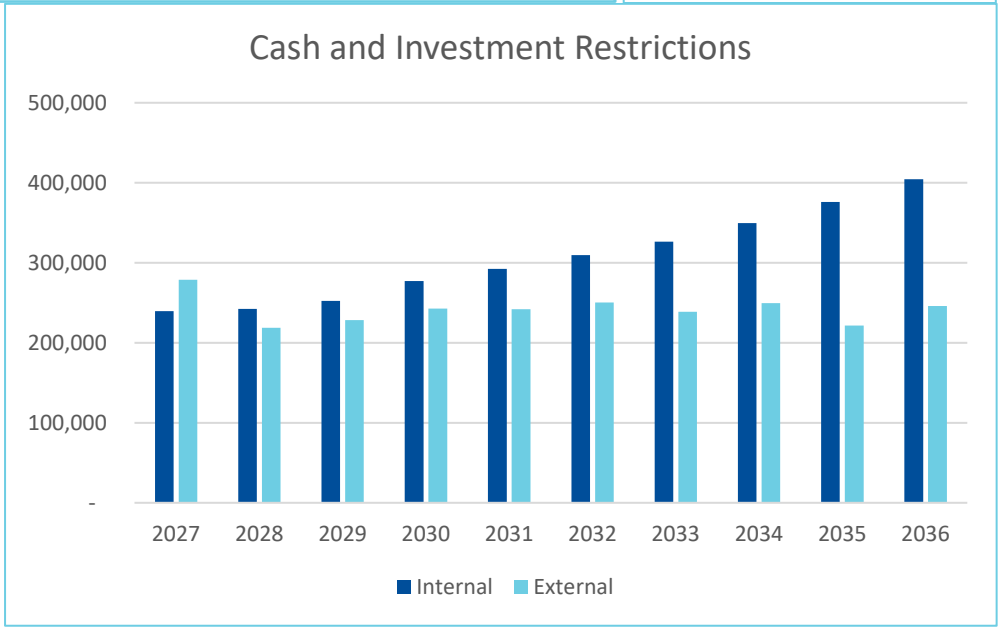
Scenario 6 - Performance Overview











Scenario 6 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	380,881	393,674	407,064	420,822	435,083	449,860	465,024
User Charges and Fees	26,823	27,896	29,012	30,028	31,259	32,540	33,875	35,263	36,709	38,214
Interest and Investment Revenues	25,025	24,991	22,691	23,532	22,509	23,159	24,257	24,539	25,971	25,982
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**496,216**	**498,893**	**514,113**	**529,114**	**546,630**	**565,074**	**583,321**	**603,351**	**622,474**
Expenses from Continuing Operations										
Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480
Materials and Services	143,404	145,609	157,623	168,520	172,490	176,558	183,428	185,003	189,384	193,875
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**364,887**	**385,891**	**405,014**	**418,152**	**429,587**	**444,042**	**453,424**	**465,842**	**478,607**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**131,330**	**113,002**	**109,099**	**110,962**	**117,043**	**121,032**	**129,897**	**137,509**	**143,867**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083

Operating Result from Continuing Operations	**23,445**	**14,432**	**(7,403)**	**(14,918)**	**(16,775)**	**(14,527)**	**(14,485)**	**(9,686)**	**(6,261)**	**(4,216)**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(23,477)**	**(33,921)**	**(40,424)**	**(42,919)**	**(41,325)**	**(41,952)**	**(37,840)**	**(35,119)**	**(33,796)**

STATEMENT OF FINANCIAL POSITION	**2026/27 Budget $,000**	**2027/28 Year 2 $,000**	**2028/29 Year 3 $,000**	**2029/30 Year 4 $,000**	**2030/31 Year 5 $,000**	**2031/32 Year 6 $,000**	**2032/33 Year 7 $,000**	**2033/34 Year 8 $,000**	**2034/35 Year 9 $,000**	**2035/36 Year 10 $,000**
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,509	233,740	243,998	261,862	265,767	289,253	288,453	325,152
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378
Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,487**	**296,210**	**306,960**	**325,316**	**329,713**	**353,691**	**353,383**	**390,574**
Non-Current Assets										
Investments	267,049	249,895	255,716	267,387	271,783	279,439	281,113	291,178	290,835	306,563
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,606,261	4,585,510	4,537,986	4,557,032	4,522,188	4,507,445	4,469,643	4,470,071	4,419,082
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,870,695**	**4,855,775**	**4,819,932**	**4,843,382**	**4,816,203**	**4,803,143**	**4,775,415**	**4,775,510**	**4,740,259**
Total Assets	**5,104,419**	**5,125,107**	**5,124,262**	**5,116,141**	**5,150,342**	**5,141,519**	**5,132,856**	**5,129,106**	**5,128,893**	**5,130,833**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505

Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	2026/27 Budget $,000	2027/28 Year2 $,000	2028/29 Year3 $,000	2029/30 Year4 $,000	2030/31 Year5 $,000	2031/32 Year6 $,000	2032/33 Year7 $,000	2033/34 Year8 $,000	2034/35 Year9 $,000	2035/36 Year10 $,000
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976
Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,425**	**113,223**	**109,846**	**106,293**	**102,551**	**98,609**	**94,458**
Total Liabilities	**190,139**	**196,395**	**202,954**	**209,750**	**260,726**	**266,430**	**272,252**	**278,188**	**284,235**	**290,392**
Net Assets	**4,914,280**	**4,928,712**	**4,921,309**	**4,906,391**	**4,889,615**	**4,875,088**	**4,860,604**	**4,850,918**	**4,844,657**	**4,840,441**
Equity										
Retained Earnings	3,793,960	3,808,392	3,800,989	3,786,071	3,769,295	3,754,768	3,740,284	3,730,598	3,724,337	3,720,121
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,928,712**	**4,921,309**	**4,906,391**	**4,889,615**	**4,875,088**	**4,860,604**	**4,850,918**	**4,844,657**	**4,840,441**

CASHFLOW STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Cash Flows from Operating Activities										
Add: Receipts	489,672	496,216	498,893	514,113	529,114	546,630	565,074	583,321	603,351	622,474
Less: Payments	(345,921)	(357,716)	(378,350)	(397,149)	(410,014)	(421,170)	(435,338)	(444,427)	(456,545)	(469,001)
Net Cash Flows from Operating Activities	**143,751**	**138,500**	**120,542**	**116,964**	**119,100**	**125,460**	**129,736**	**138,894**	**146,806**	**153,472**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(198,744)	(102,674)	(79,772)	(150,143)	(100,170)	(124,304)	(105,399)	(147,907)	(100,895)
Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)
Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(195,680)**	**(101,137)**	**(78,065)**	**(104,446)**	**(99,939)**	**(124,157)**	**(105,343)**	**(147,951)**	**(101,045)**
Net Cash Flow	**25,491**	**(57,180)**	**19,406**	**38,900**	**14,655**	**25,520**	**5,579**	**33,551**	**(1,145)**	**52,428**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	208,715	112,488	91,194	165,290	105,756	111,508	111,907	115,099	118,388
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(151,535)	(131,893)	(130,094)	(179,945)	(131,276)	(117,087)	(145,458)	(113,955)	(170,816)
Net Cash Reserve Movements	**(25,491)**	**57,180**	**(19,406)**	**(38,900)**	**(14,655)**	**(25,520)**	**(5,579)**	**(33,551)**	**1,145**	**(52,428)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 6 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(5.12)%	(7.18)%	(8.27)%	(8.53)%	(7.95)%	(7.80)%	(6.82)%	(6.11)%	(5.70)%
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.67%	89.90%	90.28%	90.32%	90.39%	90.48%	90.54%	90.63%	90.69%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio *represents a council's ability to meet short-term obligations as they fall due.*	> 1.5x	2.60	2.11	2.08	2.16	2.08	2.08	1.99	2.01	1.90	1.99
Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.*	> 3 months	17.92	15.42	15.18	15.62	15.62	15.91	15.54	16.10	15.64	16.54
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	26.06	24.18	23.39	15.88	13.51	13.96	15.10	16.05	16.83
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	58.83 %	59.18 %	59.31 %	91.98 %	57.44 %	57.39 %	57.30 %	57.22 %	57.13 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	11.66 %	14.25 %	16.92 %	17.88 %	20.66 %	23.54 %	26.52 %	29.61 %	32.80 %
Asset Maintenance Ratio	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.

Scenario 7 – Detailed Summary

- **Cut Existing Capital Asset Renewal/Replacement Funding by $5M and Fund increased Service Levels - $5M**

Scenario Objective

This option suggests that Council re-direct $5M of existing capital asset renewal/replacement funding towards new enhancing existing operational services.

Scenario Rationale

- Re-directing $5M existing capital asset renewal/replacement funding towards new capital initiatives would negatively impact Council's capacity to restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV.

- No change to Council's approach to setting existing annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government

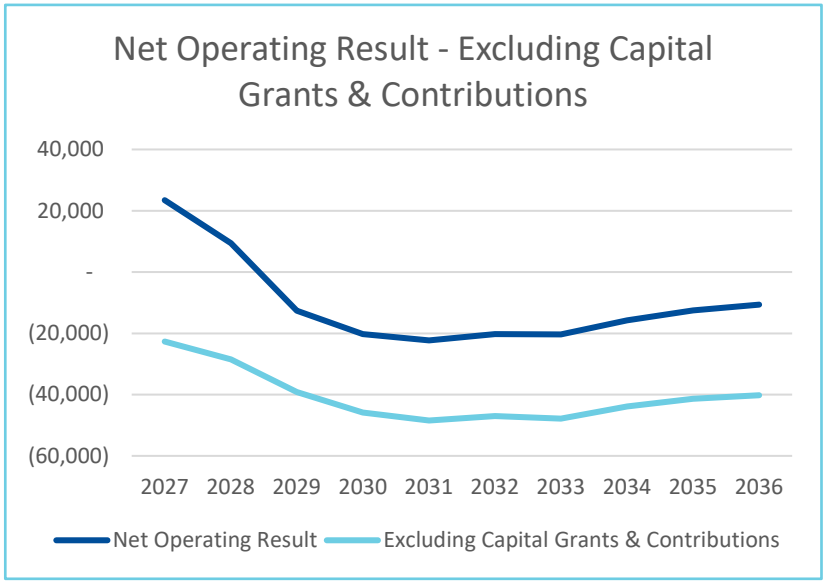
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

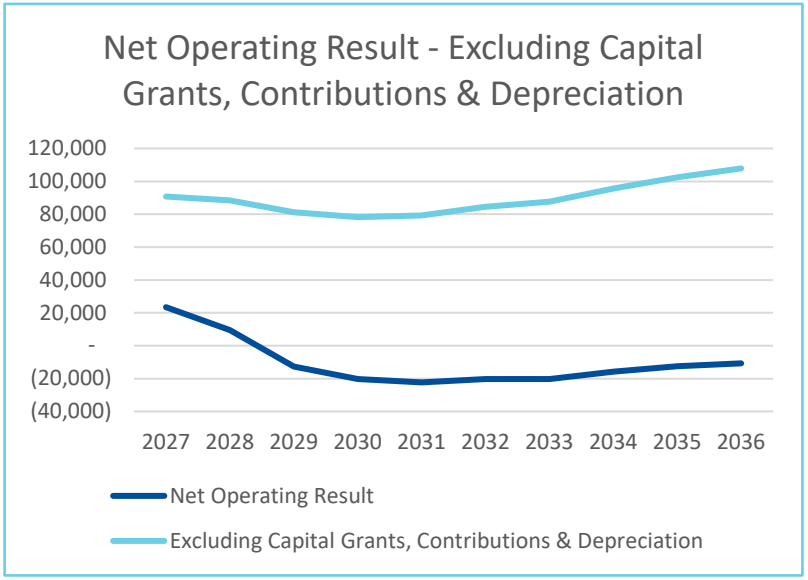
Scenario 7 – Strategy Overview

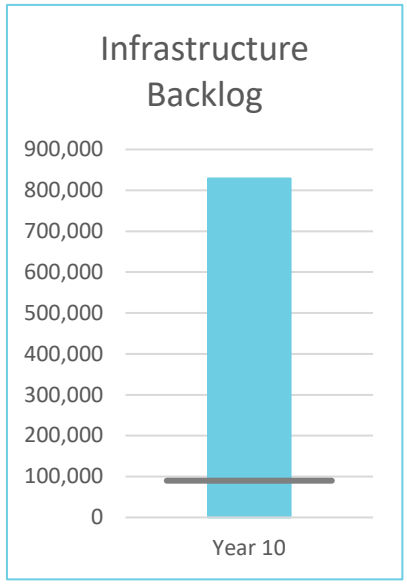
Strategy Overview

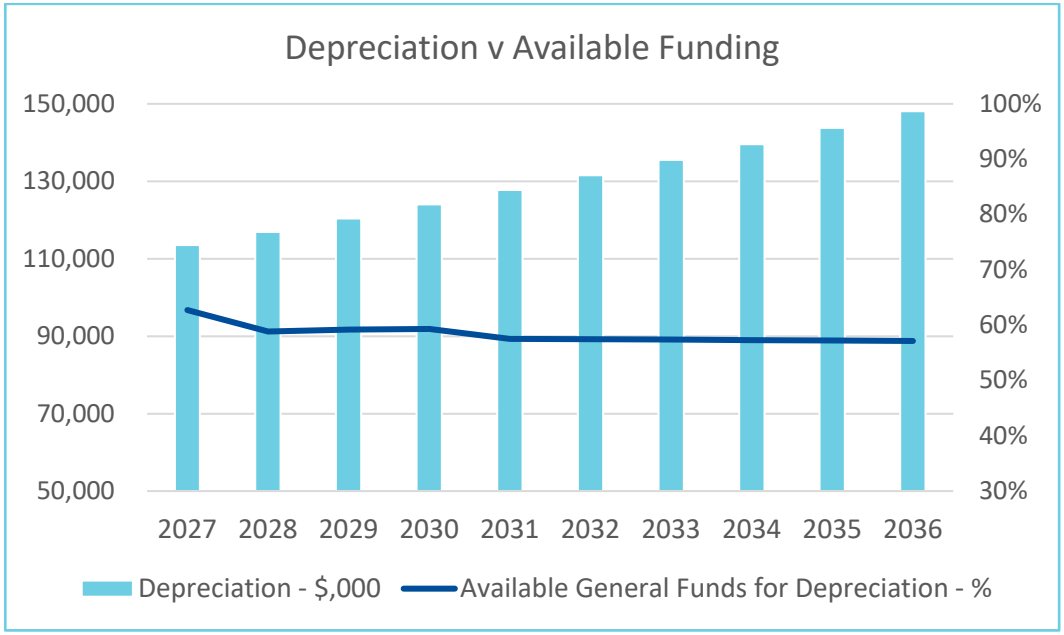
- **Council's operating cashflow, liquidity and level of cash reserves remain sound throughout the ten (10) year period.**
- **Projected income levels are not sufficient to fund both existing service levels and depreciation expense. This will result in Council being unable to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Council will fund an enhanced level of deliver additional capital initiatives at the expense of renewing / replacing existing assets.**
- **Council financial capacity to fund Depreciation Expense reduces to around 57% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $829M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to weaken – particularly Council's Operating Performance Ratio and Asset Management Ratios. Five (5) of the nine (9) ratios remain within accepted levels.**

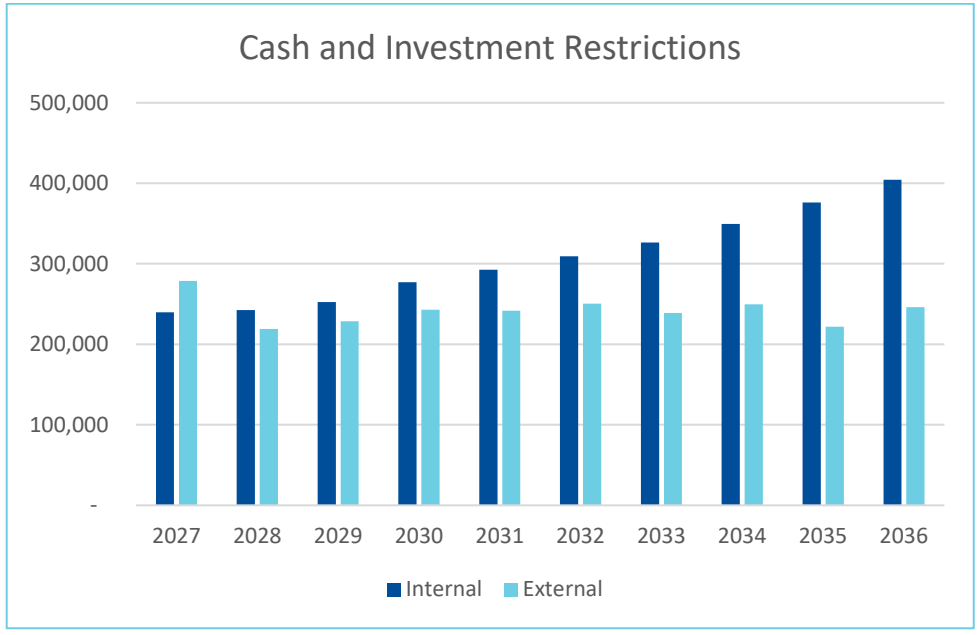
Scenario 7 - Performance Overview











Scenario 7 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	380,881	393,674	407,064	420,822	435,083	449,860	465,024
User Charges and Fees	26,823	27,896	29,012	30,028	31,259	32,540	33,875	35,263	36,709	38,214
Interest and Investment Revenues	25,025	24,991	22,691	23,535	22,516	23,166	24,264	24,547	25,978	25,990
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**496,216**	**498,893**	**514,116**	**529,120**	**546,637**	**565,081**	**583,328**	**603,359**	**622,482**

Expenses from Continuing Operations										
Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480
Materials and Services	143,404	150,609	162,823	173,902	178,033	182,268	189,309	191,060	195,623	200,301
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**369,887**	**391,091**	**410,396**	**423,695**	**435,297**	**449,923**	**459,481**	**472,082**	**485,033**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**126,330**	**107,802**	**103,720**	**105,425**	**111,340**	**115,158**	**123,847**	**131,277**	**137,448**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083
Operating Result from Continuing Operations	**23,445**	**9,432**	**(12,603)**	**(20,297)**	**(22,312)**	**(20,230)**	**(20,359)**	**(15,736)**	**(12,493)**	**(10,635)**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(28,477)**	**(39,121)**	**(45,803)**	**(48,456)**	**(47,028)**	**(47,826)**	**(43,890)**	**(41,351)**	**(40,214)**

STATEMENT OF FINANCIAL POSITION	**2026/27 Budget $,000**	**2027/28 Year 2 $,000**	**2028/29 Year 3 $,000**	**2029/30 Year 4 $,000**	**2030/31 Year 5 $,000**	**2031/32 Year 6 $,000**	**2032/33 Year 7 $,000**	**2033/34 Year 8 $,000**	**2034/35 Year 9 $,000**	**2035/36 Year 10 $,000**
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,562	233,850	244,112	261,981	265,891	289,382	288,587	325,292
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378

Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,540**	**296,320**	**307,074**	**325,435**	**329,837**	**353,820**	**353,517**	**390,714**
Non-Current Assets										
Investments	267,049	249,895	255,739	267,434	271,832	279,490	281,166	291,233	290,893	306,623
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,601,261	4,575,234	4,522,250	4,535,752	4,495,199	4,474,575	4,430,715	4,424,904	4,367,489
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,865,695**	**4,845,522**	**4,804,242**	**4,822,153**	**4,789,267**	**4,770,326**	**4,736,543**	**4,730,401**	**4,688,725**
Total Assets	**5,104,419**	**5,120,107**	**5,114,062**	**5,100,562**	**5,129,228**	**5,114,702**	**5,100,163**	**5,090,363**	**5,083,918**	**5,079,439**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	**2026/27 Budget $,000**	**2027/28 Year2 $,000**	**2028/29 Year3 $,000**	**2029/30 Year4 $,000**	**2030/31 Year5 $,000**	**2031/32 Year6 $,000**	**2032/33 Year7 $,000**	**2033/34 Year8 $,000**	**2034/35 Year9 $,000**	**2035/36 Year10 $,000**
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976

Total Non-Current Liabilities	**77,116**	**75,640**	**74,077**	**72,425**	**113,223**	**109,849**	**106,294**	**102,552**	**98,610**	**94,459**
Total Liabilities	**190,139**	**196,395**	**202,953**	**209,750**	**260,728**	**266,432**	**272,252**	**278,188**	**284,235**	**290,392**
Net Assets	**4,914,280**	**4,923,712**	**4,911,109**	**4,890,812**	**4,868,499**	**4,848,269**	**4,827,911**	**4,812,175**	**4,799,682**	**4,789,047**
Equity										
Retained Earnings	3,793,960	3,803,392	3,790,789	3,770,492	3,748,179	3,727,949	3,707,591	3,691,855	3,679,362	3,668,727
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,923,712**	**4,911,109**	**4,890,812**	**4,868,499**	**4,848,269**	**4,827,911**	**4,812,175**	**4,799,682**	**4,789,047**

CASHFLOW STATEMENT	**2026/27 Budget $,000**	**2027/28 Year 2 $,000**	**2028/29 Year 3 $,000**	**2029/30 Year 4 $,000**	**2030/31 Year 5 $,000**	**2031/32 Year 6 $,000**	**2032/33 Year 7 $,000**	**2033/34 Year 8 $,000**	**2034/35 Year 9 $,000**	**2035/36 Year 10 $,000**
Cash Flows from Operating Activities										
Add: Receipts	489,672	496,216	498,893	514,116	529,120	546,637	565,081	583,328	603,359	622,482
Less: Payments	(345,921)	(362,716)	(383,550)	(402,531)	(415,558)	(426,880)	(441,219)	(450,484)	(462,784)	(475,428)
Net Cash Flows from Operating Activities	**143,751**	**133,500**	**115,342**	**111,585**	**113,563**	**119,757**	**123,862**	**132,844**	**140,575**	**147,054**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(193,744)	(97,398)	(74,311)	(144,600)	(94,460)	(118,423)	(99,341)	(141,668)	(94,469)

Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)
Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(190,680)**	**(95,860)**	**(72,604)**	**(98,901)**	**(94,229)**	**(118,276)**	**(99,285)**	**(141,710)**	**(94,618)**
Net Cash Flow	**25,491**	**(57,180)**	**19,481**	**38,982**	**14,662**	**25,526**	**5,586**	**33,558**	**(1,136)**	**52,435**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	203,715	107,288	85,812	159,746	100,046	105,627	105,849	108,860	111,961
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(146,535)	(126,768)	(124,794)	(174,408)	(125,572)	(111,213)	(139,407)	(107,725)	(164,396)
Net Cash Reserve Movements	**(25,491)**	**57,180**	**(19,481)**	**(38,982)**	**(14,662)**	**(25,526)**	**(5,586)**	**(33,558)**	**1,136**	**(52,435)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 7 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio	> 0%	(5.11)%	(6.21)%	(8.28)%	(9.37)%	(9.63)%	(9.05)%	(8.90)%	(7.91)%	(7.20)%	(6.78)%
measures the extent to which a council has succeeded in containing operating expenditure within operating revenue		✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Own Source Operating Revenue Ratio	> 60%	85.94%	87.67%	89.90%	90.28%	90.32%	90.39%	90.48%	90.54%	90.63%	90.69%
measures fiscal flexibility. It is the degree of reliance on external funding sources.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio	> 1.5x	2.60	2.11	2.08	2.16	2.08	2.08	1.99	2.01	1.90	1.99
represents a council's ability to meet short-term obligations as they fall due.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	< 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.*	> 3 months	17.92	15.21	14.98	15.41	15.41	15.71	15.34	15.89	15.43	16.32
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	24.72	22.78	21.94	14.91	12.70	13.13	14.24	15.17	15.92
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	58.83 %	59.18 %	59.31 %	91.98 %	57.44 %	57.39 %	57.30 %	57.22 %	57.13 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	11.66 %	14.25 %	16.92 %	17.88 %	20.66 %	23.54 %	26.52 %	29.61 %	32.80 %
Asset Maintenance Ratio *ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.*	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

Scenario 8 – Detailed Summary

- **Cut Existing Capital Asset Renewal/Replacement Funding by $10M and Fund:**
  - **Constructing New Capital Initiatives - $5M ($1M Per Ward); and**
  - **Increased Service Levels - $5M**

Scenario Objective

This option suggests that Council re-direct $10M of existing capital asset renewal/replacement funding towards new capital initiatives ($5M) and enhancing existing operational services ($5M).

Scenario Rationale

- Re-directing $10M existing capital asset renewal/replacement funding towards new capital initiatives would negatively impact Council's capacity to restore a dedicated general rate revenue stream to fund depreciation up to a level of 80% - as foreshadowed in Council's original 2021 SRV.

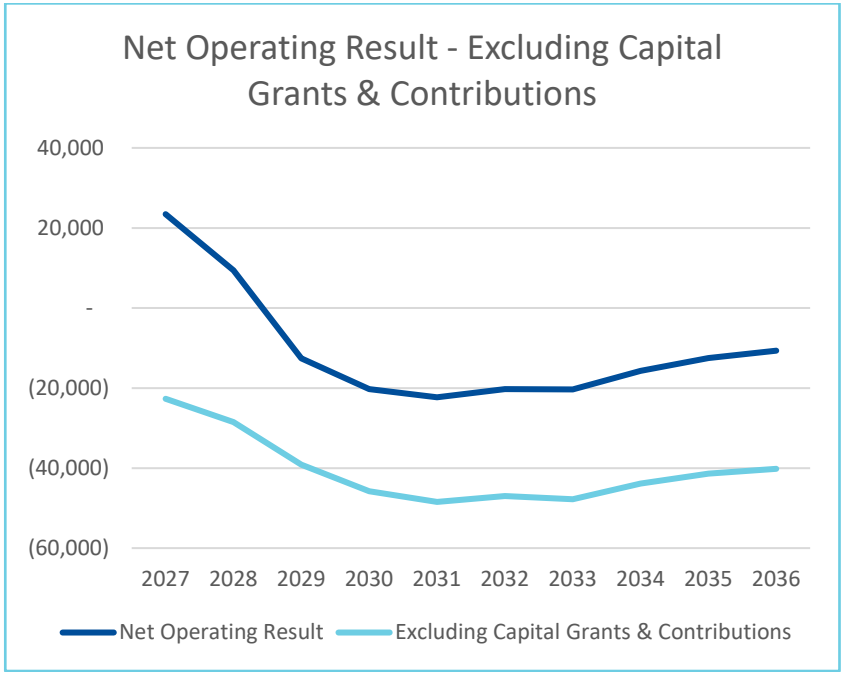
- No change to Council's approach to setting existing annual fees/charges and other income sources – being annual adjusted for CPI/rate-peg or as set by Government

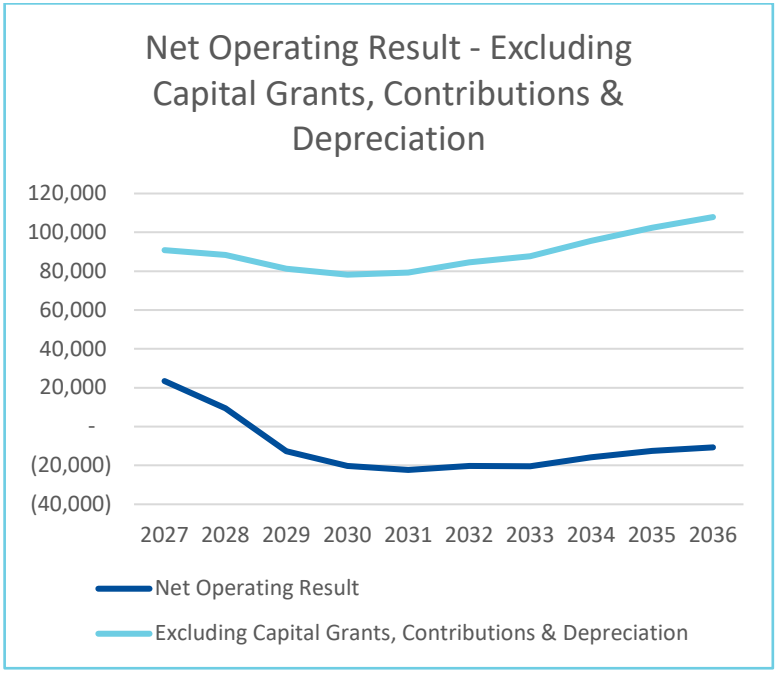
- The option continues to rely on Council identifying and implementing annual ongoing efficiencies and reporting.

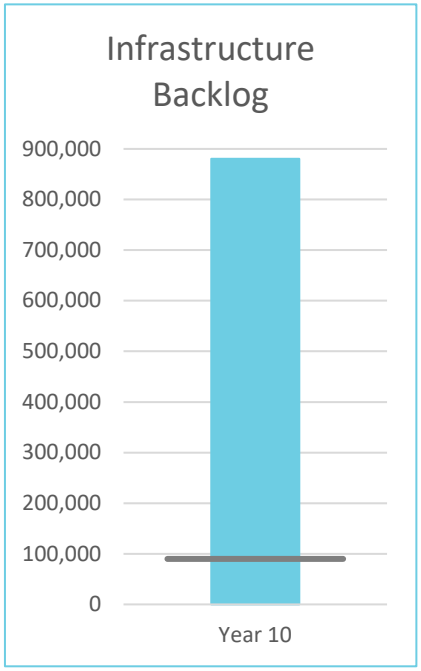
Strategy Overview

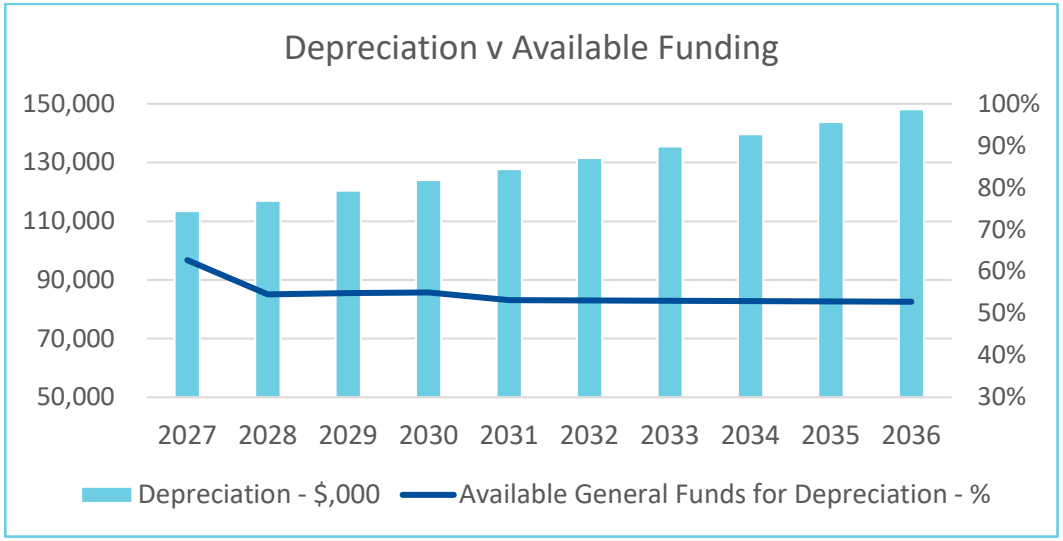
- **Council's operating cashflow, liquidity and level of cash reserves remain sound throughout the ten (10) year period.**
- **Projected income levels are not sufficient to fund both existing service levels and depreciation expense. This will result in Council being unable to adequately invest in the ongoing renewal and replacement of infrastructure assets (funding Depreciation).**
- **Council will fund an enhanced level of deliver additional capital initiatives at the expense of renewing / replacing existing assets.**
- **Council financial capacity to fund Depreciation Expense reduces to around 53% per annum (preferred level = 80%).**
- **Council's accumulated asset backlog will grow to around $880M throughout the ten (10) year period (OLG Benchmark = $84M).**
- **Performance Indicators continue to weaken – particularly Council's Operating Performance Ratio and Asset Management Ratios. Five (5) of the nine (9) ratios remain within accepted levels.**

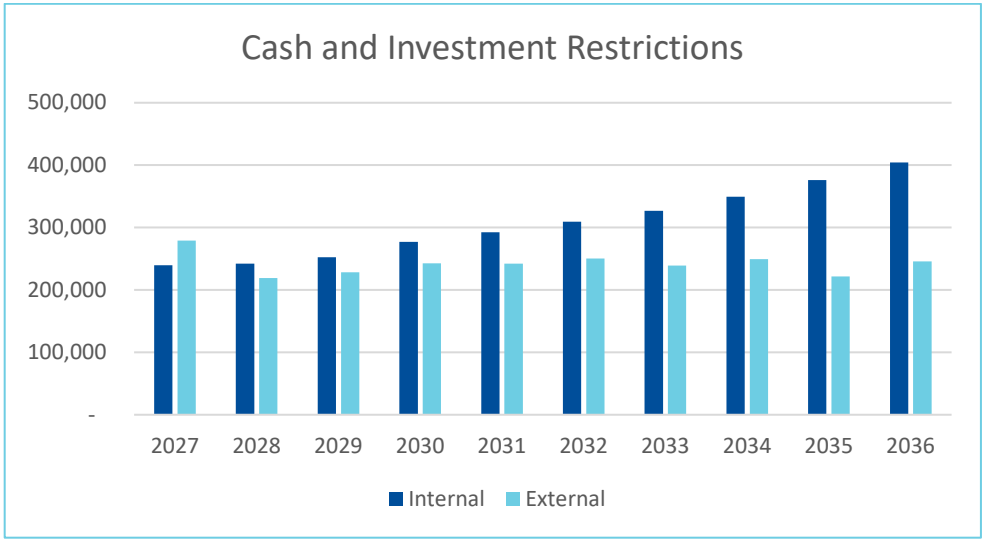
Scenario 8 - Performance Overview











Scenario 8 - Financial Reports

INCOME STATEMENT	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Income from Continuing Operations										
Rates and Annual Charges	341,797	354,138	367,968	380,881	393,674	407,064	420,822	435,083	449,860	465,024
User Charges and Fees	26,823	27,896	29,012	30,028	31,259	32,540	33,875	35,263	36,709	38,214
Interest and Investment Revenues	25,025	24,991	22,691	23,535	22,516	23,166	24,264	24,547	25,978	25,990
Other Revenues	19,590	20,178	20,784	21,407	22,032	22,693	23,374	24,075	24,797	25,541
Grants and Contributions – Operating Purposes	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013	27,688	28,380
Grants and Contributions - Capital Purposes	46,128	37,909	26,518	25,506	26,144	26,798	27,467	28,154	28,858	29,579
Other Income	7,584	7,811	8,045	8,287	8,412	8,665	8,925	9,193	9,468	9,752
Total Income from Continuing Operations	**489,672**	**496,216**	**498,893**	**514,116**	**529,120**	**546,637**	**565,081**	**583,328**	**603,359**	**622,482**
Expenses from Continuing Operations										
Employee Benefits and On-costs	195,846	205,410	214,007	221,829	228,769	235,917	243,280	250,863	258,674	266,719
Borrowing Costs	3,494	3,443	3,389	3,331	5,220	5,089	4,950	4,802	4,646	4,480

Materials and Services	143,404	150,609	162,823	173,902	178,033	182,268	189,309	191,060	195,623	200,301
Other Expenses	9,990	10,424	10,872	11,333	11,673	12,023	12,384	12,756	13,138	13,532
Total Expenses From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**352,734**	**369,887**	**391,091**	**410,396**	**423,695**	**435,297**	**449,923**	**459,481**	**472,082**	**485,033**
Operating Result From Continuing Operations Excluding Depreciation, Amortisation And Impairment Of Non-Financial Assets	**136,939**	**126,330**	**107,802**	**103,720**	**105,425**	**111,340**	**115,158**	**123,847**	**131,277**	**137,448**
Depreciation and Amortisation	113,493	116,898	120,405	124,017	127,738	131,570	135,517	139,582	143,770	148,083
Operating Result from Continuing Operations	**23,445**	**9,432**	**(12,603)**	**(20,297)**	**(22,312)**	**(20,230)**	**(20,359)**	**(15,736)**	**(12,493)**	**(10,635)**
Net Operating Result For The Year Before Grants And Contributions Provided For Capital Purposes	**(22,683)**	**(28,477)**	**(39,121)**	**(45,803)**	**(48,456)**	**(47,028)**	**(47,826)**	**(43,890)**	**(41,351)**	**(40,214)**

STATEMENT OF FINANCIAL POSITION	2026/27 Budget $,000	2027/28 Year 2 $,000	2028/29 Year 3 $,000	2029/30 Year 4 $,000	2030/31 Year 5 $,000	2031/32 Year 6 $,000	2032/33 Year 7 $,000	2033/34 Year 8 $,000	2034/35 Year 9 $,000	2035/36 Year 10 $,000
Current Assets										
Cash and Cash Equivalents	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622	21,622
Investments	232,952	192,926	206,562	233,850	244,112	261,981	265,891	289,382	288,587	325,292
Receivables	29,496	29,976	30,468	30,960	31,452	31,944	32,436	32,928	33,420	33,912
Inventories	990	990	990	990	990	990	990	990	990	990
Contract Assets	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378
Other	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520	4,520
Total Current Assets	**293,958**	**254,412**	**268,540**	**296,320**	**307,074**	**325,435**	**329,837**	**353,820**	**353,517**	**390,714**

Non-Current Assets										
Investments	267,049	249,895	255,739	267,434	271,832	279,490	281,166	291,233	290,893	306,623
Receivables	2,441	2,450	2,459	2,468	2,478	2,487	2,496	2,505	2,515	2,524
Infrastructure, Property, Plant and Equipment	4,528,879	4,601,261	4,575,234	4,522,250	4,535,752	4,495,199	4,474,575	4,430,715	4,424,904	4,367,489
Investment Property	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770	8,770
Intangible Assets	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319	3,319
Total Non-Current Assets	**4,810,461**	**4,865,695**	**4,845,522**	**4,804,242**	**4,822,153**	**4,789,267**	**4,770,328**	**4,736,545**	**4,730,403**	**4,688,727**
Total Assets	**5,104,419**	**5,120,107**	**5,114,062**	**5,100,562**	**5,129,228**	**5,114,702**	**5,100,165**	**5,090,365**	**5,083,920**	**5,079,441**
Current Liabilities										
Payables	24,247	24,727	25,219	25,711	26,203	26,695	27,187	27,679	28,171	28,663
Contact Liabilities	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505	16,505
Interest Bearing Liabilities	1,401	1,483	1,570	1,663	3,213	3,383	3,563	3,752	3,951	4,161
Employee Benefit Provisions	66,313	72,356	78,741	85,421	92,345	99,518	106,946	114,635	122,593	130,825
Provisions	4,557	5,685	6,840	8,025	9,239	10,484	11,759	13,067	14,407	15,781
Total Current Liabilities	**113,023**	**120,756**	**128,876**	**137,325**	**147,505**	**156,584**	**165,959**	**175,637**	**185,626**	**195,934**

STATEMENT OF FINANCIAL POSITION Continued	**2026/27 Budget**	**2027/28 Year2**	**2028/29 Year3**	**2029/30 Year4**	**2030/31 Year5**	**2031/32 Year6**	**2032/33 Year7**	**2033/34 Year8**	**2034/35 Year9**	**2035/36 Year10**
	$,000	**$,000**	**$,000**	**$,000**	**$,000**	**$,000**	**$,000**	**$,000**	**$,000**	**$,000**
Non-Current Liabilities										
Payables	102	111	120	129	139	148	157	166	176	185
Contract Liabilities	261	261	261	261	261	261	261	261	261	261
Interest Bearing Liabilities	39,387	37,902	36,331	34,668	75,457	72,074	68,510	64,758	60,808	56,647
Employee Benefit Provisions	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390
Provisions	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976	35,976
Total Non-Current Liabilities	**77,116**	**75,640**	**74,078**	**72,425**	**113,223**	**109,849**	**106,294**	**102,552**	**98,609**	**94,457**
Total Liabilities	**190,139**	**196,395**	**202,954**	**209,750**	**260,728**	**266,433**	**272,253**	**278,189**	**284,235**	**290,393**

Net Assets	**4,914,280**	**4,923,712**	**4,911,109**	**4,890,812**	**4,868,499**	**4,848,269**	**4,827,911**	**4,812,175**	**4,799,682**	**4,789,047**
Equity										
Retained Earnings	3,793,960	3,803,392	3,790,789	3,770,492	3,748,179	3,727,949	3,707,591	3,691,855	3,679,362	3,668,727
Revaluation Reserve	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863	1,119,863
Other Reserves	457	457	457	457	457	457	457	457	457	457
Total Equity	**4,914,280**	**4,923,712**	**4,911,109**	**4,890,812**	**4,868,499**	**4,848,269**	**4,827,911**	**4,812,175**	**4,799,682**	**4,789,047**

CASHFLOW STATEMENT	**2026/27 Budget $,000**	**2027/28 Year 2 $,000**	**2028/29 Year 3 $,000**	**2029/30 Year 4 $,000**	**2030/31 Year 5 $,000**	**2031/32 Year 6 $,000**	**2032/33 Year 7 $,000**	**2033/34 Year 8 $,000**	**2034/35 Year 9 $,000**	**2035/36 Year 10 $,000**
Cash Flows from Operating Activities										
Add: Receipts	489,672	496,216	498,893	514,116	529,120	546,637	565,081	583,328	603,359	622,482
Less: Payments	(345,921)	(362,716)	(383,550)	(402,531)	(415,558)	(426,880)	(441,219)	(450,484)	(462,784)	(475,428)
Net Cash Flows from Operating Activities	**143,751**	**133,500**	**115,342**	**111,585**	**113,563**	**119,757**	**123,862**	**132,844**	**140,575**	**147,054**
Cash Flows from Investing / Financing Activities										
Add: Proceeds from the Sale of Assets	3,245	4,464	3,020	3,278	3,360	3,444	3,530	3,618	3,709	3,801
Add: Loan Borrowings	-	-	-	-	44,000	-	-	-	-	-
Less: Acquisition of Assets	(120,180)	(193,744)	(97,398)	(74,311)	(144,600)	(94,460)	(118,423)	(99,341)	(141,668)	(94,469)
Less: Loan Repayments	(1,323)	(1,401)	(1,483)	(1,570)	(1,663)	(3,213)	(3,383)	(3,563)	(3,752)	(3,951)

Net Cash Flows from Investing / Financing Activities	**(118,259)**	**(190,680)**	**(95,860)**	**(72,604)**	**(98,902)**	**(94,229)**	**(118,276)**	**(99,285)**	**(141,710)**	**(94,618)**
Net Cash Flow	**25,491**	**(57,180)**	**19,481**	**38,982**	**14,662**	**25,526**	**5,586**	**33,558**	**(1,136)**	**52,435**
Cash Reserve Movements										
Add: Cash Reserves Utilised for Specific Projects/Programs - External Reserves	125,138	203,715	107,288	85,812	159,746	100,046	105,627	105,849	108,860	111,961
Less: Cash Reserves Restricted for Specific Projects/Programs - External Reserves	(150,629)	(146,535)	(126,768)	(124,794)	(174,408)	(125,572)	(111,213)	(139,407)	(107,725)	(164,396)
Net Cash Reserve Movements	**(25,491)**	**57,180**	**(19,481)**	**(38,982)**	**(14,662)**	**(25,526)**	**(5,586)**	**(33,558)**	**1,136**	**(52,435)**
Net Cash Flows / Working Fund for the Period	**-**	-	-	-	-	-	-	-	-	-

Scenario 8 - Financial Ratios

STATEMENT OF PERFORMANCE MEASURES	OLG Benchmark	2026/27 Budget	2027/28 Year 2	2028/29 Year 3	2029/30 Year 4	2030/31 Year 5	2031/32 Year 6	2032/33 Year 7	2033/34 Year 8	2034/35 Year 9	2035/36 Year 10
BUDGET PERFORMANCE											
Operating Performance Ratio *measures the extent to which a council has succeeded in containing operating expenditure within operating revenue*	> 0%	(5.11)%	(6.21)%	(8.28)%	(9.37)%	(9.63)%	(9.05)%	(8.90)%	(7.91)%	(7.20)%	(6.78)%
Own Source Operating Revenue Ratio *measures fiscal flexibility. It is the degree of reliance on external funding sources.*	> 60%	85.94%	87.67%	89.90%	90.28%	90.32%	90.39%	90.48%	90.54%	90.63%	90.69%
OPERATIONAL LIQUIDITY											
Unrestricted Current Ratio *represents a council's ability to meet short-term obligations as they fall due.*	> 1.5x	2.60	2.11	2.08	2.16	2.08	2.08	1.99	2.01	1.90	1.99

Rates, Annual Charges, interest & Extra Charges Outstanding Percentage *expressed as a percentage of total rates and charges available for collection in the financial year.*	<5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Cash Expense Cover Ratio *liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.*	> 3 months	17.92	15.21	14.98	15.41	15.41	15.71	15.34	15.89	15.43	16.32
LIQUIDITY AND DEBT MANAGEMENT											
Debt Service Cover Ratio *measures the availability of operating cash to service loan repayments.*	> 2x	25.37	24.72	22.78	21.94	14.91	12.70	13.13	14.24	15.17	15.92
ASSET MANAGEMENT											
Asset Renewals Ratio *assesses the rate at which these assets are being renewed against the rate at which they are depreciating.*	> 100%	62.72 %	54.55 %	54.86 %	54.97 %	87.64 %	53.10 %	53.05 %	52.96 %	52.88 %	52.79 %
Infrastructure Backlog Ratio *ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.*	< 2%	9.13 %	11.86 %	14.65 %	17.54 %	18.71 %	21.72 %	24.84 %	28.06 %	31.39 %	34.83 %
Asset Maintenance Ratio *ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.*	> 100%	93.81 %	92.29 %	90.97 %	89.84 %	88.87 %	88.05 %	87.36 %	86.80 %	86.35 %	86.00 %

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