

LONG TERM FINANCIAL PLAN 2025-2034

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Wonnarua People as the Traditional Owners and Custodians of the land within the Maitland Local Government Area. Council pays respect to all Aboriginal Elders, past, present and future with a spiritual connection to these lands.

CONTENTS

- 5 | Message from our General Manager
- 6 | Introduction
- 8 | Integrated Planning and Reporting (IPR)
- 9 | Our city
- 11 | Our services
- 12 | Revenue strategy
- 13 | Sources of revenue
- 18 | Performance monitoring
- 20 | Planning assumptions
- 21 | Sensitivity analysis and risk assessment
- 22 | Sensitivity analysis graphs
- 24 | Planned outlook
- 32 | Optimistic outlook
- 40 | Pessimistic outlook



MESSAGE FROM OUR GENERAL MANAGER

The development of a Long Term Financial Plan is vital to inform both Council and our community about the long term financial challenges facing our organisation. A financially sustainable Council is one that can meet the service and infrastructure needs of the community both now and into the future, without incurring unmanageable debt or making revenue increases that are unaffordable for customers and ratepayers.

Our Long Term Financial Plan is essentially a financial projection, quantifying the cost of providing Council's services for the next ten years. It is more comprehensive than a budget and includes, in addition to the financial statements, a written commentary and scenario options.

It projects the impact of Council's revenue against operational and capital expenditure forecasts. Our projections consider assumptions for economic factors, changes to service delivery levels, potential future changes to our service mix and major capital (asset) expenses.

Our city is one of Australia's fastest growing inland cities with an annual growth rate consistently above 2.4 per cent, bringing around 2,000 new residents each year. Our plan reveals the impacts of this continuing and rapid greenfield growth on Council's financial sustainability.

The aim of our Long Term Financial Plan is to facilitate the financial decisions underpinning our Delivery Program and Operational Plan, considering short, medium and long term factors. It is informed by our continued growth in predominately new suburbs, and considers the additional costs associated with asset maintenance and Council services for our new population over time.

While there may be a perception that Council significantly benefits from additional rate revenue as new homes are built, this is not entirely the case. Development in new areas comes at a significantly higher cost compared to infill development, resulting in significant financial impacts as newly constructed roads, footpaths, drainage, community, recreation and sports facilities are handed to Council for operation, maintenance and ultimately renewal over time. Developer contributions are also not keeping pace with the cost of meeting infrastructure needs of the growing population.

The plan is a tool to assist decision making. It allows us to test the realities of our continued population and asset portfolio growth, as well as broader community aspirations, against financial realities. Addressing these challenges will lead to some difficult conversations, as Council and the community grapple with levels of service or alternatively finding additional opportunities to generate revenue.

We are consistently reviewing our plan to make sure we incorporate the forecast growth, adjustments by IPART and the current rating methodology, but also to incorporate costs and income streams based on the changing economic environment. The plan presents three scenarios, and clearly identifies the financial sustainability challenges we will face as Council and our community over the next decade and beyond.

Council will continue to engage with the community to ensure awareness and understanding of our financial challenges and collaborate on the ways by which these challenges might be overcome in the future.



Jeff Smith
General Manager

INTRODUCTION

The Long Term Financial Plan is a ten year forecast, providing a decision making tool for Council to test our ability to achieve the aspirations set out in Maitland +10, our community's long term strategic plan.

The plan enables us to assess the impacts of our continued greenfield population growth, along with services and asset portfolio growth against financial realities.

The plan is prepared in accordance with the Integrated Planning and Reporting framework, legislated by the *Local Government Act 1993* and guides the development of Council's Delivery Program and Operational Plan and how these will be resourced and funded.

It examines the financial realities of both maintaining existing and new assets and services for a fast growing population and aims to provide a mechanism which Council can consider and address its long term financial sustainability challenges.

The plan provides:

- Council's indicative future financial position based on delivering service levels as outlined in our Delivery Program and Asset Management Strategy and Plans
- projected costs of long term strategic decisions to inform debate and decision making
- a tool to assist Council to determine the financial sustainability of both current and projected service levels
- a method to determine the risks of embarking on future strategic directions
- a tool for Council and the community to test scenarios of different policies and service levels
- a mechanism to test the sensitivity and robustness of key assumptions underpinning a range of strategic planning options
- a vital contribution to the development of Council's Asset Management Strategy and Plans
- projected income and expenditure statement, balance sheet and cash flow statement
- methods of monitoring financial performance

Some of the key challenges to be faced over the next ten years by Council and the community include:

- the cap placed on contributions from developers by the State Government and removal of community infrastructure from development contribution plans, makes delivering infrastructure required in greenfield release areas such as Lochinvar, Anambah and Chisholm (Thorton North), challenging for Council
- continued high population growth in predominately greenfield development locations and the resulting new assets to be maintained and renewed by Council over time
- rating revenue realised from new rateable properties is insufficient to cover the costs of the delivery of new assets and service demands generated by these new residents
- implementation of significant changes to our asset management approach, as delivery of new infrastructure is accelerated by council
- addressing the impacts of a changing climate across our city, in particular flooding
- implementation of new technologies across all Council operations to drive increased efficiencies and effectiveness
- meeting the increasing expectations of our community for council services
- a change of approach to customer experience with the aim to deliver consistently great service regardless of how customers choose to interact with us
- ensuring financial sustainability can be maintained, understanding the significant impacts of the challenges above.

The Long Term Financial Plan is an evolving document, adjusted over time as a result of changes to our asset portfolio and service level adjustments. It is reviewed annually to reflect changes to income and expenditure as these decisions are made by Council.

LINKS TO ASSET MANAGEMENT STRATEGY

The Long Term Financial Plan has strong links to our Asset Management Strategy. Through financial modelling we are able to identify and take steps to ensure sufficient funding is in place for asset maintenance and renewal, for both existing and new assets to be constructed over the next decade.

Our plan is also informed by existing development contribution plans for existing urban release areas at Thornton, Gillieston Heights, Lochinvar and Farley, along with Council's understanding of the service requirements of our growing population.

LINKS TO WORKFORCE MANAGEMENT PLANNING

Based on our financial and asset management projections and any identified changes to service levels, Council develops a Workforce Management Plan that ensures we have access to the right people, in the right place, at the right time, both now and into the future.

The Workforce Management Plan guides the integration and alignment of our human resources to ensure we have the right people, in the right place, doing the right work. It identifies the challenges facing the organisation in shaping our future workforce and opportunities to support the achievement of our goals through our workforce.



INTEGRATED PLANNING AND REPORTING (IPR)

IPR FRAMEWORK

Legislated by the *Local Government Act 1993*, the IPR framework allows NSW councils to draw their plans together, understand how they interact and inform each other, and get maximum benefit from their efforts by planning holistically for the community's future.

Under the IPR framework, councils must adequately address the quadruple bottom line – social, economic, environmental and civic leadership. Planning and reporting within the IPR framework enables us to:

- integrate the community's vision and priorities into strategies and plans
- support our community and stakeholders to play an active role in shaping the future of their community
- plan resources to support delivering our vision and priorities
- maintain accountability and transparency through regular reporting.

We uphold the guiding principles of the IPR framework, designed for local governments to plan for long term sustainability and report transparently. By bringing together plans and resources, we aim to provide the best possible value to our community.

We are also committed to applying the social justice principles of equity, access, participation and rights, with the aim of decreasing or eliminating inequity, promoting inclusiveness of diversity, and establishing environments that are supportive of all people. The four principles of social justice are:

- **Equity** – resources are allocated according to need with the aim of achieving more equal outcomes, particularly for those with greater needs or barriers to access
- **Access** – people have fair access to services, resources and opportunities to improve their quality of life
- **Participation** – people can fully participate in community life and genuinely influence decisions that affect their lives
- **Rights** – human rights are universal and everyone has the right to be treated with respect, equality and dignity. Human rights are the basic freedoms and protections that people are entitled to, including economic, social, cultural and political rights.



OUR CITY

OUR COMMUNITY

	MAITLAND	NSW
Median age	36	39
Families	25,243	2,135,964
Aboriginal and Torres Strait Islander	▲ 7.5%	3.4%
People with disability	▲ 6.7%	5.8%
Born overseas	▼ 13.1%	34.6%
Population over 65	▼ 15.6%	17.7%
Speak a language other than English at home	▼ 9.4%	32.4%

OUR HOUSING

	MAITLAND	NSW
Average people per household	▲ 2.7	2.6
Renting	▼ 29.8%	32.6%
Owned with mortgage	▲ 39.1%	32.5%
Owned outright	▼ 28.0%	31.5%
Single detached dwelling	▲ 87.3%	65.6%
Average number of bedrooms per dwelling	▲ 3.4	3.1
Median monthly mortgage repayment	▼ \$1,829	\$2,167
Median weekly rental cost	▼ \$370	\$420

OUR ECONOMY

	MAITLAND	NSW
Economic output	\$13.9bn	\$1574bn
Active trading business	5,740	877,545
People in the labour force	▲ 64.0%	58.7%
Unemployment rate	▼ 4.7%	4.9%
Gross regional product	\$6.8bn	\$777.3bn
Median weekly household income	▼ \$1,766	\$1,829



OUR SERVICES

-  **Asset management and planning**
-  **Aquatic centres**
-  **Building projects and services**
-  **Cemetery operations**
-  **City and visitor economy**
-  **City events and activation**
-  **Community engagement**
-  **Community planning and development**
-  **Corporate strategy**
-  **Customer experience**
-  **Development and compliance**
-  **Digital information and security services**
-  **Emergency management**
-  **Environmental management**
-  **Finance and property**
-  **Floodplain and estuary management**
-  **Governance and leadership**
-  **Land use planning**
-  **Libraries and learning**
-  **Maitland Regional Art Gallery**
-  **Major venues and facilities**
-  **Marketing and communication**
-  **Parks and open spaces**
-  **People and culture**
-  **Risk, safety and wellbeing**
-  **Roads and transport infrastructure**
-  **Waste management**

REVENUE STRATEGY

Council's revenue streams are largely determined by the *Local Government Act 1993*. These streams include rates, fees and charges for particular services, grants and subsidies from higher levels of government, loans taken up by Council, income from interest on invested funds and occasional revenue from the sale of unwanted assets or business activities.

Either directly or indirectly, almost all of these revenue streams are regulated in some way. All are important to Council, particularly in their capacity to generate additional revenue to help deliver increased service levels or new services.

Council's revenue strategy highlights the increasing financial challenges facing Council, identifies the revenue streams available to Council and recommends the following as a means of increasing our revenue base:

- review and monitor Council's Section 7.11 Development Contribution Plans and Policies
- review Council's Investment Policy and cash flow processes
- review Council's Annual Borrowing Policy
- identify and seek additional grant funding
- review all current fees and charges and levels of cost recovery
- review options for introduction of appropriate new fees, in line with industry trends and benchmarking
- identify opportunities to rationalise Council's asset base
- review Council's service levels and methods of service delivery
- continue to incorporate discussion of revenue, including levels of rating, into Council's community strategic planning and engagement processes.



SOURCES OF REVENUE



RATING

Income from rates generally forms the largest single portion of a Council's total overall revenue. Rating income is generated from four rating categories, being farmland, residential, mining and business.

Maitland City Council's rates base consists of approximately 36,000 rateable properties, encompassing the farming, residential, mining and business sectors.

Although rates income is the largest revenue stream for Council, it comprises approximately half of Council's total revenue in any year.

For 2024/25, Maitland City Council's total adjusted budgeted operating revenue is \$149.1 million (excluding non cash developer road and drainage dedications), of which \$91.2 million is generated from rating revenue and annual charges.

Council's ordinary rating revenue as a proportion of total revenue (excluding non cash developer road and drainage dedications) over the delivery period was as follows:

Ordinary rates as a proportion of revenue

YEAR	PERCENTAGE (%)
2024/25 (budgeted)	47.6*
2025/26 (projected)	53.4
2026/27 (projected)	55.6

*Variation due to higher than normal capital grants in 2025.



FEES AND CHARGES

Council's fees and charges relate to the recovery of service delivery costs by charging fees to users of Council services. These include Council's waste facility and a number of community facilities, including the Maitland Regional Sports Complex, parks, sportsgrounds, community halls, the Town Hall and aquatic centres.

This revenue stream also includes regulatory and statutory fees such as those for development applications, Section 10.7 (zoning) certificates, Section 603 (rates) certificates and construction certificates. The amount charged for regulatory and statutory fees is set by legislation.

Section 610D of the *Local Government Act 1993*, provides that when determining a fee for service Council must take into consideration the following factors:

- the cost to the Council of providing the service
- the price suggested for that service by any relevant industry body or in any schedule of charges published, from time to time, by the Office of Local Government
- the importance of the service to the community
- any factors specified in the *Local Government (General) Regulations*.

Further, in developing a conceptual framework for specific pricing policies, Council should consider a range of issues, including:

- the setting of fees and charges is cognisant of Council's environmental, social and financial objectives
- user based charges recognise the needs of the disadvantaged in our community and that where appropriate Council's fee structures recognise the capacity to pay for those users who may have a limited capacity to pay

- that Council's fees and charges are reviewed annually taking into account any increases in the underlying rate of inflation
- that the optimum use of Council facilities and resources in the context of Council's Asset Management Strategy is considered in the setting of user pays based fees and charges
- that community users of Council services are effectively consulted prior to the introduction of any new or varied service charges
- the pricing policy applied to a particular service is also guided by Council's motivation for being involved in the service.

Pricing Policy

Council adheres to the following principles when setting fees and charges:

MOTIVE	PRICING PRINCIPLE
Public goods and the exclusion principle	Council services may be provided free of charge in those circumstances where it is impossible or impractical to exclude users who for various reasons do not have the ability to pay.
Externalities	Fees may be discounted to a level below the cost of a service where the production or consumption of the service generates external benefits to the community (hence creating a community service obligation), provided the cost of the discount does not exceed the estimated benefit.
Merit goods	Fees may be discounted to a level below the cost of a service if full cost recovery would prevent or discourage its consumption and the service is regarded as having particular merit to the welfare and wellbeing of the community (hence creating a community service obligation), provided the cost of the discount does not exceed the estimated benefit.
Natural monopoly	Where Council has a monopoly over the production of a good or service, prices should be set at a level to fully recover costs unless there are explicit community service obligations or equity objectives.



BORROWINGS

It is recognised that long term borrowings can be a useful tool for funding the development of major new assets. It's also recognised that while borrowings enhance the capacity of Council's short term capital program, debt repayment and borrowing costs limit the capacity of future capital programs. It is therefore important that the utilisation of debt as a funding tool is applied appropriately.

Council borrows funds for specific capital works projects, including road, drainage, access and bridge construction works each year. The annual capital works loan drawdown for 2025 to 2034 is \$6 million. The debt service ratio will be 2.53 per cent in 2024/25, then increase to 4.09 per cent by 2033/34.



INVESTMENTS

Councils are limited by Section 625 of the *Local Government Act 1993*, to the types of investments that can be made. Investments must be in accordance with the *Local Government Act 1993* Investment Order, which is issued by the Minister for Local Government.

In accordance with Office of Local Government guidelines, Council has adopted an Investment Policy, with its current policy being last revised on 28 February 2023.

The principle objective of Council's Investment Policy is for Council to adopt a prudent approach to investments with the primary focus being the preservation of capital.

Council's cash flow is monitored on a daily basis, however given that the principle objective of Council's Investment Policy is the preservation of capital, there is little scope available to Council to generate additional revenue from changes to its investment practices.



GRANTS AND SUBSIDIES

Council receives specific grants, both operating and capital, from Federal and State Governments to support the funding of a range of Council services and major capital projects, including environmental projects, community service programs, road safety programs, public library operations, road construction and other infrastructure works. This revenue stream also includes the Commonwealth financial assistance and local roads grants paid through the NSW Grants Commission.

Other than the annual untied Commonwealth Financial Assistance Grant (FAG) and local roads grants (\$8.8 million in 2024/25), grant funding opportunities are generally seeking specific outcomes aligned to specific program goals.

Over the past few years, a range of programs have been established to encourage local economic stimulus, recognising that councils are an effective partner in delivering projects of high public value and supporting local employment. Major community infrastructure projects have been completed using grant funding, that would otherwise not have been able to be delivered. In recognition of the significance of grants as a funding stream, Council will build on its strong record in attaining grants and continue to pursue all suitable opportunities for funding.



DEVELOPER CONTRIBUTIONS

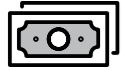
Section 7.11 of the *Environmental Planning and Assessment Act 1979*, gives Council the power to levy contributions from developers for public infrastructure required as a consequence of their development.

Contributions may be in the form of cash payments, transfer or dedication of land to Council or the provision of a material public benefit (generally known as works in kind).

For Council to levy contributions, there must be a clear link between the proposed development and the need for the public infrastructure for which the levy is being required. Consequently, there are limitations on the types of works that Section 7.11 funds can be utilised for and a strict legislative framework that guides the collection and management of such funds.

Developer contributions are paid by property developers and assist in the completion of assets and facilities in newly developed areas to the benefit of the residents.

A proportion of Council's annual infrastructure program is funded by developer contributions. Often, Council will hold funds until a sufficient amount of funds are available to deliver works. All works funded by developer contributions are listed in Development Contribution Plans which can be found on Council's website.



OTHER REVENUE

Council also receives income from various other sources. The levels of these revenue streams vary significantly and include the following:

Asset sales

Council has an extensive asset base, with the value of its infrastructure assets at 30 June 2023 totaling \$1.9 billion.

If an asset deemed surplus to requirements could be sold, not only would revenue be generated, there would be an ongoing reduction in costs currently being outlaid to maintain the asset. Further, as properties move from Council to private ownership, Council's rate income would be enhanced to some extent.

A number of issues may arise in relation to the sale of Council assets, including:

- resistance from user groups
- negative response from the community in general
- lengthy reclassification process if the assets are built on Community land or were funded by Section 7.11 development contributions.

Whilst there are some challenges and constraints, Council has identified a need to review its land holdings to assess opportunities for sale. This work will be continuing in 2024/25 financial year.

Entrepreneurial activities

Council's entrepreneurial activities are currently limited to generating rental and lease income from property, merchandise sales and various tourism activities.

Any greater involvement in entrepreneurial activity requires careful consideration in terms of:

- the levels of risk associated with any business venture
- remaining 'competitively neutral' ensuring there is no subsidisation of business costs from general revenue
- effective and appropriate utilisation of Council resources
- the level of community support for such activities by Council

Cash reserves

Council's Long Term Financial Plan incorporates the establishment and management of financial reserves to ensure long term financial sustainability and capacity to provide infrastructure and services into the future. In the preparation of Council's annual statutory financial statements, funds are set aside in the external and internal reserves of Council. Both externally and internally restricted financial reserves are established and managed to meet a range of objectives.

Externally restricted financial reserves are established to meet legislative requirements, mainly unspent developer contribution funds and unspent grants received by Council. These unspent funds are set aside as externally restricted assets in financial reserve as they can only be expended for that purpose.

Internally restricted financial reserves are established at the discretion of Council and are used to meet a variety of circumstances. These include future infrastructure works, operating activity and other unspent funds where the funds have been set aside over time for specific activity. These unspent funds are set aside as internally restricted assets in the internal financial reserves.

Council has an adopted Financial Reserves Policy to guide the management of its reserves.



PERFORMANCE MONITORING

Council will continue to report its financial performance each quarter.

Additionally, an annual review is undertaken of the Long Term Financial Plan to review assumptions and assess the robustness of the model. Key performance measures used in this assessment include the following:

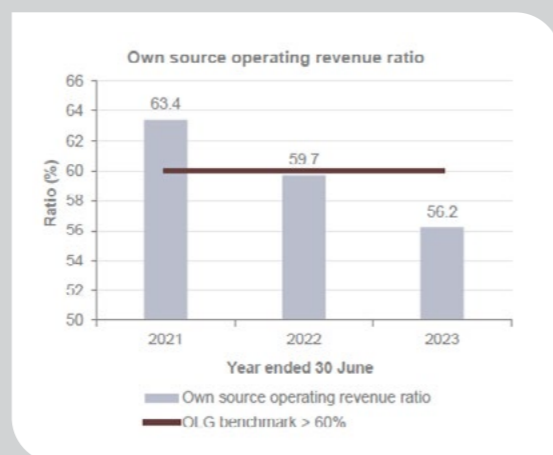
OPERATING PERFORMANCE RATIO

This ratio measures whether operating expenditure is kept within the level of operating income. The benchmark for this ratio is 0 per cent or greater. An operating deficit occurs when total expenses are greater than total income (excluding all capital amounts). This includes a council's day to day income and expenses. Councils are encouraged to budget for a surplus result and to consider asset condition and maintenance requirements. The ratio is calculated by total continuing operating revenue (excluding capital grants and contributions), less operating expenses, divided by total continuing operating revenue (excluding capital grants and contributions).



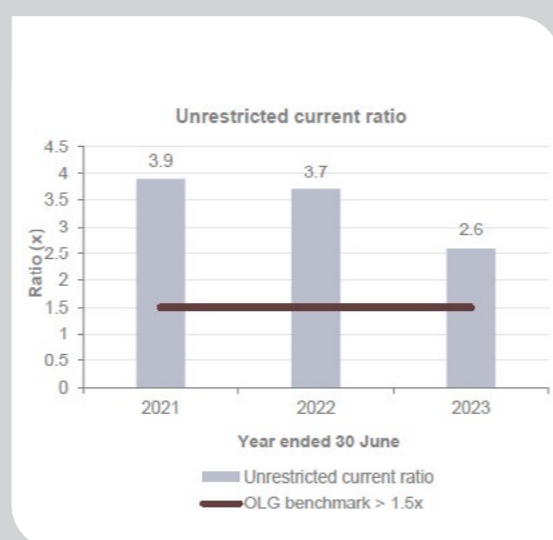
OWN SOURCE OPERATING REVENUE RATIO

This ratio measures financial flexibility and indicates reliance on external funding sources such as grants and contributions. A council's financial flexibility improves as its own source revenue (including rates, annual charges and user fees and charges) increases. The benchmark is greater than 60 per cent. The ratio is calculated by total continuing operating revenue less all grants and contributions divided by total continuing operating revenue inclusive of capital grants and contributions.



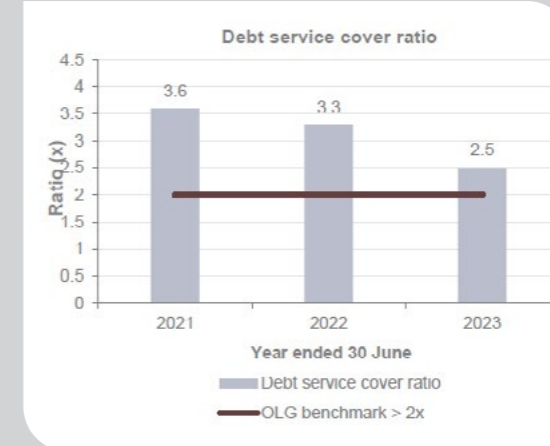
UNRESTRICTED CURRENT RATIO

This ratio measures working capital and Council's ability to meet short term obligations. Restrictions placed on various funding sources (e.g. Section 7.11 development contributions, roads contributions) complicate the traditional current ratio used to assess liquidity of businesses, as cash allocated to specific projects is restricted and cannot be used to meet a council's other operating and borrowing costs. For example, an unrestricted ratio of 3.66 means that council has \$3.66 in unrestricted current assets to meet each \$1.00 of unrestricted current liabilities. A ratio of less than 1.5 is considered unsatisfactory and could indicate, along with other financial indicators, that the council may face some financial risk. The ratio is calculated by current assets less all external restrictions divided by current liabilities less specific purpose liabilities.



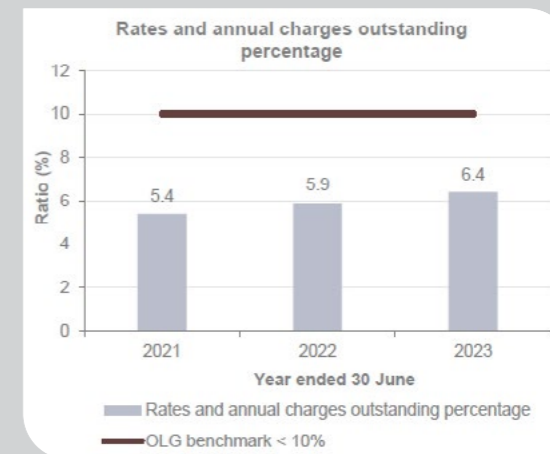
DEBT SERVICE COVER RATIO

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. Councils have approximately twice as many financial assets as they do outstanding borrowings. The benchmark for this ratio is greater than 2. A high ratio indicates the council has significant capacity to repay debt. The ratio is calculated by operating results before capital, excluding interest and depreciation/impairment/amortisation divided by principal repayments (from Statement of Cashflow) and interest on loans.



RATES AND ANNUAL CHARGES OUTSTANDING PERCENTAGE

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the efficiency of councils debt recovery. Some councils may have agreements in place to assist ratepayers in an attempt to reduce the debt owed to council. The benchmark for outstanding rates is <10 per cent for regional areas. The ratio is calculated by rates and annual charges outstanding divided by rates and annual charges levied by council.



PLANNING ASSUMPTIONS

As with any long term forecast, we are required to make assumptions about our future revenue and expenditure. The plan also incorporates a sensitivity analysis. This is captured in the income and expenditure statement, balance sheet and cashflow statements included within this plan, for 'planned', 'optimistic' and 'pessimistic' scenarios.

Council's established position has been to adopt balanced annual budgets, and the 'planned' scenario has been developed to enable this commitment to be continued.

Our 'planned', 'optimistic' and 'pessimistic' scenarios assume maintenance of all existing services of Council to a growing population with no reduction in services being provided.

Key assumptions made within this plan include the following:

GROWTH

- The Department of Planning and Environment population projections for Maitland indicate an increase of our population to 144,550 by 2041.

REVENUE

- Dwelling growth of 2.6 per cent per annum 'planned' and 'optimistic' projections and 1.3 per cent 'pessimistic' projection.
- Rate increase of 5 per cent rate peg in 2024/25, and for 2025/26 rate increase for 'planned' and 'optimistic' is 4.0 per cent and for 'pessimistic' is 2.5 per cent.
- From 2026/27 for the duration of the forecast, revenue sources, including fees and charges and rates, will need to be considered in consultation with the community to meet increasing levels of service requirements. The 'planned' scenario incorporates an annual rate increase of 8 per cent per annum for four years, commencing in 2026/27; for 'optimistic' projection an annual rate increase of 9.5 per cent.
- CPI applied to a number of income streams including general user fees and charges, regulatory services, grants and subsidies.
- Increasing revenue via fees and charges, with a 2 - 2.5 per cent estimated increase per annum (varies across scenarios).
- Interest on investments at between 3.8 per cent and 5 per cent, based on advice from Council's investment advisors, with a higher interest rate projection of 100 basis points incorporated in the 'optimistic' scenario. The pessimistic scenario projection is 100 basis point less than the planned scenario.

EXPENDITURE

- Other operating expenses, modeled on CPI increases of 3.5 per cent in 2024/25 decreasing to 2.5 per cent by 2034.
- Salary increases based on Award changes projected at 4 per cent for 2024/25 incorporating competencies and superannuation changes, 2025/26 3 per cent, 2026/27 3 per cent and 2028/29 onwards 2.5 per cent.
- Waste Levy increases applied by the NSW State Government based on annual CPI.
- Loan borrowings at \$6 million per annum for 2024 to 2033.
- Staffing increases of between ten and fifteen full time equivalents each year, based on service requirements.
- From 2026/27 and for the duration of the forecast, Council expenditure and levels of service will need to be considered in consultation with the community.
- A productivity factor of \$500,000 annually.
- An allowance is made for additional capital expenditure of \$10 million from 2032.

CONTINUOUS IMPROVEMENT

- Continued focus on efficiency through changes to process and technology.
- In line with legislated requirements, conducting service reviews to assess the impact on financial projections of increases or decreases to service levels, including consideration of all forms of income and expenditure associated with the service.

SENSITIVITY ANALYSIS AND RISK ASSESSMENT

Council's Long Term Financial Plan has been in place since 2005, with strong links to our Asset Management Strategy. We are therefore confident of the stability of the plan and its incorporated financial model.

The following risk factors have been considered in the development of the Long Term Financial Plan. Some of these factors would only have a minor impact on our projections, while others could have a more significant impact.

Areas which would have a particular impact on our projections, should they occur, include:

- rate increases being lower than anticipated.
- substantial fluctuation to the quantum or timing of population increase projections
- inflation being higher than anticipated
- construction costs being higher than anticipated
- changes to legislation with significant implementation costs to Council
- fluctuations in the rate of return on investments
- staffing related costs increasing more than anticipated.

There are also external factors beyond the scope of Council which could impact on the model including:

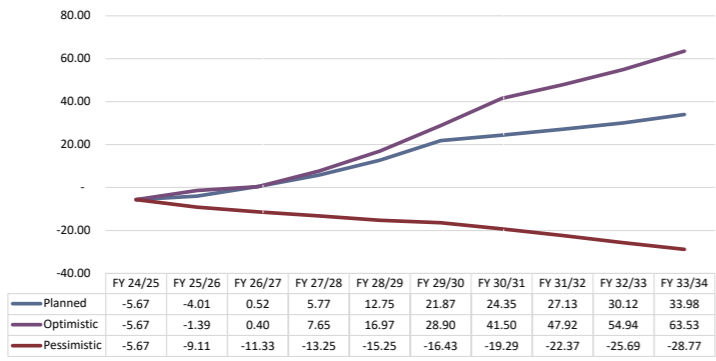
- the cap placed on contributions from developers, and removal of community infrastructure from development contribution plans
- market conditions impacting on the rate at which land releases are made by the development industry
- dedication of new assets to Council as new suburbs are completed, with the value and timing difficult to predict, and therefore impacts on workforce and maintenance may vary
- a reduction in grants attained by council, due to changing State or Federal Government priorities
- changes to the local government rating regime
- changes to the superannuation guarantee legislation
- fluctuation in government and statutory charges to Council

- changes to the value of the statutory pensioner rebate on Council rates
- continued impact of the pandemic on both revenue and expense
- natural disaster, in particular flooding.

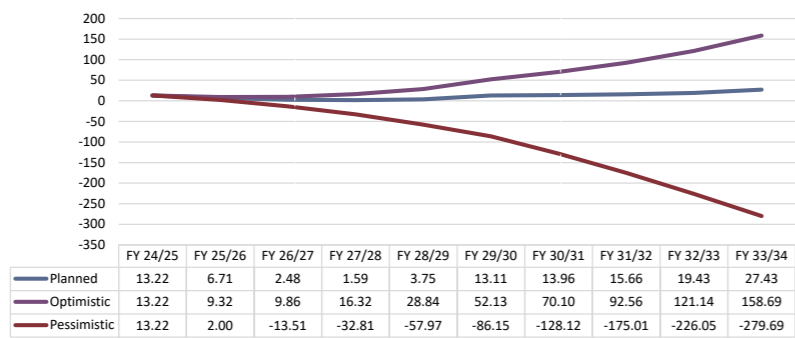
To mitigate these risks, Council undertakes annual monitoring to ensure that adjustments can be made to expenditure that ensure financial sustainability and meet the core operating requirements of local government.

SENSITIVITY ANALYSIS GRAPHS

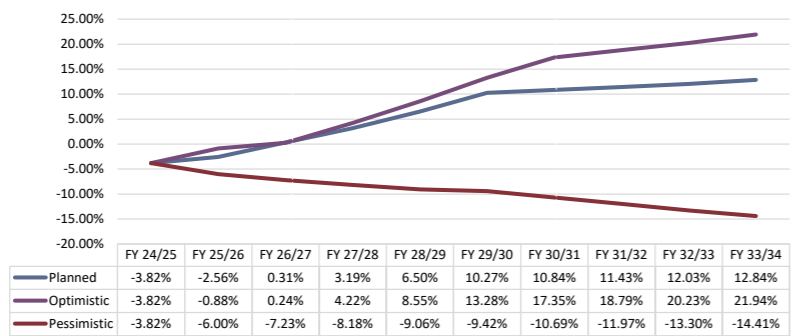
OPERATING RESULT EXCLUDING CAPITAL (\$M'S)



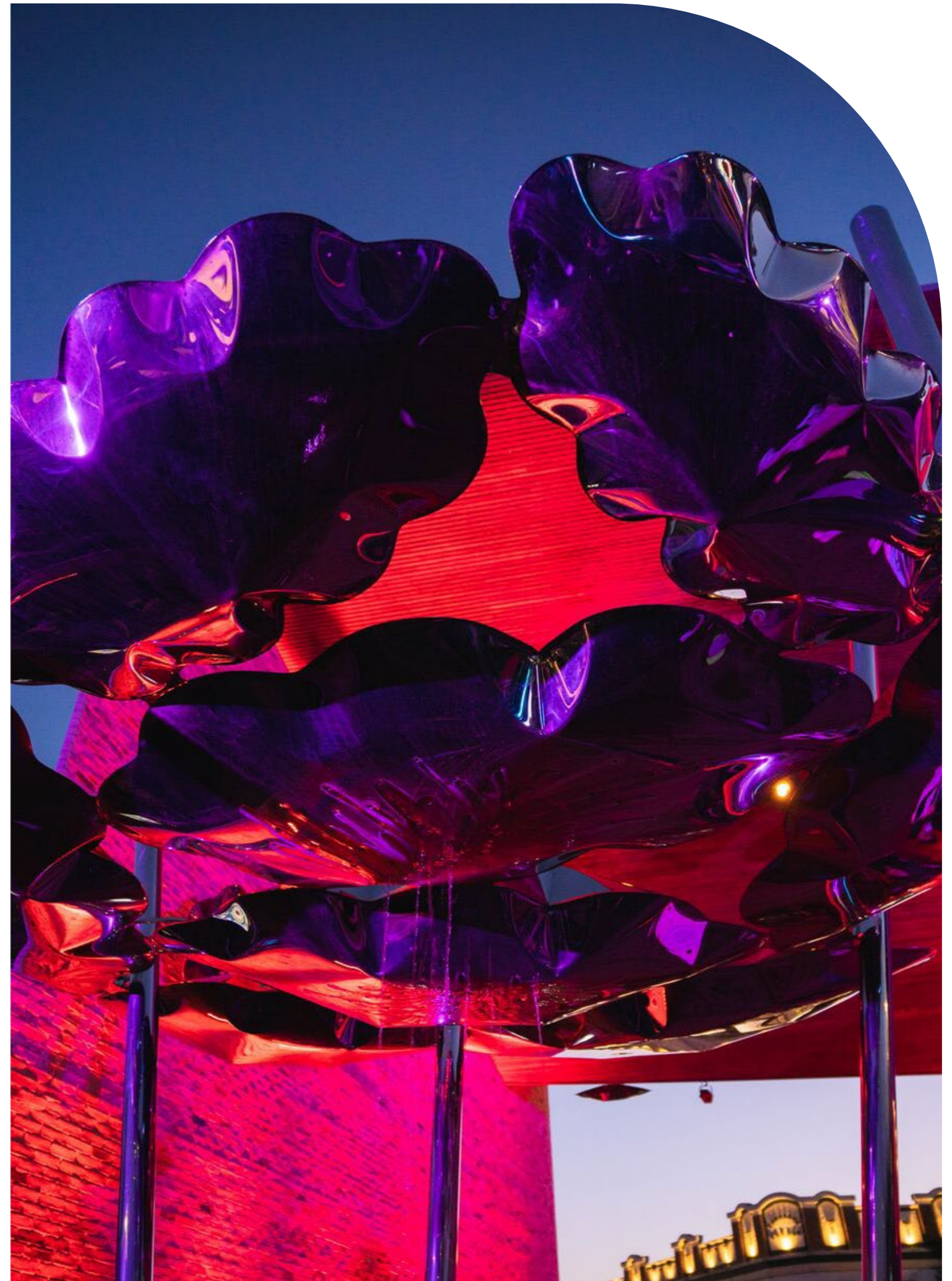
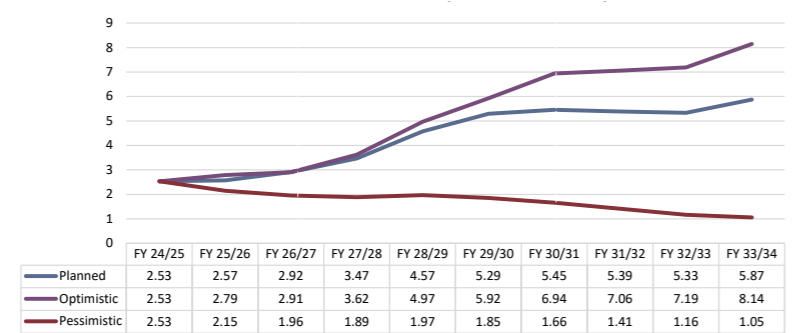
OPERATIONAL CASH (\$M'S)



OPERATING PERFORMANCE % - Benchmark >0



DEBT SERVICE COVER RATIO - Benchmark >2



INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD 2024/25 TO 2033/34

Planned Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Rates and charges	91,170	97,282	107,695	119,223	131,984	146,111	155,158	164,763	174,964	185,796
Special rates	547	569	592	615	640	666	689	713	738	764
Annual charges	22,004	22,664	23,344	24,044	24,766	25,509	26,274	27,062	27,874	28,710
Total rates and annual charges	113,721	120,515	131,631	143,882	157,390	172,286	182,121	192,538	203,576	215,270
User charges and fees	10,086	10,679	11,308	11,973	12,678	13,424	14,213	15,050	15,935	16,873
Other revenues	2,689	2,770	2,839	2,910	2,983	3,057	3,134	3,212	3,292	3,375
Interest and investment income	8,844	8,935	8,228	7,903	8,784	9,338	10,116	10,960	11,532	12,595
Other income	1,243	1,280	1,312	1,345	1,379	1,413	1,449	1,485	1,522	1,560
Total own source revenue	136,583	144,179	155,318	168,013	183,214	199,518	211,033	223,245	235,857	249,673
Grants and contributions - operating purposes	12,536	12,849	13,171	13,500	13,837	14,183	14,538	14,901	15,274	15,656
Grants and contributions - capital purposes	42,191	25,182	25,131	31,259	16,991	15,935	16,398	16,889	17,190	17,521
Total income from continuing operations	191,310	182,210	193,620	212,772	214,042	229,636	241,969	255,035	268,321	282,850
Total operating income (excluding capital)	149,119	157,028	168,489	181,513	197,051	213,701	225,571	238,146	251,131	265,329
Employee benefits	62,320	65,595	68,709	71,971	75,023	78,205	81,523	84,982	88,589	92,350
Materials and contracts	49,678	50,901	53,974	57,920	62,778	66,414	70,956	75,692	80,679	85,930
Borrowing costs	2,527	2,708	2,688	2,633	2,643	2,705	2,707	2,688	2,595	2,419
Depreciation and amortisation	31,952	32,132	32,768	33,258	33,767	34,296	35,707	37,225	38,629	40,041
Other expenses	9,447	9,730	9,974	10,223	10,479	10,741	11,009	11,284	11,566	11,856
Total expenses from continuing operations	155,924	161,066	168,113	176,005	184,690	192,361	201,902	211,871	222,058	232,596
Net operating result (excluding capital)	(6,805)	(4,038)	376	5,508	12,361	21,340	23,669	26,275	29,073	32,733
Operating result (including capital)	35,386	21,144	25,507	36,767	29,352	37,275	40,067	43,164	46,263	50,254
Total comprehensive income	35,386	21,144	25,507	36,767	29,352	37,275	40,067	43,164	46,263	50,254

BALANCE SHEET FOR THE PERIOD 2024/25 TO 2033/34
Planned Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Cash and cash equivalents	124,341	131,493	133,770	156,939	171,533	191,992	214,198	229,274	257,242	267,341
Receivables - current	13,230	14,115	15,621	17,287	19,131	21,173	22,481	23,870	25,345	26,912
Other current assets	2,306	2,163	2,034	1,920	1,820	1,732	1,655	1,588	1,531	1,481
Total current assets	139,877	147,771	151,425	176,146	192,484	214,897	238,334	254,732	284,118	295,734
Investments - non-current	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212
Infrastructure property plant and equipment	1,939,959	1,956,617	1,976,364	1,987,650	2,003,076	2,018,952	2,036,220	2,063,280	2,077,221	2,113,198
Other non-current assets	882	794	714	643	579	521	469	422	380	342
Total non-current assets	2,015,053	2,031,623	2,051,290	2,062,505	2,077,867	2,093,685	2,110,901	2,137,914	2,151,813	2,187,752
Total assets	2,154,930	2,179,394	2,202,715	2,238,651	2,270,351	2,308,582	2,349,235	2,392,646	2,435,931	2,483,486
Payables - current	14,696	15,137	15,516	15,904	16,301	16,709	17,126	17,555	17,993	18,443
Contract liabilities - current	0	0	0	0	0	0	0	0	0	0
Lease liabilities - current	376	338	305	274	247	222	200	180	162	146
Borrowings - current	9,292	9,661	9,389	8,110	8,425	8,808	9,766	10,789	10,600	10,276
Provisions - current	16,360	17,145	17,881	18,649	19,450	20,285	21,156	22,065	23,012	24,000
Total current liabilities	40,724	42,281	43,091	42,937	44,423	46,024	48,248	50,589	51,767	52,865
Lease liabilities - non-current	473	426	383	345	310	279	251	226	204	183
Borrowings - non-current	64,133	65,265	61,729	60,492	60,779	59,536	57,283	54,557	49,746	45,279
Provisions - non-current	22,622	23,300	23,883	24,480	25,091	25,720	26,364	27,022	27,699	28,390
Total non-current liabilities	87,228	88,991	85,995	85,317	86,180	85,535	83,898	81,805	77,649	73,852
Total liabilities	127,952	131,272	129,086	128,254	130,603	131,559	132,146	132,394	129,416	126,717
Net assets	2,026,978	2,048,122	2,073,629	2,110,397	2,139,748	2,177,023	2,217,089	2,260,252	2,306,515	2,356,769
Accumulated surplus	1,151,981	1,187,367	1,208,511	1,234,018	1,270,786	1,300,137	1,337,412	1,377,478	1,420,641	1,466,904
Revaluation reserves	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611
Total equity opening balance	1,991,592	2,026,978	2,048,122	2,073,629	2,110,397	2,139,748	2,177,023	2,217,089	2,260,252	2,306,515
Operating result (including capital)	35,386	21,144	25,507	36,768	29,351	37,275	40,066	43,163	46,263	50,254
Total comprehensive income	35,386	21,144	25,507	36,768	29,351	37,275	40,066	43,163	46,263	50,254
Total equity closing balance	2,026,978	2,048,122	2,073,629	2,110,397	2,139,748	2,177,023	2,217,089	2,260,252	2,306,515	2,356,769

CASH FLOW STATEMENTS FOR THE PERIOD 2024/25 TO 2033/34

Planned Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Total own source revenue	136,583	144,179	155,318	168,014	183,213	199,519	211,032	223,245	235,858	249,673
Grants and contributions	12,536	12,849	13,171	13,500	13,837	14,183	14,538	14,901	15,274	15,656
Employee benefits	(62,320)	(65,595)	(68,709)	(71,971)	(75,023)	(78,205)	(81,523)	(84,982)	(88,589)	(92,350)
Materials and contracts	(49,678)	(42,131)	(43,447)	(44,752)	(46,813)	(47,600)	(49,183)	(50,896)	(52,699)	(54,600)
Other expenses from continuing operations	(8,950)	(18,059)	(20,121)	(23,003)	(26,045)	(29,147)	(32,364)	(35,652)	(39,108)	(42,736)
Cashflow from operations	28,171	31,243	36,212	41,788	49,169	58,750	62,500	66,616	70,736	75,643
Net movement of IPP&E	(64,652)	(44,773)	(52,715)	(44,756)	(49,311)	(50,596)	(52,677)	(63,974)	(52,574)	(76,046)
Purchase of long term investments	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	(64,652)	(44,773)	(52,715)	(44,756)	(49,311)	(50,596)	(52,677)	(63,974)	(52,574)	(76,046)
Grants and contributions - capital purposes	42,191	25,182	25,131	31,259	16,991	15,935	16,398	16,889	17,190	17,521
Proceeds from borrowings	6,300	7,500	6,000	6,900	8,500	7,500	7,500	8,000	6,000	6,000
Loan repayments	(11,377)	(12,000)	(12,350)	(12,023)	(10,753)	(11,129)	(11,515)	(12,454)	(13,384)	(13,018)
Cashflow from financing	37,114	20,682	18,781	26,136	14,738	12,306	12,383	12,435	9,806	10,503
Opening cash	197,920	198,553	205,705	207,982	231,151	245,745	266,204	288,410	303,486	331,454
Change in cash	633	7,152	2,277	23,168	14,595	20,459	22,206	15,076	27,968	10,099
Closing cash	198,553	205,705	207,982	231,151	245,745	266,204	288,410	303,486	331,454	341,553
Total cash and liquid assets	198,553	205,705	207,982	231,151	245,745	266,204	288,410	303,486	331,454	341,553
Internally restricted cash	55,131	46,319	46,653	46,940	48,241	50,149	52,057	53,965	55,266	33,698
Externally restricted cash	130,254	151,799	158,139	182,203	193,764	203,510	223,680	236,040	260,009	284,958
Unrestricted cash	13,168	7,586	3,190	2,008	3,741	12,545	12,673	13,481	16,179	22,898
Total cash and liquid investments	198,553	205,705	207,982	231,151	245,745	266,204	288,410	303,486	331,454	341,553

STATEMENT OF PERFORMANCE MEASURES FOR THE PERIOD 2024/25 TO 2033/34

Planned Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
1. Operating performance										
Total continuing operating revenue excluding capital grants and contributions less operating expenses	-4.56%	-2.57%	0.22%	3.03%	6.27%	9.99%	10.49%	11.03%	11.58%	12.34%
Total continuing operating revenue excluding capital grants and contributions										
Benchmark: >0										
2. Own source operating revenue										
Total continuing operating revenue excluding all grants and contributions	71.39%	79.13%	80.22%	78.96%	85.60%	86.88%	87.21%	87.54%	87.90%	88.27%
Total continuing operating revenue inclusive of all grants and contributions										
Benchmark: >60%										
3. Unrestricted current ratio										
Current assets less all external restrictions	2.86	2.32	2.21	2.28	2.37	2.69	2.66	2.64	2.76	2.36
Current liabilities less specific purpose liabilities										
Benchmark: >1.5										
4. Debt service cover ratio (>2 as benchmark)										
Operating results before capital excluding interest and depreciation/impairment/amortisation (EBITDA)	2.43	2.57	2.90	3.44	4.54	5.24	5.39	5.31	5.25	5.78
Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement)										
Benchmark: >2										
5. Rates and annual charges outstanding percentage										
Rates and annual charges outstanding	6.28%	6.12%	5.97%	5.82%	5.67%	5.53%	5.39%	5.26%	5.13%	5.00%
Rates and annual charges collectable										
Benchmark: <5% Metro, <10% Regional										
6. Cash expense cover ratio										
(Current year's cash and cash equivalents + term deposits)*12	18.01	17.92	17.26	18.28	18.59	19.23	19.82	19.79	20.53	20.22
Payments from cash flow of operating and financing activities										
Benchmark: >3 months										

INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD 2024/25 TO 2033/34

Optimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Rates and charges	91,170	97,750	104,804	117,608	131,976	148,100	166,193	178,187	191,047	204,835
Special rates	547	572	598	624	652	682	713	745	778	813
Annual charges	22,004	22,554	23,118	23,696	24,288	24,896	25,518	26,156	26,810	27,346
Total rates and annual charges	113,721	120,876	128,520	141,928	156,916	173,678	192,424	205,088	218,635	232,994
User charges and fees	10,086	10,628	11,198	11,800	12,433	13,101	13,805	14,546	15,327	16,071
Other revenues	2,689	2,770	2,839	2,910	2,983	3,057	3,134	3,212	3,292	3,375
Interest and investment income	8,844	10,920	10,416	10,338	11,805	13,005	14,658	16,550	18,275	20,813
Other income	1,243	1,280	1,312	1,345	1,379	1,413	1,449	1,485	1,522	1,560
Total own source revenue	136,583	146,474	154,285	168,321	185,516	204,254	225,470	240,881	257,051	274,813
Grants and contributions - operating purposes	12,536	12,849	13,171	13,500	13,837	14,183	14,538	14,901	15,274	15,579
Grants and contributions - capital purposes	42,191	25,182	25,131	31,259	16,991	15,935	16,398	16,889	17,190	17,521
Total income from continuing operations	191,310	184,505	192,587	213,080	216,344	234,372	256,406	272,671	289,515	307,913
Total operating income (excluding capital)	149,119	159,323	167,456	181,821	199,353	218,437	240,008	255,782	272,325	290,392
Employee benefits	62,320	65,278	68,045	70,930	73,938	77,074	80,344	83,753	87,307	91,013
Materials and contracts	49,678	50,901	53,709	57,366	61,908	65,201	69,369	73,699	78,246	82,661
Borrowing costs	2,527	2,708	2,688	2,633	2,643	2,705	2,707	2,688	2,595	2,419
Depreciation and amortisation	31,952	32,132	32,768	33,258	33,767	34,296	35,707	37,225	38,629	40,041
Other expenses	9,447	9,730	9,974	10,223	10,479	10,741	11,009	11,284	11,566	11,856
Total expenses from continuing operations	155,924	160,749	167,184	174,410	182,735	190,017	199,136	208,649	218,343	227,990
Net operating result (excluding capital)	(6,805)	(1,426)	272	7,411	16,618	28,420	40,872	47,133	53,982	62,402
Operating result (including capital)	35,386	23,756	25,403	38,670	33,609	44,355	57,270	64,022	71,172	79,923
Total comprehensive income	35,386	23,756	25,403	38,670	33,609	44,355	57,270	64,022	71,172	79,923

BALANCE SHEET FOR THE PERIOD 2024/25 TO 2033/34
Optimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Cash and cash equivalents	124,341	134,104	141,165	171,720	196,728	231,173	270,582	306,516	359,392	399,161
Receivables - current	13,230	14,183	15,910	17,847	20,020	22,458	24,077	25,811	27,671	29,665
Other current assets	2,306	2,163	2,034	1,920	1,820	1,732	1,655	1,588	1,531	1,481
Total current assets	139,877	150,450	159,109	191,487	218,568	255,363	296,314	333,915	388,594	430,307
Investments - non-current	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212
Infrastructure property plant and equipment	1,963,083	1,978,217	2,002,674	2,014,320	2,029,964	2,046,412	2,063,167	2,090,527	2,105,070	2,141,333
Other non-current assets	882	794	714	643	579	521	469	422	380	342
Total non-current assets	2,038,177	2,053,223	2,077,600	2,089,175	2,104,755	2,121,145	2,137,848	2,165,161	2,179,662	2,215,887
Total assets	2,178,054	2,203,673	2,236,709	2,280,662	2,323,323	2,376,508	2,434,162	2,499,076	2,568,256	2,646,194
Payables - current	14,696	15,137	15,516	15,904	16,301	16,709	17,126	17,555	17,993	18,443
Contract liabilities - current	0	0	0	0	0	0	0	0	0	0
Lease liabilities - current	376	338	305	274	247	222	200	180	162	146
Borrowings - current	9,292	9,661	9,389	8,110	8,425	8,808	9,766	10,789	10,600	10,276
Provisions - current	16,078	16,850	17,574	18,328	19,115	19,936	20,792	21,685	22,616	23,587
Total current liabilities	40,442	41,986	42,784	42,616	44,088	45,675	47,884	50,209	51,371	52,452
Lease liabilities - non-current	473	426	383	345	310	279	251	226	204	183
Borrowings - non-current	64,133	65,265	61,729	60,492	60,779	59,536	57,283	54,557	49,746	45,279
Provisions - non-current	22,622	23,300	23,883	24,481	25,093	25,720	26,363	27,023	27,699	28,392
Total non-current liabilities	87,228	88,991	85,995	85,318	86,182	85,535	83,897	81,806	77,649	73,854
Total liabilities	127,670	130,977	128,779	127,934	130,270	131,210	131,781	132,015	129,020	126,306
Net assets	2,050,384	2,072,696	2,107,930	2,152,728	2,193,053	2,245,298	2,302,381	2,367,061	2,439,236	2,519,888
Accumulated surplus	1,151,981	1,187,367	1,211,122	1,241,413	1,285,568	1,325,333	1,376,595	1,433,864	1,497,885	1,569,056
Revaluation reserves	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611
Total equity opening balance	1,991,592	2,026,978	2,050,733	2,081,024	2,125,179	2,164,944	2,216,206	2,273,475	2,337,496	2,408,667
Operating result (including capital)	35,386	23,755	30,291	44,155	39,765	51,262	57,269	64,021	71,171	79,923
Total comprehensive income	58,792	45,718	57,197	71,704	67,874	80,354	86,175	93,586	101,740	111,221
Total equity closing balance	2,050,384	2,072,696	2,107,930	2,152,728	2,193,053	2,245,298	2,302,381	2,367,061	2,439,236	2,519,888

CASH FLOW STATEMENTS FOR THE PERIOD 2024/25 TO 2033/34

Optimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Total own source revenue	136,583	146,473	159,172	173,806	191,671	211,160	225,469	240,880	257,051	274,813
Grants and contributions	12,536	12,849	13,171	13,500	13,837	14,183	14,538	14,901	15,274	15,579
Employee benefits	(62,320)	(65,278)	(68,045)	(70,930)	(73,938)	(77,074)	(80,344)	(83,753)	(87,307)	(91,013)
Materials and contracts	(49,678)	(42,131)	(43,183)	(44,197)	(45,944)	(46,387)	(47,597)	(48,903)	(50,266)	(51,331)
Other expenses from continuing operations	(8,950)	(18,059)	(20,121)	(23,003)	(26,045)	(29,147)	(32,364)	(35,652)	(39,108)	(42,736)
Cashflow from operations	28,171	33,854	40,994	49,176	59,581	72,735	79,702	87,473	95,644	105,312
Net movement of IPP&E	(64,652)	(44,773)	(52,715)	(44,756)	(49,311)	(50,596)	(52,677)	(63,974)	(52,574)	(76,046)
Purchase of long term investments	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	(64,652)	(44,773)	(52,715)	(44,756)	(49,311)	(50,596)	(52,677)	(63,974)	(52,574)	(76,046)
Grants and contributions - capital purposes	42,191	25,182	25,131	31,259	16,991	15,935	16,398	16,889	17,190	17,521
Proceeds from borrowings	6,300	7,500	6,000	6,900	8,500	7,500	7,500	8,000	6,000	6,000
Loan repayments	(11,377)	(12,000)	(12,350)	(12,023)	(10,753)	(11,129)	(11,515)	(12,454)	(13,384)	(13,018)
Cashflow from financing	37,114	20,682	18,781	26,136	14,738	12,306	12,383	12,435	9,806	10,503
Opening cash	197,920	198,553	208,316	215,377	245,932	270,940	305,385	344,794	380,728	433,604
Change in cash	633	9,763	7,061	30,555	25,008	34,445	39,409	35,934	52,876	39,768
Closing cash	198,553	208,316	215,377	245,932	270,940	305,385	344,794	380,728	433,604	473,373
Total cash and liquid assets	198,553	208,316	215,377	245,932	270,940	305,385	344,794	380,728	433,604	473,373
Internally restricted cash	55,131	46,319	46,653	46,940	48,241	50,149	52,057	53,965	55,266	33,698
Externally restricted cash	130,254	151,797	158,143	182,223	193,801	203,564	223,752	236,131	260,121	285,073
Unrestricted cash	13,168	10,200	10,580	16,769	28,899	51,672	68,985	90,632	118,217	154,602
Total cash and liquid investments	198,553	208,316	215,377	245,932	270,940	305,385	344,794	380,728	433,604	473,373

STATEMENT OF PERFORMANCE MEASURES FOR THE PERIOD 2024/25 TO 2033/34

Optimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
1. Operating performance										
Total continuing operating revenue excluding capital grants and contributions less operating expenses	-4.56%	-0.90%	0.16%	4.08%	8.34%	13.01%	17.03%	18.43%	19.82%	21.49%
Total continuing operating revenue excluding capital grants and contributions										
Benchmark: >0										
2. Own source operating revenue										
Total continuing operating revenue excluding all grants and contributions	71.39%	79.39%	80.11%	78.99%	85.75%	87.15%	87.93%	88.34%	88.79%	89.25%
Total continuing operating revenue inclusive of all grants and contributions										
Benchmark: >60%										
3. Unrestricted current ratio										
Current assets less all external restrictions	2.87	2.41	2.47	2.80	3.22	3.97	4.40	4.91	5.70	6.11
Current liabilities less specific purpose liabilities										
Benchmark: >1.5										
4. Debt service cover ratio (>2 as benchmark)										
Operating results before capital excluding interest and depreciation/impairment/amortisation (EBITDA)	2.43	2.78	2.89	3.60	4.93	5.88	6.89	6.99	7.11	8.06
Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement)										
Benchmark: >2										
5. Rates and annual charges outstanding percentage										
Rates and annual charges outstanding	6.28%	6.12%	5.97%	5.82%	5.67%	5.53%	5.39%	5.26%	5.13%	5.00%
Rates and annual charges collectable										
Benchmark: <5% Metro, <10% Regional										
6. Cash expense cover ratio										
(Current year's cash and cash equivalents + term deposits)*12	18.01	18.18	17.99	19.65	20.75	22.38	24.08	25.27	27.38	28.68
Payments from cash flow of operating and financing activities										
Benchmark: >3 months										

INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD 2024/25 TO 2033/34

Pessimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Rates and charges	91,170	95,126	99,253	103,560	108,053	112,742	117,634	122,738	128,063	133,620
Special rates	547	564	580	598	616	634	653	673	693	714
Annual charges	22,004	22,554	23,118	23,696	24,288	24,896	25,518	26,156	26,810	27,346
Total rates and annual charges	113,721	118,244	122,951	127,854	132,957	138,272	143,805	149,567	155,566	161,680
User charges and fees	10,086	10,628	11,198	11,800	12,433	13,101	13,805	14,546	15,327	16,071
Other revenues	2,689	2,770	2,839	2,910	2,983	3,057	3,134	3,212	3,292	3,375
Interest and investment income	8,844	6,949	6,017	5,348	5,464	5,089	4,590	3,991	3,029	2,252
Other income	1,243	1,280	1,312	1,345	1,379	1,413	1,449	1,485	1,522	1,560
Total own source revenue	136,583	139,871	144,317	149,257	155,216	160,932	166,783	172,801	178,736	184,938
Grants and contributions - operating purposes	12,536	12,849	13,171	13,500	13,837	14,183	14,538	14,901	15,274	15,579
Grants and contributions - capital purposes	42,191	25,182	25,131	31,259	16,991	15,935	16,398	16,889	17,190	17,521
Total income from continuing operations	191,310	177,902	182,619	194,016	186,044	191,050	197,719	204,591	211,200	218,038
Total operating income (excluding capital)	149,119	152,720	157,488	162,757	169,053	175,115	181,321	187,702	194,010	200,517
Employee benefits	62,320	65,912	69,041	71,968	75,020	78,202	81,519	84,978	88,585	92,345
Materials and contracts	49,678	51,406	54,503	58,195	62,773	66,105	70,312	74,684	79,274	83,729
Borrowing costs	2,527	2,708	2,688	2,633	2,643	2,705	2,707	2,688	2,595	2,419
Depreciation and amortisation	31,952	32,132	32,768	33,258	33,767	34,296	35,707	37,225	38,629	40,041
Other expenses	9,447	9,730	9,974	10,223	10,479	10,741	11,009	11,284	11,566	11,856
Total expenses from continuing operations	155,924	161,888	168,974	176,277	184,682	192,049	201,254	210,859	220,649	230,390
Net operating result (excluding capital)	(6,805)	(9,168)	(11,486)	(13,520)	(15,629)	(16,934)	(19,933)	(23,157)	(26,639)	(29,873)
Operating result (including capital)	35,386	16,014	13,645	17,739	1,362	(999)	(3,535)	(6,268)	(9,449)	(12,352)
Total comprehensive income	35,386	16,014	13,645	17,739	1,362	(999)	(3,535)	(6,268)	(9,449)	(12,352)

BALANCE SHEET FOR THE PERIOD 2024/25 TO 2033/34
Pessimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Cash and cash equivalents	124,341	126,362	116,778	120,916	107,522	89,707	68,310	33,953	6,209	(46,298)
Receivables - current	13,230	13,803	14,401	15,025	15,676	16,355	17,063	17,802	18,573	19,378
Other current assets	2,306	2,163	2,034	1,920	1,820	1,732	1,655	1,588	1,531	1,481
Total current assets	139,877	142,328	133,213	137,861	125,018	107,794	87,028	53,343	26,313	-25,439
Investments - non-current	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212	74,212
Infrastructure property plant and equipment	1,939,959	1,956,928	1,977,583	1,989,911	2,006,531	2,023,768	2,041,635	2,069,345	2,083,991	2,120,731
Other non-current assets	882	794	714	643	579	521	469	422	380	342
Total non-current assets	2,015,053	2,031,934	2,052,509	2,064,766	2,081,322	2,098,501	2,116,316	2,143,979	2,158,583	2,195,285
Total assets	2,154,930	2,174,262	2,185,722	2,202,627	2,206,340	2,206,295	2,203,344	2,197,322	2,184,896	2,169,846
Payables - current	14,696	15,137	15,516	15,904	16,301	16,709	17,126	17,555	17,993	18,443
Contract liabilities - current	0	0	0	0	0	0	0	0	0	0
Lease liabilities - current	376	338	305	274	247	222	200	180	162	146
Borrowings - current	9,292	9,661	9,389	8,110	8,425	8,808	9,766	10,789	10,600	10,276
Provisions - current	16,360	17,145	17,881	18,649	19,450	20,285	21,156	22,065	23,012	24,000
Total current liabilities	40,724	42,281	43,091	42,937	44,423	46,024	48,248	50,589	51,767	52,865
Lease liabilities - non-current	473	426	383	345	310	279	251	226	204	183
Borrowings - non-current	64,133	65,265	61,729	60,492	60,779	59,536	57,283	54,557	49,746	45,279
Provisions - non-current	22,622	23,300	23,883	24,479	25,092	25,718	26,361	27,019	27,697	28,389
Total non-current liabilities	87,228	88,991	85,995	85,316	86,181	85,533	83,895	81,802	77,647	73,851
Total liabilities	127,952	131,272	129,086	128,253	130,604	131,557	132,143	132,391	129,414	126,716
Net assets	2,026,978	2,042,990	2,056,636	2,074,374	2,075,736	2,074,738	2,071,201	2,064,931	2,055,482	2,043,130
Accumulated surplus	1,151,981	1,187,367	1,203,379	1,217,025	1,234,763	1,236,125	1,235,127	1,231,590	1,225,320	1,215,871
Revaluation reserves	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611	839,611
Total equity opening balance	1,991,592	2,026,978	2,042,990	2,056,636	2,074,374	2,075,736	2,074,738	2,071,201	2,064,931	2,055,482
Operating result (including capital)	35,386	16,012	13,646	17,738	1,362	-998	-3,537	-6,270	-9,449	-12,352
Total comprehensive income	35,386	16,012	13,646	17,738	1,362	-998	-3,537	-6,270	-9,449	-12,352
Total equity closing balance	2,026,978	2,042,990	2,056,636	2,074,374	2,075,736	2,074,738	2,071,201	2,064,931	2,055,482	2,043,130

CASH FLOW STATEMENTS FOR THE PERIOD 2024/25 TO 2033/34

Pessimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
Total own source revenue	136,583	139,870	144,318	149,256	155,216	160,931	166,781	172,800	178,736	184,937
Grants and contributions	12,536	12,849	13,171	13,500	13,837	14,183	14,538	14,901	15,274	15,579
Employee benefits	(62,320)	(65,912)	(69,041)	(71,968)	(75,020)	(78,202)	(81,519)	(84,978)	(88,585)	(92,345)
Materials and contracts	(49,678)	(42,637)	(43,977)	(45,027)	(46,809)	(47,290)	(48,540)	(49,887)	(51,294)	(52,399)
Other expenses from continuing operations	(8,950)	(18,059)	(20,121)	(23,003)	(26,045)	(29,147)	(32,364)	(35,652)	(39,108)	(42,736)
Cashflow from operations	28,171	26,111	24,350	22,758	21,179	20,475	18,896	17,184	15,023	13,036
Net movement of IPP&E	(64,652)	(44,773)	(52,715)	(44,756)	(49,311)	(50,596)	(52,677)	(63,974)	(52,574)	(76,046)
Purchase of long term investments	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	(64,652)	(44,773)	(52,715)	(44,756)	(49,311)	(50,596)	(52,677)	(63,974)	(52,574)	(76,046)
Grants and contributions - capital purposes	42,191	25,182	25,131	31,259	16,991	15,935	16,398	16,889	17,190	17,521
Proceeds from borrowings	6,300	7,500	6,000	6,900	8,500	7,500	7,500	8,000	6,000	6,000
Loan repayments	(11,377)	(12,000)	(12,350)	(12,023)	(10,753)	(11,129)	(11,515)	(12,454)	(13,384)	(13,018)
Cashflow from financing	37,114	20,682	18,781	26,136	14,738	12,306	12,383	12,435	9,806	10,503
Opening cash	197,920	198,553	200,574	190,990	195,128	181,734	163,919	142,522	108,165	80,421
Change in cash	633	2,021	(9,584)	4,139	(13,394)	(17,815)	(21,397)	(34,357)	(27,744)	(52,507)
Closing cash	198,553	200,574	190,990	195,128	181,734	163,919	142,522	108,165	80,421	27,914
Total cash and liquid assets	198,553	200,574	190,990	195,128	181,734	163,919	142,522	108,165	80,421	27,914
Internally restricted cash	55,131	46,319	46,653	46,940	48,241	50,149	52,057	53,965	55,266	33,698
Externally restricted cash	130,254	151,396	157,179	180,633	191,516	200,512	219,855	231,306	254,279	278,119
Unrestricted cash	13,168	2,859	(12,842)	(32,444)	(58,023)	(86,742)	(129,391)	(177,106)	(229,124)	(283,903)
Total cash and liquid investments	198,553	200,574	190,990	195,128	181,734	163,919	142,522	108,165	80,421	27,914

STATEMENT OF PERFORMANCE MEASURES FOR THE PERIOD 2024/25 TO 2033/34

Pessimistic Outlook

	YEAR 1 BUDGET 2024//25 (\$000'S)	YEAR 2 FORECAST 2025/26 (\$000'S)	YEAR 3 FORECAST 2026/27 (\$000'S)	YEAR 4 FORECAST 2027/28 (\$000'S)	YEAR 5 FORECAST 2028/29 (\$000'S)	YEAR 6 FORECAST 2029/30 (\$000'S)	YEAR 7 FORECAST 2030/31 (\$000'S)	YEAR 8 FORECAST 2031/32 (\$000'S)	YEAR 9 FORECAST 2032/33 (\$000'S)	YEAR 10 FORECAST 2033/34 (\$000'S)
1. Operating performance										
Total continuing operating revenue excluding capital grants and contributions less operating expenses	-4.56%	-6.00%	-7.29%	-8.31%	-9.25%	-9.67%	-10.99%	-12.34%	-13.73%	-14.90%
Total continuing operating revenue excluding capital grants and contributions										
Benchmark: >0										
2. Own source operating revenue										
Total continuing operating revenue excluding all grants and contributions	71.39%	78.62%	79.03%	76.93%	83.43%	84.24%	84.35%	84.46%	84.63%	84.82%
Total continuing operating revenue inclusive of all grants and contributions										
Benchmark: >60%										
3. Unrestricted current ratio										
Current assets less all external restrictions	2.86	2.15	1.64	1.05	0.25	-0.58	-1.75	-2.95	-4.31	-6.36
Current liabilities less specific purpose liabilities										
Benchmark: >1.5										
4. Debt service cover ratio (>2 as benchmark)										
Operating results before capital excluding interest and depreciation/impairment/amortisation (EBITDA)	2.43	2.14	1.94	1.86	1.93	1.80	1.60	1.35	1.09	0.97
Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement)										
Benchmark: >2										
5. Rates and annual charges outstanding percentage										
Rates and annual charges outstanding	6.28%	6.12%	5.97%	5.82%	5.67%	5.53%	5.39%	5.26%	5.13%	5.00%
Rates and annual charges collectable										
Benchmark: <5% Metro, <10% Regional										
6. Cash expense cover ratio										
(Current year's cash and cash equivalents + term deposits)*12	18.01	17.36	15.75	15.40	13.75	11.87	9.83	7.09	5.02	1.67
Payments from cash flow of operating and financing activities										
Benchmark: >3 months										



maitland
city council

263 High Street, Maitland NSW 2320
info@maitland.nsw.gov.au
maitland.nsw.gov.au