



Draft Long-Term Financial Plan

2023 - 2033

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Introduction

The Long-Term Financial Plan forms part of our 10 year Resourcing Strategy, supporting Council's achievement of long-term goals in the Community Strategic Plan 2040. It ensures that we can sustainably deliver our related programs in our Delivery Program and Operational Plan.

What is the Long-Term Financial Plan?

The Long-Term Financial Plan (LTFP) explains how we will deliver services and assets now and in the future.

In forecasting to 2033, we considered a range of economic factors likely to affect our performance and finances and also make assumptions about how levels of service delivery to the community may change over time.

The Long-Term Financial Plan is important because it:

- assesses the financial sustainability of delivering service levels defined in the Delivery Program
- allows the costs of long-term strategic decisions to be quantified and debated
- determines the risk of future strategic directions

- allows scenario testing of different policies and service levels
- enables testing of sensitivity and robustness of key assumptions.

The LTFP has been developed based on fully funding the infrastructure renewal program, as well as additional maintenance costs and depreciation that result from major facilities upgrades.

A key element of the Resourcing Strategy

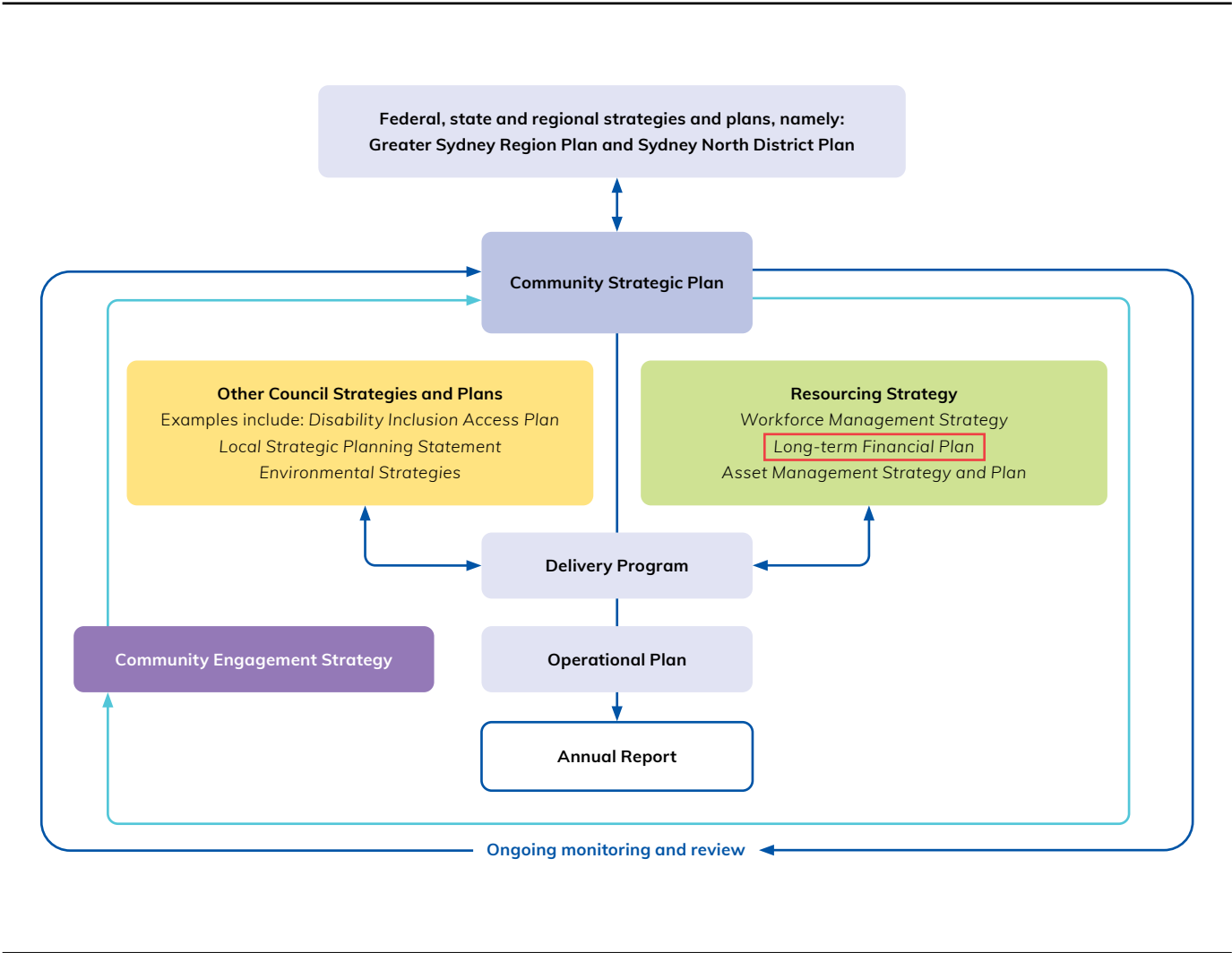
The LTFP is a key part of our 10-year Resourcing Strategy within our integrated planning and reporting framework. The Community Strategic Plan 2040 (CSP) captures our community's long term needs and aspirations. The Resourcing Strategy supports the CSP, by setting out how we will resource what Council provides in a sustainable way. It is made up of three interrelated elements:

- The long-term financial plan enables us to deliver services and build financial resilience to be able to withstand future shocks. It sets out how we will fund commitments such as infrastructure renewal, maintaining services, paying down debt and funding capital projects.
- The workforce management strategy shapes the capacity and capability of our workforce to deliver quality services and outcomes. It sets out priorities for developing and enabling staff.
- Our asset management strategy sets out how we will maintain facilities and assets and create new ones. It covers assets such as land and infrastructure for stormwater, transport, parks and recreation, buildings and is supported by an asset management plan.

The Resourcing Strategy plans ahead, anticipating the changing demographics and needs of our community, along with other trends and challenges that may impact the services we deliver. Together all elements of the Resourcing Strategy ensure our commitments for services and capital works are achievable in our four year Delivery Program and annual Operational Plan.

While other elements of the Resourcing Strategy are reviewed every four years with a new Council, the LTFP and asset management plan are reviewed annually to ensure financial planning for the annual Operational Plan and Budget are sound.

Figure 1
Integrated planning and reporting framework



Strategic alignment

The community is at the centre of what drives us, starting with the community vision captured in the Community Strategic Plan 2040: Northern Beaches - a safe, diverse, inclusive and connected community that lives in balance with our extraordinary coastal and bushland environment.

This is supported by Council's Purpose:

Partnering with the community to protect, improve and create our future.

The Community Strategic Plan captures our community's goals across environmental, social, economic and civic leadership outcomes. The Long-Term Financial Plan addresses the outcome of Good Governance, specifically Goal 19: 'Our Council is transparent and trusted to make decisions that reflect the values of the community', including our financial planning and accountability.

Our lead strategies and plans set out what Council will do to meet our community's needs and priorities.

They address our functions such as urban planning, environment, transport, community services, arts and events, childcare, libraries, sportsfields, open space and the local economy. These have implications for our service levels as well as resourcing through our finances, facilities and other assets.

The Resourcing Strategy considers these priorities as well as service levels, constraints, external pressures and risks over the coming 10 years. These are factored into the planning for our workforce, assets and finances so associated costs are considered. The LTFP then sets out how we will fund commitments such as delivering our services, renewing our infrastructure, paying down debt, and funding new capital projects.

The LTFP provides the financial horizon for the Delivery Program, paired with capital works planned in the Asset Management Plan. These are then devolved into the annual Operational Plan and its budget across all services. The LTFP is renewed each year to ensure the four-year and annual plans are based on current and robust financial planning.

Figure 2
Strategic line of sight



Principles and objectives

Financial management principles and objectives provide the framework for the development of Council's Long-Term Financial Plan and support consistent and informed decision-making by Council.

Under the Local Government Act 1993, councils must apply sound financial management principles that require responsible and sustainable spending and investment and ensure future decisions consider intergenerational effects and equity. These principles are applied in the Council's financial and asset management funding decisions and risk management practices.

Principles of sound financial management

The following principles of sound financial management apply to councils and are prescribed under the Local Government Act 1993 (section 8B):

- a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - i performance management and reporting
 - ii asset maintenance and enhancement
 - iii funding decisions
 - iv risk management practices.

- d) Councils should have regard to achieving intergenerational equity, including ensuring:
 - i policy decisions are made after considering their financial effects on future generations
 - ii the current generation funds the cost of its services.

These financial principles above are consistent with and support Council's Asset Management Policy.

Financial objectives

Financial objectives provide the framework for the development of Council's Long-Term Financial Plan and annual budget.

The objectives enable consistent and informed decision-making by Council including funding options for infrastructure projects such as borrowings which impact our present and future financial position. These financial objectives are also consistent with our Asset Management Policy.

The financial objectives are:

1. 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 to ensure Council's long- term financial sustainability
- 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
- limit the use of loan funds in the main 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
- maintain a sound financial position, reflected in Council's performance ratios.

2. Safeguard financial legacy

Create and safeguard our financial legacy 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
- aim to achieve equity between generations of ratepayers where the mechanisms to fund specific capital expenditure and operations consider the ratepayers who benefit from the expenditure and should pay.

3. 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 and depreciation. To do this we will:

- have a fully funded 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 like the COVID-19 pandemic and weather events, to safeguard long-term financial sustainability
- 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.

4. Fund current service levels

The operating budget is designed to deliver current services and service levels. To do this we will:

- maintain existing service levels to the community
- any changes to future service levels will be determined in consultation with the community.

5. 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 - Council prioritise asset renewal over new assets
- continually monitor asset conditions to minimise the likelihood of infrastructure backlogs

- link the asset management plan to the Long-Term Financial Plan
- when funding is available
 - provide well-maintained community assets that are fit for purpose and provide best possible community benefit
 - focus adaptation and mitigation investment on critical assets and infrastructure to ensure they are resilient to natural disasters and climate change impacts.

6. 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, ensure the community has access to the required infrastructure to meet community needs within a framework of LGA-wide priorities
- ensure asset management decisions consider sustainability and adaptability, based on full life cycle costs through acquisition, operation, maintenance, renewal, adaptation and disposal.

Borrowing policy

Borrowings, where appropriate and financially responsible, can be an important funding source for income-generating projects and the delivery of significant new infrastructure to support intergenerational equity. The following is to be considered before entering a new loan arrangement.

- Borrowings should only be used as the last resort to finance projects of the highest priority to Council which are unable to be funded from income.
- 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 are not 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.
- The term of any loan is not to exceed the expected economic life of the asset being funded.

Council also maintains an overdraft facility of \$5 million as an integral and prudent part of cash management in responding to unexpected events without the need for the early redemption of term deposits.

Northern Beaches context

When preparing the Long-Term Financial Plan, many factors are taken into consideration and a vast array of research and statistics are analysed to forecast the likely revenue that will be available to meet the community's long-term objectives.

The Northern Beaches local government area (LGA) covers 254km² of urban and natural environment and is located to the north of the Sydney CBD. There is 80km of coastline and several national parks in the area, as well as four coastal lagoons, Manly Dam and many other Council reserves. Apart from housing there are also large areas for commercial and retail, light industry and rural land uses.

Community¹

The population is 264,481 people (Estimated Resident Population 2021) living across 105,016 dwellings.

Other characteristics include:

- median age of 41 years
- the largest group is aged 35-49, with almost 56,022 people and comprising 21% of our population
- an ageing population: those aged 60+ years will grow by almost 36% by 2041, another 22,000 people
- living arrangements include 37% of the population as couples with children, 26% couples without children, 22% single, 9% single parents and 3% in group living situations such as nursing homes
- 4% of residents have a disability that needs assistance, and 11% provide unpaid assistance to a person with disability, long term illness or elderly.

Economy²

Our local economy features over 32,327 local businesses. Other characteristics include:

- 58% of our working population work full time, 32% part time
- 54% of working residents work locally
- 110,244 local jobs with 20% in health care and social assistance, 12% retail, 10% education and training, 9% professional and scientific industries, 8% in construction and 7% in manufacturing
- healthcare and social assistance is our fastest growing industry
- Gross Regional Product of over \$18 billion a year, at June 2021.

¹ Community data obtained from ID Planning
- Northern Beaches Community Profile
<https://profile.id.com.au/northern-beaches>

² Economy data obtained from ID Economy
- Northern Beaches Economic Profile
<https://economy.id.com.au/northern-beaches>

Council's role and partners

Council provides a range of services and facilities to the community and local businesses across social services, arts, culture and events, a theatre and museum, libraries, childcare, environment and waste management, parks and recreation, beaches and pools, planning and place management, local transport networks, economic development, cemeteries, holiday facilities, customer service and community engagement. We work together with the State Government on some of these functions to ensure our community's needs are recognised – such as planning and development, social and affordable housing, community safety, public transport and major roads, natural hazards and emergency management.

Some of the key agencies and other bodies we work with are listed here.

NSW Government:

- Department of Planning and Environment
- Greater Cities Commission
- Infrastructure NSW
- Department of Primary Industries
- Office of Local Government
- Office of Sport
- Destination NSW
- Transport for NSW
- Department of Education
- Department of Communities and Justice
- Rural Fire Service and Fire and Rescue
- Police and State Emergency Service

Not for Profits:

- Aboriginal Heritage Office
- Surf Life Saving Northern Beaches
- Community housing providers
- Community Northern Beaches
- Disability advocates
- Charities, churches and shelters
- Easylink Community Transport
- Cycling NSW
- Pedestrian Council of Australia
- Green Building Council of Australia

Other:

- Local resident associations
- Cultural and sporting groups
- Local businesses
- Chambers of Commerce
- Kimbriki Environmental Enterprises
- Utility providers
- TAFE and universities
- Sydney Coastal Councils
- Cities Power Partnership
- Resilient Cities Network

We also partner with our community, community groups and others to deliver the best outcomes. This includes the use of our facilities by community groups, schools and not for profit organisations such as community centres and hubs, creative art spaces, sportsfields, surf club and sports club buildings, aquatic centres, the Coastal Environment Centre.

This may involve the charging of a fee, or a subsidised lease for exclusive use. Various open spaces are hired for filming, sporting or major events as the Northern Beaches has many stunning locations.

Council manages \$2.5 billion of land assets, \$3.2 billion of infrastructure assets and \$125 million of other assets such as IT equipment, plant and fleet. Our infrastructure assets include the stormwater network, transport network (local roads, paths, cycleways, bus shelters, wharves, bridges, retaining walls), sportsfields and other parks and recreation assets, some foreshore and coastal

protection structures and a wide range of buildings and public amenities. Each year Council plans ahead and invests significantly into our assets to ensure that they meet the needs of our changing community, are well maintained, accessible, safe and operational, and upgraded when needed.

While around 57% of Council's income is sourced from rates and annual charges, our services and infrastructure works are also funded from grants, development contributions, interest on investments, dividends from Kimbriki and fees and charges. At times new major assets are provided by Council, often with the assistance of Government grants, such as at Dee Why PCYC, Church Point carpark, new surf club buildings, the 36 km Coast Walk and many recent cycleways and road improvements. We also work together with bodies such as sports clubs, Surf Life Saving and the Rural Fire Service to fund upgrades to related buildings where needed.

Financial issues and risks

An analysis of financial issues and risks that impact Council's ability to meet its objectives has been undertaken.

Risks

- 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
- Currently costs are escalating greater than the annual rate peg. The 3.7% rate peg announced by the IPART for the 2023/24 financial year is considerably lower than the current inflation rate. IPART is currently reviewing the volatility and lag issues with the rate peg methodology
- Ongoing economic instability results in further uncertainty in estimating costs and setting prices

- Natural hazards - Pressures from climate change, 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 limit these risks. The LGA is particularly vulnerable to natural hazards including bushfire, flooding, landslip, coastal erosion and storms. As the climate changes, exposure to natural hazards such as heatwaves, heavy rainfall, severe bushfire conditions, storm surges, sea-level rise and flooding will increase. Efforts to increase resilience in the community and natural and built environments are needed along with measures to reduce carbon emissions and increase efficiencies in managing energy, water and waste
- Political decisions at the State and Commonwealth level that change policy and legislation that Council operates under
- Many projects are funded through grants. It is often not possible to submit grant applications several years in advance, and a lack of grant funding may severely affect the ability of Council to deliver a project. Grants that are not recurring in nature or secured are not included in the LTFP for this reason.

Issues

- The most significant financial consideration is the pressure the COVID-19 pandemic placed on Council's income and expenditure between 2020 and 2022 and to a lesser extent events such as storms. This resulted in the re-prioritisation of many programs and capital expenditure projects to ensure Council had the capacity to respond to the pandemic. Rebuilding working capital and focusing on reducing the infrastructure renewal backlog are a priority

- The Asset Management Plan (AMP) identifies a level of unfunded works which total \$151 million over 10 years for:
 - Unfunded renewal of existing infrastructure \$48 million
 - Unfunded new infrastructure \$84 million
 - Unfunded maintenance and operational expense requirements \$19 million (\$18 million relates to existing assets)

Further investment in upgrading legacy IT systems is also required, which has required reprioritisation of future programs. To deliver the funding needed to progress these projects funding options will need to be explored with the community. Resourcing options to address the funding gap for the renewal and maintenance of existing assets (\$7 million per year) is explored in a scenario in this LTFP.

Risk management

Council has a cautious risk appetite for financial risks and will manage risks that have the potential to adversely impact on its long-term sustainable future.

Council's activities expose it to a variety of risks which are considered in preparing the LTFP. Council recognises the importance of a risk framework to strengthen its capacity to effectively identify, understand and capitalise on challenges and pursue opportunities. Council has different levels of risk that it is prepared to accept before mitigation action is deemed to be necessary.

Council has a cautious risk appetite for financial risks and its preference is for safe options that are very low risk, tightly controlled, and which only pursue a potential for reward when it safely outweighs the risk/s taken. Council manages its budgets and financial commitments prudently to remain within its approved annual and long-term plans. Budgets are considered through effective short, medium and long-term financial planning and investment strategies and long-term asset management plans to maintain a disciplined approach to financial sustainability.

The risk of Council's financial position becoming unsustainable has been identified as a Strategic Risk Area for the organisation. There are likely causes, both external and internal, that could lead to this situation without the presence of risk controls. Controls are in place to mitigate this risk including the preparation of this LTFP informed by Council's Asset Management Plan.

However, long term planning in a dynamic environment has some level of uncertainty. Risks such as changes in legislative requirements and economic risks have been discussed in the previous section. These risks could materially change the outcome and projected results of this plan. The Sensitivity Analysis within this LTFP tests the impact of inherent economic risks.

Current financial position

Council's financial results over the past three financial years largely reflect the impact of COVID-19 pandemic restrictions on operations and the support measures in place for the community.

This was partially offset by COVID-19 economic stimulus grants for capital expenditure. The net cost to Council of the COVID-19 pandemic to 30 June 2022 was \$41 million.

Council adjusted funding for expenditure programs to provide capacity to respond to the pandemic and retain our long term strong and sustainable position. While Council didn't meet the Operating Performance ratio benchmark of more than 0% in the first two financial years following the COVID-19 pandemic, all other financial and asset performance ratios were met and the loans of the former Councils continued to be repaid.

Along with COVID-19, other significant events placing pressure on Council include storms, flooding and bushfire threats. The restoration of working capital funds is a priority over the Long-Term Financial Plan along with continuing to repay loans taken out by the former Councils. Strengthening of working capital will ensure Council maintains sufficient funding for unexpected events and future opportunities.

High inflation and price volatility, combined with the lag in the rate peg, are resulting in a growing divergence between costs and rates income. This reduces Council's capacity to address unfunded elements of the Asset Management Plan.

Council's Financial Statements provide a summary of Council's financial performance and are available on our website.

Forecasting future budgets

In planning for the financial year 2023/24, and beyond, we have made assumptions on factors outside of our control such as inflation, wage increases and the rate peg.

In other words, our current budget and long-term outlook is based on the most likely scenarios.

To illustrate how further negative movements in these factors could affect our budgets in coming years, we have included a separate sensitivity analysis.

Revenue forecasts

In determining the likely revenue that will be available to meet the community's long-term objectives, we have considered the following:

Capacity for rating

Income from rates is a major component of Council's revenue base. The community's capacity and willingness to pay rates and whether there is potential for changes to the rate path are an important consideration when determining a rating structure.

In making that judgement, Council considers information related to:

- the potential to reduce the reliance on rates through increased revenues from other sources
- the projected impact of the rate peg
- changes in rating revenues from changing demographics and industry makeup
- opportunities for a special variation to general income
- any need to increase the reliance on rating due to a reduction of revenues from other sources such as a decline in grants and subsidies.

No change in the rating categories and sub-categories is proposed, nor the method of rating. The Alternative Model explores an application to the IPART for a Special Rate Variation to address unfunded renewal and maintenance requirements of the Asset Management Plan.

Socio-economic analysis and rates affordability

The following analysis assists in assessing the community's capacity and willingness to pay rates.

Residential properties

In the 2022/23 financial year, there were 96,074 properties across Northern Beaches Council rated as 'Residential'.

These properties include single dwellings, social housing and multi-unit dwellings.

Housing tenure

In the Northern Beaches, 68% of households were purchasing (with a mortgage) or fully owned their home, 24.5% were renting privately, and 1.6% were in social housing in 2021 (ABS).

The median monthly mortgage repayment across the Northern Beaches was \$2,750 and the median weekly rent was \$650³.

³ Australian Bureau of Statistics, Census of Population and Housing 2021
www.abs.gov.au/census/find-census-data/quickstats/2021/LGA15990

Household income

According to the 2021 Census the median weekly income of households across the Northern Beaches was \$2,592 which was \$515 more than the Greater Sydney area⁴.

Employment status

In December 2022, the Northern Beaches had an unemployment rate of 2.4% (3,749 people)⁵, lower than the Greater Sydney rate of 3.5%⁶.

Index of Relative Socio-Economic Disadvantage (IRSED)

The Index of Relative Socio-Economic Disadvantage (IRSED) is based on the 2016 Census and is useful in identifying geographic areas that are relatively disadvantaged. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations and is useful in identifying geographic areas that are relatively disadvantaged.

An area with an IRSED of 1,000 is considered average while a lower score indicates that the area is experiencing more disadvantage.

The IRSED for the Northern Beaches is higher than the average at 1,092. This indicates relatively lower levels of socio-economic disadvantage as compared to other LGAs.

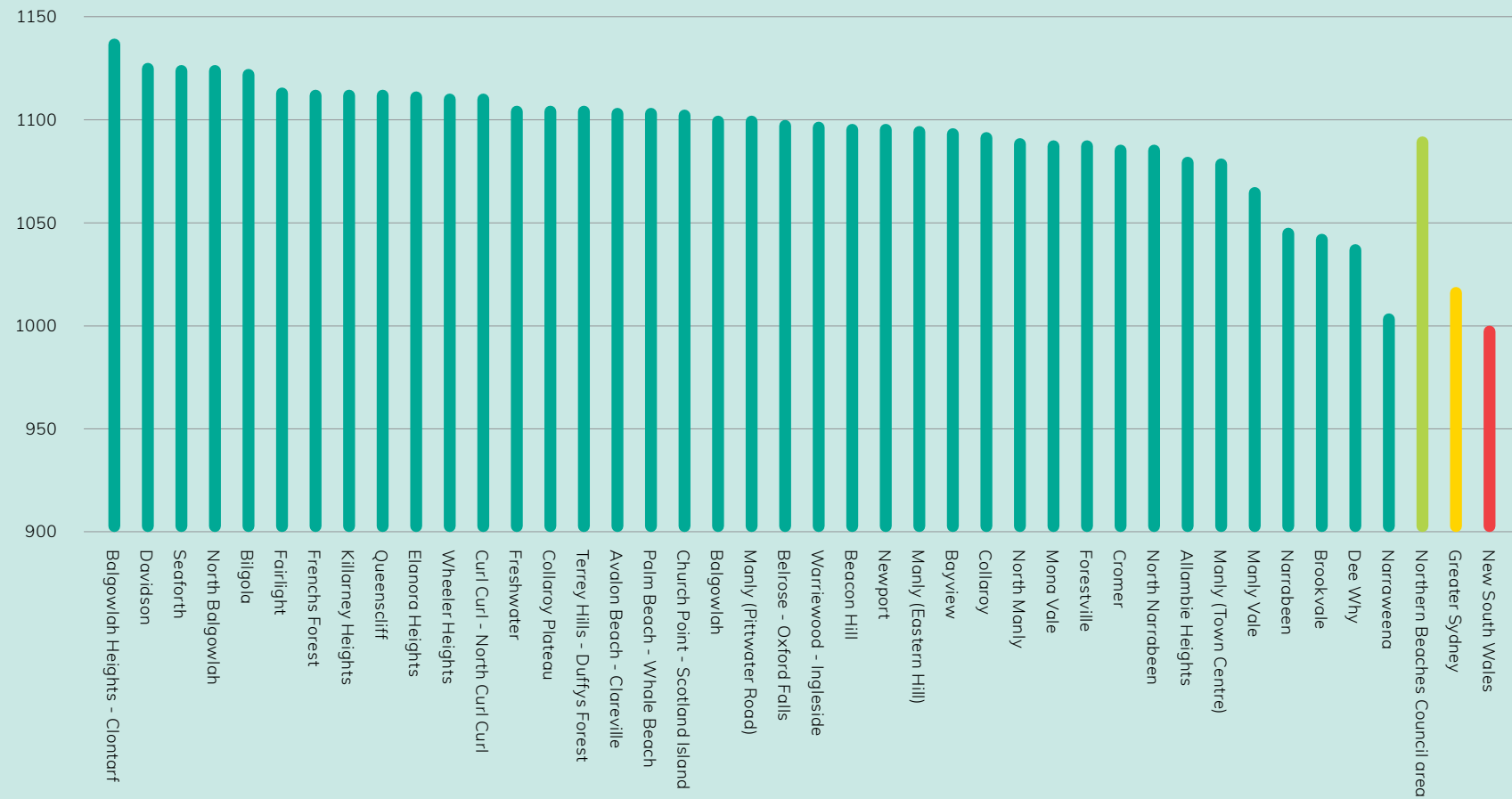
The IRSED index by suburb is outlined on the following page. Whilst there is some variation across the LGA, no areas fall below 1,000.

⁴ Australian Bureau of Statistics, Census of Population and Housing 2021
www.abs.gov.au/census/find-census-data/quickstats/2021/LGA15990

⁵ Jobs and Skills Australia, Small Area Labour Markets December 2022
www.jobsandskills.gov.au/work/small-area-labour-markets#downloads

⁶ Australian Bureau of Statistics, Labour Force Australia'
– Detailed (table 16b) January 2023
[www.abs.gov.au/statistics/labour/employment-and-unemployment/
labour-force-australia-detailed/latest-release](http://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release)

Figure 3
Index of Relative Socio-Economic Disadvantage (IRSED) 2016



Source: Australian Bureau of Statistics, Census of Population and Housing 2016.
Compiled and presented in profile.id by .id , the population experts.
<http://www.id.com.au>

Outstanding rates and annual charges

On 30 June 2022, 3.63% of rates and annual charges levied remained outstanding. This remains well under the industry benchmark of 5%. This is an important consideration in setting options for funding within this plan and is one of the indicators of our ratepayers' capacity and willingness to pay for the services of the Council.

Financial hardship and rebates

Council understands that individual ratepayers may experience financial hardship and has options available to provide support through the Rates and Annual Charges Hardship Policy. Rebates are also available to eligible pensioners.

Rate peg and Special Rate Variations

The maximum amount councils can collect in income from rates is determined each year by the Independent Pricing and Regulatory Tribunal (IPART) through their rate peg methodology. The current approach to determining the rate peg means variations can occur when there is economic instability, as we have recently experienced. A council can apply to IPART for a Special Variation (SRV) to the rate peg – which enables a Council to establish an increase in rates income above the rate peg. An alternative scenario is included in this LTFP to explore this option to provide additional funding for the renewal and maintenance of existing assets.

Fees and charges

A number of the services we provide are offered on a user pays basis.

In preparing the Long-Term Financial Plan, possible future income from fees and charges, including opportunities to reduce reliance on other forms of income, has been considered.

Grants and subsidies

Council receives an annual Financial Assistance Grant allocation from the Commonwealth as well as grants for specific programs. In preparing the Long-Term Financial Plan we have assumed we will continue to receive grants that are recurring. Should these grants and subsidies be reduced, our ability to provide the same level of service will be impacted.

The Financial Assistance Grant has been paid partially in advance for a number of years, with the advance payment for the following year generally occurring in the last quarter. We have assumed this will continue. We have also assumed the Emergency Service Levy contribution from the NSW Government will continue as it has also been provided to Council for several years.

Borrowings

There are no anticipated new borrowings over the 10-year period of the Long-Term Financial Plan.

Refinancing of two existing loans which have an initial 10-year term will be undertaken over the next two years. The residual at maturity of the initial term was based on repayments over a term of 20 years. The refinancing of these loans is consistent with the loan documentation and planning undertaken at their initiation.

An internal loan of \$6.6 million (\$2.2m 2023/24, \$2.4m 2024/25) from the Mona Vale Cemetery Internal Cash Reserve is proposed to part fund the Enterprise Resource Planning system replacement.

The loan will be repaid to the Mona Vale Cemetery Internal Cash Reserve over six years with the equivalent interest the funds would have earned over the same period.

Cash reserves

Detailed modelling has been undertaken to manage Council's restricted cash reserves including development contributions, domestic waste and the Kimbriki landfill remediation reserves.

Working capital needs to be maintained at sufficient levels to provide against unforeseen and unbudgeted expenditures. This includes storm events, the need to undertake works unbudgeted in the current financial year which may impact on services to the community, the safety of the community and the protection of community assets. The events of the last few years now mean Council needs to rebuild working capital. Future operating surpluses have been utilised to reinstate working capital levels.

Expenditure forecasts

In developing expenditure forecasts, new expenditure items and ongoing commitments have been considered. This has included costs for capital and recurrent expenditures such as maintenance costs and capital renewals for infrastructure assets. Consideration has also been given to appropriate phasing of when the costs are expected to be incurred including expenditure for planning, construction, implementation and ongoing maintenance.

Increased maintenance expenditure has been included within the plan for new assets.

The Asset Management Plan identifies a level of unfunded works. To deliver the funding needed to progress these projects funding options will need to be explored with the community.

Financial modelling

The development process for the Long-Term Financial Plan has included financial modelling taking account of different scenarios. This has been presented in the sensitivity analysis.

Financial planning assumptions

In preparing the budget, consideration was given to a range of economic and political factors that affect our finances. This impacts our capability to maintain existing levels of service and long-term financial sustainability.

Based on reputable sources such as Deloitte Access Economics, we have made assumptions in putting together this year's budget and long-term financial outlook. The assumptions are detailed below:

Market driven planning assumptions

As part of undertaking financial modelling, key assumptions that underpin the estimates must be made. The following assumptions have been used in the modelling contained in the Long-Term Financial Plan.

Growth

Demographic trends and projections influence planning for housing, jobs, infrastructure, facilities and other services.

The Northern Beaches population is projected to increase to over 290,000 people in 2033, at an average of 0.8% per annum, or approximately 2,100 extra persons per year⁷.

Inflation (Consumer Price Index (CPI))

Inflation has been assumed as follows:

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Consumer Price Index (CPI)	3.4%	2.5%	2.5%	2.5%	2.5%	2.4%	2.3%	2.3%	2.4%	2.4%

Source: Deloitte Access Economics Business Outlook - September Quarter 2022 - Underlying CPI

⁷ Source: ID Forecast – March 2023
<https://forecast.id.com.au/northern-beaches>

Income assumptions

Rates

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate peg - Scenario 1: Delivery Program Model	3.70%	4.0%								
Rate peg + SRV - Scenario 2: Alternative Model		4.0% + 6.0%	3.0%	2.8%	2.8%	2.7%	2.6%	2.6%	2.7%	2.7%
Rates and annual charges growth	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%

2023/24 is based on the IPART's rate peg of 3.7%.

Subsequent years are an estimation of the Rate Peg, based on 40% of costs being Employee Costs and 60% being Other Expenses. Scenario 2 also includes an additional amount to close the asset renewal and maintenance gap and address the impact of recent high inflation, which would form the basis of an SRV application.

Rates growth represents the average annual growth in income (measured over five years) due to supplementary valuations and anticipated population growth. This is also applied to annual charges for domestic waste and stormwater.

Scenario 1, the Delivery Program Model, is the primary model and is the basis upon which the Delivery Program and budget is prepared. It assumes that rates income will increase by the rate peg each year.

Scenario 2, the Alternative Model, explores the revenue implications of addressing the current gap between preferred and actual asset renewal and maintenance outlined in Council's Asset Management Plan. It is illustrative only of the revenue implications if Council was to increase its asset maintenance and asset renewal service levels without reducing service levels elsewhere. Should the need arise, Council would engage the community to further develop Scenario 2.

Annual Charges - Domestic Waste Management Charge

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Waste charge	9.9%	6.1%	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.4%	2.4%

We calculate the domestic waste management charges (DWMC) to ensure the income generated can fund the costs associated with providing the service including provisions for the future replacement of bins.

This also includes planning for future improvements to the service and capacity to respond to unplanned events such as a storm.

It has been assumed that costs and therefore the DWMC will primarily increase in line with underlying inflation, with adjustments for items such as known contract 'rise and fall' factors including fuel and changes to the Waste Levy.

Annual Charges - Stormwater Management Services Charge

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Stormwater charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

We have assumed there is no change in the stormwater management services charge, as the charge is capped by legislation and has not changed since it was introduced.

User Fees and Charges

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Fees and charges – statutory	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fees and charges – Kimbriki	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Fees and charges – parking areas	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fees and charges – non-statutory	5.60%	3.30%	3.30%	3.00%	3.00%	2.90%	2.90%	2.90%	2.90%	2.90%

User fees and charges that are controlled by other levels of government under legislation are assumed to not change. We have also assumed there is no change in income from pay and display beach parking and car parks due to the high elasticity of demand and volatility in this income stream. Kimbriki income is assumed to increase by CPI.

Non-statutory charges such as childcare fees and venue hire, are determined by applying our Pricing Policy which incorporates the Local Government Competitive Neutrality Guidelines. Projected income growth is based on 75% of related costs being employee costs and 25% being other expenses (CPI).

Other Revenues

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Fines	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other revenues	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Other revenue principally comprises income from fines, sale of recycled materials and licences. CPI has been used to project future

income from other revenues except for fines. Fines are set by the State Government and are not forecast to increase.

Grants and Contributions - Operating Purposes

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Financial Assistance Grant	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Grants and Contributions – Operating (recurring)	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Council receives a number of operational grants from various government agencies. The largest of these being the Financial Assistance Grant (FAG) (\$8.6m) and we have assumed that this will continue (and be paid partially in advance).

In August 2022 the NSW Local Government Grants Commission advised that “given the current economic environment, the CPI may not increase going forward”. Based on this advice we assume there will be no increase in this grant.

We have also assumed we will continue to receive other operating grants in relation to ongoing operations e.g, salary grants and that these will increase annually in line with CPI. Other operating grants received for specific project related purposes have been included in the year we anticipate they will be received.

Grants and Contributions - Capital Purposes

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Development contributions	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Other grants and contributions - capital	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Local infrastructure contributions are a significant source of capital revenue. Predicting the amount of revenues received from this source is extremely difficult as it is essentially market driven and depends on the timing of developments. We have assumed \$6 million in contributions in

the 2023/24 financial year and these will increase annually in line with CPI with some adjustments for the expected timing of Warriewood Valley s7.11 payments.

We have also assumed we will continue to receive other capital grants in relation

to ongoing programs for road resheeting, however we have not assumed any further growth in this income. Other capital grants received for specific project related purposes have been included in the year we anticipate they will be received only where the grant funding has been confirmed.

Interest and Investment Revenues

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Return on investment portfolio	4.40%	3.80%	3.85%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

We have used information provided by our investment advisor and Deloitte Access Economics to determine forecast projections for interest on investments based on forecast cash balances over the 10-year period.

Other Income

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Other income	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Other income comprises rental income from leased properties. CPI has been used to project future income.

Gain/(Loss) on disposal of assets

Gains or losses on the disposal of assets are predominantly received from the sale of plant and fleet. Future years are based on the plant and fleet replacement program. Infrastructure-related disposals are based on the Asset Management Plan for the renewal program.

Expenditure assumptions

The following table outlines the financial planning assumptions by expenditure types. This includes a brief description as to how we have determined the assumption and impact of external influences.

Employee Benefits and On Costs

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Industry Award base increase	3.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Industry Award step increase	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Super guarantee levy	11.00%	11.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%

The Local Government State Award provides for an annual increase as well as salary band step increases. The current Award expires on 30 June 2023. As the new Award is not yet available, the 2023/24 increase is based on the forecast Wage Price Index of 3.7%. We have assumed increases will be 2.5% per annum over the remainder of the Long-Term Financial Plan.

Other assumptions relating to employee costs in the Long-Term Financial Plan include:

- No change in existing employee working hours.
- A stable vacancy rate in establishment permanent positions in each financial year.

- The average increase as a result of award based salary band step increases will be 0.63% per annum.
- Superannuation expenditure based on the statutory contribution rate incrementally increasing to 12% by 2025/26.

Borrowing Costs

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Interest rate on loans	6.55%	6.10%	6.00%	5.70%	5.70%	5.60%	5.60%	5.60%	5.60%	5.60%
Tip remediation discount	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%	3.85%

Council's borrowing costs over the 10-year period comprise a number of components:

- Interest incurred on borrowings - where borrowings have already been undertaken the interest rate identified in the Loan Agreement has been used. For variable loans or new borrowings the proposed interest rate has been calculated based on the forecast 10-year swap rate along with a 2% loan margin based on advice from Council's investment advisor.
- Lease interest charges - rates on these borrowings are forecast in accordance with the lease documents.
- Tip remediation discount - this relates to the remediation of the waste landfill site at Kimbriki. The remediation model was last updated in 2022.

Materials and Services

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Materials and services	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Fuel - petrol price at pump (cents per litre) (Sept 2022)	182.43	173.47	174.22	176.28	178.18	179.95	181.52	183.14	184.76	186.39

Materials and services including domestic waste management costs and other expenses which represent the principal costs used to deliver services to the community are forecast to increase in line with the CPI. While the rate of growth projected is uneven it is forecast to average 2.5% per annum.

Fuel is indexed by the forecast change in the petrol price at pump published by Deloitte Access Economics.

Depreciation and amortisation

The depreciation methodology can be found in the Notes to the Financial Statements.

The depreciation expense assumed in the Long-Term Financial Plan 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.

Other Expenses

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Other expenses	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Other expenses primarily relate to statutory charges (including the Emergency Services Levy and Waste Disposal Levy) and grants

and donations provided by Council. These are generally forecast to increase in line with CPI.

Future and ongoing financial challenges, opportunities and efficiency savings

The most significant financial consideration is the pressure the COVID-19 pandemic placed on Council's income and expenditure in the past three years. Council experienced a significant impact to operational income while also supporting small businesses and the community through this challenging time. The cost over this period was \$41 million and has resulted in the re-prioritisation of many programs and capital expenditure projects to ensure Council had the capacity to respond to the pandemic. Inflation is currently considerably higher than growth in rates income, which is placing further pressure on future years.

Infrastructure investment is informed by the Asset Management Plan 2022-2032. However, the plan identified a need to invest more funds into both the renewal, operation and maintenance of existing assets along with new assets. Further, there is a growing gap between the costs to maintain assets and services and the funding available to Council.

Council is focused on continuing to achieve efficiency savings and reinvesting those into our community. This includes efficiencies achieved through the introduction of new systems and processes and the optimisation of plant and fleet. This builds on savings achieved in each year since the formation of Northern Beaches Council.

We continue to work across the organisation to provide efficiency improvements and contain costs. Ongoing savings are anticipated through projects such as the advancement of technology and the efficiencies and improved customer experience it presents and the optimisation of resources and assets. Funds that may be made available through such projects could be used in a number of ways including supporting the rebuilding of working capital, improvements in services, accelerating the renewal of aging infrastructure or reducing rates. As savings are achieved opportunities will be considered and changes to the Long-Term Financial Plan applied.

Sensitivity analysis

Although the assumptions listed in the previous section are our current informed estimate based on a range of reliable sources, long-term financial plans are inherently uncertain.

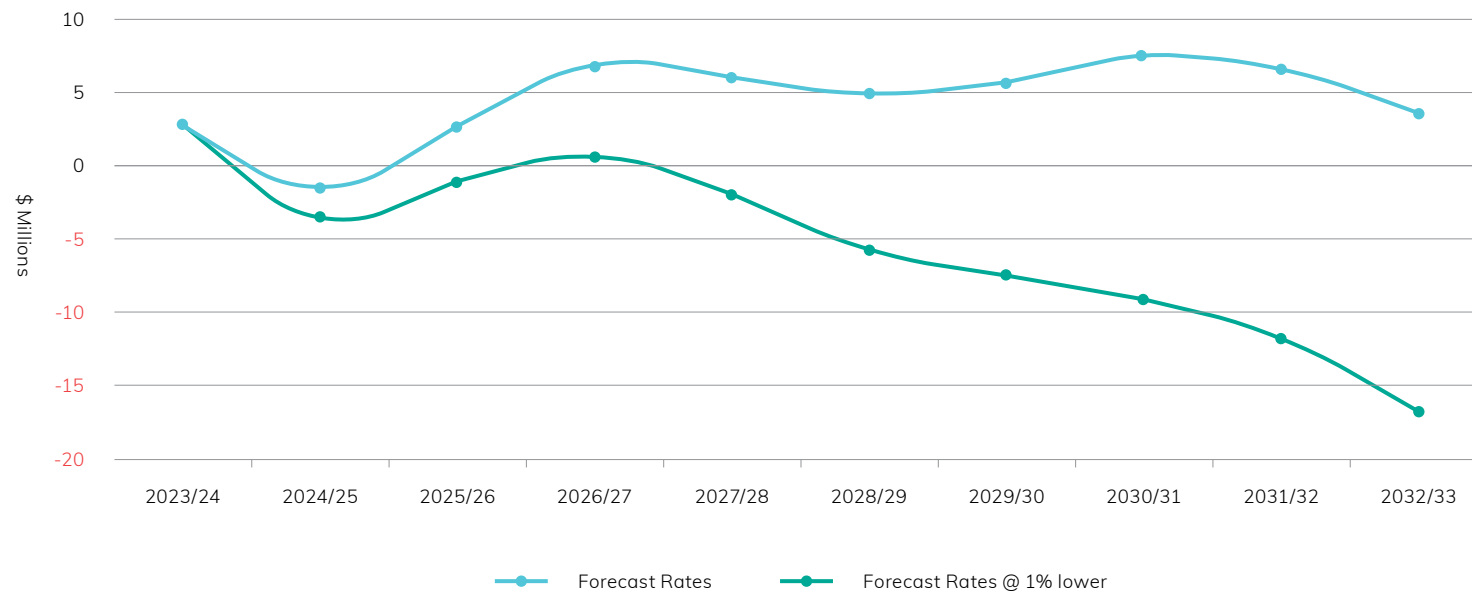
They contain a wide range of assumptions about interest rates and the potential effect of inflation on revenues and expenditures which are largely outside our control.

Developing our LTFP includes financial modelling taking into account the impact on our finances if trends worsen. Modelling has been developed on 'Scenario 1 - Delivery Program Model', as this is the base case for the Council's 2023/24 budget.

Rates

Rates comprise 45% of our total income. Rates are capped by the State Government and we can only increase rates if we apply for a special increase. If the rate peg is 1% pa lower than forecast from 2024/25 the budget would remain in deficit except for the 2026/27 financial year.

Surplus/(Deficit) before Capital Grants and Contributions

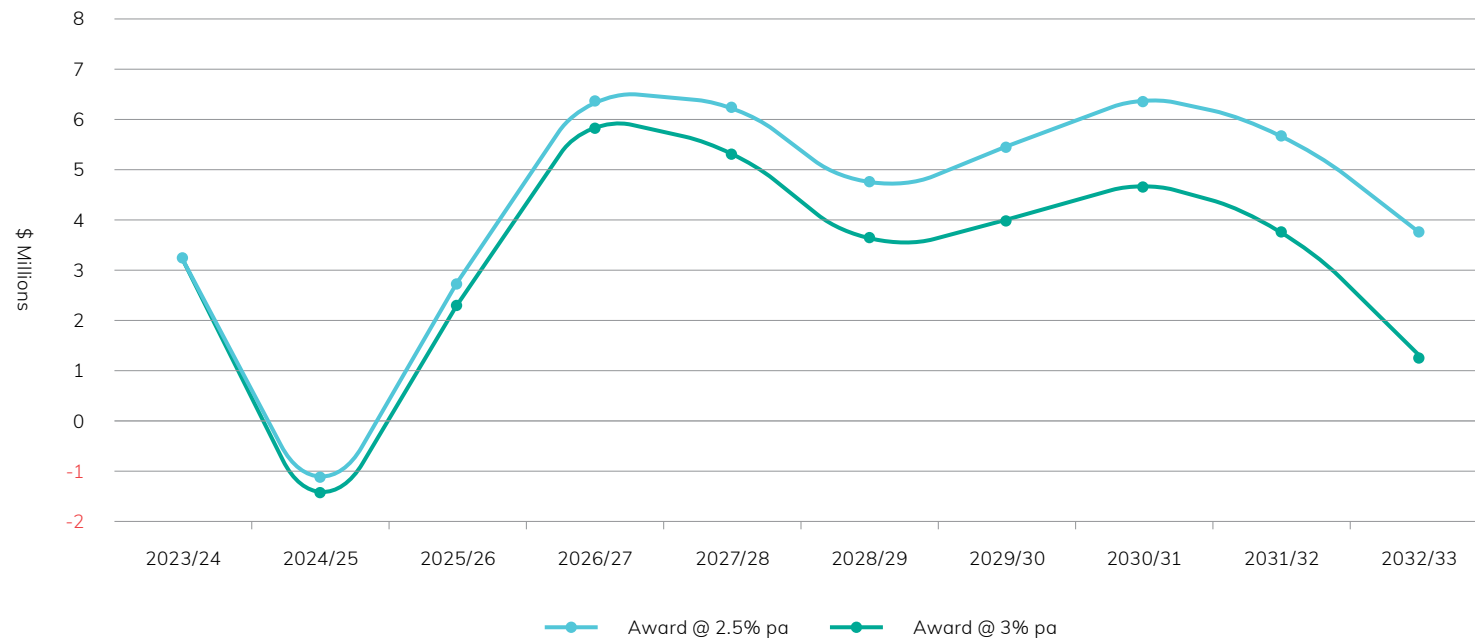


Employee costs

Salary growth is largely subject to the NSW Local Government Award. The current Award expires on 30 June 2023 and we have assumed an annual increase

of 3.7% in 2023/24 and 2.5% for each year afterwards before step increases. If the Award increase was 0.5% pa higher the budget would still remain in surplus for each year of the Long-Term Financial Plan except for 2024/25.

Surplus/(Deficit) before Capital Grants and Contributions



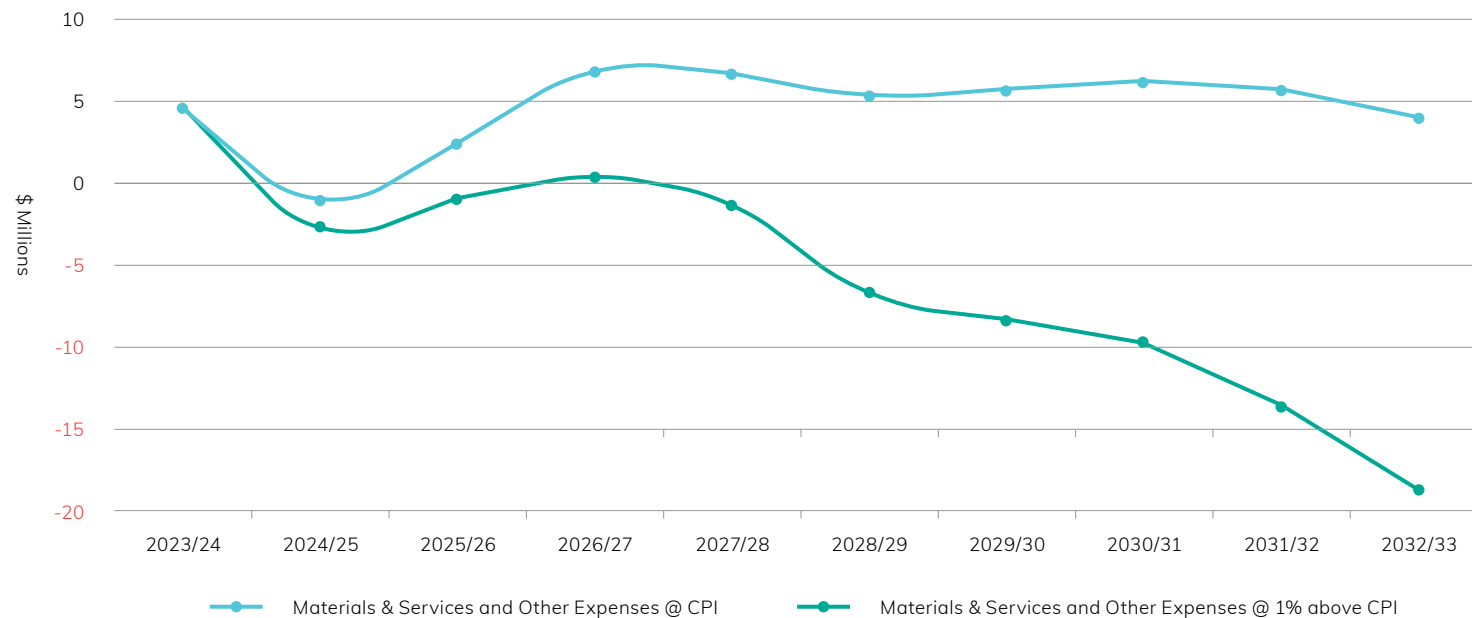
Materials, services and other expenses

Our budget shows we are in a sound financial position, however fluctuating market conditions could affect the price of certain materials and services.

The chart shows the impact of a 1% per annum increase in materials, services and other expenses above the CPI.

The budget would fall into deficit each year from 2024/25 (except for 2026/27) if no corresponding change in income or expenditure is made.

Surplus/(Deficit) before Capital Grants and Contributions



Scenario modelling

The Long-Term Financial Plan is a rolling 10-year projection of Council's income and expenditure, assets and liabilities and cashflow.

Updates have been made alongside the revision of Council's Delivery Program and Operational Plan. This includes revised assumptions, indexation and financial modelling for two scenarios.

- Scenario 1 - Delivery Program Model - this option is based on rates income increases based on the rate peg in each year. This option demonstrates a sound financial position and responsible investment in the ongoing renewal of infrastructure assets – however the unfunded items within the Asset Management Plan will not be addressed. While performance benchmarks are met (with the exception of year 2 due to the cost of the ERP replacement project and the election occurring in that year), the results are weaker especially regarding asset renewal and operating performance. This model is consistent with the 2023/24 Budget.
- Scenario 2 - Alternative Model - this option applies an increase in rates income in the 2024/25 financial year (year 2), which results in \$11 million more income in that year. The additional income is then utilised to maintain and renew existing assets. This produces a stronger operating result and asset renewal ratio.

It is important to note Kimbriki's financial performance and position is consolidated with Council's position. This includes cash and investments which are held for operational purposes, future capital expenditure and the future remediation of the landfill site. These funds are held for the management of the facility and are governed by an independent Board. If Kimbriki's financial position was excluded the Council's performance against most benchmarks would be weaker.

Financial forecast 2023/24 to 2032/33 - Scenario 1 - Delivery Program Model

Income Statement

Scenario 1 - Delivery Program Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Income from continuing operations													
Rates and annual charges	218,169	225,941	234,594	246,465	258,029	265,959	273,470	281,310	289,124	296,897	304,843	313,308	322,061
User charges and fees	79,105	79,722	92,073	96,904	99,420	101,913	104,102	106,553	108,983	111,500	114,086	116,774	119,285
Other revenues	14,994	22,343	19,567	20,788	21,072	21,363	21,661	21,967	22,267	22,562	22,864	23,186	23,516
Grants and contributions provided for operating purposes	19,460	27,165	25,816	29,560	19,143	20,180	19,419	20,689	19,654	20,907	20,190	21,467	20,775
Grants and contributions provided for capital purposes	26,544	43,952	40,946	26,150	10,996	8,446	10,556	8,247	9,623	9,033	10,122	10,313	10,463
Interest and investment revenue	1,363	1,238	6,268	6,461	5,050	5,023	4,686	4,984	5,114	5,088	5,440	5,702	5,935
Other Income	6,154	6,736	6,436	6,442	6,603	6,768	6,937	7,111	7,281	7,449	7,620	7,803	7,990
Net gain from the disposal of assets	-	960	457	395	266	324	324	304	305	253	396	289	362
Total income from continuing operations	365,789	408,057	426,158	433,165	420,579	429,977	441,155	451,166	462,351	473,689	485,562	498,842	510,387

Income Statement (continued)

Scenario 1 – Delivery Program Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Expenses from continuing operations													
Employee benefits and on-costs	139,118	134,560	147,351	156,952	162,116	167,913	173,154	178,560	184,133	189,879	195,804	201,916	208,218
Materials and services	150,209	142,766	158,876	173,775	172,595	172,950	169,874	175,679	180,119	183,946	186,773	192,825	198,033
Borrowing costs	2,605	2,624	2,616	2,593	2,509	2,447	2,417	2,403	2,392	2,135	2,182	2,232	2,066
Depreciation, amortisation and impairment for non-financial assets	47,406	45,508	47,405	49,646	52,286	53,810	56,475	57,361	58,014	59,418	59,994	60,847	62,530
Other expenses	24,781	20,969	21,554	20,824	21,248	21,743	22,251	22,772	23,284	23,787	24,301	24,850	25,412
Net loss from the disposal of assets	1,579	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	365,698	346,427	377,802	403,790	410,754	418,864	424,171	436,775	447,943	459,164	469,055	482,669	496,259
Operating result - Surplus / (Deficit)	91	61,630	48,356	29,376	9,826	11,113	16,984	14,391	14,409	14,525	16,507	16,173	14,128
Operating result before grants and contributions provided for capital purposes	(26,453)	17,678	7,410	3,226	(1,170)	2,667	6,429	6,144	4,785	5,492	6,385	5,860	3,666

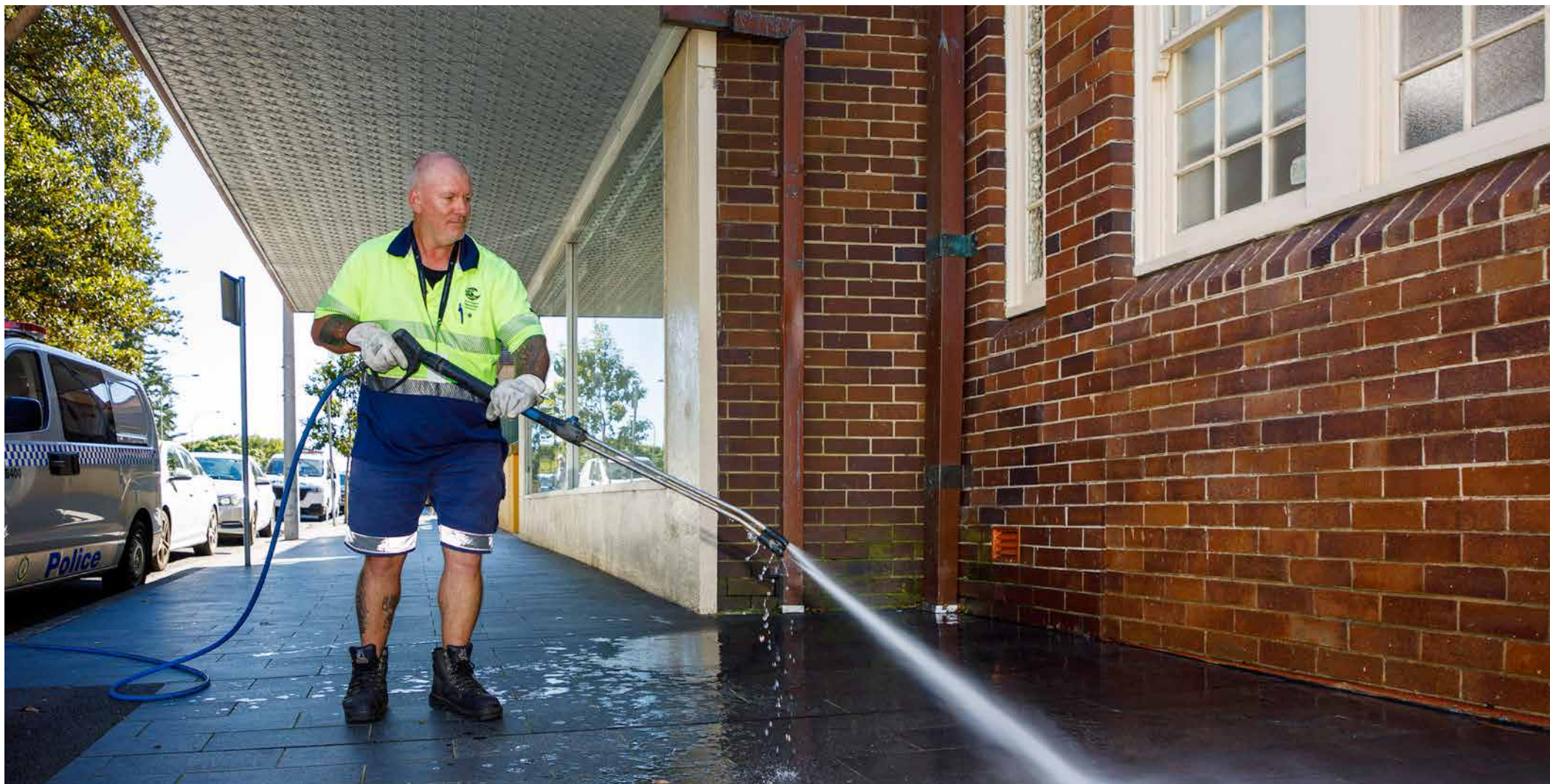
	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Assets													
Current assets													
Cash and cash equivalents	6,199	10,661	6,552	6,709	6,876	7,061	7,262	7,487	7,744	8,033	8,340	8,665	9,007
Investments	147,311	135,751	138,052	103,526	99,698	97,843	109,154	115,645	117,923	116,240	126,964	132,403	138,035
Receivables	15,421	15,993	24,936	25,115	25,577	25,982	26,401	26,821	27,230	27,630	28,067	28,516	28,978
Inventories	403	378	397	410	421	431	442	453	464	475	486	497	509
Prepayments	1,572	2,028	2,975	3,076	3,153	3,232	3,313	3,395	3,477	3,557	3,639	3,726	3,816
Total current assets	170,906	164,811	172,912	138,836	135,724	134,549	146,572	153,802	156,837	155,935	167,495	173,807	180,344
Non-current Assets													
Investments	779	826	760	786	805	826	846	687	528	369	210	52	-
Receivables	1,136	1,087	1,007	1,008	1,049	1,082	1,114	1,146	1,178	1,210	1,243	1,278	1,313
Infrastructure, property, plant and equipment	5,072,703	5,062,151	5,413,445	5,569,895	5,670,799	5,775,847	5,877,248	5,984,983	6,089,481	6,203,593	6,310,940	6,424,919	6,540,374
Investment property	5,835	5,835	6,155	6,475	6,795	7,115	7,435	7,755	8,075	8,395	8,715	9,035	9,355
Right of use assets	11,289	10,475	7,732	6,470	5,209	3,947	2,686	1,424	163	108	54	-	-
Other	4	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	5,091,746	5,080,374	5,429,098	5,584,634	5,684,657	5,788,817	5,889,328	5,995,996	6,099,425	6,213,675	6,321,161	6,435,284	6,551,043
Total assets	5,262,652	5,245,185	5,602,010	5,723,470	5,820,381	5,923,366	6,035,900	6,149,798	6,256,262	6,369,610	6,488,656	6,609,090	6,731,387

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Liabilities													
Current liabilities													
Payables	40,055	44,606	41,113	41,653	42,232	42,753	43,332	43,927	44,513	45,090	45,681	46,311	46,957
Contract liabilities	15,782	26,546	22,304	4,002	2,661	2,746	2,826	2,908	2,990	3,074	3,161	3,250	3,342
Lease liabilities	1,230	1,269	1,231	1,269	1,307	1,347	1,388	1,430	63	66	70	-	-
Borrowings	5,137	5,033	3,206	2,121	1,787	743	789	840	522	549	576	877	272
Employee benefit provisions	35,315	37,044	35,553	37,078	38,228	39,413	40,636	41,897	43,197	44,538	45,920	47,346	48,817
Provisions	560	762	759	792	817	1,014	916	7,658	974	1,004	5,945	5,917	1,168
Total current liabilities	98,079	115,260	104,166	86,914	87,031	88,016	89,887	98,660	92,259	94,321	101,353	103,702	100,555
Non-current liabilities													
Payables	250	200	100	50	-	-	-	-	-	-	-	-	-
Contract liabilities	6,580	9,815	6,636	5,125	5,037	4,949	4,860	4,772	4,684	4,596	4,508	4,419	4,331
Lease liabilities	10,211	9,474	6,941	5,673	4,365	3,018	1,630	200	-	-	-	-	-
Borrowings	22,319	17,293	9,377	7,257	5,470	4,727	3,938	3,098	2,575	2,027	1,450	573	301
Employee benefit provisions	2,225	2,432	761	794	819	844	871	898	926	955	985	1,016	1,047
Provisions	37,439	44,150	46,325	48,217	50,153	51,995	54,043	49,453	51,661	53,683	50,876	48,212	50,216
Total non-current liabilities	79,024	83,364	70,141	67,115	65,844	65,533	65,342	58,421	59,847	61,261	57,819	54,220	55,895
Total liabilities	177,103	198,624	174,307	154,030	152,875	153,550	155,229	157,080	152,105	155,582	159,172	157,921	156,450
Net assets	5,085,549	5,046,561	5,427,703	5,569,441	5,667,506	5,769,817	5,880,671	5,992,718	6,104,156	6,214,028	6,329,484	6,451,169	6,574,937

Balance sheet (continued)

Scenario 1 – Delivery Program Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Equity													
Accumulated surplus	4,867,395	4,867,332	5,065,155	5,091,834	5,101,386	5,112,268	5,128,827	5,143,749	5,159,102	5,174,221	5,192,281	5,209,435	5,225,594
IPP&E revaluation surplus	218,154	179,229	362,548	477,607	566,120	657,549	751,843	848,969	945,054	1,039,806	1,137,203	1,241,734	1,349,342
Total equity	5,085,549	5,046,561	5,427,703	5,569,441	5,667,506	5,769,817	5,880,671	5,992,718	6,104,156	6,214,028	6,329,484	6,451,169	6,574,937



	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Cash flows from operating activities													
Receipts:													
Rates and annual charges	218,524	226,388	234,883	246,334	257,717	265,713	273,233	281,066	288,882	296,657	304,597	313,045	321,790
User charges and fees	82,123	84,291	98,583	100,976	103,665	106,264	108,571	111,133	113,676	116,300	118,996	121,801	124,433
Interest received	2,123	1,182	6,212	6,532	5,013	4,992	4,628	4,936	5,075	5,058	5,382	5,653	5,885
Grants and contributions	58,012	56,649	54,170	36,027	28,896	28,813	30,168	29,137	29,484	30,154	30,533	32,009	31,474
Bonds, deposits and retentions received	7,356	7,098	8,729	7,098	7,098	7,098	7,098	7,098	7,098	7,098	7,098	7,098	7,098
Other	37,697	45,656	42,429	43,593	41,248	41,903	41,701	42,895	43,400	45,247	44,911	45,737	46,482
Payments:													
Payments to employees	(134,939)	(137,235)	(148,211)	(155,373)	(160,926)	(166,685)	(171,889)	(177,254)	(182,787)	(188,491)	(194,373)	(200,440)	(206,696)
Payments for materials and services	(164,584)	(156,463)	(168,264)	(187,913)	(185,125)	(185,447)	(182,567)	(187,700)	(198,900)	(196,238)	(199,672)	(211,679)	(216,117)
Borrowing costs	(1,429)	(1,142)	(1,075)	(965)	(660)	(524)	(415)	(326)	(233)	(163)	(132)	(100)	(50)
Bonds, deposits and retentions refunded	(6,416)	(5,466)	(5,466)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)
Other	(28,449)	(30,930)	(25,134)	(20,556)	(20,969)	(21,507)	(21,958)	(22,471)	(22,982)	(23,484)	(23,990)	(24,523)	(25,077)
Net Cash flows from operating activities	70,018	90,028	96,854	68,655	68,859	73,522	81,473	81,415	75,616	85,041	86,252	81,502	82,125
Cash flows from investing activities													
Receipts:													
Sale of investments	367,193	338,038	332,000	334,500	303,809	301,835	295,468	296,967	297,882	305,142	295,435	299,719	299,019
Proceeds from sale of PPE	2,539	3,734	1,427	2,675	2,662	3,238	3,236	3,042	3,046	2,528	3,961	2,894	3,616

Cashflow statement (continued)

Scenario 1 – Delivery Program Model

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	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Payments:													
Purchase of investment securities	(355,613)	(352,829)	(319,427)	(300,000)	(300,000)	(300,000)	(306,800)	(303,300)	(300,000)	(303,300)	(306,000)	(305,000)	(304,600)
Payments for PPE	(73,150)	(76,755)	(104,751)	(101,118)	(71,688)	(75,228)	(70,998)	(75,631)	(73,923)	(87,030)	(78,588)	(78,002)	(78,722)
Net cash flows from investing activities	(59,031)	(87,812)	(90,751)	(63,944)	(65,218)	(70,156)	(79,093)	(78,922)	(72,996)	(82,660)	(85,192)	(80,389)	(80,687)
Cash flows from financing activities													
Receipts:													
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments:													
Repayment of borrowings	(5,130)	(5,018)	(4,724)	(3,206)	(2,121)	(1,787)	(743)	(789)	(840)	(522)	(549)	(576)	(877)
Lease liabilities (principal repayments)	(1,241)	(1,269)	(1,261)	(1,228)	(1,231)	(1,269)	(1,307)	(1,347)	(1,388)	(1,430)	(63)	(66)	(70)
Dividends paid to minority interest	(154)	(38)	(118)	(120)	(123)	(126)	(129)	(132)	(135)	(139)	(142)	(145)	(149)
Net cash flows from financing activities	(6,525)	(6,325)	(6,104)	(4,554)	(3,475)	(3,181)	(2,179)	(2,269)	(2,364)	(2,091)	(753)	(788)	(1,096)
Net change in cash and cash equivalents	4,462	(4,109)	0	157	167	185	201	225	257	289	307	325	342
Cash and cash equivalents at beginning of year	6,199	10,661	6,552	6,552	6,709	6,876	7,061	7,262	7,487	7,744	8,033	8,340	8,665
Cash and cash equivalents at end of year	10,661	6,552	6,552	6,709	6,876	7,061	7,262	7,487	7,744	8,033	8,340	8,665	9,007
Investments at year end	136,577	151,385	138,812	104,312	100,503	98,668	110,000	116,333	118,451	116,609	127,173	132,454	138,035
Cash, cash equivalents and investments at end of year	147,238	157,937	145,364	111,021	107,379	105,729	117,262	123,820	126,194	124,642	135,513	141,119	147,042
Net change in cash, cash equivalents and investments	-	10,699	(12,573)	(34,343)	(3,642)	(1,650)	11,533	6,558	2,375	(1,553)	10,871	5,606	5,923

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Total Cash and Investments	147,238	157,937	145,364	111,021	107,379	105,729	117,262	123,820	126,194	124,642	135,513	141,119	147,042
Represented by:													
Externally Restricted													
Developer Contributions	29,542	36,457	36,163	22,206	18,272	13,941	17,516	15,020	15,241	14,785	15,246	13,494	15,023
Unexpended Grants - not tied to liability	262	566	-	-	-	-	-	-	-	-	-	-	-
Domestic Waste Management	364	3,401	5,336	6,433	7,304	9,726	12,878	16,221	19,742	9,422	13,373	17,617	22,184
Other externally restricted reserves	604	722	600	816	1,037	1,266	390	512	639	774	914	532	687
Total Externally Restricted	30,771	41,146	42,099	29,454	26,613	24,933	30,784	31,753	35,623	24,980	29,534	31,643	37,894
Internally Restricted													
Deposits, Retentions & Bonds	13,749	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380
Employee Leave Entitlement	7,633	7,026	7,026	7,026	7,277	7,534	7,797	8,068	8,345	8,628	8,919	9,218	9,523
Kimbriki Landfill Remediation	12,153	13,597	15,764	17,883	20,479	23,239	25,848	28,725	25,039	28,020	31,158	29,553	28,029
Unexpended Grants - tied to liability	34,095	28,600	26,901	7,145	5,803	5,893	5,962	6,035	6,114	6,198	6,287	6,383	6,484
Other	15,769	15,582	14,453	12,719	11,348	10,439	11,265	15,004	16,390	18,333	16,837	17,974	16,951
Total Internally Restricted	83,399	80,184	79,524	60,152	60,287	62,484	66,252	73,211	71,266	76,559	78,582	78,507	76,368
Total Restricted Cash	114,170	121,330	121,623	89,606	86,900	87,417	97,035	104,964	106,889	101,539	108,116	110,150	114,262
Total Unrestricted Cash	33,068	36,607	23,741	21,415	20,479	18,312	20,227	18,856	19,305	23,103	27,398	30,969	32,780

Capital budget statement

Scenario 1 - Delivery Program Model

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	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Capital Funding													
Working Capital	7,508	7,785	17,852	5,593	4,086	4,222	404	3,063	1,232	351	355	360	175
Depreciation	23,569	22,098	39,135	36,896	38,238	42,876	45,297	47,138	48,469	49,222	49,422	50,603	51,802
Capital grants and contributions													
Grants and contributions	19,194	29,262	28,408	19,808	3,942	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913
Externally restricted reserves													
- Developer contributions	10,094	8,038	10,518	21,008	11,558	9,280	5,310	9,260	7,859	7,952	8,106	10,490	7,348
- Domestic Waste	-	-	-	-	-	-	-	-	-	14,048	-	-	-
- Other	1,207	1,797	2,338	1,967	1,956	1,945	3,045	2,044	2,033	2,023	2,013	2,533	1,993
Internally restricted reserves													
- Merger savings fund	1,375	1,893	952	625	-	-	-	-	-	-	-	-	-
- Other	8,718	4,005	4,115	3,999	3,943	5,834	6,687	3,902	4,347	3,290	6,779	4,216	6,262
Income from sale of assets													
- Plant and equipment	2,276	1,995	1,427	2,675	2,662	3,238	3,236	3,042	3,046	2,528	3,961	2,894	3,616
Total funding	73,941	76,872	104,744	92,570	66,385	69,308	65,892	70,362	68,899	81,327	72,548	73,008	73,109

Capital budget statement (continued)

Scenario 1 - Delivery Program Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Capital Expenditure													
Buildings	16,107	21,091	17,883	17,529	12,075	10,062	10,216	10,599	10,856	11,106	11,364	11,639	11,917
Community Land	2,954	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	115	730	111	169	36	36	36	36	36	36	36	36	36
Land Improvements	-	-	14,462	5,439	2,144	4,561	740	3,395	1,560	675	675	675	675
Land Under Roads	159	-	-	-	-	-	-	-	-	-	-	-	-
Library Books	1,361	868	684	818	899	850	870	1,065	1,092	1,117	1,143	1,169	1,197
Office Equipment	1,042	1,995	3,390	2,096	2,210	2,606	2,494	2,533	2,559	2,608	2,658	2,687	2,752
Open Space / Recreational	10,116	9,387	14,564	22,480	10,243	12,007	8,700	10,767	9,407	8,443	9,478	12,430	9,238
Other Assets	43	696	644	625	-	-	-	-	-	-	-	-	-
Other Structures	2,074	3,419	5,749	3,431	2,523	1,630	502	1,044	1,064	1,084	1,105	1,127	1,150
Plant & Equipment	5,039	3,545	5,244	6,731	6,529	9,150	9,998	6,997	7,728	19,948	10,756	7,155	9,886
Road, Bridges & Footpaths	24,852	26,574	31,282	23,773	20,191	17,968	20,949	21,331	21,753	23,240	22,752	22,888	22,605
Stormwater Drainage	6,111	5,505	9,420	8,356	8,407	9,649	9,979	10,938	11,169	11,379	11,644	11,473	11,883
Swimming Pools	1,007	345	1,311	1,124	1,130	791	1,410	1,657	1,675	1,692	940	1,728	1,770
Tip Asset	2,960	2,718	-	-	-	-	-	-	-	-	-	-	-
Total expenditure	73,941	76,872	104,744	92,570	66,385	69,308	65,892	70,362	68,899	81,327	72,548	73,008	73,109

Statement of borrowings

The Long-Term Financial Plan recognises debt as an important source of funds for large capital projects.

There are no anticipated new borrowings over the 10 year period of the Long-Term Financial Plan, however Council will continue to review the need to borrow for major infrastructure projects. Spreading these costs over a number of years facilitates intergenerational equity and smooths out long-term expenditure peaks and troughs.



	OLG Benchmark	Result 2020/21	Result 2021/22	Forecast 2022/23	Budget 2023/24	Year 2 2024/25	Year 3 2025/26	Year 4 2026/27	Year 5 2027/28	Year 6 2028/29	Year 7 2029/30	Year 8 2030/31	Year 9 2031/32	Year 10 2032/33
Budget Performance														
Operating Performance Ratio	> 0%	(7.3%)	4.5%	1.8%	0.7%	(0.3%)	0.6%	1.4%	1.3%	1.0%	1.1%	1.3%	1.2%	0.7%
measures the extent to which a council has succeeded in containing operating expenditure within operating revenue.		✗	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Own Source Operating Revenue Ratio	> 60%	87.4%	82.5%	84.3%	87.1%	92.8%	93.3%	93.2%	93.6%	93.7%	93.7%	93.8%	93.6%	93.9%
measures fiscal flexibility. It is the degree of reliance on external funding sources.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Operational Liquidity														
Unrestricted Current Ratio	> 1.5x	1.69x	1.90x	1.94x	2.22x	2.25x	2.25x	2.32x	2.11x	2.40x	2.53x	2.38x	2.40x	2.58x
represents a council's ability to meet short-term obligations as they fall due.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	< 5%	3.9%	3.6%	3.5%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
expressed as a percentage of total rates and charges available for collection in the financial year.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cash Expense Cover Ratio	> 3mths	5.1mths	5.6mths	4.9mths	3.6mths	3.4mths	3.3mths	3.7mths	3.8mths	3.7mths	3.6mths	3.8mths	3.8mths	3.9mths
liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	OLG Benchmark	Result 2020/21	Result 2021/22	Forecast 2022/23	Budget 2023/24	Year 2 2024/25	Year 3 2025/26	Year 4 2026/27	Year 5 2027/28	Year 6 2028/29	Year 7 2029/30	Year 8 2030/31	Year 9 2031/32	Year 10 2032/33
Liability and Debt Management														
Debt Service Cover Ratio	> 2x	2.8x	7.3x	7.8x	9.6x	11.6x	13.9x	20.7x	20.7x	20.2x	25.2x	25.1x	24.6x	23.2x
measures the availability of operating cash to service loan repayments.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Management														
Building and Infrastructure Renewals Ratio	> 100%	117.2%	112.7%	127.3%	107.3%	100.6%	104.0%	107.9%	107.5%	106.5%	105.5%	103.1%	103.6%	101.9%
assesses the rate at which these assets are being renewed against the rate at which they are depreciating.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Infrastructure Backlog Ratio	< 2%	1.50%	1.53%	1.32%	1.25%	1.21%	1.18%	1.14%	1.10%	1.06%	1.03%	1.00%	0.97%	0.94%
ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Maintenance Ratio	> 100%	106.5%	100.6%	100.5%	100.5%	100.5%	100.5%	100.5%	100.5%	100.5%	100.5%	100.5%	100.5%	100.5%
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.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cost to bring assets to agreed service level	N/A	1.24%	1.26%	1.09%	1.04%	1.01%	0.98%	0.95%	0.92%	0.89%	0.87%	0.84%	0.82%	0.79%
ratio shows what proportion the infrastructure backlog is against the total gross replacement cost of a council's infrastructure.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Financial forecast 2023/24 to 2032/33 - Scenario 2 - Alternative Model

Income statement

Scenario 2 - Alternative Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Income from continuing operations													
Rates and annual charges	218,169	225,941	234,594	246,465	269,280	277,557	285,404	293,588	301,745	309,857	318,152	326,987	336,121
User charges and fees	79,105	79,722	92,073	96,904	99,420	101,913	104,102	106,553	108,983	111,500	114,086	116,774	119,285
Other revenues	14,994	22,343	19,567	20,788	21,074	21,365	21,663	21,969	22,269	22,564	22,866	23,188	23,518
Grants and contributions provided for operating purposes	19,460	27,165	25,816	29,560	19,143	20,180	19,419	20,689	19,654	20,907	20,190	21,467	20,775
Grants and contributions provided for capital purposes	26,544	43,952	40,946	26,150	10,996	8,446	10,556	8,247	9,623	9,033	10,122	10,313	10,463
Interest and investment revenue	1,363	1,238	6,268	6,461	5,097	5,092	4,762	5,162	5,428	5,535	5,956	6,275	6,635
Other Income	6,154	6,736	6,436	6,442	6,603	6,768	6,937	7,111	7,281	7,449	7,620	7,803	7,990
Net gain from the disposal of assets	-	960	457	395	266	324	324	304	305	253	396	289	362
Total income from continuing operations	365,789	408,057	426,158	433,165	431,879	441,646	453,166	463,623	475,287	487,098	499,388	513,097	525,150

Income statement (continued)

Scenario 2 - Alternative Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Expenses from continuing operations													
Employee benefits and on-costs	139,118	134,560	147,351	156,952	162,116	167,913	173,154	178,560	184,133	189,879	195,804	201,916	208,218
Materials and services	150,209	142,766	158,876	173,775	175,685	176,105	173,170	179,388	183,986	188,066	191,151	197,380	202,826
Borrowing costs	2,605	2,624	2,616	2,593	2,509	2,447	2,417	2,403	2,392	2,135	2,182	2,232	2,066
Depreciation, amortisation and impairment for non-financial assets	47,406	45,508	47,405	49,646	53,390	54,944	57,609	58,102	58,760	60,190	61,114	61,999	63,395
Other expenses	24,781	20,969	21,554	20,824	21,248	21,743	22,251	22,772	23,284	23,787	24,301	24,850	25,412
Net loss from the disposal of assets	1,579	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	365,698	346,427	377,802	403,790	414,948	423,153	428,601	441,224	452,555	464,056	474,552	488,377	501,918
Operating result from continuing operations	91	61,630	48,356	29,376	16,931	18,493	24,565	22,399	22,733	23,041	24,835	24,720	23,232
Operating result before grants and contributions provided for capital purposes	(26,453)	17,678	7,410	3,226	5,935	10,046	14,009	14,151	13,109	14,009	14,713	14,407	12,769

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Assets													
Current assets													
Cash and cash equivalents	6,199	10,661	6,552	6,709	6,876	7,018	7,293	7,776	8,070	8,585	8,876	9,259	9,689
Investments	147,311	135,751	138,052	103,526	100,215	98,800	110,418	119,952	125,783	127,447	139,612	146,498	155,712
Receivables	15,421	15,993	24,936	25,115	26,030	26,451	26,884	27,324	27,754	28,175	28,630	29,097	29,581
Inventories	403	378	397	410	421	431	442	453	464	475	486	497	509
Prepayments	1,572	2,028	2,975	3,076	3,153	3,232	3,313	3,395	3,477	3,557	3,639	3,726	3,816
Total current assets	170,906	164,811	172,912	138,836	136,695	135,932	148,350	158,901	165,548	168,239	181,242	189,077	199,307
Non-current assets													
Investments	779	826	760	786	805	826	846	687	528	369	210	52	-
Receivables	1,136	1,087	1,007	1,008	1,110	1,144	1,178	1,212	1,246	1,280	1,314	1,351	1,389
Infrastructure, property, plant and equipment	5,072,703	5,062,151	5,413,445	5,569,895	5,676,780	5,787,889	5,895,387	6,006,984	6,115,240	6,233,186	6,346,177	6,465,898	6,585,451
Investment property	5,835	5,835	6,155	6,475	6,795	7,115	7,435	7,755	8,075	8,395	8,715	9,035	9,355
Right of use assets	11,289	10,475	7,732	6,470	5,209	3,947	2,686	1,424	163	108	54	-	-
Other	4	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	5,091,746	5,080,374	5,429,098	5,584,634	5,690,699	5,800,922	5,907,532	6,018,062	6,125,252	6,243,338	6,356,470	6,476,336	6,596,195
Total assets	5,262,652	5,245,185	5,602,010	5,723,470	5,827,394	5,936,854	6,055,882	6,176,963	6,290,800	6,411,577	6,537,712	6,665,413	6,795,502

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Liabilities													
Current liabilities													
Payables	40,055	44,606	41,113	41,653	42,369	42,895	43,478	44,077	44,668	45,249	45,844	46,479	47,129
Contract liabilities	15,782	26,546	22,304	4,002	2,661	2,746	2,826	2,908	2,990	3,074	3,161	3,250	3,342
Lease liabilities	1,230	1,269	1,231	1,269	1,307	1,347	1,388	1,430	63	66	70	-	-
Borrowings	5,137	5,033	3,206	2,121	1,787	743	789	840	522	549	576	877	272
Employee benefit provisions	35,315	37,044	35,553	37,078	38,228	39,413	40,636	41,897	43,197	44,538	45,920	47,346	48,817
Provisions	560	762	759	792	817	1,014	916	7,658	974	1,004	5,945	5,917	1,168
Total current liabilities	98,079	115,260	104,166	86,914	87,169	88,158	90,033	98,810	92,413	94,480	101,516	103,869	100,727
Non-current liabilities													
Payables	250	200	100	50	-	-	-	-	-	-	-	-	-
Contract liabilities	6,580	9,815	6,636	5,125	5,037	4,949	4,860	4,772	4,684	4,596	4,508	4,419	4,331
Lease liabilities	10,211	9,474	6,941	5,673	4,365	3,018	1,630	200	-	-	-	-	-
Borrowings	22,319	17,293	9,377	7,257	5,470	4,727	3,938	3,098	2,575	2,027	1,450	573	301
Employee benefit provisions	2,225	2,432	761	794	819	844	871	898	926	955	985	1,016	1,047
Provisions	37,439	44,150	46,325	48,217	50,153	51,995	54,043	49,453	51,661	53,683	50,876	48,212	50,216
Total non-current liabilities	79,024	83,364	70,141	67,115	65,844	65,533	65,342	58,421	59,847	61,261	57,819	54,220	55,895
Total liabilities	177,103	198,624	174,307	154,030	153,013	153,692	155,375	157,231	152,260	155,741	159,335	158,089	156,623
Net assets	5,085,549	5,046,561	5,427,703	5,569,441	5,674,381	5,783,162	5,900,507	6,019,732	6,138,540	6,255,836	6,378,377	6,507,324	6,638,879

Balance sheet (continued)

Scenario 2 - Alternative Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Equity													
Accumulated surplus	4,867,395	4,867,332	5,065,155	5,091,834	5,108,030	5,125,109	5,147,841	5,169,661	5,192,085	5,214,305	5,239,028	5,262,972	5,286,470
IPP&E revaluation surplus	218,154	179,229	362,548	477,607	566,351	658,053	752,666	850,072	946,456	1,041,531	1,139,348	1,244,352	1,352,410
Total equity	5,085,549	5,046,561	5,427,703	5,569,441	5,674,381	5,783,162	5,900,507	6,019,732	6,138,540	6,255,836	6,378,377	6,507,324	6,638,879

Cashflow statement

Scenario 2 - Alternative Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Cash flows from operating activities													
Receipts:													
Rates and annual charges	218,524	226,388	234,883	246,334	268,762	276,847	284,703	292,880	301,038	309,153	317,441	326,259	335,386
User charges and fees	82,123	84,291	98,583	100,976	103,665	106,264	108,571	111,133	113,676	116,300	118,996	121,801	124,433
Interest received	2,123	1,182	6,212	6,532	4,995	5,058	4,702	5,106	5,380	5,495	5,893	6,221	6,576
Grants and contributions	58,012	56,649	54,170	36,027	28,896	28,813	30,168	29,137	29,484	30,154	30,533	32,009	31,474
Bonds, deposits and retentions received	7,356	7,098	8,729	7,098	7,098	7,098	7,098	7,098	7,098	7,098	7,098	7,098	7,098
Other	37,697	45,656	42,429	43,593	42,212	42,879	42,705	43,625	44,128	46,000	45,903	46,750	47,306
Payments:													
Payments to employees	(134,939)	(137,235)	(148,211)	(155,373)	(160,926)	(166,685)	(171,889)	(177,254)	(182,787)	(188,491)	(194,373)	(200,440)	(206,696)
Payments for materials and services	(164,584)	(156,463)	(168,264)	(187,913)	(188,401)	(188,933)	(186,194)	(191,449)	(202,940)	(200,689)	(204,799)	(217,065)	(221,571)
Borrowing costs	(1,429)	(1,142)	(1,075)	(965)	(660)	(524)	(415)	(326)	(233)	(163)	(132)	(100)	(50)
Bonds, deposits and retentions refunded	(6,416)	(5,466)	(5,466)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)	(7,098)
Other	(28,449)	(30,930)	(25,134)	(20,556)	(20,969)	(21,507)	(21,958)	(22,471)	(22,982)	(23,484)	(23,990)	(24,523)	(25,077)
Net cash flows from operating activities	70,018	90,028	96,854	68,655	77,574	82,212	90,393	90,380	84,764	94,277	95,472	90,912	91,781

Cashflow statement (continued)

Scenario 2 - Alternative Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Cash flows from investing activities													
Receipts:													
Sale of investments	367,193	338,038	332,000	334,500	303,291	301,395	295,162	293,924	294,329	301,795	293,994	298,272	295,438
Proceeds from sale of PPE	2,539	3,734	1,427	2,675	2,662	3,238	3,236	3,042	3,046	2,528	3,961	2,894	3,616
Payments:													
Purchase of investment securities	(355,613)	(352,829)	(319,427)	(300,000)	(300,000)	(300,000)	(306,800)	(303,300)	(300,000)	(303,300)	(306,000)	(305,000)	(304,600)
Payments for PPE	(73,150)	(76,755)	(104,751)	(101,118)	(79,885)	(83,521)	(79,537)	(81,296)	(79,480)	(92,693)	(86,384)	(85,906)	(84,709)
Net cash flows from investing activities	(59,031)	(87,812)	(90,751)	(63,944)	(73,932)	(78,888)	(87,939)	(87,630)	(82,106)	(91,670)	(94,429)	(89,741)	(90,255)

Cashflow statement (continued)

Scenario 2 - Alternative Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Cash flows from financing activities													
Receipts:													
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments:													
Repayment of borrowings	(5,130)	(5,018)	(4,724)	(3,206)	(2,121)	(1,787)	(743)	(789)	(840)	(522)	(549)	(576)	(877)
Lease liabilities (principal repayments)	(1,241)	(1,269)	(1,261)	(1,228)	(1,231)	(1,269)	(1,307)	(1,347)	(1,388)	(1,430)	(63)	(66)	(70)
Dividends paid to minority interest	(154)	(38)	(118)	(120)	(123)	(126)	(129)	(132)	(135)	(139)	(142)	(145)	(149)
Net cash flows from financing activities	(6,525)	(6,325)	(6,104)	(4,554)	(3,475)	(3,181)	(2,179)	(2,269)	(2,364)	(2,091)	(753)	(788)	(1,096)
Net change in cash and cash equivalents	4,462	(4,109)	-	157	167	142	275	482	295	515	290	383	430
Cash and cash equivalents at beginning of year	6,199	10,661	6,552	6,552	6,709	6,876	7,018	7,293	7,776	8,070	8,585	8,876	9,259
Cash and cash equivalents at end of year	10,661	6,552	6,552	6,709	6,876	7,018	7,293	7,776	8,070	8,585	8,876	9,259	9,689
Investments at year end	136,577	151,385	138,812	104,312	101,021	99,626	111,264	120,640	126,311	127,816	139,822	146,550	155,712
Cash, cash equivalents and investments at end of year	147,238	157,937	145,364	111,021	107,897	106,644	118,558	128,415	134,381	136,401	148,697	155,809	165,401
Net change in cash, cash equivalents and investments	-	10,699	(12,573)	(34,343)	(3,124)	(1,253)	11,914	9,858	5,966	2,020	12,296	7,112	9,592

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Total Cash and Investments	147,238	157,937	145,364	111,021	107,897	106,644	118,558	128,415	134,381	136,401	148,697	155,809	165,401
Represented by:													
Externally Restricted													
Developer Contributions	29,542	36,457	36,163	22,206	18,272	13,941	17,516	15,020	15,241	14,785	15,246	13,494	15,023
Unexpended Grants - not tied to liability	262	566	-	-	-	-	-	-	-	-	-	-	-
Domestic Waste Management	364	3,401	5,336	6,433	7,304	9,726	12,878	16,221	19,742	9,422	13,373	17,617	22,184
Other externally restricted reserves	604	722	600	816	1,037	1,266	390	512	639	774	914	532	687
Total Externally Restricted	30,771	41,146	42,099	29,454	26,613	24,933	30,784	31,753	35,623	24,980	29,534	31,643	37,894
Internally Restricted													
Deposits, Retentions & Bonds	13,749	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380	15,380
Employee Leave Entitlement	7,633	7,026	7,026	7,026	7,277	7,534	7,797	8,068	8,345	8,628	8,919	9,218	9,523
Kimbriki Landfill Remediation	12,153	13,597	15,764	17,883	20,479	23,239	25,848	28,725	25,039	28,020	31,158	29,553	28,029
Unexpended Grants - tied to liability	34,095	28,600	26,901	7,145	5,803	5,893	5,962	6,035	6,114	6,198	6,287	6,383	6,484
Other	15,769	15,582	14,453	12,719	11,348	10,439	11,265	15,004	16,390	18,333	16,837	17,974	16,951
Total Internally Restricted	83,399	80,184	79,524	60,152	60,287	62,484	66,252	73,211	71,266	76,559	78,582	78,507	76,368
Total Restricted Cash	114,170	121,330	121,623	89,606	86,900	87,417	97,035	104,964	106,889	101,539	108,116	110,150	114,262
Total Unrestricted Cash	33,068	36,607	23,741	21,415	20,997	19,226	21,522	23,452	27,492	34,862	40,582	45,659	51,139

Capital budget statement

Scenario 2 - Alternative Model

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	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Capital Funding													
Working Capital	7,508	7,785	17,852	5,593	4,086	4,222	404	3,063	1,232	351	355	360	175
Special Rate Variation	-	-	-	-	7,546	7,620	7,802	4,786	4,654	4,738	6,955	7,039	4,990
Depreciation	23,569	22,098	39,135	36,896	38,238	42,876	45,297	47,138	48,469	49,222	49,422	50,603	51,802
Capital grants and contributions:													
Grants and contributions	19,194	29,262	28,408	19,808	3,942	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913
Externally restricted reserves:													
- Developer contributions	10,094	8,038	10,518	21,008	11,558	9,280	5,310	9,260	7,859	7,952	8,106	10,490	7,348
- Domestic Waste	-	-	-	-	-	-	-	-	-	14,048	-	-	-
- Other	1,207	1,797	2,338	1,967	1,956	1,945	3,045	2,044	2,033	2,023	2,013	2,533	1,993
Internally restricted reserves:													
- Merger savings fund	1,375	1,893	952	625	-	-	-	-	-	-	-	-	-
- Other	8,718	4,005	4,115	3,999	3,943	5,834	6,687	3,902	4,347	3,290	6,779	4,216	6,262
Income from sale of assets:													
- Plant and equipment	2,276	1,995	1,427	2,675	2,662	3,238	3,236	3,042	3,046	2,528	3,961	2,894	3,616
Total funding	73,941	76,872	104,744	92,570	73,931	76,928	73,694	75,147	73,553	86,066	79,503	80,047	78,099

Capital budget statement (continued)

Scenario 2 - Alternative Model

	Result 2020/21 \$ '000	Result 2021/22 \$ '000	Forecast 2022/23 \$ '000	Budget 2023/24 \$ '000	Year 2 2024/25 \$ '000	Year 3 2025/26 \$ '000	Year 4 2026/27 \$ '000	Year 5 2027/28 \$ '000	Year 6 2028/29 \$ '000	Year 7 2029/30 \$ '000	Year 8 2030/31 \$ '000	Year 9 2031/32 \$ '000	Year 10 2032/33 \$ '000
Capital Expenditure													
Buildings	16,107	21,091	17,883	17,529	17,216	15,259	12,803	13,244	13,564	13,879	16,335	16,674	14,882
Community Land	2,954	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	115	730	111	169	36	36	36	36	36	36	36	36	36
Land Improvements	-	-	14,462	5,439	2,144	4,561	740	3,395	1,560	675	675	675	675
Land Under Roads	159	-	-	-	-	-	-	-	-	-	-	-	-
Library Books	1,361	868	684	818	899	850	870	1,065	1,092	1,117	1,143	1,169	1,197
Office Equipment	1,042	1,995	3,390	2,096	2,210	2,606	2,494	2,533	2,559	2,608	2,658	2,687	2,752
Open Space / Recreational	10,116	9,387	14,564	22,480	10,485	12,253	8,951	11,022	9,666	8,706	9,746	12,703	9,515
Other Assets	43	696	644	625	-	-	-	-	-	-	-	-	-
Other Structures	2,074	3,419	5,749	3,431	2,616	1,726	1,773	1,358	1,167	1,190	1,213	1,237	1,263
Plant & Equipment	5,039	3,545	5,244	6,731	6,529	9,150	9,998	6,997	7,728	19,948	10,756	7,155	9,886
Road, Bridges & Footpaths	24,852	26,574	31,282	23,773	22,248	20,036	24,629	22,890	23,323	24,822	24,346	24,495	24,225
Stormwater Drainage	6,111	5,505	9,420	8,356	8,407	9,649	9,979	10,938	11,169	11,379	11,644	11,473	11,883
Swimming Pools	1,007	345	1,311	1,124	1,142	803	1,423	1,670	1,688	1,705	954	1,743	1,784
Tip Asset	2,960	2,718	-	-	-	-	-	-	-	-	-	-	-
Total expenditure	73,941	76,872	104,744	92,570	73,931	76,928	73,694	75,147	73,553	86,066	79,503	80,047	78,099

Statement of borrowings

The Long-Term Financial Plan recognises debt as an important source of funds for large capital projects.

There are no anticipated new borrowings over the 10 year period of the Long-Term Financial Plan, however Council will continue to review the need to borrow for major infrastructure projects. Spreading these costs over a number of years facilitates intergenerational equity and smooths out long-term expenditure peaks and troughs.



	OLG Benchmark	Result 2020/21	Result 2021/22	Forecast 2022/23	Budget 2023/24	Year 2 2024/25	Year 3 2025/26	Year 4 2026/27	Year 5 2027/28	Year 6 2028/29	Year 7 2029/30	Year 8 2030/31	Year 9 2031/32	Year 10 2032/33
Budget Performance														
Operating Performance Ratio	> 0%	(7.3%)	4.5%	1.8%	0.7%	1.4%	2.3%	3.1%	3.1%	2.8%	2.9%	2.9%	2.8%	2.4%
measures the extent to which a council has succeeded in containing operating expenditure within operating revenue.		✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Own Source Operating Revenue Ratio	> 60%	87.4%	82.5%	84.3%	87.1%	93.0%	93.5%	93.4%	93.8%	93.8%	93.9%	93.9%	93.8%	94.0%
measures fiscal flexibility. It is the degree of reliance on external funding sources.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Operational Liquidity														
Unrestricted Current Ratio	> 1.5x	1.69x	1.90x	1.94x	2.22x	2.26x	2.27x	2.35x	2.19x	2.56x	2.76x	2.61x	2.65x	2.92x
represents a council's ability to meet short-term obligations as they fall due.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	< 5%	3.9%	3.6%	3.5%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
expressed as a percentage of total rates and charges available for collection in the financial year.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cash Expense Cover Ratio	> 3mths	5.1mths	5.6mths	4.9mths	3.6mths	3.4mths	3.3mths	3.7mths	3.9mths	3.9mths	3.9mths	4.2mths	4.2mths	4.3mths
liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

	OLG Benchmark	Result 2020/21	Result 2021/22	Forecast 2022/23	Budget 2023/24	Year 2 2024/25	Year 3 2025/26	Year 4 2026/27	Year 5 2027/28	Year 6 2028/29	Year 7 2029/30	Year 8 2030/31	Year 9 2031/32	Year 10 2032/33
Liability and Debt Management														
Debt Service Cover Ratio	> 2x	2.8x	7.3x	7.8x	9.6x	13.4x	15.9x	23.4x	23.4x	23.0x	28.7x	28.6x	28.0x	26.6x
measures the availability of operating cash to service loan repayments.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Management														
Building and Infrastructure Renewals Ratio	> 100%	117.2%	112.7%	127.3%	107.3%	118.6%	121.4%	124.3%	117.5%	115.9%	114.8%	116.5%	116.8%	110.8%
assesses the rate at which these assets are being renewed against the rate at which they are depreciating.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Infrastructure Backlog Ratio	< 2%	1.50%	1.53%	1.32%	1.25%	1.21%	1.16%	1.11%	1.07%	1.03%	0.99%	0.96%	0.93%	0.90%
ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Maintenance Ratio	> 100%	106.5%	100.6%	100.5%	100.5%	106.9%	106.9%	107.0%	107.6%	107.7%	108.0%	108.3%	108.4%	108.6%
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.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cost to bring assets to agreed service level	N/A	1.24%	1.26%	1.09%	1.04%	1.01%	0.97%	0.93%	0.90%	0.87%	0.84%	0.81%	0.79%	0.76%
ratio shows what proportion the infrastructure backlog is against the total gross replacement cost of a council's infrastructure.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Performance monitoring

Council monitors its performance against financial health check performance indicators. The statement of performance measures is in accordance with Local Government Code of Accounting Practice and Financial Reporting and the benchmarks set by the NSW Office of Local Government.

Indicator	Measure	Definition	Benchmarks
Operating Performance Ratio	Measures a council's ability to contain operating expenditure within operating revenue.	Operating revenue (excluding capital grants and contributions less operating expenses)/Operating revenue (excluding capital grants and contributions)	> 0%
Own Source Operating Revenue Ratio	Measures the level of a council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.	Total operating revenue (inclusive of capital grants and contributions) / Total operating revenue	> 60%
Unrestricted Current Ratio	This ratio is specific to local government and is designed to assess the adequacy of working capital and the ability to satisfy obligations in the short term for unrestricted activities of council.	Current assets less all external restrictions/current liabilities less specific purpose liabilities	> 1.5x
Rates and Annual Charges Outstanding Percentage	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	Rates, Annual and Extra Charges Outstanding / Rates, Annual and Extra Charges Collectible	< 5.0%
Cash Expense Cover Ratio	This liquidity ratio indicates the number of months a council can continue to pay for its immediate expenses without additional cash inflow.	Current year's cash and cash equivalents/Payments from cashflow of operating and financing activities multiplied by 12	> 3 months
Debt Service Cover Ratio	The availability of operating cash to service debt including interest, principal and lease payments.	Operating Result before capital grants excluding interest and depreciation / Principal Repayments (from the Statement of Cash Flows + Borrowing Interest Costs (from the Income Statement))	> 2x
Building and Infrastructure Renewals Ratio	Compares the proportion spent on infrastructure asset renewals and the assets deterioration.	Asset renewals/Depreciation of building and infrastructure assets	> 100%
Infrastructure Backlog Ratio	This ratio shows what proportion the backlog is against total value of a council's infrastructure.	Estimated cost to bring assets to a satisfactory condition/ total infrastructure assets (carrying value)	< 2%
Asset Maintenance Ratio	Compares actual versus required annual asset maintenance.	Actual maintenance / Required asset maintenance	> 100%
Cost to Bring Assets to Agreed Service Level	This ratio shows what proportion the backlog is against total replacement value of a council's infrastructure.	Estimated cost to bring assets to a satisfactory condition/ total infrastructure assets (replacement cost)	N/A





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