



Achieving Together – Our foundation for success

Long-Term Financial Plan

2025/26–2034/35

maitland
CITY COUNCIL



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Acknowledgement of Country

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



General Manager Jeff Smith

A message from our General Manager

Maitland is a connected city with thriving communities where people can live, work, enjoy, and succeed. As one of Australia's fastest-growing inland cities, we are experiencing rapid population growth, which presents both opportunities and financial challenges. Managing these challenges responsibly is key to ensuring we continue to provide the services, infrastructure, and quality of life our community expects.

The *Long-Term Financial Plan* (LTFP) is a critical tool that helps us navigate these challenges. It provides a clear financial roadmap, balancing the delivery of essential services and infrastructure with the need for long-term sustainability. While we continue to experience strong growth, development in new areas comes at a significant cost, particularly as new roads, footpaths, drainage, and community facilities are transferred to Maitland City Council for ongoing maintenance and renewal. At the same time, developer contributions are not keeping pace with rising infrastructure costs, placing additional financial pressure on Maitland City Council.

Through this plan, we test different financial scenarios, assess the impact of growth, and explore options to ensure we remain financially sustainable. Reviewing our service levels is an important part of this process, helping us understand the long-term costs of our services and ensuring they align with our resources and strategic priorities.

Financial sustainability is not just about managing costs, it's about making the right decisions today to secure Maitland's future. We're having open and honest conversations with our community about the challenges and choices ahead and how to work together to shape a financially responsible path forward.

I look forward to working alongside our Councillors, staff, and the community as we continue building a strong and sustainable future for Maitland.



Introduction

Purpose

Maitland is a rapidly growing city with increasing demands on infrastructure and services to support a connected and thriving community. The *Long-Term Financial Plan* (LTFP) provides a strategic framework for ensuring Maitland City Council's (MCC) financial sustainability while delivering essential services and infrastructure that meet the needs of residents, businesses, and visitors now and into the future.

Aligned with MCC's broader strategic priorities, the LTFP translates high-level financial principles into actionable plans that guide revenue generation, expenditure management, capital investment, and financial risk mitigation. By taking a long-term view of financial planning, the LTFP ensures that MCC remains financially resilient, enabling the city to grow while maintaining strong service delivery and sound fiscal management.

What is the Long-Term Financial Plan?

The Long-Term Financial Plan (LTFP):

- provides a structured framework for managing MCC's finances over 10 years, ensuring financial sustainability and responsible resource allocation
- identifies key priorities, funding strategies, and investment needs to support service delivery and infrastructure development
- sets clear financial performance targets, risk management strategies and cost-efficiency measures
- outlines how we'll make financial decisions, incorporating economic conditions, legislative requirements, and community expectations
- establishes a roadmap for aligning financial planning with the Integrated Planning and Reporting (IPR) Framework and other strategic objectives.

Maitland: Local Government Area (LGA)
Maitland City Council (MCC): Organisation
Council: Elected body

Why is it important?

The LTFP ensures that Maitland City Council's financial decision-making is proactive, data-driven, and aligned with the long-term vision for Maitland. By balancing investment, operational sustainability, and financial risk management, the plan supports the delivery of essential services while maintaining fiscal discipline.

Through revenue forecasting, expenditure planning, and scenario analysis, the LTFP enables MCC to make informed funding decisions, prioritise capital projects, and allocate resources efficiently. It helps manage financial risks, including economic fluctuations, changing regulatory environments, and funding constraints, ensuring that MCC remains financially stable.

The plan also enhances transparency and accountability by setting financial performance targets and reporting mechanisms that drive continuous improvement. By aligning financial planning with community needs and service expectations, the LTFP ensures that MCC can continue to deliver high-quality, equitable, and sustainable services that support Maitland's growth and prosperity.

Our shared vision: A connected city with thriving communities



Strategic context

Overview of Maitland City Council’s role in the long-term financial planning

Maitland City Council (MCC) plays a crucial role in ensuring the city’s long-term financial sustainability while delivering essential services and infrastructure that support a growing and thriving community. Through careful financial stewardship, MCC is responsible for planning, managing, and allocating resources to maintain and enhance community assets, including roads, drainage systems, parks, sporting complexes, libraries, and community facilities.

Principles of financial sustainability, responsible investment, and alignment with community priorities guide MCC’s long-term financial planning. This involves balancing the need for

new infrastructure with the ongoing maintenance and renewal of existing assets, ensuring funding strategies are sustainable and resilient to external financial pressures.

By integrating financial planning with strategic priorities, MCC aims to deliver high-quality services, manage risks, and optimise resources to support Maitland’s liveability, connectivity, and long-term economic growth. The *Long-Term Financial Plan* (LTFP) provides a roadmap for achieving these objectives, ensuring financial decisions today support a sustainable, well-planned future for the city and its residents.



Key challenges

Maitland City Council’s *Long-Term Financial Plan* (LTFP) must address several key challenges to ensure the city remains financially sustainable while continuing to support growth, infrastructure development, and service delivery. These challenges include:

- **High population growth:** Maitland’s population is rapidly increasing and is expected to surpass 100,000 residents soon. This growth places significant pressure on MCC’s financial resources to fund essential infrastructure, services, and facilities to meet current and future demands.
- **Infrastructure demand and aging assets:** As the city grows, there is an increasing need to invest in new infrastructure while maintaining and renewing aging assets. Many existing assets are reaching the end of their useful life, requiring careful financial planning to manage replacement costs and avoid service disruptions.
- **Rate capping and revenue constraints:** The NSW rate cap limits MCC’s ability to raise revenue through rates, making it difficult to keep pace with growing financial pressures. This constraint requires MCC to find alternative funding sources, improve efficiency, and prioritise spending carefully.
- **State Government contributions and cost-shifting:** MCC relies on state government contributions for infrastructure and services, but these contributions are often insufficient or unpredictable. Additionally, cost shifting from higher levels of government places extra financial pressure on MCC, requiring careful budget management.
- **Financial Assistance Grant:** MCC receives approximately \$9M each year under the Financial Assistance Grant (FAG) program. This is a general purpose grant paid to all local councils by the Commonwealth under the *Local Government (Financial Assistance) Act 1995* provisions. The funds comprise an unconditional grant and a smaller component for local roads. There is an ongoing risk that the funding method for allocating grants to local councils may change, which could lead to a reduction in funds for MCC. Currently, FAGs are not indexed, meaning their value has decreased over the past decade.
- **Uncertainty in grant funding:** Many infrastructure projects and community programs depend on external grant funding, which is often competitive and uncertain. The unpredictability of future grants makes long-term financial planning more complex and necessitates a flexible funding approach.
- **Evolving community needs and service expectations:** As the population grows and diversifies, community expectations for services, accessibility, and sustainability continue to evolve. This requires ongoing financial investment in adapting services and infrastructure to meet changing needs.
- **Improving financial systems and data-driven decision-making:** Gaps in financial data and forecasting systems can impact the accuracy of long-term financial planning. Continued investment in financial management systems and data analytics will strengthen MCC’s ability to make informed, evidence-based financial decisions.
- **Managing debt and financial sustainability:** As demand for infrastructure investment grows, MCC must carefully manage debt levels to ensure borrowing remains sustainable and does not place excessive financial strain on future budgets.

Relationship with Integrated Planning and Reporting (IPR)

The *Resourcing Maitland’s Future* strategy is essential to the IPR framework. It strategically aligns Maitland City Council’s resources — financial, people, and assets — with the long-term priorities set out in the broader IPR documents. It provides the foundation needed to support the objectives outlined in the Delivery Program and Operational Plan.

The *Resourcing Maitland’s Future* strategy and *Long-Term Financial Plan* are interconnected within the IPR framework, ensuring the effective alignment of resources with strategic priorities. Together, they provide a clear path forward for our financial sustainability, workforce needs, and infrastructure development, all essential for successfully implementing the IPR framework.

1. Long-Term Financial Plan (LTFP) and Resourcing Maitland’s Future strategy:

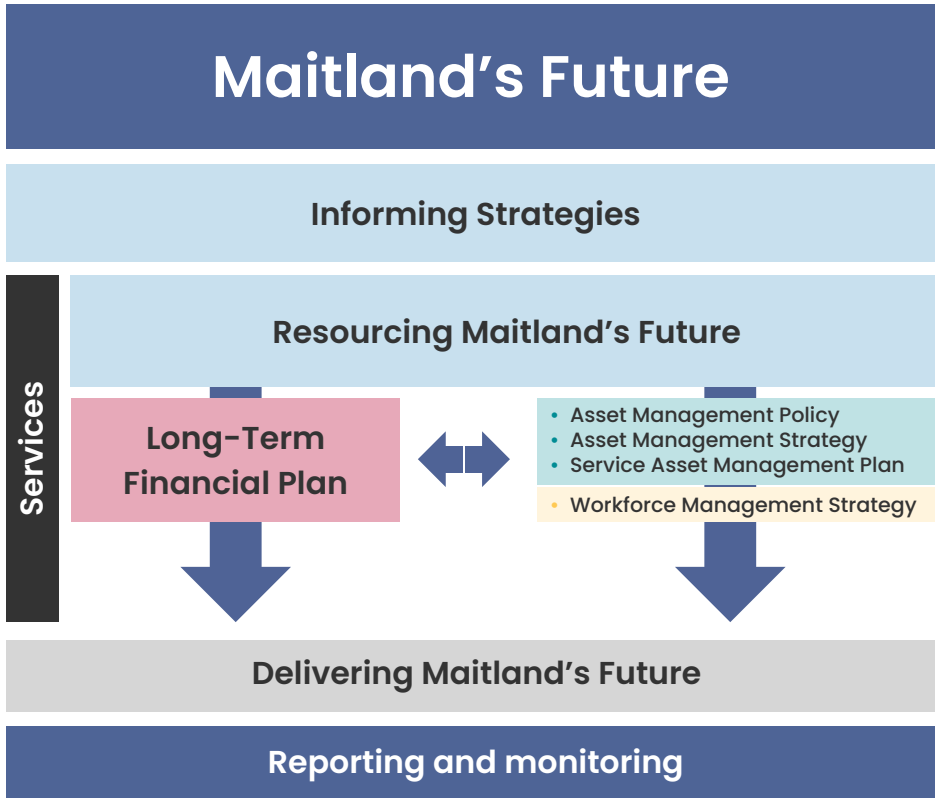
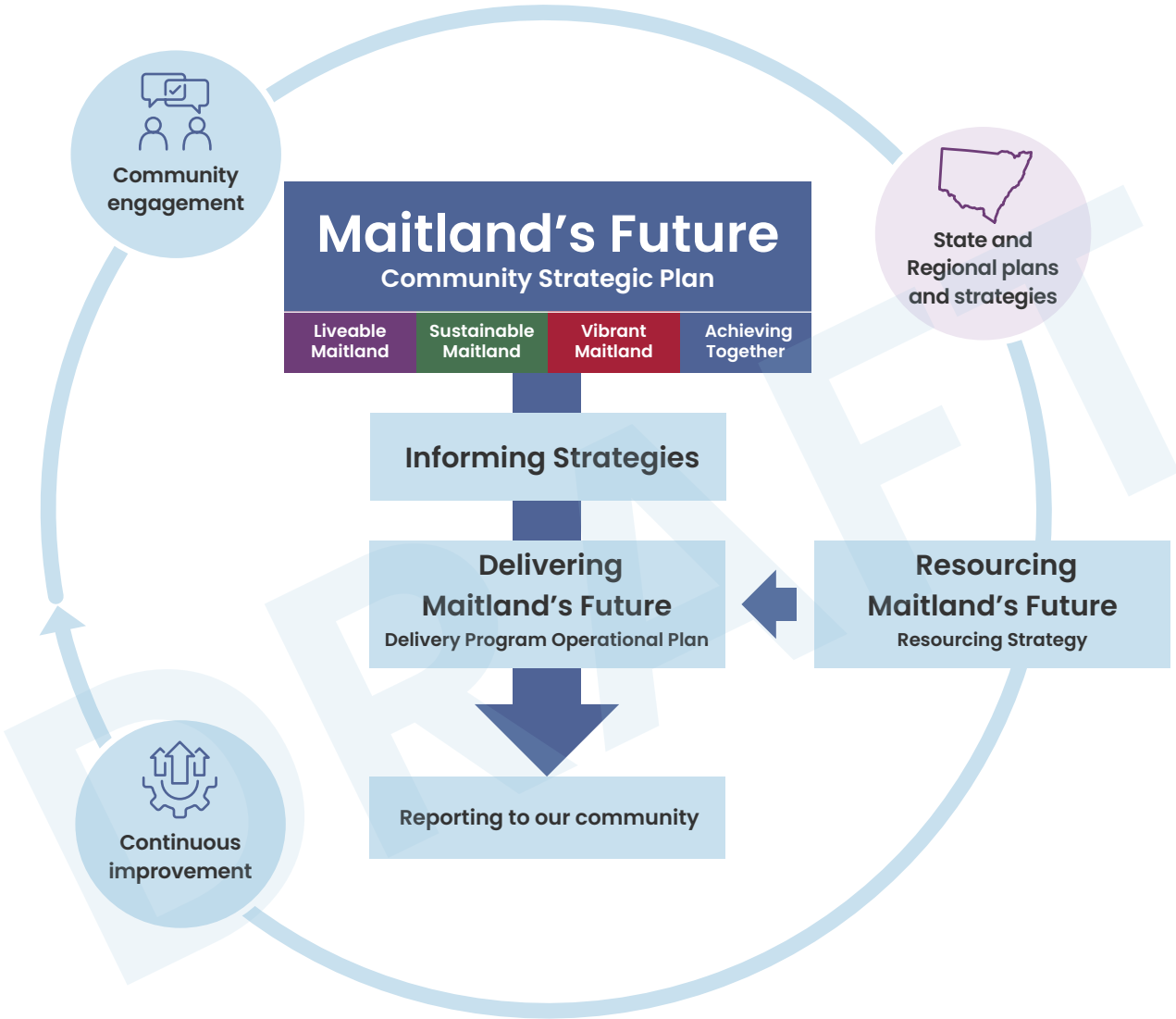
The LTFP outlines MCC’s financial outlook and sustainability over an extended period, typically 10 years. The *Resourcing Maitland’s Future* strategy supports and informs this plan by identifying the necessary resources to achieve financial goals, ensuring we have enough funding for our strategic objectives. While the LTFP provides a financial forecast, the *Resourcing Maitland’s Future* strategy ensures we allocate these resources according to our priorities in the IPR framework. This approach helps us meet our long-term goals without compromising financial sustainability.

2. IPR framework integration:

The *Resourcing Maitland’s Future* strategy, together with the LTFP, ensures that all elements of the IPR framework are interconnected. The Delivery Program and Operational Plan set out the specific actions and outcomes for our strategic priorities. The *Resourcing Maitland’s Future* strategy outlines the resources required to implement these actions, and the LTFP ensures that the financial resources required are available to meet these needs over time. In this way, the *Resourcing Maitland’s Future* strategy and LTFP are integral to realising the IPR framework’s long-term vision and priorities.

3. Aligning strategic objectives and resources:

Through this alignment, the *Resourcing Maitland’s Future* strategy and LTFP ensure that MCC is equipped to meet its service delivery and infrastructure needs while maintaining fiscal responsibility. The long-term financial health of MCC is continually assessed through the LTFP, while the *Resourcing Maitland’s Future* strategy ensures that the necessary people and assets are available to meet the objectives set out in the Delivery Program and Operational Plan. This alignment guarantees that resources are allocated effectively, enabling us to deliver on its vision and priorities.



Financial principles

The following financial principles provide a clear framework for decision-making, ensuring that Maitland City Council’s financial management is sustainable, transparent, and aligned with our strategic priorities. These principles guide how we allocate resources, manage risks, and plan for the long-term financial health of our city.

- **Financial sustainability:** Make decisions focusing on long-term financial stability, balancing income and expenditure over time.
- **Transparency and accountability:** Make decisions openly and transparently, with clear reporting and accountability mechanisms in place.
- **Risk management:** Consider the potential financial risks and manage them effectively, ensuring there are buffers or contingency plans where necessary.
- **Value for money:** Prioritise efficient use of resources to deliver the best outcomes for the community, avoiding waste and ensuring value for public funds.
- **Intergenerational equity:** Ensure that current decisions do not unduly burden future generations but contribute to a sustainable and equitable future.
- **Growth and investment:** Make decisions supporting the growth and development of the community while ensuring long-term economic resilience.



Financial objectives

INFORMED PLANNING

Undertake a holistic approach to planning that reflects community needs and aspirations, delivering current and future services sustainably while making sound financial decisions aligned with Maitland City Council’s risk management framework and long-term planning.

1. **Establish a comprehensive financial framework:** Develop and implement a robust financial strategy with clear budgeting, forecasting, and financial reporting processes.
2. **Achieve an operating surplus budget by 2027:** Achieve a balanced budget with a focus on controlling expenditures and increasing revenue streams.
3. **Align financial principles with asset management practices:** Ensure financial processes and principles are fully integrated with the newly-developed Asset Management Planning framework.

TRANSPARENT DECISION-MAKING

Ensure transparent decision-making to build trust, accountability and integrity within the community, fostering a culture of openness and responsible leadership.

4. **Implement financial performance monitoring and reporting:** Establish a system to regularly monitor and report financial performance, tracking key financial indicators and making real-time adjustments.
5. **Build financial reserves for long-term stability:** Establish and grow financial reserves over the next few years to buffer economic downturns or unexpected costs.

CULTURE OF IMPROVEMENT AND INNOVATION

Encourage innovation and a culture of improvement to enhance overall performance, efficiency and effectiveness of products and services provided to the community.

6. **Diversify revenue streams:** Identify and develop additional revenue sources (e.g. grants, partnerships, new fee structures, commercial opportunities) to reduce reliance on rates and improve financial flexibility.
7. **Achieve operational efficiency and cost control:** Focus on streamlining operations to eliminate inefficiencies and reduce unnecessary expenditures.
8. **Strengthen internal financial capacity and skills:** Invest in financial management training and development for staff to ensure Maitland City Council has the right expertise to manage its finances effectively.

Our services

Understanding our services and delivery levels is fundamental to developing a robust *Long-Term Financial Plan* (LTFP). Service levels directly influence operational costs, workforce requirements, and asset maintenance, making them critical to financial sustainability.

A clear understanding of our services allows us to assess long-term costs, identify efficiencies, and make informed decisions about resource allocation. It also enables us to align financial planning with the *Workforce Management Strategy*, ensuring we have the right skills and capacity to deliver services effectively now and in the future. Similarly, integrating service levels into the *Asset Management Strategy* ensures that our infrastructure is maintained appropriately, avoiding unexpected costs and ensuring assets continue to meet community needs over their lifecycle.

By taking a holistic approach where financial planning, workforce capability, and asset sustainability are considered together, we can make strategic, data-driven decisions supporting Maitland’s long-term growth while maintaining financial stability. This approach helps us balance community expectations with available resources, ensuring our city remains a great place to live, work, enjoy, and succeed.

Service levels

Reviewing service levels is key to understanding the long-term cost of delivering services. The current service levels are designed to balance the community’s expectations with Maitland City Council’s resource capacity and strategic priorities. The planned scenario in the LTFP generally assumes that MCC will maintain existing service levels. However, an ongoing review of these levels ensures that service delivery remains financially sustainable.

MCC’s annual works program consists of a base component for ongoing infrastructure and related programs, alongside an additional component for key city initiatives, with funding provided for both in the LTFP. The prioritisation and scheduling of projects are guided by MCC’s planning documents and strategic objectives, ensuring alignment with long-term financial sustainability.



Aquatic centres



Asset and capital planning



Building and structures maintenance



Capital works delivery



Cemetery operations



Community engagement



Community planning and development



Customer experience



Development and compliance



Digital business systems and services



Digital transformations projects



Economic development



Emergency management



Environmental management



Events and place activation



Financial services and reporting



Floodplain and estuary management



Governance and leadership



Human resources



Integrated planning and reporting



Land use planning



Legal and contract management services



Libraries and learning



Maitland Regional Art Gallery



Major venues and facilities



Marketing and communication



Organisational development



Plant services



Procurement



Property



Recreation and open spaces maintenance



Risk, safety and wellbeing



Roads, transport and drainage



Waste management

Revenue strategy

Overview

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

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

MCC's revenue strategy highlights the increasing financial challenges facing MCC, identifies the revenue streams available and recommends the following actions to strengthen its revenue base and address increasing financial challenges:

- regularly review and monitor Section 7.11 Development Contribution Plans and Policies to ensure they remain effective and aligned with growth
- assess and refine MCC's Investment Policy and cash flow processes to maximise financial efficiency
- evaluate and update the Annual Borrowing Policy to optimise funding strategies
- identify and pursue additional grant funding opportunities to support key projects and services

- conduct a comprehensive review of all fees, charges, and cost recovery levels to ensure financial sustainability
- explore opportunities to introduce new fees in line with industry trends and benchmarking
- identify underused assets and assess opportunities for rationalisation to improve financial management
- review service levels and delivery methods to enhance efficiency and value for the community
- integrate revenue discussions, including rating levels, into MCC's strategic planning and community engagement processes.

Sources of revenue

Rating

Income from rates generally forms the largest portion of Maitland City Council's overall revenue, generated from four rating categories being, farmland, residential, mining and business.

MCC's rates base consists of approximately 38,000 rateable properties, encompassing the farming, residential, mining and business sectors.

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

For 2025/26, MCC's total adjusted budgeted operating revenue is \$161.7 million (excluding non-cash developer road and drainage dedications), of which \$95.6 million is generated from rating revenue and annual charges.

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

YEAR	PERCENTAGE (%)
2025/26 (budgeted)	60%
2026/27 (projected)	61%
2027/28 (projected)	62%
2028/29 (projected)	62%



Fees and charges

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

This revenue stream also includes regulatory and statutory fees such as those for development applications, Section 10.7 (zoning) certificates, Section 603 (rates) certificates and construction certificates. Legislation sets the amount charged for regulatory and statutory fees.

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

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

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

- the setting of fees and charges is cognisant of MCC's environmental, social and financial objectives
- user-based charges recognise the needs of the disadvantaged in our community and that where appropriate MCC's fee structures recognise the capacity to pay for those users who may have a limited capacity to pay
- MCC's fees and charges are reviewed annually taking into account any increases in the underlying rate of inflation
- considering the optimum use of MCC facilities and resources in the context of MCC's *Asset Management Strategy* in the setting of user-pays based fees and charges
- community users of MCC services are effectively consulted before the introduction of any new or varied service charges
- the pricing policy applied to a particular service is also guided by MCC's motivation to be involved in the service.

Pricing policy

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

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

Borrowings

Maitland City Council recognises long-term borrowings can be a useful tool for funding the development of major new assets. MCC also recognises that while borrowings enhance the capacity of MCC’s short-term capital programs, debt repayment and borrowing costs limit the capacity of future capital programs. Therefore, it is important MCC uses debt as a funding tool appropriately.

MCC borrows funds for specific capital works projects, including road, drainage, access and bridge construction works each year. The annual capital works loan drawdown for 2026 to 2034 is \$6 million. The debt service ratio will be 2.8 per cent in 2025/26, then increase to 4.6 per cent by 2034/35.

Investments

The Minister for Local Government issues an Investment Order, which sets out the limited types of investments local councils can make under Section 625 of the *Local Government Act 1993*.

Maitland City Council has a current, adopted investment policy, which was last revised on 28 February 2023 and developed according to Office of Local Government guidelines.

MCC’s cash flow is monitored daily. However, given that the principal objective of MCC’s Investment Policy is the preservation of capital, there is little scope available to MCC to generate additional revenue from changes to its investment practices.

Grants and subsidies

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

Other than the annual untied Commonwealth Financial Assistance Grant (FAG) and local roads grants (\$9 million in 2024/25), grant funding opportunities are generally seeking specific outcomes aligned with specific program goals.

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

Developer contributions

Section 7.11 of the *Environmental Planning and Assessment Act 1979*, gives MCC the power to levy contributions from developers for public infrastructure required as a consequence of their development. Contributions may be cash payments, transfers or dedications of land to MCC or the provision of a material public benefit (generally known as works in kind).

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

Developer contributions are paid by developers and assist in the completion of assets and facilities in newly developed areas to the benefit of the residents. Developer contributions fund a proportion of MCC’s annual infrastructure program.

Often, MCC will hold funds until a sufficient amount is available to deliver the works. All works funded by developer contributions are listed in Development Contribution Plans, available on MCC’s website.

The principal objective of MCC’s Investment Policy is for MCC to adopt a prudent approach to investments, with the primary focus being the preservation of capital.



Other revenue

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

Asset sales

MCC has an extensive asset base, with the value of its infrastructure assets totalling \$2 billion on 30 June 2024.

If an asset deemed surplus to requirements is sold, the sale would generate revenue and reduce ongoing costs currently being outlaid to maintain the asset. Further, properties transferred into private ownership would contribute to rate income.

Possible issues related to the sale of MCC assets, include:

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

While there are some challenges and constraints, MCC has identified a need to review its land holdings to assess opportunities for sale. This work will be continuing in 2025/26 financial year.

Entrepreneurial activities

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

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

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

Cash reserves

Maitland City Council's *Long-Term Financial Plan* incorporates establishing and managing financial reserves to ensure long-term financial sustainability and capacity to provide infrastructure and services into the future.

In preparing MCC's annual statutory financial statements, funds are set aside in the external and internal reserves. Both internally and externally restricted financial reserves are established and managed to meet a range of objectives.

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

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

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



Planning assumptions

Overview

Council is required to develop different financial scenarios for the city's Long Term Financial Plan to understand potential movements in funding and expenditure. This helps in planning for changes and ensuring financial sustainability. The approach Council adopts is the Planned approach, the three scenarios are defined below.

Planned – Council's objective approach, aligning with strategic priorities and available resources to deliver outcomes for the community.

Modest – A scenario reflecting a constrained environment, where outcomes are adjusted due to limited resources or external pressures.

Advanced – A scenario demonstrating the impact of enhanced investment or favourable conditions, enabling accelerated or expanded outcomes.



Planning assumptions

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

Maitland City Council's established position has been to adopt balanced annual budgets, and the 'planned' scenario has been developed to enable this commitment to be continued. Our 'modest', 'planned' and 'advanced' scenarios assume maintenance of all existing services of MCC to a growing population with no reduction in services being provided.

Key assumptions made within this plan include the following:

GROWTH	MODEST	PLANNED	ADVANCED
The Department of Planning and Environment population projections for Maitland indicate an increase of our population to 144,550 by 2041.	✓	✓	✓
REVENUE			
Rating assessment growth of 1.9% for the planned, modest and advanced projections.	✓	✓	✓
Rate increase of 5.8% rate peg in 2025/26 and for the planned forward estimates 4.5% for 2027-2029, 3.5% 2030-31 and 2.5% for 2032-2036.	Planned minus 1%	Planned	Planned plus 1%
CPI applied to a number of income streams including general user fees and charges, regulatory services, grants and subsidies.	✓	✓	✓
Increasing revenue via fees and charges, with a 2.5% estimated increase per annum. Domestic waste management charge is based on the reasonable cost calculation.	✓	✓	✓
Interest on investments at between 3.8% and 4.5%, based on advice from Maitland City Council's investment advisors.	Planned minus 1%	Planned	Planned plus 1%
EXPENDITURE			
Other operating expenses, modeled on CPI increases of 2.5%.	✓	✓	✓
Salary increases based on Award changes projected at 3% for 2025/26 incorporating competencies and superannuation changes and 3.4% from 2026/27 onwards.	✓	✓	✓
Waste Levy increases applied by the NSW State Government based on annual CPI.	✓	✓	✓
Loan borrowings at \$6 million per annum for 2025 to 2036.	✓	✓	✓
Staffing increases limited until 2029 and then based on service requirements.	✓	✓	✓
A productivity factor of \$500,000 annually.	✓	✓	✓
An allowance is made for additional capital expenditure of \$10 million from 2031.	✓	✓	✓
CONTINUOUS IMPROVEMENT			
Continued focus on efficiency through changes to process and technology.	✓	✓	✓
In line with legislated requirements, conducting service reviews to assess the impact on financial projections of increases or decreases to service levels, including consideration of all forms of income and expenditure associated with the service.	✓	✓	✓

Income and expenditure statement for the period 2025/26 to 2034/35

Planned outlook

	ACTUAL 2021/22 (\$000's)	ACTUAL 2022/23 (\$000's)	ACTUAL 2023/24 (\$000's)	ORIGINAL APPROVED BUDGET 2024/25 (\$000's)	YEAR 1 BUDGET 2025/26 (\$000's)	YEAR 2 FORECAST 2026/27 (\$000's)	YEAR 3 FORECAST 2027/28 (\$000's)	YEAR 4 FORECAST 2028/29 (\$000's)	YEAR 5 FORECAST 2029/30 (\$000's)	YEAR 6 FORECAST 2030/31 (\$000's)	YEAR 7 FORECAST 2031/32 (\$000's)	YEAR 8 FORECAST 2032/33 (\$000's)	YEAR 9 FORECAST 2033/34 (\$000's)	YEAR 10 FORECAST 2034/35 (\$000's)
Rates and charges	76,521	78,657	84,019	90,124	95,632	101,834	108,439	115,471	121,784	128,441	134,153	140,120	146,352	152,861
Special rates	499	492	505	521	568	594	620	648	671	694	712	730	748	766
Annual charges	19,850	20,560	22,668	23,824	27,917	29,169	30,481	31,852	33,284	34,781	36,346	37,981	39,690	41,476
Total rates and annual charges	96,870	99,709	107,192	114,469	124,117	131,597	139,540	147,971	155,739	163,916	171,211	178,831	186,790	195,103
User charges and fees	9,210	10,230	11,986	10,303	11,463	11,750	12,043	12,344	12,653	12,969	13,294	13,626	13,967	14,316
Other revenues	2,085	3,025	5,316	2,752	2,047	2,098	2,151	2,204	2,260	2,316	2,374	2,433	2,494	2,556
Interest and investment income	718	7,152	11,587	11,875	11,395	8,144	7,405	7,672	9,848	9,730	9,958	9,998	10,036	10,401
Other income	736	1,091	1,301	1,243	1,229	1,260	1,291	1,323	1,357	1,391	1,425	1,461	1,497	1,535
Total own source revenue	109,619	121,207	137,382	140,642	150,251	154,849	162,430	171,514	181,857	190,322	198,262	206,349	214,784	223,911
Grants and contributions - operating purposes	15,645	19,368	18,022	12,862	11,478	12,052	12,654	13,287	13,952	14,649	15,382	16,151	16,958	17,806
Grants and contributions - capital purposes	58,427	75,356	77,506	45,317	69,711	51,156	54,225	51,416	54,004	51,889	51,748	52,220	52,205	44,587
Total income from continuing operations	183,691	215,931	232,910	198,821	231,440	218,057	229,309	236,217	249,813	256,860	265,392	274,720	283,947	286,304
Total operating income (excluding capital)	125,264	140,575	155,404	153,504	161,729	166,901	175,084	184,801	195,809	204,971	213,644	222,500	231,742	241,717
Employee benefits	45,402	53,138	61,626	63,293	66,034	68,328	70,702	73,160	76,794	80,608	84,613	88,816	93,669	98,786
Materials and contracts	43,109	50,165	73,035	55,231	52,679	50,372	51,551	54,779	56,777	59,565	62,477	66,261	68,696	72,015
Borrowing costs	1,924	2,474	2,521	2,527	2,629	2,741	2,732	2,792	2,900	2,932	2,948	2,878	2,704	2,552
Depreciation and amortisation	26,896	29,869	31,097	31,952	32,032	33,771	34,966	36,112	37,353	39,865	41,244	42,662	43,867	45,114
Other expenses	5,719	12,055	11,170	9,447	10,436	10,697	10,964	11,238	11,519	11,807	12,103	12,405	12,715	13,033
Total expenses from continuing operations	123,050	147,701	179,449	162,450	163,810	165,909	170,915	178,081	185,343	194,777	203,385	213,022	221,651	231,500
Net operating result (excluding capital)	2,214	(7,126)	(24,045)	(8,946)	(2,081)	992	4,169	6,720	10,466	10,194	10,259	9,478	10,091	10,217
Operating result (including capital)	60,641	68,230	53,461	36,371	67,630	52,148	58,394	58,136	64,470	62,083	62,007	61,698	62,296	54,804
Net operating result from Income Statement	60,641	68,230	53,461	36,371	67,630	52,148	58,394	58,136	64,470	62,083	62,007	61,698	62,296	54,804
Gain/(loss) on revaluation of property, plant and equipment	133,616	337,299	113,267	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	194,257	405,529	166,728	36,371	67,630	52,148	58,394	58,136	64,470	62,083	62,007	61,698	62,296	54,804

Balance sheet for the period 2025/26 to 2034/35

Planned outlook

	ACTUAL 2021/22 (\$000's)	ACTUAL 2022/23 (\$000's)	ACTUAL 2023/24 (\$000's)	ORIGINAL APPROVED BUDGET 2024/25 (\$000's)	YEAR 1 BUDGET 2025/26 (\$000's)	YEAR 2 FORECAST 2026/27 (\$000's)	YEAR 3 FORECAST 2027/28 (\$000's)	YEAR 4 FORECAST 2028/29 (\$000's)	YEAR 5 FORECAST 2029/30 (\$000's)	YEAR 6 FORECAST 2030/31 (\$000's)	YEAR 7 FORECAST 2031/32 (\$000's)	YEAR 8 FORECAST 2032/33 (\$000's)	YEAR 9 FORECAST 2033/34 (\$000's)	YEAR 10 FORECAST 2034/35 (\$000's)
Cash and cash equivalents	154,132	152,623	160,436	147,967	146,476	143,051	155,052	181,775	178,679	184,667	185,705	186,689	196,243	198,573
Receivables - current	9,489	11,709	11,157	12,036	12,715	13,536	14,410	15,340	16,177	17,059	17,819	18,612	19,440	20,306
Other current assets	4,048	2,270	2,781	2,804	2,823	2,840	2,858	2,876	2,895	2,914	2,933	2,953	2,974	2,995
Total current assets	167,669	166,602	174,374	162,807	162,014	159,427	172,320	199,991	197,751	204,640	206,457	208,254	218,657	221,874
Investments - non-current	83,702	74,212	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025
Infrastructure property, plant and equipment	1,439,630	1,863,739	2,041,069	2,089,883	2,160,589	2,210,020	2,251,307	2,284,049	2,339,840	2,396,926	2,458,720	2,504,504	2,556,028	2,601,467
Total non-current assets	1,523,332	1,937,951	2,117,094	2,165,908	2,236,614	2,286,045	2,327,332	2,360,074	2,415,865	2,472,951	2,534,745	2,580,529	2,632,053	2,677,492
Total assets	1,691,001	2,104,553	2,291,468	2,328,715	2,398,628	2,445,472	2,499,652	2,560,065	2,613,616	2,677,591	2,741,202	2,788,783	2,850,710	2,899,366
Payables - current	23,303	25,626	31,772	32,411	32,926	33,398	33,883	34,379	34,888	35,410	35,945	36,493	37,055	37,630
Borrowings - current	8,866	9,378	8,538	9,360	9,843	9,700	8,605	8,762	9,063	9,961	10,801	10,532	10,468	9,788
Provisions - current	14,109	14,968	16,631	17,230	17,712	18,155	18,609	19,074	19,844	20,645	21,479	22,346	23,363	24,426
Total current liabilities	46,278	49,972	56,941	59,001	60,481	61,253	61,097	62,215	63,795	66,016	68,225	69,371	70,886	71,844
Borrowings - non-current	76,131	73,245	72,819	70,372	70,158	66,898	65,633	65,811	64,688	62,668	60,306	56,214	52,186	42,838
Provisions - non-current	14,214	21,428	35,072	36,335	37,352	34,536	31,743	32,724	21,348	23,038	24,795	13,624	15,768	18,010
Total non-current liabilities	90,345	94,673	107,891	106,707	107,510	101,434	97,376	98,535	86,036	85,706	85,101	69,838	67,954	60,848
Total liabilities	136,623	144,645	164,832	165,708	167,991	162,687	158,473	160,750	149,831	151,722	153,326	139,209	138,840	132,692
Net assets	1,554,378	1,959,908	2,126,636	2,163,007	2,230,637	2,282,785	2,341,179	2,399,315	2,463,785	2,525,869	2,587,876	2,649,574	2,711,870	2,766,674
Accumulated surplus	991,426	1,052,067	1,120,297	1,173,758	1,210,129	1,277,759	1,329,907	1,388,301	1,446,437	1,510,908	1,572,991	1,634,998	1,696,696	1,758,992
Revaluation reserves	368,695	502,311	839,611	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878
Total equity opening balance	1,360,121	1,554,378	1,959,908	2,126,636	2,163,007	2,230,637	2,282,785	2,341,179	2,399,315	2,463,786	2,525,869	2,587,876	2,649,574	2,711,870
Operating result (including capital)	60,641	68,231	53,461	36,371	67,630	52,148	58,394	58,136	64,471	62,083	62,007	61,698	62,296	54,804
Gain/(loss) on revaluation of property, plant and equipment	133,616	337,299	113,267	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	194,257	405,530	166,728	36,371	67,630	52,148	58,394	58,136	64,470	62,083	62,007	61,698	62,296	54,804
Total equity closing balance	1,554,378	1,959,908	2,126,636	2,163,007	2,230,637	2,282,785	2,341,179	2,399,315	2,463,785	2,525,869	2,587,876	2,649,574	2,711,870	2,766,674

Cash flow statements for the period 2025/26 to 2034/35

Planned outlook

	ACTUAL 2021/22 (\$000's)	ACTUAL 2022/23 (\$000's)	ACTUAL 2023/24 (\$000's)	ORIGINAL APPROVED BUDGET 2024/25 (\$000's)	YEAR 1 BUDGET 2025/26 (\$000's)	YEAR 2 FORECAST 2026/27 (\$000's)	YEAR 3 FORECAST 2027/28 (\$000's)	YEAR 4 FORECAST 2028/29 (\$000's)	YEAR 5 FORECAST 2029/30 (\$000's)	YEAR 6 FORECAST 2030/31 (\$000's)	YEAR 7 FORECAST 2031/32 (\$000's)	YEAR 8 FORECAST 2032/33 (\$000's)	YEAR 9 FORECAST 2033/34 (\$000's)	YEAR 10 FORECAST 2034/35 (\$000's)
Total own source revenue	109,179	115,933	138,794	139,763	149,572	154,027	161,556	170,585	181,019	189,440	197,503	205,555	213,955	223,045
Grants and contributions	15,645	19,368	18,022	12,862	11,478	12,052	12,654	13,287	13,952	14,649	15,382	16,151	16,958	17,806
Employee benefits	(45,945)	(52,356)	(61,951)	(63,293)	(66,034)	(68,328)	(70,702)	(73,160)	(76,794)	(80,608)	(84,613)	(88,816)	(93,669)	(98,786)
Materials and contracts	(42,070)	(51,423)	(54,919)	(55,231)	(52,679)	(50,372)	(51,551)	(54,779)	(56,777)	(59,565)	(62,477)	(66,261)	(68,696)	(72,015)
Other expenses from continuing operations	(3,973)	(8,316)	(10,388)	(8,808)	(9,921)	(10,224)	(10,480)	(10,742)	(11,010)	(11,286)	(11,568)	(11,857)	(12,153)	(12,457)
Cashflow from operations	32,836	23,206	29,558	25,293	32,416	37,155	41,477	45,191	50,390	52,630	54,227	54,772	56,395	57,593
Net movement of IPP&E	(58,835)	(73,702)	(56,509)	(78,921)	(65,369)	(49,694)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Purchase of long-term investments	(32,285)	18,744	(7,513)	0	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	(91,120)	(54,958)	(64,022)	(78,921)	(65,369)	(49,694)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Grants and contributions - capital purposes	27,812	46,624	39,823	45,317	33,813	15,258	18,327	15,518	17,208	14,173	13,089	12,595	11,589	2,956
Proceeds from borrowings	36,300	6,000	7,799	7,068	9,190	6,000	6,900	8,500	7,500	7,500	8,000	6,000	6,000	6,000
Loan repayments	(9,585)	(10,456)	(12,256)	(11,226)	(11,540)	(12,144)	(11,993)	(10,959)	(11,220)	(11,555)	(12,469)	(13,238)	(12,796)	(12,579)
Cashflow from financing	54,527	42,168	35,366	41,159	31,463	9,114	13,234	13,059	13,488	10,118	8,620	5,357	4,793	(3,623)
Opening cash	210,233	237,834	226,835	236,461	223,992	222,501	219,076	231,077	257,800	254,704	260,692	261,730	262,714	272,268
Change in cash	27,601	(10,999)	9,626	(12,469)	(1,491)	(3,425)	12,001	26,723	(3,096)	5,988	1,038	984	9,554	2,329
Closing cash	237,834	226,835	236,461	223,992	222,501	219,076	231,077	257,800	254,704	260,692	261,730	262,714	272,268	274,598
Total cash and liquid assets	237,834	226,835	236,461	223,992	222,501	219,076	231,077	257,800	254,704	260,692	261,730	262,714	272,268	274,598
Internally restricted cash	107,574	78,129	73,368	62,624	58,360	44,382	39,723	46,380	44,694	46,403	48,134	43,783	45,263	46,769
Externally restricted cash	121,543	141,868	155,580	152,883	150,942	159,815	173,710	189,605	184,101	184,703	181,987	187,050	196,371	200,438
Unrestricted cash	8,717	6,838	7,513	8,485	13,198	14,880	17,644	21,814	25,908	29,586	31,608	31,881	30,634	27,392
Total cash and liquid investments	237,834	226,835	236,461	223,992	222,501	219,076	231,077	257,800	254,704	260,692	261,730	262,714	272,268	274,598

	ACTUAL 2021/22 (\$000's)	ACTUAL 2022/23 (\$000's)	ACTUAL 2023/24 (\$000's)	ORIGINAL APPROVED BUDGET 2024/25 (\$000's)	YEAR 1 BUDGET 2025/26 (\$000's)	YEAR 2 FORECAST 2026/27 (\$000's)	YEAR 3 FORECAST 2027/28 (\$000's)	YEAR 4 FORECAST 2028/29 (\$000's)	YEAR 5 FORECAST 2029/30 (\$000's)	YEAR 6 FORECAST 2030/31 (\$000's)	YEAR 7 FORECAST 2031/32 (\$000's)	YEAR 8 FORECAST 2032/33 (\$000's)	YEAR 9 FORECAST 2033/34 (\$000's)	YEAR 10 FORECAST 2034/35 (\$000's)
1. Operating performance Total continuing operating revenue excluding capital grants and contributions less operating expenses Total continuing operating revenue excluding capital grants and contributions Benchmark: >0	3.20%	-2.38%	-15.47%	-5.83%	-1.29%	0.59%	2.38%	3.64%	5.35%	4.97%	4.80%	4.26%	4.35%	4.23%
2. Own source operating revenue Total continuing operating revenue excluding all grants and contributions Total continuing operating revenue inclusive of all grants and contributions Benchmark: >60%	59.68%	56.13%	58.99%	70.74%	64.92%	71.01%	70.83%	72.61%	72.80%	74.10%	74.71%	75.11%	75.64%	78.21%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities Benchmark: >1.5	3.66	2.57	2.06	1.83	1.81	1.56	1.55	1.77	1.80	1.86	1.89	1.81	1.80	1.78
4. Debt service cover ratio (>2 as benchmark) Operating results before capital excluding interest and depreciation/impairment/amortisation (EBITDA) Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement) Benchmark: >2	3.34	2.53	0.85	2.27	2.82	3.09	3.49	4.16	4.52	4.59	4.37	4.16	4.43	4.60
5. Rates and annual charges outstanding percentage Rates and annual charges outstanding Rates and annual charges collectable Benchmark: <5% Metro, <10% Regional	5.93%	6.44%	7.10%	6.28%	6.12%	5.97%	5.82%	5.67%	5.53%	5.39%	5.26%	5.13%	5.00%	4.87%
6. Cash expense cover ratio (Current year's cash and cash equivalents + term deposits)*12 Payments from cash flow of operating and financing activities Benchmark: >3 months	21.29	14.44	11.86	19.40	19.05	18.64	19.16	20.67	19.62	19.19	18.35	17.50	17.44	16.83

Income and Expenditure Statement for the period 2025/26 to 2034/35

Modest outlook

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
Rates and charges	90,124	95,632	100,375	105,354	109,501	113,811	118,290	122,946	127,785	132,815	138,043
Special rates	521	568	582	597	606	615	624	633	643	653	662
Annual charges	23,824	27,917	29,019	30,167	31,361	32,602	33,893	35,234	36,629	38,078	39,586
Total rates and annual charges	114,469	124,117	129,976	136,118	141,468	147,028	152,807	158,813	165,057	171,546	178,291
User charges and fees	10,303	11,463	11,635	11,809	11,987	12,166	12,349	12,534	12,722	12,913	13,107
Other revenues	2,752	2,047	2,098	2,151	2,204	2,260	2,316	2,374	2,433	2,494	2,556
Interest and investment income	11,875	11,395	5,914	5,110	5,107	6,670	6,189	5,868	5,331	4,714	4,255
Other income	1,243	1,229	1,260	1,291	1,323	1,357	1,391	1,425	1,461	1,497	1,535
Total own source revenue	140,642	150,251	150,883	156,479	162,089	169,481	175,052	181,014	187,004	193,164	199,744
Grants and contributions - operating purposes	12,862	11,478	11,937	12,415	12,911	13,428	13,965	14,523	15,104	15,708	16,337
Grants and contributions - capital purposes	45,317	69,711	51,156	54,225	51,416	54,004	51,889	51,748	52,220	52,205	44,587
Total income from continuing operations	198,821	231,440	213,976	223,119	226,416	236,913	240,906	247,285	254,328	261,077	260,668
Total operating income (excluding capital)	153,504	161,729	162,820	168,894	175,000	182,909	189,017	195,537	202,108	208,872	216,081
Employee benefits	63,293	66,034	68,340	70,729	73,202	76,854	80,688	84,713	88,940	93,818	98,964
Materials and contracts	55,231	52,679	50,642	52,116	55,660	58,016	61,187	64,516	68,744	71,676	75,525
Borrowing costs	2,527	2,629	2,741	2,732	2,794	2,900	2,933	2,947	2,876	2,704	2,552
Depreciation and amortisation	31,952	32,032	33,771	34,966	36,112	37,353	39,865	41,244	42,662	43,867	45,114
Other expenses	9,447	10,436	10,697	10,964	11,238	11,519	11,807	12,103	12,405	12,715	13,033
Total expenses from continuing operations	162,450	163,810	166,191	171,507	179,006	186,642	196,480	205,523	215,627	224,780	235,188
Net operating result (excluding capital)	(8,946)	(2,081)	(3,371)	(2,613)	(4,006)	(3,733)	(7,463)	(9,986)	(13,519)	(15,908)	(19,107)
Operating result (including capital)	36,371	67,630	47,785	51,612	47,410	50,271	44,426	41,762	38,701	36,297	25,480
Net operating result from income statement	36,371	67,630	47,785	51,612	47,410	50,271	44,426	41,762	38,701	36,297	25,480
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	36,371	67,630	47,785	51,612	47,410	50,271	44,426	41,762	38,701	36,297	25,480

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
Cash and cash equivalents	147,967	146,476	138,693	144,123	160,495	143,460	132,074	113,004	91,136	74,848	48,019
Receivables - current	12,036	12,715	13,342	14,001	14,551	15,123	15,717	16,334	16,976	17,644	18,337
Other current assets	2,804	2,823	2,833	2,851	2,869	2,887	2,906	2,926	2,945	2,966	2,986
Total current assets	162,807	162,014	154,868	160,975	177,915	161,470	150,697	132,264	111,057	95,458	69,342
Investments - non-current	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025
Infrastructure property, plant and equipment	2,089,883	2,160,589	2,209,478	2,250,751	2,283,480	2,339,248	2,396,309	2,458,077	2,503,837	2,555,328	2,600,738
Total non-current assets	2,165,908	2,236,614	2,285,503	2,326,776	2,359,505	2,415,273	2,472,334	2,534,102	2,579,862	2,631,353	2,676,763
Total assets	2,328,715	2,398,628	2,440,371	2,487,751	2,537,420	2,576,743	2,623,031	2,666,366	2,690,919	2,726,811	2,746,105
Payables - current	32,411	32,926	33,210	33,690	34,181	34,685	35,202	35,731	36,274	36,831	37,401
Borrowings - current	9,360	9,843	9,700	8,605	8,762	9,063	9,961	10,801	10,532	10,468	9,788
Provisions - current	17,230	17,712	17,978	18,428	18,889	19,651	20,445	21,270	22,129	23,136	24,188
Total current liabilities	59,001	60,481	60,888	60,723	61,832	63,399	65,608	67,802	68,935	70,435	71,377
Borrowings - non-current	70,372	70,158	66,898	65,633	65,811	64,688	62,668	60,306	56,214	52,186	42,838
Provisions - non-current	36,335	37,352	34,163	31,361	32,333	20,941	22,614	24,355	13,166	15,289	17,509
Total non-current liabilities	106,707	107,510	101,061	96,994	98,144	85,629	85,282	84,661	69,380	67,475	60,347
Total liabilities	165,708	167,991	161,949	157,717	159,976	149,028	150,890	152,463	138,315	137,910	131,724
Net assets	2,163,007	2,230,637	2,278,422	2,330,034	2,377,444	2,427,715	2,472,141	2,513,903	2,552,604	2,588,901	2,614,381
Accumulated surplus	1,173,758	1,210,129	1,277,759	1,325,544	1,377,156	1,424,566	1,474,837	1,519,263	1,561,025	1,599,726	1,636,023
Revaluation reserves	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878
Total equity opening balance	2,126,636	2,163,007	2,230,637	2,278,422	2,330,034	2,377,444	2,427,715	2,472,141	2,513,903	2,552,604	2,588,901
Operating result (including capital)	36,371	67,630	47,785	51,612	47,410	50,271	44,426	41,762	38,701	36,297	25,480
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	36,371	67,630	47,785	51,612	47,410	50,271	44,426	41,762	38,701	36,297	25,480
Total equity closing balance	2,163,007	2,230,637	2,278,422	2,330,034	2,377,444	2,427,715	2,472,141	2,513,903	2,552,604	2,588,901	2,614,381

Cash flow statements for the period 2025/26 to 2034/35

Modest outlook

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
Total own source revenue	139,763	149,572	150,256	155,821	161,539	168,908	174,458	180,398	186,362	192,497	199,050
Grants and contributions	12,862	11,478	11,937	12,415	12,911	13,428	13,965	14,523	15,104	15,708	16,337
Employee benefits	(63,293)	(66,034)	(68,340)	(70,729)	(73,202)	(76,854)	(80,688)	(84,713)	(88,940)	(93,818)	(98,964)
Materials and contracts	(55,231)	(52,679)	(50,642)	(52,116)	(55,660)	(58,016)	(61,187)	(64,516)	(68,744)	(71,676)	(75,525)
Other expenses from continuing operations	(8,808)	(10,105)	(10,229)	(10,485)	(10,747)	(11,015)	(11,291)	(11,573)	(11,862)	(12,159)	(12,463)
Cashflow from operations	25,293	32,232	32,982	34,906	34,841	36,451	35,257	34,119	31,920	30,552	28,435
Net movement of IPP&E	(78,921)	(65,369)	(49,694)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Purchase of long term investments	0	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	(78,921)	(65,369)	(49,694)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Grants and contributions - capital purposes	45,317	33,813	15,258	18,327	15,518	17,208	14,173	13,089	12,595	11,589	2,956
Proceeds from borrowings	7,068	9,190	6,000	6,900	8,500	7,500	7,500	8,000	6,000	6,000	6,000
Loan repayments	(11,226)	(11,540)	(12,144)	(11,993)	(10,959)	(11,220)	(11,555)	(12,469)	(13,238)	(12,796)	(12,579)
Cashflow from financing	41,159	31,463	9,114	13,234	13,059	13,488	10,118	8,620	5,357	4,793	(3,623)
Opening cash	236,461	223,992	222,317	214,718	220,148	236,520	219,485	208,099	189,029	167,161	150,873
Change in cash	(12,469)	(1,675)	(7,599)	5,430	16,372	(17,035)	(11,385)	(19,070)	(21,868)	(16,289)	(26,829)
Closing cash	223,992	222,317	214,718	220,148	236,520	219,485	208,099	189,029	167,161	150,873	124,044
Total cash and liquid assets	223,992	222,317	214,718	220,148	236,520	219,485	208,099	189,029	167,161	150,873	124,044
Internally restricted cash	62,624	58,360	44,382	39,723	46,380	44,694	46,403	48,134	43,783	45,263	46,769
Externally restricted cash	152,883	150,942	159,423	172,612	187,484	180,623	179,445	174,482	180,604	188,567	191,208
Unrestricted cash	8,485	13,014	10,914	7,813	2,656	(5,833)	(17,749)	(33,587)	(57,226)	(82,957)	(113,932)
Total cash and liquid investments	223,992	222,317	214,718	220,148	236,520	219,485	208,099	189,029	167,161	150,873	124,044

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
1. Operating performance Total continuing operating revenue excluding capital grants and contributions less operating expenses Total continuing operating revenue excluding capital grants and contributions Benchmark: >0	-5.83%	-1.29%	-2.07%	-1.55%	-2.29%	-2.04%	-3.95%	-5.11%	-6.69%	-7.62%	-8.84%
2. Own source operating revenue Total continuing operating revenue excluding all grants and contributions Total continuing operating revenue inclusive of all grants and contributions Benchmark: >60%	70.74%	64.92%	70.51%	70.13%	71.59%	71.54%	72.66%	73.20%	73.53%	73.99%	76.63%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities Benchmark: >1.5	1.83	1.82	1.48	1.35	1.37	1.15	0.92	0.64	0.12	-0.31	-0.84
4. Debt service cover ratio (>2 as benchmark) Operating results before capital excluding interest and depreciation/impairment/amortisation (EBITDA) Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement) Benchmark: >2	2.27	2.82	2.73	2.93	3.18	3.25	3.06	2.74	2.42	2.40	2.27
5. Rates and annual charges outstanding percentage Rates and annual charges outstanding Rates and annual charges collectable Benchmark: <5% Metro, <10% Regional	6.28%	6.12%	5.97%	5.82%	5.67%	5.53%	5.39%	5.26%	5.13%	5.00%	4.87%
6. Cash expense cover ratio (Current year's cash and cash equivalents + term deposits)*12 Payments from cash flow of operating and financing activities Benchmark: >3 months	19.40	19.01	18.23	18.18	18.85	16.76	15.16	13.09	10.97	9.51	7.46

Income and Expenditure Statement for the period 2025/26 to 2034/35

Advanced outlook

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
Rates and charges	90,124	95,632	103,313	111,611	120,576	129,026	138,068	146,330	155,086	164,367	174,202
Special rates	521	568	599	632	667	697	728	754	780	808	836
Annual charges	23,824	27,917	29,591	31,368	33,252	35,249	37,366	39,610	41,990	44,512	47,185
Total rates and annual charges	114,469	124,117	133,503	143,611	154,495	164,972	176,162	186,694	197,856	209,687	222,223
User charges and fees	10,303	11,463	11,864	12,279	12,709	13,154	13,614	14,091	14,584	15,095	15,623
Other revenues	2,752	2,047	2,098	2,151	2,204	2,260	2,316	2,374	2,433	2,494	2,556
Interest and investment income	11,875	11,395	10,369	9,766	10,414	13,332	13,770	14,812	15,805	17,005	18,853
Other income	1,243	1,229	1,260	1,291	1,323	1,357	1,391	1,425	1,461	1,497	1,535
Total own source revenue	140,642	150,251	159,094	169,098	181,145	195,075	207,253	219,396	232,139	245,778	260,790
Grants and contributions - operating purposes	12,862	11,478	12,167	12,897	13,670	14,491	15,360	16,282	17,259	18,294	19,392
Grants and contributions - capital purposes	45,317	69,711	51,156	54,225	51,416	54,004	51,889	51,748	52,220	52,205	44,587
Total income from continuing operations	198,821	231,440	222,417	236,220	246,231	263,570	274,502	287,426	301,618	316,277	324,769
Total operating income (excluding capital)	153,504	161,729	171,261	181,995	194,815	209,566	222,613	235,678	249,398	264,072	280,182
Employee benefits	63,293	66,034	68,340	70,729	73,202	76,854	80,688	84,713	88,940	93,818	98,964
Materials and contracts	55,231	52,679	50,642	52,116	55,667	58,016	61,187	64,516	68,751	71,676	75,525
Borrowing costs	2,527	2,629	2,742	2,731	2,794	2,900	2,932	2,949	2,878	2,704	2,550
Depreciation and amortisation	31,952	32,032	33,771	34,966	36,112	37,353	39,865	41,244	42,662	43,867	45,114
Other expenses	9,447	10,436	10,697	10,964	11,238	11,519	11,807	12,103	12,405	12,715	13,033
Total expenses from continuing operations	162,450	163,810	166,192	171,506	179,013	186,642	196,479	205,525	215,636	224,780	235,186
Net operating result (excluding capital)	(8,946)	(2,081)	5,069	10,489	15,802	22,924	26,134	30,153	33,762	39,292	44,996
Operating result (including capital)	36,371	67,630	56,225	64,714	67,218	76,928	78,023	81,901	85,982	91,497	89,583
Net operating result from income statement	36,371	67,630	56,225	64,714	67,218	76,928	78,023	81,901	85,982	91,497	89,583
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	36,371	67,630	56,225	64,714	67,218	76,928	78,023	81,901	85,982	91,497	89,583

Balance sheet for the period 2024/25 to 2034/35

Advanced outlook

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
Cash and cash equivalents	147,967	146,476	146,933	165,029	200,580	209,660	231,274	251,870	276,771	315,122	351,791
Receivables - current	12,036	12,715	13,731	14,828	16,014	17,132	18,329	19,425	20,586	21,817	23,121
Other current assets	2,804	2,823	2,840	2,858	2,876	2,895	2,914	2,933	2,953	2,974	2,995
Total current assets	162,807	162,014	163,504	182,715	219,470	229,687	252,517	274,228	300,310	339,913	377,907
Investments - non-current	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025	76,025
Infrastructure property plant and equipment	2,089,883	2,160,589	2,210,020	2,251,309	2,284,049	2,339,841	2,396,925	2,458,719	2,504,503	2,556,028	2,601,469
Total non-current assets	2,165,908	2,236,614	2,286,045	2,327,334	2,360,074	2,415,866	2,472,950	2,534,744	2,580,528	2,632,053	2,677,494
Total assets	2,328,715	2,398,628	2,449,549	2,510,049	2,579,544	2,645,553	2,725,467	2,808,972	2,880,838	2,971,966	3,055,401
Payables - current	32,411	32,926	33,398	33,883	34,379	34,888	35,410	35,945	36,493	37,055	37,630
Borrowings - current	9,360	9,843	9,700	8,605	8,762	9,063	9,961	10,801	10,532	10,468	9,788
Provisions - current	17,230	17,712	18,155	18,609	19,074	19,844	20,645	21,479	22,346	23,363	24,426
Total current liabilities	59,001	60,481	61,253	61,097	62,215	63,795	66,016	68,225	69,371	70,886	71,844
Borrowings - non-current	70,372	70,158	66,898	65,633	65,811	64,688	62,668	60,306	56,214	52,186	42,838
Provisions - non-current	36,335	37,352	34,536	31,743	32,724	21,348	23,038	24,795	13,624	15,768	18,010
Total non-current liabilities	106,707	107,510	101,434	97,376	98,535	86,036	85,706	85,101	69,838	67,954	60,848
Total liabilities	165,708	167,991	162,687	158,473	160,750	149,831	151,722	153,326	139,209	138,840	132,692
Net assets	2,163,007	2,230,637	2,286,862	2,351,576	2,418,794	2,495,722	2,573,745	2,655,646	2,741,629	2,833,126	2,922,709
Accumulated surplus	1,173,758	1,210,129	1,277,759	1,333,984	1,398,698	1,465,916	1,542,844	1,620,867	1,702,769	1,788,751	1,880,248
Revaluation reserves	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878	952,878
Total equity opening balance	2,126,636	2,163,007	2,230,637	2,286,862	2,351,576	2,418,794	2,495,722	2,573,745	2,655,647	2,741,629	2,833,126
Operating result (including capital)	36,371	67,630	56,225	64,714	67,218	76,928	78,023	81,902	85,982	91,497	89,583
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	36,371	67,630	56,225	64,714	67,218	76,928	78,023	81,901	85,982	91,497	89,583
Total equity closing balance	2,163,007	2,230,637	2,286,862	2,351,576	2,418,794	2,495,722	2,573,745	2,655,646	2,741,629	2,833,126	2,922,709

Cash flow statements for the period 2025/26 to 2034/35

Advanced outlook

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
Total own source revenue	139,763	149,572	158,078	168,001	179,960	193,956	206,056	218,301	230,978	244,546	259,487
Grants and contributions	12,862	11,478	12,167	12,897	13,670	14,491	15,360	16,282	17,259	18,294	19,392
Employee benefits	(63,293)	(66,034)	(68,340)	(70,729)	(73,202)	(76,854)	(80,688)	(84,713)	(88,940)	(93,818)	(98,964)
Materials and contracts	(55,231)	(52,679)	(50,642)	(52,116)	(55,667)	(58,016)	(61,187)	(64,516)	(68,751)	(71,676)	(75,525)
Other expenses from continuing operations	(8,808)	(9,921)	(10,224)	(10,480)	(10,742)	(11,010)	(11,286)	(11,568)	(11,857)	(12,153)	(12,457)
Cashflow from operations	25,293	32,416	41,039	47,573	54,019	62,567	68,255	73,786	78,689	85,193	91,933
Net movement of IPP&E	(78,921)	(65,369)	(49,694)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Purchase of long term investments	0	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	(78,921)	(65,369)	(49,694)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Grants and contributions - capital purposes	45,317	33,813	15,258	18,327	15,518	17,208	14,173	13,089	12,595	11,589	2,956
Proceeds from borrowings	7,068	9,190	6,000	6,900	8,500	7,500	7,500	8,000	6,000	6,000	6,000
Loan repayments	(11,226)	(11,540)	(12,144)	(11,993)	(10,959)	(11,220)	(11,555)	(12,469)	(13,238)	(12,796)	(12,579)
Cashflow from financing	41,159	31,463	9,114	13,234	13,059	13,488	10,118	8,620	5,357	4,793	(3,623)
Opening cash	236,461	223,992	222,501	222,958	241,054	276,605	285,685	307,299	327,895	352,796	391,147
Change in cash	(12,469)	(1,491)	457	18,096	35,550	9,080	21,614	20,597	24,901	38,352	36,669
Closing cash	223,992	222,501	222,958	241,054	276,605	285,685	307,299	327,895	352,796	391,147	427,816
Total cash and liquid assets	223,992	222,501	222,958	241,054	276,605	285,685	307,299	327,895	352,796	391,147	427,816
Internally restricted cash	62,624	58,360	44,382	39,723	46,380	44,694	46,403	48,134	43,783	45,263	46,769
Externally restricted cash	152,883	150,942	160,217	174,851	191,841	187,820	190,400	190,223	198,456	211,581	220,242
Unrestricted cash	8,485	13,198	18,360	26,480	38,383	53,170	70,496	89,538	110,556	134,303	160,807
Total cash and liquid investments	223,992	222,501	222,958	241,054	276,605	285,685	307,299	327,895	352,796	391,147	427,816

	ORIGINAL APPROVED BUDGET 2024/25 (\$000'S)	YEAR 1 BUDGET 2025/26 (\$000'S)	YEAR 2 FORECAST 2026/27 (\$000'S)	YEAR 3 FORECAST 2027/28 (\$000'S)	YEAR 4 FORECAST 2028/29 (\$000'S)	YEAR 5 FORECAST 2029/30 (\$000'S)	YEAR 6 FORECAST 2030/31 (\$000'S)	YEAR 7 FORECAST 2031/32 (\$000'S)	YEAR 8 FORECAST 2032/33 (\$000'S)	YEAR 9 FORECAST 2033/34 (\$000'S)	YEAR 10 FORECAST 2034/35 (\$000'S)
1. Operating performance Total continuing operating revenue excluding capital grants and contributions less operating expenses Total continuing operating revenue excluding capital grants and contributions Benchmark: >0	-5.83%	-1.29%	2.96%	5.76%	8.11%	10.94%	11.74%	12.79%	13.54%	14.88%	16.06%
2. Own source operating revenue Total continuing operating revenue excluding all grants and contributions Total continuing operating revenue inclusive of all grants and contributions Benchmark: >60%	70.74%	64.92%	71.53%	71.58%	73.57%	74.01%	75.50%	76.33%	76.96%	77.71%	80.30%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities Benchmark: >1.5	1.83	1.81	1.63	1.75	2.12	2.36	2.68	3.01	3.31	3.75	4.27
4. Debt service cover ratio (>2 as benchmark) Operating results before capital excluding interest and depreciation/impairment/amortisation (EBITDA) Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement) Benchmark: >2	2.27	2.82	3.42	4.02	4.99	5.63	5.97	5.96	5.99	6.71	7.37
5. Rates and annual charges outstanding percentage Rates and annual charges outstanding Rates and annual charges collectable Benchmark: <5% Metro, <10% Regional	6.28%	6.12%	5.97%	5.82%	5.67%	5.53%	5.39%	5.26%	5.13%	5.00%	4.87%
6. Cash expense cover ratio (Current year's cash and cash equivalents + term deposits)*12 Payments from cash flow of operating and financing activities Benchmark: >3 months	19.40	19.05	18.93	19.91	22.04	21.82	22.39	22.71	23.16	24.65	25.73

Sensitivity analysis and risk assessment

Overview

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

The following risk factors have been considered in the development of the *Long-Term Financial Plan*. Some of these factors would only have a minor impact on our projections, while others could have a more significant impact. Areas which would have a particular impact on our projections, should they occur, include:

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

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

- the cap placed on contributions from developers, and removal of community infrastructure from development contribution plans
- market conditions impacting on the rate at which land releases are made by the development industry
- dedication of new assets to MCC as new suburbs are completed, with the value and timing difficult to predict, and therefore impacts on workforce and maintenance may vary
- a reduction in grants attained by MCC, due to changing State or Federal Government priorities
- changes to the local government rating regime
- fluctuation in government and statutory charges to MCC
- changes to the value of the statutory pensioner rebate on MCC rates
- continued impact of the pandemic on both revenue and expense
- natural disaster, in particular flooding.

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

Risk management

During the development of the LTFP, consideration is given to key risks likely to impact financial performance. These can be divided into three key groups as follows:

EXTERNAL RISKS	INTERNAL RISKS	COMMUNITY
Interest rate fluctuations	Changes to fees and charges and other revenue sources	Community needs and expectations
Inflation and movements in CPI	Organisational service reviews and restructures	Other key strategies
Changes to levies and their conditions (i.e. EPA Levy)	Infrastructure asset management strategies and practices	
Changes in rate peg methodology and determinations	Workforce management, staffing levels and salary reviews	
Natural disasters		
Changes in State and Government positions		

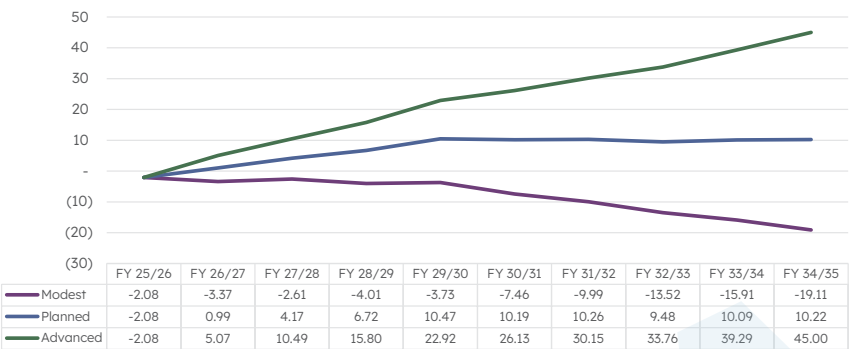


The following are identified as the areas at the highest risk of impacting the future financial performance in the LTFP:

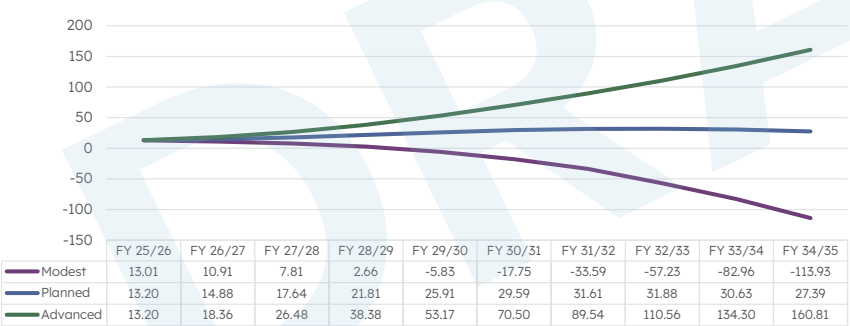
Significant revenue – rates and annual charges	Over the past 10 years the rate peg has varied between 1.20% and 5.80%. It does not always follow CPI. If the rate peg issued by IPART does not keep pace with CPI then MCC’s financial position will deteriorate if service levels remain the same. As identified in the sensitivity analysis a 1.00% decrease in the rate peg has a significant impact on the net operating result of MCC.
Significant revenue - interest and investment revenue	The calculation of interest and investment revenue is derived from MCC’s investment portfolio and the return on investment that can be obtained. MCC is limited to the investment options within its Investment and Borrowings Policy which is directed by Local Government legislation. Interest rates, as determined by Reserve Bank policy and financial market conditions, will directly impact the returns earned by MCC’s investment portfolio and decreases in interest rates are likely to have a material impact on the operating surplus.
Significant expenditure - employee costs	The amount that MCC increases the employee rate of pay by each year is controlled by the Local Government (State) Award 2020 (LGSA). MCC must also factor in the impact of legislated Superannuation Guarantee Contribution (SGC) increases which are currently being phased upwards to 12%. Any pay increases exceeding 3.4% would materially impact the operating surplus.
Building Cost Index	The Building Cost Index has historically grown at a faster pace than CPI and this divergence has been accelerated in 2021/22 through government stimulus in reaction to COVID-19 restrictions and severe weather events in recent years. Significant variance between this index and CPI in future years will erode MCC’s buying power and limit the level of works that can be delivered.
Operational expenditure (OPEX) within the works program	The LTFP assumes 33% of MCC’s annual works program is operational expenditure (OPEX) for the years of the Delivery Program. The level of operational expenditure per project can range from 0% to 100% and the average level varies between programs depending upon project scheduling. Estimates provided for works programs in 2025/26 and 2026/27 have more accuracy than those for later years with some costing based on refined scope of works, market quotations and engineering estimates. However, programs are also continuously subject to change, depending on new priorities, emerging works, emergency works, priorities of the elected council and availability of new funding sources like grants. These changes can materially impact the OPEX percentage and consequently the financial performance reflected in the LTFP.
Works Program – project prioritisation	The LTFP is predicated on a works program prioritised to MCC objectives and the AMS and AMP. Projects altering the project schedule can result in diminishing asset conditions, higher depreciation expense and increased loss on disposal of assets.

Sensitivity analysis graphs

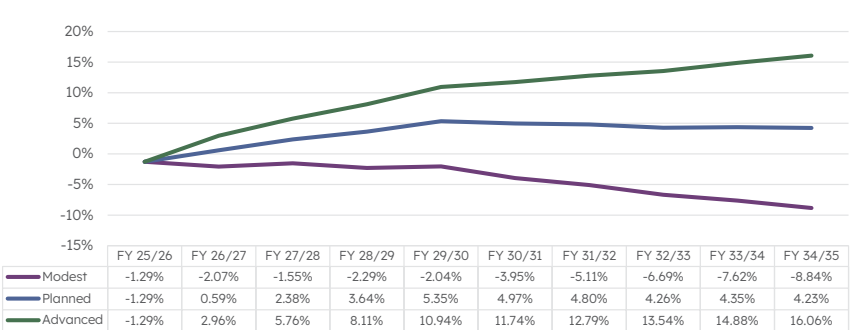
Operating result excluding capital (\$m's)



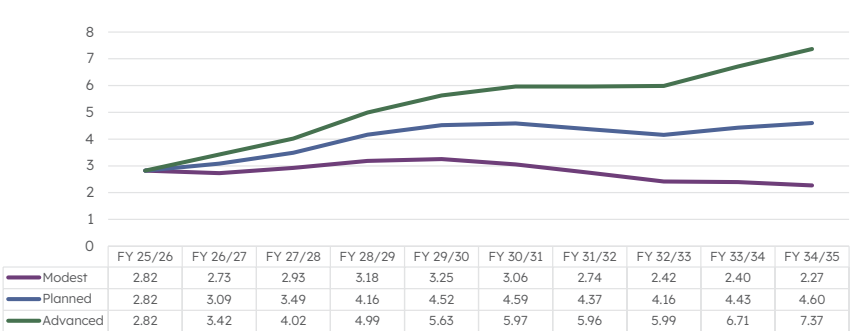
Cash (\$m's)



Operating performance % - Benchmark >0



Debt service cover ratio - Benchmark >2



Monitoring and evaluation

Overview

Maitland City Council is committed to ongoing monitoring and review of its *Long-Term Financial Plan* (LTFP) to ensure financial sustainability and alignment with the Integrated Planning and Reporting (IPR) Framework. The LTFP will be reviewed and updated annually in conjunction with the development of the Operational Plan and Delivery Program, ensuring it remains responsive to changing financial conditions, community needs, and MCC priorities.

MCC will assess its financial performance against the NSW Office of Local Government (OLG) financial performance and sustainability benchmarks, including but not limited to:

- **Operating performance** – ensuring MCC’s operating revenue exceeds operating expenses over time.
- **Own source operating revenue** – maintaining a sustainable proportion of revenue generated from rates, user charges, and other internal sources.
- **Unrestricted current ratio** – assessing MCC’s short-term financial liquidity and ability to meet obligations.
- **Debt service cover ratio** – monitoring debt levels to ensure affordability and financial resilience.

- **Rates and annual charges outstanding** – evaluating the efficiency of revenue collection.
- **Infrastructure backlog ratio** – managing infrastructure renewal to maintain service levels and avoid financial burden.
- **Asset maintenance ratio** – ensuring adequate investment in asset maintenance to extend asset life and avoid costly replacements.
- **Cost to bring assets to agreed service level** – assessing the funding required to maintain infrastructure to a standard agreed upon by the community.

In accordance with the IPR framework, the LTFP will undergo a major review every four years, aligning with the development of the Community Strategic Plan and Resourcing Strategy. Regular reporting on financial performance and sustainability will be incorporated into MCC’s quarterly budget reviews, annual financial statements, and end-of-term reports to provide transparency and accountability.

By maintaining a rigorous approach to financial monitoring and review, MCC will ensure that long-term financial planning supports a thriving, sustainable, and well-served Maitland community.



Performance monitoring

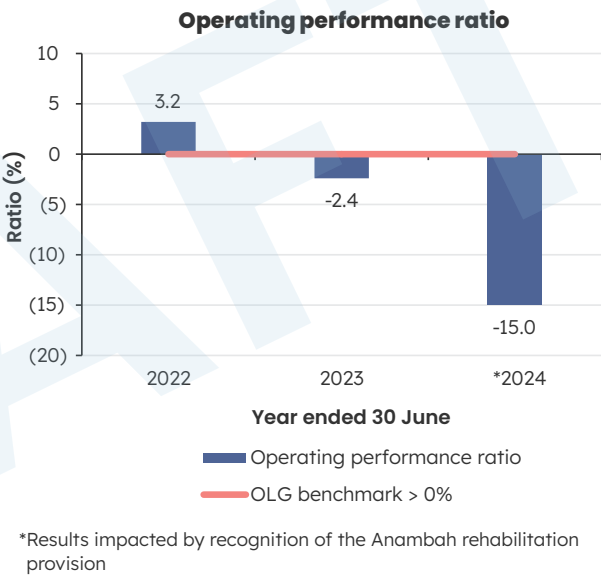
Council will continue to report its financial performance each quarter.

Additionally, an annual review is undertaken of the *Long-Term Financial Plan* to review assumptions and assess the robustness of the model.

Key performance measures used in this assessment include the following:

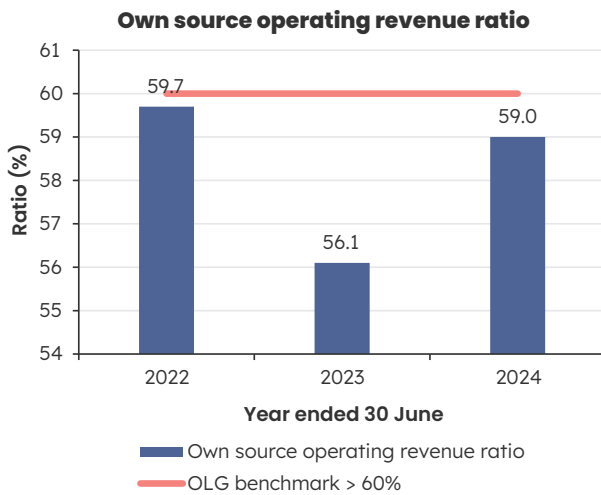
Operating performance

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



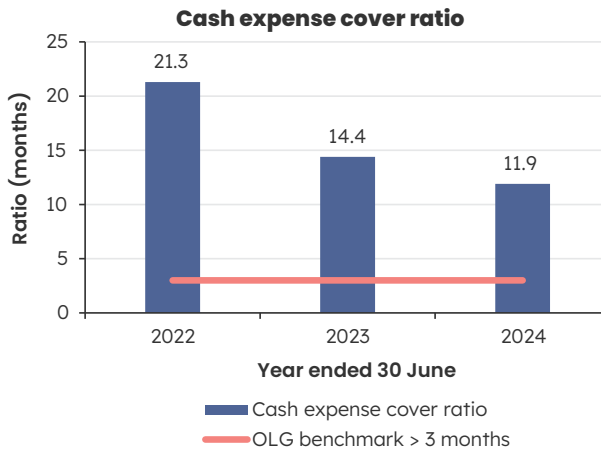
Own source operating revenue

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



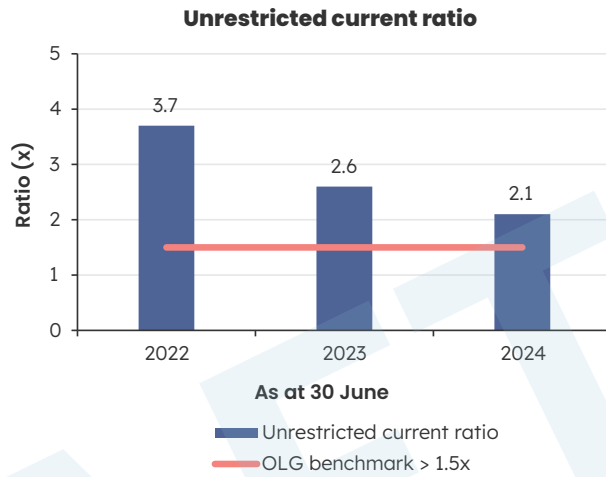
Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



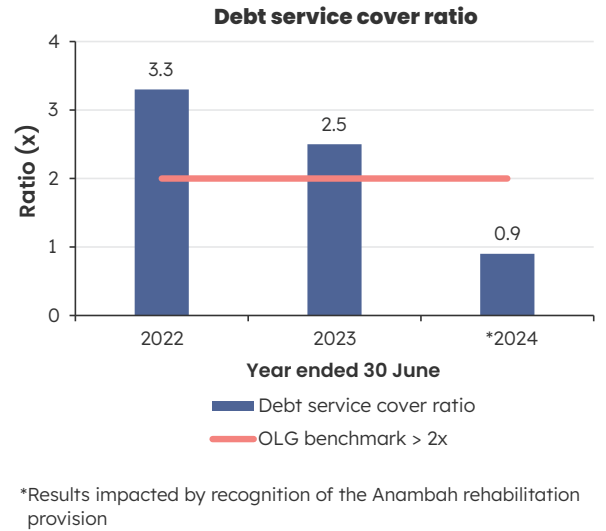
Unrestricted current ratio

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



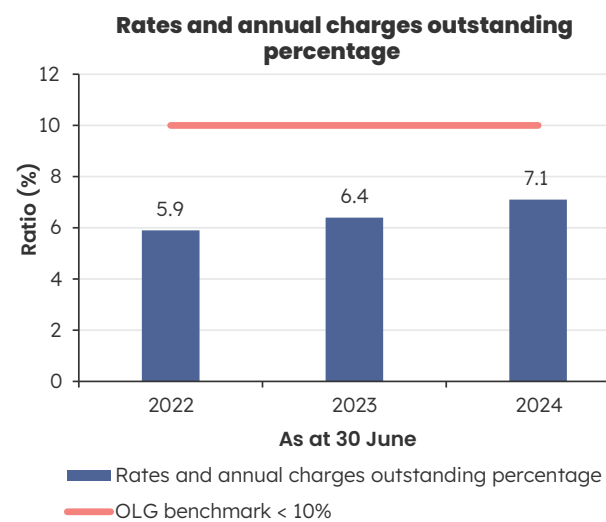
Debt service cover ratio

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



Rates and annual charges outstanding

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



Review schedule

REVIEW TIMING	ACTIVITIES	OUTCOME
<p>Annual review: Ensure the LTFP remains responsive to financial trends, emerging risks, and evolving community needs</p> <p>Reports to: Executive Leadership Team (ELT), Governance Risk Internal Panel (GRIP), Audit Risk and Improvement Committee (ARIC), Council</p>	<p>Update financial performance data, including revenue, expenditure, and debt levels.</p> <p>Analyse trends in key financial indicators, including OLG Financial Sustainability Benchmarks.</p> <p>Review economic forecasts, grant funding opportunities, and legislative changes.</p> <p>Align financial targets with community priorities and operational requirements.</p>	<p>Adjust budget forecasts, financial strategies, and revenue models for the upcoming year.</p> <p>Integrate findings into the Delivery Program and Operational Plan updates.</p>
<p>Quarterly monitoring: Track key financial indicators for real-time issue identification and financial sustainability</p> <p>Reports to: ELT, GRIP, ARIC, Council</p>	<p>Monitor cash flow, debt servicing, and budget performance against targets.</p> <p>Track variances in revenue streams, operational costs, and capital expenditure.</p> <p>Report on financial risks and emerging economic conditions affecting Maitland City Council's budget.</p>	<p>Enable proactive decision-making and financial adjustments.</p> <p>Provide timely updates on financial health and sustainability risks.</p>
<p>4-year comprehensive review: Align the LTFP with Maitland City Council's long-term strategic priorities and financial sustainability goals</p> <p>Report to: ELT, Councillors, Community</p>	<p>Conduct a full review of all revenue and expenditure assumptions.</p> <p>Reassess capital investment priorities and infrastructure funding strategies.</p> <p>Evaluate financial sustainability using OLG benchmarks and long-term economic projections.</p> <p>Adjust rating strategies, borrowing policies, and asset funding approaches as needed.</p>	<p>Update the <i>Long-Term Financial Plan</i>, ensuring alignment with the Community Strategic Plan and <i>Resourcing Maitland's Future</i> strategy.</p> <p>Support the development of <i>Delivering Maitland's Future</i>, ensuring a financially sustainable pathway for growth and service delivery.</p>



Glossary

ARIC: Audit, Risk and Improvement Committee.

ANNUAL BORROWING POLICY: A guideline outlining Maitland City Council's approach to debt management, including borrowing limits, repayment strategies, and risk considerations.

ASSET MANAGEMENT POLICY (AMP): A formal document that defines the principles and objectives for managing our assets effectively and sustainably, ensuring that they support service delivery while maintaining cost-efficiency.

ASSET MANAGEMENT STRATEGY (AMS): A comprehensive plan that outlines the approach for managing our assets, aligning them with the overall priorities, and financial strategies for Maitland City Council.

CAPITAL EXPENDITURE (CAPEX): Funds allocated for acquiring, upgrading, or maintaining physical assets such as roads, buildings, and infrastructure.

COMMUNITY ENGAGEMENT: The process of involving the community in decision-making, planning, and feedback to ensure that the services provided align with their needs and expectations.

COMMUNITY PRIORITIES: The needs and goals identified by the community that guide decision-making and service delivery. These include infrastructure, services, and other resources that support the quality of life for residents.

CPI: Consumer price index.

COST RECOVERY: The process of setting fees and charges to ensure services are financially sustainable while balancing community affordability.

DEBT SERVICE COVER RATIO: A financial benchmark that assesses Maitland City Council's ability to meet debt obligations from operating revenue.

ELT: Executive Leadership Team.

ENTERPRISE RESOURCE PLANNING (ERP): refers to the systematic process of planning, allocating, and managing Maitland City Council's resources such as people, finances, technology, and physical assets, across various projects and operations.

EVOLVING COMMUNITY EXPECTATIONS: The changing needs and demands of the community that may influence the planning and delivery of services, requiring flexibility and adaptability in our strategies.

FINANCIAL SUSTAINABILITY: The ability for Maitland City Council to generate sufficient revenue to meet its ongoing obligations and investments without relying on unsustainable borrowing or depleting reserves.

GRIP: Governance Risk Internal Panel.

INFRASTRUCTURE BACKLOG RATIO: A measure of the total cost required to bring infrastructure assets up to an acceptable condition.

INTEGRATED PLANNING: The coordination of different planning areas, such as workforce, asset, and financial planning, to make certain that resources are allocated effectively to meet community needs.

INTEGRATED PLANNING AND REPORTING (IPR): The legislated requirements for local governments to report and plan holistically to the community.

LONG-TERM FINANCIAL PLAN (LTFP): A financial strategy that outlines how we will allocate resources to support the delivery of services, maintain infrastructure, and invest in future growth over a 10-year period.

MAINTENANCE: The routine work required to keep assets in a serviceable condition, including repairs and updates to certify that they continue to meet performance standards.

MAITLAND'S FUTURE: This is our integrated Community Strategic Plan which provides clear strategic direction for the long-term, and identifies the main priorities, aspirations and future vision of the community.

OBJECTIVE: A specific and measurable outcome that supports the achievement of a priority, providing clear direction for actions and initiatives.

OLG: Office of Local Government.

OLG FINANCIAL SUSTAINABILITY BENCHMARKS: A set of key financial ratios and indicators defined by the NSW Office of Local Government to assess a council's financial health and sustainability.

OPERATING EXPENDITURE (OPEX): The recurring costs required to deliver Maitland City Council services, including wages, utilities, maintenance, and administration.

OWN SOURCE REVENUE RATIO: A financial benchmark measuring the proportion of revenue generated from rates, fees, and charges compared to external funding sources like grants.

PRIORITY: A key area of importance within a focus area that defines what needs to be addressed to drive progress and deliver meaningful outcome.

RAPID GROWTH: The fast increase in population, infrastructure demands, and service requirements that challenges Maitland City Council to scale and deliver effectively.

RESOURCE ALLOCATION: The process of distributing available resources, such as financial capital, workforce, and physical assets, in a way that supports our priorities.

RESOURCING MAITLAND'S FUTURE/ RESOURCING STRATEGY: A framework that integrates the *Long-Term Financial Plan*, *Workforce Management Plan*, and *Asset Management Planning* to ensure Maitland City Council has the necessary resources to achieve its strategic goals.

RISK MANAGEMENT: A discipline for developing appropriate procedures to reduce the possibility of adverse effects from future events.

SECTION 7.11 DEVELOPMENT CONTRIBUTIONS: Developer contributions levied under the Environmental Planning and Assessment Act 1979 to fund infrastructure required due to new development.

SERVICE ASSET MANAGEMENT PLAN (SAMP): A detailed roadmap that specifies the maintenance, upgrade, and replacement schedules for our assets to ensure their long-term sustainability and functionality.

SERVICE LEVEL EXPECTATIONS: The minimum standards and performance targets for the delivery of services, set by the community and Maitland City Council leadership, ensuring consistency and quality.

SUSTAINABILITY: The ability to meet current needs without compromising the ability of future generations to meet their own needs, especially in the context of financial, environmental, and social factors.

TARGET: A goal to be reached by a specific date which may be higher than the forecasted performance. It aims to continually improve performance.

WE/OUR/US: in this document refers collectively to the community of Maitland and Maitland City Council.

WORKFORCE MANAGEMENT STRATEGY (WMS): A comprehensive plan for attracting, developing, and retaining a skilled workforce that can meet the current and future needs, aligning workforce capacity and capability with community priorities.

Maitland: Local Government Area (LGA)
Maitland City Council (MCC): Organisation
Council: Elected body



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CITY COUNCIL