



Achieving Together – Our foundation for success

Long-Term Financial Plan

2025/26–2035/36

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

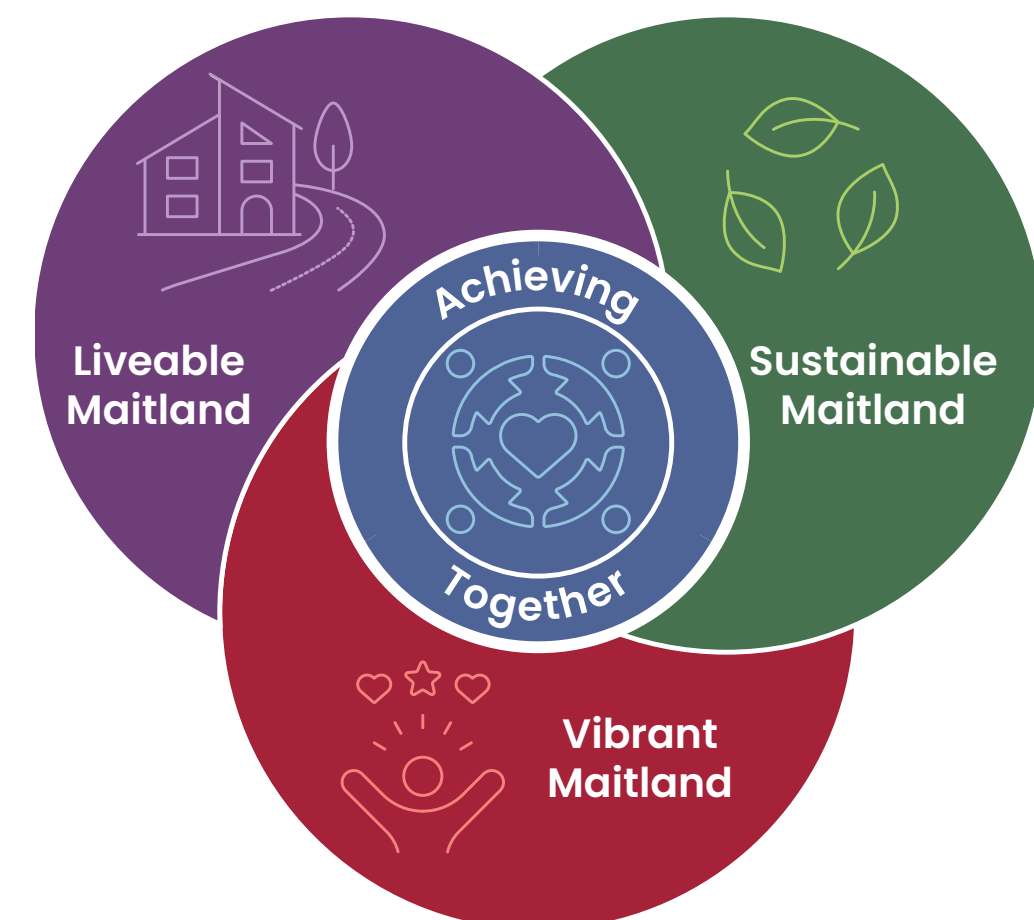
Why is it important?

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:

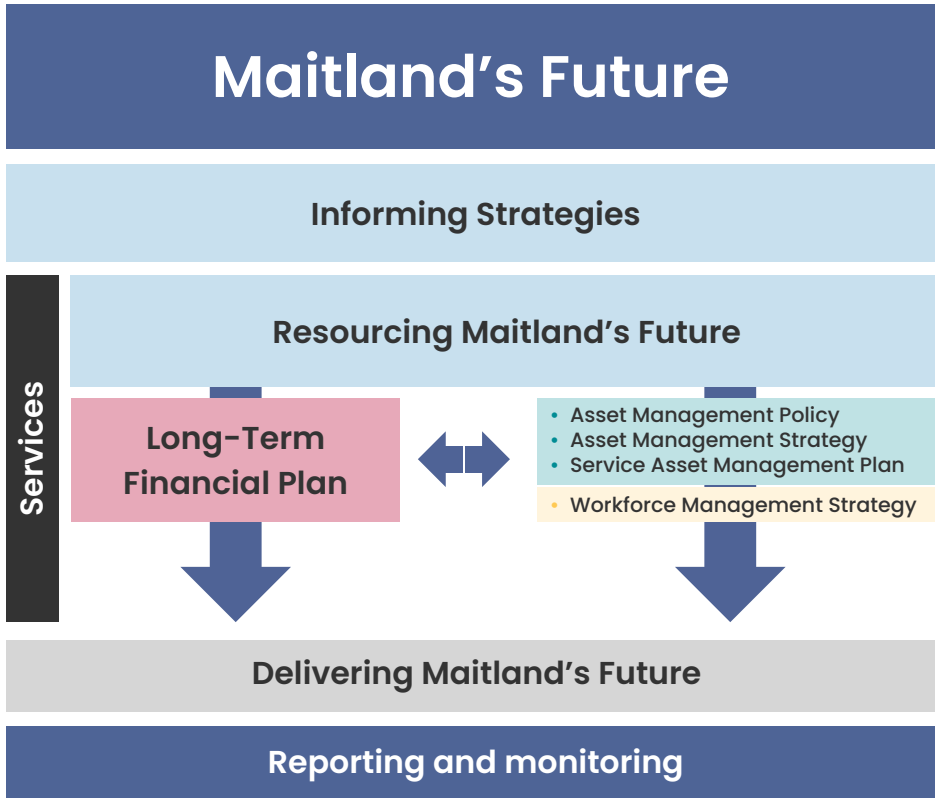
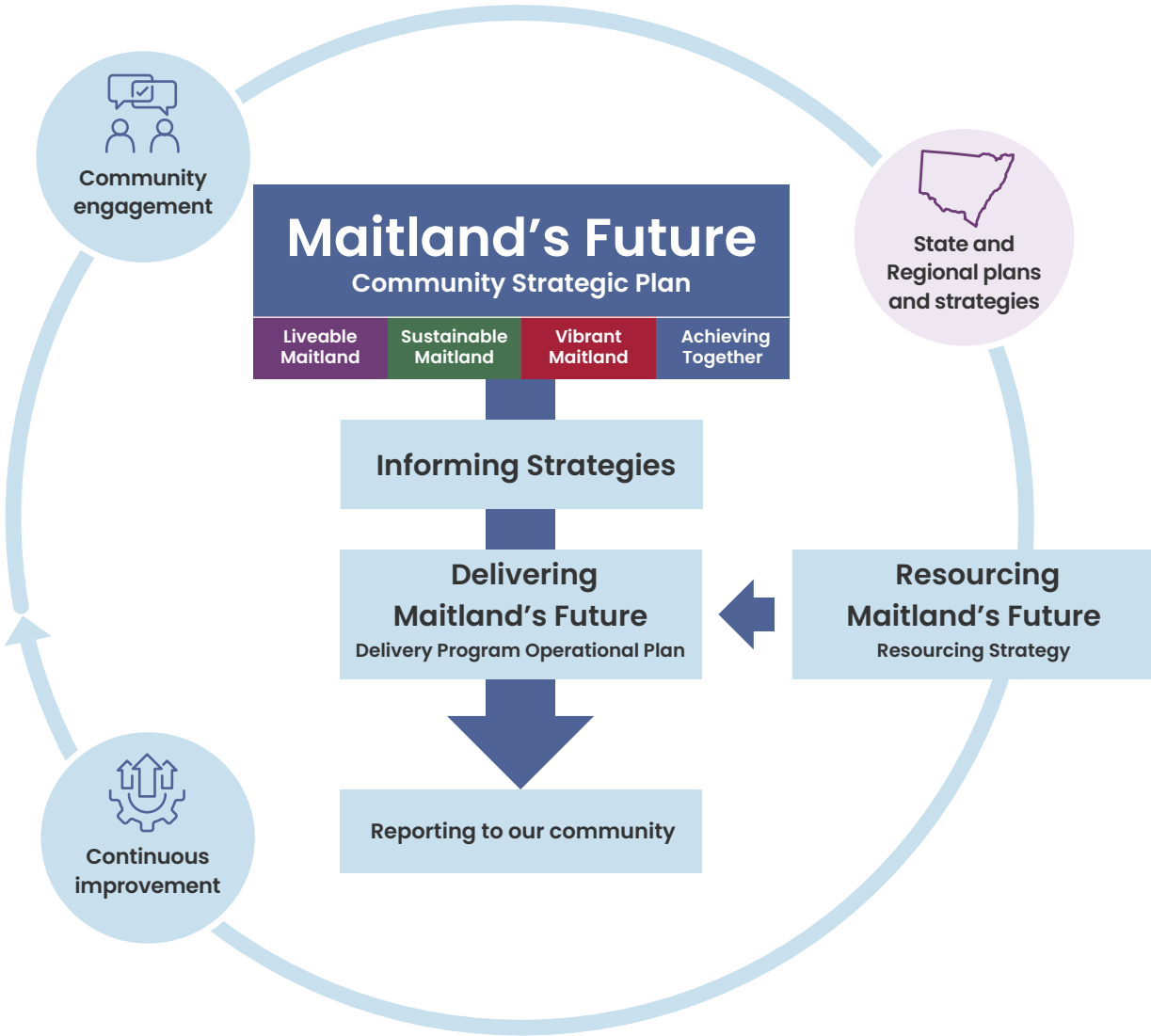
The LTFP outlines MCC’s financial outlook and sustainability over an extended period, typically 10 years. The *Resourcing Maitland’s Future* strategy supports and informs this plan by identifying the necessary resources to achieve financial goals, ensuring we have enough funding for our strategic objectives. 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, aiming for a specific percentage reduction in operational costs over the next few years.
- 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 a 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 \$124.1 million is generated from rating revenue and annual charges.

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



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.	Planned minus 1%	Planned	Planned plus 1%
Increasing revenue via fees and charges, with a 2.5% estimated increase per annum.	Planned minus 1%	Planned	Planned plus 1%
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

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	100,860	106,373	112,188	117,178	122,389	126,585	130,925	135,414	140,057
Special rates	521	568	588	608	630	645	662	672	682	692	702
Annual charges	23,824	27,917	28,885	29,889	30,928	32,004	33,117	34,270	35,462	36,696	37,973
Total rates and annual charges	114,469	124,117	130,333	136,870	143,746	149,827	156,168	161,527	167,069	172,802	178,732
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	2,029	2,080	2,132	2,185	2,240	2,296	2,353	2,412	2,472	2,534
Interest and investment income	11,875	11,395	6,182	5,130	5,154	6,809	6,442	6,265	5,874	5,401	5,084
Other income	1,243	1,216	1,246	1,278	1,309	1,342	1,376	1,410	1,445	1,482	1,519
Total own source revenue	140,642	150,220	151,476	157,219	164,381	172,384	178,631	184,089	189,522	195,070	200,976
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	43,724	71,304	51,156	54,225	51,416	54,004	51,889	51,748	52,220	52,205	44,587
Total income from continuing operations	197,228	233,002	214,569	223,859	228,708	239,816	244,485	250,360	256,846	262,983	261,900
Total operating income (excluding capital)	153,504	161,698	163,413	169,634	177,292	185,812	192,596	198,612	204,626	210,778	217,313
Employee costs	63,293	66,034	68,328	70,702	73,160	76,794	80,608	84,613	88,816	93,669	98,786
Materials and services	55,231	52,679	50,372	51,551	54,779	56,777	59,565	62,477	66,261	68,696	72,015
Borrowing costs	2,527	2,629	2,739	2,732	2,793	2,898	2,932	2,950	2,877	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	10,510	10,773	11,042	11,318	11,601	11,891	12,188	12,493	12,805	13,126
Total expenses from continuing operations	162,450	163,884	165,983	170,993	178,162	185,423	194,861	203,472	213,109	221,741	231,591
Net operating result (excluding capital)	(8,946)	(2,186)	(2,570)	(1,359)	(870)	389	(2,265)	(4,860)	(8,483)	(10,963)	(14,278)
Operating result (including capital)	34,778	69,118	48,586	52,866	50,546	54,393	49,624	46,888	43,737	41,242	30,309
Net operating result from income statement	34,778	69,118	48,586	52,866	50,546	54,393	49,624	46,888	43,737	41,242	30,309
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	34,778	69,118	48,586	52,866	50,546	54,393	49,624	46,888	43,737	41,242	30,309

Balance sheet 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)
Cash and cash equivalents	157,948	156,388	139,512	146,130	165,425	152,428	146,149	132,271	115,511	104,243	82,322
Receivables - current	12,036	12,715	13,406	14,135	14,904	15,565	16,255	16,813	17,390	17,987	18,604
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	172,788	171,926	155,758	163,123	183,205	170,888	165,318	152,017	135,854	125,204	103,921
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	2,078,309	2,150,572	2,210,021	2,251,308	2,284,050	2,339,841	2,396,927	2,458,720	2,504,504	2,556,029	2,607,471
Total non-current assets	2,154,334	2,226,597	2,286,046	2,327,333	2,360,075	2,415,866	2,472,952	2,534,745	2,580,529	2,632,054	2,683,496
Total assets	2,327,122	2,398,523	2,441,804	2,490,456	2,543,280	2,586,754	2,638,270	2,686,762	2,716,383	2,757,258	2,787,417
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	48,838
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	66,848
Total liabilities	165,708	167,991	162,687	158,473	160,750	149,831	151,722	153,326	139,209	138,840	138,692
Net assets	2,161,414	2,230,532	2,279,117	2,331,983	2,382,530	2,436,923	2,486,548	2,533,436	2,577,174	2,618,418	2,648,725
Accumulated surplus	1,173,758	1,208,536	1,277,654	1,326,239	1,379,105	1,429,652	1,484,046	1,533,670	1,580,559	1,624,297	1,665,539
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	2,161,414	2,230,532	2,279,117	2,331,983	2,382,530	2,436,924	2,486,548	2,533,437	2,577,175	2,618,417
Operating result (including capital)	34,778	69,118	48,585	52,866	50,547	54,394	49,624	46,889	43,738	41,242	30,308
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	34,778	69,118	48,585	52,866	50,547	54,393	49,624	46,888	43,737	41,243	30,308
Total equity closing balance	2,161,414	2,230,532	2,279,117	2,331,983	2,382,530	2,436,923	2,486,548	2,533,436	2,577,174	2,618,418	2,648,725

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	149,541	150,784	156,490	163,613	171,724	177,941	183,531	188,945	194,473	200,357
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 costs	(63,293)	(66,034)	(68,328)	(70,702)	(73,160)	(76,794)	(80,608)	(84,613)	(88,816)	(93,669)	(98,786)
Materials and services	(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	(8,808)	(9,995)	(10,300)	(10,558)	(10,822)	(11,092)	(11,369)	(11,654)	(11,945)	(12,244)	(12,550)
Cashflow from operations	25,293	32,311	33,721	36,094	37,763	40,489	40,364	39,310	37,027	35,572	33,343
Net movement of IPP&E	(67,347)	(66,926)	(59,712)	(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	(67,347)	(66,926)	(59,712)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Grants and contributions - capital purposes	43,724	35,406	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	39,566	33,056	9,114	13,234	13,059	13,488	10,118	8,620	5,357	4,793	(3,623)
Opening cash	236,461	233,973	232,413	215,537	222,155	241,450	228,453	222,174	208,296	191,536	180,268
Change in cash	(2,488)	(1,560)	(16,876)	6,618	19,295	(12,997)	(6,279)	(13,878)	(16,760)	(11,268)	(21,920)
Closing cash	233,973	232,413	215,537	222,155	241,450	228,453	222,174	208,296	191,536	180,268	158,347
Total cash and liquid assets	233,973	232,413	215,537	222,155	241,450	228,453	222,174	208,296	191,536	180,268	158,347
Internally restricted cash	68,021	63,050	44,382	39,723	46,380	44,694	46,403	48,134	43,783	45,263	46,769
Externally restricted cash	159,059	156,547	159,900	173,102	187,988	181,151	180,005	175,090	181,202	189,188	191,852
Unrestricted cash	6,892	12,816	11,255	9,330	7,082	2,609	(4,234)	(14,928)	(33,449)	(54,183)	(80,273)
Total cash and liquid investments	233,973	232,413	215,537	222,155	241,450	228,453	222,174	208,296	191,536	180,268	158,347

	ORIGINAL APPROVED BUDGET 2024/25	YEAR 1 BUDGET 2025/26	YEAR 2 FORECAST 2026/27	YEAR 3 FORECAST 2027/28	YEAR 4 FORECAST 2028/29	YEAR 5 FORECAST 2029/30	YEAR 6 FORECAST 2030/31	YEAR 7 FORECAST 2031/32	YEAR 8 FORECAST 2032/33	YEAR 9 FORECAST 2033/34	YEAR 10 FORECAST 2034/35
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%	-1.35%	-1.57%	-0.80%	-0.49%	0.21%	-1.18%	-2.45%	-4.15%	-5.20%	-6.57%
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%	71.31%	64.47%	70.60%	70.23%	71.87%	71.88%	73.06%	73.53%	73.79%	74.18%	76.74%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities Benchmark: >1.5	1.91	1.90	1.48	1.37	1.46	1.32	1.19	1.00	0.57	0.22	-0.22
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	2.81	2.79	3.03	3.47	3.62	3.51	3.15	2.80	2.78	2.65
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	20.26	19.89	18.32	18.41	19.35	17.59	16.35	14.60	12.75	11.54	9.70

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	2,029	2,080	2,132	2,185	2,240	2,296	2,353	2,412	2,472	2,534
Interest and investment income	718	7,152	11,587	11,875	11,395	8,506	7,410	7,673	9,845	9,723	9,947	9,981	10,013	10,373
Other income	736	1,091	1,301	1,243	1,216	1,246	1,278	1,309	1,342	1,376	1,410	1,445	1,482	1,519
Total own source revenue	109,619	121,207	137,382	140,642	150,220	155,179	162,403	171,482	181,819	190,280	198,215	206,295	214,724	223,845
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	43,724	71,304	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	197,228	233,002	218,387	229,282	236,185	249,775	256,818	265,345	274,666	283,887	286,238
Total operating income (excluding capital)	125,264	140,575	155,404	153,504	161,698	167,231	175,057	184,769	195,771	204,929	213,597	222,446	231,682	241,651
Employee costs	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 services	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	2,740	2,732	2,791	2,898	2,932	2,950	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	10,510	10,773	11,042	11,318	11,601	11,891	12,188	12,493	12,805	13,126
Total expenses from continuing operations	123,050	147,701	179,449	162,450	163,884	165,984	170,993	178,160	185,423	194,861	203,472	213,110	221,741	231,593
Net operating result (excluding capital)	2,214	(7,126)	(24,045)	(8,946)	(2,186)	1,247	4,064	6,609	10,348	10,068	10,125	9,336	9,941	10,058
Operating result (including capital)	60,641	68,230	53,461	34,778	69,118	52,403	58,289	58,025	64,352	61,957	61,873	61,556	62,146	54,645
Net operating result from Income Statement	60,641	68,230	53,461	34,778	69,118	52,403	58,289	58,025	64,352	61,957	61,873	61,556	62,146	54,645
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	34,778	69,118	52,403	58,289	58,025	64,352	61,957	61,873	61,556	62,146	54,645

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	157,948	156,388	143,201	155,097	181,708	178,494	184,356	185,260	186,103	195,506	197,677
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	172,788	171,926	159,577	172,365	199,924	197,566	204,329	206,012	207,668	217,920	220,978
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	2,078,309	2,150,572	2,210,020	2,251,307	2,284,050	2,339,841	2,396,926	2,458,720	2,504,503	2,556,029	2,607,468
Total non-current assets	1,523,332	1,937,951	2,117,094	2,154,334	2,226,597	2,286,045	2,327,332	2,360,075	2,415,866	2,472,951	2,534,745	2,580,528	2,632,054	2,683,493
Total assets	1,691,001	2,104,553	2,291,468	2,327,122	2,398,523	2,445,622	2,499,697	2,559,999	2,613,432	2,677,280	2,740,757	2,788,196	2,849,974	2,904,471
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	48,838
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	66,848
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	138,692
Net assets	1,554,378	1,959,908	2,126,636	2,161,414	2,230,532	2,282,935	2,341,224	2,399,249	2,463,601	2,525,558	2,587,431	2,648,987	2,711,134	2,765,779
Accumulated surplus	991,426	1,052,067	1,120,297	1,173,758	1,208,536	1,277,654	1,330,057	1,388,346	1,446,371	1,510,723	1,572,680	1,634,553	1,696,110	1,758,256
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	2,161,414	2,230,532	2,282,935	2,341,224	2,399,249	2,463,601	2,525,558	2,587,431	2,648,988	2,711,134
Operating result (including capital)	60,641	68,231	53,461	34,778	69,118	52,403	58,289	58,025	64,352	61,957	61,873	61,557	62,146	54,645
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	34,778	69,118	52,403	58,289	58,025	64,352	61,957	61,873	61,556	62,146	54,645
Total equity closing balance	1,554,378	1,959,908	2,126,636	2,161,414	2,230,532	2,282,935	2,341,224	2,399,249	2,463,601	2,525,558	2,587,431	2,648,987	2,711,134	2,765,779

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	149,541	154,358	161,528	170,553	180,982	189,398	197,455	205,502	213,894	222,978
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 costs	(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 services	(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)	(9,995)	(10,300)	(10,558)	(10,822)	(11,092)	(11,369)	(11,654)	(11,945)	(12,244)	(12,550)
Cashflow from operations	32,836	23,206	29,558	25,293	32,311	37,410	41,371	45,079	50,271	52,505	54,093	54,631	56,243	57,433
Net movement of IPP&E	(58,835)	(73,702)	(56,509)	(67,347)	(66,926)	(59,712)	(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)	(67,347)	(66,926)	(59,712)	(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	43,724	35,406	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	39,566	33,056	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	233,973	232,413	219,226	231,122	257,733	254,519	260,381	261,285	262,128	271,531
Change in cash	27,601	(10,999)	9,626	(2,488)	(1,560)	(13,187)	11,896	26,611	(3,214)	5,862	904	843	9,403	2,170
Closing cash	237,834	226,835	236,461	233,973	232,413	219,226	231,122	257,733	254,519	260,381	261,285	262,128	271,531	273,702
Total cash and liquid assets	237,834	226,835	236,461	233,973	232,413	219,226	231,122	257,733	254,519	260,381	261,285	262,128	271,531	273,702
Internally restricted cash	107,574	78,129	73,368	68,021	63,050	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	159,059	156,547	160,296	174,208	190,120	184,636	185,258	182,563	187,648	196,992	201,082
Unrestricted cash	8,717	6,838	7,513	6,892	12,816	14,548	17,191	21,233	25,189	28,720	30,588	30,697	29,277	25,852
Total cash and liquid investments	237,834	226,835	236,461	233,973	232,413	219,226	231,122	257,733	254,519	260,381	261,285	262,128	271,531	273,702

	ACTUAL 2021/22	ACTUAL 2022/23	ACTUAL 2023/24	ORIGINAL APPROVED BUDGET 2024/25	YEAR 1 BUDGET 2025/26	YEAR 2 FORECAST 2026/27	YEAR 3 FORECAST 2027/28	YEAR 4 FORECAST 2028/29	YEAR 5 FORECAST 2029/30	YEAR 6 FORECAST 2030/31	YEAR 7 FORECAST 2031/32	YEAR 8 FORECAST 2032/33	YEAR 9 FORECAST 2033/34	YEAR 10 FORECAST 2034/35
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%	-1.35%	0.75%	2.32%	3.58%	5.29%	4.91%	4.74%	4.20%	4.29%	4.16%
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%	71.31%	64.47%	71.06%	70.83%	72.60%	72.79%	74.09%	74.70%	75.11%	75.64%	78.20%
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	1.91	1.90	1.55	1.54	1.76	1.78	1.84	1.87	1.79	1.78	1.75
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	2.81	3.11	3.48	4.15	4.51	4.58	4.36	4.15	4.42	4.59
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	20.26	19.89	18.64	19.15	20.66	19.59	19.16	18.31	17.45	17.39	16.76

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	102,809	110,524	118,818	126,524	134,730	142,095	149,863	158,055	166,695
Special rates	521	568	599	632	667	697	728	754	780	808	836
Annual charges	23,824	27,917	29,454	31,079	32,793	34,602	36,511	38,526	40,652	42,896	45,263
Total rates and annual charges	114,469	124,117	132,862	142,235	152,278	161,823	171,969	181,375	191,295	201,759	212,794
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	2,029	2,080	2,132	2,185	2,240	2,296	2,353	2,412	2,472	2,534
Interest and investment income	11,875	11,395	10,830	9,764	10,376	13,226	13,568	14,480	15,303	16,289	17,872
Other income	1,243	1,216	1,246	1,278	1,309	1,342	1,376	1,410	1,445	1,482	1,519
Total own source revenue	140,642	150,220	158,882	167,688	178,857	191,785	202,823	213,709	225,039	237,097	250,342
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	43,724	71,304	51,156	54,225	51,416	54,004	51,889	51,748	52,220	52,205	44,587
Total income from continuing operations	197,228	233,002	222,205	234,810	243,943	260,280	270,072	281,739	294,518	307,596	314,321
Total operating income (excluding capital)	153,504	161,698	171,049	180,585	192,527	206,276	218,183	229,991	242,298	255,391	269,734
Employee costs	63,293	66,034	68,328	70,702	73,160	76,794	80,608	84,613	88,816	93,669	98,786
Materials and services	55,231	52,679	50,372	51,551	54,779	56,777	59,565	62,477	66,261	68,696	72,015
Borrowing costs	2,527	2,629	2,739	2,734	2,791	2,898	2,931	2,950	2,876	2,705	2,551
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	10,510	10,773	11,042	11,318	11,601	11,891	12,188	12,493	12,805	13,126
Total expenses from continuing operations	162,450	163,884	165,983	170,995	178,160	185,423	194,860	203,472	213,108	221,742	231,592
Net operating result (excluding capital)	(8,946)	(2,186)	5,066	9,590	14,367	20,853	23,323	26,519	29,190	33,649	38,142
Operating result (including capital)	34,778	69,118	56,222	63,815	65,783	74,857	75,212	78,267	81,410	85,854	82,729
Net operating result from income statement	34,778	69,118	56,222	63,815	65,783	74,857	75,212	78,267	81,410	85,854	82,729
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	34,778	69,118	56,222	63,815	65,783	74,857	75,212	78,267	81,410	85,854	82,729

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	157,948	156,388	146,890	164,165	198,367	205,472	224,384	241,463	261,919	294,770	324,740
Receivables - current	12,036	12,715	13,665	14,687	15,785	16,807	17,895	18,874	19,906	20,995	22,143
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	172,788	171,926	163,395	181,710	217,028	225,174	245,193	263,270	284,778	318,739	349,878
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	2,078,309	2,150,572	2,210,021	2,251,307	2,284,049	2,339,841	2,396,925	2,458,719	2,504,504	2,556,028	2,607,470
Total non-current assets	2,154,334	2,226,597	2,286,046	2,327,332	2,360,074	2,415,866	2,472,950	2,534,744	2,580,529	2,632,053	2,683,495
Total assets	2,327,122	2,398,523	2,449,441	2,509,042	2,577,102	2,641,040	2,718,143	2,798,014	2,865,307	2,950,792	3,033,373
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	48,838
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	66,848
Total liabilities	165,708	167,991	162,687	158,473	160,750	149,831	151,722	153,326	139,209	138,840	138,692
Net assets	2,161,414	2,230,532	2,286,754	2,350,569	2,416,352	2,491,209	2,566,421	2,644,688	2,726,098	2,811,952	2,894,681
Accumulated surplus	1,173,758	1,208,536	1,277,654	1,333,876	1,397,691	1,463,474	1,538,331	1,613,543	1,691,810	1,773,220	1,859,074
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	2,161,414	2,230,532	2,286,754	2,350,569	2,416,352	2,491,209	2,566,421	2,644,688	2,726,098	2,811,952
Operating result (including capital)	34,778	69,118	56,222	63,815	65,783	74,857	75,212	78,267	81,410	85,854	82,729
Gain/(loss) on revaluation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	34,778	69,118	56,222	63,815	65,783	74,857	75,212	78,267	81,410	85,854	82,729
Total equity closing balance	2,161,414	2,230,532	2,286,754	2,350,569	2,416,352	2,491,209	2,566,421	2,644,688	2,726,098	2,811,952	2,894,681

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	149,541	157,932	166,665	177,760	190,763	201,736	212,730	224,007	236,006	249,193
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 costs	(63,293)	(66,034)	(68,328)	(70,702)	(73,160)	(76,794)	(80,608)	(84,613)	(88,816)	(93,669)	(98,786)
Materials and services	(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	(8,808)	(9,995)	(10,300)	(10,558)	(10,822)	(11,092)	(11,369)	(11,654)	(11,945)	(12,244)	(12,550)
Cashflow from operations	25,293	32,311	41,099	46,751	52,669	60,591	65,554	70,268	74,244	79,691	85,234
Net movement of IPP&E	(67,347)	(66,926)	(59,712)	(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	(67,347)	(66,926)	(59,712)	(42,711)	(31,528)	(66,974)	(56,760)	(61,808)	(59,145)	(51,634)	(51,641)
Grants and contributions - capital purposes	43,724	35,406	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	39,566	33,056	9,114	13,234	13,059	13,488	10,118	8,620	5,357	4,793	(3,623)
Opening cash	236,461	233,973	232,413	222,915	240,190	274,392	281,497	300,409	317,488	337,944	370,795
Change in cash	(2,488)	(1,560)	(9,499)	17,276	34,202	7,106	18,911	17,079	20,456	32,851	29,970
Closing cash	233,973	232,413	222,915	240,190	274,392	281,497	300,409	317,488	337,944	370,795	400,765
Total cash and liquid assets	233,973	232,413	222,915	240,190	274,392	281,497	300,409	317,488	337,944	370,795	400,765
Internally restricted cash	68,021	63,050	44,382	39,723	46,380	44,694	46,403	48,134	43,783	45,263	46,769
Externally restricted cash	159,059	156,547	160,692	175,328	192,305	188,256	190,785	190,527	198,643	211,606	220,049
Unrestricted cash	6,892	12,816	17,841	25,140	35,707	48,548	63,222	78,827	95,518	113,926	133,948
Total cash and liquid investments	233,973	232,413	222,915	240,190	274,392	281,497	300,409	317,488	337,944	370,795	400,765

	ORIGINAL APPROVED BUDGET 2024/25	YEAR 1 BUDGET 2025/26	YEAR 2 FORECAST 2026/27	YEAR 3 FORECAST 2027/28	YEAR 4 FORECAST 2028/29	YEAR 5 FORECAST 2029/30	YEAR 6 FORECAST 2030/31	YEAR 7 FORECAST 2031/32	YEAR 8 FORECAST 2032/33)	YEAR 9 FORECAST 2033/34	YEAR 10 FORECAST 2034/35
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%	-1.35%	2.96%	5.31%	7.46%	10.11%	10.69%	11.53%	12.05%	13.18%	14.14%
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%	71.31%	64.47%	71.50%	71.41%	73.32%	73.68%	75.10%	75.85%	76.41%	77.08%	79.65%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities Benchmark: >1.5	1.91	1.90	1.62	1.71	2.06	2.26	2.53	2.80	3.02	3.36	3.76
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	2.81	3.42	3.94	4.86	5.45	5.72	5.67	5.64	6.27	6.82
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	20.26	19.89	18.95	19.90	21.99	21.67	22.10	22.25	22.50	23.74	24.55

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		

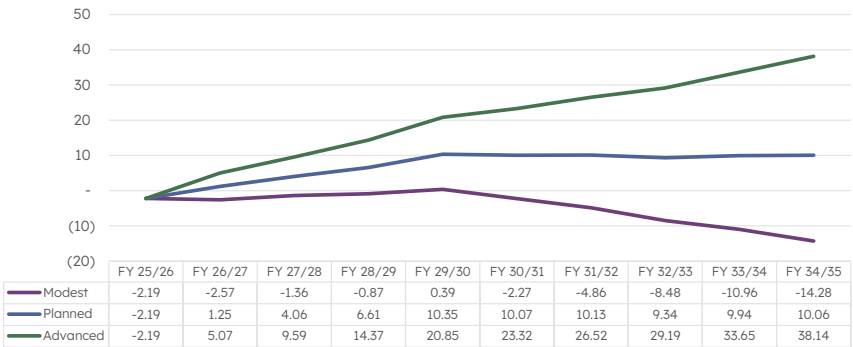


The following are identified as the areas at the highest risk of impacting the future financial performance in the LTFP:

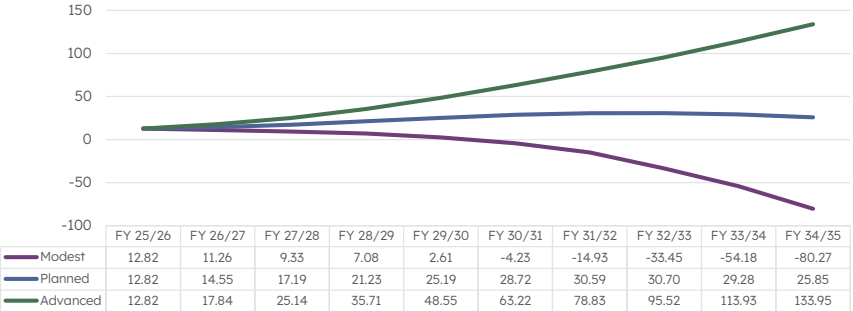
Significant revenue – rates and annual charges	Over the past 10 years the rate peg has varied between 1.20% and 5.80%. It does not always follow CPI. If the rate peg issued by IPART does not keep pace with CPI then MCC’s financial position will deteriorate if service levels remain the same. As identified 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

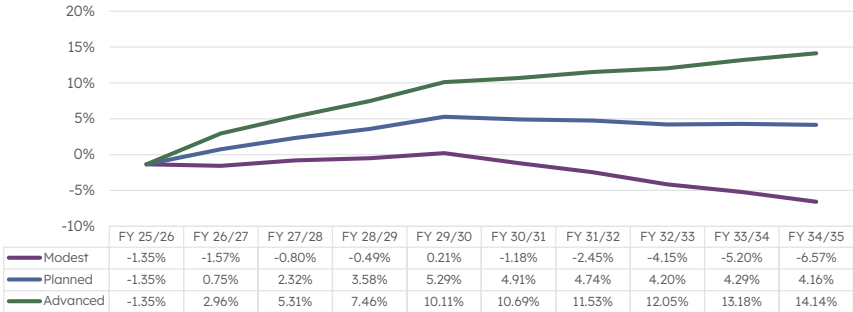
Operating result excluding capital (\$m's)



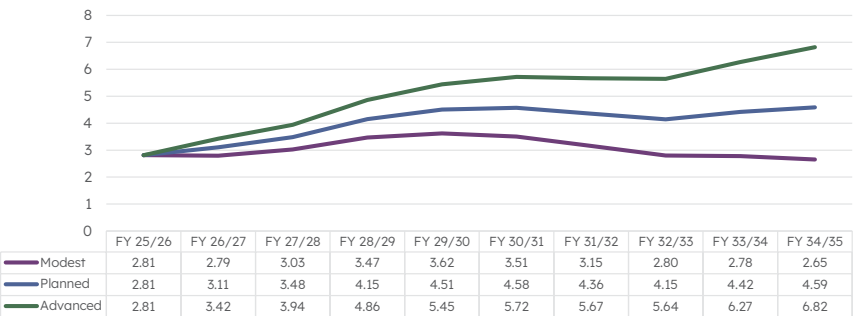
Cash (\$m's)



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

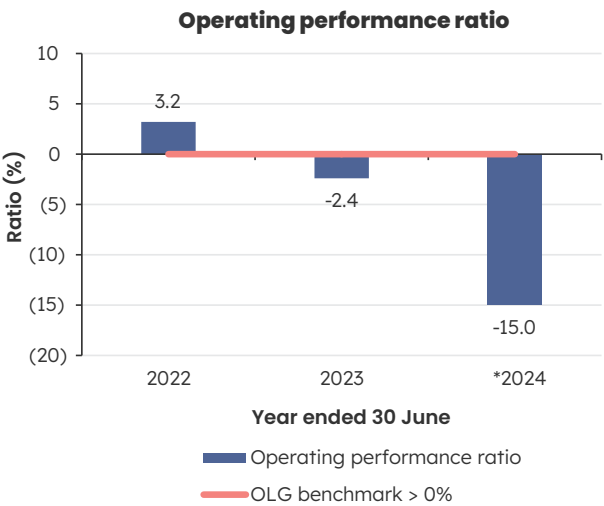
Council will continue to report its financial performance each quarter.

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:

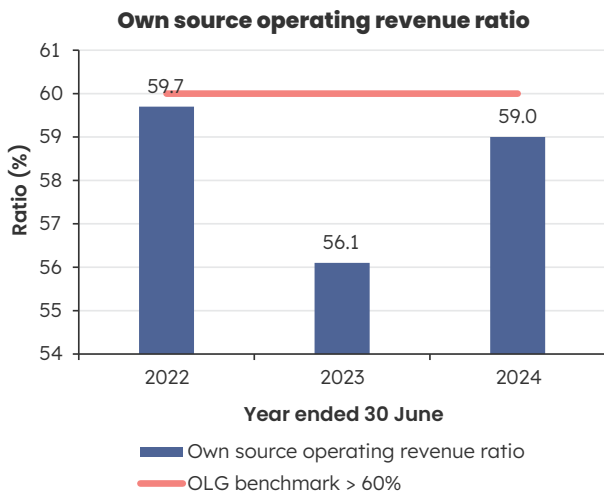
Operating performance

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).



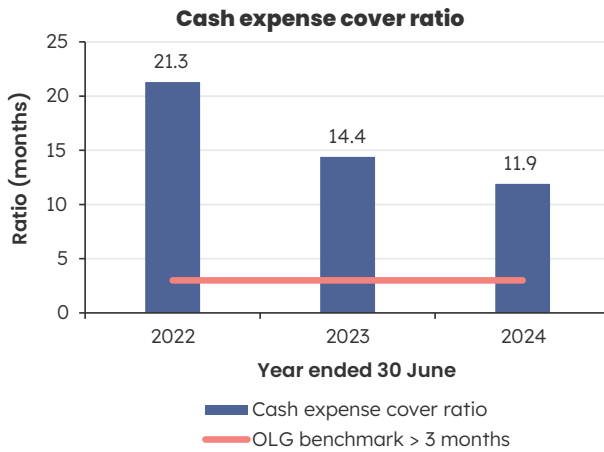
Own source operating revenue

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.



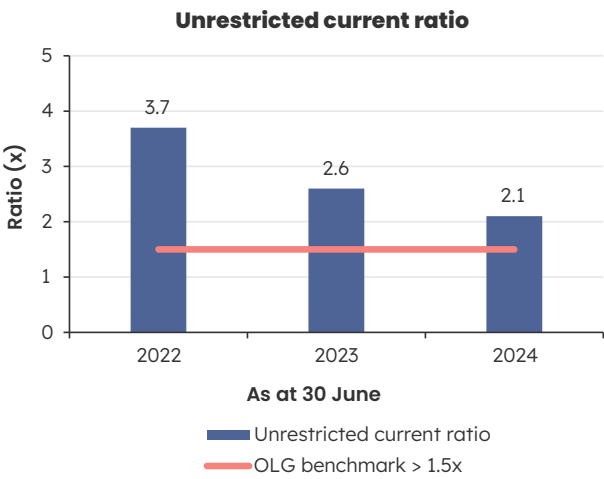
Cash expense cover ratio

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.



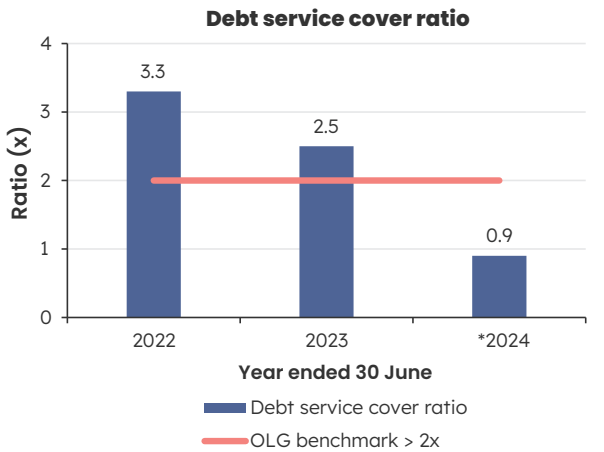
Unrestricted current ratio

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.



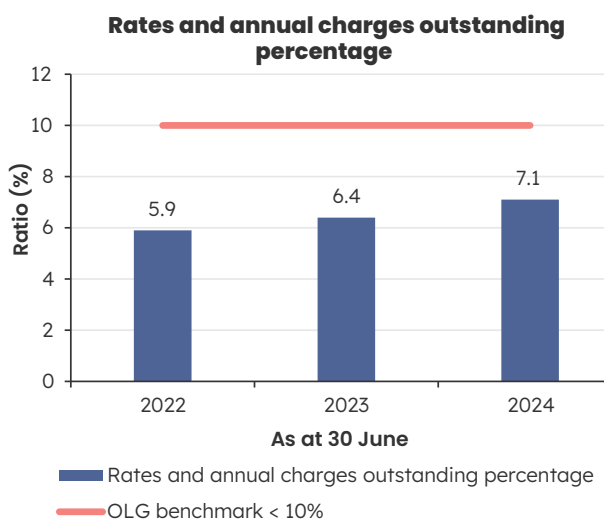
Debt service cover ratio

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



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

maitland
CITY COUNCIL