Achieving Together - Our foundation for success

Long-Term Financial Plan

2026/27-2035/36

maitland CITY COUNCIL

Contents

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?

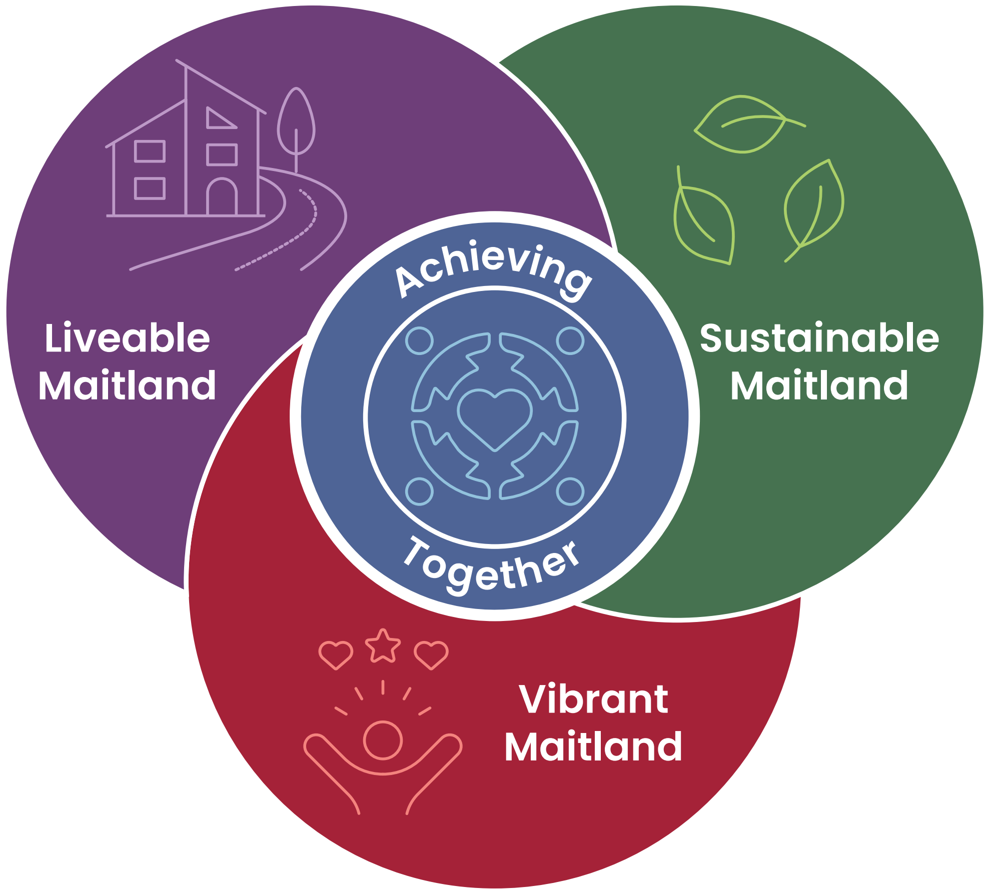
The LTFP ensures that Maitland City Council's financial decision-making is proactive, data-driven, and aligned with the long-term vision for Maitland. By balancing investment, operational sustainability and financial risk management, the plan supports the delivery of essential services while maintaining 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 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 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 with our estimated population recently surpassing 100,000 residents. 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 $9 million each year under the Financial Assistance Grant 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 consist of an unconditional grant with a smaller allocation 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, the grant program is 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 — finances, 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.

Resourcing Maitland's Future and the 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. Resourcing Maitland's Future 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, Resourcing Maitland's Future 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:

Resourcing Maitland's Future, 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. Resourcing Maitland's Future outlines the resources required to implement these actions, and the LTFP ensures the financial resources required are available to meet these needs over time.

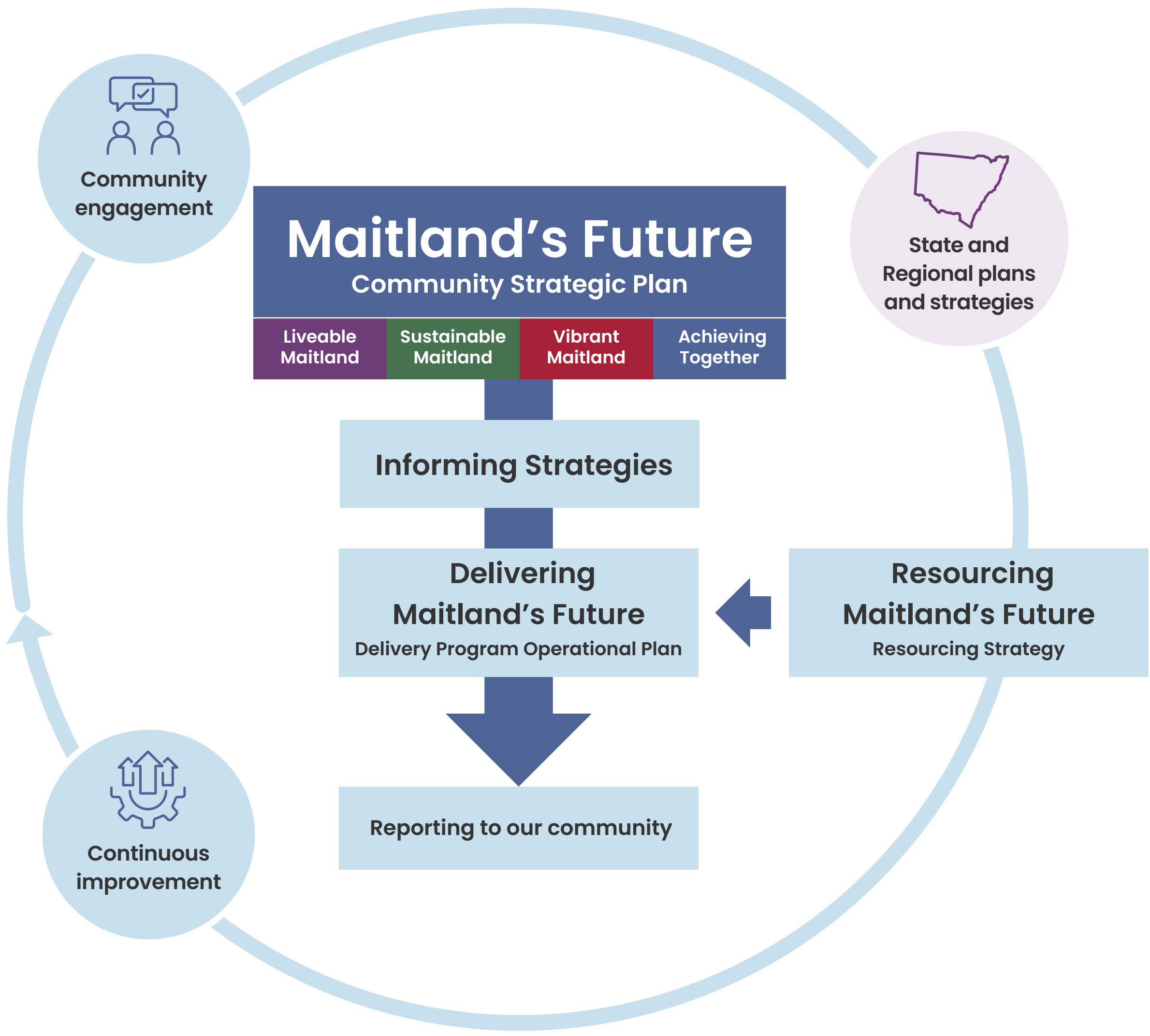
In this way, Resourcing Maitland's Future and the LTFP are integral to realising the IPR framework's long-term vision and priorities.

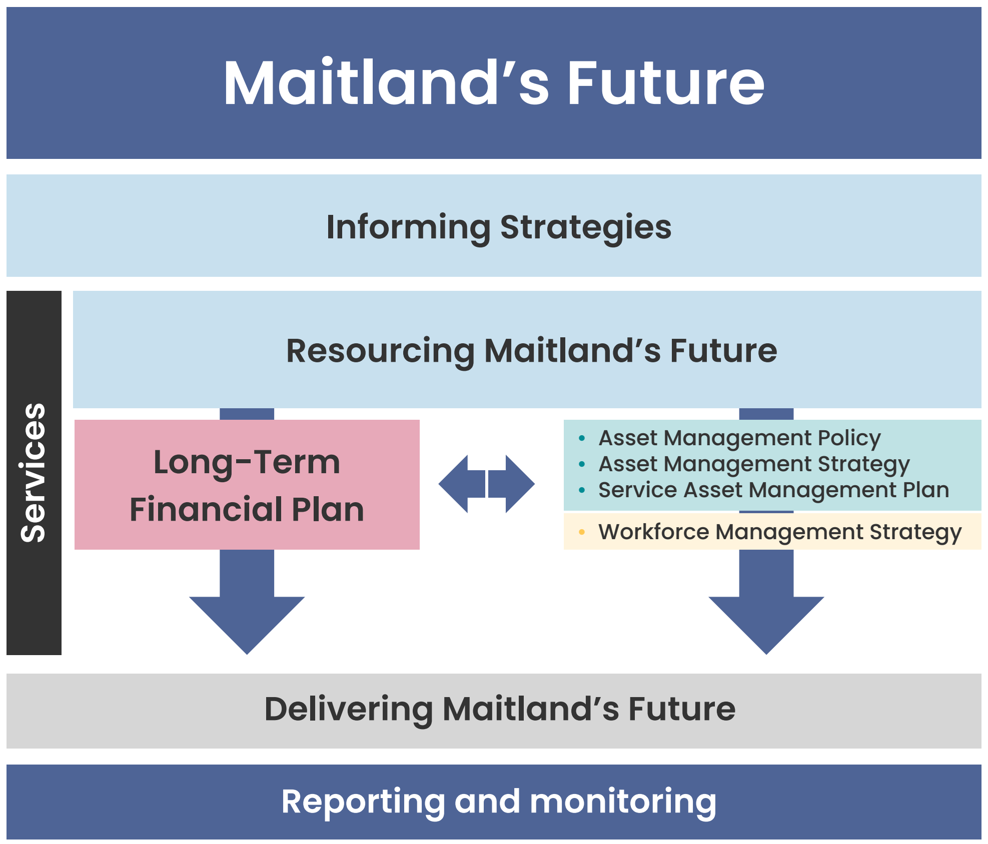
3. Aligning strategic objectives and resources:

Through this alignment, Resourcing Maitland's Future and the LTFP ensure 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 Resourcing Maitland's Future ensures 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 our vision and priorities.

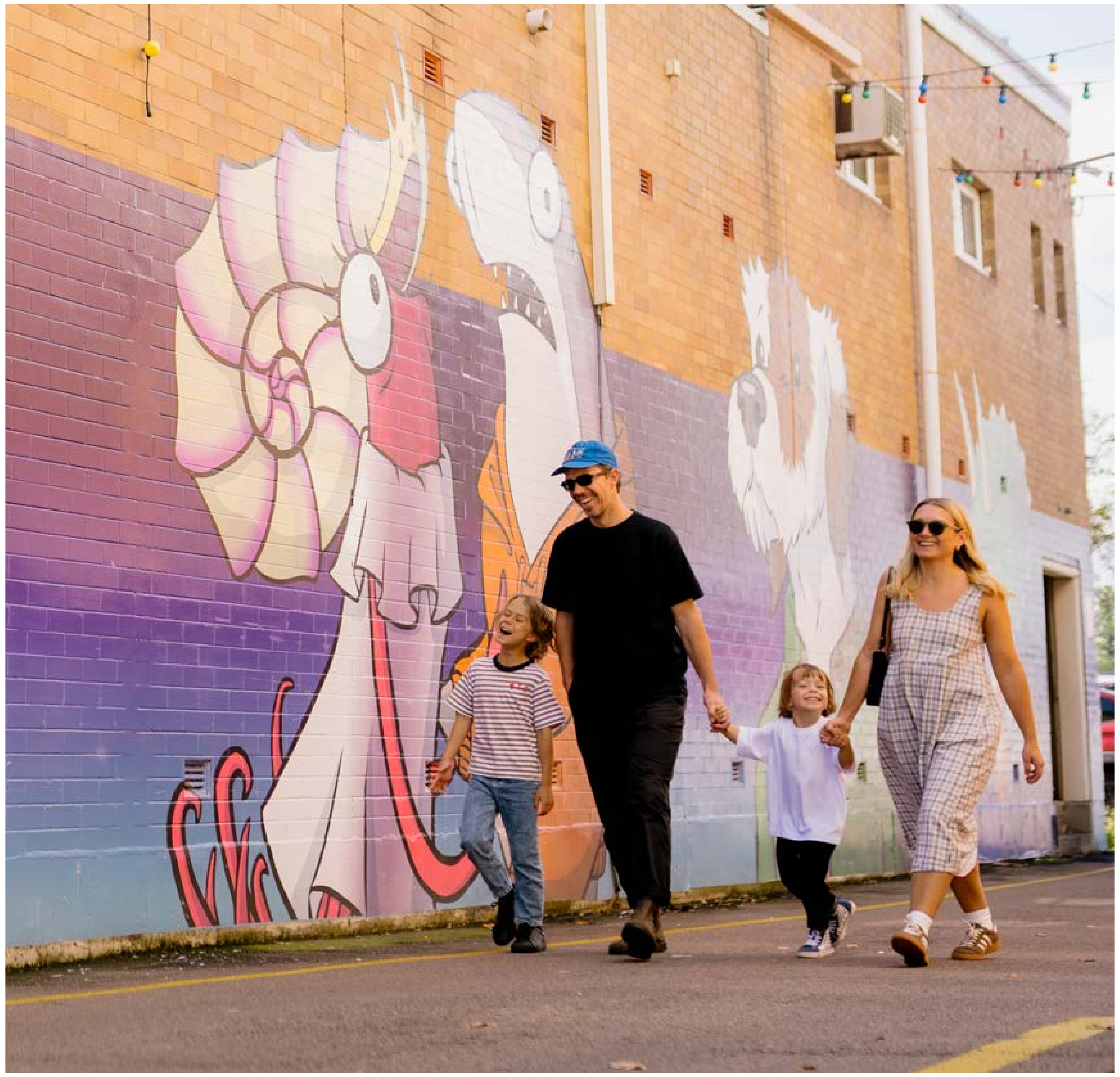




Financial principles

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.

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 life cycle.

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. 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. Facilitating 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 design and approvals**
- **Asset management**
- **Building, recreation and open spaces maintenance**
- **Capital works delivery**
- **Capital works planning and reporting**
- **Cemetery services**
- **Community engagement**
- **Community programming and development**
- **Compliance**
- **Customer experience**
- **Development**
- **Digital business systems and services**
- **Digital transformation projects**
- **Economic development**
- **Emergency management**
- **Enterprise architecture**
- **Events and place activation**
- **Financial services and reporting**
- **Governance and leadership**
- **Human resources**
- **Infrastructure planning**
- **Integrated planning and reporting**
- **Legal and contract management services**
- **Libraries and learning**
- **Maitland Regional Art Gallery**
- **Major venues and facilities**
- **Marketing and communication**
- **Natural environment and resilience**
- **Plant services**
- **Procurement**
- **Property**
- **Risk, safety and wellbeing**
- **Roads, transport and drainage**
- **Strategic planning policy**
- **Sustainability strategy and eduction**
- **Urban development planning**
- **Waste management**

Revenue strategy

Overview

The *Local Government Act 1993* largely determines local councils' 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. These are generated from four rating categories being farmland, residential, mining and business.

MCC's rates base consists of approximately 39,900 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 2026/27, MCC's total adjusted budgeted operating revenue is $171.5 million (excluding non-cash developer road and drainage dedications), of which $131.9 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 (%)
2026/27 (budgeted)	58%
2027/28 (projected)	59%
2028/29 (projected)	58%
2029/30 (projected)	59%

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, Maitland 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 councils 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 NSW Office of Local Government
- the importance of the service to the community
- any factors specified in the Local Government (General) Regulations.

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

- that the setting of fees and charges is cognisant of MCC's environmental, social and financial objectives
- that 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
- that MCC's fees and charges are reviewed annually taking into account any increases in the underlying rate of inflation
- the optimum use of MCC facilities and resources in the context of MCC's Asset Management Strategy and in the setting of user pays-based fees and charges
- that community users of MCC services are effectively consulted before the introduction of any new or varied service charges
- that 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 that MCC appropriately uses debt as a funding tool.

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 2027 to 2036 is $6 million. The debt service ratio will be 3.19 in 2026/27, increasing to 4.94 by 2035/36.

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 19 August 2025 and developed according to Office of Local Government guidelines.

The principal objective of MCC's Investment Policy is the preservation of capital. MCC's cash flow is monitored daily, however there is minimal scope to generate additional revenue from changes to its investment practices.

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.

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. These include 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 and local roads grants ($9 million in 2025/26), 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

Developer contributions are paid by developers and assist in funding 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.

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.

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.

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.

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 $2.15 billion on 30 June 2025.

If an asset is deemed surplus to requirements and is sold, the sale would generate revenue and reduce ongoing costs 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 land holdings to assess opportunities for sale. This work will be continuing in the 2026/27 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 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 2.49% for the planned, modest and advanced projections.	✓	✓	✓
Rate increase of 3.2% rate peg in 2026-27 and for the planned forward estimates 4.0% to 2028-29, and 3.5% onwards.	Planned -1%	Planned	Planned +1%
CPI applied to a number of income streams including general user fees and charges, regulatory services, grants and subsidies.	Planned	Planned	Planned +0.4-0.5%
Increasing revenue via fees and charges, with 3.2% in 2026-27, 3.0% in 2027-28, 2.8% in 2028-29 and 2.5% onwards.	Planned	Planned	Planned +0.4-0.5%
Interest on investments at between 3.79% and 4.88%, based on advice from Maitland City Council's investment advisors.	Planned -1%	Planned	Planned +1%
EXPENDITURE			
Other operating expenses, modeled on 3.2% in 2026-27, 3.0% in 2027-28, 2.8% in 2028-29 and 2.5% onwards.	✓	✓	✓
Materials and services, as per operating expenses.	Planned -0.25%	Planned	Planned +0.25%
Salary increases based on award changes projected at 4% for 2026-27 to 2028-29 incorporating competencies, superannuation changes and 3.0% onwards.	✓	✓	✓
Waste Levy increases applied by the NSW Gov based on annual CPI.	✓	✓	✓
Loan borrowings at $6m per annum for 2027 to 2036.	✓	✓	✓
Staffing increases limited until 2029 then based on service requirements.	Planned -1%	Planned	Planned +1%*
A productivity factor of $500,000 annually.	✓	✓	✓
An infrastructure maintenance factor to reduce the backlog of $1m in 2033, $2m in 2034 and $1.5m in 2035 to 2036.	✓	✓	✓
An allowance is made for additional capital expenditure of $20m in 2030, $30m in 2031 and 2032, $40m in 2033, $30m in 2034, $40m in 2035 and 2036.	✓	✓	✓
CONTINUOUS IMPROVEMENT			
Continued focus on efficiency through changes to process and technology.	✓	✓	✓
Conducting legislated service reviews to assess the impact on financial projections of increases or decreases to service levels, considering all forms of income and expenditure associated with the service.	✓	✓	✓

*2028-2029

Income and Expenditure Statement for the period 2026/27 to 2035/36

Modest outlook

	Q2 ADJUSTED BUDGET 2025/26 ($000'S)	YEAR 1 BUDGET 2026/27 ($000'S)	YEAR 2 FORECAST 2027/28 ($000'S)	YEAR 3 FORECAST 2028/29 ($000'S)	YEAR 4 FORECAST 2029/30 ($000'S)	YEAR 5 FORECAST 2030/31 ($000'S)	YEAR 6 FORECAST 2031/32 ($000'S)	YEAR 7 FORECAST 2032/33 ($000'S)	YEAR 8 FORECAST 2033/34 ($000'S)	YEAR 9 FORECAST 2034/35 ($000'S)	YEAR 10 FORECAST 2035/36 ($000'S)
Rates and charges	95,632	100,162	105,488	111,097	116,437	122,033	127,899	134,046	140,488	147,240	154,317
Special rates	568	596	614	632	648	664	681	698	715	733	752
Annual charges	27,678	31,093	33,522	42,481	42,059	44,137	46,316	48,602	50,999	53,513	56,150
Total rates and annual charges	**123,878**	**131,851**	**139,624**	**154,210**	**159,144**	**166,834**	**174,896**	**183,346**	**192,202**	**201,486**	**211,219**
User charges and fees	11,322	11,109	11,442	11,763	12,057	12,358	12,667	12,984	13,308	13,641	13,982
Other revenues	2,102	2,403	2,475	2,544	2,608	2,673	2,740	2,809	2,879	2,951	3,024
Interest and investment income	11,795	11,779	8,762	8,413	7,963	7,070	6,787	6,361	5,669	5,112	4,411
Other income	1,844	1,803	1,417	1,457	1,493	1,531	1,569	1,608	1,648	1,690	1,732
Total own source revenue	**150,941**	**158,945**	**163,720**	**178,387**	**183,265**	**190,466**	**198,659**	**207,108**	**215,706**	**224,880**	**234,368**
Grants and contributions - operating purposes	11,791	12,542	12,918	13,280	13,612	14,020	14,441	14,874	15,320	15,780	16,253
Grants and contributions - capital purposes	26,898	22,986	38,656	30,228	24,872	19,907	18,879	18,379	17,394	14,130	15,620
Total income from continuing operations	189,630	194,473	215,294	221,895	221,749	224,393	231,979	240,361	248,420	254,790	266,241
Total operating income (excluding capital)	**162,732**	**171,487**	**176,638**	**191,667**	**196,877**	**204,486**	**213,100**	**221,982**	**231,026**	**240,660**	**250,621**
Employee costs	66,838	69,322	72,095	74,979	77,600	80,314	83,122	86,028	89,464	93,037	96,753
Materials and services	55,038	54,561	56,238	66,705	69,032	72,267	75,654	81,370	86,619	92,497	98,653
Borrowing costs	2,629	2,658	2,769	2,797	2,787	2,796	2,782	2,705	2,635	2,573	2,177
Depreciation and amortisation	32,032	33,100	35,917	37,012	37,922	39,160	40,323	41,671	42,982	44,307	45,486
Other expenses	10,605	9,870	10,166	10,451	10,712	10,980	11,254	11,536	11,824	12,120	12,423
Total expenses from continuing operations	**167,142**	**169,511**	**177,185**	**191,944**	**198,053**	**205,517**	**213,135**	**223,310**	**233,524**	**244,534**	**255,492**
Net operating result (excluding capital)	(4,410)	1,976	(547)	(277)	(1,176)	(1,031)	(35)	(1,328)	(2,498)	(3,874)	(4,871)
Operating result (including capital)	22,488	24,962	38,109	29,951	23,696	18,876	18,844	17,051	14,896	10,256	10,749
Net operating result from income statement	22,488	24,962	38,109	29,951	23,696	18,876	18,844	17,051	14,896	10,256	10,749
Gain/(loss) on revaluation of property, plant and equipment	23,973	25,985	25,480	27,387	17,123	17,123	17,053	17,123	17,123	17,117	17,123
Total comprehensive income	**46,461**	**50,947**	**63,589**	**57,338**	**40,819**	**35,999**	**35,897**	**34,174**	**32,019**	**27,373**	**27,872**

Balance sheet for the period 2026/27 to 2035/36

Modest outlook

	Q2 ADJUSTED BUDGET 2025/26 ($000'S)	YEAR 1 BUDGET 2026/27 ($000'S)	YEAR 2 FORECAST 2027/28 ($000'S)	YEAR 3 FORECAST 2028/29 ($000'S)	YEAR 4 FORECAST 2029/30 ($000'S)	YEAR 5 FORECAST 2030/31 ($000'S)	YEAR 6 FORECAST 2031/32 ($000'S)	YEAR 7 FORECAST 2032/33 ($000'S)	YEAR 8 FORECAST 2033/34 ($000'S)	YEAR 9 FORECAST 2034/35 ($000'S)	YEAR 10 FORECAST 2035/36 ($000'S)
Cash and cash equivalents	145,239	146,342	143,456	145,639	149,426	139,266	124,002	99,186	79,232	54,110	30,992
Receivables - current	13,486	13,945	14,685	15,464	16,205	16,982	17,796	18,649	19,543	20,480	21,462
Other current assets	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041
Total current assets	**161,766**	**163,328**	**161,182**	**164,144**	**168,672**	**159,289**	**144,839**	**120,876**	**101,816**	**77,631**	**55,495**
Investments - non-current	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988
Infrastructure property, plant and equipment	2,187,233	2,235,074	2,294,936	2,336,169	2,370,315	2,415,223	2,456,828	2,502,525	2,548,810	2,598,060	2,644,643
Total non-current assets	2,291,221	2,339,062	2,398,924	2,440,157	2,474,303	2,519,211	2,560,816	2,606,513	2,652,798	2,702,048	2,748,631
Total assets	**2,452,987**	**2,502,390**	**2,560,106**	**2,604,301**	**2,642,975**	**2,678,500**	**2,705,655**	**2,727,389**	**2,754,614**	**2,779,679**	**2,804,126**
Payables - current	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019
Borrowings - current	9,703	9,842	8,661	8,664	8,993	9,761	10,059	10,012	10,327	9,944	9,305
Provisions - current	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357
Total current liabilities	**60,079**	**60,218**	**59,037**	**59,040**	**59,369**	**60,137**	**60,435**	**60,388**	**60,703**	**60,320**	**59,681**
Borrowings - non-current	69,049	68,816	69,074	66,928	64,454	63,212	59,672	56,979	54,021	52,096	49,310
Provisions - non-current	34,751	33,301	28,351	17,351	17,351	17,351	11,851	2,151	0	0	0
Total non-current liabilities	103,800	102,117	97,425	84,279	81,805	80,563	71,523	59,130	54,021	52,096	49,310
Total liabilities	163,879	162,335	156,462	143,319	141,174	140,700	131,958	119,518	114,724	112,416	108,991
Net assets	**2,289,108**	**2,340,055**	**2,403,644**	**2,460,982**	**2,501,801**	**2,537,800**	**2,573,697**	**2,607,871**	**2,639,890**	**2,667,263**	**2,695,135**
Accumulated surplus	1,222,778	1,245,266	1,270,228	1,308,337	1,338,288	1,361,984	1,380,860	1,399,704	1,416,755	1,431,651	1,441,907
Revaluation reserves	1,019,869	1,043,842	1,069,827	1,095,307	1,122,694	1,139,817	1,156,940	1,173,993	1,191,116	1,208,239	1,225,356
Total equity opening balance	**2,242,647**	**2,289,108**	**2,340,055**	**2,403,644**	**2,460,982**	**2,501,801**	**2,537,800**	**2,573,697**	**2,607,871**	**2,639,890**	**2,667,263**
Operating result (including capital)	22,488	24,962	38,109	29,951	23,696	18,876	18,844	17,051	14,896	10,256	10,749
Gain/(loss) on revaluation of property, plant and equipment	23,973	25,985	25,480	27,387	17,123	17,123	17,053	17,123	17,123	17,117	17,123
Total comprehensive income	46,461	50,947	63,589	57,338	40,819	35,999	35,897	34,174	32,019	27,373	27,872
Total equity closing balance	**2,289,108**	**2,340,055**	**2,403,644**	**2,460,982**	**2,501,801**	**2,537,800**	**2,573,697**	**2,607,871**	**2,639,890**	**2,667,263**	**2,695,135**

Cash flow statements for the period 2026/27 to 2035/36

Modest outlook

	Q2 ADJUSTED BUDGET 2025/26 ($000'S)	YEAR 1 BUDGET 2026/27 ($000'S)	YEAR 2 FORECAST 2027/28 ($000'S)	YEAR 3 FORECAST 2028/29 ($000'S)	YEAR 4 FORECAST 2029/30 ($000'S)	YEAR 5 FORECAST 2030/31 ($000'S)	YEAR 6 FORECAST 2031/32 ($000'S)	YEAR 7 FORECAST 2032/33 ($000'S)	YEAR 8 FORECAST 2033/34 ($000'S)	YEAR 9 FORECAST 2034/35 ($000'S)	YEAR 10 FORECAST 2035/36 ($000'S)
Total own source revenue	150,167	158,486	162,981	177,609	182,524	189,690	197,845	206,254	214,813	223,943	233,386
Grants and contributions	38,689	35,528	51,574	43,508	38,484	33,928	33,320	33,253	32,714	29,910	31,873
Employee costs	(66,838)	(69,322)	(72,095)	(74,979)	(77,600)	(80,314)	(83,122)	(86,028)	(89,464)	(93,037)	(96,753)
Materials and services	(55,038)	(54,561)	(56,238)	(66,705)	(69,032)	(72,267)	(75,654)	(81,370)	(86,619)	(92,497)	(98,653)
Other expenses from continuing operations	(10,605)	(9,870)	(10,166)	(10,451)	(10,712)	(10,980)	(11,254)	(11,536)	(11,824)	(12,120)	(12,423)
Cashflow from operations	**56,375**	**60,261**	**76,056**	**68,982**	**63,664**	**60,057**	**61,135**	**60,573**	**59,620**	**56,199**	**57,430**
Net movement of infrastructure, property, plant and equipment	(43,991)	(56,405)	(75,250)	(61,858)	(54,945)	(66,945)	(70,375)	(79,945)	(74,295)	(76,439)	(74,945)
Purchase of long term investments	0	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	**(43,991)**	**(56,405)**	**(75,250)**	**(61,858)**	**(54,945)**	**(66,945)**	**(70,375)**	**(79,945)**	**(74,295)**	**(76,439)**	**(74,945)**
Grants and contributions - capital purposes	0	0	0	0	0	0	0	0	0	0	0
Proceeds from borrowings	7,587	15,090	8,400	6,000	6,000	8,000	6,000	6,800	6,850	7,500	6,000
Loan repayments	(11,371)	(11,842)	(12,092)	(10,941)	(10,933)	(11,272)	(12,024)	(12,244)	(12,129)	(12,383)	(11,602)
Cashflow from financing	**(3,784)**	**3,248**	**(3,692)**	**(4,941)**	**(4,933)**	**(3,272)**	**(6,024)**	**(5,444)**	**(5,279)**	**(4,883)**	**(5,602)**
Opening cash	14,448	23,048	24,151	21,265	23,448	27,235	17,075	1,811	(23,005)	(42,959)	(68,081)
Change in cash	8,600	7,104	(2,887)	2,183	3,786	(10,160)	(15,264)	(24,816)	(19,954)	(25,122)	(23,117)
Closing cash	23,048	24,151	21,265	23,448	27,235	17,075	1,811	(23,005)	(42,959)	(68,081)	(91,199)
Total cash and liquid assets	**249,227**	**250,330**	**247,444**	**249,627**	**253,414**	**243,254**	**227,990**	**203,174**	**183,220**	**158,098**	**134,980**
Internally restricted cash	58,249	60,399	47,835	30,210	34,778	39,346	38,414	27,982	30,947	42,412	53,877
Externally restricted cash	178,051	177,216	188,421	215,425	222,478	213,972	204,114	193,383	191,260	165,792	140,850
Unrestricted cash	12,927	12,715	11,187	3,992	(3,843)	(10,064)	(14,539)	(18,192)	(38,988)	(50,107)	(59,747)
Total cash and liquid investments	**249,227**	**250,330**	**247,444**	**249,627**	**253,414**	**243,254**	**227,990**	**203,174**	**183,220**	**158,098**	**134,980**

Long Term Financial Plan 2026/27–2036/37

Statement of Performance Measures for the period 2026/27 to 2035/36

	Q2 ADJUSTED BUDGET 2025/26	YEAR 1 BUDGET 2026/27	YEAR 2 FORECAST 2027/28	YEAR 3 FORECAST 2028/29	YEAR 4 FORECAST 2029/30	YEAR 5 FORECAST 2030/31	YEAR 6 FORECAST 2031/32	YEAR 7 FORECAST 2032/33	YEAR 8 FORECAST 2033/34	YEAR 9 FORECAST 2034/35	YEAR 10 FORECAST 2035/36
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**	-2.71%	1.15%	-0.31%	-0.14%	-0.60%	-0.50%	-0.02%	-0.60%	-1.08%	-1.61%	-1.94%
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%**	79.60%	81.73%	76.04%	80.39%	82.65%	84.88%	85.64%	86.17%	86.83%	88.26%	88.03%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities **Benchmark: >1.5**	1.80	1.85	1.61	1.11	1.05	1.01	0.91	0.64	0.30	0.32	0.39
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**	2.66	3.19	3.15	3.61	3.62	3.63	3.58	3.52	3.56	3.47	3.69
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**	20.79	20.63	19.72	18.37	18.07	16.70	15.03	12.75	10.99	9.03	7.38

Income and expenditure statement for the period 2026/27 to 2035/36

	ACTUAL 2022/23 ($000's)	ACTUAL 2023/24 ($000's)	ACTUAL 2024/25 ($000's)	Q2 ADJUSTED BUDGET 2025/26 ($000's)	YEAR 1 BUDGET 2026/27 ($000's)	YEAR 2 FORECAST 2027/28 ($000's)	YEAR 3 FORECAST 2028/29 ($000's)	YEAR 4 FORECAST 2029/30 ($000's)	YEAR 5 FORECAST 2030/31 ($000's)	YEAR 6 FORECAST 2031/32 ($000's)	YEAR 7 FORECAST 2032/33 ($000's)	YEAR 8 FORECAST 2033/34 ($000's)	YEAR 9 FORECAST 2034/35 ($000's)	YEAR 10 FORECAST 2035/36 ($000's)
Rates and charges	78,657	84,019	89,441	95,632	100,162	106,762	113,797	120,713	128,049	135,831	144,085	152,842	162,130	171,983
Special rates	492	505	530	568	596	620	645	667	691	715	740	766	792	820
Annual charges	20,560	22,668	24,180	27,678	31,093	33,599	42,700	42,393	44,597	46,915	49,351	51,913	54,605	57,435
Total rates and annual charges	**99,709**	**107,192**	**114,151**	**123,878**	**131,851**	**140,981**	**157,142**	**163,773**	**173,337**	**183,461**	**194,176**	**205,521**	**217,527**	**230,238**
User charges and fees	10,230	11,986	13,051	11,322	11,109	11,442	11,763	12,057	12,358	12,667	12,984	13,308	13,641	13,982
Other revenues	3,025	5,316	2,262	2,102	2,403	2,475	2,544	2,608	2,673	2,740	2,809	2,879	2,951	3,024
Interest and investment income	7,152	11,587	12,386	11,795	11,779	11,265	11,044	10,821	10,162	10,049	9,786	9,208	8,865	8,384
Other income	1,091	1,301	1,429	1,844	1,803	1,417	1,457	1,493	1,531	1,569	1,608	1,648	1,690	1,732
Total own source revenue	**121,207**	**137,382**	**143,279**	**150,941**	**158,945**	**167,580**	**183,950**	**190,752**	**200,061**	**210,486**	**221,363**	**232,564**	**244,674**	**257,360**
Grants and contributions - operating purposes	19,368	18,022	11,156	11,791	12,542	12,918	13,280	13,612	14,020	14,441	14,874	15,320	15,780	16,253
Grants and contributions - capital purposes	75,356	77,506	64,582	26,898	22,986	38,656	30,228	24,872	19,907	18,879	18,379	17,394	14,130	15,620
Total income from continuing operations	215,931	232,910	219,017	189,630	194,473	219,154	227,458	229,236	233,988	243,806	254,616	265,278	274,584	289,233
Total operating income (excluding capital)	**140,575**	**155,404**	**154,435**	**162,732**	**171,487**	**180,498**	**197,230**	**204,364**	**214,081**	**224,927**	**236,237**	**247,884**	**260,454**	**273,613**
Employee costs	53,138	61,626	64,466	66,838	69,322	72,095	74,979	78,345	81,862	85,539	89,381	93,841	98,525	103,443
Materials and services	50,165	73,035	57,227	55,038	54,561	56,373	66,989	69,478	72,892	76,474	82,403	87,883	94,012	100,443
Borrowing costs	2,474	2,521	3,710	2,629	2,658	2,769	2,799	2,787	2,798	2,782	2,703	2,637	2,574	2,176
Depreciation and amortisation	29,869	31,097	32,828	32,032	33,100	35,917	37,012	37,922	39,160	40,323	41,671	42,982	44,307	45,486
Other expenses	12,055	11,171	11,765	10,605	9,870	10,166	10,451	10,712	10,980	11,254	11,536	11,824	12,120	12,423
Total expenses from continuing operations	**147,701**	**179,450**	**169,996**	**167,142**	**169,511**	**177,320**	**192,230**	**199,244**	**207,692**	**216,372**	**227,694**	**239,167**	**251,538**	**263,971**
Net operating result (excluding capital)	(7,126)	(24,046)	(15,561)	(4,410)	1,976	3,178	5,000	5,120	6,389	8,555	8,543	8,717	8,916	9,642
Operating result (including capital)	68,230	53,460	49,021	22,488	24,962	41,834	35,228	29,992	26,296	27,434	26,922	26,111	23,046	25,262
Net operating result from Income Statement	68,230	53,460	49,021	22,488	24,962	41,834	35,228	29,992	26,296	27,434	26,922	26,111	23,046	25,262
Gain/(loss) on revaluation of property, plant and equipment	337,299	113,267	66,990	23,973	25,985	25,480	27,387	17,123	17,123	17,053	17,123	17,123	17,117	17,123
Total comprehensive income	**405,529**	**166,727**	**116,011**	**46,461**	**50,947**	**67,314**	**62,615**	**47,115**	**43,419**	**44,487**	**44,045**	**43,234**	**40,163**	**42,385**

Balance sheet for the period 2026/27 to 2035/36

	ACTUAL 2022/23 ($000'S)	ACTUAL 2023/24 ($000'S)	ACTUAL 2024/25 ($000'S)	Q2 ADJUSTED BUDGET 2025/26 ($000'S)	YEAR 1 BUDGET 2026/27 ($000'S)	YEAR 2 FORECAST 2027/28 ($000'S)	YEAR 3 FORECAST 2028/29 ($000'S)	YEAR 4 FORECAST 2029/30 ($000'S)	YEAR 5 FORECAST 2030/31 ($000'S)	YEAR 6 FORECAST 2031/32 ($000'S)	YEAR 7 FORECAST 2032/33 ($000'S)	YEAR 8 FORECAST 2033/34 ($000'S)	YEAR 9 FORECAST 2034/35 ($000'S)	YEAR 10 FORECAST 2035/36 ($000'S)
Cash and cash equivalents	152,623	160,436	136,639	145,239	146,342	147,004	154,267	164,130	161,148	154,208	138,970	129,910	117,226	108,237
Receivables - current	11,709	11,157	12,712	13,486	13,945	14,862	15,839	16,800	17,818	18,899	20,045	21,260	22,549	23,917
Other current assets	2,270	2,781	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041
Total current assets	**166,602**	**174,374**	**152,392**	**161,766**	**163,328**	**164,907**	**173,147**	**183,971**	**182,007**	**176,148**	**162,056**	**154,211**	**142,816**	**135,195**
Investments - non-current	74,212	76,025	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988
Infrastructure property, plant and equipment	1,863,739	2,041,069	2,151,338	2,187,233	2,235,074	2,294,936	2,336,169	2,370,315	2,415,224	2,456,828	2,502,524	2,548,810	2,598,059	2,644,639
Total non-current assets	1,937,951	2,117,094	2,255,326	2,291,221	2,339,062	2,398,924	2,440,157	2,474,303	2,519,212	2,560,816	2,606,512	2,652,798	2,702,047	2,748,627
Total assets	**2,104,553**	**2,291,468**	**2,407,718**	**2,452,987**	**2,502,390**	**2,563,831**	**2,613,304**	**2,658,274**	**2,701,219**	**2,736,964**	**2,768,568**	**2,807,009**	**2,844,863**	**2,883,822**
Payables - current	25,626	31,772	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019
Borrowings - current	9,378	8,538	9,299	9,703	9,842	8,661	8,664	8,993	9,761	10,059	10,012	10,327	9,944	9,305
Provisions - current	14,968	16,631	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357
Total current liabilities	**49,972**	**56,941**	**59,675**	**60,079**	**60,218**	**59,037**	**59,040**	**59,369**	**60,137**	**60,435**	**60,388**	**60,703**	**60,320**	**59,681**
Borrowings - non-current	73,245	72,819	70,645	69,049	68,816	69,074	66,928	64,454	63,212	59,672	56,979	54,021	52,096	49,310
Provisions - non-current	21,428	35,072	34,751	34,751	33,301	28,351	17,351	17,351	17,351	11,851	2,151	0	0	0
Total non-current liabilities	94,673	107,891	105,396	103,800	102,117	97,425	84,279	81,805	80,563	71,523	59,130	54,021	52,096	49,310
Total liabilities	144,645	164,832	165,071	163,879	162,335	156,462	143,319	141,174	140,700	131,958	119,518	114,724	112,416	108,991
Net assets	**1,959,908**	**2,126,636**	**2,242,647**	**2,289,108**	**2,340,055**	**2,407,369**	**2,469,985**	**2,517,100**	**2,560,519**	**2,605,006**	**2,649,050**	**2,692,285**	**2,732,447**	**2,774,831**
Accumulated surplus	1,052,067	1,120,298	1,173,757	1,222,778	1,245,266	1,270,228	1,312,063	1,347,291	1,377,283	1,403,579	1,431,013	1,457,935	1,484,046	1,507,091
Revaluation reserves	502,311	839,611	952,879	1,019,869	1,043,842	1,069,827	1,095,307	1,122,694	1,139,817	1,156,940	1,173,993	1,191,116	1,208,239	1,225,356
Total equity opening balance	**1,554,378**	**1,959,909**	**2,126,636**	**2,242,647**	**2,289,108**	**2,340,055**	**2,407,370**	**2,469,985**	**2,517,100**	**2,560,519**	**2,605,005**	**2,649,051**	**2,692,284**	**2,732,446**
Operating result (including capital)	68,231	53,460	49,021	22,488	24,962	41,834	35,228	29,992	26,296	27,434	26,922	26,111	23,046	25,263
Gain/(loss) on revaluation of property, plant and equipment	337,299	113,267	66,990	23,973	25,985	25,480	27,387	17,123	17,123	17,053	17,123	17,123	17,117	17,123
Total comprehensive income	405,530	166,727	116,011	46,461	50,947	67,314	62,615	47,115	43,419	44,487	44,045	43,234	40,163	42,385
Total equity closing balance	**1,959,908**	**2,126,636**	**2,242,647**	**2,289,108**	**2,340,055**	**2,407,369**	**2,469,985**	**2,517,100**	**2,560,519**	**2,605,006**	**2,649,050**	**2,692,285**	**2,732,447**	**2,774,831**

Cash flow statements for the period 2026/27 to 2035/36

	ACTUAL 2022/23 ($000'S)	ACTUAL 2023/24 ($000'S)	ACTUAL 2024/25 ($000'S)	Q2 ADJUSTED BUDGET 2025/26 ($000'S)	YEAR 1 BUDGET 2026/27 ($000'S)	YEAR 2 FORECAST 2027/28 ($000'S)	YEAR 3 FORECAST 2028/29 ($000'S)	YEAR 4 FORECAST 2029/30 ($000'S)	YEAR 5 FORECAST 2030/31 ($000'S)	YEAR 6 FORECAST 2031/32 ($000'S)	YEAR 7 FORECAST 2032/33 ($000'S)	YEAR 8 FORECAST 2033/34 ($000'S)	YEAR 9 FORECAST 2034/35 ($000'S)	YEAR 10 FORECAST 2035/36 ($000'S)
Total own source revenue	115,933	138,794	141,704	150,167	158,486	166,664	182,972	189,792	199,042	209,405	220,217	231,348	243,384	255,993
Grants and contributions	19,368	57,845	52,054	38,689	35,528	51,574	43,508	38,484	33,928	33,320	33,253	32,714	29,910	31,873
Employee costs	(52,356)	(61,951)	(63,528)	(66,838)	(69,322)	(72,095)	(74,979)	(78,345)	(81,862)	(85,539)	(89,381)	(93,841)	(98,525)	(103,443)
Materials and services	(51,423)	(54,919)	(61,297)	(55,038)	(54,561)	(56,373)	(66,989)	(69,478)	(72,892)	(76,474)	(82,403)	(87,883)	(94,012)	(100,443)
Other expenses from continuing operations	(8,316)	(12,936)	(14,211)	(10,605)	(9,870)	(10,166)	(10,451)	(10,712)	(10,980)	(11,254)	(11,536)	(11,824)	(12,120)	(12,423)
Cashflow from operations	**23,206**	**66,833**	**54,722**	**56,375**	**60,261**	**79,604**	**74,061**	**69,741**	**67,236**	**69,458**	**70,150**	**70,514**	**68,637**	**71,557**
Net movement of infrastructure, property, plant and equipment	(73,702)	(56,509)	(49,163)	(43,991)	(56,405)	(75,250)	(61,858)	(54,945)	(66,945)	(70,375)	(79,945)	(74,295)	(76,439)	(74,945)
Purchase of long-term investments	18,744	0	0	0	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	**(54,958)**	**(56,509)**	**(49,163)**	**(43,991)**	**(56,405)**	**(75,250)**	**(61,858)**	**(54,945)**	**(66,945)**	**(70,375)**	**(79,945)**	**(74,295)**	**(76,439)**	**(74,945)**
Grants and contributions - capital purposes	46,624	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from borrowings	6,000	7,799	7,105	7,587	9,090	8,400	6,000	6,000	8,000	6,000	6,800	6,850	7,500	6,000
Loan repayments	(10,456)	(9,708)	(9,146)	(11,371)	(11,842)	(12,092)	(10,941)	(10,933)	(11,272)	(12,024)	(12,244)	(12,129)	(12,383)	(11,602)
Cashflow from financing	**42,168**	**(1,909)**	**(2,041)**	**(3,784)**	**(2,752)**	**(3,692)**	**(4,941)**	**(4,933)**	**(3,272)**	**(6,024)**	**(5,444)**	**(5,279)**	**(4,883)**	**(5,602)**
Opening cash	237,834	25,189	26,093	14,448	23,048	24,151	24,813	32,076	41,939	38,957	32,017	16,779	7,719	(4,965)
Change in cash	(10,999)	902	(11,645)	8,600	1,104	662	7,263	9,863	(2,982)	(6,940)	(15,238)	(9,060)	(12,684)	(8,989)
Closing cash	226,835	26,091	14,448	23,048	24,151	24,813	32,076	41,939	38,957	32,017	16,779	7,719	(4,965)	(13,954)
Total cash and liquid assets	**226,835**	**236,459**	**240,627**	**249,227**	**250,330**	**250,992**	**258,255**	**268,118**	**265,136**	**258,196**	**242,958**	**233,898**	**221,214**	**212,225**
Internally restricted cash	78,129	73,368	58,916	58,249	60,399	47,835	30,210	34,778	39,346	38,414	27,982	30,947	42,412	53,877
Externally restricted cash	141,868	156,184	172,697	178,051	177,216	188,421	215,425	222,478	213,972	204,114	193,383	191,260	165,792	140,850
Unrestricted cash	6,838	6,907	9,014	12,927	12,715	14,736	12,620	10,862	11,819	15,668	21,592	11,691	13,009	17,497
Total cash and liquid investments	**226,835**	**236,459**	**240,627**	**249,227**	**250,330**	**250,992**	**258,255**	**268,118**	**265,136**	**258,196**	**242,958**	**233,898**	**221,214**	**212,225**

Statement of Performance Measures for the period 2026/27 to 2035/36

	ACTUAL 2022/23	ACTUAL 2023/24	ACTUAL 2024/25	Q2 ADJUSTED BUDGET 2025/26	YEAR 1 BUDGET 2026/27	YEAR 2 FORECAST 2027/28	YEAR 3 FORECAST 2028/29	YEAR 4 FORECAST 2029/30	YEAR 5 FORECAST 2030/31	YEAR 6 FORECAST 2031/32	YEAR 7 FORECAST 2032/33	YEAR 8 FORECAST 2033/34	YEAR 9 FORECAST 2034/35	YEAR 10 FORECAST 2035/36
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**	-2.38%	-15.47%	-10.08%	-2.71%	1.15%	1.76%	2.54%	2.51%	2.98%	3.80%	3.62%	3.52%	3.42%	3.52%
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%**	56.13%	58.99%	65.42%	79.60%	81.73%	76.47%	80.87%	83.21%	85.50%	86.33%	86.94%	87.67%	89.11%	88.98%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities **Benchmark: >1.5**	2.57	2.08	1.74	1.80	1.85	1.69	1.30	1.37	1.48	1.55	1.48	1.36	1.66	2.04
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**	2.53	0.99	2.29	2.66	3.19	3.46	4.10	4.19	4.29	4.30	4.32	4.48	4.51	4.94
5. Rates and annual charges outstanding percentage Rates and annual charges outstanding Rates and annual charges collectable **Benchmark: <5% Metro, <10% Regional**	6.44%	6.28%	6.28%	6.28%	6.28%	6.12%	5.97%	5.82%	5.67%	5.53%	5.39%	5.26%	5.13%	5.00%
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**	14.44	20.34	19.49	20.79	20.63	19.98	18.97	18.99	17.97	16.72	14.91	13.65	12.23	11.17

Income and Expenditure Statement for the period 2026/27 to 2035/36

	Q2 ADJUSTED BUDGET 2025/26 ($000's)	YEAR 1 BUDGET 2026/27 ($000's)	YEAR 2 FORECAST 2027/28 ($000's)	YEAR 3 FORECAST 2028/29 ($000's)	YEAR 4 FORECAST 2029/30 ($000's)	YEAR 5 FORECAST 2030/31 ($000's)	YEAR 6 FORECAST 2031/32 ($000's)	YEAR 7 FORECAST 2032/33 ($000's)	YEAR 8 FORECAST 2033/34 ($000's)	YEAR 9 FORECAST 2034/35 ($000's)	YEAR 10 FORECAST 2035/36 ($000's)
Rates and charges	95,632	100,162	108,062	116,586	125,182	134,413	144,324	154,966	166,393	178,663	191,837
Special rates	568	596	626	657	687	718	750	784	819	856	894
Annual charges	27,678	31,093	33,842	43,242	43,258	45,819	48,529	51,396	54,431	57,642	61,039
Total rates and annual charges	**123,878**	**131,851**	**142,530**	**160,485**	**169,127**	**180,950**	**193,603**	**207,146**	**221,643**	**237,161**	**253,770**
User charges and fees	11,322	11,109	11,498	11,866	12,222	12,588	12,966	13,355	13,756	14,168	14,593
Other revenues	2,102	2,403	2,475	2,544	2,608	2,673	2,740	2,809	2,879	2,951	3,024
Interest and investment income	11,795	11,779	13,768	13,724	13,789	13,507	13,788	14,007	13,975	14,401	14,844
Other income	1,844	1,803	1,417	1,457	1,493	1,531	1,569	1,608	1,648	1,690	1,732
Total own source revenue	**150,941**	**158,945**	**171,688**	**190,076**	**199,239**	**211,249**	**224,666**	**238,925**	**253,901**	**270,371**	**287,963**
Grants and contributions - operating purposes	11,791	12,542	12,981	13,396	13,798	14,212	14,639	15,078	15,530	15,996	16,476
Grants and contributions - capital purposes	26,898	22,986	38,656	30,228	24,872	19,907	18,879	18,379	17,394	14,130	15,620
Total income from continuing operations	189,630	194,473	223,325	233,700	237,909	245,368	258,184	272,382	286,825	300,497	320,059
Total operating income (excluding capital)	**162,732**	**171,487**	**184,669**	**203,472**	**213,037**	**225,461**	**239,305**	**254,003**	**269,431**	**286,367**	**304,439**
Employee costs	66,838	69,322	72,790	76,431	79,863	83,450	87,199	91,116	95,664	100,440	105,456
Materials and services	55,038	54,561	56,519	67,297	69,965	73,575	77,371	83,535	89,272	95,682	102,419
Borrowing costs	2,629	2,658	2,769	2,799	2,787	2,798	2,782	2,704	2,637	2,575	2,176
Depreciation and amortisation	32,032	33,100	35,917	37,012	37,922	39,160	40,323	41,671	42,982	44,307	45,486
Other expenses	10,605	9,870	10,166	10,451	10,712	10,980	11,254	11,536	11,824	12,120	12,423
Total expenses from continuing operations	**167,142**	**169,511**	**178,161**	**193,990**	**201,249**	**209,963**	**218,929**	**230,562**	**242,379**	**255,124**	**267,960**
Net operating result (excluding capital)	(4,410)	1,976	6,508	9,482	11,788	15,498	20,376	23,441	27,052	31,243	36,479
Operating result (including capital)	22,488	24,962	45,164	39,710	36,660	35,405	39,255	41,820	44,446	45,373	52,099
Net operating result from income statement	22,488	24,962	45,164	39,710	36,660	35,405	39,255	41,820	44,446	45,373	52,099
Gain/(loss) on revaluation of property, plant and equipment	23,973	25,985	25,480	27,387	17,123	17,123	17,053	17,123	17,123	17,117	17,123
Total comprehensive income	**46,461**	**50,947**	**70,644**	**67,097**	**53,783**	**52,528**	**56,308**	**58,943**	**61,569**	**62,490**	**69,222**

Balance sheet for the period 2026/27 to 2035/36

	Q2 ADJUSTED BUDGET 2025/26 ($000'S)	YEAR 1 BUDGET 2026/27 ($000'S)	YEAR 2 FORECAST 2027/28 ($000'S)	YEAR 3 FORECAST 2028/29 ($000'S)	YEAR 4 FORECAST 2029/30 ($000'S)	YEAR 5 FORECAST 2030/31 ($000'S)	YEAR 6 FORECAST 2031/32 ($000'S)	YEAR 7 FORECAST 2032/33 ($000'S)	YEAR 8 FORECAST 2033/34 ($000'S)	YEAR 9 FORECAST 2034/35 ($000'S)	YEAR 10 FORECAST 2035/36 ($000'S)
Cash and cash equivalents	145,239	146,342	150,153	161,690	177,987	183,852	188,436	187,765	196,669	205,897	223,284
Receivables - current	13,486	13,945	15,043	16,227	17,421	18,703	20,079	21,557	23,143	24,846	26,675
Other current assets	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041	3,041
Total current assets	**161,766**	**163,328**	**168,237**	**180,958**	**198,449**	**205,596**	**211,556**	**212,363**	**222,853**	**233,784**	**253,000**
Investments - non-current	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988	103,988
Infrastructure property plant and equipment	2,187,233	2,235,074	2,294,936	2,336,169	2,370,316	2,415,223	2,456,829	2,502,525	2,548,810	2,598,061	2,644,642
Total non-current assets	2,291,221	2,339,062	2,398,924	2,440,157	2,474,304	2,519,211	2,560,817	2,606,513	2,652,798	2,702,049	2,748,630
Total assets	**2,452,987**	**2,502,390**	**2,567,161**	**2,621,115**	**2,672,753**	**2,724,807**	**2,772,373**	**2,818,876**	**2,875,651**	**2,935,833**	**3,001,630**
Payables - current	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019	34,019
Borrowings - current	9,703	9,842	8,661	8,664	8,993	9,761	10,059	10,012	10,327	9,944	9,305
Provisions - current	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357	16,357
Total current liabilities	**60,079**	**60,218**	**59,037**	**59,040**	**59,369**	**60,137**	**60,435**	**60,388**	**60,703**	**60,320**	**59,681**
Borrowings - non-current	69,049	68,816	69,074	66,928	64,454	63,212	59,672	56,979	54,021	52,096	49,310
Provisions - non-current	34,751	33,301	28,351	17,351	17,351	17,351	11,851	2,151	0	0	0
Total non-current liabilities	103,800	102,117	97,425	84,279	81,805	80,563	71,523	59,130	54,021	52,096	49,310
Total liabilities	163,879	162,335	156,462	143,319	141,174	140,700	131,958	119,518	114,724	112,416	108,991
Net assets	**2,289,108**	**2,340,055**	**2,410,699**	**2,477,796**	**2,531,579**	**2,584,107**	**2,640,415**	**2,699,358**	**2,760,927**	**2,823,417**	**2,892,639**
Accumulated surplus	1,222,778	1,245,266	1,270,228	1,315,392	1,355,102	1,391,762	1,427,167	1,466,422	1,508,242	1,552,688	1,598,061
Revaluation reserves	1,019,869	1,043,842	1,069,827	1,095,307	1,122,694	1,139,817	1,156,940	1,173,993	1,191,116	1,208,239	1,225,356
Total equity opening balance	**2,242,647**	**2,289,108**	**2,340,055**	**2,410,699**	**2,477,796**	**2,531,579**	**2,584,107**	**2,640,415**	**2,699,358**	**2,760,927**	**2,823,417**
Operating result (including capital)	22,488	24,962	45,164	39,710	36,660	35,405	39,255	41,820	44,446	45,373	52,099
Gain/(loss) on revaluation of property, plant and equipment	23,973	25,985	25,480	27,387	17,123	17,123	17,053	17,123	17,123	17,117	17,123
Total comprehensive income	46,461	50,947	70,644	67,097	53,783	52,528	56,308	58,943	61,569	62,490	69,222
Total equity closing balance	**2,289,108**	**2,340,055**	**2,410,699**	**2,477,796**	**2,531,579**	**2,584,107**	**2,640,415**	**2,699,358**	**2,760,927**	**2,823,417**	**2,892,639**

Cash flow statements for the period 2026/27 to 2035/36

	Q2 ADJUSTED BUDGET 2025/26 ($000'S)	YEAR 1 BUDGET 2026/27 ($000'S)	YEAR 2 FORECAST 2027/28 ($000'S)	YEAR 3 FORECAST 2028/29 ($000'S)	YEAR 4 FORECAST 2029/30 ($000'S)	YEAR 5 FORECAST 2030/31 ($000'S)	YEAR 6 FORECAST 2031/32 ($000'S)	YEAR 7 FORECAST 2032/33 ($000'S)	YEAR 8 FORECAST 2033/34 ($000'S)	YEAR 9 FORECAST 2034/35 ($000'S)	YEAR 10 FORECAST 2035/36 ($000'S)
Total own source revenue	150,167	158,486	170,591	188,891	198,045	209,966	223,289	237,448	252,314	268,667	286,135
Grants and contributions	38,689	35,528	51,637	43,624	38,671	34,120	33,518	33,457	32,924	30,126	32,096
Employee costs	(66,838)	(69,322)	(72,790)	(76,431)	(79,863)	(83,450)	(87,199)	(91,116)	(95,664)	(100,440)	(105,456)
Materials and services	(55,038)	(54,561)	(56,519)	(67,297)	(69,965)	(73,575)	(77,371)	(83,535)	(89,272)	(95,682)	(102,419)
Other expenses from continuing operations	(10,605)	(9,870)	(10,166)	(10,451)	(10,712)	(10,980)	(11,254)	(11,536)	(11,824)	(12,120)	(12,423)
Cashflow from operations	**56,375**	**60,261**	**82,753**	**78,336**	**76,176**	**76,081**	**80,983**	**84,718**	**88,478**	**90,551**	**97,933**
Net movement of infrastructure, property, plant and equipment	(43,991)	(56,405)	(75,250)	(61,858)	(54,945)	(66,945)	(70,375)	(79,945)	(74,295)	(76,439)	(74,945)
Purchase of long term investments	0	0	0	0	0	0	0	0	0	0	0
Cashflow from investing	**(43,991)**	**(56,405)**	**(75,250)**	**(61,858)**	**(54,945)**	**(66,945)**	**(70,375)**	**(79,945)**	**(74,295)**	**(76,439)**	**(74,945)**
Grants and contributions - capital purposes	0	0	0	0	0	0	0	0	0	0	0
Proceeds from borrowings	7,587	9,090	8,400	6,000	6,000	8,000	6,000	6,800	6,850	7,500	6,000
Loan repayments	(11,371)	(11,842)	(12,092)	(10,941)	(10,933)	(11,272)	(12,024)	(12,244)	(12,129)	(12,383)	(11,602)
Cashflow from financing	**(3,784)**	**(2,752)**	**(3,692)**	**(4,941)**	**(4,933)**	**(3,272)**	**(6,024)**	**(5,444)**	**(5,279)**	**(4,883)**	**(5,602)**
Opening cash	14,448	23,048	24,151	27,962	39,499	55,796	61,661	66,245	65,574	74,478	83,706
Change in cash	8,600	1,104	3,810	11,537	16,297	5,864	4,584	(671)	8,904	9,229	17,386
Closing cash	23,048	24,151	27,962	39,499	55,796	61,661	66,245	65,574	74,478	83,706	101,093
Total cash and liquid assets	**249,227**	**250,330**	**254,141**	**265,678**	**281,975**	**287,840**	**292,424**	**291,753**	**300,657**	**309,885**	**327,272**
Internally restricted cash	58,249	47,835	30,210	34,778	39,346	38,414	27,982	30,947	42,412	53,877	54,442
Externally restricted cash	178,051	177,216	188,421	215,425	222,478	213,972	204,114	193,383	191,260	165,792	140,850
Unrestricted cash	12,927	12,715	17,884	20,043	24,719	34,522	49,896	70,387	78,449	101,681	132,544
Total cash and liquid investments	**249,227**	**250,330**	**254,141**	**265,678**	**281,975**	**287,840**	**292,424**	**291,753**	**300,657**	**309,885**	**327,272**

Statement of Performance Measures for the period 2026/27 to 2035/36

	Q2 ADJUSTED BUDGET 2025/26	YEAR 1 BUDGET 2026/27	YEAR 2 FORECAST 2027/28	YEAR 3 FORECAST 2028/29	YEAR 4 FORECAST 2029/30	YEAR 5 FORECAST 2030/31	YEAR 6 FORECAST 2031/32	YEAR 7 FORECAST 2032/33	YEAR 8 FORECAST 2033/34	YEAR 9 FORECAST 2034/35	YEAR 10 FORECAST 2035/36
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**	-2.71%	1.15%	3.52%	4.66%	5.53%	6.87%	8.51%	9.23%	10.04%	10.91%	11.98%
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%**	79.60%	81.73%	76.88%	81.33%	83.75%	86.09%	87.02%	87.72%	88.52%	89.97%	89.97%
3. Unrestricted current ratio Current assets less all external restrictions Current liabilities less specific purpose liabilities **Benchmark: >1.5**	1.80	1.85	1.76	1.46	1.67	1.96	2.27	2.51	2.75	3.52	4.48
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**	2.66	3.19	3.74	4.51	4.80	5.10	5.28	5.54	5.99	6.31	7.25
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**	20.79	20.63	20.12	19.31	19.73	19.27	18.68	17.64	17.27	16.85	16.94

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:

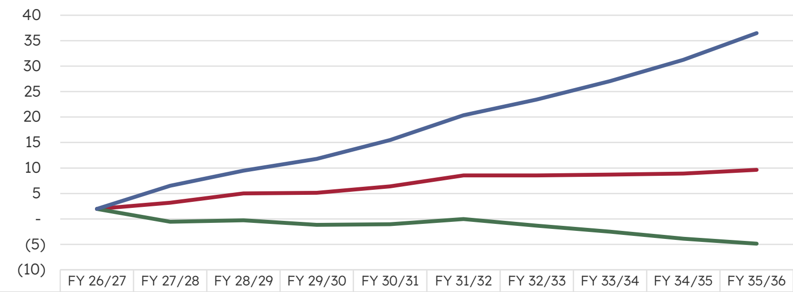
EXTERNAL RISKS	INTERNAL RISKS	COMMUNITY
Interest rate fluctuations	Changes to fees and charges and other revenue sources	Community needs and expectations
Inflation and movements in CPI	Organisational service reviews and restructures	Other key strategies
Changes to levies and their conditions (i.e. EPA 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 per cent and 5.80 per cent. 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 one percent 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 is 12 per cent. Any pay increases exceeding 4.0 per cent 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 was 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 the level of operating expenditure (OPEX) in the annual works program to be consistent with that of the prior year for the delivery program. The level of operational expenditure per project can range from zero per cent to 100 per cent and the average level varies between programs depending upon project scheduling. Estimates provided for works programs in 2026/27 and 2028/29 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 Asset Management Strategy and Asset Management Plan. Projects altering the project schedule can result in diminishing asset conditions, higher depreciation expense and increased loss on disposal of assets.

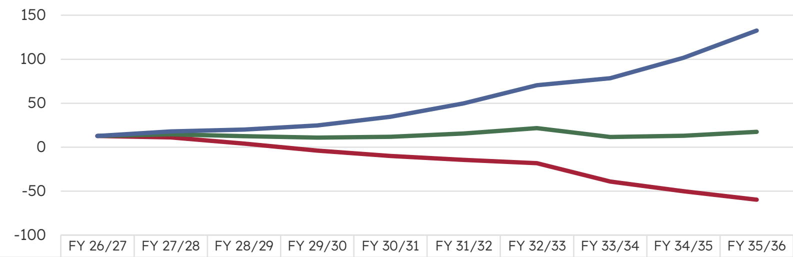
Sensitivity analysis graphs

Operating result excluding capital ($m's)



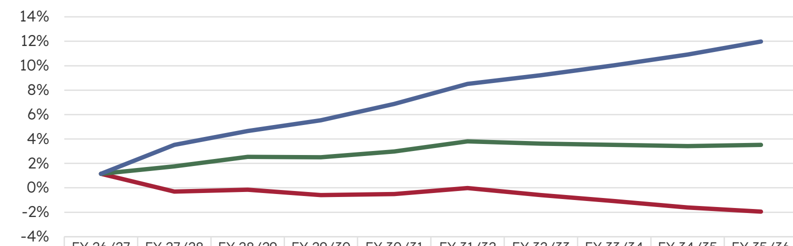
	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36
Modest	1.98	3.18	5.00	5.12	6.39	8.56	8.54	8.72	8.92	9.64
Planned	1.98	-0.55	-0.28	-1.18	-1.03	-0.04	-1.33	-2.50	-3.87	-4.87
Advanced	1.98	6.51	9.48	11.79	15.50	20.38	23.44	27.05	31.24	36.48

Cash ($m's)



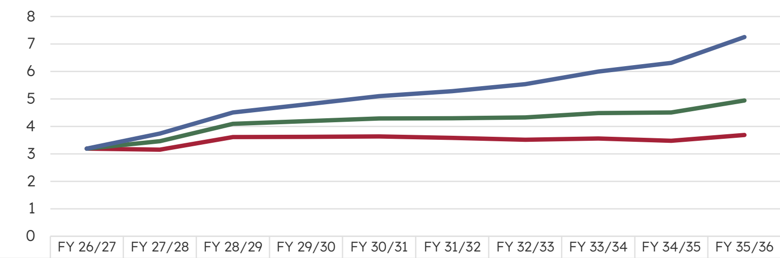
	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36
Modest	12.72	11.19	3.99	-3.84	-10.06	-14.54	-18.19	-38.99	-50.11	-59.75
Planned	12.72	14.74	12.62	10.86	11.82	15.67	21.59	11.69	13.01	17.50
Advanced	12.72	17.88	20.04	24.72	34.52	49.90	70.39	78.45	101.68	132.54

Operating performance % – Benchmark >0



	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36
Modest	1.15%	-0.31%	-0.14%	-0.60%	-0.50%	-0.02%	-0.60%	-1.08%	-1.61%	-1.94%
Planned	1.15%	1.76%	2.54%	2.51%	2.98%	3.80%	3.62%	3.52%	3.42%	3.52%
Advanced	1.15%	3.52%	4.66%	5.53%	6.87%	8.51%	9.23%	10.04%	10.91%	11.98%

Debt service cover ratio – Benchmark >2



	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36
Modest	3.19	3.15	3.61	3.62	3.63	3.58	3.52	3.56	3.47	3.69
Planned	3.19	3.46	4.10	4.19	4.29	4.30	4.32	4.48	4.51	4.94
Advanced	3.19	3.74	4.51	4.80	5.10	5.28	5.54	5.99	6.31	7.25

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 previous NSW Office of Local Government (OLG) financial performance and sustainability benchmarks, (until OLG provides updated 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-serviced Maitland community.

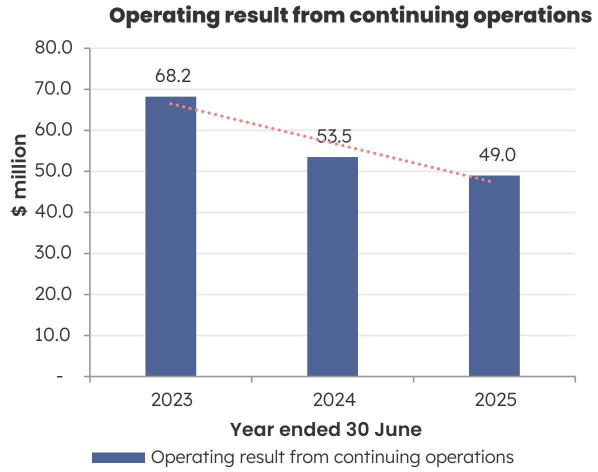
Performance monitoring

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 result from continuing operations



This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was

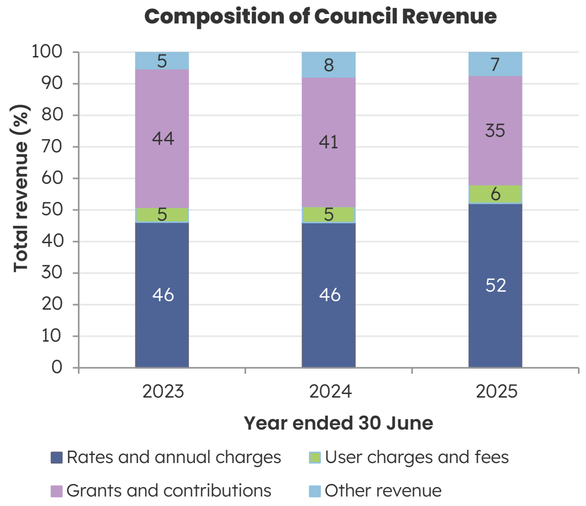
$4.5 million lower than the 2023–24 result.

In 2024-25:

- Council's grants and contributions revenue ($75.8 million) decreased by $19.7 million. Refer to 'Grants and contributions revenue' below for details.
- Council revenue excluding grants and contributions ($143.3 million) increased by $5.9 million. Refer to 'Council revenue excluding grants and contributions' below for details.
- depreciation, amortisation and impairment of non-financial assets expense ($32.8 million) increased by $1.7 million (5.6 per cent) mainly from an increase in depreciation charges for buildings and infrastructure assets such as roads, bridges and stormwater drainage
- employee benefits and on-costs ($64.5 million) increased by $2.9 million (4.6 per cent) mainly due to the award increase of 3.5 per cent
- materials and services ($57.2 million) decreased by $15.8 million (21.6 per cent) due to the provision for Anambah Waste Site which was initially recognised in 2023-24.

The net operating result for the year before grants and contributions provided for capital purposes was $15.6 million. Refer to 'Grants and contributions revenue' below for details.

Council revenue



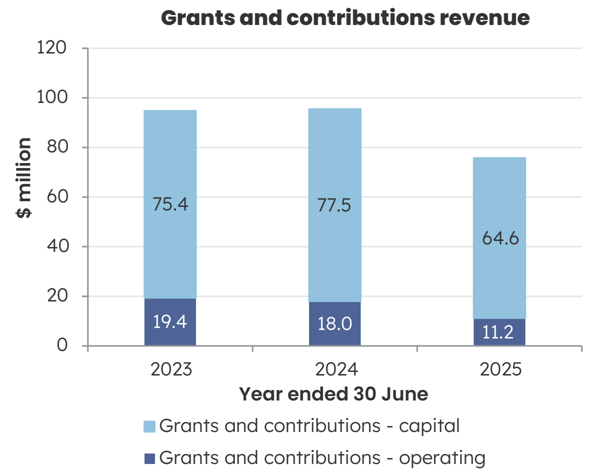
This graph shows the composition of Council's revenue recognised for the current and prior two financial years.

Council revenue ($219.0 million) decreased by $13.9 million

(6.0 per cent) in 2024–25 due to:

- rates and annual charges revenue ($114.2 million) which increased by $7.0 million (6.5 per cent) primarily due to rate peg increase of 5.0 per cent
- other revenue ($2.3 million) which decreased by $3.1 million (57.4 per cent) due to the one-off insurance claim recovery of $3.0 million recorded in 2023-24
- grants and contributions revenue ($75.8 million) which decreased by $19.7 million (20.6 per cent) – see additional details below.

Grants and contributions revenue



This graph shows the amount of grants and contributions revenue recognised for the current and prior two financial years.

Grants and contributions revenue ($75.8 million) decreased by

$19.7 million (20.6 per cent) in 2024–25 due to:

- receiving 50 per cent of the financial assistance grants for 2025-26 in advance (85 per cent for 2024-25)
- non-cash contributions (dedicated assets) received from developers ($28.3 million) decreased by $10.6 million (27.3 per cent) primarily relating to drainage assets
- projects deferred to 2025-26 also impacted grants and contributions provided for capital purposes.

Statement of cash flows

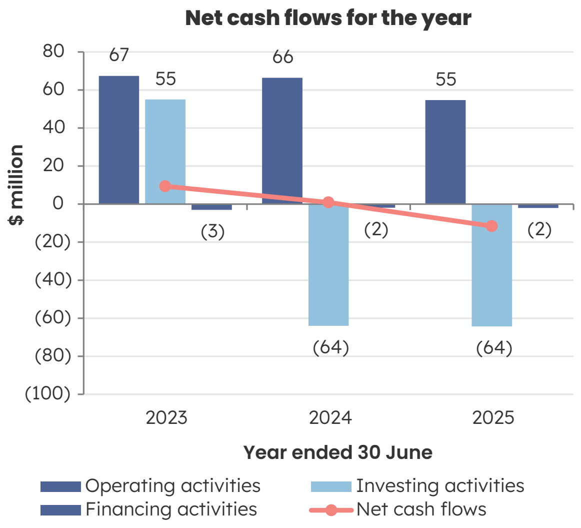
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating in a financially sustainable manner.

This graph shows the net cash flows for the current and prior two financial years.

The net cash flows for the year were negative $11.6 million (positive $0.9 million in 2023-24).

In 2024-25 the net cashflows:

- from operating activities decreased by $11.7 million, mainly from increase in payments for materials and services and payments to employees
- used in investing and financing activities were consistent with 2023-24.

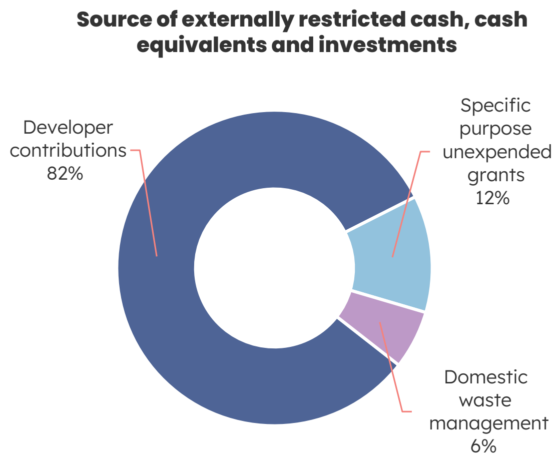


Cash, cash equivalents and investments

This graph shows the sources of externally restricted cash, cash equivalents and investments.

In 2024-25 the Council's main sources of externally restricted cash, cash equivalents and investments include:

- developer contributions of $142.7 million which increased by $15.5 million
- domestic waste management of $10.6 million which increased by $0.4 million
- specific purpose unexpended grants of $19.8 million which increased by $1.6 million.



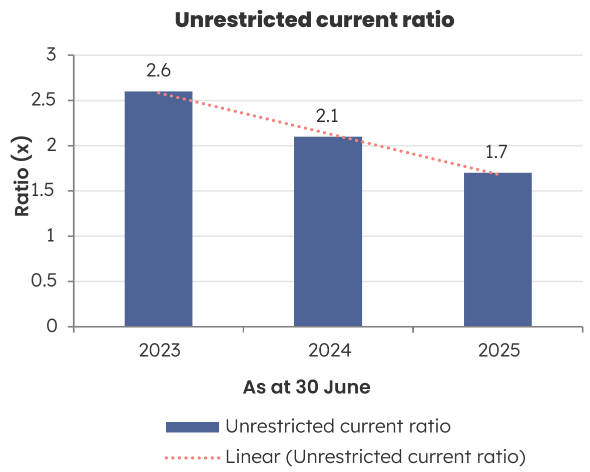
Council liquidity

This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

The unrestricted current ratio is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The ratio measures the ratio of unrestricted current assets to specific purpose liabilities.

In 2023-24, the average unrestricted current ratio was an average of 3.1x for regional councils.

The Council's unrestricted current ratio for 2024-25 was impacted by lower current assets excluding external restrictions.

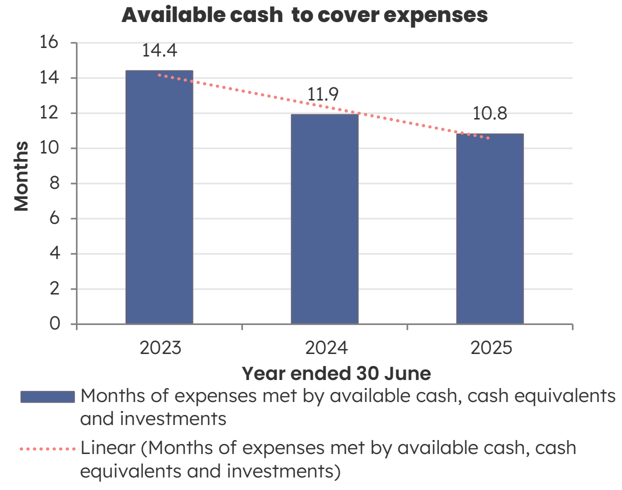


Council liquidity

This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

Further details on cash, cash equivalents and investments including the sources of external restrictions are included in the section above.

In 2023–24, the available cash to cover expenses was an average of 7 months for regional councils.



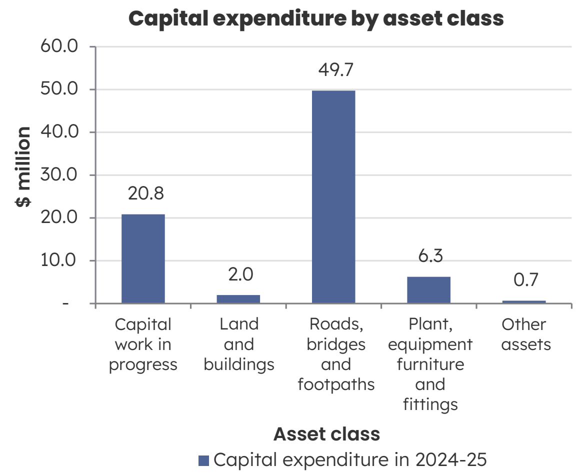
Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2024-25.

Council renewed $31.0 million mostly on infrastructure assets during the 2024-25 financial year.

A further $20.2 million was spent on new assets including road assets and plant, equipment and furniture and fittings.

The Council also recognised $28.3 million of new assets received as dedicated assets from non-cash developer contributions (2023-24: $38.9 million).

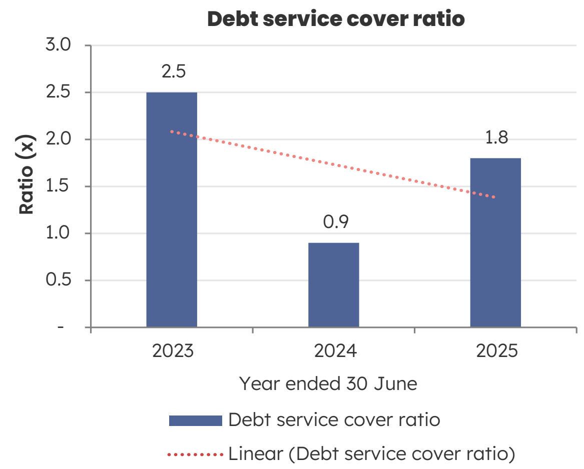


Debt service cover

This graph shows the Council's debt service cover ratio for the current and prior two financial years.

The debt service cover ratio measures the operating cash to service debt including interest, principal and lease payments.

The Council's debt service cover ratio for 2024-25 was impacted by the improvement in the operating result before grants and contributions provided for capital purposes.



Review schedule

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

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): 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 ensure 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: An 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 outcomes.

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: 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 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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maitland
CITY COUNCIL