LONG TERM FINANCIAL PLAN 2025/26 – 2034/35

Ku·ring·gai Council

Draft – April 2025

The scenarios outlined in this document were changed following a Council resolution passed at the 15 April Ordinary Meeting of Council. For additional information, please refer to the following exhibited document **'*Draft Resourcing Strategy 2025-2035* - Update on changes to rate rise scenarios adopted by Council at its Ordinary meeting of 15 April 2025'** via the Your Say page on Council's website.

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Executive summary

Ku-ring-gai Council's Long Term Financial Plan (LTFP) contains a set of long-range financial projections based on an informed set of assumptions. It is designed to reflect the financial impacts of providing

g current levels of service and the planned programs of capital works.

The plan is informed by the Community Strategic Plan and Delivery Program and focuses on community needs and Council's strategic priorities.

The LTFP includes an analysis of:

- Council's financial objectives, and methods of monitoring financial performance.
- Existing and emerging challenges to Council's financial position
- Assumptions used to develop the plan
- Financial scenarios, including two scenarios which rely on a Special Rate Variation (SRV)
- Sensitivities which are most likely to affect the plan
- Detailed financial tables

The LTFP contains a core set of assumptions. These assumptions are based on Consumer Price Index (CPI) forecasts, interest rate expectations, employee award increases, loan repayment schedules, special price forecasts for certain Council specific items, planned asset sales and other special income and costs.

Overview

The LTFP covers the financial years 2025/26 to 2034/35. It recognises its current and future financial capacity, to continue delivering services, facilities and infrastructure to the community while commencing new initiatives and projects to achieve the goals set down in its Community Strategic Plan.

Financial planning over a 10-year time horizon is challenging and relies on a variety of assumptions that will undoubtedly change during this period. The LTFP is therefore closely monitored, and regularly revised, to reflect these changing circumstances.

While Council remains in a satisfactory financial position, long term financial sustainability continues to be a significant challenge for Council and local governments across Australia.

This is largely due to rising costs generated by increasing community demand for services, aged facilities and infrastructure and restricted revenue that does not keep up with those costs.

To ensure long-term financial sustainability, it is crucial to explore additional recurrent revenue sources that strike a balance between the community's capacity and willingness to pay and the demand for services, facilities, and infrastructure. Addressing these challenges requires careful consideration and decisions regarding the revenue and expenditure pathway, especially amidst changing circumstances.

The LTFP notes that Council's financial position, and its current infrastructure backlog, will worsen without additional sources of funding. It also notes that Council is currently running an efficient operation, with a population to staffing level which is the second lowest in Sydney.

The financial challenges and risks facing Council include the following:

Normal Operations

- Limited revenue growth poses significant challenges for Council in keeping pace with rising costs. In 2025/26, rates revenue is projected to increase by 6.1%, in line with the rate peg set by the NSW Independent Pricing and Regulatory Tribunal (IPART). From 2026/27 onwards, a rate peg of 3% is assumed, yet Council anticipates a series of underlying operating deficits. This situation primarily flows from cost increases in asset depreciation, labour and material and contracts, outweighing increases in Council's revenue sources.

Asset Management

- Council has insufficient existing funding streams to sustainably manage and improve its existing infrastructure assets and meet community expectations. Council's infrastructure asset portfolio is large ($1.8 billion assets) and is continuously increasing which puts pressure on future maintenance and renewal budgets. Unless additional funding is identified the condition of Council's assets is expected to deteriorate and the infrastructure backlog will continue to increase significantly.

Debt Management

- The $13.5 million loan required to fund construction of the St Ives Indoor Sports Centre is proposed to be partly repaid from a SRV.
- The $30.36 million loan required to fund construction of the Marian Street Theatre is proposed to be repaid from a SRV.

Three scenarios are outlined in detail in the LTFP for consideration, as outlined below:

A Base Case, which projects a 'business as usual' scenario leading to accelerated asset degradation

Under this scenario:

- Council will record annual operating deficits averaging $2.3 million (excluding capital grants and contributions).
- Council's infrastructure backlog (cost to bring unsatisfactory assets to a satisfactory condition) would grow by 81.8% to $200.98 million over 10 years, as Council would have no additional funds to address infrastructure needs.

There would be a noticeable decline in the quality and adequacy of Council's infrastructure, with additional infrastructure service failures. This would be most pronounced in the stormwater and building asset classes.

SRV Option 1 – Renew infrastructure

Under this scenario:

- A SRV of 19.9% above the cap would apply, providing approximately $17.3 million in additional revenue per annum, commencing in 2026/27.
- Council would record operating surpluses averaging $13.86 million (excluding capital grants and contributions).
- These surpluses would be able to be re-invested into the renewal of existing stormwater, building, recreation and open space and footpath infrastructure.
- Compared to the Base Case scenario, Council would be able to undertake an additional $157.37 million in capital expenditure over 10 years.
- Council's infrastructure backlog would decrease by 57.5% to $47.03 million over 10 years.

- In addition, Council would use the SRV revenue to partially fund repayments on a $13.5 million loan for the St Ives Indoor Sports Centre.
- The impact on an average ratepayer would be approximately $372 per annum (or $7.15 per week) above the rate peg.

SRV Option 2 – Enhance infrastructure

Under this scenario:

- A SRV of 29.6% above the cap would apply, providing $25.8 million in additional revenue per annum, commencing in 2026/27.
- Council would record operating surpluses averaging $19.6 million (excluding capital grants and contributions).
- With these surpluses, Council would be able to fund the additional existing infrastructure renewal and loan repayments envisaged in SRV Option 1, along with funding new footpaths, and the construction and operation of the Marian Street Theatre project.
- Compared to the Base Case, Council would be able to spend an additional $227.43 million in capital expenditure over 10 years.
- Council's infrastructure backlog would decrease by 51.9% to $53.19 million.
- The impact on an average ratepayer would be approximately $554 per annum (or $10.65 per week) above the rate peg.

All scenarios also cater for:

- Adequate cash reserves to pay current liabilities
- Debt repayments within the relevant performance measure, and a clear timeline for the extinguishing of debt.

About the Ku-ring-gai Council area

The Ku-ring-gai Council area covers some 85 square kilometres and, in 2023, had an estimated residential population of 127,000.

By 2035, as Sydney continues to grow and new NSW Government housing policies come into effect, our population is estimated to grow by 14% to 144,664.

Ku-ring-gai is also home to 15,158 local businesses, with the largest sectors being health care and social assistance, education and training and professional, scientific and technical services.

Ku-ring-gai Council services are delivered to the community via five departments together with the General Managers unit (Civic) and Major Projects unit. Each discrete service is provided by one of the twenty-two business/service units that operate across the departments. [1]

Some of the unique features of the Ku-ring-gai LGA, which need to be considered by this LTFP, include that Ku-ring-gai has:

- On a per capita basis, the highest level of open space of any Sydney council
- A socio-economic advantage rating which in 2021 was the third highest in Australia
- A heavy reliance on residential, as distinct to business rates
- A relatively low population density of 1,487 people per square kilometre, which is below the metropolitan average.

This LTFP further explains how the above and other local features influence Council's financial position.

[1] See page 123 of Council's 2023/24 Annual Report

Long Term Financial Plan (LTFP) objectives and performance monitoring

Council's overall guiding principle, in preparing this LTFP, is to maintain a healthy financial position, underpinned by a sound income base and commitment to control and delivery of services, facilities and infrastructure demanded by the community in an effective and efficient manner.

For this LTFP, Council has worked to outline a new and updated set of financial objectives, which are explained further in the table below.

Table 1 – Council's financial objectives

MAINTAIN LONG TERM FINANCIAL SUSTAINABILITY
Deliver a balanced budget and operating surpluses to funds capital works
Meet key financial performance measures including liquidity and cash reserves
Deliver community-aligned services
MANAGE INFRASTRUCTURE ASSETS AND CAPITAL WORKS
Establish priority for funding and infrastructure needs
Meet key infrastructure and asset performance measures
Ensure sufficient maintenance and renewal of Council assets
Assess and adjust the current capital works plan for feasibility and affordability
Secure funding for significant projects
MANAGE DEBT RESPONSIBLY
Ensure debt is affordable and within limits
Monitor and supervise debt levels and consider refinancing
Identify and plan sources of repayment
BE FINANCIALLY RESPONSIBLE AND ACCOUNTABLE
Act with integrity and ethically in all financial matters
Make informed and careful decisions in all financial matters
Provide clear and accurate financial information
Accept responsibility and be accountable for financial decisions

Performance monitoring

Council reviews and updates its LTFP on an annual basis as part of the annual exhibition of its Integrated Planning and Reporting framework. This includes reviewing the revenue and expenditure assumptions which underpin the LTFP.

Council monitors progress on its Annual Budget and the LTFP by undertaking quarterly budget reviews. These reviews examine major operating and budget variations, provide updated Operating Result and Cash and Investments statements along with information on contracts and consultancy expenses.

Terminology

For the purposes of this document, when this document refers to a “Sydney council average”, this is a reference to data collected from councils that the NSW Office of Local Government defines as Metropolitan or Metropolitan Fringe, excluding councils which did not provide data or the City of Sydney Council, which is regarded as an outlier.

References to “performance measures” is a reference to “performance benchmarks” for financial and asset outcomes as outlined in the Integrated Planning & Reporting Handbook. These benchmarks are also incorporated in Council’s Financial statements.

Existing and emerging challenges to Council’s financial position

This section outlines the existing and emerging challenges impacting Council’s financial position, which this LTFP seeks to address.

Local government sector-wide financial sustainability challenges

Two recent Parliamentary reports have illustrated local government sector-wide funding and financial sustainability challenges.

In February 2025, the Australian Parliament’s Standing Committee on Regional Development, Infrastructure and Transport published an interim report into local government sustainability. [2]

Observations from this report, which are directly relevant to this LTFP, are that:

- Councils are increasingly being required to provide a more diverse range of services and manage increasingly complex infrastructure assets (including services and assets formerly provided by State and Federal governments).
- Councils are facing increasing costs managing the impacts of extreme weather events. Each of these events typically costs Council several hundred thousand dollars in clean-up expenses, which are not always recoverable from the NSW Government.
- To support needed new housing supply, councils are expected to fund a widening gap between developer contributions and the cost of providing infrastructure.

Separately, in November 2024, the NSW Legislative Council’s Standing Committee on State Development published a report which looked at the ability of local governments to fund infrastructure and services. [3]

This report agreed with the Australian Parliament’s report that councils are now delivering increasingly diverse services and facing increasing costs due to extreme weather.

It also raised concerns that the existing system of rate revenue capping has not kept pace with the level of income councils need to adequately meet the needs of their communities.

It concludes that “the ongoing financial challenges councils are experiencing cannot be overcome through fiscal discipline alone and are threatening the long-term sustainability of the sector”.

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[2] Find out more at www.aph.gov.au/Parliamentary_Business/Committees/House/Regional_Development_Infrastructure_and_Transport/Localgovernmentsustaina

[3] Find out more www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=3040

Cost-shifting

Both of the above Parliamentary inquiries raised concerns about the financial position of councils being undermined by the NSW or Australian Governments shifting costs on to councils.

The NSW Legislative Council's Standing Committee on State Development recommended that the NSW Government identify opportunities to reduce activities which shift cost burdens from the NSW Government to local councils, and also undertake greater consultation with councils before implementing any cost-shifting.

The Australian Parliament inquiry recommended the creation of a new tripartite agreement between all three levels of government, that ends the cost shifting onto councils.

Ku-ring-gai Council has identified some $13.3 million worth of costs, applied in 2022/23, which were as a result of NSW Government cost-shifting. This primarily includes:

- $3.5 million in emergency services levy payment
- $5.5 million in waste levy, the difference between the levy Council pays on its waste disposal and received grants
- $1 million shortfall between capped statutory development application fees, and the cost of processing these applications
- $0.2 million in under-funding for the mandatory pensioner rate rebate

These costs represent an average impact of $287 per current Ku-ring-gai ratepayer. [4]

Ku-ring-gai rating challenges

Rates on unimproved land values are Council's most important revenue source, comprising around half of Council's operational revenue in 2023/24.

However, Ku-ring-gai's relatively large areas of non-rateable public open space and low population density, along with its inability to rely on large amounts of funding from business rates, means the council is less able than many other local government areas to fund services and key infrastructure such as roads and open space improvements. This comparative disadvantage is exacerbated by ongoing capping on rates revenue by the NSW Government.

Low rates per capita

Ku-ring-gai Council's total rates revenue per capita in 2023/24 was $584, which was 7.3% below the metropolitan and metropolitan fringe average of $630. This figure is an indication that Council has comparatively less capacity, compared to most other Sydney council areas, to service the needs of its population through its rates revenue.

The largely comes about because Ku-ring-gai is, unlike many other council areas, unable to rely on significant business rating revenue. Ku-ring-gai in 2023/24 earned $40 in business rates per capita, compared to a Sydney council average of $132. Furthermore, in 2023/24, Council's total business rating revenue of $5.14 million was well below the Sydney average of $21.2 million in the same year.

In the local government sector, business rate income is regarded as a significant financial benefit, as the rate paid per dollar of business rateable land is often higher than residential land.

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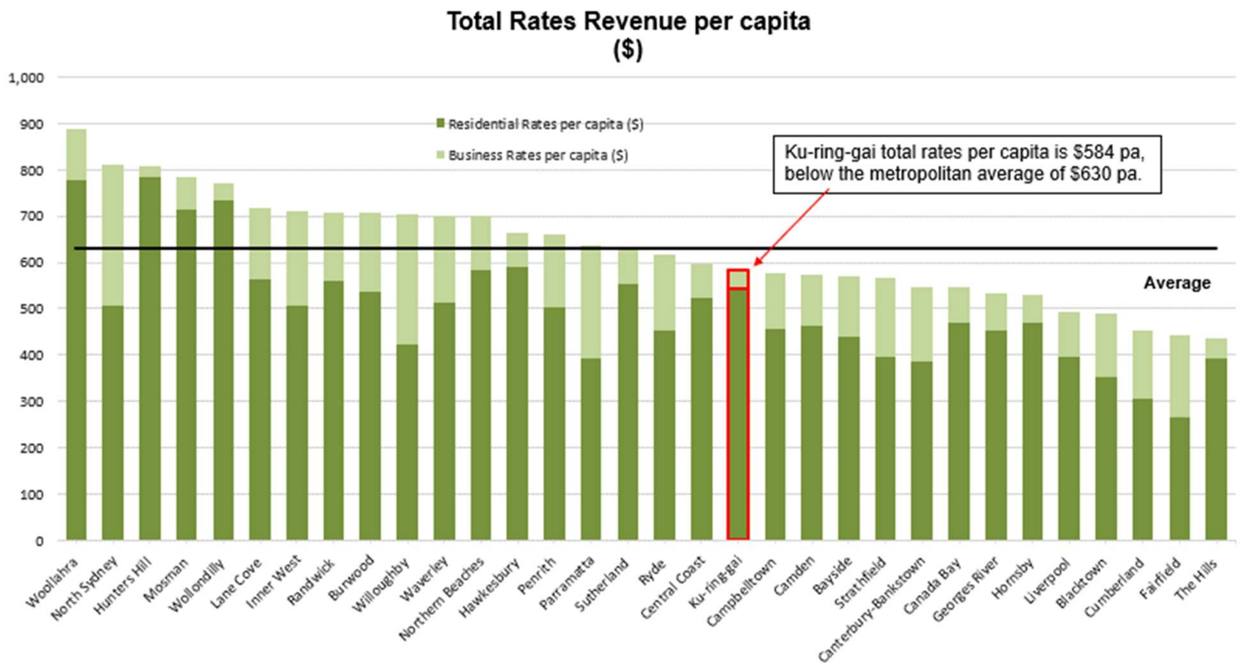
[4] Based on 46,280 rates assessments as at March 2025

Table 2 – Ku-ring-gai Council's 2023/24 total rates revenue per capita compared to other Sydney councils



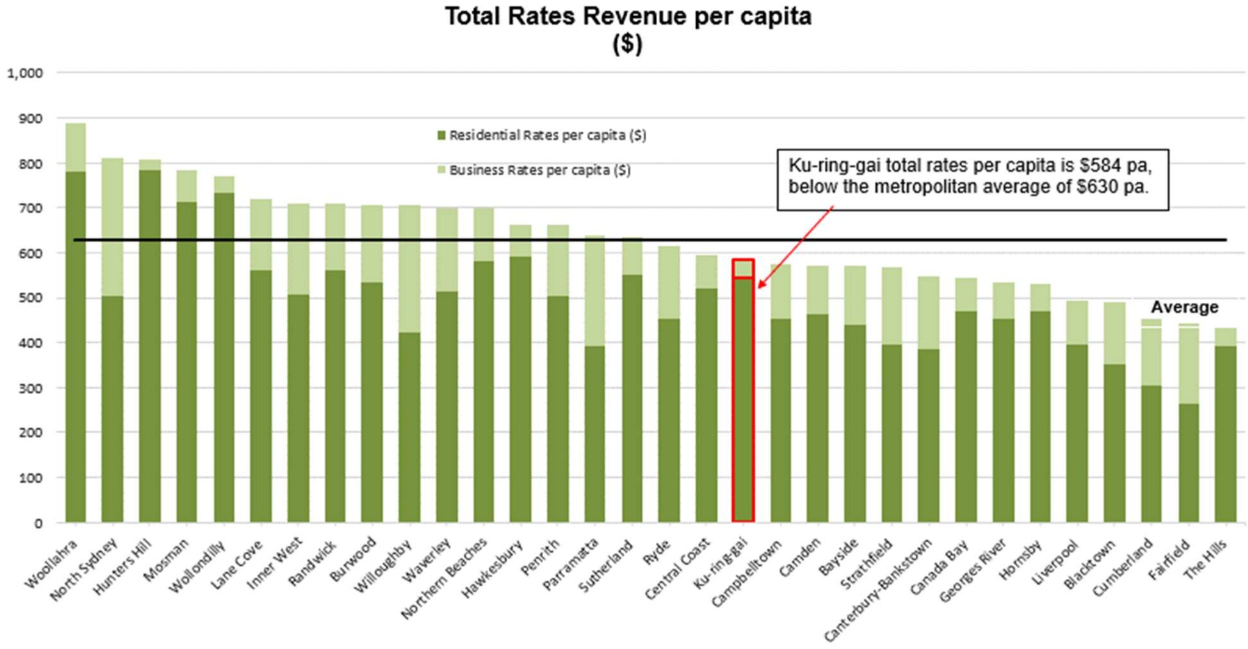
OLG comparative (excludes outlier City of Sydney) data 2023-24. Includes metropolitan and metropolitan fringe councils (excludes outlier City of Sydney)

Comparatively low available rates per kilometre of road

Road length is a direct driver of council costs (for cleaning, maintenance, renewal and traffic management). Road length also correlates with the amount of area that is developed for human habitation, requiring support from local government services and infrastructure. Therefore, rates per km of road is a useful proxy measure of service efficiency and levels of resourcing compared to other councils.

Ku-ring-gai Council's rates per km of road ($153,678) is 27% below the Sydney council average ($209,798). This is an indication of the comparatively lower levels of rates funding that Council has available to maintain services.

Table 3 – Amount of rates revenue per kilometre of road compared to other Sydney councils



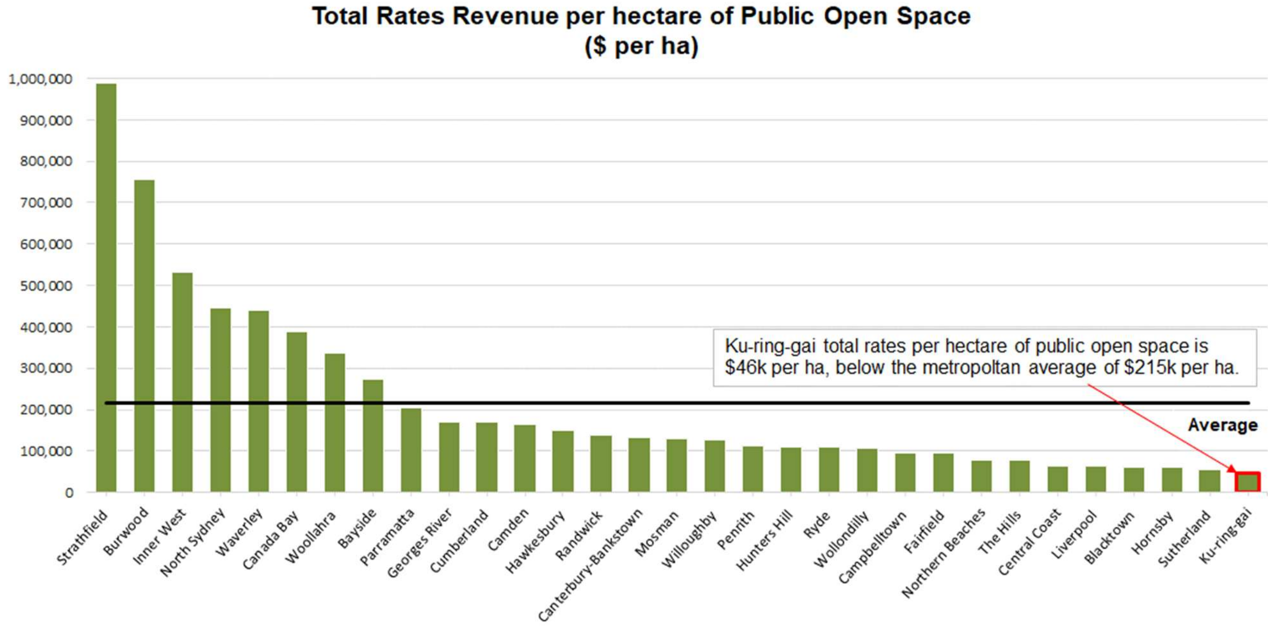
OLG comparative (excludes outlier City of Sydney) data 2023-24. Includes metropolitan and metropolitan fringe councils (excludes outlier City of Sydney)

Comparatively low available rates funding per hectare of open space

Area of open space directly impacts on council costs related to maintenance and upkeep of parks, playing fields and bushland reserves. Rates per ha of open space is also a useful proxy measure of service efficiency and levels of resourcing compared to other councils.

Ku-ring-gai Council's rates per ha is $46k, which is the lowest rate in Sydney and significantly lower than the average, suggesting under-resourcing.

Table 4 – Amount of rates revenue available for each hectare of public open space compared to other Sydney councils



OLG comparative data 2023-24. Includes metropolitan and metropolitan fringe councils (excludes outlier City of Sydney. No data provided for Blue Mountains and Lane Cove)

Financial Sustainability Review

In 2022/23, and partially in response to some of the above funding challenges, Council commissioned independent consultants to undertake an independent review of its Resourcing Strategy, LTFP and Assets Management Strategy. This review, known as the Financial Sustainability Review, was reported to Council in February 2023.

The review examined the following questions:

- Are the assumptions underpinning Council's financial strategies sound?
- Are the strategies sufficient to maintain Council's assets and infrastructure portfolios and deliver its 10-year capital works plan?
- What options does Council have to deliver its maintenance and works commitments and obligations?

The review found that, Council had:

- Operating expenditure per capita which was below the average amount for major metropolitan councils.
- A relatively efficient staffing structure, with each staff member servicing more residents than any other major metropolitan councils
- An infrastructure backlog which was higher than comparable metropolitan councils
- When coupled with lower operating expense per resident and lower increases in operating expenditure of the past 5 years, it suggests Council has been on an improvement path and further opportunities for improvement may be limited.

Based on its analysis, the review recommended Council take a range of actions, including:

- Reviewing Council services, including for service levels and efficiency and effectiveness
- Updating the portfolio-wide asset condition of buildings and drainage, to better understand the funding requirements in these areas
- Reviewing current contribution plans
- Examining the need for a Special Rate Variation (SRV).

The outcomes and recommendations of the Financial Sustainability Review, and Council's response to these recommendations, have informed the development of Council's 2023/24 and 2024/25 budgets, and this LTFP.

Infrastructure assets

In response to the Financial Sustainability Review, Council has conducted updated reviews on stormwater drainage and buildings.

In addition, data from Council's recent financial statements, and partially in response to the above updated condition reviews, has shown that Council's backlog of necessary infrastructure renewals, and gap between actual and required maintenance, is increasing.

Stormwater drainage condition review

Ku-ring-gai Council is responsible for around 12,000 stormwater drainage pipes which are predominantly located under road reserves and run to a length of nearly 300km. Council is also responsible for around 12,100 drainage pits, headwalls or other inlet structures, and a range of open drainage channels. In 2023/24, the gross replacement cost (GRC) of stormwater assets was $512 million.

This stormwater system plays a crucial role draining rainwater from private and public buildings, streets and open space, particularly during heavy rainfall events.

However, Council's stormwater infrastructure has largely not been renewed since being built when the Ku-ring-gai area was first developed between the early to mid -1900s.

In 2022/23, Council conducted a comprehensive revaluation of its stormwater assets which uncovered that these assets were in a more deteriorated state than had been previously assumed. Examples of deterioration included pipe blockages, joint failure and cracking, and tree root and other foreign object intrusion.

Council followed this revaluation with an external review of stormwater assets, which was undertaken in 2023/24. This review involved the collection of additional CCTV data and an independent assessment of the conditions, useful lives and performing a revaluation of stormwater assets.

This review estimated that 43% of Council's stormwater assets were classified as being in a poor or very poor condition, with many of the assets coming to the end of their useful life and not operating as efficiently as they should.

The review introduced a new optimal renewal methodology, resulting in reduced depreciation costs. The methodology identified that stormwater pipes in certain conditions could be renewed more cost-effectively by adding a new inner lining, a process known as re-lining, eliminating the need for full replacement. This approach significantly lowers renewal costs while maintaining the functionality and longevity of stormwater pipes.

Buildings condition review

Council is responsible for some 300 buildings with a gross replacement cost of $207.36 million, ranging from administration buildings through to bus shelters, amenities blocks, libraries, community halls, childcare centers and carparks.

In response to a Financial Sustainability Review recommendation, Council in 2023/24 engaged independent asset consultants to develop a prioritized capital upgrade program for Council's buildings portfolio and to review the Asset Management Plan (AMP) for its building assets.

This review identified that about 53% of the evaluated buildings needed capital upgrades, with recommended treatment options of either refurbishment or knockdown and rebuild.

These buildings typically require works to address:

- Modern accessibility standards, including through the construction of access ramps, disabled toilets and providing sufficient internal access movement space
- The needs of the rising number of female athletes and users, including the provision of separated changing facilities and toilets
- Significant issues with the building's structure or performance, such as waterproofing failure, poor lighting or degraded internal finishes.

The review resulted in development of a 10-year detailed prioritised program of building upgrade works with estimated costs of around $163.5 million over 10 years to modernise Council buildings, with most buildings requiring refurbishment and some requiring a knockdown.

Funding gap for asset maintenance

The Financial Sustainability Review highlighted a funding gap for the asset maintenance program. While maintenance is currently funded from general revenue, the existing allocation is insufficient to sustain the program and meet required performance measures, requiring additional funding sources.

Council has also faced challenges in keeping up with its maintenance program in the past.

The table below shows the gap between actual and required maintenance since 2021/22. Maintenance under-spending is most pronounced in the stormwater and roads asset classes

Table 5 – Gap between required and actual maintenance since 2021/22

Year	Required maintenance ($000s)	Actual maintenance ($000s)	Gap
2021/22	$18,320	$17,456	$864
2022/23	$17,720	$16,200	$1,520
2023/24	$18,740	$17,230	$1,510
Total	$54,780	$50,886	$3,894

The relevant performance measure is for councils to spend at least 100% of the amount that is required to maintain assets. This is known as the Asset Maintenance Ratio.

In 2023/24, Ku-ring-gai Council's Asset Maintenance Ratio was 91.9% and therefore Council did not meet the relevant measure.

Rising infrastructure backlog

After considering the updated asset condition reports, the cost to bring all Council's key asset classes in a very poor, or poor, condition to a satisfactory condition increased from just over $20 million in 2017/18 to $104.9 million in 2023/24. This increase resulted from detailed analysis of condition data across some asset classes, aligning the data with increased infrastructure costs, and comprehensive asset revaluations to ensure greater accuracy.

Furthermore, in 2023/24, the cost of bringing infrastructure to a satisfactory standard represented 9.12% of the net carrying amount of these assets, which was well above the relevant performance measure of 2% or less (known as the Infrastructure Backlog Ratio).

From 2017/18 to 2022/23, the cost to bring Council's infrastructure assets to agreed service levels increased from $70.7 million to $323.3 million. These figures represent the cost of bringing assets in an unsatisfactory condition (that is very poor and poor) to an excellent condition. Following an external review of Council's stormwater assets, this figure reduced to $227.5 million in 2023/24. The reduction was driven by the adoption of the optimal renewal methodology, which significantly lowers renewal costs while preserving the functionality and longevity of stormwater pipes.

From 2018/19 to 2023/24, the percentage of Council's assets in a poor (renewal required) or very poor (urgent renewal/upgrading required) condition has increased from 6.2% to 20.1%.

The above figures illustrate Council's increasing challenge to renew infrastructure to meet community expectations and NSW Government performance measures.

Community research

In 2024, Council commissioned independent research on the community perception of its services and facilities. This research involved interviews with 501 randomly-selected Ku-ring-gai residents, with the results from these interviews weighted so that they reflected the adult age and sex characteristics of the Ku-ring-gai population. [5]

As part of this research, Council asked respondents whether they would be willing to pay higher rates to support improvements in a range of areas. The table shows the areas which had the highest levels of support in response to this question.

Table 6 – Percentage of residents who are at least somewhat supportive of a rate rise to support improvements in certain asset areas

Area	Percentage of respondents who were at least somewhat supportive of a rate rise
Parks and sportsgrounds	74%
Roads	73%
Footpaths	69%
Stormwater drainage	62%
Public toilets	59%
Swimming pools	56%
Theatres	54%
Other cultural facilities	53%
Community buildings	52%

Challenges delivering new infrastructure to support growth and changing community needs

In late 2023, the NSW Government announced major Statewide planning reforms, which had a significant effect on Ku-ring-gai.

The first of these reforms involved the creation of Transport Oriented Development precincts from Roseville to Gordon stations. Council estimates that these reforms will generate some 23,000 new dwellings and an increased population of 46,000. This means the new residents who will eventually live in these precincts will increase the LGA's overall 2023 population by 36%.

The second of the reforms, known as the Low and Mid-Rise reform, was exhibited in early 2024 and will progressively come into operation across 2025. This reform will see additional dual

[5] See Community feedback report Ku-ring-gai

occupancy, terrace, townhouse and small apartment building development in other well-located areas across the LGA. The precise dwelling yield from this reform is not known at this stage.

To better meet the infrastructure needs of this increased population, Council will review its local infrastructure contributions plan, which outlines how Council requires the development industry to contribute to the cost of delivering infrastructure that supports new development. By undertaking this review, Council will seek to ensure that the plan is aligned with the infrastructure needs of new residents in the precincts.

However, in doing this Council will be limited by the NSW Government's development contribution framework.

Firstly, Council can generally only levy contributions for the infrastructure needs of the new residents, as distinct to the needs of existing residents. This means some new infrastructure will need to be funded by both development contributions and other revenue sources, such as rates.

Secondly, outside of town centres, Council's contribution rate per new dwelling is limited to $20,000. This cap was first issued in a Ministerial Direction in 2009, and the maximum figure has not been inflated at any time over the last fifteen years. Land acquisition and construction costs have increased significantly since this time. This situation places greater pressure on Council's other revenue sources to fund infrastructure for these new residents.

Thirdly, Council, in reviewing its contributions plan, will be limited as to the types of infrastructure it can levy for if it wants to maintain comparable to current contributions rates. For instance, Council will only be able to levy for the land for community facilities, but not the construction of these facilities, which will need to be funded through other means.

Furthermore, while Council will gain additional rate revenue from new dwellings, it will also face additional costs servicing the needs of residents in these dwellings. This revenue will also tend to exacerbate the LGA-specific rating structure disadvantages explored earlier in this chapter.

Council has factored additional rate revenue from dwelling growth into its scenario planning and determined that under a 'business as usual' scenario (known as a Base Case), Council will run operating deficits and have difficulty adequately managing local infrastructure, even with this additional revenue.

Given the above, it is imperative that Council considers alternative financial scenarios to manage the infrastructure for not only existing community members, but also future members.

Scenario planning

The LTFP is a model to consider scenarios for the funding of operating and capital expenditure.

Detailed forecasts of all sources of operating revenue and expenditure are utilised to derive the maximum surplus available to apply to Council's rolling program of capital investments in new or refurbished infrastructure.

Three ten-year financial scenarios have been prepared, to apply for the years from (and including) 2025/26 to 2034/35. These scenarios are:

- Base Case (business as usual)
- Special Rate Variation Option 1 - Renew infrastructure (this is Council's preferred scenario)
- Special Rate Variation Option 2 - Enhance infrastructure

These scenarios are explained in the following pages.

Subject to Council's decision, a detailed community engagement plan will be developed to gather feedback on the recommended scenarios. The outcomes of this process will help determine the preferred financial direction for the future.

The draft Delivery Program and Operational Plan meanwhile, have been prepared in accordance with Council's preferred scenario Special Rate Variation (SRV) Option 1 – Renew infrastructure from 2026/27 onwards.

Revenue and expenditure assumptions applicable to all scenarios

The scenarios are based on a range of revenue and expenditure assumptions, as outlined below. A full list of these assumptions is available at **Appendix A**.

In addition, the Sensitivity Analysis available on page 47 tests different outcomes from changes to some key assumptions listed below.

Revenue assumptions

Rates revenue peg
Council will increase rates revenue by 6.1% in 2025/26, in line with the rate peg applied by the NSW Independent Pricing and Regulatory Tribunal (IPART).

From 2026/27 onwards, Council is assuming the IPART will grant a rate peg of 3%, plus a 0.3% population growth component based on historical growth forecasts. Two out of the three scenarios include SRVs above this assumed rate peg percentage.

Council has also incorporated, into its scenarios, assumptions that NSW Government-initiated housing reforms will generate additional rate revenue from an increase in dwellings, above historical growth forecasts. Across the life of the LTFP, Council is forecasting an average annual growth in rates revenue of 4.1% due to this situation.

Fees and charges
Council derives approximately 13% from user charges.

The 2025/26 Fees & Charges have been reviewed to ensure closer alignment with increases in costs. This resulted in an average increase of 3.9% for a variety of non-statutory fees as reflected in the fees & charges schedule (2025/26). Fees and charges are expected to increase in line with projected CPI for future years; an average of 2.5% per year in 2026/27 and 2027/28 then 2.4% per year is forecast over the remaining forecast period.

Charges for domestic waste have been increased by 7% in 2025/26 to reflect increased domestic waste management contractor costs. From 2026/27 the charges for domestic waste are assumed to increase by 2.5%

Investment revenue
Investment revenue has been estimated based on current cash levels and future expected earnings of the Bank Bill Swap Rate (BBSW) + 1.1% over the 10 year period.

The forecast annual interest rate is 4.7% in 2025/26, gradually decreasing to an average 3.7% for the remaining years to 2034/35.

Grants for recurrent and capital purposes
Grants are forecast to increase by 2.9% in 2025/26 followed by 2.5% in 2026/27 to 2027/28 and 2.4% for the remaining years in line with the CPI.

Operating grants and contributions are expected to remain static across the next decade.

Council's main form of grant assistance is the Australian Government's Financial Assistance Grant (FAG), which is distributed to councils via State Governments. FAGs consist of two components both of which are distributed to councils: a general purpose component and a local road component. Council is projecting a FAG grant of $4.7 million in 2025/26.

Capital grants and contributions are volatile over the forecast period as they can relate to specific one-off major projects.

Asset sales
The LTFP assumes asset sales of $1.2 million from 2025/26 to 2034/35. These asset sales will be used to help fund works identified in the Ku-ring-gai Contributions Plan 2010.

Some of the works in the Plan, however, will also cater for the existing population and therefore require both general Council funding (known as a co-contribution) as well as funding from development contributions. Asset sales will contribute towards this general Council funding.

Expenditure assumptions

Employee costs
Labour costs are projected to increase by 3.8% for each year during the life of the LTFP.

These cost projections are based on:

- The 3% increase outlined in the Local Government Award in 2025/26, and then projecting the same increase for the remaining years of the LTFP.
- An assumption worker's compensation insurance costs will also increase by 3% per annum
- In addition, 0.8% is allowed for performance incentive payments, linked to Council's performance management system, for each year of the LTFP.

The labour costs also include an increase in compulsory superannuation rates by 0.5% to 12%, which will apply from 2025/26.

Operational and capital materials and contracts
Expenditure in this area is estimated to increase by 2.9% in 2025/26, followed by 2.5% in 2026/27 and 2027/28 and 2.4% for remaining years which is in line with CPI forecasts.

Borrowing costs
Borrowing costs have been estimated based on 95 basis points over 90 day BBSW (Bank Bill Swap Rate) per annum, rising to a maximum rate of 4.5%. The average annual interest rate is 3.8% for the ten years to 2034/35.

Depreciation expense
Depreciation is the gradual allocation of the cost of using an asset over its useful life. It reflects the consumption of the asset's service potential in providing services to the community each year. Depreciation forecasts relate to existing assets and to new and upgraded assets.

It is forecast that Council's depreciation expense will increase by an average of 3.8% each year because of new depreciation associated with Council's large capital works program and the large increase in gross replacement cost of existing assets that is recognised each time a revaluation is undertaken. Funding depreciation in future will remain a challenge for Council as the asset portfolio continues to increase.

Other expenses
Other expenses increase by an average of 2.5% per year from 2025/26 and include items like statutory levies, donations, sponsorships and other sundry expenditure.

Both revenue and expenditure

Consumer Price Index (inflation)
A Consumer Price Index (CPI) of 2.9% for 2025/26, followed by 2.5% for 2026/27 and 2027/28 and 2.4% increase in CPI for all remaining years, has been built into the LTFP for a range of revenue and expenditure measures in line with the Access Economics forecast.

Major projects referenced in scenario planning

Four major projects have been referenced in scenario planning. These are listed below. Other major projects being delivered during the LTFP are listed on page 50.

St Ives Indoor Sports Centre
In 2021, the Department of Education completed a two court, indoor basketball facility in the grounds of the St Ives High School. In 2022, Council gained development approval for a second stage of this facility, which joins and extends with the first stage and will have an additional two indoor basketball courts, associated ancillary rooms, café, and car parking.

The school will have use of all four courts during school hours and the community will have use of all four courts after school hours. Construction works are underway, with an anticipated opening in early 2026.

The project's revised budget is $31.2 million, of which $13.5 million is being funded by a loan which is now in place. Recent LTFPs, and this LTFP, refer to the need for a SRV from 2026/27 to fund repayments related to this loan, of around $1.7 million a year. A partial subsidy was secured through the Low-Cost Loan Initiative (LCLI) managed by the Department of Planning, Housing and Infrastructure (DPHI). The total subsidy over the life of the loan secured by Council is $1.2 million.

Marian Street Theatre
The Marian Street Theatre (MST) building operated as a theatre for more than 40 years until 2013 when it was closed due to significant building code compliance upgrades and repairs being required.

The MST project intends to create a vibrant, multi-use arts venue with a strong focus on drama using multiple rehearsal and performance spaces that collectively create a “theatre ecosystem”.

The project was previously planned to be funded from asset sales, however this is no longer considered to be a realistic funding source.

Should Council adopt to continue with this project the LTFP assumes a SRV is required to fund repayments on a loan which would fund the project’s capital cost ($30.36 million) from 2026/27 onwards, and an annual operational subsidy of around $770,000 from 2028/29 onwards.

Major Town Centre Projects
Council is planning for major town centre projects (also known as the hub projects) over the next ten years and beyond in Lindfield, Turramurra and Gordon that will provide civic improvements and community facilities. These projects will proceed under all scenarios.

The Long-Term Financial Plan (LTFP) assumes that the capital and operating costs of these projects will be funded through a combination of development contributions, land contributions from the site, and additional rate revenue generated from new dwellings. The future direction of these projects will depend on the impact of housing reforms and zoning provisions, as their viability may rely on factors such as allowable building heights and density.

Cultural and Environmental Education Centre, St Ives Showground
The primary function of the Cultural and Environmental Education Centre (CEEC) project at St Ives Showground will be the delivery of environmental education, aimed at facilitating increased environmental awareness in the community and influencing positive behavioural change for the benefit of the environment. This project will proceed under all scenarios.

The CEEC project is partially funded from development contributions and the existing environmental levy as part of Council’s rates, with future operational costs funded from general fund.

Cash Reserves

Council has a number of cash reserves which are held for the following reasons:

- Legal constraint (externally restricted) - e.g. Section7.11 and Section 7.12 Development Contributions, Domestic Waste Reserve
- To manage cash flow for abnormal items and thus reduce impact on service delivery.
- Specific revenue - e.g. contribution to works, unexpended grants.

External reserves can only be used for the purpose for which funds were collected. Internal projects reserves are used solely to provide for future expenditure on assets renewal and other capital projects.

Cash reserves are carefully managed to achieve optimum investment income and to be available when needed for unplanned expenditure. Internal cash reserves are kept at a sustainable level for all future years of the LTFP.

Base Case (business as usual)

Explanation

This scenario is based on Council's current level of service as per the 2025/26 budget expanded over ten years and adjusted for various price forecast indexes. Rates revenue will increase in line with the NSW Government rate peg.

Under this scenario, Council will deliver a series of underlying operating deficits from 2026/27 onwards. This situation primarily flows from cost increases in asset maintenance, depreciation, labour and material and contracts, outweighing increases in Council's revenue sources.

These ongoing deficits will mean Council will not be able to invest additional funds into asset maintenance and renewal, leading to a significant increase in Council's infrastructure backlog and a continued under-spending on maintenance.

As a result, Council will be unable to maintain and renew existing infrastructure to meet community needs or key statutory benchmark expectations. This will lead to a noticeable decline in the quality and adequacy of Council existing infrastructure, including additional infrastructure service failures.

Council will, however, maintain adequate liquidity levels to meet its debts and liabilities as they fall due, while also ensuring the capacity to discharge its current debt and fund several major one-off asset upgrades.

The financial tables applicable to this scenario are available at **Attachment B**

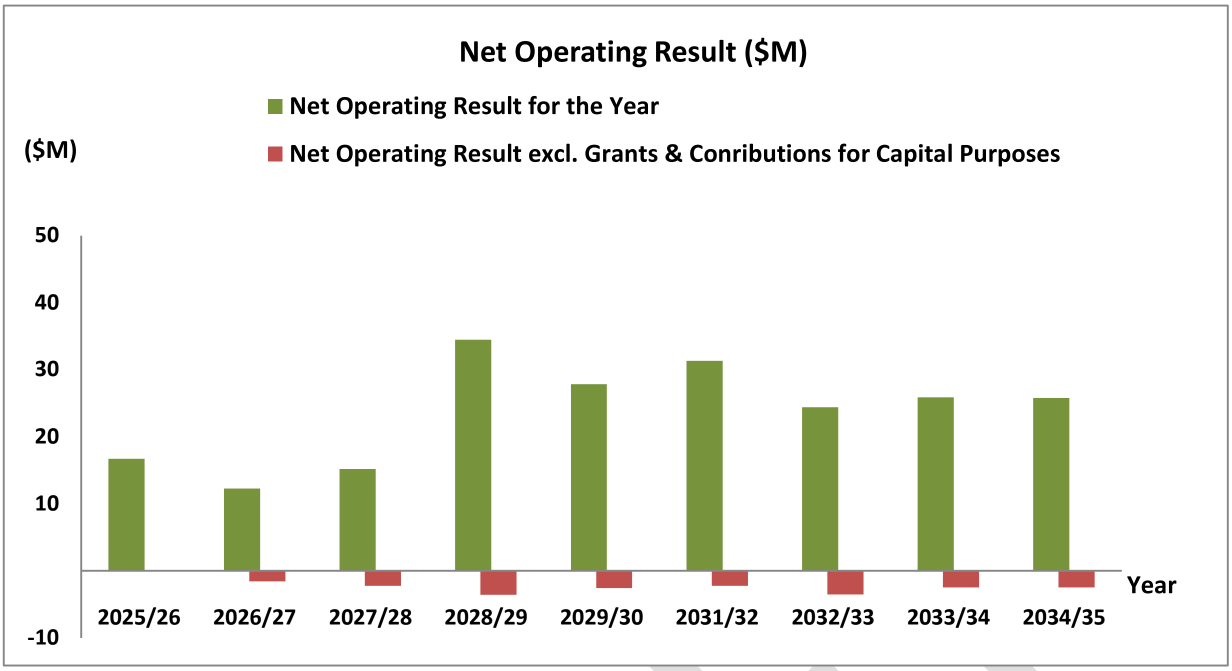
Financial and infrastructure outcomes

Operating results
Under the Base Case scenario, Council is projected to achieve a modest operating surplus of $114,000 in 2025/26, excluding grants and contributions for capital purposes. However, from 2025/26 onward, Council is expected to experience annual operating deficits (excluding capital grants) averaging $2.3 million for the term of the LTFP.

It is also a consequence of Council's operating budget bearing the burden of an annual $1.7 million loan repayment for the St Ives Indoor Sports Centre, in the absence of a Special Rate Variation (as was intended) to fund this cost.

A significant outcome of this situation is that Council will have no ability to invest surpluses into reserves, which could be allocated to fund renewal and upgrade of existing infrastructure and new infrastructure.

Table 7 – Operating Result outcomes under Base Case scenario



Performance measures

Under the Base Case scenario, Council will fail to meet a range of performance measures, which is in a sign that Council will not be delivering a level of financial sustainability to support associated good service level and infrastructure outcomes.

In particular Council's:

- Operating Performance Ratio, which measures the ability to contain costs within allocated revenue, will fall short of the benchmark (0%) and deteriorate by an average of 1.4% per year from 2026/27, as operating deficits are projected in future years. This indicates an ongoing challenge in balancing revenue and expenses, which could impact Council's ability to fund some services, asset maintenance and other projects.

- Building and Infrastructure Asset Renewal Ratio, which measures the rate of asset renewal against depreciation, will decline from 106.6% in 2025/26 to 57.8% in 2034/35. With the benchmark set at 100%, this sharp decrease suggests that Council will struggle to maintain asset renewal at the pace required, leading to significant deterioration key assets and facilities.

- Infrastructure Backlog Ratio, which measures the cost to bring assets to a satisfactory condition against the net carrying amount of these assets, will increase from 10.3% in 2025/26 to 17.2% in 2034/35. The benchmark of less than 2% indicates that Council will continue to face a growing infrastructure backlog in future years.

While Council's Asset Maintenance Ratio (which measures actual versus required maintenance) will remain stable, it will still be below the benchmark of 100% in all years of the LTFP. In other words, Council will continue to spend less than is required on asset maintenance, leading to a greater unwanted deterioration of those assets.

Council's Unrestricted Current Ratio, which is a measure of liquidity, will remain above the financial measure of 1.5:1 by averaging 2.4:1 during the life of the LTFP. This is an indication that Council will be able to maintain adequate cash levels to meet current liabilities, but not to undertake significant investments needed to maintain and renew infrastructure.

Table 8 – Base Case performance against performance measures

Financial Stability Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Benchmark	Status
Operating Performance Ratio	0.0%	-1.0%	-1.5%	-2.0%	-1.4%	-1.3%	-1.3%	-1.7%	-1.2%	-1.2%	>= break-even	Benchmark not met
Own Source Revenue	85.8%	87.2%	85.7%	77.9%	81.3%	79.7%	80.9%	83.4%	83.5%	84.0%	>60%	Meets benchmark
Unrestricted Current Ratio	2.56	2.40	2.24	2.16	2.18	2.22	2.33	2.65	2.70	2.80	>1.5	Meets benchmark
Asset Management Ratios	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**Benchmark**	**Status**
Building & Infrastructure Asset Renewal Ratio	106.6%	75.7%	68.1%	66.1%	59.3%	58.4%	59.1%	83.7%	86.4%	57.8%	>100%	Benchmark not met
Infrastructure Backlog Ratio (CTS)	10.3%	10.7%	11.4%	12.2%	13.3%	14.4%	15.6%	15.9%	16.1%	17.2%	<2%	Benchmark not met
Asset Maintenance Ratio	94.1%	93.3%	93.1%	93.0%	93.4%	93.6%	93.7%	93.5%	93.1%	91.7%	>100%	Benchmark not met

Impact on infrastructure assets

Council is already facing a large infrastructure backlog. Under the Base Case scenario, this backlog is projected to increase significantly, further exacerbating the challenge of addressing critical infrastructure renewals.

The cost to bring poor and very poor infrastructure assets to a satisfactory condition will increase from $110.56 million in 2025/26 to $200.98 million in 2034/35. Meanwhile the cost to bring these same assets to a new condition would increase from $233.69 million in 2025/26 to $325.08 million in 2034/35.

The impact of this situation would include:

- A further deterioration in Council's buildings, and the ongoing inability of many of these buildings to respond to community expectations, particularly in the areas of accessibility and adequate facilities for female athletes and users.
- Service failures in Council's stormwater system, including:
  - Increased flooding, causing road detours and also impacts on homes and businesses.
  - The more frequent forming of potholes and sinkholes and road subsidence requiring costly repairs.
  - Pollution and contamination through unwanted sediment and large debris backlogs entering local waterways.
- More footpaths which present as trip hazards
- Less funds being available to upgrade recreational facilities.

Projected income

Council's revenue would increase from $182 million in 2025/26 to $244 million over the ten years, which (after excluding the impact of capital grants and contributions) increases by an average of 3.2% per year.

Council rate revenue would rise in line with the IPART rate peg and no additional SRV is forecasted. However, Council has projected that recent housing reforms will lead to additional rate revenue through an increase in the number of dwellings, estimated at an average annual growth of 4.1% from 2026/27. However, the uptake of further development remains uncertain, making accurate forecasting challenging. The additional revenue will be allocated to cover the increased expenditure associated with the population growth from these developments. These forecasts will require close monitoring and adjustments as more accurate data becomes available.

Projected operational expenditure

Operating expenditure is forecast to increase from $165 million in 2025/26 to $218 million over the 10-year period, an average increase annual increase of 3%. No additional funding will be allocated to asset maintenance or to address the increased costs of depreciation.

Materials and contracts represent Council's largest expense, an average of 41% over the forecast period, followed by employee costs at 34% and depreciation at 18%.

The following additional operating expenditures, beyond the assumed increases, are included in the projections for the years following 2025/26:

- Borrowing costs for St Ives Indoor Sports Centre with annual repayment of $1.7 million funded from general revenue and a part subsidy secured through the Low-Cost Loan Initiative (LCLI) managed by the Department of Planning, Housing and Infrastructure (DPHI). The total subsidy over the life of the loan secured by Council is $1.2 million.
- Operating costs for Lindfield Major Town Centre project (also known as the Lindfield Village Hub). These costs will average $2 million per annum from 2029/30, funded from general revenue. Additional rates revenue is assumed to be received from supplementary rating, ie dwelling growth to partly cover this cost.

Projected capital expenditure

Council projects a total capital expenditure of $634.73 million over the life of the LTFP. The largest category, 35% is allocated to Streetscape & Public Domain, followed by 33% for Roads & Transport and 16% for Parks & Recreation which includes acquisition of community funded by development contributions.

Assumptions around capital expenditure, asset valuations and asset management are covered in the Asset Management Strategy and have been incorporated into the LTFP.

A summary and breakdown of future capital expenditure by asset category for the next 10 years is provided in the table and chart below.

Table 9 - Projected capital expenditure under Base Case scenario

$ '000	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
Planning, Community & Other	2,666	6,496	2,447	3,613	3,699	3,788	4,441	5,782	6,129	7,511	46,572
Roads & Transport	15,109	17,231	20,178	19,955	16,934	26,066	25,739	24,299	26,853	16,679	209,043
Streetscape & Public Domain	11,903	7,706	26,163	39,722	33,745	25,221	19,496	15,710	25,380	17,980	223,026
Parks & Recreation	30,878	11,083	7,851	9,289	4,785	6,281	6,214	6,195	6,970	13,968	103,514
Stormwater Drainage	2,600	1,764	1,808	1,851	1,896	1,941	1,988	2,035	2,084	2,134	20,101
Council Buildings	6,636	3,015	1,469	1,504	1,541	1,578	1,615	1,654	1,694	1,735	22,441
Trees & Natural Environment	2,026	4,428	808	771	314	322	330	338	346	354	10,037
Total Projects	**71,818**	**51,723**	**60,724**	**76,705**	**62,914**	**65,197**	**59,823**	**56,013**	**69,456**	**60,361**	**634,734**

Liquidity measures

Working capital is a measure of Council's liquidity and ability to meet its obligations as they fall due. It is one of the primary measures of the overall financial position, which allows for unforeseen expenditure, reductions in revenue or other unplanned events.

The working capital is projected at $9.3 million for 2025/26 and increases by an average 1% p.a. during the forecast years to allow for increase

s in expenditure in future years. This level of working capital highlights an adequate liquidity position with Council being able to meet its short term liabilities when they fall due.

Cash reserves are projected to remain at sustainable levels initially; however, ongoing operating deficits and continued investment in infrastructure are expected to reduce these reserves over time.

Debt management

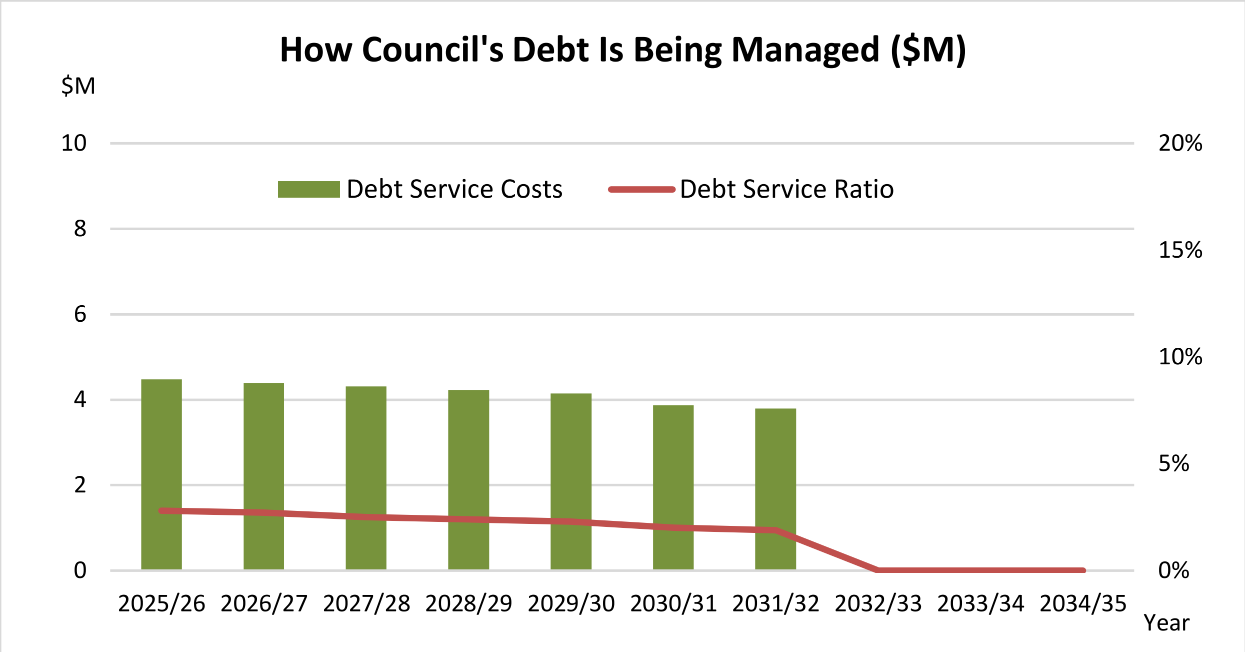
In this scenario, Council's outstanding debt is projected to reduce to $21 million by the end of 2025/26 and will be fully discharged by the end of 2031/32. This includes the repayment of the following loan balances:

- $11.3 million for the acquisition of Council's investment property at 828 Pacific Highway, Gordon. The building is leased and is expected to generate sufficient revenue over the life of the Plan to fully repay the outstanding debt.
- $8.8 million loan to fund Council's contribution to the new St Ives Indoor Sports Centre. Under the Base Case scenario this loan will be repaid over 10 years using general funds offset by the LCLI subsidy.

The LTFP includes provisions for debt repayments to be made according to the repayment schedules outlined in the terms of each individual loan.

The following chart show Council's projected outstanding debt and the net debt service cost for the next 10 years. Total debt service cost includes total interest plus principal repayments. Current loans will be repaid by the end of 2031/32.

Table 10 – Council's debt service costs and ratio under Base Case



Special Rate Variation option 1 - Renew infrastructure

Explanation

Under this scenario, Council would in 2026/27 increase rates by 19.9% above the rate peg (assumed at 3% in 2026/27). From 2027/28 onwards, rate revenue would increase in line with the rate peg announced by IPART.

The SRV would have the effect of providing an additional and ongoing $17.3 million per annum. The impact on an average ratepayer would be approximately $372 per annum (or $7.15 per week) above the rate peg.

The main purpose of the SRV is to strengthen Council's financial position and help address the growing infrastructure backlog, with a primary focus on renewing existing stormwater, buildings, recreational and open space and footpath assets. The SRV is also projected to fund loan repayments on the St Ives Indoor Sports Centre.

Should this scenario be adopted, the proposed annual breakdown of SRV's annual yield of $17.3 million is as follows:

- $5.9 million to stormwater renewal in line with the prioritisation program undertaken in 2023/24 and informed by the independent review
- $6.7 million for buildings renewal and modernisation in line with the prioritisation program undertaken in 2023/24 and informed by the independent review
- $2.1 million for recreational facilities to improve sports fields, parks and other open space facilities
- $1.2 million for footpath renewal in line with the priorities identified in the Asset Management Strategy.
- $1.5 million to fund loan repayments (net of LCLI subsidy) for the construction of the St Ives Indoor Sports Centre (original loan $13.5 million)

The financial tables which are applicable to this option are available at **Attachment C**.

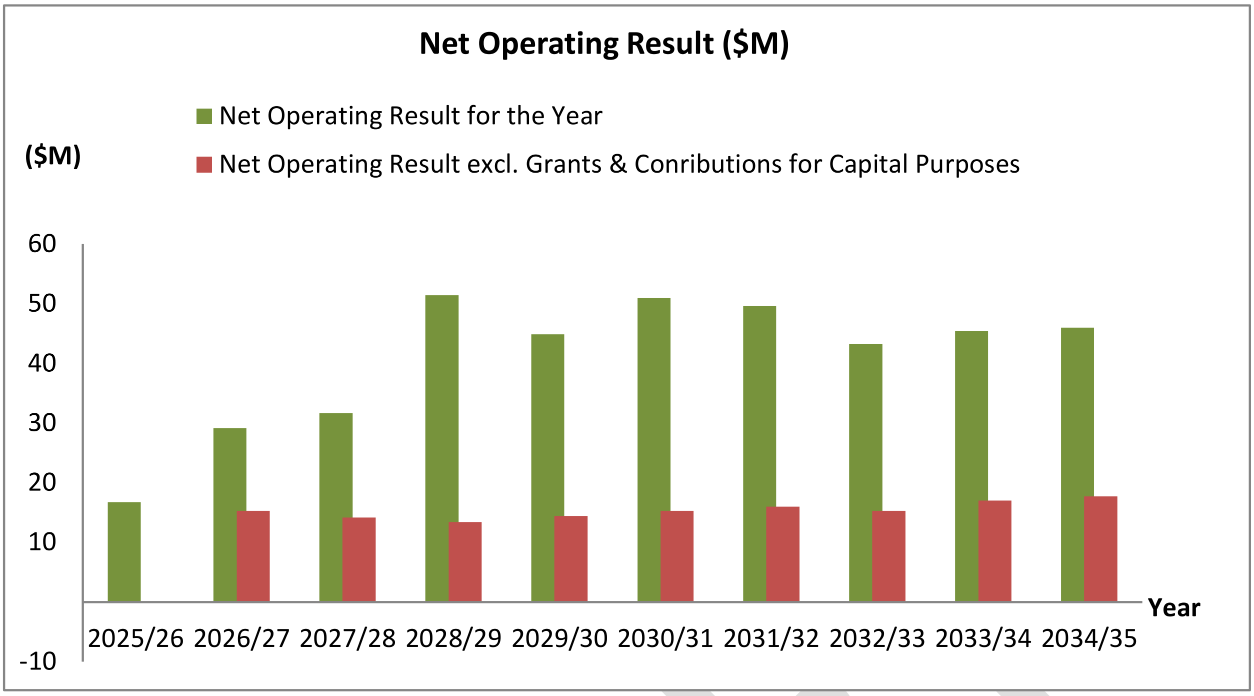
Financial and infrastructure outcomes

Operating result
Under this scenario, as with the Base Case scenario, Council is projected to achieve an operating surplus of $114,000 in 2025/26, excluding capital grants and contributions.

However, with the introduction of a Special Rate Variation (SRV) from 2026/27, Council is expected to generate average annual surpluses of $13.9 million from 2025/26 to 2034/35 which will be directly invested and targeted towards infrastructure renewal works.

The chart below shows the forecast operating result before and after capital grants and contribution items.

Table 11 – Operating results under SRV option 1 - Renew Infrastructure scenario



Response to financial and assets benchmarks

Under this scenario the:

- Operating Performance Ratio will be well above the benchmark of 0% for all years from 2026/27. This is due to an additional average $17.3 million per year to be diverted to infrastructure maintenance and renewal.
- Building and Infrastructure Asset Renewal Ratio will remain above 100% in all years, which is an indicator that Council is renewing assets at the same pace as they are depreciating thus addressing the infrastructure backlog faster.
- Infrastructure Backlog Ratio will improve from 10.3% in 2025/26 to 3.6% in 2034/35, although not reach the benchmark of less than 2%.

While Council's Asset Maintenance Ratio (which measures actual versus required maintenance) will remain stable, it will still be below the benchmark of 100% in all years of the LTFP. In other words, Council will continue to spend less than is required on asset maintenance. To address this, a transfer of funds from the renewal budget to asset maintenance may be necessary.

Council's Unrestricted Current Ratio, which is a measure of liquidity, will remain above the OLG benchmark of 1.5:1 by averaging 2.4:1 during the life of the LTFP.

Table 12 – SRV Option 1 - Renew infrastructure scenario performance against performance measures

Financial Stability Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Benchmark	Status
Operating Performance Ratio	0.0%	8.2%	7.3%	6.8%	7.1%	7.2%	7.3%	6.9%	7.4%	7.5%	>= break-even	Meets benchmark
Own Source Revenue	85.8%	88.3%	86.9%	79.6%	82.8%	81.3%	82.4%	84.7%	84.9%	85.3%	>60%	Meets benchmark
Unrestricted Current Ratio	2.56	2.42	2.26	2.17	2.19	2.23	2.34	2.67	2.73	2.84	>1.5	Meets benchmark
Asset Management Ratios	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**Benchmark**	**Status**
Building & Infrastructure Asset Renewal Ratio	106.6%	132.7%	124.5%	121.8%	114.7%	113.2%	113.4%	137.4%	139.6%	110.3%	>100%	Meets benchmark
Infrastructure Backlog Ratio (CTS)	10.3%	9.3%	8.5%	7.7%	7.2%	6.6%	6.1%	5.0%	3.9%	3.6%	<2%	Benchmark not met
Asset Maintenance Ratio	94.1%	93.3%	93.1%	93.0%	93.4%	93.6%	93.7%	93.5%	93.1%	91.7%	>100%	Benchmark not met

Impact on infrastructure assets
Under this scenario, Council will invest a total of $17.3 million per year additional funds to renew its stormwater, footpath, recreational asset and building asset classes. The scenario will not fund additional road renewal given that roads have sufficient funding under the current LTFP term.

This will result in the cost to bring poor and very poor infrastructure assets to a satisfactory condition falling from $110.56 million in 2025/26 to $47.03 million in 2034/35, a decrease of 57.5%. Meanwhile the cost to bring these same assets to a new condition would reduce from $233.69 million in 2025/26 to $167.20 million in 2034/35, a decrease of 28.5%.

The reduction in Council's infrastructure backlog during the life of the LTFP indicates that, with the permanent inclusion of a SRV in Council's rate base, Council will be able to, beyond the life of the plan, eliminate the backlog and maintain ongoing sustainable infrastructure renewal practices.

Projected income
Council's revenue has been forecast to increase from $182 million in 2025/26 to $266 million over the ten years, which (after excluding the impact of capital grants and contributions) increases by an average of 4.1% per year.

Major increases in revenue are due to rates and annual charges (including a SRV of 19.9% above the cap from 2026/27), user fees and charges and other revenue including rent income from Council's investment property.

The SRV will generate additional $17.3 million rate income in average per year from 2026/27.

Some 91% of this revenue will be allocated to infrastructure renewal works and the remaining 9% of the SRV will fund repayment of loan for St Ives Indoor Sports Centre. After the loan is repaid, 100% will be allocated to infrastructure renewal from 2032/33.

Projected operational expenditure
Operational costs will remain unchanged compared to the Base Case scenario.

Projected capital expenditure
Council will allocate a total of $792.1 million for capital expenditure over the life of the LTFP.

Due to the introduction of a SRV, Council will be able to increase capital expenditure by $157.37 million over the period from 2026/27 to 2034/35, compared to the Base Case scenario.

During the 10-year life of the LTFP, and compared to the Base Case, capital expenditure will significantly increase on stormwater drainage (up by 291% to $78.65 million), council buildings (up by 296% to $88.92 million) and parks and recreation (up 20% to $124.35 million).

Assumptions around additional capital expenditure, asset valuations and asset management are covered in the Asset Management Strategy and have been incorporated into the LTFP.

A summary of future capital expenditure by asset category under this scenario is provided in the table and chart below. The highlighted asset categories will benefit from additional funding under the proposed scenario.

Table 13 - Projected capital expenditure under SRV Option 1 - Renew infrastructure scenario (significant expenditure changes from Base Case highlighted in green)

$ '000	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
Planning, Community & Other	2,666	6,496	2,447	3,613	3,699	3,788	4,441	5,782	6,129	7,511	46,572
Roads & Transport	15,109	18,391	21,367	21,173	18,181	27,342	27,046	25,638	28,224	18,083	220,554
Streetscape & Public Domain	11,903	7,706	26,163	39,722	33,745	25,221	19,496	15,710	25,380	17,980	223,026
Parks & Recreation	30,878	13,183	10,004	11,493	7,042	8,592	8,581	8,618	9,451	16,509	124,351
Stormwater Drainage	2,600	7,664	7,855	8,044	8,237	8,435	8,637	8,844	9,056	9,274	78,646
Council Buildings	6,636	9,715	8,337	8,537	8,742	8,951	9,166	9,386	9,612	9,842	88,924
Trees & Natural Environment	2,026	4,428	808	771	314	322	330	338	346	354	10,037
Total Projects	**71,818**	**67,583**	**76,981**	**93,353**	**79,960**	**82,651**	**77,697**	**74,316**	**88,198**	**79,553**	**792,110**

Liquidity measures

Council's liquidity measures, under this scenario, are unchanged from the Base Case scenario.

Borrowings

As with the Base Case scenario, Council will extinguish its debt by 2031/32.

Special Rate Variation Option 2 - Enhance infrastructure

Explanation

Under this scenario, Council would in 2026/27 increase rates by 29.6% above the rate peg (assumed at 3% in 2026/27). From 2027/28 onwards, rate revenue would increase in line with the rate peg announced by IPART.

The SRV would have the effect of providing an additional and ongoing $25.8 million per annum.

This scenario will deliver all the financial and infrastructure benefits of SRV Option 1, along with delivering for the following additional funding on an annual basis:

- $4 million for new footpaths
- $4.5 million to service loan repayments to enable the construction of the Marian Street Theatre project, and the annual operating subsidy for the project.

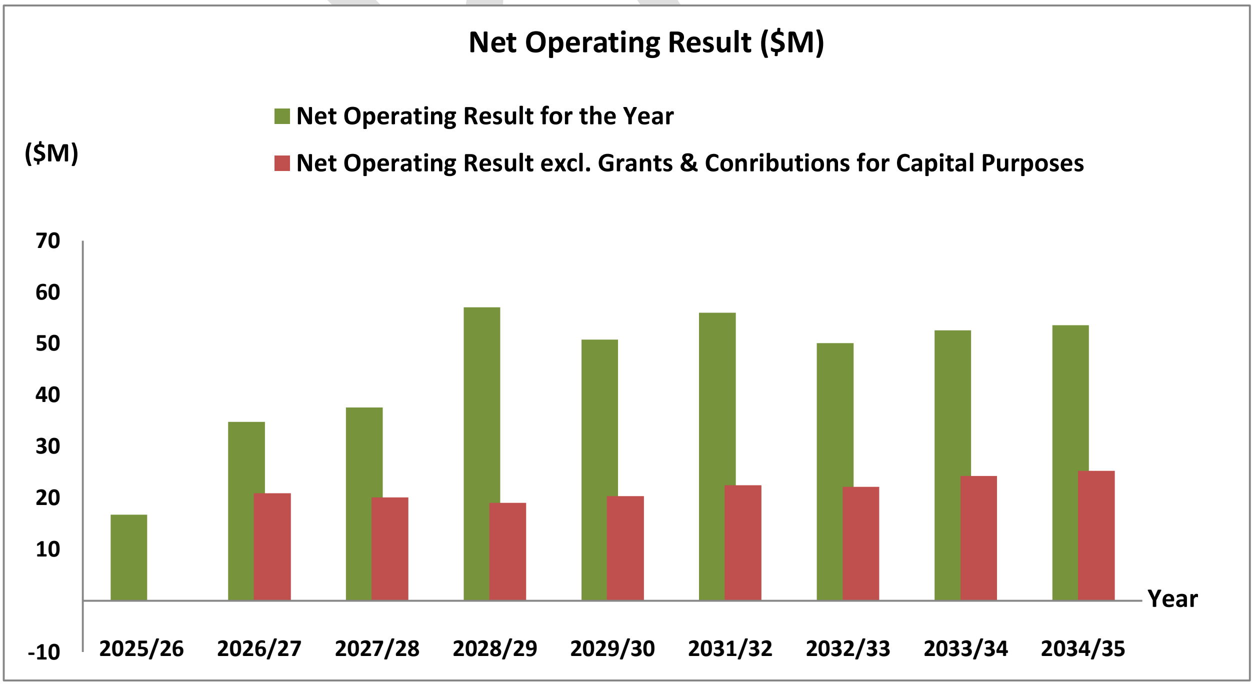
The financial tables which are applicable to this option are available at **Attachment D**.

Financial and infrastructure outcomes

Operating result
It is assumed in the LTFP that additional rates, if approved, will commence from 2026/27 resulting in average surpluses of $19.6 million which will fund infrastructure renewal works.

The chart below shows the forecast operating result before and after capital grants and contribution items.

Table 14 – Operating results under SRV Option 2 - Enhance infrastructure scenario



Performance measures

This option delivers a response to performance measures, which is similar to the SRV Option 1 response to these measures.

Table 15 – SRV Option 2 - Enhance infrastructure scenario performance against performance measures

Financial Stability Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Benchmark	Status
Operating Performance Ratio	0.0%	10.8%	10.0%	9.3%	9.6%	9.7%	9.9%	9.5%	10.1%	10.2%	>= break-even	Meets benchmark
Own Source Revenue	85.8%	88.7%	87.4%	80.3%	83.4%	82.0%	83.0%	85.3%	85.4%	85.9%	>60%	Meets benchmark
Unrestricted Current Ratio	2.56	1.51	2.08	1.99	2.00	2.04	2.14	2.42	2.47	2.58	>1.5	Meets benchmark

Asset Management Ratios	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Benchmark	Status
Building & Infrastructure Asset Renewal Ratio	106.6%	129.6%	121.3%	118.5%	111.4%	109.7%	109.8%	132.8%	134.8%	106.3%	>100%	Meets benchmark
Infrastructure Backlog Ratio (CTS)	10.3%	9.1%	8.3%	7.6%	7.1%	6.6%	6.2%	5.2%	4.1%	3.8%	<2%	Benchmark not met
Asset Maintenance Ratio	94.0%	89.8%	89.5%	89.3%	89.5%	89.5%	89.4%	89.0%	88.5%	87.0%	>100%	Benchmark not met

Infrastructure backlog and impacts

Under this scenario, Council will deliver the infrastructure benefits of SRV Option 1 however it will also invest additional funds in new footpaths and the Marian Street Theatre project,

This will result in the cost to bring poor and very poor infrastructure assets to a satisfactory condition will reduce from $110.56 million in 2025/26 to $53.19 million in 2034/35, a decrease of 51.9%. Meanwhile the cost to bring these same assets to an excellent condition would reduce from $233.69 million in 2025/26 to $176.33 million in 2034/35, a decrease of 24.5%.

Projected income

Council's revenue has been forecast to increase from $182 million in 2025/26 to $276 million over the ten years, which (after excluding the impact of capital grants and contributions) increases by an average of 4.7% per year.

Increases in revenue are due to rates and annual charges (including a SRV from 2026/27), user fees and charges and other revenue including rent income from Council's investment property. The impact on an average ratepayer would be approximately $554 per annum (or $10.65 per week) above the rate peg.

A SRV will generate additional $25.8 million rates income (excl rate peg) on average per year from 2026/27, of which 79% will be allocated to infrastructure renewal works and new footpaths and 15% to repayment of loan for Marian Street Theatre Upgrade. The remaining 6% of the special rate variation will fund repayment of loan for St Ives Indoor Sports Centre.

After the loans are repaid, 100% will be allocated to infrastructure renewal from 2032/33.

Projected operational expenditure

Operational costs will remain unchanged to SRV Option 1, except an annual increase of $772,000 in Materials & Contracts from 2028/29 to subsidise operation of Marian Street Theatre.

Projected capital expenditure

Under this scenario, Council would be able to set aside $862 million for capital expenditure during the life of the LTFP, which represents an increase of $70 million compared to SRV Option 1.

Under this option spending would significantly increase in two categories: Roads & Transport (up by 18% to $260 million due to new footpath construction) and Council Buildings (up by 33% to $118 million due to the Marian Street Theatre project).

Over the 10-year period, this scenario allocates capital expenditure as follows: 56% of capital expenditure to Street & Public Domain and Roads & Transport, 14% to Parks & Recreation, 14% to Council Buildings and 16% to other asset categories.

Assumptions around capital expenditure, asset valuations and asset management are covered in the Asset Management Strategy and have been incorporated into the LTFP.

Table 16 - Projected capital expenditure under SRV Option 2 - Enhance infrastructure scenario (significant expenditure changes compared to SRV Option 1 highlighted in green)

$ '000	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
Planning, Community & Other	2,666	6,496	2,447	3,613	3,699	3,788	4,441	5,782	6,129	7,511	46,572
Roads & Transport	15,109	22,391	25,467	25,371	22,480	31,745	31,554	30,254	32,951	22,924	260,246
Streetscape & Public Domain	11,903	7,706	26,163	39,722	33,745	25,221	19,496	15,710	25,380	17,980	223,026
Parks & Recreation	32,144	13,183	10,004	11,493	7,042	8,592	8,581	8,618	9,451	16,509	125,617
Stormwater Drainage	2,600	7,664	7,855	8,044	8,237	8,435	8,637	8,844	9,056	9,274	78,646
Council Buildings	5,371	40,082	8,337	8,537	8,742	8,951	9,166	9,386	9,612	9,842	118,026
Trees & Natural Environment	2,026	4,428	808	771	314	322	330	338	346	354	10,037
Total Projects	**71,819**	**101,950**	**81,081**	**97,551**	**84,259**	**87,054**	**82,205**	**78,932**	**92,925**	**84,394**	**862,170**

Liquidity measures

Council's working capital result, under this scenario, is unchanged from the Base Case or SRV Option 1 – Renew infrastructure scenario.

Borrowings

In this scenario, Council assumes a new loan in 2026/27 of $30.36m to fund the Marian Street Theatre upgrade funded from a special rate variation. Once the loan is discharged, the funds will be reallocated to other asset categories in line with the priorities outlined in Council's Asset Management Strategy.

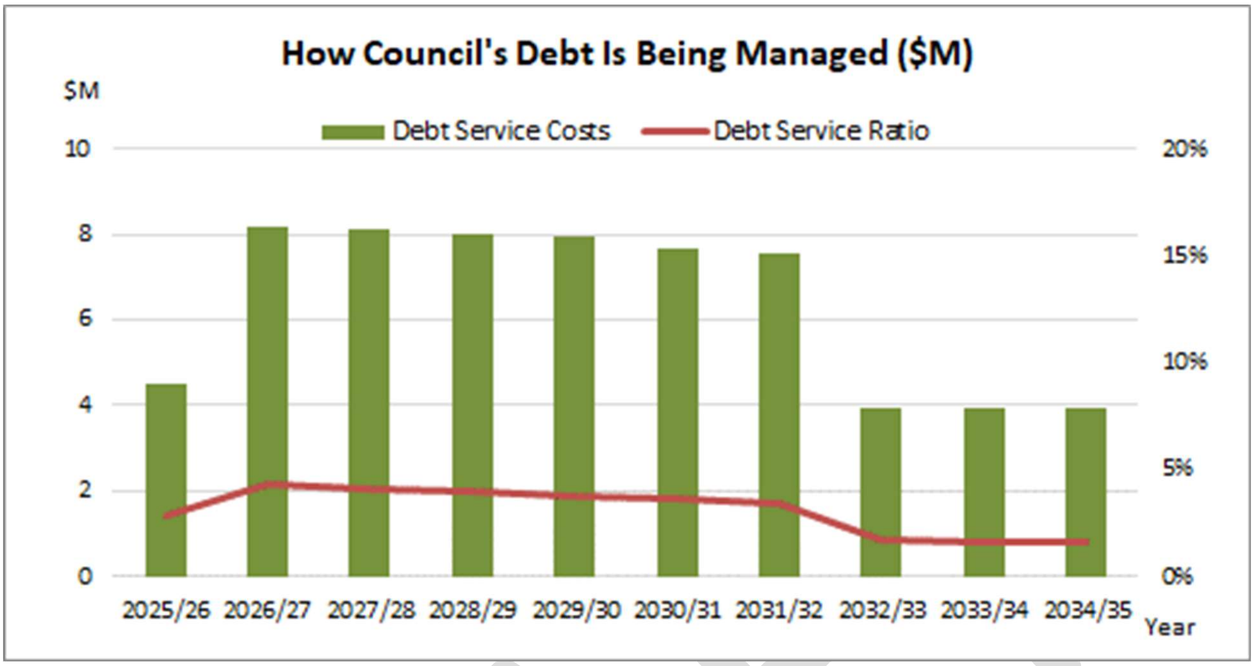
The annual loan repayments on the new loan are $3.77m. In addition, under this scenario, current loans for Council's investment property at 828 Pacific Highway and the St Ives Indoor Sports Centre will also be serviced.

The LTFP provides for repayments of debt to occur on either a schedule specified by the terms of individual loans or at a time where funds are available, and the overall cost of debt can be reduced by making opportunistic repayments.

The following chart show Council's projected outstanding debt and the Net Debt Service Cost for the next 10 years. Net Debt Service Cost includes total interest plus principal repayments.

Current loans will be repaid by end of 2031/32, and new loan will be repaid by the end of 2035/36.

Table 17 – Council's debt service costs and ratio under SRV Option 2 – Enhance infrastructure



Scenario comparison

The table below provides a comparison of the three scenarios.

Table 18 – Scenario comparison

Scenario	Base Case	Special Rate Variation Option 1 - Renew	Special Rate Variation Option 2 - Enhance
Rate increase in 2026/27	3% (assumed cap)	19.9% above cap	29.6% above cap
Average Operating Result [6] from 2025/26 to 2034/35	$2.3m (deficit)	$13.9m (surplus)	$19.6m (surplus)
Infrastructure Backlog in 2025/26	$110.56m	$110.56m	$110.56m
Infrastructure Backlog in 2034/35 [7]	$200.98m	$47.03m	$53.19m
% change in Infrastructure Backlog from 2025/26 to 2034/35	81.8% increase	57.5% decrease	51.9% decrease
Focus areas for additional funding for renewal of **existing infrastructure**	None, no additional funding available	Buildings Footpaths Stormwater Recreational assets	Buildings Footpaths Stormwater Recreational assets
Funding for **new infrastructure** projects which are currently not funded	None, no additional funding available	St Ives Indoor Sports Centre	St Ives Indoor Sports Centre Expansion of new footpath program Completion of Marian Street Theatre upgrade
Ten-year capital expenditure program	$634.74m	$792.11m	$862.17m
Debt extinguished	2031/32	2031/32	2035/36

[6] Excludes capital grants and contributions.
[7] This is the cost to bring Council's Very Poor and Poor Assets to a Satisfactory condition.

Capacity of ratepayers to afford a Special Rate Variation (SRV)

The impact of a SRV on ratepayers is an important matter that will be given extensive consideration before any Council decision on the issue.

However, a preliminary analysis of data shows that there is the potential that Ku-ring-gai ratepayers have the capacity to pay a SRV.

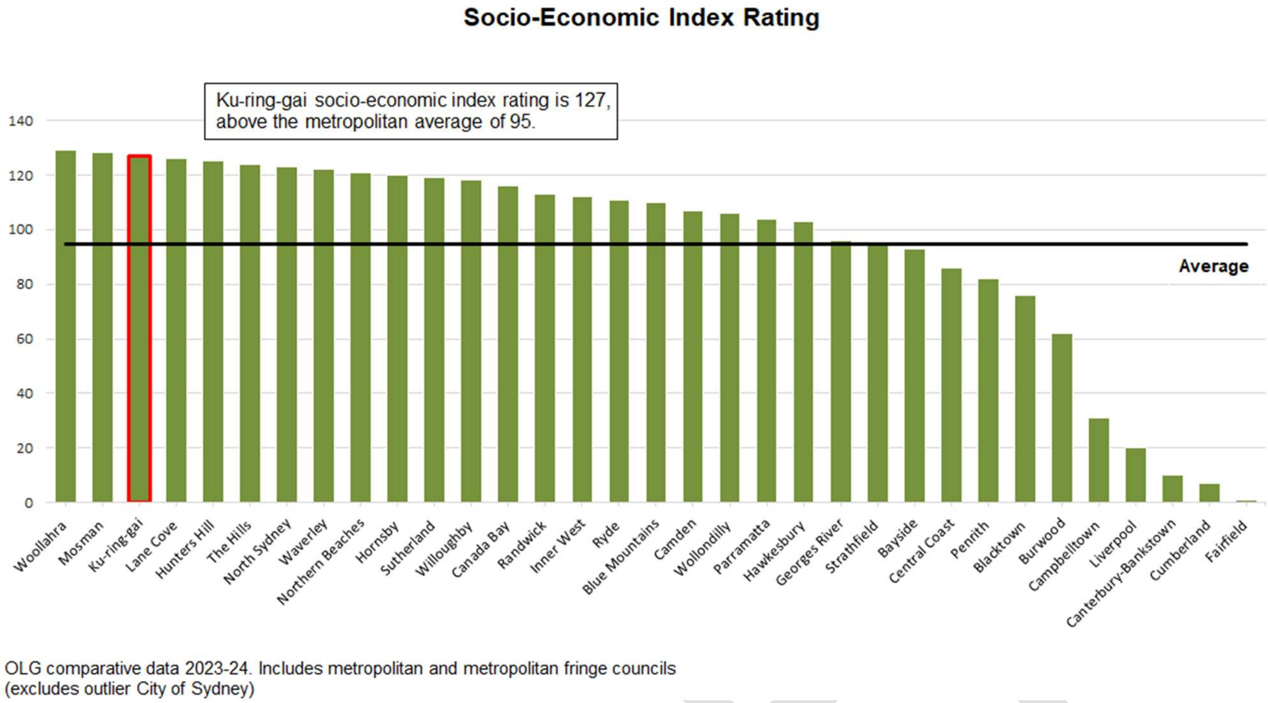
Socio-economic advantage

Australian Bureau of Statistics data shows that the population of the Ku-ring-gai local government area has the third highest level of socio-economic advantage among all Sydney, NSW and Australian local government areas.

Table 19 – Ranking of most advantaged Australian councils under Australian Bureau of Statistics 2021 Index of Relative Socio-economic Advantage and Disadvantage (IRSAD)

Advantage ranking	Council	State
1	Woollahra	NSW
2	Mosman	NSW
3	Ku-ring-gai	NSW
4	Darwin Waterfront Precinct	Northern Territory
5	North Sydney	NSW
6	Waverley	NSW
7	Lane Cove	NSW
8	Peppermint Grove	Western Australia
9	Nedlands	Western Australia
10	Cottesloe	Western Australia

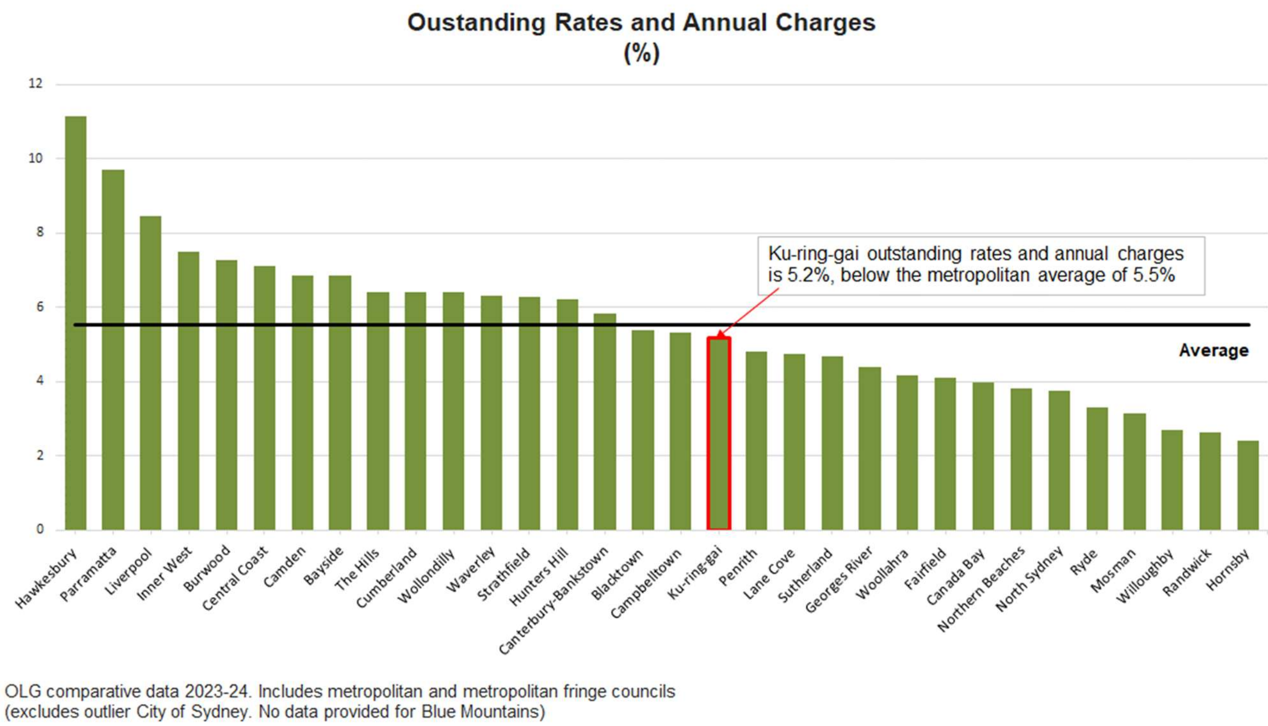
Table 20 – Ku-ring-gai's socio-economic index rating compared to other Sydney councils 2023/24



Outstanding rates

Ku-ring-gai's percentage of outstanding rates and charges, in 2023/24, was 5.2%, which was slightly below the metropolitan and metropolitan fringe council average of 5.5% in 2023/24, according to Office of Local Government comparative data. Council regularly has below levels of outstanding rates in NSW, an indication of both capacity and willingness to pay.

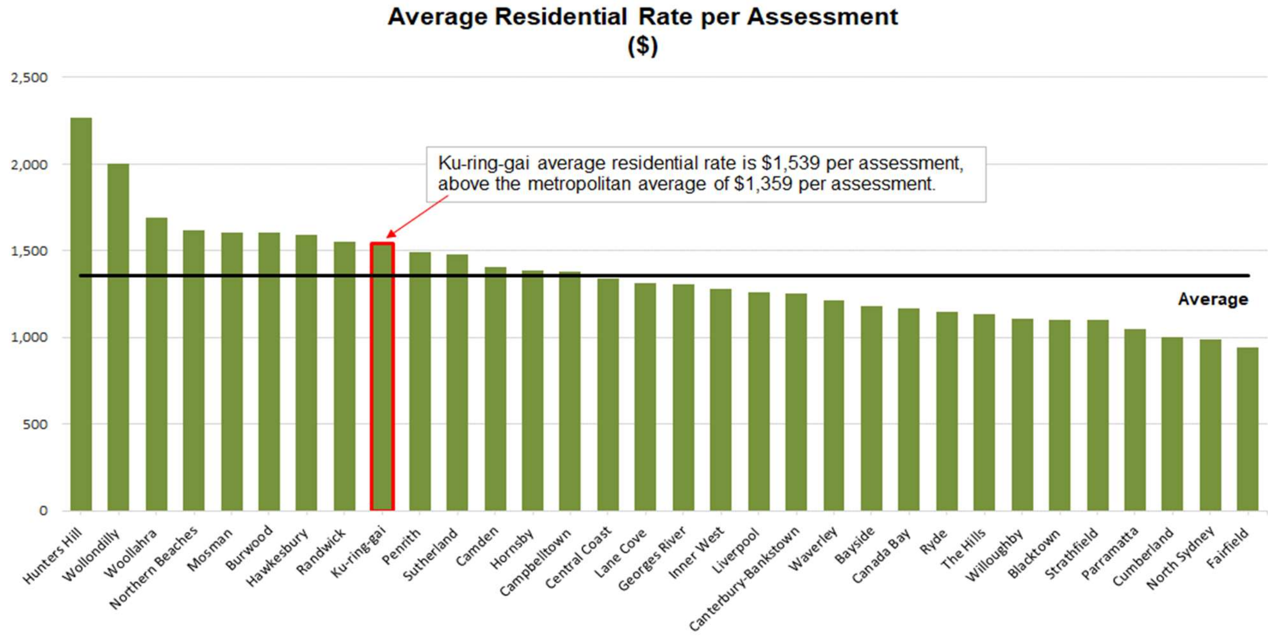
Table 21 – Percentage of rates and charges outstanding among Sydney councils in 2023/24



Average residential rates

Council's average 2023/24 residential rate of $1,539, while above the Sydney council average of $1,359, falls beneath other high socio-economic areas such as Hunters Hill, Woollahra, Northern Beaches, Burwood, Randwick and Mosman. In addition, the table below does not take into account a confirmed SRV in Willoughby which commenced in 2024/25, nor significant SRV applications in North Sydney and Northern Beaches which are proposed to commence in 2025/26.

Table 22 – Average residential rate - metropolitan and metropolitan fringe councils in 2023/2

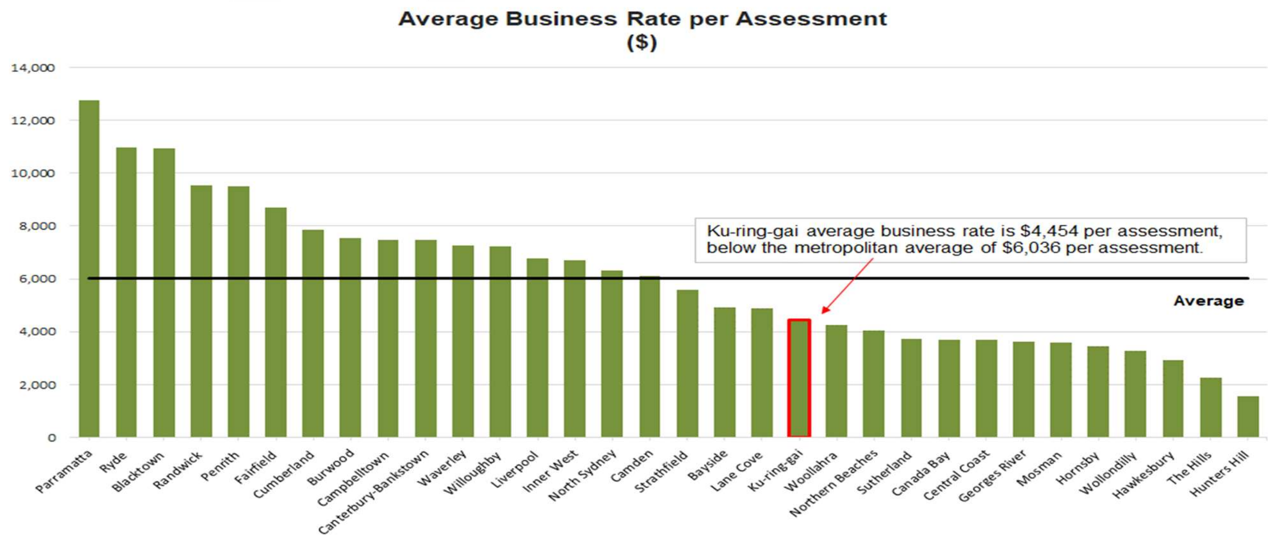


OLG comparative data 2023-24. Includes metropolitan and metropolitan fringe councils (excludes outlier City of Sydney. No data provided for Blue Mountains)

Average business rates

Council's average business rate of $4,454 in 2023/24, was well below the metropolitan average of $6,036**.**

Table 23 – Average business rate among metropolitan and metropolitan fringe councils in 2023/2

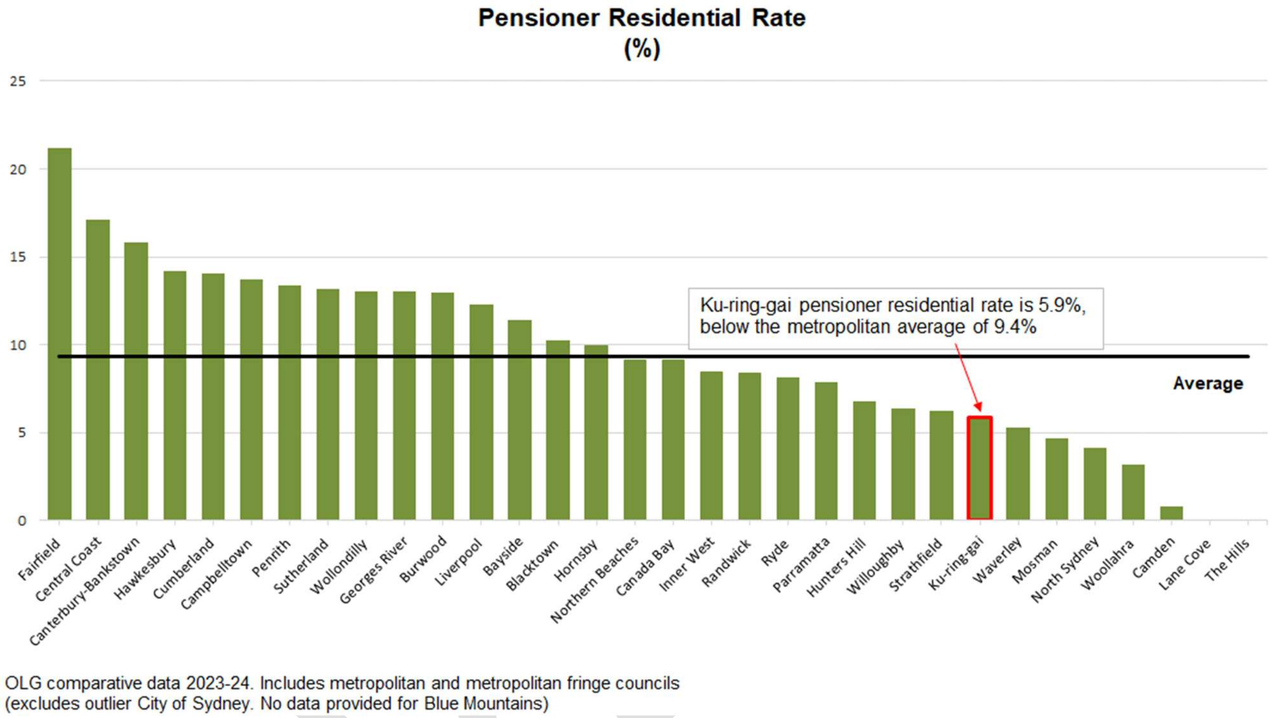


OLG comparative data 2023-24. Includes metropolitan and metropolitan fringe councils (excludes outlier City of Sydney. No data provided for Blue Mountains)

Relatively low rate of pensioners paying rates

In 2023/24, on average, some 9.4% of residential ratepayers across Sydney councils were claiming the pensioner rate. In Ku-ring-gai, the figure was 5.9%. Ku-ring-gai's low rate of pensioner ratepayers is therefore a potential indicator of capacity to pay.

Table 24 – Percentage of residential ratepayers who were claiming the pensioner rebate in 2023/24



Hardship provisions

Council has a *Rates, Charges and Sundry Debts – Assistance, Concessions and Recovery Policy,* which is available on Council's website.

The Policy states that Council recognises that ratepayers may at times have difficulty paying their rates and charges and outlines the steps and processes Council will consider in these circumstances.

Council also provides financial assistance to eligible pensioners by reducing rates, charges, and interest on properties occupied as their principal residence. This includes a statutory concession of $250 under Section 575 of the Act and an additional voluntary concession of 8.5% of total rates and charges, as outlined in the Council's Delivery Program and Operational Plan.

Productivity and cost containment

Council has demonstrated financial discipline over a long period of time, containing the cost of providing services within a culture of continuous productivity improvement.

In exploring the preferred long-term financial scenario, Council will continue to take actions to deliver productivity and cost containment, to seek out efficiencies and find alternative revenue sources, to reduce the overall impact on ratepayers. Council has demonstrated financial discipline over a long period of time, containing the cost of providing services within a culture of continuous productivity improvement.

This chapter explains a number of the actions Council has taken, and will continue to take, to reduce the ratepayer burden.

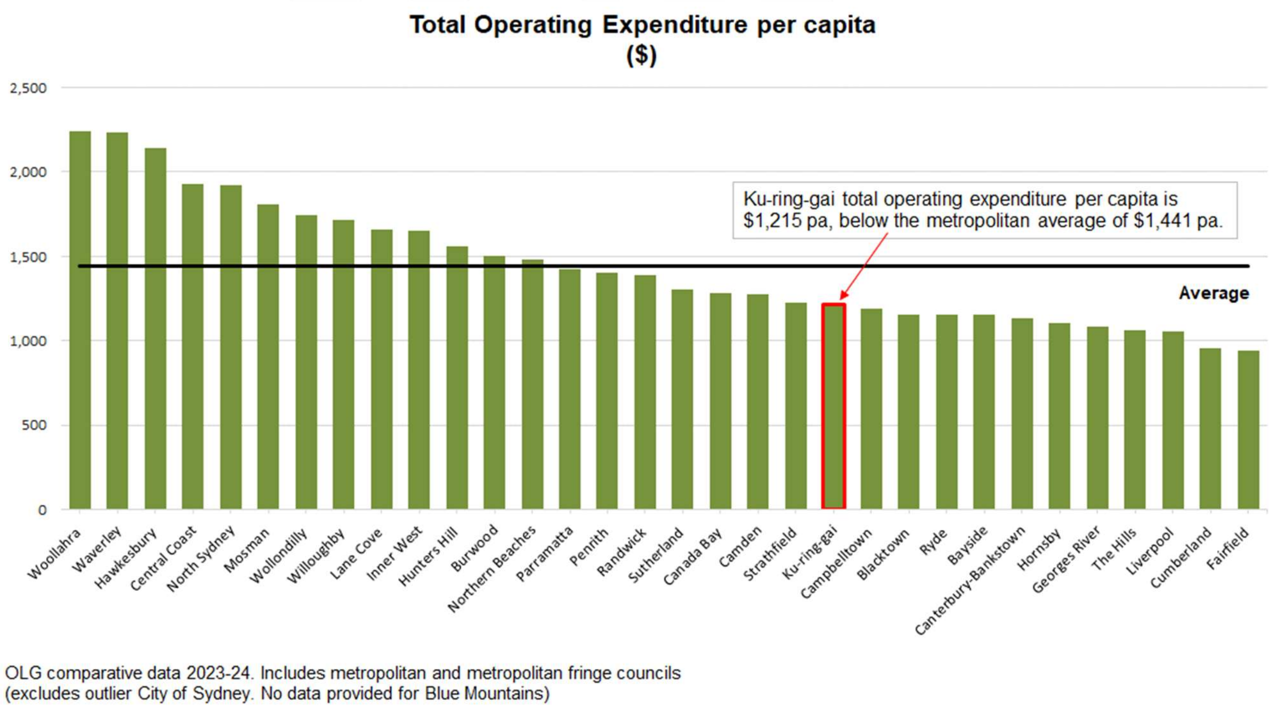
Recent comparative data

Operating expenditure per capita

Expenditure per capita is considered a factor of efficiency because it reflects how effectively a council delivers services and manages resources relative to its population.

In 2023/24, Ku-ring-gai Council had an operating expenditure per capita of $1,215, which was 16% less than the Sydney average of $1,441, and is a further indicator of efficiency. This suggests that the council is managing its operations and delivering services more cost-effectively compared to the average across Sydney

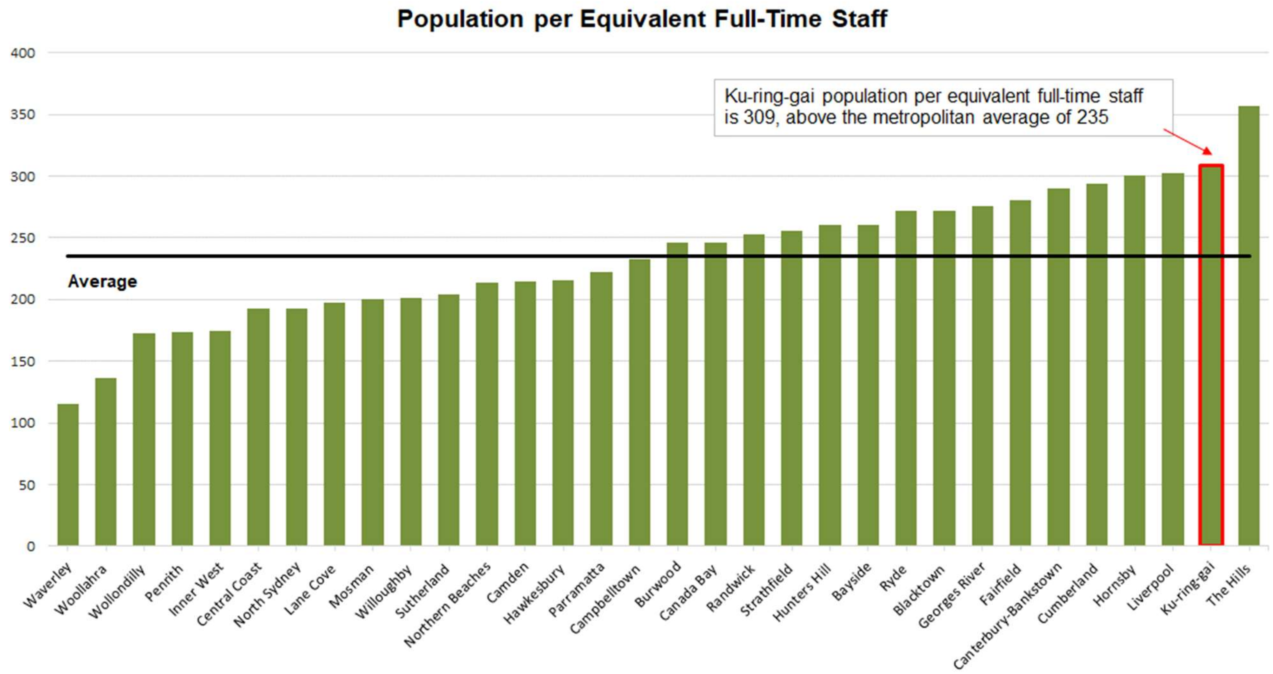
Table 25 – Operating expenditure per capita among Sydney councils 2023/24



Ratio of residents to staff

Each individual Ku-ring-gai Council full-time equivalent staff member in 2023/24 serviced 309 residents, which is the second highest of any Sydney council and well above the Sydney average of 235 residents. The Financial Sustainability Review indicated this was a sign of efficiency.

Table 26 – Number of residents for each full-time equivalent staff member among metropolitan councils in 2023/24



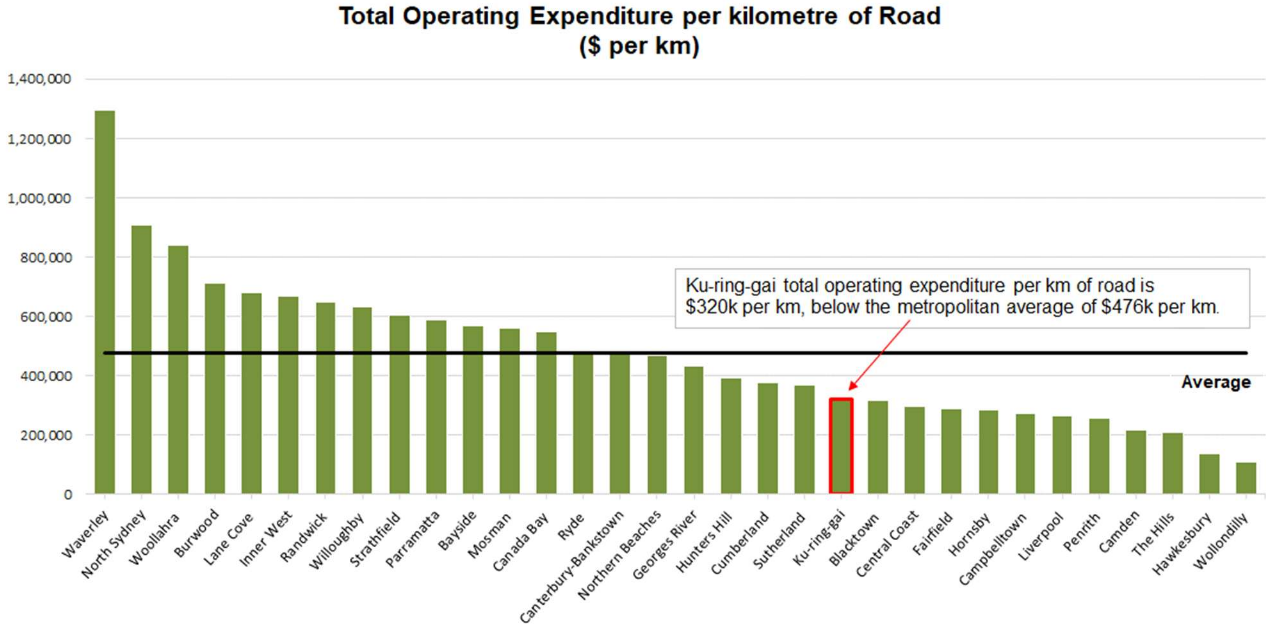
OLG comparative data 2023-24. Includes metropolitan and metropolitan fringe councils (excludes outlier City of Sydney. No data provided for Blue Mountains)

Operating Expenditure per km of road

Operating expenditure per km of road includes all operating expenditure, not just the amount spent on roads. It is a useful indicator for urban metropolitan councils as the length of road generally correlates to the amount of area that is developed for human habitation, requiring support from local government services and infrastructure.

Ku-ring-gai operating expenditure per km of road is $320,000 which is 32% below the metropolitan average of $476,000 per km or road.

Table 27 – Total Operating Expenditure per kilometre of road among metropolitan councils in 2023/24

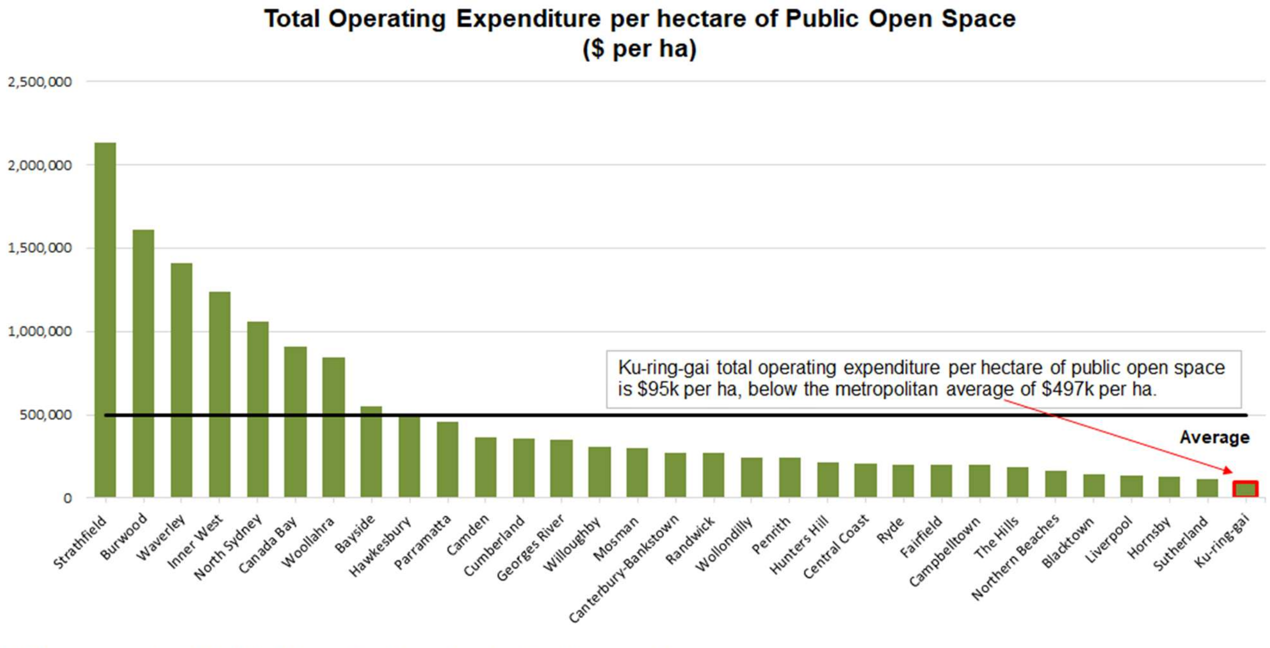


OLG comparative data 2023-24. Includes metropolitan and metropolitan fringe councils
(excludes outlier City of Sydney. No data provided for Blue Mountains)

Operating expenditure per ha of open space

In addition, Ku-ring-gai Council's spending on Open Space is significantly lower than the group average, at 80% less per hectare. With an expenditure of $95,486 per hectare, Ku-ring-gai ranks last among thirty-one councils, compared to the group average of $496,516 per hectare. However, this also reflects the financial challenge posed by having a vast area of open space to service with comparatively lower rates revenue.

Table 28 – Total Operating Expenditure per hectare of Public Open Space among metropolitan councils in 2023/24



OLG comparative data 2023-24. Includes metropolitan and metropolitan fringe councils
(excludes outlier City of Sydney. No data provided for Blue Mountains and Lane Cove)

Service reviews

To further encourage service delivery improvement across Council operations a targeted service review framework commenced development.

The framework includes a service review program to systematically review Council services, identify opportunities to improve efficiency and effectiveness, and support the delivery and evaluation of necessary changes.

The program will also include the identification of key performance indicators and benchmarks to measure and track productivity and performance over time. Council's 2023/24 annual report stated that work has commenced on a number of planned service reviews.

Service reviews are nearing completion for Council's community engagement and communications, development application (DA) processing, compliance & regulation and sports field services. Reviews are planned to commence shortly for Council's community development and other key services.

The outcome and progress of service reviews will be reported to Council and included in Council's Biannual Report on the Delivery Program and Operational Plan as well as the Annual Report.

Savings, productivity and revenue measures

Council has implemented a range of measures to increase revenue and improve efficiency.

Some revenue measures have included:

- Increasing rental returns from property management through adaptive re-use of existing buildings, the removal of historical subsidy arrangements and renewals in line with market valuation.
- Improving revenue from tennis court bookings, through increased utilisation, an improved online booking system and automated court allocation service
- Reviewing and adjusting fees and charges to reflect the costs of providing the services supported by these fees (such as golf course fees to align with other comparable courses within the region and to reflect the increase in maintenance costs)
- Actively pursuing grant opportunities to support asset upgrades, programs and other initiatives

A sample of savings and productivity measures have included:

- Strict budget control by freezing volume increases, requiring departments to operate within their allocated budgets, redirecting savings to fund capital works and maintain affordability
- Actively managing debt by moving from variable to fixed-rate loan interest rates, to reduce loan costs by managing the risk of increasing rates
- Securing a loan subsidy for a major project through the LCLI (Low Cost Loan Initiative) managed by the Department of Planning, Housing and Infrastructure (DPHI)
- Implementing technology enhancements through a printer replacement program that reduced printing costs and a transition to a new Teams phone systems, which eliminated traditional hardware and generated ongoing savings. Transitioned to a cloud based software system to reduce the need for on-premises infrastructure and provide simplified software management.

- Introducing a new Application for convenient and efficient payment of rates by ratepayers, along with a new Waste Application to improve the customer experience and reduce enquiries on waste collection.
- Delivering library collection management and technology systems efficiencies
- Transitioning to electronic business papers
- Improving asset management initiatives through detailed analyses and strategic planning for:
    - Stormwater Management (covered earlier in this report): By optimising the pipe relining methodology, Council achieved cost savings in the replacement of drainage assets and reduced depreciation expenses.
    - Building Portfolio: A comprehensive review enhanced understanding of long-term funding needs and resulted in the development of a prioritised capital upgrade program for Council's buildings.
- Continuing to be part of the shared service for internal audit service, which provides services for six Councils. This enables economies of scale in the provision of internal audit services and improved efficiency.

Council will seek to quantify and further explain these and other measures, and explore new measures, if it decides to progress a SRV.

Alternatives to a Special Rate Variation (SRV)

Service reductions

While Council will continue to look for better ways of delivering services, and is continually examining its service delivery program, it does not believe that wholesale service reductions is a viable alternative to a SRV.

Under SRV Option 1 – Renew Infrastructure, the SRV would yield an additional $17.3 million in revenue in 2026/27, and largely be put towards infrastructure renewal, which is equivalent to a third of Council's employee costs in the same year.

The areas subject to service reductions would need to be considered through a consultative budget process, and would inevitably results in the removal of services which are currently rated as important by community members.

In addition, the significant reduction in staffing which would come about through the service reductions would severely inhibit the ability of Council to deliver the infrastructure renewal which is needed, nor attract additional or new staff to undertake this work.

Debt and borrowing

Under this LTFP, Council is only proposing to take on additional debt (for the Marian Street Theatre project) where there is a concurrent new revenue stream to service this debt.
If Council does not proceed with this project, it will seek to retire its existing debt by 2031/32.

Taking out new borrowings to deal with broader financial sustainability and infrastructure provision issues without identified sources of repayment is not considered to be a prudent approach.

This is because borrowing would:

- Worsen Council's Operating Results, by adding debt repayments
- Require future generations to pay for today's expenditure
- Not be linked to an individual asset or project; and
- Not address the underlying business fundamentals.

Further asset sales

The issue of asset sales was examined in Council's Financial Sustainability Review, published in February 2023. It noted that the asset sale strategy originally envisaged in 2016, involving the sale of $111 million in assets to improve Council's financial sustainability and to undertake major projects, was not likely to be implemented at that time (due to a lack of support for the sale of particular assets). It also raised concerns about asset sales being used as a basis for long-term financial sustainability. [8] As such, further asset sales are not proposed as an alternative to a SRV. However, future asset sales to fund major projects remain an option for Council to explore.

Further revenue and efficiency measures

The previous chapter outlines a range of revenue and efficiency measures. It is unlikely that further revenue and efficiency measures will be sufficient to overcome the very significant infrastructure backlog which has been forecast in this LTFP.

[8] Ku-ring-gai Council Financial Sustainability Review, by Morrison Low, published January 2023, pages 14-17

Sensitivity analysis

The following table lists the major assumptions affecting the LTFP results and shows the impact of varying them. This impact is classified as Low, Moderate or Significant in terms of quality and quantum of service delivery to constituents.

	Impact	Comment
Revenue		
Inflation/CPI	*Low*	Changes in inflation will affect both revenue and expenditure, but increases in the assumption are likely to be negative for the projected operating surplus.
Rates Income – Rate Peg	*Moderate* *to Significant*	The official rate peg for 2025/26 announced by IPART was 6.1%. It is assumed the rate peg will increase by 3.0% for all remaining years, along with a 0.3% population increment. Changes in rate pegging will affect revenue forecasts, and these will have a large impact on the LTFP Model. Non-achievement of property and rates income growth forecasts will directly affect provision of new infrastructure and the rate at which existing infrastructure can be renewed.
Investment Earnings	*Moderate*	Council's investments portfolio is subject to fluctuations in interest rates. An adverse movement in interest rates will reduce investment income and impact on capital expenditure and service levels, with only a minor offset through savings in variable interest loan costs. Council is forecasting an increase in interest earning in the short term a decrease in interest earnings and has adjusted the future budgets accordingly.
Proceeds from Asset Sales	*Moderate*	The LTFP assumes sale of assets ($1.2 million) for the 10 years fund Council's co-contribution in its S7.11 Development Contributions Plan. If these asset sales are not realised, either cuts to services and other capital would have to be made or alternatively the s7.11 projects requiring Council co-contributions would have to be deferred or deleted from the program.
Grants	*Low for specific purpose grants.* *Moderate/Significant for general purpose grants (FAG)*	The LTFP model includes operational grants and capital grants that have already been awarded. The Council does not have a strong reliance on specific purpose grants revenue in comparison with other sources of revenue. Programs funded by specific purpose grants may not be offered by the Council if the grants were eliminated. The general-purpose (including local roads) component of the Council's Financial Assistance Grant (FAG) is $4.7 million. If this grant were reduced or eliminated, the Council would need to consider significantly reducing capital expenditure and operating service levels.

	Impact	Comment
Revenue		
Expenditure		
Employee Costs	*Significant*	This is one of Council's largest costs. The number of employees in operating activities is assumed to remain constant with cost increases in line with forecast or known Award changes. This volume assumption is at risk from possible future changes to conditions, further devolvement of functions from other levels of government and from growth in Council services requiring additional staffing. The Award increase assumptions are at risk as Council has no direct control over this. The current estimate of 3.0% although in line with the rate peg in future years it exceeds other cost increases, which puts pressure on balancing future budgets.
Borrowing costs	*Moderate*	Council's outstanding loan balance will reach $21.0m in 2025/26. The outstanding loans are discharged by 2031/32 from future net revenue generated from leasing out the investment property at 828 Pacific Highway, Gordon, and a proposed special rate variation. This carries a moderate risk in terms of delays in realising income if the current building (investment property) in future is leased out at a lower occupancy rate than predicted in the LTFP. There is also a moderate risk in terms of the SRV if this is not approved by IPART.

The following table illustrates monetary sensitivity to variations in the assumptions.

Income & Expenditure Categories	Assumption	2025/26 Base $'000	Sensitivity to a 10% Variation in the Assumption $	Sensitivity to a 20% Variation in the Assumption $
Income:				
Rates	6.10%	82,885	505,599	1,011,197
Annual Charges (DW & others)	7.00%	27,178	190,246	380,492
Fees & Charges	3.90%	23,956	93,428	186,857
Operating Grants	2.90%	9,188	26,645	53,290
Interest on Investments	4.67%	8,204	38,313	76,625
Other Income	2.90%	13,895	40,296	80,591
Expenditure:				
Employee Costs	3.80%	54,159	205,804	411,608
Borrowing Costs	4.45%	1,139	5,069	10,137
Materials & Contracts	2.90%	68,500	198,650	397,300
Depreciation	(1.44%)	29,525	(42,438)	(84,876)
Other Expenditure	2.90%	11,869	34,420	68,840

The sensitivity analysis shows that rates income and employee costs would have the greatest impact if there is a future variation from the LTFP assumptions.

If there are adverse variations in the future from the LTFP assumptions, adjustments will need to be made to operations and capital programs to maintain financial sustainability. The sensitivity analysis brings into sharp focus the need to manage employee numbers and costs.

Capital Works projects

Council will progress a large number of projects during the life of the LTFP. A sample of these projects are listed below.

Werona Avenue and Heritage Square, Gordon

This project involves upgrade works to Werona Avenue on the eastern side of Gordon and upgrade works to Heritage Square on St Johns Avenue. The works will complement the recently completed St Johns Avenue Streetscape works. Improvements will include new and renewed footpaths with high quality paving; street trees; new LED street lighting; and street furniture. Construction is planned to commence in late 2025/early 2026.

Bedes Forest Expansion, St Ives

Council adopted a concept plan for the park in 2022 and is currently finalising construction drawings for this new park on the corner of Yarabah Avenue and Stanley Street, St Ives. The park will be almost 8,000 square metres in area, once completed, and will provide a diversity of activity areas including open grass, a playground, basketball facilities, a community garden, as well as an extensive nature play area. Construction is planned to commence in late 2025/early 2026.

Robert Pymble Park

The Robert Pymble Park Master Plan was adopted by Council in March 2020. The Landscape Masterplan aims to conserve, protect, and enhance the landscape character of Robert Pymble Park while improving the amenity and aesthetics of the park.

The first stage of the Master Plan works being the upgrade of the playground was completed in February 2023. Works are on-going for the delivery of the remaining masterplan works which will be undertaken between 2025-2026.

Gordon (North) Streetscape Improvements

This project involves upgrade works to streets in the northern part of Gordon local centre including Fitzsimons Lane, Merriwa Street and the Pacific Highway. The area has undergone extensive renewal in the past 10 years which has brought a large number of new residents. Improved pedestrian safety and amenity have become a priority. Improvements will include new and renewed footpaths with high quality paving; street trees; new LED street lighting; and street furniture. There have been some significant delays with the detailed design of this project which has pushed construction back, the Construction phase is now planned to commence in late 2025.

Lindfield Streetscape Improvements

This project involves upgrade works to streets on the eastern side of Lindfield including Lindfield Avenue and Tryon Road. The works will complement the recently completed Lindfield Village Green and will focus on improving pedestrian safety by managing traffic and parking conflicts and improving access to the rail station. Improvements will include new and renewed footpaths with high quality paving; street trees; new LED street lighting; and street furniture. New traffic signals at the intersection of Lindfield Avenue and Tryon Road will replace the existing signals. New traffic signals at the intersection of Strickland Avenue and Pacific highway are also proposed to support the delivery of the Lindfield Village Hub. Construction is planned to commence in 2025.

Pymble Streetscape Improvements

This project involves upgrade works to Grandview Street, Pymble local centre. The works will focus on improving pedestrian conditions and providing outdoor dining areas through footpath extensions and traffic calming measures. Improvements will include new and renewed footpaths with high quality paving; street trees; new LED street lighting; and street furniture. The project will be handed over to Operations in 2025 to prepare detail design and tender documentation. Construction is planned to commence in 2028.

St Ives Streetscape Improvements

This project involves upgrade works to streets and parks of St Ives local centre including Stanley Street, Porters Lane, Rosedale Road as well as Rotary and Memorial Parks. The works will focus on improving pedestrian conditions and improving conditions for bicycle user. Small parks will be renewed to create environments where residents and workers can rest and linger. Improvements will include new and renewed footpaths with high quality paving; street trees; new LED street lighting; and street furniture.

Council adopted the St Ives Public Domain Plan in February 2023. The project will be handed over to Operations in 2025 to prepare detail design and tender documentation. Construction is planned to commence in 2028.

Turramurra Streetscape Improvements

This project involves upgrade works to Rohini Street in Turramurra local centre. The works will focus on improving pedestrian conditions through improved pedestrian crossing points and providing outdoor dining areas. A key focus of the plan will be to upgrade the bus interchange to improve safety, capacity and functionality. Staff are currently working with representatives from TFNSW to finalise the interchange design and funding. Improvements will include new and renewed footpaths with high quality paving; street trees; new LED street lighting; and street furniture. Construction is planned to commence in 2035.

Roseville Streetscape Improvements

This project involves upgrade works to Hill Street, Roseville. The works will focus on improving pedestrian conditions though footpath widening and traffic calming measures. Improvements will include new and renewed footpaths with high quality paving; street trees; new LED street lighting; and street furniture. Construction is planned to commence in 2036.

Appendix A - LTFP Forecasts and Assumptions

LTFP FORECASTS AND ASSUMPTIONS

REVENUE ASSUMPTIONS	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
FORECASTS - ACCESS ECONOMICS										
Consumer Price Index (CPI)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
BBSW - 90 Day	3.5%	2.9%	2.8%	2.7%	2.6%	2.5%	2.5%	2.4%	2.4%	2.4%
INCOME ASSUMPTIONS										
Rates										
Rates Pegging Forecast	6.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Rates Population Growth	0.0%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Total Rates Change	6.1%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Fees and Charges	3.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Domestic Waste Price Increase	7.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Pensioner Rebate Growth	1.0%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Stormwater Management Charge (rates growth only)	0.0%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Trade Waste - Annual Charges	7.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Interest Income										
Interest Income - Rate based on 90 Days BBSW	4.7%	4.0%	3.9%	3.8%	3.7%	3.6%	3.6%	3.5%	3.5%	3.5%
Grants Income										
Recurrent Grants (CPI)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Capital Grants (CPI)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Proceeds from Assets Sales										
Asset Sales	0	84	389	0	0	279	380	0	87	0
EXPENDITURE ASSUMPTIONS										
Labour Costs	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Workers Compensation (= Emp Costs)										
Superannuation	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Material & Contracts - Operational Expenditure										
Operating Expenses (CPI)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Street Lighting Charges (IPART Decision)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Building Electricity Charges (IPART)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Water Charges (IPART Determination)	18.0%	6.8%	6.8%	6.8%	6.8%	2.4%	2.4%	2.4%	2.4%	2.4%
Fire Levy (CPI)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Planning Levy (CPI)	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Materials & Contracts - Capital Expenditure	2.9%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
Borrowing Costs										
Loan Rate (95 bps over 90 BBSW or max of 4%)	4.5%	3.9%	3.8%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%

Appendix B - Base Case (Business as usual) financial tables

10 Year Financial Plan for the Years ending 30 June 2035

Projected Income Statement
Scenario 1 - Base Case (Business as usual)

$'000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
Income from Continuing Operations												
Rates & Annual Charges	98,307	103,059	110,063	113,841	117,941	122,458	128,104	133,469	138,034	142,917	147,806	153,032
User Charges & Fees	22,959	23,199	23,956	24,655	25,369	26,075	26,696	27,332	27,983	28,650	29,334	30,033
Interest & Investment Revenue	9,321	7,094	8,204	5,805	5,103	4,417	3,985	3,797	3,878	3,964	3,994	4,022
Other Revenues	15,214	14,121	13,895	14,270	14,655	15,039	15,434	15,839	16,255	16,682	17,121	17,572
Grants & Contributions for Operating Purposes	9,982	10,221	9,188	9,390	9,380	9,544	9,733	9,977	10,148	10,365	10,643	10,655
Grants & Contributions for Capital Purposes	20,176	15,502	16,594	13,813	17,456	38,016	30,404	35,652	33,573	27,943	28,355	28,281
Other Income:												
Net gains from the disposal of assets	- 1,070	-	-	59	281	-	-	207	284	-	66	-
Total Income from Continuing Operations	**174,889**	**173,196**	**181,900**	**181,833**	**190,185**	**215,549**	**214,356**	**226,273**	**230,155**	**230,521**	**237,319**	**243,595**
Total Income excluding Proceeds from Asset Sales & Capital Income	155,783	157,694	165,306	167,961	172,448	177,533	183,952	190,414	196,298	202,578	208,898	215,314
Expenses from Continuing Operations												
Employee Benefits & On-Costs	46,974	51,016	54,159	55,803	57,917	60,111	62,389	64,752	67,206	69,752	72,395	75,138
Borrowing Costs	1,322	1,278	1,139	998	856	705	555	405	261	150	150	150
Materials & Contracts	64,297	63,295	68,500	70,211	72,213	73,939	76,704	79,513	81,412	83,358	85,350	87,391
Depreciation & Amortisation	25,949	27,884	29,525	30,721	31,853	32,955	33,741	34,964	36,270	37,504	38,807	40,304
Other Expenses	5,062	5,962	5,130	5,257	5,390	5,518	5,652	5,787	5,926	6,068	6,213	6,362
Other Operational Projects Expenses	9,598	13,199	6,739	6,579	6,756	7,871	7,491	7,511	7,752	9,278	8,512	8,464
Total Expenses from Continuing Operations	**153,202**	**162,634**	**165,192**	**169,569**	**174,985**	**181,099**	**186,532**	**192,932**	**198,827**	**206,110**	**211,427**	**217,809**
Net Operating Result for the Year	**21,687**	**10,562**	**16,708**	**12,264**	**15,200**	**34,450**	**27,824**	**33,341**	**31,327**	**24,411**	**25,892**	**25,786**
Net Operating Result for the year before Grants & Contributions provided for Capital Purposes	1,511	-4940	114	-1549	-2256	-3566	-2580	-2311	-2246	-3532	-2463	-2495

10 Year Financial Plan for the Years ending 30 June 2035

Projected Balance Sheet
Scenario 1 - Base Case (Business as usual)

$ '000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
ASSETS												
Current Assets												
Cash & Cash Equivalents	11,587	25,690	26,018	24,441	24,743	22,730	26,415	28,628	33,033	37,929	41,793	45,956
Investments	94,697	67,600	52,900	48,300	40,800	34,700	31,500	30,400	30,700	31,900	28,200	29,200
Receivables	15,063	14,179	15,147	14,900	15,631	19,246	18,433	19,625	19,683	19,189	19,636	19,947
Inventories	276	225	225	225	225	225	225	225	225	225	225	225
Other	2,904	3,214	3,104	3,074	3,130	3,103	3,102	3,112	3,105	3,106	3,108	3,107
Non-Current Assets Held for Sale	2,850	-	-	25	108	-	-	72	96	-	21	-
Total Current Assets	**127,377**	**110,908**	**97,393**	**90,965**	**84,637**	**80,003**	**79,675**	**82,062**	**86,842**	**92,350**	**92,983**	**98,434**
Non-Current Assets												
Investments	106,337	82,549	64,674	59,115	49,836	42,358	38,557	37,057	37,493	38,912	34,413	35,583
Receivables	71	71	71	71	71	71	71	71	71	71	71	71
Infrastructure, Property, Plant & Equipment	2,714,777	2,750,903	2,793,382	2,814,528	2,843,414	2,887,428	2,916,698	2,946,883	2,970,413	2,989,115	3,019,818	3,039,993
Investment Property	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734
Intangible Assets	567	440	325	210	95	36	36	-	-	-	-	-
Right of Use Asset	1,407	1,310	1,240	1,160	1,070	973	876	779	682	585	488	391
Total Non-Current Assets	**2,873,893**	**2,886,008**	**2,910,426**	**2,925,819**	**2,945,220**	**2,981,600**	**3,006,972**	**3,035,524**	**3,059,393**	**3,079,417**	**3,105,525**	**3,126,772**
TOTAL ASSETS	**3,001,270**	**2,996,916**	**3,007,819**	**3,016,783**	**3,029,857**	**3,061,603**	**3,086,647**	**3,117,586**	**3,146,235**	**3,171,767**	**3,198,507**	**3,225,206**
LIABILITIES												
Current Liabilities												
Payables	37,538	28,273	25,356	24,986	25,831	26,142	26,424	26,969	27,253	27,773	27,994	28,253
Borrowings	3,281	3,281	3,338	3,397	3,460	3,525	3,593	3,465	3,540	-	-	-
Provisions	12,655	13,199	13,701	14,221	14,762	15,323	15,905	16,509	17,137	17,788	18,464	19,165
Total Current Liabilities	**53,474**	**44,753**	**42,395**	**42,604**	**44,053**	**44,990**	**45,922**	**46,944**	**47,930**	**45,560**	**46,458**	**47,419**
Non-Current Liabilities												
Payables	1,549	1,484	1,419	1,354	1,289	1,224	1,159	1,094	1,029	964	899	834
Borrowings	24,317	21,036	17,641	14,185	10,663	7,073	3,412	75	-	-	-	-
Provisions	310	323	336	348	362	375	390	404	420	436	452	469
Total Non-Current Liabilities	26,176	22,843	19,396	15,887	12,314	8,672	4,961	1,573	1,449	1,400	1,351	1,303
TOTAL LIABILITIES	**79,650**	**67,596**	**61,791**	**58,492**	**56,366**	**53,662**	**50,882**	**48,517**	**49,379**	**46,960**	**47,809**	**48,722**
Net Assets	**2,921,620**	**2,929,319**	**2,946,028**	**2,958,291**	**2,973,491**	**3,007,941**	**3,035,765**	**3,069,069**	**3,096,856**	**3,124,807**	**3,150,698**	**3,176,484**
EQUITY												
Retained Earnings	949,893	960,455	977,163	989,427	1,004,627	1,039,077	1,066,900	1,100,241	1,131,569	1,155,980	1,181,872	1,207,658
Revaluation Reserves	1,971,727	1,968,864	1,968,865	1,968,865	1,968,864	1,968,864	1,968,864	1,968,827	1,965,287	1,968,827	1,968,826	1,968,826
Council Equity Interest	**2,921,620**	**2,929,319**	**2,946,028**	**2,958,291**	**2,973,491**	**3,007,941**	**3,035,765**	**3,069,069**	**3,096,856**	**3,124,807**	**3,150,698**	**3,176,484**
Total Equity	**2,921,620**	**2,929,319**	**2,946,028**	**2,958,291**	**2,973,491**	**3,007,941**	**3,035,765**	**3,069,069**	**3,096,856**	**3,124,807**	**3,150,698**	**3,176,484**

10 Year Financial Plan for the Years ending 30 June 2035

Projected Cash Flow Statement

Scenario 1 - Base Case (Business as usual)

$ '000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	97,602	103,943	109,095	114,088	117,210	118,842	128,916	132,277	137,976	143,411	147,359	152,721
User Charges & Fees	24,574	23,199	23,956	24,655	25,369	26,075	26,696	27,332	27,983	28,650	29,334	30,033
Investment & Interest Revenue Received	8,479	7,094	8,204	5,805	5,103	4,417	3,985	3,797	3,878	3,964	3,994	4,022
Grants & Contributions	31,398	25,723	25,782	23,203	26,836	47,560	40,137	45,629	43,721	38,308	38,998	38,936
Bonds, Deposits, Retention amounts received	4,444	-	-	-	-	-	-	-	-	-	-	-
Other	24,011	13,863	14,005	14,300	14,598	15,067	15,434	15,830	16,261	16,681	17,120	17,573
Payments:												
Employee Benefits & On-Costs	- 49,275	- 50,459	- 53,645	- 55,270	- 57,363	- 59,536	- 61,792	- 64,133	- 66,563	- 69,085	- 71,703	- 74,419
Materials & Contracts	- 78,903	- 72,560	- 71,417	- 70,581	- 71,368	- 73,627	- 76,422	- 78,967	- 81,128	- 82,839	- 85,129	- 87,132
Borrowing Costs	- 1,322	- 1,278	- 1,139	- 998	- 856	- 705	- 555	- 405	- 261	- 150	- 150	- 150
Bonds, Deposits, Retention amounts refunded	- 3,397	-	-	-	-	-	-	-	-	-	-	-
Other	- 8,985	- 19,161	- 11,869	- 11,836	- 12,146	- 13,389	- 13,143	- 13,298	- 13,678	- 15,346	- 14,725	- 14,826
Net Cash provided (or used) in Operating Activities	**48,626**	**30,364**	**42,973**	**43,366**	**47,383**	**64,703**	**63,256**	**68,061**	**68,189**	**63,594**	**65,098**	**66,759**
Cash Flows from Investing Activities												
Receipts:												
Sale of investment securities	124,850	115,528	128,685	93,710	117,812	100,347	86,336	79,147	76,628	77,450	80,100	71,929
Sale of Infrastructure, Property, Plant & Equipment	2,690	-	-	84	389	-	-	279	380	-	87	-
Payments:												
Purchase of investment securities	- 125,604	- 64,644	- 96,109	- 83,552	- 101,033	- 86,768	- 79,335	- 76,547	- 77,364	- 80,070	- 71,901	- 74,099
Purchase of investment property	- 334	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	- 48,520	- 63,798	- 71,819	- 51,722	- 60,724	- 76,706	- 62,915	- 65,196	- 59,823	- 56,013	- 69,455	- 60,361
Purchase of Intangible Assets	- 12	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided in Investing Activities	**- 46,930**	**- 12,914**	**- 39,243**	**- 41,479**	**- 43,556**	**- 63,127**	**- 55,914**	**- 62,317**	**- 60,179**	**- 58,632**	**- 61,170**	**- 62,530**
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of Borrowings & Advances	- 3,227	- 3,281	- 3,338	- 3,397	- 3,460	- 3,525	- 3,593	- 3,465	- 3,540	-	-	-
Lease Liabilities (Principal Repayment)	- 46	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65
Net Cash provided in Financing Activities	- 3,273	- 3,346	- 3,403	- 3,462	- 3,525	- 3,590	- 3,658	- 3,530	- 3,605	- 65	- 65	- 65
Net Increase/(Decrease) in Cash & Cash Equivalents	**- 1,577**	**14,104**	**326**	**- 1,575**	**302**	**- 2,014**	**3,685**	**2,214**	**4,405**	**4,897**	**3,864**	**4,163**
Plus: Cash & Cash Equivalents - beginning of year	13,164	11,587	25,690	26,018	24,441	24,743	22,730	26,415	28,628	33,033	37,929	41,793
Cash & Cash Equivalents - end of year	11,587	25,691	26,016	24,442	24,743	22,729	26,414	28,629	33,033	37,929	41,793	45,956
Plus: Investments on hand - end of year	201,034	150,149	117,574	107,415	90,636	77,058	70,057	67,457	68,193	70,812	62,613	64,783
Total Cash, Cash Equivalents & Investments	**212,621**	**175,840**	**143,590**	**131,857**	**115,379**	**99,787**	**96,471**	**96,085**	**101,226**	**108,742**	**104,407**	**110,739**

Appendix C – SRV Option 1 – Renew infrastructure financial tables

10 Year Financial Plan for the Years ending 30 June 2035

Projected Income Statement
Scenario 2 - Special Rate Variation Option 1 - Renew Infrastructure

$'000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
Income from Continuing Operations												
Rates & Annual Charges	98,307	103,059	110,063	130,642	135,296	140,386	146,623	152,600	157,796	163,331	168,893	174,815
User Charges & Fees	22,959	23,199	23,956	24,655	25,369	26,075	26,696	27,332	27,983	28,650	29,334	30,033
Interest & Investment Revenue	9,321	7,094	8,204	5,825	5,145	4,468	4,039	3,851	3,943	4,040	4,093	4,150
Other Revenues	15,214	14,121	13,895	14,270	14,655	15,039	15,434	15,839	16,255	16,682	17,121	17,572
Grants & Contributions for Operating Purposes	9,982	10,221	9,188	9,390	9,380	9,544	9,733	9,977	10,148	10,365	10,643	10,655
Grants & Contributions for Capital Purposes	20,176	15,502	16,594	13,813	17,456	38,016	30,404	35,652	33,573	27,943	28,355	28,281
Other Income:												
Net gains from the disposal of assets	- 1,070	-	-	59	281	-	-	207	284	-	66	-
Total Income from Continuing Operations	**174,889**	**173,196**	**181,900**	**198,654**	**207,582**	**233,528**	**232,929**	**245,458**	**249,982**	**251,011**	**258,505**	**265,506**
Total Income excluding Proceeds from Asset Sales & Capital Income	155,783	157,694	165,306	184,782	189,845	195,512	202,525	209,599	216,125	223,068	230,084	237,225
Expenses from Continuing Operations												
Employee Benefits & On-Costs	46,974	51,016	54,159	55,803	57,917	60,111	62,389	64,752	67,206	69,752	72,395	75,138
Borrowing Costs	1,322	1,278	1,139	998	856	705	555	405	261	150	150	150
Materials & Contracts	64,297	63,295	68,500	70,211	73,213	74,963	78,253	81,099	83,036	85,021	87,053	89,134
Depreciation & Amortisation	25,949	27,884	29,525	30,721	31,853	32,955	33,741	34,964	36,270	37,504	38,807	40,304
Other Expenses	5,062	5,962	5,130	5,257	5,390	5,518	5,652	5,787	5,926	6,068	6,213	6,362
Other Operational Projects Expenses	9,598	13,199	6,739	6,579	6,756	7,871	7,491	7,511	7,752	9,278	8,512	8,464
Total Expenses from Continuing Operations	**153,202**	**162,634**	**165,192**	**169,569**	**175,985**	**182,123**	**188,081**	**194,518**	**200,451**	**207,773**	**213,130**	**219,552**
Net Operating Result for the Year	**21,687**	**10,562**	**16,708**	**29,085**	**31,597**	**51,405**	**44,848**	**50,940**	**49,530**	**43,238**	**45,375**	**45,954**
Net Operating Result for the year before Grants & Contributions provided for Capital Purposes	1,511	-4940	114	15,272	14,141	13,389	14,444	15,288	15,957	15,295	17,020	17,673

10 Year Financial Plan for the Years ending 30 June 2035

Projected Balance Sheet
Scenario 2 - Special Rate Variation Option 1 - Renew Infrastructure

$ '000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
ASSETS												
Current Assets												
Cash & Cash Equivalents	11,587	25,690	26,018	23,427	23,873	21,833	25,558	27,742	32,124	36,999	40,850	45,008
Investments	94,697	67,600	52,900	48,800	41,300	35,300	32,100	31,000	31,500	32,900	29,500	30,900
Receivables	15,063	14,179	15,147	15,934	16,689	20,344	19,569	20,797	20,894	20,440	20,928	21,278
Inventories	276	225	225	225	225	225	225	225	225	225	225	225
Other	2,904	3,214	3,104	3,074	3,130	3,103	3,102	3,112	3,105	3,106	3,108	3,107
Non-Current Assets Held for Sale	2,850	-	-	25	108	-	-	72	96	-	21	-
Total Current Assets	**127,377**	**110,908**	**97,393**	**91,484**	**85,325**	**80,804**	**80,554**	**82,948**	**87,944**	**93,670**	**94,632**	**100,518**
Non-Current Assets												
Investments	106,337	82,549	64,674	59,557	50,396	43,114	39,289	37,934	38,487	40,218	36,137	37,854
Receivables	71	71	71	71	71	71	71	71	71	71	71	71
Infrastructure, Property, Plant & Equipment	2,714,777	2,750,903	2,793,382	2,830,388	2,875,530	2,936,191	2,982,508	3,030,148	3,071,552	3,108,557	3,158,003	3,197,370
Investment Property	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734
Intangible Assets	567	440	325	210	95	36	36	-	-	-	-	-
Right of Use Asset	1,407	1,310	1,240	1,160	1,070	973	876	779	682	585	488	391
Total Non-Current Assets	**2,873,893**	**2,886,008**	**2,910,426**	**2,942,120**	**2,977,896**	**3,031,120**	**3,073,513**	**3,119,666**	**3,161,527**	**3,200,165**	**3,245,433**	**3,286,420**
TOTAL ASSETS	**3,001,270**	**2,996,916**	**3,007,819**	**3,033,604**	**3,063,222**	**3,111,923**	**3,154,067**	**3,202,614**	**3,249,470**	**3,293,836**	**3,340,065**	**3,386,937**
LIABILITIES												
Current Liabilities												
Payables	37,538	28,273	25,356	24,986	25,978	26,291	26,648	27,201	27,490	28,015	28,242	28,506
Borrowings	3,281	3,281	3,338	3,397	3,460	3,525	3,593	3,465	3,540	-	-	-
Provisions	12,655	13,199	13,701	14,221	14,762	15,323	15,905	16,509	17,137	17,788	18,464	19,165
Total Current Liabilities	**53,474**	**44,753**	**42,395**	**42,604**	**44,200**	**45,139**	**46,146**	**47,176**	**48,167**	**45,803**	**46,706**	**47,672**
Non-Current Liabilities												
Payables	1,549	1,484	1,419	1,354	1,289	1,224	1,159	1,094	1,029	964	899	834
Borrowings	24,317	21,036	17,641	14,185	10,663	7,073	3,412	75	-	-	-	-
Provisions	310	323	336	348	362	375	390	404	420	436	452	469
Total Non-Current Liabilities	26,176	22,843	19,396	15,887	12,314	8,672	4,961	1,573	1,449	1,400	1,351	1,303
TOTAL LIABILITIES	**79,650**	**67,596**	**61,791**	**58,492**	**56,514**	**53,811**	**51,107**	**48,749**	**49,615**	**47,202**	**48,058**	**48,975**
Net Assets	**2,921,620**	**2,929,319**	**2,946,028**	**2,975,112**	**3,006,708**	**3,058,112**	**3,102,960**	**3,153,865**	**3,199,855**	**3,246,633**	**3,292,007**	**3,337,962**
EQUITY												
Retained Earnings	949,893	960,455	977,163	1,006,248	1,037,845	1,089,250	1,134,097	1,185,037	1,234,568	1,277,806	1,323,181	1,369,135
Revaluation Reserves	1,971,727	1,968,864	1,968,865	1,968,865	1,968,863	1,968,862	1,968,863	1,968,827	1,965,287	1,968,827	1,968,827	1,968,827
Council Equity Interest	**2,921,620**	**2,929,319**	**2,946,028**	**2,975,112**	**3,006,708**	**3,058,112**	**3,102,960**	**3,153,865**	**3,199,855**	**3,246,633**	**3,292,007**	**3,337,962**
Total Equity	**2,921,620**	**2,929,319**	**2,946,028**	**2,975,112**	**3,006,708**	**3,058,112**	**3,102,960**	**3,153,865**	**3,199,855**	**3,246,633**	**3,292,007**	**3,337,962**

10 Year Financial Plan for the Years ending 30 June 2035

Projected Cash Flow Statement

Scenario 2 - Special Rate Variation Option 1 - Renew Infrastructure

$ '000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	97,602	103,943	109,095	129,855	134,541	136,731	147,398	151,372	157,699	163,785	168,405	174,465
User Charges & Fees	24,574	23,199	23,956	24,655	25,369	26,075	26,696	27,332	27,983	28,650	29,334	30,033
Investment & Interest Revenue Received	8,479	7,094	8,204	5,825	5,145	4,468	4,039	3,851	3,943	4,040	4,093	4,150
Grants & Contributions	31,398	25,723	25,782	23,203	26,836	47,560	40,137	45,629	43,721	38,308	38,998	38,936
Bonds, Deposits, Retention amounts received	4,444	-	-	-	-	-	-	-	-	-	-	-
Other	24,011	13,863	14,005	14,300	14,598	15,067	15,434	15,830	16,261	16,681	17,120	17,573
Payments:												
Employee Benefits & On-Costs	- 49,275	- 50,459	- 53,645	- 55,270	- 57,363	- 59,536	- 61,792	- 64,133	- 66,563	- 69,085	- 71,703	- 74,419
Materials & Contracts	- 78,903	- 72,560	- 71,417	- 70,581	- 72,221	- 74,649	- 77,896	- 80,546	- 82,748	- 84,496	- 86,825	- 88,870
Borrowing Costs	- 1,322	- 1,278	- 1,139	- 998	- 856	- 705	- 555	- 405	- 261	- 150	- 150	- 150
Bonds, Deposits, Retention amounts refunded	- 3,397	-	-	-	-	-	-	-	-	-	-	-
Other	- 8,985	- 19,161	- 11,869	- 11,836	- 12,146	- 13,389	- 13,143	- 13,298	- 13,678	- 15,346	- 14,725	- 14,826
Net Cash provided (or used) in Operating Activities	**48,626**	**30,364**	**42,973**	**59,153**	**63,903**	**81,621**	**80,318**	**85,632**	**86,357**	**82,387**	**84,547**	**86,892**
Cash Flows from Investing Activities												
Receipts:												
Sale of investment securities	124,850	115,528	128,685	93,730	118,515	101,177	87,467	80,253	77,890	79,041	82,224	74,801
Sale of Infrastructure, Property, Plant & Equipment	2,690	-	-	84	389	-	-	279	380	-	87	-
Payments:												
Purchase of investment securities	- 125,604	- 64,644	- 96,109	- 84,513	- 101,854	- 87,896	- 80,441	- 77,798	- 78,944	- 82,171	- 74,744	- 77,917
Purchase of investment property	- 334	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	- 48,520	- 63,798	- 71,819	- 67,582	- 76,981	- 93,352	- 79,961	- 82,652	- 77,697	- 74,316	- 88,198	- 79,553
Purchase of Intangible Assets	- 12	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided in Investing Activities	**- 46,930**	**- 12,914**	**- 39,243**	**- 58,281**	**- 59,931**	**- 80,071**	**- 72,935**	**- 79,918**	**- 78,370**	**- 77,447**	**- 80,630**	**- 82,669**
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayments of Borrowings & Advances	- 3,227	- 3,281	- 3,338	- 3,397	- 3,460	- 3,525	- 3,593	- 3,465	- 3,540	-	-	-
Lease Liabilities (Principal Repayment)	- 46	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65
Net Cash provided in Financing Activities	- 3,273	- 3,346	- 3,403	- 3,462	- 3,525	- 3,590	- 3,658	- 3,530	- 3,605	- 65	- 65	- 65
Net Increase/(Decrease) in Cash & Cash Equivalents	**- 1,577**	**14,104**	**326**	**- 2,590**	**447**	**- 2,040**	**3,725**	**2,184**	**4,382**	**4,875**	**3,852**	**4,158**
Plus: Cash & Cash Equivalents - beginning of year	13,164	11,587	25,690	26,018	23,427	23,873	21,833	25,558	27,742	32,124	36,999	40,850
Cash & Cash Equivalents - end of year	11,587	25,691	26,016	23,427	23,873	21,833	25,557	27,742	32,124	36,999	40,851	45,008
Plus: Investments on hand - end of year	201,034	150,149	117,574	108,357	91,696	78,414	71,389	68,934	69,987	73,118	65,637	68,754
Total Cash, Cash Equivalents & Investments	**212,621**	**175,840**	**143,590**	**131,784**	**115,569**	**100,248**	**96,946**	**96,675**	**102,111**	**110,117**	**106,488**	**113,762**

Appendix D – SRV Option 2 – Enhance infrastructure financial tables

10 Year Financial Plan for the Years ending 30 June 2035

Projected Income Statement
Scenario 3 - Special Rate Variation Option 2 - Enhance Infrastructure

$'000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
Income from Continuing Operations												
Rates & Annual Charges	98,307	103,059	110,063	138,274	143,180	148,700	155,212	161,472	166,961	172,799	178,673	184,918
User Charges & Fees	22,959	23,199	23,956	24,655	25,369	26,075	26,696	27,332	27,983	28,650	29,334	30,033
Interest & Investment Revenue	9,321	7,094	8,204	5,824	5,142	4,457	4,016	3,821	3,911	4,012	4,076	4,151
Other Revenues	15,214	14,121	13,895	14,270	14,655	15,039	15,434	15,839	16,255	16,682	17,121	17,572
Grants & Contributions for Operating Purposes	9,982	10,221	9,188	9,390	9,380	9,544	9,733	9,977	10,148	10,365	10,643	10,655
Grants & Contributions for Capital Purposes	20,176	15,502	16,594	13,813	17,456	38,016	30,404	35,652	33,573	27,943	28,355	28,281
Other Income:												
Net gains from the disposal of assets	- 1,070	-	-	59	281	-	-	207	284	-	66	-
Total Income from Continuing Operations	**174,889**	**173,196**	**181,900**	**206,285**	**215,463**	**241,831**	**241,495**	**254,300**	**259,115**	**260,451**	**268,268**	**275,610**
Total Income excluding Proceeds from Asset Sales & Capital Income	155,783	157,694	165,306	192,413	197,726	203,815	211,091	218,441	225,258	232,508	239,847	247,329
Expenses from Continuing Operations												
Employee Benefits & On-Costs	46,974	51,016	54,159	55,803	57,917	60,111	62,389	64,752	67,206	69,752	72,395	75,138
Borrowing Costs	1,322	1,278	1,139	2,283	2,033	1,769	1,500	1,227	954	708	568	422
Materials & Contracts	64,297	63,295	68,500	70,211	73,213	75,735	79,043	81,908	83,865	85,870	87,922	90,024
Depreciation & Amortisation	25,949	27,884	29,525	31,397	32,605	33,787	34,656	35,965	37,361	38,690	40,091	41,690
Other Expenses	5,062	5,962	5,130	5,257	5,390	5,518	5,652	5,787	5,926	6,068	6,213	6,362
Other Operational Projects Expenses	9,598	13,199	6,739	6,579	6,756	7,871	7,491	7,511	7,752	9,278	8,512	8,464
Total Expenses from Continuing Operations	**153,202**	**162,634**	**165,192**	**171,530**	**177,914**	**184,791**	**190,731**	**197,150**	**203,064**	**210,366**	**215,701**	**222,100**
Net Operating Result for the Year	**21,687**	**10,562**	**16,708**	**34,755**	**37,549**	**57,040**	**50,764**	**57,150**	**56,050**	**50,085**	**52,567**	**53,510**
Net Operating Result for the year before Grants & Contributions provided for Capital Purposes	1,511	-4940	114	20,942	20,093	19,024	20,360	21,498	22,477	22,142	24,212	25,229

10 Year Financial Plan for the Years ending 30 June 2035

Projected Balance Sheet
Scenario 3 - Special Rate Variation Option 2 - Enhance Infrastructure

$ '000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
ASSETS												
Current Assets												
Cash & Cash Equivalents	11,587	25,690	26,018	22,956	23,390	21,424	25,122	27,287	31,650	36,512	40,360	44,521
Investments	94,697	67,600	52,900	48,700	41,200	35,000	31,700	30,600	31,100	32,600	29,400	31,000
Receivables	15,063	14,179	15,147	16,403	17,170	20,853	20,096	21,340	21,455	21,020	21,527	21,895
Inventories	276	225	225	225	225	225	225	225	225	225	225	225
Other	2,904	3,214	3,104	3,074	3,130	3,103	3,102	3,112	3,105	3,106	3,108	3,107
Non-Current Assets Held for Sale	2,850	-	-	25	108	-	-	72	96	-	21	-
Total Current Assets	**127,377**	**110,908**	**97,393**	**91,383**	**85,223**	**80,605**	**80,245**	**82,636**	**87,632**	**93,464**	**94,641**	**100,748**
Non-Current Assets												
Investments	106,337	82,549	64,674	59,515	50,366	42,854	38,845	37,355	37,935	39,767	35,869	37,968
Receivables	71	71	71	71	71	71	71	71	71	71	71	71
Infrastructure, Property, Plant & Equipment	2,714,777	2,750,903	2,793,382	2,864,079	2,912,569	2,976,597	3,026,299	3,077,340	3,122,161	3,162,597	3,215,486	3,258,307
Investment Property	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734	50,734
Intangible Assets	567	440	325	210	95	36	36	-	-	-	-	-
Right of Use Asset	1,407	1,310	1,240	1,160	1,070	973	876	779	682	585	488	391
Total Non-Current Assets	**2,873,893**	**2,886,008**	**2,910,426**	**2,975,769**	**3,014,904**	**3,071,265**	**3,116,861**	**3,166,279**	**3,211,584**	**3,253,754**	**3,302,648**	**3,347,471**
TOTAL ASSETS	**3,001,270**	**2,996,916**	**3,007,819**	**3,067,153**	**3,100,127**	**3,151,870**	**3,197,106**	**3,248,915**	**3,299,215**	**3,347,218**	**3,397,289**	**3,448,219**
LIABILITIES												
Current Liabilities												
Payables	37,538	28,273	25,356	24,986	25,978	26,404	26,763	27,319	27,611	28,138	28,369	28,636
Borrowings	3,281	3,281	3,338	5,884	6,055	6,233	6,420	6,415	6,619	3,213	3,354	3,500
Provisions	12,655	13,199	13,701	14,221	14,762	15,323	15,905	16,509	17,137	17,788	18,464	19,165
Total Current Liabilities	**53,474**	**44,753**	**42,395**	**45,091**	**46,795**	**47,960**	**49,088**	**50,244**	**51,366**	**49,139**	**50,187**	**51,301**
Non-Current Liabilities												
Payables	1,549	1,484	1,419	1,354	1,289	1,224	1,159	1,094	1,029	964	899	834
Borrowings	24,317	21,036	17,641	39,578	33,352	26,941	20,334	13,924	7,101	7,294	3,799	153
Provisions	310	323	336	348	362	375	390	404	420	436	452	469
Total Non-Current Liabilities	26,176	22,843	19,396	41,280	35,003	28,540	21,883	15,422	8,550	8,694	5,150	1,456
TOTAL LIABILITIES	**79,650**	**67,596**	**61,791**	**86,372**	**81,798**	**76,500**	**70,970**	**65,666**	**59,916**	**57,833**	**55,337**	**52,758**
Net Assets	**2,921,620**	**2,929,319**	**2,946,028**	**2,980,781**	**3,018,330**	**3,075,370**	**3,126,135**	**3,183,249**	**3,239,299**	**3,289,385**	**3,341,951**	**3,395,461**
EQUITY												
Retained Earnings	949,893	960,455	977,163	1,011,918	1,049,467	1,106,507	1,157,270	1,214,420	1,270,471	1,320,556	1,373,123	1,426,633
Revaluation Reserves	1,971,727	1,968,864	1,968,865	1,968,863	1,968,863	1,968,863	1,968,865	1,968,828	1,968,828	1,968,829	1,968,829	1,968,828
Council Equity Interest	**2,921,620**	**2,929,319**	**2,946,028**	**2,980,781**	**3,018,330**	**3,075,370**	**3,126,135**	**3,183,249**	**3,239,299**	**3,289,385**	**3,341,951**	**3,395,461**
Total Equity	**2,921,620**	**2,929,319**	**2,946,028**	**2,980,781**	**3,018,330**	**3,075,370**	**3,126,135**	**3,183,249**	**3,239,299**	**3,289,385**	**3,341,951**	**3,395,461**

10 Year Financial Plan for the Years ending 30 June 2035

Projected Cash Flow Statement

Scenario 3 - Special Rate Variation Option 2 - Enhance Infrastructure

$ '000	Actual 2023/24	Forecast 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32	Projected 2032/33	Projected 2033/34	Projected 2034/35
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	97,602	103,943	109,095	137,018	142,414	145,017	155,969	160,227	166,846	173,234	178,166	184,550
User Charges & Fees	24,574	23,199	23,956	24,655	25,369	26,075	26,696	27,332	27,983	28,650	29,334	30,033
Investment & Interest Revenue Received	8,479	7,094	8,204	5,824	5,142	4,457	4,016	3,821	3,911	4,012	4,076	4,151
Grants & Contributions	31,398	25,723	25,782	23,203	26,836	47,560	40,137	45,629	43,721	38,308	38,998	38,936
Bonds, Deposits, Retention amounts received	4,444	-	-	-	-	-	-	-	-	-	-	-
Other	24,011	13,863	14,005	14,300	14,598	15,067	15,434	15,830	16,261	16,681	17,120	17,573
Payments:												
Employee Benefits & On-Costs	- 49,275	- 50,459	- 53,645	- 55,270	- 57,363	- 59,536	- 61,792	- 64,133	- 66,563	- 69,085	- 71,703	- 74,419
Materials & Contracts	- 78,903	- 72,560	- 71,417	- 70,581	- 72,221	- 75,309	- 78,684	- 81,351	- 83,574	- 85,343	- 87,691	- 89,757
Borrowing Costs	- 1,322	- 1,278	- 1,139	- 2,283	- 2,033	- 1,769	- 1,500	- 1,227	- 954	- 708	- 568	- 422
Bonds, Deposits, Retention amounts refunded	- 3,397	-	-	-	-	-	-	-	-	-	-	-
Other	- 8,985	- 19,161	- 11,869	- 11,836	- 12,146	- 13,389	- 13,143	- 13,298	- 13,678	- 15,346	- 14,725	- 14,826
Net Cash provided (or used) in Operating Activities	**48,626**	**30,364**	**42,973**	**65,029**	**70,595**	**88,172**	**87,133**	**92,830**	**93,953**	**90,404**	**93,007**	**95,819**
Cash Flows from Investing Activities												
Receipts:												
Sale of investment securities	124,850	115,528	128,685	93,729	118,353	101,018	86,865	79,361	76,861	78,042	81,439	74,416
Sale of Infrastructure, Property, Plant & Equipment	2,690	-	-	84	389	-	-	279	380	-	87	-
Payments:												
Purchase of investment securities	- 125,604	- 64,644	- 96,109	- 84,371	- 101,703	- 87,306	- 79,556	- 76,771	- 77,941	- 81,375	- 74,341	- 78,114
Purchase of investment property	- 334	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	- 48,520	- 63,798	- 71,819	- 101,948	- 81,081	- 97,551	- 84,260	- 87,054	- 82,205	- 78,932	- 92,925	- 84,393
Purchase of Intangible Assets	- 12	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided in Investing Activities	**- 46,930**	**- 12,914**	**- 39,243**	**- 92,506**	**- 64,042**	**- 83,839**	**- 76,951**	**- 84,185**	**- 82,905**	**- 82,264**	**- 85,740**	**- 88,092**
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	-	30,366	-	-	-	-	-	-	-	-
Payments:												
Repayments of Borrowings & Advances	- 3,227	- 3,281	- 3,338	- 5,884	- 6,055	- 6,233	- 6,420	- 6,415	- 6,619	- 3,213	- 3,354	- 3,500
Lease Liabilities (Principal Repayment)	- 46	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65	- 65
Net Cash provided in Financing Activities	- 3,273	- 3,346	- 3,403	24,417	- 6,120	- 6,298	- 6,485	- 6,480	- 6,684	- 3,278	- 3,419	- 3,565
Net Increase/(Decrease) in Cash & Cash Equivalents	**- 1,577**	**14,104**	**326**	**- 3,059**	**433**	**- 1,965**	**3,697**	**2,165**	**4,363**	**4,861**	**3,848**	**4,162**
Plus: Cash & Cash Equivalents - beginning of year	13,164	11,587	25,690	26,018	22,956	23,390	21,424	25,122	27,287	31,650	36,512	40,360
Cash & Cash Equivalents - end of year	11,587	25,691	26,016	22,958	23,390	21,425	25,121	27,287	31,650	36,512	40,360	44,522
Plus: Investments on hand - end of year	201,034	150,149	117,574	108,215	91,566	77,854	70,545	67,955	69,035	72,367	65,269	68,968
Total Cash, Cash Equivalents & Investments	**212,621**	**175,840**	**143,590**	**131,173**	**114,955**	**99,279**	**95,666**	**95,242**	**100,686**	**108,879**	**105,629**	**113,490**