



# Long-Term Financial Plan

2024 - 2034

*Special variation update: Funding our Future*

2025/031170 - January 2025



northern  
beaches  
council

# Contents

<b>Executive summary</b> .....	3	<b>8. Financial planning assumptions</b> .....	25
<b>1. Introduction</b> .....	4	8.1 Market driven planning assumptions .....	25
<b>2. Strategic alignment</b> .....	6	8.2 Income assumptions .....	26
<b>3. Principles and objectives</b> .....	7	8.3 Expenditure assumptions .....	43
<b>4. Northern Beaches context</b> .....	11	8.4 Future and ongoing financial challenges, opportunities and efficiency savings.....	46
4.1 Community .....	11	<b>9. Sensitivity analysis</b> .....	47
4.2 Economy .....	11	9.1 Rates.....	47
4.3 Council’s role and partners.....	12	9.2 Employee costs.....	48
4.4 Financial issues and risks .....	14	9.3 Materials, services and other expenses.....	49
<b>5. Risk management</b> .....	16	<b>10. Scenario modelling</b> .....	50
<b>6. Current financial position</b> .....	17	10.1 Option 1: Reduce service.....	52
<b>7. Forecasting future budgets</b> .....	19	10.2 Option 2: Maintain service.....	63
7.1. Revenue forecasts .....	19	10.3 Option 3: Improve service .....	74
7.2. Borrowings .....	23	10.4 Option 4: Increase service .....	85
7.3. Cash reserves .....	24	<b>11. Performance monitoring</b> .....	96
7.4. Expenditure forecasts.....	24		
7.5. Financial modelling .....	24		

## Executive summary

Like many councils in NSW, Northern Beaches Council is facing growing pressure to its financial sustainability as increases in income, under the NSW rate peg system, have not reflected the rising costs of materials, contracts, and construction.

High inflation, severe weather events, the COVID-19 pandemic and significant increases in costs like the Emergency Services Levy, insurance and gas, alongside constraints on rates income is placing significant pressure on Council's ability to maintain infrastructure and services at the required level.

The Council has undertaken a number of measures to assist in offsetting cost pressures in recent years including fee reviews, achieving efficiency gains and cost savings. This includes \$0.4 million in the development of the 2024/25 budget along with over \$2 million in the previous two financial years. While opportunities are continuously sought, these measures alone are unable to fully offset the impact of recent high inflation levels.

Sydney's inflation over the 4 years to 30 June 2024 was almost double the increase in rates income, which is equivalent to an accumulative variance of 10.2%, or \$19 million in rates income. This gap grows to \$24 million (12.6%) when measured against inflation on infrastructure construction costs. This gap is now built into Council's ongoing rates income, meaning the rate base will be permanently lower without intervention.

The Asset Management Plans require an additional investment of \$15.1 million per year to maintain and renew existing assets, along with \$10.4 million per year to uplift service levels and provide high priority new assets required by the community.

The Council's Long-Term Financial Plan (LTFP) is reviewed and updated each year as a rolling 10-year projection of Council's income and expenditure, assets and liabilities and cashflow. Updates have been made and include revised assumptions and indexation along with financial modelling for scenarios.

The LTFP shows income levels are no longer sufficient to fund operating expenses, invest in the ongoing renewal of infrastructure assets required by the Asset Management Plans and provide the necessary working capital to manage unexpected events, a scenario which is not sustainable and without intervention will continue to reduce services to the community.

The LTFP explores alternative scenarios to strengthen our position in the future and address the funding gap for the renewal and maintenance of existing assets along with options to improve services through a special variation to rates.

Community engagement on proposed options for a special variation to rates was undertaken between 18 Nov 2024 and 12 Jan 2025 and considered by Council at an Extraordinary Meeting on 28 January 2025. More information is available here: <https://yoursay.northernbeaches.nsw.gov.au/funding-our-future>

# 1. Introduction

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

## What is the Long-Term Financial Plan?

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

In forecasting to 2034, we consider a range of economic factors likely to affect our performance and finances and also make assumptions about how levels of service delivery to the community may change over time.

The Long-Term Financial Plan is important because it:

- assesses the financial sustainability of delivering service levels defined in the Delivery Program
- allows the costs of long-term strategic decisions to be quantified and debated
- determines the risk of future strategic directions
- allows scenario testing of different policies and service levels
- enables testing of sensitivity and robustness of key assumptions

The LTFP seeks to fully fund the infrastructure renewal program, as well as additional maintenance costs and depreciation that result from major facilities upgrades.

## A key element of the Resourcing Strategy

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

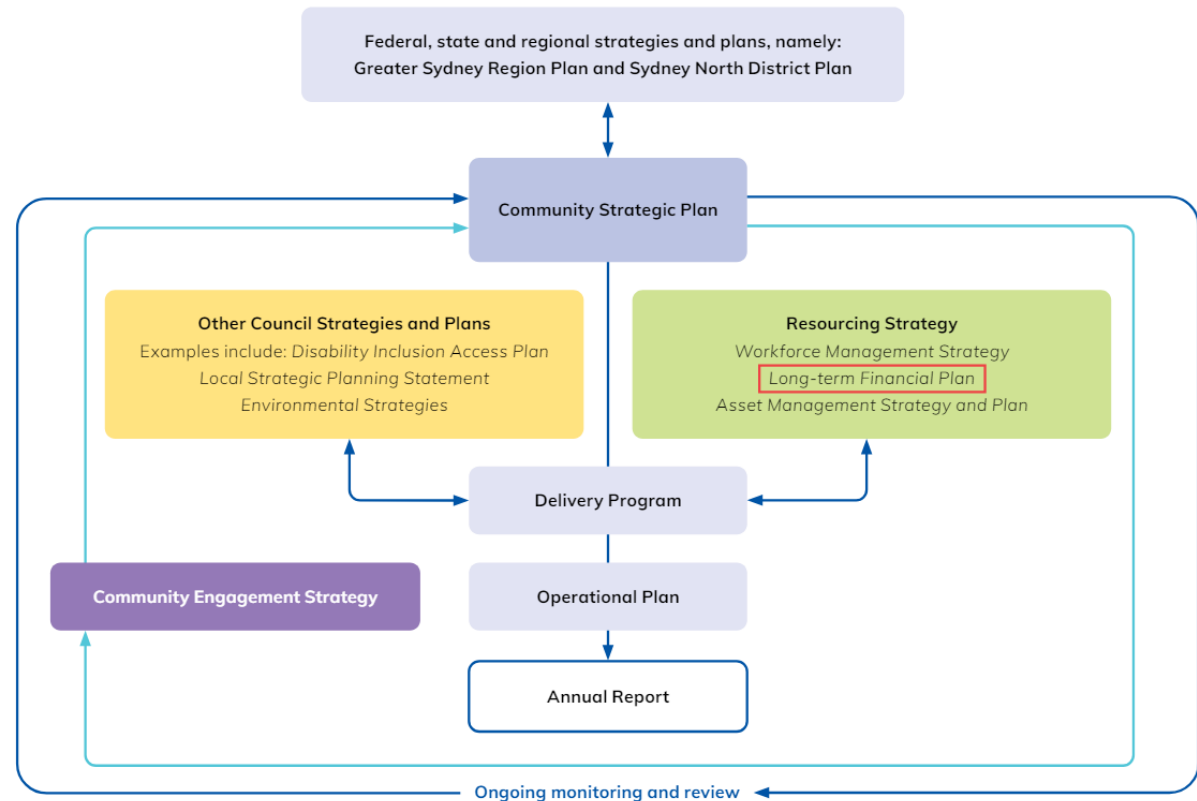
It is comprised of three interrelated elements:

- The LTFP enables us to understand the funding required to deliver services and build financial resilience to be able to withstand future shocks. It sets out how we will fund commitments such as infrastructure renewal, maintaining services, paying down debt and funding capital projects.
- The Workforce Management Strategy shapes the capacity and capability of our workforce to deliver quality services and outcomes for you. It sets out priorities for developing and enabling staff.
- Our Asset Management Strategy sets out how we will maintain our facilities and other assets, and create new ones. It covers assets such as infrastructure for stormwater, transport, parks and recreation, buildings and is supported by Asset Management Plans.

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

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

**Figure 1. Integrated Planning and Reporting Framework**



## 2. Strategic alignment

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

This is supported by Council's purpose:  
***Partnering with the community to protect, improve and create our future.***

Figure 2 – Strategic line of sight



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

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

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

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

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

### 3. Principles and objectives

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

Under the *Local Government Act 1993* (the Act), councils must apply sound financial management principles that require responsible and sustainable spending and investment and ensure that future decisions consider intergenerational effects and equity.

These principles are applied in the Council's financial and asset management funding decisions and risk management practices.

#### Principles of sound financial management

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

- a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.

- c) Councils should have effective financial and asset management, including sound policies and processes for the following:
  - a. performance management and reporting,
  - b. asset maintenance and enhancement,
  - c. funding decisions,
  - d. risk management practices.
- d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
  - a. policy decisions are made after considering their financial effects on future generations,
  - b. the current generation funds the cost of its services.

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

## Financial objectives

Financial objectives provide the framework for the development of Council's Long-Term Financial Plan and annual budget. The objectives enable consistent and informed decision-making by Council including funding options for infrastructure projects such as

borrowings which impact our present and future financial position. These financial objectives are also consistent with our Asset Management Policy.

### 1. Financial sustainability:

Generate sufficient income to fund ongoing services, renew and replace assets, meet future commitments, and maintain sufficient cash levels to support liquidity needs and unplanned events.

To do this we will:

- integrate asset management, long-term financial and strategic resource planning
- continually seek time, cost and quality service improvements and efficiencies and opportunities to increase income
- consider lifecycle costs in decisions relating to new and upgraded services and assets
- maintain sufficient cash and investments to ensure short-term working capital requirements are met
- limit the use of loan funds in the main to income producing assets and new infrastructure projects where intergenerational equity considerations justify spreading the cost between generations of ratepayers who benefit from the expenditure
- maintain a sound financial position, reflected in Council's performance ratios.

### 2. Safeguard financial legacy:

Create and safeguard our financial legacy by making prudent and responsible decisions that consider the financial impact on future generations.

To do this we will:

- ensure the current generation covers the cost of its services through a fully funded operating budget
- aim to achieve equity between generations of ratepayers where the mechanisms to fund specific capital expenditure and operations consider the ratepayers who benefit from the expenditure.

### 3. Deliver a balanced budget:

Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, the repayment of debt and depreciation.

To do this we will:

- have a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works
- manage the immediate and ongoing financial impacts of shocks like a pandemic and weather events, to safeguard long-term financial sustainability
- maintain an unrestricted current ratio of greater than 1.5 to ensure the required level of cash is maintained to meet operational requirements as well as build cash reserves for contingencies that may arise. Strengthening this position over the years of the LTFP is a priority.



#### 4. Fund current service levels:

The operating budget is designed to deliver current services and service levels.

To do this we will:

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

#### 5. Fund infrastructure renewal:

A disciplined approach is undertaken in fully using depreciation for the renewal of assets, informed by asset management plans and the prioritisation of assets in poor condition.

To do this we will:

- fully use depreciation for the renewal of assets and provide the appropriate level of funding for their scheduled and reactive maintenance – i.e. prioritise asset renewal needs over new assets
- continually monitor asset conditions to minimise the likelihood of infrastructure backlogs
- link the Asset Management Plans to the LTFP
- when funding is available:
  - provide well-maintained community assets that are fit for purpose and provide best possible community benefit
  - focus adaptation and mitigation investment on critical assets and infrastructure to ensure they are resilient to natural disasters and climate change impacts.

#### 6. Responsible funding of new community assets:

Surplus funds and other funding sources are sought to meet additional infrastructure needs of the community in a prudent, ethical and responsible manner.

To do this we will:

- achieve operating surpluses (excluding grants and contributions provided for capital purposes) which can be used to provide new assets when there are insufficient development contributions or grant funding
- fund capital expenditure in a prudent, ethical and responsible manner. Council will seek and accept external funding contributions to a project where the acceptance of the funding will not compromise Council's principles or objectives
- when funding is available, ensure the community has access to the required infrastructure to meet community needs within a framework of LGA-wide priorities
- ensure asset management decisions consider sustainability and adaptability, based on full life cycle costs through acquisition, operation, maintenance, renewal, adaptation and disposal.

## Borrowing policy

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

- Borrowings should only be used as the last resort to finance projects of the highest priority to Council which are unable to be funded from income.
- The use of loan funds will, in the main, be limited to income producing assets and new infrastructure projects where intergenerational equity considerations justify spreading the cost between generations of ratepayers who benefit from the expenditure.
- Loans are not a funding source for operating expenditure.
- The total amount of loan borrowings must be sustainable in terms of ability to meet future repayments and budgetary obligations. The funding source to meet repayments must be identified before entering any new loan arrangement.
- The term of any loan is not to exceed the expected economic life of the asset being funded.

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

## 4. Northern Beaches context

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

The Northern Beaches local government area (LGA) covers 254km<sup>2</sup> of urban and natural environment and is located to the north of the Sydney CBD. There is 80 km of coastline and several national parks in the area, as well as four coastal lagoons, Manly Dam and many other Council reserves. Apart from housing there are also large areas for commercial and retail, light industry and rural land uses.

### 4.1 Community<sup>1</sup>

The population is 267,921 people (Estimated Resident Population 2023) living across 105,016 dwellings.

Other characteristics include:

- the largest age group is 45-49 years old, with over 20,500 people and comprising 8% of our population
- an ageing population: those aged 60+ years will grow by 26% by 2034, another 16,100 people
- living arrangements include 37% of the population as couples with children, 26% couples, 22% single, 9% single

parents and 3% in group living situations such as nursing homes

- 4% of residents have a disability that needs daily assistance, and 11% provide unpaid assistance to a person with disability, long term illness or elderly.

### 4.2 Economy<sup>2</sup>

Our local economy features over 32,900 local businesses and:

- 58% of our working population work full time, 41% part time
- 54% of working residents work locally
- 116,671 local jobs with 15% in healthcare and social assistance, 14% in construction and 12% in retail
- healthcare and social assistance is our fastest growing industry
- Gross Regional Product was estimated at over \$21 billion in 2023.

---

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

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

### 4.3 Council's role and partners

Council provides a range of services and facilities to the community and local businesses across social services, arts, culture and events, a theatre and museum, libraries, childcare, environment and waste management, parks and recreation, beaches and pools, planning and place management, local transport networks, economic development, cemeteries, holiday facilities, customer

service and community engagement. We work together with the State Government on some of these functions to ensure our community's needs are recognised – such as in planning and development, social and affordable housing, community safety, public transport and major roads, natural hazards and emergency management.

Some of key agencies and other bodies we work with include:

#### **NSW Government:**

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

#### **Not for Profits:**

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

#### **Other:**

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

We also partner with our community, community groups and others to deliver the best outcomes. This includes the use of our facilities by community groups, schools and not for profit organisations such as community centres and hubs, creative art spaces, sportsfields, surf club and sports club buildings, aquatic centres and the Coastal Environment Centre. This may involve the charging of a fee, or a subsidised lease for exclusive use. Various open spaces are hired for filming, sporting or major events as the Northern Beaches provides many stunning locations.

Council manages \$2.5 billion of land assets, \$3.9 billion of infrastructure assets and \$0.1 billion of others such as IT equipment, plant and fleet. Our infrastructure assets include the stormwater network, transport network (local roads, paths, cycleways, bus shelters, wharves, bridges, retaining walls), sportsfields and other parks and recreation assets, some foreshore and coastal protection structures and a wide range of buildings and

public amenities. Each year Council plans ahead to understand investment levels required to ensure our assets meet the needs of our changing community, are well maintained, accessible, safe and operational, and upgraded when needed.

While around 57% of Council's income is sourced from rates and annual charges from property ratepayers, our services and infrastructure works are also funded from grants, statutory contributions, interest on investments, dividends from the Kimbriki waste facility and fees and charges. At times new major assets are provided by Council, often with the assistance of Government grants, such as Narrabeen Lagoon pedestrian and cycle bridge, new surf club buildings, footpaths and many recent cycleways. We also work together with bodies such as sports clubs, Surf Life Saving and the Rural Fire Service to fund upgrades to related buildings where needed.

## 4.4 Financial issues and risks

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

### Risks

- Regulatory financial management restrictions placed on Council and its ability to raise revenue limit Council's ability to forward plan with certainty, when the largest funding source is reliant on the annual rate peg announcement
- Ongoing economic instability results in further uncertainty in estimating costs and setting prices
- Pressures from climate change, population growth and increased property values will drive increased exposure to our entire community, from a safety, wellbeing, and financial perspective unless we take active steps to manage these risks. The Northern Beaches area is particularly vulnerable to natural hazards including bush fire, flooding, landslip, coastal erosion and storms. As the climate changes, exposure to natural hazards such as heatwaves, heavy rainfall, severe bush fire conditions, storm surges, sea-level rise and flooding will increase. Efforts to increase resilience in the community and natural and built environments are needed along with measures to reduce carbon emissions and increase efficiencies in managing energy, water and waste.
- Many projects are funded through grants. It is often not possible to submit grant applications several years in advance, and a subsequent failure to receive grant funding may severely affect the ability of the Council to deliver a project. Grants that are not recurring in nature or secured are not included in the LTFP for this reason.
- Political decisions at the State and Commonwealth level that change policy and legislation that Council operates under could negatively impact on our revenue generating capability, transfer greater service delivery responsibility to Council or result in population growth with insufficient planning and funding.
- A number of State and Federal Government inquiries are underway. The outcomes from these inquiries may lead to changes that impact Council.

## Issues

- The most significant financial consideration is the gap that has occurred in recent years between rates income and costs. The new IPART rate peg will not address the historical lag between the rate peg and inflation that caused such a significant gap during recent high inflation periods. IPART suggested councils consider addressing the lag through the Special Variation process.
- This occurred alongside other issues that placed pressure on Council's budget during this period including the COVID-19 pandemic, storms and increases in the Emergency Services Levy. This resulted in the re-prioritisation of many programs and capital expenditure projects to ensure Council had the capacity to respond to these issues. Rebuilding working capital and focusing on reducing the infrastructure renewal backlog are a priority.
- The Asset Management Plans identify infrastructure challenges that will require an additional investment of \$15.1 million per

year to renew and maintain existing assets along with an additional \$10.4 million per year to invest in service uplifts and new assets.

Category	10 yr gap (\$m)*
Renewal Gap	\$117
Maintenance Gap	\$34
Uplift in Service Gap	\$67
New Asset Gap	\$37
<b>Total unfunded Asset Management Plans</b>	<b>\$255m</b>

\* 10 year gap is expressed in present values (as at 30 June 2023)

- To address these issues and meet growing expectations, funding options will need to be explored with the community. Resourcing options to address the funding gap is explored in Options 2, 3 and 4 in this LTFP.

## 5. Risk management

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

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

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

investment strategies and long-term asset management plans to maintain a disciplined approach to financial sustainability.

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

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



## 6. Current financial position

Council's financial results in recent years largely reflect the impact of COVID-19 pandemic restrictions on operations, the support measures in place for the community and the recovery process. The net cost to Council of the COVID-19 pandemic was \$41 million.

Other significant events placing pressure on Council include storms, flooding and bushfire threats. In the past 6 years the Northern Beaches experienced 7 natural disasters at a cost of \$15 million, of which \$7 million has been recovered to 30 June 2024, from the Federal Government Disaster Recovery Funding Arrangements.

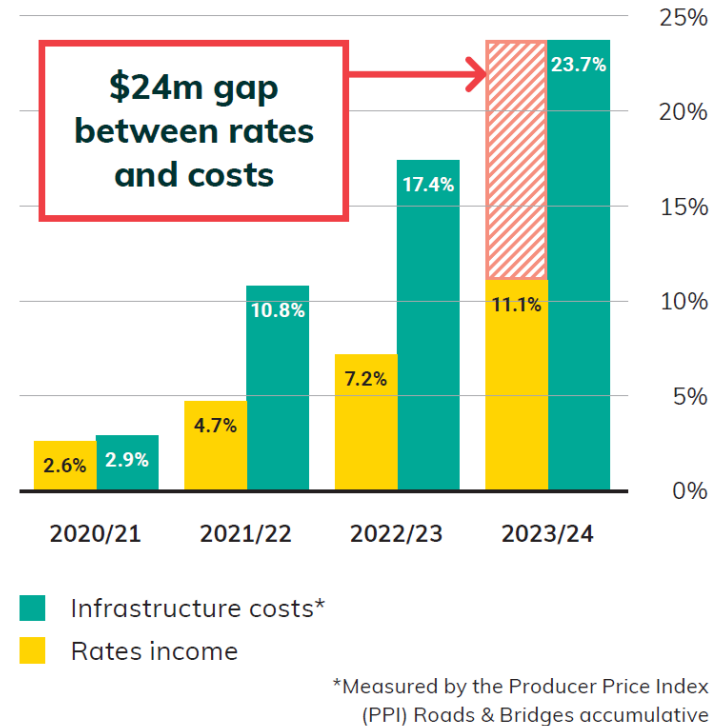
In 2023/24 the Emergency Services Levy increased by \$3 million to \$9 million, equivalent to a \$30 increase per ratepayer. The Council was required to reduce infrastructure spending by \$3 million per year to fund this cost increase.

High inflation and price volatility, combined with the historical lag in the rate peg, are resulting in a growing divergence between costs and rates income, with Sydney's inflation over the 4 years to 30 June 2024 being almost double the increase in rates income. The growing divergence between CPI and rates income is equivalent to an accumulative gap of \$19 million (10.2%) in rates income.

When the rates income is compared to the cost of infrastructure indicated by the Producer Price Index for Roads and Bridge Construction, the gap grows to \$24 million (12.6%) over the same

period.<sup>3</sup> This gap is now built into Council's ongoing rates income, meaning the rate base will be permanently lower without intervention. This reduces Council's capacity to address unfunded elements of the Asset Management Plans.

**Increases in infrastructure inflation\* vs rates income**



<sup>3</sup> 4 year period from July 2020 to 30 June 2024 – Sydney CPI 21.3%, NSW Producer Price Index Roads and Bridges 23.7%, rates increase 11.1%

Key financial and asset management performance ratios are weakening. Income levels are no longer sufficient to fund operating expenses, invest in the ongoing renewal of infrastructure assets required by the Asset Management Plans and provide the necessary working capital to manage unexpected events.

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

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

## 7. Forecasting future budgets

In planning for the financial year 2024/25, and beyond, we have made assumptions on factors outside of our control such as inflation, wage increases and the rate peg.

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

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

### 7.1. Revenue forecasts

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

#### 7.1.1 Capacity for rating

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

In making that judgement, Council considers information related to:

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

No change in the rating categories and sub-categories was proposed for the 2024/25 year, nor the method of rating. Options 2, 3 and 4 of this LTFP explore an application to IPART for a Special Variation to rates to address unfunded requirements of the Asset Management Plan, environmental and natural risk reduction programs and improvements to services and assets.

## Socio-economic analysis and rates affordability

The following analysis assists in undertaking this assessment of the community's capacity and willingness to pay rates.

### Residential properties

In the 2023/24 financial year, there are 96,354 properties across Northern Beaches Council rated as 'Residential'. These properties include single dwellings, social housing and multi-unit dwellings.

### Housing tenure

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

The median monthly mortgage repayment across the Northern Beaches was \$3,124 and the median weekly rent was \$650<sup>4</sup>.

### Household income and employment status

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

In June 2024 Northern Beaches had an unemployment rate of 2.4% (3,660 people), lower than the Greater Sydney rate of 3.9%<sup>5</sup>.

---

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

<sup>5</sup> Jobs and Skills Australia, Small Area Labour Markets, June quarter 2024  
<https://www.jobsandskills.gov.au/data/small-area-labour-markets>

### Wellbeing Index

The annual SGS Cities and Regions Wellbeing Index measures the economic wellbeing of local government areas based on a range of criteria. In 2024 Northern Beaches was ranked as the highest in the nation for overall wellbeing. The Northern Beaches was one of the highest performing regions in terms of income and wealth with the report stating, "The relationships between a region's economic resources and labour market trends is no doubt related to key measures of financial security, such as individual and household income and wealth."<sup>6</sup>

### Index of Relative Socio-Economic Disadvantage (IRSED)

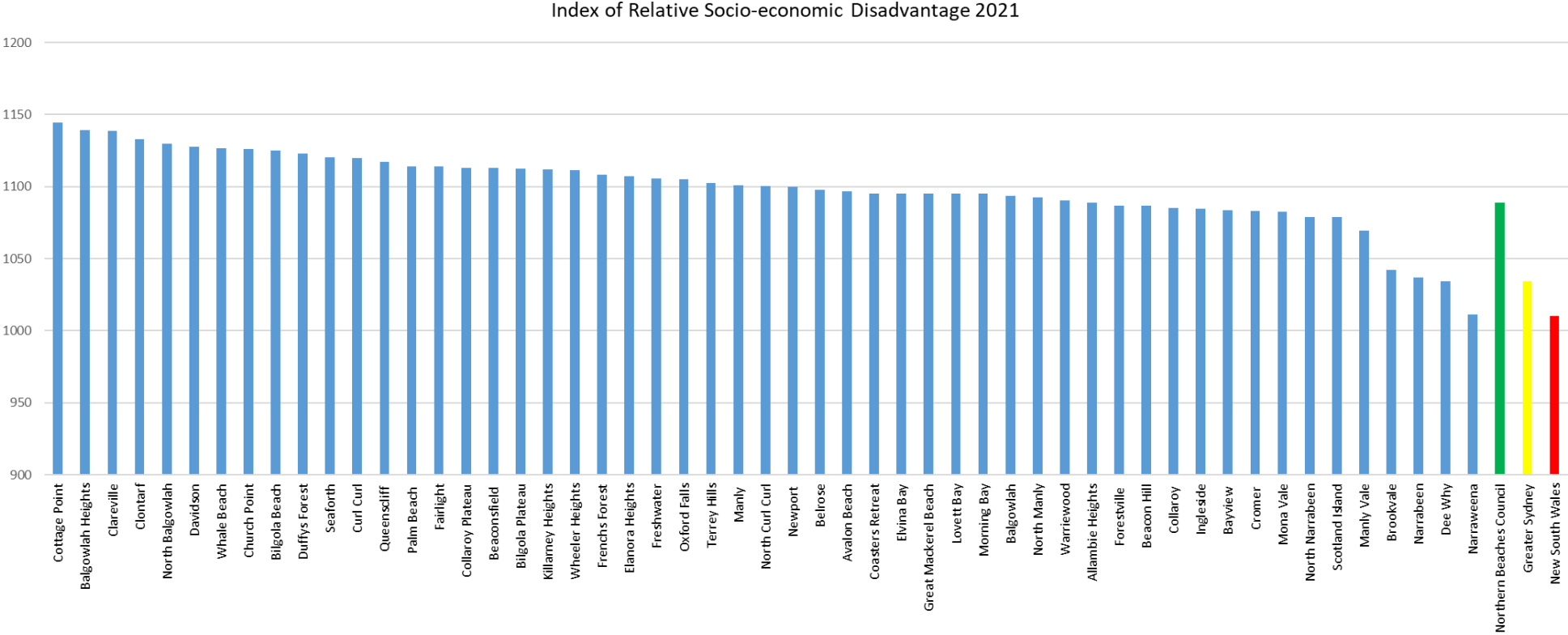
The Index of Relative Socio-Economic Disadvantage (IRSED) is based on the 2021 Census and is useful in identifying geographic areas that are relatively disadvantaged. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations.

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

<sup>6</sup> SGS Cities and Regions Wellbeing Index, May 2024  
[https://sgsep.com.au/assets/main/SGS-Economics-and-Planning\\_SGS-Cities-and-Regions-Wellbeing-Index\\_2024\\_Website.pdf](https://sgsep.com.au/assets/main/SGS-Economics-and-Planning_SGS-Cities-and-Regions-Wellbeing-Index_2024_Website.pdf)

The IRSED for the Northern Beaches is higher than the average at 1,089. This indicates relatively lower levels of socio-economic disadvantage as compared to other LGAs. An analysis undertaken by Morrison Low<sup>7</sup> shows 93% of Local Government Areas in Australia are more disadvantaged compared to the Northern Beaches.

The IRSED index by suburb is illustrated below. Whilst there is some variation across the LGA, no area falls below 1,000.



Source: Australian Bureau of Statistics, Socio-Economic Indexes for Areas (SEIFA), Australia 2021

<sup>7</sup> Morrison Low, 'Capacity to Pay Report Northern Beaches', Dec 2024, p14

## **Capacity to pay report**

To assess the affordability of a rate increase within the Northern Beaches, the Council engaged an independent analysis by Morrison Low. The analysis considered a wide range of socio-economic factors and other data and evaluated the general financial capacity of ratepayers to pay the proposed rate changes. It also considers the financial vulnerability and exposure of different community groups within the local government area.

Overall, the report found that there is capacity to absorb the additional rates payable proposed under the Special Variation options included in this LTFP, particularly if this is supported by an appropriate hardship policy.

Morrison Low's '*Capacity to Pay Report - Northern Beaches Council December 2024*' was presented to Council at an Extraordinary Meeting on 28 January 2025 and is available on Council's website.

## **Outstanding rates and annual charges**

On 30 June 2024, 3.83% of rates and annual charges levied remained outstanding which remains well under the industry benchmark of 5%. This is an important consideration in setting options for funding within this plan and is one of the indicators of our ratepayers' capacity and willingness to pay for the services of the Council.

## **Financial hardship and rebates**

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

Concessions are also available to eligible pensioners.

## **Rate peg and Special Variations**

The maximum amount councils can collect in income from rates is determined each year by the Independent Pricing and Regulatory Tribunal (IPART) through their rate peg methodology.

A council can apply to IPART for a Special Variation (SV) to the rate peg – which enables a Council to establish an increase in rates income above the rate peg. Options 2, 3 and 4 in this LTFP explore SV options to address financial sustainability issues and provide capacity to respond to shocks and opportunities and invest in new community assets and improved services.

## **Willingness to pay**

In August 2024 Council, conducted a random telephone survey of residents living in the Northern Beaches to identify community priorities, overall level of satisfaction with Council performance, residents' satisfaction with the services and facilities, their experience of contact with Council as well as the support for paying more to improve the level of services, facilities and infrastructure.

The survey found the top 5 priority areas for Council to focus on are roads, development and planning, environment and sustainability, traffic management/road safety and improve/maintain services and facilities.

Council also surveyed the community as to its support to pay more for improvements in the environment, facilities, infrastructure, user services and maintenance. Over 60% of residents surveyed indicated that they are at least somewhat supportive of paying more for such improvements demonstrating that a level of capacity and willingness exists in the community to fund improvements moving forward.

### 7.1.2 Fees and charges

A number of the services we provide are offered on a user pays basis. In preparing the LTFP, possible future income from fees and charges, including opportunities to reduce reliance on other forms of income, has been considered.

### 7.1.3 Grants and subsidies

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

The Financial Assistance Grant has been paid partially in advance for a number of years, with the advance payment for the following year generally occurring in the last quarter. We have assumed this will continue.

### 7.2. Borrowings

External borrowing is proposed in 2024/25 to part fund an infrastructure projects:

<b>External loan</b>	<b>\$'000</b>
2024/25 Warriewood Valley Community Centre	10,450

Refinancing of an existing loan which has an initial 10-year term will also be undertaken. The residual at maturity of the initial term was based on repayments over a term of 20 years. The refinancing of this loan is consistent with the loan documentation and planning undertaken at its initiation and was endorsed by Council at their meeting on 27 June 2023.

<b>Refinance external loan</b>	<b>\$'000</b>
2024/25 Former Manly Council Loan CBA 48	2,400

An internal loan from the Mona Vale Cemetery Internal Cash Reserve was endorsed by Council at their meeting on 27 June 2023 to part fund the Enterprise Resource Planning system replacement. The loan will be repaid to this internally restricted reserve over 10 years with the equivalent interest the funds would have earned over the same period:

<b>Internal loan</b>	<b>\$'000</b>
2024/25 ERP Project – internal loan from the Mona Vale Cemetery Internally Restricted Cash Reserve	2,400

### 7.3. Cash reserves

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

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

### 7.4. Expenditure forecasts

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

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

The Asset Management Plans identify a level of unfunded works. To deliver the funding needed to progress these projects, Special Variation to rates options were explored with the community between November 2024 and January 2025 and considered by Council at an Extraordinary Meeting on 28 January 2025. More information is available on the Council engagement page: <https://yoursay.northernbeaches.nsw.gov.au/funding-our-future>

### 7.5. Financial modelling

The development process for the LTFP has included financial modelling taking account of different scenarios. This has been presented in the sensitivity analysis.



## 8. Financial planning assumptions

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

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

### 8.1 Market driven planning assumptions

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

#### Growth

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

The Northern Beaches population is projected to increase to over 296,000 people in 2034, at an average of 0.9% per annum, or approximately 2,500 extra persons per year.<sup>8</sup>

#### Inflation (Consumer Price Index (CPI))

Inflation has been assumed as follows:

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Consumer Price Index (CPI)	3.2%	2.9%	2.5%	2.5%	2.4%	2.3%	2.3%	2.4%	2.5%	2.5%

Source: Deloitte Access Economics Business Outlook – Underlying CPI – 2024/25 sourced from the September 2023 quarter update and future years from the September 2024 quarter update.

<sup>8</sup> Source: .id – March 2024 <https://forecast.id.com.au/northern-beaches>

## 8.2 Income assumptions

### Rates

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Rate peg - Option 1: Reduce service		3.8%	3.4%	3.1%						
Special variation - Option 2: Maintain service		3.8% +	3.4% +	3.1% +						
Special variation - Option 3: Improve service	<b>4.9%</b>	6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.2%
Special variation - Option 4: Increase service		3.8% +	3.4% +	3.1% +						
Rates and annual charges growth	<b>0.01%</b>	0.08%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%

2024/25 is based on the IPART's rate peg of 4.9%, along with 2025/26 at 3.8%.

Subsequent years are an estimation of the Rate Peg, based on IPART's methodology. Specifically, 40% of costs being Employee Costs, 18% being the Producer Price Index (Roads and Bridges) and 42% being CPI with an estimate for the Emergency Services Levy adjustment factor.

Options 2, 3 and 4 also include an additional amount through a Special Variation to rates to close the asset renewal and maintenance gap, strengthen working capital and invest in new assets and services.

Rates growth represents the average annual growth in income (measured over five years) due to supplementary valuations and

anticipated population growth. This is also applied to annual charges for domestic waste and stormwater.

Option 1, 'Reduce service', is the primary model and is the basis upon which the Delivery Program and budget was prepared. It assumes that rates income will increase by the rate peg each year.

Options 2, 3 and 4 explore the revenue implications if Council was to increase expenditure to meet asset maintenance gaps, provide new services and improve working capital levels without reducing service levels elsewhere.

For more information on these options refer to Council's Special Variation to Rates 'Funding our Future' engagement page: <https://yoursay.northernbeaches.nsw.gov.au/funding-our-future>

## Average rates

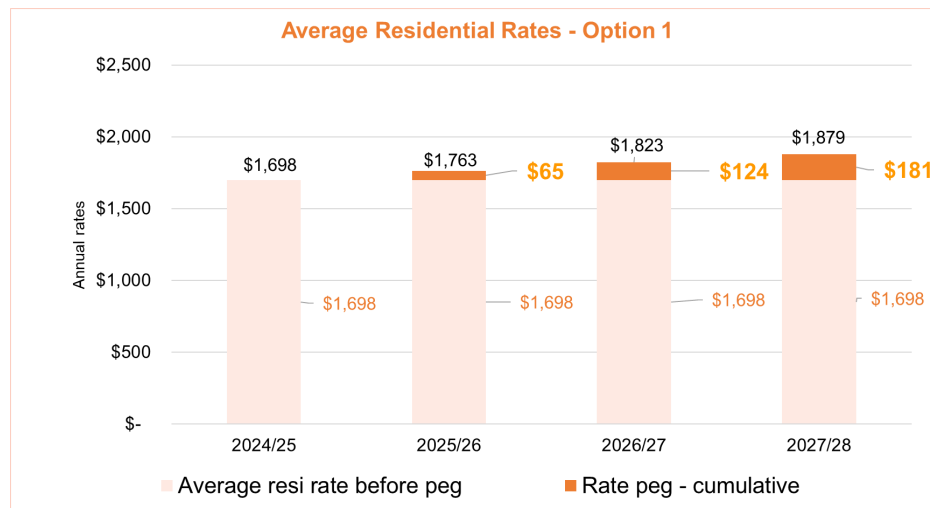
The below tables outline the average rate impact, by major rating categories, as a consequence of the proposed rates increases.

### Option 1: Reduce service – impact on rates – residential

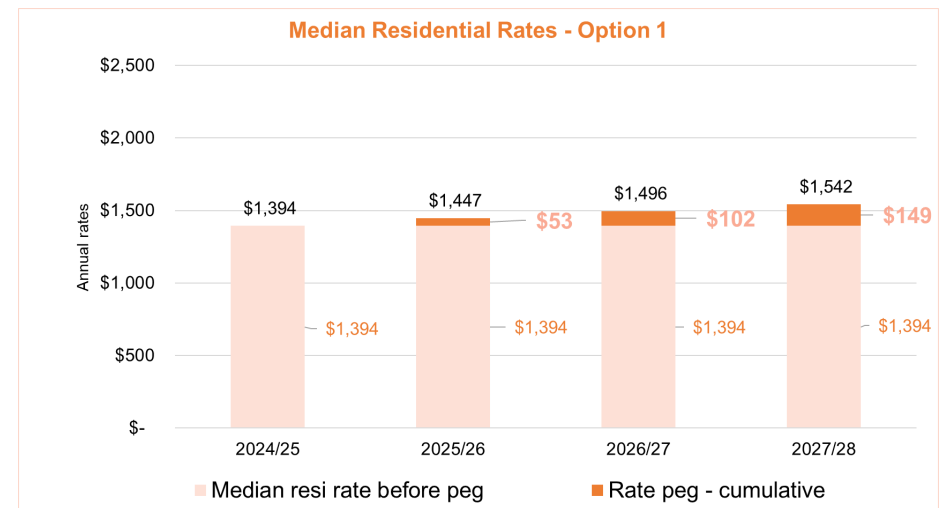
Impact on average residential rates of the rate peg of 3.8% in year 1, 3.4% in year 2 and 3.1% in year 3 (10.7% in 3 years)

	Base year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
<b>Cumulative impact of rate peg above base year level</b>		<b>\$65</b>	<b>\$124</b>	<b>\$181</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



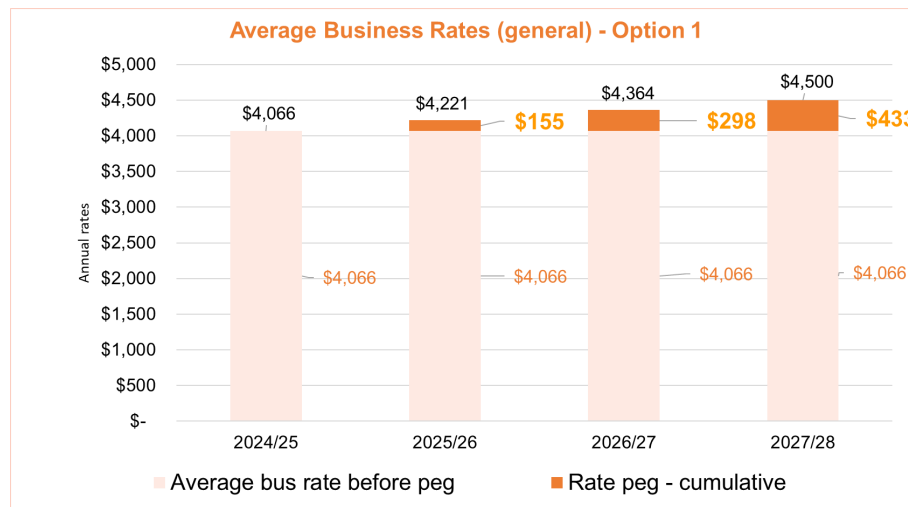
Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

**Option 1: Reduce service – impact on rates – business (general)**

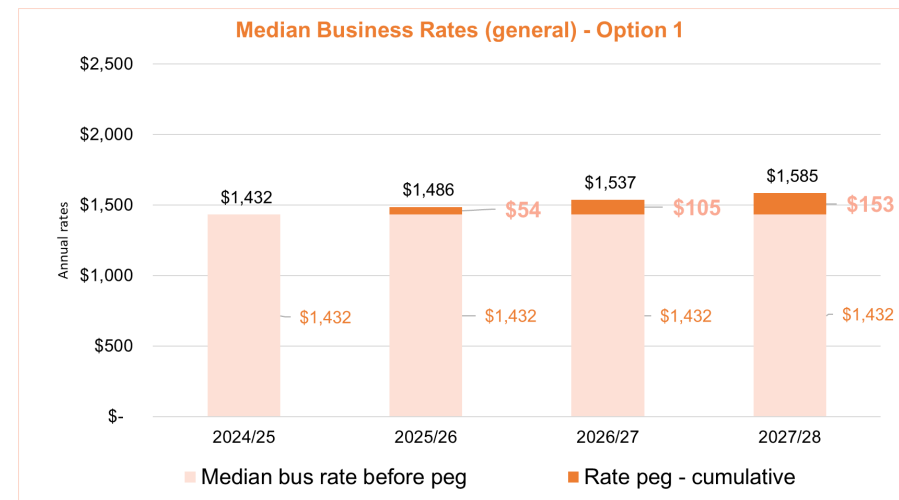
**Impact on average business rates (general) of the rate peg of 3.8% in year 1, 3.4% in year 2 and 3.1% in year 3 (10.7% in 3 years)**

	Base year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate under assumed rate peg	\$4,066	\$4,221	\$4,364	\$4,500	\$433
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
<b>Cumulative impact of rate peg above base year level</b>		<b>\$155</b>	<b>\$298</b>	<b>\$433</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on business (general category) rates income divided by properties within this category (6,538) – it is the equivalent of rates based on a land value of \$1.15 million.



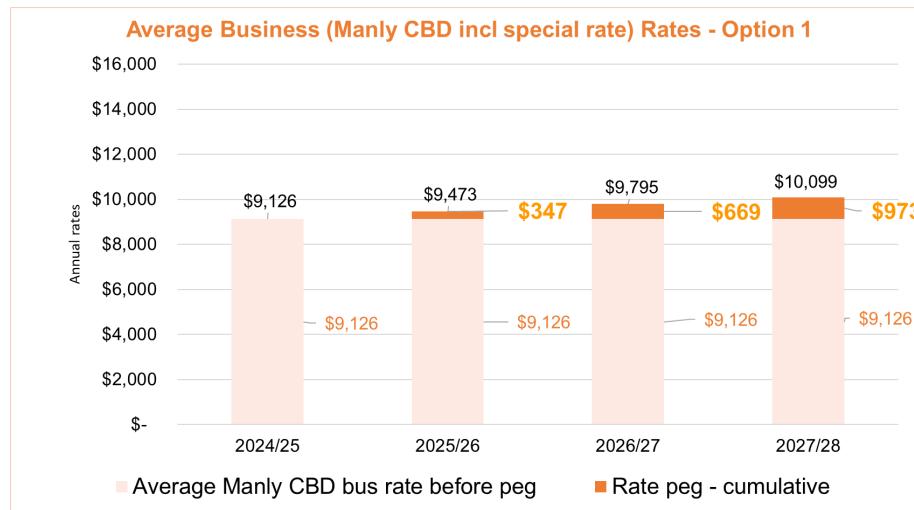
Median - based on the median (midpoint) business (general category) land value of \$0.279 million – the median is a closer reflection of the average ratepayer.

**Option 1: Reduce service – impact on rates – business (Manly CBD including special rate)**

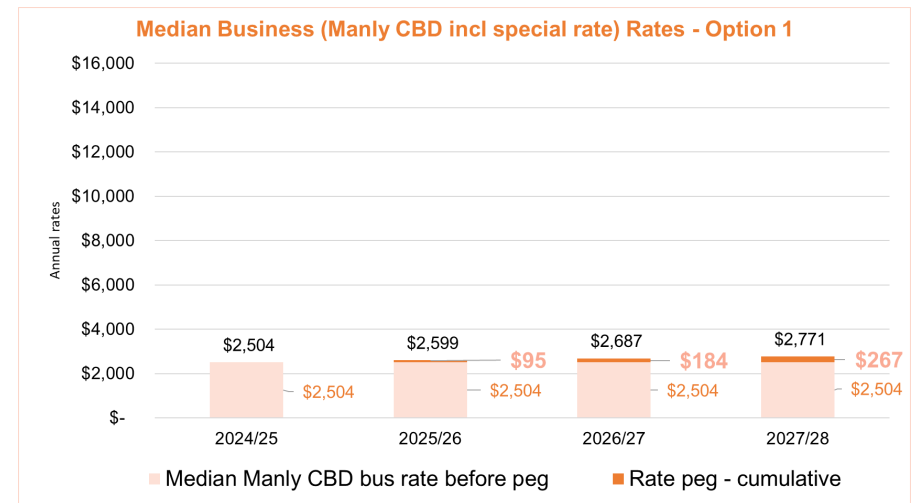
**Impact on average business rates (Manly CBD incl special rate) of the rate peg of 3.8% in year 1, 3.4% in year 2 and 3.1% in year 3 (10.7% in 3 years)**

	Base year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate under assumed rate peg	\$9,126	\$9,473	\$9,795	\$10,099	\$973
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
<b>Cumulative impact of rate peg above base year level</b>		<b>\$347</b>	<b>\$669</b>	<b>\$973</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on Manly CBD business sub-category rates income divided by properties within this category (640) – it is the equivalent of rates based on a land value of \$1.19 million.



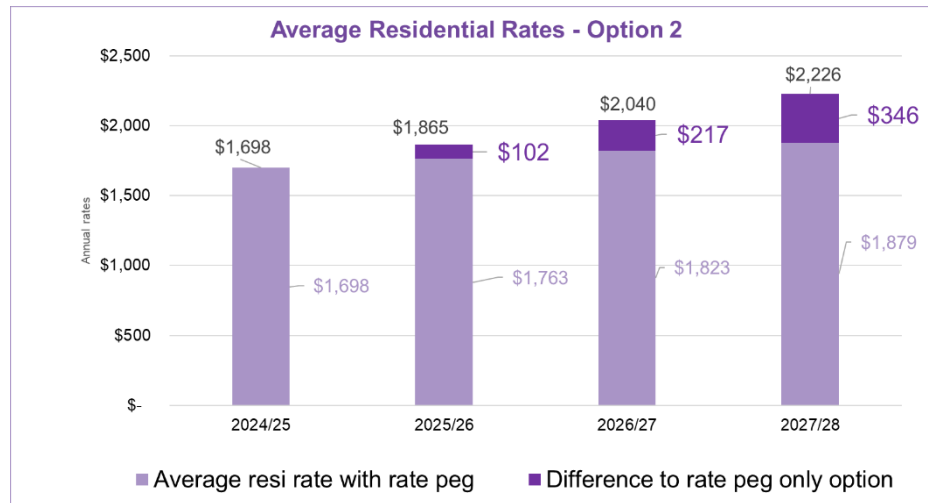
Median - based on the median Manly CBD business sub-category land value of \$0.328 million – the median is a closer reflection of the average ratepayer.

**Option 2: Maintain service – impact on rates - residential**

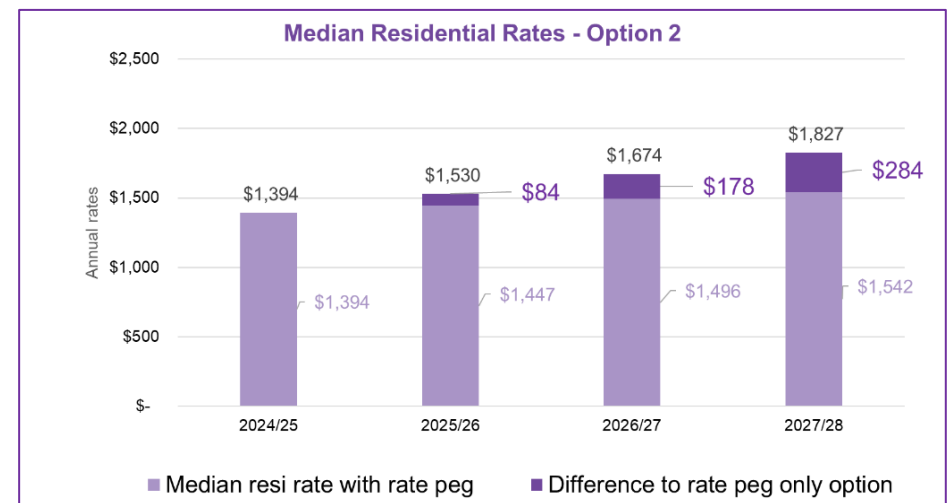
**Impact on average residential rates of a permanent SV of 9.8% in year 1, 9.4% in year 2 and 9.1% in year 3 (31.1% SV)**

	Base year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$1,698	\$1,865	\$2,040	\$2,226	\$527
Annual increase with SV		9.8%	9.4%	9.1%	31.1%
Cumulative impact of SV above base year level		\$166	\$342	\$527	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$102</b>	<b>\$217</b>	<b>\$346</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



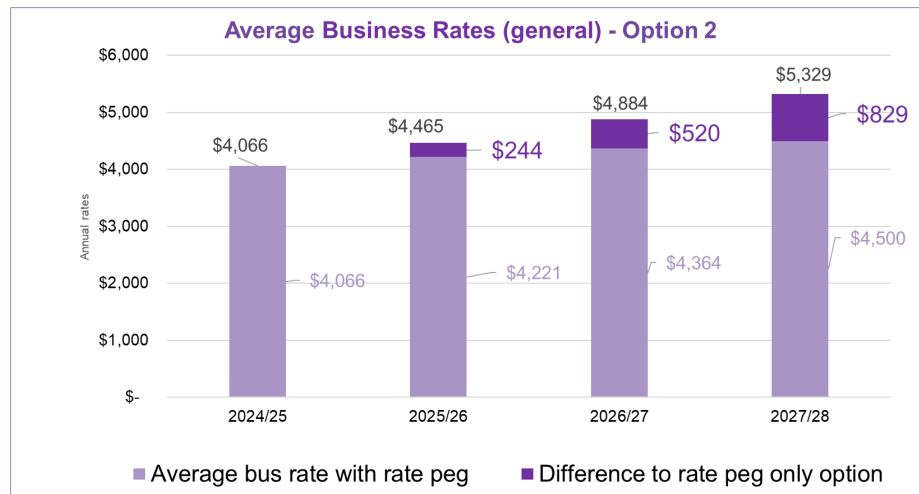
Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

**Option 2: Maintain service – impact on rates – business (general)**

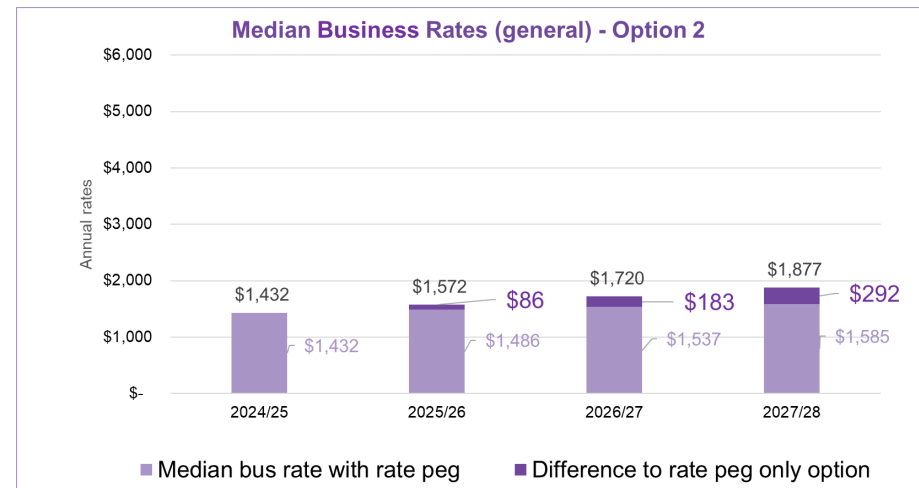
**Impact on average business rates (general) of a permanent SV of 9.8% in year 1, 9.4% in year 2 and 9.1% in year 3 (31.1% SV)**

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate under assumed rate peg	\$4,066	\$4,221	\$4,364	\$4,500	\$433
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$4,066	\$4,465	\$4,884	\$5,329	\$1,263
Annual increase with SV		9.8%	9.4%	9.1%	31.1%
Cumulative impact of SV above base year level		\$398	\$818	\$1,263	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$244</b>	<b>\$520</b>	<b>\$829</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on business (general category) rates income divided by properties within this category (6,538) – it is the equivalent of rates based on a land value of \$1.15 million.



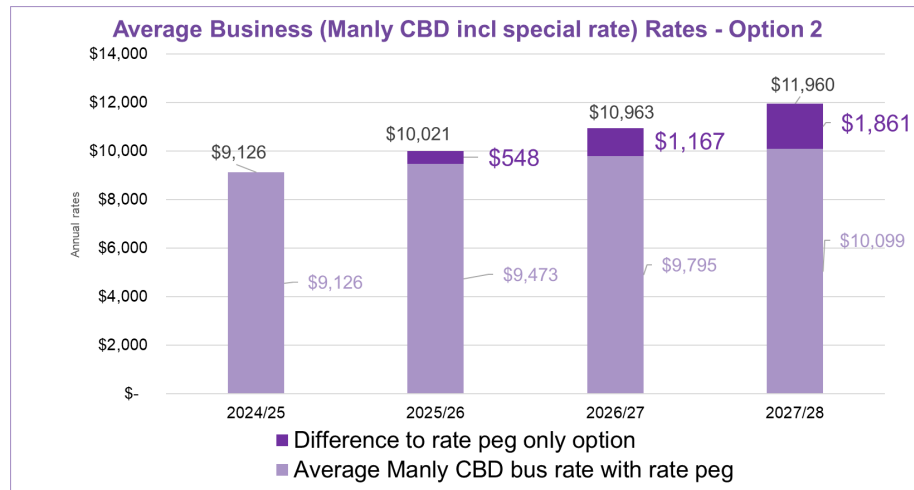
Median - based on the median (midpoint) business (general category) land value of \$0.279 million – the median is a closer reflection of the average ratepayer.

**Option 2: Maintain service – impact on rates – business (Manly CBD including special rate)**

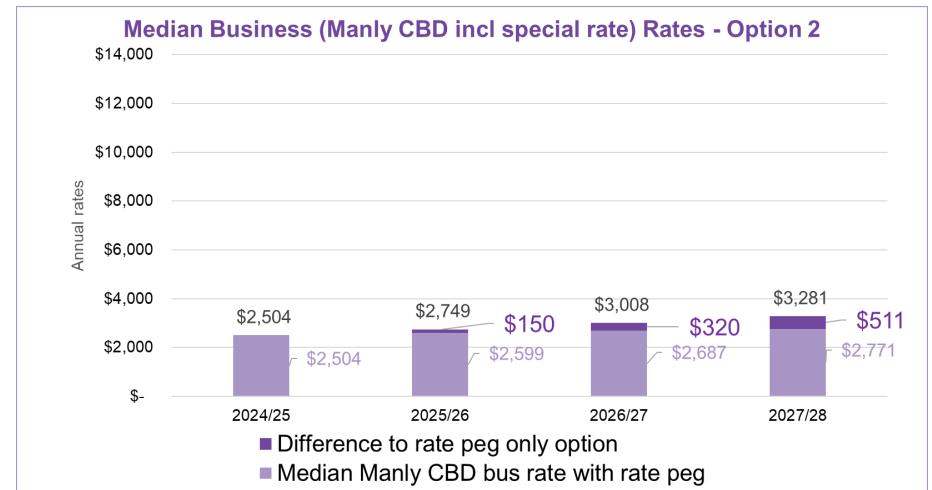
**Impact on average business rates (Manly CBD incl special rate) of a permanent SV of 9.8% in year 1, 9.4% in year 2 and 9.1% in year 3 (31.1% SV)**

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate (Manly CBD incl special rate) under assumed rate peg	\$9,126	\$9,473	\$9,795	\$10,099	\$973
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$9,126	\$10,021	\$10,963	\$11,960	\$2,834
Annual increase with SV		9.8%	9.4%	9.1%	31.1%
Cumulative impact of SV above base year level		\$894	\$1,836	\$2,834	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$548</b>	<b>\$1,167</b>	<b>\$1,861</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on Manly CBD business sub-category rates income divided by properties within this category (640) – it is the equivalent of rates based on a land value of \$1.19 million.



Median - based on the median Manly CBD business sub-category land value of \$0.328 million – the median is a closer reflection of the average ratepayer.

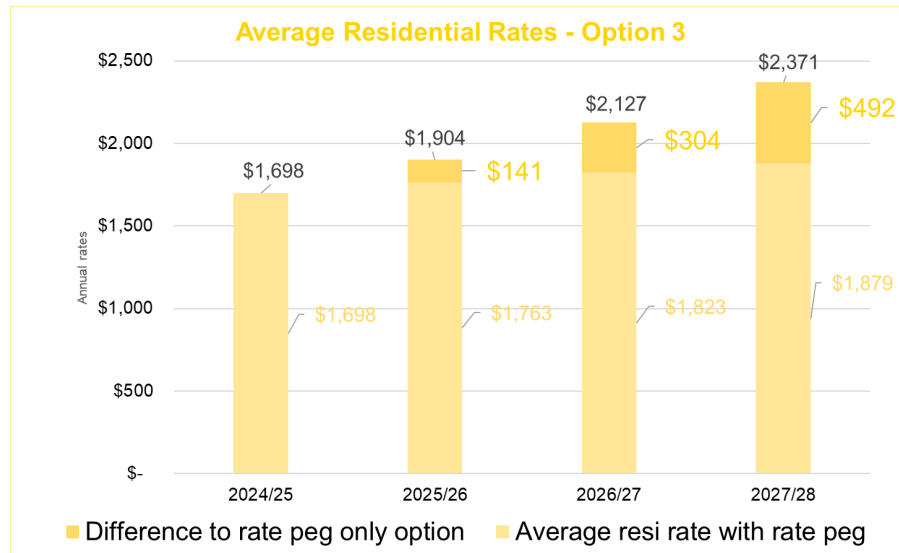


**Option 3: Improve service – impact on rates - residential**

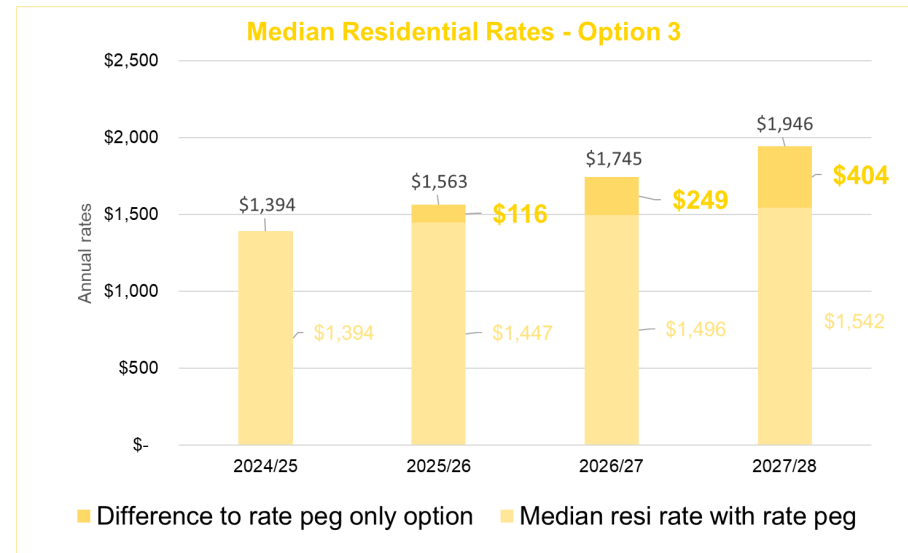
**Impact on average residential rates of a permanent SV of 12.1% in year 1, 11.7% in year 2 and 11.5% in year 3 (39.6% SV)**

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$1,698	\$1,904	\$2,127	\$2,371	\$673
Annual increase with SV		12.1%	11.7%	11.5%	39.6%
Cumulative impact of SV above base year level		\$205	\$428	\$673	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$141</b>	<b>\$304</b>	<b>\$492</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



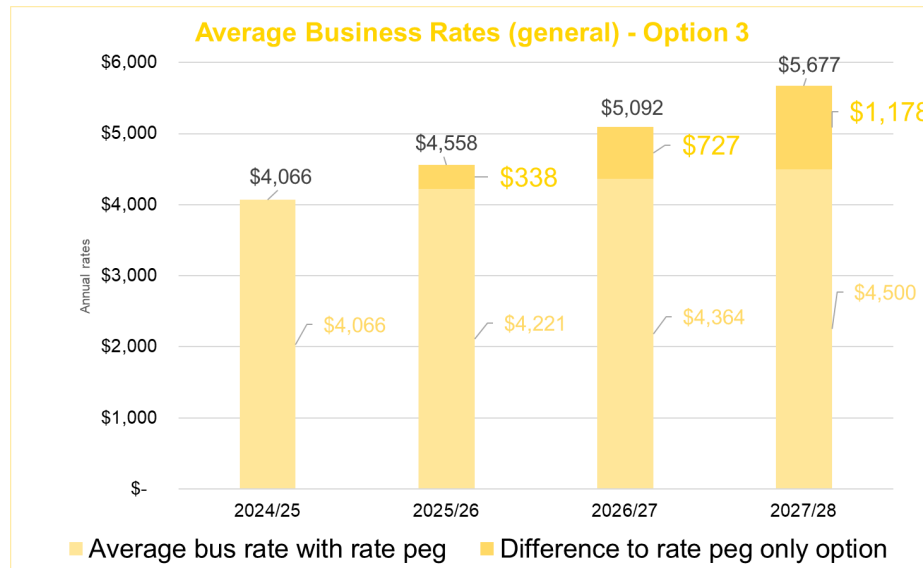
Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

### Option 3: Improve service – impact on rates – business (general)

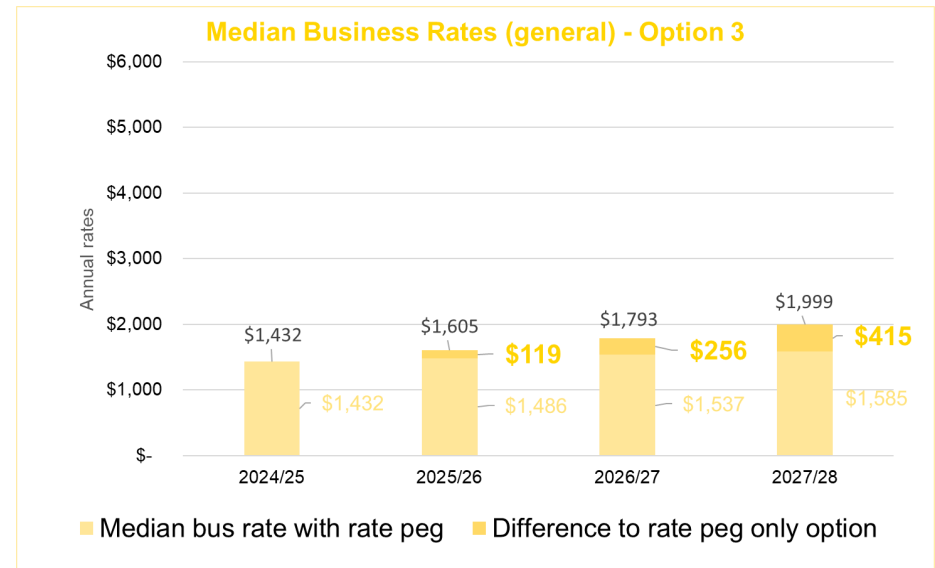
Impact on average business rates (general) of a permanent SV of 12.1% in year 1, 11.7% in year 2 and 11.5% in year 3 (39.6% SV)

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate under assumed rate peg	\$4,066	\$4,221	\$4,364	\$4,500	\$433
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$4,066	\$4,558	\$5,092	\$5,677	\$1,611
Annual increase with SV		12.1%	11.7%	11.5%	39.6%
Cumulative impact of SV above base year level		\$492	\$1,025	\$1,611	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$338</b>	<b>\$727</b>	<b>\$1,178</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on business (general category) rates income divided by properties within this category (6,538) – it is the equivalent of rates based on a land value of \$1.15 million.



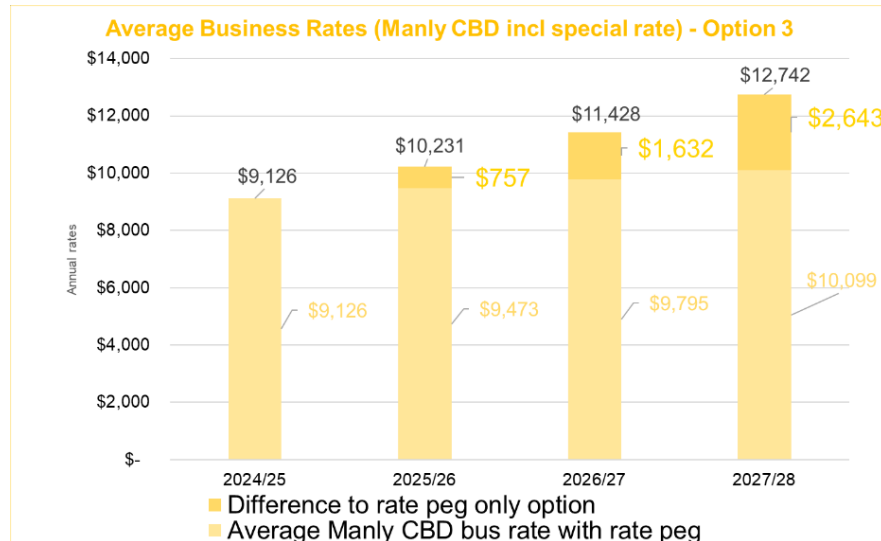
Median - based on the median (midpoint) business (general category) land value of \$0.279 million – the median is a closer reflection of the average ratepayer.

**Option 3: Improve service – impact on rates – business (Manly CBD incl special rate)**

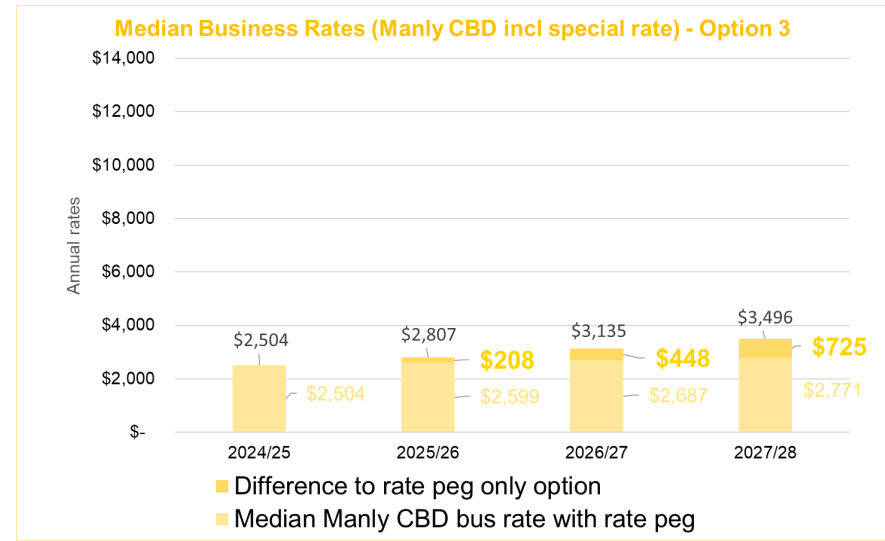
**Impact on average business rates (Manly CBD incl special rate) of a permanent SV of 12.1% in year 1, 11.7% in year 2 and 11.5% in year 3 (39.6% SV)**

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate (Manly CBD incl special rate) under assumed rate peg	\$9,126	\$9,473	\$9,795	\$10,099	\$973
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$9,126	\$10,231	\$11,428	\$12,742	\$3,615
Annual increase with SV		12.1%	11.7%	11.5%	39.6%
Cumulative impact of SV above base year level		\$1,104	\$2,301	\$3,615	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$757</b>	<b>\$1,632</b>	<b>\$2,643</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on Manly CBD business sub-category rates income divided by properties within this category (640) – it is the equivalent of rates based on a land value of \$1.19 million.



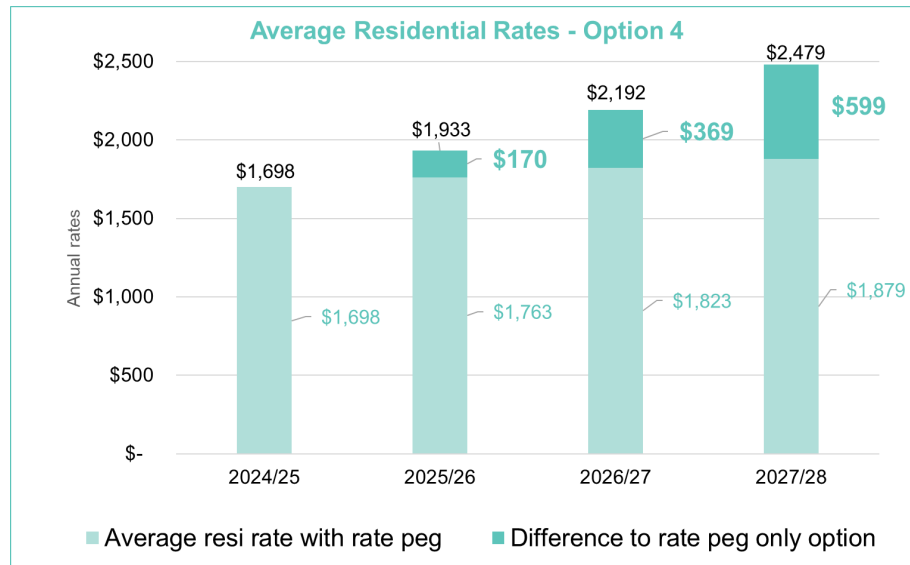
Median - based on the median Manly CBD business sub-category land value of \$0.328 million – the median is a closer reflection of the average ratepayer.

**Option 4: Increase service – impact on rates – residential**

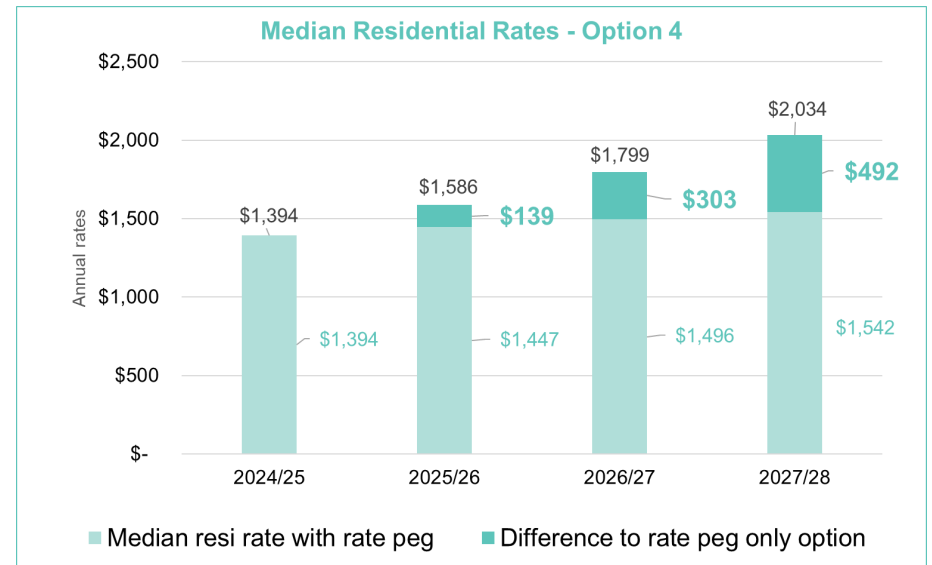
**Impact on average residential rates of a permanent SV of 13.8% in year 1, 13.4% in year 2 and 13.1% in year 3 (46.0% SV)**

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average residential rate under assumed rate peg	\$1,698	\$1,763	\$1,823	\$1,879	\$181
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$1,698	\$1,933	\$2,192	\$2,479	\$780
Annual increase with SV		13.8%	13.4%	13.1%	46.0%
Cumulative impact of SV above base year levels		\$234	\$493	\$780	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$170</b>	<b>\$369</b>	<b>\$599</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on residential rates income divided by residential properties (96,354) – it is the equivalent of rates based on a land value of \$1.63 million.



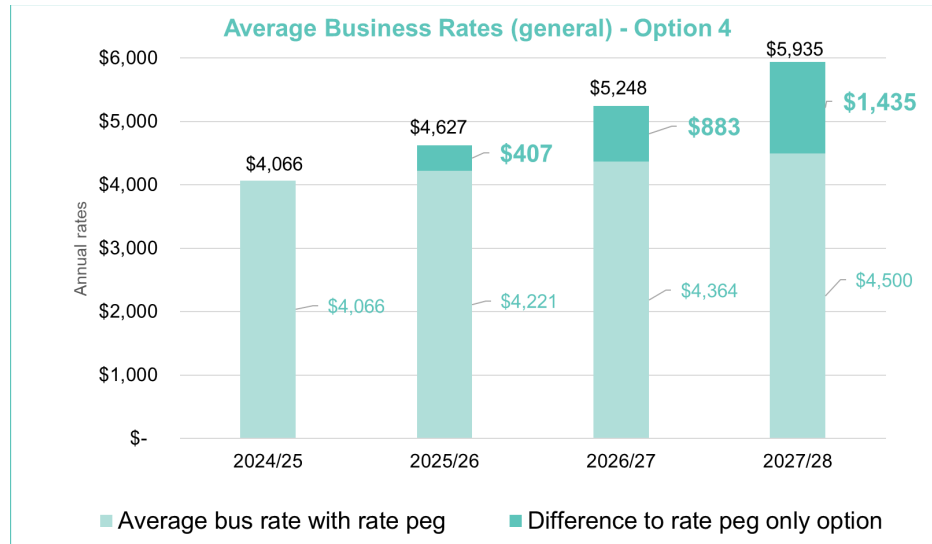
Median - based on the median (midpoint) residential land value of \$1.34 million – the median is a closer reflection of the average ratepayer.

### Option 4: Increase service – impact on rates – business (general)

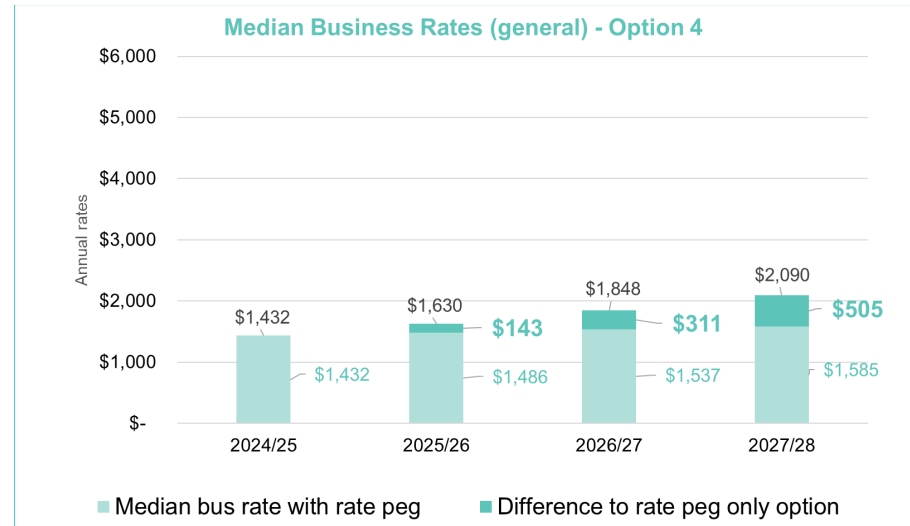
Impact on average business rates (general) of a permanent SV of 13.8% in year 1, 13.4% in year 2 and 13.1% in year 3 (46.0% SV)

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate under assumed rate peg	\$4,066	\$4,221	\$4,364	\$4,500	\$433
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$4,066	\$4,627	\$5,248	\$5,935	\$1,869
Annual increase with SV		13.8%	13.4%	13.1%	46.0%
Cumulative impact of SV above base year levels		\$561	\$1,181	\$1,869	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$407</b>	<b>\$883</b>	<b>\$1,435</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on business (general category) rates income divided by properties within this category (6,538) – it is the equivalent of rates based on a land value of \$1.15 million.



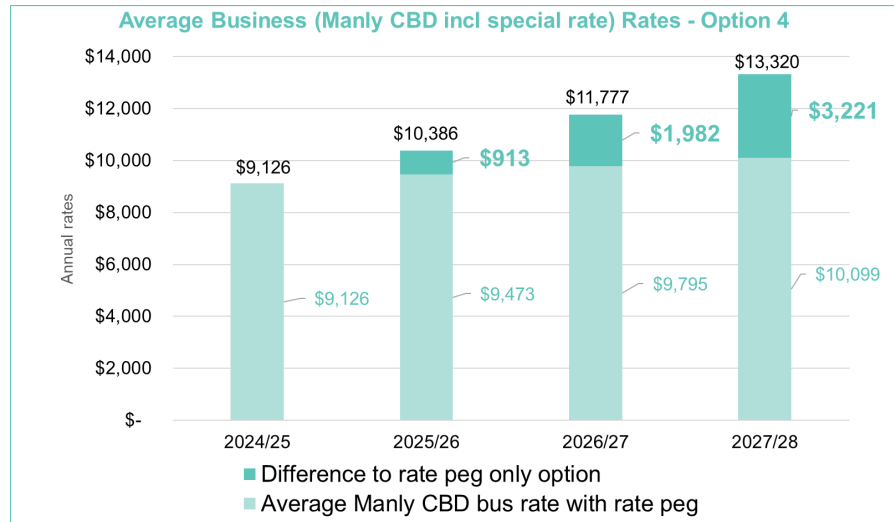
Median - based on the median (midpoint) business (general category) land value of \$0.279 million – the median is a closer reflection of the average ratepayer.

**Option 4: Increase service – impact on rates – business (Manly CBD incl special rate)**

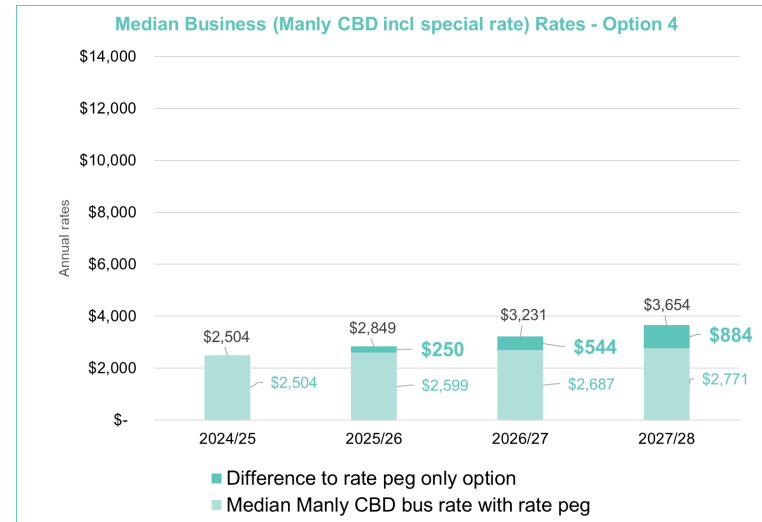
**Impact on average business rates (Manly CBD incl special rate) of a permanent SV of 13.8% in year 1, 13.4% in year 2 and 13.1% in year 3 (46.0% SV)**

	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Year 3 2027/28	Cumulative increase
Average business rate (Manly CBD incl special rate) under assumed rate peg	\$9,126	\$9,473	\$9,795	\$10,099	\$973
Annual increase in rate peg (%)		3.8%	3.4%	3.1%	10.7%
Annual increase rate peg with an SV for 3 years	\$9,126	\$10,386	\$11,777	\$13,320	\$4,194
Annual increase with SV		13.8%	13.4%	13.1%	46.0%
Cumulative impact of SV above base year levels		\$1,259	\$2,651	\$4,194	
<b>Difference between SV and rate peg only scenarios</b>		<b>\$913</b>	<b>\$1,982</b>	<b>\$3,221</b>	

Numbers presented may not sum precisely to the total due to rounding



Average - based on Manly CBD business sub-category rates income divided by properties within this category (640) – it is the equivalent of rates based on a land value of \$1.19 million.



Median - based on the median Manly CBD business sub-category land value of \$0.328 million – the median is a closer reflection of the average ratepayer.

### Annual charges - domestic waste management charge

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Waste charge	5.6%	4.9%	0.8%	2.6%	2.4%	2.3%	2.3%	2.3%	2.4%	2.4%

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

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

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

### Annual charges – stormwater management services charge

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Stormwater charge	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

We have assumed there is no change in the Stormwater Management Services Charge, as the charge is capped by legislation and has not changed since it was introduced in 2006/07.

## User fees and charges

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Fees and charges – statutory	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Fees and charges – Kimbriki & community centres	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Fees and charges – Parking Areas	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fees and charges – non-statutory	5.60%	3.1%	3.0%	3.0%	2.9%	2.9%	2.9%	2.9%	3.0%	3.0%

User fees and charges that are controlled by other levels of government under legislation are assumed to increase by CPI. We have also assumed Kimbriki and community centre hire income will increase by CPI. No growth in income from pay and display beach parking and car parks is forecast due to the high elasticity of demand and volatility in this income stream.

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

## Other revenues

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Fines	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other revenues	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Other Revenue principally comprises income from fines, sale of recycled materials and licences. CPI has been used to project future income from Other Revenues except for fines. Fines are set by the State Government and are not forecast to increase.



**Grants and contributions - operating purposes**

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Grants and Contributions - Operating (recurring)	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

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

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

**Grants and contributions - capital purposes**

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Development contributions	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Other grants and contributions - capital	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Local infrastructure contributions are a significant source of capital revenue. Predicting the amount of revenues received from this source is extremely difficult as it is essentially market driven and depends on the timing of developments. We have assumed \$7.7 million in contributions in the 2024/25 financial year and these will increase annually in line with CPI with some adjustments for the expected timing of Warriewood Valley s7.11 payments.

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

### Interest and investment revenues

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Return on investment portfolio	4.65%	3.65%	3.30%	3.20%	3.10%	3.00%	2.90%	2.90%	2.90%	2.90%

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

### Other income

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Other income	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

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

### Gain / (loss) on disposal of assets

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

### 8.3 Expenditure assumptions

#### Employee benefits and on costs

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Industry Award base increase	<b>3.50%</b>	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Industry Award step increase	<b>0.63%</b>	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Super guarantee levy	<b>11.50%</b>	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%

The Local Government State Award provides for an annual increase as well as salary band step increases. The current Award, which expires on 30 June 2026 provides for an increase of 3.5% in 2024/25 along with an additional award lump sum payment of the greater of \$1,000 or 0.5% of each permanent employee's annual salary.

The current Award increase is 3.0% in 2025/26. We have assumed increases will be 2.5% per annum over the remainder of the LTFP.

Other assumptions include:

- No change in existing employee working hours.
- A stable vacancy rate in establishment permanent positions in each financial year.
- The average increase as a result of award-based salary band step increases will be 0.63% per annum.
- Superannuation expenditure based on the statutory contribution rate incrementally increasing to 12% by 2025/26.

## Borrowing costs

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Interest rate on loans	<b>5.80%</b>	5.80%	5.80%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Tip remediation discount	<b>3.60%</b>	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%

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

- Interest on loans - Where borrowings have already been undertaken the interest rate identified in the Loan Agreement has been used. For variable loans or new borrowings the proposed interest rate has been calculated based on the forecast 10 year swap rate along with a 2% loan margin based on advice from Council's investment advisor.
- Lease interest charges - rates are forecast in accordance with the lease documents.
- Tip remediation discount - this relates to the remediation of the waste landfill site at Kimbriki. The discount rate is utilised to adjust the landfill remediation provision each year so that it reflects the present value of the estimated future expenditure to remediate the site.

## Materials and services

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Materials and services	<b>CPI</b>	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI
Fuel - Petrol price at pump (cents per litre) (Sept 2024)	<b>188.99</b>	179.61	181.03	183.57	185.94	188.06	190.16	192.44	194.94	197.65

Materials and services, including Domestic Waste Management costs and other expenses which represent the principal costs used to deliver services to the community, are forecast to increase in line with the CPI. While the rate of growth projected is uneven it is

forecast to average 2.5% per annum. Fuel is indexed by the forecast change in the petrol price at pump published by Deloitte Access Economics.

## Depreciation and amortisation

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Depreciation – Producer Price Index (Roads and Bridges)	<b>CPI + 0.3%</b>	CPI + 0.3%	CPI + 0.3%	CPI + 0.3%	CPI + 0.3%	CPI + 0.3%	CPI + 0.3%	CPI + 0.3%	CPI + 0.3%	CPI + 0.3%

Depreciation is forecast to increase by the Producer Price Index (Roads and Bridges). The index is estimated as CPI + 0.3%, being the 10 year average of the difference between the CPI and the PPI.

The depreciation methodology can be found in the Notes to the Financial Statements. The depreciation expense assumed in the LTFP has been calculated in accordance with this methodology. Estimates have also been included for the projected depreciation cost of new assets which have been identified within the proposed Capital Works Program along with the impact of revaluations.

## Other expenses

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Other expenses	<b>CPI</b>	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI

Other Expenses primarily relate to statutory charges (including the Emergency Services Levy and Waste Disposal Levy) and grants and donations provided by Council. These are generally forecast to increase in line with CPI. However, the Emergency Services Levy is

forecast to increase by 8.5% per year, which is the average increase in the levy over the past 5 years.

## 8.4 Future and ongoing financial challenges, opportunities and efficiency savings

Like many councils in NSW, Council is facing growing pressure to its financial sustainability as increases in income, under the NSW rate peg system, have not reflected the rising costs of materials, contracts, and construction, with Sydney's inflation over the 4 years to 30 June 2024 being almost double the increase in rates income. When compared to infrastructure inflation<sup>9</sup> over the same period, the divergence between costs and rates income is equivalent to an accumulative gap of \$24 million (12.6%) in rates income over the same period.

Infrastructure investment is informed by the Asset Management Plans 2024-2034. However, there is a growing gap between the costs to maintain assets and services and the funding available to Council. The Plans require an additional investment of \$15.1 million per year to maintain and renew existing assets, along with \$10.4 million per year to uplift services levels and provide high priority new assets required by the community.

Council is focused on continuing to achieve efficiency savings and reinvesting those into our community. This includes efficiencies

achieved through the introduction of new systems and processes and the optimisation of plant and fleet. This builds on savings achieved in each year since the formation of Northern Beaches Council.

We continue to work across the organisation to provide efficiency improvements and contain costs. Ongoing savings are anticipated through projects such as the advancement of technology and the efficiencies and improved customer experience it presents and the optimisation of resources and assets. The Productivity Journey and Improvement Plan 2024 outlines the Council's future improvement initiatives and is available on the Council's website at <https://yoursay.northernbeaches.nsw.gov.au/funding-our-future>.

Funds that may be made available through such projects could be used in a number of ways including supporting the rebuilding of working capital, improvements in services, accelerating the renewal of aging infrastructure or reducing rates. As savings are achieved opportunities will be considered and changes to the Long-Term Financial Plan applied.

---

<sup>9</sup> The cost of infrastructure is indicated by the Producer Price Index for Roads and Bridge Construction – 23.7% accumulative increase from 2021 to 2024 compared to 11.1% increase in rates income.

## 9. Sensitivity analysis

Although the assumptions listed in the previous section are our current informed estimate based on a range of reliable sources, Long-Term Financial Plans are inherently uncertain.

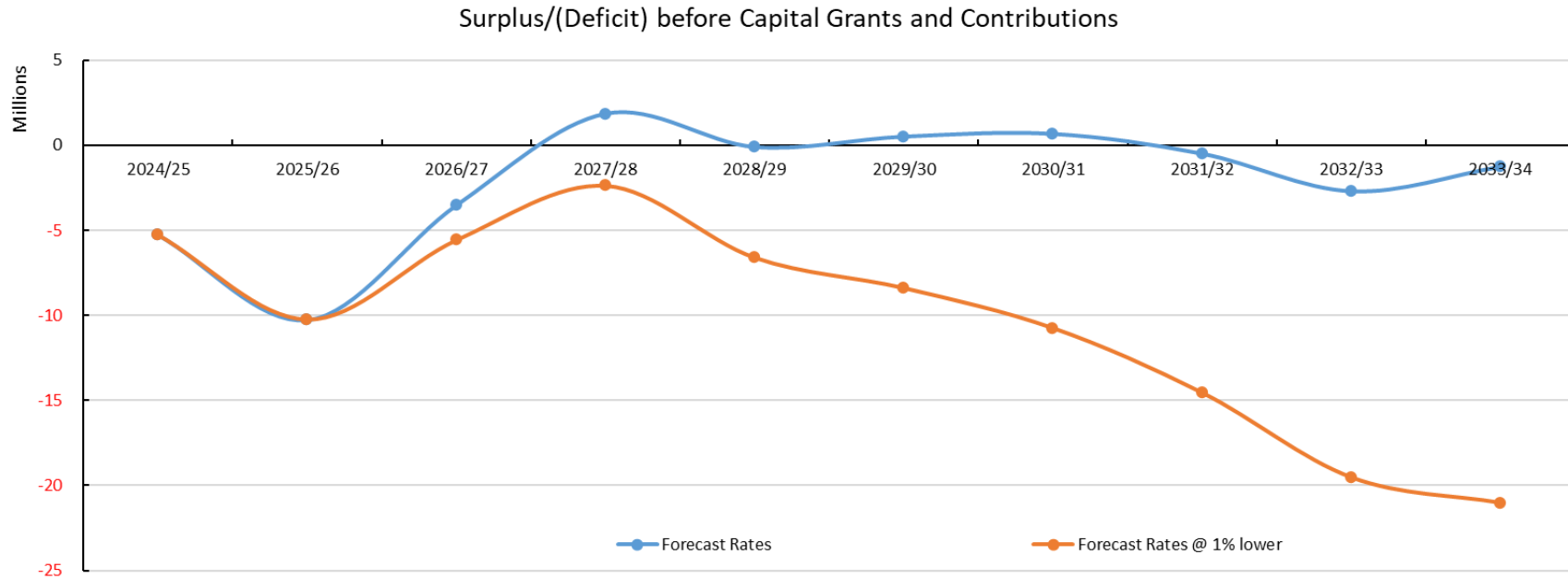
They contain a wide range of assumptions about interest rates and the potential effect of inflation on revenues and expenditures which are largely outside our control. Developing our LTFP includes

financial modelling to demonstrate the impact on our finances if trends worsen. Modelling analyses 'Option 1 – Reduce services', as this is the base case for the Council's 2024/25 budget.

### 9.1 Rates

Rates comprise 44% of our total income. Rates are capped by the State Government and we can only increase rates if we apply for a Special Variation through IPART.

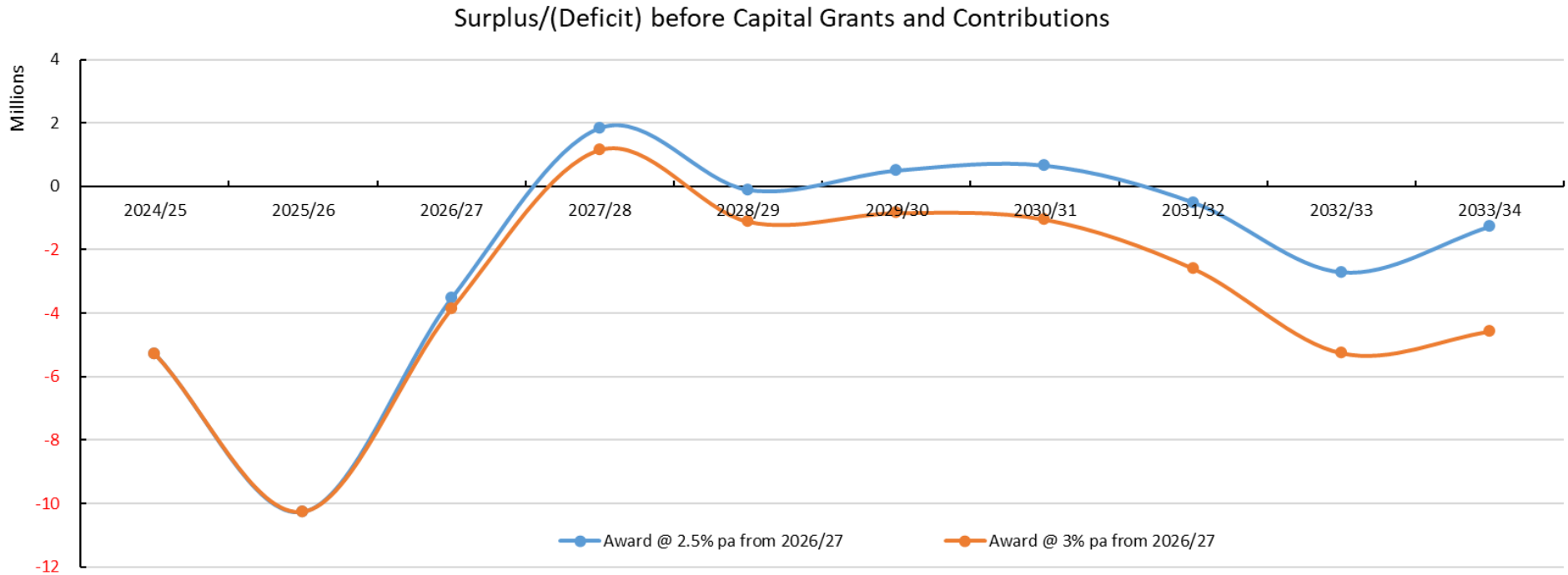
If the rate peg is 1.0% pa lower than forecast from year 3 the budget would remain in deficit and this would continue to grow.



## 9.2 Employee costs

Salary growth is largely subject to the NSW Local Government Award. The current Award expires on 30 June 2026 and we have assumed an annual Award increase of 2.5% in 2026/27 and for each year afterwards before step increases.

If the future Award increase was 0.5% pa higher each year the budget would remain in deficit for each year of the Long-Term Financial Plan from 2028/29.

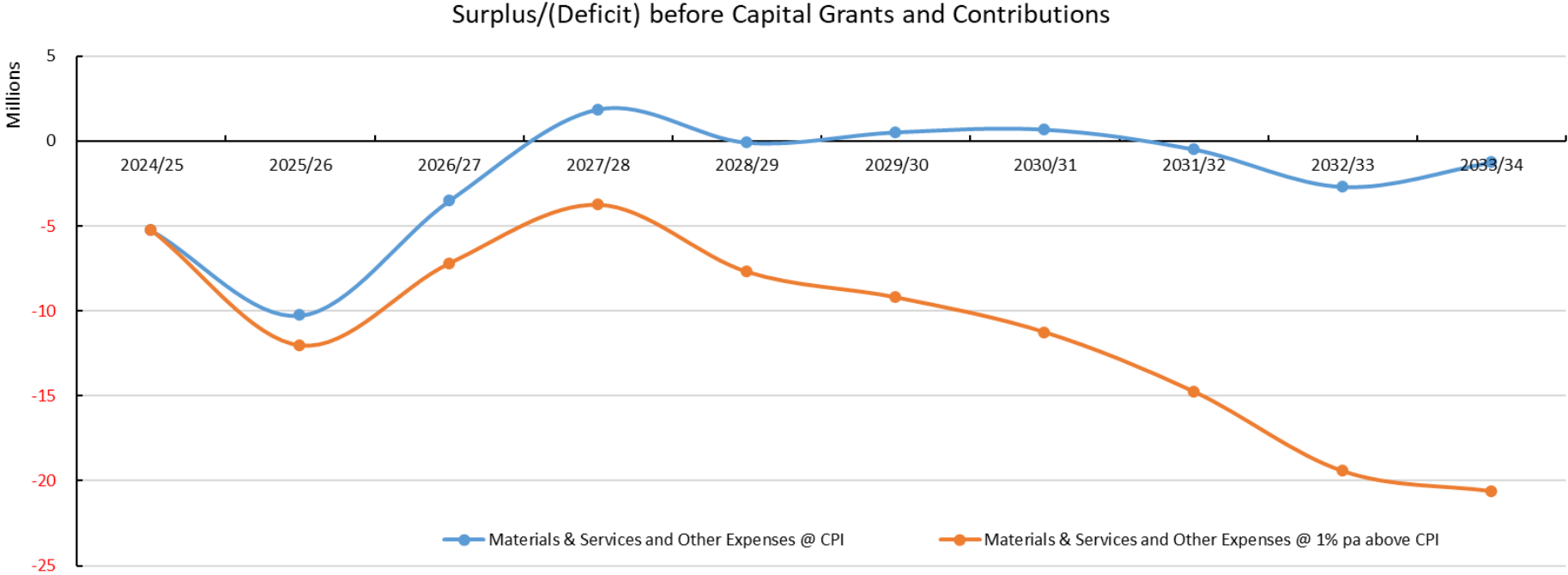




### 9.3 Materials, services and other expenses

Fluctuating market conditions could affect the price of certain materials and services. The chart shows the impact of a 1.0% per annum increase in materials, services and other expenses above

the CPI. The budget remains in deficit each year if no corresponding change in income or expenditure is made.



## 10. Scenario modelling

The Long-Term Financial Plan is a rolling 10-year projection of Council's income and expenditure, assets and liabilities and cashflow. Updates have been made alongside the revision of Council's Delivery Program, Operational Plan and Asset Management Plans. This includes revised assumptions, indexation and financial modelling for scenarios.

### Option 1: Reduce service – rate peg only (current path)

- This model is consistent with the Delivery Program 2024-2028 adopted by Council in June 2024, with rates increases based on the rate peg in each year.
- Income levels are not sufficient to fund operating expenses, invest in the ongoing renewal of infrastructure assets and provide the necessary working capital to manage unexpected events. Performance benchmarks are weakening or not met, especially regarding asset management and operating performance.
- This is not sustainable and will continue to reduce services to the community.

### Option 2: Maintain service – rate peg + 6% pa over 3 years

- This model addresses the maintenance and renewal funding gap for existing assets outlined in the Asset Management Plans and provides funding to support environmental and natural risk reduction programs.
- Infrastructure expenditure is increased and working capital is strengthened to provide the capacity to respond to unexpected events. This produces a stronger operating result and asset management ratios.
- To provide funding for this model, rates income increases over a 3-year period, providing an additional \$40 million in income per year by the 3rd year (which is retained in future years and equivalent to a 20% cumulative increase above the forecast rate peg).

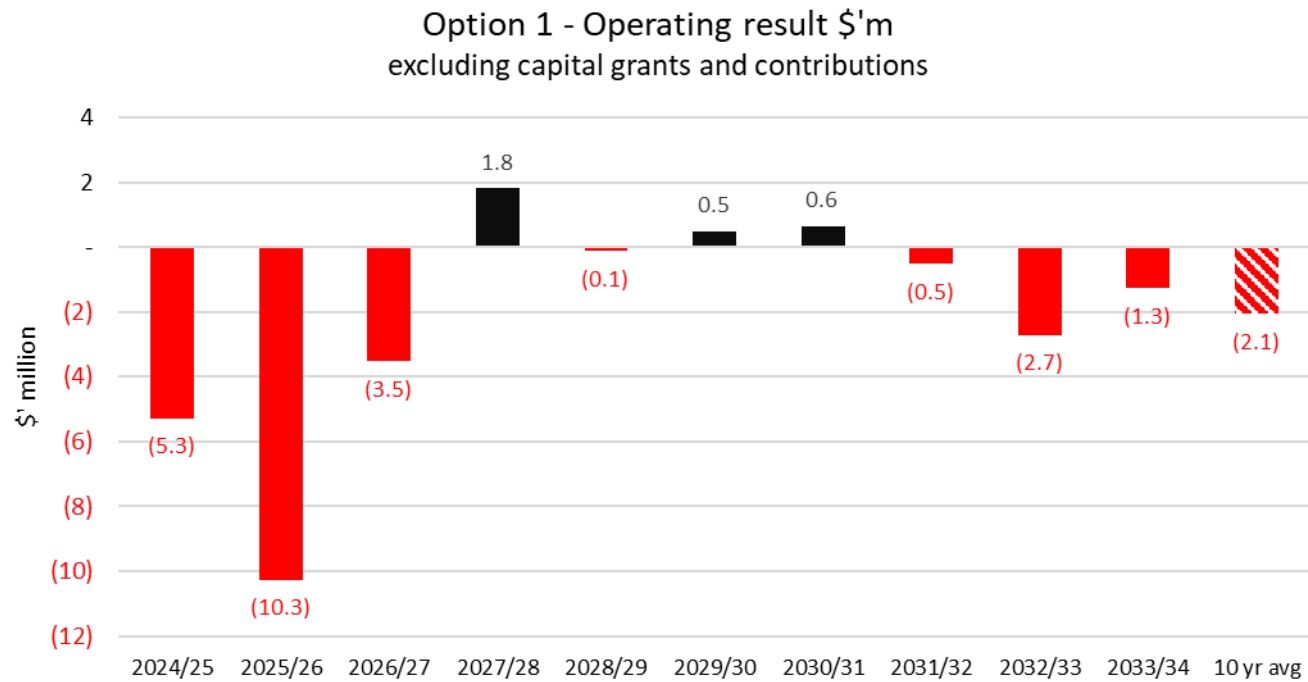
### Option 3: Improve service – rate peg + 8.3% pa over 2 years and 8.4% in year 3

- This model builds on the items listed under Option 2 with the addition of providing the opportunity to deliver larger renewal projects in future years such as the renewal of the Warringah Aquatic Centre.
- Infrastructure expenditure is increased, and stronger operating result and asset management ratios are achieved.
- To provide funding for this model, rates income increases over a 3-year period, providing an additional \$57 million in income per year by the 3rd year (which is retained in future years and equivalent to a 29% cumulative increase above the forecast rate peg).
- This model primarily offsets the impact of high inflation levels in recent years and the increase in the Emergency Services Levy.

### Option 4: Increase service – rate peg + 10% pa over 3 years

- Building on both Options 2 and 3, this model also provides the opportunity to accelerate the delivery of infrastructure and increase services in areas such as additional community grants, more footpaths, and improvements to sporting facilities and amenities buildings.
- Infrastructure expenditure is increased, and a stronger operating result provides the flexibility to invest in expanded services and facilities.
- To provide funding for this model, rates income increases over a 3-year period, providing an additional \$69 million in income per year by the 3rd year (which is retained in future years and equivalent to a 35% cumulative increase above the forecast rate peg).

# 10.1 Option 1: Reduce service



## Option 1: Reduce service Income statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Income from continuing operations</b>													
Rates and annual charges	225,941	234,424	246,432	259,515	270,570	278,547	287,241	295,832	304,574	313,538	322,918	332,887	343,375
User charges and fees	79,722	91,876	99,931	102,637	104,372	106,638	109,167	111,542	114,064	116,652	119,358	122,201	125,163
Other revenues	22,343	20,086	21,620	20,845	21,035	21,351	21,674	21,993	22,305	22,625	22,966	23,330	23,703
Grants and contributions provided for operating purposes	27,165	31,496	26,529	25,181	20,221	19,663	20,926	20,086	21,440	21,040	22,437	22,104	23,549
Grants and contributions provided for capital purposes	43,952	33,917	29,218	39,594	25,389	15,775	10,969	10,303	9,776	10,847	11,070	11,299	11,534
Interest and investment revenue	1,238	7,085	11,083	8,918	5,265	4,696	4,622	4,748	4,441	4,474	4,618	4,710	4,801
Other income	6,736	6,392	6,915	6,946	6,976	7,151	7,329	7,505	7,678	7,855	8,043	8,244	8,450
Net gain from the disposal of assets	960	167		392	595	622	433	420	351	467	734	524	590
<b>Total income from continuing operations</b>	<b>408,057</b>	<b>425,443</b>	<b>441,728</b>	<b>464,029</b>	<b>454,423</b>	<b>454,444</b>	<b>462,362</b>	<b>472,430</b>	<b>484,629</b>	<b>497,497</b>	<b>512,144</b>	<b>525,298</b>	<b>541,165</b>
<b>Expenses from continuing operations</b>													
Employee benefits and on-costs	134,560	146,153	159,331	171,870	176,191	180,109	183,972	189,714	195,635	201,740	208,037	214,532	221,229
Materials and services	142,766	157,273	163,471	180,278	183,608	178,960	181,281	185,828	189,641	192,732	198,902	204,291	209,131
Borrowing costs	2,624	2,738	2,689	2,605	2,942	2,879	2,830	2,464	2,428	2,433	2,206	2,170	1,939
Depreciation, amortisation and impairment for non-financial assets	45,508	46,821	48,975	53,208	54,632	57,202	57,225	58,711	59,778	60,768	62,551	64,133	65,200
Other expenses	20,969	20,765	22,569	21,752	21,917	23,045	24,250	25,526	26,878	28,326	29,892	31,586	33,402
Net loss from the disposal of assets	-	-	545	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>346,427</b>	<b>373,750</b>	<b>397,580</b>	<b>429,713</b>	<b>439,290</b>	<b>442,194</b>	<b>449,558</b>	<b>462,243</b>	<b>474,360</b>	<b>486,000</b>	<b>501,588</b>	<b>516,712</b>	<b>530,900</b>
<b>Operating result - Surplus / (Deficit)</b>	<b>61,630</b>	<b>51,693</b>	<b>44,148</b>	<b>34,317</b>	<b>15,133</b>	<b>12,250</b>	<b>12,804</b>	<b>10,186</b>	<b>10,269</b>	<b>11,497</b>	<b>10,556</b>	<b>8,587</b>	<b>10,265</b>
<b>Operating result before grants and contributions provided for capital purposes</b>	<b>17,678</b>	<b>17,776</b>	<b>14,930</b>	<b>(5,278)</b>	<b>(10,256)</b>	<b>(3,525)</b>	<b>1,835</b>	<b>(117)</b>	<b>493</b>	<b>650</b>	<b>(514)</b>	<b>(2,712)</b>	<b>(1,269)</b>

Option 1: Reduce service  
Balance sheet

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>ASSETS</b>													
<b>Current assets</b>													
Cash and cash equivalents	6,697	6,605	17,541	8,975	10,850	11,497	12,153	12,768	13,483	14,058	14,652	15,587	16,260
Investments	150,625	175,623	182,096	156,764	130,330	126,361	127,490	135,134	128,854	133,824	138,167	140,680	143,147
Receivables	24,791	20,844	25,958	22,591	23,072	23,566	24,055	24,555	25,040	25,562	26,099	26,667	27,264
Inventories	397	372	392	405	416	427	437	448	458	469	480	492	504
Prepayments	2,975	3,364	4,984	5,143	5,293	5,425	5,561	5,694	5,825	5,959	6,102	6,255	6,411
<b>Total current assets</b>	<b>185,485</b>	<b>206,808</b>	<b>230,971</b>	<b>193,877</b>	<b>169,961</b>	<b>167,276</b>	<b>169,696</b>	<b>178,599</b>	<b>173,660</b>	<b>179,871</b>	<b>185,499</b>	<b>189,680</b>	<b>193,585</b>
<b>Non-Current Assets</b>													
Investments	760	678	577	435	293	148	4	0	-	-	-	-	-
Receivables	1,007	1,012	952	999	1,037	1,072	1,105	1,138	1,172	1,208	1,244	1,282	1,323
Infrastructure, property, plant and equipment	5,218,499	5,413,807	5,643,257	5,853,717	6,015,953	6,146,595	6,270,994	6,392,670	6,529,081	6,654,972	6,794,498	6,937,757	7,090,788
Investment property	6,155	6,320	6,565	6,810	7,055	7,300	7,545	7,790	8,035	8,280	8,525	8,770	9,015
Right of use assets	9,110	7,811	6,544	3,947	3,947	2,686	1,424	163	108	54	0	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>5,235,531</b>	<b>5,429,628</b>	<b>5,657,895</b>	<b>5,865,908</b>	<b>6,028,285</b>	<b>6,157,801</b>	<b>6,281,072</b>	<b>6,401,761</b>	<b>6,538,396</b>	<b>6,664,514</b>	<b>6,804,267</b>	<b>6,947,809</b>	<b>7,101,127</b>
<b>Total assets</b>	<b>5,421,016</b>	<b>5,636,436</b>	<b>5,888,866</b>	<b>6,059,785</b>	<b>6,198,246</b>	<b>6,325,077</b>	<b>6,450,767</b>	<b>6,580,360</b>	<b>6,712,057</b>	<b>6,844,385</b>	<b>6,989,766</b>	<b>7,137,489</b>	<b>7,294,712</b>

Option 1: Reduce service  
Balance sheet (continued)

	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Payables	45,393	47,806	55,607	56,813	57,704	58,610	59,533	60,454	61,376	62,322	63,318	64,370	65,454
Contract Liabilities	24,206	27,619	20,102	5,035	5,838	5,328	5,489	5,649	5,813	5,982	6,157	6,342	6,533
Lease Liabilities	1,238	1,241	1,279	1,307	1,347	1,388	1,430	63	66	70	-	-	-
Borrowings	4,770	3,340	2,178	2,596	1,594	1,684	1,782	1,513	1,591	1,673	2,227	1,500	1,572
Employee benefit provisions	35,553	34,754	35,901	38,015	39,006	40,218	41,468	42,756	44,085	45,456	46,869	48,327	49,830
Provisions	759	1,060	1,193	1,264	1,466	8,041	1,426	1,471	6,335	1,599	6,480	4,834	1,803
<b>Total current liabilities</b>	<b>111,919</b>	<b>115,820</b>	<b>116,260</b>	<b>105,030</b>	<b>106,955</b>	<b>115,269</b>	<b>111,128</b>	<b>111,906</b>	<b>119,266</b>	<b>117,101</b>	<b>125,051</b>	<b>125,372</b>	<b>125,191</b>
<b>Non-current liabilities</b>													
Payables	150	100	50	-	-	-	-	-	-	-	-	-	-
Contract Liabilities	7,466	8,239	10,053	9,593	5,796	5,705	5,614	5,523	5,432	5,342	5,251	5,160	5,069
Lease Liabilities	8,237	6,996	5,717	4,365	3,018	1,630	200	137	70	-	-	-	-
Borrowings	12,538	9,185	6,984	15,134	13,540	11,856	10,074	8,561	6,971	5,298	3,071	1,572	0
Employee benefit provisions	761	1,843	2,001	2,120	2,175	2,243	2,313	2,386	2,460	2,537	2,616	2,698	2,782
Provisions	43,404	45,094	45,433	43,447	45,263	40,661	42,806	44,730	41,924	43,995	41,097	39,985	41,816
<b>Total non-current liabilities</b>	<b>72,556</b>	<b>71,457</b>	<b>70,238</b>	<b>74,659</b>	<b>69,792</b>	<b>62,095</b>	<b>61,007</b>	<b>61,337</b>	<b>56,857</b>	<b>57,171</b>	<b>52,035</b>	<b>49,415</b>	<b>49,668</b>
<b>Total liabilities</b>	<b>184,475</b>	<b>187,277</b>	<b>186,498</b>	<b>179,689</b>	<b>176,746</b>	<b>177,364</b>	<b>172,135</b>	<b>173,243</b>	<b>176,124</b>	<b>174,272</b>	<b>177,086</b>	<b>174,786</b>	<b>174,858</b>
<b>Net assets</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,021,500</b>	<b>6,147,712</b>	<b>6,278,633</b>	<b>6,407,117</b>	<b>6,535,933</b>	<b>6,670,113</b>	<b>6,812,680</b>	<b>6,962,703</b>	<b>7,119,854</b>
<b>EQUITY</b>													
Accumulated Surplus	4,928,924	4,980,559	5,024,590	5,058,787	5,073,797	5,085,921	5,098,596	5,108,650	5,118,783	5,130,142	5,140,556	5,148,997	5,159,113
IPP&E Revaluation Surplus	307,617	468,600	677,778	821,310	947,703	1,061,792	1,180,037	1,298,467	1,417,150	1,539,971	1,672,125	1,813,706	1,960,741
<b>Total equity</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,021,500</b>	<b>6,147,712</b>	<b>6,278,633</b>	<b>6,407,117</b>	<b>6,535,933</b>	<b>6,670,113</b>	<b>6,812,680</b>	<b>6,962,703</b>	<b>7,119,854</b>

**Option 1: Reduce service  
Cashflow statement**

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from operating activities</b>													
<b>Receipts:</b>													
Rates and annual charges	226,388	234,281	245,463	258,950	270,223	278,225	286,937	295,529	304,261	313,217	322,587	332,534	342,999
User charges and fees	84,398	96,268	104,315	108,572	110,503	112,905	115,582	118,100	120,769	123,509	126,373	129,377	132,512
Interest received	1,182	4,873	9,052	8,857	5,266	4,658	4,577	4,691	4,409	4,419	4,562	4,655	4,743
Grants and contributions	56,687	76,799	48,521	46,493	42,327	35,042	32,129	30,608	31,443	32,120	33,758	33,653	35,350
Bonds, deposits and retentions received	7,098	7,741	8,143	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742
Other	45,656	41,346	44,656	46,877	45,487	43,737	43,890	43,942	46,163	45,889	47,124	47,887	49,160
<b>Payments:</b>													
Payments to employees	(137,235)	(145,037)	(156,343)	(167,957)	(174,941)	(178,581)	(182,398)	(188,091)	(193,960)	(200,013)	(206,256)	(212,695)	(219,335)
Payments for materials and services	(158,507)	(176,928)	(182,311)	(209,976)	(205,926)	(200,008)	(208,465)	(205,440)	(211,317)	(218,069)	(219,495)	(229,717)	(232,781)
Borrowing costs	(1,142)	(1,064)	(924)	(696)	(1,084)	(932)	(798)	(656)	(536)	(452)	(364)	(243)	(156)
Bonds, deposits and retentions refunded	(5,466)	(5,571)	(5,867)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)
Other	(28,886)	(22,019)	(21,914)	(20,735)	(21,649)	(22,728)	(23,928)	(25,207)	(26,564)	(28,008)	(29,559)	(31,236)	(33,047)
<b>Net Cash flows from operating activities</b>	<b>90,173</b>	<b>110,689</b>	<b>92,791</b>	<b>70,385</b>	<b>70,206</b>	<b>72,318</b>	<b>67,527</b>	<b>73,475</b>	<b>74,669</b>	<b>72,612</b>	<b>78,731</b>	<b>74,215</b>	<b>79,446</b>



Option 1: Reduce service  
Cashflow statement (continued)

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from investing activities</b>													
<b>Receipts:</b>													
Sale of investments	338,038	272,227	269,831	323,300	320,500	301,500	306,100	296,100	306,900	299,000	302,650	303,200	303,480
Proceeds from sale of PPE	3,734	2,167	2,513	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Payments:</b>													
Purchase of investment securities	(352,829)	(297,123)	(276,178)	(297,826)	(293,924)	(297,386)	(307,084)	(303,740)	(300,620)	(303,970)	(306,993)	(305,713)	(305,947)
Payments for PPE	(76,755)	(81,973)	(73,302)	(113,788)	(93,659)	(75,566)	(65,924)	(64,776)	(80,701)	(68,129)	(76,048)	(71,298)	(77,754)
<b>Net Cash flows from investing activities</b>	<b>(87,812)</b>	<b>(104,702)</b>	<b>(77,136)</b>	<b>(86,131)</b>	<b>(64,305)</b>	<b>(68,605)</b>	<b>(63,670)</b>	<b>(69,516)</b>	<b>(72,244)</b>	<b>(70,242)</b>	<b>(76,253)</b>	<b>(70,909)</b>	<b>(77,125)</b>
<b>Cash flows from financing activities</b>													
<b>Receipts:</b>													
Proceeds from borrowings	-	-	2,500	10,450	-	-	-	-	-	-	-	-	-
<b>Payments:</b>													
Repayment of borrowings	(5,018)	(4,783)	(5,863)	(1,882)	(2,596)	(1,594)	(1,684)	(1,782)	(1,513)	(1,591)	(1,673)	(2,227)	(1,500)
Lease liabilities (principal repayments)	(1,269)	(1,238)	(1,241)	(1,269)	(1,307)	(1,347)	(1,388)	(1,430)	(63)	(66)	(70)	-	-
Dividends paid to minority interest	(38)	(58)	(115)	(119)	(122)	(125)	(128)	(131)	(134)	(138)	(141)	(145)	(148)
<b>Net Cash flows from financing activities</b>	<b>(6,325)</b>	<b>(6,079)</b>	<b>(4,719)</b>	<b>7,180</b>	<b>(4,025)</b>	<b>(3,066)</b>	<b>(3,200)</b>	<b>(3,343)</b>	<b>(1,710)</b>	<b>(1,795)</b>	<b>(1,884)</b>	<b>(2,371)</b>	<b>(1,648)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,964)</b>	<b>(92)</b>	<b>10,936</b>	<b>(8,566)</b>	<b>1,875</b>	<b>647</b>	<b>656</b>	<b>616</b>	<b>715</b>	<b>575</b>	<b>594</b>	<b>935</b>	<b>674</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>10,661</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,850</b>	<b>11,497</b>	<b>12,153</b>	<b>12,768</b>	<b>13,483</b>	<b>14,058</b>	<b>14,652</b>	<b>15,587</b>
<b>Cash and cash equivalents at end of year</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,850</b>	<b>11,497</b>	<b>12,153</b>	<b>12,768</b>	<b>13,483</b>	<b>14,058</b>	<b>14,652</b>	<b>15,587</b>	<b>16,260</b>
<b>Investments at year end</b>	<b>151,385</b>	<b>176,301</b>	<b>182,673</b>	<b>157,199</b>	<b>130,623</b>	<b>126,510</b>	<b>127,494</b>	<b>135,134</b>	<b>128,854</b>	<b>133,824</b>	<b>138,167</b>	<b>140,680</b>	<b>143,147</b>
<b>Cash, cash equivalents and investments at end of year</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>141,473</b>	<b>138,006</b>	<b>139,647</b>	<b>147,902</b>	<b>142,337</b>	<b>147,881</b>	<b>152,818</b>	<b>156,266</b>	<b>159,407</b>
<b>Net change in cash, cash equivalents and investments</b>		<b>24,824</b>	<b>17,308</b>	<b>(34,040)</b>	<b>(24,701)</b>	<b>(3,466)</b>	<b>1,640</b>	<b>8,256</b>	<b>(5,565)</b>	<b>5,545</b>	<b>4,937</b>	<b>3,448</b>	<b>3,141</b>

Option 1: Reduce service  
Cash and investments statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Total Cash and Investments</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>141,473</b>	<b>138,006</b>	<b>139,647</b>	<b>147,902</b>	<b>142,337</b>	<b>147,881</b>	<b>152,818</b>	<b>156,266</b>	<b>159,407</b>
<b>Represented by:</b>													
<b>Externally restricted</b>													
Developer Contributions	36,457	43,446	47,386	34,422	21,790	19,903	20,957	22,338	20,702	20,481	19,610	19,592	15,175
Unexpended Grants - not tied to liability	566	597	573	0	0	0	0	0	0	0	0	0	0
Domestic Waste Management	3,401	7,626	13,176	15,433	16,873	18,011	20,154	22,531	11,116	13,989	17,135	20,616	24,294
Other externally restricted reserves	722	618	1,130	1,243	1,383	379	495	623	764	919	557	740	938
<b>Total Externally restricted</b>	<b>41,146</b>	<b>52,286</b>	<b>62,264</b>	<b>51,098</b>	<b>40,046</b>	<b>38,294</b>	<b>41,605</b>	<b>45,492</b>	<b>32,582</b>	<b>35,389</b>	<b>37,303</b>	<b>40,948</b>	<b>40,407</b>
<b>Internally restricted</b>													
Deposits, Retentions & Bonds	15,380	17,550	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527
Employee Leave Entitlement	7,026	7,111	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580
Kimbriki Landfill Remediation	13,597	15,418	18,207	20,660	22,941	25,120	20,881	23,200	25,640	23,390	25,893	23,695	23,170
Unexpended Grants - tied to liability	28,600	31,960	26,118	10,333	7,356	7,420	7,491	7,566	7,647	7,733	7,826	7,924	8,034
Other	15,582	18,794	17,152	13,289	11,278	8,864	9,469	10,268	11,802	12,459	9,239	9,435	9,088
<b>Total Internally restricted</b>	<b>80,184</b>	<b>90,833</b>	<b>88,585</b>	<b>71,389</b>	<b>68,682</b>	<b>68,512</b>	<b>64,948</b>	<b>68,141</b>	<b>72,196</b>	<b>70,689</b>	<b>70,065</b>	<b>68,161</b>	<b>67,398</b>
<b>Total restricted cash</b>	<b>121,330</b>	<b>143,119</b>	<b>150,849</b>	<b>122,487</b>	<b>108,728</b>	<b>106,806</b>	<b>106,553</b>	<b>113,633</b>	<b>104,779</b>	<b>106,078</b>	<b>107,368</b>	<b>109,110</b>	<b>107,805</b>
<b>Total unrestricted cash</b>	<b>36,752</b>	<b>39,787</b>	<b>49,365</b>	<b>43,687</b>	<b>32,745</b>	<b>31,201</b>	<b>33,094</b>	<b>34,269</b>	<b>37,558</b>	<b>41,803</b>	<b>45,451</b>	<b>47,157</b>	<b>51,602</b>
<b>Unrestricted cash breakdown:</b>													
Unrestricted - Northern Beaches	20,549	30,792	42,971	38,991	26,563	24,206	25,122	24,574	25,845	27,673	28,937	28,138	29,754
Unrestricted - Kimbriki	16,203	8,995	6,394	4,695	6,182	6,995	7,972	9,695	11,713	14,130	16,513	19,018	21,848

## Option 1: Reduce service Capital budget statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Capital Funding</b>													
Working Capital	7,785	16,118	5,645	6,107	3,038	2,544	2,550	1,557	1,564	1,571	1,578	1,397	1,400
Depreciation	22,098	32,322	31,876	33,206	41,581	42,990	43,154	44,545	45,272	45,470	46,727	47,917	48,950
<b>Capital grants and contributions</b>													
Grants and contributions	29,262	20,265	12,791	31,963	18,192	6,548	3,913	1,913	1,913	1,913	1,913	1,913	1,913
<b>Externally restricted reserves</b>													
- Developer contributions	8,038	8,088	14,527	21,943	18,567	11,469	6,503	7,529	10,028	9,636	10,490	9,848	14,413
- Domestic Waste	-	-	-	-	-	-	-	-	14,048	-	-	-	-
- Other	1,797	2,347	1,757	1,965	2,009	3,156	2,037	2,024	2,012	2,000	2,518	1,976	1,964
<b>Internally restricted reserves</b>													
- Merger savings fund	1,893	343	323	209	702	-	-	-	-	-	-	-	-
- Borrowings	-	-	-	9,935	515	-	-	-	-	-	-	-	-
- Other	4,005	1,260	3,817	6,277	6,278	6,012	4,529	4,307	3,688	4,682	8,684	5,345	6,020
<b>Income from sale of assets</b>													
- Plant and equipment	1,995	2,112	2,732	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Total funding</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>93,659</b>	<b>75,566</b>	<b>65,924</b>	<b>64,776</b>	<b>80,701</b>	<b>68,129</b>	<b>76,048</b>	<b>71,298</b>	<b>77,754</b>
<b>Capital Expenditure</b>													
Buildings	21,091	15,413	9,841	26,287	14,204	14,956	8,994	9,922	10,158	10,699	10,964	11,238	11,519
Community Land	-	838	-	2,740	-	-	-	-	-	-	-	-	-
Furniture & Fittings	730	74	65	178	36	36	36	36	36	36	36	36	36
Land Improvements	-	-	4,951	4,474	2,917	2,940	2,964	1,988	2,014	2,039	2,066	2,095	2,123
Library Books	868	685	707	799	752	771	790	809	829	849	870	892	914
Office Equipment	1,995	2,904	2,569	3,122	2,608	2,500	2,563	2,624	2,687	2,752	2,821	2,891	2,963
Open Space / Recreational	9,387	10,501	14,008	16,968	17,064	9,350	8,492	7,447	10,008	10,349	11,755	8,547	10,041
Other Assets	696	163	357	114	702	-	-	-	-	-	-	-	-
Other Structures	3,419	2,302	1,495	6,555	5,847	3,598	3,941	959	977	995	1,014	1,035	1,057
Plant & Equipment	3,545	3,275	6,673	8,264	8,809	8,956	7,809	7,601	20,118	7,478	12,943	8,401	9,105
Road, Bridges & Footpaths	26,574	24,323	23,496	33,980	29,683	21,689	19,572	21,264	21,556	21,135	21,200	23,346	26,780
Stormwater Drainage	5,505	8,485	8,686	8,497	10,247	9,360	9,532	10,452	10,627	10,856	10,649	11,046	11,399
Swimming Pools	345	1,109	620	1,811	791	1,410	1,232	1,675	1,693	941	1,730	1,772	1,817
Other Kimbriki Assets	2,718	12,785	-	0	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>93,659</b>	<b>75,566</b>	<b>65,924</b>	<b>64,776</b>	<b>80,701</b>	<b>68,129</b>	<b>76,048</b>	<b>71,298</b>	<b>77,754</b>

## Option 1: Reduce service

### Statement of borrowings

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

New borrowings are anticipated over the 10 year period of the Long-Term Financial Plan to fund a major infrastructure project. Spreading these costs over a number of years facilitates inter-generational equity and smooths out long term expenditure peaks and troughs, where financially sustainable.

#### Proposed new borrowings

Financial year	Loan amount	Proposed term	Repayment funding source	Purpose of loan
2024/25 (Year 1)	\$10,450,000	10 years	The funding currently utilised to repay existing loans is sufficient to fund the repayment schedule for this loan as several existing loans are coming to the end of their term.	To assist with the construction of the Warriewood Community Centre.

Loans are proposed to be sourced from authorised financial institutions licensed by the Australian Prudential Regulatory Authority (APRA) to carry on banking business (Authorised Deposit Taking Institutions or NSW Treasury Corporation) and secured over rates income.

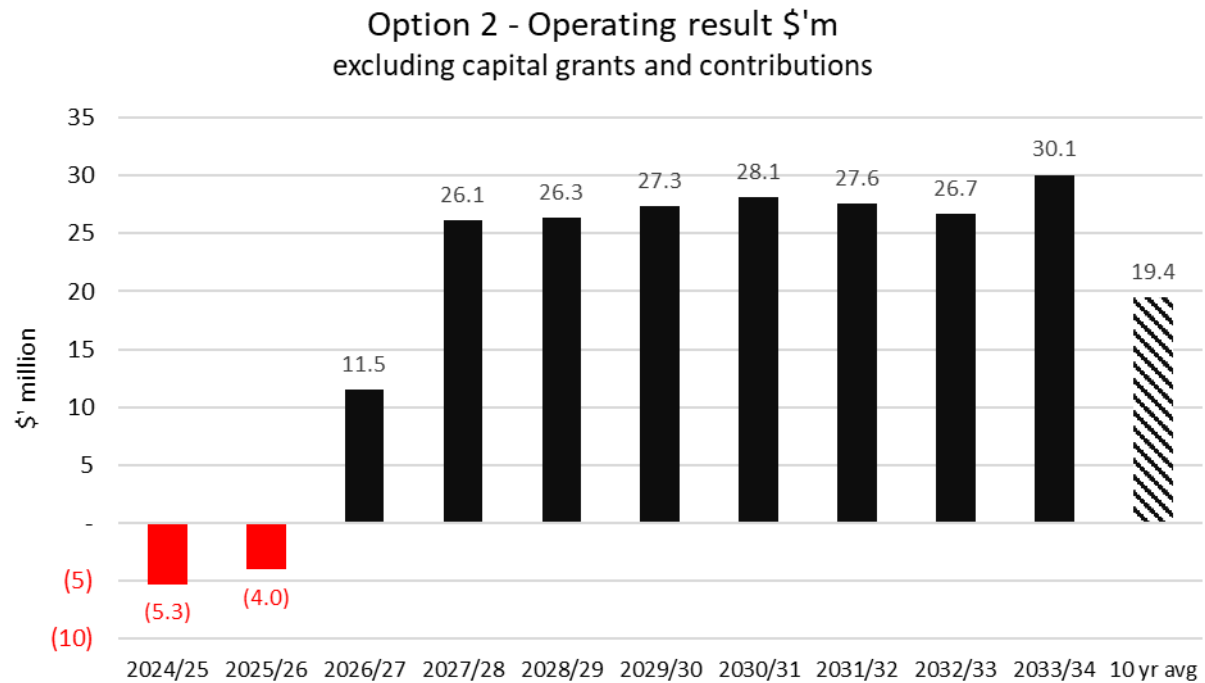
## Option 1: Reduce service Statement of performance measures

OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	
<b>Budget Performance</b>														
<b>Operating Performance Ratio</b> <i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue.</i>	> 0%	4.5%	4.5%	3.7%	(1.3%)	(2.5%)	(0.9%)	0.3%	(0.1%)	0.0%	0.1%	(0.2%)	(0.6%)	(0.3%)
		✓	✓	✓	✗	✗	✗	✓	✗	✓	✓	✗	✗	✗
<b>Own Source Operating Revenue Ratio</b> <i>measures fiscal flexibility. It is the degree of reliance on external funding sources.</i>	> 60%	82.5%	84.6%	87.4%	86.0%	89.9%	92.2%	93.1%	93.6%	93.6%	93.6%	93.4%	93.6%	93.5%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>														
<b>Unrestricted Current Ratio</b> <i>represents a council's ability to meet short-term obligations as they fall due.</i>	> 1.5x	1.90x	1.92x	2.18x	2.16x	1.92x	1.72x	1.82x	1.89x	1.83x	1.95x	1.83x	1.84x	1.92x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b> <i>expressed as a percentage of total rates and charges available for collection in the financial year.</i>	< 5%	3.6%	3.6%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Cash Expense Cover Ratio</b> <i>liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.</i>	> 3mths	5.6mths	6.1mths	6.4mths	4.8mths	4.1mths	4.0mths	3.9mths	4.1mths	3.9mths	3.9mths	3.9mths	3.9mths	3.9mths
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Liability and Debt Management</b>														
<b>Debt Service Cover Ratio</b> <i>measures the availability of operating cash to service loan repayments.</i>	> 2x	7.3x	7.7x	6.9x	8.8x	6.9x	9.7x	10.5x	10.8x	15.7x	15.6x	16.3x	14.5x	19.2x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Option 1: Reduce service  
Statement of performance measures (continued)

OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	
<b>Asset Management</b>														
<b>Building and Infrastructure Renewals Ratio</b> <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating.</i>	> 100%	112.7%	130.8%	94.6%	95.1%	101.2%	94.0%	90.8%	91.9%	90.8%	88.8%	89.0%	87.2%	86.4%
		✓	✓	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗
<b>Infrastructure Backlog Ratio</b> <i>ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.</i>	< 2%	1.53%	1.49%	1.52%	1.58%	1.58%	1.59%	1.61%	1.63%	1.65%	1.67%	1.68%	1.69%	1.70%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Asset Maintenance Ratio</b> <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	> 100%	100.6%	109.7%	98.1%	92.5%	93.5%	93.5%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%	93.6%
		✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
<b>Cost to bring assets to agreed service level</b> <i>ratio shows what proportion the infrastructure backlog is against the total gross replacement cost of a council's infrastructure.</i>		1.26%	1.22%	1.17%	1.32%	1.32%	1.34%	1.35%	1.37%	1.39%	1.41%	1.42%	1.43%	1.44%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## 10.2 Option 2: Maintain service



## Option 2: Maintain service Income statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Income from continuing operations</b>													
Rates and annual charges	225,941	234,424	246,432	259,515	282,404	303,794	327,524	337,354	347,373	357,655	368,392	379,805	391,831
User charges and fees	79,722	91,876	99,931	102,637	104,372	106,638	109,167	111,542	114,064	116,652	119,358	122,201	125,163
Other revenues	22,343	20,086	21,620	20,845	21,037	21,354	21,680	21,999	22,311	22,631	22,973	23,337	23,710
Grants and contributions provided for operating purposes	27,165	31,496	26,529	25,181	20,221	19,663	20,926	20,086	21,440	21,040	22,437	22,104	23,549
Grants and contributions provided for capital purposes	43,952	33,917	29,218	39,594	25,389	15,775	10,969	10,303	9,776	10,847	11,070	11,299	11,534
Interest and investment revenue	1,238	7,085	11,083	8,918	5,313	4,806	4,823	5,014	4,777	4,882	5,113	5,298	5,490
Other Income	6,736	6,392	6,915	6,946	6,976	7,151	7,329	7,505	7,678	7,855	8,043	8,244	8,450
Net gain from the disposal of assets	960	167		392	595	622	433	420	351	467	734	524	590
<b>Total income from continuing operations</b>	<b>408,057</b>	<b>425,443</b>	<b>441,728</b>	<b>464,029</b>	<b>466,306</b>	<b>479,804</b>	<b>502,851</b>	<b>514,223</b>	<b>527,770</b>	<b>542,027</b>	<b>558,119</b>	<b>572,812</b>	<b>590,317</b>
<b>Expenses from continuing operations</b>													
Employee benefits and on-costs	134,560	146,153	159,331	171,870	176,191	180,109	183,972	189,714	195,635	201,740	208,037	214,532	221,229
Materials and services	142,766	157,273	163,471	180,278	188,787	188,064	195,615	199,042	203,533	207,196	214,204	219,615	224,400
Borrowing costs	2,624	2,738	2,689	2,605	2,942	2,879	2,830	2,464	2,428	2,433	2,206	2,170	1,939
Depreciation, amortisation and impairment for non-financial assets	45,508	46,821	48,975	53,208	55,102	58,443	59,066	60,855	62,183	63,341	65,112	66,919	67,749
Other expenses	20,969	20,765	22,569	21,752	21,917	23,045	24,250	25,526	26,878	28,326	29,892	31,586	33,402
Net loss from the disposal of assets	-	-	545	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>346,427</b>	<b>373,750</b>	<b>397,580</b>	<b>429,713</b>	<b>444,940</b>	<b>452,539</b>	<b>465,733</b>	<b>477,602</b>	<b>490,657</b>	<b>503,037</b>	<b>519,451</b>	<b>534,821</b>	<b>548,718</b>
<b>Operating result - Surplus / (Deficit)</b>	<b>61,630</b>	<b>51,693</b>	<b>44,148</b>	<b>34,317</b>	<b>21,366</b>	<b>27,264</b>	<b>37,118</b>	<b>36,621</b>	<b>37,113</b>	<b>38,991</b>	<b>38,668</b>	<b>37,991</b>	<b>41,599</b>
<b>Operating result before grants and contributions provided for capital purposes</b>	<b>17,678</b>	<b>17,776</b>	<b>14,930</b>	<b>(5,278)</b>	<b>(4,023)</b>	<b>11,489</b>	<b>26,149</b>	<b>26,318</b>	<b>27,338</b>	<b>28,144</b>	<b>27,598</b>	<b>26,692</b>	<b>30,065</b>



Option 2: Maintain service  
Balance sheet

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>ASSETS</b>													
<b>Current assets</b>													
Cash and cash equivalents	6,697	6,605	17,541	8,975	10,849	11,672	12,447	13,140	13,942	14,614	15,313	16,366	17,171
Investments	150,625	175,623	182,096	156,764	130,830	127,768	130,637	140,376	136,489	144,123	151,353	156,959	162,772
Receivables	24,791	20,844	25,958	22,591	23,476	24,432	25,446	26,006	26,555	27,142	27,747	28,386	29,060
Inventories	397	372	392	405	416	427	437	448	458	469	480	492	504
Prepayments	2,975	3,364	4,984	5,143	5,293	5,425	5,561	5,694	5,825	5,959	6,102	6,255	6,411
<b>Total current assets</b>	<b>185,485</b>	<b>206,808</b>	<b>230,971</b>	<b>193,877</b>	<b>170,865</b>	<b>169,724</b>	<b>174,528</b>	<b>185,664</b>	<b>183,269</b>	<b>192,306</b>	<b>200,994</b>	<b>208,458</b>	<b>215,918</b>
<b>Non-Current Assets</b>													
Investments	760	678	577	435	293	148	4	0	-	-	-	-	-
Receivables	1,007	1,012	952	999	1,097	1,200	1,309	1,348	1,388	1,430	1,473	1,519	1,567
Infrastructure, property, plant and equipment	5,218,499	5,413,807	5,643,257	5,853,717	6,021,874	6,166,924	6,314,520	6,461,196	6,622,637	6,773,896	6,939,107	7,109,120	7,290,558
Investment property	6,155	6,320	6,565	6,810	7,055	7,300	7,545	7,790	8,035	8,280	8,525	8,770	9,015
Right of use assets	9,110	7,811	6,544	3,947	3,947	2,686	1,424	163	108	54	0	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>5,235,531</b>	<b>5,429,628</b>	<b>5,657,895</b>	<b>5,865,908</b>	<b>6,034,265</b>	<b>6,178,257</b>	<b>6,324,802</b>	<b>6,470,497</b>	<b>6,632,169</b>	<b>6,783,660</b>	<b>6,949,105</b>	<b>7,119,409</b>	<b>7,301,140</b>
<b>Total assets</b>	<b>5,421,016</b>	<b>5,636,436</b>	<b>5,888,866</b>	<b>6,059,785</b>	<b>6,205,130</b>	<b>6,347,981</b>	<b>6,499,329</b>	<b>6,656,161</b>	<b>6,815,439</b>	<b>6,975,967</b>	<b>7,150,099</b>	<b>7,327,866</b>	<b>7,517,058</b>

Option 2: Maintain service  
Balance sheet (continued)

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Payables	45,393	47,806	55,607	56,813	57,847	58,916	60,022	60,958	61,896	62,857	63,870	64,940	66,043
Contract Liabilities	24,206	27,619	20,102	5,035	5,838	5,328	5,489	5,649	5,813	5,982	6,157	6,342	6,533
Lease Liabilities	1,238	1,241	1,279	1,307	1,347	1,388	1,430	63	66	70	-	-	-
Borrowings	4,770	3,340	2,178	2,596	1,594	1,684	1,782	1,513	1,591	1,673	2,227	1,500	1,572
Employee benefit provisions	35,553	34,754	35,901	38,015	39,006	40,218	41,468	42,756	44,085	45,456	46,869	48,327	49,830
Provisions	759	1,060	1,193	1,264	1,466	8,041	1,426	1,471	6,335	1,599	6,480	4,834	1,803
<b>Total current liabilities</b>	<b>111,919</b>	<b>115,820</b>	<b>116,260</b>	<b>105,030</b>	<b>107,098</b>	<b>115,575</b>	<b>111,617</b>	<b>112,410</b>	<b>119,786</b>	<b>117,637</b>	<b>125,603</b>	<b>125,942</b>	<b>125,780</b>
<b>Non-current liabilities</b>													
Payables	150	100	50	-	-	-	-	-	-	-	-	-	-
Contract Liabilities	7,466	8,239	10,053	9,593	5,796	5,705	5,614	5,523	5,432	5,342	5,251	5,160	5,069
Lease Liabilities	8,237	6,996	5,717	4,365	3,018	1,630	200	137	70	-	-	-	-
Borrowings	12,538	9,185	6,984	15,134	13,540	11,856	10,074	8,561	6,971	5,298	3,071	1,572	0
Employee benefit provisions	761	1,843	2,001	2,120	2,175	2,243	2,313	2,386	2,460	2,537	2,616	2,698	2,782
Provisions	43,404	45,094	45,433	43,447	45,263	40,661	42,806	44,730	41,924	43,995	41,097	39,985	41,816
<b>Total non-current liabilities</b>	<b>72,556</b>	<b>71,457</b>	<b>70,238</b>	<b>74,659</b>	<b>69,792</b>	<b>62,095</b>	<b>61,007</b>	<b>61,337</b>	<b>56,857</b>	<b>57,171</b>	<b>52,035</b>	<b>49,415</b>	<b>49,668</b>
<b>Total liabilities</b>	<b>184,475</b>	<b>187,277</b>	<b>186,498</b>	<b>179,689</b>	<b>176,890</b>	<b>177,671</b>	<b>172,624</b>	<b>173,747</b>	<b>176,644</b>	<b>174,808</b>	<b>177,638</b>	<b>175,356</b>	<b>175,447</b>
<b>Net assets</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,028,240</b>	<b>6,170,310</b>	<b>6,326,705</b>	<b>6,482,414</b>	<b>6,638,795</b>	<b>6,801,159</b>	<b>6,972,460</b>	<b>7,152,510</b>	<b>7,341,611</b>
<b>EQUITY</b>													
Accumulated Surplus	4,928,924	4,980,559	5,024,590	5,058,787	5,080,030	5,107,169	5,144,157	5,180,647	5,217,625	5,256,477	5,295,003	5,332,848	5,374,298
IPP&E Revaluation Surplus	307,617	468,600	677,778	821,310	948,210	1,063,141	1,182,548	1,301,767	1,421,171	1,544,682	1,677,457	1,819,661	1,967,313
<b>Total equity</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,028,240</b>	<b>6,170,310</b>	<b>6,326,705</b>	<b>6,482,414</b>	<b>6,638,795</b>	<b>6,801,159</b>	<b>6,972,460</b>	<b>7,152,510</b>	<b>7,341,611</b>

## Option 2: Maintain service Cashflow statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from operating activities</b>													
<b>Receipts:</b>													
Rates and annual charges	226,388	234,281	245,463	258,950	281,509	302,852	326,526	336,995	347,003	357,274	368,000	379,388	391,386
User charges and fees	84,398	96,268	104,315	108,572	110,503	112,905	115,582	118,100	120,769	123,509	126,373	129,377	132,512
Interest received	1,182	4,873	9,052	8,857	5,235	4,678	4,676	4,944	4,732	4,813	5,043	5,228	5,416
Grants and contributions	56,687	76,799	48,521	46,493	42,327	35,042	32,129	30,608	31,443	32,120	33,758	33,653	35,350
Bonds, deposits and retentions received	7,098	7,741	8,143	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742
Other	45,656	41,346	44,656	46,877	46,547	46,024	47,518	47,663	49,952	49,756	51,071	51,936	53,315
<b>Payments:</b>													
Payments to employees	(137,235)	(145,037)	(156,343)	(167,957)	(174,941)	(178,581)	(182,398)	(188,091)	(193,960)	(200,013)	(206,256)	(212,695)	(219,335)
Payments for materials and services	(158,507)	(176,928)	(182,311)	(209,976)	(211,559)	(210,769)	(225,877)	(222,788)	(229,664)	(237,306)	(239,948)	(250,583)	(254,013)
Borrowing costs	(1,142)	(1,064)	(924)	(696)	(1,084)	(932)	(798)	(656)	(536)	(452)	(364)	(243)	(156)
Bonds, deposits and retentions refunded	(5,466)	(5,571)	(5,867)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)
Other	(28,886)	(22,019)	(21,914)	(20,735)	(21,649)	(22,728)	(23,928)	(25,207)	(26,564)	(28,008)	(29,559)	(31,236)	(33,047)
<b>Net Cash flows from operating activities</b>	<b>90,173</b>	<b>110,689</b>	<b>92,791</b>	<b>70,385</b>	<b>76,888</b>	<b>88,490</b>	<b>93,430</b>	<b>101,567</b>	<b>103,175</b>	<b>101,694</b>	<b>108,118</b>	<b>104,824</b>	<b>111,429</b>

**Option 2: Maintain service  
Cashflow statement (continued)**

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from investing activities</b>													
<b>Receipts:</b>													
Sale of investments	338,038	272,227	269,831	323,300	320,500	301,500	306,100	296,100	306,900	299,000	302,650	303,200	303,480
Proceeds from sale of PPE	3,734	2,167	2,513	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Payments:</b>													
Purchase of investment securities	(352,829)	(297,123)	(276,178)	(297,826)	(294,424)	(298,293)	(308,825)	(305,835)	(303,013)	(306,634)	(309,880)	(308,806)	(309,293)
Payments for PPE	(76,755)	(81,973)	(73,302)	(113,788)	(99,842)	(90,656)	(89,968)	(90,696)	(106,727)	(94,451)	(102,443)	(98,696)	(106,258)
<b>Net Cash flows from investing activities</b>	<b>(87,812)</b>	<b>(104,702)</b>	<b>(77,136)</b>	<b>(86,131)</b>	<b>(70,988)</b>	<b>(84,601)</b>	<b>(89,455)</b>	<b>(97,531)</b>	<b>(100,662)</b>	<b>(99,228)</b>	<b>(105,535)</b>	<b>(101,400)</b>	<b>(108,976)</b>
<b>Cash flows from financing activities</b>													
<b>Receipts:</b>													
Proceeds from borrowings	-	-	2,500	10,450	-	-	-	-	-	-	-	-	-
<b>Payments:</b>													
Repayment of borrowings	(5,018)	(4,783)	(5,863)	(1,882)	(2,596)	(1,594)	(1,684)	(1,782)	(1,513)	(1,591)	(1,673)	(2,227)	(1,500)
Lease liabilities (principal repayments)	(1,269)	(1,238)	(1,241)	(1,269)	(1,307)	(1,347)	(1,388)	(1,430)	(63)	(66)	(70)	-	-
Dividends paid to minority interest	(38)	(58)	(115)	(119)	(122)	(125)	(128)	(131)	(134)	(138)	(141)	(145)	(148)
<b>Net Cash flows from financing activities</b>	<b>(6,325)</b>	<b>(6,079)</b>	<b>(4,719)</b>	<b>7,180</b>	<b>(4,025)</b>	<b>(3,066)</b>	<b>(3,200)</b>	<b>(3,343)</b>	<b>(1,710)</b>	<b>(1,795)</b>	<b>(1,884)</b>	<b>(2,371)</b>	<b>(1,648)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,964)</b>	<b>(92)</b>	<b>10,936</b>	<b>(8,566)</b>	<b>1,875</b>	<b>822</b>	<b>775</b>	<b>693</b>	<b>802</b>	<b>671</b>	<b>699</b>	<b>1,053</b>	<b>805</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>10,661</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,849</b>	<b>11,672</b>	<b>12,447</b>	<b>13,140</b>	<b>13,942</b>	<b>14,614</b>	<b>15,313</b>	<b>16,366</b>
<b>Cash and cash equivalents at end of year</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,849</b>	<b>11,672</b>	<b>12,447</b>	<b>13,140</b>	<b>13,942</b>	<b>14,614</b>	<b>15,313</b>	<b>16,366</b>	<b>17,171</b>
<b>Investments at year end</b>	<b>151,385</b>	<b>176,301</b>	<b>182,673</b>	<b>157,199</b>	<b>131,123</b>	<b>127,916</b>	<b>130,641</b>	<b>140,376</b>	<b>136,489</b>	<b>144,123</b>	<b>151,353</b>	<b>156,959</b>	<b>162,772</b>
<b>Cash, cash equivalents and investments at end of year</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>141,972</b>	<b>139,588</b>	<b>143,088</b>	<b>153,516</b>	<b>150,431</b>	<b>158,737</b>	<b>166,666</b>	<b>173,325</b>	<b>179,943</b>
<b>Net change in cash, cash equivalents and investments</b>		<b>24,824</b>	<b>17,308</b>	<b>(34,040)</b>	<b>(24,201)</b>	<b>(2,385)</b>	<b>3,500</b>	<b>10,428</b>	<b>(3,085)</b>	<b>8,305</b>	<b>7,929</b>	<b>6,659</b>	<b>6,618</b>

**Option 2: Maintain service**

## Cash and investments statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Total Cash and Investments</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>141,972</b>	<b>139,588</b>	<b>143,088</b>	<b>153,516</b>	<b>150,431</b>	<b>158,737</b>	<b>166,666</b>	<b>173,325</b>	<b>179,943</b>
<b>Represented by:</b>													
<b>Externally Restricted</b>													
Developer Contributions	36,457	43,446	47,386	34,422	21,790	19,903	20,957	22,338	20,702	20,481	19,610	19,592	15,175
Unexpended Grants - not tied to liability	566	597	573	0	0	0	0	0	0	0	0	0	0
Domestic Waste Management	3,401	7,626	13,176	15,433	16,873	18,011	20,154	22,531	11,116	13,989	17,135	20,616	24,294
Other externally restricted reserves	722	618	1,130	1,243	1,383	379	495	623	764	919	557	740	938
<b>Total Externally Restricted</b>	<b>41,146</b>	<b>52,286</b>	<b>62,264</b>	<b>51,098</b>	<b>40,046</b>	<b>38,294</b>	<b>41,605</b>	<b>45,492</b>	<b>32,582</b>	<b>35,389</b>	<b>37,303</b>	<b>40,948</b>	<b>40,407</b>
<b>Internally Restricted</b>													
Deposits, Retentions & Bonds	15,380	17,550	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527
Employee Leave Entitlement	7,026	7,111	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580
Kimbriki Landfill Remediation	13,597	15,418	18,207	20,660	22,941	25,120	20,881	23,200	25,640	23,390	25,893	23,695	23,170
Unexpended Grants - tied to liability	28,600	31,960	26,118	10,333	7,356	7,420	7,491	7,566	7,647	7,733	7,826	7,924	8,034
Special variation - future works fund	-	-	-	-	79	297	813	1,607	2,673	3,980	5,479	7,154	9,054
Other	15,582	18,794	17,152	13,289	11,278	8,864	9,469	10,268	11,802	12,459	9,239	9,435	9,088
<b>Total Internally Restricted</b>	<b>80,184</b>	<b>90,833</b>	<b>88,585</b>	<b>71,389</b>	<b>68,761</b>	<b>68,809</b>	<b>65,761</b>	<b>69,748</b>	<b>74,869</b>	<b>74,669</b>	<b>75,544</b>	<b>75,316</b>	<b>76,452</b>
<b>Total Restricted Cash</b>	<b>121,330</b>	<b>143,119</b>	<b>150,849</b>	<b>122,487</b>	<b>108,807</b>	<b>107,103</b>	<b>107,366</b>	<b>115,240</b>	<b>107,452</b>	<b>110,059</b>	<b>112,846</b>	<b>116,264</b>	<b>116,859</b>
<b>Total Unrestricted Cash</b>	<b>36,752</b>	<b>39,787</b>	<b>49,365</b>	<b>43,687</b>	<b>33,165</b>	<b>32,484</b>	<b>35,722</b>	<b>38,276</b>	<b>42,980</b>	<b>48,678</b>	<b>53,819</b>	<b>57,061</b>	<b>63,084</b>
<b>Unrestricted cash breakdown:</b>													
Unrestricted - Northern Beaches	20,549	30,792	42,971	38,991	26,983	25,490	27,750	28,581	31,267	34,548	37,306	38,042	41,237
Unrestricted - Kimbriki	16,203	8,995	6,394	4,695	6,182	6,995	7,972	9,695	11,713	14,130	16,513	19,018	21,848

### Option 2: Maintain service

## Capital budget statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Capital Funding</b>													
Working Capital	7,785	16,118	5,645	6,107	3,038	2,544	2,550	1,557	1,564	1,571	1,578	1,397	1,400
Special Variation	-	-	-	-	6,182	15,090	24,044	25,920	26,026	26,322	26,396	27,398	28,505
Depreciation	22,098	32,322	31,876	33,206	41,581	42,990	43,154	44,545	45,272	45,470	46,727	47,917	48,950
<b>Capital grants and contributions</b>													
Grants and contributions	29,262	20,265	12,791	31,963	18,192	6,548	3,913	1,913	1,913	1,913	1,913	1,913	1,913
<b>Externally restricted reserves</b>													
- Developer contributions	8,038	8,088	14,527	21,943	18,567	11,469	6,503	7,529	10,028	9,636	10,490	9,848	14,413
- Domestic Waste	-	-	-	-	-	-	-	-	14,048	-	-	-	-
- Other	1,797	2,347	1,757	1,965	2,009	3,156	2,037	2,024	2,012	2,000	2,518	1,976	1,964
<b>Internally restricted reserves</b>													
- Merger savings fund	1,893	343	323	209	702	-	-	-	-	-	-	-	-
- Borrowings	-	-	-	9,935	515	-	-	-	-	-	-	-	-
- Other	4,005	1,260	3,817	6,277	6,278	6,012	4,529	4,307	3,688	4,682	8,684	5,345	6,020
<b>Income from sale of assets</b>													
- Plant and equipment	1,995	2,112	2,732	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Total funding</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>99,842</b>	<b>90,656</b>	<b>89,968</b>	<b>90,696</b>	<b>106,727</b>	<b>94,451</b>	<b>102,443</b>	<b>98,696</b>	<b>106,258</b>
<b>Capital Expenditure</b>													
Buildings	21,091	15,413	9,841	26,287	15,735	17,333	12,224	15,062	14,025	12,960	15,970	17,504	16,330
Community Land	-	838	-	2,740	-	-	-	-	-	-	-	-	-
Furniture & Fittings	730	74	65	178	36	36	36	36	36	36	36	36	36
Land Improvements	-	-	4,951	4,474	2,917	2,940	2,964	1,988	2,014	2,039	2,066	2,095	2,123
Library Books	868	685	707	799	752	771	790	809	829	849	870	892	914
Office Equipment	1,995	2,904	2,569	3,122	2,608	2,500	2,563	2,624	2,687	2,752	2,821	2,891	2,963
Open Space / Recreational	9,387	10,501	14,008	16,968	17,302	10,637	10,760	9,774	10,451	12,196	13,716	9,459	10,980
Other Assets	696	163	357	114	702	-	-	-	-	-	-	-	-
Other Structures	3,419	2,302	1,495	6,555	6,174	5,514	7,058	3,902	6,151	6,495	2,913	2,964	3,016
Plant & Equipment	3,545	3,275	6,673	8,264	8,809	8,956	7,809	7,601	20,118	7,478	12,943	8,401	9,105
Road, Bridges & Footpaths	26,574	24,323	23,496	33,980	31,785	26,999	26,998	29,741	30,671	31,216	31,886	34,597	36,475
Stormwater Drainage	5,505	8,485	8,686	8,497	12,001	12,583	15,670	16,795	16,969	16,763	16,746	17,318	21,711
Swimming Pools	345	1,109	620	1,811	1,020	2,388	3,097	2,364	2,777	1,667	2,477	2,540	2,606
Other Kimbriki Assets	2,718	12,785	-	0	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>99,842</b>	<b>90,656</b>	<b>89,968</b>	<b>90,696</b>	<b>106,727</b>	<b>94,451</b>	<b>102,443</b>	<b>98,696</b>	<b>106,258</b>

### Option 2: Maintain service

## Statement of borrowings

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

New borrowings are anticipated over the 10 year period of the Long-Term Financial Plan to fund a major infrastructure project. Spreading these costs over a number of years facilitates inter-generational equity and smooths out long term expenditure peaks and troughs, where financially sustainable.

### Proposed new borrowings

Financial year	Loan amount	Proposed term	Repayment funding source	Purpose of loan
2024/25 (Year 1)	\$10,450,000	10 years	The funding currently utilised to repay existing loans is sufficient to fund the repayment schedule for this loan as several existing loans are coming to the end of their term.	To assist with the construction of the Warriewood Community Centre.

Loans are proposed to be sourced from authorised financial institutions licensed by the Australian Prudential Regulatory Authority (APRA) to carry on banking business (Authorised Deposit Taking Institutions or NSW Treasury Corporation) and secured over rates income.

## Option 2: Maintain service Statement of performance measures

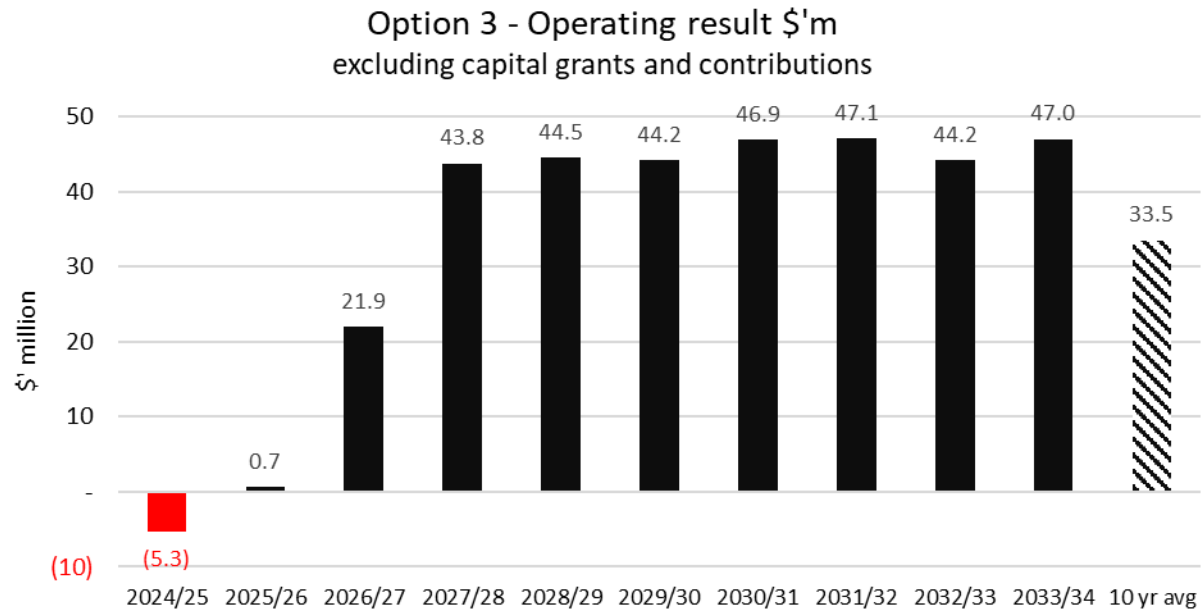
OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	
<b>Budget Performance</b>														
<b>Operating Performance Ratio</b> <i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue.</i>	> 0%	4.5%	4.5%	3.7%	(1.3%)	(1.0%)	2.4%	5.3%	5.2%	5.2%	5.2%	4.9%	4.7%	5.1%
		✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓
<b>Own Source Operating Revenue Ratio</b> <i>measures fiscal flexibility. It is the degree of reliance on external funding sources.</i>	> 60%	82.5%	84.6%	87.4%	86.0%	90.2%	92.6%	93.7%	94.1%	94.1%	94.1%	94.0%	94.2%	94.1%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>														
<b>Unrestricted Current Ratio</b> <i>represents a council's ability to meet short-term obligations as they fall due.</i>	> 1.5x	1.90x	1.92x	2.18x	2.16x	1.93x	1.74x	1.88x	1.98x	1.94x	2.10x	2.00x	2.06x	2.19x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b> <i>expressed as a percentage of total rates and charges available for collection in the financial year.</i>	< 5%	3.6%	3.6%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Cash Expense Cover Ratio</b> <i>liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.</i>	> 3mths	5.6mths	6.1mths	6.4mths	4.8mths	4.0mths	3.9mths	3.9mths	4.1mths	3.9mths	4.0mths	4.1mths	4.1mths	4.2mths
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Liability and Debt Management</b>														
<b>Debt Service Cover Ratio</b> <i>measures the availability of operating cash to service loan repayments.</i>	> 2x	7.3x	7.7x	6.9x	8.8x	7.9x	12.5x	14.9x	15.8x	23.0x	23.0x	24.1x	21.8x	29.0x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



## Option 2: Maintain service Statement of performance measures (continued)

OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	
<b>Asset Management</b>														
<b>Building and Infrastructure Renewals Ratio</b> <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating.</i>	> 100%	112.7%	130.8%	94.6%	95.1%	115.1%	125.8%	139.6%	142.1%	139.1%	135.8%	134.8%	133.0%	133.4%
		✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Infrastructure Backlog Ratio</b> <i>ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.</i>	< 2%	1.53%	1.49%	1.52%	1.58%	1.58%	1.59%	1.59%	1.60%	1.61%	1.61%	1.61%	1.61%	1.61%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Asset Maintenance Ratio</b> <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	> 100%	100.6%	109.7%	98.1%	92.5%	96.9%	98.1%	100.5%	100.1%	100.1%	100.4%	100.3%	100.4%	100.4%
		✓	✓	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓
<b>Cost to bring assets to agreed service level</b> <i>ratio shows what proportion the infrastructure backlog is against the total gross replacement cost of a council's infrastructure.</i>		1.26%	1.22%	1.17%	1.32%	1.32%	1.33%	1.34%	1.36%	1.37%	1.38%	1.39%	1.40%	1.41%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

# 10.3 Option 3: Improve service



### Option 3: Improve service Income statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Income from continuing operations</b>													
Rates and annual charges	225,941	234,424	246,432	259,515	286,940	313,849	344,436	354,787	365,342	376,176	387,483	399,503	412,174
User charges and fees	79,722	91,876	99,931	102,637	104,372	106,638	109,167	111,542	114,064	116,652	119,358	122,201	125,163
Other revenues	22,343	20,086	21,620	20,845	21,037	21,356	21,683	22,001	22,314	22,634	22,975	23,340	23,713
Grants and contributions provided for operating purposes	27,165	31,496	26,529	25,181	20,221	19,663	20,926	20,086	21,440	21,040	22,437	22,104	23,549
Grants and contributions provided for capital purposes	43,952	33,917	29,218	39,594	25,389	15,775	10,969	10,303	9,776	10,847	11,070	11,299	11,534
Interest and investment revenue	1,238	7,085	11,083	8,918	5,489	5,292	5,785	6,304	5,849	6,261	6,807	6,323	5,726
Other income	6,736	6,392	6,915	6,946	6,976	7,151	7,329	7,505	7,678	7,855	8,043	8,244	8,450
Net gain from the disposal of assets	960	167		392	595	622	433	420	351	467	734	524	590
<b>Total income from continuing operations</b>	<b>408,057</b>	<b>425,443</b>	<b>441,728</b>	<b>464,029</b>	<b>471,019</b>	<b>490,346</b>	<b>520,728</b>	<b>532,948</b>	<b>546,814</b>	<b>561,931</b>	<b>578,907</b>	<b>593,538</b>	<b>610,898</b>
<b>Expenses from continuing operations</b>													
Employee benefits and on-costs	134,560	146,153	159,331	171,870	176,191	180,109	183,972	189,714	195,635	201,740	208,037	214,532	221,229
Materials and services	142,766	157,273	163,471	180,278	188,823	188,143	195,747	199,179	204,087	207,947	214,975	219,833	224,618
Borrowing costs	2,624	2,738	2,689	2,605	2,942	2,879	2,830	2,464	2,428	2,433	2,206	2,170	1,939
Depreciation, amortisation and impairment for non-financial assets	45,508	46,821	48,975	53,208	55,102	58,462	59,178	61,231	63,776	63,714	65,618	69,956	71,154
Other expenses	20,969	20,765	22,569	21,752	21,917	23,045	24,250	25,526	26,878	28,326	29,892	31,586	33,402
Net loss from the disposal of assets	-	-	545	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>346,427</b>	<b>373,750</b>	<b>397,580</b>	<b>429,713</b>	<b>444,976</b>	<b>452,637</b>	<b>465,978</b>	<b>478,115</b>	<b>492,803</b>	<b>504,160</b>	<b>520,729</b>	<b>538,076</b>	<b>552,341</b>
<b>Operating result - Surplus / (Deficit)</b>	<b>61,630</b>	<b>51,693</b>	<b>44,148</b>	<b>34,317</b>	<b>26,043</b>	<b>37,709</b>	<b>54,750</b>	<b>54,833</b>	<b>54,010</b>	<b>57,771</b>	<b>58,178</b>	<b>55,462</b>	<b>58,558</b>
<b>Operating result before grants and contributions provided for capital purposes</b>	<b>17,678</b>	<b>17,776</b>	<b>14,930</b>	<b>(5,278)</b>	<b>654</b>	<b>21,934</b>	<b>43,781</b>	<b>44,530</b>	<b>44,235</b>	<b>46,924</b>	<b>47,108</b>	<b>44,163</b>	<b>47,024</b>

### Option 3: Improve service

## Balance sheet

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>ASSETS</b>													
<b>Current assets</b>													
Cash and cash equivalents	6,697	6,605	17,541	8,975	10,849	11,640	12,480	13,207	14,059	14,779	15,437	16,326	17,173
Investments	150,625	175,623	182,096	156,764	135,341	141,758	159,386	180,605	170,759	190,089	208,132	190,645	169,160
Receivables	24,791	20,844	25,958	22,591	23,639	24,803	26,082	26,688	27,250	27,885	28,536	29,159	29,810
Inventories	397	372	392	405	416	427	437	448	458	469	480	492	504
Prepayments	2,975	3,364	4,984	5,143	5,293	5,425	5,561	5,694	5,825	5,959	6,102	6,255	6,411
<b>Total current assets</b>	<b>185,485</b>	<b>206,808</b>	<b>230,971</b>	<b>193,877</b>	<b>175,539</b>	<b>184,053</b>	<b>203,946</b>	<b>226,642</b>	<b>218,351</b>	<b>239,180</b>	<b>258,687</b>	<b>242,876</b>	<b>223,058</b>
<b>Non-Current Assets</b>													
Investments	760	678	577	435	293	148	4	0	-	-	-	-	-
Receivables	1,007	1,012	952	999	1,119	1,250	1,394	1,436	1,479	1,524	1,569	1,618	1,670
Infrastructure, property, plant and equipment	5,218,499	5,413,807	5,643,257	5,853,717	6,021,874	6,167,469	6,316,983	6,469,233	6,653,049	6,810,063	6,982,403	7,193,264	7,420,228
Investment property	6,155	6,320	6,565	6,810	7,055	7,300	7,545	7,790	8,035	8,280	8,525	8,770	9,015
Right of use assets	9,110	7,811	6,544	3,947	3,947	2,686	1,424	163	108	54	0	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>5,235,531</b>	<b>5,429,628</b>	<b>5,657,895</b>	<b>5,865,908</b>	<b>6,034,288</b>	<b>6,178,853</b>	<b>6,327,350</b>	<b>6,478,622</b>	<b>6,662,672</b>	<b>6,819,921</b>	<b>6,992,497</b>	<b>7,203,652</b>	<b>7,430,913</b>
<b>Total assets</b>	<b>5,421,016</b>	<b>5,636,436</b>	<b>5,888,866</b>	<b>6,059,785</b>	<b>6,209,827</b>	<b>6,362,906</b>	<b>6,531,296</b>	<b>6,705,264</b>	<b>6,881,023</b>	<b>7,059,100</b>	<b>7,251,184</b>	<b>7,446,528</b>	<b>7,653,970</b>

**Option 3: Improve service**  
**Balance sheet (continued)**

	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Payables	45,393	47,806	55,607	56,813	57,903	59,038	60,227	61,170	62,114	63,082	64,102	65,179	66,290
Contract Liabilities	24,206	27,619	20,102	5,035	5,838	5,328	5,489	5,649	5,813	5,982	6,157	6,342	6,533
Lease Liabilities	1,238	1,241	1,279	1,307	1,347	1,388	1,430	63	66	70	-	-	-
Borrowings	4,770	3,340	2,178	2,596	1,594	1,684	1,782	1,513	1,591	1,673	2,227	1,500	1,572
Employee benefit provisions	35,553	34,754	35,901	38,015	39,006	40,218	41,468	42,756	44,085	45,456	46,869	48,327	49,830
Provisions	759	1,060	1,193	1,264	1,466	8,041	1,426	1,471	6,335	1,599	6,480	4,834	1,803
<b>Total current liabilities</b>	<b>111,919</b>	<b>115,820</b>	<b>116,260</b>	<b>105,030</b>	<b>107,153</b>	<b>115,698</b>	<b>111,822</b>	<b>112,622</b>	<b>120,004</b>	<b>117,862</b>	<b>125,835</b>	<b>126,181</b>	<b>126,027</b>
<b>Non-current liabilities</b>													
Payables	150	100	50	-	-	-	-	-	-	-	-	-	-
Contract Liabilities	7,466	8,239	10,053	9,593	5,796	5,705	5,614	5,523	5,432	5,342	5,251	5,160	5,069
Lease Liabilities	8,237	6,996	5,717	4,365	3,018	1,630	200	137	70	-	-	-	-
Borrowings	12,538	9,185	6,984	15,134	13,540	11,856	10,074	8,561	6,971	5,298	3,071	1,572	0
Employee benefit provisions	761	1,843	2,001	2,120	2,175	2,243	2,313	2,386	2,460	2,537	2,616	2,698	2,782
Provisions	43,404	45,094	45,433	43,447	45,263	40,661	42,806	44,730	41,924	43,995	41,097	39,985	41,816
<b>Total non-current liabilities</b>	<b>72,556</b>	<b>71,457</b>	<b>70,238</b>	<b>74,659</b>	<b>69,792</b>	<b>62,095</b>	<b>61,007</b>	<b>61,337</b>	<b>56,857</b>	<b>57,171</b>	<b>52,035</b>	<b>49,415</b>	<b>49,668</b>
<b>Total liabilities</b>	<b>184,475</b>	<b>187,277</b>	<b>186,498</b>	<b>179,689</b>	<b>176,945</b>	<b>177,793</b>	<b>172,829</b>	<b>173,959</b>	<b>176,862</b>	<b>175,033</b>	<b>177,870</b>	<b>175,596</b>	<b>175,695</b>
<b>Net assets</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,032,882</b>	<b>6,185,113</b>	<b>6,358,467</b>	<b>6,531,305</b>	<b>6,704,161</b>	<b>6,884,067</b>	<b>7,073,314</b>	<b>7,270,932</b>	<b>7,478,276</b>
<b>EQUITY</b>													
Accumulated Surplus	4,928,924	4,980,559	5,024,590	5,058,787	5,084,707	5,122,290	5,176,911	5,231,612	5,285,487	5,343,119	5,401,156	5,456,472	5,514,881
IPP&E Revaluation Surplus	307,617	468,600	677,778	821,310	948,175	1,062,823	1,181,556	1,299,693	1,418,674	1,540,948	1,672,159	1,814,460	1,963,395
<b>Total equity</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,032,882</b>	<b>6,185,113</b>	<b>6,358,467</b>	<b>6,531,305</b>	<b>6,704,161</b>	<b>6,884,067</b>	<b>7,073,314</b>	<b>7,270,932</b>	<b>7,478,276</b>

### Option 3: Improve service Cashflow statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from operating activities</b>													
<b>Receipts:</b>													
Rates and annual charges	226,388	234,281	245,463	258,950	285,835	312,651	343,121	354,404	364,948	375,770	387,065	399,059	411,701
User charges and fees	84,398	96,268	104,315	108,572	110,503	112,905	115,582	118,100	120,769	123,509	126,373	129,377	132,512
Interest received	1,182	4,873	9,052	8,857	5,373	5,110	5,565	6,209	5,812	6,166	6,713	6,294	5,700
Grants and contributions	56,687	76,799	48,521	46,493	42,327	35,042	32,129	30,608	31,443	32,120	33,758	33,653	35,350
Bonds, deposits and retentions received	7,098	7,741	8,143	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742
Other	45,656	41,346	44,656	46,877	46,550	46,086	47,728	48,251	52,319	50,392	51,848	56,174	58,007
<b>Payments:</b>													
Payments to employees	(137,235)	(145,037)	(156,343)	(167,957)	(174,941)	(178,581)	(182,398)	(188,091)	(193,960)	(200,013)	(206,256)	(212,695)	(219,335)
Payments for materials and services	(158,507)	(176,928)	(182,311)	(209,976)	(211,515)	(211,071)	(226,787)	(224,792)	(233,797)	(240,356)	(243,593)	(256,651)	(259,860)
Borrowing costs	(1,142)	(1,064)	(924)	(696)	(1,084)	(932)	(798)	(656)	(536)	(452)	(364)	(243)	(156)
Bonds, deposits and retentions refunded	(5,466)	(5,571)	(5,867)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)
Other	(28,886)	(22,019)	(21,914)	(20,735)	(21,649)	(22,728)	(23,928)	(25,207)	(26,564)	(28,008)	(29,559)	(31,236)	(33,047)
<b>Net Cash flows from operating activities</b>	<b>90,173</b>	<b>110,689</b>	<b>92,791</b>	<b>70,385</b>	<b>81,399</b>	<b>98,482</b>	<b>110,215</b>	<b>118,827</b>	<b>120,434</b>	<b>119,130</b>	<b>125,986</b>	<b>123,731</b>	<b>130,872</b>

**Option 3: Improve service**  
**Cashflow statement (continued)**

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from investing activities</b>													
<b>Receipts:</b>													
Sale of investments	338,038	272,227	269,831	323,300	320,500	301,500	306,100	296,100	306,900	299,000	302,650	303,200	303,480
Proceeds from sale of PPE	3,734	2,167	2,513	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Payments:</b>													
Purchase of investment securities	(352,829)	(297,123)	(276,178)	(297,826)	(298,935)	(307,772)	(323,584)	(317,315)	(297,054)	(318,330)	(320,693)	(285,713)	(281,995)
Payments for PPE	(76,755)	(81,973)	(73,302)	(113,788)	(99,842)	(91,201)	(91,928)	(96,442)	(129,895)	(100,142)	(109,539)	(140,861)	(152,957)
<b>Net Cash flows from investing activities</b>	<b>(87,812)</b>	<b>(104,702)</b>	<b>(77,136)</b>	<b>(86,131)</b>	<b>(75,499)</b>	<b>(94,626)</b>	<b>(106,174)</b>	<b>(114,757)</b>	<b>(117,872)</b>	<b>(116,615)</b>	<b>(123,444)</b>	<b>(120,471)</b>	<b>(128,377)</b>
<b>Cash flows from financing activities</b>													
<b>Receipts:</b>													
Proceeds from borrowings	-	-	2,500	10,450	-	-	-	-	-	-	-	-	-
<b>Payments:</b>													
Repayment of borrowings	(5,018)	(4,783)	(5,863)	(1,882)	(2,596)	(1,594)	(1,684)	(1,782)	(1,513)	(1,591)	(1,673)	(2,227)	(1,500)
Lease liabilities (principal repayments)	(1,269)	(1,238)	(1,241)	(1,269)	(1,307)	(1,347)	(1,388)	(1,430)	(63)	(66)	(70)	-	-
Dividends paid to minority interest	(38)	(58)	(115)	(119)	(122)	(125)	(128)	(131)	(134)	(138)	(141)	(145)	(148)
<b>Net Cash flows from financing activities</b>	<b>(6,325)</b>	<b>(6,079)</b>	<b>(4,719)</b>	<b>7,180</b>	<b>(4,025)</b>	<b>(3,066)</b>	<b>(3,200)</b>	<b>(3,343)</b>	<b>(1,710)</b>	<b>(1,795)</b>	<b>(1,884)</b>	<b>(2,371)</b>	<b>(1,648)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,964)</b>	<b>(92)</b>	<b>10,936</b>	<b>(8,566)</b>	<b>1,875</b>	<b>790</b>	<b>841</b>	<b>727</b>	<b>852</b>	<b>720</b>	<b>659</b>	<b>888</b>	<b>847</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>10,661</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,849</b>	<b>11,640</b>	<b>12,480</b>	<b>13,207</b>	<b>14,059</b>	<b>14,779</b>	<b>15,437</b>	<b>16,326</b>
<b>Cash and cash equivalents at end of year</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,849</b>	<b>11,640</b>	<b>12,480</b>	<b>13,207</b>	<b>14,059</b>	<b>14,779</b>	<b>15,437</b>	<b>16,326</b>	<b>17,173</b>
<b>Investments at year end</b>	<b>151,385</b>	<b>176,301</b>	<b>182,673</b>	<b>157,199</b>	<b>135,634</b>	<b>141,906</b>	<b>159,390</b>	<b>180,605</b>	<b>170,759</b>	<b>190,089</b>	<b>208,132</b>	<b>190,645</b>	<b>169,160</b>
<b>Cash, cash equivalents and investments at end of year</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>146,483</b>	<b>153,546</b>	<b>171,870</b>	<b>193,812</b>	<b>184,818</b>	<b>204,868</b>	<b>223,569</b>	<b>206,971</b>	<b>186,332</b>
<b>Net change in cash, cash equivalents and investments</b>		<b>24,824</b>	<b>17,308</b>	<b>(34,040)</b>	<b>(19,690)</b>	<b>7,062</b>	<b>18,325</b>	<b>21,942</b>	<b>(8,994)</b>	<b>20,050</b>	<b>18,702</b>	<b>(16,599)</b>	<b>(20,638)</b>

### Option 3: Improve service Cash and investments statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Total Cash and Investments</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>146,483</b>	<b>153,546</b>	<b>171,870</b>	<b>193,812</b>	<b>184,818</b>	<b>204,868</b>	<b>223,569</b>	<b>206,971</b>	<b>186,332</b>
<b>Represented by:</b>													
<b>Externally restricted</b>													
Developer Contributions	36,457	43,446	47,386	34,422	21,790	19,903	20,957	22,338	20,702	20,481	19,610	19,592	15,175
Unexpended Grants - not tied to liability	566	597	573	0	0	0	0	0	0	0	0	0	0
Domestic Waste Management	3,401	7,626	13,176	15,433	16,873	18,011	20,154	22,531	11,116	13,989	17,135	20,616	24,294
Other externally restricted reserves	722	618	1,130	1,243	1,383	379	495	623	764	919	557	740	938
<b>Total Externally restricted</b>	<b>41,146</b>	<b>52,286</b>	<b>62,264</b>	<b>51,098</b>	<b>40,046</b>	<b>38,294</b>	<b>41,605</b>	<b>45,492</b>	<b>32,582</b>	<b>35,389</b>	<b>37,303</b>	<b>40,948</b>	<b>40,407</b>
<b>Internally restricted</b>													
Deposits, Retentions & Bonds	15,380	17,550	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527
Employee Leave Entitlement	7,026	7,111	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580
Kimbriki Landfill Remediation	13,597	15,418	18,207	20,660	22,941	25,120	20,881	23,200	25,640	23,390	25,893	23,695	23,170
Unexpended Grants - tied to liability	28,600	31,960	26,118	10,333	7,356	7,420	7,491	7,566	7,647	7,733	7,826	7,924	8,034
Special variation - future works fund	-	-	-	-	4,591	14,255	29,596	41,903	37,059	50,111	62,382	40,800	15,443
Other	15,582	18,794	17,152	13,289	11,278	8,864	9,469	10,268	11,802	12,459	9,239	9,435	9,088
<b>Total Internally restricted</b>	<b>80,184</b>	<b>90,833</b>	<b>88,585</b>	<b>71,389</b>	<b>73,272</b>	<b>82,768</b>	<b>94,543</b>	<b>110,044</b>	<b>109,256</b>	<b>120,800</b>	<b>132,447</b>	<b>108,962</b>	<b>82,841</b>
<b>Total restricted cash</b>	<b>121,330</b>	<b>143,119</b>	<b>150,849</b>	<b>122,487</b>	<b>113,318</b>	<b>121,061</b>	<b>136,149</b>	<b>155,536</b>	<b>141,838</b>	<b>156,190</b>	<b>169,750</b>	<b>149,910</b>	<b>123,248</b>
<b>Total unrestricted cash</b>	<b>36,752</b>	<b>39,787</b>	<b>49,365</b>	<b>43,687</b>	<b>33,165</b>	<b>32,484</b>	<b>35,722</b>	<b>38,276</b>	<b>42,980</b>	<b>48,678</b>	<b>53,819</b>	<b>57,061</b>	<b>63,084</b>
<b>Unrestricted cash breakdown:</b>													
Unrestricted - Northern Beaches	20,549	30,792	42,971	38,991	26,983	25,490	27,750	28,581	31,267	34,548	37,306	38,042	41,237
Unrestricted - Kimbriki	16,203	8,995	6,394	4,695	6,182	6,995	7,972	9,695	11,713	14,130	16,513	19,018	21,848



### Option 3: Improve service Capital budget statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Capital Funding</b>													
Working Capital	7,785	16,118	5,645	6,107	3,038	2,544	2,550	1,557	1,564	1,571	1,578	1,397	1,400
Special Variation	-	-	-	-	6,182	15,635	26,004	31,666	49,194	32,013	33,491	69,562	75,204
Depreciation	22,098	32,322	31,876	33,206	41,581	42,990	43,154	44,545	45,272	45,470	46,727	47,917	48,950
<b>Capital grants and contributions</b>													
Grants and contributions	29,262	20,265	12,791	31,963	18,192	6,548	3,913	1,913	1,913	1,913	1,913	1,913	1,913
<b>Externally restricted reserves</b>													
- Developer contributions	8,038	8,088	14,527	21,943	18,567	11,469	6,503	7,529	10,028	9,636	10,490	9,848	14,413
- Domestic Waste	-	-	-	-	-	-	-	-	14,048	-	-	-	-
- Other	1,797	2,347	1,757	1,965	2,009	3,156	2,037	2,024	2,012	2,000	2,518	1,976	1,964
<b>Internally restricted reserves</b>													
- Merger savings fund	1,893	343	323	209	702	-	-	-	-	-	-	-	-
- Borrowings	-	-	-	9,935	515	-	-	-	-	-	-	-	-
- Other	4,005	1,260	3,817	6,277	6,278	6,012	4,529	4,307	3,688	4,682	8,684	5,345	6,020
<b>Income from sale of assets</b>													
- Plant and equipment	1,995	2,112	2,732	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Total funding</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>99,842</b>	<b>91,201</b>	<b>91,928</b>	<b>96,442</b>	<b>129,895</b>	<b>100,142</b>	<b>109,539</b>	<b>140,861</b>	<b>152,957</b>
<b>Capital Expenditure</b>													
Buildings	21,091	15,413	9,841	26,287	15,735	17,333	13,344	19,658	35,248	14,171	18,459	55,893	55,794
Community Land	-	838	-	2,740	-	-	-	-	-	-	-	-	-
Furniture & Fittings	730	74	65	178	36	36	36	36	36	36	36	36	36
Land Improvements	-	-	4,951	4,474	2,917	2,940	2,964	1,988	2,014	2,039	2,066	2,095	2,123
Library Books	868	685	707	799	752	771	790	809	829	849	870	892	914
Office Equipment	1,995	2,904	2,569	3,122	2,608	2,500	2,563	2,624	2,687	2,752	2,821	2,891	2,963
Open Space / Recreational	9,387	10,501	14,008	16,968	17,302	11,182	11,600	10,923	12,396	16,676	18,322	13,234	18,215
Other Assets	696	163	357	114	702	-	-	-	-	-	-	-	-
Other Structures	3,419	2,302	1,495	6,555	6,174	5,514	7,058	3,902	6,151	6,495	2,913	2,964	3,016
Plant & Equipment	3,545	3,275	6,673	8,264	8,809	8,956	7,809	7,601	20,118	7,478	12,943	8,401	9,105
Road, Bridges & Footpaths	26,574	24,323	23,496	33,980	31,785	26,999	26,998	29,741	30,671	31,216	31,886	34,597	36,475
Stormwater Drainage	5,505	8,485	8,686	8,497	12,001	12,583	15,670	16,795	16,969	16,763	16,746	17,318	21,711
Swimming Pools	345	1,109	620	1,811	1,020	2,388	3,097	2,364	2,777	1,667	2,477	2,540	2,606
Other Kimbriki Assets	2,718	12,785	-	0	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>99,842</b>	<b>91,201</b>	<b>91,928</b>	<b>96,442</b>	<b>129,895</b>	<b>100,142</b>	<b>109,539</b>	<b>140,861</b>	<b>152,957</b>

### Option 3: Improve service

## Statement of borrowings

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

New borrowings are anticipated over the 10 year period of the Long-Term Financial Plan to fund a major infrastructure project. Spreading these costs over a number of years facilitates inter-generational equity and smooths out long term expenditure peaks and troughs, where financially sustainable.

### Proposed new borrowings

Financial year	Loan amount	Proposed term	Repayment funding source	Purpose of loan
2024/25 (Year 1)	\$10,450,000	10 years	The funding currently utilised to repay existing loans is sufficient to fund the repayment schedule for this loan as several existing loans are coming to the end of their term.	To assist with the construction of the Warriewood Community Centre.

Loans are proposed to be sourced from authorised financial institutions licensed by the Australian Prudential Regulatory Authority (APRA) to carry on banking business (Authorised Deposit Taking Institutions or NSW Treasury Corporation) and secured over rates income.

### Option 3: Improve service

## Statement of performance measures

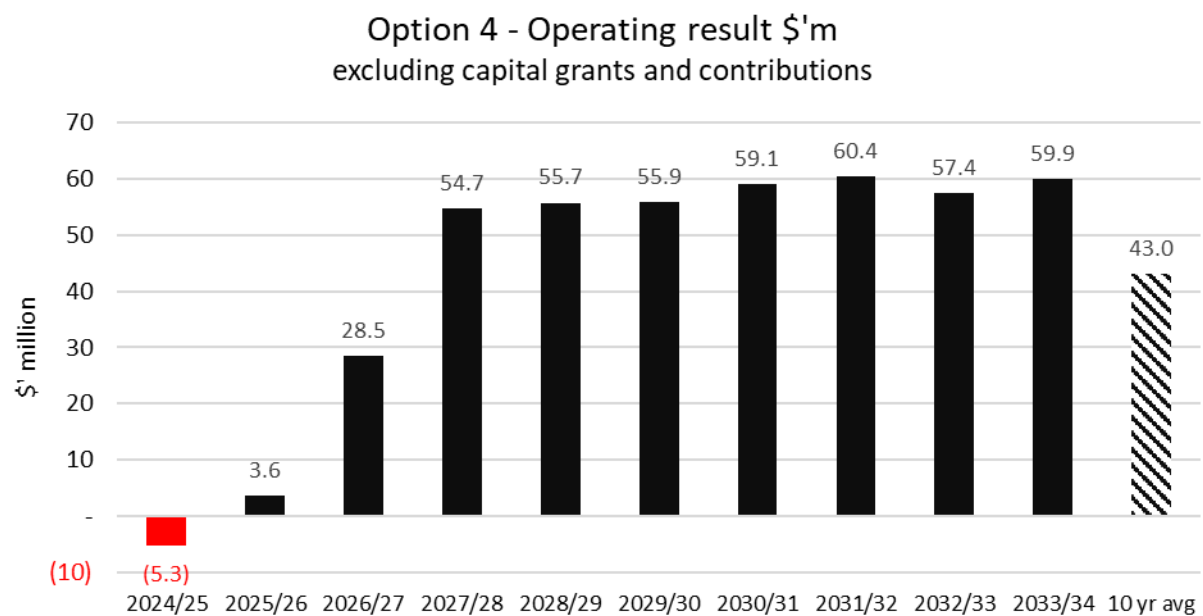
OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	
<b>Budget Performance</b>														
<b>Operating Performance Ratio</b> <i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue.</i>	> 0%	4.5%	4.5%	3.7%	(1.3%)	0.0%	4.5%	8.5%	8.5%	8.2%	8.5%	8.2%	7.5%	7.8%
		✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Own Source Operating Revenue Ratio</b> <i>measures fiscal flexibility. It is the degree of reliance on external funding sources.</i>	> 60%	82.5%	84.6%	87.4%	86.0%	90.3%	92.8%	93.9%	94.3%	94.3%	94.3%	94.2%	94.4%	94.3%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>														
<b>Unrestricted Current Ratio</b> <i>represents a council's ability to meet short-term obligations as they fall due.</i>	> 1.5x	1.90x	1.92x	2.18x	2.16x	2.00x	1.93x	2.29x	2.55x	2.39x	2.73x	2.70x	2.48x	2.27x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b> <i>expressed as a percentage of total rates and charges available for collection in the financial year.</i>	< 5%	3.6%	3.6%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Cash Expense Cover Ratio</b> <i>liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.</i>	> 3mths	5.6mths	6.1mths	6.4mths	4.8mths	4.2mths	4.3mths	4.6mths	5.2mths	4.8mths	5.1mths	5.5mths	4.9mths	4.3mths
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Liability and Debt Management</b>														
<b>Debt Service Cover Ratio</b> <i>measures the availability of operating cash to service loan repayments.</i>	> 2x	7.3x	7.7x	6.9x	8.8x	8.6x	14.3x	17.9x	19.1x	27.6x	27.7x	29.1x	26.5x	35.0x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### Option 3: Improve service

## Statement of performance measures (continued)

	OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34
<b>Asset Management</b>														
<b>Building and Infrastructure Renewals Ratio</b>	> 100%	112.7%	130.8%	94.6%	95.1%	115.1%	127.0%	143.5%	153.0%	180.2%	145.9%	146.8%	199.3%	204.4%
<i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating.</i>		✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Infrastructure Backlog Ratio</b>	< 2%	1.53%	1.49%	1.52%	1.58%	1.58%	1.58%	1.59%	1.59%	1.59%	1.59%	1.59%	1.58%	1.56%
<i>ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Asset Maintenance Ratio</b>	> 100%	100.6%	109.7%	98.1%	92.5%	96.9%	98.1%	100.5%	100.1%	100.1%	100.4%	100.3%	100.4%	100.4%
<i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>		✓	✓	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓
<b>Cost to bring assets to agreed service level</b>		1.26%	1.22%	1.17%	1.32%	1.32%	1.33%	1.34%	1.36%	1.37%	1.38%	1.39%	1.39%	1.39%
<i>ratio shows what proportion the infrastructure backlog is against the total gross replacement cost of a council's infrastructure.</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

# 10.4 Option 4: Increase service



## Option 4: Increase service Income statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Income from continuing operations</b>													
Rates and annual charges	225,941	234,424	246,432	259,515	290,293	321,415	356,955	367,691	378,643	389,887	401,616	414,085	427,233
User charges and fees	79,722	91,876	99,931	102,637	104,372	106,638	109,167	111,542	114,064	116,652	119,358	122,201	125,163
Other revenues	22,343	20,086	21,620	20,845	21,038	21,357	21,684	22,003	22,316	22,636	22,977	23,342	23,715
Grants and contributions provided for operating purposes	27,165	31,496	26,529	25,181	20,221	19,663	20,926	20,086	21,440	21,040	22,437	22,104	23,549
Grants and contributions provided for capital purposes	43,952	33,917	29,218	39,594	25,389	15,775	10,969	10,303	9,776	10,847	11,070	11,299	11,534
Interest and investment revenue	1,238	7,085	11,083	8,918	5,523	5,357	5,965	6,526	6,157	6,602	7,399	6,984	6,206
Other income	6,736	6,392	6,915	6,946	6,976	7,151	7,329	7,505	7,678	7,855	8,043	8,244	8,450
Net gain from the disposal of assets	960	167		392	595	622	433	420	351	467	734	524	590
<b>Total income from continuing operations</b>	<b>408,057</b>	<b>425,443</b>	<b>441,728</b>	<b>464,029</b>	<b>474,407</b>	<b>497,978</b>	<b>533,428</b>	<b>546,076</b>	<b>560,425</b>	<b>575,985</b>	<b>593,634</b>	<b>608,782</b>	<b>626,440</b>
<b>Expenses from continuing operations</b>													
Employee benefits and on-costs	134,560	146,153	159,331	171,870	176,191	180,109	183,972	189,714	195,635	201,740	208,037	214,532	221,229
Materials and services	142,766	157,273	163,471	180,278	189,086	188,688	196,602	200,056	204,987	208,872	215,926	220,811	225,624
Borrowing costs	2,624	2,738	2,689	2,605	2,942	2,879	2,830	2,464	2,428	2,433	2,206	2,170	1,939
Depreciation, amortisation and impairment for non-financial assets	45,508	46,821	48,975	53,208	55,287	58,950	60,090	62,312	64,809	64,657	66,120	70,940	72,819
Other expenses	20,969	20,765	22,569	21,752	21,917	23,045	24,250	25,526	26,878	28,326	29,892	31,586	33,402
Net loss from the disposal of assets	-	-	545	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>346,427</b>	<b>373,750</b>	<b>397,580</b>	<b>429,713</b>	<b>445,424</b>	<b>453,670</b>	<b>467,745</b>	<b>480,073</b>	<b>494,737</b>	<b>506,028</b>	<b>522,182</b>	<b>540,038</b>	<b>555,012</b>
<b>Operating result - Surplus / (Deficit)</b>	<b>61,630</b>	<b>51,693</b>	<b>44,148</b>	<b>34,317</b>	<b>28,984</b>	<b>44,308</b>	<b>65,684</b>	<b>66,004</b>	<b>65,688</b>	<b>69,957</b>	<b>71,453</b>	<b>68,744</b>	<b>71,429</b>
<b>Operating result before grants and contributions provided for capital purposes</b>	<b>17,678</b>	<b>17,776</b>	<b>14,930</b>	<b>(5,278)</b>	<b>3,595</b>	<b>28,532</b>	<b>54,715</b>	<b>55,700</b>	<b>55,913</b>	<b>59,110</b>	<b>60,383</b>	<b>57,444</b>	<b>59,895</b>

## Option 4: Increase service Balance sheet

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>ASSETS</b>													
<b>Current assets</b>													
Cash and cash equivalents	6,697	6,605	17,541	8,975	10,849	11,655	12,413	13,130	13,931	14,617	15,321	16,286	17,009
Investments	150,625	175,623	182,096	156,764	136,061	143,161	164,036	186,734	179,923	200,697	227,354	212,169	184,445
Receivables	24,791	20,844	25,958	22,591	23,755	25,065	26,521	27,148	27,733	28,390	29,077	29,725	30,386
Inventories	397	372	392	405	416	427	437	448	458	469	480	492	504
Prepayments	2,975	3,364	4,984	5,143	5,293	5,425	5,561	5,694	5,825	5,959	6,102	6,255	6,411
<b>Total current assets</b>	<b>185,485</b>	<b>206,808</b>	<b>230,971</b>	<b>193,877</b>	<b>176,374</b>	<b>185,732</b>	<b>208,968</b>	<b>233,153</b>	<b>227,871</b>	<b>250,131</b>	<b>278,333</b>	<b>264,927</b>	<b>238,755</b>
<b>Non-Current Assets</b>													
Investments	760	678	577	435	293	148	4	0	-	-	-	-	-
Receivables	1,007	1,012	952	999	1,136	1,289	1,458	1,501	1,546	1,593	1,641	1,691	1,745
Infrastructure, property, plant and equipment	5,218,499	5,413,807	5,643,257	5,853,717	6,024,142	6,175,774	6,333,099	6,495,060	6,687,406	6,855,003	7,031,339	7,252,617	7,498,814
Investment property	6,155	6,320	6,565	6,810	7,055	7,300	7,545	7,790	8,035	8,280	8,525	8,770	9,015
Right of use assets	9,110	7,811	6,544	3,947	3,947	2,686	1,424	163	108	54	0	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>5,235,531</b>	<b>5,429,628</b>	<b>5,657,895</b>	<b>5,865,908</b>	<b>6,036,573</b>	<b>6,187,196</b>	<b>6,343,529</b>	<b>6,504,514</b>	<b>6,697,096</b>	<b>6,864,930</b>	<b>7,041,505</b>	<b>7,263,078</b>	<b>7,509,574</b>
<b>Total assets</b>	<b>5,421,016</b>	<b>5,636,436</b>	<b>5,888,866</b>	<b>6,059,785</b>	<b>6,212,947</b>	<b>6,372,929</b>	<b>6,552,497</b>	<b>6,737,667</b>	<b>6,924,967</b>	<b>7,115,061</b>	<b>7,319,838</b>	<b>7,528,005</b>	<b>7,748,329</b>

Option 4: Increase service  
Balance sheet (continued)

	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>LIABILITIES</b>													
<b>Current liabilities</b>													
Payables	45,393	47,806	55,607	56,813	57,943	59,130	60,379	61,327	62,275	63,249	64,274	65,357	66,473
Contract Liabilities	24,206	27,619	20,102	5,035	5,838	5,328	5,489	5,649	5,813	5,982	6,157	6,342	6,533
Lease Liabilities	1,238	1,241	1,279	1,307	1,347	1,388	1,430	63	66	70	-	-	-
Borrowings	4,770	3,340	2,178	2,596	1,594	1,684	1,782	1,513	1,591	1,673	2,227	1,500	1,572
Employee benefit provisions	35,553	34,754	35,901	38,015	39,006	40,218	41,468	42,756	44,085	45,456	46,869	48,327	49,830
Provisions	759	1,060	1,193	1,264	1,466	8,041	1,426	1,471	6,335	1,599	6,480	4,834	1,803
<b>Total current liabilities</b>	<b>111,919</b>	<b>115,820</b>	<b>116,260</b>	<b>105,030</b>	<b>107,194</b>	<b>115,789</b>	<b>111,974</b>	<b>112,779</b>	<b>120,166</b>	<b>118,029</b>	<b>126,007</b>	<b>126,358</b>	<b>126,210</b>
<b>Non-current liabilities</b>													
Payables	150	100	50	-	-	-	-	-	-	-	-	-	-
Contract Liabilities	7,466	8,239	10,053	9,593	5,796	5,705	5,614	5,523	5,432	5,342	5,251	5,160	5,069
Lease Liabilities	8,237	6,996	5,717	4,365	3,018	1,630	200	137	70	-	-	-	-
Borrowings	12,538	9,185	6,984	15,134	13,540	11,856	10,074	8,561	6,971	5,298	3,071	1,572	0
Employee benefit provisions	761	1,843	2,001	2,120	2,175	2,243	2,313	2,386	2,460	2,537	2,616	2,698	2,782
Provisions	43,404	45,094	45,433	43,447	45,263	40,661	42,806	44,730	41,924	43,995	41,097	39,985	41,816
<b>Total non-current liabilities</b>	<b>72,556</b>	<b>71,457</b>	<b>70,238</b>	<b>74,659</b>	<b>69,792</b>	<b>62,095</b>	<b>61,007</b>	<b>61,337</b>	<b>56,857</b>	<b>57,171</b>	<b>52,035</b>	<b>49,415</b>	<b>49,668</b>
<b>Total liabilities</b>	<b>184,475</b>	<b>187,277</b>	<b>186,498</b>	<b>179,689</b>	<b>176,986</b>	<b>177,885</b>	<b>172,981</b>	<b>174,115</b>	<b>177,023</b>	<b>175,200</b>	<b>178,042</b>	<b>175,773</b>	<b>175,878</b>
<b>Net assets</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,035,962</b>	<b>6,195,044</b>	<b>6,379,516</b>	<b>6,563,551</b>	<b>6,747,944</b>	<b>6,939,861</b>	<b>7,141,796</b>	<b>7,352,232</b>	<b>7,572,451</b>
<b>EQUITY</b>													
Accumulated Surplus	4,928,924	4,980,559	5,024,590	5,058,787	5,087,647	5,131,829	5,197,384	5,263,256	5,328,809	5,398,627	5,469,938	5,538,536	5,609,816
IPP&E Revaluation Surplus	307,617	468,600	677,778	821,310	948,314	1,063,215	1,182,132	1,300,296	1,419,135	1,541,234	1,671,858	1,813,696	1,962,636
<b>Total equity</b>	<b>5,236,541</b>	<b>5,449,159</b>	<b>5,702,368</b>	<b>5,880,097</b>	<b>6,035,962</b>	<b>6,195,044</b>	<b>6,379,516</b>	<b>6,563,551</b>	<b>6,747,944</b>	<b>6,939,861</b>	<b>7,141,796</b>	<b>7,352,232</b>	<b>7,572,451</b>



## Option 4: Increase service Cashflow statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from operating activities</b>													
<b>Receipts:</b>													
Rates and annual charges	226,388	234,281	245,463	258,950	289,033	320,022	355,411	367,291	378,231	389,463	401,179	413,620	426,738
User charges and fees	84,398	96,268	104,315	108,572	110,503	112,905	115,582	118,100	120,769	123,509	126,373	129,377	132,512
Interest received	1,182	4,873	9,052	8,857	5,384	5,146	5,706	6,426	6,112	6,503	7,286	6,947	6,189
Grants and contributions	56,687	76,799	48,521	46,493	42,327	35,042	32,129	30,608	31,443	32,120	33,758	33,653	35,350
Bonds, deposits and retentions received	7,098	7,741	8,143	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742
Other	45,656	41,346	44,656	46,877	46,811	46,765	48,642	49,362	53,305	51,562	52,330	57,321	60,067
<b>Payments:</b>													
Payments to employees	(137,235)	(145,037)	(156,343)	(167,957)	(174,941)	(178,581)	(182,398)	(188,091)	(193,960)	(200,013)	(206,256)	(212,695)	(219,335)
Payments for materials and services	(158,507)	(176,928)	(182,311)	(209,976)	(211,887)	(212,151)	(228,568)	(227,195)	(236,303)	(243,247)	(246,119)	(260,013)	(264,079)
Borrowing costs	(1,142)	(1,064)	(924)	(696)	(1,084)	(932)	(798)	(656)	(536)	(452)	(364)	(243)	(156)
Bonds, deposits and retentions refunded	(5,466)	(5,571)	(5,867)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)	(7,742)
Other	(28,886)	(22,019)	(21,914)	(20,735)	(21,649)	(22,728)	(23,928)	(25,207)	(26,564)	(28,008)	(29,559)	(31,236)	(33,047)
<b>Net Cash flows from operating activities</b>	<b>90,173</b>	<b>110,689</b>	<b>92,791</b>	<b>70,385</b>	<b>84,497</b>	<b>105,488</b>	<b>121,780</b>	<b>130,638</b>	<b>132,498</b>	<b>131,438</b>	<b>138,629</b>	<b>136,731</b>	<b>144,241</b>

Option 4: Increase service  
Cashflow statement (continued)

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Cash flows from investing activities</b>													
<b>Receipts:</b>													
Sale of investments	338,038	272,227	269,831	323,300	320,500	301,500	306,100	296,100	306,900	299,000	302,650	303,200	303,480
Proceeds from sale of PPE	3,734	2,167	2,513	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Payments:</b>													
Purchase of investment securities	(352,829)	(297,123)	(276,178)	(297,826)	(299,655)	(308,455)	(326,831)	(318,794)	(300,089)	(319,774)	(329,307)	(288,015)	(275,756)
Payments for PPE	(76,755)	(81,973)	(73,302)	(113,788)	(102,220)	(97,509)	(100,329)	(106,785)	(138,974)	(111,040)	(113,522)	(151,482)	(172,689)
<b>Net Cash flows from investing activities</b>	<b>(87,812)</b>	<b>(104,702)</b>	<b>(77,136)</b>	<b>(86,131)</b>	<b>(78,597)</b>	<b>(101,616)</b>	<b>(117,822)</b>	<b>(126,578)</b>	<b>(129,985)</b>	<b>(128,957)</b>	<b>(136,041)</b>	<b>(133,394)</b>	<b>(141,870)</b>
<b>Cash flows from financing activities</b>													
<b>Receipts:</b>													
Proceeds from borrowings	-	-	2,500	10,450	-	-	-	-	-	-	-	-	-
<b>Payments:</b>													
Repayment of borrowings	(5,018)	(4,783)	(5,863)	(1,882)	(2,596)	(1,594)	(1,684)	(1,782)	(1,513)	(1,591)	(1,673)	(2,227)	(1,500)
Lease liabilities (principal repayments)	(1,269)	(1,238)	(1,241)	(1,269)	(1,307)	(1,347)	(1,388)	(1,430)	(63)	(66)	(70)	-	-
Dividends paid to minority interest	(38)	(58)	(115)	(119)	(122)	(125)	(128)	(131)	(134)	(138)	(141)	(145)	(148)
<b>Net Cash flows from financing activities</b>	<b>(6,325)</b>	<b>(6,079)</b>	<b>(4,719)</b>	<b>7,180</b>	<b>(4,025)</b>	<b>(3,066)</b>	<b>(3,200)</b>	<b>(3,343)</b>	<b>(1,710)</b>	<b>(1,795)</b>	<b>(1,884)</b>	<b>(2,371)</b>	<b>(1,648)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,964)</b>	<b>(92)</b>	<b>10,936</b>	<b>(8,566)</b>	<b>1,875</b>	<b>806</b>	<b>758</b>	<b>717</b>	<b>802</b>	<b>686</b>	<b>704</b>	<b>965</b>	<b>723</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>10,661</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,849</b>	<b>11,655</b>	<b>12,413</b>	<b>13,130</b>	<b>13,931</b>	<b>14,617</b>	<b>15,321</b>	<b>16,286</b>
<b>Cash and cash equivalents at end of year</b>	<b>6,697</b>	<b>6,605</b>	<b>17,541</b>	<b>8,975</b>	<b>10,849</b>	<b>11,655</b>	<b>12,413</b>	<b>13,130</b>	<b>13,931</b>	<b>14,617</b>	<b>15,321</b>	<b>16,286</b>	<b>17,009</b>
<b>Investments at year end</b>	<b>151,385</b>	<b>176,301</b>	<b>182,673</b>	<b>157,199</b>	<b>136,354</b>	<b>143,309</b>	<b>164,040</b>	<b>186,734</b>	<b>179,923</b>	<b>200,697</b>	<b>227,354</b>	<b>212,169</b>	<b>184,445</b>
<b>Cash, cash equivalents and investments at end of year</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>147,203</b>	<b>154,964</b>	<b>176,453</b>	<b>199,864</b>	<b>193,854</b>	<b>215,314</b>	<b>242,675</b>	<b>228,455</b>	<b>201,454</b>
<b>Net change in cash, cash equivalents and investments</b>		<b>24,824</b>	<b>17,308</b>	<b>(34,040)</b>	<b>(18,970)</b>	<b>7,761</b>	<b>21,489</b>	<b>23,411</b>	<b>(6,009)</b>	<b>21,460</b>	<b>27,361</b>	<b>(14,220)</b>	<b>(27,001)</b>

## Option 4: Increase service Cash and investments statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Total Cash and Investments</b>	<b>158,082</b>	<b>182,906</b>	<b>200,214</b>	<b>166,174</b>	<b>147,203</b>	<b>154,964</b>	<b>176,453</b>	<b>199,864</b>	<b>193,854</b>	<b>215,314</b>	<b>242,675</b>	<b>228,455</b>	<b>201,454</b>
<b>Represented by:</b>													
<b>Externally restricted</b>													
Developer Contributions	36,457	43,446	47,386	34,422	21,790	19,903	20,957	22,338	20,702	20,481	19,610	19,592	15,175
Unexpended Grants - not tied to liability	566	597	573	0	0	0	0	0	0	0	0	0	0
Domestic Waste Management	3,401	7,626	13,176	15,433	16,873	18,011	20,154	22,531	11,116	13,989	17,135	20,616	24,294
Other externally restricted reserves	722	618	1,130	1,243	1,383	379	495	623	764	919	557	740	938
<b>Total Externally restricted</b>	<b>41,146</b>	<b>52,286</b>	<b>62,264</b>	<b>51,098</b>	<b>40,046</b>	<b>38,294</b>	<b>41,605</b>	<b>45,492</b>	<b>32,582</b>	<b>35,389</b>	<b>37,303</b>	<b>40,948</b>	<b>40,407</b>
<b>Internally restricted</b>													
Deposits, Retentions & Bonds	15,380	17,550	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527	19,527
Employee Leave Entitlement	7,026	7,111	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580	7,580
Kimbriki Landfill Remediation	13,597	15,418	18,207	20,660	22,941	25,120	20,881	23,200	25,640	23,390	25,893	23,695	23,170
Unexpended Grants - tied to liability	28,600	31,960	26,118	10,333	7,356	7,420	7,491	7,566	7,647	7,733	7,826	7,924	8,034
Special variation - future works fund	-	-	-	-	5,310	15,674	34,178	47,955	46,096	60,558	81,488	62,285	30,564
Other	15,582	18,794	17,152	13,289	11,278	8,864	9,469	10,268	11,802	12,459	9,239	9,435	9,088
<b>Total Internally restricted</b>	<b>80,184</b>	<b>90,833</b>	<b>88,585</b>	<b>71,389</b>	<b>73,992</b>	<b>84,186</b>	<b>99,126</b>	<b>116,096</b>	<b>118,292</b>	<b>131,247</b>	<b>151,553</b>	<b>130,446</b>	<b>97,963</b>
<b>Total restricted cash</b>	<b>121,330</b>	<b>143,119</b>	<b>150,849</b>	<b>122,487</b>	<b>114,038</b>	<b>122,480</b>	<b>140,731</b>	<b>161,587</b>	<b>150,875</b>	<b>166,636</b>	<b>188,856</b>	<b>171,394</b>	<b>138,369</b>
<b>Total unrestricted cash</b>	<b>36,752</b>	<b>39,787</b>	<b>49,365</b>	<b>43,687</b>	<b>33,165</b>	<b>32,484</b>	<b>35,722</b>	<b>38,276</b>	<b>42,980</b>	<b>48,678</b>	<b>53,819</b>	<b>57,061</b>	<b>63,084</b>
<b>Unrestricted cash breakdown:</b>													
Unrestricted - Northern Beaches	20,549	30,792	42,971	38,991	26,983	25,490	27,750	28,581	31,267	34,548	37,306	38,042	41,237
Unrestricted - Kimbriki	16,203	8,995	6,394	4,695	6,182	6,995	7,972	9,695	11,713	14,130	16,513	19,018	21,848

## Option 4: Increase service Capital budget statement

	Result 2021/22 \$ '000	Result 2022/23 \$ '000	Result 2023/24 \$ '000	Forecast 2024/25 \$ '000	Year 2 2025/26 \$ '000	Year 3 2026/27 \$ '000	Year 4 2027/28 \$ '000	Year 5 2028/29 \$ '000	Year 6 2029/30 \$ '000	Year 7 2030/31 \$ '000	Year 8 2031/32 \$ '000	Year 9 2032/33 \$ '000	Year 10 2033/34 \$ '000
<b>Capital Funding</b>													
Working Capital	7,785	16,118	5,645	6,107	3,038	2,544	2,550	1,557	1,564	1,571	1,578	1,397	1,400
Special Variation	-	-	-	-	8,561	21,942	34,404	42,009	58,273	42,911	37,474	80,183	94,936
Depreciation	22,098	32,322	31,876	33,206	41,581	42,990	43,154	44,545	45,272	45,470	46,727	47,917	48,950
<b>Capital grants and contributions</b>													
Grants and contributions	29,262	20,265	12,791	31,963	18,192	6,548	3,913	1,913	1,913	1,913	1,913	1,913	1,913
<b>Externally restricted reserves</b>													
- Developer contributions	8,038	8,088	14,527	21,943	18,567	11,469	6,503	7,529	10,028	9,636	10,490	9,848	14,413
- Domestic Waste	-	-	-	-	-	-	-	-	14,048	-	-	-	-
- Other	1,797	2,347	1,757	1,965	2,009	3,156	2,037	2,024	2,012	2,000	2,518	1,976	1,964
<b>Internally restricted reserves</b>													
- Merger savings fund	1,893	343	323	209	702	-	-	-	-	-	-	-	-
- Borrowings	-	-	-	9,935	515	-	-	-	-	-	-	-	-
- Other	4,005	1,260	3,817	6,277	6,278	6,012	4,529	4,307	3,688	4,682	8,684	5,345	6,020
<b>Income from sale of assets</b>													
- Plant and equipment	1,995	2,112	2,732	2,183	2,778	2,847	3,238	2,900	2,177	2,857	4,138	2,902	3,095
<b>Total funding</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>102,220</b>	<b>97,509</b>	<b>100,329</b>	<b>106,785</b>	<b>138,974</b>	<b>111,040</b>	<b>113,522</b>	<b>151,482</b>	<b>172,689</b>
<b>Capital Expenditure</b>													
Buildings	21,091	15,413	9,841	26,287	17,586	22,557	16,704	24,830	39,021	23,252	20,575	64,595	73,552
Community Land	-	838	-	2,740	-	-	-	-	-	-	-	-	-
Furniture & Fittings	730	74	65	178	36	36	36	36	36	36	36	36	36
Land Improvements	-	-	4,951	4,474	2,917	2,940	2,964	1,988	2,014	2,039	2,066	2,095	2,123
Library Books	868	685	707	799	752	771	790	809	829	849	870	892	914
Office Equipment	1,995	2,904	2,569	3,122	2,608	2,500	2,563	2,624	2,687	2,752	2,821	2,891	2,963
Open Space / Recreational	9,387	10,501	14,008	16,968	17,302	11,182	11,600	10,923	12,396	16,676	18,322	13,234	18,215
Other Assets	696	163	357	114	702	-	-	-	-	-	-	-	-
Other Structures	3,419	2,302	1,495	6,555	6,174	5,514	7,058	3,902	6,151	6,495	2,913	2,964	3,016
Plant & Equipment	3,545	3,275	6,673	8,264	8,809	8,956	7,809	7,601	20,118	7,478	12,943	8,401	9,105
Road, Bridges & Footpaths	26,574	24,323	23,496	33,980	32,161	27,773	31,557	34,418	35,470	32,512	33,218	35,967	37,883
Stormwater Drainage	5,505	8,485	8,686	8,497	12,152	12,893	16,152	17,290	17,476	17,284	17,282	17,868	22,277
Swimming Pools	345	1,109	620	1,811	1,020	2,388	3,097	2,364	2,777	1,667	2,477	2,540	2,606
Other Kimbriki Assets	2,718	12,785	-	0	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>76,872</b>	<b>82,856</b>	<b>73,468</b>	<b>113,788</b>	<b>102,220</b>	<b>97,509</b>	<b>100,329</b>	<b>106,785</b>	<b>138,974</b>	<b>111,040</b>	<b>113,522</b>	<b>151,482</b>	<b>172,689</b>

## Option 4: Increase service

### Statement of borrowings

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

New borrowings are anticipated over the 10 year period of the Long-Term Financial Plan to fund a major infrastructure project. Spreading these costs over a number of years facilitates inter-generational equity and smooths out long term expenditure peaks and troughs, where financially sustainable.

#### Proposed new borrowings

Financial year	Loan amount	Proposed term	Repayment funding source	Purpose of loan
2024/25 (Year 1)	\$10,450,000	10 years	The funding currently utilised to repay existing loans is sufficient to fund the repayment schedule for this loan as several existing loans are coming to the end of their term.	To assist with the construction of the Warriewood Community Centre.

Loans are proposed to be sourced from authorised financial institutions licensed by the Australian Prudential Regulatory Authority (APRA) to carry on banking business (Authorised Deposit Taking Institutions or NSW Treasury Corporation) and secured over rates income.

## Option 4: Increase service Statement of performance measures

OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	
<b>Budget Performance</b>														
<b>Operating Performance Ratio</b> <i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue.</i>	> 0%	4.5%	4.5%	3.7%	(1.3%)	0.7%	5.8%	10.4%	10.3%	10.1%	10.4%	10.3%	9.6%	9.7%
		✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Own Source Operating Revenue Ratio</b> <i>measures fiscal flexibility. It is the degree of reliance on external funding sources.</i>	> 60%	82.5%	84.6%	87.4%	86.0%	90.4%	92.9%	94.0%	94.4%	94.4%	94.5%	94.3%	94.5%	94.4%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>														
<b>Unrestricted Current Ratio</b> <i>represents a council's ability to meet short-term obligations as they fall due.</i>	> 1.5x	1.90x	1.92x	2.18x	2.16x	2.01x	1.95x	2.35x	2.63x	2.51x	2.87x	2.93x	2.74x	2.46x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b> <i>expressed as a percentage of total rates and charges available for collection in the financial year.</i>	< 5%	3.6%	3.6%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Cash Expense Cover Ratio</b> <i>liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow.</i>	> 3mths	5.6mths	6.1mths	6.4mths	4.8mths	4.2mths	4.4mths	4.7mths	5.3mths	5.0mths	5.4mths	5.9mths	5.3mths	4.6mths
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Liability and Debt Management</b>														
<b>Debt Service Cover Ratio</b> <i>measures the availability of operating cash to service loan repayments.</i>	> 2x	7.3x	7.7x	6.9x	8.8x	9.0x	15.5x	19.9x	21.2x	30.8x	30.9x	32.6x	29.7x	39.2x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Option 4: Increase service  
Statement of performance measures (continued)

OLG Benchmark	Result 2021/22	Result 2022/23	Result 2023/24	Forecast 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4 2027/28	Year 5 2028/29	Year 6 2029/30	Year 7 2030/31	Year 8 2031/32	Year 9 2032/33	Year 10 2033/34	
<b>Asset Management</b>														
<b>Building and Infrastructure Renewals Ratio</b> <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating.</i>	> 100%	112.7%	130.8%	94.6%	95.1%	120.4%	139.8%	158.6%	170.7%	194.0%	164.1%	152.9%	214.1%	231.2%
		✓	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Infrastructure Backlog Ratio</b> <i>ratio shows what proportion the infrastructure backlog is against the total net carrying amount of a council's infrastructure.</i>	< 2%	1.53%	1.49%	1.52%	1.58%	1.58%	1.58%	1.58%	1.57%	1.58%	1.58%	1.58%	1.56%	1.54%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Asset Maintenance Ratio</b> <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	> 100%	100.6%	109.7%	98.1%	92.5%	96.9%	98.1%	100.5%	100.1%	100.1%	100.4%	100.3%	100.4%	100.4%
		✓	✓	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓	✓
<b>Cost to bring assets to agreed service level</b> <i>ratio shows what proportion the infrastructure backlog is against the total gross replacement cost of a council's infrastructure.</i>		1.26%	1.22%	1.17%	1.32%	1.32%	1.33%	1.34%	1.36%	1.37%	1.38%	1.39%	1.39%	1.39%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## 11. Performance monitoring

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

Indicator	Measure	Definition	Benchmarks
Operating Performance Ratio	Measures a council's ability to contain operating expenditure within operating revenue.	Operating revenue (excluding capital grants and contributions less operating expenses)/Operating revenue (excluding capital grants and contributions)	> 0% <sup>10</sup>
Own Source Operating Revenue Ratio	Measures the level of a council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.	Total operating revenue (inclusive of capital grants and contributions) / Total operating revenue	> 60%
Unrestricted Current Ratio	This ratio is specific to local government and is designed to assess the adequacy of working capital and the ability to satisfy obligations in the short term for unrestricted activities of council.	Current assets less all external restrictions/current liabilities less specific purpose liabilities	> 1.5x
Rates and Annual Charges Outstanding Percentage	To assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.	Rates, Annual and Extra Charges Outstanding / Rates, Annual and Extra Charges Collectible	< 5.0%

<sup>10</sup> While the OLG's benchmark for the Operating Performance Ratio is 0%, Northern Beaches Council requires a stronger ratio within a range of 4% to 6% to ensure adequate funds are available to respond to natural disasters, unexpected shocks, failure of infrastructure, unexpected cost shifting from other levels of government, and to set aside funding for future needs including the remediation of the Kimbriki landfill site. The Northern Beaches area is particularly vulnerable to natural hazards including bush fire, flooding, landslip, coastal erosion and storms. Additional funding above this level provides the capacity to invest in improvements to community infrastructure.



Indicator	Measure	Definition	Benchmarks
Cash Expense Cover Ratio	This liquidity ratio indicates the number of months a council can continue to pay for its immediate expenses without additional cash inflow.	Current year's cash and cash equivalents/Payments from cashflow of operating and financing activities multiplied by 12	> 3 months
Debt Service Cover Ratio	The availability of operating cash to service debt including interest, principal and lease payments.	Operating Result before capital grants excluding interest and depreciation / Principal Repayments (from the Statement of Cash Flows + Borrowing Interest Costs (from the Income Statement)	> 2x
Building and Infrastructure Renewals Ratio	Compares the proportion spent on infrastructure asset renewals and the assets deterioration.	Asset renewals/Depreciation of building and infrastructure assets	> 100%
Infrastructure Backlog Ratio	This ratio shows what proportion the backlog is against total value of a council's infrastructure.	Estimated cost to bring assets to a satisfactory condition/total infrastructure assets (carrying value)	< 2%
Asset Maintenance Ratio	Compares actual versus required annual asset maintenance.	Actual maintenance / Required asset maintenance	> 100%
Cost to Bring Assets to Agreed Service Level	This ratio shows what proportion the backlog is against total replacement value of a council's infrastructure.	Estimated cost to bring assets to a satisfactory condition/total infrastructure assets (replacement cost)	N/A