



**MIDCOAST**  
council

# LONG TERM FINANCIAL PLAN

**2025-2035**





### **Acknowledgement of Country**

We acknowledge the traditional custodians of the land on which we work and live, the Gathang-speaking people and pay our respects to all Aboriginal and Torres Strait Islander people who now reside in the MidCoast Council area. We extend our respect to Elders past and present, and to all future cultural-knowledge holders.

## Table of Contents

<b>INTRODUCTION</b>	<b>6</b>
Integrated Planning and Reporting.....	6
Our Region .....	8
Councillor Priorities .....	11
<b>IMPROVING COUNCIL'S FINANCIAL SUSTAINABILITY</b>	<b>12</b>
Measuring Financial Sustainability .....	13
Current Financial Position of Council .....	15
<b>ASSET MANAGEMENT</b>	<b>19</b>
Asset Management Strategy .....	19
Asset Financial Modelling and Assumptions .....	21
<b>SCENARIOS AND ASSUMPTIONS</b>	<b>22</b>
Current Situation .....	22
2025/2026 General Fund Base Case Scenario .....	22
Revenue Assumptions .....	23
Expenditure Assumptions .....	24
2025/2026 Water Fund Base Case Scenario .....	25
2025/2026 Sewer Fund Base Case Scenario .....	25
Infrastructure Renewal & Maintenance Shortfall Scenario .....	25
<b>MODELLING RESULTS</b>	<b>28</b>
Scenarios by Fund .....	28
Consolidated Fund Result.....	28
General Fund Base Case Scenario.....	28
Water Fund Base Case Scenario.....	28
Sewer Fund Base Case Scenario .....	29
General Fund - Infrastructure Renewal & Maintenance Shortfall Scenario .....	29
Sensitivity Analysis .....	30
<b>ANNEXURES</b>	<b>31</b>
2024-2025 Consolidated Budget – 10 Year Financial Projections .....	31

Income Statement.....	31
Balance Sheet .....	32
Cash Flow Statement.....	33
Financial Performance Indicators.....	34
2024-2025 General Fund Budget – 10 Year Financial Projections .....	35
Income Statement.....	35
Balance Sheet .....	36
Cash Flow Statement.....	37
Financial Performance Indicators.....	38
2024-2025 Water Fund Budget – 10 Year Financial Projections .....	39
Income Statement.....	39
Balance Sheet .....	40
Cash Flow Statement.....	41
Financial Performance Indicators.....	42
2024-2025 Sewer Fund Budget – 10 Year Financial Projections .....	43
Income Statement.....	43
Balance Sheet .....	44
Cash Flow Statement.....	45
Financial Performance Indicators.....	46
2024-2025 General Fund Budget – Infrastructure Renewal & Maintenance Shortfall Scenario - 10 Year Financial Projections .....	47
Income Statement.....	47
Balance Sheet .....	48
Cash Flow Statement.....	49
Financial Performance Indicators.....	50
Financial Sustainability Review Action Plan .....	51

<b>Version</b>	<b>Purpose of Document</b>	<b>Reviewed by</b>	<b>Date</b>
1	Draft LTFP - Endorsed for Public Exhibition	Council	30 April 2025
2	Final LTFP - Adopted by Council	Council	30 June 2025

# Introduction

## Integrated Planning and Reporting

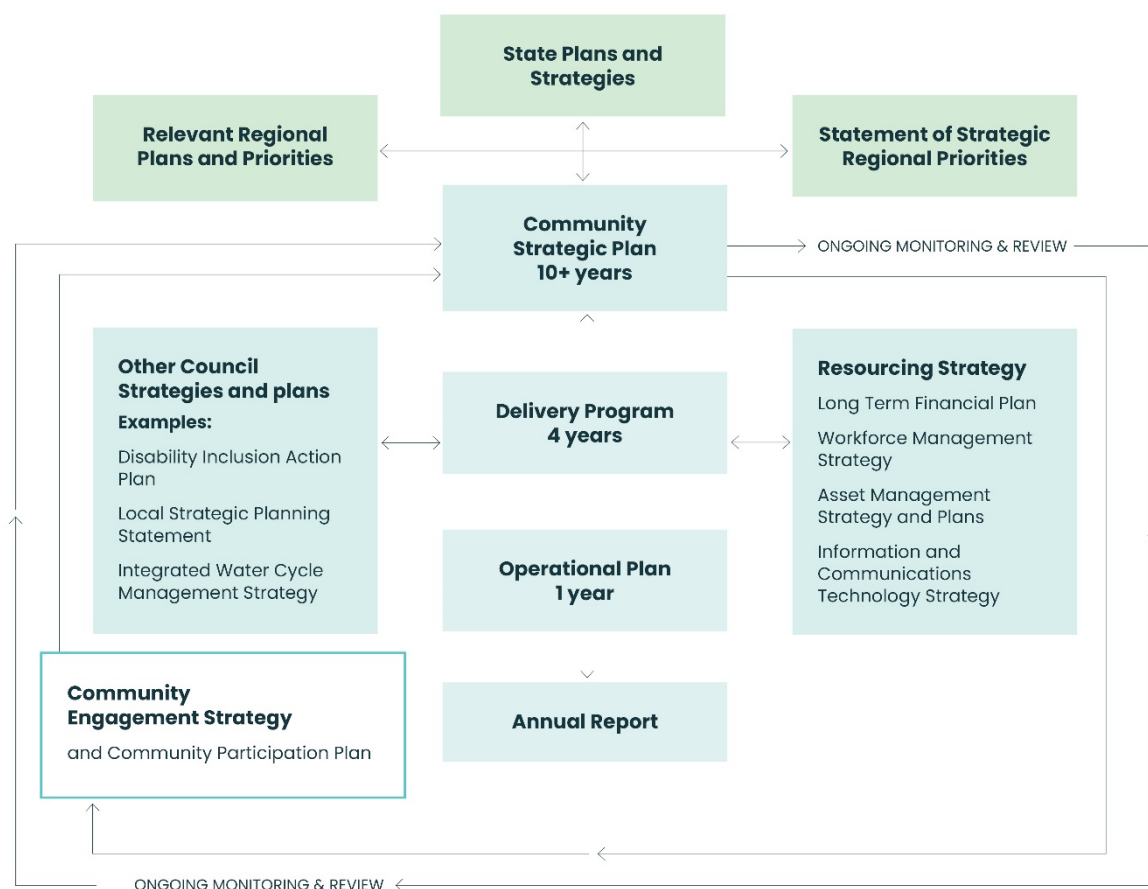
The Integrated Planning and Reporting Framework requires every NSW council to undertake strategic planning that is based on community engagement and ensures that its activities are informed by long term plans for their finances, assets and workforce.

The Integrated Planning and Reporting Framework is designed so that the Council and community both have a clear picture of:

1. Where we want to go (Community Strategic Plan);
2. How we plan to get there (Delivery Program, Operational Plan and Resourcing Strategy, including the Long-Term Financial Plan); and
3. How we will measure our progress (quarterly, six-monthly and annual reporting and the State of the Council Report).

The planning and reporting process ensures that the Council's planning is aligned with the community's vision for the future, and that the planning process and the implementation of the Delivery Program is transparent, and those charged with its delivery held accountable.

The Framework is diagrammatically represented below:



The Long-Term Financial Plan (LTFP) is an important part of the Council's strategic planning process. The LTFP is where the Council projects the financial implications of delivering the community's visions for the future; and the aspirations and goals of the community are tested against financial realities. It outlines the pressures and economic drivers behind the Council's expected long-term future. Expected growth rates are aligned with community expectations of service delivery and community projects and the social outcomes outlined in the Community Strategic Plan (CSP).

Council will seek to answer the following questions with the LTFP:

- Can we survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- What efficiencies are we aiming for?
- How can we achieve the anticipated outcomes?

When developing the LTFP, consideration is given to:

- Planning assumptions used to develop the plan;
- Projected income and expenditure, balance sheet and cash flow statements;
- Sensitivity analysis (factors/assumptions most likely to affect the plan);
- Financial modelling for different scenarios; and
- Methods of monitoring financial performance.

The LTFP must be for a minimum of 10 years and is updated annually as part of the development of the Operational Plan. The LTFP is also reviewed in detail as part of the four-yearly review of the Delivery Program.

The objectives of the LTFP are to:

- Provide a transparent account of Council's financial position to the community;
- Analyse the cumulative financial effects of Council's high level plans and policies;
- Identify the financial opportunities and challenges confronting Council;
- Provide a basis for sound and strategic decision making;
- Achieve a balanced budget over the long term, and
- Meet the requirements of the Office of Local Government's (OLG) Integrated Planning and Reporting Framework

This is the third major review of the Long-Term Financial Plan developed by Mid-Coast Council and covers a 10-year timeframe commencing in the 2025-26 financial year.



## Our Region

**Located on the mid north coast of NSW, the MidCoast Local Government Area (LGA) is around 3 hours' drive north of Sydney and 1.5 hours north of Newcastle via the Pacific Highway.**

The geographical area of the LGA covers more than 10,000 km<sup>2</sup> and extends from the coastline, west to the escarpment of the Great Dividing Range. It is one of the largest Local Government Areas by land mass in NSW.

The Gathang-speaking people are the traditional owners of the land.

The region is well known for its natural beauty with its sparkling beaches on the coast to mountains in the hinterland, and expansive national parks and green spaces in between. It includes the Manning River valley, the Wallis, Smiths and Myall Lakes systems, the northern foreshore of Port Stephens, the agricultural hinterland and rugged, forested ranges of the Woko and Tapin Tops National Parks, and the World Heritage-listed Barrington Tops National Park.

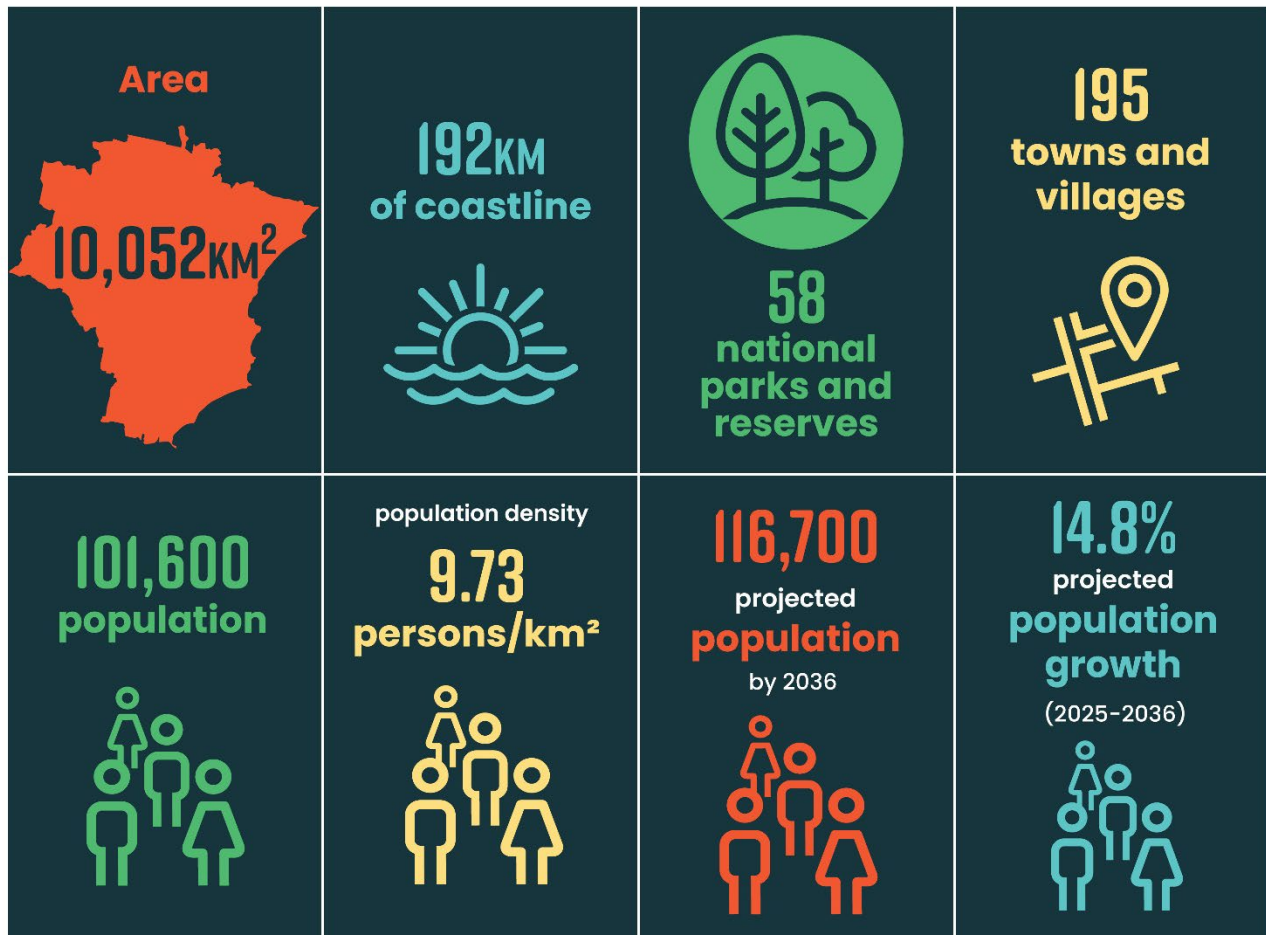




These natural features contribute to our lifestyles, livelihoods and wellbeing, and protecting and celebrating them is an important focus for our future.

The MidCoast is home to an estimated population of 101,600 in 2025 located across 195 towns and villages each with their own character and offering our diverse community a wide range of lifestyle opportunities.

We expect the population to grow with an additional 15,100 residents between 2025 and 2036, representing a forecasted population growth of just under 15% for that period.



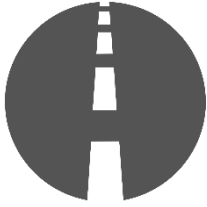
Our community	MidCoast	NSW
Median Age	54	39
Aboriginal & Torres Strait Islanders	7.3%	3.4%
People aged 65+	33.2%	17.7%
People aged 18-24	5.3%	8.4%
Households with children	28%	71.1%
Born overseas	10.1%	29.3%
Speak a language other than English at home	3.2%	22.3%
People with a bachelor or higher degree	18.2%	38.4%
People with a vocational qualification (Cert I-IV)	31.7%	19.4%
People who need daily help due to living with disability	9.0%	5.8%
People with 3 or more long-term health conditions	6.2%	3.0%

Our housing	MidCoast	NSW
Number of occupied private dwellings	39,654 (83.7%)	2,900,468 (90.6%)
Single detached dwelling	82.3%	65.6%
Average number of bedrooms per dwelling	3.1	3.1
Average number of people per household	2.2	2.6
Family households (not single or group)	66.4%	71.2%
Owned outright	48.1%	31.5%
Owned with a mortgage	23.9%	32.5%
Renting	22.5%	32.6%

Our economy	MidCoast	NSW
Economic output	\$5,143m	\$787,390m
Gross Regional Product as a % of NSW (2022-23)	0.65%	N/A
Number of registered businesses (2024)	7,536	-
Employment in top 2 industries - Healthcare & Social Assistance, Construction (2022-23)	33.4%	-
Unemployment rate	3.8%	4.1%
People aged 15-64 in the labour force (Sep 2024)	43.9%	58.7%
Weekly median income for individuals aged 15 and over	\$564	\$813

## Councillor Priorities

As part of preparing the 2025-2029 Delivery Program, our Councillors identified three key priorities for the four years from 2025-2029:



### Priority 1 – Improving the Road Network

Supports *MidCoast 2035* Strategy:

- PI-5 Provide a safe, reliable and well-maintained road and broader transport network with options for active and shared travel.



### Priority 2 – Improving Council's Financial Sustainability

Supports *MidCoast 2035* Strategy:

- L-4 Deliver services to the community with a focus on customer service, efficiency, continuous improvement and long-term financial health.



### Priority 3 – Improving the Customer Experience

Supports *MidCoast 2035* Strategy:

- L-4 Deliver services to the community with a focus on customer service, efficiency, continuous improvement and long-term financial health.

# Improving Council's Financial Sustainability

MidCoast Council aims to be financially sustainable. This is a key priority of the Councilors for the 4-year term that commenced in September 2024.

Long-term financial sustainability underpins all decision making and strategic planning for MidCoast Council with a focus on achieving intergenerational equity. Financial sustainability ensures that financial and asset management is effective, and that spending and infrastructure investment is responsible and sustainable and benefits the local community.

In December 2023, Council commissioned an independent review to assess the **long-term financial sustainability** of Council. Financial sustainability means having sufficient funds to meet all our resource and financial obligations, including the provision of agreed services and properly maintaining our assets. It also means:



## MAINTAINING INFRASTRUCTURE CAPITAL

Whether council has sufficient cash reserves to accommodate unexpected financial events.



## MAINTAINING FISCAL CAPITAL

Whether council is able to maintain infrastructure (physical assets) over the long term for our future generations.

The findings of the review indicated that Council's cash (short-term) position is sound. We manage our finances well and ensure all expenditure is monitored and reported, with any variations approved by Council. In simple terms, we balance our budget every year and ensure our staff and suppliers are paid.

We do however need to do more to ensure that Council is financially sound in the long-term so that we are able to maintain our infrastructure (physical assets) for future generations and have sufficient cash reserves to accommodate unexpected financial events.

In response to the independent review, Council has put in place a Financial Sustainability Review Action Plan with the following inter-related objectives:

**Objective 1:** Expenditure is managed to ensure that limited funds are controlled and spent effectively.

**Objective 2:** Council operations are effective, efficient, and lean - delivering value for money to the community.

**Objective 3:** Council assets are strategically managed across their entire lifecycle and asset management capability is continually developed and improved.

**Objective 4:** Revenue sources are regularly reviewed to align with expenses and agreed service levels.

**Objective 5:** Generate sufficient unrestricted cash as determined by Council policy.

Over the four years of the 2025-2029 Delivery Program, Council will continue to implement actions from the Financial Sustainability Review Action Plan (included within the Annexures).



## Measuring Financial Sustainability

When assessing Council's financial performance and sustainability a number of indicators / ratios are considered relevant and have been used to assess the scenarios proposed.

These include:

- Operating Performance Ratio – This ratio is a core measure of a Council's financial sustainability. It measures Council's ability to contain operating expenditure within operating revenue.

*The OLG benchmark is that Council should record a breakeven operating position or better (over 0%).*

- Own Source Operating Revenue Ratio - This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. A council's financial flexibility improves the higher the level of its own source revenue.

*The OLG benchmark is for own source revenue to be greater than 60%.*

- Unrestricted Current Ratio - This ratio is a measure of Council's ability to meet its financial obligations such as paying for goods and services supplied. It assesses the level of liquidity and the ability to satisfy obligations as they fall due in the short term.

*The OLG determines that a ratio of greater than 1.5:1 is satisfactory and shows that Council has sufficient liquid assets on hand to meet its short-term liabilities.*

- Debt Service Cover Ratio - This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.

*The OLG benchmark is greater than 2.*

- Debt Service Ratio - This ratio assesses the degree to which revenues from continuing operations are committed to the repayment of debt. The ratio is generally higher for councils in growth areas where loans have been required to fund infrastructure such as roads. This is a Fit for the Future Ratio.

*The Office of Local Government accepted that a benchmark of <10% is satisfactory, 10% to 20% is fair and >20% is of concern.*

- Rates and Annual Charges Outstanding Percentage – This measure assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.

*The OLG benchmark for regional / rural councils is less than 10%.*

- Cash Expense Cover Ratio - This ratio is a measure of Council's liquidity and indicates the number of months that Council can continue to pay its immediate expenses without additional cashflow.

*The OLG benchmark is for greater than 3 months.*

- Building and Infrastructure Asset Renewal Ratio – This ratio represents the replacement or refurbishment of existing assets to an equivalent capacity or performance. The ratio compares the proportion spent on infrastructure asset renewals against the assets deterioration as measured by the depreciation expense.

*The OLG benchmark is greater than 100%.*

- Infrastructure Backlog Ratio – This ratio indicates the proportion of backlog against the total value of Council's infrastructure assets. It is a measure of the extent to which asset renewal is required to maintain or improve service delivery in a sustainable way.

*The OLG benchmark is less than 2%.*

- Asset Maintenance Ratio – This ratio reflects that actual asset maintenance expenditure relative to the required asset maintenance. It indicates whether Council is investing enough funds during the year to halt the growth of the infrastructure backlog.

*The OLG benchmark is greater than 100%.*

- Real Operating Expenditure per Capital Ratio – This ratio indicates how well Council is utilising economies of scale and managing service levels to achieve efficiencies. This is a Fit for the Future Ratio and relates to the General Fund only.

*The benchmark is a decrease in Real Operating Expenditure per capita over time.*

Council's performance against these indicators for the financial period ending 30 June 2024 is included in Table 3 in the Current Financial Position of Council section that follows.

## **Current Financial Position of Council**

Council is required to produce Consolidated Financial Reports that comply with Australian Accounting Standards, the Local Government Act 1993 and associated Regulations and the Office of Local Government's Code of Accounting Practice and Financial Reporting.

Council is also required to prepare Special Purpose Financial Reports that provide relevant stakeholders and users with financial information about its Water and Sewer operations.

These reports are audited by the NSW Audit Office.

To enable this separate reporting (and to comply with legislative requirements) Council operates 3 Funds – a General Fund, Water Fund and Sewer Fund.

The Consolidated result is the sum of the individual fund results.

The audited financial position by Fund for the financial period to 30 June 2024 are set out in the tables below.

The General Fund recorded a deficit Net Operating Result before Capital Grants & Contributions for 2023-2024. Council has recorded a deficit General Fund result for 3 of the past 4 audited financial periods with an average deficit of \$24.448 million.

These results align with the trend projections of the previous Long-Term Financial Plans which have also been confirmed in the independent Financial Sustainability Review conducted on Council in 2023. This reflects an underlying structural issue within Council's General Fund operations and has its genesis in the financial positions of the former councils i.e. this is not a new issue.

The Financial Sustainability Review Action Plan is designed to address aspects of this issue.

At the same time Council has been budgeting for and achieving small budget surpluses from its annual operations. This takes into account all sources of funding and removes the impact of non-cash financial entries from the result.

Council is in a position where it can meet all of its financial obligations to staff, suppliers, financial institutions etc and continue to deliver services to its community.

Its challenge is to generate sufficient funds to be able to maintain and renew all of its infrastructure assets to a satisfactory standard across their entire lifecycle.

The Water and Sewer Funds have continued to record positive (or surplus) Net Operating Results before Capital Grants & Contributions over the last 4 years. This is projected to continue across the term of the Long-Term Financial Plan.

However, those funds have large capital works programs to be delivered over a long period of time and this will require careful management of ongoing budgets to ensure that funding is available when required. The previous and this Long-Term Financial Plan identify the need for Council to borrow funds to be able to deliver the capital works projects identified within the adopted Integrated Water Cycle Management 30-year Plan.

**Table 1: Income Statement by Fund at 30 June 2024**

	General Fund	Water Fund	Sewer Fund
<b>Income from Continuing Operations</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rates & Annual Charges	117,867	15,511	41,695
User Charges & Fees	23,139	32,287	4,262
Interest & Investment Revenue	12,005	629	2,568
Other Revenues	5,243	26	204
Operating Grants & Contributions	48,904	0	0
Capital Grants & Contributions	73,075	5,103	7,612
Other Income	11,375	0	0
<b>Total Income from Operations</b>	<b>291,608</b>	<b>53,556</b>	<b>56,341</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & On-Costs	75,656	9,179	8,555
Materials & Services	58,604	16,236	17,007
Borrowing Costs	3,197	4,023	2,659
Depreciation, Amortisation & Impairments	65,526	16,885	11,604
Other Expenses	17,858	440	956
Net Losses from Disposal of Assets	19,204	879	654
<b>Total Expenses from Continuing Operations</b>	<b>240,045</b>	<b>47,642</b>	<b>41,435</b>
<b>Net Operating Result for the Year</b>	<b>51,563</b>	<b>5,914</b>	<b>14,906</b>
<b>Net Operating Result before Capital Grants &amp; Contributions</b>	<b>(21,512)</b>	<b>811</b>	<b>7,294</b>



**Table 2: Statement of Financial Position by Fund at 30 June 2024**

	General Fund	Water Fund	Sewer Fund
Assets	\$'000	\$'000	\$'000
<b>Current Assets</b>			
Cash & Cash Equivalents	33,755	15,283	25,296
Investments	105,000	3,000	26,750
Receivables	48,587	8,809	4,535
Inventories	1,534	0	0
Other	3,044	0	0
Non-current Assets held for Sale	6,261	0	0
<b>Total Current Assets</b>	<b>198,181</b>	<b>27,092</b>	<b>56,581</b>
<b>Non-Current Assets</b>			
Investments	109,042	0	53,500
Receivables	628	0	0
Inventories	661	0	0
Infrastructure, property, plant & equipment	3,307,441	671,764	521,308
Investment property	30,259	1,383	1,383
Right of Use Assets	1,664	216	87
<b>Total Non-Current Assets</b>	<b>3,450,055</b>	<b>673,363</b>	<b>576,278</b>
<b>TOTAL ASSETS</b>	<b>3,648,236</b>	<b>700,455</b>	<b>632,859</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	32,998	1,810	1,554
Contract Liabilities	48,022	0	0
Lease Liabilities	759	(6)	9
Borrowings	7,041	5,362	5,389
Employee Benefit Provision	18,495	3,123	3,123
Provisions	11,360	0	0
<b>Total Current Liabilities</b>	<b>118,675</b>	<b>10,289</b>	<b>10,075</b>
<b>Non-Current Liabilities</b>			
Payables	245	0	0
Lease Liabilities	1,047	250	81
Borrowings	48,094	60,297	33,436
Employee Benefit Provision	960	82	82
Provisions	26,861	0	0
<b>Total Non-Current Liabilities</b>	<b>77,207</b>	<b>60,629</b>	<b>33,599</b>
<b>TOTAL LIABILITIES</b>	<b>195,882</b>	<b>70,918</b>	<b>43,674</b>

	General Fund	Water Fund	Sewer Fund
<b>Net Assets</b>	<b>3,452,354</b>	<b>629,537</b>	<b>589,185</b>
<b>Equity</b>			
Accumulated Surplus	2,227,874	451,152	461,134
Revaluation Reserves	1,224,480	178,385	128,051
<b>Council Equity Interest</b>	<b>3,452,354</b>	<b>629,537</b>	<b>589,185</b>
<b>Total Equity</b>	<b>3,452,354</b>	<b>629,537</b>	<b>589,185</b>

















**Table 3: Performance Indicators at 30 June 2024**

	General Fund	Water Fund	Sewer Fund	Benchmark
<b>Performance Indicator</b>				
Operating Performance Ratio	0.22%	3.66%	16.39%	>0.00%
Own Source Operating Revenue Ratio	56.88%	90.47%	86.49%	>60.00%
Unrestricted Current Ratio	4.49x	2.63x	5.62x	>1.50x
Debt Service Cover Ratio	7.27x	2.41x	2.74x	>2.00x
Rates & Annual Charges Outstanding %	12.08%	8.92%	7.55%	<10.00%
Cash Expense Cover Ratio	12.45 months	7.14 months	39.63 months	> 3 months
Building & Infrastructure Renewals Ratio	151.74%	23.95%	66.00%	>100.00%
Infrastructure Backlog Ratio	10.13%	9.09%	10.65%	<2.00%
Asset Maintenance Ratio	111.45%	97.58%	96.70%	>100.00%
<b>Fit for the Future Ratios – General Fund only – 3 year rolling average result</b>				
	<b>2023/2024</b>	<b>2022/2023</b>	<b>2021/2022</b>	
Debt Service Ratio	6.36%	7.65%	8.86%	>0.00%<20.00%
Real Operating Expenditure per Capita	1.80	1.82	1.77	Decrease in result over time

# Asset Management

## Asset Management Strategy

Council is responsible for over \$5.80 billion in infrastructure assets across roads (and support infrastructure), water (including wastewater and stormwater) and cultural and recreational assets which support the delivery of our services.

 <p><b>3,643KM</b> of roads</p>	<p><b>669</b> bridges</p> 	 <p><b>166KM</b> of footpaths / cycleways</p>	<p><b>368KM</b> of stormwater drainage pipes</p> 
<p><b>6</b> water treatment plants</p> 	 <p><b>1,300KM</b> of water mains</p>	<p><b>14</b> sewage treatment plants</p> 	 <p><b>1,100KM</b> of sewer mains</p>
<p><b>1</b> regional art gallery</p> 	 <p><b>1</b> entertainment centre</p>	<p><b>11</b> libraries</p> 	 <p><b>76</b> playgrounds</p>
<p><b>26</b> sporting complexes</p> 	 <p><b>34</b> cemeteries</p>	<p><b>9</b> swimming pools</p> 	 <p><b>63</b> full-size playing fields</p>

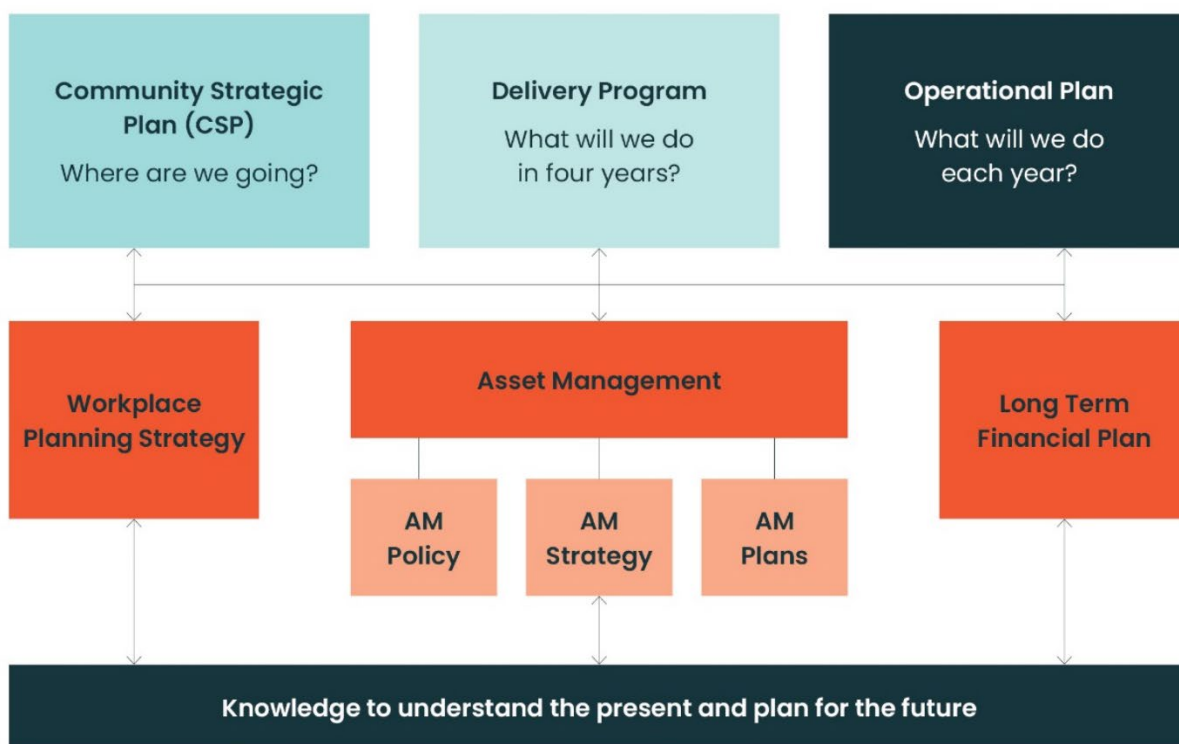
Council's Asset Management Strategy has been developed in accordance with the Integrated Planning and Reporting Framework Guidelines and provides the basis for consistent and effective asset management across all asset classes. The Integrated Planning and Reporting (IP&R) Framework encourages and supports the review of each of Council's resourcing strategies aligned with the review of the Community Strategic Plan and at other times as required.

The Strategy also includes an Asset Management Improvement Plan, which details a program of tasks and nominated resources as part of our commitment to reach a minimum level of 'Good' maturity (as defined by the Integrated Planning and Reporting guidelines) asset management practice across the organisation by 2028. It includes outcomes from Council's service delivery practices, financial sustainability indicators, asset management maturity and the objectives and strategies identified in the Community Strategic Plan. The Asset Management Strategy enables Council to show the link between the Community Strategic Plan and the day-to-day management of our assets by providing;

- a basis for the management of building, recreation, roads & transport, stormwater drainage, water & sewer assets;
- identify future assets that will be required to meet the needs of the community in future years;
- providing strategic objectives to allow us to fulfil our Asset Management Policy, and
- identify actions to achieve the objectives of the Improvement Plan.

Asset management requires a "Whole of Council" approach and applies to all assets that Council manages for delivering sustainable services to the community. The Asset Management Framework enables alignment of asset planning and management practices with service delivery priorities and strategies, within the limits of the resources available. The framework provides linkages between the various strategic and policy documents required for IP&R. The asset management framework incorporates strategic and policy documents for the provision of effective community infrastructure.

### Asset Management Informs Policy Decisions





## Asset Financial Modelling and Assumptions

The financial information contained in the Asset Management Strategy has been developed based on a review of asset data supporting our financial reporting. The overarching asset management financial model was developed using asset values from current asset registers and then aligned with Note C1-7 Infrastructure, property, plant and equipment and Report on Infrastructure Assets of the Annual Financial Statements 2023/2024. The model also considered the following assumptions:

- Capital Works Program based on LTFP Business as usual scenario
- Capital Works Program in LTFP split into renewals and new assets
- Capital funding split on asset values
- Where better information is available this has been used
- Works programs split into:
  - New assets
  - Renewal projects

Further benchmarking of depreciation and required maintenance based on Regional Town & City Classification (includes 26 NSW councils) and the Hunter Joint Organisation councils was incorporated into the model. The model consistently and accurately predicts future asset expenditure requirements and can be utilised as a reliable and realistic link for the Long-Term Financial Plan. This ensures consistency across the organisation in relation to asset reporting and asset needs.

# Scenarios and Assumptions

## Current Situation

This Long-Term Financial Plan is being prepared at a time where the Council is grappling with the challenge of ensuring the long-term financial sustainability of the organisation in a economic environment of high cost of living pressures, uncertainty over the medium-term trends of interest rates and inflation and geo-political volatility.

At the time of preparation of this Long-Term Financial Plan, Australia is heading to the polls for a Federal election, major conflicts continue in both Ukraine and Gaza, the President of the USA is engaging in 'disruptor' behaviours as he attempts to deliver on domestic election promises and Pope Francis has passed away. All of these factors are having an impact on international and domestic economies.

The newly elected MidCoast Councillors have identified 3 main priorities for their term being:

- Roads
- Financial Sustainability
- Customer Experience

The preparation of the 2025-2026 General Fund budget has included an instruction to provide additional funding for the Roads area on a permanent basis.

This has been achieved with an additional \$6.7 million allocated for 2025-2026, with a further \$3.0 million in 2026-2027 and \$1.7 million in 2027-2028 allocated. This occurred through a review of budgets, the delivery of efficiencies and the identification of savings in the organisational structure and opportunities for additional revenues. Rate increases have been contained within the IPART announced rate peg.

## NOTE:

*The MidCoast Local Government Area (LGA) experienced severe flooding after receiving over 50% of its annual average rainfall in four days from 20<sup>th</sup> of May 2025. The flood was marked as a 1 in 500-year event, with the Manning River recording 6.5 metres at Taree, which surpassed the 1929 record of 6.0 meters at the same location. The floods had a major impact on infrastructure, the economy, and society. At the time of finalising this Long-Term Financial Plan, the full impact of the floods, especially on infrastructure assets, is still being evaluated and will be included in future revisions of the Long-Term Financial Plan. As a result, this Long-Term Financial Plan is presented in the context before the 2025 flood event, when it was placed on public exhibition.*

2 scenarios have been developed for the General Fund within this Long-Term Financial Plan – a Base Case Scenario and a Infrastructure Renewal & Maintenance Shortfall scenario. The intent is to illustrate the projected financial position of Council's General Fund from the continuation of current levels of service and budget allocations and the projected financial position if the funding gaps for both renewal and maintenance works identified in the Asset Management Strategy were addressed.

These scenarios reflect the current position of the organisation and the ongoing discussions that are focused on addressing Council's asset management challenges within a financial sustainable future. Further scenarios were not requested by the new Council as it continues to understand the size of the funding gap and discuss strategies that will allow it to move from the Base Case scenario towards the Infrastructure Renewal & Maintenance Shortfall scenario.

## 2025/2026 General Fund Base Case Scenario

The Base Case scenario has been developed on the premise of carrying on business as usual. It reflects Council's modelling of its future financial position based on the draft 2025/2026 budget which

includes the allocation of additional funds for asset maintenance/renewals, the continuation of savings and additional revenues mentioned above.

The projections made in this scenario include adjustments made to ensure that time specific projects only impact on the model for the appropriate period (i.e. a three-year funded project only impacts on the model for three years and is not projected out for the entire duration of the model.)

The model has been prepared at the lowest accounting level within Council's financial accounting system. At this level, certain accounts are coded for manual adjustment rather than global percentage increases. It is therefore not possible to simply multiply the previous year's base by a percentage and achieve the same outcomes as presented.

A number of assumptions have been made regarding the indexation of the various revenue and expenditure items that form Council's budget. These assumptions are outlined below:

### **Revenue Assumptions**

**Ordinary Rates** - based on the assumption that Council will adopt the IPART announced rate peg of 3.80% for 2025-2026. Ordinary rates are then projected to increase by 3.0% for the following 3 years before returning to the OLG & IPART advised index of 2.5%.

A small annual allowance has been made for the growth in rateable properties across the duration of the Plan. A growth amount of \$40,000 per annum has been incorporated into the Plan.

There is uncertainty in predicting the growth in rateable assessments across the timespan of the Long-Term Financial Plan. While there is movement within the property development sector, the actual release of new subdivisions is ultimately controlled by the developer and the demand for new land.

Major urban releases in the Brimbin and North Tuncurry areas would appear to still be a number of years away and as such a significant growth in assessments has not been included in this Plan.

**Annual Charges** for Waste Management Services have been projected to increase by 3.80% in 2025-2026 and then by 2.90% for the following 3 years before being indexed at 2% across the duration of the Plan.

Stormwater Levy charges are projected to increase by 0.25% per annum. It is not anticipated that there will be an increase in the legislated charge and the indexation is based on a small growth in rateable properties over the life of the Plan.

**User Charges & Fees and Charges** - These revenues for the next twelve months are detailed in Council's Fees and Charges Schedule and Statement of Revenue Policy, both of which form part of Council's Delivery Program and Operational Plan. The Base Case model generally provides for an increase of at least 3.80% for 2025-2026, 3.0% for the following 3 years and then 2.50% across the remaining life of the Plan. These fees represent a small component of the total.

Regulatory fees and charges, being set by the State Government, are indexed to increase by 0.25% per annum.

**General and Specific Purpose Operating Grants** - These grants represent a significant proportion of Council's operating revenue. They include the Financial Assistance Grant from the Commonwealth Government which is affected by movements in the Consumer Price Index and Estimated Resident Population.

The amount estimated for 2025/2026 has been indexed to grow based on information provided by the NSW Grants Commission. From 2026/2027 an indexation figure of 0.2% has been applied consistently over the life of the plan.

This is considered to be a reasonable position given the NSW Grants Commission's position of reallocating FAG funding from regional councils to smaller rural councils.

Operational grants have been increased by 1.5% across the life of the plan.

**Interest of Investments** - This scenario assumes that Council will continue to have a level of invested funds similar to that currently under investment. It is anticipated that there will be minimal growth in interest income across the 10 years of the Plan.

Projections on movements in interest rates currently reflect some uncertainty with economic commentators currently predicting some level of rate cuts during 2025-2026 and potential rate increase in 2026-2027. Global economic uncertainty predominantly tied to US domestic and international announcements are driving that uncertainty.

**Capital Grants & Contributions** - Council has generally taken a very conservative approach to its estimation of capital grants and contributions on the basis that there is no guarantee that these funds will be received from year to year. Council's budget has also included non-cash contributions that are received each year (like developer contributed infrastructure and RFS equipment)..

An indexation factor of between 0.5% and 1.0% has been applied to these items across the duration of the Plan.

## **Expenditure Assumptions**

**Employee Benefits & On-costs** - Employee costs for 2025/2026 and future years have been indexed to take into account anticipated Local Government Award movements and Salary System Performance Review progressions.

The Plan reflects an annualised wage increase of approximately 4.80% for 2025/2026, 4.50% for the following 3 years and then 2.50% for the remainder of the Plan. This consists of 2 components being an Award increase which is based on assessment of costs and current inflation and Salary System progression increase (based on eligibility under the Performance Review processes).

The current NSW Local Government Award will expire at 30 June 2025 and a new 3-year Award will be made that will take effect from 1 July 2025. A review of this aspect of the Plan will be required once the new Award is handed down by the Industrial Relation Commission.

This scenario is based on the current staff structures for Council and existing salary systems.

**Borrowings** – The Base Case provides that Council will not be borrowing for General Fund works across the life of this Plan. Council will focus on paying down General Fund debt.

**Materials & Contracts** – This is one of the largest items on Council's Income Statement. It covers all materials used in operational activities along with major ongoing operational contracts such as the domestic waste collection contract.

Budgets in the operational plan reflect all known information in relation to contracts and the Plan assumes increases around 2.5% to 3.0% across the life of the Plan. Actual cost increases may in fact be greater than the inflation index.

**Depreciation & Amortisation** – For the purposes of this plan the depreciation expense is projected to grow at a rate of 0.25% per year. This recognises the general growth in the asset base over time and some level of increase arising from the annual indexation of asset values.

However, it is expected that there will be changes to the underlying depreciation expense moving forward as asset data is constantly reviewed and refined. Proposed changes to accounting standards, valuation and depreciation methods are also likely to impact on the current estimate of depreciation across the term of the Plan.



**Other Expenses** – This category includes a number of utility expense items including electricity costs, water and sewerage charges, waste charges etc. In general, the Plan provides that these utility expenses will increase by 2.5%, insurances by 5.0% and contracts by 3.0% per annum for the life of the Plan. Other general expenses are projected to increase by 2.5% per annum.

### **2025/2026 Water Fund Base Case Scenario**

The Water Fund Base Case has been developed on a Business-as-Usual basis. Capital expenditure has been forecast across the 10-year horizon of this Plan based on the current reviews of detail contained within the 30-year Integrated Water Cycle Management plan.

Indexation has been applied to the 2025/2026 draft budget as follows:

- Annual Charges: 6.0% for 2029-30 & 30-31 and then 5.0% for the duration of the Plan
- User Charges: 6.0% for 2029-30 & 30-31 and then 5.0% for the duration of the Plan
- Fees & Charges: 2.5% for the duration of the Plan
- Interest: 0.2% for the duration of the Plan
- Other Revenues: 2.0% for the duration of the Plan
- Operating Grants: 1.0% for the duration of the Plan
- Employee Costs: 2.5% for the duration of the Plan
- Materials & Contracts: 2.0% to 3.0% for the duration of the Plan
- Other Expenses: 2.5% for the duration of the Plan
- Depreciation: 0.25% for the duration of the Plan
- Interest on Borrowings: Actual repayments

### **2025/2026 Sewer Fund Base Case Scenario**

The Sewer Fund Base Case has been developed on a Business-as-Usual basis. Capital expenditure has been forecast across the 10-year horizon based on the current reviews of detail contained within the 30-year Integrated Water Cycle Management plan.

Indexation has been applied to the 2025/2026 draft budget as follows:

- Annual Charges: 3.0% for the duration of the Plan
- User Charges: 2.0% for the duration of the Plan
- Interest: 0.2% for the duration of the Plan
- Fees & Charges: 0.25% to 2.0% for the duration of the Plan
- Other Revenues: 2.0% for the duration of the Plan
- Operating Grants: 1.0% for the duration of the Plan
- Employee Costs: 2.5% for the duration of the Plan
- Materials & Contracts: 2.0% to 3.0% for the duration of the Plan
- Other Expenses: 2.5% for the duration of the Plan
- Depreciation: 0.25% for the duration of the Plan
- Interest on Borrowings: Actual repayments

### **Infrastructure Renewal & Maintenance Shortfall Scenario**

As part of the development of the Asset Management Strategy, analysis was undertaken to quantify the funding required to ensure that Council met the Infrastructure Asset Performance Indicators compared with the funding actually allocated. Those indicators are:

- Building and infrastructure renewal ratio
- Infrastructure backlog ratio
- Asset maintenance ratio

Specific results and analysis are contained within the Asset Management Strategy, which forms part of Council's Resourcing Strategy.

The Asset Management Strategy highlights that Council has a shortfall in funding that is required to meet the maintenance and renewal requirements of its asset base. This shortfall is commonly known as the funding gap. In order to respond to the funding gap during the term of the Strategy Council will focus on establishing community agreed levels of service and prioritising funding towards those asset classes. The urgent need is to ensure that asset funding is based on risk, criticality and affordability.

It is important to note that the figures contained within this Long-Term Financial Plan are based on existing funding levels and allocations ie a Business-as-Usual scenario.

The Asset Management Strategy does contain an external analysis of Council's current asset position and it confirms and supports other reports that highlight the challenges that Council faces in ensuring that it meets its financial and asset sustainability responsibilities over the short, medium and long term.

Table 4 below highlights the funding gaps by Fund and by maintenance and renewal requirements.

The maintenance gap compares the actual funding allocation provided within the Long-Term Financial Plan against the amount required to meet the Asset Maintenance Ratio benchmark of 100%.

The renewal gap compares the actual funding allocation provided within the Long-Term Financial Plan against the required renewal funding allocation i.e. depreciation, to meet the Building and Infrastructure Renewal Ratio of 100%.

**Table 4 – Funding Required to Meet Benchmark Ratios**

<b>\$'000</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>29/30</b>	<b>30/31</b>	<b>31/32</b>	<b>32/33</b>	<b>33/34</b>
<b>General Fund</b>									
<b>Overall Gap</b>	<b>9,316</b>	<b>24,306</b>	<b>24,346</b>	<b>28,400</b>	<b>29,845</b>	<b>31,190</b>	<b>32,575</b>	<b>34,007</b>	<b>35,698</b>
Maintenance Gap	5,855	7,638	8,642	8,668	9,296	9,797	10,313	10,851	11,405
Renewal Gap	3,461	16,668	15,704	19,732	20,549	21,393	22,262	23,156	24,293
<b>Water Fund</b>									
<b>Overall Gap</b>	<b>2,802</b>	<b>3,055</b>	<b>3,414</b>	<b>4,024</b>	<b>4,429</b>	<b>4,708</b>	<b>5,282</b>	<b>6,026</b>	<b>6,571</b>
Maintenance Gap	35	72	150	258	311	351	454	592	688
Renewal Gap	2,767	2,983	3,264	3,768	4,118	4,357	4,828	5,434	5,883
<b>Sewer Fund</b>									
<b>Overall Gap</b>	<b>-7,045</b>	<b>-4,541</b>	<b>1,382</b>	<b>5,434</b>	<b>5,949</b>	<b>6,827</b>	<b>7,728</b>	<b>8,438</b>	<b>8,853</b>

Maintenance Gap	240	514	749	896	1,021	1,248	1,484	1,659	1,754
Renewal Gap	-7,285	-5,055	633	4,538	4,928	5,579	6,254	6,779	7,099

# Modelling Results

## Scenarios by Fund

### Consolidated Fund Result

The Consolidated Fund Result for MidCoast Council indicates that over the 10-year life of this Long-Term Financial Plan that Council will generate surplus Operating Results before Capital Grants and Contributions from 2027/2028 onwards. The average surplus over the 10-year period is approximately \$2.6 million.

It is important to note that the Consolidated Result is the aggregate of the results of the 3 Funds. However, legislation requires that Water and Sewer operations are kept separate and are not available for use in the General Fund. As such the results of the individual Funds are important in considering the long-term financial sustainability of the organisation.

Commentary on the results of the modelling of the 3 Funds is provided below.

### General Fund Base Case Scenario

The General Fund Base Case model indicates that Council will continue to record Operating Deficits before capital grants and contribution across the time horizon of this Plan.

The projected General Fund deficits average \$9.5 million per year from 2027-2028 with the 2025-2026 and 2026-2027 impacted by some large one-off operational expenditures (landfill remediation works).

This result is reflected in the key Financial Performance Indicator of financial sustainability – the Operating Performance Ratio. The benchmark required is 0% with the preference being a continued reasonable surplus. With the exception of 2025-2026 and 2026-2027, this ratio tracks in a band between -3.65% to -4.15% across the period from 2027-2028 to 2034-2035.

This average deficit has reduced when compared with the previous Long-Term Financial Plan and this reflects the impact of some of the savings that have identified during the 2025-2026 budget preparation.

In dollar terms, and noting the inherent limitations of the Long-Term Financial Plan, the projected General Fund deficit is approximately \$10 million per year. To address this deficit entirely from rate income would equate to a 10% increase on current levels (not including any forecast rate peg increases).

Council is aware of this challenge and the Financial Sustainability Review Action Plan outlines the path that is being followed to address this matter.

### Water Fund Base Case Scenario

The Water Fund Base Case indicates that it will record Net Operating surpluses before capital grants and contributions averaging \$9.0 million over the 10-year timeframe of the LTFP. This indicates that the Water Fund is raising sufficient funds to meet operational needs and fund depreciation.

However, the Integrated Water Cycle Management Plan (IWCM) projects a large and ongoing capital works program that includes the construction of Peg Leg Dam. This capital works program puts substantial pressure on the cash position of the Fund as indicated within the Cash Flow Statement.

While there are increases in annual charges and user charges projected across the life of the Plan, it will be necessary to rely on external borrowings to deliver the entire program. It is projected that

total borrowings of \$115 million may be required commencing in 2028-2029. Those borrowings have been modelled based on a 6% interest rate and 30-year term. The delivery of the water security projects (Peg Leg Dam, Gloucester & Bulahdelah Off-river storages) relies on receiving government funding up to 66% of the project cost to be viable. That level of subsidy is reflected within the modelling as capital grants and contributions.

Recent experience with the estimating of capital works projects indicates that costs are increasing well above expectations. There is a risk that tendered prices to deliver these projects will be in excess of estimates and this may impact either the delivery timeframe, level of borrowings or project viability. This is monitored regularly and estimates updated accordingly and this will need to flow through to revisions of this Plan.

### **Sewer Fund Base Case Scenario**

The Sewer Fund Base Case indicates that it will record Net Operating surpluses before capital grants and contributions averaging \$6.0 million over the 10 year timeframe of the LTFP. This indicates that the Sewer Fund is raising sufficient funds to meet operational needs and fund depreciation.

However, the Integrated Water Cycle Management Plan (IWCM) projects a large and ongoing capital works program over the next 7 years. This capital works program puts substantial pressure on the cash position of the Fund as indicated within the Cash Flow Statement.

While there are increases in annual charges and user charges projected across the life of the Plan, it will be necessary to rely on external borrowings to deliver the entire program. It is projected that total borrowings of \$109 million may be required commencing in 2027-2028. Those borrowings have been modelled based on a 6% interest rate and 30-year term.

Recent experience with the estimating of capital works projects indicates that costs are increasing well above expectations. There is a risk that tendered prices to deliver these projects will be in excess of estimates and this may impact either the delivery timeframe, level of borrowings or project viability. This is monitored regularly and estimates updated accordingly and this will need to flow through to revisions of this Plan.

### **General Fund - Infrastructure Renewal & Maintenance Shortfall Scenario**

The funding required to close the funding gap for both asset maintenance and renewal works and to meet the benchmark ratios is significant. The Infrastructure Renewal & Maintenance Shortfall Scenario has been prepared to illustrate the funding gap that currently exists. This scenario has been developed by including the renewal and maintenance funding gap within the Base Case scenario.

The primary financial statements associated with this scenario are included within the Annexures.

The results confirm that Council does not have the capacity, within current budget and service settings, to provide the funding required to meet all of the asset related benchmarks.

This scenario provides Council with valid information to continue internal and external conversations during its term about strategies to provide the level of resourcing required to address its asset management challenges.



## Sensitivity Analysis

Long term financial plans are inherently uncertain. They contain a wide range of assumptions, including assumptions about interest rates and the potential effect of inflation on revenues and expenditure. Some of these assumptions have a relatively limited impact if they are wrong, others can have a major impact on future financial plans. If the assumptions above are found to be inaccurate then it will be necessary for Council to reconsider current strategies on expenditure and revenue and realign the Plan to fund any changes in costs or revenues.

At the present time growth in rate revenue is projected to increase at the rate of 2.5% per annum. It should be noted that the 'rate peg' as announced by the IPART has not, until recently, not matched this estimate. This has an impact on Council's long term forecasts and should this trend continue into the future it will be necessary to revise this major driver of the Plan.

By way of example each 0.1% of rate peg below the estimate equates to approximately \$100,000. Over the life of the Plan this equates to in excess of \$1,000,000.

As highlighted earlier in this LTFP, economic conditions are becoming more volatile at present with price, wage and monetary indexes moving in response to global and national influences. This will necessitate more regular reviews of the LTFP where significant movements occur during a financial period.

Council will also review and update relevant sections and projections of the Long-Term Financial Plan on an annual basis.

# Annexures

## 2024-2025 Consolidated Budget – 10 Year Financial Projections

### Income Statement

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**INCOME STATEMENT - CONSOLIDATED**

Scenario: Base Case	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years		2029/30 \$	2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
<b>Income from Continuing Operations</b>													
<b>Revenue:</b>													
Rates & Annual Charges	181,383,790	188,536,389	193,866,803	199,650,810	205,602,952	211,495,421	217,578,271	223,648,309	229,900,436	236,340,676	242,975,274		
User Charges & Fees	58,841,356	60,510,941	62,369,861	64,099,996	65,734,560	68,368,195	71,141,339	73,658,606	76,287,453	79,033,164	81,901,280		
Other Revenues	3,837,765	5,118,328	4,378,244	4,458,223	4,513,947	4,603,626	4,695,098	4,788,400	4,883,568	4,980,640	5,079,652		
Grants & Contributions provided for Operating Purposes	34,336,468	42,262,713	38,161,202	39,023,195	39,595,853	39,847,723	40,102,511	40,360,257	40,621,004	40,884,794	41,149,758		
Grants & Contributions provided for Capital Purposes	48,197,369	30,494,784	19,104,000	19,104,000	16,104,000	52,525,535	56,455,976	60,951,183	57,594,909	18,945,497	16,227,677		
Interest & Investment Revenue	11,674,129	13,822,829	12,590,500	11,210,700	9,806,000	9,825,612	9,845,263	9,864,954	9,884,684	9,904,453	9,924,262		
<b>Other Income:</b>													
Other Income	2,560,368	2,848,410	2,715,768	2,748,901	2,782,864	2,806,725	2,830,998	2,855,694	2,880,820	2,906,384	2,932,395		
<b>Total Income from Continuing Operations</b>	<b>340,831,245</b>	<b>343,594,393</b>	<b>333,186,378</b>	<b>340,295,824</b>	<b>344,140,177</b>	<b>389,472,836</b>	<b>402,649,458</b>	<b>416,127,402</b>	<b>422,052,874</b>	<b>392,995,608</b>	<b>400,190,299</b>		
<b>Expenses from Continuing Operations</b>													
Employee Benefits & On-Costs	96,140,880	100,642,787	102,556,362	106,286,452	110,738,714	113,952,210	116,796,197	119,726,223	122,729,498	125,807,855	128,422,959		
Borrowing Costs	8,389,834	7,818,385	7,018,864	6,818,207	7,344,377	8,991,407	11,222,405	13,306,175	15,032,473	15,340,060	14,662,927		
Materials & Contracts	94,972,649	104,234,695	99,196,445	96,450,482	98,512,388	104,374,597	107,133,638	111,339,839	114,805,901	118,058,856	115,694,552		
Depreciation & Amortisation	90,556,200	92,523,600	92,755,690	92,970,859	93,208,111	93,440,958	93,674,422	93,908,504	94,143,208	94,378,537	94,614,491		
Other Expenses	12,561,628	14,357,903	23,013,973	11,666,887	12,874,483	12,201,026	12,433,233	12,671,243	13,908,637	13,165,267	14,151,927		
Net Losses from the Disposal of Assets	923,500	923,500	951,205	979,742	1,009,134	1,009,134	1,009,134	1,009,134	1,009,134	1,009,134	1,009,134		
<b>Total Expenses from Continuing Operations</b>	<b>303,544,692</b>	<b>320,500,871</b>	<b>325,492,540</b>	<b>315,172,629</b>	<b>323,687,208</b>	<b>333,969,332</b>	<b>342,269,027</b>	<b>351,961,118</b>	<b>361,628,851</b>	<b>367,759,710</b>	<b>368,555,991</b>		
<b>Operating Result from Continuing Operations</b>	<b>37,286,553</b>	<b>23,093,522</b>	<b>7,693,838</b>	<b>25,123,195</b>	<b>20,452,969</b>	<b>55,503,504</b>	<b>60,380,430</b>	<b>64,166,285</b>	<b>60,424,022</b>	<b>25,235,898</b>	<b>31,634,308</b>		
<b>Net Operating Result for the Year</b>	<b>37,286,553</b>	<b>23,093,522</b>	<b>7,693,838</b>	<b>25,123,195</b>	<b>20,452,969</b>	<b>55,503,504</b>	<b>60,380,430</b>	<b>64,166,285</b>	<b>60,424,022</b>	<b>25,235,898</b>	<b>31,634,308</b>		
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>-10,910,816</b>	<b>-7,401,262</b>	<b>-11,410,162</b>	<b>6,019,195</b>	<b>4,348,969</b>	<b>2,977,969</b>	<b>3,924,454</b>	<b>3,215,102</b>	<b>2,829,113</b>	<b>6,290,401</b>	<b>15,406,631</b>		

## Balance Sheet

MidCoast Council  
10 Year Financial Plan for the Years ending 30 June 2035  
BALANCE SHEET - CONSOLIDATED

Scenario: Base Case	Current Year 2024/25	2025/26	2026/27	2027/28	2028/29	Projected Years					
	\$	\$	\$	\$	\$	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	24,852,765	4,224,657	4,259,803	9,636,115	19,525,109	22,336,140	28,014,413	39,169,559	42,786,426	56,711,437	82,680,626
Investments	120,544,533	108,612,150	90,052,253	88,825,920	88,820,625	88,820,625	88,820,625	88,820,625	88,820,625	88,820,625	88,820,625
Receivables	47,907,415	47,246,085	44,470,219	45,633,920	46,160,280	53,435,798	55,296,205	57,266,550	57,935,438	52,739,756	53,647,763
Inventories	1,937,227	2,106,437	1,984,359	1,917,945	1,935,089	1,976,412	2,016,482	2,057,775	2,100,476	2,144,482	2,189,865
Other	2,722,662	3,038,548	3,110,852	2,651,931	2,716,689	2,762,852	2,833,590	2,907,213	3,013,647	3,060,477	3,160,166
Non-current assets classified as "held for sale"	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250
<b>Total Current Assets</b>	<b>199,529,850</b>	<b>166,793,127</b>	<b>145,442,736</b>	<b>150,231,083</b>	<b>160,723,043</b>	<b>170,897,076</b>	<b>178,546,565</b>	<b>191,786,973</b>	<b>196,221,860</b>	<b>205,042,027</b>	<b>232,064,296</b>
<b>Non-Current Assets</b>											
Investments	177,107,467	157,647,161	127,550,799	125,464,191	125,455,182	125,455,182	125,455,182	125,455,182	125,455,182	125,455,182	125,455,182
Receivables	1,228,949	1,639,124	1,402,069	1,427,687	1,445,536	1,474,254	1,503,547	1,533,426	1,563,902	1,594,988	1,626,696
Inventories	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255
Infrastructure, Property, Plant & Equipment	4,560,590,899	4,619,850,880	4,663,859,572	4,687,476,142	4,711,382,944	4,801,188,667	4,888,958,063	4,978,358,456	5,059,571,415	5,064,441,989	5,061,306,875
Investment Property	33,025,000	33,025,000	33,025,000	33,025,000	33,025,000	33,025,000	33,025,000	33,025,000	33,025,000	33,025,000	33,025,000
Right of use assets	1,247,900	535,900	-178,190	-860,449	-1,544,961	-2,231,010	-2,918,635	-3,607,876	-4,298,773	-4,991,367	-5,685,701
Non-current assets classified as "held for sale"	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750
<b>Total Non-Current Assets</b>	<b>4,778,527,221</b>	<b>4,818,025,071</b>	<b>4,830,986,254</b>	<b>4,851,859,576</b>	<b>4,875,090,707</b>	<b>4,964,239,099</b>	<b>5,051,350,163</b>	<b>5,140,091,194</b>	<b>5,220,643,732</b>	<b>5,224,852,797</b>	<b>5,221,055,057</b>
<b>TOTAL ASSETS</b>	<b>4,978,057,071</b>	<b>4,984,818,198</b>	<b>4,976,428,990</b>	<b>5,002,090,659</b>	<b>5,035,813,750</b>	<b>5,135,136,175</b>	<b>5,229,896,728</b>	<b>5,331,878,166</b>	<b>5,416,865,592</b>	<b>5,429,894,824</b>	<b>5,453,119,353</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	39,318,385	41,675,714	42,810,277	39,654,011	40,666,451	41,549,548	42,607,358	43,697,524	44,964,367	45,505,743	46,518,710
Contract liabilities	19,948,402	17,190,450	12,819,998	13,063,171	12,378,406	13,923,287	14,158,625	14,417,601	14,360,795	12,881,472	12,851,660
Borrowings	16,490,903	13,461,546	12,012,576	12,541,538	11,930,493	13,297,060	13,910,292	12,135,412	11,979,352	10,128,784	10,778,595
Employee benefit provisions	25,358,169	25,891,841	26,449,527	27,032,310	27,641,318	28,265,551	28,905,390	29,561,225	30,233,456	30,922,492	31,628,755
Other provisions	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717
<b>Total Current Liabilities</b>	<b>107,373,577</b>	<b>104,477,268</b>	<b>100,350,096</b>	<b>98,548,747</b>	<b>98,874,385</b>	<b>103,293,164</b>	<b>105,839,383</b>	<b>106,069,480</b>	<b>107,795,687</b>	<b>105,696,208</b>	<b>108,035,438</b>
<b>Non-Current Liabilities</b>											
Payables	50,996	57,180	93,739	45,285	50,323	47,341	48,214	49,109	54,259	50,967	55,043
Lease liabilities	2,140,000	2,140,000	2,140,000	2,140,000	2,140,000	2,140,000	2,140,000	2,140,000	2,140,000	2,140,000	2,140,000
Borrowings	127,165,024	113,703,478	101,690,902	104,058,130	116,975,579	156,356,156	188,166,076	225,726,549	248,534,315	238,405,531	227,626,937
Employee benefit provisions	1,001,638	1,020,914	1,041,057	1,062,107	1,084,104	1,106,651	1,129,761	1,153,450	1,177,731	1,202,618	1,228,128
Other provisions	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283
<b>Total Non-Current Liabilities</b>	<b>162,320,940</b>	<b>148,884,854</b>	<b>136,928,981</b>	<b>139,268,804</b>	<b>152,213,289</b>	<b>191,613,430</b>	<b>223,447,334</b>	<b>261,032,391</b>	<b>283,869,587</b>	<b>273,762,399</b>	<b>263,013,390</b>
<b>TOTAL LIABILITIES</b>	<b>269,694,518</b>	<b>253,362,123</b>	<b>237,279,077</b>	<b>237,817,551</b>	<b>251,087,673</b>	<b>294,906,594</b>	<b>329,286,717</b>	<b>367,101,870</b>	<b>391,665,274</b>	<b>379,458,607</b>	<b>371,048,828</b>
<b>Net Assets</b>	<b>4,708,362,553</b>	<b>4,731,456,075</b>	<b>4,739,149,913</b>	<b>4,764,273,108</b>	<b>4,784,726,077</b>	<b>4,840,229,581</b>	<b>4,900,610,011</b>	<b>4,964,776,296</b>	<b>5,025,200,318</b>	<b>5,050,436,216</b>	<b>5,082,070,525</b>
<b>EQUITY</b>											
Retained Earnings	3,177,446,553	3,200,540,075	3,208,233,913	3,233,357,108	3,253,810,077	3,309,313,581	3,369,694,011	3,433,860,296	3,494,284,318	3,519,520,216	3,551,154,525
Revaluation Reserves	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000	1,530,916,000
Council Equity Interest	4,708,362,553	4,731,456,075	4,739,149,913	4,764,273,108	4,784,726,077	4,840,229,581	4,900,610,011	4,964,776,296	5,025,200,318	5,050,436,216	5,082,070,525
<b>Total Equity</b>	<b>4,708,362,553</b>	<b>4,731,456,075</b>	<b>4,739,149,913</b>	<b>4,764,273,108</b>	<b>4,784,726,077</b>	<b>4,840,229,581</b>	<b>4,900,610,011</b>	<b>4,964,776,296</b>	<b>5,025,200,318</b>	<b>5,050,436,216</b>	<b>5,082,070,525</b>

# Cash Flow Statement

MidCoast Council  
10 Year Financial Plan for the Years ending 30 June 2035  
CASH FLOW STATEMENT - CONSOLIDATED

Scenario: Base Case	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years		2029/30 \$	2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
<b>Cash Flows from Operating Activities</b>													
<b>Receipts:</b>													
Rates & Annual Charges	180,458,056	188,001,791	193,464,186	199,209,044	205,147,619	211,054,792	217,124,121	223,191,126	229,429,963	235,856,495	242,476,954		
User Charges & Fees	58,026,395	60,308,855	62,145,368	63,892,374	65,539,330	68,039,463	70,794,873	73,345,266	75,959,980	78,690,884	81,543,485		
Investment & Interest Revenue Received	14,353,267	13,844,672	12,742,470	11,094,556	9,649,683	9,717,351	9,747,883	9,718,376	9,759,557	9,766,977	9,742,042		
Grants & Contributions	57,821,697	65,601,761	49,579,907	51,957,054	49,224,970	81,516,973	89,836,498	94,517,891	92,421,650	58,526,854	51,502,379		
Other	8,930,641	7,269,857	7,793,962	7,105,879	7,262,768	7,317,875	7,431,770	7,547,878	7,666,243	7,786,911	7,909,956		
<b>Payments:</b>													
Employee Benefits & On-Costs	-95,380,593	-99,908,877	-101,872,641	-105,485,412	-109,845,227	-113,150,504	-115,974,449	-118,883,931	-121,866,148	-124,922,922	-127,515,902		
Materials & Contracts	-93,760,843	-104,616,629	-100,657,218	-100,837,827	-100,491,766	-106,525,767	-109,185,093	-113,425,007	-116,759,244	-120,374,609	-117,757,802		
Borrowing Costs	-8,527,771	-7,907,220	-7,087,368	-6,769,627	-7,231,175	-8,685,074	-10,969,748	-13,033,097	-14,861,179	-15,414,394	-14,730,260		
Other	-12,711,628	-14,267,437	-22,479,165	-12,375,711	-12,800,776	-12,244,653	-12,420,458	-12,658,149	-13,833,302	-13,213,423	-14,092,309		
<b>Net Cash provided (or used in) Operating Activities</b>	<b>109,209,220</b>	<b>108,326,774</b>	<b>93,629,501</b>	<b>107,790,331</b>	<b>106,455,426</b>	<b>137,040,456</b>	<b>146,385,397</b>	<b>150,320,354</b>	<b>147,917,520</b>	<b>116,702,773</b>	<b>119,078,543</b>		
<b>Cash Flows from Investing Activities</b>													
<b>Receipts:</b>													
Sale of Investment Securities	0	31,392,688	48,656,260	3,312,940	14,304	0	0	0	0	0	0		
Sale of Infrastructure, Property, Plant & Equipment	1,500,000	2,082,000	1,779,200	1,819,730	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300		
<b>Payments:</b>													
Purchase of Infrastructure, Property, Plant & Equipment	-144,227,383	-145,938,666	-130,568,270	-110,442,878	-110,215,440	-176,304,871	-174,458,576	-176,279,100	-168,280,660	-92,126,710	-84,308,870		
<b>Net Cash provided (or used in) Investing Activities</b>	<b>-142,727,383</b>	<b>-112,463,978</b>	<b>-80,132,809</b>	<b>-105,310,208</b>	<b>-108,872,836</b>	<b>-174,976,571</b>	<b>-173,130,276</b>	<b>-174,950,800</b>	<b>-166,952,360</b>	<b>-90,798,410</b>	<b>-82,980,570</b>		
<b>Cash Flows from Financing Activities</b>													
<b>Receipts:</b>													
Proceeds from Borrowings & Advances	4,500,000	0	0	15,000,000	25,000,000	53,000,000	46,000,000	50,000,000	35,000,000	0	0		
<b>Payments:</b>													
Repayment of Borrowings & Advances	-20,463,072	-16,490,903	-13,461,546	-12,103,810	-12,693,596	-12,252,855	-13,576,847	-14,214,408	-12,348,293	-11,979,352	-10,128,784		
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>-15,963,072</b>	<b>-16,490,903</b>	<b>-13,461,546</b>	<b>2,896,190</b>	<b>12,306,404</b>	<b>40,747,145</b>	<b>32,423,153</b>	<b>35,785,592</b>	<b>22,651,707</b>	<b>-11,979,352</b>	<b>-10,128,784</b>		
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>-49,481,235</b>	<b>-20,628,108</b>	35,146	5,376,312	9,888,994	2,811,030	5,678,274	11,155,146	3,616,866	13,925,012	25,969,189		
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	74,334,000	24,852,765	4,224,657	4,259,803	9,636,115	19,525,109	22,336,140	28,014,413	39,169,559	42,786,426	56,711,437		
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>24,852,765</b>	<b>4,224,657</b>	<b>4,259,803</b>	<b>9,636,115</b>	<b>19,525,109</b>	<b>22,336,140</b>	<b>28,014,413</b>	<b>39,169,559</b>	<b>42,786,426</b>	<b>56,711,437</b>	<b>82,680,626</b>		
Cash & Cash Equivalents - end of the year	24,852,765	4,224,657	4,259,803	9,636,115	19,525,109	22,336,140	28,014,413	39,169,559	42,786,426	56,711,437	82,680,626		
Investments - end of the year	297,652,000	266,259,312	217,603,051	214,290,111	214,275,807	214,275,807	214,275,807	214,275,807	214,275,807	214,275,807	214,275,807		
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>322,504,765</b>	<b>270,483,969</b>	<b>221,862,854</b>	<b>223,926,226</b>	<b>233,800,917</b>	<b>236,611,947</b>	<b>242,290,221</b>	<b>253,445,367</b>	<b>257,062,233</b>	<b>270,987,245</b>	<b>296,956,434</b>		

## Financial Performance Indicators

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**FINANCIAL PERFORMANCE INDICATORS**

Scenario: Base Case	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Performance Ratio	-3.41%	-2.07%	-3.33%	2.18%	1.63%	1.18%	1.43%	1.19%	1.05%	1.95%	4.28%
Own Source Operating Revenue Ratio	75.78%	78.82%	82.81%	82.92%	83.81%	76.28%	76.02%	75.65%	76.73%	84.78%	85.66%
Unrestricted Current Ratio	4.06	3.45	3.31	3.39	3.43	3.24	3.17	3.01	2.47	2.42	2.67
Debt Service Cover Ratio	3.08	3.86	4.36	5.64	5.29	5.01	4.43	4.05	4.13	4.28	5.07
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	10.35%	10.35%	10.35%	10.36%	10.37%	10.37%	10.38%	10.38%	10.39%	10.39%	10.40%
Cash Expense Cover Ratio	1.29	0.21	0.21	0.49	0.96	1.06	1.28	1.73	1.84	2.38	3.49
Debt Service Ratio	9.86%	7.76%	6.52%	5.89%	6.11%	6.30%	7.16%	7.75%	7.51%	7.30%	6.45%

# 2024-2025 General Fund Budget – 10 Year Financial Projections

## Income Statement

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**INCOME STATEMENT - GENERAL FUND**

Scenario: Base Case	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years		2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
						2029/30 \$	2030/31 \$				
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	123,235,125	129,101,724	132,958,304	136,928,735	141,016,953	144,405,671	147,875,848	151,429,458	155,068,520	158,795,104	162,611,331
User Charges & Fees	22,220,367	22,193,452	22,688,763	23,190,192	23,696,171	24,110,732	24,534,159	24,966,648	25,408,400	25,859,620	26,320,520
Other Revenues	19,104,108	20,324,163	19,750,297	19,998,442	20,231,747	20,491,112	20,641,691	20,795,566	20,952,813	21,113,505	20,975,345
Grants & Contributions provided for Operating Purposes	34,336,468	42,262,713	38,161,202	39,023,195	39,595,853	39,847,723	40,102,511	40,360,257	40,621,004	40,884,794	41,149,758
Grants & Contributions provided for Capital Purposes	39,447,369	21,744,784	10,354,000	10,354,000	7,354,000	7,374,330	7,394,772	7,415,328	7,435,996	7,456,779	7,477,677
Interest & Investment Revenue	9,070,400	9,019,400	8,657,000	8,607,200	8,057,500	8,073,615	8,089,762	8,105,942	8,122,154	8,138,398	8,154,675
<b>Other Income:</b>											
Other Income	2,560,368	2,848,410	2,715,768	2,748,901	2,782,864	2,806,725	2,830,998	2,855,694	2,880,820	2,906,384	2,932,395
<b>Total Income from Continuing Operations</b>	<b>249,974,205</b>	<b>247,494,645</b>	<b>235,285,334</b>	<b>240,850,664</b>	<b>242,735,089</b>	<b>247,109,908</b>	<b>251,469,742</b>	<b>255,928,892</b>	<b>260,489,706</b>	<b>265,154,585</b>	<b>269,621,700</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	77,267,465	80,019,251	81,265,570	84,004,801	87,635,166	90,271,073	92,523,032	94,846,228	97,227,503	99,668,311	101,629,926
Borrowing Costs	2,240,893	2,315,153	2,054,487	1,802,810	1,553,072	1,322,783	1,104,871	887,108	699,068	557,598	463,891
Materials & Contracts	77,500,272	85,993,905	79,669,672	76,296,387	77,221,322	79,416,799	81,507,424	83,661,682	85,889,111	88,184,503	90,426,847
Depreciation & Amortisation	64,056,200	65,873,600	66,035,690	66,180,859	66,348,111	66,513,808	66,679,954	66,846,550	67,013,599	67,181,104	67,349,065
Other Expenses	11,969,953	13,421,528	22,002,802	10,629,365	11,812,036	11,112,018	11,316,999	11,527,104	12,735,895	11,963,205	12,919,814
<b>Total Expenses from Continuing Operations</b>	<b>233,034,784</b>	<b>247,623,438</b>	<b>251,028,222</b>	<b>238,914,222</b>	<b>244,569,707</b>	<b>248,636,481</b>	<b>253,132,279</b>	<b>257,768,672</b>	<b>263,565,177</b>	<b>267,554,721</b>	<b>272,789,543</b>
<b>Operating Result from Continuing Operations</b>	<b>16,939,422</b>	<b>-128,793</b>	<b>-15,742,888</b>	<b>1,936,442</b>	<b>-1,834,618</b>	<b>-1,526,573</b>	<b>-1,662,537</b>	<b>-1,839,780</b>	<b>-3,075,471</b>	<b>-2,400,136</b>	<b>-3,167,842</b>
<b>Net Operating Result for the Year</b>	<b>16,939,422</b>	<b>-128,793</b>	<b>-15,742,888</b>	<b>1,936,442</b>	<b>-1,834,618</b>	<b>-1,526,573</b>	<b>-1,662,537</b>	<b>-1,839,780</b>	<b>-3,075,471</b>	<b>-2,400,136</b>	<b>-3,167,842</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>-22,507,947</b>	<b>-21,873,577</b>	<b>-26,096,888</b>	<b>-8,417,558</b>	<b>-9,188,618</b>	<b>-8,900,903</b>	<b>-9,057,310</b>	<b>-9,255,107</b>	<b>-10,511,467</b>	<b>-9,856,915</b>	<b>-10,645,520</b>



## Balance Sheet

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**BALANCE SHEET - GENERAL FUND**

Scenario: Base Case	Current Year					Projected Years							
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
ASSETS													
Current Assets													
Cash & Cash Equivalents	8,894,588	0	0	1,896,403	12,843,631	15,636,114	19,239,166	27,357,271	34,312,804	40,893,792	48,692,061		
Investments	88,505,912	85,486,059	80,170,235	80,170,235	80,170,235	80,170,235	80,170,235	80,170,235	80,170,235	80,170,235	80,170,235		
Receivables	35,156,154	34,210,815	31,167,057	31,952,812	32,105,378	32,670,260	33,250,385	33,880,399	34,512,841	35,154,985	35,819,979		
Inventories	1,937,227	2,106,437	1,984,359	1,917,945	1,935,089	1,976,412	2,016,482	2,057,775	2,100,476	2,144,482	2,189,865		
Other	2,706,019	3,021,363	3,092,913	2,633,586	2,697,700	2,741,957	2,812,324	2,884,801	2,990,546	3,036,832	3,139,029		
Non-current assets classified as "held for sale"	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250		
Total Current Assets	138,765,149	126,389,924	117,979,814	120,136,231	131,317,283	134,760,229	139,053,842	147,915,732	155,652,151	162,965,576	171,576,419		
Non-Current Assets													
Investments	125,896,088	121,600,470	114,038,924	114,038,924	114,038,924	114,038,924	114,038,924	114,038,924	114,038,924	114,038,924	114,038,924		
Receivables	1,228,949	1,639,124	1,402,069	1,427,687	1,445,536	1,474,254	1,503,547	1,533,426	1,563,902	1,594,988	1,626,696		
Inventories	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255		
Infrastructure, Property, Plant & Equipment	3,332,182,399	3,342,307,880	3,334,262,777	3,326,114,089	3,308,481,025	3,300,371,912	3,291,296,321	3,278,015,407	3,266,115,962	3,255,335,845	3,244,291,973		
Investment Property	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000		
Right of use assets	944,900	232,900	-481,190	-1,163,449	-1,847,961	-2,534,010	-3,221,635	-3,910,876	-4,601,773	-5,294,367	-5,988,701		
Non-current assets classified as "held for sale"	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750		
Total Non-Current Assets	3,495,838,341	3,501,366,379	3,484,808,584	3,476,003,255	3,457,703,529	3,448,937,085	3,439,203,162	3,425,262,886	3,412,703,020	3,401,261,395	3,389,554,896		
TOTAL ASSETS	3,634,603,491	3,627,756,302	3,602,788,399	3,596,139,487	3,589,020,812	3,583,697,314	3,578,257,004	3,573,178,617	3,568,355,171	3,564,226,971	3,561,131,315		
LIABILITIES													
Current Liabilities													
Payables	35,965,591	38,327,138	39,448,624	36,153,547	36,961,022	37,418,550	38,098,640	38,799,527	39,777,619	40,272,588	41,230,804		
Contract liabilities	19,827,410	17,069,457	12,699,006	12,942,178	12,257,413	12,334,202	12,411,846	12,490,356	12,569,745	12,650,024	12,730,667		
Borrowings	6,328,173	6,012,609	5,484,995	5,411,805	4,328,261	4,536,379	4,018,900	2,810,606	2,300,020	970,748	1,023,517		
Employee benefit provisions	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066		
Other provisions	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717		
Total Current Liabilities	87,072,958	86,360,988	82,584,408	79,459,314	78,498,480	79,240,915	79,481,169	79,052,273	79,599,169	78,845,144	79,936,772		
Non-Current Liabilities													
Payables	50,996	57,180	93,739	45,285	50,323	47,341	48,214	49,109	54,259	50,967	55,043		
Lease liabilities	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000		
Borrowings	43,655,898	37,643,289	32,158,294	26,746,490	22,418,229	17,881,850	13,862,950	11,052,344	8,752,323	7,781,575	6,758,058		
Employee benefit provisions	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934		
Other provisions	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283		
Total Non-Current Liabilities	78,237,110	72,230,686	66,782,250	61,321,991	56,998,769	52,459,407	48,441,381	45,631,670	43,336,799	42,362,759	41,343,317		
TOTAL LIABILITIES	165,310,069	158,591,674	149,366,658	140,781,305	135,497,248	131,700,323	127,922,550	124,683,943	122,935,967	121,207,903	121,280,089		
Net Assets	3,469,293,422	3,469,164,629	3,453,421,741	3,455,358,182	3,453,523,564	3,451,996,992	3,450,334,454	3,448,494,675	3,445,419,204	3,443,019,068	3,439,851,226		
EQUITY													
Retained Earnings	2,244,813,422	2,244,684,629	2,228,941,741	2,230,878,182	2,229,043,564	2,227,516,992	2,225,854,454	2,224,014,675	2,220,939,204	2,218,539,068	2,215,371,226		
Revaluation Reserves	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000		
Council Equity Interest	3,469,293,422	3,469,164,629	3,453,421,741	3,455,358,182	3,453,523,564	3,451,996,992	3,450,334,454	3,448,494,675	3,445,419,204	3,443,019,068	3,439,851,226		
Total Equity	3,469,293,422	3,469,164,629	3,453,421,741	3,455,358,182	3,453,523,564	3,451,996,992	3,450,334,454	3,448,494,675	3,445,419,204	3,443,019,068	3,439,851,226		

## Cash Flow Statement

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**CASH FLOW STATEMENT - GENERAL FUND**

Scenario: Base Case	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years					
						2029/30 \$	2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	124,311,204	128,677,377	132,679,347	136,641,543	140,721,242	144,160,556	147,624,841	151,172,416	154,805,297	158,525,551	162,335,293
User Charges & Fees	21,778,797	22,196,326	22,635,877	23,136,652	23,642,146	24,066,468	24,488,948	24,920,469	25,361,232	25,811,441	26,271,307
Investment & Interest Revenue Received	10,946,261	8,968,762	8,731,881	8,501,321	7,914,162	7,998,961	8,010,613	7,987,896	8,012,928	8,030,977	8,035,784
Grants & Contributions	50,843,336	59,601,761	43,579,907	45,957,054	43,224,970	43,747,271	44,022,782	44,301,368	44,583,072	44,867,938	45,153,919
Other	22,954,114	22,475,692	23,166,015	22,646,097	22,980,569	23,205,364	23,378,365	23,555,047	23,735,490	23,919,779	23,805,652
<b>Payments:</b>											
Employee Benefits & On-Costs	-77,132,218	-79,865,030	-81,175,778	-83,824,415	-87,390,266	-90,126,585	-92,374,931	-94,694,425	-97,071,905	-99,508,823	-101,466,450
Materials & Contracts	-76,246,823	-86,340,297	-81,129,691	-80,683,325	-78,950,057	-81,308,563	-83,293,283	-85,472,522	-87,560,386	-90,209,893	-92,194,092
Borrowing Costs	-2,301,817	-2,331,748	-2,070,255	-1,817,194	-1,567,263	-1,334,133	-1,116,767	-897,647	-706,439	-563,629	-466,437
Other	-12,119,953	-13,331,062	-21,467,994	-11,338,189	-11,738,329	-11,155,645	-11,304,224	-11,514,009	-12,660,559	-12,011,361	-12,860,196
<b>Net Cash provided (or used in) Operating Activities</b>	<b>63,032,899</b>	<b>60,051,781</b>	<b>44,949,309</b>	<b>59,219,546</b>	<b>58,837,172</b>	<b>59,253,694</b>	<b>59,436,344</b>	<b>59,358,591</b>	<b>58,498,730</b>	<b>58,861,980</b>	<b>58,614,781</b>
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	0	7,315,471	12,877,370	0	0	0	0	0	0	0	0
Sale of Infrastructure, Property, Plant & Equipment	1,500,000	2,082,000	1,779,200	1,819,730	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300
<b>Payments:</b>											
Purchase of Infrastructure, Property, Plant & Equipment	-84,242,383	-72,015,666	-53,593,270	-53,657,878	-43,806,440	-53,461,251	-52,625,213	-48,549,886	-50,060,891	-51,309,271	-51,174,063
<b>Net Cash provided (or used in) Investing Activities</b>	<b>-82,742,383</b>	<b>-62,618,195</b>	<b>-38,936,699</b>	<b>-51,838,148</b>	<b>-42,478,140</b>	<b>-52,132,951</b>	<b>-51,296,913</b>	<b>-47,221,586</b>	<b>-48,732,591</b>	<b>-49,980,971</b>	<b>-49,845,763</b>
<b>Cash Flows from Financing Activities</b>											
<b>Receipts:</b>											
Proceeds from Borrowings & Advances	4,500,000	0	0	0	0	0	0	0	0	0	0
<b>Payments:</b>											
Repayment of Borrowings & Advances	-9,650,928	-6,328,173	-6,012,609	-5,484,995	-5,411,805	-4,328,261	-4,536,379	-4,018,900	-2,810,606	-2,300,020	-970,748
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>-5,150,928</b>	<b>-6,328,173</b>	<b>-6,012,609</b>	<b>-5,484,995</b>	<b>-5,411,805</b>	<b>-4,328,261</b>	<b>-4,536,379</b>	<b>-4,018,900</b>	<b>-2,810,606</b>	<b>-2,300,020</b>	<b>-970,748</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>-24,860,412</b>	<b>-8,894,588</b>	0	1,896,403	10,947,228	2,792,483	3,603,052	8,118,105	6,955,533	6,580,988	7,798,269
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	33,755,000	8,894,588	0	0	1,896,403	12,843,631	15,636,114	19,239,166	27,357,271	34,312,804	40,893,792
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>8,894,588</b>	<b>0</b>	<b>0</b>	<b>1,896,403</b>	<b>12,843,631</b>	<b>15,636,114</b>	<b>19,239,166</b>	<b>27,357,271</b>	<b>34,312,804</b>	<b>40,893,792</b>	<b>48,692,061</b>
Cash & Cash Equivalents - end of the year	8,894,588	0	0	1,896,403	12,843,631	15,636,114	19,239,166	27,357,271	34,312,804	40,893,792	48,692,061
Investments - end of the year	214,402,000	207,086,529	194,209,158	194,209,158	194,209,158	194,209,158	194,209,158	194,209,158	194,209,158	194,209,158	194,209,158
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>223,296,588</b>	<b>207,086,529</b>	<b>194,209,158</b>	<b>196,105,562</b>	<b>207,052,789</b>	<b>209,845,272</b>	<b>213,448,324</b>	<b>221,566,430</b>	<b>228,521,963</b>	<b>235,102,951</b>	<b>242,901,220</b>

## Financial Performance Indicators

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**FINANCIAL PERFORMANCE INDICATORS - GENERAL FUND**

Scenario: Base Case	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Performance Ratio	-10.69%	-9.69%	-11.60%	-3.65%	-3.90%	-3.71%	-3.71%	-3.72%	-4.15%	-3.82%	-4.06%
Own Source Operating Revenue Ratio	70.48%	74.14%	79.38%	79.50%	80.66%	80.89%	81.11%	81.33%	81.55%	81.77%	81.96%
Unrestricted Current Ratio	4.06	3.45	3.31	3.39	3.43	3.31	3.22	3.16	2.97	2.88	2.67
Debt Service Cover Ratio	3.68	5.36	5.21	8.17	8.43	10.43	10.41	11.92	16.30	20.26	39.85
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	9.89%	10.01%	10.01%	10.01%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%
Cash Expense Cover Ratio	0.60	0.00	0.00	0.12	0.83	1.00	1.20	1.67	2.05	2.40	2.81
Debt Service Ratio	5.64%	3.83%	3.58%	3.16%	2.96%	2.35%	2.31%	1.97%	1.38%	1.11%	0.54%

# 2024-2025 Water Fund Budget – 10 Year Financial Projections

## Income Statement

MidCoast Council 10 Year Financial Plan for the Years ending 30 June 2035 INCOME STATEMENT - WATER FUND											
Scenario: Base Case	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	16,530,546	16,894,546	17,369,162	17,901,823	18,433,156	19,549,921	20,733,942	21,778,799	22,876,087	24,028,431	25,238,589
User Charges & Fees	33,154,506	34,468,006	35,722,181	36,836,475	37,850,673	40,042,059	42,363,624	44,419,775	46,577,756	48,842,636	51,219,734
Other Revenues	1,000	1,000	1,000	1,000	1,000	1,020	1,040	1,061	1,082	1,104	1,126
Grants & Contributions provided for Capital Purposes	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	40,651,205	44,561,204	49,035,855	45,658,913	6,988,718	4,250,000
Interest & Investment Revenue	660,429	1,039,429	964,500	904,500	774,500	776,049	777,601	779,156	780,715	782,276	783,841
<b>Total Income from Continuing Operations</b>	<b>54,596,481</b>	<b>56,652,981</b>	<b>58,306,843</b>	<b>59,893,798</b>	<b>61,309,329</b>	<b>101,020,255</b>	<b>108,437,412</b>	<b>116,014,647</b>	<b>115,894,553</b>	<b>80,643,165</b>	<b>81,493,290</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	9,525,681	11,117,842	11,389,810	11,914,187	12,354,709	12,663,577	12,980,166	13,304,670	13,637,287	13,978,219	14,327,675
Borrowing Costs	3,820,091	3,501,557	3,218,209	2,971,526	3,008,894	4,074,580	5,401,174	6,401,232	7,513,777	7,884,916	7,529,182
Materials & Contracts	15,466,763	15,858,851	16,485,578	16,822,651	17,224,757	18,849,603	19,147,538	20,816,802	21,662,646	22,312,323	19,066,100
Depreciation & Amortisation	15,400,000	15,550,000	15,590,000	15,630,000	15,670,000	15,709,175	15,748,448	15,787,819	15,827,289	15,866,857	15,906,524
Other Expenses	532,175	792,875	823,461	844,596	865,298	886,930	909,104	931,831	955,127	979,005	1,003,480
Net Losses from the Disposal of Assets	728,500	728,500	750,355	772,866	796,052	796,052	796,052	796,052	796,052	796,052	796,052
<b>Total Expenses from Continuing Operations</b>	<b>45,473,210</b>	<b>47,549,625</b>	<b>48,257,413</b>	<b>48,955,826</b>	<b>49,919,711</b>	<b>52,979,917</b>	<b>54,982,481</b>	<b>58,038,407</b>	<b>60,392,177</b>	<b>61,817,373</b>	<b>58,629,014</b>
<b>Operating Result from Continuing Operations</b>	<b>9,123,270</b>	<b>9,103,356</b>	<b>10,049,430</b>	<b>10,937,972</b>	<b>11,389,618</b>	<b>48,040,338</b>	<b>53,454,931</b>	<b>57,976,240</b>	<b>55,502,376</b>	<b>18,825,791</b>	<b>22,864,276</b>
<b>Net Operating Result for the Year</b>	<b>9,123,270</b>	<b>9,103,356</b>	<b>10,049,430</b>	<b>10,937,972</b>	<b>11,389,618</b>	<b>48,040,338</b>	<b>53,454,931</b>	<b>57,976,240</b>	<b>55,502,376</b>	<b>18,825,791</b>	<b>22,864,276</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>4,873,270</b>	<b>4,853,356</b>	<b>5,799,430</b>	<b>6,687,972</b>	<b>7,139,618</b>	<b>7,389,133</b>	<b>8,893,727</b>	<b>8,940,385</b>	<b>9,843,463</b>	<b>11,837,073</b>	<b>18,614,276</b>

## Balance Sheet

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**BALANCE SHEET - WATER FUND**

Scenario: Base Case	Current Year 2024/25	2025/26	2026/27	2027/28	2028/29	Projected Years		2031/32	2032/33	2033/34	2034/35
	\$	\$	\$	\$	\$	2029/30	2030/31	\$	\$	\$	\$
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	9,832,718	4,224,657	4,259,803	7,739,712	6,681,478	4,471,329	8,133,499	9,359,062	7,560,391	11,955,799	23,392,433
Investments	2,332,924	2,332,924	2,332,924	2,332,924	2,332,924	2,332,924	2,332,924	2,332,924	2,332,924	2,332,924	2,332,924
Receivables	6,910,620	7,122,277	7,344,810	7,560,945	7,758,573	14,288,895	15,393,151	16,543,594	16,392,987	10,351,209	10,374,998
Other	8,943	9,308	9,676	9,876	10,112	11,032	11,211	12,157	12,643	13,020	11,219
<b>Total Current Assets</b>	<b>19,085,205</b>	<b>13,689,166</b>	<b>13,947,213</b>	<b>17,643,456</b>	<b>16,783,087</b>	<b>21,104,181</b>	<b>25,870,785</b>	<b>28,247,737</b>	<b>26,298,945</b>	<b>24,652,951</b>	<b>36,111,574</b>
<b>Non-Current Assets</b>											
Investments	667,076	667,076	667,076	667,076	667,076	667,076	667,076	667,076	667,076	667,076	667,076
Infrastructure, Property, Plant & Equipment	683,290,500	692,852,000	698,581,645	701,898,779	719,983,727	795,766,044	859,457,742	934,493,670	1,011,292,820	1,024,367,172	1,030,590,205
Investment Property	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000
Right of use assets	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000	216,000
<b>Total Non-Current Assets</b>	<b>685,556,576</b>	<b>695,118,076</b>	<b>700,847,721</b>	<b>704,164,855</b>	<b>722,249,803</b>	<b>798,032,120</b>	<b>861,723,818</b>	<b>936,759,746</b>	<b>1,013,558,896</b>	<b>1,026,633,248</b>	<b>1,032,856,281</b>
<b>TOTAL ASSETS</b>	<b>704,641,781</b>	<b>708,807,242</b>	<b>714,794,934</b>	<b>721,808,312</b>	<b>739,032,891</b>	<b>819,136,301</b>	<b>887,594,603</b>	<b>965,007,484</b>	<b>1,039,857,841</b>	<b>1,051,286,199</b>	<b>1,068,967,855</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	1,867,546	1,866,145	1,872,729	1,884,068	1,962,596	2,244,027	2,421,510	2,620,760	2,824,874	2,858,550	2,901,117
Contract liabilities	120,993	120,993	120,993	120,993	120,993	1,589,085	1,746,779	1,927,245	1,791,050	231,448	120,993
Borrowings	5,212,968	4,357,237	4,237,849	4,498,246	4,796,960	5,541,632	6,130,780	5,916,135	6,228,469	5,480,618	5,836,331
Employee benefit provisions	3,332,176	3,599,022	3,877,875	4,169,277	4,473,792	4,785,920	5,105,851	5,433,780	5,769,907	6,114,438	6,467,582
<b>Total Current Liabilities</b>	<b>10,533,683</b>	<b>9,943,396</b>	<b>10,109,446</b>	<b>10,672,584</b>	<b>11,354,340</b>	<b>14,160,665</b>	<b>15,404,919</b>	<b>15,897,920</b>	<b>16,614,301</b>	<b>14,685,053</b>	<b>15,326,023</b>
<b>Non-Current Liabilities</b>											
Lease liabilities	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000
Borrowings	55,083,601	50,726,364	46,488,515	41,990,269	47,132,486	76,377,972	90,125,546	109,057,354	127,676,827	122,196,209	116,359,879
Employee benefit provisions	120,228	129,856	139,917	150,431	161,418	172,680	184,223	196,055	208,183	220,614	233,356
<b>Total Non-Current Liabilities</b>	<b>55,447,829</b>	<b>51,100,220</b>	<b>46,872,432</b>	<b>42,384,700</b>	<b>47,537,904</b>	<b>76,794,652</b>	<b>90,553,769</b>	<b>109,497,409</b>	<b>128,129,010</b>	<b>122,660,823</b>	<b>116,837,235</b>
<b>TOTAL LIABILITIES</b>	<b>65,981,511</b>	<b>61,043,616</b>	<b>56,981,878</b>	<b>53,057,284</b>	<b>58,892,245</b>	<b>90,955,317</b>	<b>105,958,688</b>	<b>125,395,329</b>	<b>144,743,311</b>	<b>137,345,876</b>	<b>132,163,257</b>
<b>Net Assets</b>	<b>638,660,270</b>	<b>647,763,626</b>	<b>657,813,056</b>	<b>668,751,028</b>	<b>680,140,646</b>	<b>728,180,984</b>	<b>781,635,915</b>	<b>839,612,155</b>	<b>895,114,530</b>	<b>913,940,322</b>	<b>936,804,598</b>
<b>EQUITY</b>											
Retained Earnings	460,275,270	469,378,626	479,428,056	490,366,028	501,755,646	549,795,984	603,250,915	661,227,155	716,729,530	735,555,322	758,419,598
Revaluation Reserves	178,385,000	178,385,000	178,385,000	178,385,000	178,385,000	178,385,000	178,385,000	178,385,000	178,385,000	178,385,000	178,385,000
Council Equity Interest	638,660,270	647,763,626	657,813,056	668,751,028	680,140,646	728,180,984	781,635,915	839,612,155	895,114,530	913,940,322	936,804,598
<b>Total Equity</b>	<b>638,660,270</b>	<b>647,763,626</b>	<b>657,813,056</b>	<b>668,751,028</b>	<b>680,140,646</b>	<b>728,180,984</b>	<b>781,635,915</b>	<b>839,612,155</b>	<b>895,114,530</b>	<b>913,940,322</b>	<b>936,804,598</b>

## Cash Flow Statement

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**CASH FLOW STATEMENT - WATER FUND**

Scenario: Base Case	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years 2029/30 \$		2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	16,351,126	16,875,578	17,344,429	17,874,066	18,405,468	19,491,726	20,672,242	21,724,351	22,818,906	23,968,381	25,175,527	
User Charges & Fees	32,803,057	34,299,059	35,560,865	36,693,151	37,720,223	39,760,195	42,065,017	44,155,305	46,300,189	48,551,319	50,913,983	
Investment & Interest Revenue Received	1,068,122	1,038,294	957,491	892,528	768,008	754,740	762,371	762,322	768,358	767,188	745,108	
Grants & Contributions	4,027,295	3,000,000	3,000,000	3,000,000	3,000,000	34,769,702	42,813,716	47,216,523	44,838,578	10,658,916	3,348,460	
Other	1,175,870	1,000	1,000	1,000	1,000	1,017	1,038	1,059	1,080	1,101	1,123	
<b>Payments:</b>												
Employee Benefits & On-Costs	-9,230,301	-10,829,327	-11,093,657	-11,604,707	-12,031,302	-12,335,494	-12,643,881	-12,959,979	-13,283,978	-13,616,077	-13,956,479	
Materials & Contracts	-15,500,706	-15,884,216	-16,485,945	-16,822,852	-17,224,994	-18,850,523	-19,147,716	-20,817,748	-21,663,131	-22,312,700	-19,064,299	
Borrowing Costs	-3,870,138	-3,537,605	-3,248,339	-3,000,831	-2,971,270	-3,867,197	-5,302,035	-6,271,802	-7,382,863	-7,927,986	-7,567,081	
Other	-532,175	-792,875	-823,461	-844,596	-865,298	-886,930	-909,104	-931,831	-955,127	-979,005	-1,003,480	
<b>Net Cash provided (or used in) Operating Activities</b>	<b>26,292,149</b>	<b>24,169,907</b>	<b>25,212,383</b>	<b>26,187,758</b>	<b>26,801,835</b>	<b>58,837,236</b>	<b>68,311,646</b>	<b>72,878,200</b>	<b>71,442,012</b>	<b>39,111,137</b>	<b>38,592,862</b>	
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
<b>Payments:</b>												
Purchase of Infrastructure, Property, Plant & Equipment	-26,380,000	-24,565,000	-20,820,000	-18,470,000	-33,301,000	-91,037,544	-78,986,198	-90,369,799	-92,172,490	-28,487,261	-21,675,609	
<b>Net Cash provided (or used in) Investing Activities</b>	<b>-26,380,000</b>	<b>-24,565,000</b>	<b>-20,820,000</b>	<b>-18,470,000</b>	<b>-33,301,000</b>	<b>-91,037,544</b>	<b>-78,986,198</b>	<b>-90,369,799</b>	<b>-92,172,490</b>	<b>-28,487,261</b>	<b>-21,675,609</b>	
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	0	0	0	0	10,000,000	35,000,000	20,000,000	25,000,000	25,000,000	0	0	
<b>Payments:</b>												
Repayment of Borrowings & Advances	-5,362,431	-5,212,968	-4,357,237	-4,237,849	-4,559,069	-5,009,841	-5,663,279	-6,282,838	-6,068,192	-6,228,469	-5,480,618	
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>-5,362,431</b>	<b>-5,212,968</b>	<b>-4,357,237</b>	<b>-4,237,849</b>	<b>5,440,931</b>	<b>29,990,159</b>	<b>14,336,721</b>	<b>18,717,162</b>	<b>18,931,808</b>	<b>-6,228,469</b>	<b>-5,480,618</b>	
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>-5,450,282</b>	<b>-5,608,061</b>	35,146	3,479,909	<b>-1,058,234</b>	<b>-2,210,149</b>	3,662,170	1,225,564	<b>-1,798,671</b>	4,395,407	11,436,635	
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	15,283,000	9,832,718	4,224,657	4,259,803	7,739,712	6,681,478	4,471,329	8,133,499	9,359,062	7,560,391	11,955,799	
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>9,832,718</b>	<b>4,224,657</b>	<b>4,259,803</b>	<b>7,739,712</b>	<b>6,681,478</b>	<b>4,471,329</b>	<b>8,133,499</b>	<b>9,359,062</b>	<b>7,560,391</b>	<b>11,955,799</b>	<b>23,392,433</b>	
Cash & Cash Equivalents - end of the year	9,832,718	4,224,657	4,259,803	7,739,712	6,681,478	4,471,329	8,133,499	9,359,062	7,560,391	11,955,799	23,392,433	
Investments - end of the year	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>12,832,718</b>	<b>7,224,657</b>	<b>7,259,803</b>	<b>10,739,712</b>	<b>9,681,478</b>	<b>7,471,329</b>	<b>11,133,499</b>	<b>12,359,062</b>	<b>10,560,391</b>	<b>14,955,799</b>	<b>26,392,433</b>	



## Financial Performance Indicators

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**FINANCIAL PERFORMANCE INDICATORS - WATER FUND**

Scenario: Base Case	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Performance Ratio	11.13%	10.65%	12.12%	13.41%	13.91%	13.56%	15.17%	14.54%	15.15%	17.15%	25.13%
Own Source Operating Revenue Ratio	92.22%	92.50%	92.71%	92.90%	93.07%	59.76%	58.91%	57.73%	60.60%	91.33%	94.78%
Unrestricted Current Ratio	2.33	1.84	1.88	1.91	1.33	1.13	1.19	1.11	0.67	0.37	1.14
Debt Service Cover Ratio	1.78	1.85	2.23	2.44	2.39	6.15	5.66	5.38	4.92	2.17	2.64
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	11.29%	11.23%	11.26%	11.28%	11.30%	11.35%	11.36%	11.35%	11.36%	11.36%	11.37%
Cash Expense Cover Ratio	3.42	1.40	1.42	2.54	2.13	1.31	2.24	2.38	1.84	2.81	5.96
Debt Service Ratio	18.24%	16.63%	14.01%	12.96%	13.26%	15.05%	17.32%	18.94%	19.34%	19.16%	16.84%

# 2024-2025 Sewer Fund Budget – 10 Year Financial Projections

## Income Statement

MidCoast Council 10 Year Financial Plan for the Years ending 30 June 2035 INCOME STATEMENT - SEWER FUND											
Scenario: Base Case	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	41,618,119	42,540,119	43,539,337	44,820,252	46,152,843	47,539,829	48,968,481	50,440,051	51,955,829	53,517,141	55,125,355
User Charges & Fees	3,466,483	3,849,483	3,958,917	4,073,329	4,187,716	4,215,403	4,243,556	4,272,184	4,301,297	4,330,908	4,361,026
Grants & Contributions provided for Capital Purposes	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Interest & Investment Revenue	1,943,300	3,764,000	2,969,000	1,699,000	974,000	975,948	977,900	979,856	981,815	983,779	985,747
<b>Total Income from Continuing Operations</b>	<b>51,527,902</b>	<b>54,653,602</b>	<b>54,967,254</b>	<b>55,092,581</b>	<b>55,814,559</b>	<b>57,231,180</b>	<b>58,689,937</b>	<b>60,192,091</b>	<b>61,738,942</b>	<b>63,331,827</b>	<b>64,972,127</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	9,347,733	9,505,694	9,900,982	10,367,464	10,748,839	11,017,560	11,292,999	11,575,324	11,864,707	12,161,325	12,465,358
Borrowing Costs	2,328,850	2,001,675	1,746,168	2,043,871	2,782,411	3,594,044	4,716,360	6,017,835	6,819,627	6,897,546	6,669,854
Materials & Contracts	17,272,957	17,588,774	18,414,248	18,872,663	19,785,109	21,996,702	22,426,310	22,869,582	23,324,471	23,695,999	22,098,424
Depreciation & Amortisation	11,100,000	11,100,000	11,130,000	11,160,000	11,190,000	11,217,975	11,246,020	11,274,135	11,302,320	11,330,576	11,358,903
Other Expenses	59,500	143,500	187,710	192,926	197,149	202,078	207,130	212,308	217,616	223,056	228,632
Net Losses from the Disposal of Assets	195,000	195,000	200,850	206,876	213,082	213,082	213,082	213,082	213,082	213,082	213,082
<b>Total Expenses from Continuing Operations</b>	<b>40,304,041</b>	<b>40,534,643</b>	<b>41,579,958</b>	<b>42,843,800</b>	<b>44,916,590</b>	<b>48,241,441</b>	<b>50,101,900</b>	<b>52,162,266</b>	<b>53,741,824</b>	<b>54,521,585</b>	<b>53,034,253</b>
<b>Operating Result from Continuing Operations</b>	<b>11,223,861</b>	<b>14,118,959</b>	<b>13,387,296</b>	<b>12,248,781</b>	<b>10,897,969</b>	<b>8,989,739</b>	<b>8,588,037</b>	<b>8,029,824</b>	<b>7,997,117</b>	<b>8,810,243</b>	<b>11,937,875</b>
<b>Net Operating Result for the Year</b>	<b>11,223,861</b>	<b>14,118,959</b>	<b>13,387,296</b>	<b>12,248,781</b>	<b>10,897,969</b>	<b>8,989,739</b>	<b>8,588,037</b>	<b>8,029,824</b>	<b>7,997,117</b>	<b>8,810,243</b>	<b>11,937,875</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>6,723,861</b>	<b>9,618,959</b>	<b>8,887,296</b>	<b>7,748,781</b>	<b>6,397,969</b>	<b>4,489,739</b>	<b>4,088,037</b>	<b>3,529,824</b>	<b>3,497,117</b>	<b>4,310,243</b>	<b>7,437,875</b>

## Balance Sheet

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**BALANCE SHEET - SEWER FUND**

Scenario: Base Case	Current Year					Projected Years					
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	6,125,459	0	0	0	0	2,228,697	641,749	2,453,225	913,230	3,861,846	10,596,131
Investments	29,705,697	20,793,167	7,549,094	6,322,761	6,317,467	6,317,467	6,317,467	6,317,467	6,317,467	6,317,467	6,317,467
Receivables	5,840,640	5,912,993	5,958,352	6,120,163	6,296,329	6,476,642	6,652,669	6,842,557	7,029,610	7,233,562	7,452,786
Other	7,700	7,877	8,264	8,470	8,877	9,862	10,055	10,254	10,458	10,626	9,919
<b>Total Current Assets</b>	<b>41,679,496</b>	<b>26,714,038</b>	<b>13,515,709</b>	<b>12,451,394</b>	<b>12,622,672</b>	<b>15,032,667</b>	<b>13,621,939</b>	<b>15,623,503</b>	<b>14,270,765</b>	<b>17,423,501</b>	<b>24,376,302</b>
<b>Non-Current Assets</b>											
Investments	50,544,303	35,379,616	12,844,799	10,758,191	10,749,182	10,749,182	10,749,182	10,749,182	10,749,182	10,749,182	10,749,182
Infrastructure, Property, Plant & Equipment	545,118,000	584,691,000	631,015,150	659,463,274	682,918,192	705,050,711	738,204,000	765,849,379	782,162,633	784,738,972	786,424,697
Investment Property	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000	1,383,000
Right of use assets	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000
<b>Total Non-Current Assets</b>	<b>597,132,303</b>	<b>621,540,616</b>	<b>645,329,949</b>	<b>671,691,465</b>	<b>695,137,374</b>	<b>717,269,893</b>	<b>750,423,182</b>	<b>778,068,562</b>	<b>794,381,816</b>	<b>796,958,154</b>	<b>798,643,880</b>
<b>TOTAL ASSETS</b>	<b>638,811,799</b>	<b>648,254,654</b>	<b>658,845,658</b>	<b>684,142,860</b>	<b>707,760,047</b>	<b>732,302,560</b>	<b>764,045,121</b>	<b>793,692,065</b>	<b>808,652,580</b>	<b>814,381,655</b>	<b>823,020,182</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	1,485,247	1,482,431	1,488,925	1,616,396	1,742,833	1,886,971	2,087,209	2,277,236	2,361,873	2,374,605	2,386,789
Borrowings	4,949,762	3,091,700	2,289,732	2,631,488	2,805,272	3,219,049	3,760,613	3,408,672	3,450,862	3,677,418	3,918,748
Employee benefit provisions	3,331,927	3,598,753	3,877,586	4,168,966	4,473,459	4,785,565	5,105,473	5,433,379	5,769,482	6,113,988	6,467,107
<b>Total Current Liabilities</b>	<b>9,766,936</b>	<b>8,172,884</b>	<b>7,656,243</b>	<b>8,416,850</b>	<b>9,021,565</b>	<b>9,891,584</b>	<b>10,953,295</b>	<b>11,119,287</b>	<b>11,582,217</b>	<b>12,166,011</b>	<b>12,772,643</b>
<b>Non-Current Liabilities</b>											
Lease liabilities	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Borrowings	28,425,525	25,333,825	23,044,093	35,321,371	47,424,864	62,096,334	84,177,580	105,616,851	112,105,165	108,427,747	104,509,000
Employee benefit provisions	120,476	130,124	140,206	150,742	161,752	173,037	184,604	196,461	208,614	221,070	233,839
<b>Total Non-Current Liabilities</b>	<b>28,636,001</b>	<b>25,553,949</b>	<b>23,274,299</b>	<b>35,562,113</b>	<b>47,676,616</b>	<b>62,359,371</b>	<b>84,452,184</b>	<b>105,903,312</b>	<b>112,403,779</b>	<b>108,738,817</b>	<b>104,832,839</b>
<b>TOTAL LIABILITIES</b>	<b>38,402,938</b>	<b>33,726,833</b>	<b>30,930,542</b>	<b>43,978,963</b>	<b>56,698,181</b>	<b>72,250,955</b>	<b>95,405,479</b>	<b>117,022,598</b>	<b>123,985,996</b>	<b>120,904,828</b>	<b>117,605,481</b>
<b>Net Assets</b>	<b>600,408,861</b>	<b>614,527,820</b>	<b>627,915,116</b>	<b>640,163,897</b>	<b>651,061,866</b>	<b>660,051,605</b>	<b>668,639,642</b>	<b>676,669,466</b>	<b>684,666,584</b>	<b>693,476,826</b>	<b>705,414,701</b>
<b>EQUITY</b>											
Retained Earnings	472,357,861	486,476,820	499,864,116	512,112,897	523,010,866	532,000,605	540,588,642	548,618,466	556,615,584	565,425,826	577,363,701
Revaluation Reserves	128,051,000	128,051,000	128,051,000	128,051,000	128,051,000	128,051,000	128,051,000	128,051,000	128,051,000	128,051,000	128,051,000
Council Equity Interest	600,408,861	614,527,820	627,915,116	640,163,897	651,061,866	660,051,605	668,639,642	676,669,466	684,666,584	693,476,826	705,414,701
<b>Total Equity</b>	<b>600,408,861</b>	<b>614,527,820</b>	<b>627,915,116</b>	<b>640,163,897</b>	<b>651,061,866</b>	<b>660,051,605</b>	<b>668,639,642</b>	<b>676,669,466</b>	<b>684,666,584</b>	<b>693,476,826</b>	<b>705,414,701</b>

## Cash Flow Statement

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**CASH FLOW STATEMENT - SEWER FUND**

Scenario: Base Case	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years 2029/30 \$	2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	39,795,726	42,448,837	43,440,410	44,693,435	46,020,910	47,402,511	48,827,038	50,294,359	51,805,760	53,362,563	54,966,134
User Charges & Fees	3,444,542	3,813,471	3,948,627	4,062,571	4,176,961	4,212,800	4,240,909	4,269,492	4,298,560	4,328,124	4,358,194
Investment & Interest Revenue Received	2,338,885	3,837,616	3,053,097	1,700,707	967,514	963,650	974,900	968,158	978,271	968,812	961,149
Grants & Contributions	2,951,066	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Other	68,000	0	0	0	0	0	0	0	0	0	0
<b>Payments:</b>											
Employee Benefits & On-Costs	-9,018,074	-9,214,519	-9,603,206	-10,056,289	-10,423,659	-10,688,426	-10,955,636	-11,229,527	-11,510,265	-11,798,022	-12,092,973
Materials & Contracts	-17,280,657	-17,598,952	-18,414,634	-18,872,869	-20,035,516	-22,255,187	-22,691,728	-23,142,963	-23,606,053	-23,985,985	-22,396,230
Borrowing Costs	-2,355,816	-2,037,867	-1,768,774	-1,951,603	-2,692,642	-3,483,744	-4,550,946	-5,863,648	-6,771,878	-6,922,778	-6,696,742
Other	-59,500	-143,500	-187,710	-192,926	-197,149	-202,078	-207,130	-212,308	-217,616	-223,056	-228,632
<b>Net Cash provided (or used in) Operating Activities</b>	<b>19,884,172</b>	<b>24,105,086</b>	<b>23,467,810</b>	<b>22,383,027</b>	<b>20,816,419</b>	<b>18,949,526</b>	<b>18,637,407</b>	<b>18,083,562</b>	<b>17,976,779</b>	<b>18,729,657</b>	<b>21,870,900</b>
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	0	24,077,217	35,778,890	3,312,940	14,304	0	0	0	0	0	0
<b>Payments:</b>											
Purchase of Infrastructure, Property, Plant & Equipment	-33,605,000	-49,358,000	-56,155,000	-38,315,000	-33,108,000	-31,806,076	-42,847,166	-37,359,415	-26,047,279	-12,330,178	-11,459,197
<b>Net Cash provided (or used in) Investing Activities</b>	<b>-33,605,000</b>	<b>-25,280,783</b>	<b>-20,376,110</b>	<b>-35,002,060</b>	<b>-33,093,696</b>	<b>-31,806,076</b>	<b>-42,847,166</b>	<b>-37,359,415</b>	<b>-26,047,279</b>	<b>-12,330,178</b>	<b>-11,459,197</b>
<b>Cash Flows from Financing Activities</b>											
<b>Receipts:</b>											
Proceeds from Borrowings & Advances	0	0	0	15,000,000	15,000,000	18,000,000	26,000,000	25,000,000	10,000,000	0	0
<b>Payments:</b>											
Repayment of Borrowings & Advances	-5,449,713	-4,949,762	-3,091,700	-2,380,967	-2,722,722	-2,914,754	-3,377,189	-3,912,671	-3,469,495	-3,450,862	-3,677,418
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>-5,449,713</b>	<b>-4,949,762</b>	<b>-3,091,700</b>	<b>12,619,033</b>	<b>12,277,278</b>	<b>15,085,246</b>	<b>22,622,811</b>	<b>21,087,329</b>	<b>6,530,505</b>	<b>-3,450,862</b>	<b>-3,677,418</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>-19,170,541</b>	<b>-6,125,459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,228,697</b>	<b>-1,586,948</b>	<b>1,811,477</b>	<b>-1,539,996</b>	<b>2,948,616</b>	<b>6,734,285</b>
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>25,296,000</b>	<b>6,125,459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,228,697</b>	<b>641,749</b>	<b>2,453,225</b>	<b>913,230</b>	<b>3,861,846</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>6,125,459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,228,697</b>	<b>641,749</b>	<b>2,453,225</b>	<b>913,230</b>	<b>3,861,846</b>	<b>10,596,131</b>
Cash & Cash Equivalents - end of the year	6,125,459	0	0	0	0	2,228,697	641,749	2,453,225	913,230	3,861,846	10,596,131
Investments - end of the year	80,250,000	56,172,783	20,393,893	17,080,953	17,066,649	17,066,649	17,066,649	17,066,649	17,066,649	17,066,649	17,066,649
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>86,375,459</b>	<b>56,172,783</b>	<b>20,393,893</b>	<b>17,080,953</b>	<b>17,066,649</b>	<b>19,295,346</b>	<b>17,708,398</b>	<b>19,519,874</b>	<b>17,979,879</b>	<b>20,928,495</b>	<b>27,662,780</b>

## Financial Performance Indicators

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**FINANCIAL PERFORMANCE INDICATORS - SEWER FUND**

Scenario: Base Case	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Performance Ratio	14.71%	19.57%	18.01%	15.72%	12.88%	8.92%	7.94%	6.72%	6.48%	7.69%	12.65%
Own Source Operating Revenue Ratio	91.27%	91.77%	91.81%	91.83%	91.94%	92.14%	92.33%	92.52%	92.71%	92.89%	93.07%
Unrestricted Current Ratio	5.61	4.73	2.74	2.13	2.02	1.73	0.93	0.80	0.20	0.21	1.05
Debt Service Cover Ratio	2.62	3.30	4.54	4.78	3.74	3.00	2.50	2.12	2.12	2.20	2.48
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	11.37%	11.01%	11.02%	11.03%	11.04%	11.04%	11.04%	11.04%	11.04%	11.05%	11.05%
Cash Expense Cover Ratio	2.15	0.00	0.00	0.00	0.00	0.68	0.18	0.66	0.24	1.00	2.82
Debt Service Ratio	16.54%	13.86%	9.59%	8.75%	10.73%	12.34%	14.94%	17.83%	17.98%	17.59%	17.11%

# 2024-2025 General Fund Budget – Infrastructure Renewal & Maintenance Shortfall Scenario - 10 Year Financial Projections

## Income Statement

MidCoast Council 10 Year Financial Plan for the Years ending 30 June 2035 INCOME STATEMENT - GENERAL FUND											
Scenario: Infrastructure Renewal & Maintenance Shortfall	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>											
<b>Revenue:</b>											
Rates & Annual Charges	123,235,125	129,101,724	132,958,304	136,928,735	141,016,953	144,405,671	147,875,848	151,429,458	155,068,520	158,795,104	162,611,331
User Charges & Fees	22,220,367	22,193,452	22,688,763	23,190,192	23,696,171	24,110,732	24,534,159	24,966,648	25,408,400	25,859,620	26,320,520
Other Revenues	19,104,108	20,324,163	19,750,297	19,998,442	20,231,747	20,491,112	20,641,691	20,795,566	20,952,813	21,113,505	20,975,345
Grants & Contributions provided for Operating Purposes	34,336,468	42,262,713	38,161,202	39,023,195	39,595,853	39,847,723	40,102,511	40,360,257	40,621,004	40,884,794	41,149,758
Grants & Contributions provided for Capital Purposes	39,447,369	24,244,784	10,354,000	10,354,000	7,354,000	7,374,330	7,394,772	7,415,328	7,435,996	7,456,779	7,477,677
Interest & Investment Revenue	9,070,400	9,019,400	8,657,000	8,607,200	8,057,500	8,073,615	8,089,762	8,105,942	8,122,154	8,138,398	8,154,675
<b>Other Income:</b>											
Other Income	2,560,368	2,848,410	2,715,768	2,748,901	2,782,864	2,806,725	2,830,998	2,855,694	2,880,820	2,906,384	2,932,395
<b>Total Income from Continuing Operations</b>	<b>249,974,205</b>	<b>249,994,645</b>	<b>235,285,334</b>	<b>240,850,664</b>	<b>242,735,089</b>	<b>247,109,908</b>	<b>251,469,742</b>	<b>255,928,892</b>	<b>260,489,706</b>	<b>265,154,585</b>	<b>269,621,700</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	77,267,465	80,019,251	79,974,570	81,855,801	84,498,166	86,734,073	89,072,032	91,478,228	93,941,503	99,668,311	101,629,926
Borrowing Costs	2,240,893	2,315,153	2,054,487	1,802,810	1,553,072	1,322,783	1,104,871	887,108	699,068	557,598	463,891
Materials & Contracts	77,500,272	93,029,707	89,920,529	86,674,750	88,225,175	90,965,626	93,619,194	96,351,535	99,182,339	102,099,518	104,930,152
Depreciation & Amortisation	64,056,200	65,873,600	65,554,500	65,498,600	65,663,600	65,827,759	65,992,328	66,157,309	66,322,703	66,488,509	66,654,731
Other Expenses	11,969,953	13,421,528	22,002,802	10,629,365	11,812,036	11,112,018	11,316,999	11,527,104	12,735,895	11,963,205	12,919,814
<b>Total Expenses from Continuing Operations</b>	<b>233,034,784</b>	<b>254,659,240</b>	<b>259,506,889</b>	<b>246,461,326</b>	<b>251,752,049</b>	<b>255,962,258</b>	<b>261,105,424</b>	<b>266,401,284</b>	<b>272,881,508</b>	<b>280,777,142</b>	<b>286,598,513</b>
<b>Operating Result from Continuing Operations</b>	<b>16,939,422</b>	<b>-4,664,595</b>	<b>-24,221,555</b>	<b>-5,610,662</b>	<b>-9,016,960</b>	<b>-8,852,351</b>	<b>-9,635,682</b>	<b>-10,472,392</b>	<b>-12,391,802</b>	<b>-15,622,557</b>	<b>-16,976,813</b>
<b>Net Operating Result for the Year</b>	<b>16,939,422</b>	<b>-4,664,595</b>	<b>-24,221,555</b>	<b>-5,610,662</b>	<b>-9,016,960</b>	<b>-8,852,351</b>	<b>-9,635,682</b>	<b>-10,472,392</b>	<b>-12,391,802</b>	<b>-15,622,557</b>	<b>-16,976,813</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>-22,507,947</b>	<b>-28,909,379</b>	<b>-34,575,555</b>	<b>-15,964,662</b>	<b>-16,370,960</b>	<b>-16,226,681</b>	<b>-17,030,454</b>	<b>-17,887,719</b>	<b>-19,827,798</b>	<b>-23,079,336</b>	<b>-24,454,490</b>



## Balance Sheet

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**BALANCE SHEET - GENERAL FUND**

Scenario: Infrastructure Renewal & Maintenance Shortfall	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years 2029/30 \$	2030/31 \$	2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	8,894,588	0	0	0	0	0	0	0	0	0	0
Investments	88,505,912	75,194,962	57,387,105	46,132,839	37,055,655	24,159,151	10,927,776	0	0	0	0
Receivables	35,156,154	34,002,434	30,707,472	31,251,592	31,130,872	31,413,561	31,698,010	32,038,272	32,613,032	33,200,538	33,800,694
Inventories	1,937,227	2,243,259	2,183,703	2,119,768	2,149,076	2,200,996	2,252,014	2,304,549	2,358,983	2,415,080	2,471,904
Other	2,706,019	3,239,891	3,411,299	2,955,932	3,039,474	3,100,658	3,188,509	3,278,941	3,403,426	3,469,025	3,589,493
Non-current assets classified as "held for sale"	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250	1,565,250
<b>Total Current Assets</b>	<b>138,765,149</b>	<b>116,245,796</b>	<b>95,254,828</b>	<b>84,025,382</b>	<b>74,940,327</b>	<b>62,439,616</b>	<b>49,631,558</b>	<b>39,187,013</b>	<b>39,940,690</b>	<b>40,649,893</b>	<b>41,427,341</b>
<b>Non-Current Assets</b>											
Investments	125,896,088	106,961,799	81,630,841	65,622,102	52,710,174	34,365,417	15,544,320	0	0	0	0
Receivables	1,228,949	1,639,124	1,402,069	1,427,687	1,445,536	1,474,254	1,503,547	1,533,426	1,563,902	1,594,988	1,626,696
Inventories	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255	631,255
Infrastructure, Property, Plant & Equipment	3,332,182,399	3,363,935,007	3,377,817,917	3,390,797,632	3,398,527,226	3,416,772,766	3,435,075,798	3,450,226,607	3,467,842,240	3,487,697,908	3,508,373,945
Investment Property	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000	30,259,000
Right of use assets	944,900	232,900	0	0	0	0	0	0	0	0	0
Non-current assets classified as "held for sale"	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750	4,695,750
<b>Total Non-Current Assets</b>	<b>3,495,838,341</b>	<b>3,508,354,835</b>	<b>3,496,436,831</b>	<b>3,493,433,426</b>	<b>3,488,268,941</b>	<b>3,488,198,443</b>	<b>3,487,709,671</b>	<b>3,487,346,038</b>	<b>3,504,992,147</b>	<b>3,524,878,902</b>	<b>3,545,586,646</b>
<b>TOTAL ASSETS</b>	<b>3,634,603,491</b>	<b>3,624,600,631</b>	<b>3,591,691,660</b>	<b>3,577,458,808</b>	<b>3,563,209,268</b>	<b>3,550,638,059</b>	<b>3,537,341,229</b>	<b>3,526,533,051</b>	<b>3,544,932,838</b>	<b>3,565,528,795</b>	<b>3,587,013,988</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Bank Overdraft	0	0	0	0	0	0	0	2,783,441	35,198,738	72,786,479	111,060,901
Payables	35,965,591	39,707,269	41,366,354	38,034,441	38,893,392	39,428,987	40,225,702	41,045,969	42,148,328	43,002,133	44,075,748
Contract liabilities	19,827,410	17,069,457	12,699,006	12,942,178	12,257,413	12,334,202	12,411,846	12,490,356	12,569,745	12,650,024	12,730,667
Borrowings	6,328,173	6,012,609	5,484,995	5,411,805	4,328,261	4,536,379	4,018,900	2,810,606	2,300,020	970,748	1,023,517
Employee benefit provisions	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066	18,694,066
Other provisions	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717	6,257,717
<b>Total Current Liabilities</b>	<b>87,072,958</b>	<b>87,741,119</b>	<b>84,502,138</b>	<b>81,340,207</b>	<b>80,430,849</b>	<b>81,251,353</b>	<b>81,608,232</b>	<b>84,082,155</b>	<b>117,168,615</b>	<b>154,361,169</b>	<b>193,842,616</b>
<b>Non-Current Liabilities</b>											
Payables	50,996	57,180	93,739	45,285	50,323	47,341	48,214	49,109	54,259	50,967	55,043
Lease liabilities	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000
Borrowings	43,655,898	37,643,289	32,158,294	26,746,490	22,418,229	17,881,850	13,862,950	11,052,344	8,752,323	7,781,575	6,758,058
Employee benefit provisions	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934	760,934
Other provisions	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283	31,963,283
<b>Total Non-Current Liabilities</b>	<b>78,237,110</b>	<b>72,230,686</b>	<b>66,782,250</b>	<b>61,321,991</b>	<b>56,998,769</b>	<b>52,459,407</b>	<b>48,441,381</b>	<b>45,631,670</b>	<b>43,336,799</b>	<b>42,362,759</b>	<b>41,343,317</b>
<b>TOTAL LIABILITIES</b>	<b>165,310,069</b>	<b>159,971,804</b>	<b>151,284,388</b>	<b>142,662,198</b>	<b>137,429,618</b>	<b>133,710,760</b>	<b>130,049,612</b>	<b>129,713,825</b>	<b>160,505,414</b>	<b>196,723,927</b>	<b>235,185,933</b>
<b>Net Assets</b>	<b>3,469,293,422</b>	<b>3,464,628,827</b>	<b>3,440,407,272</b>	<b>3,434,796,610</b>	<b>3,425,779,650</b>	<b>3,416,927,299</b>	<b>3,407,291,617</b>	<b>3,396,819,226</b>	<b>3,384,427,424</b>	<b>3,368,804,867</b>	<b>3,351,828,054</b>
<b>EQUITY</b>											
Retained Earnings	2,244,813,422	2,240,148,827	2,215,927,272	2,210,316,610	2,201,299,650	2,192,447,299	2,182,811,617	2,172,339,226	2,159,947,424	2,144,324,867	2,127,348,054
Revaluation Reserves	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000	1,224,480,000
Council Equity Interest	3,469,293,422	3,464,628,827	3,440,407,272	3,434,796,610	3,425,779,650	3,416,927,299	3,407,291,617	3,396,819,226	3,384,427,424	3,368,804,867	3,351,828,054
<b>Total Equity</b>	<b>3,469,293,422</b>	<b>3,464,628,827</b>	<b>3,440,407,272</b>	<b>3,434,796,610</b>	<b>3,425,779,650</b>	<b>3,416,927,299</b>	<b>3,407,291,617</b>	<b>3,396,819,226</b>	<b>3,384,427,424</b>	<b>3,368,804,867</b>	<b>3,351,828,054</b>

## Cash Flow Statement

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**CASH FLOW STATEMENT - GENERAL FUND**

Scenario: Infrastructure Renewal & Maintenance Shortfall	Current Year 2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$	Projected Years		2031/32 \$	2032/33 \$	2033/34 \$	2034/35 \$
						2029/30 \$	2030/31 \$				
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	124,311,204	128,677,377	132,679,347	136,641,543	140,721,242	144,160,556	147,624,841	151,172,416	154,805,297	158,525,551	162,335,293
User Charges & Fees	21,778,797	22,196,326	22,635,877	23,136,652	23,642,146	24,066,468	24,488,948	24,920,469	25,361,232	25,811,441	26,271,307
Investment & Interest Revenue Received	10,946,261	9,177,142	8,983,086	8,742,956	8,187,447	8,281,155	8,306,288	8,277,648	8,070,610	8,085,615	8,100,622
Grants & Contributions	50,843,336	59,601,761	43,579,907	45,957,054	43,224,970	43,747,271	44,022,782	44,301,368	44,583,072	44,867,938	45,153,919
Other	22,954,114	22,475,692	23,166,015	22,646,097	22,980,569	23,205,364	23,378,365	23,555,047	23,735,490	23,919,779	23,805,652
<b>Payments:</b>											
Employee Benefits & On-Costs	-77,132,218	-79,865,030	-79,977,839	-81,737,263	-84,324,485	-86,618,418	-88,917,732	-91,320,442	-93,779,994	-99,271,955	-101,466,450
Materials & Contracts	-76,246,823	-92,351,318	-90,912,268	-91,043,117	-89,862,806	-92,778,013	-95,323,059	-98,078,176	-100,765,731	-104,034,343	-106,611,711
Borrowing Costs	-2,301,817	-2,331,748	-2,070,255	-1,817,194	-1,567,263	-1,334,133	-1,116,767	-897,647	-706,439	-563,629	-466,437
Other	-12,119,953	-13,331,062	-21,467,994	-11,338,189	-11,738,329	-11,155,645	-11,304,224	-11,514,009	-12,660,559	-12,011,361	-12,860,196
<b>Net Cash provided (or used in) Operating Activities</b>	<b>63,032,899</b>	<b>54,249,140</b>	<b>36,615,876</b>	<b>51,188,541</b>	<b>51,263,490</b>	<b>51,574,604</b>	<b>51,159,443</b>	<b>50,416,672</b>	<b>48,642,978</b>	<b>45,329,035</b>	<b>44,261,999</b>
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	0	32,245,239	43,138,816	27,263,004	21,989,113	31,241,260	32,052,472	26,472,096	0	0	0
Sale of Infrastructure, Property, Plant & Equipment	1,500,000	2,082,000	1,779,200	1,819,730	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300	1,328,300
<b>Payments:</b>											
Purchase of Infrastructure, Property, Plant & Equipment	-84,242,383	-91,142,793	-75,521,283	-74,786,281	-69,169,098	-79,815,904	-80,003,836	-76,981,609	-79,575,969	-81,945,056	-82,893,972
<b>Net Cash provided (or used in) Investing Activities</b>	<b>-82,742,383</b>	<b>-56,815,554</b>	<b>-30,603,267</b>	<b>-45,703,547</b>	<b>-45,851,685</b>	<b>-47,246,343</b>	<b>-46,623,063</b>	<b>-49,181,213</b>	<b>-78,247,669</b>	<b>-80,616,756</b>	<b>-81,565,672</b>
<b>Cash Flows from Financing Activities</b>											
<b>Receipts:</b>											
Proceeds from Borrowings & Advances	4,500,000	0	0	0	0	0	0	0	0	0	0
<b>Payments:</b>											
Repayment of Borrowings & Advances	-9,650,928	-6,328,173	-6,012,609	-5,484,995	-5,411,805	-4,328,261	-4,536,379	-4,018,900	-2,810,606	-2,300,020	-970,748
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>-5,150,928</b>	<b>-6,328,173</b>	<b>-6,012,609</b>	<b>-5,484,995</b>	<b>-5,411,805</b>	<b>-4,328,261</b>	<b>-4,536,379</b>	<b>-4,018,900</b>	<b>-2,810,606</b>	<b>-2,300,020</b>	<b>-970,748</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>-24,860,412</b>	<b>-8,894,588</b>	<b>0</b>	<b>-0</b>	<b>0</b>	<b>-0</b>	<b>-0</b>	<b>-2,783,441</b>	<b>-32,415,297</b>	<b>-37,587,742</b>	<b>-38,274,422</b>
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>33,755,000</b>	<b>8,894,588</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>	<b>-2,783,441</b>	<b>-35,198,738</b>	<b>-72,786,479</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>8,894,588</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>	<b>-2,783,441</b>	<b>-35,198,738</b>	<b>-72,786,479</b>	<b>-111,060,901</b>
Cash & Cash Equivalents - end of the year	8,894,588	0	0	0	0	0	-0	-2,783,441	-35,198,738	-72,786,479	-111,060,901
Investments - end of the year	214,402,000	182,156,761	139,017,945	111,754,941	89,765,829	58,524,568	26,472,096	0	0	0	0
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>223,296,588</b>	<b>182,156,761</b>	<b>139,017,945</b>	<b>111,754,941</b>	<b>89,765,829</b>	<b>58,524,568</b>	<b>26,472,096</b>	<b>-2,783,441</b>	<b>-35,198,738</b>	<b>-72,786,479</b>	<b>-111,060,901</b>

## Financial Performance Indicators

**MidCoast Council**  
**10 Year Financial Plan for the Years ending 30 June 2035**  
**FINANCIAL PERFORMANCE INDICATORS - GENERAL FUND**

Scenario: Infrastructure Renewal & Maintenance Shortfall	Current Year	Projected Years									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating Performance Ratio	-10.69%	-12.81%	-15.37%	-6.93%	-6.96%	-6.77%	-6.98%	-7.20%	-7.84%	-8.96%	-9.33%
Own Source Operating Revenue Ratio	70.48%	73.40%	79.38%	79.50%	80.66%	80.89%	81.11%	81.33%	81.55%	81.77%	81.96%
Unrestricted Current Ratio	4.06	2.54	1.42	0.35	-0.83	-2.05	-3.38	-4.39	-2.33	-1.59	-1.23
Debt Service Cover Ratio	3.68	4.54	4.09	7.04	7.30	9.01	8.88	10.02	13.45	15.39	29.74
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	9.89%	10.01%	10.01%	10.01%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%
Cash Expense Cover Ratio	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service Ratio	6.00%	4.18%	3.83%	3.38%	3.16%	2.52%	2.47%	2.11%	1.48%	1.18%	0.58%





# FINANCIAL SUSTAINABILITY REVIEW ACTION PLAN

2024 - 2027



# Introduction

MidCoast Council considered a report on 28th September 2022 which established a pathway to financial sustainability. The report noted that financial sustainability is a longstanding sector wide challenge and one not faced by MidCoast Council (MCC) alone. The Report referred to previous Government commissioned reports which identified broader government reforms were required to ensure councils across NSW could deliver services which meet community needs. Consideration of broader reforms by the State Government are ongoing and Council actively participates in these both individually and through industry representative bodies.

The Report followed two significant Council resolutions as set out below:

## Council Meeting 11<sup>th</sup> May 2022

### **174/2022 RESOLUTION**

*(Moved Cr J Miller / Seconded Cr A Tickle)*

1. *That Council place the Draft 2022-2026 Delivery Program and 2022-2023 Operational Plan as at **Attachment 1**, the draft Statement of Revenue Policy as **Attachment 2**, the Draft 2022-2023 Fees & Charges Schedule as at **Attachment 3**, and the Draft Detailed Budget 2022-2023 as at **Attachment 4** on public exhibition for 28 days to allow consideration of its contents by the public and the lodgement of submissions during the exhibition period.*
2. *That in view of the projected ongoing General Fund deficit position (Operating Result before Capital Grants & Contributions) identified in the Long Term Financial Plan, Management prepare a plan of action for Council consideration so as to return the General Fund to a surplus position within a 4 – 6 year timeframe. This plan of action to consider, but not be limited to, the following matters:*
  - *Completion of works program identified within the Asset Management Strategy (including development of asset management plans) to inform discussion on asset service levels.*
  - *Framework and Program for the conduct of service reviews to inform discussion on services provided by Council and the level / cost of those services.*
  - *Identification of opportunities to achieve operational efficiencies through the Business Transformation Program and other relevant reviews.*
  - *Engagement with the community.*
  - *Timeframes.*



3. *That the plan of action be reported to the September 2022 Ordinary Council Meeting.*

At the next Council Meeting the following resolution was adopted:

**Council Meeting 25<sup>th</sup> May 2022**

**181/2022 RESOLUTION**

*(Moved Cr C Pontin)*

*That Council notes the Mayor has called on staff to:*

*1. Prepare a Transport Asset Strategic Plan that:*

- a. Describes the current condition of MidCoast transport assets, including roads,*
- b. Explains the funding since merger to reduce the infrastructure backlog,*
- c. Identifies the current transport assets (including roads) infrastructure backlog,*
- d. Projects the changes in asset conditions over time based on the current and projected levels of transport assets funding,*
- e. Breaks these amounts into operational and capital costs for each of the various categories of roads, separated by funding source,*
- f. Proposes options for reverting the roads to a satisfactory standard,*
- g. Proposes appropriate ongoing road maintenance and renewal budgets to ensure, Council's roads assets do not continue to deteriorate faster than they are renewed, and*
- h. Identifies possible funding options and timelines for this work.*

*2. Provide this Report to a Council meeting in December 2022 with an interim report on progress in September 2022, noting the extensive work that will be required to prepare the report,*

*3. Amend the current budget and expenditure reporting format and timing to enable Council to:*



- a. approve clearly defined annual budgets for transport assets (including roads), broken down into maintenance, renewal and new capital projects,*
- b. enable quarterly monitoring of expenditure against those budgets, and*
- c. provide annual reports of the progress in reducing the transport assets backlog.*
- 4. Commence this budgeting and reporting schedule by December 2022.*

Following these Council resolutions the action below has been implemented:

1. AEC Group Ltd appointed to undertake an independent Financial Sustainability Review (FSR) in July 2023
2. Roads Strategy Update Report presented to Council 25 October 2023
3. AEC delivered their Report to Council in December 2023
4. Council Report in December 2023 committing to preparing an Action Plan in response to the AEC Report and presenting this to Council in the first Quarter of 2024
5. Reports presented to 1<sup>st</sup> May 2024 Council Meeting
  - a) Financial Sustainability Report
  - b) Roads Strategy

The AEC Financial Sustainability Review was a comprehensive and independent review of Council's position across assets and finances. It confirmed that many of the action's Council is taking are relevant and appropriate.

While Council has relevant actions currently underway to address long term financial sustainability there are many learnings from the AEC Report which have been taken on board to further Council's progress to becoming financially sustainable. As a result, Council has developed this MidCoast Council Financial Sustainability Action Plan to ensure the current improvement path is built upon and accelerated.

## MidCoast Council Financial Sustainability Review Action Plan

### Goal:

MidCoast Council aims to be financially sustainable. This means having sufficient funds to meet all of our resource and financial obligations, including the provision of agreed services and properly maintaining our assets.

It also means:

- a) Being able to maintain infrastructure (physical assets) over the long term for our future generations.
- b) Having sufficient cash reserves to accommodate unexpected financial events.

**Objective 1:** Expenditure is managed to ensure that limited funds are controlled and spent effectively

**Objective 2:** Council operations are effective, efficient, and lean - delivering value for money to the community

**Objective 3:** Council assets are strategically managed across their entire lifecycle and asset management capability is continually developed and improved

**Objective 4:** Revenue sources are regularly reviewed to align with expenses and agreed service levels

**Objective 5:** Generate sufficient unrestricted cash as determined by Council policy.

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
<b>Objective 1 - Expenditure Managed to ensure that limited funds are controlled and spent effectively</b>			Expenditure is managed more effectively leading to reduced wastage and delivery of better value services to the community
Implement a Financial Sustainability Governance Framework	<p>Develop a Financial Sustainability Governance Framework</p> <p>Implement the Financial Sustainability Governance Framework</p> <p>(sub-components of the Financial Sustainability Governance Framework will be referred to throughout this action plan e.g. Project Management Framework, Grant Application Framework)</p>	<p>End December 2024</p> <p>End June 2025</p>	Financial management decision making is consistently managed and documented
Business case required for proposals for significant new or upgraded services (new or upgraded assets over \$1million).	<p>Incorporate this in Council's Project Management Framework</p> <p>(This is a sub-component of the Financial Sustainability Governance Framework)</p>	End December 2024	Control expenditure and ensure lifecycle costs of new assets can be funded.

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
Implement a Grant Application Framework	<p>Develop a Grant Application Framework</p> <p>Implement the Grant Application Framework</p> <p>(This is a sub-component of the Financial Sustainability Governance Framework)</p>	<p>End December 2024</p> <p>Start March 2025</p>	<p>Grant applications are only submitted for projects where internal funding sources are identified and verified.</p> <p>New or renewed asset grant applications only submitted if asset lifecycle costs can be funded.</p>
Develop an activity-based annual budget process	<p>Develop a project and resourcing plan for implementation of activity-based budgeting</p> <p>Review Budget Development Policy and align with activity-based budgeting</p> <p>Implementation of actions from the developed Project Plan</p>	<p>End August 2025</p> <p>End August 2025</p> <p>2026/27</p>	<p>Increased efficiency, reduced waste, improved management of resources.</p>
Implement the Project Management Framework, which includes appropriate gateways for project selection, planning, execution, and closure, and enforces the project management governance for all potential projects (including approval to proceed with grant applications).	<p>Implement the Project Management Framework</p> <p>Project Lifecycle Management technology module implemented</p> <p>(This is a sub-component of the Financial Sustainability Governance Framework)</p>	<p>End December 2024</p> <p>End December 2024</p>	<p>Improved Project Delivery Efficiency</p> <p>Improved and more efficient project reporting</p> <p>Reduced project overruns</p> <p>Reduced project risk</p>

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
			<p>Improved project selection and prioritisation aligned with Council adopted strategies</p> <p>Reduced duplication of project approaches and effort across Council operations</p> <p>Integration of project information with Council's core financial and asset systems</p>
<p><b>Objective 2:</b></p> <p><b>Council operations are effective, efficient, and lean delivering value for money to the community</b></p>			<p>Value for money services delivered to the community</p>
<p>Conduct a Service Review Program to strategically assess the range and levels of service provided to the community</p>	<p>Establish productivity and efficiency targets to include in the Service Review Program</p> <p>At the beginning of each term, Council will identify areas of service that will be reviewed within its four-year Delivery Program, along with how we will engage with the community and other stakeholders to determine service level expectations and appropriate measures</p>	<p>End June 2024 (reviewed annually)</p> <p>Council to determine by end June 2025</p> <p>Council to determine by end June 2024</p>	<p>Align levels of service to community requirements</p> <p>Improve customer experience</p> <p>Maximise the use of community assets and the levels of services being provided</p> <p>Support financial sustainability, including continuous improvement and increased sources of revenue</p>

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
	Specific details of service reviews to be undertaken in a given year will be included in Council's Operational Plan, commencing 2024/25.		Identify opportunities to improve ways of working and operational efficiencies
Review the efficiency and effectiveness of current corporate functions, particularly the services with large operating expenditure and potential to support improvements in productivity and efficiencies such as ICT, procurement, fleet and plant operations, finance, and asset management.	<p>A benchmarking review of corporate functions will be undertaken to assess opportunities for efficiencies.</p> <p>The outcomes from the benchmarking review will be built into the service review program with priorities set by Council</p>	<p>End December 2024</p> <p>Council to determine by June 2025</p>	Opportunities to improve ways of working and operational efficiencies
Implement and fund productivity, efficiency, and effectiveness improvement initiatives previously identified including achieving the intended \$21.35 m in efficiency benefits of the Business Transformation Project	Delivery of our five-year Business Transformation program to improve services to the community, streamline administrative processes, operate more efficiently, and reduce wastage. Benefits of \$21.35 m are accumulated across a 10-year period.	<p>2024/25 (savings from initial components of the Program will be progressively identified and realised during 24/25 with full financial year benefits accumulating from 2025/26)</p> <p>2025/26 (\$1.131 million)</p> <p>2026/27 (\$1.291 million)</p> <p>2027/28 (\$2.149 million)</p> <p>2028/29 (\$3,137 million)</p>	<p>Improved services</p> <p>Operational efficiency</p> <p>Operational effectiveness</p> <p>Reduced wastage</p> <p>Projected financial savings realised</p>

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
		2029/30 (\$3.537 million) 2030/31 (\$3.451 million) 2031/32 (\$3.368 million) 2032/33 (\$3.286 million)	
<b>Objective 3:</b>  <b>Council assets are strategically managed and asset management capability is continually developed and improved</b>			Council asset lifecycle costs are accurate and agreed levels of service are reflected in Councils asset and funding plans (including the Long Term Financial Plan)  Ensure the identification of funding required to meet agreed service levels (or funding required to maintain and renew assets to an acceptable level)
Improve the strategic and technical asset management capability and practices with a focus on planning to manage assets at the most optimal whole of life cost	Complete development and updating of asset management plans for priority asset classes including improvement plans to continue development of greater	End June 2024 – program to be updated annually	Asset decision making and funding are directed in areas of greatest need  Asset funding gap clearly identified to inform funding

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
	<p>levels of asset management maturity</p> <p>Develop and document asset lifecycle strategy for all assets that is supported by the Long Term Financial Plan and Asset Management Strategy</p> <p>Develop asset-based service levels for the existing asset portfolio based on existing service delivery expectations</p> <p>Clearly define roles &amp; responsibilities and formalise asset management functions and systems so that asset management practices are accurately reflected in Council's organisational structure, financial management system and forward modelling/planning</p> <p>Asset management staff training and development</p> <p>Asset Management Planning for Elected Members training through IPWEA</p> <p>Develop procedures and policies that document responsibilities</p>		<p>required to adequately maintain and renew all Council assets</p> <p>Asset lifecycles and risks are understood and reflected in the asset strategy an individual asset plans</p> <p>Roles and responsibilities are understood providing greater accountability</p> <p>Procedures and clear and well followed</p> <p>Staff &amp; elected members have the training and skills required for their roles</p> <p>Continuous improvement is embedded into every element of asset management to increase the level of asset management maturity</p>



Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
	<p>for capitalising, commissioning, depreciating and disposing of assets</p> <p>Each major asset class has an adopted improvement plan with specific actions aligning to the Asset Management Strategy</p> <p>Policy and procedure ongoing review and refinement</p>		
Prepare an asset management strategy that provides guidance and direction to improve Council's asset management approach	<p>Update the Asset Management Strategy to reflect the Long Term Financial Plan, revised Asset Management Plans and incorporate improvements achieved</p> <p>Update the asset management maturity assessment to inform revision of the asset strategy and improvement plans</p>	<p>End December 2024</p> <p>Annual revision</p>	<p>Improve resource allocation</p> <p>Increase the awareness of current asset performance/risk</p> <p>Integrate the Asset Management Plans, Long-Term Financial Plan &amp; Resourcing strategy, providing direct alignment benefitting the level of maturity for Integrated Planning &amp; Reporting</p> <p>Improved levels of asset management maturity</p>
Review and update the asset management plans for each asset class to determine and direct the optimal life cycle approach for each asset class.	<p>All asset classes reviewed</p> <p>Service levels for assets determined through community engagement and incorporated into asset management plans</p>	<p>Asset Management Plans reviewed in 2023/24 for Community Infrastructure</p> <p>Remaining plans to be reviewed in 2024/2025</p>	Optimal life cycle determined for assets ensuring asset renewal and replacement plans are accurate

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
	<p>Review asset data for accuracy and currency, refining data integrity</p> <p>Undertake planned/scheduled revaluations</p>	End August 2025	<p>Agreed levels of service with the community which are then reflected in councils asset management plans and funding strategies</p> <p>Data continues to be improved providing greater accuracy and confidence</p>
Develop a “State of Assets Report” and present to Council to enable discussion between Councillors and management on progressing improvement in asset management and asset renewal planning	A State of Assets Report with commentary for all asset classes that explains “Special Schedule - Report on Infrastructure Assets” in the Annual Financial Statements. (The Report on Infrastructure Assets in the Annual Financial Statements provides valuable information on Councils asset position and a State of the Assets Report will provide more detail, interpretation, and commentary on the state on MidCoast Council Assets)	October 2024	<p>Improved decision making through improved understanding of the state of MidCoast Councils assets on an annual basis</p> <p>Opportunity to reflect on the result being achieved for asset classes and reconsider the setpoints and targets in the asset strategy.</p>
Review developer contributions plans, to ensure that the current contribution levels are able to support the future development costs	<p>Engagement of expertise to review plans</p> <p>Review of developer contribution plans</p>	<p>June 2024</p> <p>December 2025</p> <p>June 2026</p>	<p>Revenue applied to asset programs on a timely basis</p> <p>Appropriate contributions from development towards new or</p>

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
	Consideration of plans by Council and adoption		expanded infrastructure servicing growth
<b>Objective 4:</b>  <b>Revenue sources are regularly reviewed to align with expenses and agreed service levels</b>			Council has adequate revenue to deliver services at agreed levels to the community
Review the pricing for fees and charges and ensure they reflect full cost price for services, as far as it is practical to do so, without impacting significantly on access to services by the community.	Review conducted and considered by Council	By end June 2024  Annual Review	Fees and charges maximised while balancing community access to services.
Develop a Property Portfolio Strategy	Undertake a property portfolio review  Identification of opportunities for Council owned property  Consideration of business cases  Implementation of strategies on individual properties  Establishment of a Commercial Property Reserve to manage	Ongoing and reporting through Councils Asset Advisory Committee	Property portfolio actively managed to achieve a sustainable portfolio of properties which funds property management resources and returns funds for other council purposes as determined by Council

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
	funds generated from commercial property activities. The aim of the reserve is to transition towards a self-funded property portfolio model which over time returns a residual percentage of income back to the General Fund for allocation to priorities determined by Council		
Maintain integration of the Annual Budget and Long-Term Financial Plan with the Delivery Program, Operational Plan, Asset Management Plans, Workforce Strategy, and other adopted plans	<p>Annual Budget and Long Term Financial Plan improvement program.</p> <p>Develop process to update all plans when material decisions are made</p> <p>(This is a sub-component of the Financial Sustainability Governance Framework)</p>	Annual	<p>A holistic view of the Council's financial position is available, ensuring that all decisions are made in consideration of long-term financial sustainability.</p> <p>Longer term price paths are modelled for major revenue streams.</p> <p>Increased oversight and accuracy of medium to long-term cash position.</p>
Explore all other avenues for operational efficiency, and other revenue sources, before considering a special rate variation application recommended by the AEC Financial Sustainability Review .	All revenue and efficiency opportunities explored	<p>2024/2025</p> <p>Consider progress on other Financial Sustainability Review recommendations and efficiencies achieved and review this recommendation</p>	Revenue and efficiency maximised and asset information improved before considering a special rate variation application

Activity to Achieve Objectives	Sub- Activities	Target Dates	Outcome
<b>Objective 5:</b>  <b>Generate sufficient unrestricted cash as determined by Council policy</b>			Council retains a sufficient buffer of cash to meet unexpected events.
Budget for and maintain, at least in the short term, an unrestricted cash reserve of at least \$10 million	Commence development of a Treasury Management Policy to identify parameters for day-to-day cash management balances, restriction usage, reporting etc.	June 2024	Sufficient cash reserve contingency for unplanned asset renewals/replacements due to asset failure or other unknown or unplanned events.
Implement a monthly reconciliation and reporting process for all external restrictions.	<p>Budgeted movements within external restrictions reported to Council via the quarterly budget review process.</p> <p>Investigate options to improve reconciliation and reporting timeframes of external restriction movements.</p> <p>(This is a sub-component of the Financial Sustainability Governance Framework)</p>	<p>2024/25 Ongoing (currently occurring)</p> <p>2024/25 Conduct scheduled review of Restricted Funds Policy and incorporate reconciliation and reporting requirements</p>	Increased transparency and understanding of Restricted fund balances.

