



CUMBERLAND
CITY COUNCIL

Long Term Financial Plan

2022/23 — 2031/32

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Objectives of the Long Term Financial Plan

The objective of the LTFP is to express in financial terms the activities Cumberland Council proposes to undertake over the short, medium and long term, provide a sound basis for strategic decision making, and guide the future strategies and actions of Council to ensure that it continues to operate in a manner that achieves financial sustainability.

The document is a resource plan that links the Community Strategic Plan adopted in June 2022 and Operational Plans and the Delivery Program.

Specific objectives of the plan are to:

- Reflect the true financial position based on the current service levels
- Provide for a plan where we can predict cost and predict future outcomes
- Reflect the current services levels impact on our Financial Sustainability
- Provide some scenario analysis and their impact on our Financial Sustainability
- Guide future Operational Plans and Council ability to invest in new services

This LTFP further details the four year Delivery Program and it is a policy of council to remain in surplus and to renew infrastructure based on Council's intervention point which is condition 3. Council renewal will be planned on the basis of overall condition, asset characteristics and service criticality.

The Council objective is to achieve fully funded depreciation by cash funding renewals above depreciation.

The LTFP will address any funding issues, increased maintenance costs, increased depreciation from fair value and any major upgrades of facilities.

Financial Stability Policy

This section will cover areas that impact Council's Financial Sustainability.

2.1 Financial Sustainability Policy

Financial sustainability is a key challenge facing Local Government due to several contributing factors including increased demand for services beyond those traditionally provided cost shifting from other levels of government, aging infrastructure and constraints on revenue growth.

Factors considered in Cumberland's Financial Sustainability Policy include:

- Council Sustainability Benchmarks – Council will aim to exceed the financial sustainability indicators provided by the Office of Local Government.
- Intergenerational Equity - The financial effects of Council's decisions should not be borne entirely by present-day ratepayers, but should be contributed to by future ratepayers who will also benefit. The budget is in surplus and there is a strong renewal program which will reduce the financial burden to future rate payers.
- Investment – Council will manage a conservative investment portfolio through robust analysis decision making, in line with the Investment Policy.
- Borrowings – Borrowings are only utilised for assets that have an asset life exceeding 20 years or for projects that can generate a payback to Council within 5 years. There are currently three loans on hand for Merrylands CBD Drainage works (expiry 2029) Auburn Public Car Park (expiry 2023) and Regents Park Bridge (expiry 2023). There are no others planned in this budget year.
- Renewal – Council renewal is based on Council's intervention point which is Condition 3. Council renewal will be planned on the basis of overall condition, asset characteristics and service criticality.
- Fully Funded Depreciation – Council will include in its annual budget sufficient funds to cover the full costs of depreciation for all of its assets.
- Fully Funded Operating Position - Council must collect enough revenue to fund operational expenditure, the repayment of debt and depreciation.
- Fully Funded Capital Works Program – The source of capital works is identified and secured for both capital renewal and new capital works.
- All capital is approved based on the priority and available funding.
- Cash Surplus – Council aims to maintain a surplus every year. Surplus has been achieved by Council.

The LTFP complies with the Financial Planning and Sustainable Policy and as due to our surplus net working funds position we can sustain all services without the need to increase rates above the IPART set rate peg.

Other Highlights from this Plan are as follows:

- Council available funding over 10 years is \$620m

The available funds are being spent over 10 years as follows:

- \$423m Renewal
- \$34m Council funded upgrades and new assets
- \$162m S7.11 new assets

2.2 Growth

This is an important factor for Cumberland as a shortcoming of the local government cost index, which is a lead indicator to the setting of the rates peg and does not reflect changes in population or cost of \$7.11 funded community facilities. Over the 10 year plan the population is predicted to increase from 260,000 to 291,000 being an average increase of 1.2% per annum.

The impact of population expansion will require Council to provide additional services such as:

- Recreational Facilities
- Community Centres
- Open space and Sporting complexes.
- Public Domain Upgrades

These capital needs are mainly being met by \$7.11 contributions, but operational costs need to be increased to service the assets. Council is maintaining a cost trend line that is decreasing in real terms per capita.

2.3 Infrastructure Renewals, Backlog and Asset Optimisation

The issue of financial sustainability of local government has been identified as a major issue. Backlog occurs as shortfall in infrastructure renewal due to net cash funding depreciation.

Cumberland City Council is currently developing new asset management plans to predict the condition of assets and when the asset can be renewed.

- Asset management plans must prioritise renewal based on condition and be linked to the Long Term Financial Plan.
- Council must have a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works.
- Council must maintain its asset base, by renewing ageing infrastructure and by ensuring working capital is set aside for those works.

In complying with these principles Council will maintain a minimal backlog and have sufficient new working funds to reduce backlog when it arises.



Financial Assumption

3.1 Economic Indicators

Below is information on macro-economic factors informing assumptions in the LTFP.

3.1.1 Growth

The growth assumptions of the LGA are from forecast.ID. The Dwellings growth and population growth are key drivers to increases in Rates Income and Services required.

The S94 has plans to provide new assets including parks, community centres, childcare and redevelopment of town centres.

This LTFP has balanced the increases in rates income will be offset by the increase in cost to service the new facilities.

3.1.2 Inflation

To determine the inflationary increase for 2016/17 LTFP, Council has used the higher of specific cost index or the CPI.

The assumptions for specific cost index are listed in section 3 Expense Assumptions.

| Projected Years | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| CPI | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Dwellings growth | 1,536 | 1,299 | 1,199 | 1,203 | 1,112 | 1,029 | 1,039 | 1,021 | 983 | 899 |
| Dwellings growth % | 1.8% | 1.5% | 1.4% | 1.4% | 1.3% | 1.1% | 1.1% | 1.1% | 1.1% | 1.0% |
| Population change | 4,466 | 3,768 | 3,368 | 3,366 | 3,214 | 2,728 | 2,666 | 2,596 | 2,533 | 2,336 |
| Population change % | 1.7% | 1.4% | 1.2% | 1.2% | 1.1% | 1.0% | 0.9% | 0.9% | 0.9% | 0.8% |

3.2 Revenue Assumptions

The following outlines Council assumptions for Revenue with a commentary to explain the assumptions.

3.2.1 Rates and Social Rate Income

| Rates income | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Rate cap | 1.20% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Supplementary Growth | 0.50% | 0.70% | 0.64% | 0.62% | 0.75% | 0.64% | 0.64% | 0.61% | 0.56% | 0.56% |
| Average increase | 1.70% | 3.20% | 3.14% | 3.12% | 3.25% | 3.14% | 3.14% | 3.11% | 3.06% | 3.06% |

Cumberland City Council has 3 rate paths from the former councils. The rates assumptions will be harmonised over 5 years.

3.2.2 Annual Charges

| Annual charges | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Growth | 4.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

The fees are mainly related to stormwater fees and domestic waste fees.

Domestic Waste Management Charge

The Local Government Act 1993 requires that domestic waste management charges must reflect the actual cost of providing those services. S 504(3) stipulates charges cannot exceed the reasonable costs to the council providing the service.

The average annual increase in domestic waste management charges over the 10 year period of the Plan is 2.5%. This numbers are directly linked to the costs of service.

Council is projected to gradually increase the waste reserve up to \$14m to cover future renewal and changes in services. In the circumstances that cost of operations were to increase or decrease the fees per service would change in line with the expected impact to the cost of waste operations.

3.2.3 User Fees and Charges

| User charges | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| User Charges - Specific | 3.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Fees & Charges - Statutory & Regulatory | 3.00% | 3.23% | 3.23% | 3.23% | 3.23% | 3.23% | 3.23% | 3.23% | 3.23% | 3.23% |
| Fees & Charges - Other | 3.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

The current assumptions after the realignment of the three former council fees. The trend is to increase by CPI. Statutory fees remain the same but increase with volume and the construction costs which can increase income over time creating increases in income. The calculation of user fees and charges will be effected by the strategic review of pricing methods with a goal to ensure all charges align to the cost of delivering the service and the Community Subsidy Policy.

3.2.4 Interest and Investment

| Interest income | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Interest on outstanding charges | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Interest & Investment Revenues - Investments | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

The current assumptions are set at 0.5% above current cash rate and then expanding to 1%. This is a very conservative view of interest rates.

3.2.5 Other Revenues

| Other Revenues | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Growth | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% |

Council's other revenues comprises of property income, fines and operate in line with CPI.

3.2.6 Operating Grants

| Operating Grants & Contributions | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Growth | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

Council's operating grants are 50% for the Federal Assistance Grants for balance for specific portioning grants including Child Care 28% Roads 12% and Libraries 8%. All grants received are subject to indexation. Council has assumed all operational grants will continue.

3.2.7 Capital Grants

| Capital Income | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Capital Grants - Recurrent | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Capital Grants - Non-recurrent | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Capital Contributions - Recurrent - Developer Contributions | 4.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Capital Contributions - Non-recurrent - Developer Contributions | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

Council's capital grants mainly include s7.11. The amount of S7.11 is allocated from the approved s7.11 Plan based on market estimates of development spread across High, Medium and Low priorities. Council relies upon the previous year's collection and adds CPI to generate the income. This is low risk to Council's financial position as this income is excluded from profit and is restricted balance in our net working capital.

3.2.8 Gains and Losses on Disposal

| Net Gains from Disposal of I,PP&E | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Growth | 2.00% | 2.00% | 2.00% | 2.00% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

The gains on sale are due to the sale of Council fleet and motor vehicles. Generally the motor vehicles are sold every three years, garbage trucks are scrapped after seven years and trucks are sold after ten years. It is assumed Council is not selling any surplus buildings, roads. The inflationary effects are due to steady increase in value of plant and equipment.

3.3 Expense Assumptions

The following outlines Council's assumptions for expenses with a commentary to explain the assumptions.

3.3.1 Wages and Salary

| Operating Expenditure | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Employee Costs - Salaries | 2.50% | 2.50% | 2.50% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% |
| Employee Costs - Casual Wages | 2.50% | 1.00% | 1.00% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% |
| Employee Costs - Superannuation | 3.00% | 2.50% | 2.50% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Employee Costs - Workers Comp | 2.50% | 2.00% | 2.00% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% |
| Employee Costs - Other | 2.50% | 2.00% | 2.00% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% | 3.66% |
| Employee Costs - Capitalised (contra credit) | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

The Local Government Award is currently under review. We have taken the approach that a lower CPI ~2.5% will be achieved along with access to higher skill steps as per Council's salary system.

Efficiency gains are set for the short term.

Other assumptions

- Council assumes a 5% vacancy rate.
- The industry premium is an additional allowance for Local Government sector above the CPI based on historic EBA increases.
- Superannuation is currently at 10% and then increases based on the current Federal Budget

3.3.2 Borrowing Costs

| Borrowing Costs | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Growth | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Borrowing costs are calculated automatically within the model using a loan sheet. Council's cost on interest rates is declining as the expiry of loans by 2028. The base LTFP assumes no new borrowings.

3.3.3 Material and Contracts

| Materials & Services | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Materials & Contracts - Raw Materials & Consumables | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Materials & Contracts - Contracts | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Materials & Contracts - Legal Expenses | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Materials & Contracts - Other | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

The material and services cost will apply a CPI after seeing an efficiency decrease over the last few years.

3.3.4 Other Expenses

| Other expenses | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Insurance | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Utilities | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Statutory & Regulatory | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Other Expenses | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

The other expenses are predominately corporate overheads, insurance, utility costs and government contributions. The initial trend is impacted by efficiencies, followed by gradual increases.



Appendix 1. Ratios

| Council's Target Benchmarks | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Operating Performance Ratio 1) | 1.50% | 2.08% | 2.76% | 2.54% | 2.31% | 2.19% | 2.15% | 2.09% | 2.01% | 1.93% |
| Own Source Operating Revenue Ratio 1) | ↗ 85.76% | ↗ 85.92% | ↗ 86.12% | ↗ 86.26% | ↗ 86.39% | ↗ 86.55% | ↗ 86.71% | ↗ 86.87% | ↗ 87.02% | ↗ 87.17% |
| Unrestricted Current Ratio | 2.26 | 2.16 | 2.16 | 2.15 | 2.11 | 2.09 | 2.37 | 2.42 | 2.46 | 2.49 |
| Debt Service Cover Ratio 1) | ↗ 6.93 | ↗ 10.81 | ↗ 11.86 | ↗ 12.02 | ↗ 12.93 | ↗ 13.20 | ↗ 13.47 | ↗ 0.00 | ↗ 0.00 | ↗ 0.00 |
| Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage | 3.99% | 4.00% | 4.01% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% |
| Cash Expense Cover Ratio 1) | ↗ 0.67 | ↗ 0.66 | ↗ 0.65 | ↗ 0.63 | ↗ 0.61 | ↗ 0.59 | ↗ 0.58 | ↗ 0.57 | ↗ 0.55 | ↗ 0.54 |
| Asset renewal ratio | 100.16% | ↗ 98.06% | ↗ 97.14% | ↗ 98.98% | 100.41% | 100.28% | 100.20% | 100.46% | 100.42% | 100.43% |

Appendix 2. Income Statement

Cumberland Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT

Income from Continuing Operations

| Revenue: | Projected Years | | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| Rates & Annual Charges | 151,529,996 | 154,083,214 | 159,296,906 | 163,588,873 | 168,014,286 | 173,077,329 | 178,294,812 | 183,671,496 | 189,212,292 | 194,922,260 |
| User Charges & Fees | 32,083,797 | 30,892,418 | 31,714,652 | 32,559,048 | 33,426,209 | 34,316,759 | 35,231,338 | 36,170,603 | 37,135,229 | 38,125,912 |
| Other Revenues | 10,531,718 | 13,353,493 | 13,794,159 | 14,249,366 | 14,719,594 | 15,205,340 | 15,707,116 | 16,225,450 | 16,760,889 | 17,313,998 |
| Grants & Contributions provided for Operating Purposes | 18,854,488 | 20,560,884 | 20,822,551 | 21,090,841 | 21,365,811 | 21,647,656 | 21,936,547 | 22,232,661 | 22,536,179 | 22,847,284 |
| Grants & Contributions provided for Capital Purposes | 12,030,000 | 12,270,600 | 12,516,012 | 12,766,332 | 13,021,659 | 13,282,092 | 13,547,734 | 13,818,689 | 14,095,062 | 14,376,964 |
| Interest & Investment Revenue | 1,970,854 | 2,022,589 | 2,075,699 | 2,130,221 | 2,186,192 | 2,243,652 | 2,302,642 | 2,363,201 | 2,425,374 | 2,489,202 |
| Net Gains from the Disposal of Assets | 350,000 | 357,000 | 364,140 | 371,423 | 380,709 | 390,228 | 399,984 | 409,985 | 420,235 | 430,742 |
| Total Income from Continuing Operations | 227,350,853 | 233,540,198 | 240,584,119 | 246,756,103 | 253,114,461 | 260,163,056 | 267,420,172 | 274,892,085 | 282,585,260 | 290,506,362 |

Expenses from Continuing Operations

| | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Employee Benefits & On-Costs | 84,459,461 | 87,182,227 | 88,995,411 | 92,142,367 | 95,401,703 | 98,777,503 | 102,273,960 | 105,895,417 | 109,646,375 | 113,531,498 |
| Borrowing Costs | 760,975 | 515,634 | 414,384 | 319,969 | 229,470 | 147,758 | 64,052 | - | - | - |
| Materials & Contracts | 82,853,028 | 87,042,619 | 89,218,223 | 91,449,233 | 93,735,649 | 96,079,230 | 98,481,406 | 100,943,640 | 103,467,435 | 106,054,330 |
| Depreciation & Amortisation | 39,160,500 | 37,897,418 | 39,033,290 | 39,914,060 | 40,845,368 | 42,023,431 | 43,051,443 | 44,109,671 | 45,197,965 | 46,316,357 |
| Other Expenses | 4,534,056 | 3,672,614 | 3,764,410 | 3,858,543 | 3,955,015 | 4,053,898 | 4,155,254 | 4,259,144 | 4,365,631 | 4,474,780 |
| Total Expenses from Continuing Operations | 211,768,021 | 216,310,512 | 221,425,718 | 227,684,172 | 234,167,204 | 241,081,821 | 248,026,115 | 255,207,872 | 262,677,406 | 270,376,965 |

Net Operating Result for the Year

| | | | | | | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 15,582,832 | 17,229,686 | 19,158,401 | 19,071,931 | 18,947,257 | 19,081,235 | 19,394,057 | 19,684,213 | 19,907,854 | 20,129,397 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

Net Operating Result before Grants and Contributions provided for Capital Purposes

| | | | | | | | | | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 3,552,832 | 4,959,086 | 6,642,389 | 6,305,599 | 5,925,598 | 5,799,143 | 5,846,323 | 5,865,524 | 5,812,791 | 5,752,434 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

Appendix 3. Financial Position

Cumberland Council 10 Year Financial Plan for the Years ending BALANCE SHEET

| | Projected Years | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| ASSETS | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Cash & Cash Equivalents | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Investments | 95,297,255 | 90,352,477 | 88,040,639 | 85,207,847 | 82,282,477 | 79,302,486 | 77,072,416 | 76,663,437 | 76,352,348 | 75,821,396 |
| Receivables | 13,115,170 | 13,430,015 | 13,789,902 | 14,110,576 | 14,440,975 | 14,802,472 | 15,182,057 | 15,589,890 | 16,010,600 | 16,441,760 |
| Inventories | 202,975 | 208,052 | 213,252 | 218,584 | 224,049 | 229,651 | 235,393 | 241,278 | 247,311 | 253,494 |
| Other | 1,624,884 | 1,665,524 | 1,707,153 | 1,749,843 | 1,793,593 | 1,838,436 | 1,884,401 | 1,931,514 | 1,979,806 | 2,029,305 |
| Total Current Assets | 120,240,284 | 115,656,067 | 113,750,946 | 111,286,850 | 108,741,095 | 106,173,045 | 104,374,266 | 104,426,120 | 104,590,065 | 104,545,956 |
| Non-Current Assets | | | | | | | | | | |
| Investments | 40,841,681 | 38,722,490 | 37,731,703 | 36,517,649 | 35,263,919 | 33,986,780 | 33,031,035 | 32,855,759 | 32,722,435 | 32,494,884 |
| Infrastructure, Property, Plant & Equipment | 2,529,683,202 | 2,550,542,081 | 2,569,535,948 | 2,589,184,070 | 2,608,903,055 | 2,628,689,543 | 2,647,857,310 | 2,668,022,800 | 2,688,258,690 | 2,709,022,170 |
| Investment Property | 72,859,000 | 72,859,000 | 72,859,000 | 72,859,000 | 72,859,000 | 72,859,000 | 72,859,000 | 72,859,000 | 72,859,000 | 72,859,000 |
| Right of use assets | 1,852,000 | 1,852,000 | 1,852,000 | 1,852,000 | 1,852,000 | 1,852,000 | 1,852,000 | 1,852,000 | 1,852,000 | 1,852,000 |
| Total Non-Current Assets | 2,645,235,883 | 2,663,975,571 | 2,681,978,650 | 2,700,437,468 | 2,719,009,398 | 2,737,668,421 | 2,755,800,181 | 2,775,926,185 | 2,796,177,383 | 2,816,872,218 |
| TOTAL ASSETS | 2,765,476,168 | 2,779,631,638 | 2,795,729,597 | 2,811,724,318 | 2,827,750,493 | 2,843,841,466 | 2,860,174,447 | 2,880,352,305 | 2,900,767,448 | 2,921,418,173 |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Payables | 34,251,302 | 34,540,863 | 34,819,670 | 35,157,224 | 35,504,534 | 35,861,950 | 36,229,716 | 36,608,204 | 36,997,718 | 37,398,591 |
| Contract liabilities | 6,480,986 | 6,581,633 | 6,684,543 | 6,789,807 | 6,897,455 | 7,007,550 | 7,120,147 | 7,235,303 | 7,353,079 | 7,473,534 |
| Borrowings | 3,464,424 | 3,442,160 | 3,520,026 | 3,376,041 | 3,457,753 | 3,541,459 | (0) | (0) | (0) | (0) |
| Provisions | 19,855,696 | 19,855,696 | 19,855,696 | 19,855,696 | 19,855,696 | 19,855,696 | 19,855,696 | 19,855,696 | 19,855,696 | 19,855,696 |
| Total Current Liabilities | 64,052,408 | 64,420,352 | 64,879,936 | 65,178,768 | 65,715,438 | 66,266,635 | 63,205,559 | 63,699,204 | 64,206,494 | 64,727,821 |
| Non-Current Liabilities | | | | | | | | | | |
| Lease liabilities | 1,888,000 | 1,888,000 | 1,888,000 | 1,888,000 | 1,888,000 | 1,888,000 | 1,888,000 | 1,888,000 | 1,888,000 | 1,888,000 |
| Borrowings | 17,337,439 | 13,895,279 | 10,375,253 | 6,999,212 | 3,541,459 | - | - | - | - | - |
| Provisions | 420,304 | 420,304 | 420,304 | 420,304 | 420,304 | 420,304 | 420,304 | 420,304 | 420,304 | 420,304 |
| Total Non-Current Liabilities | 19,645,743 | 16,203,583 | 12,683,557 | 9,307,516 | 5,849,763 | 2,308,304 | 2,308,304 | 2,308,304 | 2,308,304 | 2,308,304 |
| TOTAL LIABILITIES | 83,698,150 | 80,623,935 | 77,563,493 | 74,486,284 | 71,565,201 | 68,574,939 | 65,513,862 | 66,007,508 | 66,514,797 | 67,036,125 |
| Net Assets | 2,681,778,017 | 2,699,007,703 | 2,718,166,104 | 2,737,238,035 | 2,756,185,292 | 2,775,266,528 | 2,794,660,585 | 2,814,344,797 | 2,834,252,651 | 2,854,382,048 |
| EQUITY | | | | | | | | | | |
| Retained Earnings | 2,371,126,017 | 2,388,355,703 | 2,407,514,104 | 2,426,586,035 | 2,445,533,292 | 2,464,614,528 | 2,484,008,585 | 2,503,692,797 | 2,523,600,651 | 2,543,730,048 |
| Revaluation Reserves | 310,652,000 | 310,652,000 | 310,652,000 | 310,652,000 | 310,652,000 | 310,652,000 | 310,652,000 | 310,652,000 | 310,652,000 | 310,652,000 |
| Council Equity Interest | 2,681,778,017 | 2,699,007,703 | 2,718,166,104 | 2,737,238,035 | 2,756,185,292 | 2,775,266,528 | 2,794,660,585 | 2,814,344,797 | 2,834,252,651 | 2,854,382,048 |

Appendix 4. Cash Flow Statement

| Cumberland Council 10 Year Financial Plan for the Years ending 30 June 2032 CASH FLOW STATEMENT | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|----|
| | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Rates & Annual Charges | 150,629,669 | 153,923,045 | 159,088,358 | 163,417,194 | 167,837,270 | 172,874,807 | 178,086,112 | 183,456,429 | 188,990,660 | 194,693,862 | |
| User Charges & Fees | 29,693,112 | 30,810,464 | 31,630,491 | 32,472,617 | 33,337,449 | 34,225,605 | 35,137,724 | 36,074,462 | 37,036,492 | 38,024,508 | |
| Investment & Interest Revenue Received | 2,033,561 | 2,056,604 | 2,086,941 | 2,148,353 | 2,204,612 | 2,261,287 | 2,313,310 | 2,357,075 | 2,418,166 | 2,483,692 | |
| Grants & Contributions | 30,066,616 | 32,929,214 | 33,438,477 | 33,959,360 | 34,491,959 | 35,036,598 | 35,593,546 | 36,163,084 | 36,745,502 | 37,341,093 | |
| Other | 12,555,315 | 13,249,673 | 13,718,734 | 14,171,744 | 14,639,713 | 15,123,130 | 15,622,508 | 16,138,374 | 16,671,270 | 17,221,760 | |
| Payments: | | | | | | | | | | | |
| Employee Benefits & On-Costs | (84,978,817) | (87,182,227) | (88,995,411) | (92,142,367) | (95,401,703) | (98,777,503) | (102,273,960) | (105,895,417) | (109,646,375) | (113,531,498) | |
| Materials & Contracts | (86,071,142) | (86,999,528) | (89,174,083) | (91,403,969) | (93,689,261) | (96,031,682) | (98,432,669) | (100,893,685) | (103,416,230) | (106,001,845) | |
| Borrowing Costs | (626,745) | (515,634) | (414,384) | (319,969) | (229,470) | (147,758) | (64,052) | - | - | - | |
| Other | (3,099,533) | (3,471,860) | (3,576,572) | (3,614,276) | (3,703,308) | (3,794,495) | (3,887,911) | (3,983,609) | (4,081,645) | (4,182,075) | |
| Net Cash provided (or used in) Operating Activities | 50,202,034 | 54,799,751 | 57,802,552 | 58,688,688 | 59,487,261 | 60,769,988 | 62,094,608 | 63,416,712 | 64,717,839 | 66,049,497 | |
| Cash Flows from Investing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Sale of Investment Securities | 10,287,064 | 7,063,969 | 3,302,625 | 4,046,847 | 4,179,099 | 4,257,130 | 3,185,816 | 584,255 | 444,413 | 758,503 | |
| Sale of Infrastructure, Property, Plant & Equipment | 800,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | |
| Payments: | | | | | | | | | | | |
| Purchase of Infrastructure, Property, Plant & Equipment | (60,002,608) | (58,699,296) | (57,963,017) | (59,515,509) | (60,590,318) | (61,869,365) | (62,238,964) | (64,300,966) | (65,462,253) | (67,108,000) | |
| Purchase of Intangible Assets | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | (200,000) | - | (200,000) | (200,000) | (200,000) | |
| Net Cash provided (or used in) Investing Activities | (49,115,545) | (51,335,327) | (54,360,392) | (55,168,662) | (56,111,220) | (57,312,235) | (58,553,149) | (63,416,712) | (64,717,839) | (66,049,497) | |
| Cash Flows from Financing Activities | | | | | | | | | | | |
| Payments: | | | | | | | | | | | |
| Repayment of Borrowings & Advances | (5,364,359) | (3,464,424) | (3,442,160) | (3,520,026) | (3,376,041) | (3,457,753) | (3,541,459) | - | - | - | |
| Net Cash Flow provided (used in) Financing Activities | (5,364,359) | (3,464,424) | (3,442,160) | (3,520,026) | (3,376,041) | (3,457,753) | (3,541,459) | - | - | - | |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (4,277,870) | (0) | (0) | 0 | (0) | (0) | 0 | 0 | 0 | (0) | |
| plus: Cash & Cash Equivalents - beginning of year | 14,277,870 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | |
| Cash & Cash Equivalents - end of the year | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | |



Cumberland City Council

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