

OUR PLACE OUR FUTURE

Long Term Financial Plan
2022-2032

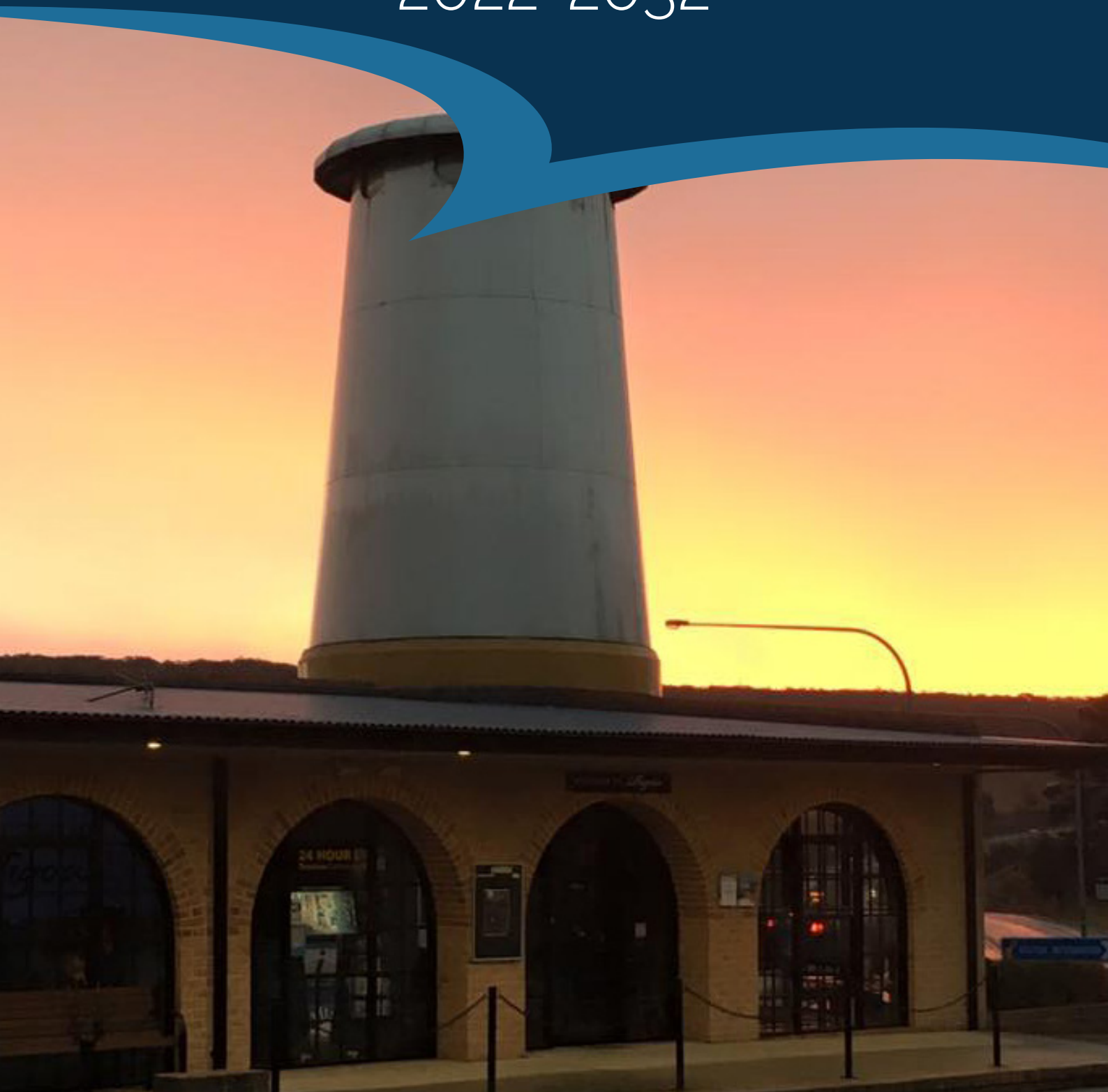


Table of Contents

| | |
|---|-----------|
| 1. Foreword..... | 3 |
| 2. Introduction..... | 5 |
| Key points of the plan | 5 |
| Purpose of the LTFP and its place in the IP&R process..... | 6 |
| Review cycle | 6 |
| How to read this plan | 7 |
| 3. Context..... | 8 |
| Overview of Lithgow City Local Government Area | 8 |
| Local Government assets and services / Council's role..... | 12 |
| Stakeholders / partners/ agencies | 14 |
| Financial issues/risks facing council..... | 14 |
| 4. Strategic Alignment | 16 |
| 5. LTFP Assumptions | 17 |
| Service Levels..... | 17 |
| Population forecasts | 18 |
| Anticipated levels of local economic growth | 19 |
| Australian Government, NSW Government and regional economic forecasts..... | 20 |
| Inflation Forecasts | 21 |
| Interest Rate Movements | 21 |
| Major planned expenditure, such as capital works | 21 |
| Revenue | 22 |
| Expenditure | 25 |
| Other operating expenses..... | 26 |
| 6. Council's current financial position..... | 27 |
| Addressing Council's Long-Term Financial Sustainability | 27 |
| Options for a Sustainable Lithgow..... | 28 |
| Key Performance Indicators | 28 |
| 7. Risk Management..... | 30 |
| 8. Sensitivity analysis | 30 |
| 9. Scenario Modelling | 30 |
| Scenario 1 – Base Case | 30 |
| Scenario 2 – Service Levels Reduced | 31 |
| Scenario 3 – Service Levels Maintained | 31 |
| 10. Consideration of the Community's Capacity to Pay a Special Rate Variation..... | 33 |
| SEIFA Index | 33 |

| | |
|--|-----------|
| OLG Time Series Data | 34 |
| Land Values | 34 |
| Outstanding Rates Ratio | 35 |
| Individual Income Levels..... | 35 |
| Hardship Policy | 36 |
| 11. Consideration of the Community's Willingness to Pay a Special Rate Variation | 36 |
| 12. Performance monitoring..... | 37 |
| 13. Appendices | 39 |

1. Foreword

Message from Councillor Maree Statham Mayor



I am pleased to present to you the 2022-2032 Long Term Financial Plan (LTFP) Options for a Sustainable Future post-consultation update.

The LTFP helps guide the Council to ensure that our community's vision for the future of the Lithgow Region is achieved in a financially suitable way.

Lithgow LGA, like many other areas across NSW, has witnessed immense challenges over the last few years, including drought, fires, floods, and the COVID-19 pandemic. In developing the LTFP, Council needed to be mindful of these and other external factors which

will impact Council's long term financial sustainability.

Over the last 30 years, Councils have been subject to rate pegging, cost shifting and a reduction in the levels of financial assistance funding received from the Australian Government. This has constrained their ability to deliver services within their means. This has been particularly challenging more recently, as we have seen the cost of many of Council's major inputs rise significantly, including fuel, electricity, gas and employee costs. In addition, income from interest on Council's reserves has been severely depleted due to record low interest rates. Council also has a backlog of asset maintenance and renewal. Council has traditionally addressed these challenges through the identification of cost savings and efficiencies. The Council has been briefed by the Council's administration that we have now reached a point where Council must take a decision about either increasing its revenue to maintain current levels of service or reducing service levels.

Planning for Council's future financial sustainability will involve extensive community consultation over the next six to twelve months. Council's aim is to place our community in the best possible position to take advantage of and create new economic opportunities.

To make the most of these new opportunities, we need to ensure that we have a financially sustainable Council to build and maintain new infrastructure and to support new industries whilst ensuring the liveability of the Lithgow LGA for current and future residents. As custodians of this LTFP, Council has mapped different financial scenarios to fund the community's vision for the future of the Lithgow area.

Whilst there is no denying that we are living in challenging times, there are many reasons for optimism for the future. To realise our potential, we will have to embrace change and, in some cases, make difficult decisions. This is not easy and requires strong leadership from all levels of government and industry.

Our community is strong and resilient, and I judge it to be ready for necessary change.. Let's build on this to create a stronger, brighter future together.

Message from the General Manager Mr Craig Butler

The Long Term Financial Plan (LTFP) is a 10-year rolling plan that informs decision-making and ensures the community's vision, objectives and needs can be resourced and funded

This LTFP supports Council in:

- Leading the change required for a community and economy in transition;
- Initiating opportunities for future income and economic growth; and
- Maintaining and renewing the infrastructure required for a sustainable future.

Over the last 10 years Council has consistently reported deficit operating results (before capital grants) in its financial statements. This has resulted in drawing down of internally restricted reserves and difficulty sustaining the required level of spending on asset maintenance and renewal. To a great extent, this has been caused by Council's revenue being significantly lower than for comparable Councils.

We are exposed to the same challenges as these other councils across NSW - rate pegging, ageing assets, under-investment and cost shifting from other levels of government. In addition to this, there has been a significant fall in interest income due to record low interest rates and lower reserve balances. At the same time, costs are rising with higher inflation.

The city's future and the performance of the Council are intrinsically linked. The Council needs the capacity to innovate, pursue more productivity and prepare the city for the future. The abovementioned internal and external factors mean that we need to act now to ensure Council can achieve these things. This view has been supported by the Council's Audit, Risk and Improvement Committee's independent experts.

In June 2022, Council adopted a 2022-2032 LTFP which was regarded as interim. The interim LTFP satisfied the timelines for development of an LTFP and included a scenario which sees Council achieve financial sustainability. At that point in time, the detail of the approach to sustainability was yet to be determined and approved by Council.

In July 2022, Council resolved to commence community engagement on two options for a sustainable Lithgow. In September 2022, the LTFP was updated with the two options as Scenarios 2 and 3.

During the consultation period, Council engaged extensively with quarrying, mining and power generation ratepayers. There was a general appreciation by major industry of Council's collaborative and extensive engagement. As an outcome of that engagement, there was an almost universal acceptance of the need for the proposed special rate variation. There was a recognition that major industry should contribute its fair share to the overall increase. Major industry was also very keen for close collaboration to continue and felt the best way to manage future economic and social challenges was with major industry, Council and others working together. Major industry desired to make their contributions more directly and with more involvement and collaboration in outcomes.

As a result of the consultation and collaboration, power generation and mining ratepayers have proposed to make part of their increased contributions (\$1.092M) directly into a future fund to support the community through economic transition. This would reduce the special variation amount from \$6.2M (based on 2022/23 notional yield) to \$5.1 million. Importantly, it does not significantly impact Council's financial sustainability under Option 1.

In this post-consultation LTFP update, Scenario 3 has been updated with a lower overall Special Rate Variation amount and the inclusion of income and expenditure from the planned economic transition fund. At the same time, the capital works program (funding sources and expenditure) has been refined for all three scenarios.

A summary of the LTFP update scenarios is provided below (detailed in Section 9 of this document) :

- **Scenario 1** – Base case – a “do nothing approach” which would see Council in an unsustainable financial position,
- **Scenario 2** - Service Levels Reduced – to implement this scenario, Council will need to undertake a comprehensive review of its services and present a plan to the community for a reduction in levels of service, and
- **Scenario 3** – Service Levels Maintained – Council would apply for a permanent increase in general rate income (a Special Rate Variation) above the peg rate set by IPART. The addition of \$5.1 million to Council’s annual general revenues equates to a 38% overall increase in rates (including rate peg of 3.7%). Great care has been taken to distribute the rating as fairly as possible amongst the various rating categories, and as a result the impact on residential rating under this proposal would typically be 27.7% (including expected rate peg). Economic transition fund income and expenditure of \$1.1Mp.a. has also been included in Scenario 3.

The LTFP is usually updated annually in response to changes in the financial environment and community expectations. The document is placed on public exhibition as part of the Integrated Planning and Reporting process. Council invites the community to make comment and ask questions on any aspect of our financial strategy.

2. Introduction

The Long Term Financial Plan (LTFP) 2022-2032 is a 10-year rolling plan that informs decision-making and demonstrates how the objectives of the Community Strategic Plan and commitments of the Delivery Program and Operational Plan will be resourced and funded.

The LTFP is projected from Council’s original 2022/23 budget, which is the base year of the LTFP. Future years in the LTFP rely upon on a range of assumptions used to project future revenue and expenditure. In addition to revenue and expenditure forecasts, the LTFP also includes a projection of Council’s balance sheet and cash flow.

The primary purpose of the model is to assist in long term decision making regarding the prioritisation of the services delivered by Council and what assets and financial resources are required to provide those services. The model serves as a guide to Council’s future financial position. However, the projections contained in the LTFP are subject to change due to a variety of external factors as well as major decisions made by Council. It is necessary to regularly review and monitor a variety of factors and if necessary, revise the projections contained in Council’s LTFP.

Key points of the plan

In recent years, Council’s across NSW have faced enormous challenges such as drought, floods, a transition to a net zero emissions economy, a global pandemic, cost shifting from other levels of government and changes in the geopolitical landscape which have pushed the prices of goods and services upwards.

This Long Term Financial Plan supports Council in addressing the following challenges:

- Leading the change required to support a community and economy in transition;
- Initiating opportunities for future income and economic growth; and
- To source revenue to maintain and renew the infrastructure required for a sustainable future.

In particular, this plan models the financial implications of the Lithgow Community Strategic Plan and Delivery Program, along with the ability to maintain existing facilities and infrastructure based on a range of assumptions and known constraints.

As decisions are made, more detail is added to the LTFP. For example, as the council finalises its Delivery Program, the first four years of the LTFP will become firmer. As the Operational Plan is completed, the detailed budget will form the first year of the LTFP. The LTFP is reviewed and updated each year to check that key assumptions and estimates are current.

Purpose of the LTFP and its place in the IP&R process

The Long Term Financial Plan is one component of Council's Integrated Planning and Reporting (IP&R) Framework. It forms part of Council's Resourcing Strategy which underpins the Lithgow Community Strategic Plan, along with the Workforce Management Plan and Strategic Asset Management Plan.

These documents are all integral to Council's four-year Delivery Program and provide inputs and outputs for one another. The suite of documents should be viewed together as part of Council's overall strategy.

The LTFP provides a framework within which, Lithgow Council can assess its capacity to meet the Community's expected level of service.

The Plan will also aim to:

- ensure transparency and accountability of Council to the community;
- identify early any emerging financial issues in the short, medium and long term;
- take a wholistic approach to solving financial issues;
- establish the interconnectivity between strategic plans;
- understand the impact of some decisions on other plans, strategies; organisation and the community;
- help measure Council's level of success in implementing strategies & programs and;
- confirm that Council can remain financially sustainable in the longer term.

Review cycle

The LTFP is reviewed annually as part of the IP&R ongoing monitoring and review process or may be updated in response to changes in plans, for example, secured grants for capital expenditure, unexpected expenditure on Council assets/ services or in response to external factors such as the recent pandemic or other external events.

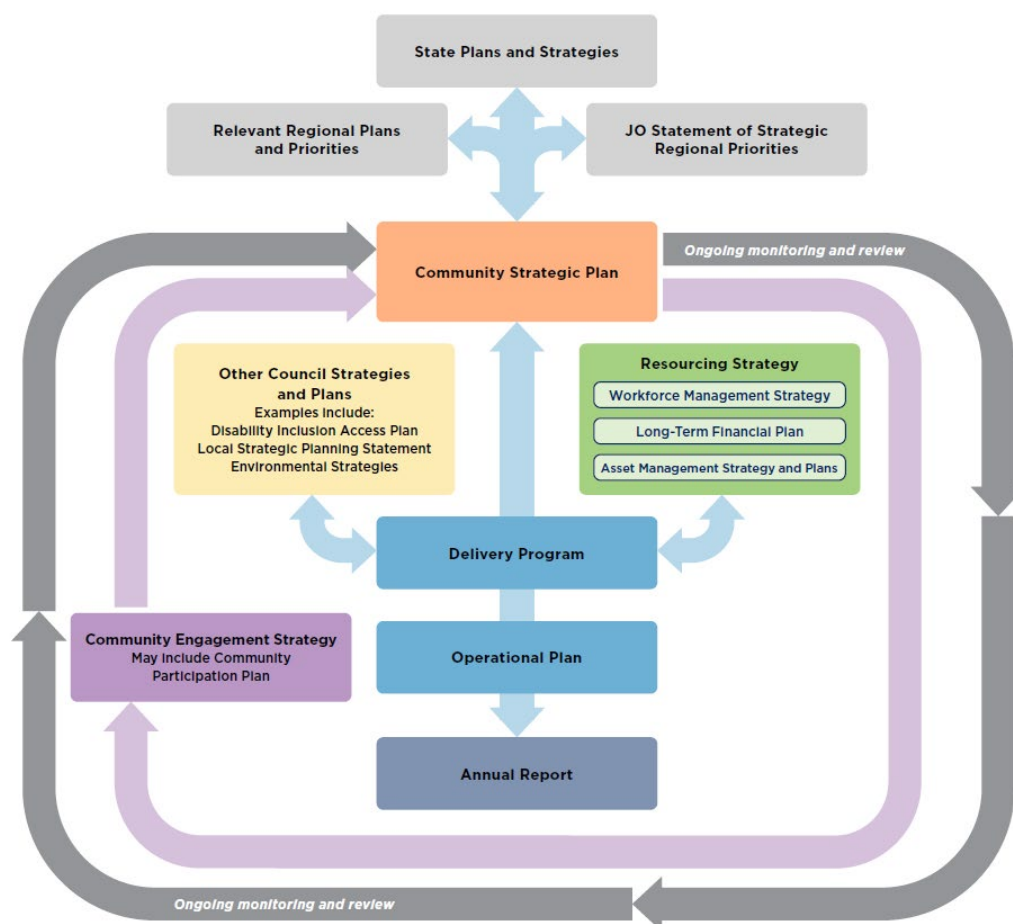


Figure 1 IP&R [Framework Integrated Planning Report Handbook](#) p5

How to read this plan

Councils are required to prepared LTFP for a minimum of 10 years. The LTFP should be read in relation to the objectives of the Community Strategic Plan as well as the Delivery Plan, Operational Plan and Asset Management Plan. The LTFP evaluates revenue and expenses and is used to guide Council's future decision making, financial sustainability and to identify risks.

The LTFP has eleven main sections:

1. **Foreword:** From the Mayor and the General Manager introducing the community to the plan.
2. **Introduction:** Provides a brief explanation of how the LTFP sits within the IP&R framework.
3. **Context:** Discusses social, environmental and economic factors which may impact on the plan.
4. **Strategic Alignment:** How the LTFP supports the delivery of the suite of IP&R documents
5. **LTFP Assumptions:** Key assumptions such as service levels, population forecasts and anticipated regional economic growth and Council expenditure and major capital and revenue and expenses are detailed in this section.
6. **Council's Current financial position:** Overview of Council's current financial position.

7. **Risk Management:** Identifies risks and mitigation strategies.
8. **Sensitivity Analysis:** Details the impacts of various scenarios on Council's plans.
9. **Scenario Modelling:** Uses assumptions to model different scenarios and the impact that they will have on Council's General Fund, water fund and sewer fund.
10. **Performance Monitoring:** process of collecting, analysing and reporting data regarding the performance of an organisation to ensure that Council is achieving its objectives.
11. **Appendices:** has detailed financial statements for consolidated revenue, general fund, capital works as well as key performance indicators

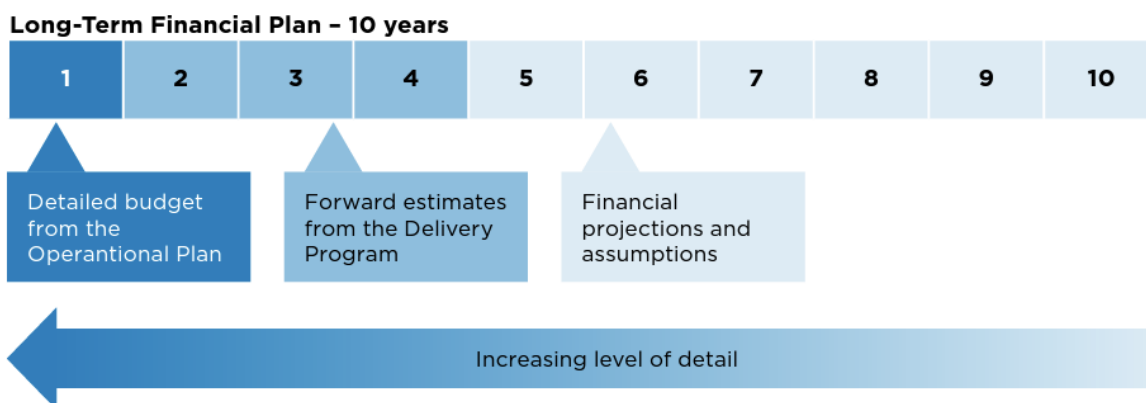


Figure 2. Long-term Financial Plan 10 years IP&R Handbook p37

3. Context

Overview of Lithgow City Local Government Area

The Lithgow local government area is located on the western ramparts of the Blue Mountains, 140 kilometres from Sydney. The Lithgow Local Government area totals 4,567 square kilometres from the Capertee and Wolgan Valleys in the north, Little Hartley in the east, Tarana in the south and Meadow Flat in the west.

The major urban centre of Lithgow nestles in a valley of that name, overlooked by the sandstone escarpments of the Blue Mountains.

In addition to the major urban centre of Lithgow, the Lithgow local government area has 12 villages/ hamlets with mining or farming backgrounds. These smaller centres have proven to be attractive rural residential areas, along with the broader rural areas.

The Lithgow LGA lies almost wholly within the Wiradjuri Aboriginal nation, with the Gundungurra nation situated to the south and the Darug nation to the east.

Lithgow was previously perceived to be an inland mining and industrial centre, however, recent developments have seen Lithgow recognised as an important tourism destination, heritage centre and a desirable residential area.

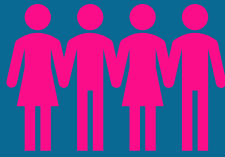
The Lithgow local government area includes World Heritage listed National Parks and State Forests, making Lithgow an important leisure destination for Sydney residents.

Lithgow has unlimited opportunities for outdoor activities such as bush walking, mountaineering, camping, orienteering, hang gliding, horse riding, off road 4wd, fishing, sailing and water skiing.



Hassans Walls (shutterstock)

Social Demographic



21,516 total population

45 Median Age

9.3% of residents were born overseas

11% of the population are older couples without children

22% of the population are couples with children

5.7% of residents are Aboriginal and Torres Strait Islander decent

9% of residents have a university qualification

27% households have a mortgage

\$987 median Weekly household income

23% households rent

\$324 median weekly mortgage repayment



Economic Statistics



\$1.62b Gross Regional Product

1,335 Local businesses

8,690 local jobs

3.9% unemployment

\$489m value add from mining to local economy

942 people employed in mining

\$67.4m generated by tourism and hospitality



Local Government assets and services / Council's role

Council is a responsible financial manager who delivers cost effective, equitable and efficient services and assets which reflect the community's needs and expectations and is guided by the long-term strategic plans and objectives identified in the Integrated Planning and Reporting Framework.

Lithgow City Council is structured into five Divisions:

- Executive
- People & Services
- Finance and Assets
- Water Wastewater and Waste
- Infrastructure Services.

Services Council provide include:

- Asset management
- Capital works
- Community and cultural development
- Development assessment
- Environmental health and building control
- Recreation and open space management
- Urban planning.

Our internal services include

- Customer services
- Finance and accounts
- Human resources and organisational development
- Risk management
- Information systems
- Document management
- Governance.

Council 's service catalogue is illustrated below.

Service Catalogue – Based on the Community Strategic Plan 2035



Stakeholders / partners/ agencies

Council is a party to a number of partnerships and joint ventures – these include but are not limited to:

- **Western Sydney Regional of Council's (WSROC)** - An Organisation of councils for the sharing of knowledge, bulk procurement, and provision of human resources services such as training, promotion of the area and a driver for improvements to the region
- **Netwaste** - was established in 1995 to form a collaborative approach to waste and resource management. It has 26-member Council's covering 40% of the State. In addition to delivering waste service arrangements, it works collaborate with Council's on targeted waste projects and education programs.
- **State Library** - Provision of support service for the Lithgow Library Service.
- **Sydney Catchment Authority** - Council entered into an agreement for the ongoing costs for the UV Disinfection Units at the Lithgow and Wallerawang Sewerage Treatment Plants.
- **Voluntary Planning Agreements** Council has a Voluntary Planning Agreements (VPA) policy and it is expected there will be a growing number of VPAs in future years.

Financial issues/risks facing council

Financial Sustainability

Council has consistently reported deficit operating results (before capital grants) in its financial statements for the past 10 years. This has resulted in drawing down of internally restricted reserves and difficulty sustaining the required level of spending on asset maintenance and renewal.

In the past two years, there was a significant fall in interest income due to record low interest rates and lower reserve balances, at the same time as rising costs and higher inflation.

Council needs to be mindful of setting service levels at a sustainable level. Council has commenced a process of engaging in a conversation with its community on how best we can achieve levels of service that are both affordable and acceptable, given the significant ongoing financial challenges.

Council's financial challenges have informed the LTFP and in simple terms can be expressed as:

- Fund the capital program with a focus on renewing existing assets, not building new assets; including consideration of whole of life costs of assets in decision making.
- Investment in our asset base at agreed service levels (which includes potential asset rationalisation to focus expenditure on priority community assets).
- General Fund expenses do not exceed income (living within our means).
- Active management of internally and externally restricted reserves.

Rate Peg

For over 30 years NSW councils have been subject to rate pegging. Rate pegging is the maximum percentage limit by which NSW councils may increase the total income they receive from rates. The rate pegging percentage is set each year by IPART.

For many years the NSW Local Government sector has objected to rate pegging due to the adverse effect it has on the financial sustainability of NSW councils. IPART, in its 2008 paper - Review of the Revenue Framework for Local Government found that over the period 1976/77 to 2006/07 taxation (i.e. rates) revenue grew more slowly in NSW than in the rest of Australia. Since rate pegging was introduced in NSW, rates revenue per capita for NSW councils increased by an average of 1.9% per annum, compared with 3.4% per annum for the rest of Australia. IPART has acknowledged that rate pegging has constrained the growth of NSW councils' rate revenue relative to councils in other states.

It has been Council's experience, that many of its major costs have increased at a higher level than rate pegging. Major examples of this include energy costs (fuel, electricity, gas), materials used in the construction and maintenance of Council's road and drainage networks and labour costs. In the past, Council has addressed this challenge through the ongoing identification of cost savings and efficiencies.

Cost Shifting

Cost shifting describes a situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset or regulatory function are 'shifted' from a higher level of government on to a lower level of government without providing corresponding funding or the conferral of corresponding and adequate revenue-raising capacity. Local Government NSW's Cost Shifting Survey is conducted annually and seeks to establish the extent of cost shifting by the Australian and NSW Governments on to NSW Local Government.

The survey results confirm that cost shifting continues to place a significant burden on councils' financial situation. Despite the recognition of cost shifting and its adverse impacts on NSW local government, cost shifting remains at a high level (around 6 per cent of councils' total income before capital amounts).

Contributions to the Fire and Rescue NSW, NSW Rural Fire Services and NSW State Emergency Service, lack of adequate funding for public libraries and the failure to reimburse councils for mandatory pensioner rebates are major examples.

Asset Renewal Funding

A major ongoing challenge for the NSW Local Government sector is the need to provide adequate levels of funding for the maintenance and renewal of existing infrastructure. This has been previously highlighted in a number of studies, such as the 2006 Local Government and Shires Association's Independent Inquiry into the Financial Sustainability of NSW Local Government and the 2013 report released by NSW Treasury Corporation (TCorp) in regard to financial sustainability of all NSW councils. The TCorp review identified an infrastructure renewal backlog of \$7.2 billion across all NSW councils.

These studies have identified the need for NSW councils to significantly increase funding for the renewal of existing infrastructure. They have further identified that if funding is not

increased in the immediate term, then the infrastructure renewal backlog will continue to increase at a level which may become too great to address without serious ramifications on service delivery.

For Council, the infrastructure renewal backlog as at 30 June 2020 was \$9.5 million. Council is a custodian of infrastructure, property, plant and equipment assets that have a value of approximately \$580 million. Without adequate funding, effective maintenance and renewal of these assets to maximise their potential life cannot be achieved.

Scenarios 2 and 3 of the post-consultation LTFP ensure that depreciation and on-time renewals in all asset categories is fully funded. This means that the condition of all assets (including roads) should improve significantly over time. The scenarios also include \$500K p.a. for reducing the roads infrastructure backlog. Council will be able to fund asset renewals without reliance on external funding. Over \$2Mp.a. in additional operational maintenance funding is also included in Scenarios 2 and 3.

4. Strategic Alignment

The Community Strategic Plan is developed in consultations with the Lithgow community and outlines their wants, needs and aspirations. The Community Strategic plan is delivered through the Delivery Program and Operational Plans of Council.

The Resourcing Strategy, which includes the LTFP, is critical to ensuring that Council has the capability and capacity to deliver the services as planned. The LTFP aligns the delivery of services as outlined in the community expectations with the requirement for responsible management of Council's current and future financial sustainability.

The aim of the LTFP is to provide the Council with sound financial information upon which to make decisions. Decisions made by Council are reflected in the annual revision of the LTFP, as estimates of revenues, expenditures and capital investments are refined and become more accurate. As decisions are made, more detail can be added to the LTFP. For example, as Council finalises its Delivery Program, the first four years of the LTFP will become firmer. As the Operational Plan is completed, the detailed budget will form the first year of the LTFP.

The LTFP takes into account service planning reviews, with service managers identifying current levels of service, forecasting future service demand, identifying the asset requirements and estimating the future incomes and expenditure. Through service planning Council has a very good understanding of the risks and challenges to the future sustainability of the Council. This work continues to be refined as grant funding is secured for key infrastructure, internal asset data improves and the external operating environment changes (for example, as a result of the COVID-19 pandemic).

The following CSP focus areas are funded within the LTFP Sustainable Council scenario. Other CSP focus areas will require Council to advocate to other levels of government and/or to seek grant funding opportunities.

Caring for Our Community

- Housing and land availability & affordability (Lithgow Housing Strategy 2022/23)
- Support our community groups (annual Financial Assistance Program)
- Support and connect our communities - Develop 'The Seven Valleys' brand (destination marketing funding)

- Retain our rural and urban village identities and character (Village Improvement Program)

Strengthening our Economy

- Employment land availability (ongoing development of a Land Bank)
- Transition our economy
- Develop and implement the Lithgow Emerging Economy Program
- Develop 'The Seven Valleys' Brand (destination marketing funding)

Developing our Built Environment

- Roads and transport infrastructure (annual maintenance and renewal programs)
- Infrastructure upgrade/renewal (annual capital works program)
- Improve the appearance of towns & villages (Village Improvement Program)
- Recreation Precincts (annual programs)

Enhancing our Natural Environment

- Develop a Climate Change Strategy (2022/23)
- Tourism infrastructure that protects our natural environment (Hassans Walls Environmental Studies 2022/23)
- Implement the Floodplain Management Plan (ongoing)
- Waste & Recycling (Resource Recovery Centre operations funded from 2022/23)

Responsible Governance & Civic Leadership

- Financial sustainability (LTFP Scenario 3)
- Provision of timely, efficient and consistent quality customer service (Customer Service Review – recommendations implemented 2022/23)

5. LTFP Assumptions

The long-term financial model requires Council to identify all material items of revenue and expenditure and determine the external and internal influences which could significantly impact on Council's finances.

Service Levels

Council's service levels vary for each of three scenarios:

- Scenario 1 – **Base Case**: assumes rate increases limited to the rate peg and has been modelled to show "business as usual". If Council were to maintain current service levels with rate peg increases only, Council would not be financially sustainable.
- Scenario 2 - **Service Levels Reduced** – to implement this scenario, Council will need to undertake a comprehensive review of its services and present a plan to the community for a reduction in levels of service, and
- Scenario 3 – **Service Levels Maintained** – Council would apply for a permanent increase in general rate income (a Special Rate Variation) above the peg rate set by IPART. The addition of \$5.1 million to Council's annual general revenues equates to a 38% overall increase in rates (including rate peg of 3.7%).

Further details of Council's scenarios are provided in Section 9 Scenario Modelling.

The LTFP will be reviewed as required when the type of service or service levels are varied by Council in reflection of community needs and priorities. In such cases, the capacity of the Council to fund these services will be assessed against the financial policy framework provided in the LTFP.

Under recent amendments to the Local Government Act, all councils are required to review their services as part of good management practice.

Population forecasts

As recorded in the 2021 ABS census, the usual resident population of the Lithgow Local Government Area (LGA) was 20,842, living in 10,238 dwellings with an average household size of 2.25.

From 2016 to 2021, Lithgow's population declined by 248 residents or approx.. 1%.

Council believes that through proactive leadership, Lithgow's population will grow at 0.89% p.a., reaching 25,500 residents by 2040.

This is in contrast to the NSW Department of Planning and Environment (DPE) population projections 2019 which predicts a 4% population decline in the years to 2041; a common trend shared with other regional LGA's.

In this LTFP, using the conservative estimates, no allowance has been made for additional rate revenues for Council as a result of population growth.

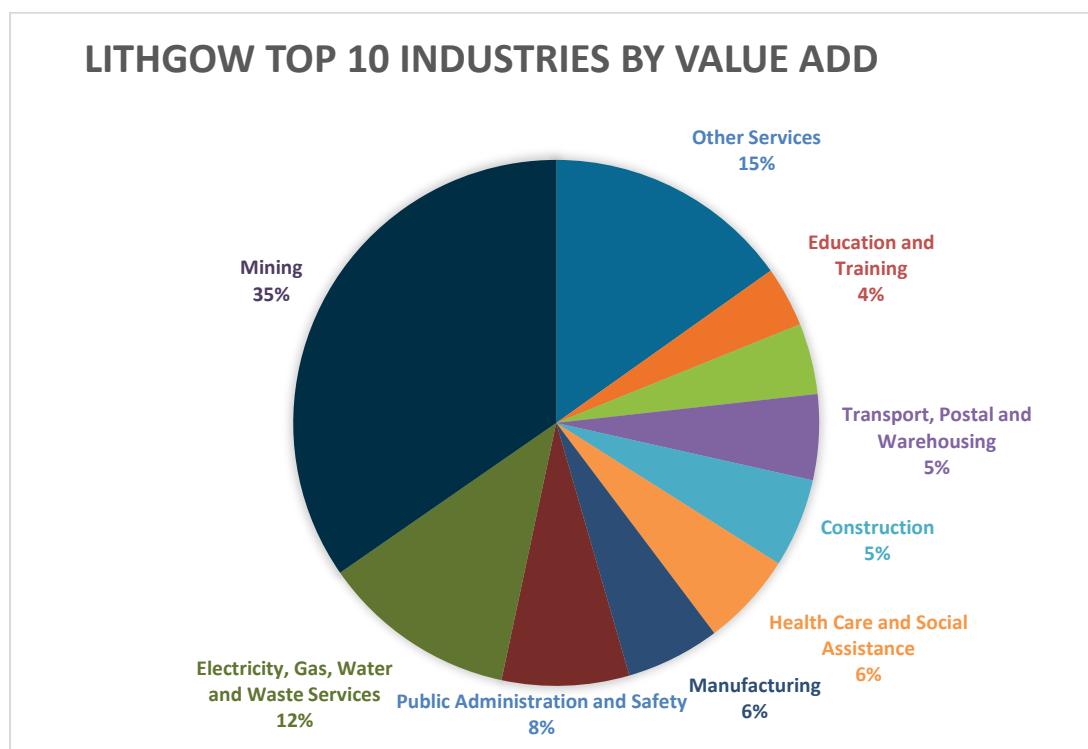
Council faces a degree of uncertainty in terms of its ongoing rate revenues over the life of the plan. It is for this reason that no major charges (including an allowance for rating base growth) have been included at this stage.



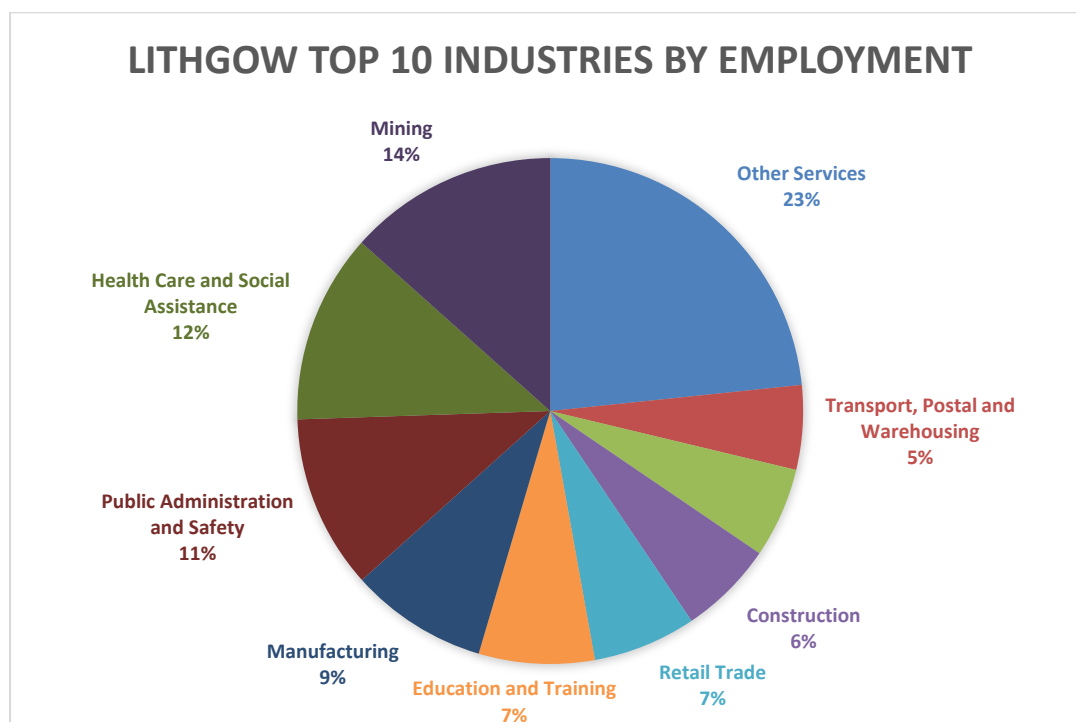
Ariel view of Lithgow - shutterstock

Anticipated levels of local economic growth

Lithgow City Council Region has a gross regional product which is estimated at \$1.62 billion. Mining is Lithgow's largest industry by value. Lithgow's top ten industries by value add is listed below



Lithgow top 10 Industries by Value add (Source: National Institute of Economic and Industry Research (NIEIR) ©2021. Compiled and presented in economy.id by.id)



Lithgow top 10 industries by employment (Source: National Institute of Economic and Industry Research (NIEIR)©2021. Compiled and presented in economy.id by.id)

The diagrams above show that Lithgow has a diverse thriving economy which showed an increase in GRP of 7.1% between 2020 and 2021, Lithgow also has very low unemployment at 3.3% as at Sept 2021 compared to NSW which was 5.5%. Housing prices in Lithgow have also increased significantly with the median house price rising 22% YoY to \$435,000 as at December 2021.

Lithgow is set to see major investment over the next few years including:

- Upgrade of the Great Western Highway between Katoomba and Lithgow, estimated value of \$4.53b and will create approximately over 30,000 jobs over 10 years.
- The development of the Fast Rail Western Corridor to assist commuters to Sydney.
- Expansion of Tourism assets in line with Destination Management Plan such as restoration of the Zig Zag railway.
- The proposed re development of Wallerawang Power Station into an eco-industrial business park including a \$400m 500MW battery.
- Completion of the Cullen Bullen Sewer Scheme (Council project).
- South Bowenfels Subdivision - Layout Design and Development Approval.
- Marrangaroo Urban Release area - the project area comprises 339.22ha of land within the Marrangaroo Urban Release Area (URA) and 54.85ha of IN1 zoned land (employment lands as mapped in Lithgow Local Environmental Plan 2014). Within the URA there is 41.22 ha of land zoned for B6 Business Corridor and 298 ha of land zoned R1 General Residential.
- Development of the Portland Foundations site into a regional centre for art, culture and events inclusive of a residential development.

Australian Government, NSW Government and regional economic forecasts

In the development of this document Council reviewed a number of Federal and State government strategies, policies and plans relating to regional economic growth (please see list below). Many of these strategies identify opportunities for regional Council's like Lithgow City – especially in a post pandemic world with people looking to “*work where they want to live*”

Lithgow is ideally placed to take advantage of new remote and hybrid work models. However, many strategies fall short in identifying the appropriate level social infrastructure needed to accommodate growth – this is usually because they have used population that Council does not believe accurately represents Lithgow's regional growth opportunities and, in many cases, will result in cost shifting to Council.

Council acknowledges that the landscape has changed over the last 5 years and external factors such as the pandemic, the geopolitical environment, climate change and net zero target will impact Council's long term financial position.

| NSW GOVERNMENT STRATEGIC PLANS | |
|---|--|
| A 20 year Vision for Regional NSW | Premiers Priorities |
| Draft Central West and Orana Regional Transport Plan | Snowy Hydro Legacy Fund |
| Net Zero Plan Stage 1: 2020-2030 | Common Planning Assumptions |
| Building Momentum State Infrastructure Strategy 2018-2038 | DPIE Growing NSWs primary industries and land sector in a low carbon world |
| Draft Regional Water Strategy Lachlan | NSW Housing Strategy |
| Future Ready Regions Supporting drought resilient communities and economies | Draft Regional Water Strategy Macquarie-Castlereagh |
| NSW Hydrogen Strategy | NSW Minerals Strategy |
| Critical Minerals and High-Tech metals strategy NSW Government | Western Area Health – Strategic Plan 2020-2025 |
| NSW Waste and Sustainable Materials Strategy 2041 | Federal Government Plans |
| Lithgow Regional REDs 2018-2022 | Australia's Critical Minerals Strategy |
| Recommendations of the Regional Housing Taskforce | CSIRO missions |
| Draft Central West and Orana Regional Plan 2041 | 2021 Australia Infrastructure Plan |

Inflation Forecasts

Over the twelve months to the December 2021 quarter, the CPI rose 3.5%.

An annual increase of 2.5% for CPI has been incorporated in all scenarios of the LTFP for the 2023/24 year and future years. The rate peg, user fees and charges, other revenue, materials & contract and other costs have been increased year-on-year by the assumed CPI. Sensitivity analysis on a slightly higher (2.75%) annual CPI increase as well as a slightly lower (2%) annual CPI increase has been conducted.

Interest Rate Movements

Based on RBA indications, it is projected that official cash rate will increase to 2% over the 10 year term of the LTFP.

Major planned expenditure, such as capital works

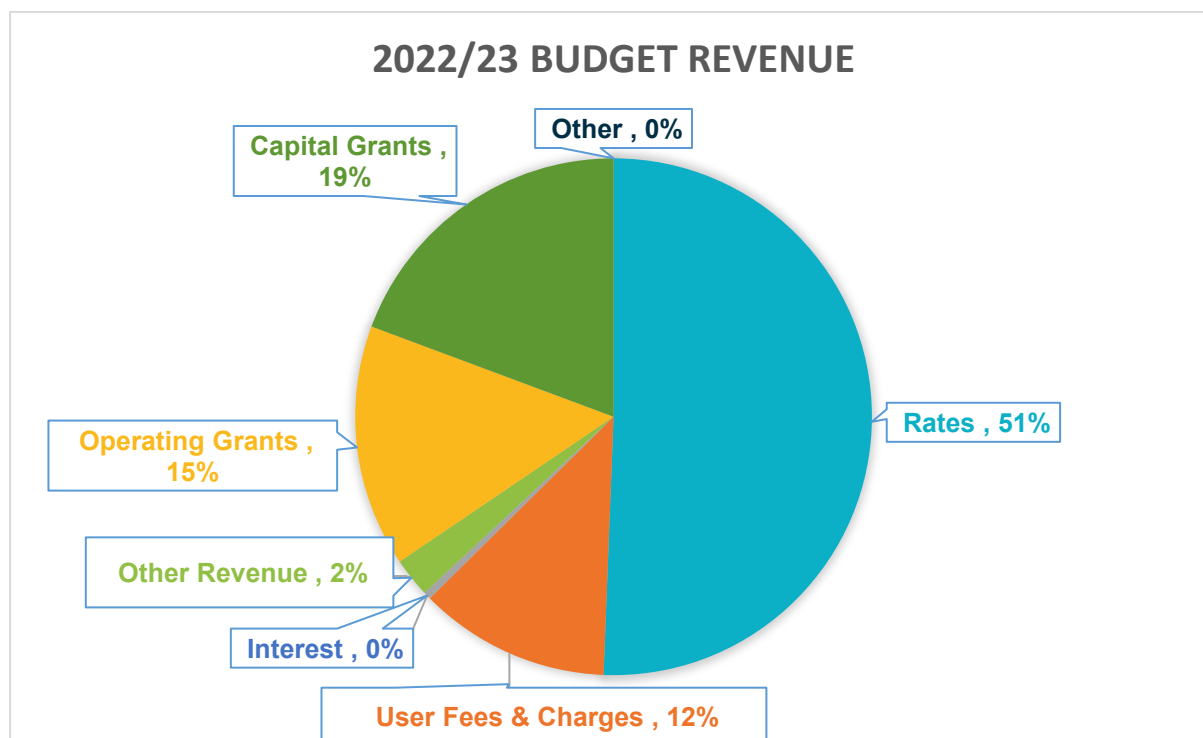
Over the next ten years Council is planning the following major capital works:

- \$6m Cullen Bullen Sewer Scheme (grant & loan funded)
- \$2m Strategic Property Development (reserve funded)
- \$20m Oakey Part WTP Renewal (grants, reserve & loan funded)

Council's key focus will remain on the maintenance and renewal of existing infrastructure assets.

The Scenario 2 and 3 Capital Works Program summary is included in **Appendix 5**.

Revenue



Council has applied considered indices to future years' income and expenditure for modelling purposes. Below are the indices used.

| Base Case Assumptions | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 | 28/29 | 29/30 | 30/31 | 31/32 |
|------------------------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Rates and Charges | | | | | | | | | |
| Scenario 1 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| User Fees and Chargers | | | | | | | | | |
| Scenario 1 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest and Investment Revenue | | | | | | | | | |
| Scenario 1 | 1.00% | 1.00% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% |
| Other Revenues | | | | | | | | | |
| Scenario 1 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Operating Grants and Contributions | | | | | | | | | |
| Scenario 1 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Capital Grants and Contributions | | | | | | | | | |
| Scenario 1 | Capital grants linked to the Capital Works Program | | | | | | | | |
| Employee Costs | | | | | | | | | |
| Scenario 1 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Material and Contracts | | | | | | | | | |
| Scenario 1 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Other Expenses | | | | | | | | | |
| Scenario 1 | 2.50% | 2.50% | 2.05% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |

Rates and charges

Rates and annual charges account for a large portion of income in future years. Council relies on the annual rate pegging increase set by the Independent Pricing and Regulatory Tribunal (IPART). The Long Term Financial Plan assumes an annual increase of 2.5% for 2023/24 and the same for the remaining life of the plan. Indications are that the population of the Local Government Area will be maintained but with an ageing population base. Council will need to consider the write off of rate income due to pension rebates and as a result issues for rating as a revenue source. The issues may be:

- income from rates and annual charges including general rates from residential, business, farmland, rural and mining, waste, and ongoing special infrastructure rate levy is restricted by annual rate pegging; and
- the ageing population is likely to limit scope to raise income due to the populations' ability to pay and the fact that more pensioner rebates will be being processed resulting in lower rate revenue.

Scenarios 1 and 2 allow for rate peg only increases to rating income. Scenario 3 includes an additional permanent SRV from 1 July 2023 to fund asset maintenance and renewal, as well as to build capacity within the organisation and facilitate economic resilience in the local government area..

Revenue from annual charges includes the Domestic Waste Management charges, well as water and sewer access charges. The LTFP assumes that annual charges will increase at the same rate as CPI / rate peg.

Interest and investment revenue

The level of interest revenue earned by Council will vary with regard to the total amount held in Council's investment portfolio.

Council reviews its Investment Policy annually and ensures compliance with the Ministerial Investment Order dated 12 January 2011. Council's current Investment Strategy is simply to invest in term deposits, with terms of up to 12 months, depending on cash flow needs and market deposit rates.

Interest on investments is assumed at between 1% at the beginning of the plan up to 2% at the end of the Long Term Financial Plan. Interest rates across the financial markets have been at record lows in recent times. A slowly rising trend in interest rates is anticipated. Interest has been calculated on the average balance of funds invested for the year.

User charges and fees

Council provides a wide range of facilities and services for which it receives revenue from user fees and charges. The largest source of user fees is for water supply services. Other services providing user fees include planning & building regulation, cemeteries and the JM Robson Aquatic Centre. Often, the revenue received does not fully offset the costs associated with the service or facility as they are aimed at providing a broad community benefit and if higher fees were charged many residents may be unable to enjoy the use of the facility or service. In other instances, fees may not be high enough to recover full costs due to external market pressures or the fee being set by statute.

The estimated annual increase in user charges and fees is assumed to be 2.5% for 2023/24 and 2 for the remaining life of the plan.

Other revenues

Other revenues include insurance claim recoveries and sale of goods at the Aquatic Centre and Visitor Information Centre.

The estimated annual increase in user charges and fees is assumed to be 2.5% for 2023/24 and for the remaining life of the plan.

Grants and contributions

Council receives grants from the NSW and Commonwealth governments. These are either discretionary or non-discretionary. The majority of grants provided to Council are for specific purposes, such as infrastructure maintenance and provision of community services. Generally, the funding received is less than the total cost of the works / services being provided. Typically, it is often a condition of the grant funding that Council provides matching funding.

The largest single source of Council's grants revenue is the Financial Assistance Grant (FAG). This is a general-purpose grant and is allocated to councils on a formula basis that has regard for a range of factors such as population, quantum of infrastructure maintained and the relative disadvantage between Councils. The LTFP assumes that the FAG will retain its value in real terms. As such, revenues from operating Grants and Contributions are assumed to increase at 2.5% per annum for the 10 year term of the plan.

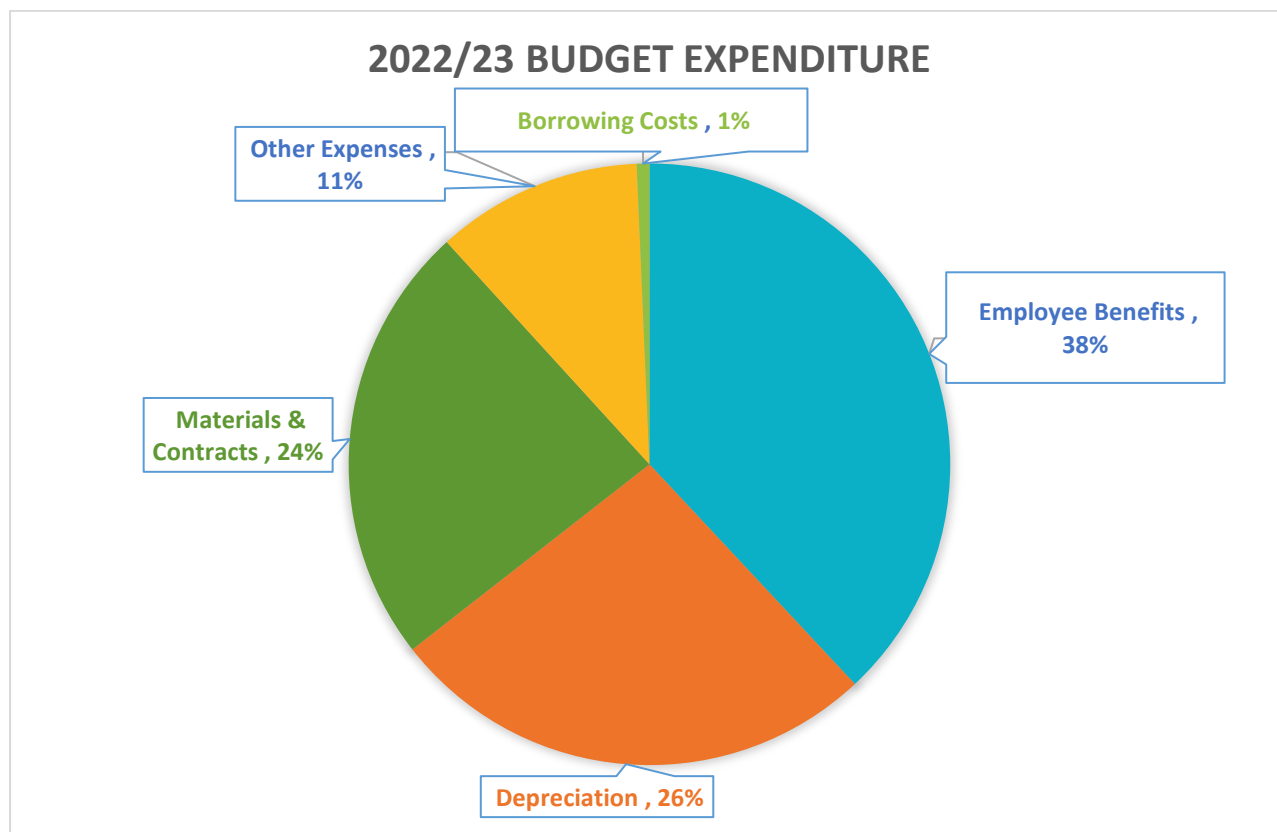
Section 7.11 developer contributions

Section 7.11 of the Environmental Planning and Assessment Act 1979 enables Councils to levy contributions for public amenities and services required as a consequence of development. Developer contributions are essential to providing key facilities and services for local residents, especially in new residential subdivisions.

Section 7.11 contributions are held as an externally restricted asset until they are spent for the purposes designated. Council's policy is to commence specific works only when sufficient contributions have been received to complete the works. The level and timing of contributions fluctuate according to a variety of factors including economic growth and the level of development activity.

The LTFP assumes that developer contributions will increase at 1.5% per annum for the 10 year term of the plan, similar to other contributions.

Expenditure



Employee costs

Employee costs include the payment of salary and wages, employee leave entitlements, superannuation and workers compensation expenses. Overall employee costs comprise around 40% of Council's total operating costs.

The LTFP projects overall employee costs to increase on average by 2.5% per annum, this increase covers a range of employee related expenses such as employee leave entitlements, employer superannuation contributions (including the progressive increase in compulsory employer superannuation contributions from 10% to 12%) and workers compensation expenses.

The major increase for employee costs are annual award salary and wage increases. Other factors influencing employee costs are changes in the level of superannuation contributions, workers compensation costs and increases in staff numbers.

Materials and contracts

Council has relatively high levels of materials and contract expenses due to the large number of assets held, constructed and maintained by Council. This places Council under considerable pressure when rising materials and construction costs occur.

The LTFP assumes that materials and contracts will increase at 2.5% for 2023/24 and for the remaining life of the plan.

Debt servicing

Council intends to use borrowings to fund two major projects over the next 10 years. The interest on existing loans is as provided for in the loan agreements and the interest assumed on new loans has been calculated at 4.00% for loans with a tenure of 10 to 20 years. This interest rate is typical of the interest rates that were on offer in the marketplace at the time the Long Term Financial Plan was updated and is consistent with current Reserve Bank of Australia interest rate projections.

| Year | Amount | Purpose |
|-------|-------------|--------------------------------------|
| 23/24 | \$2,000,000 | Cullen Bullen Sewerage Scheme |
| 28/29 | \$5,000,000 | Oakey Park WTP Major Upgrade/Renewal |

Note: Oakley Park WTP total budget \$20M (depreciation over 30 years)

- \$13m budgeted to be funded via grants
- \$5m budgeted to be funded via loans
- \$2m budgeted to be funded via reserves

Restricted Assets

A large proportion of Council's investments are held as restricted assets for specific purposes. Restricted assets may consist of externally restricted assets which must be spent for the purpose for which they have been received (e.g. Water, Wastewater, Domestic Waste) or internally restricted assets which have been set aside by Council resolution. Some internal restrictions are held to fund specific liabilities such as employee leave entitlements and bonds and deposits.

Depreciation

The LTFP projects annual depreciation expenditure to increase based on estimated capital expenditure levels in future years. The actual depreciation expenditure in future years will be impacted by future asset revaluation methods and timing as stipulated by relevant accounting standards.

Council's infrastructure assets are revalued in accordance with a staged implementation program as advised by the Office of Local Government. Full revaluations are to be undertaken for all assets on a minimum 5 year cycle.

Depreciation costs used in the LTFP relate to existing assets and any proposed capital works. The results of future asset revaluations may result in depreciation estimates being revised over time. Depreciation expenses have been derived using asset modelling so amounts vary according to projected costs and allowance for capital works (including upgrade and expansion expenditure) over the course of the financial plan.

Other operating expenses

Other operating expenses comprise a variety of items, such as the following:

- donations and contributions
- contributions to emergency services (paid to the NSW Government)

It is assumed that other expenses will increase at 2.5% for 2023/24 and for the remaining life of the plan.

6. Council's current financial position

In the 2020/21 year, Council achieved the OLG's benchmarks for the following operating performance measures:

- Own source operating revenue ratio;
- Unrestricted current ratio;
- Debt service cover ratio;
- Rates, annual charges, interest and extra charges outstanding percentage; and
- Cash expense cover ratio.

In 2020/21 Council did not meet the OLG's operating performance ratio benchmark of >0.00%. With costs rising faster than revenue, Council has only achieved the operating performance ratio benchmark once in recent years.

In 2020/21, Council has achieved the following OLG benchmarks for the infrastructure asset performance indicators:

- Infrastructure backlog ratio; and
- Asset maintenance ratio.

In 2020/21 Council did not meet the OLG's building and infrastructure renewals ratio which indicates that Council did not have sufficient funding for asset renewals.

Council has a strong balance sheet. As at 30 June 2021, Council had total general fund assets of \$494 million which included cash and investment of \$18.8 million. Total general fund liabilities were \$23.3 million including external borrowings of \$2 million. The comparative data for Council's consolidated position (water and sewer fund included) was total assets of \$624 million including cash and investments of \$29.2 million with total liabilities of \$37 million (including external borrowings of \$12.8 million).

Further information is provided in the Key Performance Indicators section of the LTFP.

Addressing Council's Long-Term Financial Sustainability

In recent years, Council has made submissions and has received assessments under the Fit for the Future (FFTF) process. These assessments have stated that Council is 'not fit' based on financial projections and ensuing key performance indicator results. Concern was also raised at that time about the quality of Council's financial projections and its financial management principles and practices.

Council has progressed in addressing its financial sustainability concerns by conducting a Financial Management Maturity Assessment and implementing 37 subsequent recommendations to improve Council's financial and asset management. Council is also implementing a multi-year Fit for the Future action plan.

In late 2021, Council's administration engaged Future Together Group to conduct a comprehensive rating structure and revenue review. This considered Council's financial sustainability issues, following 10 years of deficit operating results (before capital) and significantly lower rating revenue compared with similar neighbouring Councils. It identified a

structural annual shortfall in Council's General Revenues of \$6M at existing agreed levels of service before adopting available productivity, savings and other measures.

In July 2022, Council endorsed the findings related to considering a special rate variation included in the Rating Review Technical Paper. Council also resolved to commence community engagement on two financial sustainability options.

Options for a Sustainable Lithgow

Council engaged with the community on the following two options for a sustainable Lithgow:

Scenario 1 – Service Levels Maintained (modelled as LTFP Scenario 3)

Council would apply for a permanent increase in general rate income (a Special Rate Variation) above the peg rate set by IPART.

The external rating review identified a shortfall of \$4.7M in Council's annual general revenues after taking into account proposed productivities, savings and other revenues of \$1.3M. Additionally, \$1.25M of funding is recommended to ensure Council's ongoing financial sustainability for building capacity within the organisation and facilitating economic resilience in the local government area.

As an outcome of community engagement, an agreement was reached with mining and power generation ratepayers to contribute to an economic transition management fund over 10 years which would diminish their rates payable for this period. The amount of contributions to the fund is \$1.092M in 2023/24.

In this post-consultation LTFP update, Scenario 3 has been updated with a lower overall Special Rate Variation amount and the inclusion of income and expenditure from the planned economic transition fund.

The addition of \$5.1 million to Council's annual general revenues equates to a 38% overall increase in rates (including rate peg). Great care has been taken, however, to distribute the rating as fairly as possible amongst the various rating categories, and, as a result, the impact on residential, business and farming land rating under this proposal would typically be 27.7% (including rate peg).

Scenario 2 – Service Levels Reduced (modelled as LTFP Scenario 2)

If Council chooses not to proceed with a special rate variation or IPART determines not to approve Council's application, Council will need to undertake a comprehensive review of its services and present a plan to the community for a reduction in levels of service of around \$4.7M annually.

Council will prioritise the maintenance of essential services over more discretionary services in any level of service cuts. Council anticipates that this process would take approximately twelve months and will again involve extensive community engagement. It will also require significant funding and resources.

Key Performance Indicators

Key performance indicators allow organisations to measure how effective and successful they have been at achieving business objectives and performance. The indicators below measure sustainability, effectiveness of asset management and liquidity. They are a combination of ratios set by the OLG and other ratios that Council considers critical to sustainable operations.

These are the ratios Council will use to assess its 3 proposed Long Term Financial Plan scenarios.

| OPERATING PERFORMANCE RATIO | OWN SOURCE OPERATING REVENUE | ASSET RENEWAL RATIO |
|---|---|---|
| <ul style="list-style-type: none"> Measures Council's ability to contain operating expenditure within operating revenue Benchmark: > or equal to break-even (0%) | <ul style="list-style-type: none"> Measures fiscal flexibility and degree of reliance on external funding sources Benchmark: > or equal to 60% | <ul style="list-style-type: none"> Assesses the rate at which assets are being renewed relative to the rate at which they are depreciating Benchmark: > or equal to 100% |
| INFRASTRUCTURE BACKLOG RATIO | ASSET MAINTENANCE RATIO | DEBT SERVICE RATIO |
| <ul style="list-style-type: none"> Indicates asset renewal backlog as a proportion of total asset infrastructure value Benchmark: < or equal to 2% | <ul style="list-style-type: none"> Reflects actual asset maintenance against required asset maintenance Benchmark: > or equal to 100% | <ul style="list-style-type: none"> Measures the availability of operating cash to service debt Benchmark: > 0% and less than or equal to 20% |
| UNRESTRICTED CURRENT RATIO | RATES AND ANNUAL CHARGES OUTSTANDING | REAL OPERATING EXPENDITURE PER CAPITA |
| <ul style="list-style-type: none"> Reflects Council's ability to meet debt payments as they become due Benchmark: > or equal to 1.5 | <ul style="list-style-type: none"> Reflects Council's ability to meet debt payments as they become due Benchmark: < or equal to 10% | <ul style="list-style-type: none"> Reflects Council's ability to meet debt payments as they become due Benchmark: Decreasing over time |

Council Consolidated 2020/21 actual performance of Ratios

| MEASURE / BENCHMARK | ACTUAL 2021/21 PERFORMANCE | ACHIEVED BENCHMARK |
|---|----------------------------|--------------------|
| Operating Performance Ratio | (2.2%) | ✗ |
| Own Source Operating Revenue | 70.8% | ✓ |
| Building and Infrastructure Asset Renewal Ratio | 51.8% | ✗ |
| Infrastructure Backlog Ratio | 1.8% | ✓ |
| Asset Maintenance Ratio | 121.7% | ✓ |
| Debt Service Cover Ratio | 5.66x | ✓ |
| Unrestricted Current Ratio | 2.23x | ✓ |

7. Risk Management

A local government's activities expose it to a variety of risks which need to be considered in preparing the LTFP such as commodity prices, inflation and interest rates.

Council's asset management systems identify assets that are critical to operations and outline specific risk management strategies for these assets.

However, long term planning in a dynamic environment has to accommodate some level of uncertainty. For specific projects, the ability to accurately define risks over a long period may be constrained by uncertainties surrounding the availability of funding, such as grants. Also, the LTFP is developed on the basis of assumptions that can change via internal and/or external influence. This is one of the reasons that best practice is to review the assumptions annually.

8. Sensitivity analysis

Sensitivity analysis identifies the impact on Council's projected financial position of changes in assumptions used to develop the plan and highlights the factors most likely to affect the outcomes of the plan. As LTFP looks forward for ten years, many of these assumptions can fluctuate over time due to changes in economic conditions, government policies and changes in community expectation.

Sensitivity analysis looks at "what if" scenarios. For example, what happens to Council's financial position if inflation resulted in material and contract expenses rising faster than forecast; if growth was half that forecast; or if investment returns were lower than forecast in the plan.

Historically, there has been a nexus between income and expenditure inflators. If that nexus remains constant, then the actual movement of the factors will not materially impact the results forecast in this LTFP. However, the LTFP does remain susceptible to changes in the common indicators and to address this, conservative estimates have been included in the LTFP.

The analysis identifies the impacts of not taking planned actions or if a future SRV did not proceed. The assumptions used are our current informed estimates; however, they are fundamentally ambiguous especially in the current economic climate. If they are incorrect, some will have limited impact. Others may have a more material impact on Council's plans.

Council has undertaken sensitivity analysis for the three scenarios it has modelled. The LTFP includes the results from the key performance indicators for Scenario 3 – Sustainable Council.

9. Scenario Modelling

Scenario 1 – Base Case

The base case represents "business as usual" where Council continues to deliver existing services without applying improvement strategies or additional revenue. Future rate increases are limited to the rate peg only – Council would have significant operating deficits (before capital) which grow year-on-year. From 2028/29, there would be insufficient cash available to fund Council's internal reserves.

The scenario also does not allow extra asset renewal expenditure to ensure that the Building & Infrastructure Renewal Ratio benchmark is achieved. **In this scenario, Council is not considered to be financially sustainable.**

The General Fund Scenario 1 Base Case Consolidated Income Statement is included in **Appendix 4.**

Scenario 2 – Service Levels Reduced

Scenario 2 models the “Service Levels Reduced” proposal which is outlined in the Rating Review Technical Paper. **Scenario 2 enables Council to become financially sustainable over the 10-year term of the plan by redirecting funding to asset maintenance and renewal whilst reducing discretionary services.**

Should “Service Levels Reduced” be the chosen option, Council would develop a plan which identifies essential services. As the option does not deliver the additional funding required to both meeting existing service levels and maintain / renew roads and other infrastructure, it will be necessary to reduce service levels. The reductions would occur for non-essential services. This plan would be developed and finalised with extensive community consultation.

The Rating Review identified a need to increase income by \$4.718M (after productivity and improvements). The value of service reductions would need to equate to \$4.718M to enable funds to be redirected to asset maintenance / renewal and to ensure Council’s long-term financial sustainability with a balanced operating result (i.e. no more deficits). Scenario 2 was developed on the basis of the following assumptions:

- **Rate peg only from 1 July 2023.**
- **Funding for existing maintenance service levels from 1 July 2023:** \$2.3M of additional transport, stormwater and other asset maintenance funding.
- **Operational Service Reductions from 1 July 2023:** with funding redirected to asset renewal / maintenance and to eliminate operating deficits, the required value of non-essential service spending has been removed from operational expenses. As over 60% of Council’s expenditure funds employment and materials / contracts, it is assumed that that these costs will need to be proportionally reduced. The value of required service reductions grows in each future year.
- **Adequate funding capital asset renewal from 1 July 2023:** \$2M of additional transport, stormwater and other asset renewal funding.
- **General Fund contingency:** a modest operating surplus to avoid “shocks, to address infrastructure backlogs and to maintain a higher net financial liabilities ratio.

The General Fund Scenario 2 Service Levels Reduced Consolidated Income Statement is included in **Appendix 4.**

Scenario 3 – Service Levels Maintained

Scenario 3 models the “Service Levels Maintained” proposal which is detailed in the Rating Review Technical Paper. **Scenario 3 enables Council to become financially sustainable over the 10-year term of the plan whilst maintaining services and building capacity within the organisation.**

Service levels would be maintained at the current levels expected by the community. Council will implement the Rating Review findings around increasing user fees income, however, there are limited council resourcing alternatives to generate the remainder of the required funding.

This scenario includes the following strategies to enable financial sustainability over the 10 year plan:

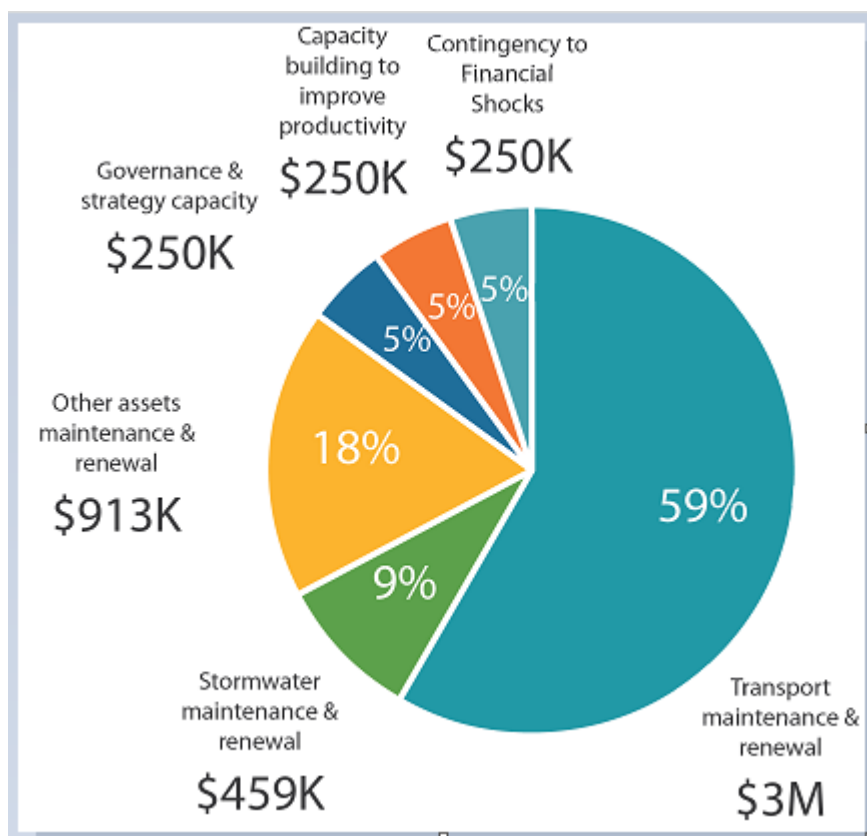
- **An additional permanent SRV from 1 July 2023** - a 38% overall increase in rates (including rate peg). Great care has been taken, however, to distribute the rating as fairly as possible amongst the various rating categories, and as a result the impact on residential, business and farming rating under this proposal would typically be 27.7% (including expected rate peg).
- **Productivities and improvements:** \$1.3M of productivities and improvements as detailed in the Rating Review Technical Paper. These have been included as expense savings, however, may also result in additional user fees and charges income.
- **Funding for existing maintenance service levels from 1 July 2023:** \$2.3M of additional transport, stormwater and other maintenance funding as determined in the SRV funding allocation.
- **Funding for building capacity from 1 July 2023:** \$1M of operational capacity building funding for governance / strategy and capacity building as detailed in the Rating Review Technical Paper.
- **Economic Transition Fund:** transition management fully funded from a \$1.092M p.a. contributions fund.
- **Adequate funding capital asset renewal from 1 July 2023:** \$2M of additional transport, stormwater and other asset renewal funding as determined in the SRV funding allocation.
- **Depreciation (and renewals) in all asset categories is fully funded:** this means that the condition of all assets (including roads) improves significantly over time. \$500K p.a. has been included for reducing the roads infrastructure backlog.
- **General Fund contingency:** a modest operating surplus to avoid “shocks, as well as enhanced capacity to improve performance and productivity in future periods, to address infrastructure backlogs and to maintain a higher net financial liabilities ratio.

The Scenario 3 Consolidated Financial Statements are included in **Appendix 1**.

The Scenario 3 General Fund Financial Statements are included in **Appendix 2**.

The Scenario 3 Performance Indicators are included in **Appendix 3**. The performance indicators trend towards meeting all of the Office of Local Government benchmarks over the term of the LTFP, indicating that Council will achieve financial sustainability in Scenario 3.

The proposed SRV allocation has been updated to be consistent with the change to the SRV amount. Depreciation and asset renewals in all asset categories is fully funded. This means that the condition of all assets (including roads) should improve significantly over time. Asset funding includes \$500K p.a. for reducing the roads infrastructure backlog. The post-consultation proposed SRV allocation is shown in the chart below:



10. Consideration of the Community's Capacity to Pay a Special Rate Variation

Affordability and intergenerational equity were critical considerations in the external review of the rating burden. The review considered issues relating to the capacity to pay for various existing and potential rating categories and sub-categories. Comparative analysis was undertaken as a means of validating the outcomes rather than for the purpose of sourcing an answer.

The rating review recommended that a higher incidence of increased rating be placed on heavy industries (mining, quarrying, power generation) which have historically had lower rates than comparable Councils. This action would enable a lower incidence of increased rating to be placed on the residential, farmland and business rating categories which are most impacted by current cost of living pressures. As part of the refinement of the SRV scenario, it was determined that the pensioner concession would be increased by \$50 to \$300 p.a. to further reduce the incidence of increased rating on pensioners.

Council has considered a range of indicators to assess whether the proposed rate increases would be affordable for the community. Included below is information on indicators considered in reaching conclusions on the community's capacity to pay a Special Rate Variation.

SEIFA Index

SEIFA version 2016 is the most recent version of the product released by the Australian Bureau of Statistics. Lithgow Council's SEIFA indexes indicate that the Lithgow LGA is more socio-economically disadvantaged than neighbouring areas and comparable Councils, as shown in the table below:

| Local Government Area | Index of Relative Socio-economic Advantage & Disadvantage | | Index of Relative Socio-economic Disadvantage | |
|-----------------------|---|--------|---|--------|
| | Score | Decile | Score | Decile |
| Lithgow | 908 | 2 | 923 | 2 |
| Blue Mountains | 1042 | 9 | 1045 | 9 |
| Bathurst | 973 | 7 | 986 | 6 |
| Oberon | 951 | 5 | 969 | 5 |
| Mid-Western | 942 | 4 | 960 | 5 |
| Muswellbrook | 917 | 3 | 930 | 3 |
| Singleton | 974 | 7 | 994 | 7 |

The only Central West local government area with a similar SEIFA Index of Relative Socio-economic Advantage & Disadvantage score to Lithgow is Cowra (score 910, decile 2).

OLG Time Series Data

From the OLG Time Series Data 2020/21, Lithgow Council's average residential, farmland and mining rates are comparatively lower than comparable Councils. Average rates for business are at the high end compared with similar Councils (Lithgow has the lowest number of business rating assessments).

The Time Series Data Total Residential Rating Revenue figure has been adjusted as the OLG data incorrectly includes the Special Parking Rate income (\$254,000).

Lithgow Council's 2020/21 average rates (as per the Time Series calculation method of total rating revenue divided by the number of assessments) are summarised in the table below:

| Rating Category | Average Rate Lithgow | Average Rate Mid-Western | Average Rate Muswellbrook | Average Rate Singleton |
|-----------------|----------------------|--------------------------|---------------------------|------------------------|
| Residential | \$810.56 | \$970.31 | \$845.98 | \$1,171.78 |
| Business | \$4,020.96 | \$2,168.81 | \$1,667.73 | \$2,464.44 |
| Farmland | \$1,518.37 | \$2,545.36 | \$2,601.73 | \$2,082.34 |
| Mining | \$110,133.33 | \$1,558,000 | \$569,450 | \$201,692.31 |

Average business rates are higher than comparable Councils due to the progressive nature of Council's business ad valorem rates. 64.6% of total rates income is derived from the fourth quartile (highest land values) of business ratepayers.

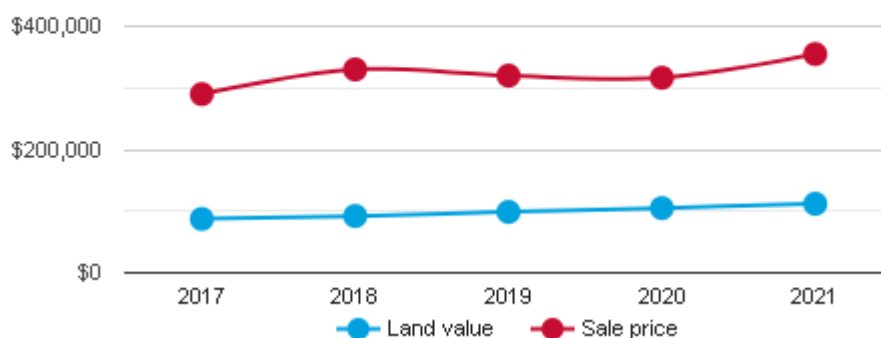
Also from the OLG Time Series Data 2020/21, 2017 average taxable income in the Lithgow Council LGA (\$55,755) is lower than comparable Councils.

Land Values

Residential land values in the Lithgow local government area, particularly within Lithgow, have experienced a moderate increase mostly attributable to purchasers seeking alternative lifestyle options in regional areas over metropolitan living. This movement combined with record low mortgage rates, improving economic conditions, government incentives and low listing numbers has led to a moderate increase in market values in the Lithgow residential market..

The chart below shows movement in the property market and land values over a five year period (reference Valuer-General's report on land values in the Lithgow local government area 1 July 2021).

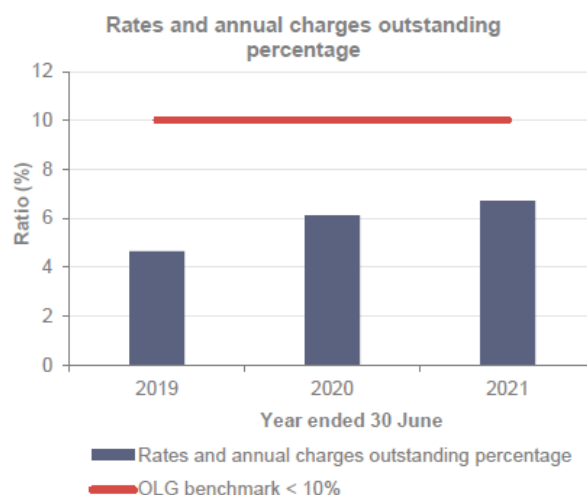
Median land values and sale prices



Outstanding Rates Ratio

The ratio of outstanding rates and annual charges in the 2020/21 financial year was 6.7%. The ratio is well below the Office of Local Government benchmark of <10%, although higher than comparable Councils with the exception of Muswellbrook (10.1%).

As shown in the chart below, rates and annual charges outstanding have been increasing over the last two years, which is likely due to the impact of COVID-19 on property owner's liquidity.



Individual Income Levels

Council have taken into consideration information on the income of community members in order to assess the capacity of rate payers to pay the increase in rates.

Analysis of individual income levels in Lithgow LGA in 2021 compared to Regional NSW shows that there was a lower proportion of people earning a high income (those earning \$2,000 per week or more) and a higher proportion of low income people (those earning less

than \$500 per week). Overall, 8.3% of the population earned a high income, and 37.4% earned a low income, compared with 9.2% and 33.7% respectively for Regional NSW.

Hardship Policy

Council has a financial hardship policy in place to provide assistance and support to community members who are experiencing financial stress and are unable to cover the costs of rates and annual charges.

11. Consideration of the Community's Willingness to Pay a Special Rate Variation

Council developed a web-based rates calculator tool (available on <https://ourplaceourfuture.lithgow.com/srv/>) that ratepayers could use to compare their rates under Option 1 – Service Levels Maintained (with SRV) and Option 2 – Service Levels Reduced (no SRV) scenarios, based on their land valuation.

The tables below summarise the impact of the scenarios on average rates (included on the Our Place Our Future website).

Option 1 for Residential Ratepayers

| | |
|------------------------------|-----------------|
| Average Rates 2022/23 | \$869.26 |
| Add Rate peg 3.7% | \$32.16 |
| Add SRV 24% | \$208.62 |
| Average Rates 2023/24 | \$1,110.04 |
| Annual Change | \$240.78 |
| Weekly Change | \$4.63 |

Option 1 For Farmland Ratepayers

| | |
|------------------------------|-------------------|
| Average Rates 2022/23 | \$1,705.50 |
| Add Rate peg 3.7% | \$63.10 |
| Add SRV 24% | \$409.32 |
| Average Rates 2023/24 | \$2,177.92 |
| Annual Change | \$472.42 |
| Weekly Change | \$9.09 |

Option 1 for Business Ratepayers

| | |
|------------------------------|-------------------|
| Average Rates 2022/23 | \$4,214.67 |
| Add Rate peg 3.7% | \$155.94 |
| Add SRV 24% | \$1,011.52 |
| Average Rates 2023/24 | \$5,382.13 |
| Annual Change | \$1,167.46 |
| Weekly Change | \$22.45 |

Option 2 for Residential Ratepayers

| | |
|------------------------------|-----------------|
| Average Rates 2022/23 | \$869.26 |
| Add Rate peg 3.7% | \$32.16 |
| Average Rates 2023/24 | \$901.42 |
| Annual Change | \$32.16 |
| Weekly Change | \$0.62 |

Option 2 for Farmland Ratepayers

| | |
|------------------------------|-------------------|
| Average Rates 2022/23 | \$1,705.50 |
| Add Rate peg 3.7% | \$63.10 |
| Average Rates 2023/24 | \$1,768.60 |
| Annual Change | \$63.10 |
| Weekly Change | \$1.21 |

Option 2 for Business Ratepayers

| | |
|------------------------------|-------------------|
| Average Rates 2022/23 | \$4,214.67 |
| Add Rate peg 3.7% | \$155.94 |
| Average Rates 2023/24 | \$4,370.61 |
| Annual Change | \$155.94 |
| Weekly Change | \$3.00 |

Micromex Research were engaged to undertake a telephone survey in October 2022 with the following objectives:

- Identify community awareness of Council's exploration of a Special Rate Variation;
- Explore and understand resident support for a Special Rate Variation;
- Identify the community's overall level of satisfaction with Council performance; and
- Understand and identify community priorities for the Lithgow City Council LGA.

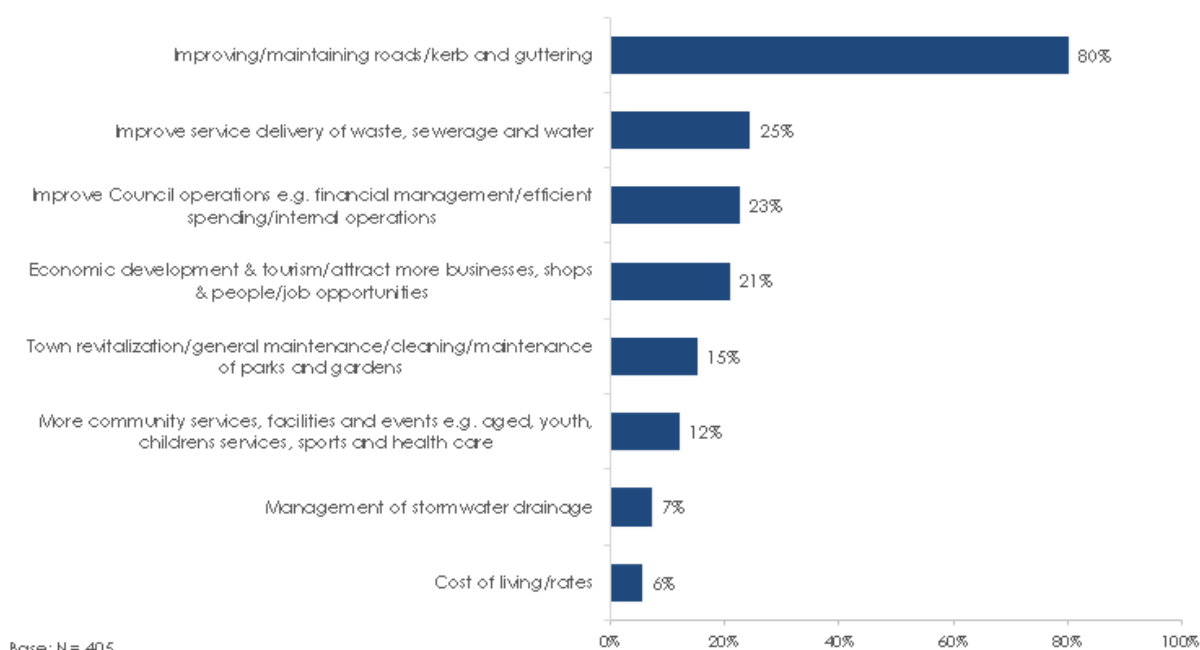
The survey results showed that 85% of residents were aware, prior to contact, of the SRV proposal. 42% of survey respondents indicated a preference for Option1 – Service Levels Maintained (with SRV).

49% of residents are at least somewhat satisfied with the performance of Council over the last 12 months. The majority of residents (80%), believe improving/maintaining roads and kerb and guttering is a key priority for Council in the local area.

The below diagram demonstrates survey responses to a question regarding key priority areas for Council:

Key Priority Areas for Council in the Local Area

Q1a What do you think should be the key priorities for Council in the local area?



Council's SRV proposal places a higher proportion of the rating increase (\$4M of \$5.1M total SRV amount) on heavy industries – business quarrying, business power generation and mining. Through extensive consultation, Council has gained support for the purposes of the proposed SRV from key stakeholders, as evidenced by the willingness of power generation and mining ratepayers to make proposed contributions in ways which will continue their collaborative involvement in decision-making, particularly around transitions management.

12. Performance monitoring

A review of the Long Term Financial Plan will occur each year as the annual Operational Plan is prepared, to account for performance information and changing circumstances.

Consistently monitoring the LTFP allows Council to evaluate the quality and effectiveness of our services and an important accountability mechanism between council's administration and councillors, and between councillors and the community.

The LTFP will be monitored via the IP&R framework including but not limited to:

- Quarterly Financial Budget Review Statements
- Six monthly Operational Plan reviews

- Delivery Program Progress Reports
- Annual Report

Performance information allows for evidence-based decision making to inform and shows where areas of Council are performing and where improvements need to be made.

In addition to the above measurements, Council will also monitor the LTFP via a combination of ratios set by the OLG and other measures that Council considers critical to sustainable operations.

Council also closely monitors its cashflow (actual funds coming and going out) and reserve balances.

13. Appendices



Appendix 1 Consolidated Financial Statements Scenario 3

Income Statement - Consolidated Scenario 3 - Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT - CONSOLIDATED Scenario 3 - Service Levels Maintained | | | | | | | | | | | | |
|---|--------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals 2020/21 \$ | Current Year 2021/22 \$ | 2022/23 \$ | 2023/24 \$ | 2024/25 \$ | 2025/26 \$ | Projected Years | | | | | |
| | | | | | | | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ | 2029/30 \$ | 2030/31 \$ | 2031/32 \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 27,215,000 | 28,867,722 | 30,159,102 | 37,083,487 | 38,010,574 | 38,960,839 | 39,934,860 | 40,933,231 | 41,956,562 | 43,005,476 | 44,080,613 | 45,182,628 |
| User Charges & Fees | 7,247,000 | 7,901,672 | 7,137,659 | 7,416,100 | 7,601,503 | 7,791,540 | 7,986,329 | 8,185,987 | 8,390,636 | 8,600,402 | 8,815,412 | 9,035,798 |
| Other Revenues | 1,340,000 | 1,502,659 | 1,463,595 | 1,500,184 | 1,537,689 | 1,576,131 | 1,615,535 | 1,655,923 | 1,697,321 | 1,739,754 | 1,783,248 | 1,827,829 |
| Grants & Contributions provided for Operating Purposes | 11,286,000 | 10,720,447 | 16,760,512 | 10,276,367 | 10,533,277 | 10,796,608 | 11,066,524 | 11,343,187 | 11,626,766 | 11,917,436 | 12,215,371 | 12,520,756 |
| Grants & Contributions provided for Capital Purposes | 3,896,000 | 8,575,984 | 12,081,684 | 2,530,000 | 2,621,475 | 2,715,217 | 2,811,289 | 2,909,756 | 8,010,686 | 13,114,148 | 3,220,214 | 3,328,959 |
| Interest & Investment Revenue | 290,000 | 270,000 | 579,000 | 584,790 | 590,638 | 599,497 | 608,490 | 617,617 | 626,882 | 636,285 | 649,010 | 661,991 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | 304,500 | 154,850 | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | 538,000 | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | 782,000 | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 52,594,000 | 58,142,985 | 68,336,401 | 59,390,929 | 60,895,156 | 62,439,833 | 64,023,025 | 65,645,701 | 72,308,853 | 79,013,501 | 70,763,869 | 72,557,960 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 18,626,000 | 18,120,657 | 19,131,985 | 20,538,969 | 21,052,443 | 21,578,755 | 22,118,224 | 22,671,179 | 23,237,959 | 23,818,908 | 24,218,819 | 24,521,423 |
| Borrowing Costs | 504,000 | 395,513 | 341,636 | 378,750 | 326,056 | 228,987 | 203,769 | 178,909 | 206,126 | 324,736 | 290,459 | 257,760 |
| Materials & Contracts | 16,529,000 | 17,043,422 | 18,859,442 | 21,022,491 | 21,548,054 | 22,086,755 | 22,638,924 | 23,204,898 | 23,785,020 | 24,379,646 | 24,793,575 | 25,110,549 |
| Depreciation & Amortisation | 12,599,000 | 12,731,142 | 12,951,055 | 13,242,200 | 13,533,123 | 13,831,932 | 14,138,850 | 14,454,107 | 14,777,939 | 15,111,243 | 16,097,033 | 17,108,084 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | (13,000) | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 957,000 | 1,029,931 | 992,603 | 1,017,418 | 1,042,853 | 1,068,925 | 1,095,648 | 1,123,039 | 1,151,115 | 1,179,893 | 1,209,390 | 1,239,625 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 1,347,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 50,549,000 | 49,320,665 | 52,276,720 | 56,199,828 | 57,502,530 | 58,795,354 | 60,195,415 | 61,632,132 | 63,158,159 | 64,814,425 | 66,609,276 | 68,237,441 |
| Operating Result from Continuing Operations | 2,045,000 | 8,822,320 | 16,059,681 | 3,191,101 | 3,392,626 | 3,644,479 | 3,827,610 | 4,013,569 | 9,150,694 | 14,199,076 | 4,154,594 | 4,320,519 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 2,045,000 | 8,822,320 | 16,059,681 | 3,191,101 | 3,392,626 | 3,644,479 | 3,827,610 | 4,013,569 | 9,150,694 | 14,199,076 | 4,154,594 | 4,320,519 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (1,851,000) | 246,336 | 3,977,997 | 661,101 | 771,151 | 929,262 | 1,016,322 | 1,103,814 | 1,140,009 | 1,084,928 | 934,380 | 991,560 |

Balance Sheet – Consolidated Scenario 3 - Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 BALANCE SHEET - CONSOLIDATED Scenario 3 - Service Levels Maintained | | | | | | | | | | | | |
|--|--------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals 2020/21 | Current Year 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 7,865,000 | 14,930,619 | 14,765,927 | 19,098,589 | 18,481,623 | 20,405,397 | 19,197,199 | 22,148,571 | 21,248,649 | 20,122,161 | 31,611,607 | 36,027,872 |
| Investments | 13,505,000 | 13,505,000 | 12,026,208 | 12,026,208 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 |
| Receivables | 6,467,000 | 8,289,349 | 10,014,427 | 7,320,576 | 7,513,324 | 7,708,675 | 7,882,198 | 8,093,559 | 12,305,453 | 16,523,155 | 8,746,835 | 8,976,655 |
| Inventories | 796,000 | 867,815 | 909,918 | 1,014,547 | 1,039,911 | 1,065,908 | 1,092,556 | 1,119,870 | 1,147,867 | 1,176,564 | 1,192,226 | 1,200,735 |
| Contract assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 740,000 | 539,589 | 590,240 | 667,864 | 684,561 | 701,675 | 719,217 | 737,197 | 755,627 | 774,518 | 793,881 | 813,728 |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 29,382,000 | 38,132,172 | 38,306,714 | 40,127,729 | 39,745,622 | 41,910,859 | 40,922,333 | 44,125,430 | 47,483,799 | 50,622,600 | 54,370,752 | 59,045,195 |
| Non-Current Assets | | | | | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 579,817,000 | 586,440,328 | 602,947,643 | 608,104,547 | 608,282,506 | 609,481,523 | 605,708,925 | 605,945,072 | 606,207,293 | 626,489,937 | 626,149,596 | 625,170,346 |
| Investment Property | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Right of use assets | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Assets | 586,630,000 | 593,253,328 | 609,760,643 | 609,918,547 | 609,989,506 | 610,294,523 | 612,516,925 | 612,758,072 | 623,020,293 | 633,302,937 | 632,962,596 | 631,983,346 |
| TOTAL ASSETS | 616,012,000 | 631,385,500 | 648,067,357 | 650,046,276 | 649,735,128 | 652,205,382 | 653,439,258 | 658,883,472 | 670,504,092 | 683,925,537 | 687,333,348 | 691,028,541 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 6,900,000 | 7,349,865 | 7,977,753 | 9,097,243 | 9,309,679 | 9,533,360 | 9,763,285 | 9,998,953 | 10,247,403 | 10,494,758 | 10,712,670 | 10,916,592 |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | 1,488,000 | 1,101,102 | 1,551,209 | 769,936 | 790,512 | 811,582 | 833,157 | 855,249 | 877,872 | 901,086 | 924,757 | 949,047 |
| Lease liabilities | 416,000 | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 1,575,000 | 1,363,589 | 1,570,119 | 3,846,384 | 1,544,936 | 819,651 | 844,934 | 819,412 | 1,066,874 | 1,007,605 | 873,207 | 908,464 |
| Provisions | 3,903,000 | 4,076,799 | 4,090,491 | 4,104,525 | 4,118,910 | 4,133,654 | 4,148,767 | 4,164,258 | 4,180,136 | 4,196,412 | 4,213,094 | 4,230,193 |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 14,882,000 | 13,891,255 | 15,889,572 | 17,819,068 | 15,764,088 | 15,298,247 | 15,590,344 | 15,832,872 | 16,372,284 | 16,599,811 | 16,723,728 | 17,004,295 |
| Non-Current Liabilities | | | | | | | | | | | | |
| Payables | 19,000 | 28,300 | 30,459 | 33,911 | 34,759 | 35,628 | 36,519 | 37,432 | 38,368 | 39,327 | 40,310 | 41,318 |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | 614,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 |
| Borrowings | 12,763,000 | 11,399,469 | 11,829,351 | 7,982,966 | 6,438,030 | 5,618,379 | 4,773,445 | 3,954,033 | 7,887,160 | 6,879,555 | 6,006,347 | 5,007,884 |
| Provisions | 9,318,000 | 9,309,255 | 8,209,75 | 8,202,258 | 8,209,573 | 8,204,920 | 8,166,332 | 8,167,748 | 6,169,199 | 6,170,687 | 6,172,212 | 6,173,774 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 22,714,000 | 21,766,824 | 21,100,785 | 17,249,135 | 15,706,362 | 14,886,927 | 12,006,296 | 11,180,213 | 15,124,727 | 14,119,569 | 13,248,869 | 12,342,976 |
| TOTAL LIABILITIES | 37,596,000 | 35,658,079 | 36,990,357 | 35,068,203 | 31,470,450 | 29,185,174 | 27,596,640 | 27,013,085 | 31,497,011 | 30,719,380 | 29,972,597 | 29,347,271 |
| Net Assets | 578,416,000 | 595,727,421 | 611,787,001 | 614,978,072 | 618,274,678 | 623,010,207 | 625,842,618 | 631,870,387 | 639,007,081 | 653,206,157 | 657,360,751 | 661,681,270 |
| EQUITY | | | | | | | | | | | | |
| Retained Earnings | 215,122,000 | 223,944,320 | 240,004,001 | 243,195,102 | 246,587,728 | 250,232,207 | 254,050,818 | 258,073,387 | 267,224,081 | 281,423,157 | 285,577,751 | 289,898,270 |
| Revaluation Reserves | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 | 371,783,000 |
| Other Reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| Council Equity Interest | 586,905,000 | 595,727,421 | 611,787,001 | 614,978,072 | 618,274,678 | 623,010,207 | 625,842,618 | 629,856,387 | 639,007,081 | 653,206,157 | 657,360,751 | 661,681,270 |
| Non-current rolling equity interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 586,905,000 | 595,727,421 | 611,787,001 | 614,978,072 | 618,274,678 | 623,010,207 | 625,842,618 | 629,856,387 | 639,007,081 | 653,206,157 | 657,360,751 | 661,681,270 |

Cashflow Statement – Consolidated Scenario 3 – Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 CASH FLOW STATEMENT - CONSOLIDATED Scenario 3 - Service Levels Maintained | | | | | | | | | | | | |
|--|--------------------|-------------------------|--------------|--------------|--------------|--------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| | Actuals 2021/22 | Current Year 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| Cash Flows from Operating Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Rates & Annual Charges | 27,312,000 | 28,887,329 | 30,277,927 | 32,223,992 | 34,068,388 | 36,068,847 | 39,943,069 | 40,941,645 | 41,965,187 | 43,014,336 | 44,089,674 | 45,191,996 |
| User Charges & Fees | 8,616,000 | 7,238,411 | 7,371,491 | 7,352,755 | 7,541,883 | 7,730,430 | 7,923,691 | 8,121,783 | 8,324,828 | 8,532,949 | 8,746,272 | 8,964,929 |
| Investment & Interest Revenue Received | 334,000 | 352,509 | 588,453 | 486,998 | 573,688 | 584,665 | 635,127 | 601,179 | 609,799 | 618,411 | 630,038 | 642,435 |
| Grants & Contributions | 15,520,000 | 18,308,694 | 27,634,361 | 14,857,539 | 13,135,725 | 13,492,171 | 13,857,506 | 14,231,965 | 15,615,778 | 21,039,588 | 23,411,244 | 15,825,797 |
| Bonds & Deposits Received | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 4,690,000 | 870,285 | 1,263,919 | 1,807,673 | 1,506,811 | 1,544,490 | 1,583,111 | 1,622,699 | 1,663,276 | 1,704,867 | 1,747,499 | 1,791,196 |
| Payments: | | | | | | | | | | | | |
| Employee Benefits & On-Costs | (18,805,000) | (17,949,617) | (19,105,409) | (20,502,699) | (21,031,044) | (21,556,820) | (22,095,741) | (22,648,134) | (23,214,338) | (23,794,696) | (24,395,272) | (24,997,985) |
| Materials & Contracts | (16,146,000) | (16,597,020) | (19,388,467) | (20,701,693) | (21,474,340) | (22,011,198) | (22,561,478) | (23,125,518) | (23,703,654) | (24,296,245) | (24,928,778) | (25,555,483) |
| Borrowing Costs | (6,012,000) | (4,086,17) | (346,947) | (385,127) | (333,296) | (230,474) | (204,641) | (179,808) | (201,157) | (325,924) | (291,594) | (258,769) |
| Bonds & Deposits Refunded | (2,621,000) | - | - | - | - | - | - | - | - | - | - | - |
| Other | (3,542,000) | (1,882,158) | (1,992,184) | (837,132) | (997,514) | (1,022,451) | (3,087,982) | (1,074,210) | (1,101,068) | (1,128,595) | (1,156,810) | (1,185,730) |
| Net Cash provided (or used in) Operating Activities | 17,124,000 | 18,599,816 | 26,263,944 | 19,310,885 | 16,540,501 | 17,490,699 | 15,972,685 | 18,491,600 | 19,965,650 | 25,334,272 | 28,253,743 | 21,438,308 |
| Cash Flows from Investing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Sale of Investment Securities | - | - | 1,478,797 | - | - | - | - | - | - | - | - | - |
| Sale of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | 689,000 | - | - | - | - | - | - | - | - | - | - | - |
| Sale of non-current assets classified as 'held for sale' | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Disposal Groups | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions Received from Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | (13,899,000) | (17,848,256) | (28,563,845) | (13,390,104) | (13,711,082) | (14,030,958) | (16,361,252) | (14,695,255) | (25,041,159) | (25,393,887) | (15,756,692) | (16,128,834) |
| Purchase of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors & Advances Made | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributions Paid to Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Payments | 3,990,000 | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | (9,209,000) | (17,848,256) | (27,085,048) | (13,390,104) | (13,711,082) | (14,030,958) | (16,361,252) | (14,695,255) | (25,041,159) | (25,393,887) | (15,756,692) | (16,128,834) |
| Cash Flows from Financing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | - | - | 2,000,000 | - | - | - | - | - | 5,000,000 | - | - | - |
| Proceeds from Finance Leases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Repayment of Borrowings & Advances | (1,408,000) | (1,574,942) | (1,363,589) | (1,570,119) | (3,846,384) | (1,544,936) | (819,651) | (844,934) | (819,412) | (1,066,874) | (1,007,605) | (873,207) |
| Repayment of lease liabilities (principal repayments) | (218,000) | - | - | - | - | - | - | - | - | - | - | - |
| Distributions to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash Flow provided (used in) Financing Activities | (1,626,000) | (1,574,942) | 636,411 | (1,570,119) | (3,846,384) | (1,544,936) | (819,651) | (844,934) | 4,180,588 | (1,066,874) | (1,007,605) | (873,207) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 6,289,000 | (823,381) | (164,602) | 4,332,662 | (616,965) | 1,923,773 | (1,208,288) | 2,951,411 | (891,921) | (1,126,480) | 11,489,446 | 4,436,266 |
| plus: Cash & Cash Equivalents - beginning of year | 1,981,000 | 8,259,000 | 7,435,619 | 7,270,927 | 11,608,589 | 10,986,623 | 12,910,397 | 11,702,159 | 14,653,571 | 13,753,649 | 12,627,161 | 24,116,607 |
| Cash & Cash Equivalents - end of the year | 8,270,000 | 7,435,619 | 7,270,927 | 11,608,589 | 10,986,623 | 12,910,397 | 11,702,159 | 14,653,571 | 13,753,649 | 12,627,161 | 24,116,607 | 28,552,872 |
| Cash & Cash Equivalents - end of this year | 8,270,000 | 7,435,619 | 7,270,927 | 11,608,589 | 10,986,623 | 12,910,397 | 11,702,159 | 14,653,571 | 13,753,649 | 12,627,161 | 24,116,607 | 28,552,872 |
| Investments - end of the year | 13,505,000 | 13,505,000 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 |
| Cash, Cash Equivalents & Investments - end of the year | 21,775,000 | 20,940,619 | 19,297,130 | 23,634,792 | 23,012,826 | 24,936,600 | 23,728,362 | 26,679,774 | 25,779,852 | 24,653,364 | 36,142,810 | 40,579,075 |
| Representing: | | | | | | | | | | | | |
| - External Restrictions | 26,010,000 | 21,209,529 | 20,705,727 | 23,604,100 | 21,023,733 | 20,307,401 | 22,382,373 | 24,494,671 | 22,707,187 | 20,492,831 | 30,663,650 | 33,652,307 |
| - Internal Restrictions | 3,240,000 | 2,087,380 | 3,371,586 | 6,594,988 | 6,860,839 | 7,759,765 | 6,456,258 | 7,347,440 | 7,867,668 | 8,231,788 | 8,206,229 | 8,071,700 |
| - Unrestricted | (7,475,000) | (2,286,090) | (4,780,184) | (6,563,296) | (4,880,745) | (3,130,566) | (5,110,269) | (5,162,337) | (4,795,002) | (4,071,255) | (2,727,069) | (1,169,932) |
| | 21,775,000 | 20,940,619 | 19,297,130 | 23,634,792 | 23,012,826 | 24,936,600 | 23,728,362 | 26,679,774 | 25,779,852 | 24,653,364 | 36,142,810 | 40,579,075 |

Equity Statement – Consolidated Scenario 3 – Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 EQUITY STATEMENT - CONSOLIDATED Scenario 3 - Service Levels Maintained | | | | | | | | | | | | |
|---|--------------------|-------------------------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Actuals 2020/21 | Current Year 2021/22 | Projected Years | | | | | | | | | |
| | \$ | \$ | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening Balance (as at 1/7) | 580,992,000 | 586,905,000 | 595,727,320 | 611,787,001 | 614,978,102 | 618,370,728 | 622,015,207 | 625,842,818 | 629,856,387 | 639,007,081 | 653,206,157 | 657,360,751 |
| Adjustments to opening balance | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated opening Balance (as at 1/7) | 580,992,000 | 586,905,000 | 595,727,320 | 611,787,001 | 614,978,102 | 618,370,728 | 622,015,207 | 625,842,818 | 629,856,387 | 639,007,081 | 653,206,157 | 657,360,751 |
| Net Operating Result for the Year | 2,045,000 | 8,822,320 | 16,059,681 | 3,191,101 | 3,392,626 | 3,644,479 | 3,827,610 | 4,013,569 | 9,150,694 | 14,199,076 | 4,154,594 | 4,320,519 |
| Adjustments to net operating result | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated Net Operating Result for the Year | 2,045,000 | 8,822,320 | 16,059,681 | 3,191,101 | 3,392,626 | 3,644,479 | 3,827,610 | 4,013,569 | 9,150,694 | 14,199,076 | 4,154,594 | 4,320,519 |
| Other Comprehensive Income | - | - | - | - | - | - | - | - | - | - | - | - |
| - Correction of prior period errors | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain (loss) on revaluation of IPP&E | 3,868,000 | - | - | - | - | - | - | - | - | - | - | - |
| - Gain (loss) on revaluation of available for sale investments | - | - | - | - | - | - | - | - | - | - | - | - |
| - Realised (gain) loss on available for sale investments recognised in operating result | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain (loss) on revaluation of other reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| - Realised (gain) loss from other reserves recognised in operating result | - | - | - | - | - | - | - | - | - | - | - | - |
| - Impairment loss (reversal) – financial assets at fair value through OCI | - | - | - | - | - | - | - | - | - | - | - | - |
| - Realised (gain) loss on financial assets at fair value through OCI | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain/(loss) on revaluation of financial assets at fair value through OCI (other than equity instruments) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain/(loss) on revaluation of equity instruments at fair value through OCI | - | - | - | - | - | - | - | - | - | - | - | - |
| - Transfers to Income Statement | - | - | - | - | - | - | - | - | - | - | - | - |
| - Impairment (loss) reversal relating to I,PP&E | - | - | - | - | - | - | - | - | - | - | - | - |
| - Impairment (reversal) of available for sale investments to (from) operating result | - | - | - | - | - | - | - | - | - | - | - | - |
| - Joint ventures and associates | - | - | - | - | - | - | - | - | - | - | - | - |
| - Other reserves movements | - | - | - | - | - | - | - | - | - | - | - | - |
| - Other Movements (combined) | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Comprehensive Income | 3,868,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income | 5,913,000 | 8,822,320 | 16,059,681 | 3,191,101 | 3,392,626 | 3,644,479 | 3,827,610 | 4,013,569 | 9,150,694 | 14,199,076 | 4,154,594 | 4,320,519 |
| Distributions to/(contributions from) non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers between Equity | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity - Balance at end of the reporting period | 586,905,000 | 595,727,320 | 611,787,001 | 614,978,102 | 618,370,728 | 622,015,207 | 625,842,818 | 629,856,387 | 639,007,081 | 653,206,157 | 657,360,751 | 661,681,270 |

Appendix 2 General Fund Financial Statements Scenario 3

Income Statement – General Fund Scenario 3 - Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT - GENERAL FUND Scenario 3 - Service Levels Maintained | | | | | | | | | | | | |
|---|--------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals 2020/21 | Current Year 2021/22 | Projected Years | | | | | | | | | |
| | \$ | \$ | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 18,447,000 | 19,780,264 | 19,737,777 | 26,401,629 | 27,061,670 | 27,738,212 | 28,431,667 | 29,142,459 | 29,871,020 | 30,617,796 | 31,383,241 | 32,167,822 |
| User Charges & Fees | 1,438,000 | 2,676,266 | 2,734,640 | 2,903,006 | 2,975,581 | 3,049,971 | 3,126,220 | 3,204,375 | 3,284,485 | 3,366,597 | 3,450,762 | 3,537,031 |
| Other Revenues | 1,339,000 | 1,502,659 | 1,463,595 | 1,500,184 | 1,537,689 | 1,576,131 | 1,615,535 | 1,655,923 | 1,697,321 | 1,739,754 | 1,783,248 | 1,827,829 |
| Grants & Contributions provided for Operating Purposes | 11,245,000 | 10,595,447 | 16,760,512 | 10,276,367 | 10,533,277 | 10,796,608 | 11,066,524 | 11,343,187 | 11,626,766 | 11,917,436 | 12,215,371 | 12,520,756 |
| Grants & Contributions provided for Capital Purposes | 3,218,000 | 6,710,984 | 7,620,420 | 1,825,000 | 1,891,500 | 1,959,330 | 2,028,517 | 2,099,087 | 2,171,069 | 2,244,490 | 2,319,380 | 2,395,767 |
| Interest & Investment Revenue | 267,000 | 240,000 | 549,000 | 554,490 | 560,035 | 568,435 | 576,962 | 585,616 | 594,401 | 603,317 | 615,383 | 627,691 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | 304,500 | 154,850 | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | 538,000 | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | 782,000 | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 37,274,000 | 41,810,120 | 49,020,794 | 43,460,677 | 44,559,752 | 45,688,688 | 46,845,424 | 48,030,647 | 49,245,062 | 50,489,389 | 51,767,385 | 53,076,896 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 14,885,000 | 14,496,423 | 15,266,373 | 16,576,716 | 16,991,134 | 17,415,913 | 17,851,310 | 18,297,593 | 18,755,033 | 19,223,909 | 19,704,507 | 20,197,119 |
| Borrowing Costs | 130,000 | 95,372 | 66,071 | 43,133 | 17,783 | 9,710 | 9,022 | 8,329 | 7,564 | 6,790 | 5,986 | 5,163 |
| Materials & Contracts | 9,679,000 | 10,804,453 | 12,310,033 | 14,309,347 | 14,667,081 | 15,033,759 | 15,409,602 | 15,794,843 | 16,189,714 | 16,594,457 | 17,009,318 | 17,434,551 |
| Depreciation & Amortisation | 9,068,000 | 9,118,866 | 9,245,798 | 9,476,943 | 9,713,867 | 9,956,713 | 10,205,631 | 10,460,772 | 10,722,291 | 10,990,348 | 11,265,107 | 11,546,735 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | (13,000) | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 957,000 | 1,029,931 | 992,603 | 1,017,418 | 1,042,853 | 1,068,925 | 1,095,648 | 1,123,039 | 1,151,115 | 1,179,893 | 1,209,390 | 1,239,625 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 1,313,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 36,019,000 | 35,545,045 | 37,880,878 | 41,423,557 | 42,432,718 | 43,485,019 | 44,571,214 | 45,684,576 | 46,825,717 | 47,995,397 | 49,194,308 | 50,423,193 |
| Operating Result from Continuing Operations | 1,255,000 | 6,265,075 | 11,139,916 | 2,037,120 | 2,127,034 | 2,203,668 | 2,274,210 | 2,346,071 | 2,419,345 | 2,493,992 | 2,573,077 | 2,653,702 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 1,255,000 | 6,265,075 | 11,139,916 | 2,037,120 | 2,127,034 | 2,203,668 | 2,274,210 | 2,346,071 | 2,419,345 | 2,493,992 | 2,573,077 | 2,653,702 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (1,963,000) | (445,909) | 3,519,496 | 212,120 | 235,534 | 244,338 | 245,693 | 246,984 | 248,277 | 249,502 | 253,697 | 257,935 |

Balance Sheet – General Fund Scenario 3 – Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 BALANCE SHEET - GENERAL FUND Scenario 3 – Service Levels Maintained | | | | | | | | | | | | |
|--|--------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals 2020/21 | Current Year 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | | | | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 5,311,000 | 5,284,796 | 4,181,639 | 5,017,754 | 5,142,050 | 5,854,371 | 2,628,676 | 3,507,626 | 4,474,067 | 5,530,638 | 6,683,183 | 7,934,731 |
| Investments | 13,505,000 | 13,505,000 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 |
| Receivables | 3,120,000 | 4,668,906 | 5,427,550 | 4,561,434 | 4,681,525 | 4,802,247 | 4,904,111 | 5,031,727 | 5,162,731 | 5,297,335 | 5,435,649 | 5,577,767 |
| Inventories | 527,000 | 652,916 | 720,692 | 820,590 | 841,105 | 862,132 | 883,686 | 905,778 | 928,422 | 951,633 | 975,424 | 999,809 |
| Contract assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 749,000 | 539,589 | 590,240 | 667,864 | 684,561 | 701,675 | 719,217 | 737,197 | 755,627 | 774,518 | 793,681 | 813,728 |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Assets | 23,212,000 | 24,651,207 | 22,946,324 | 23,093,845 | 23,375,443 | 24,246,628 | 21,161,892 | 22,208,532 | 23,347,050 | 24,580,327 | 25,914,339 | 27,352,238 |
| Non-Current Assets | | | | | | | | | | | | |
| Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract cost assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 463,913,000 | 469,670,068 | 481,674,503 | 483,246,664 | 484,810,630 | 486,365,243 | 489,911,624 | 491,443,878 | 492,963,023 | 494,467,702 | 495,956,506 | 497,427,969 |
| Investment Property | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 | 5,706,000 |
| Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Right of use assets | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 | 1,107,000 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Assets | 470,726,000 | 476,483,068 | 488,487,503 | 490,059,664 | 491,623,630 | 493,178,243 | 496,724,624 | 498,256,878 | 499,776,023 | 501,280,702 | 502,769,506 | 504,240,969 |
| TOTAL ASSETS | 493,938,000 | 501,134,275 | 511,433,827 | 513,153,509 | 514,999,073 | 517,424,872 | 517,886,517 | 520,465,410 | 523,123,074 | 525,861,030 | 528,683,845 | 531,593,206 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 4,753,000 | 6,636,352 | 7,067,929 | 8,165,753 | 8,358,032 | 8,559,431 | 8,765,863 | 8,977,454 | 9,194,332 | 9,416,630 | 9,644,482 | 9,878,029 |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | 1,488,000 | 1,101,102 | 1,551,209 | 769,936 | 790,512 | 811,582 | 833,157 | 855,249 | 877,872 | 901,036 | 924,757 | 949,047 |
| Lease liabilities | 416,000 | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 740,000 | 629,819 | 652,758 | 510,873 | 17,300 | 17,988 | 18,681 | 19,447 | 20,220 | 21,025 | 21,847 | 22,730 |
| Provisions | 3,903,000 | 4,076,799 | 4,090,491 | 4,104,525 | 4,118,910 | 4,133,654 | 4,148,767 | 4,164,258 | 4,180,136 | 4,196,412 | 4,213,094 | 4,230,193 |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 11,300,000 | 12,444,072 | 13,362,387 | 13,551,086 | 13,284,754 | 13,522,656 | 13,766,469 | 14,016,409 | 14,272,561 | 14,535,103 | 14,804,180 | 15,079,998 |
| Non-Current Liabilities | | | | | | | | | | | | |
| Payables | 19,000 | 28,300 | 30,459 | 33,911 | 34,759 | 35,628 | 36,519 | 37,432 | 38,368 | 39,327 | 40,310 | 41,318 |
| Income received in advance | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | 614,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 | 1,030,000 |
| Borrowings | 2,047,000 | 1,417,772 | 765,015 | 254,142 | 236,842 | 218,854 | 200,173 | 180,726 | 160,506 | 139,481 | 117,634 | 94,904 |
| Provisions | 9,318,000 | 9,309,055 | 8,200,975 | 8,202,258 | 8,203,573 | 8,204,920 | 6,166,332 | 6,167,748 | 6,169,199 | 6,170,687 | 6,172,212 | 6,173,774 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - | - |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 11,998,000 | 11,785,127 | 10,026,449 | 9,520,311 | 9,505,174 | 9,489,402 | 7,433,024 | 7,415,906 | 7,396,073 | 7,379,495 | 7,360,156 | 7,339,996 |
| TOTAL LIABILITIES | 23,298,000 | 24,229,199 | 23,388,836 | 23,071,398 | 22,789,928 | 23,012,058 | 21,199,493 | 21,432,315 | 21,670,634 | 21,914,597 | 22,164,336 | 22,419,994 |
| Net Assets | 470,640,000 | 476,905,075 | 488,044,991 | 490,082,112 | 492,209,145 | 494,412,814 | 496,687,024 | 499,033,095 | 501,452,440 | 503,946,432 | 506,519,509 | 509,173,212 |
| EQUITY | | | | | | | | | | | | |
| Retained Earnings | 160,255,000 | 166,520,075 | 177,659,991 | 179,697,112 | 181,824,145 | 184,027,814 | 186,302,024 | 188,648,095 | 191,067,440 | 193,561,432 | 196,134,509 | 198,788,212 |
| Revaluation Reserves | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 | 310,385,000 |
| Other Reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| Council Equity Interest | 470,640,000 | 476,905,075 | 488,044,991 | 490,082,112 | 492,209,145 | 494,412,814 | 496,687,024 | 499,033,095 | 501,452,440 | 503,946,432 | 506,519,509 | 509,173,212 |
| Non-controlling equity interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 470,640,000 | 476,905,075 | 488,044,991 | 490,082,112 | 492,209,145 | 494,412,814 | 496,687,024 | 499,033,095 | 501,452,440 | 503,946,432 | 506,519,509 | 509,173,212 |

Cash Flow Statement – General Fund Scenario 3 – Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 CASH FLOW STATEMENT - GENERAL FUND Scenario 3 – Service Levels Maintained | | | | | | | | | | | | |
|--|--------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals 2020/21 | Current Year 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| Cash Flows from Operating Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Rates & Annual Charges | - | 19,861,573 | 19,736,842 | 26,548,282 | 27,076,196 | 27,753,101 | 28,446,928 | 29,158,101 | 29,887,054 | 30,634,230 | 31,400,086 | 32,185,088 |
| User Charges & Fees | - | 1,875,275 | 2,701,022 | 2,876,607 | 2,953,831 | 3,027,677 | 3,103,369 | 3,180,953 | 3,260,477 | 3,341,989 | 3,425,538 | 3,511,177 |
| Investment & Interest Revenue Received | - | 107,768 | 568,175 | 457,253 | 543,873 | 554,207 | 584,218 | 569,812 | 577,968 | 586,110 | 597,364 | 608,835 |
| Grants & Contributions | - | 16,768,307 | 24,284,819 | 12,268,196 | 12,420,383 | 12,751,439 | 13,090,433 | 13,437,556 | 13,793,004 | 14,156,979 | 14,529,686 | 14,911,336 |
| Bonds & Deposits Received | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 852,285 | 1,263,919 | 1,807,673 | 1,506,811 | 1,544,490 | 1,583,111 | 1,622,699 | 1,663,276 | 1,704,867 | 1,747,499 | 1,791,196 |
| Payments: | | | | | | | | | | | | |
| Employee Benefits & On-Costs | - | (14,316,397) | (15,241,596) | (16,541,042) | (16,970,345) | (17,394,604) | (17,829,469) | (18,275,206) | (18,732,086) | (19,200,388) | (19,680,398) | (20,172,408) |
| Materials & Contracts | - | (9,443,559) | (12,845,988) | (13,993,166) | (14,598,100) | (14,963,052) | (15,337,129) | (15,720,557) | (16,113,571) | (16,516,410) | (16,929,321) | (17,352,554) |
| Borrowing Costs | - | (94,929) | (71,437) | (48,693) | (22,135) | (9,858) | (9,176) | (8,489) | (7,729) | (6,962) | (6,165) | (5,349) |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | (1,527,158) | (1,992,184) | (837,132) | (997,514) | (1,022,451) | (3,087,982) | (1,074,213) | (1,101,068) | (1,128,595) | (1,156,810) | (1,185,730) |
| Net Cash provided (or used in) Operating Activities | - | 14,083,165 | 18,403,572 | 12,537,977 | 11,913,001 | 12,240,948 | 10,544,305 | 12,890,657 | 13,227,324 | 13,571,819 | 13,927,480 | 14,291,592 |
| Cash Flows from Investing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Sale of Investment Securities | - | - | 1,478,797 | - | - | - | - | - | - | - | - | - |
| Sale of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of non-current assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Disposal Groups | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions Received from Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | - | (13,369,960) | (20,355,708) | (11,049,104) | (11,277,832) | (11,511,327) | (13,752,012) | (11,993,026) | (12,241,436) | (12,495,028) | (12,753,911) | (13,018,197) |
| Purchase of Real Estate Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors & Advances Made | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributions Paid to Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Investing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | - | (13,369,960) | (18,876,911) | (11,049,104) | (11,277,832) | (11,511,327) | (13,752,012) | (11,993,026) | (12,241,436) | (12,495,028) | (12,753,911) | (13,018,197) |
| Cash Flows from Financing Activities | | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Finance Leases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Receipts | - | - | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | | |
| Repayment of Borrowings & Advances | - | (739,409) | (629,819) | (652,758) | (510,873) | (17,300) | (17,988) | (18,681) | (19,447) | (20,220) | (21,025) | (21,847) |
| Repayment of lease liabilities (principal repayments) | - | - | - | - | - | - | - | - | - | - | - | - |
| Distributions to non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Financing Activity Payments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Cash Flow provided (used in) Financing Activities | - | (739,409) | (629,819) | (652,758) | (510,873) | (17,300) | (17,988) | (18,681) | (19,447) | (20,220) | (21,025) | (21,847) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | - | (26,204) | (1,103,157) | 836,115 | 124,296 | 712,321 | (3,225,695) | 878,950 | 966,441 | 1,056,571 | 1,152,544 | 1,251,548 |
| plus: Cash & Cash Equivalents - beginning of year | - | 5,311,000 | 5,284,796 | 4,181,639 | 5,017,754 | 5,142,050 | 5,854,371 | 2,628,676 | 3,507,626 | 4,474,067 | 5,530,638 | 6,683,183 |
| Cash & Cash Equivalents - end of the year | 5,311,000 | 5,284,796 | 4,181,639 | 5,017,754 | 5,142,050 | 5,854,371 | 2,628,676 | 3,507,626 | 4,474,067 | 5,530,638 | 6,683,183 | 7,934,731 |
| Cash & Cash Equivalents - end of the year | 5,311,000 | 5,284,796 | 4,181,639 | 5,017,754 | 5,142,050 | 5,854,371 | 2,628,676 | 3,507,626 | 4,474,067 | 5,530,638 | 6,683,183 | 7,934,731 |
| Investments - end of the year | 13,505,000 | 13,505,000 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 | 12,026,203 |
| Cash, Cash Equivalents & Investments - end of the year | 18,816,000 | 18,789,796 | 16,207,842 | 17,043,957 | 17,168,253 | 17,880,574 | 14,654,879 | 15,533,829 | 16,500,270 | 17,556,841 | 18,709,386 | 19,960,934 |
| Representing: | | | | | | | | | | | | |
| - External Restrictions | 15,567,000 | 11,563,706 | 10,121,440 | 9,523,265 | 7,684,159 | 5,756,375 | 5,813,890 | 5,853,726 | 5,932,604 | 5,901,309 | 5,735,226 | 5,559,165 |
| - Internal Restrictions | 3,249,000 | 2,017,180 | 3,371,586 | 6,594,988 | 6,869,839 | 7,759,765 | 6,456,258 | 7,347,440 | 7,867,668 | 8,231,788 | 8,206,229 | 8,071,700 |
| - Unrestricted | - | 5,208,910 | 2,714,816 | 925,704 | 2,614,255 | 4,364,434 | 2,384,731 | 2,332,663 | 2,699,998 | 3,423,745 | 4,767,931 | 6,330,068 |
| | 18,816,000 | 18,789,796 | 16,207,842 | 17,043,957 | 17,168,253 | 17,880,574 | 14,654,879 | 15,533,829 | 16,500,270 | 17,556,841 | 18,709,386 | 19,960,934 |

Equity Statement – General Fund Scenario 3 – Service Levels Maintained

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 EQUITY STATEMENT - GENERAL FUND Scenario 3 - Service Levels Maintained | | | | | | | | | | | | |
|---|--------------------|-------------------------|-------------|-------------|-------------|-------------|-----------------|-------------|-------------|-------------|-------------|-------------|
| | Actuals 2020/21 | Current Year 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Projected Years | | | | | |
| | £ | £ | £ | £ | £ | £ | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| Opening Balance (as at 1/7) | 466,488,000 | 470,640,000 | 476,905,075 | 487,713,789 | 491,650,612 | 495,621,051 | 499,609,934 | 503,609,226 | 507,581,251 | 511,562,376 | 515,551,872 | 519,552,020 |
| Adjustments to opening balance | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated opening Balance (as at 1/7) | 466,488,000 | 470,640,000 | 476,905,075 | 487,713,789 | 491,650,612 | 495,621,051 | 499,609,934 | 503,609,226 | 507,581,251 | 511,562,376 | 515,551,872 | 519,552,020 |
| Net Operating Result for the Year | 1,255,000 | 6,265,075 | 10,808,714 | 3,936,823 | 3,970,439 | 3,988,883 | 3,999,292 | 3,972,025 | 3,981,125 | 3,989,496 | 4,000,148 | 4,010,128 |
| Adjustments to net operating result | - | - | - | - | - | - | - | - | - | - | - | - |
| Restated Net Operating Result for the Year | 1,255,000 | 6,265,075 | 10,808,714 | 3,936,823 | 3,970,439 | 3,988,883 | 3,999,292 | 3,972,025 | 3,981,125 | 3,989,496 | 4,000,148 | 4,010,128 |
| Other Comprehensive Income | | | | | | | | | | | | |
| - Correction of prior period errors | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain (loss) on revaluation of IPP&E | 2,897,000 | - | - | - | - | - | - | - | - | - | - | - |
| - Gain (loss) on revaluation of available for sale investments | - | - | - | - | - | - | - | - | - | - | - | - |
| - Realised (gain) loss on available for sale investments recognised in operating | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain (loss) on revaluation of other reserves | - | - | - | - | - | - | - | - | - | - | - | - |
| - Realised (gain) loss from other reserves recognised in operating result | - | - | - | - | - | - | - | - | - | - | - | - |
| - Impairment loss (reversal) – financial assets at fair value through OCI | - | - | - | - | - | - | - | - | - | - | - | - |
| - Realised (gain) loss on financial assets at fair value through OCI | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain/(loss) on revaluation of financial assets at fair value through OCI (other) | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain/(loss) on revaluation of equity instruments at fair value through OCI | - | - | - | - | - | - | - | - | - | - | - | - |
| - Transfers to Income Statement | - | - | - | - | - | - | - | - | - | - | - | - |
| - Impairment (loss) reversal relating to IPP&E | - | - | - | - | - | - | - | - | - | - | - | - |
| - Impairment (reversal) of available for sale investments to (from) operating re | - | - | - | - | - | - | - | - | - | - | - | - |
| - Joint ventures and associates | - | - | - | - | - | - | - | - | - | - | - | - |
| - Other reserves movements | - | - | - | - | - | - | - | - | - | - | - | - |
| - Other Movements (combined) | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Comprehensive Income | 2,897,000 | - | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income | 4,152,000 | 6,265,075 | 10,808,714 | 3,936,823 | 3,970,439 | 3,988,883 | 3,999,292 | 3,972,025 | 3,981,125 | 3,989,496 | 4,000,148 | 4,010,128 |
| Distributions to/(contributions from) non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers between Equity | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity - Balance at end of the reporting period | 470,640,000 | 478,905,075 | 487,713,789 | 491,650,612 | 495,621,061 | 499,609,834 | 503,609,228 | 507,581,261 | 511,562,378 | 515,561,872 | 519,562,020 | 523,582,148 |

Appendix 3 Performance Indicators – Scenario 3

Key Performance Indicators – Consolidated Scenario 3 – Service Levels Maintained

Lithgow City Council

10 Year Financial Plan for the Years ending 30 June 2032

KEY PERFORMANCE INDICATORS - CONSOLIDATED

Scenario 3 - Service Levels Maintained

| Scenario 3 - Service Levels Maintained | | Current Year | Projected Years | | | | | | | | | |
|--|--------------|-----------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | | | <div><div><div><div></div><div>Within green benchmark (green min and/or green max)</div></div><div><div></div><div>Within amber benchmark (amber min and/or amber max)</div></div><div><div></div><div>Not within benchmark (amber min and/or amber max)</div></div></div><div><div><div></div><div>Within green benchmark</div></div><div><div></div><div>above green maximum and below amber maximum</div></div><div><div></div><div>below green minimum and above amber minimum</div></div><div><div></div><div>above amber maximum</div></div><div><div></div><div>below amber minimum</div></div></div></div> | | | | | | | | | |
| Council's Target Benchmarks | | | | | | | | | | | | |
| Operating Performance Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | -0.12% | 6.81% | 1.16% | 1.32% | 1.56% | 1.66% | 1.76% | 1.77% | 1.65% | 1.38% | 1.43% |
| Own Source Operating Revenue Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 66.64% | 57.70% | 78.44% | 78.40% | 78.36% | 78.32% | 78.29% | 72.84% | 68.32% | 78.19% | 78.16% |
| Unrestricted Current Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 1.31 | 1.18 | 1.34 | 1.59 | 1.83 | 1.48 | 1.54 | 1.60 | 1.67 | 1.75 | 1.81 |
| Debt Service Cover Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 6.63 | 10.04 | 7.33 | 3.51 | 8.45 | 15.01 | 15.37 | 15.72 | 11.87 | 13.34 | 16.23 |
| Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 5.74% | 5.86% | 5.79% | 5.74% | 5.74% | 5.74% | 5.74% | 5.74% | 5.75% | 5.75% | 5.75% |
| Cash Expense Cover Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 8.88 | 7.62 | 8.49 | 7.68 | 8.39 | 7.68 | 8.57 | 8.14 | 7.62 | 10.19 | 11.12 |
| Building & Infrastructure Renewals Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 106.77% | 91.64% | 103.62% | 104.65% | 105.69% | 106.74% | 107.35% | 185.37% | 182.97% | 107.71% | 108.77% |
| Infrastructure Backlog Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |
| Asset Maintenance Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 0.88 | 0.90 | 0.92 | 0.94 | 0.97 | 0.99 | 1.01 | 1.04 | 1.06 | 1.08 | 1.11 |

Key Performance Indicators – General Fund Scenario 3 – Service Levels Maintained

Lithgow City Council

10 Year Financial Plan for the Years ending 30 June 2032

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario 3 - Service Levels Maintained

| | | Year | Projected Years | | | | | | | | | |
|--|--------------|-----------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | | | <div><div><div><div></div><div>Within green benchmark (green min and/or green max)</div></div><div><div></div><div>Within amber benchmark (amber min and/or amber max)</div></div><div><div></div><div>Not within benchmark (amber min and/or amber max)</div></div></div><div><div><div></div><div>Within green benchmark</div></div><div><div></div><div>above green maximum and below amber maximum</div></div><div><div></div><div>below green minimum and above amber minimum</div></div><div><div></div><div>above amber maximum</div></div><div><div></div><div>below amber minimum</div></div></div></div> | | | | | | | | | |
| Council's Target Benchmarks | | | | | | | | | | | | |
| Operating Performance Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | -2.16% | 8.16% | 0.51% | 0.55% | 0.56% | 0.55% | 0.54% | 0.53% | 0.52% | 0.51% | 0.51% |
| Own Source Operating Revenue Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 58.30% | 50.11% | 72.16% | 72.12% | 72.08% | 72.05% | 72.01% | 71.98% | 71.95% | 71.92% | 71.90% |
| Unrestricted Current Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 1.30 | 1.17 | 1.33 | 1.58 | 1.82 | 1.47 | 1.53 | 1.59 | 1.66 | 1.75 | 1.84 |
| Debt Service Cover Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 10.14 | 18.22 | 13.99 | 18.85 | 378.03 | 387.27 | 396.74 | 406.44 | 416.38 | 426.68 | 437.23 |
| Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 5.17% | 5.21% | 5.28% | 5.22% | 5.22% | 5.22% | 5.22% | 5.22% | 5.22% | 5.22% | 5.22% |
| Cash Expense Cover Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 8.63 | 6.32 | 6.38 | 6.22 | 6.42 | 4.85 | 5.31 | 5.50 | 5.71 | 5.94 | 6.18 |
| Building & Infrastructure Renewals Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 130.83% | 136.31% | 124.32% | 125.02% | 125.71% | 126.42% | 126.36% | 127.04% | 127.71% | 128.38% | 129.05% |
| Infrastructure Backlog Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Asset Maintenance Ratio | Snapshot | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> | <div><div></div><div></div></div> |
| | Actual Ratio | 0.91 | 0.93 | 0.95 | 0.98 | 1.00 | 1.03 | 1.05 | 1.08 | 1.10 | 1.13 | 1.16 |

Appendix 4 Income Statement – Scenario 1 Base Case & Scenario 2 Service Levels Reduced

Income Statement - General Fund Base Case

| Lithgow City Council 10 Year Financial Plan for the Years ending 30 June 2032 INCOME STATEMENT - GENERAL FUND Scenario - Base Case | | | | | | | | | | | | |
|---|--------------------|-------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals 2020/21 | Current Year 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Projected Years | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | | | | | | | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 18,447,000 | 19,780,264 | 19,737,777 | 20,715,303 | 21,233,186 | 21,764,016 | 22,308,116 | 22,865,819 | 23,437,464 | 24,023,401 | 24,623,986 | 25,239,586 |
| User Charges & Fees | 1,438,000 | 2,676,266 | 2,734,640 | 2,903,006 | 2,975,581 | 3,049,971 | 3,126,220 | 3,204,375 | 3,284,485 | 3,366,597 | 3,450,762 | 3,537,031 |
| Other Revenues | 1,339,000 | 1,502,659 | 1,463,595 | 1,500,184 | 1,537,689 | 1,576,131 | 1,615,535 | 1,655,923 | 1,697,321 | 1,739,754 | 1,783,248 | 1,827,829 |
| Grants & Contributions provided for Operating Purposes | 11,245,000 | 10,595,447 | 16,760,512 | 9,184,367 | 9,413,977 | 9,649,326 | 9,890,559 | 10,137,823 | 10,391,269 | 10,651,050 | 10,917,327 | 11,190,260 |
| Grants & Contributions provided for Capital Purposes | 3,218,000 | 6,710,984 | 7,620,420 | 1,825,000 | 1,891,500 | 1,959,330 | 2,028,517 | 2,099,087 | 2,171,069 | 2,244,490 | 2,319,380 | 2,395,767 |
| Interest & Investment Revenue | 267,000 | 240,000 | 549,000 | 554,490 | 560,035 | 568,435 | 576,962 | 585,616 | 594,401 | 603,317 | 615,383 | 627,691 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | 304,500 | 154,850 | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | 538,000 | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | 782,000 | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 37,274,000 | 41,810,120 | 49,020,794 | 36,682,351 | 37,611,968 | 38,567,209 | 39,545,908 | 40,548,644 | 41,576,008 | 42,628,609 | 43,710,085 | 44,818,164 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 14,885,000 | 14,496,423 | 15,266,373 | 15,648,032 | 16,039,233 | 16,440,214 | 16,851,219 | 17,272,500 | 17,704,312 | 18,146,920 | 18,600,593 | 19,065,608 |
| Borrowing Costs | 130,000 | 95,372 | 66,071 | 43,133 | 17,783 | 9,710 | 9,022 | 8,329 | 7,564 | 6,790 | 5,986 | 5,163 |
| Materials & Contracts | 9,679,000 | 10,804,453 | 12,310,033 | 12,617,784 | 12,933,229 | 13,256,560 | 13,587,974 | 13,927,674 | 14,275,866 | 14,632,762 | 14,998,581 | 15,373,546 |
| Depreciation & Amortisation | 9,068,000 | 9,118,866 | 9,245,798 | 9,476,943 | 9,713,867 | 9,956,713 | 10,205,631 | 10,460,772 | 10,722,291 | 10,990,348 | 11,265,107 | 11,546,735 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | (13,000) | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 957,000 | 1,029,931 | 992,603 | 1,017,418 | 1,042,853 | 1,068,925 | 1,095,648 | 1,123,039 | 1,151,115 | 1,179,893 | 1,209,390 | 1,239,625 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 1,313,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 36,019,000 | 35,545,045 | 37,880,878 | 38,803,310 | 39,746,965 | 40,732,122 | 41,749,495 | 42,792,314 | 43,861,148 | 44,956,714 | 46,079,658 | 47,230,677 |
| Operating Result from Continuing Operations | 1,255,000 | 6,265,075 | 11,139,916 | (2,120,959) | (2,134,997) | (2,164,913) | (2,203,586) | (2,243,670) | (2,285,139) | (2,328,105) | (2,369,572) | (2,412,513) |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 1,255,000 | 6,265,075 | 11,139,916 | (2,120,959) | (2,134,997) | (2,164,913) | (2,203,586) | (2,243,670) | (2,285,139) | (2,328,105) | (2,369,572) | (2,412,513) |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (1,963,000) | (445,909) | 3,519,496 | (3,945,959) | (4,026,497) | (4,124,243) | (4,232,103) | (4,342,757) | (4,456,208) | (4,572,595) | (4,688,952) | (4,808,281) |

Income Statement – General Fund Scenario 2 Service Levels Reduced

Lithgow City Council

10 Year Financial Plan for the Years ending 30 June 2032

INCOME STATEMENT - GENERAL FUND

Scenario 2 - Service Levels Reduced

| | Actuals 2020/21 | Current Year 2021/22 | Projected Years | | | | | | | | | |
|---|--------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | | |
| Rates & Annual Charges | 18,447,000 | 19,780,264 | 19,737,777 | 20,715,303 | 21,233,186 | 21,764,016 | 22,308,116 | 22,865,819 | 23,437,464 | 24,023,401 | 24,623,986 | 25,239,586 |
| User Charges & Fees | 1,438,000 | 2,676,266 | 2,734,640 | 2,903,006 | 2,975,581 | 3,049,971 | 3,126,220 | 3,204,375 | 3,284,485 | 3,366,597 | 3,450,762 | 3,537,031 |
| Other Revenues | 1,339,000 | 1,502,659 | 1,463,595 | 1,500,184 | 1,537,689 | 1,576,131 | 1,615,535 | 1,655,923 | 1,697,321 | 1,739,754 | 1,783,248 | 1,827,829 |
| Grants & Contributions provided for Operating Purposes | 11,245,000 | 10,595,447 | 16,760,512 | 9,184,367 | 9,413,977 | 9,649,326 | 9,890,559 | 10,137,823 | 10,391,269 | 10,651,050 | 10,917,327 | 11,190,260 |
| Grants & Contributions provided for Capital Purposes | 3,218,000 | 6,710,984 | 7,620,420 | 1,825,000 | 1,891,500 | 1,959,330 | 2,028,517 | 2,099,087 | 2,171,069 | 2,244,490 | 2,319,380 | 2,395,767 |
| Interest & Investment Revenue | 267,000 | 240,000 | 549,000 | 554,490 | 560,035 | 568,435 | 576,962 | 585,616 | 594,401 | 603,317 | 615,383 | 627,691 |
| Other Income: | | | | | | | | | | | | |
| Net Gains from the Disposal of Assets | - | 304,500 | 154,850 | - | - | - | - | - | - | - | - | - |
| Fair value increment on investment properties | 538,000 | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of revaluation decrements on IPPE previously expensed | - | - | - | - | - | - | - | - | - | - | - | - |
| Reversal of impairment losses on receivables | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | 782,000 | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Gain | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 37,274,000 | 41,810,120 | 49,020,794 | 36,682,351 | 37,611,968 | 38,567,209 | 39,545,908 | 40,548,644 | 41,576,008 | 42,628,609 | 43,710,085 | 44,818,164 |
| Expenses from Continuing Operations | | | | | | | | | | | | |
| Employee Benefits & On-Costs | 14,885,000 | 14,496,423 | 15,266,373 | 13,110,216 | 13,437,972 | 13,773,921 | 14,118,269 | 14,471,226 | 14,833,007 | 15,203,832 | 15,583,927 | 15,973,526 |
| Borrowing Costs | 130,000 | 95,372 | 66,071 | 43,133 | 17,783 | 9,710 | 9,022 | 8,329 | 7,564 | 6,790 | 5,986 | 5,163 |
| Materials & Contracts | 9,679,000 | 10,804,453 | 12,310,033 | 11,050,847 | 11,327,119 | 11,610,297 | 11,900,554 | 12,198,068 | 12,503,020 | 12,815,596 | 13,135,986 | 13,464,385 |
| Depreciation & Amortisation | 9,068,000 | 9,118,866 | 9,245,798 | 9,476,943 | 9,713,867 | 9,956,713 | 10,205,631 | 10,460,772 | 10,722,291 | 10,990,348 | 11,265,107 | 11,546,735 |
| Impairment of investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of receivables | (13,000) | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 957,000 | 1,029,931 | 992,603 | 1,017,418 | 1,042,853 | 1,068,925 | 1,095,648 | 1,123,039 | 1,151,115 | 1,179,893 | 1,209,390 | 1,239,625 |
| Interest & Investment Losses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Losses from the Disposal of Assets | 1,313,000 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation decrement/impairment of IPPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair value decrement on investment properties | - | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities - Loss | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenses from Continuing Operations | 36,019,000 | 35,545,045 | 37,880,878 | 34,698,557 | 35,539,593 | 36,419,566 | 37,329,125 | 38,261,435 | 39,216,997 | 40,196,459 | 41,200,396 | 42,229,434 |
| Operating Result from Continuing Operations | 1,255,000 | 6,265,075 | 11,139,916 | 1,983,794 | 2,072,375 | 2,147,643 | 2,216,784 | 2,287,209 | 2,359,012 | 2,432,150 | 2,509,689 | 2,588,730 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 1,255,000 | 6,265,075 | 11,139,916 | 1,983,794 | 2,072,375 | 2,147,643 | 2,216,784 | 2,287,209 | 2,359,012 | 2,432,150 | 2,509,689 | 2,588,730 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (1,963,000) | (445,909) | 3,519,496 | 158,794 | 180,875 | 188,313 | 188,267 | 188,122 | 187,943 | 187,660 | 190,309 | 192,962 |

Appendix 5 – Capital Works Program Scenarios 2 & 3

Capital Works Program – All Funds

| Capital Works Program - All Funds ('000) | | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Years | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 |
| General Fund | | | | | | | | | | |
| Total Program | \$21,097 | \$11,049 | \$11,278 | \$11,511 | \$13,752 | \$11,993 | \$12,241 | \$12,495 | \$12,754 | \$13,018 |
| | | | | | | | | | | |
| Water Fund | | | | | | | | | | |
| Total Program | \$835 | \$950 | \$974 | \$998 | \$1,023 | \$1,049 | \$11,075 | \$11,102 | \$1,129 | \$1,157 |
| | | | | | | | | | | |
| Sewer Fund | | | | | | | | | | |
| Total Program | \$7,373 | \$1,400 | \$1,460 | \$1,522 | \$1,586 | \$1,654 | \$1,724 | \$1,797 | \$1,874 | \$1,953 |
| | | | | | | | | | | |
| Consolidated | | | | | | | | | | |
| Total Program | \$29,305 | \$13,399 | \$13,711 | \$14,031 | \$16,361 | \$14,695 | \$25,040 | \$25,394 | \$15,757 | \$16,128 |

