CAMPBELLTOWN 2032

Long-Term Financial Plan 2022-32

Resourcing the Delivery Program 2022-26

Council acknowledges the traditional custodians of the land, the Dharawal people and their unique and spiritual connections to the land.

We also respectfully acknowledge Elders past and present for the role they continue to play in guiding future generations.

Contents

Executive Summary

Our Long-Term Financial Plan 2022-32 is a 10-year rolling plan outlining how our Delivery Program and Operational Plan will be funded to deliver our commitments for the next 4 years and beyond. Together with the Workforce Management Strategy and the Asset Management Strategy and Plans, the Long-Term Financial Plan (LTFP) forms Council's comprehensive Resourcing Strategy under the Integrated Planning and Reporting Framework (IP&R).

How to Read this Plan

This plan has been structured around two parts:

1. **Background Information** about the Integrated Planning and Reporting framework, how the Long-Term Financial Plan was developed, and our approach to monitoring progress against this plan.

2. **Detailed information** on the Long-Term Financial Plan, including our planning assumptions, revenue and expenditure forecasts, as well as sensitivity, risk, and financial modelling for the next 10-years.

Part 1: Background Information

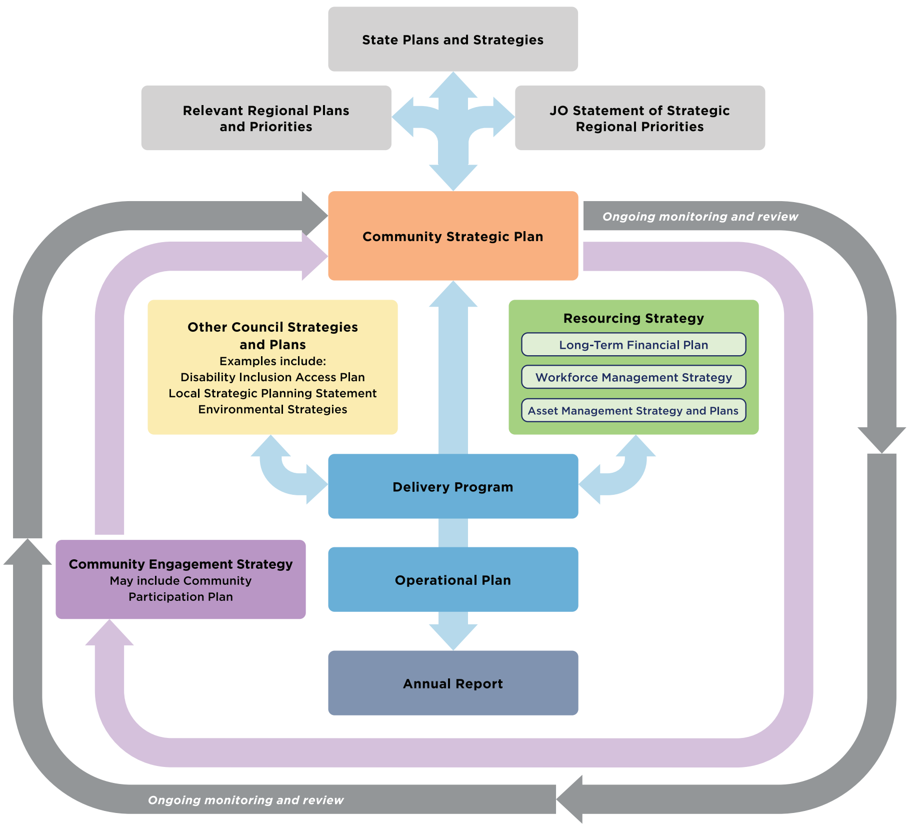
Integrated Planning and Reporting

All Council's in NSW are required to operate within an Integrated Planning and Reporting (IP&R) framework. The IP&R framework guides how each Council develops, documents, and reports on their strategic plans under the *Local Government Act 1993.*

The IP&R framework requires each Council to develop and implement a Resourcing Strategy, which shows how the Council will leverage its available resources to implement the Delivery Program and Operational Plan.

The Resourcing Strategy has 3 major components:

- **Long-Term Financial Plan (this document) –** The approach to financial management ensuring sufficient funding to deliver commitments into the future
- **Workforce Management Strategy -** The approach to workforce planning to ensure the right people, skills and culture exist to deliver commitment into the future
- **Asset Management Strategy and Plans –** The approach to asset management, renewal and planning to ensure well maintained and sustainable infrastructure into the future



The Integrated Planning & Reporting Framework – Office of Local Government 2021

The Resourcing Strategy is a key driver in delivering the strategies and plans developed by Council under the IP&R framework:

- The **Community Strategic Plan (CSP)** is the highest-level plan that a council will prepare. The purpose of the Plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals.

- The **Delivery Program** outlines a Council's direct response to the CSP. It details the specific activities (projects and programs) that will be undertaken during its elected term to address the CSP.

- The **Operational Plan** is a sub-plan of the Delivery Program. The Operational Plan outlines the annual activities that will be undertaken as part of the Delivery Program, alongside the annual budget.

- **Reports.** Councils prepare a number of reports (e.g. Annual Reports) that capture the progress against the CSP outcomes as well as monitoring the delivery of key activities in its Delivery Program and Operational Plan.

Detailed information about our City and Council is provided in our Community Strategic Plan – Campbelltown 2032 and Delivery Program 2022-26.

Development and Review of the Long Term Financial Plan

Our Long-Term Financial Plan 2022-32 was developed to inform decision-making during the finalisation of our CSP - Campbelltown 2032 and Delivery Program 2022-26. This ensures we can provide the resources necessary to deliver our commitments detailed within the Delivery Program and yearly Operational Plan.

The LTFP has been developed to meet all of the essential elements outlined in the Integrated Planning & Reporting: Guidelines for Local Government in NSW September 2021 (available at https://www.olg.nsw.gov.au)

We will update our LTFP annually during the development of each years' Operational Plan, with a detail review undertaken every 4 years to coincide with the the review of the Community Strategic Plan.

Monitoring Performance against the Long Term Financial Plan

We will provide regular reports to our community to ensure ongoing transparency and accountability for our financial sustainability and the commitments made within this plan.

- **Quarterly Budget Review Statements** where we will provide a summary of our financial position against the original and last revised budget of the Operational Plan and make budgetary adjustments, if necessary.

- **Annual Financial Statements** where we will present our operating results and financial position for the year.
  Our reports can be found on our website via https://www.campbelltown.nsw.gov.au/CouncilandCouncillors/FinancialInformation

Part 2: Long Term Financial Plan

The LTFP is an integral part of Council's strategic planning cycle, and enables long term community aspirations and goals to be tested against financial realities.

The LTFP is intended to be a decision making and problem solving tool. The financial objectives, performance measures and strategies that Council has adopted in meeting financial sustainability challenges over the 2022-2032 period are presented in this document.

The LTFP is not a static/inflexible document – rather it provides a reasonable guide for future action based on current information. The modelling that occurs as part of the plan will provide an opportunity for Council to identify financial issues at an earlier stage, and gauge the effects of these issues in the short to long term.

The LTFP does not indicate what services or projects should be allocated funds; rather, it addresses areas that impact on Council's ability to fund services and capital programs.

Due to the length of the planning horizon, the plan becomes more general in future years. For example, the 10th year of a 10 year plan does not include specific detail, however, does show likely trends based on accepted assumptions.

The 2021-22 adopted budget and 2020-21 Financial Statements form the base years for the Long Term Financial Plan.

Assumptions

Key Assumptions

There are a number of assumptions that are used in order to project the long term financial results. These assumptions are outlined in detail throughout this section, however, the key assumptions are outlined below:

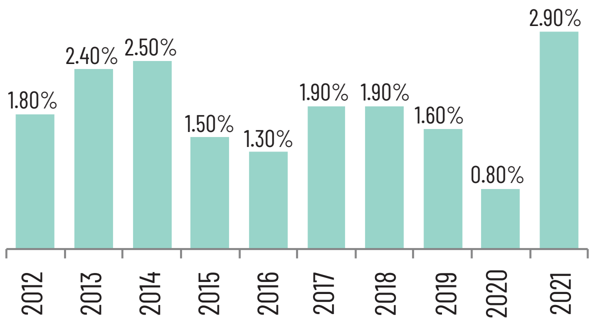
- Future determinations of the rate peg are forecast to be up to 2 per cent. However, the exact figure may vary depending on the recommendation of the Independent Pricing and Regulatory Tribunal (IPART) from year to year
- Service levels are largely maintained throughout the plan
- Population growth is estimated to continue to increase at 2.9 per cent per annum
- The Consumer Price Index (CPI) is estimated at a flat rate of 2.5 per cent per annum
- In general, future expenses and revenues have been calculated to reflect forecasts for the CPI
- Increases in revenue from user charges have been maintained using a combination of the CPI and the IPART Local Government Cost Index with utilisation rates remaining steady
- Salary and wage increases are estimated to be on average up to 2.3 per cent per annum including turnover
- New borrowings are restricted to ensure the Debt Service Ratio remains less than 10 per cent.
- Strategic capital expenditure will be considered suitable for funding from internal or external loans in line with intergenerational equity considerations.

Inflation

CPI is a measure of the change in price of a 'basket' of goods and services. The Reserve Bank has a policy to maintain an inflation rate between its annual target of 2 – 3 per cent. Therefore, where appropriate, this plan uses a mid-range forecast of a 2.5 per cent annual inflation rate.

In preparation of the LTFP, however, careful consideration has been given to yearly movements in actual costs witnessed over the previous 7 year period. From this data, both the historical average annual growth rate and the 7 year compounded growth were calculated. These values were contrasted against the forecast inflation rate and, where there was a material difference, preference was given towards the historical growth rates.

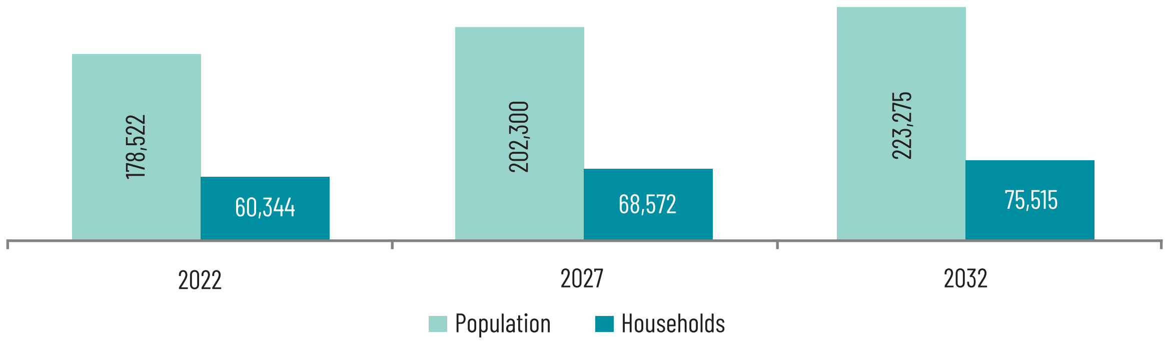
Historical Yearly Inflation Rates



Population

The size of the resident population and number of households within the Local Government Area (LGA) is a key driver in the level of services Council is required to deliver over the next 10 years. In the 2016 Census, there were 161,998 people in the Campbelltown LGA. However, the Census count is not considered the official population of an area due to limitations in the data collected. It is an official count of all people and dwellings in Australia on Census night, and collects details of age, sex, religion, education and other characteristics of the population. The next Census (conducted on 10 August 2021) is due to be released in June 2022.

To provide a more relevant population figure the Australian Bureau of Statistics also produces "Estimated Resident Population" (ERP) numbers for each area. It is updated between Censuses - quarterly for state and national figures, and annually for local government areas. The ERP is based on the usual residence population and includes adjustments for Census undercount, Australian residents who were temporarily overseas on Census night, and backdates the population to 30 June. Each year's updates take into account births, deaths and both internal and overseas migration. The LTFP is modelled on the ERP figures and also references Planning NSW data projections and known development activity as detailed in the new dwelling forecasts. These growth projections are estimates, which are influenced by changes in market conditions. The increase in development does provide an additional income stream, however in most cases, this is absorbed by additional maintenance requirements that are created by the provision of additional infrastructure, facilities and open space.



2.9%

Average annual percentage change in population between 2022 and 2032

28.6%

Total percentage change in population between 2022 and 2032

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Rates

For the 2022-23 budget, Council has applied the rate peg limit as set by IPART of 1.2 per cent. The LTFP has maintained a conservative approach for all subsequent years by applying a general rates increase of 2 per cent consistent with the Local Government Cost Index developed by IPART. Invariably, rate pegging increases have been less than the actual increases in costs faced by Council. Despite these constraints, and with the cost of materials and provision of services increasing above the Consumer Price Index (CPI), Council maintains a sound financial position through continuous efficiency gains and productivity improvements. The Special Rate Variation received in the 2014-15 financial year has strengthened Council's long term financial position and provides a means to renew and revitalise the city's assets, and ultimately address Council's asset maintenance and renewal backlog.

Domestic waste management

The Domestic Waste Management Charge will increase by 6.6 per cent from the current charge of $391.95 per annum to $417.76 in 2022-23. Projected increases for future years have been based on up to 5 per cent per annum, however, will reflect the costs of providing the service on a yearly basis. This charge is calculated using cost recovery methodology.

Operating grants

The Australian Accounting Standards require councils to recognise grant income when receipted. This accounting treatment is required for any other grants that councils receive in advance, irrespective of annual expenditure of those grants, which may be in future years. This has an effect of distorting the income statement between years. However, the net budget impact is zero between various financial years. In broad terms, all other recurrent operating grants in future years are generally projected to increase less than CPI at around 1 per cent.

Operating contributions

There are only relatively minor allocations budgeted to be received from community groups and sporting clubs as their contribution towards projects in future years. Subsidies received from Local Infrastructure Renewal Scheme borrowings are also allocated to this category.

Interest

Interest on investments is assessed on a conservative basis. Interest income only makes up around 2 per cent of total revenue, so changes in this area will only marginally affect Council's LTFP. The net positive yields on cash investments along with a reduction in portfolio balance due to the funding of major capital works are factored into income with a return that is less than 1 per cent per annum.

User charges

In accordance with Council's Revenue Pricing Policy, wherever it is reasonably possible to do so, a 'user pays' approach to reviewing fees and charges will be applied. The approach is to ensure that applicable fees and charges are reviewed beyond just CPI movements, and aligned with the cost of providing that service.

Statutory fees

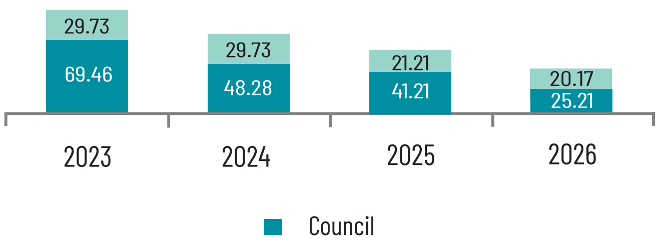
While Council has discretion over the level of fees and charges in general, there are a variety of fees that are prescribed by the State Government. These statutory fees typically increase on a periodic basis rather than annually. The trend over the future years is therefore flatter than user charges income; however as many of these fees arise through development functions there are fluctuations experienced due to housing market activity. The majority of statutory fees have been modelled to increase by up to 2.5 per cent over the next 10 years.

Expenditure Assumptions

Major Planned Expenditure

Over the next 10 years, Council will invest and foster approximately $554m on a range of capital projects and assets across the City. This includes the substantial renewal of Campbelltown's existing assets, as well as the development of new services, facilities and infrastructure networks.

4 Year Capital Expenditure Program $M



As well as these major projects, investigations/works are underway for the following potential projects:

- Investigate site options for a new Civic Library in Campbelltown CBD
- Progress plans for the Health and Education Precinct
- Investigate Campbelltown and Ingleburn CBD Stormwater upgrade options
- Arts Centre expansion
- South West Sydney Community and Justice Precinct
- Investigate feasibility to expand Campbelltown Stadium

Employee Costs

Employee costs include wages and salaries and other associated costs such as superannuation and workers compensation. Increases in labour and on-costs are composed of several elements. These include changes to employee numbers, salary system increments, Local Government Award increments and additional costs associated with position reclassifications.

The employee costs for 2022-23 and forward budgets have been adjusted to take into account anticipated Local Government Award wage movements and salary system skills progression.

The LTFP reflects annualised gross wage increases up to 2 per cent over the life of the plan. Any plans for changes to employee numbers or reclassifications will be required to be part of the Workforce Management Plan with supported funding.

The Operational Plan 2022-23 will support the existing organisational structure that will meet a new set of priorities in strengthening our organisation to deal with future challenges and the growth of our city.

In 2009-10, the Local Government Superannuation Defined Benefits Scheme doubled the normal contribution rate required to be paid by Council in order to sustain the viability of the fund due to the Global Financial Crisis (GFC). The increased payments will continue for several years and have added approximately $238,100 per year to operational costs.

Materials and Contracts

Materials expenses have been adjusted in line with an inflation factor of up to 2.5 per cent. Contracts expenses have been adjusted with a growth factor of up to 2.6 per cent to match historical trends.

Depreciation

Depreciation estimates have been based on the projected capital expenditure program contained within the plan. The forward budget also takes into account the estimates of periodic revaluations of infrastructure assets and is directly impacted by the Asset Management Plan (including rising replacement costs of assets). The recognition of such assets and any capital expenditure on new assets will increase the depreciation costs. This will further impact on Council's operating results, but will not affect the annual budget considerations as depreciation is a non-cash item.

Council's depreciation methodology utilises long and medium depreciation rates for infrastructure assets.

Borrowing Costs

Borrowing costs represents the interest paid on borrowings. There are no future external borrowings factored into the LTFP, rather an internal borrowing strategy for $2.50m in the first year reducing by $250k per year to fund recurrent capital expenditure. This will reduce the external borrowing costs paid per annum, being debt free by 2025-26. This strategy will increase Council's capacity to borrow externally through the State Borrowing Facility for major stand-alone capital projects and support intergenerational equity principals.

Other Expenses

Other expenses incorporate items such as insurance, telecommunication, and utility charges. The LTFP includes a default CPI increase of up to 2.5 per cent for the majority of items, with the rate adjusted where an analysis of historical growth rates materially differs.

Challenges

COVID 19 Implications

At the time of finalising this LTFP, the full impact of COVID-19 on Council's long term financial position requires ongoing modelling. As such, this LTFP assumes revenue to return to pre COVID-19 levels. Council will reassess the modelling in the subsequent LTFP, whilst also report on required amendments to the Operational Plan and Budget quarterly.

Financial Position

Financial Sustainability

Council's need to be financially sustainable to meet the service and infrastructure needs of their communities. The NSW Treasury Corporation (TCorp) defined a financially sustainable council as one that, over the long term, is able to generate sufficient funds to provide the level and scope of services and infrastructure, agreed with its community through the Integrated Planning and Reporting process.

In considering the issue of financial sustainability, TCorp and the Office of Local Government (OLG) have established what they consider to be a concise definition, that being:

"A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community"

Financial Ratios

It is important that Council regularly assesses its financial performance and position against the projections contained in the LTFP. As part of this process, Council needs to determine what factors it will monitor on a regular basis. It is proposed that these factors include the following:

- **Sustainability -** That Council can generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning and Reporting process. The future sustainable management of Campbelltown's infrastructure assets is critical for the development and overall wellbeing of the community.

- **Effective Infrastructure and Service Management -** That Council can maximise the return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities as identified in the Integrated Planning and Reporting process.

- **Liquidity -** Liquidity is a key factor in the viability of any organisation, regardless of whether it is in the public or private sectors. The ability to meet short term funding requirements and obligations is equally relevant to a Council (as it is to any business). Council monitors the short term funding requirements daily, and produces cash flow estimates on both a short term and long term basis. This monitoring and forecasting informs Council's investment strategies and decisions to ensure that adequate liquidity is maintained. Council will also, as part of the reserves strategy, continue to provide for adequate levels of reserves to fund less predictable outlays, such as major employee leave entitlement payments.

  The cash and expense coverage ratio tests the unlikely situation where Council will no longer receive any additional cash inflow and how many months it will be able to continue to meet its immediate expenses.

Ratio		What does it measure?	Benchmark
Sustainability	Operating Performance Ratio	Council's achievement in containing operating expenditure within operating revenue	≥ break-even (0%)
	Own Source Operating Revenue Ratio	fiscal flexibility and the degree of reliance on external funding sources such as grants and contributions	>60%
	Building and Infrastructure Asset Renewal Ratio[1]	Assess the rate at which these assets are being renewed against the rate at which they are depreciating	>100%
Effective Infrastructure and Service Management	Infrastructure Backlog Ratio	Indicates the proportion of backlog against the total value of Council's infrastructure assets	<2%
	Asset Maintenance Ratio	Reflects the actual asset maintenance expenditure relative to the required asset maintenance	100%
	Debt Service Ratio	Assesses the impact of loan principal and interest repayments on discretionary revenue	Between 0% and 10%
Liquidity	Unrestricted Current Ratio	Reflects Council's ability to meet debt payments as they fall due	>1.5%
	Cash and Expense Coverage Ratio	Indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow	≥ 3 months

Refer to key financial indicators section of the document for more information.

1 This ratio uses depreciation as the denominator and ignores the calculated renewal funding requirement under lifecycle costing of an asset as modelled in Council's Asset Management Plans. However, this ratio is used by the Local Government Code of Accounting Practice and is also a Fit for the Future measure, hence why it has been published as part of this plan.

Sensitivity Analysis and Risk Management

In preparing this LTFP, it was necessary for Council to make a number of assumptions about the future. Under the Integrated Planning and Reporting Guidelines for Local Government in NSW, Council is required to identify the planning assumptions and the risks of those assumptions (sensitivity analysis) to financial estimates in the LTFP.

The following tables identify significant forecasting assumptions, describe the risk in making such an assumption, rate the level of risk, give reason for the risk rating, and explain how that level of risk may affect financial estimates in the plan.

Many of the planning assumptions are informed through the integrated planning process, others will be derived from general financial planning practices.

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long -Term Financial Plan
Population	Planning for activities, and thus the likely cost of providing those activities, considers that the population of Campbelltown will increase at the rate forecast by Council's growth model. That model predicts the population of Campbelltown to reach 229,665 by 2031	That population growth is higher than projected, and Council will need to provide additional unplanned services and infrastructure though will yield additional rates	Low	Population projections are based on a standard set of demographic assumptions inclusive of additional growth. Population projections are not expected to rapidly change, therefore the level of risk is low and little financial impact is expected
		That population growth is lower than projected, and Council will be required to support excess levels of infrastructure and service delivery based on growth happening outside of the LGA which provides no rates yield	Low	

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long -Term Financial Plan
Growth	Council levies rates on property owners to fund community services and the costs of infrastructure in the city. The total projected revenue from rates is dependent on the forecast growth in the number of residential, business, farmland and mining properties. This forecast is based on Council's growth model, modified for short to medium term economic conditions and depends on the demands of the market	Should growth in the number of properties vary considerably from forecasts, there is a possibility that revenue collected from rates will be too much or too little to fund Council's services and capital program	Moderate	Growth projections are based on a standard set of demographic assumptions inclusive of additional growth. Growth projections are not expected to change quickly, however the timing of that growth and its impact on Council's revenue will affect the funds available for service provision in this LTFP
		If the timing of growth differs significantly from forecast, this will impact on Council's cash flows and may necessitate changes to planned borrowings for capital purposes	Moderate	
Economic environment	Council has prepared this LTFP on the basis that current predictions on the rate of growth in world market conditions will remain low over the medium to short term.	The current market conditions significantly decline impacting on cost of borrowing, returns on investments and cost of foreign currency transactions.	Low	Projections built into this LTFP factor in Council paying all external borrowings by 2025. Council manages the risk in the interim by borrowing long term and fixing the interest rate. The income derived from investments comprises around 2% of total revenue, so changes in this amount is not likely to materially impact on Council's financial viability. It should also be noted that Council does not engage in transactions expressed in foreign currencies and is therefore not directly subject to foreign currency risk.

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long -Term Financial Plan
Environmental change	This LTFP is prepared on the assumption that environmental change (i.e. climate change) will not have a direct significant impact on Council's financial planning	Environmental change accelerates	Low	Should environmental impacts significantly change such that the environment and economy of Campbelltown is greatly affected in the next 10 years, the activities and services outlined in the LTFP will fundamentally change. These changes would be reflected in an amended LTFP
Legislative change	Council will continue to operate within the same general legislative environment and with the same authority as it does at the time this LTFP is published.	Should the Local Government legislative environment change, the services and functions Council plans to provide over the 10 year period could change	Moderate	At the time of adopting this LTFP, Council is unable to determine how potential significant legislative change might impact its operations or quantify the potential financial impact.
Statutory fees	Based on historical trends, statutory fees are assumed to increase by an average of 2.75% per year	That statutory fees increase by less than the assumed rate	Low	Statutory fees make up slightly less than 3% of Council's revenue base and as such identified a low level of financial impact
Service levels	Service levels largely remain the same throughout the LTFP	Requirement of service levels to increase	Moderate	The provision of current service levels requires 100% of current income streams. Any increase in service levels requires sourcing of new/increased income streams or the reduction of another service level to offset. The Billabong Parklands forecast operational costs have been factored into this model from FY23 onwards.

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long -Term Financial Plan
Rating base	The projected percentage increase in rates is in accordance with the estimated annual determination by the Independent Pricing and Regulatory Tribunal under delegation by the Minster for Local Government. The rate peg determination for 2021-22 is 2%. The increases in rates for years from 1 July 2022 include the assumption that the annual determination will be 2%. This will generate additional income of approximately $1.9m each year	The Ministerial rate determination is less than 2%	High	Variances between the forecast and the actual rate peg by every 0.5% would result in an average shortfall of $500k per annum
	Redevelopment of Housing NSW estates will occur outside predicted timeframes	The redevelopment occurs at an increased pace than anticipated	Moderate	Any redevelopment of an estate with Housing NSW properties will impact the plan during the demolition and rebuilding phase due to vacant land being exempt from rates. Once rebuilt, the properties will be rateable again. Market forces will determine the speed at which the development occurs and as such, it is anticipated to extend beyond the 10 year period reflected in this LTFP
	Development of the plan assumes that the current level of rate exemptions remain constant	The scope for increased entitlement to exemptions	High	Community Housing Providers that meet the Public Benevolent Institution criteria may be exempt from paying land rates to local councils. The impact on Council's revenue could potentially be up to $5m dependent upon applicants meeting appropriate criteria

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long -Term Financial Plan
Domestic waste management	The plan assumes the Domestic Waste Charge will increase on average by 5% per year due to possible significant increases to the Domestic Waste Disposal contract	On renewal of the disposal or collection contracts, contractor prices increase greater than 5%	Low	The Domestic Waste Charge is calculated based on pure cost recovery of service provision. Therefore an increase in the contractors cost will be directly offset by an increase in the annual charge. The impact on residents of a 5% increase is approximately $20 per year per assessment
Council policy	There will be no significant changes to Council policy as summarised in this LTFP	New legislation is enacted that requires a significant policy response from Council	Low	Dealing with changes in legislation is part of normal Council operations, however impact on resources will be assessed and will increase the exposure to further resource requirements
		Election of a new Council with different objectives from current Council	Moderate	Any proposed significant change to Council policy would be assessed in terms of impact on Council's financial position
Financial assistance grants	The LTFP assumes Council's financial assistance grant will experience no growth.	Changes to amount of grant or variation to assessment criteria equating to a reduction in Council's allocation	Moderate	Every 1% the Financial Assistance Grant movement is below target equates to around $100k. Council is not informed of their Financial Assistance Grant allocation until approximately August of the same financial year. Council is not informed of allocations beyond the one year period however have been advised metro Councils may see decreases in coming years due to a redistribution review to Regional and Rural Councils.
Inflation	The price level changes projected will occur. In developing this LTFP, Council has based inflation projections at an average 2.5% per annum	Inflation is higher or lower than anticipated	Low	Inflation is affected by external economic factors
		Inflation on costs will not be offset by inflation on revenues	Moderate	Any inflationary increase in Council's costs that is not offset by efficiency gains or revenue increases is likely to impact service levels and works programmed

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long-Term Financial Plan
Borrowing costs	Interest on debt is known and calculated according to the fixed rate contract. Council assumes no further Local Infrastructure Renewal Scheme rounds to be available. Council has proposed to borrow internally from reserves and meet repayments incorporating an interest rate subject to market lending conditions and Council's financial position.	Interest rates will vary from those projected	Low	Relates to projected new external debt at anticipated new interest rates. Existing borrowings are fixed term interest rates and as such, interest expense and repayments are known. If the actual interest rates are higher than the assumed rate, it should be noted it will be hedged by increased interest on investments and property rental revenue. As Council proposes to borrow internally for recurrent capital works without new external borrowings forecast interest rate fluctuations will not impact this Plan.
Return on investments	Interest on investments is calculated at around 1% on average for the life of this plan.	Interest rates will vary from those projected	Moderate	Rates used are based on detailed analysis. If actual interest rates are lower than the assumed rate, expenditure priorities would be re-evaluated or alternative funding mechanisms utilised. Council is looking for opportunities for diversification including increasing returns from commercial property investments in order to mitigate the reliance on interest on financial instrument investments.
Asset revaluations	The impact of asset revaluations on carrying values and depreciation will occur as projected	Revaluations will materially differ from those projected, thereby changing projected carrying values of the assets and depreciation expense	Moderate	Variation in values is expected to be low unless valuation methodology changes or there is an unexpected movement in market values

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long-Term Financial Plan
Asset life	Useful life of assets is as recorded in the asset management plans or based on professional advice. The useful life of assets grouped by asset class	Assets wear out earlier than estimated or asset lives are changed due to revisions of the asset management plans or new advice	Moderate	Capital renewal could be brought forward in the event of early expiration of assets, but depreciation expense and financing costs would increase
Depreciation and amortisation	Assumes maintenance of existing arrangements for the purchase and sale of assets. Directly impacted by Council's Asset Management Strategy and the impact of any revaluation in asset classes. This Plan forecasts depreciation based on a straight line methodology for long and medium life infrastructure assets.	Methodology does not realise the anticipated result	Moderate	Council does not fund depreciation and amortisation of assets. As such, the changes in depreciation will not impact Council's budget, however, will be reflected on Council's income statement and will also impact the Operating Performance Ratio, Building and Infrastructure Asset Renewal Ratio and Real Operating Expenditure per capita result.
Contract rates	Re-tendering of major contracts will not result in significant cost increases other than those that are comparable with the rate of inflation	There is a significant variation in price from re-tendering contracts	Moderate	Council would review the scope of work planned to meet the budget restrictions
	The plan has factored in a 5% increase in disposal charges for Domestic Waste collected	There is a significant variation to the current contract or a new contract is negotiated	Moderate	The Domestic Waste Charge is calculated based on pure cost recovery of service provision. Therefore an increase in the contractors cost will be directly offset by an increase in the annual charge. The impact on residents of a 1% increase is approximately $4 per year per assessment

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long-Term Financial Plan
Capital works	Actual costs will vary from estimates, due to higher input prices or delivery delays, resulting in budget shortfalls	Asset renewal and replacement budgets have been prepared on the basis that future rate pegs of 2% is determined by the Minister and all current sources of funding remain available	Moderate	Council is confident in the planning work undertaken on capital projects, but recognises external economic factors may impact on the costs and delivery timeframes for capital works
Superannuation	In 2013 the Federal Government announced changes that will gradually increase the Superannuation Guarantee Levy from 9% to 12%. This Plan reflects the proposed increases onto the future years with the Yr1 rate at 10.5%.	That employee costs increase more than projected	Moderate	As Council is a service provider, employee costs are a large portion of operating expenses. A 2.5% increase in employee costs is estimated to increase superannuation costs by $150k
Energy-utilities	The plan assumes an energy increase of 4% per year. This accounts for price and usage based increases offset by sustainability projects savings and is in line with the 7 year historical growth rate.	That utility costs increase more than projected	Moderate	An increase of 1% above forecasts would increase utility costs by less than $30k
Cost shifting	The issue of cost shifting has, in recent years, been of significant concern to councils in NSW and all over Australia. In the most recent published report by Local Government NSW, Council estimates the total cost shifting for Council to be $8.1m.	That new or increased services and functions are transferred to Local Government responsibility	Moderate	Should State and Federal Governments continue to transfer responsibilities and the associated costs for the provision of services to Local Government, this will have negative implications for Campbelltown's long term financial outlook. Cost shifting absorbs around 5% of Council's operational income.

Category	Assumption	Risk	Level of risk	Reason for level of risk, and impact on Long-Term Financial Plan
Employee costs	The staffing and organisation structure remains constant	Changes to levels of service	Moderate	As Council is a service provider, employee costs are a large portion of operating expenses. Forecasting assumptions used are based on expected Local Government Award variations and performance based increases. An increase of 1% above forecasts would increase 2022-23 employee costs by circa $800k (equivalent to less than 1% of rates)

Scenario Modelling

This LTFP presents long term projections based on various assumptions. As it is difficult to accurately predict all future trends, alternative scenarios have been modelled to help provide an indication of Council's future financial position under a variety of circumstances. The statements of all scenarios are presented in this plan however only the ratios for the base scenario have been presented.

Base Scenario

The base scenario forms the basis of Council's LFTP. It is based on a range of assumptions which are considered most likely to occur over the next 10 years based on an assessment of current economic conditions and historical trends. Whilst this scenario does not represent a pessimistic view of future trends, it does encompass a degree of conservatism in modelled growth rates in expenditure and revenue.

The second scenario models an increase in own source revenue such as rates to meet the demand for public amenity and community infrastructure to deliver on the needs of our growing city and a reimagined Campbelltown.

Scenario 1

Key Financial Indicators

Sustainability

Indicator #1 - Operating performance measure

Indicator Title: Operating Performance Ratio

Indicator Definition: Net continuing operating result (excluding capital grants and contributions) / Total continuing operating revenue (excluding capital grants and contributions)

Benchmark:

≥ 0%

0% - (3%)

< (3%)

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
1.35%	0.73%	0.89%	1.92%	1.97%	2.01%	2.07%	2.13%	2.19%	2.25%

Operating Performance Measure Explained

Measures a Council's ability to contain operating expenditure within operating revenue.

A ratio of less than negative 3% is undesirable between 0% and negative 3% is fair greater than or equal to 0% (break even) is good

Commentary

It is important to note that this indicator is heavily impacted by depreciation and the split of capital works v operational expense that is dispersed during any one year. Depreciation is an accounting measure of the estimated reduction in asset value over time. Rather than the basic calculation of depreciation, Council funds the total asset renewal and maintenance required according to detailed lifecycle modelling of each individual asset and in alignment with Council's Asset Management Plans. Council's short term sustainability is better reflected by reference to the Unrestricted Current Ratio and Own Source Revenue Ratio. Council's longer term sustainability can also be supported by the improved infrastructure backlog ratio.

Indicator #2 - Own Source Revenue

Indicator Title: **Own Source Revenue Ratio**

Indicator Definition: Total continuing operating revenue (excluding all grants and contributions) / Total continuing operating revenue

Benchmark:

> 60%

50 - 60%

< 50%

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
64.24%	66.65%	73.67%	77.29%	77.66%	78.03%	78.38%	81.01%	81.32%	81.61%

Own Source Revenue Measure Explained

This ratio measures fiscal flexibility and robustness. It is the degree of reliance on external funding sources such as operating grants and contributions. A Council's financial flexibility improves the higher the level of its own source revenue. It also gives Council a greater ability to manage external challenges that arise.

Commentary

Council forecasts to exceed the benchmark for Own Source Revenue in the long term. This displays Council's ability to control operating performance and support financial sustainability.

Council's performance in this ratio is heavily impacted by developer contributions that are excluded as own source revenue and are significant in value.

Indicator #3 - Cash Liquidity Position after accounting for external reserves

Indicator Title: **Unrestricted Current Ratio**

Indicator Definition: Current Assets less Externally Restricted Current Assets / Current Liabilities less Specific Purpose Current Liabilities

Benchmark:

Greater than 2:1

Between 1:1 and 2:1

Less than 1:1

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
1.00	1.37	1.57	2.07	2.53	2.98	3.41	3.82	4.18	4.54

Cash Liquidity Position Measure Explained

Shows Council's ability to meet debt payments as they fall due.

A ratio of less than one is undesirable between one and two is fair and greater than two is good

Council's forecasted cash liquidity position will remain above two over the next 10 years. This is mainly due to Council's strong internal reserves.

Indicator #4 - Borrowing and Debt Servicing

Indicator Title: **Debt Service Ratio**

Indicator Definition: Cost of debt service (interest expense and principal repayments) / Total continuing operating revenue (excluding capital grants and contributions)

Benchmark:

> 0% - 10%

10% - 20%

> 20%

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
1.35%	0.73%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Debt Service Ratio Measure Explained

This measure reflects the percentage of annual revenue required to meet annual loan repayments. Prudent debt usage can also assist in smoothing funding costs and promoting intergenerational equity.

A ratio of greater than 20% is undesirable Between 10% and 20% is fair and less than 10% is good

Commentary

Council's ability to service its debt is excellent.

Indicator #5 - Cash Expense Coverage

Indicator Title: **Cash Expense Cover Ratio**

Indicator Definition: (Current year's cash and cash equivalents + term deposits / Payments from cash flow of operating and financing activities)*12

Benchmark:

≥ 3 Months

< 3 months

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
6.9	7.8	8.1	9.2	10.2	11.1	12.0	12.7	13.5	14.2

Building and Asset Renewal Expenditure Measure Explained

This ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration in terms of depreciation.

A ratio of less than 100% is undesirable while a ratio of 100% or greater is desirable

Commentary

This liquidity ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow

Indicator #6 - Building and Asset Renewal

Indicator Title: **Building and Asset Renewal Ratio**

Indicator Definition: Asset renewals (building and infrastructure) / Depreciation, amortisation and impairment (building and infrastructure)

Benchmark:

≥100%

Less than 100%

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
242.78%	163.85%	136.28%	81.91%	86.35%	85.58%	84.89%	84.37%	89.03%	88.54%

Building and Asset Renewal Expenditure Measure Explained

This ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration in terms of depreciation.

A ratio of less than 100% is undesirable while a ratio of 100% or greater is desirable

Commentary

This ratio also uses the accounting measure of depreciation as the required spend on renewing Council's assets per annum. Depreciation is an accounting measure and does not reflect any condition ratings and at best only reflects a residual value. Council undertakes much more complex modelling using current condition assessments of assets to determine actual funding required over the life of each individual asset. Council is currently funding 100% of renewal requirements in strict accordance with the Asset Management Plans. This will result in complete elimination of the infrastructure renewal backlog within a 10 year period. It is also important to note Campbelltown City Council received a 'Strong' Infrastructure Management Assessment rating by the Office of Local Government in the 'Local Government Infrastructure Audit' June 2013.

Indicator #7 - Infrastructure Backlog

Indicator Title: **Infrastructure Backlog Ratio**

Indicator Definition: Estimated cost to bring assets to a satisfactory condition / Total (WDV) of infrastructure, buildings, other structures, depreciable land, and improvement assets

Benchmark:

< 2%

2% - 3%

> 3%

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
0.44%	0.34%	0.19%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Infrastructure Backlog Measure Explained

The infrastructure backlog ratio indicates the proportion of backlog against the total value of Council's infrastructure assets. It is a measure of the extent to which asset renewal is required to maintain or improve service delivery in a sustainable way. This measures how Council is managing infrastructure which is so critical to effective community sustainability.

A ratio of greater than 3% is undesirable Between 2% and 3% is fair and less than 2% is good

Commentary

In 2014-15 Council implemented a long term asset renewal strategy funded by a special rate variation and loan borrowings. The success of this funding strategy is reflected within this ratio that directly addresses Council's infrastructure backlog and provides adequate funding on an annual basis to support the required asset maintenance and renewals. As a result, Council's Infrastructure backlog is projected to be eliminated within the 10 year period.

Indicator #8 - Asset Maintenance

Indicator Title: **Asset Maintenance Ratio**

Indicator Definition: Actual asset maintenance / Required asset maintenance

Benchmark:

> 100%

80%-100%

< 80%

Year ended

June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030	June 2031	June 2032
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Asset Maintenance Measure Explained

The asset maintenance ratio reflects the actual asset maintenance expenditure relative to the required asset maintenance. The ratio provides a measure of the rate of asset degradation (or renewal) and therefore has a role in informing asset renewal and capital works planning.

A ratio of less than 80% is undesirable Between 80% and 100% is fair and greater than 100% is good

Commentary

In 2014-15 Council implemented a long term asset renewal strategy funded by a special rate variation and loan borrowings. This success of this funding strategy is reflected within this ratio that directly addresses Council's annual required maintenance and provides adequate funding to ensure appropriate condition of assets is maintained.

Financial Strategies Base Case - Scenario 1

Financial Statements

Income Statement – Base Model

Year Ended	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)
Income from continuing operations										
Rates and Annual Charges	127,918	131,700	135,305	138,557	142,500	146,560	150,742	155,050	159,487	164,057
User Charges and Fees	13,915	15,936	16,861	17,408	17,843	18,292	18,757	19,236	19,730	20,240
Grants and contributions for operating purposes	28,348	23,053	23,122	23,223	23,526	23,845	24,170	24,502	24,841	25,188
Capital Grants, Subsidies & Contributions	60,494	59,820	37,898	28,359	28,443	28,528	28,613	21,667	21,754	21,843
Interest and Investment Revenue	1,904	1,753	1,860	1,964	1,987	2,011	2,034	2,059	2,083	2,108
Rental Income	8,812	8,903	9,797	10,620	11,151	11,709	12,294	12,909	13,555	14,232
Net Gain from Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Other Revenues	7,058	7,313	6,917	7,042	7,212	7,386	7,564	7,747	7,934	8,126
Total Income from continuing operations	248,448	248,478	231,759	227,174	232,662	238,331	244,175	243,169	249,384	255,793
Expenses from continuing operations										
Employee Costs	80,520	82,260	83,712	85,035	87,161	89,340	91,573	93,863	96,209	98,615
Materials and Contracts	38,268	39,520	40,721	41,782	42,789	43,821	44,878	45,961	47,071	48,208
Borrowing Costs	172	75	23	0	0	0	0	0	0	0
Depreciation	28,061	28,483	28,909	29,195	29,860	30,541	31,238	31,951	32,681	33,428
Other Expenses	38,389	36,947	38,767	38,976	40,397	41,876	43,416	45,020	46,691	48,432
Total Operating Expenses	185,410	187,285	192,131	194,987	200,206	205,577	211,105	216,795	222,652	228,683
Operating result from continuing operations	63,038	61,193	39,628	32,186	32,456	32,754	33,070	26,374	26,731	27,110
Net operating result for the year before grants and contributions provided for capital purposes	2,544	1,373	1,730	3,827	4,013	4,226	4,457	4,707	4,977	5,267

Balance Sheet – Base Model

Year Ended	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)
Current Assets										
Cash and Investments	91,800	104,163	111,162	128,234	144,880	161,978	179,534	196,651	213,320	230,448
Receivables	10,023	10,297	10,567	10,826	11,115	11,413	11,719	12,034	12,357	12,689
Inventories	430	440	451	463	474	486	498	511	523	536
Other	-	-	-	-	-	-	-	-	-	-
Total Current Assets	102,253	114,900	122,180	139,522	156,470	173,877	191,751	209,196	226,200	243,674
Non-Current Assets										
Receivables	0	0	0	0	0	0	0	0	0	0
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant and Equipment	2,644,773	2,693,319	2,725,500	2,740,103	2,755,947	2,771,409	2,786,500	2,794,237	2,803,476	2,812,424
Investments	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	2,644,773	2,693,319	2,725,500	2,740,103	2,755,947	2,771,409	2,786,500	2,794,237	2,803,476	2,812,424
Total Assets	2,747,026	2,808,220	2,847,680	2,879,625	2,912,417	2,945,286	2,978,251	3,003,432	3,029,676	3,056,098
Current Liabilities										
Payables	13,394	13,832	14,252	14,624	14,976	15,337	15,707	16,086	16,475	16,873
Provisions	21,111	21,638	22,179	22,734	23,302	23,885	24,482	25,094	25,721	26,364
Borrowings	1,303	1,023	-	-	-	-	-	-	-	-
Contract Liabilities										
Total Current Liabilities	35,807	36,493	36,432	37,357	38,278	39,222	40,189	41,180	42,196	43,237

Balance Sheet – Base Model cont.

Year Ended	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)
Non-Current Liabilities										
Creditors	3,720	3,720	3,720	3,720	3,720	3,720	3,720	3,720	3,720	3,720
Provisions	619	619	619	619	619	619	619	619	619	619
Borrowings	1,023	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,362	4,339	4,339	4,339	4,339	4,339	4,339	4,339	4,339	4,339
Total Liabilities	41,169	40,832	40,771	41,696	42,617	43,561	44,528	45,519	46,535	47,576
Net Assets	2,705,857	2,767,387	2,806,909	2,837,929	2,869,800	2,901,726	2,933,723	2,957,913	2,983,141	3,008,522
Equity										
Accumulated Surplus	1,090,821	1,139,797	1,172,107	1,185,801	1,200,713	1,215,220	1,229,331	1,236,064	1,244,274	1,252,168
Asset Revaluation Reserve	1,615,035	1,627,590	1,634,802	1,652,128	1,669,087	1,686,506	1,704,392	1,721,849	1,738,867	1,756,354
Total Equity	2,705,857	2,767,387	2,806,909	2,837,929	2,869,800	2,901,726	2,933,723	2,957,913	2,983,141	3,008,522

Statement of Cash Flows – Base Model

Year Ended	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)
Cash Flows from Operating Activities										
- Receipts	187,954	188,658	193,862	198,814	204,219	209,803	215,562	221,502	227,629	233,950
- Adjustments - Receivables	(1,337)	(285)	(281)	(270)	(301)	(310)	(318)	(327)	(336)	(345)
- Payments	(157,349)	(158,802)	(163,223)	(166,613)	(170,346)	(175,036)	(179,867)	(185,746)	(189,971)	(195,255)
- Adjustments - Payables	616	966	961	926	921	944	967	991	1,016	1,041
Net Cash provided by/(used in) Operating Activities	29,883	30,537	31,319	32,857	34,493	35,401	36,343	36,420	38,338	39,392
Cash Flows from Investing Activities										
Receipts - Capital Grants/Subsidies/Contributions/ Sale of Asset	42,003	31,412	17,913	9,425	9,533	9,643	9,755	9,868	9,982	10,097
Receipts - Sale of Investments	0	0	0	0	0	0	0	0	0	0
Payments - Purchase of Investments	0	0	0	0	0	0	0	0	0	0
Payments - CapEx on Renewal/Replacement of Assets	(69,463)	(48,283)	(41,211)	(25,210)	(27,380)	(27,946)	(28,542)	(29,169)	(31,651)	(32,360)
Net Cash Used in Investing Activities	(27,460)	(16,871)	(23,298)	(15,785)	(17,846)	(18,303)	(18,788)	(19,302)	(21,670)	(22,263)
Cash Flows from Financing Activities										
Receipts - Borrowings	0	0	0	0	0	0	0	0	0	0
Payments - Principal Repayments	(2,371)	(1,303)	(1,023)	0	0	0	0	0	0	0
Net Cash Used in Financing Activities	(2,371)	(1,303)	(1,023)	0	0	0	0	0	0	0
Net Increase/(Decrease) in cash assets held	52	12,363	6,999	17,072	16,646	17,098	17,556	17,118	16,668	17,129
Cash and cash equivalents at beginning of reporting period	91,748	91,800	104,163	111,162	128,234	144,880	161,978	179,534	196,651	213,320
Cash, cash equivalents and investments at end of reporting period	91,800	104,163	111,162	128,234	144,880	161,978	179,534	196,651	213,320	230,448

Financial Strategies

Income Statement - Scenario 2

Year Ended	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)
Income from continuing operations										
Rates and Annual Charges	130,918	134,700	138,305	141,557	145,500	149,560	153,742	158,050	162,487	167,057
User Charges and Fees	13,915	15,936	16,861	17,408	17,843	18,292	18,757	19,236	19,730	20,240
Grants and contributions for operating purposes	28,348	23,053	23,122	23,223	23,526	23,845	24,170	24,502	24,841	25,188
Capital Grants, Subsidies & Contributions	60,494	59,820	37,898	28,359	28,443	28,528	28,613	21,667	21,754	21,843
Interest and Investment Revenue	1,904	1,753	1,860	1,964	1,987	2,011	2,034	2,059	2,083	2,108
Rental Income	8,812	8,903	9,797	10,620	11,151	11,709	12,294	12,909	13,555	14,232
Net Gain from Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Other Revenues	7,058	7,313	6,917	7,042	7,212	7,386	7,564	7,747	7,934	8,126
Total Income from continuing operations	251,448	251,478	234,759	230,174	235,662	241,331	247,175	246,169	252,384	258,793
Expenses from continuing operations										
Employee Costs	80,520	82,260	83,712	85,035	87,161	89,340	91,573	93,863	96,209	98,615
Materials and Contracts	39,768	41,020	42,221	43,282	44,289	45,321	46,378	47,461	48,571	49,708
Borrowing Costs	172	75	23	0	0	0	0	0	0	0
Depreciation	28,061	28,483	28,909	29,195	29,860	30,541	31,238	31,951	32,681	33,428
Other Expenses	38,389	36,947	38,767	39,797	40,397	41,876	43,416	45,923	46,691	48,432
Total Operating Expenses	186,910	188,785	193,631	197,308	201,706	207,077	212,605	219,197	224,152	230,183
Operating result from continuing operations	64,538	62,693	41,128	32,866	33,956	34,254	34,570	26,971	28,231	28,610
Net operating result for the year before grants and contributions provided for capital purposes	4,044	2,873	3,230	4,507	5,513	5,726	5,957	5,304	6,477	6,767

Balance Sheet – Scenario 2

Year Ended	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)
Current Assets										
Cash and Investments	92,205	104,568	111,567	128,639	145,285	162,383	179,939	197,056	213,725	230,853
Receivables	10,143	10,417	10,687	10,946	11,235	11,533	11,839	12,154	12,477	12,809
Inventories	430	440	451	463	474	486	498	511	523	536
Other	-	-	-	-	-	-	-	-	-	-
Total Current Assets	102,778	115,425	122,705	140,047	156,995	174,402	192,276	209,721	226,725	244,199
Non-Current Assets										
Receivables	0	0	0	0	0	0	0	0	0	0
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant and Equipment	2,646,265	2,696,294	2,729,950	2,746,020	2,763,322	2,780,234	2,796,767	2,805,937	2,816,601	2,826,966
Investments	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	2,646,265	2,696,294	2,729,950	2,746,020	2,763,322	2,780,234	2,796,767	2,805,937	2,816,601	2,826,966
Total Assets	2,749,043	2,811,720	2,852,655	2,886,067	2,920,317	2,954,636	2,989,043	3,015,657	3,043,326	3,071,165
Current Liabilities										
Payables	13,919	14,357	14,777	15,149	15,501	15,862	16,232	16,611	17,000	17,398
Provisions	21,111	21,638	22,179	22,734	23,302	23,885	24,482	25,094	25,721	26,364
Borrowings	1,303	1,023	-	-	-	-	-	-	-	-
Contract Liabilities										
Total Current Liabilities	36,332	37,018	36,957	37,882	38,803	39,747	40,714	41,705	42,721	43,762

Balance Sheet – Scenario 2 cont.

Year Ended	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
	$(,000)	**$(,000)**	**$(,000)**	**$(,000)**	**$(,000)**	**$(,000)**	**$(,000)**	**$(,000)**	**$(,000)**	**$(,000)**
Non-Current Liabilities										
Creditors	3,720	3,720	3,720	3,720	3,720	3,720	3,720	3,720	3,720	3,720
Provisions	619	619	619	619	619	619	619	619	619	619
Borrowings	1,023	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,362	4,339	4,339	4,339	4,339	4,339	4,339	4,339	4,339	4,339
Total Liabilities	41,694	41,357	41,296	42,221	43,142	44,086	45,053	46,044	47,060	48,101
Net Assets	2,707,348	2,770,362	2,811,359	2,843,846	2,877,175	2,910,551	2,943,990	2,969,613	2,996,266	3,023,064
Equity										
Accumulated Surplus	1,092,313	1,142,772	1,176,557	1,191,718	1,208,088	1,224,045	1,239,598	1,247,764	1,257,399	1,266,710
Asset Revaluation Reserve	1,615,035	1,627,590	1,634,802	1,652,128	1,669,087	1,686,506	1,704,392	1,721,849	1,738,867	1,756,354
Total Equity	2,707,348	2,770,362	2,811,359	2,843,846	2,877,175	2,910,551	2,943,990	2,969,613	2,996,266	3,023,064

Statement of Cash Flows – Scenario 2

Year Ended	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)	$(,000)
Cash Flows from Operating Activities										
- Receipts	190,954	191,658	196,862	201,814	207,219	212,803	218,562	224,502	230,629	236,950
- Adjustments - Receivables	(1,457)	(285)	(281)	(270)	(301)	(310)	(318)	(327)	(336)	(345)
- Payments	(158,849)	(160,302)	(164,723)	(168,113)	(171,846)	(176,536)	(181,367)	(187,246)	(191,471)	(196,755)
- Adjustments - Payables	1,141	966	961	926	921	944	967	991	1,016	1,041
Net Cash provided by/(used in) Operating Activities	31,788	32,037	32,819	34,357	35,993	36,901	37,843	37,920	39,838	40,892
Cash Flows from Investing Activities										
Receipts - Capital Grants/Subsidies/Contributions/ Sale of Asset	42,003	31,412	17,913	9,425	9,533	9,643	9,755	9,868	9,982	10,097
Receipts - Sale of Investments	0	0	0	0	0	0	0	0	0	0
Payments - Purchase of Investments	0	0	0	0	0	0	0	0	0	0
Payments - CapEx on Renewal/Replacement of Assets	(70,963)	(49,783)	(42,711)	(26,710)	(28,880)	(29,446)	(30,042)	(30,669)	(33,151)	(33,860)
Net Cash Used in Investing Activities	(28,960)	(18,371)	(24,798)	(17,285)	(19,346)	(19,803)	(20,288)	(20,802)	(23,170)	(23,763)
Cash Flows from Financing Activities										
Receipts - Borrowings	0	0	0	0	0	0	0	0	0	0
Payments - Principal Repayments	(2,371)	(1,303)	(1,023)	0	0	0	0	0	0	0
Net Cash Used in Financing Activities	(2,371)	(1,303)	(1,023)	0	0	0	0	0	0	0
Net Increase/(Decrease) in cash assets held	457	12,363	6,999	17,072	16,646	17,098	17,556	17,118	16,668	17,129
Cash and cash equivalents at beginning of reporting period	91,748	92,205	104,568	111,567	128,639	145,285	162,383	179,939	197,056	213,725
Cash, cash equivalents and investments at end of reporting period	92,205	104,568	111,567	128,639	145,285	162,383	179,939	197,056	213,725	230,853

CAMPBELLTOWN

Contacting Us

24 hour telephone service (02) 4645 4000
Email council@campbelltown.nsw.gov.au
Postal address PO Box 57, Campbelltown NSW 2560
Visit us Corner Queen and Broughton Streets,
Campbelltown, NSW 2560