LONG TERM FINANCIAL PLAN

2022/23-2031/32

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Introduction

What is a Long Term Financial Plan

The Long Term Financial Plan (LTFP) sets out Council's objectives and recommendations for ensuring that Council is and remains financially sustainable. Council is also required to prepare a Resourcing Strategy, under the Integrated Planning & Reporting Framework (IP&R).

The LTFP is a necessary component of this strategy and acts as a tool for stakeholders (Council and the community) to use in deciding what resources Council needs to apply to deliver the outcomes contained within the Community Strategic Plan.

The LTFP is a financial decision making and problem-solving tool. It is the point at which long-term community aspirations are tested against financial realities. It consists of modelling expenditure and revenue projections, based on a number of market based and internal assumptions.

It projects the financial impacts of significant growth within the Camden Local Government Area and helps to identify the additional resources (people, time and finances) required to plan for new communities whilst continuing to deliver the services and standard of service our community expects.

The LTFP is prepared for a period of ten years and includes the following:

- the planning assumptions used to develop the plan,
- projected income and expenditure, balance sheet and cash-flow statement,
- sensitivity analysis and testing,
- financial modelling for different scenarios, if required
- methods of monitoring financial performance.

What is the Purpose of this Long Term Financial Plan

The primary purpose of this Plan is to facilitate effective financial decision-making which is informed by the short, medium and long term expectations of the community and seeks to answer the following questions:

- Can we survive the financial pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

The plan assists 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 and serves as a guide to Council's future financial position.

The projections contained in the LTFP are subject to change from external factors and the decisions made by the Council. It is necessary to regularly review and monitor these factors and if necessary, revise the projections. In keeping with the legislative requirements outlined below, the LTFP is revised annually as part of Council's annual budget process. Any external changes to corporate assumptions are considered quarterly as to the impact on the adopted LTFP.

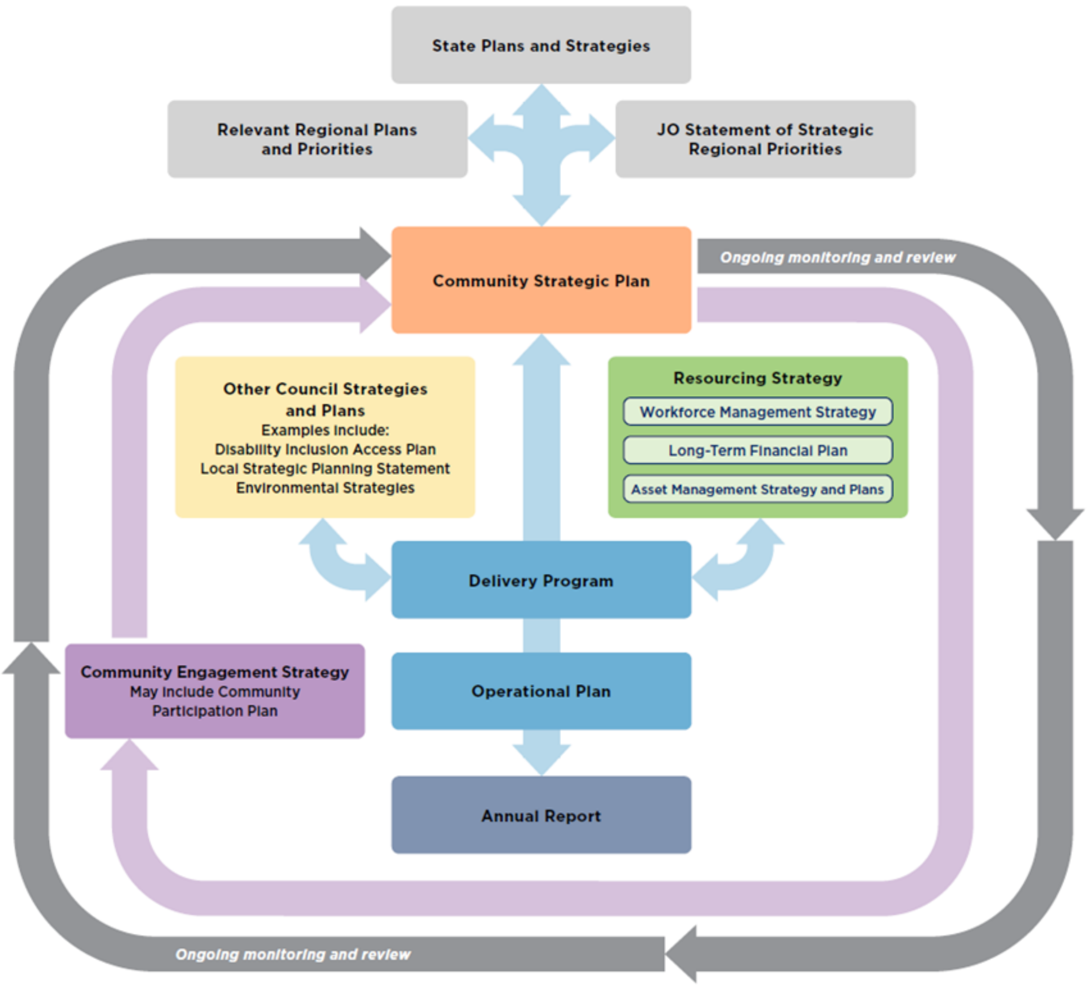
Legislative Framework

In 2009 the NSW State Government implemented the Integrated Planning & Reporting (IP&R) framework relating to the Strategic Planning processes and requirements for NSW councils. It requires councils to develop a Resourcing Strategy to assist in developing its planning documents and comprises the following three components:

- Asset Management Plan(s)
- Workforce Management Plan
- Long Term Financial Plan

The plans need to be considered together in order to identify the available money, assets and people to carry out a diverse range of services, activities and programs identified in Council's Community Strategic Plan

The diagram below shows how our planning framework fits together. In essence this document is all about making sure the plans, programs and budgets are integrated, consistent with each other and continue progress towards our community goals.



Long Term Sustainability

How do We Define Financial Sustainability

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without incurring excessive debt or rate increases. This definition has been translated into four key financial sustainability principles:

- Council transitions to a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation, noting that as a growth council, depreciation on newly constructed assets distorts the operating performance of Council,
- Council maintains sufficient cash reserves to ensure that it can meet its short-term working capital requirements,
- Council has a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works,
- Council maintains its asset base, by renewing ageing infrastructure and by ensuring cash reserves are set aside for those works which are yet to be identified.

How Long Term Financial Sustainability is measured

The Office of Local Government (OLG) has developed a set of criteria and benchmarks to measure if councils are strategic and fit for the future. The indicators were developed and based on work by NSW Treasury Corp, IPART and the Independent Local Government Review Panel.

Council's Long-Term sustainability is assessed against the set criteria and benchmarks for the 2022/23 Long–Term Financial Plan and can be found on pages 30-51.

Long Term Financial Plan

This Plan is used to inform the 2022/23 – 2024/25 Delivery Program and 2022/23 Operational Plan. It includes a summary of Council's key financial strategies and funding priorities over the course of the plan.

Financial Management Strategies

Council's Long-Term Financial Plan is based on the following aspirations:

- Council's financial position and performance is secure and financial indicators are within industry benchmarks (as adopted by Council),
- Council maintains existing service levels to residents,
- Council will continue to advocate a "whole of Government" approach to funding the capital infrastructure requirements and service provision within new urban development areas,
- Services and Infrastructure in new areas will be provided when they are needed,
- Council's capacity to fund its recurrent operations and renew critical infrastructure is improved through sustainable financial decision making.

In conjunction with these principles, Council's Long-Term Financial Plan is guided by a number of policies and strategies which are outlined over the next several pages.

Rating Income Strategy

Rating Income is generated by a levy on properties within the Council area for the provision of local government services. Council is committed to the implementation of a fair and equitable rating system, where each rating category and property will contribute to the rate levy according to the demands placed on Council's resources.

Council has the following categories for rateable land in the Camden Local Government Area:

1. Residential
2. Farmland - Ordinary
3. Farmland - Intensive
4. Business

The rating categories have been in place since 1994.

Camden Council's rates consist of a base charge ($675 proposed in 2022/23) and an ad-valorem charge. The base charge amount is a standard amount which is applied to all properties. The ad-valorem charge is a distribution of the residual rating income, calculated as a proportion of the properties land valuation. The land valuation calculated for each property is determined by the Valuer General's Department and is reviewed every three years. The last review was conducted in 2019.

Council calculates its rating charges with the intention of generating 50% of the total rate levy from the base charge (or as close there to as possible). The basis of this is that such a rating structure will provide the fairest and most equitable distribution of the rate levy in the Camden Local Government Area.

Introduction of Population Growth Factor into the Rate Peg

In October 2021, the Minister for Local Government announced that the State Government had accepted the Independent Pricing and Regulatory Tribunal's (IPART) recommendation for the inclusion of a population factor into the rate peg.

IPART has developed a methodology that enables councils to maintain per capita general income over time as their populations grow. Maintaining per capita general income will help councils to maintain existing service levels and provide the services their growing communities expect.

The approach developed by IPART amends the existing rate peg calculation to include a population factor in the rate peg that is calculated as the change in residential population, less any increase in general revenue from supplementary valuations.

In the development of a population growth factor for the rate peg, IPART undertook research which indicated councils currently only recover approximately 60% of the cost of population growth through supplementary rate income.

The methodology will apply to all councils experiencing population growth, even at low levels, but not impact councils with stable or declining populations. The methodology will allow rating income to increase to provide councils with a greater ability to manage the cost of population growth.

In December 2021, IPART announced that the rate peg for the 2022/23 financial year would be set at 0.7%. IPART also applied a growth factor for Camden of 4.3%, after considering the supplementary rate income council would receive and the change in population growth.

The total rate peg approved by IPART for the 2022/23 financial year is 5.0%

Special Rate Variation

Camden Council has not applied for a special rate variation for 2022/23. Council has not factored in any future special rate variations into this Long Term Financial Plan.

Stormwater Management Levy

Council currently levies $25 p.a. per occupied allotment for the provision of additional stormwater management services to residents in urban areas who benefit from Council provided stormwater services. The amount of $25 is set by legislation and has not changed for the 2022/23 rating year.

The levy can only be charged in areas where Council provides a stormwater management service. Income from the levy can only be used by Council for the purpose for which it is collected. Council must also maintain its existing stormwater management program.

Council has taken the approach that this levy will be used to educate and promote awareness in the community, ensure a better flow of stormwater through the LGA and an improvement in the quality of water flowing into our streams and rivers. Ratepayers who currently receive a pension rebate will be exempt from this levy providing they qualify for the pension rebate at 1 July of any given rating year.

The stormwater management levy will generate approximately $955,000 in the 2022/23 rating year.

Discretionary & Regulatory Fees & Charges

Council has the ability to generate revenue through the adoption of a fee or a charge for services or facilities. Fees and charges are reviewed on an annual basis in conjunction with the preparation of the annual budget.

The fees and charges which Council can charge can be split into two categories:

1. Regulatory fees – These fees are generally determined by State Government Legislation, and primarily relate to building, development or compliance activities. Council has no control over the calculation, and any annual increases of these fees and charges.

2. Discretionary Fees - Council has the capacity to determine the charge or fee for discretionary works or services such as the use of community facilities and access to community services.

The general principles under which Council sets its fees and charges take into account the works and services provided, the comparable commercial value, and the ability of residents to pay at the pricing level determined appropriate. The general principles that Council supports in its pricing policy are to:

1. ensure the community receives the maximum possible benefit from the services provided and from the limited resources which are used to provide that service,
2. recognise that there is an element of community benefit in Council providing certain works and services, and as such that a level of general fund contribution be incorporated into the determining of some fees and charges,
3. where a service is provided which is considered a commercial activity, that an appropriate fee be charged which recovers the cost of the service, the consumption of assets and an appropriate return on investment, which is in no way subsidised by the community.

Developer Contributions

“Developer Contributions" or "Section 7.11 Contributions" are a levy that Council can impose on development consent to help fund the delivery of infrastructure that is needed for that development. They can only be imposed as a condition of consent.

In order to levy a contribution, Council must first adopt a Contributions Plan. The plan sets out what infrastructure is needed, the likely timing of its construction, the cost of the works and how the cost is to be shared by developers and Council. Council can only levy a contribution which is in accordance with an adopted Plan.

The *Environmental Planning and Assessment Act* sets out the rules for development contributions. The Minister for Planning may issue directions that can provide further detail to the legislation, such as imposing a cap on the contributions.

When permitted, developers can construct works, or dedicate land in lieu of paying a cash contribution to the Council. Where this happens, the developer enters into either a Works In Kind Agreement or a Voluntary Planning Agreement. For example, a developer may have an agreement with Council where they will dedicate land for a park and provide the park embellishment (such as playground equipment, BBQ, paths, landscaping and parking). In these cases, the works are required to be completed prior to the developer receiving a Subdivision Certificate for their development.

In October 2021, the Department of Planning, Industry and Environment (DPIE) and the Independent Pricing and Regulatory Tribunal (IPART) released a number draft policy documents regarding proposed reforms to the NSW infrastructure contributions system.

Council provided a formal response to these draft position papers and will continue to closely monitor the impact of changes to the infrastructure contributions system and how they impact the Camden LGA both in the short and long term.

Investment Principles

Council has an adopted Investment Policy. The overall objective of this policy is to ensure that Council invests its funds:

1. in accordance with the requirements of the *Local Government Act (1993),* Minister's Order and Council's investment policy, and
2. to maximise the return on investments after taking into consideration the level of risk attributable to the type of investment made, and the level of funds required to ensure that Council meets its budget obligations.

The policy outlines:

- the manner in which Council may invest funds,
- the risk profile considerations for investment categories,
- the institutions and products which Council can invest in, and
- the reporting requirements of Council's investment portfolio.

Interest on investments is received on three types of investments:

- general fund revenues raised through the year from all sources of revenue,
- restricted investments held until expended,
- Section 7.11 contributions held until expended.

Council has control over the interest it earns on general fund revenues and unrestricted reserves, but Section 7.11 interest on investments must be utilised for the purpose for which the contribution relates. The interest Council earns on general fund revenue is untied and forms part of Council's consolidated revenue for distribution across services that are not funded by restricted funds.

Loan Borrowings

Council's position on funding expenditure through loan borrowings is:

1. Funds will only be borrowed for specific infrastructure projects, which are clearly linked to the community's expectations as outlined within Council's Community Strategic Plan,
2. Council will consider the use of loans to ensure existing residents are not burdened with the cost of infrastructure which will be enjoyed by future generations,
3. Loan borrowings will only be considered after all potential funding strategies have been investigated, including the use of any existing cash reserves and external funding opportunities,
4. The use of loan borrowings to fund operational shortfalls or service expansion is not permitted,
5. The use of loan borrowings for the purpose of leveraging an investment is not permitted,
6. Council will review its long-term financial plan to ensure there is capacity to service debt from recurrent revenues.

Proposed loan borrowings including within this plan (in the year the funds are required) are shown in the table below:

Purpose	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Road Renewal Program	$3.5M	$3.5M	$1.5M	$0	$0	$0	$0
Community Support Package Stage 3	$8.35M	$11.85M	$13.2M	$0	$0	$0	$0
Community/Civic Catalyst Site	$0	$0	$0	$27.3M	$27.3M	$0	$0
Works Depot Stage 2	$0	$0	$0	$0	$0	$0	$5.0M
Total	**$11.85M**	**$15.35M**	**$14.7M**	**$27.3M**	**$27.3M**	**$0**	**$5.0M**

Loan borrowings are indicative and revisited as part the final funding package for all infrastructure projects. What is important to understand as a growth Council is the capacity to sustain debt and service debt now and into the future.

Council has considered the impact of its proposed loan borrowings program and is satisfied that this level of debt is within the recommended levels for a growth Council. The associated debt servicing (loan repayments) has been included in Council's LTFP and is secured against rate income as required under the *Local Government Act 1993*.

Low Cost Loan Initiative (LCLI)

The Low-Cost Loans Initiative (LCLI) assists councils with the cost of borrowing to fund new infrastructure by providing a 50% refund of the interest paid on loans. This is to help councils bring forward the delivery of infrastructure they have been planning to support their growing communities in new housing areas.

Council successfully applied for this funding in relation to the $8.8m loan taken out for the redevelopment of Council's Depot at Narellan. Under this LCLI funding agreement, Council will receive $406,000 in total over 10 years which will be transferred to the Asset Renewal Reserve. This is in addition to savings of $700,000 achieved from previous successful LCLI applications.

Council will take advantage of being able to access loans through the NSW State Government (T-Corp) and will actively pursue funding through initiatives such as the Low-Cost Loan Initiative for future loans as they are required.

Cash Reserves & Restrictions

Council has a number of cash reserves which are either a legislative requirement (externally restricted) or through a Council resolution (internally restricted). The projected balance of cash reserves as at 30 June 2023 is $147.8 million.

The following outlines the various reserves Council has established, the funds available in each and the purpose of the reserve.

Externally Restricted Reserve	Purpose of Reserve	Projected Balance 30/06/2023
Section 7.11 Developer Contributions And Restricted Voluntary Planning Agreement (Cash Component)	In accordance with Section 7.11 of the *Environmental Planning and Assessment Act*, all unexpended S7.11 Contributions are to be restricted and only used for the purpose for which they were collected under the various Contributions Plans Council has adopted.	$121.9 million
Domestic Waste Management	This externally restricted reserve is the balance of funds available to fund operational shortfalls and the replacement of plant for Council's waste service. The Local Government Act does not permit any general fund subsidy for the provision of waste services.	$10.5 million
Total External Reserves projected at 30 June 2023		**$132.4 million**

Note: External Reserves can only be used for the purpose for which the funds were collected.

Internally Restricted Reserve	Purpose of Reserve	Projected Balance 30/06/2023
Assets Renewal Reserve	This reserve is for the replacement and/or renewal of existing assets.	$380k
Central Admin Building Asset Renewal Reserve	This reserve is minor renewal works at Council's Administration Building	$300k
Engineering Bonds & Deposits	This reserve contains a number of developer payments to secure future works such as footpath construction and roadworks. If the developer undertakes the works, then the amount held by Council will be returned to the developer.	$251k
Employee Leave Entitlements	This purpose of this reserve is to partially fund Council's liability for annual leave and long service leave. Council's target provision for this reserve is 15% of the overall leave entitlements liability.	$3.7 million
Loan Repayment Reserve	This reserve contains the funding that Council set aside to meet initial loan repayments in relation to the $8.8m loan to fund the Depot Redevelopment	$1.6 million
Loan Reserve	This reserve is for the loan funding in relation to Asset Renewal works and Community Support Package Stage 3	$1.0 million
Plant Replacement Reserve	This reserve is to ensure there is sufficient funding available to replace major plant upon the end of its useful life. The reserve is supported by a ten-year plant replacement program.	$2.0 million
Capital Works Reserve	The purpose of the Capital Works Reserve is to fund works which Council deems as essential capital infrastructure renewal or upgrade, which cannot be funded through alternative sources such as grants or S7.11 Developer Contributions. The reserve also acts as emergency fund for Council to undertaken unforeseen works at short notice.	$772K
Section 355 Committee Reserve	Money held in reserve for S355 Committees	$742k
Information Technology Replacement Reserve	Established as part of the 2018/19 budget to fund a 4-year cycle of computer hardware replacement (program).	$446k
Work Health & Safety	In adopting 2014/15 Budget, in order to address	$55k

Internally Restricted Reserve	Purpose of Reserve	Projected Balance 30/06/2023
Reserve	Organisation Health and Safety, Council established this Reserve.	
Risk Management Reserves	This is an equalisation reserve to protect Council against insurance premium shock.	$110k
Cemetery Improvements	This reserve was established to fund future cemeteries capital works.	$1.6 million
Commercial Waste Management Reserve	This reserve is used to fund the replacement of plant, together with the restriction of operational surpluses achieved through the Commercial Waste Service.	$1.5 million
Other Restrictions	Council holds a range of minor internal reserves for purposes such as family day care and community facilities.	$1.0 million
Total Internal Reserves projected at 30 June 2023		**$15.4 million**

The balance of Council's reserves and the need for new reserves is considered annually as part of the budget process.

Minimum Working Funds Balance

Council's current policy is to maintain a minimum working funds balance of $1,000,000. These funds are held as part of Council's internal reserves. This amount represents funds readily available in cash, which are not committed in Council's current budget.

This amount has been deliberately set aside by Council to allow for situations where emergency funding is required due to a major unforeseen circumstance within the LGA. The level of the restriction will be reviewed as Council's budget grows.

Asset Disposal & Property Investment Strategy

Council has a limited portfolio of property holdings which are not engaged in the delivery of essential services to the community. The majority of Council's property assets deliver on services such as:

- Transport Infrastructure,
- Environmental services, such as stormwater management,
- Community Facilities,
- Operational Assets, including administration buildings.

Council does not actively participate in the purchase of property as an investment. The limited number of property investments which Council currently owns primarily relate to land holdings within industrial and residential areas within the Camden LGA.
Council will consider the sale of surplus land where funds are required for capital purposes. Council's criteria for the sale of property assets are as follows:

- The asset is no longer used, or is not required for the provision of a core community service,
- The asset has reached the end of its useful life and provides no further tangible benefit to the community,
- Market conditions indicate that the asset could provide a substantial return which could be used to fund other capital investments,
- The asset is incurring a higher level of maintenance cost than would normally be expected.

While revenue generated from the sale of land assets could be used to alleviate operational budget pressures, this is a financially unsustainable measure as the funding would only provide a short-term solution.

Lease Income

The completion of the Oran Park administration building enabled Council to lease the previous administration centres at Camden and Narellan. Council also receives lease income for air rights over the Camden Valley Way from the Narellan Town Centre. A number of other residential and commercial buildings are leased by Council on a commercial basis.

Council undertakes an external valuation on an annual basis on all investment properties and conducts a 'highest and best use' review of all operational land holdings every three years.

External Influences on Council's Plan

There are a range of external influences which are considered in this Long Term Financial Plan. These external factors represent issues or factors which Council has no control over, or where Council has limited capacity to predict their impact over the long term course of this plan.

Rate Capping

Local Government's ability to align rating revenue with the increased cost of providing services has been restrained for many years by rate pegging. Rate pegging is a legislative instrument whereby the maximum increase in rating revenue is set by IPART. Any significant change to the rate capping process will require Council to review this plan.

In October 2021, the Minister for Local Government announced that the State Government had accepted the Independent Pricing and Regulatory Tribunal's (IPART) recommendation for the inclusion of a population factor into the rate peg.

In December 2021, IPART announced that the rate peg for the 2022/23 financial year would be set at 0.7%. In recognising this significant amount of growth in the Camden Local Government Area, IPART applied an additional 4.3% population growth factor for the 2022/23 financial year. The total rate peg approved by IPART for the 2022/23 financial year is 5.0%.

The Long Term Financial Plan has been updated to reflect an increase in rate income for the 2022/23 financial year of 5%.

To demonstrate the impact this rate increase has on Council's financial sustainability, additional scenarios have been modelled which identifies Council's changing financial position if a 0.7%, 3% or 4% rate increase had been approved by IPART.

Economic Conditions

Before the onset of the COVID-19 pandemic, Council's Long Term Financial Plan had already considered a downward shift in the housing market which impacts development assessment income and rate income. This downturn is in part due to a land supply issue, rather than demand for new urban lots. The timing and impact of development market conditions continues to be monitored monthly.

Market based assumptions which have been used in this plan are sourced from Access Economics Business Outlook Report. Council's revenue forecasts for investment income, development income and rating income (through growth) are heavily influenced by the wider economy in general, and as such any significant change from the market assumptions adopted in this revised plan will require Council to review this plan.

Urban Development – Population Growth

The impact of population growth is factored into Council's Long Term Financial Plan. A range of stakeholders are consulted in projecting future land release, including Developers and State Agencies.

As stated above, before the onset of the COVID-19 pandemic, Council's Long Term Financial Plan had already considered a downward shift in the housing market which impacts development assessment income and rate income. This downturn is in part due to a land supply issue, rather than demand for new urban lots.

Population growth and the timing of growth has a significant influence on Council's LTFP.

Proposed Reforms to the NSW Infrastructure Contributions Systems

In October 2021, the Department of Planning, Industry and Environment (DPIE) and the Independent Pricing and Regulatory Tribunal (IPART) released a number draft policy documents regarding proposed reforms to the NSW infrastructure contributions system.

In summary, the key areas of the reforms include:

- The introduction of Land Value Contributions (LVC),
- New rates for Section 7.12 contributions,
- Changes to the Environmental Planning & Assessment Regulation that seek to make the system, fairer, more efficient and improve transparency,
- Replacing Special Infrastructure Contributions (SIC) with the Regional Infrastructure Contributions (RIC) framework, and
- Two new Ministerial Directions that outline when contributions plans are to be developed and the efficient use of public purpose land.

The LVC is a new mechanism that Councils may choose to adopt within contributions plans as a mechanism to assist in the early acquisition of public land.

Under the current practice, contributions are required from a developer during the Development Application (DA) process and fulfilled via a monetary contribution or the dedication of land to Council. This can often see the price of public land escalate, creating significant funding shortfalls for Local Government.

The introduction of an LVC proposes to shift the timing of when the contribution is due, as well as who is responsible for the contribution. Under this proposed system, an LVC is required when a landowner sells land or during the DA process, whichever comes first.

Council provided a formal response to the draft position papers and will continue to closely monitor the impact of changes to the infrastructure contributions system and how they impact the Camden LGA both in the short and long term.

Other Influences

Council's budget continues to face significant pressures from:

- increasing expenditure as a result of cost shifting from other levels of Government,
- increases in the cost of procuring goods and services, have been consistently higher than rate pegging increases as determined by IPART,
- greater competition in the allocation of external funding, such as the Financial Assistance Grant,
- government policy on grants and contributions to Local Government (in general).

Council includes estimates in its Long Term Financial Plan using the most up to date information available at the time of preparing the plan.

Long Term Financial Plan Assumptions

The Long Term Financial Model uses the current operational budget as its base point. It then uses a number of internal and market driven assumptions to project revenue and expenditure for the following ten years.

A comprehensive analysis of all internal and external factors affecting those assumptions is undertaken as part of preparing the annual budget to ensure there is a level of confidence in the outcomes provided in the Long Term Financial Plan.

In preparing the 2022/23 Long Term Financial Plan, the following underpinning principles have been adopted:

- the range and standard of existing services offered to the community is maintained,
- Council's financial position remains secure and that Council's financial performance is within industry benchmarks (or trending positively),
- an uncommitted minimum working funds balance of $1 million is maintained,
- The need to closely monitor the current economic climate which continues to be impacted by conflict in Europe, uncertainty regarding inflation and supply chain concerns for goods and materials. Any significant changes will be identified at quarterly reviews of the budget.

Population Growth

The expected population growth which will occur as a result of land releases in the South West Growth Areas will be the largest challenge this Council will face. There remains a difficulty in determining the timing of residential development as there is a multitude of factors which influences the release of land.

Despite these difficulties, Council has estimated that 2,000 new dwellings will be delivered per annum for the next 2 years.

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Additional Dwellings	2,000	2,000	2,400	2,700	2,700
	2027/28	**2028/29**	**2029/30**	**2030/31**	**2031/32**
	2,700	2,700	2,700	2,700	2,700

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Population Projection	128,800	133,800	139,400	146,800	155,200
	2027/28	**2028/29**	**2029/30**	**2030/31**	**2031/32**
	163,600	172,000	180,400	188,800	197,200

Inflation (Consumer Price Index)

In determining the inflationary increase assumption for this Long Term Financial Plan, Council has used the most recent Access Economics Data which indicates that inflation projections for the next ten years will be as follows:

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Underlying Inflation	2.90%	2.20%	2.30%	2.30%	2.30%
	2027/28	**2028/29**	**2029/30**	**2030/31**	**2031/32**
	2.30%	2.30%	2.30%	2.30%	2.30%

This assumption has been used for preparing estimates in this plan where inflation (CPI) has been identified as the trigger for contract or material price increases.

Given the current uncertainty regarding inflation and the impact of global events such as conflict in Europe on the broader economy, Council will closely monitor changes to inflation and will identify any budgetary impact as part of the quarterly review process.

Interest Rate Movements

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Return on Investment	1.00%	1.20%	2.10%	2.60%	3.00%
	2027/28	**2028/29**	**2029/30**	**2030/31**	**2031/32**
	3.00%	3.00%	3.00%	3.00%	3.00%

Council has used Access Economics 90-day commercial bank bill rate to determine forecast projections for interest on investments. Notwithstanding this projection, Council has in recent years consistently achieved better returns than the official cash rate. As a result of this, an investment target of 0.8% in 2022/23 and 0.5% in future years above the projections provided by Access Economics has been used. This ‘performance factor’ is included in the above table.

Borrowing Costs

Borrowing cost projections have also been determined on the basis of Access Economics Data. The interest rate obtained within the Economic Outlook has been used in calculating the interest costs of Council's proposed loan borrowings included within this plan.

Council will secure the most competitive interest rates when borrowings are required through obtaining loan quotes, which will include obtaining rates from NSW Treasury (TCorp).

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Borrowing Costs	3.30%	3.30%	3.80%	4.20%	4.50%
	2027/28	**2028/29**	**2029/30**	**2030/31**	**2031/32**
	4.50%	5.00%	5.00%	5.00%	5.00%

Revenue and Expenditure Assumptions

The tables on the next pages outline Council's financial assumptions by revenue and expenditure types. Also included is a brief description as to how Council has determined the assumption.

Revenue Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Rates & Annual Charges										
Rate Peg	0.7%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Population Growth Factor	4.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Special Rate Variation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Supplementary Rate Income	$1.7M	$1.7M	$2.1M	$2.5M	$2.6M	$2.7M	$2.8M	$2.9M	$3.0M	$3.1M
Comments: Council was advised that IPART had determined a rate peg including a population growth factor for 2022/23 of 5.00% for Camden Council. For future years, it has been considered prudent to assume that no significant increases will be approved by IPART without Council applying for a Special Rate Variation. Additional income as a result of growth (supplementary rate income) has been based on the number of lots Council believes its rating base will increase by annually. These projections have been reduced due to the current housing market conditions. Additional income received is predominately applied against the cost of service delivery and infrastructure maintenance in the growth areas of Camden.										
Domestic Waste Service Charge	3.00%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Stormwater Levy Charge	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Comments: Council calculates its waste management service charges to ensure that its total income can fund the operating and maintenance costs associated with providing the service, including provisions for major plant replacement. Domestic Waste Management Charges are determined through the use of a dedicated ten-year waste management financial model, which considers the impact of growth on service delivery over the long term horizon. Council levies a charge on properties within the LGA which have a stormwater service. The Stormwater Levy charge for 2022/23 is $25 for a single dwelling. This is the maximum amount which can be levied under the Stormwater Management Guidelines.										

Revenue Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
User Fees & Charges (Including Lease Income)										
Statutory Fees & Charges	Increase is not determined by Council – Increases are in accordance with relevant legislation									
Commercial Waste Fees	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Other Discretionary Fees	2.90%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Building & Development Income	$7.6m	$8.1m	$8.3m	$8.6m	$8.8m	$9.0m	$9.2m	$9.4m	$9.6m	$9.9m
Net Lease Income	$1.4M	$1.4M	$1.5M	$1.5M	$1.5M	$1.6M	$1.6M	$1.7M	$1.7M	$1.7M

Comments:

Council does not generate a significant amount of income from discretionary fees. This is primarily a result of the need to balance revenue with the need to provide affordable and equitable services to residents (for example, the hire of community facilities and the use of sporting facilities). Whilst Council's Long Term Financial Plan projects increases in discretionary fees of 2.90% per annum in 2022/23 (in line with projected inflation), the majority of community facilities still require a subsidy from general rates.

Building and development income forecasts are projected in line with the expected development activity within new release areas. It is important to note that the level of income received from development activity is primarily dependent on the receipt of applications from developers, and as such income can fluctuate dramatically from one year to the next.

Recurrent lease income is primarily from Council's former administration buildings at Camden and Narellan. Council also receives recurrent income under an Air Rights agreement for the bridge on Camden Valley Way and the leasing of a childcare facility at Narellan.

Revenue Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Interest & Investment Revenue										
Return on Investment Portfolio	1.00%	1.20%	2.10%	2.60%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment Base Growth	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Comments:

Council has used Access Economics Business Outlook data to determine its long-term projections on interest and investment revenues. As Council consistently performs above the official target cash rate, a performance factor of 0.5% has also been added (0.8% in 2022/23). It is also anticipated that Council's investment base (pool of funds available for investment) will increase over the term of this plan.

Revenue Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Grants & Contributions for Operating Purposes										
Financial Assistance Grant	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Grant & Contributions	$4.5M	$4.7M	$4.8M	$4.9M	$4.9M	$5.0M	$5.0M	$5.1M	$5.2M	$5.2M

Comments:

Council receives a number of operational grants from various Government agencies. The largest of these being the Financial Assistance Grant (FAG). This is a Federal "untied" grant which is distributed through the various states by the Local Government Grants Commission. There are two components of the grant, the "roads component" which is based on road types and road length throughout the LGA and the "General Equalization component", which is distributed according to a methodology taking into account revenue raising capacity and expenditure disabilities.

The Local Government Grants Commission have advised that the current floor of 0% (i.e. no councils will receive less than the previous years allocation) will be moved to a floor of negative 5%, meaning there is a risk in the future that councils will receive a reduced allocation when compared to previous years. Camden is one of a number of councils currently protected by the 0% floor. The Grants Commission is yet to be formally announce when this change will be introduced. It is assumed that any negative impact will be offset against the increase Council will receive in relation to population growth.

Council will continue to pursue opportunities for other grants and contributions as a means of diversifying its revenue sources and reducing its reliance on rate income or borrowings. Grants (other grant funding) are assessed as they become available and supported by a range of complimentary funding sources (i.e. when matched funding is required) such as the Capital Works Reserve. It is difficult to estimate any operating grant income to be received from the State or Federal Government for stimulus related COVID-19 projects.

Other Revenues										
Underlying Inflation	2.90%	2.20%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%

Comments:

Other sources of revenue range from fines income, commissions and agency fees, contract works undertaken on behalf of state agencies and developers and miscellaneous sales. The increase in other revenue has been projected in line with inflation over the next ten years.

Given the current uncertainty regarding inflation and the impact of global events such as conflict in Europe on the broader economy, Council will closely monitor changes to inflation and will identify any budgetary impact as part of the quarterly review process.

Revenue Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Grants & Contributions for Capital Purposes										
Cash Contributions & Grants										
Section 7.11 Contributions	$48.1M	$54.0M	$48.5M	$58.5M	$68.5M	$88.5M	$88.5M	$78.5M	$78.5M	$78.5M
Roads to Recovery Program	$875K	$875K	$875K	$900K	$900K	$900K	$900K	$900K	$900K	$900K
Non Cash Contributions										
Developer Contributions (VPAs)	$33.1M	$52.4M	$42.9M	$40.6M	$43.8M	$46.9M	$50.0M	$50.0M	$51.0M	$52.6M
Infrastructure dedications (S80A)	$74.2M	$76.1M	$90.5M	$93.6M	$96.0M	$98.4M	$101.0M	$101.0M	$103.0M	$106.0M

Comments:

The major sources of capital revenue are Section 7.11 Developer Contributions (cash) and S80A Infrastructure dedications (non-cash) under the *Environmental Planning and Assessment Act*. Predicting the amount of revenues receives from these two sources is extremely difficult as they are essentially market driven and depend on the timing of subdivision release and asset handover to Council. Section 7.11 Developer Contributions are cash payments which are restricted for the purpose of which the funds were collected. The estimated value of S80A Infrastructure dedications is based on the number of new lots that are expected to be created in future years and the asset value per lot value ($37,100 per lot) for infrastructure which will be required in the Camden Local Government Area.

In February 2022, the State Government announced the introduction of the West Invest Scheme which will provide multi-million dollar funding to Western Sydney councils. At the time of preparing the plan, Council was considering all suitable projects which could be funded through the scheme. The LTFP and Budget will be updated once the allocation of the grant funding has been approved

Loan Borrowings										
Loan Borrowings (indicative)	$11.85M	$15.35M	$14.7M	$27.3M	$27.3M	$0	$5.0M	$0	$0	$0

Comments:

Council is proposing to borrow $11.85 million in 2022/23, $15.35 million in 2023/24 and $14.7 million in 2024/25 towards its Renewal Program and Community Support Package. The details of the loan summary are shown on page 10. The loan funding for the Community/Civic Catalyst Site is indicative and subject to a resolution of Council. Loan borrowings are indicative and revisited as part the final funding package for all capital projects. What is important is understanding the organisation's capacity to sustain debt and service debt now and into the future, this provides funding options for the delivery of large-scale infrastructure assets to the community.

Expenditure Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Employee Costs & Overheads										
Industry Award Increase	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Staff Performance Mgmt. System	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Superannuation Payments	10.50%	11.00%	11.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Workers Comp Target (% Wages)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Comments:

Council's projection is that full time equivalent staff will increase from 547 (2021/22 Projections) to 644 by 2031/32. As part of Council's workforce plan, a total of 97 additional (new) positions have been incorporated in this plan. These positions are considered high priority positions and are consistent with Council's adopted Workforce Plan. The positions will assist in areas where services are under pressure to keep up with demands and represent a combination of operational and technical staff.

Aside from the significant increase in staff that Council will require over the next ten years to plan and manage for growth, a number of assumptions are used to project future employment costs, including award increase projections and performance management increases. This plan reflects the increases identified within the Local Government Award and the subsequent changes to work related allowances and conditions of employment. Council also includes a provision for increases under the staff performance management system of 1.50% per annum (regrades etc) which is based upon historical evidence.

Other assumptions relating to employee costs which are included in this plan include:

- No change is expected in existing employee working hours.
- New employees are included within this plan with the expectation that they will be employed at Step 2 of the Performance Management System, which is based on historical evidence.
- Council's ageing workforce is expected to impact its workers compensation premium; however, this additional cost is expected to be offset through preventative strategies outlined within the workforce plan.
- Council has modelled future superannuation expenditure based on the Federal Government's budget announcement to increase in the statutory contribution rate from 9.50% to 12.00% incrementally.

Expenditure Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Borrowing Costs										
Interest Rate – Borrowings (10 Years)	3.30%	3.30%	3.80%	4.20%	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%
Interest Rate – Borrowings (20 Years)	2.80%	3.20%	3.80%	4.20%	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%
Comments: Council's projected loan liability as at 30 June 2022 is $43.4 million and is expected to increase to $96.4 million by the end of 2031/32. Future interest rates have been sourced from Access Economics although future borrowings are expected to be at more competitive rates obtained through the NSW State Government (TCorp). This plan also includes borrowings for Community/Civic Catalyst Site ($54.6M), Roads Program ($12M) and Community Support Package Stage 3 ($37.3M). All loans are indicative and are reviewed by Council as part of the annual budget process.										
Materials & Contracts										
Discretionary Program Expenses	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Underlying Inflation	2.90%	2.20%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Comments: Projected increases in materials & contracts costs are generally in line with inflation over the ten years of this plan. Whilst Council expects significant increases in the cost of road materials, fuel and waste disposal costs, these increases will be partially mitigated by technology improvements, the implementation of cost reduction strategies and continued improvement in procurement processes. Given the current uncertainty regarding inflation and the impact of global events such as conflict in Europe on the broader economy, Council will closely monitor changes to inflation and will identify any budgetary impact as part of the quarterly review process.										

Expenditure Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Depreciation & Amortization										
Projected Depreciation Cost	$35.0M	$36.0M	$37.0M	$38.0M	$39.0M	$40.0M	$41.0M	$42.0M	$43.0M	$44.0M
Comments: The Long-Term Financial Plan includes the projected depreciation costs for new assets which are dedicated to Council through the development process (through Section 7.11 & Voluntary Planning Agreements) and new works which have been identified within Council's Capital Works Program. Depreciation is a non-cash amount which has zero impact on Council's cash budget. For external reporting purposes depreciation is an expense as it measures asset consumption. Depreciation expense is required to determine the asset renewal ratio, which for a Council like Camden who has a high percentage of new assets, is not the most accurate measure for the renewal of assets. Council is also required to use the straight line method for calculating depreciation expense which means Council is required to bring to account levels of depreciation expenses representative of a much higher population. The level of depreciation expense is subsequently distorting Council's reported operating position. This will improve over time as the appropriate economy of scale (population levels) is achieved.										
Other Expenses										
Street Lighting	12.0%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Utility Costs	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Insurance Premiums	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Comments: Other expenses primarily relate to street lighting, utility costs and insurances. A range of assumptions have been used in determining appropriate increases in these costs. These assumptions include inflationary pressures, IPART determinations and general service increases (or asset expansion) which is expected as a result of urban development. With respect to statutory charges (payments to other levels of Government) projected costs are based on historical increases. This is a result of increases above inflation over the past several years. Examples of statutory payments include election costs, and the waste disposal levy.										

Long Term Financial Plan - Scenario Analysis

Long Term Financial Plan Base Model

Council has updated its long term financial plan base model to reflect the changes outlined in the assumptions described earlier in this document. The financial model is for a period of 10 years. It considers current services and service levels, workforce planning and asset management. The model also includes increases in income and expenditure as a result of growth.

Like all businesses, Council must budget and prioritise the allocation of its resources. Council has determined the community's priorities through both community consultation and Council's Community Strategic Plan.

	Base Model
Existing Service Levels	**Maintained**
Rate Peg Inclusive of Population Growth Factor	**Included**
Workforce Planning Requirements	**Funded**
Asset Management Maintenance & Renewal	**Funded (Part)**
Community Infrastructure Renewal Program	**Funded**
Western Sydney City Deal	**Included**
Community Support Package (COVID-19) (Stage 3)	**Funded**

Maintaining Existing Service Levels

This plan allows for:

- the existing range of services provided by Council,
- maintaining the existing standards and levels of these services.

While it is anticipated that service priorities will change as population grows, it is not envisaged the range of services, nor the standards at which they are delivered will change significantly. Council will engage with the community as part of the Integrated Planning and Reporting Framework to validate this assumption.

Rate Peg Inclusive of Population Growth Factor

In December 2021, IPART announced that the rate peg for the 2022/23 financial year would be set at 0.7%. IPART also applied a growth factor for Camden of 4.3%, after considering the supplementary rate income council would receive and the change in population growth. The total rate peg approved by IPART for the 2022/23 financial year is 5.0%.

For future years, Council has taken a more conservative view, projecting a rate peg of 1.8% per annum and a population growth factor of 1.2% per annum. This results in a combined rate income increase projection of 3% per annum.

Workforce Planning

Council's Workforce Management Plan aims to ensure that as an organisation, Council has the right people, in the right place, at the right time.

The Workforce Management Plan plays an important role in achieving the goals outlined in Council's Community Strategic Plan, as it is through our largest and most important resource, our people that we will achieve these goals. The Workforce Management Plan allows for an additional 97 positions over the next ten years. These positions are critical in ensuring that Council is able to provide the range of services and maintain service levels to a standard the community expects.

Asset Management Maintenance & Renewal

Council's current maintenance program is approx. $18.7million across all asset classes (includes open space maintenance). Council's updated Asset Management Plan identifies a significant increase in both asset maintenance and infrastructure renewal funding allocations. This is primarily a result of the growth in Council's asset base over the next ten years.

Funding has been allocated in Council's Long Term Financial Plan to reflect this additional expense. The funding required has been phased in over time to align with the Council's Asset Management Plan. Additional funding requests for asset maintenance and infrastructure renewal are considered annually as part of the budget process and is informed by the timing and handover of assets to Council.

Community Infrastructure Renewal Program

As the population of Camden grows, so to does our asset infrastructure such as roads, drainage, parks and community buildings. To ensure Council maintains its infrastructure in a good condition and the renewal backlog remains within the industry benchmark Council has a adopted a number of renewal programs over the past 10 years which have been very successful.

In 2018/19 Council decided not to continue with its special rate variation of 1.10% for asset renewal, but still funded a new $5.1 million program to be completed in 2022/23 without the need to increase rate revenue. To further support Council's renewal programs the COVID-19 Community Support packages have elements of asset renewal and maintenance included.

Western Sydney City Deal

City Deals are a new approach in Australia, bringing together all three tiers of government (local, state and federal), the community and private enterprise to create place-based partnerships. They work to align the planning, investment and governance necessary to accelerate growth and job creation, stimulate urban renewal and drive economic reforms.

The Western Sydney City Deal incorporates the local government areas of Campbelltown, Camden, Fairfield, Hawkesbury, Liverpool, Penrith, the Blue Mountains and Wollondilly. It was formalised in October 2016 and officially signed by Prime Minister, the NSW Premier and the Mayors of the eight Councils included in the Deal.

The Western Sydney City Deal is the single largest planning, investment and delivery partnership in the history of the nation. It is a twenty year agreement between the three tiers of government to deliver a once-in-a-generation transformation of Sydney's outer west - creating the Western Parkland City.

The City Deal builds on the Australian Government's $5.3 billion investment in the Western Sydney Airport to catalyse investment, development, and job opportunities. It includes commitments from all levels of government across six priority areas:

1. Connectivity
2. Jobs for the future
3. Skills and education
4. Planning and housing
5. Liveability and environment
6. Governance

Community Support Package COVID-19

Council developed a support package (Stage One and Two) in response to the COVID-19 crisis that has already seen $16.8 million injected into the local economy in the form of business and household support, as well as through accelerated infrastructure and capital works projects. This investment helped support several of the hardest hit industries in Camden, including retail trade and food services.

Council has developed a recovery package (Stage Three) which, in its current form, will deliver over $113 million of direct economic stimulus to the Camden economy. Currently, over 90% of the value of investment is geared towards bringing forward infrastructure and capital works spending. This spending will help the local economy recover from COVID-19 and create new opportunities for residents and businesses in the Camden LGA.

It is estimated that Stage One and Two have raised output in Camden by between $23.5 million and $26.7 million, supported 58 to 70 FTE jobs, and contributed $11.3 million to $13.3 million to Camden's gross regional product (GRP). Stage Three, in its current form, is estimated to raise output by $174 million to $195 million, support 355 to 437 FTE jobs, and contribute between $76.1 million and $89.4 million to Camden's GRP.

A summary of the Stage Three program of works is shown in the table below:

Initiative or project	Time horizon	Value
Capital works program	2021 to 2025	$104,995,000
City beautification	2021 to 2025	$4,124,000
Local roads and community infrastructure	2021 to 2025	$2,980,000
Local employment	2022-23	$675,000
Grants and financial assistance	2020-21	$360,000
Events	2020-21	$320,000
Programs	2020-21	$248,000
Building renewal and upgrades	2023-24	$150,000
Total Budget		**$113,852,000**

Long Term Financial Plan – Alternate Scenarios

This Long Term Financial Plan contains a range of alternate scenarios which focus on the level of rate income generated in the 2022/23 Financial Year. As the 2022/23 financial year was the first year that the rate peg has included a population growth factor, these alternate models have been developed to emphasise the importance of this population growth factor to ensure long term financial sustainability.

Scenarios have been developed based on the following rate peg increases for the 2022/23 financial year.

Model	2022/23 Rate Peg	Revenue loss over 10 years
Baseline	5%	$0
Scenario 2	4%	$10.3M
Scenario 3	3%	$20.5M
Scenario 4	0.7%	$44.1M

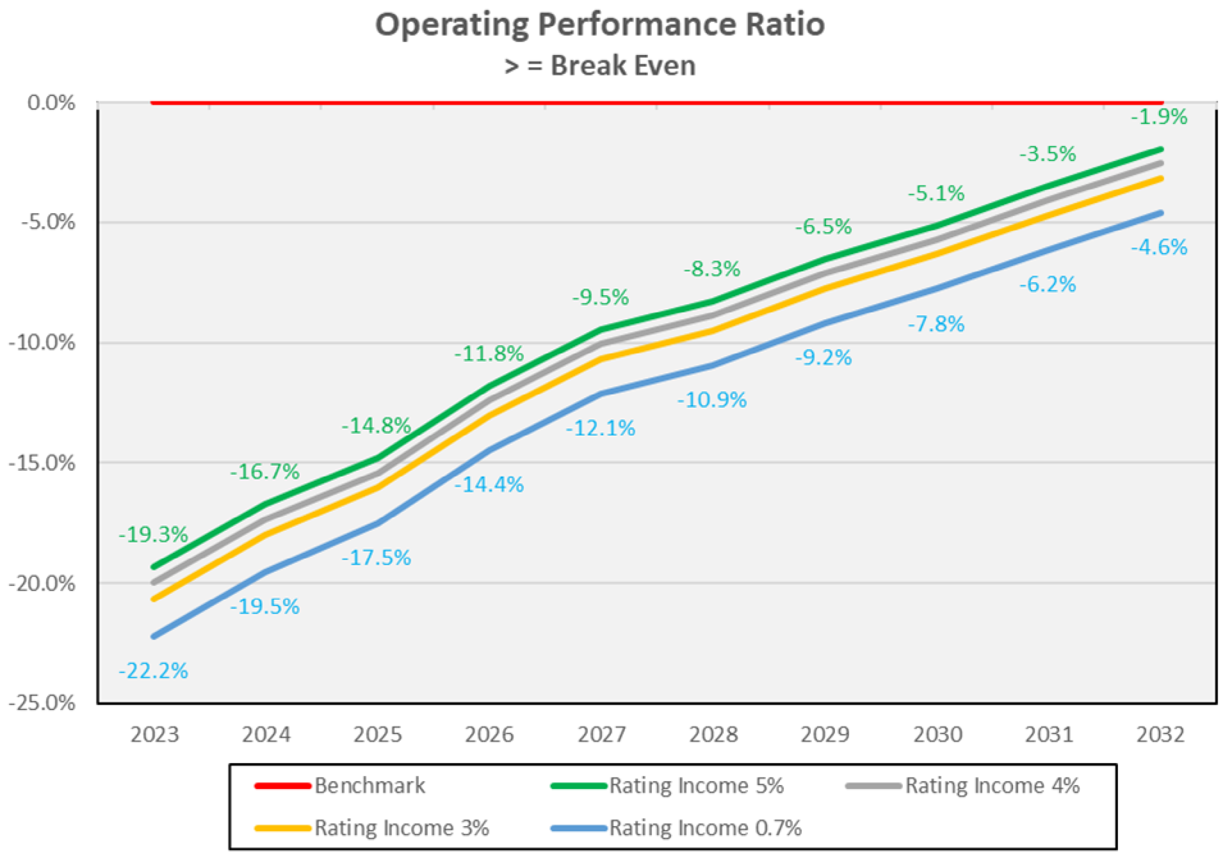
The next section of this document outlines the impact each of these scenarios have on Council's financial performance indicators that demonstrate long term financial sustainability.

Ratio Analysis and Long Term Financial Sustainability

This section of the plan summarises the key financial ratio's that assist councils to determine their financial health and sustainability.

Operating Performance Ratio

This ratio measures Council's ability to fund operations now and into the future. The benchmark for this ratio is to be greater than or equal to break-even - average over 3 years.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rating Income 5%	-19.3%	-16.7%	-14.8%	-11.8%	-9.5%	-8.3%	-6.5%	-5.1%	-3.5%	-1.9%
Rating Income 4%	-20.0%	-17.3%	-15.4%	-12.4%	-10.1%	-8.9%	-7.1%	-5.7%	-4.1%	-2.6%
Rating Income 3%	-20.6%	-18.0%	-16.0%	-13.0%	-10.7%	-9.5%	-7.8%	-6.3%	-4.7%	-3.2%
Rating Income 0.7%	-22.2%	-19.5%	-17.5%	-14.4%	-12.1%	-10.9%	-9.2%	-7.8%	-6.2%	-4.6%

Total continuing operating revenue (exc. capital grants & contributions) less operating expenses

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Total continuing operating revenue (exc. capital grants & contributions

Comments

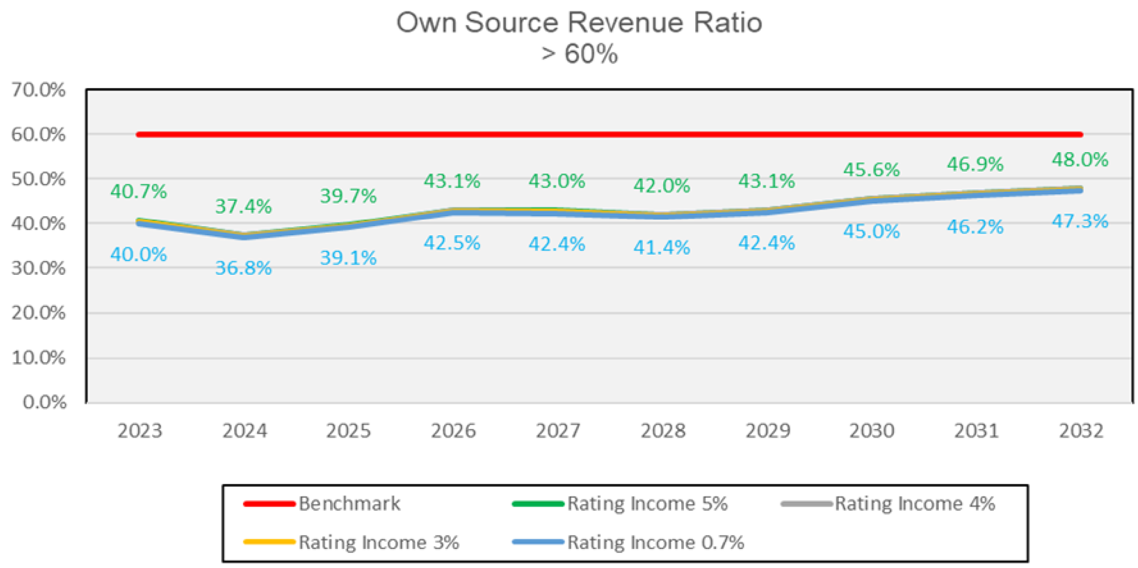
The Camden LGA is one of the fastest growing areas in NSW. This brings the challenges of planning and delivering service demand and infrastructure sometimes years before additional income is realised through growth. Rates and annual charges income is expected to double over the next 10 years, providing greater economies of scale in the later years of the long term financial plan. The Operating Performance Ratio remains below breakeven predominately due to high depreciation expense, resulting from infrastructure constructed for future growth in the area. A Council undertaking greenfield developments cannot decide to deliver infrastructure once the population is fully realised, it must deliver services and infrastructure from the time growth commences. It is expected that this ratio will continue to improve over time as Council's economies of scale catches up extraordinary growth.

It is important to note that the operating performance ratio is not a measure of the Council's budget or cash position. Council has a history of adopting balanced budgets and prudently managing expenditure throughout the year to ensure at each quarterly budget review the budget remains in a balanced or surplus position. Council's cash reserves and ability to fund debt (borrowings) are in a strong position.

Under the scenarios, the operating performance ratio is adversely impacted where lower rating income models are considered.

Own Source Revenue Ratio

This ratio measures Council's reliance on external funding (fiscal flexibility). The benchmark for this ratio is to be greater than 60 % - average over 3 years.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Rating Income 5%	40.7%	37.4%	39.7%	43.1%	43.0%	42.0%	43.1%	45.6%	46.9%	48.0%
Rating Income 4%	40.5%	37.3%	39.5%	43.0%	42.8%	41.9%	42.9%	45.5%	46.7%	47.8%
Rating Income 3%	40.4%	37.1%	39.4%	42.8%	42.7%	41.7%	42.8%	45.3%	46.6%	47.6%
Rating Income 0.7%	40.0%	36.8%	39.1%	42.5%	42.4%	41.4%	42.4%	45.0%	46.2%	47.3%

Total continuing operating revenue less all grants & contributions

Total continuing operating revenue incl. of capital grants & contributions)

Comments

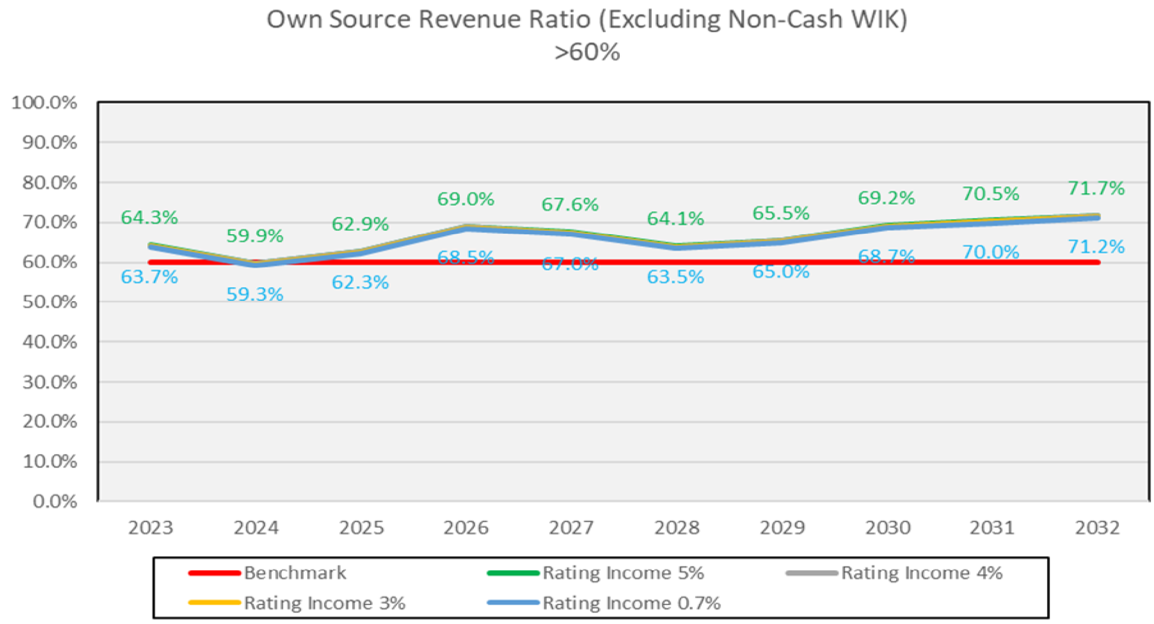
Camden Council receives a significant amount of non-cash capital income which distorts this ratio. The non-cash capital income is due to the high level of development infrastructure delivered through Works In-Kind Agreements or Voluntary Planning Agreements and Section 80A. As required by the accounting standards Council brought to account $135.2 million in 2020/21 of non-cash income relating to the dedication of assets.

It is unlikely Council will meet this benchmark in the future. If Council removes the non-cash income for dedicated assets from this ratio calculation, Council meets the benchmark now. Please see the next page for the Own Source Revenue Ratio excluding non- cash capital income.

Under the scenarios there are negligible differences for this ratio.

Own Source Revenue Ratio (Excluding Non-Cash Capital Income)

This ratio measures Council's reliance on external funding (fiscal flexibility). The benchmark for this ratio is to be greater than 60 % - average over 3 years.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Rating Income 5%	64.3%	59.9%	62.9%	69.0%	67.6%	64.1%	65.5%	69.2%	70.5%	71.7%
Rating Income 4%	64.2%	59.7%	62.7%	68.9%	67.4%	63.9%	65.4%	69.1%	70.4%	71.6%
Rating Income 3%	64.1%	59.6%	62.6%	68.8%	67.3%	63.8%	65.3%	69.0%	70.3%	71.5%
Rating Income 0.7%	63.7%	59.3%	62.3%	68.5%	67.0%	63.5%	65.0%	68.7%	70.0%	71.2%

$$\frac{\textit{Total continuing operating revenue less all grants \& contributions}}{\textit{Total continuing operating revenue (excl. of non-cash capital grants \& contributions)}}$$

Comments

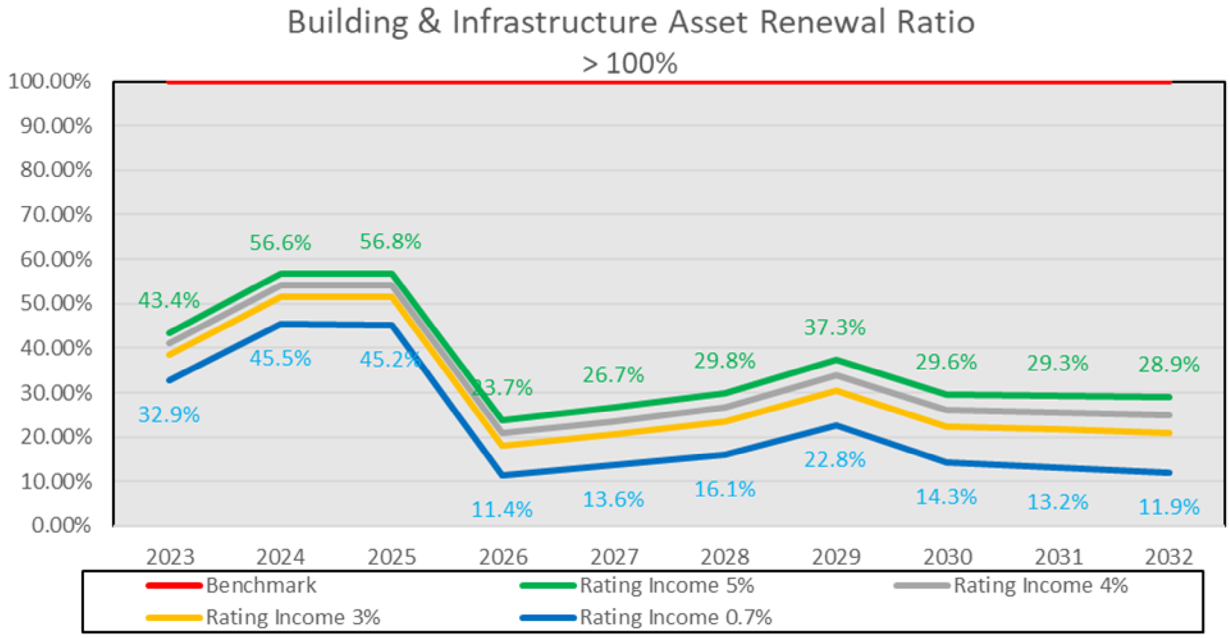
Camden Council receives a significant amount of non-cash capital income as mentioned previously which distorts that ratio. Therefore, for the purpose of more accurate reporting on Council's reliance on external funding, the non – cash capital income has been eliminated from this ratio.

Once the non-cash income for dedicated assets has been eliminated from this ratio calculation, Council meets the benchmark.

Under the scenarios there are negligible differences for this ratio.

Building & Infrastructure Asset Renewal Ratio

This ratio measures the rate at which assets are being renewed relative to the rate at which they are being consumed (depreciated). The benchmark for this ratio is to be greater than 100 % - average over 3 years.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Rating Income 5%	43.4%	56.6%	56.8%	23.7%	26.7%	29.8%	37.3%	29.6%	29.3%	28.9%
Rating Income 4%	41.0%	54.0%	54.1%	20.9%	23.6%	26.6%	33.9%	26.0%	25.6%	24.9%
Rating Income 3%	38.5%	51.4%	51.4%	18.0%	20.6%	23.4%	30.5%	22.5%	21.8%	21.0%
Rating Income 0.7%	32.9%	45.5%	45.2%	11.4%	13.6%	16.1%	22.8%	14.3%	13.2%	11.9%

$$\frac{\textit{Asset renewals (building \& infrastructure)}}{\textit{Depreciation, amortisation \& impairment (building \& infrastructure)}}$$

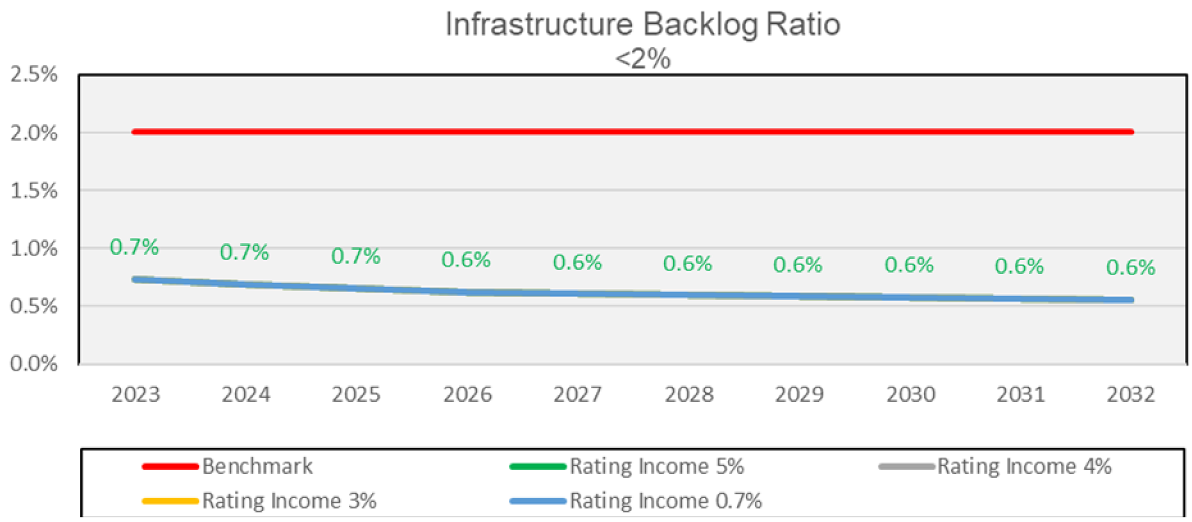
Comments

It is important to note that this ratio is impacted by the large level of development and infrastructure assets expected to be constructed over the next 10 years. Over 45% of Council's total infrastructure assets are new or less than 10 years old, and this proportion is expected to grow over the next 10 years. Council will therefore not be required to renew these assets in the near future. The Camden LGA's unique growth in infrastructure assets means Council will find it difficult to meet this renewal ratio.

In preparation for future renewal expense Council created an Asset Renewal Reserve and continues to allocate funds to this reserve. It should be noted that the transfer of funds to reserve cannot be included as an expense in this ratio. This transfer does reflect prudent forward financial planning and acknowledgement that asset renewal will be required in the longer term. Council also addresses asset renewal through an annual Community Infrastructure Renewal Program (CIRP). The next three years will also see an increase in asset renewal expenditure which can be attributed to the Community Support Package Stage 3.

Infrastructure Backlog Ratio

This ratio measures the proportion of the infrastructure backlog against the total value of Council's infrastructure asset base. The benchmark for this ratio is less than 2%.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Rating Income 5%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Rating Income 4%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Rating Income 3%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Rating Income 0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%

$$\frac{\textit{Estimated cost to bring assets to a satisfactory condition}}{\textit{Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets}}$$

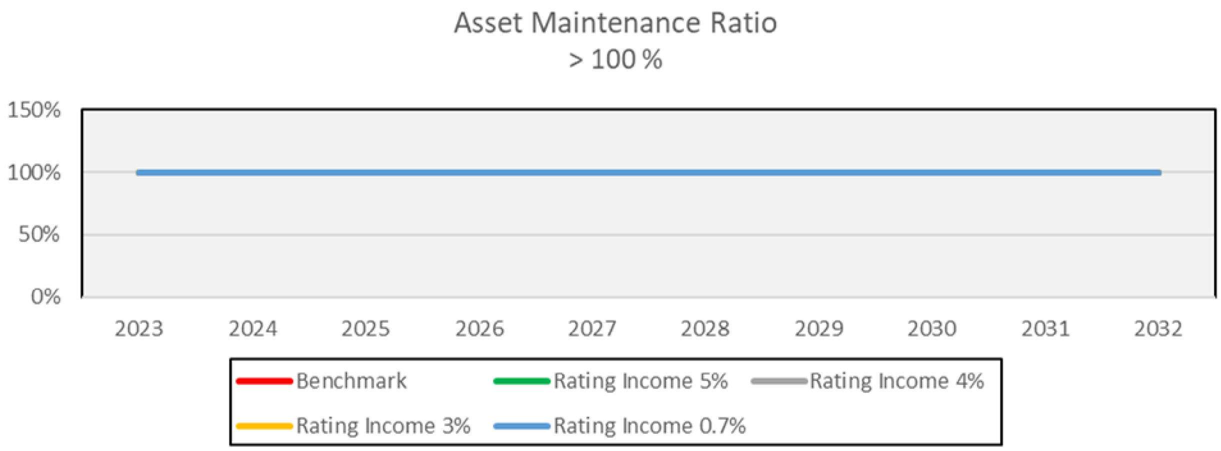
<u>Comments</u>

The Camden LGA's rapid growth forecasts result in a significant proportion of new assets constructed each year. This ratio improves as a result of the magnitude of new assets being received through development and renewal/maintenance programs Council already has in place.

This ratio is not impacted by the alternative rate income scenarios.

Asset Maintenance Ratio

This ratio compares the actual versus required annual asset maintenance. The benchmark for this ratio is to be greater than 100 % - average over 3 years.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rating Income 5%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rating Income 4%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rating Income 3%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rating Income 0.7%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

$$\frac{\textit{Actual asset maintenance}}{\textit{Required asset maintenance}}$$

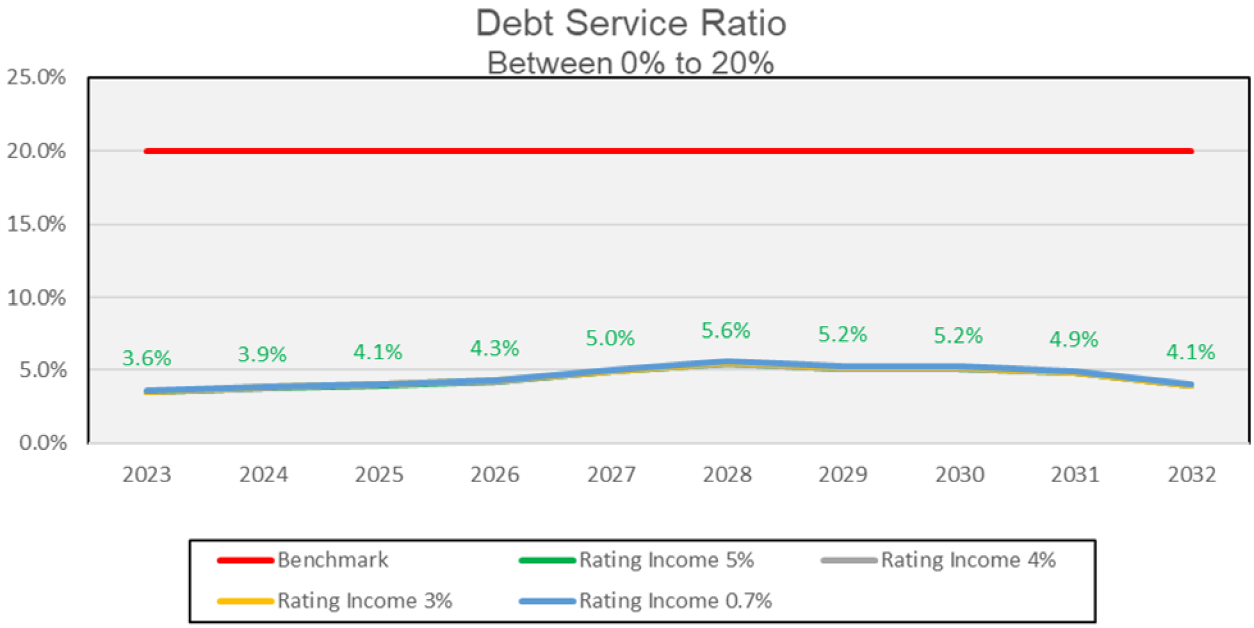
Comments

Council continues to spend its required asset maintenance on an annual basis and is meeting the requirements of this ratio.

This ratio is not impacted by the alternative rate income scenarios.

Debt Service Ratio

This ratio indicates whether Council is using debt wisely to share the life-long cost of assets and avoid excessive rate increases. The benchmark for this ratio is to be greater than 0% and less than or equal to 20% - average over 3 years.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Rating Income 5%	3.5%	3.8%	4.0%	4.2%	4.9%	5.4%	5.1%	5.1%	4.8%	3.9%
Rating Income 4%	3.5%	3.8%	4.0%	4.2%	4.9%	5.5%	5.1%	5.1%	4.8%	4.0%
Rating Income 3%	3.6%	3.8%	4.0%	4.3%	4.9%	5.5%	5.2%	5.1%	4.8%	4.0%
Rating Income 0.7%	3.6%	3.9%	4.1%	4.3%	5.0%	5.6%	5.2%	5.2%	4.9%	4.1%

Cost of debt service (interest expense & principal repayments)

Total continuing operating revenue (exc. capital grants & contributions)

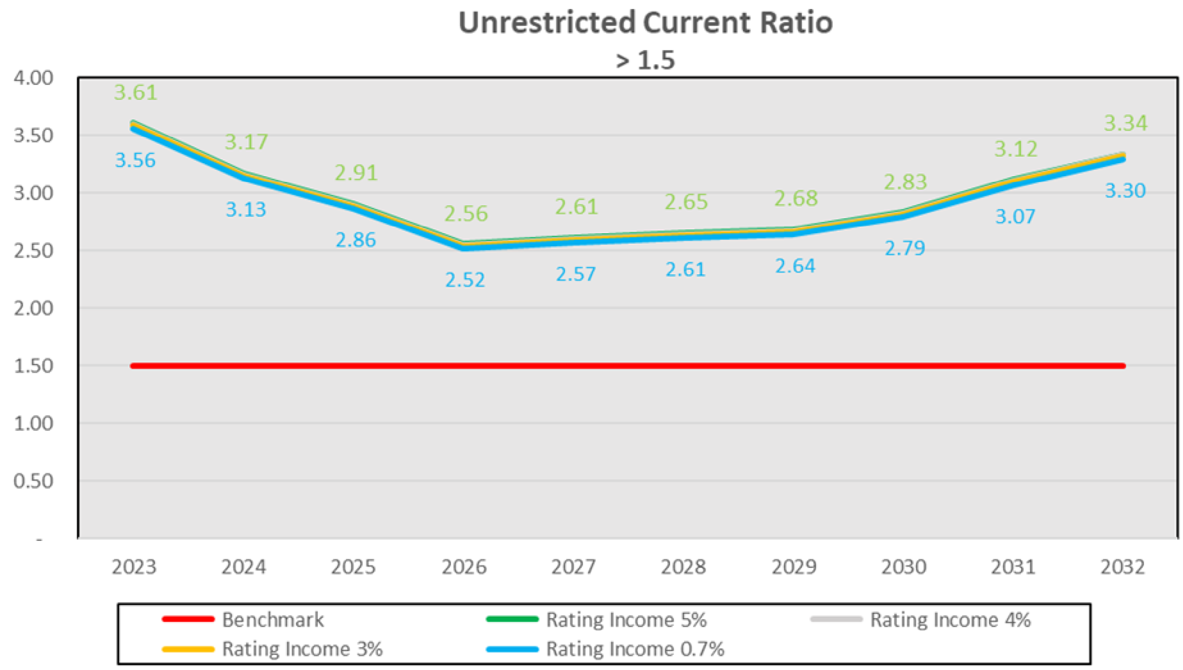
Comments

Council continues to use debt wisely, balancing the level of debt, capacity to borrow and the opportunity cost of borrowing to ensure inter-generational equity in a rapidly growing environment. As Council grows there will be greater pressure to borrow in order to construct the infrastructure required to support our community. Council has deliberately maintained a strong borrowing capacity for this purpose.

There is a negligible difference in this ratio under the different scenarios.

Unrestricted Current Ratio

This ratio measures Council's ability to fund short term financial obligations such as loans, payroll and leave entitlements (measures liquidity). The benchmark for this ratio is greater than 1.5: 1.



RATIO CHECKS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Rating Income 5%	4.01	3.52	3.22	2.83	3.53	4.11	3.46	3.04	2.82	2.63
Rating Income 4%	4.00	3.51	3.21	2.82	3.52	4.10	3.45	3.03	2.81	2.62
Rating Income 3%	3.99	3.50	3.20	2.81	3.51	4.09	3.44	3.03	2.80	2.62
Rating Income 0.7%	3.96	3.47	3.18	2.79	3.48	4.07	3.42	3.00	2.77	2.59

$$\frac{\textit{Current assets less all external restrictions}}{\textit{Current liabilities less specific purpose liabilities}}$$

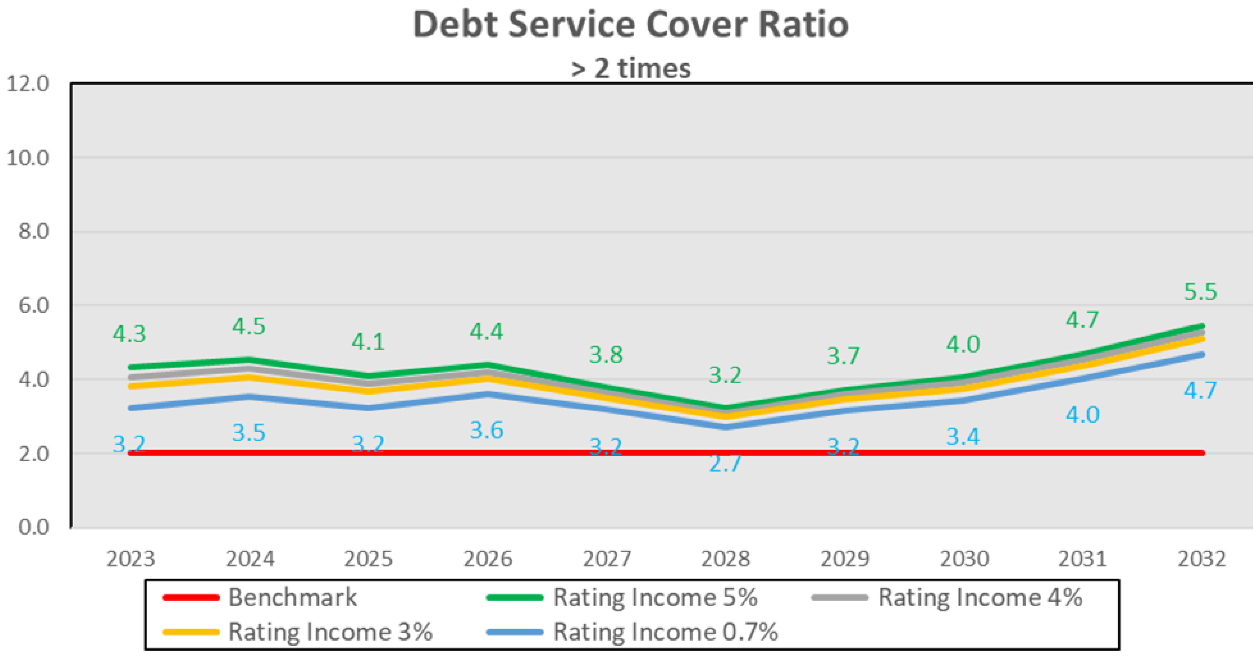
Comments

This indicator measures a Council's ability to fund its short-term liabilities. It is estimated in 2022/23 that Council will have $4.01 to fund every $1 of liability. Forecasts indicate that Council will remain above benchmark levels over the life of the plan, showing strong financial sustainability.

There is a negligible difference in this ratio under the different scenarios.

Debt Service Cover Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The benchmark for this ratio is great than 2.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Rating Income 5%	4.33	4.54	4.10	4.40	3.78	3.21	3.73	4.04	4.70	5.46
Rating Income 4%	4.07	4.31	3.90	4.21	3.64	3.10	3.60	3.90	4.54	5.28
Rating Income 3%	3.81	4.07	3.70	4.03	3.50	2.98	3.47	3.76	4.38	5.10
Rating Income 0.7%	3.22	3.54	3.23	3.61	3.18	2.72	3.17	3.45	4.02	4.69

$$\frac{\textit{Operating result before capital excl. interest, depreciation, impairment \& amortisation}}{\textit{Principal repayments and borrowing costs}}$$

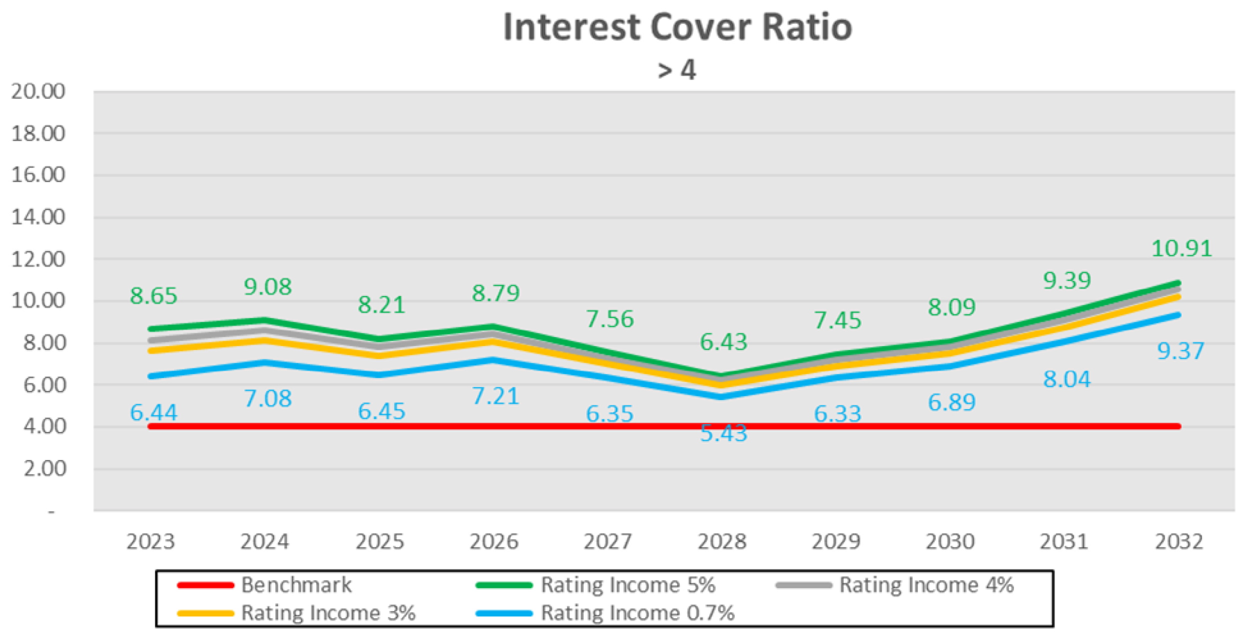
Comments

Council's Long Term Financial Plan considers existing loans and proposed new loans. With the inclusion of the proposed borrowings, Council's forecast position remains above benchmark and steadily improves over the life of the plan.

This ratio is impacted by the scenario modelling with a lower debt service cover ratio for each of the scenarios compared to the base model.

Interest Cover Ratio

This ratio measures the availability of operating cash to service interest expenditure. The benchmark for this ratio is greater than 4.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Rating Income 5%	8.65	9.08	8.21	8.79	7.56	6.43	7.45	8.09	9.39	10.91
Rating Income 4%	8.13	8.61	7.80	8.42	7.28	6.20	7.19	7.81	9.08	10.55
Rating Income 3%	7.62	8.15	7.39	8.06	7.00	5.96	6.93	7.53	8.76	10.19
Rating Income 0.7%	6.44	7.08	6.45	7.21	6.35	5.43	6.33	6.89	8.04	9.37

$$\frac{\textit{Operating result before capital excl. interest, depreciation, impairment \& amortization}}{\textit{Borrowing costs}}$$

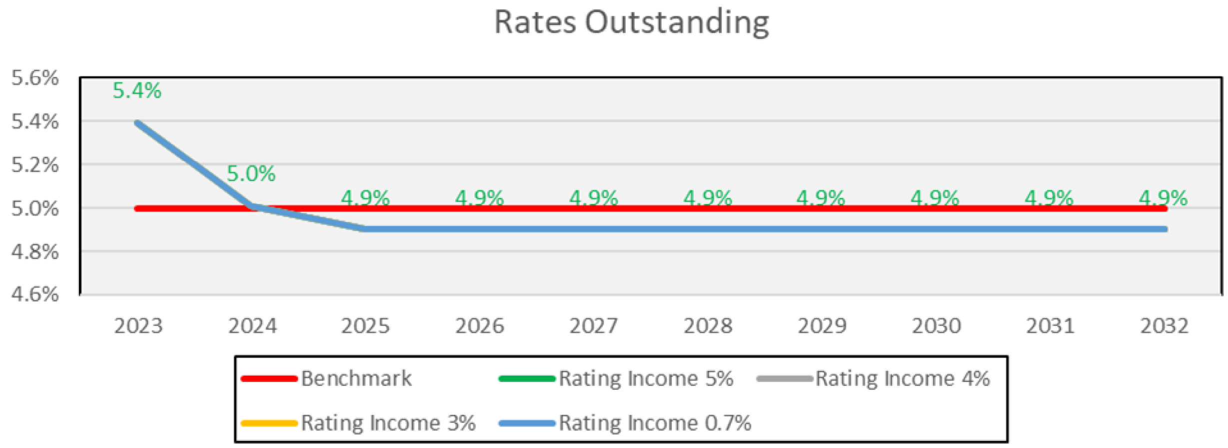
Comments

The interest cover ratio follows similar trends as the debt service cover ratio, reflecting Council's capacity to support loan borrowings over the life of the plan being more than double the required benchmark.

Similar to the previous ratio, this ratio is impacted by the scenario modelling with a lower interest cover ratio for each of the scenarios compared to the base model

Rates & Outstanding Charges Ratio

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. The benchmark for this ratio is less than 5%.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rating Income 5%	5.4%	5.0%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
Rating Income 4%	5.4%	5.0%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
Rating Income 3%	5.4%	5.0%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
Rating Income 0.7%	5.4%	5.0%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%

$$\frac{\textit{Rates \& annual charges outstanding}}{\textit{Rates \& annual charges collectible}}$$

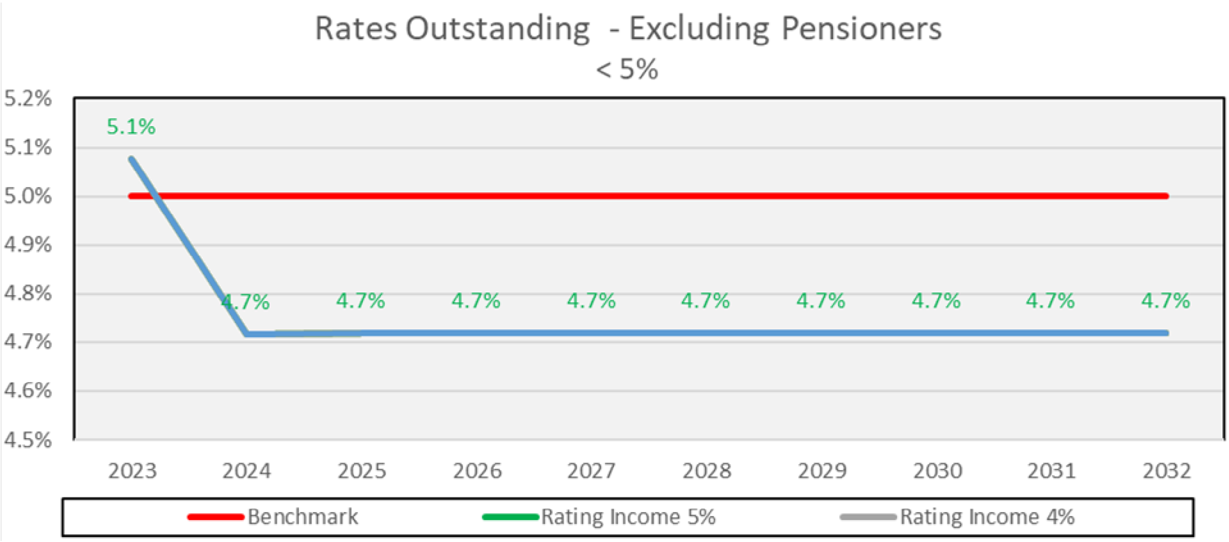
Comments

As anticipated this ratio rose above the benchmark during 2020/21 due to the impact of COVID-19 and the hardship provisions available to our community for the payment of rates during the pandemic. Under the initial support package Council did not take legal action against any land owner during the 2020/21 financial year for the recovery of rates. Council anticipates this position will improve over the coming financial years indicating the effectiveness of Council's rate collection processes.

This ratio is not impacted by the alternative rate income scenarios.

Rates & Outstanding Charges Ratio (excluding Pensioners)

This ratio excludes the rates outstanding from pensioners and assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. The benchmark for this ratio is less than 5%.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Rating Income 5%	5.1%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Rating Income 4%	5.1%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Rating Income 3%	5.1%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Rating Income 0.7%	5.1%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%

$$\frac{\textit{Rates \& annual charges outstanding (excl. of pensioners)}}{\textit{Rates \& annual charges collectible}}$$

Comments

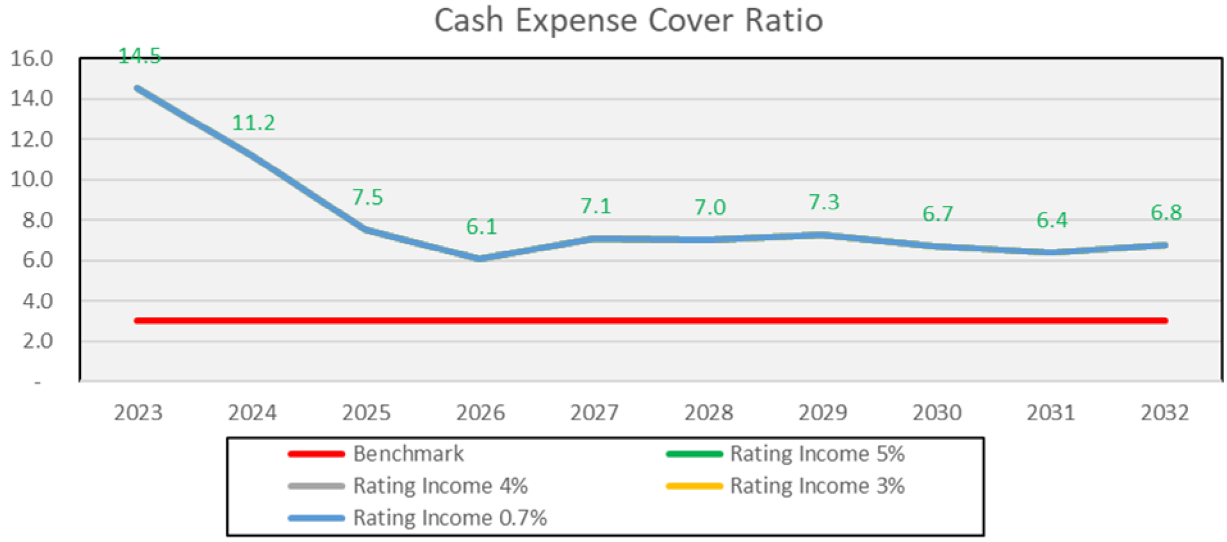
Council's current practice is not to actively pursue outstanding rates from properties which have a valid pension rebate granted to the owners. This has been a long standing practice. Council's rating policy for pensioners with rates and charges that remain outstanding for 5 years is to enter into a deed of agreement or arrangement to secure the repayment of the amount outstanding in future years.

As with the previous ratio, the measures put in place during the pandemic increased the rates outstanding during 2020/21. Council anticipates they will return to levels prior to the pandemic in the coming years.

This ratio is not impacted by the alternative rate income scenarios.

Cash Expense Cover Ratio

This ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow. The benchmark for this ratio is greater than 3 months.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Rating Income 5%	14.5	11.2	7.5	6.1	7.1	7.0	7.3	6.7	6.4	6.8
Rating Income 4%	14.5	11.2	7.5	6.1	7.1	7.0	7.3	6.7	6.4	6.8
Rating Income 3%	14.5	11.2	7.5	6.1	7.1	7.0	7.3	6.7	6.4	6.8
Rating Income 0.7%	14.5	11.2	7.5	6.1	7.1	7.0	7.3	6.7	6.4	6.8

$$\frac{\textit{Cash and cash equivalents incl. term deposits}}{\textit{Payments of operating \& financing activities}}$$

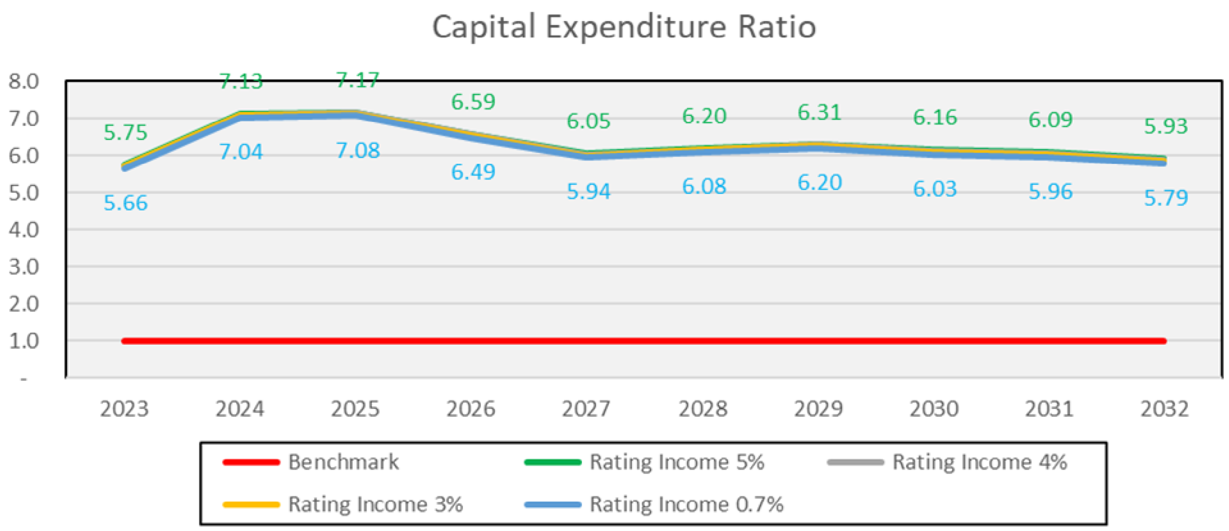
Comments

Councils result is well above the benchmark over the life of the long term financial plan. This represents Council's strong liquidity position. It should be noted that 2022/23 and 2023/24 are extraordinary year's with large capital works programs to be funded so the amount of cash being held will increase to fund these programs. The timing of the receipt of cash (including loans) and expenditure will also impact this ratio.

This ratio is not impacted by the alternative rate income scenarios.

Capital Expenditure Ratio

This ratio indicates the extent Council is expanding its asset base through capital expenditure on both new assets and the replacement and renewal of existing assets. The benchmark for this ratio is greater than 1: 1.



Financial Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Rating Income 5%	5.75	7.13	7.17	6.59	6.05	6.20	6.31	6.16	6.09	5.93
Rating Income 4%	5.73	7.11	7.15	6.56	6.03	6.17	6.29	6.13	6.06	5.90
Rating Income 3%	5.71	7.09	7.13	6.54	6.00	6.14	6.26	6.10	6.03	5.87
Rating Income 0.7%	5.66	7.04	7.08	6.49	5.94	6.08	6.20	6.03	5.96	5.79

$$\frac{\textit{Annual capital expenditure}}{\textit{Annual depreciation}}$$

Comments

This provides a good indication of how quickly Council's infrastructure asset base is growing and the challenges facing Council in the future. Council's exponential growth forecasts result in a significant proportion of new assets constructed each year. Council's increasing infrastructure will be managed through the continuation of asset related programs, the use of leading asset management practices that is supported by a dedicated asset management function.

This ratio is not impacted by the alternative rate income scenarios.

Sensitivity Analysis and Risk Assessment

The major risk factor in each of these financial models continues to be the growth assumptions. Camden is part of the South West Growth Sector. Our population is expected to increase to approx. 300,000 residents over the next 30 years, the timing of this growth is critical to the outcomes of this plan.

In preparing this plan, Council has taken careful consideration of the following factors:

- State Government Land Release Policy (land rezoning),
- Housing schemes that promote sales,
- Economic conditions and the impact on developers and home buyers,
- Council's capacity to deliver subdivisions (staffing),
- The relationship between population growth and land release,
- The impact growth has on service levels,
- Feedback from developers on current market conditions,
- The difference in timing between increases in expenditure and the realisation of additional income through rates.
- The impact of rail once more details are known on timing and the final corridor, this one factor will have a significant impact on population estimates.

Council has very little control over many of these factors and therefore must respond to change quickly. To assist in managing this risk Council has developed the following strategies:

- Quarterly meetings with key Strategic and Development staff to discuss corporate assumptions about growth,
- Council's LTFP is updated quarterly as part of the quarterly budget review process, where significant changes are identified.
- Liaise with State agencies to discuss the timing of land release,
- Historical analysis of financial outcomes (what can we learn from past assumptions).

Other risk factors which have been assessed in this plan include:

Dedication of assets to Council

The majority of infrastructure (roads, bridges, drainage and buildings) and open space is dedicated to Council through a Works in Kind Agreement, Voluntary Planning Agreement or as a condition of development consent (S80A).

The magnitude of assets dedicated to Council is in the millions. The value and timing of these assets is extremely difficult to predict. Although Council has some control over when it will accept assets from developers, Council must still plan for increases in its operational budget (including workforce planning) to maintain the new assets. This is considered a key risk factor and is continually monitored to ensure long-term planning estimates are accurate.

Depreciation Expense

From a recurrent operations perspective, the increasing depreciation expense is a significant issue for Council. The impact of depreciation expense is significant due to a unique environment of substantial growth, Council's current economies of scale and the method used to calculate depreciation expense. Council is currently constructing or receiving dedicated assets that provide for a population in the future. The straight-line method of calculating depreciation expense does not consider growth or the current population, meaning the expense is representative of a higher capacity to pay or greater economies of scale. There is also a timing issue to consider, Council must provide for infrastructure now, this cannot be done after the population arrives. There is a delicate balance between what the current population is responsible for and those who are not yet part of our community. It is not as simple as increasing revenue tomorrow to off-set the expense.

Section 7.11 Cash Reserves

Council continues to review Section 7.11 plans to ensure cash flow is consistent with the timing of planned capital works programs. Plans are assessed for cash shortfalls and if required other funding sources identified. The Section 7.11 cap placed on contributions from developers and the removal of some infrastructure (non-essential) able to be funded through Section 7.11 has made delivering Greenfield sites challenging. To assist in managing this risk a Section 7.11 Development Control Management Committee (DCMC) has been formed and monthly financial reporting is a standing agenda.

State Government Policy and Local Government Reform

Council considers the impact of State Government Policy and Local Government Reform, which both have significant impact on Local Government. Currently the Infrastructure Contributions framework in NSW is under review and therefore it is difficult to determine the financial impact at this stage.

Leppington Growth areas and funding package

While some acquisitions have commenced in key areas, work continues to identify additional funding required to support land acquisitions in Leppington.

Discussion with the State Government continues to finalise the funding package required. Increasing land valuations and part lot acquisitions unable to be funded from Section 711 remain the key funding risks to Council's long term Financial Sustainability.

Economic Uncertainty/Global Events

Council will closely monitor the current economic climate which continues to be impacted by conflict in Europe, uncertainty regarding inflation and supply chain concerns for goods and materials. Any significant changes will be identified at quarterly reviews of the budget.

Conclusion

Camden's extraordinary growth is a challenge but also brings great opportunity for the future, with well planned communities and smart sustainable infrastructure. The LTFP has been prepared on the basis of local knowledge and economy, respected economic publications and historical data.

The LTFP assists Council to understand its financial capacity, financial sustainability and supports the outcomes in the Community Strategic Plan. It ensures Council can meet service demand and service levels now and into the future.

While COVID-19 and current world events continue to influence our lives, Council is well positioned financially to continue to support our community through the pandemic and meet the challenges of the future.

Appendices: Long Term Financial Plan – Financial Statements

Camden Council Long Term Financial Plan 2022/23 - 2031/32
Income Statement Projections - 5% Rate Increase Model

	Audited	Revised Budget	Delivery Program 2022/23 - 2024/25			Delivery Program 2025/26 - 2028/29				Delivery Program 2029/30 - 2032/33		
Year Ending	2021 $000s	2022 $000s	2023 $000s	2024 $000s	2025 $000s	2026 $000s	2027 $000s	2028 $000s	2029 $000s	2030 $000s	2031 $000s	*2032 $000s*
Income from Continuing Operations												
Rates and Annual Charges	74,816	84,115	92,531	99,625	107,873	117,331	127,388	137,948	148,993	160,610	172,827	185,596
User Charges and Fees	16,532	17,712	19,680	22,173	28,884	29,646	30,448	31,274	32,116	32,977	33,841	34,642
Interest & Investment Revenue	2,027	2,450	2,511	2,616	2,722	2,872	2,986	3,100	3,207	3,313	3,418	3,523
Other Revenues	1,317	2,600	1,218	1,086	1,268	1,280	1,296	1,322	1,349	1,374	1,403	1,432
Other Income	4,731	2,471	2,645	2,714	2,784	2,851	2,924	3,908	4,008	4,103	4,191	4,280
Grants & Contributions for Operating Purposes	9,198	9,177	8,810	9,074	9,270	9,506	9,679	9,936	10,142	10,406	10,647	10,915
Grants & Contributions for Capital Purposes - Cash	67,108	24,730	56,955	76,852	75,517	59,566	69,566	89,566	92,266	94,366	97,166	99,966
Contributions for Capital Purposes -Non Cash (S7.11 ,S80A)	135,248	110,732	107,354	128,527	133,408	134,203	139,776	145,300	151,000	153,000	156,000	159,600
Total Income from Continuing Operations	310,977	253,987	291,704	342,667	361,726	357,255	384,063	422,354	443,081	460,149	479,493	499,954
Expenses from Continuing Operations												
Employee Costs	54,920	56,027	59,626	62,085	64,701	67,465	70,638	73,877	77,209	80,734	84,956	89,261
Borrowing Costs	1,180	1,278	1,358	1,617	1,996	2,404	3,426	4,507	4,330	4,389	4,180	3,968
Materials and Contracts	42,108	36,438	53,214	57,609	68,696	71,732	74,943	81,332	86,925	93,044	98,496	104,124
Depreciation	33,082	30,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000	44,000
Other Expenses	1,621	12,390	2,810	2,910	3,019	3,149	3,226	3,305	3,408	3,509	3,607	3,707
Total Expenses from Continuing Operations	134,635	136,133	152,008	160,221	175,412	182,750	191,233	203,021	212,872	223,676	234,239	245,060
Operating Result from Continuing Operations Surplus/(Deficit)	176,342	117,854	139,696	182,446	186,314	174,505	192,830	219,333	230,209	236,473	245,254	254,894
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)	**(26,014)**	**(17,608)**	**(24,613)**	**(22,933)**	**(22,611)**	**(19,264)**	**(16,512)**	**(15,533)**	**(13,057)**	**(10,893)**	**(7,912)**	**(4,672)**

Camden Council Long Term Financial Plan 2022/23 - 2031/32
Balance Sheet Projections - 5% Rate Increase Model

	Audited	Revised Budget	Delivery Program 2022/23 - 2024/25			Delivery Program 2025/26 - 2028/29				Delivery Program 2029/30 - 2032/33		
Year Ending	2021 $000s	2022 $000s	2023 $000s	2024 $000s	2025 $000s	2026 $000s	2027 $000s	2028 $000s	2029 $000s	2030 $000s	2031 $000s	2032 $000s
Current Assets												
Cash & Investments	180,775	125,972	135,419	124,147	93,044	78,356	96,628	102,745	114,363	126,594	144,780	176,595
Receivables	13,693	9,868	16,319	17,658	19,796	21,244	22,784	24,526	26,215	27,987	29,842	31,767
Inventories	490	736	628	678	804	839	876	948	1,012	1,082	1,144	1,208
Other (Includes Assets Held for Sale)	1,126	250	1,342	1,452	1,628	1,747	1,874	2,017	2,156	2,301	2,454	2,612
Total Current Assets	196,084	136,826	153,708	143,935	115,272	102,186	122,162	130,236	143,746	157,964	178,220	212,182
Non-Current Assets												
Investments	29,301	41,991	15,047	-	-	-	-	-	-	-	-	-
Receivables	3,878	2,011	3,928	4,229	4,580	4,981	5,408	5,856	6,325	6,818	7,337	7,879
Infrastructure, Property, Plant & Equip.	2,056,420	2,208,699	2,374,264	2,596,215	2,828,160	3,041,341	3,239,526	3,450,203	3,670,040	3,890,640	4,113,063	4,331,361
Total Non-Current Assets	2,089,599	2,252,701	2,393,239	2,600,444	2,832,740	3,046,322	3,244,934	3,456,059	3,676,365	3,897,458	4,120,400	4,339,240
Total Assets	2,285,683	2,389,527	2,546,947	2,744,379	2,948,012	3,148,508	3,367,096	3,586,295	3,820,111	4,055,422	4,298,620	4,551,422
Current Liabilities												
Payables	41,484	22,461	25,771	27,839	32,989	34,445	35,958	38,933	41,553	44,414	46,967	49,602
Borrowings	2,346	2,354	3,158	3,659	4,214	4,549	5,241	5,954	6,112	6,536	6,712	5,492
Provisions	15,193	15,573	15,962	16,361	16,770	17,189	17,619	18,059	18,510	18,973	19,447	19,933
Total Current Liabilities	59,023	40,388	44,891	47,859	53,973	56,183	58,818	62,946	66,175	69,923	73,126	75,027
Non Current Liabilities												
Payables	15,858	12,695	14,566	15,735	18,646	19,469	20,324	22,006	23,487	25,104	26,547	28,036
Borrowings	33,270	41,062	52,404	63,245	71,531	94,481	116,740	110,787	109,675	103,139	96,428	90,936
Provisions	312	308	316	324	332	340	349	358	367	376	385	395
Total Non Current Liabilities	49,440	54,065	67,286	79,304	90,509	114,290	137,413	133,151	133,529	128,619	123,360	119,367
Total Liabilities	108,463	94,453	112,177	127,163	144,482	170,473	196,231	196,097	199,704	198,542	196,486	194,394
Net Assets	2,177,220	2,295,074	2,434,770	2,617,216	2,803,530	2,978,035	3,170,865	3,390,198	3,620,407	3,856,880	4,102,134	4,357,028
Equity												
Retained Earnings	1,492,872	1,610,726	1,750,422	1,932,868	2,119,182	2,293,687	2,486,517	2,705,850	2,936,059	3,172,532	3,417,786	3,672,680
Revaluation Reserves*	684,348	684,348	684,348	684,348	684,348	684,348	684,348	684,348	684,348	684,348	684,348	684,348
Total Equity	2,177,220	2,295,074	2,434,770	2,617,216	2,803,530	2,978,035	3,170,865	3,390,198	3,620,407	3,856,880	4,102,134	4,357,028

* Note: Council's Long Term Financial Plan does not include any assumptions regarding long term movements to the Revaluation Reserve.

Camden Council Long Term Financial Plan 2022/23 - 2031/32
Cash Flow Statement Projections - 5% Rate Increase Model

	Audited	Revised Budget	Delivery Program 2022/23 - 2024/25			Delivery Program 2025/26 - 2028/29				Delivery Program 2029/30 - 2032/33		
Year Ending	**2021 $000s**	**2022 $000s**	**2023 $000s**	**2024 $000s**	**2025 $000s**	**2026 $000s**	**2027 $000s**	**2028 $000s**	**2029 $000s**	**2030 $000s**	**2031 $000s**	**2032 $000s**
Cash Flows from Operating Activities												
Receipts - Operating Activities	189,994	167,957	188,556	218,684	233,702	228,674	250,156	283,408	298,863	314,398	331,158	348,450
Payments - Operating Activities	(105,932)	(109,866)	(121,381)	(128,939)	(143,978)	(150,561)	(158,300)	(169,582)	(178,870)	(189,151)	(199,142)	(209,406)
Net Cash Provided by (or used in) Operating Activities	84,062	58,091	67,175	89,745	89,724	78,113	91,856	113,826	119,993	125,247	132,016	139,044
Cash Flows from Investing Activities												
Receipts - Property, Plant & Equipment	442	306	326	319	491	529	393	544	384	969	701	654
Receipts - Investment Securities	138,500	151,167	135,419	111,732	83,740	70,520	86,965	92,471	102,927	113,935	130,302	158,936
Purchases - Property, Plant & Equipment, Intangible Assets	(38,019)	(105,956)	(93,727)	(128,131)	(131,930)	(116,145)	(96,194)	(102,571)	(107,900)	(107,543)	(107,880)	(102,357)
Purchase - Investment Securities	(190,500)	(151,167)	(135,419)	(111,732)	(83,740)	(70,520)	(86,965)	(92,471)	(102,927)	(113,935)	(130,302)	(158,936)
Net Cash Provided by (or used in) Investing Activities	(89,577)	(105,650)	(93,401)	(127,812)	(131,439)	(115,616)	(95,801)	(102,027)	(107,516)	(106,574)	(107,179)	(101,703)
Cash Flow from Financing Activities												
Receipts - Loan Borrowings	12,300	7,800	11,850	15,350	14,700	27,300	27,300	-	5,000	-	-	-
Payments - Principal Repayments	(3,153)	(2,354)	(3,121)	(3,602)	(4,088)	(4,485)	(5,083)	(5,682)	(5,859)	(6,442)	(6,651)	(5,526)
Net Cash Provided by (or used in) Financing Activities	**9,147**	**5,446**	**8,729**	**11,748**	**10,612**	**22,815**	**22,217**	**(5,682)**	**(859)**	**(6,442)**	**(6,651)**	**(5,526)**
Net Increase/(Decrease) in Cash Assets Held	**3,632**	**(42,113)**	**(17,497)**	**(26,319)**	**(31,103)**	**(14,688)**	**18,272**	**6,117**	**11,618**	**12,231**	**18,186**	**31,815**
Cash Assets (incl.investments) at Beginning of Reporting Period	206,444	210,076	167,963	150,466	124,147	93,044	78,356	96,628	102,745	114,363	126,594	144,780
Cash Assets (Including Investments) at End of Reporting Period	**210,076**	**167,963**	**150,466**	**124,147**	**93,044**	**78,356**	**96,628**	**102,745**	**114,363**	**126,594**	**144,780**	**176,595**

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