## 7.2 2026-27 FY BUDGET REPORT

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**Attachments:** 1. PASC Budget Report 2026 27 [**7.2.1** - 16 pages]

### EXECUTIVE SUMMARY

To provide Council with the Annual Budget Report for 2026/27.

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### RECOMMENDATION

That Council resolves to receive and note the Annual Budget Report for 2026/27 and to adopt the Annual Budget Report.

### DISCUSSION

The 2026/27 Annual Budget has been prepared in accordance with the Local Government Act 2009 and the Local Government Regulation 2012 and provides a financially responsible framework for delivering Council's services, infrastructure and strategic priorities.

The Budget forecasts total revenue of $48.8M, comprising $27.1M in operating revenue and $21.7M in capital revenue. Total expenditure is budgeted at $34.0M, resulting in an overall surplus of $14.7M. Council will maintain a strong financial position, with forecast net community assets of $287.7M and no external borrowings.

A significant feature of the 2026/27 Budget is the delivery of a $52.2 million Capital Works Program, representing one of the largest infrastructure investment programs undertaken by Council. The program includes investment in a new Council Administration Building, an Aged Care Facility, staff housing, an Art Centre, residential subdivisions, water and sewerage infrastructure, and other community assets that will support long-term growth and improved service delivery.

The Budget continues Council's strategic transition from building cash reserves to investing in essential community infrastructure. Approximately $39.9 million of the Capital Works Program will be funded from Council's accumulated cash reserves, with the balance funded through confirmed government grants and external funding programs.

Council remains heavily reliant on Federal and State Government funding, with grants representing approximately 73% of total operating revenue. The Budget also continues investment in Council's workforce through the addition of new positions to strengthen organisational capability, improve governance and compliance, and enhance service delivery to the community.

The Long-Term Financial Forecast provides a prudent assessment of Council's expected financial position over the next ten years based on currently known funding commitments and conservative forecasting assumptions. While the forecast reflects significant investment in community infrastructure and a reduction in accumulated cash reserves, Council remains in a strong financial position with no external borrowings and will continue to review future operating and capital expenditure, own-source revenue opportunities and grant funding to maintain long-term financial sustainability.

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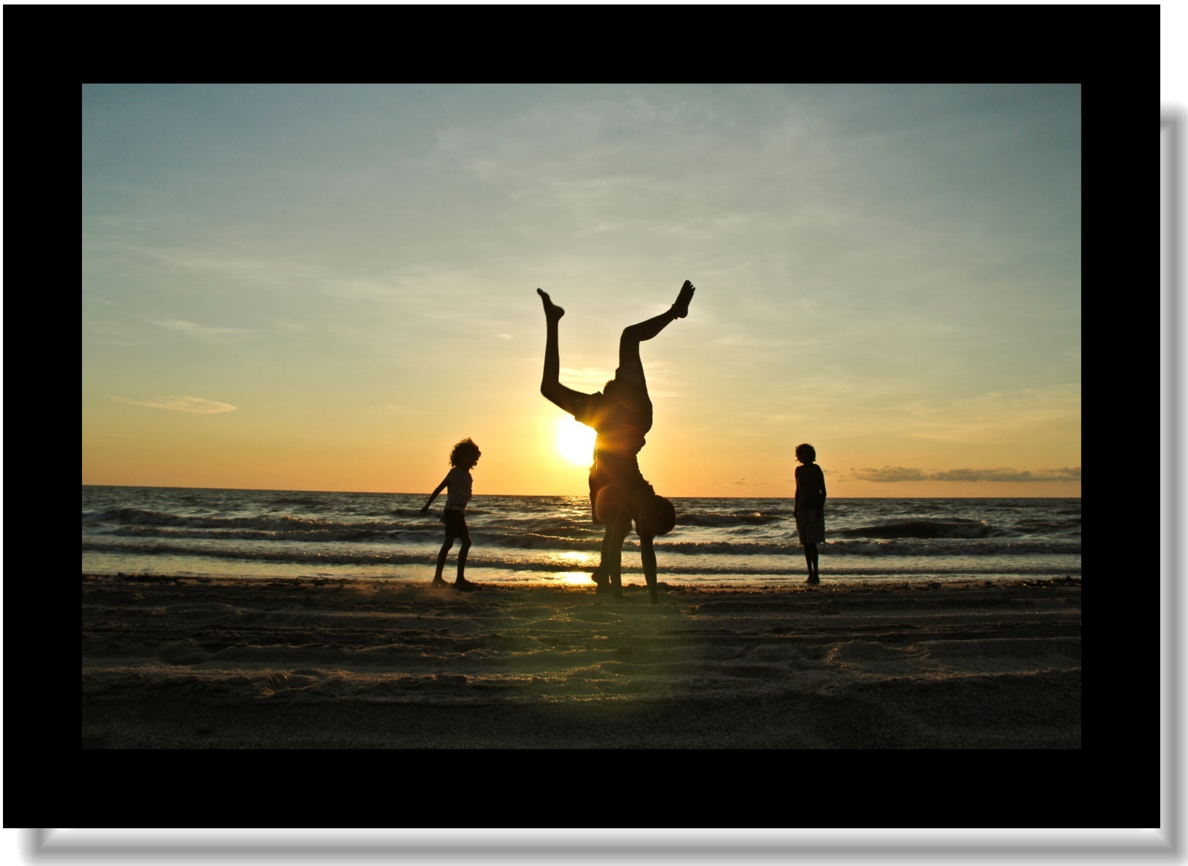
Overall, the 2026/27 Annual Budget provides a balanced and sustainable financial plan that supports Council's strategic objectives while delivering essential services, maintaining critical infrastructure and investing in projects that will provide long-term benefits for the Pormpuraaw community.

**REPORT ATTACHED**

# Pormpuraaw Aboriginal Shire Council



# Annual Budget 2026/27

Adopted by Council on xx - Resolution # xx/xx

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- 106 POSITIONS EMPLOYED WITHIN THE COMMUNITY
- $25.6M TO BUILD NEW NORTH & SOUTH SUBDIVISIONS
- $10M FOR A NEW ART CENTRE
- $15M FOR A NEW COUNCIL OFFICE BUILDING
- $5M FOR A NEW AGED CARE CENTRE
- $13.4M FOR NEW COUNCIL HOUSING
- 5% RISE IN SERVICE LEVIES
- 4.75% INCREASE IN WAGES & ENTITLEMENTS FOR STAFF
- $13.5M FOR NEW RODEO GROUNDS & CLUB HOUSE
- $2.0M FOR SEWERAGE LAGOON UPGRADE

## ANNUAL BUDGET 2026/27 AT A GLANCE

| Statement of Income & Expenditure ($'000) | | Financial Position ($'000) | |
|---|---|---|---|
| Operating Revenue | 27,112 | Current Assets | 64,721 |
| Capital Revenue | 21,662 | Non-Current Assets | 235,648 |
| **Total Revenue** | **48,774** | **Total Assets** | **300,369** |
| Operating Expenses | 29,002 | Current Liabilities | 12,405 |
| Capital Expenses | 5,024 | Non-Current Liabilities | 250 |
| **Total Expenses** | **34,026** | **Total Liabilities** | **12,655** |
| Net Result | 14,748 | | |
| **Capital Works Program** | **52,155** | **Net Community Assets** | **287,714** |

**The annual operating budget** is a detailed financial plan outlining Council's expected revenue and expenses required to deliver essential services and meet the ongoing needs of the community.

**The capital budget funds** the delivery of infrastructure projects that support the region's current and future growth and service demands.

## BUDGET FRAMEWORK & PRINCIPLES

Pormpuraaw Aboriginal Shire Council is governed by the *Local Government Act 2009* and *Local Government Regulation 2012*. This budget has been developed in accordance with the requirements of the *Local Government Regulation 2012,* Division 3, sections 169 to 172.

Under the requirements of the *Local Government Regulation 2012*, Council's budget for each financial year must be prepared on an accruals basis and include financial statements for the year for which it was prepared and the next two financial years.

The results of this budget are linked to the Corporate Plan which provides the strategic direction of Council and the Operational Plan which outlines key objectives and deliverables for Council for the upcoming year. The budget forms the basis of Council's Long Term Financial Forecast and is aligned with Council's Asset Management Plan and Capital Works Program.

Council controls and manages infrastructure assets that are unique to the public sector. These infrastructure assets include roads, footpaths, water reticulation and sewerage assets, which have exceedingly long useful lives and can only be used for providing local government services. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure.

Pormpuraaw Aboriginal Shire Council (PASC) recognises the importance of Federal and State funding and the effect on Council's financial sustainability, as grants to Council are 73% of the total revenue forecasted for 2026/27. PASC will continue to comply with all funding terms and conditions to ensure timely availability of grant funding. Council will seek written approval as required from any funding bodies to retain surplus funds from the prior financial year/s before including these surplus funds into the budget forecast.

The 2026/27 Budget continues the prior's year strategic shift by Council, from a focus on conservative spending and building financial sustainability through substantial cash reserves, to investing in critical community infrastructure. The $52.2M capital works program includes $39.9M funded from Council's cash reserves and will deliver key projects such as a new Council office, an aged care facility, new council housing, new art centre, a new rodeo grounds and club house, the build of new subdivisions for both Pormpuraaw's south and north sides and essential upgrades to water and sewerage infrastructure to support growing housing demand within the community.

Regular reviews of Council's fees and charges reflect the market trend and additional sources of revenue should be encouraged and supported. The 2026/27 Revenue Statement, Revenue Policy and Schedule of Fees & Charges will provide guidelines to this effect.

## SIGNIFICANT BUDGET ASSUMPTIONS

Pormpuraaw Aboriginal Shire Council (PASC) is highly dependent on Federal and State grant funding for operational and capital expenditure to meet the service requirements for the community members and visitors of Pormpuraaw Shire.

The Australian Government provides untied funding to local governments through the Financial Assistance (FA) grants program. Funding allocations are based on an assessment of each council's relative ability to raise revenue and the cost of delivering services. The methodology considers factors such as council size, remoteness, socio-economic conditions and population dispersion, recognising that these factors can significantly impact service delivery requirements and costs. The 2026/27 Budget includes $5.8M in FA grant revenue, reflecting the expectation that a portion of the 2027/28 allocation will be paid in advance during June 2027, consistent with the payment arrangements applied for the past two years.

The Indigenous Councils Funding Program (ICFP) provides operating grant funding to Queensland's Indigenous councils to support the delivery of essential local government services. The 2026/27 Budget includes $2.8M in ICFP funding, based on the assumption that the program will continue and that funding will increase by 3% from the prior year allocation.

PASC currently invests surplus funds with QTC. The interest rates on monies invested with QTC are assumed to earn interest income at 2.5% annually for our long-term financial forecast. The cash interest rates are forecasted at 3.8% for 2026/27 FY with the assumption that most of the drawdown for capital works will take place later in the 2026/27 financial year. Council does not invest with any other financial institutions.

PASC has no existing borrowing and retains a view of not borrowing into the future. The existing liabilities consist of employee liabilities (current and non-current), contract liabilities and ordinary business creditors.

Employee costs have increased by approximately $1.7M compared to the previous budget. This increase reflects the addition of 21 positions across Council operations, administration and leadership functions, together with a 4.75% award wage increase and associated employment on-costs.

Of the additional positions, 7 are externally funded through grant programs. The remaining positions have been included to strengthen organisational capacity, support compliance and governance requirements, improve administrative functions and enhance operational service delivery.

The 2026/27 Budget reflects Council’s continued commitment to investing in the community workforce and aligning employee entitlements across the various employment awards as listed below.

Employment costs have been adjusted to accommodate the following Awards:

- Queensland Local Government Industry (Stream A) Award – State 2017
- Queensland Local Government Industry (Stream B) Award – State 2017
- Queensland Local Government Industry (Stream C) Award – State 2017

The Budget continues to include the Council determined $1.94 per hour allowance for all staff on award rates as well as the alignment of entitlements for locality allowance, personal leave and annual leave for staff on Stream B & C to Stream A.

Employee costs have been budgeted assuming full establishment of approved positions throughout the financial year, with no allowance for vacancies. Council recognises that workforce challenges may arise during the year and continues to invest in employee wellbeing initiatives, recruitment strategies and performance management processes to support attendance, retention and workforce stability.

Investing in the workforce is expected to yield measurable improvements in staff retention, productivity, and overall performance. The long-term benefits are anticipated to outweigh the annual costs, demonstrating PASC's commitment to equality and ethical decision-making.

The councillor remuneration has also been incorporated as per the Local Government Remuneration Commission Annual Report 2025 which determines the remuneration schedule to apply from 1 July 2026. The Local Government Remuneration Commission remuneration schedule for the 2026/27 financial year (category A2) will be applied to our councillors from 1st July 2026.

PASC’s Schedule of Fees and Charges are reviewed annually and increased as required to accommodate the increasing costs of providing services for the community. PASC has adopted a user pays model to ensure that all recoverable works are accurately captured, and the revenue recovered. PASC considers the economic impact of increasing fees and charges to the community members of Pormpuraaw and endeavours to minimise these increases where possible, whilst trying to balance financial sustainability principles.

In alignment with asset management best practices and long-term financial sustainability goals, the 2026/27 Budget incorporates a strategic allocation of funds for the ongoing upkeep and renewal of infrastructure assets. This approach is essential to preserving asset value, ensuring safety and reliability, and minimising the risk of costly deferred maintenance or emergency repairs.

Depreciation is recognised in accordance with the relevant Australian Accounting Standards. Where applicable, non-current assets have been comprehensively componentised, improving the accuracy of depreciation expense and asset management planning.

Council's long-term financial strategy includes the ongoing renewal, replacement and upgrade of assets through a combination of own-source funding and external grant funding. Renewal expenditure has been budgeted based on identified asset priorities, asset condition assessments and available funding rather than targeting a fixed percentage of annual depreciation. The 2026/27 Budget includes $11.9M in asset renewal expenditure, reflecting Council's continued commitment to maintaining and improving its asset base.

Historically, Council has been successful in securing external funding to support asset renewal and replacement and will continue to pursue grant opportunities to maximise investment in community infrastructure. Capital grant revenue is only included in the budget where funding has been confirmed or is considered highly certain.

Disaster Recovery Funding Arrangements (DRFA) for restoration works due to natural disaster events are funded by the Federal and State governments and managed by the Queensland Reconstructive Authority (QRA). These funds have been budgeted to align with current submission values. Any future natural disaster damage is highly unpredictable hence has been included in the future budgets at best practice estimates. Future DRFA funding has been forecast based on historical experience and expected eligibility under current funding arrangements. Actual funding remains subject to future disaster events, assessment and approval by the Queensland Reconstruction Authority.

## OPERATIONAL BUDGETS

Council has reviewed the cost of providing essential services such as waste, water and sewerage to the community. Council has applied a fair and consistent process in applying utility charges to users within the Community. Council has applied a 5% increase to all utility charges (Homeownership Lessees, Residential, Light Commercial/Business and Commercial) for the 2026/27 financial year.

Most entities will fall into the Light Commercial/Business Category, whilst the Health Clinic, School, CEQ Store, Ergon, Queensland Police, Telstra & Pormpuraaw United Brothers Sports Club will fall under the Commercial category for utility charges. Commercial entities with 5 or more sewerage fixtures will be charged the Commercial category for the sewerage utility charge.

There are 22 residential houses within Pormpuraaw that are identified as Homeownership Lessees. The homeownership lease provides an opportunity for Aboriginal and Torres Strait Islander people to purchase their own home on Indigenous communal lands. When setting the utility charges for local homeownership lessees, Council has considered the local economic challenges combined with the ability for homeownership lessees to pay these charges. Council has recognised utility charges for a Homeownership Lessee that is 50% of the residential charges. The utility charges for the homeownership lessees align with what is received for other social housing.

It is important to note that Council is not at a cost recovery position for the essential services that are provided to the community. The budgets set for the 2026/27 financial year have indicated that Council will need to cover the shortfalls on these essential services to the value of an estimated $2.0M in unfunded operating costs. Council continues to bear the cost of other community essential services such as community events, sealing of roads, community hall, street lighting, beach amenities, parks, playgrounds, vandalism and Council administrative costs.

Grants, subsidies, contributions, and donations continue to be the largest source of Council operating revenue at 51%.

Sales revenue is the second largest source of revenue at 25%. Sales include private works, accommodation, plant hire, fuel sales, etc. Sales continues to be a major focus of Council due to the limited opportunity to create own sourced revenue.

Council is Pormpuraaw’s largest employer whose strong workforce is responsible for the provision of water, wastewater, resource recovery services, maintenance, planning, lifestyle and community services and capital infrastructure for the community.

The wages budget has been applied as per the notations in the significant budget assumptions section. Where positions are currently vacant these have been allowed for in the budget at the approved salary ranges but may be subject to slight variations based on recruitment negotiations for these positions. All wages budgeted are assumed to be 100% attendance. Council has budgeted for 106 positions within the community, an estimated 16% of the population. Employee benefits are 34% of the budgeted operational expenditure.

The 2026/27 Budget includes a $398K investment in the implementation of a new Enterprise Resource Planning (ERP) system. The project is expected to improve operational efficiency, strengthen internal controls, enhance reporting capabilities and support Council's long-term digital transformation objectives.

In addition to these expenses, depreciation makes up 22% of Council's budgeted operational expenditure. Depreciation represents an allocation of the use or wear and tear of an asset over its expected life. It is impacted by the age, condition and disposal of existing assets as well as the purchase and construction of new assets. Depreciation is not a cash expense.

## CAPITAL WORKS

The 2026/27 Budget includes a capital works program of approximately $52.2M. Of this amount, approximately $12.3M will be funded through government grants and external funding programs, with the remaining $39.9M funded from Council's accumulated cash reserves and surpluses. The program reflects Council's commitment to investing in community infrastructure, housing, buildings and essential service assets to support current and future community needs.

Our major funding programs that support capital infrastructure within Pormpuraaw are:

- Works for Queensland (W4Q),
- Disaster Recovery Funding Arrangement (DRFA)
- Roads to Recovery
- Remote Capital Funding – Schedules 3, 4 & 5
- Residential Activation Fund
- Closing the Gap Priorities Fund

The planned capital works program for Council's 2026/27 financial year is listed below by asset category:

**BUILDINGS:**

New Council Administration Building
New Aged Care Facility
New Staff Housing Program – Duplexes and Residential Dwellings
New Art Centre
New Club House Building at the Sportsfield
Sports Club Refurbishment
Contractors Camps Refurbishment Works
Solar System Upgrades to Staff Housings
Batching Plant Shed Construction
Building Renewal and Refurbishment Works

**INFRASTRUCTURE – OTHER**

Airport Fuel Facility
Pormpuraaw Aerodrome Infrastructure Works
Road and Drainage Renewal Works
New Rodeo Grounds Project
Various Civil and Infrastructure Improvement Projects

**INFRASTRUCTURE – SEWERAGE**

Sewerage Infrastructure Renewal Works
Sewerage Pond Improvement Works
Sewerage Network and Essential Services Upgrades

**PLANT & EQUIPMENT**

New Commuter Bus with Disability Access
Replacement Light Vehicles and Fleet Assets
Plant and Equipment Renewal Program

The long-term financial forecasts for capital works have been based on confirmed and/or known capital funding and capital works requirements for the next 3 years. PASC has some certainty in the 3-year budget forecast however the following 7 years after this has been based on best practice assumptions due to there being no ongoing certainty around the capital grants and funding that PASC could receive over this long term forecasted period.

The capital works program has been based on the current asset management plans and community service requirements. Each department within Council has identified asset management requirements specifically for the next 3 years and has forecasted requirements for the following 7 years after this.

## LONG TERM FORECASTING

The Long Term Financial Forecast provides a prudent assessment of Council's expected financial position over the next 10 years based on currently known funding commitments and conservative forecasting assumptions. The forecast has been prepared using a consistent methodology that is reviewed and updated annually to reflect Council's strategic priorities and the best information available at the time of preparation.

Council has some certainty in the 3-year budget forecast however the following subsequent 7 years has been based on best practice assumptions due to there being no ongoing certainty around the grants and funding that PASC could receive over this long term forecasted period.

The forecast reflects Council's strategic decision to invest accumulated cash reserves in critical community infrastructure to support future growth and improve service delivery. While this investment results in a planned reduction in cash reserves over the forecast period, Council remains in a strong financial position with no external borrowings and will continue to review future operating and capital expenditure, own-source revenue opportunities and grant funding to support long-term financial sustainability. As the forecast is reviewed annually, it will be updated to reflect confirmed funding, changing priorities and emerging opportunities.

## THREE YEAR FORECAST

| BUDGETED INCOME STATEMENT<br>FOR THE YEARS FROM 1 JULY 2026 TO 30 JUNE 2029 | | | |
|---|---|---|---|
| | 2026/27 | 2027/28 | 2028/29 |
| *Operating Income* | | | |
| *Levies & Charges* | **573,369** | 596,304 | 626,119 |
| *Fees & Charges* | **425,409** | 442,426 | 464,547 |
| *Rental Income* | **1,677,675** | 1,744,782 | 1,832,021 |
| *Interest Received* | **3,500,000** | 1,887,278 | 713,229 |
| *Sales Revenue* | **6,847,347** | 7,121,241 | 7,477,303 |
| *Other Income* | **234,250** | 243,620 | 255,801 |
| *Grants, Subsidies, Contributions & Donations* | **13,853,609** | 14,684,826 | 15,712,764 |
| *Total Income* | **27,111,659** | 26,720,475 | 27,081,783 |
| | | | |
| *Operating Expenses* | | | |
| *Employment Costs* | **-9,916,063** | -10,312,705 | -10,518,960 |
| *Materials & Supplies* | **-12,514,812** | -13,140,553 | -13,403,364 |
| *Depreciation* | **-6,464,700** | -8,158,635 | -10,098,648 |
| *Finance Costs* | **-107,000** | -109,140 | -111,323 |
| *Total Expenses* | **-29,002,575** | -31,721,033 | -34,132,294 |
| | | | |
| *Net Operating Result Excluding Depreciation* | **4,573,784** | **3,158,077** | **3,048,137** |
| | | | |
| *Operating Deficiency* | **-1,890,916** | **-5,000,558** | **-7,050,511** |
| | | | |
| *Capital* | | | |
| *Capital Revenue* | **21,662,687** | 21,217,213 | 3,938,086 |
| *Capital Expenses* | **-5,023,938** | -2,980,369 | -2,844,197 |
| *Capital Surplus* | **16,638,749** | **18,236,844** | **1,093,889** |
| | | | |
| *Net Result* | **14,747,833** | 13,236,286 | -5,956,622 |

| BUDGETED CASHFLOW STATEMENT FOR THE YEARS FROM 1 JULY 2026 TO 30 JUNE 2029 | | | |
|---|---|---|---|
| | 2026/27 | 2027/28 | 2028/29 |
| *Cashflows from Operating Activities* | | | |
| *Receipts from Customers* | 9,758,050 | 10,148,372 | 10,655,790 |
| *Payments to Suppliers & Employees* | -22,537,875 | -23,562,398 | -24,033,646 |
| *Interest Received* | 3,500,000 | 1,887,278 | 713,229 |
| *Grants, Subsidies, Contributions & Donations* | 13,853,609 | 14,684,826 | 15,712,764 |
| *Net cash inflow /(outflow) from operating activities* | **4,573,784** | **3,158,077** | **3,048,137** |
| | | | |
| *Cashflows from Investing Activities* | | | |
| *Payments for Property Plant & Equipment* | -52,154,720 | -50,766,853 | -12,555,391 |
| *Grants, Subsidies, Contributions & Donations* | 14,586,646 | 12,567,633 | 3,290,963 |
| *Other* | 623,632 | 661,050 | 700,713 |
| *Net cash inflow /(Outflow) from investing activities* | **-36,944,442** | **-37,538,170** | **-8,563,715** |
| | | | |
| *Net increase (decrease) in cash held* | -32,370,658 | -34,380,093 | -5,515,578 |
| *Cash & equivalents at beginning of financial year* | 95,279,913 | 62,909,255 | 28,529,162 |
| *Cash & equivalents at end of financial year* | **62,909,255** | **28,529,162** | **23,013,584** |

| BUDGETED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS 1 JULY 2026 TO 30 JUNE 2029 | | | |
|---|---|---|---|
| *Statement of Changes in Equity* | Total | Retained Surplus | Asset Revaluation Reserve |
| *Balance at 30/06/2026* | 272,822,636 | 128,106,819 | 144,715,817 |
| *Net Result for this period* | 14,747,833 | 14,747,833 | |
| *Asset Revaluation adjustment* | 143,742 | | 143,742 |
| *Balance at 30/06/2027* | 287,714,211 | 142,854,652 | 144,859,559 |
| *Net Result for this period* | 13,236,286 | 13,236,286 | |
| *Asset Revaluation adjustment* | 80,137 | | 80,137 |
| *Balance at 30/06/2028* | 301,030,634 | 156,090,938 | 144,939,696 |
| *Net Result for this period* | -5,956,622 | -5,956,622 | |
| *Asset Revaluation adjustment* | 1,287,170 | | 1,287,170 |
| *Balance at 30/06/2029* | 296,361,182 | 150,134,316 | 146,226,866 |

*BUDGETED STATEMENT OF FINANCIAL POSITION FOR THE YEARS 1 JULY 2026 TO 30 JUNE 2029*

| | 2026/27 | 2027/28 | 2028/29 |
|---|---|---|---|
| *BALANCE SHEET* | | | |
| *Current Assets* | | | |
| *Cash at Bank* | **62,909,255** | 28,529,162 | 23,013,584 |
| *Inventories* | **568,452** | 561,000 | 589,050 |
| *Contract Asset* | **257,078** | 379,854 | 425,113 |
| *Receivables* | **985,997** | 899,754 | 1,198,754 |
| *Total Current assets* | **64,720,782** | 30,369,770 | 25,226,501 |
| | | | |
| *Non-Current Assets* | | | |
| *Property Plant & Equipment* | **221,690,669** | 262,205,281 | 261,817,827 |
| *Other Financial Assets* | **13,957,289** | 14,194,563 | 14,549,427 |
| *Total Non-Current Assets* | **235,647,958** | 276,399,844 | 276,367,254 |
| *TOTAL ASSETS* | **300,368,740** | 306,769,614 | 301,593,755 |
| | | | |
| *Current Liabilities* | | | |
| *Trade Payables* | **1,052,100** | 2,724,127 | 2,792,230 |
| *Contract Liabilities* | **10,294,155** | 1,644,575 | 997,452 |
| *Other Provisions* | **1,058,830** | 1,095,889 | 1,161,642 |
| *Total Current Liabilities* | **12,405,085** | 5,464,591 | 4,951,325 |
| | | | |
| *Non-Current Liabilities* | | | |
| *Provisions* | **249,444** | 274,388 | 281,248 |
| *Total Non-Current Liabilities* | **249,444** | 274,388 | 281,248 |
| *TOTAL LIABILITIES* | **12,654,529** | 5,738,979 | 5,232,573 |
| | | | |
| *Net Community Assets* | **287,714,211** | 301,030,634 | 296,361,182 |
| | | | |
| *Equity* | | | |
| *Asset Revaluation Reserve* | **144,859,559** | 144,939,696 | 146,226,866 |
| *Retained Surplus* | **142,854,652** | 156,090,938 | 150,134,316 |
| | **287,714,211** | 301,030,634 | 296,361,182 |

*BUDGETED CAPITAL WORKS PROGRAM*

| | 2026/27 | 2027/28 | 2028/29 |
|---|---|---|---|
| *Capital Works Program Budget* | 52,154,720 | 50,766,853 | 12,555,391 |

## LONG TERM MEASURES OF FINANCIAL SUSTAINBILTY

**BUDGETED MEASURES OF FINANCIAL SUSTAINABILITY**

FOR THE YEARS FROM 1 JULY 2026 TO 30 JUNE 2036

| Type | Measure | Target (Tier 8) | Budget 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating Performance | **Operating Surplus Ratio** | N/A | -5% | -7% | -19% | -26% | -26% | -26% | -25% | -24% | -24% | -23% | -22% |
| | **Operating Cash Ratio** | Greater than 0% | 19% | 17% | 12% | 11% | 11% | 12% | 12% | 13% | 13% | 14% | 14% |
| Liquidity | **Unrestricted Cash Expense Cover Ratio** | Greater than 4 months | 31 | 28 | *Not applicable for long-term sustainability statement* | | | | | | | | |
| Asset Management | **Asset Sustainability Ratio** | Greater than 90% | 95% | 189% | 164% | 50% | 28% | 28% | 28% | 28% | 28% | 28% | 28% |
| | **Asset Consumption Ratio** | Greater than 60% | 60% | 62% | 64% | 62% | 59% | 56% | 54% | 51% | 49% | 46% | 44% |
| Financial Capacity | **Council Controlled Revenue** | N/A | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% |
| | **Population Growth*** | N/A | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Asset Management | **Asset Renewal Funding Ratio** | N/A | *See notes.* | *Not applicable for long-term sustainability statement* | | | | | | | | | |

***Notes***
**Constant Rate Method applied to population growth. Council assumes that the growth rate observed in the current year will persist uniformly over the next nine years.*
*Asset Renewal Funding Ratio is not required; the transition period commences in FY 2027/28.*
*Leverage ratio is not applicable as Council has no projected borrowings / debt.*

## LONG TERM FINANCIAL FORECAST

**BUDGETED INCOME STATEMENT**

FOR THE YEARS FROM 1 JULY 2026 TO 30 JUNE 2036

| | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating Income | | | | | | | | | | |
| Levies & Charges | **573,369** | 596,304 | 626,119 | 635,511 | 645,043 | 664,395 | 674,361 | 694,591 | 705,010 | 715,585 |
| Fees & Charges | **425,409** | 442,426 | 464,547 | 471,515 | 478,588 | 485,767 | 493,053 | 500,449 | 507,956 | 515,575 |
| Rental income | **1,677,675** | 1,744,782 | 1,832,021 | 1,859,501 | 1,887,394 | 1,915,705 | 1,944,440 | 1,973,607 | 2,003,211 | 2,033,259 |
| Interest Received | **3,500,000** | 1,887,278 | 713,229 | 575,340 | 511,630 | 449,182 | 391,873 | 336,905 | 284,751 | 238,465 |
| Sales Revenue | **6,847,347** | 7,121,241 | 7,477,303 | 7,589,462 | 7,703,304 | 7,934,403 | 8,053,419 | 8,174,221 | 8,419,447 | 8,545,739 |
| Other Income | **234,250** | 243,620 | 255,801 | 259,638 | 263,533 | 267,486 | 271,498 | 275,570 | 279,704 | 283,899 |
| Grants, Subsidies, Contributions & Donations | **13,853,609** | 14,684,826 | 15,712,764 | 16,105,583 | 16,508,222 | 16,920,928 | 17,343,951 | 17,777,550 | 18,221,988 | 18,677,538 |
| Total Income | **27,111,659** | 26,720,475 | 27,081,783 | 27,496,550 | 27,997,714 | 28,637,865 | 29,172,596 | 29,732,893 | 30,422,067 | 31,010,061 |
| Operating Expenses | | | | | | | | | | |
| Employment Costs | **-9,916,063** | -10,312,705 | -10,518,960 | -10,676,744 | -10,836,895 | -10,999,449 | -11,164,440 | -11,331,907 | -11,501,885 | -11,674,414 |
| Materials & Supplies | **-12,514,812** | -13,140,553 | -13,403,364 | -13,604,414 | -13,808,480 | -14,015,608 | -14,225,842 | -14,439,229 | -14,655,818 | -14,875,655 |
| Finance Costs | **-107,000** | -109,140 | -111,323 | -112,993 | -114,688 | -116,408 | -118,154 | -119,926 | -121,725 | -123,551 |
| Total Expenses | **-22,537,875** | -23,562,398 | -24,033,646 | -24,394,151 | -24,760,063 | -25,131,464 | -25,508,436 | -25,891,062 | -26,279,428 | -26,673,620 |
| **Net Operating Result Excluding Depreciation** | **4,573,784** | **3,158,077** | **3,048,137** | **3,102,399** | **3,237,651** | **3,506,401** | **3,664,160** | **3,841,831** | **4,142,639** | **4,336,441** |
| Depreciation | -6,464,700 | -8,158,635 | -10,098,648 | -10,250,128 | -10,403,880 | -10,559,938 | -10,718,337 | -10,879,112 | -11,042,299 | -11,207,933 |
| Operating Surplus / (Deficiency) | **-1,890,916** | **-5,000,558** | **-7,050,511** | **-7,147,729** | **-7,166,229** | **-7,053,537** | **-7,054,177** | **-7,037,281** | **-6,899,660** | **-6,871,492** |
| Capital | | | | | | | | | | |
| Capital Revenue | **21,662,687** | 21,217,213 | 3,938,086 | 3,338,086 | 3,388,157 | 3,438,980 | 3,490,564 | 3,542,923 | 3,596,067 | 3,650,008 |
| Capital Expenses | **-5,023,938** | -2,980,369 | -2,844,197 | -2,844,197 | -2,886,860 | -2,930,163 | -2,974,115 | -3,018,727 | -3,064,008 | -3,109,968 |
| Capital Surplus / (Deficiency) | **16,638,749** | **18,236,844** | **1,093,889** | **493,889** | **501,297** | **508,817** | **516,449** | **524,196** | **532,059** | **540,040** |
| Net Result | **14,747,834** | 13,236,286 | -5,956,622 | -6,653,840 | -6,664,932 | -6,544,720 | -6,537,728 | -6,513,086 | -6,367,601 | -6,331,452 |

**BUDGETED CASHFLOW STATEMENT**

FOR THE YEARS FROM 1 JULY 2026 TO 30 JUNE 2036

| | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 |
|---|---|---|---|---|---|---|---|---|---|---|
| Cashflows from Operating Activities | | | | | | | | | | |
| Receipts from Customers | 9,758,050 | 10,148,372 | 10,655,790 | 9,315,627 | 9,455,362 | 9,745,255 | 9,914,271 | 10,095,938 | 10,392,828 | 10,571,558 |
| Payments to Suppliers & Employees | -22,537,875 | -23,562,398 | -24,033,646 | -24,394,151 | -24,760,063 | -25,131,464 | -25,508,436 | -25,891,062 | -26,279,428 | -26,673,620 |
| Interest Received | 3,500,000 | 1,887,278 | 713,229 | 575,340 | 511,630 | 449,182 | 391,873 | 336,905 | 284,751 | 238,465 |
| Grants, Subsidies, Contributions & Donations | 13,853,609 | 14,684,826 | 15,712,764 | 16,105,583 | 16,508,222 | 16,920,928 | 17,343,951 | 17,777,550 | 18,221,988 | 18,677,538 |
| Net cash inflow / (outflow) from operating activities | **4,573,784** | **3,158,077** | **3,048,137** | **1,602,399** | **1,715,151** | **1,983,901** | **2,141,660** | **2,319,331** | **2,620,139** | **2,813,941** |
| | | | | | | | | | | |
| Cashflows from Investing Activities | | | | | | | | | | |
| Payments for Property Plant & Equipment | -52,154,720 | -50,766,853 | -12,555,391 | -8,200,102 | -8,323,104 | -8,447,950 | -8,574,669 | -8,703,289 | -8,833,839 | -8,966,346 |
| Grants, Subsidies, Contributions & Donations | 14,586,646 | 12,567,633 | 3,290,963 | 3,338,086 | 3,388,157 | 3,438,980 | 3,490,564 | 3,542,923 | 3,596,067 | 3,650,008 |
| Other | 623,632 | 661,050 | 700,713 | 711,224 | 721,892 | 732,720 | 743,711 | 754,867 | 766,190 | 777,683 |
| Net cash inflow / (Outflow) from investing activities | **-36,944,442** | **-37,538,170** | **-8,563,715** | **-4,150,793** | **-4,213,054** | **-4,276,250** | **-4,340,394** | **-4,405,500** | **-4,471,582** | **-4,538,656** |
| | | | | | | | | | | |
| Net increase (decrease) in cash held | **-32,370,658** | -34,380,093 | -5,515,578 | -2,548,394 | -2,497,904 | -2,292,349 | -2,198,734 | -2,086,169 | -1,851,444 | -1,724,715 |
| Cash & equivalents at beginning of financial year | 95,279,913 | 62,909,255 | 28,529,162 | 23,013,584 | 20,465,190 | 17,967,286 | 15,674,937 | 13,476,202 | 11,390,033 | 9,538,589 |
| Cash & equivalents at end of financial year | 62,909,255 | 28,529,162 | 23,013,584 | 20,465,190 | 17,967,286 | 15,674,937 | 13,476,202 | 11,390,033 | 9,538,589 | 7,813,874 |

**BUDGETED STATEMENT OF FINANCIAL POSITION**

FOR THE YEARS FROM 1 JULY 2026 TO 30 JUNE 2036

| | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 | 2035/36 |
|---|---|---|---|---|---|---|---|---|---|---|
| Current Assets | | | | | | | | | | |
| Cash at Bank | **62,909,255** | 28,529,162 | 23,013,584 | 20,465,190 | 17,967,286 | 15,674,937 | 13,476,202 | 11,390,033 | 9,538,589 | 7,813,874 |
| Inventories | **568,452** | 561,000 | 589,050 | 603,776 | 618,871 | 634,342 | 650,201 | 666,456 | 683,117 | 700,195 |
| Contract Assets | **257,078** | 379,854 | 425,113 | 429,364 | 422,924 | 416,580 | 410,331 | 404,176 | 398,114 | 392,142 |
| Receivables | **985,997** | 899,754 | 1,198,754 | 1,180,773 | 1,163,061 | 1,145,615 | 1,128,431 | 1,111,504 | 1,094,832 | 1,078,409 |
| Total Current assets | **64,720,782** | 30,369,770 | 25,226,501 | 22,679,103 | 20,172,142 | 17,871,474 | 15,665,166 | 13,572,170 | 11,714,652 | 9,984,621 |
| Non-Current Assets | | | | | | | | | | |
| Property Plant & Equipment | **221,690,669** | 262,205,281 | 261,817,827 | 259,767,801 | 257,687,025 | 255,575,038 | 253,431,370 | 251,255,548 | 249,047,088 | 246,805,502 |
| Other Financial Assets | **13,957,289** | 14,194,563 | 14,549,427 | 14,622,174 | 14,695,285 | 14,768,761 | 14,842,605 | 14,916,818 | 14,991,402 | 15,066,359 |
| Total Non-Current Assets | **235,647,958** | 276,399,844 | 276,367,254 | 274,389,975 | 272,382,310 | 270,343,799 | 268,273,976 | 266,172,366 | 264,038,491 | 261,871,861 |
| TOTAL ASSETS | **300,368,740** | 306,769,614 | 301,593,755 | 297,069,079 | 292,554,452 | 288,215,273 | 283,939,141 | 279,744,536 | 275,753,143 | 271,856,482 |
| | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Trade Payables | **1,052,100** | 2,724,127 | 2,792,230 | 1,453,008 | 1,482,068 | 1,511,710 | 1,541,944 | 1,572,783 | 1,604,238 | 1,636,323 |
| Contract Liabilities | **10,294,155** | 1,644,575 | 997,452 | 1,017,401 | 1,037,749 | 1,058,504 | 1,079,674 | 1,101,268 | 1,123,293 | 1,145,759 |
| Other provisions | **1,058,830** | 1,095,889 | 1,161,642 | 1,179,067 | 1,196,753 | 1,214,704 | 1,232,925 | 1,251,419 | 1,270,190 | 1,289,243 |
| Total Current Liabilities | **12,405,085** | 5,464,591 | 4,951,325 | 3,649,476 | 3,716,570 | 3,784,918 | 3,854,543 | 3,925,469 | 3,997,721 | 4,071,325 |
| Non-Current Liabilities | | | | | | | | | | |
| Provisions | **249,444** | 274,388 | 281,248 | 288,279 | 295,486 | 302,874 | 310,445 | 318,206 | 326,162 | 334,316 |
| Total Non-Current Liabilities | **249,444** | 274,388 | 281,248 | 288,279 | 295,486 | 302,874 | 310,445 | 318,206 | 326,162 | 334,316 |
| TOTAL LIABILITIES | **12,654,529** | 5,738,979 | 5,232,573 | 3,937,755 | 4,012,057 | 4,087,791 | 4,164,988 | 4,243,675 | 4,323,883 | 4,405,640 |
| | | | | | | | | | | |
| Net Community Assets | **287,714,211** | 301,030,634 | 296,361,182 | 293,131,323 | 288,542,395 | 284,127,482 | 279,774,153 | 275,500,860 | 271,429,260 | 267,450,842 |
| Equity | | | | | | | | | | |
| Asset Revaluation Reserve | **144,859,559** | 144,939,696 | 146,226,866 | 149,650,847 | 151,726,851 | 153,856,657 | 156,041,057 | 158,280,850 | 160,576,850 | 162,929,884 |
| Retained Surplus (Deficiency) | **142,854,652** | 156,090,938 | 150,134,316 | 143,480,476 | 136,815,545 | 130,270,825 | 123,733,097 | 117,220,011 | 110,852,410 | 104,520,958 |
| | **287,714,211** | **301,030,634** | **296,361,182** | **293,131,323** | **288,542,395** | **284,127,482** | **279,774,153** | **275,500,860** | **271,429,260** | **267,450,842** |

**END OF PASC ANNUAL BUDGET REPORT 2026/27**