

Planning for our people,  
our place, our future



DRAFT 

# CESSNOCK

LONG TERM FINANCIAL PLAN 2022-2033

[www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)

# Welcome

## Acknowledgement of Country

Cessnock City Council acknowledges that within its local government area boundaries are the Traditional Lands of the Wonnarua people, the Awabakal people, and the Darkinjung people.

We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past and present.

We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local Government Area.



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## Foreward

We are pleased to present the Cessnock City Council Long Term Financial Plan 2022-2033 that has been prepared in accordance with the requirements of the integrated planning and reporting framework.

Council's Long Term Financial Plan 2022-2033 is part of our Resourcing Strategy, helping to ensure that the community's long term goals and objectives, as expressed in the Cessnock 2036 Community Strategic Plan are met. Our Long Term Financial Plan links directly with our Cessnock City Council Delivery Program.

The Long Term Financial Plan is a financial projection that quantifies the cost of Council's services for the next ten years. It is more comprehensive than a budget, and includes, in addition to the projected financial statements, a written commentary, sensitivity analysis and scenario options. It examines the impact of Council's revenue, operational and capital expenditure forecasts, taking into account assumptions for economic factors and changes to service delivery levels.

Long term financial planning provides the following benefits for Council:

- Establishes greater transparency and accountability of Council to the community
- Provides an opportunity for early identification of financial issues and any likely impacts in the longer term
- Provides a mechanism to solve financial problems as a whole, see how various plans fit together and understand the impact of some decisions on other plans or strategies
- Provides a means of measuring Council's success in implementing strategies; and
- Confirms that Council can remain financial sustainable in the longer term

Our Long Term Financial Plan does not provide any specific recommendations on what or how Council should provide its services and works, this is addressed in the Delivery Program. Instead, the Plan helps to identify the potential impact of the operational and capital decisions that Council may make as part of the budget process.

This document will help guide the activities and decision making of the organisation into the future. The initiatives will be reviewed annually to ensure applicability in the changing environment and to also incorporate community feedback.

## Executive Summary

The Long Term Financial Plan provides an indication of Cessnock City Council's future financial position from 2022-23 to 2032-33 if it follows the path outlined in its Community Strategic Plan. The Long Term Financial Plan presents three scenarios.

A summary of the scenarios follows:

### Scenario 0

Base case – based upon the forecast 2022-23 budget with continuation of business as usual.

This is the financial forecast based on the 2022-23 proposed budget, indexed for forecast movements in the major areas of cost impacts for every year out to 2033.

### Scenario 1

This is the financial forecast based on the proposed 2022-23 budget, indexed for forecast movements in the major areas of cost impacts for every year out to 2033.

This scenario includes a higher amount of income but increasing levels of expenditure due to emerging inflation pressures. In addition this would allow for increased levels of asset maintenance in line with Council's Asset Management Plans.

### Scenario 2

This is the financial forecast based on the proposed 2022-23 budget, indexed for forecast movements in the major areas of cost impacts for every year out to 2033.

This scenario assumes zero income growth but still plans for a higher inflation spending environment. This would be considered a worse case scenario and is unlikely to occur.





## Council's Financial Policies

In developing the Cessnock City Council Long Term Financial Plan 2022-2033 the following financial policies of the Council has been taken into account. The policies can be viewed at Council's website: [www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)

### Loan Borrowings

This policy is to establish guidelines for loan borrowings. Council uses loan funds when Council considers that it is in the best interests of the community to carry out capital works or purchase assets and the funding of these purchases is not able to be sourced from existing budgets.

### Investment Policy

Council must comply with the Ministerial Investment Order (revised on a periodic basis) which notifies forms of investment for the purposes of section 625(2) of the Local Government Act 1993.

Council has an Investment Policy which meets the requirements of the Order and the Act.

### Financing Internal Restricted Assets Policy

Council has internally (discretionary) restricted reserves and externally (non-discretionary) restricted reserves. All reserves have a purpose, which has been resolve by Council. Reserves exist for Employee Leave Entitlements, Waste Depot and Rehabilitation, Plant and Vehicles, Land Cemetery and Columbariums; Bridge Replacement and Property Investment Fund.

### Voted Funds

The objective of this policy is to ensure that all funds voted at budget time are effectively and efficiently spent during the ensuring year with only exceptional circumstances necessitating a carry over of funds to the following year.

### Revenue (User Charges)

Council has a broad Fees & Charges Policy, which is adopted through the annual operational plan process. Council's fees and charges range from regulatory prescribed fees, minimum contributions to full cost overhead recovery.

## Long Term Financial Plan Objectives

The Long Term Financial Plan intends to achieve the following objectives over the ten year time frame:

- Provide services to the community
- Maintain adequate funding to support Council's asset management plans
- Maintain a strong cash position
- Maintain sufficient Employee Leave Entitlements cash reserve based on the age and entitlements of all staff in accordance with the Council's Workforce Strategy, and
- Ensure all adopted plans and strategies have a ten year financial forecasts for incorporation into the Long Term Financial Plan

Council has a commitment to the community for the delivery of strategies outlined in the Cessnock 2036 Community Strategic Plan. The development of the Long Term Financial Plan alongside the strategic plan will assist Council to assess the financial impact of the future strategic directions.

The Long Term Financial Plan is only a starting point and many of the strategic options will require further investigation before the next iteration of the Long Term Financial Plan is prepared. Council has traditionally aimed to operate with a balanced cash budget and continues to review Council operations to reduce costs, increase revenue and improve value for money.

## Performance Monitoring and Review

Performance reporting will be in accordance with Statements of Performance Measures as defined by the current Local Government Code of Accounting Practice.

Council will review the Long Term Financial Plan each year as part of the development of the annual Operational Plan. The review will include an assessment of the previous year's performance in terms of the accuracy of the projections made in the Long Term Financial Plan compared to the actual results. Evaluation will include reviewing and amending estimates and scenarios, where long term goals are not being achieved or where changes have affected set goals and strategies. Assumptions will be adjusted to improve the accuracy of the Long Term Financial Plan over the longer term.

Council will not only monitor its performance against the Long Term Financial Plan and the annual budget, but will also assess its long term financial sustainability against the following indicators including:

- Operating Performance Ratio
- Own source revenue ratio
- Building and infrastructure asset renewal ratio
- Debt service ratio

Council will thoroughly evaluate the Long Term Financial Plan every four years, in line with the review of the Community Strategic Plan. This will occur after each local government election.



# Planning Assumptions

The 2022-23 proposed budget is the base year for the Long Term Financial Plan 2022-2033. The following assumptions have been prepared in accordance with the Council's legislative requirements and in reference to the Cessnock2036 Community Strategic Plan.

The longer the time frame the greater the uncertainty so forecasts and financial projections may vary in the future particularly in the closing years of this period.

## Service Levels

The following general assumptions in relation to service levels have underpinned the development of the Long Term Financial Plan 2022-2033:

- The Council will continue to be responsible for providing services to the community however the range and levels of service may not remain the same depending on the outcomes of Service Reviews
- The quantity and location of assets may not remain the same as Council's asset management practices mature; and
- The current philosophy and practices of condition based maintenance will continue

## Workforce

The composition of the workforce will continue to be reviewed over the period, however all scenarios assume a static workforce number.

## Inflation Forecasts

These forecasts show an increase in CPI rising from the current level to 2.5% to 5%.

## Depreciation

Depreciation is based on the 2020-21 actuals plus growth in line with new and additional assets.

## Interest Rates

Interest rates are anticipated to increase to 5% for new loans and 2.5% for interest on investments.

## Employee Costs

Employee costs made up 41% of Council's 2020-21 operating expenditure. This reflects the service based nature of a significant proportion of Council activities as well as the construction and maintenance of the considerable infrastructure owned by Council. Movements in rates of pay are determined through industry-wide Award negotiations. The base of the Long Term Financial Plan assumes annual award increases of 2.5%.

## Materials and Contracts

Materials and contracts made up 32% of 2020-21 operating expenditure. The base case of the Long Term Financial Plan assume annual increase at the CPI.

## Investment Policy

Council has an adopted Investment Policy with the following objectives:

- To undertake authorized investment of surplus funds not required to meet commitments after consideration of credit risk and diversification limits as set out in the policy.
- To maximise earnings from authorized investments and ensure the security of Council funds
- To ensure the availability of sufficient funds to meet Council's ongoing commitments for salary, wages, loan repayments, contract payments and general payments and limit usage of the overdraft facility
- To meet obligations under Council's Charter as the custodian and trustee of public assets and to effectively account for and manage those assets for which it is responsible.

The Investment Policy is designed to minimise potential risks that may affect the valuation of its investment portfolio during the period of the Long Term Financial Plan.

## Capital Works Program

Capital expenditure is based on Council's asset management plans with an emphasis on the renewal of infrastructure assets.



# Available Financial Strategies

## Rates and Levies

### ***Rates and Annual Charges***

Rates and Annual Charges made up 65% of the 2020-21 operating revenue. The Council cannot apply a rate increase greater than the annual rate pegging limit without a special rate variation.

Aside from a one off Additional Special Rate variation of 1.8% for the 2022-23 financial year there has been no projections including a Special Rate Variation. All growth in the Long Term Financial Plans is assumed from the rate peg plus additional growth in population and housing.

### ***Stormwater Management Service Charge***

This charge was introduced in the 2007-08 financial year to establish a sustainable funding source for providing improved stormwater management. It is assumed the charge will remain in place for each year of the Long Term Financial Plan. The amount chargeable has been prescribed under the Local Government Act with no scope for adjustments in line with inflation or any other costs.

### ***Domestic Waste Management Service Charge***

All ratepayers who have access to domestic waste collection services incur a domestic waste management charge. This charge includes waste and recycling collections, educational programs, illegal dumping management, cleanup collections, waste collection facilities operations and remediation of landfill sites.

The Domestic Waste Management Strategy is supported by a ten year financial strategy which determines the annual charge. The estimated increase in the charge has been set in accordance with the Strategy.

In addition, the Waste Levy has been assumed from 2023-24 to increase in line with the CPI.

## Fees and Charges

### ***User Fees and Charges***

For statutory fees and charges the amount is fixed by regulation or by another authority. Examples of statutory fees include development assessment fees and planning certificates. The revenue from Statutory Fees & Charges has been assumed to increase by CPI.

### ***Commercial Activities***

Fees for the Performing Arts Centre, airport and swimming pools are expected to increase by CPI.

### ***Section 7.11 Contributions***

Section 7.11 contributions provide the facilities required for the increased population resulting from new developments. The Section 7.11 Plans adopted by Council determine contribution rates and works programs.

## Interest on Investments

Investments will be made in accordance with the Minister's Investment Order and the Council's Investment Policy. Expected investment returns have been based on a rate of return similar to prior years increasing by 2.5% year on year.

## Grants and Subsidies

In the base case of the Long Term Financial Plan it is assumed indexing of the Financial Assistance Grant will be in line with other levels of income growth.

## Borrowings

Council has traditionally taken out loan borrowings each year to supplement the drainage construction program. A continuation of the drainage loan borrowings has been included in the Long Term Financial Plan.

## Cash Reserves

Transfers to and from reserves have been made in accordance with the Reserves Strategy and the financial plans supporting the various reserves. Reserve movements and balances are reported monthly in Council Investment Reports, quarterly as part of the quarterly budget review statements and in Council's annual financial reports.



## Sensitivity Analysis

The Long Term Financial Plan contains a number of assumptions and any variations in these assumptions during the life of the plan may have a significant impact on the Council's future financial position. The Long Term Financial Plan will be reviewed annually to ensure the assumptions continually reflect the latest information available.

### Interest on Investments

The Council has a modest investment portfolio that is subject to movements in interest rates. Investments are placed and managed in accordance with the Council's adopted Investment Policy. As a custodian of the community's funds, the Council ensures funds are invested with the same care, diligence and skill that a prudent person would exercise.

### Rate Pegging and Special Rates Variations

Changes in rates revenue from the assumed levels will impact the Plan's forecasts. Any future special rate variations will also impact revenues.

### Inflation

Changes in inflation will impact both revenue and expenditure.

### Employee Costs

Changes in employee costs will impact Council's expenditure. Staff turnover patterns will impact recruitment and training costs.

### Population Growth

Variations in the population growth forecasts will impact rating revenues.

### Grants

The Long Term Financial Plan scenarios only include recurring grants and capital grants that have already been awarded. The Council has a high proportion of own-source revenue and does not have a strong reliance on grants. A number of the grants that are received fund specific programs that may not be offered by the Council if the grants were eliminated. The general purpose component of the Council's Financial Assistance Grant exceeds \$5 million. If this grant was eliminated the Council would need to reduce service levels and/or asset management expenditure.





# Scenario Development

Financial modelling has been used to create three scenarios. Each scenario presents a different financial result depending on the underlying assumptions. The scenarios were developed by varying budgeted revenues and expenditures.

## Scenario 0: Base Case

Attachment A shows the financial statements for Scenario 0.

### Operating Revenue and Expenditure

All income and expenditure is assumed to increase by 2.5%. Capital income is assumed to have zero growth.

### Capital Expenditure

Major planned expenditures are from Council's Delivery Program and projected at \$30m per annum beyond the Delivery Program.

### Summary

In this scenario revenue is sufficient to meet budgeted operating and capital expenditure until the end of the projection.

This scenario is a workable financially sustainable projection however does not provide sufficient funds for asset expenditure requirements identified in Council's adopted Asset Management Plans.

## Scenario 1

Attachment B shows the financial statements for Scenario 1.

### Operating Revenue and Expenditure

Income in this scenario is assumed to increase by 3% primarily on population growth. Capital income is assumed to have zero growth. Expenditure is assumed to increase by 2.5%.

### Capital Expenditure

Major planned expenditures are from Council's Delivery Program and projected at \$40m per annum beyond the Delivery Program.

### Summary

The Income Statements show increasing surpluses over the life of the projection, aside from a year 1 deficit.

Noting that this scenario shows that there is sufficient funds to meet the needs of the operating and capital expenditure as planned it still does not meet the shortfall in funding required to meet the expenditure required in Council's adopted Asset Management Plans.

## Scenario 2

Attachment C shows the financial statements for Scenario 2.

### Operating Revenue and Expenditure

This scenario assumes that all revenue remains at current levels, with operating expenditure increasing by 3% per annum.

### Capital Expenditure

Major planned expenditures are from Council's Delivery Program and projected at \$30m per annum beyond the Delivery Program.

### Summary

This is considered a worse case scenario and unlikely to occur. This scenario shows increasing deficits and does not meet the needs of the operating and capital expenditure.

### Conclusions

Scenario 0 and 1 both show that Council can meet the requirements of funding day to day operations. The challenge for Council is that asset funding requirements are still significantly short of the amounts required to meet agreed asset conditions. Sources of funding in conjunction with Service Reviews will need to be undertaken as part of the Delivery Program to ascertain any need for any Special Rate Variation required.



OPERATING STATEMENT	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
<b>Income</b>												
Ordinary Rates & Annual Charges	(55,898,913)	(58,257,382)	(61,105,130)	(62,633,100)	(64,198,700)	(65,803,400)	(67,448,700)	(69,135,100)	(70,863,500)	(72,635,100)	(74,451,500)	(76,313,000)
User Charges & Fees	(14,127,724)	(9,269,632)	(9,843,660)	(10,089,900)	(10,342,200)	(10,600,700)	(10,865,500)	(11,136,900)	(11,415,000)	(11,699,900)	(11,992,200)	(12,291,500)
Interest & Investment Revenue	(444,702)	(323,419)	(275,378)	(282,200)	(289,300)	(296,500)	(303,800)	(311,300)	(319,000)	(326,800)	(334,800)	(343,200)
Other Revenues	(2,542,023)	(2,188,915)	(2,132,718)	(2,186,000)	(2,240,500)	(2,296,200)	(2,353,300)	(2,412,000)	(2,472,300)	(2,533,900)	(2,597,200)	(2,661,800)
Grants & Contributions for Operating Purposes	(12,946,094)	(11,855,621)	(11,630,730)	(11,921,800)	(12,219,800)	(12,525,500)	(12,838,700)	(13,159,400)	(13,488,300)	(13,825,700)	(14,171,600)	(14,526,200)
Grants & Contributions for Capital Purposes	(46,595,108)	(27,350,068)	(35,592,080)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Gain on Disposal of Assets	-	-	(570,000)	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>(132,554,564)</b>	<b>(109,245,037)</b>	<b>(121,149,696)</b>	<b>(94,113,000)</b>	<b>(96,290,500)</b>	<b>(98,522,300)</b>	<b>(100,810,000)</b>	<b>(103,154,700)</b>	<b>(105,558,100)</b>	<b>(108,021,400)</b>	<b>(110,547,300)</b>	<b>(113,135,700)</b>
<b>Expenditure</b>												
Employee Benefits & On-Costs	35,448,726	32,722,989	34,557,478	35,421,400	36,308,100	37,217,100	38,148,100	39,103,300	40,081,000	41,082,100	42,107,800	43,160,500
Borrowing Costs	262,630	223,900	176,327	140,697	114,092	93,691	72,766	51,979	38,863	27,532	15,974	7,085
Material & Contracts	28,239,611	20,162,446	21,492,737	22,035,200	22,589,400	23,156,000	23,733,900	24,328,000	24,935,500	25,555,500	26,190,800	26,843,000
Depreciation & Amortisation	14,675,635	14,382,116	15,599,112	15,975,478	16,507,700	17,087,656	17,668,468	18,110,338	18,506,515	18,916,265	19,312,740	19,694,931
Other Expenses	10,972,507	11,412,893	11,131,805	11,410,400	11,694,100	11,985,900	12,284,100	12,589,700	12,902,400	13,222,400	13,551,400	13,888,500
Loss on Disposal of Assets	6,314,727	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>Total Expenditure</b>	<b>95,913,836</b>	<b>81,404,344</b>	<b>85,457,459</b>	<b>87,483,175</b>	<b>89,713,392</b>	<b>92,040,347</b>	<b>94,407,334</b>	<b>96,683,317</b>	<b>98,964,278</b>	<b>101,303,797</b>	<b>103,678,714</b>	<b>106,094,016</b>
<b>Operating Result (Surplus)/Deficit</b>	<b>(36,640,728)</b>	<b>(27,840,693)</b>	<b>(35,692,237)</b>	<b>(6,629,825)</b>	<b>(6,577,108)</b>	<b>(6,481,953)</b>	<b>(6,402,666)</b>	<b>(6,471,383)</b>	<b>(6,593,822)</b>	<b>(6,717,603)</b>	<b>(6,868,586)</b>	<b>(7,041,684)</b>
<b>Operating Result Surplus)/Deficit excluding Grants &amp; Contributions for Capital Purposes</b>	<b>9,954,380</b>	<b>(490,625)</b>	<b>(100,157)</b>	<b>370,175</b>	<b>422,892</b>	<b>518,047</b>	<b>597,334</b>	<b>528,617</b>	<b>406,178</b>	<b>282,397</b>	<b>131,414</b>	<b>(41,684)</b>

STATEMENT OF FINANCIAL POSITION	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
<b>Current Assets</b>												
Cash & Cash Equivalents	7,766,080	5,161,595	3,690,538	7,076,847	7,285,858	3,400,176	5,074,681	2,599,175	5,674,465	4,351,145	3,341,999	3,729,026
Investments	47,000,000	44,800,000	55,000,000	60,000,000	55,000,000	55,000,000	50,000,000	50,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Receivables	13,403,148	6,639,295	21,144,453	6,847,369	6,922,259	6,999,085	7,077,917	7,158,797	7,241,766	7,326,873	7,414,201	7,503,763
Inventories	1,690,644	1,648,556	384,068	389,829	395,676	401,611	407,636	413,750	419,956	426,256	432,650	439,139
Other	1,005,869	336,482	546,811	555,013	563,338	571,788	580,365	589,071	597,907	606,875	615,978	625,218
Held for Sale	1,408,789	206,182	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>72,274,531</b>	<b>58,792,110</b>	<b>80,765,870</b>	<b>74,869,058</b>	<b>70,167,131</b>	<b>66,372,660</b>	<b>63,140,598</b>	<b>60,760,792</b>	<b>58,934,094</b>	<b>57,711,149</b>	<b>56,804,828</b>	<b>57,297,147</b>
<b>Non-Current Assets</b>												
Investments Using the Equity Method	383,000	-	383,000	383,000	383,000	383,000	383,000	383,000	383,000	383,000	383,000	383,000
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,041,842,878	1,042,824,826	1,072,048,014	1,101,453,838	1,130,880,340	1,168,733,386	1,198,102,120	1,227,612,084	1,257,319,071	1,287,217,209	1,317,332,873	1,359,144,477
<b>Total Non-Current Assets</b>	<b>1,042,225,878</b>	<b>1,042,824,826</b>	<b>1,072,431,014</b>	<b>1,101,836,838</b>	<b>1,131,263,340</b>	<b>1,169,116,386</b>	<b>1,198,485,120</b>	<b>1,227,995,084</b>	<b>1,257,702,071</b>	<b>1,287,600,209</b>	<b>1,317,715,873</b>	<b>1,359,527,477</b>
<b>Current Liabilities</b>												
Payables	(7,894,276)	(7,411,970)	(7,726,584)	(7,363,056)	(7,574,971)	(7,794,506)	(8,021,907)	(8,363,113)	(8,501,362)	(8,641,375)	(8,323,247)	(8,693,985)
Borrowings	(1,557,633)	(1,471,576)	(1,118,336)	(890,435)	(910,836)	(931,761)	(779,618)	(619,803)	(631,133)	(485,613)	(337,422)	(114,269)
Provisions	(10,282,198)	(10,385,529)	(10,436,431)	(10,540,796)	(10,646,204)	(10,752,666)	(10,860,192)	(10,968,794)	(11,078,482)	(11,189,267)	(11,301,160)	(11,414,171)
Contract Liabilities	(7,072,255)	(4,387,554)	(7,178,339)	(7,250,123)	(7,322,624)	(7,395,850)	(7,469,809)	(7,544,507)	(7,619,952)	(7,696,151)	(7,773,113)	(7,850,844)
Lease Liabilities	(17,669)	(60,104)	(5,075)	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>(26,824,032)</b>	<b>(23,716,732)</b>	<b>(26,464,765)</b>	<b>(26,044,410)</b>	<b>(26,454,634)</b>	<b>(26,874,782)</b>	<b>(27,131,525)</b>	<b>(27,496,217)</b>	<b>(27,830,929)</b>	<b>(28,012,406)</b>	<b>(27,734,941)</b>	<b>(20,222,425)</b>
<b>Non-Current Liabilities</b>												
Payables	(3,038,558)	(5,713,031)	(5,491,319)	(5,765,885)	(6,054,179)	(6,356,888)	(6,674,732)	(7,008,469)	(7,358,892)	(7,726,837)	(8,113,179)	(8,518,837)
Borrowings	(5,130,535)	(6,722,008)	(5,700,890)	(4,810,455)	(3,899,619)	(2,967,858)	(2,188,240)	(1,568,437)	(937,304)	(451,691)	(114,269)	-
Provisions	(14,609,355)	(15,899,474)	(12,424,734)	(12,230,045)	(11,872,130)	(11,877,656)	(11,883,293)	(11,889,042)	(11,894,907)	(11,900,888)	(11,906,990)	(11,913,213)
Lease Liabilities	(5,737)	(23,352)	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>(22,784,185)</b>	<b>(28,357,864)</b>	<b>(23,616,942)</b>	<b>(22,806,385)</b>	<b>(21,825,928)</b>	<b>(21,202,402)</b>	<b>(20,746,265)</b>	<b>(20,465,948)</b>	<b>(20,191,102)</b>	<b>(20,079,416)</b>	<b>(20,134,437)</b>	<b>(20,432,050)</b>
<b>Equity</b>	<b>(1,064,892,192)</b>	<b>(1,049,542,339)</b>	<b>(1,103,115,176)</b>	<b>(1,127,855,101)</b>	<b>(1,153,149,909)</b>	<b>(1,187,411,862)</b>	<b>(1,213,747,928)</b>	<b>(1,240,793,711)</b>	<b>(1,268,614,133)</b>	<b>(1,297,219,536)</b>	<b>(1,326,651,322)</b>	<b>(1,376,170,149)</b>



STATEMENT OF CASH FLOWS	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
<b>Cash Flows from Operating Activities</b>												
<b>RECEIPTS</b>												
Rates & Annual Charges	55,403,593	58,187,123	61,175,815	62,559,102	64,122,838	65,725,592	67,368,876	69,053,218	70,779,519	72,548,971	74,363,140	76,222,395
User Charges & Fees	14,110,918	9,378,479	9,770,938	10,093,680	10,346,018	10,604,556	10,869,395	11,140,834	11,418,973	11,703,913	11,996,253	12,291,500
Interest & Investment Revenue	857,596	315,789	275,378	282,200	289,300	296,500	303,800	311,300	319,000	326,800	334,800	343,200
Bonds, Deposits & Retention Amounts Received	857,864	92,796	0	279,852	293,633	308,101	323,291	339,237	355,979	373,556	392,009	411,383
Other Revenues	949,000	2,343,766	2,133,671	2,186,963	2,241,473	2,297,182	2,354,292	2,413,002	2,473,312	2,534,922	2,598,232	2,662,843
Grants & Contributions for Operating Purposes	30,047,000	38,948,349	35,716,199	33,359,922	19,288,483	19,594,870	19,908,764	20,230,164	20,559,772	20,897,887	21,244,509	21,526,200
<b>PAYMENTS</b>												
Employee Benefits & On Costs	(34,354,000)	(32,574,785)	(34,450,894)	(35,785,116)	(36,097,802)	(37,000,659)	(37,925,322)	(38,768,299)	(39,950,593)	(40,951,625)	(42,437,217)	(42,802,854)
Borrowing Costs	(262,630)	(223,900)	(176,327)	(140,697)	(114,092)	(93,691)	(72,766)	(51,979)	(38,863)	(27,532)	(15,974)	(7,085)
Materials & Contracts	(32,792,000)	(20,115,689)	(22,716,495)	(21,947,459)	(22,494,206)	(23,058,368)	(23,633,768)	(24,225,304)	(24,830,176)	(25,447,481)	(26,080,017)	(26,666,685)
Bonds, Deposits & Retention Amounts Refunded	(3,334,000)	-	(259,246)	-	-	-	-	-	-	-	-	-
Other Expenses	(7,965,000)	(11,155,302)	(11,874,251)	(11,612,602)	(12,059,698)	(11,988,229)	(12,286,495)	(12,592,162)	(12,904,930)	(13,224,999)	(13,554,070)	(13,891,243)
<b>Net Cash Provided/(Used) in Operating Activities</b>	<b>23,518,341</b>	<b>45,196,626</b>	<b>39,594,789</b>	<b>39,275,844</b>	<b>25,815,946</b>	<b>26,685,854</b>	<b>27,210,066</b>	<b>27,850,012</b>	<b>28,181,994</b>	<b>28,734,411</b>	<b>28,841,665</b>	<b>30,089,653</b>
<b>Cash Flows from Investing Activities</b>												
<b>RECEIPTS</b>												
Redemption of Term Deposits	-	-	-	-	5,000,000	-	5,000,000	-	5,000,000	-	-	-
Sale of IPP&E	3,367,000	693,000	175,300	228,800	283,500	339,300	396,200	454,100	513,100	573,400	634,800	634,800
Sale of IPP&E - Real estate	-	-	1,270,164	-	-	-	-	-	-	-	-	-
<b>PAYMENTS</b>												
Acquisition of Term Deposits	(4,400,000)	(700,000)	(14,200,000)	(5,000,000)	-	-	-	-	-	-	-	-
Purchase of IPP&E	(20,909,000)	(46,599,033)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)
<b>Net Cash Provided/(Used) in Investing Activities</b>	<b>(21,942,000)</b>	<b>(46,606,033)</b>	<b>(42,754,536)</b>	<b>(34,771,200)</b>	<b>(24,716,500)</b>	<b>(29,660,700)</b>	<b>(24,603,800)</b>	<b>(29,545,900)</b>	<b>(24,486,900)</b>	<b>(29,426,600)</b>	<b>(29,365,200)</b>	<b>(29,365,200)</b>

STATEMENT OF CASH FLOWS (cont.)	FY2021 Actual	FY2022 Budget	FY2023 Projection	FY2024 Projection	FY2025 Projection	FY2026 Projection	FY2027 Projection	FY2028 Projection	FY2029 Projection	FY2030 Projection	FY2031 Projection	FY2032 Projection
<b>Cash Flows from Financing Activities</b>												
<b>RECEIPTS</b>												
Proceeds from Borrowings	2,947,553	3,063,049	3,063,097	-	-	-	-	-	-	-	-	-
<b>PAYMENTS</b>												
Repayment of Borrowings	(1,608,314)	(1,557,633)	(1,374,406)	(1,118,336)	(890,435)	(910,836)	(931,761)	(779,618)	(619,803)	(631,133)	(485,613)	(337,422)
Lease Payments	(59,843)	-	(54,877)	(4,966)	-	-	-	-	-	-	-	-
<b>Net Cash Provided/(Used) in Investing Activities</b>	<b>1,279,396</b>	<b>1,505,416</b>	<b>1,688,691</b>	<b>(1,118,336)</b>	<b>(890,435)</b>	<b>(910,836)</b>	<b>(931,761)</b>	<b>(779,618)</b>	<b>(619,803)</b>	<b>(631,133)</b>	<b>(485,613)</b>	<b>(337,422)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>2,859,059</b>	<b>96,009</b>	<b>(1,471,056)</b>	<b>3,386,308</b>	<b>209,011</b>	<b>(3,885,682)</b>	<b>1,674,505</b>	<b>(2,475,506)</b>	<b>3,075,290</b>	<b>(1,323,322)</b>	<b>(1,009,148)</b>	<b>387,031</b>
Plus : Opening balance of cash & cash equivalents	4,907,021	5,065,586	5,161,595	3,690,539	7,076,847	7,285,858	3,400,176	5,074,681	2,599,175	5,674,466	4,351,143	3,341,995
<b>Cash &amp; Cash Equivalents at end of year</b>	<b>7,766,080</b>	<b>5,161,595</b>	<b>3,690,539</b>	<b>7,076,847</b>	<b>7,285,858</b>	<b>3,400,176</b>	<b>5,074,681</b>	<b>2,599,175</b>	<b>5,674,466</b>	<b>4,351,143</b>	<b>3,341,995</b>	<b>3,729,027</b>
Investments at end of year	47,000,000	44,800,000	55,000,000	60,000,000	55,000,000	55,000,000	50,000,000	50,000,000	45,000,000	45,000,000	45,000,000	45,000,000
<b>Total Cash, Cash Equivalents and Investments</b>	<b>54,766,080</b>	<b>49,961,595</b>	<b>58,690,539</b>	<b>67,076,847</b>	<b>62,285,858</b>	<b>58,400,176</b>	<b>55,074,681</b>	<b>52,599,175</b>	<b>50,674,466</b>	<b>49,351,143</b>	<b>48,341,995</b>	<b>48,729,027</b>





OPERATING STATEMENT	2021	FY2022 Budget	FY2023 Projections	FY2024 Projections	FY2025 Projections	FY2026 Projections	FY2027 Projections	FY2028 Projections	FY2029 Projections	FY2030 Projections	FY2031 Projections	FY2032 Projections
<b>Income</b>												
Ordinary Rates & Annual Charges	(55,898,913)	(58,257,382)	(61,105,130)	(62,938,400)	(64,826,500)	(66,771,400)	(68,774,400)	(70,837,500)	(72,962,500)	(75,151,200)	(77,405,700)	(79,728,000)
User Charges & Fees	(14,127,724)	(9,269,632)	(9,843,660)	(10,139,700)	(10,444,000)	(10,757,600)	(11,080,200)	(11,412,600)	(11,754,600)	(12,106,900)	(12,469,700)	(12,843,700)
Interest & Investment Revenue	(444,702)	(323,419)	(275,378)	(283,500)	(292,100)	(300,900)	(310,000)	(319,300)	(328,800)	(338,700)	(348,800)	(359,300)
Other Revenues	(2,542,023)	(2,188,915)	(2,132,718)	(2,196,900)	(2,263,000)	(2,330,800)	(2,400,800)	(2,472,600)	(2,546,900)	(2,623,200)	(2,701,900)	(2,782,900)
Grants & Contributions for Operating Purposes	(12,946,094)	(11,855,621)	(11,630,730)	(11,979,700)	(12,339,100)	(12,709,500)	(13,090,800)	(13,483,600)	(13,888,200)	(14,304,500)	(14,733,700)	(15,175,600)
Grants & Contributions for Capital Purposes	(46,595,108)	(27,350,068)	(35,359,878)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Gain on Disposal of Assets	0	0	(570,000)	0	0	0	0	0	0	0	0	0
<b>Total Income</b>	<b>(132,554,564)</b>	<b>(109,245,037)</b>	<b>(120,917,494)</b>	<b>(94,538,200)</b>	<b>(97,164,700)</b>	<b>(99,870,200)</b>	<b>(102,656,200)</b>	<b>(105,525,600)</b>	<b>(108,481,000)</b>	<b>(111,524,500)</b>	<b>(114,659,800)</b>	<b>(117,889,500)</b>
<b>Expenditure</b>												
Employee Benefits & On Costs	35,448,726	32,722,989	34,557,478	35,421,400	36,308,100	37,217,100	38,148,100	39,103,300	40,081,000	41,082,100	42,107,800	43,160,500
Borrowing Costs	262,630	223,900	176,327	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200
Material & Contracts	28,239,611	20,162,446	21,492,737	22,035,200	22,589,400	23,156,000	23,733,900	24,328,000	24,935,500	25,555,500	26,190,800	26,843,000
Depreciation & Amortisation	14,675,635	14,382,116	15,599,112	16,119,672	16,829,303	17,602,578	18,376,992	18,966,152	19,494,387	20,040,720	20,569,351	21,078,939
Other Expenses	10,972,507	11,412,893	11,131,805	11,410,400	11,694,100	11,985,900	12,284,100	12,589,700	12,902,400	13,222,400	13,551,400	13,888,500
Loss on Disposal of Assets	6,314,727	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>Total Expenditure</b>	<b>95,913,836</b>	<b>81,404,344</b>	<b>85,457,459</b>	<b>87,662,872</b>	<b>90,097,103</b>	<b>92,637,778</b>	<b>95,219,292</b>	<b>97,663,352</b>	<b>100,089,487</b>	<b>102,576,920</b>	<b>105,095,551</b>	<b>107,647,139</b>
<b>Operating Result (Surplus)/Deficit</b>	<b>(36,640,728)</b>	<b>(27,840,693)</b>	<b>(35,460,035)</b>	<b>(6,875,328)</b>	<b>(7,067,597)</b>	<b>(7,232,422)</b>	<b>(7,436,908)</b>	<b>(7,862,248)</b>	<b>(8,391,513)</b>	<b>(8,947,580)</b>	<b>(9,564,249)</b>	<b>(10,242,361)</b>
<b>Operating Result (Surplus)/Deficit excluding Grants &amp; Contributions for Capital Purposes</b>	<b>9,954,380</b>	<b>(490,625)</b>	<b>(100,157)</b>	<b>124,672</b>	<b>(67,597)</b>	<b>(232,422)</b>	<b>(436,908)</b>	<b>(862,248)</b>	<b>(1,391,513)</b>	<b>(1,947,580)</b>	<b>(2,564,249)</b>	<b>(3,242,361)</b>

OPERATING STATEMENT	2021	FY2022 Budget	FY2023 Projections	FY2024 Projections	FY2025 Projections	FY2026 Projections	FY2027 Projections	FY2028 Projections	FY2029 Projections	FY2030 Projections	FY2031 Projections	FY2032 Projections
<b>Income</b>												
Ordinary Rates & Annual Charges	(55,898,913)	(58,257,382)	(61,105,130)	(61,105,100)	(61,105,100)	(61,105,100)	(61,105,100)	(61,105,100)	(61,105,100)	(61,105,100)	(61,105,100)	(61,105,100)
User Charges & Fees	(14,127,724)	(9,269,632)	(9,843,660)	(9,843,800)	(9,843,800)	(9,843,800)	(9,843,800)	(9,843,800)	(9,843,800)	(9,843,800)	(9,843,800)	(9,843,800)
Interest & Investment Revenue	(444,702)	(323,419)	(275,378)	(275,400)	(275,400)	(275,400)	(275,400)	(275,400)	(275,400)	(275,400)	(275,400)	(275,400)
Other Revenues	(2,542,023)	(2,188,915)	(2,132,718)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)	(2,132,900)
Grants & Contributions for Operating Purposes	(12,946,094)	(11,855,621)	(11,630,730)	(11,630,700)	(11,630,700)	(11,630,700)	(11,630,700)	(11,630,700)	(11,630,700)	(11,630,700)	(11,630,700)	(11,630,700)
Grants & Contributions for Capital Purposes	(46,595,108)	(27,350,068)	(35,359,878)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
Gain on Disposal of Assets	0	0	(570,000)	0	0	0	0	0	0	0	0	0
<b>Total Income</b>	<b>(132,554,564)</b>	<b>(109,245,037)</b>	<b>(120,917,494)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>	<b>(91,987,900)</b>
<b>Expenditure</b>												
Employee Benefits & On Costs	35,448,726	32,722,989	34,557,478	35,593,500	36,660,900	37,759,500	38,890,500	40,055,100	41,254,500	42,490,100	43,762,600	45,074,100
Borrowing Costs	262,630	223,900	176,327	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200	176,200
Material & Contracts	28,239,611	20,162,446	21,492,737	22,139,500	22,803,400	23,486,200	24,189,100	24,911,000	25,655,300	26,422,100	27,211,300	28,024,500
Depreciation & Amortisation	14,675,635	14,382,116	15,599,112	16,316,615	16,930,674	17,545,347	18,091,821	18,646,098	19,087,796	19,546,995	20,011,975	20,488,913
Other Expenses	10,972,507	11,412,893	11,131,805	11,466,100	11,808,500	12,160,700	12,523,000	12,897,400	13,282,800	13,679,600	14,088,000	14,509,200
Loss on Disposal of Assets	6,314,727	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
<b>Total Expenditure</b>	<b>95,913,836</b>	<b>81,404,344</b>	<b>85,457,459</b>	<b>88,191,915</b>	<b>90,879,674</b>	<b>93,627,947</b>	<b>96,370,621</b>	<b>99,185,798</b>	<b>101,956,596</b>	<b>104,814,995</b>	<b>107,750,075</b>	<b>110,772,913</b>
<b>Operating Result (Surplus)/Deficit</b>	<b>(36,640,728)</b>	<b>(27,840,693)</b>	<b>(35,460,035)</b>	<b>(3,795,985)</b>	<b>(1,108,226)</b>	<b>1,640,047</b>	<b>4,382,721</b>	<b>7,197,898</b>	<b>9,968,696</b>	<b>12,827,095</b>	<b>15,762,175</b>	<b>18,785,013</b>
<b>Operating Result (Surplus)/Deficit excluding Grants &amp; Contributions for Capital Purposes</b>	<b>9,954,380</b>	<b>(490,625)</b>	<b>(100,157)</b>	<b>3,204,015</b>	<b>5,891,774</b>	<b>8,640,047</b>	<b>11,382,721</b>	<b>14,197,898</b>	<b>16,968,696</b>	<b>19,827,095</b>	<b>22,762,175</b>	<b>25,785,013</b>





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