



LEETON
SHIRE COUNCIL

ORDINARY COUNCIL MEETING AGENDA

ITEM 8.1.3 BUILDING A FINANCIALLY SUSTAINABLE FUTURE FOR LEETON SHIRE

**Tuesday 29 September 2026
6:30 pm**

Authorised for release: Jackie Kruger (General Manager)

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8.1. GENERAL MANAGER'S MATTERS

ITEM 8.1.1. BUILDING A FINANCIALLY SUSTAINABLE FUTURE FOR LEETON SHIRE

AUTHOR: Manager Governance and IPR
Director Corporate / CFO
Communications Coordinator

APPROVER/S: General Manager

SUMMARY/PURPOSE

The purpose of this report is to:

- Update Councillors on the financial position of Leeton Shire Council's General Fund, noting Professor Joseph Drew's *Financial Sustainability Update Report (July 2026)*. In summary, Council's General Fund is not financially viable.
- Seek Council endorsement for taking steps for achieving financial sustainability of its General Fund, noting a revised Long Term Financial Plan (LTFP) that includes 3 "Back in Black" financial scenarios all of which include the need for further savings, loans and additional rate revenue. Professor Drew has provided an *Assurance on Long Term Financial Plan Report (September 2026)*.
- Seek Council agreement to consult the community on the LTFP and options for achieving financial sustainability, including a possible Special Rate Variation, noting Professor Drew's *Capacity to Pay Report (July 2026)* and the draft *Special Rate Variation Communications and Engagement Strategy (September 2026)*.

In making its decision to engage the community on options for achieving financial sustainability, Council is not yet committing to apply to the Independent Pricing and Regularity Tribunal (IPART) for a Special Rate Variation (SRV).

If the recommendation is adopted, Council is agreeing to:

- Inform the community that Council's General Fund is unsustainable and must be addressed;
 - Formally consult the community on options for achieving financial sustainability of its General Fund (savings, projects, increased income) and their capacity to pay. This includes consulting on a possible SRV.
 - Commit to genuinely considering feedback from the community at a future Council meeting prior to deciding what final actions to pursue to achieve financial sustainability of the General Fund.
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RECOMMENDATION

THAT Council:

1. Receives and notes the following independent reports:
 - a. *Financial Sustainability Update Report (July 2026)*;
 - b. *Capacity to Pay Report (July 2026)*; and
 - c. *Assurance on Long-Term Financial Plan Report (September 2026)*.

2. Endorses the revised Leeton Shire Council Long-Term Financial Plan 2026-2036, including the three listed scenarios for achieving financial sustainability of the General Fund which each propose additional savings, additional loans and increased rate revenue via a Special Rate Variation (SRV).
3. Considers whether it wishes to nominate a preferred scenario from the Long Term Financial Plan or consult equally on all three options.
4. Endorses the revised draft Hardship Policy.
5. Endorses the Special Rate Variation (SRV) Communications and Engagement Strategy and agrees to undertake formal community engagement from Wednesday 30 September 2026 until 5.00pm Tuesday 27 October 2026 on the draft Hardship Policy and the September 2026 Long Term Financial Plan, noting it includes a proposal for a permanent Special Variation to general income under section 508A of the *Local Government Act 1993*, commencing 1 July 2027.
6. Authorises the General Manager to notify the Independent Pricing and Regulatory Tribunal (IPART) of Council's engagement with its community on a Special Rate Variation, noting that such notification is non-binding and does not commit Council to submitting an application.
7. Requests from the General Manager a further report at the December 2026 Ordinary Council Meeting detailing the outcomes of the community engagement on the LTFP and Hardship Policy and recommending how best to address the financial sustainability of Council's General Fund with effect from 1 July 2027.

REPORT

(a) Background

The Challenge of Planning for the Future of Leeton Shire

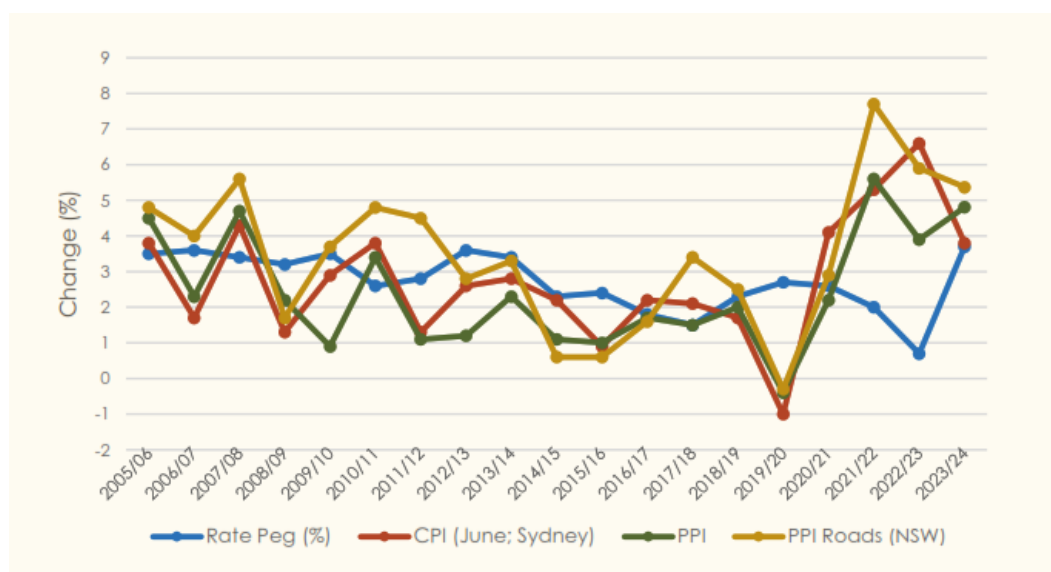
Leeton Shire is a vibrant and connected community, supported by the roads, parks, sporting facilities, libraries, community buildings, childcare services and local services that people use every day. Council plays an important role in planning for, delivering and maintaining these assets and services so they continue to support the wellbeing, prosperity and quality of life of the community.

The community's vision for the future is outlined in *Leeton On The Go Towards 2035* and is reflected throughout Council's Integrated Planning and Reporting framework, including the Community Strategic Plan, Delivery Program, Operational Plan, Long Term Financial Plan and Asset Management Plans. These plans help guide the decisions Council makes about the infrastructure, facilities and services needed both now and into the future.

Throughout this planning process, the community has consistently expressed the importance of maintaining local infrastructure, quality community facilities and the services that contribute to the liveability and prosperity of Leeton Shire. Council's challenge is to ensure these community priorities can continue to be delivered in a way that is financially responsible and sustainable over the long term.

Council is currently not financially sustainable and is not alone in this, with many NSW Councils facing similar challenges. The income local Councils can generate has not kept pace with rising costs and the annual "rate peg" limits the allowable increase in rates.

The below graph illustrates this well, with Leeton's annual rate peg tracked in blue against the Consumer Price Index (CPI), Producer Price Index (PPI) and PPI Roads.



Other factors that contribute to local governments' financial challenges include:

- A reduction (and two-year freeze) in Federal Government Financial Assistance Grants
- State and Federal Governments mandating Councils to do more but without providing them additional funding (called "cost shifting")
- Staff award increases regularly outpacing rate peg increases
- Changing risk / cost profiles such as cybersecurity, insurances, fuel pricing
- Community requests for increased and improved services

Council has a fiduciary responsibility under the Local Government Act 1993 to return Council's General Fund to a financially sustainable position. (Pleasingly, Council's Water Fund and Sewer Fund are both sustainable.)

Council's Financial Sustainability Journey and Actions To Date

As part of the 2015 Fit for the Future Program, Council was required to submit a Financial Improvement Plan prior to being allowed to stand alone as its General Fund was not financially sustainable. Actions were undertaken at the time but that did not relieve the situation. In 2018, Council was alerted to the need for further savings and increased revenue and, since then, \$800K of efficiencies has been achieved via mix

of productivity and asset management improvements, technology enhancements, operational reforms, joint procurement, and organisation restructuring, with a further \$244K of potential efficiencies imminent.

Despite these efforts, financial sustainability issues persisted and in 2022 Council consulted the community on the need for a Special Rate Variation (SRV). Following consultation, the Council voted not to proceed at that time.

Council has continued to review its financial position, future service requirements and infrastructure obligations with a view to ensuring it can continue delivering the services, facilities and infrastructure valued by the community, both now and into the future. This ongoing work has focused on balancing community expectations and aspirations with responsible financial planning and service delivery so that local infrastructure, facilities and services can continue to support the community for generations to come.

To check its understanding of its financial position and build community confidence in the numbers being presented, Council contracted the services of the University of Newcastle in 2025, notably Professor Joseph Drew, Professor Miyazaki and Professor Kim, to undertake a Financial Sustainability Report on Leeton Shire Council. The report confirmed that Leeton Shire's General Fund was not financially sustainable.

Recognising the importance of transparency and community involvement, Council also commenced a significant community awareness and education program in April 2025. This included public information sessions, community meetings and educational activities featuring independent advice from Professor Joseph Drew who attended in person and via a range of video presentations, which helped improve community understanding of local government finances and the long-term challenges being faced by many Councils across New South Wales.

To ensure community perspectives were considered as part of this work, Council established the Financial Sustainability Advisory Committee (FSAC) in October 2025. Comprising mainly community representatives, with a few Councillors and staff, the Committee provided valuable feedback, ideas and perspectives for exploring opportunities and trade-offs associated with dealing with the financial challenges being faced by Council. FSAC was chaired by Professor Drew. Their discussions reinforced the importance of balancing community expectations, service delivery requirements, infrastructure needs, affordability considerations and long-term financial sustainability when considering future options.

Alongside this community engagement and planning work, Council has continued to take action internally to improve efficiency, strengthen financial management and contain costs. This has included service reviews, reviews of fees and charges, further productivity improvements, capital expenditure reviews and additional savings initiatives. To date, \$525K has been identified for future cash savings, with a total goal of \$1.2M of savings included in the latest Long Term Financial Plan.

What the Independent Reviews Found

To better understand Council's long-term financial position and the options available to respond to future challenges, Council engaged the University of Newcastle, notably Professor Joseph Drew and colleagues, to undertake an independent review of

Council's financial sustainability, assess community capacity to pay and provide assurance over the Draft Long Term Financial Plan.

Having regard to various strategic Council documents, including Council's Long Term Financial Plan and Asset Management Plans, the independent reviews examined Council's capacity to continue maintaining infrastructure, renewing community assets and delivering services over the long term. The reviews were designed to provide an evidence-based assessment of Council's financial position and ensure any future decisions are informed by robust analysis rather than assumptions.

The reviews found that Council is experiencing increasing pressure associated with maintaining and renewing infrastructure, delivering services and responding to the priorities identified by the community through Council's planning framework. Under current revenue settings, these pressures are expected to continue and may increasingly affect Council's capacity to maintain infrastructure, renew community assets and sustain service levels over time.

Importantly, the reviews also acknowledge the significant work already undertaken by Council to improve efficiency, contain costs and strengthen financial management. However, the independent findings indicate that while these initiatives are important and must continue, they are unlikely on their own to fully address Council's long-term financial challenges.

Community Affordability Considerations

Council also commissioned an independent Capacity to Pay Report to assess the potential affordability of an SRV for the Leeton Shire community. The work was undertaken by Professor Drew and Professor Ferreira.

The report concludes that, when considered collectively, the Leeton Shire community has the capacity to contribute additional revenue when compared with similar Councils across New South Wales. The report also acknowledges that individual circumstances vary significantly and that some households, businesses and farmland ratepayers may experience financial hardship.

Council acknowledges that affordability concerns will differ for each household, business and farmland ratepayer. For this reason, affordability remains an important consideration throughout the process. Council has consequently reviewed its Financial Hardship Policy and strengthened the support available through payment arrangements, hardship assistance, pensioner concessions and referral pathways to external support services.

Ensuring people understand the assistance available, including hardship support, payment arrangements and pensioner concessions, will form an important part of the proposed community engagement process.

(b) Discussion

Options for addressing General Fund Financial Sustainability

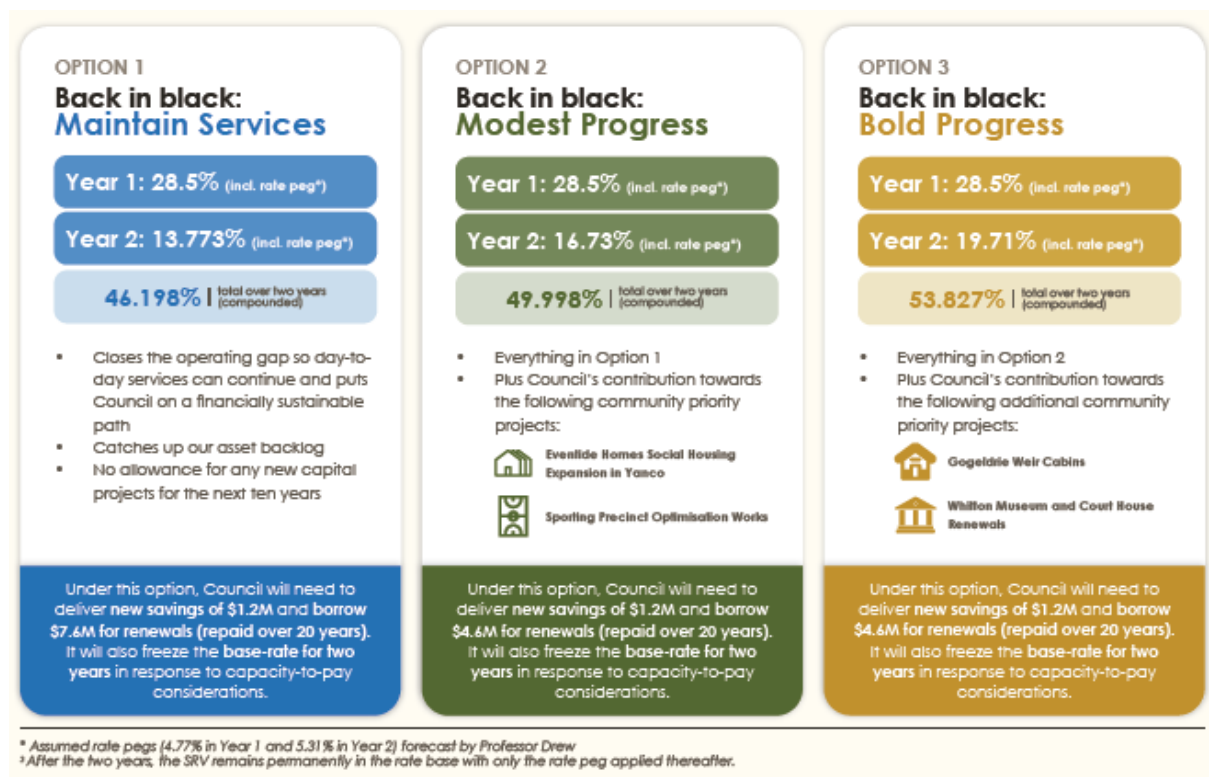
The options Council has at its disposal to directly address the General Fund financial sustainability challenges include a mix of :

- Achieving savings by reducing services or service levels
- Increasing general income (through increased fees and charges, additional rates income)
- Selling assets to reduce the cash burden
- Borrowing funds for operational purposes

Having regard to the expert advice received since 2025, and the adopted Community Strategic Plan, Delivery Program and Resourcing Strategy, management revised Council's Long Term Financial Plan (LTFP) in September 2026.

This revised 10-year LTFP sets out four (4) sets of financial data where readers can compare the financially unsustainable Base Case (being business-as-usual with only the assumed rate-peg forecasts applied and no new community priority projects) with three new scenarios for getting 'Back in Black': 1. Maintain Services, 2. Modest Progress, 3. Bold Progress.

Each 'Back in Black' scenario details an option for becoming financially sustainable. They all require savings of \$1.2M, various loans and additional rates revenue (referred to as a Special Rate Variation or SRV). Each option has differing capacities to support (or not support) new community priority capital projects.



The September 2026 LTFP has been independently assured by Professor Drew who has provided an Assurance Report for the LTFP. He has not assured the costings for the Whitton Museum repairs and upgrade.

Next Step - Community Consultation

It is being recommended that Council now consults the community on the three (3) scenarios above with a view to helping residents understand the potential financial, service and infrastructure implications of different options, along with the associated opportunities and trade-offs. This community consultation will be undertaken and reviewed before any final decision is made about a Special Rate Variation application to IPART.

An *SRV Communication and Engagement Plan (September 2026)* has been developed for Council's consideration. It is noted that Council has ensured that all communication material meets the requirements of the *Office of Local Government's Guidelines for the Preparation of an Application for a Special Variation to General Income (November 2020)*.

Community engagement is an important part of Council's decision-making process. Before making any decision about a potential Special Rate Variation, Council needs to understand what matters most to the community, including views on affordability, service levels, infrastructure priorities and the future needs of Leeton Shire.

The proposed engagement program has been designed to provide residents, businesses, farmland ratepayers, community organisations and other stakeholders with clear, balanced and accessible information so they can make informed contributions to the discussion. Community members will be able to review information, ask questions, share their views and help inform Council's future decision-making.

Consistent with the requirements of the Office of Local Government and IPART, the consultation material will explain:

- why Council is considering a Special Rate Variation;
- the options being considered;
- what Council has already done to improve efficiency and reduce costs;
- the impact of each option on rates, services and infrastructure;
- what the additional income would fund;
- affordability considerations and the support available through hardship assistance, payment arrangements and pensioner concessions;
- the implications of remaining on the rate-peg-only pathway; and
- how community feedback will be considered before any decision is made.

Information provided to the community will include the full cumulative impact of each option, annual and cumulative dollar and percentage increases for residential, farmland and business ratepayers, and comparisons with the rate-peg-only pathway so the potential implications of each option can be clearly understood.

Importantly, the consultation process will not present the issue as an all-or-nothing choice. Rather, the community will be presented with a range of realistic options and information about the opportunities, impacts and trade-offs associated with each option. This will help ensure that any future Council decision is informed by both independent evidence and meaningful community feedback.

The consultation will include information (written including direct mailouts to ratepayers, videos and online material), engagement (drop-in sessions, town hall sessions, online surveys and paper surveys, responses to FAQs), and a public forum for

those who want to address Council formally. The central depository for all engagement material will be on the Leeton **Have Your Say** website and paper copies will be available at the library and Whitton and Yanco Post Offices. Radio advertising will be used to alert residents to a potential SRV and the engagement opportunity.

What Happens Next



Community engagement is the next step in Council's financial sustainability journey. It will provide residents, businesses, farmland ratepayers and community organisations with an opportunity to learn more about the options being considered, ask questions and share their views on the future delivery of services, infrastructure and community facilities across the Shire.

The proposed community engagement period will run from 30 September to 27 October 2026. Following the close of the engagement period, Council will review the feedback received, participation outcomes and key themes raised by the community. A public forum will be held in November 2026 for those residents who wish to address Council formally, in person.

A further report will then be presented to Council in December 2026 outlining the outcomes of the engagement process and any matters requiring further consideration. At that time, Council will consider the independent evidence, community feedback, Long Term Financial Plan, Delivery Program and affordability considerations before determining whether to proceed with a Special Rate Variation application and, if so, at what level of increase.

Should Council decide to proceed, an application is required to be submitted to IPART in February 2027. IPART would then undertake its own independent assessment and provide a further opportunity for community submissions before making a final determination, expected in May 2027. If approved by IPART, any Special Rate Variation would commence from 1 July 2027.

(c) Options

Option # 1 – *This is the recommended option.*

THAT Council:

1. Receives and notes the following independent reports:
Financial Sustainability Update Report (July 2026);
Capacity to Pay Report (July 2026); and
Assurance on Long-Term Financial Plan Report (September 2026).

2. Endorses the revised Leeton Shire Council Long-Term Financial Plan 2026-2036, including the three scenarios for achieving financial sustainability of the General Fund which each propose additional savings, additional loans and increased rate revenue via a Special Rate Variation (SRV).
3. Considers whether it wishes to nominate a preferred scenario from the Long Term Financial Plan or consult equally on all three options.
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6. Authorises the General Manager to notify the Independent Pricing and Regulatory Tribunal (IPART) of Council's engagement with its community on a Special Rate Variation, noting that such notification is non-binding and does not commit Council to submitting an application.
7. Requests from the General Manager a further report at the December 2026 Ordinary Council Meeting detailing the outcomes of the community engagement on the LTFP and Hardship Policy and recommending how best to address the financial sustainability of Council's General Fund with effect from 1 July 2027.

Option # 2

As above, with amendments.

IMPLICATIONS TO BE ADDRESSED

(a) Financial

Nil direct implications from this report as the focus currently is on consulting on a proposal (including LTFP, SRV and Hardship Policy).

Costs associated with preparing supporting information and delivering the proposed community engagement program have been provided for within Council's adopted 2026/27 Budget.

The Draft Long Term Financial Plan, including the proposed SRV scenarios, provides Council and the community with information on the potential financial implications of the options being considered.

(b) Policy

- Asset Management Plans
- Asset Management Policy

- Community Engagement Strategy 2025-2029 (incorporating Land Use Community Participation Plan)
- Community Strategic Plan 2025-2035
- Delivery Program 2025-2029 and 2026/27 Operational Plan
- Long Term Financial Plan (LTFP) 2026-2036
- Revenue Policy 2026/27 (including fees and charges)
- Strategic Asset Management Plan
- Workforce Management Plan

(c) Legislative/Statutory

Local Government Act 1993

Local Government (General) Regulation 2021

OLG Integrated Planning and Reporting Framework (Handbook and Guidelines)

OLG Guidelines for the Preparation of an Application for a Special Variation to General Income (November 2020)

IPART 2026-27 Guidance booklet for Councils Special variations: How to prepare and apply.

(d) Risk

Council's adopted Long Term Financial Plan, Asset Management Plans and To address its financial sustainability challenges in its General Fund, Council has prepared a Long Term Financial Plan (LTFP) with scenarios for getting 'Back in Black'. The September 2026 LTFP has had regard to the adopted Community Strategic Plan, the Delivery Program, Council's Resourcing Strategy and independent financial sustainability reviews.

To ensure meaningful community engagement, it is important that Council provides information that is accessible and understandable, and provides opportunities for feedback. To ensure this happens well, Council has developed an SRV Communications and Engagement Strategy that is in keeping with the Office of Local Government's *Guidelines for the Preparation of an Application for a Special Variation to General Income (November 2020)*. Council has also sought the input of independent experts to assure the community that they can have confidence in the information that is being presented.

To prepare staff and Councillors for potential community backlash, strategies are being provided on how to respond to residents with a view to all engagement being constructive and productive rather than adversarial. It is being recommended to put any questions through to svsupport@leeton.nsw.gov.au so that a considered response can be provided directly to the resident.

CONSULTATION

(a) External

- Professor Joseph Drew
- Professor Miyazaki
- Professor Kim
- Financial Sustainability Advisory Committee (FSAC) Members

(b) Internal

- Senior Management Team
- Managers
- Finance Team
- Assets Team

LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN (DPOP)

CSP: L5

DP 9.1 Deploy reliable and efficient corporate and project governance

OP 9.1.4 Deliver Council's Integrated Planning and Reporting (IP&R) in alignment with statutory requirements, on time and in support strategic decision making.

CSP: L5

DP 9.3 Deploy reliable, efficient and effective financial management

OP 9.3.1 Achieve long-term financial sustainability through strengthened revenue streams, expenditure management and strategic financial planning, including consideration of a Special Rate Variation (SRV) and/or service level adjustments.

OP 9.3.3 Practice sound financial management and maintain strong financial governance.

OP 9.3.6 Ensure timely, accurate and transparent financial reporting to support informed decision-making and fiscal responsibility.

CSP: L5

DP 9.4 Deploy reliable, efficient and effective asset management

OP 9.4.1 Continue effective Asset Management Planning (AMP) and GIS services, including governance through the Asset Management Steering Committee, and implement and maintain Council's Asset Management System and supporting programs.

CSP: L1

DP 9.8 Deploy reliable, effective and authentic community engagement

OP 9.8.1 Communicate and engage with the community using a range of channels to inform, consult and encourage participation in Council decision-making.

OP 9.8.3 Engage with the community regarding a potential Special Rate Variation (SV) using a range of engagement methods.

ATTACHMENTS

1. Financial Sustainability Report Update - Professor Joseph Drew & Colleagues (July 2026) **[8.1.1.1 - 28 pages]**
2. Capacity to Pay (CTP) - Professor Joseph Drew & Colleagues (July 2026) **[8.1.1.2 - 48 pages]**
3. Leeton Shire Council Long Term Financial Plan (LTFP) with Special Rate Variation Scenarios 2026-2036 **[8.1.1.3 - 80 pages]**
4. Assurance on LTFP Report - Professor Joseph Drew (September 2026) **[8.1.1.4 - 8 pages]**
5. DRAFT (Revised) - Financial Hardship Policy **[8.1.1.5 - 26 pages]**
6. DRAFT Special Rate Variation Communications and Engagement Strategy **[8.1.1.6 - 13 pages]**
7. Leeton Shire Council Proposed Special Rate Variation (SRV) Scenarios **[8.1.1.7 - 1 page]**

Leeton Shire Council Financial Sustainability Report Update

Draft 29th May, 2026. Finalised 17th July, 2026



This Report was prepared by Professor Drew on behalf of Professor Joseph Drew Pty Ltd. The work herein has also been independently assured by Professor Masato Miyazaki of Saitama University, Japan. This Report was produced in a strictly independent manner and the opinions expressed in the Report are thus exclusively the views of its authors and do not necessarily coincide with the views of the local government or any other body. The information provided in this Report may be reproduced for media review, quotation in literature, or non-commercial purposes, subject to the inclusion of acknowledgement of the source and provided no commercial use or sale of the material occurs.

The information contained herein is believed to be reliable and accurate. However, no guarantee is given as to its accuracy or reliability, and no responsibility or liability for any information, opinions, or commentary contained herein, or for any consequences of its use, will be accepted by Professor Joseph Drew Pty Ltd, or by any person involved in the preparation of this report.

Leeton Shire Council Financial Sustainability Review Update

Executive Summary

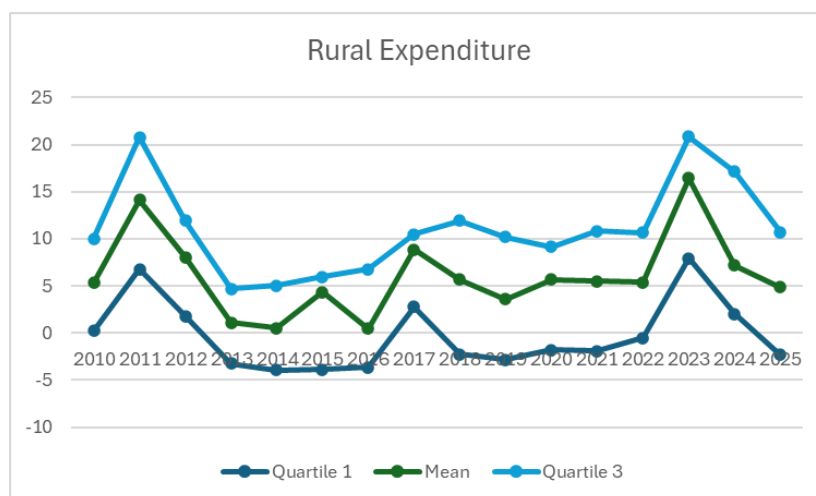
The original financial sustainability report produced for Leeton Shire Council by the University of Newcastle was submitted in June 2025. Since that time an additional year of financial data has become available for Leeton and the peer comparators. Accordingly, in this brief report we reproduce some of the more important graphs, with the additional financial year added. Generally, there was little improvement in the FY2025 data, and the Shire is clearly still not financially sustainable. Thus, to accord with Section 8B and other requirements of the Local Government Act (NSW, 1993) it is necessary to thoroughly investigate and propose a Special Variation.

The purpose of this brief report is to update the previous work of the University of Newcastle, and we thus recommend that the following be read in conjunction with same. Furthermore, some of what appears below has also been presented in the capacity to Pay report and we therefore direct readers to this document also for more in-depth commentary. Otherwise stated, the focus of this update will be squarely on how the picture of sustainability has changed with the additional financial year 2025 (FY2025) data.

Before commencing this task, it is useful to look at how various components of expenditure have been changing over time for rural local governments, more broadly, in NSW. This is important because it seems reasonable to expect that any particular rural local government, such as Leeton, might also be subject to the cost pressures that are typically felt by all rural councils.

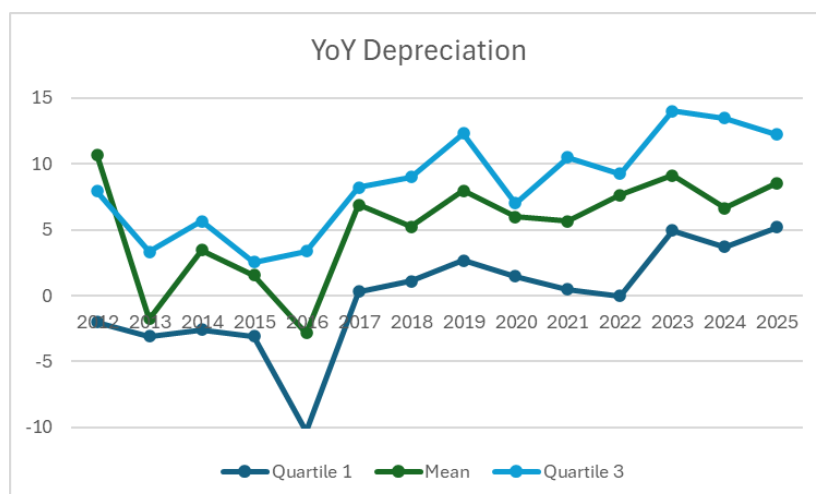
In Figure 1 we present various measures of year-on-year percentage change in operational expenditure from FY2010 through to FY2025. It is pleasing to see that the most recent financial year saw the typical annual change reduce quite dramatically – however, it is also clear that we have not returned to the pre-COVID trend; nor are we likely to do so given that much of the spending responding to federal and state policy added permanently to the unit cost base. It is also notable that the typical year-on-year change in expenditure has far-outstripped the typical rate cap. It is therefore not surprising that more and more local governments are declining in financial sustainability at alarming rates or applying for significant Special Variations (SV).

Figure 1. Year on Year Percentage Changes in Expenditure Over Time.



In Figure 2 we present the year-on-year changes to depreciation accrual expense. Part of the problem with the increase in capital expenditure that followed on from the COVID-19 policies is that it almost certainly presaged both fiscal illusion *and* higher consumption of long-lived asset accrual numbers (depreciation) moving forward. This is attested to by the data presented for all rural local governments in the state and we note that the typical rate of growth in this expense is far outstripping the typical rate cap assigned. Otherwise stated, a situation such as that which we chart below is likely neither sustainable nor equitable in an intergenerational sense.

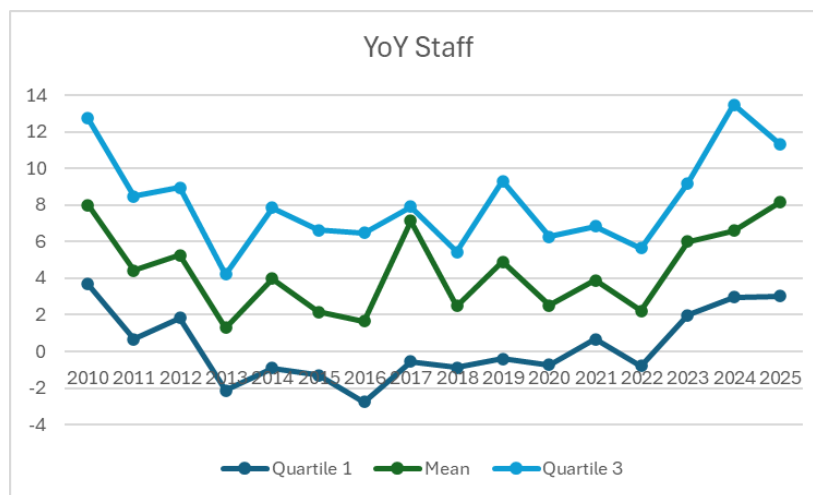
Figure 2. Year-on-Year Percentage Change in Depreciation Expense for All Rural Local Governments



It is also useful to be aware of what is typically happening in the staff component of rural local government expenditure. Accordingly, in Figure 3 we present year-on-year

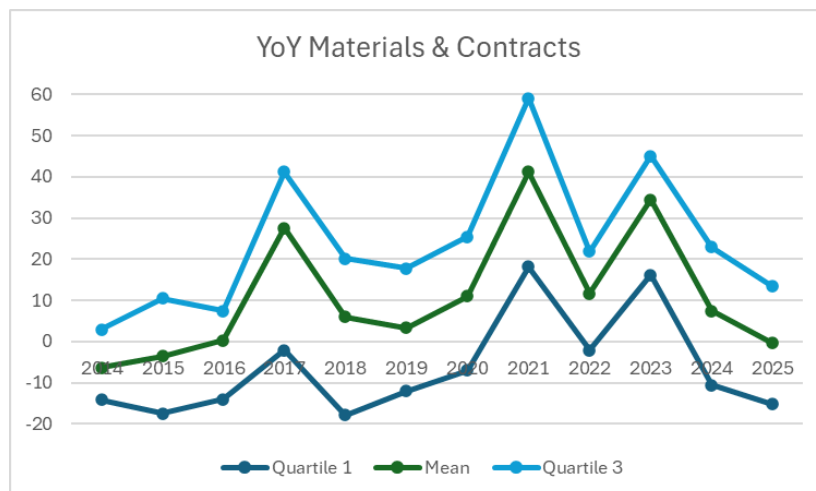
changes for the cohort. Once again, this suggests annual changes in cost pressures that are running far ahead of the rate cap. Notably, the previous enterprise bargaining agreement for local government staff lagged inflation by a considerable margin for most of its timeframe. This suggests that the year-on-year growth in typical staff costs illustrated below contains a significant element of full-time equivalent (FTE) staff number increases.

Figure 3. Year on Year Percentage Increase in Staff Expenditures – NSW Rural Local Governments.



For the area of materials and contracts the typical year-on-year change data for FY2025 is quite pleasing and suggests strong efforts to reign in expenditures which were clearly completely unsustainable. However, as Figure 4 makes plain there will be much further work to do if we are to mitigate the alarming double digit percentage increases that characterised most of the post-COVID period. For a local government such as Leeton, materials and contract expense represents around a third of operational expenditure and is dominated by raw materials and consumables.

Figure 4. Year on Year Percentage Increases in Materials and Contracts – NSW Rural Local Governments.



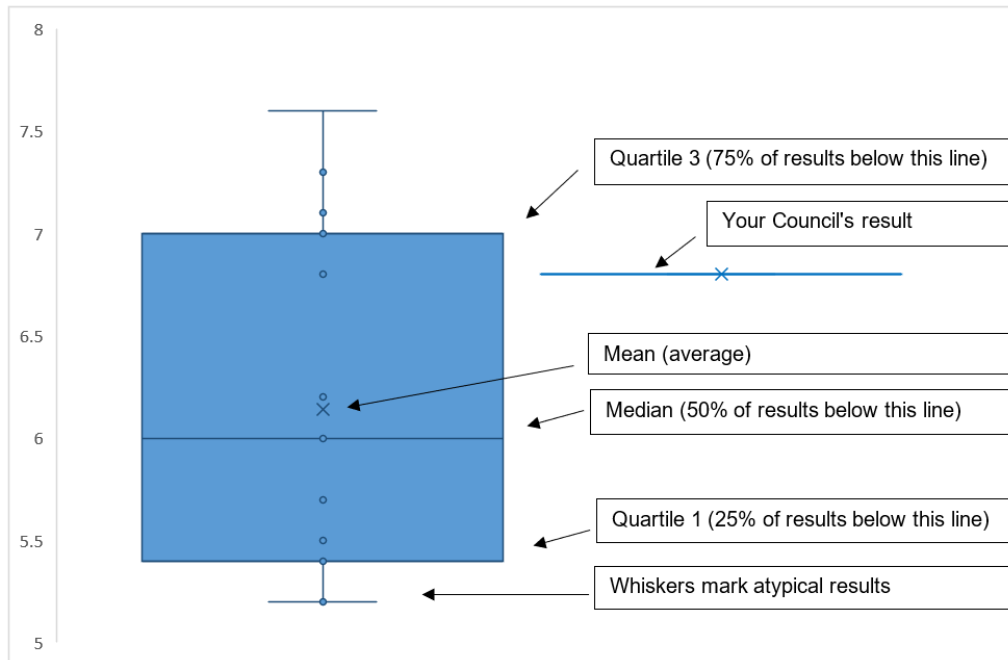
In Table 1 below we remind end-users of the peer group used in the comparative graphs which follow (except for the later envelopment analysis). We also take this opportunity to remind readers that more sophisticated panel works, based on a far broader cohort of local governments – such as regression and envelopment analyses – will typically be a more robust basis for decision-making. Readers will find a salient example of regression analysis, and its explanation, in the *Capacity to Pay Report*.

Table 1. Peers Used in Comparisons

Bellingen	Greater Hume	Nambucca Valley
Cabonne	Gunnedah	Parkes
Cootamundra-Gundagai	Hilltops	Snowy Valleys
Cowra	Inverell	Yass Valley
Federation	Muswellbrook	

The comparative data which follow are presented in box and whisker plots which are usually considered to be the best way to illustrate a particular council's performance relative to its peer group. In all cases pecuniary data are derived from audited financial statements and are sometimes combined with demographic data from the Australian Bureau of Statistics, as well as grant data from the NSW Local Government Grants Commission. Figure 5 illustrates how best to interpret such plots.

Figure 5. Interpreting Box and Whisker Plots

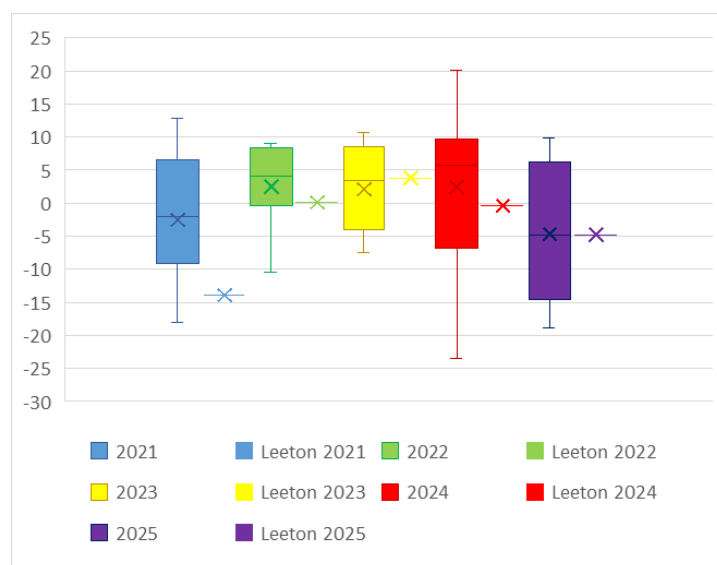


1. Regulatory Metrics

We commence with updates to the regulatory ratios. We have previously noted that many of these are flawed from conception – moreover the apparently arbitrary and off-times universal benchmarks are a matter of grave concern (see the University of Newcastle report). Furthermore, in FY2025 local governments typically did not provide these ratios in the notes of the financial statements – instead, we have found what we have in the Auditor’s report that accompany the financial statements. We understand that the Office of Local Government (OLG) are developing a new suite of financial sustainability metrics and hope that any new forthcoming metrics might respond meaningfully to the large corpus of scholarly work as well as being logically sound.

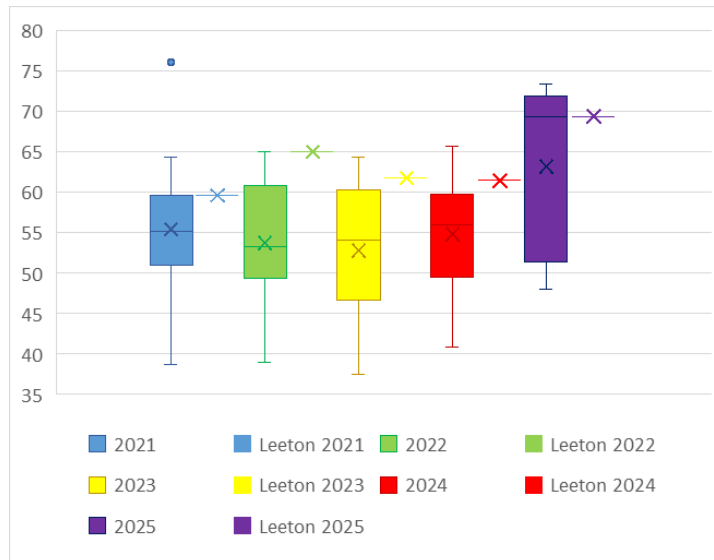
The operating ratio is a common input into evaluations of local government sustainability over time. Typically, if chronic financial sustainability problems are allowed to persist, deficits become more common, and surpluses (when they do arise) smaller. Figure 6 makes clear that our comments and predictions around the chronic nature of the condition in Leeton, before June 2025, were correct. If matters are allowed to deteriorate further then the typical symptoms of rising debt, decreased maintenance and burgeoning implicit liabilities will almost certainly follow.

Figure 6. Operating Performance Ratio



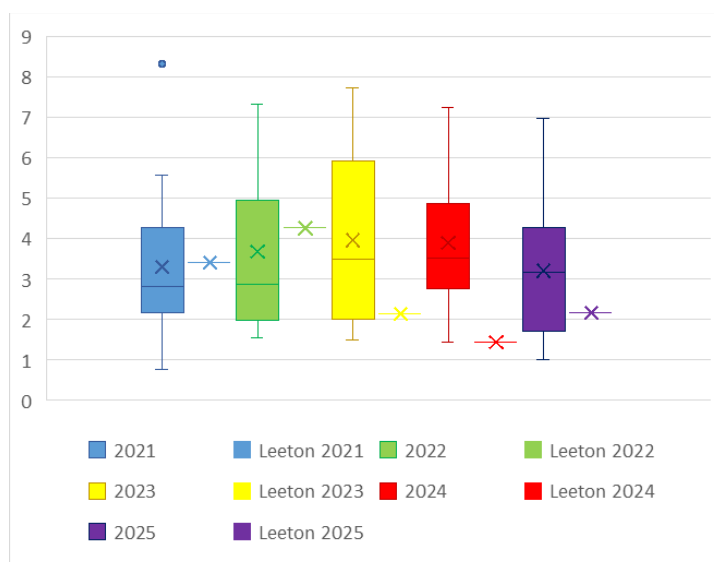
As will be recalled from reading the previous report under reference, the own source ratio and its benchmark are ill-conceived – especially when considered in terms of a universal benchmark. The apparent improvement in FY2025 is mostly about an uplift in both childcare revenues as well as Transport for NSW works.

Figure 7. Own Source Ratio



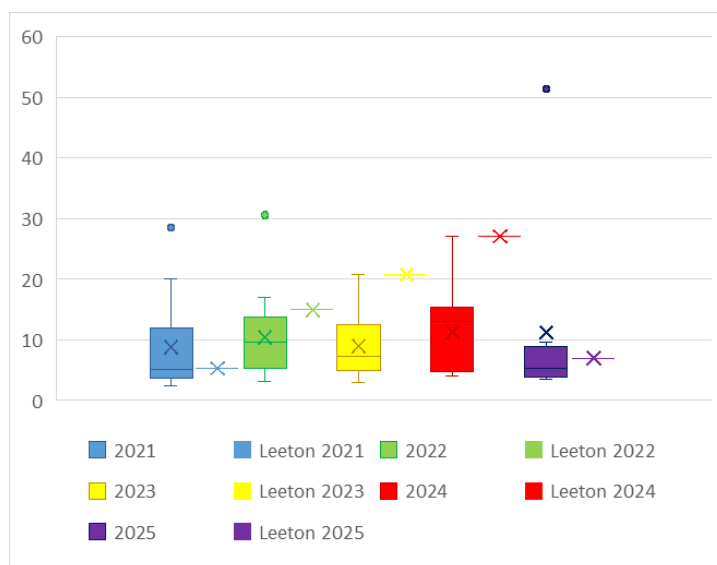
The unrestricted cash ratio is a liquidity metric, and it is relieving to see an improvement in this since FY2024. However, Leeton remains well below the typical outcome for the peer group despite the drawing down of significant additional debt. Clearly it will not be possible to maintain adequate liquidity through this means into perpetuity – hence the importance of pursuing at least a modest increase to rates revenue for collection in FY2028.

Figure 8. Unrestricted Current Ratio



Unfortunately, the debt service ratio is not fit for the purpose that it is mostly employed for, and thus usually best ignored. We are aware of an additional \$450,000 long-term debt application that is likely to be drawn down in the FY2026/27 for the basketball court roof repairs already completed. We expect to see the total liabilities increase from \$24.969m in FY 2024/25 to \$25.42m in FY2025/26. Later in this report we will present a better metric – the nett financial liabilities ratio – however, a comprehensive assessment of the matter will only be possible with reference to the regression work which we include towards the end of this document.

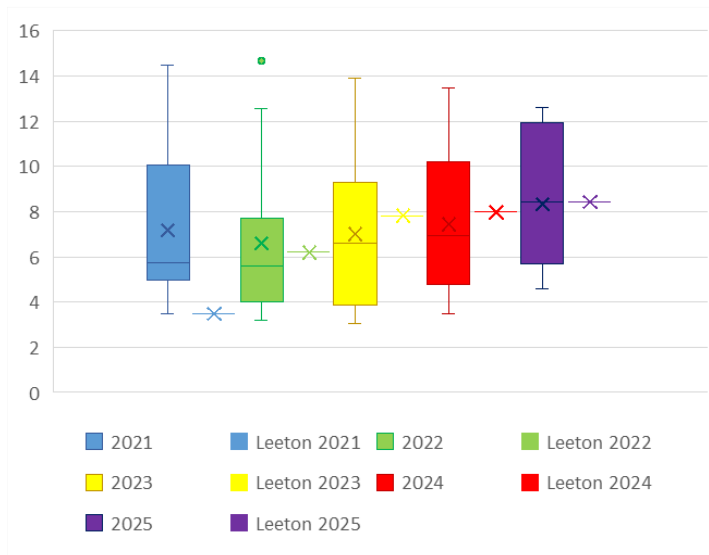
Figure 9. Debt Service Ratio



The rates and charges outstanding metric has continued to deteriorate in FY2025 and really requires urgent redress. In the *Capacity to Pay Report* we delve into the matter in some detail which has prompted us to provide separate advice recommending significant changes to the Payments Arrangement process, currently in place, as well as the Hardship Policy.

To avoid any confusion, the rates and charges outstanding results at Leeton in recent years owed far more to sub-optimal policies and processes than to genuine hardship for the far majority of cases (indeed, there wasn't a single ratepayer at Leeton on the Hardship Policy at time of writing).

Figure 10. Rates and Charges Outstanding



We have been critical of the cash expense cover ratio in the past and think that its consumption is only likely to mislead. We therefore have not updated this particular data.

We also previously noted that the infrastructure ratios have a long history of being less than reliable and that this is clearly reflected in the audit opinions that have always pointedly preceded the Special Schedules 7. Nevertheless, there may be some value to be gleaned with respect to the development of council's understanding of its assets (which has improved considerably in the last few years). In particular, the charts that follow suggest that renewals and maintenance hover around the benchmark which is consistent with our evaluation during our site visits; backlogs are believed to have come down substantially but are said to be more pronounced than deemed acceptable according to the associated benchmark.

Figure 11. Buildings and Infrastructure Renewal Ratio

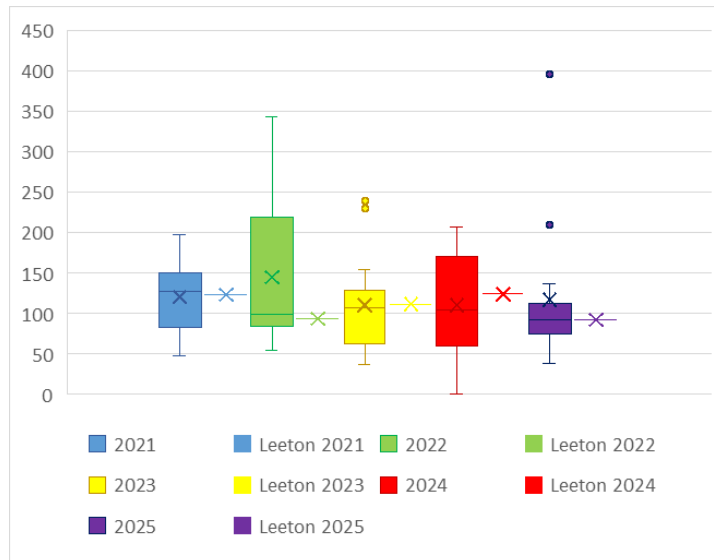


Figure 12. Infrastructure Backlog Ratio

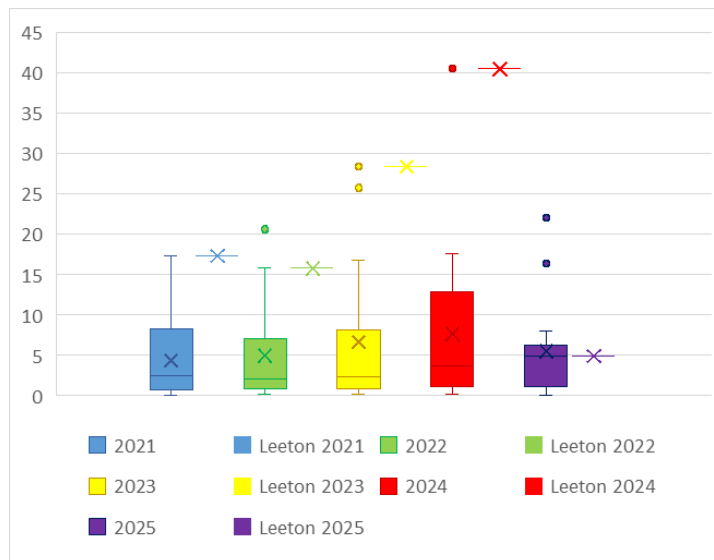
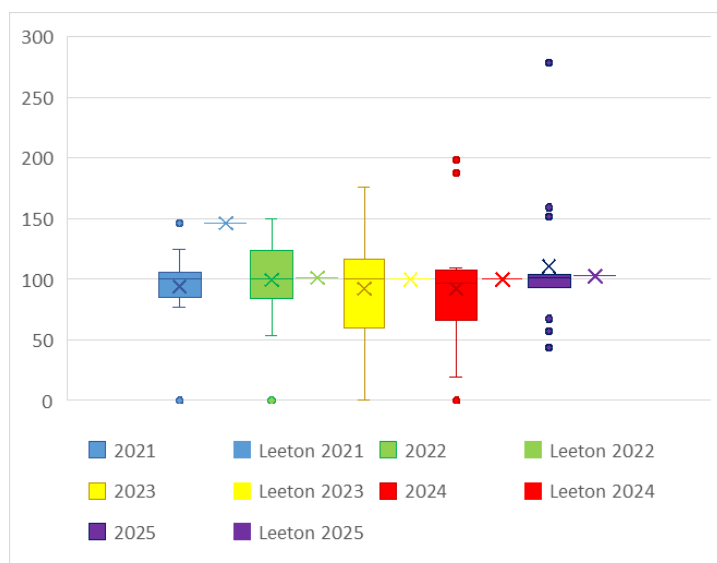


Figure 13. Asset Maintenance Ratio

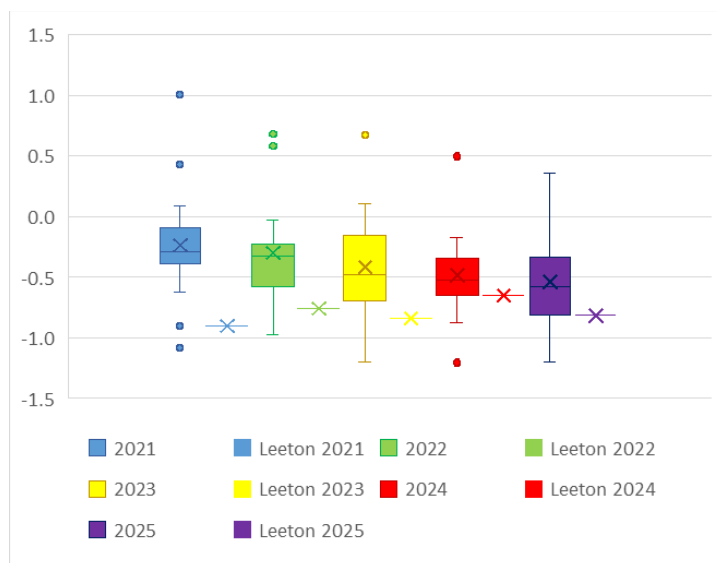


2. Other Metrics

In this section of the report, we provide an update on some of the additional metrics that were surveyed in the University of Newcastle report.

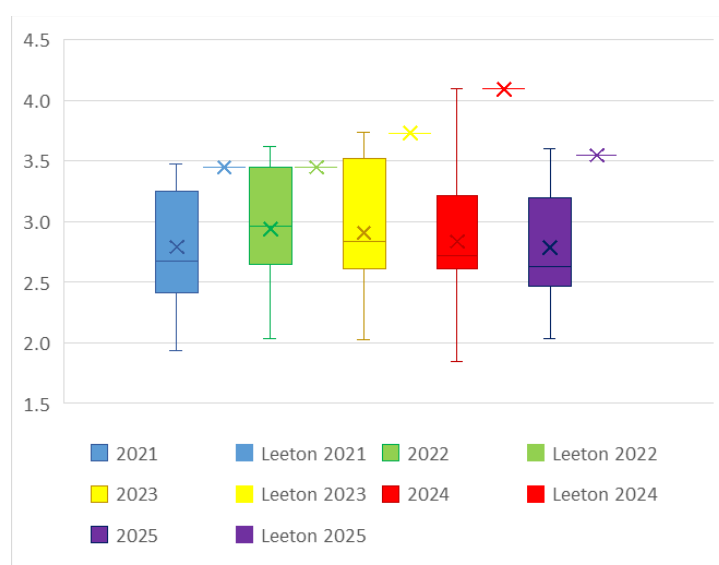
In FY2025 Leeton maintained its relative position with respect to the nett financial liabilities ratio (in this specification of the ratio a more negative result is relatively better); it also improved its position in an absolute sense. Having said this, the ratio is far from perfect, and readers are therefore directed to total liabilities regression, later in this document, for a more fulsome understanding of matters.

Figure 14. Nett Financial Liabilities



In Figure 15 we update a crude¹, but nevertheless important, measure of depreciation rates. We note that whilst Leeton still exhibits a relatively high rate of depreciation it has reduced off the levels from FY2024. We understand that further work has been done on this matter and will investigate this as part of our SV remit. It is important for people to understand that accurate measurement of the rate of consumption of long-life assets is critical to both sustainability and intergenerational equity. We need to guard against an emerging scepticism and sidelining of depreciation which is mostly driven by short-term political opportunism at higher levels of government or perhaps ignorance. Instead, we must focus on improving accuracy with reference to facts on the ground – otherwise we risk committing grave injustices to the next generation and also setting up deep sustainability traps for the next decade or so. Whether we like it or not, assets on the ground are being consumed and deteriorating – if we don't measure this and set aside funds in balance budgets then reality is that we simply won't have the money on hand when critical infrastructure reaches the end of its useful life in the future.

Figure 15. Total Depreciation of Infrastructure, Property, Plant and Equipment Deflated by Carrying Amount



In the University review of sustainability that has already been referred to, attention was drawn to the importance of complying with budgets and concern was also expressed about outcomes in recent years. It is therefore pleasing to see much

¹ Clearly the conflation of different asset classes with widely varying useful lives has a potential to confound if it cannot be reasonably assumed that similar asset profiles exist for the peers. We are spending some time with the CFO looking specifically at depreciation schedules which we feel will be more productive than gathering the data for asset class comparison. This examination of depreciation accrual parameters is part of the LTFFP assurance and will be reported on therein.

better outcomes for both revenue and expenditure in FY2025. Our recent work on the Long-Term Financial Plan (LTFP) has added even more rigour around processes and assumptions and we therefore expect continued improvement into the future. Notably, staff have been upskilled in this area also as part of the SV process. Furthermore, Councillors have had the importance of making future spending decisions with respect to the budget and LTFP highlighted to them in workshops.

What remains to be done is to emphasise to the community that any unbudgeted demands for additional spending in the future will need to be met with either concomitant cuts elsewhere or increased taxes, fees or charges if we are to improve financial sustainability at Leeton. There is simply no getting away from the dismal reality of arithmetic, and everyone therefore has an important role to play moving forward, whether as a staff member, political representative or resident.

Figure 16. Deviation from Budgeted Revenue (Percentage)

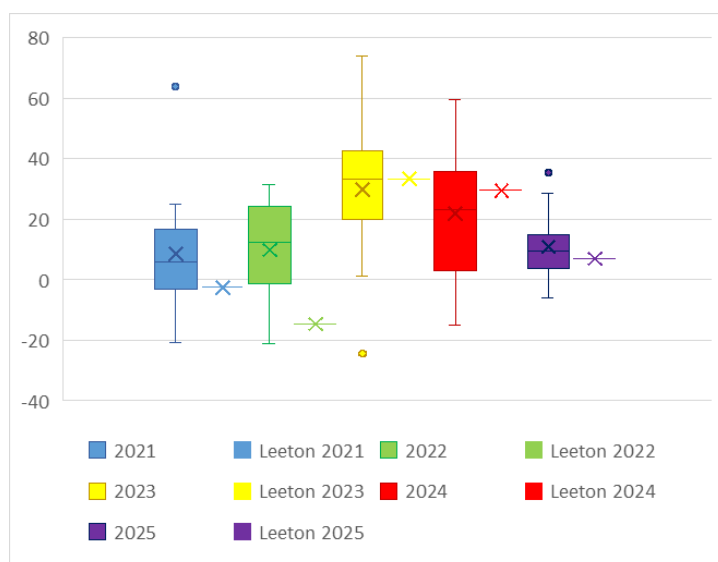
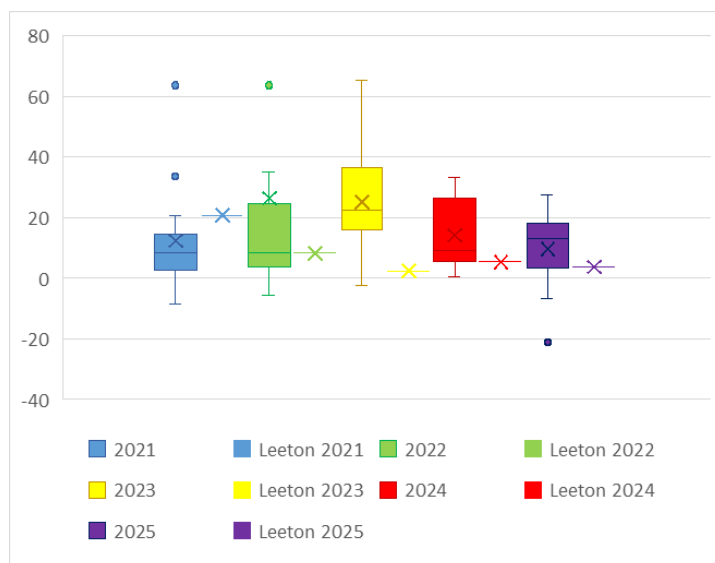


Figure 17. Deviation from Budgeted Expenditure (Percentage)



In Figure 18 we present staff expenditure data which demonstrates both a continued increase in this expense and also an upwards movement relative to the other peer local governments. It is certainly true that Leeton has early childhood services (the 2026/27 staff expenditure budget including on-costs was a little over \$2.4 million) that some other councils do not operate and we must take account of this. However, it is also the case that Leeton has discretionary staff expenditures in domains not commonly occupied by similar sized councils – such as the Roxy Theatre staff budget for 2026/27 which exceeds half a million dollars when on-costs are included. We are not making any judgements about either of these expenses – which it must be noted are the legitimate outcome of the democratic process stretching back many years – however it must be conceded that if Leeton Shire is operating in domains not commonly filled by similar councils, then it will likely explain the relatively higher staff expense.

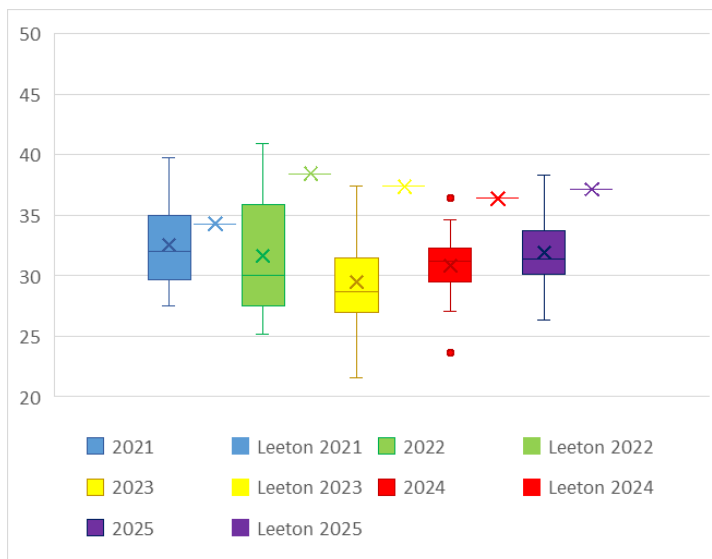
More generally we note an increase in staff expenditure for FY2025 in the order of 8.8%, which was marginally higher than the typical increase suffered by all rural NSW local governments in the same financial year (8.16%) (see Figure 3 earlier).

Figure 18. Staff Expenditure per Property Assessment (\$)



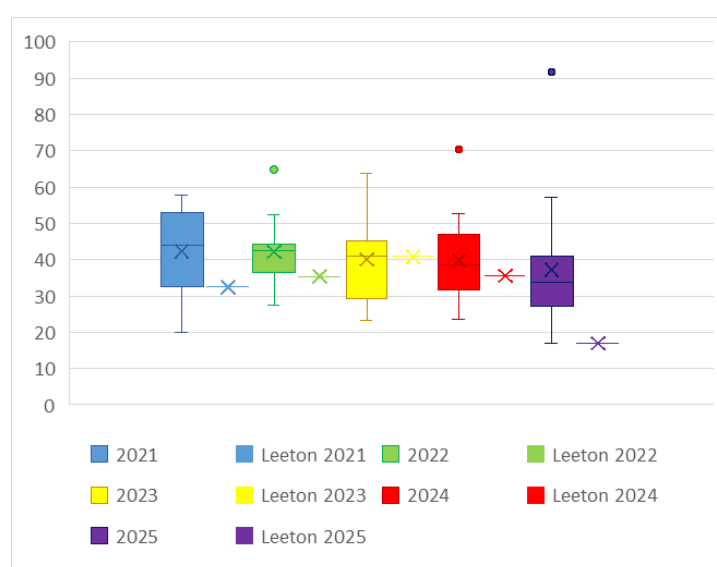
In Figure 19 we demonstrate that Leeton Shire Council is also in the upper quartile when it comes to the matter of staff expenditure as a proportion of total operational spending. Later in this report we will briefly present panel regression work that provides a guide to how Leeton staff expenditure compares to a model taking into account all relevant factors, on a broader cohort (of some eighty local governments).

Figure 19. Proportion of Expenditure on Staff



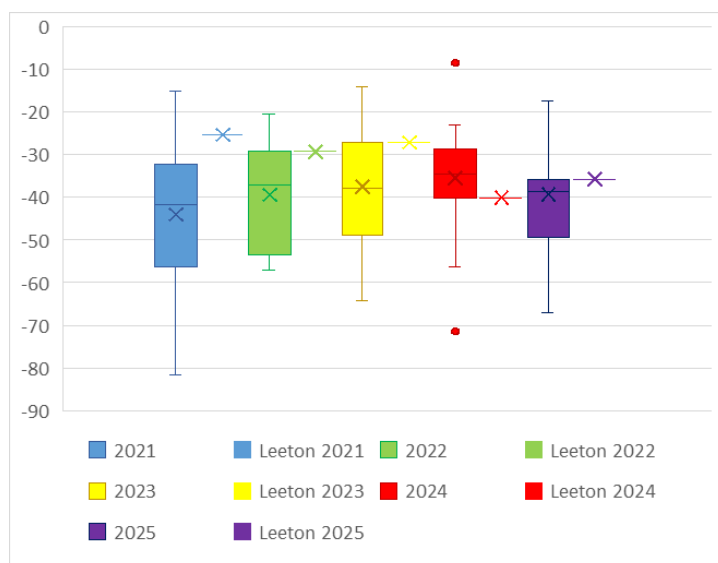
Operating Cash Flows are important to understand for assessing how both revenues and expenses are exerting their effects. The Operating cash flows in local governments are receipts such as rates, fees, and grants less payments to employees, for materials and borrowing costs. Typically, operating cash flows are very positive in local government finances and generally it is the case that the more positive the better. Thus, what we observe in Figure 20 is a cause for concern. The explanation is a significant reduction to grant income at the same time that staff expenses and materials & contracts costs grew. Certainly, this is a state of affairs that cannot last for many years before it translates into a chronic financial sustainability predicament.

Figure 20. Operating Cash Flows (deflated by Revenue)



Investing cash flows largely chart how much money is being used to purchase infrastructure, property, plant and equipment (IPPE) but is admittedly often confounded somewhat by movements in and out of long-term financial investments. Typically investing cash flows tend to be highly negative. In FY2025, matters were confounded by changes in investments in the order of eighteen million dollars, which is not a particular reason for concern. However, there was also a decrease in purchase of IPPE which *can* be a sign of fiscal distress, and this should be monitored by Councillors and staff closely in future periods.

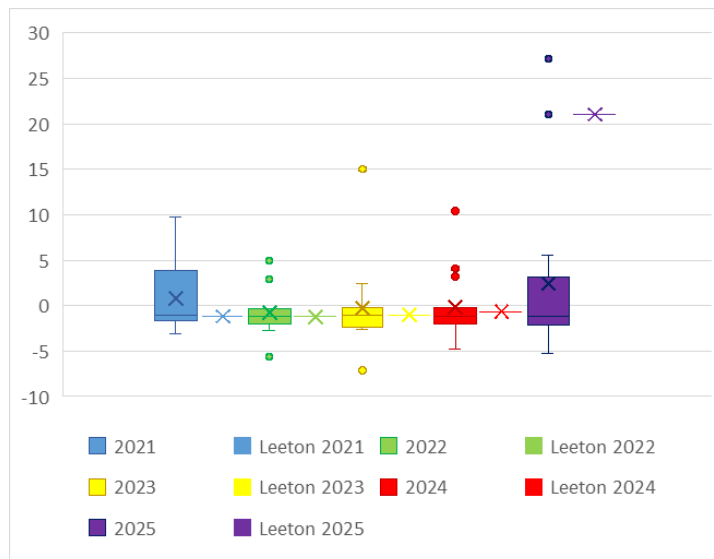
Figure 21. Investing Cash Flows (Deflated by Revenue)



Financing cash flows are usually of only marginal interest for local governments (please note that the Australian Accounting Standards apply to both business as well as government and hence that some elements don't translate quite as well as might be hoped for²). In most years cash flows will be slightly negative because of loan repayments. Things generally only change in years when debt is drawn down, whereby investing cash flows turn strongly positive. As Figure 22 demonstrates, Leeton drew down substantial additional debt in FY2025. We are aware that further debt will soon be drawn down. Typically, when a local government is drawing down debt regularly this *can* be a sign of chronic fiscal distress. Later in this report we will briefly present some of the additional regression modelling that we did for Leeton Shire which should be used to inform future decision-making around this area which is starting to become a matter of some concern.

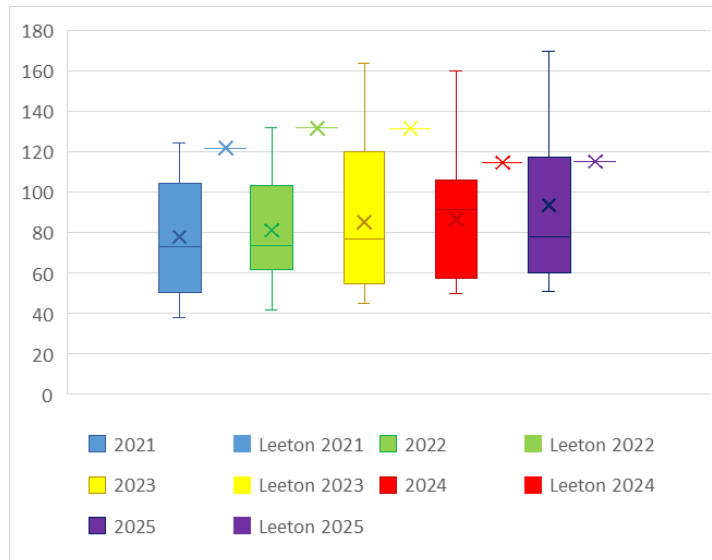
² In business enterprise financing cash flows are arguably far more important and interesting. This is because businesses are typically highly leveraged (borrow lots of money) and use this money to buy things that produce profits greater than the associated borrowing costs. Government is starkly different – here leverage can be a financial sustainability and intergenerational equity risk; moreover, the items purchased usually make 'losses', not profits.

Figure 22. Financing Cash Flows (Deflated by Revenue)



Local government cash is categorised as either externally restricted, unrestricted or internally restricted. Externally restricted cash relates to money that can only be used by law for the purposes for which it was given – things like developer contributions, specific purpose grants and the like. Unrestricted cash can be used for any purpose and is the way local governments fund cash deficits, new projects, etcetera. Internally restricted, on the other hand, is cash that has been set aside for important purposes such as staff entitlements, plant and equipment replacement and the like. It should thus be clear that the total cash balance only tells a small part of the story. Otherwise stated, the relatively high cash total cash balance that one can observe in Figure 23 is no real source for comfort – first, because much of this cash is subject to various restrictions, and second because the comparison peer group is struggling in a financial sustainability sense anyhow.

Figure 23. Total Cash, Cash Equivalents and Investments, deflated by revenue



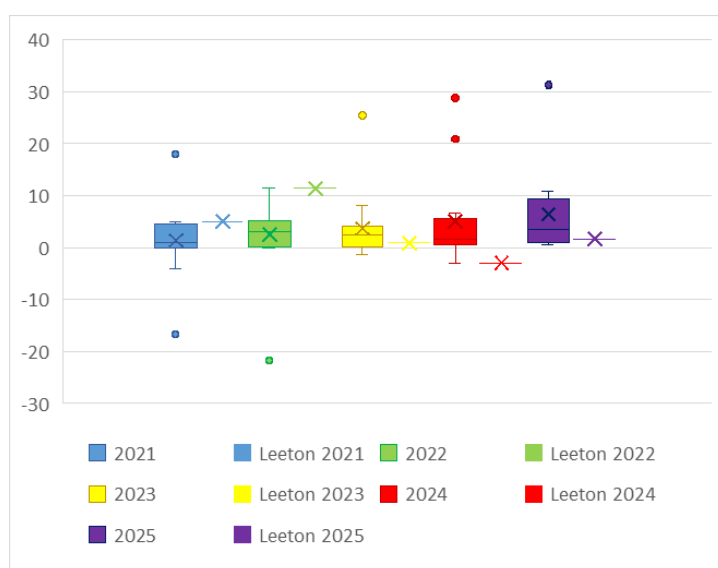
In Figure 24 it can be clearly seen that externally restricted cash (deflated by revenue to aid fair comparisons) is at the very top of the peer group (excluding the one outlier). Combined with our deductions from Figure 23 this suggests that the other categories of cash may well be of some concern.

Figure 24. Total Externally Restricted Cash, Cash Equivalents and Investments, deflated by revenue



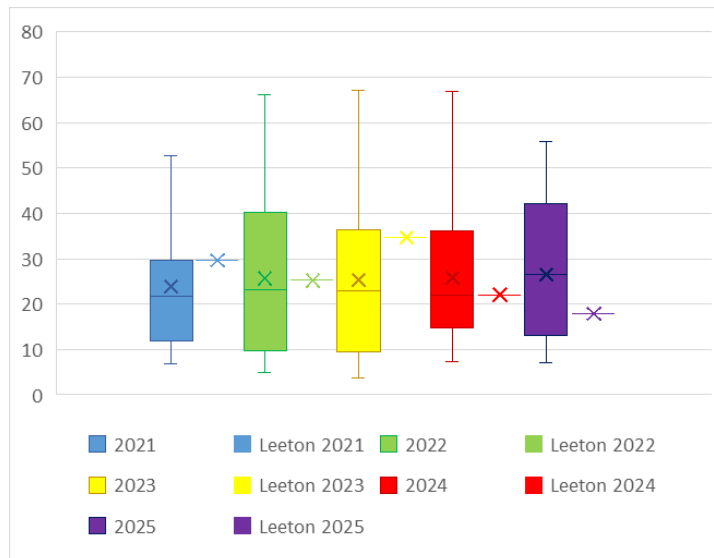
In Figure 25 we present the unrestricted cash – as we noted in the University of Newcastle report last calendar year, the amount of unrestricted cash is seriously concerning. As a general rule of thumb, most people believe that the unrestricted cash ideally should be sitting at an equivalent of three months cash operational expenditure, which for Leeton in FY2025 would have been around \$7.7 million. Clearly there is much work to be done in this area to ensure that Leeton Shire does indeed have sufficient funds available, especially to do key maintenance works as they are needed in the future.

Figure 25. Total Unrestricted Cash, Cash Equivalents and Investments, deflated by Revenue



Internally restricted money are funds for important purposes crucial to the ongoing sustainability of any government. One of the things that often happens in a council under stress is that the internally restricted cash is reduced at a faster than expected rate. The comparative audited financial data suggests another financial years' worth of nominal declines in this area which might be consistent with precisely this kind of behaviour. It might also be noted that the Employee Leave Entitlement (ELE) internal reserves were a matter which we investigated in some detail as part of our LTFP work – we can confirm that future ELE allocations (FY2026 onwards) will be made in line with best practice for the sector.

Figure 26. Total Internally Restricted Cash, Cash Equivalents and Investments, deflated by revenue



Figures 27 and 28 continue to illustrate the key problem that we sought to emphasise in the June 2025 University of Newcastle report – Leeton Shire Council is attempting to provide above typical expenditures with typical or below typical revenues. The dismal reality of arithmetic means that this is not sustainable. We note that revenues at Leeton in FY2025 were up materially for child-care as well as Transport for NSW works which saw an overall uplift to the median position for the peer group, in this particular domain. However, expenditures accelerated significantly over the same period and now stand well above typical levels. Clearly this path is not sustainable.

Figure 27. Total Expenditure per Assessment (\$000)

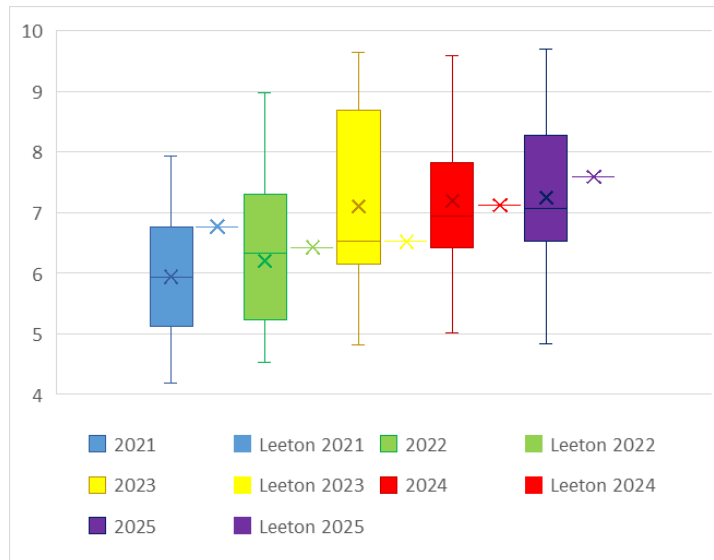
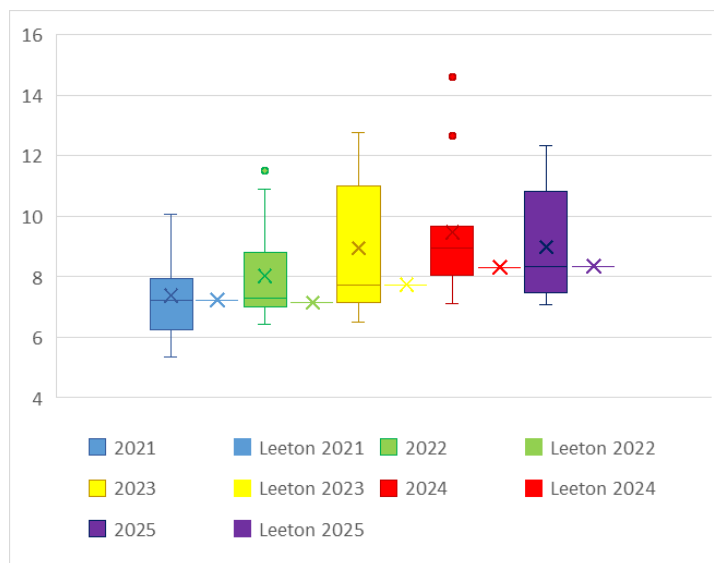
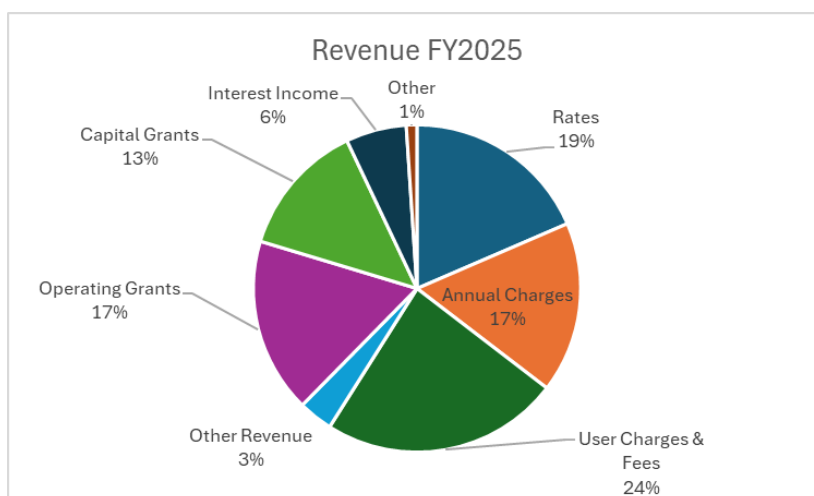


Figure 28. Total Income per Assessment (\$000)



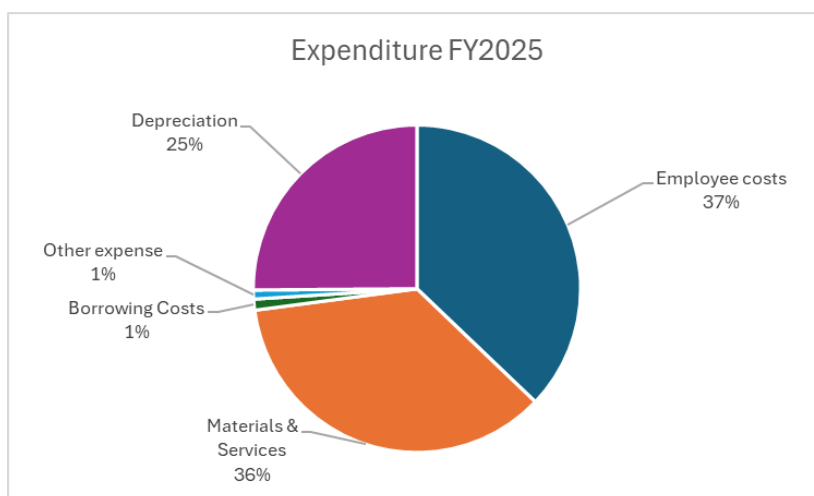
The aforementioned uplift in revenue from childcare and also Transport for NSW explains why the numbers for the pie chart of revenue components have changed marginally for FY2025. However, rates continue to provide less than a fifth of revenue for Leeton and this is at odds with what one typically finds in the rural part of the sector.

Figure 29. Leeton Revenue Components, FY 2025.



Marginal changes have also occurred for the expenditure components chart recalculated with FY2025 data. Our earlier comments regarding employee costs, and new borrowings explain most of the changes that can be observed.

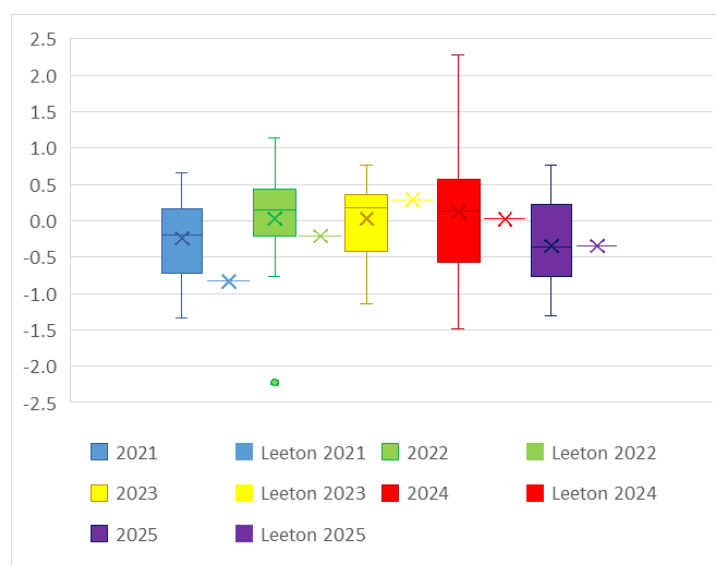
Figure 30. Leeton Expenditure Components, FY2025.



In Figure 31 we present the operating result after excluding the confounding influence of capital grants. Results overall are not good, and it seems that Leeton Shire has again slipped into the concerning negative territory it occupied in both FY2021 and FY2022. Overall, for the period the nett operating result has moved even more firmly into a nett deficit per ratepayer, and this does not augur well for either intergenerational equity or financial sustainability. Perhaps even more

concerning is the projected outcomes in the Long-Term Financial Plan (LTFP) moving forward. Clearly the revenue-expenditure profile of council needs to change promptly to avoid a serious problem, and an SV is certainly part of the story (as will be additional future savings).

Figure 31. Nett Operating Result Without Capital Grants, per assessment



Efficiency analysis, as one might reasonably expect, is a key part of both the SV work that we ordinarily do and also the SV application to IPART. Because of recent health problems, Professor Drew will not be doing all of the efficiency and other work related to this Special Variation³.

Data envelopment analysis (DEA) is a linear programming⁴ technique that allows for the robust evaluation of efficiency with which multiple inputs are converted into multiple outputs (as per the economic definition). As such, DEA is far more consistent with the economic definition of technical efficiency than are the more common single input output ratios that are usually employed. The specification for the work that we produced is as follows:

Staff (\$) + operating expenditure (\$) → residential (no.) + farm (no.) + business (no.) + sealed roads (km) + unsealed roads (km).

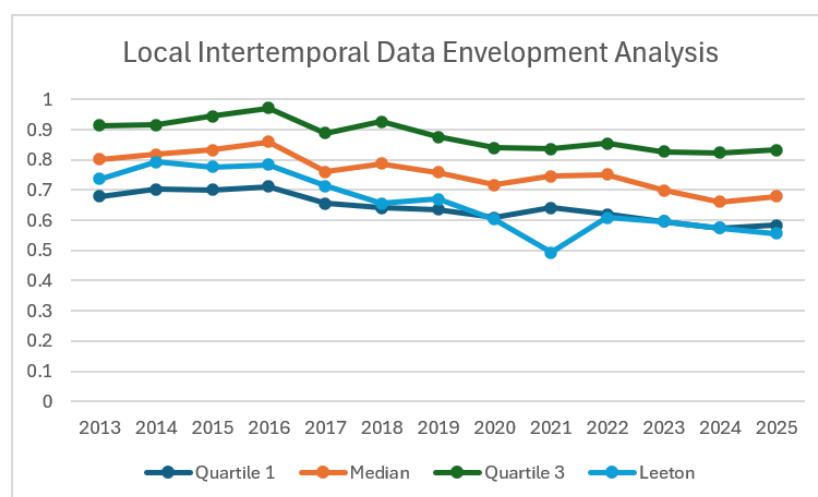
³ Professor Drew recently suffered a stroke which will require some time to get over. Accordingly, he will not be able to travel down to Leeton to present to the community nor do the full gamut of work previously supplied on behalf of the universities that he has worked for. The Leeton Special Variation was always to be the last that we ever intended to engage in – what we were seeking to do for this engagement was merely to satisfy the commitments made to the community when we worked for the University of Newcastle, so that the community would not be disadvantaged by Prof Drew's medical retirement.

⁴ Linear programming is a mathematical technique that can be employed when multiple feasible solutions exist in a mapped function responsive to introduced mathematic constraints. It is iterative in nature and therefore requires significant levels of computing power.

We conducted a similar local intertemporal DEA for Leeton on behalf of the University of Newcastle last calendar year, and we encourage users of this present report to refer to the aforementioned document for additional details regarding methodology. The DEA that we present herein is an input-orientated, variables return to scale assessment as per the previous work referred to already. Suffice to say that local intertemporal DEA is the gold-standard of efficiency analysis that might be applied to an SV application.

In Figure 32 we present the DEA, updated by the additional financial year. Recall that relative scores are censored at both zero (which would be perfectly inefficient) and 1 (perfectly efficient). Thus, the relative technical efficiency (TE) outcomes illustrated below demonstrate a decrease again for Leeton in FY2025. Indeed, relative TE is now in the lowest quartile with respect to the eighty peer councils.

Figure 32. Local Intertemporal Data Envelopment Analysis of Relative Technical Efficiency



To properly understand this result, one needs to remember that relative TE does not take account of actual services provided, nor service quality, but is instead proxied as per the specification detailed earlier. Having investigated many rural local governments over many years we can confidently assert that Leeton does indeed have both a wider scope of services, and also higher service quality (as per the outcomes of the democratic process stretching back into the past). In particular, the support provided for a number of not-for-profit groups, the golf club, the museum & art gallery, as well as the early childhood education, whilst common, is by no means universal amongst similar rural local governments. Moreover, the standard of services and level of support for the aforementioned is greater than what we have typically observed elsewhere. Furthermore, Leeton's support for the arts – including the Roxy Theatre – is at a level quite uncommon amongst the peer group. If the Leeton community wishes to have these services and associated expenditures that have evolved through the democratic process over time, then relative technical efficiency is likely to appear poor *ceteris paribus*.

It is important to note that our extensive observations and investigations of *other* operations at council confirms that they are good in a relative sense overall and staff should be congratulated for their extraordinary contributions to the community. However, there is no getting away from the fact that we need to lift efficiency in typical operations even further if the community wishes to also have access to broad and high-level non-typical services at a tax price commensurate with the peer group (after an SV).

Further, extensive envelope analysis suggests that the reduction in inputs required to move Leeton a more typical level of technical efficiency – a reasonable objective – falls somewhere in the range of \$1.1m through to \$1.2m depending on the precise combinations of efficiencies (staff or other operational spending reductions, or even perhaps increased output) used. Notably, multiple models were trialled, as well as sensitivity analysis, to produce the robust estimate just mentioned.

2. Additional Regression Work Not Typically Provided in Analysis of Sustainability

Before becoming further incapacitated Professor Drew conducted some fixed effects panel regression work that would have been used as a central feature of our Efficiency and Liabilities reports. Because this work is already at hand⁵ – and further extensive reports contrary to medical instructions – we *briefly* present results below.

To properly understand fixed effects regression, we refer readers to the *Capacity to Pay Report* already written and also the previous University of Newcastle report. Readers should note that the results below have been thoroughly investigated and are supported by Professor Miyazaki as well as the Research Assistant (who has a Master's in econometrics as well as a PhD).

Staff Expenditure

We conducted a fixed effects panel regression for FY2021 to FY2025 inclusive. Standard cost function variables, as per the scholarly literature, were employed as regressors with respect to a staff expense (total staff expenses as per the Income Statement) regressand. We then used the formula thus derived to predict the typical staff expenditure expected of a council with Leeton's precise characteristics as at FY2025. The model predicted total staff expenses of \$16.697m for FY2025 which compares favourably to the actual of \$15.192m.

We are aware that a number of positions have been filled or added to Leeton's staff profile since 30 June, 2025 – therefore any interpretation of the above modelling should take these new expenses into account. It is also important to be aware of the increase to average staff expenses in FY2025 across the rural local government

⁵ Regressions take many days, or even weeks, to do thoroughly including the time required for testing and the production of alternate specification controls. It thus seemed a shame to deprive the community of this extensive and important work already conducted before the current malady. The community has not been charged for the work provided in this particular section.

sector that we detailed in Figure 3, as well as the fact that similar trends are likely to continue for future periods.

Liability Capacity

We conducted a fixed effects regression for FY2021 through to FY2025 inclusive. Standard revenue variables were employed similar to our previous work and what can be found in the CTP report. The regressand was total liabilities because this is much more important than merely the subset of liabilities typically thought about (explicit loans). Otherwise stated, contract liabilities and payables need to be paid just as much as a bank loan. Once the regression was complete, we used the formula thus derived to predict the typical total liabilities expected of a council with Leeton's precise characteristics. The model predicts some \$29.768m capacity against an FY2025 actual of \$24.969m (FY2026 unaudited is \$25.42m). Once again, end users need to be mindful of trends in FY2025 across the rural local government sector, as well as likely future borrowing needs. We are also aware that additional liabilities have been accrued since FY2025 and that there is a loan request with TCorp currently under review – all this will also need to be factored in when interpreting the modelling and actuals.

3. Recommendation

This work marks the completion of our revised commitments to the community of Leeton and the very last report we ever intended to do with respect to any Special Variation⁶. We confirm that our withdrawal from this project was solely according to a recent deterioration to health. We are absolutely convinced that it is indeed in the community's best interests to get behind a prudent Special Variation as well as the proposed savings measures, changes to Hardship Policy and the like. We understand that council staff will complete the project and have faith in their ability to do so thoroughly and at the highest standards. We would ask that the community listen carefully to the case that is being put before them, assess the evidence objectively and think deeply about the best interest of the community moving forward. Evidence and good reasons are the only way to get to good decisions and outcomes; we therefore strongly commend same to the residents and ratepayers at Leeton.

⁶ This work was conducted only to honour the commitments made to the community by the University of Newcastle where Prof Drew worked prior to his medical retirement.

Leeton Shire Council Capacity to Pay Report



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Leeton Shire Council Capacity to Pay

Executive Summary

This Report provides a careful analysis of capacity to pay, by first examining metrics recommended by the regulator and then progressing to more robust and sophisticated measures. There can be no reasonable doubt after reading the comprehensive evidence in this report that Leeton Shire ratepayers, in aggregate, do indeed have additional capacity to pay. However, there are some reasonable concerns around distributive equity. On the basis of the evidence contained herein – and also our evaluation of need articulated in our various other reports, including the interrogation of the long-term financial plan (LTFP) – we confirm that sufficient capacity does exist for a moderate Special Variation. We close with some additional recommendations around measures that might be taken to achieve better distributive equity so that burdens are more closely aligned to individual capacity within the constraints of the legislation.

1. Introduction

The purpose of local government – any government in fact – is to foster the common good (which is best defined as the help accruing to people as a result of their co-operation; Drew, 2021). This means that local government ought to be mostly concerned with the provision of public goods, merit goods, and goods with externalities¹. It thus comes as no surprise to find that the major portion of a local government's asset portfolio is dominated by public goods – especially roads. Because these goods are non-excludable in character, fees and charges cannot be levied on them, and private business would never be interested in providing things of this kind. Indeed, commercial concepts make little sense when applied to matter of local government and it is important that people recognise that the processes, responsibilities and opportunities for government are fundamentally different.

To pay for the provision of public goods, governments are obliged to levy taxes - and local government rates are an instantiation of this. Otherwise stated, local government rates are indeed a tax. Natural law philosophers have long recognised that taxes are a moral obligation on citizens flowing from their membership of a community (George, 2010; Drew, 2021; Messner, 1952). Taxes are also a pre-requisite for natural justice – because we all have a natural right to land and other resources that were part of creation (see Finnis, 1998). Indeed, land ownership is a relatively modern concept useful for the optimal economic use of this particular resource, but not a moral right (in similar vein to how one could hardly mount a moral claim to the use of other natural resources such as sunlight or oxygen). Thus, an

¹ Public goods are things that are both non-excludable and non-rival (one person's use doesn't prevent another's – for example, roads or street lighting). Merit goods are things that decision-makers believe embody a virtue (for instance reading books at a Council library). Goods with positive externalities are things which confer benefits on people other than those directly consuming them (for example rubbish collection, which minimises odours and disease for everybody).

unimproved tax is a critical component of natural justice – it allows everyone to derive some benefit from a natural resource bestowed upon all of humanity.

Indeed, the greatest proponent of unimproved land tax was a natural law philosopher named Henry George who proposed it as a single tax in his work *Progress and Poverty* published circa 1879 (2010). The idea here is to try to capture some of the unearned wealth created as a side-product of the unnatural human advent of land ownership. George argued that the value of land was likely to go up even if a person did nothing to it – because of the increase in population, new developments in the area, building of new transport links and the like. Thus, most of the increase in wealth accruing to an individual, because of their ownership of land, is actually derived from the efforts of others. In an unimproved land tax, we simply ask people to return a very small portion of their unearned wealth to the wider community who created the wealth. Indeed, local government taxes tend to be used for goods and services that generate even more unearned wealth for the landholder – thus payment of rates can hardly be considered an act of altruism.

Unlike other taxes, rates in NSW do not impact on wealth generated by a person's own efforts, nor do they have the same kind of distortionary influence on economic decision-making. For instance, the top marginal income tax rate for Australia at the time of writing was forty-five percent (plus Medicare Levy) and this heavy impost tends to be a disincentive to some to put their productive efforts into full use (through making investments, taking on additional work, or further developing their human capital). Indeed, there is a whole industry devoted to providing ways for people to minimise their income tax burden and this, for the most part, represents a loss to the productive economy. An unimproved land tax does not result in leakage from the economy of this kind and doesn't dissuade people from making productive economic decisions – indeed, it elicits the precise opposite because it encourages people to put their land to the most productive use (to minimise the effective nett burden). For example, an unimproved land tax might encourage people to put vacant land under cultivation, or to sell it so that people might build homes on it.

People should understand that an unimproved land tax is one of the most morally defensible ways to generate the revenue required for governments to provide the goods and services that we all use, and rely on, on a daily basis.

Unfortunately, the efficacy of an unimproved land tax has been significantly damaged by constraints placed on local government decision-makers. For instance, some higher tier governments (NSW and more recently, Victoria) have introduced rate caps which mean that the value of the total tax levied by local governments has not been able to keep pace with the increase in unearned wealth accruing to landholders. This has resulted in both fiscal distress and significant exacerbation of inequality (especially relative to people who don't possess land). Moreover, empirical evidence exists that demonstrates the rate cap has not achieved its' typically asserted objectives of making NSW local governments more efficient and accountable for their spending (see, Dollery and McQuestin, 2017; Drew and Dollery, 2016; Drew, 2021). Unfortunately, rate caps are a politically attractive heresthetic

whereby state politicians get to claim credit for reducing cost of living pressures, without suffering significant ill-effects on their own (state government) budgets. Hence rate caps are popular with state politicians and are slowly spreading across our continent – as are financial sustainability crises and associated blame games.

Indeed, local government rates are highly politicised. Not only are state politicians inclined to engage in rate capping and misleading rhetoric to divert attention from their own tax increases and financial sustainability predicament (see Table 1), but rate increases are also politicised at the local level. No-one likes paying extra tax and it is thus hardly surprising that political opponents will try to portray rate increases – especially special variations (SVs) – as unnecessary, the result of inefficiency, or the outcome of financial mismanagement. Claims of these kinds are popular with people hoping to avoid paying a fuller price for the public goods and services that the community relies on. However, as we have shown in our previous (Stage 1) work the claims are somewhat misleading, (and sadly have a high potential to inflict pain on the most vulnerable in the community).

For the best decision-making, claims need to be based on both robust evidence and good reasons. Citizens should be wary of anyone in the community who tries to portray a picture of matters that is not supported by sophisticated robust evidence or valid reasoning. Indeed, citizens should also be cognisant of the motivations of the people making various statements – both their bona fides and independence. That is why the suite of reports by independent professors– one of whom resides abroad and therefore can't reasonably be accused of bias – employing thorough and rigorous statistical analysis on unimpeachable audited and Australian Bureau of Statistics data are so critical to the residents of Leeton. Indeed, we note that the bona fides of scholars can easily be assured by looking at their publication records and the sophisticated empirical techniques that they have applied in the past (as well as the copious references provided in this report).

One reason why rates tend to get politicised is because they are probably the most visible of taxes. This visibility arises because local governments typically issue four tax invoices per annum, and people have to withdraw money from their savings accounts to meet these imposts. This state of affairs contrasts somewhat to the relative hefty income taxes of the Commonwealth government which are taken out of our pay before we even see the money. Rates also contrast to the ten percent GST which often dwarfs the annual impost made by local government on residential ratepayers. Fuel excise tax is another example – 52.6² cents per litre (or around a quarter of the price of fuel) that most people are completely unaware of {notably local government, who are responsible for most of the roads in Australia, only receive a tiny proportion of this money putatively collected for roads}. Thus, the key issue seems to be about visibility: people don't complain about significantly larger imposts levied by other tiers of government because they barely register that the taxes exist.

² This figure excludes recent temporary excise cuts made in response to the Iran war.

Moreover, it is quite interesting to ponder the relative increase in taxation receipts of the federal and state governments relative to Leeton Shire Council in recent years (see Table 1).

Table 1. Tax Burden and Increase in Taxation Receipts by Other Tiers of Government as Compared to Leeton Shire Council.

	2021	2022	2023	2024	2025
Commonwealth	481,164	550,635 (14.44%)	618,227 (12.28%)	649,363 (5.04%)	675,173 (3.97%)
All States	93,079	112,528 (20.90%)	116,941 (3.92%)	130,575 (11.66%)	140,664 (7.73%)
Rate Cap (Leeton)		2.0%	0.7% + supplementary (1.80%)	3.7%	4.50%

Source: Government Finance Statistics, Australian Bureau of Statistics (2026).

Notably these other tiers of governments (federal and states) are very vocal about the need to increase their revenues, and many are projecting alarming deficits and proposing increased taxes. This seems to suggest that the cost of running government has been increasing at very steep levels in recent times.

Indeed, it is inevitable that taxes will go up, because the price of the goods and wages that governments consume have gone up – much faster than headline inflation rates that residents might hear about in the media. The media tends to focus on the CPI (Consumer Price Index), which has very little relevance to government costs because it measures the change in the price of household goods, many of which are rarely purchased by governments. For instance, at the time of writing 17.44 percent of the CPI was weighted for food and beverages, 6.58 percent for alcohol and tobacco, 6.73 percent for health costs, and 4.69 for school costs.....it would thus be erroneous to use CPI when trying to gauge the cost pressures faced by local government³ ().

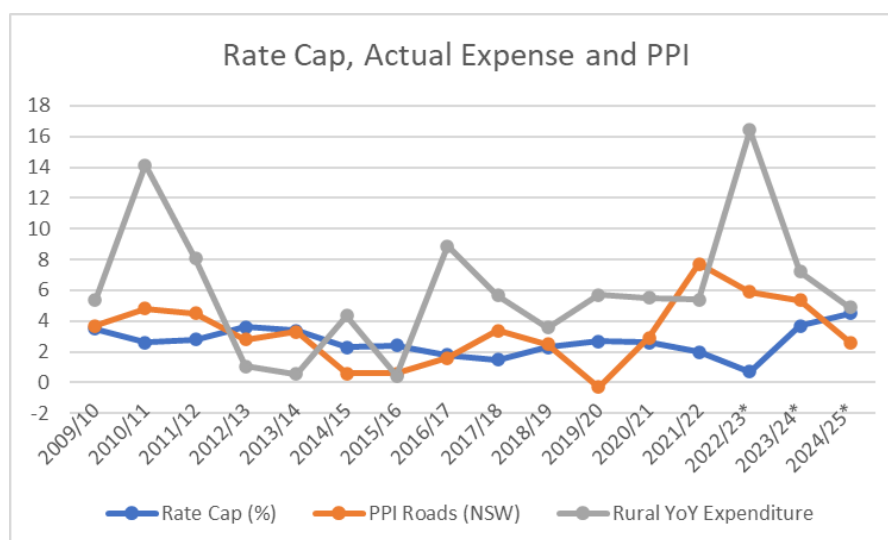
Furthermore, inflation is an entirely different concept to cost of living. Inflation measures the increase in the price of a fixed basket of goods and services, but it does not purport to measure the increase in the cost of living which is, in fact, the confluence of price increase *as well as* additional items that might now be needed to be purchased. This is why most people intuitively perceive that the CPI inflation rate is typically much lower than what they feel in their household budgets. A similar concept applies to government – not only is there a price increase in the basket of goods and services that it purchases, but also items are constantly being added to the said basket. For instance, in recent times audit costs have more than doubled for local governments following on from the introduction of central auditing (Audit Office of NSW) and additional audit committee (ARIC) mandates of the state government.

³ For full details see <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/annual-weight-update-cpi-and-living-cost-indexes/latest-release#cpi-expenditure-weight-update-2025>

Councils are also now being urged to invest more in both information technology and so-called artificial intelligence (see Audit Office of NSW, 2026). These kinds of things add substantially to local government expenditure over and above price increases.

In Figure 1, below, we set out the rate cap against various more useful measures of the cost pressures felt by government. PPI is the producer price index and measures a basket of goods and services purchased by producers (businesses). Even more specific, we include the PPI for road construction – which reflects the single largest responsibility of local governments in the state. However, all of this pales to a local government cost of living measure (the confluence of price increases and new goods and services) illustrated by the grey line, and based on an assumption that what typically happens in all rural governments across the state is what we could reasonably expect in a specific local government such as Leeton. Even a cursory look at this graph will reveal why more and more local governments have been forced to apply to IPART for an SV in recent years – the rate cap has exerted a cumulative deleterious effect on financial sustainability over a long period. In fact, as we will show later in this report, Leeton rates have lagged the typical impost expected for a council of this particular socio-demographic profile.

Figure 1. The Rate Cap Compared to Price and Cost Increases for Rural Local Governments (%).



Years marked with * are the result of the new IPART methodology that provides specific rate caps for each council.

The other thing to remember when thinking about the need for an SV is the fact that the rate cap has been in place in NSW for five decades. A small difference between the increase in costs actually faced, on the one hand, and the rate cap allowed, on the other, might be able to be absorbed in the short-term but it is not sustainable in the long-term.

If local government revenue does not keep pace with the increases faced in expenditure a number of things will ineluctably result. Over time, deficits will emerge and widen. These deficits will result in higher debts – either explicit debts or implicit debts. Explicit debts are loans at banks and the like that are reported uncontestedly in financial statements. Implicit debts are reductions to maintenance and construction of needed assets that are generally poorly measured and disclosed. From an economic perspective there is little difference between a given dollar of explicit debt on the one hand, and implicit debt on the other. Indeed, in the case of postponed road maintenance, implicit debts are far worse than explicit ones – if road surfaces are not maintained properly the whole road foundation may ultimately need to be rebuilt at a cost which is generally eight hundred percent or more higher than the cost to have merely resealed the surface in a timely manner (not to mention the social cost of unsafe or unsatisfactory roads in the interim).

If revenue insufficiency is allowed to persist matters become significantly worse, as cumulative effects are largely compounding. Redressing financial unsustainability is thus an economic imperative. However, it is also a moral imperative – because financial unsustainability ultimately translates into intergenerational inequity. Otherwise stated, it is our children and grandchildren who will have to pay off the debt (explicit and implicit) – it is hard to understand how this can be morally defensible⁴ especially when we reflect on the fact that our generation received its infrastructure largely unencumbered.

Arresting a descent into extreme levels of financial unsustainability is also an imperative from a local democracy perspective. The state government has not hesitated to dismiss councils and suspend local democracy in cases of perceived financial unsustainability in the past. For instance, Central Darling Shire was placed into Administration in December 2013 and right up to 2025 continued to be denied democratic representation (Drew and Campbell, 2016). Moreover, in 2016 many communities were forced into local government amalgamations which in most cases proved to be problematic – this also is a real risk (see, for example, Drew et al., 2023). We are not suggesting that either of these undesirable interventions are imminent at Leeton – but the stark reality is that precedent suggests it as a possibility at some time, if redress of financial unsustainability is not made. Indeed, it must be remembered that the Local Government Act (1993, NSW, s8B(a)) requires ‘council spending [to] be responsible and sustainable, aligning general revenue and expenses’. Furthermore, ‘councils should have regard to achieving intergenerational equity, including ensuring...the current generation funds the cost of its services’ (Local Government Act (1993, NSW), S8B(d)).

All of the above tends to explain why Special Variation proposals aren’t at all uncommon in NSW. In Table 2, we list SV applications from the peer group that we use in this report as per the OLG Guidelines (see the next section for more detail on peer selection). It is notable that in the last six SV rounds alone, six of the fourteen-

⁴ This comment is not meant to antagonise – it is merely a statement of fact. If people can present good reasons for why accruing higher levels of debt, and not fully funding spending, is morally defensible (especially with respect to the next generation), and in accordance with Section 8 of the Act (1993, NSW), then we encourage them to do so.

member peer group have applied for rate increases above the cap. This seems to suggest that there might be a systematic problem with respect to rate revenue in NSW.

Table 2. Peers Noting Recent SV Applications From the 2021-22 Round Onwards

Bellingen 31.06% over 4 years	Greater Hume	Nambucca Valley
Cabonne	Gunnedah 37.67% over 2 years	Parkes
Cootamundra-Gundagai 53.5% over 4 years	Hilltops	Snowy Valleys 35.95% over two years
Cowra	Inverell	Yass Valley
Federation 69.94% over 2 years	Muswellbrook (applying for 29% over 1 year in current round)	

Before addressing other matters, a brief word is in order about hardship and local government taxation. Because rates are paid out of flows of income, sometimes genuine hardship can arise. This is why Council has a hardship policy which responds to provisions in the Act (1993, NSW). Indeed, the new (forthcoming) policy which will be introduced in Leeton as part of the SV journey significantly improves on anything required by the Act and must be one of the most compassionate and supportive protocols anywhere in the state. It should be understood that the far majority of taxes in Australia have no hardship provision (for example the GST) and often also fail to even vary with incomes: for instance, a homeless person pays precisely the same ten percent on a given item of processed food, as does a multi-billionaire. Thus, local government 'rates' are somewhat unique in trying to respond, at least a little, to possible hardship⁵.

In the next section of this report, we will review comparative measures of capacity to pay that are typically (and often erroneously) used by councils applying for SVs. Many of these measures are required by the Office of Local Government (OLG) guidelines. Following this, we will turn our focus on residential rate specific indicators, business indicators, and farm specific indicators respectively. Thereafter we present an econometric exercise which is far superior to all other potential methods. This allows us to provide a precise figure for the typical tax take expected of a local government area with Leeton's specific socio-economic characteristics. We

⁵ Trying to tailor local government taxes to the specific capacity to pay of particular individuals would be impossible in a land-based tax, and (were it even possible) would unfairly result in some people being allowed to keep far more of their unearned wealth than others (please see: <https://www.youtube.com/watch?v=FQrMoVot8rE>)

conclude by enumerating a number of measures that might be taken to enhance capacity to pay.

2. Overview of Rates at Council and Its Peers

This portion of the report presents the graphs required by OLG guidelines, as well as some additional metrics which provide important context. For these comparative exercises we have used a peer group comprised of other councils in the same OLG category (Group 11, as suggested in the SV guidelines) with cluster analysis within the group to maximise similarity⁶. In Table 3 we list the councils used in this comparative work.

Table 3. Peers Used for Comparisons

Bellingen	Greater Hume	Nambucca Valley
Cabonne	Gunnedah	Parkes
Cootamundra-Gundagai	Hilltops	Snowy Valleys
Cowra	Inverell	Yass Valley
Federation	Muswellbrook	

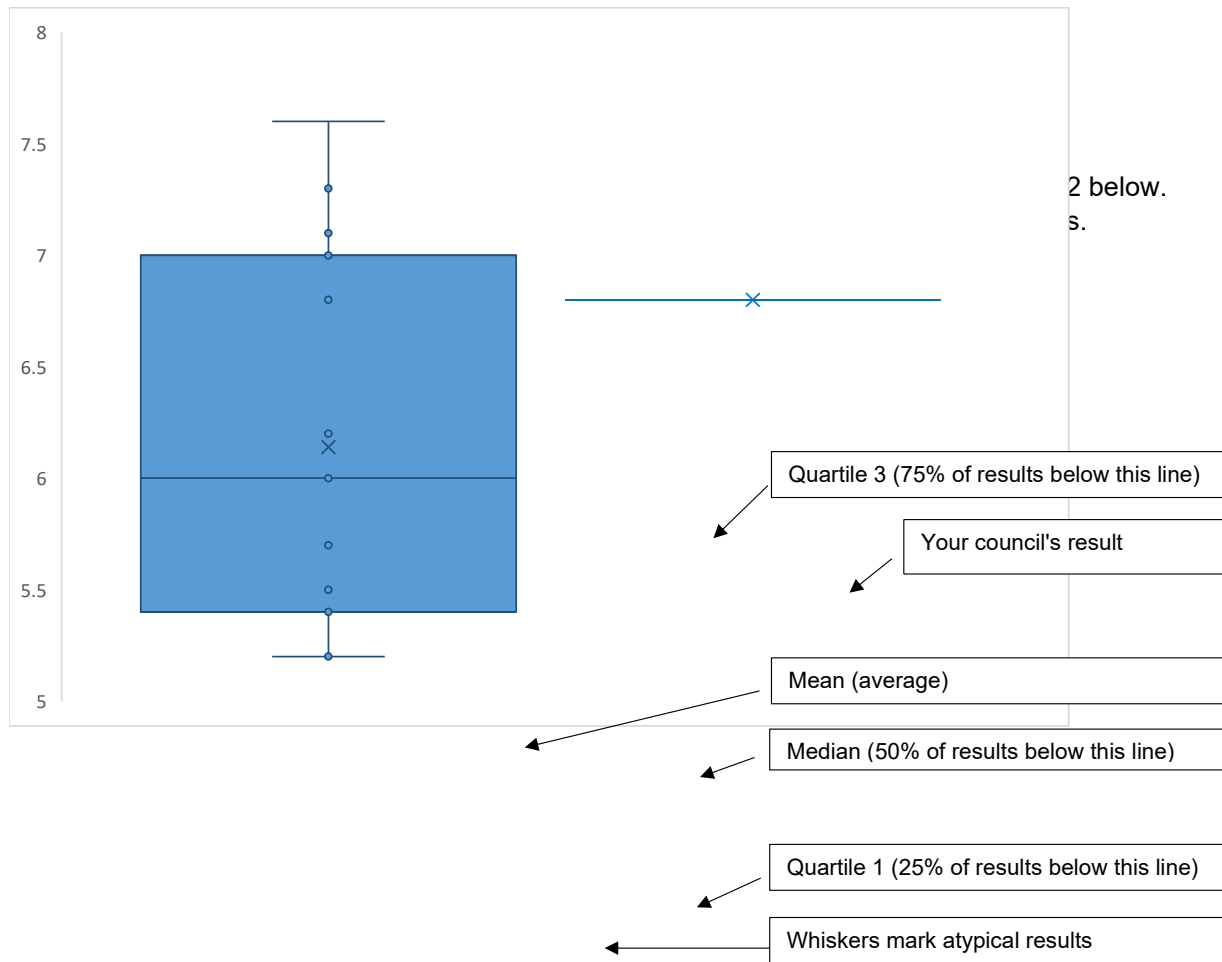
People will always be inclined to argue that a particular comparator group may not be ideal, or that certain councils should be substituted with others. For this reason – and also because of apparent flaws in some of the metrics and statistics mandated by the OLG – the greatest reliance should be placed on the econometric exercises that form the centrepiece of this report.

Econometrics is far superior because it allows us to better accommodate all of the variables related to capacity to pay, and also make *ceteris paribus*⁷ claims. Moreover, our econometric exercises include the entire cohort of relevant peer councils for NSW (some eighty local governments), over a long panel of five years of data. Broadening the cohort means that there can be no reasonable disagreement about comparators; whilst employing a five-year panel of data means that we ought not be misled by unrepresentative years.

The best way to present graphical data for comparative purposes are box and whisker plots that have been part of the core mathematics curriculum for a few decades now. These graphs are particularly helpful because we can quickly perceive how Leeton's results compare to typical outcomes, but also the spread of outcomes (every bit as important as central tendency) experienced by the relevant cohort. Typical outcome data without spread measures is only half the story, at most, and has a high risk of misleading decision-makers. In case readers have forgotten how to

⁶ Clearly it would be misleading to compare Leeton to other Councils that are not similar – doing so would neglect the important effects of different spending needs, and different revenue streams. OLG groups are said to categorise similar councils and are thus likely to yield the most reasonable comparisons.

⁷ That is, holding all other factors constant – these are the kinds of claims that are consistent with the scientific method of reasoning.



In Table 4 we set out the current rate structure at time of writing for Leeton as per the relevant revenue policy.

Table 4. Ordinary Rate Structure, 2025/26

Rate Category	Ad-Valorem Amount (Cents in the \$)	Base Amount (\$)
Residential	0.00511893	556
Business – General	0.00919062	415
Business – Industrial	0.01237107	815
Farmland	0.00429114	771

Source: <https://www.leeton.nsw.gov.au/Your-Council/About-Council/Plans-Strategies-and-Reports/Operational-Budget-Revenue-Policy-including-Fees-and-Charges>

We remind readers that rates are a tax based on unimproved land value. Furthermore, the idea of the tax is to recover a small portion of the unearned wealth accruing to landowners and return it to the community from whence it mostly came. We also remind end-users of this report that taxes are not a fee for service – sometimes people erroneously argue that certain ratepayers should pay a lower proportion of tax because they don't receive the same services as ratepayers elsewhere in the local government area. This is a spurious argument, and one can quickly see its fallacious logic if one tries to universalise the idea⁸.

An important concept in taxation theory is distributive equity. The idea is that the burdens of paying for government goods and services ought to be fairly distributed. It is notable that an SV does not typically address distributive inequity in extant rate structure, but it is clearly salient to the problem of capacity to pay – if people are being asked to shoulder additional burden without good reason, then this will exacerbate the effect of a rate increase.

The first problem that is apparent from Table 4 is the use of base rates at Leeton; moreover, base rates that differ from category to category. People frequently appeal to the benefits of a base rate in mitigating fluctuations (especially after new valuations come to hand) and also for 'flattening' out the tax impost. However, to achieve these objectives a base rate shifts the burden of taxation from the people with the highest land values down to the people with the lowest land values – this is simply a matter of arithmetic. All things being equal, increase in unearned wealth is likely to be highly correlated to land values. Therefore, a base rate typically results in the burden of taxation being shifted from people who had the most unearned wealth to the people who had the least. As such, a base rate can seem to be quite inequitable.

Furthermore, a base rate that is an arbitrary number is difficult to defend on either moral or economic grounds (it also fails to send important price signals). For this reason, Drew (2021) recommends that if base rates are used then that they ought to be calculated annually with respect to a shared responsibility – such as the overheads for having a council. Doing so is more morally defensible – because everyone has the same basic needs for a representative council – and a practice based on good reasons such as this also sends important price signals about both the costs of having a council and the change in costs over time.

Thus, one important measure Leeton Shire Council could take to partly mitigate any capacity to pay concerns is to significantly reduce, or even eliminate, the base rate. {We have indeed calculated a defensible base rate, according to an evidence

⁸ According to the philosopher Grimm, a good way to test reasoning is to try to apply the same ideas to different contexts or take them to the extreme cases. If we applied the aforementioned reasoning to federal income taxes, then it would suggest that very little federal money ought to be spent in Leeton – because the majority of federal taxes are paid in the capital cities. We don't think people in receipt of federal pensions, or those who use federal agencies and federal roads would be happy if this kind of reasoning was applied in a federal tax context. It is not reasonable to advocate a warrant (a principle that gets us from data to a conclusion) that cannot be applied to similar situations.

approach, and advise that it would come out at \$300.22 for all ratepayers for FY2027}.

Recommendation 1: Council should review the base rate with a view to, at least, reducing it significantly (preferably to a defensible figure such as one linked to council overheads) in the future. If a base rate is retained then, the entire SV should be passed on via the ad valorem portion of the taxation levied. Ideally, a decision on this matter should be taken as soon as practicable (and some provisional modelling of the effect done and communicated clearly to the community).

It also seems from Table 4 that there is a *prima facie* lack of distributive equity in the *ad valorem* component of the rates – that is, the part of the rates calculated from land values. For instance, the general business category is paying around eighty percent more cents in the dollar (*ad valorem*) on their land value than residential ratepayers, and farmland owners are paying around nineteen percent less on their land value than residential ratepayers (although all of this is a little confounded by the differing base rates). Moreover, most businesses and farmers will get to export some of their rates to the federal government as a tax deduction; whereas most residential landowners cannot do so (an exception are residential landlords which can't be isolated to achieve distributive equity with respect to owner-occupiers under the current Act (1993, NSW)).

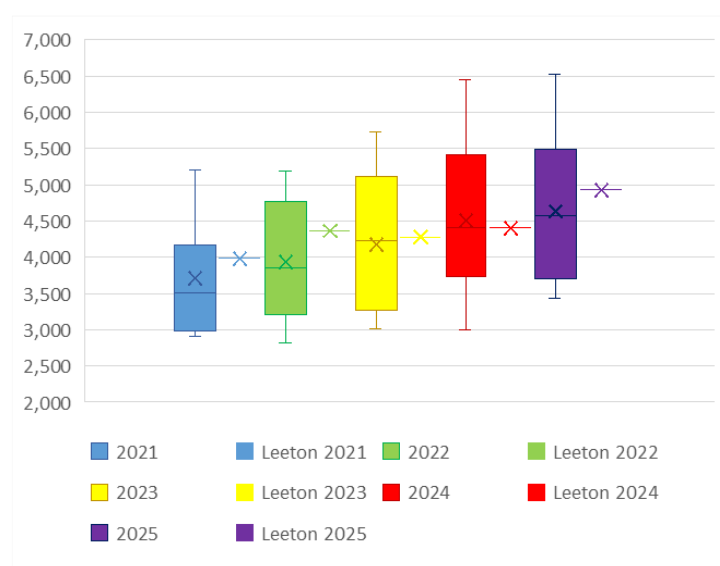
It is important to resist reading more into these observations than might be warranted. We are not suggesting that the rates of taxation ought to be precisely the same. Nor are we stating that extant practice at Leeton is somehow 'wrong'. However, the data certainly indicates that there may be room for improvement with respect to distributive equity and this would clearly have an impact on capacity to pay. Accordingly, we recommend that the matter of *ad valorem* should be investigated, but note that doing so might take a year or more because of the need to properly canvass and evaluate the arguments of stakeholders (even if it were possible to adjust extant *ad valorem* sooner it would not be a good idea to do so because it would likely cause considerable confusion around the SV which is a process specific to the *total* taxation take).

Recommendation 2: That the General Manager be tasked with further exploring the distributive equity at Leeton Council. This will take upwards of twelve months to complete this work and is a separate task from the SV, which refers to the total tax take only. Council should make a decision on this matter and clearly communicate same to the community as soon as practicable.

OLG Guidelines also require us to compare average rates for the council against the putatively similar peers. This is not a good idea because averages are subject to distortion in the presence of outliers (particularly large or small numbers – we will demonstrate this high level of distortion, comprehensively, a little later on). Moreover, comparing average rates without looking at incomes at all clearly casts little light on capacity to pay. Nonetheless, the rules call for a comparison of averages therefore we are obliged to conduct the following five exercises.

In Figure 3 we provide comparative data on the average of the sum of rates, fees and annual charges on a per assessment (per property) basis for the last four financial years according to audited financial data. This *appears* to suggest that Leeton is consistently collecting at or above typical revenue from its ratepayers. However, to properly understand this data one needs to first take note of the very large spread (that is, there are a large number of peers performing well above the Leeton result) and also acknowledge the large increase in receipts from childcare and Transport for NSW for Leeton (amounting to an additional \$877,000 in FY⁹2025).

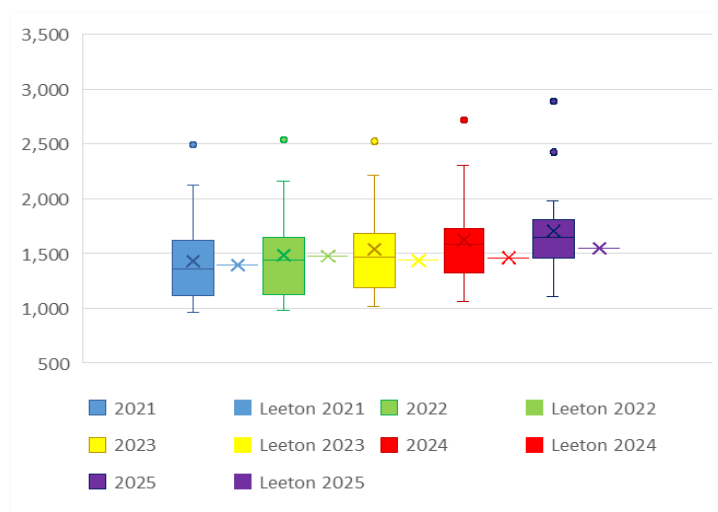
Figure 3. Rates, Fees and Annual Charges per Assessment (\$)



If we just look at average rates per assessment (setting aside fees and charges) in Figure 4 then Leeton appears to be well below typical, especially in the last two financial years (arguably the most relevant average rate comparison for an SV which applies specifically to the total tax take). Keen observers will recall that many in the peer group have been successful in securing large SVs in recent years which explains the downward trajectory in the *relative* outcome over time. We remind readers of the distortion inevitable in average rates summaries. However, Figure 4 does seem to point to the idea that rate revenue in Leeton is not keeping pace with changes to the peer group.

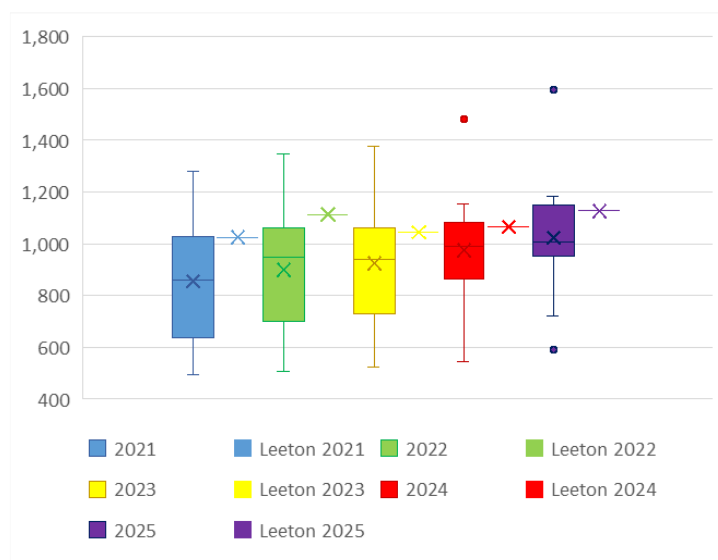
⁹ FY is the standard abbreviation for financial year. The financial year in Australia runs from 1 July until 30 June.

Figure 4. Total Rates per Property Assessment (\$)



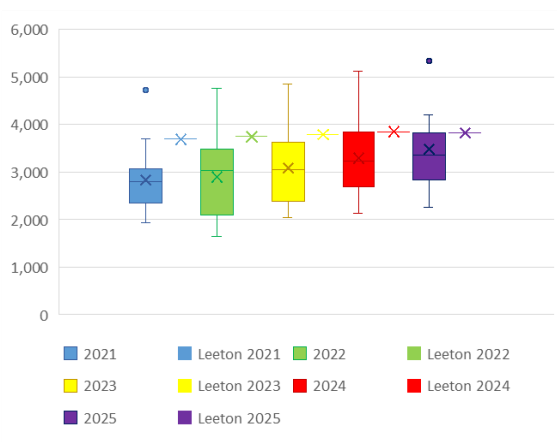
Matters appear somewhat confused if we turn to specific categories of average rates – for instance a person viewing this data for residential rates could (erroneously) conclude that Leeton ratepayers are very close to the top quartile. However, we must be mindful of the substantial skewing in the data as well as spread within the council (not evident in this graph; see our later discussion of Figure 9) and also the fact that these measures might have nothing useful to say about capacity to pay, because they do not impute any information on incomes (from whence rates are actually paid).

Figure 5. Residential Rates per Assessment (\$)



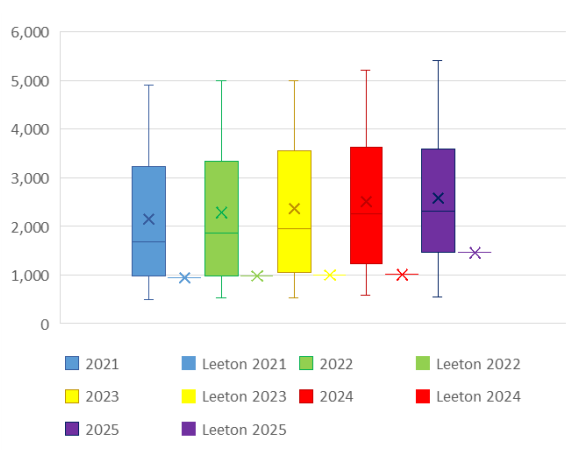
Farm rate comparisons seem to suggest an even more extreme discordance with the peer group – the graphs *appear* to suggest that Leeton farmers are paying rates in the top quartile. Indeed, we understand that this data was invoked during the previous attempt at an SV in Leeton to successfully argue for an easing of the *putative* burden for farmers. As we will see later in this report decision-makers were fundamentally misled by poor methodologies – farm rate data will always be subject to considerable skewing as well as spread within and numbers provided in the absence of any farm income data (as was done in the past) contribute *little* of any consequence to capacity to pay evaluations.

Figure 6. Farm Rates per Assessment (\$)



In Figure 7 we present the average business rate data which appears to suggest that business ratepayers, on the other hand, are contributing less than typical to the tax take at Leeton. However, once again, this data is significantly skewed by large national outfits like Rice Growers and in the absence of income information is quite irrelevant.

Figure 7. Business Rates per Assessment (\$)



In sum, the various pieces of average rate data provide grounds for a gamut of contrary conclusions none of which would be wise to make given that we know it is almost certainly skewed, contains large spread within, and also eschews the incomes that must be at the heart of any proper evaluation of capacity to pay.

To make plain the error in examining average rates, we plotted the latest land values for all the properties in Leeton, for each of the four categories employed in the local government area. The skewing – notable in the dots beyond the whiskers – is clearly quite extreme (see Figure 8). Given that rates are based on land values one can easily deduced that the rates within Leeton are similarly skewed – as any math textbook would tell us, averages are extremely misleading measures of ‘typicality’ when the data is not evenly distributed (see for instance, pp.415-419 of *Maths Quest Year 11 Maths B* by Simpson and Rowland, 2001 or more scholarly works such as Berman and Wang, 2018; Treiman, 2009). Moreover, we can be pretty certain that the comparator councils also have skewed data. Thus, in the aforementioned graphs of average rate levels, we did little more than compare misleading measures of central tendency at Leeton, with misleading measures of central tendency at the peer group Councils; all in the absence of any information on spread within local government areas, or incomes. Otherwise stated, the exercise was not helpful to an assessment of capacity to pay.

Figure 8. Skewing in Land Values, Including Outliers, Which Will Distort Average Rate Comparisons.



To make the danger of comparing average rates even more clear in Figure 9 we repeated the graphs of land values for Leeton – this time excluding the outliers (so we can better see the spread and skewing within non-outlier properties). As can now clearly be seen there is a great discrepancy between the averages (marked 'x') and the median the middle line in the box. This more clearly demonstrates how significant the skewing problem is. Furthermore, the relative spread within the local government area is also very large – meaning that few ratepayers are sufficiently gathered around the typical result, thus making it inadvisable to use this as a decision-making tool

Figure 9. Skewing in Land Values Excluding Outliers



To further emphasise the danger of placing reliance on inappropriate data points (such as an average without accompanying measure of spread) in Table 5 we present key statistics regarding both central tendency and spread for the rates actually levied at Leeton in FY2026:

Table 5. Key Statistics Further Demonstrating Skewing and Spread of Rates Actually Levied in FY2026

	Business	Business Industrial	Farmland	Residential
Lowest	418.31	878.34	777.95	569.10
Quartile 1	776.19	2,225.30	1,951.06	899.48
Quartile 2 (median)	1,305.57	2,782	2,599.03	1,119.08
Quartile 3	1,940.64	3,536.64	4,478.54	1,400.62

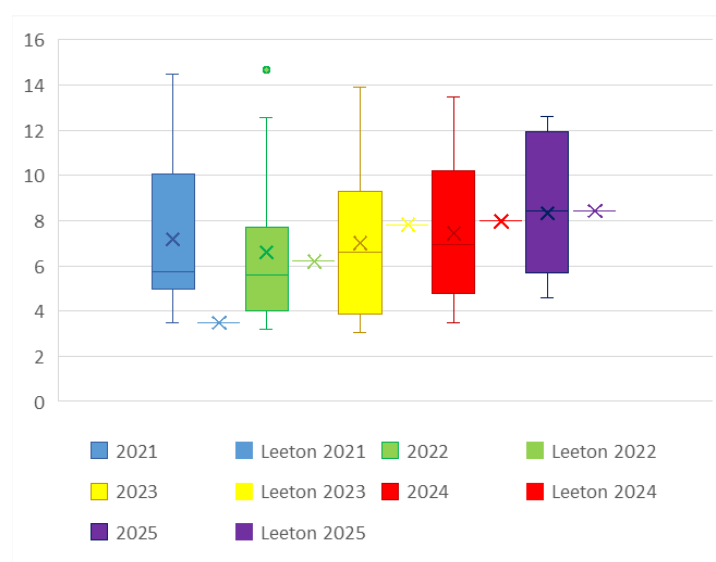
Highest	17,601.46	23,577.77	139,374.80	4,425.91
Inter Quartile Range	1,164.45	1,311.34	2,527.48	501.14
Mean (average)	1,620.264	3,253.51	3,835.15	1,153.86
Standard Deviation	1,647.975	2,483.17	5,615.45	352.36
Skewness	5.938	4.15	17.45	1.01
Kurtosis	51.646	28.60	409.78	5.78
Is the mean reliable as a measure of Central Tendency?	No	No	No	Maybe with care
Is the mean reliable of 'Typicalness' given spread?	No	No	No	No

As we have already suggested, there are two key concepts to particularly focus on when considering whether it is reasonable to use average rate data as a basis for comparison. The first is skewness which is a measure of symmetry (this tells us whether the average is indeed located around the centre of the distribution). Table 5 confirms that all categories, except residential, are clearly very skewed. The second thing that we must also test is whether or not the values are sufficiently concentrated towards the centre as compared with the tails (see, an introductory statistics text such as Levine et al., 2005). Table 5, especially the kurtosis statistic, confirms that the averages are far from sufficiently centred to be able to consider them as typical (some people use a rule of thumb cut-off for kurtosis acceptability as '2.0', others, '3.0' but in all categories our scores well exceed even the most generous cut-off guide). To understand this a little more it might be useful to reflect on the mean for residential which is quite close to the centre; however, whilst the average was \$1,153.86 residential residents actually paid anywhere from \$569.10 through to \$4,425.91! Indeed, a quarter of residential residents paid less than \$899.48 in rates and an additional quarter more than \$1,400.62 – trying to assert that the average is somehow representative of burdens within this category in Leeton would thus be a difficult argument to defend (certainly the residents in the top quartile would be quick to contest that the average had any meaning to their lives).

Moreover, if we reflect for a moment on the fact that each member of the peer group – being rural councils – will also certainly have significant skewed and spread distributions, then it becomes clear that any comparison of average rate data can only lead to flawed judgements. This is simply a reflection of fundamental statistic theory.

Before leaving this section, we will briefly consider a final piece of data that *can sometimes* provide some useful insights – rates and charges outstanding which in certain situations can be a weak indicator of capacity to pay (albeit confounded by any extant distributional inequity and also the effectiveness of council processes for pursuing overdue monies). In Figure 10 we plot outstanding imposts for Leeton and its peers over the last five years. This seems to suggest that the community is more or less typical over the period. Nonetheless, recent work that we have conducted with council looking into both the Hardship Policy and Repayment Arrangements in place suggested a few sub-optimal practices that we have made various recommendations to improve. In view of the willingness of Council to adopt these recommendations – as well as the likelihood of changes to the base rate in the future which will improve the situation for people who might otherwise struggle – we are confident that Leeton will shift back into the lowest quartile of relative outstanding imposts within the next financial year or so.

Figure 10. Rates and Charges Outstanding (%)



To summarise Section 2, it is clear that the typical ways of trying to assess capacity to pay leave us with a confused picture that is almost certainly subject to serious misrepresentation. In the sections that follow we will investigate a series of better ways to assess matters, culminating in our econometric work in the penultimate section.

3. Residential Rate Variables

In this section we consider the single largest category of ratepayers at Leeton – residential – which accounts for *approximately* fifty-five percent of local government tax revenue, followed by farmland (just over thirty-eight percent), and business (a little under nine percent).

To assess the impact on affected ratepayers, the Office of Local Government Guidelines (2013, p. 9) state that 'IPART *may also* consider Socio-Economic Index for Areas (SEIFA) data for the council area' (emphasis added). As a matter of fact, there are indeed four different SEIFA indexes, although it appears that our attention might be directed to the Index of Relative Socio-Economic Disadvantage (this data is only available in census years and hence might be well out of date in 2026).

In Figure 11 we plot Leeton's Australian decile ranking in the last census (2021) against the peers, and in Figure 12 we plot the State level decile ranking for 2021. In national terms Leeton ranks close to the bottom quartile, but in state terms it is closer to the median.

Figure 11. SEIFA, Australian decile 2021 Census.

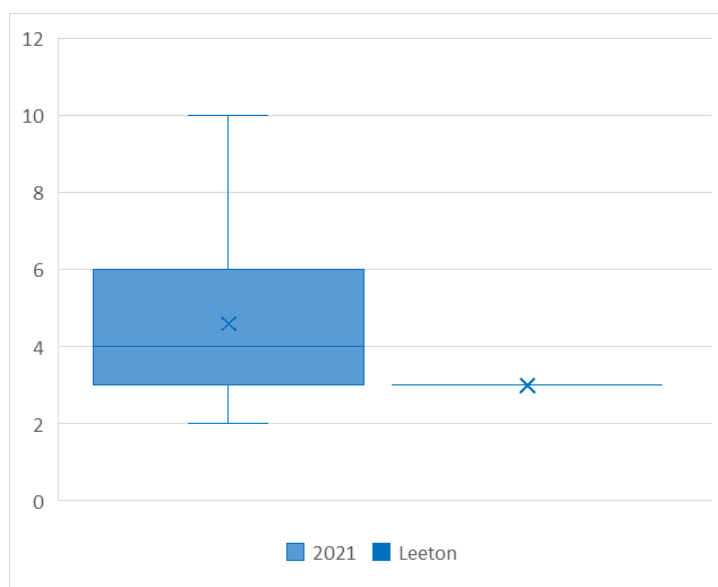
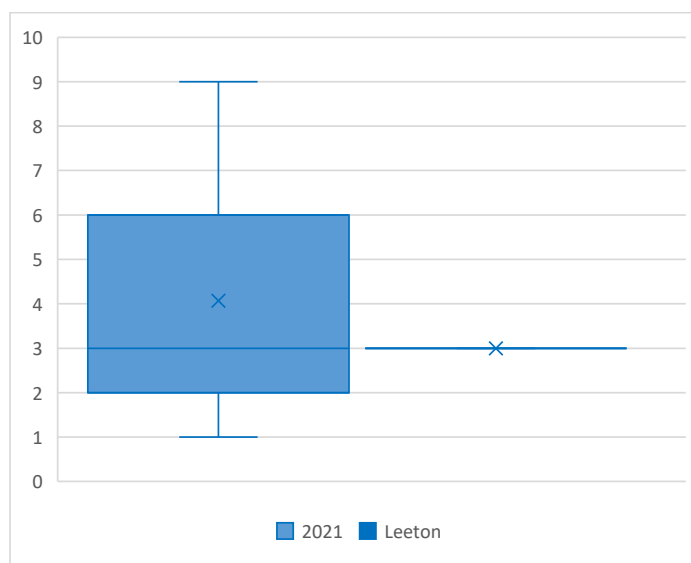


Figure 12. SEIFA, State decile 2021 Census.



However, indexes of this kind can be very misleading if people do not understand how they have been constructed. First, any index strategy loses information value – in the case of SEIFA the ABS have used principal component analysis (PCA) which can be robust for relatively small suites of variables (less than ten is the usual rule of thumb), when the data is sufficiently spherical, and when the data is not highly leveraged (see the seminal work of Duntleman, 1989; a general quantitative analysis text such as Hamilton 2013; or the large corpus of journal literature on this matter). The ABS seem to have used fifteen variables, which is somewhat surprising. Moreover, the ABS don't appear to provide any information on whether their PCA of fifteen variables was indeed a reasonable choice of indexing technique with reference to say the Kaiser-Meyer-Olkin or Bartlett's tests – so we can't be sure if the index technique was appropriate or not. Secondly, the input variables to 'disadvantage' indexes will clearly have a determinative effect on the results obtained – in Table 6 we list the SEIFA loadings as reported by the ABS in *their* technical paper. This allows us to see that many of the variables used have very little, if any, relevance to the matter of capacity to pay – education level, occupation category, number of dwellings putatively requiring more bedrooms, percent of people divorced and the like. It is thus clear that the SEIFA index may have little of use to say with respect to capacity to pay¹⁰. It would therefore not be reasonable to place any emphasis on the aforementioned, very dated, figures (11 and 12).

¹⁰ SEIFA *may* be perfectly fine as an index of disadvantage (although we can't know this for certain given only the details in the ABS technical paper); but it was never intended by the ABS to be used as a measure of capacity to pay local government taxation (an entirely different matter). Indeed, the ABS point to this when they specifically nominate the dual purposes being attempted as 'economic and social conditions' (i.e., not economic – or better still just income - conditions alone which is what one might expect if one wished to use it as a measure of capacity to pay; emphasis added).

Table 6. SEIFA Score Loadings, 2021 Census

Final IRSD variables and loadings		
Variable name	Variable description	Variable loading
INC_LOW	Per cent of people living in households with stated annual household equivalised income between \$1 and \$25,999 (approx. 1st and 2nd deciles)	-0.87
CHILDJOBLESS	Per cent of families with children under 15 years of age who live with jobless parents	-0.78
NOYR12ORHIGHER	Per cent of people aged 15 years and over whose highest level of education is Year 11 or lower. Includes Certificate I and II	-0.75
LOWRENT	Per cent of occupied private dwellings paying rent less than \$250 per week (excluding \$0 per week)	-0.71
UNEMPLOYED	Per cent of people (in the labour force) unemployed	-0.68
OCC_LABOUR	Per cent of employed people classified as 'labourers'	-0.68
DISABILITYU70	Per cent of people aged under 70 who need assistance with core activities due to a long term health condition, disability or old age	-0.63
ONEPARENT	Per cent of one parent families with dependent offspring only	-0.58
OVERCROWD	Per cent of occupied private dwellings requiring one or more extra bedrooms (based on the Canadian National Occupancy Standard)	-0.51
OCC_DRIVERS	Per cent of employed people classified as Machinery Operators and Drivers	-0.51
SEPDIVORCED	Per cent of people aged 15 and over who are separated or divorced	-0.51
NOEDU	Per cent of people aged 15 years and over who have no educational attainment	-0.47
OCC_SERVICE_L	Per cent of employed people classified as Low Skill Community and Personal Service Workers	-0.45
NOCAR	Per cent of occupied private dwellings with no cars	-0.43
ENGLISHPOOR	Per cent of people who do not speak English well	-0.35

Source: Australian Bureau of Statistics, Construction of the indexes, 2021

What is key to capacity to pay are incomes. Accordingly, we first review levels of various welfare receipts, because these can have a dampening effect on capacity to pay (albeit mitigated by the pensioner discount required by state legislation); later we will look at incomes, and revenue effort.

In Figure 13 we plot the proportion of aged pensioners in Leeton relative to the peer group. The aged pension cohort is particularly important because it is by far the

largest pension group in most local government areas (disability pensions generally run at less than half the size, and single parent pensions less than a quarter). Otherwise stated, any relative advantage or disadvantage for this particular (aged pension) cohort is far more powerful as a factor in overall capacity to pay relative to other pension groups.

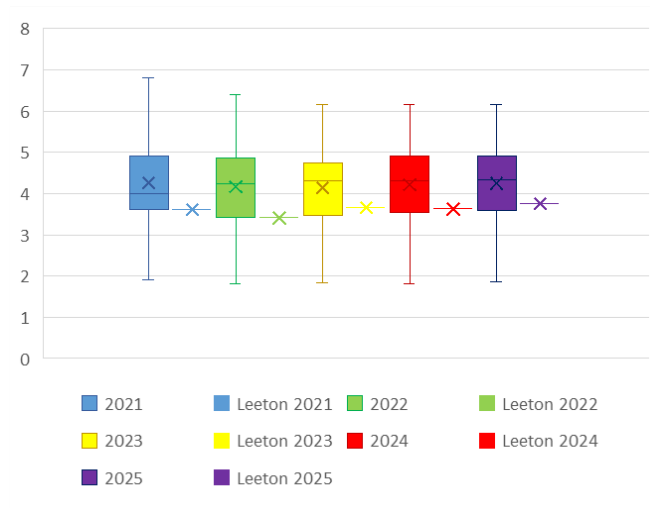
As it turns out, the size of the aged pensioner cohort at Leeton is significantly less than typical for the peer group. This means that all other things being equal (*ceteris paribus* in economic jargon) Leeton would have a higher than typical capacity to pay relative to the peer group.

Figure 13. Aged Pension (% of residents)



Matters are not much different when it comes to the disability support pension (DSP)
–Leeton has well below the typical sized cohort.

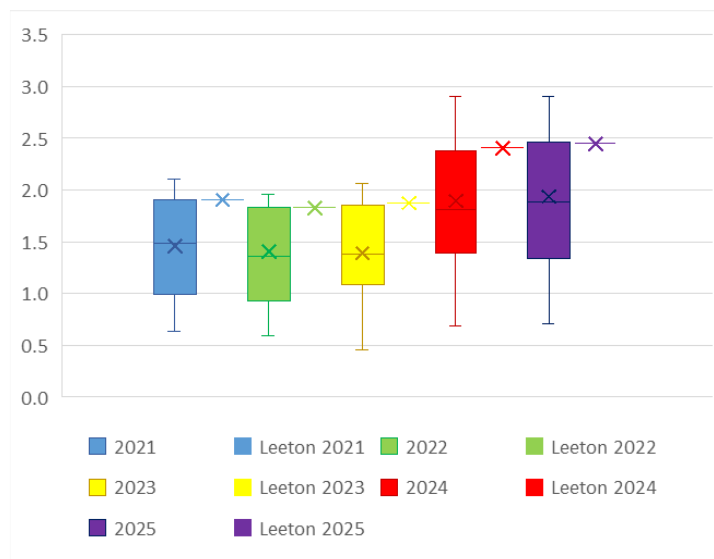
Figure 14. Disability Support Pension (% of residents)



In

Figure 15 we plot relative levels of single parent pensioners. In this case the result for Leeton is in the top quartile (top twenty-five percent) relative to the peer councils. However, the size of this cohort in Leeton is less than a quarter of the aged pensioner group – and less than two-thirds the size of the DSP cohort. Thus, whilst an outlier for the peer group, it could not be said to have a material effect on overall capacity to pay the total tax take for Leeton (assuming adequate distributive equity).

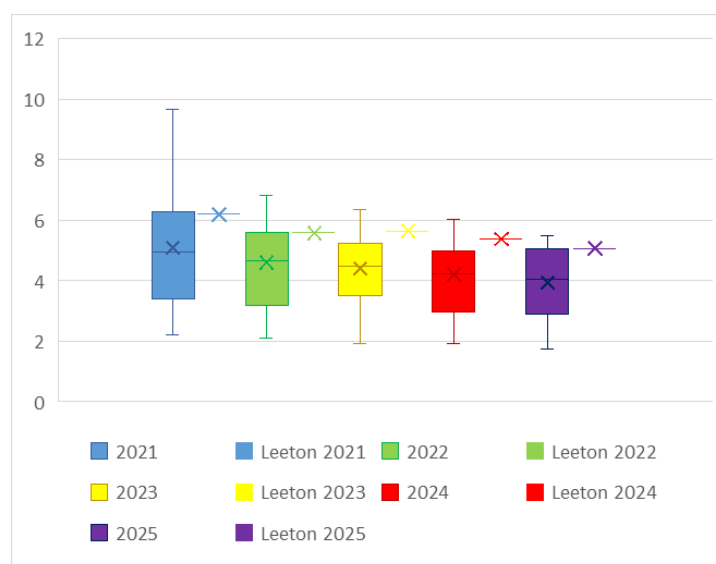
Figure 15. Single Parent Pension (% of residents)



In Figure 16 we plot the pensioner discount relative to the peer group, as presented in the audited financial statements. This seems to suggest that Leeton is leaking far more rates to pensioner discounts than could be possibly reconciled with our earlier evidence on welfare demographics. However, there is indeed an explanation for this apparent incongruity (which we discovered as part of our investigations) – an apparent failure of auditors to pick up a material misstatement going back to at least FY2017. It is hard to explain how an error of this kind could have escaped notice over nine audit periods.

We have asked council staff to rectify the matter and are expecting this to be clearer in the FY2025 financial statements. The upshot for now though is that we ought to ignore Figure 16 because it has been distorted by these long running errors.

Figure 16. Pensioner Discount (as a Proportion of Residential Rate Revenue)

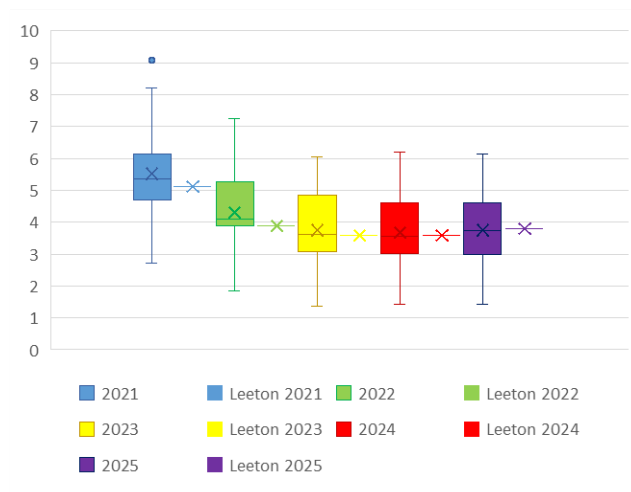


Notably, other cohorts in the community sometimes face greater challenges than pensioners but receive no relief via state government legislation. This includes people recently made unemployed, people on sickness benefits (now falling under JobSeeker) and also casual employees with unpredictable incomes. In Figure 17 we plot the levels of unemployed people, subject to usual ABS data lags. It will be noted that Leeton is routinely at or slightly lower than the typical rate for the cohort which is not suggestive of a pervasive capacity to pay problem from this point of origin.

Moreover, it is unlikely that most long-term unemployed people would be direct ratepayers anyhow: usually people who do not have a job, do not own property, but instead rent. Indeed, most rental agreements cover lengthy periods and rates only form a very small portion of a landlords' costs which they typically export as a tax deduction to the federal government. There is thus no justification for any landlord to put up rents by the whole value of any SV (a point that should be made explicit in communications work surrounding the SV) – indeed, in most cases it is not possible to do so in the short-run anyhow.

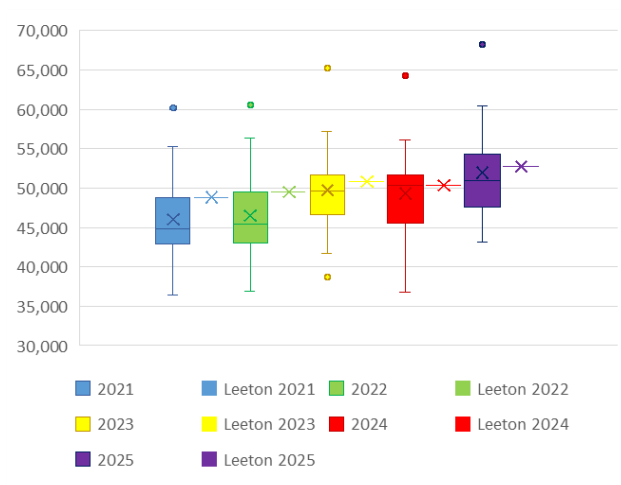
We also draw attention to the need to extend at least the same levels of consideration as we do for pensioners to people in other welfare categories who do own property and experience hardship. In this regard we direct people's attention to our review and advice on changes that we believe ought to be made to the extant Hardship Policy at Leeton.

Figure 17. Newstart Allowance/Jobseeker (% of residents)



By far the largest cohort with respect to capacity to pay residential rates are wage earners. In Figure 18 we illustrate the fact that Leeton wage earners rank significantly above typical wages for most of the five years under analysis (notably here we use the median wage-earner data because the ABS average data has become almost meaningless due to distortions arising from the COVID response). This seems to suggest that Leeton residential ratepayers as a cohort are likely to have far higher than typical capacity to pay residential rates.

Figure 18. Median Wage-Earner Income



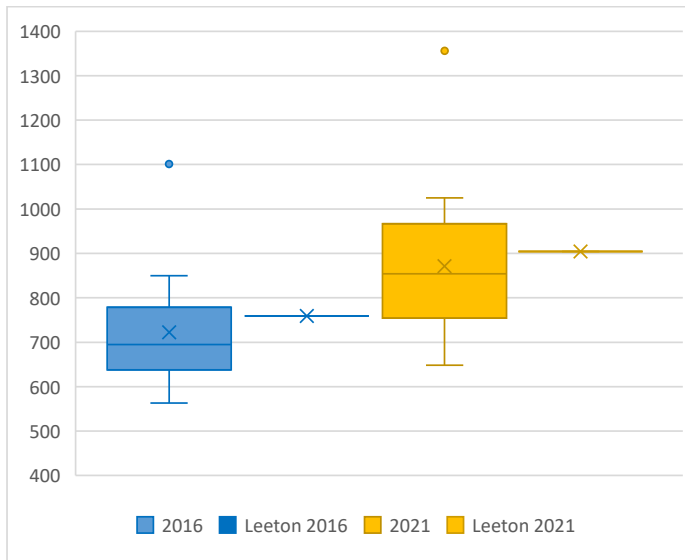
In the past we have presented income distribution data (P80/20 ratios and GINI coefficients) for a given local government and its peers. However, this data is no longer available in the ABS sources by local government area, which is somewhat surprising given the attention that inequality has attracted in both the media and scholarly literature (see, for example, Drew et al., 2024). We can thus do little analysis regarding the potential effects of income inequality.

Sometimes it is useful to look at equivalised household incomes. The ABS calculates this measure in census years by using a scale from the OECD to adjust incomes to reflect the number of people living in a household. Unfortunately, the weightings used (1 point for the first adult, 0.5 point for each additional person over 15, and 0.3 points for each child under 15) appear arbitrary and implausible (for example, it is hard to believe that it costs precisely 50% more for two adults living in a house given that fixed shelter costs in the country are so high¹¹ – indeed we note that the Australian government does not use this factor when calculating single or partnered welfare benefits).

Nevertheless, we plot equivalised household incomes in Figure 19 – these would suggest Leeton is well above typical – once again supporting relatively higher capacity to pay residential rates.

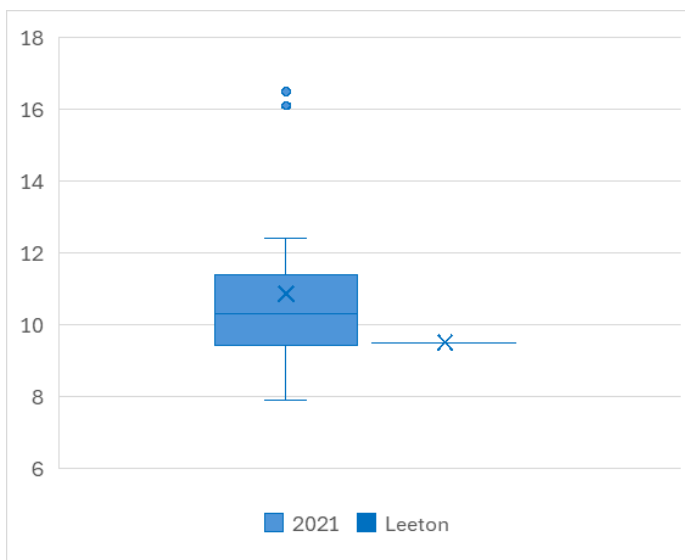
¹¹ We are not sure what the OECD and ABS imagines to happen between the ages of fourteen and fifteen respectively to justify the material adjustment to the weightings between these years.

Figure 19. Median Equivalised Household Income (Weekly)



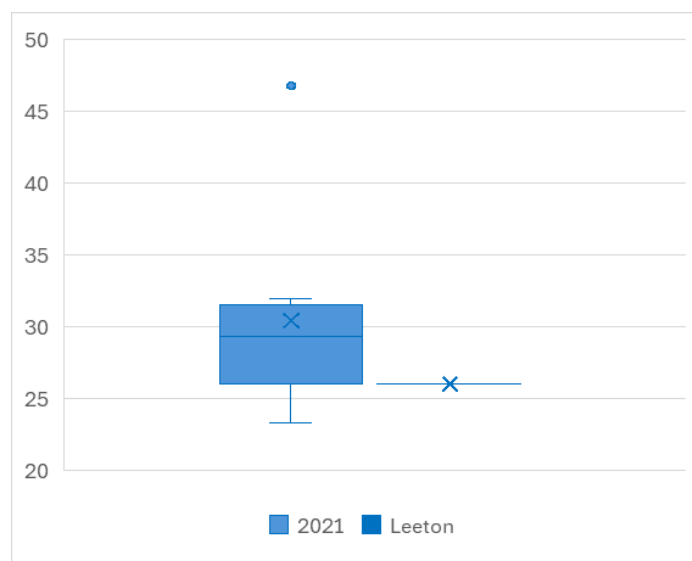
Another metric sometimes appealed to are the household stress data calculated in census years. This figure suggests far lower than typical fiscal stress for people paying off a mortgage in Leeton – again supporting the assertion of relatively higher capacity to pay residential rates.

Figure 20. Household Stress (mortgage greater than or equal to 30% of household income)



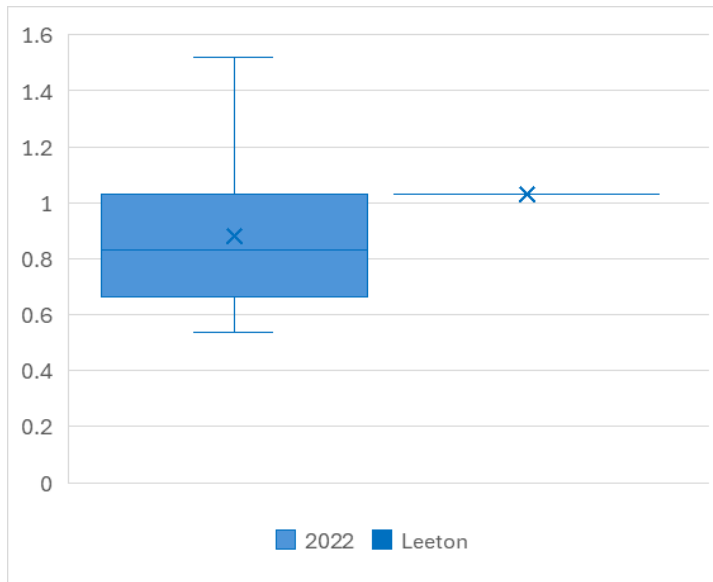
In Figure 21 we illustrate household stress for renters which also seems relatively low compared to the peer group. When thinking about this chart we must be mindful of two important facts: (i) the data is almost five years out of date, and (ii) renters do not directly pay rates (and landlords cannot reasonably pass on the entire expense because it is a tax deduction for them anyhow).

Figure 21. Household Stress (rent greater than or equal to 30% of household income)



The best way of assessing capacity to pay is an econometric approach using a long panel which is what we will present in the penultimate section of this report. A slightly inferior but still useful method is to look at revenue effort. Revenue effort divides the total residential rates paid in Leeton by the total incomes of people living in Leeton. It is essentially an expression of local government taxes as a percentage of incomes (see, Drew and Dollery, 2015). In Figure 22 we graph the revenue effort using the most up-to-date ABS data at the time of writing, including investment incomes (FY2022). This data suggests that residents at Leeton are paying in the top quartile of residential revenue efforts with respect to the peer group. However, a number of facts are salient to understanding Figure 22 with respect to a SV debate: (i) the revenue effort is based on FY 2022 incomes because of ABS lags; (ii) the revenue effort of just over one percent of gross incomes is still moderate with respect to the State range calculated in 2012 as 0.209% through to 2.497% (Drew and Dollery, 2015); (iii) a local government revenue effort only marginally above 1% pales compared to other imposts such as a 10% GST, or income taxes, and (iv) many of the peer group have had large SVs approved since FY2022.

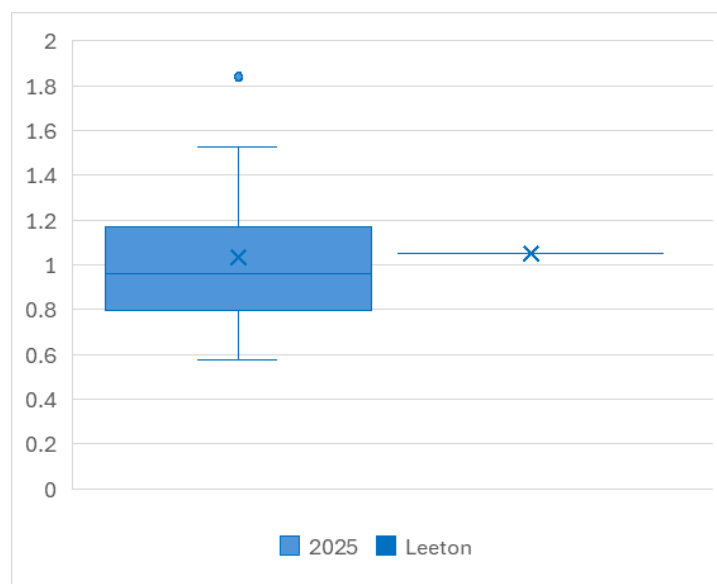
Figure 22. Residential Revenue Effort (including investment incomes)¹²



¹² Residential revenue effort excluding investment incomes for the neighbouring councils of Griffith and Narrandera were 0.779 and 0.745 percent respectively. However, as we have already demonstrated, it would not be a good idea to compare vastly different kinds of councils if one wished to make *good* decisions – if we held that similarity (especially in remit) were not important then we could just as easily compare the City of Sydney which is just a fraction of that paid in Leeton, or a local government in Victoria or Queensland which are both considerably higher. Instead, for *meaningful* comparisons we must restrict our analysis to *similar* councils and the OLG asserts that their categories do indeed cluster by similarity, hence our use of same.

To cast further light on matters – acknowledging the large SVs approved among many of the peer group since FY2022 – we recalculated residential revenue effort instead using FY2025 residential rates data divided by the most recent available income data (FY2022)¹³. In Figure 23 we thus present a relative residential revenue effort for Leeton and the peer group that better reflects rates currently payable in the cohort. Now we can see that matters for Leeton are marginally above the average for the peer group, which we earlier noted seems to be a little low compared to the state range. This is suggestive of additional residential capacity to pay at Leeton: after all, Quartile 3 for the peer group is 1.17% and the outlier is 1.84% which means that ratepayers elsewhere are *exhibiting* a capacity to pay considerably higher (indeed, the outlier in this graph was recently approved by IPART for an SV – presumably meeting the Capacity to Pay criteria).

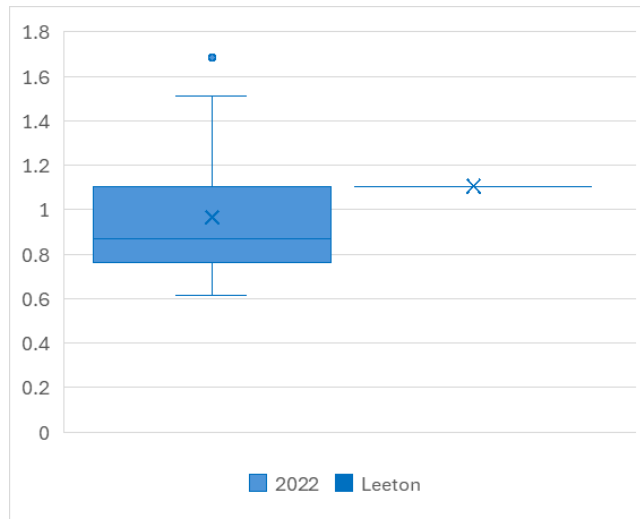
Figure 23. Residential Revenue Effort (including investment incomes) Updated with FY2025 Residential Rates Data



We also calculated FY2022 residential revenue effort, excluding investment income data which might otherwise bias results because it is not always available for the payment of rates. Figure 24 suggests that Leeton is well above average (indeed marginally above quartile 3) on the basis of this data. However, our comments earlier regarding significant SVs approved recently for the peer group necessitates a recalculation in order to accurately judge relative position as we did previously (using FY2025 residential rate data – see Figure 25).

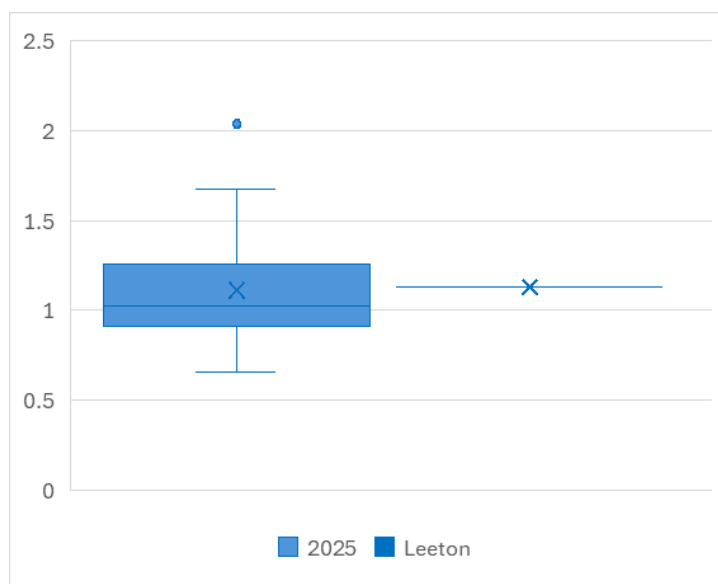
¹³ Unless relative differences in income changed significantly over the ensuing period, then the *relative* residential revenue efforts will be valid. Of course this is not ideal, but there is no other feasible option given ABS lags.

Figure 24. Residential Revenue Effort (excluding investment income) FY2022



When updated data is used then Leeton residential revenue effort (excluding investment income) is seen to be marginally below the mean, albeit above the median. Once again, the Leeton outcome (a little over 1.12 percent) is well below the residential revenue effort (excluding investment income) exhibited by many in the peer group (quartile 3 is just above 1.26 percent, and the outlier recently approved for an SV sits above two percent). There can thus be little doubt that Leeton residential ratepayers do indeed have additional capacity to pay – even more so if improvements are forthcoming to distributive equity as outlined earlier.

Figure 25. Residential Revenue Effort (excluding investment incomes) Updated with FY2025 Residential Rates Data



We remind end-users that residential rates are only one out of three main categories of local government taxes and therefore do not adequately describe capacity to pay for all of the Leeton local government area by themselves.

In summary, with respect to residential revenue effort, we must conclude that Leeton does have additional capacity to pay – pensioner numbers are lower than typical, incomes are higher than typical, and well over a quarter of the peer councils are extracting far higher revenue efforts from their residents than does Leeton. We will now turn to an examination of farm rates.

4. Farm Income Variables

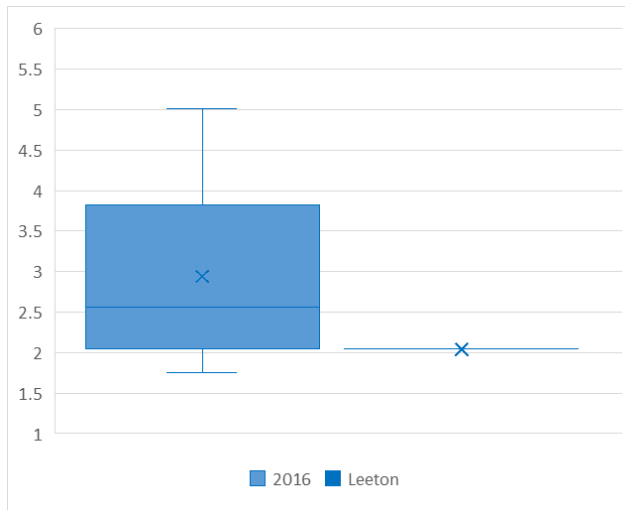
Unfortunately, a lot of poor-quality work has been done in the past with respect to proposed SV applications in NSW. As a result, people have been profoundly misled and regrettable decisions made by Councils. Past treatment of farm capacity to pay at Leeton in 2022 seems to be a case in point.

From the information that we have been able to garner it seems that the 2022 assessment of capacity to pay was attempted by comparing average farm rates in Leeton with peers. As we have already shown, this is a completely flawed approach – first because the data is heavily skewed & spread, and thus the average is not a reflection of typical outcomes, and second because the failure to consider incomes derived from farm enterprises means that the approach can't possibly reflect capacity to pay. It is concerning that ratios are routinely appealed to which seem to fundamentally misconceive how rates are actually paid in NSW and also eschew basic math concepts; it is even more disappointing that communities and councils are misled by poor quality and cursory work.

It seems that the ill-advised and completely erroneous attempt to measure capacity to pay of farmers in 2022 resulted in a 'rates increase holiday' (pers comm) in subsequent financial years. This meant that the tax burden was shifted away from farmer and on to other categories (residential and business) – as we shall see this exacerbated extant distributive equity problems.

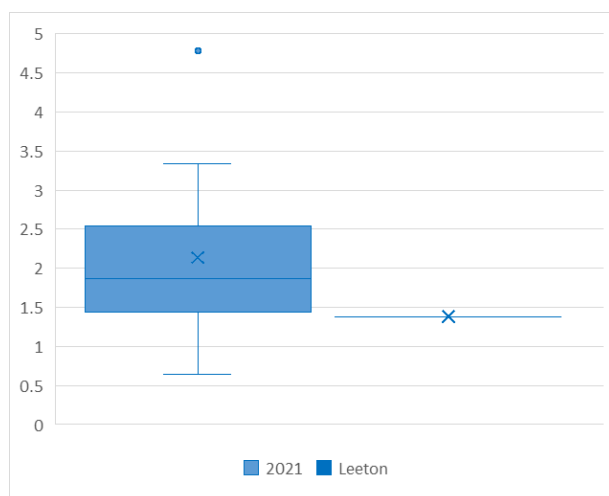
A farm rate revenue effort can be calculated in a similar manner to what we did for residential taxpayers by making recourse to the ABARES (Australian Bureau of Agricultural and Resource Economics and Sciences) farm income data collected every census year. Accordingly, in Figure 26 we present farm rates paid as a proportion of farm income produced in the local government area for Leeton with respect to the peer group. When considering Figure 26 it is important to remain cognisant of the fact that farms – like all businesses – typically export a significant part of their rate burden to the federal government as a tax deduction (including via carried over losses); otherwise stated the *effective* local government tax rate (after taking note of tax exports) for all councils is considerably less than that depicted below.

Figure 26. Farm Revenue Effort, 2016.



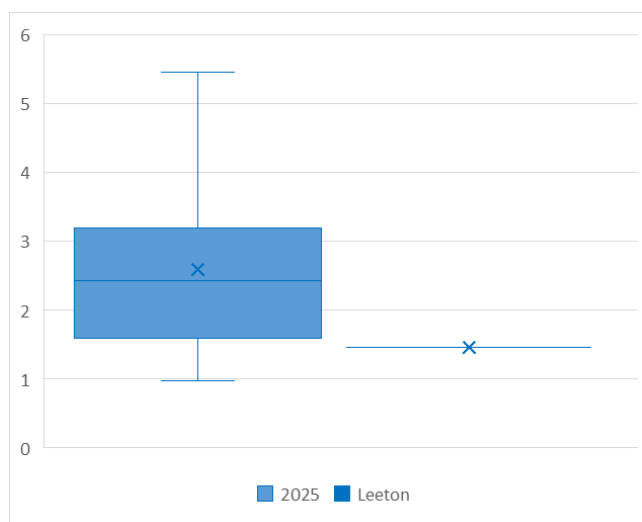
Thus, it is clear from a competent assessment of farm capacity to pay that Leeton farmers in 2016 were well below typical with respect to the peer group (indeed at the demarcation point for quartile 1). Of course, it is possible (albeit unlikely) that 2016 was a particularly productive year relative to the peer group – therefore in Figure 27 we present farm revenue effort calculated according to 2021 ABARES data (the next census date). In 2021, Leeton farmers were in the bottom quartile of farm revenue efforts – otherwise stated, the complete opposite of what was apparently argued at the time. These are facts based on unimpeachable ABARES data, employing straightforward math – there really cannot be any reasonable doubt on the matter.

Figure 27. Farm Revenue Effort, 2021¹⁴



Indeed, as we noted earlier many of the peer group have had large SVs approved since this time. Accordingly, it is important to recalculate Figure 27 substituting in FY 2025 farm rate data – this is especially salient given the ill-advised rate increase holiday for farmers in Leeton in the intervening years. We do so in Figure 28 and it is beyond reasonable doubt that the events arising from 2022 resulted in Leeton farm revenue effort shifting firmly into the lowest quartile in a relative sense.

Figure 28. Farm Revenue Effort Recalculated Using FY2025 Rates Data



¹⁴ Farm revenue effort for Griffith and Narrandera were 3.53 and 1.03 percent respectively according to the same methodology and data sources. Once again, similarity is important for good decision-making and it is not at all clear that geographical proximity is a relevant similarity when thinking about local government costs – it has certainly never been identified in the corpus of scholarly literature employing cost functions in this country (see, for some of the many examples, Drew et al., 2023; Drew et al., 2024).

What seems to have occurred is regrettable because misconceptions have likely been embedded in the community and poor decisions have resulted in rate burdens being shifted to others (residential and business), likely without good reason. However, we remind all ratepayers that an SV specifically refers to the total tax take – not rate structures and distributive equity. Accordingly, any attempt to mitigate what was done in FY2022 should wait for a broader review of rate structure suggested in Recommendation 2, in Section 2 of this report. All we need take away at this particular moment of time is that farmers do in fact have considerable capacity to pay additional rates as has been demonstrated convincingly using audited financial data combined with unimpeachable ABARES farm value information.

5. Business Income Variables

Unfortunately, it is not possible to calculate revenue effort for businesses directly (like we did for the residential and farm categories), because data for corporate incomes are not available on a local government area level. Instead, in this section we will have to content ourselves with a brief overview of business activity (we remind readers that business rates account for a little under nine percent of Leeton's tax revenues and, moreover, that: (i) this category pays multiple factors higher *ad valorem* rates than do residential and farmland, and (ii) is subject to a base rate (which likely sees smaller businesses effectively subsidising larger ones).

In Figure 29 we plot numbers of businesses for the various categories of activity in Leeton for 2024. It is interesting to reflect on the fact that construction is a disproportionately large part of the economy in Leeton compared to state averages. We also note that manufacturing at Leeton is just shy of two times the average for the entire state. Otherwise stated, Leeton is bucking the trend for most rural local government areas; it has quite a diversified economic profile.

Figure 29. Categories of Business in Leeton, 2024.

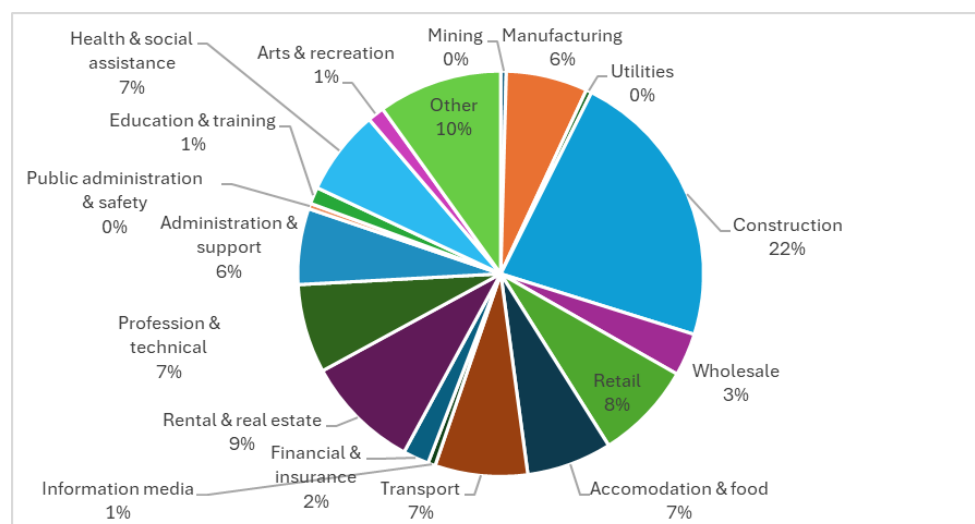


Figure 30 suggests that the numbers of employing businesses are relatively small compared to councils which the OLG categorises as similar. However, raw numbers alone can be misleading – our own observations from visits to the area make clear that Leeton has a disproportionate number of large or anchor businesses; well in excess of what would ordinarily be expected in a rural town. However, the presence of a relatively strong cohort of major national and international business enterprises does underscore the importance of reducing the base rate as we discussed earlier in this report – as it stands, we have small family businesses in Leeton effectively subsidising the rates burden of large players such as McDonalds, Woolworths, or Rice Growers. Otherwise stated, the SV recommendation to reduce the base rate might be expected to have a marginally positive effect on the business environment in the town as well as providing the important price signals and improvements to distributive equity discussed earlier.

Figure 30. Number of Employing Businesses

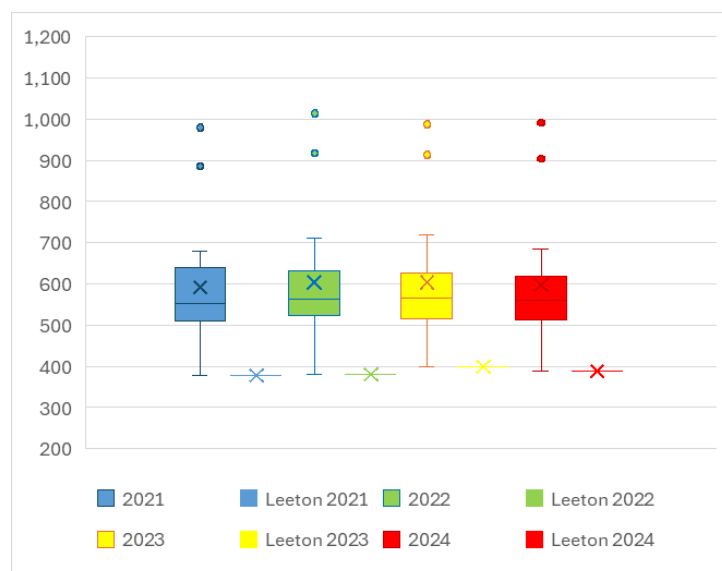
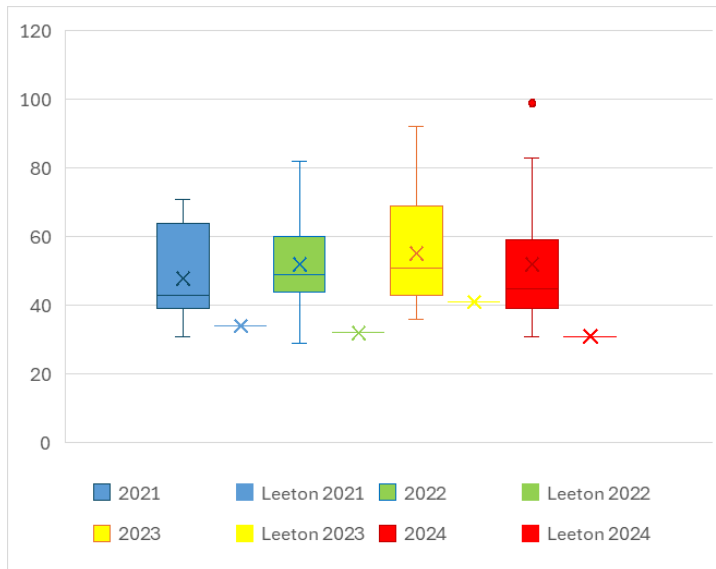


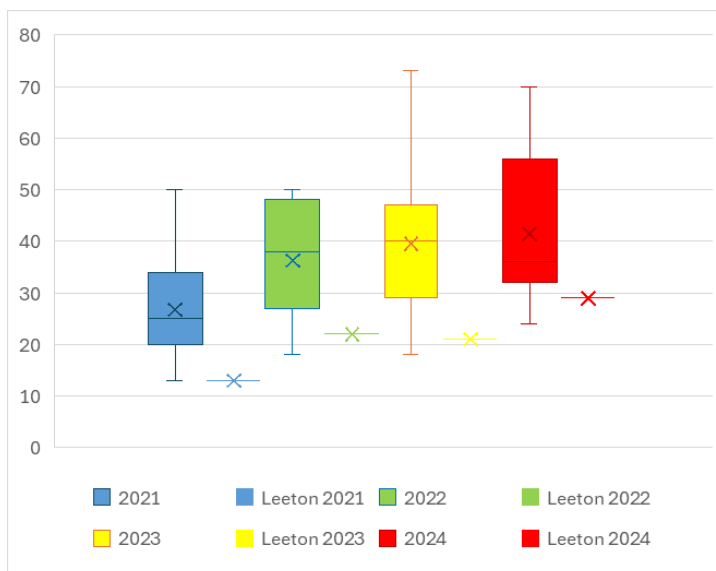
Figure 31 suggests that employing business entries in Leeton are somewhat subdued which provides further support for our earlier comments. It is also suggestive of a lower than typical willingness to pay for entrants – although this cannot be confirmed because of ABS data gaps. On this latter point we note that a future review of rate structures (especially *ad valorem*; see Recommendation 2) should investigate whether a better distribution of the local government taxation burden might provide a little stimulus to the diversity of the local economy.

Figure 31. Employing Business Entries



By way of contrast business exits (Figure 32) are relatively low – which suggests that we are not seeing the kind of churn that sadly plagues many rural communities.

Figure 32. Employing Business Exits



In summary, we can see that the local economy at Leeton is somewhat unusual for a small rural town in that it is not solely reliant on farming. Changes to the base rate (that could occur proximate to an SV) would mitigate the extant unintended subsidy of large business by smaller units. A broader and more lengthy review of distributive

equity (outside of the SV process) might provide a stimulus for the local economy which would have downstream benefits for all residents.

6. Econometric Analysis of Total Rate Capacity

Thus far we have surveyed a large number of indicators that mostly agree with the assertion that ratepayers at Leeton have capacity to pay additional levels of rates, if necessary. Certainly, it is clear that residential ratepayers elsewhere are paying substantially higher proportions of their incomes with much lower levels of delinquency. A similar situation also clearly exists for farm business owners. We do have some concerns about distributive equity as well as hardship provisions and have made some recommendations accordingly – however, we remind end-users that an SV is about increasing the total tax take first and foremost (within the constraints of the Guidelines and timelines set by the OLG).

Notably, our earlier individual metrics fail to account for how all categories combine with respect to capacity to pay, only examine a portion (less than a quarter) of the cohort of relevant NSW councils, and might have been subject to distortions in individual years. For these reasons, and others, an econometric exercise is the best way to get a handle on the total tax take that ought to be extracted by a local government seeking to exert typical revenue effort. We use the word 'ought' advisably here – because it is a fact that a failure to extract at least typical revenue effort is likely to result in declining financial sustainability, intergenerational inequity, and perhaps even work as an impediment to local economic growth.

Regression has a number of advantages over other potential methods. First, it allows us to take account of *all* of the available important variables known to affect capacity to pay simultaneously. As famously noted by Ladd (1989), capacity to pay is ultimately a function of incomes, so in a regression we include details of the number of various taxpayers, their wages, various welfare benefits, and also unincorporated business incomes. A second advantage of regression is that panel methods can allow us to ascertain matters over multiple years and thus partially mitigate any distortions that may have arisen if a given year were atypical (this is especially important given the disruptions around COVID, as will be demonstrated shortly). Furthermore, by recourse to sophisticated econometric techniques – such as fixed effects regression¹⁵ – we can even account for unobservable variables, provided that they are close to time invariant. This means that there is relatively little risk of under-specification.

We understand that people can sometimes be cautious of sophisticated mathematical techniques that they do not fully comprehend. For this reason, it should serve as a great comfort to the report end-users to know that the two professors involved in this report are extremely experienced scholars, with a combined output of well over one hundred works, cited more than two thousand

¹⁵ Of course, we followed the general practice of experienced econometricians and experimented with a number of different specifications and techniques – such as OLS with year dummies, mixed effects, and random effects (the latter was contra-indicated by the Hausman test). In all cases we found the model robust to alternate specifications and for the sake of brevity simply provide the best model in what follows.

times by their scholarly peers¹⁶. Indeed, the lead report author is an editor at an A-ranked journal that specialises in econometric work of far higher complexity. Otherwise stated, it would be entirely reasonable to be assured that the work which follows is gold-standard¹⁷ (furthermore, as will shortly be seen, the results of the econometric work are completely in line with what one would have expected given the previous revenue effort analyses).

Econometrics is based on a strong body of theory developed over centuries, and is something that students study at both the undergraduate and graduate levels. Typically, to become an econometrician one studies at least a bachelor's degree (three years), followed by a two-year master's. Both of the professors involved in this present work hold doctorates in the field (the highest qualification available from universities), and all have successfully taught postgraduates at the highest level. For readers interested in further information on econometrics, we refer them to the introductory works of Wooldridge (2006) or Kennedy (2003).

Our regressions were conducted on the entire cohort of similar rural councils within NSW, over a five-year panel of detailed data which has been laboriously assembled from audited financial statements, Australian Bureau of Statistics data, as well as Office of Local Government data. The regression is thus considerably broader than the earlier graphical work which mostly refers to just the cohort of councils in the same Office of Local Government category as Leeton.

The final model specification that we employ in our analysis can be expressed as follows:

$$\mathbf{T}_{it} = \alpha_i + \beta_1 \mathbf{A}_{it} + \beta_2 \mathbf{I}_{it} + \mu_{it} \quad t = 1..5$$

Where **T** is the total tax take (that is the sum of all categories of taxation) expected of a local government, **A** is the disaggregated property assessment data, **I** is a vector of relevant income data for particular local government areas at specific times and μ is an idiosyncratic error term. The subscript *it* refers to the *i*th council entity and the *t*th year. Here we included all eighty-one councils categorised as broadly similar under the extant systems. Log transformations were employed to counter skewness when econometric diagnostics tests revealed the need to do so. We also conducted and satisfied all other relevant diagnostic tests. In addition, we experimented with various other regression models and found the results to be resistant to alternate specifications. Table 7 provides the definition for each variable employed.

¹⁶ This is not the logical flaw of 'appeal to authority' as has been asserted by some previously – appeal to authority is only a flaw in logic if it is not backed by evidence, and we clearly provide the evidence in what follows (see, any introductory text to logic such as Priest, 2017 for clarification or simply reflect on the well-known reliance of Aristotle on *doxa* as further refutation of this point).

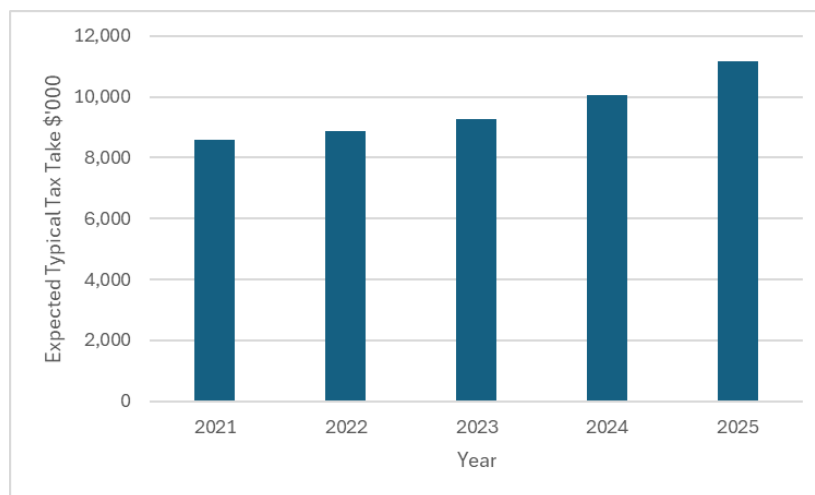
¹⁷ It would also not be in the spirit of good decision-making to reject evidence simply because some may not fully comprehend it – if we were to universalise an unhelpful idea such as this, we would find ourselves rejecting most of pharmaceutical medicine, epidemiology, and all manner of things that rely on precisely the same empirical techniques.

Table 7. Definitions of Variables

Variable	Definition
Rates	
Rates	Total taxation (rate) take (\$'000)
Assessments	
Residential	Number of residential assessments.
Farm	Number of farm assessments.
Business	Number of business assessments.
Income Controls	
Median employee income	Median employee income (lagged).
Aged	Proportion of people on an aged pension.
DSP	Proportion of people on a disability support pension.
Newstart	Proportion of people on a Newstart allowance.
Single	Proportion of people on a single parent pension.
Unincorporated	Unincorporated business income (lagged).

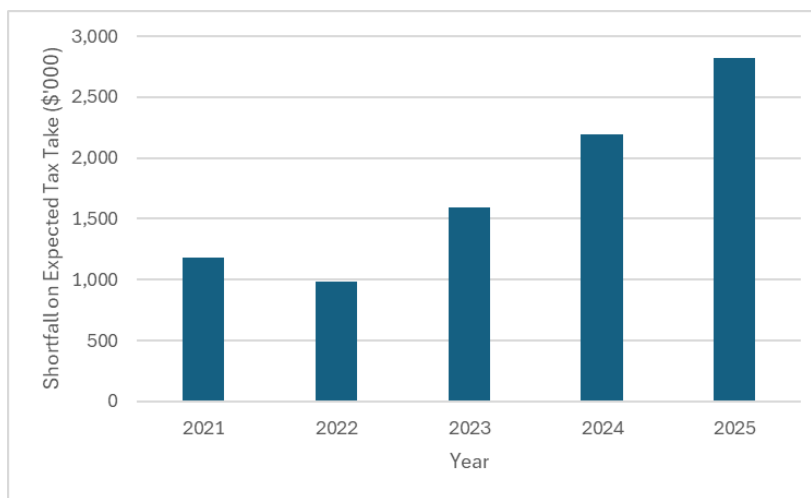
In Figure 33 we chart the expected tax take for Leeton. These figures are arrived at by taking the mathematical expression for expected tax take derived from all relevant NSW local governments in the econometric work and then substituting in the specific values of the relevant variables for Leeton. Otherwise stated, this is the amount of local government tax that would have been taken in had Leeton be exerting a typical tax effort over these five years.

Figure 33. Expected Tax Take



In Figure 34 we calculate the shortfall in taxes actually taken, compared to what the model predicts a typical tax effort should have looked like for Leeton. It will be noted that apart from the decline in FY2022 the shortfall has expanded in dollar terms over the period as would be reasonably expected given the context already discussed. The decline in FY2022 is largely an artifact of the income shocks that were pervasive around the COVID policy period and are thus both explainable and expected. Over the five financial years the econometric work suggests just over eight and a half million dollars in expected local government tax foregone. Clearly a sum of this magnitude foregone would exert a material deleterious effect on financial sustainability.

Figure 34. Expected Tax Take Eschewed



In FY2025 the shortfall in local government tax relative to what the model predicts ought to have been extracted was 33.797% in nominal terms. Otherwise stated, the mathematical modelling makes clear that Leeton could have levied taxes some 33.8% higher than it did and still have been typical with respect to all relevant peers in NSW. Readers of the earlier University of Newcastle work will note that this percentage additional tax capacity is consistent with the cross-sectional work reported therein as well as the previously reported likely indicative range of a future SV¹⁸. It ought to be remembered that an SV calculation for the future would need to also add in the expected rate cap (the percentage of additional tax that the IPART allows Leeton to increase the total tax take by). In our work assuring the LTFP we are projecting a rate cap of approximately 4.77% for FY2027/28 – this expected rate cap is somewhat higher than the rate that has dominated in previous years but is

¹⁸ A FY2024 shortfall of some \$2.3 million was noted and residents were told to expect an SV in the range of 25 to 35%.

reflective of macro-economic conditions as assessed by Professors Drew and Miyazaki¹⁹ at the time of this report.

The percentage shortfall in total tax take is consistent with the rudimentary ratio analyses that we have already provided which make clear, *inter alia*:

- Higher than typical incomes
- Broadly typical residential revenue efforts (with well over a quarter of the *peer* group paying considerably more²⁰)
- A farm category in the lowest quartile of revenue effort
- A thriving and unusually diversified business sector.

We remind readers of this report that any SV refers to the total tax take, not particular categories (the typical presumption is that an SV will be passed on to each category equally). We also reaffirm our advice that distributive equity can be improved: if this happens then we would likely see a significant change in how the burden is distributed both within and between categories in the fullness of time.

Notably, the percentage shortfall indicated by the panel econometric work (33.797%) refers to what would be typically expected if Leeton Shire was exerting a revenue effort commensurate with the rural local government peer group. It does not reflect any effort to catch up on the eight-and-a-half million dollars foregone in just the last five financial years alone, nor does it reflect the higher service levels enjoyed by Leeton residents relative to most rural peers which clearly require more revenue to sustain.

It is also important to be mindful of the distinction between capacity to pay and need with respect to financial sustainability. Residents certainly have the capacity to pay in the range previously suggested by the University of Newcastle report but should only do so if there is demonstrated need for additional tax revenue to satisfy the requirements for financial sustainability and intergenerational equity clearly articulated in the NSW Local Government Act (1993). Need is largely indicated by the LTFP which we are independently and robustly assuring and will report on as a separate matter. Future cost containment work with Council staff will also be important – but end-users should understand that there are relatively few discretionary costs in the typical operational spending of local governments in NSW and thus efforts in this particular area will not relieve us of the need to apply for an SV.

¹⁹ The most recent inflation read at the time of writing was 4.2% (notably this was significantly lower than would have been expected had the temporary fuel excise reduction not occurred; the reading prior was 4.6%). It is important to remember that current rate cap methodology also includes a population factor, ESL and election cost factors and is largely (albeit not solely) based on RBA projections of future inflation not yet available (EBA pay increases are also part of the model and we have been reliably advised to expect 4%). Furthermore, it is clear that inflation will persist for some time – not only because the oil disruption is likely to take twelve months or more to pass through the entire economy, but also because of somewhat dovish monetary policy combined with loose fiscal policy (especially at the federal level).

²⁰ It might be remembered that the ratio analysis was based on the much smaller fourteen-member peer group; whereas the regression work is based on a cohort more than four times in magnitude.

When we finally do have all evidence to hand the SV rate that we propose will be a permanent²¹ one that remains in the tax base moving forward. Moreover, it is typically the case that SVs in the range anticipated and previously indicated are best implemented over just one, or two, years given: (i) the significant risk that communities would otherwise be exposed to because of the unpredictability of a rate cap in such a volatile economic environment, and (ii) our previous experience of people being otherwise profoundly misled by the OLG mandated method of calculating the headline SV rate for multiple years. Regarding these points it is important to understand that the total or headline SV rate that must be communicated, according to OLG Guidelines, is inclusive of the predicted rate cap, and also compounded when implemented over more than a single year (which makes the percentage seem larger than what many might otherwise have thought)²².

Indeed, our experience in the past has been that most people in unsustainable local government areas prefer to get things done quickly, partly in recognition that prompt action allows councils to redress significant foregone revenue more prudently which ultimately results in a better long-run outcome for ratepayers.

We note that additional revenue and expenditure measures will also be required to mitigate the financial sustainability predicament at Leeton. Many such measures have already been recommended (typically unanimously) by the Financial Sustainability Advisory Committee (FSAC) – a committee comprised of independent experts, a broad representation of volunteers from the community, as well as councillors – that regularly met over an extensive period in from 2025 to early 2026. It is notable that all FSAC recommendations were based on evidence and good reasons which have been made publicly available. Moreover, it is imperative that Leeton only apply for what is absolutely needed after taking an even more thorough look at efficiency as well as future spending. In this regard, the work council is doing having the LTFP interrogated and also conducting a wide-ranging review searching out every last efficiency, will prove critical.

²¹ The recommendation to request a permanent increase, follows from our examination of the long-term financial plan (LTFP) – even at this stage it is clear that if only a temporary rate increase was allowed, then council would later have to go through the cost and expense of yet another SV for at least the same amount at its expiry. Furthermore, a temporary increase would not result in the certainty of cash flows necessary to make efficient management decisions.

²² So, an *additional* ten percent rates revenue for *each* of two years would not simply be presented as $10 + 10 = 20\%$ under the current methodology as most would imagine. Instead, each year would need to include the rate cap that would have been applied to the total tax take anyhow and also compound this. Thus, to get ten percent additional money for each of two years the calculation would be $(1.1 + 0.025) \times (1.1 + 0.025) = 26.56\%$! (using the OLG recommended assumed rate peg of 2.5% p.a. which is far lower than we predict and far lower than what is typically assigned by IPART). The more years we include the more rate caps that have to be guessed at and imputed and the more compounding ...likely leading to an SV headline rate that might well confuse, mislead and perhaps unnecessarily alarm.

Measures to Improve Capacity to Pay

One of the greatest concerns for Councillors and IPART alike is to ensure that any proposed SV will be within capacity to pay. We remind all parties that an SV refers to the total tax take, and that decisions on the rate structure usually taken around May each year will actually determine most of the distribution of the burden for particular categories of rate payers. In addition, the regular land revaluations – conducted by the NSW Valuer General are determinative for individual rate payers. Nonetheless, some measures to improve capacity are open to us as part of the SV process and ought therefore to be considered for adoption subject to OLG rules, the political process and the Act (1993; NSW).

As we have already suggested in this report, removing or reducing base rates will result in less of the burden being placed on lower land value ratepayers. All things being equal, lower value landholders are likely to have lower capacity to pay. Thus, a reduction to base rates is a key capacity to pay measure. This is especially the case for business where small business operations are currently effectively subsidising nationals and multinationals. We suggest that a reduction to the base rate could be implemented at the next striking of the rates (for 2027/28 financial year) which would coincide with an SV if an application is made by Council and subsequently approved by IPART. If Council wishes to do this²³ then they should make a decision accordingly and be sure to communicate clearly the modelling so that ratepayers can gauge the effects.

It is also important to have a good look at distributive equity more broadly in view of our evidence. When doing so, decision-makers should be mindful of the philosophical foundation of unimproved land tax, and also the fact that some ratepayers get to export a significant portion of their rates via income tax deductions. This particular task is much more involved and would take at least a year to do in view of the consultation required. As such, an examination of the rate structure is a task that might be assigned to the General Manager for possible implementation in the 2028/29 financial year. Once again, a decision to accept or reject this recommendation should be made at a meeting and clearly communicated.

We would also underscore the importance of Councillors advocating for fairer distribution of Grants – especially the Financial Assistance monies provided by the Commonwealth and distributed by the NSW Local Government Grants Commission (LGGC). As has been demonstrated in several peer-reviewed scholarly works the distribution in NSW is not consistent with the principle of horizontal fiscal equalisation which is specifically defined in the enabling Commonwealth legislation. Rural councils will always struggle to provide basic local government goods and services at an affordable tax price in the absence of a fair distribution of grants as occurs in most developed countries (for example, Japan). We understand that Council has made a submission to the NSW LGGC on this matter and are hopeful that grant

²³ If Council wishes to wait a little longer then a decision should also be made at a Council meeting, minuted, and clearly communicated.

allocations might be materially increased, to better reflect the intent of the legislation, in the near future.

Another thing that can be done with respect to capacity to pay is a thorough review of the Hardship Policy. In this regard we direct end-users to the advice already provided by us to Leeton Shire. If our advice is adopted, then Leeton will undoubtedly have the most compassionate and effective policy to address acute need in the state. We encourage council to make a decision on this matter shortly and clearly communicate same to ratepayers.

One final small thing that can be done to improve capacity to pay is to ensure that residents are aware of regular direct debit schemes on offer through council. Residents can have payments made automatically for an amount and on a frequency that suits them best. Higher uptake of this would clearly improve capacity to pay and we encourage council to promote this option on future rates notices.

We commend this report to the community, Councillors and IPART.

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Long Term Financial Plan

For the period 2026 – 2036

(for Community Consultation)



LEETON
SHIRE COUNCIL

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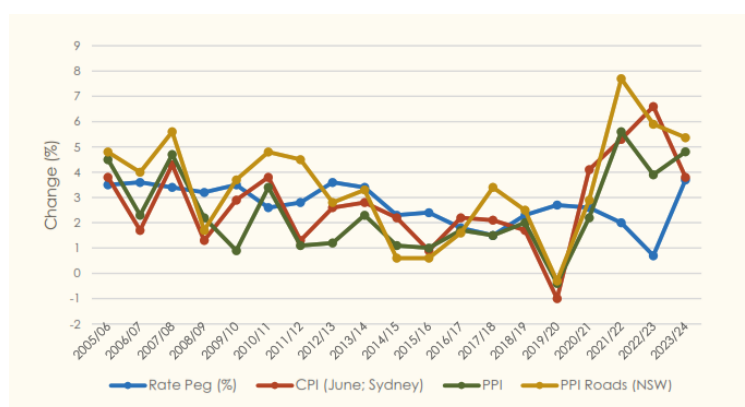
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1. Message from the Mayor and General Manager

This Long Term Financial Plan (LTFP) 2026–2036 sets out Council's forecast income and costs to deliver services and maintain infrastructure for the residents of Leeton Shire over the next 10 years. Council wants to ensure the everyday services and infrastructure our community relies on can be confidently delivered to current and future generations.

Council is currently not financially sustainable but is not alone in this, with many NSW councils facing similar challenges. The income local councils can generate has not kept pace with rising costs and the annual “rate peg” limits the allowable increase in rates. The below graph illustrates this well, with Leeton’s annual rate peg tracked in blue against the Consumer Price Index (CPI), Producer Price Index (PPI) and PPI Roads.



Other factors that contribute to local governments’ financial challenges include:

- A reduction (and two year freeze) in Federal Government Financial Assistance Grants
- State and Federal Governments mandating Councils to do more but without providing them additional funding (called “cost shifting”)
- Staff award increases regularly outpacing rate peg increases
- Changing risk profiles such as cybersecurity and insurances
- Community requests for increased and improved services

Council has a fiduciary responsibility under the Local Government Act 1993 to return Council to a financially sustainable position.

Council's financial sustainability challenges have been identified since Fit for the Future in 2015 when Leeton Shire was required to submit a Financial Improvement Plan to the NSW Government prior to being allowed to remain ‘stand-alone’. Many savings and efficiencies were explored at the time but they did not fix the financial situation.

Since 2018, further effort has been made to improve Council’s finances, with \$800K in efficiencies already realised and a further \$244K imminent. Council has not been sitting on its hands. Despite this, Council’s General Fund remains unsustainable.

(Pleasingly, the Water Fund and Sewer Fund remain sustainable).

Council engaged the services of the University of Newcastle in 2025, most notably Professor Joseph Drew who, with various colleagues, prepared the Financial Sustainability Report for Leeton Shire Council, a Capacity to Pay Report, and following the development of this LTFP, an Assurance Report on the LTFP.

This revised LTFP has been developed having regard to their expert findings, reports and recommendations. It has also had regard to the Community Strategic Plan (Leeton On The Go – towards 2035) which involved extensive community engagement when it was developed. Overall, residents told us they want services maintained or improved, but at a lower cost. Residents also called for more action on housing, an improved sports precinct, and improved camping facilities at Gogeldrie Weir, amongst other ideas. As you can well imagine, responding to community requests for additional services is especially challenging in a financially constrained setting.

Council's revised 10-year LTFP looks at 4 sets of financial data where readers can compare the financially unsustainable Base Case (being business-as-usual with only the assumed rate-peg forecasts applied and no new community priority projects) with three new scenarios for getting 'Back in Black': Maintain Services, Modest Progress, Bold Progress.

Each of those 'Back in Black' scenarios outlines an option for becoming financially sustainable. They all require savings of \$1.2M, and various loans and additional rates revenue (referred to as a Special Rate Variation or SRV). Each of those scenarios have differing capacities to support (or not support) new community priority capital projects.

Professor Joseph Drew's Financial Sustainability Report Update (July 2026) confirms the Shire is still not financially sustainable. His Capacity to Pay Report (July 2026) confirms that ratepayers, in aggregate, have the capacity to pay a moderate SRV. He has also suggested ways in which to address distributive equity by freezing the base rate for 2 years and bolstering the Hardship Policy. Council, of course, continues to offer pensioner rebates and flexible payment options to help residents smooth out their rates payments.

We appreciate that times are tough for many households however Council is at a point where it is very necessary to reconsider an SRV to remain financially viable. We are at the point where doing nothing would be irresponsible and unlawful. Council respectfully invites your feedback on this LTFP, the three SRV 'Back In Black' scenarios, and the revised Hardship Policy. We also want to know what the community appetite might be for reducing services or divesting certain Council assets. Council genuinely wants to hear your constructive ideas.

Please note, no formal resolution has been made about applying to the Independent Pricing and Regulatory Tribunal (IPART) for an SRV. That decision only happens later in the year after Council has considered your feedback. The final outcome may look somewhat different to what is being proposed in this version of the LTFP.

Sincerely,

Cr George Weston
Mayor

Jackie Kruger
General Manager

2. Introduction

This revised LTFP has been prepared using Council's LTFP modelling tool developed by LG Solutions. Its planning assumptions were developed with the assistance of Professor Joseph Drew, who has also independently assured the plan. It reflects:

- the adopted 2026/27 budget which form the starting point
- refinement of the 10-year Capital Works Program and alignment with the Asset Management Plans that have been approved for the Water, Wastewater (Sewerage), Transport, Stormwater and Buildings asset classes
- revised planning assumptions for each revenue and expenditure type, developed with reference to macro-economic conditions, historical data and economic theory (see Section 4)
- a Base Case and three SRV scenarios, prepared in line with the Office of Local Government's *Guidelines for the Preparation of an Application for a Special Variation to General Income* (November 2020) and IPART's guidance for Councils.

It is impossible to be precise about forward projections, but it is important to understand the key factors used in the model, as they help explain variations from year to year.

The LTFP forms part of Council's Resourcing Strategy under the Integrated Planning and Reporting (IP&R) framework. It is a dynamic document, reviewed and updated annually as the needs, strategies and financial position of Council change over time. This means that the LTFP is updated with the latest known budget information and assumptions each year as part of the development of the Annual Operational Plan and Budget. This LTFP covers the period 2026/27 to 2035/36.

Our community's vision, set out in the Community Strategic Plan, *Leeton On The Go – towards 2035*, is:

"We are a healthy, safe and connected community that respects people and the environment, enjoying active lives in a strong local economy underpinned by quality, accessible infrastructure, reliable water supplies and strong leadership."

In the Community Strategic Plan, our community named "how our local Council can run more efficiently and become financially sustainable" as one of the biggest challenges to overcome over the next ten years. The Plan sets the goal that "Our Council operates efficiently and effectively" (L5.5). This includes practising sound financial and resource management (5.5.1), and sustainably managing our assets and infrastructure so they are fit for their current purpose and maintained for future generations (5.5.3).

This LTFP shows how Council proposes to resource that vision. It also responds directly to the Councillor Commitments in the Delivery Program 2025–2029, in particular the promise to have "achieved financial sustainability as a Council, responsibly and within the means of our ratepayers" by the end of this term. It reflects Council's financial guard rails:

- being financially cautious and considering whole-of-life costs
- distinguishing between needs and wants

- only committing to major 'nice to have' capital projects once Council's financial sustainability path is clear.

The Delivery Program 2025–2029 already identifies a potential SRV. In their message, the Mayor and General Manager noted that Council would likely pursue a Special Rate Variation in the first six months of 2026/27, with initial support from Professor Joseph Drew. Discretionary projects were excluded from the 2026/27 budget and moved into two aspirational scenarios in this LTFP, being the case for modest progress and the case for bold progress. These were the Whitton Museum major repairs, Leeton Sports Precinct, Gogeldrie Weir Cabins and Yanco Social Housing. They are now included in the Modest Progress and Bold Progress scenarios.

Delivery Program action 9.3.1 commits Council to achieving long-term financial sustainability through strengthened revenue streams, expenditure management and strategic financial planning, including consideration of an SRV and/or service level adjustments. Under this action, potential SRV scenarios are to be developed and incorporated into the LTFP, and the investigation of a potential SRV is to be progressed during 2026/27. Action 9.8.3 commits Council to engaging with the community on a potential SRV using a range of engagement methods.

If Council decides to proceed with an application to IPART, the Delivery Program will be updated to include the specific SRV proposed. This will set out its rationale and benefits, and the annual and cumulative dollar and percentage increases in rates for each rating category. As required by the OLG Guidelines, the updated Delivery Program will be exhibited for 28 days and adopted before an application is made to IPART.

This LTFP delivers on those commitments, and helps answer some important questions:

- Can Council afford to keep delivering the services and infrastructure our community values?
- What happens if nothing changes?
- What options are there, and what would each one mean for ratepayers?
- What has Council already done to contain its own costs?
- How will we know whether Council is financially sustainable, now and for future generations?

3. Background

Why the General Fund is under pressure

Council operates three funds: General (including domestic waste), Water and Sewer. The Water and Sewer funds are financially sustainable, but the General Fund is not sustainable at current levels of income and expenditure.

The main reason is the long-term impact of rate pegging. Rate pegging limits how much Council's rates income can grow each year, while the cost of delivering services and maintaining infrastructure continues to rise. The main cost pressures are:

- inflation and other market factors, including the rising cost of materials such as bitumen
- cost shifting from other levels of government, such as Audit, Risk and Improvement Committee obligations, the Emergency Services Levy and the roll out of FOGO.
- the ongoing cost of maintaining and depreciating new assets, including grant-funded assets.

Our financial sustainability journey

Council's financial sustainability challenges are not new. Since its 'Fit for the Future' Improvement Plan in 2015, Council has highlighted the financial challenges facing the General Fund. In 2018 and again in 2022, Council sought expert advice from Morrison Low, and on both occasions an SRV was recommended. In 2022, Council endorsed the recommendation to address the General Fund deficit through an SRV, but the SRV did not proceed. This leaves council financially unsustainable and still needing to address the situation.

At the same time, Council has worked steadily to contain its own costs. Since 2018, measures such as energy and asset optimisation, process improvements, automation and technology, better procurement, an organisational restructure and service redesign have delivered around \$800,000 in savings. A further \$244,000 is actively underway, bringing the total to more than \$1.04M.

Since April 2025, Council has also worked to help the community understand its financial position, the challenges ahead and the options available. This has included community information sessions, public meetings and educational resources featuring Professor Joseph Drew (formerly from The University of Newcastle), who was engaged by Council to provide independent advice on local government financial sustainability.

In June 2025, Council received an independent Financial Sustainability Report, prepared by Professors Joseph Drew, Yunji Kim and Masato Miyazaki through The University of Newcastle, and presented to Council in August 2025. The Report found that while Council had no immediate cash flow concerns, it was not financially sustainable over the long term, with projected budget deficits over the coming decade posing a serious risk to the General Fund. It

recommended timely and prudent action to strengthen revenue and reduce expenditure where possible. At the time, residents were advised that an SRV in the order of 25% to 35% may need to be explored.

In October 2025, Council established the Financial Sustainability Advisory Committee (FSAC), made up of ten community representatives. The Committee has provided valuable feedback, ideas and perspectives on Council's financial sustainability challenges and opportunities, and its discussions and recommendations have been regularly reported to Council.

In July 2026, Professor Drew finalised two further reports, both independently assured by Professor Masato Miyazaki: the *Financial Sustainability Report Update* (17 July 2026) and the *Capacity to Pay Report* (13 July 2026). Their key findings are:

- Council's financial position showed little improvement in FY2025, and the Shire is still not financially sustainable. To meet the requirements of section 8B of the *Local Government Act 1993*, an SRV should be thoroughly investigated.
- Council provides a broader and higher level of services than is typical, but its revenue is typical or below typical. Rates make up less than one-fifth of Council's revenue, which is unusual for a rural Council.
- Council's unrestricted cash is below the recommended level of three months' operating expenditure (around \$7.7M for FY2025). Operating cash flows have also declined, as grant income fell while staff and materials costs grew.
- Council's efficiency is in the lowest quarter of eighty comparable Councils. This partly reflects the wider range and higher standard of services Leeton provides, such as early childhood education, the Roxy Theatre and the Museum & Art Gallery. Reducing costs by \$1.1M to \$1.2M per year would bring Council to a more typical level of efficiency.
- In FY2025, had Leeton levied around 33.8% more in rates, it would still have been typical of its peers. This could have generated \$8.5M in rates income. Ratepayers have sufficient capacity to pay a moderate SRV, however consideration should be given to distributive equity.

Professor Drew recommends any SRV be permanent and introduced over one or two years.

In September 2026, Professor Drew completed his independent assurance of this LTFP. This involved more than 100 hours of work checking costings, assumptions, formulas and calculations against source evidence (see Section 6).

Where to from here

Council has already acted on the advice it has received. It has identified further ongoing savings and additional income for the Back in Black scenarios (see Section 6), strengthened its budgeting and long-term financial planning, and is reviewing its Hardship Policy and payment arrangements in line with Professor Drew's advice. However, Professor Drew notes that

relatively few of Council's operating costs are discretionary, so savings alone will not remove the need for an SRV.

No decision has been made to formally apply for an SRV yet. Council will first consult with the community on the scenarios in this LTFP, and will consider all feedback before deciding whether to apply to IPART.

To restore financial sustainability, Council must:

- ensure future cash budgets are in surplus, to rebuild working capital and unrestricted cash
- increase revenue, including through an SRV and by setting fees and charges to recover costs where appropriate
- continue to find efficiencies and review services and service levels, so that ratepayers only fund what is genuinely needed.

4. Planning Assumptions

The following table outlines Council's new planning assumptions for each revenue and expenditure type. These assumptions were developed by Professor Drew and have been included in the LTFP.

Category	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
CPI (Inflation)	4.80%	4.20%	3.70%	3.30%	3.20%	3.00%	3.00%	2.90%	2.80%
Rate Peg	4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
General Annual Charges	4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
Water Annual and User Charges	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Sewer Annual and User Charges	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Fees and Charges	4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
Grants and Contributions	4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
Developer Contributions	4.77%	0.00%	0.00%	0.00%	3.71%	3.39%	3.49%	3.33%	3.07%
Financial Assistance Grant	4.60%	4.30%	3.80%	3.60%	3.50%	3.30%	3.20%	3.00%	2.90%
Other Revenues	4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
Other Income	4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
Interest Returns	5.02%	5.00%	4.54%	4.04%	3.90%	3.82%	3.57%	3.62%	3.67%
Employee Expenses	8.16%	8.16%	8.16%	7.66%	7.66%	7.16%	7.16%	7.16%	6.66%
Materials and Services	4.90%	4.25%	3.72%	3.32%	3.22%	3.02%	3.02%	2.92%	2.82%
Depreciation	Defined by Asset Class	Defined by Asset Class	Defined by Asset Class	Defined by Asset Class	Defined by Asset Class	Defined by Asset Class	Defined by Asset Class	Defined by Asset Class	Defined by Asset Class
Other Expenses	4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
Other Expenses - ESL & Fire Levy	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
Electoral Adjustment	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Population factor & True up	0.10%	1.00%	0.20%	0.20%	0.20%	0.20%	0.30%	0.20%	0.20%

The same indexation has been applied across the Base Case and the three SRV scenarios, except for employee expenses and fees and charges. For the SRV scenarios, Council has assumed:

- Employee costs will increase by the LG award increase plus a further 1.04% per year, which represents identified employee cost savings of 3.12% per year below the Base Case
- General Fund fees and charges will increase by 0.50% above the rate peg in 2027/28, 0.30% above the rate peg in 2028/29, and 0.20% above the rate peg in each year after.

Category	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Employee Expenses	5.04%	5.04%	5.04%	4.54%	4.54%	4.04%	4.04%	4.04%	3.54%
Fees and Charges	5.27%	5.61%	4.41%	3.97%	3.91%	3.59%	3.69%	3.53%	3.27%

4.1 Comments from Professors Drew and Miyazaki's Report – May 2026

Professor Drew provided the following commentary in May 2026 in support of the planning assumptions.

"We assisted Council with producing robust assumptions for the long-term financial plan (LTFP) with reference to macro-economic events, historical data, and economic theory at the time of production (8th of May, 2026).

It is important to note that what we found when we first reviewed Council assumptions underlying the (then) draft LTFP (and also the draft budget which had been put out for public exhibition subsequent to the April Council meeting) was entirely consistent with what every Council in the state seems to be doing – using Office of Local Government suggested assumptions for most items and usually copying these through for the ten years. Our more recent contributions have resulted in quite a few changes as one would reasonably expect to occur after engaging two professors on the task. Given that we were engaged after the budget had already been put out for public exhibition, Year 1 (FY2027) has been left unchanged – in all our previous engagements this has also been the case.

The revised LTFP assumptions, like all of our work, are evidence-and-reason-based. Furthermore, we believe that working directly with staff throughout the process has resulted in up-skilling and will mean that similarly rigorous LTFP will be able to be produced in the future.

Below we provide some brief comments on inflation projections, which inform many of the LTFP elements, and then the specific elements that we have contributed to.

Inflation Projections

In the Capacity to Pay report we have provided considerable explanation of the two main types of inflation and their relevance to local government, so will only summarise things here. The Consumer Price Index (CPI) – what most people think of as inflation and what informs much of the rate cap – refers to the change in the price of a basket of household goods and services. The weights and categories can be found at <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/annual-weight-update-cpi-and-living-cost-indexes/latest-release#cpi-expenditure-weight-update-2025> and include food and non-alcoholic beverages, recreation & culture, health, alcohol & tobacco, and the like. Clearly most of this has little relevance to local government (apart from its use by regulatory authorities). By way of contrast the Producer Price Index (PPI) measures a basket of goods and services purchased by producers which has considerably more relevance to how costs are changing for local government (especially the sub-indexes such as PPI Road & Bridge Construction NSW).

Notably both indexes try to reflect how prices are changing but do not attempt to reflect important cost-of-living, or its analogue. Cost-of-living is often higher than inflation because it reflects new products and services that might be needed or chosen. In a local government

context cost of living will certainly exceed inflation because of new services, higher taste and preferences of citizens, as well as cost shifting (see the Capacity to Pay report for how we can reasonably estimate this).

There seems to be some confusion in various circles regarding the role and reliability of inflation projections conveyed by the Reserve Bank of Australia (RBA). At the time of our work on the LTFP (RBA, May Statement) CPI for next financial year was projected to be 4.8% followed by 2.4% and 2.5% in subsequent years which seems to be a salutary example of jawboning. There is a large scholarly literature on the importance of jawboning by central banks especially in a high inflation environment and some notable scholars (such as Sowell) have suggested that this may be far more important than what is actually done with cash rates (for evidence of this one merely has to observe how bond yields change depending on subtle wording changes to central bank statements). Moreover, the historical record of the accuracy of RBA predictions really doesn't provide much reason for confidence in the aforementioned projections. For instance, the August 2025 prediction for June 2026 was 3.1% (the actual was 4.6% in March 2026), in August 2024 the prediction for June 2025 was 2.8% with an actual of 2.1% etcetera, etcetera.

It should thus come as little surprise that our projections for the remainder of the LTFP are considerably higher than those of the RBA for both CPI and PPI (whereby we expect the gradual tapering down to lag CPI as per recent events). Indeed, current information, global trade and security concerns, as well as economic theory doesn't provide confidence that the RBA will reach its' legislated target until Year 7 of the LTFP. Our projections for the two inflation indexes feed through to various elements informing our work on the LTFP.

Before closing this section, readers ought to note that all projections carry risk, especially in a volatile world. However, projections that reflect actual events at the time of formulation, past evidence, as well as economic theory can reasonably be expected to perform far better than neat numbers (2.5%) recommended by regulatory authorities many years (if not decades) ago sans evidence or articulated reasoning.

Specific Elements – Brief Justification

Population Factor (part of the Rate Cap). *The population factor in recent years has lagged the increase in number of rateable properties considerably as per the assessment records provided by Council. The IPART have committed to a true-up after census data becomes available in recognition of the well-known and substantial errors documented with intercensal population estimates. We have factored this in for the relevant financial year rate cap, and then projected a higher population factor moving forward on the assumption that IPART will take the lessons learned from using intercensal population estimates and impute this into future population factor numbers thereafter.*

Rate Cap Projections: *As per the methodology used by IPART and including the most recent advice regarding expected Enterprise Bargaining salary increases (also imputed were the aforementioned population factor, as well as the electoral adjustment, Emergency services Levy*

(ESL) factor and CPI components). Notably, our rate cap projections are considerably higher than the OLG suggestion of 2.5% - commencing at 4.77% Year 2 tapering down to 3.07% in Year 10. We note the most recent Special Variation Guidelines allow for Councils to use a different number to the recommended 2.5% as long as the reasoning for doing so is articulated.

Financial Assistance (FA) Grant Growth Rate: As per the Act (1995, CWLTH), the total pool is increased by the relevant all-groups CPI (one quarter behind other estimates) and then initially divided up to states and the Northern Territory according to population size (we have factored in projected population growth for the state). We are aware that a review of the grant methodology is currently under way but given that this is not complete have based assumptions on current methodology only.

Staff Expense Increases: We have factored in advice for the current EBA period. Thereafter, we have operated on the assumption born out by recent evidence – that wage increase will be muted, rounded (to the nearest half percent), and also lag earlier CPI readings. Notably, we also inquired regarding current Council hiring intentions and were additionally informed by the staff regression work that will be included in our forthcoming Financial Sustainability Update report.

Fees and Charges: We have previously recommended that Council increase fees and charges to long-run marginal costs unless a subsidy is declared and reasons provided for same (this should be reflected in the Year 1 numbers). For Year 2 (FY2028) onwards we strongly urge Council to increase fees, at a minimum, by the rate cap – a failure to do so will almost certainly result in: an implicit subsidisation, inequity, and also fiscal illusion.

Materials and Services: We have developed a function that weights elements of CPI, PPI and staff wages. The weightings for this function were based on an examination and classification (by index/sub-index) of disaggregated expenditure data from the last financial year.

Interest Earnings: This was informed by an examination of the diversity of investment vehicles currently in use, the timing of current investment maturities, as well as our projections of commercial investment returns likely to be available in the future with due recognition of the need to spread term risk.

Other Expense: informed by an examination of the disaggregated expenditures in this field from last financial year combined with the relevant projection of inflation growth. The ESL calculator was also used for part of this calculation.

Electoral adjustment: based on an examination of past costs as well as projections with respect to current IPART methodology."

4.2 Professor Drew's LTFP Assurance Report – September 2026

Professor Drew has now assured this LTFP (including Scenarios) and provided a separate Assurance Report for stakeholders' reference.

4.3 Income Statement Categories

Rate Pegging

A rate peg of 2.7% has been applied for 2026/27, as set by IPART for Leeton Shire Council. From 2027/28, the Base Case applies the rate peg projections developed by Professor Drew (see indexation table). In the SRV scenarios, the proposed SRV percentages replace the rate peg in 2027/28 and 2028/29 (see Section 6).

Annual Charges

Annual charges mainly relate to Council's water, sewerage and domestic waste services, and are not subject to rate pegging. To keep the Water and Sewer funds financially sustainable, Council has applied increases of 5% per year for water charges and 7% per year for sewerage charges. The projected rate peg has been applied to domestic waste and all other annual charges.

User Charges and Fees

This includes all of Council's general fees and charges like:

- Water user charges – 5%
- Trade waste user charges – 7%
- Waste tipping fees – rate peg
- Swimming Pool fees – rate peg
- Childcare fees – rate peg
- Golf Course fees – rate peg
- Application fees – Development applications, Section 603 certificates, other Planning fees etc. – rate peg

In the SRV scenarios, General Fund fees and charges increase by 0.50% above the rate peg in 2027/28, 0.30% above the rate peg in 2028/29, and 0.20% above the rate peg in each year after. This provides additional fees revenue in the SRV scenarios. It is consistent with Professor Drew's advice that fees should increase, at a minimum, by the rate peg, as failing to do so would result in "implicit subsidies, inequity and fiscal illusion".

Other Revenues

No major changes are expected in the volume of other revenue, and prices will be adjusted in line with the forecast rate peg each year. This category covers items such as legal fees recovered, fines, commissions, kiosk sales, sales of surplus water and insurance rebates.

Other Income

Rental income is forecast to grow in line with the rate peg, and no major changes in volumes are expected. The SRV scenarios also include additional rental income from two priority projects:

- **Eventide Homes (Yanco Social Housing Expansion):** Scenarios 2 and 3 include the construction of 15 additional homes in 2029/30 and 2030/31, with additional rental income forecast from 2031/32.
- **Gogeldrie Weir Cabins:** Scenario 3 includes 15 additional cabins, installed in 2031/32 and 2032/33, with additional rental income forecast from 2033/34.

Operating Grants

Operational grants will be maintained at current levels with rate peg adjustments being applied from 2027/28. The financial assistance grant is the exception and has its own calculation in the LTFP indexation table. The key grants included here and the amounts for the 2026/27 budget include:

- \$6.7M Financial Assistance – Road and general components - ongoing
- \$275K Regional Roads block grant - ongoing
- \$1.247M Roads to Recovery grant - ongoing
- \$100K Library subsidy - ongoing
- \$50K Noxious weeds - ongoing
- \$40K Road safety - ongoing
- \$112K Childcare – ongoing
- \$296K Trainees Government grant

Capital Grants and Contributions

Capital grants are difficult to forecast and have been high in recent years. The major capital grants included in the LTFP are:

- \$2.66M for Brobenah Road Affordable Housing in year 2026/27 and \$2M in 2027/28
- \$135K Flood lights LED replacement for Ovals – one off
- \$62K Regional Roads Supplementary grant - ongoing
- \$1.5M Whitton Pool Renewal 2029/30 grant funded

Developer contribution income (Section 7.12) will be used to fund the following base case capital projects:

- \$300K Cemetery Capital Works (\$150K 2026/27 and \$150K 2027/28)
- \$100K Whitton Museum Renewal 2026/27

- \$180K Mountford Park 2026/27 and \$50K ongoing for other Playgrounds
- \$100K Dog off Leash Park 2026/27
- \$135K Ovals Lighting 2026/27
- \$60K Cemetery Capital Works 2029/30, 2031/32 & 2033/34
- \$100K Footpaths from 2027/28 ongoing
- \$20K Bus Shelter Upgrades from 2027/28 ongoing
- \$20K Traffic Facilities Upgrades from 2027/28 ongoing
- \$200K Whitton Pool Detailed Design in 2028/29 and \$1M renewal in 2029/30

For SRV Scenario 2 – Modest: \$1.5M Developer contribution income will be used to partly fund the Sports Precinct capital project.

Interest Returns

Council is currently achieving an average interest rate of 4.93% (to the end of August 2026). Interest on investments has been forecast at 5.02% for 2027/28, varying in later years as per the indexation table. These projections were informed by Professor Drew's review of Council's current investment mix and maturities.

Employee costs

Employee cost impacts can affect wages volatility including internal and external factors such as the rising cost of employment, skills shortages, staff turnover, attraction and retention of staff, an increase in superannuation benefits, maternity and paternity leave, LG Award increases, step increases and additional staff requirements due to changes in service levels.

For this category Council has elected to apply a 4.0% increase for 2026/27 and varying as per the indexation table for future years. For 2026/27, employee costs reflect the adopted budget. From 2027/28, employee costs are indexed as per the indexation table. The SRV scenarios include identified employee cost savings of 3.12% per year compared to the Base Case, as outlined in Section 4.

Materials and Services

This covers the broad range of expenses incurred by Council and includes:

- Materials and consumables
- Contractor and consultancy costs
- Councillor and Mayoral fees and associated expenses
- Audit
- Insurances
- Fuel
- Advertising
- Bank charges
- Election expenses

- Electricity and heating
- Office expenses
- Street lighting
- Telephone and communications

Prices are adjusted in line with the Materials and Services line of the indexation table, which weights CPI, PPI and wage movements based on Council's actual expenditure mix.

Depreciation

Specific additions and adjustments for depreciation have been made for major new infrastructure being commissioned over the LTFP period. Professor Drew has reviewed Council's depreciation parameters as part of his LTFP assurance work. Future asset revaluations will be factored into subsequent reviews of the LTFP.

Other Expenses

This category includes the following expense types:

- Emergency Services Levy
- NSW Fire Brigade and Rural Fire Service Levies
- Landfill remediation provision expense
- Council contributions and donations

Other Expenses are indexed as per the indexation table, with the Emergency Services Levy modelled using the ESL calculator.

Loan Borrowings

Under the Base Case, Council has budgeted for the following new loans across the term of the LTFP:

- \$960K Cemetery Expansion (\$480K 2026/27 and \$480K 2027/28)
- \$1.16M for Brobenah Road Affordable Housing 2027/28
- \$1M Whitton Pool Renewal 2029/30

The impact of all new draw downs and subsequent repayments is incorporated in the LTFP at indexed amounts.

Under the SRV scenarios, additional borrowing is required to maintain sufficient unrestricted cash - about \$7.6M under Scenario 1, and about \$4.6M under Scenarios 2 and 3. Most loan terms, including some existing loans, have been extended from 10 to 20 years. Professor Drew notes - this better aligns repayments with the life of the assets funded and with the intergenerational equity principles of the Act, and helps cash flow over the LTFP period.

Professor Drew's liabilities modelling (July 2026) indicates a typical total liability capacity of around \$29.77M for a Council with Leeton's characteristics, compared with actual total liabilities of \$24.97M in FY2025 (\$27.05M draft unaudited in FY2026). The additional borrowing in the SRV scenarios would take Council above this capacity (proportionately lower under

Scenarios 2 and 3). Professor Drew advises that no further borrowing should occur without additional revenue, and that Council take care with loan servicing throughout the LTFP period.

External Risks

The following is a range of identified external risks that may also impact on the LTFP should they eventuate as they could result in a significant change in operating revenue or expenditure and the need to review service levels.

- Budget reductions in state and federal governments may impact future funding provisions of grants and contributions.
- Continued increased cost-shifting from other levels of government may adversely impact current expenditure levels of Council.
- Climate change and its effect on Council assets (roads, drainage, footpaths) like flood and bushfire events
- Global issues impacting cost and supply of materials, such as fuel and bitumen.
- The 2027/28 rate peg set by IPART may differ from the projections in this LTFP, and
- IPART may approve a lower SRV than requested, or not approve an SRV.

The outcome of the current review of the Financial Assistance Grant methodology may change Council's grant income.

5. The Base Case Summaries for General Fund, Sewer Fund and Water Fund

The **Base Case represents business as usual**: General Fund rates increase by the rate peg only (no SRV), and current services and service levels are maintained. There are no new community priority projects. For the Sewerage and Water funds, the Base Case applies charge increases that keep those funds financially sustainable. The Base Case is the 'baseline scenario' required by the OLG Special Variation Guidelines.

General Fund

The General Fund rate peg is 2.7% for 2026/27 (as set by IPART), with the projected rate pegs in the indexation table applied from 2027/28 to 2035/36.

The Income Statement, Cash Flow Statement and Balance Sheet in Section 7.1 show that continuing with business as usual is not viable. Of note, the Base Case:

- Delivers an Operating deficit before Grants and Contributions provided for Capital Purposes in every year of the LTFP, accumulating to (\$46.40M) over the 10 years.
- Results in a deficit in unrestricted cash from 2026/27 that continues to worsen, meaning Council cannot fund its planned capital program – including the renewal works required by its Asset Management Plans – without drawing on internally restricted reserves.

The General Fund Base Case is compared with the three SRV scenarios in Section 6.

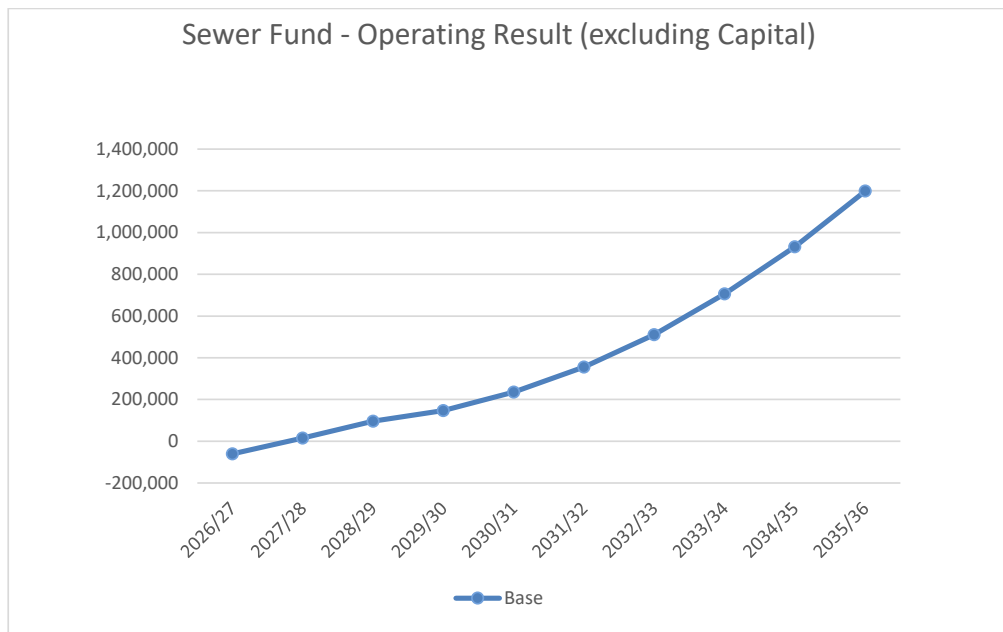
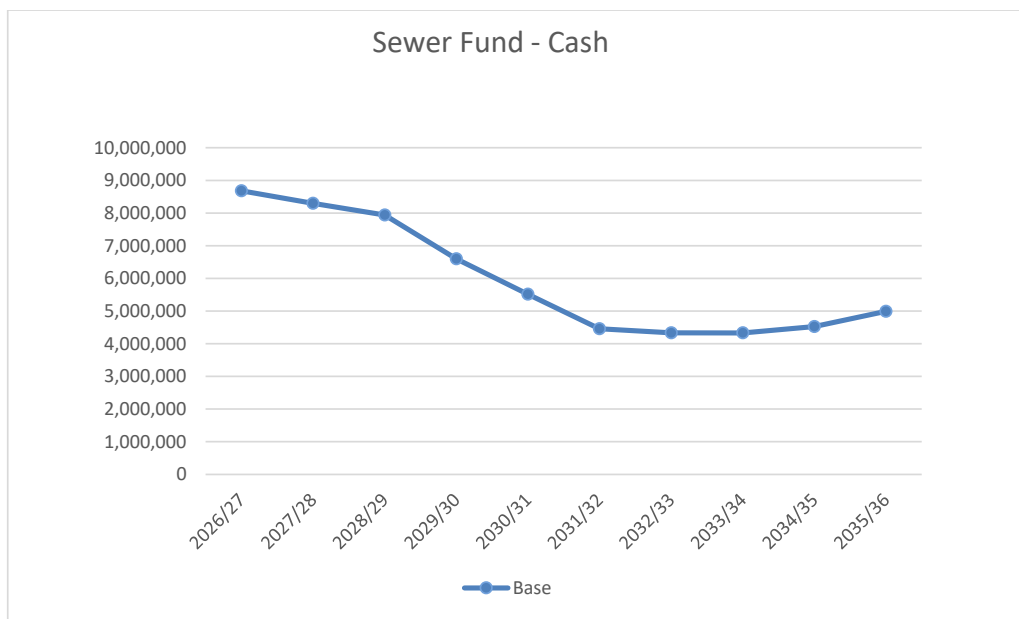
Sewerage Fund

Sewerage charges are not subject to rate pegging and are set to increase by 7% per year over the term of the LTFP. This represents a financially sustainable option that needs to be monitored and reviewed annually, providing the community with a clear direction of future sewerage charge increases.

The Income Statement and Cash Flow Statement in Section 8.1 show that the Sewer Fund Base Case is financially sustainable, as it:

- Achieves an ongoing Operating surplus before Grants and Contributions provided for Capital purposes from 2027/28 – accumulating to a value of \$4.14M across the 10 years.
- Achieves and maintains a positive Cash and Investment position across the 10 years and can adequately fund the current capital program. The cash position in 2035/36 is \$5M in reserve and while further intervention maybe required in the future, for the purposes of the LTFP this can be considered a satisfactory option to be reviewed annually.

No alternative scenarios have been developed for the Sewerage Fund as the base case is considered financially viable. The graphical impact of the Sewerage Fund Base case:



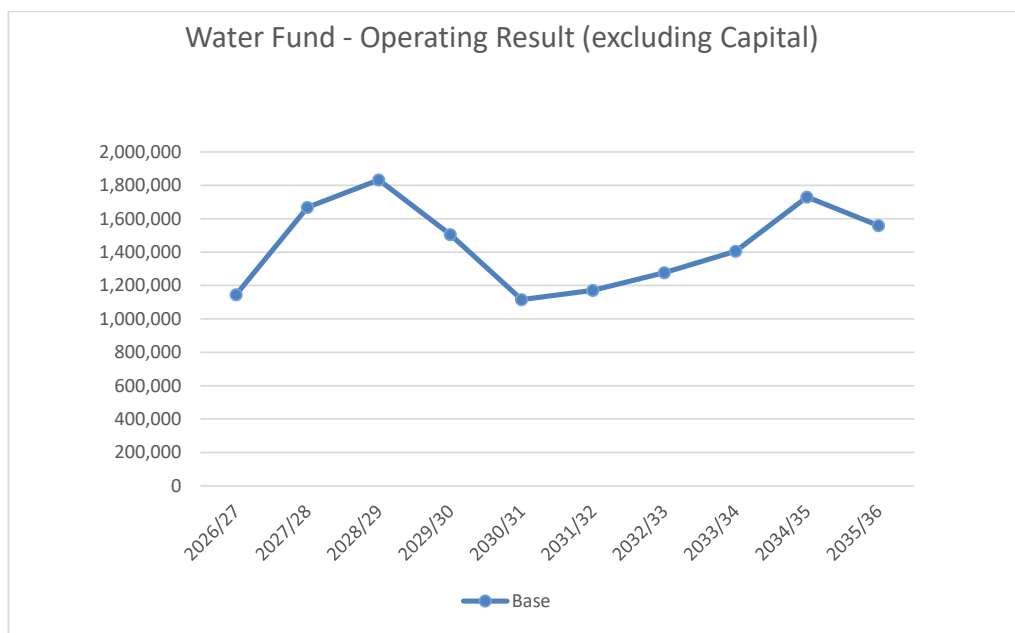
Water Fund

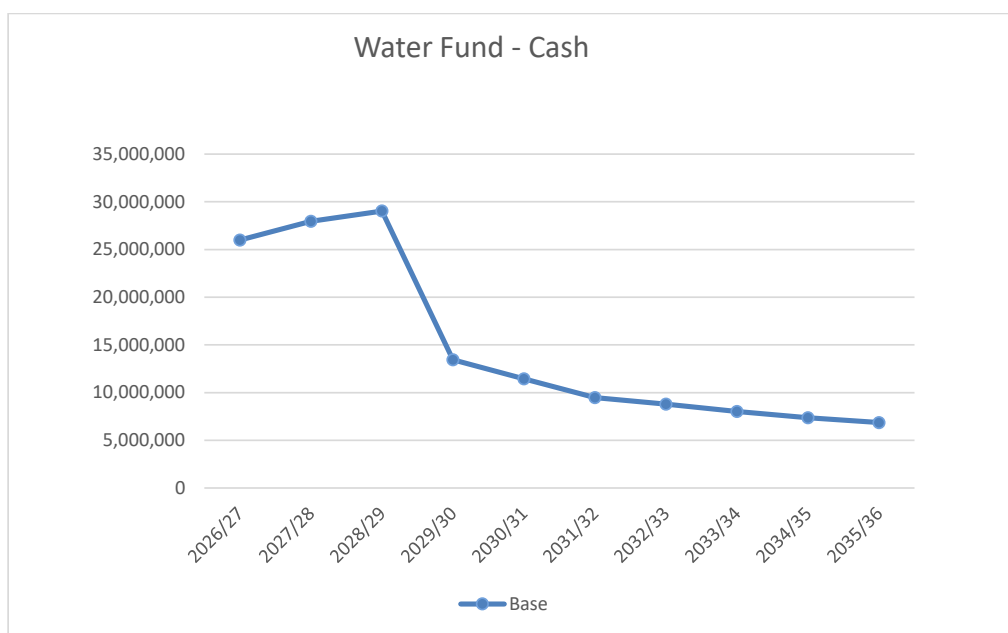
Water charges are not subject to rate pegging and are set to increase by 5% per year over the term of the LTFP. This represents a financial sustainable option that needs to be monitored and reviewed annually, providing the community with a clear direction of future water charge increases.

The Income Statement and Cash Flow Statement in Section 9.1 show that the Water Fund Base Case is financially sustainable, as it:

- Achieves an Operating surplus before Grants and Contributions provided for Capital Purposes in every year of the LTFP, accumulating to \$14.41M over the 10 years
- Achieves and maintains a positive cash and investment balance throughout the LTFP and can fund the current capital works program. The balance peaks at \$29.03M in 2028/29, then reduces to \$6.86M by 2035/36, mainly due to the \$13M water treatment upgrade planned for 2029/30 and ongoing renewal works. Further intervention may be needed in future, so the position will be reviewed annually.

No alternative scenarios have been developed for the Water Fund, as the Base Case is considered financially viable. The Water Fund Base Case is shown below:





6. Alternative Scenarios

Section 8B of the *Local Government Act 1993* sets out the principles of sound financial management, including responsible and sustainable spending, responsible and sustainable investment in infrastructure, effective financial and asset management, and regard for intergenerational equity. In practice, this means:

- achieving a fully funded operating position
- maintaining sufficient cash reserves
- having an appropriately funded capital program
- maintaining its asset base 'fit for purpose'
- having adequate resources to meet ongoing compliance obligations.

Council has an obligation to manage its financial resources sustainably, including ensuring it has adequate revenue to cover expenditure. This LTFP shows how Council's finances will look if it continues as it currently is (the Base Case), and models three SRV scenarios. Consistent with IPART's guidance, the scenarios give the community a range of realistic options, rather than an 'all or nothing' choice.

The scenarios were designed to:

- generate an operating surplus before capital grants and contributions
- ensure Council can fully fund the renewal and maintenance spending identified in its adopted Asset Management Plans
- ensure Council maintains a positive unrestricted cash position.

To achieve financial sustainability and keep infrastructure fit for purpose, Council requires an increase in general income above the rate peg. This is known as a Special Rate Variation (SRV). An SRV percentage includes the rate peg Council would ordinarily receive, plus the additional increase above it. While Council can recommend an SRV, only IPART can approve an SRV. If approved by IPART, an SRV would apply to General Fund general rates income only (not the base rate). It would not apply to water, sewerage or domestic waste charges.

Before considering an SRV, Council has looked hard at its own costs. This builds on the more than \$1M in cost containment achieved or underway since 2018 (see Section 3). All three Back in Black scenarios include a target of \$1.2M per year in ongoing savings from 2027/28. The savings and additional income identified so far, totalling \$555,938 per year (\$525,938 in expense savings and \$30,000 in additional income), are from reduced spending on consultants, contractors and legal services, reduction in day-to-day operating costs, and reduction in special events expenditure.

In addition, Leeton Roxy Community Theatre costs have been held at 2027/28 levels for eight years, delivering \$1.137M in savings over that period.

Around \$675,000 per year of the \$1.2M savings target is still to be identified. Options Council is considering for community consultation include:

- Potential savings of around \$830,000 per year: outsourcing Leeton Pool (\$80,000), Leeton Stadium (\$50,000) and Gogeldrie Weir (\$60,000); closing Whitton Pool (\$100,000), Whitton Museum (\$40,000) or the Visitor Information Centre (\$200,000); ending Dump for Free weekends (\$100,000); and reducing staff wages (\$200,000).
- Potential additional income: increasing Leeton Early Learning Centre fees (\$100,000), Eventide Homes rents (\$35,000) and Gogeldrie Weir camping fees (\$25,000).
- A fairer distribution of Financial Assistance Grants. The current review of the grant methodology could potentially close the entire gap.

No decisions have been made yet on these options. Council first wants to hear from the community about which services matter most. Professor Drew's efficiency analysis indicates that a reduction in inputs of \$1.1M to \$1.2M per year would move Council to a more typical level of efficiency, and the \$1.2M target is consistent with this. Professor Drew stresses that delivering these savings, and sticking to the plan, is essential for even Scenario 1 to meet minimum requirements. Council will continue to identify and report on further productivity improvements and cost containment measures.

Independent assurance: Professor Drew has independently assured this LTFP, including the costings, assumptions and calculations for each scenario and the SRV percentages required. He has assured all three scenarios with one exception: the Whitton Museum works in Scenario 3, for which sufficiently robust costing evidence was not provided in time. He advises exercising care with Scenario 3 as a whole for this reason. The scenario names – 'Back in Black: Maintain Services', 'Back in Black: Modest Progress' and 'Back in Black: Bold Progress' – were provided by Council.

In each scenario, the SRV is modelled as a permanent increase under section 508A of the Local Government Act 1993, phased over two years (2027/28 and 2028/29) and retained in the rate base. The Year 1 increase of 28.5% is the same in all three scenarios. This is the highest first-

year increase approved by IPART in the 2026/27 round (Uralla Shire Council), and placing more of the increase in the first year gives the greatest relief to Council's cash flow. The scenarios differ in the Year 2 increase and in the capital projects they fund.

All three scenarios also include a two-year freeze on the base rates.

- Scenario 1 – Maintain Services: 28.5% in 2027/28 and 13.773% in 2028/29, a cumulative increase of 46.198%
- Scenario 2 – Modest Progress: 28.5% in 2027/28 and 16.730% in 2028/29, a cumulative increase of 49.998%
- Scenario 3 – Bold Progress: 28.5% in 2027/28 and 19.710% in 2028/29, a cumulative increase of 53.827%

All percentages above include the assumed rate pegs of 4.77% (2027/28) and 5.31% (2028/29). Under the OLG method, the cumulative (headline) percentage must include the assumed rate peg and be compounded across the two years, which makes the headline figure appear larger than many people expect. For Scenario 1, the Year 2 increase was calculated so that the total additional rates collected over the two years is exactly the same as a single-year permanent increase of 33.797% – the capacity-to-pay benchmark identified in Professor Drew's Capacity to Pay Report. Scenarios 2 and 3 go somewhat beyond this benchmark to fund the non-grant share of their additional projects.

The table below summarises the key results for each scenario:

Measure (General Fund)	Base Case	Scenario 1 – Maintain Services	Scenario 2 – Modest Progress	Scenario 3 – Bold Progress
Cumulative SRV over 2027/28 and 2028/29 (incl. assumed rate peg)	Rate peg only	46.198%	49.998%	53.827%
Priority capital projects funded	Nil	Nil	\$11M	\$14.4M
Operating result before capital grants – 2027/28	(\$2.86M) Deficit	\$0.73M	\$0.73M	\$0.73M
Operating result before capital grants – 2035/36	(\$7.38M) Deficit	\$5.18M	\$5.78M	\$6.45M
Lowest unrestricted cash (year)	(\$3.76M) Deficit (2026/27)	\$0.03M (2030/31)	\$0.06M (2030/31)	\$0.10M (2031/32)
Unrestricted cash – 2035/36	(\$79M) Deficit	\$0.16M	\$1.73M	\$3.19M
Additional borrowing required	Nil	About \$7.6M	About \$4.6M	About \$4.6M
Independently assured	Yes	Yes	Yes	Yes, except Whitton Museum costings

Following tables present OLG financial and infrastructure ratios for General Fund base case and all the scenarios:

Ratios: Base Case												
OLG Performance Indicator	OLG Benchmark	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Operating Performance Ratio	> 0%	-9.19%	-9.67%	-9.27%	-10.64%	-12.17%	-13.10%	-14.14%	-15.36%	-16.51%	-17.88%	
Own Source Operating Revenue Ratio	> 60%	61.42%	61.22%	66.94%	62.06%	66.62%	67.01%	67.04%	67.05%	67.11%	67.15%	
Unrestricted Current Ratio	> 1.5 x	1.16	0.69	0.13	-0.64	-0.38	-0.32	-0.25	-0.23	-0.22	-0.21	
Debt Service Cover Ratio	> 2 x	3.54	3.35	2.91	2.49	2.05	1.67	1.26	0.77	0.37	-0.63	
Cash Expense Cover Ratio	> 3 months	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Outstanding Rates and Annual Charges	< 10%	8.04%	7.70%	7.34%	7.07%	6.83%	6.60%	6.40%	6.19%	6.01%	5.84%	
Building and Infrastructure Asset Renewal Ratio	> 100%	58.76%	67.22%	78.89%	109.03%	74.51%	76.40%	76.45%	78.66%	79.72%	79.13%	

Ratios: Scenario 1 - Maintain Services											
OLG Performance Indicator	OLG Benchmark	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Operating Performance Ratio	> 0%	-9.20%	0.59%	5.41%	6.22%	7.17%	7.93%	8.57%	9.26%	10.16%	10.99%
Own Source Operating Revenue Ratio	> 60%	61.42%	63.79%	70.26%	65.76%	70.08%	70.39%	70.39%	70.37%	70.46%	70.50%
Unrestricted Current Ratio	> 1.5 x	1.70	1.75	1.84	1.79	1.82	1.86	1.72	1.80	1.83	1.93
Debt Service Cover Ratio	> 2 x	4.18	5.89	5.97	6.15	6.46	6.66	6.54	6.72	6.93	7.28
Cash Expense Cover Ratio	> 3 months	1.02	2.44	2.98	3.25	3.48	4.13	3.96	4.70	5.29	5.75
Outstanding Rates and Annual Charges	< 10%	8.04%	6.66%	5.99%	5.76%	5.56%	5.38%	5.21%	5.04%	4.89%	4.75%
Building and Infrastructure Asset Renewal Ratio	> 100%	58.76%	67.22%	78.89%	109.03%	74.51%	76.40%	76.45%	78.66%	79.72%	79.13%

Ratios: Scenario 2 - Modest Progress											
OLG Performance Indicator	OLG Benchmark	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Operating Performance Ratio	> 0%	-9.20%	0.61%	6.29%	6.92%	7.95%	8.64%	9.37%	10.13%	11.15%	12.04%
Own Source Operating Revenue Ratio	> 60%	61.42%	63.00%	68.48%	60.14%	63.23%	70.91%	70.91%	70.92%	71.00%	71.05%
Unrestricted Current Ratio	> 1.5 x	1.70	1.80	1.88	1.82	1.83	1.84	1.80	1.88	2.03	2.17
Debt Service Cover Ratio	> 2 x	4.18	5.89	6.18	6.35	6.77	7.08	7.29	7.52	8.17	8.61
Cash Expense Cover Ratio	> 3 months	1.02	2.52	2.90	2.92	2.89	3.44	3.59	4.29	5.23	5.69
Outstanding Rates and Annual Charges	< 10%	8.04%	6.66%	5.88%	5.65%	5.46%	5.28%	5.11%	4.95%	4.80%	4.66%
Building and Infrastructure Asset Renewal Ratio	> 100%	58.76%	67.22%	78.90%	108.48%	73.12%	73.63%	73.74%	75.93%	77.01%	76.50%

Ratios: Scenario 3 - Bold Progress												
OLG Performance Indicator	OLG Benchmark	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Operating Performance Ratio	> 0%	-9.20%	0.58%	7.12%	7.75%	8.64%	9.32%	9.97%	11.23%	12.28%	13.20%	
Own Source Operating Revenue Ratio	> 60%	61.42%	62.56%	68.25%	60.26%	63.53%	70.15%	70.16%	71.36%	71.46%	71.53%	
Unrestricted Current Ratio	> 1.5 x	1.70	1.76	1.85	1.79	1.84	1.81	1.73	1.89	2.12	2.36	
Debt Service Cover Ratio	> 2 x	4.18	5.88	6.38	6.56	6.96	7.27	7.48	7.90	8.59	9.08	
Cash Expense Cover Ratio	> 3 months	1.02	2.40	2.80	2.82	2.91	3.34	3.38	4.30	5.47	6.17	
Outstanding Rates and Annual Charges	< 10%	8.04%	6.66%	5.76%	5.54%	5.35%	5.18%	5.02%	4.85%	4.71%	4.57%	
Building and Infrastructure Asset Renewal Ratio	> 100%	58.76%	73.75%	85.53%	111.40%	72.79%	73.32%	73.29%	75.19%	76.29%	75.79%	

The annual and cumulative percentage increases, and the dollar impact on the average ratepayer in each rating category (Residential, Business - Industrial, Business - General and Farmland) under each scenario, compared with the rate peg only, are set out in the separate SRV fact sheet.

6.1 Alternative Scenario 1 – Maintain Services

Scenario 1 – Back in Black: Maintain Services is the lowest of the three SRV options. It is designed to return the General Fund to an operating surplus while maintaining current services and service levels, and does not fund any new priority capital projects. Professor Drew considers this Scenario the most plausible case for IPART to assess. He also notes that it only just meets the minimum requirements for balanced operating results, intergenerational equity and sufficient unrestricted cash, and leaves very little financial buffer.

General Fund

Under this scenario, General Fund general income would increase by 28.5% in 2027/28 and 13.773% in 2028/29 (each including the assumed rate peg), a cumulative increase of 46.198%, retained permanently in the rate base, before returning to the rate peg from 2029/30.

The Income Statement, Cash Flow Statement and Balance Sheet in Section 7.3 show the impact of Scenario 1 on the General Fund. The capital works program is the same as the Base Case. Key results:

- Returns the General Fund to an Operating surplus before Grants and Contributions provided for Capital Purposes from 2027/28 – the first year of the SRV – and in every year after, rising from \$0.73M in 2027/28 to \$5.18M in 2035/36. The cumulative surplus from 2027/28 to 2035/36 is \$29.2M (\$26.3M over the full 10 years, after the 2026/27 deficit of \$2.96M).
- Keeps General Fund unrestricted cash positive in every year, but only just – between \$0.03M (2030/31) and \$0.80M (2033/34), closing at \$0.16M in 2035/36. This is well below the benchmark of around three months' operating expenditure (about \$7.7M) referred to by Professor Drew.
- Requires about \$7.6M in additional borrowings, the largest in 2026/27, principally for renewals already planned, with most loan terms extended from 10 to 20 years. This takes Council above its modelled liability capacity, so no further borrowing should occur without additional revenue.

Scenario 1 stabilises Council's finances but leaves very little capacity to respond to unexpected costs or events, and would likely require further intervention in future years. It does not fund the priority capital projects included in Scenarios 2 and 3.

6.2 Alternative Scenario 2 – Modest Progress

Scenario 2 – Back in Black: Modest Progress includes everything in Scenario 1, plus \$11M in priority Delivery Program capital projects, which are largely funded by grants and developer contributions:

- \$5M Eventide Homes (Yanco Social Housing) full project over 2 years (beginning 2029-30). Funded from Grant \$4.25M and the remainder from general fund.
- \$6M Sports Precinct full project over 4 years (beginning 2027-28). Funded from Grant \$4.5M, and remainder from \$7.12 contributions.

General Fund

Under this scenario, General Fund general income would increase by 28.5% in 2027/28 and 16.730% in 2028/29 (each including the assumed rate peg), a cumulative increase of 49.998%, retained permanently in the rate base, before returning to the rate peg from 2029/30.

The Income Statement, Cash Flow Statement and Balance Sheet in Section 7.5 show the impact of Scenario 2 on the General Fund. Key results:

- Returns the General Fund to an Operating surplus before Grants and Contributions provided for Capital Purposes from 2027/28 and in every year after, rising from \$0.73M in 2027/28 to \$5.78M in 2035/36. The cumulative surplus from 2027/28 to 2035/36 is \$32.6M (\$29.6M over the full 10 years).
- Keeps General Fund unrestricted cash positive in every year, dipping to \$0.06M in 2030/31 while the priority projects are delivered, then improving to \$1.84M in 2034/35 and \$1.73M in 2035/36.
- Requires less additional borrowing than Scenario 1 (about \$4.6M), because the higher SRV revenue arrives earlier. This still sits marginally above Council's modelled liability capacity.

Scenario 2 delivers the priority projects and a modestly stronger long-term cash position than Scenario 1. Because Council would already be above its modelled liability capacity, the non-grant share of these projects is funded through a higher SRV, which takes the increase somewhat beyond the capacity-to-pay benchmark in Professor Drew's Capacity to Pay Report. Professor Drew has assured the project costings, including associated maintenance costs, but does not comment on whether these projects are advisable for a Council seeking an SRV for financial sustainability, and has advised Council to engage with IPART on this.

Unrestricted cash remains well below the three-month benchmark, and the Eventide Homes and Sports Precinct projects depend on grant funding; if this is not secured, they would not proceed in their current form.

6.3 Alternative Scenario 3 – Bold Progress

Scenario 3 – Back in Black: Bold Progress includes everything in Scenario 2, plus \$3.4M for the Gogeldrie Weir Cabins and Whitton Museum Renewals, bringing the total to \$14.4M in priority Delivery Program capital projects:

- \$5M Eventide Homes (Yanco Social Housing) full project over 2 years (beginning 2029-30). Funded from Grant \$4.25M and the remainder from general fund.
- \$6M Sports Precinct full project over 4 years (beginning 2027-28). Funded from Grant \$4.5M, and remainder from \$7.12 contributions.
- \$2.2M Gogeldrie Weir Cabins, funded from \$1M in Grant/Private Investment, and the remainder from General Fund.
- \$1.21M Whitton Museum Renewals funded from \$0.61M Grant and the remainder from general fund.

General Fund

Under this scenario, General Fund general income would increase by 28.5% in 2027/28 and 19.710% in 2028/29 (each including the assumed rate peg), a cumulative increase of 53.827%, retained permanently in the rate base, before returning to the rate peg from 2029/30.

The Income Statement, Cash Flow Statement and Balance Sheet in Section 7.7 show the impact of Scenario 3 on the General Fund. Key results:

- Returns the General Fund to an Operating surplus before Grants and Contributions provided for Capital Purposes from 2027/28 and in every year after, rising from \$0.73M in 2027/28 to \$6.45M in 2035/36. The cumulative surplus from 2027/28 to 2035/36 is \$36.1M (\$33.1M over the full 10 years).
- Keeps General Fund unrestricted cash positive in every year, although it falls to around \$0.10M–\$0.12M in 2030/31 and 2031/32 while projects are delivered, before strengthening to \$3.19M by 2035/36 – the strongest closing position of the three scenarios.
- Like Scenario 2, requires about \$4.6M in additional borrowing, which still sits marginally above Council's modelled liability capacity.

Scenario 3 delivers the most projects and the strongest long-term cash position, but places the largest increase on ratepayers, well beyond the capacity-to-pay benchmark, and its unrestricted cash falls to around \$0.10M in 2031/32 while the projects are delivered.

Professor Drew has assured the Gogeldrie Weir costings, but was not provided with sufficiently robust evidence in time to assure the Whitton Museum costings, noting that heritage works can overrun to many multiples of their estimated cost. He therefore advises exercising significant care with this scenario as a whole. As with Scenario 2, he does not comment on whether the additional projects are advisable and has advised Council to engage with IPART. Several projects also depend on securing grant or private funding; if this is not secured, those projects would not proceed in their current form.

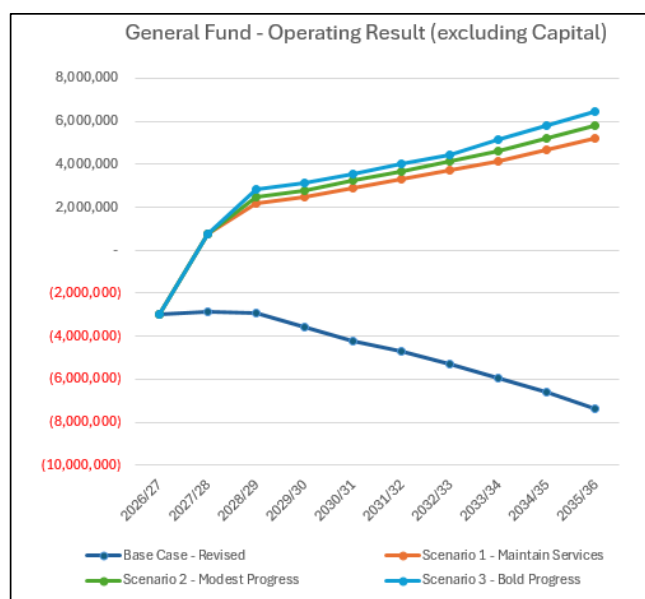
6.4 Next steps

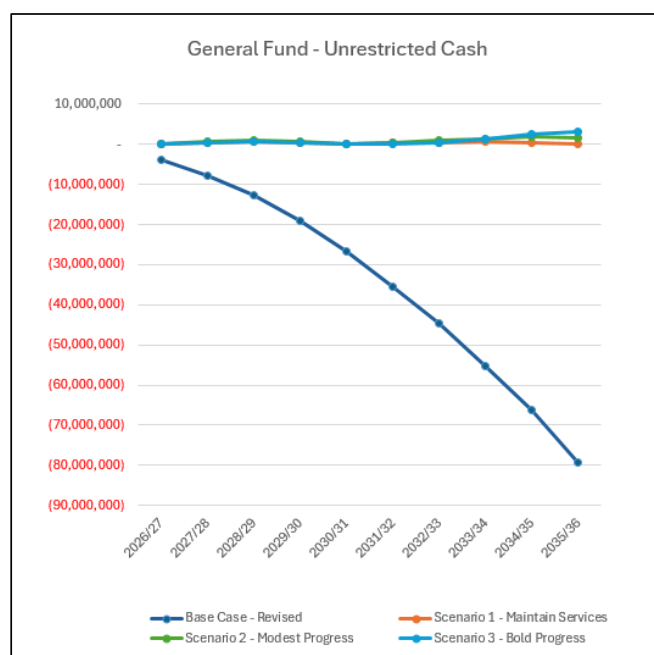
At its Ordinary Meeting on 29 September 2026, Council will consider whether to begin formal community consultation on the three Back in Black scenarios. If consultation proceeds the community will be able to review the information, ask questions and provide feedback through a range of engagement methods.

Councillors will consider all community feedback before deciding, in December 2026, whether to apply to IPART for an SRV from 2027/28. Professor Drew has recommended that Council engage regularly with IPART. If Council resolves to apply, the application is due to IPART in early February 2027. IPART will then seek its own community feedback on the application (around February–March 2027) and is expected to release its decision in mid-2027. Any approved increase would apply from 1 July 2027.

If an SRV is approved, Council will report annually to the community, through its Annual Report, on the additional income received and the projects and services it has funded.

The below graphs show the impact on General Fund with the potential alternative scenarios compared to the base case:





7. General Fund (including Waste)

7.1 General Fund – Base Case - Revised

Leeton Shire Council 10 Year Financial Plan for the Years ending 30 June 2036 INCOME STATEMENT - GENERAL FUND Scenario: Base Case - Revised										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	11,987,387	12,558,037	13,223,590	13,779,290	14,297,861	14,827,419	15,329,252	15,863,403	16,390,852	16,893,312
User Charges & Fees	6,628,152	6,944,315	7,313,058	7,620,938	7,908,248	8,201,644	8,479,679	8,775,620	9,067,848	9,346,231
Other Revenues	871,826	913,413	961,915	1,002,411	1,040,202	1,078,794	1,115,365	1,154,291	1,192,729	1,229,346
Grants & Contributions provided for Operating Purposes	9,804,520	9,984,828	10,621,174	11,026,122	11,318,362	11,714,986	12,098,834	12,490,074	12,870,881	13,245,175
Grants & Contributions provided for Capital Purposes	3,247,801	3,534,707	449,356	3,108,360	629,845	463,727	477,345	491,841	506,154	519,790
Interest & Investment Revenue	986,459	601,043	578,368	365,804	229,862	244,207	259,932	217,726	225,532	238,358
Other Income:										
Net Gains from the Disposal of Assets	-	166,357	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	367,248	380,873	393,785	407,528	421,098	434,026
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	33,833,948	35,025,183	33,640,113	37,341,820	35,859,099	36,970,375	38,210,027	39,443,856	40,698,075	41,921,952
Expenses from Continuing Operations										
Employee Benefits & On-Costs	14,568,854	15,757,673	17,043,499	18,434,249	19,846,312	21,366,540	22,896,384	24,535,765	26,292,526	28,043,608
Borrowing Costs	613,936	559,881	617,247	562,484	504,715	444,047	379,864	311,959	248,849	217,496
Materials & Contracts	10,286,850	10,288,758	10,693,944	11,070,815	11,409,177	11,760,530	12,103,037	12,451,891	12,800,442	13,113,613
Depreciation & Amortisation	7,324,584	7,129,826	7,111,794	7,068,224	7,020,136	6,979,675	6,937,943	6,884,749	6,746,204	6,684,769
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	33,542,020	34,352,791	36,099,669	37,782,832	39,440,379	41,224,075	43,003,086	44,883,580	46,800,432	48,784,490
Operating Result from Continuing Operations	291,928	672,391	(2,459,556)	(441,012)	(3,581,279)	(4,253,700)	(4,793,060)	(5,439,724)	(6,102,357)	(6,862,537)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	291,928	672,391	(2,459,556)	(441,012)	(3,581,279)	(4,253,700)	(4,793,060)	(5,439,724)	(6,102,357)	(6,862,537)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(2,955,873)	(2,862,315)	(2,908,912)	(3,549,372)	(4,211,124)	(4,717,426)	(5,270,405)	(5,931,565)	(6,608,511)	(7,382,327)

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND					Projected Years					
Scenario: Base Case - Revised	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	11,987,387	12,558,037	13,223,590	13,779,290	14,297,861	14,827,419	15,329,252	15,863,403	16,390,852	16,893,312
User Charges & Fees	6,628,152	6,944,315	7,313,058	7,620,938	7,908,248	8,201,644	8,479,679	8,775,620	9,067,848	9,346,231
Investment & Interest Revenue Received	986,459	601,043	578,368	365,804	229,862	244,207	259,932	217,726	225,532	238,358
Grants & Contributions	13,052,321	13,519,534	11,070,529	14,134,482	11,948,207	12,178,712	12,576,179	12,981,914	13,377,035	13,764,965
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	1,179,629	1,235,897	1,301,523	1,356,317	1,407,450	1,459,667	1,509,149	1,561,819	1,613,827	1,663,372
Payments:										
Employee Benefits & On-Costs	(14,568,854)	(15,757,673)	(17,043,499)	(18,434,249)	(19,846,312)	(21,366,540)	(22,896,384)	(24,535,765)	(26,292,526)	(28,043,608)
Materials & Contracts	(10,286,850)	(10,288,758)	(10,693,944)	(11,070,815)	(11,409,177)	(11,760,530)	(12,103,037)	(12,451,891)	(12,800,442)	(13,113,613)
Borrowing Costs	(613,936)	(559,881)	(617,247)	(562,484)	(504,715)	(444,047)	(379,864)	(311,959)	(248,849)	(217,496)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)
Net Cash provided (or used in) Operating Activities	7,977,560	7,861,818	4,737,149	6,790,197	3,628,707	2,934,117	2,364,965	1,687,197	915,921	110,630
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	1,564,899	1,268,417	3,707,583	5,232,101	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(11,666,719)	(12,308,283)	(9,637,802)	(12,417,228)	(10,316,750)	(10,312,537)	(11,650,437)	(10,807,882)	(10,005,414)	(11,253,463)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(8,878,200)	(8,837,259)	(3,749,490)	(5,827,625)	(9,123,927)	(9,068,731)	(10,457,366)	(9,276,721)	(9,022,309)	(10,820,999)

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: Base Case - Revised	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	480,000	1,805,972	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(833,859)	(830,531)	(987,660)	(1,042,421)	(1,077,441)	(1,138,108)	(1,202,291)	(1,270,196)	(736,883)	(569,213)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(353,859)	975,441	(987,660)	(1,042,421)	(1,077,441)	(1,138,108)	(1,202,291)	(1,270,196)	(736,883)	(569,213)
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,254,500)	(0)	0	(79,849)	(6,572,662)	(7,272,721)	(9,294,692)	(8,859,719)	(8,843,270)	(11,279,582)
plus: Cash & Cash Equivalents - beginning of year	1,254,500	0	0	0	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,922,913)
Cash & Cash Equivalents - end of the year	0	0	0	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,922,913)	(52,202,495)
Cash & Cash Equivalents - end of the year	0	0	0	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,922,913)	(52,202,495)
Investments - end of the year	10,208,101	8,939,684	5,232,101	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	10,208,101	8,939,684	5,232,101	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,922,913)	(52,202,495)
Representing:										
- External Restrictions	7,754,602	9,895,440	10,381,069	11,509,180	11,801,175	13,246,041	13,968,914	15,448,241	17,026,378	18,623,835
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	(3,763,904)	(7,920,340)	(12,731,938)	(19,163,059)	(26,797,866)	(35,382,548)	(44,619,670)	(55,191,095)	(66,321,212)	(79,211,320)
	10,208,101	8,939,684	5,232,101	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,922,913)	(52,202,495)

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council 10 Year Financial Plan for the Years ending 30 June 2036 BALANCE SHEET - CONSOLIDATED Scenario: Base Case - Revised										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	13,531,807	15,131,594	15,842,231	-	-	-	-	-	-	-
Investments	20,054,011	19,074,786	16,212,511	11,609,095	9,807,749	8,049,445	7,605,778	7,229,487	6,899,589	6,651,496
Receivables	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,308,464	7,326,000
Inventories	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	43,156,760	42,865,372	39,801,784	19,173,747	17,372,400	15,614,096	15,170,429	14,794,138	14,462,465	14,231,909
Non-Current Assets										
Investments	11,281,089	10,991,898	10,146,590	8,419,043	7,141,653	5,897,030	5,507,945	5,128,856	4,793,625	4,541,522
Receivables	205,141	183,902	162,662	141,423	120,183	98,944	77,704	56,465	37,000	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	404,432,015	408,742,918	411,551,662	434,590,795	441,385,879	448,262,254	454,663,673	460,179,364	465,829,077	472,997,045
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	425,695,246	429,695,717	431,637,914	452,928,261	458,424,715	464,035,227	470,026,321	475,141,685	480,436,702	487,315,567
TOTAL ASSETS	468,852,005	472,561,089	471,439,698	472,102,008	475,797,116	479,649,323	485,196,750	489,935,823	494,899,167	501,547,476
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	79,849	6,652,510	13,925,232	23,219,923	32,079,643	40,728,134	51,543,035
Payables	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	830,531	987,660	1,042,421	1,077,441	1,138,108	1,202,291	1,270,196	736,883	569,213	199,413
Employee benefit provisions	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	9,513,961	9,671,090	9,725,852	9,840,721	16,474,050	23,810,954	33,173,550	41,499,957	49,980,778	60,425,878
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	9,918,483	10,736,796	9,694,375	8,616,934	7,478,825	6,276,534	5,006,339	4,269,456	3,700,243	3,500,830
Employee benefit provisions	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062
Other provisions	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	14,951,215	15,995,486	15,191,020	14,361,553	13,480,767	12,545,345	11,551,065	11,099,728	10,825,569	10,930,268
TOTAL LIABILITIES	24,465,177	25,666,576	24,916,872	24,202,274	29,954,816	36,356,298	44,724,615	52,599,684	60,806,347	71,356,146
Net Assets	444,386,828	446,894,513	446,522,826	447,899,735	445,842,299	443,293,025	440,472,135	437,336,139	434,092,820	430,191,330
EQUITY										
Retained Earnings	155,804,828	158,312,513	157,940,826	159,317,735	157,260,299	154,711,025	151,890,135	148,754,139	145,510,820	141,609,330
Revaluation Reserves	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	444,386,828	446,894,513	446,522,826	447,899,735	445,842,299	443,293,025	440,472,135	437,336,139	434,092,820	430,191,330
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	444,386,828	446,894,513	446,522,826	447,899,735	445,842,299	443,293,025	440,472,135	437,336,139	434,092,820	430,191,330

7.2 General Fund – 10 Year Capital Works Program – Base Case

General Fund Capital Program - Budget & LTFF

Capital Program	New/Upgrade or Renewal	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Drainage and Flood Management		432,621	321,304	291,069	302,224	314,930	329,135	329,135	329,135	402,017	402,017
Drainage AMP New & Upgrade - General Rural Stormwater	New/Upgrade	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	65,239	65,239
Drainage AMP New & Upgrade - General Urban	New/Upgrade	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	65,239	65,239
Drainage AMP Renewal Demand - Annual	Renewal	82,621	91,304	101,069	112,224	124,930	139,135	139,135	139,135	181,540	181,540
Stormwater Management Service Charge (SMSC) Projects	Renewal	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Flood Risk Management	New/Upgrade	160,000	40,000								
Land & Buildings		3,492,292	4,482,823	1,434,345	1,665,674	1,745,175	1,805,361	1,849,258	1,900,000	1,946,714	1,990,079
Eventide Homes - Renewals	Renewal	10,000	10,000	10,000							
Eventide Homes - Yanco Social Housing Expansion Project	New/Upgrade		300,000								
Gogelderie Weir Riverside Park Fence and Fireplace Repairs	New/Upgrade	30,000									
Brobenah Road Affordable Housing	New/Upgrade	2,661,081	3,165,270								
Commercial building renewals (49 Buildings)	Renewal	86,958	133,720	203,903							
Community building renewals (57 Buildings including LMAG, Library, Roxy and excluding Whitton Museum)	Renewal	162,000	166,468	253,838							
Operational building renewals (120 Buildings - including VIC)	Renewal	324,000	327,478	449,353							
Public amenity renewals (other than conveniences) (61 Buildings)	Renewal	58,254	116,468	203,838							
Public Conveniences renewals	Renewal	50,000	50,000	50,000							
Council Owned House Renewals	Renewal	10,000	10,000	10,000							
Library Renewals	Renewal			50,000							
Whitton Museum Renewals (including Courthouse)	Renewal	100,000									
Buildings & Facilities AMP Renewal Demand - Annual	Renewal				1,462,261	1,541,762	1,601,948	1,645,845	1,696,587	1,743,301	1,786,666
Buildings & Facilities AMP Renewal Demand - Catch-up	Renewal		203,418	203,413	203,413	203,413	203,413	203,413	203,413	203,413	203,413
Office Equipment & IT Systems		425,000	355,000	415,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000
Corporate Information Systems Annual Allocation (Business Systems Imp)	Renewal	160,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Network and Server Infrastructure	New/Upgrade	180,000	110,000	170,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
AI Drowning Tool - Leeton Pool	New/Upgrade	50,000									
Annual Computer Fleet Replacements	New/Upgrade	35,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Other Structures		1,210,000	690,000	280,000	2,610,000	200,000	110,000	50,000	110,000	50,000	50,000
Minor Renewals of the Whitton Pool	Renewal	10,000	10,000	10,000							
Town Entrance Signs Renewals	Renewal			20,000							
Cemetery Capital Works - Cemetery Expansion	New/Upgrade	630,000	630,000		60,000		60,000		60,000		
Playgrounds	New/Upgrade	200,000	50,000	50,000	50,000	200,000	50,000	50,000	50,000	50,000	50,000
New Off Leash Dog Park	New/Upgrade	100,000									
Flood Lights (LED) - Ovals	New/Upgrade	270,000									
Whitton Pool - Detailed Design	Renewal			200,000							
Whitton Pool - Renewal	Renewal				2,500,000						

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

General Fund Capital Program - Budget & LTFP

Capital Program	New/Upgrade or Renewal	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Plant & Equipment		1,088,000	1,453,140	1,271,000	1,945,860	1,308,660	2,038,110	2,341,920	1,869,600	1,046,730	1,869,600
Plant & Vehicle Replacement	Renewal	1,088,000	1,453,140	1,271,000	1,945,860	1,308,660	2,038,110	2,341,920	1,869,600	1,046,730	1,869,600
Roads, Bridges & Footpaths		3,825,142	3,910,775	3,910,775	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241
Bridge Renewals	Renewal	100,000	100,000	100,000							
Roads to Recovery Program	Renewal	1,247,142	1,312,781	1,312,781							
Annual Reseal Program- Sealed Rural and Urban Road	Renewal	725,000	725,000	725,000							
Sealed Road Rehabilitation Program	Renewal	703,000	703,000	703,000							
Sealed Roads Heavy Patching	Renewal	60,000	60,000	60,000							
Gravel Road Resheeting	Renewal	350,000	350,000	350,000							
Regional Road - MR539	Renewal	170,000	170,000	170,000							
Footpath - Renewals	Renewal	100,000	100,000	100,000							
Footpaths - New	New/Upgrade	100,000	100,000	100,000							
Kerb & Gutter - Renewals	Renewal	80,000	80,000	80,000							
Shoulder Widening Program	Renewal	150,000	150,000	150,000							
Bus Shelter Upgrades	New/Upgrade	20,000	20,000	20,000							
Traffic Facilities	New/Upgrade	20,000	20,000	20,000							
Transport AMP New & Upgrade	New/Upgrade				140,000	140,000	140,000	140,000	140,000	140,000	140,000
Transport AMP Renewal Demand - Annual	Renewal				3,490,247	3,490,247	3,490,247	3,490,247	3,490,247	3,490,247	3,490,247
Transport AMP Renewal Demand - Catchup	Renewal		19,994	19,994	19,994	19,994	19,994	19,994	19,994	19,994	19,994
Waste		1,193,663		650,000		1,000,000		650,000			
Leeton Landfill	New/Upgrade	180,000		650,000		1,000,000		650,000			
Public Litter Bin Replacement (CBD)	Renewal	96,000									
Yanco Landfill Remediation	New/Upgrade	917,663									
Grand Total		11,666,718	11,213,042	8,252,189	10,528,999	8,574,006	8,287,847	9,225,554	8,213,976	7,450,702	8,316,937
Indexation Compounded			4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
As per LTFP Cashflow		11,666,719	12,308,283	9,637,802	12,417,228	10,316,750	10,312,537	11,650,437	10,807,882	10,005,414	11,253,463

Assumptions

1. Renewal Demand Annual and Backlog works are based on the Asset Management Plan and represent what should be spent to renew Council's ageing assets.
2. Council will develop a detailed Capital program to identify works required to meet the asset management plan requirements for the term of the Delivery Program.
3. The Capital Program is shown in present \$ values - the indexation line represents the compounded impact of CPI across the LTFP
4. New and upgrades of assets incur additional depreciation, while renewing the assets does not as these assets are already being depreciated - life extended only

LEETON SHIRE COUNCIL
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7.3 General Fund – Scenario 1 – Maintain Services

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - GENERAL FUND										
Scenario: 1 - Maintain Services	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	11,987,387	14,698,394	16,458,480	17,150,369	17,796,030	18,455,370	19,080,191	19,745,249	20,401,964	21,027,565
User Charges & Fees	6,628,152	6,976,724	7,367,658	7,692,249	7,997,295	8,309,640	8,607,593	8,924,839	9,239,498	9,541,229
Other Revenues	871,826	947,772	1,000,942	1,045,083	1,086,573	1,129,058	1,169,591	1,212,749	1,255,559	1,296,616
Grants & Contributions provided for Operating Purposes	9,804,520	9,984,828	10,652,145	11,090,354	11,413,810	11,842,666	12,256,777	12,679,097	13,092,142	13,496,471
Grants & Contributions provided for Capital Purposes	3,247,801	3,534,707	449,356	3,108,360	629,845	463,727	477,345	491,841	506,154	519,790
Interest & Investment Revenue	986,459	871,804	1,061,606	1,032,668	967,842	981,984	1,021,104	996,241	1,114,560	1,190,106
Other Income:										
Net Gains from the Disposal of Assets	-	528,557	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	367,248	380,873	393,785	407,528	421,098	434,026
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	33,833,948	37,865,269	37,482,839	41,557,978	40,326,114	41,622,044	43,062,221	44,500,917	46,053,956	47,521,518
Expenses from Continuing Operations										
Employee Benefits & On-Costs	14,568,854	15,303,125	16,074,402	16,884,552	17,651,110	18,452,471	19,197,951	19,973,548	20,780,479	21,516,108
Borrowing Costs	617,185	789,357	918,772	877,574	834,179	788,741	798,236	745,975	749,367	694,912
Materials & Contracts	10,286,850	9,762,820	10,145,680	10,502,156	10,621,638	10,947,633	11,265,597	11,589,169	11,912,538	12,200,697
Depreciation & Amortisation	7,324,584	7,129,826	7,111,794	7,068,224	7,020,136	6,979,675	6,937,943	6,884,749	6,746,204	6,684,769
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	33,545,269	33,601,781	34,883,833	35,979,566	36,787,102	37,841,802	38,885,585	39,892,656	40,900,999	41,821,488
Operating Result from Continuing Operations	288,679	4,263,488	2,599,007	5,578,412	3,539,013	3,780,241	4,176,636	4,608,261	5,152,957	5,700,029
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	288,679	4,263,488	2,599,007	5,578,412	3,539,013	3,780,241	4,176,636	4,608,261	5,152,957	5,700,029
Net Operating Result before Grants and Contributions provided for Capital Purposes	(2,959,122)	728,781	2,149,651	2,470,052	2,909,168	3,316,515	3,699,290	4,116,420	4,646,803	5,180,239

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: 1 - Maintain Services	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	11,987,387	14,698,394	16,458,480	17,150,369	17,796,030	18,455,370	19,080,191	19,745,249	20,401,964	21,027,565
User Charges & Fees	6,628,152	6,976,724	7,367,658	7,692,249	7,997,295	8,309,640	8,607,593	8,924,839	9,239,498	9,541,229
Investment & Interest Revenue Received	986,459	871,804	1,061,606	1,032,668	967,842	981,984	1,021,104	996,241	1,114,560	1,190,106
Grants & Contributions	13,052,321	13,519,534	11,101,500	14,198,714	12,043,655	12,306,392	12,734,122	13,170,937	13,598,296	14,016,261
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	1,179,629	1,270,256	1,340,550	1,398,989	1,453,821	1,509,931	1,563,376	1,620,277	1,676,657	1,730,642
Payments:										
Employee Benefits & On-Costs	(14,568,854)	(15,303,125)	(16,074,402)	(16,884,552)	(17,651,110)	(18,452,471)	(19,197,951)	(19,973,548)	(20,780,479)	(21,516,108)
Materials & Contracts	(10,286,850)	(9,762,820)	(10,145,680)	(10,502,156)	(10,621,638)	(10,947,633)	(11,265,597)	(11,589,169)	(11,912,538)	(12,200,697)
Borrowing Costs	(617,185)	(789,357)	(918,772)	(877,574)	(834,179)	(788,741)	(798,236)	(745,975)	(749,367)	(694,912)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)
Net Cash provided (or used in) Operating Activities	7,974,311	11,090,715	9,795,712	12,809,621	10,748,999	10,968,058	11,334,660	11,735,182	12,171,235	12,673,196
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(11,666,719)	(12,308,283)	(9,637,802)	(12,417,228)	(10,316,750)	(10,312,537)	(11,650,437)	(10,807,882)	(10,005,414)	(11,253,463)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(10,443,100)	(10,105,677)	(7,457,073)	(11,059,726)	(9,123,927)	(9,068,731)	(10,457,366)	(9,276,721)	(9,022,309)	(10,820,999)

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: 1 - Maintain Services	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	4,080,000	2,805,972	-	-	-	1,000,000	-	1,000,000	-	1,000,000
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(608,788)	(589,902)	(759,998)	(801,194)	(821,840)	(867,277)	(942,627)	(995,059)	(999,351)	(1,028,028)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	3,471,212	2,216,070	(759,998)	(801,194)	(821,840)	132,723	(942,627)	4,941	(999,351)	(28,028)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,002,423	3,201,108	1,578,642	948,701	803,231	2,032,050	(65,333)	2,463,402	2,149,576	1,824,170
plus: Cash & Cash Equivalents - beginning of year	1,254,500	2,256,923	5,458,031	7,036,672	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,368,300
Cash & Cash Equivalents - end of the year	2,256,923	5,458,031	7,036,672	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,368,300	17,192,470
Cash & Cash Equivalents - end of the year	2,256,923	5,458,031	7,036,672	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,368,300	17,192,470
Investments - end of the year	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000
Cash, Cash Equivalents & Investments - end of the year	14,029,923	17,231,031	18,809,672	19,758,374	20,561,604	22,593,655	22,528,322	24,991,724	27,141,300	28,965,470
Representing:										
- External Restrictions	7,754,602	9,944,458	10,508,883	11,748,507	12,188,079	13,820,441	14,774,131	16,531,802	18,440,270	20,423,461
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	57,918	321,989	717,819	435,836	29,345	561,939	323,358	796,710	329,109	157,020
	14,029,923	17,231,031	18,809,672	19,758,374	20,561,604	22,593,655	22,528,322	24,991,724	27,141,300	28,965,470

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Leeton Shire Council 10 Year Financial Plan for the Years ending 30 June 2036 BALANCE SHEET - GENERAL FUND Scenario: 1 - Maintain Services												
	Actuals 2024/25	Current Year 2025/26	Projected Years									
	\$	\$	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	6,800,000	1,254,500	2,256,923	5,458,031	7,036,672	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,368,300	17,192,470
Investments	9,233,000	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823
Receivables	5,978,000	5,960,619	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,969,464	5,978,000
Inventories	4,610,000	3,410,851	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-	-	-
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	26,670,000	19,763,793	19,577,687	21,866,845	22,533,537	23,299,848	24,103,079	26,135,130	26,069,796	28,533,199	30,681,000	32,513,705
Non-Current Assets												
Investments	2,540,000	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177
Receivables	-	17,381	196,141	174,902	153,662	132,423	111,183	89,944	68,704	47,465	28,000	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	294,730,000	299,923,639	303,906,545	308,344,142	309,775,654	314,055,774	316,248,277	318,417,299	322,013,795	324,470,380	326,790,704	330,962,112
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000
Right of use assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	307,047,000	312,402,196	316,563,863	320,980,220	322,390,493	326,649,373	328,820,637	330,968,419	334,543,676	336,979,022	339,279,881	343,423,288
TOTAL ASSETS	333,717,000	332,165,990	336,141,550	342,847,066	344,924,030	349,949,221	352,923,716	357,103,549	360,613,473	365,512,220	369,960,881	375,936,994
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Contract liabilities	397,000	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	955,000	608,788	589,902	759,998	801,194	821,840	867,277	942,627	995,059	999,351	1,028,028	500,673
Employee benefit provisions	3,329,000	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938
Other provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	9,691,000	9,251,219	9,232,333	9,402,429	9,443,625	9,464,271	9,509,708	9,585,058	9,637,490	9,641,781	9,670,459	9,143,103
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	10,652,000	10,494,085	13,984,183	16,030,157	15,228,962	14,407,122	13,539,845	13,597,217	12,602,158	12,602,808	11,574,780	12,074,107
Employee benefit provisions	194,000	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062
Other provisions	4,391,000	4,601,000	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	15,237,000	15,311,147	19,016,915	21,288,847	20,725,607	20,151,741	19,541,787	19,866,028	19,146,884	19,433,080	18,700,106	19,503,545
TOTAL LIABILITIES	24,928,000	24,562,366	28,249,248	30,691,276	30,169,232	29,616,012	29,051,495	29,451,086	28,784,374	29,074,861	28,370,564	28,646,648
Net Assets	308,789,000	307,603,624	307,892,302	312,155,790	314,754,797	320,333,209	323,872,221	327,652,463	331,829,098	336,437,359	341,590,316	347,290,345
EQUITY												
Retained Earnings	101,104,000	99,918,624	100,207,302	104,470,790	107,069,797	112,648,209	116,187,221	119,967,463	124,144,098	128,752,359	133,905,316	139,605,345
Revaluation Reserves	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	308,789,000	307,603,624	307,892,302	312,155,790	314,754,797	320,333,209	323,872,221	327,652,463	331,829,098	336,437,359	341,590,316	347,290,345
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	308,789,000	307,603,624	307,892,302	312,155,790	314,754,797	320,333,209	323,872,221	327,652,463	331,829,098	336,437,359	341,590,316	347,290,345

7.4 General Fund – 10 Year Capital Works Program – Scenario 1 – Maintain Services

The capital program for this Scenario is the same as the Base Case.

7.5 General Fund – Scenario 2 – Modest Progress

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - GENERAL FUND										
Scenario: 2 - Modest Progress	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	11,987,387	14,698,394	16,801,203	17,507,520	18,166,646	18,823,893	19,461,206	20,139,562	20,809,408	21,447,518
User Charges & Fees	6,628,152	6,976,724	7,367,658	7,692,249	7,997,295	8,300,194	8,597,827	8,914,732	9,229,055	9,530,465
Other Revenues	871,826	947,772	1,000,942	1,045,083	1,086,573	1,129,058	1,169,591	1,212,749	1,255,559	1,296,616
Grants & Contributions provided for Operating Purposes	9,804,520	9,984,828	10,652,145	11,090,354	11,413,810	11,842,666	12,256,777	12,679,097	13,092,142	13,496,471
Grants & Contributions provided for Capital Purposes	3,247,801	4,003,346	1,579,570	7,207,732	5,297,693	463,727	477,345	491,841	506,154	519,790
Interest & Investment Revenue	986,459	876,644	1,062,010	1,010,309	921,998	936,857	969,945	974,451	1,092,542	1,201,758
Other Income:										
Net Gains from the Disposal of Assets	-	528,557	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	562,248	815,119	842,752	872,164	901,207	928,874
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	33,833,948	38,338,748	38,956,180	45,992,142	45,513,734	42,370,240	43,831,279	45,327,970	46,909,047	48,437,206
Expenses from Continuing Operations										
Employee Benefits & On-Costs	14,568,854	15,303,125	16,074,402	16,884,552	17,651,110	18,452,471	19,197,951	19,973,548	20,780,479	21,516,108
Borrowing Costs	617,185	789,357	918,772	877,574	834,179	788,741	740,525	689,891	637,298	586,296
Materials & Contracts	10,286,850	9,762,820	10,145,680	10,502,156	10,621,638	10,996,759	11,341,132	11,666,984	11,992,624	12,283,038
Depreciation & Amortisation	7,324,584	7,129,826	7,111,207	7,111,633	7,188,480	7,319,184	7,277,453	7,224,259	7,085,714	7,024,279
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	33,545,269	33,601,781	34,883,246	36,022,974	36,955,446	38,230,438	39,242,919	40,253,897	41,208,525	42,134,724
Operating Result from Continuing Operations	288,679	4,736,967	4,072,934	9,969,168	8,558,288	4,139,802	4,588,360	5,074,073	5,700,522	6,302,482
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	288,679	4,736,967	4,072,934	9,969,168	8,558,288	4,139,802	4,588,360	5,074,073	5,700,522	6,302,482
Net Operating Result before Grants and Contributions provided for Capital Purposes	(2,959,122)	733,621	2,493,365	2,761,436	3,260,595	3,676,076	4,111,015	4,582,232	5,194,368	5,782,692

LEETON SHIRE COUNCIL
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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: 2 - Modest Progress	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	11,987,387	14,698,394	16,801,203	17,507,520	18,166,646	18,823,893	19,461,206	20,139,562	20,809,408	21,447,518
User Charges & Fees	6,628,152	6,976,724	7,367,658	7,692,249	7,997,295	8,300,194	8,597,827	8,914,732	9,229,055	9,530,465
Investment & Interest Revenue Received	986,459	876,644	1,062,010	1,010,309	921,998	936,857	969,945	974,451	1,092,542	1,201,758
Grants & Contributions	13,052,321	13,988,173	12,231,714	18,298,086	16,711,503	12,306,392	12,734,122	13,170,937	13,598,296	14,016,261
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	1,179,629	1,270,256	1,340,550	1,398,989	1,648,821	1,944,177	2,012,343	2,084,913	2,156,766	2,225,490
Payments:										
Employee Benefits & On-Costs	(14,568,854)	(15,303,125)	(16,074,402)	(16,884,552)	(17,651,110)	(18,452,471)	(19,197,951)	(19,973,548)	(20,780,479)	(21,516,108)
Materials & Contracts	(10,286,850)	(9,762,820)	(10,145,680)	(10,502,156)	(10,621,638)	(10,996,759)	(11,341,132)	(11,666,984)	(11,992,624)	(12,283,038)
Borrowing Costs	(617,185)	(789,357)	(918,772)	(877,574)	(834,179)	(788,741)	(740,525)	(689,891)	(637,298)	(586,296)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)
Net Cash provided (or used in) Operating Activities	7,974,311	11,564,194	11,269,053	17,243,785	15,936,619	11,667,129	12,085,894	12,540,503	13,058,310	13,615,159
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(11,666,719)	(12,603,832)	(11,495,127)	(17,450,634)	(16,179,569)	(10,312,537)	(11,650,437)	(10,807,882)	(10,005,414)	(11,253,463)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(10,443,100)	(10,401,226)	(9,314,398)	(16,093,132)	(14,986,746)	(9,068,731)	(10,457,366)	(9,276,721)	(9,022,309)	(10,820,999)

LEETON SHIRE COUNCIL
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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: 2 - Modest Progress	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	4,080,000	2,805,972	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(608,788)	(589,902)	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	3,471,212	2,216,070	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,002,423	3,379,038	1,194,657	349,460	128,032	1,731,121	713,207	2,297,656	3,094,613	1,827,548
plus: Cash & Cash Equivalents - beginning of year	1,254,500	2,256,923	5,635,961	6,830,618	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,144,706
Cash & Cash Equivalents - end of the year	2,256,923	5,635,961	6,830,618	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,144,706	16,972,254
Cash & Cash Equivalents - end of the year	2,256,923	5,635,961	6,830,618	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,144,706	16,972,254
Investments - end of the year	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000
Cash, Cash Equivalents & Investments - end of the year	14,029,923	17,408,961	18,603,618	18,953,078	19,081,110	20,812,231	21,525,437	23,823,093	26,917,706	28,745,254
Representing:										
- External Restrictions	7,754,602	9,784,519	9,951,743	10,709,984	10,676,816	12,253,691	13,151,122	14,854,577	16,706,194	18,629,752
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	57,918	659,858	1,068,905	669,064	60,113	347,264	943,483	1,305,304	1,839,592	1,730,513
	14,029,923	17,408,961	18,603,618	18,953,078	19,081,110	20,812,231	21,525,437	23,823,093	26,917,706	28,745,254

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
BALANCE SHEET - GENERAL FUND										
Scenario: 2 - Modest Progress										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	2,256,923	5,635,961	6,830,618	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,144,706	16,972,254
Investments	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823
Receivables	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,969,464	5,978,000
Inventories	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	19,577,687	22,044,775	22,327,483	22,494,552	22,622,585	24,353,705	25,066,912	27,364,568	30,457,406	32,293,490
Non-Current Assets										
Investments	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177
Receivables	196,141	174,902	153,662	132,423	111,183	89,944	68,704	47,465	28,000	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	303,906,545	308,639,691	311,929,115	321,199,232	329,086,210	330,915,722	334,172,709	336,289,785	338,270,599	342,102,497
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	316,563,863	321,275,769	324,543,954	333,792,832	341,658,570	343,466,843	346,702,591	348,798,426	350,759,776	354,563,674
TOTAL ASSETS	336,141,550	343,320,545	346,871,436	356,287,384	364,281,154	367,820,548	371,769,502	376,162,994	381,217,182	386,857,164
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	589,902	759,998	801,194	821,840	867,277	915,322	966,127	941,389	966,612	408,292
Employee benefit provisions	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	9,232,333	9,402,429	9,443,625	9,464,271	9,509,708	9,557,753	9,608,557	9,583,819	9,609,043	9,050,723
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	13,984,183	16,030,157	15,228,962	14,407,122	13,539,845	12,624,523	11,658,396	10,717,008	9,750,396	9,342,104
Employee benefit provisions	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062
Other provisions	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	19,016,915	21,288,847	20,725,607	20,151,741	19,541,787	18,893,334	18,203,122	17,547,280	16,875,722	16,771,542
TOTAL LIABILITIES	28,249,248	30,691,276	30,169,232	29,616,012	29,051,495	28,451,086	27,811,680	27,131,099	26,484,765	25,822,264
Net Assets	307,892,302	312,629,269	316,702,204	326,671,372	335,229,660	339,369,462	343,957,822	349,031,895	354,732,417	361,034,899
EQUITY										
Retained Earnings	100,207,302	104,944,269	109,017,204	118,986,372	127,544,660	131,684,462	136,272,822	141,346,895	147,047,417	153,349,899
Revaluation Reserves	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	307,892,302	312,629,269	316,702,204	326,671,372	335,229,660	339,369,462	343,957,822	349,031,895	354,732,417	361,034,899
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	307,892,302	312,629,269	316,702,204	326,671,372	335,229,660	339,369,462	343,957,822	349,031,895	354,732,417	361,034,899

7.6 General Fund – 10 Year Capital Works Program – Scenario 2 – Modest Progress

General Fund Capital Program - Budget & LTFP

Capital Program	New/Upgrade or Renewal	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Drainage and Flood Management		432,621	321,304	291,069	302,224	314,930	329,135	329,135	329,135	402,017	402,017
Drainage AMP New & Upgrade - General Rural Stormwater	New/Upgrade	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	65,239	65,239
Drainage AMP New & Upgrade - General Urban	New/Upgrade	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	65,239	65,239
Drainage AMP Renewal Demand - Annual	Renewal	82,621	91,304	101,069	112,224	124,930	139,135	139,135	139,135	181,540	181,540
Stormwater Management Service Charge (SMSC) Projects	Renewal	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Flood Risk Management	New/Upgrade	160,000	40,000								
Land & Buildings		3,492,292	4,752,073	3,024,645	5,933,674	6,617,625	1,805,361	1,849,258	1,900,000	1,946,714	1,990,079
Eventide Homes - Renewals	Renewal	10,000	10,000	10,000							
Eventide Homes - Yanco Social Housing Expansion Project	New/Upgrade			300,000	2,750,000	2,250,000					
Brobenah Road Affordable Housing	New/Upgrade	2,661,081	3,165,270								
Commercial building renewals (49 Buildings)	Renewal	86,958	133,720	203,903							
Community building renewals (57 buildings - including LMAG, Library, Roxy excluding Whitton Museum)	Renewal	162,000	166,468	253,838							
Operational building renewals (120 Buildings - including VIC)	Renewal	324,000	327,478	449,353							
Public amenity renewals (other than conveniences) (61 Buildings)	Renewal	58,254	116,468	203,838							
Public Conveniences renewals	Renewal	50,000	50,000	50,000							
Council Owned House Renewals	Renewal	10,000	10,000	10,000							
Library Renewals	Renewal			50,000							
Whitton Museum Renewals (including Courthouse)	Renewal	100,000									
Sports Precinct - Necessary Optimization Works Only	New/Upgrade		569,250	1,290,300	1,518,000	2,622,450					
Buildings & Facilities AMP Renewal Demand - Annual	Renewal				1,462,261	1,541,762	1,601,948	1,645,845	1,696,587	1,743,301	1,786,666
Buildings & Facilities AMP Renewal Demand - Catch-up	Renewal		203,418	203,413	203,413	203,413	203,413	203,413	203,413	203,413	203,413
Office Equipment & IT Systems		425,000	355,000	415,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000
Corporate Information Systems Annual Allocation (Business Systems Improvements)	Renewal	160,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Network and Server Infrastructure	New/Upgrade	180,000	110,000	170,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
AI Drowning Tool - Leeton Pool	New/Upgrade	50,000									
Annual Computer Fleet Replacements	New/Upgrade	35,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Other Structures		1,210,000	690,000	280,000	2,610,000	200,000	110,000	50,000	110,000	50,000	50,000
Minor Renewals of the Whitton Pool	Renewal	10,000	10,000	10,000							
Town Entrance Signs Renewals	Renewal			20,000							
Cemetery Capital Works - Cemetery Expansion	New/Upgrade	630,000	630,000		60,000		60,000		60,000		
Playgrounds	New/Upgrade	200,000	50,000	50,000	50,000	200,000	50,000	50,000	50,000	50,000	50,000
New Off Leash Dog Park	New/Upgrade	100,000									
Flood Lights (LED) - Ovals	New/Upgrade	270,000									
Whitton Pool - Detailed Design	Renewal			200,000							
Whitton Pool - Renewal	Renewal				2,500,000						

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General Fund Capital Program - Budget & LTFP											
Capital Program	New/Upgrade or Renewal	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Plant & Equipment		1,088,000	1,453,140	1,271,000	1,945,860	1,308,660	2,038,110	2,341,920	1,869,600	1,046,730	1,869,600
Plant & Vehicle Replacement	Renewal	1,088,000	1,453,140	1,271,000	1,945,860	1,308,660	2,038,110	2,341,920	1,869,600	1,046,730	1,869,600
Roads, Bridges & Footpaths		3,825,142	3,910,775	3,910,775	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241
Bridge Renewals	Renewal	100,000	100,000	100,000							
Roads to Recovery Program	Renewal	1,247,142	1,312,781	1,312,781							
Annual Reseal Program- Sealed Rural and Urban Road	Renewal	725,000	725,000	725,000							
Sealed Road Rehabilitation Program	Renewal	703,000	703,000	703,000							
Sealed Roads Heavy Patching	Renewal	60,000	60,000	60,000							
Gravel Road Resheeting	Renewal	350,000	350,000	350,000							
Regional Road - MR539	Renewal	170,000	170,000	170,000							
Footpath - Renewals	Renewal	100,000	100,000	100,000							
Footpaths - New	New/Upgrade	100,000	100,000	100,000							
Kerb & Gutter - Renewals	Renewal	80,000	80,000	80,000							
Shoulder Widening Program	Renewal	150,000	150,000	150,000							
Bus Shelter Upgrades	New/Upgrade	20,000	20,000	20,000							
Traffic Facilities	New/Upgrade	20,000	20,000	20,000							
TransportAMP New & Upgrade	New/Upgrade				140,000	140,000	140,000	140,000	140,000	140,000	140,000
TransportAMP Renewal Demand - Annual	Renewal				3,490,247	3,490,247	3,490,247	3,490,247	3,490,247	3,490,247	3,490,247
TransportAMP Renewal Demand - Catchup	Renewal		19,994	19,994	19,994	19,994	19,994	19,994	19,994	19,994	19,994
Waste		1,193,663		650,000		1,000,000		650,000			
Leeton Landfill	New/Upgrade	180,000		650,000		1,000,000		650,000			
Public Litter Bin Replacement (CBD)	Renewal	96,000									
Yanco Landfill Remediation	New/Upgrade	917,663									
Grand Total		11,666,718	11,482,292	9,842,489	14,796,999	13,446,456	8,287,847	9,225,554	8,213,976	7,450,702	8,316,937
Indexation Compounded			4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
As per LTFP Cashflow		11,666,719	12,603,832	11,495,127	17,450,634	16,179,569	10,312,537	11,650,437	10,807,882	10,005,414	11,253,463

Assumptions

1. Renewal Demand Annual and Backlog works are based on the Asset Management Plan and represent what should be spent to renew Council's ageing assets.
2. Council will develop a detailed Capital program to identify works required to meet the asset management plan requirements for the term of the Delivery Program.
3. The Capital Program is shown in present \$ values - the indexation line represents the compounded impact of CPI across the LTFP
4. New and upgrades of assets incur additional depreciation, while renewing the assets does not as these assets are already being depreciated - life extended only

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7.7 General Fund – Scenario 3 – Bold Progress

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - GENERAL FUND										
Scenario: 3 - Bold Progress	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	11,987,387	14,698,394	17,146,592	17,867,450	18,540,145	19,211,248	19,861,693	20,554,026	21,237,674	21,888,931
User Charges & Fees	6,628,152	6,976,724	7,367,658	7,692,249	7,997,295	8,300,194	8,597,827	8,914,732	9,229,055	9,530,465
Other Revenues	871,826	947,772	1,000,942	1,045,083	1,086,573	1,129,058	1,169,591	1,515,027	1,568,508	1,619,798
Grants & Contributions provided for Operating Purposes	9,804,520	9,984,828	10,652,145	11,090,354	11,413,810	11,842,666	12,256,777	12,679,097	13,092,142	13,496,471
Grants & Contributions provided for Capital Purposes	3,247,801	4,268,984	1,862,204	7,350,432	5,297,693	1,085,875	1,108,767	491,841	506,154	519,790
Interest & Investment Revenue	986,459	869,216	1,051,721	1,001,476	920,443	934,641	956,246	968,338	1,109,098	1,243,129
Other Income:										
Net Gains from the Disposal of Assets	-	528,557	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	562,248	815,119	842,752	872,164	901,207	928,874
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	33,833,948	38,596,958	39,573,913	46,485,939	45,885,678	43,377,528	44,849,489	46,038,599	47,666,817	49,243,172
Expenses from Continuing Operations										
Employee Benefits & On-Costs	14,568,854	15,303,125	16,074,402	16,884,552	17,651,110	18,452,471	19,197,951	19,973,548	20,780,479	21,516,108
Borrowing Costs	617,185	789,357	918,772	877,574	834,179	788,741	740,525	689,891	637,298	586,296
Materials & Contracts	10,286,850	9,762,820	10,145,680	10,502,156	10,686,093	11,063,289	11,409,671	11,750,430	12,078,506	12,371,340
Depreciation & Amortisation	7,324,584	7,129,826	7,111,207	7,111,633	7,188,480	7,319,184	7,295,617	7,279,291	7,140,746	7,079,311
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	33,545,269	33,601,781	34,883,246	36,022,974	37,019,901	38,296,968	39,329,621	40,392,376	41,349,440	42,278,058
Operating Result from Continuing Operations	288,679	4,995,177	4,690,668	10,462,964	8,865,777	5,080,559	5,519,868	5,646,223	6,317,378	6,965,114
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	288,679	4,995,177	4,690,668	10,462,964	8,865,777	5,080,559	5,519,868	5,646,223	6,317,378	6,965,114
Net Operating Result before Grants and Contributions provided for Capital Purposes	(2,959,122)	726,193	2,828,464	3,112,533	3,568,084	3,994,685	4,411,100	5,154,383	5,811,223	6,445,325

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: 3 - Bold Progress										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	11,987,387	14,698,394	17,146,592	17,867,450	18,540,145	19,211,248	19,861,693	20,554,026	21,237,674	21,888,931
User Charges & Fees	6,628,152	6,976,724	7,367,658	7,692,249	7,997,295	8,300,194	8,597,827	8,914,732	9,229,055	9,530,465
Investment & Interest Revenue Received	986,459	869,216	1,051,721	1,001,476	920,443	934,641	956,246	968,338	1,109,098	1,243,129
Grants & Contributions	13,052,321	14,253,811	12,514,348	18,440,786	16,711,503	12,928,540	13,365,544	13,170,937	13,598,296	14,016,261
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	1,179,629	1,270,256	1,340,550	1,398,989	1,648,821	1,944,177	2,012,343	2,387,191	2,469,715	2,548,672
Payments:										
Employee Benefits & On-Costs	(14,568,854)	(15,303,125)	(16,074,402)	(16,884,552)	(17,651,110)	(18,452,471)	(19,197,951)	(19,973,548)	(20,780,479)	(21,516,108)
Materials & Contracts	(10,286,850)	(9,762,820)	(10,145,680)	(10,502,156)	(10,686,093)	(11,063,289)	(11,409,671)	(11,750,430)	(12,078,506)	(12,371,340)
Borrowing Costs	(617,185)	(789,357)	(918,772)	(877,574)	(834,179)	(788,741)	(740,525)	(689,891)	(637,298)	(586,296)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)
Net Cash provided (or used in) Operating Activities	7,974,311	11,822,404	11,886,787	17,737,582	16,244,107	12,607,886	13,035,565	13,167,686	13,730,198	14,332,823
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(11,666,719)	(13,135,107)	(12,060,395)	(17,971,900)	(16,179,569)	(11,556,833)	(12,913,281)	(10,807,882)	(10,005,414)	(11,253,463)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(10,443,100)	(10,932,501)	(9,879,666)	(16,614,398)	(14,986,746)	(10,313,027)	(11,720,210)	(9,276,721)	(9,022,309)	(10,820,999)

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: 3 - Bold Progress	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	4,080,000	2,805,972	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(608,788)	(589,902)	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	3,471,212	2,216,070	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,002,423	3,105,973	1,247,123	321,990	435,521	1,427,582	400,034	2,924,838	3,766,501	2,545,213
plus: Cash & Cash Equivalents - beginning of year	1,254,500	2,256,923	5,362,896	6,610,019	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	15,886,484
Cash & Cash Equivalents - end of the year	2,256,923	5,362,896	6,610,019	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	15,886,484	18,431,697
Cash & Cash Equivalents - end of the year	2,256,923	5,362,896	6,610,019	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	15,886,484	18,431,697
Investments - end of the year	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000	11,773,000
Cash, Cash Equivalents & Investments - end of the year	14,029,923	17,135,896	18,383,019	18,705,009	19,140,529	20,568,111	20,968,145	23,892,983	27,659,484	30,204,697
Representing:										
- External Restrictions	7,754,602	9,784,519	9,951,417	10,709,318	10,675,797	12,252,306	13,149,359	14,852,422	16,703,634	18,626,775
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	57,918	386,793	848,631	421,660	120,552	104,530	387,954	1,377,349	2,583,930	3,192,933
	14,029,923	17,135,896	18,383,019	18,705,009	19,140,529	20,568,111	20,968,145	23,892,983	27,659,484	30,204,697

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Leeton Shire Council														
10 Year Financial Plan for the Years ending 30 June 2036														
BALANCE SHEET - GENERAL FUND					Projected Years									
Scenario: 3 - Bold Progress					2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS														
Current Assets														
Cash & Cash Equivalents	2,256,923	5,362,896	6,610,019	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	15,886,484	18,431,697				
Investments	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823	9,088,823				
Receivables	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,971,239	5,969,464	5,978,000				
Inventories	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412				
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-				
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000				
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-				
Total Current Assets	19,577,687	21,771,710	22,106,883	22,246,483	22,682,004	24,109,586	24,509,619	27,434,458	31,199,184	33,752,932				
Non-Current Assets														
Investments	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177	2,684,177				
Receivables	196,141	174,902	153,662	132,423	111,183	89,944	68,704	47,465	28,000	-				
Inventories	-	-	-	-	-	-	-	-	-	-				
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-				
Infrastructure, Property, Plant & Equipment	303,906,545	309,170,966	313,025,658	322,817,041	330,704,019	333,777,827	338,279,495	340,341,538	342,267,320	346,044,186				
Investment Property	-	-	-	-	-	-	-	-	-	-				
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000				
Right of use assets	-	-	-	-	-	-	-	-	-	-				
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-				
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-				
Other	-	-	-	-	-	-	-	-	-	-				
Total Non-Current Assets	316,563,863	321,807,044	325,640,497	335,410,641	343,276,379	346,328,948	350,809,376	352,850,179	354,756,497	358,505,362				
TOTAL ASSETS	336,141,550	343,578,755	347,747,379	357,657,124	365,958,383	370,438,534	375,318,995	380,284,637	385,955,680	392,258,295				
LIABILITIES														
Current Liabilities														
Bank Overdraft	-	-	-	-	-	-	-	-	-	-				
Payables	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000	5,010,000				
Income received in advance	-	-	-	-	-	-	-	-	-	-				
Contract liabilities	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493				
Lease liabilities	-	-	-	-	-	-	-	-	-	-				
Borrowings	589,902	759,998	801,194	821,840	867,277	915,322	966,127	941,389	966,612	408,292				
Employee benefit provisions	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938				
Other provisions	-	-	-	-	-	-	-	-	-	-				
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-				
Total Current Liabilities	9,232,333	9,402,429	9,443,625	9,464,271	9,509,708	9,557,753	9,608,557	9,583,819	9,609,043	9,050,723				
Non-Current Liabilities														
Payables	-	-	-	-	-	-	-	-	-	-				
Income received in advance	-	-	-	-	-	-	-	-	-	-				
Contract liabilities	-	-	-	-	-	-	-	-	-	-				
Lease liabilities	-	-	-	-	-	-	-	-	-	-				
Borrowings	13,984,183	16,030,157	15,228,962	14,407,122	13,539,845	12,624,523	11,658,396	10,717,008	9,750,396	9,342,104				
Employee benefit provisions	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062				
Other provisions	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376				
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-				
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-				
Total Non-Current Liabilities	19,016,915	21,288,847	20,725,607	20,151,741	19,541,787	18,893,334	18,203,122	17,547,280	16,875,722	16,771,542				
TOTAL LIABILITIES	28,249,248	30,691,276	30,169,232	29,616,012	29,051,495	28,451,086	27,811,680	27,131,099	26,484,765	25,822,264				
Net Assets	307,892,302	312,887,479	317,578,147	328,041,111	336,906,888	341,987,448	347,507,315	353,153,538	359,470,916	366,436,030				
EQUITY														
Retained Earnings	100,207,302	105,202,479	109,893,147	120,356,111	129,221,888	134,302,448	139,822,315	145,468,538	151,785,916	158,751,030				
Revaluation Reserves	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000	207,685,000				
Other Reserves	-	-	-	-	-	-	-	-	-	-				
Council Equity Interest	307,892,302	312,887,479	317,578,147	328,041,111	336,906,888	341,987,448	347,507,315	353,153,538	359,470,916	366,436,030				
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-				
Total Equity	307,892,302	312,887,479	317,578,147	328,041,111	336,906,888	341,987,448	347,507,315	353,153,538	359,470,916	366,436,030				

7.8 General Fund – 10 Year Capital Works Program – Scenario 3 – Bold Progress

General Fund Capital Program - Budget & LTFP

Capital Program	New/Upgrade or Renewal	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Drainage and Flood Management		432,621	321,304	291,069	302,224	314,930	329,135	329,135	329,135	402,017	402,017
Drainage AMP New & Upgrade - General Rural Stormwater	New/Upgrade	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	65,239	65,239
Drainage AMP New & Upgrade - General Urban	New/Upgrade	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	65,239	65,239
Drainage AMP Renewal Demand - Annual	Renewal	82,621	91,304	101,069	112,224	124,930	139,135	139,135	139,135	181,540	181,540
Stormwater Management Service Charge (SMSC) Projects	Renewal	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Flood Risk Management	New/Upgrade	160,000	40,000								
Land & Buildings		3,492,292	5,236,073	3,508,645	6,375,674	6,617,625	2,805,361	2,849,258	1,900,000	1,946,714	1,990,079
Eventide Homes - Renewals	Renewal	10,000	10,000	10,000							
Eventide Homes - Yanco Social Housing Expansion Project	New/Upgrade			300,000	2,750,000	2,250,000					
Gogelderie Weir Cabins (Planning & Construction)	New/Upgrade				200,000		1,000,000	1,000,000			
Brobenah Road Affordable Housing	New/Upgrade	2,661,081	3,165,270								
Commercial building renewals (49 Buildings)	Renewal	86,958	133,720	203,903							
Community building renewals (57 Buildings - including LMAG, Library, Roxy and excluding Whitton Museum)	Renewal	162,000	166,468	253,838							
Operational building renewals (120 Buildings - including VIC)	Renewal	324,000	327,478	449,353							
Public amenity renewals (other than conveniences) (61 Buildings)	Renewal	58,254	116,468	203,838							
Public Conveniences renewals	Renewal	50,000	50,000	50,000							
Council Owned House Renewals	Renewal	10,000	10,000	10,000							
Library Renewals	Renewal			50,000							
Whitton Museum Renewals (including Courthouse)	Renewal	100,000	484,000	484,000	242,000						
Sports Precinct - Necessary Optimization Works Only	New/Upgrade		569,250	1,290,300	1,518,000	2,622,450					
Buildings & Facilities AMP Renewal Demand - Annual	Renewal				1,462,261	1,541,762	1,601,948	1,645,845	1,696,587	1,743,301	1,786,666
Buildings & Facilities AMP Renewal Demand - Catch-up	Renewal		203,418	203,413	203,413	203,413	203,413	203,413	203,413	203,413	203,413
Office Equipment & IT Systems		425,000	355,000	415,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000
Corporate Information Systems Annual Allocation (Business Systems Improvements)	Renewal	160,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Network and Server Infrastructure	New/Upgrade	180,000	110,000	170,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
AI Drowning Tool - Leeton Pool	New/Upgrade	50,000									
Annual Computer Fleet Replacements	New/Upgrade	35,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Other Structures		1,210,000	690,000	280,000	2,610,000	200,000	110,000	50,000	110,000	50,000	50,000
Minor Renewals of the Whitton Pool	Renewal	10,000	10,000	10,000							
Town Entrance Signs Renewals	Renewal			20,000							
Cemetery Capital Works - Cemetery Expansion	New/Upgrade	630,000	630,000		60,000		60,000		60,000		
Playgrounds	New/Upgrade	200,000	50,000	50,000	50,000	200,000	50,000	50,000	50,000	50,000	50,000
New Off Leash Dog Park	New/Upgrade	100,000									
Flood Lights (LED) - Ovals	New/Upgrade	270,000									
Whitton Pool - Detailed Design	Renewal			200,000							
Whitton Pool - Renewal	Renewal				2,500,000						

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General Fund Capital Program - Budget & LTFP

Capital Program	New/Upgrade or Renewal	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Plant & Equipment		1,088,000	1,453,140	1,271,000	1,945,860	1,308,660	2,038,110	2,341,920	1,869,600	1,046,730	1,869,600
Plant & Vehicle Replacement	Renewal	1,088,000	1,453,140	1,271,000	1,945,860	1,308,660	2,038,110	2,341,920	1,869,600	1,046,730	1,869,600
Roads, Bridges & Footpaths		3,825,142	3,910,775	3,910,775	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241	3,650,241
Bridge Renewals	Renewal	100,000	100,000	100,000							
Roads to Recovery Program	Renewal	1,247,142	1,312,781	1,312,781							
Annual Reseal Program- Sealed Rural and Urban Road	Renewal	725,000	725,000	725,000							
Sealed Road Rehabilitation Program	Renewal	703,000	703,000	703,000							
Sealed Roads Heavy Patching	Renewal	60,000	60,000	60,000							
Gravel Road Resheeting	Renewal	350,000	350,000	350,000							
Regional Road - MR539	Renewal	170,000	170,000	170,000							
Footpath - Renewals	Renewal	100,000	100,000	100,000							
Footpaths - New	New/Upgrade	100,000	100,000	100,000							
Kerb & Gutter - Renewals	Renewal	80,000	80,000	80,000							
Shoulder Widening Program	Renewal	150,000	150,000	150,000							
Bus Shelter Upgrades	New/Upgrade	20,000	20,000	20,000							
Traffic Facilities	New/Upgrade	20,000	20,000	20,000							
Transport AMP New & Upgrade	New/Upgrade				140,000	140,000	140,000	140,000	140,000	140,000	140,000
Transport AMP Renewal Demand - Annual	Renewal				3,490,247	3,490,247	3,490,247	3,490,247	3,490,247	3,490,247	3,490,247
Transport AMP Renewal Demand - Catchup	Renewal		19,994	19,994	19,994	19,994	19,994	19,994	19,994	19,994	19,994
Waste		1,193,663		650,000		1,000,000		650,000			
Leeton Landfill	New/Upgrade	180,000		650,000		1,000,000		650,000			
Public Litter Bin Replacement (CBD)	Renewal	96,000									
Yanco Landfill Remediation	New/Upgrade	917,663									
Grand Total		11,666,718	11,966,292	10,326,489	15,238,999	13,446,456	9,287,847	10,225,554	8,213,976	7,450,702	8,316,937
Indexation Compounded			4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
As per LTFP Cashflow		11,666,719	13,135,107	12,060,395	17,971,900	16,179,569	11,556,833	12,913,281	10,807,882	10,005,414	11,253,463

Assumptions

1. Renewal Demand Annual and Backlog works are based on the Asset Management Plan and represent what should be spent to renew Council's ageing assets.
2. Council will develop a detailed Capital program to identify works required to meet the asset management plan requirements for the term of the Delivery Program.
3. The Capital Program is shown in present \$ values - the indexation line represents the compounded impact of CPI across the LTFP
4. New and upgrades of assets incur additional depreciation, while renewing the assets does not as these assets are already being depreciated - life extended only

8. Sewerage Fund

8.1 Sewer Fund - Base Case

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - SEWER FUND										
Scenario: Base Case										
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	3,728,010	3,989,478	4,269,144	4,568,684	4,889,337	5,232,483	5,599,773	5,992,779	6,413,379	6,863,538
User Charges & Fees	97,130	103,929	111,204	118,988	127,317	136,230	145,766	155,969	166,887	178,569
Other Revenues	7,087	7,426	7,820	8,149	8,456	8,770	9,067	9,384	9,696	9,994
Grants & Contributions provided for Operating Purposes	58,876	-	-	-	-	-	-	-	-	-
Grants & Contributions provided for Capital Purposes	89,982	94,274	99,280	103,460	107,360	111,343	115,118	119,136	123,103	126,882
Interest & Investment Revenue	343,465	438,584	420,732	346,749	283,324	235,364	195,951	181,521	191,120	209,348
Other Income:										
Net Gains from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	4,324,550	4,633,691	4,908,180	5,146,031	5,415,794	5,724,190	6,065,675	6,458,789	6,904,184	7,388,332
Expenses from Continuing Operations										
Employee Benefits & On-Costs	959,493	1,037,787	1,122,471	1,214,064	1,307,061	1,407,182	1,507,937	1,615,905	1,731,604	1,846,929
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	2,091,856	2,193,084	2,296,911	2,387,555	2,471,798	2,557,013	2,638,624	2,724,079	2,808,828	2,891,281
Depreciation & Amortisation	1,243,449	1,293,005	1,293,220	1,293,220	1,293,220	1,293,220	1,293,220	1,293,220	1,308,222	1,324,653
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	4,294,797	4,523,876	4,712,601	4,894,839	5,072,079	5,257,415	5,439,780	5,633,203	5,848,654	6,062,862
Operating Result from Continuing Operations	29,753	109,815	195,579	251,191	343,715	466,776	625,895	825,585	1,055,531	1,325,469
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	29,753	109,815	195,579	251,191	343,715	466,776	625,895	825,585	1,055,531	1,325,469
Net Operating Result before Grants and Contributions provided for Capital Purposes	(60,229)	15,541	96,298	147,731	236,355	355,432	510,777	706,449	932,428	1,198,587

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - SEWER FUND										
Scenario: Base Case										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	3,728,010	3,989,478	4,269,144	4,568,684	4,889,337	5,232,483	5,599,773	5,992,779	6,413,379	6,863,538
User Charges & Fees	97,130	103,929	111,204	118,988	127,317	136,230	145,766	155,969	166,887	178,569
Investment & Interest Revenue Received	343,465	438,584	420,732	346,749	283,324	235,364	195,951	181,521	191,120	209,348
Grants & Contributions	148,858	94,274	99,280	103,460	107,360	111,343	115,118	119,136	123,103	126,882
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	7,087	7,426	7,820	8,149	8,456	8,770	9,067	9,384	9,696	9,994
Payments:										
Employee Benefits & On-Costs	(959,493)	(1,037,787)	(1,122,471)	(1,214,064)	(1,307,061)	(1,407,182)	(1,507,937)	(1,615,905)	(1,731,604)	(1,846,929)
Materials & Contracts	(2,091,856)	(2,193,084)	(2,296,911)	(2,387,555)	(2,471,798)	(2,557,013)	(2,638,624)	(2,724,079)	(2,808,828)	(2,891,281)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Operating Activities	1,273,202	1,402,820	1,488,798	1,544,411	1,636,935	1,759,996	1,919,115	2,118,805	2,363,753	2,650,122
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	75,503	1,079,964	1,058,538	120,584	6,413	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(2,200,000)	(1,786,141)	(1,844,701)	(2,890,229)	(2,716,899)	(2,818,534)	(2,039,699)	(2,125,218)	(2,168,974)	(2,185,441)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(2,200,000)	(1,786,141)	(1,844,701)	(2,814,726)	(1,636,935)	(1,759,996)	(1,919,115)	(2,118,805)	(2,168,974)	(2,185,441)

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - SEWER FUND										
Scenario: Base Case	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(926,798)	(383,321)	(355,903)	(1,270,315)	(0)	(0)	0	0	194,779	464,681
plus: Cash & Cash Equivalents - beginning of year	2,936,337	2,009,539	1,626,218	1,270,315	-	(0)	(0)	0	0	194,779
Cash & Cash Equivalents - end of the year	2,009,539	1,626,218	1,270,315	-	(0)	(0)	0	0	194,779	659,460
Cash & Cash Equivalents - end of the year	2,009,539	1,626,218	1,270,315	-	(0)	(0)	0	0	194,779	659,460
Investments - end of the year	6,671,000	6,671,000	6,671,000	6,595,497	5,515,533	4,456,995	4,336,411	4,329,998	4,329,998	4,329,998
Cash, Cash Equivalents & Investments - end of the year	8,680,539	8,297,218	7,941,315	6,595,497	5,515,533	4,456,995	4,336,411	4,329,998	4,524,777	4,989,458
Representing:										
- External Restrictions	8,680,539	8,297,218	7,941,315	6,595,497	5,515,533	4,456,995	4,336,411	4,329,998	4,524,777	4,989,458
- Internal Restrictions	-	-	-	-	-	-	-	-	-	-
- Unrestricted	-	0	0	0	0	0	0	0	0	0
	8,680,539	8,297,218	7,941,315	6,595,497	5,515,533	4,456,995	4,336,411	4,329,998	4,524,777	4,989,458

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
BALANCE SHEET - SEWER FUND										
Scenario: Base Case										
	2026/27	2027/28	2028/29	2029/30	Projected Years		2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	2,009,539	1,626,218	1,270,315	-	-	-	-	-	194,779	659,460
Investments	5,003,250	5,003,250	5,003,250	4,946,623	4,136,650	3,342,746	3,252,308	3,247,498	3,247,498	3,247,498
Receivables	368,000	368,000	368,000	368,000	368,000	368,000	368,000	368,000	368,000	370,000
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	7,380,789	6,997,468	6,641,565	5,314,623	4,504,650	3,710,746	3,620,308	3,615,498	3,810,277	4,276,958
Non-Current Assets										
Investments	1,667,750	1,667,750	1,667,750	1,648,874	1,378,883	1,114,249	1,084,103	1,082,499	1,082,499	1,082,499
Receivables	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	49,102,993	49,596,129	50,147,610	51,744,619	53,168,298	54,693,613	55,440,092	56,272,090	57,132,842	57,993,630
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	50,772,743	51,265,879	51,817,360	53,395,494	54,549,182	55,809,861	56,526,194	57,356,589	58,217,341	59,076,129
TOTAL ASSETS	58,153,532	58,263,347	58,458,926	58,710,117	59,053,832	59,520,608	60,146,503	60,972,088	62,027,618	63,353,088
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provisions	-	-	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provisions	-	-	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Net Assets	58,138,532	58,248,347	58,443,926	58,695,117	59,038,832	59,505,608	60,131,503	60,957,088	62,012,618	63,338,088
EQUITY										
Retained Earnings	23,454,532	23,564,347	23,759,926	24,011,117	24,354,832	24,821,608	25,447,503	26,273,088	27,328,618	28,654,088
Revaluation Reserves	34,684,000	34,684,000	34,684,000	34,684,000	34,684,000	34,684,000	34,684,000	34,684,000	34,684,000	34,684,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	58,138,532	58,248,347	58,443,926	58,695,117	59,038,832	59,505,608	60,131,503	60,957,088	62,012,618	63,338,088
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	58,138,532	58,248,347	58,443,926	58,695,117	59,038,832	59,505,608	60,131,503	60,957,088	62,012,618	63,338,088

8.2 Sewer Fund - 10 Year Capital Works Program

Sewer Fund Capital Program - Budget & LTFP										
Capital Program	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Sewerage mains, manholes and vents		190,000	190,000	190,000						
Sewer Pump Station - Overhauls (including Safety and Emergency)	250,000	250,000	250,000							
Sewer Pump Stations	310,000	150,000	150,000							
Sewer Treatment Plants - Sedimentation tank automation	40,000									
Sewer Treatment Plant - Upgrade and recoat inlet (including gantries and walkways)		600,000	600,000							
Sewer Treatment Plant - Leeton Septic Tank Waste Receiving Facility	1,400,000									
Sewer Treatment Plant - Construct Additional Idea tank				650,000	650,000	650,000				
Pond Bank Rehabilitation - Whitton & Leeton	200,000	200,000								
Waste Water Telemetry Upgrades and automation project		437,204	389,491							
AMP Renewal Demand - Annual				810,726	807,951	815,163	815,163	815,163	815,163	815,163
AMP Renewal Demand - Backlog				800,000	800,000	800,000	800,000	800,000	800,000	800,000
Grand Total	2,200,000	1,827,204	1,579,491	2,450,726	2,257,951	2,265,163	1,615,163	1,615,163	1,615,163	1,615,163
Indexation		4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
As Per LTFP Cashflow	2,200,000	1,786,141	1,844,701	2,890,229	2,716,899	2,818,534	2,039,699	2,125,218	2,168,974	2,185,441

Assumptions

1. Renewal Demand Annual and Backlog works are based on the Asset Management Plan and represent what should be spent to renew Council's ageing assets.
2. Council will develop a detailed Capital program to identify works required to meet the asset management plan requirements for the term of the Delivery Program
3. The Capital Program is shown in present \$ values - the indexation line represents the compounded impact of CPI across the LTFP
4. New and upgrades of assets incur additional depreciation, while renewing the assets does not as these assets are already being depreciated - life extended only

9. Water Fund

9.1 Water Fund - Base Case

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - WATER FUND										
Scenario: Base Case	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	2,059,852	2,162,845	2,270,987	2,384,536	2,503,763	2,628,951	2,760,399	2,898,419	3,043,340	3,195,507
User Charges & Fees	4,110,769	4,316,307	4,532,122	4,758,729	4,996,665	5,246,498	5,508,823	5,784,264	6,073,478	6,377,151
Other Revenues	62,903	66,048	69,350	72,818	76,459	80,282	84,296	88,511	92,936	97,583
Grants & Contributions provided for Operating Purposes	54,813	-	-	-	-	-	-	-	-	-
Grants & Contributions provided for Capital Purposes	53,950	56,524	59,525	62,031	64,370	66,758	69,021	71,430	73,808	76,074
Interest & Investment Revenue	820,251	1,320,076	1,384,940	933,763	525,528	429,297	365,079	315,839	293,637	276,975
Other Income:										
Net Gains from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	7,162,538	7,921,800	8,316,925	8,211,877	8,166,785	8,451,786	8,787,618	9,158,463	9,577,199	10,023,291
Expenses from Continuing Operations										
Employee Benefits & On-Costs	1,131,257	1,223,568	1,323,411	1,431,401	1,541,047	1,659,091	1,777,882	1,905,178	2,041,589	2,177,558
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	2,998,748	3,123,495	3,241,135	3,352,798	3,460,034	3,568,559	3,676,037	3,786,752	3,898,449	4,010,972
Depreciation & Amortisation	1,833,653	1,849,259	1,860,090	1,860,948	1,985,576	1,986,487	1,987,424	1,988,390	1,833,653	2,199,183
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	5,963,658	6,196,321	6,424,635	6,645,147	6,986,656	7,214,137	7,441,343	7,680,321	7,773,691	8,387,714
Operating Result from Continuing Operations	1,198,880	1,725,479	1,892,290	1,566,730	1,180,129	1,237,649	1,346,275	1,478,142	1,803,508	1,635,577
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	1,198,880	1,725,479	1,892,290	1,566,730	1,180,129	1,237,649	1,346,275	1,478,142	1,803,508	1,635,577
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,144,930	1,668,955	1,832,765	1,504,699	1,115,759	1,170,892	1,277,254	1,406,712	1,729,700	1,559,503

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - WATER FUND	Projected Years									
Scenario: Base Case	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	2,059,852	2,162,845	2,270,987	2,384,536	2,503,763	2,628,951	2,760,399	2,898,419	3,043,340	3,195,507
User Charges & Fees	4,110,769	4,316,307	4,532,122	4,758,729	4,996,665	5,246,498	5,508,823	5,784,264	6,073,478	6,377,151
Investment & Interest Revenue Received	820,251	1,320,076	1,384,940	933,763	525,528	429,297	365,079	315,839	293,637	276,975
Grants & Contributions	108,763	56,524	59,525	62,031	64,370	66,758	69,021	71,430	73,808	76,074
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	62,903	66,048	69,350	72,818	76,459	80,282	84,296	88,511	92,936	97,583
Payments:										
Employee Benefits & On-Costs	(1,131,257)	(1,223,568)	(1,323,411)	(1,431,401)	(1,541,047)	(1,659,091)	(1,777,882)	(1,905,178)	(2,041,589)	(2,177,558)
Materials & Contracts	(2,998,748)	(3,123,495)	(3,241,135)	(3,352,798)	(3,460,034)	(3,568,559)	(3,676,037)	(3,786,752)	(3,898,449)	(4,010,972)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Operating Activities	3,032,533	3,574,738	3,752,380	3,427,678	3,165,705	3,224,136	3,333,699	3,466,532	3,637,161	3,834,761
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	1,023,359	1,998,772	1,944,390	712,168	748,966	665,130	500,195
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(1,450,000)	(1,591,629)	(2,685,840)	(19,022,952)	(5,164,477)	(5,168,526)	(4,045,867)	(4,215,499)	(4,302,291)	(4,334,955)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(1,450,000)	(1,591,629)	(2,685,840)	(17,999,593)	(3,165,705)	(3,224,136)	(3,333,699)	(3,466,532)	(3,637,161)	(3,834,761)

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Leeton Shire Council 10 Year Financial Plan for the Years ending 30 June 2036 CASH FLOW STATEMENT - WATER FUND										
Scenario: Base Case	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	1,582,533	1,983,108	1,066,539	(14,571,916)	(0)	(0)	(0)	-	-	0
plus: Cash & Cash Equivalents - beginning of year	9,939,735	11,522,268	13,505,376	14,571,916	-	(0)	(0)	(0)	(0)	(0)
Cash & Cash Equivalents - end of the year	11,522,268	13,505,376	14,571,916	-	(0)	(0)	(0)	(0)	(0)	(0)
Cash & Cash Equivalents - end of the year	11,522,268	13,505,376	14,571,916	-	(0)	(0)	(0)	(0)	(0)	(0)
Investments - end of the year	14,456,000	14,456,000	14,456,000	13,432,641	11,433,869	9,489,479	8,777,311	8,028,345	7,363,215	6,863,021
Cash, Cash Equivalents & Investments - end of the year	25,978,268	27,961,376	29,027,916	13,432,641	11,433,869	9,489,479	8,777,311	8,028,345	7,363,215	6,863,021
Representing:										
- External Restrictions	25,978,268	27,961,376	29,027,916	13,432,641	11,433,869	9,489,479	8,777,311	8,028,345	7,363,215	6,863,021
- Internal Restrictions	-	-	-	-	-	-	-	-	-	-
- Unrestricted	-	(0)	0	0	0	0	0	0	0	0
	25,978,268	27,961,376	29,027,916	13,432,641	11,433,869	9,489,479	8,777,311	8,028,345	7,363,215	6,863,021

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Leeton Shire Council 10 Year Financial Plan for the Years ending 30 June 2036 BALANCE SHEET - WATER FUND Scenario: Base Case										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
					2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	11,522,268	13,505,376	14,571,916	-	-	-	-	-	-	-
Investments	7,170,049	7,170,049	7,170,049	6,662,472	5,671,099	4,706,698	4,353,469	3,981,989	3,652,090	3,403,998
Receivables	971,000	971,000	971,000	971,000	971,000	971,000	971,000	971,000	971,000	978,000
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	19,663,317	21,646,426	22,712,965	7,633,472	6,642,099	5,677,698	5,324,469	4,952,989	4,623,090	4,381,998
Non-Current Assets										
Investments	7,285,951	7,285,951	7,285,951	6,770,169	5,762,770	4,782,781	4,423,842	4,046,356	3,711,125	3,459,023
Receivables	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	51,422,477	51,164,847	51,990,598	69,152,602	72,331,504	75,513,543	77,571,985	79,799,094	82,267,732	84,403,504
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	58,715,428	58,457,798	59,283,549	75,929,771	78,101,274	80,303,323	82,002,827	83,852,450	85,985,857	87,862,526
TOTAL ASSETS	78,378,745	80,104,224	81,996,514	83,563,244	84,743,372	85,981,022	87,327,297	88,805,439	90,608,947	92,244,524
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provisions	-	-	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provisions	-	-	-	-	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Net Assets	78,352,745	80,078,224	81,970,514	83,537,244	84,717,372	85,955,022	87,301,297	88,779,439	90,582,947	92,218,524
EQUITY										
Retained Earnings	32,139,745	33,865,224	35,757,514	37,324,244	38,504,372	39,742,022	41,088,297	42,566,439	44,369,947	46,005,524
Revaluation Reserves	46,213,000	46,213,000	46,213,000	46,213,000	46,213,000	46,213,000	46,213,000	46,213,000	46,213,000	46,213,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	78,352,745	80,078,224	81,970,514	83,537,244	84,717,372	85,955,022	87,301,297	88,779,439	90,582,947	92,218,524
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	78,352,745	80,078,224	81,970,514	83,537,244	84,717,372	85,955,022	87,301,297	88,779,439	90,582,947	92,218,524

9.2 Water Fund - 10 Year Capital Works Program

Water Fund Capital Program - Budget & LTFP										
Capital Program	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Water Treatment - Dams	100,000									
Water Treatment - Water Management - Water Meters	20,000	20,000	20,000							
Water Mains - General Water Mains	500,000	500,000	500,000							
WTP- Valve audit and repair		30,000								
WTP-Sedimentation Tank Launder Replacement	150,000									
Water Treatment - Leeton RWP - VSD and Switch Board Upgrade				208,411	250,000					
Water Treatment - Telemetry Upgrades	50,000	50,000	50,000							
Murrumbidgee Filtration Plant Upgrade		250,000								
Water Reservoir	80,000									
Water Main Replacements - Ring Main Extensions					937,803	950,000				
Soda Ash System Upgrade	550,000									
Water Telemetry Upgrades (AMP New/Upgrade)				50,000	50,000	50,000	50,000	50,000	50,000	50,000
AMP Renewal Demand - Annual				1,821,810	2,004,272	2,103,774	2,103,774	2,103,774	2,103,774	2,103,774
AMP Renewal Demand - Backlog				1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Water Treatment (AMP New & Upgrade)		600,000	1,729,701	13,000,000						
Grand Total	1,450,000	1,450,000	2,299,701	16,130,221	4,292,075	4,153,774	3,203,774	3,203,774	3,203,774	3,203,774
Indexation Compounded		4.77%	5.31%	4.21%	3.77%	3.71%	3.39%	3.49%	3.33%	3.07%
As Per LTFP Cashflow	1,450,000	1,591,629	2,685,840	19,022,952	5,164,477	5,168,526	4,045,867	4,215,499	4,302,291	4,334,955

Assumptions

1. Renewal Demand Annual and Backlog works are based on the Asset Management Plan and represent what should be spent to renew Council's ageing assets.
2. Council will develop a detailed Capital program to identify works required to meet the asset management plan requirements for the term of the Delivery Program
3. The Capital Program is shown in present \$ values - the indexation line represents the compounded impact of CPI across the LTFP
4. New and upgrades to assets incur additional depreciation, while renewing the assets does not as these assets are already being depreciated - life extended only

10. Consolidated

10.1 Consolidated – Base Case – Revised (all funds)

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - CONSOLIDATED										
Scenario: Base Case - Revised										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	17,775,249	18,710,359	19,763,721	20,732,510	21,690,961	22,688,853	23,689,424	24,754,601	25,847,571	26,952,358
User Charges & Fees	10,836,051	11,364,551	11,956,385	12,498,655	13,032,230	13,584,371	14,134,268	14,715,854	15,308,213	15,901,952
Other Revenues	941,817	986,886	1,039,085	1,083,378	1,125,117	1,167,845	1,208,728	1,252,185	1,295,361	1,336,923
Grants & Contributions provided for Operating Purposes	9,918,209	9,984,828	10,621,174	11,026,122	11,318,362	11,714,986	12,098,834	12,490,074	12,870,881	13,245,175
Grants & Contributions provided for Capital Purposes	3,391,733	3,685,505	608,161	3,273,851	801,575	641,828	661,484	682,406	703,065	722,746
Interest & Investment Revenue	2,150,175	2,359,704	2,384,040	1,646,316	1,038,714	908,868	820,962	715,086	710,289	724,682
Other Income:										
Net Gains from the Disposal of Assets	-	166,357	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	367,248	380,873	393,785	407,528	421,098	434,026
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	45,321,036	47,580,674	46,865,218	50,699,727	49,441,679	51,146,352	53,063,320	55,061,107	57,179,459	59,333,575
Expenses from Continuing Operations										
Employee Benefits & On-Costs	16,659,604	18,019,028	19,489,381	21,079,714	22,694,420	24,432,813	26,182,202	28,056,848	30,065,718	32,068,095
Borrowing Costs	613,936	559,881	617,247	562,484	504,715	444,047	379,864	311,959	248,849	217,496
Materials & Contracts	15,377,454	15,605,336	16,231,990	16,811,169	17,341,009	17,886,102	18,417,698	18,962,722	19,507,720	20,015,866
Depreciation & Amortisation	10,401,686	10,272,090	10,265,103	10,222,392	10,298,932	10,259,381	10,218,588	10,166,359	9,888,080	10,208,605
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	43,800,475	45,072,989	47,236,905	49,322,818	51,499,114	53,695,626	55,884,210	58,197,104	60,422,777	63,235,066
Operating Result from Continuing Operations	1,520,561	2,507,685	(371,688)	1,376,909	(2,057,435)	(2,549,274)	(2,820,890)	(3,135,997)	(3,243,318)	(3,901,491)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	1,520,561	2,507,685	(371,688)	1,376,909	(2,057,435)	(2,549,274)	(2,820,890)	(3,135,997)	(3,243,318)	(3,901,491)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,871,172)	(1,177,820)	(979,849)	(1,896,942)	(2,859,010)	(3,191,102)	(3,482,373)	(3,818,403)	(3,946,384)	(4,624,237)

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - CONSOLIDATED										
Scenario: Base Case - Revised										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	17,775,249	18,710,359	19,763,721	20,732,510	21,690,961	22,688,853	23,689,424	24,754,601	25,847,571	26,952,358
User Charges & Fees	10,836,051	11,364,551	11,956,385	12,498,655	13,032,230	13,584,371	14,134,268	14,715,854	15,308,213	15,901,952
Investment & Interest Revenue Received	2,150,175	2,359,704	2,384,040	1,646,316	1,038,714	908,868	820,962	715,086	710,289	724,682
Grants & Contributions	13,309,943	13,670,332	11,229,335	14,299,973	12,119,937	12,356,814	12,760,318	13,172,480	13,573,946	13,967,921
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	1,249,619	1,309,370	1,378,693	1,437,284	1,492,365	1,548,718	1,602,512	1,659,713	1,716,460	1,770,949
Payments:										
Employee Benefits & On-Costs	(16,659,604)	(18,019,028)	(19,489,381)	(21,079,714)	(22,694,420)	(24,432,813)	(26,182,202)	(28,056,848)	(30,065,718)	(32,068,095)
Materials & Contracts	(15,377,454)	(15,605,336)	(16,231,990)	(16,811,169)	(17,341,009)	(17,886,102)	(18,417,698)	(18,962,722)	(19,507,720)	(20,015,866)
Borrowing Costs	(613,936)	(559,881)	(617,247)	(562,484)	(504,715)	(444,047)	(379,864)	(311,959)	(248,849)	(217,496)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)
Net Cash provided (or used in) Operating Activities	12,283,295	12,839,375	9,978,327	11,762,286	8,431,347	7,918,249	7,617,779	7,272,534	6,916,835	6,595,513
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	1,564,899	1,268,417	3,707,583	6,330,962	3,078,737	3,002,928	832,752	755,379	665,130	500,195
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(15,316,719)	(15,686,053)	(14,168,343)	(34,330,409)	(18,198,126)	(18,299,597)	(17,736,003)	(17,148,599)	(16,476,679)	(17,773,859)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(12,528,200)	(12,215,030)	(8,280,031)	(26,641,944)	(13,926,567)	(14,052,862)	(15,710,180)	(14,862,058)	(14,828,443)	(16,841,200)

LEETON SHIRE COUNCIL
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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - CONSOLIDATED										
Scenario: Base Case - Revised	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	480,000	1,805,972	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(833,859)	(830,531)	(987,660)	(1,042,421)	(1,077,441)	(1,138,108)	(1,202,291)	(1,270,196)	(736,883)	(569,213)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(353,859)	975,441	(987,660)	(1,042,421)	(1,077,441)	(1,138,108)	(1,202,291)	(1,270,196)	(736,883)	(569,213)
Net Increase/(Decrease) in Cash & Cash Equivalents	(598,764)	1,599,787	710,637	(15,922,080)	(6,572,662)	(7,272,721)	(9,294,692)	(8,859,719)	(8,648,491)	(10,814,901)
plus: Cash & Cash Equivalents - beginning of year	14,130,571	13,531,807	15,131,594	15,842,231	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,728,134)
Cash & Cash Equivalents - end of the year	13,531,807	15,131,594	15,842,231	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,728,134)	(51,543,035)
Cash & Cash Equivalents - end of the year	13,531,807	15,131,594	15,842,231	(79,849)	(6,652,510)	(13,925,232)	(23,219,923)	(32,079,643)	(40,728,134)	(51,543,035)
Investments - end of the year	31,335,101	30,066,684	26,359,101	20,028,139	16,949,402	13,946,474	13,113,722	12,358,343	11,693,213	11,193,018
Cash, Cash Equivalents & Investments - end of the year	44,866,908	45,198,278	42,201,332	19,948,290	10,296,892	21,242	(10,106,201)	(19,721,300)	(29,034,921)	(40,350,017)
Representing:										
- External Restrictions	42,413,409	46,154,034	47,350,299	31,537,319	28,750,577	27,192,515	27,082,637	27,806,584	28,914,371	30,476,314
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	(3,763,904)	(7,920,340)	(12,731,938)	(19,163,059)	(26,797,866)	(35,382,548)	(44,619,670)	(55,191,095)	(66,321,212)	(79,211,320)
	44,866,908	45,198,278	42,201,332	19,948,290	10,296,892	21,242	(10,106,201)	(19,721,300)	(29,034,921)	(40,350,017)

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council 10 Year Financial Plan for the Years ending 30 June 2036										
BALANCE SHEET - CONSOLIDATED										
Scenario: Base Case - Revised										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
					2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	13,531,807	15,131,594	15,842,231	-	-	-	-	-	-	-
Investments	20,054,011	19,074,786	16,212,511	11,609,095	9,807,749	8,049,445	7,605,778	7,229,487	6,899,589	6,651,496
Receivables	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,308,464	7,326,000
Inventories	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	43,156,760	42,865,372	39,801,784	19,173,747	17,372,400	15,614,096	15,170,429	14,794,138	14,462,465	14,231,909
Non-Current Assets										
Investments	11,281,089	10,991,898	10,146,590	8,419,043	7,141,653	5,897,030	5,507,945	5,128,856	4,793,625	4,541,522
Receivables	205,141	183,902	162,662	141,423	120,183	98,944	77,704	56,465	37,000	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	404,432,015	408,742,918	411,551,662	434,590,795	441,385,879	448,262,254	454,663,673	460,179,364	465,829,077	472,997,045
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	425,695,246	429,695,717	431,637,914	452,928,261	458,424,715	464,035,227	470,026,321	475,141,685	480,436,702	487,315,567
TOTAL ASSETS	468,852,005	472,561,089	471,439,698	472,102,008	475,797,116	479,649,323	485,196,750	489,935,823	494,899,167	501,547,476
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	79,849	6,652,510	13,925,232	23,219,923	32,079,643	40,728,134	51,543,035
Payables	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	830,531	987,660	1,042,421	1,077,441	1,138,108	1,202,291	1,270,196	736,883	569,213	199,413
Employee benefit provisions	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	9,513,961	9,671,090	9,725,852	9,840,721	16,474,050	23,810,954	33,173,550	41,499,957	49,980,778	60,425,878
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	9,918,483	10,736,796	9,694,375	8,616,934	7,478,825	6,276,534	5,006,339	4,269,456	3,700,243	3,500,830
Employee benefit provisions	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062
Other provisions	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	14,951,215	15,995,486	15,191,020	14,361,553	13,480,767	12,545,345	11,551,065	11,099,728	10,825,569	10,930,268
TOTAL LIABILITIES	24,465,177	25,666,576	24,916,872	24,202,274	29,954,816	36,356,298	44,724,615	52,599,684	60,806,347	71,356,146
Net Assets	444,386,828	446,894,513	446,522,826	447,899,735	445,842,299	443,293,025	440,472,135	437,336,139	434,092,820	430,191,330
EQUITY										
Retained Earnings	155,804,828	158,312,513	157,940,826	159,317,735	157,260,299	154,711,025	151,890,135	148,754,139	145,510,820	141,609,330
Revaluation Reserves	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	444,386,828	446,894,513	446,522,826	447,899,735	445,842,299	443,293,025	440,472,135	437,336,139	434,092,820	430,191,330
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	444,386,828	446,894,513	446,522,826	447,899,735	445,842,299	443,293,025	440,472,135	437,336,139	434,092,820	430,191,330

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10.2 Consolidated – Scenario 1 – Maintain Services (all funds)

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - CONSOLIDATED										
Scenario: 1 - Maintain Services	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	17,775,249	20,850,716	22,998,611	24,103,589	25,189,130	26,316,804	27,440,363	28,636,447	29,858,683	31,086,611
User Charges & Fees	10,836,051	11,396,960	12,010,985	12,569,966	13,121,277	13,692,368	14,262,182	14,865,073	15,479,863	16,096,950
Other Revenues	941,817	1,021,245	1,078,112	1,126,050	1,171,488	1,218,110	1,262,954	1,310,643	1,358,191	1,404,193
Grants & Contributions provided for Operating Purposes	9,918,209	9,984,828	10,652,145	11,090,354	11,413,810	11,842,666	12,256,777	12,679,097	13,092,142	13,496,471
Grants & Contributions provided for Capital Purposes	3,391,733	3,685,505	608,161	3,273,851	801,575	641,828	661,484	682,406	703,065	722,746
Interest & Investment Revenue	2,150,175	2,630,465	2,867,278	2,313,180	1,776,694	1,646,645	1,582,134	1,493,601	1,599,317	1,676,430
Other Income:										
Net Gains from the Disposal of Assets	-	528,557	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	367,248	380,873	393,785	407,528	421,098	434,026
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	45,321,036	50,420,760	50,707,944	54,915,885	53,908,694	55,798,020	57,915,514	60,118,168	62,535,340	64,933,140
Expenses from Continuing Operations										
Employee Benefits & On-Costs	16,659,604	17,564,480	18,520,283	19,530,017	20,499,218	21,518,744	22,483,769	23,494,631	24,553,672	25,540,595
Borrowing Costs	617,185	789,357	918,772	877,574	834,179	788,741	798,236	745,975	749,367	694,912
Materials & Contracts	15,377,454	15,079,398	15,683,726	16,242,509	16,553,470	17,073,205	17,580,259	18,100,001	18,619,815	19,102,950
Depreciation & Amortisation	10,401,686	10,272,090	10,265,103	10,222,392	10,298,932	10,259,381	10,218,588	10,166,359	9,888,080	10,208,605
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	43,803,724	44,321,978	46,021,069	47,519,552	48,845,838	50,313,354	51,766,709	53,206,180	54,523,344	56,272,064
Operating Result from Continuing Operations	1,517,312	6,098,782	4,686,875	7,396,333	5,062,856	5,484,667	6,148,806	6,911,988	8,011,996	8,661,076
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	1,517,312	6,098,782	4,686,875	7,396,333	5,062,856	5,484,667	6,148,806	6,911,988	8,011,996	8,661,076
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,874,421)	2,413,277	4,078,714	4,122,482	4,261,282	4,842,839	5,487,322	6,229,582	7,308,930	7,938,330

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - CONSOLIDATED										
Scenario: 1 - Maintain Services										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	17,775,249	20,850,716	22,998,611	24,103,589	25,189,130	26,316,804	27,440,363	28,636,447	29,858,683	31,086,611
User Charges & Fees	10,836,051	11,396,960	12,010,985	12,569,966	13,121,277	13,692,368	14,262,182	14,865,073	15,479,863	16,096,950
Investment & Interest Revenue Received	2,150,175	2,630,465	2,867,278	2,313,180	1,776,694	1,646,645	1,582,134	1,493,601	1,599,317	1,676,430
Grants & Contributions	13,309,943	13,670,332	11,260,306	14,364,205	12,215,385	12,484,494	12,918,261	13,361,503	13,795,207	14,219,217
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	1,249,619	1,343,730	1,417,720	1,479,956	1,538,736	1,598,983	1,656,739	1,718,171	1,779,290	1,838,219
Payments:										
Employee Benefits & On-Costs	(16,659,604)	(17,564,480)	(18,520,283)	(19,530,017)	(20,499,218)	(21,518,744)	(22,483,769)	(23,494,631)	(24,553,672)	(25,540,595)
Materials & Contracts	(15,377,454)	(15,079,398)	(15,683,726)	(16,242,509)	(16,553,470)	(17,073,205)	(17,580,259)	(18,100,001)	(18,619,815)	(19,102,950)
Borrowing Costs	(617,185)	(789,357)	(918,772)	(877,574)	(834,179)	(788,741)	(798,236)	(745,975)	(749,367)	(694,912)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)
Net Cash provided (or used in) Operating Activities	12,280,046	16,068,272	15,036,890	17,781,710	15,551,638	15,952,190	16,587,474	17,320,519	18,172,149	19,158,079
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	1,098,861	3,078,737	3,002,928	832,752	755,379	665,130	500,195
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(15,316,719)	(15,686,053)	(14,168,343)	(34,330,409)	(18,198,126)	(18,299,597)	(17,736,003)	(17,148,599)	(16,476,679)	(17,773,859)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(14,093,100)	(13,483,447)	(11,987,614)	(31,874,045)	(13,926,567)	(14,052,862)	(15,710,180)	(14,862,058)	(14,828,443)	(16,841,200)

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - CONSOLIDATED					Projected Years					
Scenario: 1 - Maintain Services	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	4,080,000	2,805,972	-	-	-	1,000,000	-	1,000,000	-	1,000,000
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(608,788)	(589,902)	(759,998)	(801,194)	(821,840)	(867,277)	(942,627)	(995,059)	(999,351)	(1,028,028)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	3,471,212	2,216,070	(759,998)	(801,194)	(821,840)	132,723	(942,627)	4,941	(999,351)	(28,028)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,658,159	4,800,895	2,289,278	(14,893,530)	803,231	2,032,050	(65,333)	2,463,402	2,344,355	2,288,851
plus: Cash & Cash Equivalents - beginning of year	14,130,571	15,788,730	20,589,625	22,878,903	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,563,079
Cash & Cash Equivalents - end of the year	15,788,730	20,589,625	22,878,903	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,563,079	17,851,930
Cash & Cash Equivalents - end of the year	15,788,730	20,589,625	22,878,903	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,563,079	17,851,930
Investments - end of the year	32,900,000	32,900,000	32,900,000	31,801,139	28,722,402	25,719,474	24,886,722	24,131,343	23,466,213	22,966,018
Cash, Cash Equivalents & Investments - end of the year	48,688,730	53,489,625	55,778,903	39,786,512	37,511,007	36,540,129	35,642,044	37,350,067	39,029,292	40,817,949
Representing:										
- External Restrictions	42,413,409	46,203,052	47,478,113	31,776,646	29,137,481	27,766,915	27,887,854	28,890,145	30,328,263	32,275,940
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	57,918	321,989	717,819	435,836	29,345	561,939	323,358	796,710	329,109	157,020
	48,688,730	53,489,625	55,778,903	39,786,512	37,511,007	36,540,129	35,642,044	37,350,067	39,029,292	40,817,949

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Leeton Shire Council												
10 Year Financial Plan for the Years ending 30 June 2036												
BALANCE SHEET - CONSOLIDATED												
Scenario: 1 - Maintain Services					2026/27	2027/28	2028/29	2029/30	Projected Years			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	15,788,730	20,589,625	22,878,903	7,985,374	8,788,604	10,820,655	10,755,322	13,218,724	15,563,079	17,851,930		
Investments	21,262,122	21,262,122	21,262,122	20,697,919	18,896,572	17,138,268	16,694,601	16,318,310	15,988,412	15,740,320		
Receivables	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,308,464	7,326,000		
Inventories	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412		
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-		
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000		
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-		
Total Current Assets	46,621,794	50,510,739	51,888,067	36,247,944	35,249,828	35,523,574	35,014,574	37,101,686	39,114,367	41,172,662		
Non-Current Assets												
Investments	11,637,878	11,637,878	11,637,878	11,103,220	9,825,830	8,581,206	8,192,121	7,813,032	7,477,801	7,225,699		
Receivables	205,141	183,902	162,662	141,423	120,183	98,944	77,704	56,465	37,000	-		
Inventories	-	-	-	-	-	-	-	-	-	-		
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-		
Infrastructure, Property, Plant & Equipment	404,432,015	409,105,118	411,913,862	434,952,995	441,748,079	448,624,454	455,025,873	460,541,564	466,191,277	473,359,245		
Investment Property	-	-	-	-	-	-	-	-	-	-		
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000		
Right of use assets	-	-	-	-	-	-	-	-	-	-		
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-		
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-	-	-	-		
Total Non-Current Assets	426,052,034	430,703,897	433,491,402	455,974,638	461,471,092	467,081,604	473,072,698	478,188,061	483,483,079	490,361,944		
TOTAL ASSETS	472,673,827	481,214,636	485,379,468	492,222,582	496,720,920	502,605,178	508,087,272	515,289,747	522,597,446	531,534,606		
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-		
Payables	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000		
Income received in advance	-	-	-	-	-	-	-	-	-	-		
Contract liabilities	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493		
Lease liabilities	-	-	-	-	-	-	-	-	-	-		
Borrowings	589,902	759,998	801,194	821,840	867,277	942,627	995,059	999,351	1,028,028	500,673		
Employee benefit provisions	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938		
Other provisions	-	-	-	-	-	-	-	-	-	-		
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-		
Total Current Liabilities	9,273,333	9,443,429	9,484,625	9,505,271	9,550,708	9,626,058	9,678,490	9,682,781	9,711,459	9,184,103		
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-		
Income received in advance	-	-	-	-	-	-	-	-	-	-		
Contract liabilities	-	-	-	-	-	-	-	-	-	-		
Lease liabilities	-	-	-	-	-	-	-	-	-	-		
Borrowings	13,984,183	16,030,157	15,228,962	14,407,122	13,539,845	13,597,217	12,602,158	12,602,808	11,574,780	12,074,107		
Employee benefit provisions	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062		
Other provisions	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376		
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-		
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-		
Total Non-Current Liabilities	19,016,915	21,288,847	20,725,607	20,151,741	19,541,787	19,866,028	19,146,884	19,433,080	18,700,106	19,503,545		
TOTAL LIABILITIES	28,290,248	30,732,276	30,210,232	29,657,012	29,092,495	29,492,086	28,825,374	29,115,861	28,411,564	28,687,648		
Net Assets	444,383,579	450,482,361	455,169,236	462,565,569	467,628,426	473,113,092	479,261,898	486,173,886	494,185,882	502,846,958		
EQUITY												
Retained Earnings	155,801,579	161,900,361	166,587,236	173,983,569	179,046,426	184,531,092	190,679,898	197,591,886	205,603,882	214,264,958		
Revaluation Reserves	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000		
Other Reserves	-	-	-	-	-	-	-	-	-	-		
Council Equity Interest	444,383,579	450,482,361	455,169,236	462,565,569	467,628,426	473,113,092	479,261,898	486,173,886	494,185,882	502,846,958		
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-		
Total Equity	444,383,579	450,482,361	455,169,236	462,565,569	467,628,426	473,113,092	479,261,898	486,173,886	494,185,882	502,846,958		

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

10.3 Consolidated - Scenario 2 – Modest Progress (all funds)

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - CONSOLIDATED										
Scenario: 2 - Modest Progress	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	17,775,249	20,850,716	23,341,334	24,460,741	25,559,746	26,685,327	27,821,379	29,030,760	30,266,127	31,506,563
User Charges & Fees	10,836,051	11,396,960	12,010,985	12,569,966	13,121,277	13,682,922	14,252,416	14,854,966	15,469,419	16,086,186
Other Revenues	941,817	1,021,245	1,078,112	1,126,050	1,171,488	1,218,110	1,262,954	1,310,643	1,358,191	1,404,193
Grants & Contributions provided for Operating Purposes	9,918,209	9,984,828	10,652,145	11,090,354	11,413,810	11,842,666	12,256,777	12,679,097	13,092,142	13,496,471
Grants & Contributions provided for Capital Purposes	3,391,733	4,154,144	1,738,375	7,373,223	5,469,423	641,828	661,484	682,406	703,065	722,746
Interest & Investment Revenue	2,150,175	2,635,305	2,867,682	2,290,821	1,730,850	1,601,518	1,530,975	1,471,811	1,577,299	1,688,082
Other Income:										
Net Gains from the Disposal of Assets	-	528,557	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	562,248	815,119	842,752	872,164	901,207	928,874
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	45,321,036	50,894,239	52,181,285	59,350,050	59,096,314	56,546,217	58,684,572	60,945,221	63,390,431	65,848,829
Expenses from Continuing Operations										
Employee Benefits & On-Costs	16,659,604	17,564,480	18,520,283	19,530,017	20,499,218	21,518,744	22,483,769	23,494,631	24,553,672	25,540,595
Borrowing Costs	617,185	789,357	918,772	877,574	834,179	788,741	740,525	689,891	637,298	586,296
Materials & Contracts	15,377,454	15,079,398	15,683,726	16,242,509	16,553,470	17,122,331	17,655,793	18,177,815	18,699,901	19,185,291
Depreciation & Amortisation	10,401,686	10,272,090	10,264,516	10,265,800	10,467,276	10,598,891	10,558,097	10,505,869	10,227,589	10,548,115
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	43,803,724	44,321,978	46,020,482	47,562,961	49,014,182	50,701,989	52,124,042	53,567,421	54,830,870	56,585,300
Operating Result from Continuing Operations	1,517,312	6,572,261	6,160,803	11,787,089	10,082,132	5,844,228	6,560,530	7,377,800	8,559,561	9,263,529
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	1,517,312	6,572,261	6,160,803	11,787,089	10,082,132	5,844,228	6,560,530	7,377,800	8,559,561	9,263,529
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,874,421)	2,418,117	4,422,428	4,413,866	4,612,709	5,202,400	5,899,046	6,695,394	7,856,495	8,540,782

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council											
10 Year Financial Plan for the Years ending 30 June 2036											
CASH FLOW STATEMENT - CONSOLIDATED											
		Projected Years									
Scenario: 2 - Modest Progress	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	17,775,249	20,850,716	23,341,334	24,460,741	25,559,746	26,685,327	27,821,379	29,030,760	30,266,127	31,506,563	
User Charges & Fees	10,836,051	11,396,960	12,010,985	12,569,966	13,121,277	13,682,922	14,252,416	14,854,966	15,469,419	16,086,186	
Investment & Interest Revenue Received	2,150,175	2,635,305	2,867,682	2,290,821	1,730,850	1,601,518	1,530,975	1,471,811	1,577,299	1,688,082	
Grants & Contributions	13,309,943	14,138,971	12,390,520	18,463,577	16,883,233	12,484,494	12,918,261	13,361,503	13,795,207	14,219,217	
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	
Other	1,249,619	1,343,730	1,417,720	1,479,956	1,733,736	2,033,229	2,105,706	2,182,807	2,259,399	2,333,067	
Payments:											
Employee Benefits & On-Costs	(16,659,604)	(17,564,480)	(18,520,283)	(19,530,017)	(20,499,218)	(21,518,744)	(22,483,769)	(23,494,631)	(24,553,672)	(25,540,595)	
Materials & Contracts	(15,377,454)	(15,079,398)	(15,683,726)	(16,242,509)	(16,553,470)	(17,122,331)	(17,655,793)	(18,177,815)	(18,699,901)	(19,185,291)	
Borrowing Costs	(617,185)	(789,357)	(918,772)	(877,574)	(834,179)	(788,741)	(740,525)	(689,891)	(637,298)	(586,296)	
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)	
Net Cash provided (or used in) Operating Activities	12,280,046	16,541,751	16,510,231	22,215,874	20,739,259	16,651,260	17,338,708	18,125,840	19,059,224	20,100,041	
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	-	-	-	1,098,861	3,078,737	3,002,928	832,752	755,379	665,130	500,195	
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-	
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000	
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464	
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	
Payments:											
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	
Purchase of Infrastructure, Property, Plant & Equipment	(15,316,719)	(15,981,602)	(16,025,668)	(39,363,815)	(24,060,945)	(18,299,597)	(17,736,003)	(17,148,599)	(16,476,679)	(17,773,859)	
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-	

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - CONSOLIDATED										
Scenario: 2 - Modest Progress	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	4,080,000	2,805,972	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(608,788)	(589,902)	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	3,471,212	2,216,070	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,658,159	4,978,825	1,905,294	(15,492,771)	128,032	1,731,121	713,207	2,297,656	3,289,392	2,292,229
plus: Cash & Cash Equivalents - beginning of year	14,130,571	15,788,730	20,767,555	22,672,849	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,339,485
Cash & Cash Equivalents - end of the year	15,788,730	20,767,555	22,672,849	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,339,485	17,631,714
Cash & Cash Equivalents - end of the year	15,788,730	20,767,555	22,672,849	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,339,485	17,631,714
Investments - end of the year	32,900,000	32,900,000	32,900,000	31,801,139	28,722,402	25,719,474	24,886,722	24,131,343	23,466,213	22,966,018
Cash, Cash Equivalents & Investments - end of the year	48,688,730	53,667,555	55,572,849	38,981,217	36,030,512	34,758,705	34,639,159	36,181,436	38,805,698	40,597,732
Representing:										
- External Restrictions	42,413,409	46,043,114	46,920,974	30,738,122	27,626,218	26,200,165	26,264,844	27,212,920	28,594,186	30,482,231
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	57,918	659,858	1,068,905	669,064	60,113	347,264	943,483	1,305,304	1,839,592	1,730,513
	48,688,730	53,667,555	55,572,849	38,981,217	36,030,512	34,758,705	34,639,159	36,181,436	38,805,698	40,597,732

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
BALANCE SHEET - CONSOLIDATED										
Scenario: 2 - Modest Progress										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
					2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	15,788,730	20,767,555	22,672,849	7,180,078	7,308,110	9,039,231	9,752,437	12,050,093	15,339,485	17,631,714
Investments	21,262,122	21,262,122	21,262,122	20,697,919	18,896,572	17,138,268	16,694,601	16,318,310	15,988,412	15,740,320
Receivables	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,308,464	7,326,000
Inventories	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	46,621,794	50,688,669	51,682,013	35,442,648	33,769,333	33,742,150	34,011,690	35,933,055	38,890,773	40,952,446
Non-Current Assets										
Investments	11,637,878	11,637,878	11,637,878	11,103,220	9,825,830	8,581,206	8,192,121	7,813,032	7,477,801	7,225,699
Receivables	205,141	183,902	162,662	141,423	120,183	98,944	77,704	56,465	37,000	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	404,432,015	409,400,667	414,067,323	442,096,454	454,586,012	461,122,878	467,184,787	472,360,969	477,671,172	484,499,631
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	426,052,034	430,999,446	435,644,863	463,118,097	474,309,025	479,580,028	485,231,612	490,007,466	494,962,974	501,502,330
TOTAL ASSETS	472,673,827	481,688,115	487,326,876	498,560,744	508,078,358	513,322,177	519,243,302	525,940,521	533,853,747	542,454,776
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	589,902	759,998	801,194	821,840	867,277	915,322	966,127	941,389	966,612	408,292
Employee benefit provisions	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	9,273,333	9,443,429	9,484,625	9,505,271	9,550,708	9,598,753	9,649,557	9,624,819	9,650,043	9,091,723
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	13,984,183	16,030,157	15,228,962	14,407,122	13,539,845	12,624,523	11,658,396	10,717,008	9,750,396	9,342,104
Employee benefit provisions	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062
Other provisions	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	19,016,915	21,288,847	20,725,607	20,151,741	19,541,787	18,893,334	18,203,122	17,547,280	16,875,722	16,771,542
TOTAL LIABILITIES	28,290,248	30,732,276	30,210,232	29,657,012	29,092,495	28,492,086	27,852,680	27,172,099	26,525,765	25,863,264
Net Assets	444,383,579	450,955,840	457,116,643	468,903,732	478,985,864	484,830,091	491,390,622	498,768,422	507,327,983	516,591,511
EQUITY										
Retained Earnings	155,801,579	162,373,840	168,534,643	180,321,732	190,403,864	196,248,091	202,808,622	210,186,422	218,745,983	228,009,511
Revaluation Reserves	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	444,383,579	450,955,840	457,116,643	468,903,732	478,985,864	484,830,091	491,390,622	498,768,422	507,327,983	516,591,511
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	444,383,579	450,955,840	457,116,643	468,903,732	478,985,864	484,830,091	491,390,622	498,768,422	507,327,983	516,591,511

LEETON SHIRE COUNCIL
Ordinary Council Meeting - Tuesday 29 September 2026

10.4 Consolidated - Scenario 3 – Bold Progress (all funds)

Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
INCOME STATEMENT - CONSOLIDATED										
Scenario: 3 - Bold Progress	Projected Years									
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	17,775,249	20,850,716	23,686,723	24,820,670	25,933,245	27,072,683	28,221,866	29,445,224	30,694,392	31,947,976
User Charges & Fees	10,836,051	11,396,960	12,010,985	12,569,966	13,121,277	13,682,922	14,252,416	14,854,966	15,469,419	16,086,186
Other Revenues	941,817	1,021,245	1,078,112	1,126,050	1,171,488	1,218,110	1,262,954	1,612,921	1,671,140	1,727,375
Grants & Contributions provided for Operating Purposes	9,918,209	9,984,828	10,652,145	11,090,354	11,413,810	11,842,666	12,256,777	12,679,097	13,092,142	13,496,471
Grants & Contributions provided for Capital Purposes	3,391,733	4,419,782	2,021,009	7,515,923	5,469,423	1,263,976	1,292,906	682,406	703,065	722,746
Interest & Investment Revenue	2,150,175	2,627,877	2,857,393	2,281,988	1,729,295	1,599,302	1,517,276	1,465,698	1,593,855	1,729,453
Other Income:										
Net Gains from the Disposal of Assets	-	528,557	153,044	84,989	67,472	58,727	55,835	43,374	22,980	15,714
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	307,802	322,484	339,608	353,906	562,248	815,119	842,752	872,164	901,207	928,874
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	45,321,036	51,152,449	52,799,018	59,843,846	59,468,258	57,553,504	59,702,782	61,655,850	64,148,201	66,654,795
Expenses from Continuing Operations										
Employee Benefits & On-Costs	16,659,604	17,564,480	18,520,283	19,530,017	20,499,218	21,518,744	22,483,769	23,494,631	24,553,672	25,540,595
Borrowing Costs	617,185	789,357	918,772	877,574	834,179	788,741	740,525	689,891	637,298	586,296
Materials & Contracts	15,377,454	15,079,398	15,683,726	16,242,509	16,617,925	17,188,861	17,724,332	18,261,261	18,785,783	19,273,593
Depreciation & Amortisation	10,401,686	10,272,090	10,264,516	10,265,800	10,467,276	10,598,891	10,576,261	10,560,901	10,282,621	10,603,147
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	602,418	616,653	633,184	647,060	660,038	673,283	685,858	699,215	712,411	725,003
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	145,378	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	43,803,724	44,321,978	46,020,482	47,562,961	49,078,637	50,768,520	52,210,745	53,705,899	54,971,784	56,728,634
Operating Result from Continuing Operations	1,517,312	6,830,471	6,778,536	12,280,885	10,389,621	6,784,985	7,492,038	7,949,950	9,176,416	9,926,161
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	1,517,312	6,830,471	6,778,536	12,280,885	10,389,621	6,784,985	7,492,038	7,949,950	9,176,416	9,926,161
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,874,421)	2,410,689	4,757,527	4,764,963	4,920,198	5,521,009	6,199,132	7,267,545	8,473,351	9,203,415

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Leeton Shire Council 10 Year Financial Plan for the Years ending 30 June 2036 CASH FLOW STATEMENT - CONSOLIDATED										
Scenario: 3 - Bold Progress										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	17,775,249	20,850,716	23,686,723	24,820,670	25,933,245	27,072,683	28,221,866	29,445,224	30,694,392	31,947,976
User Charges & Fees	10,836,051	11,396,960	12,010,985	12,569,966	13,121,277	13,682,922	14,252,416	14,854,966	15,469,419	16,086,186
Investment & Interest Revenue Received	2,150,175	2,627,877	2,857,393	2,281,988	1,729,295	1,599,302	1,517,276	1,465,698	1,593,855	1,729,453
Grants & Contributions	13,309,943	14,404,609	12,673,154	18,606,277	16,883,233	13,106,642	13,549,683	13,361,503	13,795,207	14,219,217
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	1,249,619	1,343,730	1,417,720	1,479,956	1,733,736	2,033,229	2,105,706	2,485,085	2,572,347	2,656,249
Payments:										
Employee Benefits & On-Costs	(16,659,604)	(17,564,480)	(18,520,283)	(19,530,017)	(20,499,218)	(21,518,744)	(22,483,769)	(23,494,631)	(24,553,672)	(25,540,595)
Materials & Contracts	(15,377,454)	(15,079,398)	(15,683,726)	(16,242,509)	(16,617,925)	(17,188,861)	(17,724,332)	(18,261,261)	(18,785,783)	(19,273,593)
Borrowing Costs	(617,185)	(789,357)	(918,772)	(877,574)	(834,179)	(788,741)	(740,525)	(689,891)	(637,298)	(586,296)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(386,748)	(390,696)	(395,229)	(399,086)	(402,716)	(406,414)	(409,942)	(413,670)	(417,357)	(420,891)
Net Cash provided (or used in) Operating Activities	12,280,046	16,799,961	17,127,965	22,709,670	21,046,747	17,592,017	18,288,379	18,753,023	19,731,112	20,817,706
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	1,098,861	3,078,737	3,002,928	832,752	755,379	665,130	500,195
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	1,000,000	1,100,000	1,100,000	220,000	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	413,000	1,081,367	1,059,490	1,116,263	1,171,583	1,222,567	1,171,832	1,509,922	961,866	413,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	10,619	21,239	21,239	21,239	21,239	21,239	21,239	21,239	21,239	19,464
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(15,316,719)	(16,512,877)	(16,590,936)	(39,885,081)	(24,060,945)	(19,543,893)	(18,998,847)	(17,148,599)	(16,476,679)	(17,773,859)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(200,000)	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(14,093,100)	(14,310,271)	(14,410,207)	(37,428,717)	(19,789,386)	(15,297,158)	(16,973,024)	(14,862,058)	(14,828,443)	(16,841,200)

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
CASH FLOW STATEMENT - CONSOLIDATED										
Scenario: 3 - Bold Progress	2026/27	2027/28	2028/29	2029/30	Projected Years					
	\$	\$	\$	\$	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
					\$	\$	\$	\$	\$	\$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	4,080,000	2,805,972	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(608,788)	(589,902)	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	3,471,212	2,216,070	(759,998)	(801,194)	(821,840)	(867,277)	(915,322)	(966,127)	(941,389)	(966,612)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,658,159	4,705,760	1,957,759	(15,520,241)	435,521	1,427,582	400,034	2,924,838	3,961,280	3,009,894
plus: Cash & Cash Equivalents - beginning of year	14,130,571	15,788,730	20,494,490	22,452,249	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	16,081,263
Cash & Cash Equivalents - end of the year	15,788,730	20,494,490	22,452,249	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	16,081,263	19,091,157
Cash & Cash Equivalents - end of the year	15,788,730	20,494,490	22,452,249	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	16,081,263	19,091,157
Investments - end of the year	32,900,000	32,900,000	32,900,000	31,801,139	28,722,402	25,719,474	24,886,722	24,131,343	23,466,213	22,966,018
Cash, Cash Equivalents & Investments - end of the year	48,688,730	53,394,490	55,352,249	38,733,147	36,089,931	34,514,585	34,081,867	36,251,326	39,547,476	42,057,175
Representing:										
- External Restrictions	42,413,409	46,043,114	46,920,648	30,737,456	27,625,199	26,198,780	26,263,081	27,210,765	28,591,626	30,479,254
- Internal Restrictions	6,217,402	6,964,584	7,582,971	7,574,031	8,344,181	8,211,275	7,430,832	7,663,212	8,371,920	8,384,989
- Unrestricted	57,918	386,793	848,631	421,660	120,552	104,530	387,954	1,377,349	2,583,930	3,192,933
	48,688,730	53,394,490	55,352,249	38,733,147	36,089,931	34,514,585	34,081,867	36,251,326	39,547,476	42,057,175

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Leeton Shire Council										
10 Year Financial Plan for the Years ending 30 June 2036										
BALANCE SHEET - CONSOLIDATED										
Scenario: 3 - Bold Progress										
	2026/27	2027/28	2028/29	2029/30	Projected Years					
					2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	15,788,730	20,494,490	22,452,249	6,932,009	7,367,529	8,795,111	9,195,145	12,119,983	16,081,263	19,091,157
Investments	21,262,122	21,262,122	21,262,122	20,697,919	18,896,572	17,138,268	16,694,601	16,318,310	15,988,412	15,740,320
Receivables	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,310,239	7,308,464	7,326,000
Inventories	2,211,702	1,299,752	387,802	205,412	205,412	205,412	205,412	205,412	205,412	205,412
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	46,621,794	50,415,604	51,461,413	35,194,579	33,828,753	33,498,030	33,454,397	36,002,945	39,632,551	42,411,889
Non-Current Assets										
Investments	11,637,878	11,637,878	11,637,878	11,103,220	9,825,830	8,581,206	8,192,121	7,813,032	7,477,801	7,225,699
Receivables	205,141	183,902	162,662	141,423	120,183	98,944	77,704	56,465	37,000	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	404,432,015	409,931,942	415,163,866	443,714,263	456,203,821	463,984,983	471,291,572	476,412,722	481,667,893	488,441,319
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000	9,777,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	426,052,034	431,530,721	436,741,406	464,735,906	475,926,834	482,442,133	489,338,398	494,059,219	498,959,695	505,444,018
TOTAL ASSETS	472,673,827	481,946,325	488,202,819	499,930,484	509,755,587	515,940,163	522,792,795	530,062,164	538,592,246	547,855,907
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000	5,051,000
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493	325,493
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	589,902	759,998	801,194	821,840	867,277	915,322	966,127	941,389	966,612	408,292
Employee benefit provisions	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938	3,306,938
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	9,273,333	9,443,429	9,484,625	9,505,271	9,550,708	9,598,753	9,649,557	9,624,819	9,650,043	9,091,723
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	13,984,183	16,030,157	15,228,962	14,407,122	13,539,845	12,624,523	11,658,396	10,717,008	9,750,396	9,342,104
Employee benefit provisions	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062	216,062
Other provisions	4,816,670	5,042,627	5,280,583	5,528,557	5,785,879	6,052,748	6,328,664	6,614,210	6,909,264	7,213,376
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	19,016,915	21,288,847	20,725,607	20,151,741	19,541,787	18,893,334	18,203,122	17,547,280	16,875,722	16,771,542
TOTAL LIABILITIES	28,290,248	30,732,276	30,210,232	29,657,012	29,092,495	28,492,086	27,852,680	27,172,099	26,525,765	25,863,264
Net Assets	444,383,579	451,214,050	457,992,586	470,273,472	480,663,092	487,448,077	494,940,115	502,890,065	512,066,481	521,992,643
EQUITY										
Retained Earnings	155,801,579	162,632,050	169,410,586	181,691,472	192,081,092	198,866,077	206,358,115	214,308,065	223,484,481	233,410,643
Revaluation Reserves	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000	288,582,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	444,383,579	451,214,050	457,992,586	470,273,472	480,663,092	487,448,077	494,940,115	502,890,065	512,066,481	521,992,643
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	444,383,579	451,214,050	457,992,586	470,273,472	480,663,092	487,448,077	494,940,115	502,890,065	512,066,481	521,992,643

Assurance on LTFP

24th September, 2026. 19:34

This brief report covers the assurance work that I, Professor Drew, performed on the Long Term Financial Plan (LTFP) starting in the beginning of May 2026 and coming to the conclusions contained herein on the morning of 24th of September, 2026. Well over one hundred hours have been invested into chasing down evidence on every item, cross-checking to source documents, ensuring assumptions were plausible, validating formulas and math, calculating need, investigating various options to address need and precisely calculating the required Special Variation for the various scenarios.

Purpose of assurance: The purpose of the assurance exercise is to ensure that there is convincing evidence to support costings, assumptions and the like at the time of review. It must be noted that new information is constantly coming to light (just as is the case for every local government) – for instance, with respect to macroeconomic events, price changes etcetera. – thus, it would be prudent to exercise care with respect to temporal conclusions. I often remark that I do the kind of work that most in the community would wish to do had they access to the detailed data, skills and time required to perform these tasks. All work is undertaken on a strictly independent manner and may not represent the view of council.

Stakeholders in this work at Leeton can now reasonably have confidence in the LTFP numbers which is, of course, a critical prerequisite to making good decisions.

What assurance means: Assurance means that I, Professor Drew, have taken all reasonable steps to ensure that the LTFP are free from material misstatements. Material misstatements are potential errors that would have made a material difference to decisions had they been known. Just as is the case for the Australian Auditing Standards, it is not possible to ever provide absolute assurance of freedom from any error. Reasonable, means that a person with the same skills, time and access to evidence would have performed similar tests on evidence and the like. Notably, evidence has been required for all critical data – this has often been provided by staff but only accepted as reasonable when meeting strict criteria and being able to withstand appropriate scrutiny and questioning.

Why this is necessary: Extensive work going back to at least the amalgamation debates - specifically critiques by myself and Emeritus Professor Dollery of LTFP which later events proved completely correct – have clearly shown that most local government LTFP are not sufficiently rigorous for important decision-making. Further extensive experience working on financial sustainability problems in Australia have also confirmed the importance of rigorous assurance (see Drew and Miyazaki, 2026). In addition, work by Tsik et al. 2025 in the peer-reviewed scholarly literature has demonstrated beyond reasonable doubt the imperative of having assurance on LTFP to

form a suitable foundation for sound decision-making by communities, Councillors and IPART.

Given the history at Leeton, it was deemed particularly important to invest considerable efforts into assurance so that community and councillors could have maximum confidence moving forward. Accordingly, the effort invested to get us to this point was far greater than has likely ever been done before in relation to a LTFP for an SV.

What we typically find: it is usually the case that we encounter a number of problems when we review LTFP in detail for councils – especially around implausible assumptions sans evidence, global cost estimates not supported by rigorous evidence, overly optimistic assumptions regarding revenue, calculation errors and even missing costs. We also often find historical problems that have a bearing on forward numbers and methodology – we redress these when encountered. Leeton was pretty typical of what one might expect. This is why the LTFP document has changed from its previous iteration. Moreover, changes are entirely to be expected – we should see a value add for engaging a professor over one hundred hours or more.

Brief Notes Prior to Assurance Remarks

Back in Black: Maintain Services. I, Professor Drew, presented the ‘Back in Black; Maintain Services’ scenario on the night of Monday 7th of September. I outlined that to my mind this was the most plausible case for IPART to assess, notwithstanding the fact that Leeton Shire Council rightly is engaging on a democratic process that could lead elsewhere. It was also clearly articulated that the case only just satisfied bare minimum requirements (especially around balanced operating results, intergenerational equity and sufficient unrestricted cash) in accordance with the Act (NSW, 1993). Notably, unrestricted cash would still be well short of the two-to-three-month cash expenditure level at Year 10 (see the Financial Sustainability Update Report). It was clearly stated that hard constraints arose because of the Capacity to Pay (CTP) ceiling (33.797% see the robust empirical work of Professor Drew assured by Professor Masato Miyazaki in the Capacity to Pay report), and also the liability ceiling (see the liability capacity analysis including econometric work in the Financial Sustainability Update report by Professor Drew assured by Professor Masato Miyazaki). Furthermore, it was noted that to meet the minimum requirements under the aforementioned unyielding constraints Leeton needed to borrow and also double the term of various borrowings. Various risks were outlined to Councillors and staff – the importance of assigning labels and confidence on the last six years of cost savings as soon as practical, the importance of making the costs savings and sticking to the plan to meet bare minimum requirements, the perennial uncertainty regarding whether IPART will deem cost containments sufficient to meet Criteria 5 (an uncertainty that applies to all councils), risks around OLG Guidelines methodologies which various eminent scholars have suggested might mislead on factual matters (see references to work from scholars in the aforementioned

reports), policy risks (including the current Financial Assistance Grants confusion), regulatory risks, political risks including Ministerial risks, as well as risks around communications and the importance of doing these extremely carefully (including the post-communications). Risks around IPART acceptance of assumptions (including various measures of inflation, the FAG projections and also the rate cap) were also noted, but considered unlikely to be problematic in consequence of recent advices on this matter, their careful formulation in response to a precise understanding of relevant methodologies including legislation where relevant, and because two highly published and respected local government economists had explicitly signed off on the numbers at date of original imputation into the LTFP.

It was emphasised that regular engagement should be made with IPART and that this ideally would commence well before sending out materials.

It should be noted that this is Leeton Councils SV and that Professor Drew and colleagues have only been engaged for piecework which has further been constrained by ill-health (we are professors not consultants, and performing SVs is not our occupation or desire). The work was only done to deliver on undertakings made by the University of Newcastle prior to Professor Drew's medical retirement – it is not something we would otherwise engage in. Specifically, we wrote a report on Capacity to Pay, a Financial Sustainability Update report and this present Assurance work. We have helped with videos and the like on a purely *pro bono* basis subject to working around urgent health matters. Similarly, we have provided advice *pro bono* when requested.

Back in Black: Modest Progress. This has been assured as will be detailed in the next section and all calculations checked etcetera as per the process already outlined. It ought to be noted that I did not present this scenario to council directly, nor have I made any public remarks about the desirability of forwarding this scenario to IPART as part of the application.

Back in Black: Bold Progress. One of the items of this Scenario is specifically excluded from my assurance – the Whitton Museum work. I was not provided with sufficiently robust evidence, in time, to allow me to express confidence in the costings for this particular work. Indeed, I can see how the Whitton Museum could reasonably overrun to many multiples of the current costings – and to be honest nobody could be confident in costings for heritage work as problems almost always materialise the minute work commences (that couldn't possibly be known *ex ante*). Satisfactory evidence was provided for all other items, and other standard checks articulated earlier in this report were conducted. Because the Whitton Museum costings could not be assured end-users would be prudent to exercise care with the entire Scenario.

It should be noted that scenario names were provided by council.

Additional Specific Assurance Remarks

Back in Black; Maintain Services. This proposal involves additional borrowings (some \$7.6 million with the largest this financial year to allow for catch up work after many years of anaemic unrestricted cash well below acceptable levels – see the Financial Sustainability Update Report) as detailed in the cash Flow Statement ‘Proceeds from Borrowings’, required to achieve minimum conditions (sufficient unrestricted cash). Without the borrowings, persistent significantly negative and untenable unrestricted cash would have resulted. The borrowings will be principally directed towards renewals that were already planned for, although the well-known fungibility problem identified by Oates (1975) should be born in mind here. Furthermore, it should be noted that most loan terms were doubled from ten to twenty years including for some of the extant loans – this clearly helped with cash flow over the ten years and thus helped in meeting minimum requirements. There is a good argument that all of the works in question have a lifespan exceeding the standard ten years – therefore to accord with the intergenerational equity directions in the Act (1993, NSW) the twenty-year terms are actually more reasonable than those that are typically (and would otherwise have been) used. It will be noted from our earlier Financial Sustainability Update Report – specifically the sophisticated empirical analysis of liability capacity – that the proposed borrowings would put Leeton above the typical level expected by a local government with its’ particular characteristics. Going above the liability capacity is not generally suggested and care must be taken by Council regarding servicing throughout the LTFP period – certainly no more should be borrowed in the absence of additional revenues and the like¹.

For the SV rate we first tried to go under the constraint set by the aforementioned CTP Report. This was not possible given necessary expenditures. We were then presented with a dilemma: to go with the 33.797% over one year – which is ideal from a cash flow perspective; or to go with a two year SV which may be more palatable to IPART or Ministers, but does result in a much higher equivalent Headline SV rate because of the OLG stipulated methodology which requires rate cap assumptions to be imputed and matters to be compounded (a requirement that many community members have told us in the past to be both confusing and misleading). To determine a path forward we examined the most recent year of decisions from IPART and found the maximum Year 1 multiple SV year percentage approved in the 2026 round which was 28.5% (with a Year 2 of 23% for a Headline compound rate of 58.06% for Uralla per IPART 2nd June, 2026). The thinking here is that if this was deemed an acceptable Year 1 increase for Uralla in the most recent round then it stands a high probability of being deemed acceptable Year 1

¹ In the absence of additional revenues elsewhere, being advised against further borrowings would mean that any additional works not imputed into the LTFP would need to be funded completely from grants or additional rate increases (the latter of which would be problematic because we are also planning to go to the CTP ceiling).

increase for Leeton in this forthcoming round. Clearly the more of the SV which is passed on in Year 1 the greater the relief on cash flows and also sustainability² – this was particularly important given the substantial borrowings already required for this current financial year. We set Year 1 of the SV accordingly. We then did the math implicitly imputing the assumed rate cap to ensure that the same total dollars were yielded over the two years (as would have been for a single year of 33.797%) and solved for the percentage. This Year 2 percentage was 13.773% and using the OLG methodology this becomes a Headline permanent SV rate of 46.198% over two years. We emphasise however that the total dollars paid in additional rates for the two-year Headline of 46.198% was precisely equal to what would have been paid by ratepayers had the CTP figure been completely applied in Year 1 as a permanent single year increase. Unfortunately, the OLG methodology can often mislead, so I have offered to provide a simplified example to aide understanding for the community. The calculations were checked by several parties. We also note that the CTP was in-line with likely SV projections made back in 2025 by the University of Newcastle. It is unfortunate that the SV can't be less, but I cannot see how this is possible in a plausible LTFP that abides by the intent of the Act (1993, NSW).

I note that the same calculus could be followed to work out the SV over three years such that it also yielded equivalent dollars should this be required as part of the democratic process or consultation. However, it must be noted that each additional year: (i) increases the Headline rate and causes additional confusion to many, (ii) increases the risk around rate cap assumptions especially for ratepayers, (iii) does not change the actual dollars paid over the same period, (iv) increases implicit liabilities and the cost of money, (v) potentially reduces efficiency.

Back in Black: Modest Progress. This involves additional spending for the Yanco Social Housing Project as well as additional spending for Sports Precinct Upgrade. I do not provide a comment about whether these additional works are advised for a council needing a financial sustainability SV, in the current economic circumstances (see, for example, Jurkovic, 2026). I have however, advised council to engage with IPART on this matter.

Because Leeton was already beyond the liability capacity with loan terms doubled in all but one case the only way to fund the non-grant portion of these additional projects was through a higher SV (that is, beyond the CTP). Year 1 of the SV continued to be 28.5% according to the reasoning previously articulated. This means that on a two-year permanent SV Year 2 will be higher than for the previous scenario – in this case 16.730% (2.957% higher), with the compounded Headline rate for 2 years coming in at 49.9981% when rounded to four decimal places (around 3.8% higher in this 2-year compound

² This is also ultimately better for citizens with respect to borrowing costs, implicit liabilities, and ensuring optimal efficiency (see Drew and Miyazaki 2026 or any scholarly work).

sense). This is higher than the CTP according to the sophisticated empirical work conducted in our reports. I confirm that an appropriate iterative calculus was used for the second figure and I also assure that the math was done correctly as expected.

On a happier note, because the SV appeared earlier than much of the previous scenario borrowings to ensure adequate unrestricted cash, this of course resulted in a reduced need for borrowings in this particular scenario towards the tail end³. Otherwise stated, the timing effects of additional rates paid in first two future years, continued on in subsequent years, reducing the need for borrowings in the later years on the LTFP for the Modest Progress scenario. This is simply an artefact of arithmetic. However, it is notable that even this reduced borrowing would put Leeton marginally above the liability capacity in the Financial Sustainability Update Report.

I have been provided with satisfactory evidence for both projects and have confirmed that all costs appear appropriately in the LTFP and have been classified correctly. Associated additional maintenance costs and the like have all been accounted for and accounting accruals are correct.

Back in Black: Bold Progress. In addition to the Yanco Housing and Sports Upgrade this final scenario *also* includes additional monies for Whitton Museum works and also Gogelderie Weir upgrades. I do not provide a comment about whether these additional works are advised for a council needing a financial sustainability SV, in the current economic climate. I have however, advised council to engage with IPART on this matter.

I also reiterate that I was not provided with sufficiently robust evidence, in time, to allow me to express confidence in the costings for the Whitton Museum. Indeed, I can see how the Whitton Museum could reasonably overrun to many multiples of the current costings. Because the Whitton Museum costings could not be assured end-users would be prudent to exercise significant care with the entire Scenario.

I have been provided with sufficiently compelling evidence to support the costings for the Weir upgrades. I also confirm that expenditures were allocated correctly, as well as maintenance costs, and accounting accruals.

Because Leeton was already beyond the liability capacity with loan terms doubled in all but one case the only way to fund the non-grant portion of these additional projects was through an even higher SV (that is, further beyond the CTP). Year 1 of the SV continued to be 28.5% according to the reasoning previously articulated. This means that on a two-year permanent SV Year 2 will be higher than for the previous scenario – in this case 19.710% (5.937% higher than the Maintain Services scenario), with the compounded Headline rate for 2 years coming in at 53.8274% when rounded to four decimal places (a

³ To be precise additional borrowings reduced to some \$5.1 million, which still exceeded the liability capacity per the econometric work in the Financial Sustainability Update Report.

little over 7.629% higher in this 2-year compound sense with respect to the Maintain Services). This is higher than the CTP according to the sophisticated empirical work conducted in our reports. I confirm that an appropriate iterative calculus was used for the second figure and I assured that the math was done correctly as expected.

For the same reasons that I articulated for the Modest Progress scenario, required additional borrowings reduced but still remained marginally above the econometrically derived liability capacity.

Concluding Remarks:

This document has outlined the assurance activities that I have conducted on behalf of the Leeton community. It also outlines the specific item that I was not able to assure. Furthermore, I noted that I have only expressed public remarks on one scenario. I also encourage council to engage with IPART, as all councils should do.

Great discipline will need to be shown by the community and council over the ten years of the LTFP, under any scenario, for acceptable outcomes to emerge, despite the significant proposed Special Variation. It will also be important that none of the myriad of economic or higher tier government policy risks materialise – there is simply no room to move. It probably therefore comes as no surprise to learn that Professor Miyazaki and I would hold grave concerns for the local government area if an SV was not proposed and approved – any short-term relief by ratepayers in avoiding the kind of SV that has occurred recently for their neighbours and most bush councils will almost certainly be offset by disproportionately growth of implicit liabilities, additional costs, inefficiency, a further deterioration in services and sustainability, followed ultimately by a policy intervention of one disagreeable kind or another.

Finally, it must be remembered that no LTFP can possibly be perfect over a ten-year future period, because no person can know the future with any degree of certainty. However, the independent scrutiny applied to this LTFP has been undoubtedly greater than any other in the state and it would thus be reasonable to have more confidence in it for decision-making purposes.

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LEETON
SHIRE COUNCIL

DRAFT (Revised)
FINANCIAL HARDSHIP
POLICY
AUGUST 2026

DOCUMENT AUTHORISATION

RESPONSIBLE OFFICER	Manager Governance and IPR				
REVIEWED BY	General Manager / Senior Management Team (SMT)				
LINK TO CSP/DELIVERY PROGRAM/OPERATIONAL PLAN:	Delivery Program Strategy: 9.1 Deploy reliable and efficient corporate and project governance Links to CSP: L5 OP: 9.1.2 Continuously review and update Council policies and plans to appropriately support Council's operations				
DATE ADOPTED:	TBC				
ADOPTED BY:	Council				
RESOLUTION NO: (IF RELEVANT):	TBC				
FOR PUBLICATION:	☐ INTRANET ☐ COUNCIL WEBSITE ☒ BOTH				
REVIEW DUE DATE:	August 2030				
REVISION NUMBER:	6				
PREVIOUS VERSIONS:	DATE	DESCRIPTION OF AMENDMENTS	AUTHOR/EDITOR	REVIEW/ SIGN OFF	MINUTE NO (IF RELEVANT)
1	12/12/07	Review of Policy	Finance	Council	07/750
2	26/6/13	Review of Policy	Finance	Council	13/136
3	22/2/17	Policy Format changed	Finance	Council	17/018
4	July 2020	Policy Reviewed	Finance	Council	20/105
5	July 2022	Policy revised with minor changes to legislation, additional related policies included and application forms attached.	Finance	Council	22/072
6	August 2026	Incorporating recommendations from Professor Drew's Advice on Hardship Policy, and prepared to accompany Council's Special Variation (SV) application.	Manager Governance and IPR	Council	TBC

REVIEW OF THIS POLICY

This document will be reviewed every four (4) years or as required in the event of legislative changes or operational requirements. Any major amendments to the document must be made by way of a Council Resolution. Minor amendments such as corrections to spelling, changes to wording for improved clarity, formatting and updates to the Appendixes may be made with the approval from the General Manager.

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1. Purpose

Council recognises that financial hardship can affect anyone and may arise from circumstances beyond a person's control, including illness, unemployment, reduced income, family breakdown, domestic and family violence, bereavement, caring responsibilities, natural disasters and increasing living costs.

This Policy outlines the assistance available to ratepayers, sundry debtors and other customers experiencing genuine financial hardship. It also provides guidance on how applications for hardship assistance may be made, assessed and determined.

Council is committed to working collaboratively with customers experiencing financial hardship and to communicating in a respectful, compassionate and plain-English manner.

2. Scope

This Policy applies to all ratepayers, including residential, farmland and business ratepayers, as well as sundry debtors and other Council customers who are experiencing genuine financial hardship.

This includes people who are unable to pay rates, water charges, sewerage charges, sundry debtor accounts, childcare charges or other Council fees and charges when they fall due.

Council acknowledges that some hardship assistance measures available under legislation are usually directed towards residential ratepayers. However, Council will work with all customers, including customers from other rating categories experiencing genuine financial hardship to identify appropriate assistance options, including flexible payment arrangements and other relief measures available under this Policy.

The type of hardship assistance available may vary depending on the nature of the debt, the circumstances of the applicant and the legislative powers available to Council.

~~It should be noted that options in this Policy are strongly geared towards residential ratepayers. Non-residential ratepayers (farmland and commercial), customers and sundry debtors suffering payment difficulties have fewer options available but can access flexible payment plans.~~

3. Outcomes

Ratepayers, debtors and other customers experiencing genuine financial hardship will be treated with empathy, respect, fairness and confidentiality and supported to manage their debts to Council in a reasonable and sustainable way.

4. Roles and Responsibilities

4.1 Authorised Council Officer (Manager Finance)

The authorised Council Officer, being the Manager Finance, is responsible for:

- assisting customers who may require support completing hardship applications, including customers with disability, language barriers, low literacy or limited access to technology;
- providing respectful, compassionate, fair and confidential support to ratepayers, debtors and other customers seeking assistance;
- applying the principles of fairness, integrity, confidentiality and social justice when assessing hardship applications;
- maintaining the privacy of customers in accordance with the *Privacy and Personal Information Protection Act 1998*;
- reviewing hardship applications and making recommendations for approval.

4.2 Manager Finance and Director Corporate/CFO

The Manager Finance, in consultation with the Director Corporate/CFO and, where required, the General Manager, is responsible for determining hardship assistance applications in accordance with this Policy and Council's adopted delegations.

4.3 Approval Authority

Hardship assistance will be determined in accordance with Council's adopted delegations and the requirements of the *Local Government Act 1993*. Where legislation requires a determination by Council, the matter will be referred to Council for consideration.

4.4 Community Communication

Council will undertake community communication activities to ensure ratepayers, debtors and other customers are aware of the assistance available under this Policy. This is particularly important during any Special Variation process or other period where customers may experience increased financial pressure.

5. Definitions

Centrepay – a free automatic deduction service administered by Services Australia that allows regular payments to be deducted from Centrelink benefits to help pay bills and other expenses.

Customer – a ratepayer, residential customer, sundry debtor or other person liable to pay a Council fee, charge or invoice.

Eligible Pensioner – a person who is eligible for a pension concession in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

Financial Counsellor – a qualified person who provides free, independent financial counselling through a recognised financial counselling service.

Financial Hardship - a situation where a person is unable to meet their financial commitments to Council when due, or where payment would cause significant financial difficulty. Financial hardship may arise from circumstances such as illness, injury, unemployment, reduced income, family breakdown, family violence, caring responsibilities, bereavement, natural disasters or significant increases in living expenses.

Ratepayer – a person liable for the payment of rates and charges on a property.

Reasonable – an action, request or decision that is fair and practical in the circumstances, taking into account the customer's financial situation, the information available to Council, and Council's obligations under relevant legislation and policy.

Residential Customer – a ratepayer or other person liable for Council rates, annual charges or water and sewerage charges relating to a residential property for which hardship assistance is sought.

Standard Interest Rate – the interest rate applied by Council to overdue rates and charges as standard practice. The rate is determined with reference to Council's average cost of long-term borrowings or, where resolved by Council, another appropriate measure such as the Consumer Price Index. The rate is reviewed annually as part of Council's adopted Revenue Policy.

Sundry Debtor – a person who has received an invoice issued by Council, including a person liable for childcare fees or charges.

6. Legislation and Supporting Documents

Legislation:

- *Local Government Act 1993*
- *Local Government (General) Regulation 2021*
- *Valuation of Land Act 1916*
- *Privacy and Personal Information Protection Act 1998*
- *Social Security Act 1991 (Cth)*
- *State Records Act 1998*

Supporting Documents:

- Office of Local Government, *Debt Management and Hardship Guidelines*, issued under section 23A of the *Local Government Act 1993*.

Council Policies:

- Concealed Leak Policy
- Debt Recovery Policy
- Pensioner Concessions Policy

7. Standard Interest on Overdue Rates and Charges

Council may apply interest to overdue rates and charges in accordance with section 566 of the *Local Government Act 1993* (the Act) and the rate adopted annually through Council's Revenue Policy. The rate will not exceed the maximum rate determined under the Act.

Council may reduce, suspend or write off accrued interest where permitted under the Act and this Policy, having regard to the customer's individual circumstances.

8. Hardship Assistance

Council recognises that financial hardship can affect anyone and is committed to working with customers experiencing hardship in a respectful, confidential and compassionate manner to identify appropriate and sustainable solutions.

A ratepayer or customer may be eligible for hardship assistance where:

- they are unable to pay rates, charges, interest, fees or invoices when they fall due for reasons beyond their control; or
- payment when due would cause financial hardship.

Early Contact and Customer Support

Council is committed to engaging with customers as early as possible when rates, charges, fees or other debts become overdue. Council will seek to communicate with customers in a respectful, compassionate and confidential manner and consider any information provided before determining the most appropriate course of action.

Before considering further recovery action, Council will make reasonable efforts to contact the customer and encourage them to engage with Council to discuss the support available.

Reasonable efforts may include:

- in the first instance, issuing a friendly reminder letter by post and/or email advising of the overdue amount and encouraging the customer to contact Council via hardship@leeton.nsw.gov.au or 02 6953 0911;
- attempting to contact the customer by telephone on up to three (3) occasions, where contact details are available, at different times of the day and/or on different days;
- providing information about payment arrangements, hardship assistance and available financial counselling services; and
- inviting the customer to discuss their circumstances and any assistance available under this Policy in person, telephone or email.

Customers experiencing difficulty meeting their financial commitments are encouraged to contact Council (hardship@leeton.nsw.gov.au or 02 6953 0911) as soon as possible. Early engagement provides the best opportunity to identify suitable assistance and avoid additional debt, interest charges or recovery action.

Assistance Available

The *Local Government Act 1993* provides a range of assistance measures for customers experiencing financial hardship. Depending on the circumstances and the nature of the debt, assistance may include:

- flexible payment arrangements;
- reduction, suspension or write-off of accrued interest where permitted by legislation;
- waiver, reduction or deferral of certain rate increases resulting from a general revaluation;
- pensioner concessions and other assistance available to eligible pensioners;

- waiver or reduction of Council fees where permitted under legislation and Council's adopted delegations;
- referral to independent financial counselling; and
- simplified application requirements in cases involving bereavement or other exceptional circumstances.

Council also provides:

- an enhanced hardship pathway for customers referred by recognised financial counselling services; and
- a support and expedited hardship application process in cases involving recent bereavement.

Under section 564 of the *Local Government Act 1993*, Council may enter into payment arrangements for rates and charges. In accordance with section 568 of the Act, payments made under these arrangements will generally be applied to rates and charges in the order in which they become due.

8.1 Payment Arrangements for Overdue Rates and Charges

Payment Arrangements

Under section 564 of the *Local Government Act 1993*, Council may enter into an agreement with a ratepayer for the periodic payment of rates and charges, whether or not those rates and charges are overdue. Council may also establish payment arrangements for other Council debts in accordance with its debt management practices and delegated authority.

Customers experiencing difficulty meeting their financial commitments are encouraged to contact Council (hardship@leeton.nsw.gov.au or 02 6953 0911) as early as possible to discuss the assistance available under this Policy.

Applying for Hardship Assistance

Where a customer is experiencing ongoing financial difficulty, seeking a payment arrangement, requiring longer-term assistance, or seeking additional hardship relief under this Policy, Council will require the customer to complete a Financial Hardship Application (see **Appendix 1**) and provide reasonable information regarding their financial circumstances.

The Manager Finance will assess the information provided and determine whether financial hardship has been established.

Where a Financial Hardship Application has been approved, Council may work with the customer to identify the most appropriate assistance options. This may include a payment arrangement tailored to the customer's individual financial circumstances and capacity to pay. The payment arrangement may form part of a broader hardship assistance package under this Policy.

Council also encourages customers to seek assistance from an independent Financial Counsellor (see **section 12**) where additional support may assist in achieving a sustainable outcome.

Establishing a Payment Arrangement

Payment arrangements will be developed in consultation with the customer and tailored, where possible, to their individual circumstances and capacity to pay.

Council may consider:

- the amount outstanding;
- the customer's income, expenses and financial circumstances;
- their ability to meet ongoing rates, charges or other debts as they fall due;
- the anticipated repayment period; and
- any other relevant circumstances disclosed by the customer.

Where practical, payment arrangements should aim to clear outstanding rates and charges within the current financial year. Where this is not possible, Council will work with the customer to establish a reasonable and sustainable repayment arrangement.

Water Services

Where a customer complies with an agreed payment arrangement for outstanding water charges, Council will not restrict the customer's water service.

If Your Circumstances Change

Early contact gives Council the best opportunity to work with customers and explore alternative arrangements before debt increases or recovery action is considered.

Customers are encouraged to contact Council (hardship@leeton.nsw.gov.au or 02 6953 0911) if their circumstances change or they believe they may be unable to meet the terms of an agreed payment arrangement.

Where a customer experiences difficulty complying with an arrangement, Council will make reasonable efforts to discuss alternative arrangements or other forms of hardship assistance before considering further recovery action.

Application of Payments

In accordance with section 568 of the *Local Government Act 1993*, payments received under a payment arrangement will generally be applied to rates and charges in the order in which they become due.

Interest Charges

Customers who enter into a payment arrangement without an approved Financial Hardship Application will generally continue to be charged interest in accordance with Clause 7 of this Policy.

Where a Financial Hardship Application has been approved and the customer complies with an agreed payment arrangement, Council may suspend, reduce or write off accrued interest in accordance with the *Local Government Act 1993* and Council's adopted delegations.

Customer Information and Support

Council will provide reasonable assistance to customers who require support completing hardship applications, including customers with disability, language barriers, low literacy, recent bereavement or limited access to technology.

Council will ensure that payment arrangement processes, application forms and correspondence clearly explain available hardship options, applicable interest charges, customer responsibilities and the benefits of seeking independent financial counselling.

Customers will also be advised that a payment arrangement may not always be the most suitable form of hardship assistance available under this Policy.

8.2 Hardship Assistance by Writing off Accrued Interest

Under section 567 of the *Local Government Act 1993*, Council may write off accrued interest on rates and charges where:

- the person was unable to pay the rates and charges when they became due for reasons beyond their control;
- the person is unable to pay the accrued interest for reasons beyond their control; or
- payment of the accrued interest would cause financial hardship.

A customer seeking the reduction or write-off of accrued interest may submit a Financial Hardship Application (see **Appendix 1**) together with information supporting their request.

Council will assess each application on its individual merits and may consider:

- the customer's financial circumstances;
- the reasons payment was not made when due;
- whether payment of the accrued interest would cause financial hardship;
- the customer's efforts to engage with Council and address the debt;
- compliance with any previous payment arrangement, taking into account the reasons for any non-compliance; and
- any other relevant circumstances.

In assessing an application, Council will take a fair, compassionate and proportionate approach, having regard to both the customer's circumstances and Council's responsibilities under the *Local Government Act 1993*.

8.3 Hardship Assistance for Eligible Pensioners

Eligible pensioners may be entitled to pensioner concessions on Council rates and charges in accordance with the *Local Government Act 1993*, the Local Government (General) Regulation 2021 and Council's Pensioner Concessions Policy (see **Appendix 2**).

Council encourages eligible pensioners experiencing difficulty in meeting their financial commitments to contact Council as early as possible to discuss the assistance available under this Policy.

In addition to any statutory pensioner concessions, Council may provide further hardship assistance to eligible pensioners in accordance with the *Local Government Act 1993*, Council's adopted delegations and Council policies. Assistance may include:

- payment arrangements tailored to the customer's circumstances;
- the reduction, suspension or write-off of accrued interest where permitted by legislation;
- the deferral of rates and charges where permitted by legislation; and
- other assistance available under this Policy.

Applications for additional hardship assistance will be assessed on their individual merits, having regard to the pensioner's financial circumstances, the nature of the hardship being experienced and any applicable legislative requirements.

8.4 Backdating of Pensioner Concessions

Where a ratepayer was eligible for a pensioner concession but did not apply when they first became eligible, Council may consider backdating the concession for up to three (3) years, subject to the applicant providing reasonable evidence of their entitlement during the relevant period including the date of the original eligibility.

Requests for backdating will be assessed on a case-by-case basis in accordance with the *Local Government Act 1993*, Council's Pensioner Concessions Policy and Council's adopted delegations.

8.5 Extension of Pensioner Concession to Avoid Hardship

In accordance with the *Local Government Act 1993*, Council may consider extending the benefit of a pensioner concession to a person who would not otherwise qualify, where permitted by legislation and where hardship would result if the concession was not granted.

Council recognises that financial hardship can arise in a range of circumstances and that some people may be experiencing difficulty meeting their financial commitments despite not meeting the usual eligibility requirements for a pensioner concession.

Customers seeking an extension of a pensioner concession due to financial hardship will be required to complete a Financial Hardship Application (see **Appendix 1**) and provide reasonable information regarding their circumstances and eligibility.

Applications will be assessed on a case-by-case basis, having regard to:

- the applicant's financial circumstances;
- the nature and extent of the hardship being experienced;
- the applicant's relationship to the eligible pensioner, where relevant;
- any supporting information provided with the application; and
- any applicable legislative requirements.

Council will work with applicants in a respectful, compassionate and confidential manner and will consider each application on its individual merits.

Applications will be determined in accordance with the *Local Government Act 1993* and Council's adopted delegations.

Where an application is approved, the concession will apply for the period determined by Council. If hardship continues beyond the approved period, the applicant may submit a new application for further consideration.

8.6 Hardship Assistance in Relation to Certain Valuation Changes

A ratepayer who experiences substantial financial hardship as a result of an increase in rates following a new land valuation may apply to Council for rate relief.

Customers seeking assistance under this section will be required to complete a Financial Hardship Application (see **Appendix 1**) and provide reasonable information regarding their financial circumstances.

In assessing an application, Council may have regard to:

- whether the property is the applicant's principal place of residence;
- the extent of the increase in rates arising from the new land valuation;
- the applicant's financial circumstances and capacity to pay;
- whether payment of the rates would cause substantial financial hardship;
- any supporting information provided by the applicant; and
- any other relevant circumstances.

Applications must generally be submitted within six (6) months of the issue of the Rates and Charges Notice relating to the new valuation. Assistance under this section is generally only available in the first year the new valuation is used to levy rates.

Where Council is satisfied that substantial financial hardship exists, Council may, in accordance with the *Local Government Act 1993*, waive, reduce or defer all or part of the increase in rates resulting from the new valuation.

Any assistance provided under this section will be determined having regard to the individual circumstances of the applicant, the nature of the hardship being experienced, applicable legislative requirements and Council's adopted delegations.

8.7 Hardship Assistance in Relation to Council Fees

Council recognises that customers may experience difficulty paying certain Council fees and charges due to financial hardship.

Customers experiencing financial hardship may apply for assistance in relation to Council fees and charges, where permitted by legislation and Council's adopted delegations.

Applications for hardship assistance relating to Council fees or charges, other than rates and annual charges, will be assessed on a case-by-case basis having regard to:

- the customer's financial circumstances;
- the nature and extent of the hardship being experienced;
- the type and value of the fee or charge;
- any supporting information provided by the customer; and
- any applicable legislative requirements.

Where financial hardship has been established, Council may consider waiving, reducing, deferring or otherwise assisting with fees and charges in accordance with the *Local Government Act 1993*, Council's adopted delegations and any relevant Council policy.

Council will work with customers in a respectful, compassionate and confidential manner to identify the most appropriate assistance option having regard to both the customer's circumstances and Council's statutory responsibilities.

8.8 Hardship Assistance In relation to Undetected Water Leakage

Customers who receive an unusually high water consumption account due to an undetected leak may apply for assistance in accordance with Council's Concealed Leak Policy.

Where payment of the adjusted account would cause financial hardship, customers may also apply for assistance under this Policy by completing a Financial Hardship Application (see **Appendix 1**).

Applications will be assessed on a case-by-case basis, having regard to the customer's circumstances, the provisions of Council's Concealed Leak Policy and Council's adopted delegations.

8.9 Hardship Assistance through Partner Financial Counselling Services

Council recognises the value of independent financial counselling in helping customers understand their financial circumstances, manage debt and access available support services.

Council encourages customers experiencing financial hardship to seek assistance from a recognised Financial Counsellor, including services such as the Society of St Vincent de Paul, The Salvation Army (Moneycare) and the Rural Financial Counselling Service.

Where a customer is working with a recognised Financial Counsellor and actively participating in an agreed financial management plan, Council may:

- consider hardship applications as a priority;
- provide payment arrangements tailored to the customer's financial circumstances;
- consider the reduction, suspension or write-off of accrued interest where permitted by legislation;
- temporarily suspend debt recovery action while the customer is complying with an agreed financial management plan; and
- consider other forms of hardship assistance available under this Policy.

Council will include information about financial counselling services on relevant correspondence and encourage customers experiencing financial difficulty to seek independent advice and support.

Applications under this section will be assessed on a case-by-case basis, having regard to the customer's circumstances, any recommendations provided by the Financial Counsellor, Council's financial position and applicable legislative requirements.

8.10 Hardship Assistance in Cases of Bereavement

Council recognises that the death of an immediate family member from the same household can create significant financial and emotional pressure for those left behind.

Where a customer is experiencing hardship within six (6) months of a recent bereavement, Council will take a compassionate, flexible approach and seek to minimise unnecessary administrative requirements.

Customers seeking assistance under this section may provide readily available supporting information, such as a funeral notice, death certificate or other evidence of bereavement. Depending on the customer's circumstances and the assistance available under legislation,

Council may:

- establish or vary a payment arrangement;
- temporarily suspend debt recovery action;
- reduce, suspend or write off accrued interest;
- provide additional time for payment; or
- consider other forms of hardship assistance available under this Policy.

Customers will not ordinarily be required to engage a Financial Counsellor before assistance under this section is considered.

Applications under this section will be assessed on a case-by-case basis and determined in accordance with Council's adopted delegations.

9. The Financial Hardship Application Process

9.1 Making a Financial Hardship Application

A ratepayer, sundry debtor, residential customer or other Council customer experiencing financial hardship may apply for assistance under this Policy by completing a Financial Hardship Application Form (**see Appendix 1**).

Applicants must demonstrate that they are unable to pay rates, charges, fees or invoices when they fall due, or that payment would cause financial hardship.

To help Council assess an application, customers may be asked to provide:

- a completed Financial Hardship Application Form;
- information outlining the reasons for the application;
- reasonable evidence of financial hardship;
- details of income, expenses, assets and liabilities; and
- any other information reasonably required to make an informed assessment.

For applications relating to rates and charges on a property, the application should generally be made by, or with the authority of, the person liable for payment. Council may also accept applications from an authorised representative, attorney, power of attorney, executor, administrator or other person acting on behalf of the applicant where appropriate.

Supporting information may include documentation or information provided by a person with knowledge of, or expertise in, the applicant's circumstances, including:

- an accountant or solicitor;
- a recognised Financial Counsellor;
- a carer, support worker or attorney; or
- another person able to provide relevant information regarding the applicant's circumstances.

Council may request additional information or arrange a discussion with the applicant where this would assist Council in understanding their circumstances and identifying the most appropriate assistance option.

Applicants are encouraged to work collaboratively with Council, maintain regular contact regarding their circumstances and, where appropriate, participate in a reasonable payment arrangement.

Information provided as part of a Financial Hardship Application will be treated confidentially and used only for the purpose of assessing and administering hardship assistance, unless otherwise required by law.

Completed applications may be submitted by post, email or in person:

Governance Department

C/o Manager Governance and IPR
Leeton Shire Council
23-25 Chelmsford Place
Leeton NSW 2705
E: hardship@leeton.nsw.gov.au
P: 02 6953 0911

9.2 Assessment of Financial Hardship Applications

Each Financial Hardship Application will be reviewed by the Manager Finance in consultation with the Director Corporate/CFO and, where required, the General Manager. Applications will be assessed on a case-by-case basis, having regard to the information provided by the applicant and their individual circumstances.

In assessing an application, Council may consider:

- the applicant's financial circumstances;
- income from all sources;
- living expenses and financial commitments;
- the health and wellbeing of the applicant and any dependants;
- the reasons for the hardship;
- any supporting information provided by the applicant;
- payment history with Council, including the reasons for any missed payments;
- compliance with any previous payment arrangements, taking into account the circumstances that contributed to any non-compliance; and
- any other relevant circumstances.

Council will seek to assess applications in a fair, respectful and compassionate manner, while balancing the individual circumstances of the applicant with Council's responsibilities under the *Local Government Act 1993*.

Once a decision has been made, the applicant will be advised in writing of:

- the outcome of the application;
- any assistance approved and any conditions applying to that assistance;
- any review rights available under this Policy; and
- relevant Council contact details should further assistance be required.

9.3 Internal Review of Determination

If an applicant is dissatisfied with the outcome of their application, they may request an internal review of the determination.

Requests for review must be made in writing to the Manager Governance via hardship@leeton.nsw.gov.au within twenty-eight (28) days of receiving notification of the decision.

The request should outline the reasons the applicant believes the determination should be reconsidered and include any additional information that may assist Council in reviewing the matter.

Council will review the original application, the determination reached and any additional information provided by the applicant before making a final decision.

The applicant will be advised of the outcome of the review in writing.

10. Continuation of Hardship

Where a customer continues to experience financial hardship after an approved assistance period has ended, they may apply for further assistance by submitting an updated Financial Hardship Application Form together with any information necessary to confirm their current circumstances and ongoing eligibility.

Council recognises that financial hardship can be ongoing and may reassess a customer's circumstances to determine whether it is still the most appropriate assistance.

Where a customer has complied with an approved repayment arrangement, Council may continue to provide hardship assistance in accordance with this Policy and Council's adopted delegations.

Council may also consider, on a case-by-case basis, the suspension, reduction or write-off of accrued interest, having regard to the customer's circumstances, compliance with any agreed arrangements and the requirements of the *Local Government Act 1993*.

If the applicant continues to experience hardship after the concession period approved by Council has expired, the customer will need to reapply providing an updated Financial Hardship Application Form for assessment. In such circumstances Council may require up-to-date personal and financial information to confirm the ratepayer's continued financial hardship.

~~Where an application for Financial Hardship has been approved in relation to ongoing Financial Hardship and a repayment plan has been entered into and adhered to, the Council will suspend penalty interest and administration fees and will consider, on a case-by-case basis, the write off of any associated penalty interest and/or legal charges relating to the application.~~

11. Failure to Maintain an Agreement or Payment Arrangement

Council recognises that a customer's circumstances may change during an approved payment arrangement or hardship assistance period.

Customers are encouraged to contact Council (hardship@leeton.nsw.gov.au or 02 6953 0911) as early as possible if they are experiencing difficulty meeting the terms of an agreed payment arrangement or hardship assistance arrangement. Early contact gives Council the best opportunity to understand the customer's circumstances and explore alternative assistance options.

Where a customer is unable to meet the terms of an agreed arrangement, Council will make reasonable efforts to contact the customer, discuss their circumstances and consider whether an alternative payment arrangement or other form of hardship assistance may be appropriate.

Council may cancel a payment arrangement or other hardship assistance where a customer:

- fails to notify Council of significant changes to their circumstances that may affect the arrangement;
- fails to comply with an agreed payment arrangement by missing three (3) consecutive payments; or
- does not respond to reasonable attempts by Council to make contact regarding the arrangement.

Where a payment arrangement is cancelled, interest may recommence in accordance with Clause 7 of this Policy and any applicable charges may also be reinstated.

Before considering further recovery action, Council will contact the customer to discuss their circumstances and remind them of the hardship assistance and financial counselling options available under this Policy.

Where appropriate, Council may continue or commence recovery action in accordance with its Debt Recovery Policy.

Previous non-compliance with a payment arrangement will not automatically prevent a customer from seeking further hardship assistance. Each application will be assessed on its individual merits, taking into account the customer's current circumstances and any steps taken to address the debt.

Council will continue to review its debt recovery practices to ensure they balance sound financial management with compassion, fairness and support for customers experiencing genuine financial hardship.

Customers will be encouraged to seek independent financial counselling before matters are referred for external debt recovery.

~~Penalty interest will recommence from the date of cancellation of the agreement. Any applicable administration charges will also resume.~~

12. Support Services

Council recognises that financial hardship can be challenging and that customers may benefit from independent financial, legal or personal support.

Customers experiencing financial hardship, or requiring financial, legal or wellbeing assistance, may find the following organisations helpful.

Rural Financial Counselling Service NSW

Website: www.rfcsnsw.org.au

Telephone: 1800 319 458

Email: info@rfcsnsw.org.au

Centrelink

www.centrelink.gov.au

Telephone: 13 63 57

Headspace Griffith

1/26 Ulong Street, Griffith, New South Wales 2680

Phone [\(02\) 6962 3277](tel:0269623277)

Email: enquiries@headspacegriffith.org.au

Legal Aid NSW

www.legalaid.nsw.gov.au/get-legal-help/fina-a-service

Riverina Murray (Wagga Wagga) Office, Ground Floor, 74–76 Fitzmaurice Street
Wagga Wagga NSW 2650

Telephone: (02) 6921 6588

Email: wagga@legalaid.nsw.gov.au

Salvation Army (Moneycare) Wagga Wagga

188 Edward Street, Wagga Wagga NSW 2650

www.salvos.org.au

Telephone: [02 6921 7895](tel:0269217895)

Email: wagga.admin@salvationarmy.org.au

National Debt Hotline operated by Financial Counsellors Association of NSW

www.fcan.org.au

Telephone: 1800 007 007

Society of St Vincent De Paul (Vinnies)

Call: [13 18 12](tel:131812) (during business hours)

Email: vinnies@vinnies.org.au

Council encourages customers experiencing financial hardship to seek independent advice and support as early as possible.

Council notes that referral to, and engagement with, a recognised Financial Counsellor may assist customers in identifying additional support options and may enable access to the enhanced hardship pathway described in section 8.9 and 8.10 of this Policy.

APPENDIX 1 – Hardship Application (Individual)

 <div style="display: inline-block; vertical-align: middle;"> LEETON SHIRE COUNCIL </div> <div style="float: right; text-align: right;"> Hardship Application (Individual) </div>			
SECTION 1 – APPLICANT 1			
Applicant	I, _____		(Full Name)
	Of, _____		(Address)
	(Mobile) _____	(Telephone) _____	
	(Email) _____		
SECTION 1 – APPLICANT 2			
Applicant	I, _____		(Full Name)
	Of, _____		(Address)
	(Mobile) _____	(Telephone) _____	
	(Email) _____		
SECTION 2 – PROPERTY DETAILS			
Assessment	Rates Assessment Number	_____	
	Postal Address _____		
Description	Property Address	_____	
	The property for which I am claiming has been my sole/principal place of residence since / /		
SECTION 3 – APPLICATION			
Application	This application is for hardship rate relief for the whole or part of the year commencing / /		
	What is the cause of the financial hardship (eg. Unemployment, illness)		

	How long have you been experiencing hardship?	_____	
SECTION 4 – WEEKLY INCOME AND EXPENDITURE			
Pension or Allowance	Do you have a current Pensioner Concession Card?	APPLICANT 1	APPLICANT 2
	If 'Yes', type of pension or benefit	YES/NO	YES/NO
	If 'Yes', PCC Number (attach copy)		

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LEETON SHIRE COUNCIL T. (02) 6953 0911 F. (02) 6953 0977 23-25 Chelmsford Place Leeton NSW 2705
 council@leeton.nsw.gov.au www.leeton.nsw.gov.au



Hardship Application (Individual)

SECTION 4 – WEEKLY INCOME AND EXPENDITURE		APPLICANT 1 \$	APPLICANT 2 \$	
Income from all sources	My net weekly income received in dollars and cents from all sources is:			
Sources of income include	Wages – full-time, part time or casual			
	Pensions and benefits			
	Compensation, superannuation or retirement benefits			
	Family Allowance/Interest from Banks/Credit Unions/Building Societies			
	Income of other residents of the property			
	Spouses income if not party to this claim			
	Other			
	**** Please provide copies of all relevant supporting documentation ****			
Savings	Total savings held in a Financial Institution			
Totals	Total Income			
Expenditure	Please state details of weekly outgoings:		APPLICANT 1 \$	APPLICANT 2 \$
	Outgoings	Owed to		
	Rent			
	Mortgage			
	Loans			
	Credit Cards			
	Groceries			
	Electricity			
	Gas			
	Medical			
	Childcare			
	Telephone			
	School Fees			
	Other			
	Other			
	Other			
	****Please provide copies of all relevant supporting documentation****			
	Income Less Expenditure	Total Expenditure		
Total Income				
Net Income (Deficit)				

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Hardship Application (Individual)

SECTION 5 – INFORMATION CHECKBOX FOR APPLICANTS

Council will accept this if all information sought is provided by you.

Please indicate preferred payment frequency

Weekly ☐

Fortnightly ☐

Monthly ☐

I have completed and attached required information so that my application can be processed.

	Applicant 1 (Please Tick)		Applicant 2 (Please Tick)	
	Attached (Please ✓)	Completed (Please ✓)	Attached (Please ✓)	Completed (Please ✓)
Section 1: Applicant				
Section 2: Property Details				
Section 3: Application				
Section 4: Income and Expenditure				
Bank Statements				
Payslips				
Pensioner Concession Card				
Expenditure				
Income Less Expenditure				
Section 5: Payment Frequency				
Section 6: Declaration				

SECTION 6 - DECLARATION

I do solemnly declare that the information provided by me to the Leeton Shire Council in this application is true and correct.

	Applicant 1	Applicant 2
Signature		
Date		

Application needs to be submitted to the Council Offices 23-25 Chelmsford Place, Leeton, with all supporting documentation including identification.

OFFICE USE ONLY	
Rates Department	
Owners NARS: _____	Previous Correspondence Sent: _____
Outstanding Rates: \$ _____	Outstanding Water: \$ _____
Sundry Debtors: \$ _____	
Correspondence Received from Ratepayer: _____	Officer Initial & Date: _____
Manager Finance: Signature: _____ Approved: _____ Not Approved: _____ Refer: _____	
General Manager: Approved: _____ Not Approved: _____ Refer to Council: _____ Signature: _____	
Council Decision:	
Date of meeting: _____ Resolution: _____ Approved / Not Approved	Ratepayer Notified: Date: _____ By: _____

Rates & Water Form 105.1

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council@leeton.nsw.gov.au www.leeton.nsw.gov.au

APPENDIX 2 – Application for Pensioner Concession Rebate



LEETON

SHIRE COUNCIL

Application for Pensioner Concession Rebate

If joint owners are eligible for a pensioner concession, a separate form will need to be completed by each owner to receive the maximum rebate, otherwise only a partial rebate will be granted.

Council Account/ Assessment Number	
Name	
Concession Card Type Pensioner Concession Card (Blue) ☐ DVA Gold Card ☐	
Concession Card Number	
Date Concession Card Granted	
Phone	
Email	
Property Address	
Is this your sole / principal place of living	Yes ☐ No ☐
When did you move into the property?	
Have you claimed a pensioner rebate for any other property in the last 12 months? (If Yes, please provide the address of the other property)	Yes ☐ No ☐ Address:
Are you the sole owner of the property? If No, who else owns a share? (If more than one other co- owner please list the name of each co-owner and their relationship to you.)	Yes ☐ No ☐ Spouse ☐ Other ☐ Further Details (if applicable):

The information contained in this application form and any information requested for the purpose of assessing eligibility for a pensioner concession is required under the Local Government Act 1993 and the Local Government (General) Regulation 2005.

By submitting this form, you declare that the information provided is true and correct and that you are the person making this application. If you make a false statement in an application, you may be guilty of an offence and fined up to \$2,220

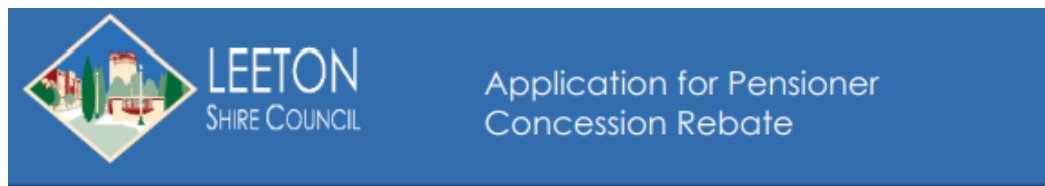
Signature..... Please see over for additional signature Date.....

- ☐ Copy of Pension Card Attached
☐ Centrepay Explained

Rates & Water Form 102.1

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 council@leeton.nsw.gov.au www.leeton.nsw.gov.au



Consent

The information provided on this form is private and confidential and your Council must not disclose the information to any person or body, if it is not directly related to the purpose for which the information was collected. If you have a complaint about the use of your personal information, contact your Council's Public Officer. The information contained or referred to in this application form may be corrected and updated by you, by contacting your Council. Please read the conditions and sign below to confirm your consent to your Council checking your concession eligibility with Centrelink or the Department of Veterans' Affairs. Your details may be checked regularly, to confirm ongoing eligibility. At any time, you have right to withdraw your consent by contacting your Council.

I, _____ authorise:

- Council to use Centrelink Confirmation eServices to perform a Centrelink/DVA enquiry of my Centrelink or Department of Veterans' Affairs customer details and concession card status to enable Council to determine if I qualify for a rebate.
- The Australian Government Department of Human Services (the department) to provide the results of that enquiry to Council.

I understand that:

- The department will disclose personal information to Council including my name, address, payment type, payment status and concession card type and status to confirm my eligibility for a rebate.
- This consent, once signed, remains valid while I am a customer of Council unless I withdraw it by contacting Council or the department.
- I can get proof of my circumstances/details from the department and provide it to Council so my eligibility for a rebate can be determined.

If I withdraw my consent or do not alternatively provide proof of my circumstances/details, I may not be eligible for the rebate provided by Council.

I have read and accepted the above consent.

Signature.....Date.....

Additional Information:

Your council will determine your eligibility to receive a rebate of up to \$250 on your rates account. You may also be eligible to receive up to \$87.50 on your annual water charges and up to \$87.50 off your annual sewerage charges, if your council provides these services. Alternatively, if your council does not provide these services, contact your water/sewer service provider for more information.

Eligibility:

- Holders of the PCC (Pensioner Concession Card);
- Holders of a gold card embossed with 'TPI' (Totally Permanently Incapacitated);
- Holders of a gold card embossed with 'EDA' (Extreme Disablement Adjustment);
- War widow or widower or wholly dependent partner entitled to the Pensioner Concession Card*.

* If you are a war widow or widower or wholly dependent partner but do not have a Pensioner Concession Card, you should contact the Department of Veterans' Affairs (DVA) to test your eligibility for the DVA income support supplement. Eligibility is subject to an income and assets test. Holders of cards other than those listed above are not eligible for the concession. For assistance from the DVA call 133 254.

APPENDIX 3 – Application for Concession Due to a Concealed Leak

	LEETON SHIRE COUNCIL	Application for Concession Due to a Concealed Leak
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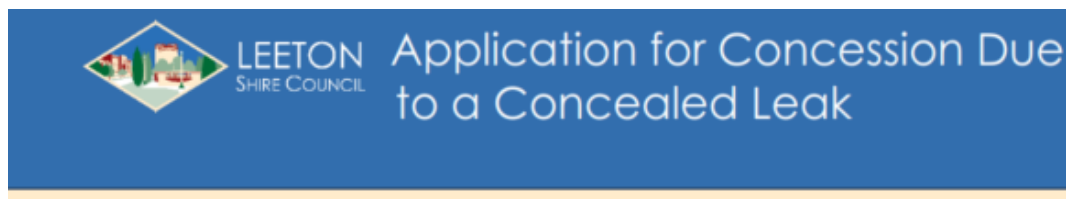
SECTION 1: PROPERTY OWNER (APPLICANT) DETAILS	
I,	(Full Name)
of	(Address)
(Mobile)	(Telephone)
(Email)	
Apply for concession on a water account due to a concealed leak under Council's policy.	

SECTION 2: PROPERTY DETAILS FOR WHICH CONCEALED LEAK HAS OCCURRED
Assessment No:
Property Address:

SECTION 3: GROUNDS FOR REQUEST (Attach additional pages if necessary)
How did you become aware of the leak?
When did you become aware of the leak?
Any details pertaining to the leak.
Was a licensed plumber engaged to carry out repairs (please circle): Yes No
Plumber's Report to Include: Date and location leak was detected Date leak was repaired Possible cause of leak Copy of invoice

Rates & Water Form 108.1

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SECTION 4: CUSTOMER CONSENT	
Signature/s:	Date:

SECTION 5: INFORMATION FOR APPLICANTS	
Leeton Shire Council will accept and process this application once all sections have been completed and submitted	
Section 1	Property Owner Details ☐
Section 2	Property details for which concealed leak has occurred ☐
Section 3	Grounds for request ☐
Section 4	Customer consent ☐
Other	Sign up to the MyH2O website (www.myh2o.leeton.nsw.gov.au) ☐
Attachments	Plumber's report on concealed leak ☐
	Copy of plumber's invoice ☐
	Receipt of invoice payment ☐

Please note: Interest shall accrue on all overdue amounts regardless of whether the rebate has been applied.

Office Use Only	
Date Received:	Responsible Officer:

Rates & Water Form 10B.1

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council@leeton.nsw.gov.au www.leeton.nsw.gov.au



DRAFT Communications and Engagement Strategy



Proposed Special Rate Variation to General Income 2027/28

Attachment to Council Report

September 2026

Leeton Shire Council | SRV Communications and Engagement Strategy | September 2026 | Page 1

Community Message

The people of Leeton Shire have consistently told Council they value well-maintained roads, parks, community facilities, local services and opportunities for future growth. These priorities are reflected in Council's Community Strategic Plan, Delivery Program, Operational Plan, Long Term Financial Plan and Asset Management Plan, which guide how Council plans, prioritises resources and delivers services across the Shire.

Over recent years, Council has been working to improve its long-term financial sustainability through careful planning, service reviews, efficiency improvements and cost containment initiatives. Council has identified savings and productivity improvements while continuing to deliver services and maintain community assets. This work remains ongoing.

Like many councils across NSW, Leeton Shire Council continues to face increasing costs associated with maintaining infrastructure, delivering services and meeting the needs of a growing and changing community. Construction, maintenance, insurance, fuel and operating costs have increased faster than Council's income under the NSW rate peg system. As a result, Council's long-term financial planning has identified the need to consider additional options to help ensure services, infrastructure and community assets can continue to be maintained into the future.

One of those options is a Special Rate Variation (SRV). An SRV would provide additional income that could help Council continue to maintain and renew community assets, deliver services and support the priorities identified by the community through Council's planning processes. An SRV is one of a number of options currently being considered.

Council also recognises that any discussion about rates may raise affordability concerns for some members of the community. If consultation proceeds, information will be provided about pensioner concessions, Council's Hardship Policy and payment arrangements available to eligible ratepayers, so people can make informed decisions about the options being considered.

Council has not yet made a decision about whether to apply to IPART for a Special Rate Variation. As the first step is for Councillors to decide whether the community should be formally consulted on the options being considered. If consultation proceeds, residents, businesses, farmland ratepayers, community organisations and other stakeholders will have the opportunity to learn more about the options, understand the potential impacts, ask questions and provide feedback.

Councillors will consider community feedback before deciding whether an application should be submitted to IPART. If an application is submitted, IPART independently assesses the proposal and makes the final determination.

Your feedback is important. It will help inform decisions about Council's long-term financial sustainability and the services, infrastructure and community facilities needed to support the aspirations, needs and future of the Leeton Shire community.

1. Overview

This Communications and Engagement Strategy outlines how Council will keep the community informed, provide opportunities for feedback and ensure people can participate in a meaningful way throughout the Special Rate Variation (SRV) process.

The strategy has been developed to:

- provide clear, accurate and easy-to-understand information;
- explain how the community can participate and provide feedback;
- ensure feedback is considered before any decision is made;
- support transparent decision-making; and
- meet the community awareness and engagement requirements of the Office of Local Government (OLG) and IPART for any potential SRV application.

For consistency, Council will use the term Special Rate Variation (SRV) in community and staff communications. The Office of Local Government (OLG) and Independent Pricing and Regulatory Tribunal NSW (IPART) may use the term Special Variation (SV) in formal documents. Both terms refer to the same process.

Our Financial Sustainability Journey So Far

Council's focus on long-term financial sustainability did not begin with the potential Special Rate Variation (SRV) currently being considered for 2027/28.

Through its Integrated Planning and Reporting framework, including the Community Strategic Plan, Delivery Program, Operational Plan, Long Term Financial Plan and Asset Management Plan, Council has been planning for the future needs of the Leeton Shire community for many years. These documents reflect the aspirations, priorities and outcomes the community has told Council are important, both now and into the future.

Since April 2025, Council has undertaken a range of activities to help raise community awareness and understanding of its financial position, future financial challenges and the options available to support long-term sustainability. This has included community information sessions, public meetings and educational resources featuring Professor Joseph Drew, who was engaged by Council to provide independent advice and insights into local government financial sustainability.

In October 2025, Council also established the Financial Sustainability Advisory Committee (FSAC), comprising ten (10) community representatives. The Committee has provided valuable feedback, ideas and perspectives on Council's financial sustainability challenges and opportunities, with its discussions and recommendations regularly communicated to Council.

This work has included service reviews, efficiency improvements, savings initiatives and cost containment measures aimed at strengthening Council's financial position while continuing to deliver services and maintain community assets.

As part of this ongoing work, Council is now considering a range of options to support its long-term financial sustainability, including a potential Special Rate Variation (SRV).

Where We Are Now

At the Ordinary Council Meeting on 29 September 2026, Councillors will consider whether Council should commence formal community consultation on proposed SRV scenarios.

If consultation proceeds, the community will have the opportunity to review information, learn more about the options being considered, ask questions and provide feedback. Community feedback will play an important role in helping Councillors understand community priorities and inform future decision-making.

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Following community consultation in late October 2026, Council will review and consider all feedback received from the community. Councillors will then decide whether to proceed with a Special Rate Variation application for 2027/28 to IPART in December 2026.

If an application is submitted, IPART will independently assess the proposal, including the community engagement undertaken by Council, before making a final determination, expected in mid-2027.

2. Purpose and Objectives

The purpose of this strategy is to ensure the community has access to clear, balanced and easy-to-understand information about Council's financial sustainability challenges and the options being considered to address them.

Through this strategy, Council aims to:

- explain Council's long-term financial sustainability challenges and the options being considered to address them
- help the community understand the challenges, opportunities and choices available;
- clearly explain the potential impact of each option on rates, services, infrastructure and Council's long-term financial position;
- outline the efficiency measures, savings initiatives and cost containment actions already undertaken by Council;
- provide meaningful opportunities for residents, businesses, farmland ratepayers and community organisations to ask questions and provide feedback;
- ensure information is accessible and available across the whole Shire, including village communities;
- ensure community feedback is collected, analysed and considered before any decision is made;
- consider affordability, hardship and the differing circumstances of affected ratepayers, and ensure the community is aware of the support available, including pensioner concessions, payment arrangements and Council's Hardship Policy.
- explain how community feedback has been considered and reported back to the community; and
- ensure Council's engagement approach meets the requirements of the Office of Local Government (OLG) and IPART for any potential SRV application.

What Success Will Look Like

At the conclusion of the engagement process, community members should:

- understand why Council is considering an SRV;
- understand the options being considered and why they have been developed;
- understand the potential impact on rates, services and infrastructure;
- understand what Council has already done to improve efficiency and contain costs;
- understand the support available, including pensioner concessions, hardship assistance and payment options for ratepayers experiencing financial difficulty;
- feel they have had a genuine opportunity to ask questions, provide feedback and participate in the process; and
- understand how community feedback informed Council's decision-making.

3. Engagement Principles

Principle	Our commitment
Open and transparent	Provide balanced information about the financial position, options, assumptions, impacts and decision process.
Clear and accessible	Use plain language, practical examples and visual information. Provide online, printed and face-to-face options.
Inclusive	Reach residential, business and farmland ratepayers, village communities, pensioners and people who do not use digital channels.
Respectful	Recognise that rates and household costs are sensitive. Welcome and record different views fairly.
Meaningful	Provide enough information and time for people to form a view and explain what can be influenced.
Responsive	Answer questions, monitor emerging concerns and correct factual inaccuracies promptly.
Accountable	Report what was heard, how feedback was considered and what happens next.

4. What the Community Will Be Asked to Consider

If Council resolves to commence formal consultation, the community will be invited to consider the endorsed SRV scenarios and supporting financial information.

Consultation material will explain:

- why Council is facing financial sustainability challenges and the options being considered to address them
- whether each scenario is proposed under section 508(2) or section 508A of the Local Government Act 1993;
- whether each increase would be permanent or temporary;
- the total increase proposed in each year, including the rate peg;
- the full cumulative increase, calculated using compounding;
- annual and cumulative dollar impacts for the average ratepayer in each affected rating category or subcategory;
- average rates under the proposed SRV compared with the rate-peg-only pathway;
- what the additional income would fund;
- efficiencies, savings, productivity improvements and other alternatives considered;
- realistic service, infrastructure and financial implications under each scenario;
- affordability, hardship assistance, concessions and payment options; and
- how feedback will be considered before Council decides whether to apply.

Balanced Engagement

Consultation will present realistic scenarios and their implications. It will not rely only on a worst-case outcome or present the choice as “all or nothing”.

5. Key Community Questions and Messages

Community question	Council's message
Why is Council considering an SRV?	Council is considering options to help ensure it can continue to maintain infrastructure, deliver services and respond to future community needs while remaining financially sustainable over the long term.
Has Council already decided?	No. Councillors first decide whether to consult. If consultation occurs, feedback will be considered before Council decides whether to apply.
What has Council already done?	Council has implemented a range of efficiency measures, savings initiatives and cost containment actions and continues to identify opportunities to improve productivity and reduce costs. Information about these initiatives will be provided as part of the consultation process
What alternatives were considered?	Council will explain other revenue options, reprioritisation, service-level choices and the implications of relying on efficiencies alone.
What would it mean for my rates?	Council will show verified annual and cumulative percentage and dollar impacts for each affected rating category, including comparison with the rate-peg-only pathway.
What would the additional income fund?	Council will identify the services, asset renewal or other priorities supported by each scenario, consistent with the Long-Term Financial Plan and expenditure program.
What happens if an SRV does not proceed?	Council will explain the realistic financial, service and infrastructure implications of the rate-peg-only pathway and other alternatives.
What help is available?	Council will explain pensioner concessions, hardship assistance, payment arrangements and where to seek support.
Who makes the final decision?	Council decides whether to apply. IPART independently assesses any application and makes the final determination.
What happens to my feedback?	Feedback will be recorded, analysed and reported to Council. Council will publish what was heard and how it was considered.

6. Who We Will Engage

Audience	Key considerations	Proposed approach
Residents and residential ratepayers	Household impact, affordability, services and infrastructure.	Direct information, surveys, drop-ins, public session, Have Your Say and submissions.
Pensioners	Affordability, concessions, hardship and service continuity.	Clear annual and weekly examples, printed information and direct assistance.
Business ratepayers	Cash flow, business costs and services supporting the local economy.	Business briefings, targeted meetings, survey and submissions.
Farmland ratepayers	Farm viability, rate impact, rural roads, drainage and infrastructure.	Targeted information, village sessions, stakeholder contact and flexible participation.
Village communities	Local access, facilities, roads and services.	Sessions in Whitton and Yanco, with online and hard-copy options.
Community, sporting and service groups	Facilities, programs, grants and community services.	Briefings, meetings by request and submissions.
Council staff	Accurate information, wellbeing, enquiries and incident pathways.	Staff sessions, FAQs, talking points, updates and support channels.
Councillors	Community feedback, governance requirements and decision points.	Workshops, briefings, engagement updates and Council reports.
Media	Verified information, impacts and decision points.	Media releases, interviews and timely factual responses.
IPART and OLG	Evidence of awareness, input, outcomes and Council's response.	Records, adopted IP&R documents, Council reports and application evidence.

7. Communication and Engagement Methods

Council will use a mix of broad-reach and targeted methods, proportionate to the impact of the proposed SRV. The program may be adjusted if monitoring shows that more information or targeted outreach is needed.

Method	Purpose
Dedicated Have Your Say page	Central source for project information, documents, FAQs, surveys, submissions and updates. Identification of who is listening.
Direct mail and printed material	Reach ratepayers directly and explain where to find information and provide feedback.
Fact sheets, FAQs and rate-impact tables	Explain the financial position, scenarios, costs, alternatives, efficiencies, hardship support and decision process.
Community surveys	Gather views on the scenarios, priorities, affordability and understanding. Open and representative surveys will be reported separately where applicable.
Written submissions	Allow detailed feedback from individuals and organisations.
Drop-in and public information sessions	Provide opportunities to ask questions and discuss the proposal.
Village sessions	Provide local access for communities outside Leeton township.
Targeted stakeholder briefings	Discuss issues relevant to businesses, farmland ratepayers and community groups.
Website, social media, eNews, media and radio	Raise awareness and direct people to the formal information and feedback channels.
Community email	Receive and respond to SRV questions through a dedicated email channel svquestions@leeton.nsw.gov.au and direct people to formal feedback channels.
Staff communications	Provide accurate information, wellbeing support and enquiry and incident pathways.

8. Information Standards and Compliance

Before publication the General Manager, Governance, Communications and Finance will check the principal consultation material.

The same verified figures and assumptions will be used across fact sheets, surveys, the Have Your Say page, IP&R documents and any future application.

Requirement	How it will be addressed
Full impact of the increase	Show total annual increases including the rate peg, and compounded cumulative percentage and dollar increases.
All affected categories	Show average impacts for each relevant residential, business and farmland category or subcategory.
Comparison pathway	Show rate levels under the proposed SRV and under the rate-peg-only scenario.
Duration and permanence	State whether the SRV is under section 508(2) or section 508A and whether it is permanent or temporary.
Purpose and expenditure	Explain what additional income would fund, consistent with the Long Term Financial Plan and proposed expenditure program.
Alternatives and efficiencies	Explain realistic alternatives and quantify past and planned productivity and cost containment measures where possible.
Affordability	Explain how current rate levels, capacity to pay, socio-economic information, concessions and hardship measures were considered.
IP&R alignment	Ensure the Delivery Program, Long Term Financial Plan and applicable Asset Management Plans clearly identify the need, scenarios, impacts and alternatives and are exhibited and adopted as required.
Clear decision status	State that consultation does not mean Council has decided to apply and explain IPART's independent role.
Accessibility	Use plain language and provide alternative formats or assistance where practicable.

9. Staff Communication and Support

Staff are members of the community and may receive questions from residents, friends or family. Staff are not expected to be SRV experts, defend the proposal, speculate about decisions or manage difficult interactions alone.

- Staff will receive approved factsheets, FAQs, talking points and regular updates.
- Detailed community enquiries will be directed to svquestions@leeton.nsw.gov.au.
- Staff questions, wellbeing concerns or SRV-related incidents may be raised with a SRV Team, Director, Manager or Supervisor, People and Culture (HR) or sent to dedicated internal staff SRV email address svquestions@leeton.nsw.gov.au.
- Aggressive, threatening, repeated or distressing interactions should be reported promptly through the agreed safety and escalation pathways.
- Confidential support remains available through Council's Employee Assistance Program (EAP).

10. Roles and Responsibilities

Role	Responsibility
Mayor	Principal spokesperson for media and key community engagement, supported by approved information.
Councillors	Consider information and feedback and make formal decisions through Council meetings.
General Manager	Executive oversight and approval of key messages and reporting.
Senior Management Team	Review material, maintain organisational alignment and manage significant issues.
SRV Project Team / Coordinator	Coordinate the program, schedule, material, actions, feedback and evidence.
Communications	Prepare and publish content, coordinate channels and monitor emerging issues.
Finance	Verify modelling, assumptions and rate-impact information.
Governance	Support Council reporting, records, compliance and the evidence register.
Customer-facing / Outdoor staff	Provide approved information and refer technical questions, complaints or incidents.
All staff	Use approved information, avoid speculation and seek help when needed.

11. Risk Management

Risk	Response
Community believes the decision is predetermined	State the current decision status, explain each decision point and show how feedback is considered.
Proposal or rate impacts are misunderstood	Use plain language, visuals, verified examples and comparison with the rate-peg-only pathway.
Council is seen not to have considered alternatives	Publish efficiencies, cost containment, other revenue options and realistic service choices.
Rates are confused with water, sewer or waste charges	Clearly explain what is included and excluded and present charges separately.
Affordability concerns are not addressed	Acknowledge cost pressures and explain impacts, concessions, hardship and payment support.
Misinformation or unbalanced coverage	Monitor issues, provide timely factual responses and maintain current FAQs.
Inconsistent messages from staff or Councillors	Provide briefings, approved key messages, FAQs and spokesperson arrangements.
Low or unrepresentative participation	Use varied methods, monitor participants and undertake targeted outreach where needed.
Feedback is not visibly considered	Maintain a feedback register and publish What We Heard and How Feedback Was Considered.
Evidence is incomplete	Maintain version-controlled records of material, distribution, attendance, surveys, submissions, enquiries, responses and analytics.
Staff wellbeing is affected	Provide internal updates, clear escalation pathways, manager support and EAP access.

12. Monitoring, Evidence and Success Measures

Governance will maintain an engagement evidence register. This will support transparent reporting to Council, the community and, if required, IPART.

Measure	Evidence
Reach	Mail distribution, website visits, social media and eNews reach, media coverage and attendance.
Participation	Survey responses, submissions, session attendance, stakeholder meetings and questions.
Representation	Participation across rating categories and Leeton township and village communities.
Understanding	Survey responses and recurring questions about the scenarios, impacts and process.
Feedback quality	Themes, concerns, support, alternatives, priorities and practical suggestions.
Responsiveness	Response times, FAQ updates and escalation of emerging issues.
Transparency	Public reporting of outcomes and how feedback was considered.
Compliance evidence	Copies and dates of materials, survey methodology, attendance, submissions, analytics and Council consideration.

13. What We Heard and Next Steps

After formal engagement closes, Council will receive a report and the community will receive a plain-language summary.

Reporting will include:

- how people were informed and invited to participate;
- participation, reach and representation;
- survey results and submission themes;
- levels of support, concern and suggested alternatives;
- key questions and Council's response;
- how feedback influenced the recommendation or refinement of the proposal; and
- the next steps, including any further Council or IPART process.

From What We Heard

Council will publish a community-friendly summary and explain how feedback was considered. Individuals will not be identified unless permission has been provided or disclosure is otherwise required.

14. Governance and Quality Assurance

Council is committed to providing the community with accurate, transparent and easy-to-understand information throughout the SRV process.

Before any information is released, Council will ensure that rate impacts, financial information and supporting material have been carefully reviewed and verified. Information provided to the community will be consistent with Council's adopted planning documents, including the Community Strategic Plan, Delivery Program, Operational Plan, Long Term Financial Plan and Asset Management Plan.

Council will also ensure that:

- information is presented in a clear and balanced way;
- proposed rate impacts are explained in both percentage and dollar terms;
- the reasons an SRV is being considered are clearly communicated;
- alternatives, efficiency measures and cost containment initiatives are explained;
- affordability considerations, pensioner concessions, payment arrangements and hardship support are communicated;
- community engagement activities and feedback opportunities are accessible and well promoted; and
- community feedback is recorded, considered and reported back to the community.

If formal consultation proceeds, Council will use community feedback, financial information and strategic planning considerations to help inform its decision-making.

Should Council decide to submit an SRV application, it will ensure the information presented to the community is consistent with the information provided to IPART, and that all relevant planning and reporting requirements have been met.

