Burnie City Council

Long Term Financial Management Plan

2027 - 2036

The Long Term Financial Management Plan is an important component of the Council's integrated planning framework as it underpins financial sustainability, whilst meeting the needs and expectations of the community in delivering the Council's strategic objectives.

Long Term Financial Management Plan 2027-2036

Approved By:	**Council**	Document Code:	**CD-FS-FIN-001**
Doc Controller:	**Executive Manager Financial Services**	Version:	**2027-36** File: 13/16/4
		Approved Date:	**23 Jun 2026**
		Next Review Date:	**30 Jun 2027**

Document Endorsement	
Responsibility:	Council have responsibility to ensure that financial decisions are made in accordance with this Strategy once adopted. The General Manager has overall accountability for implementing the plan. The Executive Manager Financial Services provides advice on financial decisions of Council within the context of the Long Term Financial Management Plan (LTFMP) and to review the Plan with Council at least every 4 years.
Legislative Reference:	This document is designed to meet the following provisions of the *Local Government Act 1993*: Section 70 – Long Term Financial Management Plans Section 70A – Financial Management Strategies
Document Approval:	Item AO106-26, on 23 June 2026
Previous Documents:	This document replaces the previous Long Term Financial Management Plan which was approved by the Council on 24 June 2025.
Publication of Strategy:	Members of the public may access this plan on Council's website www.burnie.tas.gov.au
Strategic Plan Reference:	The LTFMP is a key enabler of Council's financial management goal under its strategic plan.

Contents

1 Executive Summary

The Burnie City Council's Long Term Financial Management Plan (LTFMP) is Council's key funding document. The LTFMP is a requirement under s70 and s70a of the *Local Government Act 1993.* The LTFMP sets out the principles Council uses when setting its financial strategy. This document provides users with information about how the Burnie City Council (Council) intends to govern its financial decisions in the short term, medium and long term. The LTFMP guides the development of Council's strategies, annual budget and annual plans. Through its strategies Council determines priorities and makes decisions balancing rates increases, commercial revenue and user fees against the community's capacity to pay, while delivering core services and constructing and maintaining community assets.

In June 2020 Council borrowed $10.4 million to support its operations due to insufficient cash reserves at that time. Since then, Council has modified its financial strategies working hard to improve its financial performance and cash position, through reducing expenditure, evaluating income streams and having a surplus budget position each year. Having adequate cash reserves are vital for responding to unexpected events, such as the substantial road damage caused by floods in October 2022 and is imperative to long term financial sustainability.

Council continues to review its operations to improve performance, build an adequate amount of cash reserves and pay down debt, having made significant changes to services and the organisational structure of Council over the past several years with demonstrated improvement to Council's financial position. Further work is required to improve financial sustainability for the future.

As a priority Council will need to review its existing assets and usage with the aim of selling or divesting under-utilised assets and where possible using these funds to invest into other priority assets and repair Council's cash position.

The LTFMP provides a foundation for restored financial sustainability now and into the future, with projected underlying surplus budgets for each of the 10 years over the period of the strategy.

During the LTFMP horizon, Council looks forward to delivering key projects including:

- Key Urban Plan Projects supported by $17.3 million funding from the State Government
- Implementation of Council's playground strategy with 2 major parks earmarked for improvement in 2025-26 and in 2026-27
- The reintroduction of visitor information services
- The celebration of Burnie's bicentennial in 2026-27
- Investigating the feasibility and potential design for the Coastal Pathway east of Burnie
- Realising Council's digital transformation strategy
- Investigating the opportunity for a multi sports centre
- Delivering the active transport strategy
- Delivering the master plan for West Park

Beyond these commitments Council will need external grant funding or to accumulate the required cash before considering further investments.

The projections contained in the financial modelling and documented assumptions in this LTFMP, produce the following outcomes:

- A more focused rating strategy aligned with the strategic Plan *Making a Better Burnie 2044* and Councils key strategies and plans.

- Underlying surpluses predicted for 10 out of the 10 year period of the LTFMP (with year 6 being a very small surplus and likely to be improved through operational improvements prior).

- Council's cash reserves will be maintained and then increase after 2030 (following the discharge of existing borrowings).

- Council has focused on increasing its cash balance to exceed the 3-month cash buffer level (the lower part of the adequate level of cash range). Audit Tasmania consider a cash buffer (using the cash expense cover ratio) of between 3 to 6 months as "adequate" to cover operating activities of Council.

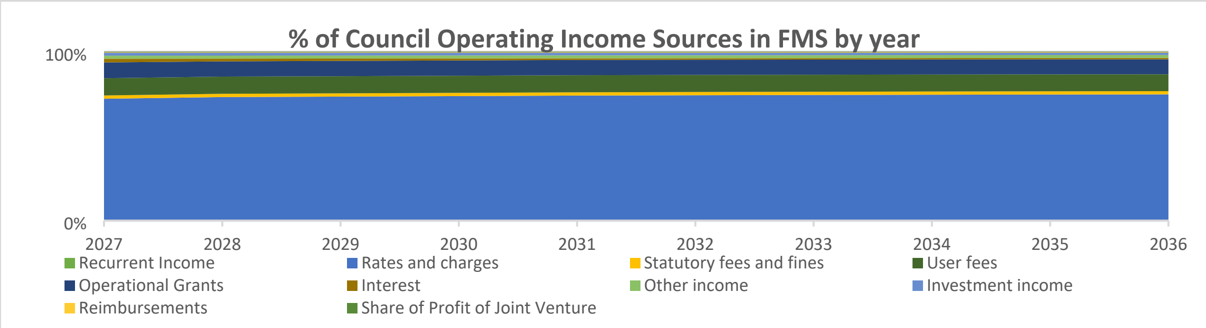
- Council's asset disposal strategy is key to improving Council's cash position and improving operational performance.

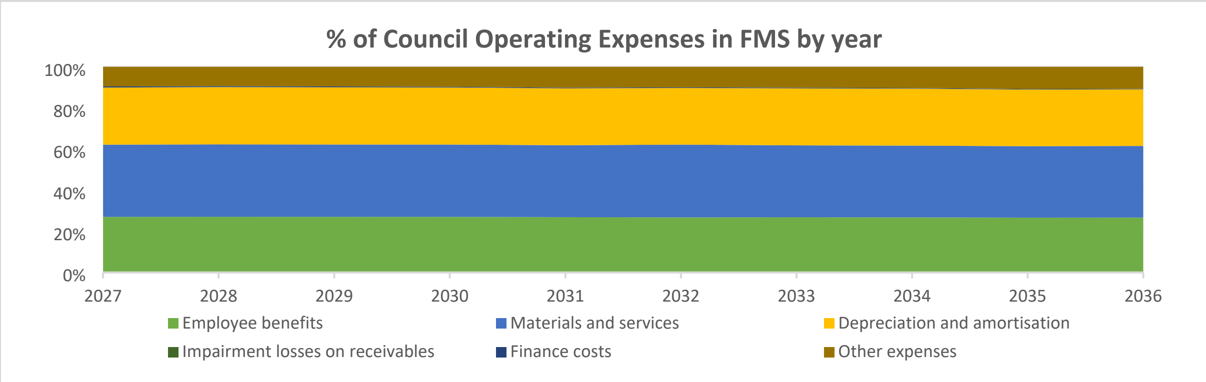
- Over time, Council aims to improve its rating position for the community by:
  - Promoting development and increasing the number of ratepayers and value of properties, sharing the cost of existing infrastructure across more ratepayers
  - Review and rationalise its assets to reduce ongoing operational and future capital costs
  - Continue to find internal operating efficiencies

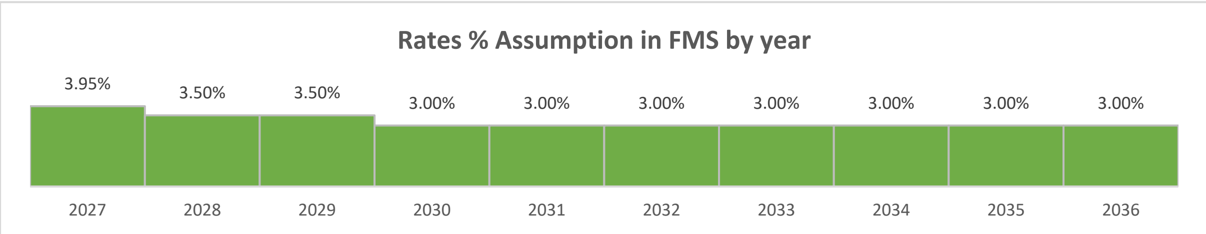
- Council will continue to have the necessary funds to deliver existing services and pay its debts when they fall due. Any future increase in service levels will require additional resources and funds and is therefore likely to put pressure on increasing rates.

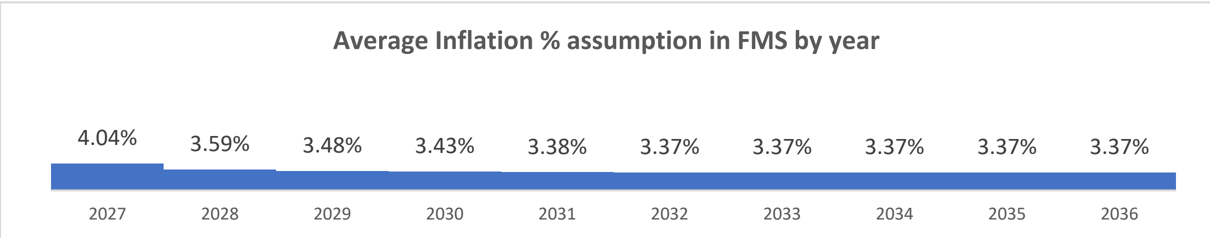
- Council will have the necessary funds available for the projected capital expenditure requirements over the next 10 years, noting that Council has a deferred asset risk of approximately $14 million of renewal works that are (as indicated) required from the Long Term Strategic Asset Management Plan. While not being able to be funded currently, Council has budgeted $10 million to either address the renewal backlog or for new projects through the LTFMP.

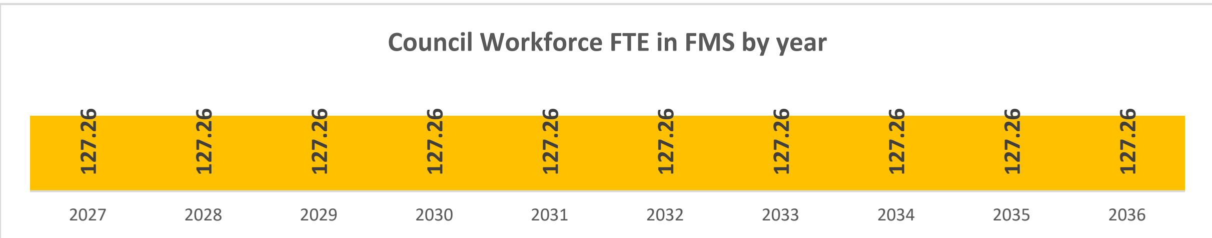
1.1 Financial Management Strategy Insights











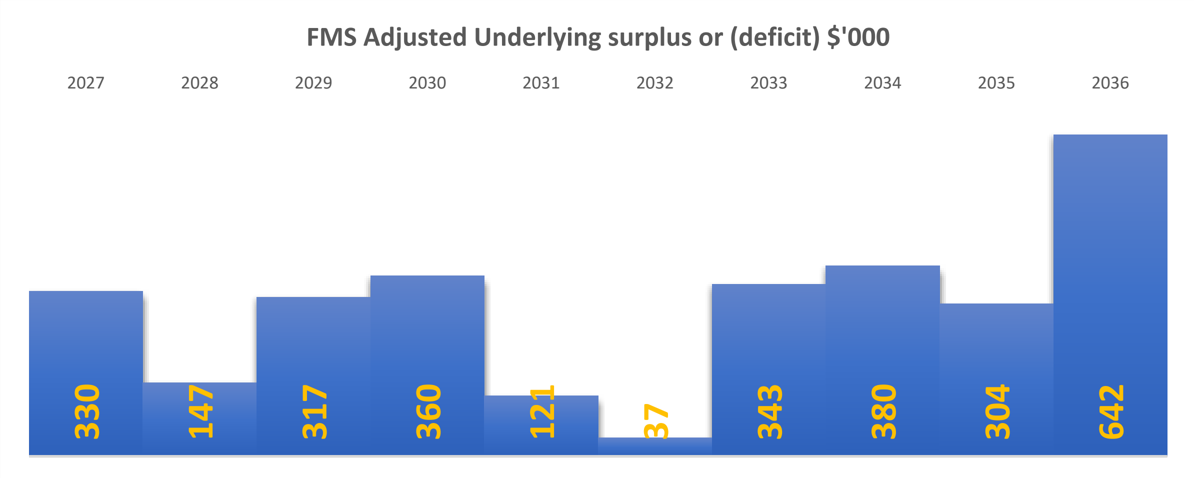
Number of Ratepayers
(at 18/05/2026)

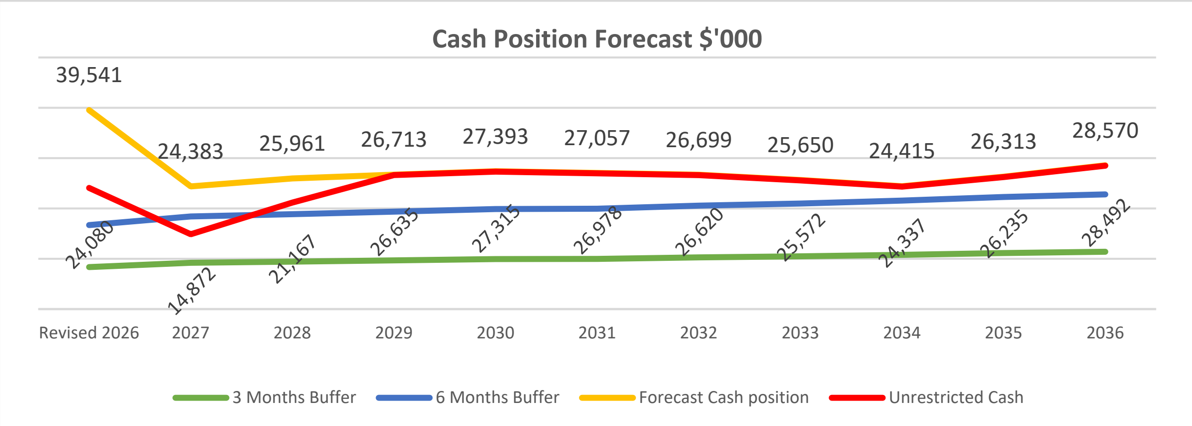
10,256

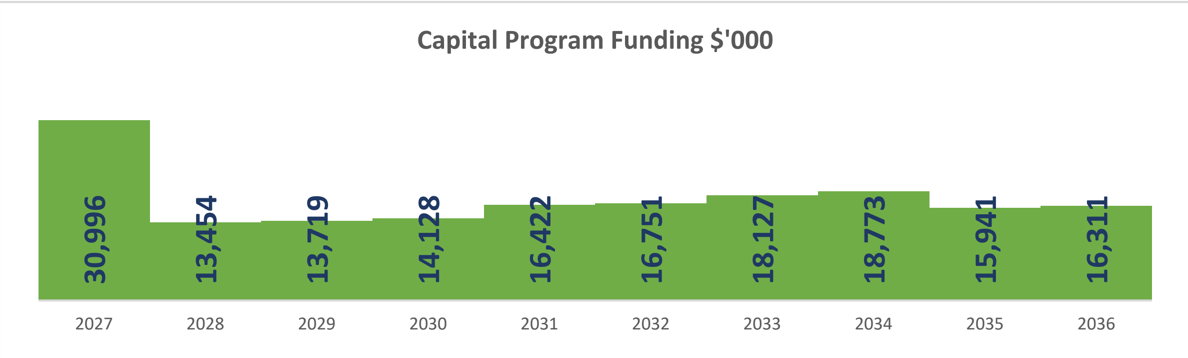
Loan repayments of **$1.14 million** per year until 30 June 2030.

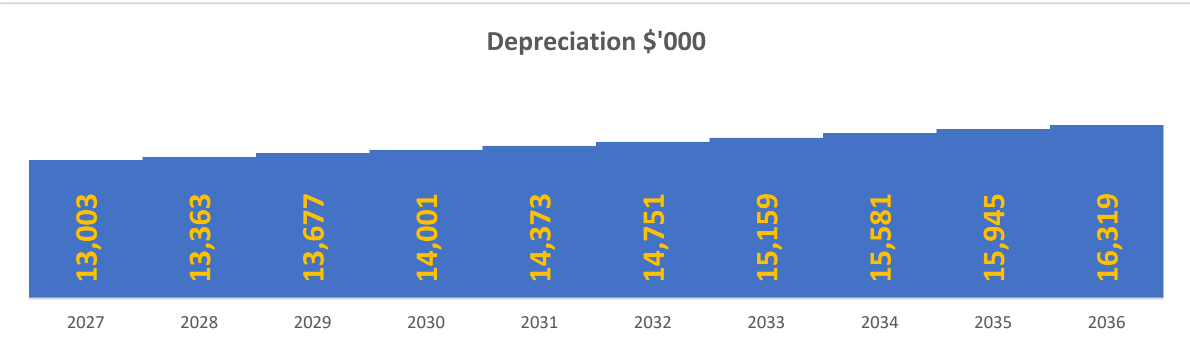
Cash balances increase once loan is repaid.

Each ratepayer contributes $111 per year.


FMS Adjusted Underlying surplus or (deficit) $'000
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
330
147
317
360
121
37
343
380
304
642


Cash Position Forecast $'000
39,541
24,383
25,961
26,713
27,393
27,057
26,699
25,650
24,415
26,313
28,570
24,080
14,872
21,167
26,635
27,315
26,978
26,620
25,572
24,337
26,235
28,492
Revised 2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
3 Months Buffer
6 Months Buffer
Forecast Cash position
Unrestricted Cash


Capital Program Funding $'000
30,996
13,454
13,719
14,128
16,422
16,751
18,127
18,773
15,941
16,311
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036


Depreciation $'000
13,003
13,363
13,677
14,001
14,373
14,751
15,159
15,581
15,945
16,319
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036

1.2 Alignment with Council Strategy

Council's strategic planning framework guides Council in identifying community needs and aspirations over the long term (Strategic Plan and LTFMP), medium term (Council Plan – 4 years) and short term (Annual Plan and Budget Estimates). Council monitors its performance during the year through its reporting framework and is measured on the success of this strategy through the Audited Financial Statements and Annual Report.

The LTFMP is the key funding document for Council. It ensures that Council can fund its existing operations, maintain and renew its existing assets and considers future infrastructure needs identified in Council's long term asset management plans. It is one of the primary inputs into the development of Council's Annual Plan and Budget Estimates.

Council makes a number of assumptions about the future within the LTFMP. It is expected that actual performance will differ from planned performance, due to uncertainty, risk and change. Comparing Council performance against the LTFMP allows Council to identify when corrective actions are required to ensure that financial objectives identified within this strategy can still be achieved.

Council documents key aspects of its service that are subject to significant change and variation, which subsequently create a risk for the delivery of its desired outcomes, in its Financial Risk Register (see *Risk Management*).

Council provides sensitivity analysis (see *Sensitivity Analysis*) information that allows users of the LTFMP to calculate how changes in financial items may impact the financial performance and position of Council.

These assumptions form the basis of key performance indicators, which allow Council to monitor how it is tracking against its planned financial performance over the long term (*see Financial Targets and Financial Management Strategy Insights)*.

The linkage between the LTFMP and Council's strategic framework is represented in the diagram below.

2 Financial Principles

Council sets its LTFMP by considering and balancing the following principles:

Principle 1: The Community's finances will be managed responsibly to enhance the wellbeing of residents.

Council will ensure it only raises the revenue it needs to deliver upon its LTFMP and does so in the most efficient and equitable manner possible. Council will manage community funds according to best practice standards and ensure information regarding its financial management decisions is accessible to the community. Council will ensure that it only delivers those services that cannot be delivered more efficiently and effectively by other providers.

Principle 2: Council will maintain community wealth to ensure that the wealth enjoyed by today's generation may also be enjoyed by tomorrow's generation.

Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes).

Council will invest sustainably in community assets to maintain (and at times enhance) service levels where possible.

Principle 3: Council's financial position will be robust enough to recover from unanticipated events and absorb the volatility inherent in revenues and expenses.

Council will ensure it accumulates and maintains sufficient financial resources and has the borrowing capacity to deal with volatility and unexpected events.

Council's operational budget will be flexible enough to ensure that volatility in revenues and expenses as a result of the changing economic environment can be absorbed.

Principle 4: Resources will be allocated to those activities that generate community benefit.

Council will ensure that robust and transparent processes are in place for the allocation and prioritisation of resources through budgetary decision-making, as well as for choosing the most effective methods for delivering specific services and projects. Strategies will include a robust cost-benefit analysis in preparing and assessing proposals.

3 Financial Management Strategies

3.1 Rating Strategy

Council sets its rating strategy balancing the following factors:

- The quality, frequency and range of services provided by Council.
- The capital works program, centred around renewal of existing assets but considering future needs such as potential upgrade and new works, including the corresponding full life cycle costs.
- The predicted amount of Commonwealth and State funding to be received, based on executed agreements.
- User-pays policies, recovering revenue through the use of Council services and assets on a commercial or cost-recovery basis, or community subsidised basis where determined.
- The socio-economic profile of the municipal area as an indicator of our communities capacity to afford increases.
- The current and predicted future economic environment, including CPI, and its implications for Council's revenue streams and expenditure growth.

Rates revenue comprises 72% (in 2026-27) of total revenue budgeted to be received by Council.

Council acknowledges it is one of the highest rating Council's per capita in Tasmania. To improve in the future Council must

- Promote development increasing the number of ratepayers and value of properties, sharing the cost of existing infrastructure across more ratepayers.
- Review and rationalise its assets to reduce ongoing operational and future capital costs.
- Continue to find internal operating efficiencies.

Burnie is a regional centre and Council provide a broad range of services which rival larger cities such as Hobart and Launceston, including Burnie Arts Centre, Aquatic Centre and significant sporting facilities and parks. This is challenging for our city as our ratepayer base is considerably smaller than those larger cities meaning that costs are not shared across as many ratable properties. As such, rates in Burnie are typically higher than the state average.

Council's rates strategy within the life of this LTFMP is based upon keeping annual rate increases similar to that of CPI.

3.1.1 Rating Structure

Council has established a rating structure comprising three key elements – general rates, service rates and service charges.

The general rates are levied based on the Annual Assessed Value (AAV) of properties as determined by the State Government through the Office of the Valuer-General and any adjusted values or supplementaries. Property values generally reflect the capacity of the ratepayer to pay.

Service rates and service charges are levied to recover the cost of specific services provided within the municipal area. Council's service rates currently cover stormwater and waste management services. More information regarding Council's approach to determining and collecting rates from the community can be found in Council's Rates and Charges Policy available on Council's website.

3.2 Asset Management Strategy

The key objective of Council's Asset Management Strategy is to hold assets that the community value and use, that also generate income where possible (to reduce the subsidy provided by Council and ratepayers).

A key part of Council's asset management strategy relates to the rationalisation and disposal of assets that are not required.

As the community asset custodian, Council maintains key assets at the desired condition levels to support effective service delivery and community use. This LTFMP is based upon maintaining the current level of service. Should an increase in service level be required, this would add additional cost to Council. If sufficient funding is not allocated to asset renewal annually then the condition of Council's assets will decline which may subsequently decrease Council's capacity to deliver services to the community.

Council's Asset Management Policy ensures that adequate provision is made for the long-term replacement of existing assets by:

- Ensuring that Council services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council assets, including physical assets and employees, by implementing appropriate asset management strategies and the financial treatment of those assets.
- Creating an environment where all Council employees play an integral part in overall management of Council assets, by creating and sustaining asset management awareness throughout the organisation through training and development.
- Meeting legislative compliance for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

Importantly, the LTFMP prioritises the renewal of existing assets and while it does not provide for new assets in the short term (with the exception of key Urban Plan Projects supported by $17.3 million funding from the State Government), $10.0 million has been included, split over 4 years in the LTFMP from 2031 to either address the renewal backlog or for new projects.

Therefore, any decision taken by Council to build any additional new assets outside of the agreed strategic Council priorities, will:

- Require substantial external grant funds.

- Increase ongoing lifecycle costs of assets such as depreciation, staffing and maintenance.
- Decrease predicted surpluses and Council's cash reserves.
- Where external grant funds cannot be secured, borrowings will be required which will add to inter-generational debt and add significant loan servicing payments.
- Increase asset renewal funding requirements in the long term; and
- Result in a need to increase rates to support the above.

Council will have the necessary funds available for projected capital expenditure requirements over the next 10 years within the LTFMP. While Council has a deferred asset risk of approximately $14 million of renewal works indicated in the LTFMP, Council will need to prioritise asset renewals based on risk during the life of the LTFMP.

3.3 Treasury Strategy

Through treasury management, Council ensures there are sufficient funds to support operations and capital program requirements at all times, with surplus funds being invested in low risk term deposits to maximise returns while emphasising security of funds.

Managing financial risk is a core component of treasury management. Ensuring that Council raises and collects sufficient revenue is imperative. Interest rates are a key variable in determining the return Council is able to achieve on its investments.

Council manages the financing and funding of its operations, capital program and future needs through forward financial planning and projections included in this LTFMP, and the Annual Plan and Budget Estimates. Cash requirements are monitored throughout the year.

Council targets an adequate cash buffer of 3 to 6 months coverage of operating costs in line with the recommendation of Audit Tasmania. It is imperative this cash buffer is maintained as it allows Council to respond to unexpected events such as natural disasters and provides security against unforeseen or extenuating circumstances such as experienced with the impacts of the COVID-19 pandemic.

Council does not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties.

Council's operating and capital expenditure decisions are made based upon:

- statutory service delivery obligations.
- identified community needs and benefits relative to other options.
- the cost effectiveness of the proposed means of service delivery.
- the affordability of new proposals having regard to Council's long-term financial sustainability.

More information regarding how Council manages its cash and treasury is contained in Council's Treasury Management Policy available on Council's website.

3.4 Investment Strategy

Cash reserves require careful management to both achieve optimum investment incomes and to ensure that cash is available when needed for planned expenditures. Funds will be invested in a manner that aims to maximise returns based on available interest rates, maturities and funds available to invest, while retaining flexibility in accessing those funds for Council purposes as required.

Council's LTFMP and Annual Plan and Budget Estimates will be used to provide direction on the amount and term of investments to be made. Council will ensure that enough funds are on hand to ensure that all its obligations can be met at any given time.

Funds are invested in accordance with the approved investment portfolio, credit risk framework and within Council's stated risk appetite for financial matters which is outlined in the Risk Management Framework.

More information regarding how Council manages its investments is contained in Council's Treasury Management Policy.

3.5 Borrowing Strategy

Council may borrow funds to support the development of strategic capital projects that would otherwise be unable to undertaken. Where these are provided for, they are outlined in Council's relevant strategy documents.

Council is mindful of intergenerational equity in terms of generating revenue to offset service costs. Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes).

Council aims to achieve an underlying or surplus position. This means that on average over time it will generate sufficient funds to offset the consumption of existing assets (through its depreciation expense).

In considering new debt, Council will consider the impact of borrowing costs on the sustainability of its operating position and its capacity to repay the debt.

Any funds that are not immediately required to meet approved expenditure may be applied to reduce Council's level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

The LTFMP does not provide for any new borrowings across the life of this plan.

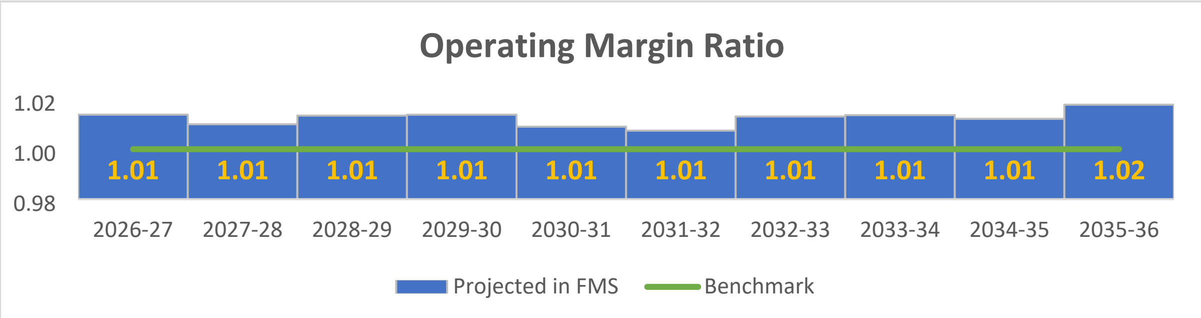
4 Financial Targets

4.1 Council Financial Management Strategy Targets

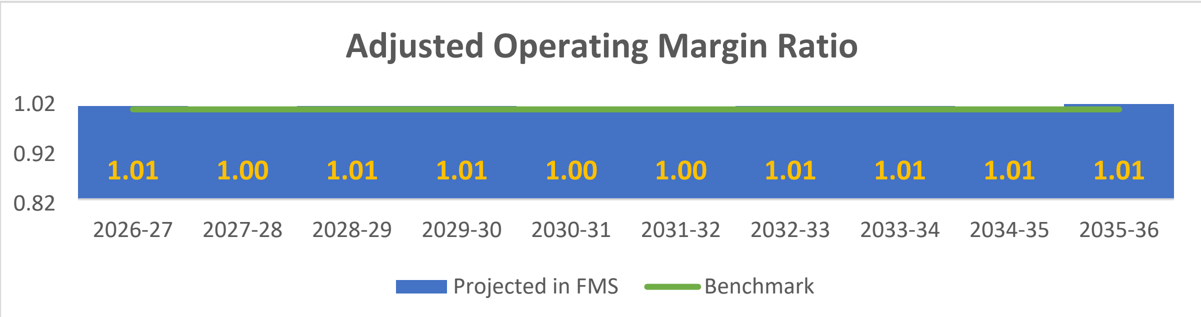
Council sets a number of targets as part of its LTFMP. These targets enable Council to monitor its performance and take corrective action where necessary to ensure that financial objectives are achieved.

4.1.1 Operating Margin Ratio

The operating margin measures operating effectiveness. The benchmark is 1.00 (when recurrent income equals recurrent expenditure). A result of less than 1.00 indicates a deficit. A result of more than 1.00 indicates a surplus.

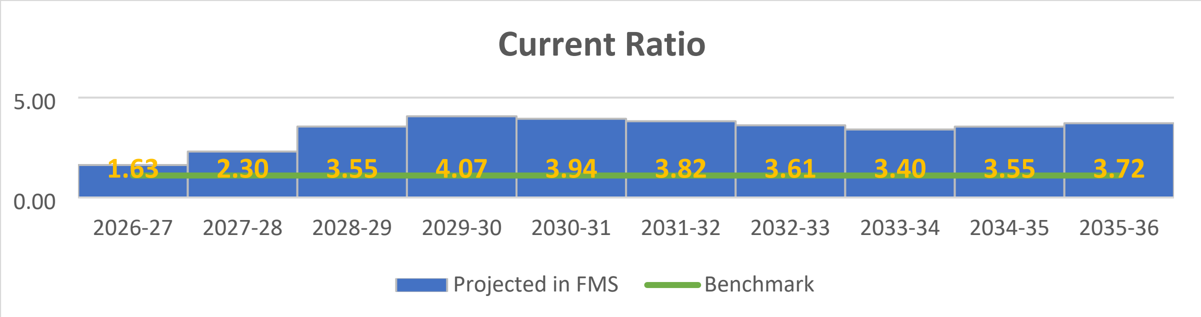


The adjusted operating margin adjusts for timing (Financial Assistance Grants) and one off impacts. Council is projecting small operating surpluses over the life of the FMP. The Tasmanian Audit Office use the adjusted results when reporting on Council performance to Parliament.



4.1.2 Current Ratio

The current ratio measures the ability of Council to pay its short term financial obligations. The benchmark is greater than 1.10 (at a minimum). A result of less than 1.00 indicates Council cannot pay its bills when they are due. A result of more than 1.00 indicates Council can pay its bills when they are due. Council is forecast to maintain this current ratio for each of the 10 years which increases from 2028-29 when the current contract liability is extinguished. No further contract liabilities are forecast.

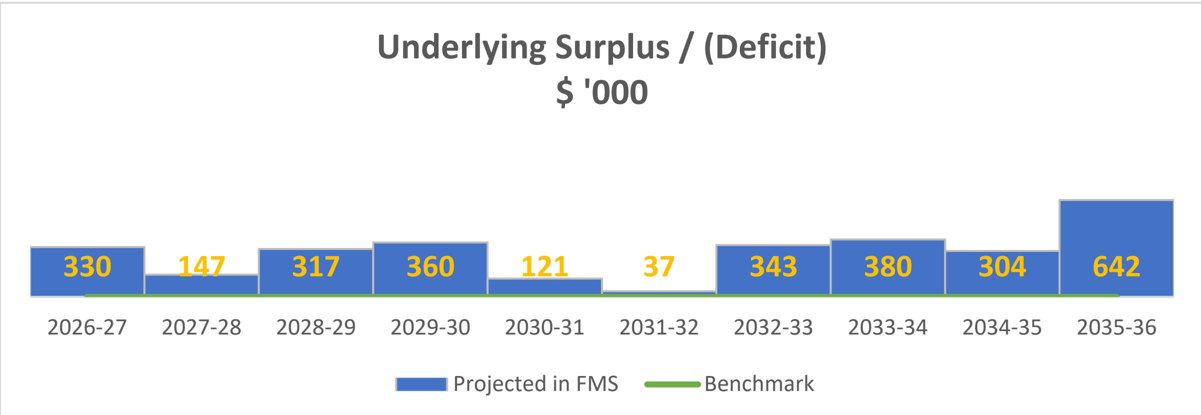


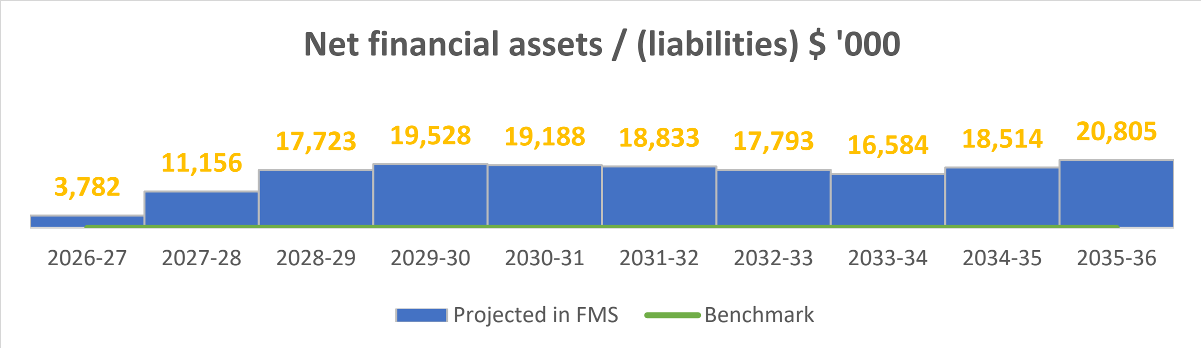
4.2 Council Financial Management Indicators

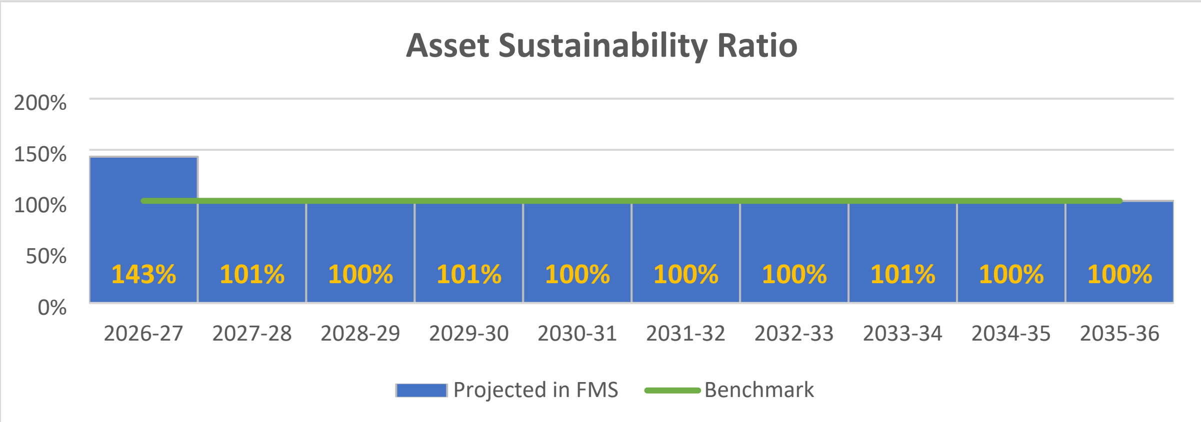
Section 84(2A) of the Local Government Act and Local Government (Management Indicators) Order (S.R.2014, No. 36) set out a number of indicators that Council must report on. The Tasmanian Audit Office has set the benchmark for each indicator. (See table and graphs below).

Target Measure	Description of Measure	Benchmark	Benchmark achieved in LTFMP
Underlying surplus / (deficit)	Revenue less expenses for the financial year. Adjusts the net result to remove one off items that are not part of council's normal day to day operations to understand how Council has performed.	>$0	YES (10 out of 10 years)
Underlying surplus (deficit) ratio	A positive percentage indicates a surplus result. A negative percentage indicates a deficit result. The higher the percentage the higher the surplus.	>0%	YES (10 out of 10 years)
Net financial assets / (liabilities)	Measures how much liquid assets Council has left after allowing for financial liabilities.	$0	Net financial liabilities improve over the course of the 10 years as cash balance increases
Net financial assets / (liabilities) ratio	Measures the extent to which net liabilities can be met by operating income. A falling ratio indicates capacity to meet obligations in strengthening.	0% to 50%	The % of Council income going to service financial liabilities improves over the course of the 10 years
Asset consumption ratio - Buildings	Shows the average 'new' condition left in the depreciable asset class	>60%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot be calculated at this time.

Asset consumption ratio - Transport	Shows the average 'new' condition left in the depreciable asset class	>60%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot be calculated at this time.
Asset consumption ratio - Drainage	Shows the average 'new' condition left in the depreciable asset class	>60%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot be calculated at this time.
Asset renewal funding ratio	Measures the capacity to fund asset replacements for the future (based on financial management and asset management long term plans)	90%-100%	Revision of Council Asset Management Plan is underway. This ratio therefore cannot be calculated at this time.
Asset sustainability ratio	Compares spending on existing infrastructure, property, plant and equipment (renewal) with depreciation.	100%	All years have an asset sustainability ratio of 100%.




Net financial assets / (liabilities) $ '000
3,782
11,156
17,723
19,528
19,188
18,833
17,793
16,584
18,514
20,805
2026-27
2027-28
2028-29
2029-30
2030-31
2031-32
2032-33
2033-34
2034-35
2035-36
Projected in FMS
Benchmark


Asset Sustainability Ratio
200%
150%
100%
50%
0%
143%
101%
100%
101%
100%
100%
100%
101%
100%
100%
2026-27
2027-28
2028-29
2029-30
2030-31
2031-32
2032-33
2033-34
2034-35
2035-36
Projected in FMS
Benchmark

5 Financial Modelling

The LTFMP includes estimated financial statements showing the long-term financial performance and position of the Burnie City Council over the next 10 years. The following statements are included:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows

A number of assumptions, documented below, are made in estimating the future performance and position of Council. Assumptions are required due to uncertainty in the future. Actual performance may vary in the future with any variances needing to be managed within the annual budget estimates process and financial performance management during the financial year.

Information regarding risks and uncertainties can be found in the sections related to *Risk Management* and *Sensitivity Analysis*.

These assumptions form the basis of key performance indicators that allow Council to monitor its performance against this strategy and take action as required to deliver the projected outcomes over the 10 year period of the LTFMP.

5.1 Modelling Methodology

Following each statement are descriptions of the assumptions specifically applied to produce the LTFMP estimates.

Modelling is based on:

- The 2026-27 original Annual Plan and Budget Estimates and Revised Budget, adjusted for one off items, structural changes and recent council decisions as the base for the projections.
- A review of external economic conditions and context, establishing and linking relevant indexation factors as drivers for future revenue and expenditure changes.
- Alignment with relevant Council strategic documents.

5.2 Economic Context and Indexation Factors

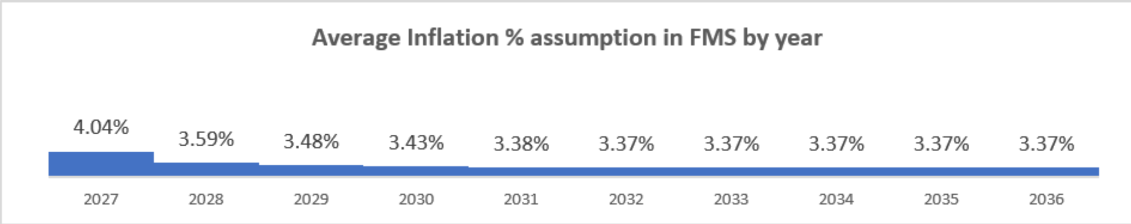
Council conducted a review of the current and projected economic conditions, using reputable sources.

Recent inflationary pressure (CPI) has increased locally and internationally placing additional cost pressures to Council. Such pressures result in increases in fuel prices, petroleum bases materials, insurance, water and sewerage charges along with other energy prices.

The annual increases in General CPI (all groups) measures to March 2026 were 4.6% (Aust wide) and 5.1% (Hobart, TAS).

Council uses inflation forecasts from credible economists, recognising the difficulty of accurately predicting future inflation. Average forecast inflation is expected to moderate from 3.59% in 2026–27 to 3.37% by 2032–33. However, these rates remain above the Reserve Bank of Australia target of 2.5%, suggesting ongoing cost pressures for Council that exceed the CPI target over the LTFMP period.

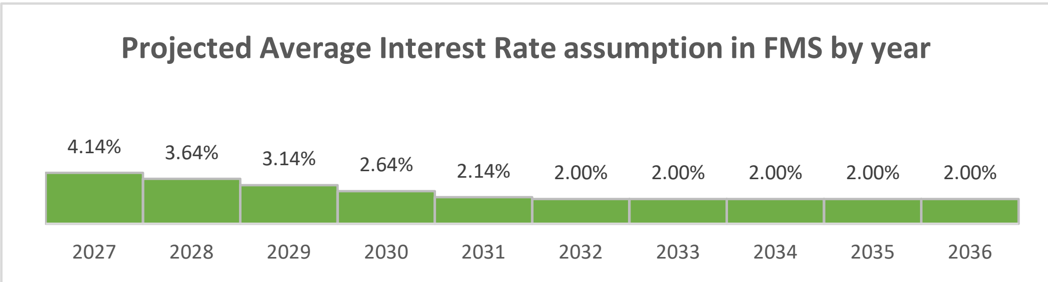
Key economic indicators included in the model are:



Variations in inflation assumptions to actuals will result alter LTFMP estimates over the 10 year horizon. Sensitivity analysis below shows the dollar impact of a 1% variation in inflation and the % increase in rates required to offset.

Sensitivity Analysis				2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Item	**Impact of Inflation on Materials**												
Current Assumption in FMS	Links to expected inflation % increase within FMP			14,734	15,801	15,992	16,478	16,896	17,370	18,098	18,374	18,874	19,432
$ impact if	changes (+ / -) by		1.00%	147	158	160	165	169	174	181	184	189	194
% impact on rates if	changes (+ / -) by		1.00%	0.67%	0.69%	0.69%	0.69%	0.69%	0.69%	0.70%	0.70%	0.70%	0.70%

The average interest rate is the expected return Council will achieve on its term and at-call deposit investments, not borrowing interest rates. Changes in interest rates and funds available for investment will affect Council interest revenue.



5.3 Statement of Comprehensive Income

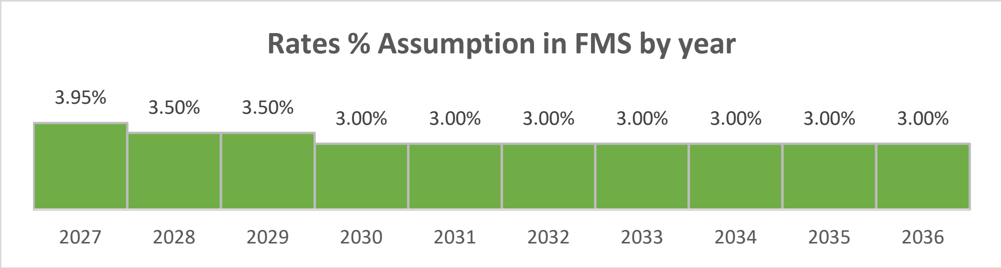
5.3.1 Recurrent Income

Rates and charges

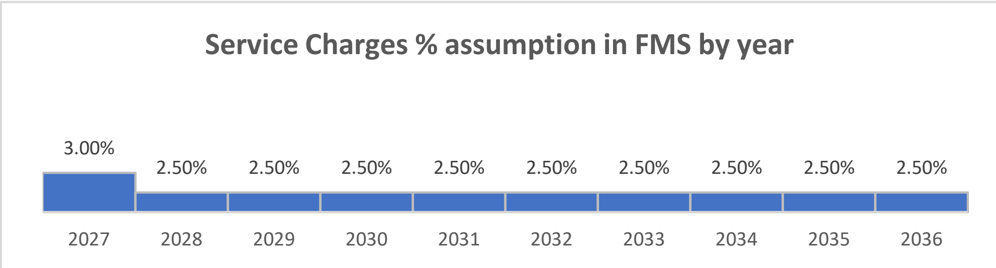
The LTFMP recognises that the price of delivering services to the community over time will increase, forecast in this LTFMP to occur each year, which is typically the case. Therefore, the level of rates levied to cover those services will also need to increase annually to continue to deliver the same level of service. At the same time Council reviews its operations to continue to find cost reductions to offset significant rates increases.

Rating decisions are made by Council on an annual basis through the Annual Plan and Budget Estimates process and may vary from the assumptions documented within the LTFMP.

General Rates have been modelled on the basis of an average 4.86% increase in 2026-27 and providing a 0% increase for Commercial and Industrial properties within the CBD locality. In the second year, rates will again be 3.50% with a return to rates matching inflation in 2027-28 onwards.



Service charges stormwater have been modelled on the basis of the 3.0% increase in 2026-27, dropping to 2.5% in 2028 matching long run RBA inflation targets onwards.



Previously, Council undertook a comprehensive review of its Waste Services which had resulted in a number of pricing changes for the 2025-26 financial year. These changes have provided Council the opportunity for efficiencies, which has resulted in no increase in full year kerbside service charges for 2026-27.

Rates income in the LTFMP does not consider the redistributive effects of revaluations in the future. Full revaluation of property only occurs on a six-year basis, and therefore the State Government through the Office of the Valuer-General, undertake Adjusted AAV processes. In 2025-26 a fresh valuation was conducted with an effective date of 1 July 2026. The next adjusted valuation is expected to occur in two year. This process ensures that the changing property market values are taken into account periodically, with ratepayers not experiencing potentially large variations each six-year period.

Fire levies are set by the State Government and are outside the control of Council. The Fire Levy increase has been modelled on the basis of estimates contained within the 2024-25 forward looking State Government Budget paper for the State Fire Commission.

The State Government has also introduced a Waste Levy for all municipal areas which took effect on 1 July 2022, incrementing by 12 fee units every two years. The State Government has advised of an increase to $70.56 per tonne from 1 July 2026. These increased costs for waste services have been factored into the LTFMP on a full cost recovery basis. This will be recovered through a combination of the Waste Levy applied to each rateable property, and through increased usage fees at the Waste Transfer Station.

The rates discount has been modelled at 2% for the full term of the LTFMP.

The effective overall rate increase is modelled in the following table:

	Forecast 2026 $'000	2027 $'000	Strategic Projections 2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000	2036 $'000
General Rates	21,880	23,073	23,880	24,716	25,457	26,221	27,008	27,818	28,652	29,512	30,397
Waste Service Charges	5,646	5,793	5,937	6,086	6,238	6,394	6,554	6,718	6,886	7,058	7,234
Stormwater Service Charges	2,305	2,375	2,434	2,495	2,557	2,621	2,687	2,754	2,823	2,893	2,965
Add: Supplementary Rates	166	126	129	132	135	139	142	146	149	153	157
	29,997	31,365	32,380	33,428	34,388	35,375	36,390	37,435	38,510	39,616	40,754
% change in rates		*4.56%*	*3.24%*	*3.24%*	*2.87%*	*2.87%*	*2.87%*	*2.87%*	*2.87%*	*2.87%*	*2.87%*
Fire Levy	2,523	2,612	2,735	2,863	2,998	3,139	3,286	3,441	3,603	3,772	3,949
Landfill Levy	283	396	406	416	427	437	448	459	471	483	495
Total rates and charges	32,803	34,374	35,521	36,708	37,812	38,951	40,125	41,335	42,583	43,871	45,198
Overall $ Change		1,571	1,148	1,187	1,104	1,139	1,174	1,210	1,248	1,287	1,327
Overall % Change		*4.79%*	*3.34%*	*3.34%*	*3.01%*	*3.01%*	*3.01%*	*3.02%*	*3.02%*	*3.02%*	*3.03%*

Statutory Fees and Fines

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislative requirements. They include building fees, planning fees, parking fines, and animal registrations. These items are generally indexed to General Fees and Charges unless the item relates to an alternative index. For example, permit application fees are linked to the value of building works and indexed accordingly.

User Fees

User fees relate to the recovery of service delivery costs through the charging of fees to users of Council’s services. These include income such as for parking fees, cultural precinct revenue and the hire of halls and sporting grounds. These items are generally indexed to General Fees and Charges unless the item relates to an alternative index. For example, parking fees are linked to Council’s parking strategy of 3 yearly increases based on the previous 3 years CPI, noting that an increase due in the 2024-25 financial year was postponed to the 2026-27 financial year with limited increases to on-street parking while a parking review is undertaken as part of the urban plan process.

Grants

The main source of grant revenue is from the State Grants Commission (SGC) in the form of Financial Assistance Grants (FAG). FAG payments methodology includes a factor for population changes. It has been assumed that the population will remain constant and the current base funding will continue, indexed at 3.5% (first 3 years) and 2.50% (remaining seven years of the LTFMP) based on Commonwealth Government Budget Papers 2024-25 projections The adjusted surplus / deficit provided in the LTFMP is based on Council receiving 50% advance payments in all LTFMP years, which is traditionally the case.

Other operating grants are included where there is an executed agreement in place.

Reimbursements

Reimbursements are indexed to General Fees and Charges unless the reimbursement relates to cost recovery for an item that is linked to an alternative index.

Other Income

Other income includes rates penalties and rental income on Council properties.

Rates penalties are based on the current debtor level and structure, to Reserve Bank of Australia 10 year Bond yield rate at the end of February each year for penalty interest rate setting as per the Local Government Act 1993 (TAS). It is expected that the subsequent rates increases will flow through to a corresponding increase in the value of penalties.

Rental income from Council properties is indexed to General CPI, where applicable. Some rental agreements do not index.

Investment Income

Dividends and distributions occur as a result of Council's ownership interests in other entities and are dependent on continued ownership and profitability of those entities.

Distributions from TasWater have been included in line with the entity's Corporate Plan (based on Council's equity of 3.71%). It should be noted that the distributions are outside the control of Council and there is some risk that dividends will not be paid in line with the entity's Corporate Plan.

Distributions from Burnie Airport Corporation are based on the entity's Corporate Plan and projections. Projected profits are higher than history due to increased travel post COVID-19 and Qantas now flying into the airport. Any reduction in passenger numbers may reduce the profit distribution.

Interest

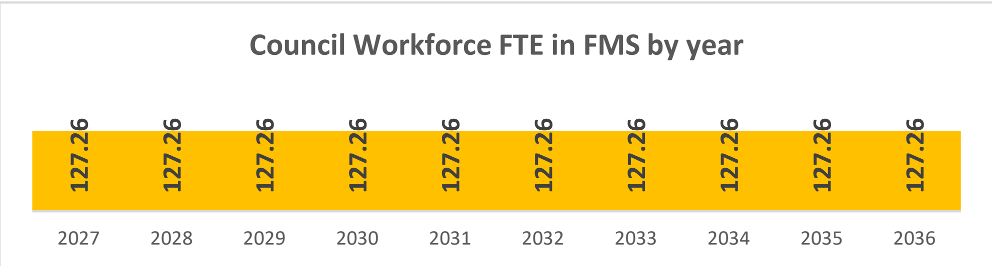
Interest receipts on investments are based on expected cash flows, funds available for investment and expected interest rates (*see economic conditions*) for Council's investment portfolio. Funds are invested, using rates paid upfront (estimated 60% of ratepayers pay upfront and receive the rates discount) until they are required for operating purposes during the year, in line with the Treasury Management Policy.

5.3.2 Recurrent Expenses

Employee Benefits

The current Council Enterprise Bargaining Agreement contains annual increases for 2026-27 of 3.5%. that were negotiated when the agreement expired during a high inflation environment. The agreement finishes on 30 June 2027. Enterprise bargaining negotiations between management and employees will commence prior to expiry with a view these will match or be better than the expected long run inflation.

Employee benefits are based on Council's position establishment, which details the number of employees required to deliver existing Council services. The LTFMP is modelled on staffing FTE as per below. This is in line with estimates from the 2025-26 LTFMP.



A portion of some employee costs are capitalised as part of the construction and renewal of Council assets. Council's ability to set an achievable capital works program, to ensure its full delivery against operational and reactive circumstances is imperative to Council achieving its desired financial sustainability into the future.

Appropriate provisions for all leave and on-costs are included in the LTFMP, including the staged increases in the Superannuation Guarantee Contribution.

Materials and Services

In general materials and services has been indexed to General CPI.

Exceptions to this include:

- Insurance costs (expected to grow at 6% per annum in 2026-27 and then at 5% afterwards) based on current expectations of the insurance market, particularly reflecting increased climate risks.

As part of its operating model, Council has allocated funds each year to support the delivery of a range of engaging events for the City, and to enable funding for Council's community grants program.

The LTFMP includes one off costs of Local Government Elections for 2026-27 and in 2030-31 at $180,000, along with fresh valuations used in its rating system from the Valuer General and in 2031-32 at $280,000.

Depreciation and Amortisation

Depreciation is an accounting measure which systematically allocates the value of an asset over its useful life. It is the financial representation of consumption of the service in Council's assets. Annual depreciation therefore is an estimate of funds that will need to be spent at some time in the future to renew Councils existing assets (refer to the asset sustainability ratio). Depreciation is estimated based on the expected capital works program.

The factors affecting the consumption of an asset are:

- the quality of the original asset;
- the wear and tear to which the asset is subjected;
- the environment in which the asset is operated or constructed;
- the maintenance provided to the asset;
- technical obsolescence; and
- commercial obsolescence.

Across the life of this LTFMP, depreciation remains a significant risk which materially impacts Council's financial sustainability.

Finance Costs

Finance costs relate to interest charged by financial institutions on funds borrowed. The level of borrowings and the level of interest rates influence borrowing costs.

The LTFMP does not include any new borrowings and includes the principal and interest repayments on Council's existing loan facilities. All Council's existing loans are for a fixed term and are at a fixed interest rate for the full term of the loan.

Other Expenses

Other expenses include levies to the State Government for land tax and fire levies, water and sewer rates, remissions, discounts, councillor allowances and auditor remuneration.

In general, other expenses has been indexed to General CPI.

5.3.3 Capital Items

Capital grants

Capital grants revenue is recognised as performance obligations are met, based on projected percentage completion of work at the relevant year end. Only executed agreements for those grants that are known, are included in the LTFMP.

Net gain / (loss) on disposal of assets

Council disposes of assets as part of its normal operations. Net gain / (loss) on disposal of assets is estimated based on previous 5 years historical data, excluding non-recurrent items and any strategic transactions known.

5.4 Statement of Financial Position

Council is projecting an improving current ratio throughout the 10 year LTFMP period, meaning it will be able to meet its current liabilities as and when they fall due. The current ratio in 2026-27 is impacted by substantial contract liabilities associated with external grant funded projects that will be extinguished on completion and expenditure that has already been incurred on those projects in advance.

It has been assumed that the structure of debtors and payables cycles will remain constant over the 10 year period with the value increasing by CPI.

Inventory levels reflect standard operating requirements.

Other assets predominantly reflect expected prepayments at year end, particularly for software licenses and subscriptions.

Contract assets relate to externally funded capital works that have been completed (based on expected year end completion percentage) under an executed agreement creating a receivable to be paid in the future. These amounts must be funded prior to receiving.

Council estimates the value of revaluations based on expected asset values and relevant indices.

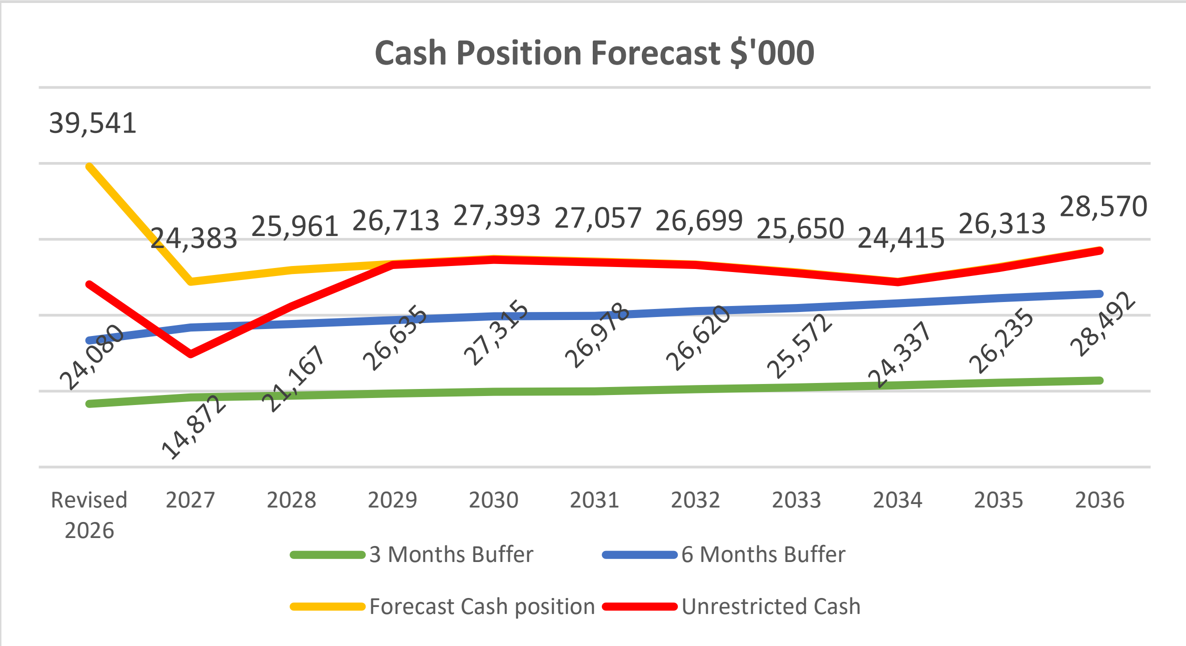
Contract liabilities reflect funds Council has received under an executed deed, but services or capital projects have not yet been delivered. Once delivered, revenue is recognised and the contract liability is extinguished.

Employee provisions reflect expected FTE and anticipated wages indexation.

5.5 Statement of Cash Flows

Council needs to ensure that enough funds are on hand at any point in order to meet its operational funding requirements.

Audit Tasmania consider a cash buffer (using the cash expense cover ratio) of between 3 to 6 months as “adequate” to cover operating activities of Council. This ratio indicates the number of months Council could operate on current monthly expenditure (excluding the delivery of capital works) without additional cash flow. Council’s expected cash position against the buffer is displayed below.



The forecast cash position anticipates the urban plan funding to be consumed by 2027-28 allowing Council to meet the upper target of 6 month cash buffer.

5.5.1 Operating Activities

Cash generated from operating activities refers to cash generated or used in the delivery of Council’s normal services. Cash remaining after paying for the provision of services to the community may be available for investment in capital works or repayment of debt. Council predominantly uses the funds generated from operating activities to fund its capital works program.

The net cash flows provided by operating activities do not equal the operating result for the year due to the expected revenues and expenses including non-cash items which have been excluded from the Statement of Cash Flows. The following table is a reconciliation of cash provided from operating activities to the operating surplus/(deficit) for the year in line with the Comprehensive Income Statement:

	Forecast					Strategic Projections					
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Result from continuing operations	***9,859***	***9,036***	***6,870***	***5,998***	***1,306***	***1,069***	***986***	***1,253***	***1,292***	***1,217***	***1,556***
Non-cash flows											
Depreciation and amortisation	*12,094*	*13,003*	*13,363*	*13,677*	*14,001*	*14,373*	*14,751*	*15,159*	*15,581*	*15,945*	*16,319*
Net (gain) / loss on disposal of assets	*404*	*400*	*410*	*420*	*431*	*442*	*453*	*464*	*475*	*487*	*500*
Contributions - non-monetary assets	-	-	-	-	-	-	-	-	-	-	-
Capital grants received specifically for new or ugrpaded asse	*(6,716)*	*(8,640)*	*(6,652)*	*(5,608)*	*(892)*	*(892)*	*(892)*	*(852)*	*(852)*	*(852)*	*(852)*
Changes in assets and liabilities											
- (increase)/decrease in trade and other receivables	*(138)*	*(141)*	*(125)*	*(129)*	*(119)*	*(122)*	*(125)*	*(129)*	*(132)*	*(136)*	*(140)*
- (increase)/decrease in other assets	(366)	122	(17)	(17)	(18)	(18)	(19)	(19)	(19)	(20)	(20)
- (increase)/decrease in inventories	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
- increase/(decrease) in trade and other payables	245	151	132	136	133	136	140	144	148	151	156
- increase/(decrease) in other liabilities	(85)	-	-	-	-	-	-	-	-	-	-
- increase/(decrease) in provisions	260	89	1	1	(11)	(11)	(17)	(23)	(41)	(47)	(48)
Cash flow from operations	***15,557***	***14,017***	***13,979***	***14,476***	***14,828***	***14,973***	***15,275***	***15,995***	***16,449***	***16,743***	***17,467***

5.5.2 Investing Activities

This refers to cash generated or used in the enhancement or creation of infrastructure assets and other assets. These activities also include capital grants and proceeds from the sale of property, infrastructure, plant and equipment.

Council plans for the renewal of its existing infrastructure in order to maintain current service levels of its assets. Current committed strategic projects are included in the LTFMP and are funded, including the implementation of key Urban Plan projects and 2 major parks from Council's playground strategy. Additional new capital spend ($5 million) is allocate for recreation infrastructure projects. Council is using significant government funds to support the delivery of these major capital projects.

Capital expenditure decisions are made based upon:

- Council's asset management policy with a focus on the renewal of existing assets and maintaining service levels.
- identified community needs and benefits of the proposed asset relative to other capital and operational expenditure options.
- the ongoing lifecycle costs of the assets and its impact on the financial performance and position of Council.

Any asset sales over the life of the LTFMP will increase Council's cash reserves.

5.5.3 Financing Activities

This refers to cash generated or used in the financing of Council functions and include borrowings and repayment of borrowings and any associated costs.

5.5.4 Capital Works Expenditure and Asset Renewal Needs

The capital works program is based on committed strategic projects and ensuring the renewal of existing assets. Renewal expenditure reinstates the existing service potential and its useful life. It may reduce future operating and maintenance expenditure if completed at the optimum time.

Asset upgrades may be carried out to address deficiencies in current service levels or to meet new standards or statutory requirements. Expenditure on new assets will result in future costs for operations, maintenance, depreciation and capital renewal expenditure and therefore needs to be carefully considered by Council. Council has not provisioned in the LTFMP for any new or upgraded assets above those that have a current Council decision.

The LTFMP is based on the renewal of assets across the 10 year period of the LTFMP modelled on an asset sustainability ratio of 100%. In addition, as previously mentioned $10.0 million has been included, split over 4 years in the LTFMP from 2031 to either address the renewal backlog or for new projects.

5.6 Sensitivity Analysis

Council has conducted a sensitivity analysis (what if scenarios) looking at material variabilities of projected revenue and expenditure within the LTFMP. These items include:

- The impact of inflation on materials and services expenditure.
- A change in employee benefits expenditure due to changes in wage negotiations or structure.
- The variation in commercial revenue and user fees that will be generated due to economic and market changes.
- The variation in depreciation due to capital program delivery changes, the nature of work undertaken, and review of useful lives and revaluations.

The table below shows the average impact for each item across the 10 year LTFMP horizon, the percentage change in the item, what the dollar impact is and what the corresponding percentage impact on the rating strategy would need to be to accommodate the revised scenarios. These figures are indicative only and are provided so users of the LTFMP can assess what the impact of positive and negative changes will be to the operating position of Council and its rating strategy.

			Average impact over 10 years of LTFMP
Item	**Impact of Inflation on Materials and Services Expenditure**		Amounts in $'000
Current Budget Assumption in LTFMP	Links to expected inflation % increase within FMP		16,461
$ impact if	changes (+ / -) by	1.00%	165
% impact on rates if	changes (+ / -) by	1.00%	0.71%
Item	**Increase in Employee Benefits expenditure**		
Current Budget Assumption in LTFMP	Links to expected wages % increase within FMP		12,663
$ impact if	changes (+ / -) by	1.00%	127
% impact on rates if	changes (+ / -) by	1.00%	0.55%
Item	**Commercial Revenue Variability**		
Current Budget Assumption in LTFMP	This relates to income earned from commercial activities and user fees, that may be impacted by changes in demand		4,860
$ impact if	changes (+ / -) by	10.00%	486
% impact on rates if	changes (+ / -) by	10.00%	2.11%
Item	**Depreciation Variability**		
Current Budget Assumption in LTFMP	Depreciation may vary in any particular year depending on capital program delivery, the nature of work undertaken (new, upgrade or renewal), reviews of useful lives and revaluations.		13,003
$ impact if	changes (+ / -) by	1.00%	130
% impact on rates if	changes (+ / -) by	1.00%	0.56%

6 Risk Management

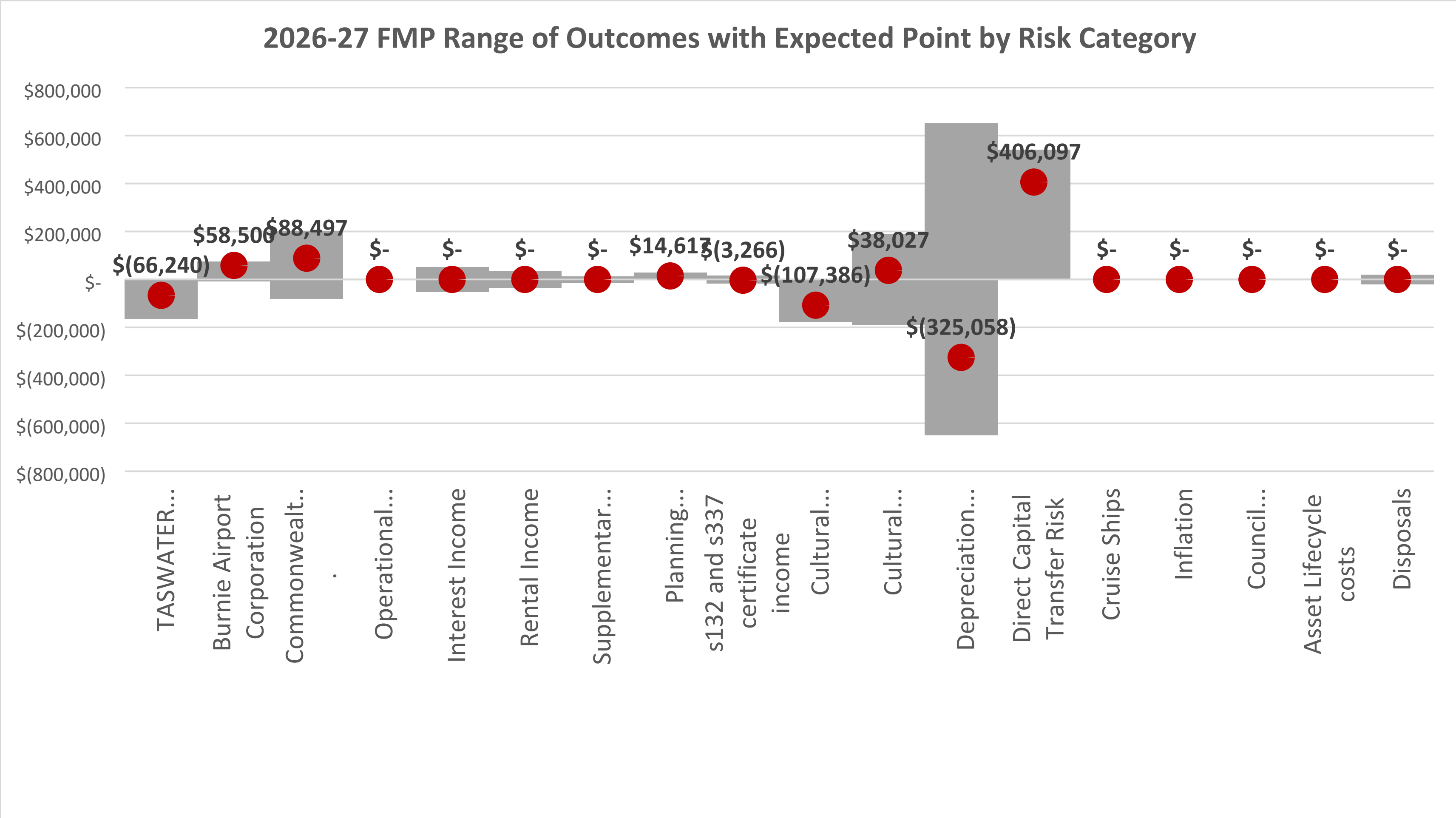
Council monitors key financial risks that may have a material impact on realising its LTFMP goals. These key risks highlight the uncertainty Council must manage to achieve its objectives. In accordance with the Risk Management Framework, Council has a “minimal” financial risk appetite with a preference for options that avoid risk or have low inherent risk.

6.1 Financial Risk Register

A summary view of Council’s financial risk register, based on current risks within the Statement of Comprehensive Income is included below *(Please note: Bracketed figures are opportunities / non bracketed figures are risk).*

Council maintains a comprehensive, detailed financial risk register that is reported against as part of Quarterly Council Financial Reports.

The risk register shows the items that will materially affect (in a positive or negative way) the predicted financial performance of Council. Council has management strategies in place to manage these risks. Items with no dollar value are not expected to vary, based on current assumptions or cannot be estimated at this time. The most significant risks for the financial performance of Council relate to the timely delivery of the capital works program and the uncertainty associated with commercial revenue.


2026-27 FMP Range of Outcomes with Expected Point by Risk Category
$800,000
$600,000
$400,000
$200,000
$-
$(200,000)
$(400,000)
$(600,000)
$(800,000)
$(66,240)
$58,500
$88,497
$-
$14,617
$(3,266)
$(107,386)
$38,027
$(325,058)
$406,097
TASWATER...
Burnie Airport Corporation
Commonwealt...
Operational...
Interest Income
Rental Income
Supplementar...
Planning...
s132 and s337 certificate income
Cultural...
Cultural...
Depreciation...
Direct Capital Transfer Risk
Cruise Ships
Inflation
Council...
Asset Lifecycle costs
Disposals

7 Estimated Financial Statements

Burnie City Council
Statement of Comprehensive Income

	Forecast at 31 March	Strategic Projections									
	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000	2036 $'000
Recurrent Income											
Rates and charges	32,803	34,374	35,521	36,708	37,812	38,951	40,125	41,335	42,583	43,871	45,198
Statutory fees and fines	910	921	945	969	993	1,018	1,043	1,069	1,096	1,123	1,151
User fees	4,096	4,860	4,943	5,069	5,198	5,331	5,466	5,606	5,749	5,895	6,046
Operational Grants	4,331	4,465	4,383	4,529	4,638	4,750	4,864	4,981	5,101	5,224	5,350
Interest	1,304	1,038	772	695	604	496	462	455	442	455	490
Other income	931	876	892	909	925	941	963	988	1,013	1,039	1,066
Investment income	828	828	828	828	828	828	828	828	828	828	828
Reimbursements	271	139	145	150	157	163	170	177	184	192	200
Total recurrent income	**45,473**	**47,501**	**48,429**	**49,857**	**51,155**	**52,477**	**53,921**	**55,439**	**56,996**	**58,627**	**60,329**
Recurrent Expenses											
Employee benefits	11,340	12,663	12,979	13,304	13,637	13,978	14,327	14,685	15,052	15,429	15,814
Materials and services	14,271	16,461	16,887	17,308	17,753	18,204	18,948	19,142	19,635	20,145	20,663
Depreciation and amortisation	12,094	13,003	13,363	13,677	14,001	14,373	14,751	15,159	15,581	15,945	16,319
Impairment losses on receivables	34	17	17	18	18	19	19	20	20	21	22
Finance costs	270	251	223	213	174	168	167	175	159	151	154
Other expenses	4,208	4,459	4,482	4,677	4,878	5,268	5,312	5,542	5,783	6,233	6,302
Total recurrent expenses	**42,218**	**46,855**	**47,952**	**49,197**	**50,460**	**52,009**	**53,525**	**54,724**	**56,231**	**57,924**	**59,275**
Operating surplus/(deficit) before capital items	**3,255**	**646**	**478**	**661**	**695**	**468**	**397**	**715**	**765**	**703**	**1,054**
Capital Items											
Capital grants	6,716	8,640	6,652	5,608	892	892	892	852	852	852	852
Contributions - non-monetary assets	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) on disposal of assets	(404)	(400)	(410)	(420)	(431)	(442)	(453)	(464)	(475)	(487)	(500)
Share of Profit of Joint Venture	292	150	150	150	150	150	150	150	150	150	150
	6,604	**8,390**	**6,392**	**5,338**	**611**	**601**	**590**	**538**	**527**	**515**	**503**
Result from continuing operations Surplus/(Deficit)	**9,859**	**9,036**	**6,870**	**5,998**	**1,306**	**1,069**	**986**	**1,253**	**1,292**	**1,217**	**1,556**
Other Comprehensive Income											
Net asset revaluation increment/(decrement)	20,183	17,479	15,428	15,793	16,164	16,546	16,984	17,431	17,913	18,413	18,845
Total Other Comprehensive Income	**20,183**	**17,479**	**15,428**	**15,793**	**16,164**	**16,546**	**16,984**	**17,431**	**17,913**	**18,413**	**18,845**
Total Comprehensive Result	**30,042**	**26,515**	**22,298**	**21,791**	**17,471**	**17,614**	**17,970**	**18,685**	**19,205**	**19,631**	**20,402**
Operating Margin	**1.08**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**	**1.01**	**1.02**

Underlying surplus or deficit											
Recurrent Income											
Total income from continuing operations	52,077	55,890	54,821	55,195	51,767	53,078	54,511	55,977	57,523	59,142	60,832
Less non operating income											
Capital grants	(6,716)	(8,640)	(6,652)	(5,608)	(892)	(892)	(892)	(852)	(852)	(852)	(852)
Contributions - non-monetary assets	-	-	-	-	-	-	-	-	-	-	-
Revenue from Constructed Assets	-	-									
Disposal of Land											
One off disposals as per strategy	-										
Adjustments to timing of Financial Assistance Grants	(4)	(66)	(70)	(73)	(54)	(55)	(57)	(58)	(59)	(61)	(62)
Recurrent Income	45,357	47,184	48,099	49,514	50,820	52,130	53,562	55,067	56,611	58,229	59,917
Recurrent Expenditure	42,218	46,855	47,952	49,197	50,460	52,009	53,525	54,724	56,231	57,924	59,275
Less non-operational expenditure											
Capital works completed on assets not owned by Council	-	-									
Recurrent Expenditure	42,218	46,855	47,952	49,197	50,460	52,009	53,525	54,724	56,231	57,924	59,275
Adjusted Underlying surplus or (deficit)	**3,139**	**330**	**147**	**317**	**360**	**121**	**37**	**343**	**380**	**304**	**642**
Adjusted Operating Margin	**1.07**	**1.01**	**1.00**	**1.01**	**1.01**	**1.00**	**1.00**	**1.01**	**1.01**	**1.01**	**1.01**

Burnie City Council
Statement of Financial Position

	Forecast 2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000	2036 $'000
		Strategic Projections									
Assets											
Current assets											
Cash and cash equivalents	39,541	24,383	25,961	26,713	27,393	27,057	26,699	25,650	24,415	26,313	28,570
Trade and other receivables	3,896	4,037	4,162	4,291	4,410	4,532	4,657	4,786	4,918	5,054	5,194
Investments	-	-	-	-	-	-	-	-	-	-	-
Prepayments	652	672	688	706	723	741	760	779	798	818	839
Inventories	105	108	111	114	117	120	123	126	129	132	135
Contract Assets	-	-	-	-	-	-	-	-	-	-	-
Total current assets	**44,194**	**29,200**	**30,923**	**31,824**	**32,643**	**32,449**	**32,238**	**31,341**	**30,261**	**32,318**	**34,739**
Non-current assets											
Investment in water corporation	71,542	71,542	71,542	71,542	71,542	71,542	71,542	71,542	71,542	71,542	71,542
Investment in joint venture	3,633	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491	3,491
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Property, infrastructure, plant and equipment	596,237	631,109	646,015	661,220	676,866	694,800	713,105	732,809	753,201	770,879	788,967
Right of Use Assets	18	17	16	15	14	13	12	11	9	8	7
Total non-current assets	**671,430**	**706,159**	**721,063**	**736,267**	**751,912**	**769,845**	**788,149**	**807,852**	**828,243**	**845,921**	**864,007**
Total assets	**715,624**	**735,359**	**751,986**	**768,091**	**784,556**	**802,295**	**820,388**	**839,193**	**858,504**	**878,238**	**898,746**
Liabilities											
Current liabilities											
Trade and other payables	4,631	4,783	4,915	5,050	5,183	5,320	5,460	5,603	5,751	5,902	6,058
Trust funds and deposits	78	78	78	78	78	78	78	78	78	78	78
Lease Liabilities	1	1	1	1	1	1	1	1	1	1	1
Contract liabilities	15,383	9,432	4,716	-	-	-	-	-	-	-	-
Provisions	2,498	2,577	2,634	2,705	2,767	2,836	2,907	2,990	3,061	3,131	3,209
Interest-bearing loans and borrowings	1,067	1,087	1,107	1,127	-	-	-	-	-	-	-
Total current liabilities	**23,658**	**17,957**	**13,450**	**8,962**	**8,029**	**8,235**	**8,446**	**8,672**	**8,891**	**9,112**	**9,346**
Non-current liabilities											
Provisions - NC	4,424	4,433	4,377	4,307	4,234	4,154	4,066	3,961	3,849	3,733	3,606
Lease Liabilities - NC	16	14	13	13	12	11	10	10	9	8	7
Interest-bearing loans and borrowings - NC	3,321	2,234	1,127	-	-	-	-	-	-	-	-
Total non-current liabilities	**7,760**	**6,681**	**5,518**	**4,320**	**4,246**	**4,165**	**4,077**	**3,971**	**3,858**	**3,741**	**3,613**
Total liabilities	**31,418**	**24,638**	**18,968**	**13,282**	**12,275**	**12,400**	**12,523**	**12,643**	**12,749**	**12,853**	**12,960**
Net Assets	**684,206**	**710,721**	**733,018**	**754,809**	**772,280**	**789,895**	**807,865**	**826,550**	**845,755**	**865,385**	**885,787**
Equity											
Reserves	346,949	364,428	379,857	395,649	411,814	428,360	445,344	462,775	480,688	499,101	517,946
Surplus / (deficit)	9,859	9,036	6,870	5,998	1,306	1,069	986	1,253	1,292	1,217	1,556
Accumulated surplus / (deficit)	327,397	337,256	346,292	353,162	359,160	360,466	361,535	362,521	363,775	365,067	366,284
Total Equity	**684,206**	**710,721**	**733,018**	**754,809**	**772,280**	**789,895**	**807,865**	**826,550**	**845,755**	**865,385**	**885,787**
CURRENT RATIO	**1.87**	**1.63**	**2.30**	**3.55**	**4.07**	**3.94**	**3.82**	**3.61**	**3.40**	**3.55**	**3.72**

Burnie City Council
Statement of Cash Flows

	Forecast	Strategic Projections									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash flows from operating activities											
Rates	32,841	34,319	35,471	36,656	37,766	38,903	40,076	41,285	42,531	43,817	45,143
Statutory fees and fines	910	921	945	969	993	1,018	1,043	1,069	1,096	1,123	1,151
User fees (inclusive of GST)	4,312	5,284	5,385	5,522	5,662	5,807	5,955	6,106	6,262	6,422	6,586
Operational Grants (inclusive of GST)	4,246	4,465	4,383	4,529	4,638	4,750	4,864	4,981	5,101	5,224	5,350
Reimbursements (inclusive of GST)	298	153	159	165	172	179	187	194	202	211	220
Rents (inclusive of GST)	777	799	819	840	861	882	904	927	950	974	998
Other receipts (inclusive of GST)	248	164	162	160	157	153	155	160	164	169	174
Interest	1,304	1,038	772	695	604	496	462	455	442	455	490
Investment revenue from Water Corporation	828	828	828	828	828	828	828	828	828	828	828
Distributions from Joint Venture	166	292	150	150	150	150	150	150	150	150	150
Payments to employees	(11,043)	(12,567)	(12,973)	(13,297)	(13,642)	(13,983)	(14,337)	(14,702)	(15,086)	(15,469)	(15,856)
Payments to suppliers	(16,101)	(18,026)	(18,506)	(18,967)	(19,455)	(19,949)	(20,766)	(20,977)	(21,517)	(22,077)	(22,644)
Finance Costs paid	(270)	(251)	(223)	(213)	(174)	(168)	(167)	(175)	(159)	(151)	(154)
Other payments	(4,629)	(4,905)	(4,931)	(5,144)	(5,366)	(5,795)	(5,844)	(6,097)	(6,361)	(6,856)	(6,933)
Net GST refund / (payment)	1,546	1,503	1,537	1,584	1,633	1,702	1,764	1,790	1,845	1,923	1,964
Net cash provided by (used in) operating activities	**15,432**	**14,017**	**13,979**	**14,476**	**14,828**	**14,973**	**15,275**	**15,995**	**16,449**	**16,743**	**17,467**
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(15,802)	(30,795)	(13,249)	(13,509)	(13,912)	(16,201)	(16,524)	(17,895)	(18,535)	(15,697)	(16,060)
Proceeds from sale of property, plant, infrastructure and eq	-	-	-	-	-	-	-	-	-	-	-
Capital grants	10,730	2,689	1,936	892	892	892	892	852	852	852	852
Receipts from maturity of short term investments	-	-	-	-	-	-	-	-	-	-	-
Funds deposited as short term investments	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) investing activities	**(5,073)**	**(28,107)**	**(11,313)**	**(12,616)**	**(13,020)**	**(15,309)**	**(15,632)**	**(17,042)**	**(17,683)**	**(14,845)**	**(15,208)**
Cash flows from financing activities											
Proceeds from trust funds and deposits	(301)	-	-	-	-	-	-	-	-	-	-
Payments for ROU leases	0	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Repayment of interest bearing loans and borrowings	(1,048)	(1,067)	(1,087)	(1,107)	(1,127)	-	-	-	-	-	-
Net cash provided by (used in) financing activities	**(1,348)**	**(1,069)**	**(1,087)**	**(1,107)**	**(1,128)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**
Net increase (decrease) in cash and cash equivalents	9,011	(15,158)	1,579	752	680	(337)	(358)	(1,049)	(1,235)	1,898	2,257
Cash and cash equivalents at the beginning of the financial year	30,530	39,541	24,383	25,961	26,713	27,393	27,057	26,699	25,650	24,415	26,313
Cash and cash equivalents at the end of the period	**39,541**	**24,383**	**25,961**	**26,713**	**27,393**	**27,057**	**26,699**	**25,650**	**24,415**	**26,313**	**28,570**

	Forecast 2026 $'000	Strategic Projections 2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000	2036 $'000
Result from continuing operations	***9,859***	***9,036***	***6,870***	***5,998***	***1,306***	***1,069***	***986***	***1,253***	***1,292***	***1,217***	***1,556***
Non-cash flows											
Depreciation and amortisation	*12,094*	*13,003*	*13,363*	*13,677*	*14,001*	*14,373*	*14,751*	*15,159*	*15,581*	*15,945*	*16,319*
Net (gain) / loss on disposal of assets	*404*	*400*	*410*	*420*	*431*	*442*	*453*	*464*	*475*	*487*	*500*
Contributions - non-monetary assets	-	-	-	-	-	-	-	-	-	-	-
Capital grants received specifically for new or ugrpaded asse	*(6,716)*	*(8,640)*	*(6,652)*	*(5,608)*	*(892)*	*(892)*	*(892)*	*(852)*	*(852)*	*(852)*	*(852)*
Changes in assets and liabilities											
- (increase)/decrease in trade and other receivables	*(138)*	*(141)*	*(125)*	*(129)*	*(119)*	*(122)*	*(125)*	*(129)*	*(132)*	*(136)*	*(140)*
- (increase)/decrease in other assets	(366)	122	(17)	(17)	(18)	(18)	(19)	(19)	(19)	(20)	(20)
- (increase)/decrease in inventories	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
- increase/(decrease) in trade and other payables	245	151	132	136	133	136	140	144	148	151	156
- increase/(decrease) in other liabilities	(85)	-	-	-	-	-	-	-	-	-	-
- increase/(decrease) in provisions	260	89	1	1	(11)	(11)	(17)	(23)	(41)	(47)	(48)
Cash flow from operations	***15,557***	***14,017***	***13,979***	***14,476***	***14,828***	***14,973***	***15,275***	***15,995***	***16,449***	***16,743***	***17,467***

BURNIE
CITY COUNCIL

Approved AO106-26
23 June 2026
CD-FS-FIN-001