

LONG TERM FINANCIAL PLAN 2026-35





City of Palmerston acknowledges the Larrakia people as the Traditional Custodians of the Palmerston region. We pay our respects to the Elders past, present and future leaders and extend that respect to all Aboriginal and Torres Strait Islander people.

City of Palmerston is committed to embracing diversity and eliminating all forms of discrimination within our facilities and welcome all people regardless of sexual orientation, gender identity, ethnicity or faith.

Pictured: NAIDOC Week, Memorial Park 2024

Pictured front cover: The Zuccoli Primary School Community Garden, Zuccoli 2024



This document has been printed on recycled material.

Contents

FOREWORD	4	ASSUMPTIONS	22
Statutory requirements	5	General assumptions	22
BACKGROUND	6	Revenue assumptions	22
Palmerston	6	Expense assumptions	23
Northern Territory Economy	6	Capital assumptions	23
CURRENT FINANCIAL POSITION	7	WASTE MANAGEMENT	24
Operating Revenue Source by Type 2025-26	7	Waste service charges	24
MEASURING PERFORMANCE	8	Waste operating and capital expenditure	24
FUTURE FINANCIAL POSITION	9	Waste Management Income Statement	25
FINANCIAL RESERVES	9	PLANNED MAJOR CAPITAL WORKS BUDGET	26
MAJOR INITIATIVES, REPAIRS, AND ASSETS	10	Capital expenditure by asset class	27
LONG TERM FINANCIAL PLAN	11	Capital expenditure by funding source	27
Scenario 1 – 3.9% rating model	12	CONCLUSION	28
Income statement	12		
Statement of financial position	13		
Statement of cash flows	14		
Financial ratios	15		
Reserves	16		
Scenario 2 - Mix of 4.9% & 3.9% Rating Model	17		
Income statement	17		
Statement of financial position	18		
Statement of cash flows	19		
Financial ratios	20		
Reserves	21		

FOREWORD

City of Palmerston is pleased to present the Long-Term Financial Plan 2026 to 2035.

The plan spans from financial year 2025-26 to 2033-34, acknowledging Council's present and prospective financial capabilities. It is designed to sustain the provision of community services, deliver essential facilities and infrastructure to the community, and initiate projects aligned with the objectives outlined in the Community Plan.

This Long Term Financial Plan (the Plan) has been prepared with the base year being 2025-26.

The Plan is supported by financial modelling to project City of Palmerston's fiscal outlook for the coming decade. This not only forecasts revenue streams and expenses, but assists with decision-making to best achieve Council's corporate objectives and asset management needs whilst considering its long-term financial challenges.

Our plan includes:

- Planning assumptions used to develop details
- Projected income and expenditure
- Statement of financial position
- Statement of cash flows
- Planned capital projects
- Financial ratios.

The fundamental assumptions detailed in the plan include CPI forecasts, anticipated interest rates, employee award adjustments, estimated loan repayments, and other specific income and expenses. Given the complexity of financial forecasting over a decade, these assumptions are subject to inevitable fluctuations. The Plan undergoes frequent monitoring and revision to adapt to evolving circumstances.

This year, for public consultation purposes, two scenarios have been developed to demonstrate to the community the options for City of Palmerston to maintain a strong reserve position whilst focusing on the long-term asset sustainability. Modelling has indicated that modest rate increases of between 3.9%-4.9% is required to maintaining existing service levels for the community while fulfilling outcomes identified in the Community Plan for Palmerston. The 2026-35 plan maintains existing service levels and initiatives such as free community facility hire and pool entry, community events and parking. The decisions made in this Plan have been assessed for their long-term impact with a focus on ensuring long-term financial sustainability.

This Plan forecasts the delivery of major projects with support of grant funding, such as the Zuccoli Community Hub. In this Plan, City of Palmerston proposes acquiring loans of up to \$3 million to finance this project. This means that residents will bear the cost of the construction of the facilities as they utilise them.

With this financing model, Council ensures that financial reserve balances remain healthy and continue to increase within the 10-year timeframe to ensure the cost of asset renewal can be met into the future as our City ages.

City of Palmerston's Long-Term Financial Plan aims to:

- Set out the assumptions upon which Council's financial plans and budgets have been structured
- identify some Key Performance Indicators upon which Council can benchmark its financial performance
- set the framework so that the impact of future policy decisions can be identified
- evaluate the impact of future scenarios upon Council's financial position
- provide a basis for future informed decision making
- identify issues which impact upon the financial sustainability of Council including known opportunities and threats; and
- achieve a balanced budget on a funding basis, acknowledging that continued service delivery and asset renewals are current priorities.

The Long-Term Financial Plan model and assumptions were provided to Peel Valentine Whitehead (PVW) Partners Pty Ltd to provide advice on the succinctness of the model and assumptions used. Although no assurance or opinions can be issued under this type of engagement, the advice received was that PVW Partners were satisfied with the material functionality of the Plan.

STATUTORY REQUIREMENTS

The *Local Government Act 2019* (NT) (the Act) mandates that Council formulate and maintain a Long Term Financial Plan. While the Act stipulates a minimum coverage period of four years, the ramifications of many Council decisions extend far beyond this timeframe. Recognising this, Council has crafted a 10-year plan to provide ratepayers with a comprehensive understanding of the financial consequences stemming from its decisions and to safeguard City of Palmerston's financial sustainability.

This Plan forecasts the delivery of major projects with support of grant funding, such as the Zuccoli Community Hub and Driver Resource Centre.

BACKGROUND

PALMERSTON

Palmerston is a young and modern municipality.

It has a median age of 31 and many families call it home. The second-largest city in the Northern Territory, it is a regional hub with a promising future. Centrally located between Darwin and its rural area, Palmerston is conveniently close to major health, education and transport infrastructure, such as the port and railway, a university campus and a modern hospital and police station.

Rapid population growth coupled with a young demographic presents Council with the challenge of growing and renewing essential family infrastructure and activities for Palmerston and its surrounding communities. Palmerston experiences annual population growth, supported by an array of lifestyle amenities. These include multiple shopping centres, a PGA tournament-standard golf course, conservation areas, recreational facilities and a thriving education sector, catering to families choosing to make our city their home.

NORTHERN TERRITORY ECONOMY

The Northern Territory economy is highly dependent on the government sector, mining and tourism.

This dependence makes it highly prone to volatility, particularly once large capital projects wind down.

Deloitte Access Economics forecasts the Territory economy to grow by an average of 4.43 per cent per annum over the next three years.

Deloitte Access Economics 2024-25 Mid-Year report prepared for Northern Territory Government has forecast average growth in the following key economic indicators for the three year (2025/26-2027-28)

	Australia
Gross State Product	4.43%
Employment Growth Forecast	1%
Population Growth Forecast	1.1%
Consumer Price Index (CPI)	2.53%

CURRENT FINANCIAL POSITION

City of Palmerston, though relatively young, experiences robust growth in population and infrastructure, with developers contributing millions of dollars' worth of infrastructure annually.

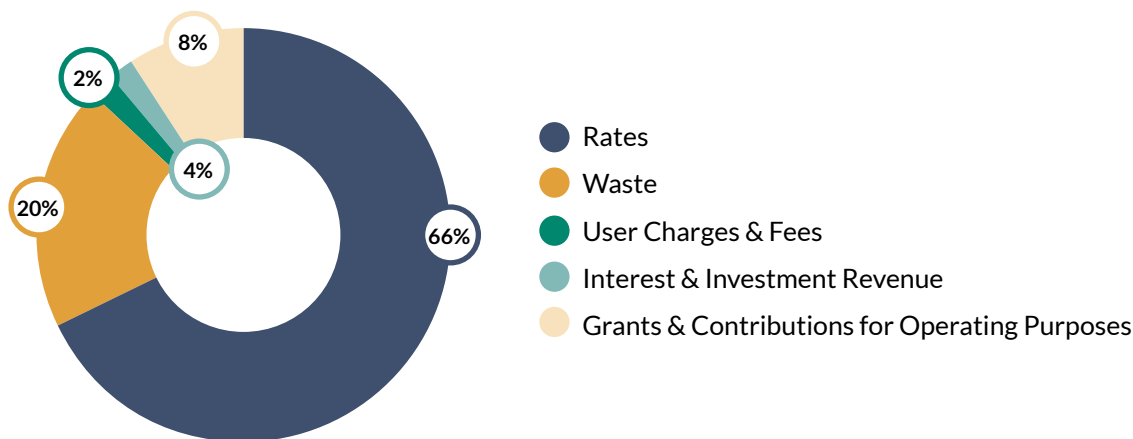
While the infrastructure remains relatively new, short to medium-term maintenance works are necessary to uphold its satisfactory condition. However, in the future, significant asset replacement will pose a substantial expense for us. We diligently pursue the targets outlined in its asset management plans to ensure long-term infrastructure stability.

In our commitment to enhancing the city's amenity and liveability, City of Palmerston continues to undertake major projects such as the construction of a new Community Hub in Zuccoli a revitalised Driver Community Centre, and a masterplan developed for Marlow Lagoon which. All of these projects have had, or will have, extensive community consultation as their developed.

Recent investments include the transformation of the Palmerston pool into the modern and dynamic Swimming, Wellness, Entertainment, Leisure and Lifestyle facility, the upgrade of the Durack Community Arts Centre and the award-winning Gray Community Hall. These efforts align with City of Palmerston's commitment to ensuring that community facilities meet the evolving needs of the local community while ensuring long-term infrastructure stability.

City of Palmerston's financial reserves, while low, are deemed adequate to sustain ongoing operations without compromising service levels. Nearly 86% of operational revenues are currently derived from annual rates and waste charges, providing us with a stable revenue base and reducing reliance on external factors beyond our control. City of Palmerston remains proactive in identifying additional revenue sources and advocating for grants from funding bodies.

OPERATING REVENUE SOURCE BY TYPE 2025-26



MEASURING PERFORMANCE

City of Palmerston will continue to track and evaluate its financial performance using standard financial indicators, which include:

- **Operating Ratio:** This assesses City of Palmerston's ability to keep its operating expenses within its operating revenue. The benchmark for this ratio is greater than 0%.
- **Cash Expense Ratio:** This liquidity measure indicates the number of months City of Palmerston can sustain immediate expenses without additional cash flow. The benchmark for this ratio is greater than three months.
- **Current Ratio:** This indicates City of Palmerston's ability to meet debt repayments as they become due. It's important to note that externally restricted assets are not available as operating funds, potentially impacting City of Palmerston's ability to meet liabilities. The minimum benchmark is greater than 1.5.
- **Own Source Ratio:** This measures fiscal flexibility by assessing the degree of reliance on external funding sources like operating grants and contributions for day-to-day operations. The benchmark for this ratio is between 60 – 75%.
- **Debt Service Cover Ratio:** This gauges the availability of operating cash to service debt, including interest, principal, and lease payments. The benchmark for this ratio is greater than 2.
- **Interest Cover Ratio:** This indicates City of Palmerston's capacity to service interest-bearing debt and take on additional borrowing, measuring the burden of current interest expense on operating cash. The minimum benchmark for this ratio is greater than 4.
- **Asset Sustainability Ratio:** This forecasts the extent to which City of Palmerston will increase or replace its asset base. A ratio of one or higher indicates the asset base is being replenished at a rate equal to or higher than asset consumption. A ratio less than one may suggest a deteriorating asset base.

Ratio	Benchmark	Ten-Year Average	
		Scenario 1	Scenario 2
Operating Ratio	Greater than 0%	19%	20%
Cash Expense Cover Ratio	Greater than 3 months	6.01	6.87
Current Ratio	Greater than 1.5 times	2.54	2.87
Own Source Ratio	Between 60%-75%	93%	93%
Debt Service Ratio	Greater than 2 times	13.02	14.05
Interest Cover Ratio	Greater than 4 times	45.52	49.20
Asset Sustainability Ratio	Between 90%-110%	64%	64%

FUTURE FINANCIAL POSITION

The Long Term Financial Plan projects an enhanced financial outlook for City of Palmerston over the planning period.

The medium term strategy is to continue to maintain the same service levels for the provision of community infrastructure and provision of community events and programs. In the longer term Council is looking to increasing the financial reserves to enable strategic reinvestment into capital projects such as infrastructure renewals and strategic projects.

The costs of delivering for the community has seen a significant increase compared to previous years and is attributed to several external factors such as management of SWELL, increases to our insurance, increased costs associated with waste management, mowing and landscaping, and a rates exemption decision by Northern Territory Civil Administrative Tribunal which was applied to the affordable housing supplier Venture Housing.

Given that 85% of operational revenues are currently derived from annual rates and waste charges, to enable City of Palmerston to continue to meet its long-term strategy, City of Palmerston must factor an increase in its rate revenue over the 10 years. Modelling has indicated that modest rate increases of between 3.9%-4.9% is required to maintaining existing service levels for the community while fulfilling outcomes identified in the Community Plan for Palmerston. The rates projections also include an anticipated property growth of 1.5%.

While the Plan sees a budgeted operating deficit, this is largely due to the incremental increase in depreciation, which is non-cash. Taking depreciation into consideration, City of Palmerston derives a cash surplus year on year which is being reinvested back into capital projects or the financial reserves.

The building of healthy reserves gives City of Palmerston the flexibility to respond to unprecedented cost increases, which has been experienced in recent years and is beyond our control.

FINANCIAL RESERVES

A financial strategy for Council is to maintain Financial Reserves and is documented in the Financial Reserve policy.

The strategy for the 2026-35 Long Term Financial Plan is to ensure that the working capital reserve, asset renewal reserve and major initiative reserves to levels are considered appropriate for Council's long-term sustainability as summarised below. This is consistent with the financial reserve policy.

- **Working capital reserve:** this plan aims to reach and maintain a \$5 million minimum balance, increasing to \$10 million. Having funds available in this reserve reduces the risk of service levels or other specific reserves needing to be impacted where unforeseen funds are required.

- **Asset Renewal Reserve:** this reserve is projected to increase from a nil balance to \$3 million. This enables Council greater flexibility where unforeseen asset replacement is required that can't be managed within existing programs or would result in an impact on service levels.
- **Major Initiatives Reserve:** this reserve was last used for SWELL and is intended to fund major capital projects that have been identified by Council. This plan increases this reserve to enable significant projects to be able to be delivered without the reliance on borrowing and/or grants, or in support of alternative funding sources.

MAJOR INITIATIVES, REPAIRS, AND ASSETS

The Plan anticipates a capital expenditure of \$88.92 million over 10 years, aimed at delivering new and contemporary facilities for the community.

This includes capital renewal and programs and strategic projects like Zuccoli Community Hub and the SWELL café, alongside other community-focused initiatives. These projects are expected to attract funding from the Commonwealth and Territory Governments. In addition to replacing and renewing assets related to infrastructure such as roads, pathways, parks, public lighting, buildings, stormwater

and fleet, it remains imperative to uphold the satisfactory condition of assets within Palmerston.

Due to the continued success of Palmerston Youth Festival, Darwin Festival in Palmerston and the Darwin Symphony Orchestra concerts in Palmerston, Council has factored in funds for community events in the future, which will be informed by community consultation

The Plan assumes that the existing service standards will remain unchanged, City of Palmerston has based its future estimates for repairs and maintenance on this consistency, while also factoring in CPI increases in alignment with City of Palmerston's asset management plans.



LONG TERM FINANCIAL PLAN

For the purposes of public consultation, City of Palmerston have developed two scenarios for its Long Term Financial Plan.

The purpose of this is to demonstrate to the community the options for City of Palmerston to maintain a strong reserve position whilst focusing on the long-term asset sustainability. The level of available Reserves is dependent on the revenue generated from the rates increase and the level of its budget surplus. This is distributed between the Working Capital Reserve, Disaster Recovery, Major Initiative, and Asset Renewal reserves.

Scenario 1 – 3.9% Rating Model (presented at page 9 to 13)

If the derived surpluses were to be reinvested into the Working Capital Reserve the 2029-30 financial year would meet the ideal \$5 million threshold, building up to the target balance to \$10 million in 2034-35. The amounts in excess of this would be reallocated to the following reserves

- The Disaster Recovery Reserve will receive annual allocations commencing 2029-30 to ensure the reserve balance reaches \$1 million.
- Allocation will be made to the Asset Renewal commencing in 2029-30, incrementally increasing to reach \$3 million in 2033-34 and
- Major Initiative Reserves allocations commencing in 2029-30 reaching at balance of \$15.88 million in 2034.35.

Scenario 2 – Mix of 4.9% & 3.9% Rating Model (presented at page 14 to 18)

In this Scenario, a 4.9% increase will be applied over the first 4 years and the increase reduces to 3.9% in 2029-30 and for the remaining 6 years.

If the derived surpluses were to be reinvested into the Working Capital Reserve the 2028-29 financial year would meet the ideal \$5 million threshold, building up to the target balance to \$10 million in 2034-35. The amounts in excess of this would be reallocated to the following reserves

- The Disaster Recovery Reserve will receive annual allocations commencing 2028-29 to ensure the reserve balance reaches \$1 million.
- Allocation will be made to the Asset Renewal commencing in 2028-29, incrementally increasing to reach \$3 million in 2033-34 and
- Major Initiative Reserves allocations commencing in 2028-29 reaching at balance of \$23.99 million in 2034.35.

The following key elements are included in both scenarios:

- Total operating expenditure remains the same across both LTFP scenarios. This includes employee costs, borrowing costs, elected members allowance, elected members expenses, materials, contracts & other expenses and depreciation.
- The amounts received for new or upgraded assets, as well as non-cash physical resources received free of charge, are consistent across both LTFP scenarios.
- The 10-Year Capital Program has been refined, resulting in a total investment of \$88 million in projects and initiatives over the period.
- The income Statement for Waste Management over the 10-year forecast has been prepared covering the 2025–2026 budget through to the 2034–2035 forecast as shown on page 21.
- Budget Parameters, other than rate increases, over the ten years remains the same in both scenarios and is summarised and shown on page 18.

SCENARIO 1 – 3.9% RATING MODEL

Income statement

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Income											
Rates & annual charges	35,664	38,115	40,074	42,135	44,303	46,584	48,983	51,450	54,045	56,772	59,640
Rates	27,552	29,143	30,717	32,376	34,124	35,967	37,909	39,956	42,114	44,388	46,785
Waste	8,112	8,971	9,357	9,760	10,179	10,617	11,073	11,494	11,931	12,384	12,855
Statutory Charges	137	99	102	105	108	111	114	117	120	124	127
User charges & fees	868	865	889	914	940	966	993	1,021	1,050	1,079	1,109
Interest & investment revenue	1,930	1,562	1,137	1,139	1,159	1,209	1,311	1,227	1,282	1,477	1,703
Other revenues	63	3	3	3	3	3	3	4	4	4	4
Grants & contributions for operating purposes	3,582	3,560	3,660	3,762	3,868	3,976	4,088	4,202	4,320	4,441	4,565
TOTAL INCOME	42,244	44,204	45,865	48,059	50,381	52,850	55,492	58,021	60,820	63,897	67,148
Operating Expenditure											
Employee benefits & costs	13,092	13,525	13,783	14,196	14,621	15,059	15,510	15,975	16,454	16,946	17,454
Borrowing costs	298	310	399	368	340	311	282	252	220	188	155
Elected Member Allowances	498	474	487	501	515	529	544	560	575	591	608
Elected Member Expenses	91	-	-	-	-	-	-	-	-	-	-
Materials, contracts and other expenses	23,197	24,751	25,266	26,075	26,706	27,805	28,236	29,128	29,846	31,033	31,554
Depreciation, amortisation & Impairment	12,000	12,306	12,734	13,049	13,374	13,690	14,065	14,494	14,867	15,257	15,649
TOTAL EXPENDITURE	49,175	51,366	52,669	54,189	55,556	57,395	58,637	60,409	61,962	64,016	65,420
BUDGETED OPERATING SURPLUS / (DEFICIT)	(6,931)	(7,162)	(6,803)	(6,129)	(5,175)	(4,545)	(3,145)	(2,388)	(1,142)	(119)	1,728
Add: Amounts received specifically for new or upgraded assets	4,488	1,009	1,133	1,174	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Add: Physical resources received free of charge (non-cash)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
BUDGET SURPLUS / (DEFICIT)	557	(3,153)	(2,671)	(1,955)	(1,100)	(470)	930	1,687	2,933	3,955	5,803
TOTAL COMPREHENSIVE INCOME / (LOSS)	557	(3,153)	(2,671)	(1,955)	(1,100)	(470)	930	1,687	2,933	3,955	5,803
Add: Depreciation	12,000	12,306	12,734	13,049	13,374	13,690	14,065	14,494	14,867	15,257	15,649
Add: Other non-cash											
Less: Resources free of charge	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Less: Capital Expenditure	15,005	6,602	9,839	7,663	7,949	7,438	9,482	11,530	9,082	9,639	9,700
Add: Borrowings (Loans advances)	-		3,000		-	-	-	-	-	-	-
Less: Loan Repayments	504	512	751	495	508	523	538	555	572	590	609
Add: Net Reserve Transfers	5,953	962	527	63	(816)	(2,258)	(1,975)	(1,097)	(5,146)	(5,984)	(8,143)
NET CASH BUDGET SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-	-

Statement of financial position

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets											
Current Assets											
Cash & cash equivalents	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Investments	23,222	11,011	10,732	10,900	11,952	14,450	16,668	18,025	23,430	29,673	38,080
Receivables	3,379	2,209	2,292	2,402	2,518	2,641	2,774	2,900	3,040	3,194	3,356
TOTAL CURRENT ASSETS	30,601	17,220	17,024	17,302	18,470	21,092	23,441	24,925	30,470	36,867	45,438
Non-Current Assets											
Infrastructure, property, plant & equipment	560,568	557,864	557,969	555,583	553,158	549,906	548,323	548,359	545,575	542,955	540,004
Investment property	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Work in progress	-	-	-	-	-	-	-	-	-	-	1
TOTAL NON-CURRENT ASSETS	566,068	563,364	563,469	561,083	558,658	555,406	553,823	553,859	551,075	548,455	545,505
TOTAL ASSETS	596,669	580,585	580,493	578,385	577,128	576,498	577,264	578,784	581,545	585,322	590,943
Liabilities											
Current Liabilities											
Payables	10,469	6,761	6,950	7,145	7,345	7,551	7,762	7,980	8,203	8,433	8,669
Borrowings	442	520	495	508	523	538	555	572	590	609	629
Provisions	1,302	1,315	1,355	1,395	1,437	1,480	1,525	1,570	1,617	1,666	1,716
TOTAL CURRENT LIABILITIES	12,214	8,596	8,800	9,049	9,305	9,569	9,841	10,122	10,410	10,708	11,014
Non-Current Liabilities											
Payables	-	2	2	2	2	2	2	2	2	1	3
Borrowings	4,722	4,132	6,406	5,898	5,375	4,837	4,282	3,710	3,121	2,511	1,882
Provisions	2,193	2,544	2,646	2,752	2,862	2,976	3,095	3,219	3,348	3,482	3,621
TOTAL NON-CURRENT LIABILITIES	6,915	6,678	9,054	8,652	8,239	7,815	7,379	6,931	6,470	5,994	5,506
TOTAL LIABILITIES	19,128	15,274	17,854	17,700	17,544	17,384	17,221	17,053	16,881	16,702	16,520
NET ASSETS	577,541	565,310	562,640	560,684	559,584	559,114	560,044	561,731	564,664	568,620	574,422
Equity											
Retained earnings/ (accumulated deficit)	242,152	230,883	228,739	226,847	224,930	221,835	220,790	221,381	219,168	217,140	214,800
Other Reserves	10,358	9,395	8,868	8,805	9,621	12,247	14,221	15,318	20,464	26,447	34,590
Revaluation reserves	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032
TOTAL EQUITY	577,541	565,310	562,639	560,684	559,584	559,113	560,043	561,730	564,664	568,619	574,422

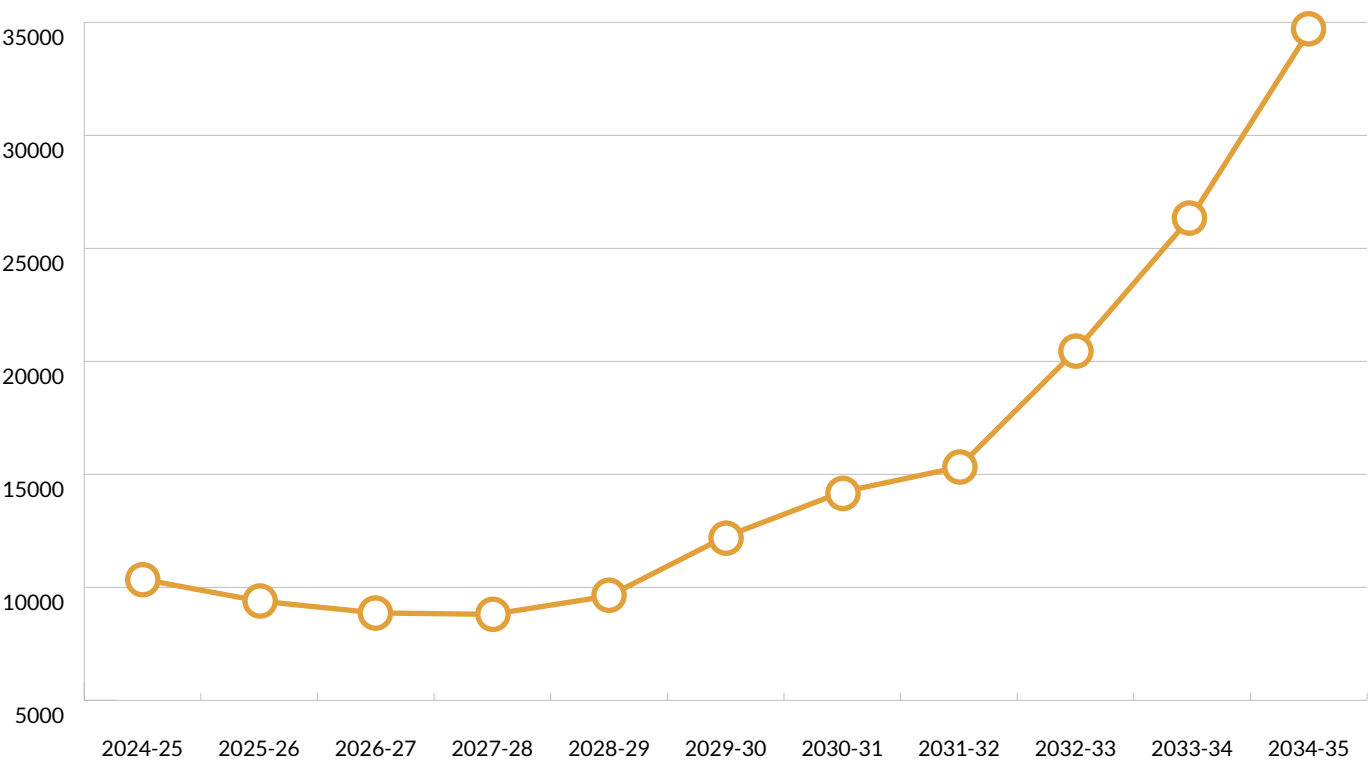
Statement of cash flows

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash Flows from Operating Activities											
Receipts											
Rates & waste charges	36,570	39,284	39,991	42,026	44,187	46,460	48,850	51,324	53,905	56,619	59,477
User charges & fees	1,005	964	991	1,019	1,048	1,077	1,107	1,138	1,170	1,203	1,236
Investment & interest revenue received	1,930	1,562	1,137	1,139	1,159	1,209	1,311	1,227	1,282	1,477	1,703
Grants & contributions	3,582	3,560	3,660	3,762	3,868	3,976	4,088	4,202	4,320	4,441	4,565
Other	63	3	3	3	3	3	3	4	4	4	4
Payments											
Employee benefits & costs	(12,974)	(13,162)	(13,642)	(14,049)	(14,469)	(14,902)	(15,347)	(15,805)	(16,278)	(16,764)	(17,265)
Materials, contracts & other expenses	(23,490)	(28,933)	(25,564)	(26,381)	(27,021)	(28,129)	(28,569)	(29,471)	(30,198)	(31,395)	(31,926)
Finance Payments	(298)	(310)	(399)	(368)	(340)	(311)	(282)	(252)	(220)	(188)	(155)
NET CASH PROVIDED (OR USED IN) OPERATING ACTIVITIES	6,388	2,969	6,178	7,152	8,435	9,384	11,163	12,367	13,984	15,397	17,641
Cash Flows from Investing Activities											
Receipts											
Sale of investment securities	3,650	3,136	279	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	4,308	859	983	1,024	925	925	925	925	925	925	925
Payments											
Purchase of investment securities	-	-	-	(168)	(1,052)	(2,499)	(2,217)	(1,357)	(5,405)	(6,243)	(8,407)
Purchase of infrastructure, property, plant & equipment	(15,005)	(6,602)	(9,839)	(7,663)	(7,949)	(7,438)	(9,482)	(11,530)	(9,082)	(9,639)	(9,700)
NET CASH PROVIDED (OR USED IN) INVESTING ACTIVITIES	(6,868)	(2,457)	(8,427)	(6,657)	(7,927)	(8,862)	(10,624)	(11,812)	(13,413)	(14,807)	(17,032)
Cash Flows from Financing Activities											
Receipts											
Proceeds from borrowings & advances	-	-	3,000	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing & advances	(442)	(512)	(751)	(495)	(508)	(523)	(538)	(555)	(572)	(590)	(609)
NET CASH PROVIDED (OR USED IN) FINANCING ACTIVITIES	(442)	(512)	2,249	(495)	(508)	(523)	(538)	(555)	(572)	(590)	(609)
plus: CASH & CASH EQUIVALENTS - beginning of year	4,922	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(922)	-	-	-	-	-	-	-	-	-	-
Total Cash at Bank	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
plus: INVESTMENTS ON HAND - beginning of year	17,797	14,147	11,011	10,732	10,900	11,952	14,450	16,668	18,025	23,430	29,673
NET INCREASE/(DECREASE) IN INVESTMENTS ON HAND	(3,650)	(3,136)	(279)	168	1,052	2,499	2,217	1,357	5,405	6,243	8,407
Total Investments on Hand	14,147	11,011	10,732	10,900	11,952	14,450	16,668	18,025	23,430	29,673	38,080
TOTAL CASH & CASH EQUIVALENTS & INVESTMENTS - end of year	18,147	15,011	14,732	14,900	15,952	18,450	20,668	22,025	27,430	33,673	42,080
NET INCREASE /(DECREASE) IN CASH, CASH EQUIVALENTS & INVESTMENTS	(4,572)	(3,136)	(279)	168	1,052	2,499	2,217	1,357	5,405	6,243	8,407

Financial ratios

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2033- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating ratio											
This ratio measures Council's ability to contain operating expenditure within operating revenue	12.71%	12.34%	13.80%	15.16%	16.95%	17.89%	20.19%	21.30%	22.93%	23.99%	26.11%
Benchmark - Greater than 0%	(operating revenue excl. capital grants and contributions - operating expenses) / operating revenue excluding capital grants and contributions										
Cash Expense Cover Ratio											
This ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow	8.86	4.65	4.47	4.39	4.57	5.10	5.60	5.79	7.02	8.32	10.18
Benchmark - Greater than 3.0 months	(current year's cash and cash equivalents / (total expenses - depreciation - interest costs) * 12										
Current Ratio											
This ratio represents Council's ability to meet debt payments as they fall due. It should be noted that Council's externally restricted assets will not be available as operating funds and as such can significantly impact Council's ability to meet its liabilities	2.51	2.00	1.93	1.91	1.98	2.20	2.38	2.46	2.93	3.44	4.13
Benchmark - Greater than 1.5	current assets / current liabilities										
Own Revenue											
This ratio measures the level of Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Council's financial flexibility improves the higher the level of its own source revenue	92%	92%	92%	92%	92%	92%	93%	93%	93%	93%	93%
Benchmark - Greater than 60%< 75%											
Own funding / total operating revenue	Total income less Grants/total income										
Debt Service Cover Ratio											
This ratio measures the availability of cash to service debt including interest, principal, and lease payments	7.25	6.57	7.08	8.32	9.90	11.13	13.39	15.00	17.21	19.22	22.35
Benchmark - Greater than 2.0	operating result before interest and depreciation (EBITDA) / principal repayments +borrowing interest costs										
Interest Cover Ratio											
This ratio indicates the extent to which Council can service its interest bearing debt and take on additional borrowings. It measures the burden of the current interest expense upon Council's operating cash	18.02	17.60	15.86	19.81	25.15	30.40	39.76	49.05	63.27	81.38	112.93
Benchmark - Greater than 4.0	operating result before interest and depreciation (EBITDA) / interest expense										
Asset Sustainability Ratio											
This ratio indicates the extent to which Council is replacing its existing asset base with capital renewals of existing asseets	125%	54%	77%	59%	59%	54%	67%	80%	61%	63%	62%
Benchmark -between 90%-110%	Capital Expenditure / Depreciation										

Reserves



SCENARIO 2 - MIX OF 4.9% & 3.9% RATING MODEL

Income statement

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Income											
Rates & annual charges	35,664	38,115	40,366	42,753	45,284	47,617	50,072	52,599	55,255	58,048	60,984
Rates	27,552	29,143	31,009	32,993	35,105	37,000	38,998	41,104	43,324	45,664	48,129
Waste	8,112	8,971	9,357	9,760	10,179	10,617	11,073	11,494	11,931	12,384	12,855
Statutory Charges	137	99	102	105	108	111	114	117	120	124	127
User charges & fees	868	865	889	914	940	966	993	1,021	1,050	1,079	1,109
Interest & investment revenue	1,930	1,562	998	1,004	1,037	1,114	1,245	1,187	1,274	1,508	1,774
Other revenues	63	3	3	3	3	3	3	4	4	4	4
Grants & contributions for operating purposes	3,582	3,560	3,660	3,762	3,868	3,976	4,087	4,201	4,319	4,440	4,564
TOTAL INCOME	42,244	44,204	46,018	48,541	51,239	53,787	56,514	59,128	62,022	65,202	68,563
Operating Expenditure											
Employee benefits & costs	13,092	13,525	13,783	14,196	14,621	15,059	15,510	15,975	16,454	16,946	17,454
Borrowing costs	298	310	399	368	340	311	282	252	220	188	155
Elected Member Allowances	498	474	487	501	515	529	544	560	575	591	608
Elected Member Expenses	91	-	-	-	-	-	-	-	-	-	-
Materials, contracts and other expenses	23,197	24,751	25,266	26,075	26,706	27,806	28,236	29,128	29,846	31,033	31,554
Depreciation, amortisation & Impairment	12,000	12,306	12,734	13,049	13,374	13,690	14,065	14,494	14,867	15,257	15,649
TOTAL EXPENDITURE	49,175	51,366	52,669	54,189	55,556	57,395	58,637	60,409	61,962	64,016	65,420
BUDGETED OPERATING SURPLUS / (DEFICIT)	(6,931)	(7,162)	(6,650)	(5,648)	(4,317)	(3,609)	(2,124)	(1,281)	61	1,186	3,142
Add: Amounts received specifically for new or upgraded assets	4,488	1,009	1,133	1,174	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Add: Physical resources received free of charge (non-cash)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
BUDGET SURPLUS / (DEFICIT)	557	(3,153)	(2,518)	(1,474)	(242)	466	1,951	2,794	4,135	5,260	7,217
TOTAL COMPREHENSIVE INCOME / (LOSS)	557	(3,153)	(2,518)	(1,474)	(242)	466	1,951	2,794	4,135	5,260	7,217
Add: Depreciation	12,000	12,306	12,734	13,049	13,374	13,690	14,065	14,494	14,867	15,257	15,649
Add: Other non-cash											
Less: Resources free of charge	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Less: Capital Expenditure	15,005	6,602	9,839	7,663	7,949	7,438	9,482	11,530	9,082	9,639	9,700
Add: Borrowings (Loans advances)	-		3,000		-	-	-	-	-	-	-
Less: Loan Repayments	504	512	751	495	508	523	538	555	572	590	609
Add: Net Reserve Transfers	5,953	962	374	(418)	(1,675)	(3,195)	(2,996)	(2,204)	(6,348)	(7,289)	(9,557)
NET CASH BUDGET SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-	-

Statement of financial position

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets											
Current Assets											
Cash & cash equivalents	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Investments	23,222	11,010	10,876	11,509	13,402	16,834	20,069	22,528	29,131	36,674	46,490
Receivables	3,379	2,209	2,300	2,426	2,561	2,688	2,825	2,955	3,100	3,259	3,427
TOTAL CURRENT ASSETS	30,601	17,219	17,176	17,935	19,963	23,522	26,894	29,483	36,231	43,933	53,918
Non-Current Assets											
Infrastructure, property, plant & equipment	560,568	557,864	557,969	555,583	553,158	549,906	548,323	548,359	545,575	542,955	540,004
Investment property	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Work in progress	-	-	-	-	-	-	-	-	-	-	1
TOTAL NON-CURRENT ASSETS	566,068	563,364	563,469	561,083	558,658	555,406	553,823	553,859	551,075	548,455	545,505
TOTAL ASSETS	596,669	580,584	580,645	579,018	578,621	578,928	580,717	583,342	587,306	592,387	599,423
Liabilities											
Current Liabilities											
Payables	10,469	6,761	6,950	7,145	7,345	7,551	7,762	7,980	8,203	8,433	8,669
Borrowings	442	520	495	508	523	538	555	572	590	609	629
Provisions	1,302	1,315	1,355	1,395	1,437	1,480	1,525	1,570	1,617	1,666	1,716
TOTAL CURRENT LIABILITIES	12,214	8,596	8,800	9,049	9,305	9,569	9,841	10,122	10,410	10,708	11,014
Non-Current Liabilities											
Payables	-	1	1	1	2	2	2	1	2	1	3
Borrowings	4,722	4,132	6,406	5,898	5,375	4,837	4,282	3,710	3,121	2,511	1,882
Provisions	2,193	2,544	2,646	2,752	2,862	2,976	3,095	3,219	3,348	3,482	3,621
TOTAL NON-CURRENT LIABILITIES	6,915	6,677	9,053	8,651	8,239	7,815	7,379	6,930	6,470	5,994	5,506
TOTAL LIABILITIES	19,128	15,273	17,853	17,699	17,544	17,384	17,221	17,052	16,881	16,702	16,520
NET ASSETS	577,541	565,310	562,793	561,319	561,077	561,544	563,496	566,290	570,425	575,685	582,903
Equity											
Retained earnings/ (accumulated deficit)	242,152	230,882	228,739	226,847	224,930	222,202	221,158	221,749	219,537	217,508	215,169
Other Reserves	10,357	9,395	9,021	9,439	11,114	14,310	17,305	19,509	25,857	33,145	42,702
Revaluation reserves	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032	325,032
TOTAL EQUITY	577,541	565,310	562,792	561,318	561,077	561,543	563,496	566,290	570,425	575,686	582,903

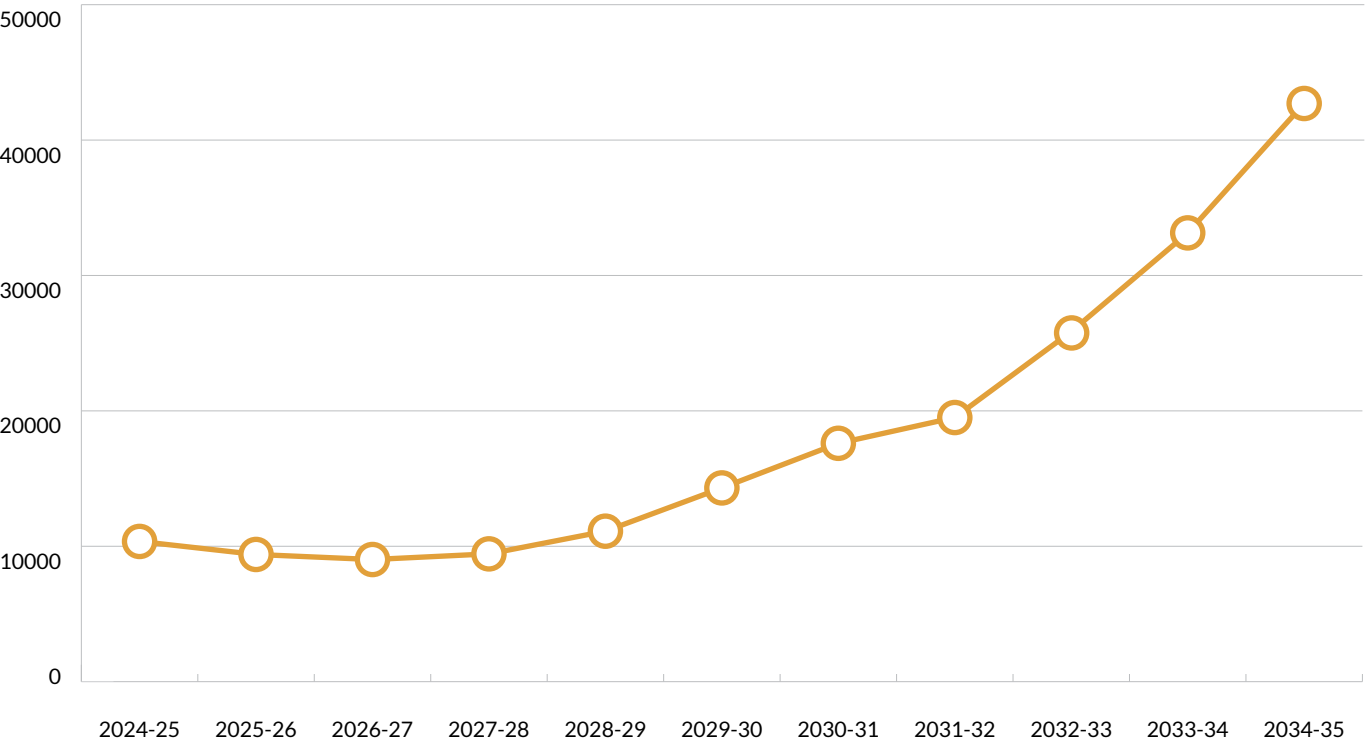
Statement of cash flows

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash Flows from Operating Activities											
Receipts											
Rates & waste charges	36,570	39,284	40,275	42,627	45,149	47,490	49,936	52,468	55,110	57,889	60,816
User charges & fees	1,005	964	991	1,019	1,048	1,077	1,107	1,138	1,170	1,203	1,236
Investment & interest revenue received	1,930	1,562	998	1,004	1,037	1,114	1,245	1,187	1,274	1,508	1,774
Grants & contributions	3,582	3,560	3,660	3,762	3,868	3,976	4,087	4,201	4,319	4,440	4,564
Other	63	3	3	3	3	3	3	4	4	4	4
Payments											
Employee benefits & costs	(12,974)	(13,162)	(13,642)	(14,049)	(14,469)	(14,902)	(15,347)	(15,805)	(16,278)	(16,764)	(17,265)
Materials, contracts & other expenses	(23,490)	(28,933)	(25,564)	(26,381)	(27,021)	(28,130)	(28,569)	(29,471)	(30,198)	(31,395)	(31,926)
Finance Payments	(298)	(310)	(399)	(368)	(340)	(311)	(282)	(252)	(220)	(188)	(155)
NET CASH PROVIDED (OR USED IN) OPERATING ACTIVITIES	6,388	2,969	6,323	7,616	9,275	10,318	12,180	13,470	15,181	16,696	19,050
Cash Flows from Investing Activities											
Receipts											
Sale of investment securities	3,650	3,136	134	-	-	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	4,308	859	983	1,024	925	925	925	925	925	925	925
Payments											
Purchase of investment securities	-	-	-	(633)	(1,892)	(3,432)	(3,235)	(2,460)	(6,602)	(7,542)	(9,816)
Purchase of infrastructure, property, plant & equipment	(15,005)	(6,602)	(9,839)	(7,663)	(7,949)	(7,438)	(9,482)	(11,530)	(9,082)	(9,639)	(9,700)
NET CASH PROVIDED (OR USED IN) INVESTING ACTIVITIES	(6,868)	(2,457)	(8,572)	(7,122)	(8,766)	(9,795)	(11,642)	(12,915)	(14,609)	(16,106)	(18,441)
Cash Flows from Financing Activities											
Receipts											
Proceeds from borrowings & advances	-	-	3,000	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing & advances	(442)	(512)	(751)	(495)	(508)	(523)	(538)	(555)	(572)	(590)	(609)
NET CASH PROVIDED (OR USED IN) FINANCING ACTIVITIES	(442)	(512)	2,249	(495)	(508)	(523)	(538)	(555)	(572)	(590)	(609)
plus: CASH & CASH EQUIVALENTS - beginning of year	4,922	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(922)	-	-	-	-	-	-	-	-	-	-
Total Cash at Bank	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
plus: INVESTMENTS ON HAND - beginning of year	17,797	14,147	11,011	10,877	11,510	13,402	16,834	20,069	22,529	29,131	36,674
NET INCREASE/(DECREASE) IN INVESTMENTS ON HAND	(3,650)	(3,136)	(134)	633	1,892	3,432	3,235	2,460	6,602	7,542	9,816
Total Investments on Hand	14,147	11,011	10,877	11,510	13,402	16,834	20,069	22,529	29,131	36,674	46,490
TOTAL CASH & CASH EQUIVALENTS & INVESTMENTS - end of year	18,147	15,011	14,877	15,510	17,402	20,834	24,069	26,529	33,131	40,674	50,490
NET INCREASE /(DECREASE) IN CASH, CASH EQUIVALENTS & INVESTMENTS	(4,572)	(3,136)	(134)	633	1,892	3,432	3,235	2,460	6,602	7,542	9,816

Financial ratios

	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2033- 2035
\$'000	Revised Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating ratio											
This ratio measures Council's ability to contain operating expenditure within operating revenue	12.71%	12.34%	14.09%	16.01%	18.34%	19.32%	21.63%	22.77%	24.42%	25.51%	27.63%
Benchmark - Greater than 0%	(operating revenue excl. capital grants and contributions - operating expenses) / operating revenue excluding capital grants and contributions										
Cash Expense Cover Ratio											
This ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow	8.86	4.65	4.52	4.56	4.99	5.76	6.52	6.97	8.48	10.05	12.21
Benchmark - Greater than 3.0 months	(current year's cash and cash equivalents / (total expenses - depreciation - interest costs) * 12										
Current Ratio											
This ratio represents Council's ability to meet debt payments as they fall due. It should be noted that Council's externally restricted assets will not be available as operating funds and as such can significantly impact Council's ability to meet its liabilities	2.51	2.00	1.95	1.98	2.15	2.46	2.73	2.91	3.48	4.10	4.90
Benchmark - Greater than 1.5	current assets / current liabilities										
Own Revenue											
This ratio measures the level of Council's fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Council's financial flexibility improves the higher the level of its own source revenue	92%	92%	92%	92%	92%	93%	93%	93%	93%	93%	93%
Benchmark - Greater than 60%< 75%											
Own funding / total operating revenue	Total income less Grants/total income										
Debt Service Cover Ratio											
This ratio measures the availability of cash to service debt including interest, principal, and lease payments	7.25	6.57	7.26	8.87	10.90	12.24	14.62	16.35	18.69	20.86	24.15
Benchmark - Greater than 2.0	operating result before interest and depreciation (EBITDA) / principal repayments +borrowing interest costs										
Interest Cover Ratio											
This ratio indicates the extent to which Council can service its interest bearing debt and take on additional borrowings. It measures the burden of the current interest expense upon Council's operating cash	18.02	17.60	16.25	21.12	27.68	33.41	43.39	53.44	68.73	88.31	122.05
Benchmark - Greater than 4.0	operating result before interest and depreciation (EBITDA) / interest expense										
Asset Sustainability Ratio											
This ratio indicates the extent to which Council is replacing its existing asset base with capital renewals of existing asseets	125%	54%	77%	59%	59%	54%	67%	80%	61%	63%	62%
Benchmark -between 90%-110%	Capital Expenditure / Depreciation										

Reserves



ASSUMPTIONS

This Long-Term Financial Plan has been prepared on the basis that Council will continue to deliver the same level of service to the community as it is currently providing. The Plan also includes the following specific assumptions in relation to expected revenues and expenses.

GENERAL ASSUMPTIONS

Item	Budget Assumptions 2025-26	Forecast Assumptions 2026-2035	Comment
Residential Growth	1.5 per cent	1.5 per cent	The Dept. of Treasury long term growth rate for "Greater Darwin" is 1.7% and the projected Palmerston is 2.4% between 2026 and 2031. A conservative 1.5 % growth is included in this plan.
CPI	2.8 per cent	2.8 per cent	Based on long-term forecast for CPI for the Northern Territory as per DAE 2024-25 Mid-Year report. This assumption is consistent with the RBA's target cash rate band of 2-3%.

REVENUE ASSUMPTIONS

Item	Budget Assumptions 2024-25	Forecast Assumptions 2025-2034	Comment
Rate Increase	4.9 per cent	3.9 per cent (Scenario 1) Mix 4.9 and 3.9 percent (Scenario 2)	This is the required amount that Council will need to raise rates to ensure that the Council is sustainable and is able to renew its current asset base.
Statutory Charges	CPI	CPI	Statutory Charges are not forecast to increase in-line with CPI.
User Fees & Charges (excluding waste)	CPI	CPI	All user fees and charges are expected to increase in-line with CPI.
Waste Charge	CPI	4 – 5 per cent	Charges are based on income required to provide services based on expected expenditure.
Investment Interest	4 per cent	4 per cent	Interest is calculated on the forecast cash and investment balances reflecting stable investment rates.
Interest on overdue rates	11.4 per cent	11.4 per cent	Interest is calculated on the overdue outstanding rates balance.
Other Revenues	As estimated	CPI	Other revenues consist of program fees and sundry income items.
Operating Grants	As estimated	CPI	Operating grants include the financial assistance grant and the operating subsidy for the library from the NTG.

EXPENSE ASSUMPTIONS

Item	Budget Assumptions 2024-25	Forecast Assumptions 2025-2034	Comment
Employee Costs excluding Superannuation	101.35 FTE including consideration of the EA negotiations plus a 2% vacancy rate applied. This also includes insurance and FBT costs relating to employees.		
Superannuation	12 per cent	12 per cent	Between the years 2024-25 to 2025-26 a further 0.5 per cent per annum is included to increase superannuation as per federal legislation. It will then remain at 12%
Borrowing Costs	2.78 – 5.5 per cent	2.78 – 5.5 per cent	Based on approved borrowings.
Materials, contracts, and other expenses	CPI	CPI	Average increase anticipated.
Depreciation	N/A	N/A	Depreciation is based on current depreciation rates plus depreciation on gifted and constructed assets at an average useful life of 70 years across asset classes.

CAPITAL ASSUMPTIONS

Item	Budget Assumptions 2024-25	Forecast Assumptions 2025-2034	Comment
Capital Income	\$4.3 million	\$28.6 million	Included as detailed in the 10 years capital work program.
Capital Expenditure	\$10.83 million	\$82.3 million	Included as detailed in the 10 years capital work program.

WASTE MANAGEMENT

Council applies a fixed Waste Service Charge per residential dwelling. For properties with multiple dwellings on a single allotment, the charge is multiplied by the number of units.

This charge covers the standard domestic waste services: general waste and recyclables collection, free access to the Archer Waste Management Facility, and overall waste and city cleaning services. Commercial and industrial properties are not charged directly and cannot use the Archer Recycling Centre and Waste Transfer Station.

WASTE SERVICE CHARGES

Waste Charges contribute to 20% of Council's overall revenue.

The total waste charges included in the 2025-26 budget is \$8.97 million. The annual growth to this revenue is modelled on the increased costs to the operating and capital expenditure, offset by the amount funded through the Waste Management Reserves.

The assumptions for waste charges are based on the required revenue to provide ongoing services based on the expected costs. These increases are projected to be:

- 5% in 2026-27 and 2027-28
- 4% for the following years

WASTE OPERATING AND CAPITAL EXPENDITURE

The Waste expenditure budget contributes to 23% of Council's overall expenditure (excluding depreciation).

The 2025-26 operating expenditure of \$8.99 million forms the basis of the LTFP and is projected to increase by the following:

- 5.9% in the 2026-27
- 4.7% in the second and 2027-28
- 3.4% annually from 2028-29 through to 2034-35.

Capital expenditure of \$20,000 for the period from 2025-26 to 2033-34. This is funded through Waste Management Reserves.

Loan repayment of \$254,975 is factored in 2025-26. The loan repayment will be funded from the Waste Management Reserve until it concludes in the 2026-27 financial year.

A significant aspect of waste expenditure assumptions is the increase of waste disposal costs, which make up approximately 25% of waste management costs. Disposal costs are dependent on the charges at the Shoal Bay Waste Management Facility which is managed by City of Darwin and has increases nominated in the City of Darwin Long Term Financial Plan (2023-33) to be 15% in 2026-27, 10% in 2027-28 and 2028-29 and 5% in future years. This has a material impact on Council's waste expenditure and the subsequent waste charge.

WASTE MANAGEMENT INCOME STATEMENT

	2025- 2026	2026- 2027	2027- 2028	2028- 2029	2029- 2030	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035
\$'000	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Income										
Waste	8,971	9,420	9,891	10,287	10,698	11,126	11,571	12,034	12,515	13,023
TOTAL INCOME	8,971	9,420	9,891	10,287	10,698	11,126	11,571	12,034	12,515	13,023
Operating Expenditure										
Employee benefits & costs	222	235	246	258	266	275	285	295	305	315
Borrowing costs	12	5	-	-	-	-	-	-	-	-
Materials, contracts and other expenses	8,759	9,259	9,671	10,103	10,426	10,761	11,107	11,465	11,834	12,217
TOTAL EXPENDITURE	8,993	9,499	9,918	10,361	10,693	11,036	11,392	11,759	12,139	12,532
BUDGETED OPERATING SURPLUS / (DEFICIT)	(22)	(79)	(27)	(74)	5	89	179	275	376	492
BUDGET SURPLUS / (DEFICIT)	(22)	(79)	(27)	(74)	5	89	179	275	376	492
TOTAL COMPREHENSIVE INCOME / (LOSS)	(22)	(79)	(27)	(74)	5	89	179	275	376	492
Less: Capital Expenditure	20	20	20	20	20	20	20	20	20	20
Less: Loan Repayments	262	270	-	-	-	-	-	-	-	-
Add: Net Reserve Transfers	304	369	47	94	15	(69)	(159)	(255)	(356)	(472)
NET CASH BUDGET SURPLUS/ (DEFICIT)	-	-	-	-	-	-	-	-	-	-

PLANNED MAJOR CAPITAL WORKS BUDGET

Class of Assets / Major Project	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	Total Budget	Completion Date
All Ability Access	60,000	61,680	63,407	65,182	67,008	68,884	70,813	72,795	74,834	76,929	681,531	On-going
Archer Waste Management Facility Renewals	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000	On-going
Building renewals	930,836	1,082,580	650,292	1,168,500	687,218	706,460	726,241	746,576	767,480	788,970	8,255,155	On-going
Community Facility	450,000	-	-	-	-	-	-	-	-	-	450,000	2025-26
Creative Industries	100,000	102,800	105,678	108,637	111,679	114,806	118,021	121,325	124,723	128,215	1,135,885	On-going
Driveways/pathways	607,328	618,733	630,458	642,511	654,901	667,638	680,732	694,192	708,030	722,255	6,626,777	On-going
ERP software	350,000	350,000	-	-	-	-	-	-	-	-	700,000	2026-27
IT Projects	153,600	157,901	162,322	166,867	171,539	176,342	181,280	186,356	191,574	196,938	1,744,719	On-going
Marlow Lagoon Masterplan	-	150,000	150,000	-	-	500,000	500,000	500,000	500,000	-	2,300,000	2033-34
Parks & Reserves	1,020,000	1,048,560	1,077,920	1,108,101	1,139,128	1,171,024	1,203,813	1,237,519	1,272,170	1,307,791	11,586,025	On-going
Public Lighting	311,440	320,160	329,125	338,340	347,814	357,553	367,564	377,856	388,436	399,312	3,537,600	On-going
Roads	1,893,944	2,052,089	2,128,824	2,165,365	2,151,443	2,190,060	2,229,757	2,270,566	2,312,518	2,355,644	21,750,209	On-going
Stormwater	204,800	210,534	216,429	222,489	228,719	235,123	241,707	248,474	255,432	262,584	2,326,292	On-going
Strategic Project	-	-	-	-	-	1,000,000	3,000,000	-	-	-	4,000,000	2031-32
Sustainability programs	100,000	102,800	105,678	508,637	911,679	1,314,806	1,718,021	2,121,325	2,524,723	2,928,215	12,335,885	On-going
SWELL Café	-	150,000	500,000	500,000	-	-	-	-	-	-	1,150,000	2028-29
Zuccoli Community Hub	-	3,000,000	1,100,000	500,000	500,000	500,000	-	-	-	-	5,600,000	2030-31
Vehicles	400,000	411,200	422,714	434,550	446,717	459,225	472,083	485,302	498,890	512,859	4,543,539	On-going
TOTAL CAPITAL EXPENDITURE	6,601,949	9,839,038	7,662,847	7,949,181	7,437,846	9,481,922	11,530,031	9,082,288	9,638,807	9,699,710	88,923,618	

CAPITAL EXPENDITURE BY ASSET CLASS

ASSET CLASS	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	Grand Total
Lands & Buildings	2,300,836	5,327,780	3,371,398	3,166,237	2,212,332	3,759,717	5,308,429	2,358,505	2,409,983	1,962,903	32,178,119
Infrastructure (including roads, footpaths, parks furniture)	3,397,512	3,592,157	3,706,414	4,181,527	4,607,258	5,086,637	5,568,239	6,052,125	6,538,361	7,027,010	49,757,241
Fleet	400,000	411,200	422,714	434,550	446,717	459,225	472,083	485,302	498,890	512,859	4,543,539
Other Assets (including furniture & office equip)	503,600	507,901	162,322	166,867	171,539	176,342	181,280	186,356	191,574	196,938	2,444,719
TOTAL CAPITAL EXPENDITURE	6,601,949	9,839,038	7,662,847	7,949,181	7,437,846	9,481,922	11,530,031	9,082,288	9,638,807	9,699,710	88,923,618

CAPITAL EXPENDITURE BY FUNDING SOURCE

FUNDING SOURCE	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	Grand Total
Operating Income	4,572,924	5,336,446	6,469,066	6,905,400	6,445,551	8,489,627	10,537,736	8,089,993	8,646,512	8,707,415	74,200,669
Capital Grants	659,025	782,592	823,781	823,781	772,295	772,295	772,295	772,295	772,295	772,295	7,722,949
Transfers from Cash Reserves	1,370,000	720,000	370,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	4,000,000
Borrowings		3,000,000									3,000,000
TOTAL CAPITAL EXPENDITURE FUNDING	6,601,949	9,839,038	7,662,847	7,949,181	7,437,846	9,481,922	11,530,031	9,082,288	9,638,807	9,699,710	88,923,618

CONCLUSION

Financial sustainability ensures that City of Palmerston can adequately finance its services and ensure asset replacement at a rate aligned with their deterioration.

Council upholds a commitment to long-term financial sustainability and intergenerational equity, advocating for each generation to contribute proportionately rather than relying on accumulated assets, thereby burdening future generations with the responsibility of infrastructure replacement without adequate funding.

While City of Palmerston currently maintains relatively low unrestricted reserves, the organisation remains robust and financially viable. Through prudent and responsible budgeting, planning, and financial management practices, City of Palmerston aims to bolster its reserves over the ten years to, sustain quality service delivery to the community, and effectively replace and renew assets both presently and in the future.







Civic Plaza, 1 Chung Wah Terrance



08 8935 9922



palmerston@palmerston.nt.gov.au



palmerston.nt.gov.au