

BUSINESS PAPER

Extraordinary Council Meeting

To be held on

Monday, 11 May 2026



Statement of Ethical Obligations

Councillors are reminded of their Oath or Affirmation of Office made under Section 233A of the *Local Government Act 1993* and their obligation under Council's Code of Conduct to disclose and appropriately manage Conflicts of Interest.

Conflicts of Interest

All Councillors must declare and manage any conflicts of interest they may have in matters being considered at Council meetings in accordance with the Council's Code of Conduct. All declarations of conflicts of interest and how the conflict was managed will be recorded in the minutes of the meeting at which the declaration was made.

Recording of Council Meetings

This Council meeting is being recorded and will be made publicly available on the Council's website and persons attending the meeting should refrain from making any defamatory statements.

Council meetings should be:

Transparent:	Decisions are made in a way that is open and accountable.
Informed:	Decisions are made based on relevant, quality information.
Inclusive:	Decisions respect the diverse needs and interests of the local community.
Principled:	Decisions are informed by the principles prescribed under Chapter 3 of the Act.
Trusted:	The community has confidence that councillors and staff act ethically and make decisions in the interests of the whole community.
Respectful:	Councillors, staff and meeting attendees treat each other with respect.
Effective:	Meetings are well organised, effectively run and skilfully chaired.
Orderly:	Councillors, staff and meeting attendees behave in a way that contributes to the orderly conduct of the meeting.



Notice is herewith given of an

EXTRAORDINARY MEETING

That will be held at the Glen Innes Severn Learning Centre,
William Gardner Conference Room, Grey Street, Glen Innes on:
Monday, 11 May 2026 at 9:00 AM

ORDER OF BUSINESS

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Bernard Smith
General Manager

- 1 ACKNOWLEDGEMENT OF COUNTRY**
- 2 APOLOGIES**
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4 REPORTS TO COUNCIL

REPORT TITLE: 4.1 DRAFT OPERATIONAL PLAN AND BUDGET 2026-2027 FOR PUBLIC EXHIBITION

**REPORT FROM: Corporate and Community Services
General Manager's Office**

PURPOSE

The purpose of this report is to seek Council's endorsement to place the Glen Innes Severn Council Draft Operational Plan and Budget 2026-2027 (**Annexure A**) and Schedule of Fees and Charges (**Annexure B**) on public exhibition in accordance with the Integrated Planning and Reporting (IP&R) Framework under the *Local Government Act 1993*, and to invite public submissions.

RECOMMENDATION

THAT Council:

1. *Approves the following documents to be placed on public exhibition, inviting submissions from 11 May 2026 until 8 June 2026:*
 - *Draft Operational Plan 2026-2027 including the Draft 2026-2027 Operating Budget and Draft 2026-2027 Rating and Revenue Policy Statement (Annexure A)*
 - *Draft 2026-2027 Schedule of Fees and Charges (Annexure B).*
2. *Displays the abovementioned documents on Council's website, and that they be made available for viewing at the following locations:*
 - *Council's Town Hall Office,*
 - *Glen Innes Severn Public and TAFE Library, and*
 - *The Village Post Offices at Deepwater and Emmaville.*
3. *Notes that the Draft Operational Plan and Budget 2026-2027 have been prepared on the assumption that the Independent Pricing and Regulatory Tribunal (IPART) will approve Council's Special Rate Variation (SRV) application, with IPART's determination expected in May 2026.*
4. *Notes that following IPART's determination, the Draft documents will be updated as required prior to adoption to:*
 - a. *amend references to assumed SRV approval, or*
 - b. *reflect any revised or modified IPART determination.*
5. *Notes that a further report will be presented to Council after the exhibition period to seek adoption of the abovementioned documents.*

REPORT

The Draft Glen Innes Severn Council Operational Plan and Budget 2026–2027 has been prepared as part of Council’s annual planning cycle under the Integrated Planning and Reporting Framework prescribed by the *Local Government Act 1993* (LGA) and the *Local Government (General) Regulation 2021*.

The Operational Plan gives effect to Year Two of Council’s Delivery Program and sets out Council’s proposed activities, resourcing and performance measures for the 2026–2027 financial year. The accompanying Operating Budget, Rating and Revenue Policy Statement and Schedule of Fees and Charges outline the financial framework required to deliver the proposed actions and services.

The Draft Budget and Rating and Revenue Policy have been prepared on the assumption that IPART will approve Council’s Special Rate Variation application for a permanent cumulative SRV of 48.3% implemented over three years. This assumption is clearly stated within the documents to ensure transparency with the community. IPART’s determination is expected during May/June 2026, prior to Council’s consideration of the final adoption of the Operational Plan and Budget.

In accordance with section 405 of the LGA, Council is required to place its Draft Operational Plan on public exhibition for not less than 28 days and to consider any submissions received before adopting the final documents.

Snapshot of Council’s Financial Position and the 2026-2027 Draft Budget:

Council’s draft 2026-27 budget comprises the following (with 2025-26 financial year’s forecast figures in brackets as a comparison):

Income/Expenditure	Draft Budget 2026-2027	Budget 2025-2026 (forecast)	Variance
Operating Income (including Capital Grants and Contributions)	\$37,479,755	\$45,337,431 (see note below)	-\$7,857,676
Operating Income (Excluding Capital Grants & Contributions)	\$34,604,135	\$32,337,431 (see note below)	\$ 2,766,704
Operating Expenditure	\$38,006,012	\$36,268,438	\$1,737,574
Capital Expenditure	\$ 9,354,964	\$ 9,096,000	\$ 258,964

Note: The accounting treatment of internal Material Sales has changed for the 2026-2027 financial year and is now recognised as an offset to Materials & Supplies expenditure. 2025-2026 income and expenditure has been adjusted to reflect this change for comparative purposes with the 2026-2027 draft budget.

The Operational Plan Budget for the 2026-2027 Financial Year proposes an Operational Deficit of \$526,257 which includes forecasted Capital Income of \$2.875M. Therefore, after excluding Capital Income, the proposed Operational deficit will be **\$3.401M**.

Council's Capital Works Additional Capital Program Budget of \$9,355,000 is detailed within the Draft Operational Plan 2026-2027. Capital rollovers and re-votes from the current financial year will be determined at year-end and will combine with the additional capital program to determine the full capital budget for 2026-27. It should be noted that excluding water and sewer capital works, grant funded works, and the office accommodation project, the capital works program has been significantly reduced in order to support Council's cash position for the 2026-2027 financial year.

The annual rate peg amount for 2026-27 is 3.6%, which is incorporated within the proposed SRV increase of 21.5% for this year, whilst salary and wages under the Local Government (State) Award are budgeted to increase by 4.0% and superannuation is budgeted at 12.0%.

An asset revaluation was completed in July 2025 for certain asset classes which has impacted depreciation expenses for 2025-26 and 2026-27 financial years. Depreciation expenses have been calculated based on the current asset base. Depreciation, while a non-cash item, will increase to \$11.1M in 2026-2027 and impact the operating result.

Key Features of the Draft 2026-27 Budget:

This budget has been prepared on the basis of austerity and cost containment. Council's financial position and, in particular, the need to address the issue of having adequate unrestricted cash has necessitated strong budget scrutiny which needs to continue over the coming period. Whilst the improvement in the bottom-line result as compared to the current year is pleasing, more needs to be done. It is intended to put in place a rigorous structured rolling program of budget scrutiny over the course of the year to ensure further sustainable efficiencies and savings are identified, such actions being necessary for Council to achieve its financial objectives.

A focus on cost savings and efficiencies across Council has delivered budgeted expenditure reductions including: deferring non-business critical IT projects to future years saving more than \$500,000; reducing legal and audit costs by \$100,000; identified savings of more than \$200,000 in Life Choices Support Services expenditure to match reduced income levels with a view to break-even; a focus on performing more work within Council's resources instead of outsourcing to contractors and consultants has resulted in a reduction in consultant contractor expenditure of \$693,000 with examples including arborist cost reductions of \$46,000, Emmaville Pool operations being managed in house with a saving of \$70,000, routine maintenance being performed in house with a saving of more than \$20,000, a reduction in consultant costs in the Quarry operations of \$30,000 and a reduction in gravel and contractors costs of ~\$230,000 due to improvements made in the condition of unsealed roads over the past few years. Other areas of cost reductions include a \$100,000 saving in overtime and the reduction in the use of casual labour with a forecast saving of \$412,000.

While Council has made significant efforts to contain operational expenditure and improve its financial position and cash flow management, the budget for 2026-27 has been prepared with a view to maintain current services levels; maintain and renew assets at appropriate levels; and continue to improve the Organisation’s effectiveness and capability. There are also a number of key initiatives that Council has prioritised and aligned with the Community Strategic Plan and Delivery Program including a greater emphasis on Economic Development, Housing and Health.

For example, and subject to the approval by IPART of the Special Rate Variation, Council is committed to delivering the following additional initiatives in 2026-27:

- Additional Pensioner Subsidy \$ 50,000
- Economic Development Initiatives \$100,000
- Health Initiatives \$100,000

The budget also supports the continued delivery of major visitor economy and community activation programs, including the Australian Celtic Festival, Minerama, Christmas events, Visitor Information Centre operations, Highlands Hub operations, School of Arts & Music Pilot Program, Saleyards, and Truck Wash Services. These services support local business, regional visitation, community participation and the presentation and liveability of the Glen Innes Severn region, while also maintaining a strong focus on realistic budgeting and long-term financial sustainability, and cost recovery where appropriate.

The Precinct and Village Masterplan Consultation and Development budget of \$100,000 will progress implementation of the Glen Innes Highlands Precincts and Village Activation Framework & Strategy, endorsed by Council in April 2026 and proposed for adoption by July 2026 following public exhibition. Consultation is planned to commence in Deepwater in June 2026, providing a practical and community led pathway to identify village improvements, activation opportunities and place-based priorities across the Local Government Area.

A further \$100,000 has been specifically allocated to the ongoing LEP and DCP reviews, comprising \$80,000 for the LEP Review and \$20,000 for the DCP Review. These reviews represent the most significant strategic planning reform undertaken since the Glen Innes Severn LEP commenced in 2012 and will provide the planning framework needed to unlock land for housing, employment, tourism, industry and investment. This work is critical to supporting Council’s Economic Development Strategy target of growing the population to 10,000 residents by 2035.

Council’s “Spend in Glen” initiative will also continue with a \$10,000 investment to stimulate local economic activity.

The operational budget provides for the continued assessment of Development Applications, delivery of Building and Compliance functions, Animal Management and Ranger Services, Public Health Inspections, Priority Weed Management, Landfill and Waste operations and the maintenance of key Community Assets including Parks, Open Spaces, Swimming Pools, Cemeteries and Public Amenities.

The second-year increase in domestic waste collection fees of 25% is included in the 2026-27 Budget and will generate an additional \$489,044 in revenue which will be set aside for future land fill remediation and upgrades.

Councils' operational budget will also be used to maintain 644 kilometres of gravel roads, 531 kilometres of bitumen sealed roads, 30,000 square metres of footpaths and 257 bridges, major culverts and causeways. The maintenance works will include grading, pothole patching, vegetation control, drain cleaning, line-marking and bridge structural inspections and repairs.

Council is anticipating income of ~\$800,000 from the sales of a property at Church Street and Dumaresq Street Industrial Estate Lots. Subject to the sale of this land, a provision of \$350,000 has also been established for the upgrade of the Dumaresq Street Industrial Estate.

Council has also budgeted an amount of \$190,000, the second-year implementation costs for the new Civica Business System, essential to improving Council's financial management and reporting. The system will also support the delivery of improved customer service once fully implemented in 2026.

Council's Co-Location Project has been budgeted for and funded by a loan of \$4.3M with expected loan servicing costs of \$54,000 (to cover the final quarter of the year) for the fit out of Council's new office accommodation.

The organisation is also strengthening how we manage performance, develop leaders, and build capability through three connected initiatives:

- Investment of \$40,000 in a modern performance management system will provide a clear and consistent way to set expectations, track progress, and hold teams accountable, ensuring day to day work is aligned to Council priorities.
- *Elevate360* is our overarching approach to enabling both people and organisational performance. The program focuses on building capability, developing a high-performance culture, and creating a consistent standard of excellence across the organisation.
- Supporting *Elevate360*, the investment of \$40,000 in a contemporary Learning Management System will provide a central platform for training and development, making it easier for employees to build skills, meet compliance requirements, and continuously improve.

Together, these initiatives create a structured and practical approach to lifting performance, strengthening leadership, and delivering better outcomes for the community.

Capital Expenditure

In 2026-27 Council will continue to deliver the Regional Roads Block Grant program with the reconstruction and widening of two kilometres of Wellington Vale Road Segment 90, at a value of \$490,000.

Council's \$1.6M annual Roads to Recovery (R2R) allocation will be used for gravel re-sheeting rural roads such as Lawler's Road, Greenhouse Road and Morgans Road. Currently gravel re-sheeting rates are averaging \$55,000 per kilometre depending on the availability of locally sourced gravel. The R2R program will also fund urban street pavement rehabilitations on Heron Street, Bourke Street and Wentworth Street. The failing 52-year-old timber superstructure of Highland Home Creek bridge on the Gulf Road will be replaced to remove the 15-tonne load limit, at an estimated cost of \$570,000 for the 60 metre long bridge.

Council will deliver a number of important capital projects for Water and Sewer in 2026-27 including: \$613,000 for the Water Mains Replacement Program; \$459,000 for operational improvements at the Glen Innes WTP including dosing equipment upgrades and further SCADA implementation; \$100,000 for SCADA implementation at the Deepwater Water Treatment Plant; and \$680,000 for manhole relining, pumpstation upgrades, and SCADA implementation at the Glen Innes Waste Water Treatment Plant.

Council will also deliver a number of asset improvement/renewal capital initiatives including: \$40,000 for a Telematics roll-out which will help to upgrade its Maintenance Management System; a number of vehicle leaseback replacements which are due for renewal; and a \$75,000 co-contribution for Airport Fencing to compliment the Regional Airports Program Round 4 Grant funding of \$150,000.

It is also anticipated that through grant funding, a major refurbishment of Council's Glen Innes Library and Learning Centre will be undertaken in the 2026-27 financial year. This project remains subject to grant approval.

Subject to approval of the Special Rate Variation, Council has also committed to deliver the "Our Towns" capital projects and initiatives totalling \$200,000 per year for five years and commencing in 2026-27, aimed at improving the Villages throughout Glen Innes Severn's LGA. A community engagement process is planned, and this will determine the priority of the various projects identified.

KEY CONSIDERATIONS

Financial/Asset Management

The Draft Operating Budget reflects Council's proposed financial position for 2026-27 and has been prepared having regard to Council's Long Term Financial Plan, projected service demands, asset management requirements and financial sustainability objectives. The assumption of approval by IPART of Council's Special Rate Variation application for a 48.3% cumulative rate increase over three years, is a key factor underpinning the draft financial position and will be revisited following IPART's determination.

Policy

The draft documents support and implement Council's adopted Community Strategic Plan and Delivery Program and have been prepared in accordance with the statutory requirements of the Integrated Planning and Reporting Framework.

Risk

The primary risk associated with placing the draft documents on exhibition is that IPART may not approve the SRV application or may approve it in a modified form. This risk is mitigated by:

- clearly identifying the SRV assumptions within the draft documents, and
- noting that amendments will be made following IPART’s determination and prior to final adoption.

Community Consultation

The public exhibition of the Draft Operational Plan and Budget 2026–2027 for the required 28 days provides the community with the opportunity to review and comment on Council’s proposed activities, priorities, budget, rates, and fees and charges for the 2026–2027 financial year. All submissions received will be reported to Council and considered prior to adoption of the final documents.

LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN

This report links to Council’s Delivery Program *Open and Collaborative Leadership Strategy* O1.1.2 Support open, effective and transparent governance for the benefit of the community and in alignment with modern interpretations of community engagement strategies and policies.

CONCLUSION

The Draft Operational Plan and Budget 2026-2027 has been prepared in accordance with legislative and Integrated Planning and Reporting requirements and is now ready for public exhibition.

Council has a period going forward of restraint and austerity in order to set up its long term financial and ultimately community sustainability, A sound program of cost review, the identification of efficiencies as well as organisational optimisation is needed for this to occur.

Endorsing the documents for exhibition will enable Council to meet its statutory obligations, seek community feedback and finalise the documents following consideration of submissions and IPART’s SRV determination.

ATTACHMENTS

- Annexure A Draft Operational Plan and Budget 2026-2027
- Annexure B Draft 2026-2027 Fees and Charges

REPORT TITLE: 4.2 DRAFT LONG TERM FINANCIAL PLAN 2026-2036 FOR PUBLIC EXHIBITION

REPORT FROM: Corporate and Community Services

PURPOSE

The purpose of this report is to seek Council's approval for the public exhibition of Council's Long Term Financial Plan 2026-2036 (*Annexure A*).

RECOMMENDATION

THAT Council:

- 1. Approves the Draft Long Term Financial Plan 2026-2036 to be placed on public exhibition, inviting submissions from 11 May 2026 until 8 June 2026.***
- 2. Displays the Draft Long Term Financial Plan 2026-2036 on Council's website, and that it be made available for viewing at the following locations:***
 - Council's Town Hall Office,***
 - Glen Innes Severn Public and TAFE Library, and***
 - The Village Post Offices at Deepwater and Emmaville.***
- 3. Notes that a further report will be presented to Council after the exhibition period to seek adoption of the Draft Long Term Financial Plan 2026-2036.***

REPORT

The Integrated Planning and Reporting Framework is a requirement under the *NSW Local Government Act 1993*. The Resourcing Strategy supports achievement of the Community Strategic Plan and the Delivery Program and consists of three inter-related plans:

- Long-Term Financial Plan (2026-2036),**
- Asset Management Plans (2025-2035),**
- Workforce Management Strategy (2025-2029).**

Council endorsed the 2025-2035 Asset Management Strategy and Plans at the November 2024 meeting of Council and the Workforce Management Plan 2025-2029 at its June 2025 meeting of Council.

The **Long Term Financial Plan (LTFP)** provides financial forecasts for the council for 10 years and is updated annually as part of the development of the Operational Plan.

The LTFP must be used by the council to inform its decision-making during the finalisation of the Community Strategic Plan and the development of the Delivery Program.

The LTFP includes the following detail:

- the planning assumptions used to develop the LTFP forecasts,
- projected income and expenditure, balance sheet and cash-flow statement,
- sensitivity analysis and testing,
- financial modelling for different scenarios, and
- methods of monitoring financial performance.

The LTFP 2026-2036 was informed by a detailed **Financial Sustainability Review** conducted in May/June 2024 and the subsequently the Revised LTFP 2025-2035 which found that Council was not financially sustainable into the future.

Council's general fund average forecast operating result was a \$4.0 million deficit for the period 2025/26 to 2035/36. The unrestricted cash position for General Fund, a negative result for the past two financial years, while now positive through the use of external and internal loans, will continue to require close attention for the foreseeable future and is a key priority of Management. Should the unrestricted cash position remain low over the longer term it will be a challenge to effectively manage without significant cost reductions or increased income.

Managing the unrestricted cash position is one of Council's highest priorities and the Draft LTFP 2026-2036 forecasts Council achieving a positive unrestricted cash position, not supported by any internal or external loans for working capital, by 2030. Council's cash position is forecast to improve significantly over the ten-year LTFP, allowing Council to re-establish internal reserves; retain adequate free cash to cater for any unforeseen events; and eliminate the requirement for loans for working capital.

Additionally, this LTFP forecasts a balanced budget in 2029-2030 financial year with modest surpluses from the following year onwards.

As part of the 2024 Financial Sustainability Review Council had also undertaken a review of its asset management strategy and plans including the renewal and maintenance requirements. The revised strategy and plans (endorsed by Council in November 2024) includes the required level of investment to implement the asset strategies to address the asset backlog ratio of 8.0%.

To ensure the ongoing review of services and operations Council has created the *Elevate 360 Improvement Plan* that aims to deliver further efficiencies, customer service improvements and potential savings, including annual service reviews.

As explained in the Revised LTFP 2025-2035, while these changes have led to an improvement in sustainability along with potential future improvements, alone they are not sufficient for Council to be financially sustainable. Put simply, Council is not collecting enough money each year to adequately cover the increasing cost of its current services, operations and maintain community infrastructure.

Glen Innes Severn Council is not on its own as many NSW Councils have experienced significant financial challenges over the past five years due to a combination of factors including rate pegging which has not kept up with inflation; significant increases in the cost of materials since 2021; and cost shifting by State and Federal Governments which has significantly impacted councils.

Seventeen councils reported operating losses for 2024/25 and 19 had insufficient cash (not subject to external restrictions) to cover three months of general expenses. Six of the 19 councils identified as being the least liquid also incurred operating losses. The Audit Office report also listed 11 councils with heightened financial sustainability risk due to various combinations of operating losses, insufficient cash, declining populations and low capacity to generate own source revenue.

To address these financial challenges, and after comprehensive community engagement, Glen Innes Severn Council has lodged an application with the **NSW Independent Pricing and Regulatory Tribunal (IPART)** for a permanent **Special Rate Variation (SRV)** of 48.3% cumulative rate increase over three years. Council anticipates a decision on its SRV application from IPART in May/June 2026.

In April/May 2025, Council took a number of SRV scenario options including a Base Case Scenario to the community through a comprehensive consultation process, with Council subsequently adopting a 3-Year SRV Sustainability Scenario with the objectives to:

- restore long-term financial sustainability (by 2029/2030) by addressing a significant and ongoing operating deficit,
- maintain the delivery of current services at existing levels as expected by the community,
- fund critical infrastructure renewal and maintenance programs at above current levels and ensure that Council has the capacity to deliver GISC's Asset Management Plans for the general fund related assets, particularly roads, bridges, buildings and open space assets, that have historically been difficult to maintain under the current rate peg, and to be less dependent on government grant funding in the future (i.e. increases Council's own source funding),
- address and continue to maintain a positive unrestricted cash position into the future without the need for additional loans to support Council's working capital requirements, and reinstall internal restrictions in the General Fund, and
- support the implementation of opportunities for future growth and prosperity in line with Towards 2034 Community Engagement outcomes.

Council has an obligation to ensure that it manages its financial resources sustainably, including having adequate revenue to cover expenditure and adequate unrestricted cash reserves. The LTFP 2026-2036 assesses Council's current and future financial position – the Base Case scenario, should Council continue as it is currently without any SRV, and the modelling of Councils adopted Special Rate Variation Sustainability 3-Year Scenario that has been submitted to IPART. The SRV scenario is designed to:

- generate an operating surplus, before capital income,
- ensure Council is able to fully fund its required renewal and maintenance,
- ensure Council is able to maintain a positive unrestricted cash position,

- ensure Council delivers all of its improvement program initiatives, and
- enable Council to deliver the sustainability program.

The Base Case and Sustainability 3-year SRV scenario are outlined in the table below.

Table 1 LTFP Scenario Options

Scenario	2026-27	2027-28	2028-29	Cumulative increase over SRV period	Comparison increase at 2028/29
Base Case - Rate Peg	3.6%	3.0%	3.0%		
Sustainability Scenario ➤ 3 Year SRV	21.5%	12.0%	9.0%	48.3%	48.3%

- 1. The Base Case (Managed Decline) scenario:** This is the continue ‘as is’ scenario. This scenario includes the strategic actions/improvements identified in the Financial Sustainability Assessment review and applies the LTFP planning assumptions and shows how the Council will perform financially if it continues to deliver services, infrastructure and service levels as it is currently. The base case scenario is not a financially sustainable one for Council. Therefore, the other Sustainability Scenario model presents clear actions to improve Council’s financial sustainability and cash position by increasing revenue.
- 2. Sustainability 3-Year SRV scenario:** In this scenario, a permanent SRV of 48.3% cumulative rate increase implemented over three years. This represents an increase in rates that would allow Council to provide the services and infrastructure maintenance at their current levels and be sustainable by 2029/30. That is, General Fund operations achieve modest surpluses which Council will have the capacity to deliver the following programs - Economic Development Strategy, Health Services Facilitation, Housing Facilitation, and “Our Towns” Villages Improvement Program. This scenario also allows Council the ability to provide some degree of response in emergencies and other events that cannot be predicted to support the community (e.g. drought, bush fire, flood responses).

The Draft LTFP 2026-2036 assumes approval of Council’s SRV application and will effectively address Council’s immediate and long-term financial challenges including its ongoing operating deficits and unrestricted cash position.

KEY CONSIDERATIONS

Financial/Asset Management

The LTFP 2026-2036 was informed by a detailed Financial Sustainability Review in 2024 and aims to ensure Glen Innes Severn Council remains financially sustainable into the future. The LTFP provides a base case and a scenario informed by a comprehensive community engagement program held in March to April 2025 and will ensure financial

viability should Council's application to the NSW Independent Pricing and Regulatory Tribunal for a Special Rating Variation be approved.

All councils need to hold sufficient unrestricted cash balance. It is good practice that councils have a level of unrestricted cash to at least cover the next four months of day-to-day operating expenditure, at which point councils start to collect the majority of its rates revenue for that quarter. As reflected in the LTFP, the SRV Sustainability Scenario will help to ensure Council achieves the appropriate unrestricted cash position of covering at least four months of day-to-day operating expenditure.

Policy

Financial Sustainability and Long-Term Financial Planning is required under the *NSW Local Government Act 1993* and as part of the Integrated Planning and Resourcing Framework.

Risk

The LTFP 2026-2036 addresses future financial risk by addressing forecast budget deficits through the implementation of strategic actions that include the application of service reviews that monitor service costs and efficiencies and the implementation of a pricing strategy that ensures that waste, water and sewer fees and charges fund service costs over the term of the 10-year LTFP.

The LTFP 2026-2036 includes scenarios to ensure future financial sustainability which includes an application to IPART for a Special Rating Variation to apply in 2026/2027.

Consultation

- Mayor and Councillors
- The Management Executive
- Chief Financial Officer
- External Financial Consultants
- NSW Independent Pricing and Regulatory Authority.

LINK/S TO THE DELIVERY PROGRAM/OPERATIONAL PLAN

This report links to Council's Delivery Program Open and Collaborative Leadership Strategy O1.3.2 Manage public resources (financial and assets) responsibly and efficiently by implementing leading practices, systems and technologies.

CONCLUSION

Managing the unrestricted cash position is one of Council's highest priorities and the Draft LTFP 2026-2036 forecasts Council achieving a positive unrestricted cash position, not supported by any internal or external loans for working capital, by 2030. Council's cash position is forecast to improve significantly over the 10-year LTFP, allowing Council to re-establish internal reserves; retain adequate free cash to cater for any unforeseen events; and eliminate the requirement for loans for working capital.

Additionally, this LTFP forecasts a balanced budget in 2029-2030 financial year with modest surpluses from the following year onwards.

Achieving this is going to require discipline, austerity, and firm decision-making noting that Council's overriding responsibility is long term sustainability.

This report recommends that Council approves the LTFP 2026-2036 be placed on Public Exhibition from 11 May 2026 until 8 June 2026, inviting submissions over the 28 days of the exhibition period.

ATTACHMENTS

Annexure A Draft LTFP 2026-2036