

Contact Person: Luke Culhane

Why is this matter confidential?

Subject to an order pursuant to Section 90(3)(b) of the *Local Government Act 1999*, this matter is confidential because the report is informing Council on decisions relating to the 2026/27 Draft Annual Business Plan which has not yet been finalised.

A. COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE

No action – this motion passed in the open section.

B. THE BUSINESS MATTER

8.1 2026/27 DRAFT ANNUAL BUSINESS PLAN AND LONG TERM FINANCIAL PLAN

Responsible Executive Manager : Luke Culhane

Report Author : Iolanda Calabrese

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments : 1. Annual Business Plan presentation

PURPOSE

The purpose of this report is for Council to consider the advice of the Corporate Governance Committee as it relates to financial sustainability. This advice may assist Council in making its decision on the 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan.

STAFF RECOMMENDATION

Council notes the following advice of the Corporate Governance Committee regarding financial sustainability for consideration in finalising the 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan.

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EXECUTIVE SUMMARY

Council is due to endorse the 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan at the 28 April 2026 Ordinary Council Meeting. As part of this decision Council is required to consider the long-term financial viability of Council.

The Corporate Governance Committee has provided advice which may assist Council in making its decision with respect to preparing the budget to deliver the 2026/27 Annual Business Plan.

1. BACKGROUND

During January, February and March 2026 Council has been considering the new projects and services it proposes to deliver to the community in the 2026/27 Annual Business Plan. Council has also been considering the costs to continue delivery of the existing services and the new services and projects and the available funding pathways.

Section 8(k) of the *Local Government Act 1999* (the Act) requires Council to ensure the sustainability of Council's long term financial performance and position. Further, Section 122(1)(ab) of the Act requires Council to make assessments in its strategic management plans of the sustainability of Council's financial performance and position.

To provide a transparent and consistent approach to assessing financial sustainability, Council approved a suite of financial indicators and targets in the Financial Sustainability Ratios and Targets Policy and Procedure. Council monitors these financial indicators each month and considers these as part of its annual planning process.

Section 2.2 of the Corporate Governance Committee Charter states:

"The Committee shall propose and provide information relevant to, a review of the Council's strategic management plans including the Annual Business Plan and Long Term Financial Plan, and review and provide recommendations on the sustainability of Council's financial performance giving consideration to Council's financial indicators."

2. RELEVANCE TO STRATEGIC PLAN

Decision-making filter: We will ensure that we meet our legislative requirements and legal obligations.

This item ensures that Council is fulfilling its obligations under the Act in relation to Council's long term financial performance and financial sustainability.

3. PUBLIC CONSULTATION

Section 123(3) of the Act requires Council to consult the community on its 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan.

4. DISCUSSION

4.1 The Corporate Governance Committee has received the information provided in Attachment 1 which includes:

- 4.1.1 The services and projects proposed to be delivered to the community.
- 4.1.2 The cost pressures impacting Council over the 2026/27 financial year.
- 4.1.3 The financial assumptions to be adopted in the 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan.
- 4.1.4 The funding pathways available to fund the 2026/27 Annual Business Plan maintaining the lower end of the structural surplus target ratio.

- 4.2 Pursuant to Section 2.2 of the Corporate Governance Committee Charter advice has been sought from the Committee regarding the sustainability of Council's financial performance considering Council's financial indicators.

5. OPTIONS

Recommendation

Council notes the following advice of the Corporate Governance Committee regarding financial sustainability for consideration in finalising the 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan.

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6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

Noting the independent advice of the Corporate Governance Committee ensures that Council is fully briefed to meet its legislative obligations to consider financial sustainability.

Risk Appetite

Financial Sustainability

Council has a low appetite for short-term financial risk that adversely impacts on the delivery of the long term financial plan and the Council's overall stability and sustainability.

This decision will enable Council to make a fully informed decision when determining the services to deliver and the rate rise to include in the 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan. Remaining financially sustainable will ensure that Council can deliver services to the community now and into the future.

6.1.2 Financial Implications

Noting the advice of the Corporate Governance Committee does not in itself result in any financial or resource implications. However, the advice provided by the Corporate Governance Committee is likely to inform Council's final decision on the 2026/27 Draft Annual Business Plan and Draft Long Term Financial Plan which may impact on the achievement of the financial sustainability ratios.