



POLICY MANUAL

Policy title:	FINANCIAL SUSTAINABILITY
Policy number:	1.5.12
Objective:	To define financial sustainability and the fundamental financial sustainability objectives
Link to community vision/service:	Imagine Lismore Delivery Program, Leadership and participation – We provide effective management and responsible governance
Program Area:	Finance
Policy created: 11/2/14	Council reviewed: 12/4/16, 11/7/17
Last reviewed by staff: 28/6/17	TRIM Ref: ED16/5455

Definition:

Financial Sustainability is defined as Council's financial ability to deliver acceptable, affordable and ongoing services to its community.

Fundamental Financial Sustainability Objectives:

To progressively achieve long term financial sustainability by:

- Generating at least a balanced annual operating result before capital grants and contributions by 2023;
- Maintain a surplus annual budget of at least \$200,000 from a "cash perspective", that is operations are cash positive;
- Progressively increase asset maintenance and renewal funding in order to maintain current asset service levels and conditions;
- Commit to identifying and implementing initiatives which reduce expenditure and/or increase income and therefore improves Council's bottom line and/or its capacity to deliver services;
- Eliminate borrowings as a funding source for asset renewal as opposed to major new projects where inter-generational equity issues justify borrowing; and
- Maintain debt service ratio within accepted industry benchmarks.

Policy Review

This policy is to be reviewed annually.