



Resourcing Strategy

Long Term Financial Plan

2018-28

Randwick City Council

30 Frances Street
Randwick NSW 2031 Australia

www.randwick.nsw.gov.au

Tel: 02 9093 6000

or 1300 722 542

Fax: 02 9319 1510

Email: council@randwick.nsw.gov.au

© Randwick City Council 2017

Contents

Executive Summary	4
Randwick City	5
Economic Environment	6
Socio-economics	7
Legislated Principles	8
Financial Objectives	8
Future Revenue Assumptions	9
Future expenditure Assumptions	10
Balance Sheet Projections	11
Sensitivity Analysis	12
Financial SWOT Analysis	13
Monitoring Financial Performance	13
Primary Financial Model	14
Alternate Scenario	19
Historical Performance	29
Appendix A: Our Community Our Future	30

Executive Summary

In planning for our City's future and the Council's contribution to the outcomes in the City Plan, Council considers resourcing capability and future resourcing needs.

Council has developed an overarching Resourcing Strategy which demonstrates how Council will be resourced for the next ten years. The Resourcing Strategy outlines the integration between our finance, workforce, assets and technology.

A copy of the executive summary of Council's overarching Resourcing Strategy can be viewed on our website.

Key components of Council's resourcing capability are its assets, its financial position and outlook, existing and potential technologies and human resourcing. While we have separately documented how each of the key resourcing components will contribute to our resourcing, Council considers each component simultaneously in its overarching Resourcing Strategy as part of our long term planning.

The Integrated Planning and Reporting (IPR) framework encourages and supports the review of each of Council's resourcing strategies aligned with the review of the Randwick City Plan and at other times as required. This Long Term Financial Plan provides detail on Council's finances and has

been reviewed with a specific focus to meet the needs of the 2018-21 Delivery Program. The Long Term Financial Plan can be read in conjunction with Council's suite of resourcing strategies. This suite includes:

- The Resourcing Strategy Executive Summary
- The Long Term Financial Plan
- The Workforce Plan
- The Asset Management Strategy
- The ICT Digital Strategy.

The Long Term Financial Plan is a decision-making and problem-solving tool. It is not intended that the Long Term Financial Plan is set in concrete - it is a guide for future action. The Long Term Financial Plan is an important part of Council's strategic planning process. This is the point where long term community aspirations and goals are tested against financial realities.

The detail in this report reviews and updates the previous Long Term Financial Plan which was last reviewed in 2015.

The strategies from the Long Term Financial Plan will guide the delivery of actions by Council to achieve the following outcomes of the City Plan.

Outcome 1 – Leadership in sustainability

- Direction 1a Council has a long-term vision based on sustainability.
- Direction 1b Council is a leader in the delivery of social, financial and operational activities.

Through sound financial planning, proactive asset management and continuous improvement in the application of technology and the development of a strong workforce, Council will maintain its position as an industry leader.



Randwick City

People

There is a very large number of people who either live, work, study or visit Randwick City each and every day.

According to the ABS, at 30 June 2016 the estimated resident population of Randwick City was 149,276. Planning NSW projects the resident population will increase to 155,350 by 2026.

In addition to this, there is an increasing number of people who come to Randwick City as tourists each year, along with the increasing number of people who either work or study here.

These growing numbers will continue to put strain on both our existing services and our infrastructure into the future.

Services

The results of previous community satisfaction surveys have shown that the Randwick City community has a consistently high level of satisfaction with the current level of services provided by Randwick City Council.

The modelling undertaken in this plan demonstrates the funding requirements that will be needed to maintain this level of satisfaction in the provision of services across Randwick City into the future.

Details of the services and the service standards can be found in Council's 2018-21 Delivery Program.

Infrastructure

The result of previous community satisfaction surveys highlight the importance that the community places on the condition of the City's infrastructure.

Overall, the community is satisfied with the condition of Randwick City's infrastructure. To ensure that this

continues into the future the financial management of the City's infrastructure will be guided by Council's 2018-28 Asset Management Plans.

These plans are the framework which will guide the funding requirements for our roads, footpaths, kerb and gutter, buildings, retaining walls, open space, lines and signs, and stormwater drainage to ensure that they are provided to the community in a satisfactory condition. The modelling undertaken in this plan demonstrates the funding that will be required to achieve this.

National, State and regional influences

Local government does not plan and operate in isolation. Much of what we do is planned around working with other tiers of government to achieve better outcomes for our community, and to fulfil our obligations to assist the meeting of national and state priorities.

We will support national policies and strategies such as the Australian Government's Protecting Crowded Places from Terrorism Strategy.

Technology

To succeed in the twenty-first century economy, Randwick City needs to be productive, assessable and liveable.

By taking advantage of technological progress, Council and the Randwick City community can make it more prosperous, sustainable, assessable and safe.

Real time data and smart technology will lead to better utilisation of infrastructure; clean energy and energy efficiency; improvements in services and better benchmarking of our performance.

The implementation of Council's ICT Digital Strategy has been incorporated into the modelling in this plan.

Economic Environment

The Randwick City economy is part of a complex and diverse network of activities that extends well beyond the boundaries of Randwick City.

Business properties

There are 2,090 properties across Randwick City which are rated as 'Business' and account for around 10 per cent of the City's total rateable properties.

Businesses and industry

There are 11,835 active and registered for GST businesses in Randwick City with the largest subcategory within this being Professional, Scientific and Technical Services.

The dominant industries across Randwick City are Health Care and Social Assistance, and Education and Training. These two sectors are the City's largest employers providing over 26,019 jobs in the 2015/16 financial year.

Gross Regional Product

Randwick City's Gross Regional Product (GRP) was \$8.5 billion in the 2015/16 financial year growing 1.6 per cent since the previous year. Randwick City represents 2.2 per cent of the GRP of the Greater Sydney region.

Workers

Randwick City contributed 1.6 per cent to New South Wales's total employment in the 2015/16 financial year. There were 58,738 full time equivalent workers employed across the City during the 2015/16 financial year, an increase of 1,210 (2.1 per cent) on the previous year.

Tourism

In the 2015/16 financial year there were almost 96,000 international visitors, who stayed at least one night in Randwick City. This represents an increase of 25 per cent on the previous year. There were also 670,000 domestic day trips to the City, an increase of 33 per cent on the previous year. This large number of visitors utilise different services within the local economy but also utilise Council's services and infrastructure.

Education institutions

Randwick City is home to the University of New South Wales (UNSW) and its 50,000 plus enrolled students. Randwick City is also home to the Randwick TAFE Campus which services thousands more students. These students utilise Council's services and infrastructure but also patronise local Randwick City businesses.

Sporting facilities

Randwick City is home to regional sporting facilities such as Heffron Park, Chifley Sports Reserve and the Des Renford Leisure Centre (DRLC). The DRLC is home to the largest Learn to Swim School in Australia.

These sporting facilities bring thousands of children and their parents into the City every week who also utilise Council's services and infrastructure and also patronise local Randwick City businesses.

Socio-economics

When preparing the plan, many factors are taken into consideration and a vast array of statistics and research are analysed. With rates, annual charges and user fees and charges making up over 80 per cent of Council's total revenue, it is important that capacity to pay is one of those factors.

Residential properties

In the 2017/18 financial year there are 49,805 properties across Randwick City that are being rated as 'Residential'. These properties include single dwellings, social housing, and multi-unit dwellings.

Housing tenure

The proportion of households that are owned outright or mortgaged was 46 per cent. 44 per cent of households are renting with the remainder having some other tenure type.

The median monthly mortgage repayment across the Randwick City was \$2,600 and the median weekly rent was \$550.

Household incomes

According to the 2016 Census the median weekly income of households across Randwick City was \$1,916 which was \$166 more than the Greater Sydney area.

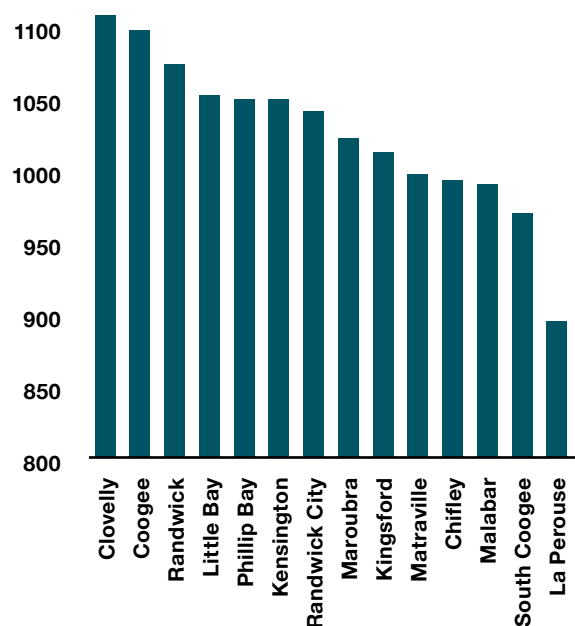
The number of residents receiving government pensions and allowances is decreasing over time and this correlates with the reducing number of rates rebates that are being granted by Council each year.

Indexes

The Index of Relative Socio-Economic Disadvantage (IRSED) is based on the 2011 Census and is useful in identifying geographic areas that are relatively disadvantaged. An area with an IRSED of 1000 is considered average while a lower score indicates that the area is experiencing more disadvantage.

With an average IRSED of 1042.7 Randwick City, as a whole, is considered to have a slightly higher than average level of socio-economic advantage.

Randwick City, Index of Relative Socio-economic Disadvantage, 2011



Concessions

There are concessions available for rates and annual charges for eligible ratepayers who receive an aged or disability support pension.

Members of the community who are also eligible welfare recipients, can also receive exemptions on residential parking permits and concessions on a range of other user fees and charges that Council applies.

Legislated Principles

In September 2016, the Local Government Amendment (Governance and Planning) Act 2016 commenced, which legislated the approach that councils should now adopt in relation to their financial management.

Legislated principles of sound financial management

Section 8B of the Local Government Act 1993 states that the following principles of sound financial management apply to councils;

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

Financial Objectives

In addition to the legislated principles of sound financial management, Randwick City Council has five financial objectives that it applies to its financial planning, control and management.

1. Deliver operating surpluses

Ensure that each financial year the budget has a healthy before capital revenue operating surplus, combined with strong budget management and control, to help deliver an operating surplus for Council.

2. Fund existing service levels

Ensure existing service levels that Council currently provide continue to be fully funded when preparing budgets and making financial decisions.

3. Fund infrastructure renewals

The funding allocated to annual capital works programs should be the equivalent to at least 20 per cent of the total revenue budget. This will ensure that Council meets the infrastructure renewals ratio benchmark each year.

4. Ensure financial stability

Council can guarantee its financial stability by maintaining a strong cash position, ensuring its ability to generate its own operating revenue and having sufficient assets to cover its liabilities.

5. Financial legacy

Ensure that every financial decision that is made, by both the Council and Council management, creates and safeguards the financial legacy of Randwick City Council – a legacy of being prudent and responsible.

Future revenue assumptions

The base year figures that have been used for operating revenue in this plan are those contained within the adopted 2017/18 budget.

Rates

Ordinary rates, business rates and special rates account for over 50 per cent of Council's operating revenue and is therefore the main source of Council's funding.

The Primary Financial Model of this Long Term Financial Plan (also referred to as Option 3) includes a proposed special rate variation with a cumulative rate increase of 19.85% over the next three years, as well as the utilisation of \$27m in loan funding, which together would enable Council to resource its key initiatives and major project program over the next seven years. The details of how this rate increase would be applied over the next three years and the key initiatives and projects it would fund are contained in Appendix 1 of this document.

Alternate scenarios have also been modelled. Option 1 assumes Council would be operating under the IPART Rate Peg which would result in a forecast cumulative rate increase of 7.48% over the next three years. Option 2 represents somewhat of a middle road between Council's preferred financial strategy and the Rate Peg and models a special rate variation with a cumulative rate increase of 13.21% over the next three years. The details of how these rate increases would be applied over the next three years and the key initiatives and projects they would and would not fund are also contained in Appendix 1 of this document. All models assume that the current environment levy expires at the end of 2018/19.

Annual charges

Almost a quarter of Council's revenue is received through the levying of annual charges.

As required under s504 of the Local Government Act 1993 the domestic waste management charges are calculated so not to exceed the reasonable cost to the council of providing those services. Therefore, the increases in these charges included in the plan are consistent with the increases applied to the operating expenditure incurred by the service.

There has been no increase assumed for the stormwater management annual charge. This charge is determined under clause 125AA of the Local

Government (General) Regulation 2005 and has remained at the same level since its inception.

Annual charges raised under section 611 of the Local Government Act 1993 are assumed to increase at a moderate 1.5 per cent for the duration of the plan.

User fees and charges

Council receives 12 per cent of its annual operating revenue through user fees and charges, set under section 610D of the Local Government Act 1993.

This revenue is received through fees and charges applied through areas of Council such as the DRLC, Moverly Child Care, commercial trade waste, and the hire of community facilities such as Council's sportsfields and community halls.

The increase in user fees and charges is based on a cost index which comprises an employee cost component and a CPI component with a weighting of 75:25 respectively.

Changes to the pricing of statutory fees and charges determined by the NSW Government are hard to predict. As a result there has been a minimal increase assumed for the duration of the plan.

Interest and investment revenue

The calculation of interest and investment revenue is a combination of the size of Council's investment portfolio and the return on investment that can be obtained. Council is limited to the conservative investment options prescribed under the Ministerial Investment Order which restricts council investment activity.

Cash rates have been provided by Council's investment advisors CPG and have been combined with the projected portfolio balances across the period of the plan.

Other revenues

Rental income from Council's commercial and residential properties, fines revenue and kiosk and merchandise sales at the DRLC are the main components of Council's other revenue.

Parking fines, including their monetary value, are set by legislation administered by the NSW State Government. This, combined with the behaviour based nature of fines, creates difficulty in forecasting future revenue. Consequently, this has resulted in an assumption of no increase in the revenue growth for the duration of the plan.

Market conditions determine the revenue that will be received from rental properties and also sales made at the DRLC. As a result these two revenue streams are assumed to increase in line with the consumer price index.

Operating grants and contributions

Randwick City Council has had an own source operating revenue ratio of around 90 per cent for the last decade demonstrating a very low degree of reliance on external funding sources such as grants and contributions.

The largest operating grant that Council receives is the Financial Assistance Grant. Land values are one of the key measures used by the NSW Grants Commission to allocate these grants to councils across the state. Due to Randwick City having one of the highest average land values in the state it receives the lowest Financial Assistance Grant per capita in Australia.

There has been no inclusion of any additional grants or contributions in the plan with only those non-speculative, existing, and recurring grants and contributions being included with a very modest increase assumed across the period of the plan.

Capital grants and contributions

Council receives development contributions from property developers which are used to fund community facilities and infrastructure. The contribution a developer pays for a major new development is capped by NSW legislation. The section 94 contributions received, and the infrastructure to be funded that are contained within this plan, are consistent with Council's Section 94 Development Contributions Plan (2015).

Various grants are received by Council throughout financial years for capital projects. These grants are predominately for road construction and their number and value are determined by State or Federal Government programs.

Due to the nature of their unpredictability, capital grants contained in the plan are minimal and only revenue from long running programs such as the Roads to Recovery program have been included.

Gains from disposals of assets

Gains from the sale of Council's plant and fleet assets are included in the plan. These disposals are in accordance with Council's Plant Replacement Strategy.

Future expenditure assumptions

The base year figures that have been used for operating expenditure in this plan are those contained within the adopted 2017/18 budget.

Employee costs

Expenditure relating to the Council workforce attributes to over 50 per cent of total operating expenditure and is therefore one of the largest investments that Council makes on an annual basis.

The strategic objectives and the associated actions and activity contained within the Workforce Plan 2018-21 have been allowed for in the plan.

The forecasted wage percentage increase is based on the Local Government Award 2017 and beyond that has been forecasted using historical averages.

Council's superannuation expense is aligned to the payments required under the Superannuation Guarantee (Administration) Act 1992. The Act sees

the percentage rate grow from 9.5 per cent in 2018/19 to 12 per cent in the final year. This increase has been incorporated into the plan.

Materials and contracts

The Reserve Bank of Australia (RBA) has an inflation target of 2.5 per cent. On average the RBA has been achieving this over the last ten years and therefore this target has been used as an assumption for inflation through the plan.

Depreciation

Depreciation for Council's assets is a non-cash expense that reflects the utilisation of Council's assets and the degradation of their capacity to provide functionality over time.

Depreciation expense is an indicator used by the Office of Local Government to determine the level of asset renewals that councils should be undertaking.

Randwick City Council uses a straight line method of depreciation which is very commonly applied to local government infrastructure.

Other expenses

Increases in the range of levies imposed by the State Government are hard to predict. Levies such as the State Emergency Services Levy, Fire Brigade Levy and Sydney Region Development Fund contribution have grown steadily of the past and have been forecast to continue.

Continuing efforts from the Sustaining Our City Program in the area of water and energy conservation are having a positive impact on the consumption rates. However, the price per unit continues to rise and is proving reasonably unpredictable.

Balance sheet projections

The base year figures that have been used for cash and investments are those projected closing balances contained with the 2017/18 budget. All other balance sheet items in this plan have a base year based on the opening balances from the 2017/18 financial year.

Cash and investments

The forecasted balances of cash and investments have taken into account the planned transaction of various reserves such as plant replacement, domestic waste reserve, employee leave entitlements, ICT reserve, Randwick Environmental Park reserve, environment levy, stormwater management, affordable housing, and section 94 contributions reserve.

Cash levels have been forecasted to ensure that adequate operational liquidity is maintained.

Receivables

Randwick City Council has continually had one of the lowest levels of outstanding rates and annual charges amongst all New South Wales councils. These low levels assist with Council's liquidity and it has been assumed that these low levels will continue across the period of the plan.

Inventories and other assets

The inventory that Council holds at its Works Depot, DRLC, and Community Nursery have remained

Local government elections to be held in 2020, 2024, and 2028 have been funded in the plan.

Loss from disposal of infrastructure assets

As a result of undertaking asset renewals, Council will dispose of the old asset on which the renewal work is being undertaken. This has been forecasted to equate to 15 per cent of the forecasted capital renewal expenditure in each year of the plan.

New and discontinued operations

During the period of the plan Council anticipates to commence operations of the La Perouse Museum.

There are no discontinued operations planned or incorporated into the plan.

stable of the past ten years. These levels have been forecasted to continue over the life of the plan.

Infrastructure, property, plant and equipment

Randwick City has \$1.56 billion worth of infrastructure, property plant and equipment. The financial management of these assets are guided by the 2018-28 Asset Management Plans and the asset renewals and upgrades that have been identified in these plans have been funded in this plan.

Provisions

Council has made provisions for payment of employee leave entitlements which predominately consist of annual leave and long service leave.

The balance of these provisions are governed by the Annual and Long Service Leave Management Policy and have been forecasted in line with its objectives. When determining the value of the provisions, factors such as wage and salary increases, cash rate forecasts, and factors affecting discounting rates have been taken into consideration.

Borrowings

Randwick City Council has not utilised borrowing for over more than a decade. However, the primary financial model contained in this plan proposes borrowings of 27 million dollars, with repayments to be funded by the special rate variation. All other financial models in this plan do not contain any borrowings.

Sensitivity analysis

Variations to assumptions applied in this plan may occur during the life of the plan and these variations could have a major or significant impact on the results of the financial modelling.

The plan contains a range of assumptions which are obtained from a various number of sources. Council has ensured that these sources are reputable and are the best known available source for that data.

A conservative approach has been taken in the development of the plan, to ensure that the chosen option is more likely to succeed and exposes Council to the least amount of risk.

Conservative financial planning is used as a tool to keep pressure on operating budgets, with any surpluses that eventuate being allocated towards capital expenditure.

Cash rates

Cash rates are at historical lows which realistically means that leaving rates on hold or increasing them are the only anticipated scenarios in the future.

Increases in cash rates will obviously have a positive impact on Council's investment portfolio, as investment returns are driven higher. An increasing cash rate also has a positive impact on Treasury Bond Yields. These yields are used for discounting Council's employee leave provisions, therefore increasing yields result in lower discounting rates and leave provisions.

Higher cash rates do result in higher borrowing costs for both owner occupiers and investors which could create a flow on effect in terms of development activity across the City.

Consumer price index

Consumer Price Index (CPI) assumptions are heavily used throughout the plan and is an assumption used on both expenditure and revenue which mitigates any substantial impact on the results of the financial modelling should there be any significant variance.

However, historical inflation over the past ten years have shown insignificant fluctuations of the annual CPI figure with the average rate over that period being 2.37 per cent.

Utility prices

Utility prices comprising electricity, water and gas can be volatile and often hard to predict. Council endeavours to mitigate any increase in prices by decreasing usage through conservation measures.

Insurance premiums

Insurance premiums can also be hard to predict and are driven by claims which are often determined by environmental events which Council cannot control. Council endeavours to mitigate any event that may result in an insurance claim through prudent risk management activity.

Workers compensation claim premiums are driven by claims experience. Council has a strong safety culture which had driven down premiums in the past and will strengthen this safety culture to help prevent future claims.

Financial assistance grant

In November 2013 the Commonwealth Grants Commission (CGC) conducted a review on improving the impact of the Financial Assistance Grants on local government financial sustainability. The report has not been publicly released. A submission from the NSW Local Government Grants Commission recommended the CGC removing the minimum entitlement which would see the Randwick entitlement reduced to zero.

Impact on operating result

The table below indicates the impact on the net operating result of the first year of Primary Model should the assumptions vary by both plus or minus one (1) percent and ten (10) percent. These impacts will obviously have an accumulative effect on the model over the period of the plan.

Assumption	+/- 1% \$'000	+/- 10% \$'000
CPI	17	170
Cash Rate	303	3,030
State Award	103	1030
Superannuation	443	4,430
User Fees & Charges	167	1,670
Grants & Contributions	80	800
Workers Compensation	72	720
Utilities	38	380

Financial SWOT analysis

An analysis of Council's internal strengths and weaknesses, and external opportunities and threats has been undertaken to determine those factors that are favourable and unfavourable in achieving the outcomes of this plan.

Strengths

- Randwick City Council has a history of being programmed and disciplined resulting in healthy operating surpluses.
- Councillors and the Executive Management team are graduates and members of the Australian Institute of Company Directors (AICD).
- Timely financial reporting to the Council and to the community.

Weaknesses

- Council's restriction to generate revenue through raising rates in excess of the rate peg.
- The current no borrowing policy keeps Council debt free, however this does place a limitation on funding options.

- The regulatory restrictions placed on Council in relation to financial management and its ability to raise revenue.

Opportunities

- The advancement of technology and the innovation and efficiencies it can present for Council following the integration of it into its operations.
- The opportunity to increase the understanding that the Randwick City community has on Council's financial performance, position, ability and restrictions through effective communication and tools such as this plan and other financial reporting mechanisms.

Threats

- External economic and environmental factors or events that are out of control of Council and its management.
- Political decisions that are made on a State and Federal level that changes policy and legislation that Council must operate under.

Monitoring financial performance

The Primary Model adopted in this plan has been developed to ensure that it meets Council's five financial objectives, and the benchmarks and/or targets for an array of financial indicators which have either been internally or externally prescribed.

There are a number of factors which affect the value and size of certain revenue, operating expenditure, and/or capital expenditure each financial year. However, the impact these variations have on the financial indicators are what should be measured.

Financial indicators

The Primary Model has been developed so that its implementation will meet a set of financial indicators:

- Balanced Budget
- Operating Performance Ratio
- Own Source Operating Revenue Ratio
- Unrestricted Cash
- Unrestricted Current Ratio

- Cash Expense Cover Ratio
- Debt Service Ratio
- Employee Leave Entitlement Funding
- Building & Infrastructure Renewal Ratio
- Infrastructure Backlog Ratio
- Asset Maintenance Ratio
- Capital Expenditure Ratio
- Capital Funding Ratio

Budget control

Annual budgets are set to meet the financial indicator benchmarks. Consequently, budget control and monitoring is paramount for Council achieving the outcomes of this plan.

Budgets are monitored internally on an on-going basis using Council's financial information systems. Monthly Financial Reports and Quarterly Budget Reviews are reported by Council and illustrate the progress against its adopted budgets.

Primary financial model – Option 3

Long Term Financial Plan 2018-28 Option 3 PREFERRED APPROACH Income Statement

	Year 1 2019 \$ '000	Year 2 2020 \$ '000	Year 3 2021 \$ '000	Year 4 2022 \$ '000	Year 5 2023 \$ '000	Year 6 2024 \$ '000	Year 7 2025 \$ '000	Year 8 2026 \$ '000	Year 9 2027 \$ '000	Year 10 2028 \$ '000
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	115,279	116,364	122,245	125,841	129,541	133,531	137,642	141,876	146,036	150,314
User Charges & Fees	18,525	19,141	19,778	20,436	21,117	21,828	22,564	23,325	24,104	24,911
Interest & Investment Revenue	1,354	1,400	1,225	1,231	1,292	1,393	1,520	1,648	1,725	1,853
Other Revenue	8,571	8,861	9,130	9,408	9,695	9,990	10,296	10,610	10,935	11,270
Grants & Contributions provided for Operating Purposes	7,125	7,275	7,428	7,584	7,745	7,910	8,078	8,251	8,429	8,611
Grants & Contributions provided for Capital Purposes	5,159	5,217	5,226	5,286	5,349	5,412	5,477	5,544	5,613	5,683
Total Income from Continuing Operations	156,013	158,257	165,032	169,787	174,738	180,064	185,578	191,256	196,841	202,641
Expenses from Continuing Operations										
Employee Benefits & On-Costs	64,356	66,716	69,165	71,957	74,866	77,897	81,055	84,346	87,469	90,712
Borrowing Costs	1,350	1,287	1,222	1,153	1,080	1,004	924	841	753	660
Materials & Contracts	37,621	38,651	39,640	40,591	41,601	42,710	43,792	44,861	45,890	46,943
Depreciation & Amortisation	22,987	24,033	25,163	26,147	27,004	28,130	29,006	30,111	31,455	32,419
Other Expenses	16,097	16,624	17,855	17,686	18,249	18,877	20,262	20,116	20,721	21,349
Net Losses from the Disposal of Assets	1,298	1,446	1,809	1,580	1,636	1,544	1,627	1,548	1,518	1,724
Total Expenses from Continuing Operations	143,709	148,758	154,854	159,114	164,436	170,162	176,667	181,823	187,805	193,806
Operating Result from Continuing Operations	12,305	9,498	10,178	10,673	10,302	9,902	8,911	9,433	9,036	8,835
Discontinued Operations										
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	12,305	9,498	10,178	10,673	10,302	9,902	8,911	9,433	9,036	8,835
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	7,146	4,282	4,952	5,386	4,953	4,490	3,434	3,889	3,424	3,152

Long Term Financial Plan 2018-28
Option 3 PREFERRED APPROACH
Statement of Financial Position

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
ASSETS										
Current Assets										
Cash & Cash Equivalents	3,311	1,536	1,240	1,648	1,292	1,476	1,462	1,549	1,326	1,312
Investments	36,620	37,720	32,020	32,020	33,720	34,220	37,720	41,220	43,220	46,720
Receivables	8,142	8,475	8,770	9,032	9,339	9,652	9,994	10,363	10,732	11,095
Inventories	589	607	623	637	653	671	689	705	720	735
Other	854	885	918	951	986	1,022	1,060	1,099	1,139	1,181
Total Current Assets	49,515	49,223	43,570	44,289	45,990	47,042	50,924	54,936	57,138	61,044
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	485	515	546	563	580	598	616	635	654	674
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,582,893	1,626,267	1,673,944	1,713,580	1,754,518	1,800,270	1,840,669	1,880,362	1,919,001	1,956,683
Investments accounted for using the equity method	7	7	7	7	7	7	7	7	7	7
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,583,385	1,626,789	1,674,497	1,714,150	1,755,105	1,800,875	1,841,293	1,881,004	1,919,662	1,957,365
TOTAL ASSETS	1,632,900	1,676,012	1,718,067	1,758,439	1,801,095	1,847,917	1,892,217	1,935,940	1,976,800	2,018,409
LIABILITIES										
Current Liabilities										
Payables	20,754	21,493	22,220	22,867	23,552	24,302	25,044	25,785	26,512	27,261
Borrowing	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601
Provisions	18,930	19,619	20,336	21,082	21,858	22,666	23,507	24,382	25,293	26,240
Total Current Liabilities	42,285	43,713	45,157	46,550	48,012	49,569	51,152	52,769	54,406	56,102
Non-Current Liabilities										
Payables	260	260	260	260	260	260	260	260	260	260
Borrowing	23,148	21,834	20,454	19,006	17,485	15,888	14,211	12,451	10,602	8,661
Provisions	222	231	241	251	261	271	282	294	306	318
Total Non-Current Liabilities	23,630	22,325	20,955	19,516	18,006	16,419	14,754	13,004	11,168	9,239
TOTAL LIABILITIES	65,915	66,038	66,112	66,066	66,017	65,989	65,905	65,773	65,574	65,342
Net Assets	1,566,986	1,609,974	1,651,955	1,692,373	1,735,077	1,781,928	1,826,312	1,870,167	1,911,226	1,953,067
EQUITY										

Primary financial model – Option 3

Long Term Financial Plan 2018-28 Option 3 PREFERRED APPROACH Cashflow Statement

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	115,045	116,176	122,046	125,735	129,431	133,419	137,526	141,757	145,913	150,188
User Charges & Fees	18,625	19,206	19,848	20,439	21,120	21,831	22,566	23,326	24,105	24,911
Investment & Interest Revenue Received	1,240	1,366	1,290	1,221	1,256	1,375	1,458	1,586	1,684	1,790
Grants & Contributions	12,268	12,473	12,634	12,851	13,074	13,301	13,535	13,774	14,019	14,271
Bonds, Deposits & Retention amounts received	226	239	247	256	266	276	286	296	307	318
Other	8,496	8,782	9,049	9,324	9,607	9,899	10,202	10,513	10,834	11,165
Payments:										
Employee Benefits & On-Costs	(63,646)	(65,977)	(68,397)	(71,157)	(74,034)	(77,031)	(80,154)	(83,408)	(86,493)	(89,696)
Materials & Contracts	(37,526)	(38,549)	(39,547)	(40,507)	(41,508)	(42,602)	(43,691)	(44,765)	(45,803)	(46,854)
Borrowing Costs	(1,350)	(1,287)	(1,222)	(1,153)	(1,080)	(1,004)	(924)	(841)	(753)	(660)
Other	(15,992)	(16,511)	(17,755)	(17,600)	(18,153)	(18,760)	(20,156)	(20,018)	(20,638)	(21,264)
Net Cash provided (or used in) Operating Activities	37,386	35,917	38,195	39,409	39,979	40,703	40,647	42,221	43,176	44,168
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sale of Infrastructure, Property, Plant & Equipment	1,986	979	2,089	1,504	1,386	2,039	1,416	1,653	2,472	1,376
Payments:										
Purchase of Investment Securities	(56,300)	(51,100)	(44,300)	(50,000)	(51,700)	(50,500)	(53,500)	(53,500)	(52,000)	(53,500)
Purchase of Infrastructure, Property, Plant & Equipment	(63,992)	(36,258)	(44,900)	(39,057)	(38,501)	(40,462)	(36,900)	(38,526)	(42,022)	(40,116)
Net Cash provided (or used in) Investing Activities	(68,306)	(36,378)	(37,111)	(37,552)	(38,814)	(38,923)	(38,983)	(40,373)	(41,550)	(42,241)
Cash Flows from Financing Activities										
Receipts:										
Borrowings and advances	27,000	-	-	-	-	-	-	-	-	-
Payments:										
Borrowings and advances	(1,251)	(1,314)	(1,379)	(1,448)	(1,521)	(1,597)	(1,677)	(1,761)	(1,849)	(1,941)
Net Cash provided (or used in) Financing Activities	25,749	(1,314)	(1,379)	(1,448)	(1,521)	(1,597)	(1,677)	(1,761)	(1,849)	(1,941)
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,171)	(1,775)	(296)	409	(356)	183	(14)	87	(223)	(14)
plus: Cash & Cash Equivalents - beginning of year	8,482	3,311	1,536	1,240	1,648	1,292	1,476	1,462	1,549	1,326
Cash & Cash Equivalents - end of the year	3,311	1,536	1,240	1,648	1,292	1,476	1,462	1,549	1,326	1,312

Long Term Financial Plan 2018-28
Option 3 PREFERRED APPROACH
Performance Measurement Indicators

	Year 1 2019 \$ '000	Year 2 2020 \$ '000	Year 3 2021 \$ '000	Year 4 2022 \$ '000	Year 5 2023 \$ '000	Year 6 2024 \$ '000	Year 7 2025 \$ '000	Year 8 2026 \$ '000	Year 9 2027 \$ '000	Year 10 2028 \$ '000
TARGET										
Budget Performance										
1 Balanced Budget utilisation of council's funds minus total sources of income	>= \$0	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
2 Operating Performance Ratio measures the extent to which a council has succeeded in containing operating expenditure within operating revenue	>0%	4.74%	2.80%	3.10%	3.27%	2.92%	2.57%	1.91%	2.09%	1.79%
3 Own Source Operating Revenue Ratio measures fiscal flexibility. It is the degree of reliance on external funding sources	>= 60%	92.13%	92.11%	92.33%	92.42%	92.51%	92.60%	92.70%	92.79%	92.87%
Operational Liquidity										
4 Unrestricted Cash cash levels less externally and internally restricted reserves	> \$1,000	\$6,126	\$6,042	\$1,124	\$1,194	\$1,880	\$1,474	\$1,013	\$1,002	\$1,152
5 Unrestricted Current Ratio represents a council's ability to meet short- term obligations as they fall due.	>= 1.5	2.01	1.89	1.56	1.54	1.59	1.62	1.71	1.78	1.80
6 Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage expressed as a percentage of total rates and charges available for collection in the financial year	< 4%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
7 Cash Expense Cover Ratio liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow	>= 3	4.04	3.85	3.14	3.10	3.12	3.07	3.24	3.44	3.48

Primary financial model – Option 3

Long Term Financial Plan 2018-28 Option 3 PREFERRED APPROACH Performance Measurement Indicators

	Year 1 2019 \$ '000	Year 2 2020 \$ '000	Year 3 2021 \$ '000	Year 4 2022 \$ '000	Year 5 2023 \$ '000	Year 6 2024 \$ '000	Year 7 2025 \$ '000	Year 8 2026 \$ '000	Year 9 2027 \$ '000	Year 10 2028 \$ '000
TARGET										
Liability and Debt Management										
8 Debt Service Cover Ratio <i>measures the availability of operating cash to service loan repayments.</i>	12.6x	11.94x	12.74x	13.17x	13.33x	13.52x	13.45x	13.99x	14.28x	14.59x
9 Employee Leave Entitlements Funding <i>percentage of employee leave entitlements held in cash</i>	43.6%	44.6%	45.6%	46.6%	47.7%	48.7%	49.8%	51.4%	53.0%	54.7%
ELE Demographic Target Level										
Asset Management										
10 Building and Infrastructure Renewals Ratio <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating</i>	187.1%	117.6%	146.4%	121.6%	119.2%	112.6%	109.6%	102.1%	101.0%	103.2%
11 Infrastructure Backlog Ratio <i>ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure</i>	0.59%	0.58%	0.58%	0.57%	0.57%	0.56%	0.56%	0.56%	0.56%	0.55%
12 Asset Maintenance Ratio <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	1.47	1.47	1.47	1.48	1.48	1.49	1.50	1.50	1.50	1.50
13 Capital Expenditure Ratio <i>- annual capital expenditure divided by annual depreciation</i>	2.70	1.47	1.70	1.44	1.38	1.37	1.23	1.23	1.26	1.20
14 Capital expenditure as a percentage of total revenue	40.6%	23.3%	27.1%	23.1%	22.2%	22.2%	20.0%	20.1%	20.9%	20.0%

Alternate scenario – Option 1

Long Term Financial Plan 2018-28 Option 1 DO NOTHING APPROACH Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	111,270	110,142	113,373	116,697	120,116	123,818	127,632	131,560	135,405	139,359
User Charges & Fees	18,543	19,160	19,797	20,457	21,139	21,851	22,588	23,350	24,131	24,938
Interest & Investment Revenue	1,216	1,188	1,193	1,214	1,235	1,368	1,530	1,675	1,733	1,895
Other Revenue	8,584	8,875	9,145	9,423	9,711	10,007	10,313	10,629	10,954	11,290
Grants & Contributions provided for Operating Purposes	7,082	7,230	7,382	7,538	7,698	7,862	8,030	8,202	8,378	8,559
Grants & Contributions provided for Capital Purposes	5,142	5,200	5,208	5,269	5,330	5,394	5,458	5,525	5,593	5,663
Total Income from Continuing Operations	151,837	151,794	156,099	160,598	165,230	170,300	175,551	180,941	186,194	191,705
Expenses from Continuing Operations										
Employee Benefits & On-Costs	64,356	66,716	69,165	71,957	74,866	77,897	81,055	84,346	87,469	90,712
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	37,604	38,544	39,508	40,495	41,508	42,546	43,609	44,699	45,817	46,962
Depreciation & Amortisation	22,836	23,551	24,550	25,382	26,175	27,221	27,934	28,877	30,057	30,880
Other Expenses	16,064	16,538	17,753	17,604	18,168	18,753	20,125	19,991	20,646	21,327
Net Losses from the Disposal of Assets	(302)	898	803	1,011	1,090	990	1,030	1,023	1,010	1,153
Total Expenses from Continuing Operations	140,558	146,247	151,779	156,450	161,806	167,406	173,754	178,936	184,999	191,035
Operating Result from Continuing Operations	11,280	5,547	4,320	4,148	3,423	2,894	1,797	2,005	1,195	669
Discontinued Operations										
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	11,280	5,547	4,320	4,148	3,423	2,894	1,797	2,005	1,195	669
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	6,137	347	(888)	(1,121)	(1,907)	(2,500)	(3,662)	(3,520)	(4,398)	(4,994)

Alternate scenario – Option 1

Long Term Financial Plan 2018-28 Option 1 DO NOTHING APPROACH Statement of Financial Position

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
ASSETS										
Current Assets										
Cash & Cash Equivalents	2,366	2,784	1,564	1,384	1,590	1,461	1,275	1,061	1,330	1,149
Investments	32,598	31,598	31,598	32,098	32,598	34,098	38,598	42,598	44,098	48,598
Receivables	7,940	8,152	8,431	8,690	8,969	9,287	9,631	9,996	10,347	10,712
Inventories	588	602	617	633	649	665	681	698	716	734
Other	854	886	918	952	987	1,023	1,061	1,100	1,140	1,182
Total Current Assets	44,347	44,022	43,129	43,758	44,793	46,534	51,247	55,454	57,631	62,375
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	461	475	490	505	521	536	553	570	587	605
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,546,994	1,581,983	1,617,146	1,651,692	1,686,072	1,720,011	1,750,771	1,783,074	1,817,419	1,849,675
Investments accounted for using the equity method	7	7	7	7	7	7	7	7	7	7
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,547,462	1,582,466	1,617,643	1,652,204	1,686,599	1,720,555	1,751,331	1,783,651	1,818,014	1,850,287
TOTAL ASSETS	1,591,809	1,626,488	1,660,772	1,695,962	1,731,392	1,767,088	1,802,578	1,839,105	1,875,645	1,912,662
LIABILITIES										
Current Liabilities										
Payables	20,617	21,236	21,875	22,533	23,211	23,911	24,633	25,377	26,144	26,935
Borrowing	-	-	-	-	-	-	-	-	-	-
Provisions	18,930	19,619	20,336	21,082	21,858	22,666	23,507	24,382	25,293	26,240
Total Current Liabilities	39,547	40,855	42,210	43,614	45,069	46,577	48,140	49,759	51,437	53,176
Non-Current Liabilities										
Payables	260	260	260	260	260	260	260	260	260	260
Borrowing	-	-	-	-	-	-	-	-	-	-
Provisions	222	231	241	251	261	271	282	294	306	318
Total Non-Current Liabilities	482	491	501	511	521	531	542	554	566	578
TOTAL LIABILITIES	40,029	41,346	42,711	44,125	45,590	47,109	48,682	50,313	52,003	53,754
Net Assets	1,551,780	1,585,142	1,618,061	1,651,837	1,685,802	1,719,980	1,753,896	1,788,793	1,823,642	1,858,908
EQUITY										
Retained Earnings	763,537	752,683	739,652	725,761	710,295	693,230	674,093	654,092	632,157	608,683
Revaluation Reserve	788,242	832,459	878,409	926,075	975,507	1,026,750	1,079,803	1,134,701	1,191,485	1,250,225
Total Equity	1,551,780	1,585,142	1,618,061	1,651,837	1,685,802	1,719,980	1,753,896	1,788,793	1,823,642	1,858,908

Long Term Financial Plan 2018-28
Option 1 DO NOTHING APPROACH
Cashflow Statement

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	111,188	110,052	113,280	116,602	120,018	123,717	127,528	131,453	135,294	139,245
User Charges & Fees	18,537	19,156	19,794	20,453	21,134	21,845	22,582	23,343	24,123	24,930
Investment & Interest Revenue Received	1,179	1,194	1,184	1,198	1,219	1,337	1,455	1,607	1,701	1,819
Grants & Contributions	12,206	12,411	12,572	12,787	13,008	13,235	13,467	13,705	13,949	14,199
Bonds, Deposits & Retention amounts received	230	239	248	257	266	276	286	297	307	319
Other	8,508	8,796	9,063	9,339	9,623	9,916	10,219	10,531	10,853	11,185
Payments:										
Employee Benefits & On-Costs	(63,646)	(65,977)	(68,397)	(71,157)	(74,034)	(77,031)	(80,154)	(83,408)	(86,493)	(89,696)
Materials & Contracts	(37,520)	(38,458)	(39,420)	(40,405)	(41,415)	(42,451)	(43,512)	(44,600)	(45,715)	(46,857)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Other	(15,975)	(16,447)	(17,660)	(17,510)	(18,071)	(18,654)	(20,025)	(19,888)	(20,541)	(21,220)
Net Cash provided (or used in) Operating Activities	34,707	30,966	30,664	31,562	31,748	32,190	31,846	33,040	33,478	33,923
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sale of Infrastructure, Property, Plant & Equipment	1,986	979	2,089	1,504	1,386	2,039	1,416	1,653	2,472	1,376
Payments:										
Purchase of Investment Securities	(52,000)	(49,000)	(50,000)	(50,500)	(50,500)	(51,500)	(54,500)	(54,000)	(51,500)	(54,500)
Purchase of Infrastructure, Property, Plant & Equipment	(40,530)	(32,528)	(33,973)	(32,746)	(32,429)	(32,859)	(28,947)	(30,907)	(34,181)	(30,979)
Net Cash provided (or used in) Investing Activities	(40,544)	(30,548)	(31,884)	(31,742)	(31,542)	(32,320)	(32,031)	(33,254)	(33,209)	(34,104)
Cash Flows from Financing Activities										
Receipts:										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Payments:										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Financing Activities	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,837)	418	(1,220)	(180)	206	(129)	(185)	(214)	269	(181)
plus: Cash & Cash Equivalents - beginning of year	8,203	2,366	2,784	1,564	1,384	1,590	1,461	1,275	1,061	1,330
Cash & Cash Equivalents - end of the year	2,366	2,784	1,564	1,384	1,590	1,461	1,275	1,061	1,330	1,149

Alternate scenario – Option 1

Long Term Financial Plan 2018-28 Option 1 DO NOTHING APPROACH Performance Measurement Indicators

	Year 1 2019 \$ '000	Year 2 2020 \$ '000	Year 3 2021 \$ '000	Year 4 2022 \$ '000	Year 5 2023 \$ '000	Year 6 2024 \$ '000	Year 7 2025 \$ '000	Year 8 2026 \$ '000	Year 9 2027 \$ '000	Year 10 2028 \$ '000
TARGET										
Budget Performance										
1 Balanced Budget utilisation of councils funds minus total sources of income	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
2 Operating Performance Ratio measures the extent to which a council has succeeded in containing operating expenditure within operating revenue	4.18%	0.24%	-0.59%	-0.72%	-1.19%	-1.52%	-2.15%	-2.01%	-2.44%	-2.68%
3 Own Source Operating Revenue Ratio measures fiscal flexibility. It is the degree of reliance on external funding sources	91.95%	91.81%	91.93%	92.03%	92.11%	92.22%	92.32%	92.41%	92.50%	92.58%
Operational Liquidity										
4 Unrestricted Cash cash levels less externally and internally restricted reserves	\$1,161	\$1,169	\$1,026	\$1,008	\$1,056	\$1,338	\$1,405	\$1,593	\$1,734	\$2,065
5 Unrestricted Current Ratio represents a council's ability to meet short- term obligations as they fall due.	2.02	1.90	1.77	1.74	1.76	1.82	1.94	2.02	2.03	2.09
6 Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage expressed as a percentage of total rates and charges available for collection in the financial year	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
7 Cash Expense Cover Ratio liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow	3.58	3.41	3.17	3.11	3.07	3.09	3.33	3.54	3.57	3.78

Long Term Financial Plan 2018-28
Option 1 DO NOTHING APPROACH
Performance Measurement Indicators

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
TARGET										
Liability and Debt Management										
8 Debt Service Cover Ratio <i>measures the availability of operating cash to service loan repayments.</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
9 Employee Leave Entitlements Funding <i>percentage of employee leave entitlements held in cash</i>	43.6%	44.6%	45.6%	46.6%	47.7%	48.7%	49.8%	51.4%	53.0%	54.7%
ELE Demographic Target Level	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Asset Management										
10 Building and Infrastructure Renewals Ratio <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating</i>	90.5%	81.1%	83.7%	89.2%	90.4%	84.9%	79.8%	78.3%	79.7%	79.1%
	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
11 Infrastructure Backlog Ratio <i>ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure</i>	0.61%	0.60%	0.60%	0.60%	0.60%	0.59%	0.59%	0.60%	0.60%	0.60%
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12 Asset Maintenance Ratio <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	1.47	1.47	1.47	1.47	1.48	1.49	1.49	1.50	1.50	1.50
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
13 Capital Expenditure Ratio <i>- annual capital expenditure divided by annual depreciation</i>	1.69	1.34	1.30	1.23	1.19	1.13	0.99	1.02	1.06	0.96
	✓	✓	✓	✓	✓	✓	✗	✓	✓	✗
14 Capital expenditure as a percentage of total revenue	25.2%	21.4%	21.0%	20.1%	19.5%	18.7%	16.3%	16.8%	17.6%	16.1%
	✓	✓	✓	✓	✗	✗	✗	✗	✗	✗

Alternate scenario – Option 2

Long Term Financial Plan 2018-28 Option 2 DELAYED APPROACH Income Statement

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026	Year 9 2027	Year 10 2028
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	113,778	113,352	117,482	120,932	124,481	128,316	132,268	136,338	140,328	144,432
User Charges & Fees	18,543	19,160	19,797	20,457	21,139	21,851	22,588	23,350	24,131	24,938
Interest & Investment Revenue	1,286	1,244	1,199	1,237	1,275	1,375	1,520	1,665	1,740	1,886
Other Revenue	8,584	8,875	9,145	9,423	9,711	10,007	10,313	10,629	10,954	11,290
Grants & Contributions provided for Operating Purposes	7,082	7,230	7,382	7,538	7,698	7,862	8,030	8,202	8,378	8,559
Grants & Contributions provided for Capital Purposes	5,142	5,200	5,208	5,269	5,330	5,394	5,458	5,525	5,593	5,663
Total Income from Continuing Operations	154,416	155,061	160,214	164,856	169,633	174,805	180,177	185,708	191,125	196,769
Expenses from Continuing Operations										
Employee Benefits & On-Costs	64,356	66,716	69,165	71,957	74,866	77,897	81,055	84,346	87,469	90,712
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	37,604	38,544	39,508	40,495	41,508	42,546	43,609	44,699	45,817	46,962
Depreciation & Amortisation	22,823	23,547	24,631	25,526	26,379	27,482	28,312	29,352	30,667	31,662
Other Expenses	16,064	16,538	17,753	17,604	18,168	18,753	20,125	19,991	20,646	21,327
Net Losses from the Disposal of Assets	(319)	1,011	1,110	1,135	1,217	1,153	1,259	1,214	1,156	1,339
Total Expenses from Continuing Operations	140,528	146,357	152,167	156,718	162,138	167,831	174,360	179,601	185,755	192,003
Operating Result from Continuing Operations	13,888	8,704	8,046	8,137	7,496	6,974	5,817	6,107	5,370	4,766
Discontinued Operations										
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	13,888	8,704	8,046	8,137	7,496	6,974	5,817	6,107	5,370	4,766
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	8,745	3,504	2,838	2,869	2,165	1,580	358	582	(223)	(897)

Long Term Financial Plan 2018-28
Option 2 DELAYED APPROACH
Statement of Financial Position

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
ASSETS										
Current Assets										
Cash & Cash Equivalents	2,139	1,445	1,675	1,684	1,425	1,283	1,620	1,592	1,435	1,226
Investments	34,620	33,120	31,520	32,520	33,520	34,020	38,020	42,020	44,020	48,020
Receivables	8,063	8,299	8,588	8,860	9,151	9,459	9,802	10,173	10,536	10,900
Inventories	588	602	617	633	649	665	681	698	716	734
Other	854	886	918	952	987	1,023	1,061	1,100	1,140	1,182
Total Current Assets	46,264	44,352	43,318	44,649	45,731	46,450	51,184	55,583	57,847	62,062
Non-Current Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	476	496	516	532	548	565	582	600	618	637
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,547,434	1,587,310	1,626,799	1,664,996	1,703,854	1,743,493	1,779,059	1,816,151	1,855,527	1,893,499
Investments accounted for using the equity method	7	7	7	7	7	7	7	7	7	7
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,547,917	1,587,813	1,627,322	1,665,535	1,704,409	1,744,065	1,779,648	1,816,758	1,856,153	1,894,143
TOTAL ASSETS	1,594,181	1,632,165	1,670,641	1,710,183	1,750,140	1,790,515	1,830,832	1,872,341	1,914,000	1,956,204
LIABILITIES										
Current Liabilities										
Payables	20,683	21,326	21,990	22,651	23,334	24,037	24,762	25,510	26,282	27,077
Borrowing	18,930	19,619	20,336	21,082	21,858	22,666	23,507	24,382	25,293	26,240
Provisions	39,613	40,945	42,325	43,733	45,192	46,703	48,269	49,893	51,575	53,318
Total Current Liabilities	79,226	81,890	84,651	87,566	90,390	93,406	96,538	99,784	103,168	106,635
Non-Current Liabilities										
Payables	260	260	260	260	260	260	260	260	260	260
Borrowing	-	-	-	-	-	-	-	-	-	-
Provisions	222	231	241	251	261	271	282	294	306	318
Total Non-Current Liabilities	482	491	501	511	521	531	542	554	566	578
TOTAL LIABILITIES	40,095	41,436	42,826	44,244	45,712	47,235	48,812	50,446	52,140	53,896
Net Assets	1,554,086	1,590,729	1,627,815	1,665,940	1,704,428	1,743,281	1,782,020	1,821,894	1,861,860	1,902,308
EQUITY										

Alternate scenario – Option 2

Long Term Financial Plan 2018-28 Option 2 DELAYED APPROACH Cashflow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	113,601	113,229	117,353	120,831	124,377	128,210	132,158	136,225	140,212	144,313
User Charges & Fees	18,603	19,180	19,819	20,456	21,138	21,849	22,585	23,347	24,127	24,934
Investment & Interest Revenue Received	1,207	1,255	1,210	1,213	1,250	1,357	1,451	1,595	1,700	1,816
Grants & Contributions	12,206	12,411	12,572	12,787	13,008	13,235	13,467	13,705	13,949	14,199
Bonds, Deposits & Retention amounts received	230	239	248	257	266	276	286	297	307	319
Other	8,508	8,796	9,063	9,339	9,623	9,916	10,219	10,531	10,853	11,185
Payments:										
Employee Benefits & On-Costs	(63,646)	(65,977)	(68,397)	(71,157)	(74,034)	(77,031)	(80,154)	(83,408)	(86,493)	(89,696)
Materials & Contracts	(37,520)	(38,458)	(39,420)	(40,405)	(41,415)	(42,451)	(43,512)	(44,600)	(45,715)	(46,857)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Other	(15,975)	(16,447)	(17,660)	(17,510)	(18,071)	(18,654)	(20,025)	(19,888)	(20,541)	(21,220)
Net Cash provided (or used in) Operating Activities	37,213	34,226	34,788	35,810	36,142	36,708	36,476	37,805	38,399	38,991
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sale of Infrastructure, Property, Plant & Equipment	1,986	979	2,089	1,504	1,386	2,039	1,416	1,653	2,472	1,376
Payments:										
Purchase of Investment Securities	(54,300)	(48,500)	(48,400)	(51,000)	(51,000)	(50,500)	(54,000)	(54,000)	(52,000)	(54,000)
Purchase of Infrastructure, Property, Plant & Equipment	(41,242)	(37,400)	(38,248)	(36,305)	(36,788)	(38,388)	(33,555)	(35,485)	(39,028)	(36,576)
Net Cash provided (or used in) Investing Activities	(43,556)	(34,920)	(34,559)	(35,801)	(36,401)	(36,849)	(36,139)	(37,832)	(38,556)	(39,200)
Cash Flows from Financing Activities										
Receipts:										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Payments:										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Financing Activities	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(6,342)	(694)	229	9	(259)	(141)	336	(28)	(157)	(209)
plus: Cash & Cash Equivalents - beginning of year	8,482	2,139	1,445	1,675	1,684	1,425	1,283	1,620	1,592	1,435
Cash & Cash Equivalents - end of the year	2,139	1,445	1,675	1,684	1,425	1,283	1,620	1,592	1,435	1,226

Performance Measurement Indicators

TARGET

Budget Performance

Alternate scenario – Option 2

Long Term Financial Plan 2018-28 Option 2 DELAYED APPROACH Performance Measurement Indicators

	Year 1 2019 \$ '000	Year 2 2020 \$ '000	Year 3 2021 \$ '000	Year 4 2022 \$ '000	Year 5 2023 \$ '000	Year 6 2024 \$ '000	Year 7 2025 \$ '000	Year 8 2026 \$ '000	Year 9 2027 \$ '000	Year 10 2028 \$ '000
TARGET										
Liability and Debt Management										
8 Debt Service Cover Ratio <i>measures the availability of operating cash to service loan repayments.</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
9 Employee Leave Entitlements Funding <i>percentage of employee leave entitlements held in cash</i>	43.6%	44.6%	45.6%	46.6%	47.7%	48.7%	49.8%	51.4%	53.0%	54.7%
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ELE Demographic Target Level										
Asset Management										
10 Building and Infrastructure Renewals Ratio <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating</i>	91.0%	91.1%	103.5%	98.1%	99.0%	95.4%	92.9%	88.6%	86.4%	87.7%
	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗
11 Infrastructure Backlog Ratio <i>ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure</i>	0.61%	0.60%	0.60%	0.59%	0.59%	0.58%	0.58%	0.58%	0.58%	0.58%
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12 Asset Maintenance Ratio <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	1.47	1.47	1.47	1.47	1.48	1.49	1.49	1.50	1.50	1.50
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
13 Capital Expenditure Ratio <i>- annual capital expenditure divided by annual depreciation</i>	1.72	1.55	1.47	1.37	1.34	1.32	1.14	1.15	1.19	1.11
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
14 Capital expenditure as a percentage of total revenue	25.2%	24.2%	23.3%	21.8%	21.6%	21.5%	18.6%	18.9%	19.8%	18.6%
	✓	✓	✓	✓	✓	✓	✗	✗	✗	✗

Historical performance

2007-17 Performance Indicators

The results from the last ten financial years are presented here to demonstrate Council's ability to deliver sustained sound financial performance over a period equivalent to that covered by this plan.

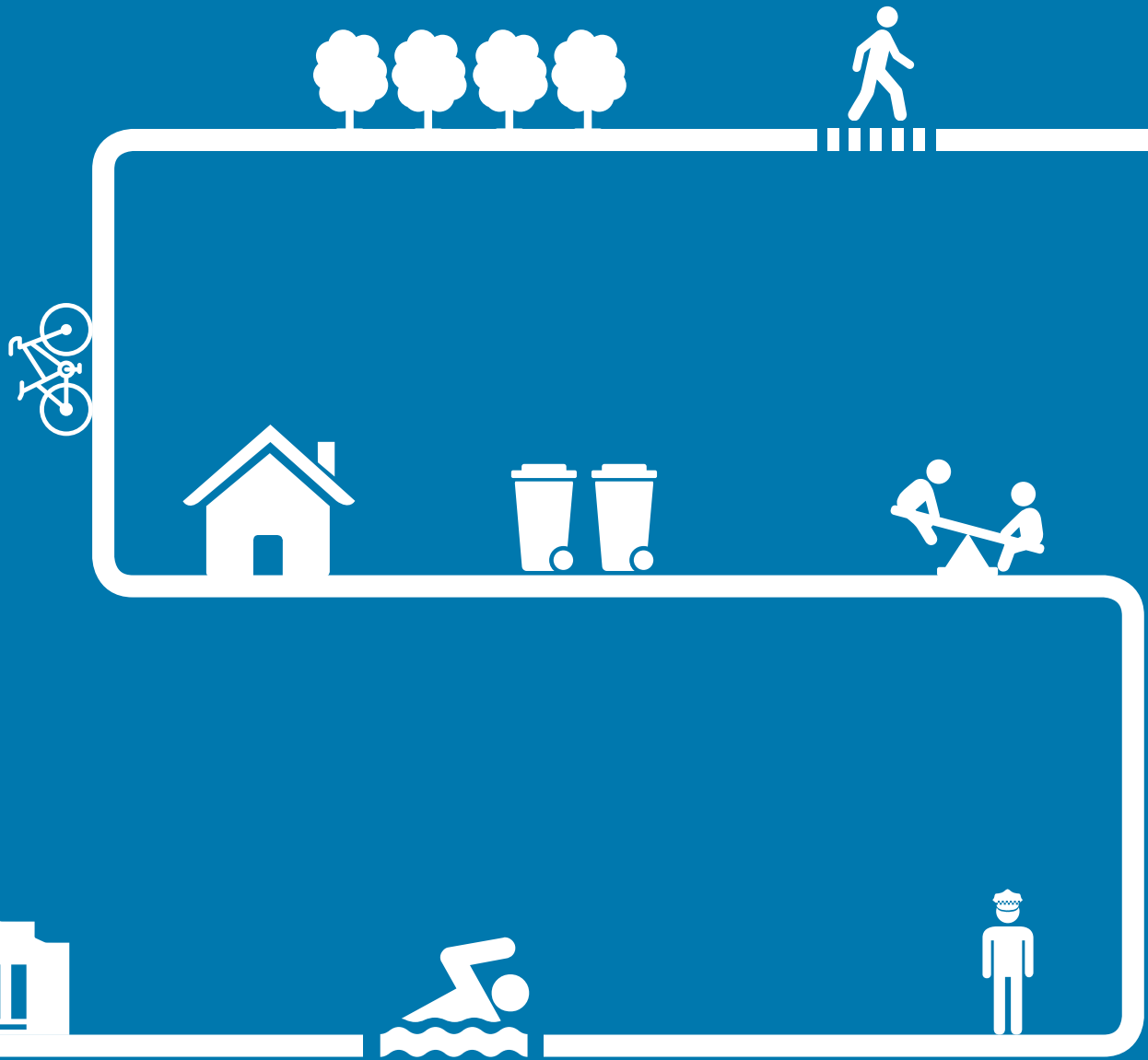
In May 2014 NSW T-Corp assessed Randwick City Council to have a Financial Sustainability Rating (FSR) of "Sound" with an Outlook of Positive for the following three years.

Based on the financial results that Council has achieved following that assessment, if we were to be assessed by T-Corp now we would expect a FSR of "Strong".

			2008 \$'000	2009 \$'000	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000
Budget Performance												
1	Balanced Budget	>= \$0	11 ●	104 ●	1 ●	0 ●	5 ●	8 ●	9 ●	19 ●	19 ●	13 ●
2	Operating Performance Ratio	>= -4%	1.84% ●	1.20% ●	1.03% ●	1.35% ●	2.76% ●	4.63% ●	2.81% ●	2.94% ●	2.91% ●	3.95% ●
3	Own Source Operating Revenue Ratio	>= 60%	88.08% ●	78.74% ●	89.54% ●	80.60% ●	87.35% ●	89.23% ●	90.13% ●	89.62% ●	89.41% ●	89.55% ●
Operational Liquidity												
4	Unrestricted Cash cash less externally and internally restricted reserves	>= \$1000	\$2,549 ●	\$921 ●	\$908 ●	\$1,528 ●	\$1,129 ●	\$3,081 ●	\$1,608 ●	\$1,422 ●	\$1,203 ●	\$2,328 ●
5	Unrestricted Current Ratio excluding external restrictions (OLG Ratio)	>= 2.0	2.33 ●	3.25 ●	2.52 ●	2.44 ●	2.83 ●	2.66 ●	3.11 ●	3.52 ●	4.03 ●	3.35 ●
6	Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage expressed as a percentage of total rates and charges available for collection in the financial year	< 4%	3.1% ●	2.9% ●	2.6% ●	2.2% ●	2.4% ●	2.5% ●	2.1% ●	2.3% ●	2.3% ●	2.8% ●
7	Cash Expense Cover Ratio	>= 3	5.37 ●	5.48 ●	6.06 ●	4.98 ●	4.65 ●	5.26 ●	6.23 ●	6.72 ●	6.46 ●	6.65 ●
Debt Management												
8	Debt Service Cover Ratio percentage of ordinary rates revenue utilised to repay loans and interest	0%	0.0% ●	0.0% ●	0.0% ●	0.0% ●	0.0% ●	0.0% ●	0.0% ●	0.0% ●	0.0% ●	0.0% ●
9	Employee Leave Entitlements Funding percentage employee leave entitlements held in cash	ELE Demographic Target Level	28.5% ●	37.9% ●	40.2% ●	42.0% ●	40.0% ●	42.9% ●	43.0% ●	45.1% ●	38.7% ●	42.6% ●

Appendix A





Our Community Our Future

Randwick City Plan
2018-21

Your say in
the future
of our City

Grab a coffee and a bikkie

Life is so busy these days, and it seems to be getting faster. Our days are focused on family, work, shopping, school, grandkids, sports, holidays, dining out – the list goes on. We love our community, we love the eastern suburbs. We spend time with those we love in the places we call home. And this is how it should be.

Before I joined Council, rarely did I think about the role that local government plays in our lives. After all, we've all got much more important things to focus on. Good government is not always top of mind, but in strong communities good government is always present.

Local government is the events and festivals you love, the clean beaches, the Lifeguards keeping you safe, the nippers run through the surf clubs, the playgrounds, the parks and ovals, the Coastal Walking track, the roads and footpaths, the libraries you visit, the recycling centre and the bins, toilets and streets that are magically cleaned each day.

This document presents you with an overview of Our Community Our Future – our plan for the future to continue providing you with these great services and facilities and deliver some exciting new projects. It's also our plan to address some very real challenges that lie ahead for our community – to make our community safer, to address terrorism and to combat domestic violence.

Please take a moment to have a look at the information. Your input is important so we can ensure we continue working together to build a stronger community.

Councillor Lindsay Shurey

Mayor of Randwick



Introduction

Our Community Our Future presents you with the challenges we as a community are facing. Randwick City Council wants to:

- Keep delivering high quality services to you
- Upgrade and build new community facilities
- Play our part in making Randwick safer by protecting crowded places from terrorism
- Use technology to deliver services faster and more efficiently
- Address domestic violence by supporting women's refugees

We have prepared a plan to guide us from 2018 to 2021 and we want your feedback. This document summaries our plan, our priorities and projects that we want to deliver. We want your feedback on how to fund it.

Special Rate Variation

Randwick City Council is proposing to lodge a Special Rate Variation (SRV) to increase rates to fund services and projects for our community. As this directly affects you, we want your feedback on the proposal and consideration of which option you prefer. Pages 6 & 7 contain more details.

There are different ways Council can fund our future projects. Some methods will take longer to get the works done, while other methods, including borrowing funds can speed up project delivery significantly.

As it's the community that will fund the projects and services, we believe you have a right to have a say in Council's future direction.



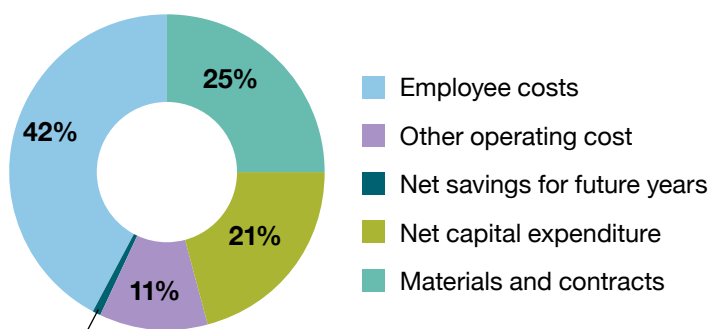
A 20-year vision

Underpinning everything Randwick City Council does is our City Plan. It's a community strategic plan and our vision for the future. Our activities and programs are grouped under six key themes:

- Responsible management
- A sense of community
- Places for people
- A prospering City
- Moving around
- Looking after our environment

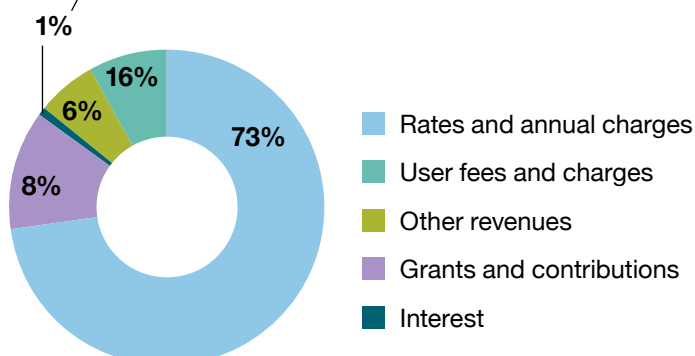
Council expenditure

The majority of Council's funds are allocated towards delivering services to the community. Our staff work hard to make Randwick City a clean, safe and beautiful place to live. About 20 per cent of our expenditure is to upgrade or build new community facilities.



Council income

Council's income is mostly generated from residential and business rates. The overall rates income Council collects is limited by a rate cap, unless Council receives approval to vary it.



Proposed projects

Randwick City Council has identified a number of priority projects that we want to deliver for our community. These projects have come through Council's ongoing community consultation programs, our plans and through your elected Councillors.

New major projects

Anti-terrorism measures

World events have renewed people's concern around safety and Randwick City Council now has a responsibility to help protect crowded places from terrorism. As a popular tourism destination, many of our town centres, parks and beaches attract thousands of visitors on any given day. We have a responsibility to make these places safer through protective infrastructure. These elements will be carefully designed to be functional and also blend with the landscape as much as possible.

La Perouse Museum

Substantial work is required to repair and restore this building it back to its original heritage fabric. Council inherited the building from the State Government in 2017 and is exploring possible reuse opportunities including an expanded collection, cultural facilities, function and café facilities.

Women's Refuge Centre

Domestic violence is the biggest social issue of our time with domestic violence related incidents taking up a significant amount of police resources. Council will explore options to provide a dedicated women's refuge centre in Randwick City.

Undergrounding powerlines to increase urban forests

Overhead powerlines are not only unsightly, but they reduce street tree planting opportunities and are more susceptible to failure. Council will commence an ongoing program to remove powerlines from our streets so that we can plant more trees and increase our tree canopy coverage.

Arts & Cultural Centre

Randwick City has a thriving artistic community, but we do not have a dedicated arts centre. Council will explore options for an arts and cultural centre to celebrate and encourage our cultural and artistic diversity.

Randwick Literary Institute

The historic building is being handed to Council from the NSW State Government and it requires substantial work to restore and repair its original heritage fabric. Potential future uses include ongoing use as a community centre and possibly a childcare centre.

New Council Customer Service location and offices

Investigation of creating a new major Council Customer Service Centre in Maroubra Junction and repair and upgrade works to Council's offices in Randwick to bring the 1960s building up to modern standards.

Indoor sports centre and gymnastics centre

The Heffron Park Masterplan identifies the need to rebuild the existing gymnasium and indoor sports centres located along Bunnerong Road in Maroubra. Both of these buildings are dated and are no longer effectively servicing the community. Significant expenditure is required to construct new modern facilities to serve the community into the future.

Protecting crowded places from terrorism



The Australian Government has released Australia's Strategy for Protecting Crowded Places from

Terrorism. This document outlines a coordinated approach to protecting Australians from the risk of a terrorism attack in public places.

It identifies local government such as Randwick Council as having a role and responsibility to manage the safety of public places and places a duty of care on Council to develop, implement, and regularly test protective security measures.





New major projects

- New public plazas in Randwick and Kingsford town centres
- Randwick Environment Park upgrade
- Increasing accessibility by building footpaths on both sides of streets in priority locations
- Digital strategy implementation

Ongoing Council works

- Regular footpath upgrades and road works
- Coastal Walkway extensions
- Playground upgrades

Buildings for our Community projects

The following proposed projects have existing funding under Council's Buildings for our Community program that was first introduced in 2010. Since that time, the scope or priority of the projects has changed and additional funding is required to deliver these projects to meet current expectations.

- South Maroubra Surf Club Toilets
- La Perouse Toilets
- Mahon Pool Cafe
- Randwick Community Nursery
- Matraville Youth and Cultural Hall
- Yarra Bay Bicentennial Park Toilets
- Snape Park Dressing Shed (Amenities Master Plan)
- South Matraville Hall (at Malabar Library)
- Southern Suburbs Youth Facility
- Malabar Junction Amenities
- Clovelly Community & Childcare Centre
- Clovelly Senior Centre
- Popplewell Park – Childcare Centre
- Coogee Bus Shelter, Kiosk & Toilets
- Malabar Jet Boat Rescue Boat Storage
- Kingsford Town Centre Toilets
- Burnie Park Hall
- Maroubra Beach Community Centre
- Coogee Oval Grandstand
- Matraville Shopping Centre Toilets
- Randwick Cemetery Toilets and Storage

How will it be funded?

Option 1 DO NOTHING APPROACH

Under Option 1, Council will increase rates each year by the rate peg which has a cumulative effect of 7.48% over three years. This approach means we will not be able to fund new projects and it would impact our current services. This approach is not recommended by Council.

Anti-terrorism measures	X	Women's refuge	X
Major projects	X	Digital strategy	X
Maintain services	X	Cultural facilities	X

Cumulative rate increase over 3 years

7.48%

Rate increase

2018/19
2.30%

2019/20
2.50%

2020/21
2.50%

Proposed borrowings

\$0

Project delivery timeframe

No new projects delivered

For residential ratepayers

	2018/19	2019/20	2020/21
Average annual rate	\$1,186	\$1,215	\$1,246
Average annual increase	\$26.66	\$29.64	\$30.38
Average weekly increase	\$0.51	\$0.57	\$0.58
Cumulative impact of variation above 2017/18* levels	\$26.66	\$56.30	\$86.68
Cumulative percentage (%) impact of variation above 2017/18 levels	2.30%	4.86%	7.48%

For business ratepayers

	2018/19	2019/20	2020/21
Average annual rate	\$7,256	\$7,438	\$7,623
Average annual increase	\$163.14	\$181.40	\$185.94
Average weekly increase	\$3.14	\$3.49	\$3.58
Cumulative impact of variation above 2017/18* levels	\$163.14	\$344.54	\$530.48
Cumulative percentage (%) impact of variation above 2017/18 levels	2.30%	4.86%	7.48%

Option 2 DELAYED APPROACH

Under Option 2, Council would apply for an SRV with a cumulative effect of 13.21% over three years to maintain services. This increase is based on modelling of what funds Council requires to maintain services and deliver new projects. This option would take longer (13 years) to deliver proposed projects and some would be on a smaller scale and apply a rate increase for Port Botany to create equality with Port Botany in Bayside Council.

Anti-terrorism measures	✓	Women's refuge (delayed)	✓
Major projects (delayed)	✓	Digital strategy (limited)	✓
Maintain services	✓	Cultural facilities (delayed)	✓

13.21%

2018/19
5.64%

2019/20
3.52%

2020/21
3.52%

\$0

13 years

For residential ratepayers

	2018/19	2019/20	2020/21
Average annual rate	\$1,200	\$1,242	\$1,286
Average annual increase	\$40.80	\$42.23	\$43.72
Average weekly increase	\$0.78	\$0.81	\$0.84
Cumulative impact of variation above 2017/18* levels	\$40.80	\$83.03	\$126.75
Cumulative percentage (%) impact of variation above 2017/18 levels	3.52%**	7.16%	10.94%

For business ratepayers†

	2018/19	2019/20	2020/21
Average annual rate	\$7,343	\$7,601	\$7,869
Average annual increase	\$249.67	\$258.46	\$267.56
Average weekly increase	\$4.80	\$4.97	\$5.15
Cumulative impact of variation above 2017/18* levels	\$249.67	\$508.14	\$775.70
Cumulative percentage (%) impact of variation above 2017/18 levels	3.52%**	7.16%	10.94%

* 2017/18 average residential rate is \$1,159 and average business rate is \$7,093 ** 2018/19 percentage increase is 2.12% less than total rate increase due to additional rates proposed to be levied on Port Botany † Excludes Port Botany

The benefits of borrowing

Randwick Council has in the past delivered major projects through a disciplined savings approach without the need to borrow. The challenge facing us now is that we are considering building some major projects of a scale and cost far greater than any of our previous projects. If we self-fund the new projects, it will take a number of years to save the required funds.

Randwick City Council has not used borrowings since 2000. However, borrowing funds in itself is not a bad thing. One of the seven indicators of financial performance as set by the Office of Local Government is a council's debt service ratio. Put simply, the NSW Government wants councils to borrow money to spend on improving local infrastructure as this is good for the economy and the community.

Have your say

Option 3 PREFERRED APPROACH

Under Option 3, Council would apply for an SRV with a cumulative effect of 19.85% over three years to maintain services and deliver major projects and anti-terrorism measures as a priority within seven years. Council would also borrow \$27M in funds to expedite projects and apply a rate increase for Port Botany to create equality with Port Botany in Bayside Council.

Anti-terrorism measures	✓	Women's refuge	✓
Major projects	✓	Digital strategy	✓
Maintain services	✓	Cultural facilities	✓

19.85%

2018/19	2019/20	2020/21
7.64%	5.52%	5.52%

\$27M

7 years

For residential ratepayers

2018/19	2019/20	2020/21
\$1,223	\$1,290	\$1,362
\$63.98	\$67.51	\$71.23
\$1.23	\$1.30	\$1.37
\$63.98	\$131.49	\$202.72
5.52%**	11.34%	17.49%

For business ratepayers†

2018/19	2019/20	2020/21
\$7,485	\$7,898	\$8,334
\$391.53	\$413.15	\$435.95
\$7.53	\$7.95	\$8.38
\$391.53	\$804.68	\$1,240.63
5.52%**	11.34%	17.49%

Port Botany rate increase

Port Botany operates within the Randwick and Bayside Council areas. Whilst Port Botany makes an important economic contribution, its operations also impact upon our local infrastructure, traffic and amenity. This has become particularly evident since the opening of the third terminal.

In recognition of the Port's increased impacts on local infrastructure, traffic and amenity, Council is proposing to amend its rating structure.

Our Community Our Future is on public exhibition for community comment from 1 December 2017 to 1 February 2018.

You can have your say on this important plan in a number of ways.



Survey

Completing the survey included with this document. Mail it back to Council using the enclosed reply paid envelope by 1 February 2018.



Online

By visiting www.yoursayrandwick.com.au/OurCommunityOurFuture



Workshops

18 January 2018 – 6pm
24 January 2018 – 6pm

Contact communications@randwick.nsw.gov.au, call **9093 6934** or register online



Get in contact with us

If you want to speak to a Council officer about Our Community Our Future please contact Council on **1300 722 542** or email council@randwick.nsw.gov.au

What happens next?

1 Feb 2018	Consultation concludes
2 – 11 Feb 2018	Council staff review feedback from consultation
12 Feb 2018	Council lodges special rate variation with IPART
15 May 2018	IPART determinations made
1 Jul 2018	Plan comes into effect

View online

- Randwick City Plan including Delivery Program
- Long Term Financial Plan
- Asset Management Strategy and Plans
- Workforce Plan
- Digital Strategy

This amendment would result in Port Botany paying the same rate per dollar of land value as they currently pay to Bayside Council which would result in an additional \$1.6m in rates per year being collected by Randwick. This would commence in 2018/19 and increase Council's overall rates income by an additional 2.12% in that year as indicated by the financial figures above for options 2 and 3. This increase would be borne only by the Port and not other business or residential ratepayers.

THIS PAGE INTENTIONALLY LEFT BLANK.

THIS PAGE INTENTIONALLY LEFT BLANK.

Randwick City Council
30 Frances Street, Randwick NSW 2031 Australia

www.randwick.nsw.gov.au

Tel: 02 9093 6000

or 1300 722 542

Fax: 02 9319 1510

Email: council@randwick.nsw.gov.au

© Randwick City Council 2017