

Integrated Strategic Plan 2017

CHAPTER 7: Special Rate Variation (SRV)

Contents

Contents	2
Meeting our future needs – Proposed Special Rate Variation	3
Proposed special rate variation – Impact on rate payers	3
Special rate variation expenditure.....	6
Revenue Policy under proposed Special Rate Variation	8
Estimated Income and Expenditure 2018/19	8
Rating Structure - ordinary rates and special rates.....	9
Ordinary rates	9
Special Rate Variations	10
Council Special Rates	11
Special Category Rates – Sussex Inlet CBD Promotion	11
Resolving Small Lot Rural Subdivisions (Paper Subdivisions)	11
Proposed Borrowings	12
Revised Budget & Capital Works under proposed Special Rate Variation	13
Net Cost of Programs	18
Capital Program.....	19
Long Term Financial Plan.....	26
Capital Works Program.....	40
Sensitivity Analysis	41
Long Term Financial Plan Results	42

Meeting our future needs – Proposed Special Rate Variation

In 2015 Shoalhaven City Council was declared as a Fit for the Future Council by the NSW State Government. This was based on a Council submission provided to the Office of Local Government (OLG) and the Independent Pricing and Regulatory Tribunal (IPART) which outlined several actions Council would undertake to improve our financial sustainability.

Our submission included a proposal to permanently increase Shoalhaven's total general rate income by applying for a Special Rate Variation (SRV) to IPART. The purpose of the proposed SRV is to increase our general rate income above the standard rate peg limit, thereby allowing us to increase the level of funding we provide for key infrastructure maintenance and renewal, maintenance of services and financial sustainability and address infrastructure requirements for the Verons Estate.

IPART annually set a rate peg, which limits the amount by which councils can increase their total rate revenue from year to year – for 2017/18 it is 1.5%. In February 2017, Council made an application to IPART for the following increases above the rate peg:

- 13.2% in 2017/18 (includes actual rate peg limit of 1.5%)
- 14% in 2018/19 (includes IPART estimated rate peg limit of 2.5%)

The outcome of that application was determined by IPART in May 2017. IPART approved a temporary increase of 13.2% for 2017/18 only. The application for subsequent years was not endorsed as IPART wanted our Delivery Program and Operational Plan (this document) to more clearly outline the SRV proposal. To ensure consistency with our Long Term Financial Plan (LTFP) and to meet our Fit for the Future benchmarks, Council is now proposing to again apply to IPART, for an SRV, for each of the next three financial years: 2018/19; 2019/20 and 2020/21. Given that the 2017/18 increase reverts to the rate peg increase of 1.5%, Council will be applying for the following increases to general rate income.

- Maintaining the 13.2% from the current SRV and an additional 5% in 2018/19 (includes estimated rate peg of 2.5%)
- 5.0% in 2019/20 (includes estimated rate peg of 2.5%)
- 5.0% in 2020/21 (includes estimated rate peg of 2.5%)

The cumulative impact of the proposed rate increases over four years is 31.0%, compared to a cumulative increase of 9.3% if only the rate peg was applied and a cumulative increase of 35.6% under Council's 2017 IPART application.

Proposed special rate variation – Impact on rate payers

There are several ways we can look at the financial impact on ratepayers and the following tables help to explain Council's proposal. Table One is based on the standard rate peg increase without any special variations. Note that the average rates for

2017/18 have the special variation removed to allow a transparent comparison to the outcome had only the IPART rate peg been applied to rates.

Table One - Rate Peg Only Comparison

Item	2017/18 actual rate peg	2018/19 estimate	2019/20 estimate	2020/21 estimate	Cumulative Change
Rate Peg Percentage Increase	1.5%	2.5%	2.5%	2.5%	7.7%
Average Residential Rate Levy (\$)	1,023	1,048	1,075	1,102	79
Average Business Rate Levy (\$)	1,854	1,901	1,948	1,997	143
Average Farmland Rate Levy (\$)	2,035	2,086	2,138	2,192	156

Two key items of information in this table are:

- (1) The 1.5% rate peg percentage increase for 2017/18 is the actual rate peg figure determined by IPART for the financial year. The 2.5% applied for 2018/19 to 2020/21 is the estimated rate peg increase based on advice from IPART.
- (2) For 2017/18, we have had to reduce the average rate figures levied by Council as the additional 11.7% increase IPART approved for 2017/18 is a temporary approval only. This means that the actual rates levied by Council were higher than these figures. This also means that any increases approved for 2018/19 onwards are applied to the 2017/18 figures without the 11.7% included.

Under this scenario, Council will not meet its operating performance ratio target of 0% over the planning horizon and there is a deterioration in the asset renewal ratio (target 100%):

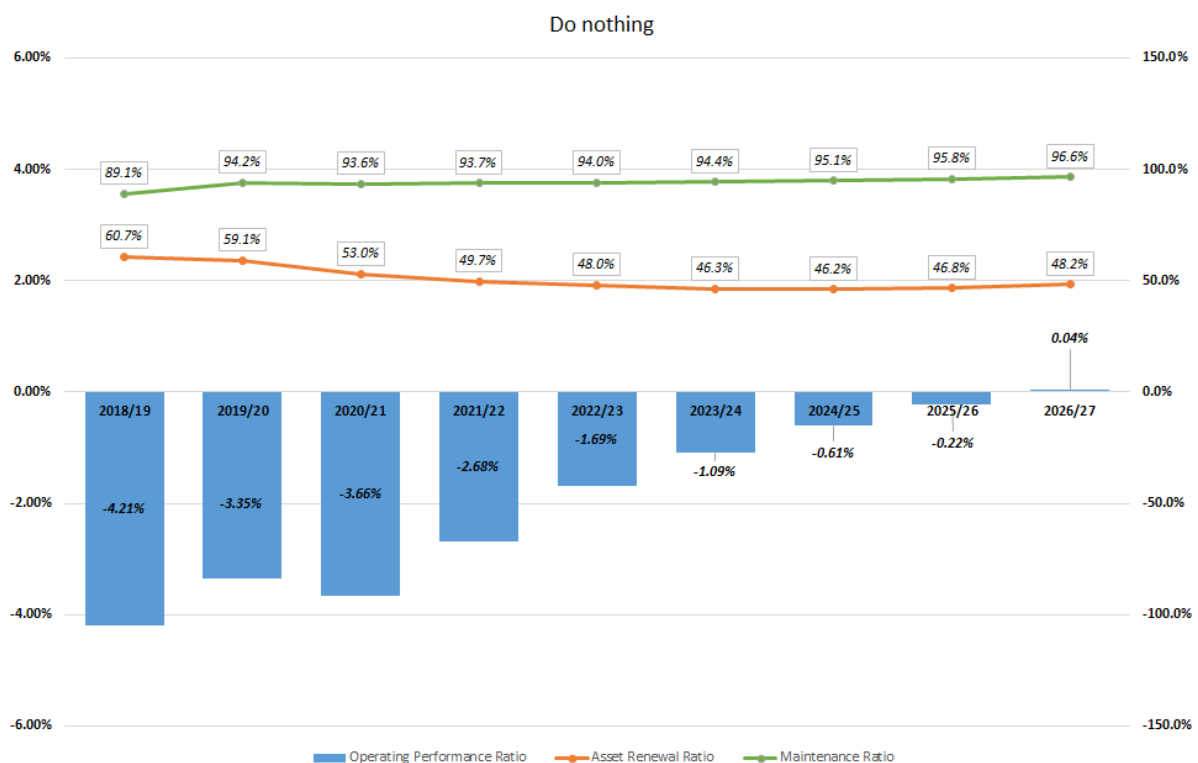
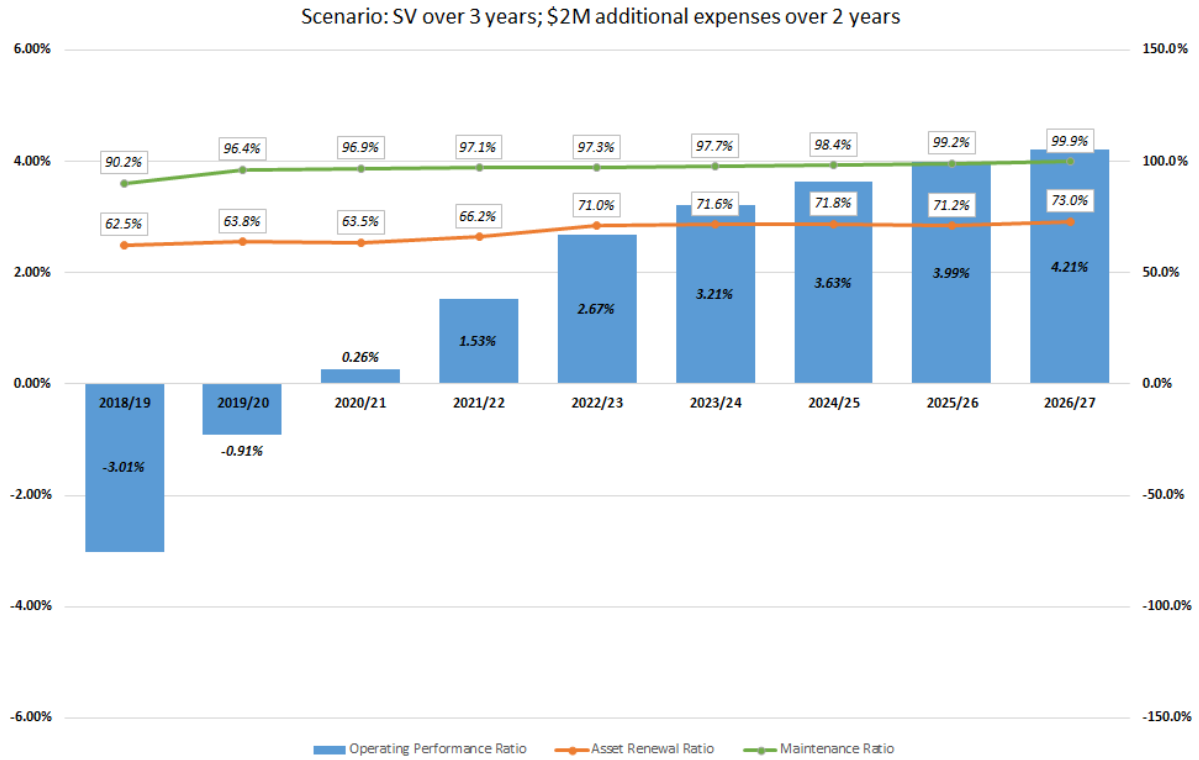


Table Two provides details of the proposed SRV compared to the 2017/18 figures in Table One.

Table Two - Proposed SRV (for 2018/19, 2019/20 and 2020/21) compared to actual 2017/18 levy

Item	2017/18 actual SRV	2018/19 proposed	2019/20 proposed	2020/21 proposed	Cumulative Change
SRV increase	13.2%	13.2% + 5%	5.0%	5.0%	29.1%
Average Residential Rate Levy (\$)	1,141	1,198	1,258	1,321	298
Average Business Rate Levy (\$)	2,068	2,172	2,280	2,394	540
Average Farmland Rate Levy (\$)	2,270	2,383	2,502	2,628	592

The chart shows the projected impact on the key financial indicators of this proposal:



New

Special rate variation expenditure

In its 2017 IPART application, Council's long term financial plan was based on 11.5% increases in our total rate income above the estimated rate peg limit for the two-year period from 2017/18 to 2018/19, with the extra income raised to be retained as a permanent revenue source. 2017/18 also included an additional 0.2% to service a 20 year loan for road upgrade works for the Verons Estate.

Following feedback from the community and further Council discussion about its pathway to financial sustainability, Council is proposing to apply to IPART to retain the special variation approved as a one-off increase in 2017/18 as a permanent increase and for additional special variations (inclusive of a rate peg of 2.5% pa) of 5% in 2018/19, 5% in 2019/20 and 5% in 2020/21.

Given that the 2017/18 increase reverts to the rate peg increase of 1.5%, Council will be applying for the following increases to general rate income.

- Maintaining the 13.2% from the current SRV and an additional 5% in 2018/19 (includes estimated rate peg of 2.5%)
- 5.0% in 2019/20 (includes estimated rate peg of 2.5%)
- 5.0% in 2020/21 (includes estimated rate peg of 2.5%)

The proposed increases will retain existing services, allow modest "new" asset spend and move towards meeting all Fit for the Future benchmarks. The extra funds generated from the additional percentages are to be expended on increased asset renewal (i.e. invested into increased capital expenditure on our core infrastructure assets).

The objectives behind the proposed schedule of additional rate increases, which provides a permanent increase to our revenue stream, are as follows:

1. Council's asset management modelling identifies that we are underfunding our investment in asset renewal. Over time, this will lead to the deterioration of our existing asset base. A large part of the funds raised by the proposed special variation will be invested into increased expenditure on core infrastructure assets, such as roads and related infrastructure, as well as infrastructure requirements for the Verons Estate. Undertaking these works in a timelier manner will assist in maintaining the condition of our assets and save maintenance expenditure, as deteriorating assets require maintenance expenditure of at least 15% per annum above well maintained assets.
2. Our long term financial modelling indicates that, without the additional special rate variation revenues, our General Fund will continue to operate at a deficit. What this means is that, over time, there will be poorer levels of service to the

community and we will not be able to adequately maintain our existing assets or cover their cost of use. The implementation of the special rate variations will ensure that the General Fund generates an operating surplus in the medium to long term. This will also assist in ensuring that the Council complies with the State Government's Fit for the Future Program.

Chapter 6 of Council's Integrated Strategic Plan concerns its Resourcing Strategy. As part of its Workforce Planning, a number of resource requirements were identified at Sections 1.8 to 1.15 to address Council's current workforce challenges and forecasted future needs arising from:

- Increasing community expectations
- Workload from a growing local economy and increased development
- Ageing workforce
- Competitiveness - ability to attract and retain the right people
- Performance against service delivery benchmarks

Approximately \$3.8M of ongoing resourcing needs were identified. However, only \$2M of additional expenditure (approximately 50% of needs), phased over two years, has been included in the Long Term Financial Plan.

Section 2.2 Asset Sustainability of the Resourcing Strategy's Asset Management Planning notes that even under the scenario of Special Rates Variations of 13.2% and 14% over two years, Council would not achieve the targets for Infrastructure Backlog, and Infrastructure Renewal Ratio. While the proposed SRV detailed in this chapter results in outcomes on these indicators that are more modest than those estimated under Council's previous application to IPART, there is still solid progress toward meeting the Fit for the Future targets by 2026/27, particularly when compared to the IPART Determined scenario (13.2% increase including the rate peg of 1.5% for 2017/18 only) presented in other parts of the Integrated Strategic Plan.

For further information on our overall financial position refer to Chapter 6, Resourcing Strategy's Long Term Financial Plan that forms part of this Integrated Strategic Plan.

It is proposed to use the Special Rate Variation in the following ways:

	2018/19	2019/20	2020/21
Funding Current Operations (cash deficit)	\$4,613,912	\$4,288,927	\$2,979,041
Additional Maintenance	\$1,000,000	\$1,025,000	\$1,050,625
Additional Operations	\$1,000,000	\$2,050,000	\$2,101,250
Additional Capital	\$2,414,254	\$3,714,279	\$7,139,799
	\$9,028,166	\$11,078,206\$	\$13,270,715

Revenue Policy under proposed Special Rate Variation

Shoalhaven City Council's Revenue Policy is developed in response to its legislative reporting requirements under the Local Government Act 1993. The Policy provides the community with an indication of the type and breakdown of revenue sources available to Council to support its Operational Plan.

Council's Revenue Policy comprises the following:

- Estimated income and expenditure
- Ordinary rates and special rates
- Pricing methodology
- Proposed borrowings
- Chapter 4 - Fees & Charges

In what follows, the following elements of the Revenue Policy have been updated to show the impact of the proposed Special Rate Variation:

- Estimated income and expenditure
- Ordinary rates and special rates
- Proposed borrowings

Estimated Income and Expenditure 2018/19

In 2010, the Independent Pricing and Regulatory Tribunal of New South Wales (IPART), was delegated responsibility for determining the allowable annual increase in general rates income. In 2017/18, the pegged rate was determined to be 1.5%.

Shoalhaven City Council applied to IPART for a Special Rate Variation of 13.2% in 2017/18 (11.7% plus the rate peg of 1.5%) and 14% in 2018/19 (11.5% plus the rate peg of 2.5%) to cover infrastructure maintenance and renewal, maintenance of services and financial sustainability, and to address infrastructure requirements for the Verons Estate. On 9 May 2017, IPART approved only a one-year temporary increase of 13.2% in the rate base due to the failure of Council to align its Integrated Planning & Reporting (IP&R) documents with its Special Variation proposal.

Council adopted the 13.2% Special Rate Variation, including the rate peg of 1.5%, for the 2017/18 Financial Year at its June Extra Ordinary Meeting.

The other major financial modelling assumptions remain the same, particularly an expected increase to electricity costs of 25% in 2018/19 and in 2019/20 (due to a new contract) with a 5% increase in the following years.

Following feedback from the community and further Council discussion about its pathway to financial sustainability, Council is seeking to apply to IPART to retain the

13.2% special variation approved as a one-off increase in 2017/18 as a permanent increase and for additional special variations (inclusive of a rate peg of 2.5% pa) of 5% in 2018/19, 5% in 2019/20 and 5% in 2020/21. This will allow for the retention of existing services, allow modest “new” asset spend and move towards meeting all Fit for the Future benchmarks.

Rating Structure - ordinary rates and special rates

The Local Government Act 1993 makes provision for rates to comprise:

- An ad valorem amount (which may be subject to a minimum rate amount) or
- A base amount to which an ad valorem amount is added

Ordinary rates

Council has resolved to maintain the 2016/17 rating structure, comprising both base amounts and ad valorem rates. This was intended to resolve historical inequities in the rating base. The rating structure has a flat ad valorem rate for all residential and business properties, with another flat rate for farmland. An additional special ad valorem rate is applied to all business categories to cover such costs as car parking, tourism and security, with a further special rate applied to the Nowra CBD for promotional activities and city improvements. However, the ad valorem calculations have changed for parcels of land held by the Crown and categorised as Business Permit (i.e., Crown leases such as permissive occupancies, jetties, slipways, moorings, pastoral leases, etc.); these will be subject to an ad valorem rate in the dollar levied on the value of the property supplied by the Valuer General of NSW.

Under the proposed Special Rate Variation, the following is an estimate for 2018/19 of the rates that will apply in respect of each category of ordinary rate under the assumption of no change in the property values used for the 2017/18 rating structure:

Residential: Will be levied an ad valorem amount of 0.22785¢ in \$ across all categories and sub-categories and a base amount of \$610 for Ordinary Residential and \$45 for Residential Non Urban.

Farmland: The rates for both Farmland and Dairy Farmland will be increased by the Special Rate Variation and have a base amount of \$610.

Business: The rates for all the Business sub-categories will be increased by the Special Rate Variation. The base amount for Business Commercial/Industrial and for Business Nowra will be \$610. However, different ad valorems have been applied, depending upon the level of service provided in each area.

Council's 2018/19 Rating Structure under the Proposed Special Rate Variation (

Category	Sub-Category	Ad Valorem (c in \$)	Base Rate Amount	Base Rate %age	Total Rate Yield (\$)
Residential		0.22785	\$610	49.92%	\$64,509,717
	Non-Urban	0.22872	\$45	42.58%	\$110,852
Farmland		0.19798	\$610	24.76%	\$1,968,581
	Dairy Farmers	0.10079	\$610	32.02%	\$236,241
Business		0.33199			\$5,985
	Commercial/Industrial	0.32022	\$610	29.99%	\$3,473,706
	Nowra	0.69919	\$610	15.79%	\$1,401,963
					\$71,707,045

Special Rate Variations

The total additional \$9,028,166 in general rate revenue in 2018/19 resulting from the Special Rate Variation is proposed to be spent as follows:

Assist to cover existing operating costs	\$4,613,912
Additional operations	\$1,000,000
Additional Maintenance	
Roads	\$600,000
Buildings and Facilities	\$200,000
Parks and Reserves	\$200,000
Additional Capital	
Local Road Renewals	\$601,754
Streetscape Renewals	\$512,500
Building and Facilities Renewal	\$800,000
Sportfield upgrades	\$500,000
	\$9,028,166

Council Special Rates

The following are estimated to apply in 2018/19 in respect of the other special rates levied by Council:

Category	Sub-Category	Ad Valorem (c in \$)	Base Rate Amount	Base Rate %age	Total Rate Yield (\$)
Residential	Verons Road Upgrade Special Rate (with Building Entitlement)	1.08993	\$2,647	49.98%	\$117,695
Residential	Verons Road Upgrade Special Rate (without Building Entitlement)	0.23668	\$297	49.84%	\$5,959
Residential	Nebraska Road Construction Special Rate	0.17395	\$121	47.43%	\$5,588
Residential	Jerberra Road Infrastructure Special Rate	3.13600	\$2,533	49.98%	\$603,147
Residential	Jerberra Electricity Infrastructure Special Rate	1.05800	\$853	49.95%	\$203,299
Residential	Jerberra Road E2 Infrastructure Special Rate	7.68750	\$639	49.94%	\$21,742
Business	Sussex Area Special Rate	0.03410			\$15,072
					\$972,502

Special Category Rates – Sussex Inlet CBD Promotion

Council will maintain a special category rate for 2018/19, pursuant to Section 495 of the Local Government Act 1993 for the promotion of Sussex Inlet. The structure of this special rate is an ad valorem rate only, levied on the land value of each rateable property as supplied by the Valuer General of NSW. The Sussex Area special rate applies to all properties within the Sussex Inlet area that are categorised as Business for rating purposes.

Resolving Small Lot Rural Subdivisions (Paper Subdivisions)

Council also levies a number of special rates, pursuant to Section 495 of the Local Government Act 1993 on all small lot rural subdivisions (Residential Non-Urban rating category), which in Council's opinion will benefit from rezoning investigations, road design and construction works.

Proposed Borrowings

Council's borrowings are governed by the provisions of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

These borrowings will be secured by the usual method of a mortgage over Council's income. Competitive quotations are obtained from major banks and financial institutions with the aim of securing a low interest rate.

The proposed 2017/21 loan program remains overall unchanged under the proposed SRV excepting to move the Vincentia Community Centre Library project from 2018/19 into 2019/20:

General Fund Projects	2017/18	2018/19	2019/20	2020/21
Shoalhaven Indoor Sport Centre	4,600,000	2,919,895		
Moona Moona Creek Pedestrian Bridge	640,000			
Caravan Park Development	1,542,059	1,647,500	1,528,500	1,565,000
Vincentia Community Centre Library			1,127,146	
Huskisson Town Centre Service Lanes	150,000	1,545,000	1,545,000	
Bomaderry Pool Rehabilitation				2,000,000
Shoalhaven Memorial Gardens Expansion	200,000	238,000		
Sporting Fields - Planning Area 5				335,400
Waste Management				3,000,000
Verons Estate Infrastructure Construction	2,130,000			
	9,262,059	6,350,395	4,200,646	6,900,400

Sewer Fund Projects	2017/18	2018/19	2019/20	2020/21
Nowra REMS 1B	50,000,000			
St Annes Street, Nowra, Pump Station			3,000,000	
	50,000,000		3,000,000	

Revised Budget & Capital Works under proposed Special Rate Variation

Progress against Council's Fit for the Future Improvement Strategies, including an application to IPART for a Special Rate Variation, is included in Chapter 5. Despite savings from organisational efficiencies, Council still does not have sufficient funds to ensure that the number of its assets in poor condition does not continue to grow. The proposed special variation is part of our medium term solution. The following pages update the budgets and capital works presented in Chapter 5 for the proposed Special Rate Variation detailed in this chapter.

Income Statement - General Fund (with proposed Special Variation)

	Estimated Result For the Year Ending 30 June			
	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations				
Revenue:				
Rates and Annual Charges	87,204	92,184	97,088	102,249
User Charges and Fees	49,694	51,453	53,385	55,391
Interest and Investment Revenue	3,732	3,275	3,017	3,057
Other Revenues	3,452	3,522	3,594	3,668
Internal Revenue	53,883	55,200	56,384	58,855
Grants and Contributions provided for Operating Purposes	18,866	19,090	19,472	19,862
Grants and Contributions provided for Capital Purposes	7,093	5,865	6,294	6,427
Other Income:				
Net Gains from the disposal of assets	0	0	0	0
Total Income from Continuing Operations	223,924	230,589	239,234	249,509
Expenses from Continuing Operations				
Employee Benefits and On-Costs	66,082	67,966	70,603	72,281
Borrowing Costs	1,758	1,829	1,774	1,631
Materials and Contracts	47,327	47,810	48,103	48,834
Depreciation and Amortisation	39,913	41,117	42,281	43,465
Other Expenses	26,474	27,932	29,678	29,850
Internal Expenses	38,455	40,323	41,236	42,191
Net Losses from the disposal of assets	0	0	0	0
Total Expenses from Continuing Operations	220,009	226,977	233,675	238,252
Net Operating Result	3,915	3,612	5,559	11,257
Net Operating Result before grants and contributions provided for capital purposes	(3,178)	(2,253)	(735)	4,830

Statement of Financial Position - General Fund (with proposed Special Variation)

	Estimated Result as at 30 June			
	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
ASSETS				
Current Assets				
Cash and Cash Equivalents	7,753	17,372	19,537	24,586
Investments	48,862	38,862	38,862	38,862
Receivables	14,481	14,730	14,975	15,232
Inventories	1,431	1,431	1,431	1,431
Other	855	855	855	855
Non-current Assets Classified as 'Held for Sale'	0	0	0	0
Total Current Assets	73,382	73,250	75,660	80,966
Non-Current Assets				
Investments	33,261	33,261	33,261	33,261
Receivables	4,219	4,219	4,219	4,219
Inventories	8,870	8,990	10,060	9,930
Infrastructure, Property, Plant & Equipment	1,747,237	1,774,200	1,800,283	1,834,316
Investments Accounted for using the Equity Method	0	0	0	0
Investment Property	1,555	1,555	1,555	1,555
Intangible Assets	291	291	291	291
Total Non-Current Assets	1,795,433	1,822,516	1,849,669	1,883,572
TOTAL ASSETS	1,868,815	1,895,766	1,925,329	1,964,538
LIABILITIES				
Current Liabilities				
Payables	17,019	14,371	14,653	15,925
Borrowings	6,588	6,773	6,513	6,911
Provisions	29,555	29,555	29,555	29,555
Total Current Liabilities	53,162	50,699	50,721	52,391
Non-Current Liabilities				
Payables	0	0	0	0
Borrowings	36,754	36,331	34,019	34,008
Provisions	3,687	3,687	3,687	3,687
Total Non-Current Liabilities	40,441	40,018	37,706	37,695
TOTAL LIABILITIES	93,603	90,717	88,427	90,086
NET ASSETS	1,775,212	1,805,049	1,836,902	1,874,452
EQUITY				
Retained Earnings	867,465	871,077	876,636	887,893
Revaluation Reserves	907,747	933,972	960,266	986,559
TOTAL EQUITY	1,775,212	1,805,049	1,836,902	1,874,452

Statement of Cash Flows - General Fund (with proposed Special Variation)

	Estimated Result For the Year Ending 30 June			
	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Cash Flows from Operating Activities				
Receipts:				
Rates and Annual Charges	86,726	91,935	96,843	101,992
User Charges and Fees	49,694	51,453	53,385	55,391
Interest and Investment Revenue	3,732	3,275	3,017	3,057
Grants and Contributions	25,959	24,955	25,766	26,289
Other Revenues	3,452	3,522	3,594	3,668
Internal Revenues	53,883	55,200	56,384	58,855
Payments:				
Employee Benefits and On-Costs	(66,082)	(67,966)	(70,603)	(72,281)
Borrowing Costs	(1,758)	(1,829)	(1,774)	(1,631)
Materials and Contracts	(47,742)	(47,778)	(48,084)	(48,787)
Other Expenses	(26,474)	(27,932)	(29,678)	(29,850)
Internal Expenses	(38,455)	(40,323)	(41,236)	(42,191)
Net Cash Provided from Operating Activities	42,935	44,512	47,614	54,512
Cash Flows from Investing Activities				
Receipts:				
Sale of Investment Securities	10,000	10,000	0	0
Sale of Investment Property	0	0	0	0
Sale of Real Estate	1,800	2,200	2,950	2,150
Sale of Infrastructure, Property, Plant & Equipment	2,440	2,226	1,866	1,980
Sale of Interest in Joint Venture & Associates	0	0	0	0
Other	0	0	0	0
Payments:				
Purchase of Investment Securities	0	0	0	0
Purchase of Investment Property	0	0	0	0
Purchase of Infrastructure, Property, Plant & Equipment	(61,757)	(46,761)	(43,673)	(51,960)
Purchase of Real Estate Assets	(4,060)	(2,320)	(4,020)	(2,020)
Purchase of Interest in Joint Ventures & Associates	0	0	0	0
Deferred Debtors & Advances Made	0	0	0	0
Net Cash Provided from Investing Activities	(51,577)	(34,655)	(42,877)	(49,850)
Cash Flows from Financing Activities				
Receipts:				
Proceeds from Borrowings & Advances	9,262	6,350	4,201	6,900
Other Financing Activity Receipts	0	0	0	0
Payments:				
Repayment of borrowings & Advances	(5,758)	(6,588)	(6,773)	(6,513)
Repayment of Finance Lease Liabilities	0	0	0	0
Other Financing Activity Payments	0	0	0	0
Net Cash Provided from Financing Activities	3,504	(238)	(2,572)	387
Net Increase/(Decrease) in Council's Reserves	(9,983)	2,518	2,125	4,036
Previous year revote				
Net Increase/(Decrease) due to Investments	10,000	10,000	0	0
Movement in Debtors and Creditors	(4,450)	(2,897)	37	1,015
Net Increase/(Decrease) in Council's Accumulated Funds	(705)	(2)	3	(2)
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,138)	9,619	2,165	5,049
Plus: Cash & Equivalents - beginning of year	12,891	7,753	17,372	19,537
Cash & Equivalents - end of year	7,753	17,372	19,537	24,586

General Fund Restricted Reserves Movements for Financial Years ending 30 June (with proposed Special Variation)

	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
Transfer To Reserve				
Arts Collection	0	0	0	0
Cemeteries	(30)	(36)	(37)	(39)
Committed Capital Works	(145)	0	0	0
Communication Towers	(982)	(997)	(1,034)	(1,073)
Critical Asset Compliance	0	0	0	0
Economic Development Projects	0	(300)	0	0
Employee Leave Entitlement	0	0	0	0
General Insurance	(1,686)	(1,678)	(1,712)	(1,746)
Grants	(32,197)	(3,677)	(3,597)	(3,669)
Industrial Land Development	(1,768)	(1,860)	(2,262)	(3,013)
Land Decontamination	0	0	0	0
Loans	(6,597)	(9,262)	(6,350)	(4,201)
North Nowra Link Road	(6)	0	0	0
Plant Replacement	(9,111)	(10,393)	(10,499)	(10,337)
S94 Developer Contributions	(3,745)	(3,515)	(2,814)	(3,850)
S94 Matching Funds	0	0	0	0
S94 Recoupment	(667)	505	(324)	566
Self Insurance	(1,434)	(1,448)	(1,477)	(1,506)
Special Rates Variation	(2,467)	(9,616)	(11,594)	(13,709)
Sporting Facilities	(47)	(45)	(45)	(46)
Stormwater Levy	(1,093)	(1,101)	(1,108)	(1,116)
Strategic Projects	(3,235)	(1,695)	(1,778)	(1,782)
Property	(1,518)	(28)	0	0
Waste Disposal	(44,564)	(47,601)	(48,961)	(50,677)
Coastal Management & Infrastructure	0	(500)	(500)	(500)
	(111,292)	(93,247)	(94,092)	(96,698)
Transfer From Reserve				
Arts Collection	0	0	0	0
Cemeteries	324	0	0	0
Committed Capital Works	1,850	5,000	147	0
Communication Towers	349	372	318	317
Critical Asset Compliance	160	472	1,413	0
Economic Development Projects	1,000	390	0	0
Employee Leave Entitlement	0	0	0	0
General Insurance	1,722	2,254	1,712	1,746
Grants	36,934	3,677	3,597	3,669
Industrial Land Development	1,971	2,925	2,325	4,025
Land Decontamination	107	90	0	0
Loans	14,735	9,262	6,350	4,201
North Nowra Link Road	235	150	(10)	0
Plant Replacement	10,599	10,868	10,408	9,541
S94 Developer Contributions	4,486	417	519	1,356
S94 Matching Funds	297	248	(1,970)	1,970
S94 Recoupment	2,045	(333)	1,752	(453)
Self Insurance	1,434	1,448	1,477	1,506
Special Rates Variation	3,196	9,616	11,594	13,709
Sporting Facilities	30	50	0	0
Stormwater Levy	1,569	1,101	1,108	1,116
Strategic Projects	7,906	1,395	1,395	950
Property	663	565	573	581
Waste Disposal	45,677	52,863	48,866	50,339
Coastal Management & Infrastructure	0	400	0	0
	138,383	103,230	91,574	94,573

General Fund Restricted Reserves Movements for Financial Years ending 30 June (with proposed Special Variation) - Continued

	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
Estimated Reserve Balances				
Arts Collection	25	25	25	25
Cemeteries	76	112	149	188
Committed Capital Works	5,358	358	211	211
Communication Towers	815	1,440	2,156	2,912
Critical Asset Compliance	2,276	1,804	391	391
Economic Development Projects	1,022	932	932	932
Employee Leave Entitlement	8,136	8,136	8,136	8,136
General Insurance	994	418	418	418
Grants	0	0	0	0
Industrial Land Development	5,072	4,007	3,944	2,932
Land Decontamination	1,539	1,449	1,449	1,449
Loans	0	0	0	0
North Nowra Link Road	423	273	283	283
Plant Replacement	535	60	151	947
S94 Developer Contributions	25,462	28,560	30,855	33,349
S94 Matching Funds	248	0	1,970	0
S94 Recoupment	1,713	1,541	113	0
Self Insurance	1,501	1,501	1,501	1,501
Special Rates Variation	0	0	0	0
Sporting Facilities	233	228	273	319
Stormwater Levy	0	0	0	0
Strategic Projects	605	905	1,288	2,120
Property	2,887	2,350	1,777	1,196
Waste Disposal	7,093	1,831	1,926	2,264
Coastal Management & Infrastructure	0	100	600	1,100
	66,013	56,030	58,548	60,673

New City

Net Cost of Programs

	2017/18			2018/19			2019/20			2020/21		
	Revenue	Operating and Capital Expenditure	Net Cost of Program	Revenue	Operating and Capital Expenditure	Net Cost of Program	Revenue	Operating and Capital Expenditure	Net Cost of Program	Revenue	Operating and Capital Expenditure	Net Cost of Program
General Fund												
Operating Program												
Buildings and Property	1,911	11,115	9,204	1,956	11,987	10,031	2,003	13,103	11,100	2,051	13,421	11,370
Commercial Undertakings	34,596	34,677	81	35,886	35,493	(393)	37,233	36,376	(857)	38,631	37,099	(1,532)
Community and Culture	2,291	7,824	5,533	2,344	7,985	5,641	2,399	8,213	5,814	2,456	8,376	5,920
Economic Development	360	613	253	368	627	259	375	641	266	382	656	274
Environmental Management	426	1,784	1,358	283	1,631	1,348	289	1,660	1,371	295	1,689	1,394
Fire Protection and Emergency Services	762	2,700	1,938	777	2,753	1,976	793	2,807	2,014	809	2,863	2,054
Governance and Civic	53	5,873	5,820	56	6,149	6,093	58	6,564	6,506	60	6,247	6,187
Internal Corporate Services	114,628	38,481	(76,147)	119,527	39,648	(79,879)	124,208	41,335	(82,873)	130,686	42,002	(88,684)
Land Use Planning	560	3,769	3,209	574	3,795	3,221	588	3,748	3,160	602	3,832	3,230
Open Space, Sport and Recreation	426	13,333	12,907	437	14,775	14,338	449	14,622	14,173	460	14,839	14,379
Regulatory Services	6,340	13,220	6,880	6,386	13,480	7,094	6,529	13,778	7,249	6,676	14,082	7,406
Roads and Transport	2,680	36,343	33,663	2,734	37,302	34,568	2,790	38,325	35,535	2,846	39,452	36,606
Waste and Recycling Program	47,378	46,243	(1,135)	48,854	47,289	(1,565)	50,559	48,365	(2,194)	52,332	49,470	(2,862)
Water and Sewer Services	4,420	4,034	(386)	4,542	4,063	(479)	4,667	4,138	(529)	4,796	4,224	(572)
	216,831	220,009	3,178	224,724	226,977	2,253	232,940	233,675	735	243,082	238,252	(4,830)
Capital Program												
Buildings and Property	0	2,514	2,514	0	3,149	3,149	0	6,104	6,104	0	3,051	3,051
Commercial Undertakings	0	5,943	5,943	0	6,135	6,135	0	5,973	5,973	0	8,294	8,294
Community and Culture	0	500	500	0	527	527	0	538	538	0	549	549
Economic Development	750	4,060	3,310	0	2,320	2,320	0	4,020	4,020	0	2,020	2,020
Environmental Management	12	802	790	12	410	398	12	418	406	13	427	414
Fire Protection and Emergency Services	600	600	0	612	612	0	624	624	0	636	636	0
Internal Corporate Services	3,290	6,198	2,908	3,372	6,083	2,711	3,458	5,520	2,062	3,543	6,519	2,976
Land Use Planning	0	25	25	0	26	26	0	26	26	0	27	27
Open Space, Sport and Recreation	0	10,630	10,630	0	5,766	5,766	0	1,455	1,455	0	4,613	4,613
Regulatory Services	0	194	194	0	51	51	0	52	52	0	53	53
Roads and Transport	2,441	23,035	20,594	1,869	18,584	16,715	2,200	20,068	17,868	2,235	21,012	18,777
Waste and Recycling Program	0	7,751	7,751	0	2,730	2,730	0	3,150	3,150	0	7,995	7,995
Water and Sewer Services	0	8	8	0	8	8	0	8	8	0	9	9
	7,093	62,260	55,167	5,865	46,401	40,536	6,294	47,956	41,662	6,427	55,205	48,778
General Fund Total	223,924	282,269	58,345	230,589	273,378	42,789	239,234	281,631	42,397	249,509	293,457	43,948

Capital Program

					Total Over Four Years					City Wide
	2017/18	2018/19	2019/20	2020/21	Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5	
General Fund										
Buildings and Property										
Community, Residential and Commercial Buildings										
Depot Improvements										
Depot Improvements	70,000	41,000	42,000	43,000	0	0	0	0	0	196,000
Public Amenities										
Bendalong Boat Ramp Toilets	162,000	0	0	0	0	0	0	0	162,000	0
Berry CBD	0	150,000	0	0	150,000	0	0	0	0	0
Mollymook Beach Reserve	110,000	0	0	0	0	0	0	0	110,000	0
Public Amenities Replacement	0	150,000	307,500	314,000	0	0	0	0	0	771,500
Public Buildings										
Arts Centre	4,000	22,000	22,600	23,100	71,700	0	0	0	0	0
Asbestos Mgmt Plan Building Repairs	72,000	127,000	130,000	133,000	0	0	0	0	0	462,000
Building compliance (fire)	400,000	1,412,517	0	0	0	0	0	0	0	1,812,517
Community Building Equipment Renewal	12,000	12,200	12,400	12,600	0	0	0	0	0	49,200
Community Buildings Minor Wrks	164,000	167,000	170,000	173,000	0	0	0	0	0	674,000
Nowra Admin Building - replace chiller	450,000	0	0	0	450,000	0	0	0	0	0
Special Rate Variation Renewal Works (2018/19)	0	800,000	1,000,000	2,081,000	0	0	0	0	0	3,881,000
Ulladulla Admin Build Upgrade	47,000	12,200	12,400	12,600	0	0	0	0	84,200	0
Vincentia Community Centre Library	700,000	0	4,150,000	0	0	0	4,850,000	0	0	0
Corporate Buildings										
Administrative Building Management - Capital										
Administration Building Capital	73,000	55,000	57,000	59,000	244,000	0	0	0	0	0
Property Management										
Property Development & Disposal										
Property Develop General	200,000	200,000	200,000	200,000	0	0	0	0	0	800,000
Rehabilitate 76 Bridge Road Nowra	50,000	0	0	0	50,000	0	0	0	0	0
Commercial Undertakings										
Cemeteries										
Cemeteries Works Program										
Cemeteries Capital Works	129,780	134,000	138,000	142,000	543,780	0	0	0	0	0
Worrigee Expansion - Segment 11	200,000	238,000	0	0	438,000	0	0	0	0	0
Entertainment Centre										
Shoalhaven Entertainment Centre Capital										
Shoalhaven Entertainment Centre	50,000	51,000	52,000	53,000	206,000	0	0	0	0	0
Mechanical Services										
Mechanical Services Equipment										
Mechanical Workshop Capital	5,000	6,000	6,000	6,000	23,000	0	0	0	0	0
Swim and Fitness										
Aquatics Capital Program										
Bomaderry Pool Rehabilitation	0	0	0	2,000,000	2,000,000	0	0	0	0	0
General Aquatics Capital Works	459,000	430,000	547,000	753,000	0	0	0	0	0	2,189,000
Tourist Parks										
Annual Tourist Parks Works Program										
Caravan Park Development	1,352,059	1,297,500	1,423,500	1,350,000	0	0	0	0	0	5,423,059
Caravan Parks Renewal	3,747,471	3,978,600	3,806,200	3,990,200	0	0	0	0	0	15,522,471

					Total Over Four Years					City Wide
	2017/18	2018/19	2019/20	2020/21	Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5	
Community and Culture										
Community Services										
Community Services - Capital										
CCTV renewal	50,000	51,000	52,000	53,000	206,000	0	0	0	0	0
Library										
Books & Audio Visual										
Books & Audio Visual	400,000	420,200	428,600	437,200	0	0	0	0	0	1,686,000
Library Furniture & Equipment										
Library Furniture & Equipment	50,000	56,100	57,200	58,300	0	0	0	0	0	221,600
Economic Development										
Economic Development										
Industrial Land Development										
Industrial Land Development	2,920,000	2,320,000	4,020,000	2,020,000	0	0	0	0	0	11,280,000
Ulladulla Harbour Berthing	1,139,742	0	0	0	0	0	0	0	1,139,742	0
Environmental Management										
Coastal and Estuary Management										
Coastal Programme										
Coastal Foreshore Erosion Works	62,000	63,200	64,500	65,800	0	0	0	0	0	255,500
Coastal F'shore Access Strategy	49,000	50,000	51,000	52,000	0	0	0	0	0	202,000
Currarong Coastal Erosion remediaton works	400,000	0	0	0	0	400,000	0	0	0	0
Estuary Programme										
Implement Estuary Management Plans	155,000	158,100	161,300	164,500	0	0	0	0	0	638,900
Implementation Entrance Plans	63,000	64,300	65,600	66,900	0	0	0	0	0	259,800
Floodplain Management										
Floodplain Programme										
Floodplain Program General	36,000	36,700	37,400	38,100	0	0	0	0	0	148,200
Natural Areas										
Natural Areas Infrastructure										
Walking Track Upgrades	37,000	37,700	38,500	39,300	0	0	0	0	0	152,500
Fire Protection and Emergency Services										
Fire Protection and Emergency Services										
Rural Fire Service Buildings										
Fire Stations	600,000	612,000	624,000	636,000	0	0	0	0	0	2,472,000
Internal Corporate Services										
Asset Planning and Development										
Office Equipment										
Engineers Equipment	374,000	37,700	38,500	39,300	0	0	0	0	0	489,500
Fleet and Plant										
Purchase / Sale of Plant										
Multifunction machine purchase	50,000	50,000	25,000	150,000	0	0	0	0	0	275,000
Plant Purchases	2,387,000	2,320,922	1,800,000	2,415,149	0	0	0	0	0	8,923,071
Purchase / Sale of Vehicles										
Vehicle Purchases	3,050,500	3,296,000	3,296,000	3,347,500	0	0	0	0	0	12,990,000

					Total Over Four Years					City Wide
	2017/18	2018/19	2019/20	2020/21	Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5	
Information Technology										
IT Capital Projects										
Additional Disk Storage	80,000	89,800	92,000	94,000	0	0	0	0	0	355,800
Corporate PC Hardware	148,000	151,000	154,000	157,100	0	0	0	0	0	610,100
Councillors Equipment	8,000	8,200	8,400	8,600	0	0	0	0	0	33,200
It Administration Equipment	6,000	6,100	6,200	6,300	0	0	0	0	0	24,600
It Network Equipment	45,000	60,200	61,400	62,600	0	0	0	0	0	229,200
Printing Equipment	25,000	25,375	0	200,000	0	0	0	0	0	250,375
Management and Support										
Office Furniture and Equipment										
Corporate Services Equipment	25,000	37,700	38,500	39,300	0	0	0	0	0	140,500
Land Use Planning										
Land Use Planning										
Planning Services Equipment										
Graphics Unit Equipment	25,000	25,500	26,000	26,500	0	0	0	0	0	103,000
Open Space, Sport and Recreation										
Parks, Reserves, Sport and Recreation Areas										
Active Recreation										
Active Rec Minor Improvement	38,000	38,800	39,600	40,400	0	0	0	0	0	156,800
Car Parking Active (CrownLand)	84,000	85,700	87,400	89,100	0	0	0	0	0	346,200
Forward Design	14,000	19,400	19,800	20,200	0	0	0	0	0	73,400
Lighting Upgrades	82,000	83,600	85,300	87,000	0	0	0	0	0	337,900
Milton Croquet	40,000	750,000	0	0	0	0	0	0	790,000	0
Narang Rd Tennis Lighting	165,000	0	0	0	165,000	0	0	0	0	0
New Playgrounds	0	63,000	0	66,000	0	0	0	0	0	129,000
Shoalhaven Indoor Sport Centre	9,600,000	2,919,895	0	0	12,519,895	0	0	0	0	0
Showground Improvement Program	0	61,000	0	64,890	125,890	0	0	0	0	0
Skate Park Provision	0	0	53,000	0	0	0	0	0	0	53,000
Sporting Fields - Planning Area 5	0	0	0	2,000,000	0	0	0	0	2,000,000	0
Sporting Fields - Planning Area 3	0	0	0	1,000,000	0	0	1,000,000	0	0	0
Sports Capital Works Partnership Program	152,000	155,000	158,100	161,300	0	0	0	0	0	626,400
Sportsfield Irrigation Program	50,000	95,300	97,700	100,100	0	0	0	0	0	343,100
Sportsfield Upgrades Special Rate Variation Works (2018/19)	0	500,000	512,500	525,313	0	0	0	0	0	1,537,813
Sportsfields Shade Provision	30,000	38,800	39,600	40,400	0	0	0	0	0	148,800
Tennis Minor Program	0	0	50,000	0	0	0	0	0	0	50,000
Passive Recreation										
Implementation of Plans of Management	27,000	37,700	38,500	39,300	0	0	0	0	0	142,500
Maintenance Design Improvement	19,000	19,400	19,800	20,200	0	0	0	0	0	78,400
Park Enhancement Program	38,000	38,800	39,600	40,400	0	0	0	0	0	156,800
Playground Equipment Replace	185,000	188,700	192,500	196,400	0	0	0	0	0	762,600
Ray Abood Oval Playground	35,000	0	0	0	35,000	0	0	0	0	0
Regional Skate Park Area 3	0	650,000	0	0	0	0	650,000	0	0	0
Tennis Courts Capital										
Tennis Courts Capital	50,000	0	0	100,000	0	0	0	0	0	150,000

					Total Over Four Years					City Wide
	2017/18	2018/19	2019/20	2020/21	Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5	
Tree Management										
Parks										
Parks Tree Planting	21,000	21,400	21,800	22,200	0	0	0	0	0	86,400
Regulatory Services										
Development, Building and Compliance										
Development Services Equipment										
Development Services Equipment	108,514	25,500	26,000	26,500	0	0	0	0	0	186,514
Environmental Regulation										
Environmental Services - Capital										
Environment Boat	60,000	0	0	0	0	0	0	0	0	60,000
Water Sampling Unit										
Environmental Unit Capital	25,000	25,500	26,000	26,500	0	0	0	0	0	103,000
Roads and Transport										
Car Parking										
Car Parking Construction										
Nowra CBD All Day Carparking	50,000	150,000	200,000	300,000	700,000	0	0	0	0	0
Pedestrian Facilities										
Pedestrian Facilities										
Bicycle Racks	10,000	10,200	10,400	10,600	0	0	0	0	0	41,200
Cycleways - community projects	110,589	110,000	110,000	110,000	0	0	0	0	0	440,589
Footpath Forward Investigation	0	13,300	13,600	13,900	0	0	0	0	0	40,800
Footpaths - Replace	306,000	57,100	58,200	59,400	200,000	0	63,000	0	88,000	129,700
Footpaths/Cycleways - New	0	164,000	167,300	170,600	0	0	0	0	0	501,900
Huskisson Town Centre Pedestrian Crossing Improvement	184,000	0	0	0	0	0	184,000	0	0	0
Kerb Ramps	10,000	10,200	10,400	10,600	0	0	0	0	0	41,200
Pedestrian Infrastructure Around Schools	270,000	0	0	0	0	0	0	0	0	270,000
Provision of Pedestrian Crossings	20,000	20,400	20,800	21,200	0	0	0	0	0	82,400
Shared User Path Deering St Stage 1 - Ulladulla	300,000	0	0	0	0	0	0	0	300,000	0
Shared User Path Vincent/Tywford Sts Vincentia	380,000	0	0	0	0	0	380,000	0	0	0
Various Pathway Upgrades	150,000	0	0	0	0	0	0	0	0	150,000
Roads										
Bridge Program										
Bridge Replacement Programme	0	510,000	520,200	530,600	0	0	0	0	0	1,560,800
Design-Bridge Replacement	20,000	20,400	20,800	21,200	0	0	0	0	0	82,400
Moona Moona Creek Pedestrian Bridge	640,000	0	0	0	0	0	640,000	0	0	0
Yarramunmun Ck Bridge Replacement	450,000	0	0	0	0	0	0	0	0	450,000
Comerong Ferry										
Comerong Ferry Overhaul	0	391,000	0	0	391,000	0	0	0	0	0
Kerb & Guttering Programme										
Contribution To Ratepayers Advances	15,000	15,300	15,600	15,900	0	0	0	0	0	61,800
James Cres Rate Payers Advance	8,480	0	0	0	0	0	0	0	8,480	0
Kerb & Gutter Replacement	601,520	168,300	171,700	175,100	200,000	0	125,000	0	175,000	616,620

					Total Over Four Years					City Wide
	2017/18	2018/19	2019/20	2020/21	Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5	
Local Road Repair Program										
Bendalong Rd	800,000	0	0	0	0	0	0	0	800,000	0
Callala Beach Road Repair	400,000	0	0	0	0	400,000	0	0	0	0
Coonemia Rd	603,613	0	0	0	0	603,613	0	0	0	0
Currarong Rd	700,000	0	0	0	0	700,000	0	0	0	0
Hillcrest Ave Repair	300,000	0	0	0	300,000	0	0	0	0	0
Greenwell Point Rd Nowra	800,000	0	0	0	800,000	0	0	0	0	0
Jindy Andy Lane Repair	700,000	0	0	0	700,000	0	0	0	0	0
Kingham Street Nowra	20,000	200,000	0	0	220,000	0	0	0	0	0
Local Road Repair Program	0	2,967,000	3,230,300	3,294,900	0	0	0	0	0	9,492,200
Local Road Resheet	550,000	550,000	550,000	550,000	0	0	0	0	0	2,200,000
Local Road Resurface	5,358,012	3,429,200	3,497,800	3,567,800	5,111,800	0	3,195,000	0	4,472,000	3,074,012
Millbank Road Repair	400,000	0	0	0	400,000	0	0	0	0	0
Prince Edward Ave Stage 2	701,819	0	0	0	0	701,819	0	0	0	0
Roads to Recovery Program	0	1,476,819	1,800,000	1,800,000	0	0	0	0	0	5,076,819
Special Rate Variation Renewal Works (2014)	0	2,566,204	2,630,359	2,696,118	0	0	0	0	0	7,892,680
Special Rate Variation Renewal Works (2018/19)	0	601,754	1,676,466	3,995,040	0	0	0	0	0	6,273,260
The Wool Rd Old Errowal Bay	800,000	0	0	0	0	0	800,000	0	0	0
Warden St Ulladulla	300,000	0	0	0	0	0	0	0	300,000	0
Woodhill Road	460,000	0	0	0	460,000	0	0	0	0	0
Worrigeer Rd Worrigeer	350,000	0	0	0	350,000	0	0	0	0	0
Regional Road Repair Program										
General Regional Road Repair	660,000	673,200	686,700	700,400	0	0	0	0	0	2,720,300
Roads Strategy Projects										
Guardrail Provision/Replace	63,000	64,300	65,600	66,900	0	0	0	0	0	259,800
Huskisson Town Centre Service Lanes	150,000	1,545,000	1,545,000	0	0	0	3,240,000	0	0	0
Land Acquisition	50,000	73,400	74,900	76,400	0	0	0	0	0	274,700
Local Roads-Survey/Design	57,000	58,100	59,300	60,500	0	0	0	0	0	234,900
Northern Collector Road	150,000	0	0	0	150,000	0	0	0	0	0
Verons Infrastructure Construction	2,130,000	0	0	0	0	0	0	2,130,000	0	0
Rural Road Sealing										
Rural Road Sealing	0	300,000	308,000	0	0	0	0	0	0	608,000

					Total Over Four Years					City Wide
	2017/18	2018/19	2019/20	2020/21	Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5	
Stormwater										
Drainage										
Adelaide St / Church St, Greenwell Point	107,500	0	0	0	107,500	0	0	0	0	0
Bannister Hear Road, Mollymook Beach	60,000	0	0	0	0	0	0	0	60,000	0
Bendalong Point, Bendalong	30,000	0	0	0	0	0	0	0	30,000	0
Bolong Road, Bomaderry	250,000	0	0	0	250,000	0	0	0	0	0
Drainage Investigation	29,000	29,600	30,200	30,800	0	0	0	0	0	119,600
Greville Ave, Sanctuary Point	250,000	0	0	0	0	0	250,000	0	0	0
Implementation of Drainage Strategy	0	1,108,000	1,115,500	1,123,000	0	0	0	0	0	3,346,500
Lake Conjola Entrance Road, Lake Conjola	60,000	0	0	0	0	0	0	0	60,000	0
Links Ave, Sanctuary Point	40,000	0	0	0	0	0	40,000	0	0	0
Local Drainage Improvement Program	0	384,500	392,200	400,000	0	0	0	0	0	1,176,700
Orient Point Road, Culburra Beach	70,000	0	0	0	0	70,000	0	0	0	0
Prentice Ave, Old Erowal Bay	40,000	0	0	0	0	0	40,000	0	0	0
Reserve Rd, Basin View	100,000	0	0	0	0	0	100,000	0	0	0
River Road, Shoalhaven Heads	100,000	0	0	0	100,000	0	0	0	0	0
Stormwater Manage Plan	76,000	77,500	79,100	80,700	0	0	0	0	0	313,300
Strategic Stormwater Catchment Analysis	19,000	19,400	19,800	20,200	0	0	0	0	0	78,400
Sunset Strip, Manyana	70,000	0	0	0	0	0	0	0	70,000	0
Sussex Inlet Rd and Government Road, Sussex Inlet	150,000	0	0	0	0	0	0	150,000	0	0
Waratah Cres, Sanctuary Point	150,000	0	0	0	0	0	150,000	0	0	0
Streetscapes										
Other Streetscape Program										
Nowra CBD renewal	500,000	0	0	0	500,000	0	0	0	0	0
Streetscape path renewal	200,000	0	200,000	0	0	0	0	0	0	400,000
Jacobs Drive Sussex Inlet	500,000	0	0	0	0	0	0	500,000	0	0
Village Identification Signage	0	50,000	0	50,000	0	0	0	0	0	100,000
Special Rate Variation Renewal Works (2018/19)	0	512,500	525,313	538,446	0	0	0	0	0	1,576,259
Traffic Management										
Traffic Facilities Program										
Minor Traffic Control Works	40,000	60,200	61,400	62,600	0	0	0	0	0	224,200
School Traffic Safety Program	20,000	35,700	36,400	37,100	0	0	0	0	0	129,200
Signage Improvement Program	14,000	14,300	14,600	14,900	0	0	0	0	0	57,800
Street Lighting Program	0	14,300	15,000	15,450	0	0	0	0	0	44,750
Waterways Infrastructure										
Waterways Infrastructure										
Better Boating Program	100,000	102,000	104,000	0	0	0	0	0	0	306,000
Greenwell Point - reconstruct sandstone wall	0	0	0	200,000	200,000	0	0	0	0	0
Replace Jetty Neilson Ln Sussex	0	0	0	160,000	0	0	0	160,000	0	0
Waterways Minor Improve Prog	30,235	30,600	31,200	31,800	0	0	0	0	0	123,835

					Total Over Four Years					City Wide
	2017/18	2018/19	2019/20	2020/21	Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5	
Waste and Recycling Program										
Landfill and Transfer Station Operations										
Vehicle / Plant Replacement Program										
Waste Plant Purchases	1,412,500	680,000	750,000	795,000	0	0	0	0	0	3,637,500
Waste Management - Capital Expenditure										
Animal Shelter Construction	2,500,000	0	0	0	2,500,000	0	0	0	0	0
Berry weighbridge	100,000	0	0	0	100,000	0	0	0	0	0
Berry Sealing Access Road and Carpark	40,000	0	0	0	40,000	0	0	0	0	0
Berry Solar Power Upgrade	15,000	0	0	0	15,000	0	0	0	0	0
Callala Communications Upgrade	35,000	0	0	0	35,000	0	0	0	0	0
Huskisson Road and Office Area	45,000	0	0	0	0	0	45,000	0	0	0
Huskisson Weighbridge Cover	150,000	0	0	0	0	0	150,000	0	0	0
Kioloa Relocate Office and Ancillaries	50,000	0	0	0	0	0	0	0	50,000	0
Ulladulla Weighbridge Cover	150,000	0	0	0	0	0	0	0	150,000	0
Waste Management Capital	0	2,050,000	2,400,000	7,200,000	0	0	0	0	0	11,650,000
West Nowra Landfill Extension	350,000	0	0	0	350,000	0	0	0	0	0
West Nowra Liner and Leachate Control	555,233	0	0	0	555,233	0	0	0	0	0
West Nowra New Transfer Facilities	2,000,000	0	0	0	2,000,000	0	0	0	0	0
West Nowra Perimeter Road	348,154	0	0	0	348,154	0	0	0	0	0
Water and Sewer Services										
Water Services										
Communications Infrastructure & Equipment										
Communications Section	8,000	8,200	8,400	8,600	0	0	0	0	0	33,200
General Fund Total	62,259,721	46,401,286	47,956,438	55,204,906	34,311,952	2,875,432	15,902,000	2,940,000	10,849,422	144,943,544

New

Long Term Financial Plan

To meet its service delivery and financial commitments into the future and allow modest “new” asset spend, Council is seeking to apply to IPART to retain the 13.2% special variation approved as a one-off increase in 2017/18 as a permanent increase and for additional special variations (inclusive of a rate peg of 2.5% pa) of 5% in 2018/19, 5% in 2019/20 and 5% in 2020/21. The impact of Council’s proposal on its General Fund and Consolidated financial statements over the 10 year planning horizon is shown in the following pages.

These financial statements supersede those in Council’s Resourcing Strategy at Chapter 6 and reflect the impact and consequences of the proposed increases to general rate income:

- Maintaining the 13.2% from the current SRV and an additional 5% in 2018/19 (includes estimated rate peg of 2.5%)
- 5.0% in 2019/20 (includes estimated rate peg of 2.5%)
- 5.0% in 2020/21 (includes estimated rate peg of 2.5%)

Long Term Financial Statements

The Long Term Financial Plan that follows includes projected income and expenditure, balance sheet and cash flow statements. The format of these statements is in accordance with the current Code of Accounting Practice.

As the Water and Sewer Long Term Financial Plans have not changed, only the new General Fund and Consolidated Statements are shown.

Income Statement - General Fund (with proposed Special Variation)

Estimated Result For the Year Ending 30 June

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	87,204	92,184	97,088	102,249	105,576	108,792	112,337	115,996	119,771	123,667
User Charges and Fees	49,694	51,453	53,385	55,391	57,487	59,518	61,336	63,649	66,052	68,548
Interest and Investment Revenue	3,732	3,275	3,017	3,057	3,073	3,076	3,443	3,545	3,637	3,789
Other Revenues	3,452	3,522	3,594	3,668	3,742	3,819	3,897	3,977	4,058	4,141
Internal Revenue	53,883	55,200	56,384	58,855	60,728	62,431	63,897	66,042	66,798	68,312
Grants and Contributions provided for Operating Purposes	18,866	19,090	19,472	19,862	20,259	20,664	21,078	21,499	21,929	22,368
Grants and Contributions provided for Capital Purposes	7,093	5,865	6,294	6,427	4,656	4,766	4,880	4,998	5,118	5,240
Other Income:										
Net Gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	223,924	230,589	239,234	249,509	255,521	263,066	270,868	279,706	287,363	296,065
Expenses from Continuing Operations										
Employee Benefits and On-Costs	66,082	67,966	70,603	72,281	73,998	75,757	77,560	79,413	81,810	84,253
Borrowing Costs	1,758	1,829	1,774	1,631	1,612	1,530	1,362	1,373	1,192	1,055
Materials and Contracts	47,327	47,810	48,103	48,834	49,580	50,441	51,718	53,515	54,850	56,720
Depreciation and Amortisation	39,913	41,117	42,281	43,465	44,394	45,282	46,188	47,255	48,303	49,381
Other Expenses	26,474	27,932	29,678	29,850	30,485	31,797	33,087	33,616	35,157	36,901
Internal Expenses	38,455	40,323	41,236	42,191	43,789	45,217	46,499	48,360	48,838	50,076
Net Losses from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	220,009	226,977	233,675	238,252	243,858	250,024	256,414	263,532	270,150	278,386
Net Operating Result	3,915	3,612	5,559	11,257	11,663	13,042	14,454	16,174	17,213	17,679
Net Operating Result before grants and contributions provided for capital purposes	(3,178)	(2,253)	(735)	4,830	7,007	8,276	9,574	11,176	12,095	12,439

Statement of Financial Position - General Fund (with proposed Special Variation)

	Estimated Result as at 30 June									
	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	7,753	17,372	19,537	24,586	27,802	29,963	32,061	33,964	35,628	39,240
Investments	48,862	38,862	38,862	38,862	38,862	44,862	44,862	44,862	48,862	48,862
Receivables	14,481	14,730	14,975	15,232	15,398	15,559	15,736	15,918	16,107	16,301
Inventories	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
Other	855	855	855	855	855	855	855	855	855	855
Non-current Assets Classified as 'Held for Sale'	0	0	0	0	0	0	0	0	0	0
Total Current Assets	73,382	73,250	75,660	80,966	84,348	92,670	94,945	97,030	102,883	106,689
Non-Current Assets										
Investments	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261
Receivables	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219	4,219
Inventories	8,870	8,990	10,060	9,930	9,750	7,870	7,140	6,560	4,880	4,880
Infrastructure, Property, Plant & Equipment	1,747,237	1,774,200	1,800,283	1,834,316	1,867,735	1,896,099	1,939,736	1,977,021	2,015,435	2,057,014
Investments Accounted for using the Equity Method	0	0	0	0	0	0	0	0	0	0
Investment Property	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555
Intangible Assets	291	291	291	291	291	291	291	291	291	291
Total Non-Current Assets	1,795,433	1,822,516	1,849,669	1,883,572	1,916,811	1,943,295	1,986,202	2,022,907	2,059,641	2,101,220
TOTAL ASSETS	1,868,815	1,895,766	1,925,329	1,964,538	2,001,159	2,035,965	2,081,147	2,119,937	2,162,524	2,207,909

New

Statement of Financial Position - General Fund (with proposed Special Variation) - Continued

Estimated Result as at 30th June

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES										
Current Liabilities										
Payables	17,019	14,371	14,653	15,925	16,058	15,051	17,893	17,066	17,204	17,987
Borrowings	6,588	6,773	6,513	6,911	7,006	6,249	7,028	6,647	6,045	6,469
Provisions	29,555	29,555	29,555	29,555	29,555	29,555	29,555	29,555	29,555	29,555
Total Current Liabilities	53,162	50,699	50,721	52,391	52,619	50,855	54,476	53,268	52,804	54,011
Non-Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	36,754	36,331	34,019	34,008	32,445	29,001	28,552	24,212	21,303	18,499
Provisions	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687
Total Non-Current Liabilities	40,441	40,018	37,706	37,695	36,132	32,688	32,239	27,899	24,990	22,186
TOTAL LIABILITIES	93,603	90,717	88,427	90,086	88,751	83,543	86,715	81,167	77,794	76,197
NET ASSETS	1,775,212	1,805,049	1,836,902	1,874,452	1,912,408	1,952,422	1,994,432	2,038,770	2,084,730	2,131,712
EQUITY										
Retained Earnings	867,465	871,077	876,636	887,893	899,556	912,598	927,052	943,226	960,439	978,118
Revaluation Reserves	907,747	933,972	960,266	986,559	1,012,852	1,039,824	1,067,380	1,095,544	1,124,291	1,153,594
TOTAL EQUITY	1,775,212	1,805,049	1,836,902	1,874,452	1,912,408	1,952,422	1,994,432	2,038,770	2,084,730	2,131,712

New

Statement of Cash Flows - General Fund (with proposed Special Variation)

Estimated Result For the Year Ending 30 June

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates and Annual Charges	86,726	91,935	96,843	101,992	105,410	108,631	112,160	115,814	119,582	123,473
User Charges and Fees	49,694	51,453	53,385	55,391	57,487	59,518	61,336	63,649	66,052	68,548
Interest and Investment Revenue	3,732	3,275	3,017	3,057	3,073	3,076	3,443	3,545	3,637	3,789
Grants and Contributions	25,959	24,955	25,766	26,289	24,915	25,430	25,958	26,497	27,047	27,608
Other Revenues	3,452	3,522	3,594	3,668	3,742	3,819	3,897	3,977	4,058	4,141
Internal Revenues	53,883	55,200	56,384	58,855	60,728	62,431	63,897	66,042	66,798	68,312
Payments:										
Employee Benefits and On-Costs	(66,082)	(67,966)	(70,603)	(72,281)	(73,998)	(75,757)	(77,560)	(79,413)	(81,810)	(84,253)
Borrowing Costs	(1,758)	(1,829)	(1,774)	(1,631)	(1,612)	(1,530)	(1,362)	(1,373)	(1,192)	(1,055)
Materials and Contracts	(47,742)	(47,778)	(48,084)	(48,787)	(49,531)	(50,385)	(51,635)	(53,399)	(54,763)	(56,598)
Other Expenses	(26,474)	(27,932)	(29,678)	(29,850)	(30,485)	(31,797)	(33,087)	(33,616)	(35,157)	(36,901)
Internal Expenses	(38,455)	(40,323)	(41,236)	(42,191)	(43,789)	(45,217)	(46,499)	(48,360)	(48,838)	(50,076)
Net Cash Provided from Operating Activities	42,935	44,512	47,614	54,512	55,940	58,219	60,548	63,363	65,414	66,988
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	10,000	10,000	0	0	0	0	0	0	0	0
Sale of Investment Property	0	0	0	0	0	0	0	0	0	0
Sale of Real Estate	1,800	2,200	2,950	2,150	2,300	1,900	1,750	1,600	1,700	0
Sale of Infrastructure, Property, Plant & Equipment	2,440	2,226	1,866	1,980	2,066	2,723	2,453	2,763	2,470	2,715
Sale of Interest in Joint Venture & Associates	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0

NEW

Statement of Cash Flows - General Fund (with proposed Special Variation) - Continued

	Estimated Result For the Year Ending 30th June									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Investing Activities - Continued										
Payments:										
Purchase of Investment Securities	0	0	0	0	0	(6,000)	0	0	(4,000)	0
Purchase of Investment Property	0	0	0	0	0	0	0	0	0	0
Purchase of Infrastructure, Property, Plant & Equipment	(61,757)	(46,761)	(43,673)	(51,960)	(53,502)	(50,460)	(61,963)	(60,082)	(60,389)	(63,711)
Purchase of Real Estate Assets	(4,060)	(2,320)	(4,020)	(2,020)	(2,120)	(20)	(1,020)	(1,020)	(20)	0
Purchase of Interest in Joint Ventures & Associates	0	0	0	0	0	0	0	0	0	0
Deferred Debtors & Advances Made	0	0	0	0	0	0	0	0	0	0
Net Cash Provided from Investing Activities	(51,577)	(34,655)	(42,877)	(49,850)	(51,256)	(51,857)	(58,780)	(56,739)	(60,239)	(60,996)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	9,262	6,350	4,201	6,900	5,443	2,805	6,579	2,307	3,136	3,665
Other Financing Activity Receipts	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings & Advances	(5,758)	(6,588)	(6,773)	(6,513)	(6,911)	(7,006)	(6,249)	(7,028)	(6,647)	(6,045)
Repayment of Finance Lease Liabilities	0	0	0	0	0	0	0	0	0	0
Other Financing Activity Payments	0	0	0	0	0	0	0	0	0	0
Net Cash Provided from Financing Activities	3,504	(238)	(2,572)	387	(1,468)	(4,201)	330	(4,721)	(3,511)	(2,380)
Net Increase/(Decrease) in Council's Reserves Previous year revote	(9,983)	2,518	2,125	4,036	3,248	9,327	(568)	2,914	5,715	3,025
Net Increase/(Decrease) due to Investments	10,000	10,000	0	0	0	(6,000)	0	0	(4,000)	0
Movement in Debtors and Creditors	(4,450)	(2,897)	37	1,015	(33)	(1,168)	2,665	(1,009)	(51)	589
Net Increase/(Decrease) in Council's Accumulated Funds	(705)	(2)	3	(2)	1	2	1	(2)	0	(2)
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,138)	9,619	2,165	5,049	3,216	2,161	2,098	1,903	1,664	3,612
Plus: Cash & Equivalents - beginning of year	12,891	7,753	17,372	19,537	24,586	27,802	29,963	32,061	33,964	35,628
Cash & Equivalents - end of year	7,753	17,372	19,537	24,586	27,802	29,963	32,061	33,964	35,628	39,240

General Fund Restricted Reserves Movements for Financial Years ending 30 June (with proposed Special Variation)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transfer To Reserve										
Arts Collection	0	0	0	0	0	0	0	0	0	0
Cemeteries	(30)	(36)	(37)	(39)	(40)	(42)	(44)	(45)	(47)	(49)
Committed Capital Works	(145)	0	0	0	0	0	0	0	0	0
Communication Towers	(982)	(997)	(1,034)	(1,073)	(1,112)	(1,154)	(1,197)	(815)	(845)	(875)
Critical Asset Compliance	0	0	0	0	0	0	0	0	0	0
Economic Development Projects	0	(300)	0	0	0	0	0	0	0	0
Employee Leave Entitlement	0	0	0	0	0	0	0	0	0	0
General Insurance	(1,686)	(1,678)	(1,712)	(1,746)	(1,781)	(1,816)	(1,853)	(1,890)	(1,928)	(1,966)
Grants	(32,197)	(3,677)	(3,597)	(3,669)	(3,743)	(3,817)	(3,894)	(3,972)	(4,051)	(4,132)
Industrial Land Development	(1,768)	(1,860)	(2,262)	(3,013)	(2,214)	(2,365)	(1,967)	(1,818)	(1,669)	(1,771)
Land Decontamination	0	0	0	0	0	0	0	0	0	0
Loans	(6,597)	(9,262)	(6,350)	(4,201)	(6,900)	(5,443)	(2,805)	(6,579)	(2,307)	(3,136)
North Nowra Link Road	(6)	0	0	0	0	0	0	0	0	0
Plant Replacement	(9,111)	(10,393)	(10,499)	(10,337)	(10,659)	(10,849)	(11,073)	(11,317)	(11,567)	(11,823)
S94 Developer Contributions	(3,745)	(3,515)	(2,814)	(3,850)	(4,044)	(4,224)	(4,398)	(4,596)	(4,653)	(4,741)
S94 Matching Funds	0	0	0	0	0	0	0	0	0	0
S94 Recoupment	(667)	505	(324)	566	566	566	566	566	566	566
Self Insurance	(1,434)	(1,448)	(1,477)	(1,506)	(1,536)	(1,567)	(1,598)	(1,630)	(1,663)	(1,696)
Special Rates Variation	(2,467)	(9,616)	(11,594)	(13,709)	(15,967)	(16,366)	(16,775)	(14,291)	(14,648)	(15,015)
Sporting Facilities	(47)	(45)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Stormwater Levy	(1,093)	(1,101)	(1,108)	(1,116)	(1,123)	(1,131)	(1,138)	(1,146)	(1,153)	(1,161)
Strategic Projects	(3,235)	(1,695)	(1,778)	(1,782)	(3,031)	(3,037)	(3,043)	(3,049)	(3,055)	(3,061)
Property	(1,518)	(28)	0	0	0	0	(720)	(500)	(860)	(500)
Waste Disposal	(44,564)	(47,601)	(48,961)	(50,677)	(52,457)	(54,375)	(55,804)	(57,771)	(59,759)	(61,948)
Coastal Management & Infrastructure	0	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
	(111,292)	(93,247)	(94,092)	(96,698)	(104,588)	(106,168)	(106,292)	(109,403)	(108,190)	(111,860)

New

General Fund Restricted Reserves Movements for Financial Years ending 30 June (with proposed Special Variation) - Continued

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transfer From Reserve										
Arts Collection	0	0	0	0	0	0	0	0	0	0
Cemeteries	324	0	0	0	0	0	0	0	0	0
Committed Capital Works	1,850	5,000	147	0	0	0	0	0	0	0
Communication Towers	349	372	318	317	324	331	338	469	459	469
Critical Asset Compliance	160	472	1,413	0	0	0	0	0	0	0
Economic Development Projects	1,000	390	0	0	0	0	0	0	0	0
Employee Leave Entitlement	0	0	0	0	0	0	0	0	0	0
General Insurance	1,722	2,254	1,712	1,746	1,781	1,816	1,853	1,890	1,928	1,966
Grants	36,934	3,677	3,597	3,669	3,743	3,817	3,894	3,972	4,051	4,132
Industrial Land Development	1,971	2,925	2,325	4,025	2,025	2,125	25	1,025	1,026	26
Land Decontamination	107	90	0	0	0	0	0	0	0	0
Loans	14,735	9,262	6,350	4,201	6,900	5,443	2,805	6,579	2,307	3,136
North Nowra Link Road	235	150	(10)	0	0	0	0	0	0	0
Plant Replacement	10,599	10,868	10,408	9,541	10,403	10,135	11,323	11,189	11,171	12,356
S94 Developer Contributions	4,486	417	519	1,356	1,184	1,587	1,057	5,791	5,119	4,174
S94 Matching Funds	297	248	(1,970)	1,970	0	0	0	0	0	0
S94 Recoupment	2,045	(333)	1,752	(453)	(566)	(566)	(566)	(566)	(566)	(566)
Self Insurance	1,434	1,448	1,477	1,506	1,536	1,567	1,598	1,630	1,663	1,696
Special Rates Variation	3,196	9,616	11,594	13,709	15,967	16,366	16,775	14,291	14,648	15,015
Sporting Facilities	30	50	0	0	100	0	0	100	0	0
Stormwater Levy	1,569	1,101	1,108	1,116	1,123	1,131	1,138	1,146	1,153	1,161
Strategic Projects	7,906	1,395	1,395	950	2,177	2,950	2,830	4,953	3,000	500
Property	663	565	573	581	589	598	606	616	626	636
Waste Disposal	45,677	52,863	48,866	50,339	53,266	55,620	53,289	56,886	58,691	61,444
Coastal Management & Infrastructure	0	400	0	0	0	0	0	0	0	0
	138,383	103,230	91,574	94,573	100,552	102,920	96,965	109,971	105,276	106,145

New

General Fund Restricted Reserves Movements for Financial Years ending 30 June (with proposed Special Variation) - Continued

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimated Reserve Balances										
Arts Collection	25	25	25	25	25	25	25	25	25	25
Cemeteries	76	112	149	188	228	270	314	359	406	455
Committed Capital Works	5,358	358	211	211	211	211	211	211	211	211
Communication Towers	815	1,440	2,156	2,912	3,700	4,523	5,382	5,728	6,114	6,520
Critical Asset Compliance	2,276	1,804	391	391	391	391	391	391	391	391
Economic Development Projects	1,022	932	932	932	932	932	932	932	932	932
Employee Leave Entitlement	8,136	8,136	8,136	8,136	8,136	8,136	8,136	8,136	8,136	8,136
General Insurance	994	418	418	418	418	418	418	418	418	418
Grants	0	0	0	0	0	0	0	0	0	0
Industrial Land Development	5,072	4,007	3,944	2,932	3,121	3,361	5,303	6,096	6,739	8,484
Land Decontamination	1,539	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449	1,449
Loans	0	0	0	0	0	0	0	0	0	0
North Nowra Link Road	423	273	283	283	283	283	283	283	283	283
Plant Replacement	535	60	151	947	1,203	1,917	1,667	1,795	2,191	1,658
S94 Developer Contributions	25,462	28,560	30,855	33,349	36,209	38,846	42,187	40,992	40,526	41,093
S94 Matching Funds	248	0	1,970	0	0	0	0	0	0	0
S94 Recoupment	1,713	1,541	113	0	0	0	0	0	0	0
Self Insurance	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
Special Rates Variation	0	0	0	0	0	0	0	0	0	0
Sporting Facilities	233	228	273	319	266	314	363	313	364	416
Stormwater Levy	0	0	0	0	0	0	0	0	0	0
Strategic Projects	605	905	1,288	2,120	2,974	3,061	3,274	1,370	1,425	3,986
Property	2,887	2,350	1,777	1,196	607	9	123	7	241	105
Waste Disposal	7,093	1,831	1,926	2,264	1,455	210	2,725	3,610	4,678	5,182
Coastal Management & Infrastructure	0	100	600	1,100	1,600	2,100	2,600	3,100	3,600	4,100
	66,013	56,030	58,548	60,673	64,709	67,957	77,284	76,716	79,630	85,345

New

Income Statement - Consolidated (with proposed Special Variation)

Estimated Result For the Year Ending 30 June

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations										
Revenue:										
Rates and Annual Charges	132,808	139,051	145,254	151,750	156,448	161,072	166,064	171,210	176,512	181,977
User Charges and Fees	68,320	71,062	73,970	76,955	80,070	83,164	86,092	89,541	93,069	96,737
Interest and Investment Revenue	4,508	4,070	3,833	3,893	3,929	3,954	4,343	4,467	4,583	4,758
Other Revenues	3,457	3,528	3,600	3,674	3,748	3,825	3,903	3,983	4,065	4,148
Grants and Contributions provided for Operating Purposes	19,875	20,110	20,504	20,905	21,314	21,731	22,158	22,591	23,034	23,485
Grants and Contributions provided for Capital Purposes	10,093	8,941	9,446	9,657	7,968	8,160	8,360	8,564	8,774	8,986
Other Income:										
Net Gains from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	239,061	246,762	256,607	266,834	273,477	281,906	290,920	300,356	310,037	320,091
Expenses from Continuing Operations										
Employee Benefits and On-Costs	70,245	72,181	74,914	76,696	78,434	80,244	82,136	83,995	86,589	89,136
Borrowing Costs	4,782	6,863	6,496	6,110	5,704	5,287	4,862	4,643	4,221	3,838
Materials and Contracts	60,564	62,936	64,445	65,340	66,706	68,182	70,151	72,636	74,424	76,875
Depreciation and Amortisation	57,452	60,255	64,600	66,164	67,546	68,898	70,276	71,825	73,365	74,944
Other Expenses	29,761	31,388	33,291	33,628	34,431	35,921	37,398	38,119	39,872	41,833
Net Losses from the disposal of assets	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	222,804	233,623	243,746	247,938	252,821	258,532	264,823	271,218	278,471	286,626
Net Operating Result	16,257	13,139	12,861	18,896	20,656	23,374	26,097	29,138	31,566	33,465
Net Operating Result before grants and contributions provided for capital purposes	6,164	4,198	3,415	9,239	12,688	15,214	17,737	20,574	22,792	24,479

Statement of Financial Position - Consolidated (with proposed Special Variation)

	Estimated Result as at 30 June									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	23,653	36,151	33,784	41,740	47,408	46,676	48,284	54,653	54,924	64,819
Investments	67,196	48,196	48,196	48,196	51,196	60,196	64,196	70,196	81,196	87,196
Receivables	23,314	23,711	24,108	24,522	24,850	25,176	25,523	25,879	26,248	26,626
Inventories	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372
Other	864	864	864	864	864	864	864	864	864	864
Non-current Assets Classified as 'Held for Sale'	0	0	0	0	0	0	0	0	0	0
Total Current Assets	117,399	111,294	109,324	117,694	126,690	135,284	141,239	153,964	165,604	181,877
Non-Current Assets										
Investments	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Receivables	7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119	7,119
Inventories	8,870	8,990	10,060	9,930	9,750	7,870	7,140	6,560	4,880	4,880
Infrastructure, Property, Plant & Equipment	2,730,719	2,773,337	2,819,899	2,862,758	2,905,122	2,950,762	3,009,676	3,056,211	3,110,665	3,162,479
Investments Accounted for using the Equity Method	0	0	0	0	0	0	0	0	0	0
Investment Property	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555
Intangible Assets	291	291	291	291	291	291	291	291	291	291
Total Non-Current Assets	2,798,554	2,841,292	2,888,924	2,931,653	2,973,837	3,017,597	3,075,781	3,121,736	3,174,510	3,226,324
TOTAL ASSETS	2,915,953	2,952,586	2,998,248	3,049,347	3,100,527	3,152,881	3,217,020	3,275,700	3,340,114	3,408,201



Statement of Financial Position - Consolidated (with proposed Special Variation) - Continued

	Estimated Result as at 30 June									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES										
Current Liabilities										
Payables	27,571	18,739	19,531	20,137	20,260	19,790	22,549	21,427	22,012	22,498
Borrowings	12,181	13,477	13,738	13,484	12,499	11,176	12,183	12,044	11,354	11,647
Provisions	29,555	29,555	29,555	29,555	29,555	29,555	29,555	29,555	29,555	29,555
Total Current Liabilities	69,307	61,771	62,824	63,176	62,314	60,521	64,287	63,026	62,921	63,700
Non-Current Liabilities										
Payables	0	0	0	0	0	0	0	0	0	0
Borrowings	141,805	134,678	128,141	121,557	114,501	106,130	100,526	90,789	82,571	74,589
Provisions	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687	3,687
Total Non-Current Liabilities	145,492	138,365	131,828	125,244	118,188	109,817	104,213	94,476	86,258	78,276
TOTAL LIABILITIES	214,799	200,136	194,652	188,420	180,502	170,338	168,500	157,502	149,179	141,976
NET ASSETS	2,701,154	2,752,450	2,803,596	2,860,927	2,920,025	2,982,543	3,048,520	3,118,198	3,190,935	3,266,225
EQUITY										
Retained Earnings	1,453,355	1,466,494	1,479,355	1,498,251	1,518,907	1,542,281	1,568,378	1,597,516	1,629,082	1,662,547
Revaluation Reserves	1,247,799	1,285,956	1,324,241	1,362,676	1,401,118	1,440,262	1,480,142	1,520,682	1,561,853	1,603,678
TOTAL EQUITY	2,701,154	2,752,450	2,803,596	2,860,927	2,920,025	2,982,543	3,048,520	3,118,198	3,190,935	3,266,225

Statement of Cash Flows - Consolidated (with proposed Special Variation) - Continued

	Estimated Result For the Year Ending 30 June									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Investing Activities - Continued										
Payments:										
Purchase of Investment Securities	0	0	(2,000)	(2,000)	(3,000)	(9,000)	(4,000)	(6,000)	(11,000)	(6,000)
Purchase of Investment Property	0	0	0	0	0	0	0	0	0	0
Purchase of Infrastructure, Property, Plant & Equipment	(186,949)	(76,138)	(74,321)	(72,340)	(73,807)	(79,000)	(89,453)	(82,197)	(89,005)	(87,679)
Purchase of Real Estate Assets	(4,060)	(2,320)	(4,020)	(2,020)	(2,120)	(20)	(1,020)	(1,020)	(20)	0
Purchase of Interest in Joint Ventures & Associates	0	0	0	0	0	0	0	0	0	0
Deferred Debtors & Advances Made	0	0	0	0	0	0	0	0	0	0
Net Cash Provided from Investing Activities	(126,465)	(54,721)	(73,206)	(69,904)	(74,227)	(83,054)	(89,919)	(84,493)	(95,486)	(90,585)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	59,262	6,350	7,201	6,900	5,443	2,805	6,579	2,307	3,136	3,665
Other Financing Activity Receipts	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of borrowings & Advances	(9,556)	(12,181)	(13,477)	(13,738)	(13,484)	(12,499)	(11,176)	(12,183)	(12,044)	(11,354)
Repayment of Finance Lease Liabilities	0	0	0	0	0	0	0	0	0	0
Other Financing Activity Payments	0	0	0	0	0	0	0	0	0	0
Net Cash Provided from Financing Activities	49,706	(5,831)	(6,276)	(6,838)	(8,041)	(9,694)	(4,597)	(9,876)	(8,908)	(7,689)
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,203)	12,498	(2,367)	7,956	5,668	(732)	1,608	6,369	271	9,895
Plus: Cash & Equivalents - beginning of year	27,856	23,653	36,151	33,784	41,740	47,408	46,676	48,284	54,653	54,924
Cash & Equivalents - end of year	23,653	36,151	33,784	41,740	47,408	46,676	48,284	54,653	54,924	64,819

Capital Works Program

General Fund Capital Program

Asset Renewal	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Buildings and Property	1,504,000	2,798,917	1,753,900	2,851,300	3,393,400	3,803,330	3,881,315	3,960,556	4,041,080	4,122,912
Commercial Undertakings	4,341,251	4,548,600	4,497,200	4,891,200	5,013,700	4,679,080	4,842,191	4,947,938	5,034,424	5,122,754
Community and Culture	500,000	527,300	537,800	548,500	559,400	570,500	581,800	593,300	605,100	617,100
Environmental Management	802,000	410,000	418,300	426,600	435,100	443,900	452,800	461,800	471,000	480,400
Internal Corporate Services	6,073,500	5,932,997	5,366,600	6,363,249	5,828,100	6,533,200	6,738,400	6,643,600	8,005,842	7,085,617
Land Use Planning	25,000	25,500	26,000	26,500	27,000	27,500	28,100	28,700	29,300	29,900
Open Space, Sport and Recreation	635,000	1,163,000	409,100	531,190	423,600	449,000	538,600	468,640	454,500	413,300
Regulatory Services	193,514	51,000	52,000	53,000	54,000	55,000	56,200	57,400	58,600	59,800
Roads and Transport	17,472,679	14,320,377	15,768,638	18,387,704	18,571,013	20,789,526	19,598,806	19,663,515	21,234,192	23,289,520
Waste and Recycling Program	1,845,654	680,000	750,000	795,000	1,520,000	1,120,000	720,000	320,000	660,000	1,450,000
Water and Sewer Services	8,000	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	9,800
	33,400,598	30,465,891	29,587,938	34,882,843	35,834,113	38,480,036	37,447,412	37,154,849	40,603,637	42,681,103
Asset Growth	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Buildings and Property	700,000	0	4,150,000	0	0	0	0	0	0	0
Commercial Undertakings	200,000	238,000	0	0	0	0	0	0	0	0
Open Space, Sport and Recreation	9,682,000	3,653,495	85,300	3,087,000	6,288,700	4,090,500	18,392,300	12,094,100	9,396,000	13,096,000
	10,582,000	3,891,495	4,235,300	3,087,000	6,288,700	4,090,500	18,392,300	12,094,100	9,396,000	13,096,000
Asset New	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Buildings and Property	310,000	350,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Commercial Undertakings	1,402,059	1,348,500	1,475,500	3,403,000	1,581,000	1,609,500	1,638,600	1,668,300	1,548,500	1,579,300
Economic Development	4,059,742	2,320,000	4,020,000	2,020,000	2,120,000	20,000	1,020,000	1,020,000	20,000	0
Fire Protection and Emergency Services	600,000	612,000	624,000	636,000	649,000	662,000	675,000	689,000	703,000	717,000
Internal Corporate Services	125,000	150,000	153,400	156,600	159,900	163,200	166,500	169,800	173,200	176,600
Open Space, Sport and Recreation	313,000	950,000	960,800	995,013	1,006,646	1,038,907	1,051,605	1,084,848	1,098,744	1,133,103
Roads and Transport	5,562,089	4,263,400	4,299,500	2,624,450	2,516,900	2,603,300	2,250,100	2,678,200	2,666,600	2,338,900
Waste and Recycling Program	5,905,233	2,050,000	2,400,000	7,200,000	5,350,000	550,000	2,900,000	3,400,000	4,050,000	2,450,000
	18,277,123	12,043,900	14,133,200	17,235,063	13,583,446	6,846,907	9,901,805	10,910,148	10,460,044	8,594,903
	62,259,721	46,401,286	47,956,438	55,204,906	55,706,259	49,417,443	65,741,517	60,159,097	60,459,681	64,372,006

Sensitivity Analysis

The table below analyses the sensitivity of the operating result, before capital grants and contributions, to changes to key inputs:

Assumption	Sensitivity	Result
Revenue		
General Rates Income	1% Reduction	-\$872,040 Reduced general rate revenue received in the first year
Investment Interest	1% Reduction	-\$1,408,490 Reduced interest received in the first year
Fees and Charges	1% Reduction	-\$605,640 Reduced Revenue in the first year
Expenditure		
Loan Interest Rate	1% Additional increase on a \$1,000,000 loan	\$5,981 Additional cost of repayments per year
Materials & Contracts Expense (operating)	1% Higher than forecast	\$605,640 Additional costs of materials and Contracts in the first year

New Chapter

Long Term Financial Plan Results

Please note that the indicators in the following tables are based on annual results while the Fit for the Future indicators presented elsewhere in this document are based on three-year averages.

Key Performance Indicators Statement

Indicator	Target	Fund	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Local Government Industry Indicators													
Operating Performance Ratio	Greater than 0%	Consolidated	2.7%	1.8%	1.4%	3.6%	4.8%	5.6%	6.3%	7.1%	7.6%	7.9%	
		General	-1.5%	-1.0%	-0.3%	2.0%	2.8%	3.2%	3.6%	4.1%	4.3%	4.3%	
		Water	2.4%	1.5%	2.4%	3.4%	4.4%	5.5%	6.5%	7.5%	8.8%	10.0%	
		Sewer	22.4%	16.3%	10.7%	12.8%	14.2%	15.5%	16.6%	17.6%	18.5%	19.3%	
Own Source Operating Revenue Ratio	Greater than 60%	Consolidated	87.5%	88.2%	88.3%	88.5%	89.3%	89.4%	89.5%	89.6%	89.7%	89.9%	
		General	88.4%	89.2%	89.2%	89.5%	90.2%	90.3%	90.4%	90.5%	90.6%	90.7%	
		Water	92.7%	92.8%	92.8%	92.9%	93.0%	93.1%	93.1%	93.2%	93.3%	93.4%	
		Sewer	95.8%	95.8%	95.9%	95.9%	95.9%	96.0%	96.0%	96.0%	96.1%	96.1%	
Unrestricted Current Ratio	Greater than 1.5	Consolidated	2.44	2.54	2.60	2.71	2.79	3.17	2.85	3.11	3.37	3.35	
		General	2.38	2.51	2.60	2.71	2.79	3.17	2.92	3.11	3.37	3.35	
		Water	12.24	14.47	13.02	13.47	23.61	25.54	27.54	24.23	24.63	25.51	
		Sewer	1.21	1.4	1.1	1.65	2.03	1.73	1.88	2.86	3.11	4.34	
Debt Service Cover Ratio	Greater than 2.0	Consolidated	4.77	3.74	3.73	4.11	4.48	5.03	5.79	5.77	6.17	6.80	
		General	5.12	4.83	5.07	6.13	6.22	6.45	7.51	7.12	7.86	8.86	
		Water	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt
		Sewer	2.64	1.91	1.91	1.96	2.19	2.56	2.86	3.39	3.49	3.74	
Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	Less than 10%	Consolidated	7.4%	7.5%	7.4%	7.3%	6.9%	6.9%	6.9%	6.9%	6.9%	6.8%	
		General	5.4%	5.5%	5.5%	5.4%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	
		Water	15.2%	15.1%	15.1%	15.1%	15.1%	15.1%	15.0%	15.0%	15.0%	15.0%	
		Sewer	10.8%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%	10.7%	10.7%	10.7%	
Cash Expense Cover Ratio	Greater than 3 months	Consolidated	8.06	7.62	7.19	7.58	7.92	8.10	8.21	8.57	8.77	9.28	
		General	4.72	4.76	4.75	4.98	5.05	5.26	5.27	5.21	5.32	5.35	
		Water	20.66	19.34	18.01	17.06	18.13	19.03	20.04	20.32	20.59	21.08	
		Sewer	4.75	3.34	2.25	3.31	3.91	2.96	2.81	5.06	5.51	8.00	

Indicator	Target	Fund	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Infrastructure Asset Performance Indicators												
Infrastructure Renewals Ratio	Greater than 100%	Consolidated	116.7%	56.2%	58.0%	57.2%	59.4%	74.7%	67.2%	69.1%	73.1%	74.2%
		General	70.5%	61.2%	60.1%	69.0%	69.2%	74.7%	70.9%	69.9%	72.7%	76.3%
		Water	87.5%	65.0%	67.6%	68.5%	58.5%	60.0%	59.7%	75.1%	75.8%	76.6%
		Sewer	320.6%	32.7%	46.8%	17.8%	31.5%	86.1%	60.7%	60.7%	72.8%	63.5%
Infrastructure Backlog Ratio	Less than 2%	Consolidated	1.8%	1.8%	1.8%	1.8%	1.7%	1.6%	1.5%	1.4%	1.3%	1.2%
		General	3.2%	3.2%	3.2%	3.1%	2.9%	2.8%	2.6%	2.4%	2.2%	2.0%
		Water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		Sewer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset Maintenance Ratio	Greater than 1x	Consolidated	1.01	1.02	1.04	1.03	1.02	1.02	1.02	1.03	1.03	1.04
		General	0.96	0.97	0.97	0.97	0.97	0.98	0.98	0.99	1.00	1.01
		Water	1.00	1.02	1.02	1.03	1.00	1.00	1.00	1.00	1.00	1.00
		Sewer	1.12	1.14	1.19	1.17	1.12	1.12	1.12	1.12	1.12	1.12

New Chapter