



INVESTING IN OUR FUTURE

Long Term Financial Plan 2016 -2026

Adopted February 2016

Revised to include Special Rate Variation Scenarios



Disclaimer

The information contained in this document provides a general overview on the long-term financial position of Wingecarribee Shire Council. Council reserves the right to make changes to this Plan accordingly. This Long Term Financial Plan contains information based on forward estimates and modelling which have been prepared using assumptions available at the time of publication.

Notes

This document has been updated since being placed on public exhibition in December 2015. In early December, IPART announced the rate pegging amount for 2015/16 was to be set at 1.80%. Council's LTFP had assumed a rate peg of 2.50%. This plan (including each of the financial models) has been updated to reflect the rate peg set for 2015/16 of 1.80%.

IPART Application

At its meeting 10 February 2016, Council adopted Scenario 3 (Improve) as its preferred scenario for the purpose of its IPART applications submitted on the 15 December 2016.

Introduction

Council's Long Term Financial Plan forms part of the organisation's Resourcing Strategy. Council's Resourcing Strategy was initially adopted by Council in June 2013 and has now been updated to reflect Council's Special Rate Variation proposal, *Investing in our Future*. The Resourcing Strategy has been prepared in accordance with the requirements of the Integrated Planning and Reporting (IPR) Framework, under the Local Government Amendment (Planning & Reporting) Act 2009.

The Resourcing Strategy gives consideration to the capacity for Wingecarribee Shire Council (WSC) to deliver on its responsibilities within Wingecarribee 2031+ (W2031+), our community strategic plan, and all of the regulatory and statutory frameworks which must also be met.

The diagram below outlines Council's IPR framework and the relationship between the Resourcing Strategy and other elements of the framework.



The Resourcing Strategy incorporates the following components:

Council's Workforce Plan

The Workforce Plan is focused on:

- Developing and maintaining a skilled workforce
- Our workforce is structured to achieve W2031+
- Workforce attraction and retention
- Workforce equity and diversity

Council's Strategic Asset Management Plan

Council's overarching Strategic Asset Management Plan is part of a larger asset management framework. That framework represents Council's intention to maintain our community's infrastructure, together with other levels of government and stakeholders, to meet the needs of our community. It is critical to the achievement of the Plan that sufficient funding is provided over the life of the Plan, to ensure that infrastructure provides services to a standard our community agrees to and can afford.

Council's Long Term Financial Plan

The Long Term Financial Plan (LTFP) focuses on Council's goal of financial sustainability and delivering quality services to the community. The LTFP is a decision making tool and is not intended to be a document that specifically indicates what services or proposed funds should be allocated. This plan addresses the areas that impact Council's ability to fund services and capital works, whilst ensuring Council operates within its means to enable financial sustainability.

What is a Long Term Financial Plan?

The Long Term Financial Plan expresses in financial terms the activities that Council proposes to undertake over the short, medium and long term and iteratively guides the future strategies and actions of Council to ensure it continues to operate in a sustainable manner.

The Long Term Financial Plan is a necessary component of Council's resourcing strategy, it includes the financial modelling of actions and strategies contained within Council's asset management plan and workforce plan, as well as other non-asset related strategies adopted by Council.

The Long Term Financial Plan acts as a tool for stakeholders (Council and the community) to use in deciding what resources Council needs to apply to deliver on the outcomes contained within the Community Strategic Plan - Wingecarribee 2031+.

The Long Term Financial Plan is for a period of ten years and includes the following:

- the planning assumptions used to develop the plan
- sensitivity analysis and testing
- financial modelling for different scenarios*
- methods of monitoring financial performance.

**For the purposes of Council's proposed Special Rate Variation, the models are for General Fund Operations only.*

The financial modelling for each scenario is presented in the format of Council's primary financial statements namely, the Income Statement, Balance Sheet and Cashflow Statement.

Typically, the Long Term Financial Plan is updated annually as part of Council's annual budget process. Upon the review and adoption of a new Community Strategic Plan every 4 years, a detailed review of the Long Term Financial Plan is undertaken to ensure it still represents the key directives and service priorities identified in the Community Strategic Plan, Wingecarribee 2031+.

In this case, Council has reviewed and updated its Long Term Financial Plan as part of developing the three scenarios presented to the community under the *Investing in our Future* Proposal.

Fit for the Future

In 2014, the NSW State Government initiated its Fit for the Future local government reform program. This required all NSW councils to submit a proposal demonstrating its plans to achieve long term financial sustainability and meet seven asset and financial benchmarks.

As a part of our Fit for the Future process we reviewed the condition of our assets and detailed long term financial modelling. This information told us that while we currently spend around \$24.3 million on the maintenance and renewal of community assets each year, we have a funding gap and need to invest an additional \$8.5 million per year. This additional investment will ensure that the number of assets in poor condition does not continue to grow.

On the 26 June 2015, Council submitted its Fit for the Future Improvement Proposal. This Proposal identified a number of strategies including an application to IPART for a Special Rate Variation to fund the asset maintenance and renewal gap. Other strategies included:

- Work Health Safety Initiatives introduced to reduce workers compensation premiums
- Continue to refine asset management data
- Undertake a review of Council assets to determine utilisation rates
- Community levels of service engagement for all asset classes completed and used to review and prioritise backlog and works program
- A review of fees and charges for high priority items
- A Revised Workforce Management Plan including Organisational Development Strategy to ensure flexible workforce structure and practices
- Continue to participate in regional collaborative approaches and partnerships
- Implementation of business improvement strategies as part of Council's Internal Audit Program
- Revision and enhancement of procurement practices to ensure best value is achieved

On the 20 October 2015, the NSW State Government released its finding under the Fit for the Future reform process. Wingecarribee Shire Council was deemed to meet the financial benchmarks (within the required timeframes) and have sufficient scale and capacity to remain a stand-alone Council, based on its submitted Improvement Plan.

What are the next steps in the process?

The NSW State Government has made it clear they will be closely monitoring those councils who were deemed “fit” to ensure they adhere to the implementation of their Improvement Proposals.

The Special Rate Variation proposal *Investing in our Future*, is an important step which will allow Council to maintain and manage our current assets and to ensure that we continue to deliver services in line with community expectations, while remaining financially sustainable into the future.

Investing in our Future Proposal

Our community has consistently told us that assets like roads, footpaths and drainage are important to them, but we need to improve their condition.

This was confirmed as a part of our Fit for the Future process where we reviewed the condition of our assets and detailed long term financial modelling. This information told us while we currently spend around \$24.3 million on the maintenance and renewal of community assets each year, we have a funding gap and need to invest an additional \$8.5 million per year.

In September 2015, we undertook some focused research to seek community views on the current condition of our assets and asset funding priorities. The research was based on a random and representative sample of residents. Research participants were asked how supportive they were of proposals to invest more money into various asset types.

- 81% of respondents supported increased investment in transport assets (roads, footpaths, cycleways, bridges and road drainage)
- 73% of respondents supported increased investment in stormwater drainage
- 68% of respondents supported increased investment in parks and open spaces
- 46% of respondents supported increased investment in buildings
- 85% of research participants agreed it was important or very important for Council to implement plans and strategies that will maintain and enhance our infrastructure and facilities for the Shire.

This research added further support to Council’s proposal to seek a Special Rate Variation to increase funding for the maintenance and renewal of community infrastructure.

What is the process for applying for a Special Rate Variation?

In October, Residents were provided with three options based on differing levels of funding for the maintenance and renewal of community infrastructure. This information was provided in a brochure which was distributed to every household across the Shire.

Council also engaged an independent research company to conduct a telephone survey of a representative sample of local residents. At the same time, submissions and online surveys were sought from residents. Council also held a number of community kiosks across the shire to offer residents an opportunity to speak to Council staff about the proposal.

In December 2015, the results of the community consultation were presented to Council for consideration. Based on this feedback, Council notified IPART of its intention to apply for a Special Rate Variation. Subsequently, Council's Resourcing Strategy and Delivery Program were placed on public exhibition for community feedback. After assessing community feedback, Council adopted option 3 (Improve) as its preferred scenario for its Special Rate Variation application. The application was submitted to IPART in February 2016.

IPART will notify Council of its decision in May 2016 and if approved, the rate increase would be included in the first rates notice issued in July 2016.

Long Term Financial Plan – Planning Assumptions

This Long Term Financial Plan (General Fund Operations) has been prepared using the following key assumptions:

Rates and Annual Charges

Council was advised in December 2015 that IPART had determined a **rate peg** for 2016/17 of 1.80%. The increase in the Local Government Cost Index had been determined to be 1.78%. The Local Government Cost Index is a measure of the increase in operational costs incurred by NSW councils for services and activities funded from general rate revenue. The increase was rounded up by 0.02% to arrive at the approved rate peg for 2016/17 of 1.80%.

For future years, the LTFP projects an increase in the rate pegging amount set by IPART of 2.50% per annum for the duration of the plan. The LTFP includes a provision for growth in rate income due to new development of 0.5% per annum.

This LTFP includes three financial models which have different levels of increases in rates income in line with Council's proposed **Special Rate Variation**. Option one is based on no special rate variation and only allows for rate increases in line with rate pegging. This option also includes the discontinuation of the Environmental Levy. Option two is based on a special rate variation of 5.25% per annum for four years (above rate pegging) and the continuation of the Environmental Levy in 2019/20. Option three is based on a special rate variation of 6.75% per annum for four years (above rate pegging) and the continuation of the Environmental Levy in 2019/20.

Up to the point when IPART announced the approved rate peg for 2016/17, Council had included a projected increase in the rate peg of 2.50%. The difference of 0.7% effectively means Council would see a reduction in rate income of \$234,000 in 2016/17 (\$2.7 million over ten years). Following consideration of **community feedback** received during phases 1 and 2 of the *Investing in our Future* project which related to the magnitude of the proposed increases and requests for Council to find additional organisational efficiencies and savings, the 0.7% has been subsequently removed from the scenarios.

Whilst option one does not include the continuation of the **Environmental Levy**, Council is committed to the continuation of this extremely important environmental initiative which has now been in place since 2000. The Environmental Levy is used to fund specific environmental projects which aim to address biodiversity conservation, river health and wetlands and sustainable living.

Council currently levies properties which receive a stormwater service a minimum of \$25 per annum charge (**Stormwater Management Levy**). This plan includes the continuation of this charge. Funds raised through the Stormwater Management Levy must only be used on stormwater maintenance and improvements.

Council also provides a wide range of domestic waste services to residents and businesses within the shire. **Domestic Waste Annual Charges** are projected to increase by 2.50% per annum over the course of this plan (inline with projected inflation). Council can only use income raised through domestic waste charges for the purpose of providing domestic waste management services.

User Fees and Charges

Income from user fees and charges is primarily received for services relating to **building and development applications, planning services, recreation and community facilities**. In preparing this plan, Council has included a 2.50% increase per annum in user fees and charges (inline with projected inflation).

As part of its Fit for the Future Improvement Proposal, Council has identified the need to undertake a **strategic review of its fees and charges** to ensure that fees reflect the actual cost of service provision based on full cost recovery principles (with the exception of those services which are subsidised by consolidated revenue to ensure access and participation to all residents and where fees and charges are regulated).

Whilst Council has projected a 2.50% increase per annum in user fees and charges, it is important to note that a number of fees and charges (such as development application fees) are set by legislation. As such, Council has no control over its ability to ensure that fee increases are in line with the cost of providing the service. Council will continue to closely monitor the impact of **regulatory fee increases** on its Long Term Financial Plan.

Interest and Investment Income

Over the short-term, Council has not projected any significant improvement in interest rates. Interest rates are at historically low levels, and economic commentary suggests that this will be the case for a number of years. As such, Council has projected a marginal increase in **investment income** in 2016/17 of 0.50%.

In preparing this plan, Council has been conservative in projecting future increases in investment income, allowing for a 0.5% increase in investment income in the years following 2016/17 and a gradual increase in income projections of up to 2.50% by 2025/26. Council has not factored in any significant change to the **level of funds** available for investment over the course of this plan.

Other Revenue

Other revenue primarily represents income relating to **saleyard income, legal fees recovery, lease income and rebates and reimbursements**. The LTFP has allowed for a 2.30% increase per annum in other revenue.

There are no significant changes included in this plan which would indicate that Council will receive any significant increase (or decrease) in income from other revenue sources.

Grants and Contributions for Operating Purposes

Council receives a number of recurrent (ongoing) and non-recurrent (one-off) grants from various Federal and State Government Departments.

The most significant of these grants is the **Financial Assistance Grant**. As part of the 2014/15 budget, the Federal Government announced a pause in the indexation of the Financial Assistance Grant for a period of three years. This places additional pressures on Council's budget.

Whilst Council makes every effort to secure additional funding from Federal and State grants, the majority of these grants are one-off in nature and cannot be reliably included in Council's LTFP.

Despite the pausing of indexation on the Financial Assistance Grant and uncertainty around non-recurrent grants, Council has allowed for a 2.30% increase per annum for operating grants and contributions in the LTFP. This will largely be achieved through Council continuing to actively pursue all future grant funding opportunities.

Grants and Contributions for Capital Purposes

The major sources of capital revenue are Section 94 Developer Contributions and the Federal Government's Roads to Recovery Program.

The level of grants and contributions shown in 2015/16 and 2016/17 is significantly higher than other years as it includes funding secured from the NSW State Government for the upgrade of the **Bowral Distributor Road**.

Estimating the level of revenues received from **developer contributions** is extremely difficult as it is essentially market driven and depends on the timing of subdivision release. As such Council has forecast developer contributions to remain at similar levels for the duration of this plan. It is important to remember that Section 94 Developer Contributions are payments which are restricted to the purpose for which the funds were collected.

Council has assumed a continuation of the **Roads to Recovery Program** for the duration of this plan (currently approved as a five year program). The Federal Government recently announced an increase in funding for the Roads to Recovery Program as a result of the additional revenue from the fuel excise indexation. This has resulted in an increase in funding from this program of \$2.5million. The LTFP has been updated to reflect this increase in funding.

Employee Costs

Council has allowed for a 2.80% increase in **salaries and wages** in 2016/17, which is in accordance with the Local Government Award. For each subsequent year of this plan, Council has allowed for a 3.00% increase per annum in salaries and wages. In addition to the projected increase in the award, Council has factored in an additional 1.00% increase which relates to the performance appraisal system (PAS).

As part of its Fit for the Future Improvement Proposal, Council has identified the need to introduce Work Health Safety Initiatives aimed at reducing **workers compensation premiums**. Council has recently commenced work on a range of measures and committed additional resources to address the management of outstanding workers compensation claims. This will include returning injured workers to employment more quickly and by implementing robust systems and procedures, to reduce the number of incidents where workers are injured. This is reflected in this plan with a projected reduction in Council workers compensation premium of \$1 million over the next four years.

Council's LTFP also reflects the Federal Government's announcement as part of the 2014/15 Federal Budget to suspend any increase in compulsory **superannuation payments** until 2021/22. The current rate for superannuation payments is 9.50%.

Council has not included any increase in current staff numbers. The plan also assumes there will be no change in the existing employment conditions (such as agreed working hours) for its workforce.

Borrowing Costs

Council does not have a recurrent loan borrowings program. Council has a long standing practice where **loan funds** are only considered for infrastructure investment (Capital Expenditure) which provides inter-generational benefit. Council's loan liability for its General Fund as at 30 June 2015 was \$17.814 million.

Council has recently secured funding under the **Local Infrastructure Renewal Scheme** of \$6.5 million to undertake major renovation works to Mittagong Swimming Pool (\$2.5 million) and additional road resealing works (\$4.0 million). Works have commenced at Mittagong Swimming Pool and are expected to be

completed in late 2015. The additional infrastructure renewal works will be undertaken as part of the 2015/16 and 2016/17 capital works program.

Council has included the **loan repayments** relating to its existing loan liability and Local Infrastructure Renewal Scheme in this plan. There are no other loan borrowings factored into the plan until 2024/25, which includes loan borrowings of \$5.6 million for the refurbishment of Bowral Pool.

Materials and Contracts

In general terms, **materials and contracts** have been forecast to increase by approx 2.50% to 3.00% per annum over the course of this plan. This is generally in line with projected inflation.

In addition to the inflationary increases applied to Council's materials and contracts forecasts, Council has included a significant increase in infrastructure maintenance funding from 2016/17 and onwards. *This is reflected in the financial models which include a proposed Special Rate Variation.* This increase is required to close the **current funding gap** between what Council is currently spending on infrastructure maintenance compared to what is required to be spent on infrastructure maintenance.

Productivity Improvement Target

After considering community feedback received during phases 2 and 3 of the Investing in our Future project which related to the affordability of the proposed increase and requests for Council to find additional organisational efficiencies, Council has included a productivity Improvement Target within its Long Term Financial Plan.

Council will implement an internal efficiency/saving program over the course of the LTFP which represents a minimum annual savings program of \$234,000 per annum or \$2.689 million over ten years (includes indexation). This will be closely aligned with the Organisational Service Review which Council will be commencing in 2016.

Depreciation Expense

Depreciation forecasts have been prepared in consultation with Council's asset management staff. Whilst Council's **asset management data** has improved significantly over the past several years, it is expected that Council will continue to refine the quality of its data over the next two-three years.

Council has included a reduction in **depreciation expense** over the next three years of 10%. This will essentially be achieved through further asset condition reviews and a further refinement of the useful lives of infrastructure assets.

It is important to note that Council prepares its asset management modelling based on **present value**. To ensure consistency with the financial projections included within Council's Long Term Financial Plan, these figures have been inflated by 3.00% per annum over the course of the plan.

Other Expenses

Other expenses primarily represent payments and expenditure relating to electricity and gas, insurance premiums, waste disposal fees, street lighting and statutory contributions. This plan has allowed for a 2.50% increase per annum in other expenses which is inline with projected inflation.

It is important to note that Council cannot exercise any control over the level of expenditure relating to **statutory payments**. These payments relate to election costs, emergency services levy and the waste disposal levy. Council will continue to closely monitor the impact of statutory payments on its Long Term Financial Plan.

Long Term Financial Plan

External Influences

Wingecarribee Shire Council is not unlike any other Council in New South Wales and is potentially exposed to a range of external factors which may impact on its long term financial projections.

There are a range of external factors which in the future could have a detrimental impact on Council's financial sustainability. These factors represent areas of Council's budget where Council cannot exercise any control (or has limited control), or where Council has limited ability to predict their impact over the long term course of this plan.

Rate Pegging

Until recently, NSW was the only state in Australia where the level of rate income a Council can raise is restricted by rate pegging. This has meant that for years, the level of income raised by Council has not been sufficient to meet the increased costs of providing services and infrastructure to our community.

Whilst Councils have been able to apply for rate increases above the rate-peg through the Special Rate Variation process, there has been a reluctance to apply for increases relating to general service delivery.

Any significant change to the rate pegging process will require Council to review its revenue forecasts included within this plan.

Economic Conditions

Council's Long Term Financial Plan does not predict any significant shift in current economic conditions. If the global economy were to experience another Global Financial Crisis, or if the domestic economic climate was to further deteriorate, then this would have a significant impact on Council's plan.

Council's revenue forecasts are heavily influenced by the wider economy, and as such any significant change will require Council to review this plan.

Other Influences

Other external factors which could potentially have a significant impact on Council's plan include;

- changes to State Government Policy (including changes to the recommendations made by the Independent Review of Local Government Panel)
- changes to the level of assistance provided through Federal and State Government Grants with a particular exposure to changes in the calculation and distribution of the Financial Assistance Grant
- increasing expenditure as a result of cost shifting (statutory payments) from other levels of Government
- the imposition of new services and controls to be delivered by Council, without the equal capacity raise income to offset the cost of these services

Any significant changes to these factors above would require Council to review this plan.

Financial Models

Proposed Special Rate Variation Scenarios

Council prepared three financial models to support its *Investing in our Future* proposal. Each model provided alternate rate increase scenarios. This is so we could understand the impact of these rate increases on Council's progress towards reaching the Fit for the Future Benchmarks.

Scenario 1: Rate Peg

What does this option mean for our community assets and the environment?

Under this option, our assets would continue to decline and more assets would fall into the poor condition category. The focus would be on managing risk, including the possible closure and removal of unsafe assets. Broader service reductions maybe required to fund emergency works. Our ability to look after our environment would diminish.

This option would provide no additional funding other than the approved rate peg increase of 1.80% in 2016/17 and an assumed rate peg of 2.50% in proceeding years.

What impact does this option have on rates?

There would be no need for Council to apply for a Special Rate Variation. Rates would increase by the annual rate peg amount of 1.80% in 2016/17 and an estimated 2.50% in future years. Over the four year period this is a cumulative increase of 9.63%.

Impact on Average Residential Rates		Current	2016/17	2017/18	2018/19	2019/20
Scenario 1: Rate Peg	Rate Increase %	-	1.80%	2.50%	2.50%	2.50%
	Cumulative Increase	-	1.80%	4.35%	6.95%	9.63%
	Average Annual Rate (\$)	\$1,280.03	\$1,301.69	\$1,334.24	\$1,367.59	\$1,353.69
	Average Annual Increase (\$)	-	\$21.66	\$32.55	\$33.35	(\$13.90)

*Note: These figures have been updated to reflect updated land valuations, revised rate-peg in 2016/17 and re-categorisations processed during 2015/16.

Scenario 2: Maintain

What does this option mean for our community assets and the environment?

We would stabilise the deterioration of our community assets. We would be able to fund most of the required asset renewal and maintenance and continue to look after our environment.

This option would generate \$74.5 million over 10 years and would allow an additional spend of:

- \$45.3 million on roads, road drainage, footpaths and shared pathways;
- \$9.3 million on stormwater drainage;
- \$15.8 million on buildings;
- \$4.1 million on parks and open spaces.

What impact does this option have on rates?

This option would include a Special Rate Variation of 7.05% in the first year, 7.75% in the following two years and 10.65% in the fourth year. This includes the 1.80% approved rate peg in 2016/17 and an assumed rate peg of 2.50% in proceeding years. Over the four year period this is a cumulative increase of 37.52% (or 27.89% over the allowable increase). This option also includes the continuation of the Environmental Levy which residents are currently paying. At the end of the four year period the Special Rate Variation increases would be built into the rate base.

Impact on Average Residential Rates		Current	2016/17	2017/18	2018/19	2019/20
Scenario 2: Maintain	Rate Increase %	-	7.05%	7.75%	7.75%	10.65%
	Cumulative Increase	-	7.05%	15.35%	24.29%	37.52%
	Average Annual Rate (\$)	\$1,280.03	\$1,368.80	\$1,474.88	\$1,589.18	\$1,701.55
	Average Annual Increase (\$)	-	\$88.77	\$106.08	\$114.30	\$112.37

*Note: These figures have been updated to reflect updated land valuations, revised rate-peg in 2016/17 and re-categorisations processed during 2015/16.

Scenario 3: Improve
(Council's Preferred Scenario – Adopted 10 February 2016)

What does this option mean for our community assets and the environment?

We would improve the quality of our community assets by being able to fund the required asset renewal and maintenance. We would continue to look after our environment and be able to undertake some new work to fill essential asset gaps.

This option would generate \$98.1 million over 10 years and would allow an additional spend of:

- \$51.4 million on roads, road drainage, footpaths and shared pathways;
- \$26.8 million on stormwater drainage;
- \$15.8 million on buildings;
- \$4.1 million parks and open spaces.

What impact does this option have on rates?

This option would include a Special Rate Variation of 8.85% in the first year, 9.25% in the following two years and 12.15% in the fourth year. This includes the 1.80% approved rate peg in 2016/17 and an assumed rate peg of 2.50% in proceeding years. Over the four year period this is a cumulative increase of 45.30% (or 35.67% over the allowable increase). This option also includes the continuation of the Environmental Levy which residents are currently paying. At the end of the four year period the Special Rate Variation increases would be built into the rate base.

Impact on Average Residential Rates		Current	2016/17	2017/18	2018/19	2019/20
Scenario 3: Improve	Rate Increase %	-	8.55%	9.25%	9.25%	12.15%
	Cumulative Increase	-	8.55%	18.59%	29.56%	45.30%
	Average Annual Rate (\$)	\$1,280.03	\$1,387.95	\$1,516.36	\$1,656.63	\$1,797.73
	Average Annual Increase (\$)	-	\$107.92	\$128.41	\$140.27	\$141.10





*Note: These figures have been updated to reflect updated land valuations, revised rate-peg in 2016/17 and re-categorisations processed during 2015/16.

The financial models for each of these scenarios are included from page 23.

Performance Monitoring

Fit for the Future Benchmarks

The Office of Local Government has developed criteria and certain benchmarks for a Fit for the Future Council. These have been based on the work of T-Corp and the Independent Local Government Review Panel and have been reviewed by the Independent Pricing and Regulatory Tribunal (IPART).

Fit for the Future		
 <p>SUSTAINABILITY</p>	<p>Definition:</p> <p><i>Generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning & Reporting process.</i></p>	<p>Criteria/Benchmarks:</p> <p>Operating Performance Ratio (> or equal to break-even over 3 years) Own Source Revenue Ratio (>60% over 3 years) Building and Infrastructure Asset Renewal Ratio (>1 over 3 years)</p>
 <p>EFFECTIVE INFRASTRUCTURE AND SERVICE MANAGEMENT</p>	<p><i>Maximise return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities as identified in the Integrated Planning & Reporting process.</i></p>	<p>Infrastructure Backlog Ratio (<2%) Asset Maintenance Ratio (>1) Debt Service Ratio (>0 and less than 0.2)</p>
 <p>EFFICIENCY</p>	<p><i>Efficient service and infrastructure delivery, achieving value for money for current and future ratepayers</i></p>	<p>Real Operating Expenditure per capita over time</p>
 <p>SCALE AND CAPACITY</p>	<p><i>Demonstrate strong organisational and regional capacity to mobilise resources to engage effectively across community, industry and government</i></p>	<p>Has the scale and capacity consistent with the recommendations of the Independent Panel</p>

Strategic capacity

Sustained improvement against each of the criteria to underpin the strategic capacity of Councils over the long term.

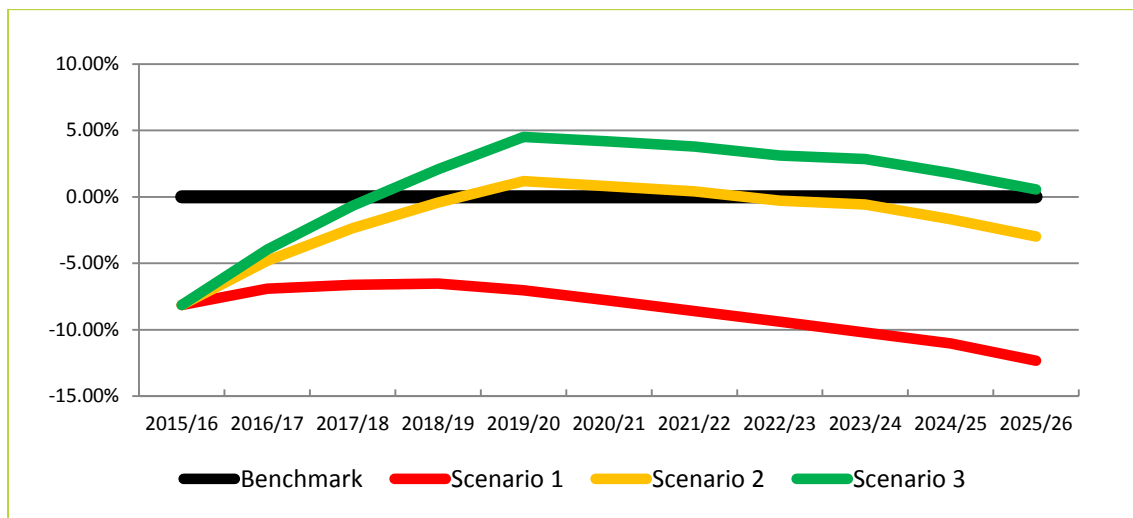
This capacity, along with willingness and commitment to collaborate in good faith with government, communities and industry stakeholders will underpin fit for the future councils

The results of Council’s financial modelling and its performance against these benchmarks are detailed on the following pages.

Performance Monitoring -Ratio Projections

Operating Performance Ratio

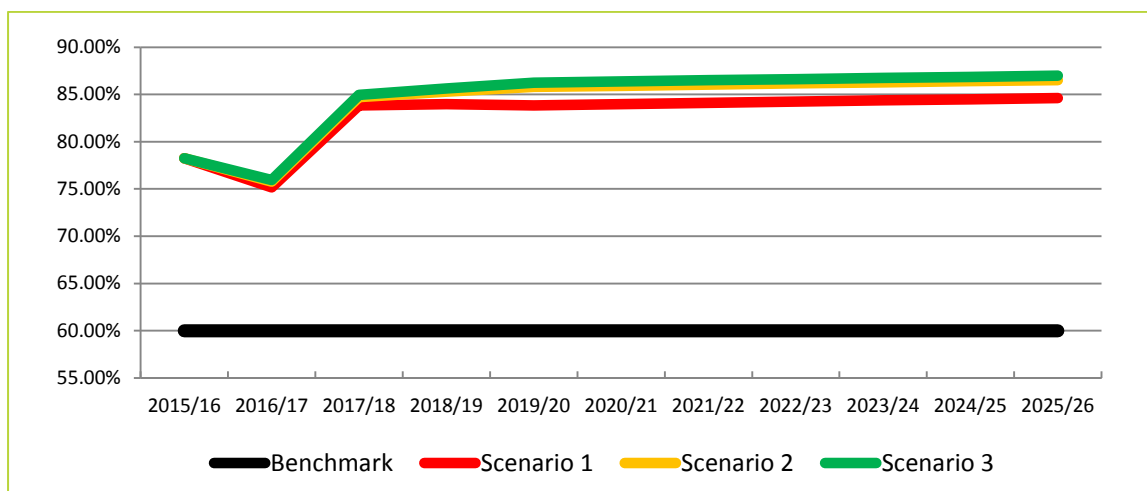
This ratio measures Council's achievement of containing operating expenditure within operating revenues. The benchmark for this ratio is a ratio of greater than 0%.



As shown in the above graph, Council will only achieve this benchmark under Scenarios 2 and 3. Scenario 2 will only see Council achieve the benchmark up to 2022/23, where it is likely that we would either need to seek a further increase in rate income or consider service level reductions to maintain a positive ratio.

Own Source Operating Revenue Ratio

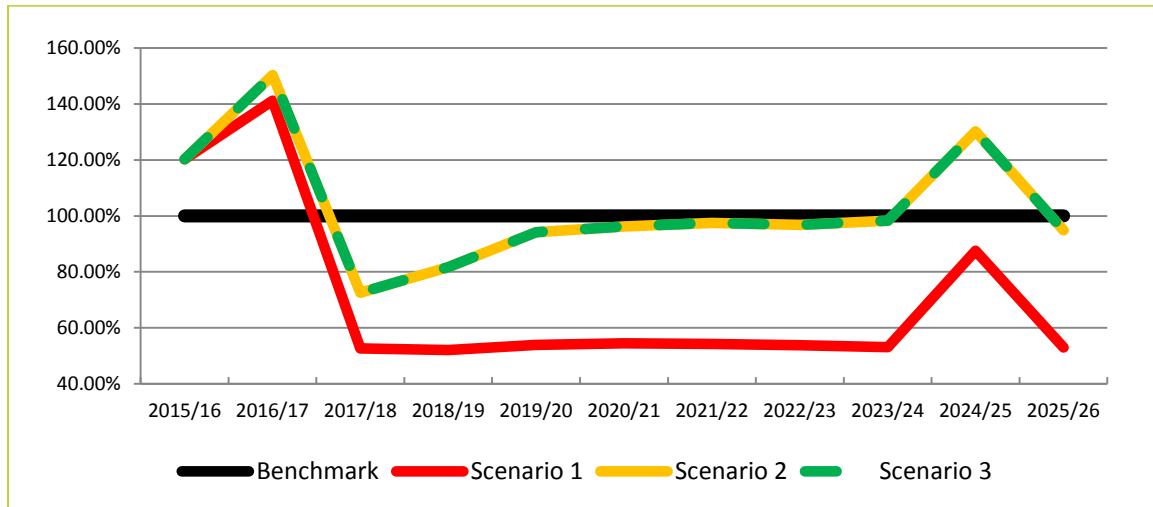
This ratio measures the degree of reliance Council has on external funding sources such as operating grants and contributions. The benchmark for this ratio is greater than 60%.



Council meets this ratio comfortably under all three Scenarios and intends to improve this ratio over the coming years.

Building & Infrastructure Renewal Ratio

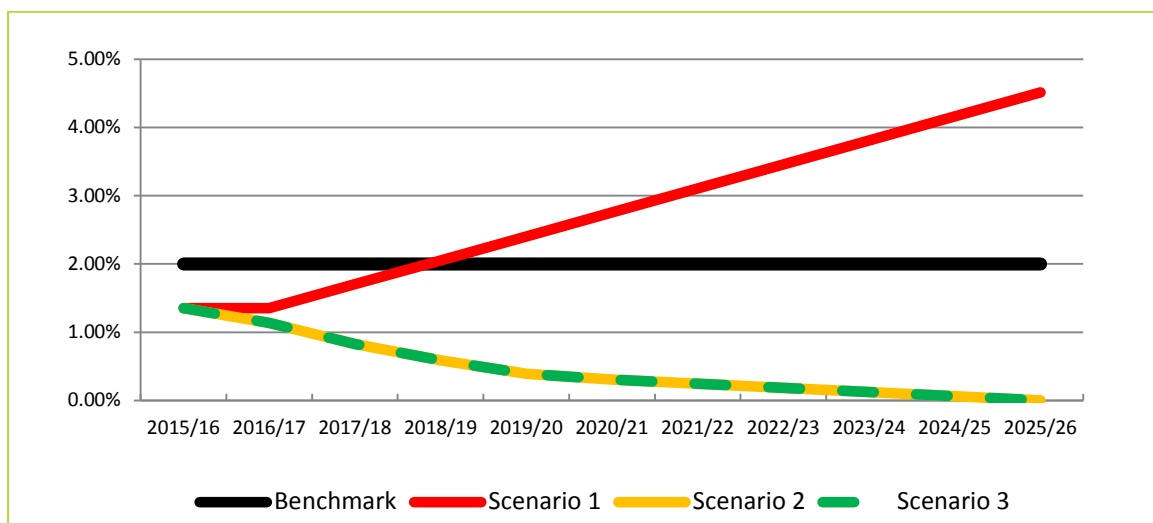
This ratio measures the rate at which assets are being renewed relative to the rate at which they are depreciating. The benchmark for this ratio is greater than 100%.



A ratio of less than 100% essentially means that the standard and safety of infrastructure will continue to decline. Council will only achieve this ratio under Scenarios 2 and 3. The spike in the ratio in 2016/17 is primarily due to the Bowral Distributor roadworks and the spike in 2024/25 is primarily due to refurbishment of Bowral memorial pool.

Infrastructure Backlog Ratio

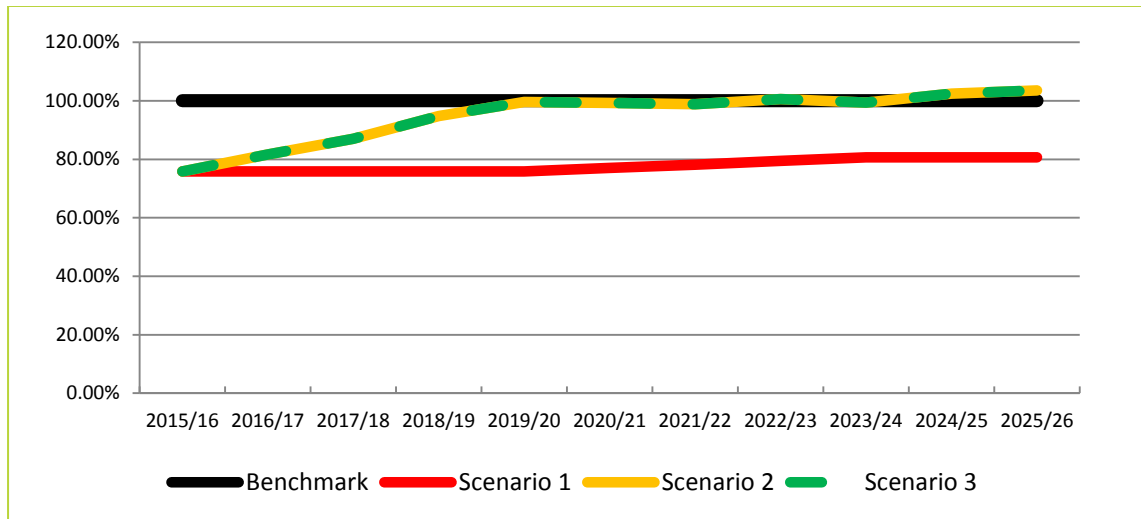
This ratio shows what proportion the infrastructure backlog is against the total value of infrastructure. It is essentially a measure of the total value of infrastructure which is failing. The benchmark for this ratio is less than 2%.



Based on the revised definition of Infrastructure Backlog (please refer to Asset Management Plans), under Scenarios 2 and 3 Council will continue to meet this ratio and intends on eliminating its backlog. Scenario 1 will see the level of backlog climb to approximately 5.00% in 2025/26.

Asset Maintenance Ratio

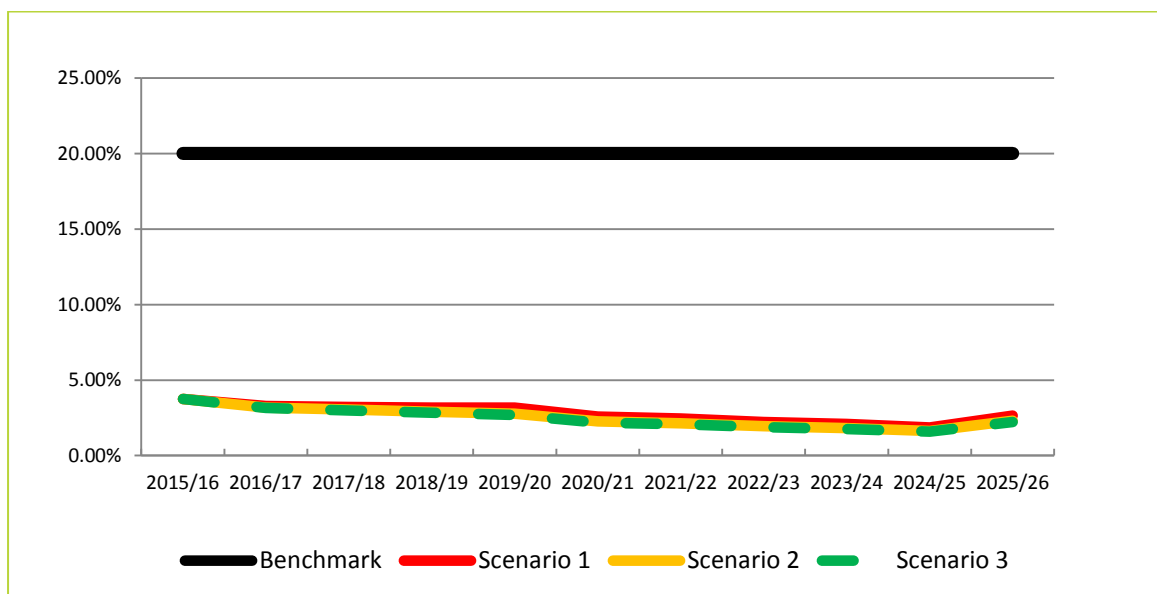
This ratio compares actual maintenance vs required annual maintenance. The benchmark for this ratio is greater than 100%.



As shown in the above graph, Council will only achieve this benchmark under Scenarios 2 and 3. Under Scenario 1, Council will be unable to increase its funding level for infrastructure maintenance. This funding gap will mean that the condition and safety of our assets will continue to decline.

Debt Service Ratio

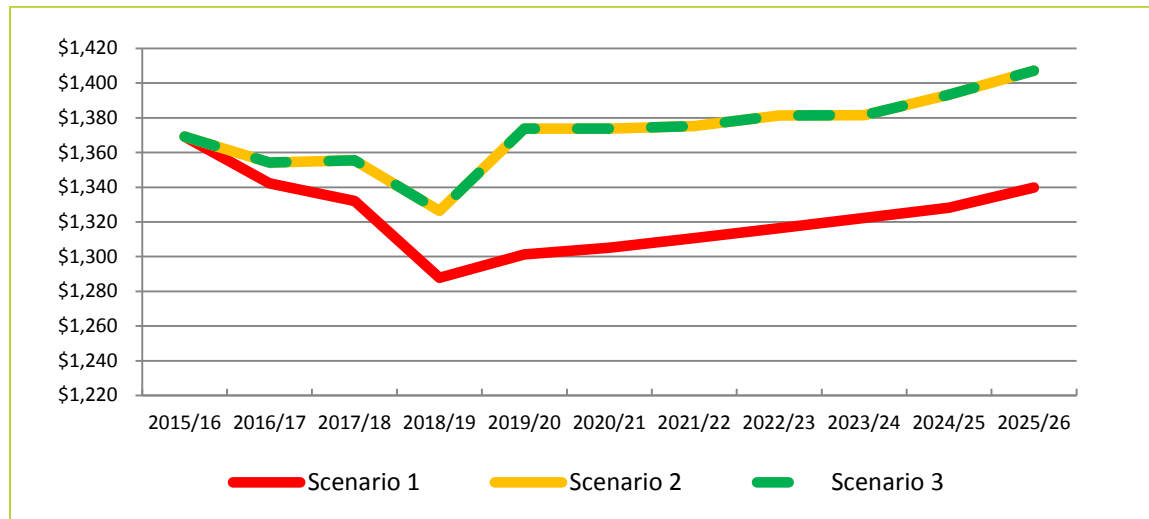
This ratio highlights the extent to which Council’s revenue from continuing operations is required for the repayment of debt (including both principal and interest repayments). The benchmark for this ratio is less than 20%.



Council meets this ratio comfortably under each three Scenarios. This includes the debt servicing payments relating to the \$6.5 million secured in 2014/15 under the Local Infrastructure Renewal Scheme.

Real Operating Expenditure (Per Capita) Ratio

This ratio has recently been introduced to measure the efficiency of service and infrastructure delivery for residents now and into the future. The benchmark is that real operating expenditure (per capita) should be declining.



While initially Council meets the benchmark under each of the Scenarios up to 2018/19, the long term trend is that real operating expenses will increase. In the case of Scenarios 2 and 3, this is unavoidable as Council will be significantly increasing its expenditure on infrastructure maintenance. It is important that the results of this ratio are not considered in isolation.

Council has included a population growth factor which is in line with the Department of Planning forecasts in determining this ratio.

<http://www.planning.nsw.gov.au/en-us/deliveringhomes/populationandhouseholdprojections/data.aspx>

Long Term Financial Models Financial Projections

Wingecarribee Shire Council
Long Term Financial Plan 2016/17 - 2025/26

Income Statement (General Fund) Investing in our Future - Scenario 1	Actuals	Current Year	Projected Years									
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	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
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	39,310	41,000	41,952	43,168	44,418	44,493	45,783	47,110	48,475	49,881	51,328	52,817
User Charges & Fees	8,339	6,931	7,104	7,282	7,464	7,651	7,842	8,038	8,239	8,445	8,656	8,872
Interest & Investment Revenue	1,708	1,778	1,787	1,796	1,814	1,832	1,869	1,906	1,954	2,003	2,053	2,104
Other Revenues	2,864	3,082	3,153	3,225	3,299	3,375	3,453	3,532	3,614	3,697	3,782	3,869
Grants & Contributions provided for Operating Purpc	8,247	7,665	7,842	8,022	8,207	8,394	8,588	8,787	8,989	9,197	9,408	9,624
Grants & Contributions provided for Capital Purposes	6,691	7,014	10,008	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666
Total Income from Continuing Operations	67,159	67,470	71,846	66,159	67,868	68,411	70,201	72,039	73,937	75,889	77,893	79,952
Expenses from Continuing Operations												
Employee Benefits & On-Costs	26,929	27,287	28,065	28,919	29,798	30,702	31,930	33,208	34,536	35,917	37,354	38,848
Borrowing Costs	822	663	619	570	519	464	406	361	318	284	244	553
Materials & Contracts	12,360	11,016	11,462	11,924	12,398	11,704	12,177	12,666	13,170	13,688	14,222	14,787
Depreciation & Amortisation	17,293	15,688	15,216	15,260	15,443	15,922	16,421	16,932	17,460	18,007	18,568	19,150
Other Expenses	9,487	10,724	10,990	11,265	11,548	11,839	12,139	12,448	12,767	13,095	13,432	13,775
Productivity Improvements Target	0	0	(234)	(241)	(249)	(256)	(264)	(272)	(281)	(289)	(298)	(305)
Net Losses from the Disposal of Assets	603	0	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	67,494	65,378	66,118	67,697	69,457	70,375	72,809	75,343	77,970	80,702	83,522	86,808
Operating Result from Continuing Operations Surplus / (Deficit)	(335)	2,092	5,728	(1,538)	(1,589)	(1,964)	(2,608)	(3,304)	(4,033)	(4,813)	(5,629)	(6,856)
Net Operating Result for the Year	(335)	2,092	5,728	(1,538)	(1,589)	(1,964)	(2,608)	(3,304)	(4,033)	(4,813)	(5,629)	(6,856)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,026)	(4,922)	(4,280)	(4,204)	(4,255)	(4,630)	(5,274)	(5,970)	(6,699)	(7,479)	(8,295)	(9,522)

Wingecarribee Shire Council
Long Term Financial Plan 2016/17 - 2025/26

Balance Sheet (General Fund) Investing in our Future - Scenario 1	Actuals	Current Year	Projected Years									
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	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
ASSETS												
Current Assets												
Cash & Cash Equivalents	4,606	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Investments	47,392	46,746	42,761	45,123	46,474	48,192	49,923	50,254	51,442	51,951	51,360	51,057
Receivables	3,974	3,773	3,922	3,843	3,967	4,102	4,190	4,283	4,380	4,482	4,582	4,686
Inventories	463	480	514	550	588	628	641	655	668	682	703	720
Other	397	345	363	382	402	422	432	442	452	462	475	487
Non-current assets classified as "held for sale"	1,012	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	57,844	52,344	48,560	50,898	52,431	54,344	56,186	56,634	57,942	58,577	58,120	57,949
Non-Current Assets												
Investments	0	0	0	0	0	0	0	0	0	0	0	0
Receivables	328	310	315	319	323	328	332	337	342	347	352	357
Infrastructure, Property, Plant & Equipment	854,597	859,625	867,882	862,709	858,444	853,370	847,741	842,813	836,379	829,864	829,670	821,793
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	854,925	859,935	868,197	863,028	858,767	853,698	848,073	843,150	836,721	830,211	830,022	822,150
TOTAL ASSETS	912,769	912,279	916,757	913,926	911,198	908,042	904,259	899,784	894,663	888,788	888,142	880,099
LIABILITIES												
Current Liabilities												
Payables	7,004	6,022	6,181	6,365	6,774	7,207	7,372	7,546	7,728	7,914	8,423	8,729
Borrowings	2,027	1,409	1,477	1,549	1,625	1,340	1,345	1,270	1,249	1,165	1,492	1,202
Provisions	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375
Total Current Liabilities	14,406	12,806	13,033	13,289	13,774	13,922	14,092	14,191	14,352	14,454	15,290	15,306
Non-Current Liabilities												
Borrowings	15,787	14,805	13,328	11,779	10,155	8,815	7,470	6,200	4,951	3,787	7,934	6,731
Provisions	715	715	715	715	715	715	715	715	715	715	715	715
Total Non-Current Liabilities	16,502	15,520	14,043	12,494	10,870	9,530	8,185	6,915	5,666	4,502	8,649	7,446
TOTAL LIABILITIES	30,908	28,326	27,076	25,783	24,644	23,452	22,277	21,106	20,018	18,956	23,939	22,752
Net Assets	881,861	883,953	889,681	888,143	886,554	884,590	881,982	878,678	874,645	869,832	864,203	857,347
EQUITY												
Retained Earnings	389,836	391,928	397,656	396,118	394,529	392,565	389,957	386,653	382,620	377,807	372,178	365,322
Revaluation Reserves	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025
Council Equity Interest	881,861	883,953	889,681	888,143	886,554	884,590	881,982	878,678	874,645	869,832	864,203	857,347
Total Equity	881,861	883,953	889,681	888,143	886,554	884,590	881,982	878,678	874,645	869,832	864,203	857,347

Notes:

- Cash and Investments reflect General Fund operations only. The total value of cash and investments as at 30 June 2015 was \$51.998M.
- Council's Long Term Financial Plan does not include any assumptions regarding long term movements to the Revaluation Reserve.

Wingecarribee Shire Council
Long Term Financial Plan 2016/17 - 2025/26

Cashflow Statement (General Fund) Investing in our Future - Scenario 1	Current Year	Projected Years									
	2015/16 \$'000	2016/17 \$'000	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
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	40,872	41,907	43,120	44,365	44,435	45,761	47,087	48,452	49,857	51,303	52,791
User Charges & Fees	7,046	7,290	7,265	7,447	7,633	7,824	8,019	8,220	8,425	8,636	8,852
Interest & Investment Revenue Received	1,786	1,787	1,787	1,804	1,818	1,866	1,902	1,947	1,993	2,048	2,094
Grants & Contributions	14,568	17,798	10,877	10,866	11,053	11,247	11,445	11,648	11,855	12,066	12,282
Other	3,283	3,241	3,323	3,409	3,497	3,478	3,559	3,641	3,725	3,811	3,899
Payments:											
Employee Benefits & On-Costs	(27,258)	(28,471)	(28,917)	(29,799)	(30,703)	(31,929)	(33,209)	(34,535)	(35,916)	(37,354)	(38,848)
Materials & Contracts	(10,784)	(10,981)	(11,624)	(11,877)	(11,165)	(11,777)	(12,253)	(12,747)	(13,252)	(13,479)	(14,331)
Borrowing Costs	(725)	(684)	(639)	(590)	(539)	(468)	(423)	(376)	(342)	(291)	(501)
Other	(10,724)	(10,990)	(11,265)	(11,548)	(11,839)	(12,139)	(12,448)	(12,767)	(13,095)	(13,432)	(13,775)
Net Cash provided (or used in) Operating Activities	18,064	20,897	13,927	14,077	14,190	13,863	13,679	13,483	13,250	13,308	12,463
Cash Flows from Investing Activities											
Receipts:											
Sale of Infrastructure, Property, Plant & Equipment	799	861	891	922	955	988	1,023	1,058	1,095	1,134	1,174
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	(21,515)	(24,334)	(10,979)	(12,099)	(11,802)	(11,780)	(13,026)	(12,083)	(12,587)	(19,507)	(12,448)
Net Cash provided (or used in) Investing Activities	(20,716)	(23,473)	(10,088)	(11,177)	(10,847)	(10,792)	(12,003)	(11,025)	(11,492)	(18,373)	(11,274)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	0	0	0	0	0	0	0	0	0	5,639	0
Payments:											
Repayment of Borrowings & Advances	(1,600)	(1,409)	(1,477)	(1,549)	(1,625)	(1,340)	(1,345)	(1,270)	(1,249)	(1,165)	(1,492)
Net Cash Flow provided (used in) Financing Activities	(1,600)	(1,409)	(1,477)	(1,549)	(1,625)	(1,340)	(1,345)	(1,270)	(1,249)	4,474	(1,492)
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,252)	(3,985)	2,362	1,351	1,718	1,731	331	1,188	509	(591)	(303)
plus: Cash & Investments - beginning of year	51,998	47,746	43,761	46,123	47,474	49,192	50,923	51,254	52,442	52,951	52,360
Cash & Investments - end of the year	47,746	43,761	46,123	47,474	49,192	50,923	51,254	52,442	52,951	52,360	52,057

Wingecarribee Shire Council
Long Term Financial Plan 2016/17 - 2025/26

Income Statement (General Fund) Investing in our Future - Scenario 2	Actuals	Current Year	Projected Years									
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	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
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	39,310	41,000	43,759	46,971	50,439	53,923	55,495	57,113	58,778	60,493	62,259	64,076
User Charges & Fees	8,339	6,931	7,104	7,282	7,464	7,651	7,842	8,038	8,239	8,445	8,656	8,872
Interest & Investment Revenue	1,708	1,778	1,787	1,796	1,814	1,832	1,869	1,906	1,954	2,003	2,053	2,104
Other Revenues	2,864	3,082	3,153	3,225	3,299	3,375	3,453	3,532	3,614	3,697	3,782	3,869
Grants & Contributions provided for Operating Purpc	8,247	7,665	7,842	8,022	8,207	8,394	8,588	8,787	8,989	9,197	9,408	9,624
Grants & Contributions provided for Capital Purposes:	6,691	7,014	10,008	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666
Total Income from Continuing Operations	67,159	67,470	73,653	69,962	73,889	77,841	79,913	82,042	84,240	86,501	88,824	91,211
Expenses from Continuing Operations												
Employee Benefits & On-Costs	26,929	27,287	28,065	28,919	29,798	30,702	31,930	33,208	34,536	35,917	37,354	38,848
Borrowing Costs	822	663	619	570	519	464	406	361	318	284	244	553
Materials & Contracts	12,360	11,016	12,059	13,111	14,476	15,619	15,996	16,372	17,012	17,301	18,318	19,157
Depreciation & Amortisation	17,293	15,688	15,216	15,260	15,443	15,922	16,421	16,932	17,460	18,007	18,568	19,150
Other Expenses	9,487	10,724	10,990	11,265	11,548	11,839	12,139	12,448	12,767	13,095	13,432	13,775
Productivity Improvements Target	0	0	(234)	(241)	(249)	(256)	(264)	(272)	(281)	(289)	(298)	(305)
Net Losses from the Disposal of Assets	603	0	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	67,494	65,378	66,715	68,884	71,535	74,290	76,628	79,049	81,812	84,315	87,618	91,178
Operating Result from Continuing Operations	(335)	2,092	6,938	1,078	2,354	3,551	3,285	2,993	2,428	2,186	1,206	33
Surplus / (Deficit)	(335)	2,092	6,938	1,078	2,354	3,551	3,285	2,993	2,428	2,186	1,206	33
Net Operating Result for the Year	(335)	2,092	6,938	1,078	2,354	3,551	3,285	2,993	2,428	2,186	1,206	33
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,026)	(4,922)	(3,070)	(1,588)	(312)	885	619	327	(238)	(480)	(1,460)	(2,633)

Wingecarribee Shire Council
Long Term Financial Plan 2016/17 - 2025/26

Balance Sheet (General Fund) Investing in our Future - Scenario 2	Actuals	Current Year	Projected Years									
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	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
ASSETS												
Current Assets												
Cash & Cash Equivalents	4,606	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Investments	47,392	46,746	42,761	45,123	46,474	48,195	49,927	50,259	51,446	51,955	51,363	51,060
Receivables	3,974	3,773	3,922	3,843	3,967	4,102	4,190	4,283	4,380	4,482	4,582	4,686
Inventories	463	480	514	550	588	628	641	655	668	682	703	720
Other	397	345	363	382	402	422	432	442	452	462	475	487
Non-current assets classified as "held for sale"	1,012	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	57,844	52,344	48,560	50,898	52,431	54,347	56,190	56,639	57,946	58,581	58,123	57,952
Non-Current Assets												
Investments	0	0	0	0	0	0	0	0	0	0	0	0
Receivables	328	310	315	319	323	328	332	337	342	347	352	357
Infrastructure, Property, Plant & Equipment	854,597	859,625	869,092	866,535	866,213	866,651	866,914	868,282	868,310	868,794	875,436	874,448
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	854,925	859,935	869,407	866,854	866,536	866,979	867,246	868,619	868,652	869,141	875,788	874,805
TOTAL ASSETS	912,769	912,279	917,967	917,752	918,967	921,326	923,436	925,258	926,598	927,722	933,911	932,757
LIABILITIES												
Current Liabilities												
Payables	7,004	6,022	6,181	6,365	6,774	7,207	7,372	7,546	7,728	7,914	8,423	8,729
Borrowings	2,027	1,409	1,477	1,549	1,625	1,340	1,345	1,270	1,249	1,165	1,492	1,202
Provisions	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375
Total Current Liabilities	14,406	12,806	13,033	13,289	13,774	13,922	14,092	14,191	14,352	14,454	15,290	15,306
Non-Current Liabilities												
Borrowings	15,787	14,805	13,328	11,779	10,155	8,815	7,470	6,200	4,951	3,787	7,934	6,731
Provisions	715	715	715	715	715	715	715	715	715	715	715	715
Total Non-Current Liabilities	16,502	15,520	14,043	12,494	10,870	9,530	8,185	6,915	5,666	4,502	8,649	7,446
TOTAL LIABILITIES	30,908	28,326	27,076	25,783	24,644	23,452	22,277	21,106	20,018	18,956	23,939	22,752
Net Assets	881,861	883,953	890,891	891,969	894,323	897,874	901,159	904,152	906,580	908,766	909,972	910,005
EQUITY												
Retained Earnings	389,836	391,928	398,866	399,944	402,298	405,849	409,134	412,127	414,555	416,741	417,947	417,980
Revaluation Reserves	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025
Council Equity Interest	881,861	883,953	890,891	891,969	894,323	897,874	901,159	904,152	906,580	908,766	909,972	910,005
Total Equity	881,861	883,953	890,891	891,969	894,323	897,874	901,159	904,152	906,580	908,766	909,972	910,005

Notes:

1. Cash and Investments reflect General Fund operations only. The total value of cash and investments as at 30 June 2015 was \$51.998M.
2. Council's Long Term Financial Plan does not include any assumptions regarding long term movements to the Revaluation Reserve.

Wingecarribee Shire Council
Long Term Financial Plan 2016/17 - 2025/26

Cashflow Statement (General Fund) Investing in our Future - Scenario 2	Current Year	Projected Years									
	2015/16 \$'000	2016/17 \$'000	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
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	40,872	43,714	46,923	50,386	53,865	55,473	57,090	58,755	60,469	62,234	64,050
User Charges & Fees	7,046	7,290	7,265	7,447	7,633	7,824	8,019	8,220	8,425	8,636	8,852
Interest & Investment Revenue Received	1,786	1,787	1,787	1,804	1,818	1,866	1,902	1,947	1,993	2,048	2,094
Grants & Contributions	14,568	17,798	10,877	10,866	11,053	11,247	11,445	11,648	11,855	12,066	12,282
Other	3,283	3,241	3,323	3,409	3,497	3,478	3,559	3,641	3,725	3,811	3,899
Payments:											
Employee Benefits & On-Costs	(27,258)	(28,471)	(28,917)	(29,799)	(30,703)	(31,929)	(33,209)	(34,535)	(35,916)	(37,354)	(38,848)
Materials & Contracts	(10,784)	(11,578)	(12,811)	(13,955)	(15,080)	(15,595)	(15,959)	(16,588)	(16,864)	(17,574)	(18,702)
Borrowing Costs	(725)	(684)	(639)	(590)	(539)	(468)	(423)	(376)	(342)	(291)	(501)
Other	(10,724)	(10,990)	(11,265)	(11,548)	(11,839)	(12,139)	(12,448)	(12,767)	(13,095)	(13,432)	(13,775)
Net Cash provided (or used in) Operating Activities	18,064	22,107	16,543	18,020	19,705	19,757	19,976	19,945	20,250	20,144	19,351
Cash Flows from Investing Activities											
Receipts:											
Sale of Infrastructure, Property, Plant & Equipment	799	861	891	922	955	988	1,023	1,058	1,095	1,134	1,174
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	(21,515)	(25,544)	(13,595)	(16,042)	(17,314)	(17,673)	(19,322)	(18,546)	(19,587)	(26,344)	(19,336)
Net Cash provided (or used in) Investing Activities	(20,716)	(24,683)	(12,704)	(15,120)	(16,359)	(16,685)	(18,299)	(17,488)	(18,492)	(25,210)	(18,162)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	0	0	0	0	0	0	0	0	0	5,639	0
Payments:											
Repayment of Borrowings & Advances	(1,600)	(1,409)	(1,477)	(1,549)	(1,625)	(1,340)	(1,345)	(1,270)	(1,249)	(1,165)	(1,492)
Net Cash Flow provided (used in) Financing Activities	(1,600)	(1,409)	(1,477)	(1,549)	(1,625)	(1,340)	(1,345)	(1,270)	(1,249)	4,474	(1,492)
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,252)	(3,985)	2,362	1,351	1,721	1,732	332	1,187	509	(592)	(303)
plus: Cash & Investments - beginning of year	51,998	47,746	43,761	46,123	47,474	49,195	50,927	51,259	52,446	52,955	52,363
Cash & Investments - end of the year	47,746	43,761	46,123	47,474	49,195	50,927	51,259	52,446	52,955	52,363	52,060

Wingecarribee Shire Council
Long Term Financial Plan 2016/17 - 2025/26

Income Statement (General Fund) Investing in our Future - Scenario 3	Actuals	Current Year	Projected Years									
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	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
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	39,310	41,000	44,274	48,092	52,270	56,551	58,202	59,901	61,651	63,452	65,306	67,215
User Charges & Fees	8,339	6,931	7,104	7,282	7,464	7,651	7,842	8,038	8,239	8,445	8,656	8,872
Interest & Investment Revenue	1,708	1,778	1,787	1,796	1,814	1,832	1,869	1,906	1,954	2,003	2,053	2,104
Other Revenues	2,864	3,082	3,153	3,225	3,299	3,375	3,453	3,532	3,614	3,697	3,782	3,869
Grants & Contributions provided for Operating Purpc	8,247	7,665	7,842	8,022	8,207	8,394	8,588	8,787	8,989	9,197	9,408	9,624
Grants & Contributions provided for Capital Purposes:	6,691	7,014	10,008	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666	2,666
Total Income from Continuing Operations	67,159	67,470	74,168	71,083	75,720	80,469	82,620	84,830	87,113	89,460	91,871	94,350
Expenses from Continuing Operations												
Employee Benefits & On-Costs	26,929	27,287	28,065	28,919	29,798	30,702	31,930	33,208	34,536	35,917	37,354	38,848
Borrowing Costs	822	663	619	570	519	464	406	361	318	284	244	553
Materials & Contracts	12,360	11,016	12,059	13,111	14,476	15,619	15,996	16,372	17,012	17,301	18,318	19,157
Depreciation & Amortisation	17,293	15,688	15,216	15,260	15,443	15,922	16,421	16,932	17,460	18,007	18,568	19,150
Other Expenses	9,487	10,724	10,990	11,265	11,548	11,839	12,139	12,448	12,767	13,095	13,432	13,775
Productivity Improvements Target	0	0	(234)	(241)	(249)	(256)	(264)	(272)	(281)	(289)	(298)	(305)
Net Losses from the Disposal of Assets	603	0	0	0	0	0	0	0	0	0	0	0
Total Expenses from Continuing Operations	67,494	65,378	66,715	68,884	71,535	74,290	76,628	79,049	81,812	84,315	87,618	91,178
Operating Result from Continuing Operations	(335)	2,092	7,453	2,199	4,185	6,179	5,992	5,781	5,301	5,145	4,253	3,172
Surplus / (Deficit)	(335)	2,092	7,453	2,199	4,185	6,179	5,992	5,781	5,301	5,145	4,253	3,172
Net Operating Result for the Year	(335)	2,092	7,453	2,199	4,185	6,179	5,992	5,781	5,301	5,145	4,253	3,172
Net Operating Result before Grants and Contributions provided for Capital Purposes	(7,026)	(4,922)	(2,555)	(467)	1,519	3,513	3,326	3,115	2,635	2,479	1,587	506

Wingecarribee Shire Council
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Balance Sheet (General Fund) Investing in our Future - Scenario 3	Actuals	Current Year	Projected Years									
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	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
ASSETS												
Current Assets												
Cash & Cash Equivalents	4,606	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Investments	47,392	46,746	42,761	45,123	46,474	48,192	49,923	50,254	51,442	51,951	51,360	51,057
Receivables	3,974	3,773	3,922	3,843	3,967	4,102	4,190	4,283	4,380	4,482	4,582	4,686
Inventories	463	480	514	550	588	628	641	655	668	682	703	720
Other	397	345	363	382	402	422	432	442	452	462	475	487
Non-current assets classified as "held for sale"	1,012	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	57,844	52,344	48,560	50,898	52,431	54,344	56,186	56,634	57,942	58,577	58,120	57,949
Non-Current Assets												
Investments	0	0	0	0	0	0	0	0	0	0	0	0
Receivables	328	310	315	319	323	328	332	337	342	347	352	357
Infrastructure, Property, Plant & Equipment	854,597	859,625	869,607	868,171	869,680	872,749	875,720	879,877	882,777	886,220	895,908	898,059
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	854,925	859,935	869,922	868,490	870,003	873,077	876,052	880,214	883,119	886,567	896,260	898,416
TOTAL ASSETS	912,769	912,279	918,482	919,388	922,434	927,421	932,238	936,848	941,061	945,144	954,380	956,365
LIABILITIES												
Current Liabilities												
Payables	7,004	6,022	6,181	6,365	6,774	7,207	7,372	7,546	7,728	7,914	8,423	8,729
Borrowings	2,027	1,409	1,477	1,549	1,625	1,340	1,345	1,270	1,249	1,165	1,492	1,202
Provisions	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375
Total Current Liabilities	14,406	12,806	13,033	13,289	13,774	13,922	14,092	14,191	14,352	14,454	15,290	15,306
Non-Current Liabilities												
Borrowings	15,787	14,805	13,328	11,779	10,155	8,815	7,470	6,200	4,951	3,787	7,934	6,731
Provisions	715	715	715	715	715	715	715	715	715	715	715	715
Total Non-Current Liabilities	16,502	15,520	14,043	12,494	10,870	9,530	8,185	6,915	5,666	4,502	8,649	7,446
TOTAL LIABILITIES	30,908	28,326	27,076	25,783	24,644	23,452	22,277	21,106	20,018	18,956	23,939	22,752
Net Assets	881,861	883,953	891,406	893,605	897,790	903,969	909,961	915,742	921,043	926,188	930,441	933,613
EQUITY												
Retained Earnings	389,836	391,928	399,381	401,580	405,765	411,944	417,936	423,717	429,018	434,163	438,416	441,588
Revaluation Reserves	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025	492,025
Council Equity Interest	881,861	883,953	891,406	893,605	897,790	903,969	909,961	915,742	921,043	926,188	930,441	933,613
Total Equity	881,861	883,953	891,406	893,605	897,790	903,969	909,961	915,742	921,043	926,188	930,441	933,613

Notes:

- Cash and Investments reflect General Fund operations only. The total value of cash and investments as at 30 June 2015 was \$51.998M.
- Council's Long Term Financial Plan does not include any assumptions regarding long term movements to the Revaluation Reserve.

Wingecarribee Shire Council
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Cashflow Statement (General Fund) Investing in our Future - Scenario 3	Current Year	Projected Years									
	2015/16 \$'000	2016/17 \$'000	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
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	40,872	44,229	48,044	52,217	56,493	58,179	59,878	61,628	63,428	65,281	67,189
User Charges & Fees	7,046	7,290	7,265	7,447	7,633	7,824	8,019	8,220	8,425	8,636	8,852
Interest & Investment Revenue Received	1,786	1,787	1,787	1,804	1,818	1,866	1,902	1,947	1,993	2,048	2,094
Grants & Contributions	14,568	17,798	10,877	10,866	11,053	11,247	11,445	11,648	11,855	12,066	12,282
Other	3,283	3,241	3,323	3,409	3,497	3,478	3,559	3,641	3,725	3,811	3,899
Payments:											
Employee Benefits & On-Costs	(27,258)	(28,471)	(28,917)	(29,799)	(30,703)	(31,929)	(33,209)	(34,535)	(35,916)	(37,354)	(38,848)
Materials & Contracts	(10,784)	(11,578)	(12,811)	(13,955)	(15,080)	(15,594)	(15,959)	(16,588)	(16,864)	(17,574)	(18,702)
Borrowing Costs	(725)	(684)	(639)	(590)	(539)	(468)	(423)	(376)	(342)	(291)	(501)
Other	(10,724)	(10,990)	(11,265)	(11,548)	(11,839)	(12,139)	(12,448)	(12,767)	(13,095)	(13,432)	(13,775)
Net Cash provided (or used in) Operating Activities	18,064	22,622	17,664	19,851	22,333	22,464	22,764	22,818	23,209	23,191	22,490
Cash Flows from Investing Activities											
Receipts:											
Sale of Infrastructure, Property, Plant & Equipment	799	861	891	922	955	988	1,023	1,058	1,095	1,134	1,174
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	(21,515)	(26,059)	(14,716)	(17,873)	(19,945)	(20,381)	(22,111)	(21,418)	(22,546)	(29,390)	(22,475)
Net Cash provided (or used in) Investing Activities	(20,716)	(25,198)	(13,825)	(16,951)	(18,990)	(19,393)	(21,088)	(20,360)	(21,451)	(28,256)	(21,301)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	0	0	0	0	0	0	0	0	0	5,639	0
Payments:											
Repayment of Borrowings & Advances	(1,600)	(1,409)	(1,477)	(1,549)	(1,625)	(1,340)	(1,345)	(1,270)	(1,249)	(1,165)	(1,492)
Net Cash Flow provided (used in) Financing Activities	(1,600)	(1,409)	(1,477)	(1,549)	(1,625)	(1,340)	(1,345)	(1,270)	(1,249)	4,474	(1,492)
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,252)	(3,985)	2,362	1,351	1,718	1,731	331	1,188	509	(591)	(303)
plus: Cash & Investments - beginning of year	51,998	47,746	43,761	46,123	47,474	49,192	50,923	51,254	52,442	52,951	52,360
Cash & Investments - end of the year	47,746	43,761	46,123	47,474	49,192	50,923	51,254	52,442	52,951	52,360	52,057