



Shaping
mosman'sfuture

Mosman
COUNCIL

Proposed
Special Rate Variation
2015-16

Information Package

Message from the mayor



For the last 15 years Council rates have included a special 5% rate levy for environmental works. This special levy, known as the 'Community Environmental Contract' (or CEC) is due to finish shortly.

Thus we as a community must decide whether to apply to the Independent Pricing and Regulatory Tribunal for a

special rate variation equivalent in value to the CEC or for any other increases outside the State Government rate peg of about 3% per annum.

Even including the CEC revenue, Council ran an operating deficit of \$3.0 million in 2011-12. I am pleased to say that we have greatly improved our operating result over the last 2 years.

However even with the levy we would most likely be running a small operating deficit over the next couple of years unless we reduce some services.

Responses to our recent biennial community survey suggest that most residents would prefer a small increase in rates to a cut in services.

We also need to be mindful that a major test of council "fitness" for continued independence is financial

sustainability. This requires, among other criteria, running balanced operating budgets and a capacity to reduce "infrastructure backlog".

With these considerations in mind, Council has decided unanimously that three options should be put to the community:

- **Option 1** - A rate increase limited to the rate peg (likely to be about 3%) and excluding the CEC levy which would effectively mean a rate reduction in 2015-16;
- **Option 2** - A replacement 5% levy plus the estimated rate peg of 3% - effectively the financial status quo for ratepayers;
- **Option 3** - Option 2 plus a further 5% rate increase which would increase service levels, including clearing Council's infrastructure backlog.

Relative to the 2014-15 rate level, the average residential rate in 2015-16 would fall by about \$21 in Option 1, rise by about \$38 in Option 2, and rise by about \$98 in Option 3.

More details about the rating options are provided in this brochure. I will also be running a public meeting at 7pm on Monday 27 October where I will respond to any questions.

Council looks forward to hearing your views and will make a decision at the December meeting about which option to pursue.

Peter Abelson

Peter Abelson
Mayor of Mosman

Giving Local Infrastructure the Priority it Deserves

In consecutive biennial Community Surveys in 2012 and 2014, the services and facilities rated most important by Mosman residents have included core infrastructure such as roads, footpaths, public spaces, car parking and parklands. Residents have also consistently rated the maintenance and upgrade of roads and footpaths amongst the top issues facing Mosman over the next 10 years.

Responses in both the 2012 and 2014 Community Surveys also illustrate significant gaps between the importance placed on infrastructure like roads and footpaths and satisfaction with service levels. While Council has worked hard to provide a high level of local amenity (and resident satisfaction is actually above NSW benchmarks in many areas), it is also recognised that more can be done to give Mosman's infrastructure the priority it deserves.



Our Current Asset Base

Council is currently responsible for managing over \$400 million worth of public assets including roads, parks and open space, buildings, stormwater drainage and marine structures. These assets vary in condition, with all assets being rated on a scale of 1 to 5 as follows:

- Condition 1 – Excellent - As new
- Condition 2 – Good - Some sign of wear and tear
- Condition 3 – Average - Some areas with defects
- Condition 4 – Poor - Extensive wear and tear
- Condition 5 – Failed - Asset unserviceable

Our 'infrastructure backlog', which refers to assets in condition 4 or 5, is estimated at \$8.6 million. This backlog has been created as Council's actual expenditure on assets has not met the required expenditure. A key rationale for considering a

special rate variation (as proposed in Options 2 and 3 in this brochure) is to progressively reduce this infrastructure backlog by increasing expenditure across Council's assets. Option 2 will reduce the backlog by approximately \$5 million over 10 years and Option 3 will clear the backlog over the same period. Under Option 1, however, Council's infrastructure backlog is estimated to increase to \$12 million after 10 years.

What could we achieve with a Special Rate Variation?

The table below shows the level of infrastructure spending possible under each option:

Asset Class	1	2	3
Roads	Existing Work Plan Includes average annual capital expenditure of \$2.2 million on road related assets	Existing work plan plus an additional \$4.3 million spent over 10 years on road pavement, footpaths, kerb and gutter and retaining walls	Existing work plan plus an additional \$7.6 million spent over 10 years on road pavement, footpaths, kerb and gutter and retaining walls
Marine Structures	Existing Work Plan Includes average annual capital expenditure of \$0.1 million on marine structures	Existing work plan plus an additional \$0.8 million spent over 10 years on baths, jetties and seawalls	Existing work plan plus an additional \$1.1 million spent over 10 years on baths, jetties and seawalls
Buildings	Existing Work Plan Includes average annual capital expenditure of \$1.4 million on buildings	Existing work plan plus an additional \$1.4 million spent over 10 years on Council buildings and amenity blocks	Existing work plan plus an additional \$2.3 million spent over 10 years on Council buildings and amenity blocks
Parks and Open Space	Existing Work Plan Includes average annual capital expenditure of \$0.5 million on parks and open spaces	Existing work plan plus an additional \$1.4 million spent over 10 years on parks, reserves and sporting fields	Existing work plan plus an additional \$2.3 million spent over 10 years on parks, reserves and sporting fields
Stormwater Drainage	Existing Work Plan Includes average annual capital expenditure of \$0.8 million on stormwater drainage assets	Existing work plan plus an additional \$0.8 million spent over 10 years on pipes, pits and creeks	Existing work plan plus an additional \$1.1 million spent over 10 years on pipes, pits and creeks

What are the options?

Impacts

	1	2	3
	<p>No special rate variation.</p> <p>Annual rate increase in 2015-16 limited to estimated rate peg of 3%</p>	<p>A one-off special rate variation in 2015-16 of 8% (5% plus estimated annual rate peg of 3%)</p>	<p>A one-off special rate variation in 2015-16 of 13% (10% plus estimated annual rate peg of 3%)</p>
Impact on Service Levels	Lower service levels over time	Service levels generally maintained however subject to budget shocks (Lower service levels required to achieve balanced budget)	Service levels increased including infrastructure renewal and maintenance and improvements to customer service and communications
Impact on Operating Result	Ongoing deficits up to 2024/25	Ongoing deficits or very marginal results up to 2024/25	Ongoing surpluses to 2024/25
Impact on Infrastructure	<p>Reduced capital works program with increase in current 'infrastructure backlog'</p> <p>Estimated average annual works program - \$5 million*</p> <p>Estimated annual asset maintenance program - \$2.98 million*</p>	<p>Current level of capital works undertaken with some improvement in current 'infrastructure backlog'</p> <p>Estimated average annual works program - \$5.8 million*</p> <p>Estimated annual asset maintenance program - \$2.98 million*</p>	<p>Enhanced capital works and asset maintenance programs with 'infrastructure backlog' cleared within 10 years</p> <p>Estimated average annual works program - \$6.5 million*</p> <p>Estimated annual asset maintenance program - \$3.03 million*</p>
Average Residential Rate 2015-16	\$1,235.16	\$1,295.12	\$1,355.08
Increase/(Reduction) in Average Residential Rate between 2014-15 and 2015-16	(\$21.59)	\$38.37	\$98.33
Total increase in average Residential Rates over next four years	\$92.95	\$158.47	\$223.39
Average Business Rate 2015-16	\$2,745.25	\$2,878.52	\$3,011.78
Increase/(Reduction) in Average Business Rate between 2014-15 and 2015-16	(\$47.99)	\$85.28	\$218.54
Total increase in average Business Rates over next four years	\$206.57	\$352.19	\$497.81
Impact on State Government 'Fit for the Future' Sustainability, Effectiveness and Efficiency Criteria	Key criteria not met	Some but not all criteria met	Most criteria met

*over next 10 years



Find out more

More information about the proposed Special Rate Variation and the rating options being considered can be found on Council's website - visit mosman.nsw.gov.au

You can also learn more through:

Public Exhibition

Up until Friday 14 November 2014, during business hours
Mosman Civic Centre and Mosman Library

Public Meeting

Monday 27 October 2014, 7pm
Mosman Civic Centre

Information Stall

Saturday 1 November 2014, 9am-1pm
Mosman Markets, Mosman Square

Give us your views

There are various ways you can tell us about your preferred option. You can do this in person at one of the information sessions listed above, or you can choose one of the following:

1. Return the reply paid postcard included with this booklet
2. Go to council's website at mosman.nsw.gov.au and visit the 'Shaping Mosman's Future' page. Here you will be able to complete a survey to indicate your preferred option and/or leave other comments for Council's consideration. This site also contains additional information on the rating options, including the impact on Mosman's services, infrastructure and rates payable.
3. Send a separate submission by regular post to
Mosman Council, PO Box 211, Spit Junction, NSW 2088.

All feedback must be received by **Sunday 16 November 2014**.



Mosman COUNCIL

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What are the options?

Impacts

	1	2	3
	<p>No special rate variation.</p> <p>Annual rate increase in 2015-16 limited to estimated rate peg of 3%</p>	<p>A one-off special rate variation in 2015-16 of 8% (5%[†] plus estimated annual rate peg of 3%)</p>	<p>A one-off special rate variation in 2015-16 of 13% (10%[†] plus estimated annual rate peg of 3%)</p>
Impact on Service Levels	Lower service levels over time	Service levels generally maintained however subject to budget shocks (Lower service levels required to achieve balanced budget)	Service levels increased including infrastructure renewal and maintenance and improvements to customer service and communications
Impact on Operating Result	Ongoing deficits up to 2024/25	Ongoing deficits or very marginal results up to 2024/25	Ongoing surpluses to 2024/25
Impact on Infrastructure	Reduced capital works program with increase in current 'infrastructure backlog' Estimated average annual works program - \$5 million* Estimated annual asset maintenance program - \$2.98 million*	Current level of capital works undertaken with some improvement in current 'infrastructure backlog' Estimated average annual works program - \$5.8 million* Estimated annual asset maintenance program - \$2.98 million*	Enhanced capital works and asset maintenance programs with 'infrastructure backlog' cleared within 10 years Estimated average annual works program - \$6.5 million* Estimated annual asset maintenance program - \$3.03 million*
Average Residential Rate 2015-16	\$1,235.16	\$1,295.12	\$1,355.08
Increase/(Reduction) in Average Residential Rate between 2014-15 and 2015-16	(\$21.59)	\$38.37	\$98.33
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Total increase in average Business Rates over next four years	\$206.57	\$352.19	\$497.81
Impact on State Government 'Fit for the Future' Sustainability, Effectiveness and Efficiency Criteria	Key criteria not met	Some but not all criteria met	Most criteria met

[†]representing a permanent increase in the rate base compared to the temporary (expiring) Community Environmental Contract levy (5%)
*over next 10 years

Frequently asked questions

Q

What is a Special Rate Variation?

A

A Special Rate Variation allows Councils to increase rates above the rate peg increase, which is determined each year by the Independent Pricing and Regulatory Tribunal (IPART) under delegation from the NSW Minister for Local Government. Councils can apply for two types of Special Rate Variation:

1. An increase in general income in a single year (i.e. a 'one-off' variation)
2. An increase in general income in more than one year (i.e. between 2 and 7 years)

Applications for Special Rate Variations must be submitted to the Independent Pricing and Regulatory Tribunal (IPART) for assessment.

Options 2 and 3 of the rating options being considered by Mosman Council are both proposals for single year Special Rate Variations.

Q

Who is IPART?

A

IPART is the Independent Pricing and Regulatory Tribunal, the State's main independent regulator. IPART sets prices and/or licenses certain water, electricity, gas and transport businesses and also has a role in setting local Council rates. IPART is also an economic and policy think tank for the NSW Government, similar to the Productivity Commission at the Commonwealth level.

Under delegation from the NSW Minister for Local Government, IPART's functions include determining the annual rate peg (the maximum allowable increase in Local Government general income for most Councils) and reviewing and determining applications from Councils for Special Rate Variations.

Q

What is the State Government rate peg?

A

Since 1977 Council rate revenue and certain other Council revenues have been regulated in NSW under an arrangement known as 'rate pegging'.

Rate pegging limits Councils from increasing their total rate revenue beyond the annual change in the rate peg. Since 2011-12 the rate peg has been set by the Independent Pricing and Regulatory Tribunal (IPART).

Q

Why does Mosman Council need to apply for a Special Rate Variation?

A

There are two primary reasons for Council considering a Special Rate Variation now. They include:

1. The impending expiry of the 5% Community Environmental Contract levy and its impact on Council's longer term financial sustainability

The Community Environmental Contract levy is an existing, fixed-term levy of 5% that will expire at the conclusion of 2016-17. Over the life of this levy Council has been able to deliver a significant program of environmental infrastructure works including installation of stormwater improvement devices, creek reconstructions, seawall improvements, restoration of riparian habitats and conservation of heritage items. This levy has, as a revenue stream, also benefited Council's annual operating result. The loss of this revenue stream will adversely impact Council's operating result and longer term financial sustainability and, as a consequence, will likely necessitate a reduction in service levels over time.

2. Improving Infrastructure Performance

Additional funding through a Special Rate Variation will enable Council to progressively address its current infrastructure backlog. Option 2 will go some way towards reducing the current backlog, while Option 3 will remove the backlog altogether over a 10 year period.

Q

Will Mosman be the only Council asking for a Special Rate Variation?

A

It is expected that, should Mosman Council decide to ask for a Special Rate Variation, it will be one of several metropolitan and regional Councils applying for a Special Rate Variation to commence in the 2015-16 financial year.

During the last round of applications (for the 2014-15 financial year) submissions were made to IPART by 32 NSW Councils - 20 from regional and 12 from metropolitan Councils. Of these applications, 28 were approved in full, three were approved in part and one was declined.

Q

What infrastructure does Council have responsibility for?

A

Council is currently responsible for managing over \$400 million worth of public assets including roads, parks and open space, buildings, stormwater drainage and marine structures. More detail is provided in the *Infrastructure* Fact Sheet, although some examples of the nature and scale of assets include:

- 90 km or 1,486,179 sqm of road pavement
- 14 at-grade and 2 multi-storey car parks
- 1,133 retaining structures
- 15 playgrounds
- 32 parks and reserves covering 172,383 sqm
- 22 bushland areas covering 313,917 sqm
- 62 km of stormwater drainage pipes
- 38 stormwater quality improvement devices
- 1 indoor swim centre, 2 harbour baths, 3 jetties and 1 natural 'pool'

Q

What has Council been doing to improve its financial position and reduce the burden on ratepayers?

A

For many years Mosman Council has prided itself on innovation and efficiency, with operating costs being kept under strict control. Council has also actively sought additional revenue opportunities through, for instance, the Local Government Infrastructure Renewal Scheme (LIRS), major State and Federal Grants Schemes, loan borrowings, pricing policy reviews, and advertising revenues. Other revenue streams in recent years, such as paid parking in foreshore areas have also contributed to Council's financial sustainability, as have efficiency measures including service contracting, joint procurement contracts, partnership programs with other Councils and internal service reviews. Council has also comprehensively reviewed its approach to asset management - including a revision of depreciation rates to provide a clear and rigorous assessment of future infrastructure needs and costs.

Q

Where does Council get its income from?

A

Council receives income from numerous sources. In 2014-15 its primary income categories, together with the projected revenue for each, are :

- Rates and Annual Charges - \$23,650,825
- User Fees and Charges - \$9,699,240
- Interest and Investment Revenue - \$426,000
- Grants and Contributions for Operating Purposes - \$2,431,090
- Grants and Contributions for Capital Purposes - \$1,737,800
- Other Revenues - \$3,874,810

Council's current Delivery Program and Operational Plan provide further detail in relation to these income sources.

Q

Why do we have an infrastructure backlog?

A

Our 'infrastructure backlog', which refers to assets in condition 4 or 5 is estimated at \$8.6 million. This backlog has been created as Council's actual expenditure on assets has not met the required expenditure.

Q

What are the proposed options?

A

There are three proposed options:

Option 1

Maintain rates in accordance with annual rate peg (estimated at 3% per year), and cessation of the temporary Community Environmental Contract levy (i.e. 5%)

Option 2

Continue to levy rates in accordance with the annual rate peg (estimated at 3% per year) plus a one-off rate increase in 2015-16 that remains permanently in the rate base for infrastructure works equivalent to the value of the expiring Community Environmental Contract Levy (i.e.5%)

Option 3

Continue to levy rates in accordance with the annual rate peg (estimated at 3% per year) plus a one-off rate increase of 10% in 2015-16 that remains permanently in the rate base to fund additional infrastructure works (8.5%) and allow for a financial sustainability component of 1.5%

Q

How were these options determined?

A

These options were determined by Council following detailed review and discussion of Council's projected long term financial position, and the service levels expected by residents and ratepayers. The opportunity to partially or fully address Mosman's infrastructure backlog was a key consideration, as was Council's objective of achieving a positive operating result in the short, medium and longer term.

Q

What improvements to infrastructure and services will be seen?

A

This table demonstrates the additional infrastructure spend that's possible under each of the proposed options:

Asset Class

Roads



Existing Work Plan
Includes average annual capital expenditure of \$2.2 million on road related assets



Existing work plan plus an additional \$4.3 million spent over 10 years on road pavement, footpaths, kerb and gutter and retaining walls



Existing work plan plus an additional \$7.6 million spent over 10 years on road pavement, footpaths, kerb and gutter and retaining walls

Marine Structures

Existing Work Plan
Includes average annual capital expenditure of \$0.1 million on marine structures

Existing work plan plus an additional \$0.8 million spent over 10 years on baths, jetties and seawalls

Existing work plan plus an additional \$1.1 million spent over 10 years on baths, jetties and seawalls

Buildings

Existing Work Plan
Includes average annual capital expenditure of \$1.4 million on buildings

Existing work plan plus an additional \$1.4 million spent over 10 years on Council buildings and amenity blocks

Existing work plan plus an additional \$2.3 million spent over 10 years on Council buildings and amenity blocks

Parks and Open Space

Existing Work Plan
Includes average annual capital expenditure of \$0.5 million on parks and open spaces

Existing work plan plus an additional \$1.4 million spent over 10 years on parks, reserves and sporting fields

Existing work plan plus an additional \$2.3 million spent over 10 years on parks, reserves and sporting fields

Stormwater Drainage

Existing Work Plan
Includes average annual capital expenditure of \$0.8 million on stormwater drainage assets

Existing work plan plus an additional \$0.8 million spent over 10 years on pipes, pits and creeks

Existing work plan plus an additional \$1.1 million spent over 10 years on pipes, pits and creeks

Option 3 will enable Council to make further investment in asset maintenance, as well as pursue other limited service improvements in accordance with community expectations. Customer service and communication have already been identified for further improvements.

The tables below provide further detail on the type and value of works that that can be expected per annum under each option:



Existing work plan including the annual road resealing and footpath program, capital works program for stormwater drainage, open space and marine structures



Existing work program with the addition of typically:

- Resealing of two road pavements
- Renewal of an additional 50-100m of footpath
- Renewal of one retaining wall
- Acceleration of parks and unmade roads renewal works



Existing work program with the addition of typically:

- Resealing of three road pavements
- Renewal of an additional 150m of footpath
- Renewal of two retaining walls
- Acceleration of parks and unmade roads renewal works
- Major projects accelerated over the next four years, including:
 - Balmoral promenade footpath renewal and accessibility upgrade
 - Raglan east concrete road renewal works
 - Harnett Park and Parrawi walking track upgrades
 - Sirius Cove walking track upgrades
 - Clanalpine retaining wall renewal
 - Whiting Beach Road and Mosman Bay drainage works

Projected Total Expenditure over the next 10 years	Option 1	Option 2	Option 3
Maintenance	\$29.8 million	\$29.8 million	\$30.3 million
Capital	\$50 million	\$58 million	\$65 million

Q

How do I know that any extra rates I pay will be used for this purpose?

A

Where a Special Rate Variation is approved by IPART, the Council is issued with an Instrument of Approval, including minimum reporting requirements. Council is required to comply with these requirements, which may include projects or activities funded from the variation, outcomes achieved through the projects or activities and details of any changes to projects and activities compared to the Council's initial proposal. Council reports through both an Annual Report and an End of Term Report, the latter being due prior to the next local government election in September 2016.

Q

What is the difference between infrastructure renewal and maintenance?

A

Maintenance refers to work required to retain an asset as near as practical to its original condition, excluding rehabilitation or renewal. Maintenance does not increase the service potential of the asset or keep it in its original condition; it slows down deterioration and delays when rehabilitation or replacement is necessary.

Renewal refers to works to replace an existing asset or facilities with assets or facilities of equivalent capacity or performance capability.

Q

What will be the impact on my rates?

A

The impact on average residential and business rates under each of the proposed options over the next four years will be as follows:

Average Residential Rates	2014/15	2015/16	2016/17	2017/18	2018/19	Total rate increase over 4 years
Option 1	1,256.75	1,235.16	1,272.22	1,310.39	1,349.70	
Annual increase/decrease		-\$21.59	\$37.06	\$38.17	\$39.31	\$92.95
Option 2	1,256.75	1,295.12	1,333.98	1,374.00	1,415.22	
Annual increase		\$38.37	\$38.86	\$40.02	\$41.22	\$158.47
Option 3	1,256.75	1,355.08	1,395.74	1,437.61	1,480.74	
Annual increase		\$98.33	\$40.06	\$41.87	\$43.13	\$223.39

Average Business Rates	2014/15	2015/16	2016/17	2017/18	2018/19	Total rate increase over 4 years
Option 1	2,793.24	2,745.25	2,827.61	2,912.44	2,999.81	
Annual increase/decrease		-\$47.99	\$82.36	\$84.83	\$87.37	\$206.57
Option 2	2,793.24	2,878.52	2,964.87	3,053.82	3,145.43	
Annual increase		\$85.28	\$86.35	\$88.95	\$91.61	\$352.19
Option 3	2,793.24	3,011.78	3,102.13	3,195.20	3,291.05	
Annual increase		\$218.54	\$90.35	\$93.07	\$95.85	\$497.81

A more detailed overview can be found in the *Impact on Rates* Fact Sheet.

Q

Will Council's fees and charges increase also?

A

Council generally determines fees and charges annually when it adopts its Operational Plan and Budget for the coming financial year. The Pricing Policy which guides the determination of fees and charges is not affected by an application for a Special Rate Variation.

Q

How will pensioners be affected?

A

Pensioners will continue to receive the statutory pension rebates from Council and the NSW Government.

Q

When will Community Consultation take place?

A

The period for community consultation on the three rating options will commence on Monday 13 October, 2014 and submissions will be received until Sunday 16 November 2014. There will be opportunities for the community to comment in person at Mosman Markets on Saturday 1 November and at a public meeting being held in the Council Chambers on Monday 27 October. Written submissions can be made through Council's website as well as through regular post. Feedback postcards are being delivered to all residents and ratepayers and there is an online survey available on this website.

Consultation materials, as well as the full Community Engagement Strategy can be found on this website, as well as at Mosman Civic Centre and Mosman Library during regular opening hours.

Following community consultation Council will consider whether to proceed with a Special Rate Variation application at its meeting on 2 December 2014.

Q

Has Mosman Council applied for Special Rate Variations in the past?

A

Mosman Council has successfully applied for Special Rate Variations in the past. An Infrastructure Levy representing a 5.99% increase in general revenue was introduced in 2008 and has been built into Council's rate base since then.

The (time-limited) Community Environmental Contract levy of 5% was originally introduced in 2000 and, following extension of the original approval period, is due to expire at the end of 2016-17. In order to meet the requirements of the Office of Local Government (OLG) and the Independent Pricing and Regulatory Tribunal (IPART), it will be necessary to end this levy early (i.e. in 2015-16) if a new application for a Special Rate Variation (i.e. under either Option 2 or Option 3) is approved.

Q

Who makes the decision about whether a Special Rate Variation is approved?

A

The Independent Pricing and Regulatory Tribunal (IPART) makes the final decision on whether a proposed Special Rate Variation is approved, partially approved or rejected. This decision is final and IPART will not reassess an application after it has made its decision.

Q

When would the Special Rate Variation become effective?

A

A Special Rate Variation would become effective from 1 July 2015.

Q

Does a Special Rate Variation affect Council amalgamations?

A

A Special Rate Variation, or a decision to apply for a Special Rate Variation, is not directly linked to structural reform in local government. Mosman Council, however, will be better placed to meet the State Government's 'Fit for the Future' sustainability, effectiveness and efficiency criteria if a Special Rate Variation under either Option 2 or Option 3 is approved.

Q

What will happen when the current period of community consultation is over?

A

At the conclusion of the current period of community consultation Council will consider whether to proceed with an application for a Special Rate Variation and whether to amend its Long Term Financial Plan and Delivery Program to reflect its decision. This will take place at the Council meeting scheduled for 2 December 2014. Council will then have until Friday 12 December to notify IPART of its intent to lodge a Special Rate Variation application.

If Council resolves to proceed with an application for a Special Rate Variation it will also need to exhibit a revised Long Term Financial Plan and Delivery Program which reflects this decision. These documents will need to be exhibited for at least 28 days.

Depending on the results of this public exhibition Council will again consider the matter at its meeting in February 2015, after which it may again determine to proceed with an application to IPART for a Special Rate Variation. Applications close on 16 February 2015 and IPART will announce its decisions on applications on 19 May 2015.

1 Impact on rates

The following table shows how average residential and business rates will be impacted by the three rating options under consideration:

Impacts on Average Rates

Average Residential Rates	2014/15	2015/16	2016/17	2017/18	2018/19	Total rate increase over 4 years
Option 1	1,256.75	1,235.16	1,272.22	1,310.39	1,349.70	
Annual increase/decrease		-\$21.59	\$37.06	\$38.17	\$39.31	\$92.95
Option 2	1,256.75	1,295.12	1,333.98	1,374.00	1,415.22	
Annual increase		\$38.37	\$38.86	\$40.02	\$41.22	\$158.47
Option 3	1,256.75	1,355.08	1,395.74	1,437.61	1,480.74	
Annual increase		\$98.33	\$40.06	\$41.87	\$43.13	\$223.39

Average Business Rates	2014/15	2015/16	2016/17	2017/18	2018/19	Total rate increase over 4 years
Option 1	2,793.24	2,745.25	2,827.61	2,912.44	2,999.81	
Annual increase/decrease		-\$47.99	\$82.36	\$84.83	\$87.37	\$206.57
Option 2	2,793.24	2,878.52	2,964.87	3,053.82	3,145.43	
Annual increase		\$85.28	\$86.35	\$88.95	\$91.61	\$352.19
Option 3	2,793.24	3,011.78	3,102.13	3,195.20	3,291.05	
Annual increase		\$218.54	\$90.35	\$93.07	\$95.85	\$497.81

Tables on the following pages provide further detail on how different rates will be affected under each option, depending on the rateable value of different properties.

Note that an annual rate increase equivalent to the rate peg (estimated at 3% p.a.) is also projected for each year after 2018/19.

Impact on Rates

Option 1

Rates calculation on maximum value in range

Residential Rates

Land Value	No. of Properties	Rates 2014/15	Rates 2015/16	Rates 2016/17	Rates 2017/18	Rates 2018/19
\$0 to \$200k	4019	775	762	785	808	832
\$201k to \$300k	1521	848	834	859	885	911
\$301k to \$400k	600	922	906	933	961	990
\$401k to \$500k	417	995	978	1,008	1,038	1,069
\$501k to \$600k	321	1,068	1,050	1,082	1,114	1,148
\$601k to \$700k	427	1,142	1,122	1,156	1,191	1,226
\$701k to \$800k	402	1,215	1,195	1,230	1,267	1,305
\$801k to \$900k	342	1,289	1,267	1,305	1,344	1,384
\$901k to \$1m	330	1,362	1,339	1,379	1,420	1,463
\$1.001m to \$1.1m	394	1,435	1,411	1,453	1,497	1,542
\$1.101m to \$1.2m	542	1,509	1,483	1,527	1,573	1,621
\$1.201m to \$1.3m	406	1,582	1,555	1,602	1,650	1,699
\$1.301m to \$1.4m	242	1,656	1,627	1,676	1,726	1,778
\$1.401m to \$1.5m	211	1,729	1,699	1,750	1,803	1,857
\$1.501m to \$1.7m	378	1,876	1,844	1,899	1,956	2,015
\$1.701m to \$2.0m	520	2,096	2,060	2,122	2,185	2,251
\$2.001m to \$2.5m	388	2,463	2,421	2,493	2,568	2,645
\$2.501m to \$3.0m	479	2,830	2,781	2,865	2,951	3,039
\$3.001m to \$3.5m	155	3,197	3,142	3,236	3,333	3,433
\$3.501m to \$4.0m	60	3,564	3,502	3,607	3,716	3,827
\$4.01m to \$5.0m	78	4,298	4,224	4,350	4,481	4,615
\$5.001m to \$7m	56	5,766	5,666	5,836	6,011	6,191
\$7.001m to \$9m	17	7,234	7,108	7,322	7,541	7,767
\$9.001m to \$11.5m	2	9,069	8,911	9,179	9,454	9,738

Impact on Rates

Option 1

Rates calculation on maximum value in range

Business Rates

Land Value	No. of Properties	Rates 2014/15	Rates 2015/16	Rates 2016/17	Rates 2017/18	Rates 2018/19
\$0 to \$200k	167	1,567	1,543	1,589	1,637	1,686
\$201k to \$500k	174	2,245	2,210	2,276	2,344	2,415
\$501K to \$1m	132	3,375	3,321	3,421	3,523	3,629
\$1.001m to \$1.5m	49	4,505	4,433	4,566	4,703	4,844
\$1.501m to \$2m	23	5,635	5,544	5,711	5,882	6,058
\$2.001 to \$2.5m	16	6,765	6,656	6,856	7,061	7,273
\$2.501 to \$3m	13	7,895	7,767	8,000	8,240	8,488
\$3.001 to \$4m	3	10,155	9,990	10,290	10,599	10,917
\$4.001 to 5m	6	12,415	12,214	12,580	12,957	13,346
\$5.001 to \$13m	7	30,495	29,998	30,898	31,825	32,780
\$13.001 to 13.2m	1	30,947	30,443	31,356	32,297	33,266

Impact on Rates

Option 2

Rates calculation on maximum value in range

Residential Rates

Land Value	No. of Properties	Rates 2014/15	Rates 2015/16	Rates 2016/17	Rates 2017/18	Rates 2018/19
\$0 to \$200k	4019	775	799	823	847	873
\$201k to \$300k	1521	848	874	901	928	956
\$301k to \$400k	600	922	950	979	1,008	1,038
\$401k to \$500k	417	995	1,026	1,056	1,088	1,121
\$501k to \$600k	321	1,068	1,101	1,134	1,168	1,203
\$601k to \$700k	427	1,142	1,177	1,212	1,249	1,286
\$701k to \$800k	402	1,215	1,253	1,290	1,329	1,369
\$801k to \$900k	342	1,289	1,328	1,368	1,409	1,451
\$901k to \$1m	330	1,362	1,404	1,446	1,489	1,534
\$1.001m to \$1.1m	394	1,435	1,479	1,524	1,569	1,617
\$1.101m to \$1.2m	542	1,509	1,555	1,602	1,650	1,699
\$1.201m to \$1.3m	406	1,582	1,631	1,680	1,730	1,782
\$1.301m to \$1.4m	242	1,656	1,706	1,757	1,810	1,864
\$1.401m to \$1.5m	211	1,729	1,782	1,835	1,890	1,947
\$1.501m to \$1.7m	378	1,876	1,933	1,991	2,051	2,112
\$1.701m to \$2.0m	520	2,096	2,160	2,225	2,291	2,360
\$2.001m to \$2.5m	388	2,463	2,538	2,614	2,693	2,773
\$2.501m to \$3.0m	479	2,830	2,916	3,004	3,094	3,187
\$3.001m to \$3.5m	155	3,197	3,294	3,393	3,495	3,600
\$3.501m to \$4.0m	60	3,564	3,672	3,783	3,896	4,013
\$4.01m to \$5.0m	78	4,298	4,429	4,561	4,698	4,839
\$5.001m to \$7m	56	5,766	5,941	6,119	6,303	6,492
\$7.001m to \$9m	17	7,234	7,453	7,677	7,907	8,144
\$9.001m to \$11.5m	2	9,069	9,344	9,624	9,913	10,210

Impact on Rates

Option 2

Rates calculation on maximum value in range

Business Rates

Land Value	No. of Properties	Rates 2014/15	Rates 2015/16	Rates 2016/17	Rates 2017/18	Rates 2018/19
\$0 to \$200k	167	1,567	1,618	1,666	1,716	1,768
\$201k to \$500k	174	2,245	2,317	2,386	2,458	2,532
\$501K to \$1m	132	3,375	3,482	3,587	3,694	3,805
\$1.001m to \$1.5m	49	4,505	4,648	4,787	4,931	5,079
\$1.501m to \$2m	23	5,635	5,813	5,988	6,167	6,352
\$2.001 to \$2.5m	16	6,765	6,979	7,188	7,404	7,626
\$2.501 to \$3m	13	7,895	8,144	8,389	8,640	8,900
\$3.001 to \$4m	3	10,155	10,475	10,790	11,113	11,447
\$4.001 to 5m	6	12,415	12,806	13,191	13,586	13,994
\$5.001 to \$13m	7	30,495	31,455	32,398	33,370	34,371
\$13.001 to 13.2m	1	30,947	31,921	32,878	33,865	34,881

Impact on Rates

Option 3

Rates calculation on maximum value in range

Residential Rates

Land Value	No. of Properties	Rates 2014/15	Rates 2015/16	Rates 2016/17	Rates 2017/18	Rates 2018/19
\$0 to \$200k	4019	775	836	861	887	913
\$201k to \$300k	1521	848	915	942	971	1,000
\$301k to \$400k	600	922	994	1,024	1,055	1,086
\$401k to \$500k	417	995	1,073	1,105	1,138	1,173
\$501k to \$600k	321	1,068	1,152	1,187	1,222	1,259
\$601k to \$700k	427	1,142	1,231	1,268	1,306	1,346
\$701k to \$800k	402	1,215	1,311	1,350	1,390	1,432
\$801k to \$900k	342	1,289	1,390	1,431	1,474	1,518
\$901k to \$1m	330	1,362	1,469	1,513	1,558	1,605
\$1.001m to \$1.1m	394	1,435	1,548	1,594	1,642	1,691
\$1.101m to \$1.2m	542	1,509	1,627	1,676	1,726	1,778
\$1.201m to \$1.3m	406	1,582	1,706	1,757	1,810	1,864
\$1.301m to \$1.4m	242	1,656	1,785	1,839	1,894	1,951
\$1.401m to \$1.5m	211	1,729	1,864	1,920	1,978	2,037
\$1.501m to \$1.7m	378	1,876	2,023	2,083	2,146	2,210
\$1.701m to \$2.0m	520	2,096	2,260	2,328	2,398	2,470
\$2.001m to \$2.5m	388	2,463	2,656	2,735	2,817	2,902
\$2.501m to \$3.0m	479	2,830	3,051	3,143	3,237	3,334
\$3.001m to \$3.5m	155	3,197	3,447	3,550	3,657	3,766
\$3.501m to \$4.0m	60	3,564	3,842	3,958	4,076	4,199
\$4.01m to \$5.0m	78	4,298	4,634	4,773	4,916	5,063
\$5.001m to \$7m	56	5,766	6,216	6,402	6,595	6,792
\$7.001m to \$9m	17	7,234	7,798	8,032	8,273	8,522
\$9.001m to \$11.5m	2	9,069	9,776	10,070	10,372	10,683

Impact on Rates

Option 3

Rates calculation on maximum value in range

Business Rates

Land Value	No. of Properties	Rates 2014/15	Rates 2015/16	Rates 2016/17	Rates 2017/18	Rates 2018/19
\$0 to \$200k	167	1,567	1,692	1,743	1,796	1,849
\$201k to \$500k	174	2,245	2,424	2,497	2,572	2,649
\$501K to \$1m	132	3,375	3,644	3,753	3,866	3,982
\$1.001m to \$1.5m	49	4,505	4,863	5,009	5,159	5,314
\$1.501m to \$2m	23	5,635	6,083	6,265	6,453	6,647
\$2.001 to \$2.5m	16	6,765	7,302	7,521	7,747	7,979
\$2.501 to \$3m	13	7,895	8,522	8,777	9,040	9,312
\$3.001 to \$4m	3	10,155	10,960	11,289	11,628	11,977
\$4.001 to 5m	6	12,415	13,399	13,801	14,215	14,642
\$5.001 to \$13m	7	30,495	32,911	33,898	34,915	35,963
\$13.001 to 13.2m	1	30,947	33,399	34,401	35,433	36,496

Infrastructure

Council is currently responsible for managing over \$400 million worth of public assets including roads, parks and open space, buildings, stormwater drainage and marine structures as follows:

Roads	
Road Pavements	1,486,179 m ² of road pavement including rigid concrete and asphalt sealed flexible pavements. Approximately 90km
Footpath	128,078 m (212,477 m ²) of footpath including concrete, asphalt and paving brick footpaths
Kerb and Gutter	156,847 m of various types including kerb and gutter, kerb only, dish gutter, mountable kerb
Physical Traffic Devices	6,421 m ² of various types including roundabouts, pedestrian crossings, kerb blister and median islands.
Carparks	14 At-grade carparks including 27,313 m ² carpark road pavement 17,342 m ² asphalt surface course (seal) 9,971 m ² paving brick surface
Street Furniture	Including 10,877 m fencing/handrailing 1,839 m guardrail 1 bus shelter 156 seats 46 traffic visibility mirrors 705 bollards 47 bins 24 parking meters
Lines and Signs	Including 3,898 traffic signs 1,854 street directional signs 3,591 painted symbols 1,112 m ² painted chevrons, pedestrian crossings and piano keys 48,456 m linemarking
Steps	396 sets of steps (many with multiple sections of steps) covering 2,537 m in length and 3,120 m ² in area
Retaining Walls	1,133 retaining structures (walls/ embankments) covering 77,047 m ² in area and 41,625 m in length. (Note: excludes 430 structures in arterial roads, structures considered to be private ownership and/or structures less than 1m in height)
Vehicle Crossings	- 5,134 vehicle crossings of total area 67,334 m ² - 261 gutter crossings of total length 1,048 m
Pram Ramps	646 in number, 777 m in length
Formation	377,000 m ³ of earthworks (cut + fill)

Parks and Open Space

Playgrounds	15 Playgrounds (covering 3954 m ²) and associated component assets.
Sporting Fields	6 Sports Fields covering an area of 71,570 m ² and associated component assets.
Parks and Reserves	32 Parks and Reserves covering an area of 172, 383 m ² and associated component assets.
Bushlands	22 bushland areas covering 313, 917 m ² , and associated component assets.
Unmade Roads	89 unmade road reserves covering 75473 m ² , and associated component assets.

Buildings

1 x Council Offices/ Administration Centre	
1 x Council Works Depot	
5 x Cultural Facilities	Seniors Centre & Meals on Wheels Youth Centre Community Advice Mosman Art Gallery Mosman Community Centre
1 x Library	
3 x Childcare Centre	
2 x Multistorey Car Park	Bridgepoint Shopping Centre Vista Street
4 x Other Buildings	Library Walk Structure Mosman Croquet Club- Rawson Park Mosman Croquet Club Garden Shed- Rawson Park Cowles Road Depot Leases
25 x Specialised Buildings	Amenity Blocks & Toilets Drill Hall Marie Bashir Sports Complex Mosman Bowling Club Pavilions including leases Swim Centre
8 x Investment Buildings	

Stormwater (for simplicity, only major asset types shown)

Stormwater Drainage Pipes	62km
Pits	2,392
Stormwater Quality Improvement Devices (SQIDs)	38
Rainwater Reuse Tanks	2
Open conduits	134 with a total length of 3,826 metres
Culverts	3 large culverts with a total length of 94 metres 182 small culverts with a total length of 3,420 metres










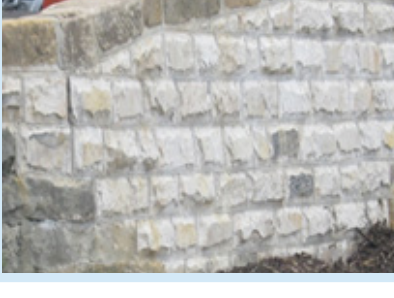

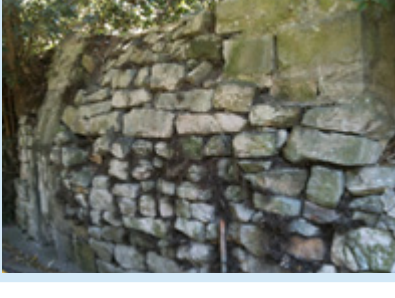
Marine Structures

2 x Baths and 3 x Jetties	1,712 m ² deck area 331 piles 452m shark net
1 x natural 'pool'	Clem Morath Pool (natural rock structure augmented with an artificial sea wall)
Seawalls	29 with a total length of 3.3 km

These assets vary in condition, with all assets being rated on a scale of 1 to 5 as follows:

- Condition 1 - Excellent - As new
- Condition 2 - Good - Some sign of wear and tear
- Condition 3 - Average - Some areas with defects
- Condition 4 - Poor - Extensive wear and tear
- Condition 5 - Failed - Asset unserviceable

Typical examples of different asset conditions are shown on the following pages:

	'Satisfactory'		'Unsatisfactory'
	Condition 1-2	Condition 3	Condition 4-5
Road Pavement			
Footpath			
Kerb and Gutter			
Retaining Walls			

Stormwater drainage pipes



Condition 1



Condition 2



Condition 3



Condition 4



Condition 5



Condition 5

What could we achieve with a Special Rate Variation?

Mosman's 'infrastructure backlog', which refers to assets in condition 4 or 5, is estimated at \$8.6 million. This backlog has been created as Council's actual expenditure on assets has not met required expenditure. A key rationale for considering a special rate variation is to progressively reduce this infrastructure backlog by increasing expenditure across Council's assets. Option 2 will reduce the backlog by \$5 million over 10 years and Option 3 will clear the backlog over the same period. Under Option 1, however, Council's infrastructure backlog is estimated to increase to \$12 million after 10 years.

The table below shows the level of infrastructure spending possible under each option:

Asset Class	1	2	3
Roads	Existing Work Plan Includes average annual capital expenditure of \$2.2 million on road related assets	Existing work plan plus an additional \$4.3 million spent over 10 years on road pavement, footpaths, kerb and gutter and retaining walls	Existing work plan plus an additional \$7.6 million spent over 10 years on road pavement, footpaths, kerb and gutter and retaining walls
Marine Structures	Existing Work Plan Includes average annual capital expenditure of \$0.1 million on marine structures	Existing work plan plus an additional \$0.8 million spent over 10 years on baths, jetties and seawalls	Existing work plan plus an additional \$1.1 million spent over 10 years on baths, jetties and seawalls
Buildings	Existing Work Plan Includes average annual capital expenditure of \$1.4 million on buildings	Existing work plan plus an additional \$1.4 million spent over 10 years on Council buildings and amenity blocks	Existing work plan plus an additional \$2.3 million spent over 10 years on Council buildings and amenity blocks
Parks and Open Space	Existing Work Plan Includes average annual capital expenditure of \$0.5 million on parks and open spaces	Existing work plan plus an additional \$1.4 million spent over 10 years on parks, reserves and sporting fields	Existing work plan plus an additional \$2.3 million spent over 10 years on parks, reserves and sporting fields
Stormwater Drainage	Existing Work Plan Includes average annual capital expenditure of \$0.8 million on stormwater drainage assets	Existing work plan plus an additional \$0.8 million spent over 10 years on pipes, pits and creeks	Existing work plan plus an additional \$1.1 million spent over 10 years on pipes, pits and creeks

The table below provides further detail on the type of works that that can be expected per annum under each option:



Existing work plan including the annual road resealing and footpath program, capital works a program for stormwater drainage, open space and marine structures



Existing work program with the addition of typically:

- Resealing of two road pavements
- Renewal of an additional 50-100m of footpath
- Renewal of one retaining wall
- Acceleration of parks and unmade roads renewal works



Existing work program with the addition of typically:

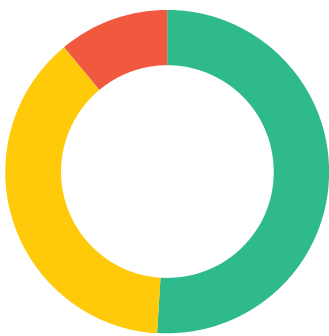
- Resealing of three road pavements
- Renewal of an additional 150m of footpath
- Renewal of two retaining walls
- Acceleration of parks and unmade roads renewal works
- Major projects accelerated over the next four years, including:
 - Balmoral promenade footpath renewal and accessibility upgrade
 - Raglan east concrete road renewal works
 - Harnett Park and Parrawi walking track upgrades
 - Sirius Cove walking track upgrades
 - Clanalpine retaining wall renewal
 - Whiting Beach Road and Mosman Bay drainage works

Projected Total Expenditure over the next 10 years	Option 1	Option 2	Option 3
Maintenance	\$29.8 million	\$29.8 million	\$30.3 million
Capital	\$50 million	\$58 million	\$65 million

What impact does the above work have on the condition of Council's assets? Refer to the pie graphs below for relative impacts across Council's asset classes and the condition they can expect to be in after 10 years:

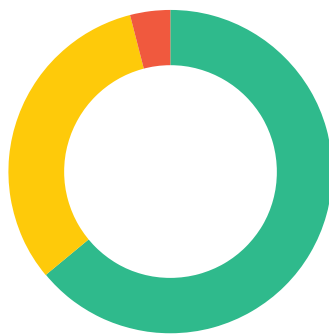
Roads

Option 1



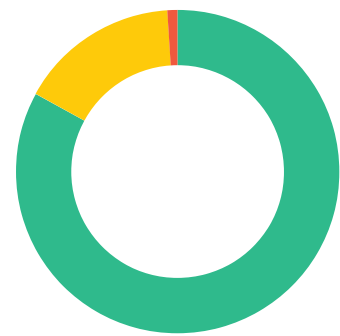
- Condition 1-2
- Condition 3
- Condition 4-5

Option 2



- Condition 1-2
- Condition 3
- Condition 4-5

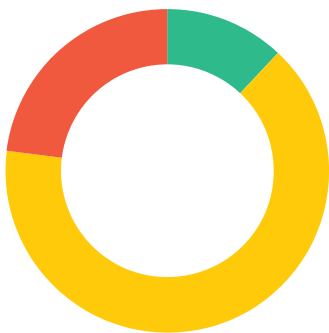
Option 3



- Condition 1-2
- Condition 3
- Condition 4-5

Parks and Open Space

Option 1



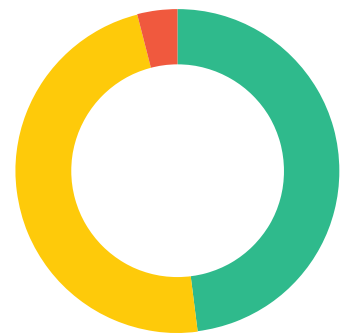
- Condition 1-2
- Condition 3
- Condition 4-5

Option 2



- Condition 1-2
- Condition 3
- Condition 4-5

Option 3



- Condition 1-2
- Condition 3
- Condition 4-5

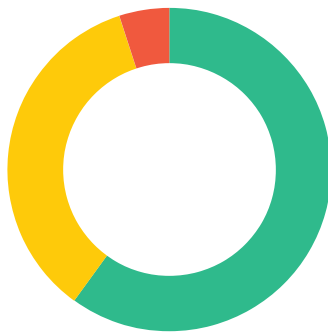
Buildings

Option 1



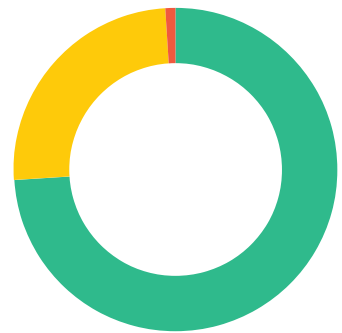
- Condition 1-2
- Condition 3
- Condition 4-5

Option 2



- Condition 1-2
- Condition 3
- Condition 4-5

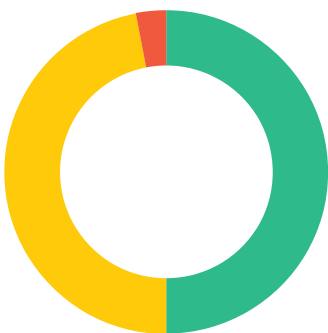
Option 3



- Condition 1-2
- Condition 3
- Condition 4-5

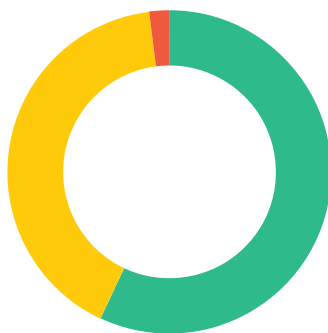
Stormwater Drainage

Option 1



- Condition 1-2
- Condition 3
- Condition 4-5

Option 2



- Condition 1-2
- Condition 3
- Condition 4-5

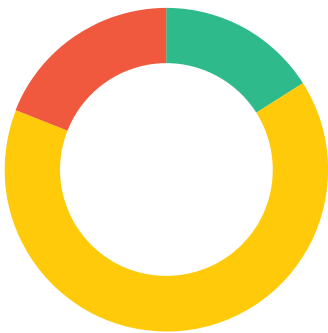
Option 3



- Condition 1-2
- Condition 3
- Condition 4-5

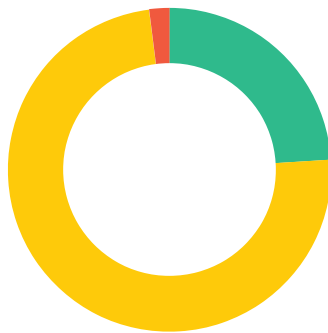
Marine Structures

Option 1



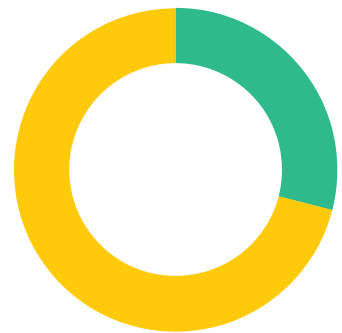
- Condition 1-2
- Condition 3
- Condition 4-5

Option 2



- Condition 1-2
- Condition 3
- Condition 4-5

Option 3



- Condition 1-2
- Condition 3
- Condition 4-5

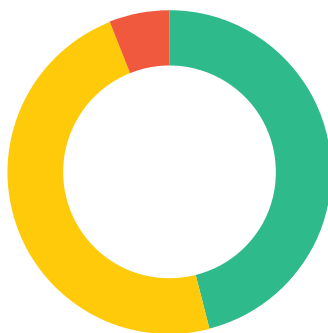
All Assets

Option 1



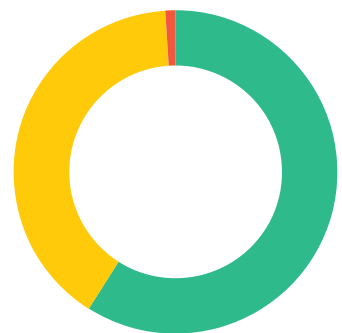
- Condition 1-2
- Condition 3
- Condition 4-5

Option 2



- Condition 1-2
- Condition 3
- Condition 4-5

Option 3



- Condition 1-2
- Condition 3
- Condition 4-5

Works Program	3,582,402	3,363,734	3,453,340	3,990,801	4,109,460	4,293,403	4,411,410	4,531,753	4,655,705	4,783,376	4,914,878
S94 Projects	806,798	820,148	833,871	847,980	862,485	815,701	838,966	864,135	890,059	916,761	944,263
Library Books	270,920	278,595	286,374	294,377	302,601	311,058	324,572	328,689	337,874	347,318	357,028
Information Technology	120,700	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Other	258,360	243,323	248,427	253,676	259,071	264,617	273,221	276,442	282,204	288,398	294,765
Loan Principal Repaid	2,004,964	2,028,247	1,853,971	1,188,311	1,124,186	1,139,673	911,679	894,387	688,974	264,612	302,706
Transfer to Reserves											
Section 94 Reserve	1,000,000	1,028,000	1,056,780	1,086,373	1,116,792	1,148,063	1,198,021	1,213,254	1,247,225	1,282,148	1,318,048
CEC Reserve	766,013										
ELE Reserve	50,000										
Plant Replacement Reserve	20,000	22,000	24,200	26,620	29,282	32,210	35,431	38,974	42,872	47,159	51,875
Swim Centre Reserve	28,000	30,800	33,880	37,268	40,995	45,094	49,604	54,564	60,020	66,023	72,625
Total Internal and Capital Expenditure	8,908,157	8,114,847	8,099,843	8,043,676	8,172,690	8,387,471	8,390,686	8,560,414	8,573,895	8,375,826	8,647,620
Internal & Capital Result	397,554	965,680	1,142,146	1,364,195	1,416,726	1,327,049	1,564,912	1,564,325	1,765,186	2,183,577	2,138,259
Working Capital Increase/(Decrease) In Funds held	(77,365)	(289,486)	(136,874)	376,207	512,840	494,644	654,593	871,057	1,148,867	1,625,414	1,434,739
Total Cash Funds	9,355,783	9,066,297	8,929,423	9,305,630	9,818,470	10,313,114	10,967,706	11,838,764	12,987,631	14,613,044	16,047,783
Restrictions	6,995,519	7,153,371	7,328,682	7,522,326	7,735,231	8,030,092	8,354,380	8,675,712	9,011,048	9,361,402	9,727,881
Cash available to fund day to day operations	2,360,264	1,912,926	1,600,741	1,783,304	2,083,239	2,283,022	2,613,327	3,163,051	3,976,583	5,251,643	6,319,903

Operating Performance Ratio											
Total Operating Revenue before Capital	40,081,965	40,036,708	41,162,394	42,320,779	43,512,622	44,738,904	46,377,240	47,300,732	48,634,740	50,009,169	51,423,371
Operating Expenses	40,556,884	41,291,873	42,441,414	43,308,767	44,416,508	45,571,309	47,287,560	47,994,000	49,251,059	50,567,333	52,126,891
Ratio	-1.2%	-3.1%	-3.1%	-2.3%	-2.1%	-1.9%	-2.0%	-1.5%	-1.3%	-1.1%	-1.4%
Own Source Revenue Ratio											
Revenue less Grants and contributions	37,648,375	37,888,486	38,980,375	40,104,006	41,260,128	42,449,689	44,029,356	44,934,958	46,229,074	47,562,492	48,934,535
Operating Revenue	40,081,965	40,036,708	41,162,394	42,320,779	43,512,622	44,738,904	46,377,240	47,300,732	48,634,740	50,009,169	51,423,371
Ratio	94%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Building and Infrastructure Renewal ratio											
Asset Renewals	4,389,200	4,183,882	4,287,211	4,838,781	4,971,945	5,109,103	5,250,376	5,395,888	5,545,764	5,700,137	5,859,141
Depreciation	5,280,000	5,369,560	5,453,653	5,539,987	5,639,757	5,742,493	5,849,828	5,960,114	6,073,408	6,189,800	6,309,385
Ratio	83.1%	77.9%	78.6%	87.3%	88.2%	89.0%	89.8%	90.5%	91.3%	92.1%	92.9%
Debt Service Ratio (IPART)											
Debt Service Expense	2,559,613	2,459,375	2,202,402	1,470,341	1,378,330	1,372,081	1,122,087	1,085,182	864,672	440,819	495,859
Operating Revenue	40,081,965	40,036,708	41,162,394	42,320,779	43,512,622	44,738,904	46,377,240	47,300,732	48,634,740	50,009,169	51,423,371
Ratio	6.4%	6.1%	5.4%	3.5%	3.2%	3.1%	2.4%	2.3%	1.8%	0.9%	1.0%
Real Operating Expenditure per capita											
Population Forecast	29,972	30,077	30,182	30,288	30,394	30,500	30,607	30,714	30,822	30,929	31,038
Real Operating expenditure	40,556,884	41,291,873	42,441,414	43,308,767	44,416,508	45,571,309	47,287,560	47,994,000	49,251,059	50,567,333	52,126,891
Ratio	1,353	1,373	1,406	1,430	1,461	1,494	1,545	1,563	1,598	1,635	1,679

Works Program	3,582,402	4,198,735	4,313,391	4,876,654	5,021,888	5,233,204	5,379,406	5,528,788	5,682,651	5,841,131	6,004,365
S94 Projects	806,798	820,148	925,200	847,980	862,485	815,701	838,966	864,135	890,059	916,761	944,263
Library Books	270,920	278,595	286,374	294,377	302,601	311,058	324,572	328,689	337,874	347,318	357,028
Information Technology	120,700	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Other	258,360	243,323	248,427	253,676	259,071	264,617	273,221	276,442	282,204	288,398	294,765
Loan Principal Repaid	2,004,964	2,028,247	1,853,971	1,188,311	1,124,186	1,139,673	911,679	894,387	688,974	264,612	302,706
Transfer to Reserves											
Section 94 Reserve	1,000,000	1,028,000	1,056,780	1,086,373	1,116,792	1,148,063	1,198,021	1,213,254	1,247,225	1,282,148	1,318,048
CEC Reserve	766,013										
ELE Reserve	50,000										
Plant Replacement Reserve	20,000	22,000	24,200	26,620	29,282	32,210	35,431	38,974	42,872	47,159	51,875
Swim Centre Reserve	28,000	30,800	33,880	37,268	40,995	45,094	49,604	54,564	60,020	66,023	72,625
Total Internal and Capital Expenditure	8,908,157	8,949,848	9,051,223	8,929,529	9,085,118	9,327,272	9,358,681	9,557,449	9,600,842	9,433,580	9,737,107
Internal & Capital Result	397,554	148,591	341,875	581,191	653,676	584,546	843,877	865,347	1,088,866	1,530,536	1,509,135
Working Capital Increase/(Decrease) in Funds held	(77,365)	(289,486)	(136,874)	376,207	512,840	494,644	654,593	871,057	1,148,867	1,625,414	1,434,739
Total Cash Funds	9,355,783	9,066,297	8,929,423	9,305,630	9,818,470	10,313,114	10,967,706	11,838,764	12,987,631	14,613,044	16,047,783
Restrictions	6,995,519	7,153,371	7,237,353	7,430,997	7,643,902	7,938,763	8,263,051	8,584,383	8,919,719	9,270,073	9,636,552
Cash available to fund day to day operations	2,360,264	1,912,926	1,692,070	1,874,633	2,174,568	2,374,351	2,704,656	3,254,380	4,067,912	5,342,972	6,411,232

Operating Performance Ratio											
Total Operating Revenue before Capital	40,081,965	40,871,709	42,022,446	43,206,632	44,425,050	45,678,705	47,345,235	48,297,767	49,661,686	51,066,924	52,512,858
Operating Expenses	40,556,884	41,309,785	42,501,195	43,411,616	44,565,887	45,768,607	47,534,520	48,292,056	49,601,685	50,972,047	52,587,254
Ratio	-1.2%	-1.1%	-1.1%	-0.5%	-0.3%	-0.2%	-0.4%	0.0%	0.1%	0.2%	-0.1%

Own Source Revenue Ratio											
Revenue less Grants and contributions	37,648,375	38,723,487	39,840,427	40,989,859	42,172,556	43,389,490	44,997,351	45,931,993	47,256,020	48,620,247	50,024,022
Operating Revenue	40,081,965	40,871,709	42,022,446	43,206,632	44,425,050	45,678,705	47,345,235	48,297,767	49,661,686	51,066,924	52,512,858
Ratio	94%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%

Building and Infrastructure Renewal ratio											
Asset Renewals	4,389,200	5,018,883	5,238,591	5,724,634	5,884,373	6,048,904	6,218,371	6,392,923	6,572,710	6,757,892	6,948,628
Depreciation	5,280,000	5,387,472	5,513,434	5,642,836	5,789,135	5,939,792	6,096,788	6,258,170	6,424,034	6,594,514	6,769,748
Ratio	83.1%	93.2%	95.0%	101.4%	101.6%	101.8%	102.0%	102.2%	102.3%	102.5%	102.6%

Debt Service Ratio (IPART)											
Debt Service Expense	2,559,613	2,459,375	2,202,402	1,470,341	1,378,330	1,372,081	1,122,087	1,085,182	864,672	440,819	495,859
Operating Revenue	40,081,965	40,871,709	42,022,446	43,206,632	44,425,050	45,678,705	47,345,235	48,297,767	49,661,686	51,066,924	52,512,858
Ratio	6.4%	6.0%	5.2%	3.4%	3.1%	3.0%	2.4%	2.2%	1.7%	0.9%	0.9%

Real Operating Expenditure per capita											
Population Forecast	29,972	30,077	30,182	30,288	30,394	30,500	30,607	30,714	30,822	30,929	31,038
Real Operating expenditure	40,556,884	41,309,785	42,501,195	43,411,616	44,565,887	45,768,607	47,534,520	48,292,056	49,601,685	50,972,047	52,587,254
Ratio	1,353	1,373	1,408	1,433	1,466	1,501	1,553	1,572	1,609	1,648	1,694

Works Program	3,582,402	4,783,236	4,915,427	5,496,751	5,660,588	5,891,065	6,057,002	6,226,712	6,401,514	6,581,559	6,767,006
S94 Projects	806,798	820,148	833,871	847,980	862,485	815,701	838,966	864,135	890,059	916,761	944,263
Library Books	270,920	278,595	286,374	294,377	302,601	311,058	324,572	328,689	337,874	347,318	357,028
Information Technology	120,700	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Other	258,360	243,323	248,427	253,676	259,071	264,617	273,221	276,442	282,204	288,398	294,765
Loan Principal Repaid	2,004,964	2,028,247	1,853,971	1,188,311	1,124,186	1,139,673	911,679	894,387	688,974	264,612	302,706
Transfer to Reserves											
Section 94 Reserve	1,000,000	1,028,000	1,056,780	1,086,373	1,116,792	1,148,063	1,198,021	1,213,254	1,247,225	1,282,148	1,318,048
CEC Reserve	766,013										
ELE Reserve	50,000										
Plant Replacement Reserve	20,000	22,000	24,200	26,620	29,282	32,210	35,431	38,974	42,872	47,159	51,875
Swim Centre Reserve	28,000	30,800	33,880	37,268	40,995	45,094	49,604	54,564	60,020	66,023	72,625
Total Internal and Capital Expenditure	8,908,157	9,534,349	9,561,930	9,549,626	9,723,818	9,985,133	10,036,278	10,255,373	10,319,704	10,174,008	10,499,748
Internal & Capital Result	397,554	(435,910)	(242,626)	(3,310)	69,175	45	259,376	280,846	504,366	946,035	924,634
Working Capital Increase/(Decrease) In Funds held	(77,365)	(289,486)	(136,874)	376,207	512,840	494,644	654,593	871,057	1,148,867	1,625,414	1,434,739
Total Cash Funds	9,355,783	9,066,297	8,929,423	9,305,630	9,818,470	10,313,114	10,967,706	11,838,764	12,987,631	14,613,044	16,047,783
Restrictions	6,995,519	7,153,371	7,328,682	7,522,326	7,735,231	8,030,092	8,354,380	8,675,712	9,011,048	9,361,402	9,727,881
Cash available to fund day to day operations	2,360,264	1,912,926	1,600,741	1,783,304	2,083,239	2,283,022	2,613,327	3,163,051	3,976,583	5,251,643	6,319,903

Operating Performance Ratio											
Total Operating Revenue before Capital	40,081,965	41,706,710	42,882,497	44,092,485	45,337,479	46,618,506	48,313,230	49,294,802	50,688,632	52,124,679	53,602,345
Operating Expenses	40,556,884	41,560,286	42,776,745	43,712,968	44,893,814	46,123,908	47,918,014	48,704,591	50,044,130	51,445,300	53,092,240
Ratio	-1.2%	0.4%	0.2%	0.9%	1.0%	1.1%	0.8%	1.2%	1.3%	1.3%	1.0%

Own Source Revenue Ratio											
Revenue less Grants and contributions	37,648,375	39,558,488	40,700,478	41,875,712	43,084,985	44,329,291	45,965,346	46,929,028	48,282,966	49,678,002	51,113,509
Operating Revenue	40,081,965	41,706,710	42,882,497	44,092,485	45,337,479	46,618,506	48,313,230	49,294,802	50,688,632	52,124,679	53,602,345
Ratio	94%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%

Building and Infrastructure Renewal Ratio											
Asset Renewals	4,389,200	5,603,384	5,749,298	6,344,731	6,523,073	6,706,765	6,895,968	7,090,847	7,291,573	7,498,320	7,711,269
Depreciation	5,280,000	5,387,472	5,530,969	5,678,432	5,843,334	6,013,152	6,189,884	6,371,594	6,558,396	6,750,441	6,947,888
Ratio	83.1%	104.0%	103.9%	111.7%	111.6%	111.5%	111.4%	111.3%	111.2%	111.1%	111.0%

Debt Service Ratio (IPART)											
Debt Service Expense	2,559,613	2,459,375	2,202,402	1,470,341	1,378,330	1,372,081	1,122,087	1,085,182	864,672	440,819	495,859
Operating Revenue	40,081,965	41,706,710	42,882,497	44,092,485	45,337,479	46,618,506	48,313,230	49,294,802	50,688,632	52,124,679	53,602,345
Ratio	6.4%	5.9%	5.1%	3.3%	3.0%	2.9%	2.3%	2.2%	1.7%	0.8%	0.9%

Real Operating Expenditure per capita											
Population Forecast	29,972	30,077	30,182	30,288	30,394	30,500	30,607	30,714	30,822	30,929	31,038
Real Operating expenditure	40,556,884	41,560,286	42,776,745	43,712,968	44,893,814	46,123,908	47,918,014	48,704,591	50,044,130	51,445,300	53,092,240
Ratio	1,353	1,382	1,417	1,443	1,477	1,512	1,566	1,586	1,624	1,663	1,711