



Waverley Council

Long Term Financial Plan 2 (LTFP2)

DECEMBER 2009



Waverley Council

**Long Term Financial Plan 2 (LTFP2)
December 2009**

*We are united by a common passion
for our beautiful home between the city and the sea.*



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EXECUTIVE SUMMARY

Waverley Council's *Long Term Financial Plan 2* (LTFP2) is Council's second published long term financial plan, the first (LTFS1) being presented to councillors in December 2008 and thereafter placed upon public exhibition.

LTFP2 is framed in the same way as LTFS1 and contains a set of long range financial projections based on an informed set of assumptions. It is designed to show the financial impacts of providing different levels of service, as well as undertaking different programs of capital works. LTFP2 covers the 13 year time period from 2009/10 to 2021/22. This length of time has been selected to align with the timeframe of Council's Community Strategic Plan, *Waverley Together 2* (WT2).

Structure

LTFP2 is structured as a series of 'layers', each of which shows a specific financial scenario. Each of the layers relates to particular Council plans or policies. The layers are cumulative, so that each layer incorporates the assumptions and financial outcomes of each of the previous layers. The layers can also be looked at individually.

This iteration of the long term financial plan presents financial forecasts associated with the following Layers:

- **Base Layer** – which shows the financial results of delivering current levels of service – the 'business as usual' layer;
- **Investment Strategy Layer** – which incorporates the financial results of asset sales and reinvestment as per Council's adopted *Investment Strategy* (2007);
- **Sustainable Assets Layer** – which is essentially based on Council's *Strategic Asset Management Plan 3* (SAMP3), December 2009 and which incorporates the financial results of meeting adopted service standards for the maintenance of a wide range of Council assets;
- **Sustainable Environment Layer** – which incorporates the financial results of changing levels of service in environmental management projects and programs emanating from Council's *Environmental Action Plan 2* (EAP2) which was presented to Council in October 2009;
- **Operational Improvements Layer** – which shows the financial impact of increased levels of service in Council operations arising from *Waverley Together 2* (WT2) and development of Council's *Workforce Plan 1* (WFP1), unless the cost of these service level increases is already reflected in a prior layer; and
- **Capital Improvements Layer** – which shows the financial results of additional capital works projects arising from WT2 and other plans, which are not contained in the previous layers.

Financial Results

This series of layers forecasts a substantial shortfall in funds to sustain Council's current level of operations (Base Layer) up to 2021/22. The Base Layer results in a net positive financial result up to and including 2010/11. In 2011/12, however, the

net result becomes negative and remains negative every year thereafter. In the **Base Layer** Council requires total funding to 2021/22 of \$120.8 million.

The **Investment Strategy Layer** results in a slightly improved financial result beginning in 2011/12 and continuing thereafter. This result is achieved due to the generation of unrestricted revenue of \$63,700 in 2011/12 growing to \$770,567 in 2021/22. However, the net result of the combined Base and Investment Strategy Layers still becomes negative in 2011/12 and remains negative for every year thereafter. For the combined Base and Investment Strategy Layers Council requires total funding to 2021/22 of \$114.4 million.

The **Sustainable Assets Layer** results in a significantly deteriorated financial result for Council. This result is due to the need for annual expenditure of \$3.6 million - \$4.6 million on asset renewal from 2011/12 to 2017/18 with the expenditure reducing to some \$1.5 million each year in the years 2018/19 to 2021/22. In this layer Council requires total funding to 2021/22 of \$35.8 million additional to the prior layers. For the combined Base, Investment Strategy and Sustainable Assets Layers Council requires total funding to 2021/22 of \$150.1 million.

The **Sustainable Environment Layer** results in a further negative financial impact with some \$2 million of net marginal costs above the prior layers each year from 2011/12 on projects identified in EAP2. In this layer Council requires total funding to 2021/22 of \$20.9 million additional to prior layers. For the combined Base, Investment Strategy, Sustainable Assets and Sustainable Environment Layers, Council requires total funding to 2021/22 of \$171.1 million.

The **Operational Improvements Layer**, based upon Council's workforce planning and identification of business opportunities, indicates additional annual funding of \$214,200 is required above prior layers in 2010/11, increasing to \$1.6 million in 2011/12 and \$3.6 million by 2021/22. In this layer Council requires total funding to 2021/22 of \$30.8 million additional to prior layers. For the combined Base, Investment Strategy, Sustainable Assets, Sustainable Environment and Operational Improvement Layers, Council requires total funding to 2021/22 of \$201.9 million.

The **Capital Improvements Layer** reflects expenditure on a range of different capital projects across the municipality including playground upgrades, 40km/hour zones, park upgrades, promenade upgrades and streetscape improvements. The financial impact of this layer ranges from annual expenditure of just over \$800,000 in 2010/11 to as high as \$7 million. Total funding required for this layer to 2021/22 is \$45.2 million additional to prior layers. For the combined Base, Investment Strategy, Sustainable Assets, Sustainable Environment, Operational Improvement and Capital Improvement Layers, Council requires total funding to 2021/22 of \$247 million.

The table below provides a summary of the unfunded expenditure for each layer.

Total Projected Unfunded Expenditure 2009/10 – 2021/22		
Layer	\$ Impact per Layer	Cumulative \$ Impact
Base	(\$120,755,231)	(\$120,755,231)
Investment Strategy	\$6,368,602	(\$114,386,629)
Sustainable Assets	(\$35,761,479)	(\$150,148,108)
Sustainable Environment	(\$20,902,737)	(\$171,050,844)
Operational Improvements	(\$30,803,505)	(\$201,854,350)
Capital Improvements	(\$45,263,000)	(\$247,117,350)
Total	\$247,117,350	

Building a Solution

There are several options available to Council to address the funding shortfalls projected in LTFP2. Like all Councils, Waverley can access funds through variety of sources including:

- rates
- fees and charges
- loans
- grants
- developer contributions
- parking services
- fines
- commercial business operations.

We can also continuously improve our operations to gain efficiencies, although being in a service industry we do not have access to major economies of scale.

Given the size of the projected shortfall, a balanced solution is likely to involve maintenance of or an increase in all of the above sources of income alongside continuous initiatives to control costs in some service areas. Service reviews or service level reductions are more likely to arise if economic trends worsen or where other factors come into play that negatively affect income. In general, if we are looking at solutions on the income side, the income source that has the largest capacity to form part of a viable solution is rates. Other sources of income are unlikely to yield much more than minor increases in funds compared to the quantum of necessary increased funding.

Were the solution to funding shortfalls to depend entirely on rates, the modelling of the implications of LTFP2 for rates income indicates that:

- To fund the shortfall in the **Base Layer** solely from rates, an average cumulative rates increase of 8.59% per annum would be required over seven years to begin in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.
- To fund the shortfall in the Base Layer + **Investment Strategy Layer** solely from rates, an average cumulative rates increase of 8.32% per annum would be required over seven years to begin in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.
- To fund the shortfall in the Base Layer + Investment Strategy Layer + **Sustainable Assets Layer** solely from rates, an average cumulative rates increase of 9.79% per annum would be required over seven years to begin in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.
- To fund the shortfall in the Base Layer + Investment Strategy Layer + Sustainable Assets Layer + **Sustainable Environment Layer** solely from rates, an average cumulative rates increase of 10.61% per annum would be required over seven years to begin in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.
- To fund the shortfall in the Base Layer + Investment Strategy Layer + Sustainable Assets Layer + Sustainable Environment Layer + **Operational Improvements**

Layer solely from rates, an average cumulative rates increase of 11.75% per annum would be required over seven years to begin in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.

- To fund the shortfall in the Base Layer + Investment Strategy Layer + Sustainable Assets Layer + Sustainable Environment Layer + Operational Improvements Layer + **Capital Improvements Layer** solely from rates, an average cumulative rates increase of 13.33% per annum would be required over seven years to begin in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.

The above projected results for potential rises in rates to resolve the shortfall are summarised in the following table:

Total Projected Unfunded Expenditure 2009/10 – 2021/22		
Layer	Shortfall	% Rate Rise Required
Base	(\$120,755,231)	8.59%
Investment Strategy	(\$114,386,629)	8.32%
Sustainable Assets	(\$150,148,108)	9.79%
Sustainable Environment	(\$171,050,844)	10.61%
Operational Improvements	(\$201,854,350)	11.75%
Capital Improvements	(\$247,117,350)	13.33%

Sensitivities of the Financial Model

Opportunities and threats are examined for each layer throughout LTFP2. Major opportunities and threats to which the financial model is quite sensitive include funding issues surrounding:

- the sale and/or purchase of land,
- rise and fall in parking demand trends and fines,
- Council's capacity to fully implement its adopted Investment Strategy,
- Council's capacity to fund Waverley Cemetery operations after grave supplies are exhausted, and
- Council's capacity to introduce appropriate pricing for parking in its off-street car parks.

The total potential effects of the modelled sensitivities over the 12 years of the planning period to 2021/22 are assessed within the plan.

Some of the assumptions used reflect a conservative estimate of improved or reduced returns. Others reflect the maximum estimate of improved or reduced returns. The assumptions about the magnitude of positive or negative effects have been selected mainly for illustrative purposes to show the potential *relative* effect of changes in estimates available under each scenario.

Results of these sensitivity analyses of major opportunities and threats are summarised in the following table:

Positive and Negative Effects of Modelled Sensitivities Major Opportunities and Threats			
Optimistic scenario		Pessimistic Scenario	
Total of positive effects compared to already modelled Layers – \$'000	\$58,005	Total of negative effects compared to already modelled Layers – -\$'000	-\$36,725
Base Layer Deficit	-\$120,755	Base Layer Deficit	-\$120,755
Optimistic Base Layer	-\$62,751	Pessimistic Base Layer	-\$157,480
All Layers Deficit	-\$247,117	All Layers Deficit	-\$247,117
Optimistic All Layers	-\$189,113	Pessimistic All Layers	-\$283,842

The above positive and negative effects all have a corresponding effect on the necessary degree of reliance on rates as a means of funding shortfalls, as shown in the table below:

Rate Rises Required to Fund Shortfalls			
Layer	Impact \$'000	Cumulative Impact \$'000	% Rate Rise Required
Base Layer	-\$120,755,231	-\$120,755,231	8.59%
Optimistic Base Layer	\$58,004,630	-\$62,750,601	5.99%
Pessimistic Base Layer	-\$36,724,718	-\$157,479,949	10.08%
Accumulated Layers	-\$247,117,350	-\$247,117,350	13.33%
Optimistic Accumulated Layers	\$58,004,630	-\$189,112,720	11.28%
Pessimistic Accumulated Layers	-\$36,724,718	-\$283,842,068	14.53%

In the Base Layer optimistic case there are some grounds to assume that lower rate rises of 5.99% per annum would be sufficient to fund shortfalls for current services if:

- they were applied cumulatively for seven years and then followed by normal CPI increases, **and**
- all items of positive effect were achieved at the optimistic projections, **and**
- no items of negative effect were encountered.

The likelihood of achieving all positive items is fairly remote. For this and other reasons outlined in the plan, a rise in rates is highly likely to form part of solution to the funding shortfall, especially given that during the Community Engagement Strategy for WT2 the residents of Waverley consistently showed strong preferences for not cutting any services at all.

Potential Application for a Special Variation to Rates

In December 2008, in consideration of LTFS1, Waverley Council resolved to notify the Department of Local Government of an intention to commence community consultation on a proposal to seek approval for a Special Rate Variation under Section 508(A) of the *Local Government Act*, with an expected necessary commencement date of 1 July 2011. Throughout the *Waverley Together 2* community consultation process in 2009, views have been sought on this issue. Financial modelling completed for LTFP2 still shows a need for a Special Rate Variation. Further consideration will be given by Council to this issue and to the quantum of any proposed variation in early 2010. It is expected that an application will be submitted by March 2010, subject to consideration of the implications of LTFP2 and the views expressed by the community in consultation on *Waverley Together 2*.

1. INTRODUCTION

1.1 Objectives

A long term financial plan contains a set of long range financial projections based on an informed set of assumptions. It is designed to show the financial impacts of providing different levels of service, as well as undertaking different programs of capital works.

The objectives of Waverley Council's LTFP2 are to:

- provide a transparent account of Council's financial situation to the community,
- analyse the cumulative financial effects of Council's high level plans and policies,
- identify the financial opportunities and challenges confronting Council,
- provide a basis for sound and strategic decision making,
- achieve a balanced budget over the long term, and
- meet the requirements of the Department of Local Government's (DLG) Integrated Planning & Reporting (IP&R) framework.

1.2 Timeframe

Although a long term financial plan may be prepared for any length of time, LTFP2 covers the 13 year time period from 2009/10 to 2021/22 to align with the timeframe of *Waverley Together 2* (see Section 2.2). In addition, if Council continues to maintain its current levels of service and income, according to current projections the operational budget is likely to be in deficit in the year 2011/12. LTFP2 thus sets out a range of options for responsibly managing this financial situation over an 11-year period from when the situation first arises.

LTFP2 is the second iteration of Waverley's long term financial plan. It is expected that the LTFP2 will be regularly revised in accordance with organisational need or in compliance with the requirements of the IP&R framework.

1.3 Method

LTFP2 is structured as a series of 'layers', each of which shows a specific financial scenario or case. Each of the layers relates to a particular Council plan or policy.

For purposes of expressing financial results, the layers are cumulative. Each layer incorporates the assumptions and financial outcomes of each of the previous layers. LTFP2 presents financial forecasts associated with:

- a Base Layer,
- an Investment Strategy Layer,
- a Sustainable Assets Layer,
- a Sustainable Environment Layer,
- an Operational Improvements Layer, and
- a Capital Improvements Layer.

The order of layers in LTFP2 is not necessarily meant to imply a predetermined priority for expenditures, although the discretion Council has regarding expenditure in each layer does tend to increase with each successive layer and is relatively low in the earlier layers. It should be noted that some aspects of some layers can really only be implemented alongside some aspects of other layers. There are interdependencies between parts of various layers.

In all of the layers, the Consumer Price Index (CPI) has been used to index income and expenditure over time. The CPI used is that forecast by Access Economics as at September 2009 (see **Appendix 1** for the full assumptions regarding CPI and interest rates).

1.4 Structure

LTFP2 is structured into four main sections.

The first section provides a brief introduction to the plan, the objectives it aims to meet and the service structure and costs of Council.

A second section details the policy context within which LTFP2 has been prepared. It provides an overview of the many strategies, plans, policies and other documents which have implications for the long term financial future of the Council.

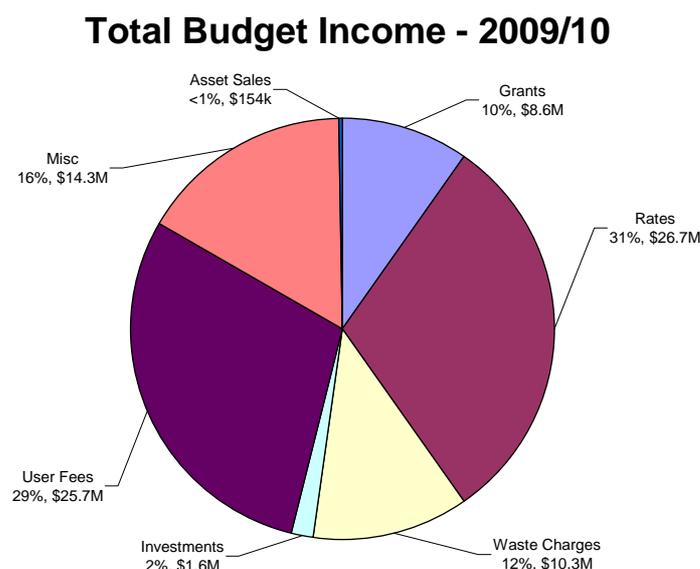
A third section describes in detail each of the six layers. It sets out:

- the assumptions by which each layer was created,
- the value added by each layer,
- the financial outcomes which result from the application of the relevant assumptions, and
- any opportunities and threats which may make the layer sensitive to variation.

A fourth section draws conclusions from the financial modelling and poses methods for resolving financial shortfalls.

1.5 Current Financial Position

Waverley Council operates at present from a sound financial position. The 2009/13 Management Plan estimates that Council's total operating income for 2009/10 will be \$86.3 million and capital income will be \$1.05 million. The following chart indicates the major sources of this income.



The 2009/13 Management Plan estimates Council's 2009/10 operating expenditure at \$80.5 million and capital expenditure of \$6.96 million.

As forecast in the 2009/13 Management Plan, the next two financial years (up to and including 2010/11) are expected to result in a small budget surplus. However by 2011/12, with the current levels of expected income and expenditure, an operating deficit is predicted.

Council currently has a loan liability related to capital projects of \$7.09 million. At the current rate of repayment, Council will have repaid these loans by 2015/16. New loans, however, are likely to be taken during that period and in this LTFP it is not intended that Council should move towards operating on a debt free basis.

Like all councils in New South Wales, Waverley is subject to Section 506 of the *Local Government Act*, which gives the right to specify the percentage by which general income (ie rates income) may be increased to the Minister for Local Government. The maximum annual rate increases allowed by the Minister in the 10 years to 2009/10 varied between 2.7% and 3.6%. In 2009/10, the maximum rates increase without a Special Variation was 3.5%.

1.6 Current Strategic Position

As explained at Section 2.2, the high level opportunities and challenges facing Council are outlined in *Waverley Together 2*. In addition, a detailed outline of Waverley's demographics is contained in the *Social Plan 2005-10*.

Some features of Waverley's current strategic position which impact upon LTFP2 include:

- a residential population which has been stable in size for some years and is not predicted to significantly increase,
- a large number of visitors particularly over the summer months,
- a residential population which is highly educated and socio-economically diverse,
- a local government area which is densely developed (Waverley is the most densely populated Local Government Area in Australia),
- an ageing infrastructure, and
- a natural environment which is highly valued by the community.

The expectations of Waverley's community are increasing for virtually all areas of service provision.

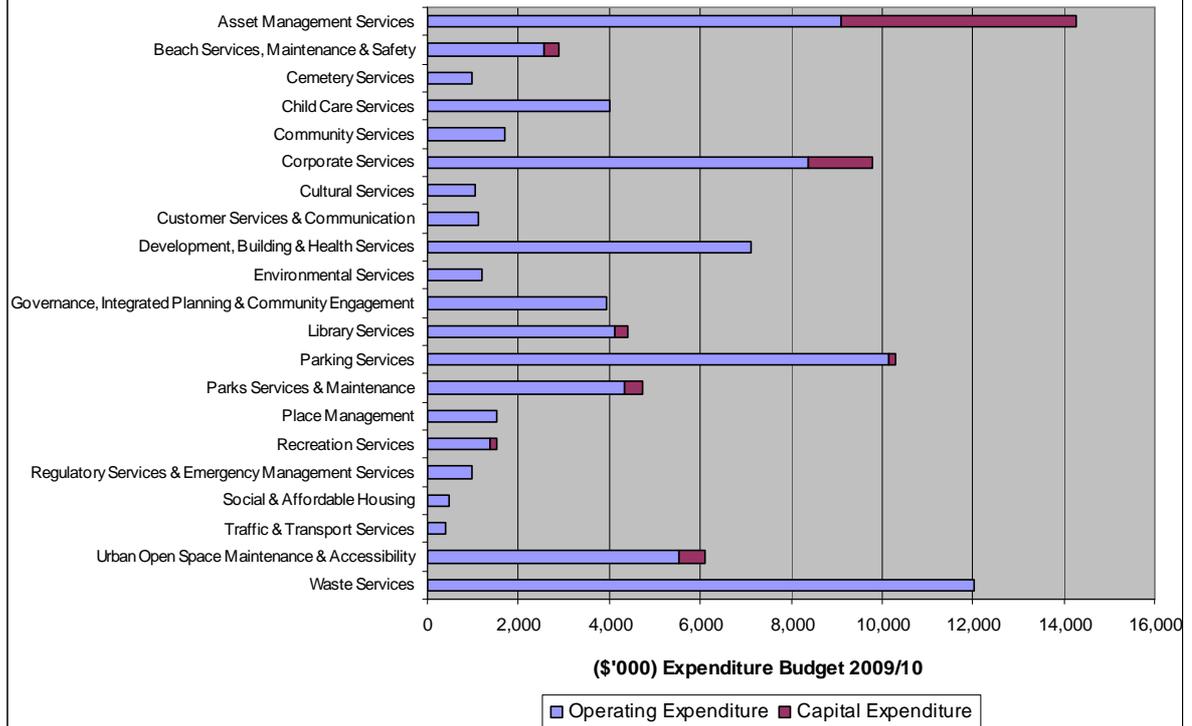
1.7 Current Services

The following graph shows projected expenditure on services provided by Council in 2009/10. Council provides an extraordinarily wide range of services.

It should be noted that some of the services listed in this graph, including child care, cemetery, parking and waste services, are largely or entirely funded through user fees and charges, and therefore have little or no negative effect on Council's overall budget result. In some cases, such as parking, the effect is positive.

A detailed list of Council's 22 services and 138 sub-services is provided in **Appendix 2**.

Service Delivery Expenditure Budget 2009/10



2. POLICY CONTEXT

2.1 Overview

Waverley Council has for some years had an integrated and well developed corporate planning and reporting framework. This framework has accorded with the requirements in the *Local Government Act* and associated regulations, as well as incorporating some discretionary best-practice features, such as an overarching Community Strategic Plan and a Strategic Asset Management Plan.

In October 2009 the NSW Government proclaimed the commencement of the **LOCAL GOVERNMENT AMENDMENT (PLANNING AND REPORTING) ACT 2009** which requires councils across New South Wales to undertake corporate planning and reporting within a specified framework – the Integrated Planning & Reporting (IP&R) framework.

Waverley Council has been well placed to embrace the new IP&R framework and November 2009 Council formally resolved to be included in the first group of councils to comply with the framework. By June 2010 it is expected that Waverley Council will have achieved full compliance with the IP&R requirements by adoption of:

- a fully revised Community Strategic Plan – *Waverley Together 2*:
 - based on the compulsorily required *Integrated Engagement Strategy* for community consultation, and
 - addressing the expressed community requirements for social, environmental and economic outcomes to 2021/22 in a good governance framework;
- a four-year Delivery Program supporting and guiding progress towards delivery of the adopted targets of *Waverley Together 2*;
- all required Resourcing Strategy components including:
 - a Strategic Asset Management Plan – SAMP3
 - an Environmental Action Plan – EAP2
 - a Long Term Financial Plan – LTFP2, and
 - a Workforce Plan – WFP1.

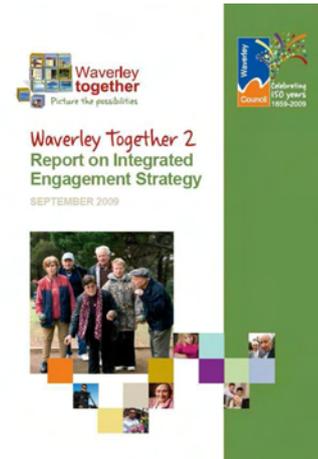
The programs for expenditure that have been included in the various layers of LTFP2 have been selected on the basis of the stated priorities of the community as expressed in the above suite of integrated plans.

2.2 Waverley Together 2 Community Strategic Plan

Waverley's first Strategic Plan, *Waverley Together*, was adopted by Council in April 2006. The Plan covered a 12-year time period and contained Council's high level vision, directions and strategies.

Due to changes in the DLG IP&R framework, as well as to the 'trigger event' of the September 2008 local government elections, the Strategic Plan has been reviewed. This reviewed plan, *Waverley Together 2* was presented as a draft to Council in October 2009. WT2 will be on public exhibition until 31 December 2009 before being presented again to Council in February 2010 for adoption.

As stated above, WT2 is the result of substantial consultation with the community via an *Integrated Engagement Strategy*. This Strategy was designed especially for Waverley by external consultants experienced in the field of community engagement for social equity outcomes, was implemented in a leading edge innovative manner which, and has received highly complimentary feedback from participants. A full brief on the extensive methodology and the results of the consultation have been provided in a major report titled *Waverley Together 2: Report on Integrated Engagement Strategy, September 2009*. The report is available on Council's web site under "Plans Policies and Publications".



Waverley Together 2 expands on the first *Waverley Together* by including a brand new governance chapter and by expanding on the original directions and strategies to reflect the changes that have occurred in community thinking and priorities since 2005.

These have been grouped into four main chapters which correspond with the four elements of the Quadruple Bottom Line for achieving sustainability (the QBL). The chapters or "quadrants" contain a series of directions and strategies including:

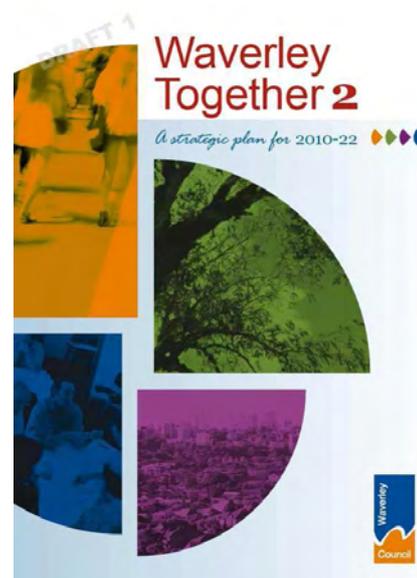
- **Sustainable Community**
 - social strategies for the LGA
 - cultural strategies for the LGA
 - safety strategies for the LGA
 - recreation and leisure strategies for the LGA
 - affordable housing strategies for the LGA.
- **Sustainable Living**
 - economic strategies for the LGA
 - neighbourhood wellbeing strategies for the LGA
 - planning strategies for the LGA
 - built form and urban design strategies for the LGA
 - transport strategies with mobility outcomes for the LGA.
- **Sustainable Environment**
 - natural environment and biodiversity management strategies for the LGA
 - greenhouse gas emission reduction and climate change adaptation strategies for the LGA and Council
 - water management strategies for the LGA and Council
 - waste management strategies for the LGA
 - community education and engagement strategies for the LGA and Council.
- **Community and Corporate Governance**
 - ethics strategies for Council
 - communication and consultation strategies for Council
 - customer service strategies for Council
 - financial strategies for Council
 - human resources and organisational development strategies for Council
 - asset management strategies for Council
 - safety and risk management strategies for the LGA and Council.

WT2 also expands the first plan by introducing a range of targets and indicators of progress that help in monitoring our progress towards sustainability. Some of these targets are quite challenging. It is most important to note that, in accordance with the requirements of the IP&R framework, the plan sets Directions and Targets that the community wants for the entirety of its aspirations, not just for the services that Council can provide.

In LTFP2 we have attempted to set out the cost of meeting these targets in so far as the costs relate to what *Council* must do to help the community realise the targets they have said they prefer. Other levels of Government will need to budget to meet their obligations if the Waverley community is to achieve the targets of this plan.

By being integrated with a range of satellite resourcing plans including SAMP3, EAP2, WFP1 and several others, LTFP2 helps us understand the full cost of the resources we will need to assemble to ensure we can move towards our targets at the pace necessary to sustain the things we value most.

The draft WT2 can be found on Council's web site under "Plans Policies and Publications".



2.3 Management Plan

2.3.1 General

As required under the *Local Government Act*, Waverley Council has a rolling four year Management Plan. Waverley's Management Plan has eight chapters, seven of which are based on the Strategic Plan and one of which details how Council manages its internal governance.

Each of the Management Plan chapters incorporates the Strategic Plan's directions and strategies, while adding measurable actions that include targets and the allocation of responsibilities. The Management Plan also includes information about how Council intends to fund the various operational and capital activities.

The Management Plan 2009/13 contains three parts:

- Part 1: Management Plan
- Part 2: Finance, Capital Works and Asset Management
- Part 3: Pricing Policy, Fees and Charges

The sections of the Management Plan which are particularly relevant to LTFP2 are detailed below.

Waverley Council has nominated to move from a Management Plan to a Delivery Program from 2010/11 and has commenced development of the 2010/14 Delivery Program.

2.3.2 Capital Works Program

Council's four year Capital Works Program is contained in Part 2 of the 2009/13 Management Plan (pages 22 – 27). The Program for 2009/13 contains more than 50 projects worth a combined total of \$25.9 million. Specific projects range in size from the \$1.4 million replacement of the Tamarama Kiosk and lifeguard storage area to the \$150,000 for streetscape improvements along the Murriverie Road shops.

The current capital works program also contains some projects associated with Council's *Investment Strategy* and *Strategic Asset Management Plan* (see below for details of these documents).

2.3.3 Fleet Replacement Policy

Council's Fleet Replacement Policy is contained in Part 2 of the 2009/13 Management Plan (page 19). The Policy determines that:

- **Passenger Fleet** - be replaced at 60,000km or 3 years or as determined by the General Manager
- **Light Commercial Fleet** - be replaced at 3 years or as determined by the Fleet Manager having regard to condition and usage
- **Truck Fleet** - be replaced at 7 years or as determined by the Director Public Works and Services having regard to condition and usage
- **Major Fleet/Plant Items and Specialised Equipment** – Estimate of economic life made at time of purchase. Actual replacement determined by the Director Public Works and Services having regard to condition and usage.
- **Minor Plant and Equipment** – replacement determined by the Fleet Manager with consideration to environment, age and condition.

The numbers and categories of expected purchases and sales of fleet items are specified in the 2009/13 Management Plan (page 20).

As an input to the base layer of LTFP2 Council has developed a 10 year Capital Equipment Replacement Schedule.

2.3.4 Pricing Policy

The way in which Council sets fees and charges for its wide range of services is known as the 'Pricing Policy' and is contained in Part 3 of the 2009/13 Management Plan (pages 7 – 57). The Pricing Policy is updated annually and is adopted by Council as part of the Management Plan.

The Pricing Policy determines that all fees and charges levied by Council be set according to one of seven principles, ranging from full cost recovery to no charge. The specific fees and charges associated with each service, and the principles by which those fees and charges are set, are detailed in the schedule attached to the Pricing Policy.

2.4 Restrictions Policy

Council regularly builds and maintains reserves of funds for future use in capital and operational improvements. It also maintains reserves to meet future liabilities such as employee leave entitlements, repayments of deposits and bonds, insurance liabilities, domestic waste liabilities, and plant and equipment replacement. Reserves are built using various funding sources such as surpluses from annual operations, developer contributions, domestic waste and other charges, grants and levies.

The purpose for which reserves can be used is in several cases restricted externally by legislation (section 409(3) of the *Local Government Act*, the *Local Government (Financial Management) Regulation 1999*, and other applicable legislation). This is the case for instance with developer contributions made under Section 94 of the *Environmental Planning and Assessment Act*, funds raised under the Domestic Waste Charge imposed under Section 496 of the *Local Government Act*, funds received as grants, and funds raised by levies or special variations to rates such as the Environmental Levy. In other cases, use of reserves may be also restricted by internal policy to the extent thought necessary by Council to ensure it can meet future liabilities, such as for employee leave entitlements or for return of deposits and bonds or for capital projects.

As at 30 June 2009, Council's current and non-current financial reserves totalled \$48.18 million, of which \$12.25 million is externally restricted. Internally restricted reserves totalled \$35.63 million. Unrestricted reserves totalled \$300,000.

Financial results shown in this LTFP2 are affected by these restrictions, as is Council's flexibility with respect to the use of reserves to defray shortfalls. It is assumed that externally restricted reserves are not available for uses other than those permitted by legislation. There is some greater flexibility with respect to the use of internally restricted reserves but this varies depending on the nature of liabilities. Capacity to continue an expansionary capital works program or other discretionary activities is limited by these liabilities and these are regularly reviewed.

A detailed breakdown of the external and internal restrictions applicable for our reserves is provided in the Waverley Council Annual Statements of Accounts for year ended 30 June 2009 (Note 6(c), page 39) and can be accessed from Council's website.

http://www.waverley.nsw.gov.au/__data/assets/pdf_file/0009/10206/Annual_Financial_Statements0809.pdf

2.5 Debt Policy

There is a general agreement that with total outstanding loans of \$7.09 million and a debt service ratio of 2.63%, our level of debt is too low. An increase in debt will allow Council to spread the burden of future costs more equitably across future generations and reduce the growth in renewal costs that arises from delay in investment in assets. Council has capacity to service more debt. In this situation, as a minimum, the use of debt financing is likely to increase for investments which can generate sufficient returns to repay the debt.

2.6 Strategic Asset Management Plan

The DLG and several Ministers for Local Government have strongly advocated for the improvement of asset management practices by local government in NSW.

Waverley has been a leader in this area, having published its first Strategic Asset Management Plan, SAMP1, in March 2006 and its second, SAMP2, in December 2007.

The third plan, SAMP3, is available on Council's web site from December 2009.

Unlike many other councils, Waverley's SAMP does not use depreciation to derive estimates of costs needed to



bring assets to a satisfactory standard. Rather, the SAMPs use condition assessments of assets and an understanding of the Waverley community's preferred minimum standards and service levels to determine the resources required to manage and maintain assets. This method has resulted in substantially lower assessed costs to bring assets to an acceptable standard compared to the costs previously published using valuation and depreciation as a guide. Based on views expressed by the community during the Integrated Engagement Strategy, it is considered that the standards that will be achieved for assets over the next 7 years by expenditures detailed in this plan will ensure that services can be delivered at a level acceptable to the community in a least cost total life cycle.

The SAMPs analyse groups of assets in the following categories:

- Category 1: Roads
- Category 2: Footpaths
- Category 3: Kerbs and gutters
- Category 4: Stormwater drainage
- Category 5: Buildings
- Category 6: Urban open spaces and malls
- Category 7: Coastal and retaining infrastructure
- Category 8: Parks infrastructure and landscapes
- Category 9: Cemeteries
- Category 10 : Parking infrastructure
- Category 11: Street trees
- Category 12: Other infrastructure
- Category 13: Plan and equipment
- Category 14: Information technology

SAMPs 1 and 2 focused on Categories 1-5 and 9, while SAMP3 incorporates the outcomes of the technical investigations for all categories of assets other than Category 6. Later iterations of SAMP will cover more detail about Category 6, updates of information for Categories 13 and 14, and other minor categories of assets not yet detailed.

SAMP3 sets out the detail of costs to achieve targets for asset service levels demanded by the community during the Integrated Engagement Strategy. These costs have been factored directly into the Base Layer and Sustainable Assets Layer of LTFP2 with the Sustainable Assets Layer showing the "top up" required over and above the Base Layer funding to reach the targets for asset renewal in the 12-year period of the plan. The targets of SAMP3 have also been integrated directly into WT2 under Direction G6 of the Community and Corporate Governance Quadrant – "Council assets are well maintained for their current purpose and for future generations". **Appendix 3** shows the full list of adopted targets for achieving sustainable asset management under Direction G6 of WT2.

SAMPs 1, 2 and 3 can be accessed from December 2009 on Council's web site under "Plans Policies and Publications".

2.7 Environmental Action Plan

Waverley Council has for many years undertaken a range of significant environmental projects, guided by various mid level plans (such as the *Water Savings Action Plan* and the *Waste Avoidance and Resource Recovery Action Plan*). Since the commencement of the 2006/07 financial year, Waverley has also had a Special Rate for an Environmental Levy which funds a large variety of environmental projects (which are detailed in the Management Plan).

As part of its strategic planning framework, Council has been developing a consolidating *Environmental Action Plan*. This plan has been developed with a ‘targets first’ approach and is structured around the broad environmental outcome areas of greenhouse gas emissions, water, waste and biodiversity. Targets for these areas are set based on the best information regarding the actions necessary to protect the environment for future generations.

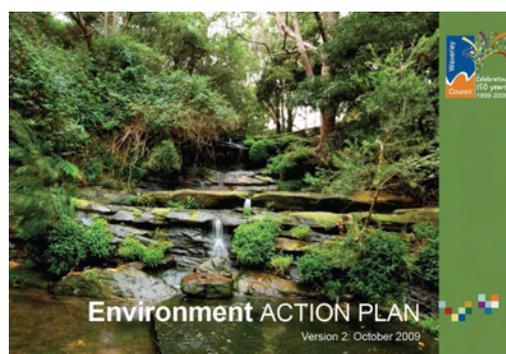
The first iteration of the *Environmental Action Plan* (EAP1) was published in December 2008. EAP1 incorporated the first draft of the targets for environmental outcomes, as well as outlining a variety of technical investigations and modelling to be undertaken to determine the most effective, least cost environmental management solutions for the short, medium and long term. The intention was to scope strategies which will significantly contribute to the achievement of environmental outcomes for the whole local government area, not just the Council's operations. This is consistent with the requirements of the IP&R framework.

As a result of having completed the technical investigations and modelling required in EAP1, EAP2 now includes the actions necessary to work towards the targets. The actions are well considered, measurable and maximise our capacity to achieve all targets as long as we work together as a community. Where there is a perceived gap between the necessary target and the capacity of the community and the Council to achieve that target, the plan steers Council through a course to determine the actions required to bridge the gap over time.

EAP2 was presented to Council in October 2009 and the funding requirements have been incorporated into the Base Layer and Sustainable Environment Layer of LTFP2, with the Sustainable Environment Layer showing the “top up” required over and above the Base Layer funding to maximise potential to reach the environmental targets in the 12-year period of the plan. The targets of EAP2 have also been integrated directly into WT2 under Directions E1 to E8 of the Sustainable Environment Quadrant.

Appendix 4 shows the full list of adopted targets for achieving environmental sustainability under Directions E1 to E8 of WT2.

EAP2 can be accessed on Council's web site under “Plans Policies and Publications”.



2.8 Investment Strategy

Waverley Council has a significant portfolio of property assets which it owns or controls. Following a successful strategy implemented in the 1990s, Council began, in mid 2005, developing a new strategy to maximise the performance of these properties. This is consistent with the objectives of Council's Asset Management Policy contained within the SAMPs.

The result was the development of the *Investment Strategy*, which is a flexible blueprint for dealing with key Council assets over a 10-year period. The Strategy aims to maximise the performance of Council's properties and to achieve a number of social, environmental, accommodation and financial objectives. The Investment Strategy was adopted by Council in September 2007 and is being progressively implemented.

Key Investment Strategy projects include:

- sale of the Waverley/Woollahra Processing Plant (completed);
- sale of industrial units at Burrows Road, Alexandria (completed);
- conversion of surplus spaces in the Hollywood Avenue Car Park for sub depot use (completed);
- sale of Arnold Street property to provide funding for the Green Links program and other programs (completed);
- construction of a sub depot under Syd Einfeld Drive (completed);
- preparation of a Waverley Park precinct master plan (adopted);
- construction of a new Waverley Park Pavilion (in progress);
- redevelopment of the Bondi Junction family day care centre site (in progress);
- provision of additional child care facilities (in progress);
- construction of a sub depot under Hugh Bamford Reserve (in planning and design);
- sale of Council's current main depot at Green Square;
- purchase of a new main depot in conjunction with other councils;
- conversion of a portion of Eastgate Car Park to office space (in planning and design);
- preparation of a Bondi Pavilion Asset Action Plan (complete) and delivery of associated works (in progress);
- renovation of Council Chambers to provide more efficient office space for staff (completed); and
- preparation of a Master Plan to set out the long term vision of a number of key Council sites in Spring/Ebley Street Precinct.

The Investment Strategy financial model, adopted in 2007, aimed to liquidate under-performing or surplus assets to finance the above projects and to ensure the overall portfolio of assets and investments provides an improved return in terms of social, environmental and local economic capacity. The Council is confident that the exchange of assets under this program will achieve this objective.

The success of the Investment Strategy is dependent upon realising in excess of \$50 million in sales of assets and at least a further \$8 million over the planning period in improved returns from the newly created assets. Costs in income from the Investment Strategy have been factored into the Investment Strategy Layer of LTFP2, updated from LTFS1. The Strategy is a vital piece of the financial model contributing substantially to the efficiency of service delivery via assets.

2.9 Investment Policy

All cash investments made by councils in New South Wales are subject to Section 625 of the *Local Government Act* and to associated regulations and circulars. All such investments must also be in accordance with the Council's Investment Policy.

Waverley's Investment Policy limits the proportion of investments Council can make by:

- the overall credit exposure of the portfolio, and
- the credit rating of individual financial institutions, and
- the term to maturity.

Council's Investment Policy is reviewed on an annual basis and was last revised in May 2009. Monthly reports, prepared by independent financial advisors, on the

performance of investments and compliance with the Policy are provided to Council's Finance, Ethics and Strategic Planning Committee.

2.10 Workforce Plan

As part of its IP&R framework, the DLG has included a workforce plan as one of the three resourcing documents which are intended to support delivery of the Strategic Plans, the others being asset management plans and long term financial plans.

Waverley Council previously worked to the *Human Resources Strategic Plan 2005-2008*. A *Workforce Plan 1* (WFP1) is currently in preparation and is being designed in tandem with development of the 4-year Delivery Program due to be adopted by June 2010. WFP1 analyses service capacity and gaps in resourcing that will need to be filled in order to deliver the targets of WT2. Some human resource shortages have been identified that it will be necessary to fill to meet targets in all four quadrants of WT2. The costs for these resources and associated equipment, hardware and software known at this time, have been factored into the Operational Improvements Layer of LTFP2.

3. BASE LAYER

3.1 Introduction

The 'base' layer of LTFP2 shows the financial results of delivering existing levels of service. This could also be called the 'business as usual' layer.

3.2 Financial Assumptions

The assumptions in the Base Layer are as follows:

Base Layer – Operating Income	
Ordinary Rates	<p>That the State Government policy of rate capping will continue and that rates will continue to be indexed by a fixed amount announced annually by the Minister for Local Government.</p> <p>That this amount will be equal to the forecasted CPI.</p>
Environmental Special Rate	<p>That the Environmental Special Rate will rise by an amount equal to the forecasted CPI in 2009/10 and 2010/11 and then be removed in 2011/12 and not reinstated.</p>
Domestic Waste Management Charge	<p>That the Domestic Waste Charge will remain at \$345 per annum till 2011/12 before increasing to \$350 in 2012/13. From 2013/14 to 2021/22 the charge will increase by \$15.60 per annum or approximately 3.8% and a reserve of \$1 million will be maintained.</p>
General User Fees and Charges	<p>That user fees and charges will rise annually by an amount equal to the forecasted CPI.</p>
Parking User Fees and Charges	<p>That income from off street parking fees and charges will rise annually by 5%.</p> <p>That income from parking meter fees will rise by an amount equal to the forecasted CPI.</p>
Regulatory Services	<p>That income received from regulatory services will rise annually by an amount equal to the forecasted CPI. This, however, will be calculated from a reduced base of income compared to previous years due to reductions in parking infringement numbers.</p>
Grants, Subsidies and Contributions	<p>That operating income received from grants, subsidies and contributions will increase annually by an amount equal to the forecasted CPI.</p>
Investments	<p>That net positive yields on cash investments are factored into income with a return that equals the forecasted 90 day bank bill rate.</p>

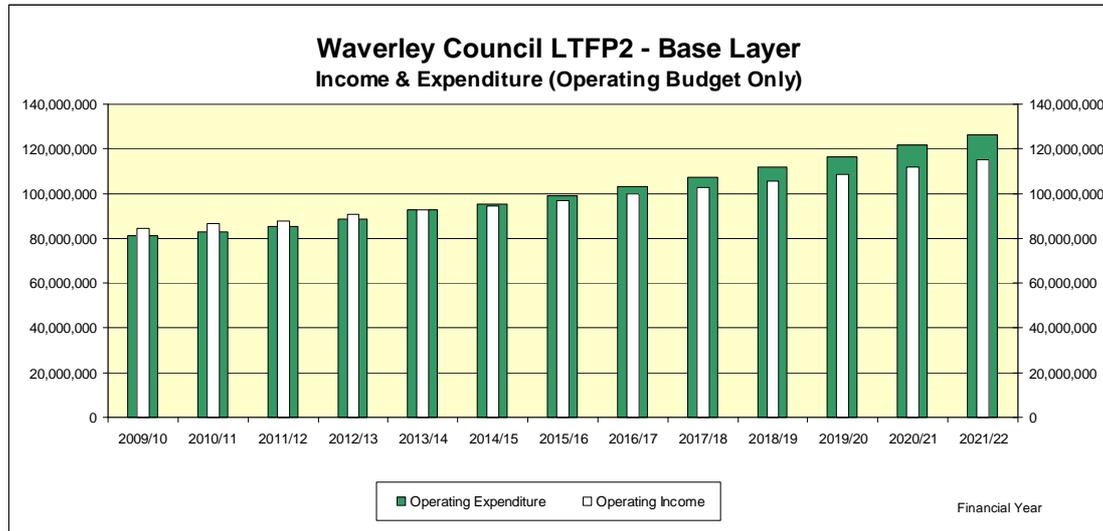
Base Layer – Operating Expenditure	
Employee Costs	That employee costs, inclusive of Award increases, service margins and market margins, will increase by 5% per annum. That there will be no net increase in staffing numbers (30 June 2009 - 554 full time equivalent employees).
Environmental Services	That a program of environmental services provided by Council will continue at 2009/10 levels of expenditure.
Materials and Contracts	That costs associated with materials and contracts will increase annually by an amount equal to the forecasted CPI.
Operating Expenses	That operating expenses, including electricity, water and insurance, will increase annually by an amount equal to the forecasted CPI.

Base Layer – Capital Income	
Loans	That no new loans for capital income will be taken.
Plant and Equipment Sales	That plant and equipment will be sold as per the Fleet Replacement Strategy.
Property Sales	That no existing property assets will be sold.
Developer Contributions	That developer contributions will be levied as per Section 94 and 94A of the Environmental Planning & Assessment Act and that the rate of development applications on which the levy is applied will decline from 2010/11.

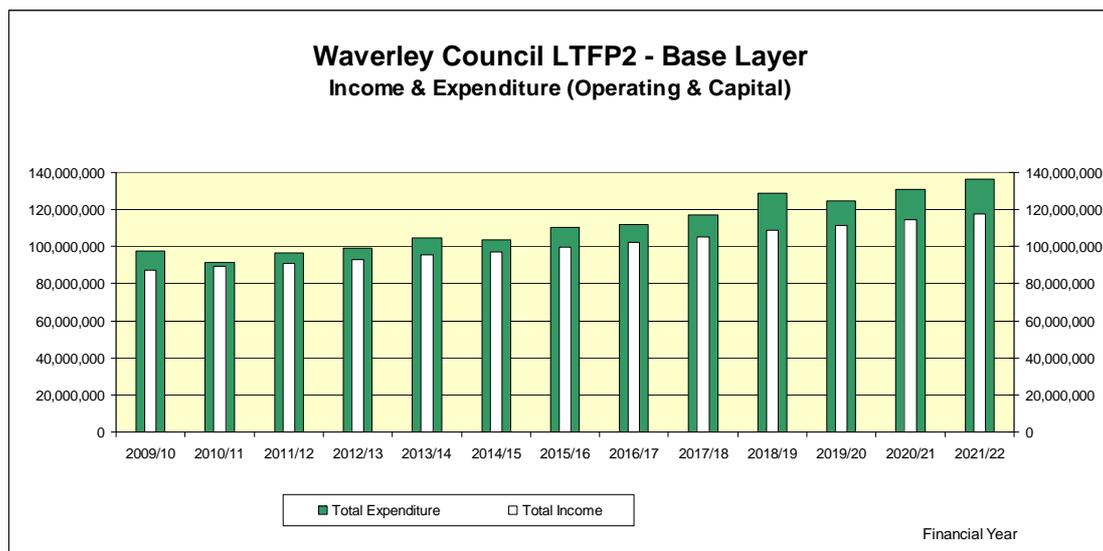
Base Layer – Capital Expenditure	
Loans	That the repayment of existing loans will continue based upon the existing repayment schedules.
Capital Works	That capital works will be undertaken as per the <ul style="list-style-type: none"> ▪ Management Plan 2009/13, with revisions ▪ SAMP2 <p>That from 2013/14 a minimum of \$5 million will be spent on capital works projects.</p>
Plant and Equipment Purchases	That plant and equipment will be purchased as per the Fleet Replacement Strategy.
Property Purchases	That no new property assets will be purchased.
Investments	That no new investments will be purchased.

3.3 Financial Analysis and Result

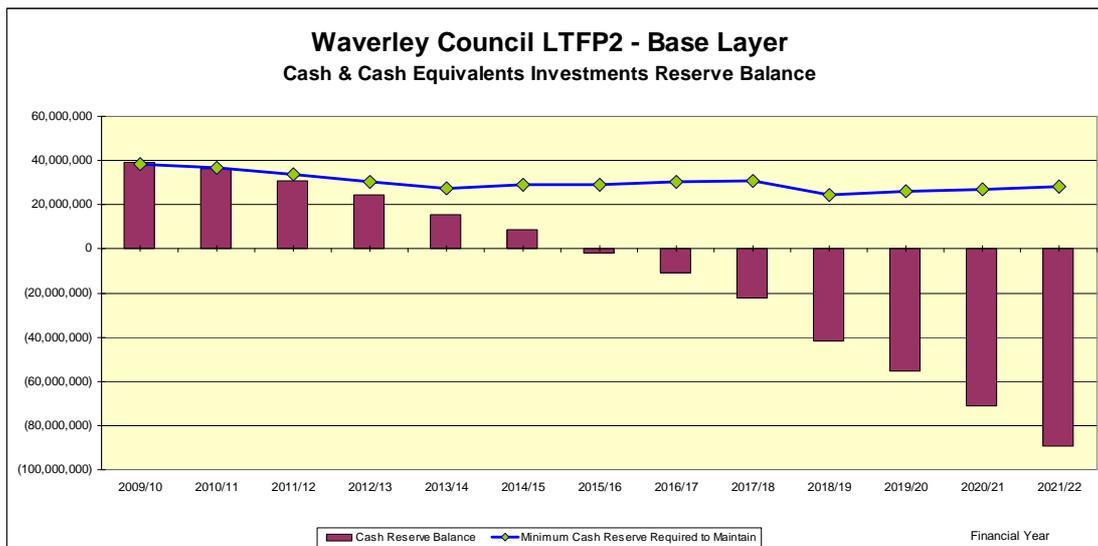
As illustrated in the graphs below, the Base Layer results in a favourable net financial result up to and including 2013/14, i.e., operating income is greater than operating expenditure. In 2014/15, the net operating result becomes negative and remains negative every year thereafter, projected to increase to a funding gap of \$11.4 million in 2021/22.



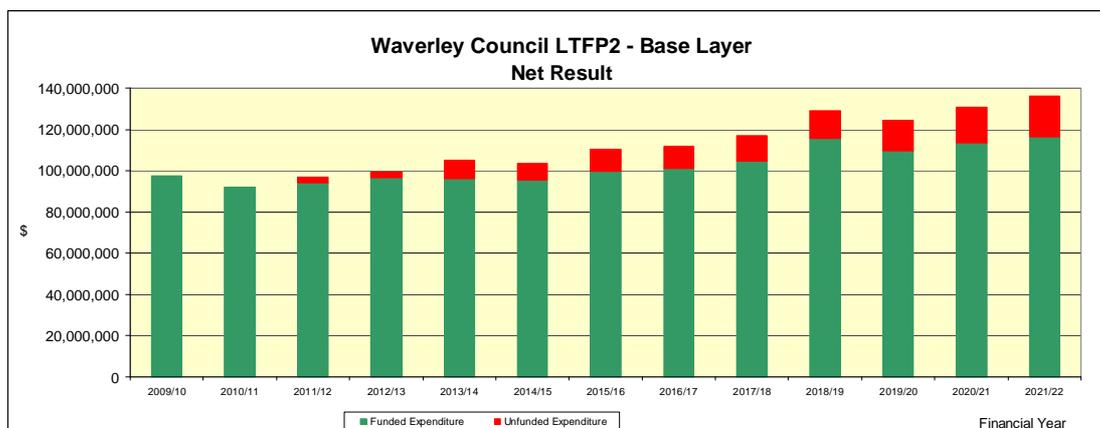
When the operating and capital projections are considered jointly, along with transfers to and from reserves and the repayment of loans, the deficit increases to \$18.5 million by 2021/22, with a high of \$19.8 million in 2018/19.



Under the Base Layer, all of Council's available cash reserves are consumed by 2015/16. In 2010/11 Council drops below the level of cash reserve required under the Restrictions Policy (see Section 2.4 above) and remains under that level in every year thereafter, as is shown on the following page.



When the operating and capital expenditures and transfers from unrestricted reserves are included, the Base Layer predicts that Council will have a total unfunded expenditure of almost \$120.8 million up to and including 2021/22 as shown in the following graph.



3.4 Opportunities and Threats

- Rates income:** In October 2008, the NSW Premier Rees told the annual conference of the Local Government Association that his government may review the current policy of rate pegging. Should the policy be discontinued, it will have significant implications for Waverley's long term financial outlook.

Furthermore in July 2009 the Independent Pricing and Regulatory Tribunal (IPART) issued a **Draft Report - Review of the Revenue Framework for Local Government** which recommended among other things that increases in rates be set independently, by IPART, subject to Ministerial approval. The final report and the State Government's response is expected in early 2010.

- **Potential loss of Payroll Tax exemption:** In October 2008, the Independent Pricing and Regulatory Tribunal (IPART) recommended that the payroll tax exemption for local governments in NSW be removed. If the Minister for Local Government accepts this recommendation and passes payroll tax on to local governments, it will have significant negative implications for Council's long term financial outlook, regardless of whether the Minister permits the cost of the tax to be passed on to ratepayers.
- **Parking income:** In 2008/09 fees, charges and fines associated with public parking accounted for \$21.3 million or 26.4% of Waverley's total income from operations. Should Council change its policies associated with public parking, it may have significant implications for Waverley's long term financial outlook. Waverley recently conducted a major review of its entire Parking System in Waverley. This system is vital to the economic functioning and quality of life in Waverley and delivers parking opportunities per day at 8 to 13 times the rate on-street than would otherwise be accessible in the absence of the system. The Parking System review determined that there is a need to introduce pricing for parking that more effectively manages demand for the resource and that pricing policies should be followed which would reduce dependency on fine income relative to income from fees. This approach was generally supported recognising that it is likely to result in increased average parking prices until we move closer to equilibrium between demand and supply. The approach is not expected to result in income increases above the CPI or drops in total income. However, the Base Layer model is quite sensitive to volatility in attitudes to parking policy and changing community attitudes about compliance and willingness to pay.
- **Volatility in the CPI:** In recent years, the CPI has varied significantly. According to the Australian Bureau of Statistics over the 2008/09 financial year the CPI increased by 1.5%. This is in contrast to the CPI increases of 4.5% during 2007/08 and 2.1% over 2006/07. As more than 50% of Waverley's operating budget relates to employee costs, which are particularly sensitive to changes in the CPI, this variability has significant implications for Waverley's financial outlook. Access Economics is forecasting an average CPI increase of 2.47% across the period of LTFP2.
- **Interest rates:** Interest rates on investments and borrowings have also been relatively variable in recent years. According to the Reserve Bank of Australia, the official cash interest rate has fallen from a high of 7.25% in March 2008 to a low of 3% in April 2009. Rates have since then begun to increase again and at the December 2009 meeting of the RBA the rate reached 3.75%. The expectation is that interest rates will continue to increase in the short term with CBA forecasting 5% by December 2010. Future changes in interest rates will have an impact on Waverley's long term financial outlook.
- **Cost shifting from Federal and State Governments:** The issue of cost shifting has, in recent years, been of significant concern to councils in New South Wales and elsewhere in Australia. Between 2002 and 2005 the House of Representatives Economic Committee conducted an inquiry into the issue, the recommendations of which are currently being considered by the Local Government and Planning Ministers' Council. Should State and Federal Governments continue to transfer responsibilities, and thus costs, for the provision of services to Local Government, this will have negative implications for Waverley's long term financial outlook. The recently published report from the Local Government and Shires Association of NSW (LGSA), based on the 2007/08 financial year, estimates the total cost shifting in NSW at \$431 million, an

increase of \$19 million or 4.6% from 2006/07. At Waverley the cost shifting amount was estimated by the LGSA for 2007/08 at \$5.18 million.

- **Energy prices:** Materials and contracts are subject to variations in the market, and particularly to petroleum prices. As an indicator of this variation, the Australian Bureau of Statistics reports that automotive fuel prices decreased 19% in the year to September 2009 compared to a 25.4% increase in the year to September 2008. Such fluctuations impacts on the price of petroleum and petroleum-based products (such as asphalt) and makes forecasting difficult. Furthermore there is a general expectation that energy will be more expensive in the future as the world embarks upon carbon trading. An early indicator of this is the prices offered by Energy Australia with their 777 contract with the NSW Department of Commerce increasing energy charges for on street lighting contracts by more than 40% effective July 2009.
- **Workers' compensation costs:** Given that staff costs are such a significant part of Council's expenditure (over 50%), performance in workforce safety poses a significant risk to the budget. Waverley's has in recent years seen a steady increase in workers' compensation premiums. In 2007/08 the premium was \$1.14 million which in 2008/09 had increased by 94% to \$2.18 million. The premium for 2009/10 is estimated to be \$3 million. Council has undertaken a program of improvements to its OHS in an effort to reverse these premium increases and has an investment of \$792,000 included in the 2009/13 budget and the Base Case of the LTFP2 to achieve a standard of workplace safety that will reduce injuries and, through self insurance, reduce the organisation's workers' compensation costs.
- **Developer contributions:** In 2005 the *Environmental Planning and Assessment Act* was amended to, among other things, introduce a system for the negotiation of planning agreements between developers and planning authorities. The increased use of planning agreements, as well as changes in the application of Section 94 contributions, may have positive implications for Waverley's long term financial outlook.
- **Commercial business income:** Council operates several substantial commercial businesses built on maximising the natural advantage that comes from ownership and operation of infrastructure assets such as buildings, car parks, open space, roads, footpaths, waste collection plant and vehicles, cemeteries, bus shelters and the like. Council's ability to maximise the return to the community from these assets underpins the budget to a very substantial degree, minimising the proportion of the burden for assets and services that must be borne solely by ratepayers. Business income accounts for over 15% of Council's gross income and there is capacity to increase this to almost 20% within the next 10 years. Deviations from business plans such as the Investment Strategy will therefore have a very substantial effect on Waverley's financial outlook.
- **General insurance costs:** Other insurance costs, such as property and public liability, may also vary due to global economic fluctuations. Waverley pays in excess of \$1 million for these insurances per annum. Instability in the insurance market can have a significant negative effect on the insurance costs for Waverley, notwithstanding the good claims record maintained by Council since 2000.
- **Local Government Superannuation Retirement Scheme:** Due to the recent global financial crisis, superannuation funds have suffered a significant fall in

value over the past two years. A portion of Council's employees belong to a closed Scheme where member entitlements are defined as a multiple of their salary. Councils are responsible for ensuring there are sufficient funds available to pay out this benefit when these employees cease employment. Due to the recent erosion of funds in the scheme Council has been notified that the contribution rate for 2009/10 has increased by some \$1.2 million and may be required to be increased above this level in the future. Should this occur there would be a negative impact on Waverley's long term financial forecasts.

4. INVESTMENT STRATEGY LAYER

4.1 Introduction

The Investment Strategy Layer incorporates the financial results of assets sales and reinvestment as per Council's *Investment Strategy*, which was adopted in 2007. The major projects associated with the *Investment Strategy* are detailed at Section 2.7.

4.2 Value Added by the Investment Strategy Layer

Value added by this Layer of asset sales and creation of new capital assets is substantial. Not only does the Layer improve the bottom line result of the Base Layer by increasing returns from a range of assets which have been performing poorly financially, it creates new assets to improve the social, environmental and local economic returns they can provide. New assets being created under the Strategy, without burdening Base Layer results at all include:

- a new Waverley Park Pavilion,
- a new child care centre combined with a new family day care centre,
- a new sub depot under Hugh Bamford Reserve,
- purchase of a new main depot in conjunction with other councils outside the Waverley LGA,
- construction of a sub depots under Syd Einfeld Drive and in Hollywood Avenue Car Park,
- conversion of under-utilised car parking space in Eastgate Car Park to office space,
- works to upgrade Bondi Pavilion,
- a new Customer Centre and offices in Bondi Junction, and
- renovation of the Council Chambers to provide more efficient office space for staff.

4.3 Financial Assumptions

The assumptions in the Investment Strategy Layer are as per the Base Layer, with the following alterations:

Investment Strategy Layer – Operating Income

Rental income	That net positive yields from the rent of properties are returned to Council after capital and operating expenses have been met.
Investment income	That net positive yields on cash investments are returned to Council after capital and operating expenses have been met.

Investment Strategy Layer – Operating Expenditure

Employee costs	That employee costs associated with capital expenditure remain in the layer.
Operating expenses	That operating costs associated with capital expenditure remain in the layer.

Investment Strategy Layer – Capital Income

Asset sales	That property assets will be sold as per the Investment Strategy.
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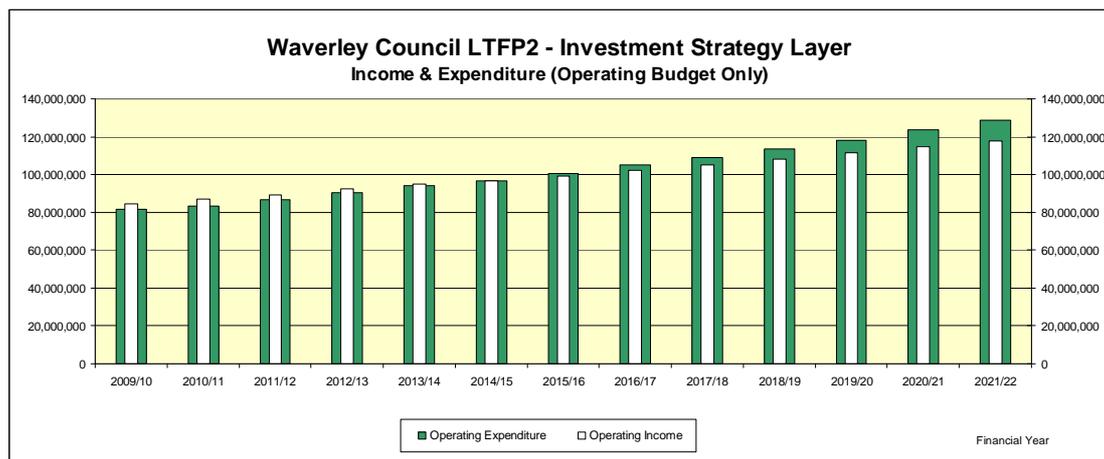
Investment Strategy Layer – Capital Expenditure

Capital works	That the capital works will be undertaken as per the <ul style="list-style-type: none"> ▪ Management Plan 2009/13, with revisions ▪ SAMP2 (included in Base Layer) ▪ Investment Strategy.
Asset	That property assets will be purchased as per the Investment Strategy.
Investments	That new investments will be purchased as per the Investment Strategy.

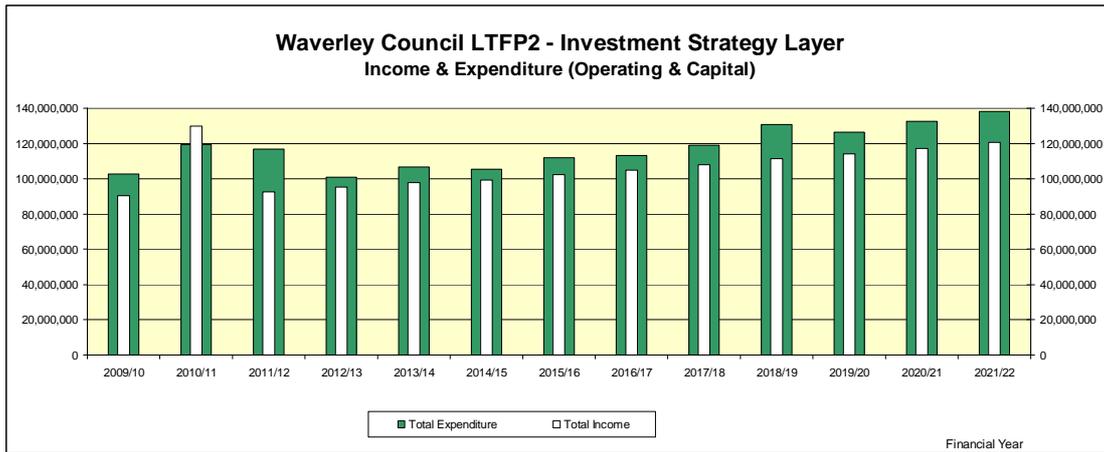
For a summary breakdown of costs and income included in the Investment Strategy Layer see **Appendix 6**.

4.4 Financial Analysis and Result

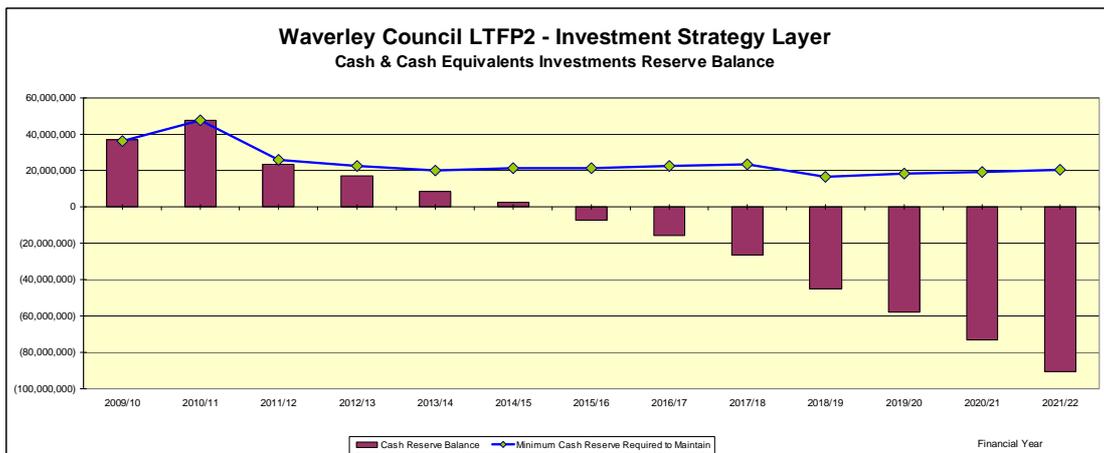
The Investment Strategy generates a slightly improved financial result over the base layer from 2011/12 and every year thereafter. The investment strategy contributes total revenue of \$6.3 million between 2011/12 to 2021/22. Despite this, operating income is still greater than operating expenditure. In 2014/15, the net operating result of the accumulated Base and Investment Strategy Layers becomes negative and remains negative every year thereafter, projected to increase to a funding gap of \$10.6 million in 2021/22.



When the operating and capital projections are considered jointly, along with transfers to and from reserves and the repayment of loans, the deficit increases to \$17.7 million by 2021/22, with a high of \$24.1 million in 2011/12, and another high of \$19.1 million in 2018/19.

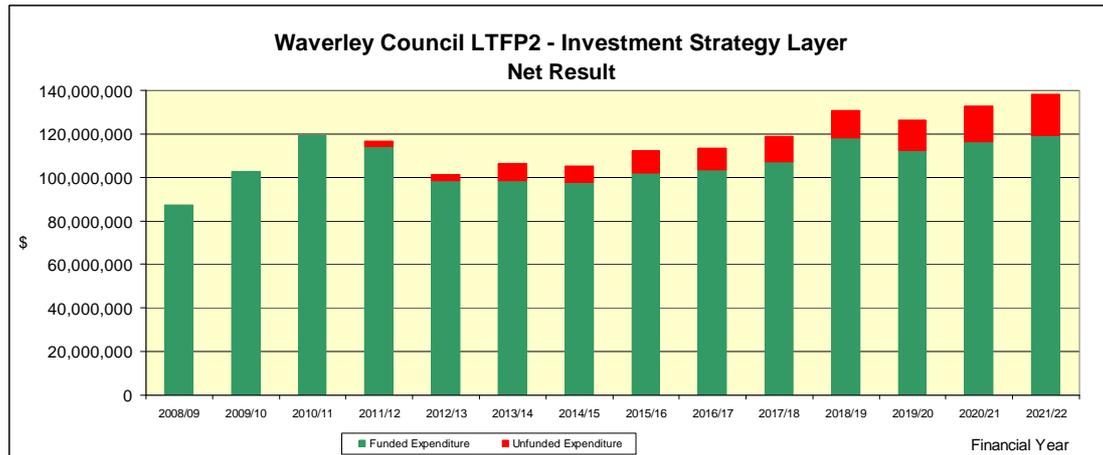


As is shown on the following graph, the Investment Strategy Layer also results in a change in cash flow, with a significant amount of income going to Investment Strategy reserves in 2009/10 being used to fund future Investment Strategy works. Nevertheless, all of Council's available cash reserves are still consumed by 2015/16, as they were in the Base Layer and 2011/12 Council drops below the level of cash reserve required under the Restrictions Policy (see Section 2.4 above) and remains under that level in every year thereafter.



When the operating and capital expenditures and transfers from unrestricted reserves are included, the cumulative Base Layer + Investment Strategy Layer predicts that Council will have a total unfunded expenditure of approximately \$114.4 million up to and including 2021/22 as shown in the following graph.

This result is an improvement on the Base Layer and is achieved due to the generation of unrestricted revenue of \$63,700 in 2011/12 growing to \$770,567 in 2021/22, totalling some \$6.3 million over 12 years. The increased return generated from assets that are currently under-performing is an achievement but it is not enough to stave off deficits which persist from 2011/12 onwards.



4.5 Opportunities and Threats

- **Property values:** The Investment Strategy Layer of the LTFS is heavily dependent upon the value of property. The recent international financial and economic crisis has added uncertainty to property values in NSW. During 2008/09 the value of Councils portfolio of investment properties reduced by \$6.3 million or 5.3% having increased by \$37.3 million or 46% during 2007/08. Should volatility in the property market continue into the future, it will have significant implications for the financial outlook associated with the Investment Strategy Layer. The effect is most likely to be on the timing of investments on renewed infrastructure, buildings and services.
- **Eastgate Car Park:** As part of the *Investment Strategy*, Council approved the conversion of part of the Eastgate Car Park to office space. The rents associated with this conversion are projected to result in a significantly increased income to Council. Should Council change its policy regarding the Eastgate Car Park, it may have significant negative implications for the financial returns for Council.
- **Interest Rates:** As this layer includes the investment of cash for a financial return, it is particularly sensitive to changes in interest rates.
- **Rental Values:** As this layer includes the return of rent from investments in property assets, it is particularly sensitive to changes in rental values. It is also sensitive to changes in the commercial property market in Bondi Junction, and particularly the over or under supply of commercial properties for rent in the area.

5. SUSTAINABLE ASSETS LAYER

5.1 Introduction

This layer incorporates the financial results of meeting adopted service standards for the maintenance of a wide range of Council assets as shown in **Appendix 3**. It is essentially based on the outcomes of the third iteration of the Strategic Asset Management Plan, SAMP3, an overview of which is given at Section 2.5.

The following table provides a summary of the layers in which the costings for each asset category have been included.

Category	Asset Type	Comments
1	Roads	Costings as per SAMP2 incorporated into the Base Layer. No further top ups have been required for this category of assets as a result of SAMP3.
2	Footpaths	Costings as per SAMP2 incorporated into the Base Layer. Top ups required as a result of SAMP3 and WT2 have been included in the Sustainable Assets Layer.
3	Kerbs and Gutters	Costings as per SAMP2 incorporated into the Base Layer. No further top ups have been required for this category of assets as a result of SAMP3.
4	Stormwater Drainage	First stage asset renewal costings as per SAMP2, which resolve flooding and drainage system capacity issues, incorporated into the Base Layer. Costs to resolve issues about the structural condition of drains, as per SAMP3 are included in this layer.
5	Buildings	Costings as per SAMP2 incorporated into the Base Layer. Top ups required as a result of SAMP3 and WT2 have been included in the Capital Improvements Layer.
6	Urban Open Spaces and Malls	This asset category will be included as part of SAMP4. Some provisions for the renewal of assets in this category have been included in subsequent layers of the LTFP. Top ups required as a result of SAMP3 and WT2 have been included in the Capital Improvements Layer.

Category	Asset Type	Comments
7	Beach and Coastal Infrastructure	Costings per SAMP3 have been included in this layer.
8	Parks and Reserves	Costings per SAMP3 have been included in this layer.
9	Waverley Cemetery	Costings per SAMP3 have been included in this layer.
10	Parking Infrastructure	Included in the Base Layer.
11	Trees	Funding for 200 trees per annum is included in the Base Layer. Further costings, as per SAMP3, are included in this layer.
12	Other – fences, stairs, bus shelters, etc	Costings per SAMP3 have been included in this layer. Costings for a small range of miscellaneous items such as sculptures and monuments are to be included in SAMP4.
13	Plant & Equipment	Included in the Base Layer. A revision of the Plant & Equipment Replacement Schedule is to be included in SAMP4.
14	Information Technology	This asset category will be included as part of SAMP4.

5.2 Value Added by the Sustainable Assets Layer

Value added by these programs is substantial. The above top ups when added to Base Layer funding (assuming this can be maintained) provide benefits that meet WT2 targets for sustainable assets such as:

- a 10% increase in proportion of paths in Condition 1 and 2 (reaches 80% by 2021/22) for a top up on the Base Layer of approximately \$3.6 million;
- provides an adequate reserve to deal with stormwater renewals (so both flooding and structures are covered with sufficient provisions by 2017/18) for a top up on the Base Layer of approximately \$8 million (which is substantially less than estimates published before the asset condition studies for SAMP3) then smaller top ups to maintain;
- the retaining walls backlog resolved for a top up on the Base Layer of approximately \$4 million (then smaller top ups to maintain);
- the parks infrastructure backlog resolved for a top up on the Base Layer of approximately \$6.8 million (then smaller top ups to maintain);
- the parks landscapes improved for a top up on the Base Layer of approximately \$1.3 million;

- Waverley Cemetery infrastructure backlog resolved for a top up on the Base Layer of approximately \$6.8 million (as long as business plans funded for the Cemetery in other Layers can be implemented) then smaller top ups to maintain;
- street trees improved for a top up on the Base Layer of approximately \$1.3 million; and
- safety and access infrastructure - stairs, fences, and bus shelters - backlog resolved for a top up on the Base Layer of approximately about \$400,000 (then smaller top ups to maintain).

For a summary breakdown of costs included in the Sustainable Assets Layer see **Appendix 6**.

5.3 Financial Assumptions

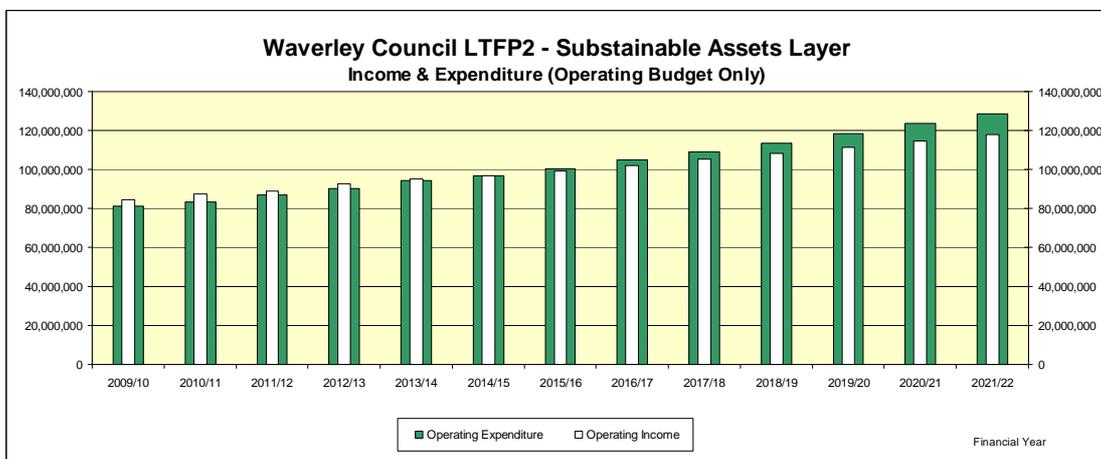
The assumptions in the Sustainable Assets Layer are as per the Base and Investment Strategy Layers, with the following alterations:

Sustainable Assets Layer – Capital Expenditure	
Capital Works	That the capital works will be undertaken as per the <ul style="list-style-type: none"> ▪ Management Plan 2009/13, with revisions ▪ Investment Strategy ▪ SAMP3.

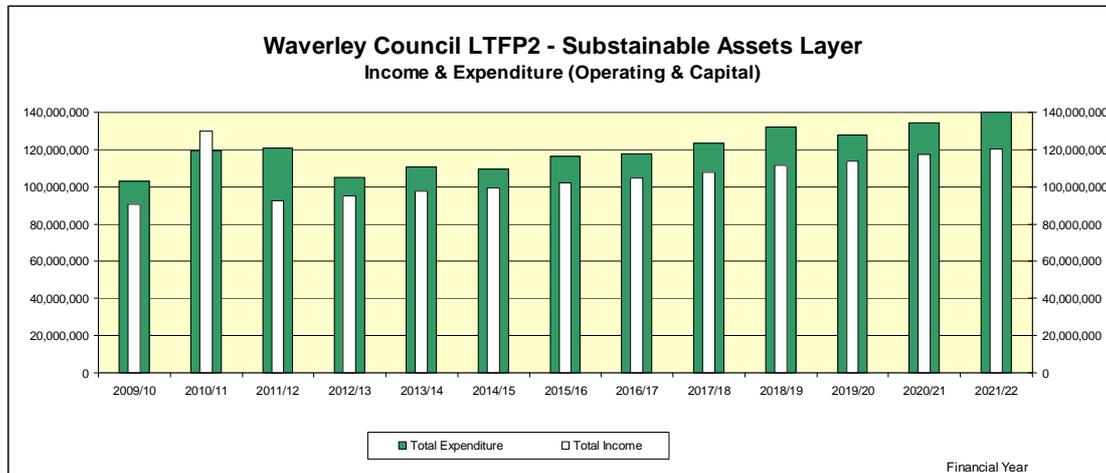
5.4 Financial Analysis and Result

The Sustainable Assets Layer results in a significantly deteriorated financial result for Council. This result is due to the need for annual expenditure of between \$3.6 million - \$4.6 million on asset renewal from 2011/12 to 2017/18 with the expenditure reducing to some \$1.5 million each year in the years from 2018/19 to 2021/22. In this layer Council requires total funding to 2021/22 of \$35.8 million additional to prior layers.

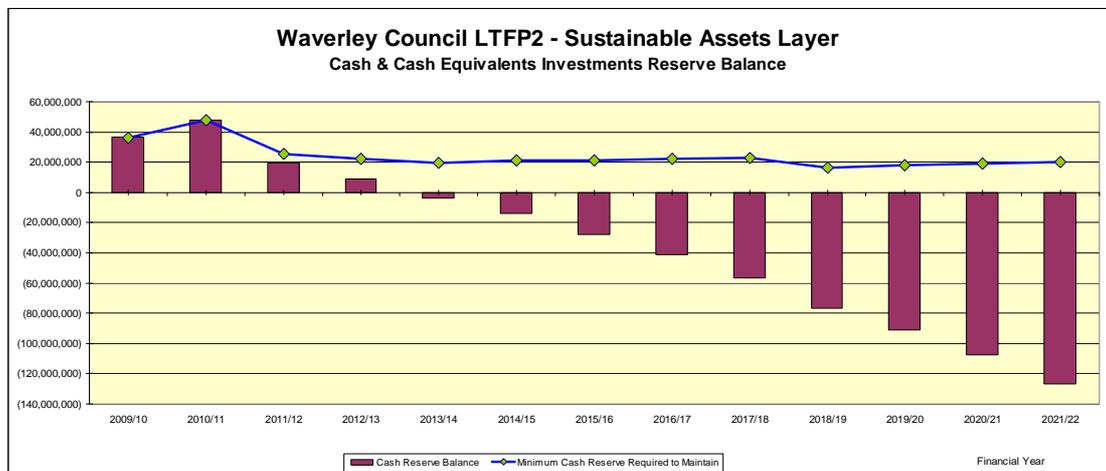
In 2014/15, the net operating result of the accumulated Base, Investment Strategy and Sustainable Assets Layers becomes negative and remains negative every year thereafter, projected to increase to a funding gap of \$10.6 million in 2021/22. This is no different to the operating result for accumulated Base and Investment Strategy Layers because all additional expenditure in the Sustainable Assets Layer is assumed to be capital expenditure.



When the operating and capital projections of the accumulated Base, Investment Strategy and Sustainable Assets Layers are considered jointly, along with transfers to and from reserves and the repayment of loans, the deficit increases to \$19.3 million by 2021/22, with a high of \$28.2 million as early as 2011/12 and another peak of \$20.6 million in 2018/19.

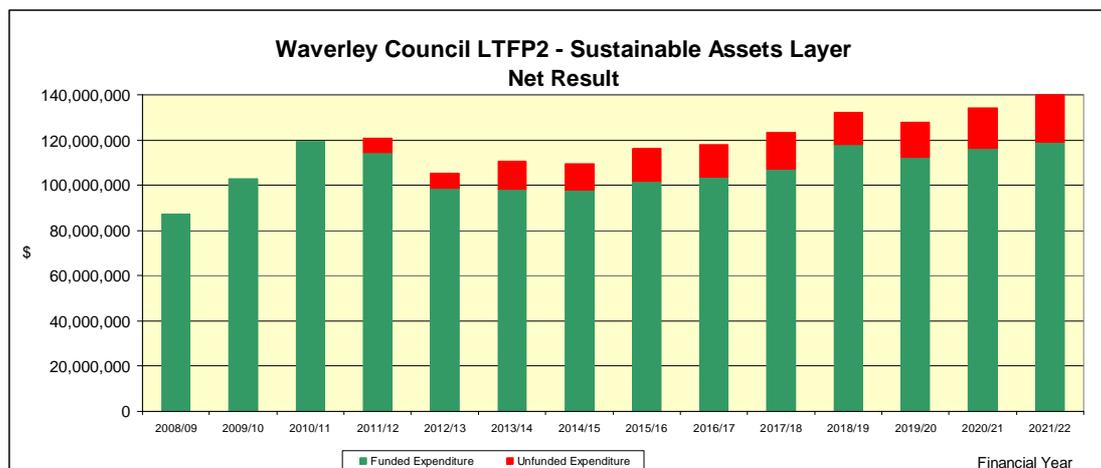


The use of unrestricted reserves does not improve the situation, with the reserve balance projected to drop below the level required by the Restrictions Policy in 2011/12 and remain below the required level thereafter.



When the operating and capital expenditures and transfers from unrestricted reserves are included, the cumulative Base Layer + Investment Strategy Layer + Sustainable Assets Layer predicts that Council will have a total unfunded expenditure of almost \$150 million up to and including 2021/22 as shown in the following graph.

The Sustainable Assets Layer thus results in a significantly deteriorated financial result for Council.



5.5 Opportunities and Threats

- Methodology for assessing costs to renew stormwater drainage:** Council's Sustainable Assets Management Unit has used CCTV inspection of critical sections of the drainage system to extrapolate a conservative estimate of the cost to bring drainage to an acceptable service level. In this survey we have opted to survey approximately 8% of the length of drainage. This decision has been taken in a risk based framework and the design of the assessment program is considered to be statistically valid. However, extrapolations of this kind may not, of course, reflect the reality. Council is reasonably confident that the provision for stormwater asset renewal in the Sustainable Assets Layer is adequate and indeed it represents a marked increase on expenditure patterns to date. But there will be a margin of error – probably a small one.
- Timing and depth of asset condition surveys:** Asset condition surveys are conducted in varying degrees of depth in a cycle as set out in SAMP3. It is expected that detailed asset condition surveys may reveal faster deterioration in assets than is projected in SAMP3 due to things like tree root disturbance of footpaths or closeness of assets that may be subject to corrosion or biodegradation to particularly harsh salt air environments prevalent in Waverley. Asset conditions surveys are done to keep pace with this as much as possible but the pace of deterioration can outstrip the assessment interval. If so, costs for renewal of deteriorated assets may be understated.
- Interest Rates:** As this layer may incorporate the borrowing of monies for capital works, it is particularly sensitive to changes in interest rates.

6. SUSTAINABLE ENVIRONMENT LAYER

6.1 Introduction

This layer reflects the financial impact of increasing the levels of service in environmental management throughout Waverley. Presently Waverley Council has an environmental levy which concludes in 2010/11. From 2011/12 it is assumed that the existing level of environmental services is incorporated into the Base Layer. The Sustainable Environment Layer shows the top up required to deliver programs that have been developed from the community consultation for *Waverley Together 2*. These programs are detailed in *Environmental Action Plan 2* (EAP2), which is outlined at Section 2.6.

The following table provides a summary of the high level programs which the Sustainable Environment Layer will help fund.

Program Area	Comments
Greenhouse Gas Emissions	EAP2 estimates total expenditure of \$15.5 million including a top up of \$10.6 million in the Sustainable Environment Layer on greenhouse gas emission programs between 2011/12 and 2021/22.
Water	EAP2 estimates total expenditure of \$5.4 million including a top up of \$3.7 million in the Sustainable Environment Layer on water related programs between 2011/12 and 2021/22.
Waste	EAP2 estimates total expenditure of \$3.9 million on waste related environmental management programs between 2011/12 and 2021/22.
Biodiversity	EAP2 estimates total expenditure of \$2.2 million including a top up of \$7.3 million in the Sustainable Environment Layer on biodiversity programs between 2011/12 and 2021/22.
Education & Engagement	EAP2 estimates expenditure of \$5.5 million on education and engagement programs between 2011/12 and 2021/22.

6.2 Value Added by the Sustainable Environment Layer

Value added by these programs is substantial. The above top ups when added to Base Layer funding (assuming this can be maintained) provide benefits that meet WT2 targets for sustainable assets such as:

- Council buildings will meet greenhouse emission reduction targets for a capital top up of \$670,000.
- Street light fittings can be replaced for a further \$246,000 which will further assist in meeting greenhouse gas reduction targets.
- Completing both of the above could reap a saving of probably \$1.2M by 2021/22 in reduced energy consumption, depending on the price of energy (this saving has been included in the costs for the Sustainable Environment Layer as an offset for capital being expended on greenhouse gas reduction initiatives).

- Other greenhouse benefits included in the total \$10.6 million top up for greenhouse include:
 - some adaptation to climate change,
 - a shift to more active transport, and
 - brokering for retrofits and alternative/decentralised energy supply.
- Water efficiency improvements on Council assets can be achieved for a \$1.6 million top up on the Base Layer.
- Water efficiency improvements by the community can be achieved for \$1.9 million top up on the Base Layer.
- Water quality improvements can be achieved for a \$90,000 top up on the Base Layer.
- Flora and fauna targets in WT2 can be met for a top up of \$7.3 million.

If partnerships with the community, business and other levels of government are successfully established it is likely that the combination of funding in the Base and Sustainable Environment Layers would significantly improve environmental sustainability in Waverley. It would at least place the Waverley LGA on a firm course to achievement of targets set in Directions E1 to E8 in WT2.

For a summary breakdown of costs and income included in the Sustainable Environment Layer see **Appendix 6**.

6.3 Financial Assumptions

The assumptions in the Sustainable Environment Layer are as per the Base, Investment Strategy and Sustainable Assets Layers, with the following alterations:

Sustainable Environment Layer – Operating Income	
Environmental Special Rate	That the existing environmental special rate will remain until 2010/11. That the State Government policy of rate capping will continue.
Business income	That various new operations activities as they arise may be funded in whole or part by fees and charges identified within business plans.
Domestic Waste	That income from the Domestic Waste Charge will be applied to the extent applicable in order to offset greenhouse gas effects from the disposal of domestic waste to landfill.

Sustainable Environment Layer – Operating Expenditure	
Greenhouse program costs	Program operational costs from EAP2, not covered by the Base Layer funding are fully applied in the Sustainable Environment Layer.
Water program costs	Program operational costs from EAP2, not covered by the Base Layer funding are fully applied in the Sustainable Environment Layer.
Biodiversity program costs	Program operational costs from EAP2, not covered by the Base Layer funding are fully applied in the Sustainable

Sustainable Environment Layer – Operating Expenditure

	Environment Layer
Education and engagement costs	Program operational costs from EAP2, not covered by the Base Layer funding are fully applied in the Sustainable Environment Layer.

Sustainable Environment Layer – Capital Income

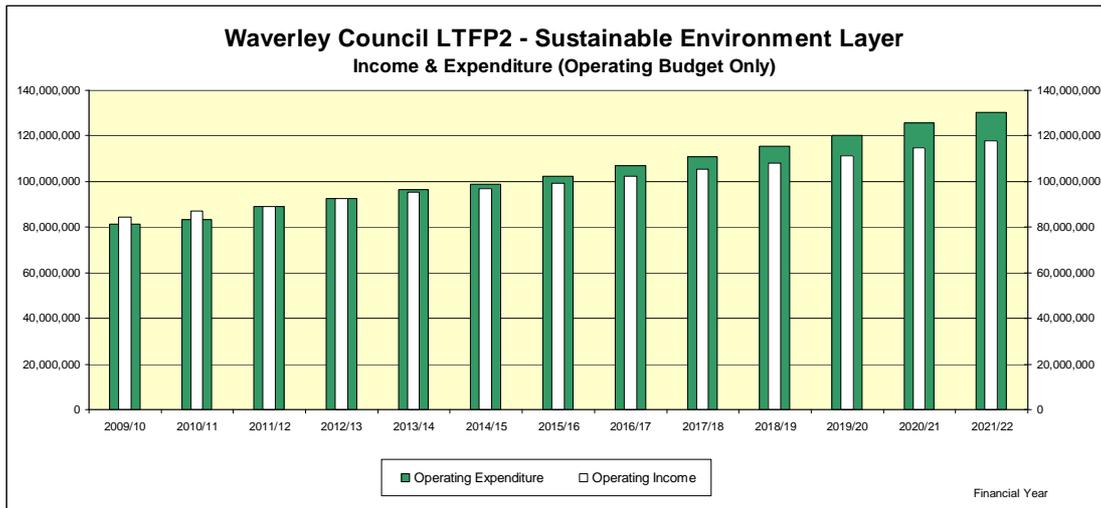
Grants and contributions	That various new operations activities as they arise may be funded in whole or part by grants.
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Sustainable Environment Layer – Capital Expenditure

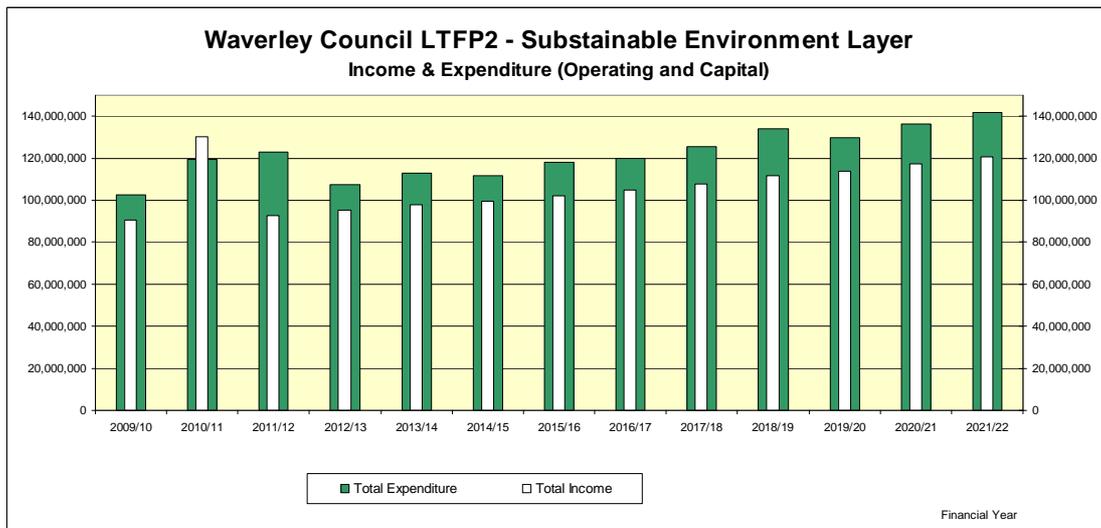
Capital works	That the capital works will be undertaken as per the <ul style="list-style-type: none"> ▪ Management Plan 2009/13, with revisions ▪ Investment Strategy ▪ SAMP3 ▪ EAP2
Greenhouse program costs	Program capital costs from EAP2, not covered by the Base Layer funding are fully applied in the Sustainable Environment Layer.
Water program costs	Program capital costs from EAP2, not covered by the Base Layer funding are fully applied in the Sustainable Environment Layer.
Biodiversity program costs	Program capital costs from EAP2, not covered by the Base Layer funding are fully applied in the Sustainable Environment Layer

6.4 Financial Analysis and Result

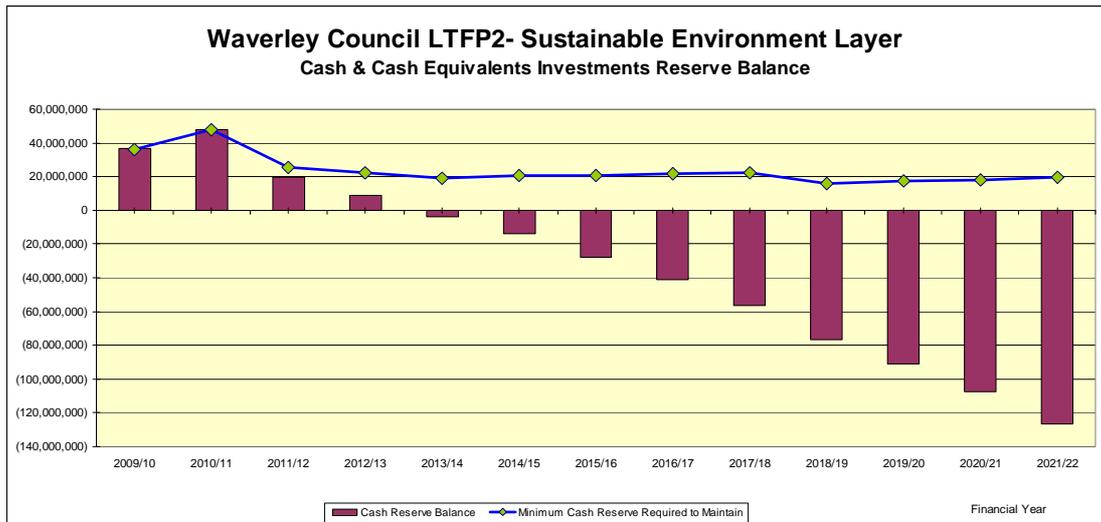
The Sustainable Environment Layer results in a further negative financial impact as it adds a further \$2 million of expenditure each year approximately from 2011/12 to fully deliver on projects identified in EAP2 as necessary to move towards environmental sustainability. In this layer Council requires total funding to 2021/22 of \$20.9 million.



When the operating and capital projections of the accumulated Base, Investment Strategy, Sustainable Assets Layers and Sustainable Environment Layers are considered jointly, along with transfers to and from reserves and the repayment of loans, the deficit increases to \$21.2 million by 2021/22, with a high of \$30.4 million as early as 2011/12 and another peak of \$22.5 million in 2018/19.

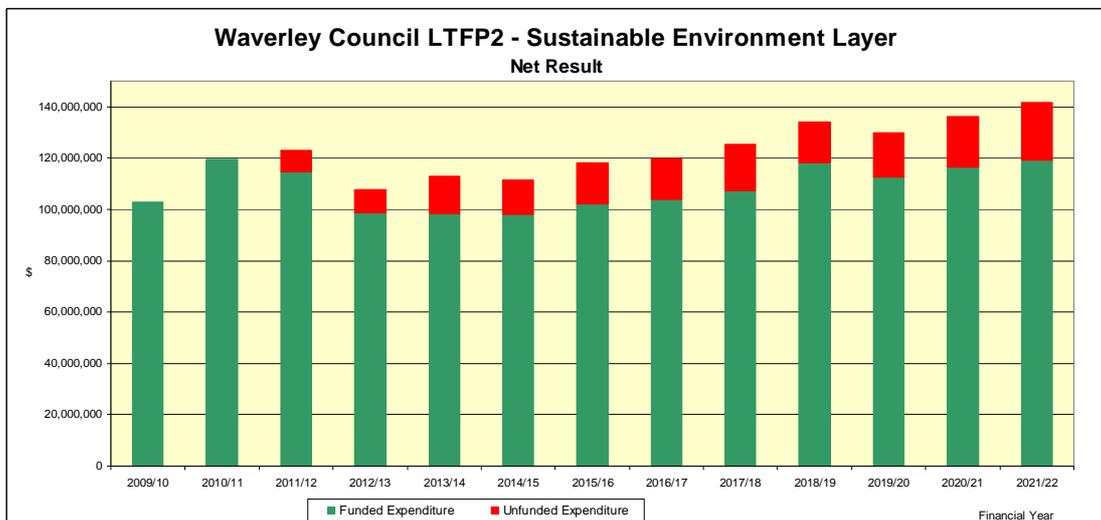


The use of unrestricted reserves does not improve the situation, with the reserve balance still expected to drop below the level required by the Restrictions Policy in 2011/12 and remain below the required level thereafter.



When the operating and capital expenditures and transfers from unrestricted reserves are included, the cumulative Base Layer + Investment Strategy Layer + Sustainable Assets Layer + Sustainable Environment Layer predicts that Council will have a total unfunded expenditure of approximately \$171 million up to and including 2021/22 as shown in the following graph.

The Sustainable Environment Layer thus results in a significantly deteriorated financial result for Council, notwithstanding offsets from the reduced costs of energy and other environmental efficiencies to be delivered by the EAP2 projects.



6.5 Opportunities and Threats

- State and Federal Government policy on carbon emissions:** At present Australia, like much of the world, is considering a wide variety of initiatives to reduce the country's carbon emissions. The implementation of greenhouse gas reduction initiatives (such as an emissions trading scheme, carbon pollution trading tax or charges for discharge of waste to landfill) at a Federal and/or State Government level will have significant implications for this layer of the Long Term Financial Strategy. Depending on the price of carbon these impacts can be

positive or negative in terms of financial outcomes for Council, possibly to a reasonably significant degree.

- **Institutional barriers:** The erection or maintenance of institutional barriers to greenhouse gas reduction and energy efficiency programs will also have significant, and negative, implications for this layer, not to mention the seriously negative effect this would have on QBL outcomes.

7. OPERATIONAL IMPROVEMENTS LAYER

7.1 Introduction

This layer shows the financial results of increased levels of service in Council operations arising from:

- *Waverley Together 2*,
- development of the Workforce Plan, and
- identification of future business opportunities.

The following table provides a summary of the high level programs which the Operational Improvements Layer will fund.

Program Area	Comments
Green space maintenance and streetscape cleaning	<p>Consultation for WT2 showed intense demand for cleaner urban spaces, streetscape beautification and greening, and graffiti removal and dumped rubbish removal.</p> <p>Budget top ups of over \$8 million for staff and equipment are included in the Operational Improvements Layer for this program.</p> <p>This layer does not count costs for additional Bush Care workers. These are included in the Sustainable Environment Layer.</p>
Community support for the aged, disabled and disadvantaged	<p>Surveys for WT2 showed that there is increasing demand for access to services by the community to prevent the social isolation that comes with ageing and/or lack of mobility.</p> <p>The Operational Improvements Layer includes funding for a second person at our Seniors Centre and an additional outreach worker.</p>
Place management	<p>In densely populated areas like Waverley, access to public open space and the community cohesion that comes from being able to meet and shop in these places is vital. Place Management brings together economic development, events management, space planning and maintenance, visitor management, regulation and marketing to keep urban centres and villages at a standard capable of meeting the increasing demand for access to vibrant spaces. WT2 consultation showed the need for Place Management as an ongoing service assisting to achieve the targets of at least 8 of our “Top 12 Focus Areas” over the next 12 years.</p> <p>Ongoing costs for a small staff increase in Place Management are included in the Operational Improvements Layer.</p>

Program Area	Comments
Development approval processing	<p>WT2 and other customer surveys show that demand for more efficient processing of Development Applications and easier tracking of progress of a DA by customers.</p> <p>A small budget top up of approximately \$1 million for hardware and software plus some staff increases for this program is included in the Operational Improvements Layer.</p>
Corporate governance, communications & community strategic planning	<p>WT2 consultation showed that there is a strong demand for long term planning that in the community's view is currently not being met. It also showed demand for:</p> <ul style="list-style-type: none"> ▪ more feedback about what Council is doing, ▪ improved recognition of how money is being spent, and ▪ improved opportunities for engagement in open and ethical decision making processes. <p>Additionally, other levels of government have engaged in substantial cost shifting to local government. In Waverley's case, over \$5 million of net ongoing costs are being incurred per annum from cost burdens that have been shifted to Council as at 2007/08. This has ongoing "multiplier" cost ramifications including needs for improved information and records management and improved internal audit and compliance.</p> <p>Ongoing costs for staff increases in integrated planning, audit, records management, Governance, IT, financial management and communications are included in this Layer.</p>
Regulatory compliance	<p>Calls for attendance by Rangers at a variety of places in the LGA are constantly on the increase to resolve neighbourhood disturbances, anti-social behaviour, crowd management, pollution incidents, dumped rubbish, dogs off leash, smoking or drinking in open spaces and management of the homeless.</p> <p>The Operational Improvements Layer includes funding for additional staff resources in regulatory compliance.</p>
Traffic and transport management	<p>WT2 showed that Waverley residents are particularly aggravated by increasing congestion on our roads. Efficiency of traffic flow is vital to improving this problem. There is a substantial backlog of works and requests for services in traffic planning and management at Waverley, with somewhere in the vicinity of 100 resolutions adopted by the Traffic Committee currently remaining unimplemented</p>

Program Area	Comments
	<p>because of lack of funds and staff.</p> <p>Demand for access to major business centres via alternative transport is also increasing, some of which could be funded by developer contributions.</p> <p>The Operational Improvements Layer includes funding for an additional staff resource in traffic and transport planning and management. It also includes cost and income projections for a potential new shuttle bus system radiating from Bondi Junction if developer funds become available.</p>
Cemetery services	<p>At 16 hectares, Waverley Cemetery is Waverley's largest open space. It has been providing burial and interment services for over 130 years. It has to date been operating entirely as a self-funding commercial operation and provides a valuable service to enable people who live in Waverley and beyond to remember and maintain their connection with those they have lost. The Cemetery is also the most remarkable historical atlas of our cultural heritage with strikingly beautiful monuments to 80,000 people, including some of the most famous Australians, perched in a magnificent and restful location.</p> <p>The Cemetery's capacity to support itself is fading due to the dwindling supply of vacant grave sites which are expected to run out in 10 years or less depending on the pace of sales. It has a massive backlog of necessary infrastructure renewal works, the total cost of which on its own equals the cost of backlog infrastructure renewal works for every other park in Waverley combined.</p> <p>Options to branch out into the funeral business, rather than just provide grave space, have been considered and these have potential to resolve much of this issue, so that the Cemetery will be able to continue to provide its highly valuable services for another 130 years without imposition of costs on Waverley ratepayers.</p> <p>Costs for entry into this business have been modelled and based on very conservative projections of income net results are financially positive from 2015/16 onwards. A conservative projection of costs and income from a potential funeral business in Waverley Cemetery has been included in the Operational Improvements Layer.</p>

7.2 Value Added by the Operational Improvements Layer

Value added by these programs is substantial. The above top ups when added to Base Layer funding (assuming this can be maintained) provide benefits that meet WT2 targets for sustainable QBL operations such as:

- **Landscape maintenance intervals** can be more frequent, ie., they can be restored to the frequencies of five years ago, before the creation of increased green spaces and tree cover under Council's "Looking Good" Program, for a top up of approximately \$7.6 million to 2021/22.
- **Graffiti removal response times** can be improved for a top up of \$650,000.
- **A shuttle bus system** radiating from Bondi Junction could potentially be established if developer contributions reach a sufficient level. A program top up \$7.4 million of expenditure on this would be necessary, but is netted off totally by the contributions to have \$0 effect on the Layer.
- **E-planning** and more efficient development approval processing can be implemented for approximately \$2.5 million.
- In **corporate support services** an approximate 2% increase in equivalent full time staff resources, progressively increasing staff numbers slowly over 13 years would deliver substantial benefits at a cost of approximately \$12 million in the areas of:
 - information and records management,
 - internal audit and compliance,
 - communications, web management and IT,
 - accounting and cost management,
 - good governance and ethical conduct,
 - access to decision making processes,
 - compliance with integrated planning and reporting legislative requirements and provision of excellence in community strategic planning, and
- **Traffic congestion** could be reduced with additional staff for approximately \$1 million over 13 years.
- **Services for the aged, disabled and disadvantaged** – A small increase in staff numbers (4) for initiatives in Place Management, Seniors Centre support and Outreach Services could be achieved for approximately \$2.4 million by 2021/22 providing increased services to prevent social isolation.
- **Regulatory services** – Improved response times throughout the year to calls for assistance by Rangers would be achieved for an additional cost of about \$4.5 million over the 13 year period.
- **Cemetery services** can be continued indefinitely with a zero dollar (\$0) cost to Council or ratepayers. However, funds for backlog infrastructure renewal works would still need to be provided. The cost of this backlog is \$6.8 million, which has been reflected in the Sustainable Assets Layer, presumably to be entirely funded by Council/ratepayers unless business models are chosen which reduce the need for this assistance from Council. Approximately \$1.5 million of this backlog may be supplied by expected increases in Cemetery income from the sale of niches in a new perimeter fence. But this would require loan funding to the Cemetery and would be dependent on community support for fencing and access options.

For a summary breakdown of costs and income included in the Operational Improvements Layer see **Appendix 6**.

7.3 Financial Assumptions

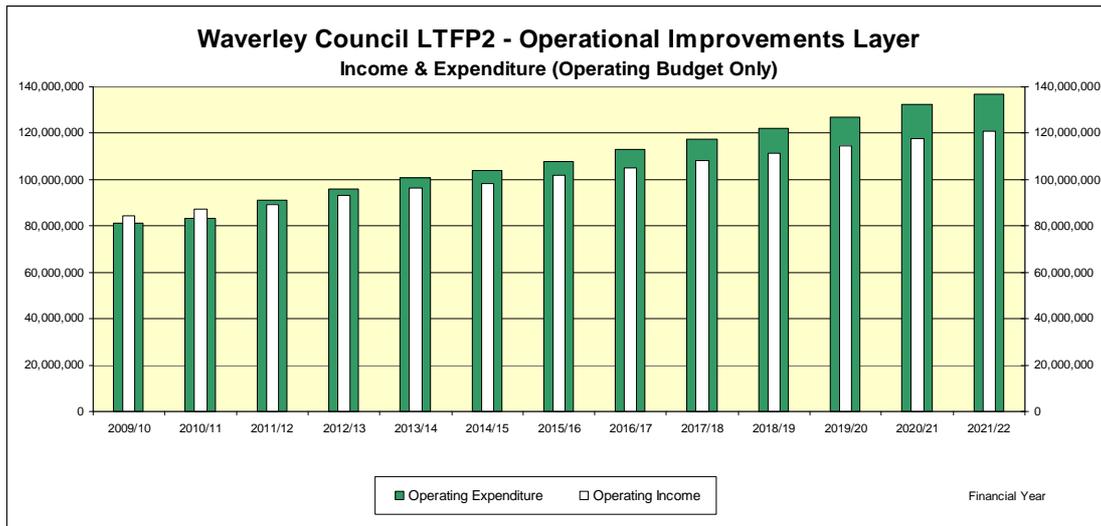
The assumptions in the Operational Improvements Layer are as per the Base, Investment Strategy, Sustainable Assets and Sustainable Environment Layers, with the following alterations:

Operational Improvements Layer – Operating Income	
Business income – Cemetery	That a new cemetery funeral business will be established with a pavilion, capable as a minimum of producing positive marginal returns above current returns by 2015/16, and remaining positive thereafter.
Business income - Transport	That a shuttle bus service will proceed with income from developer contributions to be net neutral in financial results.

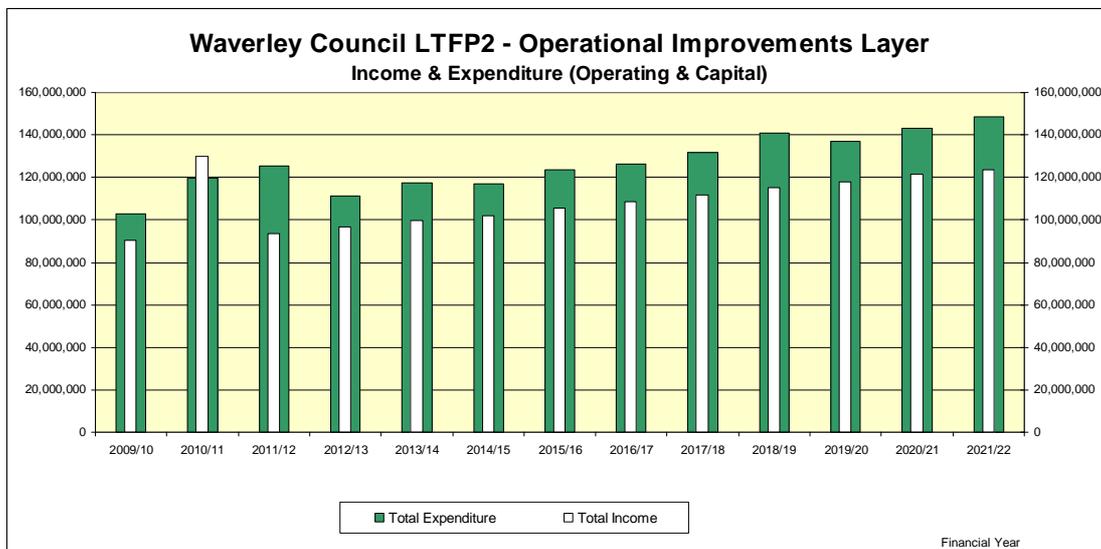
Operational Improvements Layer – Operating Expenditure	
Employee and operational costs	<p>That there will be an increase in services and costs in:</p> <ul style="list-style-type: none"> ▪ Internal audit function (1) ▪ Communications, especially web communications (1) ▪ IT - Assistant Manager and support person (2) ▪ Seniors' Centre support (1) ▪ Outreach worker (1) ▪ Gardeners (3) ▪ Tree maintenance and tree compliance (2) ▪ Support for the Place Managers (2) ▪ E-planning (2) ▪ Records compliance (3) ▪ Rangers (2) ▪ Traffic technician (1) ▪ Accounting services (1) ▪ Community & corporate planning / governance support (1) <p>The above list does not count staff paid for by establishment of viable business operations or costed into other layers, eg.:</p> <ul style="list-style-type: none"> ▪ Waverley Pavilion staff (Investment Strategy Layer) ▪ Child Care Centre Staff (Investment Strategy Layer) ▪ Funeral Business Staff (offset by income assumed for the Cemetery in the Operational Improvements Layer) ▪ Bush Care / Biodiversity / Weed and Pest Management Staff (Sustainable Environment Layer)

7.4 Financial Analysis and Result

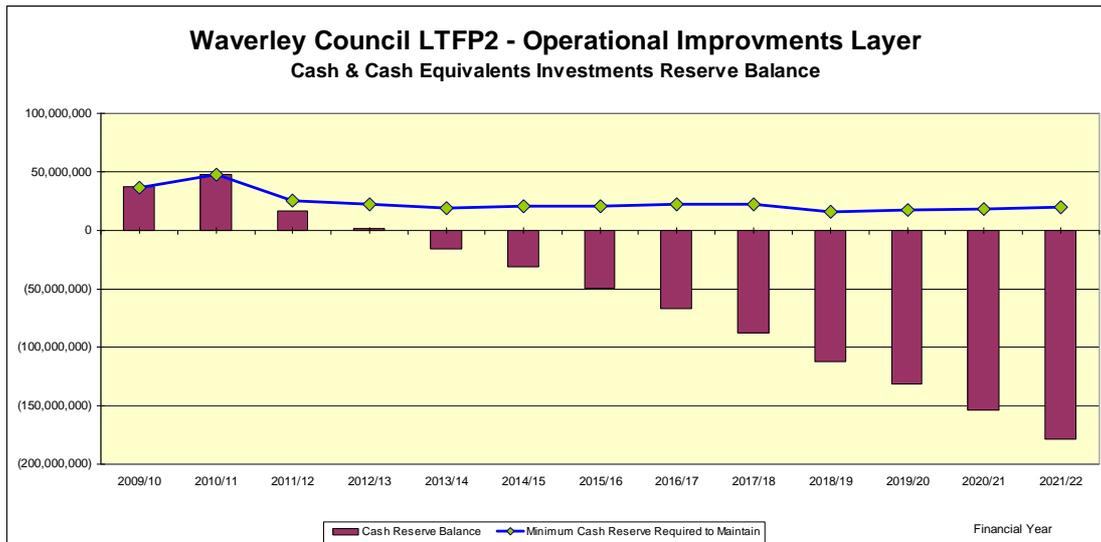
The Operational Improvements Layer shows a need for additional annual funding of \$214,200 in 2010/11 increasing to \$1.5 million in 2011/12 and \$3.6 million by 2021/22. In this layer Council requires total funding to 2021/22 of \$30.8 million and there is an operating deficit of \$15.8 million by 2021/22.



When the operating and capital projections of the accumulated Base, Investment Strategy, Sustainable Assets Layers, Sustainable Environment Layers and Operational Improvement Layers are considered jointly, along with transfers to and from reserves and the repayment of loans, the deficit increases to \$24.8 million by 2021/22, with a high of \$31.9 million as early as 2011/12 and another peak of \$25.6 million in 2018/19.

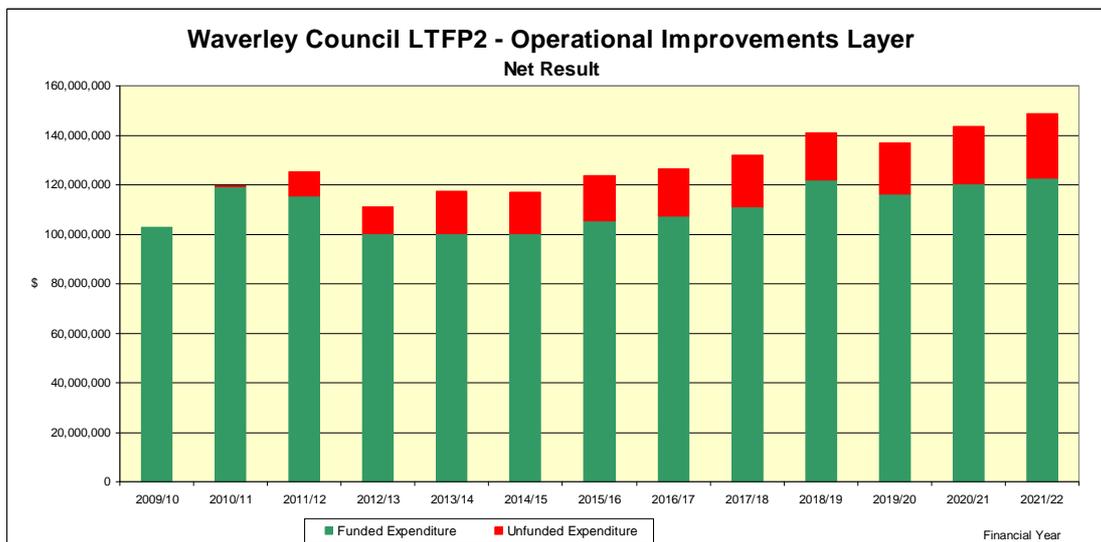


The use of unrestricted reserves does not improve the situation, with the reserve balance still expected to drop below the level required by the Restrictions Policy in 2011/12 and remain below the required level thereafter. Reserves are entirely consumed by 2013/14.



When the operating and capital expenditures and transfers from unrestricted reserves are included, the cumulative Base Layer + Investment Strategy Layer + Sustainable Assets Layer + Sustainable Environment Layer + Operational Improvements Layer predicts that Council will have a total unfunded expenditure of almost \$202 million up to and including 2021/22 as shown in the following graph.

The Operational Improvements Layer thus results in a significantly deteriorated financial result for Council, notwithstanding cost offsets from businesses which are assumed to fund themselves such as the cemetery and the proposed shuttle bus service.



7.5 Opportunities and Threats

- Changes in revenue sources:** This layer is particularly sensitive to changes in existing sources of revenue, the most significant of which (as detailed in Section 1.4) are: rates; parking fees and charges; the Domestic Waste Charge; and grants.

- **Volatility in CPI:** As noted in the Base Layer, the CPI has varied significantly in recent years. As increases in employee costs are related strongly to the CPI, this layer is particularly sensitive to such variations.
- **Business income and management:** The capacity of the Council to raise income from operation of businesses and to manage those businesses efficiently can have significant positive or negative effects on this layer:
 - **Waverley Cemetery: Positive effects** may be achieved as income projections for the assumed funeral business have been quite conservatively projected in the Layer. The positive effect of entry into the funeral industry has been almost entirely netted off in the Layer, so as not to distort the overall impression the Layer creates about other costed items which do not have any corresponding income source. Entry into the funeral industry, which is going on across right across the public sector in New South Wales at the moment, can be quite a competitive prospect for any public sector organisation that already owns a cemetery, including councils and those managing crown land cemetery trusts. Entry to the funeral industry at Waverley would require construction of a pavilion for funerals in the Cemetery. Council is currently developing cost estimates for a pavilion. If these do not seriously impact current marginal operational cost and income projections for the funeral business, entry into the funeral industry would be highly likely to produce higher marginal returns than those shown in the Operational Improvements Layer.
 - **Waverley Cemetery: Negative effects** will be achieved if for some reason there is no entry into the funeral industry or if no other alternative source of income for the Cemetery can be found. Like most old cemeteries in New South Wales, the supply of grave space in Waverley Cemetery is dwindling and if current patterns of sales are maintained supply is expected to cease some time in the next ten years. If demand increases, the supply will be exhausted sooner. If no alternative source of income for the Cemetery is found, sales of rights of burial and monumental works, which currently constitute the largest source of income for the cemetery will cease. However, costs to maintain and operate the Cemetery will remain the same as Council will still be required to honour obligations already entered into to inter remains for those who have bought rights of burial and landscape management must likewise continue. In this scenario the effect of continuing operations at Waverley Cemetery will have a substantial negative effect on **both** the Operational Improvements Layer and the Base Layer.
- **Barriers to setting up new businesses:**
 - **Waverley funeral business:** There has been resistance from some quarters of the community to establishment of a pavilion in Waverley Cemetery. If this becomes pervasive the effect on the Operational and Base Layers would be negative, as noted above.
 - **Shuttle bus business:** The State Government effectively constrains entry by competitors in public transport by a range of means and regulations wherever it already has bus route in place that may be affected by establishment of alternative supply. Imposition of those barriers would either prevent the introduction of the service or result in negative returns.

The proposed service has been projected within the Layer to be net neutral. If barriers to entry are high., eg price constraints apply, the service would require subsidisation by Council, resulting in a negative effect on the Operational Improvements Layer.

- **Volatility of interest rates:** Any loan funded business, eg., in the Cemetery or the shuttle bus service, would be affected positively or negatively by volatility in interest rates. Council would take fixed loans to smooth this effect.
- **Increasing Government requirements/guidelines/regulations to hire particular skill sets:** In the past year alone the State Government has imposed requirements on Councils to introduce integrated planning, internal auditing and e planning. This extends the trend of increasing requirements to improve governance in local councils that has been in place for some years. There are benefits to the introduction of all these governance improvements but there are also substantial costs, some up-front, some ongoing, but none of them recoverable. Compliance with the IP&R legislation alone has cost Waverley Council in excess of \$1 million for technical investigations, not counting the cost of staff. Further increases in costs for improved governance will have substantial negative effects on the Operational Improvements Layer as these costs will be recurrent and will not have corresponding income offsets.
- **Increased cost shifting from governments:** This could result in councils having to pick up the services that the community want but other spheres of government are no longer wanting/prepared/able to fund. In areas where demand is increasing, such as for access to services supporting the aging population, this would have a substantial negative effect on the Operational Improvements Layer.

8. CAPITAL IMPROVEMENTS LAYER

8.1 Introduction

The Capital Improvements Layer reflects expenditure on a range of different capital projects across the municipality including playground upgrades, 40km/hour zones, park upgrades, promenade upgrades, streetscape improvements and construction of facilities to undertake new business opportunities.

The following table provides a summary of the high level programs which the Capital Improvements Layer would fund.

Program Area	Comments
Village streetscape upgrades	Consultation programs for both <i>Waverley Together</i> and <i>Waverley Together 2</i> showed that demand for more pleasant liveable neighbourhood villages and commercial centres has increased substantially in the last few years. Costs to improve the frequency of village streetscape renewals have been included in the Capital Improvements Layer.
Infrastructure upgrades	Demand for playground equipment upgrades has increased recently. Major infrastructure renewals to enhance recreational services at Bondi Beach are also required, such as upgrade of tunnels and groynes under Queen Elizabeth Drive at Bondi Beach and amenities blocks at various beaches. Top ups to achieve these higher levels of service are incorporated in the Capital Improvements Layer.
Parks Plans of Management	Waverley has a number of Plans of Management for parks which have no funding for implementation of works arising. These include Waverley Park, Bondi Park, Tamarama Park and Bronte Park. New plans for some reserves are also in development including Rodney Reserve and Hugh Bamford Reserve. Costs to implement works arising from these plans are included in the Capital Improvements Layer.
Building replacement	Waverley has a number of buildings which have been assessed in the past five years as being past their useful life, including Waverley Pavilion, Tamarama Kiosk, and the Boot Factory in Bondi Junction. Capital costs for re-construction of the Waverley Pavilion have been included in the Investment Strategy Layer and for the Tamarama Kiosk in the Base Layer. Costs for the Boot Factory are included for the present in the Capital Improvements Layer, although they may be transferred to the Investment Strategy Layer in future LTFPs. Costs included for the Boot Factory do not cover the total life cycle renewal cost of the building, as it is yet uncertain as to whether the building should be retained. A partial cost estimate has been included as a “mid range” projection while Council considers the feasibility of

Program Area	Comments
	restoration of the building.
Active travel infrastructure	WT2 and EAP2 show a strong demand and need for a shift towards active transport and away from private car travel. Construction of new bike routes and pedestrian access improvements is included in the Capital Improvements Layer along with works to make road use safer for pedestrians in high traffic commercial centres and around schools.
Land acquisition	Council may be compelled to acquire residential properties in Bondi Junction which are affected by having been rezoned in the 1980s to open space. Cost estimates for this have been included in the Capital Improvements Layer.
Major urban open space upgrades	SAMP4 will consider the cost to renew urban open spaces and malls. Condition assessments of assets in this category (see SAMP3 – Category 6) have not yet been completed. Most of the spaces in this category, such as Oxford Street Mall and Oxford Street West, have only recently been upgraded and their renewal would not be due within the planning period. However, some allowance in the Capital Improvements Layer has been made for upgrade of spaces considered to be highly used, including but not limited to, Bondi and Bronte Beach Promenades, Oxford Street East in Bondi Junction and Campbell Parade North at Bondi Beach.
Cemetery Pavilion	Construction estimates for a pavilion are still being finalised. If these turn out to be too high to result in the establishment of a viable funeral business, the project will be discarded. Costs have been included in the capital improvements layer but netted off to zero as they are assumed to be funded by loans to be repaid by the new Cemetery business. As such they have no net effect on the Capital Improvements Layer.

8.2 Value Added by the Capital Improvements Layer

Value added by these programs is substantial. The above top ups when added to Base Layer funding (assuming this can be maintained) provide benefits that meet WT2 targets for sustainable QBL operations such as:

- Local villages can be renewed in at more sustainable intervals than in the past for a top up of approximately \$3 million.
- Playground upgrades can be achieved for a top up of \$450,000.
- Queen Elizabeth Drive tunnels and groynes can be replaced for \$3.75 million.
- Tamarama, Bronte, Waverley and Bondi Park Plans of Management can be implemented for \$4.3 million.

- New sporting and support facilities at Rodney Reserve and Hugh Bamford Reserve can be established for approximately \$3 million.
- An option for a first renewal of the Boot Factory is possible for approximately \$1 million but not a second renewal, the time for which would actually fall within the 12-year planning period if the building isn't demolished.
- Bike Plans in North Bondi and Dover Heights can be achieved for approximately \$1 million.
- Pedestrian Access Mobility Plans can be implemented in Bondi Junction and Bondi Beach for approximately \$4.4 million.
- 40km zones in Bondi Junction and school safety zones can be implemented for \$1.7 million.
- Public amenities at beaches can be upgraded for \$1.3 million.
- Major upgrades of urban open spaces and malls such as Campbell Parade North Bondi Beach, Oxford Street East Bondi Junction, Bondi Beach Promenade and Bronte Beach Promenade can be partially achieved for \$18 million.
- A Cemetery Pavilion could be established at no cost to ratepayers, funded by loans that would be repaid if Council entered the funeral industry.

For a summary breakdown of costs and income included in the Capital Improvements Layer see **Appendix 6**.

8.3 Financial Assumptions

The assumptions in the Capital Improvements Layer are as per the Base, Investment Strategy, Sustainable Assets, Sustainable Environment and Operational Improvements Layers, with the following alterations:

Capital Improvements Layer – Capital Income

Loans	<p>That a loan of \$3.9 million be taken to fund the construction of a pavilion at the Waverley Cemetery in 2011/12.</p> <p>That the cost of loan repayments for any other works, should Council choose debt financing for these, is unfunded. Nor is funding available for this purpose in the Base Layer.</p>
Asset sales	<p>That through the development of future Investment Strategies, asset sales may fund, in whole or part, expenditure on future capital projects such as reconstruction of the Council Chambers Building or successive upgrades of the Boot Factory if this is considered viable.</p> <p>That the residual of the current Investment Strategy as at 2021/22 will provide some contribution to future investment assets.</p>

Capital Improvements Layer – Capital Expenditure

Capital works	<p>That the capital works will be undertaken as per the</p> <ul style="list-style-type: none"> ▪ Management Plan 2009/13, with revisions, ▪ Investment Strategy, ▪ SAMP3, and ▪ EAP2. <p>That, in addition, capital works will be undertaken as shown in Section 8.1.1 above.</p>
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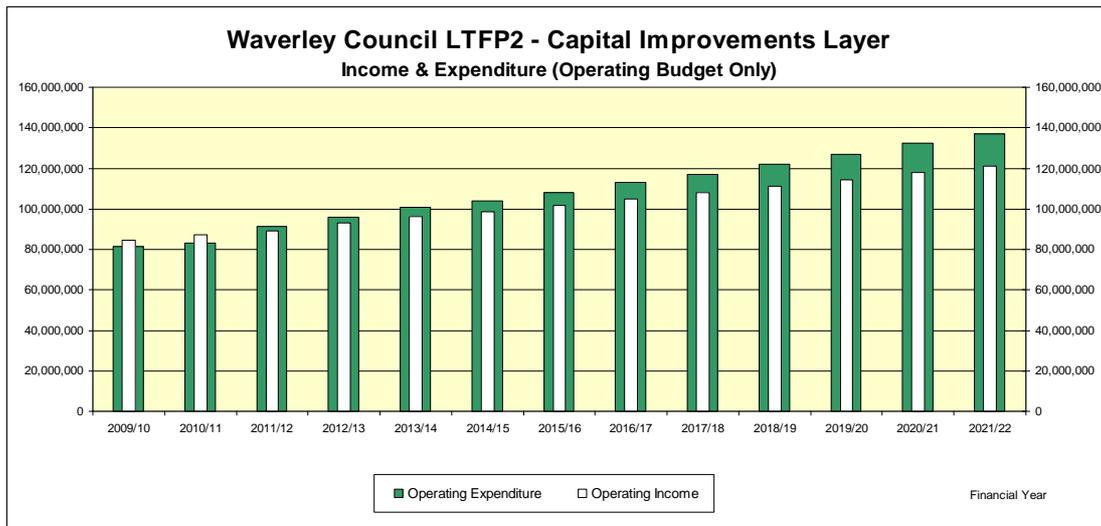
Capital Improvements Layer – Capital Expenditure

Land acquisition

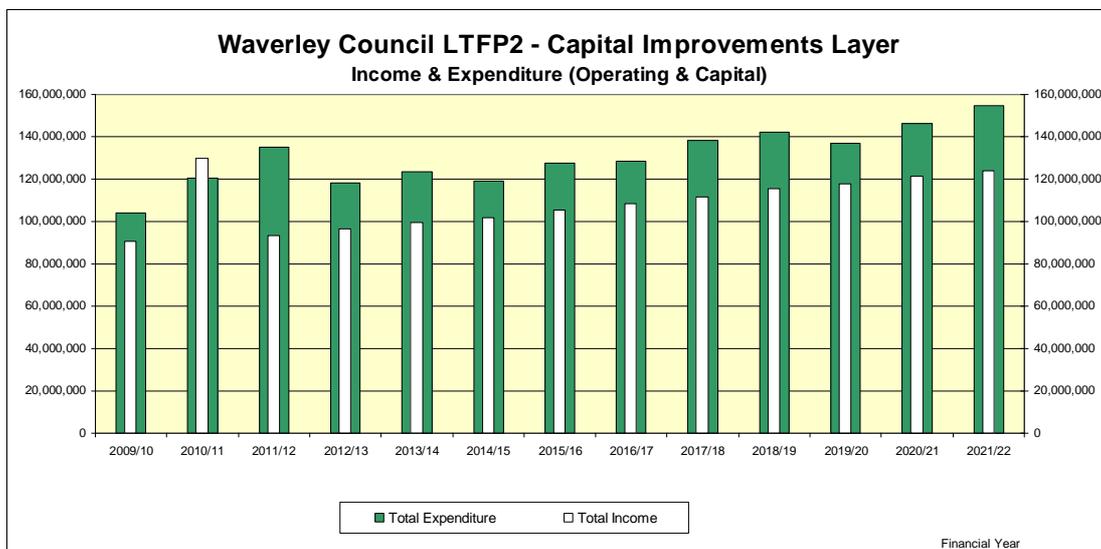
That costs for compelled purchase of residences zoned open space in Bondi Junction is provided in the Capital Layer.

8.4 Financial Analysis and Result

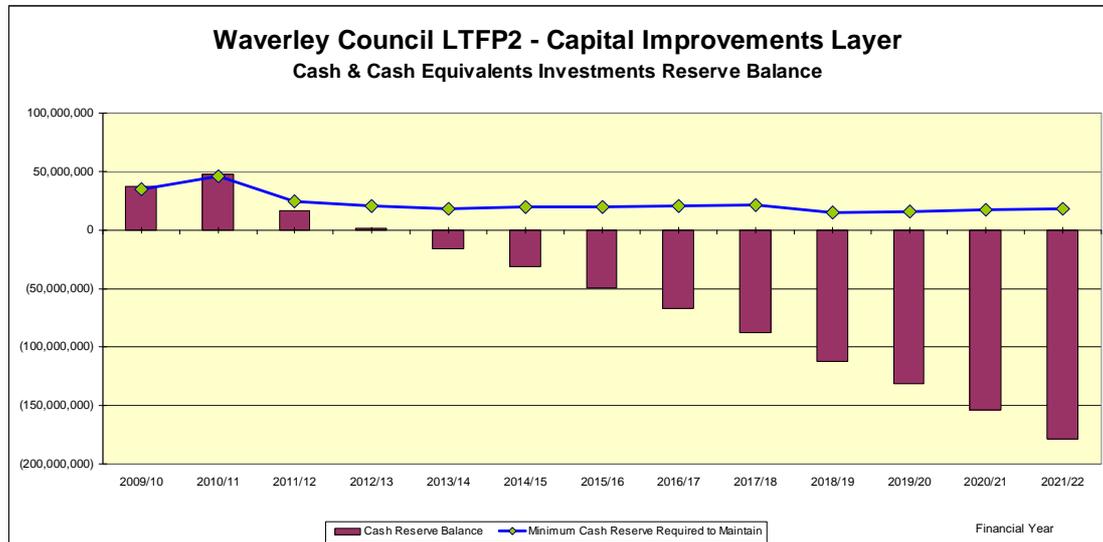
The financial impact of this layer ranges from annual expenditure of \$833,000 in 2010/11 to as high as \$7 million in 2012/13. Total funding required for this layer to 2021/22 is \$45.3 million and there is an operating deficit of \$15.8 million by 2021/22.



When the operating and capital projections of the accumulated Base, Investment Strategy, Sustainable Assets Layers, Sustainable Environment Layers, Operational Improvement Layers and Capital Improvement Layers are considered jointly, along with transfers to and from reserves and the repayment of loans, the deficit increases to \$31 million by 2021/22, with a high of \$41.7 million as early as 2011/12.

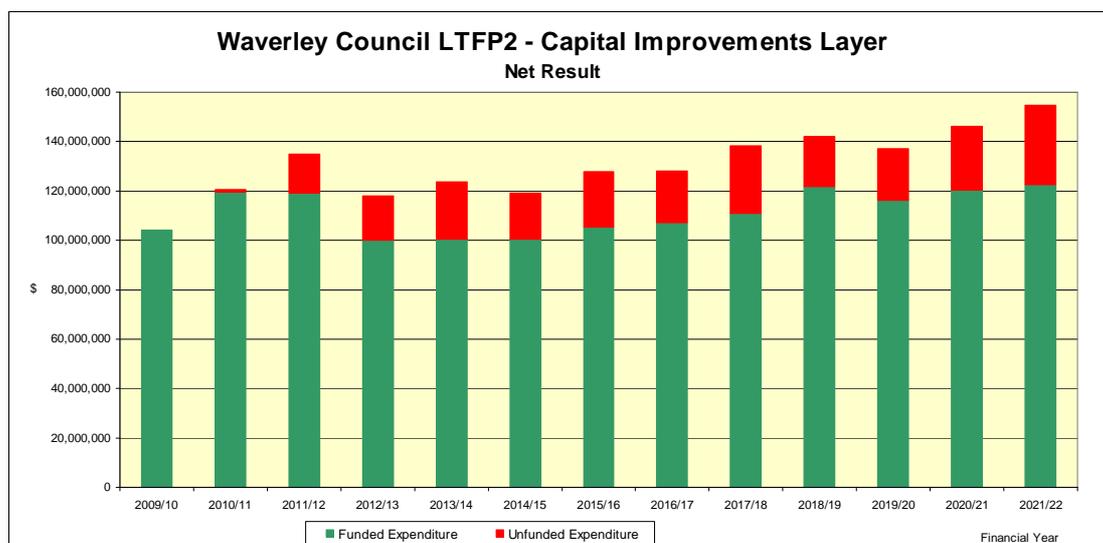


The use of unrestricted reserves does not improve the situation, with the reserve balance still expected to drop below the level required by the Restrictions Policy in 2011/12 and remain below the required level thereafter. Reserves are entirely consumed by 2013/14.



When the operating and capital expenditures and transfers from unrestricted reserves are included, the cumulative Base Layer + Investment Strategy Layer + Sustainable Assets Layer + Sustainable Environment Layer + Operational Improvements Layer + Capital Improvements Layer predicts that Council will have a total unfunded expenditure of \$247 million up to and including 2021/22 as shown in the following graph.

The Capital Improvements Layer thus results in a significantly deteriorated financial result for Council, notwithstanding cost offsets from businesses which are assumed to fund themselves such as the cemetery.



8.5 Opportunities and Threats

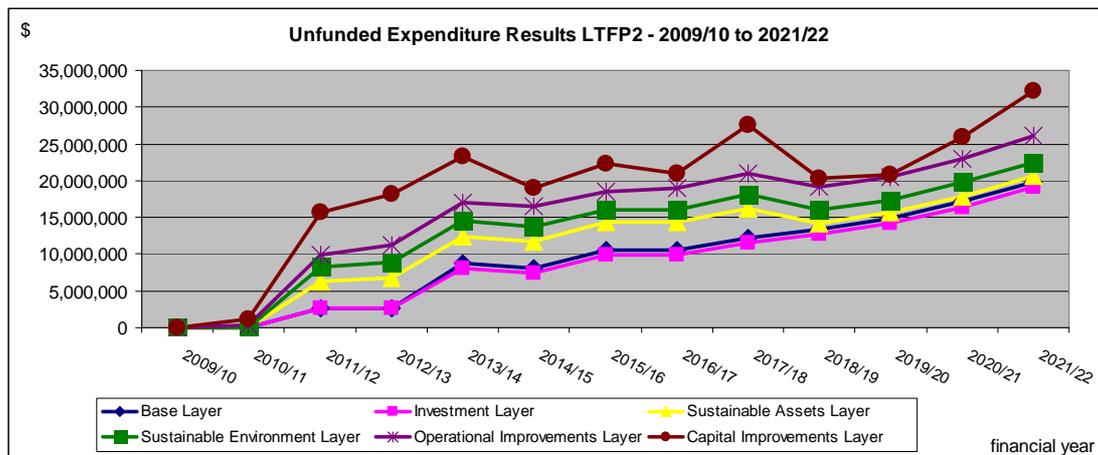
- **Loan costs:** Should Council determine to fund any of the above projects by loans, this will worsen the cost of the layer.
- **Unforeseen emergencies:** There is no capital provision in any of the layers for unforeseen emergencies, other than the provisions suggested as necessary for drainage renewal in the Sustainable Assets Layer.
- **Land acquisition costs:**
 - **Bondi Junction:** Costs for properties that council may be compelled to acquire may be higher than amounts assumed.
 - **Other land acquisition – Birrell Street:** Council has been investigating purchase of lands associated with the expansion of Tamarama Park for some time. Costs for such a purchase have not been factored into the Capital Layer or any other Layer. Should Council resolve to expand the Park this will have a negative effect on all Layers.
- **Cost estimates generally:** Cost estimating activities for capital works are at various stages of refinement. There is a margin of error for estimates, probably in the order of plus or minus 20%.

9. CONCLUSION

LTFP2 forecasts a substantial shortfall in funds to sustain our current level of operations up to 2021/22. This shortfall applies to the Base Layer – the “business as usual” scenario where there is no assumption of an increase or decrease in service levels compared to the current service levels. Under the Investment Strategy, the situation improves slightly but as subsequent layers are added the shortfall in funding worsens substantially compared to the Base Layer. The following table shows the total of unfunded expenditure in each of the layers of the LTFP2.

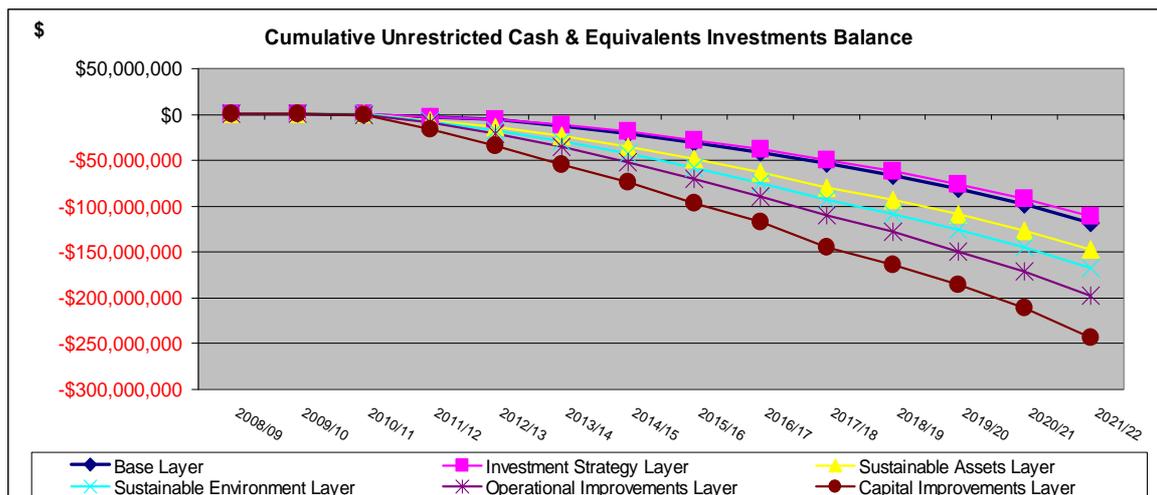
Total Projected Unfunded Expenditure 2009/10 – 2021/22		
Layer	\$ Impact per Layer	Cumulative \$ Impact
Base	(\$120,755,231)	(\$120,755,231)
Investment Strategy	\$6,368,602	(\$114,386,629)
Sustainable Assets	(\$35,761,479)	(\$150,148,108)
Sustainable Environment	(\$20,902,737)	(\$171,050,844)
Operational Improvements	(\$30,803,505)	(\$201,854,350)
Capital Improvements	(\$45,263,000)	(\$247,117,350)
TOTAL	\$247,117,350	

The following graph shows the total unfunded expenditure in each Layer per annum.



In the Base and Investment Strategy Layers, the budget can be kept in balance until the end of 2010/11 as long as further investment necessary to achieve sustainable assets, sustainable environment, operational improvements or capital improvements is not commenced. However, after 2010/11 there is no scenario in which a balanced budget can be achieved without accessing further sources of income or achieving savings through service reductions.

As shown in each of the chapters above, the use of unrestricted reserves does not improve the situation in any layer. Reserve balances are expected to drop below the level required by the Restrictions Policy in 2011/12 and remain below the required level thereafter as shown in the following graph.



Were Council to choose to act outside its Restrictions Policy and consume all reserves, their capacity would be exhausted:

- in the Base and Investment Strategy Layers by 2015/16, and
- in the remaining Layers by 2013/14.

Obviously Council is not prone to choices which require it to act outside its Restrictions Policy.

9.1 Analysis

The biggest contributor to the financial difficulty is the condition of assets. Waverley, at 150 years old this year, is the second oldest Local Government Area in Australia and a significant proportion of its assets are over 100 years old. Like every council, Waverley is now feeling the effects of prolonged under-investment in assets and is attempting to catch up with investment in order to ensure its assets can continue to support, as a minimum, the service delivery levels that they have been able to offer in the past.

Through its Strategic Asset Management Plans, SAMP1, SAMP2 and SAMP3, Waverley has been refining estimates of costs to bring assets to a satisfactory standard. This has resulted in a welcome reduction in earlier estimates of expenditure increases necessary to restore roads, footpaths, drainage and kerbs and gutters to an acceptable service level. However, budget allocations for asset maintenance have still required top ups to pull the condition of assets up to the required levels over time. Some of these top ups for roads, footpaths and kerbs have been factored into 2009/13 adopted budget and the Base Layer of LTFP2. This has shown that Council can deliver programs to keep pace with demand in relation to roads, footpaths and kerbs and gutters until 2010/11 without an increase in income. We can also continue to deliver current environmental programs until 2010/11. By 2011/12, however, current service levels across the board will not be sustainable and this reduces the prospect of indefinitely continuing our recently increased level of investment in assets, let alone increasing that investment as the Sustainable Assets Layer requires.

Increased investment in assets is without doubt a necessity, as our current investment does not provide for the basics in drainage, retaining infrastructure and other major renewals of existing assets. The costs for these have been quantified in SAMP3 and factored into LTFP2 as the Sustainable Assets Layer at an estimated cost of \$35.8 million between 2011/12 and 2021/22.

9.2 Building a Solution

9.2.1 Productivity Improvements

In general it would not be expected that such a large shortfall could be reduced significantly through efficiency/productivity improvements. Waverley Council's productivity levels have improved since the year 2000 as the following table shows:

Inputs / Outputs	Change since 2000
Staff equivalent full time numbers	Increased by 30%
Value/cost of works and services delivered	Increased by 74%
Proportion of services delivered by contracting out	No change
Estimated increase in productivity over last 8 years	9%*

* = % Change between A and B, where A. is the value of services delivered per staff member in 1999/2000 in today's \$ (excluding employee costs) = \$66,064; and B. is the value of services delivered per staff member in 2007/2008 (excluding employee costs) = \$72,198. Hence $((B-A)/A)*100$.

There will be opportunities to continue this trend of increasing output and we will continue targeting efficiencies through our Business Excellence programs and *Workforce Plan 1* (WFP1). Nevertheless, it is not expected that in what is largely a service industry with human resource intensive services (such as child care, community services, waste collection, events management, planning, and parks and asset maintenance), it will be as easy to increase productivity as it would in, say, manufacturing industries which can more readily access efficiencies and economies of scale through technology improvements.

9.2.2 Service Reviews and Discontinuation of Services

Service reviews can offer efficiency improvement opportunities and these will be identified progressively in business excellence programs, as is normal business practice. But as is shown above, the efficiency improvements they might yield will not be sufficient in magnitude to bridge such a large funding gap. To make any real inroads on the problem we would have to delete one or more whole services.

Decisions on service deletions or service level reductions if required would be based on information about customer and community views of the relative value of services.

Generally, however, this LTFP does not assume that service level reductions or deletions of services would form part of a viable strategy to reduce a funding shortfall. Instead, for good and cogent reasons, it assumes not only that existing services and service levels should not be eroded but that the service range should be expanded and the service levels at which current services are being delivered should be increased. This assumption is thoroughly borne out by the extensive consultation that has occurred for WT2 and the results of statistically valid surveys of residents which show that all services delivered by Waverley Council are rated as important, very important or critical. Trying to determine which services are relatively less important and could be deleted would be like trying to distinguish between rather fine grains of sand. No service provided by Council is rated as unimportant by residents and in some cases there are significant gaps between the importance rating given by residents to a service and their satisfaction with the level at which that service is currently being supplied. Not only do they want the service, they want more of it. This satisfaction gap could be considered to be significant for up to a third of services provided by Council and, according to our major resident survey for WT2, is particularly of concern in relation to:

- removal of dumped rubbish from roadside areas,
- long term planning and vision,
- maintenance of footpaths,
- maintenance of the road network,
- facilities and services for people with disabilities,
- local traffic management, and
- environmental management and education.

At no stage in any consultation forum for WT2, when participants were asked if they would prefer service cuts, did anyone say “yes”, even when presented with information about the magnitude of rates increases that would be required if funding shortfalls were to be made up entirely by an increase in rates.

9.2.3 Optimisation of Assets

Capacity to improve financial results by rationalising assets has been substantially increased through the Investment Strategy. The Investment Strategy Layer results in:

- a \$6.3 million or 5.2% reduction in the Base Layer funding shortfall of \$120.7 million;
- a significant service level improvement from existing assets such as the Waverley Pavilion, Bondi Pavilion, the Council Chambers Building and our depots; and
- an increased capacity in child care service delivery (52 extra long term day care places).

In other words the Investment Strategy can deliver very good productivity improvements at less cost than the current services. This is a substantial efficiency achievement.

It is expected that by 2021/22 the Investment Strategy Layer should contribute approximately \$58 million, with asset sales and improved recurrent returns, to Council. It follows that without the Investment Strategy, the shortfall on the Base Layer would be at least \$58 million higher than it is. This is because the Investment Strategy is actually renewing existing assets that would otherwise have to be renewed in the Base Layer to ensure they can continue to contribute to the current service levels for open space, active recreation, staff accommodation and cultural and beach services. The Investment Strategy makes it possible to renew these assets without burdening the Base Layer and at the same time gain some service enhancements in the form of child care, recreation and cultural services capacity.

All in all, the Investment Strategy has increased capacity by over 45% compared to the shortfall that might otherwise have resulted from necessary expenditure on existing assets under the Base Layer. As such, between the productivity increases outlined above and the positive contribution of the Investment Strategy, Council has done a substantial amount to reduce the future burden for contributions to a continuation of current service levels.

The Investment Strategy does not have capacity to contribute further to a reduction of the shortfall and its capacity to contribute is sensitive to a range of factors outlined in Section 4.4 above.

9.2.4 Other Funding Sources

In addition to funds from asset sales and optimisation, councils may access funds through a variety of means including:

- rates,
- fees and charges,
- loans,
- grants,
- developer contributions,
- parking services,
- fines, and
- commercial business operations.

Given the size of the shortfall a balanced solution is likely (in addition to productivity, service review and Investment Strategy programs) to necessarily involve maintenance of or an increase in all of the above sources of income.

Nonetheless, the income source that has the largest capacity to form part of the solution is rates.

9.2.4.1 Potential Contribution to a Solution of a Special Variation to Rates

In New South Wales, increases to council rates are capped annually by the Minister for Local Government. The average rate increase permitted by the Minister in the last 10 years is 3.3%.

Under Sections 508(2) and 508(A) of the *Local Government Act*, councils may apply to vary rates by an amount in excess of the general rate variation permitted by the Minister each year. Waverley Council currently has a special variation to rates under Section 508(2) for the five years to 30 June 2011 (the Environmental Levy worth \$923,440 for 2009/10) which, with the addition of other funds, covers its current level of expenditure on environmental services. If we are to sustain both these environmental services and the current levels of expenditure on assets, a rates variation of a substantially larger amount than the current Environmental Levy will be required from the 2011/12 financial year onward.

If the whole shortfall in the Base Layer of \$120,755,231 were to be funded by a rates increase, this would require an increase greater than the total annual rate yield that might be expected to be permitted under the rate capping system, as shown below:

Funding shortfall for Base Layer - \$'000										
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
\$2,667	\$2,684	\$8,778	\$8,108	\$10,605	\$10,500	\$12,290	\$13,371	\$14,861	\$17,111	\$19,842
Total increase required to fund shortfall in Base Layer = \$120,755,231										

To fund the Base Layer solely from rates, the annual necessary percentage variation to the rates yield would therefore need to be:

Variation to Rates Required to Fund Shortfall in Base Layer (% Change to Rate Yield Compared to Previous Year)										
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
13.39%	3.25%	21.18%	-0.23%	8.52%	1.81%	6.16%	4.24%	4.99%	6.35%	6.93%

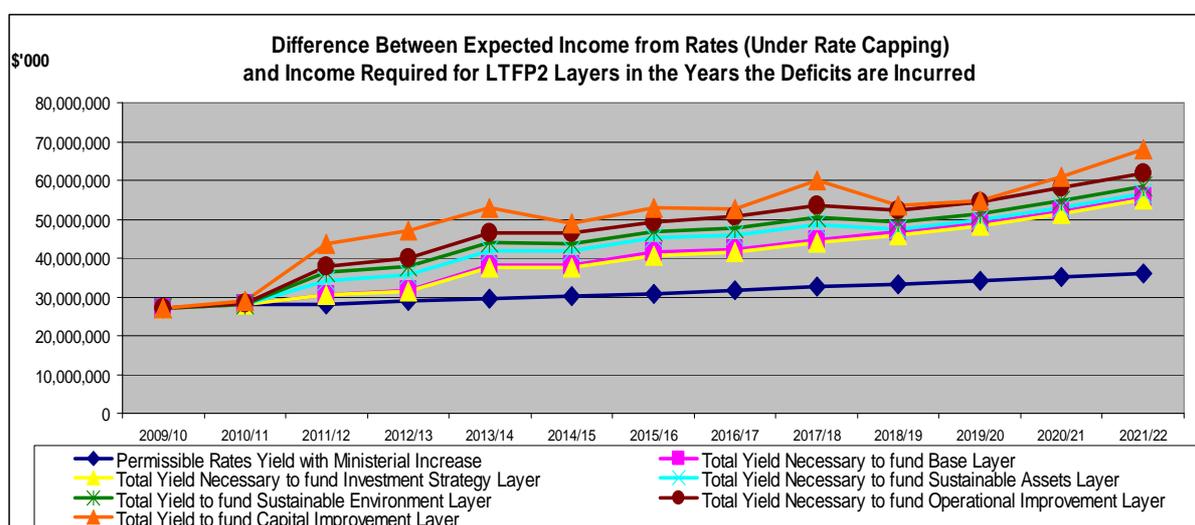
Section 508(A) of the *Local Government Act* only permits approved variations for a maximum of seven years. Therefore to ensure the full level of funding necessary to cover the Base Layer shortfall we would need an **average cumulative rates increase of 8.59% per annum over seven years beginning in 2011/12, followed by the Minister's assumed CPI increase on the 2017/18 yield from 2018/19 to 2021/22**. If this additional rates increase were to be applied, by 2021/22 the total rates yield would be approximately **48%** higher than it otherwise might be if no

variation to rates is approved after the current Environmental Levy ceases in June 2011, other than the Minister's normal increase at say CPI.

It should be noted that average residential rates in Waverley at \$642.62 are approximately 12% below the state average of \$732. Compared to neighbouring councils, Waverley's average residential rate is 27% below Woollahra's \$878.55 and 21% below Randwick's \$815.56 (see NSW Department of Local Government Comparative Information on NSW Councils 2007/08). The discrepancy with Randwick has since widened with Randwick having received a 9.5% increase to its rates for 2009/10.

If the Investment Strategy is successfully implemented, the rate variation necessary to fund the Base Layer shortfall is marginally smaller. However, if there is a need to fund any of the subsequent layers then the pressure for income increases obviously intensifies.

Were it necessary to fund all layers solely from an increase to rates, the impact on ratepayers would be as follows:



On a layer-by-layer basis the total increase in rates that would be necessary to fund shortfalls would be:

For the Base Layer + Investment Strategy Layer:

Variation to Rates Including Assumed Ministerial Increase Required to Fund Shortfall in Base Layer + Investment Strategy Layer (% Change to Rate Yield Compared to Previous Year)										
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
13.16%	3.23%	19.35%	-0.26%	8.62%	1.80%	6.22%	4.27%	5.03%	6.41%	6.99%

This represents an **average cumulative rates increase of 8.32% per annum over seven years beginning in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22**. If this additional rates increase were to be applied, by 2021/22 the total rates yield would be approximately **45%** higher than it otherwise might be if no variation to rates is approved after the current Environmental Levy ceases in June 2011, other than the Minister's normal increase at say CPI.

For the Base + Investment Strategy + Sustainable Assets Layers:

Variation to Rates Including Assumed Ministerial Increase Required to Fund Shortfall in Base Layer + Investment Strategy Layer + Sustainable Assets Layer (% Change to Rate Yield Compared to Previous Year)										
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
26.61%	4.32%	17.37%	-0.03%	8.00%	1.9%	5.86%	-2.6%	4.96%	6.3%	6.87%

This represents an **average cumulative rates increase of 9.79% per annum over seven years beginning in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.** If this additional rates increase were to be applied, by 2021/22 the total rates yield would be approximately **60%** higher than it otherwise might be if no variation to rates is approved after the current Environmental Levy ceases in June 2011, other than the Minister's normal increase at say CPI.

For the Base + Investment Strategy + Sustainable Assets + Sustainable Environment Layers:

Variation to Rates Including Assumed Ministerial Increase Required to Fund Shortfall in Base + Investment Strategy + Sustainable Assets + Sustainable Environment Layers (% Change to Rate Yield Compared to Previous Year)										
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
34.23%	4.34%	16.34%	-0.55%	7.33%	1.75%	6.00%	-2.63%	4.58%	6.31%	6.62%

This represents an **average cumulative rates increase of 10.61% per annum over seven years beginning in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.** If this additional rates increase were to be applied, by 2021/22 the total rates yield would be approximately **68%** higher than it otherwise might be if no variation to rates is approved after the current Environmental Levy ceases in June 2011, other than the Minister's normal increase at say CPI.

For the Base + Investment Strategy + Sustainable Assets + Sustainable Environment + Operational Improvement Layers:

Variation to Rates Including Assumed Ministerial Increase Required to Fund Shortfall in Base Layer + all Layers up to and including the Operational Improvements Layer (% Change to Rate Yield Compared to Previous Year)										
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
40.07%	5.99%	16.05%	0.24%	5.84%	2.87%	5.31%	-1.84%	4.18%	6.23%	6.87%

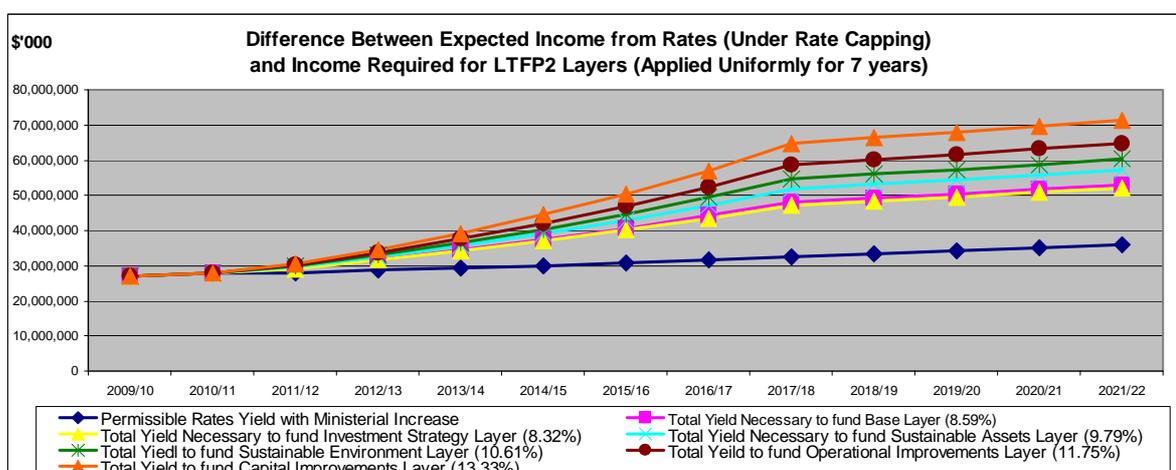
This represents an **average cumulative rates increase of 11.75% per annum over seven years beginning in 2011/12, followed by the Minister's assumed CPI increase from 2018/19 to 2021/22.** If this additional rates increase were to be applied, by 2021/22 the total rates yield would be approximately **81%** higher than it otherwise might be if no variation to rates is approved after the current Environmental Levy ceases in June 2011, other than the Minister's normal increase at say CPI.

For the Base + Investment Strategy + Sustainable Assets + Sustainable Environment + Operational Improvement + Capital Improvement Layers:

Variation to Rates Including Assumed Ministerial Increase Required to Fund Shortfall in Base Layer + all Layers up to and including Capital Improvements Layer (% Change to Rate Yield Compared to Previous Year)										
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
61.66%	7.97%	12.27%	-7.32%	8.31%	-0.64%	13.84%	-10.72%	2.5%	10.84%	11.97%

This represents an **average cumulative rates increase of 13.33% per annum over seven years beginning in 2011/12, followed by the Minister’s assumed CPI increase from 2018/19 to 2021/22**. If this additional rates increase were to be applied, by 2021/22 the total rates yield would be approximately **99%** higher than it otherwise might be if no variation to rates is approved after the current Environmental Levy ceases in June 2011, other than the Minister’s normal increase at say CPI.

The above estimated increases to rates necessary to fund the shortfalls in each case are plotted as strict increases on the previous year sufficient to cover the estimated shortfalls arising from uneven expenditure across the years. In reality the expenditure would be smoothed to allow for a more even cumulative increase in the rates, which would be preferable to the rather bumpy pattern of changes shown above. The following graph shows examples of the effect of smoother escalations in rates necessary to fund the shortfalls in each case. The resultant yield of rates over the 11 years is the same as the yields illustrated above.



The steepness of these increases could be softened if the Minister were to approve application of the cumulative increases over a period greater than 7 years. While this would raise no greater yield over the 11 year period than the above curve, it would have flow on effects after 2021/22 which would be less favourable to the ratepayer as subsequent Ministerial increases would flow off a higher base yield applying in that year.

Were funding shortfalls in each layer to be made up entirely by a rates increase the cumulative rates increases per annum required for seven years would be as shown in the following table. To fully fund the shortfalls by 2021/22 these increases would need then to be followed by the Minister’s assumed CPI increase from 2018/19 to 2021/22.

Total Projected Unfunded Expenditure 2009/10 – 2021/22		
Layer	Shortfall	% Rate Rise Required
Base	(\$120,755,231)	8.59%
Investment Strategy	(\$114,386,629)	8.32%
Sustainable Assets	(\$150,148,108)	9.79%
Sustainable Environment	(\$171,050,844)	10.61%
Operational Improvements	(\$201,854,350)	11.75%
Capital Improvements	(\$247,117,350)	13.33%

Consultation on an increase to rates was undertaken in 2009 as part of the WT2 consultation process. The results showed a broad general level of recognition and acceptance that a rise in rates would be necessary to fund shortfalls, given that service

level cuts were definitely not desired. Preferences for the potential magnitude of rates rises ranged from staying at the ministerial increase of around 3.5% per annum right up to increasing rates by 15% per annum with majority views converging that a rise of somewhere up to 10% would be preferable. The most frequent sources of funding suggested as preferable for bridging the gap in funding were:

- increased rates,
- increased user charges, and
- increased developer contributions.

However, in suggesting the latter two, most participants recognised that increases from these sources would not resolve the funding shortfall on their own.

In forums where the benefits and impacts of rates increases were discussed in detail, participants recognised that a one-off increase of the type available under Section 508(2) of the local Government Act would not be sufficient to cover the shortfall. When presented with information about the total dollar impact on rates over seven years if various rate rises were applied cumulatively, they still unanimously rejected service cuts and generally opted for rates increases to be applied at various levels above the CPI.

9.2.4.2 Potential Contribution of Non-Rates Income Sources to a Solution

Other income sources such as:

- fees and charges,
- loans,
- grants,
- developer contributions,
- parking services,
- fines, and
- commercial business operations

all have potential to reduce the burden on rate payers.

Increasing our dependence on these sources would be helpful, at least to some extent, and would shift the structure of the income more towards a user pays system. There are a few hidden subsidies for users of some services that ratepayers who don't use those services are sharing the burden of at the moment. Notable among these are beach parking fees, parking fees at Eastgate, and development application assessment fees.

A shift towards more user pays mechanisms would reduce these subsidies but it would also expose the budget more to the vagaries of market based mechanisms, to which Waverley's budget is currently more heavily exposed than any other council in the Urban Medium group of councils in New South Wales. Waverley is at present the Council in this group (Group 2) that is least reliant on rates to balance its budget. Rates as a proportion of total income at Waverley is now so low that it funds less than 30% of the cost of services and capital works delivered annually. We rely heavily on variable sources of income which when they shift downwards send fairly significant tremors through the whole service and works profile. This occurred recently during the global financial crisis when income from Waverley's other biggest source of funds – parking – dropped with increased compliance. At over \$21 million, parking income at Waverley is almost as large as rates income. The drop in parking income has impacted financial results right through the 13 years of the LTFP model making it harder to fund future capital works as we have done successfully for the last ten years since the parking system was established.

A solution to the funding shortfalls will rely on adjusting a combination of current income sources. Getting the proportional contribution of each source to the total revenue correct – that is, getting a proper balance between rates and user pays – so as to give the budget some resilience through financial crises and less cross subsidisation, will be a challenge.

Consultation with the community on this matter will be ongoing for some years as the topic of how we share the burden for service delivery among each other is a complex one. The total quantum of income needed to meet demands for service is fairly obvious but how it should be raised is much less so and consensus on how the Waverley community may wish to share the burden equitably will require informed debate. Options for re-distributing burden, if it is agreed that it is unfairly distributed, may include:

- reviews of our Rating Policy, eg., in so far as it sets the distribution of burden between residents and business,
- reviews of the amount of debt to be taken on, in so far as it re-distributes burden between generations (although since we have let such a large backlog of infrastructure renewals it might not seem to be true inter-generational equity to shift the burden of our neglect yet again to future generations at the increased cost that comes with loan funding), and
- reviews of how various components of non-rates income are being accessed or foregone.

As stated above, total income is very sensitive at Waverley to variability in non-rates income. The sensitivity analyses in Section 9.3 below show the effect of variability in our major non-rates income prospects to increase or decrease the need to rely on rates as a means of funding shortfalls.

9.3 Sensitivity Analyses

Opportunities and threats have been examined for each layer throughout LTFP2. Major opportunities and threats to which the financial model is quite sensitive include funding issues surrounding:

- the sale and/or purchase of land,
- rise and fall in parking demand trends and fines,
- Council's capacity to fully implement its adopted Investment Strategy,
- Council's capacity to fund Waverley Cemetery operations after grave supplies are exhausted, and
- Council's capacity to improve income opportunities from parking in off-street car parks.

The following information outlines the nature and extent of the effect these items would have on the modelled outcomes.

- **Land sales and purchases:**
 - **Waterloo central works depot** – Council owns a large amount of valuable land held for investment and/or operational purposes. Preferred land holdings have been reviewed in the development of the Investment Strategy. This has resulted in land at Council's central depot at Waterloo being earmarked for sale. (Other lands marked for sale in the Investment Strategy have already been sold.) The depot site is a large one occupying a significant section of the area affected by the City of Sydney's Green Square town centre and

residential area LEP. As the sale forms a central part of the Investment Strategy Layer, the eventual sale price can have significant positive or negative bearing on the modelled outcomes.

- **Land extending Tamarama Park** – The western end of Tamarama Park is currently occupied by a section of unmade road. This section looks like it is part of the green open space of the park but technically it is at present a road, albeit an unmade one. Future demand to access private property via the road may affect the open space area of and access to the park. Council has resolved to investigate the feasibility of purchasing lands to potentially protect the park. Should this be deemed feasible and effective, the eventual purchase price would have a significant negative bearing on the modelled outcomes.
- **Rise and fall in parking demand trends and fines:**
 - **Parking fine numbers** – In the last two years, parking fines issued per annum in Waverley have dropped by 14,000. The recent major Parking System Review conducted by Council indicated a need to anticipate a possible reduction in dependency on parking fine income relative to fees for parking. This did not imply, however, an anticipation of an overall reduction of income from parking. It was more an anticipation of an adjustment to the composition of that income. Nevertheless, the model is highly sensitive to further drops in fines if price constraints on parking charges or drops in overall parking demand affect Council's ability to offset reduced income from fines.
 - **Parking fine outstanding debt** – Waverley currently makes provisions for a proportion of the aged debt in parking fine revenue. However, the parking fine debt, which is collected by the State Debt Recovery Office, has tended to increase each year since Council instituted the accrual accounting method in 2005. In the longer term, the Statute of Limitations in relation to this aging debt will impact on the ability to recover the overdue fines and the provision made by Council for abandonment.
- **Capacity to fully implement the adopted Investment Strategy:**
 - **Eastgate office conversion** – The Investment Strategy includes only two items which have prospects for increasing recurrent financial returns to Council. One of these is an anticipated purchase of a new cash or property investment to produce both capital and recurrent returns in the future. The other is the conversion of parking spaces in Eastgate Car Park which are currently unused in average peak periods, to commercial office space for leasing on the open market. The space will also be partly used to solve accommodation shortages for Council staff operations until a more permanent solution for office accommodation can be found using a second Investment Strategy (due to be developed soon for commencement some time in the next ten years). Despite the fact that the proposed conversion:
 - is entirely consistent with the objectives of the recently adopted Bondi Junction LEP,
 - will enhance the commercial centre's economic outlook by bringing an extra 400 customers a day to work and shop in Bondi Junction, and
 - will turn completely dead space into income for ratepayers,

there is resistance from some commercial property owners to the proposal to convert the parking space, even though it will deliver customers to their businesses at a higher rate than is being yielded or would be yielded from the

parking spaces. The LTFP model is quite sensitive to the prospect of not implementing this aspect of the Investment Strategy.

▪ **Capacity to fund Waverley Cemetery operations after grave supplies are exhausted:**

◦ **Entry into the public sector funerals industry** – Entry by Waverley Council to this industry is currently under consideration. Financial modelling to date suggests that on conservative projections of income and costs that Waverley Cemetery would be a viable competitor in this industry and that positive returns would commence at least within the first four years of operation of the business and continue thereafter. Successful entry is dependent on a couple of as yet unresolved factors including:

- community opinion about the compatibility of operating a pavilion and funeral business in the Cemetery with surrounding residential development and coastal recreation; and
- the cost of a pavilion.

If successful entry is not achieved, the situation for the Cemetery is significantly worsened compared to the situation modelled in the Base Layer.

In the Base Layer it is currently assumed that income to be lost from reduction in sales of Rights of Burial will be offset by sales of funerals and increased sales of Rights to Inter Ashes. The Base Layer projects that the Cemetery will maintain its current margins and its current capacity to complete minor maintenance but not backlog infrastructure maintenance.

Capacity to increase income from ashes interment (to the level where it will offset income losses from dwindling Rights of Burial) will be diminished if the Cemetery does not become a vertically integrated business capturing custom for the full chain of supply of funeral, interment, memorialisation and maintenance services. Customers will find the competitors too attractive and the differentiating features of Waverley Cemetery – graves and striking monuments all with a spectacular view – will not be attractive enough to lure custom back to the level necessary when margins are reduced to being derived merely from ashes interment. In a scenario where lost income cannot be replaced by any means the Cemetery will not only be dependent on Council for its backlog of infrastructure renewal of \$6.8 million, it will actually contribute substantial losses as a business directly to Council's bottom line.

As far as the Base Layer and Operational Layer are constructed above, the Cemetery neither worsens nor markedly improves the financial results for Council. At best it slightly improves the result after 2015/16 by avoiding imposition of a burden on Council for ongoing asset maintenance (assuming the asset renewal backlog is cleared by Council in the first place). In the pessimistic scenario, however, the burden on Council compared to the Base Layer results increases substantially because income drops but costs do not.

▪ **Capacity to improve income opportunities from parking in off-street car parks:**

◦ **Eastgate Car Park income:** Capacity to raise income from parking in Eastgate Car Park is currently quite constrained by two means:

- sub-optimal demand which leaves a significant proportion of spaces vacant even in average peaks; and
- the existence of a lease struck in 1983 which severely constrains the potential income that can be derived from parking.

In 2013 this lease expires, opening up the possibility of improving returns from the car park, improving utilisation rates and patterns and improving delivery of customers to the surrounding commercial centre. If Council is able to access these potential returns the effect on the modelled outcomes is highly positive.

- o **Queen Elizabeth Drive Car Park:** Capacity to raise income from parking in Queen Elizabeth Drive Car Park is currently quite constrained by policies which provide Beach Parking Permits to residents at prices substantially below the value of the parking they consume. Residents with Beach Parking Permits currently pay approximately \$440,000 per annum for permits but consume 80% of the total parking value sold, which in 2008/09 saw gross income receipts of \$3.7 million foregone from the car park's potential revenues. The total subsidy provided by this policy to residents is in the order of \$3 million per annum.

The Policy on Beach Parking Permits will be reviewed when data can be collected to show how this subsidy is embedded, that is:

- whether the subsidy is shared by a high proportion of residents, in which case it would be considered reasonably equitable, albeit inconsistent with the objectives of the Transport Policy and WT2, or
- whether the subsidy benefits a minority of users at the expense of non-users of the car park.

If Council is able to re-distribute the burden and benefit of this subsidy and thereby reduce its opportunity cost to ratepayers, the effect on the modelled outcomes is highly to extremely positive.

Item	Optimistic financial outcome	Pessimistic financial outcome
Waterloo central works depot	Land sale achieves higher price than the price modelled in the Investment Strategy Layer. Effect: Moderately to highly positive – modelled below. Likelihood: Medium.	Land sale achieves lower price than the price modelled in the Investment Strategy Layer. Effect: Moderately to highly negative – modelled below. Likelihood: Medium.
Land extending Tamarama Park	Purchase is not required. Effect: Neutral effect. Capital Improvements Layer already assumes the purchase will not be required. Likelihood: Medium to high.	Purchase is required. Effect: Moderately to highly negative – modelled below. Likelihood: Medium to low.
Parking fines	Parking fines do not decrease and/or alternative income from on-street parking offsets losses from fines.	Parking fines do decrease and alternative income from on-street parking does not offset losses from fines.

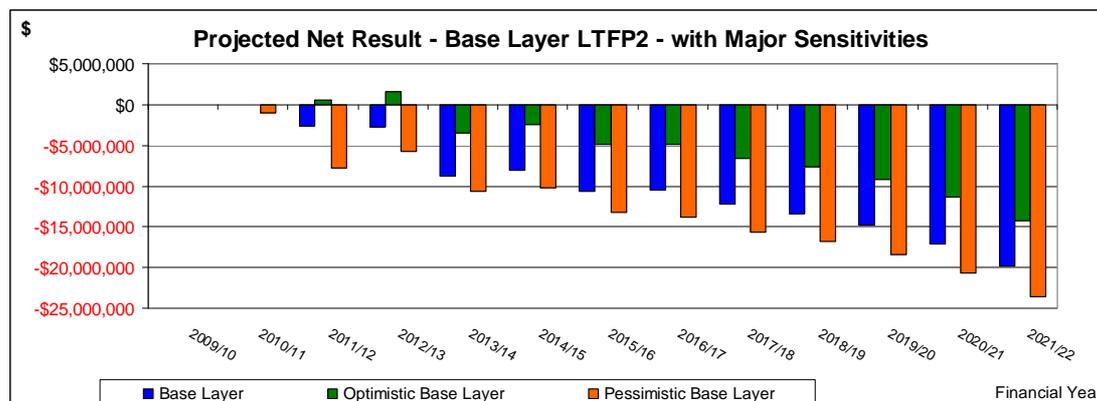
Item	Optimistic financial outcome	Pessimistic financial outcome
	<p>Effect: Neutral effect. Base Layer already assumes fine numbers will remain constant.</p> <p>Likelihood: Medium.</p>	<p>Effect: Highly negative – modelled below.</p> <p>Likelihood: Medium.</p>
Parking fine debt	<p>Parking fine debt provisions do not need to be increased.</p> <p>Effect: Neutral effect. Base Layer already assumes debt provisions are sufficient.</p> <p>Likelihood: Medium to low.</p>	<p>Parking fine debt provisions do need to be increased.</p> <p>Effect: Moderately negative – modelled below.</p> <p>Likelihood: Medium to high.</p>
Eastgate office conversion	<p>The office conversion proceeds.</p> <p>Effect: Neutral effect. Investment Strategy Layer already assumes the office conversion will proceed.</p> <p>Likelihood: Medium to high.</p>	<p>The office conversion does not proceed.</p> <p>Effect: Highly negative – modelled below.</p> <p>Likelihood: Medium to low.</p>
Entry by Council to the funeral industry	<p>Entry to the funeral industry is successful.</p> <p>Effect: No effect beyond positive effects already modelled in Base and Operational Improvement Layers. Operational Improvements Layer already assumes some additional surpluses for the Cemetery from 2015/16. Larger surpluses are likely but have not been assumed and are not modelled for purposes of this sensitivity analysis.</p> <p>Likelihood: Medium.</p>	<p>Entry to the funeral industry does not proceed.</p> <p>Effect: Moderately to highly negative – modelled below.</p> <p>Likelihood: Medium.</p>
Eastgate Car Park income	<p>Improved income opportunities are realised.</p> <p>Effect: Highly positive – modelled below.</p> <p>Likelihood: Medium to high.</p>	<p>Improved income opportunities are not realised.</p> <p>Effect: Neutral effect. Base Layer already assumes Car Park income patterns will be maintained.</p> <p>Likelihood: Medium to low.</p>
Bondi Beach Car Park income	<p>The current subsidy to residents for Beach Parking is reduced.</p> <p>Effect: Highly to extremely positive – modelled below.</p> <p>Likelihood: Medium to low.</p>	<p>The current subsidy to residents for Beach Parking is not reduced.</p> <p>Effect: Neutral effect. Base Layer already assumes Car Park income patterns will be maintained.</p> <p>Likelihood: Medium to high.</p>

The total effect of the modelled sensitivities outlined above over the 12 years of the planning period to 2021/22 is shown in the table below. Assumptions are as shown, some of which reflect a conservative estimate of improved or reduced returns. Others reflect the maximum estimate of improved or reduced returns. Assumptions about the magnitude of positive or negative effects have been selected mainly for illustrative purposes about the potential *relative* effect of changes in estimates available under each scenario.

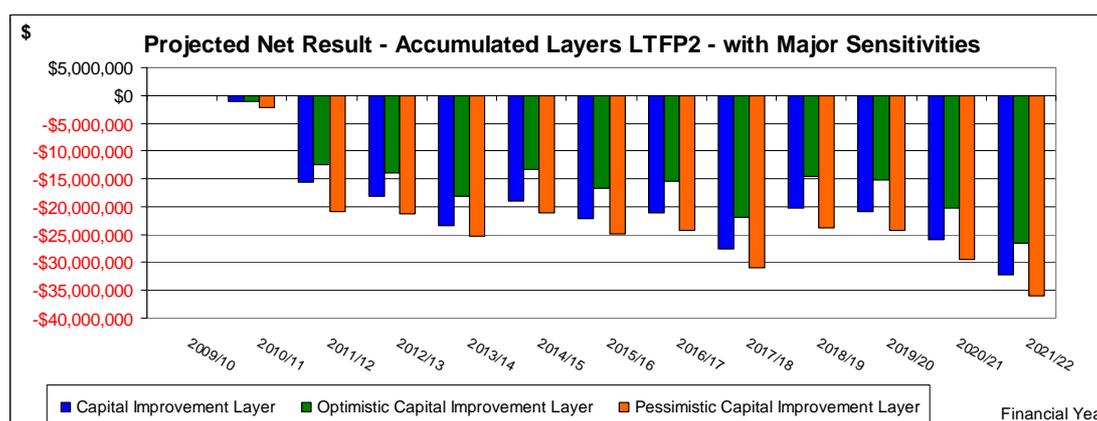
Positive and Negative Effects of Modelled Sensitivities Major Opportunities and Threats				
Item	Optimistic scenario		Pessimistic Scenario	
	Positive effect compared to already modelled Layers – \$'000		Negative effect compared to already modelled Layers – -\$'000	
Waterloo central works depot	Land sale achieves higher price than the price modelled in the Investment Strategy Layer.	\$4,478	Land sale achieves lower price than the price modelled in the Investment Strategy Layer.	-\$3,784
Land extending Tamarama Park	Purchase is not required.	\$0	Purchase is required.	-\$4,000
Parking fines	Parking fines do not decrease and/or alternative income from on-street parking offsets losses from fines.	\$0	Parking fines do decrease and alternative income from on-street parking does not offset losses from fines.	-\$14,437
Parking fine debt	Parking fine debt provisions do not need to be increased.	\$0	Parking fine debt provisions do need to be increased.	-\$2,500
Eastgate office conversion	The office conversion proceeds.	\$0	The office conversion does not proceed.	-\$8,443
Entry by Council to the funeral industry	Entry to the funeral industry is successful.	\$0	Entry to the funeral industry does not proceed.	-\$3,560
Eastgate Car Park income	Improved income opportunities are realised.	\$17,667	Improved income opportunities are not realised.	\$0
Bondi Beach Car Park income	The current subsidy to residents for Beach Parking is reduced.	\$35,860	The current subsidy to residents for Beach Parking is not reduced.	\$0
Net effects		\$58,005		-\$36,725
	Base Layer Deficit	-\$120,755	Base Layer Deficit	-\$120,755
	Optimistic Base Layer	-\$62,751	Pessimistic Base Layer	-\$157,480
	All Layers Deficit	-\$247,117	All Layers Deficit	-\$247,117
	Optimistic All Layers	-\$189,113	Pessimistic All Layers	-\$283,842

Obviously the effect of either or both of the optimistic and pessimistic scenarios coming to pass is significant. But neither set of effects is significant enough to resolve budget deficits in the Base Layer or any subsequent Layer, although in the Optimistic Case if the higher value for sale of the depot is achieved this could delay deficits for a little.

The effect of the major sensitivities on the Base Layer is shown in the graph below.



The effect of major sensitivities on the accumulation of all Layers up to the Capital Improvements Layer is shown below.



The above positive and negative effects all have a corresponding effect on the necessary degree of reliance on rates as a means of funding shortfalls as shown in the table below.

Rate Rises Required to Fund Shortfalls			
Layer	Impact \$'000	Cumulative Impact \$'000	% Rate Rise Required
Base Layer	-\$120,755,231	-\$120,755,231	8.59%
Optimistic Base Layer	\$58,004,630	-\$62,750,601	5.99%
Pessimistic Base Layer	-\$36,724,718	-\$157,479,949	10.08%
Accumulated Layers	-\$247,117,350	-\$247,117,350	13.33%
Optimistic Accumulated Layers	\$58,004,630	-\$189,112,720	11.28%
Pessimistic Accumulated Layers	-\$36,724,718	-\$283,842,068	14.53%

In the Base Layer optimistic case there are some grounds to assume that lower rate rises of 5.99% per annum would be sufficient to fund shortfalls for current services if:

- they were applied cumulatively for seven years and then followed by normal CPI increases, **and**
- all items of positive effect were achieved at the optimistic projections, **and**
- no items of negative effect were encountered.

The likelihood of achieving all positive items is probably fairly remote. It is at least as remote as the likelihood of all the negative items' becoming a reality. As such, the overall probability of being able to fund the shortfall in the Base Layer by a rates increase lower than 10% is not high at all. Except for the item of the depot land sale, the items listed above with positive budget effects will all take at least three to five years to emerge as partial or total realities (if ever), by which time substantial deficits will have occurred if nothing can be done to curb demand for services.

Given that the residents of Waverley have shown such strong preferences for not cutting services, the choice is basically theirs as to how they share the cost burden of meeting service demand. A rise in rates, as a means of maintaining service levels and as a means of future-proofing the budget a little more from its current over-exposure to variable sources of income, is likely to be part of an equitable re-structuring of income sources.

9.4 Next Steps

In December 2008 Council resolved to consult the community on a proposal to seek approval for a Special Rate Variation under Section 508(A) of the *Local Government Act*, with an expected necessary commencement date of 1 July 2011. That consultation was undertaken as part of the Integrated Engagement Strategy for development of the *Waverley Together 2* Community Strategic Plan. Consultation showed:

- some support for a rate rise above the normally permitted Ministerial increase,
- a clear acknowledgment that services provided by Waverley are all important,
- a clear indication that services should not be cut and, if anything, should be increased, and
- clear recognition that alternative non-rates means of increasing income do not have enough capacity to resolve funding shortfalls.

The quantum of the necessary rise in income via rates will be considered by Council in early 2010, preparatory to making an application for a Special Variation to Rates under Section 508(A). Once this is known and the application is made, further consultation can occur during 2010 and early 2011 with both the community and the Department of Local Government on the appropriate structure of funding for Waverley Council's operations. Issues regarding major changes to the structure of income are likely to be discussed over the next five years to determine the fairest way to distribute burden in a cost effective framework of business excellence and integrated planning.

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APPENDIX 1: CPI & Interest Rate Assumptions used in LTFP2

Year	CPI	Interest Rate - investments
2009/10	2.7%	4.0%
2010/11	2.4%	4.0%
2011/12	2.7%	4.0%
2012/13	2.5%	4.0%
2013/14	2.0%	6.1%
2014/15	2.0%	5.3%
2015/16	2.5%	4.8%
2016/17	2.8%	5.3%
2017/18	2.5%	5.9%
2018/19	2.5%	5.4%
2019/20	2.5%	5.2%
2020/21	2.5%	5.2%
2021/22	2.5%	5.2%

Notes:

- Headline CPI movements for 2009/13 are based upon Access Economics September 2008 forecasts as per the 2009/13 Management Plan and thereafter are based on Access Economics September 2009 forecasts relating to the Headline CPI.
- Interest Rates on investments for 2009/13 are as per the 2009/13 Management Plan and thereafter based on Access Economics September 2009 forecasts relating to the 90 day bank bill rate.

APPENDIX 2: Council Services

Waverley Council runs a very wide array of services – 22 Services and 138 different sub-services.

Services	Sub-services
Asset management services	Asset management planning Asset design services Capital works program planning Road works & maintenance Footpath works & maintenance Kerb & gutter works & maintenance Drainage works & maintenance Building works & maintenance Urban open spaces & malls works & maintenance Coastal & retaining infrastructure works & maintenance Parks infrastructure works & maintenance Parking infrastructure works & maintenance Other infrastructure works & maintenance Property management Fleet management Depot & stores
Beach services, maintenance & safety	Lifeguard services Beach cleaning & maintenance Support to surf life saving clubs Administration & customer services
Cemetery services	Waverley Cemetery services South Head Cemetery services
Child care services	Waverley Child Care Centre services Bronte Child Care Centre services Gardiner Child Care Centre services Family Day Care services Family support services
Community services	Community planning Services for older people Services for young people Services for people with a disability Services for indigenous people Multicultural services Community safety Community support & grants
Corporate support services	Administration Financial management Human resources IT & telecommunications Purchasing Risk & insurance management Executive support & strategic projects

Services	Sub-services
Cultural services	Cultural services planning Arts programs Music rooms & programs Theatres and theatre programs Literary programs Cultural festivals & events Bondi Pavilion programs Other cultural programs Administration & customer services
Customer services & communication	Customer & Call Centre Media & communications
Development, building & health services	Urban planning Heritage conservation Land information mapping services Development assessments & approvals Environmental health Food hygiene & regulation Building & fire safety regulation Administration & customer services
Emergency management services	Local & state emergency management
Environmental services	Environmental sustainability planning Environmental education & engagement programs Energy management programs Water management programs Waste management planning Air quality management Biodiversity management programs Bush care programs Pollution control programs
Governance, integrated planning & community engagement	Long term integrated planning & consultation Governance Councillor support Citizenship services Precinct Committee facilitation services Records & public information services Civic pride programs Volunteering programs Advisory committees and forums
Library services	Library services Community information Local studies
Parking services	Parking system planning and management On-street parking services Off-street parking services Road & parking safety programs

Services	Sub-services
Parks services & maintenance	<ul style="list-style-type: none"> Parks, reserves & open landscapes planning & design Playground planning & design Southern Area parks cleaning & maintenance Bondi Area parks cleaning & maintenance Northern Area parks cleaning & maintenance Bondi Park cleaning & maintenance Waverley Park cleaning & maintenance Bronte Park cleaning & maintenance Tamarama Park cleaning & maintenance Marks Park cleaning & maintenance Coastal & Cliff Walks cleaning & maintenance Greenspace maintenance Eruv cleaning & maintenance Administration & customer services
Place management	<ul style="list-style-type: none"> Place development planning & strategy Place maintenance & upgrade Place amenity & access services Place safety management Place marketing Place regulation Business development & support services Events management Visitor management services Administration & customer services
Recreation services	<ul style="list-style-type: none"> Recreation planning Recreation facilities maintenance Sporting facilities maintenance
Regulatory services	<ul style="list-style-type: none"> Pollution control programs Animal control Dumped rubbish & litter control Waste regulation & education Abandoned car control & removal
Social & affordable housing	<ul style="list-style-type: none"> Housing planning Affordable housing program Social housing program
Traffic & transport services	<ul style="list-style-type: none"> Transport planning Pedestrian mobility programs Cyclist mobility programs Alternative transport programs Traffic management services
Urban open space maintenance & accessibility	<ul style="list-style-type: none"> Streetscape enhancement strategy Street cleaning services Place cleaning services Graffiti removal services Nature strip mowing services Tree management planning Tree planting services Tree maintenance services Greenlinks maintenance Public place access works & services Street & place signage services

Services	Sub-services
Waste services	Domestic waste services Recycling services Green waste services Clean up services Dumped rubbish removal Place cleaning services Commercial waste services Administration & customer services

APPENDIX 3: Targets for Sustainable Asset Management 2011 – 2022

The following table is an extract of the complete targets adopted in Council's Community Strategic Plan *Waverley Together 2* for Direction G6 – "Council assets are well maintained for their current purpose and for future generations". Costs to meet these targets have been factored into the Base Layer and Sustainable Assets Layer of LTFP2.

Targets and indicators of successful performance	... in the Directions of ...	Baseline data
<p>Council assets are capable of delivering the desired levels of service as measured by achieving the following asset condition ratings on an annual basis:</p> <p>In condition 1 or 2</p> <ul style="list-style-type: none"> ▪ 79% of roads ▪ 80% of footpaths ▪ 73% of kerbs/gutters ▪ 100% of stairs ▪ 100% of fences & bollards ▪ 100% bus shelters ▪ 100% bus seats ▪ 100% street seats ▪ In Parks <ul style="list-style-type: none"> ▪ 100% of fences & bollards ▪ 100% of footpaths ▪ 100% of stairs ▪ 100% of play equipment ▪ 100% of signs ▪ In Waverley Cemetery <ul style="list-style-type: none"> ▪ 100% of roads ▪ 100% of gutters ▪ 100% of paths ▪ 100% of drains ▪ 100% of fencing (internal) ▪ 100% of fencing (external) 	<p>G6</p>	<p>Council has consulted the community on the condition that assets should be maintained in to ensure services can be delivered at the level desired by the community. Condition ratings are defined as:</p> <p>Condition 1 – Good Condition Condition 2 – Minor Deterioration Condition 3 – Medium Deterioration Condition 4 – Major Deterioration Condition 5 – Unserviceable</p> <p>In 2009, Council assets achieved the following condition ratings:</p> <p>In condition 1 or 2</p> <ul style="list-style-type: none"> ▪ 79% of roads ▪ 73% of footpaths ▪ 73% of kerbs/gutters ▪ 72% of stairs ▪ 72% of fences & bollards ▪ 95% bus shelters ▪ 82% bus seats ▪ 83% street seats ▪ 80% of fences and bollards in parks ▪ 87% of footpaths in parks ▪ 85% of stairs in parks ▪ 61% of play equipment in parks ▪ 90% of signs in parks ▪ 2% of Waverley Cemetery roads ▪ 65% of Waverley Cemetery gutters ▪ 52% of Waverley Cemetery paths ▪ 57% of Waverley Cemetery drains ▪ 39% of Waverley Cemetery fencing (internal) & 21% of fencing (external) <p><i>Source: SAMP3</i></p>

Targets and indicators of successful performance	... in the Directions of ...	Baseline data
<p>The remaining Council assets are capable of delivering the desired levels of service as measured by achieving the following asset condition ratings on an annual basis:</p> <p>In condition 1, 2 or 3</p> <ul style="list-style-type: none"> ▪ 100% of buildings ▪ 100% of pools ▪ 100% of drains length ▪ 100% of retaining walls in streets ▪ 100% of seawalls ▪ 100% of street bins ▪ 100% of parking signs ▪ In Parks <ul style="list-style-type: none"> ▪ 100% of furniture ▪ 100% lighting ▪ 100% of retaining walls ▪ 100% of irrigation ▪ 94% of street trees ▪ In Waverley Cemetery <ul style="list-style-type: none"> ▪ 100% of retaining walls 	G6	<p>For the remaining Council assets, in 2009, Council achieved the following condition ratings:</p> <p>In condition 1, 2 or 3</p> <ul style="list-style-type: none"> ▪ 91% of buildings ▪ 100% of pools ▪ 88% of drains length ▪ 93% of retaining walls in streets ▪ 85% of seawalls ▪ 95% of street bins ▪ 90% of parking signs ▪ 95% of furniture in parks ▪ 95% of lighting in parks ▪ 85% of retaining walls in parks ▪ 97% of irrigation in parks ▪ 94% of street trees ▪ 90% of Waverley Cemetery retaining walls <p><i>Source: SAMP3</i></p>
<p>Satisfaction with maintenance of Council assets is steady or increasing</p>	G6	<p>In 2009, there was:</p> <ul style="list-style-type: none"> ▪ 35% satisfaction rating with Council's maintenance of the road network ▪ 32% satisfaction rating with Council's maintenance of footpaths ▪ 60% satisfaction rating with Council's maintenance of parks. <p><i>Source: Council's Community Survey (Q4b Roads and transport)</i></p>

APPENDIX 4: Targets for a Sustainable Environment 2011 – 2022

The following table is an extract of the complete targets adopted in Council's Community Strategic Plan *Waverley Together 2* for Directions E1 to E8. Costs to meet these targets have been factored into the Base Layer and Sustainable Environment Layer of LTFP2.

Targets and indicators of successful performance	... in the Directions of ...	Baseline data
<p>30% reduction of greenhouse gas emissions by 2020 based on 2003/04 levels</p> <p>70% reduction of greenhouse gas emissions by 2050 based on 2003/04 levels</p>	E1, E2	<p>In 2003/04, the Waverley community emitted some 495,000 tonnes of CO₂, which equates to about 8 tonnes per person. By 2007/08, this figure had increased to 564,000 in total, or about 9 tonnes per person.</p> <p>The targeted net emissions level for 2020 is 346,500 tonnes of CO₂, which equates to a 30% reduction on 2003/04 levels but a 38.6% reduction on 2007/08 levels.</p> <p><i>Source: EAP2 and Kinesis CCAP Community Tool for Waverley Greenhouse Gas Emissions Modelling, October 2009</i></p>
<p>30% reduction in Council's greenhouse gas emissions by 2020 based on 2003/04 levels</p>	E1, E2	<p>Council's greenhouse gas emissions equate to approximately 1% of total emissions generated in Waverley. Nevertheless it is desirable to ensure Council's emissions are reduced at least proportionally to reductions required in community emissions.</p> <p>In 2003/04, operations by Waverley Council resulted in emissions of some 8,433 tonnes of CO₂ equivalent. However, by 2007 this had decreased to 7,732 tonnes of CO₂ equivalent, which is a decline of approximately 8.4% per year.</p> <p>The targeted net emissions level from Council operations by 2020 is 5,910 tonnes of CO₂, which equates to a 30% reduction on 2003/04 levels but only a 23.5% reduction on 2007/08 levels.</p> <p><i>Source: EAP2 and Kinesis CCAP Council Tool for Waverley Council Greenhouse Gas Emissions Modelling, September 2009</i></p>

Targets and indicators of successful performance	... in the Directions of ...	Baseline data
30% of electricity used in the LGA is to come from renewable sources by 2020	E1, E2	<p>The baseline figure for the proportion of greenpower purchased by the Waverley community in 2007 will be calculated upon receipt of the Kinesis 'CCAP Community Tool' for Waverley in December 2009.</p> <p><i>Source: Kinesis CCAP Community Tool for Waverley Greenhouse Gas Emissions Modelling.</i></p>
<p>Average kilometres travelled by Waverley residents per day by private car declines by 15% by 2020 based on kilometres travelled in 2006.</p> <p>40% of the total daily distance travelled by residents is by public transport, walking or cycling.</p>	E1, E2	<p>In 2006, the average Waverley resident drove 11 kilometres per day. A 15% reduction on this by 2020 would mean that, on average, Waverley residents should drive no more than 9.35 kilometres per day.</p> <p>In 2006, 25% of the total daily distance travelled by residents of Waverley was by public transport, walking or cycling. By 2020 this proportion should be 40%.</p> <p><i>Source: Australian Bureau of Statistics and Transport Data Centre</i></p>
No net increase in overall waste generation by 2020 based on 2003/04 levels	E3	<p>In 2007/08 the total amount of domestic waste generated in the LGA (including garbage, recycling and green waste) was 25,711 tonnes. The total amount of commercial waste was 8,315 tonnes.</p> <p><i>Source: Waverley Council Monthly Waste Statistics, June 2008</i></p>
Divert 75% of the LGA's domestic and commercial waste from landfill by 2020 based on 2003/04 levels	E3	<p>In 2007/08 the total tonnage of domestic and commercial waste discharged to landfill was 20,001 tonnes. The diversion rate for waste generated from dwellings was 51.2%. The diversion rate for commercial waste was 43.7%.</p> <p><i>Source: Waverley Council Monthly Waste Statistics, June 2008</i></p>
Zero increase in the LGA's mains water consumption by 2020 based on 2005/06 levels	E4	<p>In 2005/06, mains water consumption within Waverley was 6,208,915 kilolitres.</p> <p><i>Source: EAP2</i></p>

Targets and indicators of successful performance	... in the Directions of ...	Baseline data
50% reduction in Council's mains water consumption by 2020 based on 2005/06 levels	E4	<p>Council's mains water consumption equates to approximately 2% of the total mains water consumption in the LGA.</p> <p>In 2005/06, Council used some 76,579 kilolitres of mains water in its operations.</p> <p><i>Source: EAP2</i></p>
No more than 10% mains water consumption by Council for non-potable uses by 2050	E4	<p>The volume of water currently used by Council for non-potable activities of toilet flushing, irrigation and street cleaning is yet to be confirmed. Monitoring of non-potable water use will be ongoing. Nevertheless the aim is that whatever the non-potable usage is by 2050, no more than 10% of it will come from the mains water supply.</p> <p><i>Source: EAP2</i></p>
>345 clean beach days per annum (>95%) based on DECCW Beachwatch Water Quality Results	E5	<p>In 2008 Waverley beaches experienced 347 clean beach days.</p> <p><i>Source: DECCW Beachwatch Water Quality Results 2008.</i></p>
The proportion of residents who rate the water quality in beaches and waterways as clean is steady or increasing	E5	<p>In 2009, 76% of residents thought that the water was clean in beaches and waterways.</p> <p><i>Source: Council's Community Survey (Q6 The natural environment)</i></p>
Increase the connectivity of wildlife habitat corridors by 2020 based on 2009/10 levels, measured as square metres of coverage.	E6	<p>The baseline square metre coverage and target % increase for coverage are to be confirmed by the Australian Museum / Sydney Bush Regeneration Company's Waverley Wildlife Habitat Corridor Study to be completed by November 2009.</p> <p><i>Source: Australian Museum and Sydney Bush Regeneration Company, Waverley Wildlife Habitat Corridor Study 2009</i></p>

Targets and indicators of successful performance	... in the Directions of ...	Baseline data
No localised flora and fauna extinctions based on 2009/10 levels	E6	<p>The baseline flora and fauna species numbers are to be confirmed by the Australian Museum / Sydney Bush Regeneration Company's Waverley Flora and Fauna Study to be completed by November 2009.</p> <p><i>Source: Australian Museum and Sydney Bush Regeneration Company, Waverley Flora and Fauna Study 2009</i></p>
Continually improve the quality and ensure no loss of native vegetation based on 2009/10 levels	E6	<p>The current square metre coverage of native vegetation is to be confirmed by the Australian Museum / Sydney Bush Regeneration Company's Waverley Flora and Fauna Study to be completed by November 2009.</p> <p><i>Source: Australian Museum and Sydney Bush Regeneration Company, Waverley Flora and Fauna Study 2009</i></p>
Reduce pests and weeds by 2020 based on 2009/10 levels	E6	<p>The baseline levels of pests and weeds species is to be confirmed by the Australian Museum / Sydney Bush Regeneration Company's Waverley Flora and Fauna Study to be completed by November 2009.</p> <p><i>Source: Australian Museum and Sydney Bush Regeneration Company, Waverley Flora and Fauna Study 2009</i></p>
No localised extinction of marine inter-tidal species based on 1999 levels	E7	<p>In 1999 the University of Sydney's Centre for Research on Ecological Impacts of Coastal Cities (CEICC) completed a marine inter-tidal survey of Waverley's rock platforms. 68 species were identified.</p> <p><i>Source: University of Sydney's Centre for Research on Ecological Impacts of Coastal Cities (CEICC) Marine Inter-tidal Survey 1999</i></p>

Targets and indicators of successful performance	... in the Directions of ...	Baseline data
<p>Our community rates the environment as an important issue</p> <p>Satisfaction with Council's environmental management and education is steady or increasing</p>	E8	<p>In 2009, 93% of residents rated environmental management and education provided by Council as critical, very or quite important.</p> <p>34% of residents were satisfied with Council's environmental management and education.</p> <p><i>Source: Council's Community Survey (Q4a&b Waste services and the environment)</i></p>

Investment Strategy Layer - LTFP2													
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Proceeds from Sales	-1,175,336	-39,000,000											
Capital Costs	5,316,426	30,785,065	18,800,000	350,000									
Revenue - Capital Grant	-2,800,000	-1,380,000											
Operating Expenses	20,000	365,140	1,294,606	1,499,279	1,555,009	1,612,689	1,676,429	1,744,755	1,796,247	1,867,908	1,942,677	2,020,713	2,102,172
Operating Revenue	0	-420,212	-1,558,647	-2,057,048	-2,227,962	-2,246,248	-2,293,438	-2,403,539	-2,507,045	-2,574,029	-2,656,347	-2,753,763	-2,854,801
Domestic Waste Reserve Monies		-2,000,000	-1,000,000										
Investment Strategy Reserve Monies	-1,361,090	11,650,007	-17,599,659	164,552	42,953	-8,909	-41,574	-18,083	16,686	-5,494	-15,875	-14,877	-17,938
Total	0	0	-63,700	-43,217	-630,000	-642,468	-658,583	-676,867	-694,112	-711,615	-729,545	-747,927	-770,567
SAMP3 - Sustainable Assets Layer - LTFP2													
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Category 1 Roads			0	0	0	0	0	0	0	0	0	0	0
Category 2 Footpaths		75,000	341,662	352,172	361,820	371,604	383,196	395,963	408,516	235,059	243,730	252,757	262,155
Category 3 Kerbs & Gutters			0	0	0	0	0	0	0	0	0	0	0
Category 4 Stormwater			1,051,648	1,077,939	1,099,993	1,121,763	1,149,900	1,181,824	1,211,934	186,374	191,070	195,884	200,820
Category 5 Buildings			0	0	0	0	0	0	0	0	0	0	0
Category 6 Urban Open Space & Malls			SAMP 4										
Category 7 Coastal & Retaining Infra			508,508	521,220	531,884	542,410	556,016	571,452	586,011	242,287	248,391	254,650	261,066
Category 8.1 Parks Infrastructure			910,163	932,918	952,005	970,845	995,197	1,022,826	1,048,885	306,275	313,992	321,903	330,014
Category 8.2 Parks Landscapes			105,165	107,794	109,999	112,176	114,990	118,182	121,193	124,250	127,380	130,590	133,880
Category 9 Waverley Cemetery			914,299	937,156	956,330	975,256	999,719	1,027,473	1,053,650	205,012	210,177	215,473	220,902
Category 9 Waverley Cemetery Reserve			-360,185	0	0	0	0	0	0	0	0	0	0
Category 10 Parking Infrastructure			0	0	0	0	0	0	0	0	0	0	0
Category 11 Street Trees			105,165	107,794	109,999	112,176	114,990	118,182	121,193	124,250	127,380	130,590	133,880
Category 12 Other - Fences, Stairs, Bus Shelters, Street Furniture & Signages			49,127	50,355	51,385	52,402	53,716	55,208	56,614	34,790	35,666	36,565	37,486
Category 13 Plant & Equipment			0	0	0	0	0	0	0	0	0	0	0
Category 14 Information Technology			SAMP 4										
Total	0	75,000	3,625,551	4,087,348	4,173,416	4,258,632	4,367,725	4,491,112	4,607,997	1,458,296	1,497,787	1,538,412	1,580,204
EAP2 (Top Ups) - Sustainable Environment Layer - LTFP2													
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Biodiversity			375,000	601,140	560,699	561,249	583,932	608,169	737,646	766,239	796,019	827,070	859,452
Engagement			3,000	3,076	3,139	3,201	3,281	3,372	3,458	3,546	3,635	3,727	3,820
Greenhouse Gas-CCAdaptation			0	50,000	51,023	0	0	0	0	0	0	0	0
Greenhouse Gas-Comm			442,000	435,666	443,581	421,398	399,967	405,532	415,863	286,011	172,053	196,892	180,833
Greenhouse Gas-CounBld			242,000	220,507	20,926	21,340	21,876	22,483	23,056	23,637	24,233	24,843	25,469
Greenhouse Gas-CounBld (saving resulted)			0	-73,800	-115,310	-117,592	-120,542	-123,888	-127,044	-130,248	-133,530	-136,894	-140,344
Greenhouse Gas-General			280,000	287,095	294,369	301,828	309,476	317,317	325,358	333,602	342,055	350,722	359,608
Greenhouse Gas-StLights			0	0	80,000	82,027	84,105	0	0	0	0	0	0
Greenhouse Gas-Trans			377,000	284,019	289,830	295,565	302,979	311,391	319,324	327,376	335,625	344,082	352,751
Waste-Comm			10,000	0	5,000	10,000	0	0	10,000	0	0	10,000	0
Water Qual			70,000	2,000	2,051	2,093	2,134	2,188	2,248	2,306	2,364	2,423	2,484
Water-Comm			170,000	171,774	173,242	174,692	176,565	178,691	180,696	182,731	184,815	186,952	189,143
Water-Council			225,000	258,167	410,790	210,990	62,466	64,173	65,832	97,495	69,196	100,939	72,727
DWM Reserve Monies			-140,000	-90,000	-85,000	-60,000	-60,000	-60,000	-60,000	-60,000	-60,000	-60,000	-60,000
Total	0	0	2,054,000	2,149,643	2,134,339	1,906,791	1,766,241	1,729,428	1,896,437	1,832,694	1,736,464	1,850,755	1,845,945
Operational Improvements Layer - LTFP2													
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Landscape Maintenance Plant & Materials			436,880	244,109	245,129	330,179	152,606	573,217	277,724	493,483	289,434	294,248	495,810
Graffiti Removal			52,582	53,897	55,000	56,088	57,495	59,091	60,597	62,125	63,690	65,295	66,940
Radial shuttle bus service (Sec 94)			-739,771	-739,771	-739,771	-739,771	-739,771	-739,771	-739,771	-739,771	-739,771	-739,771	0
Radial shuttle bus service exp (Sec 94)			739,771	739,771	739,771	739,771	739,771	739,771	739,771	739,771	739,771	739,771	0
Cemetery Funeral & Function Business (revenue)			0	-664,348	-1,137,837	-1,648,685	-2,618,983	-2,843,868	-2,929,184	-3,017,060	-3,107,571	-3,200,799	-3,297,870
Cemetery Funeral & Function Business (Expenses)			0	1,282,579	1,594,602	1,933,706	2,484,571	2,665,985	2,749,634	2,836,625	2,927,101	3,021,208	3,119,102
WFP1 C&TS staff increases			372,795	465,300	566,124	761,060	799,113	839,068	881,022	925,073	971,326	1,019,893	1,070,887
WFP1 RCCS staff increases			0	69,458	72,930	76,577	80,406	84,426	88,647	93,080	97,734	102,620	107,751
WFP1 P&ES staff increases			179,156	319,077	422,846	528,455	554,877	582,621	611,752	642,340	674,457	708,180	743,589
WFP1 GMU staff increases			224,910	236,156	247,963	260,361	273,380	287,048	301,401	316,471	332,295	348,909	366,355
WFP1 PW&S staff increases			214,988	225,737	237,024	248,875	261,319	274,385	288,104	302,509	317,634	333,516	350,192
WFP1 RCCS staff stage 2			0	0	220,000	231,000	242,550	254,678	267,411	280,782	294,821	309,562	325,040
WFP1 P&ES staff stage 2			0	0	0	100,000	105,000	110,250	115,763	121,551	127,628	134,010	140,710
WFP1 PW&S staff stage 2			0	0	0	0	0	100,000	105,000	110,250	115,763	121,551	127,628
Records Compliance & Eplanning Hardware & Software			95,250	36,410									
Total	0	214,200	1,576,561	2,268,375	2,523,781	2,877,616	2,392,333	2,986,901	2,817,871	3,167,228	3,104,312	3,258,192	3,616,135
Capital Improvements Layer - LTFP2													
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Local Village DCP Improvement			0	1,000,000	0	0	0	1,000,000	0	0	0	1,000,000	0
Playground Upgrades			300,000	150,000	0	0	0	0	0	0	0	0	0
Promenade Upgrade & Beaches			0	0	5,000,000	0	0	0	5,000,000	0	0	0	5,000,000
QED Tunnels Remediation and Storage Space			1,750,000	2,000,000	0	0	0	0	0	0	0	0	0
Tamarama PoM Works			120,000	60,000	250,000	100,000	100,000	0	0	0	0	0	0
Rodney Reserve			0	0	300,000	500,000	600,000	0	0	0	0	0	0
Bronte Park PoM			0	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
Waverley Park			200,000	390,000	100,000	100,000	0	0	0	0	0	0	0
Bondi Park PoM			0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Hugh Bamford, Park Upgrade to building and fields			0	0	0	200,000	800,000	600,000	0	0	0	0	0
Boot Factory Remediation			500,000	500,000	0	0	0	0	0	0	0	0	0
Bike Plan			0	250,000	0	0	250,000	0	0	250,000	0	0	250,000
BJ PAMP implementation			550,000	0	0	550,000	0	0	550,000	0	0	550,000	0
BB PAMP development			200,000	0	0	0	0	0	0	0	0	0	0
BB PAMP Implementation			0	500,000	0	0	500,000	0	0	500,000	0	0	500,000
Tamarama/Bronte 40km/hr zone			0	0	0	550,000	0	0	0	0	0	0	0
Bondi Junction 40km/hr zone			0	0	0	0	0	0	750,000	0	0	0	0
School Zones safety program			0	100,000	0	0	100,000	0	0	100,000	0		

LTFP2 - Appendix 5

LTFP2 Summary Tables - Net Result															LTFP2 Total	Rate increase needs in LTFP2
These table excluded Depreciation & Amortisation Expenses																
LTFP 2 - Base Case Layer - Net Result																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
1. Base Case Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,667,523	-\$2,684,309	-\$8,778,726	-\$8,108,950	-\$10,605,259	-\$10,500,220	-\$12,290,137	-\$13,371,260	-\$14,861,212	-\$17,111,745	-\$19,842,005	-\$120,755,231	8.59%
LTFP 2 - Investment Strategy Layer - Net Result																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
1. Base Case Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,667,523	-\$2,684,309	-\$8,778,726	-\$8,108,950	-\$10,605,259	-\$10,500,220	-\$12,290,137	-\$13,371,260	-\$14,861,212	-\$17,111,745	-\$19,842,005	-\$120,755,231	
2. Investment Strategy Net Result Surplus/(Deficit)	\$0	\$0	\$0	\$63,700	\$43,217	\$630,000	\$642,468	\$658,583	\$676,867	\$694,112	\$711,615	\$729,545	\$747,927	\$770,567	\$6,368,602	
Cumulative Layers 1&2 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,603,823	-\$2,641,092	-\$8,148,726	-\$7,466,482	-\$9,946,676	-\$9,823,353	-\$11,596,026	-\$12,659,645	-\$14,131,666	-\$16,363,818	-\$19,071,438	-\$114,386,629	8.32%
LTFP 2 - Sustainable Assets Layer - Net Result																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
1. Base Case Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,667,523	-\$2,684,309	-\$8,778,726	-\$8,108,950	-\$10,605,259	-\$10,500,220	-\$12,290,137	-\$13,371,260	-\$14,861,212	-\$17,111,745	-\$19,842,005	-\$120,755,231	
2. Investment Strategy Net Result Surplus/(Deficit)	\$0	\$0	\$0	\$63,700	\$43,217	\$630,000	\$642,468	\$658,583	\$676,867	\$694,112	\$711,615	\$729,545	\$747,927	\$770,567	\$6,368,602	
3. Sustainable Assets Net Result Surplus/(Deficit)	\$0	\$0	-\$75,000	-\$3,625,551	-\$4,087,348	-\$4,173,416	-\$4,258,632	-\$4,367,725	-\$4,491,112	-\$4,607,997	-\$1,458,296	-\$1,497,787	-\$1,538,412	-\$1,580,204	-\$35,761,479	
Cumulative Layers 1,2&3 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$41,083	-\$6,229,374	-\$6,728,440	-\$12,322,142	-\$11,725,114	-\$14,314,401	-\$14,314,465	-\$16,204,022	-\$14,117,940	-\$15,629,454	-\$17,902,229	-\$20,651,642	-\$150,148,108	9.79%
LTFP 2 - Sustainable Environment Layer (Top Ups) - Net Result																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
1. Base Case Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,667,523	-\$2,684,309	-\$8,778,726	-\$8,108,950	-\$10,605,259	-\$10,500,220	-\$12,290,137	-\$13,371,260	-\$14,861,212	-\$17,111,745	-\$19,842,005	-\$120,755,231	
2. Investment Strategy Net Result Surplus/(Deficit)	\$0	\$0	\$0	\$63,700	\$43,217	\$630,000	\$642,468	\$658,583	\$676,867	\$694,112	\$711,615	\$729,545	\$747,927	\$770,567	\$6,368,602	
3. Sustainable Assets Net Result Surplus/(Deficit)	\$0	\$0	-\$75,000	-\$3,625,551	-\$4,087,348	-\$4,173,416	-\$4,258,632	-\$4,367,725	-\$4,491,112	-\$4,607,997	-\$1,458,296	-\$1,497,787	-\$1,538,412	-\$1,580,204	-\$35,761,479	
4. Sustainable Environment Net Result Surplus/(Deficit)	\$0	\$0	\$0	-\$2,054,000	-\$2,149,643	-\$2,134,339	-\$1,906,791	-\$1,766,241	-\$1,729,428	-\$1,896,437	-\$1,832,694	-\$1,736,464	-\$1,850,755	-\$1,845,945	-\$20,902,736	
Cumulative Layers 1,2,3&4 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$41,083	-\$8,283,374	-\$8,878,083	-\$14,456,481	-\$13,631,905	-\$16,080,642	-\$16,043,894	-\$18,100,459	-\$15,950,634	-\$17,365,918	-\$19,752,985	-\$22,497,587	-\$171,050,844	10.61%
LTFP 2 - Operational Improvements Layer - Net Result																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
1. Base Case Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,667,523	-\$2,684,309	-\$8,778,726	-\$8,108,950	-\$10,605,259	-\$10,500,220	-\$12,290,137	-\$13,371,260	-\$14,861,212	-\$17,111,745	-\$19,842,005	-\$120,755,231	
2. Investment Strategy Net Result Surplus/(Deficit)	\$0	\$0	\$0	\$63,700	\$43,217	\$630,000	\$642,468	\$658,583	\$676,867	\$694,112	\$711,615	\$729,545	\$747,927	\$770,567	\$6,368,602	
3. Sustainable Assets Net Result Surplus/(Deficit)	\$0	\$0	-\$75,000	-\$3,625,551	-\$4,087,348	-\$4,173,416	-\$4,258,632	-\$4,367,725	-\$4,491,112	-\$4,607,997	-\$1,458,296	-\$1,497,787	-\$1,538,412	-\$1,580,204	-\$35,761,479	
4. Sustainable Environment Net Result Surplus/(Deficit)	\$0	\$0	\$0	-\$2,054,000	-\$2,149,643	-\$2,134,339	-\$1,906,791	-\$1,766,241	-\$1,729,428	-\$1,896,437	-\$1,832,694	-\$1,736,464	-\$1,850,755	-\$1,845,945	-\$20,902,736	
5. Operational Improvements Net Result Surplus/(Deficit)	\$0	\$0	-\$214,200	-\$1,576,561	-\$2,268,375	-\$2,523,781	-\$2,877,616	-\$2,392,333	-\$2,986,901	-\$2,817,871	-\$3,167,228	-\$3,104,312	-\$3,258,192	-\$3,616,135	-\$30,803,505	
Cumulative Layers 1,2,3,4&5 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$255,283	-\$9,859,935	-\$11,146,458	-\$16,980,261	-\$16,509,521	-\$18,472,975	-\$19,030,795	-\$20,918,330	-\$19,117,862	-\$20,470,230	-\$23,011,177	-\$26,113,721	-\$201,854,350	11.75%
LTFP 2 - Capital Improvements Layer - Net Result																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
1. Base Case Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,667,523	-\$2,684,309	-\$8,778,726	-\$8,108,950	-\$10,605,259	-\$10,500,220	-\$12,290,137	-\$13,371,260	-\$14,861,212	-\$17,111,745	-\$19,842,005	-\$120,755,231	
2. Investment Strategy Net Result Surplus/(Deficit)	\$0	\$0	\$0	\$63,700	\$43,217	\$630,000	\$642,468	\$658,583	\$676,867	\$694,112	\$711,615	\$729,545	\$747,927	\$770,567	\$6,368,602	
3. Sustainable Assets Net Result Surplus/(Deficit)	\$0	\$0	-\$75,000	-\$3,625,551	-\$4,087,348	-\$4,173,416	-\$4,258,632	-\$4,367,725	-\$4,491,112	-\$4,607,997	-\$1,458,296	-\$1,497,787	-\$1,538,412	-\$1,580,204	-\$35,761,479	
4. Sustainable Environment Net Result Surplus/(Deficit)	\$0	\$0	\$0	-\$2,054,000	-\$2,149,643	-\$2,134,339	-\$1,906,791	-\$1,766,241	-\$1,729,428	-\$1,896,437	-\$1,832,694	-\$1,736,464	-\$1,850,755	-\$1,845,945	-\$20,902,736	
5. Operational Improvements Net Result Surplus/(Deficit)	\$0	\$0	-\$214,200	-\$1,576,561	-\$2,268,375	-\$2,523,781	-\$2,877,616	-\$2,392,333	-\$2,986,901	-\$2,817,871	-\$3,167,228	-\$3,104,312	-\$3,258,192	-\$3,616,135	-\$30,803,505	
6. Capital Improvements Net Result Surplus/(Deficit)	\$0	-\$0	-\$833,000	-\$5,820,000	-\$7,030,000	-\$6,380,000	-\$2,400,000	-\$3,750,000	-\$2,000,000	-\$6,600,000	-\$1,150,000	-\$300,000	-\$2,850,000	-\$6,150,000	-\$45,263,000	
Cumulative Layers 1,2,3,4,5&6 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$1,088,283	-\$15,679,935	-\$18,176,458	-\$23,360,261	-\$18,909,521	-\$22,222,975	-\$21,030,795	-\$27,518,330	-\$20,267,862	-\$20,770,230	-\$25,861,177	-\$32,263,721	-\$247,117,350	13.33%
LTFP 2 - Cumulative Net Results - Summary All Layers																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
Layer 1. Base Case Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,667,523	-\$2,684,309	-\$8,778,726	-\$8,108,950	-\$10,605,259	-\$10,500,220	-\$12,290,137	-\$13,371,260	-\$14,861,212	-\$17,111,745	-\$19,842,005	-\$120,755,231	
Layers 1 & 2 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	\$33,917	-\$2,603,823	-\$2,641,092	-\$8,148,726	-\$7,466,482	-\$9,946,676	-\$9,823,353	-\$11,596,026	-\$12,659,645	-\$14,131,666	-\$16,363,818	-\$19,071,438	-\$114,386,629	
Layers 1, 2 & 3 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$41,083	-\$6,229,374	-\$6,728,440	-\$12,322,142	-\$11,725,114	-\$14,314,401	-\$14,314,465	-\$16,204,022	-\$14,117,940	-\$15,629,454	-\$17,902,229	-\$20,651,642	-\$150,148,108	
Layers 1, 2, 3 & 4 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$41,083	-\$8,283,374	-\$8,878,083	-\$14,456,481	-\$13,631,905	-\$16,080,642	-\$16,043,894	-\$18,100,459	-\$15,950,634	-\$17,365,918	-\$19,752,985	-\$22,497,587	-\$171,050,844	
Layers 1, 2, 3, 4 & 5 Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$255,283	-\$9,859,935	-\$11,146,458	-\$16,980,261	-\$16,509,521	-\$18,472,975	-\$19,030,795	-\$20,918,330	-\$19,117,862	-\$20,470,230	-\$23,011,177	-\$26,113,721	-\$201,854,350	
Layers 1, 2, 3, 4, 5 & 6. Net Result Surplus/(Deficit)	\$4,982,000	\$32,199	-\$1,088,283	-\$15,679,935	-\$18,176,458	-\$23,360,261	-\$18,909,521	-\$22,222,975	-\$21,030,795	-\$27,518,330	-\$20,267,862	-\$20,770,230	-\$25,861,177	-\$32,263,721	-\$247,117,350	
LTFP 2 - Cumulative Unrestricted Cash & Cash Equivalents Investments Balance - Summary All Layers																
Layer	2008/09 Actual	2009/10 MP Budget	2010/11 MP Projection	2011/12 MP Projection	2012/13 MP Projection	2013/14 Projected	2014/15 Projected	2015/16 Projected	2016/17 Projected	2017/18 Projected	2018/19 Projected	2019/20 Projected	2020/21 Projected	2021/22 Projected		
Layer 1. Base Case Net Result Surplus/(Deficit)	\$300,000	\$720,955	-\$624,459	-\$3,191,730	-\$5,899,763	-\$12,186,647	-\$20,469,829	-\$30,853,431	-\$41,255,284	-\$53,402,345	-\$66,384,293	-\$81,341,113	-\$98,183,953	-\$117,873,298		
Layers 1 & 2 Net Result Surplus/(Deficit)	\$300,000	\$828,776	\$201,999	-\$2,420,107	-\$5,619,889	-\$11,284,582	-\$18,917,655	-\$28,634,961	-\$38,353,469	-\$49,802,758	-\$62,064,911	-\$76,284,048	-\$92,370,837	-\$111,281,129		
Layers 1, 2 & 3 Net Result Surplus/(Deficit)	\$300,000	\$828,776	\$129,249	-\$6,001,086	-\$13,285,168	-\$23,120,694	-\$35,009,842	-\$49,091,600	-\$63,297,520	-\$79,351,298	-\$93,166,238	-\$108,881,978	-\$126,505,960	-\$146,995,202		
Layers 1, 2, 3 & 4 Net Result Surplus/(Deficit)	\$300,000	\$828,776	\$129,249	-\$7,674,462	-\$17,100,269	-\$29,073,656	-\$42,913,408	-\$58,785,790	-\$74,727,524	-\$92,648,766	-\$108,307,458	-\$125,776,357	-\$145,231,266	-\$167,567,288		
Layers 1, 2, 3, 4 & 5 Net Result Surplus/(Deficit)	\$300,000	\$828,776	-\$78,925	-\$9,230,307	-\$20,631,336	-\$35,120,021	-\$51,807,985	-\$70,090,908	-\$88,944,910	-\$109,740,409	-\$128,534,508	-\$149,149,248	-\$171,868,204	-\$197,898,285		
Layers 1, 2, 3, 4, 5 & 6. Net Result Surplus/(Deficit)	\$300,000	\$867,848	-\$886,935	-\$15,591,540	-\$34,103,436	-\$54,991,621	-\$74,198,985	-\$96,191,408	-\$117,097,910	-\$144,355,409	-\$164,463,008	-\$185,403,249	-\$210,895,704	-\$242,976,786		

Waverley Council - LTFP2 - Appendix 7

Base Layer	as per MP Budget >>>>													
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
INCOME STATEMENT														
Income from Continuing Operations														
<i>Revenue:</i>														
Rates	25,033,000	26,046,700	26,958,335	27,901,877	28,878,445	29,469,283	30,052,491	30,806,314	31,661,571	32,468,210	33,286,977	34,125,681	34,985,517	35,867,017
Domestic Waste Charges	9,790,000	10,024,750	10,016,385	10,007,727	10,147,516	10,599,805	11,052,095	11,504,384	11,956,673	12,408,962	12,861,252	13,313,541	13,765,830	14,218,120
Environmental levy	892,000	923,440	955,760	0	0	0	0	0	0	0	0	0	0	0
User Charges & Fees (excl. parking fees)	10,669,000	14,022,051	14,456,658	14,617,802	15,128,920	15,438,450	15,743,982	16,138,897	16,586,952	17,009,536	17,438,474	17,877,857	18,328,310	18,790,113
Regulatory Services	0	1,745,400	1,787,290	1,835,547	1,881,437	1,971,369	2,065,618	2,165,265	2,270,204	2,379,947	2,495,039	2,615,785	2,742,467	2,875,379
Interest & Investment Revenue (excl. FV adjustment)	2,619,000	1,645,500	1,245,500	1,045,500	1,045,500	1,190,513	588,255	93,976	0	0	0	0	0	0
Off Street Parking Income	4,776,000	4,874,000	5,091,352	5,322,993	5,562,388	5,840,507	6,132,533	6,439,159	6,761,117	7,099,173	7,454,132	7,826,839	8,218,180	8,629,089
Parking Meter Income	5,912,000	6,800,000	7,130,000	7,476,500	7,840,325	8,000,734	8,159,071	8,363,730	8,595,927	8,814,925	9,037,215	9,264,918	9,498,358	9,737,681
Parking Fines Income	10,671,000	11,000,000	11,413,000	11,840,455	12,282,871	12,534,172	12,782,228	13,102,852	13,466,618	13,809,706	14,157,952	14,514,678	14,880,392	15,255,321
Other Revenues	6,230,000	1,577,590	1,617,181	1,662,143	1,705,379	1,740,270	1,774,711	1,819,227	1,869,733	1,917,368	1,965,719	2,015,248	2,066,024	2,118,080
Fair Value Adjustments	(6,605,000)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	6,630,000	5,698,358	6,065,558	5,893,149	6,047,156	6,170,878	6,293,002	6,450,852	6,629,944	6,798,854	6,970,304	7,145,929	7,325,979	7,510,565
Grants & Contributions provided for Capital Purposes	4,272,000	2,921,871	2,336,522	2,650,106	2,513,023	2,378,020	2,392,824	2,411,958	2,433,667	2,454,142	2,474,925	2,496,214	2,518,039	2,540,414
<i>Other Income:</i>														
Asset Sales	(74,000)	297,845	126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Asset Sales - WDV	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	80,815,000	87,577,505	89,199,709	91,038,511	93,114,383	95,523,192	97,126,473	99,772,178	102,383,617	105,309,417	109,058,862	111,273,692	114,550,801	117,672,017
Expenses from Continuing Operations														
Employee Costs	42,744,000	43,919,551	46,004,086	48,166,640	50,574,983	53,104,238	55,759,981	58,548,537	61,476,550	64,550,992	67,779,187	71,168,824	74,727,977	78,465,123
Other Employment Costs	672,000	3,634,387	3,213,233	3,059,889	3,035,426	3,097,529	3,158,830	3,238,065	3,327,962	3,412,748	3,498,809	3,586,965	3,677,343	3,769,998
Borrowing Costs	489,000	390,150	317,000	236,000	160,000	103,323	58,546	22,061	0	0	0	0	0	0
Materials & Contracts	18,911,000	17,162,610	16,591,399	16,967,345	17,341,654	18,358,932	18,159,311	18,613,367	19,128,765	19,614,539	20,107,507	20,612,390	21,129,908	21,660,374
Depreciation & Amortisation	11,891,000	11,332,010	11,388,326	11,455,303	11,508,535	11,637,199	11,709,480	11,782,103	11,855,168	11,928,735	12,014,275	12,134,220	12,209,231	12,284,747
Other Expenses	13,017,000	16,235,596	16,589,739	17,064,605	17,602,345	18,135,321	18,004,727	18,456,349	19,343,377	19,664,963	20,331,275	21,022,632	22,075,785	22,472,844
Total Expenses from Continuing Operations	87,724,000	92,674,304	94,103,783	96,949,782	100,222,943	104,436,542	106,850,876	110,660,483	115,131,822	119,171,978	123,731,052	128,525,032	133,820,245	138,653,087
Operating Result from Continuing Operations - Surplus/(Deficit)	(6,909,000)	(5,096,799)	(4,904,074)	(5,911,271)	(7,108,560)	(8,913,350)	(9,724,402)	(10,888,304)	(12,748,204)	(13,862,560)	(14,672,190)	(17,251,339)	(19,269,444)	(20,981,069)
Capital Purchases														
Operating Plant & Equipment	0	4,216,758	796,247	4,194,758	554,687	1,244,045	511,280	3,742,904	887,615	1,003,669	4,975,647	454,786	1,324,808	660,245
Furniture & Equipment	0	31,500	31,500	31,500	31,500	316,812	87,837	88,526	89,231	89,949	90,683	91,433	92,198	92,979
Library Resources	0	268,800	268,800	268,800	268,800	274,445	280,208	286,093	292,100	298,235	304,497	310,892	317,421	324,087
Capital Works Program	0	10,144,917	6,552,658	5,323,262	8,322,387	9,454,503	7,062,313	7,106,519	7,156,672	8,353,974	11,794,488	7,301,170	7,351,592	8,725,784
Total Capital Purchases	0	14,661,975	7,649,205	9,818,320	9,177,374	11,289,804	7,941,638	11,224,041	8,425,618	9,745,827	17,165,315	8,158,281	9,086,018	9,803,094
Sources of Funding														
Reserves														
Transfer to Reserve - Operating Expenses	0	3,509,377	4,202,241	3,846,968	3,837,183	3,926,520	4,007,657	4,052,278	4,071,408	4,082,178	4,070,332	4,039,417	3,988,156	3,914,712
Transfer to Reserve - Capital Expenses	0	0	0	300,000	150,000	0	0	0	0	0	0	0	0	0
Total transfer to Reserve	0	3,509,377	4,202,241	4,146,968	3,987,183	3,926,520	4,007,657	4,052,278	4,071,408	4,082,178	4,070,332	4,039,417	3,988,156	3,914,712
Transfer from Reserve - Operating Expenses	0	1,243,731	385,000	250,000	550,000	1,395,098	362,637	364,018	689,405	367,213	368,506	369,744	706,347	372,046
Transfer from Reserve - Capital Expenses	0	12,101,009	5,411,761	5,593,383	6,943,823	5,362,589	2,128,041	3,552,646	2,200,436	3,104,479	10,153,797	2,083,861	2,316,295	2,200,078
Total transfer from Reserve	0	13,344,740	5,796,761	5,843,383	7,493,823	6,757,687	2,490,678	3,916,664	2,889,841	3,471,693	10,522,303	2,453,605	3,022,642	2,572,124
Net Reserve Movements to/(from)	0	(9,835,363)	(1,594,520)	(1,696,415)	(3,506,640)	(2,831,167)	1,516,980	135,614	1,181,567	610,485	(6,451,971)	1,585,812	965,514	1,342,588
Loan														
Loan - Internal	0	0	950,000	1,300,000	0	(2,250,000)	0	0	0	0	0	0	0	0
Loan - External	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Loan Balance	0	(1,376,400)	(395,650)	(89,650)	(1,413,550)	(3,043,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Result for the Year - Surplus/(Deficit)	(6,909,000)	(11,299,811)	(11,354,409)	(14,122,826)	(14,192,844)	(20,415,925)	(19,818,430)	(22,387,362)	(22,355,389)	(24,218,872)	(25,385,535)	(26,995,431)	(29,320,976)	(32,126,752)
Net Budget Result for the Year (excl. Depreciation & Amortisation)	4,982,000	32,199	33,917	(2,667,523)	(2,684,309)	(8,778,726)	(8,108,950)	(10,605,259)	(10,500,220)	(12,290,137)	(13,371,260)	(14,861,212)	(17,111,745)	(19,842,005)

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Base Layer	as per MP Budget >>>>													
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
BALANCE SHEET														
CURRENT ASSETS														
Cash & Cash Equivalents	15,131,000	720,956	(624,458)	(3,191,729)	(5,899,762)	(12,186,646)	(20,469,828)	(30,853,430)	(41,255,284)	(53,402,345)	(66,384,292)	(81,341,112)	(98,183,952)	(117,873,297)
Investments	19,456,000	28,458,067	25,866,596	25,197,698	21,072,236	18,899,501	19,946,886	20,849,501	21,500,926	21,574,320	18,040,770	19,131,987	19,655,349	20,630,349
Receivables	6,328,000	6,141,049	6,299,296	6,375,876	6,506,034	6,605,872	6,651,357	6,728,409	6,851,056	6,975,100	7,101,787	7,231,652	7,364,820	7,501,385
Inventories	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Other	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000
Non-current assets held for sale	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000
Total Current Assets	42,865,000	37,270,072	33,491,434	30,331,845	23,628,507	15,268,727	8,078,416	-1,325,519	-10,953,301	-22,902,925	-39,291,734	-53,027,472	-69,213,783	-87,791,562
NON-CURRENT ASSETS														
Investments	13,599,000	9,892,043	10,888,994	8,561,477	9,180,299	8,521,867	8,991,461	8,224,460	8,754,602	9,291,694	6,373,272	6,867,867	7,310,019	7,677,608
Receivables	2,137,000	2,054,623	1,987,859	2,004,223	2,021,160	2,034,667	2,044,389	2,055,462	2,068,787	2,082,550	2,096,011	2,109,737	2,123,803	2,138,224
Infrastructure, Property, Plant & Equipment	1,039,673,000	1,043,002,965	1,039,263,844	1,037,626,861	1,035,295,700	1,034,948,306	1,031,180,464	1,030,622,402	1,027,192,852	1,025,009,944	1,030,160,984	1,026,185,045	1,023,061,832	1,020,580,179
Investment Property	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000
Non-current assets classified as "held for sale"	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000	44,955,000
Total Non-Current Assets	1,212,720,000	1,212,260,631	1,209,451,697	1,205,503,561	1,203,808,159	1,202,815,839	1,199,527,315	1,198,213,325	1,195,327,241	1,193,695,188	1,195,941,267	1,192,473,649	1,189,806,654	1,187,707,011
Total Assets	1,255,585,000	1,249,530,703	1,242,943,131	1,235,835,406	1,227,436,666	1,218,084,566	1,207,605,730	1,196,887,806	1,184,373,941	1,170,792,263	1,156,649,533	1,139,446,177	1,120,592,871	1,099,915,448
CURRENT LIABILITIES														
Payables	9,290,000	10,048,407	9,651,908	9,784,258	9,839,867	10,123,891	9,930,145	10,161,467	10,313,423	10,507,803	10,946,434	10,899,045	11,215,042	11,413,539
Borrowings	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	774,812	139,402	0	0	0	0	0	0	0
Provisions	17,884,000	17,544,495	17,603,146	17,663,992	17,731,753	17,802,917	17,877,640	17,956,099	18,038,482	18,124,985	18,215,815	18,311,186	18,411,327	18,516,476
Total Current Liabilities	28,550,000	28,968,902	28,631,054	28,824,250	28,947,620	28,701,621	27,947,187	28,117,566	28,351,906	28,632,788	29,162,248	29,210,231	29,626,370	29,930,016
NON-CURRENT LIABILITIES														
Borrowings	5,718,000	4,341,600	2,995,950	1,606,300	192,750	0	0	0	0	0	0	0	0	0
Provisions	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Total Non-Current Liabilities	6,293,000	4,916,600	3,570,950	2,181,300	767,750	575,000								
Total Liabilities	34,843,000	33,885,502	32,202,004	31,005,550	29,715,370	29,276,621	28,522,187	28,692,566	28,926,906	29,207,788	29,737,248	29,785,231	30,201,370	30,505,016
NET ASSETS	1,220,742,000	1,215,645,201	1,210,741,127	1,204,829,856	1,197,721,296	1,188,807,946	1,179,083,544	1,168,195,239	1,155,447,035	1,141,584,475	1,126,912,285	1,109,660,945	1,090,391,502	1,069,410,432
EQUITY														
Retained Earning	1,117,822,000	1,110,913,000	1,105,816,201	1,100,912,127	1,095,000,856	1,087,892,296	1,078,978,946	1,069,254,544	1,058,366,239	1,045,618,035	1,031,755,475	1,017,083,285	999,831,945	980,562,502
Revaluation Reserves	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000
Retained Earning	1,227,651,000	1,220,742,000	1,215,645,201	1,210,741,127	1,204,829,856	1,197,721,296	1,188,807,946	1,179,083,544	1,168,195,239	1,155,447,035	1,141,584,475	1,126,912,285	1,109,660,945	1,090,391,502
Surplus/(Deficit) Operating Result & Capital Revenue	(6,909,000)	(5,096,799)	(4,904,074)	(5,911,271)	(7,108,560)	(8,913,350)	(9,724,402)	(10,888,304)	(12,748,204)	(13,862,560)	(14,672,190)	(17,251,339)	(19,269,444)	(20,981,069)
TOTAL EQUITY	1,220,742,000	1,215,645,201	1,210,741,127	1,204,829,856	1,197,721,296	1,188,807,946	1,179,083,544	1,168,195,239	1,155,447,035	1,141,584,475	1,126,912,285	1,109,660,945	1,090,391,502	1,069,410,432
Total Cash, Cash Equivalents & Investment Securities attributable to:														
- External Restrictions	12,257,000	9,892,043	10,888,994	8,561,477	9,180,299	8,521,867	8,991,462	8,224,461	8,754,603	9,291,694	6,373,273	6,867,867	7,310,020	7,677,608
- Internal Restrictions	35,629,000	28,458,067	25,866,596	25,197,698	21,072,236	18,899,502	19,946,887	20,849,502	21,500,927	21,574,320	18,040,771	19,131,988	19,655,350	20,630,350
- Unrestricted	300,000	720,955	(624,459)	(3,191,730)	(5,899,763)	(12,186,647)	(20,469,829)	(30,853,431)	(41,255,284)	(53,402,345)	(66,384,293)	(81,341,113)	(98,183,953)	(117,873,298)
Total	48,186,000	39,071,066	36,131,132	30,567,446	24,352,773	15,234,722	8,468,520	(1,779,468)	(10,999,755)	(22,536,331)	(41,970,249)	(55,341,258)	(71,218,583)	(89,565,340)

Waverley Council - LTFP2 - Appendix 7

Base Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
CASH FLOW STATEMENT														
Cash Flows from Operation Activities														
<u>Receipts</u>														
Rates	35,920,000	25,919,904	26,930,416	27,872,981	28,848,538	29,451,188	30,034,630	30,783,228	31,635,379	32,443,506	33,261,903	34,099,996	34,959,184	35,840,021
Domestic Waste Charge		9,980,114	10,016,641	10,007,992	10,143,235	10,585,954	11,038,243	11,490,532	11,942,822	12,395,111	12,847,400	13,299,690	13,751,979	14,204,268
Environmental Levy		919,065	954,770	29,270	0	0	0	0	0	0	0	0	0	0
User Charges & Fees	22,596,000	27,173,424	28,433,945	29,224,336	30,377,364	31,225,271	32,075,041	33,076,097	34,180,128	35,270,055	36,390,353	37,549,683	38,750,326	39,993,949
Investments Income	2,628,000	1,726,625	1,278,833	1,062,167	1,045,500	1,178,429	638,443	135,166	7,831	0	0	0	0	0
Grants & Contributions	11,183,000	8,648,408	8,408,761	8,537,650	8,559,658	8,549,245	8,681,611	8,857,364	9,057,431	9,247,168	9,439,313	9,636,083	9,837,805	10,044,610
Other Operating Receipts	17,581,000	13,181,447	12,958,692	13,426,459	13,911,571	14,230,569	14,513,632	14,866,103	15,272,843	15,667,176	16,062,873	16,467,648	16,882,569	17,307,945
	89,908,000	87,548,988	88,982,058	90,160,855	92,885,866	95,220,656	96,981,601	99,208,489	102,096,434	105,023,016	108,001,843	111,053,098	114,181,864	117,390,793
<u>Payments</u>														
Employee Benefits & On-Costs	41,816,000	44,259,056	45,945,435	48,105,794	50,507,221	53,033,074	55,685,258	58,470,078	61,394,167	64,464,489	67,688,358	71,073,453	74,627,836	78,359,974
Materials & Contracts	22,307,000	20,587,415	19,975,952	19,971,864	20,316,387	21,269,206	21,342,138	21,758,915	22,351,718	22,928,304	23,505,863	24,096,473	24,701,791	25,322,270
Borrowing Costs	510,000	493,847	392,934	320,507	239,145	162,389	105,195	60,077	22,985	0	0	0	0	0
Other Operating Expenses	13,328,000	15,679,944	16,528,600	16,968,191	17,509,056	18,042,859	18,027,383	18,378,000	19,189,492	19,609,173	20,215,681	20,902,692	21,893,080	22,403,961
	77,961,000	81,020,261	82,842,922	85,366,356	88,571,810	92,507,528	95,159,974	98,667,070	102,958,361	107,001,966	111,409,902	116,072,618	121,222,707	126,086,205
Net Cash provided by (or used in) Operating Activities	11,947,000	6,528,726	6,139,136	4,794,498	4,314,056	2,713,128	1,821,626	541,420	(861,927)	(1,978,950)	(3,408,059)	(5,019,520)	(7,040,843)	(8,695,413)
CASH FLOW FROM INVESTING ACTIVITIES														
<u>Receipts</u>														
Proceeds from sale of Infrastructure, Property, Plant and Equipment	26,000	297,845	126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Proceeds from sale of Investment Securities	17,969,000	3,706,957	2,591,471	2,996,415	4,125,462	2,831,167	0	767,001	0	0	6,451,971	0	0	0
	17,995,000	4,004,802	2,717,639	3,781,127	4,206,885	3,020,357	89,665	1,242,565	151,211	148,595	7,368,842	77,003	221,704	130,238
<u>Payments</u>														
Purchase of Infrastructure, Property, Plant & equipment	11,777,000	14,565,106	7,859,588	9,753,247	9,196,602	11,226,431	8,042,083	11,125,569	8,509,570	9,706,221	16,942,731	8,428,492	9,058,186	9,781,582
Purchase Investment Properties	65,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Investment Securities	26,454,000	9002067	996951	0	618822	0	1516979.554	902615	1181566.865	610485.2249	0	1585811.623	965514.1851	1342588.437
	38,296,000	23,567,173	8,856,539	9,753,247	9,815,424	11,226,431	9,559,063	12,028,184	9,691,137	10,316,706	16,942,731	10,014,303	10,023,700	11,124,171
Net Cash provided by (or used in) Investing Activities	(20,301,000)	(19,562,371)	(6,138,900)	(5,972,120)	(5,608,539)	(8,206,075)	(9,469,398)	(10,785,620)	(9,539,926)	(10,168,111)	(9,573,889)	(9,937,300)	(9,801,996)	(10,993,933)
CASH FLOW FROM FINANCING ACTIVITIES														
<u>Receipts</u>														
Proceeds from Borrowings and Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>														
Repayments of Borrowings & Advances	1421000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
	1,421,000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Net Cash provided by (or used in) Financing Activities	(1,421,000)	(1,376,400)	(1,345,650)	(1,389,650)	(1,413,550)	(793,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Increase (Decrease) in cash held	(9,775,000)	(14,410,044)	(1,345,414)	(2,567,271)	(2,708,033)	(6,286,884)	(8,283,182)	(10,383,602)	(10,401,854)	(12,147,061)	(12,981,948)	(14,956,820)	(16,842,840)	(19,689,345)
Cash Assets & Investments at the beginning of the reporting period	24,906,000	15,131,000	720,956	(624,458)	(3,191,729)	(5,899,762)	(12,186,646)	(20,469,828)	(30,853,430)	(41,255,284)	(53,402,345)	(66,384,292)	(81,341,112)	(98,183,952)
Cash at the end of the reporting period	15,131,000	720,956	(624,458)	(3,191,729)	(5,899,762)	(12,186,646)	(20,469,828)	(30,853,430)	(41,255,284)	(53,402,345)	(66,384,292)	(81,341,112)	(98,183,952)	(117,873,297)

Waverley Council - LTFP2 - Appendix 8

Investment Strategy Layer

	as per MP Budget >>>>													
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
INCOME STATEMENT														
Income from Continuing Operations														
<i>Revenue:</i>														
Rates	25,033,000	26,046,700	26,958,335	27,901,877	28,878,445	29,469,283	30,052,491	30,806,314	31,661,571	32,468,210	33,286,977	34,125,681	34,985,517	35,867,017
Domestic Waste Charges	9,790,000	10,024,750	10,016,385	10,007,727	10,147,516	10,599,805	11,052,095	11,504,384	11,956,673	12,408,962	12,861,252	13,313,541	13,765,830	14,218,120
Environmental levy	892,000	923,440	955,760	0	0	0	0	0	0	0	0	0	0	0
User Charges & Fees (excl. parking fees)	10,669,000	14,022,051	14,456,658	15,490,968	16,022,041	16,349,844	16,673,413	17,095,213	17,585,520	18,033,544	18,507,196	18,993,360	19,492,764	20,005,795
Regulatory Services	0	1,745,400	1,787,290	1,835,547	1,881,437	1,971,369	2,065,618	2,165,265	2,270,204	2,379,947	2,495,039	2,615,785	2,742,467	2,875,379
Interest & Investment Revenue (excl. FV adjustment)	2,619,000	1,645,500	1,245,500	1,045,500	1,045,500	1,190,513	588,255	93,976	0	0	0	0	0	0
Off Street Parking Income	4,776,000	4,874,000	5,091,352	5,322,993	5,562,388	5,840,507	6,132,533	6,439,159	6,761,117	7,099,173	7,454,132	7,826,839	8,218,180	8,629,089
Parking Meter Income	5,912,000	6,800,000	7,130,000	7,476,500	7,840,325	8,000,734	8,159,071	8,363,730	8,595,927	8,814,925	9,037,215	9,264,918	9,498,358	9,737,681
Parking Fines Income	10,671,000	11,000,000	11,413,000	11,840,455	12,282,871	12,534,172	12,782,228	13,102,852	13,466,618	13,809,706	14,157,952	14,514,678	14,880,392	15,255,321
Other Revenues	6,230,000	1,577,590	2,037,393	2,347,624	2,869,306	3,056,838	3,091,528	3,156,349	3,274,704	3,400,405	3,471,026	3,556,092	3,655,333	3,757,199
Fair Value Adjustments	(6,605,000)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	6,630,000	5,698,358	6,065,558	5,893,149	6,047,156	6,170,878	6,293,002	6,450,852	6,629,944	6,798,854	6,970,304	7,145,929	7,325,979	7,510,565
Grants & Contributions provided for Capital Purposes	4,272,000	4,721,871	3,716,522	2,650,106	2,513,023	2,378,020	2,392,824	2,411,958	2,433,667	2,454,142	2,474,925	2,496,214	2,518,039	2,540,414
<i>Other Income:</i>														
Asset Sales	(74,000)	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Asset Sales - WDV	0	(1,115,000)	(44,955,000)	0	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	80,815,000	89,437,841	85,044,921	92,597,158	95,171,431	97,751,154	99,372,721	102,065,616	104,787,156	107,816,462	111,632,891	113,930,039	117,304,564	120,526,818
Expenses from Continuing Operations														
Employee Costs	42,744,000	43,919,551	46,004,086	48,391,640	50,811,233	53,352,300	56,020,446	58,822,026	61,763,713	64,852,514	68,095,785	71,501,252	75,077,026	78,831,625
Other Employment Costs	672,000	3,634,387	3,213,233	3,059,889	3,035,426	3,097,529	3,158,830	3,238,065	3,327,962	3,412,748	3,498,809	3,586,965	3,677,343	3,769,998
Borrowing Costs	489,000	390,150	317,000	236,000	160,000	103,323	58,546	22,061	0	0	0	0	0	0
Materials & Contracts	18,911,000	17,162,610	16,591,399	17,776,811	18,186,009	19,238,639	19,075,839	19,569,683	20,127,333	20,638,547	21,176,229	21,727,893	22,294,362	22,876,056
Depreciation & Amortisation	11,891,000	11,332,010	11,406,493	11,473,470	12,343,385	12,472,049	12,544,330	12,616,953	12,690,018	12,763,585	12,849,125	12,969,070	13,044,081	13,119,597
Other Expenses	13,017,000	16,255,596	16,954,879	17,324,745	18,021,019	18,562,561	18,440,422	18,902,973	19,802,400	20,135,681	20,813,863	21,517,378	22,582,996	22,992,833
Total Expenses from Continuing Operations	87,724,000	92,694,304	94,487,090	98,262,555	102,557,072	106,826,402	109,298,414	113,171,761	117,711,426	121,803,075	126,433,810	131,302,558	136,675,808	141,590,109
Operating Result from Continuing Operations - Surplus/(Deficit)	(6,909,000)	(3,256,463)	(9,442,169)	(5,665,397)	(7,385,641)	(9,075,248)	(9,925,693)	(11,106,145)	(12,924,270)	(13,986,612)	(14,800,919)	(17,372,519)	(19,371,244)	(21,063,291)
Capital Purchases														
Operating Plant & Equipment	0	4,216,758	796,247	4,194,758	554,687	1,244,045	511,280	3,742,904	887,615	1,003,669	4,975,647	454,786	1,324,808	660,245
Furniture & Equipment	0	31,500	31,500	31,500	31,500	316,812	87,837	88,526	89,231	89,949	90,683	91,433	92,198	92,979
Library Resources	0	268,800	268,800	268,800	268,800	274,445	280,208	286,093	292,100	298,235	304,497	310,892	317,421	324,087
Capital Works Program	0	15,461,343	33,837,723	24,123,262	8,672,387	9,454,503	7,062,313	7,106,519	7,156,672	8,353,974	11,794,488	7,301,170	7,351,592	8,725,784
Total Capital Purchases	0	19,978,401	34,934,270	28,618,320	9,527,374	11,289,804	7,941,638	11,224,041	8,425,618	9,745,827	17,165,315	8,158,281	9,086,018	9,803,094
Sources of Funding														
Reserves														
Transfer to Reserve - Operating Expenses	0	3,509,377	4,202,241	3,846,968	3,837,183	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer to Reserve - Capital Expenses	0	0	15,150,007	300,000	314,552	0	0	0	0	0	0	0	0	0
Total transfer to Reserve	0	3,509,377	19,352,248	4,146,968	4,151,735	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer from Reserve - Operating Expenses	0	1,243,731	385,000	250,000	550,000	1,395,098	371,546	405,592	707,488	367,213	374,000	385,619	721,225	389,984
Transfer from Reserve - Capital Expenses	0	14,462,099	7,411,761	24,193,042	6,943,823	5,362,589	2,128,041	3,552,646	2,200,436	3,104,479	10,153,797	2,083,861	2,316,295	2,200,078
Total transfer from Reserve	0	15,705,830	7,796,761	24,443,042	7,493,823	6,757,687	2,499,586	3,958,238	2,907,924	3,471,693	10,527,797	2,469,480	3,037,519	2,590,062
Net Reserve Movements to/(from)	0	(12,196,453)	11,555,487	(20,296,074)	(3,342,088)	(2,788,214)	1,508,071	94,040	1,163,484	627,171	(6,457,465)	1,569,937	950,637	1,324,650
Loan														
Loan - Internal	0	0	950,000	1,300,000	0	(2,250,000)	0	0	0	0	0	0	0	0
Loan - External	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Loan Balance	0	(1,376,400)	(395,650)	(89,650)	(1,413,550)	(3,043,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Result for the Year - Surplus/(Deficit)	(6,909,000)	(12,414,811)	(56,327,576)	(14,077,293)	(14,984,477)	(20,620,775)	(20,010,812)	(22,563,629)	(22,513,372)	(24,359,611)	(25,508,769)	(27,100,736)	(29,407,899)	(32,191,035)
Net Budget Result for the Year (excl. Depreciation & Amortisation)	4,982,000	32,199	33,917	(2,603,823)	(2,641,092)	(8,148,726)	(7,466,482)	(9,946,676)	(9,823,353)	(11,596,026)	(12,659,645)	(14,131,666)	(16,363,818)	(19,071,438)

Waverley Council - LTFF2 - Appendix 8

Investment Strategy Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
BALANCE SHEET														
CURRENT ASSETS														
Cash & Cash Equivalents	15,131,000	828,776	201,999	(2,420,107)	(5,619,889)	(11,284,581)	(18,917,654)	(28,634,960)	(38,353,469)	(49,802,757)	(62,064,910)	(76,284,048)	(92,370,836)	(111,281,129)
Investments	19,456,000	27,096,977	39,655,513	21,386,956	17,426,046	15,296,264	16,334,740	17,195,781	17,829,123	17,919,203	14,380,159	15,455,501	15,963,986	16,921,048
Receivables	6,328,000	6,196,174	6,354,427	6,423,843	6,569,339	6,674,438	6,720,485	6,798,990	6,925,025	7,052,254	7,181,003	7,313,401	7,449,567	7,589,242
Inventories	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Other	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000
Non-current assets held for sale	1,115,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	42,865,000	34,956,927	47,046,940	26,225,693	19,210,497	11,521,121	4,972,572	-3,805,189	-12,764,320	-23,996,300	-39,668,748	-52,680,145	-68,122,284	-85,935,839
NON-CURRENT ASSETS														
Investments	13,599,000	8,892,043	7,888,994	4,561,477	5,180,299	4,521,867	4,991,461	4,224,460	4,754,602	5,291,694	2,373,272	2,867,867	3,310,019	3,677,608
Receivables	2,137,000	2,054,623	1,987,859	2,004,223	2,021,160	2,034,667	2,044,389	2,055,462	2,068,787	2,082,550	2,096,011	2,109,737	2,123,803	2,138,224
Infrastructure, Property, Plant & Equipment	1,039,673,000	1,048,319,391	1,071,847,168	1,088,992,018	1,086,176,007	1,084,993,763	1,080,391,071	1,078,998,159	1,074,733,759	1,071,716,001	1,076,032,191	1,071,221,402	1,067,263,339	1,063,946,836
Investment Property	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000
Non-current assets classified as "held for sale"	44,955,000	44,955,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	1,212,720,000	1,216,577,057	1,194,080,021	1,207,913,718	1,205,733,466	1,203,906,296	1,199,782,922	1,197,634,082	1,193,913,148	1,191,446,245	1,192,857,474	1,188,555,006	1,185,053,161	1,182,118,668
Total Assets	1,255,585,000	1,251,533,984	1,241,126,961	1,234,139,411	1,224,943,963	1,215,427,417	1,204,755,494	1,193,828,893	1,181,148,828	1,167,449,945	1,153,188,727	1,135,874,861	1,116,930,878	1,096,182,828
CURRENT LIABILITIES														
Payables	9,290,000	10,211,353	10,533,497	10,533,818	10,069,482	10,350,625	10,164,734	10,404,855	10,566,292	10,767,113	11,215,561	11,178,397	11,505,049	11,714,650
Borrowings	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	774,812	139,402	0	0	0	0	0	0	0
Provisions	17,884,000	17,544,495	17,603,146	17,670,322	17,738,401	17,809,897	17,884,968	17,963,794	18,046,562	18,133,469	18,224,722	18,320,539	18,421,148	18,526,788
Total Current Liabilities	28,550,000	29,131,847	29,512,643	29,580,140	29,183,882	28,935,334	28,189,104	28,368,649	28,612,854	28,900,583	29,440,284	29,498,937	29,926,198	30,241,439
NON-CURRENT LIABILITIES														
Borrowings	5,718,000	4,341,600	2,995,950	1,606,300	192,750	0	0	0	0	0	0	0	0	0
Provisions	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Total Non-Current Liabilities	6,293,000	4,916,600	3,570,950	2,181,300	767,750	575,000								
Total Liabilities	34,843,000	34,048,447	33,083,593	31,761,440	29,951,632	29,510,334	28,764,104	28,943,649	29,187,854	29,475,583	30,015,284	30,073,937	30,501,198	30,816,439
NET ASSETS	1,220,742,000	1,217,485,537	1,208,043,368	1,202,377,971	1,194,992,330	1,185,917,082	1,175,991,389	1,164,885,244	1,151,960,974	1,137,974,362	1,123,173,443	1,105,800,924	1,086,429,680	1,065,366,390
EQUITY														
Retained Earning	1,117,822,000	1,110,913,000	1,107,656,537	1,098,214,368	1,092,548,971	1,085,163,330	1,076,088,082	1,066,162,389	1,055,056,244	1,042,131,974	1,028,145,362	1,013,344,443	995,971,924	976,600,680
Revaluation Reserves	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000
Retained Earning	1,227,651,000	1,220,742,000	1,217,485,537	1,208,043,368	1,202,377,971	1,194,992,330	1,185,917,082	1,175,991,389	1,164,885,244	1,151,960,974	1,137,974,362	1,123,173,443	1,105,800,924	1,086,429,680
Surplus/(Deficit) Operating Result & Capital Revenue	(6,909,000)	(3,256,463)	(9,442,169)	(5,665,397)	(7,385,641)	(9,075,248)	(9,925,693)	(11,106,145)	(12,924,270)	(13,986,612)	(14,800,919)	(17,372,519)	(19,371,244)	(21,063,291)
TOTAL EQUITY	1,220,742,000	1,217,485,537	1,208,043,368	1,202,377,971	1,194,992,330	1,185,917,082	1,175,991,389	1,164,885,244	1,151,960,974	1,137,974,362	1,123,173,443	1,105,800,924	1,086,429,680	1,065,366,390
Total Cash, Cash Equivalents & Investment Securities attributable to:														
- External Restrictions	12,257,000	8,892,043	7,888,994	4,561,477	5,180,299	4,521,867	4,991,462	4,224,461	4,754,603	5,291,694	2,373,273	2,867,867	3,310,020	3,677,608
- Internal Restrictions	35,629,000	27,096,977	39,655,513	21,386,956	17,426,046	15,296,264	16,334,741	17,195,781	17,829,124	17,919,203	14,380,160	15,455,502	15,963,986	16,921,048
- Unrestricted	300,000	828,776	201,999	(2,420,107)	(5,619,889)	(11,284,582)	(18,917,655)	(28,634,961)	(38,353,469)	(49,802,758)	(62,064,911)	(76,284,048)	(92,370,837)	(111,281,129)
Total	48,186,000	36,817,796	47,746,506	23,528,326	16,986,456	8,533,550	2,408,548	(7,214,718)	(15,769,743)	(26,591,860)	(45,311,478)	(57,960,679)	(73,096,831)	(90,682,473)

Waverley Council - LTFF2 - Appendix 8

Investment Strategy Layer

	as per MP Budget >>>>													
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
CASH FLOW STATEMENT														
Cash Flows from Operation Activities														
<u>Receipts</u>														
Rates	35,920,000	25,919,904	26,930,416	27,872,981	28,848,538	29,451,188	30,034,630	30,783,228	31,635,379	32,443,506	33,261,903	34,099,996	34,959,184	35,840,021
Domestic Waste Charge		9,980,114	10,016,641	10,007,992	10,143,235	10,585,954	11,038,243	11,490,532	11,942,822	12,395,111	12,847,400	13,299,690	13,751,979	14,204,268
Environmental Levy		919,065	954,770	29,270	0	0	0	0	0	0	0	0	0	0
User Charges & Fees	22,596,000	27,173,424	28,433,945	30,070,630	31,269,871	32,136,103	33,003,917	34,031,585	35,177,395	36,293,280	37,457,699	38,663,746	39,913,274	41,208,054
Investments Income	2,628,000	1,726,625	1,278,833	1,062,167	1,045,500	1,178,429	638,443	135,166	7,831	0	0	0	0	0
Grants & Contributions	11,183,000	10,393,283	9,801,623	8,579,913	8,559,658	8,549,245	8,681,611	8,857,364	9,057,431	9,247,168	9,439,313	9,636,083	9,837,805	10,044,610
Other Operating Receipts	17,581,000	13,181,447	13,366,035	14,103,714	15,060,774	15,542,440	15,830,442	16,202,600	16,675,726	17,147,811	17,567,495	18,007,398	18,470,386	18,945,531
	89,908,000	89,293,863	90,782,264	91,726,666	94,927,576	97,443,359	99,227,286	101,500,475	104,496,585	107,526,876	110,573,811	113,706,912	116,932,629	120,242,484
<u>Payments</u>														
Employee Benefits & On-Costs	41,816,000	44,259,056	45,945,435	48,324,463	50,743,155	53,280,804	55,945,375	58,743,201	61,680,945	64,765,606	68,004,531	71,405,435	74,976,417	78,725,985
Materials & Contracts	22,307,000	20,587,415	19,975,952	20,640,901	21,154,690	22,142,780	22,252,278	22,708,328	23,342,956	23,947,899	24,566,828	25,203,860	25,857,753	26,529,065
Borrowing Costs	510,000	493,847	392,934	320,507	239,145	162,389	105,195	60,077	22,985	0	0	0	0	0
Other Operating Expenses	13,328,000	15,696,491	16,834,156	17,246,238	17,900,227	18,468,612	18,461,611	18,822,728	19,646,364	20,077,862	20,696,209	21,395,329	22,398,128	22,921,733
	77,961,000	81,036,809	83,148,477	86,532,109	90,037,216	94,054,586	96,764,459	100,334,334	104,693,250	108,791,367	113,267,569	118,004,624	123,232,298	128,176,783
Net Cash provided by (or used in) Operating Activities	11,947,000	8,257,054	7,633,786	5,194,557	4,890,359	3,388,772	2,462,826	1,166,142	(196,665)	(1,264,492)	(2,693,758)	(4,297,712)	(6,299,670)	(7,934,298)
CASH FLOW FROM INVESTING ACTIVITIES														
<u>Receipts</u>														
Proceeds from sale of Infrastructure, Property, Plant and Equipment	26,000	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Proceeds from sale of Investment Securities	17,969,000	4,706,957	1,003,049	21,596,074	3,960,910	2,788,214	0	767,001	0	0	6,457,465	0	0	0
	17,995,000	6,180,138	40,129,217	22,380,786	4,042,333	2,977,404	89,665	1,242,565	151,211	148,595	7,374,336	77,003	221,704	130,238
<u>Payments</u>														
Purchase of Infrastructure, Property, Plant & equipment	11,777,000	19,722,039	34,485,594	28,807,799	10,100,102	11,236,931	8,042,083	11,125,569	8,509,570	9,706,221	16,942,731	8,428,492	9,058,186	9,781,582
Purchase Investment Properties	65,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Investment Securities	26,454,000	7640977	12558536	0	618822	0	1508070.869	861040.8694	1163484.091	627171.3158	0	1569936.622	950636.7184	1324650.267
	38,296,000	27,363,016	47,044,130	28,807,799	10,718,924	11,236,931	9,550,154	11,986,610	9,673,055	10,333,392	16,942,731	9,998,428	10,008,823	11,106,232
Net Cash provided by (or used in) Investing Activities	(20,301,000)	(21,182,878)	(6,914,913)	(6,427,013)	(6,676,591)	(8,259,527)	(9,460,489)	(10,744,045)	(9,521,844)	(10,184,797)	(9,568,395)	(9,921,425)	(9,787,119)	(10,975,994)
CASH FLOW FROM FINANCING ACTIVITIES														
<u>Receipts</u>														
Proceeds from Borrowings and Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>														
Repayments of Borrowings & Advances	1421000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
	1,421,000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Net Cash provided by (or used in) Financing Activities	(1,421,000)	(1,376,400)	(1,345,650)	(1,389,650)	(1,413,550)	(793,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Increase (Decrease) in cash held	(9,775,000)	(14,302,224)	(626,777)	(2,622,106)	(3,199,782)	(5,664,692)	(7,633,073)	(9,717,306)	(9,718,509)	(11,449,289)	(12,262,153)	(14,219,138)	(16,086,788)	(18,910,293)
Cash Assets & Investments at the beginning of the reporting period	24,906,000	15,131,000	828,776	201,999	(2,420,107)	(5,619,889)	(11,284,581)	(18,917,654)	(28,634,960)	(38,353,469)	(49,802,757)	(62,064,910)	(76,284,048)	(92,370,836)
Cash at the end of the reporting period	15,131,000	828,776	201,999	(2,420,107)	(5,619,889)	(11,284,581)	(18,917,654)	(28,634,960)	(38,353,469)	(49,802,757)	(62,064,910)	(76,284,048)	(92,370,836)	(111,281,129)

Waverley Council - LTFP2 - Appendix 9

Sustainable Assets Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
INCOME STATEMENT														
Income from Continuing Operations														
<i>Revenue:</i>														
Rates	25,033,000	26,046,700	26,958,335	27,901,877	28,878,445	29,469,283	30,052,491	30,806,314	31,661,571	32,468,210	33,286,977	34,125,681	34,985,517	35,867,017
Domestic Waste Charges	9,790,000	10,024,750	10,016,385	10,007,727	10,147,516	10,599,805	11,052,095	11,504,384	11,956,673	12,408,962	12,861,252	13,313,541	13,765,830	14,218,120
Environmental levy	892,000	923,440	955,760	0	0	0	0	0	0	0	0	0	0	0
User Charges & Fees (excl. parking fees)	10,669,000	14,022,051	14,456,658	15,490,968	16,022,041	16,349,844	16,673,413	17,095,213	17,585,520	18,033,544	18,507,196	18,993,360	19,492,764	20,005,795
Regulatory Services	0	1,745,400	1,787,290	1,835,547	1,881,437	1,971,369	2,065,618	2,165,265	2,270,204	2,379,947	2,495,039	2,615,785	2,742,467	2,875,379
Interest & Investment Revenue (excl. FV adjustment)	2,619,000	1,645,500	1,245,500	1,045,500	1,045,500	1,190,513	588,255	93,976	0	0	0	0	0	0
Off Street Parking Income	4,776,000	4,874,000	5,091,352	5,322,993	5,562,388	5,840,507	6,132,533	6,439,159	6,761,117	7,099,173	7,454,132	7,826,839	8,218,180	8,629,089
Parking Meter Income	5,912,000	6,800,000	7,130,000	7,476,500	7,840,325	8,000,734	8,159,071	8,363,730	8,595,927	8,814,925	9,037,215	9,264,918	9,498,358	9,737,681
Parking Fines Income	10,671,000	11,000,000	11,413,000	11,840,455	12,282,871	12,534,172	12,782,228	13,102,852	13,466,618	13,809,706	14,157,952	14,514,678	14,880,392	15,255,321
Other Revenues	6,230,000	1,577,590	2,037,393	2,347,624	2,869,306	3,056,838	3,091,528	3,156,349	3,274,704	3,400,405	3,471,026	3,556,092	3,655,333	3,757,199
Fair Value Adjustments	(6,605,000)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	6,630,000	5,698,358	6,065,558	5,893,149	6,047,156	6,170,878	6,293,002	6,450,852	6,629,944	6,798,854	6,970,304	7,145,929	7,325,979	7,510,565
Grants & Contributions provided for Capital Purposes	4,272,000	4,721,871	3,716,522	2,650,106	2,513,023	2,378,020	2,392,824	2,411,958	2,433,667	2,454,142	2,474,925	2,496,214	2,518,039	2,540,414
<i>Other Income:</i>														
Asset Sales	(74,000)	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Asset Sales - WDV	0	(1,115,000)	(44,955,000)	0	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	80,815,000	89,437,841	85,044,921	92,597,158	95,171,431	97,751,154	99,372,721	102,065,616	104,787,156	107,816,462	111,632,891	113,930,039	117,304,564	120,526,818
Expenses from Continuing Operations														
Employee Costs	42,744,000	43,919,551	46,004,086	48,391,640	50,811,233	53,352,300	56,020,446	58,822,026	61,763,713	64,852,514	68,095,785	71,501,252	75,077,026	78,831,625
Other Employment Costs	672,000	3,634,387	3,213,233	3,059,889	3,035,426	3,097,529	3,158,830	3,238,065	3,327,962	3,412,748	3,498,809	3,586,965	3,677,343	3,769,998
Borrowing Costs	489,000	390,150	317,000	236,000	160,000	103,323	58,546	22,061	0	0	0	0	0	0
Materials & Contracts	18,911,000	17,162,610	16,591,399	17,776,811	18,186,009	19,238,639	19,075,839	19,569,683	20,127,333	20,638,547	21,176,229	21,727,893	22,294,362	22,876,056
Depreciation & Amortisation	11,891,000	11,332,010	11,407,243	11,514,077	12,424,866	12,595,264	12,710,131	12,826,432	12,944,408	13,064,055	13,164,177	13,299,100	13,389,496	13,480,814
Other Expenses	13,017,000	16,255,596	16,954,879	17,324,745	18,021,019	18,562,561	18,440,422	18,902,973	19,802,400	20,135,681	20,813,863	21,517,378	22,582,996	22,992,833
Total Expenses from Continuing Operations	87,724,000	92,694,304	94,487,840	98,303,162	102,638,553	106,949,617	109,464,216	113,381,240	117,965,816	122,103,545	126,748,863	131,632,589	137,021,223	141,951,325
Operating Result from Continuing Operations - Surplus/(Deficit)	(6,909,000)	(3,256,463)	(9,442,919)	(5,706,004)	(7,467,122)	(9,198,463)	(10,091,494)	(11,315,624)	(13,178,660)	(14,287,082)	(15,115,972)	(17,702,549)	(19,716,659)	(21,424,507)
Capital Purchases														
Operating Plant & Equipment	0	4,216,758	796,247	4,194,758	554,687	1,244,045	511,280	3,742,904	887,615	1,003,669	4,975,647	454,786	1,324,808	660,245
Furniture & Equipment	0	31,500	31,500	31,500	31,500	316,812	87,837	88,526	89,231	89,949	90,683	91,433	92,198	92,979
Library Resources	0	268,800	268,800	268,800	268,800	274,445	280,208	286,093	292,100	298,235	304,497	310,892	317,421	324,087
Capital Works Program	0	15,461,343	33,912,723	28,108,998	12,759,735	13,627,919	11,320,945	11,474,244	11,647,784	12,961,971	13,252,783	8,798,958	8,890,004	10,305,988
Total Capital Purchases	0	19,978,401	35,009,270	32,604,056	13,614,722	15,463,220	12,200,270	15,591,767	12,916,730	14,353,823	18,623,611	9,656,068	10,624,430	11,383,299
Sources of Funding														
Reserves														
Transfer to Reserve - Operating Expenses	0	3,509,377	4,202,241	3,846,968	3,837,183	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer to Reserve - Capital Expenses	0	0	15,150,007	300,000	314,552	0	0	0	0	0	0	0	0	0
Total transfer to Reserve	0	3,509,377	19,352,248	4,146,968	4,151,735	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer from Reserve - Operating Expenses	0	1,243,731	385,000	250,000	550,000	1,395,098	371,546	405,592	707,488	367,213	374,000	385,619	721,225	389,984
Transfer from Reserve - Capital Expenses	0	14,462,099	7,411,761	24,553,227	6,943,823	5,362,589	2,128,041	3,552,646	2,200,436	3,104,479	10,153,797	2,083,861	2,316,295	2,200,078
Total transfer from Reserve	0	15,705,830	7,796,761	24,803,227	7,493,823	6,757,687	2,499,586	3,958,238	2,907,924	3,471,693	10,527,797	2,469,480	3,037,519	2,590,062
Net Reserve Movements to/(from)	0	(12,196,453)	11,555,487	(20,656,259)	(3,342,088)	(2,788,214)	1,508,071	94,040	1,163,484	627,171	(6,457,465)	1,569,937	950,637	1,324,650
Loan														
Loan - Internal	0	0	950,000	1,300,000	0	(2,250,000)	0	0	0	0	0	0	0	0
Loan - External	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Loan Balance	0	(1,376,400)	(395,650)	(89,650)	(1,413,550)	(3,043,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Result for the Year - Surplus/(Deficit)	(6,909,000)	(12,414,811)	(56,403,326)	(17,743,451)	(19,153,306)	(24,917,406)	(24,435,246)	(27,140,832)	(27,258,874)	(29,268,077)	(27,282,117)	(28,928,554)	(31,291,725)	(34,132,456)
Net Budget Result for the Year (excl. Depreciation & Amortisation)	4,982,000	32,199	(41,083)	(6,229,374)	(6,728,440)	(12,322,142)	(11,725,114)	(14,314,401)	(14,314,465)	(16,204,022)	(14,117,940)	(15,629,454)	(17,902,229)	(20,651,642)

Waverley Council - LTFP2 - Appendix 9

Sustainable Assets Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
BALANCE SHEET														
CURRENT ASSETS														
Cash & Cash Equivalents	15,131,000	828,776	129,249	(6,001,085)	(13,285,167)	(23,120,693)	(35,009,841)	(49,091,600)	(63,297,519)	(79,351,298)	(93,166,237)	(108,881,977)	(126,505,959)	(146,995,202)
Investments	19,456,000	27,096,977	39,655,513	21,026,771	17,065,861	14,936,079	15,974,555	16,835,596	17,468,938	17,559,018	14,019,974	15,095,316	15,603,801	16,560,863
Receivables	6,328,000	6,196,174	6,354,427	6,423,843	6,569,339	6,674,438	6,720,485	6,798,990	6,925,025	7,052,254	7,181,003	7,313,401	7,449,567	7,589,242
Inventories	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Other	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000
Non-current assets held for sale	1,115,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	42,865,000	34,956,927	46,974,190	22,284,529	11,185,033	-675,177	-11,479,801	-24,622,013	-38,068,555	-53,905,025	-71,130,260	-85,638,260	-102,617,591	-122,010,097
NON-CURRENT ASSETS														
Investments	13,599,000	8,892,043	7,888,994	4,561,477	5,180,299	4,521,867	4,991,461	4,224,460	4,754,602	5,291,694	2,373,272	2,867,867	3,310,019	3,677,608
Receivables	2,137,000	2,054,623	1,987,859	2,004,223	2,021,160	2,034,667	2,044,389	2,055,462	2,068,787	2,082,550	2,096,011	2,109,737	2,123,803	2,138,224
Infrastructure, Property, Plant & Equipment	1,039,673,000	1,048,319,391	1,071,921,418	1,093,011,397	1,094,201,253	1,097,069,209	1,096,559,348	1,099,324,683	1,099,297,005	1,100,586,774	1,106,046,207	1,102,403,175	1,099,638,109	1,097,540,594
Investment Property	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000
Non-current assets classified as "held for sale"	44,955,000	44,955,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	1,212,720,000	1,216,577,057	1,194,154,271	1,211,933,097	1,213,758,712	1,215,981,743	1,215,951,199	1,217,960,605	1,218,476,394	1,220,317,018	1,222,871,490	1,219,736,779	1,217,427,931	1,215,712,425
Total Assets	1,255,585,000	1,251,533,984	1,241,128,461	1,234,217,626	1,224,943,745	1,215,306,566	1,204,471,398	1,193,338,592	1,180,407,839	1,166,411,992	1,151,741,230	1,134,098,519	1,114,810,340	1,093,702,328
CURRENT LIABILITIES														
Payables	9,290,000	10,211,353	10,535,747	10,653,390	10,192,102	10,475,828	10,292,493	10,535,886	10,701,025	10,905,353	11,259,310	11,223,331	11,551,202	11,762,056
Borrowings	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	774,812	139,402	0	0	0	0	0	0	0
Provisions	17,884,000	17,544,495	17,603,146	17,670,322	17,738,401	17,809,897	17,884,968	17,963,794	18,046,562	18,133,469	18,224,722	18,320,539	18,421,148	18,526,788
Total Current Liabilities	28,550,000	29,131,847	29,514,893	29,699,712	29,306,503	29,060,537	28,316,863	28,499,681	28,747,587	29,038,823	29,484,033	29,543,870	29,972,350	30,288,845
NON-CURRENT LIABILITIES														
Borrowings	5,718,000	4,341,600	2,995,950	1,606,300	192,750	0	0	0	0	0	0	0	0	0
Provisions	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Total Non-Current Liabilities	6,293,000	4,916,600	3,570,950	2,181,300	767,750	575,000								
Total Liabilities	34,843,000	34,048,447	33,085,843	31,881,012	30,074,253	29,635,537	28,891,863	29,074,681	29,322,587	29,613,823	30,059,033	30,118,870	30,547,350	30,863,845
NET ASSETS	1,220,742,000	1,217,485,537	1,208,042,618	1,202,336,614	1,194,869,492	1,185,671,029	1,175,579,535	1,164,263,911	1,151,085,252	1,136,798,170	1,121,682,198	1,103,979,649	1,084,262,990	1,062,838,483
EQUITY														
Retained Earning	1,117,822,000	1,110,913,000	1,107,656,537	1,098,213,618	1,092,507,614	1,085,040,492	1,075,842,029	1,065,750,535	1,054,434,911	1,041,256,252	1,026,969,170	1,011,853,198	994,150,649	974,433,990
Revaluation Reserves	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000
Retained Earning	1,227,651,000	1,220,742,000	1,217,485,537	1,208,042,618	1,202,336,614	1,194,869,492	1,185,671,029	1,175,579,535	1,164,263,911	1,151,085,252	1,136,798,170	1,121,682,198	1,103,979,649	1,084,262,990
Surplus/(Deficit) Operating Result & Capital Revenue	(6,909,000)	(3,256,463)	(9,442,919)	(5,706,004)	(7,467,122)	(9,198,463)	(10,091,494)	(11,315,624)	(13,178,660)	(14,287,082)	(15,115,972)	(17,702,549)	(19,716,659)	(21,424,507)
TOTAL EQUITY	1,220,742,000	1,217,485,537	1,208,042,618	1,202,336,614	1,194,869,492	1,185,671,029	1,175,579,535	1,164,263,911	1,151,085,252	1,136,798,170	1,121,682,198	1,103,979,649	1,084,262,990	1,062,838,483
Total Cash, Cash Equivalents & Investment Securities attributable to:														
- External Restrictions	12,257,000	8,892,043	7,888,994	4,561,477	5,180,299	4,521,867	4,991,462	4,224,461	4,754,603	5,291,694	2,373,273	2,867,867	3,310,020	3,677,608
- Internal Restrictions	35,629,000	27,096,977	39,655,513	21,026,771	17,065,861	14,936,079	15,974,556	16,835,596	17,468,939	17,559,018	14,019,975	15,095,317	15,603,801	16,560,863
- Unrestricted	300,000	828,776	129,249	(6,001,086)	(13,285,168)	(23,120,694)	(35,009,842)	(49,091,600)	(63,297,520)	(79,351,298)	(93,166,238)	(108,881,978)	(126,505,960)	(146,995,202)
Total	48,186,000	36,817,796	47,673,756	19,587,163	8,960,993	-3,662,747	-14,043,825	(28,031,543)	(41,073,978)	(56,500,586)	(76,772,990)	(90,918,794)	(107,592,139)	(126,756,731)

Waverley Council - LTFP2 - Appendix 9

Sustainable Assets Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
CASH FLOW STATEMENT														
Cash Flows from Operation Activities														
<u>Receipts</u>														
Rates	35,920,000	25,919,904	26,930,416	27,872,981	28,848,538	29,451,188	30,034,630	30,783,228	31,635,379	32,443,506	33,261,903	34,099,996	34,959,184	35,840,021
Domestic Waste Charge		9,980,114	10,016,641	10,007,992	10,143,235	10,585,954	11,038,243	11,490,532	11,942,822	12,395,111	12,847,400	13,299,690	13,751,979	14,204,268
Environmental Levy		919,065	954,770	29,270	0	0	0	0	0	0	0	0	0	0
User Charges & Fees	22,596,000	27,173,424	28,433,945	30,070,630	31,269,871	32,136,103	33,003,917	34,031,585	35,177,395	36,293,280	37,457,699	38,663,746	39,913,274	41,208,054
Investments Income	2,628,000	1,726,625	1,278,833	1,062,167	1,045,500	1,178,429	638,443	135,166	7,831	0	0	0	0	0
Grants & Contributions	11,183,000	10,393,283	9,801,623	8,579,913	8,559,658	8,549,245	8,681,611	8,857,364	9,057,431	9,247,168	9,439,313	9,636,083	9,837,805	10,044,610
Other Operating Receipts	17,581,000	13,181,447	13,366,035	14,103,714	15,060,774	15,542,440	15,830,442	16,202,600	16,675,726	17,147,811	17,567,495	18,007,398	18,470,386	18,945,531
	89,908,000	89,293,863	90,782,264	91,726,666	94,927,576	97,443,359	99,227,286	101,500,475	104,496,585	107,526,876	110,573,811	113,706,912	116,932,629	120,242,484
<u>Payments</u>														
Employee Benefits & On-Costs	41,816,000	44,259,056	45,945,435	48,324,463	50,743,155	53,280,804	55,945,375	58,743,201	61,680,945	64,765,606	68,004,531	71,405,435	74,976,417	78,725,985
Materials & Contracts	22,307,000	20,587,415	19,975,952	20,640,901	21,154,690	22,142,780	22,252,278	22,708,328	23,342,956	23,947,899	24,566,828	25,203,860	25,857,753	26,529,065
Borrowing Costs	510,000	493,847	392,934	320,507	239,145	162,389	105,195	60,077	22,985	0	0	0	0	0
Other Operating Expenses	13,328,000	15,696,491	16,834,156	17,246,238	17,900,227	18,468,612	18,461,611	18,822,728	19,646,364	20,077,862	20,696,209	21,395,329	22,398,128	22,921,733
	77,961,000	81,036,809	83,148,477	86,532,109	90,037,216	94,054,586	96,764,459	100,334,334	104,693,250	108,791,367	113,267,569	118,004,624	123,232,298	128,176,783
Net Cash provided by (or used in) Operating Activities	11,947,000	8,257,054	7,633,786	5,194,557	4,890,359	3,388,772	2,462,826	1,166,142	(196,665)	(1,264,492)	(2,693,758)	(4,297,712)	(6,299,670)	(7,934,298)
CASH FLOW FROM INVESTING ACTIVITIES														
<u>Receipts</u>														
Proceeds from sale of Infrastructure, Property, Plant and Equipment	26,000	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Proceeds from sale of Investment Securities	17,969,000	4,706,957	1,003,049	21,956,259	3,960,910	2,788,214	0	767,001	0	0	6,457,465	0	0	0
	17,995,000	6,180,138	40,129,217	22,740,971	4,042,333	2,977,404	89,665	1,242,565	151,211	148,595	7,374,336	77,003	221,704	130,238
<u>Payments</u>														
Purchase of Infrastructure, Property, Plant & equipment	11,777,000	19,722,039	34,558,344	32,676,212	14,184,402	15,407,765	12,298,159	15,490,022	12,996,981	14,310,711	18,495,517	9,925,094	10,595,379	11,360,533
Purchase Investment Properties	65,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Investment Securities	26,454,000	7,640,977	12,558,536	0	618,822	1,508,071	861,041	1,163,484	627,171	0	1,569,937	950,637	950,637	1,324,650
	38,296,000	27,363,016	47,116,880	32,676,212	14,803,224	15,407,765	13,806,230	16,351,062	14,160,465	14,937,882	18,495,517	11,495,031	11,546,016	12,685,183
Net Cash provided by (or used in) Investing Activities	(20,301,000)	(21,182,878)	(6,987,663)	(9,935,241)	(10,760,891)	(12,430,361)	(13,716,565)	(15,108,498)	(14,009,254)	(14,789,287)	(11,121,181)	(11,418,028)	(11,324,312)	(12,554,945)
CASH FLOW FROM FINANCING ACTIVITIES														
<u>Receipts</u>														
Proceeds from Borrowings and Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>														
Repayments of Borrowings & Advances	1421000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
	1,421,000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Net Cash provided by (or used in) Financing Activities	(1,421,000)	(1,376,400)	(1,345,650)	(1,389,650)	(1,413,550)	(793,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Increase (Decrease) in cash held	(9,775,000)	(14,302,224)	(699,527)	(6,130,335)	(7,284,082)	(9,835,526)	(11,889,148)	(14,081,758)	(14,205,919)	(16,053,779)	(13,814,939)	(15,715,740)	(17,623,982)	(20,489,243)
Cash Assets & Investments at the beginning of the reporting period	24,906,000	15,131,000	828,776	129,249	(6,001,085)	(13,285,167)	(23,120,693)	(35,009,841)	(49,091,600)	(63,297,519)	(79,351,298)	(93,166,237)	(108,881,977)	(126,505,959)
Cash at the end of the reporting period	15,131,000	828,776	129,249	(6,001,085)	(13,285,167)	(23,120,693)	(35,009,841)	(49,091,600)	(63,297,519)	(79,351,298)	(93,166,237)	(108,881,977)	(126,505,959)	(146,995,202)

Waverley Council - LTFP2 - Appendix 10

Sustainable Environment Layer

	as per MP Budget >>>>													
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
INCOME STATEMENT														
Income from Continuing Operations														
<i>Revenue:</i>														
Rates	25,033,000	26,046,700	26,958,335	27,901,877	28,878,445	29,469,283	30,052,491	30,806,314	31,661,571	32,468,210	33,286,977	34,125,681	34,985,517	35,867,017
Domestic Waste Charges	9,790,000	10,024,750	10,016,385	10,007,727	10,147,516	10,599,805	11,052,095	11,504,384	11,956,673	12,408,962	12,861,252	13,313,541	13,765,830	14,218,120
Environmental levy	892,000	923,440	955,760	0	0	0	0	0	0	0	0	0	0	0
User Charges & Fees (excl. parking fees)	10,669,000	14,022,051	14,456,658	15,490,968	16,022,041	16,349,844	16,673,413	17,095,213	17,585,520	18,033,544	18,507,196	18,993,360	19,492,764	20,005,795
Regulatory Services	0	1,745,400	1,787,290	1,835,547	1,881,437	1,971,369	2,065,618	2,165,265	2,270,204	2,379,947	2,495,039	2,615,785	2,742,467	2,875,379
Interest & Investment Revenue (excl. FV adjustment)	2,619,000	1,645,500	1,245,500	1,045,500	1,045,500	1,190,513	588,255	93,976	0	0	0	0	0	0
Off Street Parking Income	4,776,000	4,874,000	5,091,352	5,322,993	5,562,388	5,840,507	6,132,533	6,439,159	6,761,117	7,099,173	7,454,132	7,826,839	8,218,180	8,629,089
Parking Meter Income	5,912,000	6,800,000	7,130,000	7,476,500	7,840,325	8,000,734	8,159,071	8,363,730	8,595,927	8,814,925	9,037,215	9,264,918	9,498,358	9,737,681
Parking Fines Income	10,671,000	11,000,000	11,413,000	11,840,455	12,282,871	12,534,172	12,782,228	13,102,852	13,466,618	13,809,706	14,157,952	14,514,678	14,880,392	15,255,321
Other Revenues	6,230,000	1,577,590	2,037,393	2,347,624	2,869,306	3,056,838	3,091,528	3,156,349	3,274,704	3,400,405	3,471,026	3,556,092	3,655,333	3,757,199
Fair Value Adjustments	(6,605,000)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	6,630,000	5,698,358	6,065,558	5,893,149	6,047,156	6,170,878	6,293,002	6,450,852	6,629,944	6,798,854	6,970,304	7,145,929	7,325,979	7,510,565
Grants & Contributions provided for Capital Purposes	4,272,000	4,721,871	3,716,522	2,650,106	2,513,023	2,378,020	2,392,824	2,411,958	2,433,667	2,454,142	2,474,925	2,496,214	2,518,039	2,540,414
<i>Other Income:</i>														
Asset Sales	(74,000)	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Asset Sales - WDV	0	(1,115,000)	(44,955,000)	0	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	80,815,000	89,437,841	85,044,921	92,597,158	95,171,431	97,751,154	99,372,721	102,065,616	104,787,156	107,816,462	111,632,891	113,930,039	117,304,564	120,526,818
Expenses from Continuing Operations														
Employee Costs	42,744,000	43,919,551	46,004,086	48,391,640	50,811,233	53,352,300	56,020,446	58,822,026	61,763,713	64,852,514	68,095,785	71,501,252	75,077,026	78,831,625
Other Employment Costs	672,000	3,634,387	3,213,233	3,059,889	3,035,426	3,097,529	3,158,830	3,238,065	3,327,962	3,412,748	3,498,809	3,586,965	3,677,343	3,769,998
Borrowing Costs	489,000	390,150	317,000	236,000	160,000	103,323	58,546	22,061	0	0	0	0	0	0
Materials & Contracts	18,911,000	17,162,610	16,591,399	19,970,811	20,425,652	21,457,978	21,042,630	21,395,924	21,916,761	22,594,984	23,068,923	23,524,358	24,205,118	24,782,000
Depreciation & Amortisation	11,891,000	11,332,010	11,407,243	11,514,077	12,424,866	12,595,264	12,710,131	12,826,432	12,944,408	13,064,055	13,164,177	13,299,100	13,389,496	13,480,814
Other Expenses	13,017,000	16,255,596	16,954,879	17,324,745	18,021,019	18,562,561	18,440,422	18,902,973	19,802,400	20,135,681	20,813,863	21,517,378	22,582,996	22,992,833
Total Expenses from Continuing Operations	87,724,000	92,694,304	94,487,840	100,497,162	104,878,196	109,168,955	111,431,006	115,207,481	119,755,244	124,059,981	128,641,557	133,429,053	138,931,978	143,857,270
Operating Result from Continuing Operations - Surplus/(Deficit)	(6,909,000)	(3,256,463)	(9,442,919)	(7,900,004)	(9,706,765)	(11,417,801)	(12,058,285)	(13,141,865)	(14,968,088)	(16,243,519)	(17,008,666)	(19,499,013)	(21,627,414)	(23,330,452)
Capital Purchases														
Operating Plant & Equipment	0	4,216,758	796,247	4,194,758	554,687	1,244,045	511,280	3,742,904	887,615	1,003,669	4,975,647	454,786	1,324,808	660,245
Furniture & Equipment	0	31,500	31,500	31,500	31,500	316,812	87,837	88,526	89,231	89,949	90,683	91,433	92,198	92,979
Library Resources	0	268,800	268,800	268,800	268,800	274,445	280,208	286,093	292,100	298,235	304,497	310,892	317,421	324,087
Capital Works Program	0	15,461,343	33,912,723	28,108,998	12,759,735	13,627,919	11,320,945	11,474,244	11,647,784	12,961,971	13,252,783	8,798,958	8,890,004	10,305,988
Total Capital Purchases	0	19,978,401	35,009,270	32,604,056	13,614,722	15,463,220	12,200,270	15,591,767	12,916,730	14,353,823	18,623,611	9,656,068	10,624,430	11,383,299
Sources of Funding														
Reserves														
Transfer to Reserve - Operating Expenses	0	3,509,377	4,202,241	3,846,968	3,837,183	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer to Reserve - Capital Expenses	0	0	15,150,007	300,000	314,552	0	0	0	0	0	0	0	0	0
Total transfer to Reserve	0	3,509,377	19,352,248	4,146,968	4,151,735	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer from Reserve - Operating Expenses	0	1,243,731	385,000	390,000	640,000	1,480,098	431,546	465,592	767,488	427,213	434,000	445,619	781,225	449,984
Transfer from Reserve - Capital Expenses	0	14,462,099	7,411,761	24,553,227	6,943,823	5,362,589	2,128,041	3,552,646	2,200,436	3,104,479	10,153,797	2,083,861	2,316,295	2,200,078
Total transfer from Reserve	0	15,705,830	7,796,761	24,943,227	7,583,823	6,842,687	2,559,586	4,018,238	2,967,924	3,531,693	10,587,797	2,529,480	3,097,519	2,650,062
Net Reserve Movements to/(from)	0	(12,196,453)	11,555,487	(20,796,259)	(3,432,088)	(2,873,214)	1,448,071	34,040	1,103,484	567,171	(6,517,465)	1,509,937	890,637	1,264,650
Loan														
Loan - Internal	0	0	950,000	1,300,000	0	(2,250,000)	0	0	0	0	0	0	0	0
Loan - External	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Loan Balance	0	(1,376,400)	(395,650)	(89,650)	(1,413,550)	(3,043,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Result for the Year - Surplus/(Deficit)	(6,909,000)	(12,414,811)	(56,403,326)	(19,797,451)	(21,302,949)	(27,051,744)	(26,342,036)	(28,907,073)	(28,988,302)	(31,164,514)	(29,114,812)	(30,665,018)	(33,142,481)	(35,978,401)
Net Budget Result for the Year (excl. Depreciation & Amortisation)	4,982,000	32,199	(41,083)	(8,283,374)	(8,878,083)	(14,456,481)	(13,631,905)	(16,080,642)	(16,043,894)	(18,100,459)	(15,950,634)	(17,365,918)	(19,752,985)	(22,497,587)

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Sustainable Environment Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
BALANCE SHEET														
CURRENT ASSETS														
Cash & Cash Equivalents	15,131,000	828,776	129,249	(7,674,462)	(17,100,268)	(29,073,655)	(42,913,407)	(58,785,789)	(74,727,523)	(92,648,765)	(108,307,457)	(125,776,356)	(145,231,265)	(167,567,287)
Investments	19,456,000	27,096,977	39,655,513	21,026,771	17,065,861	14,936,079	15,974,555	16,835,596	17,468,938	17,559,018	14,019,974	15,095,316	15,603,801	16,560,863
Receivables	6,328,000	6,196,174	6,354,427	6,423,843	6,569,339	6,674,438	6,720,485	6,798,990	6,925,025	7,052,254	7,181,003	7,313,401	7,449,567	7,589,242
Inventories	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Other	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000
Non-current assets held for sale	1,115,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	42,865,000	34,956,927	46,974,190	20,611,153	7,369,932	(6,628,139)	(19,383,366)	(34,316,203)	(49,498,560)	(67,202,493)	(86,271,480)	(102,532,638)	(121,342,898)	(142,582,183)
NON-CURRENT ASSETS														
Investments	13,599,000	8,892,043	7,888,994	4,421,477	4,950,299	4,206,867	4,616,461	3,789,460	4,259,602	4,736,694	1,758,272	2,192,867	2,575,019	2,882,608
Receivables	2,137,000	2,054,623	1,987,859	2,004,223	2,021,160	2,034,667	2,044,389	2,055,462	2,068,787	2,082,550	2,096,011	2,109,737	2,123,803	2,138,224
Infrastructure, Property, Plant & Equipment	1,039,673,000	1,048,319,391	1,071,921,418	1,093,011,397	1,094,201,253	1,097,069,209	1,096,559,348	1,099,324,683	1,099,297,005	1,100,586,774	1,106,046,207	1,102,403,175	1,099,638,109	1,097,540,594
Investment Property	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000
Non-current assets classified as "held for sale"	44,955,000	44,955,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	1,212,720,000	1,216,577,057	1,194,154,271	1,211,793,097	1,213,528,712	1,215,666,743	1,215,576,199	1,217,525,605	1,217,981,394	1,219,762,018	1,222,256,490	1,219,061,779	1,216,692,931	1,214,917,425
Total Assets	1,255,585,000	1,251,533,984	1,241,128,461	1,232,404,250	1,220,898,644	1,209,038,604	1,196,192,832	1,183,209,402	1,168,482,835	1,152,559,524	1,135,985,010	1,116,529,140	1,095,350,034	1,072,335,242
CURRENT LIABILITIES														
Payables	9,290,000	10,211,353	10,535,747	11,034,013	10,580,644	10,860,847	10,633,699	10,852,710	11,011,462	11,244,764	11,587,662	11,534,989	11,882,687	12,092,707
Borrowings	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	774,812	139,402	0	0	0	0	0	0	0
Provisions	17,884,000	17,544,495	17,603,146	17,670,322	17,738,401	17,809,897	17,884,968	17,963,794	18,046,562	18,133,469	18,224,722	18,320,539	18,421,148	18,526,788
Total Current Liabilities	28,550,000	29,131,847	29,514,893	30,080,336	29,695,045	29,445,556	28,658,070	28,816,504	29,058,024	29,378,233	29,812,385	29,855,528	30,303,835	30,619,496
NON-CURRENT LIABILITIES														
Borrowings	5,718,000	4,341,600	2,995,950	1,606,300	192,750	0	0	0	0	0	0	0	0	0
Provisions	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Total Non-Current Liabilities	6,293,000	4,916,600	3,570,950	2,181,300	767,750	575,000								
Total Liabilities	34,843,000	34,048,447	33,085,843	32,261,636	30,462,795	30,020,556	29,233,070	29,391,504	29,633,024	29,953,233	30,387,385	30,430,528	30,878,835	31,194,496
NET ASSETS	1,220,742,000	1,217,485,537	1,208,042,618	1,200,142,614	1,190,435,849	1,179,018,048	1,166,959,763	1,153,817,898	1,138,849,810	1,122,606,292	1,105,597,626	1,086,098,612	1,064,471,198	1,041,140,747
EQUITY														
Retained Earning	1,117,822,000	1,110,913,000	1,107,656,537	1,098,213,618	1,090,313,614	1,080,606,849	1,069,189,048	1,057,130,763	1,043,988,898	1,029,020,810	1,012,777,292	995,768,626	976,269,612	954,642,198
Revaluation Reserves	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000
Retained Earning	1,227,651,000	1,220,742,000	1,217,485,537	1,208,042,618	1,200,142,614	1,190,435,849	1,179,018,048	1,166,959,763	1,153,817,898	1,138,849,810	1,122,606,292	1,105,597,626	1,086,098,612	1,064,471,198
Surplus/(Deficit) Operating Result & Capital Revenue	(6,909,000)	(3,256,463)	(9,442,919)	(7,900,004)	(9,706,765)	(11,417,801)	(12,058,285)	(13,141,865)	(14,968,088)	(16,243,519)	(17,008,666)	(19,499,013)	(21,627,414)	(23,330,452)
TOTAL EQUITY	1,220,742,000	1,217,485,537	1,208,042,618	1,200,142,614	1,190,435,849	1,179,018,048	1,166,959,763	1,153,817,898	1,138,849,810	1,122,606,292	1,105,597,626	1,086,098,612	1,064,471,198	1,041,140,747
Total Cash, Cash Equivalents & Investment Securities attributable to:														
- External Restrictions	12,257,000	8,892,043	7,888,994	4,421,477	4,950,299	4,206,867	4,616,462	3,789,461	4,259,603	4,736,694	1,758,273	2,192,867	2,575,020	2,882,608
- Internal Restrictions	35,629,000	27,096,977	39,655,513	21,026,771	17,065,861	14,936,079	15,974,556	16,835,596	17,468,939	17,559,018	14,019,975	15,095,317	15,603,801	16,560,863
- Unrestricted	300,000	828,776	129,249	(7,674,462)	(17,100,269)	(29,073,656)	(42,913,408)	(58,785,790)	(74,727,524)	(92,648,766)	(108,307,458)	(125,776,357)	(145,231,266)	(167,567,288)
Total	48,186,000	36,817,796	47,673,756	17,773,786	4,915,892	-9,930,710	-22,322,391	(38,160,733)	(52,998,983)	(70,353,053)	(92,529,210)	(108,488,173)	(127,052,445)	(148,123,817)

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Sustainable Environment Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
CASH FLOW STATEMENT														
Cash Flows from Operation Activities														
<u>Receipts</u>														
Rates	35,920,000	25,919,904	26,930,416	27,872,981	28,848,538	29,451,188	30,034,630	30,783,228	31,635,379	32,443,506	33,261,903	34,099,996	34,959,184	35,840,021
Domestic Waste Charge		9,980,114	10,016,641	10,007,992	10,143,235	10,585,954	11,038,243	11,490,532	11,942,822	12,395,111	12,847,400	13,299,690	13,751,979	14,204,268
Environmental Levy		919,065	954,770	29,270	0	0	0	0	0	0	0	0	0	0
User Charges & Fees	22,596,000	27,173,424	28,433,945	30,070,630	31,269,871	32,136,103	33,003,917	34,031,585	35,177,395	36,293,280	37,457,699	38,663,746	39,913,274	41,208,054
Investments Income	2,628,000	1,726,625	1,278,833	1,062,167	1,045,500	1,178,429	638,443	135,166	7,831	0	0	0	0	0
Grants & Contributions	11,183,000	10,393,283	9,801,623	8,579,913	8,559,658	8,549,245	8,681,611	8,857,364	9,057,431	9,247,168	9,439,313	9,636,083	9,837,805	10,044,610
Other Operating Receipts	17,581,000	13,181,447	13,366,035	14,103,714	15,060,774	15,542,440	15,830,442	16,202,600	16,675,726	17,147,811	17,567,495	18,007,398	18,470,386	18,945,531
	89,908,000	89,293,863	90,782,264	91,726,666	94,927,576	97,443,359	99,227,286	101,500,475	104,496,585	107,526,876	110,573,811	113,706,912	116,932,629	120,242,484
<u>Payments</u>														
Employee Benefits & On-Costs	41,816,000	44,259,056	45,945,435	48,324,463	50,743,155	53,280,804	55,945,375	58,743,201	61,680,945	64,765,606	68,004,531	71,405,435	74,976,417	78,725,985
Materials & Contracts	22,307,000	20,587,415	19,975,952	22,454,277	23,386,414	24,365,641	24,262,882	24,558,952	25,138,770	25,875,362	26,470,581	27,017,019	27,748,681	28,435,844
Borrowing Costs	510,000	493,847	392,934	320,507	239,145	162,389	105,195	60,077	22,985	0	0	0	0	0
Other Operating Expenses	13,328,000	15,696,491	16,834,156	17,246,238	17,900,227	18,468,612	18,461,611	18,822,728	19,646,364	20,077,862	20,696,209	21,395,329	22,398,128	22,921,733
	77,961,000	81,036,809	83,148,477	88,345,486	92,268,941	96,277,447	98,775,063	102,184,958	106,489,064	110,718,831	115,171,321	119,817,783	125,123,226	130,083,562
Net Cash provided by (or used in) Operating Activities	11,947,000	8,257,054	7,633,786	3,381,180	2,658,635	1,165,911	452,223	(684,482)	(1,992,480)	(3,191,955)	(4,597,511)	(6,110,871)	(8,190,597)	(9,841,077)
CASH FLOW FROM INVESTING ACTIVITIES														
<u>Receipts</u>														
Proceeds from sale of Infrastructure, Property, Plant and Equipment	26,000	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Proceeds from sale of Investment Securities	17,969,000	4,706,957	1,003,049	22,096,259	3,960,910	2,873,214	0	827,001	0	0	6,517,465	0	0	0
	17,995,000	6,180,138	40,129,217	22,880,971	4,042,333	3,062,404	89,665	1,302,565	151,211	148,595	7,434,336	77,003	221,704	130,238
<u>Payments</u>														
Purchase of Infrastructure, Property, Plant & equipment	11,777,000	19,722,039	34,558,344	32,676,212	14,184,402	15,407,765	12,298,159	15,490,022	12,996,981	14,310,711	18,495,517	9,925,094	10,595,379	11,360,533
Purchase Investment Properties	65,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Investment Securities	26,454,000	7,640,977	12,558,536	0	528,822	1,448,071	861,041	1,103,484	567,171	0	1,509,937	890,637	1,264,650	
	38,296,000	27,363,016	47,116,880	32,676,212	14,713,224	15,407,765	13,746,230	16,351,062	14,100,465	14,877,882	18,495,517	11,435,031	11,486,016	12,625,183
Net Cash provided by (or used in) Investing Activities	(20,301,000)	(21,182,878)	(6,987,663)	(9,795,241)	(10,670,891)	(12,345,361)	(13,656,565)	(15,048,498)	(13,949,254)	(14,729,287)	(11,061,181)	(11,358,028)	(11,264,312)	(12,494,945)
CASH FLOW FROM FINANCING ACTIVITIES														
<u>Receipts</u>														
Proceeds from Borrowings and Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>														
Repayments of Borrowings & Advances	1421000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
	1,421,000	1,376,400	1,345,650	1,389,650	1,413,550	793,938	635,410	139,402	0	0	0	0	0	0
Net Cash provided by (or used in) Financing Activities	(1,421,000)	(1,376,400)	(1,345,650)	(1,389,650)	(1,413,550)	(793,938)	(635,410)	(139,402)	0	0	0	0	0	0
Net Increase (Decrease) in cash held	(9,775,000)	(14,302,224)	(699,527)	(7,803,711)	(9,425,807)	(11,973,387)	(13,839,752)	(15,872,382)	(15,941,734)	(17,921,242)	(15,658,692)	(17,468,899)	(19,454,909)	(22,336,022)
Cash Assets & Investments at the beginning of the reporting period	24,906,000	15,131,000	828,776	129,249	(7,674,462)	(17,100,268)	(29,073,655)	(42,913,407)	(58,785,789)	(74,727,523)	(92,648,765)	(108,307,457)	(125,776,356)	(145,231,265)
Cash at the end of the reporting period	15,131,000	828,776	129,249	(7,674,462)	(17,100,268)	(29,073,655)	(42,913,407)	(58,785,789)	(74,727,523)	(92,648,765)	(108,307,457)	(125,776,356)	(145,231,265)	(167,567,287)

Waverley Council - LTFF2 - Appendix 11

Operational Improvements Layer

	as per MP Budget >>>>													
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
INCOME STATEMENT														
Income from Continuing Operations														
<i>Revenue:</i>														
Rates	25,033,000	26,046,700	26,958,335	27,901,877	28,878,445	29,469,283	30,052,491	30,806,314	31,661,571	32,468,210	33,286,977	34,125,681	34,985,517	35,867,017
Domestic Waste Charges	9,790,000	10,024,750	10,016,385	10,007,727	10,147,516	10,599,805	11,052,095	11,504,384	11,956,673	12,408,962	12,861,252	13,313,541	13,765,830	14,218,120
Environmental levy	892,000	923,440	955,760	0	0	0	0	0	0	0	0	0	0	0
User Charges & Fees (excl. parking fees)	10,669,000	14,022,051	14,456,658	15,490,968	16,022,041	16,349,844	16,673,413	17,095,213	17,585,520	18,033,544	18,507,196	18,993,360	19,492,764	20,005,795
Regulatory Services	0	1,745,400	1,787,290	1,835,547	1,881,437	1,971,369	2,065,618	2,165,265	2,270,204	2,379,947	2,495,039	2,615,785	2,742,467	2,875,379
Interest & Investment Revenue (excl. FV adjustment)	2,619,000	1,645,500	1,245,500	1,045,500	1,045,500	1,190,513	588,255	93,976	0	0	0	0	0	0
Off Street Parking Income	4,776,000	4,874,000	5,091,352	5,322,993	5,562,388	5,840,507	6,132,533	6,439,159	6,761,117	7,099,173	7,454,132	7,826,839	8,218,180	8,629,089
Parking Meter Income	5,912,000	6,800,000	7,130,000	7,476,500	7,840,325	8,000,734	8,159,071	8,363,730	8,595,927	8,814,925	9,037,215	9,264,918	9,498,358	9,737,681
Parking Fines Income	10,671,000	11,000,000	11,413,000	11,840,455	12,282,871	12,534,172	12,782,228	13,102,852	13,466,618	13,809,706	14,157,952	14,514,678	14,880,392	15,255,321
Other Revenues	6,230,000	1,577,590	2,037,393	2,347,624	3,533,654	4,194,675	4,740,213	5,775,332	6,118,572	6,329,589	6,488,086	6,663,663	6,856,132	7,055,069
Fair Value Adjustments	(6,605,000)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	6,630,000	5,698,358	6,065,558	5,893,149	6,047,156	6,170,878	6,293,002	6,450,852	6,629,944	6,798,854	6,970,304	7,145,929	7,325,979	7,510,565
Grants & Contributions provided for Capital Purposes	4,272,000	4,721,871	3,716,522	3,389,877	3,252,794	3,117,791	3,132,595	3,151,729	3,173,438	3,193,913	3,214,696	3,235,985	3,257,810	2,540,414
<i>Other Income:</i>														
Asset Sales	(74,000)	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Asset Sales - WDV	0	(1,115,000)	(44,955,000)	0	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	80,815,000	89,437,841	85,044,921	93,336,929	96,575,550	99,628,762	101,761,177	105,424,370	108,370,795	111,485,417	115,389,722	117,777,381	121,245,134	123,824,688
Expenses from Continuing Operations														
Employee Costs	42,744,000	43,919,551	46,218,286	49,383,489	52,473,923	55,655,040	58,969,271	62,189,277	65,462,735	68,730,978	72,162,471	75,765,371	79,548,243	83,520,081
Other Employment Costs	672,000	3,634,387	3,213,233	3,059,889	3,035,426	3,097,529	3,158,830	3,238,065	3,327,962	3,412,748	3,498,809	3,586,965	3,677,343	3,769,998
Borrowing Costs	489,000	390,150	317,000	236,000	394,497	327,891	272,569	224,887	190,936	178,310	164,902	150,664	135,545	119,490
Materials & Contracts	18,911,000	17,162,610	16,591,399	20,555,524	21,300,772	22,421,942	22,225,193	22,645,077	23,653,595	24,068,662	24,791,612	25,077,209	25,797,979	26,612,635
Depreciation & Amortisation	11,891,000	11,332,010	11,407,243	11,541,791	12,491,636	12,662,034	12,802,616	12,918,917	13,079,750	13,199,397	13,301,625	13,436,548	13,526,944	13,620,216
Other Expenses	13,017,000	16,255,596	16,954,879	18,064,516	18,760,790	19,302,332	19,180,193	19,642,744	20,542,171	20,875,452	21,553,634	22,257,149	23,322,767	22,992,833
Total Expenses from Continuing Operations	87,724,000	92,694,304	94,702,040	102,841,208	108,457,044	113,466,768	116,608,673	120,858,966	126,257,149	130,465,546	135,473,053	140,273,906	146,008,821	150,635,254
Operating Result from Continuing Operations - Surplus/(Deficit)	(6,909,000)	(3,256,463)	(9,657,119)	(9,504,279)	(11,881,494)	(13,838,006)	(14,847,496)	(15,434,596)	(17,886,354)	(18,980,129)	(20,083,331)	(22,496,525)	(24,763,686)	(26,810,565)
Capital Purchases														
Operating Plant & Equipment	0	4,216,758	796,247	4,194,758	554,687	1,244,045	511,280	3,742,904	887,615	1,003,669	4,975,647	454,786	1,324,808	660,245
Furniture & Equipment	0	31,500	31,500	31,500	31,500	316,812	87,837	88,526	89,231	89,949	90,683	91,433	92,198	92,979
Library Resources	0	268,800	268,800	268,800	268,800	274,445	280,208	286,093	292,100	298,235	304,497	310,892	317,421	324,087
Capital Works Program	0	15,461,343	33,912,723	28,108,998	12,759,735	13,627,919	11,320,945	11,474,244	11,647,784	12,961,971	13,252,783	8,798,958	8,890,004	10,305,988
Total Capital Purchases	0	19,978,401	35,009,270	32,604,056	13,614,722	15,463,220	12,200,270	15,591,767	12,916,730	14,353,823	18,623,611	9,656,068	10,624,430	11,383,299
Sources of Funding														
Reserves														
Transfer to Reserve - Operating Expenses	0	3,509,377	4,202,241	3,846,968	3,837,183	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer to Reserve - Capital Expenses	0	0	15,150,007	300,000	314,552	0	0	0	0	0	0	0	0	0
Total transfer to Reserve	0	3,509,377	19,352,248	4,146,968	4,151,735	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer from Reserve - Operating Expenses	0	1,243,731	385,000	390,000	640,000	1,480,098	431,546	465,592	767,488	427,213	434,000	445,619	781,225	449,984
Transfer from Reserve - Capital Expenses	0	14,462,099	7,411,761	24,553,227	6,943,823	5,362,589	2,128,041	3,552,646	2,200,436	3,104,479	10,153,797	2,083,861	2,316,295	2,200,078
Total transfer from Reserve	0	15,705,830	7,796,761	24,943,227	7,583,823	6,842,687	2,559,586	4,018,238	2,967,924	3,531,693	10,587,797	2,529,480	3,097,519	2,650,062
Net Reserve Movements to/(from)	0	(12,196,453)	11,555,487	(20,796,259)	(3,432,088)	(2,873,214)	1,448,071	34,040	1,103,484	567,171	(6,517,465)	1,509,937	890,637	1,264,650
Loan														
Loan - Internal	0	0	950,000	1,300,000	0	(2,250,000)	0	0	0	0	0	0	0	0
Loan - External	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	1,376,400	1,345,650	1,389,650	1,573,966	964,284	816,300	331,489	203,977	216,603	230,011	244,249	259,368	275,423
Loan Balance	0	(1,376,400)	(395,650)	(89,650)	(1,573,966)	(3,214,284)	(816,300)	(331,489)	(203,977)	(216,603)	(230,011)	(244,249)	(259,368)	(275,423)
Net Result for the Year - Surplus/(Deficit)	(6,909,000)	(12,414,811)	(56,617,526)	(21,401,726)	(23,638,094)	(29,642,295)	(29,312,137)	(31,391,892)	(32,110,545)	(34,117,727)	(32,419,488)	(33,906,778)	(36,538,121)	(39,733,937)
Net Budget Result for the Year (excl. Depreciation & Amortisation)	4,982,000	32,199	(255,283)	(9,859,935)	(11,146,458)	(16,980,261)	(16,509,521)	(18,472,975)	(19,030,795)	(20,918,330)	(19,117,862)	(20,470,230)	(23,011,177)	(26,113,721)

Waverley Council - LTFF2 - Appendix 11

Operational Improvements Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
BALANCE SHEET														
CURRENT ASSETS														
Cash & Cash Equivalents	15,131,000	828,776	(78,924)	(9,230,306)	(20,631,335)	(35,120,021)	(51,807,984)	(70,090,907)	(88,944,909)	(109,740,409)	(128,534,507)	(149,149,248)	(171,868,203)	(197,898,285)
Investments	19,456,000	27,096,977	39,655,513	21,026,771	17,065,861	14,936,079	15,974,555	16,835,596	17,468,938	17,559,018	14,019,974	15,095,316	15,603,801	16,560,863
Receivables	6,328,000	6,196,174	6,354,427	6,446,610	6,612,551	6,732,221	6,793,990	6,902,356	7,035,312	7,165,167	7,296,620	7,431,803	7,570,838	7,690,734
Inventories	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Other	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000
Non-current assets held for sale	1,115,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	42,865,000	34,956,927	46,766,016	19,078,075	3,882,077	-12,616,721	-28,204,439	-45,517,955	-63,605,659	-84,181,224	-106,382,913	-125,787,128	-147,858,564	-172,811,688
NON-CURRENT ASSETS														
Investments	13,599,000	8,892,043	7,888,994	4,421,477	4,950,299	4,206,867	4,616,461	3,789,460	4,259,602	4,736,694	1,758,272	2,192,867	2,575,019	2,882,608
Receivables	2,137,000	2,054,623	1,987,859	2,004,223	2,021,160	2,034,667	2,044,389	2,055,462	2,068,787	2,082,550	2,096,011	2,109,737	2,123,803	2,138,224
Infrastructure, Property, Plant & Equipment	1,039,673,000	1,048,319,391	1,071,921,418	1,092,983,683	1,094,106,769	1,096,907,955	1,096,305,609	1,098,978,459	1,098,815,439	1,099,969,866	1,105,291,851	1,101,511,371	1,098,608,857	1,096,371,940
Investment Property	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000
Non-current assets classified as "held for sale"	44,955,000	44,955,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	1,212,720,000	1,216,577,057	1,194,154,271	1,211,765,383	1,213,434,228	1,215,505,489	1,215,322,460	1,217,179,381	1,217,499,828	1,219,145,110	1,221,502,134	1,218,169,975	1,215,663,679	1,213,748,771
Total Assets	1,255,585,000	1,251,533,984	1,240,920,288	1,230,843,458	1,217,316,305	1,202,888,768	1,187,118,021	1,171,661,426	1,153,894,170	1,134,963,886	1,115,119,221	1,092,382,847	1,067,805,115	1,040,937,083
CURRENT LIABILITIES														
Payables	9,290,000	10,211,353	10,535,747	11,263,790	11,105,143	11,390,392	11,190,191	11,409,082	11,640,054	11,814,545	12,186,673	12,089,701	12,428,588	12,534,792
Borrowings	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	444,050	(372,250)	(703,739)	(907,716)	(1,124,319)	(1,354,330)	(1,598,579)	(1,857,947)	(2,133,370)
Provisions	17,884,000	17,544,495	17,609,173	17,698,229	17,785,182	17,874,687	17,967,937	18,058,536	18,150,638	18,242,594	18,339,144	18,440,516	18,546,951	18,658,704
Total Current Liabilities	28,550,000	29,131,847	29,520,920	30,338,019	30,266,326	29,709,130	28,785,878	28,763,879	28,882,976	28,932,821	29,171,487	28,931,638	29,117,592	29,060,125
NON-CURRENT LIABILITIES														
Borrowings	5,718,000	4,341,600	2,995,950	1,606,300	32,334	0	0	0	0	0	0	0	0	0
Provisions	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Total Non-Current Liabilities	6,293,000	4,916,600	3,570,950	2,181,300	607,334	575,000								
Total Liabilities	34,843,000	34,048,447	33,091,870	32,519,319	30,873,660	30,284,130	29,360,878	29,338,879	29,457,976	29,507,821	29,746,487	29,506,638	29,692,592	29,635,125
NET ASSETS	1,220,742,000	1,217,485,537	1,207,828,418	1,198,324,138	1,186,442,645	1,172,604,639	1,157,757,143	1,142,322,547	1,124,436,194	1,105,456,065	1,085,372,734	1,062,876,209	1,038,112,523	1,011,301,957
EQUITY														
Retained Earning	1,117,822,000	1,110,913,000	1,107,656,537	1,097,999,418	1,088,495,138	1,076,613,645	1,062,775,639	1,047,928,143	1,032,493,547	1,014,607,194	995,627,065	975,543,734	953,047,209	928,283,523
Revaluation Reserves	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000
Retained Earning	1,227,651,000	1,220,742,000	1,217,485,537	1,207,828,418	1,198,324,138	1,186,442,645	1,172,604,639	1,157,757,143	1,142,322,547	1,124,436,194	1,105,456,065	1,085,372,734	1,062,876,209	1,038,112,523
Surplus/(Deficit) Operating Result & Capital Revenue	(6,909,000)	(3,256,463)	(9,657,119)	(9,504,279)	(11,881,494)	(13,838,006)	(14,847,496)	(15,434,596)	(17,886,354)	(18,980,129)	(20,083,331)	(22,496,525)	(24,763,686)	(26,810,565)
TOTAL EQUITY	1,220,742,000	1,217,485,537	1,207,828,418	1,198,324,138	1,186,442,645	1,172,604,639	1,157,757,143	1,142,322,547	1,124,436,194	1,105,456,065	1,085,372,734	1,062,876,209	1,038,112,523	1,011,301,957
Total Cash, Cash Equivalents & Investment Securities attributable to:														
- External Restrictions	12,257,000	8,892,043	7,888,994	4,421,477	4,950,299	4,206,867	4,616,462	3,789,461	4,259,603	4,736,694	1,758,273	2,192,867	2,575,020	2,882,608
- Internal Restrictions	35,629,000	27,096,977	39,655,513	21,026,771	17,065,861	14,936,079	15,974,556	16,835,596	17,468,939	17,559,018	14,019,975	15,095,317	15,603,801	16,560,863
- Unrestricted	300,000	828,776	(78,925)	(9,230,307)	(20,631,336)	(35,120,021)	(51,807,985)	(70,090,908)	(88,944,910)	(109,740,409)	(128,534,508)	(149,149,248)	(171,868,204)	(197,898,285)
Total	48,186,000	36,817,796	47,465,583	16,217,942	1,384,825	-15,977,075	-31,216,968	(49,465,850)	(67,216,368)	(87,444,697)	(112,756,260)	(131,861,064)	(153,689,383)	(178,454,814)

Waverley Council - LTFP2 - Appendix 11

Operational Improvements Layer

	2008/09 Actual \$	as per MP Budget >>>>												
	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$	
CASH FLOW STATEMENT														
Cash Flows from Operation Activities														
<u>Receipts</u>														
Rates	35,920,000	25,919,904	26,930,416	27,872,981	28,848,538	29,451,188	30,034,630	30,783,228	31,635,379	32,443,506	33,261,903	34,099,996	34,959,184	35,840,021
Domestic Waste Charge		9,980,114	10,016,641	10,007,992	10,143,235	10,585,954	11,038,243	11,490,532	11,942,822	12,395,111	12,847,400	13,299,690	13,751,979	14,204,268
Environmental Levy		919,065	954,770	29,270	0	0	0	0	0	0	0	0	0	0
User Charges & Fees	22,596,000	27,173,424	28,433,945	30,070,630	31,269,871	32,136,103	33,003,917	34,031,585	35,177,395	36,293,280	37,457,699	38,663,746	39,913,274	41,208,054
Investments Income	2,628,000	1,726,625	1,278,833	1,062,167	1,045,500	1,178,429	638,443	135,166	7,831	0	0	0	0	0
Grants & Contributions	11,183,000	10,393,283	9,801,623	9,296,917	9,299,429	9,289,016	9,421,382	9,597,135	9,797,202	9,986,939	10,179,084	10,375,854	10,577,576	10,667,377
Other Operating Receipts	17,581,000	13,181,447	13,366,035	14,103,714	15,704,677	16,665,705	17,463,405	18,791,722	19,512,673	20,074,369	20,581,851	21,112,183	21,668,316	22,240,413
	89,908,000	89,293,863	90,782,264	92,443,671	96,311,249	99,306,395	101,600,021	104,829,368	108,073,303	111,193,205	114,327,937	117,551,469	120,870,330	123,560,134
<u>Payments</u>														
Employee Benefits & On-Costs	41,816,000	44,259,056	46,153,608	49,294,432	52,386,969	55,565,535	58,876,021	62,098,678	65,370,633	68,639,022	72,065,922	75,663,999	79,441,808	83,408,329
Materials & Contracts	22,307,000	20,587,415	19,975,952	22,937,552	24,211,154	25,314,193	25,407,522	25,796,553	26,790,999	27,394,693	28,150,070	28,599,334	29,334,601	30,225,229
Borrowing Costs	510,000	493,847	392,934	320,507	229,301	397,325	330,195	274,574	226,307	191,466	178,871	165,499	151,298	136,218
Other Operating Expenses	13,328,000	15,696,491	16,834,156	17,857,671	18,639,998	19,208,383	19,201,382	19,562,499	20,386,135	20,817,633	21,435,980	22,135,100	23,137,899	23,050,071
	77,961,000	81,036,809	83,356,651	90,410,161	95,467,421	100,485,436	103,815,120	107,732,304	112,774,074	117,042,815	121,830,843	126,563,932	132,065,605	136,819,848
Net Cash provided by (or used in) Operating Activities	11,947,000	8,257,054	7,425,613	2,033,509	843,828	(1,179,041)	(2,215,099)	(2,902,936)	(4,700,771)	(5,849,610)	(7,502,906)	(9,012,464)	(11,195,275)	(13,259,714)
CASH FLOW FROM INVESTING ACTIVITIES														
<u>Receipts</u>														
Proceeds from sale of Infrastructure, Property, Plant and Equipment	26,000	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Proceeds from sale of Investment Securities	17,969,000	4,706,957	1,003,049	22,096,259	3,960,910	2,873,214	0	827,001	0	0	6,517,465	0	0	0
	17,995,000	6,180,138	40,129,217	22,880,971	4,042,333	3,062,404	89,665	1,302,565	151,211	148,595	7,434,336	77,003	221,704	130,238
<u>Payments</u>														
Purchase of Infrastructure, Property, Plant & equipment	11,777,000	19,722,039	34,558,344	32,676,212	14,184,402	15,407,765	12,298,159	15,490,022	12,996,981	14,310,711	18,495,517	9,925,094	10,595,379	11,360,533
Purchase Investment Properties	65,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Investment Securities	26,454,000	7,640,977	12,558,536	0	528,822	0	1,448,071	861,041	1,103,484	567,171	0	1,509,937	890,637	1,264,650
	38,296,000	27,363,016	47,116,880	32,676,212	14,713,224	15,407,765	13,746,230	16,351,062	14,100,465	14,877,882	18,495,517	11,435,031	11,486,016	12,625,183
Net Cash provided by (or used in) Investing Activities	(20,301,000)	(21,182,878)	(6,987,663)	(9,795,241)	(10,670,891)	(12,345,361)	(13,656,565)	(15,048,498)	(13,949,254)	(14,729,287)	(11,061,181)	(11,358,028)	(11,264,312)	(12,494,945)
CASH FLOW FROM FINANCING ACTIVITIES														
<u>Receipts</u>														
Proceeds from Borrowings and Advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>														
Repayments of Borrowings & Advances	1,421,000	1,376,400	1,345,650	1,389,650	1,573,966	964,284	816,300	331,489	203,977	216,603	230,011	244,249	259,368	275,423
	1,421,000	1,376,400	1,345,650	1,389,650	1,573,966	964,284	816,300	331,489	203,977	216,603	230,011	244,249	259,368	275,423
Net Cash provided by (or used in) Financing Activities	(1,421,000)	(1,376,400)	(1,345,650)	(1,389,650)	(1,573,966)	(964,284)	(816,300)	(331,489)	(203,977)	(216,603)	(230,011)	(244,249)	(259,368)	(275,423)
Net Increase (Decrease) in cash held	(9,775,000)	(14,302,224)	(907,700)	(9,151,382)	(11,401,029)	(14,488,685)	(16,687,964)	(18,282,923)	(18,854,002)	(20,795,500)	(18,794,098)	(20,614,741)	(22,718,955)	(26,030,082)
Cash Assets & Investments at the beginning of the reporting period	24,906,000	15,131,000	828,776	(78,924)	(9,230,306)	(20,631,335)	(35,120,021)	(51,807,984)	(70,090,907)	(88,944,909)	(109,740,409)	(128,534,507)	(149,149,248)	(171,868,203)
Cash at the end of the reporting period	15,131,000	828,776	(78,924)	(9,230,306)	(20,631,335)	(35,120,021)	(51,807,984)	(70,090,907)	(88,944,909)	(109,740,409)	(128,534,507)	(149,149,248)	(171,868,203)	(197,898,285)

Waverley Council - LTFP2 - Appendix 12

Capital Improvements Layer

	as per MP Budget >>>>													
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
INCOME STATEMENT														
Income from Continuing Operations														
<i>Revenue:</i>														
Rates	25,033,000	26,046,700	26,958,335	27,901,877	28,878,445	29,469,283	30,052,491	30,806,314	31,661,571	32,468,210	33,286,977	34,125,681	34,985,517	35,867,017
Domestic Waste Charges	9,790,000	10,024,750	10,016,385	10,007,727	10,147,516	10,599,805	11,052,095	11,504,384	11,956,673	12,408,962	12,861,252	13,313,541	13,765,830	14,218,120
Environmental levy	892,000	923,440	955,760	0	0	0	0	0	0	0	0	0	0	0
User Charges & Fees (excl. parking fees)	10,669,000	14,022,051	14,456,658	15,490,968	16,022,041	16,349,844	16,673,413	17,095,213	17,585,520	18,033,544	18,507,196	18,993,360	19,492,764	20,005,795
Regulatory Services	0	1,745,400	1,787,290	1,835,547	1,881,437	1,971,369	2,065,618	2,165,265	2,270,204	2,379,947	2,495,039	2,615,785	2,742,467	2,875,379
Interest & Investment Revenue (excl. FV adjustment)	2,619,000	1,645,500	1,245,500	1,045,500	1,045,500	1,190,513	588,255	93,976	0	0	0	0	0	0
Off Street Parking Income	4,776,000	4,874,000	5,091,352	5,322,993	5,562,388	5,840,507	6,132,533	6,439,159	6,761,117	7,099,173	7,454,132	7,826,839	8,218,180	8,629,089
Parking Meter Income	5,912,000	6,800,000	7,130,000	7,476,500	7,840,325	8,000,734	8,159,071	8,363,730	8,595,927	8,814,925	9,037,215	9,264,918	9,498,358	9,737,681
Parking Fines Income	10,671,000	11,000,000	11,413,000	11,840,455	12,282,871	12,534,172	12,782,228	13,102,852	13,466,618	13,809,706	14,157,952	14,514,678	14,880,392	15,255,321
Other Revenues	6,230,000	1,577,590	2,037,393	2,347,624	3,533,654	4,194,675	4,740,213	5,775,332	6,118,572	6,329,589	6,488,086	6,663,663	6,856,132	7,055,069
Fair Value Adjustments	(6,605,000)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants & Contributions provided for Operating Purposes	6,630,000	5,698,358	6,065,558	5,893,149	6,047,156	6,170,878	6,293,002	6,450,852	6,629,944	6,798,854	6,970,304	7,145,929	7,325,979	7,510,565
Grants & Contributions provided for Capital Purposes	4,272,000	4,721,871	3,716,522	3,389,877	3,252,794	3,117,791	3,132,595	3,151,729	3,173,438	3,193,913	3,214,696	3,235,985	3,257,810	2,540,414
<i>Other Income:</i>														
Asset Sales	(74,000)	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Asset Sales - WDV	0	(1,115,000)	(44,955,000)	0	0	0	0	0	0	0	0	0	0	0
Total Income from Continuing Operations	80,815,000	89,437,841	85,044,921	93,336,929	96,575,550	99,628,762	101,761,177	105,424,370	108,370,795	111,485,417	115,389,722	117,777,381	121,245,134	123,824,688
Expenses from Continuing Operations														
Employee Costs	42,744,000	43,919,551	46,218,286	49,383,489	52,473,923	55,655,040	58,969,271	62,189,277	65,462,735	68,730,978	72,162,471	75,765,371	79,548,243	83,520,081
Other Employment Costs	672,000	3,634,387	3,213,233	3,059,889	3,035,426	3,097,529	3,158,830	3,238,065	3,327,962	3,412,748	3,498,809	3,586,965	3,677,343	3,769,998
Borrowing Costs	489,000	390,150	317,000	236,000	394,497	272,569	224,887	190,936	178,310	164,902	150,664	135,545	119,490	
Materials & Contracts	18,911,000	17,162,610	16,591,399	20,555,524	21,300,772	22,421,942	22,225,193	22,645,077	23,653,595	24,068,662	24,791,612	25,077,209	25,797,979	26,612,635
Depreciation & Amortisation	11,891,000	11,353,717	11,442,833	11,739,474	12,806,486	13,083,217	13,263,800	13,442,600	13,636,767	13,866,413	13,987,809	14,127,732	14,265,627	14,461,399
Other Expenses	13,017,000	16,255,596	16,954,879	18,064,516	18,760,790	19,302,332	19,180,193	19,642,744	20,542,171	20,875,452	21,553,634	22,257,149	23,322,767	22,992,833
Total Expenses from Continuing Operations	87,724,000	92,716,011	94,737,630	103,038,892	108,771,894	113,887,951	117,069,856	121,382,649	126,814,166	131,132,563	136,159,236	140,965,090	146,747,504	151,476,437
Operating Result from Continuing Operations - Surplus/(Deficit)	(6,909,000)	(3,278,170)	(9,692,710)	(9,701,963)	(12,196,344)	(14,259,190)	(15,308,679)	(15,958,279)	(18,443,370)	(19,647,145)	(20,769,514)	(23,187,708)	(25,502,370)	(27,651,749)
Capital Purchases														
Operating Plant & Equipment	0	4,216,758	796,247	4,194,758	554,687	1,244,045	511,280	3,742,904	887,615	1,003,669	4,975,647	454,786	1,324,808	660,245
Furniture & Equipment	0	31,500	31,500	31,500	31,500	316,812	87,837	88,526	89,231	89,949	90,683	91,433	92,198	92,979
Library Resources	0	268,800	268,800	268,800	268,800	274,445	280,208	286,093	292,100	298,235	304,497	310,892	317,421	324,087
Capital Works Program	0	16,763,770	34,745,723	37,834,572	19,789,735	20,007,919	13,720,945	15,224,244	13,647,784	19,561,971	14,402,783	9,098,958	11,740,004	16,455,988
Total Capital Purchases	0	21,280,828	35,842,270	42,329,630	20,644,722	21,843,220	14,600,270	19,341,767	14,916,730	20,953,823	19,773,611	9,956,068	13,474,430	17,533,299
Sources of Funding														
Reserves														
Transfer to Reserve - Operating Expenses	0	3,509,377	4,202,241	3,846,968	3,837,183	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer to Reserve - Capital Expenses	0	0	15,150,007	300,000	314,552	0	0	0	0	0	0	0	0	0
Total transfer to Reserve	0	3,509,377	19,352,248	4,146,968	4,151,735	3,969,472	4,007,657	4,052,278	4,071,408	4,098,864	4,070,332	4,039,417	3,988,156	3,914,712
Transfer from Reserve - Operating Expenses	0	1,243,731	385,000	390,000	640,000	1,480,098	431,546	465,592	767,488	427,213	434,000	445,619	781,225	449,984
Transfer from Reserve - Capital Expenses	0	15,764,526	7,411,761	24,553,227	6,943,823	5,362,589	2,128,041	3,552,646	2,200,436	3,104,479	10,153,797	2,083,861	2,316,295	2,200,078
Total transfer from Reserve	0	17,008,257	7,796,761	24,943,227	7,583,823	6,842,687	2,559,586	4,018,238	2,967,924	3,531,693	10,587,797	2,529,480	3,097,519	2,650,062
Net Reserve Movements to/(from)	0	(13,498,880)	11,555,487	(20,796,259)	(3,432,088)	(2,873,214)	1,448,071	34,040	1,103,484	567,171	(6,517,465)	1,509,937	890,637	1,264,650
Loan														
Loan - Internal	0	0	950,000	1,300,000	0	(2,250,000)	0	0	0	0	0	0	0	0
Loan - External	0	0	0	3,905,574	0	0	0	0	0	0	0	0	0	0
Loan repayment	0	1,376,400	1,345,650	1,389,650	1,573,966	964,284	816,300	331,489	203,977	216,603	230,011	244,249	259,368	275,423
Loan Balance	0	(1,376,400)	(395,650)	3,815,924	(1,573,966)	(3,214,284)	(816,300)	(331,489)	(203,977)	(216,603)	(230,011)	(244,249)	(259,368)	(275,423)
Net Result for the Year - Surplus/(Deficit)	(6,909,000)	(12,436,518)	(57,486,117)	(27,419,410)	(30,982,944)	(36,443,479)	(32,173,320)	(35,665,575)	(34,667,561)	(41,384,743)	(34,255,671)	(34,897,962)	(40,126,805)	(46,725,121)
Net Budget Result for the Year (excl. Depreciation & Amortisation)	4,982,000	32,199	(1,088,283)	(15,679,935)	(18,176,458)	(23,360,261)	(18,909,521)	(22,222,975)	(21,030,795)	(27,518,330)	(20,267,862)	(20,770,230)	(25,861,177)	(32,263,721)

Waverley Council - LTFP2 - Appendix 12

Capital Improvements Layer

		as per MP Budget >>>>												
	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
BALANCE SHEET														
CURRENT ASSETS														
Cash & Cash Equivalents	15,131,000	867,848	(886,935)	(15,591,540)	(34,103,436)	(54,991,622)	(74,198,985)	(96,191,408)	(117,097,910)	(144,355,410)	(164,463,008)	(185,403,249)	(210,895,704)	(242,976,786)
Investments	19,456,000	25,794,551	38,353,087	19,724,345	15,763,435	13,633,653	14,672,129	15,533,170	16,166,512	16,256,592	12,717,548	13,792,890	14,301,375	15,258,437
Receivables	6,328,000	6,196,174	6,354,427	6,446,610	6,612,551	6,732,221	6,793,990	6,902,356	7,035,312	7,165,167	7,296,620	7,431,803	7,570,838	7,690,734
Inventories	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000
Other	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000	659,000
Non-current assets held for sale	1,115,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	42,865,000	33,693,573	44,655,579	11,414,415	(10,892,450)	(33,790,748)	(51,897,866)	(72,920,882)	(93,061,086)	(120,098,651)	(143,613,840)	(163,343,555)	(188,188,491)	(219,192,615)
NON-CURRENT ASSETS														
Investments	13,599,000	8,892,043	7,888,994	4,421,477	4,950,299	4,206,867	4,616,461	3,789,460	4,259,602	4,736,694	1,758,272	2,192,867	2,575,019	2,882,608
Receivables	2,137,000	2,054,623	1,987,859	2,004,223	2,021,160	2,034,667	2,044,389	2,055,462	2,068,787	2,082,550	2,096,011	2,109,737	2,123,803	2,138,224
Infrastructure, Property, Plant & Equipment	1,039,673,000	1,049,600,111	1,073,999,547	1,104,589,703	1,112,427,939	1,121,187,942	1,122,524,413	1,128,423,579	1,129,703,542	1,136,790,952	1,142,576,754	1,138,405,091	1,137,613,894	1,140,685,793
Investment Property	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000	112,356,000
Non-current assets classified as "held for sale"	44,955,000	44,955,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Current Assets	1,212,720,000	1,217,857,777	1,196,232,400	1,223,371,403	1,231,755,398	1,239,785,475	1,241,541,263	1,246,624,501	1,248,387,932	1,255,966,196	1,258,787,037	1,255,063,695	1,254,668,716	1,258,062,624
Total Assets	1,255,585,000	1,251,551,350	1,240,887,980	1,234,785,818	1,220,862,948	1,205,994,728	1,189,643,397	1,173,703,619	1,155,326,846	1,135,867,545	1,115,173,197	1,091,720,140	1,066,480,225	1,038,870,009
CURRENT LIABILITIES														
Payables	9,290,000	10,250,425	10,560,737	11,555,557	11,316,043	11,581,792	11,262,191	11,521,582	11,700,054	12,012,545	12,221,173	12,098,701	12,514,088	12,719,292
Borrowings	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000	1,376,000
Provisions	17,884,000	17,544,495	17,609,173	17,698,229	17,785,182	17,874,687	17,967,937	18,058,536	18,150,638	18,242,594	18,339,144	18,440,516	18,546,951	18,658,704
Total Current Liabilities	28,550,000	29,170,920	29,545,910	30,629,787	30,477,226	30,832,479	30,606,128	30,956,118	31,226,692	31,631,140	31,936,317	31,915,216	32,437,039	32,753,995
NON-CURRENT LIABILITIES														
Borrowings	5,718,000	4,341,600	2,995,950	5,511,874	3,937,908	2,973,624	2,157,324	1,825,835	1,621,858	1,405,255	1,175,244	930,995	671,627	396,204
Provisions	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000	575,000
Total Non-Current Liabilities	6,293,000	4,916,600	3,570,950	6,086,874	4,512,908	3,548,624	2,732,324	2,400,835	2,196,858	1,980,255	1,750,244	1,505,995	1,246,627	971,204
Total Liabilities	34,843,000	34,087,520	33,116,860	36,716,661	34,990,134	34,381,104	33,338,452	33,356,953	33,423,550	33,611,395	33,686,561	33,421,212	33,683,666	33,725,199
NET ASSETS	1,220,742,000	1,217,463,830	1,207,771,120	1,198,069,157	1,185,872,814	1,171,613,624	1,156,304,945	1,140,346,666	1,121,903,296	1,102,256,150	1,081,486,636	1,058,298,928	1,032,796,558	1,005,144,810
EQUITY														
Retained Earning	1,117,822,000	1,110,913,000	1,107,634,830	1,097,942,120	1,088,240,157	1,076,043,814	1,061,784,624	1,046,475,945	1,030,517,666	1,012,074,296	992,427,150	971,657,636	948,469,928	922,967,558
Revaluation Reserves	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000	109,829,000
Retained Earning	1,227,651,000	1,220,742,000	1,217,463,830	1,207,771,120	1,198,069,157	1,185,872,814	1,171,613,624	1,156,304,945	1,140,346,666	1,121,903,296	1,102,256,150	1,081,486,636	1,058,298,928	1,032,796,558
Surplus/(Deficit) Operating Result & Capital Revenue	(6,909,000)	(3,278,170)	(9,692,710)	(9,701,963)	(12,196,344)	(14,259,190)	(15,308,679)	(15,958,279)	(18,443,370)	(19,647,145)	(20,769,514)	(23,187,708)	(25,502,370)	(27,651,749)
TOTAL EQUITY	1,220,742,000	1,217,463,830	1,207,771,120	1,198,069,157	1,185,872,814	1,171,613,624	1,156,304,945	1,140,346,666	1,121,903,296	1,102,256,150	1,081,486,636	1,058,298,928	1,032,796,558	1,005,144,810
Total Cash, Cash Equivalents & Investment Securities attributable to:														
- External Restrictions	12,257,000	8,892,043	7,888,994	4,421,477	4,950,299	4,206,867	4,616,462	3,789,461	4,259,603	4,736,694	1,758,273	2,192,867	2,575,020	2,882,608
- Internal Restrictions	35,629,000	25,794,551	38,353,087	19,724,345	15,763,435	13,633,653	14,672,129	15,533,170	16,166,512	16,256,591	12,717,548	13,792,890	14,301,375	15,258,436
- Unrestricted	300,000	867,848	(886,935)	(15,591,540)	(34,103,436)	(54,991,621)	(74,198,985)	(96,191,408)	(117,097,910)	(144,355,409)	(164,463,008)	(185,403,249)	(210,895,704)	(242,976,786)
Total	48,186,000	35,554,442	45,355,146	8,554,282	-13,389,702	-37,151,102	-54,910,395	(76,868,777)	(96,671,795)	(123,362,124)	(149,987,187)	(169,417,491)	(194,019,310)	(224,835,741)

Waverley Council - LTFP2 - Appendix 12

Capital Improvements Layer

as per MP Budget >>>>

	2008/09 Actual \$	2009/10 MP Budget \$	2010/11 MP Projection \$	2011/12 MP Projection \$	2012/13 MP Projection \$	2013/14 Projected \$	2014/15 Projected \$	2015/16 Projected \$	2016/17 Projected \$	2017/18 Projected \$	2018/19 Projected \$	2019/20 Projected \$	2020/21 Projected \$	2021/22 Projected \$
CASH FLOW STATEMENT														
Cash Flows from Operation Activities														
<u>Receipts</u>														
Rates	35,920,000	25,919,904	26,930,416	27,872,981	28,848,538	29,451,188	30,034,630	30,783,228	31,635,379	32,443,506	33,261,903	34,099,996	34,959,184	35,840,021
Domestic Waste Charge		9,980,114	10,016,641	10,007,992	10,143,235	10,585,954	11,038,243	11,490,532	11,942,822	12,395,111	12,847,400	13,299,690	13,751,979	14,204,268
Environmental Levy		919,065	954,770	29,270	0	0	0	0	0	0	0	0	0	0
User Charges & Fees	22,596,000	27,173,424	28,433,945	30,070,630	31,269,871	32,136,103	33,003,917	34,031,585	35,177,395	36,293,280	37,457,699	38,663,746	39,913,274	41,208,054
Investments Income	2,628,000	1,726,625	1,278,833	1,062,167	1,045,500	1,178,429	638,443	135,166	7,831	0	0	0	0	0
Grants & Contributions	11,183,000	10,393,283	9,801,623	9,296,917	9,299,429	9,289,016	9,421,382	9,597,135	9,797,202	9,986,939	10,179,084	10,375,854	10,577,576	10,667,377
Other Operating Receipts	17,581,000	13,181,447	13,366,035	14,103,714	15,704,677	16,665,705	17,463,405	18,791,722	19,512,673	20,074,369	20,581,851	21,112,183	21,668,316	22,240,413
	89,908,000	89,293,863	90,782,264	92,443,671	96,311,249	99,306,395	101,600,021	104,829,368	108,073,303	111,193,205	114,327,937	117,551,469	120,870,330	123,560,134
<u>Payments</u>														
Employee Benefits & On-Costs	41,816,000	44,259,056	46,153,608	49,294,432	52,386,969	55,565,535	58,876,021	62,098,678	65,370,633	68,639,022	72,065,922	75,663,999	79,441,808	83,408,329
Materials & Contracts	22,307,000	20,587,415	19,975,952	22,937,552	24,211,154	25,314,193	25,407,522	25,796,553	26,790,999	27,394,693	28,150,070	28,599,334	29,334,601	30,225,229
Borrowing Costs	510,000	493,847	392,934	320,507	229,301	397,325	330,195	274,574	226,307	191,466	178,871	165,499	151,298	136,218
Other Operating Expenses	13,328,000	15,696,491	16,834,156	17,857,671	18,639,998	19,208,383	19,201,382	19,562,499	20,386,135	20,817,633	21,435,980	22,135,100	23,137,899	23,050,071
	77,961,000	81,036,809	83,356,651	90,410,161	95,467,421	100,485,436	103,815,120	107,732,304	112,774,074	117,042,815	121,830,843	126,563,932	132,065,605	136,819,848
Net Cash provided by (or used in) Operating Activities	11,947,000	8,257,054	7,425,613	2,033,509	843,828	(1,179,041)	(2,215,099)	(2,902,936)	(4,700,771)	(5,849,610)	(7,502,906)	(9,012,464)	(11,195,275)	(13,259,714)
CASH FLOW FROM INVESTING ACTIVITIES														
<u>Receipts</u>														
Proceeds from sale of Infrastructure, Property, Plant and Equipment	26,000	1,473,181	39,126,168	784,712	81,423	189,190	89,665	475,564	151,211	148,595	916,871	77,003	221,704	130,238
Proceeds from sale of Investment Properties		0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of Investment Securities	17,969,000	4,706,957	1,003,049	22,096,259	3,960,910	2,873,214	0	827,001	0	0	6,517,465	0	0	0
	17,995,000	6,180,138	40,129,217	22,880,971	4,042,333	3,062,404	89,665	1,302,565	151,211	148,595	7,434,336	77,003	221,704	130,238
<u>Payments</u>														
Purchase of Infrastructure, Property, Plant & equipment	11,777,000	20,985,393	35,405,427	42,135,009	21,295,269	21,807,265	14,817,559	19,199,522	15,049,481	20,772,711	19,809,017	10,250,594	13,368,879	17,411,533
Purchase Investment Properties	65,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Investment Securities	26,454,000	6,338,551	12,558,536	0	528,822	0	1,448,071	861,041	1,103,484	567,171	0	1,509,937	890,637	1,264,650
	38,296,000	27,323,944	47,963,963	42,135,009	21,824,091	21,807,265	16,265,630	20,060,562	16,152,965	21,339,882	19,809,017	11,760,531	14,259,516	18,676,183
Net Cash provided by (or used in) Investing Activities	(20,301,000)	(21,143,806)	(7,834,746)	(19,254,038)	(17,781,758)	(18,744,861)	(16,175,965)	(18,757,998)	(16,001,754)	(21,191,287)	(12,374,681)	(11,683,528)	(14,037,812)	(18,545,945)
CASH FLOW FROM FINANCING ACTIVITIES														
<u>Receipts</u>														
Proceeds from Borrowings and Advances	0	0	0	3,905,574	0	0	0	0	0	0	0	0	0	0
	0	0	0	3,905,574	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>														
Repayments of Borrowings & Advances	1421000	1,376,400	1,345,650	1,389,650	1,573,966	964,284	816,300	331,489	203,977	216,603	230,011	244,249	259,368	275,423
	1,421,000	1,376,400	1,345,650	1,389,650	1,573,966	964,284	816,300	331,489	203,977	216,603	230,011	244,249	259,368	275,423
Net Cash provided by (or used in) Financing Activities	(1,421,000)	(1,376,400)	(1,345,650)	2,515,924	(1,573,966)	(964,284)	(816,300)	(331,489)	(203,977)	(216,603)	(230,011)	(244,249)	(259,368)	(275,423)
Net Increase (Decrease) in cash held	(9,775,000)	(14,263,152)	(1,754,783)	(14,704,605)	(18,511,896)	(20,888,185)	(19,207,364)	(21,992,423)	(20,906,502)	(27,257,500)	(20,107,598)	(20,940,241)	(25,492,455)	(32,081,082)
Cash Assets & Investments at the beginning of the reporting period	24,906,000	15,131,000	867,848	(886,935)	(15,591,540)	(34,103,436)	(54,991,622)	(74,198,985)	(96,191,408)	(117,097,910)	(144,355,410)	(164,463,008)	(185,403,249)	(210,895,704)
Cash at the end of the reporting period	15,131,000	867,848	(886,935)	(15,591,540)	(34,103,436)	(54,991,622)	(74,198,985)	(96,191,408)	(117,097,910)	(144,355,410)	(164,463,008)	(185,403,249)	(210,895,704)	(242,976,786)

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