



Wagga Wagga
City Council

combined **DELIVERY PROGRAM & OPERATIONAL PLAN**

2015/2016



Mayor & GENERAL MANAGER welcome

2015/2016.

Welcome to the 2015/2016 Combined Delivery Program and Operational Plan (DPOP). The DPOP outlines Council's commitment over the term of the current elected Council, identifying specific projects and budgets over a four year period as well as identifying specific operations, services and projects to be delivered during the 2015/2016 financial year.

In preparing the DPOP, Council has made decisions in adjusting its operations and ensuring it is progressing towards meeting the benchmarks required under the State Government's "Fit For the Future" reform package. At the time of the release of the benchmarks, Wagga Wagga met four of the seven benchmarks set by the State Government.

Council is in the process of developing an action plan that will identify how it will work towards meeting all of the benchmarks. Some of the actions will include:

- reviewing Council's asset depreciation methodology;
- assessing the infrastructure backlog for road and road related asset types;
- investigating shared services opportunities with neighbouring Councils;
- continuing to focus on operating a lean organisation; and
- conducting operational efficiency reviews across the organisation.

Wagga Wagga has committed to further collaborating with neighbouring Councils through the Joint Organisation Pilot process. The Pilot will initially focus on regional priority issues such as water and wastewater; transport planning and land use planning. The Pilot will also aim to enhance intergovernmental collaboration with various State Government Agencies. The outcomes of the Pilot process will assist in informing future legislative changes to the Local Government Act to include reference to Joint Organisation Councils.

The elected Council has decided to work within the Independent Pricing and Regulatory Tribunal determined rate cap and to achieve a balanced budget on average over the term of the Long Term Financial Plan. Given that rates have been capped at 2.3% and 2.5% over the last two (2) years, Council is working through a Service Review of all of its operations to identify operational efficiencies. Council will need to continue to monitor the outcomes being achieved to ensure that vital areas of community expectations continue to be met. Should any significant changes to external services be identified through this process, then the community will be provided the opportunity to provide feedback through community consultation processes.

Although 2015/2016 may see a reduction in some services, Council will still progress with projects that are fundamental to the growth of the city such as:

- Riverina Intermodal Freight and Logistics (RIFL) Hub;
- Multi-Purpose Stadiums; and
- Levee Bank/s.

The Delivery Program and Long Term Financial Plan highlight the Council's intentions to fund its one-third share of the Main City Levee Upgrade and potential North Wagga Levee Upgrade with a Special Rate Variation (SRV) commencing from the 2016/17 financial year which will require a contribution from all ratepayers within the Local Government Area.

Council also has a scenario in the Long Term Financial Plan which continues to fund Council's one-third share by loan borrowings in the event that the application for a SRV to the Independent Pricing and Regulatory Tribunal (IPART) is not approved. If this scenario eventuates, Council will need to make additional budget reductions from the 2017/18 year to accommodate the additional debt servicing costs arising from borrowings.

Many of the major projects Council delivers rely on partnership funding from both State and Federal Governments because this is also part of their role. Projects such as the ones highlighted above often are reliant on the commitment of such partnership funding.

Progress of services and projects outlined in the 2015/2016 DPOP will be reported on in the Quarterly Performance Report which can be found on Council's website or accessed through the Customer Service Centre.

We look forward to working with the community to achieve the community's short and long term goals. During the year the introduction of a community panel will provide another opportunity for community members to share their views and be involved in assisting with decision making regarding some of Council's projects and services. We look forward to your participation.

Rod Kendall
Mayor

General Manager

project HIGHLIGHTS for

2015/2016.

BOMEN BUSINESS PARK DEVELOPMENT

The Riverina Intermodal Freight and Logistics (RIFL) hub project involves the construction of new major rail and road infrastructure and a freight terminal on 95 hectares of land north of Wagga Wagga at the Bomen Business Park. The project also includes the development of an agricultural bulk goods facility (grain terminal) and will be a key economic driver of growth in the Riverina.

Key project deliverables for the 2015/2016 financial year will include the finalisation of commercial models, customer agreements, constructions plans and project funding by late 2015. Stage 1 construction is proposed to commence in early 2016 which will include the construction of enabling roads, grain terminal and an intermodal terminal.

MULTI PURPOSE STADIUM

The scope of the project is to deliver two Multi Purpose Stadiums (both sport and conference facilities), the first site located at The Exhibition Centre, consisting of a large sports building next to the existing Netball Clubhouse. The facility will provide three full sized indoor multi purpose courts, offices, amenities and function area.

The second site is an expansion to the Bolton Park Stadium's existing gymnasium building, with the construction of a large single level Police Citizen Youth Club (PCYC) housing judo, boxing, passive recreation and childcare areas. In addition to an entrance foyer and administrative/amenities areas the scope of the project includes modifications of the existing amenities.

Both these projects will have an approximate 50 week construction period (weather permitting) with a whole of project budget value of \$12.6 million.

NARRUNG WETLAND PROJECT

This project will see the transformation of the Narrung Street sewage treatment ponds turned into a recreational wetland area for the community.

The Narrung Wetland area will include an open air education centre, walkways, bird hides, interpretive signage and a sampling jetty.

The project is a collaborative effort with funding from Wagga Wagga City Council, Riverina Local Land Services and the NSW Environmental Trust. A Green Army project team will also be working on the site as part of the Federal government initiative.

FLOOD MITIGATION STUDIES

2015/2016 will see the revision of Council's Floodplain Risk Management Study and Plan. The revision will include a comprehensive review of the existing Floodplain Risk Management plan. Additional modelling will be undertaken to assess flood behaviour, considering the impacts of cumulative development and vegetation in the floodplain. The modelling will inform recommendations on planning controls and management of vegetation in the floodplain. Extensive stakeholder engagement will be undertaken as part of the project.

Dependent upon successful application for grant funding, work may continue on the Major Overland Flow Flood Risk Management Study and Plan and may commence on the Village Overland Flow Flood Risk Management Study and Plan.

LEVEE BANK UPGRADE

Council is finalising the investigation and detailed design of the upgrade of the Main City Levee and potential upgrade of the North Wagga Levees.

Council remains committed to funding one-third of the cost of the upgrades, preferably with a Special Rate Variation, and is awaiting the outcome of a funding application to the NSW Office of Environment and Heritage (NSW OEH) for the remaining cost.

ROAD RENEWAL PROGRAM

The Road Pavement Rehabilitation Program will include the renewal of 50,000m² of road in the local government area. Roads identified for renewal include:

- Byrnes Road
- Fitzhardinge Street
- Lloyd Road
- Tarcutta Street
- Plumpton Road
- Eunony Bridge Road
- Emu Plains Bridge
- Darlow Street
- Grandview Avenue
- Lake Albert Road

The program is dependent on changing priorities and condition of assets, as well as favourable weather conditions and the availability of resources.

proposed SPECIAL RATE VARIATION.

Wagga Wagga City Council (WWCC) has been planning for an upgrade to the levee system since 2007, and recently completed detailed designs for the Main City Levee to a 1 in 100 year level of protection, and the potential upgrade of the North Wagga Levee to a 1 in 20 year level of protection. Following extensive community consultation Council resolved to upgrade the Main City Levee to a 1 in 100 year level of protection. The full impact of upgrading the North Wagga Levee will be considered in a review of the Floodplain Risk Management Study.

The upgrade of the Main City Levee will ensure the protection of residences and businesses in Central Wagga up to a 1 in 100 year flood event. This will reduce the likelihood that the area will need to be evacuated during a flood event, which can also have an immediate social and economic impact. In some flood events the upgrade will mean that flood levels in some flood events in parts of the floodplain upstream and outside of the Main City Levee will increase slightly.

The estimated cost, as provided by NSW Public Works, of upgrading the Main City levee to a 1 in 100 year level of protection and the potential upgrade of the North Wagga Levee to a 1 in 20 year level of protection is \$23.3M.

Council has made an application for funding under the NSW Floodplain Management Program for construction of the levee upgrade.

Given the nature of funding through the program, it is likely that the upgrade will be constructed in stages over a number of years.

If Council's application is successful, it is anticipated that construction will commence in the second half of 2016.

Providing it can secure Federal and State funding, Council is committed to funding one-third of the cost of the overall project and proposes to fund this \$7.75M share with a Special Rate Variation (SRV). Council intends to make an application to the Independent Pricing and Regulatory Tribunal (IPART) for a SRV of 3.83% above the rate peg each year maintained for five years, commencing in 2016/17.

Assuming the rate peg is set at 3% each year, the full increase will be a one off annual increase of 6.83% maintained for five years.

At the end of the five year period rates payable in (2021/22) will revert back down to the equivalent level to that if an SRV had not occurred.

Rates for each property are calculated as a percentage of the land value so the rate increase in dollar terms will vary.

The average annual increase for each rate category is outlined below:

These figures are calculated using a total rate increase of 6.83% (3.83% special rate variation plus an estimated 3% rate peg).

RATE CATEGORY	AVERAGE LAND VALUE*	TOTAL AVERAGE ANNUAL INCREASE IN 2016/17 (SRV PLUS RATE PEG)**	AVERAGE ANNUAL INCREASE IN 2016/17 FOR SRV ONLY**
Residential Wagga	\$121,000	\$69.15	\$39.30
Residential Village	\$63,000	\$24.33	\$13.83
Residential Other	\$219,000	\$97.91	\$55.65
Business Wagga	\$445,000	\$438.43	\$249.18
Business Village	\$74,000	\$36.01	\$20.47
Farmland	\$637,000	\$168.54	\$95.79

*Based on 2015/16 rates

**Indicative increase only and subject to change as per rate pegs set by IPART each year

Ratepayers can be assured that money raised by the proposed SRV can only be spent on the Levee Upgrade Project.

If the upgrade of the North Wagga Levee does not go ahead, or if the extent of the upgrade is reduced, the Special Rate Variation will be adjusted accordingly. If a decision is made to upgrade of the North Wagga Levee higher than a 1 in 20 year level of protection, the difference will be paid for within Council's budget.

In the event that a SRV is not approved by the Independent Pricing and Regulatory Tribunal (IPART), Council would need to borrow \$7.75M to fund its one-third share. This will impact on the delivery of other programs, services and projects to the community.

If Council is not successful with its application for a special rate variation, it will need to fund its one-third share of the Levee Project by borrowing \$7.75M over five years. This would be paid back with interest over approximately 14 years. The total cost of the repayments is anticipated to be \$10.91M.

The table shown right outlines what the repayments are expected to be each year over the 14 year repayment period (timing of funds drawn down is reflective of the five (5) year construction period). The debt servicing costs would need to be budgeted for in each of the financial year's listed below, which will mean a reduction in the services that Council provides to the community. Services that could be impacted include Council's road and footpath maintenance program, facilities such as the Oasis Aquatic Centre, cultural programs such as community festivals and further staff cuts.

YEAR	REPAYMENT AMOUNT*
17/18	\$218,150
18/19	\$436,300
19/20	\$645,450
20/21	\$872,600
21/22	\$1,090,750
22/23	\$1,090,750
23/24	\$1,090,750
24/25	\$1,090,750
25/26	\$1,090,750
26/27	\$1,090,750
27/28	\$872,600
28/29	\$654,450
29/30	\$436,300
30/31	\$218,150
TOTAL	\$ 10,907,500

**Indicative increase only and subject to changes in interest rates*

Given the significant pressure that borrowing money to fund the Levee Upgrade Project will have on Council's ability to provide services, Council believes that the fairest and most cost effective result for the community is to fund the project with a SRV.

The various scenarios for funding the Levee Upgrade Project are outlined in detail in the sensitivity analysis section of this document.

This LTFP includes separate funding scenarios which include and exclude the North Wagga option.



Wagga Wagga
City Council

Long Term **FINANCIAL PLAN**

2015/2025



our EXECUTIVE SUMMARY.

The Long Term Financial Plan (LTFP) is one element of the resourcing strategy which details how the strategic aspirations of the City which are outlined in the Community Strategic Plan ('Ruby & Oliver') can be achieved in terms of time, money, assets and people.

The Resourcing Strategy focuses on long term strategies in three key areas:

- Financial Planning - addresses the financial resources that impact on Council's ability to fund its services and capital works whilst remaining financially sustainable
- Workforce Planning - ensures that Council has the necessary staff to deliver current services and operational needs for the community now and in the future.
- Asset Management Planning - aims to predict infrastructure consumption and renewal needs, as well as consider infrastructure requirements to meet future community needs.

Council's LTFP is a ten-year financial planning document with an emphasis on long-term financial sustainability. Financial sustainability is one of the key issues facing local government due to several contributing factors including growing demands for community services and facilities, constrained revenue growth and ageing infrastructure.

The LTFP is formulated by using a number of estimates and assumptions to project the future revenue and expenditure required of Council to deliver those services and projects expected by the community.

Council has reviewed the previous LTFP and significant changes have been made to both operational and capital items in the formulation of this 2015/25 LTFP. The draft budget for both 2015/16 and 2016/17 years are balanced, and this position has been achieved with significant changes to both operational and capital budgets including savings over the ten year period for \$21.9M for salaries, \$5.6M in utility costs and \$2.6M in operational budgets. These savings have helped Council overcome unfavourable adjustments to Council's revenue sources including a three year freeze on indexation of the Federal Government's Financial Assistance Grant (\$9.4M) and a reduction of investment income of \$1.4M over the ten year period.

Council also reviews any significant changes to the LTFP via the Monthly Finance Report to Council. The Monthly Finance Report assesses Council's performance against budget each month, and any ongoing changes to budget that result from this process are included in the LTFP and reported to Council.

Special Rate Variation

The Delivery Program and Long Term Financial Plan highlight

Council's intentions to fund its one-third share of the Main City Levee Upgrade and a potential North Wagga Levee Upgrade with a Special Rate Variation (SRV) commencing from the 2016/17 financial year which will require a contribution from all ratepayers within the Local Government Area.

Council also has a scenario in the Long Term Financial Plan which provides funding for Council's one-third share by loan borrowings in the event that the application for a SRV to the Independent Pricing and Regulatory Tribunal (IPART) is not approved. If Council's SRV application is not approved, Council will need to make additional budget reductions from the 2017/18 year to accommodate the additional debt servicing costs associated with the borrowings.

Long Term Financial Plan Objectives

The objectives of Council's LTFP are:

- to provide a forecast financial position over ten years to ensure that Council remains financially sustainable
- to support the implementation of the Council's Community Strategic Plan ('Ruby & Oliver')
- to identify and highlight future challenges, problems and financial trends in order that they be proactively addressed
- to ensure compliance with legislative requirements of integrated planning and reporting contained in the Local Government Act and the guidelines produced by the NSW Office of Local Government
- trend towards becoming 'Fit for the Future'.

Financial Sustainability

In 2013, New South Wales Treasury Corporation (TCorp) conducted a financial assessment of the 152 Councils in New South Wales. During this assessment, TCorp defined financial sustainability as:

A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community.

From its assessment, TCorp developed key recommendations for consideration:

1. At least breakeven operating positions are essential
2. Pricing paths are needed for the medium term
3. Rate increases must meet underlying costs
4. Asset management planning must be prioritised
5. Councillor and management capacity must be developed
6. Improved use of restricted funds
7. Increased use of debt

T-Corp concluded that Council's financial sustainability was Moderate, with a Negative outlook.

A Moderate rating indicates that a Council has an adequate capacity to meet its financial obligations in the short to medium term (being the next five years), and to manage the risks to its business. Councils rated as Moderate will generally not have sufficient funds to address their Infrastructure Backlogs over time.

The Negative Outlook rating is based on the perception of the likely future movement in the Financial Sustainability Rating (FSR) of each Council over the next three years. A Negative Outlook indicates that a Council's FSR is more likely to deteriorate, and is a sign of a general weakening in performance and sustainability.

In developing this year's LTFP, Council has considered T-Corp's recommendations and have investigated programs and strategies in order to assist in improving Council's financial sustainability position.

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upgrade. Given the nature of funding through the program, it is likely that the upgrade will be constructed in stages over a number of years.

If Council's application is successful, it is anticipated that construction will commence in the second half of 2016.

Providing it can secure Federal and State funding, Council is committed to funding one-third of the cost of the overall project and proposes to fund this \$7.75M share with a Special Rate Variation (SRV). Council intends to make an application to the Independent Pricing and Regulatory Tribunal (IPART) for a SRV of 3.83% above the rate peg each year maintained for five years, commencing in 2016/17.

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Residential Other	\$219,000	\$96.25	\$53.98
Business Wagga	\$445,000	\$430.66	\$241.41
Business Village	\$74,000	\$35.41	\$19.87
Farmland	\$637,000	\$165.63	\$92.87

*Based on 2015/16 rates

**Indicative increase only and subject to change as per rate pegs set by IPART each year

Ratepayers can be assured that money raised by the proposed SRV can only be spent on the Levee Upgrade Project.

If the upgrade of the North Wagga Levee does not go ahead, or if the extent of the upgrade is reduced, the Special Rate Variation will be adjusted accordingly. If a decision is made to upgrade of the North Wagga Levee higher than a 1 in 20 year level of protection, the difference will be paid for within Council's budget.

In the event that a SRV is not approved by the Independent Pricing and Regulatory Tribunal (IPART), Council would need to borrow \$7.75M to fund its one-third share. This will impact on the delivery of other programs, services and projects to the community.

If Council is not successful with its application for a special rate variation, it will need to fund its one-third share of the Levee Project by borrowing \$7.75M over five years. This would be paid back with interest over approximately 14 years. The total cost of the repayments is anticipated to be \$10.91M.

The table shown below outlines what the repayments are expected to be each year over the 14 year repayment period (timing of funds drawn down is reflective of the five (5) year

construction period). The debt servicing costs would need to be budgeted for in each of the financial year's listed below, which will mean a reduction in the services that Council provides to the community. Services that could be impacted include Council's road and footpath maintenance program, facilities such as the Oasis Aquatic Centre, cultural programs such as community festivals and further staff cuts.

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29/30	\$436,300
30/31	\$218,150
TOTAL	\$ 10,907,500

**Indicative increase only and subject to changes in interest rates*

Given the significant pressure that borrowing money to fund the Levee Upgrade Project will have on Council's ability to provide services, Council believes that the fairest and most cost effective result for the community is to fund the project with a SRV.

The various scenarios for funding the Levee Upgrade Project are outlined in detail in the sensitivity analysis section of this document.

This LTFP includes separate funding scenarios which include and exclude the North Wagga option.

our PLANNING ASSUMPTIONS.

POPULATION AND DEMOGRAPHICS

The level of population increase and population demographics have a significant impact on demand for services, and are key drivers for Council's planning for new infrastructure and the type of infrastructure incorporated in the LTFP. The data provided by the ABS reveals that Wagga Wagga has a population which is younger relative to the NSW state average. The proportion of the population aged 24 or less for Wagga Wagga is 37% compared with 31.6% for NSW. The proportion of the population aged over 60 is 19.1% compared with 21.1% for NSW.

This profile is reflected in Council's ten year capital works program which places a heavy influence on facilities such as skate parks, sporting and recreation improvements and cultural events and activities

ECONOMIC CONDITIONS AND GROWTH

Economic conditions and growth have a significant external impact to Wagga's financial position and the LTFP. Some key factors include the following:

- The state of financial markets (including official interest rates)
- Inflation rates
- Labour force and unemployment rate
- Population growth rate

Interest rate fluctuations will have a direct impact on the returns earned on Council's investment portfolio.

Inflation rate fluctuations impact both income and expenditure and what products can be purchased for in real terms. When the general price level rises, each unit of currency buys fewer goods and services. Consequently, inflation reflects a reduction in the purchasing power per unit of money

The city's labour force was comprised of just over 37,000 persons as at September 2014 and maintained an unemployment rate of 4.9% as at the same time period per the Department of Employment Sept 2014 Qtr results. The unemployment rate of 4.9% compares favourably to the NSW average of 5.9%.

Over the next 20 years, Wagga Wagga is expected to grow steadily at an average annual rate of 1% to reach almost 80,000 residents by the year 2036.

MAJOR PROJECTS

The uncertainties around Council's planned major projects have the potential to have a significant impact on the LTFP both in regards to timing and costings.

Riverina Intermodal Freight and Logistics

The Riverina Intermodal Freight and Logistics (RIFL) hub project involves the construction of new major rail and road infrastructure and a freight terminal on 95 hectares of land north of Wagga Wagga at the Bomen Business Park. The project also includes the development of an agricultural bulk goods facility (grain terminal) and will be a key economic driver of growth in the Riverina.

Key project deliverables for the 2015/2016 financial year will include the finalisation of commercial models, customer agreements, construction plans and project funding by late 2015. Stage 1 construction is proposed to commence in early 2016 which will include the construction of enabling roads, grain terminal and an intermodal terminal.

The uncertainties associated with the RIFL project continue to reduce as the project matures through the project phases.

Multi Purpose Stadium

The scope of the project is to deliver two Multi Purpose Stadiums (both sport and conference facilities), the first site located at The Exhibition Centre, consisting of a large sports building next to the existing Netball Clubhouse. The facility will provide three full sized indoor multi purpose courts, offices, amenities and function area.

The second site is an expansion to the Bolton Park Stadium's existing gymnasium building, with the construction of a large single level Police Citizen Youth Club (PCYC) housing judo, boxing, passive recreation and childcare areas. In addition to an entrance foyer and administrative/amenities areas the scope of the project includes modifications of the existing amenities.

Both these projects will have an approximate 50 week construction period (weather permitting) with a whole of project budget value of \$12.6 million.

Levee Bank Upgrades - Upgrades of Main City Levee and North Wagga Levees (Not included in the base case data)

Council recently completed detailed designs for the Main City Levee Upgrade and the potential North Wagga Levee Upgrade and has resolved to proceed with the upgrade of the Main City Levee to a 1 in 100 year level of protection.

The full impact of upgrading the North Wagga Levee will be considered in a review of the Floodplain Risk Management Study.

Council remains committed to funding one-third of the cost of the upgrades and is awaiting the outcome of a funding application to the NSW Office of Environment and Heritage (NSW OEH) for the remaining cost.

At this stage the design process the cost estimate is within plus or minus 20 – 30%.

This LTFFP includes modelling for the following items:

1. Upgrade the Main City Levee to a 1 in 100 year level of protection – Estimated cost \$14.6M
2. Upgrade the North Wagga Levee to a 1 in 20 year level of protection – Estimated cost \$8.7M

As previously mentioned, no decision has been made on the extent of the potential upgrade to the North Wagga Levee.

The modelling assumes a construction period of five (5) years but this is conditional of the timing and conditions of funding from NSW OEH.

The capital costs have been indexed at a rate of 5% which is based on advice from NSW Public Works.

The total capital cost indexed over the five (5) year period is as follows:

PROJECT	INDEXED ESTIMATED COST	COUNCIL'S ONE-THIRD SHARE
Upgrade of Main City Levee	\$14.6M	\$4.9M
Upgrade of North Wagga Levees	\$8.7M	\$2.9M
TOTAL	\$23.3M	\$7.8

Funding options for Council's one-third share:

1. Special Rate Variation (SRV). An additional rates levy applied to all rateable property owners within the Local Government Area over a five year period. This is Council's preferred option however this option requires approval from the Independent Pricing and Regulatory Tribunal
2. Borrowings. This option will be applied in the event that the SRV is not approved by IPART

This provides an assurance by Council to fund its one-third share regardless of the result of the application to IPART.

This LTFFP includes separate funding scenarios which include and exclude the potential North Wagga option.

base case **SCENARIO**

The commentary and analysis provided in the document to this point describe the base model of the Long Term Financial Plan. It is this model inclusive of the previously detailed assumptions that will be recommended to Council for adoption.

LONG TERM FINANCIAL PLAN - BASE CASE SCENARIO										
	BUDGET 2015/16	BUDGET 2016/17	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	BUDGET 2020/21	BUDGET 2021/22	BUDGET 2022/23	BUDGET 2023/24	BUDGET 2024/25
Revenue From Continuing Operations										
Rates & Annual Charges	(56,801,518)	(58,857,227)	(60,989,739)	(63,089,461)	(65,263,005)	(67,513,022)	(69,842,254)	(72,253,548)	(74,749,655)	(77,333,821)
User Charges & Fees	(22,029,249)	(23,499,887)	(25,256,147)	(26,176,950)	(27,161,259)	(28,172,014)	(29,082,168)	(30,004,651)	(30,958,993)	(31,946,928)
Interest & Investment Revenue	(3,357,702)	(3,998,865)	(4,510,256)	(4,371,915)	(4,668,448)	(4,794,434)	(5,001,846)	(4,932,112)	(5,122,808)	(5,430,730)
Other Revenues	(2,944,755)	(3,035,300)	(3,130,221)	(3,194,509)	(3,260,720)	(3,328,916)	(3,398,401)	(3,469,711)	(3,542,900)	(3,617,970)
Grants & Contributions provided for Operating Purposes	(14,157,667)	(14,132,583)	(14,592,515)	(15,013,632)	(15,346,036)	(15,740,072)	(16,196,096)	(16,562,476)	(16,993,593)	(17,437,835)
Grants & Contributions provided for Capital Purposes	(15,956,383)	(10,353,339)	(6,792,765)	(7,040,702)	(6,908,198)	(6,945,299)	(7,016,053)	(7,089,510)	(7,168,721)	(7,230,737)
Revenue From Continuing Operations	(115,247,273)	(113,877,201)	(115,271,644)	(118,887,169)	(122,607,666)	(126,493,756)	(130,536,817)	(134,312,008)	(138,536,670)	(142,998,022)
Expenses From Continuing Operations										
Employee Benefits & On-Costs	41,102,148	42,343,791	43,789,029	45,770,806	47,538,197	49,667,543	51,914,944	53,982,337	56,132,416	58,368,490
Borrowing Costs	4,373,955	5,261,716	5,730,899	5,691,506	5,657,703	5,570,787	5,425,134	5,351,363	4,941,357	4,523,245
Materials & Contracts	2,925,694	2,556,432	2,851,139	2,712,905	2,747,062	2,618,957	2,705,160	2,564,455	2,622,626	2,480,396
Depreciation & Amortisation	23,810,744	25,156,052	26,577,368	28,078,990	29,665,453	31,341,551	33,112,348	34,983,196	36,959,747	39,047,972
Other Expenses	35,798,077	36,299,520	36,748,091	37,841,802	38,485,460	40,178,665	40,431,383	41,491,782	42,741,330	44,328,644
Expenses From Continuing Operations	108,010,620	111,617,510	115,696,527	120,096,009	124,093,875	129,377,503	133,588,970	138,373,133	143,397,476	148,748,748
Net Operating (Profit)/Loss										
	(7,236,653)	(2,259,691)	424,883	1,208,840	1,486,210	2,883,747	3,052,153	4,061,125	4,860,806	5,750,725

LONG TERM FINANCIAL PLAN - BASE CASE SCENARIO										
	BUDGET 2015/16	BUDGET 2016/17	BUDGET 2017/18	BUDGET 2018/19	BUDGET 2019/20	BUDGET 2020/21	BUDGET 2021/22	BUDGET 2022/23	BUDGET 2023/24	BUDGET 2024/25
Capital and Reserve Movements										
Capital Expenditure - Renewals	15,471,291	17,689,059	19,692,794	19,274,231	19,366,088	18,152,809	18,172,962	19,202,659	19,204,511	19,452,738
Capital Expenditure - New Projects	36,075,070	21,238,113	7,928,258	8,088,354	8,286,325	6,140,379	5,288,068	1,177,803	538,000	4,888,000
Loan Repayments	2,614,351	3,592,909	4,032,761	4,311,867	4,631,711	4,971,708	5,498,605	6,252,783	6,208,636	6,016,381
New Loan Borrowings	(18,604,099)	(10,382,164)	(3,387,891)	(3,156,220)	(3,279,761)	(2,751,806)	(4,215,133)	0	0	0
Proceeds from Sale of intangible & tangible Assets	(3,670,950)	(3,757,790)	(3,297,000)	(1,470,000)	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)	(1,050,000)
Net Movements to/(from) Reserves	(838,265)	(964,385)	798,753	(750,005)	129,561	3,006,509	6,359,626	5,617,622	7,144,646	3,517,841
Total Capital and Reserve Movements	31,047,398	27,415,742	25,767,674	26,298,226	28,083,924	28,469,598	30,054,128	31,200,867	32,045,793	32,824,960
Net Result after Depreciation	23,810,745	25,156,051	26,192,557	27,507,066	29,570,134	31,353,345	33,106,281	35,261,992	36,906,598	38,575,686
Add back Depreciation Expense (non-cash)	23,810,744	25,156,052	26,577,368	28,078,990	29,665,453	31,341,551	33,112,348	34,983,196	36,959,747	39,047,972
Cash Budget (Surplus)/Deficit	0	(0)	(384,812)	(571,924)	(95,319)	11,794	(6,068)	278,796	(53,148)	(472,287)

SCENARIO 2A.

SCENARIO 2A).

UPGRADE MAIN CITY LEVEE + NORTH WAGGA LEVEE — FUNDED BY SPECIAL RATE VARIATION

Main City Levee - North Wagga Levee Project budget - \$23.3M*

Scenario 2a) uses the base case budget data plus a special rate variation to cover Council's expenditure to upgrade the Main City Levee and the North Wagga Levee. Council's preference for these projects is for a funding commitment to be secured from both the Federal and State Governments

prior to the commencement of the works. If government grants are secured, Council proposes to fund its share of the funding for the project via an SRV to upgrade the levees.

Rates for 2016/17 under this scenario are proposed to be:

2016/17 Rate Peg	3.00%
2016/17 SRV % increase	3.83%
2016/17 Total Rates increase	6.83%

Future year's rates are proposed to be set at the rate peg of 3%

ADDITIONAL RATES INCOME - APPLY FOR SRV FOR 2016/17 TO UPGRADE MAIN CITY LEVEE									
16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	TOTAL
-1,459,000	-1,503,620	-1,549,079	-1,595,551	-1,643,852					-7,751,102

*Budget based on estimates provided by NSW Public Works

SCENARIO 2B.

SCENARIO 2B).

UPGRADE MAIN CITY LEVEE + NORTH WAGGA LEVEE — FUNDED BY LOAN BORROWINGS

Main City Levee - North Wagga Levee Project budget - \$23.3M*

Scenario 2b) uses the same data as Scenario 2a) however

in the event a Special Rate Variation is not submitted and/or approved by IPART, Council would drawdown on loan borrowings. The below table illustrates the loan advances over the five years, and the applicable loan repayments over the LTFP.

The assumption used for the potential loan borrowings is 7% over a 14 year loan period (timing of funds drawn down is reflective of the five (5) year construction period).

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
MAIN CITY + NORTH WAGGA LEVEE	1,488,200	1,562,610	1,640,741	1,722,778	1,336,774	0	0	0	0
BORROWING REPAYMENTS	0	218,150	436,300	654,450	872,600	1,090,750	1,090,750	1,090,750	1,090,750

*Budget based on estimates provided by NSW Public Works