



LATE AGENDA

Council Meeting

Monday 21 September 2015

AGENDA	PAGE
Community and Infrastructure Services Report (Items Requiring Decision)	
DC&IS40/15 Funding of upgrade to Double Crossing - Goorangoola Road	2
Corporate Services Report (Items Requiring Decision)	
DCS99/15 Application for Special Rate Variation 2016/17	3

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GENERAL MANAGER

40. **Funding of upgrade to Double Crossing - Goorangoola Road**
Author: Gary Thomson

FILE: 14/0250

Executive Summary

The purpose of this report is to advise Council that a report has been prepared for Council's consideration in Closed Council which contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (the Tenderers).

RECOMMENDED that the report for the funding of upgrade to Double Crossing – Goorangoola Road be considered in Closed Council with the press and public excluded in accordance with Section 10A(2)(d)(i) of the *Local Government Act 1993*, on the grounds that the report contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it.



Gary Thomson

AGM/Director Community & Infrastructure Services Group

Attachments

There are no attachments for this report.

99. Application for Special Rate Variation 2016/17**FILE:** 15/0472**Author:** Anthony Egan

Executive Summary

The purpose of this report is consider the 2016/17 rating mix structure and to seek Council's endorsement to notify the Independent Pricing and Regulatory Tribunal (IPART) of Council's intention to apply for a special rate variation for the 2016/17 financial year to ensure Council's long term financial sustainability prior to undertaking a community awareness and engagement program on Council's plans.

RECOMMENDED that:

1. The General Ordinary Rate mix for the 2016/17 financial year be set at:
 - Residential 44.81% representing a reduction of 1.85% on the current rate mix for 81.69% of ratepayers.
 - Business 10.50% an increase of 0.87% on the current rate mix for 8.24% of ratepayers.
 - Farmland 9.19% no change on current rate mix for 8.84% of ratepayers.
 - Mining 35.50% an increase of 0.98% on the current rate mix for 1.23% of ratepayers.
2. Council notify the Independent Pricing and Regulatory Tribunal (IPART) of Council's intention to apply for a 9.75% increase to the total rates revenue each year for four years commencing in the 2016/17 financial year, as permitted under section 508A of the *Local Government Act 1993* to principally address Council's asset maintenance shortfall and to meet the required benchmark indicators for Fit for the Future reforms, taking into account a rate peg increase factor annually and the expiration of an existing SRV of approximately 3.0% at the end of 2016/17.
3. The draft Community Engagement Strategy be adopted.
4. A further report be presented to Council following the community engagement as outlined in the draft Community Engagement Strategy.

Background

Singleton is one of the largest local government areas in the Hunter region at 4,893km² which means we have an enormous infrastructure network to maintain and renew. The financial sustainability of servicing such a large area has been the focus of Council's attention for the past 3 years.

Council, at its meeting held on 1 June 2015, endorsed the lodgement of the publicly exhibited Council Improvement Proposal (CIP) as required as part of the NSW Government "Fit for the Future" (FFF) reform package. Singleton Council has been identified to remain a stand-alone Council that is as "No Change" under the local

Corporate Services Report (Items Requiring Decision) - DCS99/15

government FFF reform package and was required to submit a CIP by 30 June 2015 which meets specific benchmark indicators within a five year period.

The FFF reform package is largely based on the findings and recommendations identified by the Independent Local Government Review Panel (ILGRP), which over the past three years has carried out extensive research and consultation on the priorities and required reforms identified by the sector.

The CIP addresses how Council will meet seven key performance measures which have been established for Councils to demonstrate how they are achieving the key criteria or working towards achieving them into the future.

The seven performance measures are:

Table 1: Fit for the Future Performance Measure and benchmarks

Category	Measure	Benchmark	Purpose
Sustainability	Operating Performance Ratio	Greater than or equal to break-even average over 3 years.	This ratio measures Council's achievement of containing operating expenditure within operating revenue. <i>Council has identified efficiency savings and this work is ongoing including review a fleet and plant operations. Savings includes \$4m in savings over 10 years in waste collection and reduction in senior management. The savings have been absorbed by a reduction in Financial Assistance Grant growth of \$269k over three years.</i>
	Own Source Revenue	Greater than 60% average over 3 years.	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions. <i>This ratio is achieved, however is reduced by the additional grant income that Council has received for infrastructure upgrades.</i>

Corporate Services Report (Items Requiring Decision) - DCS99/15

	Building and Infrastructure Asset Renewal	Greater than 100% average over 3 years.	To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating. <i>Additional expenditure being allocated to asset renewals, via grant funding, new loan borrowings, SRV for roads of \$700k per annum and efficiency savings.</i>
Infrastructure and service management	Infrastructure Backlog Ratio	Less than 2%.	This ratio shows the asset renewal backlog as a proportion of the total value of a council's infrastructure. <i>This has been addressed by new one off special purpose grants for major projects, Gym & Swim, CBD Revitalisation, Regional Livestock Upgrade and \$4.0 million loan borrowing towards roads and culvert upgrade works.</i>
	Asset Maintenance Ratio	Greater than 100% average over 3 years.	This ratio compares required asset maintenance. As ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog through insufficient funds. <i>Additional income from SRV will assist with Council achieving this ratio. Despite this required funding is not adequate.</i>
	Debt Service Ratio	Greater than 0% and less than or equal to 20% average over 3 years.	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. <i>Debt is at an acceptable rate with additional borrowings under the LIRS for infrastructure</i>

Corporate Services Report (Items Requiring Decision) - DCS99/15

			<i>upgrade works.</i>
Efficiency	Real Operating Expenditure per capita	A decrease in Real Operating Expenditure per capita over time.	This indicator measures productivity changes over time based on the movement in real per capita expenditure. Based on the assumption that service levels remain constant, a decline in real expenditure per capita indicates efficiency improvements (i.e. the same level of output per capita is achieved with reduced expenditure). <i>This indicator has been achieved and strategies in place will assist with the improvement of this indicator.</i>

Council's CIP has identified eight improvement actions which are to be implemented to ensure Council's long term financial sustainability, which include:

1. Explore outsourcing opportunities identified as a result of the internal Self-Assessment process.
2. Conduct systematic external efficiency reviews of all business units following on from the internal Self-Assessments, along with a review of the organisational structure for appropriateness in line with efficiency reviews.
3. Review light vehicle fleet and major plant for efficiency levels.
4. Review salary and performance management systems as previously committed.
5. Increase rate revenue through a series of Special Rate Variations (SRV) to retain the expiring SRV together with additional funds to ensure the future financial sustainability of Council's asset management program.
6. Engage with neighbouring Hunter councils to investigate opportunities for shared services.
7. Enhance the Integrated Planning & Reporting Framework through Service Planning.
8. Ongoing monitoring of Fit for the Future indicators.

At the time of the release of the ILGRP final report, Singleton Council was part way through a 3 year focus on reviews of its key strategies, policies and services with a view to identifying future needs including achieving major efficiencies in service delivery such as \$4.0m in savings in waste collection over 10 years through Hunter Resource Recovery. In addition Council has also undertaken extensive work to develop new Asset Management Plans for all asset classes. This was supported by a significant focus on gaining external funding to bring Council's major infrastructure (such as the Singleton Gym & Swim and Regional Livestock Market) under control in addition to borrowing under the Local

Corporate Services Report (Items Requiring Decision) - DCS99/15

Infrastructure Renewal Scheme and a Special Rate Variation (SRV) to tackle the identified infrastructure backlog for roads and culverts. Without this work being undertaken Council would not meet the current 'fit' status.

Singleton Council has always presented balanced cash budgets as was the case for the 2015/16 draft budget absorbing cost increases and reductions in funding as we have for the last four years, without reductions in services. As reported to the May Council meeting, Council and the community are faced with the challenge in 2015/16 to continue to match the appropriate level of community amenities with revenues received. Major budget constraints in developing the 2015/16 draft budget include:

- Financial Assistance Grant (FAG) will not be indexed in 2015/16 resulting in a reduction of \$87,000, assuming a 2.60% increase on the 2014/15 allocation with a total reduction of \$269,000 over 3 years.
- Rate pegging set at 2.4% with the NSW State Award providing a wage increase of 2.7%.
- Interest rates on term deposits have dropped from circa 4% to 3% in the past 12 months meaning Council will earn less on invested cash.
- The cost of some materials and equipment exceeding the rate peg.

Additionally, there have been a number of efficiency improvements and employment of new technologies undertaken in the organisation that have enabled the delivery of a balanced cash budget despite upward pressure of rising costs in real terms.

The revised LTFP has identified reductions in employment expenses resulting from efficiency improvements. It also anticipates that Council will benefit from resource sharing with neighbouring Councils in particular with Muswellbrook Shire and Upper Hunter Shire Councils across a range of activities, including strategic planning, water utilities, risk management and Geographic Information Services. Other shared services with other Hunter councils are also in place including weed management, records storage, legal services, regional procurement across 18 different contracts, environmental services, kerbside waste recycling service and investigations are underway for a common library management system.

As reported to Council at the Extraordinary Meeting held on 9 December 2013 when Council considered applying for a permanent SRV of 5.00% above the rate peg limit for the 2014/15 financial year it was discussed at several Councillor Briefings that this was part of a two-phase SRV strategy. This report identified the need for a further permanent variation to be phased in over four years to ensure Council's long term financial sustainability from the 2015/16 financial year. Due to the release of the FFF reform package the second SRV was not sought in the 2015/16 financial year but deferred pending full understanding of the FFF requirements.

As mentioned above Council's CIP actions provide for a multi-year Special Rate Variation (SRV) of 9.75% each year increase to the total rate revenue (including an estimated rate peg limit of 2.50%) from 1 July 2016 over four years as provided by section 508A of the *Local Government Act 1993*. This SRV will replace an expiring SRV which was approved in June 2002 for a period of 15 years to cover the costs associated with loan repayments for infrastructure renewal works which have been completed including a new library. This

Corporate Services Report (Items Requiring Decision) - DCS99/15

expiring special rate variation will remain in Council's Notional Yield until the end of the 2016/17 financial year.

A special rate variation allows councils to increase general income above the rate peg, under the provisions of the NSW Local Government Act 1993. There are two types of special rate variations that a council may apply for:

- a single year variation (section 508(2)); or
- a multi-year variation for between two to seven years (section 508A).

Impact on Rating

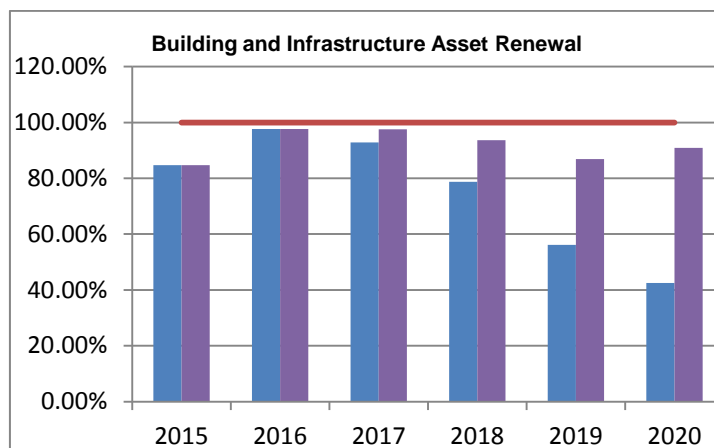
The State Government has regulated rating levels for all councils in NSW, since the early 1970s, by setting a statutory limit on annual increases in council rates (the "rate peg"). Rate pegging has restricted the ability of local councils to raise sufficient income to keep pace with rising costs, let alone expand their services and maintain the condition of their assets. In some instances, the percentage increase allowed by the rate peg has been less than the salaries and wages increases in the Local Government Award (for example, in 2004/05 the rate peg was 3.5% while the Award increase was 4.0%).

As indicated in this report Council's current Resourcing Strategy, June 2015, indicates that Council's Long Term Financial Plan, **Attachment 1**, provides for two financial models, including a Base Case and Scenario 1.

The base case models the continuation of Council's services as currently provided. It assumes Council will continue to achieve a balanced cash operating budget by closing any gap between revenue and expenditure by seeing improved efficiency gains in service delivery. It does not allow Council to meet its asset maintenance or renewal responsibilities. Whereas, scenario 1 is as per the base case model with additional funds being realised via the SRV which will generate additional revenue to enable Council to achieve long term financial sustainability and achieve the FFF performance measures as shown in Council's CIP.

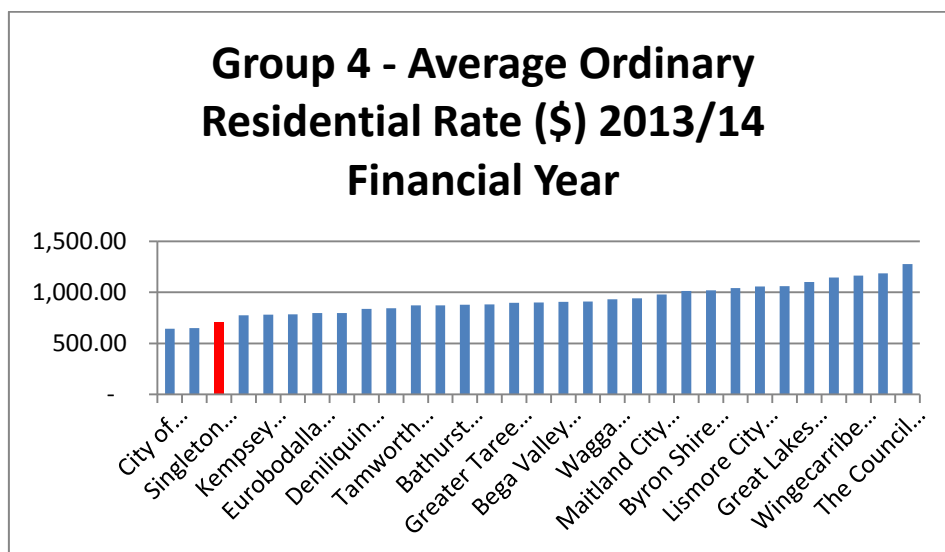
Council is also faced with other costs increasing at a greater rate than the rate peg limit including state government charges, insurance premiums, electricity and street lighting charges. As shown in the graph below Council's forward expenditure on building and infrastructure asset renewal is falling over time under Council's existing funding allocation. Additional funding from the SRV and from the implementation of the other CIP actions will see this indicator improving.

Corporate Services Report (Items Requiring Decision) - DCS99/15

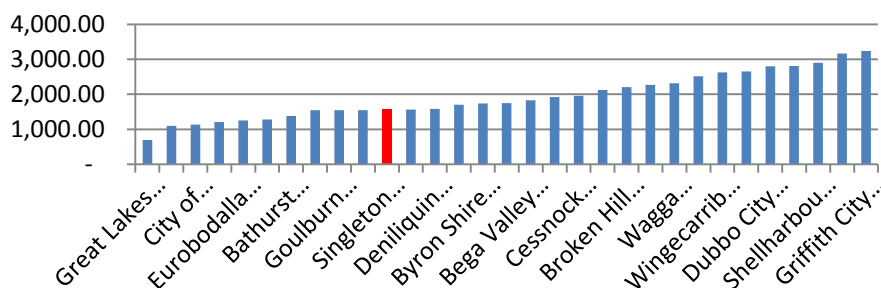


As at 30 June 2015, Council's Notional Yield equals \$15.57 million. Included in Council's Notional Yield is a special rate variation increase totalling \$343,497 which was approved by the Minister for Local Government on 28 June 2002, to cover the costs associated with loan repayments for infrastructure renewal, for a period of fifteen years. This special rate variation will remain in Council's Notional Yield until the end of the 2016/17 financial year.

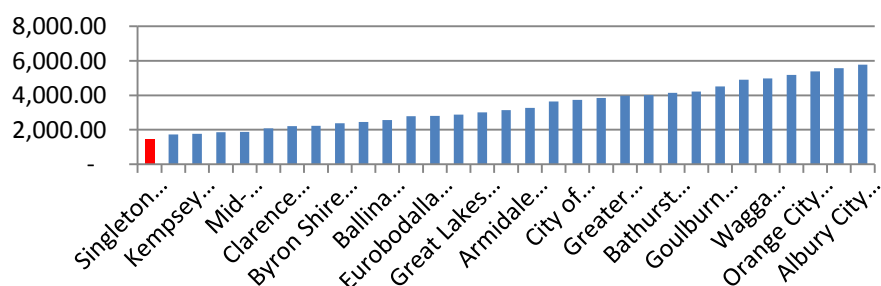
The OLG 2013/14 Comparative Data report shows that Singleton Council has the 3rd lowest average ordinary residential rates, the 11th lowest average ordinary farmland rates and the lowest average ordinary business rates for Group 4 councils as shown in the graphs below:



Group 4 - Average Ordinary Farmland Rate (\$) 2013/14 Financial Year



Group 4 - Average Ordinary Business Rate (\$) 2013/14 Financial Year



Singleton Council's average rates across all rate categories are lower due to the fact that Council also has mine rating. This category contributes 34.52% of Councils general rate income. The majority of other Councils in this group do not have mining activities and as such they are more reliant on their income coming from residential, business and farmland category assessments.

Table 2 (below) compares Council's 2015/16 average rates to its neighbouring councils.

Table 2: 2015/16 Average Rates of neighbouring councils

Council	Average Residential Rate	Average Farmland Rate	Average Business Rate
Cessnock City	\$1,131.00	\$2,080.81	\$3,468.09
Maitland City	\$1,186.71	\$3,027.60	\$5,812.02
Muswellbrook Shire	\$752.18	\$2,811.04	\$2,369.58
Singleton	\$833.51	\$1,516.37	\$1,704.66
Upper Hunter	\$763.22	\$3,225.81	\$1,061.32

Corporate Services Report (Items Requiring Decision) - DCS99/15

Recently, Councillors have been workshopping rate mix options for the 2015/16 Financial Year to enable community consultation with ratepayers regarding the proposed SRV. The models considered by Councillors are included as **Attachment 2**. After consideration of the rate mix options it is proposed that Option 5 is put forwarded as the preferred rate mix.

This option has the general ordinary rate mix being set at:

- Residential 44.81% - down from 46.66%
- Business 10.50% - up from 9.63%
- Farmland 9.19% - no change
- Mining 35.50% - up from 34.52%

The change to the rate mix would benefit 81.69% of ratepayers, compared to the existing rate mix and share the rate burden more equitably among business and mining categories.

Council's general rate income rate mix for the 2015/16 financial year is shown in Table 3 below along with the estimated average rates for the years 2016/17 to 2019/20 assuming an increase in the annual rate peg limit of 2.50% pa:

Table 3: Estimated average rate per rate category with a change in rate mix in the 2016/17 financial year as per Option 5.

Rate Category	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year	Cumulative Increase %
Residential Urban	\$ 811.95	\$ 799.30	\$ 793.78	\$ 813.60	\$ 833.98	2.71%
Residential Rural Residential	\$ 1,125.82	\$ 1,103.51	\$ 1,092.12	\$ 1,119.36	\$ 1,147.43	1.92%
Residential Village	\$ 541.76	\$ 536.53	\$ 535.48	\$ 548.82	\$ 562.61	3.85%
Residential Ordinary	\$ 810.78	\$ 798.41	\$ 793.36	\$ 813.03	\$ 833.39	2.79%
Percentage of Rate Income	46.66%	44.81%	44.81%	44.81%	44.81%	
Rate Yield	\$ 7,266,742.45	\$ 7,150,911.22	\$ 7,099,998.47	\$ 7,276,916.34	\$ 7,459,229.32	
Business Singleton	\$ 1,934.92	\$ 2,165.21	\$ 2,148.51	\$ 2,202.30	\$ 2,257.62	16.68%
Business Mount Thorley	\$ 2,404.25	\$ 2,696.28	\$ 2,673.39	\$ 2,740.32	\$ 2,809.17	16.84%
Business Village	\$ 918.22	\$ 1,014.78	\$ 1,011.49	\$ 1,036.81	\$ 1,062.84	15.75%
Business Ordinary	\$ 1,017.26	\$ 1,126.80	\$ 1,122.33	\$ 1,150.48	\$ 1,179.43	15.94%
Percentage of Rate Income	9.63%	10.50%	10.50%	10.50%	10.50%	
Rate Yield	\$ 1,499,676.77	\$ 1,675,622.06	1,663,633.42	1,705,293.61	1,748,143.71	
Average Farmland Ordinary	\$ 1,516.37	\$ 1,553.70	\$ 1,542.41	\$ 1,581.08	\$ 1,620.43	6.86%
Percentage of Rate Income	9.19%	9.19%	9.19%	9.19%	9.19%	
Rate Yield	\$ 1,431,457.39	\$ 1,466,694.37	\$ 1,456,034.98	\$ 1,492,544.20	\$ 1,529,689.53	
Coal Mine	\$ 97,753.67	\$ 103,009.81	\$ 102,274.51	\$ 104,831.88	\$ 107,457.93	9.93%
Coal Rights	\$ 1.70	\$ 1.72	\$ 1.71	\$ 1.73	\$ 1.75	2.94%
Percentage of Rate Income	34.52%	35.50%	35.50%	35.50%	35.50%	
Rate Yield	\$ 5,376,581.03	\$ 5,665,670.19	5,625,228.27	5,765,885.11	5,910,319.45	
	100.00%	100.00%	100.00%	100.00%	100.00%	
Total Rate Yield	\$ 15,574,457.64	\$ 15,958,897.84	\$ 15,844,895.14	\$ 16,240,639.26	\$ 16,647,382.01	

Corporate Services Report (Items Requiring Decision) - DCS99/15

Table 4 (below) shows the proposed SRV increase on the average rate assessment per rate sub-category.

Table 4: Estimated average rate with SRV per rate category with a change in rate mix in the 2016/17 financial year as per Option 5.

Rate Category	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year	Cumulative Increase %
Residential Urban	\$ 811.95	\$ 855.84	\$ 912.03	\$ 1,000.95	\$ 1,098.64	35.31%
Residential Rural Residential	\$ 1,125.82	\$ 1,181.64	\$ 1,255.06	\$ 1,377.48	\$ 1,511.79	34.28%
Residential Village	\$ 541.76	\$ 574.51	\$ 615.04	\$ 675.01	\$ 740.86	36.75%
Residential Ordinary	\$ 810.78	\$ 854.97	\$ 911.41	\$ 1,000.45	\$ 1,098.00	35.43%
Percentage of Rate Income	46.66%	44.81%	44.81%	44.81%	44.81%	
Rate Yield	\$ 7,266,742.45	\$ 7,656,988.75	\$ 8,157,538.77	\$ 8,953,310.80	\$ 9,826,775.24	
Business Singleton	\$ 1,934.92	\$ 2,318.45	\$ 2,468.69	\$ 2,709.42	\$ 2,973.61	53.68%
Business Mount Thorley	\$ 2,404.25	\$ 2,887.11	\$ 3,071.96	\$ 3,371.52	\$ 3,700.27	53.91%
Business Village	\$ 918.22	\$ 1,086.59	\$ 1,161.86	\$ 1,275.15	\$ 1,399.49	52.41%
Business Ordinary	\$ 1,017.26	\$ 1,206.61	\$ 1,289.12	\$ 1,414.83	\$ 1,552.80	52.65%
Percentage of Rate Income	9.63%	10.50%	10.50%	10.50%	10.50%	
Rate Yield	\$ 1,499,676.77	\$ 1,794,227.85	\$ 1,911,449.09	\$ 2,097,843.71	\$ 2,302,403.59	
Farmland Ordinary	\$ 1,516.37	\$ 1,663.56	\$ 1,772.09	\$ 1,945.14	\$ 2,134.72	40.78%
Percentage of Rate Income	9.19%	9.19%	9.19%	9.19%	9.19%	
Rate Yield	\$ 1,431,457.39	\$ 1,570,402.57	\$ 1,672,851.54	\$ 1,836,212.44	\$ 2,015,177.83	
Coal Mine	\$ 97,753.67	\$ 110,298.10	\$ 117,509.64	\$ 128,975.37	\$ 141,552.13	44.80%
Coal Rights	\$ 1.70	\$ 1.78	\$ 1.84	\$ 1.93	\$ 2.03	19.41%
Percentage of Rate Income	34.52%	35.50%	35.50%	35.50%	35.50%	
Rate Yield	\$ 5,376,581.03	\$ 6,066,531.08	\$ 6,463,169.72	\$ 7,093,792.32	\$ 7,785,521.75	
	100.00%	100.00%	100.00%	100.00%	100.00%	
Total Rate Yield	\$ 15,574,457.64	\$ 17,088,150.24	\$ 18,205,009.12	\$ 19,981,159.26	\$ 21,929,878.40	

Table 5 (below) shows the cumulative impact of the proposed SRV above 2015/16 levels on the average rate assessment per rate sub-category. As at 1 July 2015 Council had 10,673 rateable rate assessments. The percentage of rate assessments per rate category is shown in Table 5.

Table 5: Estimated average cumulative impact of the proposed SRV above 2015/16 levels on the average rate assessment per rate category as per Option 5.

Rate Category	% of Rate Assessments per Rate Category	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year	Cumulative Increase %
Residential Urban	51.22%	\$ 43.89	\$ 100.08	\$ 189.00	\$ 286.69	35.31%
Residential Rural Residential	8.32%	\$ 55.82	\$ 129.24	\$ 251.66	\$ 385.97	34.28%
Residential Village	3.06%	\$ 32.75	\$ 73.28	\$ 133.25	\$ 199.10	36.75%
Residential Ordinary	19.09%	\$ 44.19	\$ 100.63	\$ 189.67	\$ 287.22	35.43%
Percentage of Assessments	81.69%					
Business Singleton	4.97%	\$ 383.53	\$ 533.77	\$ 774.50	\$ 1,038.69	53.68%
Business Mount Thorley	0.82%	\$ 482.86	\$ 667.71	\$ 967.27	\$ 1,296.02	53.91%
Business Village	0.28%	\$ 168.37	\$ 243.64	\$ 356.93	\$ 481.27	52.41%
Business Ordinary	2.17%	\$ 189.35	\$ 271.86	\$ 397.57	\$ 535.54	52.65%
Percentage of Assessments	8.24%					
Farmland Ordinary	8.84%	\$ 147.19	\$ 255.72	\$ 428.77	\$ 618.35	40.78%
Coal Mine	0.52%	\$ 12,544.43	\$ 19,755.97	\$ 31,221.70	\$ 43,798.46	44.80%
Coal Rights	0.71%	\$ 0.08	\$ 0.14	\$ 0.23	\$ 0.33	19.41%
Percentage of Assessments	1.23%					
	100.00%					

Corporate Services Report (Items Requiring Decision) - DCS99/15

Table 6 (below) provides an estimate of the weekly impact on the average rate assessment in each rate category compared to the prior financial year rates.

Table 6: Estimated average cost per week movement to prior financial year rates as per Option 5.

Rate Category	% of Rate Assessments per Rate Category	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year	Cumulative movement per week over 4 years
Residential Urban	51.22%	\$ 0.84	\$ 1.08	\$ 1.71	\$ 1.88	\$ 5.51
Residential Rural Residential	8.32%	\$ 1.07	\$ 1.41	\$ 2.35	\$ 2.58	\$ 7.42
Residential Village	3.06%	\$ 0.63	\$ 0.78	\$ 1.15	\$ 1.27	\$ 3.83
Residential Ordinary	19.09%	\$ 0.85	\$ 1.09	\$ 1.71	\$ 1.88	\$ 5.52
Percentage of Assessments	81.69%					
Business Singleton	4.97%	\$ 7.38	\$ 2.89	\$ 4.63	\$ 5.08	\$ 19.97
Business Mount Thorley	0.82%	\$ 9.29	\$ 3.55	\$ 5.76	\$ 6.32	\$ 24.92
Business Village	0.28%	\$ 3.24	\$ 1.45	\$ 2.18	\$ 2.39	\$ 9.26
Business Ordinary	2.17%	\$ 3.64	\$ 1.59	\$ 2.42	\$ 2.65	\$ 10.30
Percentage of Assessments	8.24%					
Farmland Ordinary	8.84%	\$ 2.83	\$ 2.09	\$ 3.33	\$ 3.65	\$ 11.89
Coal Mine	0.52%	\$ 241.24	\$ 138.68	\$ 220.49	\$ 241.86	\$ 842.28
Coal Rights	0.71%	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01
Percentage of Assessments	1.23%					
	100.00%					

With a change to the rate mix, and with the proposed special rate variation, the impact on average business ratepayers would be an additional \$7.38 per week, or a \$383.53 total increase in 2016/17. The cumulative impact of the special rate variation at the end of four years would be an additional \$19.97 per week. The average business rate in 2019/20 would be \$2,973.61. This average rate is still cheaper than the average rate paid by the Cessnock City and Maitland City Council business ratepayers in 2015/16.

With the proposed special rate variation, and no change to farmland rate category, the impact on average farmland ratepayers would be an additional \$2.83 per week, or a total \$147.19 increase in 2016/17. The average farmland rate in 2019/20 would be \$2,134.72. This average rate is still below the current average farmland rates payable in Maitland, Muswellbrook and Upper Hunter LGAs.

The impact on the average residential ratepayer would be an additional 84 cents per week, or a \$43.89 total increase in 2016/17 and the cumulative impact of the special rate variation at the end of four years would be an additional \$5.51 per week. The average residential rate in 2019/20 would be \$1,098.64. This average rate is still below the average residential rate paid in the Maitland and Cessnock LGAs.

The average rates in the above tables have been calculated using land values with a base date 1 July 2013 which are supplied to Council by the Lands Department – Valuer General's Office. These land values are used to determine the amount of ordinary rates payable for each rateable property.

A General Revaluation of the Singleton LGA was completed in October 2013 and a revaluation is due to be undertaken during the 2016/17 financial year and will be used for rating for the 2017/18 financial year. When a revaluation occurs, the rating distribution within the council area may change. Although the total income generated from rates is restricted by the rate pegging limit, fluctuations in rates levied occur where the individual

Corporate Services Report (Items Requiring Decision) - DCS99/15

land valuation increases or decreases outside the average percentage increase range for the rate category of each particular property.

Should Council not proceed with the implementation of the CIP as proposed which includes a Special Rate Variation, Council could be at risk of not being identified as a Fit for the Future council and the ability to access a range of benefits that have been proposed to be available to councils deemed fit. These benefits include a streamlined rate variation process and a State Government borrowing facility, priority for other government funding and grants and eligibility for additional devolved planning powers.

Community Engagement

As reported to Council at the Extraordinary Meeting held on 9 December 2013 when Council considered applying for a permanent SRV of 5.00% above the rate peg limit for the 2014/15 financial year it was discussed at several Councillor Briefings that this was part of a two-phase SRV strategy. This report identified the need for a further permanent variation to be phased in over four years to ensure Council's long term financial sustainability from the 2015/16 financial year. This report identified the need for a further permanent variation to be phased in over four years to ensure Council's long term financial sustainability from the 2015/16 financial year. Due to the release of the FFF reform package the second SRV was not sought in the 2015/16 financial year. Council's Operational Plan for 2015/16 also identified the need for an additional SRV as part of Council's Fit for the Future Council Improvement Plan.

The objective of the Community Engagement Strategy for the proposed SRV is to achieve broad community awareness and feedback. Council will use a range of communication mechanisms to inform the community of the NSW Government's Fit for the Future requirements, Council's intention to apply for a special rate variation in 2016/17, the impact that this will have on ratepayers, and how ratepayers can provide feedback on the proposal. The tools used will include: Council's website, a SRV information booklet, print advertising, radio advertising, Your Council newsletter, media releases, explainer video, social media and mayoral column.

Council has engaged Instinct and Reason to undertake a random telephone and online survey and facilitate online forums while Council staff will conduct community workshops and accept written submissions. In addition, Western Research Institute has been engaged to provide independent opinion on the affordability of the proposal.

Council's draft Community Engagement Strategy which is enclosed as **Attachment 3**, outlines how Council will be engaging with the community in relation to the SRV.

The draft strategy provides a framework for consultation activities to be undertaken for the purpose of informing a Council decision regarding whether or not to proceed with a Special Rate Variation to IPART.

The engagement strategy is based on International Association for Public Participation (IAP2) principles of engagement. It identifies stakeholder groups, outlines key communications and messages to be released throughout the engagement period and key consultation tools for engaging with the community.

Corporate Services Report (Items Requiring Decision) - DCS99/15

At the end of the consultation period, Council will be able to make an informed decision about whether or not to proceed with an application for a Special Rate Variation, based on feedback from the community.

Table 7 (below) summarises the anticipated key milestones for applications for special rate variations for 2015/16 as advised by IPART.

Table 7: 2015-16 Special Rate Variation Applications – Timetable Task Timeframe

11 December 2015	Councils to notify of their intention to apply for a special rate variation
15 February 2016	Applications for special rate variations due to IPART
Mid-June 2016	IPART determines applications

Community Strategic Plan

The Community Strategic Plan – Our Place: A Blueprint for 2023 sets the long term vision and priorities for the Singleton community over 10 years. It guides the work of Council which is set out in the Delivery Plan and articulated through four principle outcome areas:

- Our Community
- Our Places
- Our Environment
- Our Community Leadership

It is not necessary, or proposed, to update the Community Strategic Plan in relation to the proposed SRV application.

Delivery Program/Operational Plan

The Delivery Program is supported annually by an Operational Plan and Budget which provides an outline of Council's financial activities as well as key services/projects and programs to be delivered within the 12-month period.

Critical to the achievement of community aspirations is the type and amount of services that Council delivers. These two factors shape and are shaped by the number and quality of Council assets, Councils workforce and its financial resources.

Council's current Operational Plan contains the following Action:

- 4.5.1.13 Complete a detailed review of Council's financial position and its long term sustainability. The performance measure for this action is for a report to be provided to Council on securing the financial sustainability of Council including a Special Rating Variation (SRV).

Council Policy/Legislation

Councils that want to increase their rates above the statutory limit in order to fund the service levels are required to make application for a special rate variation under Section 508A or 508(2) of the Local Government Act.

Corporate Services Report (Items Requiring Decision) - DCS99/15

Section 508(2) applications enable a one-off percentage increase that remains permanently in the rate base or a one-off percentage increase for a fixed period after which the rate base is adjusted back to the rate peg path.

Under a Section 508A variation, a Council is able to phase-in a potentially significant rate increase over 2-7 years (rather than have a substantial increase in rates in the one year) and this increase then remains permanently in the rate base.

The guidelines for special rate variations recommend that Section 508A increases be phased-in over periods not exceeding four years – to ensure that there is regular, ongoing engagement with the community (and to align with the integrated planning and reporting cycle).

Financial Implications

The lodgement of an application with IPART has no direct financial impact upon Council's adopted budget or forward estimates. However, the determination of the variation will impact on Council's budget and forward projections, should it not be approved.

Should Council not obtain a special rate variation, future cost increases will result in a reduction of services across the LGA. It is likely this would involve broad and deep cuts to services, in consultation with the community.

It has been estimated that \$80,000 will be required to undertake the community engagement required for this Special Rate Variation. Report Number DCS87/15 in tonight's Council meeting has identified a carry-over of \$42,725 for community engagement towards this engagement. The additional funds of \$37,275 will be secured from Council's 2015/16 budget.

Consultation/Social Implications

Councillor briefings held in relation to rate mix have identified several rate mix options for consideration to be included as part of Council's SRV as identified in Council's CIP.

Council recognises that the SRV may have an impact on ratepayers and pensioners. While Council is not permitted under the Local Government Act 1993 to waive rates, it may agree to enter into an arrangement whereby outstanding rates are covered by periodic payments.

Ratepayers are also encouraged to pay their rates by weekly, fortnightly or monthly contributions as a way of budgeting. Average rates charges can be budgeted for by paying a set amount per week, per fortnight or per month, eliminating a large quarterly charge.

For Residential and Farmland ratepayers who experience permanent financial hardship, the Council's Hardship Relief Policy may also provide rate relief.

Environmental Consideration

The adoption of the recommendation would not have any environmental implications.

Risk Implications

Section 8 of the *Local Government Act, 1993* details the Charter for Local Councils in NSW which comprises a set of principles that are to guide a council in the carrying out of its functions. By not addressing strategies to ensure the long term financial sustainability of Council, Council will not be meeting these set objectives, including “adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively”.

Failure to adequately inform the community will jeopardise the likelihood of the special rate application being approved by the IPART.

Options

1. Adopted a revised rate mix as per Option 5.
2. Notify the Independent Pricing Tribunal (IPART) of Council’s intention to apply for a 9.75% increase to total rate revenue each year for four years commencing in the 2016/17 financial year, as permitted under section 508A of the *Local Government Act 1993* to principally address Council’s asset maintenance shortfall and to meet the required benchmark indicators for Fit for the Future reforms, taking into account a rate peg increase factor annually and the expiration of an existing SRV of approximately 3.0% at the end of 2016/17
3. Further Council adopt the draft Community Engagement Strategy.
4. Council could choose not to apply for a special rate variation which may result in Council be declared “Unfit” as outlined in the “Fit for the Future” reform package.

Conclusions

In order to be a stand-alone financially sustainable Council that is able to continue to provide the expected level of services to the community and maintain its infrastructure at a satisfactory standard, Council needs to make an application for a special rate variation as outlined in Council’s CIP to ensure Council is “Fit for the Future”.



Anthony Egan

Director Corporate Services Group

Attachments

- AT-1** Singleton Council - Long Term Financial Plan - June 2015
- AT-2** Rate Mix Options for the 2016-17 Rating Year
- AT-3** Draft - Securing our future - Community Engagement Strategy - a proposal for a special rate variation in 2016-17



LONG TERM FINANCIAL PLAN

June 2015

Table of Contents

Executive Summary	1
Introduction	1
Long Term Financial Plan Structure and Format	2
Long Term Financial Plan Assumptions	2
Market Driven Planning Assumptions	3
Asset Management	11
Financial Performance Indicators – Fit for the Future	12
Financial Modelling	14
ATTACHMENTS	15



Executive Summary

The Long Term Financial Plan is an important part of Council's strategic planning process. This is the point where long-term community aspirations and goals are tested against financial realities. It is a decision making and problem solving tool but is not intended to be set in concrete, it is a guide for future action. The modelling that occurs as part of the plan will provide an opportunity for Council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

The Long Term Financial Plan is built on the following foundations:

- Planning assumptions used to develop the plan;
- Revenue forecasts; and
- Expenditure forecasts

Introduction

The development of a Long Term Financial Plan (LTFP) is vital for informing both Council and our community about the long-term financial position of our organisation.

A LTFP is essentially a financial projection, quantifying the cost of providing Council's services for the next 10 years. It is more comprehensive than a budget and includes, in addition to the financial statements, a written commentary and scenario options. It projects the impact of Council's revenue against operational and capital expenditure forecasts. Our projections take into account assumptions for economic factors, changes to service delivery levels, potential future changes to our service mix and major capital (asset) expenses.

The aim of our LTFP is to not only ensure the financial sustainability of Council over the longer term, but also provide for the maintenance and construction of Council's assets into the future.

Our Long Term Financial Plan provides:

- An indication of the future financial position of Council based on delivering service levels as outlined in our Delivery Program and Asset Management Strategy and Plans;
- A projection of the costs of long-term strategic decisions to inform debate;



- A tool to assist Council to determine the financial sustainability of both current and projected future service levels;
- A method to determine the risks of embarking on future strategic directions;
- A capability for Council and the community to test scenarios of different policies and service levels;
- A mechanism to test the sensitivity and robustness of key assumptions underpinning a range of strategic planning options; and
- A vital contribution to the development of Council's Asset Management Strategy and plans.

Long Term Financial Plan Structure and Format

Council's financial structure is divided into three separate funds: General, Water and Sewerage. These funds are subject to legislative restrictions such that monetary transfers between funds are not permitted. They could be considered to be three separate businesses however they can also be combined to present a single consolidated result.

The Long Term Financial Plan is presented for both consolidated and individual fund/s using the *Annual Financial Statements* format of:

<i>Income Statement:</i>	Presents the operating result and change in net assets from operations for the year.
<i>Balance Sheet:</i>	Discloses the assets, liabilities and equity of Council.
<i>Cash Flow Statement:</i>	Shows the cash flows associated with Council's operating, financing and investing activities.
<i>Key Performance Indicators:</i>	Used to assess the financial health of Council.

Long Term Financial Plan Assumptions

The LTFP requires Council to identify all material items of revenue and expenditure, and determine the external and internal influences which could significantly impact on Council's finances.

In preparing the 2015/2016 LTFP, the following underpinning principles have been adopted:



Market Driven Planning Assumptions

Population Growth

Singleton has experienced continued growth, which has largely been associated with the expansion of mining and the expansion of the Singleton Army Base in the region over recent years. Singleton will also benefit from the completion of the Hunter Expressway

Population growth has been estimated at an average annual growth rate of 0.9% until 2015/16, 0.8% from 2016-21 and 0.7% for 2021-26. These estimates have been sourced from Department of Planning and Environment, New South Wales State and Local Government Population, Household and Dwelling Projections issued in 2014.

Inflation (Consumer Price Index)

The Governor of the Reserve Bank of Australia and the Federal Treasurer agree that the appropriate target for monetary policy in Australia is to achieve an inflation rate of 2-3 per cent, on average, over the cycle. In Council's LTFP it has been assumed the Consumer Price Index (CPI) at 3% per annum over the life of the plan.

This assumption has been applied across discretionary budget allocations (non-statutory), where specific data modelling or specific internal assumptions cannot be determined or where the amounts are determined as immaterial. Applying this increase across Council's discretionary budget allocations ensures that the Council budget reflects projected movements in real dollar terms.

Revenue Assumptions

The major sources of revenue for Council are:

- 1. Rates and annual charges
- 2. User charges and fees
- 3. Grants
- 4. Contributions and donations



5. Interest

6. Other Revenues

Rates and Annual Charges

Rating is a major component of Council's revenue base, contributing approximately 38% of Council's revenue.

General Fund

Council's 2015/16 rate yield has been increased by 2.40% with the Office of Local Government's rate pegging limit as determined by Independent Pricing and Regulatory Tribunal (IPART). Thereafter, a 2.5% rate peg has been assumed for the term of the plan.

Included in Council's Notional Yield are three Special Variation increases totalling \$1,592,696 which are detailed below:

An amount of \$343,497, approved by the Minister for Local Government on 28 June 2002, to cover the costs associated with loan repayments for infrastructure renewal, for a period of 15 years. The 2015/16 financial year is the 14th year of the 15-year period.

An amount of \$540,000, approved in June 2006 by the Deputy Director-General, Department of Local Government, on an ongoing basis to fund the identified funding shortfall within the Parks and Facilities Infrastructure Asset Management Strategy.

An amount of \$709,199, approved in June 2014 by the Chairman of the Independent Pricing and Regulatory Tribunal to fund road infrastructure maintenance, renewals and new works.

The 2017/18 base case year shows a reduction in General Rate Income of \$500,763 following the repayment of the infrastructure loan that was offset by the 2002 Special Variation.

Waste Management

A 3.5% increase in the overall waste management annual charges has been factored in for the 2015/16 financial year. The increase for each year thereafter for ordinary waste management annual charges will be 3%.



Water Supply

The water supply annual charges and usage charges have been set in accordance with reference to the Department of Water and Energy's Best Practice Management of Water Supply and Sewerage Guidelines.

Sewerage Services

An increase of 3.10% in the sewerage annual charge has been provided for the 2015/16 financial year and subsequent years in line with CPI. The sewerage supply annual charges and usage charges have been set in accordance with the Department of Water and Energy's Best Practice Management of Water Supply and Sewerage Guidelines.

User Charges and Fees

Many of the services provided by Council are offered on a user pays basis. There are however, other considerations when determining an appropriate fee for some services.

The relevant fee or charge is determined having regard to the following:-

- Economic Cost
- Community Service
- Regulated Charges
- User Pays Principle
- Market Forces
- Cost Plus
- Section 94

The majority of fees and charges in the base model are increased by the Consumer Price Index (CPI) All Groups Sydney for the 12 months to the December quarter each year.

Council has included a 3.0% CPI increase in the majority of fees and charges for 2015/16 and thereafter assumed a 3.0% increase to fees and charges for the life of the plan. An allowance of 1.50% has been made for the growth income from statutory fees and charges.



Grants

Council receives general purpose Financial Assistance Grants from the Commonwealth Government and may also receive other grants and subsidies through specific programs.

The LTFP assumes that the financial assistance grant will not be increased until the 2017/18 financial year in line with the Federal Government's 2014/15 Budget announcement. From that year an increase of 3% per year is anticipated.

The majority of other grants that Council receives are for specific projects. The expected grant income is included in the year that the grant is to be expended. Council maximises grant funding opportunities by contributing additional funds to match the funds available.

Where the grant funding is not forthcoming the grant component of the project is either deleted or deferred.

Council has been successful in obtaining funds under the Resources for Regions program which aims to support regional and rural NSW communities affected by mining by addressing infrastructure constraints. The 2014/15 to 2016/17 budget provides allocations from Resources for Regions for the following programs

- \$9.00m for the revitalisation of the Town Centre over 2014/15 to 2015/16 financial years;
- \$2.90m towards the Ryan Avenue Pavement and Safety project over the 2014/15 to 2015/16 financial years;
- \$6.00m for upgrades to the Singleton Regional Livestock Markets over the 2014/15 to 2015/16 financial years; and
- \$8.12m towards the upgrade of Hermitage Road over the 2015/16 to 2016/17 financial years.

The 2014/15 and 2015/16 financial year also provides for \$5.71 million from the Hunter Infrastructure & Investment Fund for the refurbishment of the Singleton Gym & Swim complex, plus a \$200,000 Voluntary Planning Agreement.

Contributions and Donations

The majority of revenue from contributions and donations are developer contributions.



These contributions must be expended on the works that the contributions were raised for. The revenue from these contributions is strongly linked to growth within the area. Currently this area is significantly in decline.

Included in the 2015/16 operational budget is funding that will be made available to Council under Voluntary Planning Agreements (VPAs). Contributions under Voluntary Planning Agreements will play an important part in Council's future budgets as a source of income to assist Council to fund asset maintenance. It is estimated that approximately four potential VPAs may be negotiated in the foresaid time frame. These contributions will be recognised in the LTFP beyond 2015/16 only after consents are gained for the mining projects.

Interest and Investments

Interest on investments will vary depending on the amount of investments that Council has at any point in time. The LTFP calculates the interest on investments based on an average of the beginning and ending investment balance in any one year.

An assumed interest rate of 3% over the life of the plan has been applied to all of Council's investments. Council has traditionally exceeded the benchmark for interest rates.

The interest rate applied to outstanding rates and charges is in accordance with advice from the Office of Local Government. The interest rate for 2015/16 is 8.5%.

Other Revenues

This category includes revenues such as fines, library charges, insurance claims. An increase over the life of the plan of 3% has been included.

Cash Reserves

An alternative to borrowing for expenditure is to build up cash reserves in years when expenditure for a particular purpose is lower, for use in years when higher expenditure will occur. Council has a number of reserves that are set aside for specific purposes. Other reserves have an allocated amount transferred into them each year. The funds in reserves can be utilised to maximise grant funding opportunities as they arise as has been the case in recent years.



Borrowings

Council finances some of its major infrastructure expenditure through borrowings. Borrowing allows the cost of these projects to be spread over a number of years in order to facilitate inter-generational equity for these long-lived assets. Borrowings can also be used to smooth out long-term expenditure peaks and troughs.

A loan of \$1,320,000 is to be renegotiated in 2015/16. It has been assumed that this renewal loan will incur an interest rate of 4.6%.

Expenditure forecasts/assumptions

The Community Strategic Plan has given Council an indication of the community's expectations for the future. Balancing expectations, uncertainty of future revenues and expenditure forecasts is a challenging aspect of the financial planning process.

In developing expenditure forecasts Council has considered not only the new expenditure items that are proposed in the Community Strategic Plan, but also Council's ongoing commitments. Much of Council's expenditure is regular and ongoing. The LTFP does not include the addition of any new significant or major assets as over the past four years Council has successfully funded renewal of key assets through external funds.

The workforce and asset management plans are key sources of information about such expenditure along with the repayment schedule of borrowings.

Employee benefits and on-costs

The individual cost of each employee is calculated as part of the Operational Plan. All on-costs associated with the employment of staff are included. The LTFP assumes an increase each year of 3.5% to cover award provision increases.

In preparing the LTFP reference has been made to the Workforce Plan which forms part of Council's Resource Strategy. Council is currently benchmarking our workforce levels and HR costs through the Local Government Operational and Management Effectiveness survey.



Materials and Contracts

Materials and contracts are some of the largest items on Council's income statement. It covers all materials used in operational activities along with major ongoing operational contracts such as the domestic waste contract.

Budgets in the Operational Plan reflect all known information in relation to contracts and the LTFP assumes a 3% or reference is made to the LGCI increase to materials and contracts expenses over the life of the plan.

Borrowing Costs

Borrowing costs for each of Council's loans are calculated for each year and included in the LTFP. Future borrowings are included at an assumed interest rate of 4.6%.

Depreciation and Amortisation

Depreciation expenses have been adjusted to reflect the additions and disposal of assets over the life of the LTFP. Council has benchmarked our depreciation rates, life expectancy and residuals and adjusted values accordingly.

Other Expenses

This category includes a number of expense items including payments to other levels of government, electricity costs, telephone charges, Council expenses, valuation fees, insurance, bank charges, street lighting etc.

Payment to other levels of government – This includes payments for the Waste & Environmental Levy, Rural and Local fire brigades and contributions towards the State Emergency Service. Based on historical data the fire and state emergency services levies are assumed to increase by 5% per annum. The waste and environmental levy is to increase by \$10 per tonne until mid 2015 when it will be estimated to be \$77.70 per tonne for all waste going into landfill. Council will receive a performance rebate, however this will be significantly less than the levy charged. Both the levy and the rebate have been included in the LTFP.

Electricity – There have been large increases in electricity charges over the last few years. Council was only subject to some of these increases due to our electricity contracts which have recently been renewed following a call of tenders for the supply of electricity. A 4.0% increase has been included in the LTFP to cover future increases in electricity charges.



Telephone Costs – Council entered into a telephone contract a few years ago which has reduced the price of fixed line and mobile phones significantly. All phone allocations have been increased by 3% over the life of the plan.

Council Expenses – This expense has been increased by 3% over the life of the plan. Council is due to have a Council election in 2016/17 and the costs of the election (\$180k) have been included in that year. The indexed cost of an election has been included every four years after 2016/17.

Valuation Fees – This expense has increased over the past two years as the service is now provided by a private operator when it was previously provided by the Valuer General. Information received to date indicates that with the growth in assessments a 5% yearly increase will need to be applied.

Insurance and Bank Charges – It is assumed that these will increase at 3% per annum.



Asset Management

Council's Asset Management Strategy specifies what is required to improve Council's asset management capability and meet its objectives, while its asset management plan sets the parameters around the condition of assets to be modelled and costed.

The costs resulting from Council's Asset Management Plans are capital costs such as new assets, renewals, rehabilitation and non-capital expenditure such as maintenance, operating costs and depreciation. All asset related expenditure identified in the Asset Management Plans will be considered when completing the LTFP, along with various funding options to support the plan which would include any anticipated gains from the sale of assets.

Individual plans have been developed for transport, stormwater, water, sewerage, parks & recreation and building assets.

As at 30 June 2014 Council has an identified infrastructure backlog of \$17.234 million.

Increasing rates is one option to address the problem of ageing assets. There are however, a number of other options available to Council to fund the maintenance and management of its major infrastructure. The following outlines various approaches that Council can look at to fund the infrastructure backlog:

- Disposal of surplus and under utilised assets
- More efficient use and operation of assets by turning them into income producing opportunities.
- This might be done by increasing their functionality
- Choosing low cost strategies over high cost strategies
- Re-evaluation of service levels and standards
- Changing the composition of capital spending from new to renewal
- Making forward provision for renewal by reducing debt to create future borrowing capacity
- Creating cash reserves for asset replacement
- Carrying out cost/benefit analyses on the services being provided to ensure that the best value is being achieved.



Financial Performance Indicators – Fit for the Future

The NSW Government has outlined its proposed reform agenda for NSW Local Government, through a program titled "Fit for the Future" which is a comprehensive response to the recommendations of the NSW Independent Local Government Review Panel.

The criteria to be considered Fit for the Future were released as part of a self-assessment tool which included seven (7) key financial indicators with benchmarks that must be achieved by 2019/20. Singleton Council currently does not meet five of the seven key financial indicators benchmarks listed in the self-assessment tool. Of the five benchmarks not met, three related to asset management. The seven key financial indicators are shown in the table below.

Category	Measure	Benchmark	Purpose
Sustainability	Operating Performance Ratio	Greater than or equal to break-even average over 3 years.	This ratio measures Council's achievement of containing operating expenditure within operating revenue.
	Own Source Revenue	Greater than 60% average over 3 years.	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.
	Building and Infrastructure Asset Renewal	Greater than 100% average over 3 years.	To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.
Infrastructure and service management	Infrastructure Backlog Ratio	Less than 2%.	This ratio shows the asset renewal backlog as a proportion of the total value of a council's infrastructure.
	Asset Maintenance Ratio	Greater than 100% average	This ratio compares required asset maintenance. As ratio



		over 3 years.	above 100% indicates Council is investing enough funds to stop the infrastructure backlog through insufficient funds.
	Debt Service Ratio	Greater than 0% and less than or equal to 20% average over 3 years.	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.
Efficiency	Real Operating Expenditure per capita	A decrease in Real Operating Expenditure per capita over time.	This indicator measures productivity changes over time based on the movement in real per capita expenditure. Based on the assumption that service levels remain constant, a decline in real expenditure per capita indicates efficiency improvements (i.e. the same level of output per capita is achieved with reduced expenditure).

Council's performance against the abovementioned indicators are shown in Attachments 13, 14 and 15 which provides a comparison between a base case model and Council's Fit for the Future Council Improvement Proposal model.



Financial Modelling

The LTFP includes financial modelling of different scenarios. Scenario testing provides the Council with an idea of how much flexibility is in the Plan and how much latitude it has with various projects.

These models are important when discussing the financial implications of the Community Strategic Plan with residents and will also assist Council in developing suitable actions for the Delivery Program.

The base case models the continuation of Council's services as currently provided. It assumes Council will continue to achieve a balanced cash operating budget by closing any gap between revenue and expenditure by seeing improved efficiency gains in service delivery. Whereas, scenario 1 is as per the base case model with additional funds being realised via a Special Rate Variation which will generate additional revenue to enable Council to achieve long term financial sustainability and achieve the Fit for the Future performance measures as shown in Council's Improvement Proposal.



Fund Attachment		Attachment No.
Base Case – No Special Rate Variation Consolidated	Income Statement	1
	Balance Sheet	2
	Cash Flow Statement	3
General Fund	Income Statement	4
	Balance Sheet	5
	Cash Flow Statement	6
Scenario 1 – With Special Rate Variation Consolidated	Income Statement	7
	Balance Sheet	8
	Cash Flow Statement	9
General Fund	Income Statement	10
	Balance Sheet	11
	Cash Flow Statement	12
Fit for the Future Indicators Comparison – General Fund	Infrastructure and service management	13
	Sustainability	14
	Efficiency	15



Attachment 1

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 INCOME STATEMENT - CONSOLIDATED Scenario: 2015/16 Update											
	2015/16	2016/17	2017/18	2018/19	Projected Years		2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	22,935	23,548	23,676	24,310	24,960	25,628	26,314	27,019	27,743	28,486	29,250
User Charges & Fees	9,885	10,469	10,817	11,227	11,548	11,878	12,218	12,568	12,928	13,298	13,678
Interest & Investment Revenue	2,864	2,892	2,920	2,949	2,978	3,008	3,037	3,067	3,097	3,128	3,158
Other Revenues	629	698	825	953	982	1,011	1,041	1,071	1,101	1,131	1,161
Grants & Contributions provided for Operating Purposes	5,952	5,965	6,001	6,132	6,266	6,403	6,545	6,691	6,840	6,994	7,152
Grants & Contributions provided for Capital Purposes	15,671	12,081	4,409	4,432	4,455	4,479	4,503	4,526	4,551	4,575	4,600
Other Income:											
Net gains from the disposal of assets	1,064	470	346	345	344	377	342	385	340	340	340
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	59,001	56,323	49,095	50,347	51,633	52,784	54,000	55,328	56,603	57,959	59,327
Expenses from Continuing Operations											
Employee Benefits & On-Costs	14,708	14,571	14,729	15,168	15,616	16,078	16,553	17,042	17,544	18,062	18,595
Borrowing Costs	865	748	665	603	537	469	409	356	307	252	202
Materials & Contracts	14,315	14,651	15,253	15,621	15,959	16,366	16,762	17,187	17,602	18,017	18,432
Depreciation & Amortisation	11,366	10,700	10,800	10,908	11,017	11,127	11,239	11,351	11,465	11,579	11,694
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,649	4,994	5,144	5,268	5,457	5,621	5,789	5,963	6,142	6,326	6,510
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	46,104	45,674	46,590	47,596	48,626	49,680	50,771	51,893	53,000	54,106	55,212
Operating Result from Continuing Operations	12,897	10,649	2,505	2,751	2,907	3,104	3,229	3,436	3,544	3,673	3,815
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	12,897	10,649	2,505	2,751	2,907	3,104	3,229	3,436	3,544	3,673	3,815
Net Operating Result before Grants and Contributions provided for Capital Purposes	(2,775)	(1,431)	(1,904)	(1,881)	(1,848)	(1,775)	(1,724)	(1,691)	(1,657)	(1,623)	(1,589)



Attachment 2

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 BALANCE SHEET - CONSOLIDATED Scenario: 2015/16 Update												
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
ASSETS												
Current Assets												
Cash & Cash Equivalents	12,484	13,763	15,887	17,943	20,124	22,643	25,314	28,777	32,962	37,571		
Investments	50,836	50,319	49,840	49,400	49,000	48,643	48,329	48,060	47,837	47,681		
Receivables	4,953	5,212	4,380	4,521	4,641	4,764	4,890	5,021	5,155	5,292		
Inventories	10,109	14,690	19,507	24,270	28,854	33,617	38,458	43,037	47,878	52,718		
Other	111	113	118	121	124	128	131	134	138	142		
Total Current Assets	78,502	84,097	89,742	96,255	102,743	109,795	117,122	125,028	133,968	143,386		
Non-Current Assets												
Investments	17,923	17,626	17,351	17,099	16,870	16,665	16,485	16,330	16,202	16,102		
Receivables	104	106	106	108	111	113	116	118	121	124		
Inventories	2,854	4,174	5,661	6,934	8,254	9,627	11,021	12,340	13,735	15,129		
Infrastructure, Property, Plant & Equipment	690,289	602,784	587,337	561,416	535,636	513,578	493,296	474,609	458,825	445,206		
Investments Accounted for using the equity method	73	73	73	73	73	73	73	73	73	73		
Total Non-Current Assets	621,243	624,763	620,429	615,630	610,946	606,056	600,991	595,679	589,955	584,154		
TOTAL ASSETS	699,745	708,860	710,170	711,884	713,689	715,850	718,112	720,698	723,924	727,540		
LIABILITIES												
Current Liabilities												
Payables	3,623	3,550	3,663	3,747	3,832	3,918	4,007	4,098	4,192	4,286		
Borrowings	1,461	1,308	1,121	1,187	1,030	1,056	941	412	161	161		
Provisions	3,428	3,428	3,428	3,428	3,428	3,428	3,428	3,428	3,428	3,428		
Total Current Liabilities	8,512	8,286	8,212	8,361	8,289	8,402	8,376	7,938	7,781	7,875		
Non-Current Liabilities												
Borrowings	7,390	6,090	4,969	3,782	2,752	1,696	755	344	183	22		
Provisions	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688		
Total Non-Current Liabilities	15,078	13,778	12,657	11,470	10,440	9,385	8,444	8,032	7,871	7,710		
TOTAL LIABILITIES	23,590	22,064	20,869	19,832	18,730	17,786	16,819	16,070	15,651	15,594		
Net Assets	676,147	686,796	689,301	692,052	694,959	698,064	701,293	704,729	708,272	711,946		
EQUITY												
Retained Earnings	427,597	436,246	440,751	443,502	446,410	449,514	452,743	456,179	459,722	463,386		
Revaluation Reserves	248,550	248,550	248,550	248,550	248,550	248,550	248,550	248,550	248,550	248,550		
Council Equity Interest	676,147	686,796	689,301	692,052	694,959	698,064	701,293	704,729	708,272	711,946		
Total Equity	676,147	686,796	689,301	692,052	694,959	698,064	701,293	704,729	708,272	711,946		

Attachment 3

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 CASH FLOW STATEMENT - CONSOLIDATED Scenario: 2015/16 Update												
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	22,637	23,535	23,676	24,267	24,947	25,614	26,300	27,004	27,728	28,470		
User Charges & Fees	9,876	10,419	10,761	11,187	11,513	11,842	12,181	12,530	12,889	13,258		
Interest & Investment Revenue Received	2,864	2,889	2,919	2,946	2,975	3,004	3,034	3,064	3,094	3,124		
Grants & Contributions	21,605	17,587	10,629	9,548	10,105	10,265	10,430	10,599	10,773	10,950		
Other	1,258	580	875	904	938	968	995	1,025	1,056	1,087		
Payments:												
Employee Benefits & On-Costs	(14,697)	(14,277)	(14,729)	(15,165)	(15,616)	(16,076)	(16,553)	(17,042)	(17,544)	(18,012)		
Materials & Contracts	(14,330)	(14,694)	(15,156)	(15,558)	(15,934)	(16,319)	(16,713)	(17,117)	(17,530)	(17,966)		
Borrowing Costs	(865)	(748)	(865)	(803)	(537)	(469)	(409)	(352)	(307)	(262)		
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-		
Other	(4,840)	(4,994)	(5,144)	(5,298)	(5,457)	(5,621)	(5,789)	(5,963)	(6,142)	(6,326)		
Net Cash provided (or used in) Operating Activities	23,800	19,936	13,281	12,658	12,934	13,206	13,478	13,751	14,015	14,285		
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	887	814	754	682	628	567	494	424	351	276		
Sale of Infrastructure, Property, Plant & Equipment	7,928	7,932	7,932	7,932	7,932	7,932	7,932	7,932	7,932	7,932		
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(12,864)	(20,063)	(12,646)	(12,214)	(12,238)	(12,262)	(12,287)	(12,313)	(12,339)	(12,365)		
Purchase of Real Estate Assets	(5,990)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)		
Net Cash provided (or used in) Investing Activities	(8,939)	(17,296)	(9,849)	(8,479)	(9,567)	(9,657)	(8,759)	(9,446)	(9,418)	(9,493)		
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	1,320	-	-	-	-	-	-	-	-	-		
Payments:												
Repayment of Borrowings & Advances	(2,688)	(1,461)	(1,308)	(1,121)	(1,187)	(1,030)	(1,066)	(941)	(412)	(161)		
Net Cash Flow provided (used in) Financing Activities	(1,368)	(1,461)	(1,308)	(1,121)	(1,187)	(1,030)	(1,066)	(941)	(412)	(161)		
Net Increase/(Decrease) in Cash & Cash Equivalents	12,494	1,279	2,124	2,066	2,181	2,520	2,670	3,464	4,184	4,610		
plus: Cash, Cash Equivalents & Investments - beginning of year	(0)	12,494	13,763	15,887	17,943	20,124	22,643	25,314	28,777	32,662		
Cash & Cash Equivalents - end of the year	12,494	13,763	15,887	17,943	20,124	22,643	25,314	28,777	32,962	37,571		



Cash & Cash Equivalents - end of the year	12,494	13,763	15,887	17,943	20,124	22,643	25,314	28,777	32,962	37,571
Investments - end of the year	68,760	67,945	67,191	66,468	65,870	65,308	64,813	64,390	64,039	63,763
Cash, Cash Equivalents & Investments - end of the year	81,253	81,708	83,078	84,412	85,994	87,951	90,127	93,167	97,000	101,335
Representing:										
- External Restrictions	59,006	57,933	56,982	56,158	55,464	54,905	54,485	54,299	54,082	54,108
- Internal Restrictions	12,102	13,125	14,147	15,170	16,192	17,215	18,237	19,250	20,282	21,305
- Unrestricted	10,145	10,650	11,949	13,114	14,338	15,831	17,405	19,608	22,637	25,922
	81,253	81,708	83,078	84,412	85,994	87,951	90,127	93,167	97,000	101,335



Attachment 4

Singleton Council											
10 Year Financial Plan for the Years ending 30 June 2025											
INCOME STATEMENT - GENERAL FUND											
Scenario: 2015/16 Update											
	2015/16	2016/17	2017/18	2018/19	Projected Years			2022/23	2023/24	2024/25	
	\$'000	\$'000	\$'000	\$'000	2019/20	2020/21	2021/22	\$'000	\$'000	\$'000	
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	18,358	18,833	18,819	19,307	19,807	20,321	20,847	21,388	21,942	22,511	
User Charges & Fees	6,164	6,637	6,870	7,163	7,362	7,567	7,778	7,966	8,219	8,449	
Interest & Investment Revenue	911	920	929	938	947	956	965	975	984	993	
Other Revenues	600	668	684	691	700	707	716	725	734	743	
Grants & Contributions provided for Operating Purposes	5,770	5,780	5,814	5,942	6,074	6,209	6,348	6,491	6,638	6,789	
Grants & Contributions provided for Capital Purposes	14,646	11,064	3,381	3,402	3,423	3,445	3,467	3,489	3,511	3,534	
Other Income:											
Net gains from the disposal of assets	1,062	404	323	339	276	348	337	315	340	340	
Total Income from Continuing Operations	47,512	44,466	37,031	38,012	38,838	39,824	40,749	41,630	42,702	43,716	
Expenses from Continuing Operations											
Employee Benefits & On-Costs	13,173	12,990	13,103	13,493	13,856	14,308	14,732	15,169	15,617	16,034	
Borrowing Costs	865	748	665	603	537	469	409	350	307	292	
Materials & Contracts	10,059	10,302	10,787	11,047	11,313	11,586	11,865	12,151	12,443	12,788	
Depreciation & Amortisation	8,483	7,768	7,859	7,938	8,017	8,097	8,178	8,260	8,343	8,426	
Other Expenses	4,327	4,457	4,590	4,728	4,870	5,016	5,166	5,321	5,481	5,645	
Total Expenses from Continuing Operations	36,907	36,265	37,004	37,809	38,632	39,475	40,351	41,250	42,191	43,185	
Operating Result from Continuing Operations											
	10,605	8,202	27	203	206	349	399	440	511	531	
Net Operating Result for the Year											
	10,605	8,202	27	203	206	349	399	440	511	531	
Net Operating Result before Grants and Contributions provided for Capital Purposes											
	(4,942)	(2,842)	(3,354)	(3,199)	(3,217)	(3,096)	(3,068)	(3,049)	(3,000)	(3,002)	



Attachment 5

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 BALANCE SHEET - GENERAL FUND Scenario: 2015/16 Update												
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
ASSETS												
Current Assets												
Cash & Cash Equivalents	12,236	13,162	14,880	16,487	18,174	20,131	22,181	24,863	28,403	32,203		
Investments	23,386	23,386	23,386	23,386	23,386	23,386	23,386	23,386	23,386	23,386		
Receivables	4,007	4,237	3,387	3,488	3,577	3,668	3,763	3,859	3,959	4,061		
Inventories	10,015	14,584	19,409	24,169	28,751	33,512	38,350	42,926	47,764	52,603		
Other	111	113	118	121	124	128	131	134	138	142		
Total Current Assets	49,754	55,493	61,191	67,662	74,012	80,825	87,810	95,268	103,650	112,395		
Non-Current Assets												
Investments	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261		
Receivables	104	106	106	108	111	113	116	118	121	124		
Inventories	2,854	4,174	5,561	6,934	8,254	9,627	11,021	12,340	13,735	15,129		
Infrastructure, Property, Plant & Equipment	566,221	505,837	497,583	488,901	480,331	471,547	462,595	453,404	443,017	434,140		
Investments Accounted for using the equity method	73	73	73	73	73	73	73	73	73	73		
Total Non-Current Assets	518,513	511,450	504,584	497,277	490,029	482,620	475,066	467,196	459,008	450,733		
TOTAL ASSETS	969,267	966,944	965,776	964,939	964,042	963,446	962,876	962,464	962,658	963,128		
LIABILITIES												
Current Liabilities												
Payables	3,569	3,495	3,607	3,689	3,772	3,857	3,945	4,034	4,126	4,228		
Borrowings	1,461	1,308	1,121	1,187	1,030	1,056	941	412	161	161		
Provisions	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136		
Total Current Liabilities	8,166	7,939	7,864	8,012	7,938	8,049	8,022	7,582	7,424	7,525		
Non-Current Liabilities												
Borrowings	7,390	6,090	4,969	3,782	2,752	1,696	735	344	183	22		
Provisions	7,686	7,686	7,686	7,686	7,686	7,686	7,686	7,686	7,686	7,686		
Total Non-Current Liabilities	15,076	13,776	12,654	11,468	10,438	9,382	8,441	8,029	7,869	7,708		
TOTAL LIABILITIES	23,242	21,715	20,519	19,480	18,376	17,431	16,463	15,612	15,292	15,233		
Net Assets	936,025	945,229	945,256	945,459	945,665	946,014	946,413	946,852	947,364	947,895		
EQUITY												
Retained Earnings	335,737	343,949	343,976	344,179	344,385	344,734	345,133	345,572	346,084	346,615		
Revaluation Reserves	201,280	201,280	201,280	201,280	201,280	201,280	201,280	201,280	201,280	201,280		
Council Equity Interest	537,017	545,229	545,256	545,459	545,665	546,014	546,413	546,852	547,364	547,895		
Total Equity	1,074,034	1,090,458	1,090,512	1,090,918	1,091,325	1,091,928	1,092,606	1,093,704	1,094,728	1,095,790		



Singleton Council										
10 Year Financial Plan for the Years ending 30 June 2025										
CASH FLOW STATEMENT - GENERAL FUND										
Scenario: 2015/16 Update										
	Projected Years									
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	19,354	18,827	18,820	19,301	19,801	20,314	20,841	21,381	21,935	22,504
User Charges & Fees	6,262	6,697	6,855	7,144	7,349	7,554	7,765	7,982	8,205	8,434
Interest & Investment Revenue Received	511	919	928	936	945	954	964	973	982	992
Grants & Contributions	20,997	16,975	10,013	9,328	9,481	9,637	9,798	9,962	10,131	10,304
Other	1,229	550	945	872	995	933	961	989	1,019	1,050
Payments:										
Employee Benefits & On-Costs	(13,161)	(13,146)	(13,103)	(13,493)	(13,885)	(14,308)	(14,732)	(15,169)	(15,617)	(16,034)
Materials & Contracts	(19,096)	(10,243)	(10,689)	(10,963)	(11,247)	(11,578)	(11,785)	(12,078)	(12,370)	(12,706)
Borrowing Costs	(895)	(748)	(665)	(603)	(537)	(469)	(409)	(359)	(307)	(262)
Other	(4,327)	(4,457)	(4,590)	(4,728)	(4,879)	(5,016)	(5,166)	(5,321)	(5,481)	(5,645)
Net Cash provided (or used in) Operating Activities	19,394	15,283	8,515	7,775	7,933	8,082	8,224	8,368	8,497	8,598
Cash Flows from Investing Activities										
Receipts:										
Sale of Infrastructure, Property, Plant & Equipment	7,911	7,915	7,915	7,915	7,915	7,915	7,915	7,915	7,915	7,915
Payments:										
Purchase of Infrastructure, Property, Plant & Equipment	(7,223)	(14,921)	(7,504)	(7,872)	(7,968)	(7,128)	(7,145)	(6,871)	(6,671)	(6,671)
Purchase of Real Estate Assets	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)
Net Cash provided (or used in) Investing Activities	(5,701)	(12,895)	(5,479)	(5,046)	(5,078)	(5,094)	(5,119)	(4,845)	(4,645)	(4,645)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	1,320	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(2,668)	(1,461)	(1,308)	(1,121)	(1,187)	(1,039)	(1,060)	(941)	(412)	(161)
Net Cash Flow provided (used in) Financing Activities	(1,348)	(1,461)	(1,308)	(1,121)	(1,187)	(1,030)	(1,055)	(941)	(412)	(161)
Net Increase/(Decrease) in Cash & Cash Equivalents	12,236	926	1,726	1,607	1,678	1,958	2,049	2,782	3,440	3,800
plus: Cash, Cash Equivalents & Investments - beginning of year	-	12,236	13,162	14,880	16,497	18,174	20,131	22,181	24,963	28,403
Cash & Cash Equivalents - end of the year	12,236	13,162	14,880	16,487	18,174	20,131	22,181	15,963	28,403	32,203



Cash & Cash Equivalents - end of the year	12,236	13,162	14,890	16,487	18,174	20,131	22,161	24,363	26,403	32,203
Investments - end of the year	24,647	24,647	24,647	24,647	24,647	24,647	24,647	24,647	24,647	24,647
Cash, Cash Equivalents & Investments - end of the year	36,882	37,809	39,537	41,144	42,820	44,778	46,808	48,910	51,050	56,850
Representing:										
- External Restrictions	14,635	14,033	13,442	12,861	12,291	11,732	11,186	10,652	10,131	9,624
- Internal Restrictions	12,102	13,125	14,147	15,170	16,192	17,215	18,237	19,259	20,282	21,305
- Unrestricted	10,145	10,651	11,948	13,114	14,338	15,831	17,405	19,098	20,637	25,922
	36,882	37,809	39,537	41,144	42,820	44,778	46,808	48,910	51,050	56,850



Attachment 7

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 INCOME STATEMENT - CONSOLIDATED Scenario: Base Case with SRV over 4 years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	22,935	24,643	26,000	27,975	30,124	30,922	31,740	32,569	33,443	34,329
User Charges & Fees	9,885	10,469	10,817	11,227	11,548	11,876	12,218	12,568	12,928	13,298
Interest & Investment Revenue	2,864	2,892	2,920	2,949	2,978	3,008	3,037	3,067	3,097	3,128
Other Revenues	629	868	925	953	982	1,011	1,041	1,073	1,105	1,138
Grants & Contributions provided for Operating Purposes	5,952	5,985	6,001	6,132	6,266	6,403	6,545	6,691	6,840	6,994
Grants & Contributions provided for Capital Purposes	15,671	12,081	4,409	4,432	4,455	4,479	4,503	4,526	4,551	4,575
Other Income:										
Net gains from the disposal of assets	1,064	470	346	345	344	377	342	385	340	340
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	59,001	57,418	51,419	54,012	56,697	58,078	59,436	60,890	62,304	63,802
Expenses from Continuing Operations										
Employee Benefits & On-Costs	14,709	14,571	14,729	15,168	15,616	16,078	16,553	17,042	17,544	18,012
Borrowing Costs	865	748	685	603	537	469	409	350	307	262
Materials & Contracts	14,315	14,681	15,253	15,621	15,989	16,366	16,782	17,187	17,602	18,077
Depreciation & Amortization	11,366	10,700	10,800	10,508	11,017	11,127	11,239	11,351	11,465	11,579
Impairment	-	-	-	-	-	-	-	-	-	-
Other Expenses	4,840	4,084	5,144	5,208	5,457	5,621	5,789	5,963	6,142	6,326
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	46,104	45,674	46,590	47,596	48,626	49,680	50,771	51,893	53,060	54,286
Operating Result from Continuing Operations	12,897	11,744	4,829	6,416	8,072	8,398	8,665	8,997	9,244	9,516
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	12,897	11,744	4,829	6,416	8,072	8,398	8,665	8,997	9,244	9,516
Net Operating Result before Grants and Contributions provided for Capital Purposes	(2,775)	(338)	420	1,984	3,616	3,919	4,152	4,471	4,893	4,942



Attachment 8

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 BALANCE SHEET - CONSOLIDATED Scenario: Base Case with SRV over 4 years												
	2015/16	2016/17	2017/18	2018/19	Projected Years				2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	7,484	4,857	4,305	5,027	7,375	10,183	13,295	17,325	22,216	27,674		
Investments	50,836	50,318	49,838	48,395	46,963	46,314	45,714	45,064	44,414	43,764		
Receivables	4,953	4,417	4,174	4,503	4,790	4,824	4,952	5,084	5,220	5,359		
Inventories	10,189	14,690	19,507	24,270	28,854	33,617	38,458	43,307	47,878	52,718		
Other	111	115	116	121	124	126	131	134	138	142		
Total Current Assets	73,502	75,203	78,185	83,376	90,046	97,384	105,150	113,821	123,265	133,530		
Non-Current Assets												
Investments	17,923	17,628	17,350	17,066	16,865	16,658	16,478	16,320	16,180	16,087		
Receivables	104	111	117	126	135	139	142	145	148	152		
Inventories	2,854	4,174	5,561	6,934	8,254	9,627	11,021	12,340	13,735	15,129		
Infrastructure, Property, Plant & Equipment	605,286	612,784	612,337	611,416	610,638	609,578	608,296	606,869	604,825	602,786		
Investments Accounted for using the equity method	73	73	73	73	73	73	73	73	73	73		
Total Non-Current Assets	626,243	634,768	635,435	635,645	635,967	635,075	635,008	633,686	634,970	634,167		
TOTAL ASSETS	699,745	709,971	713,623	719,021	726,012	733,468	741,158	749,307	758,235	767,696		
LIABILITIES												
Current Liabilities												
Payables	3,623	3,568	3,607	3,800	3,908	3,994	4,085	4,178	4,274	4,379		
Borrowings	1,461	1,308	1,121	1,187	1,030	1,056	941	812	711	611		
Provisions	3,428	3,428	3,428	3,428	3,428	3,428	3,428	3,428	3,428	3,428		
Total Current Liabilities	8,512	8,302	8,246	8,414	8,364	8,478	8,454	8,418	8,412	8,418		
Non-Current Liabilities												
Borrowings	7,398	6,090	4,969	3,782	2,752	1,696	755	344	183	22		
Provisions	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688		
Total Non-Current Liabilities	15,086	13,778	12,657	11,470	10,440	9,385	8,444	8,032	7,871	7,710		
TOTAL LIABILITIES	23,598	22,080	20,903	19,884	18,804	17,863	16,897	16,450	16,283	16,128		
Net Assets	676,147	687,891	692,720	699,137	707,208	715,605	724,261	733,258	742,002	752,018		
EQUITY												
Retained Earnings	427,597	436,341	444,170	452,587	458,658	467,056	475,711	484,708	493,952	503,408		
Residual Reserves	248,550	248,550	248,550	248,550	248,550	248,550	248,550	248,550	248,550	248,550		
Council Equity Interest	676,147	687,891	692,720	699,137	707,208	715,605	724,261	733,258	742,002	752,018		
Total Equity	676,147	687,891	692,720	699,137	707,208	715,605	724,261	733,258	742,002	752,018		

Attachment 9

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 CASH FLOW STATEMENT - CONSOLIDATED Scenario: Base Case with SRV over 4 years												
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	22,937	24,616	25,978	27,944	30,062	30,906	31,724	32,564	33,426	34,312		
User Charges & Fees	9,878	10,419	10,781	11,187	11,513	11,842	12,181	12,530	12,889	13,258		
Interest & Investment Revenue Received	2,864	2,885	2,915	2,941	2,970	3,004	3,033	3,063	3,093	3,124		
Grants & Contributions	21,605	17,587	10,829	9,948	10,105	10,285	10,430	10,599	10,773	10,950		
Other	1,258	595	953	923	960	968	997	1,027	1,058	1,090		
Payments:												
Employee Benefits & On-Costs	(14,087)	(14,727)	(14,728)	(15,100)	(15,616)	(16,076)	(16,553)	(17,042)	(17,544)	(18,072)		
Materials & Contracts	(14,330)	(14,641)	(15,156)	(15,558)	(15,934)	(16,319)	(16,713)	(17,117)	(17,530)	(17,962)		
Borrowing Costs	(865)	(748)	(665)	(603)	(537)	(469)	(409)	(350)	(307)	(262)		
Other	(4,448)	(4,964)	(5,144)	(5,288)	(5,457)	(5,621)	(5,786)	(5,953)	(6,142)	(6,326)		
Net Cash provided (or used in) Operating Activities	23,800	21,029	15,603	16,319	18,065	18,500	18,902	19,312	19,716	20,108		
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	887	815	757	696	634	568	500	429	357	282		
Sale of Infrastructure, Property, Plant & Equipment	7,528	7,932	7,932	7,932	7,932	7,932	7,932	7,932	7,932	7,932		
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(17,864)	(25,063)	(17,646)	(17,214)	(17,238)	(17,262)	(17,287)	(16,813)	(16,813)	(16,813)		
Purchase of Real Estate Assets	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)		
Net Cash provided (or used in) Investing Activities	(14,939)	(22,205)	(14,847)	(14,475)	(14,561)	(14,651)	(14,744)	(14,341)	(14,413)	(14,486)		
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	1,320	-	-	-	-	-	-	-	-	-		
Payments:												
Repayment of Borrowings & Advances	(2,688)	(1,461)	(1,308)	(1,121)	(1,187)	(1,030)	(1,050)	(941)	(412)	(191)		
Net Cash Flow provided (used in) Financing Activities	(1,368)	(1,461)	(1,308)	(1,121)	(1,187)	(1,030)	(1,256)	(941)	(412)	(161)		
Net Increase/(Decrease) in Cash & Cash Equivalents	7,494	(2,638)	(552)	722	2,348	2,818	3,191	4,031	4,891	5,458		
plus: Cash, Cash Equivalents & Investments - beginning of year	(0)	7,484	4,857	4,305	5,027	7,375	10,193	13,295	17,325	22,216		
Cash & Cash Equivalents - end of the year	7,494	4,857	4,305	5,027	7,375	10,193	13,295	17,325	22,216	27,674		



Cash & Cash Equivalents - end of the year	7,494	4,857	4,305	5,027	7,375	10,153	11,295	17,305	22,216	27,674
Investments - end of the year	68,760	67,944	67,188	68,462	65,858	65,260	64,790	64,361	64,004	63,722
Cash, Cash Equivalents & Investments - end of the year	76,253	72,801	71,493	71,519	73,233	75,413	76,085	81,666	86,220	91,396
Representing:										
- External Restrictions	59,006	57,931	56,976	56,144	55,440	54,870	54,439	54,152	54,013	54,027
- Internal Restrictions	12,102	13,125	14,147	15,170	16,192	17,215	18,237	19,250	20,282	21,305
- Unrestricted	5,145	1,746	370	205	1,601	3,369	5,409	8,274	11,925	16,064
	76,253	72,801	71,493	71,519	73,233	75,413	76,085	81,666	86,220	91,396

Attachment 10

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025												
INCOME STATEMENT - GENERAL FUND												
Scenario: Base Case with SRV over 4 years												
	2015/16	2016/17	2017/18	2018/19	Projected Years			2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	18,358	19,930	21,146	22,940	24,982	25,625	26,284	26,961	27,654	28,361	29,084	29,826
User Charges & Fees	6,164	6,637	6,870	7,163	7,362	7,567	7,778	7,996	8,219	8,448	8,684	8,926
Interest & Investment Revenue	911	920	929	938	947	956	965	975	984	993	1,003	1,013
Other Revenues	608	668	804	921	948	977	1,007	1,037	1,068	1,100	1,133	1,166
Grants & Contributions provided for Operating Purposes	5,770	5,760	5,814	5,942	6,074	6,209	6,348	6,491	6,638	6,789	6,943	7,100
Grants & Contributions provided for Capital Purposes	14,646	11,054	3,381	3,402	3,423	3,445	3,467	3,489	3,511	3,534	3,557	3,580
Other Income:												
Net gains from the disposal of assets	1,902	464	323	339	276	348	337	315	340	340	340	340
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	47,513	45,594	39,360	41,685	44,013	45,128	46,186	47,263	48,414	49,571	50,734	51,903
Expenses from Continuing Operations												
Employee Benefits & On-Costs	13,173	12,990	13,103	13,483	13,895	14,308	14,732	15,169	15,617	16,074	16,534	17,000
Borrowing Costs	865	748	685	603	537	469	409	350	307	262	223	186
Materials & Contracts	10,959	10,382	10,787	11,047	11,313	11,586	11,865	12,151	12,443	12,740	13,043	13,351
Depreciation & Amortization	8,483	7,788	7,859	7,938	8,017	8,097	8,178	8,260	8,343	8,426	8,510	8,594
Other Expenses	4,327	4,457	4,590	4,728	4,870	5,016	5,166	5,321	5,481	5,645	5,814	5,988
Total Expenses from Continuing Operations	36,807	36,265	37,004	37,809	38,632	39,475	40,351	41,260	42,191	43,145	44,124	45,128
Operating Result from Continuing Operations	10,706	9,329	2,356	3,876	5,381	5,653	5,836	6,012	6,223	6,426	6,610	6,775
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	10,706	9,329	2,356	3,876	5,381	5,653	5,836	6,012	6,223	6,426	6,610	6,775
Net Operating Result before Grants and Contributions provided for Capital Purposes	(4,042)	(1,745)	(1,029)	474	1,958	2,208	2,389	2,524	2,712	2,903	3,100	3,303



Attachment 11

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025 BALANCE SHEET - GENERAL FUND Scenario: Base Case with SRV over 4 years												
	2015/16	2016/17	2017/18	2018/19	Projected Years				2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	7,236	4,257	3,312	3,589	5,437	7,669	10,185	13,539	17,691	22,346		
Investments	23,386	23,386	23,386	23,386	23,386	23,386	23,386	23,386	23,386	23,386		
Receivables	4,007	4,250	3,414	3,531	3,637	3,730	3,825	3,924	4,025	4,126		
Inventories	10,915	14,584	19,409	24,169	28,751	33,512	38,350	43,656	47,764	52,693		
Other	111	113	116	121	124	126	131	134	138	142		
Total Current Assets	44,754	46,691	49,639	54,796	61,335	68,454	75,877	83,959	93,004	102,806		
Non-Current Assets												
Investments	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261		
Receivables	104	111	117	126	135	139	142	145	148	152		
Inventories	2,654	4,174	5,561	6,934	8,254	9,627	11,021	12,349	13,735	15,129		
Infrastructure, Property, Plant & Equipment	511,221	515,837	512,583	508,901	505,331	501,547	497,595	493,404	488,817	484,140		
Investments Accounted for using the equity method	73	73	73	73	73	73	73	73	73	73		
Total Non-Current Assets	515,513	521,456	519,555	517,284	515,054	512,645	510,062	507,223	504,033	500,761		
TOTAL ASSETS	560,267	568,056	569,234	572,080	576,389	581,099	585,939	591,132	597,037	603,566		
LIABILITIES												
Current Liabilities												
Payables	3,569	3,511	3,640	3,742	3,846	3,933	4,023	4,114	4,208	4,312		
Borrowings	1,461	1,368	1,121	1,187	1,030	1,056	941	812	701	601		
Provisions	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136		
Total Current Liabilities	8,167	7,955	7,898	8,065	8,013	8,125	8,100	7,662	7,505	7,049		
Non-Current Liabilities												
Borrowings	7,398	6,090	4,969	3,782	2,752	1,696	755	344	163	22		
Provisions	7,686	7,686	7,686	7,686	7,686	7,686	7,686	7,686	7,686	7,686		
Total Non-Current Liabilities	15,083	13,776	12,654	11,468	10,438	9,382	8,441	8,029	7,869	7,708		
TOTAL LIABILITIES	23,250	21,730	20,552	19,533	18,451	17,507	16,541	15,692	15,374	14,757		
Net Assets	537,017	546,326	548,682	552,546	557,938	563,592	569,428	575,440	581,663	588,809		
EQUITY												
Retained Earnings	335,737	345,046	347,402	351,278	356,659	362,312	368,148	374,160	380,383	386,769		
Residual Reserves	201,280	201,280	201,280	201,280	201,280	201,280	201,280	201,280	201,280	201,280		
Council Equity Interest	537,017	546,326	548,682	552,546	557,938	563,592	569,428	575,440	581,663	588,809		
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-		
Total Equity	537,017	546,326	548,682	552,546	557,938	563,592	569,428	575,440	581,663	588,809		



Attachment 12

Singleton Council 10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario: Base Case with SRV over 4 years												
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	18,354	19,910	21,133	22,956	24,956	25,617	26,276	26,952	27,645	28,357		
User Charges & Fees	6,262	6,607	6,855	7,144	7,349	7,554	7,765	7,982	8,205	8,434		
Interest & Investment Revenue Received	911	915	925	932	940	954	963	972	982	991		
Grants & Contributions	20,959	16,976	10,013	9,328	9,481	9,637	9,798	9,962	10,131	10,304		
Other	1,229	585	962	892	927	934	962	991	1,021	1,052		
Payments:												
Employee Benefits & On-Costs	(13,161)	(13,148)	(13,103)	(13,483)	(13,866)	(14,300)	(14,732)	(15,169)	(15,617)	(16,034)		
Materials & Contracts	(19,096)	(16,243)	(10,689)	(10,983)	(11,247)	(11,518)	(11,795)	(12,079)	(12,370)	(12,706)		
Borrowing Costs	(665)	(748)	(665)	(603)	(537)	(469)	(409)	(350)	(307)	(262)		
Other	(4,327)	(4,457)	(4,580)	(4,728)	(4,876)	(5,016)	(5,166)	(5,321)	(5,481)	(5,645)		
Net Cash provided (or used in) Operating Activities	19,304	16,378	10,841	11,445	13,105	13,386	13,661	13,940	14,209	14,461		
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-		
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-		
Purchases:												
Purchase of Infrastructure, Property, Plant & Equipment	7,911	7,915	7,915	7,915	7,915	7,915	7,915	7,915	7,915	7,915		
Purchase of Infrastructure, Property, Plant & Equipment	(12,722)	(19,921)	(12,504)	(13,873)	(12,068)	(13,120)	(12,145)	(11,871)	(11,671)	(11,471)		
Purchase of Real Estate Assets	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)	(5,890)		
Net Cash provided (or used in) Investing Activities	(10,701)	(17,895)	(10,479)	(10,046)	(10,076)	(10,094)	(10,119)	(9,845)	(9,645)	(9,445)		
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	1,320	-	-	-	-	-	-	-	-	-		
Payments:												
Repayment of Borrowings & Advances	(2,680)	(1,461)	(1,308)	(1,121)	(1,187)	(1,030)	(1,266)	(941)	(412)	(161)		
Net Cash Flow provided (used in) Financing Activities	(1,360)	(1,461)	(1,308)	(1,121)	(1,187)	(1,030)	(1,266)	(941)	(412)	(161)		
Net Increase/Decrease in Cash & Cash Equivalents	7,236	(2,979)	(945)	277	1,848	2,262	2,486	3,355	4,152	4,855		
plus: Cash, Cash Equivalents & Investments - beginning of year	-	7,236	4,257	3,312	3,589	5,437	7,699	10,185	13,539	17,691		
Cash & Cash Equivalents - end of the year	7,236	4,257	3,312	3,589	5,437	7,699	10,185	13,539	17,691	22,546		

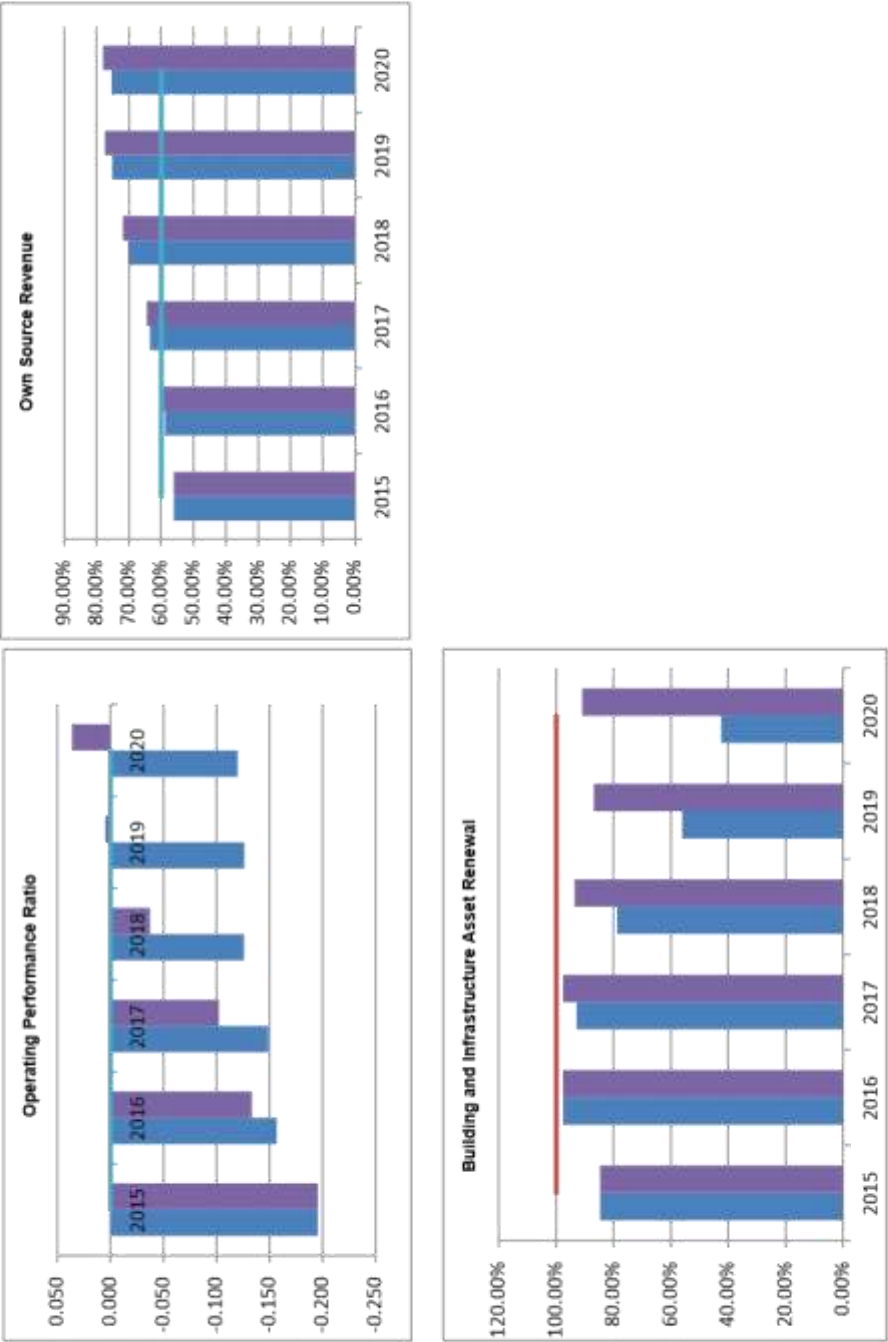
Singleton Council Resourcing Strategy – Long Term Financial Plan – June 2015

Page No.31



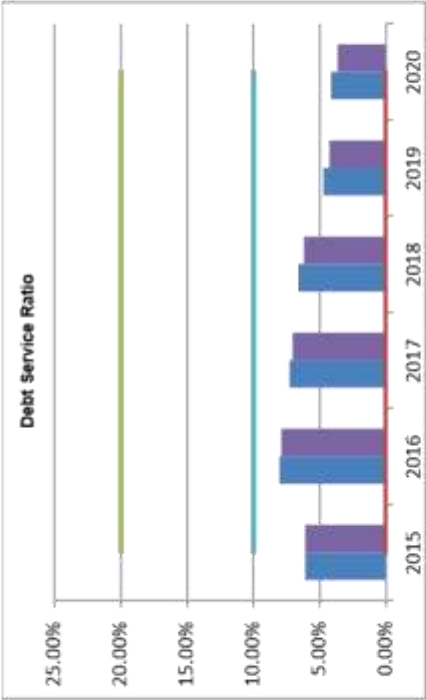
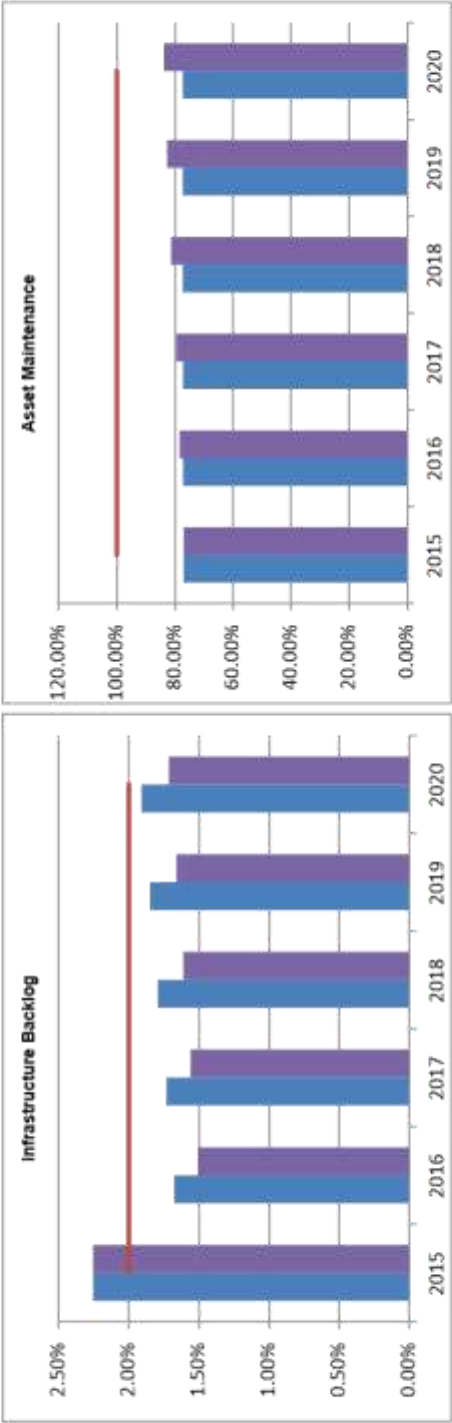
Attachment 13

Fit for the Future Financial Indicators – Sustainability





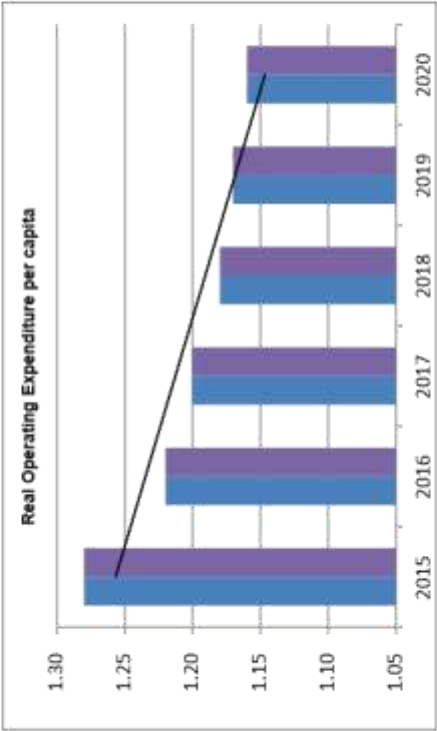
Attachment 14
Fit for the Future Financial Indicators – Infrastructure and service management





Attachment 15

Fit for the Future Financial Indicators – Efficiency



Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

OPTION 1 - Retain existing rate mix

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 890.95	\$ 949.33	\$ 1,041.89	\$ 1,143.51
Residential Rural Residential			\$ 1,125.82	\$ 1,235.40	\$ 1,312.11	\$ 1,440.16	\$ 1,580.57
Residential Village			\$ 541.76	\$ 594.49	\$ 636.26	\$ 698.30	\$ 766.42
Residential Ordinary			\$ 810.78	\$ 889.50	\$ 948.15	\$ 1,040.78	\$ 1,142.20
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 914.58	\$ 974.26	\$ 1,069.31	\$ 1,173.58
Percentage of Rate Income			46.66%	46.66%	46.66%	46.66%	46.66%
Rate Yield			\$ 7,266,742.45	\$ 7,973,519.42	\$ 8,493,841.06	\$ 9,322,517.24	\$ 10,231,525.86
Business Singleton			\$ 1,934.92	\$ 2,123.30	\$ 2,260.75	\$ 2,481.47	\$ 2,723.42
Business Mount Thorley			\$ 2,404.25	\$ 2,638.33	\$ 2,806.88	\$ 3,080.92	\$ 3,381.32
Business Village			\$ 918.22	\$ 1,007.63	\$ 1,077.72	\$ 1,182.91	\$ 1,298.25
Business Ordinary			\$ 1,017.26	\$ 1,116.26	\$ 1,192.98	\$ 1,309.37	\$ 1,437.05
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 1,870.62	\$ 1,992.83	\$ 2,187.37	\$ 2,400.65
Percentage of Rate Income			9.63%	9.63%	9.63%	9.63%	9.63%
Rate Yield			\$ 1,499,676.77	\$ 1,645,678.03	\$ 1,753,196.08	\$ 1,924,341.42	\$ 2,111,974.24
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,663.56	\$ 1,772.09	\$ 1,945.14	\$ 2,134.72
Percentage of Rate Income			9.19%	9.19%	9.19%	9.19%	9.19%
Rate Yield			\$ 1,431,457.39	\$ 1,570,402.57	\$ 1,672,851.54	\$ 1,836,212.44	\$ 2,015,177.83
Coal Mine			\$ 97,753.67	\$ 107,251.89	\$ 114,261.42	\$ 125,412.03	\$ 137,645.38
Coal Rights			\$ 1.70	\$ 1.78	\$ 1.84	\$ 1.93	\$ 2.03
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 45,030.45	\$ 47,973.42	\$ 52,655.02	\$ 57,791.22
Percentage of Rate Income			34.52%	34.52%	34.52%	34.52%	34.52%
Rate Yield			\$ 5,376,581.03	\$ 5,898,988.15	\$ 6,284,517.57	\$ 6,897,808.25	\$ 7,570,650.33
Total Rate Yield			\$ 15,574,457.64	\$ 17,088,589.16	\$ 18,204,406.25	\$ 19,980,879.34	\$ 21,929,328.25

Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

OPTION 2 - Increasing Business and Mining Categories with a reduction in the Residential Category

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 836.90	\$ 891.78	\$ 978.81	\$ 1,074.30
Residential Rural Residential			\$ 1,125.82	\$ 1,152.53	\$ 1,224.07	\$ 1,343.44	\$ 1,474.46
Residential Village			\$ 541.76	\$ 563.75	\$ 603.55	\$ 662.49	\$ 727.09
Residential Ordinary			\$ 810.78	\$ 836.19	\$ 891.53	\$ 978.63	\$ 1,073.97
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 858.64	\$ 914.75	\$ 1,004.04	\$ 1,101.96
Percentage of Rate Income			46.66%	43.81%	43.81%	43.81%	43.81%
Rate Yield			\$ 7,266,742.45	\$ 7,485,828.94	\$ 7,975,056.24	\$ 8,753,488.22	\$ 9,607,181.02
Business Singleton			\$ 1,934.92	\$ 2,206.42	\$ 2,349.43	\$ 2,578.77	\$ 2,830.17
Business Mount Thorley			\$ 2,404.25	\$ 2,744.29	\$ 2,919.93	\$ 3,204.96	\$ 3,517.41
Business Village			\$ 918.22	\$ 1,041.26	\$ 1,113.60	\$ 1,222.28	\$ 1,341.45
Business Ordinary			\$ 1,017.26	\$ 1,154.84	\$ 1,234.13	\$ 1,354.38	\$ 1,486.57
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 1,942.57	\$ 2,069.59	\$ 2,271.55	\$ 2,493.04
Percentage of Rate Income			9.63%	10.00%	10.00%	10.00%	10.00%
Rate Yield			\$ 1,499,676.77	\$ 1,708,972.74	\$ 1,820,722.52	\$ 1,998,397.27	\$ 2,193,253.94
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,663.56	\$ 1,772.09	\$ 1,945.14	\$ 2,134.72
Percentage of Rate Income			9.19%	9.19%	9.19%	9.19%	9.19%
Rate Yield			\$ 1,431,457.39	\$ 1,570,402.57	\$ 1,672,851.54	\$ 1,836,212.44	\$ 2,015,177.83
Coal Mine			\$ 97,753.67	\$ 114,956.31	\$ 122,474.89	\$ 134,425.44	\$ 147,531.44
Coal Rights			\$ 1,70	\$ 1.78	\$ 1.84	\$ 1.93	\$ 2.03
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 48,265.13	\$ 51,421.82	\$ 56,439.28	\$ 61,941.86
Percentage of Rate Income			34.52%	37.00%	37.00%	37.00%	37.00%
Rate Yield			\$ 5,376,581.03	\$ 6,322,732.48	\$ 6,736,258.63	\$ 7,393,545.74	\$ 8,114,383.91
Total Rate Yield			\$ 15,574,457.64	\$ 17,087,936.72	\$ 18,204,888.93	\$ 19,981,643.66	\$ 21,929,996.69

Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

OPTION 3 - Rate Mix for all categories excluding Mining modified to reflect the Group 4 Average for the 2016/17 financial year

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 899.99	\$ 959.09	\$ 1,052.67	\$ 1,155.31
Residential Rural Residential			\$ 1,125.82	\$ 1,249.02	\$ 1,327.13	\$ 1,456.60	\$ 1,598.65
Residential Village			\$ 541.76	\$ 599.67	\$ 641.85	\$ 704.40	\$ 773.15
Residential Ordinary			\$ 810.78	\$ 898.62	\$ 957.82	\$ 1,051.28	\$ 1,153.80
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 923.95	\$ 984.38	\$ 1,080.43	\$ 1,185.78
Percentage of Rate Income			46.66%	47.14%	47.14%	47.14%	47.14%
Rate Yield			\$ 7,266,742.45	\$ 8,055,245.99	\$ 8,582,061.01	\$ 9,419,419.86	\$ 10,337,916.09
Business Singleton			\$ 1,934.92	\$ 3,849.61	\$ 4,099.93	\$ 4,499.67	\$ 4,938.44
Business Mount Thorley			\$ 2,404.25	\$ 4,839.10	\$ 5,151.53	\$ 5,653.80	\$ 6,205.11
Business Village			\$ 918.22	\$ 1,706.15	\$ 1,821.91	\$ 1,999.54	\$ 2,194.52
Business Ordinary			\$ 1,017.26	\$ 1,914.96	\$ 2,044.10	\$ 2,243.12	\$ 2,462.12
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 3,364.18	\$ 3,584.10	\$ 3,933.47	\$ 4,317.10
Percentage of Rate Income			9.63%	17.32%	17.32%	17.32%	17.32%
Rate Yield			\$ 1,499,676.77	\$ 2,959,640.55	\$ 3,153,108.13	\$ 3,460,471.50	\$ 3,797,968.43
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,931.63	\$ 2,057.88	\$ 2,258.62	\$ 2,478.66
Percentage of Rate Income			9.19%	10.67%	10.67%	10.67%	10.67%
Rate Yield			\$ 1,431,457.39	\$ 1,823,455.69	\$ 1,942,635.44	\$ 2,132,138.19	\$ 2,339,859.62
Coal Mine			\$ 97,753.67	\$ 77,270.49	\$ 82,320.58	\$ 90,348.21	\$ 99,159.62
Coal Rights			\$ 1.70	\$ 1.95	\$ 2.01	\$ 2.13	\$ 2.25
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 32,442.94	\$ 34,563.24	\$ 37,933.69	\$ 41,633.21
Percentage of Rate Income			34.52%	24.87%	24.87%	24.87%	24.87%
Rate Yield			\$ 5,376,581.03	\$ 4,250,024.82	\$ 4,527,785.08	\$ 4,969,313.26	\$ 5,453,949.86
Total Rate Yield			\$ 15,574,457.64	\$ 17,088,367.04	\$ 18,205,589.66	\$ 19,981,342.80	\$ 21,929,693.99

Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

OPTION 4 - Increase in Residential, Business and Farmland mix offset by a reduction in the Mine Category

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 859.48	\$ 915.82	\$ 1,005.18	\$ 1,103.15
Residential Rural Residential			\$ 1,125.82	\$ 1,187.04	\$ 1,260.93	\$ 1,383.82	\$ 1,518.83
Residential Village			\$ 541.76	\$ 576.58	\$ 617.22	\$ 677.39	\$ 743.45
Residential Ordinary			\$ 810.78	\$ 858.57	\$ 915.28	\$ 1,004.60	\$ 1,102.42
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 882.02	\$ 939.64	\$ 1,031.31	\$ 1,131.83
Percentage of Rate Income			46.66%	45.00%	45.00%	45.00%	45.00%
Rate Yield			\$ 7,266,742.45	\$ 7,689,684.44	\$ 8,192,044.24	\$ 8,991,252.72	\$ 9,867,565.64
Business Singleton			\$ 1,934.92	\$ 2,206.42	\$ 2,349.43	\$ 2,578.49	\$ 2,829.89
Business Mount Thorley			\$ 2,404.25	\$ 2,744.29	\$ 2,919.93	\$ 3,204.60	\$ 3,517.05
Business Village			\$ 918.22	\$ 1,041.26	\$ 1,113.60	\$ 1,222.17	\$ 1,341.34
Business Ordinary			\$ 1,017.26	\$ 1,154.84	\$ 1,234.13	\$ 1,354.38	\$ 1,486.57
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 1,942.57	\$ 2,069.59	\$ 2,271.34	\$ 2,492.84
Percentage of Rate Income			9.63%	10.00%	10.00%	10.00%	10.00%
Rate Yield			\$ 1,499,676.77	\$ 1,708,972.74	\$ 1,820,722.52	\$ 1,998,215.53	\$ 2,193,072.18
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,810.33	\$ 1,928.83	\$ 2,116.83	\$ 2,323.03
Percentage of Rate Income			9.19%	10.00%	10.00%	10.00%	10.00%
Rate Yield			\$ 1,431,457.39	\$ 1,708,954.38	\$ 1,820,814.41	\$ 1,998,291.92	\$ 2,192,942.41
Coal Mine			\$ 97,753.67	\$ 108,742.68	\$ 115,849.17	\$ 127,149.26	\$ 139,548.25
Coal Rights			\$ 1,700	\$ 1,870	\$ 1,930	\$ 2,040	\$ 2,150
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 45,656.41	\$ 48,640.09	\$ 53,384.46	\$ 58,590.21
Percentage of Rate Income			34.52%	35.00%	35.00%	35.00%	35.00%
Rate Yield			\$ 5,376,581.03	\$ 5,980,989.46	\$ 6,371,851.27	\$ 6,993,364.21	\$ 7,675,317.44
Total Rate Yield			\$ 15,574,457.64	\$ 17,088,601.01	\$ 18,205,432.44	\$ 19,981,124.37	\$ 21,928,897.66

Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

OPTION 5 - Reduction in Residential Category, offset by an increase in the Business and Mine Categories

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 855.84	\$ 912.03	\$ 1,000.95	\$ 1,098.64
Residential Rural Residential			\$ 1,125.82	\$ 1,181.64	\$ 1,255.06	\$ 1,377.48	\$ 1,511.79
Residential Village			\$ 541.76	\$ 574.51	\$ 615.04	\$ 675.01	\$ 740.86
Residential Ordinary			\$ 810.78	\$ 854.97	\$ 911.41	\$ 1,000.45	\$ 1,098.00
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 878.27	\$ 935.69	\$ 1,026.96	\$ 1,127.15
Percentage of Rate Income			46.66%	44.81%	44.81%	44.81%	44.81%
Rate Yield			\$ 7,266,742.45	\$ 7,656,988.75	\$ 8,157,538.77	\$ 8,953,310.80	\$ 9,826,775.24
Business Singleton			\$ 1,934.92	\$ 2,318.45	\$ 2,468.69	\$ 2,709.42	\$ 2,973.61
Business Mount Thorley			\$ 2,404.25	\$ 2,887.11	\$ 3,071.96	\$ 3,371.52	\$ 3,700.27
Business Village			\$ 918.22	\$ 1,086.59	\$ 1,161.86	\$ 1,275.15	\$ 1,389.49
Business Ordinary			\$ 1,017.26	\$ 1,206.61	\$ 1,289.12	\$ 1,414.83	\$ 1,552.80
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 2,039.47	\$ 2,172.72	\$ 2,384.59	\$ 2,677.11
Percentage of Rate Income			9.63%	10.50%	10.50%	10.50%	10.50%
Rate Yield			\$ 1,499,676.77	\$ 1,794,227.85	\$ 1,911,449.09	\$ 2,087,843.71	\$ 2,302,403.59
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,663.56	\$ 1,772.09	\$ 1,945.14	\$ 2,134.72
Percentage of Rate Income			9.19%	9.19%	9.19%	9.19%	9.19%
Rate Yield			\$ 1,431,457.39	\$ 1,570,402.57	\$ 1,672,851.54	\$ 1,836,212.44	\$ 2,015,177.83
Coal Mine			\$ 97,753.67	\$ 110,298.10	\$ 117,509.64	\$ 128,975.37	\$ 141,552.13
Coal Rights			\$ 1.70	\$ 1.78	\$ 1.84	\$ 1.93	\$ 2.03
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 46,309.40	\$ 49,337.17	\$ 54,151.09	\$ 59,431.46
Percentage of Rate Income			34.52%	35.50%	35.50%	35.50%	35.50%
Rate Yield			\$ 5,376,581.03	\$ 6,066,531.08	\$ 6,463,169.72	\$ 7,093,792.32	\$ 7,785,521.75
Total Rate Yield			\$ 15,574,457.64	\$ 17,088,150.24	\$ 18,205,009.12	\$ 19,981,159.26	\$ 21,929,878.40

Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

OPTION 6 - Reduction in Residential offset by an increase in Business and a higher increase in the Mine category

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 836.90	\$ 891.78	\$ 978.81	\$ 1,074.30
Residential Rural Residential			\$ 1,125.82	\$ 1,152.53	\$ 1,224.07	\$ 1,343.44	\$ 1,474.46
Residential Village			\$ 541.76	\$ 563.75	\$ 603.55	\$ 662.49	\$ 727.09
Residential Ordinary			\$ 810.78	\$ 836.19	\$ 891.53	\$ 978.63	\$ 1,073.97
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 858.64	\$ 914.75	\$ 1,004.04	\$ 1,101.96
Percentage of Rate Income			46.66%	43.81%	43.81%	43.81%	43.81%
Rate Yield			\$ 7,266,742.45	\$ 7,485,828.94	\$ 7,975,056.24	\$ 8,753,488.22	\$ 9,607,181.02
Business Singleton			\$ 1,934.92	\$ 2,430.76	\$ 2,588.50	\$ 2,840.91	\$ 3,117.89
Business Mount Thorley			\$ 2,404.25	\$ 3,030.28	\$ 3,224.70	\$ 3,539.15	\$ 3,884.20
Business Village			\$ 918.22	\$ 1,132.04	\$ 1,210.34	\$ 1,328.36	\$ 1,457.87
Business Ordinary			\$ 1,017.26	\$ 1,258.70	\$ 1,344.74	\$ 1,475.93	\$ 1,619.68
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 2,136.67	\$ 2,276.43	\$ 2,498.42	\$ 2,741.97
Percentage of Rate Income			9.63%	11.00%	11.00%	11.00%	11.00%
Rate Yield			\$ 1,499,676.77	\$ 1,879,739.31	\$ 2,002,688.35	\$ 2,197,984.59	\$ 2,412,247.69
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,663.56	\$ 1,772.64	\$ 1,945.69	\$ 2,135.28
Percentage of Rate Income			9.19%	9.19%	9.19%	9.19%	9.19%
Rate Yield			\$ 1,431,457.39	\$ 1,570,402.57	\$ 1,673,374.37	\$ 1,836,735.28	\$ 2,015,700.67
Coal Mine			\$ 97,753.67	\$ 111,849.49	\$ 119,166.07	\$ 130,789.37	\$ 143,539.85
Coal Rights			\$ 1.70	\$ 1.78	\$ 1.84	\$ 1.93	\$ 2.03
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 46,960.74	\$ 50,032.62	\$ 54,912.69	\$ 60,266.09
Percentage of Rate Income			34.52%	36.00%	36.00%	36.00%	36.00%
Rate Yield			\$ 5,376,581.03	\$ 6,151,857.48	\$ 6,554,273.45	\$ 7,193,562.01	\$ 7,894,846.22
Total Rate Yield			\$ 15,574,457.64	\$ 17,087,828.29	\$ 18,205,392.41	\$ 19,981,770.09	\$ 21,929,975.59

Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

No SRV - Existing Rate Mix

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 832.08	\$ 826.27	\$ 846.96	\$ 868.07
Residential Rural Residential			\$ 1,125.82	\$ 1,153.74	\$ 1,141.66	\$ 1,170.30	\$ 1,199.55
Residential Village			\$ 541.76	\$ 555.16	\$ 554.00	\$ 567.87	\$ 581.96
Residential Ordinary			\$ 810.78	\$ 830.73	\$ 825.40	\$ 845.90	\$ 867.09
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 854.14	\$ 847.98	\$ 869.18	\$ 890.87
Percentage of Rate Income			46.66%	46.66%	46.66%	46.66%	46.66%
Rate Yield			\$ 7,266,742.45	\$ 7,446,631.57	\$ 7,392,904.16	\$ 7,577,708.31	\$ 7,766,835.02
Business Singleton			\$ 1,934.92	\$ 1,982.85	\$ 1,967.54	\$ 2,016.88	\$ 2,067.48
Business Mount Thorley			\$ 2,404.25	\$ 2,463.80	\$ 2,442.69	\$ 2,503.94	\$ 2,566.76
Business Village			\$ 918.22	\$ 940.99	\$ 938.26	\$ 961.78	\$ 985.90
Business Ordinary			\$ 1,017.26	\$ 1,042.55	\$ 1,038.73	\$ 1,064.63	\$ 1,091.33
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 1,746.92	\$ 1,734.49	\$ 1,777.95	\$ 1,822.55
Percentage of Rate Income			9.63%	9.63%	9.63%	9.63%	9.63%
Rate Yield			\$ 1,499,676.77	\$ 1,536,850.07	\$ 1,525,919.36	\$ 1,564,149.38	\$ 1,603,387.56
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,553.70	\$ 1,542.41	\$ 1,581.08	\$ 1,620.43
Percentage of Rate Income			9.19%	9.19%	9.19%	9.19%	9.19%
Rate Yield			\$ 1,431,457.39	\$ 1,466,694.37	\$ 1,456,034.98	\$ 1,492,544.20	\$ 1,529,689.53
Coal Mine			\$ 97,753.67	\$ 100,169.64	\$ 99,450.50	\$ 101,939.19	\$ 104,488.48
Coal Rights			\$ 1.70	\$ 1.72	\$ 1.71	\$ 1.73	\$ 1.75
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 42,056.95	\$ 41,755.02	\$ 42,799.90	\$ 43,870.22
Percentage of Rate Income			34.52%	34.52%	34.52%	34.52%	34.52%
Rate Yield			\$ 5,376,581.03	\$ 5,509,480.66	\$ 5,469,907.56	\$ 5,606,786.94	\$ 5,746,939.39
Total Rate Yield			\$ 15,574,457.64	\$ 15,959,636.67	\$ 15,844,766.06	\$ 16,241,188.83	\$ 16,646,911.50

Singleton Council - Average Rate per Rate Category for assorted Rate Mix Options

Singleton Council's Council Improvement Plan included a SRV of 9.75% increase per year (including rate peg limit) for 4 years from 2016/17. This equates to a 45.08% increase over 4 years. Over the same period, rate peg increases at 2.5% pa will total 10.38%. An existing SRV expires 30 June 2017, which will reduce Council's General Rate Income by \$501,000 (-3.41%) from 2017/18 financial year. The table below shows the average rates payable per rate category for each year of the proposed rate mix option.

No SRV - Option 5 Rate Mix

Rate Category	NSW State Average 2013/14 FY	Group 4 Average 2013/14 FY	2015/16 Financial Year	2016/17 Financial Year	2017/18 Financial Year	2018/19 Financial Year	2019/20 Financial Year
Residential Urban			\$ 811.95	\$ 799.30	\$ 793.78	\$ 813.60	\$ 833.98
Residential Rural Residential			\$ 1,125.82	\$ 1,103.51	\$ 1,092.12	\$ 1,119.36	\$ 1,147.43
Residential Village			\$ 541.76	\$ 536.53	\$ 535.48	\$ 548.82	\$ 562.61
Residential Ordinary			\$ 810.78	\$ 798.41	\$ 793.36	\$ 813.03	\$ 833.39
Average	\$ 760.93	\$ 923.93	\$ 833.51	\$ 820.22	\$ 814.38	\$ 834.68	\$ 855.59
Percentage of Rate Income			46.66%	44.81%	44.81%	44.81%	44.81%
Rate Yield			\$ 7,266,742.45	\$ 7,150,911.22	\$ 7,099,998.47	\$ 7,276,916.34	\$ 7,459,229.32
Business Singleton			\$ 1,934.92	\$ 2,165.21	\$ 2,148.51	\$ 2,202.30	\$ 2,257.62
Business Mount Thorley			\$ 2,404.25	\$ 2,696.28	\$ 2,673.39	\$ 2,740.32	\$ 2,809.17
Business Village			\$ 918.22	\$ 1,014.78	\$ 1,011.49	\$ 1,036.81	\$ 1,062.84
Business Ordinary			\$ 1,017.26	\$ 1,126.80	\$ 1,122.33	\$ 1,150.48	\$ 1,179.43
Average	\$ 2,833.40	\$ 3,364.03	\$ 1,704.66	\$ 1,904.66	\$ 1,891.03	\$ 1,938.38	\$ 1,987.09
Percentage of Rate Income			9.63%	10.50%	10.50%	10.50%	10.50%
Rate Yield			\$ 1,499,676.77	\$ 1,675,622.06	\$ 1,663,633.42	\$ 1,705,293.61	\$ 1,748,143.71
Average Farmland Ordinary	\$ 2,297.22	\$ 1,932.14	\$ 1,516.37	\$ 1,553.70	\$ 1,542.41	\$ 1,581.08	\$ 1,620.43
Percentage of Rate Income			9.19%	9.19%	9.19%	9.19%	9.19%
Rate Yield			\$ 1,431,457.39	\$ 1,466,694.37	\$ 1,456,034.98	\$ 1,492,544.20	\$ 1,529,689.53
Coal Mine			\$ 97,753.67	\$ 103,009.81	\$ 102,274.51	\$ 104,831.88	\$ 107,457.93
Coal Rights			\$ 1.70	\$ 1.72	\$ 1.71	\$ 1.73	\$ 1.75
Average	\$ 134,657.88	\$ 157,847.34	\$ 41,042.60	\$ 43,249.39	\$ 42,940.67	\$ 44,014.39	\$ 45,116.94
Percentage of Rate Income			34.52%	35.50%	35.50%	35.50%	35.50%
Rate Yield			\$ 5,376,581.03	\$ 5,665,670.19	\$ 5,625,228.27	\$ 5,765,885.11	\$ 5,910,319.45
Total Rate Yield			\$ 15,574,457.64	\$ 15,958,897.84	\$ 15,844,895.14	\$ 16,240,639.26	\$ 16,647,382.01



Securing our future

Community Engagement Strategy

A proposal for a Special Rate Variation commencing in 2016/17

Executive Summary

As part of the NSW Government's Fit for the Future reforms, announced in September 2014, Singleton Council was required to lodge a Council Improvement Proposal by 30 June 2015 to demonstrate how Council plans to meet or work towards achieving seven key performance measures within a five-year period.

At an extraordinary meeting on 1 June 2015, Singleton Council endorsed the Council Improvement Proposal which included the introduction of a special rate variation in 2016/17 of 9.75% per year for four years. While Council's improvement proposal is considered by IPART, it is recommended that Singleton Council proceed with consultation with its community to ascertain community appetite for a special rate variation and whether it supports Council's plan to be Fit for the Future.

This engagement strategy is based on International Association for Public Participation (IAP2) principles of engagement. It details stakeholder groups, timeframes, framework for engagement and strategies for consultation. This strategy will be supported by a communication plan that will detail the key messages and methods for communication.

At the end of the consultation period, Council will be able to make an informed decision about whether or not to proceed with an application for a Special Rate Variation, based on feedback from the community.

Purpose

This strategy provides a framework for consultation activities to be undertaken for the purpose of informing a Council decision about whether or not to proceed with a Special Rate Variation in 2016/17.

Objectives

The primary objective is to achieve broad community awareness of and feedback on a proposed special rate variation commencing in 2016/17.

Our strategy will be to:

Inform the community

Council will use a range of communication mechanisms in order to inform the community of the NSW Government's Fit for the Future requirements, its intention to apply for a special rate variation in 2016/17, the reasons why Council believes it is the only choice available, this impact that this will have on ratepayers, and how residents can provide feedback on the proposal.

Consult the community

Council will use a number of mechanisms for the community to be consulted and involved in the discussion about this proposal. Such mechanisms will include random and opt-in methods to enable Council to obtain a statistically valid sample of resident opinion.

Collate information to enable Council to make an informed decision

Consultants and staff will collate the information and feedback received from the community to prepare a report for consideration by Council and inform its decision for a special rate variation in 2016/17.

Report back to the community

Upon completion of the consultation period, staff will report back to Councillors and the community on the outcomes from the activities using a range of methods.

Definitions

Engagement: Any process that involves the public in problem-solving or decision-making and uses the public input to make more informed decisions (IAP2 Australasia).

Consultation: The actual practice and tools used to engage with the community and are part of the overall concept of community engagement.

For the purpose of this strategy, “engagement” is used as a generic, inclusive term to describe the broad and ongoing range of interactions between Council and the whole of the community. Therefore, by this definition, community engagement is an outcome.

Consultation includes a variety of approaches and/or methods to achieve outcomes, such as information delivery, involvement and collaboration in decision-making and empowered action in informal groups or formal partnerships.



Background

As part of the NSW Government's Fit for the Future reforms, Singleton Council was required to lodge a Council Improvement Proposal by 30 June 2015 to demonstrate how Council plans to meet or work towards achieving seven key performance measures within a five-year period.

At an extraordinary meeting on 1 June 2015, Singleton Council endorsed the Council Improvement Proposal which included the introduction of a special rate variation in 2016/17 of 9.75% per year for four years. While Council's improvement proposal is considered by IPART, it is recommended that Singleton Council proceed with consultation with its community to ascertain community appetite for a special rate variation and whether it supports Council's plan to Secure our future.

For further background information on Fit for the Future and Council's actions to date to meet the NSW Government's seven criteria, see the Council report for the 1 June 2015 meeting.

Timeframe

Under the Fit for the Future reforms, the NSW Government has indicated a streamlined process for special rate variation applications from those Councils declared "fit" by IPART. However, at the time of preparation of this strategy, the detail of what the streamlined process will look like is unknown.

The best course of action is to proceed as per the guidelines for special rate variations in 2015/16. In this year, Councils were required to indicate to IPART their intent to lodge an application for a special rate variation in November with a full application due in February.

September 2015	<p>Establish project control group.</p> <p>Engage a consultant.</p> <p>Council endorse the community engagement strategy.</p> <p>Inception meeting with consultant.</p> <p>Questionnaire design with consultants.</p> <p>Design and print information booklet.</p> <p>Engage a video producer.</p>
October 2015	<p>Recruit survey participants.</p> <p>Conduct phone and online surveys using Choice model.</p> <p>Follow up explanatory qualitative research – in-depth interviews and online form.</p> <p>Community workshops.</p>
November 2015	<p>Follow up explanatory qualitative research</p> <p>Analysis and draft report</p> <p>Receive final report from consultants with research outcomes.</p>
December 2015	<p>Prepare status report for Council to Council on outcome of engagement.</p>
January 2016	<p>Prepare a report for Council.</p>
February 2016	<p>Council resolve its final position to submit to IPART.</p> <p>Finalise and lodge application with IPART.</p>
June 2016	<p>IPART to determine application.</p> <p>Council to adopt 2016/17 Operational Plan and budget.</p>

Framework

This strategy is based on the International Association for Public Participation Stakeholder Engagement Spectrum:

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problems/ alternatives and/or solutions	To obtain public feedback on analysis, alternatives and/or decision	To work directly with the public throughout the process to ensure that public issues and concerns are consistently understood and considered	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution	To place final decision-making in the hands of the public
PROMISE TO THE PUBLIC	We will keep you informed	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision	We will work with you to ensure that your concerns and issues are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible	We will implement what you decide

Strategy

Inform the community

According to criteria provided by IPART when assessing applications for a special rate variation, Council must show evidence that the community is aware of the need for and extent of a rate rise. Council must be able to demonstrate that it:

- clearly communicated the impact of the proposed rate increases to ratepayers
- clearly communicated what the special variation will fund.

To achieve this, Council will use the following methods to inform the community about the proposed special rate variation.

Website

Information about the special rate variation project will be available on Council's website. The web page will include frequently asked questions, tables on the impact of the rates increase on the average residential, farmland and business rate payer, a rates calculator, and a link to the online survey.

Print advertising

Print advertisements will be placed in the local newspaper the Singleton Argus and the free weekly newspaper the Hunter Valley News during October. The circulation of the Singleton Argus is 2,800 on Fridays and the Hunter Valley News is 18,000 per week.

Special rate variation booklet

An information booklet detailing what is being proposed, what the impacts on ratepayers will be, what the funds will be spent on, and why the special rate variation is needed will be produced in-house by Council and distributed to all ratepayers, as well as being inserted in the Argus and made available at Council's customer service facilities.

Your Council newsletter

Council produces a quarterly newsletter called Your Council which is distributed to ratepayers with their rate instalment notices. This newsletter is due for distribution in October and January and will include information on the proposed special rate variation.

Explainer video

Council will engage a media company to produce a 2-minute animated explainer video to outline the main points regarding the proposed special rate variation and direct them to

Council's website or social media platforms for more information and have their say. The video will be distributed via Council's online channels.

Mayoral column

The mayor contributes a column to the Singleton Argus every three weeks highlighting issues and events of interest. During the consultation period, there will be four opportunities to use the mayoral column to remind readers about the proposal and invite them to have their say.

Radio advertising

Council has two annual radio commitments on PowerFM called the Answer program and regularly changes out the messages on each program. One of these programs will be used to promote the proposed special rate variation and encourage listeners to find out more on Council's website.

Media Releases

Council will issue regular media release providing updates for the community and detailing opportunities to have their say.

Consulting the community

Council has engaged instinct and reason to undertake some consultation activities on its behalf.

Quantitative Survey and Choice Model

At the survey's centre will be a case of putting options to the ratepayers, including the 9.75% pa increase over the four years from 2016/17, with some necessary explanation and evaluating their responses. Questions may include:

- Which they would vote for if they had a direct vote
- How likely they would be to switch their 'vote' (so we could analyse by 'floating voters')
- Which option they expected councillors to vote for, and how they would react
- Capacity to pay and income

Other contextual questions will enable us to gain insight into community views, the reasons for those views, and the potential to shift those views with more information and explanation. A key analysis was how residents would react to councillors voting for each option. Another key analysis was by income and perceived ability to pay.

The survey would be carried out by telephone with those completing the telephone survey being directed to a further online survey with the choice model component. It would be a 12-minute telephone survey and a further 5-minute online survey.

We regularly carry out community surveys by telephone and have access to telephone numbers for both residential ratepayers and business ratepayers. Telephone surveys do have limitations, notably not being able to show visual stimulus. However, they have many benefits, notably in the control of the sample to provide a reliable set of results from a representative cross-section of the community.

For residential households, we randomly call numbers, we randomly select an individual in the household (next person to have a birthday), and then we monitor the emerging sample profile and make sure it is representative of the Singleton LGA profile by age and gender. We would also check on the rural/town split to keep that in line with the population.

For business ratepayers, we call each business, explain what the survey is about and ask to speak with the most appropriate person in the business to complete the survey.

For residential ratepayers, the sample size will be 400. This provides results that are reliable in representing the population to within +/- 5 percentage points at the 95% level of confidence. In other words, if we took 100 random samples of 400, we would expect the same results in at least 95 out of the 100 samples within +/- 5 percentage points.

We would recommend an additional sample of 100 business ratepayers to have a minimum number to study and contrast with the residential ratepayers.

Follow up explanatory qualitative research

Following the survey analysis, instinct and reason would undertake some follow-up qualitative research to help in explaining some of the survey results and provides another opportunity for ratepayers to have their say.

For example, we can zoom in on those who support or oppose particular options, those who say they need more information, the 'floating voters', or those who say they would find it hard to pay additional rates.

At the end of the quantitative survey, we would ask ratepayers if they would be prepared to take part in any further research and gain their consent for follow up qualitative research. This would be carried out using telephone depth interviews and an online forum.

Workshops

In addition to the work being undertaken by instinct and reason, Council staff will conduct two face to face workshops open to the public and present information on the proposal and take questions.

Submissions

Council will accept written submissions through the consultation period.

Collate information to enable Council to make an informed decision

Consultants and staff will collate the information and feedback received from the community to prepare a report for consideration by Council and inform its decision for a special rate variation in 2016/17.

Report back to the community

Upon completion of the consultation period, staff will report back on the outcomes from the activities via the following methods:

- Councillor briefing
- Report to Council seeking endorsement of a preferred option
- Information posted on Council's website
- Information posted through Council's social media channels
- Story in Your Council Summer newsletter
- Media releases
- Annual Report

Evaluation

To ensure the Community Engagement Strategy is effective in achieving its objectives, a number of indicators will be used to measure success.

In addition to assessing the qualitative feedback received, Council will also assess the following:

- Number of people who participated in each of the engagement activities and initiatives – workshops, surveys, online forums
- Number of enquiries and submissions received
- Number of visits to the webpage
- Social media coverage and reach on SRV-related posts
- Traditional media coverage – the frequency of coverage and whether it is positive, negative or neutral
- Number of people aware of the SRV engagement (identified in surveys)
- Number of people supportive of a SRV (identified in surveys)
- Number of SRV resources distributed to community members – information booklets
- Number of people who viewed the explainer video

Stakeholders

For the purposes of this strategy, the stakeholder groups identified are those who would be most affected by a proposed Special Rate Variation – Singleton Local Government Area ratepayers and other non-ratepaying residents who may be ratepayers in the future.

Stakeholder Matrix

Core Groups	Sub Groups
Ratepayers & Residents (Urban & Rural)	<ul style="list-style-type: none"> • People who live or own property in the Singleton LGA • Defence community • Mining community • Rural community • Public housing
Children/Youth/Students	<ul style="list-style-type: none"> • Primary school students • High school students • TAFE (& other training provider) students • Students attending university while living in Singleton • Daycare Centres/Playgroups/Pre-schools
Media	<ul style="list-style-type: none"> • Local publications • Local radio • Local TV stations
Business & Industry	<ul style="list-style-type: none"> • Owners, operators and employees of all business as well as industry representatives. • Chamber of Commerce • Commercial – Small Business • Community services • Defence • Education • Health • Mining • Mining support • Primary Industry/Agriculture • Professional services • Property market • Tourism/Hospitality
Visitors/Neighbours	<ul style="list-style-type: none"> • People who travel through Singleton or use our assets and infrastructure. • Adjoining LGAs (Hunter Councils, Muswellbrook, Upper Hunter, Dungog, Maitland, Cessnock, Mid-Western, Lithgow, Hawkesbury).
Government Departments & Agencies	<ul style="list-style-type: none"> • NSW Dept of Planning • NSW Dept of Premier & Cabinet • Housing NSW • Hunter NE Health (public & mental health) • NSW Dept of Transport • NSW Dept of Community Services • Attorney Generals Dept

Core Groups	Sub Groups
	<ul style="list-style-type: none"> • NSW Dept of Lands • NSW Dept of Aged, Disability & Home Care • NSW Dept Industry & Investment • Catchment Management Authority • NSW Dept of Environment, Climate Change & Water • NSW Dept Local Government • Aust Dept Commonwealth Parliament • Aust Dept Agriculture, Fisheries and Forestry • Aust Dept Attorney-General's • Aust Dept Broadband, Communication and the Digital Economy • Aust Dept Climate Change and Energy Efficiency • Aust Dept Defence • Aust Dept Education, Employment and Workplace Relations • Aust Dept Families, Housing, Community Services and Indigenous Affairs • Aust Dept Health and Ageing • Aust Dept Human Services • Aust Dept Infrastructure and Transport • Aust Dept Innovation, Industry, Science and Research • Aust Dept Resources, Energy and Tourism • Aust Dept Sustainability, Environment, Water, Population and Communities • Police • Fire • Rural Fire Service • SES • Liquor Gaming & Racing • Corrective Services • Juvenile Justice • Veterans Affairs • NSW Minerals Council
Infrastructure & Service Providers	<ul style="list-style-type: none"> • Catholic Schools Office • Roads and Maritime Services • Energy Australia • Railcorp • ARTC • Hunter Valley Buses • Singleton Taxis • Telecommunication providers • Aged care facilities (e.g. Anglican Care)
Local Groups & Organisations	<ul style="list-style-type: none"> • Local Aboriginal groups • Local Landcare groups • Local sporting groups • Local volunteer groups & Not-for-profit organisations

Core Groups	Sub Groups
	<ul style="list-style-type: none"> • Liquor Accord • Chamber of Commerce • Various community action groups • Historical society • PCYC • RSC • Religious/church groups • Scouts • Guides • Rotary • Lions • Probus • Apex • Senior Citizens • Country Womens Association
Local Councillors & Members of Parliament	<ul style="list-style-type: none"> • Councillors & Mayor • Relevant Ministers • Member for Hunter • Member for Upper Hunter
Singleton Council Staff & Facilities	<ul style="list-style-type: none"> • All staff including indoor and outdoor, full-time, part-time and casual staff. • SVIEC • Gym & Swim • Youth Venue • CGCS • Library • EMT/SMT • Individual Departments