

**Long Term Financial Plan 2019-29**  
**Option 2 Discontinue Environmental Levy and Program**  
**Income Statement**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Income from Continuing Operations</b>										
Rates & Annual Charges	117,849	123,967	127,784	131,745	135,943	140,017	144,073	148,228	152,519	157,843
User Charges & Fees	20,209	20,819	21,448	22,095	22,763	23,458	24,175	24,914	25,676	26,461
Interest & Investment Revenue	1,314	1,232	1,286	1,371	1,423	1,490	1,497	1,474	1,511	1,459
Other Revenue	9,240	9,563	9,702	9,838	9,978	10,421	10,569	10,720	10,876	11,337
Grants & Contributions provided for Operating Purposes	7,144	7,207	7,271	7,336	7,401	7,467	7,534	7,602	7,670	7,738
Grants & Contributions provided for Capital Purposes	4,802	4,818	4,834	4,851	4,867	4,884	4,901	4,918	4,935	4,952
<b>Total Income from Continuing Operations</b>	<b>160,558</b>	<b>167,607</b>	<b>172,325</b>	<b>177,235</b>	<b>182,374</b>	<b>187,737</b>	<b>192,749</b>	<b>197,856</b>	<b>203,188</b>	<b>209,790</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits & On-Costs	66,841	69,004	71,490	74,066	76,737	79,506	82,376	85,054	87,820	90,677
Borrowing Costs	1,241	1,199	1,154	1,108	1,059	1,007	954	897	838	776
Materials & Contracts	40,815	43,445	44,571	45,177	45,954	47,175	48,266	49,627	50,971	52,299
Depreciation & Amortisation	24,750	25,953	26,742	27,765	29,108	30,475	31,835	33,224	34,130	35,582
Other Expenses	15,882	16,928	16,740	17,323	17,785	18,975	18,858	19,361	19,877	21,230
Net Losses from the Disposal of Assets	171	115	177	177	119	204	180	140	261	135
<b>Total Expenses from Continuing Operations</b>	<b>149,699</b>	<b>156,643</b>	<b>160,873</b>	<b>165,616</b>	<b>170,762</b>	<b>177,342</b>	<b>182,468</b>	<b>188,303</b>	<b>193,896</b>	<b>200,700</b>
<b>Operating Result from Continuing Operations</b>	<b>10,858</b>	<b>10,963</b>	<b>11,452</b>	<b>11,619</b>	<b>11,613</b>	<b>10,395</b>	<b>10,281</b>	<b>9,553</b>	<b>9,292</b>	<b>9,090</b>
<b>Discontinued Operations</b>										
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>10,858</b>	<b>10,963</b>	<b>11,452</b>	<b>11,619</b>	<b>11,613</b>	<b>10,395</b>	<b>10,281</b>	<b>9,553</b>	<b>9,292</b>	<b>9,090</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	6,056	6,145	6,618	6,769	6,746	5,511	5,380	4,636	4,357	4,138

## Alternate scenario – Option 2

### Long Term Financial Plan 2019-29

#### Option 2 Discontinue Environmental Levy and Program

##### Statement of Financial Position

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash & Cash Equivalents	1,518	1,394	1,514	1,610	1,293	1,193	1,313	1,177	1,152	1,349
Investments	45,165	36,665	36,165	38,165	39,665	41,665	41,665	40,665	41,665	39,665
Receivables	7,280	7,496	7,730	7,976	8,215	8,493	8,743	8,990	9,291	9,530
Inventories	553	568	583	599	615	632	649	666	684	703
Other	776	801	827	853	881	909	939	969	1,001	1,033
<b>Total Current Assets</b>	<b>55,291</b>	<b>46,924</b>	<b>46,819</b>	<b>49,204</b>	<b>50,669</b>	<b>52,893</b>	<b>53,308</b>	<b>52,467</b>	<b>53,794</b>	<b>52,281</b>
<b>Non-Current Assets</b>										
Receivables	464	492	507	523	539	555	572	590	608	626
Infrastructure, Property, Plant & Equipment	1,628,691	1,673,046	1,711,438	1,747,910	1,822,519	1,861,585	1,902,641	1,945,257	1,957,225	2,001,560
Investments accounted for using the equity method	7	7	7	7	7	7	7	7	7	7
<b>Total Non-Current Assets</b>	<b>1,629,162</b>	<b>1,673,545</b>	<b>1,711,952</b>	<b>1,748,440</b>	<b>1,823,065</b>	<b>1,862,147</b>	<b>1,903,221</b>	<b>1,945,854</b>	<b>1,957,839</b>	<b>2,002,193</b>
<b>TOTAL ASSETS</b>	<b>1,684,453</b>	<b>1,720,469</b>	<b>1,758,770</b>	<b>1,797,644</b>	<b>1,873,735</b>	<b>1,915,040</b>	<b>1,956,529</b>	<b>1,998,321</b>	<b>2,011,633</b>	<b>2,054,474</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	16,809	17,383	17,908	18,449	19,006	19,580	20,172	20,781	21,409	22,056
Borrowing	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601
Provisions	19,111	19,715	20,340	20,987	21,656	22,349	23,066	23,808	24,576	25,370
<b>Total Current Liabilities</b>	<b>38,521</b>	<b>39,700</b>	<b>40,850</b>	<b>42,037</b>	<b>43,264</b>	<b>44,531</b>	<b>45,839</b>	<b>47,190</b>	<b>48,586</b>	<b>50,027</b>
<b>Non-Current Liabilities</b>										
Borrowing	23,148	21,834	20,454	19,006	17,485	15,888	14,211	12,451	10,602	8,661
Provisions	197	204	211	219	226	234	242	251	259	268
<b>Total Non-Current Liabilities</b>	<b>23,345</b>	<b>22,038</b>	<b>20,665</b>	<b>19,224</b>	<b>17,711</b>	<b>16,122</b>	<b>14,453</b>	<b>12,701</b>	<b>10,861</b>	<b>8,929</b>
<b>TOTAL LIABILITIES</b>	<b>61,866</b>	<b>61,737</b>	<b>61,515</b>	<b>61,262</b>	<b>60,975</b>	<b>60,653</b>	<b>60,292</b>	<b>59,891</b>	<b>59,447</b>	<b>58,956</b>
<b>Net Assets</b>	<b>1,622,587</b>	<b>1,658,731</b>	<b>1,697,255</b>	<b>1,736,382</b>	<b>1,812,760</b>	<b>1,854,388</b>	<b>1,896,237</b>	<b>1,938,430</b>	<b>1,952,186</b>	<b>1,995,518</b>
<b>EQUITY</b>										
Retained Earnings	779,141	785,927	793,271	800,792	808,259	814,605	820,826	826,293	831,635	836,666
Revaluation Reserve	843,446	872,805	903,985	935,590	1,004,501	1,039,782	1,075,411	1,112,137	1,120,552	1,158,851
<b>Total Equity</b>	<b>1,622,587</b>	<b>1,658,731</b>	<b>1,697,255</b>	<b>1,736,382</b>	<b>1,812,760</b>	<b>1,854,388</b>	<b>1,896,237</b>	<b>1,938,430</b>	<b>1,952,186</b>	<b>1,995,518</b>

## Alternate scenario – Option 2

### Long Term Financial Plan 2019-29

#### Option 2 Discontinue Environmental Levy and Program

##### Cashflow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Cash Flows from Operating Activities</b>										
<u>Receipts:</u>										
Rates & Annual Charges	117,697	123,806	127,698	131,656	135,852	139,923	143,976	148,129	152,417	157,737
User Charges & Fees	20,280	20,896	21,459	22,107	22,775	23,471	24,188	24,927	25,689	26,474
Investment & Interest Revenue Received	1,344	1,280	1,282	1,348	1,404	1,467	1,488	1,472	1,495	1,464
Grants & Contributions	7,132	7,195	7,259	7,323	7,388	7,454	7,520	7,587	7,655	7,724
Bonds, Deposits & Retention amounts received	210	218	225	232	240	248	256	264	272	281
Other	9,172	9,492	9,629	9,762	9,899	10,340	10,485	10,634	10,788	11,245
<u>Payments:</u>										
Employee Benefits & On-Costs	(65,211)	(68,352)	(70,815)	(73,368)	(76,014)	(78,758)	(81,602)	(84,253)	(86,991)	(89,819)
Materials & Contracts	(40,712)	(43,339)	(44,463)	(45,066)	(45,839)	(47,058)	(48,145)	(49,503)	(50,844)	(52,169)
Borrowing Costs	(1,241)	(1,199)	(1,154)	(1,108)	(1,059)	(1,007)	(954)	(897)	(838)	(776)
Other	(15,764)	(16,807)	(16,616)	(17,196)	(17,655)	(18,841)	(18,720)	(19,220)	(19,733)	(21,082)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>32,907</b>	<b>33,190</b>	<b>34,504</b>	<b>35,693</b>	<b>36,990</b>	<b>37,238</b>	<b>38,492</b>	<b>39,141</b>	<b>39,910</b>	<b>41,079</b>
<b>Cash Flows from Investing Activities</b>										
<u>Receipts:</u>										
Sale of Investment Securities	50,000	51,000	51,000	51,000	50,000	52,000	51,500	55,000	53,000	53,500
Sale of Infrastructure, Property, Plant & Equipment	1,675	1,165	1,760	1,771	1,204	2,028	1,807	1,412	2,582	1,376
<u>Payments:</u>										
Purchase of Investment Securities	(44,000)	(42,500)	(50,500)	(53,000)	(51,500)	(54,000)	(51,500)	(54,000)	(54,000)	(51,500)
Purchase of Infrastructure, Property, Plant & Equipment	(41,072)	(42,070)	(35,690)	(34,367)	(35,963)	(36,266)	(39,026)	(40,478)	(40,247)	(42,926)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(33,397)</b>	<b>(32,405)</b>	<b>(33,431)</b>	<b>(34,596)</b>	<b>(36,259)</b>	<b>(36,238)</b>	<b>(37,219)</b>	<b>(38,066)</b>	<b>(38,666)</b>	<b>(39,550)</b>
<b>Cash Flows from Financing Activities</b>										
<u>Receipts:</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
<u>Payments:</u>										
Borrowings and advances	(867)	(909)	(954)	(1,000)	(1,049)	(1,100)	(1,154)	(1,210)	(1,270)	(1,332)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(867)</b>	<b>(909)</b>	<b>(954)</b>	<b>(1,000)</b>	<b>(1,049)</b>	<b>(1,100)</b>	<b>(1,154)</b>	<b>(1,210)</b>	<b>(1,270)</b>	<b>(1,332)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,357)</b>	<b>(124)</b>	<b>120</b>	<b>96</b>	<b>(317)</b>	<b>(100)</b>	<b>119</b>	<b>(136)</b>	<b>(25)</b>	<b>197</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	<b>2,875</b>	<b>1,518</b>	<b>1,394</b>	<b>1,514</b>	<b>1,610</b>	<b>1,293</b>	<b>1,193</b>	<b>1,313</b>	<b>1,177</b>	<b>1,152</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>1,518</b>	<b>1,394</b>	<b>1,514</b>	<b>1,610</b>	<b>1,293</b>	<b>1,193</b>	<b>1,313</b>	<b>1,177</b>	<b>1,152</b>	<b>1,349</b>

### Option 2 Discontinue Environmental Levy and Program

[illegible]



## Alternate scenario – Option 2

### Long Term Financial Plan 2019-29

#### Option 2 Discontinue Environmental Levy and Program

##### Performance Measurement Indicators

	TARGET	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Liability and Debt Management</b>											
8 Debt Service Cover Ratio <i>measures the availability of operating cash to service loan repayments.</i>	2.00x	15.12 x	15.74 x	16.29 x	16.83 x	17.46 x	17.46 x	18.02 x	18.32 x	18.53 x	19.15 x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9 Employee Leave Entitlements Funding <i>percentage of employee leave entitlements held in cash</i>	ELE Demographic Target Level	39.5%	41.3%	41.5%	41.6%	41.7%	40.8%	40.0%	40.0%	40.4%	40.3%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Asset Management</b>											
10 Building and Infrastructure Renewals Ratio <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating</i>	>= 100%	117.1%	119.1%	109.1%	99.7%	99.3%	108.9%	105.1%	106.7%	114.8%	102.4%
		✓	✓	✓	✗	✗	✓	✓	✓	✓	✓
11 Infrastructure Backlog Ratio <i>ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure</i>	<= 2%	0.60%	0.59%	0.57%	0.56%	0.54%	0.53%	0.53%	0.52%	0.53%	0.52%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12 Asset Maintenance Ratio <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	>= 1	1.53	1.54	1.56	1.59	1.61	1.63	1.65	1.67	1.69	1.70
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
13 Capital Expenditure Ratio <i>annual capital expenditure divided by annual depreciation</i>	>= 1	1.59	1.58	1.27	1.18	1.20	1.12	1.17	1.18	1.10	1.17
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
14 Capital Funding Ratio <i>capital expenditure and net movement in internally restricted future asset renewal reserves as a percentage of total revenue</i>	>= 20%	26%	25%	20%	19%	20%	20%	20%	20%	20%	20%
		✓	✓	✓	✗	✓	✓	✓	✓	✓	✓

## Primary financial model – Option 1

### Long Term Financial Plan 2019-29 Option 1 Continue Environmental Levy Income Statement

	Year 1 2020 \$ '000	Year 2 2021 \$ '000	Year 3 2022 \$ '000	Year 4 2023 \$ '000	Year 5 2024 \$ '000	Year 6 2025 \$ '000	Year 7 2026 \$ '000	Year 8 2027 \$ '000	Year 9 2028 \$ '000	Year 10 2029 \$ '000
<b>Income from Continuing Operations</b>										
Rates & Annual Charges	122,475	128,849	132,788	136,874	141,200	140,017	144,073	148,228	152,519	157,843
User Charges & Fees	20,209	20,819	21,448	22,095	22,763	23,458	24,175	24,914	25,676	26,461
Interest & Investment Revenue	1,289	1,204	1,256	1,356	1,408	1,475	1,482	1,459	1,496	1,459
Other Revenue	9,240	9,563	9,702	9,838	9,978	10,421	10,569	10,720	10,876	11,337
Grants & Contributions provided for Operating Purposes	7,144	7,207	7,271	7,336	7,401	7,467	7,534	7,602	7,670	7,738
Grants & Contributions provided for Capital Purposes	4,802	4,818	4,834	4,851	4,867	4,884	4,901	4,918	4,935	4,952
<b>Total Income from Continuing Operations</b>	<b>165,159</b>	<b>172,460</b>	<b>177,299</b>	<b>182,349</b>	<b>187,616</b>	<b>187,722</b>	<b>192,734</b>	<b>197,841</b>	<b>203,173</b>	<b>209,790</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits & On-Costs	67,552	69,737	72,244	74,843	77,538	79,506	82,376	85,054	87,820	90,677
Borrowing Costs	1,241	1,199	1,154	1,108	1,059	1,007	954	897	838	776
Materials & Contracts	42,765	45,560	46,739	47,387	48,224	47,175	48,266	49,627	50,971	52,299
Depreciation & Amortisation	24,750	25,990	26,817	27,881	29,266	30,682	32,045	33,438	34,346	35,798
Other Expenses	15,872	16,915	16,707	17,275	17,722	18,912	18,795	19,298	19,814	21,167
Net Losses from the Disposal of Assets	171	115	177	177	119	204	180	140	261	135
<b>Total Expenses from Continuing Operations</b>	<b>152,351</b>	<b>159,515</b>	<b>163,839</b>	<b>168,671</b>	<b>173,928</b>	<b>177,487</b>	<b>182,615</b>	<b>188,453</b>	<b>194,050</b>	<b>200,852</b>
<b>Operating Result from Continuing Operations</b>	<b>12,808</b>	<b>12,945</b>	<b>13,460</b>	<b>13,678</b>	<b>13,688</b>	<b>10,236</b>	<b>10,118</b>	<b>9,388</b>	<b>9,123</b>	<b>8,938</b>
<b>Discontinued Operations</b>										
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>12,808</b>	<b>12,945</b>	<b>13,460</b>	<b>13,678</b>	<b>13,688</b>	<b>10,236</b>	<b>10,118</b>	<b>9,388</b>	<b>9,123</b>	<b>8,938</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	8,006	8,127	8,626	8,827	8,821	5,352	5,218	4,470	4,188	3,986

# Primary financial model – Option 1

## Long Term Financial Plan 2019-29 Option 1 Continue Environmental Levy Statement of Financial Position

### ASSETS

#### Current Assets

	Year 1 2020 \$ '000	Year 2 2021 \$ '000	Year 3 2022 \$ '000	Year 4 2023 \$ '000	Year 5 2024 \$ '000	Year 6 2025 \$ '000	Year 7 2026 \$ '000	Year 8 2027 \$ '000	Year 9 2028 \$ '000	Year 10 2029 \$ '000
Cash & Cash Equivalents	2,522	2,416	2,572	2,232	1,998	1,999	2,220	2,188	2,268	2,084
Investments	44,165	35,665	35,165	37,665	39,165	41,165	41,165	40,165	41,165	39,665
Receivables	7,273	7,489	7,722	7,973	8,211	8,490	8,739	8,986	9,288	9,530
Inventories	553	568	583	599	615	632	649	666	684	703
Other	776	801	827	853	881	909	939	969	1,001	1,033
<b>Total Current Assets</b>	<b>55,288</b>	<b>46,938</b>	<b>46,870</b>	<b>49,323</b>	<b>50,871</b>	<b>53,195</b>	<b>53,713</b>	<b>52,975</b>	<b>54,406</b>	<b>53,015</b>

#### Non-Current Assets

Receivables	464	492	507	523	539	555	572	590	608	626
Infrastructure, Property, Plant & Equipment	1,630,644	1,677,016	1,717,489	1,756,116	1,833,175	1,872,273	1,913,353	1,955,989	1,967,747	2,012,093
Investments accounted for using the equity method	7	7	7	7	7	7	7	7	7	7
<b>Total Non-Current Assets</b>	<b>1,631,115</b>	<b>1,677,515</b>	<b>1,718,003</b>	<b>1,756,645</b>	<b>1,833,721</b>	<b>1,872,835</b>	<b>1,913,933</b>	<b>1,956,586</b>	<b>1,968,362</b>	<b>2,012,726</b>

### TOTAL ASSETS

<b>1,686,403</b>	<b>1,724,454</b>	<b>1,764,873</b>	<b>1,805,968</b>	<b>1,884,592</b>	<b>1,926,030</b>	<b>1,967,645</b>	<b>2,009,561</b>	<b>2,022,769</b>	<b>2,065,741</b>
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### LIABILITIES

#### Current Liabilities

Payables	16,809	17,383	17,908	18,449	19,006	19,580	20,172	20,781	21,409	22,056
Borrowing	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601
Provisions	19,111	19,715	20,340	20,987	21,656	22,349	23,066	23,808	24,576	25,370
<b>Total Current Liabilities</b>	<b>38,521</b>	<b>39,700</b>	<b>40,850</b>	<b>42,037</b>	<b>43,264</b>	<b>44,531</b>	<b>45,839</b>	<b>47,190</b>	<b>48,586</b>	<b>50,027</b>

#### Non-Current Liabilities

Borrowing	23,148	21,834	20,454	19,006	17,485	15,888	14,211	12,451	10,602	8,661
Provisions	197	204	211	219	226	234	242	251	259	268
<b>Total Non-Current Liabilities</b>	<b>23,345</b>	<b>22,038</b>	<b>20,665</b>	<b>19,224</b>	<b>17,711</b>	<b>16,122</b>	<b>14,453</b>	<b>12,701</b>	<b>10,861</b>	<b>8,929</b>

### TOTAL LIABILITIES

<b>61,866</b>	<b>61,737</b>	<b>61,515</b>	<b>61,262</b>	<b>60,975</b>	<b>60,653</b>	<b>60,292</b>	<b>59,891</b>	<b>59,447</b>	<b>58,956</b>
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### Net Assets

<b>1,624,538</b>	<b>1,662,716</b>	<b>1,703,358</b>	<b>1,744,707</b>	<b>1,823,617</b>	<b>1,865,378</b>	<b>1,907,353</b>	<b>1,949,670</b>	<b>1,963,322</b>	<b>2,006,785</b>
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### EQUITY

Retained Earnings	781,091	789,859	799,212	808,792	818,334	824,521	830,579	835,881	841,054	845,933
Revaluation Reserve	843,446	872,857	904,146	935,915	1,005,283	1,040,856	1,076,774	1,113,789	1,122,268	1,160,852
<b>Total Equity</b>	<b>1,624,538</b>	<b>1,662,716</b>	<b>1,703,358</b>	<b>1,744,707</b>	<b>1,823,617</b>	<b>1,865,378</b>	<b>1,907,353</b>	<b>1,949,670</b>	<b>1,963,322</b>	<b>2,006,785</b>

## Long Term Financial Plan 2019-29

### Option 1 Continue Environmental Levy

#### Cashflow Statement

#### Cash Flows from Operating Activities

##### Receipts:

	Year 1 2020 \$ '000	Year 2 2021 \$ '000	Year 3 2022 \$ '000	Year 4 2023 \$ '000	Year 5 2024 \$ '000	Year 6 2025 \$ '000	Year 7 2026 \$ '000	Year 8 2027 \$ '000	Year 9 2028 \$ '000	Year 10 2029 \$ '000
Rates & Annual Charges	122,323	128,687	132,702	136,785	141,109	139,923	143,976	148,129	152,417	157,737
User Charges & Fees	20,280	20,896	21,459	22,107	22,775	23,471	24,188	24,927	25,689	26,474
Investment & Interest Revenue Received	1,327	1,252	1,252	1,329	1,388	1,452	1,473	1,457	1,480	1,460
Grants & Contributions	7,132	7,195	7,259	7,323	7,388	7,454	7,520	7,587	7,655	7,724
Bonds, Deposits & Retention amounts received	210	218	225	232	240	248	256	264	272	281
Other	9,172	9,492	9,629	9,762	9,899	10,340	10,485	10,634	10,788	11,245

##### Payments:

Employee Benefits & On-Costs	(65,922)	(69,084)	(71,569)	(74,145)	(76,815)	(78,758)	(81,602)	(84,253)	(86,991)	(89,819)
Materials & Contracts	(42,662)	(45,454)	(46,631)	(47,276)	(48,110)	(47,058)	(48,145)	(49,503)	(50,844)	(52,169)
Borrowing Costs	(1,241)	(1,199)	(1,154)	(1,108)	(1,059)	(1,007)	(954)	(897)	(838)	(776)
Other	(15,754)	(16,794)	(16,583)	(17,148)	(17,592)	(18,778)	(18,657)	(19,157)	(19,670)	(21,019)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>34,864</b>	<b>35,209</b>	<b>36,588</b>	<b>37,863</b>	<b>39,224</b>	<b>37,286</b>	<b>38,540</b>	<b>39,189</b>	<b>39,958</b>	<b>41,138</b>

#### Cash Flows from Investing Activities

##### Receipts:

Sale of Investment Securities	50,000	51,000	51,000	51,000	50,000	52,000	51,500	55,000	53,000	53,500
Sale of Infrastructure, Property, Plant & Equipment	1,675	1,165	1,760	1,771	1,204	2,028	1,807	1,412	2,582	1,376

##### Payments:

Purchase of Investment Securities	(43,000)	(42,500)	(50,500)	(53,500)	(51,500)	(54,000)	(51,500)	(54,000)	(54,000)	(52,000)
Purchase of Infrastructure, Property, Plant & Equipment	(43,025)	(44,071)	(37,737)	(36,474)	(38,114)	(36,213)	(38,971)	(40,422)	(40,190)	(42,867)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(34,350)</b>	<b>(34,406)</b>	<b>(35,478)</b>	<b>(37,203)</b>	<b>(38,410)</b>	<b>(36,185)</b>	<b>(37,164)</b>	<b>(38,010)</b>	<b>(38,608)</b>	<b>(39,992)</b>

#### Cash Flows from Financing Activities

##### Receipts:

Borrowings and advances	-	-	-	-	-	-	-	-	-	-
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##### Payments:

Borrowings and advances	(867)	(909)	(954)	(1,000)	(1,049)	(1,100)	(1,154)	(1,210)	(1,270)	(1,332)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(867)</b>	<b>(909)</b>	<b>(954)</b>	<b>(1,000)</b>	<b>(1,049)</b>	<b>(1,100)</b>	<b>(1,154)</b>	<b>(1,210)</b>	<b>(1,270)</b>	<b>(1,332)</b>

#### Net Increase/(Decrease) in Cash & Cash Equivalents

	(353)	(106)	157	(340)	(235)	1	222	(32)	80	(185)
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	2,875	2,522	2,416	2,572	2,232	1,998	1,999	2,220	2,188	2,268
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>2,522</b>	<b>2,416</b>	<b>2,572</b>	<b>2,232</b>	<b>1,998</b>	<b>1,999</b>	<b>2,220</b>	<b>2,188</b>	<b>2,268</b>	<b>2,084</b>

## Long Term Financial Plan 2019-29 Option 1 Continue Environmental Levy Performance Measurement Indicators

	TARGET	Year 1 2020 \$ '000	Year 2 2021 \$ '000	Year 3 2022 \$ '000	Year 4 2023 \$ '000	Year 5 2024 \$ '000	Year 6 2025 \$ '000	Year 7 2026 \$ '000	Year 8 2027 \$ '000	Year 9 2028 \$ '000	Year 10 2029 \$ '000
<b>Budget Performance</b>											
1 Balanced Budget <i>utilisation of councils funds minus total sources of income</i>	>= \$0	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2 Operating Performance Ratio <i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue</i>	>0%	4.99%	4.85%	5.00%	4.97%	4.83%	2.93%	2.78%	2.32%	2.11%	1.95%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3 Own Source Operating Revenue Ratio <i>measures fiscal flexibility. It is the degree of reliance on external funding sources</i>	>= 60%	92.77%	93.03%	93.17%	93.32%	93.46%	93.42%	93.55%	93.67%	93.80%	93.95%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>											
4 Unrestricted Cash <i>cash levels less externally and internally restricted reserves</i>	> \$1,000	\$2,733	\$2,257	\$2,270	\$2,041	\$2,259	\$2,527	\$2,074	\$2,088	\$2,119	\$2,549
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5 Unrestricted Current Ratio <i>represents a council's ability to meet short-term obligations as they fall due.</i>	>= 1.5	2.91	2.35	2.16	2.12	2.15	2.07	1.99	1.88	1.92	1.92
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6 Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage <i>expressed as a percentage of total rates and charges available for collection in the financial year</i>	< 4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.4%	2.4%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7 Cash Expense Cover Ratio <i>liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow</i>	>= 3	4.46	3.45	3.33	3.43	3.44	3.56	3.49	3.30	3.29	3.06
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

# Primary financial model – Option 1

## Long Term Financial Plan 2019-29 Option 1 Continue Environmental Levy Performance Measurement Indicators

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	TARGET	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Liability and Debt Management</b>											
8 Debt Service Cover Ratio	2.00x	16.05 x	16.7 x	17.28 x	17.86 x	18.52 x	17.48 x	18.05 x	18.35 x	18.56 x	19.18 x
<i>measures the availability of operating cash to service loan repayments.</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9 Employee Leave Entitlements Funding		39.5%	41.3%	41.5%	41.6%	41.7%	40.8%	40.0%	40.0%	40.4%	40.3%
<i>percentage of employee leave entitlements held in cash</i>	ELE Demographic Target Level	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Asset Management</b>											
10 Building and Infrastructure Renewals Ratio	>= 100%	119.2%	121.0%	110.7%	101.2%	100.5%	110.4%	106.6%	108.2%	116.2%	104.0%
<i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11 Infrastructure Backlog Ratio	<= 2%	0.60%	0.58%	0.57%	0.56%	0.53%	0.53%	0.52%	0.52%	0.52%	0.52%
<i>ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12 Asset Maintenance Ratio	>= 1	1.53	1.54	1.56	1.59	1.61	1.63	1.65	1.67	1.69	1.70
<i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
13 Capital Expenditure Ratio	>= 1	1.67	1.65	1.34	1.25	1.26	1.11	1.16	1.17	1.10	1.16
<i>annual capital expenditure divided by annual depreciation</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
14 Capital Funding Ratio	>= 20%	26%	25%	21%	20%	21%	20%	20%	20%	20%	20%
<i>capital expenditure and net movement in internally restricted future asset renewal reserves as a percentage of total revenue</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

# Alternate scenario – Option 2a

## Long Term Financial Plan 2019-29 Option 2a Discontinue Environmental Levy but retain operational program Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Income from Continuing Operations</b>										
<i>Revenue:</i>										
Rates & Annual Charges	117,849	123,967	127,784	131,745	135,943	140,017	144,073	148,228	152,519	157,843
User Charges & Fees	20,209	20,819	21,448	22,095	22,763	23,458	24,175	24,914	25,676	26,461
Interest & Investment Revenue	1,240	1,078	1,033	1,039	1,030	1,112	1,150	1,157	1,225	1,126
Other Revenue	9,240	9,563	9,702	9,838	9,978	10,421	10,569	10,720	10,876	11,337
Grants & Contributions provided for Operating Purposes	7,144	7,207	7,271	7,336	7,401	7,467	7,534	7,602	7,670	7,738
Grants & Contributions provided for Capital Purposes	4,802	4,818	4,834	4,851	4,867	4,884	4,901	4,918	4,935	4,952
<b>Total Income from Continuing Operations</b>	<b>160,483</b>	<b>167,453</b>	<b>172,073</b>	<b>176,903</b>	<b>181,982</b>	<b>187,360</b>	<b>192,401</b>	<b>197,539</b>	<b>202,901</b>	<b>209,458</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits & On-Costs	67,552	69,737	72,244	74,843	77,538	80,331	83,226	85,929	88,721	91,605
Borrowing Costs	1,241	1,199	1,154	1,108	1,059	1,007	954	897	838	776
Materials & Contracts	42,765	45,560	46,739	47,387	48,224	49,498	50,643	52,060	53,460	54,846
Depreciation & Amortisation	24,750	25,953	26,742	27,765	29,096	30,449	31,764	33,102	33,956	35,351
Other Expenses	15,882	16,928	16,740	17,323	17,785	18,975	18,858	19,361	19,877	21,230
Net Losses from the Disposal of Assets	171	115	177	177	119	204	180	140	261	135
<b>Total Expenses from Continuing Operations</b>	<b>152,361</b>	<b>159,491</b>	<b>163,797</b>	<b>168,604</b>	<b>173,821</b>	<b>180,465</b>	<b>185,624</b>	<b>191,489</b>	<b>197,113</b>	<b>203,943</b>
<b>Operating Result from Continuing Operations</b>	<b>8,122</b>	<b>7,962</b>	<b>8,276</b>	<b>8,299</b>	<b>8,160</b>	<b>6,895</b>	<b>6,777</b>	<b>6,050</b>	<b>5,788</b>	<b>5,515</b>
<b>Discontinued Operations</b>										
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>8,122</b>	<b>7,962</b>	<b>8,276</b>	<b>8,299</b>	<b>8,160</b>	<b>6,895</b>	<b>6,777</b>	<b>6,050</b>	<b>5,788</b>	<b>5,515</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	3,320	3,144	3,442	3,449	3,293	2,011	1,877	1,133	853	563

## Alternate scenario – Option 2a

### Long Term Financial Plan 2019-29

#### Option 2a Discontinue Environmental Levy but retain operational program

##### Statement of Financial Position

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash & Cash Equivalents	1,804	1,196	1,162	1,961	1,887	1,570	1,486	1,004	1,334	1,173
Investments	42,165	31,165	27,665	27,165	26,665	29,165	30,165	30,165	32,165	28,665
Receivables	7,258	7,456	7,668	7,896	8,120	8,402	8,659	8,913	9,222	9,450
Inventories	553	568	583	599	615	632	649	666	684	703
Other	776	801	827	853	881	909	939	969	1,001	1,033
<b>Total Current Assets</b>	<b>52,556</b>	<b>41,186</b>	<b>37,905</b>	<b>38,475</b>	<b>38,168</b>	<b>40,679</b>	<b>41,898</b>	<b>41,718</b>	<b>44,406</b>	<b>41,024</b>
<b>Non-Current Assets</b>										
Receivables	464	492	507	523	539	555	572	590	608	626
Infrastructure, Property, Plant & Equipment	1,628,691	1,673,046	1,711,438	1,746,406	1,819,230	1,854,419	1,890,975	1,929,112	1,936,117	1,978,175
Investments accounted for using the equity method	7	7	7	7	7	7	7	7	7	7
<b>Total Non-Current Assets</b>	<b>1,629,162</b>	<b>1,673,545</b>	<b>1,711,952</b>	<b>1,746,936</b>	<b>1,819,775</b>	<b>1,854,981</b>	<b>1,891,554</b>	<b>1,929,709</b>	<b>1,936,732</b>	<b>1,978,808</b>
<b>TOTAL ASSETS</b>	<b>1,681,717</b>	<b>1,714,731</b>	<b>1,749,857</b>	<b>1,785,411</b>	<b>1,857,943</b>	<b>1,895,660</b>	<b>1,933,452</b>	<b>1,971,426</b>	<b>1,981,138</b>	<b>2,019,833</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	16,809	17,383	17,908	18,449	19,006	19,580	20,172	20,781	21,409	22,056
Borrowing	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601	2,601
Provisions	19,111	19,715	20,340	20,987	21,656	22,349	23,066	23,808	24,576	25,370
<b>Total Current Liabilities</b>	<b>38,521</b>	<b>39,700</b>	<b>40,850</b>	<b>42,037</b>	<b>43,264</b>	<b>44,531</b>	<b>45,839</b>	<b>47,190</b>	<b>48,586</b>	<b>50,027</b>
<b>Non-Current Liabilities</b>										
Borrowing	23,148	21,834	20,454	19,006	17,485	15,888	14,211	12,451	10,602	8,661
Provisions	197	204	211	219	226	234	242	251	259	268
<b>Total Non-Current Liabilities</b>	<b>23,345</b>	<b>22,038</b>	<b>20,665</b>	<b>19,224</b>	<b>17,711</b>	<b>16,122</b>	<b>14,453</b>	<b>12,701</b>	<b>10,861</b>	<b>8,929</b>
<b>TOTAL LIABILITIES</b>	<b>61,866</b>	<b>61,737</b>	<b>61,515</b>	<b>61,262</b>	<b>60,975</b>	<b>60,653</b>	<b>60,292</b>	<b>59,891</b>	<b>59,447</b>	<b>58,956</b>
<b>Net Assets</b>	<b>1,619,851</b>	<b>1,652,994</b>	<b>1,688,342</b>	<b>1,724,149</b>	<b>1,796,969</b>	<b>1,835,007</b>	<b>1,873,160</b>	<b>1,911,535</b>	<b>1,921,691</b>	<b>1,960,877</b>
<b>EQUITY</b>										
Retained Earnings	776,405	780,189	784,358	788,559	792,573	795,419	798,136	800,101	801,939	803,395
Revaluation Reserve	843,446	872,805	903,985	935,590	1,004,395	1,039,588	1,075,024	1,111,434	1,119,752	1,157,482
<b>Total Equity</b>	<b>1,619,851</b>	<b>1,652,994</b>	<b>1,688,342</b>	<b>1,724,149</b>	<b>1,796,969</b>	<b>1,835,007</b>	<b>1,873,160</b>	<b>1,911,535</b>	<b>1,921,691</b>	<b>1,960,877</b>



## Alternate scenario – Option 2a

### Long Term Financial Plan 2019-29

#### Option 2a Discontinue Environmental Levy but retain operational program

##### Cashflow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Cash Flows from Operating Activities</b>										
<u>Receipts:</u>										
Rates & Annual Charges	117,697	123,806	127,698	131,656	135,852	139,923	143,976	148,129	152,417	157,737
User Charges & Fees	20,280	20,896	21,459	22,107	22,775	23,471	24,188	24,927	25,689	26,474
Investment & Interest Revenue Received	1,292	1,144	1,051	1,034	1,026	1,086	1,134	1,148	1,201	1,143
Grants & Contributions	7,132	7,195	7,259	7,323	7,388	7,454	7,520	7,587	7,655	7,724
Bonds, Deposits & Retention amounts received	210	218	225	232	240	248	256	264	272	281
Other	9,172	9,492	9,629	9,762	9,899	10,340	10,485	10,634	10,788	11,245
<u>Payments:</u>										
Employee Benefits & On-Costs	(65,922)	(69,084)	(71,569)	(74,145)	(76,815)	(79,583)	(82,451)	(85,128)	(87,892)	(90,747)
Materials & Contracts	(42,662)	(45,454)	(46,631)	(47,276)	(48,110)	(49,381)	(50,523)	(51,936)	(53,333)	(54,716)
Borrowing Costs	(1,241)	(1,199)	(1,154)	(1,108)	(1,059)	(1,007)	(954)	(897)	(838)	(776)
Other	(15,764)	(16,807)	(16,616)	(17,196)	(17,655)	(18,841)	(18,720)	(19,220)	(19,733)	(21,082)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>30,193</b>	<b>30,206</b>	<b>31,350</b>	<b>32,391</b>	<b>33,541</b>	<b>33,709</b>	<b>34,910</b>	<b>35,509</b>	<b>36,226</b>	<b>37,283</b>
<b>Cash Flows from Investing Activities</b>										
<u>Receipts:</u>										
Sale of Investment Securities	50,000	51,000	51,000	51,000	50,000	52,000	51,500	55,000	53,000	53,500
Sale of Infrastructure, Property, Plant & Equipment	1,675	1,165	1,760	1,771	1,204	2,028	1,807	1,412	2,582	1,376
<u>Payments:</u>										
Purchase of Investment Securities	(41,000)	(40,000)	(47,500)	(50,500)	(49,500)	(54,500)	(52,500)	(55,000)	(55,000)	(50,000)
Purchase of Infrastructure, Property, Plant & Equipment	(41,072)	(42,070)	(35,690)	(32,863)	(34,271)	(32,453)	(34,647)	(36,192)	(35,208)	(40,987)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(30,397)</b>	<b>(29,905)</b>	<b>(30,431)</b>	<b>(30,592)</b>	<b>(32,567)</b>	<b>(32,925)</b>	<b>(33,840)</b>	<b>(34,780)</b>	<b>(34,626)</b>	<b>(36,112)</b>
<b>Cash Flows from Financing Activities</b>										
<u>Receipts:</u>										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
<u>Payments:</u>										
Borrowings and advances	(867)	(909)	(954)	(1,000)	(1,049)	(1,100)	(1,154)	(1,210)	(1,270)	(1,332)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(867)</b>	<b>(909)</b>	<b>(954)</b>	<b>(1,000)</b>	<b>(1,049)</b>	<b>(1,100)</b>	<b>(1,154)</b>	<b>(1,210)</b>	<b>(1,270)</b>	<b>(1,332)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,071)</b>	<b>(607)</b>	<b>(34)</b>	<b>799</b>	<b>(75)</b>	<b>(316)</b>	<b>(84)</b>	<b>(482)</b>	<b>330</b>	<b>(160)</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	<b>2,875</b>	<b>1,804</b>	<b>1,196</b>	<b>1,162</b>	<b>1,961</b>	<b>1,887</b>	<b>1,570</b>	<b>1,486</b>	<b>1,004</b>	<b>1,334</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>1,804</b>	<b>1,196</b>	<b>1,162</b>	<b>1,961</b>	<b>1,887</b>	<b>1,570</b>	<b>1,486</b>	<b>1,004</b>	<b>1,334</b>	<b>1,173</b>

## Alternate scenario – Option 2a

### Long Term Financial Plan 2019-29

#### Option 2a Discontinue Environmental Levy but retain operational program

##### Performance Measurement Indicators

		Year 1 2020 \$ '000	Year 2 2021 \$ '000	Year 3 2022 \$ '000	Year 4 2023 \$ '000	Year 5 2024 \$ '000	Year 6 2025 \$ '000	Year 7 2026 \$ '000	Year 8 2027 \$ '000	Year 9 2028 \$ '000	Year 10 2029 \$ '000
	TARGET										
<b>Budget Performance</b>											
1	Balanced Budget <i>utilisation of councils funds minus total sources of income</i>	>= \$0	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Operating Performance Ratio <i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue</i>	>0%	2.13%	1.93%	2.06%	2.00%	1.86%	1.10%	1.00%	0.59%	0.43%
		✓	✓	✓	✓	✓	!	!	!	!	!
3	Own Source Operating Revenue Ratio <i>measures fiscal flexibility. It is the degree of reliance on external funding sources</i>	>= 60%	92.56%	92.82%	92.96%	93.11%	93.26%	93.41%	93.54%	93.66%	93.79%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>											
4	Unrestricted Cash <i>cash levels less externally and internally restricted reserves</i>	> \$1,000	\$1,115	\$1,037	\$1,060	\$1,070	\$1,248	\$1,298	\$1,240	\$1,104	\$1,284
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Unrestricted Current Ratio <i>represents a council's ability to meet short-term obligations as they fall due.</i>	>= 1.5	2.74	2.00	1.64	1.51	1.46	1.41	1.39	1.33	1.45
		✓	✓	✓	✓	✗	✗	✗	✗	✗	✗
6	Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage <i>expressed as a percentage of total rates and charges available for collection in the financial year</i>	< 4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Cash Expense Cover Ratio <i>liquidity ratio indicates the number of months a council can continue paying for its immediate expenses without additional cash inflow</i>	>= 3	4.20	2.93	2.54	2.50	2.39	2.48	2.49	2.38	2.48
		✓	✗	✗	✗	✗	✗	✗	✗	✗	✗

## Alternate scenario – Option 2a

### Long Term Financial Plan 2019-29

#### Option 2a Discontinue Environmental Levy but retain operational program

#### Performance Measurement Indicators

		Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Year 8 2027	Year 9 2028	Year 10 2029
	TARGET	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Liability and Debt Management</b>											
8 Debt Service Cover Ratio <i>measures the availability of operating cash to service loan repayments.</i>	2.00x	13.83 x	14.32 x	14.78 x	15.25 x	15.81 x	15.78 x	16.33 x	16.6 x	16.79 x	17.34 x
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9 Employee Leave Entitlements Funding <i>percentage of employee leave entitlements held in cash</i>	ELE Demographic Target Level	36.4%	33.8%	31.3%	28.9%	26.6%	24.5%	24.6%	24.6%	24.7%	24.7%
		✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
<b>Asset Management</b>											
10 Building and Infrastructure Renewals Ratio <i>assesses the rate at which these assets are being renewed against the rate at which they are depreciating</i>	>= 100%	117.1%	119.1%	109.1%	92.2%	91.2%	94.5%	89.1%	92.0%	97.9%	98.3%
		✓	✓	✓	✗	✗	✗	✗	✗	✗	✗
11 Infrastructure Backlog Ratio <i>ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure</i>	<= 2%	0.60%	0.59%	0.57%	0.56%	0.54%	0.53%	0.53%	0.53%	0.53%	0.53%
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
12 Asset Maintenance Ratio <i>ratio compares actual versus required annual asset maintenance. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing.</i>	>= 1	1.53	1.54	1.56	1.59	1.61	1.63	1.65	1.67	1.69	1.70
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
13 Capital Expenditure Ratio <i>annual capital expenditure divided by annual depreciation</i>	>= 1	1.59	1.58	1.27	1.12	1.14	1.00	1.04	1.05	0.96	1.12
		✓	✓	✓	✓	✓	✗	✓	✓	✗	✓
14 Capital Funding Ratio <i>capital expenditure and net movement in internally restricted future asset renewal reserves as a percentage of total revenue</i>	>= 20%	26%	25%	20%	18%	19%	17%	17%	18%	17%	19%
		✓	✓	✓	✗	✗	✗	✗	✗	✗	✗

## Socio-economics and rates affordability

When preparing the plan, many factors are taken into consideration and a vast array of statistics and research are analysed. With rates, annual charges and user fees and charges making up over 80 per cent of Council's total revenue, it is important that capacity to pay is one of those factors.

### Residential properties

50,059 properties across Randwick City are rated as 'Residential'. These properties include single dwellings, social housing, and multi-unit dwellings.

### Housing tenure

In Randwick City, 46% of households were purchasing or fully owned their home, 37.5% were renting privately, and 6.4% were in social housing in 2016 (ABS).

The median weekly mortgage repayment across the Randwick City was \$625 and the median weekly rent was \$552.

### Household incomes

According to the 2016 Census the median weekly income of households across Randwick City was \$1,910 which was \$165 more than the Greater Sydney area.

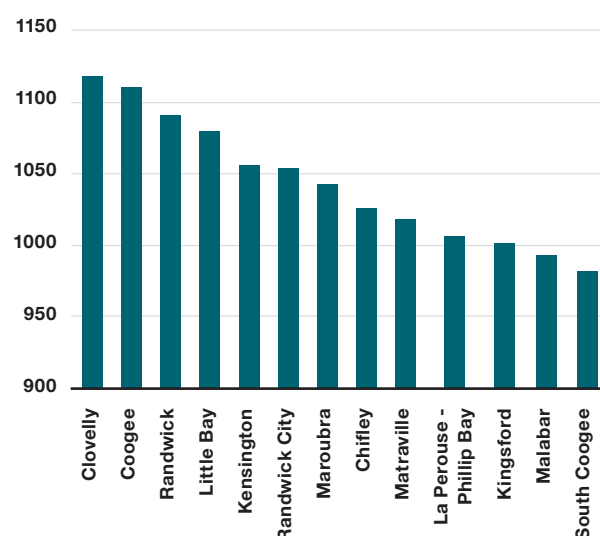
The number of residents receiving government pensions and allowances is decreasing over time and this correlates with the reducing number of rates rebates that are granted by Council each year.

## Indexes

The Index of Relative Socio-Economic Disadvantage (IRSED) is based on the 2016 Census and is useful in identifying geographic areas that are relatively disadvantaged. An area with an IRSED of 1000 is considered average while a lower score indicates that the area is experiencing more disadvantage.

With an average IRSED of 1052 Randwick City, as a whole, is considered to have a slightly higher than average level of socio-economic advantage.

Randwick City, Index of Relative Socio-economic Disadvantage, 2016



## Outstanding rates and annual charges

On 30 June 2018, 2.41 per cent of rates and annual charges levied remained outstanding. This is well under the industry benchmark of 5 per cent. This is an important consideration in setting options for funding within this plan and is one of the indicators of our ratepayers capacity and willingness to pay for the services of the Council.

## Hardship & Concessions

The Council has a Debt Recovery Policy and Financial Hardship Policy and a Pensioners Rates Policy to assist those experiencing difficulties with paying rates. In addition to the \$250 statutory pensioner rebate on rates, the Council also provides an additional \$75 rebate each year.

Members of the community who are also eligible welfare recipients, can also receive exemptions on residential parking permits and concessions on a range of other user fees and charges that Council applies.

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## Financial assumptions

The adopted 2018-19 budget has been used as the base year for this Long Term Financial Plan.

Three long term financial models have been developed:

**Option 1:** Environmental Levy and program continue for another 5 years

**Option 2:** Environmental Levy and program cease

**Option 2a:** Environmental Levy ceases, but program continues

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## Future income assumptions

### Rates

Ordinary rates, business rates and special rates account for over 50 per cent of Council's operating revenue and is therefore the main source of Council's funding.

The primary financial model of this Long Term Financial Plan (Option 1) includes a proposed special rate variation (SRV) to continue the existing 'Environmental Levy' with a cumulative rate increase of 19.91% over the next five years. This includes the already approved 'Our Community Our Future' SRV.

Since 2004, Randwick City Council has been delivering a range of significant environmental programs, community initiatives and new and upgraded infrastructure as part of the Sustaining our City program funded by an Environmental Levy. The five-year levy applies to residential and business ratepayers and is currently due to expire on 30 June 2019.

The details of how the Environmental Levy would be applied over the next five years and the key initiatives and projects it would fund are contained in Appendix 1 of this document.

Alternate scenarios have also been modelled. Option 2 assumes the Environmental Levy is not continued and all programs it funds cease. Option 2a assumes that the Environmental Levy is no longer collected, but the programs continue. Options 2 and 2a model a cumulative rate increase of 12.44% over the next five years.

An estimate growth in the number of ratable properties over the 10 years has also been included.

### Annual charges

Almost a quarter of Council's revenue is received through the levying of annual charges.

As required under s504 of the Local Government Act 1993 the domestic waste management charges are calculated so not to exceed the reasonable cost to the Council of providing those services. Therefore, the increases in these charges included in the plan are consistent with the increases applied to the operating expenditure incurred by the service.

There has been no increase assumed for the stormwater management annual charge. This charge is determined under clause 125AA of the Local Government (General) Regulation 2005 and has remained at the same level since its inception.

Annual charges raised under section 611 of the Local Government Act 1993 are assumed to increase at a moderate 1.5 per cent for the duration of the plan.

### User fees and charges

Council receives 12 per cent of its annual operating income through user fees and charges, set under section 610D of the Local Government Act 1993.

User fees and charges are reviewed each year.

Discretionary fees are set for services such as the DRLC, Moverly Children's Centre, commercial trade waste, and the hire of community facilities such as sportsfields and community halls.

The increase in user fees and charges is based on a cost index which comprises an employee cost component and a CPI component with a weighting of 75:25 respectively.

Regulatory fees are predominantly set by NSW Government legislation, and many are not adjusted annually while others are charged as a percentage of construction costs for a proposed development. The income from these fees is expected to increase by CPI annually.

### Interest and investment revenue

The calculation of interest and investment revenue is a combination of the size of Council's investment portfolio and the return on investment that can be obtained.

Council is limited to the conservative investment options prescribed under the Ministerial Investment Order which restricts council investment activity.

Cash rates have been provided by Council's investment advisors and have been combined with the projected portfolio balances across the period of the plan.

### Other revenues

Rental income from Council's commercial and residential properties, regulatory fines and kiosk and merchandise sales at DRLC are the main components of Council's other revenue.



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## Appendix A





NOVEMBER 2018

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# Environmental Levy Sustaining our City since 2004

Proposed continuation of levy  
for environmental projects

**HAVE  
YOUR  
SAY**





## Doing our bit for the environment

Let's face it, what can 25 cents buy you today? Not much you say... well what if just 25 cents a day opened up new areas of the coastline for you and your family to explore, provided lush tree canopies in parks and streets, and helped clean your beaches? Well that's exactly what's been happening for the past 15 years thanks to the Environmental Levy.

In that time it has helped extend the world-famous Coastal Walkway, deliver sustainability programs and events and irrigate our coastal parks with recycled stormwater – saving us about 450 million litres of water a year.

It's a little that goes a long way.

We're also working hard to be as efficient as possible while delivering you the best possible services, facilities, projects and events. Our coordinated & balanced strategy for delivering services and infrastructure whilst looking after our environment is ensuring a sustainable future for our community and for those generations that will come after us.

As a long-time local resident, a Councillor and now as Mayor, I've seen the progress we've been able to make as a council because of the funding from the levy.

At an average of 25 cents per day or \$7.62 a month for the average residential ratepayer, it's a small amount that makes a big difference.

I believe continuing the levy is the best option for our Council and community. Ultimately we will be guided by what you the community want.

The options are clear – continue a levy already included in your rates to deliver some great environmental programs or stop the levy for a small rate cut. Discontinuing the levy means we'll have to reprioritise our works programs – this means some of the environmental programs we've been delivering won't continue while others will take longer or result in other works programs not happening.

We've included information in this booklet to help you in providing feedback.

Your view is important and I encourage you to take the time to have your say so we can decide on the best way forward for our community.

**Councillor Kathy Neilson**  
Mayor of Randwick







## Introduction

Since 2004, Randwick City Council has been delivering a range of significant environmental programs, community initiatives and new and upgraded infrastructure as part of the Sustaining our City program funded by an Environmental Levy.

The five-year levy applies to residential and business ratepayers and is currently due to expire on 30 June 2019.

We want to know what you think about continuing the levy for another five years to 2024.

This information booklet gives you details about what the levy has achieved to date, proposed future programs and the impact to ratepayers of continuing the levy.

## The Environmental Levy

The Environmental Levy was first approved by Council in 2004, and has successfully transformed the way sustainability projects and programs have been implemented across Council and the community.

Due to this success and ongoing community support, the Environmental Levy was extended for another five years in 2009 and again in 2014.

We want to continue to deliver these important environmental projects and we are considering an application to the Independent Pricing and Regulatory Tribunal (IPART) to continue the Environmental Levy for a further five years to 2024.

## How much is the levy?

The Environmental Levy is calculated based on the unimproved land value of your property as valued by the NSW Valuer General.

This means the amount paid on individual properties varies depending on land value.

The levy for the average residential ratepayer is \$91.49 per year averaged over five years. If you're one of the 26,000 owners of a strata unit in Randwick City, you're likely to be paying much less.

You can check what you are currently paying by referring to your annual rates notice.

# Environmental Levy achievements 2004-2018

The Environmental Levy provides funding for specific environmental programs and initiatives.

## 1. BEAUTIFUL COASTLINE

Major sections of our Coastal Walkway have been constructed, upgraded and repaired including the Malabar Headland Western Walking Track, South Maroubra to Maroubra boardwalk, La Perouse upgrade and Cape Banks connection at NSW Golf Course as well as links at Coogee, South Coogee and Clovelly.

## 2. SUPPORTING OUR CHILDREN

Council supports schools to install water tanks, develop food and native gardens, install bike racks, native bees, solar panels and have classes visit our sustainability education hub at the Randwick Community Centre.

## 3. CLEAN BEACHES

Innovative technology treats and re-uses stormwater to improve water run-off into our beaches.

## 4. NATURAL ENVIRONMENT

We are preserving remaining bushland areas, enhancing Randwick Environment Park, restoring the last remaining dunes in the eastern suburbs, increasing native tree plantings in our streets and parks and protecting important areas of native vegetation.

## 5. PRESERVING PRECIOUS RESOURCES

We are saving 450 million litres of water annually through our wastewater and stormwater re-use, recycling and park irrigation projects – this is equivalent to 180 Olympic swimming pools of water per year.

## 6. REDUCING ENERGY CONSUMPTION

We have contributed to solar installations on 2,600 homes, representing 9,600 kilowatts of solar power, generating up to 14 million kilowatt hours and saving residents about \$1,500 off their energy bills each year.

## 7. CLEANER AIR

There are now 6,000 residents participating in the local car share program reducing car ownership by an estimated 900 vehicles and achieving a reduction in greenhouse gases.

## 8. A SENSE OF COMMUNITY

Every year almost 15,000 residents participate in sustainability workshops, events and activities with about 9,000 attending the annual Eco-Living Expo.



**200 kilowatts**  
solar panels on 12 buildings



**450,000,000**  
litres water  
saved each year



**6 Gross**  
**Pollutant Traps**  
stopping pollutants and  
rubbish entering our  
beaches each year



**2,000**  
trees, plants and shrubs



**20 food gardens**  
in local schools



# Proposed projects 2019-2024

If the Environmental Levy continues, it will fund the following projects:

## Coastal \$9m

### Coastal Walkway

Working towards a continuous Coastal Walkway from Clovelly to La Perouse. Funds will help design and implement walkways at South Coogee, Lurline Bay, Randwick Golf Course, The Coast Golf Course and St Michael's Golf Course.

### Gross Pollutant traps

Installation of five additional pollutant traps to increase water quality at local beaches.

## Water \$6m

### Saving water

Future proofing wastewater re-use program at Maroubra Beach, Des Renford Leisure Centre, Purcell Park Matraville, Nagle Park Maroubra and Pioneers Park Malabar.

## Other \$620k

### Reducing waste and consumption of natural resources

Continuation of Council's Compost Revolution, Switch your thinking on Plastics and other Green events.

## Energy \$2.36m

### Energy efficiency program

Energy efficiency program for Council building upgrades, community renewable energy, smart monitoring and carbon offset program.

## Greenhouse \$3.1m

### Solar power, composting, electric vehicles and cycleways

Installation of solar panels on five Council buildings, increased rates of composting, installation of public electric vehicle charging locations and funding for improved cycleways.

## Biodiversity \$1.12m

### Green Corridor program

Planting more native trees in streets and parks, continuing Native Havens program and additional flora and fauna monitoring and WIRES relocation and interpretive centre.

## Food \$500k

### Sustainable food

Funding support for eight community gardens and 22 school food gardens.

## Education \$2.2m

### Sustainability events and workshops

Continuation of Council's Eco-Living Expo, Earth Hour, World Environment Day, Best Gift Markets, NOX Night Sculpture Walk, Marine and Coastal School Holiday Activities, school grants, Eco Heroes program, sustainable schools exchange and workshops at Randwick Community Centre, Barrett House and libraries.

## Total \$24.9m

Note: Administration activities including staff salaries and costs have been distributed throughout the proposed levy program.

# Impact of continuing Environmental Levy

## Option 1 Continue Levy

Under this option, ratepayers will continue paying an Environmental Levy. These funds will deliver a range of environmental programs and projects for the Randwick City community.

Coastal Walkway	✓	Environmental events/workshops	✓
Water reuse projects	✓	Additional tree plantings	✓
Gross pollutant traps	✓	Energy efficiency programs	✓

Environmental Levy<sup>o</sup>  
residential

<b>\$91.49</b> per year	<b>\$1.76</b> per week	<b>\$0.25</b> per day	<b>cost</b>
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Cumulative overall  
rate increase  
(including/excluding  
Environmental Levy)  
over 5 years

**19.91%**

Overall cumulative increase including:  
 • IPART approved rate increase years 1 & 2  
 • Assumed rate peg for years 3-5  
 • Environmental Levy

## Option 2 Discontinue Levy

This option proposes discontinuing the Environmental Levy. Ratepayers would receive a small reduction. Environmental programs and projects will be reprioritised within Council's budget. This means some won't happen, some will take longer to implement and some may affect the timing and scope of other capital works programs.

Coastal Walkway	⚠	Environmental events/workshops	⚠
Water reuse projects	⚠	Additional tree plantings	⚠
Gross pollutant traps	⚠	Energy efficiency programs	⚠

<b>\$91.49</b> per year	<b>\$1.76</b> per week	<b>\$0.25</b> per day	<b>savings</b>
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**12.44%**

Overall cumulative increase including:  
 • IPART approved rate increase years 1 & 2  
 • Assumed rate peg for years 3-5  
 • **No** Environmental Levy

### For average residential ratepayers

	2018/19 Current	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5
% rates increase		5.52%*	5.52%*	2.5%**	2.5%**	2.5%**
Average annual rate		\$1,214	\$1,281	\$1,352	\$1,386	\$1,421
Annual rate increase		\$67	\$71	\$34	\$35	\$36
Total rates	\$1,214	\$1,281	\$1,352	\$1,386	\$1,421	\$1,457
Environmental Levy	\$81	\$85	\$90	\$92	\$94	\$96
Total rates and Environmental Levy	<b>\$1,295</b>	<b>\$1,366</b>	<b>\$1,442</b>	<b>\$1,478</b>	<b>\$1,515</b>	<b>\$1,553</b>

### For average residential ratepayers

	Current 2018/19	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
% rates increase		5.52%*	5.52%*	2.5%**	2.5%**	2.5%**
Average annual rate		\$1,214	\$1,281	\$1,352	\$1,386	\$1,421
Annual rate increase		\$67	\$71	\$34	\$35	\$36
Total rates	\$1,214	\$1,281	\$1,352	\$1,386	\$1,421	\$1,457
Environmental Levy	\$81	X	X	X	X	X
Total rates and Environmental Levy	<b>\$1,295</b>	<b>\$1,281</b>	<b>\$1,352</b>	<b>\$1,386</b>	<b>\$1,421</b>	<b>\$1,457</b>

### For average business ratepayers

	2018/19 Current	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5
% rates increase		5.52%*	5.52%*	2.5%**	2.5%**	2.5%**
Average annual rate		\$8,452	\$8,919	\$9,411	\$9,646	\$9,887
Annual rate increase		\$467	\$492	\$235	\$241	\$247
Rates	\$8,452	\$8,919	\$9,411	\$9,646	\$9,887	\$10,134
Environmental Levy	\$161	\$170	\$179	\$183	\$188	\$193
Total rates and Environmental Levy	<b>\$8,613</b>	<b>\$9,089</b>	<b>\$9,590</b>	<b>\$9,829</b>	<b>\$10,075</b>	<b>\$10,327</b>

### For average business ratepayers

	Current 2018/19	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
% rates increase		5.52%*	5.52%*	2.5%**	2.5%**	2.5%**
Average annual rate		\$8,452	\$8,919	\$9,411	\$9,646	\$9,887
Annual rate increase		\$467	\$492	\$235	\$241	\$247
Rates	\$8,452	\$8,919	\$9,411	\$9,646	\$9,887	\$10,134
Environmental Levy	\$161	X	X	X	X	X
Total rates and Environmental Levy	<b>\$8,613</b>	<b>\$8,919</b>	<b>\$9,411</b>	<b>\$9,646</b>	<b>\$9,887</b>	<b>\$10,134</b>

\* IPART approved special variation increase of 5.52% in years 1 and 2

\*\* Assumed rate peg of 2.5% in years 3, 4 and 5

o Average over five years

⚠ Denotes projects that may not occur, take longer to implement or affect the timing of other projects.

# Your questions answered

## Didn't IPART already approve an SRV in May 2018?

Earlier in 2018, IPART approved Council's Our Community Our Future Special Rate Variation of 19.85% cumulative over three years – 2018/19 to 2020/21. This increase is already in place in your rates now.

Our Community Our Future is funding anti-terrorism measures to make our public places safer, addressing domestic violence, upgrading the La Perouse Museum, creating an arts and cultural centre, building a new indoor sports centre and gymnastics centre at Heffron Park and implementing Council's digital strategy.

The continuation of the Environmental Levy is different. The Environmental Levy is a levy on top of your rates. You have been paying it for the past 15 years.

## Why is the cumulative overall rate increase figure so similar to the Our Community Our Future levy increase?

IPART require that when we present information to the community about rates, we show the community the total cumulative impact. This helps you get a better idea of the real impact over the time period.

We are required to show you how your rates are increasing in total due to the already approved rate variation as well as the potential continuation of the Environmental Levy.

The figure is similar because we're showing you the same rates increase information. This doesn't mean your rates will again increase by 19.85%, we're just showing you how your rates are changing.

This consultation is really asking whether you want to keep paying the Environmental Levy or not? For the average residential ratepayer over five years, continuing the levy will cost \$1.76 per week or \$91.49 per year.

## How can I find out how much the Environmental Levy for my property will be?

The Environmental Levy is based on the unimproved land valuation of your property as determined by the NSW Valuer General. Please note this figure is different to the market value of your land.

The table on page 6 (left) provides the Levy increase for the average residential and business ratepayers. But if you want to know the specific increase for your property, you can use the table below if you know your land value.

You would have received a notification from the Valuer General in 2017 with your most recent valuation. You can also find out your land valuation by visiting [www.valuergeneral.nsw.gov.au](http://www.valuergeneral.nsw.gov.au)

## How much Environmental Levy am I currently paying?

Particulars of Rates and Charges	Rate in \$	Rateable Value	Amount
Environmental Levy	0.00010314	258,104	\$32.43

The Levy appears on your annual rates notice as a separate line item.

If you cannot find your annual rates notice, please call Council's Rates Team who can advise your current levy amount.

You can also calculate your current Environmental Levy by multiplying your land value by 0.010884%.

## Estimated Environmental Levy based on land value

Land value	2018/19 Current	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5
50,000	\$5	\$6	\$6	\$6	\$6	\$7
150,000	\$16	\$17	\$18	\$19	\$19	\$20
250,000	\$27	\$29	\$30	\$31	\$32	\$33
350,000	\$38	\$40	\$42	\$43	\$45	\$46
450,000	\$49	\$52	\$55	\$56	\$57	\$59
550,000	\$60	\$63	\$67	\$68	\$70	\$72
650,000	\$71	\$75	\$79	\$81	\$83	\$85
750,000	\$82	\$86	\$91	\$93	\$95	\$98
850,000	\$93	\$98	\$103	\$106	\$108	\$111
950,000	\$103	\$109	\$115	\$118	\$121	\$124
1,250,000	\$136	\$144	\$151	\$155	\$159	\$163
1,750,000	\$190	\$201	\$212	\$217	\$223	\$228
2,500,000	\$272	\$287	\$303	\$311	\$318	\$326
3,000,000	\$327	\$345	\$364	\$373	\$382	\$392
4,000,000	\$435	\$459	\$485	\$497	\$509	\$522

58% of ratepayers pay an Environmental Levy in this range.



# Have your say

The Environmental Levy is on public exhibition for community comment for 28 days from 20 November to 18 December 2018.

Copies of the Environmental Levy consultation material are available to view at [www.yoursay.randwick.nsw.gov.au](http://www.yoursay.randwick.nsw.gov.au) or at Council's Administration Centre at 30 Frances St Randwick, Margaret Martin Library Randwick, Lionel Bowen Library Maroubra or Malabar Library.



## Survey

Randwick City ratepayers will receive a letter and survey in the mail. Complete and mail the survey back using the included reply paid envelope or follow the instruction to complete the survey using the website link provided.

You can also make submissions using the following channels. Please note if you return the survey, this is counted as a submission and you do not need to make another submission.



## Online

Visit [www.yoursay.randwick.nsw.gov.au](http://www.yoursay.randwick.nsw.gov.au) to view the consultation website where you can find out more, ask a question and lodge a submission.



## Email

Submissions can be emailed to [council@randwick.nsw.gov.au](mailto:council@randwick.nsw.gov.au) titled "Environmental Levy submission".



## Writing

Submissions may be made in writing to Randwick City Council, "Environmental Levy submission", 30 Frances St Randwick NSW 2031.

If you'd like to speak with a Council officer about the Environmental Levy please call us on 1300 722 542.

## Information sessions

Information sessions are being held to provide people with the opportunity to learn more about the Environmental Levy and discuss directly with Council officers.

### Wednesday 28 November 2018

6.30pm-7.30pm,  
Randwick Community Centre

### Thursday 6 December 2018

6.30pm-7.30pm,  
Lionel Bowen Library, Maroubra

### Wednesday 12 December 2018

6.30pm-7.30pm,  
Prince Henry Centre, Little Bay

No registration is required.

16 OCT 2018	20 NOV – 18 DEC 2018	FEB 2019	11 FEB 2019	FEB-MAR 2019	14 MAY 2019	1 JULY 2019
Council resolves to seek community feedback	Public exhibition and consultation	Council considers community feedback and determines whether to continue Environmental Levy	SRV applications due to IPART	IPART publicly exhibit applications	IPART determinations announced	Environmental Levy continues or concludes



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## Appendix C

# Technical information sheet

### Possible continuation of the Environmental Levy

This sheet is supplementary to the 'Environmental Levy – Sustaining our City since 2004 – Proposed continuation of the levy and environmental projects' booklet November 2018, distributed to ratepayers as part of the community consultation about the continuation of the Environmental Levy. This sheet has been designed as an additional tool in explanation of technical matters related to the special variation process, including the expiry of the current levy and the minor revision of Council's Integrated Reporting suite of plans.

### expired from the Council's rate base?

The current Environmental Levy approved by IPART in June 2014, was a temporary approval for five years commencing 1 July 2014 and ending on 30 June 2019.

At the time of approval the levy component of total rates income was \$3.8 million, then representing 6 per cent of Council's rates revenue (rate base). On 30 June 2019 at the end of its fifth and final year, the levy which now represents 5.38 per cent of the rate base, will be expired by a reduction of \$4.45 million to Council's rates base.

This expiration of the temporary five year levy is mandatory and will occur irrespective of whether the Environmental Levy is continued or not. It effectively means that Council's rates revenue is forced down before it is able to go up again (by the application of the 2019-20 approved increase of 5.52 per cent).

The table below shows the impact of the expiring levy, the existing special variation in years 1 and 2 and a continued Environmental Levy. In Year 1, the current Environmental Levy expires at 5.38 per cent, and then the existing special variation increase of 5.52 is added, resulting in a negative 1.1 per cent reduction in total rates, prior to a new Environmental Levy being applied (should the Environmental Levy be continued in 2019-20).

### How is the current Environmental Levy

#### IMPACT OF THE EXPIRING VARIATION + EXISTING SPECIAL VARIATION+ PROPOSED CONTINUED LEVY

		BASE YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	CUMULATIVE INCREASE
Expiring current Environmental Levy	Average Residential rates under the existing SRV path of 5.52% going forward with and expired Environmental levy of 5.38% end of 2018-19	\$1,295	\$1,281	\$1,352	\$1,386	\$1,421	\$1,457	12.44%*
	Annual increase (%)		-1.10%	5.52%	2.50%	2.50%	2.50%	
Expiring current Environmental Levy before replacing with a continued Environmental Levy + existing SRV	Average Residential rate with a 5.38% expiring Environmental levy + existing approved SRV of 5.52% (in years 1 and 2) + a continued Environment levy of 5.9% commencing in 2019-20	\$1,295	\$1,366	\$1,442	\$1,478	\$1,515	\$1,553	19.91%*
	Annual increase (%)		5.52%	5.52%	2.50%	2.50%	2.50%	

## Didn't Council just get an IPART approval to increase rates?

Yes – In May 2018 Council received IPART approval to increase rates over three years to fund the projects and services associated with the \$27 million, seven-year, Our Community Our Future Program. This program is separate to the Sustaining our City Program, which has been running for the past 15 years funded by the Environmental Levy. These two programs may sound similar but are quite different hence their separate and dedicated funding paths.

### Our Community Our Future program – existing special variation

YEAR	APPROVED INCREASE %
2019-20	5.52%
2020-21	5.52%

The Environmental Levy has been approved and replaced on three separate occasions since 2004. Each time temporarily for a five year period, with each expiring levy reducing Council's rate base before a new levy was applied. Each special variation application process and application to IPART involved considerable community consultation and the support of the elected Council. Historically Councillors of Randwick City have taken a five year temporary approach to the levy as a means to ensure that the program is periodically evaluated in conjunction with significant community participation.

## Does the Environmental Levy affect the Minimum rate?

No – the Environmental levy bears no relationship to the 'minimum rate'. Council's rating structure is subject to minimum rates for both residential and business properties. Rates are determined by multiplying the land value of a property by a rate-in-the-dollar amount. The minimum rate is applied when the rate-in-the-dollar calculation does not reach a predetermined (or 'minimum') amount. Just over half of all residential ratepayers paid the minimum rate in 2018-19 of \$805.68.

The Environmental Levy is a special rate which must be shown as a separate line item on the Rates Notice. If the Environmental Levy is not replaced the line for the Environmental Levy will disappear from rate notices in 2019-20. Irrespective of whether the levy is continued or not minimum rates will remain unchanged, unaffected by the expiration of the existing levy or by a continuation of the levy.

Council will increase the minimum rate each year in line with the annual increase percentage. Council already has approval to increase rates by 5.52 percent for the next two years 2019-20 and 2020-21. The table below shows minimum rate amounts for this next five years, assuming a rate-peg of 2.5 per cent in years 3 – 5.

### MINIMUM RATES FOR NEXT FIVE YEARS

	INCREASE %	RESIDENTIAL	BUSINESS	PORT BOTANY
<b>Year 0</b> 2018-19		\$805.68	\$1,298.32	\$1,298.32
<b>Year 1</b> 2019-20	5.52%	\$850.15	\$1,369.99	\$1,369.99
<b>Year 2</b> 2020-21	5.52%	\$897.08	\$1,445.61	\$1,445.61
<b>Year 3</b> 2021-22	2.5%*	\$919.51	\$1,481.75	\$1,481.75
<b>Year 4</b> 2022-23	2.5%*	\$942.50	\$1,518.79	\$1,518.79
<b>Year 5</b> 2023-24	2.5%*	\$966.06	\$1,556.76	\$1,556.76

## Why is Council exhibiting revised Integrated Planning & Reporting documents at the same time as the Environmental Levy consultation?

Council's Long Term Financial Plan (LTFP) has been updated to include a financial modelling scenario for the case of a continued Environmental Levy. There are a number of financial scenarios within the LTFP, including scenarios that model variations for a discontinued levy. In keeping with a revised LTFP the City Plan and 2018-19 Operational Plan & Delivery Program 2018-21 has also been amended to reflect the possible continuation of the Environmental Levy. As these documents are Council's significant strategic plans that sit at the core of Council's planning and service delivery, it is industry best practice to publically exhibit the revised content for 28 days.

These revisions were not included in the last review of these documents adopted by the Council in February 2018, because at that time it was not appropriate for the Council to assume and model a scenario for a continuing Environmental Levy without first initiating a conversation with the community about its replacement.