

WOLLONGONG CITY COUNCIL																	
10 Year Financials																	
	Notes	{&PERIOD}	2009/10 Actual \$'000	2010/11 Actual \$'000	2011/12 Actual \$'000	2012/13 Actual \$'000	2013/14 Actuals \$'000	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
OPERATING PERFORMANCE RATIO (total continuing operating revenue exclude cap grants & contributions LESS Operating Expenses /Total continuing opt revenue (exc cap grants & contributions))																	
Adopted Annual Plan 2015-16																	
Total income from continuing Operations					238,595	263,362	255,870	268,905	264,040	285,742	288,299	286,216	295,323	303,117	310,795	319,354	327,904
LESS:																	
Capital Grants & contributions					19,587	39,041	31,360	18,731	14,520	23,014	17,580	7,619	7,650	7,690	7,279	7,279	7,279
Net gain from asset disposal							4,736	0	0	0	0	0	0	0	0	0	0
Net share of interest in joint venture					298	245	198	0	0	0	0	0	0	0	0	0	0
Interest & Investment Revenues FV adjustments - investments					71	82	386										
Interest & Investment Revenues FV adjustments - other																	
Other Revenues FV adjustments - property								162	166	171	176	180	185	185	185	185	0
Other Revenues - IPPE reval decrements previously expensed																	
Total Adjusted Income from Continuing Operations					218,639	223,994	223,926	245,276	249,353	262,557	270,543	278,417	287,488	295,242	303,331	311,890	320,625
Total Expenses from continuing Operations					232,626	238,226	243,760	247,648	255,932	260,498	263,687	270,857	278,143	286,929	294,695	303,667	313,447
LESS:					1,153	4,312	4,244										
Net Loss from asset disposal																	
Net share of interest in joint venture																	
Other expenses - reval decrements							975										
Total Adjusted expenditure					231,473	233,914	238,541	247,648	255,932	260,498	263,687	270,857	278,143	286,929	294,695	303,667	313,447
NET OPERATING RESULT					(12,834)	(9,920)	(14,615)	(2,372)	(6,579)	2,059	6,856	7,560	9,345	8,313	8,636	8,224	7,178
Indices for Fit for Future					-5.87%	-4.43%	-6.53%	-0.97%	-2.64%	0.78%	2.53%	2.72%	3.25%	2.82%	2.85%	2.64%	2.24%
Three Year average							-5.61%	-3.97%	-3.38%	-0.94%	0.23%	2.01%	2.83%	2.93%	2.97%	2.77%	2.57%
OWN SOURCE OPERTAING REVENUE (Total continuing operating revenue LESS all grants & contributions and other specified items)/(Total continuing operating revenue inclusive of capital grants & contributions)																	
Adopted Annual Plan 2015-16																	
Income from Continuing Operations					238,595	263,362	255,870	268,905	264,040	285,742	288,299	286,216	295,323	303,117	310,795	319,354	327,904
LESS:																	
Grants & contributions provided for Operating Purposes					32,561	29,107	20,463	29,356	28,846	28,777	28,775	29,225	29,678	30,135	30,599	31,099	31,693
Grants & contributions provided for Capital Purposes					19,587	39,041	31,360	18,731	14,520	23,014	17,580	7,619	7,650	7,690	7,279	7,279	7,279
Net gain from asset disposal							4,736	0	0	0	0	0	0	0	0	0	0
Net share of interests in joint ventures using equity method					298	245	198	0	0	0	0	0	0	0	0	0	0
Interest & Inv Revenues - FV adjustments					71	82	386	0	0	0	0	0	0	0	0	0	0
Interest & Inv Revenues - FV adjustments Other																	
Other Revenues FV adj Investment Properties					0	0	0	162	166	171	176	180	185	185	185	185	0
Other Revenues - Reversal of IPPE reval decrements prev expended																	
Own Source Revenue					186,078	194,888	203,463	215,920	220,507	233,780	241,768	249,191	257,810	265,107	272,732	280,791	288,932
Income from Continuing Ops exc asset disp,JV & FV adj					238,226	263,035	255,287	268,743	263,873	285,571	288,123	286,035	295,137	302,932	310,610	319,169	327,904
Indices for Fit for Future					78.11%	74.09%	79.70%	80.34%	83.57%	81.86%	83.91%	87.12%	87.35%	87.51%	87.81%	87.98%	88.11%
Three Year average							77.30%	78.05%	81.20%	81.92%	83.11%	84.30%	86.13%	87.33%	87.56%	87.76%	87.97%
DEBT SERVICE RATIO (cost of debt service - i.e. interest exp & principal repayments)/(total continuing operating revenue-exc capital grants & cont)																	
Adopted Annual Plan 2015-16																	
Financing Activities - Payments Borrowings & Advances					3,051	3,318	4,634	5,236	6,371	6,693	6,876	7,062	7,263	4,572	4,791	2,989	1,826
Interest on Loans					17	336	1,104	1,264	1,530	1,355	1,171	982	780	571	351	155	64
Total Loan Payments					3,068	3,654	5,737	6,501	7,902	8,047	8,046	8,044	8,043	5,143	5,142	3,145	1,890
Income from Continuing Operations					238,595	263,362	255,870	268,905	264,040	285,742	288,299	286,216	295,323	303,117	310,795	319,354	327,904
LESS:																	
Grants & contributions provided for Capital Purposes					19,587	39,041	31,360	18,731	14,520	23,014	17,580	7,619	7,650	7,690	7,279	7,279	7,279
Net gain from asset disposal					0	0	0	4,736	0	0	0	0	0	0	0	0	0
Net share of interests in joint ventures using equity method					298	245	198	0	0	0	0	0	0	0	0	0	0
Interest & Inv Revenues - FV adjusted					71	82	386	0	0	0	0	0	0	0	0	0	0
Interest & Inv Revenues - FV adjusted Other					0	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenues FV adj Investment Properties					0	0	0	162	166	171	176	180	185	185	185	185	0
Other Revenues - Reversal of IPPE reval decrements prev expended																	
Adjusted income					218,639	223,994	223,926	245,276	249,353	262,557	270,543	278,417	287,488	295,242	303,331	311,890	320,625
Indices for Fit for Future					1.40%	1.63%	2.56%	2.65%	3.17%	3.07%	2.97%	2.89%	2.80%	1.74%	1.70%	1.01%	0.59%
Three Year average							1.87%	2.28%	2.79%	2.96%	3.07%	2.98%	2.89%	2.48%	2.08%	1.48%	1.10%

WOLLONGONG CITY COUNCIL

10 Year Financials

Notes	{&PERIOD}	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		Actual	Actual	Actual	Actual	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

REAL OPERATING EXPENDITURE PER CAPITA (Total operational expenditure excluding net loss from asset disposal & joint venture)/(population with future years" deflated"? By Local Government Cost Index)

Adopted Annual Plan 2015-16																
Using growth excluding WD & deflation factor advised by OLG .																
Operating Expenditure		207,298	220,579	232,626	238,226	243,760	247,648	255,932	260,498	263,687	270,857	278,143	286,929	294,695	303,667	313,447
LESS:																
Net Loss from asset disposal			2,183	1,153	4,312	4,244	0	0	0	0	0	0	0	0	0	0
Net share of interest in joint venture				0	0	0	0	0	0	0	0	0	0	0	0	0
Other expenses - reval decrements		113		0	0	975	0	0	0	0	0	0	0	0	0	0
Total Adjusted expenditure		207,185	218,396	231,473	233,914	238,541	247,648	255,932	260,498	263,687	270,857	278,143	286,929	294,695	303,667	313,447
Population		199,178	201,268	202,625	204,206	205,231	206,624	207,841	209,096	210,372	211,421	212,372	213,325	214,201	215,043	215,872
Cost per capital \$000's RAW (no deflation)				1.14	1.15	1.16	1.20	1.23	1.25	1.25	1.28	1.31	1.35	1.38	1.41	1.45
Deflation Factor		2.3%	3.0%	3.0%	3.4%	3.7%	2.8%	2.47%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Cumulative Deflation Factor		0.98	0.95	0.92	0.89	0.86	0.83	0.81	0.79	0.77	0.75	0.73	0.71	0.70	0.68	0.66
Deflated Expenditure		202,420	206,972	212,784	207,717	203,988	205,846	207,477	205,899	203,210	203,516	203,766	204,948	205,233	206,194	207,514
Cost per Capital after Deflation		1.02	1.03	1.05	1.02	0.99	1.00	1.00	0.98	0.97	0.96	0.96	0.96	0.96	0.96	0.96
Three Year average				1.03	1.03	1.02	1.00	1.00	0.99	0.98	0.97	0.96	0.96	0.96	0.96	0.96
Five Year Average						1.02	1.02	1.01	1.00	0.99	0.98	0.97	0.97			

Additional Notes & Calculations

DEFLATION FACTOR

2009-10 & 2010-11 Have used CPI																
2011-12, 2012-13, 2013-14OLG have used LGCI																
Future Years																
Compare CPI & LGCI																
LGCI (raw excluding productivity & CT adjustments)				3.0%	3.4%	3.7%	2.8%	2.47%								
CPI used by Council					2.8%	3.0%	2.3%	2.75%	2.70%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Margin on LGCI					0.6%	0.7%										
Projected Deflation Factor																
Confirmed raw Rate Peg (IPART) up to & including 2015/16 then 2.5%							2.80%	2.47%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Allow for LGCI Margin																
Estimated Projected Deflation Factor							2.80%	2.47%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Debt Service

- 1 Calculations on attached worksheets exclude notional interest costs associated with interest free loan & tip remediation
- 2 LIRS subsidy is not netted against interests expenses & is included in operating grant income

Real Operating Revenue

- 1 Population projects based on ID data excluding potential West Dapto growth impact.
The operating expenditure forecasts do not include the impact of the West Dapto development hence population growth should also be excluded.
The NSW Department of Planning and Infrastructure population projects were not utilised as it is considered the population projections model applied by Informed Decisions (.id) is superior for Local Government planning. State Government forecasts are generally based on what is known as a 'top-down' model - forecasts are prepared for major regions (Statistical Divisions or Statistical Area 4s) and then effectively allocated to Local Government Areas (LGAs) and Statistical Local Areas or Statistical Area 2s (SLAs, SA2s), ensuring that these total to the numbers for the larger areas. The forecasts prepared for Wollongong City by .id, in contrast are based on a 'bottom-up' approach, where development assumptions are made for each individual small area and the forecast for the LGA is a sum of the forecasts for each of the small areas. It is a much more detailed, localised approach, undertaking a regional assessment of demand, as well as informed assumptions based on specific development sites, areas and an assessment of the potential for additional residential infill. Generally limited supporting information is provided to assist in the understanding of State Government forecasts.
- 2 Deflator for future years based on rate peg up to and including 2015/16 and then 2.5% as advised by IPART in their discussion papers.
Note that this means that Council's expenditure projections are indexed at a higher rate than the deflator. This will result in a slightly higher per capita cost.

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INCOME STATEMENT

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Revenue:	
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Share of Interest in Joint Venture	298	245	198	0	0	0	0	0	0	0	0	0
Profit/Loss on Disposal of Assets	(1,153)	(4,312)	(4,244)	4,736	0	0	0	0	0	0	0	0

Total Income From Continuing Operations	237,442	259,050	251,627	268,905	264,040	285,742	288,299	286,216	295,323	303,117	310,795	319,354
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Employee Costs	102,030	100,600	106,982	108,689	113,798	116,455	117,559	120,650	124,193	127,856	131,999	136,279
Borrowing Costs	3,236	3,367	3,989	3,991	4,206	3,979	3,727	3,203	2,632	2,302	2,060	1,950
Materials, Contracts & Other Expenses	75,087	78,604	79,701	86,213	89,231	90,691	92,626	96,297	99,791	104,352	107,369	111,315
Depreciation, Amortisation + Impairment	60,779	62,230	61,204	60,774	62,074	63,578	64,872	66,248	67,542	68,900	70,226	71,574
Internal Charges (labour)	(8,349)	(9,557)	(11,190)	(10,599)	(11,876)	(12,182)	(12,538)	(12,919)	(13,327)	(13,724)	(14,134)	(14,556)
Internal Charges (not labour)	(1,310)	(1,331)	(1,170)	(1,420)	(1,400)	(1,438)	(1,476)	(1,514)	(1,553)	(1,594)	(1,635)	(1,678)
Efficiency Savings	0	0	0	0	0	(285)	(683)	(696)	(709)	(722)	(736)	(749)
Service Adjustments	0	0	0	0	(100)	(300)	(400)	(413)	(426)	(440)	(454)	(468)

Total Expenses From Continuing Operations	231,473	233,914	239,516	247,648	255,932	260,498	263,687	270,857	278,143	286,929	294,695	303,667
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Operating Result from Continuing Operations	5,969	25,136	12,111	21,257	8,108	25,244	24,611	15,359	17,180	16,188	16,100	15,688
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Discontinued Operations	
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Net Operating Result for the Year [Profit]	5,969	25,136	12,111	21,257	8,108	25,244	24,611	15,359	17,180	16,188	16,100	15,688
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Net Operating Result attributable to Council	5,969	25,136	12,111	21,257	8,108	25,244	24,611	15,359	17,180	16,188	16,100	15,688
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Surplus (Deficit) [Net Operating Result for the Year]	5,969	25,136	12,111	21,257	8,108	25,244	24,611	15,359	17,180	16,188	16,100	15,688
Add back :												
- Non-cash Operating Transactions	79,601	82,164	83,436	70,944	77,313	79,211	80,850	82,311	83,668	85,358	87,126	89,040
- Restricted cash used for operations	8,963	9,586	9,474	15,821	15,464	9,439	8,840	9,372	10,195	10,247	10,694	11,075
- Income transferred to Restricted Cash	(40,645)	(61,316)	(57,560)	(57,136)	(34,812)	(39,434)	(34,270)	(24,296)	(24,668)	(25,169)	(25,331)	(25,924)
- Payment of Accrued Leave Entitlements	(9,461)	(9,590)	(10,326)	(10,895)	(11,485)	(11,940)	(12,412)	(12,905)	(13,419)	(13,954)	(14,511)	(15,088)
- Payment of Carbon Contributions	0	0	0	(263)	0	0	0	0	0	0	0	0
Funds Available from Operations	44,427	45,979	37,133	39,727	54,588	62,520	67,620	69,841	72,956	72,670	74,079	74,791
Advances (made by) / repaid to Council	(433)	(225)	(183)	(135)	0	0	0	0	0	0	0	0
Borrowings repaid	(3,051)	(3,318)	(4,634)	(5,236)	(6,371)	(6,693)	(6,876)	(7,062)	(7,263)	(4,572)	(4,791)	(2,989)
Operational Funds Available for Capital Budget	40,943	42,437	32,317	34,356	48,216	55,827	60,745	62,779	65,693	68,098	69,288	71,802
CAPITAL BUDGET												
Assets Acquired	(73,089)	(79,530)	(94,350)	(86,133)	(86,256)	(111,665)	(100,937)	(81,488)	(79,534)	(75,787)	(78,153)	(80,584)
Transfers to Restricted Cash	(314)	(20,000)	(6,041)	(25,472)	0	0	0	0	0	0	0	0
Funded From :-												
- Operational Funds	40,943	42,437	32,317	34,356	48,216	55,827	60,745	62,779	65,693	68,098	69,288	71,802
- Sale of Assets	1,107	1,631	3,218	12,061	2,008	1,522	755	200	1,751	800	900	750
- Internally Restricted Cash	3,094	1,777	11,892	8,206	5,136	12,666	8,388	5,743	5,271	2,772	3,651	3,692
- Borrowings	0	20,000	4,305	15,000	0	0	0	0	0	0	0	0
- Capital Grants	4,059	5,841	12,927	12,809	9,439	14,391	10,234	1,350	950	400	830	1,100
- Developer Contributions (Section 94)	6,175	3,186	5,622	5,068	6,510	23,087	16,984	4,393	4,866	2,666	2,355	2,524
- Other Externally Restricted Cash	14,418	6,191	12,505	10,307	9,460	3,085	6,270	9,380	1,050	750	700	980
- Other Capital Contributions	992	1,609	1,422	3,895	2,365	800	150	150	250	500	300	500
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,615)	(16,858)	(16,182)	(9,903)	(3,122)	(287)	2,588	2,507	297	199	(130)	764

