

Assumptions that inform the 2013/2017 Delivery Program

Community Expectations

The ongoing community engagement process for the Community Strategic Plan review and Council's 2012 community survey have provided guidance on what the community wants for its future and what its priorities are.

Council's 2013-2017 Delivery Program is based on responding to the expectations expressed in these engagement processes.

The 2013-2017 Delivery Program lists all the strategies from the Community Strategic Plan, but focuses specifically on Council's role in helping to implement these strategies as a Provider, Facilitator or Advocate.

Level of Service for Assets

Recent asset data places Council's annual 'infrastructure gap' (for the General Fund) around \$6.2M. If this infrastructure gap is not addressed, asset service levels will decline as community assets deteriorate.

This annual funding gap has an impact on Council's ability to meet community strategies captured within the reviewed Community Strategic Plan.

The following asset-specific strategies from the reviewed *Coffs Harbour 2030 Plan* are impacted by the amount of Council's General Fund asset maintenance and renewal spends.

- Provide infrastructure that supports sustainable living and is resilient to climatic events
- Provide public spaces and facilities that are accessible and safe for all
- Provide safe and accessible play spaces for our children within each community
- Improve the effectiveness of the existing transport system
- Ensure adequate maintenance and renewal of roads, footpaths and cycleways

Addressing the Funding Challenge

The 2013/2017 Delivery Program is based on an asset service level described as "Sustainable Model Version 1" in Council's Long Term Financial Plan. This level of service will require additional funding to eliminate the annual General Fund infrastructure gap (\$6.2M) as well as projected General Fund budget deficits which grow to \$3.5M in 2022/2023.

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Assumptions that inform the 2013/2017 Delivery Program *(Continued)*

The 'Sustainable Model Version 1' 2013-2017 Delivery Program will be based on the following elements:

- Projected operating General Fund deficits returned to a surplus in 2016/2017
- General Fund infrastructure backlog remains static
- Potential change to service levels upon further service review
- Further productivity improvement
- Increase in General Fund asset maintenance spend
- Increase in General Fund asset renewal spend
- Current levels of asset service delivery maintained
- Additional Funding of approximately \$8M to be staged over four years at \$2 million per annum from 2014-2015

Funding Options – 'Sustainable' Level of Service

The required additional funding to achieve a 'Sustainable' level of service delivery will come from a number of funding options which are likely to include:

- Productivity improvements
- Changes to current levels of service delivery
- Resource sharing opportunities
- Commercialisation of council services
- New revenue opportunities
- Additional Rate income

Over the next 12 months, Council will focus on exploring funding options which will result in reducing the need for additional rate revenue in future years.

Council's Infrastructure Backlog

Council's preference at the present time is to reduce unfunded borrowing liabilities in the General Fund, which will have a positive impact on its long-term financial sustainability and thereby places Council in a better position to be able to selectively use borrowings for major infrastructure renewal projects. This will have the added advantage of reducing Council's current level of infrastructure backlog.