



Hawkesbury City Council

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Applications for a Special Variation  
to General Income

date of meeting: 30 January 2018  
location: council chambers  
time: 6:30 p.m.





Independent Pricing and Regulatory Tribunal  
New South Wales

## THE INDEPENDENT PRICING AND REGULATORY TRIBUNAL OF NSW APPLICATION FOR A SPECIAL VARIATION TO GENERAL INCOME

under Section 508A and 508(2) of the *Local Government Act 1993*

### SECTION 508A & 508(2) APPLICATION FORM PART A 2018-19

Before completing this form, you **MUST** read the  
Office of Local Government's  
*Guidelines for the preparation of an application for  
a special variation to general income*

#### All dollars in nominal terms

The Guidelines are available on the Office's website at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au).

**NOTE:** This part of the application must be completed in conjunction with Part B  
(Special Variation Application Form 2018-19- Part B)

#### Instructions

A Section 508A special variation allows a council to increase general income by a percentage that is greater than the rate peg each year, up to a maximum of 7 years.

Section 508(2) allows a council to increase general income by a percentage that is greater than the rate peg in a single year.

You must identify the percentage increase requested for each year inclusive of the rate peg

You must also identify percentage increases in minimum rates for each year, if the increases result in a minimum rate which exceeds the statutory limit.

*Note: IPART can approve a percentage increase to minimum rates above the statutory limit that differs from the proposed special variation percentage increase as long as you have justified and properly consulted on that percentage. See Attachment 4 of the Guidelines for further details.*

Both Part A and Part B of the application should be submitted to IPART (us) via the Council Portal on our website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au). A hardcopy should also be forwarded to us (see Guidelines for details).

Part A consists of 7 worksheets:

- ▶ **Worksheet 1 (Identification):** Identifies your council and a council contact officer, collects information about any special variations (SVs) due to expire and summarises the cumulative impact of the proposed SV. It also collects information on valuation objections, crown land adjustments and catch up/excess.
- ▶ **Worksheet 2 (current year Notional General Income):** Calculates the council's Notional General Income for the current year (Year 0 in the application, 2017-18).
- ▶ **Worksheet 3 (first year Notional General Income):** Calculates the council's proposed Notional General Income for next year (Year 1 in the application, 2018-19).
- ▶ **Worksheet 4 (PGI):** Summarises the council's Permissible General Income based on the 1st year's percentage for for the proposed SV and Crown land adjustments, plus other income adjustments.
- ▶ **Worksheet 5a (Impact on Rates 1):** Calculates the average annual and cumulative increases in rates for each category/sub-category for each year of the proposed SV, with and without the proposed SV.
- ▶ **Worksheet 5b (Impact on Rates 2):** Collects the assessment numbers in the residential, business and farmland ordinary rate categories for different land values in year 1 and the rates across this distribution (ie, midpoints of each land value range) for each year of the proposed SV.
- ▶ **Worksheet 6 (Additional SV Income and Expenditure):** Collects data on how the council intends to use the additional funds (above the rate peg) from the proposed SV.
- ▶ **Worksheet 7 (Long Term Financial Plan):** Collects information on your Long Term Financial Plan including scenarios with and without the proposed special variation

Step-by-step instructions on completing the worksheets are provided below.

## Worksheet 1 - Identification

- ▶ Select council name from the drop down list (E11) and enter contact details (E14-17).
- ▶ Select the type of proposed special variation (L21).
- ▶ Select the requested number of years of income increases in the application (L22).
- ▶ Indicate whether the proposed SV is permanent or expiring (L23) and if expiring, enter the number of years (M23)
- ▶ Enter the additional percentage being sought above the rate peg (excluding other adjustments) (L24).
- ▶ Answer the questions about expiring SVs (L27, L29 and L30, as well as M27, M29 and M30, if relevant).
  - ▷ If the council does not have any SVs due to expire in the period of the requested SV and the answer is "No" in L27, leave other fields in this section blank.
  - ▷ any amounts entered need to be verified by the OLG before the application is submitted to us.
- ▶ Answer the questions about Crown land adjustments, catch ups and valuation objections (L33 to L35).
  - ▷ If the council does not have any adjustments, leave the fields in this section blank
- ▶ The worksheet automatically assumes a rate peg of 2.5% for each of the forward years (Year 2 and thereafter).
  - ▷ If the rate peg turns out to be different from that assumed, the total % increase in general income with an approved SV does not change.
- ▶ The percentage increase in general income needed in year 1 of the application (D45) will automatically populate when the cells above are completed.
  - ▷ The cumulative increase in general income due to the proposed SV inclusive of the rate peg will only populate automatically in WK1 after WK2 is completed.
- ▶ Enter the requested percentage increases in general income (including the rate peg) from year 2 (D46 to D51).
  - ▷ The annual and cumulative increases in permissible general income will populate once WK2 and WK3 have been completed.

## Worksheet 2 - Notional General Income 2017-18

This worksheet calculates the Notional General Income for the current year (Year 0), by applying the rating structure used in the previous year to land values, adjusted by supplementary valuations received during that year.

Any inclusion in WK2 as a "supplementary valuation" must agree with section 4 of the Valuation of Land Act 1916.

## Worksheet 3 - Notional General Income 2018-19

This worksheet calculates the proposed Notional General Income (Year 1). It should apply the proposed rating structure, including the proposed SV increase, to land values adjusted by any supplementary valuations.

The rating structure entered here must be checked by OLG.

## Worksheet 4 - Calculation

This worksheet calculates Permissible General Income and the value of the proposed SV after taking into account various adjustments. Income adjustments and expiring SV amounts are to be verified by OLG before the application is submitted to us.

EXAMPLE ONLY

### WORKSHEET 4

#### PERMISSIBLE GENERAL INCOME SUMMARY

Please check all income adjustments and expiring variation amounts with OLG before submitting the application.

Prior year Notional General Income			2,763,282
<b>Less:</b>	Expiry of a prior special variation		(257,249)
	Adjusted first year Notional General Income		<b>\$ 2,506,033</b>
<b>Plus:</b>	Rate peg increase - first year	2.30%	57,639
<b>Plus:</b>	Additional increase - first year	9.60%	240,579
<b>Plus:</b>	Crown Land adjustment - first year	0.00%	0
	<b>Total special variation - first year</b>	<b>11.90%</b>	<b>\$ 298,218</b>

#### Other First Year Adjustments:

<b>Plus/Minus:</b>	Prior year Catchup/Excess		-469
<b>Minus:</b>	Valuation Objections claimed in prior year		0
	<b>Total Adjustments</b>		<b>(469)</b>
	<b>First year Permissible General Income</b>		<b>\$ 2,803,782</b>

#### Expiring SV

If the council has a SV due to expire on 30 June 2018, Notional General Income must be reduced before calculating Permissible General Income in 2018-19.

#### Additional percentage increase

This is the additional percentage increase being sought above the rate peg, excluding any other income adjustments.

#### Crown Land Adjustment

Crown land claims will increase Permissible General Income. The \$ amount of any Crown land adjustment is converted into a % amount to be included in the final special variation for consideration by IPART. Note that applications for Crown land adjustments still need to be separately made to OLG.

#### Other adjustments

There are two other possible adjustments that are not included in the proposed SV % but will affect Permissible General Income:

1. Prior year result. This is the catch up or excess amount from the previous year, as advised by OLG.
2. Valuation objections: if you successfully claimed valuation objections in the previous year, PGI must be reduced to remove the extra income claimed from the revenue base.

## Worksheet 5a - Impact on Ratepayers (part 1)

This worksheet is designed to show

- ▷ minimum rate increases per category/sub-category with the proposed SV
- ▷ average rate increases per category/sub-category (for ordinary and special rates) with and without the proposed SV
- ▷ increases in annual charges over the period of the proposed SV
- ▷ increases in average rates for each of the main rating categories
- ▷ increases in annual charges over the period of the proposed SV

All shaded areas on this schedule will calculate automatically from the data entered.

### Minimum rates

Enter in the minimum rates per category/sub-category as if the SV were approved for each year as requested. These figures are intended to illustrate the impact of the proposed SV on any specific minimum rate.

### Ordinary and Special Average Rates

Enter in the average rates per sub-category as if the proposed SV were approved for each year as requested AND the average rates as if the proposed SV were not approved (only the rate peg would then apply)

These figures should include the impact of changes in minimum rates and are calculated as per below.

### Annual Charges

Enter any proposed annual charges for each year of the proposed variation.

#### **Note:**

1. An average rate equals total income in a category or sub-category divided by the number of assessments in that same category or sub-category (i.e. including assessments on the minimum rate).
2. These figures should reflect the reduction from any expiring SVs so that the net change in rates is measured.

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## Worksheet 5b - Impact on Ratepayers (part 2)

This worksheet shows the distribution of ordinary rates across different land values and how ratepayers will be affected by the proposed SV, depending on the value of their land.

Enter the number of assessments in the ordinary rating categories (residential, business and farmland) across various land value ranges in 2017-18, and the rate levels across different land values in each year of the application, with and without the proposed SV.

If you have had a general revaluation of land during the prior year this spreadsheet will not accurately reflect the impact on ratepayers in year 1. We will take this into account when using this worksheet. Please complete the tables using the number of assessments from the first year of the proposed SV (2018-19).

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## Worksheet 6 - Proposed Additional SRV Income and Expenditure

This worksheet is designed to show how the council proposes to use the additional funding above the rate peg generated from the proposed SV.

The worksheet automatically calculates additional SRV income for Years 1 to 10.

Councils must enter each category of expenditure, and if applicable, individual program/project names, in column C under one of the headings provided.

The spreadsheet will calculate the difference between the additional income from the proposed special variation and what it is spent on. A positive difference means that the additional income is not all spent on opex or capex.

***\* Part B of the application provides councils with the opportunity to explain their expenditure plans and the impacts on their financial position.***

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## Worksheet 7 - Long Term Financial Plan

This worksheet is designed to show how the council's Long Term Financial Plan varies with and without the proposed special variation

Councils must complete the information from the Long Term Financial Plan for both the Special Variation Scenario and the Base Case Scenario (without proposed special variation).

Councils must enter each category of income and expenditure under the headings provided. This worksheet automatically calculates total amounts for each column

The spreadsheet will calculate the difference between the additional income from the proposed special variation and what it is spent on.

***\* Part B of the application provides councils with the opportunity to explain their expenditure plans and the impacts on their financial position.***

Enquiries regarding the completion of this application should be directed to:

**Anthony Rush** (02) 9113 7790  
anthony\_rush@ipart.nsw.gov.au

**Arsh Suri (who in Anthony's absence, will direct you to the appropriate IPART officer)**  
(02) 9113 7730  
arsh\_suri@ipart.nsw.gov.au

**WORKSHEET 1**

- Step 1: Fill out council details  
 Step 2: Fill out any expiring variation information  
 Step 3: Fill out crown land adjustments, catch up & excess, valuation objections  
 Step 4: Fill out proposed special variation amounts

All dollars in nominal terms

Council Name: Hawkesbury City Council

Contact Details:  
 Name: Joseph Litwin  
 Position: Executive Manager - Community Partnerships  
 Telephone: 02 4560 4428  
 Email: jlitwin@hawkesbury.nsw.gov.au

**Proposed special variations (SVs)**

1. Is the council applying for a one-year increase (s508(2)) or a multi-year increase (s508A)?  
 2. For s508A applications: for how many years is the council requesting % increases as part of this application?  
 3. For s508A & s508(2) applications: is the special variation permanent or temporary? If temporary, enter the number of years.  
 4. Enter the percentage above the rate peg the council is applying for in the first year

s508A	
3 years	
Permanent	
	7.20%

**Expiring special variations (SVs)**

5. Does the council have an expiring variation? If yes, please specify when.  
 6. If the council has an expiring variation, enter the \$ amount expiring in cells J44 to J51 below  
 7. If the council has an expiring variation, enter the % of the original approval in full (i.e. including rate peg) as well as the % which is due to expire (i.e. excluding the rate peg)

1st Expiring SV	2nd Expiring SV
No	
Full SV %	
Expiring %	

**Crown land adjustments, catch ups, valuation objections**

8. Enter the amount of any crown land adjustments required  
 9. Enter the amount for any catch ups or excess adjustments required  
 10. Enter any valuation objections required (input as a positive whole number)

-	0.00%
1,028	
-	

**Requested annual percentage increases**

A special variation is the total % increase permitted in a council's general income, including the rate peg, before adjustments are made for catch ups/excesses and valuation objections.

Note: Approved SV% increases do not change if the actual rate peg turns out to be different from that assumed for a particular year.

	Annual % increase		Cumulative % increase			Expiring special variation (ESV)	% value of expiring special variation
	Proposed SV (inc. rate peg)	Rate peg only	Proposed SV (inc. rate peg)	Rate peg only	Above the rate peg		
Y 0 2017-18							
Y 1 2018-19	9.50%	2.30%	9.50%	2.30%	7.20%		0.00%
Y 2 2019-20	9.50%	2.50%	19.90%	4.86%	15.05%		
Y 3 2020-21	9.50%	2.50%	31.29%	7.48%	23.81%		
Y 4 2021-22		2.50%		10.17%			
Y 5 2022-23		2.50%		12.92%			
Y 6 2023-24		2.50%		15.74%			
Y 7 2024-25		2.50%		18.64%			

**Increase in Permissible General Income (PGI)**

	Permissible General Income (PGI)	Expiring Special Variation (ESV)	Annual \$ increase in PGI	Annual % increase in PGI	Annual \$ increase in PGI above the rate peg
Y 0 2017-18	31,435,252				
Y 1 2018-19	34,422,629		2,987,377	9.5	2,262,310
Y 2 2019-20	37,692,779		3,270,150	9.5	2,466,167
Y 3 2020-21	41,273,593		3,580,814	9.5	2,756,732
Y 4 2021-22					
Y 5 2022-23					
Y 6 2023-24					
Y 7 2024-25					
Total increase	9,838,341				
Total % increase	31.30%				

**Increase in Permissible General Income (PGI) & Notional General Income (NGI)**

	Notional General Income	Expiring Special Variation (ESV)	Adjusted Notional General income	Special Variation % increase requested	Notional General Income after SV % applied	Other 1st-year adjustments	Permissible General Income (PGI)	Annual \$ increase in PGI	Annual % increase in PGI	PGI if only the Rate Peg applied	Annual \$ increase in PGI above the rate peg	PGI if expiring SV renewed and Rate Peg applied	
Y 0 2017-18							31,435,252			31,435,252		31,435,252	
Y 1 2018-19	31,435,252		#####	9.50%	34,421,601	\$1,028	34,422,629	2,987,377	9.50	32,159,291	2,262,310	32,159,291	
Y 2 2019-20	34,422,629		#####	9.50%	37,692,779		37,692,779	3,270,150	9.50	32,963,273	2,466,167	32,963,273	
Y 3 2020-21	37,692,779		#####	9.50%	41,273,593		41,273,593	3,580,814	9.50	33,787,355	2,756,732	33,787,355	
Y 4 2021-22													
Y 5 2022-23													
Y 6 2023-24													
Y 7 2024-25													
Total rise in PGI - in \$ terms							9,838,341	9,838,341		98,909,919	7,485,210	98,909,919	
- in % terms							31.30%						

**Cumulative Increase in PGI**

	Cumulative PGI under the proposed SV	Cumulative PGI under the Rate Peg	Cumulative rise in PGI above the Rate Peg	Cumulative rise in PGI if expiring SV is renewed and Rate Peg applied	Cumulative rise in PGI above renewed ESV and Rate Peg
Y 0 2017-18					
Y 1 2018-19	34,422,629	32,159,291	2,263,338	32,159,291	2,263,338
Y 2 2019-20	72,115,408	65,122,564	6,992,844	65,122,564	6,992,844
Y 3 2020-21	113,389,000	98,909,919	#####	98,909,919	14,479,082
Y 4 2021-22					
Y 5 2022-23					
Y 6 2023-24					
Y 7 2024-25					

14.64% Total % rise in PGI under the proposed SV that exceeds the rise in the PGI under renewed ESV and rate peg



**WORKSHEET 2**

**Calculation of Notional General Income 2017-18**  
**Applicable to the first year of the application**

All dollars in nominal terms

This worksheet must reflect the rating structure levied in the previous year

(NOTE: Valuations used here are to be taken from Council's valuation list on 1 July of the above year and are to include supplementaries having the same base date and furnished to Council during that year and estimates of increases in valuations provided to the Council under section 513)

**Calculation of Notional General Income - Ordinary Rates**

Rating Category (s514-518)	Name of sub-category	Number of Assessments	Ad Valorem Rate (cents)	Base Amount \$	Base Amount %	Minimum Amount \$	Number on Minimum	Land Value (see note above)	Land Value of Land on Minimum	Notional General Income
Residential	Residential	23,818.00	0.172337	340.00	30.33%			10,795,034,822		26,701,959
Residential										
Residential										
Residential										
Residential										
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Residential										
Residential										
	<b>Total Residential</b>	<b>23,818.00</b>					<b>0</b>	<b>10,795,034,822</b>	<b>0</b>	<b>26,701,959</b>
Business	Business Area 1	754.00	0.344674	340.00	15.91%			393,174,158		1,611,529





Mining										
Mining										
Mining										
Mining										
Mining										
Mining										
Mining										
Mining										
Mining										

**Sub-Total:** 0











**WORKSHEET 4**

**PERMISSIBLE GENERAL INCOME SUMMARY**

All dollars in nominal terms

Please check all income adjustments and expiring variation amounts with OLG before submitting the application.

Prior year Notional General Income			31,435,252
<b>Less:</b>	Expiry of a prior special variation		-
Adjusted first year Notional General Income		\$	<u>31,435,252</u>
<b>Plus:</b>	Rate peg increase - first year	2.30%	723,011
<b>Plus:</b>	Additional increase - first year	7.20%	2,263,338
<b>Plus:</b>	Crown Land adjustment - first year	0.00%	0
	<b>Total special variation - first year</b>	<u>9.50%</u>	<u>\$ 2,986,349</u>
<b><u>Other First Year Adjustments:</u></b>			
<b>Plus/Minus:</b>	Prior year Catchup/(Excess)		1,028
<b>Minus:</b>	Valuation Objections claimed in prior year	(	0 )
	Total Adjustments		<u>1,028</u>
<b>First year Permissible General Income</b>		\$	<u><u>34,422,629</u></u>

















Ordinary Farmland Rates - with proposed special variation

Land Value	Number of property assessments in this valuation range as per Worksheet 3	Land value (for calculation of rates)	Ordinary Farmland Rates																	
			Year 0 (Current Rate)	Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 4	Rate Year 5	Rate Year 6	Rate Year 7										
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25										
\$0 to \$99,999	1,00	\$50,000	477.55	495.96	520.37	547.50														
\$100,000 to \$199,999	11	\$150,000	572.65	626.87	686.42	751.63														
\$200,000 to \$299,999	11	\$250,000	727.76	796.75	872.47	955.36														
\$300,000 to \$399,999	22	\$350,000	882.86	966.69	1,058.53	1,159.09														
\$400,000 to \$499,999	23	\$450,000	1,037.88	1,136.60	1,244.58	1,362.82														
\$500,000 to \$599,999	52	\$550,000	1,193.07	1,308.52	1,435.64	1,574.66														
\$600,000 to \$699,999	58	\$650,000	1,348.17	1,478.43	1,616.69	1,774.27														
\$700,000 to \$799,999	41	\$750,000	1,503.27	1,649.34	1,807.74	1,979.00														
\$800,000 to \$899,999	61	\$850,000	1,658.38	1,816.25	1,988.50	2,177.73														
\$900,000 to \$999,999	46	\$950,000	1,813.48	1,984.16	2,174.85	2,381.46														
\$1,000,000 to \$1,099,999	163	\$1,050,000	2,278.70	2,495.90	2,733.01	2,993.66														
\$1,100,000 to \$1,199,999	67	\$1,150,000	3,054.30	3,345.46	3,663.28	4,011.29														
\$2,000,000 to \$2,999,999	24	\$2,500,000	4,217.26	4,619.80	5,058.08	5,539.26														
\$3,000,000 and greater	79	\$3,000,000	4,993.00	5,469.30	5,988.95	6,557.00														

Ordinary Farmland Rates - without proposed special variation

Land Value	Number of property assessments in this valuation range as per Worksheet 3	Land value (for calculation of rates)	Ordinary Farmland Rates																	
			Year 0 (Current Rate)	Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 4	Rate Year 5	Rate Year 6	Rate Year 7										
			2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25										
\$0 to \$99,999	1,00	\$50,000	477.55	497.33	521.81	548.30														
\$100,000 to \$199,999	11	\$150,000	572.65	585.99	609.64	635.65														
\$200,000 to \$299,999	11	\$250,000	727.76	744.66	762.06	780.26														
\$300,000 to \$399,999	22	\$350,000	882.86	903.31	924.89	949.04														
\$400,000 to \$499,999	23	\$450,000	1,037.88	1,061.97	1,088.81	1,118.70														
\$500,000 to \$599,999	52	\$550,000	1,193.07	1,220.62	1,251.14	1,285.42														
\$600,000 to \$699,999	58	\$650,000	1,348.17	1,379.28	1,413.77	1,452.11														
\$700,000 to \$799,999	41	\$750,000	1,503.27	1,537.84	1,576.28	1,618.00														
\$800,000 to \$899,999	47	\$850,000	1,658.38	1,696.40	1,739.02	1,785.49														
\$900,000 to \$999,999	46	\$950,000	1,813.48	1,855.26	1,901.64	1,952.18														
\$1,000,000 to \$1,099,999	163	\$1,050,000	2,278.70	2,331.24	2,389.52	2,453.26														
\$1,100,000 to \$1,199,999	67	\$1,150,000	3,054.30	3,124.53	3,202.65	3,289.21														
\$2,000,000 to \$2,999,999	24	\$2,500,000	4,217.26	4,314.66	4,420.24	4,534.20														
\$3,000,000 and greater	79	\$3,000,000	4,993.00	5,107.77	5,236.46	5,366.35														

Ordinary Farmland Rates - with proposed special variation

Land value (for calculation of rates)	Annual and Cumulative Increases															
	Increases Year 1				Increases Year 2				Increases Year 3				Increases Year 4			
	Annual	%	Annual	%	Cumulative	%	Annual	%	Cumulative	%	Annual	%	Cumulative	%		
\$																
\$0.000	39.40	9.44%	43.41	9.50%	82.82	19.83%	47.63	9.50%	139.35	31.22%						
\$150.000	54.21	9.47%	59.55	9.50%	113.77	19.87%	65.21	9.50%	179.98	31.25%						
\$250.000	69.02	9.48%	75.89	9.50%	144.72	19.89%	82.89	9.50%	227.60	31.27%						
\$350.000	83.83	9.50%	91.84	9.50%	175.67	19.90%	100.69	9.50%	276.23	31.29%						
\$450.000	98.64	9.50%	107.98	9.50%	206.62	19.91%	118.24	9.50%	324.85	31.30%						
\$550.000	113.45	9.51%	124.12	9.50%	237.57	19.91%	135.91	9.50%	373.48	31.30%						
\$650.000	128.26	9.51%	140.26	9.50%	268.52	19.92%	153.59	9.50%	422.10	31.31%						
\$750.000	143.07	9.52%	156.40	9.50%	299.47	19.92%	171.26	9.50%	470.73	31.31%						
\$850.000	157.88	9.52%	172.54	9.50%	330.42	19.93%	188.94	9.50%	519.36	31.32%						
\$950.000	172.69	9.52%	188.69	9.50%	361.37	19.93%	206.61	9.50%	567.98	31.32%						
\$1,050,000	187.50	9.53%	204.81	9.50%	392.42	19.93%	224.88	9.50%	616.60	31.33%						
\$1,150,000	202.31	9.53%	221.11	9.50%	423.47	19.94%	243.15	9.50%	665.22	31.33%						
\$2,000,000	402.53	9.54%	436.88	9.50%	841.11	19.94%	480.57	9.50%	1,321.68	31.34%						
\$3,000,000	476.27	9.54%	510.59	9.50%	992.96	19.94%	568.95	9.50%	1,664.81	31.34%						

Ordinary Farmland Rates - without proposed special variation

Land value (for calculation of rates)	Annual and Cumulative Increases															
	Increases Year 1				Increases Year 2				Increases Year 3				Increases Year 4			
	Annual	%	Annual	%	Cumulative	%	Annual	%	Cumulative	%	Annual	%	Cumulative	%		
\$																
\$0.000	9.78	2.34%	10.68	2.50%	20.46	4.90%	19.95	2.50%	31.41	7.52%						
\$150.000	13.33	2.33%	14.65	2.50%	27.98	4.89%	15.02	2.50%	43.00	7.51%						
\$250.000	16.88	2.32%	18.62	2.50%	36.51	4.88%	19.08	2.50%	54.99	7.50%						
\$350.000	20.45	2.32%	22.58	2.50%	49.03	4.87%	23.15	2.50%	68.18	7.50%						
\$450.000	24.00	2.31%	26.55	2.50%	60.56	4.87%	27.21	2.50%	77.76	7.49%						
\$550.000	27.56	2.31%	30.52	2.50%	69.07	4.87%	31.28	2.50%	89.35	7.49%						
\$650.000	31.11	2.31%	34.48	2.50%	65.60	4.87%	35.34	2.50%	100.84	7.49%						
\$750.000	34.67	2.31%	38.45	2.50%	74.21	4.86%	39.41	2.50%	112.53	7.49%						
\$850.000	38.23	2.31%	42.42	2.50%	80.64	4.86%	43.48	2.50%	124.12	7.48%						
\$950.000	41.78	2.30%	46.38	2.50%	88.16	4.86%	47.54	2.50%	135.70	7.48%						
\$1,050,000	45.33	2.30%	50.69	2.50%	110.71	4.85%	51.74	2.50%	150.47	7.48%						
\$1,150,000	48.88	2.30%	54.99	2.50%	148.34	4.85%	56.07	2.50%	168.44	7.48%						
\$2,000,000	96.80	2.30%	107.69	2.50%	298.78	4.85%	110.59	2.50%	316.32	7.48%						
\$3,000,000	114.68	2.30%	127.69	2.50%	242.57	4.85%	130.89	2.50%	373.26	7.48%						

Ordinary Farmland Rates - with proposed special variation

Land value (for calculation of rates)	Annual and Cumulative Increases													
	Increases Year 5				Increases Year 6				Increases Year 7					
	Annual	%	Cumulative	%	Annual	%	Cumulative	%	Annual	%	Cumulative	%		
\$														
\$500,000														
\$150,000														
\$250,000														
\$350,000														
\$450,000														
\$550,000														
\$650,000														
\$750,000														
\$850,000														
\$950,000														
\$1,050,000														
\$1,150,000														
\$2,000,000														
\$3,000,000														

Ordinary Farmland Rates - without proposed special variation

Land value (for calculation of rates)	Annual and Cumulative Increases													
	Increases Year 5				Increases Year 6				Increases Year 7					
	Annual	%	Cumulative	%	Annual	%	Cumulative	%	Annual	%	Cumulative	%		



# WORKSHEET 7

All dollars in nominal terms

## LONG TERM FINANCIAL PLAN - SV SCENARIO AND BASE CASE

This sheet shows how the council's Long Term Financial Plan reflects the impact of the proposed special variation versus its base case (no special variation). Enter the figures from the most recent Long Term Financial Plan over 10 years under each of the headings as relevant. Add or delete rows if necessary.

Below the tables, please enter the key assumptions relating to the Long Term Financial Plan. Please ensure that these figures match the latest version of the Long Term Financial Plan provided with the application and that these figures are for the GENERAL FUND ONLY.

	SCENARIO 1: Proposed Additional Special Variation Income and Expenditure												Change over 10 years (\$)	Change over 10 years (%)
	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Sum of 10 years		
<b>INCOME</b>														
Income from Continuing Operations														
Revenue:														
Rates & Annual Charges	45,644,698	49,063,843	53,170,756	57,194,970	58,635,807	60,070,815	61,590,723	63,079,716	64,614,043	66,223,956	67,852,476	601,497,105	22,207,778	48.65%
User Charges & Fees	5,439,220	5,730,729	5,885,709	6,044,879	6,208,353	6,376,248	6,548,683	6,725,780	6,907,666	7,094,470	7,286,325	64,808,842	1,847,105	33.96%
Interest & Investment Revenue	1,138,257	1,126,874	1,115,606	1,104,450	1,454,854	1,440,306	1,425,903	1,411,644	1,397,527	1,383,552	1,369,716	13,230,432	231,459	20.33%
Other Revenues	3,971,953	4,091,111	4,213,844	4,340,260	4,470,468	4,604,582	4,742,719	4,885,001	5,031,551	5,182,497	5,337,972	46,900,005	1,366,019	34.39%
Grants & Contributions Op Purposes	6,381,847	6,201,459	6,044,134	6,055,789	5,749,244	5,611,471	5,668,645	5,395,159	5,303,566	5,407,096	5,140,057	56,576,620	-1,241,790	-19.46%
Grants & Contributions Capital Purposes	3,378,087	6,147,702	8,986,407	7,522,900	9,467,171	7,140,511	7,234,611	6,630,666	6,728,718	6,828,812	6,729,398	73,416,894	3,351,311	99.21%
Other Income:	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000			
Net gains from disposal of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
<b>Total Income Continuing Operations</b>	<b>66,219,062</b>	<b>72,626,718</b>	<b>79,681,455</b>	<b>82,528,247</b>	<b>86,250,897</b>	<b>85,508,933</b>	<b>87,476,285</b>	<b>88,392,965</b>	<b>90,248,070</b>	<b>92,385,383</b>	<b>93,980,944</b>	<b>859,079,898</b>	<b>27,761,882</b>	<b>41.92%</b>
Income excluding capital grants and contributions	62,840,975	66,479,016	70,695,049	75,005,348	76,783,726	78,368,422	80,241,673	81,762,300	83,519,353	85,556,571	87,251,546	785,663,004	24,410,571	38.84%
<b>OPERATING EXPENSES</b>														
Expenses from Continuing Operations														
Employee Benefits & On-costs	25,157,823	26,061,387	26,712,921	27,776,744	28,468,763	29,178,084	29,929,134	30,674,362	31,438,222	32,221,176	33,026,705	295,487,498	7,868,882	31.28%
Borrowing Costs (i.e. interest costs)	239,040	534,246	696,039	843,990	979,498	1,101,290	1,174,817	1,190,520	1,152,861	1,112,356	1,048,981	9,834,598	809,941	338.83%
Materials & Contracts	14,218,317	15,263,513	15,099,048	16,521,287	17,060,670	17,535,852	17,953,263	18,371,878	19,159,349	19,849,349	20,345,582	177,159,791	6,127,265	43.09%
Depreciation & Amortisation	16,352,500	16,255,275	16,152,964	16,045,427	15,927,520	15,804,070	15,674,925	15,539,931	15,398,927	15,251,751	15,328,009	157,378,799	-1,024,491	-6.27%
Other Expenses	10,902,646	11,972,300	12,249,217	12,566,561	12,949,786	13,233,590	13,581,359	13,939,319	14,362,806	14,687,169	15,054,348	134,596,456	4,151,703	38.08%
Net loss from disposal of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
<b>Total expenses continuing operations</b>	<b>66,870,325</b>	<b>70,086,721</b>	<b>70,910,190</b>	<b>73,754,010</b>	<b>75,386,237</b>	<b>76,852,886</b>	<b>78,313,499</b>	<b>79,716,009</b>	<b>81,512,165</b>	<b>83,121,800</b>	<b>84,803,626</b>	<b>774,457,142</b>	<b>17,933,301</b>	<b>26.82%</b>
Operating result from continuing operations	-651,263	2,539,997	8,771,265	8,774,238	10,864,660	8,656,047	9,162,786	8,676,957	8,735,905	9,263,583	9,177,318	84,622,756	9,828,582	-1509.16%
Net operating result before capital grants and contributions	-4,029,350	-3,607,705	-215,141	1,251,338	1,397,489	1,515,537	1,928,174	2,046,291	2,007,188	2,434,771	2,447,920	11,205,862	6,477,270	-160.75%
Increase in rates and annual charges		3,419,145	4,106,913	4,024,214	1,440,837	1,435,008	1,519,908	1,488,993	1,534,327	1,609,913	1,628,520	22,207,778		

Increase in rates and annual charges as a percentage		7.49%	8.37%	7.57%	2.52%	2.45%	2.53%	2.42%	2.43%	2.49%	2.46%	48.65%		
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SCENARIO 2: Base case (no SV) Income and Expenditure														Change over 10 years (\$)	Change over 10 years (%)
	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Sum of 10 years			
<b>INCOME</b>															
Income from Continuing Operations															
Revenue:															
Rates & Annual Charges	45,644,698	46,878,220	48,535,962	49,820,918	51,076,507	52,321,615	53,646,852	54,936,283	56,266,034	57,666,233	59,080,810	530,229,434	13,436,112	29.44%	
User Charges & Fees	5,439,220	5,730,729	5,885,709	6,044,879	6,208,353	6,376,248	6,548,683	6,725,780	6,907,666	7,094,470	7,286,325	64,808,842	1,847,105	33.96%	
Interest & Investment Revenue	1,138,257	1,126,874	1,115,606	1,104,450	1,093,405	1,082,471	1,071,646	1,060,930	1,050,321	1,039,817	1,029,419	10,774,939	-108,838	-9.56%	
Other Revenues	3,971,953	4,091,111	4,213,844	4,340,260	4,470,468	4,604,582	4,742,719	4,885,001	5,031,551	5,182,497	5,337,972	46,900,004	1,366,020	34.39%	
Grants & Contributions Op Purposes	6,381,847	6,201,459	6,044,134	6,055,789	5,749,244	5,611,471	5,668,645	5,395,159	5,303,566	5,407,096	5,140,057	56,576,620	-1,241,790	-19.46%	
Grants & Contributions Capital Purposes	3,378,087	6,147,702	8,986,407	7,522,900	9,467,171	7,140,511	7,234,611	6,630,666	6,728,718	6,828,812	6,729,398	73,416,894	3,351,311	99.21%	
Other Income:	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000				
Net gains from disposal of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
Total Income Continuing Operations	66,219,062	70,441,095	75,046,661	75,154,195	78,330,148	77,401,898	79,178,157	79,898,818	81,552,855	83,483,926	84,868,982	785,356,733	18,649,920	28.16%	
Income excluding capital grants and contributions	62,840,975	64,293,394	66,060,255	67,631,295	68,862,977	70,261,387	71,943,545	73,268,152	74,824,137	76,655,114	78,139,583	711,939,839	15,298,609	24.34%	
<b>OPERATING EXPENSES</b>															
Expenses from Continuing Operations															
Employee Benefits & On-costs	25,157,823	25,671,387	26,313,171	26,971,001	27,645,276	28,336,408	29,044,818	29,770,938	30,515,212	31,278,092	32,060,044	287,606,345	6,902,221	27.44%	
Borrowing Costs (i.e. interest costs)	239,040	452,036	426,649	398,388	368,961	337,418	324,347	331,133	338,080	345,195	353,095	3,675,302	114,055	47.71%	
Materials & Contracts	14,218,317	14,809,514	14,645,048	15,247,287	15,782,321	16,254,071	16,658,960	17,073,966	17,507,741	17,943,951	18,392,549	164,315,408	4,174,232	29.36%	
Depreciation & Amortisation	16,352,500	16,255,275	16,152,964	16,045,427	15,927,520	15,804,070	15,674,925	15,539,931	15,398,927	15,251,751	15,328,009	157,378,799	-1,024,491	-6.27%	
Other Expenses	10,902,646	11,972,593	12,249,838	12,537,548	12,920,149	13,202,286	13,549,272	13,906,430	14,329,095	14,652,614	15,018,930	134,338,754	4,116,284	37.75%	
Net loss from disposal of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!	
Total expenses continuing operations	66,870,325	69,160,805	69,787,671	71,199,651	72,644,226	73,934,252	75,252,322	76,622,397	78,089,054	79,471,602	81,152,627	747,314,609	14,282,302	21.36%	
Operating result from continuing operations	-651,264	1,280,290	5,258,990	3,954,543	5,685,922	3,467,646	3,925,835	3,276,420	3,463,801	4,012,323	3,716,354	38,042,125	4,367,618	-670.64%	
Net operating result before capital grants and contributions	-4,029,351	-4,867,411	-3,727,416	-3,568,356	-3,781,249	-3,672,865	-3,308,777	-3,354,245	-3,264,917	-2,816,488	-3,013,044	-35,374,770	1,016,307	-25.22%	
Increase in rates and annual charges		1,233,522	1,657,742	1,284,956	1,255,589	1,245,108	1,325,237	1,289,431	1,329,751	1,400,199	1,414,577	13,436,112			
Increase in rates and annual charges as a percentage		2.70%	3.54%	2.65%	2.52%	2.44%	2.53%	2.40%	2.42%	2.49%	2.45%	29.44%			

SCENARIO 3: Base case (no SV) Income and SV Expenditure														Change over 10 years (\$)	Change over 10 years (%)
	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Sum of 10 years			
<b>INCOME</b>															
Income from Continuing Operations															
Revenue:															
Rates & Annual Charges	45,644,698	46,878,220	48,535,962	49,820,918	51,076,507	52,321,615	53,646,852	54,936,283	56,266,034	57,666,233	59,080,810	530,229,434	13,436,112	29.44%	
User Charges & Fees	5,439,220	5,730,729	5,885,709	6,044,879	6,208,353	6,376,248	6,548,683	6,725,780	6,907,666	7,094,470	7,286,325	64,808,842	1,847,105	33.96%	
Interest & Investment Revenue	1,138,257	1,126,874	1,115,606	1,104,450	1,093,405	1,082,471	1,071,646	1,060,930	1,050,321	1,039,817	1,029,419	10,774,939	-108,838	-9.56%	
Other Revenues	3,971,953	4,091,111	4,213,844	4,340,260	4,470,468	4,604,582	4,742,719	4,885,001	5,031,551	5,182,497	5,337,972	46,900,004	1,366,020	34.39%	
Grants & Contributions Op Purposes	6,381,847	6,201,459	6,044,134	6,055,789	5,749,244	5,611,471	5,668,645	5,395,159	5,303,566	5,407,096	5,140,057	56,576,620	-1,241,790	-19.46%	

Grants & Contributions Capital Purposes	3,378,087	6,147,702	8,986,407	7,522,900	9,467,171	7,140,511	7,234,611	6,630,666	6,728,718	6,828,812	6,729,398	73,416,894	3,351,311	99.21%
Other Income:	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000	265,000			
Net gains from disposal of assets												0	0	#DIV/0!
Total Income Continuing Operations	66,219,062	70,441,095	75,046,661	75,154,195	78,330,148	77,401,898	79,178,157	79,898,818	81,552,855	83,483,926	84,868,982	785,356,733	18,649,920	28.16%
Income excluding capital grants and contributions	62,840,975	64,293,394	66,060,255	67,631,295	68,862,977	70,261,387	71,943,545	73,268,152	74,824,137	76,655,114	78,139,583	711,939,839	15,298,609	24.34%
<b>OPERATING EXPENSES</b>														
Expenses from Continuing Operations														
Employee Benefits & On-costs	25,157,823	26,061,387	26,712,921	27,776,744	28,468,763	29,178,084	29,929,134	30,674,362	31,438,222	32,221,176	33,026,705	295,487,498	7,868,882	31.28%
Borrowing Costs (i.e. interest costs)	239,040	534,246	696,039	843,990	979,498	1,101,290	1,174,817	1,190,520	1,152,861	1,112,356	1,048,981	9,834,598	809,941	338.83%
Materials & Contracts	14,218,317	15,263,513	15,099,048	16,521,287	17,060,670	17,535,852	17,953,263	18,371,878	19,159,349	19,849,349	20,345,582	177,159,791	6,127,265	43.09%
Depreciation & Amortisation	16,352,500	16,255,275	16,152,964	16,045,427	15,927,520	15,804,070	15,674,925	15,539,931	15,398,927	15,251,751	15,328,009	157,378,799	-1,024,491	-6.27%
Other Expenses	10,902,646	11,972,300	12,249,217	12,566,561	12,949,786	13,233,590	13,581,359	13,939,319	14,362,806	14,687,169	15,054,348	134,596,456	4,151,703	38.08%
Net loss from disposal of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Total expenses continuing operations	66,870,325	70,086,721	70,910,190	73,754,010	75,386,237	76,852,886	78,313,499	79,716,009	81,512,165	83,121,800	84,803,626	774,457,142	17,933,301	26.82%
Operating result from continuing operations	-651,264	354,374	4,136,471	1,400,185	2,943,911	549,012	864,658	182,809	40,690	362,126	65,355	10,899,591	716,619	-110.04%
Net operating result before capital grants and contributions	-4,029,351	-5,793,327	-4,849,935	-6,122,715	-6,523,260	-6,591,499	-6,369,953	-6,447,857	-6,688,028	-6,466,686	-6,664,043	-62,517,303	-2,634,692	65.39%
Increase in rates and annual charges		1,233,522	1,657,742	1,284,956	1,255,589	1,245,108	1,325,237	1,289,431	1,329,751	1,400,199	1,414,577	13,436,112		
Increase in rates and annual charges as a percentage		2.70%	3.54%	2.65%	2.52%	2.44%	2.53%	2.40%	2.42%	2.49%	2.45%	29.44%		

Difference between SV scenario and Base Case													
	Year 0 2017-18	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26	Year 9 2026-27	Year 10 2027-28	Sum of 10 years	
<b>INCOME</b>													
Income from Continuing Operations													
Revenue:													
Rates & Annual Charges	0	2,185,623	4,634,794	7,374,052	7,559,300	7,749,200	7,943,871	8,143,433	8,348,009	8,557,723	8,771,666	71,267,671	
User Charges & Fees	0	0	0	0	0	0	0	0	0	0	0	0	
Interest & Investment Revenue	0	0	0	0	361,449	357,835	354,257	350,714	347,206	343,735	340,297	2,455,493	
Other Revenues	1	0	0	0	0	0	0	0	0	0	0	1	
Grants & Contributions Op Purposes	0	0	0	0	0	0	0	0	0	0	0	0	
Grants & Contributions Capital Purposes	0	0	0	0	0	0	0	0	0	0	0	0	
Other Income:													
Net gains from disposal of assets	0	0	0	0	0	0	0	0	0	0	0	0	
Total Income Continuing Operations	1	2,185,622	4,634,794	7,374,053	7,920,749	8,107,035	8,298,128	8,494,148	8,695,216	8,901,457	9,111,963	73,723,165	
Income excluding capital grants and contributions	1	2,185,622	4,634,794	7,374,053	7,920,749	8,107,035	8,298,128	8,494,148	8,695,216	8,901,457	9,111,963	73,723,165	
<b>OPERATING EXPENSES</b>													
Expenses from Continuing Operations													
Employee Benefits & On-costs	0	390,000	399,750	805,744	823,487	841,676	884,316	903,423	923,010	943,084	966,661	7,881,153	
Borrowing Costs (i.e. interest costs)	0	82,210	269,390	445,602	610,537	763,872	850,470	859,387	814,781	767,161	695,886	6,159,296	
Materials & Contracts	0	453,999	454,000	1,274,000	1,278,349	1,281,781	1,294,303	1,297,912	1,651,608	1,905,398	1,953,033	12,844,383	
Depreciation & Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	
Other Expenses	0	-293	-621	29,012	29,638	31,304	32,087	32,889	33,712	34,555	35,419	257,702	

Net loss from disposal of assets	0	0	0	0	0	0	0	0	0	0	0	0
Total expenses continuing operations	0	925,916	1,122,519	2,554,358	2,742,011	2,918,633	3,061,177	3,093,611	3,423,111	3,650,198	3,650,999	27,142,533
Operating result from continuing operations	1	1,259,706	3,512,275	4,819,694	5,178,738	5,188,402	5,236,951	5,400,536	5,272,105	5,251,260	5,460,964	46,580,631
Net operating result before capital grants and contributions	1	1,259,706	3,512,275	4,819,694	5,178,738	5,188,402	5,236,951	5,400,536	5,272,105	5,251,260	5,460,964	46,580,631
Increase in rates and annual charges		2,185,623	2,449,171	2,739,258	185,248	189,900	194,671	199,562	204,576	209,714	213,943	8,771,666
Increase in rates and annual charges above base case		4.79%	4.83%	4.92%	0.00%	0.01%	0.00%	0.01%	0.01%	0.00%	0.01%	19.22%

KEY ASSUMPTIONS	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
(please enter assumed % figure for each year)											
<b>Growth in labour costs</b>											
<b>SV scenario</b>		3.59	2.50	3.98	2.49	2.49	2.57	2.49	2.49	2.49	2.50
<b>Base case</b>		2.04	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
<b>Growth in employee numbers</b>											
<b>SV scenario</b>		10.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Base case</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Growth in assessment numbers</b>											
<b>SV scenario</b>		125.00	125.00	126.00	127.00	127.00	128.00	128.00	129.00	130.00	130.00
<b>Base case</b>		125.00	125.00	126.00	127.00	127.00	128.00	128.00	129.00	130.00	130.00
<b>Inflation rate applied to Materials &amp; Contracts</b>											
<b>SV scenario</b>		2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
<b>Base case</b>		2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
<b>Planned operating cost savings</b>											
<b>SV scenario</b>		-0.60	0.92	1.33	1.73	2.37	3.03	3.68	4.23	4.91	5.27
<b>Base case</b>		-0.60	0.92	1.33	1.73	2.37	3.03	3.68	4.23	4.91	5.27