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FAIRFIELD CITY COUNCIL
LONG TERM FINANCIAL PLAN
2012/13 - 2021/22



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EXECUTIVE SUMMARY

This Long Term Financial Plan (LTFP) is the annual update in conjunction with the recent adoption by Council of the 2012/13 Operational Plan. It incorporates the updated budget for 2012/13, revised economic forecasts to 2021/22 and options for expenditure from asset management plans.

Whilst there are four financial plan scenarios explained in the document, the preferred one is Scenario 1 - "Target Case". The detailed commentary in "Part 3 - 10 Year Financial Plan" discusses the various income and expenditure elements and the assumptions used to forecast their levels throughout the plan.

Achievement of the Target Case provides some significant challenges for Council. It assumes that the current 5% Special Rate Variation (SRV) that concludes on 30 June 2014 will be replaced by, at least, an equivalent increase. This means that Council will be required to submit an application to the Independent Pricing and Regulatory Tribunal (IPART) in early 2014. Council will be required to justify its request for a new SRV based on the level of community engagement and consultation concerning the types of services Council will offer as well and the standard of the delivery of those services. From this will come financial projections for these services including asset management plans, workforce management plans, new infrastructure plans and funding strategies. IPART will also pay particular attention to the efficiency improvements that Council has implemented, in the years preceding its application (productivity and efficiency improvements are discussed in Part 2), and to the plans for any surplus funds that have accumulated over time.

Another challenge in the Target Case is to keep Salary and Wages growth to the rate pegged increase from 2014/15. The rate pegged increase assumed in the modelling is the projected CPI increases but average weekly earnings are forecast to increase at a greater rate. Options for changes to the Award, Salary System and reducing staff will be considered together with exploring general expenditure efficiencies and/or increases in income to reduce the impact on Council's bottom line. However tying Salary and Wage increases to rate pegged increases is not considered a sustainable position as the increases in Average Weekly earnings are expected to exceed these levels. Whilst this is considered not sustainable in the longer term there is scope to achieve this in 2012/13 with a further one off savings of \$2.5m, which has been built into the budget. Scenario 3 "Salary and Wages increase by the increase in Average Weekly Earnings" (Appendix D) shows the

deterioration of Council's Operating position to a loss in Year 10 of \$2.4m. In developing, over the coming months, the new Resourcing Strategy (LTFP, Asset Management and Workforce Plans) this deteriorating position will be addressed. It will then be reflected in Council's new Delivery Program which is due for adoption by Council in June 2013.

This LTFP includes, for the first time, the financial projections generated from Council's Asset Management Plans (AMP). These plans will be further refined over time, as Council engages with the community about the required standard of service associated with these assets.

Over the coming year Council will be concentrating on its next Delivery Program covering the four years from 2013/14 to 2016/17 inclusive. The challenges expressed above will form the basis of considerable discussion as the Delivery Program is developed.

INTRODUCTION

This Long Term Financial Plan for Fairfield City Council has been developed as part of the Integrated Planning and Reporting Framework introduced for all NSW local government organisations, summarised in Figure 1.

FIGURE 1 – INTEGRATED PLANNING AND REPORTING FRAMEWORK



As depicted in the figure, the key elements of the framework are:

- **Community Strategic Plan (CSP)** – The Fairfield City Plan identifies the community's main priorities and expectations for the future and the necessary strategies for achieving these goals.
- **Delivery Program** – This is a statement of commitment to the community from each newly elected council setting out the specifics of what it aims to achieve in its four-year term in relation to the overall goals and strategies contained in the City Plan. The first delivery program is for a period of only two years (2011/12 and 2012/13) in transition to a new Council following elections in

September 2012. The first full four year Delivery Program will cover 2013/14 - 2016/17.

- **Operational Plan** – The Delivery Program is supported by an annual Operational Plan which includes the annual budget details and spells out the details of the programs and financial outcomes for the coming year.
- **Resourcing Strategy** – the Resourcing Strategy is to inform both the community and the council of the longer-term resource implications of translating the City Plan into actions. The strategy has three components:
 - Long Term Financial Plan (this document)
 - Workforce Management Planning (labour and skill availability)
 - Asset Management Planning (infrastructure stewardship)
- **Annual Report** – Each year council must prepare a public annual report which provides information about the achievement of the delivery program and operational plan as well as information about the state of the environment.

As noted above, this Long Term Financial Plan is a part of the Resourcing Strategy and explains how FCC finances operate and how Council intends to meet the financial challenges ahead so it can continue to deliver those services of greatest priority to the community. The document is structured as follows:

- **Part 1:** Overview of FCC
- **Part 2:** Productivity Improvements and Efficiency
- **Part 3** 10 Year Financial Plan
- **Part 4:** Financial Objectives
- **Part 5:** Risks & Issues
- **Part 6:** Projections
- **Part 7:** LTFP Actions
- **Part 8:** Conclusion.

Part 1: OVERVIEW OF FCC

Fairfield City is one of the larger LGAs in Australia and is in the top five per cent by size nationwide as measured by population. The table below compares the Fairfield LGA with some of its near neighbours in Sydney as at 30 June 2010.¹

TABLE 1 – POPULATION COMPARISON OF FCC WITH NEIGHBOURING COUNCILS AS AT JUNE 2010, OPERATING EXPENDITURE IS FOR THE 2009/10 FINANCIAL YEAR.

LGA	Population Served	Area Sq Km	Operating Expenditure \$mil
Holroyd City	100,122	40.2	67.7
Liverpool City	182,261	305.5	114.2
Penrith City	184,611	404.9	167.9
Bankstown City	186,108	76.8	123.7
Fairfield City	194,543	101.6	128.7

The LGA houses significant industrial estates, local industries and two major business and retail centres (Fairfield and Cabramatta). Expanses of rural land remain and define suburbs such as Horsley Park and Cecil Park. There are approximately 58,000 houses/home units which give the LGA its largely residential character.

Fairfield City possesses a number of business strengths including a strategic location given its closeness to major markets in Sydney and good access to other parts of New South Wales, vibrant retail and entertainment sectors, excellent recreational opportunities and a Council committed to supporting industry and actively contributing to the growth and development of the City's economy.

Population growth in the Fairfield LGA has remained steady in the five-year period to June 2010 with a five year average growth rate of 0.81%, and expectations of minimal forecast increases in the coming years. While it is a comparatively young population with many young families, it is expected that there will be significant increase in people aged over 70 years by 2031, with those over 85 years increasing by 8.6% pa. It is further expected that the household size will continue to decline

¹ Department of Local Government - Comparative Information on NSW Local Government Councils 2009/10

Part 1:
OVERVIEW OF FCC

from its current level of 3.2 persons per household in 2010, due to the increase in One Parent Families and lone person households. All these aspects add significantly in the financial burden of Council to provide services to the Community in the future that address these changes.

Fairfield City is known for its extensive cultural and ethnic diversity and the majority of residents (67%) speak a language other than English at home. Over half (51.5%) of FCC's residents were born overseas. With migration being the main component in Australia's population growth and given that many settle within the FCC LGA, then cultural and ethnic diversity will continue well into the future.

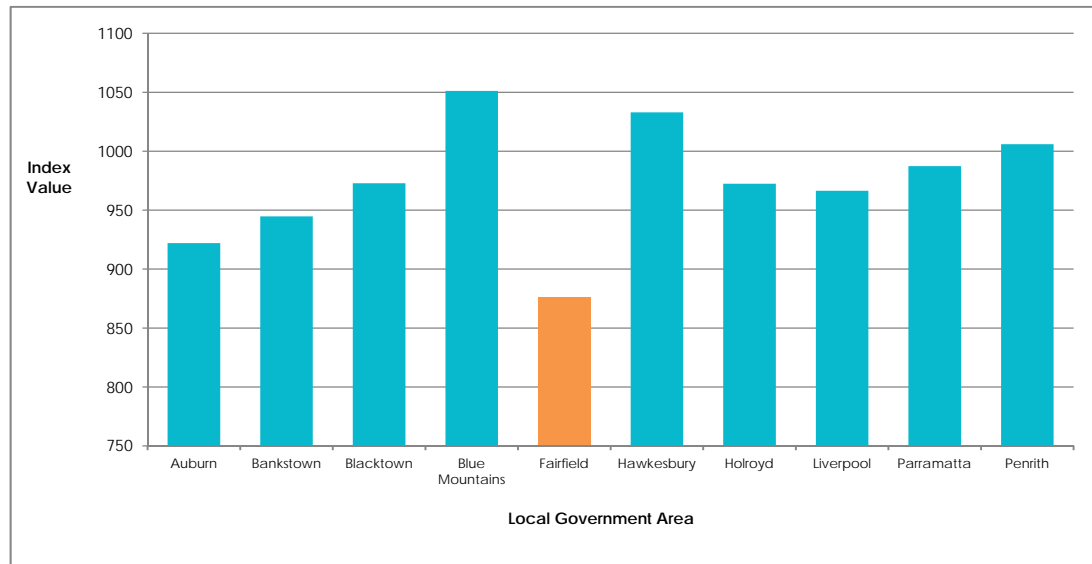
Whilst the FCC LGA has some of the most affordable housing in Sydney, it is a major issue for a large number of residents who have very low incomes. With very low incomes, mortgage and housing stress is experienced by many of these residents.

FCC has a larger proportion of residents with no formal academic qualifications (60.8%) than the rest of Sydney, meaning that its workforce is predominantly unskilled. This is reflected in the fact that there are generally higher levels of unemployment than the Sydney average.

Comparisons with other Council's can be made to establish if Fairfield LGA is disadvantaged compared to other like Councils. The Australian Bureau of Statistics through its Socio-Economic Indexes for Areas (SEIFA) provides comparison of social and economic conditions across Australia. The SEIFA index values are derived from multiple-weighted variables with the reference value for the whole of Australia set at 1,000. One index for SEIFA is the Index of Relative Socio-Economic Disadvantage (IRSD) which contains indicators of disadvantage for low income, high unemployment and low levels of education. A low reading for an area means it has a higher level socio-economic disadvantage. Fairfield City scores only 876.07 which is the lowest within Metropolitan Sydney as well as within our region (see table below).

Part 1:
OVERVIEW OF FCC

FIGURE 2 – SEIFA INDEX OF RELATIVE SOCIOECONOMIC DISADVANTAGE 2006



This low SEIFA Index Score indicates that our city has a high level of socioeconomic disadvantage compared to the rest of Sydney. This situation heavily influences our aspirations as a community. FCC provides the community with an extensive range of services.

Part 2: **PRODUCTIVITY IMPROVEMENTS AND EFFICIENCY**

Over the past few years Council has embarked on numerous initiatives that are aimed at productivity and efficiency improvements. For Council's operating position to remain in surplus either expenditure growth requires contraction and/or revenue growth requires expansion. Revenue opportunities have been explored with adjustments made however the opportunities are limited due to the bulk of revenue coming from rates, statutory fees and market related services.

Projections have been for expenditure growth to outstrip revenue growth thereby entrenching a deteriorating operating position over time. To address this Council has been active in looking for opportunities to limit expenditure growth so that a more favourable operating position is projected. Some examples of these initiatives have been described below.

- In March 2009 Council examined the services offered to the Community and determined that some should be reviewed. Council's commitment is to generally maintain and not reduce these services. These reviews resulted in the discontinuation of Fairfield City Farm and the closure of its shopfront offices in Fairfield Town Centre, saving Council close to \$0.5m per year.
- Council has determined that salary and wages costs should not increase beyond the rate pegged amount determined each year. With award increases of approximately 3% per year and salary progression (in line with Council's Salary System) averaging 2% per year, salary and wages have been growing by a least 5% per year. This is above the rate pegged increases over the past few years. To address this Council has introduced an ongoing review of positions as and when they become vacant. This review requires that the duties of the position to be reviewed to determine whether there are more efficient ways to carry out the positions activities, whether the duties are duplicated and whether the duties can be shared between existing positions. If the position is still required then approval for recruitment is required from the Executive

Part 2:
PRODUCTIVITY IMPROVEMENTS AND EFFICIENCY

Management Team prior to filling any vacancy. When filling the vacancy emphasis is placed upon looking for internal applicants and for opportunities for development and secondment of existing staff. Over the past three years Council has been able to achieve savings of almost \$3m per year through the effective management of vacant positions. At least 9 positions have been permanently removed from Councils staff establishment in 2010/11 saving it approximately \$0.8m per year. These positions are a Finance Business Partner, Policy Officer - Social Health & Housing, Parks Operations Co-ordinator, Building Projects Officer, two Trainee Building Surveyors, Trainee Health and Environment Officer, Trainee Town Planner and Senior Road Safety Officer. In 2012/13 the expected savings are a further \$2.5m.

- Council has implemented a generic Administration Support Position Description across the organisation to allow for better utilisation and rationalisation of administration resources, efficiency and career development.
- Council's current Annual Leave Policy sets a maximum level of leave accrued at any given time at 8 weeks. Since June 2011 significant reductions in annual leave balances outstanding of 16,700 hours have been achieved. Vigilance in the management of annual leave accruals continues.
- At Council's Leisure Centres and Showground many refinements to reduce operating expenditure have been implemented including;
 - Reduction in hours of operation of kiosk's by targeting the hours based on level of activity in each centre;
 - Introduction of vending machines;
 - Free child care discontinued;
 - Reduced complimentary Learn to Swim credits;
 - Reduced cleaning service;
 - Energy and water consumption initiatives introduced like installing LED lights, installing waterless solutions, sensor operated lighting and timed showers to name only a few; and
 - Stop light program introduced for swim and gym programs which sets a minimum attendance before class goes ahead.

Part 2:
PRODUCTIVITY IMPROVEMENTS AND EFFICIENCY

- Children Services has utilised technology to collect fees through “Idebit” eliminating two administrative positions for input and collection thereby providing permanent savings.
- Domestic waste management has replaced 50% of its fleet thereby reducing its ongoing maintenance costs whilst increasing its productivity with modern efficient machinery. Domestic waste has also:
 - Increased its utilisation of the Detainees program for litter collection meaning lower costs in deploying Council staff;
 - Signed a new enterprise agreement for the garbage service, increasing its flexibility and lowering costs; and
 - Actively managed its contracts to keep land fill costs to a minimum.
- Through the utilisation of technology, data capture and its interrogation have provided valuable information to better plan for preventative maintenance to Council buildings. This has enabled more efficient and cost effective asset management practices.
- Following Council’s concern in relation to issues of illegal dumping in the City and the cost to Council of disposal of this illegal waste, Council established a Waste Enforcement Group in 2011, to follow up issues of illegal dumping. In the financial year 2011-2012, Council estimates that it saved \$140,000 in tipping costs. This saving has occurred by requiring those who have illegally dumped to properly dispose of the waste, rather than Council having to clean it up and take it to a waste facility. In addition, there has been an additional \$50,000 worth of fines issued to those who have undertaken illegal dumping.

Part 3: 10 YEAR FINANCIAL PLAN

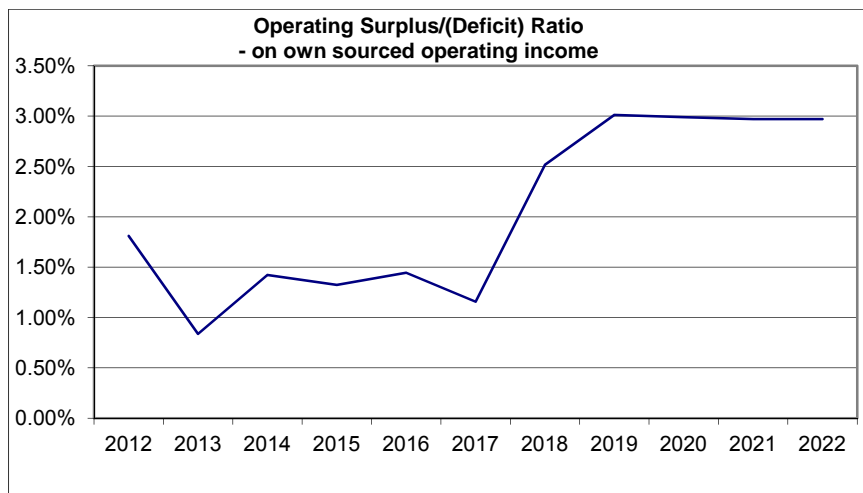
This Part refers to FCC's preferred scenario called the "Target Case" and summarises:

- Major components of operating income and expenditure for FCC;
- Capital budget and its components; and
- Inputs from Asset Management Plans and some options.

The assumptions used to derive the "Target Case" are discussed in the relevant sections below.

The primary driver of the "Target Case" is the maintenance of an Operating Surplus and for it to be equivalent to 3% of own sourced income. As can be seen from the Figure below this level is not achieved until 2018/19. The "Target Case" has built in some significant challenges including the continuation of efficiency savings, looking for new revenue opportunities and keeping salary and wages movements to the level of the estimated rate pegged increase.

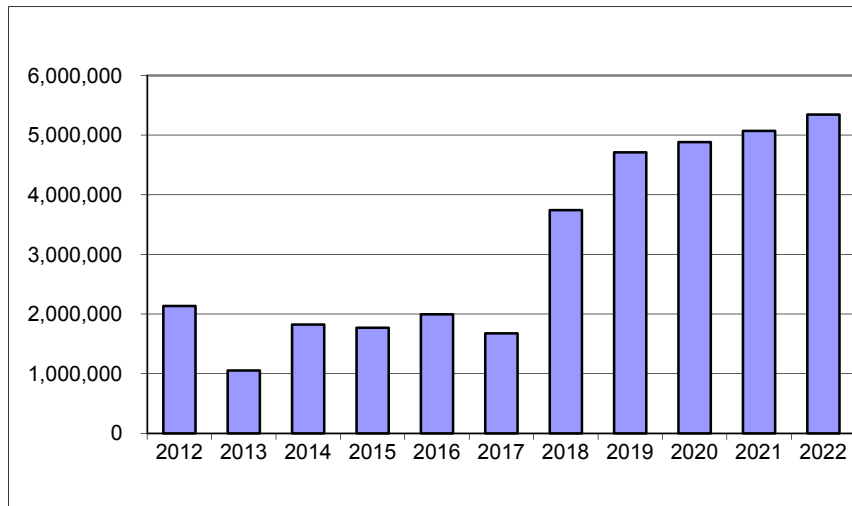
FIGURE 3 – OPERATING SURPLUS RATIO – ON OWNED SOURCED OPERATING INCOME



Part 3:
10 YEAR FINANCIAL PLAN

In dollar terms the planned operating surpluses are demonstrated in the following Figure.

FIGURE 4 – LEVEL OF OPERATING SURPLUS \$



There have also been several other scenarios developed in addition to the Target "Case". The details of the additional scenarios are provided in Part 5 "Projections" later in this document. The scenarios are:

- Scenario 1 - Target Case (preferred option);
- Scenario 2 - No Special Rate Variation (SRV) Continuation;
- Scenario 3 - Salary and Wages Increase by the increases projected in Average Weekly Earnings; and
- Scenario 4 - Maintain Existing Asset Condition.

3.1 OPERATING INCOME

Figures 4 and 5 shows the major sources of income for the base year 2012-13 (Year 1) and 2021-22 (Year 10).

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10 YEAR FINANCIAL PLAN

FIGURE 4 – SOURCES OF OPERATING INCOME - YEAR 1: 2012/13 \$142.1M

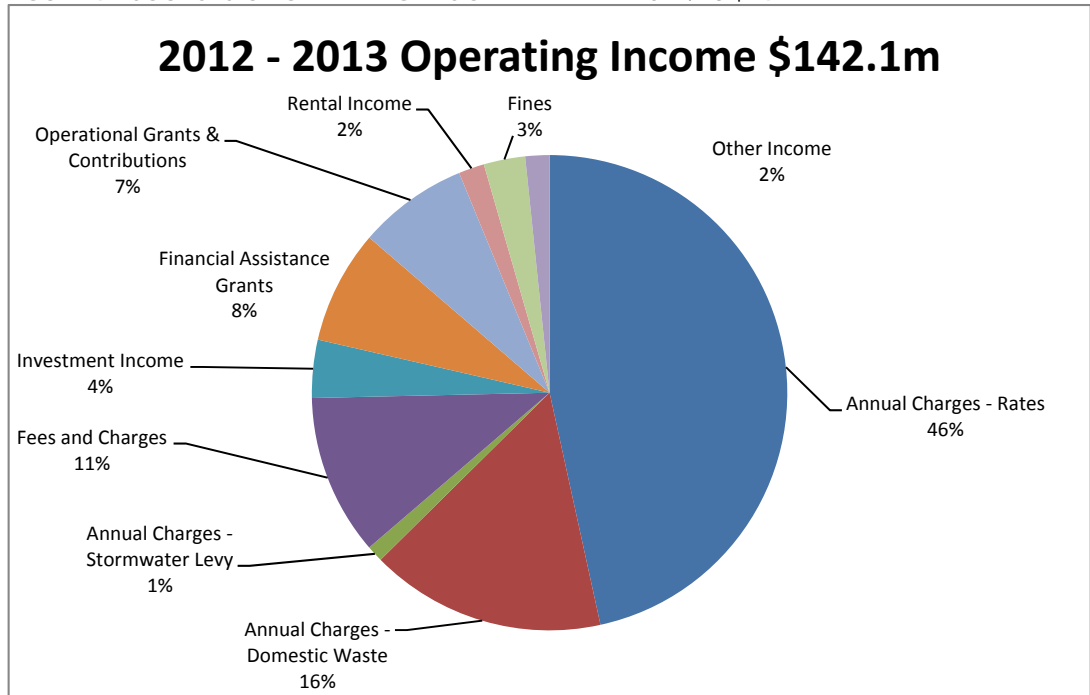
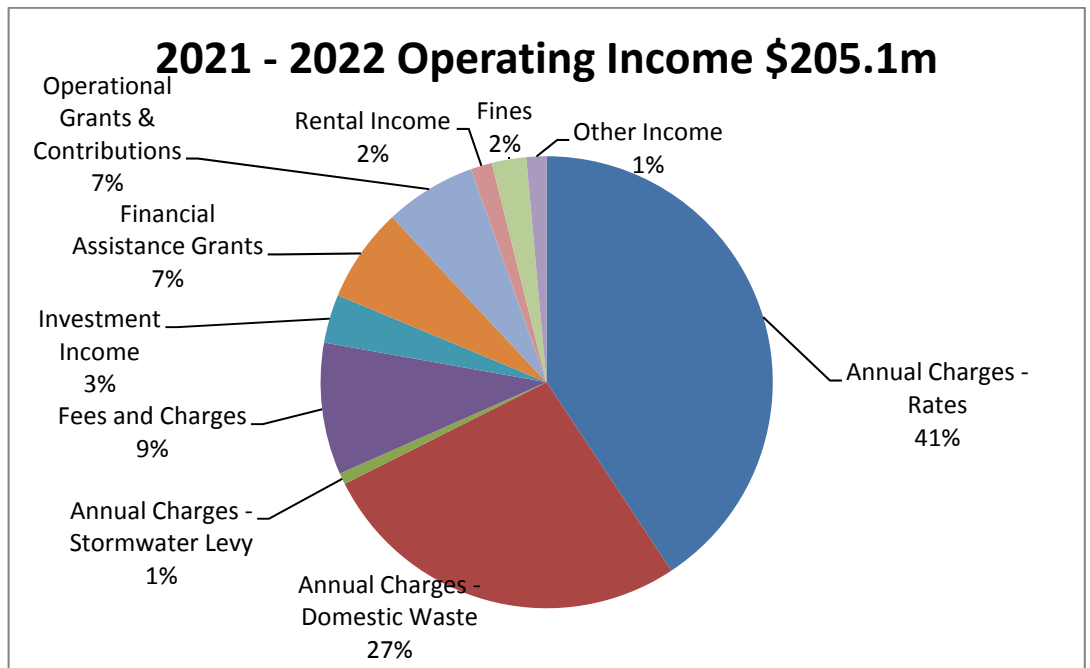


FIGURE 5 – SOURCES OF OPERATING INCOME- YEAR 10: 2021/22 \$205.1M



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10 YEAR FINANCIAL PLAN

The distribution of income amongst the various categories is expected to remain relatively constant throughout the 10 year financial plan. The higher value operating income in Year 10 is due to increases associated with inflationary expectations and income raising initiatives planned for the period. Appendix A shows the year by year growth expectations that have been applied globally across categories of operating income. Variations to this are explained in the relevant sections that follow including details of income raising initiatives.

3.1.1 Annual Charges - Rates

Residential rates apply to houses and home units (of which there are about 58,000), and are calculated based partly on land value and partly on a standard charge. The average residential rate for the 2012/13 financial year is about \$712.

Business rates apply to commercial, retail and industrial properties, (of which there are about 4,000) and the amount is calculated based on land value. The average business rate for 2012/13 is \$6,780.

It is expected that rate increases during the term of this plan would be in line with the Independent Pricing and Regulatory Tribunal of NSW (IPART) rate pegged amount, except for the increase that will be sought to replace the current Special Rate Variation (SRV) expiring on 30 June 2014. This is further discussed below. Accordingly rate income during the plan will rise about 2.6% per year from \$66.2m in 2012/13 to \$83.5m in 2021/22. Average rates for residential will then be \$897 and business \$8,542.

Until 2010/11 income from rates could not be increased without approval from the Minister for Local Government. In most years the Minister has allowed councils to increase their rates in order to keep pace with increasing costs. This allowable rate increase is termed the "pegged rate" and was generally based upon Consumer Price Index (CPI) movements. For the 2011/12 financial year and beyond the determination of the rate increase will be made by IPART. Previously the Minister for Local Government determined the value of the increase. IPART now has the responsibility for determining the rate pegged increase for future years based upon a Local Government Cost Index and productivity factor. For 2012/13 the cost index increased by 3.4% with a further 0.4% allowed for the impacts from the introduction of the carbon tax. A productivity factor of 0.2% offset this bringing the total rate pegged increase to 3.6%.

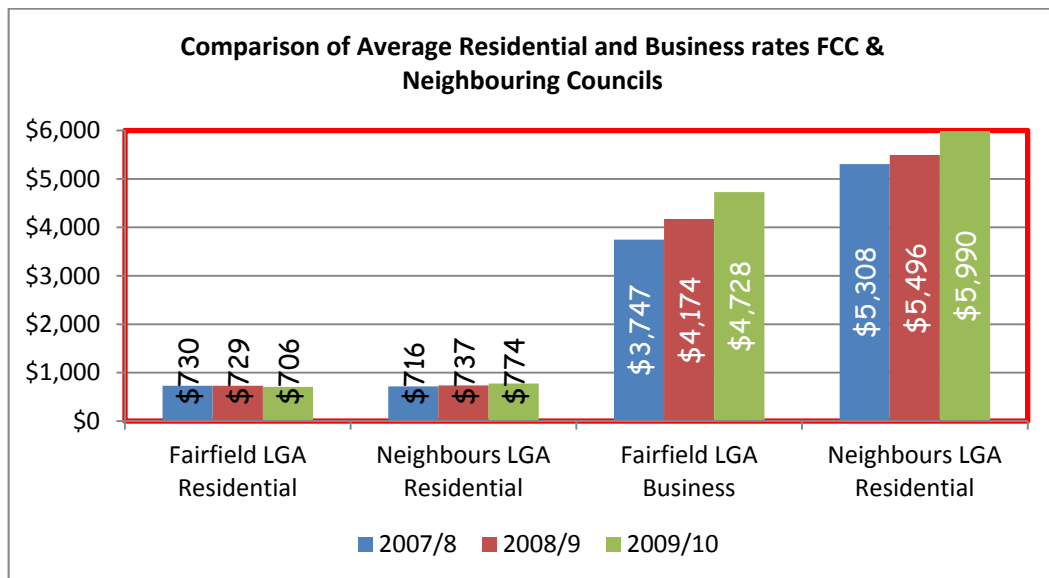
Councils can seek increases above the pegged increase by applying to IPART for a SRV. Council's last submission to increase rates above the pegged increase was to

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10 YEAR FINANCIAL PLAN

the Minister for Local Government. It was approved for a 13 year period commencing in the 2001/02 year and concluding in 2013/14. This special variation, equivalent to 5% of the value of the rates levied, was used for major works associated with Council's three leisure centres, town centre redevelopment and open space improvements. In this financial plan Council has forecast that this income will continue and that a submission to IPART to renew the special rate would be successful. This submission would be lodged in early 2014, with revenues to approximate \$3.2 m per year.

The figure below provides comparisons for average residential and business rates for the Fairfield LGA over the last few years, compared to its neighbouring Councils (Parramatta, Blacktown, Liverpool, Bankstown, Penrith and Holroyd).

FIGURE 6 – COMPARISON OF AVERAGE RESIDENTIAL & BUSINESS RATES - FCC & NEIGHBOURING COUNCIL AVERAGE



Council determined 5 years ago to restructure its rates. It was considered that business rates were not equitable across the different business centres in the LGA for the similar services provided by Council. Previously, there were different rates for each business centre. Also, the restructure addressed the higher dependency on residential rates compared to Councils neighbouring FCC.

Council adopted a staged introduction over 5 years finishing in 2011/12.

The result of the restructure means:

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- Residential Rates now contribute approximately 60% of the total rates. This is down from 75% prior to the staged implementation of the new rating structure.
- Business rates now contribute approximately 40% of the total rates. This is up from 25% prior to the staged implementation of the new rating structure.
- There are now only 2 business rates. A rate for businesses in Business Centres and a rate for those businesses that are not.

The following table illustrates the value of rates used to deliver the many services to the community.

TABLE 2 –WHERE DO YOUR RATES GO?

Theme 1 - Community Wellbeing	
Libraries	7.2%
Leisure Centres	5.6%
Street and Public Amenities Cleaning	3.0%
Property Services and Community Facilities	2.8%
Policy and Strategic Planning	2.2%
Community Development	1.5%
Environmental and Public Health	1.4%
Children and Family Services	1.2%
Townsafes Program	0.6%
Museum and Gallery	0.4%
Tree Branch Mulching Service	0.2%
Showground and Golfcourse	0.1%
Theme 2 - Places and Infrastructure	
Asset Management	20.6%
Infrastructure, Construction and Maintenance	10.7%
Open Space	6.3%
Emergency Risk Management	2.3%
Development Planning	2.0%
Built Services	1.7%
Strategic Land Use Planning	1.6%
Building Control	0.9%
Surveying	0.6%
Construction Contracts Management	0.3%
Free Shuttle Bus Service	0.2%
Major Projects Management	0.2%
Theme 3 - Environmental Sustainability	
Catchment Management	1.7%
Theme 4 - Local Economy and Employment	
Place Management	2.4%

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Theme 5 - Good Governance and Leadership	
Information Technology	3.9%
Insurance and Workers Compensation	3.3%
Human Resources	2.7%
Financial Operations	1.9%
Civic and Councillor Services	1.8%
Financial Management	1.6%
Customer Service	1.3%
Business Improvement Unit	1.2%
Procurement, Stores and Supply	1.1%
Records Management	0.9%
Communication	0.7%
Payroll	0.6%
Governance	0.4%
Enterprise Performance	0.4%
Graphic Design and Printing	0.3%
Land Information Services	0.3%

3.1.2 Annual Charges - Domestic Waste Management

The domestic garbage collection removes approximately 60,000 tonnes of domestic garbage annually. It is processed in an environmentally sustainable way at the Eastern Creek waste processing facility. Each year the Domestic Waste Management (DWM) charge is calculated taking into account increases in tipping fees, land fill levy and operational expenses, including increased fuel costs.

In 2012/13 individual charges, as shown below, equates to a total charge of \$23.5m. After the deduction of the allowance for pensioner rebates of \$0.7m, the total income for domestic waste collection will reduce to \$22.8m. The following charges provide for a 7.5% increase from the previous year to cover the increasing costs mentioned above.

TABLE 3 – DOMESTIC WASTE CHARGES

Service Type	Annualised Charge	Yield Estimate
a) Residential Houses	\$395.20	\$20,107,776
b) Residential Flat Buildings	\$367.64	\$3,282,658
c) Service availability to vacant or other rateable land	\$183.82	\$119,350

The costs of providing waste collection services are expected to increase annually over the next 10 years at a greater rate than the expected CPI increases. The increasing costs to dispose waste at landfill sites will continue to be the primary

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10 YEAR FINANCIAL PLAN

cause of these increases. Additionally, the utilisation of new technology and more environmentally friendly collection and disposal methods for waste has increased cost implications, at least during the next 10 years. Council's business model of retaining its own waste collection operations is assumed to continue during the term of this financial plan.

It is therefore predicted that DWM charge will increase from \$22.8m in 2012/13, at a rate of 10.0% pa on average, to \$55.1m in 2021/22. As a proportion of total revenue DWM charge will increase from 16% to 27% over the ten years. This is caused by DWM charges increasing at a greater rate over the next ten years than other revenue categories.

3.1.3 Annual Charges – Stormwater Levy

The Stormwater Levy is expected to continue throughout the duration of the 10 year financial plan. It is estimated that the following 2012/13 scale will continue for the 10 years with increased income deriving from the increased number of dwellings. As the annual increase in the number of dwellings is estimated to be 0.4% then income is expected to rise from \$1.6m in 2012/13 to \$1.7m in 2021/22.

TABLE 4 – STORMWATER LEVY CHARGES

Category		Charge
Residential - Strata		\$12.50
Residential – Vacant Land		Exempt
Residential - Other		\$25.00
Business – Strata	0 - 350 sq. m	\$25.00 divided by no. of units
	351 – 2,100 sq. m	\$50.00 divided by no. of units
	2,101 – 21,000 sq. m	\$200.00 divided by no. of units
	>21,000 sq. m	\$3,000.00 divided by no. of units
Business - Other	0 - 350 sq. m	\$25.00
	351 – 2,100 sq. m	\$50.00
	2,101 – 21,000 sq. m	\$200.00
	>21,000 sq. m	\$3,000.00

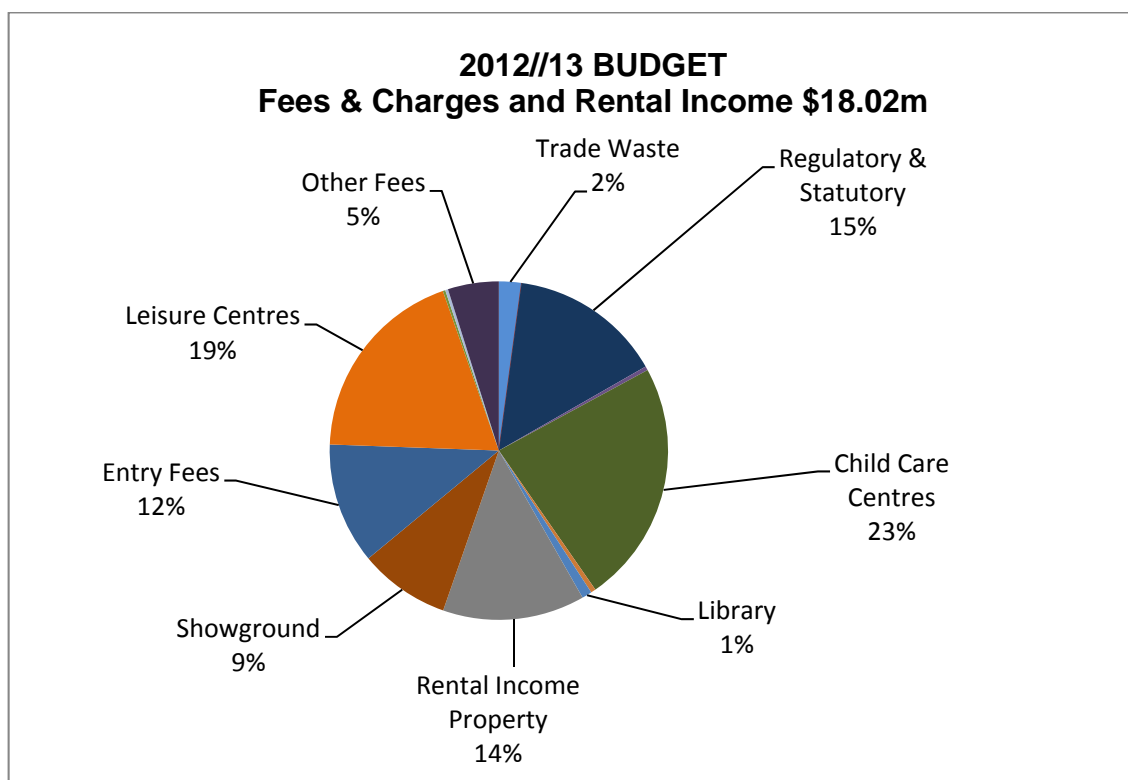
3.1.4 Fees, Charges and Rental Income

Fees and charges are estimated to increase in line with inflationary expectations as detailed in Appendix A. The value in 2012/13 is \$15.5m with expectations that this will grow to \$19.3m in 2021/22.

Rental income is expected to increase from \$2.5m to \$3.1m in 2021/22. There is significant potential to have rental income increase beyond these estimates due to property developments planned through the Property Development Fund (PDF). The increased revenue associated with these developments has not been built into these financial projections as the extent of planning is in the initial stages. It is expected however that these estimate will be built into the financial projections during the next complete rewrite of the LTFP in 2013.

The distribution of Fees, Charges and Rental Income is displayed in the following graphs. The distribution in Year 10 is expected to be similar to that shown below.

FIGURE 7 – SOURCES OF FEES CHARGES AND RENTAL INCOME- YEAR 1: 2012/13 \$18.0M



3.1.5 Operating Grants and Contributions

Operating Grants and Contributions are actively sought and are estimated to value \$10.6m. The actual make up of the grants over the 10 year financial plan is unknown as funding authorities and priorities may change. However, it is assumed that the purpose of those being planned in 2012/13 will be similar for futures years. The value is expected to increase yearly in alignment with CPI increases as detailed in Appendix A and equate to \$13.4m.

The major operating grants and contributions for 2012/13 are shown in the following table.

TABLE 5 – MAJOR OPERATING GRANTS 2012/13

Details	Amount
Community Care Grants	\$3.3m
Childcare Contributions	\$2.8m
Rebate for Pensioners Concessions	\$1.7m
Roads and Bridges Grants	\$0.8m
Library Grants	\$0.7m
RTA Contributions	\$0.7m
Bushfire SES Grants	\$0.2m

3.1.6 Financial Assistance Grants

Financial Assistance Grants are determined by the Federal Government. They consist of two components: a general purpose component (\$9.5m in 2012/13) and a roads component (\$1.5m in 2012/13). The funds granted are untied or unconditional grants with no specific purpose or conditions attached.

The Federal Treasurer applies a specified formula to determine the annual increase and level of grants to be paid. The annual increase maintains the grants in real per capita terms by compensating for changes in population and CPI. Accordingly the income projections for the next 10 years assumed that the financial assistance grants will increase in line with the forecast CPI as shown in Appendix A. In Year 10 2021/22 the amount is expected to be \$13.9m.

3.1.7 Fines

Fines are expected to increase in value due to inflationary expectations and not from growth in the numbers of fines issues. Of the \$4.0m in fines estimated in

2012/13, 60% are related to parking offences. This proportion is expected to continue through the next ten years when total fine revenue would be \$5.1m.

3.1.8 Investment Income

Investment income is the interest income earned on funds that are surplus to current requirements. These funds are invested in terms of Council's Investment Policy and the Minister's Order for investments that will issue from time to time. The value of funds invested varies from year to year depending on Council's cash flow requirements. The level of investments held is shown in the Balance Sheet in Appendix B2. Interest is forecast earned on these investments at the 90 bank bill rate over the 10 year financial plan. These rates are shown in Appendix A and vary between 4.9% and 5.8% over the 10 years.

3.2 OPERATING EXPENDITURE

Figures 8 and 9 show the major categories of expenditure for the base year 2012-13 (Year 1) and 2021-22 (Year 10).

The distribution of expenses amongst the various categories is expected to remain relatively constant throughout the 10 year financial plan. The higher value operating expenses in Year 10 is mostly due to increases associated with inflationary expectations. Appendix A shows the expected year by year growth expectations that have been applied globally across categories of operating expenditure. Variations to this are explained in the relevant sections that follow including details of expenditure efficiency initiatives.

IPART's estimate for the Carbon Price impact on expenditure of 0.4% has been used in the financial projections. In 2012/13 this impact approximates \$0.3m.

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FIGURE 8 – CATEGORIES OF OPERATING EXPENDITURE -YEAR 1: 2012/13 \$141.1M

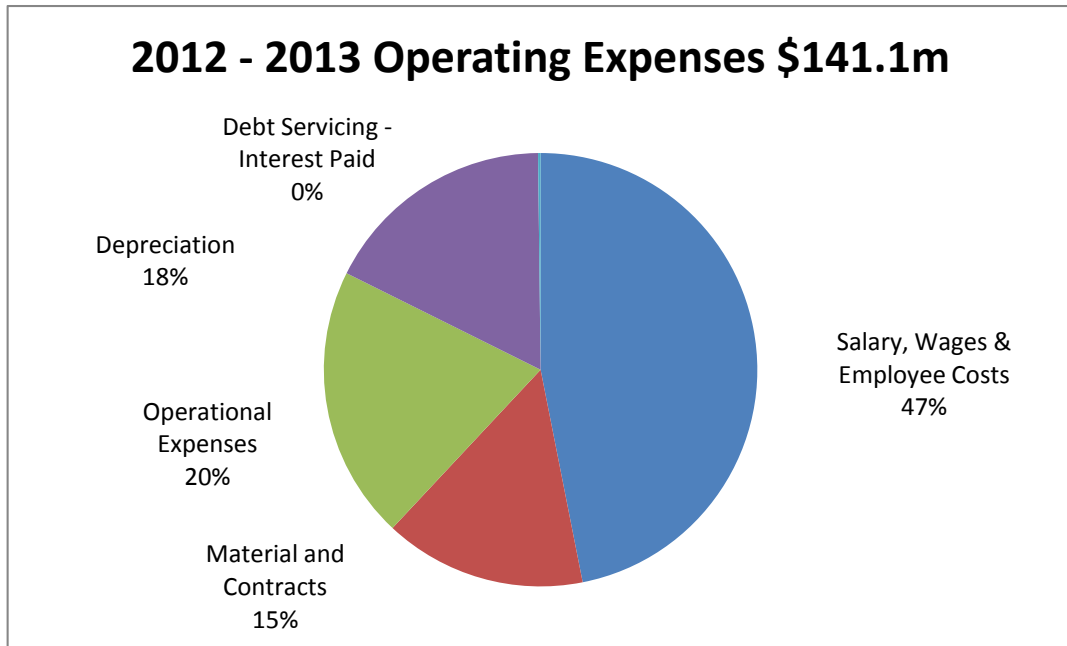
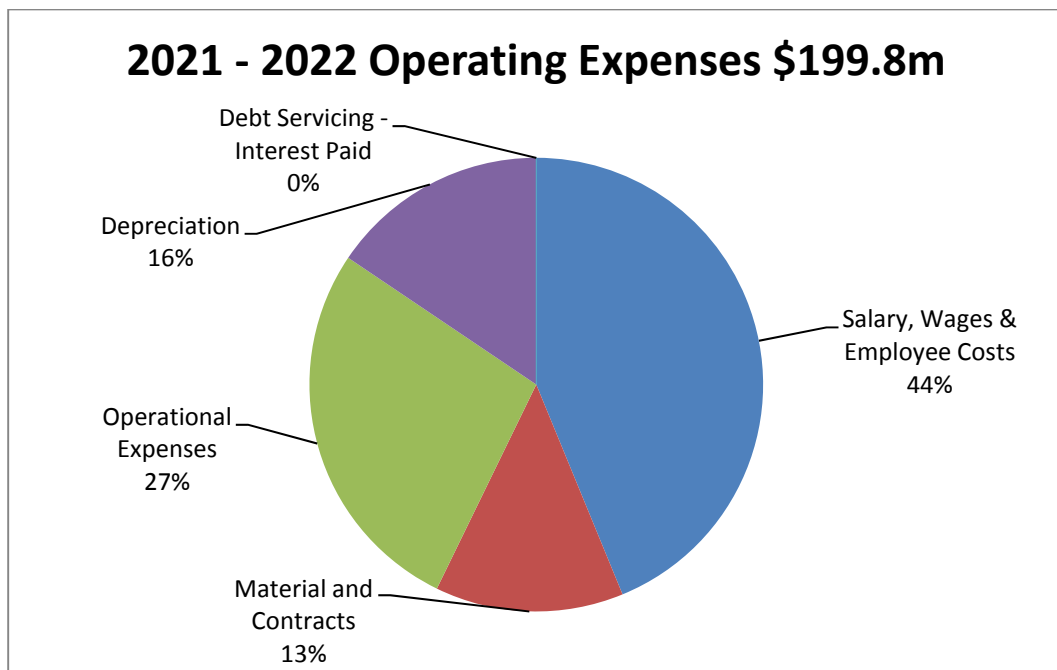


FIGURE 9 – CATEGORIES OF OPERATING EXPENDITURE - YEAR 10: 2021/22 \$199.8M



3.2.1 Salary, Wages & Employee Costs

Employee costs are Council's largest expenditure type representing 47% of total operating expenditure. As at 30 June 2011 Council had 764 Full Time Equivalent Employees (FTE) comprising the mix of full time and part time permanent and temporary staff. Casual staff are also utilised to provide additional labour resources in peak and seasonal times e.g. in libraries, childcare centres and leisure centres.

Council's Workforce Management Plan identifies six key strategies that are aimed to ensure a vibrant, productive, efficient and rewarding organisation. These strategies are:

1. Developing a constructive organisation culture and unique employer brand.
2. Growing and rewarding our own talent.
3. Fostering workforce flexibility, innovation and diversity.
4. Ensuring our health, safety and wellbeing.
5. Maximising our capacity through equitable, effective industrial and employee relations, policies and practices.
6. Cultivating Workforce engagement.

Achieving these strategies should ensure that the level of expenditure for employee costs is appropriate for Council's ongoing operations in providing the community its range of services. There remains however significant challenges over the next ten years in attracting, retaining and developing staff and in keeping remuneration costs within the budget parameters.

Council's Salaries and Wages growth each year is determined by two main factors. The first is the Local Government State Award which mandates annual increases by law. The Award was renegotiated in 2010/11 with agreement for increases over the next three years as follows:

2011/12	2.15%
2012/13	3.25%
2013/14	3.25%

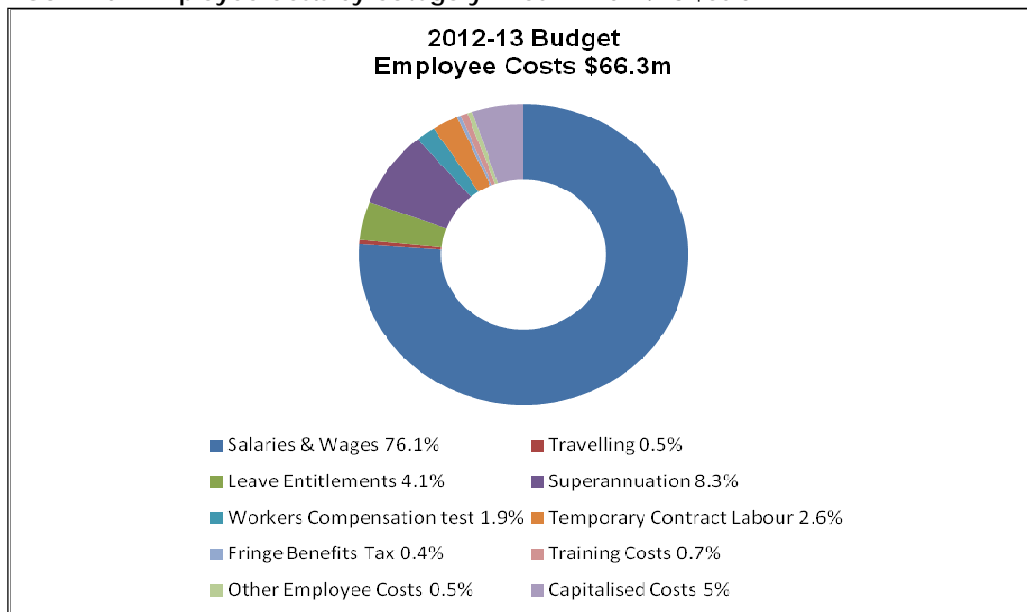
The second is the result of Council's competency and performance system. This system can reward staff with increases of between 2.0% and 2.5% dependent on performance and the development of particular competencies. The combination

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of the increases described above means that Salaries and Wages growth is expected to average 5.25% in 2012/13 and 2013/14.

The chart below shows the various components of employee costs during 2012/13.

FIGURE 10 – Employee Costs by Category - Year 1: 2012/13 \$66.3m



The Target Case assumes that from 2014/15 the increases in Salary and Wages are tied to the increases proposed for rate increases (increases in rates are expected to move in line with the increases in the CPI). Options for changes to the Award, Salary System and reducing staff will be considered together with exploring general expenditure efficiencies and/or increases in income to reduce the impact on Council's bottom line. However tying Salary and Wage increases to rate pegged increases is not considered a sustainable position as the increases in Average Weekly earnings are expected to exceed these levels. Whilst this is considered not sustainable in the longer term here is scope to achieve this in 2012/13 with a further one off savings of \$2.5m that has been built into the budget. Scenario 3 "Salary and Wages increase by the increase in Average Weekly Earnings" (Appendix D) shows the deterioration of Council's Operating position to a loss in Year 10 of \$2.4m. Over the coming months with the new Resourcing Strategy (LTFP, Asset Management and Workforce Plans) will address this deteriorating position that will be reflected in Council's new Delivery Program due for adoption by Council in June 2013.

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The Superannuation Guarantee charge is estimated to increase from a contribution of 9% in 2012/13 to 12% in 2021/22. This means the value contributed will increase from \$5.8m to \$9.6m in 10 years time. This is additional to the Defined Benefits Scheme deficit contributions of about \$0.3m per year.

All other categories of employee costs are estimated to increase in line with CPI estimates – see Appendix A.

3.2.2 Other Operating Expenses

The Other Expenditure category comprises many types of expenditure. The main types with budgeted 2012/13 expenditure exceeding \$0.5m are listed in the following table. The total value of these equates to 83% of total other expenditure category of \$28.8m.

Most categories of other expenditure, except for waste disposal costs are expected to increase in line with CPI estimates – see Appendix A. Waste disposal costs are expected to increase by 10% per year. Electricity, heating and street lighting costs are also expected to increase beyond CPI estimates, however it is assumed that energy efficiency measures will be introduced to keep future costs to be in line with these CPI estimates.

With these increases the total other expenditures in 10 years time are expected to be \$54.4M.

TABLE 6 – OTHER EXPENDITURE CATEGORIES > \$0.5M 2012/13

Expenditure Type	2012/13 Budget (\$m)	Proportion of Other Expenses (%)
Waste Disposal	12.642	44.0
Street Lighting	2.705	9.4
Heating and Electricity	1.928	6.7
Fire Brigade Contribution	1.823	6.3
Insurances	1.393	4.8
Contribution to DUAP	0.563	2.0
Publicity and Promotion	0.843	2.9
Waste Disposal	0.483	1.7
Street Lighting	0.640	2.2
Heating and Electricity	0.702	2.4

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3.2.3 Materials and Contracts

Like other expenses above, Materials and Contracts comprise many types of expenditure. The major types budgeted for in 2012/13 are listed in the following table with a total value \$21.1m.

All categories of Material and Contracts are estimated to increase in line with CPI estimates – see Appendix A. Total value in 2021/22 is estimated to be \$26.8m.

TABLE 7 – MATERIALS AND CONTRACTS 2012/13

Expenditure Type	2012/13 Budget (\$m)	Proportion of Material and Contracts Expenses (%)
Materials	11.373	53.9
Fleet Running	2.187	10.4
Operating Leases	1.502	7.1
Fuels	1.537	7.3
Information Technology	1.548	7.3
Legal	1.165	5.5
Consultancies	.811	3.8

Both the above sections for Other Expenditure and Materials & Contracts are dependent on the levels of service throughout each year. As Council's levels of service have remained reasonably consistent in the past, the growth in expenditure has predominantly been associated with rising prices. Similar to Employee Costs, Council reviews expenses during the budget preparation stage and periodically throughout the year. In the 2012/13 budget allowances for prices rises has been built in as well as further savings of about \$0.5m associated with lower consultancy costs, conferences and an across the board saving to be managed throughout the year.

3.2.4 Depreciation

Depreciation is a major operating expense for Council and measures the estimated value of the wear and tear of its assets over the financial year.

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The value of Council's assets (excluding land) together with the estimated useful lives of the assets determines the value of the depreciation. Recently Council has been required to revalue its assets at their fair value. In terms of the relevant State Government requirements these valuations have been staged as follows and it is expected that they will be repeated every five years:

2007/08 - Buildings and operational land

2009/10 - Roads, bridges, footpaths and drainage assets

2010/11 - Community land and other improvements and structures

A measure of asset sustainability compares renewal/replacement expenditure on existing assets with the value of depreciation expense. Spending renewal/replacement expenditure at the same level as the value of the depreciation is seen to be sustaining the asset over the longer term. During this 10 year financial plan it is estimated that the value of depreciation for existing assets will increase with inflationary expectations as asset values are expected to increase on the same basis.

Depreciation therefore is expected to grow from \$24.6m in 2012/13 to \$31.1m in Year 10 2021/22.

3.2.5 Debt Servicing – Interest Paid

Council is estimated to have \$4.6m of bank loans outstanding as at 30 June 2012, with various maturity dates and interest rates. Interest rates on loans range from 5.97% pa to 7.04% pa. The majority of these loans are related to the capital works associated with the 5% Special Rate Variation approved by the Minister for commencement in 2001/02. When this variation concludes in 2013/14 most loans will have been repaid. By 2021/22 all loans will be repaid as there is no further borrowing planned over the next 10 years.

3.3 CAPITAL BUDGET

3.3.1 Capital Funding from yearly operations

FIGURE 11 – CAPITAL FUNDING -YEAR 1: 2012/13 \$31.7M

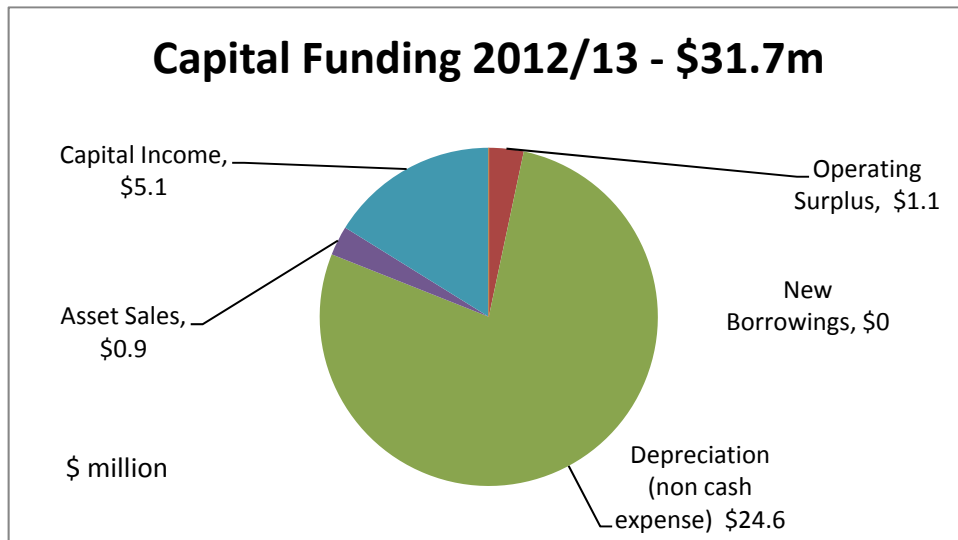
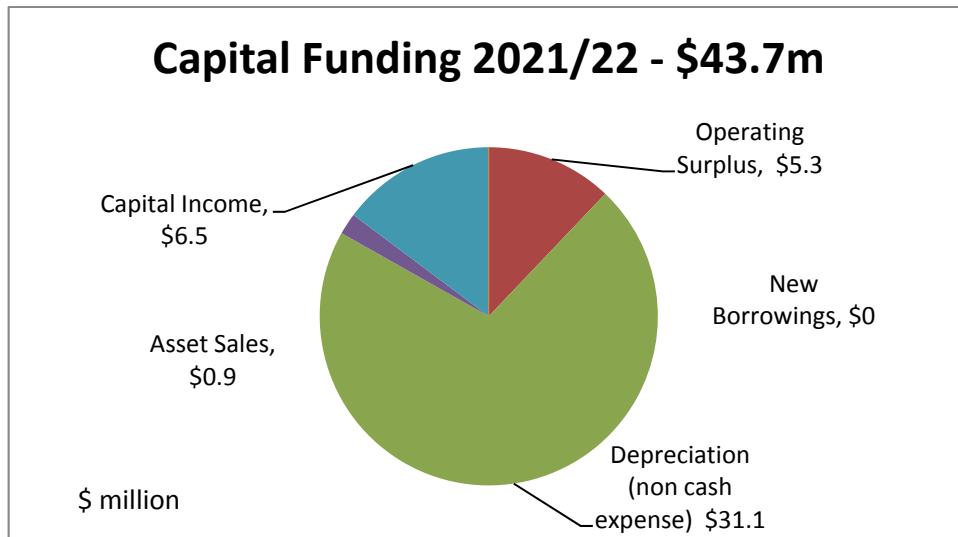


FIGURE 12 – CAPITAL FUNDING -YEAR 10: 2021/22 \$43.7M



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3.3.1.1 Capital Income

Capital income comprises grants for specific capital purposes and developer contributions. From time to time these amounts can vary due to the availability of grant funding from State and Federal Governments. For example, the significant Federal Government infrastructure grant of \$5.5m associated with construction of the Fisher Street car park received in the 2008/09 and 2009/10 financial years.

Recent past experience for capital income is shown in the following table.

TABLE 8 – CAPITAL INCOME- RECENT HISTORY

Capital Income	2007/08	2008/09	2009/10	2010/11	2011/12
Developer contributions	\$1.8m	\$1.8m	\$2.8m	\$2.3m	\$1.3m
Specific purpose grants	\$2.8m	\$6.6m	\$7.8m	\$5.7m	\$3.7m
Total	\$4.6m	\$8.4m	\$10.6m	\$8.0m	\$5.0m

Council is active in attracting grants from State and Federal bodies for capital works. The value of the specific purpose grants is dependent on Statutory Bodies' budgetary positions and on Council meeting the grants' criteria. The value can therefore vary significantly from year to year. Conversely, developer contributions are relatively stable from year to year although difficult to estimate due to the influence of economic conditions generally on development. The value set in Year 1 (2012/13) for specific purpose grants is \$3.7m. This value increases in line with CPI increases over the next 10 years.

All unspent monies raised here are treated as Externally Restricted Cash Assets to be used on the purpose in which they were raised.

3.3.1.2 Operating Surplus

The operating surplus and its income and expenditure components have been explained in detail above. The expectation is for Council to achieve a 3% Operating Surplus Ratio as a key financial sustainability indicator. Whilst Council is expected to continue to achieve surpluses it will not reach this level until 2018/19 – i.e. \$4.7m. Ongoing operating surpluses provide Council with opportunities to utilise the funds for additional capital purposes or to enable the servicing of additional loan borrowings. Additional loan borrowings are not proposed in this LTFP.

3.3.1.3 Depreciation (non cash expense)

Depreciation is a non cash operating expense that forms a significant part of overall operating expenditure. As Council achieves an operating surplus over the next 10 years it means that it has fully funded its depreciation expense. This is a favourable position as Council accumulates the equivalent value in cash to use for renewal of existing assets.

The value of the depreciation has increased over the past few years due to the requirement for Council to value its building and infrastructure assets at fair or replacement value. Depreciation is expected to reach \$31m in year 10 (2021/22).

3.3.1.4 Asset Sales

The value of asset sales is \$0.9m over the 10 years. It is associated with sale of plant and equipment including trade-in values for fleet vehicles.

Council has sold items of land and buildings in the past as market opportunities arise. They have not been forecast in this LTFP as it is assumed that any asset sold would be substituted with the purchase of a replacement asset for the same value – thereby having a nil future cash impact.

3.3.2 Capital Funding from Accumulated Funds (cash assets)

Council can fund capital expenditure from funds accumulated over time.

Council's accumulated cash assets over the past four years have been between \$80m and \$91m. As Council's budget for 2012/13, and estimates for latter years, predicts a small cash surplus it is expected that the level of cash assets will increase in line with the cash surplus for the foreseeable future. As at 30 June 2012 the value of cash assets is expected to be \$81.7m comprising three broad categories – these are commonly referred to as Reserves. The value of the categories is expected to increase to \$100.5m in 2021/22.

It is expected that the value of the internally restricted cash assets will remain reasonably constant, as asset renewal and replacement is funded from cash generated from operations, with a minimal requirement to draw from accumulated funds.

The available funds Council has at its discretion forms part of the measurement of its Financial Sustainability Indicator "Cash/liquidity Position" (or Unrestricted Current

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Ratio). The ratio target has been set at 2:1 meaning that Council has \$2m in cash available to pay \$1 in liabilities. Externally restricted cash assets described below are excluded from available funds as these are held for specific and generally legislated purposes. Over the 10 year plan it is expected that the balance of the Domestic Waste Management Reserve will increase significantly as it is projecting cash surpluses each year. At the same time the available funds will be declining thereby falling below the 2:1 target in 2016/17, to be at 1.6:1 in 2021/22.

Whilst this ratio is below target it is still a sound liquidity position. However, increased focus, monitoring and systems will be incorporated into future actions to ensure better separation between externally restricted assets and available funds is achieved for better decision making.

3.3.2.1 Externally Restricted Cash Assets

These assets are not part of available funds, with the value held in this category estimated to be \$45.1m in June 2012 and \$67.9m in June 2022.

These funds have either a statutory or legal obligation attached whereby they must be utilised for the purpose intended. They include:

- Section 94 Developer Contributions
- Roads & Traffic Authority Contributions
- Unexpended Grants
- Domestic Waste Management
- Stormwater Management

Whilst Council can influence the types of projects within each group it does not have authority to allocate the funds to other purposes. In 2021/22 the value held in this category are expected to be \$67.9m.

3.3.2.2 Internally Restricted Cash Assets

These assets form part of available funds, with the value held in this category estimated to be \$27.9m in June 2012 and \$24.0m in June 2022.

Internally restricted cash assets are the accumulated funds available for future capital purposes. Unlike the externally restricted cash assets, Council has the authority to allocate the funds in this category to any purpose. Most categories are associated with the renewal and replacement of existing assets. The main exception to this is the Property Development Fund that aims to provide Council with a commercial return based on its strategically placed property investments.

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The current list of purposes and estimates values as at 30 June 2012 is provided in the Operational Plan 2012/13.

A review of the relevance and value of these internally restricted assets, together with their future expenditure plans has occurred. The way reserves have been quarantined in the past does not necessarily serve the new requirements of the Integrated Planning and Reporting Framework in meeting Community expectations concerning service delivery. The proposal is to consolidate these reserves and establish a single capital expenditure plan for plant and equipment and infrastructure assets. The proposal will be submitted to Council for its consideration in 2012/13 in conjunction with future funding strategies.

3.3.2.3 Unrestricted Cash Assets (General Fund)

These assets also form part of available funds, with the value held in this category estimated to be \$8.9m in June 2012 and \$8.0m in June 2022.

Unrestricted cash assets are the funds available for day to day liquidity purposes and for specific expenditure as Council may determine from time to time. For example funds have been allocated to purchase properties in Harris Street Fairfield for \$3.1m and to fund the purchase of the Canley Vale Link road properties. As a conservative measure, the return of these expenditures to the General Fund has not been factored into the 10 Year plan.

3.3.3 Capital Expenditure

FIGURE 13 – CAPITAL EXPENDITURE -YEAR 1: 2012/13 \$33.0M

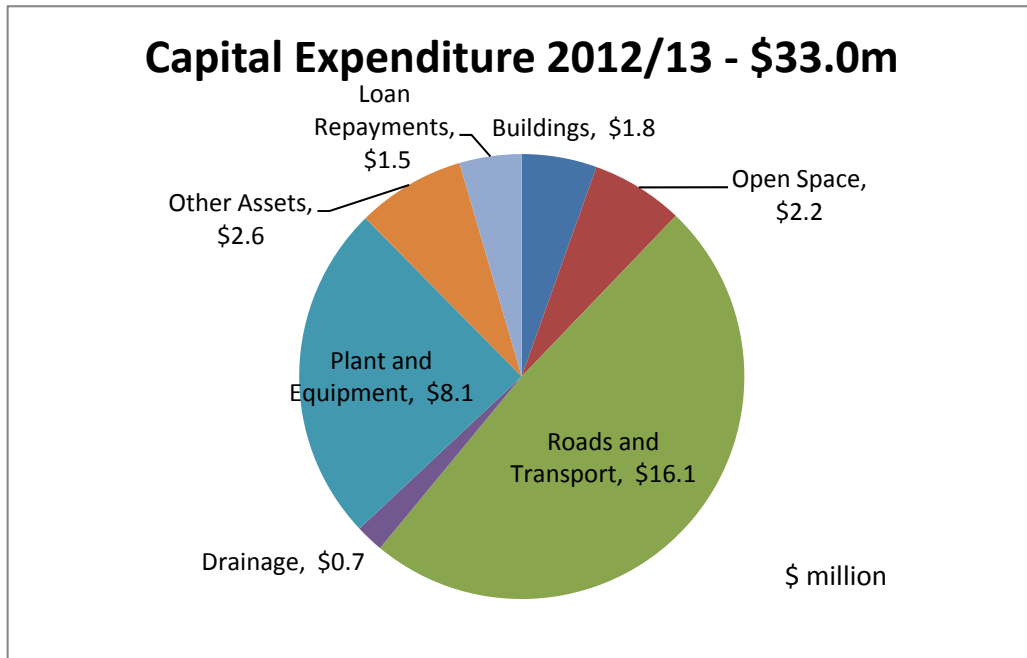
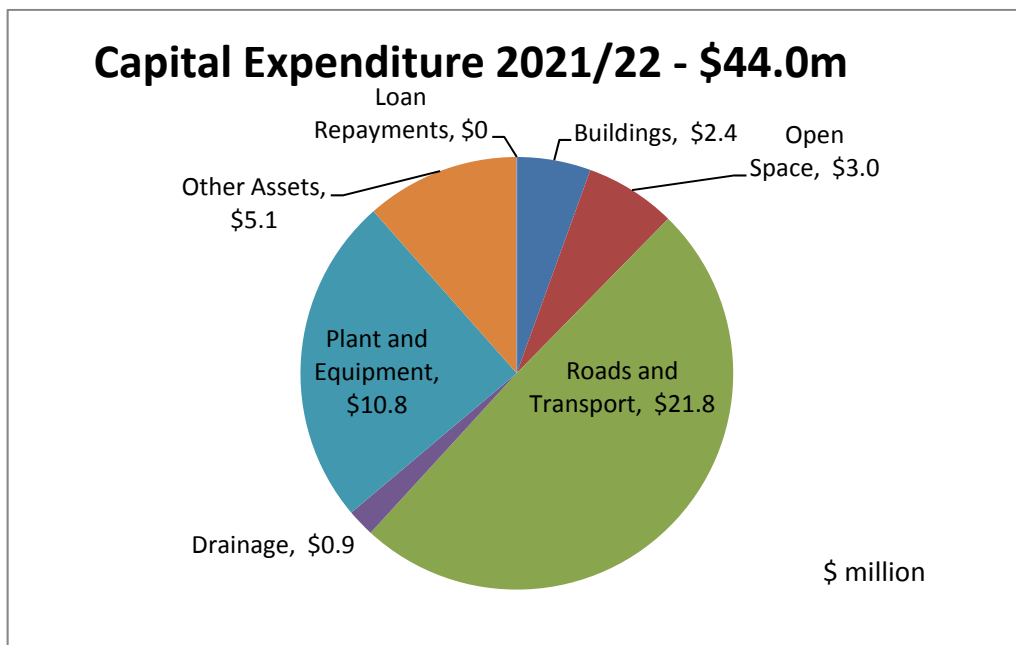


FIGURE 14 – CAPITAL EXPENDITURE -YEAR 10: 2021/22 \$44.0M



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The grouping of expenditure shown in Figures 13 and 14 is generally aligned with the Asset Management Plans for major asset categories. The growth in capital expenditure is expected to be in line with CPI increases.

Capital expenditure is used to acquire, renew and replace assets that are required to provide services to the community in the medium to long term. A significant proportion of capital expenditure (over 85%) is spent on renewing and replacing existing assets that enable existing service levels to continue. This is distinct from acquiring new assets that would tend to increase service levels to the community. The following table illustrates the Top 20 in value of capital works planned for 2012/13.

TABLE 9 – CAPITAL EXPENDITURE – HIGHEST 20 IN VALUE

Project Title	Proposed 2012/2013 Expenditure \$
Road Rehabilitation	7,679,469
Passenger Fleet Replacement 2012/13	1,803,530
HVAC refurbishment - Administration Building	1,600,000
Waste and Sustainability Improvement Programs (WASIP)	1,500,000
Parks Improvement Program(PIP)	1,218,265
Roads to Recovery Program	799,060
Path Paving - Construction	742,630
Blackspot Program	675,300
RTA Repair Program	600,000
Waste Services Heavy Plant Replacement 2012/13	600,000
Planned Building Renewal	599,408
Targeted Asset Renewal	551,670
Library Resources	545,370
Existing Stormwater Program -Capital	500,000
Development of Diamond Crescent, Bonnyrigg Year 1 of 2 Year Program	500,000
Smithfield Road / Polding Street Intersection Upgrade Year 1 of a 2 Year Program	500,000
Footway&Footpath Mgmt	493,700
44 Derby Street Public Car Park Design and Construction	455,000
Open Space Improvements	411,630
Fairfield Heights Town Centre Enhancement Project	398,600

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The total value of capital expenditure over the past four years to 2011/12 has ranged between \$26m and \$35m per year. For the 2012/13 year the budget for capital expenditure is \$33m comprising approximately 60 projects (the full list is shown in the Operational Plan 2012/13 with the Top 20 shown in the above table). Each year the range of the projects will change as they are dependent on Council's capacity to schedule and complete the works within the level of funding available.

3.4 ASSET MANAGEMENT

Assets exist to deliver services to the community. Council's services are numerous and include such things as road construction, libraries and museum, open space, waste and recycling management, children's services, flood mitigation and catchment management. All these services are identified in the Operational Plan 2012/13. One of the key financial sustainability challenges is the on-going management and preservation of assets.

To continue to provide services both now and into the future, Council needs to ensure that its assets are renewed and maintained over time. To enable this requires asset management plans that will schedule the renewal, maintenance, obsolescence and financial resources required for each asset. This whole-of-life cycle is an important element of effective asset management.

With infrastructure assets valued at about \$1.2b, asset management strategy and plans with their financial implications are significant inputs into this LTFP. The adoption by Council in May 2011 of the Asset Management Strategy put in place the framework for the establishment of Asset Management Plans (AMPs) for all asset classes. Since May 2011 a significant amount of work has been done to establish AMPs. This LTFP includes, for the first time, estimates of financial obligations associated with maintaining assets at an appropriate condition level. At this stage this condition has been set from an engineering viewpoint. Over the coming months community expectations about the level and service and condition will be undertaken and used in the next LTFP to be adopted by the new Council in 2013.

Asset financial modelling has been prepared for each of the following major asset classes:

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- Roads and Transport
- Buildings
- Drainage
- Open Space

For each major asset class there has been 4 expenditure options modelled.

1. Maintain Current Expenditure (based on 2010/11 actuals)
2. Maintain Current Average Condition
3. Replace Assets at Condition 4 and 5
4. Replace Assets at Condition 5

Before explaining the various options the asset condition levels as prescribed by the “Local Government Code of Accounting Practice and Financial Reporting” are set out in the following table.

TABLE 10 – ASSET CONDITION KEY

Indicator	Description	
1	Excellent	No work required (normal maintenance)
2	Good	Only minor work required
3	Average	Some work required
4	Poor	Some renovation needed within 1 year
5	Very Poor	Urgent renovation/upgrading required

Option 1 – Maintaining current expenditure will keep the financial burden constant over the years. This level of expenditure is not sufficient to maintain the current average condition meaning the condition will deteriorate slightly over time with the backlog (estimated costs to bring assets up to a satisfactory condition) increasing. The detailed AMPs estimate the backlog to increase from its current level of \$34.0m assets with a Condition of 4 and 5 to approximately \$62.0m in 2021/22. The condition level is expected to deteriorate from 1.8 to 2 in ten years time and 2.2 in 20 years. However, this would mean that more assets would be in condition 4 and 5.

Option 2 – Maintain Current Average Condition of 1.8 will mean that the condition of assets will be held constant – no improvement and no deterioration. This will require an additional capital investment over the initial years to clear the backlog – currently estimated at \$34.0m.

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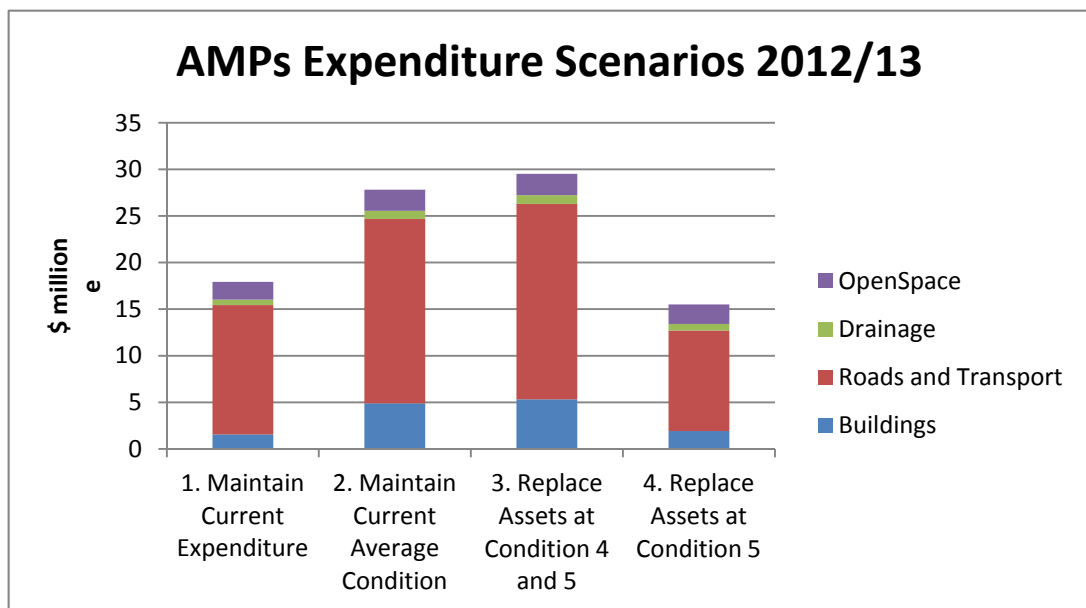
Option 3 – Replace all Assets at condition 4 and 5 will require additional capital investment to clear the backlog and to maintain the average condition level of 1.8. All assets will then be condition 1 to 3.

Option 4 – The least cost initially but increasing with time with average condition deteriorating to 2.0. There will be no backlog of assets as all Condition 5 will be replaced. Condition 4 assets will no longer form part of the backlog as they are now considered as a satisfactory condition.

AMP Scenarios 1 and 2 have been built into the LTFP projections in Part 5. The preferred option that has been built in the “Target Case” is Option 1 “Maintain Current Expenditure”.

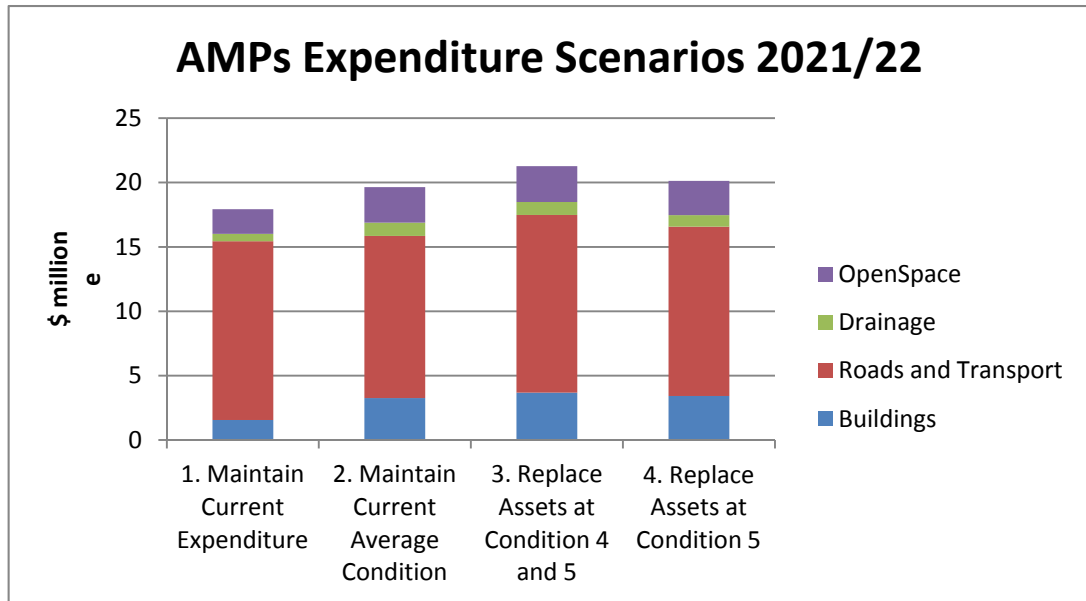
The following Figures detail the 4 options and the financial outlay in Year 1 2012/13 and Year 10 2021/22.

FIGURE 15 – AMP EXPENDITURE -YEAR 1: 2012/13



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FIGURE 16 – AMP EXPENDITURE -YEAR 10: 2021/22 (no growth for inflation i.e. 2011/12 Dollars)



Apart from the assets that now exist, Council may wish to consider new services and therefore new assets to deliver them. A ten-year capital plan for new assets and their ongoing schedule for renewal and maintenance will also be required and will eventually be part of this document. Following the Council elections in September 2012, and with Community expectations documented, decisions concerning the level of services, their make-up and any major new infrastructure will be incorporated in the next version of the LTFP.

Part 4: FINANCIAL OBJECTIVES

The aim of the Long Term Financial Plan is to ensure that FCC is financially sustainable; that is, it has the financial resources to enable Council to deliver services to the community and achieve the priorities in the Fairfield City Plan. Financial sustainability is one of the key issues confronting local government across NSW due to ageing infrastructure, cost shifting from other levels of government and constraints on the growth of income.

The financial sustainability of FCC is assessed against eight key indicators. These are summarised in Table 8. All LTFP scenarios modelled have a traffic light scorecard that measures achievement against the indicators and the targets set. The principles identified below ensure that intergenerational equity is considered in all Council financial decisions.

TABLE 11 – KEY INDICATORS

Indicator	Definition	Principle	Target
1. Operating Surplus/Deficit	The difference between operating income and expenses (including depreciation) not including capital items	Council is to maintain a surplus position. The impact on the overall Council operating surplus should be considered with all financial decisions.	An operating surplus of 3% of own source income
2. Financial Gearing – 'Net Financial Liabilities Ratio'	The funding of capital purchases and renewals through loan borrowings	FCC looks to increase its gearing by taking appropriate opportunities to fund its capital purchases and capital renewals through loan borrowings.	Not to exceed 20% with increases subject to maintenance of operating surpluses.
3. Debt Burden – 'Net Interest Cover Ratio'	The net (interest) cost of funding debts and interest income	Increases in debt burden will be considered providing it does not result in an operating deficit.	No target – only to increase of operating surplus maintained.

Part 4:
FINANCIAL OBJECTIVES

Indicator	Definition	Principle	Target
4. Net Borrowing Ratio	The degree to which revenues from continuing operations are committed to the repayment of debt	Increases in net borrowing will be considered providing the increase does not result in an operating deficit.	No target – only to increase of operating surplus maintained.
5. Asset Renewal/ Replacement Ratio	Councils rate at which its assets are being renewed against the rate at which they are depreciating	Council's annual renewal/replacement expenditure should at least equal its annual depreciation expense until asset management plans provide evidence of a more accurate ratio.	1:1
6. Sources of Ordinary Revenue	Council looks to optimise its income stream amongst the different income categories	Changes to the distribution of income will be considered in conjunction with Council's position concerning the tax burden for residents.	There is no target, but comparatives and trends to be considered.
7. Dissection of Expenses from Continuing Operations	Council to optimize its expenses and categories within.	Changes to the level and distribution of expenses will be considered in conjunction with major decisions concerning service and efficiency levels	There is no target, but comparatives and trends to be considered.
8. Cash/Liquidity Position	Councils ability to meet its financial obligations in the short term	Council must maintain sufficient liquid assets to pay its commitments when due and payable.	2:1

Part 5: RISKS & ISSUES

There may be a number of risks pertaining to any long term planning document. The following is a range of identified risks that may impact on the LTFP should they eventuate. These risks are those that could bring about a significant change in operating revenue or expenditure and result in the need to cease or reduce services. These are listed below

- Budget reductions in state and federal governments may impact future funding provisions of grants and contributions.
- Continued increased cost shifting from other levels of government may adversely impact current expenditure levels of Council.
- 'Destination 2036' with reference to Council amalgamations may affect the entire business premise of FCC.
- Global financial crisis worsening could affect local growth and employment.
- Climate change and its affect on local flooding and ecology.
- Waste tipping fees exceeding 7.5% allowed in current Operation Plan and exceeding 10% for remainder of LTFP will levy extra burden on residents
- Unemployment, unskilled and aging Population (i.e. 70 years + increasing @ 8.7% p.a.) - effect of this on rates income, new infrastructure requirements, as well as redesigned and reengineered capital assets.

Part 6: PROJECTIONS

This section sets out FCC financial projections for the next 10 years and summarises the assumptions underpinning the projections. The detailed assumptions and estimates for the "Target Case" are explained previously in Part 2

All services and initiatives undertaken by council have been developed in response to the priorities and needs of the Community which were identified in the Fairfield City Plan (Community Strategic Plan) as well as ensuring Council's sustainability in the long term.

Projections have been based on 4 scenarios as follows with 10 year the financial statements attached for each scenario.

Scenario 1 - Target Case: Includes income and expenditure estimates as detailed in Part 2 with AMP Option 1 "Maintain Current Expenditure Level" - Appendix B.

Scenario 2 - No SRV Continuation: Includes Target Case with income and expenditure estimates as detailed in Part 2 and AMP Option 1 "Maintain Current Expenditure Level" but excludes the continuation of the SRV which concludes on 30 June 2014 - Appendix C.

Scenario 3 - Salary and Wages Increase by the increases projected in Average Weekly: Includes Target Case with income and expenditure estimates as detailed in Part 2 and AMP Option 1 "Maintain Current Expenditure Level" but increase Salary and Wages increases from the estimated rate pegged increase to the growth in Average weekly earnings - Appendix D.

Scenario 4 - Maintain Existing Asset Condition: Includes income and expenditure estimates as detailed in Part 2 with AMP Option 2 "Maintain Existing Asset Condition" - Appendix E.

Part 7:
LTFP ACTIONS

Part 7: LTFP ACTIONS

No	Strategy & Action	Status	Timeframe	Responsible Officer
<i>Strategy 1 - Service Reviews</i>				
1.1	Review FCC role in Townsafe CCTV	Seeking alternate funding options for monitoring service. Standing Offer Deed extended 12 months to October 2012.	October 2012	Senior Projects Officer COD
1.2	Close Smithfield Library	Action to be reviewed when Fairfield Library redevelopment determined.	TBA	Manager Library Services
<i>Strategy 2 - Income/Expenditure Reviews</i>				
2.1	Develop business case for special rate variation for commencement 1 Jul 2014.	Health check currently being undertaken by consultants. Results of this will identify if the documents are aligned for a Special Rate Variation application to be made should Council decide to undertake this.	Estimated Submission time February 2014	SRV Steering Committee

Part 7: LTFP ACTIONS

No	Strategy & Action	Status	Timeframe	Responsible Officer
2.2	Property Development Fund <ul style="list-style-type: none"> Subdivisions – construct and sell up to 65 lots Retail/commercial – construct and retain 	Significant capital profits and ongoing rental income is proposed. Business cases and financial analysis will form part of the next LTFP.	October 2012	EMCSD and CFO
2.3	Constrain Employee Cost increases to annual rate peg limit	Significant savings achieved in 2010/11 due to review regime used for positions that become vacant. Also further savings of \$1m in 2011/12 and \$2.5m in 2012/13 has been built into the DP and OP.	On-going review incorporated into monthly report and annual budget process.	Budget review Committee and CFO
2.4	Expand Council business opportunities (especially SRC) to earn additional external revenue	Opportunities have been identified with priorities to be determined by Council with next delivery program. SRC investigation in progress with detailed report to be completed by October 2012. Independent assessment of business case is underway.	June 2013 July 2012	Manager Works and CFO

Part 7:
LTFP ACTIONS

No	Strategy & Action	Status	Timeframe	Responsible Officer
2.5	Examine feasibility of standardising plant, equipment and commonly used assets (e.g. Town Centre bins) to yield savings through buying power	Stage 1 – Town Centre street furniture and fixtures commenced. To be commenced (Relevant items to be identified and incorporated into procurement plan).	TBA	EMCSD
2.6	Initiate resource sharing with other councils and/or organisations	Opportunities to be identified and examined	TBA	EMCOS
2.7	Ensure effective management of employee leave entitlements to minimise increasing cost of untaken leave	New Annual Leave, Time in Lieu and Concessional Leave policies now in operation. Concessional and Time in Lieu balances reduced significantly. Annual leave hours have reduced by 5,400 for the 12 months ended 31 March 2012.	On-going	BRC and CFO

Part 7:
LTFP ACTIONS

No	Strategy & Action	Status	Timeframe	Responsible Officer
2.8	Review expenditure on consumables	<p>Stage 1 - Stationery, Uniforms and Personal Protective Equipment</p> <p>Stage 2 – To be identified in conjunction with next LTFP</p>	February 2012	Project Officer Reporting
2.9	Review service delivery options for Legal Services	Opportunities to be identified and examined.	On-going	EMCOS
2.10	Identify energy efficiency measures for Council facilities	<ul style="list-style-type: none"> • Review Energy Conservation Plan • Install solar: <ul style="list-style-type: none"> ◦ Hot water at leisure Centres ◦ Panels at SRC 	<p>May 2012</p> <p>June 2012</p>	Supervisor Environmental Sustainability
Strategy 3 - Asset Management				
3.1	Develop asset management plans (incorporating maintenance programs and expenditure) for all asset classes	<p>Asset Management Strategy and Policy has been adopted by Council in May 2011.</p> <p>Development of Asset Management Plans well progressed.</p>	June 2012.	Manager Assets
3.2	Identify and dispose of older low value assets	Will form part of the Asset management Plans being developed under 3.1 above.	June 2012.	Manager Assets

Part 7:
LTFP ACTIONS

No	Strategy & Action	Status	Timeframe	Responsible Officer
3.3	In consultation with the community, develop agreed service standards for all service delivery assets	To form part of the development of the next Community Strategic Plan and Delivery Plan	Start October 2012	Manager Assets
3.5	To cyclically (3 yearly) determine and report on the operational performance and condition of service delivery assets together with an assessment of the remaining useful life of those assets	Commenced on a three year rolling cycle.	Dec 2011	Manager Assets
<i>Develop Ten-year Capital Program and Funding Model</i>				
4.1	Develop a ten year infrastructure plan of new, proposed and renewed assets	Timing to coincide with the development of the Asset management Plans – see 3.2 above. Future review to be undertaken in conjunction with next LTFP.	June 2012 and October 2012	New Assets: EMCOD Existing Assets: Manager Assets
4.2	Integrate asset plans, infrastructure plans and reserve plans into the Long Term Financial Plan, modelling a view of expenditure over time	Timing to coincide with the development of the Asset management Plans – see 3.2 above. Future review to be undertaken in conjunction with next LTFP.	June 2012 and October 2012	CFO

Part 7:
LTFP ACTIONS

No	Strategy & Action	Status	Timeframe	Responsible Officer
4.3	Develop funding strategies to meet approved infrastructure development	Timing to coincide with the development of the Asset management Plans – see 3.2 above. Future review to be undertaken in conjunction with next LTFP.	June 2012 and October 2012	CFO

Part 8: CONCLUSION

Council has enjoyed a sustained period of sound financial performance, making a substantial investment in maintaining its assets, providing new assets and delivering a range of services to the community. The cost of providing these services now and into the future and fully sustaining the necessary base of assets is increasing.

Council is committed to the necessary corrective action, including various expenditure and revenue changes and reviews – See Part 7 above. As new initiatives/actions are identified they will be added to this list.

The financial sustainability of Council can be maintained but will require an on-going review of services and priorities. The dialogue between Council and the community will increase over the next year to better establish the level of service that the community expects Council to deliver.

The next Delivery Program 2013/14 to 2016/17, to be developed prior to June 2013, will incorporate appropriate funding strategies to be able to meet community expectations. Compliance with the financial sustainability indicators and targets adopted by Council will ensure that Council remains financially sustainable over the longer term.

Source	Detail	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Deloitte Access Economics	Headline CPI (%ch)	2.57%	2.90%	2.81%	2.61%	2.54%	2.73%	2.64%	2.28%	2.40%	2.77%	2.77%
Deloitte Access Economics	Average Weekly Ordinary-Time Earnings	3.79%	3.68%	4.41%	4.10%	3.65%	3.67%	3.78%	4.06%	3.81%	3.94%	3.94%
Deloitte Access Economics	Superannuation Guarantee rate	9.00%	9.00%	9.25%	9.50%	10.00%	10.50%	11.00%	11.50%	12.00%	12.00%	12.00%
Deloitte Access Economics	90 day bank bills	4.67%	4.37%	4.90%	4.86%	5.25%	5.80%	5.62%	4.90%	5.20%	5.77%	5.75%
Deloitte Access Economics	180 day bank bills	4.61%	4.38%	4.90%	4.87%	5.26%	5.81%	5.60%	4.89%	5.23%	5.78%	5.56%
Rates History	Annual Growth in Assessments	0.62%	0.14%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%
Manager Waste	Domestic Waste Charge	0.00%	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Fairfield City Council 10 Year Financial Plan for the Years ending 30 June 2022 INCOME STATEMENT - GENERAL FUND Scenario: Target Case												
	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	83,523,000	86,799,773	90,555,035	94,801,169	99,199,921	103,835,979	108,947,972	114,354,668	119,931,068	126,008,191	132,869,882	140,257,048
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue	5,098,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Other Revenues	10,227,000	8,201,529	6,337,369	6,514,815	6,684,201	6,851,306	7,036,291	7,219,234	7,385,277	7,562,523	7,774,274	7,991,954
Grants & Contributions provided for Operating Purposes	22,992,000	20,863,700	21,614,034	22,719,227	22,796,927	23,366,850	23,997,755	24,621,697	25,187,996	25,792,508	26,514,698	27,257,109
Grants & Contributions provided for Capital Purposes	7,996,000	5,028,171	5,120,572	5,263,948	5,400,811	5,535,831	5,685,298	5,833,116	5,967,278	6,110,492	6,281,586	6,457,471
Other Income:												
Net gains from the disposal of assets	202,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	502,000	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	146,273,000	143,784,650	147,247,140	152,819,002	158,189,975	163,660,768	170,121,141	177,087,985	185,778,738	193,317,534	201,588,271	211,563,876
Expenses from Continuing Operations												
Employee Benefits & On-Costs	60,696,000	64,873,558	66,289,732	69,237,468	71,682,428	73,812,339	76,151,147	78,485,844	80,654,592	82,961,873	85,284,806	87,672,780
Borrowing Costs	482,000	377,247	260,412	162,748	104,400	84,425	62,653	39,630	18,998	6,312	-	-
Materials & Contracts	21,029,000	19,064,699	21,276,111	21,871,842	22,440,510	23,001,523	23,622,564	24,236,751	24,794,196	25,389,256	26,100,156	26,830,960
Depreciation & Amortisation	24,290,000	23,951,452	24,642,320	25,275,801	25,934,441	26,584,214	27,303,514	28,014,874	28,660,516	29,349,724	30,173,099	31,019,527
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	26,202,000	28,354,648	28,648,995	29,232,487	30,906,060	32,696,580	35,671,483	36,789,987	41,026,500	44,674,259	48,735,030	54,299,507
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	132,699,000	136,621,604	141,117,570	145,780,345	151,067,839	156,179,081	162,811,360	167,567,087	175,154,801	182,381,426	190,293,090	199,822,775
Operating Result from Continuing Operations	13,574,000	7,163,046	6,129,570	7,038,657	7,122,136	7,481,687	7,309,781	9,520,898	10,623,936	10,936,108	11,295,181	11,741,101
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	13,574,000	7,163,046	6,129,570	7,038,657	7,122,136	7,481,687	7,309,781	9,520,898	10,623,936	10,936,108	11,295,181	11,741,101
Net Operating Result before Grants and Contributions provided for Capital Purposes	5,578,000	2,134,875	1,008,998	1,774,709	1,721,325	1,945,856	1,624,483	3,687,782	4,656,659	4,825,616	5,013,595	5,283,631

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
BALANCE SHEET - GENERAL FUND
Scenario: Target Case

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	16,117,000	18,396,514	22,162,009	21,043,146	21,056,092	21,227,795	21,165,788	22,750,478	25,901,519	29,149,715	32,633,868	36,572,220
Investments	44,832,000	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401
Receivables	10,397,000	11,290,119	9,534,057	9,860,754	10,184,564	10,514,415	10,878,857	11,251,529	11,613,124	12,003,460	12,455,879	12,932,598
Inventories	528,000	543,138	606,139	623,111	639,312	655,295	672,988	690,485	706,367	723,319	743,572	764,392
Other	611,000	666,208	701,445	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	72,485,000	77,831,380	79,939,051	78,462,412	78,815,369	79,332,905	79,653,033	81,627,893	85,156,410	88,811,896	92,768,720	97,204,611
Non-Current Assets												
Investments	18,500,000	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599
Receivables	807,000	946,791	987,752	1,034,068	1,082,048	1,132,617	1,188,378	1,247,353	1,308,179	1,374,466	1,449,312	1,529,889
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,620,992,000	1,623,496,854	1,629,486,027	1,639,219,094	1,649,227,022	1,659,506,110	1,670,085,373	1,680,961,498	1,692,107,060	1,703,540,238	1,715,317,023	1,727,447,037
Investments Accounted for using the equity method	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000
Investment Property	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	718,011	749,526	782,578	833,128	857,475	924,875	984,522	1,051,603	1,140,110
Total Non-Current Assets	1,659,364,000	1,659,905,244	1,665,935,378	1,676,432,772	1,686,520,195	1,696,882,904	1,707,568,478	1,718,527,926	1,729,801,712	1,741,360,826	1,753,279,538	1,765,578,635
TOTAL ASSETS	1,731,849,000	1,737,736,624	1,745,874,429	1,754,895,184	1,765,335,564	1,776,215,810	1,787,221,511	1,800,155,819	1,814,958,121	1,830,172,721	1,846,048,257	1,862,783,246
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	16,661,000	14,774,240	15,238,492	15,456,738	15,871,945	16,307,403	16,973,395	17,294,177	18,182,155	18,968,006	19,851,795	21,017,861
Borrowings	2,001,000	1,491,359	1,356,480	298,422	318,397	340,169	365,092	246,859	129,501	26,994	-	-
Provisions	27,884,000	30,639,419	33,674,761	36,795,093	39,996,553	43,278,050	46,648,147	50,105,867	53,643,114	57,265,255	60,988,816	64,816,637
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	46,546,000	46,905,018	50,269,734	52,550,253	56,186,895	59,925,622	63,986,634	67,646,903	71,954,770	76,260,255	80,840,611	85,834,498
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,573,000	3,081,914	1,725,434	1,427,012	1,108,615	768,446	403,354	156,495	26,994	-	-	-
Provisions	3,380,000	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	7,953,000	6,318,560	4,962,080	4,663,658	4,345,261	4,005,092	3,640,000	3,393,141	3,263,640	3,236,646	3,236,646	3,236,646
TOTAL LIABILITIES	54,499,000	53,223,578	55,231,813	57,213,911	60,532,155	63,930,713	67,626,633	71,040,043	75,218,409	79,496,901	84,077,256	89,071,143
Net Assets	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,704,803,409	1,712,285,096	1,719,594,877	1,729,115,776	1,739,739,712	1,750,675,820	1,761,971,001	1,773,712,103
EQUITY												
Retained Earnings	651,225,000	658,388,046	664,517,616	671,556,273	678,678,409	686,160,096	693,469,877	702,990,776	713,614,712	724,550,820	735,846,001	747,587,103
Revaluation Reserves	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000
Council Equity Interest	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,704,803,409	1,712,285,096	1,719,594,877	1,729,115,776	1,739,739,712	1,750,675,820	1,761,971,001	1,773,712,103
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,704,803,409	1,712,285,096	1,719,594,877	1,729,115,776	1,739,739,712	1,750,675,820	1,761,971,001	1,773,712,103

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
CASH FLOW STATEMENT - GENERAL FUND
Scenario: Target Case

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	84,293,000	86,144,090	90,383,033	94,606,684	98,998,445	103,623,634	108,713,828	114,107,026	119,675,652	125,729,841	132,555,597	139,918,694
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue Received	5,093,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Grants & Contributions	30,986,000	25,893,772	26,734,652	27,983,037	28,197,708	28,902,600	29,682,964	30,454,725	31,155,193	31,902,915	32,796,182	33,714,475
Bonds & Deposits Received	682,000	-	-	-	-	-	-	-	-	-	-	-
Other	14,337,000	7,777,401	8,179,426	6,290,165	6,466,452	6,634,663	6,800,359	6,984,056	7,165,910	7,330,635	7,506,194	7,716,368
Payments:												
Employee Benefits & On-Costs	(60,661,000)	(62,261,493)	(63,254,390)	(66,117,137)	(68,480,968)	(70,530,842)	(72,781,049)	(75,028,125)	(77,117,345)	(79,339,732)	(81,561,245)	(83,844,960)
Materials & Contracts	(23,452,000)	(21,021,805)	(20,910,098)	(21,687,133)	(22,073,019)	(22,615,099)	(23,024,815)	(23,957,814)	(23,989,498)	(24,680,005)	(25,303,701)	(25,774,220)
Borrowing Costs	(482,000)	(377,247)	(260,412)	(162,748)	(104,400)	(84,425)	(62,653)	(39,630)	(18,998)	(6,312)	-	-
Bonds & Deposits Refunded	(574,000)	-	-	-	-	-	-	-	-	-	-	-
Other	(32,944,000)	(28,309,648)	(28,603,995)	(29,186,227)	(30,858,597)	(32,647,931)	(35,621,520)	(36,738,726)	(40,974,059)	(44,620,560)	(48,679,827)	(54,242,758)
Net Cash provided (or used in) Operating Activities	33,011,000	30,736,547	35,888,346	35,246,485	36,253,737	37,353,402	38,160,939	40,840,782	43,203,976	44,160,600	45,461,030	47,087,893
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	64,977,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,369,000	870,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(53,549,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	(3,898,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(34,319,000)	(27,326,306)	(31,526,493)	(35,903,868)	(36,837,368)	(37,758,303)	(38,777,777)	(39,785,999)	(40,701,077)	(41,677,903)	(42,844,884)	(44,044,541)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(25,420,000)	(26,456,306)	(30,631,493)	(35,008,868)	(35,942,368)	(36,863,303)	(37,882,777)	(38,890,999)	(39,806,077)	(40,782,903)	(41,949,884)	(43,149,541)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	500,000	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(2,060,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,560,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Net Increase/(Decrease) in Cash & Cash Equivalents	6,031,000	2,279,514	3,765,494	(1,118,863)	12,946	171,703	(62,007)	1,584,691	3,151,040	3,248,196	3,484,153	3,938,353
plus: Cash, Cash Equivalents & Investments - beginning of year	10,086,000	16,117,000	18,396,514	22,162,009	21,043,146	21,056,092	21,227,795	21,165,788	22,750,478	25,901,519	29,149,715	32,633,868
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	21,043,146	21,056,092	21,227,795	21,165,788	22,750,478	25,901,519	29,149,715	32,633,868	36,572,220
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	21,043,146	21,056,092	21,227,795	21,165,788	22,750,478	25,901,519	29,149,715	32,633,868	36,572,220
Investments - end of the year	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000
Cash, Cash Equivalents & Investments - end of the year	79,449,000	81,728,514	85,494,009	84,375,146	84,388,092	84,559,795	84,497,788	86,082,478	89,233,519	92,481,715	95,965,868	99,904,220
Representing:												
- External Restrictions	43,482,000	45,123,987	47,369,147	49,306,818	51,325,993	53,425,575	55,614,167	57,890,787	60,247,302	62,689,103	65,232,793	67,881,225
- Internal Restrictions	29,181,000	27,854,360	27,470,640	27,086,920	26,703,200	26,319,480	25,935,760	25,552,040	25,168,320	24,784,600	24,400,880	24,017,160
- Unrestricted	6,786,000	8,750,167	10,654,222	7,981,408	6,358,899	4,814,740	2,947,861	2,639,651	3,817,897	5,008,012	6,332,195	8,005,835
	79,449,000	81,728,514	85,494,009	84,375,146	84,388,092	84,559,795	84,497,788	86,082,478	89,233,519	92,481,715	95,965,868	99,904,220

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: Target Case



































































	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years					
						2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within Council's target benchmark											
Unrestricted Current Ratio	●	●	●	●	●	●	●	●	●	●	●
Debt Service Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates & Annual Charges Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Building & Infrastructure Renewals Ratio	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on total operating income	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on own sourced operating income	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (excluding Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (including Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Net Financial Liabilities Ratio (Gearing Ratio)	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio - adjusted by externally restricted investment income	●	●	●	●	●	●	●	●	●	●	●
Net Borrowing Ratio	●	●	●	●	●	●	●	●	●	●	●
Other Debtor Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Ratio (all assets)	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Gap	●	●	●	●	●	●	●	●	●	●	●
Asset Maintenance Gap / Maintenance required	●	●	●	●	●	●	●	●	●	●	●

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: Target Case

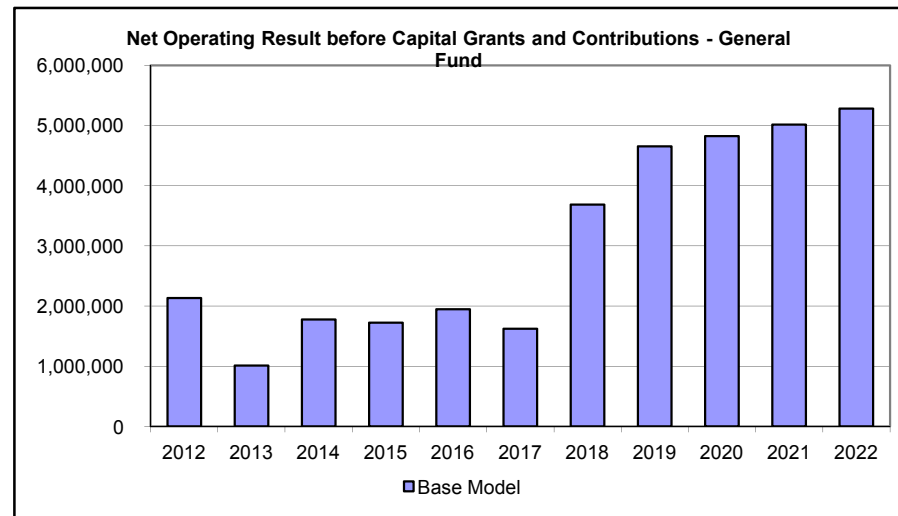
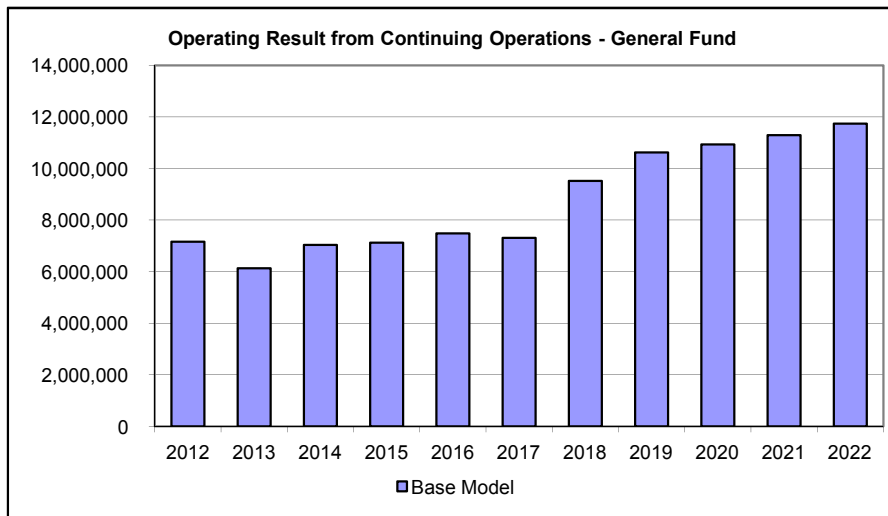
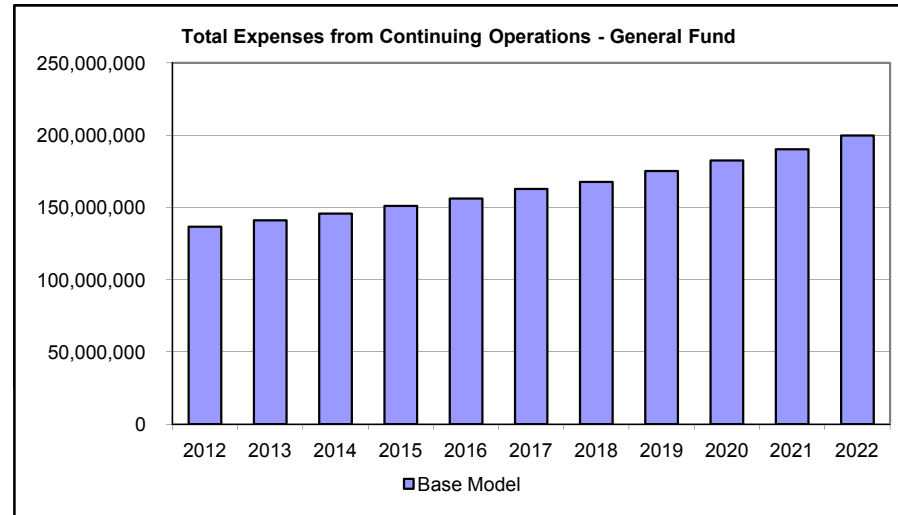
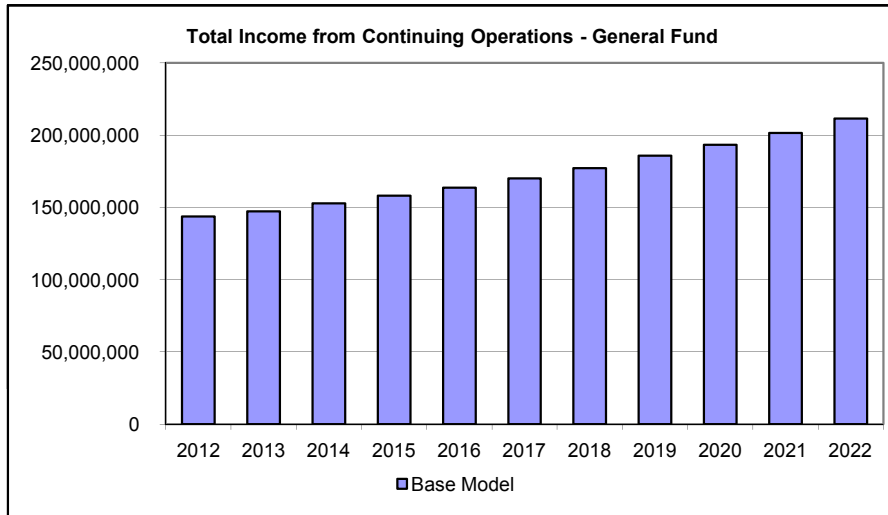
	Current Year 2011/12	Projected Years									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within LG Financial Health Check Guidelines											
Operational Result before capital Grants & Contributions											
Unrestricted Current Ratio											
Debt Service Ratio											
Rates, Annual Charges, Interest & Extra Charges											
Outstanding Percentage											
Building & Infrastructure Renewals Ratio											

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022

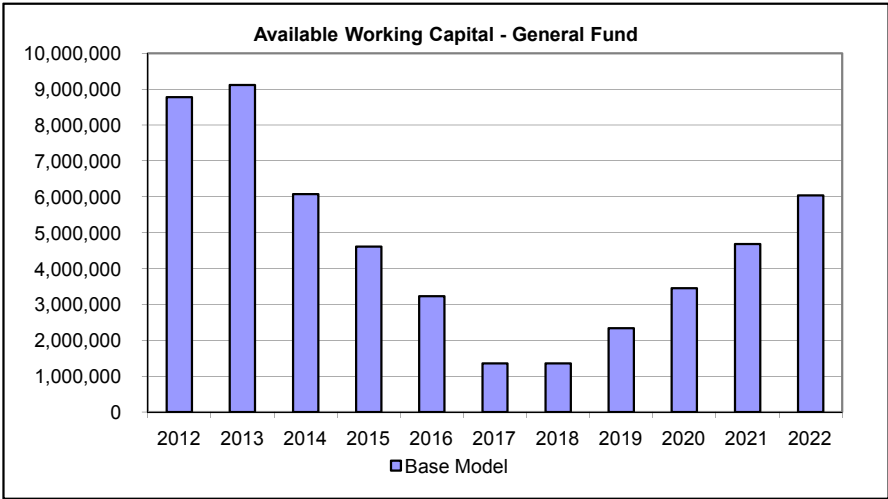
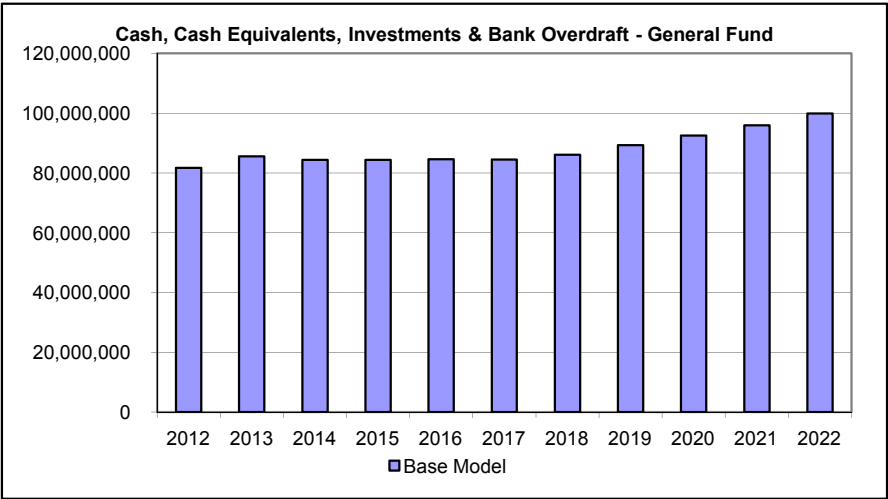
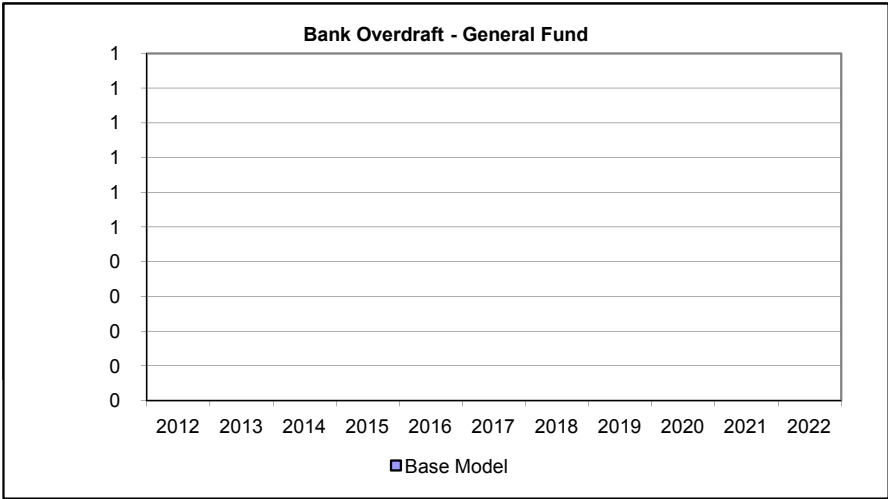
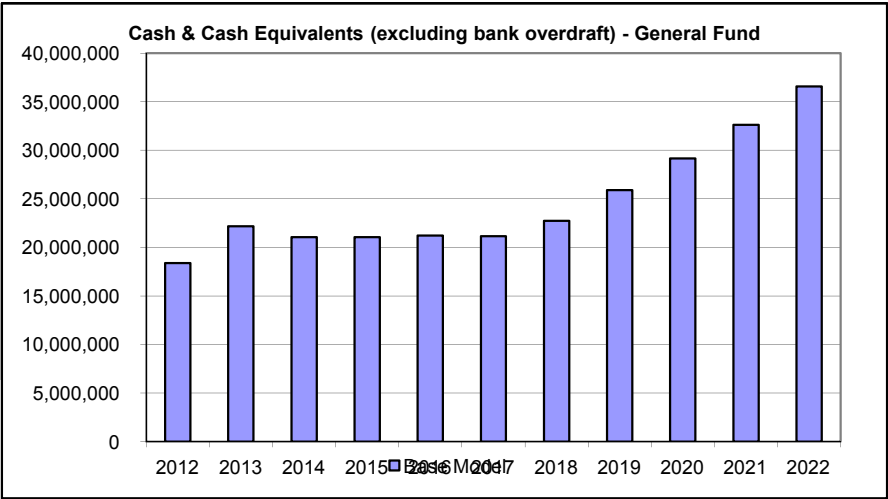
CHARTS - GENERAL FUND

Scenario: Target Case

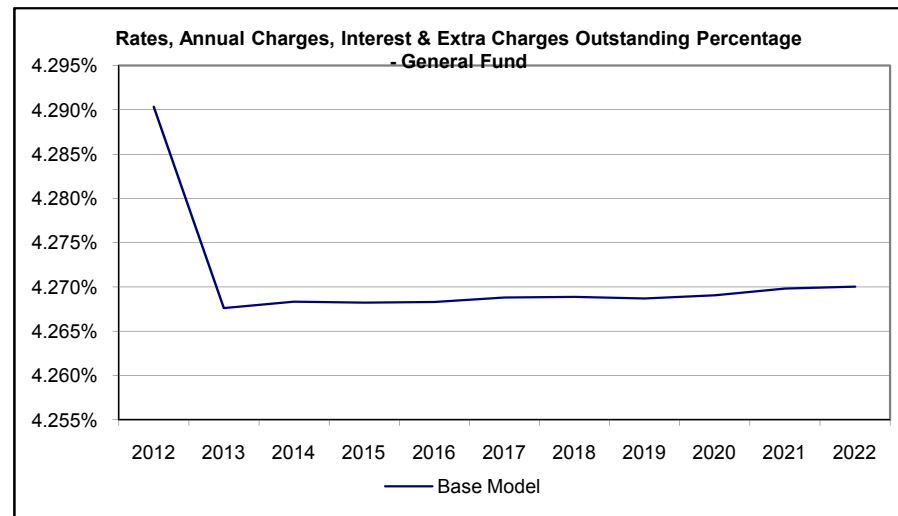
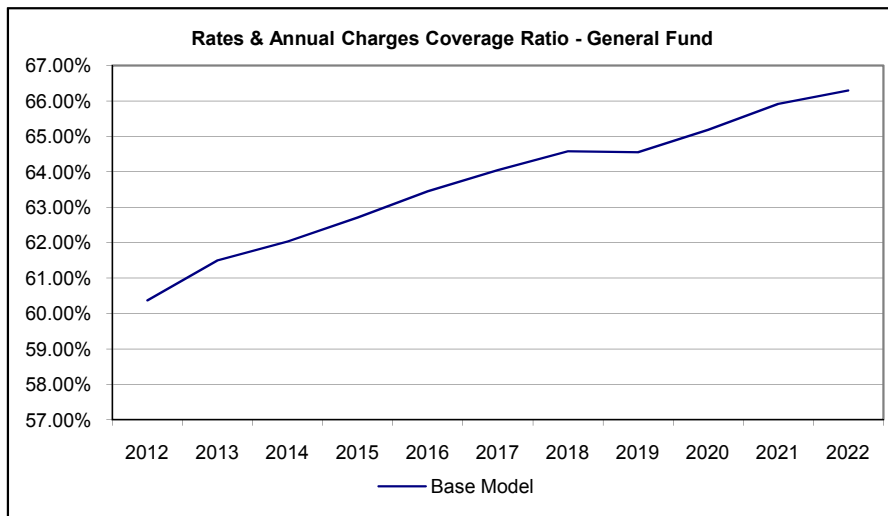
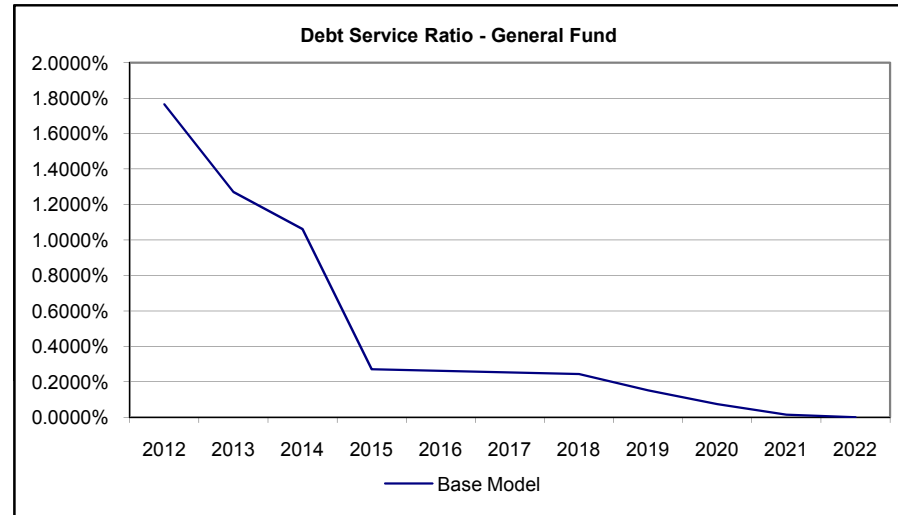
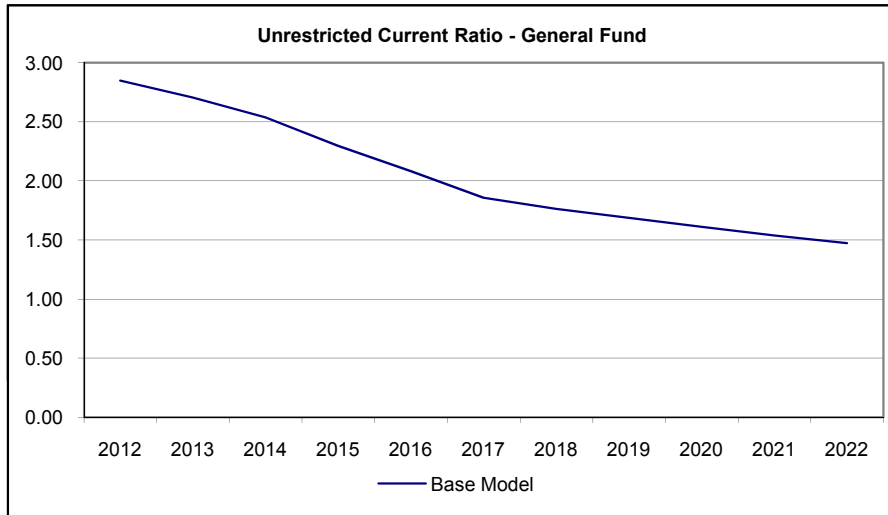
Income Statement Charts



Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
CHARTS - GENERAL FUND
Scenario: Target Case
Other Charts



Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
CHARTS - GENERAL FUND
Scenario: Target Case
 Note 13 Ratio Charts



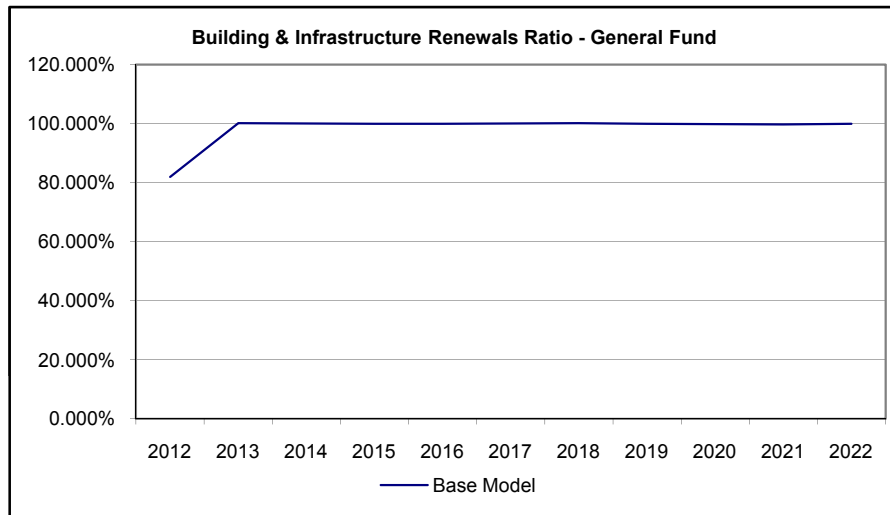
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Target Case

Note 13 Ratio Charts (continued)



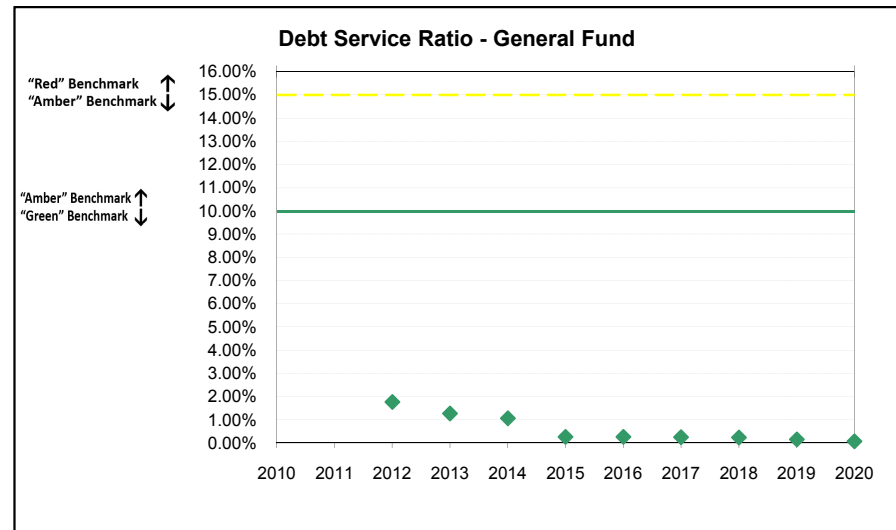
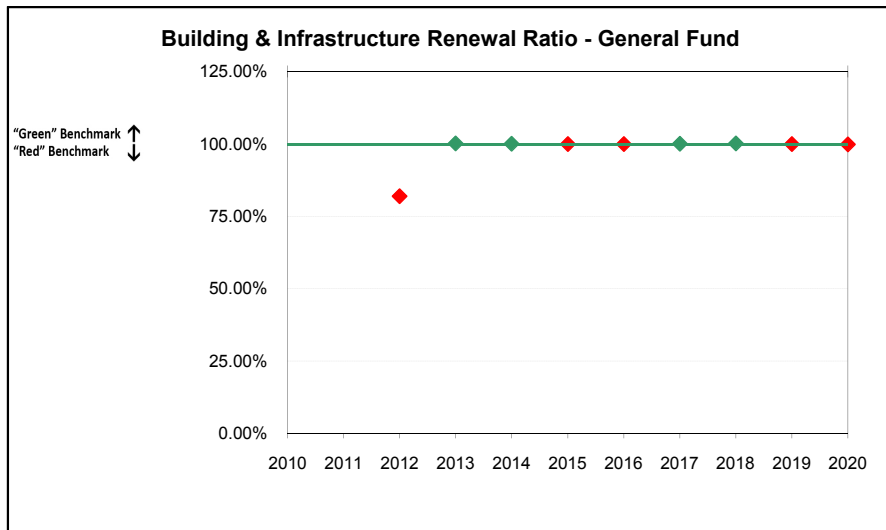
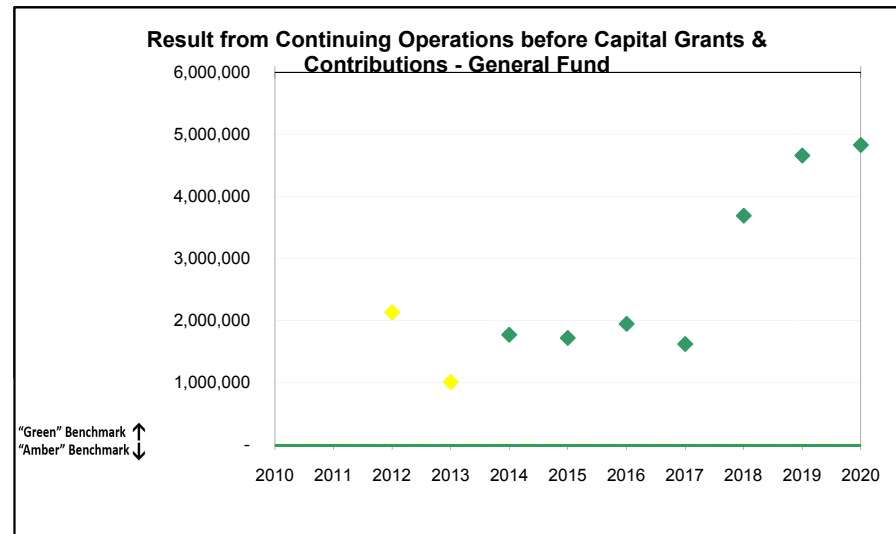
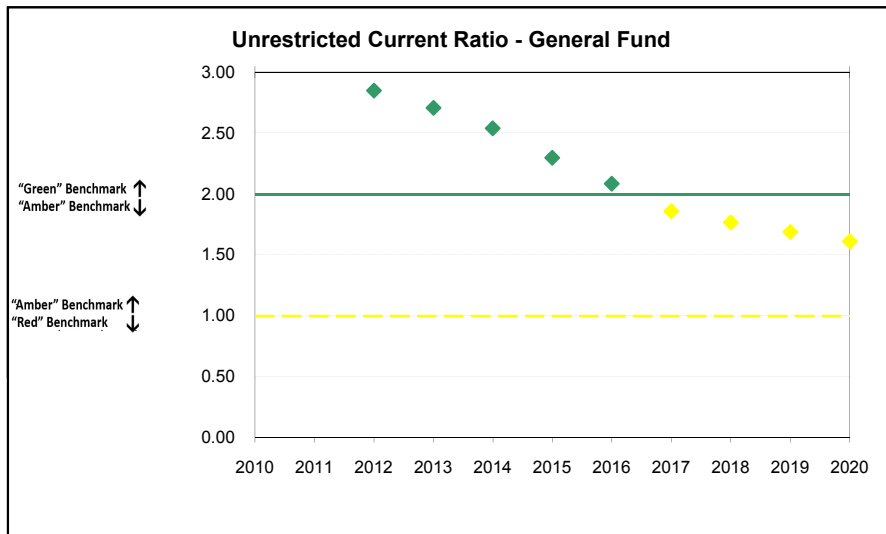
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Target Case

NSW Local Government Financial Health Check Performance Indicator Charts



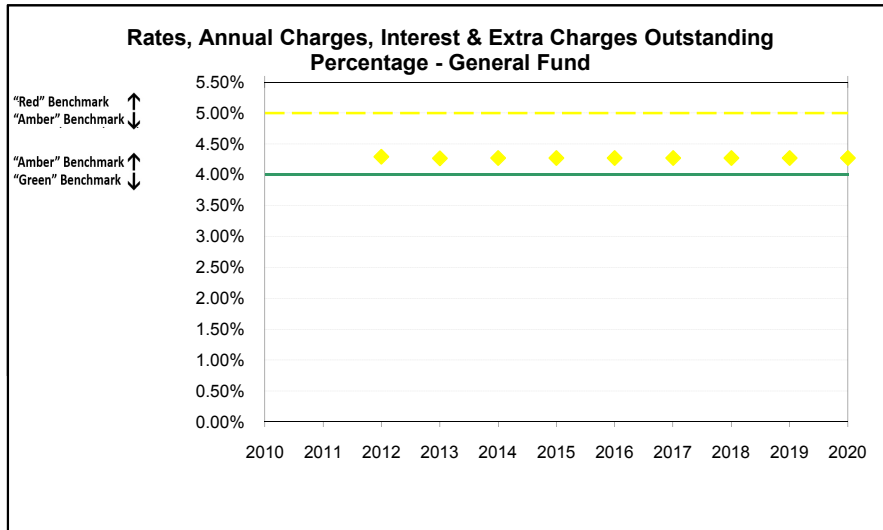
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Target Case

NSW Local Government Financial Health Check Performance Indicator Charts



Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
INCOME STATEMENT - GENERAL FUND
Scenario: No SRV Continuation

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	83,523,000	86,799,773	90,555,035	94,801,169	95,798,372	100,349,391	105,367,247	110,680,844	116,172,745	122,159,669	128,913,602	136,189,991
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue	5,098,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Other Revenues	10,227,000	8,201,529	6,337,369	6,514,815	6,684,201	6,851,306	7,036,291	7,219,234	7,385,277	7,562,523	7,774,274	7,991,954
Grants & Contributions provided for Operating Purposes	22,992,000	20,863,700	21,614,034	22,719,227	22,796,927	23,366,850	23,997,755	24,621,697	25,187,996	25,792,508	26,514,698	27,257,109
Grants & Contributions provided for Capital Purposes	7,996,000	5,028,171	5,120,572	5,263,948	5,400,811	5,535,831	5,685,298	5,833,116	5,967,278	6,110,492	6,281,586	6,457,471
Other Income:												
Net gains from the disposal of assets	202,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	502,000	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	146,273,000	143,784,650	147,247,140	152,819,002	154,788,426	160,174,181	166,540,416	173,414,161	182,020,415	189,469,012	197,631,990	207,496,820
Expenses from Continuing Operations												
Employee Benefits & On-Costs	60,696,000	64,873,558	66,289,732	69,237,468	71,682,428	73,812,339	76,151,147	78,485,844	80,654,592	82,961,873	85,284,806	87,672,780
Borrowing Costs	482,000	377,247	260,412	162,748	104,400	84,425	62,653	39,630	18,998	6,312	-	-
Materials & Contracts	21,029,000	19,064,699	21,276,111	21,871,842	22,440,510	23,001,523	23,622,564	24,236,751	24,794,196	25,389,256	26,100,156	26,830,960
Depreciation & Amortisation	24,290,000	23,951,452	24,642,320	25,275,801	25,934,441	26,584,214	27,303,514	28,014,874	28,660,516	29,349,724	30,173,099	31,019,527
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	26,202,000	28,354,648	28,648,995	29,232,487	30,906,060	32,696,580	35,671,483	36,789,987	41,026,500	44,674,259	48,735,030	54,299,507
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	132,699,000	136,621,604	141,117,570	145,780,345	151,067,839	156,179,081	162,811,360	167,567,087	175,154,801	182,381,426	190,293,090	199,822,775
Operating Result from Continuing Operations	13,574,000	7,163,046	6,129,570	7,038,657	3,720,587	3,995,100	3,729,056	5,847,074	6,865,614	7,087,586	7,338,900	7,674,045
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	13,574,000	7,163,046	6,129,570	7,038,657	3,720,587	3,995,100	3,729,056	5,847,074	6,865,614	7,087,586	7,338,900	7,674,045
Net Operating Result before Grants and Contributions provided for Capital Purposes	5,578,000	2,134,875	1,008,998	1,774,709	(1,680,223)	(1,540,731)	(1,956,243)	13,958	898,336	977,094	1,057,314	1,216,574

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
BALANCE SHEET - GENERAL FUND
Scenario: No SRV Continuation

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	16,117,000	18,396,514	22,162,009	21,043,146	17,810,344	14,499,354	10,860,934	8,776,064	8,172,652	7,576,458	7,109,266	6,985,636
Investments	44,832,000	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401
Receivables	10,397,000	11,290,119	9,534,057	9,860,754	10,065,867	10,392,750	10,753,907	11,123,330	11,481,976	11,869,166	12,317,824	12,790,677
Inventories	528,000	543,138	606,139	623,111	639,312	655,295	672,988	690,485	706,367	723,319	743,572	764,392
Other	611,000	666,208	701,445	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	72,485,000	77,831,380	79,939,051	78,462,412	75,450,924	72,482,800	69,223,229	67,525,280	67,296,396	67,104,344	67,106,063	67,476,106
Non-Current Assets												
Investments	18,500,000	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599
Receivables	807,000	946,791	987,752	1,034,068	1,044,945	1,094,586	1,149,320	1,207,279	1,267,184	1,332,488	1,406,158	1,485,527
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,620,992,000	1,623,496,854	1,629,486,027	1,639,219,094	1,649,227,022	1,659,506,110	1,670,085,373	1,680,961,498	1,692,107,060	1,703,540,238	1,715,317,023	1,727,447,037
Investments Accounted for using the equity method	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000
Investment Property	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	718,011	749,526	782,578	833,128	857,475	924,875	984,522	1,051,603	1,140,110
Total Non-Current Assets	1,659,364,000	1,659,905,244	1,665,935,378	1,676,432,772	1,686,483,092	1,696,844,874	1,707,529,420	1,718,487,852	1,729,760,717	1,741,318,847	1,753,236,384	1,765,534,272
TOTAL ASSETS	1,731,849,000	1,737,736,624	1,745,874,429	1,754,895,184	1,761,934,015	1,769,327,673	1,776,752,649	1,786,013,133	1,797,057,113	1,808,423,191	1,820,342,446	1,833,010,378
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	16,661,000	14,774,240	15,238,492	15,456,738	15,871,945	16,307,403	16,973,395	17,294,177	18,182,155	18,968,006	19,851,795	21,017,861
Borrowings	2,001,000	1,491,359	1,356,480	298,422	318,397	340,169	365,092	246,859	129,501	26,994	-	-
Provisions	27,884,000	30,639,419	33,674,761	36,795,093	39,996,553	43,278,050	46,648,147	50,105,867	53,643,114	57,265,255	60,988,816	64,816,637
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	46,546,000	46,905,018	50,269,734	52,550,253	56,186,895	59,925,622	63,986,634	67,646,903	71,954,770	76,260,255	80,840,611	85,834,498
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,573,000	3,081,914	1,725,434	1,427,012	1,108,615	768,446	403,354	156,495	26,994	-	-	-
Provisions	3,380,000	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	7,953,000	6,318,560	4,962,080	4,663,658	4,345,261	4,005,092	3,640,000	3,393,141	3,263,640	3,236,646	3,236,646	3,236,646
TOTAL LIABILITIES	54,499,000	53,223,578	55,231,813	57,213,911	60,532,155	63,930,713	67,626,633	71,040,043	75,218,409	79,496,901	84,077,256	89,071,143
Net Assets	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,701,401,860	1,705,396,960	1,709,126,016	1,714,973,090	1,721,838,704	1,728,926,290	1,736,265,190	1,743,939,235
EQUITY												
Retained Earnings	651,225,000	658,388,046	664,517,616	671,556,273	675,276,860	679,271,960	683,001,016	688,848,090	695,713,704	702,801,290	710,140,190	717,814,235
Revaluation Reserves	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000
Council Equity Interest	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,701,401,860	1,705,396,960	1,709,126,016	1,714,973,090	1,721,838,704	1,728,926,290	1,736,265,190	1,743,939,235
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,701,401,860	1,705,396,960	1,709,126,016	1,714,973,090	1,721,838,704	1,728,926,290	1,736,265,190	1,743,939,235

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
CASH FLOW STATEMENT - GENERAL FUND
Scenario: No SRV Continuation

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	84,293,000	86,144,090	90,383,033	94,606,684	95,752,697	100,140,941	105,137,414	110,437,466	115,921,200	121,885,450	128,604,252	135,856,711
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue Received	5,093,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Grants & Contributions	30,986,000	25,893,772	26,734,652	27,983,037	28,197,708	28,902,600	29,682,964	30,454,725	31,155,193	31,902,915	32,796,182	33,714,475
Bonds & Deposits Received	682,000	-	-	-	-	-	-	-	-	-	-	-
Other	14,337,000	7,777,401	8,179,426	6,290,165	6,466,452	6,634,663	6,800,359	6,984,056	7,165,910	7,330,635	7,506,194	7,716,368
Payments:												
Employee Benefits & On-Costs	(60,661,000)	(62,261,493)	(63,254,390)	(66,117,137)	(68,480,968)	(70,530,842)	(72,781,049)	(75,028,125)	(77,117,345)	(79,339,732)	(81,561,245)	(83,844,960)
Materials & Contracts	(23,452,000)	(21,021,805)	(20,910,098)	(21,687,133)	(22,073,019)	(22,615,099)	(23,024,815)	(23,957,814)	(23,989,498)	(24,680,005)	(25,303,701)	(25,774,220)
Borrowing Costs	(482,000)	(377,247)	(260,412)	(162,748)	(104,400)	(84,425)	(62,653)	(39,630)	(18,998)	(6,312)	-	-
Bonds & Deposits Refunded	(574,000)	-	-	-	-	-	-	-	-	-	-	-
Other	(32,944,000)	(28,309,648)	(28,603,995)	(29,186,227)	(30,858,597)	(32,647,931)	(35,621,520)	(36,738,726)	(40,974,059)	(44,620,560)	(48,679,827)	(54,242,758)
Net Cash provided (or used in) Operating Activities	33,011,000	30,736,547	35,888,346	35,246,485	33,007,989	33,870,710	34,584,525	37,171,221	39,449,524	40,316,210	41,509,686	43,025,911
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	64,977,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,369,000	870,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(53,549,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	(3,898,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(34,319,000)	(27,326,306)	(31,526,493)	(35,903,868)	(36,837,368)	(37,758,303)	(38,777,777)	(39,785,999)	(40,701,077)	(41,677,903)	(42,844,884)	(44,044,541)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(25,420,000)	(26,456,306)	(30,631,493)	(35,008,868)	(35,942,368)	(36,863,303)	(37,882,777)	(38,890,999)	(39,806,077)	(40,782,903)	(41,949,884)	(43,149,541)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	500,000	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(2,060,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,560,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Net Increase/(Decrease) in Cash & Cash Equivalents	6,031,000	2,279,514	3,765,494	(1,118,863)	(3,232,802)	(3,310,990)	(3,638,421)	(2,084,869)	(603,412)	(596,194)	(467,192)	(123,630)
plus: Cash, Cash Equivalents & Investments - beginning of year	10,086,000	16,117,000	18,396,514	22,162,009	21,043,146	17,810,344	14,499,354	10,860,934	8,776,064	8,172,652	7,576,458	7,109,266
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	21,043,146	17,810,344	14,499,354	10,860,934	8,776,064	8,172,652	7,576,458	7,109,266	6,985,636
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	21,043,146	17,810,344	14,499,354	10,860,934	8,776,064	8,172,652	7,576,458	7,109,266	6,985,636
Investments - end of the year	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000
Cash, Cash Equivalents & Investments - end of the year	79,449,000	81,728,514	85,494,009	84,375,146	81,142,344	77,831,354	74,192,934	72,108,064	71,504,652	70,908,458	70,441,266	70,317,636
Representing:												
- External Restrictions	43,482,000	45,123,987	47,369,147	49,306,818	51,325,993	53,425,575	55,614,167	57,890,787	60,247,302	62,689,103	65,232,793	67,881,225
- Internal Restrictions	29,181,000	27,854,360	27,470,640	27,086,920	26,703,200	26,319,480	25,935,760	25,552,040	25,168,320	24,784,600	24,400,880	24,017,160
- Unrestricted	6,786,000	8,750,167	10,654,222	7,981,408	3,113,151	(1,913,701)	(7,356,993)	(11,334,763)	(13,910,970)	(16,565,245)	(19,192,407)	(21,580,749)
	79,449,000	81,728,514	85,494,009	84,375,146	81,142,344	77,831,354	74,192,934	72,108,064	71,504,652	70,908,458	70,441,266	70,317,636

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: No SRV Continuation
























































	Current Year 2011/12	Projected Years									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within Council's target benchmark											
Unrestricted Current Ratio	●	●	●	●	●	●	●	●	●	●	●
Debt Service Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates & Annual Charges Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Building & Infrastructure Renewals Ratio	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on total operating income	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on own sourced operating income	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (excluding Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (including Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Net Financial Liabilities Ratio (Gearing Ratio)	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio - adjusted by externally restricted investment income	●	●	●	●	●	●	●	●	●	●	●
Net Borrowing Ratio	●	●	●	●	●	●	●	●	●	●	●
Other Debtor Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Ratio (all assets)	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Gap	●	●	●	●	●	●	●	●	●	●	●
Asset Maintenance Gap / Maintenance required	●	●	●	●	●	●	●	●	●	●	●

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: No SRV Continuation

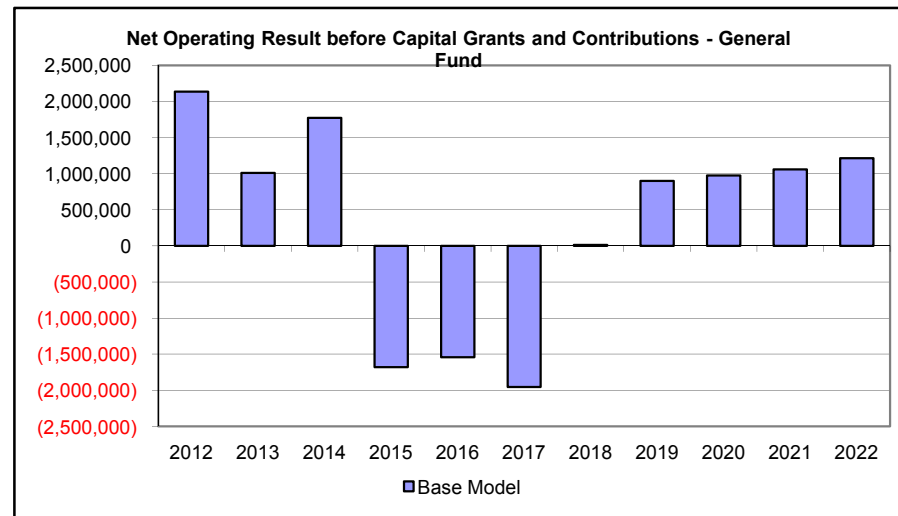
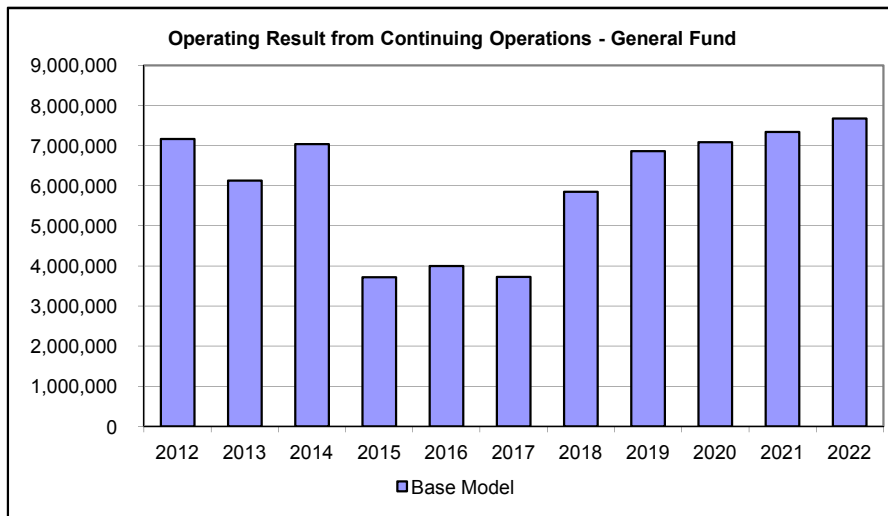
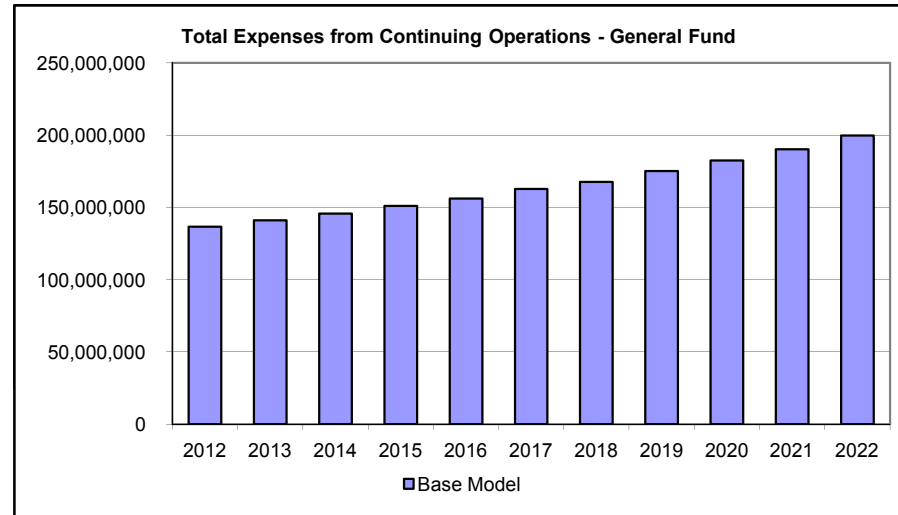
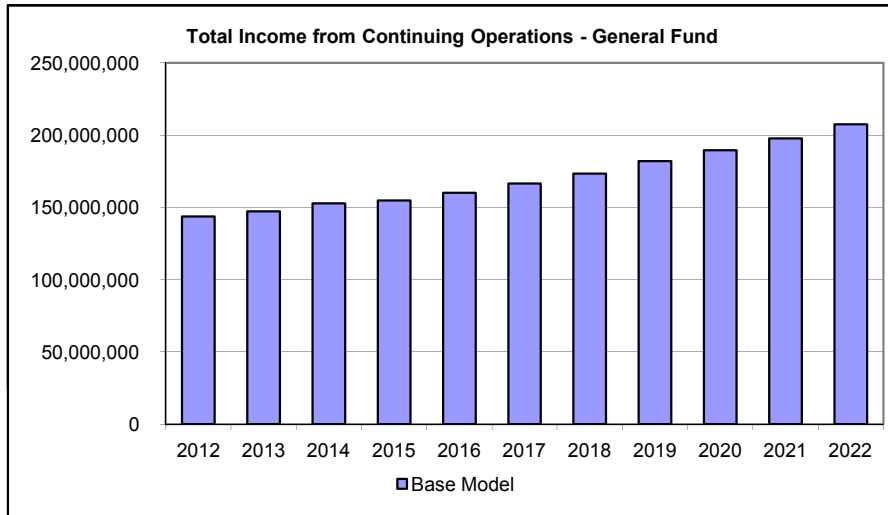
	Current Year 2011/12	Projected Years									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within LG Financial Health Check Guidelines											
Operational Result before capital Grants & Contributions											
Unrestricted Current Ratio											
Debt Service Ratio											
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage											
Building & Infrastructure Renewals Ratio											

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: No SRV Continuation

Income Statement Charts

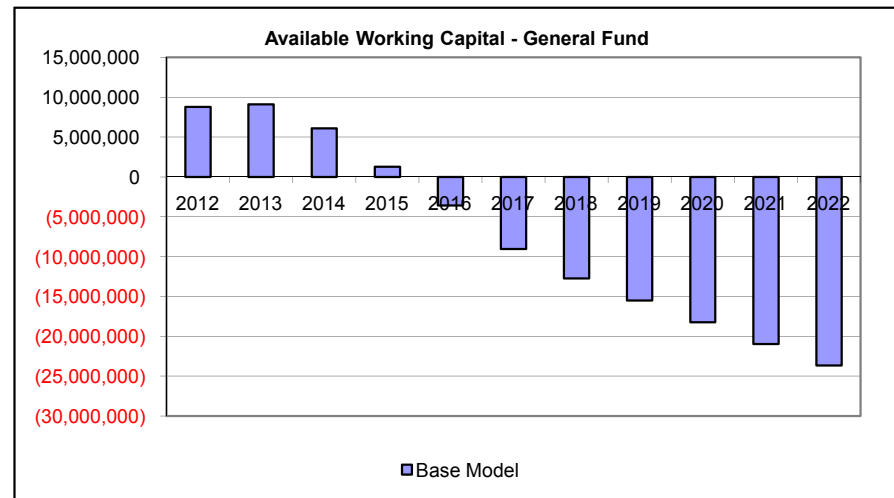
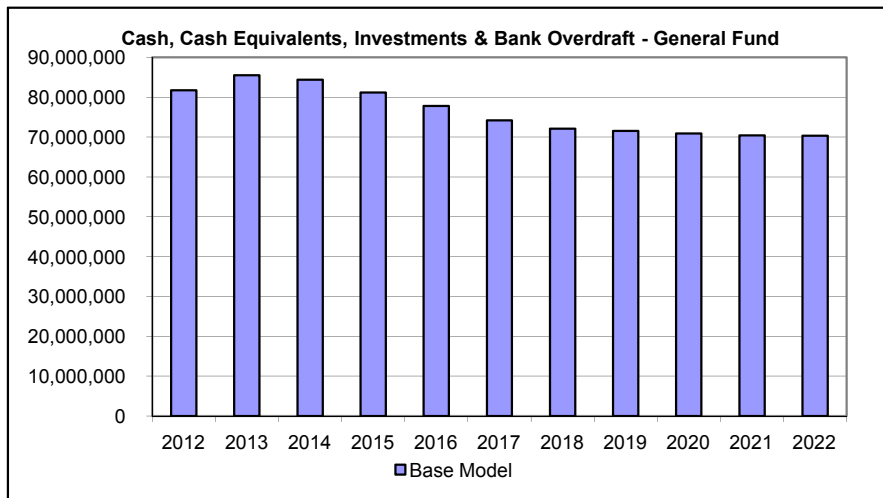
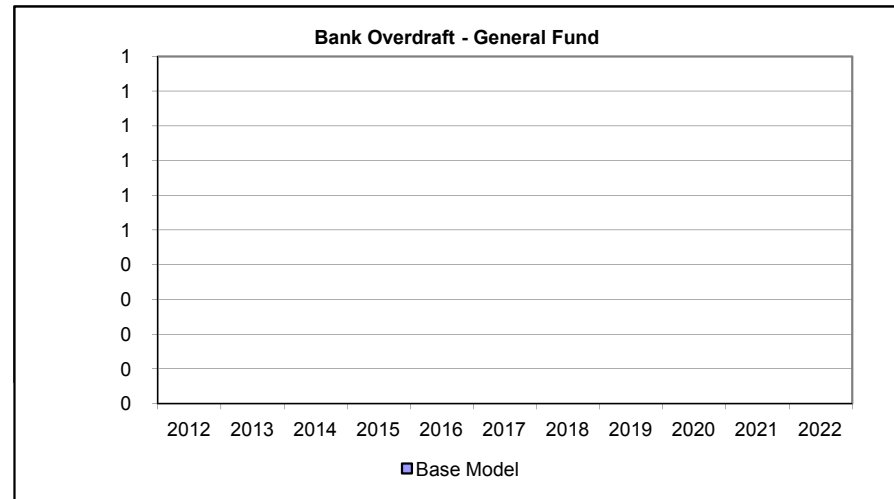
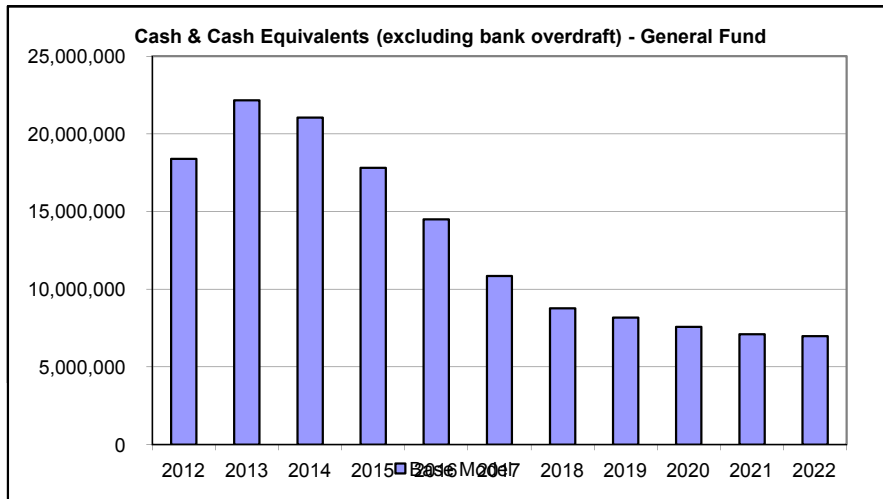


Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022

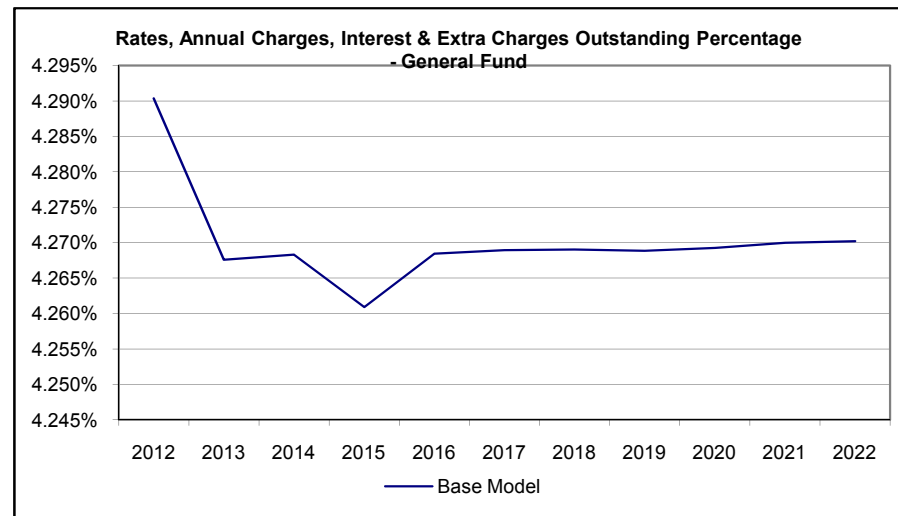
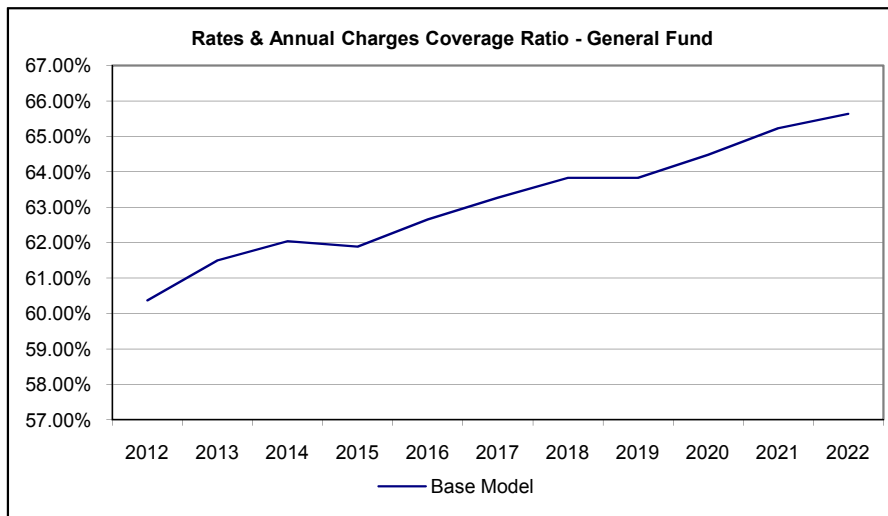
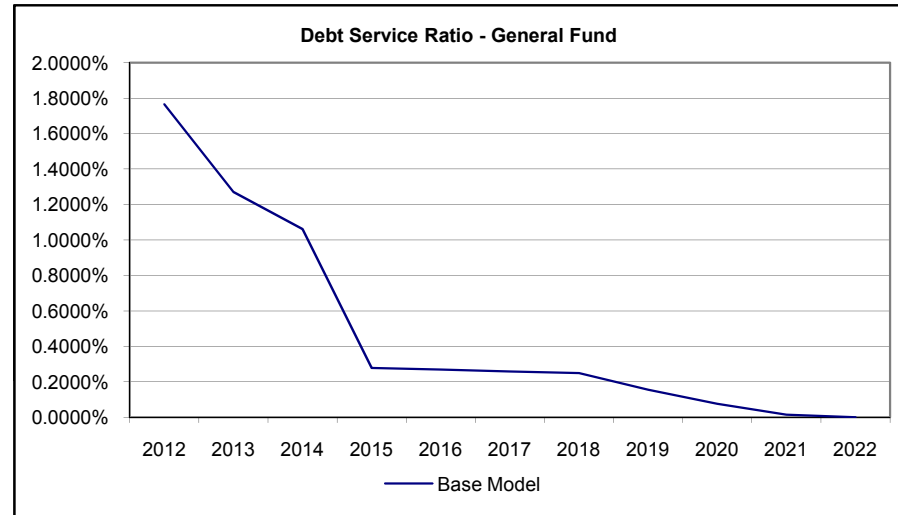
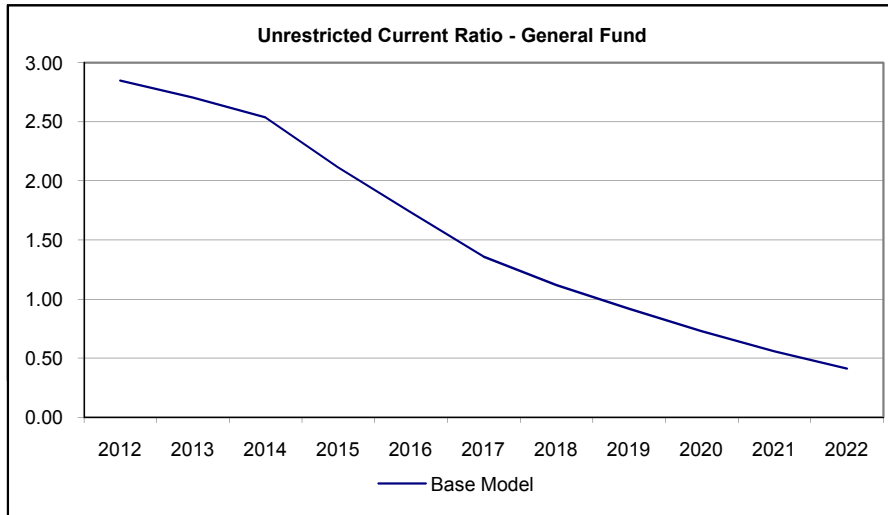
CHARTS - GENERAL FUND

Scenario: No SRV Continuation

Other Charts



Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
CHARTS - GENERAL FUND
Scenario: No SRV Continuation
 Note 13 Ratio Charts



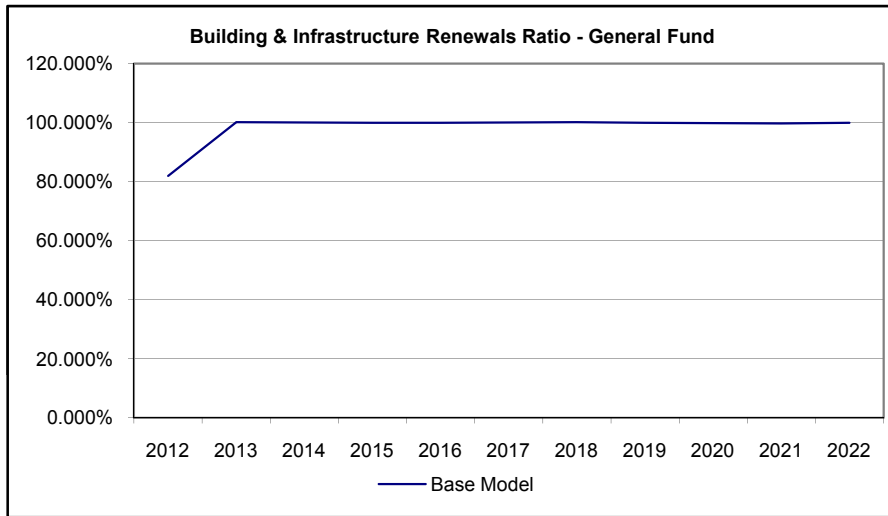
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: No SRV Continuation

Note 13 Ratio Charts (continued)



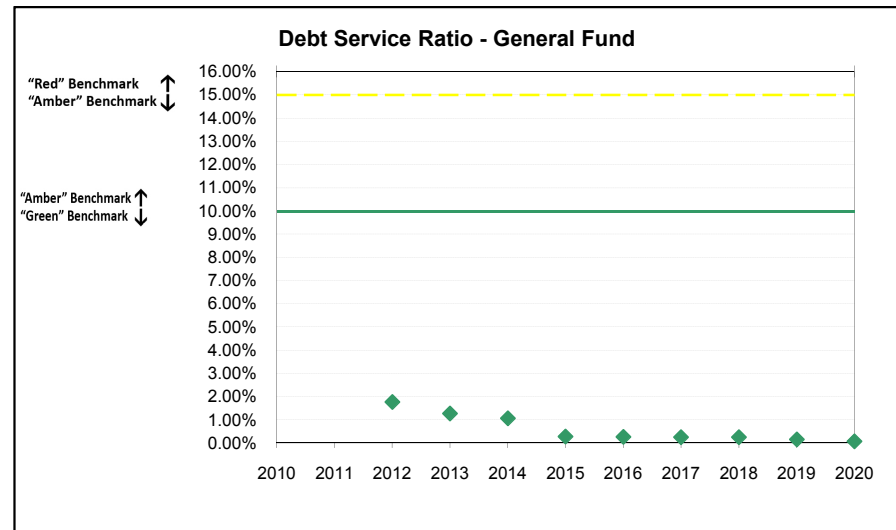
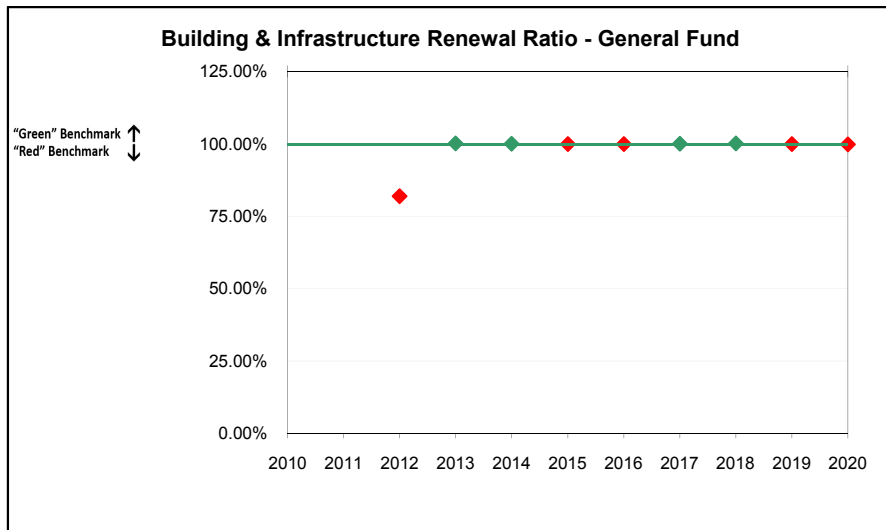
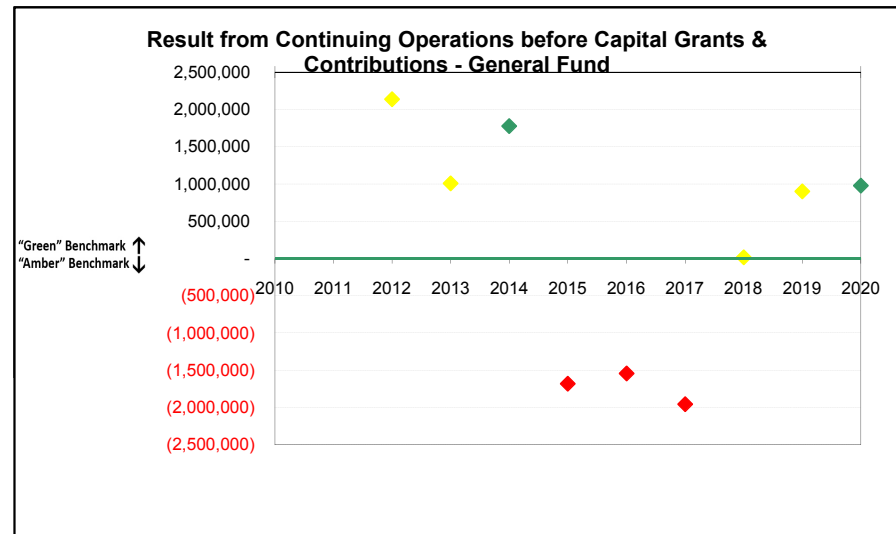
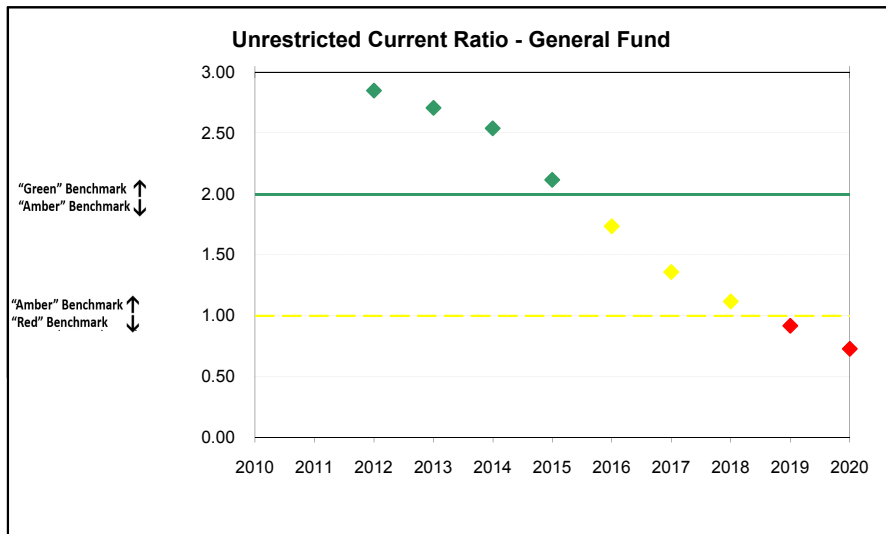
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: No SRV Continuation

NSW Local Government Financial Health Check Performance Indicator Charts



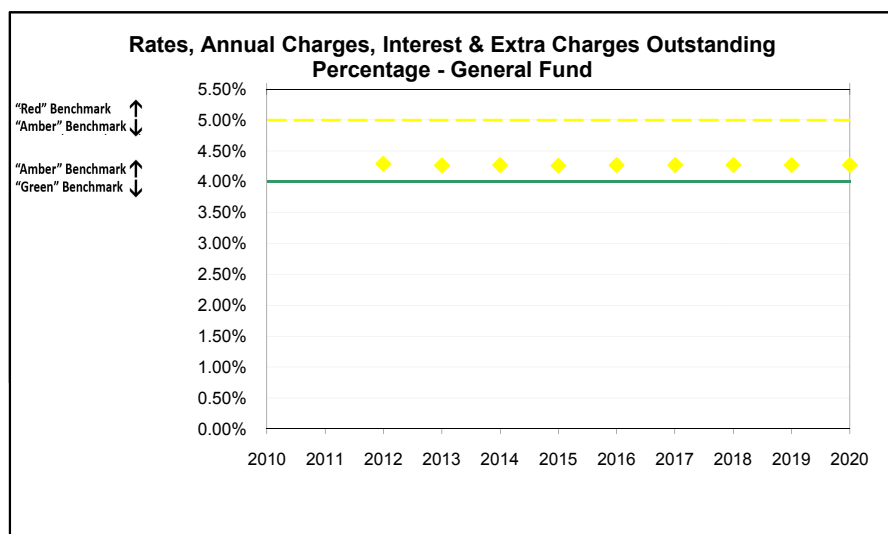
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: No SRV Continuation

NSW Local Government Financial Health Check Performance Indicator Charts



Fairfield City Council 10 Year Financial Plan for the Years ending 30 June 2022 INCOME STATEMENT - GENERAL FUND Scenario: Salary and Wages projected based on Average Week												
	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years					
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
							\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	83,523,000	86,799,773	90,555,035	94,801,169	99,199,921	103,835,979	108,947,972	114,354,668	119,931,068	126,008,191	132,869,882	140,257,048
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue	5,098,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Other Revenues	10,227,000	8,201,529	6,337,369	6,514,815	6,684,201	6,851,306	7,036,291	7,219,234	7,385,277	7,562,523	7,774,274	7,991,954
Grants & Contributions provided for Operating Purposes	22,992,000	20,863,700	21,614,034	22,719,227	22,796,927	23,366,850	23,997,755	24,621,697	25,187,996	25,792,508	26,514,698	27,257,109
Grants & Contributions provided for Capital Purposes	7,996,000	5,028,171	5,120,572	5,263,948	5,400,811	5,535,831	5,685,298	5,833,116	5,967,278	6,110,492	6,281,586	6,457,471
Other Income:												
Net gains from the disposal of assets	202,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	502,000	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	146,273,000	143,784,650	147,247,140	152,819,002	158,189,975	163,660,768	170,121,141	177,087,985	185,778,738	193,317,534	201,588,271	211,563,876
Expenses from Continuing Operations												
Employee Benefits & On-Costs	60,696,000	64,873,558	66,289,732	69,237,468	72,584,031	75,424,766	78,455,349	81,656,628	85,154,291	88,586,499	91,896,301	95,331,123
Borrowing Costs	482,000	377,247	260,412	162,748	104,400	84,425	62,653	39,630	18,998	6,312	-	-
Materials & Contracts	21,029,000	19,064,699	21,276,111	21,871,842	22,440,510	23,001,523	23,622,564	24,236,751	24,794,196	25,389,256	26,100,156	26,830,960
Depreciation & Amortisation	24,290,000	23,951,452	24,642,320	25,275,801	25,934,441	26,584,214	27,303,514	28,014,874	28,660,516	29,349,724	30,173,099	31,019,527
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	26,202,000	28,354,648	28,648,995	29,232,487	30,906,060	32,696,580	35,671,483	36,789,987	41,026,500	44,674,259	48,735,030	54,299,507
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	132,699,000	136,621,604	141,117,570	145,780,345	151,969,441	157,791,508	165,115,563	170,737,870	179,654,500	188,006,051	196,904,585	207,481,117
Operating Result from Continuing Operations	13,574,000	7,163,046	6,129,570	7,038,657	6,220,534	5,869,260	5,005,578	6,350,115	6,124,237	5,311,483	4,683,686	4,082,759
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	13,574,000	7,163,046	6,129,570	7,038,657	6,220,534	5,869,260	5,005,578	6,350,115	6,124,237	5,311,483	4,683,686	4,082,759
Net Operating Result before Grants and Contributions provided for Capital Purposes	5,578,000	2,134,875	1,008,998	1,774,709	819,723	333,429	(679,720)	516,999	156,960	(799,010)	(1,597,900)	(2,374,712)

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
BALANCE SHEET - GENERAL FUND
Scenario: Salary and Wages projected based on Average We

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	16,117,000	18,396,514	22,162,009	21,043,146	20,154,489	18,713,765	16,347,555	14,761,463	13,412,804	11,036,375	7,909,032	4,189,043
Investments	44,832,000	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401
Receivables	10,397,000	11,290,119	9,534,057	9,860,754	10,184,564	10,514,415	10,878,857	11,251,529	11,613,124	12,003,460	12,455,879	12,932,598
Inventories	528,000	543,138	606,139	623,111	639,312	655,295	672,988	690,485	706,367	723,319	743,572	764,392
Other	611,000	666,208	701,445	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	72,485,000	77,831,380	79,939,051	78,462,412	77,913,767	76,818,875	74,834,800	73,638,878	72,667,695	70,698,555	68,043,884	64,821,433
Non-Current Assets												
Investments	18,500,000	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599
Receivables	807,000	946,791	987,752	1,034,068	1,082,048	1,132,617	1,188,378	1,247,353	1,308,179	1,374,466	1,449,312	1,529,889
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,620,992,000	1,623,496,854	1,629,486,027	1,639,219,094	1,649,227,022	1,659,506,110	1,670,085,373	1,680,961,498	1,692,107,060	1,703,540,238	1,715,317,023	1,727,447,037
Investments Accounted for using the equity method	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000
Investment Property	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	718,011	749,526	782,578	833,128	857,475	924,875	984,522	1,051,603	1,140,110
Total Non-Current Assets	1,659,364,000	1,659,905,244	1,665,935,378	1,676,432,772	1,686,520,195	1,696,882,904	1,707,568,478	1,718,527,926	1,729,801,712	1,741,360,826	1,753,279,538	1,765,578,635
TOTAL ASSETS	1,731,849,000	1,737,736,624	1,745,874,429	1,754,895,184	1,764,433,962	1,773,701,780	1,782,403,278	1,792,166,803	1,802,469,407	1,812,059,381	1,821,323,422	1,830,400,068
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	16,661,000	14,774,240	15,238,492	15,456,738	15,871,945	16,307,403	16,973,395	17,294,177	18,182,155	18,968,006	19,851,795	21,017,861
Borrowings	2,001,000	1,491,359	1,356,480	298,422	318,397	340,169	365,092	246,859	129,501	26,994	-	-
Provisions	27,884,000	30,639,419	33,674,761	36,795,093	39,996,553	43,278,050	46,648,147	50,105,867	53,643,114	57,265,255	60,988,816	64,816,637
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	46,546,000	46,905,018	50,269,734	52,550,253	56,186,895	59,925,622	63,986,634	67,646,903	71,954,770	76,260,255	80,840,611	85,834,498
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,573,000	3,081,914	1,725,434	1,427,012	1,108,615	768,446	403,354	156,495	26,994	-	-	-
Provisions	3,380,000	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	7,953,000	6,318,560	4,962,080	4,663,658	4,345,261	4,005,092	3,640,000	3,393,141	3,263,640	3,236,646	3,236,646	3,236,646
TOTAL LIABILITIES	54,499,000	53,223,578	55,231,813	57,213,911	60,532,155	63,930,713	67,626,633	71,040,043	75,218,409	79,496,901	84,077,256	89,071,143
Net Assets	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,703,901,806	1,709,771,067	1,714,776,645	1,721,126,760	1,727,250,998	1,732,562,480	1,737,246,166	1,741,328,925
EQUITY												
Retained Earnings	651,225,000	658,388,046	664,517,616	671,556,273	677,776,806	683,646,067	688,651,645	695,001,760	701,125,998	706,437,480	711,121,166	715,203,925
Revaluation Reserves	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000
Council Equity Interest	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,703,901,806	1,709,771,067	1,714,776,645	1,721,126,760	1,727,250,998	1,732,562,480	1,737,246,166	1,741,328,925
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,703,901,806	1,709,771,067	1,714,776,645	1,721,126,760	1,727,250,998	1,732,562,480	1,737,246,166	1,741,328,925

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CASH FLOW STATEMENT - GENERAL FUND

Scenario: Salary and Wages projected based on Average Weekly

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	84,293,000	86,144,090	90,383,033	94,606,684	98,998,445	103,623,634	108,713,828	114,107,026	119,675,652	125,729,841	132,555,597	139,918,694
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue Received	5,093,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Grants & Contributions	30,986,000	25,893,772	26,734,652	27,983,037	28,197,708	28,902,600	29,682,964	30,454,725	31,155,193	31,902,915	32,796,182	33,714,475
Bonds & Deposits Received	682,000	-	-	-	-	-	-	-	-	-	-	-
Other	14,337,000	7,777,401	8,179,426	6,290,165	6,466,452	6,634,663	6,800,359	6,984,056	7,165,910	7,330,635	7,506,194	7,716,368
Payments:												
Employee Benefits & On-Costs	(60,661,000)	(62,261,493)	(63,254,390)	(66,117,137)	(69,382,570)	(72,143,270)	(75,085,252)	(78,198,908)	(81,617,043)	(84,964,358)	(88,172,740)	(91,503,302)
Materials & Contracts	(23,452,000)	(21,021,805)	(20,910,098)	(21,687,133)	(22,073,019)	(22,615,099)	(23,024,815)	(23,957,814)	(23,989,498)	(24,680,005)	(25,303,701)	(25,774,220)
Borrowing Costs	(482,000)	(377,247)	(260,412)	(162,748)	(104,400)	(84,425)	(62,653)	(39,630)	(18,998)	(6,312)	-	-
Bonds & Deposits Refunded	(574,000)	-	-	-	-	-	-	-	-	-	-	-
Other	(32,944,000)	(28,309,648)	(28,603,995)	(29,186,227)	(30,858,597)	(32,647,931)	(35,621,520)	(36,738,726)	(40,974,059)	(44,620,560)	(48,679,827)	(54,242,758)
Net Cash provided (or used in) Operating Activities	33,011,000	30,736,547	35,888,346	35,246,485	35,352,134	35,740,975	35,856,736	37,669,998	38,704,277	38,535,974	38,849,536	39,429,551
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	64,977,000	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,369,000	870,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(53,549,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	(3,898,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(34,319,000)	(27,326,306)	(31,526,493)	(35,903,868)	(36,837,368)	(37,758,303)	(38,777,777)	(39,785,999)	(40,701,077)	(41,677,903)	(42,844,884)	(44,044,541)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(25,420,000)	(26,456,306)	(30,631,493)	(35,008,868)	(35,942,368)	(36,863,303)	(37,882,777)	(38,890,999)	(39,806,077)	(40,782,903)	(41,949,884)	(43,149,541)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	500,000	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(2,060,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,560,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Net Increase/(Decrease) in Cash & Cash Equivalents	6,031,000	2,279,514	3,765,494	(1,118,863)	(888,656)	(1,440,724)	(2,366,210)	(1,586,092)	(1,348,659)	(2,376,429)	(3,127,342)	(3,719,990)
plus: Cash, Cash Equivalents & Investments - beginning of year	10,086,000	16,117,000	18,396,514	22,162,009	21,043,146	20,154,489	18,713,765	16,347,555	14,761,463	13,412,804	11,036,375	7,909,032
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	21,043,146	20,154,489	18,713,765	16,347,555	14,761,463	13,412,804	11,036,375	7,909,032	4,189,043
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	21,043,146	20,154,489	18,713,765	16,347,555	14,761,463	13,412,804	11,036,375	7,909,032	4,189,043
Investments - end of the year	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000
Cash, Cash Equivalents & Investments - end of the year	79,449,000	81,728,514	85,494,009	84,375,146	83,486,489	82,045,765	79,679,555	78,093,463	76,744,804	74,368,375	71,241,032	67,521,043
Representing:												
- External Restrictions	43,482,000	45,123,987	47,369,147	49,306,818	51,325,993	53,425,575	55,614,167	57,890,787	60,247,302	62,689,103	65,232,793	67,881,225
- Internal Restrictions	29,181,000	27,854,360	27,470,640	27,086,920	26,703,200	26,319,480	25,935,760	25,552,040	25,168,320	24,784,600	24,400,880	24,017,160
- Unrestricted	6,786,000	8,750,167	10,654,222	7,981,408	5,457,296	2,300,710	(1,870,372)	(5,349,364)	(8,670,818)	(13,105,328)	(18,392,641)	(24,377,342)
	79,449,000	81,728,514	85,494,009	84,375,146	83,486,489	82,045,765	79,679,555	78,093,463	76,744,804	74,368,375	71,241,032	67,521,043

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: Salary and Wages projected based on Average
























































	Current Year 2011/12	Projected Years									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within Council's target benchmark											
Unrestricted Current Ratio	●	●	●	●	●	●	●	●	●	●	●
Debt Service Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates & Annual Charges Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Building & Infrastructure Renewals Ratio	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on total operating income	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on own sourced operating income	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (excluding Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (including Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Net Financial Liabilities Ratio (Gearing Ratio)	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio - adjusted by externally restricted investment income	●	●	●	●	●	●	●	●	●	●	●
Net Borrowing Ratio	●	●	●	●	●	●	●	●	●	●	●
Other Debtor Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Ratio (all assets)	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Gap	●	●	●	●	●	●	●	●	●	●	●
Asset Maintenance Gap / Maintenance required	●	●	●	●	●	●	●	●	●	●	●

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: Salary and Wages projected based on Average

	Current Year 2011/12	Projected Years									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within LG Financial Health Check Guidelines											
Operational Result before capital Grants & Contributions											
Unrestricted Current Ratio											
Debt Service Ratio											
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage											
Building & Infrastructure Renewals Ratio											

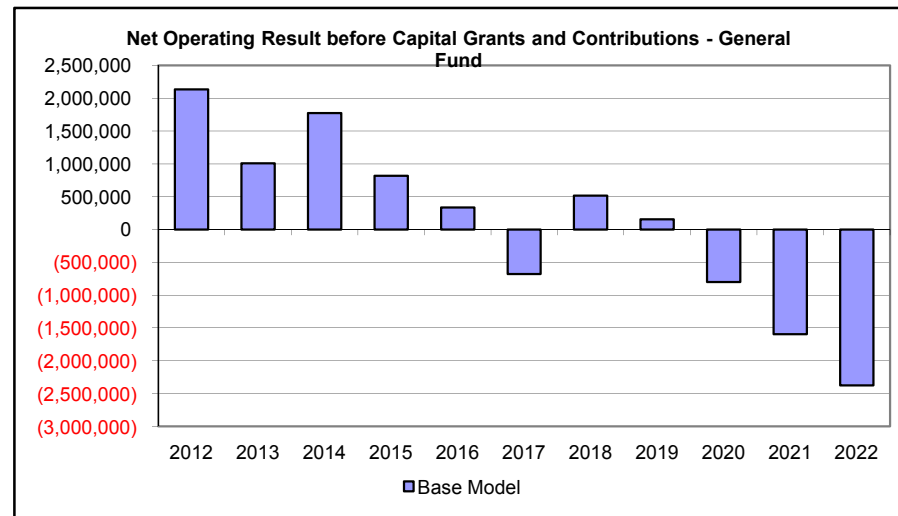
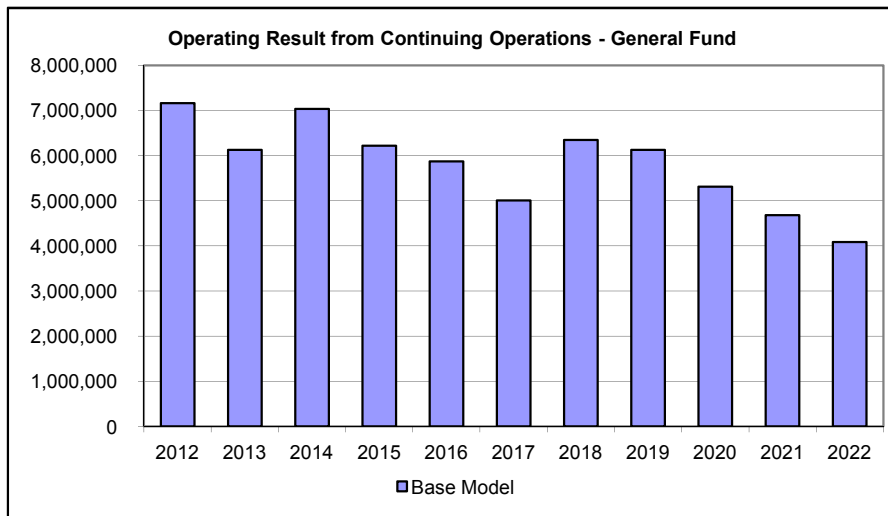
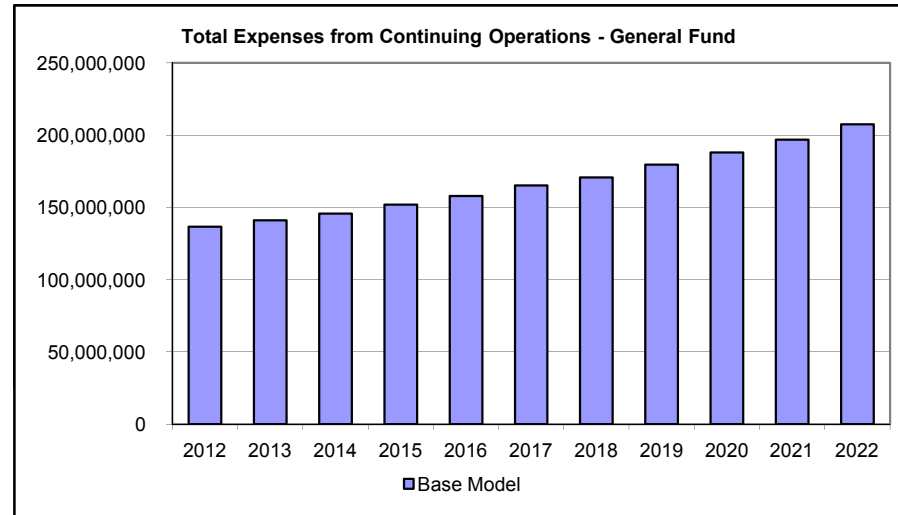
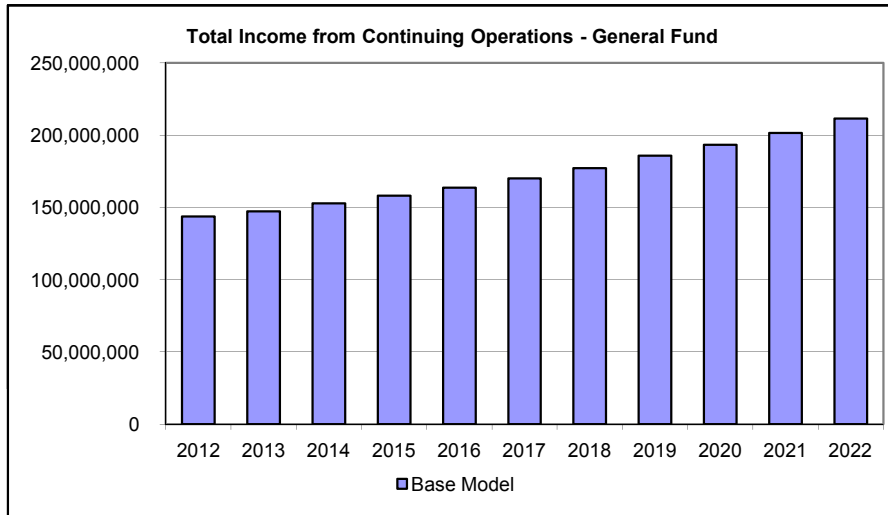
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Salary and Wages projected based on Average Weekly Earnings increases

Income Statement Charts



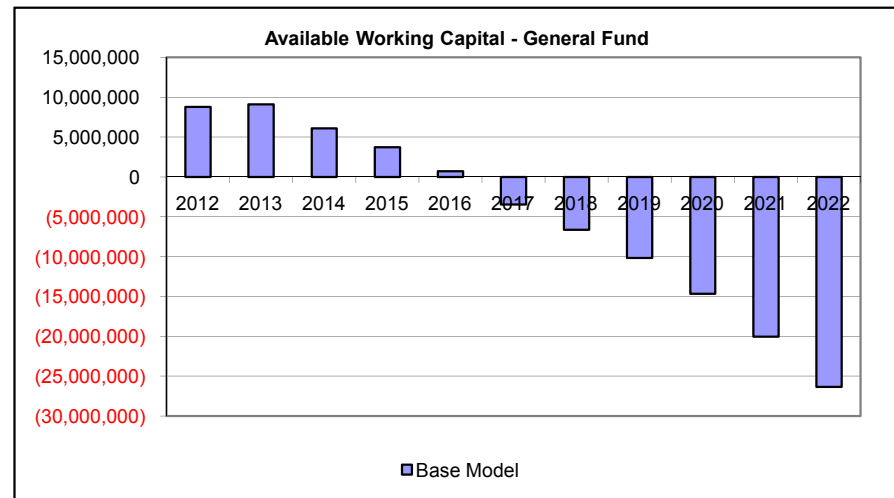
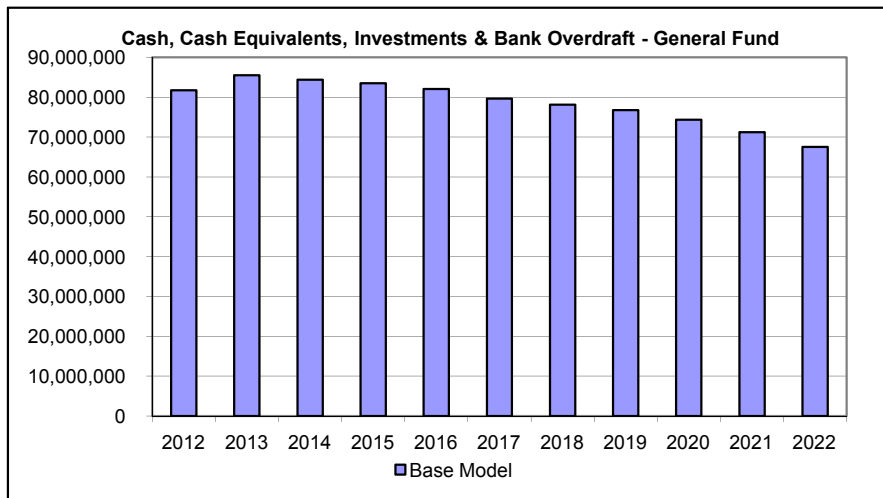
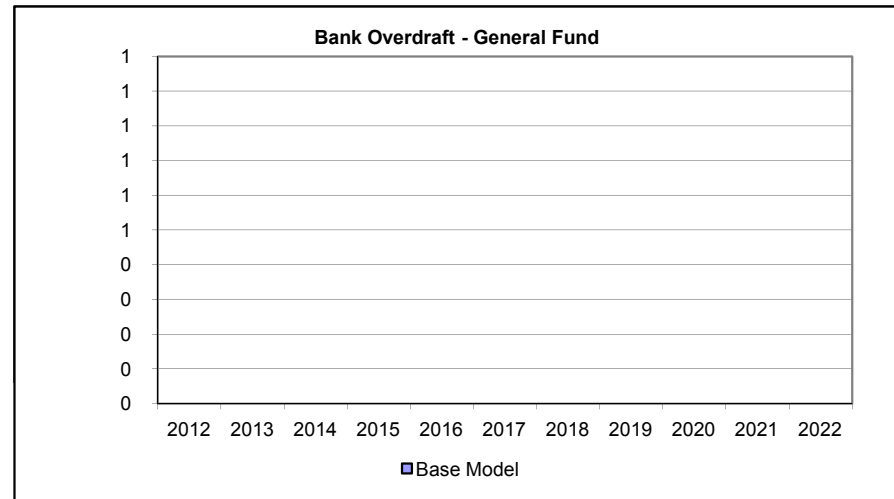
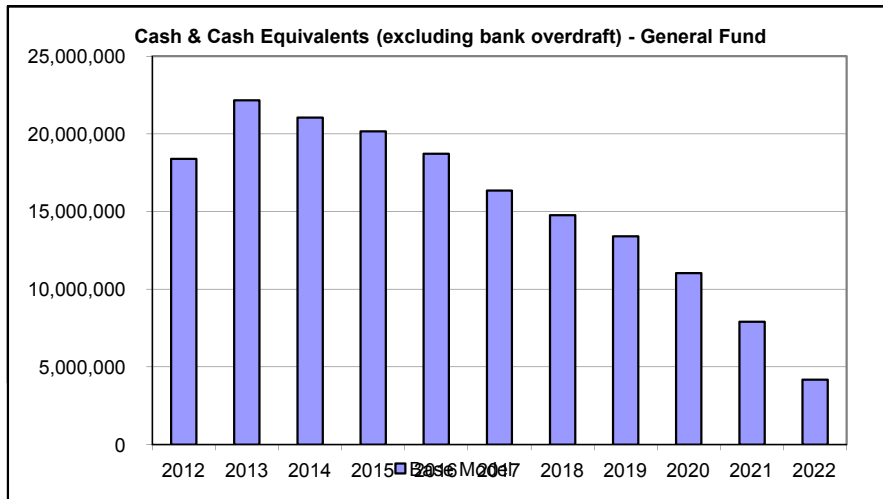
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Salary and Wages projected based on Average Weekly Earnings increases

Other Charts



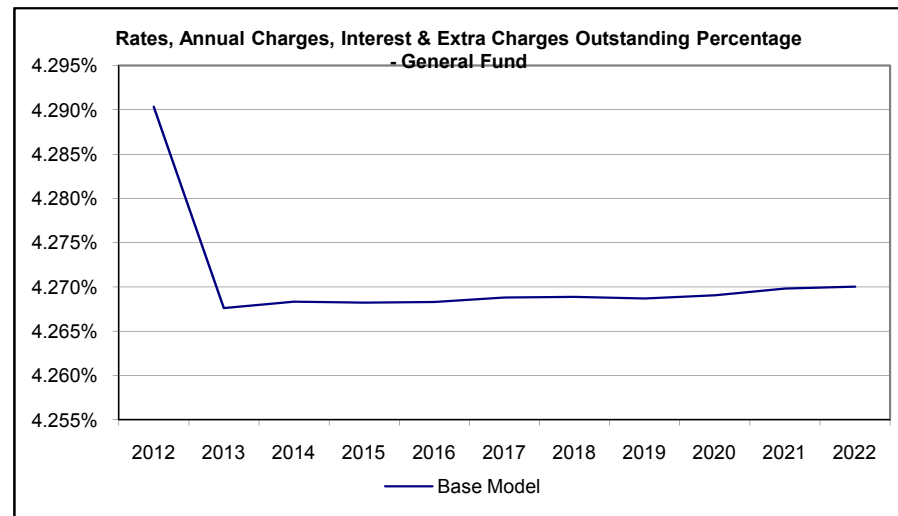
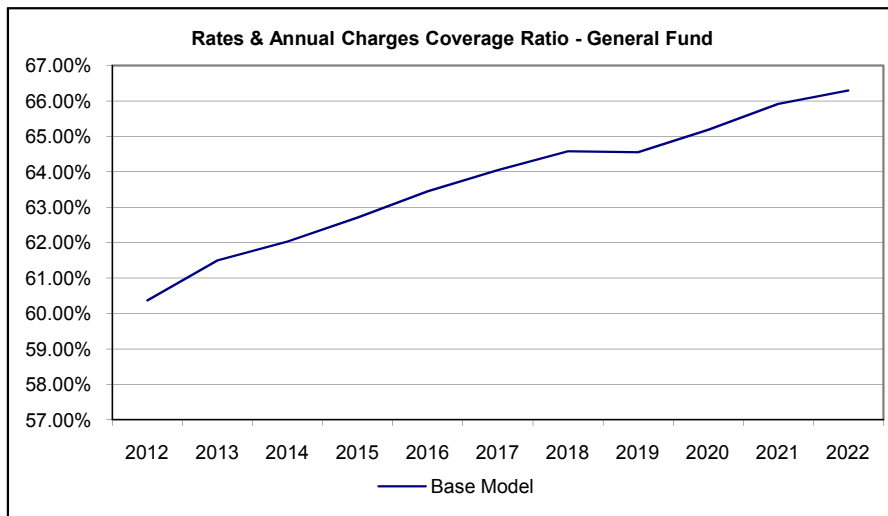
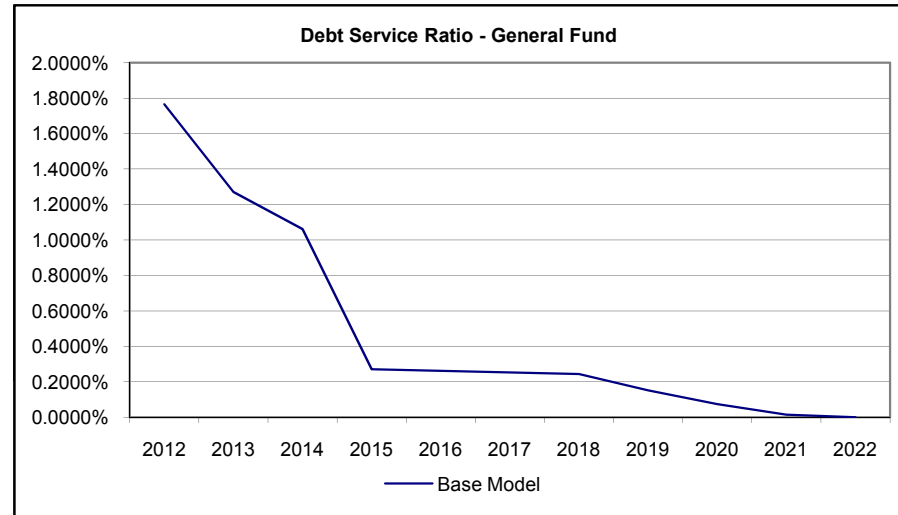
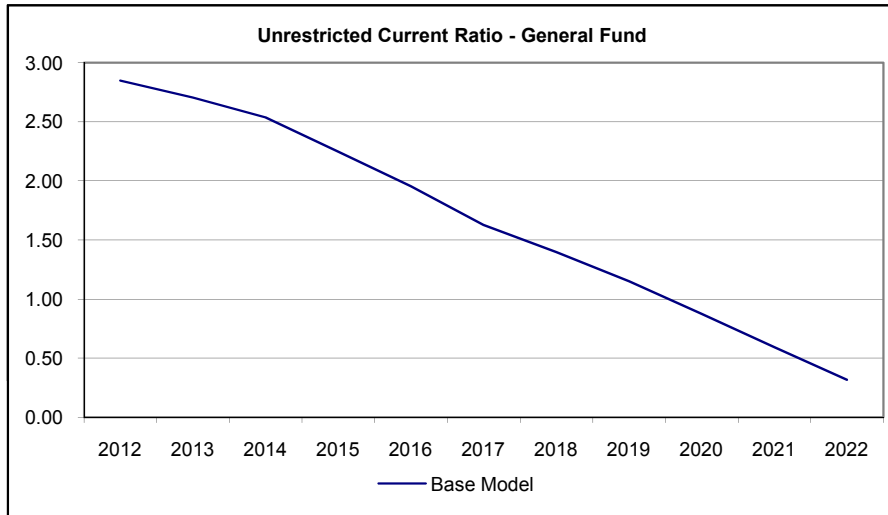
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Salary and Wages projected based on Average Weekly Earnings increases

Note 13 Ratio Charts



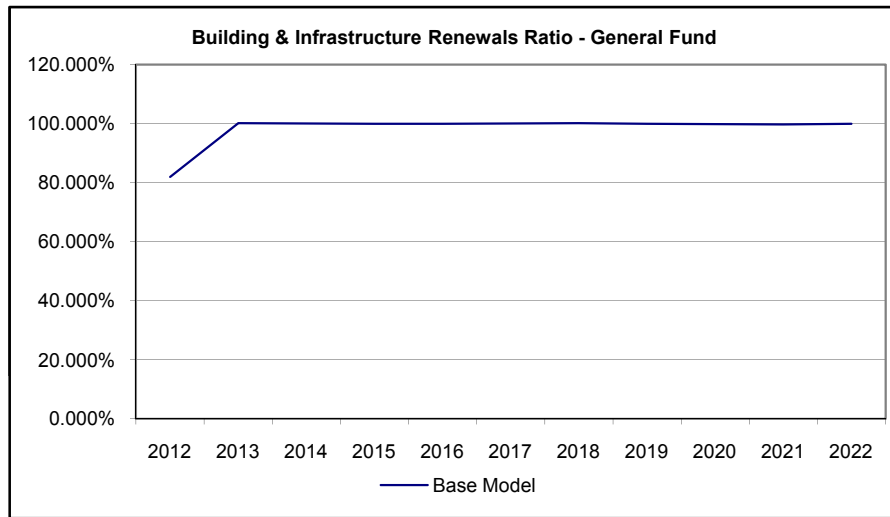
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Salary and Wages projected based on Average Weekly Earnings increases

Note 13 Ratio Charts (continued)



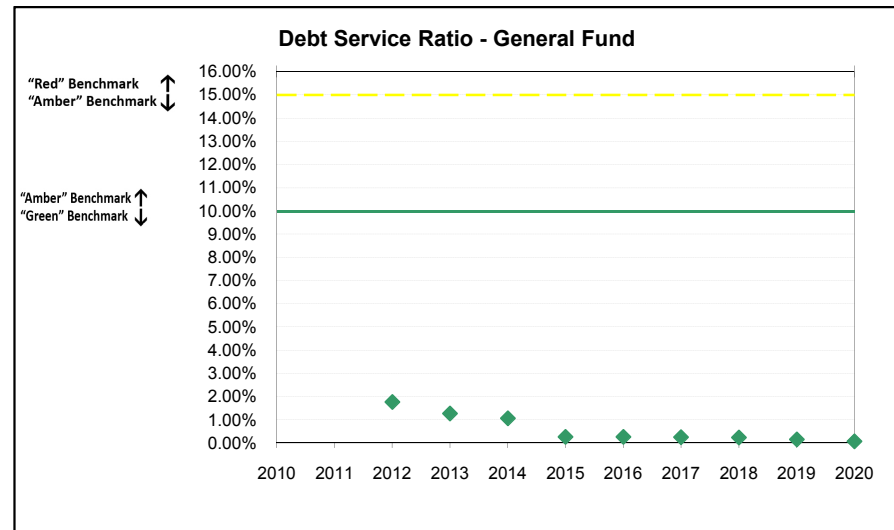
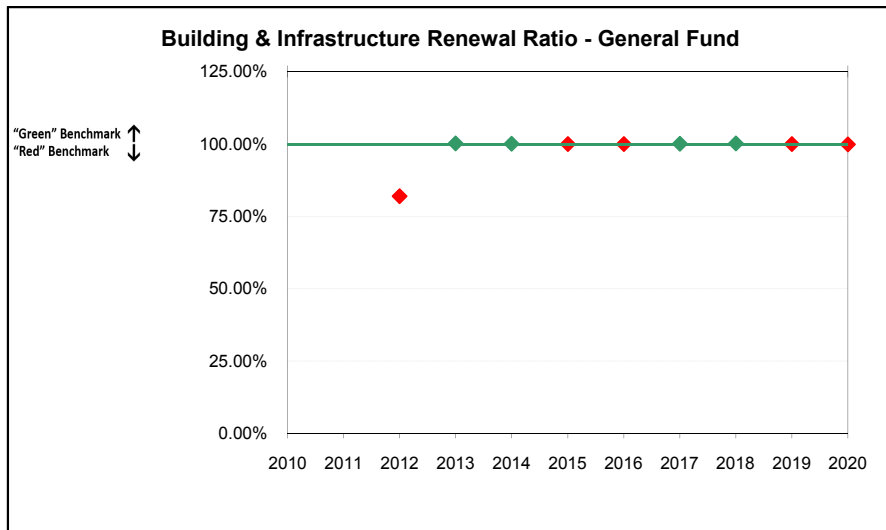
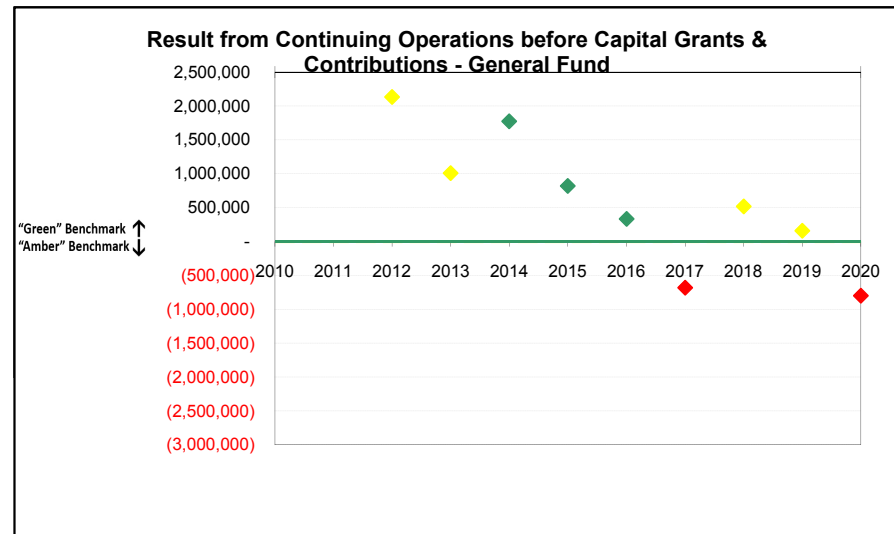
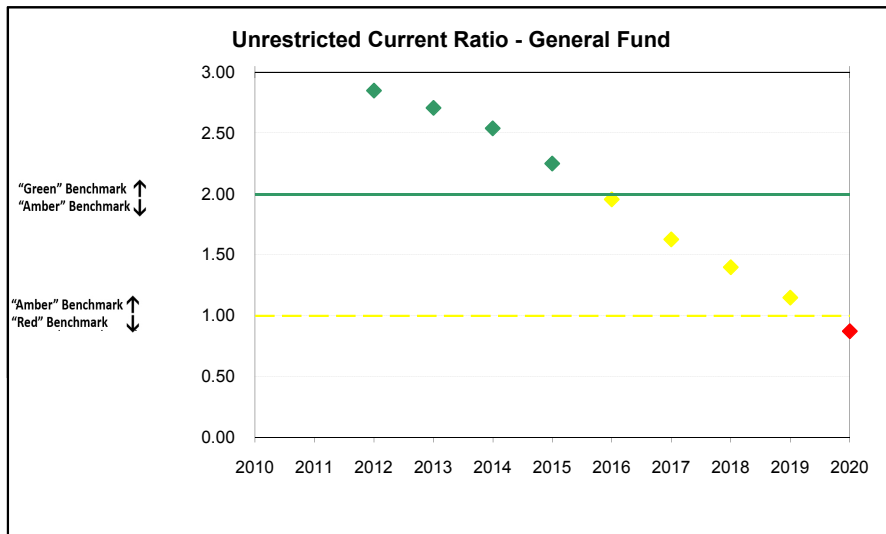
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Salary and Wages projected based on Average Weekly Earnings increases

NSW Local Government Financial Health Check Performance Indicator Charts



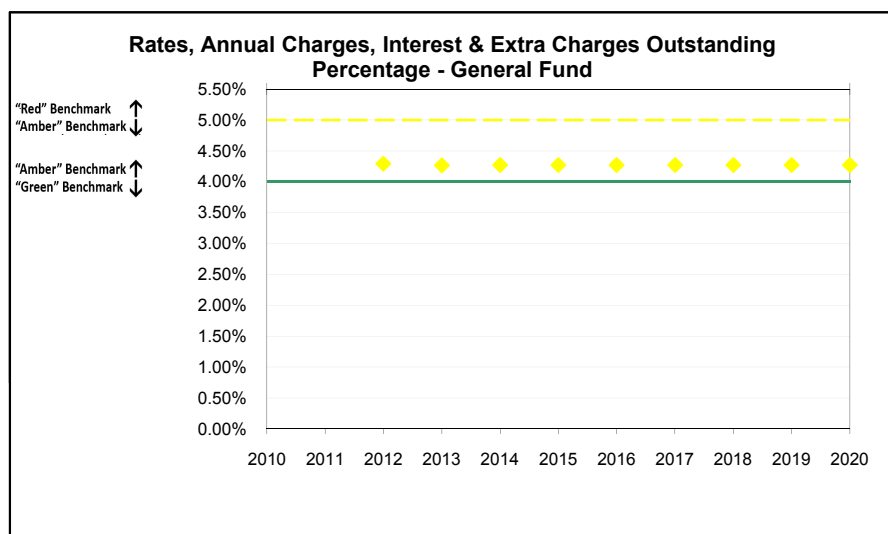
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Salary and Wages projected based on Average Weekly Earnings increases

NSW Local Government Financial Health Check Performance Indicator Charts



Fairfield City Council 10 Year Financial Plan for the Years ending 30 June 2022 INCOME STATEMENT - GENERAL FUND Scenario: Maintain Existing Asset Condition												
	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	83,523,000	86,799,773	90,555,035	94,801,169	99,199,921	103,835,979	108,947,972	114,354,668	119,931,068	126,008,191	132,869,882	140,257,048
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue	5,098,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Other Revenues	10,227,000	8,201,529	6,337,369	6,514,815	6,684,201	6,851,306	7,036,291	7,219,234	7,385,277	7,562,523	7,774,274	7,991,954
Grants & Contributions provided for Operating Purposes	22,992,000	20,863,700	21,614,034	22,719,227	22,796,927	23,366,850	23,997,755	24,621,697	25,187,996	25,792,508	26,514,698	27,257,109
Grants & Contributions provided for Capital Purposes	7,996,000	5,028,171	5,120,572	5,263,948	5,400,811	5,535,831	5,685,298	5,833,116	5,967,278	6,110,492	6,281,586	6,457,471
Other Income:												
Net gains from the disposal of assets	202,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	502,000	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	146,273,000	143,784,650	147,247,140	152,819,002	158,189,975	163,660,768	170,121,141	177,087,985	185,778,738	193,317,534	201,588,271	211,563,876
Expenses from Continuing Operations												
Employee Benefits & On-Costs	60,696,000	64,873,558	66,289,732	69,237,468	71,682,428	73,812,339	76,151,147	78,485,844	80,654,592	82,961,873	85,284,806	87,672,780
Borrowing Costs	482,000	377,247	260,412	162,748	104,400	84,425	62,653	39,630	18,998	6,312	-	-
Materials & Contracts	21,029,000	19,064,699	21,276,111	21,871,842	22,440,510	23,001,523	23,622,564	24,236,751	24,794,196	25,389,256	26,100,156	26,830,960
Depreciation & Amortisation	24,290,000	23,951,452	24,642,320	25,275,801	25,934,441	26,584,214	27,303,514	28,014,874	28,660,516	29,349,724	30,173,099	31,019,527
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	26,202,000	28,354,648	28,648,995	29,232,487	30,906,060	32,696,580	35,671,483	36,789,987	41,026,500	44,674,259	48,735,030	54,299,507
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	132,699,000	136,621,604	141,117,570	145,780,345	151,067,839	156,179,081	162,811,360	167,567,087	175,154,801	182,381,426	190,293,090	199,822,775
Operating Result from Continuing Operations	13,574,000	7,163,046	6,129,570	7,038,657	7,122,136	7,481,687	7,309,781	9,520,898	10,623,936	10,936,108	11,295,181	11,741,101
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	13,574,000	7,163,046	6,129,570	7,038,657	7,122,136	7,481,687	7,309,781	9,520,898	10,623,936	10,936,108	11,295,181	11,741,101
Net Operating Result before Grants and Contributions provided for Capital Purposes	5,578,000	2,134,875	1,008,998	1,774,709	1,721,325	1,945,856	1,624,483	3,687,782	4,656,659	4,825,616	5,013,595	5,283,631

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
BALANCE SHEET - GENERAL FUND
Scenario: Maintain Existing Asset Condition

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years		2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	16,117,000	18,396,514	22,162,009	11,997,236	5,419,700	1,663,995	-	12,435	1,591,323	2,835,548	3,479,333	4,378,987
Investments	44,832,000	46,935,401	46,935,401	46,935,401	46,935,401	46,935,401	45,926,818	45,926,818	45,926,818	45,926,818	45,926,818	45,926,818
Receivables	10,397,000	11,290,119	9,534,057	9,860,754	10,184,564	10,514,415	10,878,857	11,251,529	11,613,124	12,003,460	12,455,879	12,932,598
Inventories	528,000	543,138	606,139	623,111	639,312	655,295	672,988	690,485	706,367	723,319	743,572	764,392
Other	611,000	666,208	701,445	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	72,485,000	77,831,380	79,939,051	69,416,502	63,178,977	59,769,105	57,478,662	57,881,267	59,837,631	61,489,146	62,605,603	64,002,795
Non-Current Assets												
Investments	18,500,000	16,396,599	16,396,599	16,396,599	16,396,599	16,396,599	16,044,257	16,044,257	16,044,257	16,044,257	16,044,257	16,044,257
Receivables	807,000	946,791	987,752	1,034,068	1,082,048	1,132,617	1,188,378	1,247,353	1,308,179	1,374,466	1,449,312	1,529,889
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,620,992,000	1,623,496,854	1,629,486,027	1,648,265,004	1,664,863,414	1,679,069,911	1,692,612,086	1,705,060,467	1,717,778,180	1,731,215,330	1,745,832,482	1,761,001,195
Investments Accounted for using the equity method	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000	3,285,000
Investment Property	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000	15,780,000
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	718,011	749,526	782,578	833,128	857,475	924,875	984,522	1,051,603	1,140,110
Total Non-Current Assets	1,659,364,000	1,659,905,244	1,665,935,378	1,685,478,682	1,702,156,587	1,716,446,705	1,729,742,848	1,742,274,552	1,755,120,490	1,768,683,575	1,783,442,654	1,798,780,450
TOTAL ASSETS	1,731,849,000	1,737,736,624	1,745,874,429	1,754,895,184	1,765,335,564	1,776,215,810	1,787,221,511	1,800,155,819	1,814,958,121	1,830,172,721	1,846,048,257	1,862,783,246
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	16,661,000	14,774,240	15,238,492	15,456,738	15,871,945	16,307,403	16,973,395	17,294,177	18,182,155	18,968,006	19,851,795	21,017,861
Borrowings	2,001,000	1,491,359	1,356,480	298,422	318,397	340,169	365,092	246,859	129,501	26,994	-	-
Provisions	27,884,000	30,639,419	33,674,761	36,795,093	39,996,553	43,278,050	46,648,147	50,105,867	53,643,114	57,265,255	60,988,816	64,816,637
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	46,546,000	46,905,018	50,269,734	52,550,253	56,186,895	59,925,622	63,986,634	67,646,903	71,954,770	76,260,255	80,840,611	85,834,498
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,573,000	3,081,914	1,725,434	1,427,012	1,108,615	768,446	403,354	156,495	26,994	-	-	-
Provisions	3,380,000	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646	3,236,646
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	7,953,000	6,318,560	4,962,080	4,663,658	4,345,261	4,005,092	3,640,000	3,393,141	3,263,640	3,236,646	3,236,646	3,236,646
TOTAL LIABILITIES	54,499,000	53,223,578	55,231,813	57,213,911	60,532,155	63,930,713	67,626,633	71,040,043	75,218,409	79,496,901	84,077,256	89,071,143
Net Assets	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,704,803,409	1,712,285,096	1,719,594,877	1,729,115,776	1,739,739,712	1,750,675,820	1,761,971,001	1,773,712,103
EQUITY												
Retained Earnings	651,225,000	658,388,046	664,517,616	671,556,273	678,678,409	686,160,096	693,469,877	702,990,776	713,614,712	724,550,820	735,846,001	747,587,103
Revaluation Reserves	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000	1,026,125,000
Council Equity Interest	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,704,803,409	1,712,285,096	1,719,594,877	1,729,115,776	1,739,739,712	1,750,675,820	1,761,971,001	1,773,712,103
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,677,350,000	1,684,513,046	1,690,642,616	1,697,681,273	1,704,803,409	1,712,285,096	1,719,594,877	1,729,115,776	1,739,739,712	1,750,675,820	1,761,971,001	1,773,712,103

Fairfield City Council 10 Year Financial Plan for the Years ending 30 June 2022 CASH FLOW STATEMENT - GENERAL FUND Scenario: Maintain Existing Asset Condition												
	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years					
	\$	\$	\$	\$	\$	\$	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
							\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	84,293,000	86,144,090	90,383,033	94,606,684	98,998,445	103,623,634	108,713,828	114,107,026	119,675,652	125,729,841	132,555,597	139,918,694
User Charges & Fees	15,733,000	17,551,477	18,020,130	18,524,694	19,006,336	19,481,494	20,007,494	20,527,689	20,999,826	21,503,822	22,105,929	22,724,895
Interest & Investment Revenue Received	5,093,000	5,340,000	5,600,000	4,995,149	5,101,781	4,589,309	4,446,330	4,531,580	6,307,294	6,339,998	6,041,902	6,875,400
Grants & Contributions	30,986,000	25,893,772	26,734,652	27,983,037	28,197,708	28,902,600	29,682,964	30,454,725	31,155,193	31,902,915	32,796,182	33,714,475
Bonds & Deposits Received	682,000	-	-	-	-	-	-	-	-	-	-	-
Other	14,337,000	7,777,401	8,179,426	6,290,165	6,466,452	6,634,663	6,800,359	6,984,056	7,165,910	7,330,635	7,506,194	7,716,368
Payments:												
Employee Benefits & On-Costs	(60,661,000)	(62,261,493)	(63,254,390)	(66,117,137)	(68,480,968)	(70,530,842)	(72,781,049)	(75,028,125)	(77,117,345)	(79,339,732)	(81,561,245)	(83,844,960)
Materials & Contracts	(23,452,000)	(21,021,805)	(20,910,098)	(21,687,133)	(22,073,019)	(22,615,099)	(23,024,815)	(23,957,814)	(23,989,498)	(24,680,005)	(25,303,701)	(25,774,220)
Borrowing Costs	(482,000)	(377,247)	(260,412)	(162,748)	(104,400)	(84,425)	(62,653)	(39,630)	(18,998)	(6,312)	-	-
Bonds & Deposits Refunded	(574,000)	-	-	-	-	-	-	-	-	-	-	-
Other	(32,944,000)	(28,309,648)	(28,603,995)	(29,186,227)	(30,858,597)	(32,647,931)	(35,621,520)	(36,738,726)	(40,974,059)	(44,620,560)	(48,679,827)	(54,242,758)
Net Cash provided (or used in) Operating Activities	33,011,000	30,736,547	35,888,346	35,246,485	36,253,737	37,353,402	38,160,939	40,840,782	43,203,976	44,160,600	45,461,030	47,087,893
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	64,977,000	-	-	-	-	-	1,360,925	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,369,000	870,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000	895,000
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(53,549,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	(3,898,000)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(34,319,000)	(27,326,306)	(31,526,493)	(44,949,778)	(43,427,850)	(41,685,711)	(41,740,689)	(41,358,255)	(42,273,229)	(43,681,874)	(45,685,251)	(47,083,240)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(25,420,000)	(26,456,306)	(30,631,493)	(44,054,778)	(42,532,850)	(40,790,711)	(39,484,764)	(40,463,255)	(41,378,229)	(42,786,874)	(44,790,251)	(46,188,240)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	500,000	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(2,060,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,560,000)	(2,000,727)	(1,491,359)	(1,356,480)	(298,422)	(318,397)	(340,169)	(365,092)	(246,859)	(129,501)	(26,994)	-
Net Increase/(Decrease) in Cash & Cash Equivalents	6,031,000	2,279,514	3,765,494	(10,164,773)	(6,577,536)	(3,755,706)	(1,663,995)	12,435	1,578,888	1,244,226	643,785	899,654
plus: Cash, Cash Equivalents & Investments - beginning of year	10,086,000	16,117,000	18,396,514	22,162,009	11,997,236	5,419,700	1,663,995	0	12,435	1,591,323	2,835,548	3,479,333
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	11,997,236	5,419,700	1,663,995	0	12,435	1,591,323	2,835,548	3,479,333	4,378,987
Cash & Cash Equivalents - end of the year	16,117,000	18,396,514	22,162,009	11,997,236	5,419,700	1,663,995	0	12,435	1,591,323	2,835,548	3,479,333	4,378,987
Investments - end of the year	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	63,332,000	61,971,075	61,971,075	61,971,075	61,971,075	61,971,075	61,971,075
Cash, Cash Equivalents & Investments - end of the year	79,449,000	81,728,514	85,494,009	75,329,236	68,751,700	64,995,995	61,971,075	61,983,510	63,562,398	64,806,623	65,450,409	66,350,062
Representing:												
- External Restrictions	43,482,000	45,123,987	47,369,147	49,306,818	51,325,993	53,425,575	55,614,167	57,890,787	60,247,302	62,689,103	65,232,793	67,881,225
- Internal Restrictions	29,181,000	27,854,360	27,470,640	27,086,920	26,703,200	26,319,480	25,935,760	25,552,040	25,168,320	24,784,600	24,400,880	24,017,160
- Unrestricted	6,786,000	8,750,167	10,654,222	(1,064,502)	(9,277,493)	(14,749,060)	(19,578,852)	(21,459,317)	(21,853,224)	(22,667,080)	(24,183,264)	(25,548,323)
	79,449,000	81,728,514	85,494,009	75,329,236	68,751,700	64,995,995	61,971,075	61,983,510	63,562,398	64,806,623	65,450,409	66,350,062

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: Maintain Existing Asset Condition
























































	Current Year 2011/12	Projected Years									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within Council's target benchmark											
Unrestricted Current Ratio	●	●	●	●	●	●	●	●	●	●	●
Debt Service Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates & Annual Charges Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Building & Infrastructure Renewals Ratio	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on total operating income	●	●	●	●	●	●	●	●	●	●	●
Operating Surplus/(Deficit) Ratio - on own sourced operating income	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (excluding Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Budgeted Income/(Expenditure) Gap (including Reserve Transfers)	●	●	●	●	●	●	●	●	●	●	●
Net Financial Liabilities Ratio (Gearing Ratio)	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio	●	●	●	●	●	●	●	●	●	●	●
Net Interest Coverage Ratio - adjusted by externally restricted investment income	●	●	●	●	●	●	●	●	●	●	●
Net Borrowing Ratio	●	●	●	●	●	●	●	●	●	●	●
Other Debtor Outstanding Percentage	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Ratio (all assets)	●	●	●	●	●	●	●	●	●	●	●
Asset Renewal Gap	●	●	●	●	●	●	●	●	●	●	●
Asset Maintenance Gap / Maintenance required	●	●	●	●	●	●	●	●	●	●	●

Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

KEY PERFORMANCE INDICATORS - GENERAL FUND

Scenario: Maintain Existing Asset Condition

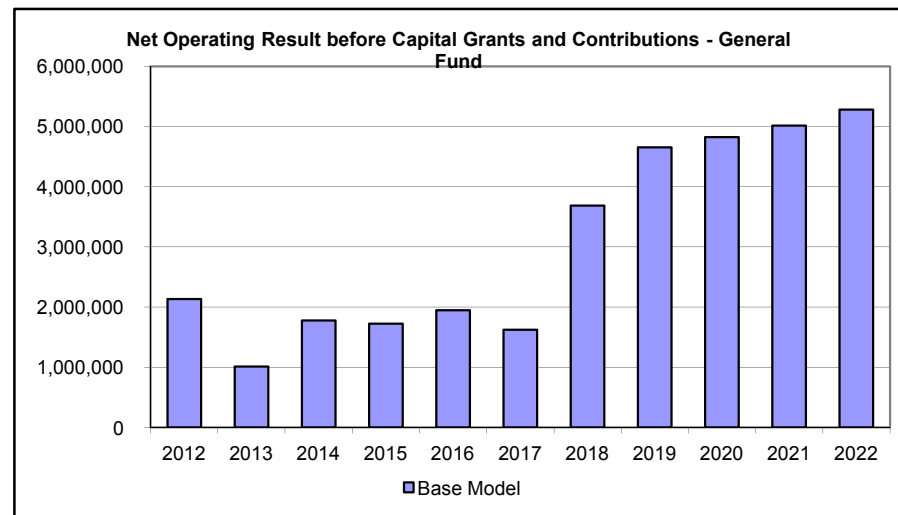
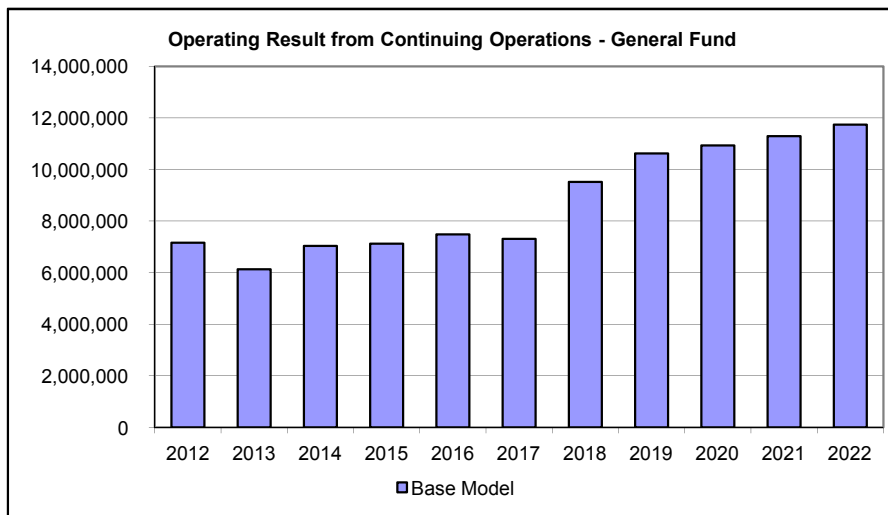
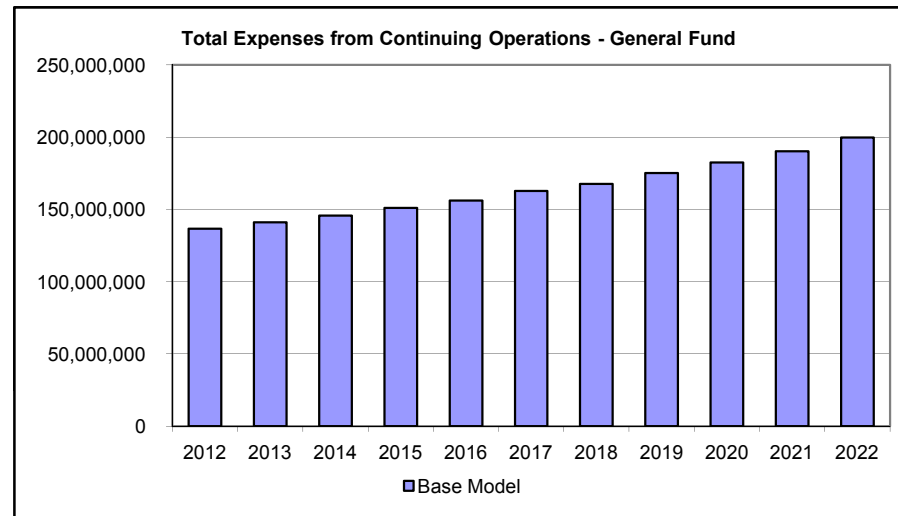
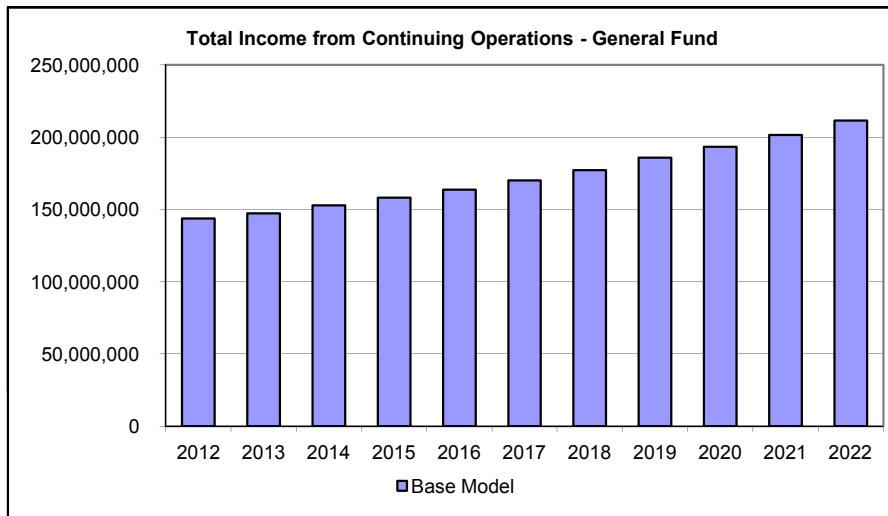
	Current Year 2011/12	Projected Years									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
KPI within LG Financial Health Check Guidelines											
Operational Result before capital Grants & Contributions											
Unrestricted Current Ratio											
Debt Service Ratio											
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage											
Building & Infrastructure Renewals Ratio											

Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Maintain Existing Asset Condition

Income Statement Charts



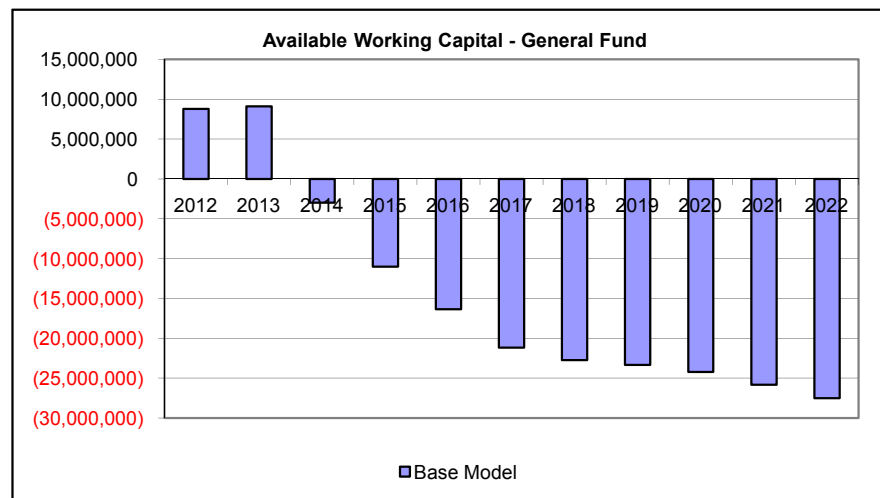
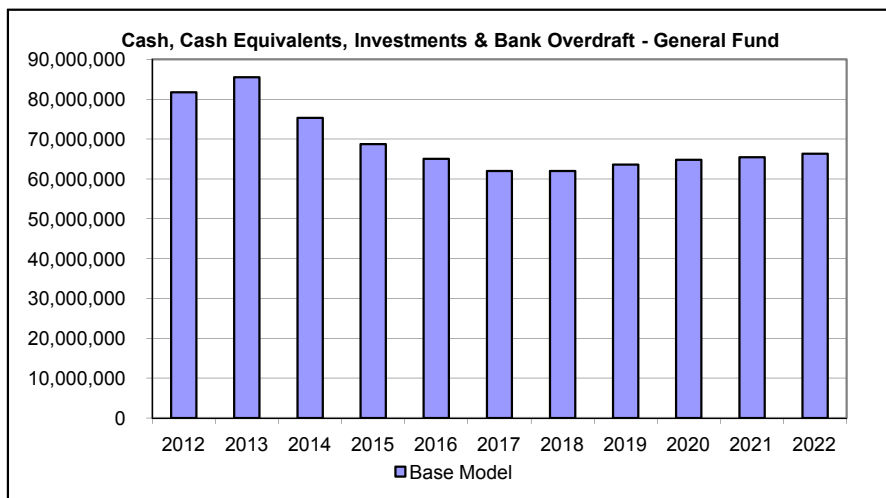
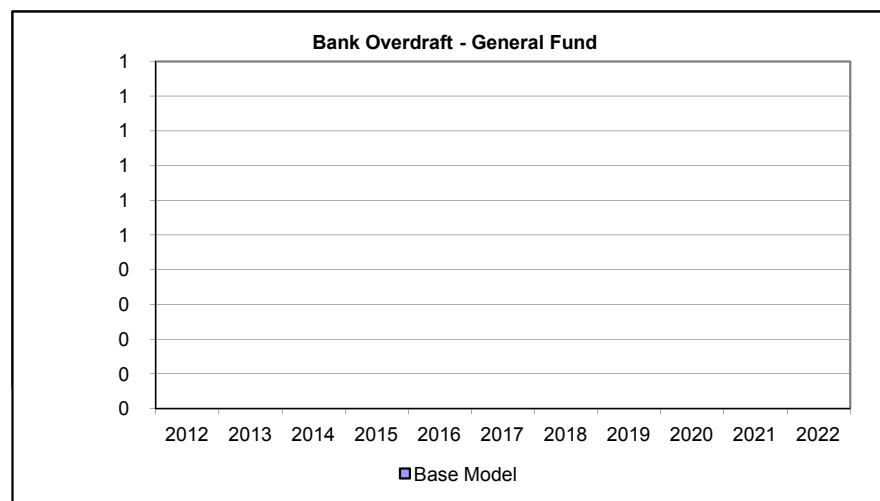
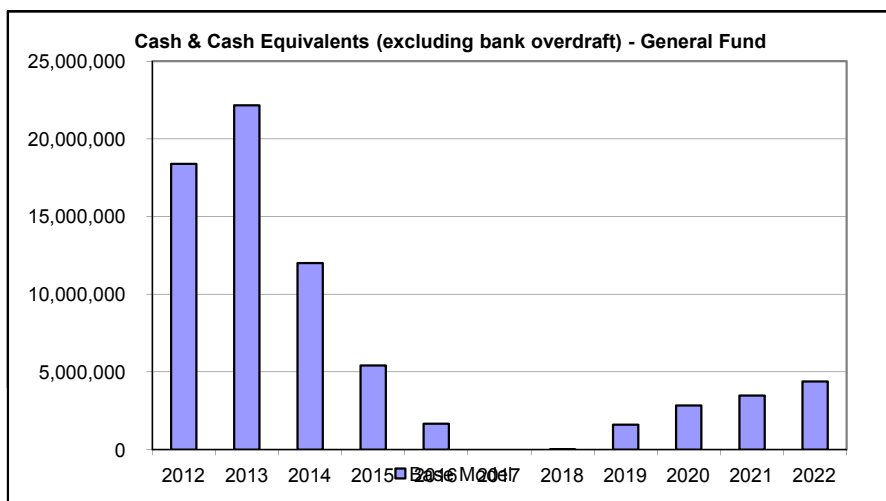
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

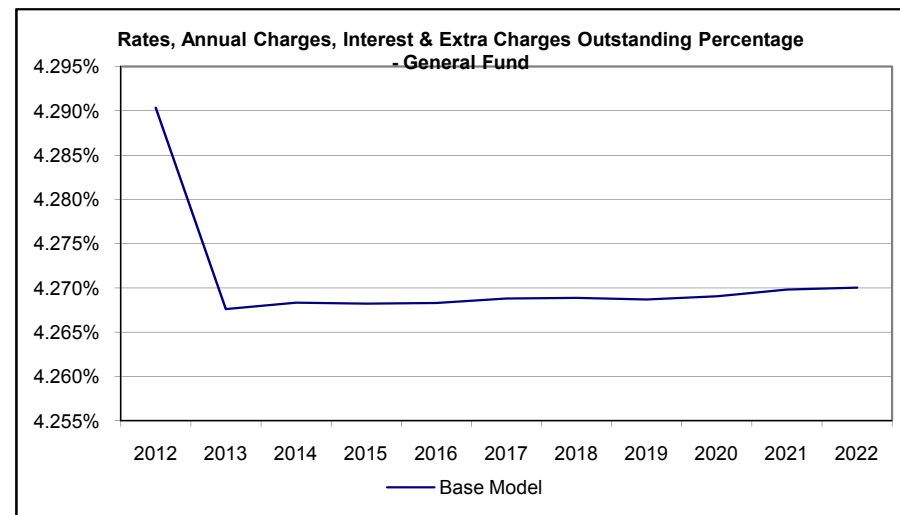
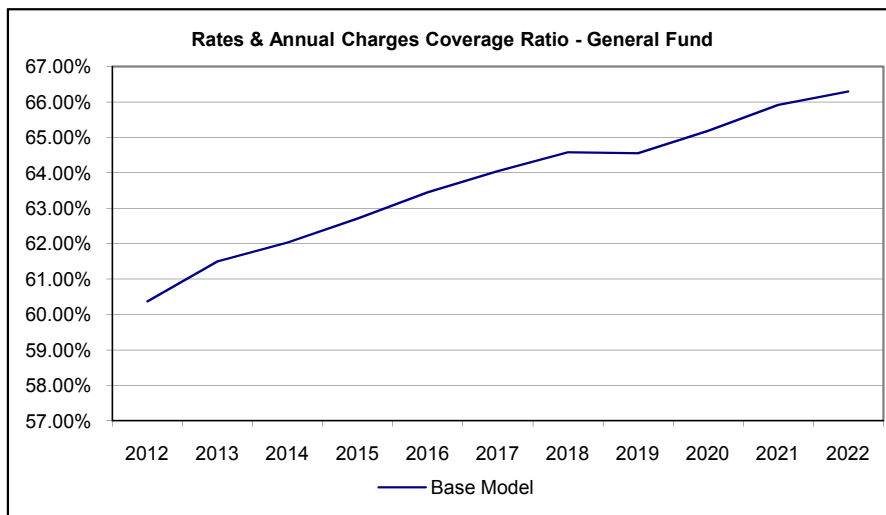
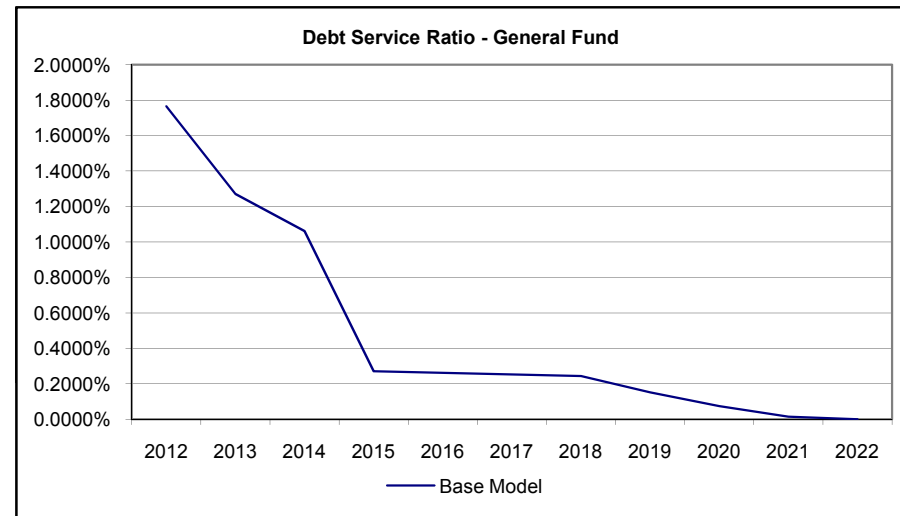
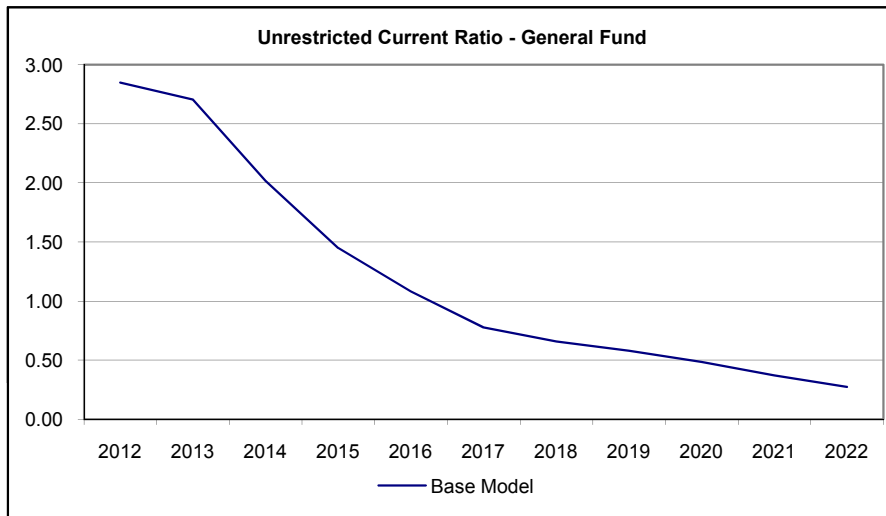
CHARTS - GENERAL FUND

Scenario: Maintain Existing Asset Condition

Other Charts



Fairfield City Council
10 Year Financial Plan for the Years ending 30 June 2022
CHARTS - GENERAL FUND
Scenario: Maintain Existing Asset Condition
 Note 13 Ratio Charts



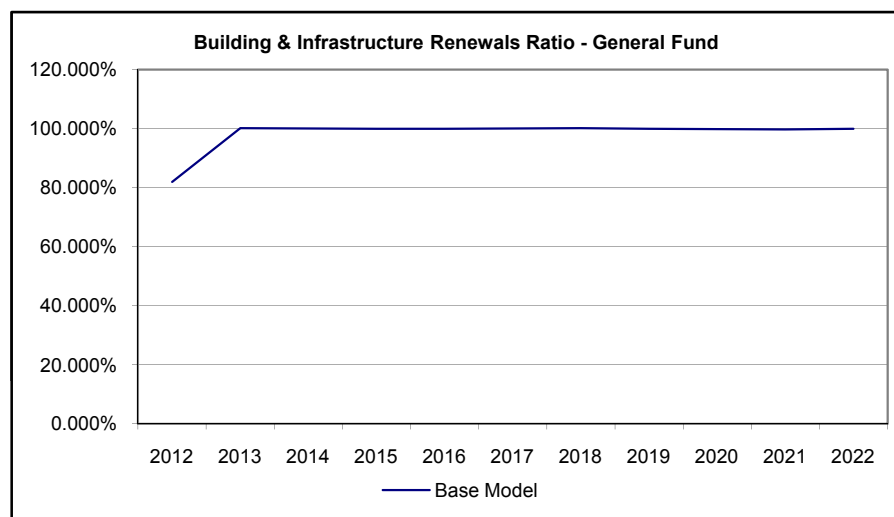
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Maintain Existing Asset Condition

Note 13 Ratio Charts (continued)



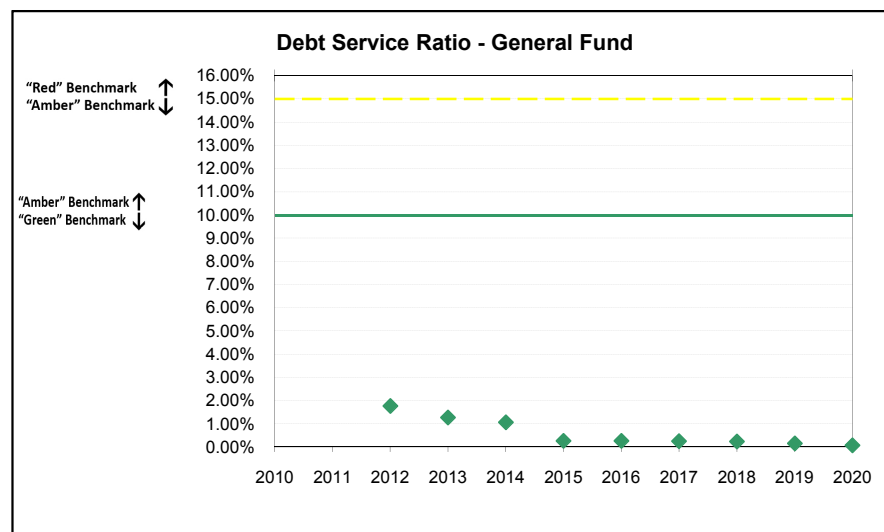
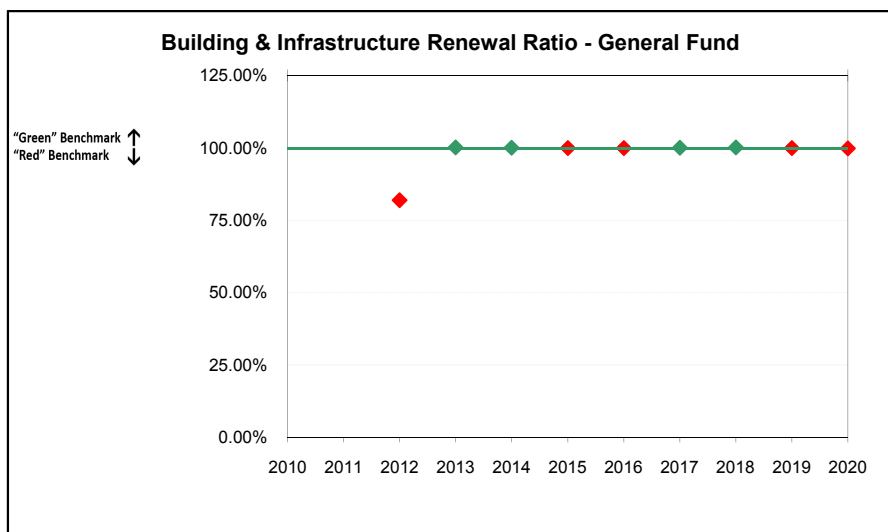
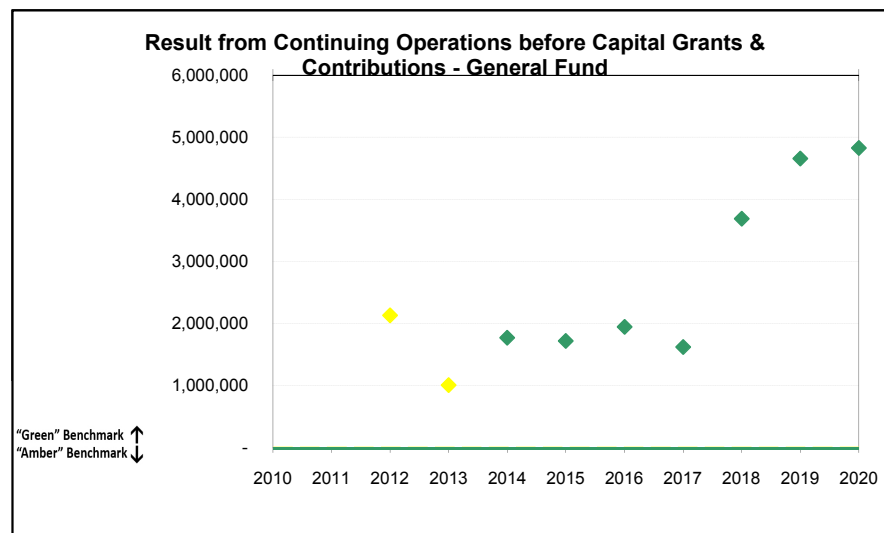
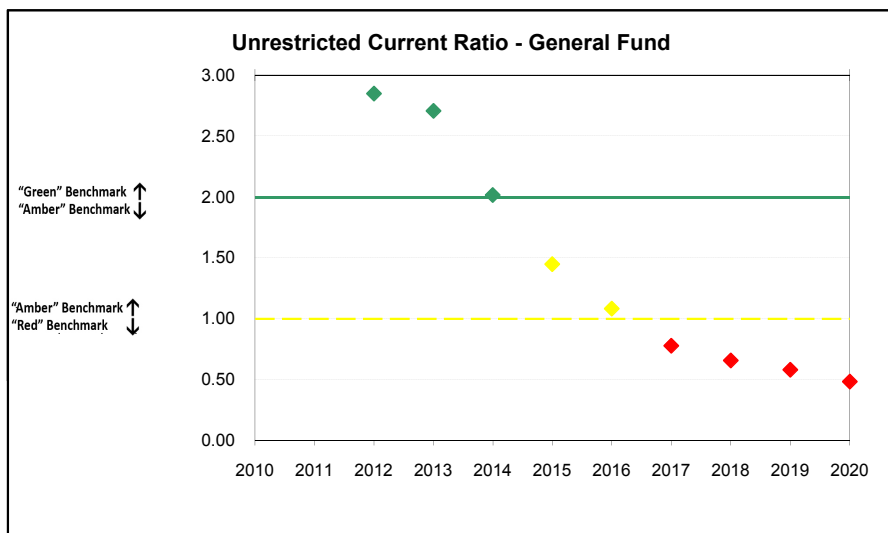
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Maintain Existing Asset Condition

NSW Local Government Financial Health Check Performance Indicator Charts



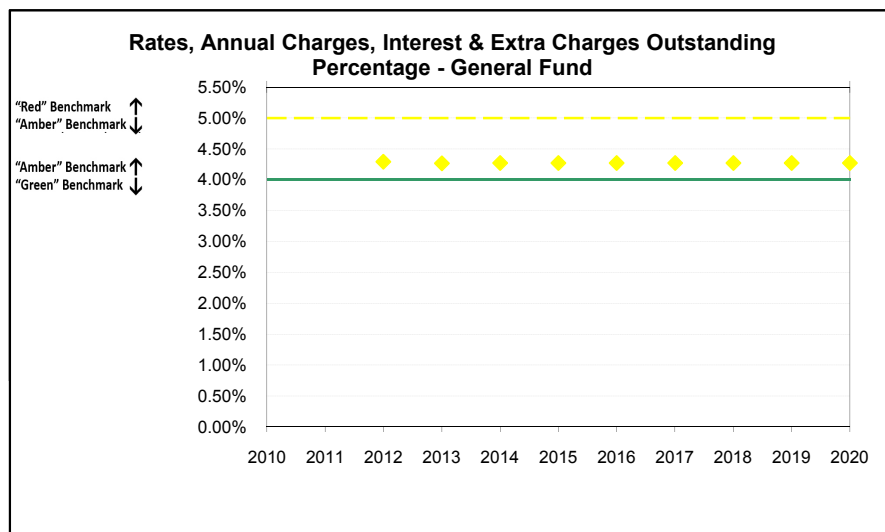
Fairfield City Council

10 Year Financial Plan for the Years ending 30 June 2022

CHARTS - GENERAL FUND

Scenario: Maintain Existing Asset Condition

NSW Local Government Financial Health Check Performance Indicator Charts



APPENDIX F: KEY INDICATORS

INDICATOR 1 – OPERATING SURPLUS/ (DEFICIT)

The 'operating surplus/ (deficit)' is the difference between operating income and expenses (including depreciation) and before items of a capital nature. The focus on operating surplus/ (deficit) is most appropriate from an intergenerational perspective. A deficit indicates that today's costs are being transferred to tomorrow's ratepayers. A surplus then indicates that current ratepayers are meeting today's costs and none are being transferred to tomorrow's ratepayers. The value of the operating surplus/deficit is compared to 'own sourced income', being the level of income that Council can more readily influence. Own sourced income includes Rates and Annual Charges; User Fees and Charges; Investment earnings and other Revenues (fines etc). It excludes grants and contributions for operational and capital purposes (e.g. Financial Assistance Grants, Section 94 Contributions etc.)

NSW councils on average are in an operating deficit position. A positive result should be the objective to ensure sufficient cash is generated for future capital works or loan repayments.

For financial sustainability, operating surpluses must be generated over the long term. Given past expenditure on new capital, a minimum operating surplus of approximately \$3.0m is appropriate. Whilst Council has particular immediate financial challenges, this position is to be achieved in 3 to 5 years (2011/12 – 2013/14). The \$3.0m surplus is equivalent to about 3.0% of Council's own sourced income expected in 2013/14.

As own sourced income is expected to increase year by year, maintaining the ratio at about 3.0% will mean that the dollar value of surpluses will also increase over the years. It is more prudent to rely on a percentage as it builds in incremental increases in surpluses as revenue increases.

Financial Principle: Council is to maintain an operating surplus position. The impact on the overall Council operating surplus should be considered with all financial decisions.

Target: An operating surplus of about 3.0% of own sourced income achieved and sustained by 2013/14.

Impact: Significant increases in revenue or reductions in expenditure in the order of \$1m to \$2m per annum will be required.

Progress:

2009/10 Full Year	0.34%
2010/11 Full year	4.87%
2011/12 Estimate	4.71% (to Q3 11/12)

INDICATOR 2 – FINANCIAL GEARING – 'NET FINANCIAL LIABILITIES RATIO'

Financial gearing, in a commercial sense is the ratio of debt to shareholders' equity or total capital employed. To be highly geared would mean that the level of debt is high when compared to the level of equity in the business. Converse to this, to be lowly geared means the level of debt is low when compared to the level of equity. There is no right or wrong level of financial gearing as it depends on whether the business can support the level of indebtedness given its income and expenses.

For Council the level of debt is known as 'net financial liabilities' and is also a key indicator in assessing the financial position of Commonwealth and State Governments. This value is divided by the equivalent of total capital employed being the sum of 'non-financial assets'. The resulting percentage, or ratio, gives a guide as to the overall indebtedness of the organisation compared to its assets.

Research findings have Fairfield City Council with low levels of indebtedness and on average, so do all NSW Councils when compared to the NSW State Government sector. An appropriate benchmark for councils is to be in the order of 20%.

FCC's financial gearing is low at 2-3%. Increasing the gearing above this level will spread the burden on future ratepayers (given that they will benefit from the increases in services) as they will service the loans associated with capital acquisitions made now.

Financial Principle: Fairfield City Council looks to increase its gearing by taking appropriate opportunities to fund its capital purchases (new and replacement) and capital renewals through loan borrowings.

Target: Not to exceed 20% with increases subject to maintenance of operating surpluses.

Impact: A 1% increase in financial gearing would mean an additional \$10.0m of debt and \$0.8m additional interest payments (assumes an 8% pa borrowing rate).

Progress:

2009/10 Full Year	2.27%
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2010/11 Full year	1.89%
2011/12 Estimate	1.53% (to Q3 11/12)

INDICATOR 3 – DEBT BURDEN – 'NET INTEREST COVER RATIO'

Council's financial position would be considered healthy if it can pay for its interest charges on loan borrowings from its normal annual income. In technical terms the interest cost is offset by any interest received on investments – this is known as 'net interest expense'. It is then compared with the 'funds flow from operations'.

The ratio measures the number of times Council's funds flow from operations can cover its net interest expense. In the corporate world the net interest coverage of 3 or more times would be considered of a high credit rating quality.

For all NSW metropolitan councils the interest income exceeds the interest paid for loan borrowings thereby meaning that NSW councils are generally net lenders (investment balances exceed loan borrowing balances). The ratio for NSW councils is about 33:1 and the state sector around 4:1. This implies that councils have further capacity to borrow funds, if necessary, to fund its new and renewed infrastructure requirements. It could also be said that a low ratio implies that councils may not be committing to major capital works and therefore could be developing infrastructure backlog problems.

Council's debt burden is currently negative as interest income from investments exceeds interest expense to the tune of 6 to 1 times. Increasing the debt burden will have implications on Council's operating result as interest expense will rise as Council's gearing increases.

Financial Principle: Increases in debt burden will be considered providing it does not result in an operating deficit.

Target: No target – only to increase if operating surplus maintained. A measure of 100 means that interest income exceeds interest expense and Council is a net lender.

Impact: An additional \$5.0m interest expense will result in a zero debt burden (i.e. interest income equals interest expense).

Progress:	2009/10 Full Year	100
	2010/11 Full year	100

INDICATOR 4 – NET BORROWING RATIO

The net borrowing/ (lending) is a measure of the movement in net financial liabilities due to capital and operational transactions.

Similar to the gearing ratio (a point in time measure) the change in net financial liabilities is compared to the changes in total capital employed.

Needless to say as NSW councils are generally net lenders this ratio is negative but will move to positive as councils bring forward expenditure plans and fund them through loan borrowings.

Like indicator 1 and 2 this is well below the levels that could be sustained.

Financial Principle: Increases in net borrowing ratio will be considered providing the increase does not result in an operating deficit.

Target: No target – only to increase if operating surplus maintained.

Impact: A 1% movement would mean that investments have reduced by \$10m or borrowings have increased by \$10m.

Progress:	2009/10 Full Year	No increase
	2010/11 Full year	No increase
	2011/12 Estimate	No increase

INDICATOR 5 – ASSET RENEWAL/REPLACEMENT RATIO

This ratio measures the relationship between capital expenditure made on asset renewal and the annual depreciation of those assets.

If the indicator is negative (i.e. renewal expenditure does not equal the value of depreciation) then the asset condition is seen to be deteriorating. This could mean that Council may have an infrastructure backlog should the negative result continue over time.

Recently (from the 2007 accounts), additional disclosure requirements have been introduced for the Annual Financial statements to better identify renewal expenditure on existing assets and expenditure on new assets. To maintain Council's

existing assets the expenditure on renewal/replacement should at least equal the annual depreciation expense.

The continued development of asset management plans and a more sophisticated analysis of asset condition will enable greater focus on the optimal level of ongoing asset maintenance. This will therefore influence the level of expenditure on renewal/replacement of existing assets into the future. Whether the target of 1:1 stays true in the future will be a matter of finding that optimal ongoing maintenance level.

Financial Principle: Council's annual renewal/replacement expenditure should at least equal its annual depreciation expense until asset management plans provide evidence of a more accurate ratio.

Target: 1:1 ratio

Impact: A 10% movement in this ratio would equate to a value of approx \$2.4m.

Progress:	2009/10 Full Year	1.32:1
	2010/11 Full year	0.89
	2011/12 Estimate	0.99 (to Q3 11/12)

INDICATOR 6 – SOURCES OF ORDINARY REVENUE

This indicator identifies the components of income as a percentage of the total to highlight the major sources of income and where there may be dependencies. This is sometimes referred to as 'Operating Financial Capacity' as in comparison with the overall councils' average, there may be capacity to increase certain sources of income. For example, the rating income could be relatively low in comparison with the average, thereby implying an opportunity to increase rates. It is important to make the distinction here that this indicator is a measure of the degree of dependency on a particular income source and that the analysis of trends is important to identify movements and possible future challenges.

Financial Principle: Changes to the distribution of revenue will be considered in conjunction with Council's position concerning the tax burden for residents.

Target: no target

Impact: A 1.5% increase in rating income would equate to about \$1m.

Progress: Trends have been in line with expectations for the 2009/10 and 2010/11 full year budgets and Long term Financial Plan.

INDICATOR 7 – DISSECTION OF EXPENSES FROM CONTINUING OPERATIONS

This indicator identifies the components of expenditure as a percentage of the total to highlight the major expenditure categories compared to the industry median and like Councils.

Financial Principle: Changes to the level and distribution of expenses will be considered in conjunction with major decisions concerning service and efficiency levels.

Target: no target

Impact: A 1% increase movement would equate to \$1.3m.

Progress: Trends have been in line with expectations for the 2009/10 and 2010/11 full year budgets and Long term Financial Plan.

INDICATOR 8 – CASH/LIQUIDITY POSITION (ALSO KNOWN AS 'WORKING CAPITAL')

This indicator is about council's liquidity and its ability to meet commitments when due and payable. The 'unrestricted current ratio' is expressed as a ratio of the amount of liquid assets council has compared to its current commitments.

The industry benchmark for this ratio is at least 1:1. Council has adopted a 2:1 ratio meaning that, at least, Council will have two times the value of current commitments in liquid or cash assets. As at 30 June 2009 Council's ratio was 3.2:1, well above industry benchmarks.

Financial Principle: Council must maintain sufficient liquid assets to pay its commitments when due and payable.

Target: above 2:1 ratio

Impact: A 10% change equates to \$1.7m.

Progress:	2009/10 Full Year	2.49:1
	2010/11 Full year	2.24
	2011/12 Estimate	3.01(to Q3 11/12)