

INFORMATION ON PROPOSED AND ACTUAL EXPENDITURE, AND OUTCOMES ACHIEVED, ACROSS THE LIFE OF THE INFRASTRUCTURE LEVY (2015/16 TO 2021/22).

IPART's approval instrument for the Infrastructure Levy required that Council reported on the following:

- II. The Council reports, in its annual report for each Year, from Year 2015-2016 to Year 2021-2022 (inclusive), on the following for that Year:
- the program of expenditure that was actually funded by the Special Variation;
 - any significant differences between the Proposed Program and the program of expenditure that was actually funded by the Special Variation and the reasons for those differences; and
 - the outcomes achieved as a result of the Special Variation.

The information below fulfils this requirement.

Response to a) - expenditure that was actually funded by the Special Variation and b) - significant differences between the proposed and actual expenditure program

Council's application stated that the Infrastructure Levy will raise \$20.382m over seven years. With supplementary funding from other Council sources, this was to lead to a proposed total expenditure of \$40.269m under the Infrastructure Levy program. This scenario is outlined in the table below.

Figure 1 - Expenditure committed in Infrastructure Levy application

Expenditure Committed in Infrastructure Levy Application	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	7 Year Total
Footpath	365,153	277,207	57,708	-	-	-	-	700,068
Kerb & Gutter	-	-	77,819	15,810	81,170	-	30,196	204,995
Bridges	181,868	211,695	290,760	235,436	165,362	188,806	-	1,273,927
Stormwater and Drainage	464,667	1,141,331	1,303,276	1,115,777	1,155,369	1,162,942	1,737,094	8,080,456
Recreation Parks & Playgrounds	1,170,024	989,214	440,273	1,223,881	943,375	1,326,025	565,555	6,658,347
Open Space Sport	1,116,780	1,227,294	1,253,876	1,431,432	1,621,104	1,868,533	1,945,039	10,464,058
Buildings and Investment Property	1,278,626	1,199,511	1,059,129	2,352,432	2,303,464	2,356,043	2,338,158	12,887,363
Total Expenditure on Infrastructure Upgrades (Infrastructure Levy and Council Funded)	4,577,118	5,046,252	4,482,841	6,374,768	6,269,844	6,902,349	6,616,042	40,269,214

Council's actual expenditure under the program was \$57.84m, an overspend of \$17.57m, as shown in the table below.

Figure 2 – Actual expenditure under Infrastructure Levy program

Actual Spend/Budget Total	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	7 Year Total
Footpath	431,438	517,900	53,849	87,024	67,295	194,376	94,859	1,446,740
Kerb & Gutter	-	-	75,057	245,909	288,329	168,353	307,860	1,085,508
Bridges	227,501	7,016	72	472,182	286,095	25,920	98,158	1,116,944
Stormwater and Drainage	464,194	1,179,243	905,725	2,332,732	2,629,031	1,079,721	1,023,934	9,614,580
Recreation Parks & Playgrounds	641,887	1,548,834	657,766	1,878,158	3,805,137	1,972,340	950,905	11,455,027
Open Space Sport	426,627	1,049,689	977,036	2,455,541	2,549,620	3,078,461	1,492,127	12,029,101
Buildings and Investment Property	1,229,827	877,100	1,432,984	2,302,688	1,824,531	6,017,375	7,406,213	21,090,717
Total Actual Expenditure on Infrastructure Upgrades	3,421,474	5,179,782	4,102,489	9,774,232	11,450,037	12,536,546	11,374,056	57,838,617

c) - the outcomes achieved as a result of the Special Variation

The Infrastructure Levy program was required to address a \$61.6 million infrastructure renewal gap (a backlog of works to bring the asset portfolio to a level determined acceptable by the community).

This requirement was identified through community consultation and asset management analysis performed in 2013.

The program has been used effectively for the purpose intended, with:

- The estimated cost to bring assets to a satisfactory standard falling from \$61.6 million in 2012/13 to \$10.9 million in 2022/23; and
- Council's Infrastructure Backlog Ratio (the total backlog as a percentage of total infrastructure assets) falling from 5.03% in 2012/12 to 1.19% in 2022/23, which is well below the upper limit of the Office of Local Government benchmark of 2%.

INFORMATION RELATING TO ADDITIONAL SPECIAL VARIATION RECEIVED IN 2022/23

In 2022/23, Willoughby City Council benefitted from an Additional Special Variation (ASV) of 1.3%. The information below has been provided to meet Council’s approval instrument for the ASV.

1) The Council’s actual revenues, expenses and operating results against the projected revenues, expenses and operating results specified in its Application

Answer:

	Projected in application for 2022/23 (\$m)	Actual 2022/23 (\$m)
Income from continuing operations	\$114.5	\$139.3
Expenses from continuing operations	\$111.8	\$124.2
Operating result from continuing operations	\$2.7	\$15.0
Operating result before grants and contributions for capital purposes	-\$1.2	-\$2.8

2) Any significant differences between the Council’s actual revenues, expenses and operating results and the projected revenues, expenses and operating results specified in its Application and the reasons for those differences

Answer:

These are outlined in pages 30-32 of Council’s Annual Financial Statement for 2022/23

3) The additional Income raised by this additional special variation.

Answer:

\$679,094