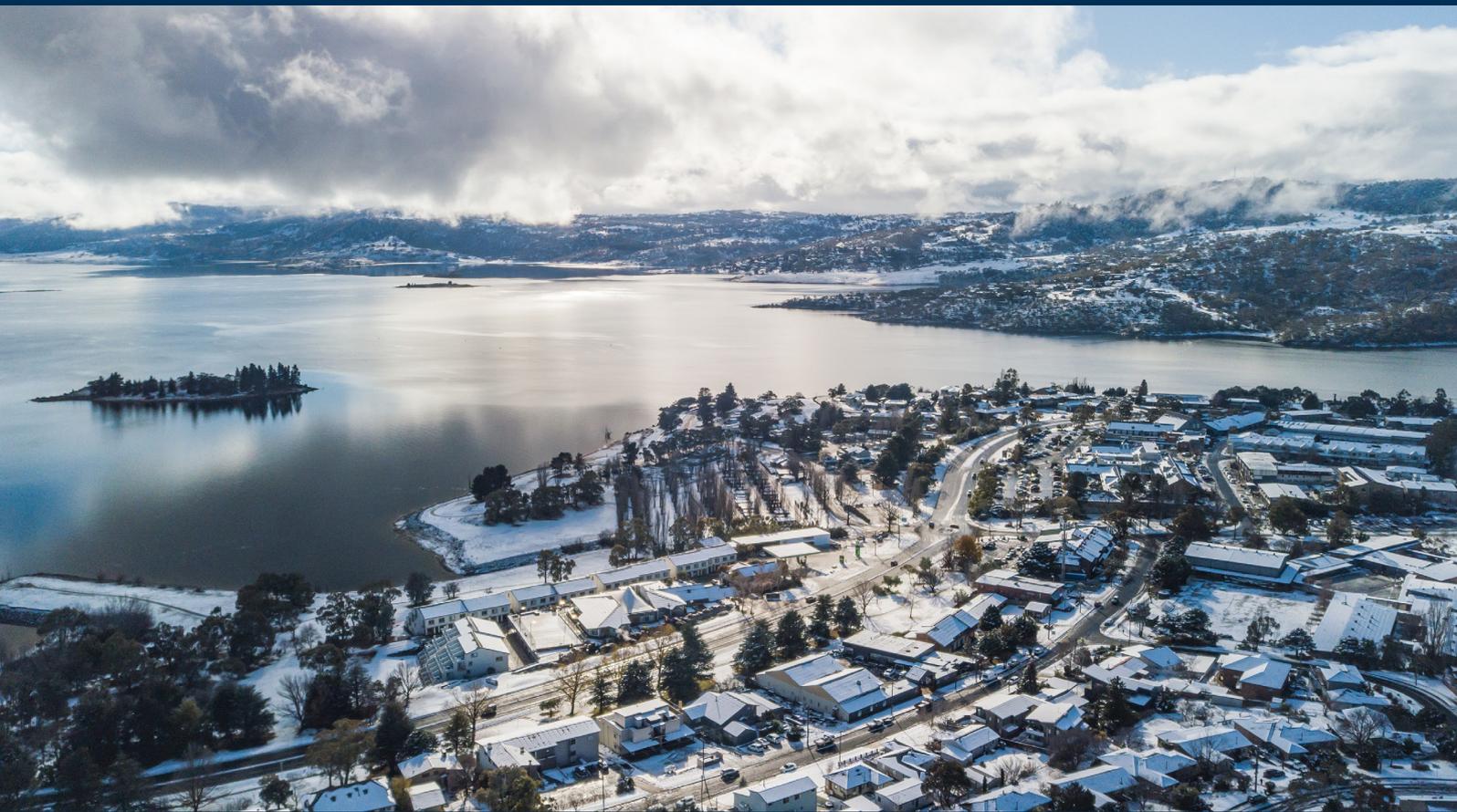


# RESOURCING STRATEGY

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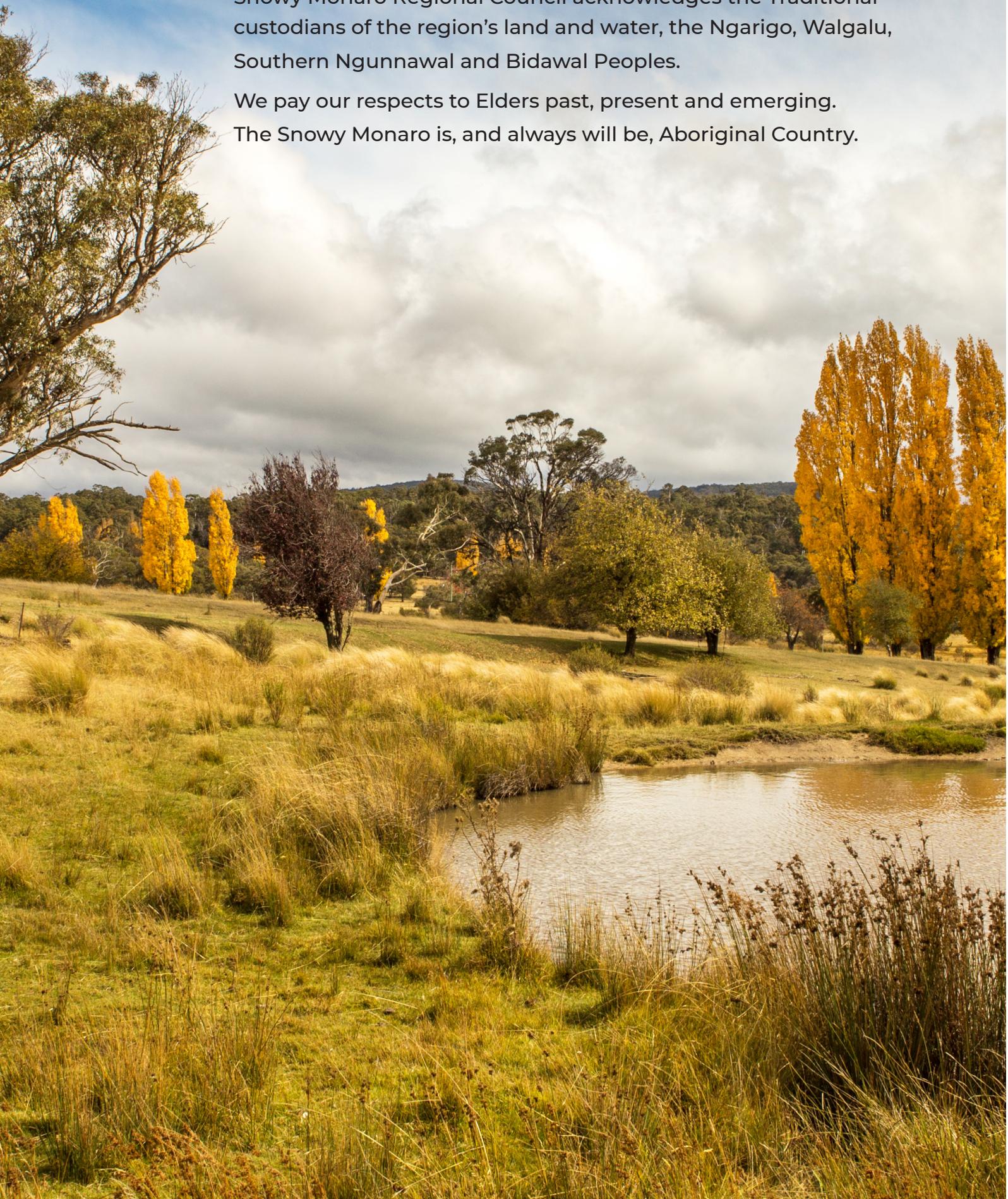
# 2022 - 2032



# Acknowledgement of Country

Snowy Monaro Regional Council acknowledges the Traditional custodians of the region's land and water, the Ngarigo, Walgalu, Southern Ngunnawal and Bidawal Peoples.

We pay our respects to Elders past, present and emerging.  
The Snowy Monaro is, and always will be, Aboriginal Country.



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# Executive Summary

Like all Councils in NSW, Snowy Monaro Regional Council operates under the Local Government Act 1993 (the Act). The Act requires Council to prepare a suite of planning documents as part of the Integrated Planning and Reporting (IPR) Framework. The framework brings together Council's IPR plans, giving both Council and our community a clear understanding of how each of the plans interact. This process maximises Council's efforts to strategically and holistically plan for the future.

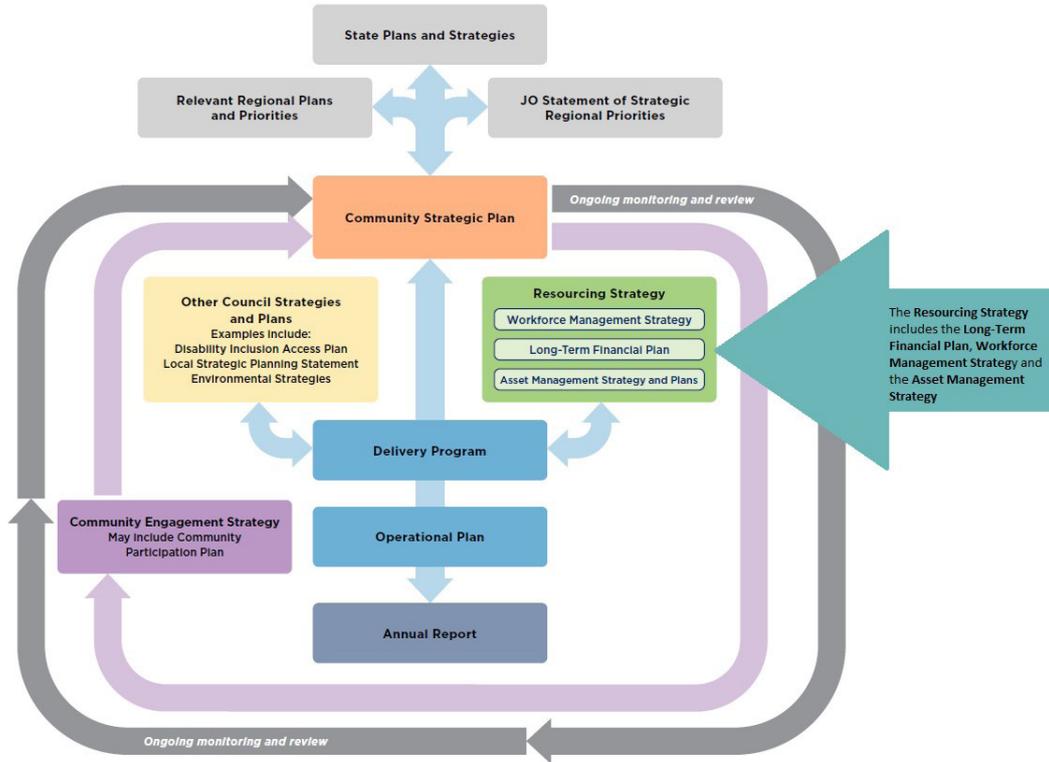


Figure 1: The Integrated Planning and reporting Framework

The Resourcing Strategy is an integral part of the IPR Framework and provides a crucial link between our Snowy Monaro Community Strategic Plan 2042 (CSP), our four year Delivery Program and our annual Operational Plan.

Our CSP outlines in general how other levels of government and other stakeholders and participants (including the community) can work with us and others to help us meet the community's aspirations and priorities.

In response to the aspirations identified within the CSP, the Resourcing Strategy details the matters that are Council's responsibility.

To reach our vision of *"the Snowy Monaro region is a welcoming and inclusive community where everyone can belong, participate, and work together. Our natural environment and heritage is preserved and enhanced for future generations. There region offers a fulfilling quality lifestyle and is a place of opportunity, with education, training and economic opportunities for people of all ages and backgrounds"*, requires the availability of sufficient resources.

While the CSP expresses our community's long-term goals for the future of our region, the resourcing Strategy details how we can achieve the goals in terms of time, money, assets, and people.

The separate parts of the Resourcing Strategy align our resource allocation to our strategic direction, while guiding and informing Council's decision making.

The aim of the Resourcing Strategy is to demonstrate the relationship between the required, necessary and available resources to deliver our services to the community in the most sustainable way.

The following sections detail Council's approach to:

- Section 1 – Long-Term Financial Planning
- Section 2 – Workforce Management Planning, and
- Section 3 – Asset Management Planning

# Resourcing Strategy

The Asset Management Strategy considers 'whole of life' asset management from planning, purchase, operation and maintenance to disposal of assets

## Assets

Asset Management  
Planning

## Finances

Long-Term  
Financial Plan

## People

Workforce  
Management  
Strategy

The Long-Term Financial Plan forecasts Council's financial position for the next 10 years and tests the community's aspirations against the financial realities

The Workforce Management Strategy outlines how we will develop and prepare our people to meet the human resourcing requirements of Council's Delivery Program



LONG-TERM FINANCIAL PLAN  
2022-2032



SNOWY MONARO  
REGIONAL COUNCIL

# Acknowledgement of Country

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# 1. INTRODUCTION

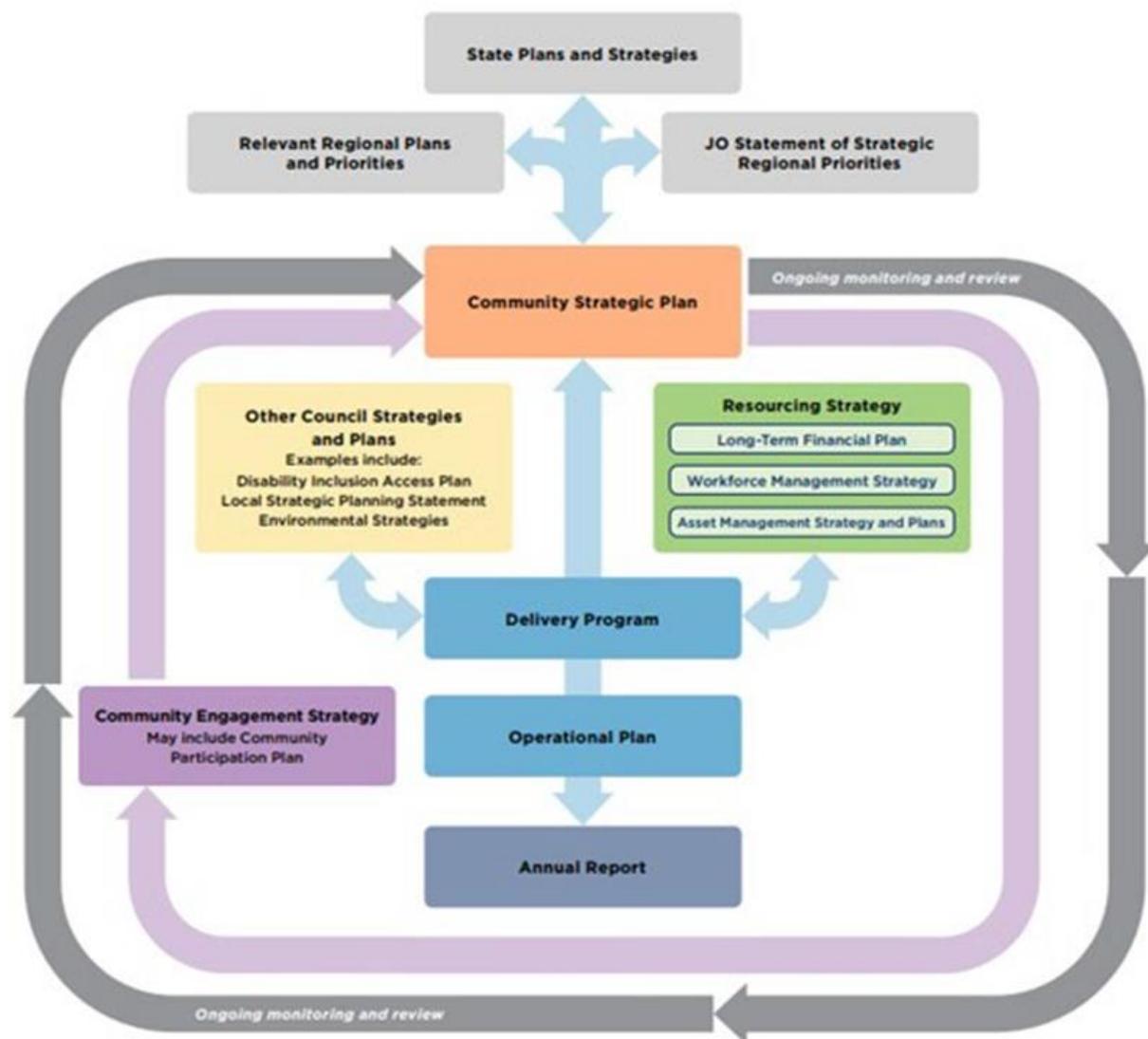
The Integrated Planning and Reporting framework (see Figure 1 below) allows the Council to bring plans and strategies together in a way that supports a clear vision for the future and provides an agreed roadmap for delivering community priorities and aspirations.

As one of three components of the resourcing strategy, the Long-Term Financial Plan (LTFP) is situated within the framework to emphasise the important role that resource planning plays in delivering Council's strategic objectives.

The LTFP provides a roadmap for the achievement of Council's planned services and infrastructure while maintaining long-term financial sustainability and affordability for current and future generations. It is one of the three key resourcing strategies – alongside the Workforce Plan and the Asset Management Strategy, that Council has established to ensure the vision and planned services and infrastructure as outlined in the Snowy Monaro 2042 Community Strategic Plan is achieved.

The LTFP is an important part of Council's strategic planning process. This is the point where long-term community aspirations and goals are tested against financial realities. It is also where Council and the community may decide what resources councils need to influence and work with other parties so that they might deliver on their responsibilities.

**Figure 1 – Integrated Planning and Reporting Framework**



## 1.1 Purpose of Long-Term Financial Planning

The purpose of the LTFP is to outline how Council will resource the achievement of the vision and planned services outlined in the Snowy Monaro 2042 Community Strategic Plan as well as the four-year Delivery Program.

The development of a LTFP allows Council to take a much more proactive approach to its financial management. Long-term planning gives Council the ability to model what the future could look like given different circumstances and assumptions. It allows Council to identify future financial threats or opportunities and to put measures in place over the short term to reduce the impact or produce benefits.

Long-term planning also allows Council to look at the future financial implications of today's decisions before they are implemented. While a decision to change policy or strategy, introduce a new service or undertake capital works may seem to have no adverse financial impact in the short term, the longer term implication may show a very different picture.

By having a long-term planning process in place, Council is much better placed to manage the expectations of the community in terms of what levels of services it can provide. Council is constantly faced with demands for increases to services and/or continuation of existing services. Through longer term financial plans, Council will be able to better explain the decisions that it makes.

## 1.2 Key Points of the Plan

The LTFP includes the following considerations and determinations of the Council:

- Current and future planning context
- Alignment with other key plans and strategies
- Assumptions used to develop the plan
- Sensitivity analysis highlighting factors/assumptions most likely to affect the plan
- Financial modelling of projected income and expenditure, balance sheet and cash flow statements for the base case and two alternative cases
- Methods of monitoring financial performance

## 2. FINANCIAL SUSTAINABILITY POLICY

Councils across New South Wales face numerous issues that hinder long-term financial sustainability. Cost shifting from Federal and State governments, an ageing infrastructure network and limits on annual increases for rates and regulatory income are some key issues that affect many Councils, including Snowy Monaro.

The Council will be financially sustainable if it can deliver the Community Strategic Plan and Delivery Program while demonstrating capacity to maintain financial capital and infrastructure capital over the short (1-4 years), medium (4-10 years) and long-term (10-25 years).

Council needs to maintain cash into the future to meet the service and infrastructure needs of the community and must be able to provide physical assets over the long-term to meet the service requirements and demand.

A financially sustainable Council can invest in developing and growing the local economy, and can withstand, react and adapt to unplanned shocks. Council must be able to manage likely developments and unexpected financial changes in future periods without unplanned increases in rates and charges or disruptive cuts to services, thereby providing a degree of stability and predictability in the overall rate burden allowing for an equitable distribution of council resources between current and future ratepayers.

Being financially sustainable ensures future generations are not burdened with excessively high debt, rates charges or assets in serious disrepair.

Council's long-term strategic and financial planning is aimed at Council achieving and maintaining financial sustainability over a period of time, through engagement with the community regarding agreed service levels, and consideration of the community's capacity to contribute to Council's rating revenue.

## **2.1 Financial Sustainability Strategy**

Council will work within a strategic financial planning and sustainability framework when developing the Annual Budget and Long-Term Financial Plans, and when making decisions including the consideration of funding options for infrastructure projects that impact on the both the present and future financial position of Council.

Council will remain financially sustainable into the future based on the following criteria.

- Operating position – Council will be able to generate sufficient revenue and control of services and infrastructure costs to produce sufficient cash from operations.
- Availability of cash – Council will be able to maintain sufficient cash (or access to cash) to meet the needs of operations, investments and financing (borrowings).
- Investment in assets – Council will be able to renew or replace assets to maintain the desired level of service and the provision of new assets to meet demand for growth in services.

### **2.1.1 Service Levels**

Council's services are heavily reliant on an asset infrastructure that has been built up over generations. These assets require significant on-going investment in maintenance and renewal activities to ensure they are fit-for-purpose and able to deliver expected levels of service. Service levels are defined as the quality for a particular service against which service performance may be measured. Service levels usually relate to safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance. Technical measures may relate to quality eg. roughness of roads, condition of a building, quantity - area of parks per resident.

It is necessary to engage the community in discussions on desired service levels. The outcome of these discussions will drive the operating position that is necessary to be achieved by Council to ensure sufficient cash is available for the investment in assets that is required to support the agreed service levels.

### **2.1.2 Operating Income**

Council will ensure that it has a consistent recurrent source of revenue through rates and annual charges. Growth in rating revenue will be pursued and supported to reduce reliance on external grant funding as a source of revenue and to facilitate the spread of the rating burden over a larger ratepayers' base.

User fees and charges will be reviewed annually to ensure full cost recovery as far as practical, while considering affordability by the users of the services. Council will continually explore alternative sources of revenue to supplement rating revenue, thereby reducing the burden on ratepayers.

Council will continue to pursue external grant funding for services that are a community service obligation.

Council's cash will be managed in accordance with the adopted Investment Policy, maximising returns while investing within the parameters of the Policy.

### **2.1.3 Operating Expenditure**

Council will undertake strategic service planning and ongoing service reviews to ensure that funding allocation for operational expenditure is aligned with the community's service requirements as informed by the Snowy 2042 Community Strategic Plan and

integrated with operational requirements outlined in the Workforce Management Strategy and the Strategic Asset Management Strategy.

Council will pursue the implementation of productivity improvements identified through operational reviews that have been undertaken, ensuring that initial investment in the necessary systems, processes and capability enhancement is allowed for in its long-term financial planning.

Expenditure incurred in the procurement of goods and services will be undertaken through rigorous procurement processes to ensure best value for money is obtained. Council will explore opportunities for regional collaboration and the achievement of economies of scale.

The Depreciation cost will be closely managed and accurately accounted for in line with sound asset management and reporting guided by the Strategic Asset Management Strategy. Increases in depreciation due to an increase in the asset management base will be identified, managed and reflected in Council's long-term financial planning.

#### **2.1.4 Capital Expenditure**

Capital expenditure regarding infrastructure assets will be guided by principles outlined in the Strategic Asset Management Strategy.

The focus of Council's capital expenditure will be renewal of existing assets. Consideration of new assets will be assessed through Council's project management framework, including the development of a business case to support the expenditure.

Where grant funding is available to Council for the creation of new assets, Council will undertake an assessment of the proposed expenditure through the development of a business case. The business case will consider the initial investment and the whole of life cost of the asset, including additional depreciation, maintenance costs and future asset renewal or replacement. If the net impact of the asset on Council's future operating results and cash availability is adverse, Council will consider not accepting the funding, or if accepting the funding, future long-term financial plans are adjusted to reflect the impact of the new asset.

#### **2.1.5 Borrowings**

Council will explore financing assets through loan borrowings to achieve inter-generational equity, for assets that will serve present and future ratepayers. Loan borrowings will be based on Council's capacity to service the borrowings over the applicable term.

### **3. FINANCIAL PLANNING**

Financial planning is an integral part of the strategic management planning activities of Council. It involves the development of long-term financial plans that are consistent with the resource allocation objectives and the timeframes set out in the Community Strategic Plan.

Council's ability to remain financially sustainable in accordance with its Financial Sustainability Policy is underpinned by its ability to generate sufficient revenue to maintain enough cash to invest in infrastructure assets.

Council's main revenue stream is rating revenue. The percentage by which a council can increase its rates from one year to the next (rate-peg) is determined by the Independent Pricing and Regulatory Tribunal (IPART). If a council needs to increase its rating revenue by a higher percentage a business case needs to be made to justify the increased required, and an application for a Special Rate Variation (SRV) must be submitted to IPART.

The rate-peg increase for Snowy Monaro for 2023/24 is 4%. The assumed rate-peg in the outer years is 2.5%. The SRV increases referred to in the Plan reflect the total rating increase, including the rate-pegging increase.

LTFP considers the following three case scenarios:

- 1. Scenario One** – Rating revenue is increased by 53% in 2023/24 and then by the rate-peg each year after that. The total rating revenue increase under this scenario is an additional \$97.9 million compared to Scenario 3 over a 10-year period. This increase in revenue will enable an additional investment of \$64.3 million in asset renewal, and current service levels in other areas to be maintained over the longer term. This scenario enables Council to maintain current service levels (including assets) and allows for investment in asset management capability. The scenario does not allocate funding to address the backlog of renewals, which may cause some deterioration in asset serviceability, impacting on service quality levels in the short to medium term.
- 2. Scenario Two** – Rating revenue is increased by 12.25% in 2023/24 and then 10.75% in each of the following 4 years. The total rating revenue increase under this scenario is an additional \$76.7 million compared to Scenario 3 over a 10-year period. This increase in revenue will enable an additional investment of \$51.1 million in asset renewal when compared to Scenario 3 but will require current service levels in other service areas to be reduced. The staged introduction of a SRV over 5 years will enable a staged introduction of increased expenditure on asset renewals to maintain current service levels over time and allows for investment in asset management capability. The scenario does not allocate funding to address the backlog of renewals, which may cause some deterioration in asset serviceability, impacting on service quality levels in the short to medium term.
- 3. Scenario 3** – Rating revenue is limited to the rate-peg increase as determined by IPART. This scenario results in a deterioration in service levels, as revenue generated is not sufficient to generate the cash required for investment in infrastructure.

*Note - The Water and Sewer Funds do not change across the three scenarios. The changes across the three scenarios impact on General Fund only.*

### **3.1 Context**

The LTFP has been developed to respond to the resourcing requirements of the Snowy Monaro 2042 Community Strategic Plan, as well as the challenges, constraints and opportunities presented by the socio-economic context for our region.

As part of the Resourcing Strategy, the LTFP focuses on the funding requirements of the responsibilities of Council to achieve the vision for the community as outlined in Snowy Monaro 2042 Community Strategic Plan. The Asset Management Strategy addresses how Council will acquire, operate, maintain and renew the physical assets necessary to deliver the planned services and infrastructure, while the Workforce Plan addresses how Council will recruit, develop and retain the necessary workforce and capabilities.

### 3.2 Snowy Monaro 2042 Community Strategic Plan

The provision of Council's services and infrastructure is guided by the strategic objectives outlined in the Snowy Monaro 2042 Community Strategic Plan and provide a vision for what the Council is planning to achieve.

**Table 1 - Strategic Objectives**

Strategic Outcome	Strategic Objective	Supporting Documents, Plans or Strategies
<p><b>Our Community</b> Our health and wellbeing needs are met through living in an inclusive and safe community, provided with quality services.</p>	<ul style="list-style-type: none"> <li>The relaxed lifestyle and close community feel of the region.</li> <li>Our health allows us to live an enjoyable lifestyle.</li> <li>Our region's cultural identity is respected and embraced.</li> <li>We are a safe and caring community.</li> </ul>	<ul style="list-style-type: none"> <li>Snowy Monaro Youth Strategy 2019-2022</li> <li>Snowy Monaro Regional Council Disability Inclusion Action Plan 2017-2021</li> </ul>
<p><b>Our Economy</b> We are a vibrant and prosperous community providing opportunities for growth, learning and innovation.</p>	<ul style="list-style-type: none"> <li>Have increased work opportunities available enhanced by innovation.</li> <li>Improve the affordability of living within the region.</li> </ul>	<ul style="list-style-type: none"> <li>Snowy Monaro Regional Economic Development Strategy 2018-2022</li> <li>Snowy Monaro Regional Economic Development Strategy Bushfire Impact Review</li> <li>Snowy Monaro Destination Management Plan 2019</li> <li>Snowy Monaro Local Strategic Planning Statement</li> <li>South East and Tablelands Regional Plan</li> </ul>
<p><b>Our Environment</b> Our natural environment and heritage is preserved and enhanced while balancing the needs for regional development and growth.</p>	<ul style="list-style-type: none"> <li>Ensure the natural environment and the ability of the community to enjoy and use this environment is protected.</li> <li>Have in place land use controls that protect the natural environment landscape including visual and scenic values.</li> </ul>	<ul style="list-style-type: none"> <li>Snowy Monaro Local Strategic Planning Statement</li> <li>Snowy Monaro Waste Management Strategy</li> <li>Snowy Monaro Regional Council On-Site Sewage Management Strategy</li> <li>South East and Tablelands Regional Plan 2036</li> </ul>
<p><b>Our Infrastructure</b> Our infrastructure is resilient and supports our economy and way of life. We optimise our asset management by being innovative and maximising value for money.</p>	<ul style="list-style-type: none"> <li>Our health is supported by fit for purpose infrastructure.</li> <li>Transport infrastructure allows us to effectively move around the region and beyond as needed.</li> <li>Telecommunication networks allow us to be connected when and where needed.</li> <li>We have in place infrastructure that supports our lifestyles.</li> </ul>	<ul style="list-style-type: none"> <li>South-East Tablelands Regional Plan 2036</li> <li>Snowy Monaro Asset Management Strategy</li> <li>Snowy Monaro Asset Management Plans</li> <li>Snowy Monaro Local Strategic Planning Statement</li> </ul>
<p><b>Our Civic Leadership</b> We have contemporary leadership and governance that is open, transparent, and accountable, enabled by effective communication and engagement.</p>	<ul style="list-style-type: none"> <li>That the community has confidence in leadership.</li> <li>Our community is informed and engaged to provide transparency in decision making.</li> <li>That effective strategies are in place to achieve the Community Strategic Plan outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Customer Service Charter</li> <li>Snowy Monaro Community Participation Plan</li> </ul>

### **3.3 Socioeconomic profile for Snowy Monaro**

Snowy Monaro Local Government Area (LGA) covers an area of approximately 15,164 km<sup>2</sup> (ABS, 2019) and includes the regional townships of Cooma, Jindabyne, Berridale, Bombala, Adaminaby, Delegate and Nimmitabel, along with numerous smaller localities and ski villages such as Perisher and Thredbo.

The region is located in southern New South Wales, between the Canberra border to the north and Victorian border in the south.

Snowy Monaro LGA has grown by 0.6% per annum (on average) over the ten years to June 2021, to reach an estimated resident population of approximately 21,660 persons (ABS, 2022 a). Population projections suggest population growth will remain similar to historical levels, growing by 0.6% per annum (on average) over the ten years to 2031 to reach approximately 23,100 persons (NSW Government, 2022), noting that growth in the region will also be impacted by the SAP.

Snowy Monaro LGA recorded approximately 158 residential building approvals in 2021-22, equating to approximately \$67.7 million in total value. The number of residential building approvals has generally trended upwards within the region over the last 10 years, peaking at \$15.9 million in December 2020.

Non-residential building approval activity over the same period was minimal (ABS, 2022 b) While the (ABS, 2022) data is current, the Socio-Economic Indexing for Areas (SEIFA) 2016 data is the most current available at the time of authoring this Plan.

Snowy Monaro LGA scores well and ranks highly in all four socio-economic indexes: The Index of Relative Socio-economic Disadvantage (IRSD): The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD): The Index of Economic Resources (IER): The Index of Education and Occupation (IEO).

Of the 544 Councils across Australia and the 130 Councils across NSW within the ABS SEIFA, the following scores, rank, decile and percentiles are reported for the Snowy Monaro LGA:

#### **3.3.1 Index of Relative Socio-economic Disadvantage (IRSD)**

Snowy Monaro LGA scored 1008, ranked 400 nationally and ranked 100 state-wide, with ranking ordered from the lowest to highest score for (IRSD). Based on these rankings, Snowy Monaro LGA is not reporting as an area of significant disadvantage, falling within a decile of 8 and within the percentile of 74 nationally and 77 state-wide. The score indicates a relative lack of disadvantage in general, which means fewer households with lower incomes, fewer people with no qualifications and fewer people in low skilled occupations.

#### **3.3.2 Index of Relative Socio-economic Advantage and Disadvantage (IRSAD)**

The ABS broadly defines relative socio-economic advantage and disadvantage in terms of people's access to material and social resources, and their ability to participate in society.

Snowy Monaro LGA scored 985, ranked 375 nationally and ranked 90 state-wide with ranking ordered from the lowest to highest score for (IRSAD). Based on these rankings, Snowy Monaro is reporting as an area of advantage rather than as one of disadvantage, further supported by falling within the decile of 7 and percentile of 69 both nationally and state-wide. This means that the Snowy Monaro LGA has more households with higher incomes, more people in skilled occupations and fewer people on lower incomes and skilled occupations.

### **3.3.3 Index of Economic Resources (IER)**

Snowy Monaro LGA scored 1004, ranked 376 nationally and ranked 93 statewide with ranking ordered from lowest to the highest score for (IER). Based on these rankings, Snowy Monaro LGA is reported as an area with good access to economic resources in general, further supported by falling within the national decile of 7, state-wide decile of 8, and a national percentile of 69 and state-wide percentile of 71. This means that the Snowy Monaro LGA has many households with high-income or many-owned homes, fewer low-income households or fewer households paying low rent.

### **3.3.4 Index of Relative Education and Occupation (IEO)**

Snowy Monaro LGA scored 988, ranked 393 nationally and ranked 90 state-wide, with ranking from the lowest to the highest score for (IEO). Based on these rankings, Snowy Monaro LGA is reported as an area with a higher education and occupation status. This is further supported by falling within the national decile of 8, a state-wide decile of 7, a national percentile of 72 and statewide percentile of 69.

This means that the Snowy Monaro LGA has many people with higher education qualifications or many people in skilled occupations and fewer people without qualifications or fewer people in low skilled occupations.

## **3.4 Independent Financial Sustainability Review**

In response to concerns regarding the financial sustainability of the Council raised by the community, the NSW Audit Office, NSW Office of Local Government and individual Councillors, Council initiated an independent Financial Sustainability Review.

The prime objective of the Financial Sustainability Review is to identify robust options to ensure the Council can operate sustainably and efficiently into the future.

The independent assessment of Council's financial sustainability was guided by the following definition of sustainability:

Financial sustainability is the ability of an entity to maintain financial capital and infrastructure capital over the long-term.

- Maintaining financial capital is concerned with the ability to sustain availability of cash into the future to meet the service and infrastructure needs of the entity.
- Maintaining infrastructure capital is concerned with the entity's ability to provide physical assets over the long-term to meet the service requirements and demand.

The assessment of Council's financial sustainability concluded that based on the independent financial forecast of Council's operating result, cash availability and the required investment in assets, Council is not financially sustainable under the current financial settings.

Council will not be able to sustain current service levels and the associated asset maintenance and renewal expenditure requirements.

Since receiving the review Council has been working on identifying the resourcing needed to achieve the outcomes in the financial sustainability review as well as quantifying areas where an issue was identified, but not quantified.

This has led to the need for increased revenue over that shown in the financial sustainability review report.

### 3.5 Assets and Services

The Delivery Program outlines the projects and services to be delivered by each of the business units and service areas – see Table 2 below for an outline of the services provided. The Delivery Program includes the service level target for each of the services. The measures also provide an insight into the levels of service required and to be funded through the Annual Budget and Long-Term Financial Plan.

Table 2 - Planned Services

Portfolio	Business Unit	Service Area
Executive	Executive Office	Executive Office
Operations	Built and Natural Environment	Biosecurity Building Certification Development Assessment Public Health and Environment Cemeteries Ranger Services
	Community Services	Community Facilities Community Support Programs Library Services Residential Aged Care
	Infrastructure	Roads Infrastructure Civic Maintenance Land and Property
	Resource and Waste	Resource and Waste
	Water and Wastewater	Water and Wastewater
Communications	Economic Development and Tourism	Economic Development and Tourism, Events and Visitor Centres
	Engagement	Communications/Media, Engagement, Education, Customer Service
Finance	Financial Services	Financial Services
Strategy	Corporate Projects	Corporate Projects Risk RFS/SES Support Services
	Fleet and Plant	Fleet and Plant
	Governance	Governance
	Information Communications and Technology	Information Communications and Technology
	Internal Audit	Internal Audit
	Strategy Development	Asset Management Corporate Reporting Strategic Planning
Workforce	Workforce Management	Workforce Management

Source: SMRC Delivery Program 2022-2026

Table 3 below outlines the quantum of infrastructure and assets owned and managed by Council.

**Table 3 - Overview of Council Owned Infrastructure and Assets**

Group	Type	Measure
General Facilities	Council offices	4
	Works depots	5
	Visitor centres	2
	Libraries	3
	Mobile library	1
Community and Recreation	Aged care facilities	2
	Doctors/health centres	3
	Childcare	2
	Halls	15
	Showgrounds	7
	Sporting/recreation fields	19
	Swimming pools	5
	Holiday/caravan parks	5
	Public toilets	21
	Airport	1
	Saleyards	2
	Community centres	2
Waste Management	Landfills	3
	Transfer stations	6
Transport Infrastructure	Sealed roads	1,000km
	Unsealed roads	1,700km
	Bridges	127
	Culverts	7,184
Water and Wastewater	Water treatment plants	2
	Water pump stations intakes	12
	Water distribution pump stations	11
	Water reticulation pipe	330km
	Supply reservoirs	39
	Supply dams	1
	Wastewater treatment facilities	8
	Wastewater pump stations	28
	Wastewater drainage pipe	280km

Table 4 below outlines the financial measures of assets under the control of the Council. As at 30 June 2022 Council controlled assets with a total gross replacement cost of \$1,845 million and a carrying amount of \$1,224 million.

Council estimates the required annual maintenance across all assets for 2021/22 to total \$26.6 million, however the actual maintenance for 2021/22 was \$15.3 million.

Table 4 outlines the estimated cost by Council to bring assets to satisfactory standard - \$143.5 million in total – which has been calculated by Council to be 50% of the gross replacement cost of assets reported to be in condition 4 and condition 5.

The water supply network has the largest cost to bring assets to a satisfactory standard (\$72.9 million), followed by the sewerage network (\$28.2 million), bridges (\$10.7 million), unsealed roads (\$10.3 million) and sealed roads (\$9.4 million).

**Table 4 - Overview of Asset Financial Measures by Asset Category (as at 30 June 2022)**

Asset Category	Estimated cost to bring assets to satisfactory standard*	Estimated cost to bring assets to the agreed level of service set by Council*	2021/22 Required Maintenance**	2021/22 Actual Maintenance	Net carrying amount	Gross replacement cost
	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s	\$ '000s
Buildings - specialised	2,821	2,821	2,510	161	15,975	59,770
Buildings - non specialised	5,305	5,305	1,714	365	24,727	68,569
Sealed Roads	9,406	9,406	3,858	3,946	202,145	296,767
Unsealed Roads	10,280	10,280	3,419	3,497	169,224	262,999
Bridges	10,667	10,667	1,730	414	77,516	133,073
Footpaths	246	246	203	62	8,341	15,624
Bulk earthworks	-	-	-	-	441,196	441,196
Water supply network	72,869	72,869	7,986	2,744	151,177	332,769
Sewerage network	28,207	28,207	4,297	3,054	97,608	179,044
Stormwater drainage	722	722	275	28	20,811	30,504
Swimming pools	1,248	1,248	47	82	2,697	4,705
Other recreation/open space	486	486	231	762	4,910	7,686
Other structures	1,285	1,285	373	200	8,475	12,422
<b>Total - all assets</b>	<b>143,541</b>	<b>143,541</b>	<b>26,643</b>	<b>15,314</b>	<b>1,224,802</b>	<b>1,845,128</b>

Table 5 below outlines the condition of each asset category controlled by Council. Asset categories with 20% or more gross replacement cost in either poor or very poor condition scores include the water supply network (43.4%), sewerage network (31.6%), swimming pools (53.0%) and other structures (20.7%).

**Table 5 Asset in Condition as a Percentage of Gross Replacement Cost**

Asset Category	Asset Condition Score Categories				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very Poor
Buildings - specialised	7.2%	14.7%	68.6%	8.5%	1.0%
Buildings - non specialised	16.7%	29.3%	38.6%	14.5%	1.0%
Sealed Roads	10.3%	43.0%	40.4%	5.8%	0.5%
Unsealed Roads	26.9%	16.1%	49.2%	6.4%	1.4%
Bridges	16.3%	40.1%	27.5%	2.4%	13.6%
Footpaths	13.8%	19.0%	64.0%	2.8%	0.4%
Bulk earthworks	100.0%	0.0%	0.0%	0.0%	0.0%
Water supply network	15.4%	17.1%	23.7%	37.9%	5.9%
Sewerage network	20.8%	28.8%	18.9%	10.5%	21.0%
Stormwater drainage	7.4%	73.1%	14.7%	4.7%	0.0%
Swimming pools	0.0%	26.8%	20.2%	53.0%	0.0%
Other recreation/open space	23.1%	42.7%	21.6%	12.2%	0.5%
Other structures	45.5%	15.1%	18.8%	16.1%	4.6%

### 3.5.1 Snowy Mountains Special Activation Precinct

The Snowy Mountains Special Activation Precinct (SAP) is a major state government funded project to ensure a year-round visitor economy, working closely with Council. The SAP Master Plan outlines a 40-year strategic plan for the precinct and is now in the delivery phase, having now finalised the Master Plan after years of intensive project work.

The Jindabyne Growth Precinct comprises seven sub-precincts that will support the visitor and population growth projected over the 40 years of the Master Plan. The resident and visitor population growth predicted to result from the SAP has been modelled on the activation of year-round tourism and employment opportunities, investment in regional infrastructure and strengthening the visitor economy.

The NSW Government has announced an estimated total funding of SAP to be \$391.3 million starting in 2022 with completion in 2027. Included in the works funded by the NSW Government includes assets to be transferred to Council, including responsibility to fund ongoing operations, maintenance and future renewal.

Table 6 below outlines the assets that are proposed to be transferred to Council – totalling \$169.62 million. It should be noted that Table 5 does not include the lead in road segments for Kosciuszko Rd. This is an additional approximately 4km of 2 lane urban road, with associated kerb & gutter that will increase the value of assets contributed to Council.

**Table 6 - Assets Developed by SAP to be transferred to Council**

Infrastructure Project	Estimated Handover	Construction Cost (M)	Comment
Claypits	2024	\$10.58	N/A
Town Centre	2025	\$57.1	N/A
Kosciuszko Road	2026	\$22.47	Includes only section being upgraded. Additional length past Barry Way will need to be considered by Council
Water Treatment Plant	2024	\$28.2	N/A
Sewerage Treatment Plant	2024	\$41.93	N/A

Water Services	2024	\$4.6	Includes reservoirs, pumps and network upgrades
Sewage Services	2024	\$4.74	Includes pumps, storage tanks and network upgrades
<b>TOTAL</b>		<b>\$169.62</b>	

**Source** – NSW Government

The SAP provides significant opportunity for Council to benefit from the development through externally funded asset renewals and upgrades and increased revenue from rates, annual service charges and other revenue sources. In particular, the renewal and upgrade of water and sewer assets in Jindabyne, as well as road works and precinct upgrades funded by the NSW Government replaces funding that Council would have had to fund internally or sought borrowings to address the depleted assets.

Table 7 below outlines the development yield estimated by the NSW Government (as outlined in the Master Plan) and includes 1,564 additional residential dwellings, and additional 134,950m<sup>2</sup> of commercial floor space and 1,918 dwellings for tourist accommodation and seasonal workers.

**Table 7 - Proposed Development Yield from Snowy Mountains Special Activation Precinct**

Sub-precinct	Tourist accommodation dwellings	Seasonal worker dwellings	Residential dwellings	Additional commercial floor space (m <sup>2</sup> )
<b>Jindabyne Catalyst Precinct</b>				
Jindabyne Town Centre	412	56	118	88,750
Western Lake Jindabyne	689	36	0	1,200
<b>Jindabyne Growth Precinct</b>				
Jindabyne Town Centre Growth	153	31	123	0
Jindabyne West	130	43	693	30,000
Jindabyne South	21	0	186	10,000
East Jindabyne	47	0	264	5,000
Barry Way South	200	100	180	0
<b>Total</b>	<b>1,652</b>	<b>266</b>	<b>1,564</b>	<b>134,950</b>

**Source** – NSW Government (2022), Snowy Mountains Special Activation Project Master Plan

## **4. STRATEGIC ALIGNMENT**

The LTFP is one of three components of the Resourcing Strategy to deliver the Snowy Monaro 2042 Community Strategic Plan. The three components are:

- Long-Term Financial Planning
- Workforce Management Planning
- Asset Management Planning

### **4.1 Alignment with Other Resourcing Strategy components**

#### **4.1.1 Asset Management Strategy**

The development of the LTFP is linked to the Asset Management Strategy. The Asset Management Strategy demonstrates how the asset portfolios will meet the service delivery needs of the community into the future and to ensure the integration of Councils' asset management practices with the long-term strategic plans.

This LTFP supports the asset management improvement plan and the associated resources required to bring Council to a minimum 'core' level of asset maturity and competence, as outlined in the Asset Management Strategy.

#### **4.1.2 Workforce Planning**

The development of the LTFP has included workforce needs and requirements for the next 10 years. Adequate funding in the plan is provided to resource key workforce initiatives within the planning horizon to ensure Council can meet future workforce and organisational challenges.

### **4.2 Alignment with Other Key Strategies and Plans**

#### **4.2.1 Snowy Monaro Waste Management Strategy**

The adopted strategy outlines how Council will work towards the ambitious targets set out in the NSW 20 Year Waste Strategy for waste diverted from landfill and recycling. The challenges outlined in the strategy include:

- Current underperformance of Council regarding the NSW 20 Year Waste Strategy targets
- Variation of services and facilities across the region
- High cost associated with operating waste management facilities and services
- Accessibility and utilisation of waste facilities.
- Key infrastructure actions outlined in the strategy are:
  - Landfill upgrades
  - Upgrade to transfer stations
  - Conversion of drop off model service to collection and "bank of bins" service model
  - Expansion of bank of bins
  - Remediate legacy landfills and convert to emergency landfills where appropriate
  - Upgrade collection trucks.

#### **4.2.2 Divestment of Residential Aged Care Services**

On 21 October 2021, Council accepted an Evaluation Panel's recommendation to enter into a 12-month Due Diligence period for the divestment of Residential Aged Care Services through a transfer of the services to Sapphire Coast Community Aged Care. T Due diligence has been extended and is ongoing.

## **5. COUNCIL'S FINANCIAL POSITION**

The Council maintains three fund types – a general fund, a sewer fund and a water fund. The sewer fund includes all revenue and expenditure that is specifically tied to the sewer service, by legislation. The water fund includes all revenue and expenditure that is specifically tied to the water service, by legislation. The general fund includes all other revenue and expenditure that is not tied to the water or sewer service.

Council must report on the fund types separately and the use of constrained reserves for the water or sewer service must be used on the water and sewer services respectively, unless otherwise approved by the Minister.

Council's historical and projected financial performance is analysed in the following section, based on a consolidated basis and by fund.

### **5.1 Historical Financial Performance**

Council has historically produced operating deficits. While Council has historically prioritised renewal and maintenance of existing assets, the amount available for these activities has been insufficient.

The Office of Local Government has set key financial sustainability indicators for councils. Council has generally not met all the infrastructure assets key financial sustainability indicators regarding infrastructure assets backlog, asset renewal and asset maintenance.

An explanation of the key performance measures is included in Appendix A to this Plan. Council's historical financial performance measured against the key performance measures is shown in Table 8 below.

#### **5.1.1 Operating Performance Ratio**

In the last three financial years Council has not met the operating performance ratio, generating an operating deficit year on year, with the deficit being in the general fund, noting that the sewer fund also generated an operating deficit in 2021/22. Council has not been generating sufficient recurrent revenue to fund all recurrent operating expenditure, including depreciation.

#### **5.1.2 Own Source Revenue Ratio**

Council, like similar rural regional centres relies heavily on grant funding, with Council's general fund not meeting the own revenue source ratio target of 60%. While grant funding reduces the rating burden on ratepayers, it does place Council at risk of a significant revenue shortfall should any of the grant funding be discontinued or is significantly reduced.

#### **5.1.3 Unrestricted Ratio**

In the last three financial years Council has met the unrestricted current ratio, noting the general fund was only just above the target of 1.5x in 2021/22. This result indicates that Council must monitor its restrictions closely to ensure restricted funds are not utilised against the intended use and without the necessary authority.

#### **5.1.4 Debt Service Ratio**

Except for 2020/21, Council has met the debt service cover ratio, indicating that it currently has the capacity to service loans.

#### **5.1.5 Asset Maintenance Ratio**

Based on the reported ratios Council has consistently not met the asset maintenance ratio for general fund assets. In the water and sewer fund maintenance has fluctuated from not meeting the ratio to exceeding the ratio over the last three years. Council has been undertaking asset maintenance based on a reactive rather than planned approach, as constrained by the availability of funding and/or resources to undertake the works.

### **5.1.6 Building and Infrastructure Renewal Ratio**

Based on the reported amounts, for general fund assets Council has exceeded the ratio in 2019/20 and 2020/21 but did not meet the ratio in 2021/22. The reported ratio for water and sewer assets has fluctuated significantly over the most recent three years indicating a reactive approach to renewal and potentially gaps in asset renewal information.

### **5.1.7 Infrastructure Backlog Ratio**

Based on the reported amounts Council has not met the infrastructure backlog ratio for the general fund and has been significantly well above the target backlog for water and sewer fund assets. The infrastructure backlog ratio for general fund is \$42.5 million (or 4.18%) as at 30 June 2022. For water fund assets, there is an infrastructure backlog of \$72.9 million (or 48.2%) as at 30 June 2022, well in excess of the benchmark of 2%, with asset renewals ratio not meeting benchmark over the period. For sewer fund assets, an infrastructure backlog ratio of \$28.2 million (or 28.09%) reported as at 30 June 2021/22. Asset renewal was minimal until 2021/22, when a major investment in sewerage treatment was commenced.

As part of the independent financial sustainability review it was recognised that Council needs to invest in asset management capability and capacity to ensure that asset data and asset management planning and practices are improved – refer to the Asset Management Strategy for planned improvements in asset management.

## **5.2 Summary**

Based on Council's financial performance over the most recent three years, Council is currently:

- Not achieving the required operating position
- Maintaining only minimal unrestricted cash
- Not undertaking the required investment in asset maintenance and renewal

Based on the current financial settings, Council will not be financially sustainable in the long-term.

Based on the current operating revenue and expenditure trajectory, Council will not generate sufficient cash to undertake the required investment in asset maintenance and renewal. Without intervention to correct this trajectory, Council's infrastructure backlog will continue to grow, and assets will deteriorate and not meet the desired service levels. Council will need to balance the allocation of funding, including significant service level reductions to ensure that an appropriate amount of funding remains available to maintain an acceptable level of risk, and compliance with legislative requirements.

**Table 8 - Key Financial Sustainability Indicators over the most recent three financial years**

Performance Measure	Target	Consolidated			General Fund			Water Fund			Sewer Fund		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
<b>Operating Performance Ratio</b>	> 0.00%	(7.20%)	(30.27%)	(2.99%)	(5.08%)	(43.27%)	(3.47%)	9.07%	8.89%	1.30%	10.45%	9.81%	(3.16%)
<b>Own Source Revenue Ratio</b>	>60.00%	58.29%	60.19%	49.96%	44.09%	54.22%	41.27%	89.06%	91.16%	83.83%	83.61%	63.59%	93.97%
<b>Unrestricted Ratio</b>	>1.50x	2.79x	2.27x	1.61x	5.40x	2.27x	1.61x	82.80x	53.09x	11.02x	3,290.33x	5,563.67x	-
<b>Debt Service Ratio</b>	>2.00x	23.19x	(1.18) x	26.34x	22.73x	(6.87) x	20.89x	35.36x	29.17x	2348x	-	-	-
<b>Asset Maintenance Ratio</b>	>100%	50.53%	102.44%	57.48%	51.20%	65.66%	66.27%	40.31%	140.13%	34.36%	61.72%	226.71%	71.07%
<b>Building and Infrastructure Renewal Ratio</b>	>=100%	142.65%	129.82%	110.92%	138.26%	161.46%	30.93%	14.22%	0.00%	48.20%	270.42%	0.00%	1086.64%
<b>Infrastructure Backlog Ratio</b>	<2.00%	6.02%	2.38%	11.34%	3.62%	2.78%	4.18%	14.22%	0.00%	48.20%	26.84%	0.00%	28.90%

## **6. PROJECTED FINANCIAL PERFORMANCE**

### **6.1 Methodology**

The financial plan draws on the information contained in the Community Strategic Plan, Delivery Program, Operational Plan, Workforce Plan and Asset Management Strategy.

These documents help set the scope of what Council will seek to undertake over the life of the plan and include the financial implication of those activities. This Plan also considers the outcome of the independent financial sustainability review referred to earlier in this Plan.

This Plan has been developed based on:

- The adopted 2022/23 Budget, revised based on the outcome of the independent financial sustainability review
- A review of projected operating revenue and expenditure, based on assumptions detailed later in this Plan
- The Asset Management Strategy, as reviewed
- The Workforce Management Strategy, as reviewed

### **6.2 Long-term Financial Plan Objectives**

As indicated by Council's historical financial performance and financial projections considered as part of the financial sustainability review, Council's current financial settings will not support financial sustainability.

This LTFP provides several possible scenarios for Council's financial settings and identifies the scenario that best places Council on the path of achieving financial sustainability.

This LTFP compares the outcome of the scenarios considers in terms of:

- Operating Position
- Availability of Cash
- Investment in Assets

Each scenario is also evaluated against the key financial sustainability indicators established by the Office of Local Government.

In line with the Financial Sustainability Policy, this LTFP aims to identify a path for Council to:

- Generate sufficient revenue and control of services and infrastructure costs to produce sufficient cash from operations.
- Maintain sufficient cash (or access to cash) to meet the needs of operations, investments and financing (borrowings).
- Be able to renew or replace assets to maintain the desired level of service and the provision of new assets to meet demand for growth in services.

This LTFP will enable Council to build the capacity over time to be able to invest in developing and growing the local economy. The LTFP provides a basis for Council to continue to review its operations to maximise productivity and be able to apply cost effective asset management practices to further improve its financial capacity to withstand, react and adapt to unplanned shocks.

This LTFP allows for council to engage the community in discussions on desired service levels. The outcome of these discussions will drive the operating position that is necessary to be achieved by Council to ensure sufficient cash is available for the investment in assets that is required to support the agreed service levels.

## **6.3 General Assumptions**

### **6.3.1 Demographics**

Snowy Monaro has a population of approximately 21,207 people, comprising of 14,315 rateable properties. Taking into consideration expected population growth and the impact of the SAP on growth an allowance of 1.23% growth per annum has been allowed for in this LTFP. The growth allowance has been applied to revenue impacted by growth, and to expenditure relating to service requirements that are expected to be impacted by population growth.

### **6.3.2 Inflation**

The assumption for annual increase in expenditure has been based on the CPI forecast included in the 2022 Federal Government Budget. The assumed inflation increase in expenditure impacted by CPI is 3.5% in 2023/24 and 2.5% in each year thereafter.

### **6.3.3 Economy**

Snowy Monaro Regional Council's Gross Regional Product is estimated at \$1.18 billion, which represents 0.18% of the state's GSP (Gross State Product). There were 9,473 jobs located in Snowy Monaro Regional Council area in the year ending June 2021 and were 10,394 residents employed in the year ending June 2021. In the 2021 December quarter, the unemployment rate in Snowy Monaro Regional Council area was 5.1%

The value of building approvals in Snowy Monaro Regional Council area was \$58m in the 2021-22 Jan FYTD financial year.

In February 2022, the retail trade estimate for NSW rose 2.8% from the previous year.

The Snowy Mountain regional economy is one of the most tourism dependent regional economies in Australia. In 2019/20, the total tourism and hospitality sales in Snowy Monaro Regional Council area was \$611.4m, the total value added was \$279.1 million.

Agriculture has historically underpinned the Snowy Monaro's economy and will continue to be an important economic driver into the future. In 2015/16, the total value of agricultural output in Snowy Monaro Regional Council area was \$117m. The largest commodity produced was livestock slaughtering, which accounted for 61.0% of Snowy Monaro Regional Council area's total agricultural output in value terms.

Cooma is the commercial hub of the Snowy Monaro region and will continue to be an important aspect of the local economy. Facilities and services provided by the town include medical, aged care, education, agricultural and government.

### **6.3.4 Snowy Mountains Special Activation Precinct (SAP)**

As detailed earlier in this Plan the SAP will result in a significant increase in Council's asset base. This results in a significant increase in ongoing maintenance, and depreciation, and asset renewal costs in future years. The SAP is also likely to generate growth in the ratepayers' base. This LTFP reflects additional costs associated with the SAP in the estimated asset maintenance, depreciation and renewal costs. It also allows for likely growth in revenue resulting from the SAP, as part of the 1.23% assumed growth rate.

## **6.4 Revenue Assumptions**

### **6.4.1 General Rates**

General Rates have been assumed to increase by the rate-pegging as a minimum in Scenario 1, with further SRV increases assumed and modelled in Scenarios 2 and 3. IPART has advised that the rate-peg applicable to Snowy Monaro for 2023/24 is 4%. Rate-pegging increases for each year thereafter have been assumed at 2.5%.

It is noted that IPART is currently reviewing the rate-peg methodology, however the outcome of the review is not known at this time. It is further noted that the financial

modelling in this LTFP is based on the estimated total rating revenue, inclusive of the rate-pegging increase. Accordingly, any changes to the assumed rate-pegging increase over the LTFP period will not impact on the scenarios modelled.

#### **6.4.2 Domestic Waste Charge**

The Domestic Waste Management (DWM) service is provided by Council to the residential properties in townships and the immediate surrounding area of towns within the region. The DWM service provides garbage, recycling and green waste kerbside collection services. The basis of the DWM annual charge is on a full cost recovery basis to allow for the future upgrade of the DWM plant fleet, garbage bins, and partial allocation for the rehabilitation of the waste centres (rubbish tips) in the Region.

The DWM charge is projected to remain at the same level as 2022/23 over the next ten-year period. A 1.23% to 2% growth factor has also been allowed in the associated estimated revenue. Council will continue to complete and publish in the Operational Plan a comprehensive domestic waste reasonable cost calculation in accordance with the Local Government Act 1993 requirements and to ensure any service changes are consulted with and conveyed to the community. The DWM charge will be reviewed each year as part of the development of the annual Operational Plan. The annual charge may need to be adjusted to ensure that it remains consistent with the mandated reasonable cost recovery basis.

The DWM service is accounted for through a restricted fund, therefore any changes in the estimated charges will not impact on the general fund revenue.

#### **6.4.3 User Charges and Fees**

Council raises revenue through fees and charges for provision of services and use of facilities. These are split into two categories:

**Statutory fees** – determined by State Government Legislation and relates primarily to building, development and compliance activities. Council has no control over increases to these fees. Development fees are also affected by the levels of development within the shire. No escalation increases have been estimated regarding statutory fees.

**Discretionary fees** – Council can vary these fees in line with the costs associated with providing the service or facility. Discretionary fees have been estimated to increase by 3.5% in 2023/24 and then by 2.5% over the next 10-year period, to align with the estimated corresponding inflation increases applicable to expenditure. It is further noted that for services largely delivered through Council staff future fee increases will need to reflect increases in employee costs, which are likely to be more than 2.5%.

Where applicable the estimated revenue from user fees and charges, includes an estimated growth of 1.23%.

#### **6.4.4 Water Revenue**

Water supply charges are assumed to increase between 2.5% and 5% over the next 10-year period. A 1.23% to 2% growth factor has also been allowed in the associated estimated revenue. As part of the financial sustainability review process, it has been identified that future increases in charges may need to be reviewed following a detailed review of asset maintenance and renewal requirements, including the impact of assets transferred through the SAP. The water supply service is accounted for through a restricted fund, therefore any changes in the estimated charges will not impact on the general fund revenue. The water service is a business activity of Council.

#### **6.4.5 Sewer Revenue**

Sewer charges are assumed to increase between 2.5% and 5% over the next 10-year period. A 1.23% to 2% growth factor has also been allowed in the associated estimated revenue. As part of the financial sustainability review process, it has been identified that future increases in charges may need to be reviewed following a detailed review of

asset maintenance and renewal requirements, including the impact of assets transferred through the SAP. The sewer service is accounted for through a restricted fund, therefore any changes in the estimated charges will not impact on the general fund revenue. The sewer service is a business activity of Council.

#### **6.4.6 Waste Charges (Other than Domestic Waste Collection)**

Council provides other waste collection services including trade waste, tipping fees and recycling. The plan assumes an increase in the access charge of 3.5% and then 2.5% over the next 10-year period. Increases in fees may need to be reviewed in future years to ensure that sufficient funds are available in the internally restricted fund held for the purpose of future landfill remediation.

#### **6.4.7 Interest and Investment Income**

Interest earned on investments is driven by the projected cash balances at the end of each year and the interest rate achieved. Council's cash balances and restrictions will fluctuate over the next 10-year period. The interest rate achieved will also fluctuate based on the economic and monetary policies.

Due to uncertainties associated with the latter factors, this LTFP assumes interest income to remain at the same level as the level budgeted in the 2022/23 Budget.

#### **6.4.8 Operating Grants and Contributions**

Council's most important and material recurrent operating grant is the untied Financial Assistance Grants (FAG) received from the Federal Government and administered by the NSW Local Government Grants Commission. The FAG grant accounts for around 50% of Council's total operating grants and contributions received annually.

Other levels of government have indicated that due to recent financial pressures on Federal and State Governments due to COVID 19 and ongoing natural disasters, grant funding is likely to be significantly reduced.

Council provides several services that are currently partially or fully grant funded. Council has assumed that all recurrent grants and contributions for operating purposes will increase an estimated 3.5% in 2023/24 and then by 2.5% each year over the next 10-year period. While Council will continue to advocate for grant funding aligned with the cost of providing services, a reduction in the estimated increase is a risk.

#### **6.4.9 Capital Grants and Contributions**

Capital grants are by their nature highly variable from year to year depending on the availability of other government grant programs to assist in funding major capital improvement projects. Capital grant funding that has already been secured or there is a likelihood it will be secured has been included as a funding source for some capital works in this LTFP.

All major capital works will be evaluated through Council's project management framework. If the expected grant funding does not eventuate, the project funded by the grant will not proceed, unless alternative funding can be identified from within Council's projected total envelop of funding available for capital works.

#### **6.4.10 Other**

Other income such as Council owned property rentals and leaseback fees are projected to increase 3.5% in 2023/24 and then 2.5% each year over the 10-year period of the Plan.

### **6.5 Expenditure Assumptions**

The cost escalation assumptions used for operating and capital expenditure are detailed below. In scenarios where revenue is not sufficient to fund the required expenditure, the expenditure has been reduced accordingly, reflecting a reduction in service levels.

### **6.5.1 Employee Costs**

Employee costs have been informed by the Workforce management Plan and the Asset management Strategy. Employee costs have been estimated to increase by 4.6% in 2023/24, 3.25% in 2024/25, 3.5% in 2025/26 and then 2.5% each year over the period of the Plan. The estimated increases include an allowance for a significant increase in the Local Government Award in line with recent legislative changes, and the progressive increases in the superannuation guarantee. An addition growth allowance of 1% has also been included.

### **6.5.2 Materials and Contracts**

Materials purchased and contract and consultancies for services are a significant cost input for providing Council services. An annual increase of 3.5% in 2023/24 and then 2.5% each year is projected over the next 10-year period for materials and contracts expenditure.

### **6.5.3 Other Expenses**

An estimated increase of 3.5 % in 2023/24 and then 2.5% each year is projected over the next 10-year period for other expenses, such as levies paid to the state government for the rural fire and emergency services and the NSW fire brigade. An increase of between 5% and 10% has been allowed for in 2023/24 for utilities.

## **6.6 Capital Expenditure**

Capital expenditure requirements included in this LTFP have been informed by the Asset Management Strategy and associated Asset Management Plans. The level of capital expenditure varies in the respective scenarios modelled in this Plan, based on the availability of funding in each respective scenario.

### **6.7 Aged Care**

This LTFP is based on Council divesting aged care services in 2022/23.

### **6.8 Loans**

Loan borrowings assumptions are based on a 20-year term at a 5.5% fixed interest rate.

## **7. FINANCIAL SCENARIOS**

The LTFP has been prepared to integrate with the Asset Management Strategy and the Workforce Management Strategy – collectively providing the Resourcing Strategy to deliver the Snowy Monaro 2042 Community Strategic Plan and the Delivery Program. The integration of the plans includes three scenarios for the continued management of the Council's resources.

In the following scenarios a rate-peg of 4% for 2023/2024 and a rate-peg of 2.5% from 2024/25 onwards is assumed over the next ten-year period. The increases in revenue applicable to each scenario modelled are inclusive of the assumed rate-peg increase.

In scenarios 1 and 2, the target is to meet or improve the key financial indicators whilst maintain an appropriate level of unrestricted cash.

The Financial Statements for each scenario and by Fund are included as Appendix B to this Plan.

## **7.1 Scenario 1 - SRV as a Permanent 53% increase (including rate-pegging) in 2023/24**

This scenario is based on Council's rating revenue increasing by 53% (including the rate-peg increase of 4%) in 2023/24. This will generate additional rating revenue of \$97.9 million over the 10-year period from 2023/24 when compared to Scenario 3 (Base Case). This additional revenue will be applied to an additional investment in assets of \$64.3 million over the period of the Plan. An additional \$33.6 million will be applied to maintain current service levels over the period of the Plan while also progressively improving the operating result.

Under this scenario Council will generate additional rating revenue sufficient to progressively improve the operating performance ratio and to maintain asset maintenance and renewal expenditure at a level sufficient to stabilise the current infrastructure backlog. This case allows for enhanced asset management when compared to Scenario 3 (Base Case). Under this scenario, Council will be able to maintain the current operating expenditure levels and the associated service levels.

Over the period of the Plan, the operating performance ratio will progressively improve to 1.72 in 2031/32 – including the impact of the SAP. The operating deficit will average \$1.5 million annually between 2023/24 and 2031/32. The operating performance ratio will average -1.59 % over the period of the Plan from 2023/24.

Under this scenario Council will be able to maintain an appropriate level of unrestricted cash over the next 10 years with an average of \$4.9million being held from 2023/24.

Council will be able to maintain the current levels of service into the future and prevent deterioration of infrastructure assets, thereby stabilising the current level of infrastructure backlog. However, the current infrastructure backlog will not be addressed. With improved understanding of the current assets through implementing the Asset Management Strategy the quantum of the backlog can be verified. It is also noted that the current flood restoration works and the SAP development is renewing assets that are in the current backlog of renewals.

This scenario allows for an investment in asset management capacity and capability. It is envisaged that improvements in asset management methodologies will result in savings and release of funding to progressively address the infrastructure backlog.

The following tables present the summary financial statements, capital works plan and the key financial sustainability indicators for the scenario.

## 7.2 Scenario 1 – Summary Financial Statements

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(\$,000s)									
<b>Summary of Operating Position</b>										
Total income from continuing operations	172,290	222,876	162,782	127,967	103,140	108,054	110,532	116,378	123,651	122,966
Total expenses from continuing operations	86,294	90,060	95,011	98,746	101,451	104,240	107,117	110,083	113,142	116,297
<b>Net Result</b>	85,996	132,816	67,771	29,221	1,689	3,814	3,415	6,295	10,509	6,669
<b>Net Result before grants and contributions provided for capital purposes</b>	<b>(2,235)</b>	<b>(2,174)</b>	<b>(3,810)</b>	<b>(3,944)</b>	<b>(2,885)</b>	<b>(2,024)</b>	<b>(1,102)</b>	<b>(121)</b>	<b>924</b>	<b>2,039</b>
<b>Summary of Financial Position</b>										
Current assets	108,375	101,748	99,812	103,751	108,809	107,518	111,173	115,917	115,149	127,352
Non-current assets	1,440,619	1,572,937	1,646,762	1,671,911	1,668,401	1,673,357	1,672,960	1,674,346	1,685,449	1,679,731
<b>Total Assets</b>	<b>1,548,994</b>	<b>1,674,685</b>	<b>1,746,574</b>	<b>1,775,662</b>	<b>1,777,210</b>	<b>1,780,875</b>	<b>1,784,133</b>	<b>1,790,263</b>	<b>1,800,598</b>	<b>1,807,083</b>
Current liabilities	44,074	36,954	37,082	37,090	37,098	37,106	37,114	37,123	37,133	37,143
Non-current liabilities	29,564	29,559	33,548	33,407	33,258	33,102	32,936	32,762	32,578	32,384
<b>Total Liabilities</b>	<b>73,638</b>	<b>66,513</b>	<b>70,630</b>	<b>70,497</b>	<b>70,356</b>	<b>70,208</b>	<b>70,050</b>	<b>69,885</b>	<b>69,711</b>	<b>69,527</b>
<b>Net Assets</b>	<b>1,475,356</b>	<b>1,608,172</b>	<b>1,675,944</b>	<b>1,705,165</b>	<b>1,706,854</b>	<b>1,710,667</b>	<b>1,714,083</b>	<b>1,720,378</b>	<b>1,730,887</b>	<b>1,737,556</b>

### 7.3 Scenario 1 – NSW Local Government Performance Indicators

Indicator	Target	Fund	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	
Operating Performance Ratio	Greater than 0%	Consolidated	-2.66%	-2.47%	-4.18%	-4.16%	-2.93%	-1.98%	-1.04%	-0.11%	0.81%	1.72%	
		General	-4.71%	0.60%	-2.62%	-3.53%	-2.92%	-2.32%	-1.73%	-1.13%	-0.54%	0.05%	
		Water	-0.16%	-14.29%	-10.42%	-8.39%	-6.23%	-4.15%	-2.07%	-0.07%	1.90%	3.83%	
		Sewer	9.77%	-13.05%	-9.01%	-4.47%	0.04%	2.20%	4.28%	6.33%	8.31%	10.24%	
Own Source Operating Revenue Ratio	Greater than 60%	Consolidated	31.84%	29.73%	42.44%	56.41%	73.15%	72.67%	73.95%	73.10%	71.61%	74.97%	
		General	27.69%	41.61%	35.21%	48.85%	68.19%	68.50%	68.58%	68.91%	69.28%	69.72%	
		Water	46.26%	18.41%	86.32%	88.84%	88.94%	89.07%	89.18%	89.28%	89.38%	89.49%	
		Sewer	46.57%	16.31%	85.67%	91.86%	88.20%	81.59%	92.26%	82.05%	69.56%	92.47%	
Unrestricted Current Ratio	Greater than 1.5	Consolidated	1.04	1.06	1.04	1.08	1.15	1.16	1.20	1.24	1.23	1.41	
		General	1.11	1.14	1.14	1.19	1.29	1.34	1.36	1.46	1.59	1.78	
		Water	9.80	10.72	11.57	11.70	11.70	12.48	14.14	15.09	15.85	15.86	
		Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Debt Service Cover Ratio	Greater than 2.0	Consolidated	2,913.14	5,520.79	248.78	146.37	72.49	79.63	79.94	89.44	102.40	93.18	
		General	2,525.13	2,411.04	225.69	124.06	46.30	48.49	51.53	54.01	56.31	58.35	
		Water	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt
		Sewer	2,700.80	17,192.67	No Debt								
Building and Infrastructure Renewal Ratio	>=100%	Consolidated	296.46%	266.24%	177.79%	130.44%	113.26%	139.03%	110.51%	131.84%	178.51%	102.10%	
		General	391.51%	314.75%	161.88%	129.11%	90.25%	90.08%	97.60%	96.52%	94.01%	89.36%	
		Water	103.00%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	
		Sewer	61.93%	123.66%	275.75%	98.32%	176.19%	367.78%	117.09%	280.59%	639.14%	98.32%	
Infrastructure Backlog Ratio	<2.00%	Consolidated	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	
		General	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	
		Water	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	
		Sewer	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	

## 7.4 Scenario 1 - Capital Works

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Planned Capital Works</b>										
Bridges	1,800,000	7,875,613	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Buildings Non-specialised	4,094,880	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Buildings Specialised	21,300,970	250,000	4,250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	132,000	133,640	135,731	137,874	140,071	142,322	144,630	146,996	149,421
Other Open Space Recreation	13,279,574	7,971,338	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Other Structures	869,423	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	21,768,183	10,441,806	10,441,806	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140
Stormwater	1,180,000	300000	300000	300000	300000	300000	300000	300000	300000	300000
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>61,559,933</b>	<b>37,100,214</b>	<b>25,960,449</b>	<b>21,146,896</b>	<b>28,859,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>
<b>Type of Investment</b>										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	48,803,508	34,600,214	25,960,449	21,146,896	28,859,470	24,896,856	25,851,768	33,321,532	19,238,343
<b>Funding</b>										
General Fund - General Revenue	2,407,766	16,823,529	9,483,780	9,485,871	9,488,014	9,490,211	9,492,462	9,494,770	9,497,136	9,499,561
General Fund - Grant Funding	66,922,993	25,909,652	7,023,735	5,784,545	1,336,804	1,331,399	1,558,409	1,525,979	1,450,309	1,309,779
General Fund - Borrowings	150,000	0	4,000,000	0	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>61,559,933</b>	<b>37,100,214</b>	<b>25,960,449</b>	<b>21,146,896</b>	<b>28,859,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>

## **7.5 Scenario 2 - SRV of 55.25% (including rate-pegging) over 5 years commencing in 2023/24**

This scenario is based on Council's rating revenue increasing by 55.25% (including the rate-peg increase of 4% in 2023/24 and an assumed rate-peg of 2.5% in the following 4 years) over a period of 5 years between 2023/24 and 2028/29.

This will generate additional rating revenue of \$76.7 million over the 10-year period from 2023/24 when compared to Scenario 3 (Base Case). This additional revenue will be applied to an additional investment in assets of \$51.1 million over the period of the Plan. The remaining \$25.6 million will be applied to minimise service level reduction over the period of the Plan, while also progressively improving the operating result.

Under this scenario Council will generate additional rating revenue sufficient to progressively improve the operating performance ratio and to maintain asset maintenance and renewal expenditure at a level sufficient to stabilise the current infrastructure backlog. This case allows for enhanced asset management when compared to Scenario 3 (Base Case.)

However, in the short-term some service level reductions will be required. These service reductions are reflected through a reduction in funding available for operational activities of an average of \$3.3 million annually.

The operating deficit will average \$3.1 million annually between 2023/24 and 2031/32. The operating performance ratio will average -3.64% over the period of the Plan from 2023/24. Over the period of the Plan, the ratio will progressively improve to 2.00% in 2031/32.

Under this scenario Council will be able to maintain an appropriate level of unrestricted cash over the next 10 years, with an average of \$3.9million being held from 2023/24.

Under this scenario, Council will be able to maintain the current level of service into the future and prevent deterioration of infrastructure assets, thereby stabilising the current level of infrastructure backlog over a period of time. The current infrastructure backlog will not be addressed. The delayed renewal of assets resulting in increased costs over the long-term, as more invasive interventions are required to return the asset to acceptable performance and/or shorter useful life leading to early replacement of the asset.

This scenario allows for an investment in asset management capacity and capability. It is envisaged that improvements in asset management methodologies will result in savings and release of funding to progressively address the infrastructure backlog.

## 7.6 Scenario 2 – Summary Financial Statements

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(\$,000s)									
<b>Summary of Operating Position</b>										
Total income from continuing operations	172,290	215,224	156,585	123,470	100,666	107,975	110,450	116,291	123,561	122,872
Total expenses from continuing operations	86,294	86,692	94,678	98,401	101,095	103,871	106,735	109,688	112,734	115,875
<b>Net Result</b>	85,996	128,532	61,907	25,069	(429)	4,104	3,715	6,603	10,827	6,997
<b>Net Result before grants and contributions provided for capital purposes</b>	<b>(2,235)</b>	<b>(6,458)</b>	<b>(9,674)</b>	<b>(8,096)</b>	<b>(5,003)</b>	<b>(1,734)</b>	<b>(802)</b>	<b>187</b>	<b>1,242</b>	<b>2,367</b>
<b>Summary of Financial Position</b>										
Current assets	108,375	101,277	97,914	102,249	106,754	106,403	110,321	115,333	114,841	127,328
Non-current assets	1,440,619	1,569,124	1,639,541	1,660,109	1,655,000	1,659,271	1,658,874	1,660,260	1,671,363	1,665,645
<b>Total Assets</b>	<b>1,548,994</b>	<b>1,670,401</b>	<b>1,737,455</b>	<b>1,762,358</b>	<b>1,761,754</b>	<b>1,765,674</b>	<b>1,769,195</b>	<b>1,775,593</b>	<b>1,786,204</b>	<b>1,792,973</b>
Current liabilities	44,074	36,954	37,115	37,124	37,133	37,143	37,154	37,165	37,177	37,190
Non-current liabilities	29,564	29,559	34,546	34,371	34,187	33,993	33,788	33,571	33,343	33,102
<b>Total Liabilities</b>	<b>73,638</b>	<b>66,513</b>	<b>71,661</b>	<b>71,495</b>	<b>71,320</b>	<b>71,136</b>	<b>70,942</b>	<b>70,736</b>	<b>70,520</b>	<b>70,292</b>
<b>Net Assets</b>	<b>1,475,356</b>	<b>1,603,888</b>	<b>1,665,794</b>	<b>1,690,863</b>	<b>1,690,434</b>	<b>1,694,538</b>	<b>1,698,253</b>	<b>1,704,857</b>	<b>1,715,684</b>	<b>1,722,681</b>

## 7.7 Scenario 2 – NSW Local Government Performance Indicators

Indicator	Target	Fund	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Operating Performance Ratio	Greater than 0%	Consolidated	-2.66%	-8.05%	-11.38%	-8.97%	-5.21%	-1.70%	-0.76%	0.17%	1.09%	2.00%
		General	-4.71%	-6.32%	-11.90%	-9.76%	-5.89%	-1.96%	-1.36%	-0.77%	-0.18%	0.41%
		Water	-0.16%	-14.29%	-10.42%	-8.39%	-6.23%	-4.15%	-2.07%	-0.07%	1.90%	3.83%
		Sewer	9.77%	-13.05%	-9.01%	-4.47%	0.04%	2.20%	4.28%	6.33%	8.31%	10.24%
Own Source Operating Revenue Ratio	Greater than 60%	Consolidated	31.84%	27.23%	40.16%	54.82%	72.49%	72.65%	73.93%	73.08%	71.59%	74.95%
		General	27.69%	37.40%	32.19%	46.54%	67.15%	68.47%	68.55%	68.88%	69.25%	69.69%
		Water	46.26%	18.41%	86.32%	88.84%	88.94%	89.07%	89.18%	89.28%	89.38%	89.49%
		Sewer	46.57%	16.31%	85.67%	91.86%	88.20%	81.59%	92.26%	82.05%	69.56%	92.47%
Unrestricted Current Ratio	Greater than 1.5	Consolidated	1.04	1.04	0.99	1.04	1.10	1.13	1.18	1.23	1.22	1.41
		General	1.11	1.13	1.09	1.14	1.23	1.31	1.33	1.44	1.58	1.78
		Water	9.80	10.72	11.57	11.70	11.70	12.48	14.14	15.09	15.85	15.86
		Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service Cover Ratio	Greater than 2.0	Consolidated	2,913.14	5,367.79	186.95	108.46	53.74	64.90	65.17	72.66	83.11	75.92
		General	2,525.13	2,239.68	168.42	90.54	32.65	39.77	42.24	44.14	46.02	47.81
		Water	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt
		Sewer	2,700.80	17,192.67	No Debt							
Building and Infrastructure Renewal Ratio	>=100%	Consolidated	296.46%	244.48%	158.81%	105.57%	104.79%	135.48%	110.51%	131.84%	178.51%	102.10%
		General	391.51%	284.24%	135.27%	94.22%	78.37%	85.11%	97.60%	96.52%	94.01%	89.36%
		Water	103.00%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%
		Sewer	61.93%	123.66%	275.75%	98.32%	176.19%	367.78%	117.09%	280.59%	639.14%	98.32%
Infrastructure Backlog Ratio	<2.00%	Consolidated	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%
		General	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%
		Water	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%
		Sewer	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%

## 7.8 Scenario 2 - Capital Works

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Planned Capital Works</b>										
Bridges	1,800,000	7,875,613	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Buildings Non-specialised	4,094,880	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	2,550,000	2,550,000	2,550,000	2,550,000
Buildings Specialised	21,300,970	0	5,000,000	0	0	250,000	250,000	250,000	250,000	250,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	132,000	133,640	135,731	137,874	140,071	142,322	144,630	146,996	149,421
Other Open Space Recreation	13,279,574	7,696,338	0	0	0	275,000	275,000	275,000	275,000	275,000
Other Structures	869,423	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000
Plant & Equipment (incl Fleet)	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	19,259,163	7,404,236	7,404,236	5,815,670	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140
Stormwater	1,180,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>57,875,913</b>	<b>33,887,644</b>	<b>21,747,879</b>	<b>19,712,426</b>	<b>28,259,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>
<b>Type of Investment</b>										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	45,119,488	31,387,644	21,747,879	19,712,426	28,259,470	24,896,856	25,851,768	33,321,532	19,238,343
<b>Funding</b>										
General Fund - General Revenue	2,407,766	13,139,509	5,271,210	5,273,301	8,053,544	8,890,211	9,492,462	9,494,770	9,497,136	9,499,561
General Fund - Grant Funding	66,922,993	25,909,652	7,023,735	5,784,545	1,336,804	1,331,399	1,558,409	1,525,979	1,450,309	1,309,779
General Fund - Borrowings	150,000	0	5,000,000	0	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>57,875,913</b>	<b>33,887,644</b>	<b>21,747,879</b>	<b>19,712,426</b>	<b>28,259,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>

## 7.9 Scenario 3 - Base Case (No SRV)

This scenario is based on Council's rating revenue increasing only by the rate-peg of 4% in 2023/24 and then assumed rate-pegging of 2.5% each year thereafter.

Based on this scenario Council will continue to generate operating deficits and not meet the operating performance ratio over the next ten years.

This scenario reflects significant service level reductions reflected through a reduction in funding available for operational activities, and a reduced investment in assets.

Including the impact of the SAP, the operating deficit will average \$8.5 million annually between 2023/24 and 2031/32. The operating performance ratio will average -10.05% over the period of the Plan from 2023/24.

In addition to having an ongoing structural operating deficit, under this scenario Council will not generate sufficient cash to maintain and renew its assets.

In order to maintain an appropriate level of unrestricted cash, a significant reduction in asset renewal funding is necessary. The current infrastructure backlog will not be addressed. Funds available for asset maintenance and renewal will be significantly reduced and the infrastructure backlog will continue to grow as additional assets deteriorate below satisfactory condition.

Management of assets will be within the constraints of current revenue generated through rates, charges and other revenue streams, including the provision of grants to address asset management requirements. The infrastructure assets backlog, building and infrastructure renewal and asset maintenance ratios will not be met in any of the years over the next 10 years.

Under this scenario, asset renewal expenditure will be restricted to \$324.5 million over the period of the Plan.

In addition, service level reductions totaling \$28.8 million over the next 10 years across various Council operations will also be required. Service level reductions will impact on infrastructure asset maintenance and other Council services and may require consideration of discontinuation of full services.

This scenario does not support the objective of achieving and maintaining financial sustainability over the next 10 years. This scenario is not sustainable over the long-term due to insufficient investment in asset maintenance and renewal.

The following tables present the summary financial statements, capital works plan and the key performance indicators for the scenario.

## 7.10 Scenario 3 – Summary Financial Statements

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(\$,000s)									
<b>Summary of Operating Position</b>										
Total income from continuing operations	172,290	213,416	152,974	117,747	92,489	96,956	98,967	104,326	111,093	109,878
Total expenses from continuing operations	86,294	89,419	94,258	96,273	97,554	99,092	101,831	104,655	107,568	110,575
<b>Net Result</b>	85,996	123,997	58,716	21,474	(5,065)	(2,136)	(2,864)	(329)	3,525	(697)
<b>Net Result before grants and contributions provided for capital purposes</b>	<b>(2,235)</b>	<b>(10,734)</b>	<b>(12,600)</b>	<b>(11,419)</b>	<b>(9,360)</b>	<b>(7,688)</b>	<b>(7,088)</b>	<b>(6,445)</b>	<b>(5,753)</b>	<b>(5,012)</b>
<b>Summary of Financial Position</b>										
Current assets	108,375	105,402	101,511	104,904	110,589	110,912	116,040	122,105	122,496	135,678
Non-current assets	1,440,619	1,560,464	1,625,642	1,646,278	1,635,356	1,632,715	1,624,531	1,617,935	1,620,856	1,606,752
<b>Total Assets</b>	<b>1,548,994</b>	<b>1,665,866</b>	<b>1,727,153</b>	<b>1,751,182</b>	<b>1,745,945</b>	<b>1,743,627</b>	<b>1,740,571</b>	<b>1,740,040</b>	<b>1,743,352</b>	<b>1,742,430</b>
Current liabilities	44,074	36,954	37,034	37,121	37,131	37,141	37,151	37,162	37,174	37,186
Non-current liabilities	29,564	29,559	32,050	34,518	34,337	34,145	33,943	33,729	33,504	33,267
<b>Total Liabilities</b>	<b>73,638</b>	<b>66,513</b>	<b>69,084</b>	<b>71,639</b>	<b>71,468</b>	<b>71,286</b>	<b>71,094</b>	<b>70,891</b>	<b>70,678</b>	<b>70,453</b>
<b>Net Assets</b>	<b>1,475,356</b>	<b>1,599,353</b>	<b>1,658,069</b>	<b>1,679,543</b>	<b>1,674,477</b>	<b>1,672,341</b>	<b>1,669,477</b>	<b>1,669,149</b>	<b>1,672,674</b>	<b>1,671,977</b>

## 7.11 Scenario 3 – NSW Local Government Performance Indicators

Indicator	Target	Fund	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Operating Performance Ratio	> 0.00%	Consolidated	-3.10%	-14.18%	-15.97%	-13.98%	-11.11%	-8.90%	-7.96%	-7.03%	-6.11%	-5.20%
		General	-4.98%	-13.97%	-17.64%	-16.15%	-13.54%	-11.33%	-10.82%	-10.31%	-9.81%	-9.30%
		Water	-1.44%	-15.72%	-11.75%	-9.68%	-7.47%	-5.34%	-3.22%	-1.18%	0.84%	2.81%
		Sewer	8.99%	-14.01%	-9.91%	-5.29%	-0.71%	1.47%	3.58%	5.66%	7.67%	9.62%
Own Source Operating Revenue Ratio	>60.00%	Consolidated	31.84%	26.73%	38.91%	52.85%	70.35%	69.82%	71.19%	70.27%	68.66%	72.27%
		General	27.69%	36.57%	30.51%	43.58%	63.56%	63.87%	63.94%	64.28%	64.66%	65.11%
		Water	46.26%	18.41%	86.32%	88.84%	88.94%	89.07%	89.18%	89.28%	89.38%	89.49%
		Sewer	46.57%	16.31%	85.67%	91.86%	88.20%	81.59%	92.26%	82.05%	69.56%	92.47%
Unrestricted Current Ratio	>1.50x	Consolidated	1.04	1.15	1.09	1.11	1.20	1.25	1.33	1.41	1.43	1.63
		General	1.11	1.24	1.19	1.22	1.34	1.43	1.49	1.63	1.79	2.01
		Water	9.80	10.72	11.57	11.70	11.70	12.48	14.14	15.09	15.85	15.86
		Sewer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service Cover Ratio	>2.00x	Consolidated	2,913.14	5,205.82	349.99	99.50	43.12	50.55	50.09	56.71	66.22	58.28
		General	2,525.13	2,058.28	313.94	81.78	22.26	25.74	27.45	28.56	29.62	30.53
		Water	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt	No Debt
		Sewer	2,700.80	17,184.67	No Debt							
Building and Infrastructure Renewal Ratio	>=100%	Consolidated	296.46%	195.36%	129.95%	106.23%	74.29%	100.05%	71.53%	92.86%	139.53%	63.12%
		General	391.51%	215.35%	94.79%	95.15%	35.59%	35.41%	42.93%	41.86%	39.35%	34.70%
		Water	103.00%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%	165.31%
		Sewer	61.93%	123.66%	275.75%	98.32%	176.19%	367.78%	117.09%	280.59%	639.14%	98.32%
Infrastructure Backlog Ratio	<2.00%	Consolidated	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%	11.72%
		General	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%
		Water	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%
		Sewer	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%	28.90%

## 7.12 Scenario 3 - Capital Works

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Planned Capital Works</b>										
Bridges	1,800,000	7,875,613	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Buildings Non-specialised	4,094,880	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Buildings Specialised	21,300,970	200,000	2,700,000	2,700,000	200,000	200,000	200,000	200,000	200,000	200,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	82,000	83,640	85,731	87,874	90,071	92,322	94,630	96,996	99,421
Other Open Space Recreation	13,279,574	7,996,338	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Other Structures	869,423	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	11,941,567	6,516,666	6,516,666	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Stormwater	1,180,000	0	0	0	0	0	0	0	0	0
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>49,508,317</b>	<b>28,950,074</b>	<b>21,810,309</b>	<b>14,496,756</b>	<b>22,209,330</b>	<b>18,246,716</b>	<b>19,201,628</b>	<b>26,671,392</b>	<b>12,588,203</b>
<b>Type of Investment</b>										
New	26,917,983	7,256,425	5,000,000	2,500,000	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	4,366,666	4,366,666	0	0	0	0	0	0
Renewal	55,336,586	36,751,892	19,583,408	14,943,643	14,496,756	22,209,330	18,246,716	19,201,628	26,671,392	12,588,203
<b>Funding</b>										
General Fund - General Revenue	2,407,766	5,021,913	3,083,640	3,085,731	3,087,874	3,090,071	3,092,322	3,094,630	3,096,996	3,099,421
General Fund - Grant Funding	66,922,993	25,659,652	6,773,735	5,534,545	1,086,804	1,081,399	1,308,409	1,275,979	1,200,309	1,059,779
General Fund - Borrowings	150,000	0	2,500,000	2,500,000	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>49,508,317</b>	<b>28,950,074</b>	<b>21,810,309</b>	<b>14,496,756</b>	<b>22,209,330</b>	<b>18,246,716</b>	<b>19,201,628</b>	<b>26,671,392</b>	<b>12,588,203</b>

### 7.13 Capital Works by Financial Scenario

Service	Scenario One	Scenario Two	Scenario Three
<b>Planned Capital Works</b>			
Bridges	17,675,613	17,675,613	13,675,613
Buildings Non-specialised	27,044,880	24,044,880	10,844,880
Buildings Specialised	27,550,970	27,550,970	28,100,970
ICT Replacement	450,000	450,000	450,000
Office Equipment	1,342,685	1,342,685	892,685
Other Open Space Recreation	23,450,912	22,350,912	23,675,912
Other Structures	1,769,423	1,569,423	1,319,423
Plant & Equipment (incl Fleet)	35,226,081	35,226,081	35,226,081
Resource and Waste	14,894,542	14,894,542	14,894,542
Roads	113,979,718	105,136,088	72,751,982
Stormwater	3,880,000	3,880,000	1,180,000
Wastewater	61,631,207	61,631,207	61,631,207
Water	59,887,700	59,887,700	59,887,700
<b>TOTAL</b>	<b>388,783,731</b>	<b>375,640,101</b>	<b>324,530,995</b>
<b>Type of Investment</b>			
New	36,674,408	36,674,408	36,674,408
Upgrade	34,093,701	34,093,701	34,093,701
Renewal	318,015,622	304,871,992	253,762,886
<b>Funding</b>			
General Fund - General Revenue	95,163,100	81,019,470	32,160,364
General Fund - Grant Funding	114,153,606	114,153,606	111,903,606
General Fund - Borrowings	4,150,000	5,150,000	5,150,000
General Fund - Reserves	53,798,118	53,798,118	53,798,118
General Fund - Uncompleted works	0	0	0
Water Fund - General Revenue	0	0	0
Water Fund - Reserves	38,137,700	38,137,700	38,137,700
Water Fund - Grant Funding	21,750,000	21,750,000	21,750,000
Sewer Fund - General Revenue	0	0	0
Sewer Fund - Reserves	38,731,207	38,731,207	38,731,207
Sewer Fund - Grant Funding	22,900,000	22,900,000	22,900,000
<b>TOTAL</b>	<b>388,783,731</b>	<b>375,640,101</b>	<b>324,530,995</b>

## **8. RISK MANAGEMENT AND SENSITIVITY ANALYSIS**

The risks outlined below present a significant threat to the successful achievement of the Financial Sustainability Strategy through the implementation of this LTFP:

### **8.1 Certainty of Revenue Streams**

Projections of revenue streams over the period of the LTFP are based upon historical trends, anticipated economic conditions, planned pricing, known grants and current statutory prices. Uncertainty in the projection of revenue streams is a significant concern for Council sustainability. While Council controls most of its annual operating revenue, Council has historically relied upon grants.

### **8.2 Expenditure Estimates**

A key risk to the accuracy of the long-term forecast of operating and capital expenditure is the accuracy of cost estimates and actual inflation in future years being above assumptions used in the forecast.

During the preparation period of this LTFP there were significant inflationary pressures being experienced nation-wide. The inflationary pressures were assumed to be mostly due to supply constraints and international affairs. Extended periods of higher inflation remain a risk to the accuracy of operating expenditure projections.

Capital expenditure estimates are based upon best information at hand during the planning of the projects. Further detailed planning, including design and cost estimation, and significant increases in construction costs may result in capital expenditure that is significantly different to that outlined in the LTFP.

Cost of construction for future capital works is assumed to increase based on projected indexation of 3.5%. Higher costs of construction than projected is a significant risk and a major risk to the accuracy of the projected financial position for Council.

### **8.3 Changes to Service Levels**

The Plan assumes that current service levels will be maintained where funding is available. No increase in service levels has been included. If Council decides to increase levels of service, increased expenditure will be a risk to achieving the objectives of the Plan.

The outcome of service reviews undertaken in line with Integrated Planning and Reporting requirements may impact assumptions and will need to be captured in future reviews of this Plan.

### **8.4 Impairment and Early Deterioration of Assets**

While renewals are planned through the asset management planning process, the actual deterioration and performance of assets may deteriorate faster than projected or be impacted through natural disasters or other unforeseen events, bringing forward the need to renew and replace assets. This will require either re-prioritisation across the capital works plan, or additional cash investment.

Council maintains current asset management plans that outlines the sustainable and responsible management of assets. The planned treatment of assets for renewals and replacement is based upon the predicted lifecycle of the assets. However, there is a range of variability amongst asset groups, and despite routine inspections, assets can deteriorate faster than the projected lifecycle, requiring earlier treatment of assets – that is, early deterioration of assets.

Earlier deterioration of assets is a threat to the planned expenditure on assets, and while mostly immaterial, can be significant depending upon the replacement value and criticality of the asset.

Furthermore, events such as disasters can impact significantly upon assets, which results in the need to impair the asset (right down the value of the asset). If the impairment of the assets is significant to require the replacement or renewal, the expenditure will not be included in the Long-Term Financial Plan. Although Council is funded under certain circumstances for disasters, there is a significant risk that Council will need to fund all or at least majority of the replacement cost.

## 8.5 Economic Conditions

Council is impacted by the volatility of economic conditions. This has been experienced most significantly during the recent COVID-19 outbreak, where the income earned by Council for a range of services was significantly reduced. As such, any further impacts leading to significant change from the market assumptions adopted (will require further revision by Council of planned investments and service expenditure).

## 8.6 Funding Development

The NSW Government regulates a cap on the per lot contributions paid and limits the types of infrastructure that a council can levy for development. This limitation has required Council to use other funding sources (including funding set aside for asset renewal) to provide infrastructure Council is responsible to provide for new development. This is particularly important for areas of greenfield development, which impact on the demands for Council infrastructure such as community centres, libraries and recreational facilities.

The following assessment has been completed upon the major assumptions included in the preparation of the LTFP. The table below indicates the impact to the relevant financial element due to a change in an assumption included in the Plan. The sensitivity analysis is based on the Scenario 1 (Base Case).

## 8.7 Aged Care Divestment

This LTFP assumes divestment from aged care from November 2022. If this divestment does not proceed this LTFP will be significantly impacted through an increase in the operating deficit of between \$1 million and \$2 million annually.

## 8.8 Sensitivity Analysis of Key Assumptions

Financial Element	Change	Impact over period of the Plan (Base Case)
<b>Revenue</b>		
Rates and Annual Charges	Reduction in the rates by 1%	\$2.85 million
User Charges and Fees	Reduction on charges and fees by 1%	\$1.96 million
Investment Interest	Interest rate increased by 1%	\$0.12 million
Operating Grants	Additional 1% in grants received	\$2.13 million
<b>Operating Expenditure</b>		
Employee benefits	Employee costs increase by 1% higher	\$3.28 million
Materials and contracts	Costs increase by 1% higher	\$2.36 million
<b>Capital Expenditure</b>		
Total construction costs	Costs increase by 1% higher	\$3.23 million

## 9. CHALLENGES AND OPPORTUNITIES

As Council implements the financial sustainability strategic objectives, it is likely to confront the following list of challenges and opportunities.

### 9.1 Challenges

- Volatility in the economic environment – During the preparation of this Financial Sustainability Strategy, the Australian economy was experiencing high volatility, with high inflation and supply chain issues, the continuation of which is likely to increase the cost of services and the cost of construction/acquisition of assets, as well as potentially delay the delivery of capital works, increase borrowing costs and potentially limit the availability of funding from external sources (e.g., grants).
- Impact of the SAP on Council's financial position – Approximately \$169 million in assets funded by the NSW Government are proposed to be contributed to Council upon completion of construction. This will increase the expenditure on operating and maintaining the assets, as well as a significant increase in the depreciation expense. If additional revenue through rates, charges and other revenue streams does not match the increase in operating expenditure, the completion of the SAP will impact negatively upon the financial position of the Council.
- Balancing demands for capital expenditure – Council will need to balance the demands for new or upgraded assets to address population and economic growth, to comply with changes in regulatory requirements and/or to address changing community demands with the need to appropriately fund the renewal and replacement of deteriorating assets and infrastructure.
- Productivity improvements limited by legislation – For example, constraints on staff reduction in rural areas.
- Policy changes from other levels of Government – changes to policies and strategies set by the State and Federal Governments are likely to impact upon Council's financial sustainability, therefore requiring strong advocacy and engagement with key stakeholders to protect the interests of the Council and its community.
- Capacity of the Council – Council faces challenges in attracting and retaining skilled resources due to the geographical location of the council as well as significant competition by main employers in the area. Council will need to invest in its ability attract, develop and retain skilled resourcing.

### 9.2 Opportunities

- Innovation and Technological Advancement – Council can improve long-term sustainability through enhanced productivity and efficiencies achieved through adopting innovation and technological advancements, which will require Council to maintain effective relationships and professional networks with industry leaders.
- Regional Economic Development – The SAP presents significant opportunity to council to leverage and realise significant development of the local economy and enhancement to the socio-economic profile of the region. Other economic development opportunities are also outlined in the Regional Economic Development Strategy. Council can maximise the realised benefit through advocating and pursuing the Council's interests, as well as more broadly the community's economic and socio-demographic interests.
- Enhancements to Project Management – considering the large annual investment in the capital works program and other projects, significant

improvements in Council sustainability may be achieved through implementation of the project management framework, including better decision making in the selection, prioritisation and initiation of projects, consideration and comparison of whole-of-life costs, as well as in the more efficient delivery of projects.

- Development of a Service Catalogue and Service Review Program – through the development of a service catalogue, integrated with resource planning, and the engagement of Council and the community in strategic service planning, Council sustainability is likely to be improved through the continued review, prioritisation and rationalisation of the range and levels of services and infrastructure provided to meet community demands and community affordability.
- Asset Recycling and Rationalisation – through the process of developing the Asset Management Plans, Council is likely to be presented with opportunities to recycle under-utilised assets (e.g., buildings and land) to obtain better utilisation and improve overall sustainability by reducing the cost of under-utilised assets and achieving commercial returns through asset recycling.
- Water and Sewer Businesses – considering the Guidelines issued by the NSW Department of Planning and Environment regarding the payment of dividend from water supply and sewer businesses, there may be opportunities for Council to harness the significant water and sewer infrastructure in the area, including additional assets to be dedicated through the SAP.
- Stormwater Charge – Council could consider the application of an annual Stormwater charge in accordance with the Local Government Act 1993, and the associated Regulations and guidelines issued by the NSW Office of Local Government, to all applicable properties in the local government area. Revenue from this charge will need to be applied to an enhanced stormwater management program.

## **10. MONITORING FINANCIAL PERFORMANCE**

Council will monitor its financial performance through the following performance framework.

### **10.1 Management Reporting**

Managers can access online financial reports, which allow them to monitor budgets and adjust for any significant variances.

### **10.2 Monthly Reporting and Reviews**

Since February 2022, Council has been provided with monthly reports on financial performance, capital expenditure and cash position. Any adjustments highlighted in the monthly reviews are included for Council approval.

### **10.3 Quarterly and Annual Reporting and Reviews**

Council will review the LTFP on an annual basis in line with the annual review of the Delivery Program and Operational Plan. This review will include an assessment of the previous year's performance to determine whether estimates were accurate, and assumptions were appropriate. Adjustments will be made if required.

The assessment of performance will be based upon a range of financial indicators that are reported to the Council through the Quarterly Budget Review Statement and the Annual Financial Statements.

The Quarterly Budget Review Statement provides a summary of Council's financial position to the Council, so that budgetary adjustments may be made, if necessary. It is the mechanism by which community and councillors are informed of progress against Operational Plan (original budget) and last revised budget.

The Annual Financial Statements presents the council's operating results and financial position for the year, including schedules that report on key performance indicators, including measures to assess the long-term financial sustainability of the council.

Council will monitor and report against the following indicators:

- Operating Performance Ratio
- Own Source Revenue Ratio
- Building and Infrastructure Asset Renewal Ratio
- Infrastructure Backlog Ratio
- Asset Maintenance Ratio
- Debt Service Ratio
- Debt Service Cover Ratio
- Unrestricted Current Ratio
- Rates & Outstanding Charges Ratio
- Cash Expense Cover Ratio

## APPENDIX A - NSW OFFICE OF LOCAL GOVERNMENT FINANCIAL SUSTAINABILITY INDICATORS

Indicator	Explanation of Indicator	Benchmark
Operating performance ratio	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	> 0.00%
Own source operating revenue	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.	> 60.00%
Unrestricted current ratio	To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	> 1.50x
Debt service current ratio	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.	> 2.00x
Rates and annual charges outstanding percentage	To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	< 10.00%
Cash expense cover ratio	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.	> 3.00 months
Buildings and infrastructure renewals ratio	To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	>= 100.00%
Infrastructure backlog ratio	This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	< 2.00%
Asset maintenance ratio	Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.	> 100.00%
Cost to bring assets to agreed service level	This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.	N/A

## APPENDIX B - FINANCIAL PROJECTIONS

### Scenario 1 – Income Statement (Consolidated)

INCOME STATEMENT - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>										
Rates and annual charges	33,991	44,923	46,779	48,923	51,174	53,303	55,526	57,842	60,258	62,778
User charges and fees	17,860	18,265	19,122	19,965	20,846	21,720	22,631	23,581	24,571	25,604
Other revenue	529	553	573	593	614	636	659	683	707	733
Grants and contributions provided for operating purposes	28,958	21,365	21,899	22,447	23,008	23,583	24,173	24,777	25,397	26,032
Grants and contributions provided for capital purposes	88,231	134,990	71,581	33,165	4,574	5,838	4,517	6,416	9,585	4,630
Interest and investment revenue	1,289	1,296	1,303	1,309	1,317	1,324	1,332	1,339	1,347	1,355
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	357	369	379	388	398	407	417	428	438	449
Rental income	1,075	1,115	1,146	1,177	1,209	1,243	1,277	1,312	1,348	1,385
<b>Total income from continuing operations</b>	<b>172,290</b>	<b>222,876</b>	<b>162,782</b>	<b>127,967</b>	<b>103,140</b>	<b>108,054</b>	<b>110,532</b>	<b>116,378</b>	<b>123,651</b>	<b>122,966</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	30,567	31,377	32,825	34,436	35,714	37,038	38,410	39,833	41,306	42,834
Materials and services	25,823	25,320	26,533	27,396	28,032	28,688	29,363	30,057	30,773	31,508
Borrowing costs	5	11	241	234	227	219	211	202	193	184
Depreciation, amortisation and impairment of non-financial assets	20,309	23,250	25,056	26,062	26,594	27,139	27,698	28,270	28,856	29,457
Other expenses	9,590	10,102	10,356	10,618	10,884	11,156	11,435	11,721	12,014	12,314
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>86,294</b>	<b>90,060</b>	<b>95,011</b>	<b>98,746</b>	<b>101,451</b>	<b>104,240</b>	<b>107,117</b>	<b>110,083</b>	<b>113,142</b>	<b>116,297</b>
<b>Operating result from continuing operations</b>	<b>85,996</b>	<b>132,816</b>	<b>67,771</b>	<b>29,221</b>	<b>1,689</b>	<b>3,814</b>	<b>3,415</b>	<b>6,295</b>	<b>10,509</b>	<b>6,669</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(2,235)</b>	<b>(2,174)</b>	<b>(3,810)</b>	<b>(3,944)</b>	<b>(2,885)</b>	<b>(2,024)</b>	<b>(1,102)</b>	<b>(121)</b>	<b>924</b>	<b>2,039</b>

## Scenario 1 – Balance Sheet (Consolidated)

STATEMENT OF FINANCIAL POSITION - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	43,070	75,443	73,507	77,446	82,504	81,213	84,868	89,612	88,844	101,047
Investments	39,000	-	-	-	-	-	-	-	-	-
Receivables	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136
Inventories	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313
Contract assets and contract cost assets	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153
Other	703	703	703	703	703	703	703	703	703	703
<b>Total Current Assets</b>	<b>108,375</b>	<b>101,748</b>	<b>99,812</b>	<b>103,751</b>	<b>108,809</b>	<b>107,518</b>	<b>111,173</b>	<b>115,917</b>	<b>115,149</b>	<b>127,352</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,437,315	1,569,633	1,643,458	1,668,607	1,665,097	1,670,053	1,669,656	1,671,042	1,682,145	1,676,427
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251
Right of use assets	53	53	53	53	53	53	53	53	53	53
<b>Total Non-Current Assets</b>	<b>1,440,619</b>	<b>1,572,937</b>	<b>1,646,762</b>	<b>1,671,911</b>	<b>1,668,401</b>	<b>1,673,357</b>	<b>1,672,960</b>	<b>1,674,346</b>	<b>1,685,449</b>	<b>1,679,731</b>
<b>TOTAL ASSETS</b>	<b>1,548,994</b>	<b>1,674,685</b>	<b>1,746,574</b>	<b>1,775,662</b>	<b>1,777,210</b>	<b>1,780,875</b>	<b>1,784,133</b>	<b>1,790,263</b>	<b>1,800,598</b>	<b>1,807,083</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	19,904	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
Lease liabilities	23	23	23	23	23	23	23	23	23	23
Borrowings	17	5	133	141	149	157	165	174	184	194
Employee benefit provision	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>44,074</b>	<b>36,954</b>	<b>37,082</b>	<b>37,090</b>	<b>37,098</b>	<b>37,106</b>	<b>37,114</b>	<b>37,123</b>	<b>37,133</b>	<b>37,143</b>
<b>Non-Current Liabilities</b>										
Lease liabilities	33	33	33	33	33	33	33	33	33	33
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	141	136	4,125	3,984	3,835	3,679	3,513	3,339	3,155	2,961
Provisions	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390
<b>Total Non-Current Liabilities</b>	<b>29,564</b>	<b>29,559</b>	<b>33,548</b>	<b>33,407</b>	<b>33,258</b>	<b>33,102</b>	<b>32,936</b>	<b>32,762</b>	<b>32,578</b>	<b>32,384</b>
<b>TOTAL LIABILITIES</b>	<b>73,638</b>	<b>66,513</b>	<b>70,630</b>	<b>70,497</b>	<b>70,356</b>	<b>70,208</b>	<b>70,050</b>	<b>69,885</b>	<b>69,711</b>	<b>69,527</b>
<b>NET ASSETS</b>	<b>1,475,356</b>	<b>1,608,172</b>	<b>1,675,944</b>	<b>1,705,165</b>	<b>1,706,854</b>	<b>1,710,667</b>	<b>1,714,083</b>	<b>1,720,378</b>	<b>1,730,887</b>	<b>1,737,556</b>
<b>EQUITY</b>										
Accumulated surplus	1,274,817	1,407,633	1,475,404	1,504,625	1,506,314	1,510,128	1,513,543	1,519,838	1,530,347	1,537,016
Revaluation reserves	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>1,475,356</b>	<b>1,608,172</b>	<b>1,675,943</b>	<b>1,705,164</b>	<b>1,706,853</b>	<b>1,710,667</b>	<b>1,714,082</b>	<b>1,720,377</b>	<b>1,730,886</b>	<b>1,737,555</b>
<b>Total equity</b>	<b>1,475,356</b>	<b>1,608,172</b>	<b>1,675,943</b>	<b>1,705,164</b>	<b>1,706,853</b>	<b>1,710,667</b>	<b>1,714,082</b>	<b>1,720,377</b>	<b>1,730,886</b>	<b>1,737,555</b>

## Scenario 1 - Cash Flow Statement (Consolidated)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	33,991	44,923	46,779	48,923	51,174	53,303	55,526	57,842	60,258	62,778
User charges and fees	17,860	18,265	19,122	19,965	20,846	21,720	22,631	23,581	24,571	25,604
Investment and interest revenue received	1,289	1,296	1,303	1,309	1,317	1,324	1,332	1,339	1,347	1,355
Grants and contributions	117,189	56,045	32,904	31,178	27,582	29,421	28,690	31,193	34,982	30,662
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,961	2,037	2,098	2,158	2,221	2,286	2,353	2,423	2,493	2,567
<i>Payments:</i>										
Employee benefits and on-costs	(30,567)	(31,377)	(32,825)	(34,436)	(35,714)	(37,038)	(38,410)	(39,833)	(41,306)	(42,834)
Materials and services	(25,823)	(25,320)	(26,533)	(27,396)	(28,032)	(28,688)	(29,363)	(30,057)	(30,773)	(31,508)
Borrowing costs	(5)	(11)	(241)	(234)	(227)	(219)	(211)	(202)	(193)	(184)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(9,590)	(10,102)	(10,356)	(10,618)	(10,884)	(11,156)	(11,435)	(11,721)	(12,014)	(12,314)
<b>Net cash provided (or used in) operating activities</b>	<b>106,305</b>	<b>55,756</b>	<b>32,251</b>	<b>30,849</b>	<b>28,283</b>	<b>30,953</b>	<b>31,113</b>	<b>34,565</b>	<b>39,365</b>	<b>36,126</b>
<b>Cash Flows from investing activities</b>										
<i>Receipts:</i>										
Sale of investments	-	39,000	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	1,347	1,054	1,452	486	875	1,854	1,373	1,037	521
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(110,848)	(63,714)	(39,359)	(28,229)	(23,570)	(32,970)	(29,155)	(31,029)	(40,996)	(24,260)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(110,848)</b>	<b>(23,367)</b>	<b>(38,305)</b>	<b>(26,777)</b>	<b>(23,084)</b>	<b>(32,095)</b>	<b>(27,301)</b>	<b>(29,656)</b>	<b>(39,959)</b>	<b>(23,739)</b>
<b>Cash Flows from financing activities</b>										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	150	-	4,244	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	(31)	(17)	(126)	(133)	(141)	(149)	(157)	(165)	(174)	(184)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>119</b>	<b>(17)</b>	<b>4,118</b>	<b>(133)</b>	<b>(141)</b>	<b>(149)</b>	<b>(157)</b>	<b>(165)</b>	<b>(174)</b>	<b>(184)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,424)</b>	<b>32,372</b>	<b>(1,936)</b>	<b>3,939</b>	<b>5,058</b>	<b>(1,291)</b>	<b>3,655</b>	<b>4,744</b>	<b>(768)</b>	<b>12,203</b>
Cash and cash equivalents - beginning of year	47,494	43,070	75,442	73,506	77,445	82,503	81,212	84,867	89,611	88,843
<b>Cash and cash equivalents - end of the year</b>	<b>43,070</b>	<b>75,442</b>	<b>73,506</b>	<b>77,445</b>	<b>82,503</b>	<b>81,212</b>	<b>84,867</b>	<b>89,611</b>	<b>88,843</b>	<b>101,046</b>
Investments on hand - end of year	39,000	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>82,070</b>	<b>75,442</b>	<b>73,506</b>	<b>77,445</b>	<b>82,503</b>	<b>81,212</b>	<b>84,867</b>	<b>89,611</b>	<b>88,843</b>	<b>101,046</b>

## Scenario 2 – Income Statement (Consolidated)

INCOME STATEMENT - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>										
Rates and annual charges	33,991	37,271	40,582	44,426	48,700	53,224	55,444	57,755	60,168	62,684
User charges and fees	17,860	18,265	19,122	19,965	20,846	21,720	22,631	23,581	24,571	25,604
Other revenue	529	553	573	593	614	636	659	683	707	733
Grants and contributions provided for operating purposes	28,958	21,365	21,899	22,447	23,008	23,583	24,173	24,777	25,397	26,032
Grants and contributions provided for capital purposes	88,231	134,990	71,581	33,165	4,574	5,838	4,517	6,416	9,585	4,630
Interest and investment revenue	1,289	1,296	1,303	1,309	1,317	1,324	1,332	1,339	1,347	1,355
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	357	369	379	388	398	407	417	428	438	449
Rental income	1,075	1,115	1,146	1,177	1,209	1,243	1,277	1,312	1,348	1,385
<b>Total income from continuing operations</b>	<b>172,290</b>	<b>215,224</b>	<b>156,585</b>	<b>123,470</b>	<b>100,666</b>	<b>107,975</b>	<b>110,450</b>	<b>116,291</b>	<b>123,561</b>	<b>122,872</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	30,567	31,377	32,825	34,436	35,714	37,038	38,410	39,833	41,306	42,834
Materials and services	25,823	21,952	26,141	26,994	27,621	28,266	28,930	29,613	30,318	31,042
Borrowing costs	5	11	300	291	282	272	262	251	240	228
Depreciation, amortisation and impairment of non-financial assets	20,309	23,250	25,056	26,062	26,594	27,139	27,698	28,270	28,856	29,457
Other expenses	9,590	10,102	10,356	10,618	10,884	11,156	11,435	11,721	12,014	12,314
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>86,294</b>	<b>86,692</b>	<b>94,678</b>	<b>98,401</b>	<b>101,095</b>	<b>103,871</b>	<b>106,735</b>	<b>109,688</b>	<b>112,734</b>	<b>115,875</b>
<b>Operating result from continuing operations</b>	<b>85,996</b>	<b>128,532</b>	<b>61,907</b>	<b>25,069</b>	<b>(429)</b>	<b>4,104</b>	<b>3,715</b>	<b>6,603</b>	<b>10,827</b>	<b>6,997</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(2,235)</b>	<b>(6,458)</b>	<b>(9,674)</b>	<b>(8,096)</b>	<b>(5,003)</b>	<b>(1,734)</b>	<b>(802)</b>	<b>187</b>	<b>1,242</b>	<b>2,367</b>

## Scenario 2 – Balance Sheet (Consolidated)

STATEMENT OF FINANCIAL POSITION - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	43,070	74,972	71,609	75,944	80,449	80,098	84,016	89,028	88,536	101,023
Investments	39,000	-	-	-	-	-	-	-	-	-
Receivables	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136
Inventories	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313
Contract assets and contract cost assets	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153
Other	703	703	703	703	703	703	703	703	703	703
<b>Total Current Assets</b>	<b>108,375</b>	<b>101,277</b>	<b>97,914</b>	<b>102,249</b>	<b>106,754</b>	<b>106,403</b>	<b>110,321</b>	<b>115,333</b>	<b>114,841</b>	<b>127,328</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,437,315	1,565,820	1,636,237	1,656,805	1,651,696	1,655,967	1,655,570	1,656,956	1,668,059	1,662,341
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251
Right of use assets	53	53	53	53	53	53	53	53	53	53
<b>Total Non-Current Assets</b>	<b>1,440,619</b>	<b>1,569,124</b>	<b>1,639,541</b>	<b>1,660,109</b>	<b>1,655,000</b>	<b>1,659,271</b>	<b>1,658,874</b>	<b>1,660,260</b>	<b>1,671,363</b>	<b>1,665,645</b>
<b>TOTAL ASSETS</b>	<b>1,548,994</b>	<b>1,670,401</b>	<b>1,737,455</b>	<b>1,762,358</b>	<b>1,761,754</b>	<b>1,765,674</b>	<b>1,769,195</b>	<b>1,775,593</b>	<b>1,786,204</b>	<b>1,792,973</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	19,904	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
Lease liabilities	23	23	23	23	23	23	23	23	23	23
Borrowings	17	5	166	175	184	194	205	216	228	241
Employee benefit provision	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>44,074</b>	<b>36,954</b>	<b>37,115</b>	<b>37,124</b>	<b>37,133</b>	<b>37,143</b>	<b>37,154</b>	<b>37,165</b>	<b>37,177</b>	<b>37,190</b>
<b>Non-Current Liabilities</b>										
Lease liabilities	33	33	33	33	33	33	33	33	33	33
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	141	136	5,123	4,948	4,764	4,570	4,365	4,148	3,920	3,679
Provisions	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390
<b>Total Non-Current Liabilities</b>	<b>29,564</b>	<b>29,559</b>	<b>34,546</b>	<b>34,371</b>	<b>34,187</b>	<b>33,993</b>	<b>33,788</b>	<b>33,571</b>	<b>33,343</b>	<b>33,102</b>
<b>TOTAL LIABILITIES</b>	<b>73,638</b>	<b>66,513</b>	<b>71,661</b>	<b>71,495</b>	<b>71,320</b>	<b>71,136</b>	<b>70,942</b>	<b>70,736</b>	<b>70,520</b>	<b>70,292</b>
<b>NET ASSETS</b>	<b>1,475,356</b>	<b>1,603,888</b>	<b>1,665,794</b>	<b>1,690,863</b>	<b>1,690,434</b>	<b>1,694,538</b>	<b>1,698,253</b>	<b>1,704,857</b>	<b>1,715,684</b>	<b>1,722,681</b>
<b>EQUITY</b>										
Accumulated surplus	1,274,817	1,403,349	1,465,256	1,490,325	1,489,896	1,494,000	1,497,715	1,504,318	1,515,145	1,522,142
Revaluation reserves	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>1,475,356</b>	<b>1,603,888</b>	<b>1,665,795</b>	<b>1,690,864</b>	<b>1,690,435</b>	<b>1,694,539</b>	<b>1,698,254</b>	<b>1,704,857</b>	<b>1,715,684</b>	<b>1,722,681</b>
<b>Total equity</b>	<b>1,475,356</b>	<b>1,603,888</b>	<b>1,665,795</b>	<b>1,690,864</b>	<b>1,690,435</b>	<b>1,694,539</b>	<b>1,698,254</b>	<b>1,704,857</b>	<b>1,715,684</b>	<b>1,722,681</b>

## Scenario 2 – Cash Flow Statement (Consolidated)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	33,991	37,271	40,582	44,426	48,700	53,224	55,444	57,755	60,168	62,684
User charges and fees	17,860	18,265	19,122	19,965	20,846	21,720	22,631	23,581	24,571	25,604
Investment and interest revenue received	1,289	1,296	1,303	1,309	1,317	1,324	1,332	1,339	1,347	1,355
Grants and contributions	117,189	56,045	32,904	31,178	27,582	29,421	28,690	31,193	34,982	30,662
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,961	2,037	2,098	2,158	2,221	2,286	2,353	2,423	2,493	2,567
<i>Payments:</i>										
Employee benefits and on-costs	(30,567)	(31,377)	(32,825)	(34,436)	(35,714)	(37,038)	(38,410)	(39,833)	(41,306)	(42,834)
Materials and services	(25,823)	(21,952)	(26,141)	(26,994)	(27,621)	(28,266)	(28,930)	(29,613)	(30,318)	(31,042)
Borrowing costs	(5)	(11)	(300)	(291)	(282)	(272)	(262)	(251)	(240)	(228)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(9,590)	(10,102)	(10,356)	(10,618)	(10,884)	(11,156)	(11,435)	(11,721)	(12,014)	(12,314)
<b>Net cash provided (or used in) operating activities</b>	<b>106,305</b>	<b>51,472</b>	<b>26,387</b>	<b>26,697</b>	<b>26,165</b>	<b>31,243</b>	<b>31,413</b>	<b>34,873</b>	<b>39,683</b>	<b>36,454</b>
<b>Cash Flows from investing activities</b>										
<i>Receipts:</i>										
Sale of investments	-	39,000	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	1,347	1,054	1,452	486	875	1,854	1,373	1,037	521
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(110,848)	(59,901)	(35,951)	(23,648)	(21,971)	(32,285)	(29,155)	(31,029)	(40,996)	(24,260)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(110,848)</b>	<b>(19,554)</b>	<b>(34,897)</b>	<b>(22,196)</b>	<b>(21,485)</b>	<b>(31,410)</b>	<b>(27,301)</b>	<b>(29,656)</b>	<b>(39,959)</b>	<b>(23,739)</b>
<b>Cash Flows from financing activities</b>										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	150	-	5,304	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	(31)	(17)	(157)	(166)	(175)	(184)	(194)	(205)	(216)	(228)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>119</b>	<b>(17)</b>	<b>5,147</b>	<b>(166)</b>	<b>(175)</b>	<b>(184)</b>	<b>(194)</b>	<b>(205)</b>	<b>(216)</b>	<b>(228)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,424)</b>	<b>31,901</b>	<b>(3,363)</b>	<b>4,335</b>	<b>4,505</b>	<b>(351)</b>	<b>3,918</b>	<b>5,012</b>	<b>(492)</b>	<b>12,487</b>
Cash and cash equivalents - beginning of year	47,494	43,070	74,971	71,608	75,943	80,448	80,097	84,015	89,027	88,535
<b>Cash and cash equivalents - end of the year</b>	<b>43,070</b>	<b>74,971</b>	<b>71,608</b>	<b>75,943</b>	<b>80,448</b>	<b>80,097</b>	<b>84,015</b>	<b>89,027</b>	<b>88,535</b>	<b>101,022</b>
Investments on hand - end of year	39,000	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>82,070</b>	<b>74,971</b>	<b>71,608</b>	<b>75,943</b>	<b>80,448</b>	<b>80,097</b>	<b>84,015</b>	<b>89,027</b>	<b>88,535</b>	<b>101,022</b>

### Scenario 3 – Income Statement (Consolidated)

INCOME STATEMENT - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>										
Rates and annual charges	33,991	35,722	37,236	38,975	40,802	42,491	44,254	46,090	48,007	50,005
User charges and fees	17,860	18,265	19,122	19,965	20,846	21,720	22,631	23,581	24,571	25,604
Other revenue	529	553	573	593	614	636	659	683	707	733
Grants and contributions provided for operating purposes	28,958	21,365	21,899	22,447	23,008	23,583	24,173	24,777	25,397	26,032
Grants and contributions provided for capital purposes	88,231	134,731	71,316	32,893	4,295	5,552	4,224	6,116	9,278	4,315
Interest and investment revenue	1,289	1,296	1,303	1,309	1,317	1,324	1,332	1,339	1,347	1,355
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	357	369	379	388	398	407	417	428	438	449
Rental income	1,075	1,115	1,146	1,177	1,209	1,243	1,277	1,312	1,348	1,385
<b>Total income from continuing operations</b>	<b>172,290</b>	<b>213,416</b>	<b>152,974</b>	<b>117,747</b>	<b>92,489</b>	<b>96,956</b>	<b>98,967</b>	<b>104,326</b>	<b>111,093</b>	<b>109,878</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	30,567	30,855	32,281	33,868	35,126	36,429	37,780	39,181	40,631	42,136
Materials and services	25,823	25,326	26,539	25,557	24,795	24,226	24,789	25,368	25,967	26,583
Borrowing costs	5	11	154	299	290	280	270	260	249	237
Depreciation, amortisation and impairment of non-financial assets	20,309	23,250	25,056	26,062	26,594	27,139	27,698	28,270	28,856	29,457
Other expenses	9,590	9,977	10,228	10,487	10,749	11,018	11,294	11,576	11,865	12,162
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>86,294</b>	<b>89,419</b>	<b>94,258</b>	<b>96,273</b>	<b>97,554</b>	<b>99,092</b>	<b>101,831</b>	<b>104,655</b>	<b>107,568</b>	<b>110,575</b>
<b>Operating result from continuing operations</b>	<b>85,996</b>	<b>123,997</b>	<b>58,716</b>	<b>21,474</b>	<b>(5,065)</b>	<b>(2,136)</b>	<b>(2,864)</b>	<b>(329)</b>	<b>3,525</b>	<b>(697)</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(2,235)</b>	<b>(10,734)</b>	<b>(12,600)</b>	<b>(11,419)</b>	<b>(9,360)</b>	<b>(7,688)</b>	<b>(7,088)</b>	<b>(6,445)</b>	<b>(5,753)</b>	<b>(5,012)</b>

## Scenario 3 – Balance Sheet (Consolidated)

STATEMENT OF FINANCIAL POSITION - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	43,070	79,097	75,206	78,599	84,284	84,607	89,735	95,800	96,191	109,373
Investments	39,000	-	-	-	-	-	-	-	-	-
Receivables	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136	19,136
Inventories	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313
Contract assets and contract cost assets	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153
Other	703	703	703	703	703	703	703	703	703	703
<b>Total Current Assets</b>	<b>108,375</b>	<b>105,402</b>	<b>101,511</b>	<b>104,904</b>	<b>110,589</b>	<b>110,912</b>	<b>116,040</b>	<b>122,105</b>	<b>122,496</b>	<b>135,678</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,437,315	1,557,160	1,622,338	1,642,974	1,632,052	1,629,411	1,621,227	1,614,631	1,617,552	1,603,448
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251
Right of use assets	53	53	53	53	53	53	53	53	53	53
<b>Total Non-Current Assets</b>	<b>1,440,619</b>	<b>1,560,464</b>	<b>1,625,642</b>	<b>1,646,278</b>	<b>1,635,356</b>	<b>1,632,715</b>	<b>1,624,531</b>	<b>1,617,935</b>	<b>1,620,856</b>	<b>1,606,752</b>
<b>TOTAL ASSETS</b>	<b>1,548,994</b>	<b>1,665,866</b>	<b>1,727,153</b>	<b>1,751,182</b>	<b>1,745,945</b>	<b>1,743,627</b>	<b>1,740,571</b>	<b>1,740,040</b>	<b>1,743,352</b>	<b>1,742,430</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130	17,130
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	19,904	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
Lease liabilities	23	23	23	23	23	23	23	23	23	23
Borrowings	17	5	85	172	182	192	202	213	225	237
Employee benefit provision	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>44,074</b>	<b>36,954</b>	<b>37,034</b>	<b>37,121</b>	<b>37,131</b>	<b>37,141</b>	<b>37,151</b>	<b>37,162</b>	<b>37,174</b>	<b>37,186</b>
<b>Non-Current Liabilities</b>										
Lease liabilities	33	33	33	33	33	33	33	33	33	33
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	141	136	2,627	5,095	4,914	4,722	4,520	4,306	4,081	3,844
Provisions	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390
<b>Total Non-Current Liabilities</b>	<b>29,564</b>	<b>29,559</b>	<b>32,050</b>	<b>34,518</b>	<b>34,337</b>	<b>34,145</b>	<b>33,943</b>	<b>33,729</b>	<b>33,504</b>	<b>33,267</b>
<b>TOTAL LIABILITIES</b>	<b>73,638</b>	<b>66,513</b>	<b>69,084</b>	<b>71,639</b>	<b>71,468</b>	<b>71,286</b>	<b>71,094</b>	<b>70,891</b>	<b>70,678</b>	<b>70,453</b>
<b>NET ASSETS</b>	<b>1,475,356</b>	<b>1,599,353</b>	<b>1,658,069</b>	<b>1,679,543</b>	<b>1,674,477</b>	<b>1,672,341</b>	<b>1,669,477</b>	<b>1,669,149</b>	<b>1,672,674</b>	<b>1,671,977</b>
<b>EQUITY</b>										
Accumulated surplus	1,274,817	1,398,814	1,457,530	1,479,004	1,473,939	1,471,803	1,468,939	1,468,610	1,472,135	1,471,438
Revaluation reserves	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539	200,539
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>1,475,356</b>	<b>1,599,353</b>	<b>1,658,069</b>	<b>1,679,543</b>	<b>1,674,478</b>	<b>1,672,342</b>	<b>1,669,478</b>	<b>1,669,149</b>	<b>1,672,674</b>	<b>1,671,977</b>
<b>Total equity</b>	<b>1,475,356</b>	<b>1,599,353</b>	<b>1,658,069</b>	<b>1,679,543</b>	<b>1,674,478</b>	<b>1,672,342</b>	<b>1,669,478</b>	<b>1,669,149</b>	<b>1,672,674</b>	<b>1,671,977</b>

## Scenario 3 – Cash Flow Statement (Consolidated)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	33,991	35,722	37,236	38,975	40,802	42,491	44,254	46,090	48,007	50,005
User charges and fees	17,860	18,265	19,122	19,965	20,846	21,720	22,631	23,581	24,571	25,604
Investment and interest revenue received	1,289	1,296	1,303	1,309	1,317	1,324	1,332	1,339	1,347	1,355
Grants and contributions	117,189	55,786	32,639	30,906	27,303	29,135	28,397	30,893	34,675	30,347
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,961	2,037	2,098	2,158	2,221	2,286	2,353	2,423	2,493	2,567
<i>Payments:</i>										
Employee benefits and on-costs	(30,567)	(30,855)	(32,281)	(33,868)	(35,126)	(36,429)	(37,780)	(39,181)	(40,631)	(42,136)
Materials and services	(25,823)	(25,326)	(26,539)	(25,557)	(24,795)	(24,226)	(24,789)	(25,368)	(25,967)	(26,583)
Borrowing costs	(5)	(11)	(154)	(299)	(290)	(280)	(270)	(260)	(249)	(237)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(9,590)	(9,977)	(10,228)	(10,487)	(10,749)	(11,018)	(11,294)	(11,576)	(11,865)	(12,162)
<b>Net cash provided (or used in) operating activities</b>	<b>106,305</b>	<b>46,937</b>	<b>23,196</b>	<b>23,102</b>	<b>21,529</b>	<b>25,003</b>	<b>24,834</b>	<b>27,941</b>	<b>32,381</b>	<b>28,760</b>
<b>Cash Flows from investing activities</b>										
<i>Receipts:</i>										
Sale of investments	-	39,000	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	1,347	1,054	1,452	486	875	1,854	1,373	1,037	521
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(110,848)	(51,241)	(30,712)	(23,716)	(16,158)	(25,373)	(21,368)	(23,047)	(32,814)	(15,874)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(110,848)</b>	<b>(10,894)</b>	<b>(29,658)</b>	<b>(22,264)</b>	<b>(15,672)</b>	<b>(24,498)</b>	<b>(19,514)</b>	<b>(21,674)</b>	<b>(31,777)</b>	<b>(15,353)</b>
<b>Cash Flows from financing activities</b>										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	150	-	2,652	2,718	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	(31)	(17)	(81)	(163)	(172)	(182)	(192)	(202)	(213)	(225)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>119</b>	<b>(17)</b>	<b>2,571</b>	<b>2,555</b>	<b>(172)</b>	<b>(182)</b>	<b>(192)</b>	<b>(202)</b>	<b>(213)</b>	<b>(225)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,424)</b>	<b>36,026</b>	<b>(3,891)</b>	<b>3,393</b>	<b>5,685</b>	<b>323</b>	<b>5,128</b>	<b>6,065</b>	<b>391</b>	<b>13,182</b>
Cash and cash equivalents - beginning of year	47,494	43,070	79,096	75,205	78,598	84,283	84,606	89,734	95,799	96,190
<b>Cash and cash equivalents - end of the year</b>	<b>43,070</b>	<b>79,096</b>	<b>75,205</b>	<b>78,598</b>	<b>84,283</b>	<b>84,606</b>	<b>89,734</b>	<b>95,799</b>	<b>96,190</b>	<b>109,372</b>
Investments on hand - end of year	39,000	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>82,070</b>	<b>79,096</b>	<b>75,205</b>	<b>78,598</b>	<b>84,283</b>	<b>84,606</b>	<b>89,734</b>	<b>95,799</b>	<b>96,190</b>	<b>109,372</b>

## Scenario 1 – Income Statement (General Fund)

INCOME STATEMENT - GENERAL FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>										
Rates and annual charges	23,749	34,043	35,224	36,644	38,124	39,665	41,271	42,945	44,688	46,505
User charges and fees	11,011	10,991	11,399	11,854	12,327	12,819	13,331	13,864	14,418	14,995
Other revenue	529	553	573	593	614	636	659	683	707	733
Grants and contributions provided for operating purposes	28,939	21,365	21,899	22,447	23,008	23,583	24,173	24,777	25,397	26,032
Grants and contributions provided for capital purposes	67,831	45,154	68,340	30,931	1,707	1,746	2,060	2,077	2,041	1,920
Interest and investment revenue	693	698	702	706	711	715	720	724	729	734
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	168	173	178	182	187	191	196	201	206	211
Rental income	1,075	1,115	1,146	1,177	1,209	1,243	1,277	1,312	1,348	1,385
<b>Total income from continuing operations</b>	<b>133,995</b>	<b>114,092</b>	<b>139,461</b>	<b>104,534</b>	<b>77,887</b>	<b>80,598</b>	<b>83,687</b>	<b>86,583</b>	<b>89,534</b>	<b>92,515</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	27,006	27,614	28,900	30,331	31,462	32,634	33,849	35,109	36,414	37,767
Materials and services	19,384	16,432	17,478	18,171	18,632	19,108	19,599	20,105	20,627	21,164
Borrowing costs	-	8	241	234	227	219	211	202	193	184
Depreciation, amortisation and impairment of non-financial assets	14,807	15,997	17,677	18,555	18,954	19,364	19,784	20,214	20,655	21,106
Other expenses	8,083	8,474	8,688	8,908	9,131	9,359	9,593	9,833	10,079	10,331
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>69,280</b>	<b>68,525</b>	<b>72,984</b>	<b>76,199</b>	<b>78,406</b>	<b>80,684</b>	<b>83,036</b>	<b>85,463</b>	<b>87,968</b>	<b>90,552</b>
<b>Operating result from continuing operations</b>	<b>64,715</b>	<b>45,567</b>	<b>66,477</b>	<b>28,335</b>	<b>(519)</b>	<b>(86)</b>	<b>651</b>	<b>1,120</b>	<b>1,566</b>	<b>1,963</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(3,116)</b>	<b>413</b>	<b>(1,863)</b>	<b>(2,596)</b>	<b>(2,226)</b>	<b>(1,832)</b>	<b>(1,409)</b>	<b>(957)</b>	<b>(475)</b>	<b>43</b>

## Scenario 1 – Balance Sheet (General Fund)

STATEMENT OF FINANCIAL POSITION - GENERAL FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	13,431	42,704	43,204	45,703	50,122	51,448	52,199	56,486	61,852	68,976
Investments	35,353	-	-	-	-	-	-	-	-	-
Receivables	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298
Inventories	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313
Contract assets and contract cost assets	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153
Other	703	703	703	703	703	703	703	703	703	703
<b>Total Current Assets</b>	<b>67,251</b>	<b>61,171</b>	<b>61,671</b>	<b>64,170</b>	<b>68,589</b>	<b>69,915</b>	<b>70,666</b>	<b>74,933</b>	<b>80,119</b>	<b>87,443</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,148,600	1,193,122	1,263,217	1,288,920	1,283,841	1,282,280	1,282,023	1,278,711	1,274,917	1,269,372
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251
Right of use assets	53	53	53	53	53	53	53	53	53	53
<b>Total Non-Current Assets</b>	<b>1,151,904</b>	<b>1,196,426</b>	<b>1,266,521</b>	<b>1,292,224</b>	<b>1,287,145</b>	<b>1,285,584</b>	<b>1,285,327</b>	<b>1,282,015</b>	<b>1,278,221</b>	<b>1,272,676</b>
<b>TOTAL ASSETS</b>	<b>1,219,155</b>	<b>1,257,597</b>	<b>1,328,192</b>	<b>1,356,394</b>	<b>1,355,734</b>	<b>1,355,499</b>	<b>1,355,993</b>	<b>1,356,948</b>	<b>1,358,340</b>	<b>1,360,119</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	19,904	12,798	12,798	12,798	12,798	12,798	12,798	12,798	12,798	12,798
Lease liabilities	23	23	23	23	23	23	23	23	23	23
Borrowings	17	5	133	141	149	157	165	174	184	194
Employee benefit provision	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>43,734</b>	<b>36,614</b>	<b>36,742</b>	<b>36,750</b>	<b>36,758</b>	<b>36,766</b>	<b>36,774</b>	<b>36,783</b>	<b>36,793</b>	<b>36,803</b>
<b>Non-Current Liabilities</b>										
Lease liabilities	33	33	33	33	33	33	33	33	33	33
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	141	138	4,125	3,984	3,835	3,679	3,513	3,339	3,155	2,981
Provisions	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390
<b>Total Non-Current Liabilities</b>	<b>29,564</b>	<b>29,559</b>	<b>33,548</b>	<b>33,407</b>	<b>33,258</b>	<b>33,102</b>	<b>32,936</b>	<b>32,762</b>	<b>32,578</b>	<b>32,384</b>
<b>TOTAL LIABILITIES</b>	<b>73,298</b>	<b>66,173</b>	<b>70,290</b>	<b>70,157</b>	<b>70,016</b>	<b>69,868</b>	<b>69,710</b>	<b>69,545</b>	<b>69,371</b>	<b>69,187</b>
<b>NET ASSETS</b>	<b>1,145,857</b>	<b>1,191,424</b>	<b>1,257,902</b>	<b>1,286,237</b>	<b>1,285,718</b>	<b>1,285,631</b>	<b>1,286,283</b>	<b>1,287,403</b>	<b>1,288,969</b>	<b>1,290,932</b>
<b>EQUITY</b>										
Accumulated surplus	1,044,518	1,090,085	1,158,562	1,184,897	1,184,378	1,184,292	1,184,943	1,186,063	1,187,629	1,189,592
Resvaluation reserves	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>1,145,857</b>	<b>1,191,424</b>	<b>1,257,901</b>	<b>1,286,236</b>	<b>1,285,717</b>	<b>1,285,631</b>	<b>1,286,282</b>	<b>1,287,402</b>	<b>1,288,968</b>	<b>1,290,931</b>
<b>Total equity</b>	<b>1,145,857</b>	<b>1,191,424</b>	<b>1,257,901</b>	<b>1,286,236</b>	<b>1,285,717</b>	<b>1,285,631</b>	<b>1,286,282</b>	<b>1,287,402</b>	<b>1,288,968</b>	<b>1,290,931</b>

## Scenario 1 – Cashflow Statement (General Fund)

STATEMENT OF CASH FLOWS - GENERAL	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	23,749	34,043	35,224	36,644	38,124	39,665	41,271	42,945	44,688	46,505
User charges and fees	11,011	10,991	11,399	11,854	12,327	12,819	13,331	13,864	14,418	14,995
Investment and interest revenue received	693	698	702	706	711	715	720	724	729	734
Grants and contributions	96,770	48,461	29,663	28,944	24,715	25,329	26,233	26,854	27,438	27,952
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,772	1,841	1,897	1,952	2,010	2,070	2,132	2,196	2,261	2,329
<i>Payments:</i>										
Employee benefits and on-costs	(27,006)	(27,614)	(28,900)	(30,331)	(31,462)	(32,634)	(33,849)	(35,109)	(36,414)	(37,767)
Materials and services	(19,384)	(16,432)	(17,478)	(18,171)	(18,632)	(19,108)	(19,599)	(20,105)	(20,627)	(21,164)
Borrowing costs	-	(8)	(241)	(234)	(227)	(219)	(211)	(202)	(193)	(184)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(8,083)	(8,474)	(8,688)	(8,908)	(9,131)	(9,359)	(9,593)	(9,833)	(10,079)	(10,331)
<b>Net cash provided (or used in) operating activities</b>	<b>79,522</b>	<b>43,506</b>	<b>23,578</b>	<b>22,456</b>	<b>18,435</b>	<b>19,278</b>	<b>20,435</b>	<b>21,334</b>	<b>22,221</b>	<b>23,069</b>
<b>Cash Flows from investing activities</b>										
<i>Receipts:</i>										
Sale of investments	-	35,353	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	1,125	960	1,337	464	697	1,513	1,319	912	503
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(82,893)	(50,694)	(28,156)	(21,161)	(14,339)	(18,500)	(21,040)	(18,221)	(17,773)	(16,064)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(82,893)</b>	<b>(14,216)</b>	<b>(27,196)</b>	<b>(19,824)</b>	<b>(13,875)</b>	<b>(17,803)</b>	<b>(19,527)</b>	<b>(16,902)</b>	<b>(16,861)</b>	<b>(15,561)</b>
<b>Cash Flows from financing activities</b>										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	150	-	4,244	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	(31)	(17)	(126)	(133)	(141)	(149)	(157)	(165)	(174)	(184)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>119</b>	<b>(17)</b>	<b>4,118</b>	<b>(133)</b>	<b>(141)</b>	<b>(149)</b>	<b>(157)</b>	<b>(165)</b>	<b>(174)</b>	<b>(184)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,252)</b>	<b>29,273</b>	<b>500</b>	<b>2,499</b>	<b>4,419</b>	<b>1,326</b>	<b>751</b>	<b>4,267</b>	<b>5,186</b>	<b>7,324</b>
Cash and cash equivalents - beginning of year	16,683	13,431	42,704	43,204	45,703	50,122	51,448	52,199	56,466	61,652
<b>Cash and cash equivalents - end of the year</b>	<b>13,431</b>	<b>42,704</b>	<b>43,204</b>	<b>45,703</b>	<b>50,122</b>	<b>51,448</b>	<b>52,199</b>	<b>56,466</b>	<b>61,652</b>	<b>68,976</b>
Investments on hand - end of year	35,353	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>48,784</b>	<b>42,704</b>	<b>43,204</b>	<b>45,703</b>	<b>50,122</b>	<b>51,448</b>	<b>52,199</b>	<b>56,466</b>	<b>61,652</b>	<b>68,976</b>

## Scenario 2 – Income Statement (General Fund)

INCOME STATEMENT - GENERAL FUND	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
<b>Income from continuing operations</b>										
Rates and annual charges	23,749	26,391	29,027	32,147	35,650	39,586	41,189	42,858	44,598	46,411
User charges and fees	11,011	10,991	11,399	11,854	12,327	12,819	13,331	13,864	14,418	14,995
Other revenue	529	553	573	593	614	636	659	683	707	733
Grants and contributions provided for operating purposes	28,939	21,365	21,899	22,447	23,008	23,583	24,173	24,777	25,397	26,032
Grants and contributions provided for capital purposes	67,831	45,154	68,340	30,931	1,707	1,746	2,060	2,077	2,041	1,920
Interest and investment revenue	693	698	702	706	711	715	720	724	729	734
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	168	173	178	182	187	191	196	201	206	211
Rental income	1,075	1,115	1,146	1,177	1,209	1,243	1,277	1,312	1,348	1,385
<b>Total income from continuing operations</b>	<b>133,995</b>	<b>106,440</b>	<b>133,264</b>	<b>100,037</b>	<b>75,413</b>	<b>80,519</b>	<b>83,605</b>	<b>86,496</b>	<b>89,444</b>	<b>92,421</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	27,006	27,614	28,900	30,331	31,462	32,634	33,849	35,109	36,414	37,767
Materials and services	19,384	13,064	17,086	17,769	18,221	18,686	19,166	19,661	20,172	20,698
Borrowing costs	-	8	300	291	282	272	262	251	240	228
Depreciation, amortisation and impairment of non-financial assets	14,807	15,997	17,677	18,555	18,954	19,364	19,784	20,214	20,655	21,106
Other expenses	8,083	8,474	8,688	8,908	9,131	9,359	9,593	9,833	10,079	10,331
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>69,280</b>	<b>65,157</b>	<b>72,651</b>	<b>75,854</b>	<b>78,050</b>	<b>80,315</b>	<b>82,654</b>	<b>85,068</b>	<b>87,560</b>	<b>90,130</b>
<b>Operating result from continuing operations</b>	<b>64,715</b>	<b>41,283</b>	<b>60,613</b>	<b>24,183</b>	<b>(2,637)</b>	<b>204</b>	<b>951</b>	<b>1,428</b>	<b>1,884</b>	<b>2,291</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(3,116)</b>	<b>(3,871)</b>	<b>(7,727)</b>	<b>(6,748)</b>	<b>(4,344)</b>	<b>(1,542)</b>	<b>(1,109)</b>	<b>(649)</b>	<b>(157)</b>	<b>371</b>

## Scenario 2 – Balance Sheet (General Fund)

STATEMENT OF FINANCIAL POSITION - GENERAL FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	13,431	42,233	41,306	44,201	48,067	50,333	51,347	55,882	61,344	68,952
Investments	35,353	-	-	-	-	-	-	-	-	-
Receivables	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298
Inventories	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313
Contract assets and contract cost assets	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153
Other	703	703	703	703	703	703	703	703	703	703
<b>Total Current Assets</b>	<b>67,251</b>	<b>60,700</b>	<b>59,773</b>	<b>62,668</b>	<b>66,534</b>	<b>68,800</b>	<b>69,814</b>	<b>74,349</b>	<b>79,811</b>	<b>87,419</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,148,600	1,189,309	1,255,996	1,277,118	1,270,440	1,268,194	1,267,937	1,264,625	1,260,831	1,255,286
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251
Right of use assets	53	53	53	53	53	53	53	53	53	53
<b>Total Non-Current Assets</b>	<b>1,151,904</b>	<b>1,192,613</b>	<b>1,259,300</b>	<b>1,280,422</b>	<b>1,273,744</b>	<b>1,271,498</b>	<b>1,271,241</b>	<b>1,267,929</b>	<b>1,264,135</b>	<b>1,258,590</b>
<b>TOTAL ASSETS</b>	<b>1,219,155</b>	<b>1,253,313</b>	<b>1,319,073</b>	<b>1,343,090</b>	<b>1,340,278</b>	<b>1,340,298</b>	<b>1,341,055</b>	<b>1,342,278</b>	<b>1,343,946</b>	<b>1,346,009</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	19,904	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
Lease liabilities	23	23	23	23	23	23	23	23	23	23
Borrowings	17	5	166	175	184	194	205	216	228	241
Employee benefit provision	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>43,734</b>	<b>36,614</b>	<b>36,775</b>	<b>36,784</b>	<b>36,793</b>	<b>36,803</b>	<b>36,814</b>	<b>36,825</b>	<b>36,837</b>	<b>36,850</b>
<b>Non-Current Liabilities</b>										
Lease liabilities	33	33	33	33	33	33	33	33	33	33
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	141	136	5,123	4,948	4,764	4,570	4,365	4,148	3,920	3,679
Provisions	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390
<b>Total Non-Current Liabilities</b>	<b>29,564</b>	<b>29,559</b>	<b>34,546</b>	<b>34,371</b>	<b>34,187</b>	<b>33,993</b>	<b>33,788</b>	<b>33,571</b>	<b>33,343</b>	<b>33,102</b>
<b>TOTAL LIABILITIES</b>	<b>73,298</b>	<b>66,173</b>	<b>71,321</b>	<b>71,155</b>	<b>70,980</b>	<b>70,796</b>	<b>70,602</b>	<b>70,396</b>	<b>70,180</b>	<b>69,952</b>
<b>NET ASSETS</b>	<b>1,145,857</b>	<b>1,187,140</b>	<b>1,247,752</b>	<b>1,271,935</b>	<b>1,269,298</b>	<b>1,269,502</b>	<b>1,270,453</b>	<b>1,271,882</b>	<b>1,273,766</b>	<b>1,276,057</b>
<b>EQUITY</b>										
Accumulated surplus	1,044,518	1,085,801	1,146,414	1,170,597	1,167,960	1,168,164	1,169,115	1,170,543	1,172,427	1,174,718
Revaluation reserves	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>1,145,857</b>	<b>1,187,140</b>	<b>1,247,753</b>	<b>1,271,936</b>	<b>1,269,299</b>	<b>1,269,503</b>	<b>1,270,454</b>	<b>1,271,882</b>	<b>1,273,766</b>	<b>1,276,057</b>
<b>Total equity</b>	<b>1,145,857</b>	<b>1,187,140</b>	<b>1,247,753</b>	<b>1,271,936</b>	<b>1,269,299</b>	<b>1,269,503</b>	<b>1,270,454</b>	<b>1,271,882</b>	<b>1,273,766</b>	<b>1,276,057</b>

## Scenario 2 – Cashflow Statement (General Fund)

STATEMENT OF CASH FLOWS - GENERAL	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	23,749	26,391	29,027	32,147	35,650	39,586	41,189	42,858	44,598	46,411
User charges and fees	11,011	10,991	11,399	11,854	12,327	12,819	13,331	13,864	14,418	14,995
Investment and interest revenue received	693	698	702	706	711	715	720	724	729	734
Grants and contributions	96,770	48,461	29,663	28,944	24,715	25,329	26,233	26,854	27,438	27,952
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,772	1,841	1,897	1,952	2,010	2,070	2,132	2,196	2,261	2,329
<i>Payments:</i>										
Employee benefits and on-costs	(27,006)	(27,614)	(28,900)	(30,331)	(31,462)	(32,634)	(33,849)	(35,109)	(36,414)	(37,767)
Materials and services	(19,384)	(13,064)	(17,086)	(17,769)	(18,221)	(18,686)	(19,166)	(19,661)	(20,172)	(20,698)
Borrowing costs	-	(8)	(300)	(291)	(282)	(272)	(262)	(251)	(240)	(228)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(8,083)	(8,474)	(8,688)	(8,908)	(9,131)	(9,359)	(9,593)	(9,833)	(10,079)	(10,331)
<b>Net cash provided (or used in) operating activities</b>	<b>79,522</b>	<b>39,222</b>	<b>17,714</b>	<b>18,304</b>	<b>16,317</b>	<b>19,568</b>	<b>20,735</b>	<b>21,642</b>	<b>22,539</b>	<b>23,397</b>
<b>Cash Flows from investing activities</b>										
<i>Receipts:</i>										
Sale of investments	-	35,353	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	1,125	960	1,337	464	697	1,513	1,319	912	503
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(82,893)	(46,881)	(24,748)	(16,580)	(12,740)	(17,815)	(21,040)	(18,221)	(17,773)	(16,064)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(82,893)</b>	<b>(10,403)</b>	<b>(23,788)</b>	<b>(15,243)</b>	<b>(12,276)</b>	<b>(17,118)</b>	<b>(19,527)</b>	<b>(16,902)</b>	<b>(16,861)</b>	<b>(15,561)</b>
<b>Cash Flows from financing activities</b>										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	150	-	5,304	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	(31)	(17)	(157)	(166)	(175)	(184)	(194)	(205)	(216)	(228)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>119</b>	<b>(17)</b>	<b>5,147</b>	<b>(166)</b>	<b>(175)</b>	<b>(184)</b>	<b>(194)</b>	<b>(205)</b>	<b>(216)</b>	<b>(228)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,252)</b>	<b>28,802</b>	<b>(927)</b>	<b>2,895</b>	<b>3,866</b>	<b>2,266</b>	<b>1,014</b>	<b>4,535</b>	<b>5,462</b>	<b>7,608</b>
Cash and cash equivalents - beginning of year	16,683	13,431	42,233	41,306	44,201	48,067	50,333	51,347	55,882	61,344
<b>Cash and cash equivalents - end of the year</b>	<b>13,431</b>	<b>42,233</b>	<b>41,306</b>	<b>44,201</b>	<b>48,067</b>	<b>50,333</b>	<b>51,347</b>	<b>55,882</b>	<b>61,344</b>	<b>68,952</b>
Investments on hand - end of year	35,353	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>48,784</b>	<b>42,233</b>	<b>41,306</b>	<b>44,201</b>	<b>48,067</b>	<b>50,333</b>	<b>51,347</b>	<b>55,882</b>	<b>61,344</b>	<b>68,952</b>

## Scenario 3 – Income Statement (General Fund)

INCOME STATEMENT - GENERAL FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>										
Rates and annual charges	23,749	24,842	25,681	26,696	27,752	28,853	29,999	31,193	32,437	33,732
User charges and fees	11,011	10,991	11,399	11,854	12,327	12,819	13,331	13,864	14,418	14,995
Other revenue	529	553	573	593	614	636	659	683	707	733
Grants and contributions provided for operating purposes	28,939	21,365	21,899	22,447	23,008	23,583	24,173	24,777	25,397	26,032
Grants and contributions provided for capital purposes	67,831	44,895	68,075	30,659	1,428	1,460	1,767	1,777	1,734	1,605
Interest and investment revenue	693	698	702	706	711	715	720	724	729	734
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	168	173	178	182	187	191	196	201	206	211
Rental income	1,075	1,115	1,146	1,177	1,209	1,243	1,277	1,312	1,348	1,385
<b>Total income from continuing operations</b>	<b>133,995</b>	<b>104,632</b>	<b>129,653</b>	<b>94,314</b>	<b>67,236</b>	<b>69,500</b>	<b>72,122</b>	<b>74,531</b>	<b>76,976</b>	<b>79,427</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	27,006	27,092	28,356	29,763	30,874	32,025	33,219	34,457	35,739	37,069
Materials and services	19,384	16,438	17,484	16,332	15,395	14,646	15,025	15,416	15,821	16,239
Borrowing costs	-	8	154	299	290	280	270	260	249	237
Depreciation, amortisation and impairment of non-financial assets	14,807	15,997	17,677	18,555	18,954	19,364	19,784	20,214	20,655	21,106
Other expenses	8,083	8,349	8,560	8,777	8,996	9,221	9,452	9,688	9,930	10,179
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>69,280</b>	<b>67,884</b>	<b>72,231</b>	<b>73,726</b>	<b>74,509</b>	<b>75,536</b>	<b>77,750</b>	<b>80,035</b>	<b>82,394</b>	<b>84,830</b>
<b>Operating result from continuing operations</b>	<b>64,715</b>	<b>36,748</b>	<b>57,422</b>	<b>20,588</b>	<b>(7,273)</b>	<b>(6,036)</b>	<b>(5,628)</b>	<b>(5,504)</b>	<b>(5,418)</b>	<b>(5,403)</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(3,116)</b>	<b>(8,147)</b>	<b>(10,653)</b>	<b>(10,071)</b>	<b>(8,701)</b>	<b>(7,496)</b>	<b>(7,395)</b>	<b>(7,281)</b>	<b>(7,152)</b>	<b>(7,008)</b>

### Scenario 3 – Balance Sheet (General Fund)

STATEMENT OF FINANCIAL POSITION - GENERAL FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	13,431	46,358	44,903	46,856	51,902	54,842	57,066	62,654	68,999	77,302
Investments	35,353	-	-	-	-	-	-	-	-	-
Receivables	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298	11,298
Inventories	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313	2,313
Contract assets and contract cost assets	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153	4,153
Other	703	703	703	703	703	703	703	703	703	703
<b>Total Current Assets</b>	<b>67,251</b>	<b>64,825</b>	<b>63,370</b>	<b>65,323</b>	<b>70,369</b>	<b>73,309</b>	<b>75,533</b>	<b>81,121</b>	<b>87,466</b>	<b>95,769</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,148,600	1,180,649	1,242,097	1,263,287	1,250,796	1,241,638	1,233,594	1,222,300	1,210,324	1,196,393
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251	3,251
Right of use assets	53	53	53	53	53	53	53	53	53	53
<b>Total Non-Current Assets</b>	<b>1,151,904</b>	<b>1,183,953</b>	<b>1,245,401</b>	<b>1,266,591</b>	<b>1,254,100</b>	<b>1,244,942</b>	<b>1,236,898</b>	<b>1,225,604</b>	<b>1,213,628</b>	<b>1,199,697</b>
<b>TOTAL ASSETS</b>	<b>1,219,155</b>	<b>1,248,778</b>	<b>1,308,771</b>	<b>1,331,914</b>	<b>1,324,469</b>	<b>1,318,251</b>	<b>1,312,431</b>	<b>1,306,725</b>	<b>1,301,094</b>	<b>1,295,466</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	19,904	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796	12,796
Lease liabilities	23	23	23	23	23	23	23	23	23	23
Borrowings	17	5	85	172	182	192	202	213	225	237
Employee benefit provision	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>43,734</b>	<b>36,614</b>	<b>36,694</b>	<b>36,781</b>	<b>36,791</b>	<b>36,801</b>	<b>36,811</b>	<b>36,822</b>	<b>36,834</b>	<b>36,846</b>
<b>Non-Current Liabilities</b>										
Lease liabilities	33	33	33	33	33	33	33	33	33	33
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	141	136	2,627	5,095	4,914	4,722	4,520	4,306	4,081	3,844
Provisions	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390	29,390
<b>Total Non-Current Liabilities</b>	<b>29,564</b>	<b>29,559</b>	<b>32,050</b>	<b>34,518</b>	<b>34,337</b>	<b>34,145</b>	<b>33,943</b>	<b>33,729</b>	<b>33,504</b>	<b>33,267</b>
<b>TOTAL LIABILITIES</b>	<b>73,298</b>	<b>66,173</b>	<b>68,744</b>	<b>71,299</b>	<b>71,128</b>	<b>70,946</b>	<b>70,754</b>	<b>70,551</b>	<b>70,338</b>	<b>70,113</b>
<b>NET ASSETS</b>	<b>1,145,857</b>	<b>1,182,605</b>	<b>1,240,027</b>	<b>1,260,615</b>	<b>1,253,341</b>	<b>1,247,305</b>	<b>1,241,677</b>	<b>1,236,174</b>	<b>1,230,756</b>	<b>1,225,353</b>
<b>EQUITY</b>										
Accumulated surplus	1,044,518	1,081,266	1,138,688	1,159,276	1,152,003	1,145,967	1,140,339	1,134,835	1,129,417	1,124,014
Revaluation reserves	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339	101,339
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>1,145,857</b>	<b>1,182,605</b>	<b>1,240,027</b>	<b>1,260,615</b>	<b>1,253,342</b>	<b>1,247,306</b>	<b>1,241,678</b>	<b>1,236,174</b>	<b>1,230,756</b>	<b>1,225,353</b>
<b>Total equity</b>	<b>1,145,857</b>	<b>1,182,605</b>	<b>1,240,027</b>	<b>1,260,615</b>	<b>1,253,342</b>	<b>1,247,306</b>	<b>1,241,678</b>	<b>1,236,174</b>	<b>1,230,756</b>	<b>1,225,353</b>

## Scenario 3 – Cashflow Statement (General Fund)

STATEMENT OF CASH FLOWS - GENERAL	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	23,749	24,842	25,681	26,696	27,752	28,853	29,999	31,193	32,437	33,732
User charges and fees	11,011	10,991	11,399	11,854	12,327	12,819	13,331	13,864	14,418	14,995
Investment and interest revenue received	693	698	702	706	711	715	720	724	729	734
Grants and contributions	96,770	48,202	29,398	28,672	24,436	25,043	25,940	26,554	27,131	27,637
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	1,772	1,841	1,897	1,952	2,010	2,070	2,132	2,196	2,261	2,329
<i>Payments:</i>										
Employee benefits and on-costs	(27,006)	(27,092)	(28,356)	(29,763)	(30,874)	(32,025)	(33,219)	(34,457)	(35,739)	(37,069)
Materials and services	(19,384)	(16,438)	(17,484)	(16,332)	(15,395)	(14,646)	(15,025)	(15,416)	(15,821)	(16,239)
Borrowing costs	-	(8)	(154)	(299)	(290)	(280)	(270)	(260)	(249)	(237)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(8,083)	(8,349)	(8,560)	(8,777)	(8,996)	(9,221)	(9,452)	(9,688)	(9,930)	(10,179)
<b>Net cash provided (or used in) operating activities</b>	<b>79,522</b>	<b>34,687</b>	<b>14,523</b>	<b>14,709</b>	<b>11,681</b>	<b>13,328</b>	<b>14,156</b>	<b>14,710</b>	<b>15,237</b>	<b>15,703</b>
<b>Cash Flows from investing activities</b>										
<i>Receipts:</i>										
Sale of investments	-	35,353	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	1,125	960	1,337	464	697	1,513	1,319	912	503
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(82,893)	(38,221)	(19,509)	(16,648)	(6,927)	(10,903)	(13,253)	(10,239)	(9,591)	(7,678)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(82,893)</b>	<b>(1,743)</b>	<b>(18,549)</b>	<b>(15,311)</b>	<b>(6,463)</b>	<b>(10,206)</b>	<b>(11,740)</b>	<b>(8,920)</b>	<b>(8,679)</b>	<b>(7,175)</b>
<b>Cash Flows from financing activities</b>										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	150	-	2,652	2,718	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	(31)	(17)	(81)	(163)	(172)	(182)	(192)	(202)	(213)	(225)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>119</b>	<b>(17)</b>	<b>2,571</b>	<b>2,555</b>	<b>(172)</b>	<b>(182)</b>	<b>(192)</b>	<b>(202)</b>	<b>(213)</b>	<b>(225)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,252)</b>	<b>32,927</b>	<b>(1,455)</b>	<b>1,953</b>	<b>5,046</b>	<b>2,940</b>	<b>2,224</b>	<b>5,588</b>	<b>6,345</b>	<b>8,303</b>
Cash and cash equivalents - beginning of year	16,683	13,431	46,358	44,903	46,856	51,902	54,842	57,066	62,654	68,999
<b>Cash and cash equivalents - end of the year</b>	<b>13,431</b>	<b>46,358</b>	<b>44,903</b>	<b>46,856</b>	<b>51,902</b>	<b>54,842</b>	<b>57,066</b>	<b>62,654</b>	<b>68,999</b>	<b>77,302</b>
Investments on hand - end of year	35,353	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>48,784</b>	<b>46,358</b>	<b>44,903</b>	<b>46,856</b>	<b>51,902</b>	<b>54,842</b>	<b>57,066</b>	<b>62,654</b>	<b>68,999</b>	<b>77,302</b>

## All Scenarios – Income Statement (Sewer Fund)

INCOME STATEMENT - SEWER FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>										
Rates and annual charges	7,326	7,781	8,261	8,836	9,451	9,877	10,323	10,788	11,275	11,783
User charges and fees	1,521	1,615	1,714	1,832	1,958	2,046	2,137	2,233	2,333	2,437
Other revenue	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for operating purposes	9	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	10,400	49,383	1,707	966	1,557	2,744	1,065	2,902	6,060	1,178
Interest and investment revenue	224	226	228	230	232	235	237	240	242	245
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	79	82	84	86	88	90	92	95	97	99
Rental income	-	-	-	-	-	-	-	-	-	-
<b>Total income from continuing operations</b>	<b>19,559</b>	<b>59,087</b>	<b>11,994</b>	<b>11,950</b>	<b>13,286</b>	<b>14,992</b>	<b>13,854</b>	<b>16,258</b>	<b>20,007</b>	<b>15,742</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	1,816	1,917	1,997	2,087	2,159	2,234	2,311	2,391	2,474	2,560
Materials and services	3,481	4,777	4,867	4,959	5,054	5,151	5,251	5,352	5,457	5,564
Borrowing costs	5	3	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment of non-financial assets	2,288	3,543	3,602	3,662	3,725	3,788	3,854	3,921	3,989	4,060
Other expenses	674	730	748	767	786	806	826	847	868	889
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>8,264</b>	<b>10,970</b>	<b>11,214</b>	<b>11,475</b>	<b>11,724</b>	<b>11,979</b>	<b>12,242</b>	<b>12,511</b>	<b>12,788</b>	<b>13,073</b>
<b>Operating result from continuing operations</b>	<b>11,295</b>	<b>48,117</b>	<b>780</b>	<b>475</b>	<b>1,562</b>	<b>3,013</b>	<b>1,612</b>	<b>3,747</b>	<b>7,219</b>	<b>2,669</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>895</b>	<b>(1,266)</b>	<b>(927)</b>	<b>(491)</b>	<b>5</b>	<b>269</b>	<b>547</b>	<b>845</b>	<b>1,159</b>	<b>1,491</b>

## All Scenarios – Balance Sheet (Sewer Fund)

STATEMENT OF FINANCIAL POSITION - SEWER FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	9,523	10,039	7,727	9,485	10,300	7,568	10,041	10,002	3,246	7,156
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	4,092	4,092	4,092	4,092	4,092	4,092	4,092	4,092	4,092	4,092
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>13,615</b>	<b>14,131</b>	<b>11,819</b>	<b>13,577</b>	<b>14,392</b>	<b>11,660</b>	<b>14,133</b>	<b>14,094</b>	<b>7,338</b>	<b>11,248</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	120,106	167,707	170,799	169,516	170,263	176,008	175,147	178,933	192,908	191,667
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>120,106</b>	<b>167,707</b>	<b>170,799</b>	<b>169,516</b>	<b>170,263</b>	<b>176,008</b>	<b>175,147</b>	<b>178,933</b>	<b>192,908</b>	<b>191,667</b>
<b>TOTAL ASSETS</b>	<b>133,721</b>	<b>181,838</b>	<b>182,618</b>	<b>183,093</b>	<b>184,655</b>	<b>187,668</b>	<b>189,280</b>	<b>193,027</b>	<b>200,246</b>	<b>202,915</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provision	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>									
<b>Non-Current Liabilities</b>										
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>									
<b>TOTAL LIABILITIES</b>	<b>-</b>									
<b>NET ASSETS</b>	<b>133,721</b>	<b>181,838</b>	<b>182,618</b>	<b>183,093</b>	<b>184,655</b>	<b>187,668</b>	<b>189,280</b>	<b>193,027</b>	<b>200,246</b>	<b>202,915</b>
<b>EQUITY</b>										
Accumulated surplus	116,512	164,629	165,409	165,884	167,446	170,459	172,071	175,818	183,037	185,706
Revaluation reserves	17,209	17,209	17,209	17,209	17,209	17,209	17,209	17,209	17,209	17,209
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>133,721</b>	<b>181,838</b>	<b>182,618</b>	<b>183,093</b>	<b>184,655</b>	<b>187,668</b>	<b>189,280</b>	<b>193,027</b>	<b>200,246</b>	<b>202,915</b>
<b>Total equity</b>	<b>133,721</b>	<b>181,838</b>	<b>182,618</b>	<b>183,093</b>	<b>184,655</b>	<b>187,668</b>	<b>189,280</b>	<b>193,027</b>	<b>200,246</b>	<b>202,915</b>

## All Scenarios – Cashflow Statement (Sewer Fund)

STATEMENT OF CASH FLOWS - SEWER	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<b>Receipts:</b>										
Rates and annual charges	7,326	7,781	8,261	8,836	9,451	9,877	10,323	10,788	11,275	11,783
User charges and fees	1,521	1,615	1,714	1,832	1,958	2,046	2,137	2,233	2,333	2,437
Investment and interest revenue received	224	226	228	230	232	235	237	240	242	245
Grants and contributions	10,409	1,080	1,707	966	1,557	2,744	1,065	2,902	6,060	1,178
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	79	82	84	86	88	90	92	95	97	99
<b>Payments:</b>										
Employee benefits and on-costs	(1,816)	(1,917)	(1,997)	(2,087)	(2,159)	(2,234)	(2,311)	(2,391)	(2,474)	(2,560)
Materials and services	(3,481)	(4,777)	(4,867)	(4,959)	(5,054)	(5,151)	(5,251)	(5,352)	(5,457)	(5,564)
Borrowing costs	(5)	(3)	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(674)	(730)	(748)	(767)	(786)	(806)	(826)	(847)	(868)	(889)
<b>Net cash provided (or used in) operating activities</b>	<b>13,583</b>	<b>3,357</b>	<b>4,382</b>	<b>4,137</b>	<b>5,287</b>	<b>6,801</b>	<b>5,466</b>	<b>7,668</b>	<b>11,208</b>	<b>6,729</b>
<b>Cash Flows from investing activities</b>										
<b>Receipts:</b>										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	88	-	68	22	82	145	-	30	18
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(11,817)	(2,929)	(6,694)	(2,447)	(4,494)	(9,615)	(3,138)	(7,707)	(17,994)	(2,837)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(11,817)</b>	<b>(2,841)</b>	<b>(6,694)</b>	<b>(2,379)</b>	<b>(4,472)</b>	<b>(9,533)</b>	<b>(2,993)</b>	<b>(7,707)</b>	<b>(17,964)</b>	<b>(2,819)</b>
<b>Cash Flows from financing activities</b>										
<b>Receipts:</b>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,766</b>	<b>516</b>	<b>(2,312)</b>	<b>1,758</b>	<b>815</b>	<b>(2,732)</b>	<b>2,473</b>	<b>(39)</b>	<b>(6,756)</b>	<b>3,910</b>
Cash and cash equivalents - beginning of year	7,757	9,523	10,039	7,727	9,485	10,300	7,568	10,041	10,002	3,246
<b>Cash and cash equivalents - end of the year</b>	<b>9,523</b>	<b>10,039</b>	<b>7,727</b>	<b>9,485</b>	<b>10,300</b>	<b>7,568</b>	<b>10,041</b>	<b>10,002</b>	<b>3,246</b>	<b>7,156</b>
Investments on hand - end of year	-	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>9,523</b>	<b>10,039</b>	<b>7,727</b>	<b>9,485</b>	<b>10,300</b>	<b>7,568</b>	<b>10,041</b>	<b>10,002</b>	<b>3,246</b>	<b>7,156</b>

## All Scenarios – Income Statement (Water Fund)

INCOME STATEMENT - WATER FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>										
Rates and annual charges	2,916	3,099	3,294	3,443	3,599	3,761	3,932	4,109	4,295	4,490
User charges and fees	5,328	5,659	6,009	6,279	6,561	6,855	7,163	7,484	7,820	8,172
Other revenue	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for operating purposes	10	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	10,000	40,453	1,534	1,268	1,310	1,348	1,392	1,437	1,484	1,532
Interest and investment revenue	372	372	373	373	374	374	375	375	376	376
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	110	114	117	120	123	126	129	132	135	139
Rental income	-	-	-	-	-	-	-	-	-	-
<b>Total income from continuing operations</b>	<b>18,736</b>	<b>49,697</b>	<b>11,327</b>	<b>11,483</b>	<b>11,967</b>	<b>12,464</b>	<b>12,991</b>	<b>13,537</b>	<b>14,110</b>	<b>14,709</b>
<b>Expenses from continuing operations</b>										
Employee benefits and on-costs	1,745	1,846	1,928	2,018	2,093	2,170	2,250	2,333	2,418	2,507
Materials and services	2,958	4,111	4,188	4,266	4,346	4,429	4,513	4,600	4,689	4,780
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment of non-financial assets	3,214	3,710	3,777	3,845	3,915	3,987	4,060	4,135	4,212	4,291
Other expenses	833	898	920	943	967	991	1,016	1,041	1,067	1,094
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Total expenses from continuing operations</b>	<b>8,750</b>	<b>10,565</b>	<b>10,813</b>	<b>11,072</b>	<b>11,321</b>	<b>11,577</b>	<b>11,839</b>	<b>12,109</b>	<b>12,386</b>	<b>12,672</b>
<b>Operating result from continuing operations</b>	<b>9,986</b>	<b>39,132</b>	<b>514</b>	<b>411</b>	<b>646</b>	<b>887</b>	<b>1,152</b>	<b>1,428</b>	<b>1,724</b>	<b>2,037</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(14)</b>	<b>(1,321)</b>	<b>(1,020)</b>	<b>(857)</b>	<b>(664)</b>	<b>(461)</b>	<b>(240)</b>	<b>(9)</b>	<b>240</b>	<b>505</b>

## All Scenarios – Balance Sheet (Water Fund)

STATEMENT OF FINANCIAL POSITION - WATER FUND	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	20,116	22,700	22,576	22,258	22,082	22,197	22,628	23,144	23,946	24,915
Investments	3,647	-	-	-	-	-	-	-	-	-
Receivables	3,746	3,746	3,746	3,746	3,746	3,746	3,746	3,746	3,746	3,746
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>27,509</b>	<b>26,446</b>	<b>26,322</b>	<b>26,004</b>	<b>25,828</b>	<b>25,943</b>	<b>26,374</b>	<b>26,890</b>	<b>27,692</b>	<b>28,661</b>
<b>Non-Current Assets</b>										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	168,609	208,804	209,442	210,171	210,993	211,765	212,486	213,398	214,320	215,388
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>168,609</b>	<b>208,804</b>	<b>209,442</b>	<b>210,171</b>	<b>210,993</b>	<b>211,765</b>	<b>212,486</b>	<b>213,398</b>	<b>214,320</b>	<b>215,388</b>
<b>TOTAL ASSETS</b>	<b>196,118</b>	<b>235,250</b>	<b>235,764</b>	<b>236,175</b>	<b>236,821</b>	<b>237,708</b>	<b>238,860</b>	<b>240,288</b>	<b>242,012</b>	<b>244,049</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	340	340	340	340	340	340	340	340	340	340
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Employee benefit provision	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>340</b>									
<b>Non-Current Liabilities</b>										
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>									
<b>TOTAL LIABILITIES</b>	<b>340</b>									
<b>NET ASSETS</b>	<b>195,778</b>	<b>234,910</b>	<b>235,424</b>	<b>235,835</b>	<b>236,481</b>	<b>237,368</b>	<b>238,520</b>	<b>239,948</b>	<b>241,672</b>	<b>243,709</b>
<b>EQUITY</b>										
Accumulated surplus	113,787	152,919	153,433	153,844	154,490	155,377	156,529	157,957	159,681	161,718
Revaluation reserves	81,991	81,991	81,991	81,991	81,991	81,991	81,991	81,991	81,991	81,991
Other reserves	-	-	-	-	-	-	-	-	-	-
<b>Council equity interest</b>	<b>195,778</b>	<b>234,910</b>	<b>235,424</b>	<b>235,835</b>	<b>236,481</b>	<b>237,368</b>	<b>238,520</b>	<b>239,948</b>	<b>241,672</b>	<b>243,709</b>
<b>Total equity</b>	<b>195,778</b>	<b>234,910</b>	<b>235,424</b>	<b>235,835</b>	<b>236,481</b>	<b>237,368</b>	<b>238,520</b>	<b>239,948</b>	<b>241,672</b>	<b>243,709</b>

## All Scenarios – Cashflow Statement (Water Fund)

STATEMENT OF CASH FLOWS - WATER	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from operating activities</b>										
<i>Receipts:</i>										
Rates and annual charges	2,916	3,099	3,294	3,443	3,599	3,761	3,932	4,109	4,295	4,490
User charges and fees	5,328	5,659	6,009	6,279	6,561	6,855	7,163	7,484	7,820	8,172
Investment and interest revenue received	372	372	373	373	374	374	375	375	376	376
Grants and contributions	10,010	6,505	1,534	1,268	1,310	1,348	1,392	1,437	1,484	1,532
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	110	114	117	120	123	126	129	132	135	139
<i>Payments:</i>										
Employee benefits and on-costs	(1,745)	(1,846)	(1,928)	(2,018)	(2,093)	(2,170)	(2,250)	(2,333)	(2,418)	(2,507)
Materials and services	(2,958)	(4,111)	(4,188)	(4,266)	(4,346)	(4,429)	(4,513)	(4,600)	(4,689)	(4,780)
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(833)	(898)	(920)	(943)	(967)	(991)	(1,016)	(1,041)	(1,067)	(1,094)
<b>Net cash provided (or used in) operating activities</b>	<b>13,200</b>	<b>8,894</b>	<b>4,291</b>	<b>4,256</b>	<b>4,561</b>	<b>4,874</b>	<b>5,212</b>	<b>5,563</b>	<b>5,936</b>	<b>6,328</b>
<b>Cash Flows from investing activities</b>										
<i>Receipts:</i>										
Sale of investments	-	3,647	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	134	94	47	-	96	196	54	95	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(16,138)	(10,091)	(4,509)	(4,621)	(4,737)	(4,855)	(4,977)	(5,101)	(5,229)	(5,359)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) investing activities</b>	<b>(16,138)</b>	<b>(6,310)</b>	<b>(4,415)</b>	<b>(4,574)</b>	<b>(4,737)</b>	<b>(4,759)</b>	<b>(4,781)</b>	<b>(5,047)</b>	<b>(5,134)</b>	<b>(5,359)</b>
<b>Cash Flows from financing activities</b>										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-
Repayment of Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided (or used in) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,938)</b>	<b>2,584</b>	<b>(124)</b>	<b>(318)</b>	<b>(176)</b>	<b>115</b>	<b>431</b>	<b>516</b>	<b>802</b>	<b>969</b>
Cash and cash equivalents - beginning of year	23,054	20,116	22,700	22,576	22,258	22,082	22,197	22,628	23,144	23,946
<b>Cash and cash equivalents - end of the year</b>	<b>20,116</b>	<b>22,700</b>	<b>22,576</b>	<b>22,258</b>	<b>22,082</b>	<b>22,197</b>	<b>22,628</b>	<b>23,144</b>	<b>23,946</b>	<b>24,915</b>
Investments on hand - end of year	3,647	-	-	-	-	-	-	-	-	-
<b>Total cash, cash equivalents and investments</b>	<b>23,763</b>	<b>22,700</b>	<b>22,576</b>	<b>22,258</b>	<b>22,082</b>	<b>22,197</b>	<b>22,628</b>	<b>23,144</b>	<b>23,946</b>	<b>24,915</b>

#### **Further Information:**

The Snowy Monaro 2042 Community Strategic Plan, 2022-26 Delivery Program, Operational Plan and Annual Reports can be viewed on Council's website.



[www.snowymonaro.nsw.gov.au](http://www.snowymonaro.nsw.gov.au)



Snowy Monaro Regional Council



@snowymonaroregionalcouncil



Snowy Monaro Regional Council

#### **Your Feedback**

A copy of this Plan can be obtained from Council's website: [www.snowymonaro.nsw.gov.au](http://www.snowymonaro.nsw.gov.au)

We are interested to know your thoughts about this Plan. Your comments and suggestions are valuable because they highlight opportunities for us to improve the quality of services, plans and reports. If you would like to comment, or require additional information regarding this report please contact us.

Phone: 1300 345 345

Post: PO Box 714, COOMA NSW 2630

Email: [Council@snowymonaro.nsw.gov.au](mailto:Council@snowymonaro.nsw.gov.au)

#### **Council Offices**

Head Office | 81 Commissioner Street, Cooma 2630

Berridale | 2 Myack Street, Berridale 2628

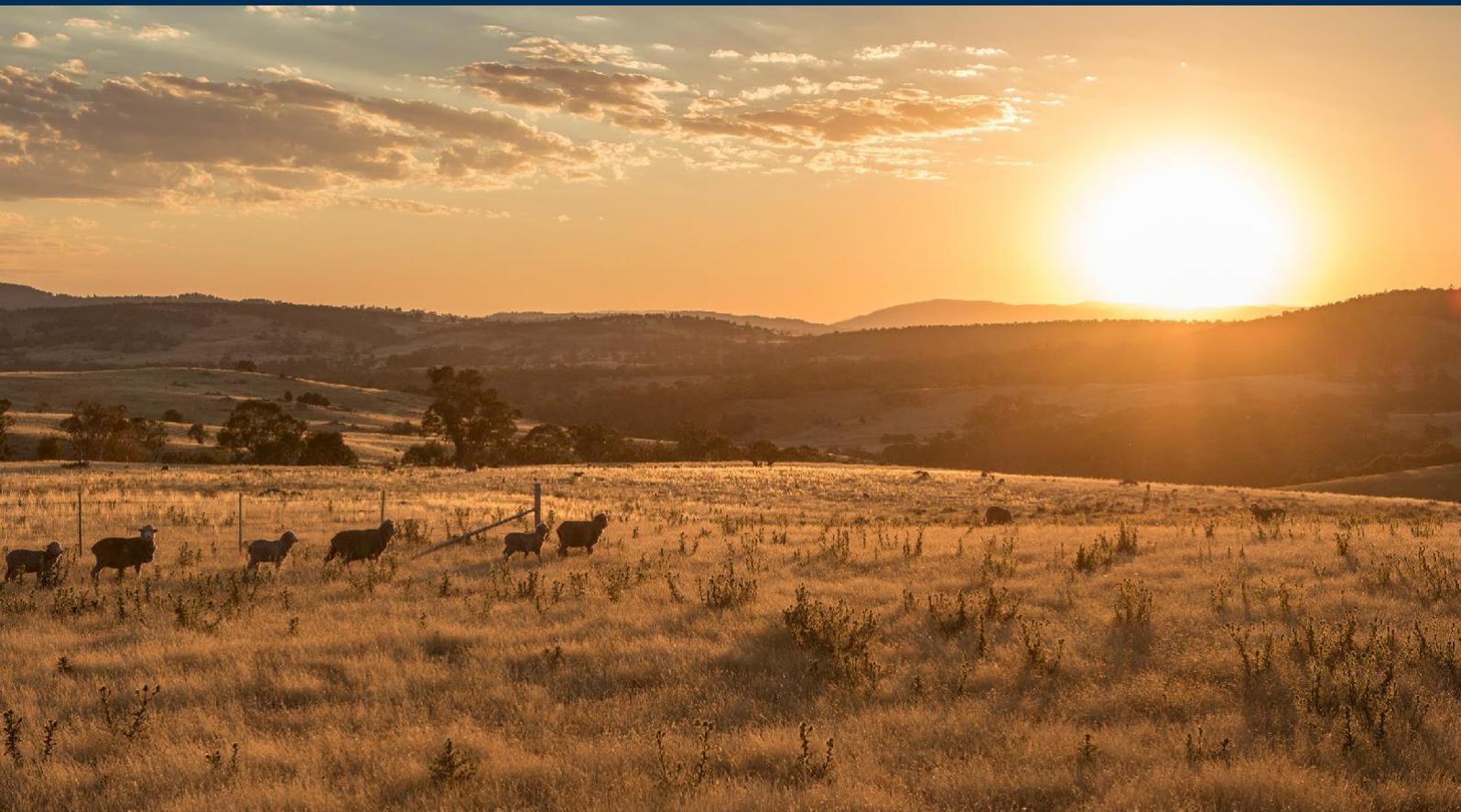
Bombala | 71 Caveat Street, Bombala 2632

Jindabyne | 2/1 Gippsland Street, Jindabyne 2627

# WORKFORCE MANAGEMENT STRATEGY

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# 2022 - 2026



## Acknowledgement of Country

Snowy Monaro Regional Council acknowledges the Traditional custodians of the region's land and water, the Ngarigo, Walgalu, Southern Ngunnawal and Bidawal Peoples.

We pay our respects to Elders past, present and emerging.

## Record of Versions

Uncontrolled document when printed. Please refer to intranet for controlled document.

Version	Date Published	Reason for Amendments	Resolution	Author/Document Owner
1.0		DRAFT		
1.1	1/2/2023	Adopted by Council	4/23	Graham Jarvis
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:  
MJD Photography Cover, 2

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## 1. Introduction

The purpose of this Workforce Management Strategy (WMS) is to provide a platform to identify, consider and respond to any workforce significant issues and risks facing the organisation now and into the future. The implementation of this WMS will deliver a safe, skilled and engaged workforce that provides valuable service to the Snowy Monaro Regional Council (SMRC) community in alignment with our Community and Council vision. The strategy will also support the implementation of the Towards Excellence Program that is being developed following the service reviews of key business areas.

The past four years have been difficult for our workforce, enduring periods of social challenge and significant change. The commencement of the Snowy Hydro 2.0 project and subsequent housing impacts, drought, bushfires, COVID-19 and a growing local social media focus on council activities. These have all had significant impacts on the wellbeing of our organisation in a variety of ways.

Our Council is at a crossroads in terms of its workforce size, with considerations in progress to grow the workforce and deliver enhanced productivity. This strategic plan is written in the context where Council must consider the strategic initiatives required if our workforce was to expand over the next four years. It is critical that the supporting leadership, culture, and performance initiatives in this plan are implemented to ensure improvements in service delivery and asset management productivity and performance are realised as our workforce grows.

SMRC employs over 400 people across a wide range of disciplines. We recognise that our employees are more than just the service providers to our community – they are a valued and essential part of our community. This strategy aims to provide a roadmap to meet the current and future workforce needs and requirements for Council, so that we may continue to serve our community to the best of our ability.

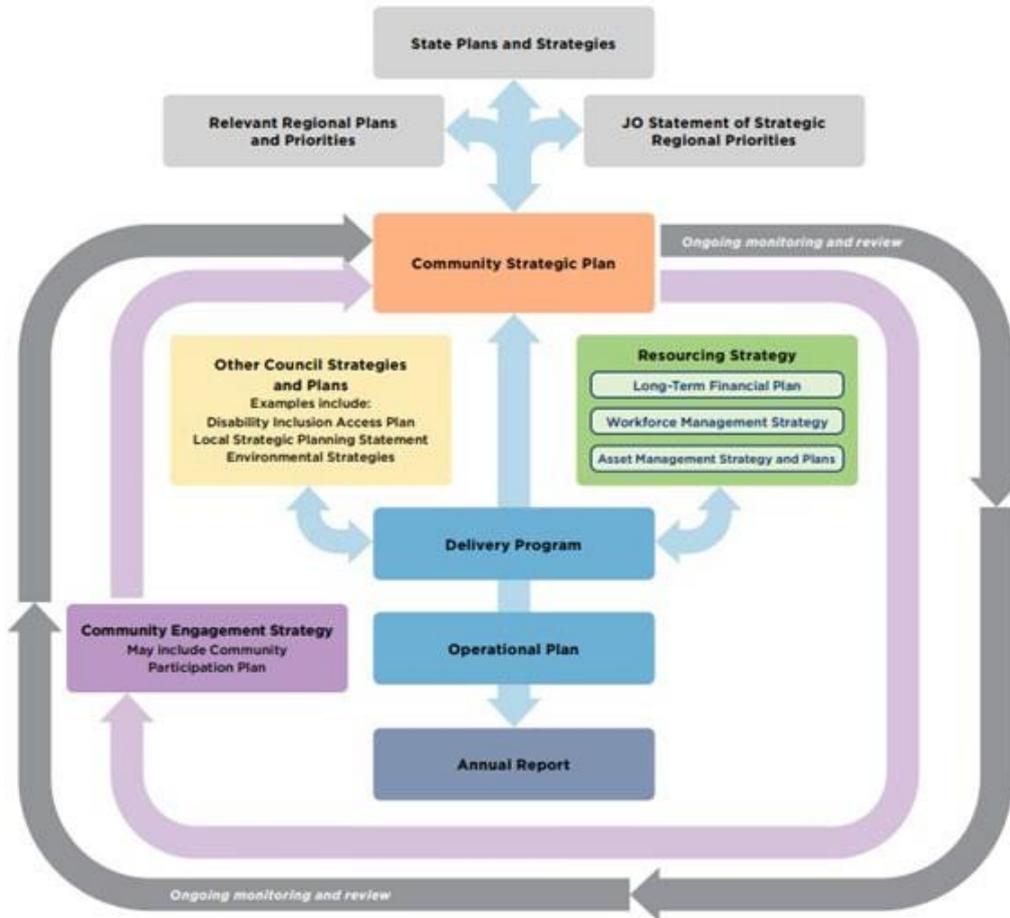
The principles and strategies set out in this document are intended to support and contribute to an engaged and productive workforce as we strive towards achieving our community vision:

**'The Snowy Monaro Region is a welcoming diverse and inclusive community where everyone can belong, participate and work together. Our natural environment and heritage are preserved and enhanced for future generations.'**

**'The region offers a fulfilling quality lifestyle and is a place of opportunity, with education, training and economic opportunities for people of all ages and backgrounds.'**

## 2. Where Does This Strategy Fit?

This Workforce Management Strategy (WMS) is part of Snowy Monaro Regional Council's broader Integrated Planning and Reporting framework and is directly linked to the Delivery Program and Operational Plan. It is a critical pillar to the future development of our service delivery capability and ongoing commitment to developing skills and work capabilities.



We aim to measure the success and implementation of this WMS through regular data collection, review, analysis and, where required, adjustment of approach. This WMS intends to be agile and flexible so that we may adapt and modify our approach to meet the changing needs and circumstances of our workforce and the community we serve.

### Alignment to the Integrated Planning and Reporting Framework

The formation of this plan has considered the following components recommended by the NSW Office of Local Government (OLG), whereby this plan will reflect the following eight issues<sup>1</sup>:

1. an ageing workforce
2. succession planning
3. how to provide opportunities to create and retain positions for local young people
4. incentives and other programs that will support the council to be an employer of choice
5. learning and development
6. performance management
7. recruitment strategies to fill skills gaps
8. workforce diversity

<sup>1</sup> <https://www.olg.nsw.gov.au/councils/integrated-planning-and-reporting/support-for-implementation-of-ipr-framework/workforce-planning/>

### **3. Our Vision**

#### **Community Vision**

*'The Snowy Monaro Region is a welcoming diverse and inclusive community where everyone can belong, participate and work together. Our natural environment and heritage are preserved and enhanced for future generations.'*

*'The region offers a fulfilling quality lifestyle and is a place of opportunity, with education, training and economic opportunities for people of all ages and backgrounds.'*

#### **Understanding the Community Vision**

Welcoming - We are committed to a region where everyone can belong and participate in social, cultural, economic and civic life.

Natural environment - Considers both the local natural and atmospheric environment and the broader global environment, considering issues such as resource use and climate change.

Place of opportunity - Envisions a community with education, training, professional and economic opportunities for people of all ages and backgrounds.

#### **Council Vision**

*'A trusted community partner'*

Council continually strives to uphold its vision of being "a trusted community partner" through providing a transparent, honest and hard-working organisation. Council fosters important links with the community to establish itself as a trusted partner.

## 4. Our Values

Our values are the underpinning guiding framework that allows us to navigate forward and overcome any obstacle. They are necessarily front and centre to the target audience, attraction strategies and evaluation of candidates and roles within the organisational structure. For our workforce to align to and live the values of the organisation, it is critical that they are considered and applied within every facet of our service delivery.

### **Solutionary**

We inspire others by best practice and inventive problem resolution that delivers revolutionary changes and quality outcomes for our customers and our community

### **Together**

We collaborate and work together in a harmonious and well organised way to support organisational initiatives

### **Accountable**

We own and take responsibility for our decisions and actions that are evidence based and justifiable, and we do what we say

### **Innovative**

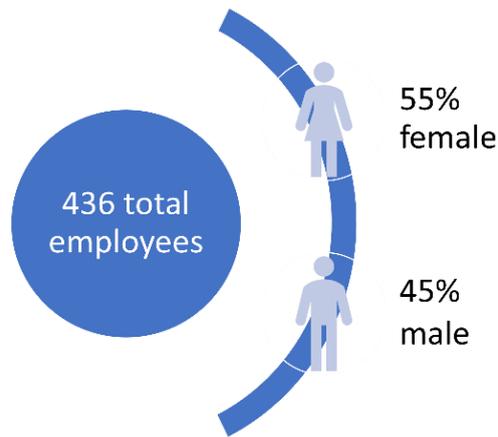
We constantly seek continuous improvement, we use creative thinking to look for new ways of doing things, embracing new ideas and advancing original ideas, products, methods and systems

### **Caring**

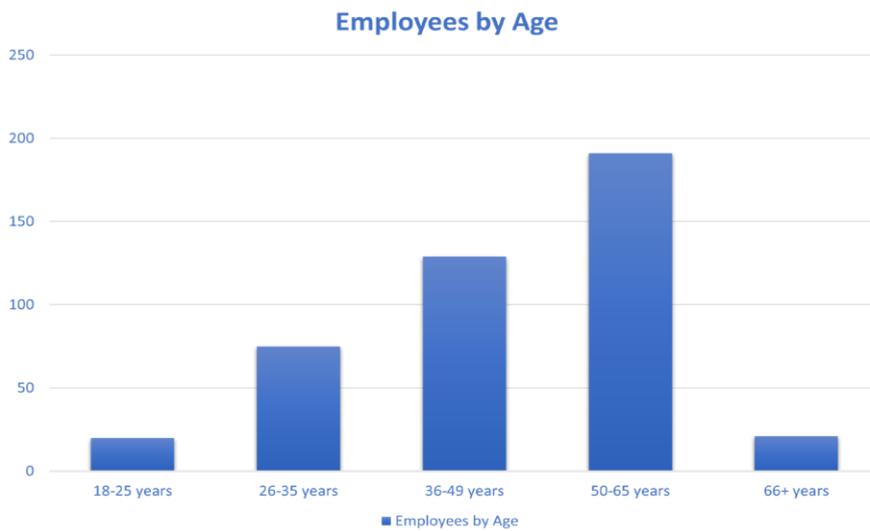
Our service culture is based on caring, displaying kindness and concern for each other and our community and being proud of what we deliver

## 5. Our Workforce – A Snapshot

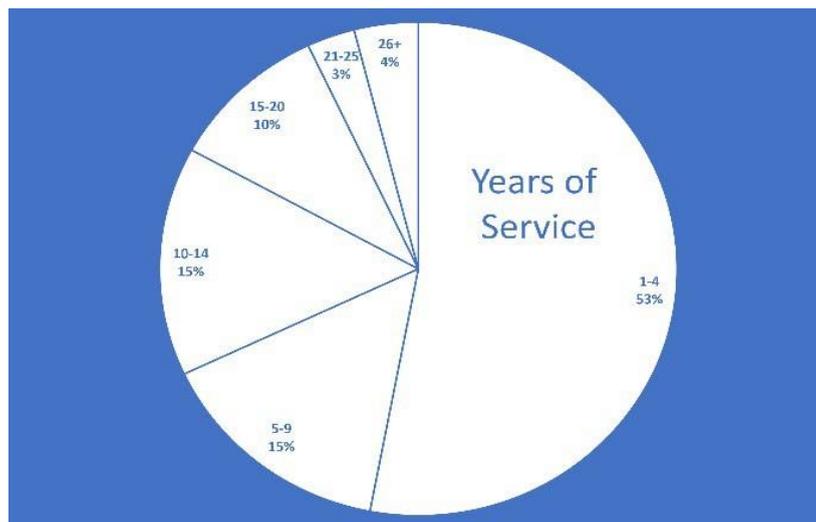
Snowy Monaro Regional Council covers 15,162km<sup>2</sup> with ten primary townships, surrounded by rolling plains country and mountain ranges. Council employs more than 400 staff, incorporating full time, part time and casual positions.



**Figure 1: Total Employees by Gender as of October 2022**



**Figure 2: Employees by Age as of October 2022**



**Figure 3: Employees by Years of Service as of October 2022**

Council's head office is located in Cooma, with an additional three locations in Berridale, Bombala and Jindabyne serving as hubs to provide services to our community.



**Figure 4: Snowy Monaro Regional Council Area**

### Workforce Overview

Following a review of key workforce data and consultation with key stakeholders, the following insights demonstrate the challenges and opportunities that inform the proposed strategic workforce initiatives within this plan.

- Snowy Monaro Regional Council has a mature and ageing workforce with the majority of employees aged between 50 – 65 years (41.8%) followed by 36 – 49 years (30%). This presents a need for a planned approach to transferring key skills and succession for critical roles.
- The majority of employees have been employed by the Council for 1 – 4 years (58%). In a number of service areas the average length of service is four years or less. This presents a challenge for Council to ensure new employees are onboarded and trained to effectively deliver in their roles as quickly as possible. It also provides an opportunity to draw on fresh perspectives for efficiencies and improvements to benefit the Council in its delivery.
- In 2021 the attrition rate of the Council was just over 20% and is trending towards 30% for the 2022 calendar year. In a competitive market targeted strategies to promote SMRC as an employer of choice and to retain and attract employees is critical.
- The majority of SMRC’s managers have been in their Council management position for less than two years (41%), followed by 35% with 2 – 5 years tenure in their management position. The introduction of a Leadership Development Program across all levels of leadership (including frontline leaders and emerging leaders) will leverage existing skills and experience the managers bring, and ensure they are equipped to lead for high performance and productivity improvements required by SMRC.
- When compared with other Regional Town/ City Group 4 Councils for the FY21 year, Snowy Monaro has the lowest FTE to population spread across the largest council area. This creates a need for robust establishment management processes to efficiently focus recruitment and retention activities in order to attract, retain and maintain candidates and minimise vacant positions.
- Council’s workforce operates out of four locations across a large region, making it crucial that effective and consistent communication on the strategic direction and performance progress is provided regularly to all employees across all functional areas. This is reflected in employee feedback as an opportunity for enhancement.

## 6. Workforce Challenges

Our Council is at a crossroads in terms of its workforce size, with considerations in progress to grow the workforce and deliver enhanced productivity. This strategic plan is written in the context where Council must consider the strategic initiatives required if our workforce was to expand over the next four years.

Importantly, it is critical that the supporting leadership, culture, and performance initiatives in this plan are implemented to ensure improvements in service delivery and asset management productivity and performance are realised as our workforce grows. The support for leaders to implement change is also critical as the implementation of Towards Excellence Program (service review outcomes) progresses during 23/24.

Recognising and acknowledging challenges currently faced by our Council and anticipating what may lie ahead by drawing on information available and lessons learnt allows us to be targeted in our strategic initiatives to ensure we are best placed to deliver for the community. These challenges require us to employ lateral thinking to address and formulate solutions.

Some of the other challenges we currently face as a community and a Council include:

### **Snowy Monaro Community**

- Limited affordable and available housing opportunities for new/potential staff who currently reside outside of the Local Government Area (LGA) impacts our ability to meaningfully attract new staff and retain current staff
- Shifting trends in home/house rentals from long term to short term occupancy impacts staff who currently reside in rental properties within the LGA
- Relatively low population change over the past five years compared to other Regional Town/ City Group 4 councils and estimated population growth of 1% per annum limits the available pool of local resources within the council area
- Impact of the “Great Resignation/Migration” contributing to above average turnover and forcing SMRC to compete for staff with other major organisations/ businesses within the area
- Knowledge, experience and industry skills shortage due to staff turnover and limited tenure/retention

### **Snowy Monaro Regional Council**

- Mature and ageing workforce challenged by availability of potential resources to secure a pipeline for succession planning of key skills and roles
- Operating within geographically dispersed teams across a large council area
- Impact of the current Council financial situation on resourcing, recruitment and reputation
- Ill-informed social media commentary regarding the effectiveness of Council impacts on our morale and recruitment
- Employee and community perception of Snowy Monaro Regional Council as an employer
- Award rates for local government do not compete with projects such as Snowy Hydro 2.0 or with other levels of government.
- Our buildings and workplaces are ageing and offer far from industry standard employment conditions.
- Change agenda outlined for 23/24 is significant and will touch all jobs in council.

Challenges faced by our Council have been identified through feedback and input from our workforce (including a recent employee survey with a response rate of 29%). We acknowledge the need to improve the way we hear and respond to the voice of our workforce to make improvements to support them in delivering for our Council.

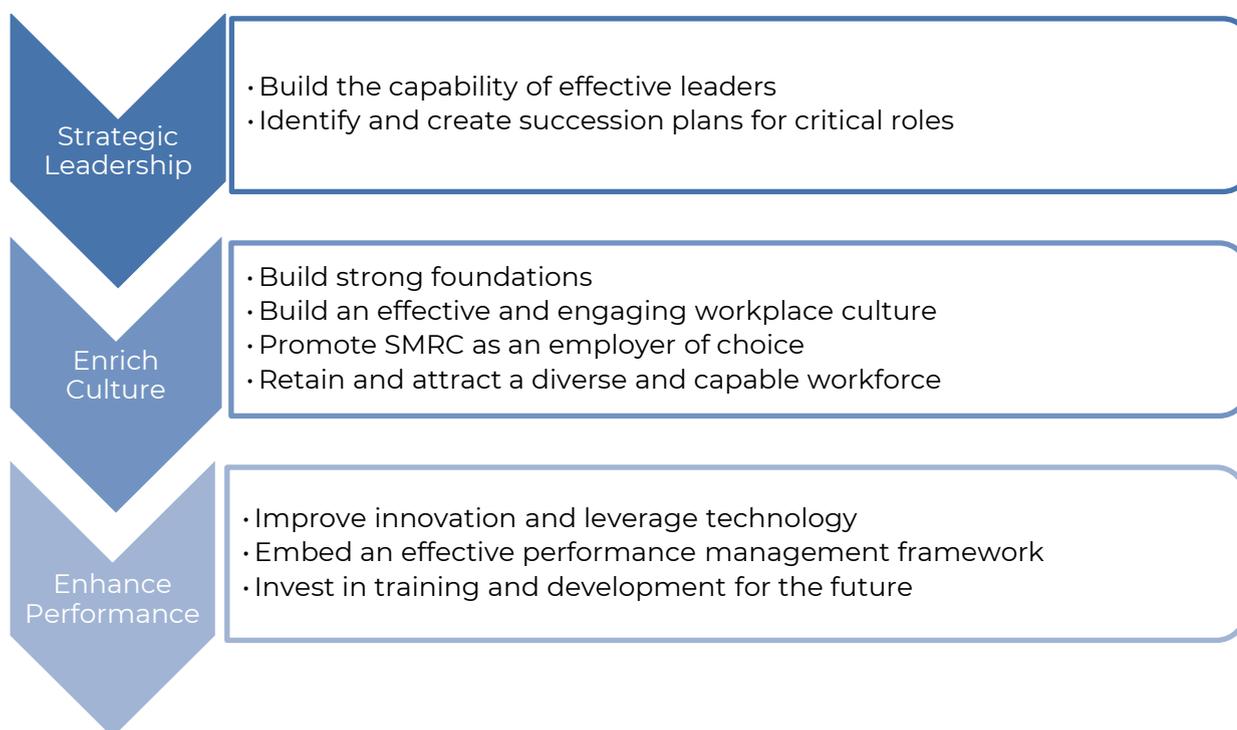
We must focus on becoming an employer of choice that provides a motivating and engaging environment, and an enjoyable workplace where people are proud to work for Snowy Monaro Regional Council. By keeping an open-mind and taking a progressive and solutions-based approach to addressing these challenges, we can work together to achieve our workforce strategic objectives and support SMRC’s Delivery Plan to better service our community.

## 7. Workforce Leadership, Culture and Performance

Over the life of this plan our goal is to focus Council's efforts to achieve better performance through its people now and into the future. We will do this by

- building the **capability of our leaders** who are key to driving change and improvements for our workforce;
- enriching the **culture** of our Council through strong foundations and an effective and engaged workforce; and
- enhancing **performance** so we are all accountable for our work and the way in which it is delivered to the benefit of our community.

This forms the basis of the three core pillars for our Workforce Management Strategy. A clear set of measures aligned to strategic initiatives under these pillars will provide success points over its four-year duration to support and enable leaders to make progress in line with this plan.



## 8. Changes to Workforce within the Long-Term Financial Plan

Included in the three scenarios presented in the Long-Term Financial Plan are the following changes to the projected workforce:

- Scenario One – Additional funding for training and development as well as four additional positions: GIS Officer, Engineer (Asset Management), Buildings and Facilities Coordinator and a Training and Development Officer.
- Scenario Two – Additional funding for training and development as well as four additional positions: GIS Officer, Engineer (Asset Management), Buildings and Facilities Coordinator and a Training and Development Officer.
- Scenario Three – No change to workforce

## 9. Workforce Strategic Objectives

To realise and achieve the aims of this plan and contribute meaningfully to the success of the SMRC Delivery Program for our community, there are nine key initiatives aligned under the three core pillars of Strategic Leadership, Enrich Culture and Enhance Performance.

Pillar	Strategic Initiatives	Deliverables	Target Year				Measurement/ KPI
			22/23	23/24	24/25	25/26	
Strategic Leadership	Build the capability of effective leaders	1.1. Articulate performance and leadership expectations and accountabilities across all leadership roles and levels <ul style="list-style-type: none"> <li>Review and update role descriptions to include leadership capabilities and accountabilities</li> <li>Set and hold leaders accountable to these performance expectations</li> <li>Measure outcomes</li> </ul>	x				<ul style="list-style-type: none"> <li>Role descriptions for all leaders include consistent capabilities, behaviours and accountabilities for each level</li> <li>Outcomes measured in formal performance reviews</li> </ul>
		1.2. Design, deliver and embed a suite of leadership development programs tailored to Council for all levels of leadership to specifically address: <ul style="list-style-type: none"> <li>Base level functional skills required of all leaders including effective asset management, workforce planning, financial and procurement management, human resources, governance and risk, IT systems, and health and safety.</li> <li>Transition into leadership from technical and operational roles for frontline leaders.</li> <li>Leadership for mid-level leaders who lead other leaders and multiple teams</li> <li>Senior strategic leadership for leaders who lead functions</li> </ul>	x				<ul style="list-style-type: none"> <li>Leadership programs implemented; refreshed annually and delivered to capture current and new leaders transitioning from delivery/ technical positions</li> <li>Participation in program by all leaders</li> <li>Employee engagement survey results improve in questions measuring leadership effectiveness</li> </ul>
		1.3. Embed leadership capability expectations into core people routines and documents <ul style="list-style-type: none"> <li>Review and update core processes and documents to reflect leadership accountabilities, including: <ul style="list-style-type: none"> <li>➤ Recruitment and selection processes</li> <li>➤ Performance management framework</li> <li>➤ Reward and recognition framework</li> <li>➤ Training and Development planning</li> </ul> </li> </ul>			x		<ul style="list-style-type: none"> <li>Leader responsibilities articulated in core people routines and documents</li> <li>Outcomes measured in formal performance reviews</li> <li>Employee engagement survey results improve in questions measuring leadership effectiveness</li> </ul>

Pillar	Strategic Initiatives	Deliverables	Target Year				Measurement/ KPI
			22/23	23/24	24/25	25/26	
	<b>Identify and create succession plans for critical roles</b>	<p>1.4. Audit and identify critical roles and skills, implement strategies to minimise the impact of loss in critical roles, and upskill leaders to proactively facilitate development and succession conversations</p> <ul style="list-style-type: none"> <li>Conduct an audit to identify critical roles and skills in Council, quantify skills and knowledge held (or required) by incumbents in these roles</li> <li>Estimate the remaining time of tenure for incumbents in critical roles due to anticipated ageing/ retirement or turnover</li> <li>Understand the current and future impact of loss of critical skills and knowledge</li> <li>Upskill managers to have effective development and succession conversations</li> <li>Document a plan for each critical role to outline targeted knowledge transfer, upskilling, mentoring and recruitment strategies</li> </ul>		x			<ul style="list-style-type: none"> <li>Skills audited conducted and critical roles identified</li> <li>Audit is reviewed and revised annually</li> <li>Successors for critical roles are identified and have a current training and development plan underway</li> <li>Documented plan for each critical role, reviewed annually</li> <li>Active conversations with incumbents on the plan held at least annually with clear expectation on actions captured and measured in performance objectives.</li> <li>Leaders are trained and provided templates and tools to undertake effective development and succession conversations</li> </ul>
<b>Enrich Culture</b>	<b>Build strong foundations</b>	<p>2.1. Identify and develop key strategic people policy and process frameworks that set the standard for the desired culture, for example:</p> <ul style="list-style-type: none"> <li>➤ Code of Conduct</li> <li>➤ Employee Wellbeing including mental health, psychosocial safety and flexible work policies</li> <li>➤ Bullying, Harassment and Respectful behaviour</li> <li>➤ Positive performance management</li> <li>➤ Diversity and Inclusion</li> </ul> <ul style="list-style-type: none"> <li>Audit existing policies and process frameworks to determine gaps and order of priority for development.</li> <li>Deliver targeted wholistic training for all employees to educate and embed behavioural standards and expectations under key people policies.</li> </ul>		x			<ul style="list-style-type: none"> <li>Mandatory training delivered annually and completed by all employees</li> <li>Employee engagement survey results demonstrate expected behaviour standards are consistently reflected in practice in the workplace</li> </ul>
		<p>2.2. Develop a culture of continuous review and improvement to ensure optimal effectiveness and efficiency to support the delivery of Council.</p> <ul style="list-style-type: none"> <li>Service review program is to be completed outlining which service reviews are to be undertaken within the next four years*</li> </ul>					<ul style="list-style-type: none"> <li>Service review program developed*</li> <li>Asset service review undertaken by 31 December 2022*</li> <li>Process Management Framework is developed and implemented*</li> </ul>

Pillar	Strategic Initiatives	Deliverables	Target Year				Measurement/ KPI
			22/23	23/24	24/25	25/26	
		<ul style="list-style-type: none"> <li>Assets service review undertaken and outcomes are report to Council*</li> <li>Process Management Framework developed and implemented for effectively capturing, mapping, analysing and improving business processes*</li> </ul>	X				
<b>Build an effective and engaging workplace culture</b>	2.3.	<p>Identify improvements to physical work environments across Councils workplaces to provide a safe, engaging and inviting workspace.</p> <ul style="list-style-type: none"> <li>Undertake Workplace Health &amp; Safety inspections in all Council workplaces to identify risks or hazards for immediate rectification.</li> <li>Consult employees and leaders for feedback on workplace areas for improvement and improvement suggestions to be considered, prioritised and budgeted.</li> </ul>	X				<ul style="list-style-type: none"> <li>75% of targeted workplace safety inspections undertaken*</li> <li>Workplace health and safety risks or hazards rectified</li> <li>100% of new employees completed WHS induction*</li> <li>&lt;5% of employees reporting WHS incidents*</li> <li>Prioritised improvements actioned and reflected by improvement in employee engagement survey results on work environment.</li> </ul>
	2.4.	<p>Utilise a robust employee engagement survey to hear the voice of the workforce to inform areas of focus and to allow measurement of the impact of strategic people initiatives.</p> <ul style="list-style-type: none"> <li>Review existing survey provider and questions for effectiveness to provide relevant feedback</li> <li>Ensure that access to the survey enables participation across the Council workforce</li> </ul>	X	X	X	X	<ul style="list-style-type: none"> <li>Employee engagement survey conducted (at least six monthly)</li> <li>Representative response rate received from indoor and outdoor workers</li> <li>Organisational and team improvement action plans forms within three months of receiving results with progress monitored and tracked</li> </ul>
	2.5.	<p>Introduce a regular cadence of communication delivered by the Executive Leadership Team on the strategic direction and updates from across Council.</p> <ul style="list-style-type: none"> <li>Develop an outline of key strategic messages and updates to be communicated and regularity of updates</li> <li>Prepare a schedule for executives and senior leaders to provide updates to increase leadership visibility</li> <li>Identify effective methods of communication to communicate across the Council workforce</li> </ul>	X				<ul style="list-style-type: none"> <li>Regular and varied communication forums are held (at least quarterly) to disseminate strategic priorities and progress to all employees</li> <li>Employee engagement survey results reflect improvement in questions that measure understanding of strategic direction and Executive Leadership Team communication</li> </ul>
<b>Promote SMRC as an employer of choice</b>	2.6.	<p>Implement a community facing positive marketing campaign to support and promote the work of SMRC and the Council as an employer including showcasing a "Day in the Life" of key roles. This campaign will:</p> <ul style="list-style-type: none"> <li>Address reputational challenges for the Council that is impacting morale of existing employees and</li> </ul>		X			<ul style="list-style-type: none"> <li>Marketing campaign designed and launched</li> <li>Packs developed for prospective candidates to promote the region (eg. information on schools, local services) and SMRC as an employer.</li> </ul>

Pillar	Strategic Initiatives	Deliverables	Target Year				Measurement/ KPI
			22/23	23/24	24/25	25/26	
Retain and attract a diverse and capable workforce		<p>attraction of new candidates. This can be done by promoting council initiatives and successes.</p> <ul style="list-style-type: none"> <li>Increase awareness of Council employment opportunities amongst prospective candidates. This can be done by showcasing the career pathways and journeys of existing employees.</li> <li>Engage potential candidates who are considering a move to the region and connect them to local information and employment opportunities.</li> </ul>			X		
	2.7.	<p>Develop an employee value proposition that promotes Council internally and externally as an employer of choice acting as a tool of attraction, retention and engagement for existing and prospective employees.</p> <ul style="list-style-type: none"> <li>Develop a strategy to promote the employee value proposition internally and externally</li> </ul>		X		X	<ul style="list-style-type: none"> <li>Collateral produced to communicate and promote Council employee value proposition</li> <li>Council employee value proposition promoted at appropriate council and region facilities and community events</li> </ul>
	2.8.	<p>Develop a strategy to build a culture of diversity and inclusion where equitable principles and practices are applied across all areas of employment.</p> <ul style="list-style-type: none"> <li>Determine and agree key objectives and outcomes to form the basis of the strategy with measures to review progress.</li> <li>Provide education and guidance to support leaders and employees in achieving diversity and inclusion objectives</li> <li>Review Council policies, procedures and practices to remove bias</li> </ul>		X		X	<ul style="list-style-type: none"> <li>Measures tracked, monitored and reported to ensure continual progress in line with objectives</li> <li>Engagement survey results show diversity and inclusion is valued and supported.</li> </ul>
	2.9.	<p>Communicate Salary System procedure to enable access to this opportunity for employee progression under the Award classification framework*</p>	X				<ul style="list-style-type: none"> <li>85% of self-surveyed responses indicates an improved salary system*</li> </ul>
	2.10.	<p>Create a reward and recognition framework (monetary and non-monetary) aligned to organisational values and performance achievements</p>		X	X		<ul style="list-style-type: none"> <li>Launch and embed reward and recognition framework</li> <li>Employee engagement survey results indicate employees feel recognised for their contributions</li> </ul>
	2.11.	<p>Create a culture of employee development and learning</p> <ul style="list-style-type: none"> <li>Development and learning goals discussed and documented during goal setting phase of annual performance management cycle</li> </ul>		X			<ul style="list-style-type: none"> <li>Development and learning plans documented and reviewed regularly for progress</li> <li>Active utilisation of training budget allocation</li> </ul>

Pillar	Strategic Initiatives	Deliverables	Target Year				Measurement/ KPI
			22/23	23/24	24/25	25/26	
		<ul style="list-style-type: none"> <li>Align the acquisition and demonstration of new skills and capabilities to pay and career opportunities</li> </ul>			x		
		2.12. Build partnerships with key providers to develop and expand on alternate candidate pathways such as school-based traineeship and apprenticeships, TAFE and other relevant employment programs. <ul style="list-style-type: none"> <li>Identify functions and roles where candidates through these pathways align to determine skills and disciplines to target</li> </ul>		x		x	<ul style="list-style-type: none"> <li>Key providers identified and partnerships formed with regular connection</li> <li>Relevant vacancies advertised with key providers</li> </ul>
Enhance Performance	Improve innovation and leverage technology	3.1. Implement an effective data collection system to track and monitor key workforce metrics <ul style="list-style-type: none"> <li>Establish a template for reporting key workforce metrics that enables analysis and identification of trends</li> <li>Refine establishment management processes, implement a regular cadence of consultation and review to ensure that recruitment activity is efficiently focused, and staffing levels are managed within Council budgets.</li> </ul>	x				<ul style="list-style-type: none"> <li>Key workforce metrics reported at least quarterly</li> <li>Vacancy list reviewed and unneeded FTE/ budget is removed or redirected</li> <li>75% of positions are recruited within two months*</li> <li>Less than 20% vacancy rate across all SMRC positions*</li> </ul>
	Implement an effective performance management framework	3.2. Embed the Performance Management framework	x				<ul style="list-style-type: none"> <li>100% of employees have document goals and performance measures</li> <li>95% completion of performance reviews annually*</li> </ul>
		3.3. Upskill leaders and employees to participate in effective performance conversations that focus on both performance and development of future skills	x		x		<ul style="list-style-type: none"> <li>Leaders are trained and provided templates and tools to undertake effective performance and development conversations</li> </ul>
	Invest in training and development for the future	3.4. Identify and target the development of skills and/or upskilling for key specialist areas <ul style="list-style-type: none"> <li>Consult with leaders to identify skill gaps in key specialist areas impacting the effective delivery of SMRC's Delivery Plan.</li> </ul>		x		x	<ul style="list-style-type: none"> <li>Training plans completed and training budget allocated</li> <li>Uplift in the capability demonstrated through improved delivery and financial outcomes</li> </ul>
3.5. Ensure ongoing education and implementation of programs and processes in line with Australian Business Excellence Framework (ABEF)*		x				<ul style="list-style-type: none"> <li>% of change from the 2020 results in the ABEF self-assessment*</li> <li>Achieve a business score of &gt;350*</li> </ul>	

Pillar	Strategic Initiatives	Deliverables	Target Year				Measurement/ KPI
			22/23	23/24	24/25	25/26	
		3.6. Identify and access government programs and funding for training and development		x			<ul style="list-style-type: none"> <li>Applications submitted for all applicable government funding sources or grants</li> </ul>
		3.7. Build and leverage relationships with training organisations to deliver fit for purpose programs		x	x		<ul style="list-style-type: none"> <li>Regular meetings with training organisations, at least bi-annually, to deliver training solutions</li> </ul>

\*Key activities and measures outlined in SMRC's Operational Plan - <https://www.snowymonaro.nsw.gov.au/files/assets/public/council/ipr/operational-plan-22-23-adopted-updated-20221103-v1.5.pdf>

### Further Information

The Snowy Monaro 2042 Community Strategic Plan, 2022-26 Delivery Program, Operational Plan and Annual Reports can be viewed on Council's website.

For further information visit:

 [www.snowymonaro.nsw.gov.au](http://www.snowymonaro.nsw.gov.au)

 Snowy Monaro Regional Council

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### Your Feedback

A copy of this Plan can be obtained from Council's website: [www.snowymonaro.nsw.gov.au](http://www.snowymonaro.nsw.gov.au)

We are interested to know your thoughts about this Plan. Your comments and suggestions are valuable because they highlight opportunities for us to improve the quality of our services, plans and reports. If you would like to comment or require additional information regarding this report please contact us.

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# ASSET MANAGEMENT STRATEGY

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# 2022-2032



## Acknowledgement of Country

Snowy Monaro Regional Council acknowledges the Traditional custodians of the region's land and water, the Ngarigo, Walgalu, Southern Ngunnawal and Bidawal Peoples.

We pay our respects to Elders past, present and emerging.

## Record of Versions

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## EXECUTIVE SUMMARY

Snowy Monaro Regional Council (SMRC) is the custodian of assets with a replacement cost of over \$1.5 billion, funded by a revenue generated from the rateable population of 20,997 and an economy primarily driven by two industries - agriculture and tourism.

SMRC has a large portion of the infrastructure at a substandard and deteriorating condition. There has historically been a shortfall in investment in the infrastructure (both in maintenance and renewal of assets) due to insufficient revenue generated and a reliance upon grant funding. Under the current financial capacity there will be increasing losses of asset capacity and functionality, as well as an increasing likelihood of asset failure due to the deterioration in the condition of assets.

The purpose of the Asset Management Strategy (this document) is to provide a considered strategic response to the asset related challenges confronting SMRC and provide a management plan to implement changes within the organisation to improve the management and sustainability of assets that enable the liveability of residents and visitors to the region.

The Asset Management Strategy addresses three components of asset management – governance and leadership, asset management system and asset portfolio management (see Figure below).

**Figure ES1: Components of the Asset Management Framework**



The Asset Management Strategy has been prepared to be integrated with the Long Term Financial Plan and the Workforce Management Strategy – collectively providing the Resourcing Strategies to deliver the adopted Delivery Program and Strategic Community Plan.

Consistent with the Long Term Financial Plan (LTFP) and the Workforce Management Strategy, the following asset management strategies has been developed to inform three scenarios:

- Scenario 1 – enhanced management of assets through additional rate revenue generated through a 53% increase in rates including the rate peg in 2023/24, enabling additional expenditure in maintenance and renewal of assets.
- Scenario 2 – staged enhancement in the management of assets through additional rate revenue generated through a 55.25% increase in rates including the rate peg across five years (2023/24 to 2028/29), enabling a staged approach to additional expenditure in maintenance and renewal of assets.
- Scenario 3 – management of assets within the constraints of the current revenue generated through rates, charges and other revenue streams, including the provision of grants to address asset management requirements. This case is not sustainable over the long-term due to insufficient investment in asset maintenance and renewal.

<sup>1</sup> LGPMC, 2009, *Framework 2 Asset Planning and Management*, p 4.

**Table ES1: Summary of the Asset Management Strategy Outcomes – by LTFP Scenario**

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
<b>LEADERSHIP AND GOVERNANCE</b>			
Integrated Planning Framework	<ul style="list-style-type: none"> <li>The Council and Executive Leadership Team continuously review and maintain integrated Resourcing Strategies to deliver upon the Strategic Community Plan and the Delivery Program. The Chief Strategy Officer is responsible for facilitating reviews and seeking Council adoption at least annually.</li> </ul>		
Asset Management Policy and Strategy	<ul style="list-style-type: none"> <li>Council's decisions on policy and strategy are clearly documented and communicated effectively throughout the organisation. The Policy and Strategy clearly outline asset management objectives for the leadership and governance, asset management system and management of asset portfolios.</li> </ul>		
Service Planning	<ul style="list-style-type: none"> <li>Service planning is a core component of the integrated planning framework. Council's decision on range and levels of service are informed by asset management impacts and whole of life costing for acquisition and upgrading assets.</li> </ul>		
	<ul style="list-style-type: none"> <li>Sufficient funding is available to maintain current levels of service.</li> <li>No funding is available to enhance levels of service.</li> </ul>	<ul style="list-style-type: none"> <li>Decision will need to be made on temporary reduction in range and/or levels of service until sufficient funding is available.</li> </ul>	<ul style="list-style-type: none"> <li>Decisions will need to be made on reduction in range and/or levels of service to be sustainable over the medium and long term. Rationalisation of assets will need to be considered.</li> </ul>
Asset Management Advisory Group	<ul style="list-style-type: none"> <li>The formation of an Asset Management Advisory Group chaired by the Chief Executive Officer and supported by the Chief Strategy Officer to establish coordination, accountability, collaboration and strategic thinking to the implementation and benefit realisation of the Asset Management Strategy. The Advisory Group will also provide regular reports to the Council on asset management performance and the realisation of the strategic objectives.</li> </ul>		
Decision Making	<ul style="list-style-type: none"> <li>The decisions made by the Council and management as consistent with the Asset Management Policy, Asset Management Strategy and the adopted scenario outlined in the Long Term Financial Plan. Decisions are well informed by advice from management and the Asset Management Advisory Group. The Council may seek formal advice from the Asset Management Advisory Group prior to making decisions.</li> </ul>		
Culture	<ul style="list-style-type: none"> <li>Implementation of the Workforce Management Strategy (especially the actions and values lead by the Council and management) supports the development of a workplace culture that shapes the best practice in management of assets.</li> </ul>		
Resource Allocation	<ul style="list-style-type: none"> <li>Sufficient funding is available to maintain current levels of service.</li> <li>No funding is available to enhance levels of service.</li> </ul>	<ul style="list-style-type: none"> <li>Resources are temporarily constrained resulting in prioritisation</li> </ul>	<ul style="list-style-type: none"> <li>Resources are constrained and allocated to address priorities and criticality of assets.</li> </ul>
	<ul style="list-style-type: none"> <li>Council and management are provided with regular reporting on performance against established objectives and performance targets.</li> </ul>		
<b>ASSET MANAGEMENT SYSTEM</b>			
Asset Management Information System (AMIS)	<ul style="list-style-type: none"> <li>Through liaison with the system provider, Council has an optimal configuration of the asset management information system, including appropriately componentised asset register, works programming, works scheduling/ticketing and reporting.</li> </ul>		

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
	<ul style="list-style-type: none"> <li>Additional GIS Officer enables AMIS to be integrated with the GIS system, with GIS established as the single point of truth. Recognition of assets and establishment of asset "shell" within AMIS created through GIS. Regular review of the AMIS to ensure the asset register reconciles with the GIS.</li> </ul>		<ul style="list-style-type: none"> <li>AMIS is maintained as single point of truth with regular updates to GIS. Resources within the GIS team are constrained limiting the benefits of integrating GIS and AMIS.</li> </ul>
GIS Mapping	<ul style="list-style-type: none"> <li>Additional GIS Officer enhances the capacity of the organisation to benefit further from mapping and spatial recognition of assets, including establishing the GIS as a single-point-of-truth for assets. Enhances Council's capacity to plan, report and communicate with the community using mapping.</li> </ul>		<ul style="list-style-type: none"> <li>Limited enhancements to the GIS capacity to improve the mapping recognition of assets.</li> </ul>
Asset Management Team	<ul style="list-style-type: none"> <li>Enhanced leadership, support and provision of training and development to develop expertise within the asset management team, enabling the team to provide better advice, reporting and support to decision making and the management of the asset portfolios.</li> </ul>		
Asset Management Plans	<ul style="list-style-type: none"> <li>Asset Management Plan for each asset portfolio is enhanced with better planning and scheduling of inspections, operations, maintenance and renewal/replacement within the funding constraints.</li> </ul>		
Asset Valuations	<ul style="list-style-type: none"> <li>Recognition and measurement of asset valuations are consistent with the enhanced asset management planning, including the measurement of fair value and depreciation expense based on enhanced understanding of useful lives and deterioration of assets.</li> <li>Financial reporting of assets in the Annual Financial Reports, including the Schedules, more accurately reflects the actual condition, as well as estimates for the required maintenance expenditure and cost to restore assets to acceptable service level.</li> </ul>		
Training and Development	<ul style="list-style-type: none"> <li>Through the provision of training and development (as outlined in the Workforce Management Strategy), the Councillors, management and officers are provided with adequate knowledge, skills and tools to undertake roles and responsibilities and to realise the desired outcomes outlined in this Strategy.</li> </ul>		
ASSET PORTFOLIO MANAGEMENT			
Understanding the Assets	<ul style="list-style-type: none"> <li>Councillors, management and officers have a good understanding of the current assets, including access to the following accurate information about assets – condition, capacity, functionality, hierarchy, criticality, common asset failure causes, asset risk, future demand, lifecycle deterioration.</li> </ul>		
Asset Inspections	<ul style="list-style-type: none"> <li>Condition and maintenance inspections are planned and scheduled to ensure the AMIS maintains an accurate record of asset condition, capacity and functionality. Reactive inspections are undertaken as required to respond in a timely manner to damage or defects.</li> </ul>		
Planning	<ul style="list-style-type: none"> <li>Asset managers maintain current Asset Management Plan that plans to deliver on the asset management objectives outlined in this Strategy. Planning is based upon better understanding of the assets and access to improved information held within the AMIS and GIS.</li> <li>Enhanced scheduling of maintenance aims to transition from a high reliance upon reactive works to a target balance of 70% scheduled/30% reactive works.</li> </ul>		
Acquisition	<ul style="list-style-type: none"> <li>Acquisition of assets (including construction) is based upon enhanced planning and understanding of service needs. Adequate lead time is provided for the acquisition of assets (new, renewal/replacement or upgrades) through the integrated planning, including adequate funding identified in the LTFP. Decision gateways within the Project Management Framework ensures acquisition of assets (including construction) does not progress unless funding and other considerations are acceptable to proceed.</li> </ul>		

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Operations	<ul style="list-style-type: none"> <li>Enhanced operations due to less emphasis upon inspection and mitigation of risks associated with deteriorating assets.</li> </ul>	<ul style="list-style-type: none"> <li>In the short term, higher emphasis upon inspection and mitigation of risk of deteriorated assets while funding is increased in a staged approach.</li> </ul>	<ul style="list-style-type: none"> <li>Due to lack of funding, a higher emphasis will need to be placed upon risk mitigation and higher frequency of inspections for early detection of asset failure (especially critical assets). Operations on deteriorating assets likely to result in higher operating costs and breaks in services due to asset failures.</li> </ul>
Maintenance	<ul style="list-style-type: none"> <li>Maintenance is adequate to maintain assets at an acceptable level of service.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance is constrained in the short term while additional funding is gradually realised.</li> <li>Unsealed road maintenance is significantly reduced in the short term.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance is significantly constrained, resulting in further deterioration of assets requiring earlier intervention to renew or replace assets.</li> <li>Unsealed road maintenance is significantly reduced with half of the kilometres able to be graded.</li> </ul>
Renewal/Replacement	<ul style="list-style-type: none"> <li>Assets will be renewed or replaced according to the planned useful life of assets.</li> <li>\$113 million will be invested on roads over 10 years.</li> </ul>	<ul style="list-style-type: none"> <li>Scenario two will result in road treatments being halved initially (compared to Scenario One) with staged improvements until 2027/28 when the necessary treatments outlined above will be able to be fully funded.</li> <li>\$109 million will be invested on roads over 10 years.</li> <li>Scenario two will delay until 2027/28 the allocation of \$1,400,000 to the renewal of building assets.</li> </ul>	<ul style="list-style-type: none"> <li>Renewals and replacement of assets is significantly constrained.</li> <li>\$73 million will be invested on roads over 10 years (\$40.4 million less than Scenario One). This is not a sustainable approach to maintaining assets.</li> <li>Only 24km of unsealed roads to be resheeted a year.</li> <li>Reseal program limited to a reseal every 25 years (or 30km a year).</li> <li>Heavy patching limited to 4,300m<sup>2</sup> per year.</li> <li>Council will rely almost entirely on grants to replace bridges.</li> <li>Renewal of building assets reduced by \$450,000 per year compared to Scenario One.</li> </ul>
Disposal	<ul style="list-style-type: none"> <li>No asset disposal is required.</li> </ul>	<ul style="list-style-type: none"> <li>No asset disposal is required.</li> </ul>	<ul style="list-style-type: none"> <li>Asset rationalisation will need to be considered to reduce the funding burden on asset maintenance and renewals and to mitigate the risk of assets that will deteriorate to an unacceptable condition.</li> </ul>

## 1. INTRODUCTION

The Snowy Monaro Regional Council (SMRC) is the custodian of assets with a replacement cost of over \$1.5 billion that is funded by a revenue generated from the population of 20,997 and an economy that is primarily driven by two separate industries - agriculture and tourism.

SMRC is currently facing a situation where a large portion of the infrastructure under management is at substandard and deteriorating condition. There has historically been a shortfall in investment in the infrastructure (both in maintenance and renewal of assets) due to insufficient revenue generated and a reliance upon grant funding. This indicates under the current financial capacity there will be increasing losses of asset capacity and functionality, as well as an increasing likelihood of asset failure due to the deterioration in the condition of assets.

The provision of a large amount of infrastructure assets from a small rate base – including roads, drains, bridges, water networks, sewerage networks and public buildings - presents a range of challenges to the sustainability of the assets and the services that the assets enable. The challenge is significantly more complex for SMRC due to the age of the infrastructure, with a significant wave of assets requiring replacement and renewal. Financing needs are significant, requiring planning to address the large peaks and troughs in expenditure required to ensure deteriorating assets are renewed or replaced before reaching an unacceptable risk of failure.

The demand for new and improved services adds to the planning and financing challenges and necessitates decisions to be made to prioritise investments made on assets.<sup>1</sup> The acquisition of new assets also presents challenges in funding the ongoing operating costs necessary to provide the needed service over the assets' full life cycle.<sup>2</sup>

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require Councils to adopt a longer-term approach to service delivery and funding comprising:

- A strategic longer-term plan covering, as a minimum, the term of office of the Councillors and:
  - bringing together asset management and long-term financial plans,
  - demonstrating how Council intends to resource the plan, and
  - consulting with communities on the plan
- Annual budget showing the connection to the strategic objectives, and
- Annual report with:
  - explanation to the community on variations between the budget and actual results,
  - any impact of such variances on the strategic longer-term plan,
  - report of operations with review of the performance of the Council against strategic objectives.<sup>3</sup>

The purpose of the Asset Management Strategy (this document) is to provide a considered strategic response to the asset related challenges confronting SMRC and

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<sup>1</sup> LGPMC, 2009, Framework 2 Asset Planning and Management, p 2.

<sup>2</sup> LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 2-3.

<sup>3</sup> LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 4-5.

provide a management plan to implement changes within the organisation to improve the management and sustainability of assets that enable the liveability of residents and visitors to the region.

The Asset Management Strategy addresses three components of asset management:

- **Asset Management Governance and Leadership** - provision of organisational leadership and governance arrangements to establish the decision-making frameworks and objectives that establish clear roles, responsibilities and expectations for the asset management system and management of asset portfolios. It also includes the development of an effective asset management culture across the organisation.
- **Asset Management System** - provision of the asset management system to plan, support and enable the managers of the asset portfolios with sufficient access to the necessary data, systems, processes and support to achieve optimal management of the assets.
- **Asset Portfolio Management** - direct management of the assets within each portfolio to achieve maximum community value from investments made in assets, including operating and maintaining assets at the lowest whole of life cost while meeting the service level requirements and managing risk of asset failure.

**Figure 1: Components of the Asset Management Framework**



## 2. STRATEGIC FIT

### 2.1 Vision for the Community

Council has adopted the following vision for the community's future, outlined in the Council Strategic Plan:

*The Snowy Monaro Region is a welcoming diverse and inclusive community where everyone can belong, participate and work together. Our natural environment and heritage are preserved and enhanced for future generations.*

*The region offers a fulfilling quality lifestyle and is a place of opportunity, with education, training and economic opportunities for people of all ages and backgrounds.*

### 2.2 Community Strategic Plan Objectives

The Community Strategic Plan sets goals and objectives to be achieved in the planning period. The goals set out where the community wants to be. The objectives are the steps needed to get there. Specific goals and objectives relating to the delivery of services through infrastructure are shown in Table 6.

**Table 1: Relevant Goals and Objectives**

Goals	Objectives
4.1 Our health is supported by fit for purpose infrastructure	<ul style="list-style-type: none"><li>• Our water and wastewater infrastructure is well maintained and has capacity to meet growth across the region</li><li>• Facilities exist to safely deal with waste from the community</li><li>• Ensure land use planning provides for appropriate and sustainable transport infrastructure</li><li>• Have in place current strategic plans for meeting the future transportation needs across the region</li><li>• Develop and sustainably fund the existing transport infrastructure</li><li>• Public buildings and facilities are set up to be accessible to all people</li><li>• Have in place planning that identifies the infrastructure needed to support the community</li><li>• Build a network of regional trails and accessible shared pathways</li><li>• Provide well maintained sporting and leisure facilities</li></ul>
4.2 Transport infrastructure allows us to effectively move around the region and beyond as needed	
4.4 We have in place infrastructure that supports our lifestyles	

### 2.3 Asset Management Policy

Council's Asset Management Policy defines the Council's direction for asset management in accordance with the Strategic Plan and applicable legislation.

The asset management objective set by the Policy is:

*To ensure the appropriate assets are in place to meet the agreed service levels and that those assets are managed efficiently and effectively.*

The asset management policy statements outlined in the Policy are:

- a) All relevant legislative requirements together with political, social and economic environments are to be considered in assets management.
- b) Asset management principles will be integrated within existing planning and operational processes.
- c) Systematic and cyclic reviews will be applied to all asset classes and are to ensure

that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards

- d) The Council will move towards ensuring assets renewals and maintenance required to efficiently and effectively manage the assets will be fully funded in the annual budget estimates.
- e) Full lifecycle costs will be reported and considered in all decisions relating to new services and assets as well as the upgrading of existing services and assets.
- f) Asset valuations will be performed on a regular basis.

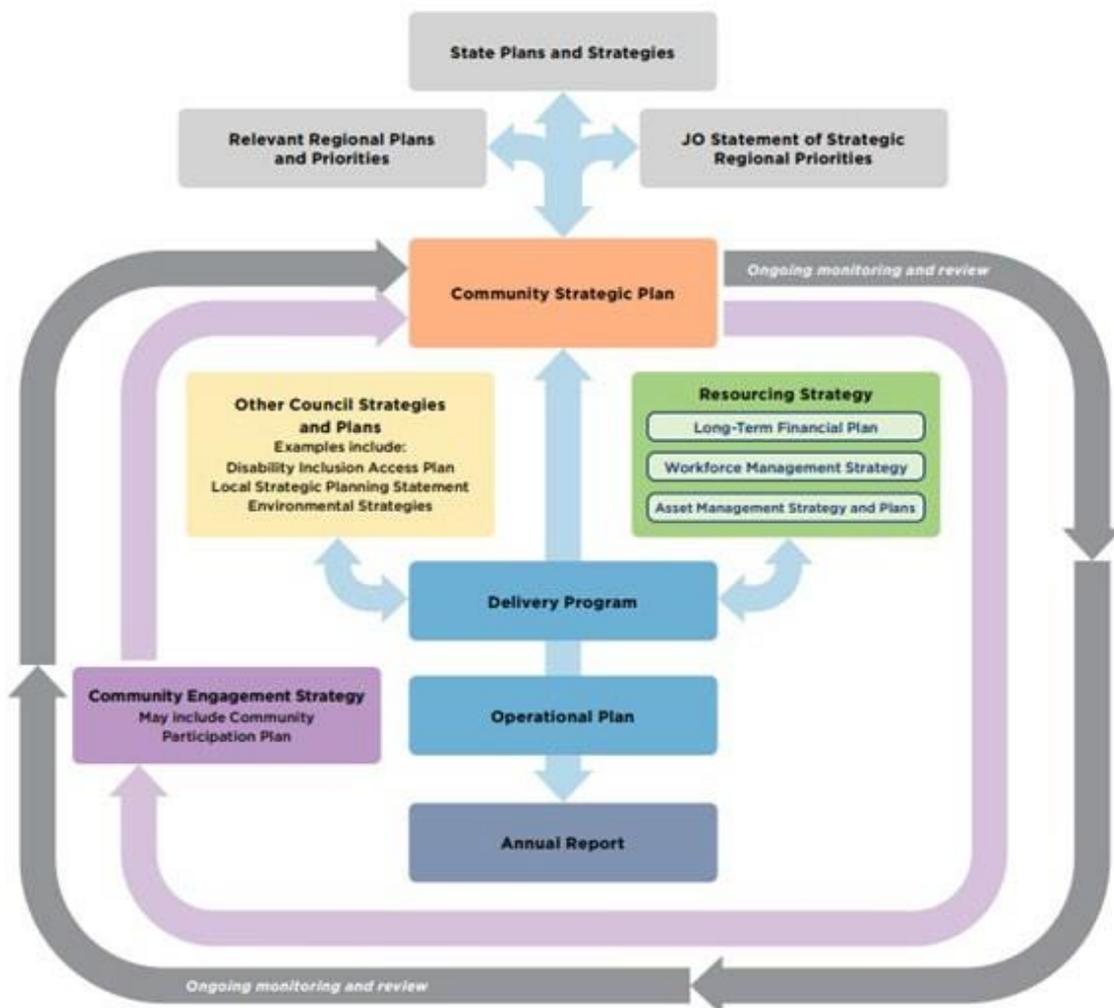
The principles outlined in the Policy outline Councils commitment to implementing a systematic asset management methodology, an inspection regime, transparent and responsible asset management processes (aligned with best practice) and that all Councillors and employees will take an integral part in overall management of Council assets.

*A copy of Councils' Asset Management Policy can be found in Appendix B.*

## 2.4 Integration with other Resource Strategy Planning

The Asset Management Strategy has been prepared to be integrated with the Long Term Financial Plan and the Workforce Management Strategy – collectively providing the Resourcing Strategies to deliver the adopted Delivery Program and Strategic Community Plan – see Figure 1 Integrated Planning and Reporting Framework

**Figure 2: Integrated Planning and Reporting Framework**



The integration of the plans includes three scenarios for the continued management of the Council's resources:

- Scenario 1 – Enhanced management of assets through additional rate revenue generated through a 53% increase in rates including the rate peg in 2023/24, enabling additional expenditure in maintenance and renewal of assets.
- Scenario 2 – Staged enhancement in the management of assets through additional rate revenue generated through a 55.25% increase in rates including the rate peg across five years (2023/24 to 2028/29), enabling a staged approach to additional expenditure in maintenance and renewal of assets.
- Scenario 3 – Management of assets within the constraints of the current revenue generated through rates, charges and other revenue streams, including the provision of grants to address asset management requirements. This case is not sustainable over the long term due to insufficient investment in asset maintenance and renewal.

## **2.5 Other Related Strategies and Plans**

### **Snowy Monaro Waste Management Strategy**

The adopted strategy outlines how Council will work towards the ambitious targets set out in the NSW 20 Year Waste Strategy for waste diverted from landfill and recycling.

Key infrastructure actions outlined in the strategy are:

- Landfill upgrades
- Upgrade to transfer stations
- Conversion of drop off model service to collection and “bank of bins” service model
- Expansion of bank of bins
- Remediate legacy landfills and convert to emergency landfills where appropriate
- Upgrade collection trucks

### **Divestment of Residential Aged Care Services**

On 21 October 2021, Council accepted an Evaluation Panel's recommendation to enter into a 12-month Due Diligence period for the divestment of Residential Aged Care Services through a transfer of the services to Sapphire Coast Community Aged Care. Due diligence has been extended and is ongoing.

If successful, the transfer would include the disposal of all assets, including land and buildings, at Yallabee Lodge in Cooma and Snowy River Hostel in Berridale.

## **2.6 Snowy Mountains Special Activation Precinct**

The Snowy Mountains Special Activation Precinct (SAP) is a major state government funded project to ensure a year-round visitor economy, working closely with Council. The SAP Master Plan outlines a 40-year strategic plan for the precinct and is now in the delivery phase, having now finalised the Master Plan after years of intensive project work.

The Jindabyne Growth Precinct comprises seven sub-precincts that will support the visitor and population growth projected over the 40 years of the Master Plan. The resident and visitor population growth predicted to result from the SAP has been

modelled on the activation of year-round tourism and employment opportunities, investment in regional infrastructure and strengthening the visitor economy.

The NSW Government announced an estimated total funding of SAP of \$391.3 million starting in 2022 with completion in 2027. Included in the works funded by the NSW Government are assets to be transferred to Council, including responsibility to fund ongoing operations, maintenance and future renewal. Table 2 below outlines the assets proposed to be transferred to Council – totaling \$169.62 million.

The SAP provides a significant opportunity for Council to benefit from the development through externally funded asset renewals and upgrades and increased revenue from rates, annual service charges and other revenue sources. In particular, the renewal and upgrade of water and sewer assets in Jindabyne, as well as road works and precinct upgrades funded by the NSW Government replaces funding that Council would have had to fund internally or sought borrowings to address the depleted assets.

**Table 2: Assets used for providing Services**

Infrastructure Project	Estimated Handover	Construction Cost (M)	Comment
Claypits	2024	\$10.58	N/A
Town Centre	2025	\$57.1	N/A
Kosciuszko Road	2026	\$22.47	Includes only section being upgraded. Additional length past Barry Way will need to be considered by Council
Water Treatment Plant	2024	\$28.2	N/A
Sewerage Treatment Plant	2024	\$41.93	N/A
Water Services	2024	\$4.6	Includes reservoirs, pumps and network upgrades
Sewage Services	2024	\$4.74	Includes pumps, storage tanks and network upgrades
<b>TOTAL</b>		<b>\$169.62</b>	

**Source** – NSW Government

### 3. ALIGNMENT OF ASSETS TO SERVICES

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 3.

**Table 3: Assets used for providing Services**

Asset Class	Description	Services Provided
Transport infrastructure	Roads, bridges, footpath, kerb & gutter, islands & roundabouts	The roads network supports transportation and is important to the community and economic activities of the region.
Property	Land & Buildings	Building provided by Council support the administration, operational and social infrastructure for the community
Open space & recreation	Parks, reserves, playgrounds, swimming pools	Provide a mix of active and passive environments for the enjoyment of residents and visitors
Water	Water treatment plants, storage reservoirs, distribution network	Provides potable water to the community and assists firefighting activities.
Wastewater	Treatment plants, reticulation network	Provides sewerage services
Plant and equipment	Mobile and fixed plant and equipment.	Provided to enable the delivery of services and infrastructure.
Furnishing, fittings & equipment	Building and office furnishings as well as office equipment.	Provided to enable the delivery of services and infrastructure.
Other structures	Other assets owned by Council that do not fit into the above categories	Miscellaneous services

## 4. OVERVIEW OF CURRENT ASSETS

### 4.1 State of the Assets

The replacement cost of assets controlled by Council totals \$1,995 billion, the net carrying amount (the remaining value of the assets) being \$1,347 billion. Each year services provided by the Council consume approximately \$19.1 million in value of the controlled assets (as indicated by the depreciation expense).

As at 30 June 2022, the Council estimated that \$143.5 million is required to be spent on renewing and replacing assets to bring the assets to a satisfactory standard – often referred to as the value of the infrastructure backlog. The water supply network is estimated to have a backlog of assets of \$72.9m, with \$28.2m in the sewerage network and \$19.7m in roads.

The required expenditure on maintenance of assets was estimated to be \$26.6m compared to actual expenditure in 2022/23 of \$15.3m. Expenditure for water supply network and buildings is significantly below the required maintenance.

The financial status of the organisation's assets is shown in Table 4 plus Figures 3 and 4.

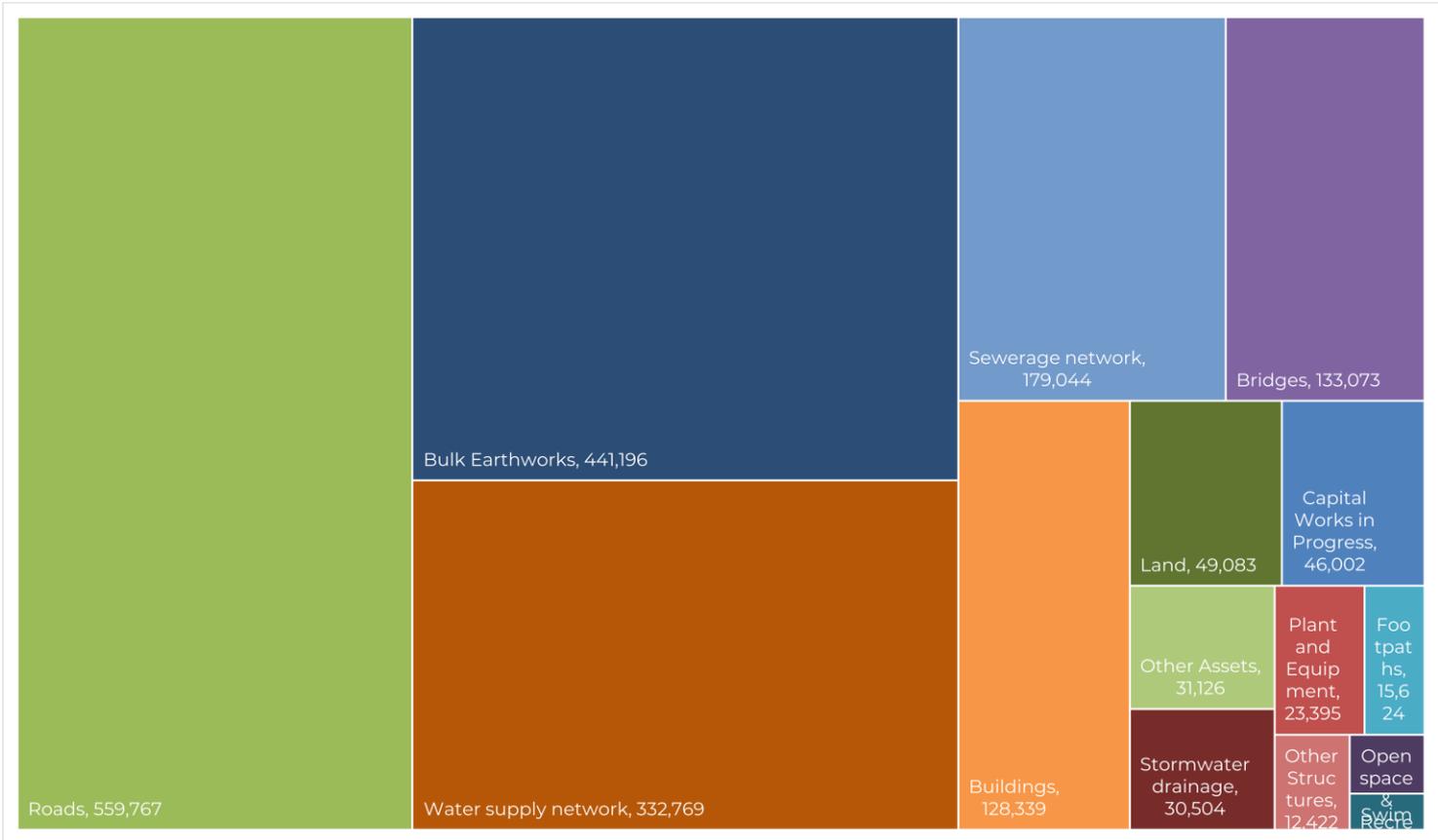
Table 5 and Figure 5 outline the current condition of each asset class, indicating that swimming pools, water supply network, sewerage network, bridges and other structures have the highest percentage of assets deemed to be in poor or very poor condition.

**Table 4: Financial Status of the Assets as of 30 June 2022 - \$000s**

Asset Class	Replacement Cost (\$000)	Net Carrying Amount (\$000)	Depreciation Expense (\$000)	Estimated Cost to Bring Assets to Satisfactory Standard (\$000)	Required Maintenance (\$000)	Actual Maintenance (\$000)
Capital Works in Progress	46,002	46,002	0	0		
Plant and Equipment	23,395	13,725	1,741	0		
Roads	559,767	366,214	7,030	19,686	7,277	7,443
Bridges	133,073	77,516	1,182	10,667	1,730	414
Footpaths	15,624	8,341	337	246	203	62
Buildings	128,339	40,702	2,621	8,126	4,224	526
Bulk Earthworks	441,196	441,196	0	0		
Stormwater drainage	30,504	20,812	288	722	275	28
Land	49,083	49,083	29	0	0	0
Open space & Recreation	7,686	4,910	247	486	231	762
Swimming Pools	4,705	2,697	86	1,248	47	82
Water supply network	332,769	151,177	2,138	72,869	7,986	2,744
Sewerage network	179,044	97,609	1,467	28,207	4,297	3,054
Other Structures	12,422	8,474	255	1,285	373	200
Other Assets	31,126	18,318	1,670	0	0	0
<b>Total</b>	<b>1,994,735</b>	<b>1,346,776</b>	<b>19,091</b>	<b>143,542</b>	<b>26,643</b>	<b>15,315</b>

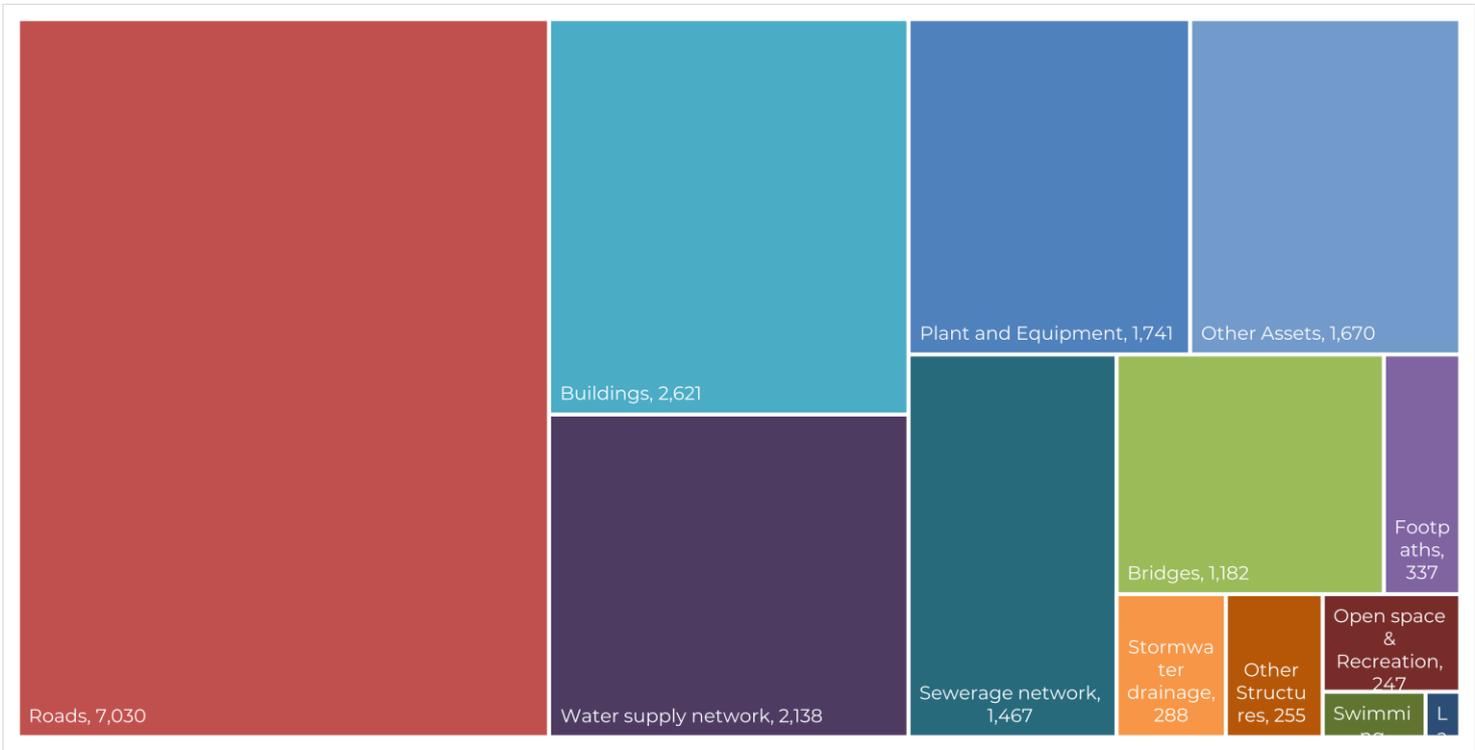
Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

**Figure 3: Replacement Cost by Asset Class as of 30 June 2022 - \$000s**



Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

**Figure 4: Annual Consumption (Depreciation Expense) by Asset Class as of 30 June 2022 - \$000s**



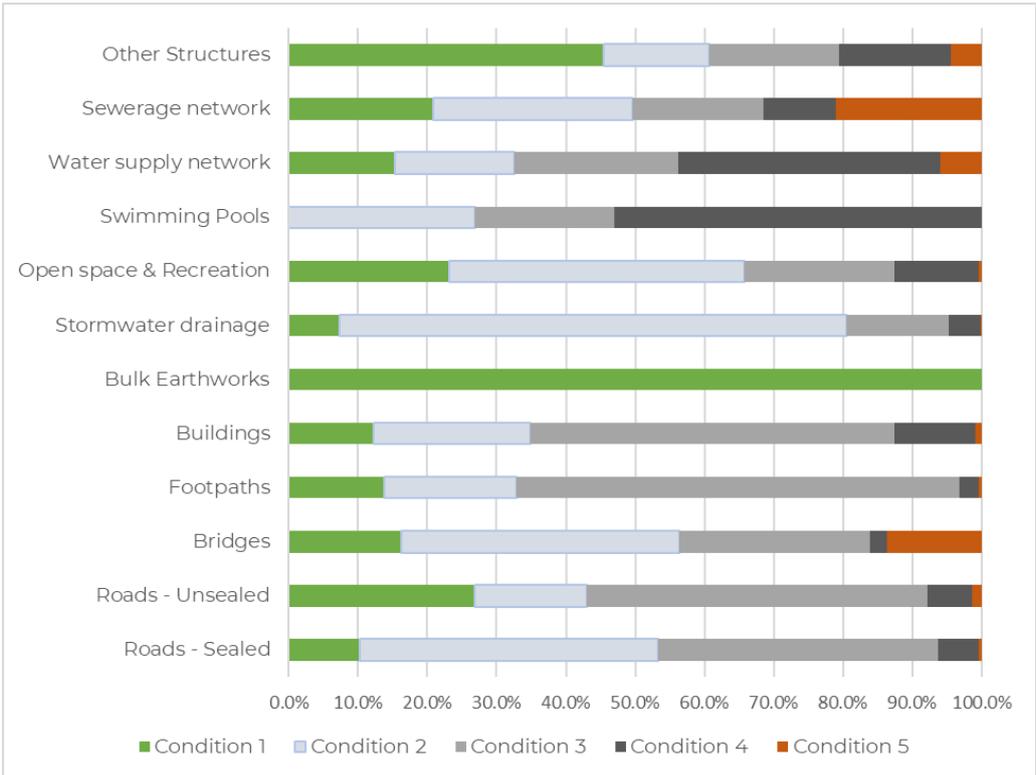
Source – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

**Table 5: Condition of Assets as of 30 June 2022**

Asset Class	Assets in Condition as a Percentage of Gross Replacement Cost (%)				
	1	2	3	4	5
Roads - Sealed	10.3%	43.0%	40.4%	5.8%	0.5%
Roads - Unsealed	26.9%	16.1%	49.2%	6.4%	1.4%
Bridges	16.3%	40.1%	27.5%	2.4%	13.7%
Footpaths	13.8%	19.0%	64.0%	2.8%	0.4%
Buildings	12.3%	22.5%	52.6%	11.7%	0.9%
Bulk Earthworks	100.0%	0.0%	0.0%	0.0%	0.0%
Stormwater drainage	7.4%	73.1%	14.7%	4.7%	0.1%
Open space & Recreation	23.1%	42.7%	21.6%	12.2%	0.4%
Swimming Pools	0.0%	26.8%	20.2%	53.0%	0.0%
Water supply network	15.4%	17.1%	23.7%	37.9%	5.9%
Sewerage network	20.8%	28.8%	18.9%	10.5%	21.0%
Other Structures	45.5%	15.1%	18.8%	16.1%	4.5%
<b>Total</b>	<b>36.9%</b>	<b>21.3%</b>	<b>26.3%</b>	<b>11.1%</b>	<b>4.5%</b>

**Source** – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22  
**Note** - Condition assessment as per Integrated Planning and Reporting (IP&R) description  
 1 Excellent/very good - no work required (normal maintenance)  
 2 Good - only minor maintenance work required  
 3 Satisfactory - maintenance work required  
 4 Poor - renewal required  
 5 Very poor - urgent renewal/upgrading required

**Figure 5: Condition of Assets as of 30 June 2022**



**Source** – Snowy Monaro Regional Council Draft Annual Financial Statements 2021-22

## 5. LEADERSHIP AND GOVERNANCE STRATEGIES

The ISO55000 standards state that leadership and commitment from all managerial levels is essential for successfully establishing, operating and improving asset management within the organisation. A key point is that the standards require leadership, rather than management, and that requires more than a dedicated team or function that focuses on the asset-management system.

SMRC acknowledges that to achieve a significant change in the asset management practices to meet the objectives and outcomes outlined in this strategy will require the Councillors and the Executive Management Team to lead the change.

Good leadership of asset management at SMRC is characterised by:

- Demonstrating a commitment to asset management
- Ensuring resources are available and sufficient
- Communicating and emphasising the importance of asset management
- Promoting cross-functional collaboration
- Supporting and guiding persons to contribute
- Promoting continual improvement

To enable the leadership, governance structures are required to be established to reinforce and enable embedding decision making and management practices that align to this strategy.

The strategic outcomes that are targeted through the implementation of this strategy are outlined in Table 6 and include the following functions:

- Integrated Planning Framework
- Asset Management Policy and Strategy
- Service Planning
- Asset Management Advisory Group
- Decision Making
- Culture
- Resource Allocation
- Performance Framework

**Table 6: Summary of the Leadership and Governance Strategy Outcomes – by LTFP Scenario**

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Integrated Planning Framework	<ul style="list-style-type: none"> <li>The Council and Executive Leadership Team continuously review and maintain integrated Resourcing Strategies to delivery upon the Strategic Community Plan and the Delivery Program. The Chief Strategy Officer is responsible for facilitating reviews and seeking Council adoption at least annually.</li> </ul>		
Asset Management Policy and Strategy	<ul style="list-style-type: none"> <li>Council's decisions on policy and strategy are clearly documented and communicated effectively throughout the organisation. The Policy and Strategy clearly outline asset management objectives for the leadership and governance, asset management system and management of asset portfolios.</li> </ul>		
Service Planning	<ul style="list-style-type: none"> <li>Service planning is a core component of the integrated planning framework. Council's decision on range and levels of service are informed by asset management impacts and whole of life costing for acquisition and upgrading assets.</li> </ul>		
	<ul style="list-style-type: none"> <li>Sufficient funding is available to maintain current levels of service.</li> <li>No funding is available to enhance levels of service.</li> </ul>	<ul style="list-style-type: none"> <li>Decision will need to be made on temporary reduction in range and/or levels of service until sufficient funding is available.</li> </ul>	<ul style="list-style-type: none"> <li>Decisions will need to be made on reduction in range and/or levels of service to be sustainable over the medium and long term. Rationalisation of assets will need to be considered.</li> </ul>
Asset Management Advisory Group	<ul style="list-style-type: none"> <li>The formation of an Asset Management Advisory Group chaired by the Chief Executive Officer and supported by the Chief Strategy Officer to establish coordination, accountability, collaboration and strategic thinking to the implementation and benefit realisation of the Asset Management Strategy. The Advisory Group will also provide regular reports to the Council on asset management performance and the realisation of the strategic objectives.</li> </ul>		
Decision Making	<ul style="list-style-type: none"> <li>The decisions made by the Council and management as consistent with the Asset Management Policy, Asset Management Strategy and the adopted scenario outlined in the Long Term Financial Plan. Decisions are well informed by advice from management and the Asset Management Advisory Group. The Council may seek formal advice from the Asset Management Advisory Group prior to making decisions.</li> </ul>		
Culture	<ul style="list-style-type: none"> <li>Implementation of the Workforce Management Strategy (especially the actions and values lead by the Council and management) supports the development of a workplace culture that shapes the best practice in management of assets.</li> </ul>		
Resource Allocation	<ul style="list-style-type: none"> <li>Sufficient funding is available to maintain current levels of service.</li> <li>No funding is available to enhance levels of service.</li> </ul>	<ul style="list-style-type: none"> <li>Resources are temporarily constrained resulting in prioritisation</li> </ul>	<ul style="list-style-type: none"> <li>Resources are constrained and allocated to address priorities and criticality of assets.</li> </ul>
Performance Framework	<ul style="list-style-type: none"> <li>Council and management are provided with regular reporting on performance against established objectives and performance targets.</li> </ul>		

## **6. ASSET MANAGEMENT SYSTEM STRATEGIES**

The ISO 55001 International Standard sets out the requirements for establishing, establishing, maintaining, and improving an asset management system. The Standard is designed to enable an organisation to align and integrate its asset management systems with the strategic objectives and to support and enable management of the assets.

The asset management system includes:

- Asset management information system/s
- Management and decision-support tools and reporting
- Centralised processes and practices facilitated or completed by the corporate asset management team.
- Provision of tools and systems to asset managers to enable completion of asset management tasks.
- Training and development to enhance the capability and capacity of asset management roles and responsibilities.

The strategic outcomes that are targeted through the implementation of this strategy are outlined below in Table 7 and include the following functions:

- Asset Management Information System (AMIS)
- GIS Mapping
- Asset Management Team
- Asset Management Plans
- Asset Valuations
- Training and Development

**Table 7: Summary of the Asset Management System Strategy Outcomes – by LTFP Scenario**

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Asset Management Information System (AMIS)	<ul style="list-style-type: none"> <li>Through liaison with the system provider, Council has an optimal configuration of the asset management information system, including appropriately componentised asset register, works programming, works scheduling/ticketing and reporting.</li> </ul>	<ul style="list-style-type: none"> <li>Additional GIS Officer enables AMIS to be integrated with the GIS system, with GIS established as the single point of truth. Recognition of assets and establishment of asset "shell" within AMIS created through GIS. Regular review of the AMIS to ensure the asset register reconciles with the GIS.</li> </ul>	<ul style="list-style-type: none"> <li>AMIS is maintained as single point of truth with regular updates to GIS. Resources within the GIS team are constrained limiting the benefits of integrating GIS and AMIS.</li> </ul>
GIS Mapping	<ul style="list-style-type: none"> <li>Additional GIS Officer enhances the capacity of the organisation to benefit further from mapping and spatial recognition of assets, including establishing the GIS as a single-point-of-truth for assets. Enhances Council's capacity to plan, report and communicate with the community using mapping.</li> </ul>		<ul style="list-style-type: none"> <li>Limited enhancements to the GIS capacity to improve the mapping recognition of assets.</li> </ul>
Asset Management Team	<ul style="list-style-type: none"> <li>Enhanced leadership, support and provision of training and development to develop expertise within the asset management team, enabling the team to provide better advice, reporting and support to decision making and the management of the asset portfolios.</li> </ul>		
Asset Management Plans	<ul style="list-style-type: none"> <li>Asset Management Plan for each asset portfolio is enhanced with better planning and scheduling of inspections, operations, maintenance and renewal/replacement within the funding constraints.</li> </ul>		
Asset Valuations	<ul style="list-style-type: none"> <li>Recognition and measurement of asset valuations are consistent with the enhanced asset management planning, including the measurement of fair value and depreciation expense based on enhanced understanding of useful lives and deterioration of assets.</li> <li>Financial reporting of assets in the Annual Financial Reports, including the Schedules, more accurately reflects the actual condition, as well as estimates for the required maintenance expenditure and cost to restore assets to acceptable service level.</li> </ul>		
Training and Development	<ul style="list-style-type: none"> <li>Through the provision of training and development (as outlined in the Workforce Management Strategy), the Councillors, management and officers are provided with adequate knowledge, skills and tools to undertake roles and responsibilities and to realise the desired outcomes outlined in this Strategy.</li> </ul>		

## 7. ASSET PORTFOLIO STRATEGIES

Asset managers across Council are responsible for managing assets throughout the lifecycle of the asset, including the acquisition, operations, maintenance, renewal/replacement and disposal at end of life. While leadership and governance provide high level objectives, and the asset management system provides tools and support, managing the asset portfolio requires expertise in understanding and managing the asset portfolio.

Adopting an asset lifecycle management approach is considered by SMRC as a key strategy to improving the way each asset portfolio is managed and controlling the lifecycle costs of an asset. By adopting a whole-of-life view rather than making decisions based on the current lifecycle phase, or relying upon responding reactively to asset failures, managers of asset portfolios can balance operating versus capital expenditure and maintenance versus renewal/replacement decisions.

Asset reliability and performance are key outcomes that SMRC seeks to improve through asset lifecycle management. Reliability and performance of an asset is directly affected by the asset management approach, in particular the initial procurement or construction and ongoing maintenance of assets.

The strategic outcomes desired through improve management of the asset portfolios is outlined in Table 8 and includes:

- Understanding the Assets
- Asset Inspections
- Planning
- Acquisition
- Operations
- Maintenance
- Renewal/Replacement

**Table 8: Summary of the Asset Management Strategy Outcomes – by LTFP Scenario**

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
Understanding the Assets	<ul style="list-style-type: none"> <li>Councillors, management and officers have a good understanding of the current assets, including access to the following accurate information about assets – condition, capacity, functionality, hierarchy, criticality, common asset failure causes, asset risk, future demand, lifecycle deterioration.</li> </ul>		
Asset Inspections	<ul style="list-style-type: none"> <li>Condition and maintenance inspections are planned and scheduled to ensure the AMIS maintains an accurate record of asset condition, capacity and functionality. Reactive inspections are undertaken as required to respond in a timely manner to damage or defects.</li> </ul>		
Planning	<ul style="list-style-type: none"> <li>Asset managers maintain current Asset Management Plan that plans to deliver on the asset management objectives outlined in this Strategy. Planning is based upon better understanding of the assets and access to improved information held within the AMIS and GIS.</li> <li>Enhanced scheduling of maintenance aims to transition from a high reliance upon reactive works to a target balance of 70% scheduled/30% reactive works.</li> </ul>		
Acquisition	<ul style="list-style-type: none"> <li>Acquisition of assets (including construction) is based upon enhanced planning and understanding of service needs. Adequate lead time is provided for the acquisition of assets (new, renewal/replacement or upgrades) through the integrated planning, including adequate funding identified in the LTFP. Decision gateways within the Project Management Framework ensures acquisition of assets (including construction) does not progress unless funding and other considerations are acceptable to proceed.</li> </ul>		
Operations	<ul style="list-style-type: none"> <li>Enhanced operations due to less emphasis upon inspection and mitigation of risks associated with deteriorating assets.</li> </ul>	<ul style="list-style-type: none"> <li>In the short term, higher emphasis upon inspection and mitigation of risk of deteriorated assets while funding is increased in a staged approach.</li> </ul>	<ul style="list-style-type: none"> <li>Due to lack of funding, a higher emphasis will need to be placed upon risk mitigation and higher frequency of inspections for early detection of asset failure (especially critical assets). Operations on deteriorating assets likely to result in higher operating costs and breaks in services due to asset failures.</li> </ul>
Maintenance	<ul style="list-style-type: none"> <li>Maintenance is adequate to maintain assets at an acceptable level of service.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance is constrained in the short term while additional funding is gradually realised.</li> <li>Unsealed road maintenance is significantly reduced in the short term.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance is significantly constrained, resulting in further deterioration of assets requiring earlier intervention to renew or replace assets.</li> <li>Unsealed road maintenance is significantly reduced with a half of the kilometres able to be graded.</li> </ul>
Renewal/Replacement	<ul style="list-style-type: none"> <li>Assets will be renewed or replaced according to the planned useful life of assets.</li> <li>\$113 million will be invested on roads over 10 years.</li> </ul>	<ul style="list-style-type: none"> <li>Scenario Two will result in road treatments being halved initially (compared to Scenario One) with staged improvements until 2027/28 when the necessary</li> </ul>	<ul style="list-style-type: none"> <li>Renewals and replacement of assets is significantly constrained.</li> <li>\$73 million will be invested on roads over 10 years (\$40.4 million less than Scenario One). This</li> </ul>

ASSET MANAGEMENT FUNCTION	SCENARIO ONE STRATEGY OUTCOMES	SCENARIO TWO STRATEGY OUTCOMES	SCENARIO THREE STRATEGY OUTCOMES
		<p>treatments outlined above will be able to be fully funded.</p> <ul style="list-style-type: none"> <li>• \$109 million will be invested on roads over 10 years.</li> <li>• Scenario Two will delay until 2027/28 the allocation of \$1,400,000 to the renewal of building assets.</li> </ul>	<p>is not a sustainable approach to maintaining assets.</p> <ul style="list-style-type: none"> <li>• Only 24km of unsealed roads to be resheeted a year.</li> <li>• Reseal program limited to a reseal every 25 years (or 30km a year).</li> <li>• Heavy patching limited to 4,300m<sup>2</sup> per year.</li> <li>• Council will rely almost entirely on grants to replace bridges.</li> <li>• Renewal of building assets reduced by \$450,000 per year compared to Scenario One.</li> </ul>
Disposal	<ul style="list-style-type: none"> <li>• No asset disposal is required.</li> </ul>	<ul style="list-style-type: none"> <li>• No asset disposal is required.</li> </ul>	<ul style="list-style-type: none"> <li>• Asset rationalisation will need to be considered to reduce the funding burden on asset maintenance and renewals and to mitigate the risk of assets that will deteriorate to an unacceptable condition.</li> </ul>

## 7.1 Overview of Roads

- Roads include the pavement, pavement seal, channels, culverts, landscape in road corridor and road sections outside the fog line within urban areas for the State controlled roads. The following hierarchy is used for the identification and planning of sealed roads:
  - Regional
  - Collector
  - Local
  - Minor Access

### Condition and Performance

- The condition of the road network has been significantly impacted by recent weather events. While the Draft Annual Financial Statements indicates as of 30 June 2022 only 6.3% of the sealed road and 7.8% of unsealed network required renewal, the condition of the assets held within the asset register is highly unlikely to reflect the roads due to recent damage from weather events.
- Council is currently undertaking inspection of all damaged roads.
- Prior to recent events, a condition inspection was completed in 2019 which indicated that the collector, local and minor access sealed roads were in a fair condition, however regional roads were deteriorating and required additional maintenance/renewal. The inspection indicated that the unsealed road network was in a poorer condition with deterioration of the gravel on the roads and deformation of the pavements across the network.
- Use of heavy vehicles on Council controlled roads is accelerating the deterioration of the roads (roads were not designed or constructed for the current level of use by heavy vehicles).
- High percentage of the unsealed road in performing under desired level of service due to insufficient maintenance in recent years. Drainage infrastructure across the unsealed network is also insufficient to meet tolerances during weather events.
- Prior to the recent damage to the sealed road network, a majority of the sealed road network was performing reasonably well. Access is provided to all major points of interest and no additional roads have been identified to improve travel access.
- Performance of drainage is a concern with poor performing drainage resulting in early deterioration of the pavement.
- Some intersection upgrades have been identified for widening to assist with increased traffic volume.

### Critical Assets

- Risk determines the criticality of the assets, in particular danger to life and injury from damaged roads.
- Currently the hierarchy is not defined to determine inspection frequency and treatment frequency based on criticality.

### Key Strategic Issues

- Condition inspections are not programmed – currently undertaken as required.
- All but grading is currently reactive, including heavy patching (up to 20m<sup>2</sup> is considered maintenance), pothole repairs, crack sealing, edge break repair,

line remarking, drainage reinstatements, vegetation removal, signage repairs and furniture replacement.

- Recent required works on flood damaged roads has resulted in a discontinuation of annual maintenance programs.
- The grading program aims to complete 1,000km to 1,200km per year to ensure each road is graded at least once every two years (except for roads considered to be “as required”). This requires approximately \$1.8-\$2.16million in funding each year.
- Reseal program aims to renew the pavement seal on 1/15<sup>th</sup> or 62km of the network every year. At a cost rate of \$5.50/m<sup>2</sup> this would require annual funding of approximately \$2.046 million.
- For unsealed roads gravel resheeting is planned based gravel loss due to traffic volumes which equate to approximately 91.8km of road resheeted each year requiring annual funding of \$3.443 million:
- Heavy patching of areas less than 20m<sup>2</sup> are considered maintenance. Heavy patching of areas greater than 20m<sup>2</sup> is planned to be undertaken each year totaling 14,482m<sup>2</sup> of heavy patching each year at an annual cost of \$868,940.
- Further work is required to assess the criticality of roads to inform asset planning and inspection programs.
- Development of a pavement management system is required to inform the asset management planning for roads.

**Table 9: Comparison of Capital Works for Road Assets by LTFP Scenario**

Asset Class	Scenario One	Scenario Two	Scenario Three
Roads	116,269,218	106,900,738	72,751,982
<b>TOTAL</b>	<b>116,269,218</b>	<b>106,900,738</b>	<b>72,751,982</b>

Source – Long Term Financial Plan

### Strategic Options

- Scenario One will enable \$113 million to be invested in road assets across the 10-year LTFP period, meeting the treatment objectives outlined above.
- Scenario Two will result in road treatments being halved initially (compared to Scenario One) with staged improvements until 2027/28 when the necessary treatments outlined above will be able to be fully funded.
- Scenario Two will result in deterioration of the roads in the short term, with a higher risk of further damage to roads due to insufficient protection of the pavements. The risk includes unplanned (and unfunded) rehabilitation required to address the damage caused to pavements that would more likely be prevented with the additional funding in Scenario One.
- Funding provided in Scenario Three in the LTFP is insufficient to meet the asset interventions identified above. Scenario Three provides \$40.4million less to capital works on road assets over the 10-year LTFP.
- With the funding restriction of Scenario Three, only 24km of unsealed roads would be resheeted each year, 30km of road would be resealed and approximately 4,300m<sup>2</sup> of heavy patching.
- To manage risk and public safety, under Scenario Three Council would need to consider closing roads and limiting access to heavy vehicles on the local road network.
- Prepare a pavement management system designed specifically for the roads within the Council region, including an optimal approach to maintenance and renewal of the road assets.

## 7.2 Overview of Bridges

- The Council has 155 bridges in total, ranging from footbridges, timber bridges and composite bridges of timber and steel. The age of the bridges ranges from 1937 – 2022.
- There are another eight bridges that are Transport for NSW bridge assets within the SMRC transport network.
- There are 34 bridges with load limits ranging from 3.9 tonnes (T) through to 98T. Currently, there are two bridges closed and not open to traffic with detours in place. All bridges have been subject to bridge inspections commencing in 2016 and, more recently, further engineering inspections have been undertaken throughout 2021. The Council is continuing to undertake a visual condition assessment and prepare maintenance schedules for the bridge assets.

### Condition and Performance

- Approximately 23% of bridges are in a very poor condition, with a number of those bridges being timber bridges. There are 4% of bridges noted as being in poor condition, 21% in fair condition, 33% in good condition and 19% at very good condition.
- There are some aged bridges that are performing poorly, particularly when impacted by extreme weather events.
- Grant funding opportunities have been used to replace bridges prior to failure.

### Critical Assets

- Bridges on transport networks resulting in emergency services vehicles not being able to respond through either load limit or closure
- Bridges on transport networks not allowing for business continuity, such as limiting access for maintenance and/or repair

### Key Strategic Issues

- Strategically planned population growth areas already identified within the SMRC Draft Settlements Strategy and SMRC Draft Rural Land Use Strategy due to commence public exhibition in late 2022
- Capacity is limited by load limits on some bridges
- Understanding and adapting to the economic growth of the region; particularly in relation to forestry, agriculture and tourism being the main economic drivers. Employment lands study has been undertaken for the SMRC region to assist in informing transport route requirements.
- New draft South East and Tablelands Regional Transport Plan prepared by the NSW state government is imminent, and will assist in informing future transport infrastructure needs across the region
- Public safety is a major risk that is being mitigated through weight limits and bridge closures.
- School bus routes being compromised through bridge closures and having to use detours
- Business continuity due to bridge closures and detour routes
- Economic impacts through bridge closures and load limits (logging trucks, stock trucks having to use detours impacting supply chains)

**Table 10: Comparison of Capital Works for Bridge Assets by LTFP Scenario**

Asset Class	Scenario One	Scenario Two	Scenario Three
Bridges	17,675,613	17,675,613	13,675,613
<b>TOTAL</b>	<b>17,675,613</b>	<b>17,675,613</b>	<b>13,675,613</b>

Source – Long Term Financial Plan

**Strategic Options**

- Focus has been on replacing timber bridges with very poor condition, high maintenance, high traffic, load limits and longest detour routes as a criteria for renewal. Through Transport for NSW Fixing Country Bridges Program, the Council has successfully replaced two timber bridges in 2022 with a further five receiving funding in July 2022 to be replaced over the next two years.
- Timber bridges are being replaced with composite concrete and steel bridges utilising the InQuik modular component system. The Council has identified a further ten high priority timber bridges for replacement, to seek further grant funding opportunities when available.
- Scenario One and Scenario Two provide sufficient cash to enable the Council to apply for one 50/50 grant funded bridge replacement a year (total estimated cost of \$1m per year).
- Scenario Three does not provide sufficient funding to enable Council to contribute funding towards bridge replacement, relying upon external grant funding (assumed to be \$500,000 each year). Scenario Three is not a sustainable approach to funding the renewal of the remaining substantial number of bridges in the very poor condition rating.
- 

**7.3 Overview of Buildings**

- Responsibility for building assets is currently decentralised to the following business units:
  - Built and Natural Environment – cemeteries
  - Community Services - community halls, aquatic centre facilities, residential care facilities, libraries, truck wash, saleyards, caravan parks, Youth Hub, showgrounds, parks, recreational facilities and sportsgrounds.
  - Infrastructure – administration buildings, depots and rental properties
  - Resource and Waste – waste facilities
  - Water and Wastewater – facilities across the water and sewer networks

**Condition and Performance**

- A majority of the specialised and non-specialised buildings across the region are in an acceptable condition (52.6%), with 12.6% in a poor or very poor condition and requiring renewal. The Council has estimated \$8.126m is required to bring the assets to an acceptable condition.
- While nearly all current building assets are providing an acceptable level of service, to maintain acceptable performance of the assets a high level of reactive maintenance is necessary.
- Most operational facilities are ageing, and the design and functionality of the buildings do not support best practice and operational costs are inefficient.

## **Critical Assets**

- Administration centres and operational facilities at depots
- Facilities identified for use in emergency management or as an evacuation centre
- High use community facilities
- Aged care facilities
- Other operational facilities necessary for continuation of essential services

## **Key Strategic Issues**

- Condition inspections are not programmed and almost entirely reactive to a failure or a reported issue with an asset
- No centralised procurement and need to revise the contractor list.
- Maintenance is almost entirely reactive
- There is little integration between the operational management of buildings and the asset register
- Asset management systems are not used by the facility managers – work tickets are not raised and little or no history of maintenance recorded.
- Skilled and experienced property staff within the current teams not being used to the potential that the staff could be providing.

## **Strategic Options**

- Scenario One will enable \$1,800,000 to be allocated to the renewal of buildings each year, which is sufficient to address in a prioritised order all building assets across the region. However, this may still result in some less critical assets being closed in the short term while other more critical assets are being renewed – this is less likely than in Scenario Three.
- Scenario Two will delay until 2027/28 the allocation of \$1,400,000 to the renewal of building assets with a higher risk of less crucial assets being closed due to poor condition until the additional funding can be allocated.
- Scenario Three in the LTFP will result in further deterioration of building assets.
- Scenario Three will enable \$950,000 to be allocated each year to the renewal of critical assets. Assets not considered to be critical will continue to deteriorate and will require closure once the risk of the assets is considered unacceptable.
- Complete a detailed condition inspection of all facilities, including identification of defects, compliance matters and assessment of current condition of building components.
- Develop a Building Maintenance Plan as a component within the Buildings Asset Management Plan and resource sufficiently to transition from current almost completely reactive maintenance practices to 70% planned/30% reactive maintenance.
- Develop a centralised role and responsibility (eg. Property Coordinator/ Maintenance) for management of the buildings asset class providing expertise in the planning, operations and maintenance of building assets – including restructure of current property maintenance roles under the new centralised role
- Explore opportunities to rationalise the current facilities to reduce the maintenance and renewal demand.

**Table 11: Comparison of Capital Works for Building Assets by LTFP Scenario**

Asset Class	Scenario One	Scenario Two	Scenario Three
Buildings Non-specialised	27,044,880	24,044,880	10,844,880
Buildings Specialised	27,550,970	27,550,970	28,100,970
<b>TOTAL</b>	<b>54,595,850</b>	<b>51,595,850</b>	<b>38,945,850</b>

Source – Long Term Financial Plan

## 7.4 Overview of Stormwater

- There is limited information on the stormwater network and the degree to which this information had been captured or its accuracy varies across the region.
- 4.2km of stormwater culvert (open drains) are registered within the assets along with 76.2km of stormwater pipe attached to 421 culverts.

### Condition and Performance

- The majority of assets are showing in an acceptable condition (95.2%) with 4.8% noted as being in poor or very poor condition. The Council has estimated \$8.126m is required to bring the assets to an acceptable condition.
- While nearly all current assets are providing an acceptable level of service these are assets where the condition can change rapidly as deterioration is generally not visible and the condition assessment does not include invasive testing of the concrete structures.

### Critical Assets

- Pipes under roads with large diameters.

### Key Strategic Issues

- Lack of information on the entire network.
- Condition inspections are not programmed and almost entirely reactive to a failure or a reported issue with an asset
- Maintenance is almost entirely reactive
- There is little integration between the operational management of the stormwater network and the asset register

### Strategic Options

- While Scenario One allocates \$300,000 in funding to renewal of stormwater assets, with additional funding is available in the rural and urban roads operating funds to maintain the existing assets.

However, this may still result in some less critical assets being closed in the short term while other more critical assets are being renewed – this is less likely than in Scenario Three.

- Scenario Two allocates \$300,000 in funding to renewal of stormwater assets. Funding for maintenance will be limited in the first five years of the LTFP. There is a higher risk of less crucial assets being closed due to poor condition until the additional funding can be allocated.
- Scenario Three in the LTFP will result in further deterioration of stormwater assets.

- Scenario Three will enable nil funds to be allocated each year to the renewal of stormwater assets. Funding available to maintain existing drainage assets is insufficient. Assets will continue to deteriorate and will require removal once the risk of the assets is considered unacceptable.
- Capture all assets managed by the council within the asset register.
- Complete an invasive condition inspection of critical stormwater pipes, including identification of defects, compliance matters and assessment of current condition of building components.

**Table 12: Comparison of Capital Works for Stormwater Assets by LTFP Scenario**

Asset Class	Scenario One	Scenario Two	Scenario Three
Stormwater Channels	300,000	300,000	0
<b>TOTAL</b>	<b>300,000</b>	<b>300,000</b>	<b>0</b>

Source – Long Term Financial Plan

## 7.5 Overview of Other Open Space Recreation and Other Structures

- Assets included in the portfolio include park embellishments, recreational and sporting facilities, showgrounds, streetscape, public amenities, trails and paths, shelters, playgrounds, lights, racecourse, irrigation systems, aerodrome, monuments and memorials.
- Levels of service reasonably consistent across the region, although the condition of assets differ across the region. Irrigation systems vary significantly across the region.
- Recent investments in safety lighting and transitioning to solar lighting.
- Currently each township is serviced individually, rather than with the provision of regional facilities.
- New installations, such as boat ramps, rest stops and main street refurbishments have recently been completed.
- The Recreation Strategy is being developed to establish forward vision, including hierarchy of services provided.

### Condition and Performance

- The majority of the assets are ageing. Showgrounds (in particular Nimmitabel and Dalgety) are in poor condition, amenities require renewal (in particular at Cooma showgrounds currently closed and Nimmatabel showgrounds).
- Some parks and playground embellishments do not meet standards.
- Some of the infrastructure assets in Jindabyne are under the dam's full water supply level (some of the issues are being addressed through the SAP).
- Most of the tennis courts are managed by sporting organisations, however the majority are in poor condition.
- Some facilities that are under s355 Committees are in poor condition and communities are requesting maintenance or renewal of the facilities.
- Maintenance of the current trails is undertaken by volunteers. The Council is seeking agreement with volunteers that maintain the trails to provide additional funding for increased maintenance. The Council is seeking enhanced oversight of the maintenance undertaken.
- Public lighting, both public safety and sporting grounds, is ageing and requires upgrading to LED across the region.

- Access roads into public recreational sites are in poor condition.
- Across the Council there has been significant investment in the past 5-6 years to the playgrounds and park embellishments.
- Cooma Showground provides a high level of service. Jindabyne Sportsground is heavily used and performing well, as is Bombala Bicentennial Park,
- Parks and reserves are difficult to maintain with recent weather events with high demand on mowing. Drainage in parks is not performing well, resulting in inundation, pooling and wet areas that cannot be maintained.
- There is some conflict in uses, for example cricket and football on the same facilities. Some fields have “drop-in” cricket pitches that require attention to maintain. Lighting provided for some sporting fields is insufficient and in aged condition.
- Irrigation systems are performing poorly across the region and require replacement.

### **Critical Assets**

- High use assets – sporting grounds, major parks, mountain bike trails
- Sites used for emergency response – Cooma Showgrounds, Jindabyne John Connors Oval, Cooma Rotary Oval, Bombala Exhibition Showground and aerodrome.
- Monuments and memorials

### **Key Strategic Issues**

- There is only one dog park provided – currently in Cooma. There are also a range of off-leash areas. There is a high level of expectation that more dog parks will be provided.
- Jindabyne Sportsground currently experiences high level of use (including conflicting uses)
- High View Park (Jindabyne) requires upgrade to meet growing demand
- Management of public safety risks is important – including playgrounds, walking bridges, trails, trees in public space, concrete pathways, fencing, lighting of public spaces
- Vandalism of amenities is high
- Sporting facilities play surface areas is a high demand for continued maintenance, including sufficient irrigation for sporting facilities
- There is a high financial risk due to asset failure with insufficient reserves to fund asset replacement
- Playground inspections are the highest priority, with scheduled assessments established. Inspections of other built assets are currently not programmed.
- Tree assessment is programmed and inspected, and tree maintenance scheduled
- Maintenance on playgrounds and other built structures is predominantly reactive.

### **Strategic Options**

- All three scenarios indicate a high level of investment in Other Open Space Recreation – this is due to a large \$21 million investment (mostly grant funded) in 2022/23 and 2023/24 in projects – such as \$10.5m Lake Jindabyne Shared Trail, Strengthening Communities Safer Places, pool upgrades and

skate park upgrades.

- From 2025/26 funding significantly reduces in Scenario One to \$275,000 per year for Other Open Space Recreation and \$100,000 per year for Other Structures. While this is an increase in the historical funding from the Council's general revenue, this will require well planned and prioritised renewals to ensure the assets and levels of service are maintained.
- Under Scenario Two there is no funding for Other Open Space Recreation renewals until the 2027/28 financial year. This will result in a higher risk of asset deterioration resulting in withdrawal of assets from service until the funding is provided in later years to renew or replace deteriorated assets.
- Under Scenario Three Funding for Other Structures reduces to \$50,000 per year. This will result in a deterioration of assets, most likely requiring the rationalisation of less critical assets and a reduction in levels of service in the medium to long term.

**Table 12: Comparison of Capital Works for Open Space Recreation and Other Structure Assets by LTFP Scenario**

Asset Class	Scenario One	Scenario Two	Scenario Three
Other Open Space Recreation	23,450,912	22,350,912	23,675,912
Other Structures	1,769,423	1,569,423	1,319,423
<b>TOTAL</b>	<b>25,220,335</b>	<b>23,920,335</b>	<b>24,995,335</b>

Source – Long Term Financial Plan

## 7.6 Overview of Water Supply Network

- Water supply is currently through three water treatment plants in Cooma, Bombala and Dalgety. Other areas are supplied by raw water pumping stations.
- Construction of the water treatment plant (WTP) in Cooma underwent a major upgrade in the 1970s and another upgrade of mechanical and electrical components in 1995.  
  
Bombala WTP was constructed in the 1960s with a minor upgrade in 2018. Dalgety is a small membrane package plant installed in 2006. The age of a majority of the distribution network reflects the age of the treatment plants.
- Water filtration plant is scheduled to be constructed in Jindabyne contributed by the State Government through SAP development.
- Replacement of the Bombala WTP is scheduled in 2022/24 to upgrade the treatment and capacity.
- A new WTP is scheduled for Delegate in 2022/24 to improve water supply to Delegate.
- Raw water supply and rising mains related to both Bombala and Delegate will be upgraded with the completion of the upgrades of WTP in Bombala and Delegate.

### Condition and Performance

- Condition of assets generally reflect the age of the network and the history of renewals.
- Network is ageing, in particular in areas that have not had component upgrades – in particular Adaminaby, East Jindabyne, Jindabyne, Kalkite and Nimmitabel.

- Reservoirs are generally in fair condition with external contractors undertaking scheduled conditional assessments.
- Snowy Reservoir in central west Cooma failed in 2020 and is planned to be rebuilt in 2024.
- Main bursts and failures in the pipelines in Bombala are indicative of poor condition of pipes.
- The section of Cooma mains have also been a focus in recently years to address pipes in poor condition.
- Telemetry equipment is operational, however, at end of life and not adequately supported.
- Quality of water in Jindabyne is greatest concern with lack of ability to treat the raw water during we weather events – this will be addressed through the planned new WTP through the SAP.
- Water supply through damaged mains to Eucumbene is a concern, in particular sufficient pressure for firefighting, being addressed in future years capital works.
- Level of treatment in general is low where there is no WTP, relying upon quality of the raw water supply and limited treatment (mostly filtration and chemical treatment).
- Security of raw water is a concern in Cooma and Bombala, based on periods of drought and raw water storage in the towns.

### **Critical Assets**

- Treatment plants
- Raw water pumps
- Reservoirs
- Rising main (Cooma to Reservoirs)
- Telemetry

### **Key Strategic Issues**

- The capacity of supply to Berridale is constrained mainly due to storage in reservoirs which will soon limit further development in the supply area. The supply line is through a 150mm gravity fed line. Hydraulic modelling has been completed highlighting the supply constraints to Berridale.
- Supply to Kalkite also constrains development, due to ability to maintain reservoir levels. Requires a duplication of a dedicated supply line to the reservoir.
- Boiled water alerts in Jindabyne are a reputational and health threat to the community, plus an issue for a growing tourism industry and increasing visitor numbers – this is being addressed through the SAP development
- Continuity of water supply is a concern, mainly due to lack of contingency in the network, and vulnerability to asset failures (eg. electrical failure to treatment pumps).
- Availability of funding in reserves is a concern given the need to upgrade and address the backlog in renewals. The Council has completed preliminary demand plans for capital works renewal and upgrades. Funding availability is a major constraint to programming the capital works demand into the LTFFP and Annual Budget.
- Until recently, condition inspection of all infrastructure was outsourced. Recently, some inspections have been brought inhouse, with continued

reliance on outsourced inspectors (e.g. structural engineers, specialist technologies).

- Focus on scheduled maintenance is on treatment and pumps, with documented programs.
- Routine flushing is undertaken to address quality of water issues.
- High reliance currently on reactive maintenance, reflecting the age of the assets.
- Critical spares are maintained in stores as contingency for asset failure.
- Levels of service are documented in the Operational Plan for response time for customer requests, water quality and asset failures.

### Strategic Options

- All three scenarios in the LTFP provide the same level of investment in the capital works program for the water supply network assets. Funding for water supply services does not differ across the three scenarios.
- Council may need to consider debt funding the upgrades and renewals of assets that are causing the issues above to address the risk in the short term. This will require a revision of water pricing to enable the borrowings to be serviced through increased revenue.

**Table 13: Comparison of Capital Works for Water Supply Network by LTFP Scenario**

Asset Class	Scenario One	Scenario Two	Scenario Three
Water supply network	59,887,700	59,887,700	59,887,700
<b>TOTAL</b>	<b>59,887,700</b>	<b>59,887,700</b>	<b>59,887,700</b>

Source – Long Term Financial Plan

## 7.7 Overview of Sewer Network

- There are eight STPs – Cooma, Nimmitabel, Adaminaby, Bombala, Delegate, Jindabyne, Kalkite and Berridale.
- The oldest plants are in Adaminaby and Nimmitabel – constructed in the 1960s. A new STP was constructed in Bombala in 2021. Berridale WTP upgrade is approximately 15 years old (and currently under capacity). Remaining plants were constructed in the 1970s. Upgrades were completed in Cooma in the 1990s.
- Jindabyne STP is under capacity, with a planned upgrade STP through the SAP in 2023/5.
- Kalkite STP is currently being scoped for an upgrade to address future growth demand and to improve the treatment of wastewater.
- There has been a focus in recent years on refurbishment or replacement of pump stations. Other pump station refurbishments or replacement are planned in the next 2-3 years to address critical pump stations.
- Rising main in Cooma is being investigated for replacement (1.6km of mains or approx.)

### Condition and Performance

- Treatment plants are generally well maintained and in fair to good condition.
- Pump stations in Jindabyne are ageing and are a concern.
- High level of electrical faults, mainly in East Jindabyne.
- Telemetry is at end of life and has limited support.
- Wet weather flow events have occurred and exceedances in outflows have occurred due to weather events.
- Reported incidents are addressed acceptably (eg. spills due to breakages) and chokes have occurred with rectification without replacement of pipe.

- Sewer networks are generally performing at an acceptable level.
- Recent and planned upgrades of aged treatment facilities will result in continued improved performance.

### Critical Assets

- Treatment plants
- Pump stations
- Telemetry

### Key Strategic Issues

- Berridale, Jindabyne and Kalkite experiencing growth. Jindabyne STP is being upgraded through the SAP. Berridale is being investigated for options.
- Environmental threat is the key risk, in particular the performance of pump stations surrounding Jindabyne and potential for burst of rising mains.
- There is an established CCTV inspection program for sewer mains, with the relining program following the inspection in the smaller towns. Larger towns (being Cooma and Jindabyne) still require CCTV to be completed.
- Condition inspections are mostly outsourced, with routine inspections completed on pump stations.
- Maintenance on critical assets (treatment plants and pump stations) generally completed through programmed works.
- Manholes requires additional attention and funding with a large number of manholes at Condition 4 or worse (requiring renewal).
- High reliance currently on reactive maintenance, reflecting the age of the assets.
- Pump stations faults are occurring at a high frequency.
- Critical spares are maintained in stores as contingency for asset failure.
- Levels of service are documented in the Operational Plan for response time for reactive maintenance and addressing customer request.
- Availability of funding in reserves is a concern given the need to upgrade and address backlog in renewals. Council has completed preliminary demand plans for capital works renewal and upgrades. Funding availability is a major constraint to programming the capital works demand into the LTFP and Annual Budget.

### Strategic Options

- All three scenarios in the LTFP provide the same level of investment in the capital works program for the water supply network assets. Funding for water supply services does not differ across the three scenarios.
- Council may need to consider debt funding the upgrades and renewals of assets that are causing the issues above to address the risk in the short term. This will require a revision of sewer pricing to enable the borrowings to be serviced through increased revenue.

**Table 14: Comparison of Capital Works for Water Supply Network by LTFP Scenario**

Asset Class	Scenario One	Scenario Two	Scenario Three
Sewer network	61,631,207	61,631,207	61,631,207
<b>TOTAL</b>	<b>61,631,207</b>	<b>61,631,207</b>	<b>61,631,207</b>

**Source** – Long Term Financial Plan

## 8. CAPITAL WORKS PLAN SCENARIOS

**Table 15: Comparison of Capital Works by LTFP Scenario**

Service	Scenario One	Scenario Two	Scenario Three
<b>Planned Capital Works</b>			
Bridges	17,675,613	17,675,613	13,675,613
Buildings Non-specialised	27,044,880	24,044,880	10,844,880
Buildings Specialised	27,550,970	27,550,970	28,100,970
ICT Replacement	450,000	450,000	450,000
Office Equipment	1,342,685	1,342,685	892,685
Other Open Space Recreation	23,450,912	22,350,912	23,675,912
Other Structures	1,769,423	1,569,423	1,319,423
Plant & Equipment (incl Fleet	35,226,081	35,226,081	35,226,081
Resource and Waste	14,894,542	14,894,542	14,894,542
Roads	113,979,718	105,136,088	72,751,982
Stormwater	3,880,000	3,880,000	1,180,000
Wastewater	61,631,207	61,631,207	61,631,207
Water	59,887,700	59,887,700	59,887,700
<b>TOTAL</b>	<b>388,783,731</b>	<b>375,640,101</b>	<b>324,530,995</b>
<b>Type of Investment</b>			
New	36,674,408	36,674,408	36,674,408
Upgrade	34,093,701	34,093,701	34,093,701
Renewal	318,015,622	304,871,992	253,762,886
<b>Funding</b>			
General Fund - General Revenue	95,163,100	81,019,470	32,160,364
General Fund - Grant Funding	114,153,606	114,153,606	111,903,606
General Fund - Borrowings	4,150,000	5,150,000	5,150,000
General Fund - Reserves	53,798,118	53,798,118	53,798,118
General Fund - Uncompleted works	0	0	0
Water Fund - General Revenue	0	0	0
Water Fund - Reserves	38,137,700	38,137,700	38,137,700
Water Fund - Grant Funding	21,750,000	21,750,000	21,750,000
Sewer Fund - General Revenue	0	0	0
Sewer Fund - Reserves	38,731,207	38,731,207	38,731,207
Sewer Fund - Grant Funding	22,900,000	22,900,000	22,900,000
<b>TOTAL</b>	<b>388,783,731</b>	<b>375,640,101</b>	<b>324,530,995</b>

Source – Long Term Financial Plan

## 8.1 Scenario One - Capital Works Plan - 2022/23 - 2031/32 (\$)

**Table 16: Capital Works Plan – Scenario One**

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Planned Capital Works</b>										
Bridges	1,800,000	7,875,613	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Buildings Non-specialised	4,094,880	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Buildings Specialised	21,300,970	250,000	4,250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	132,000	133,640	135,731	137,874	140,071	142,322	144,630	146,996	149,421
Other Open Space Recreation	13,279,574	7,971,338	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
Other Structures	869,423	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	21,768,183	10,441,806	10,441,806	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140
Stormwater	1,180,000	300000	300000	300000	300000	300000	300000	300000	300000	300000
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>61,559,933</b>	<b>37,100,214</b>	<b>25,960,449</b>	<b>21,146,896</b>	<b>28,859,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>
<b>Type of Investment</b>										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	48,803,508	34,600,214	25,960,449	21,146,896	28,859,470	24,896,856	25,851,768	33,321,532	19,238,343
<b>Funding</b>										
General Fund - General Revenue	2,407,766	16,823,529	9,483,780	9,485,871	9,488,014	9,490,211	9,492,462	9,494,770	9,497,136	9,499,561
General Fund - Grant Funding	66,922,993	25,909,652	7,023,735	5,784,545	1,336,804	1,331,399	1,558,409	1,525,979	1,450,309	1,309,779
General Fund - Borrowings	150,000	0	4,000,000	0	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>61,559,933</b>	<b>37,100,214</b>	<b>25,960,449</b>	<b>21,146,896</b>	<b>28,859,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>

## 8.2 Scenario Two - Capital Works Plan - 2022/23 - 2031/32 (\$)

**Table 17: Capital Works Plan – Scenario Two**

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Planned Capital Works</b>										
Bridges	1,800,000	7,875,613	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Buildings Non-specialised	4,094,880	1,950,000	1,950,000	1,950,000	1,950,000	1,950,000	2,550,000	2,550,000	2,550,000	2,550,000
Buildings Specialised	21,300,970	0	5,000,000	0	0	250,000	250,000	250,000	250,000	250,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	132,000	133,640	135,731	137,874	140,071	142,322	144,630	146,996	149,421
Other Open Space Recreation	13,279,574	7,696,338	0	0	0	275,000	275,000	275,000	275,000	275,000
Other Structures	869,423	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	19,259,163	7,404,236	7,404,236	5,815,670	6,075,140	6,075,140	6,075,140	6,075,140	6,075,140
Stormwater	1,180,000	300000	300000	300000	300000	300000	300000	300000	300000	300000
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>57,875,913</b>	<b>33,887,644</b>	<b>21,747,879</b>	<b>19,712,426</b>	<b>28,259,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>
<b>Type of Investment</b>										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	45,119,488	31,387,644	21,747,879	19,712,426	28,259,470	24,896,856	25,851,768	33,321,532	19,238,343
<b>Funding</b>										
General Fund - General Revenue	2,407,766	13,139,509	5,271,210	5,273,301	8,053,544	8,890,211	9,492,462	9,494,770	9,497,136	9,499,561
General Fund - Grant Funding	66,922,993	25,909,652	7,023,735	5,784,545	1,336,804	1,331,399	1,558,409	1,525,979	1,450,309	1,309,779
General Fund - Borrowings	150,000	0	5,000,000	0	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>57,875,913</b>	<b>33,887,644</b>	<b>21,747,879</b>	<b>19,712,426</b>	<b>28,259,470</b>	<b>24,896,856</b>	<b>25,851,768</b>	<b>33,321,532</b>	<b>19,238,343</b>

### 8.3 Scenario Three - Capital Works Plan - 2022/23 - 2031/32 (\$)

**Table 18: Capital Works Plan – Scenario Three**

Service	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Planned Capital Works</b>										
Bridges	1,800,000	7,875,613	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Buildings Non-specialised	4,094,880	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Buildings Specialised	21,300,970	200,000	2,700,000	2,700,000	200,000	200,000	200,000	200,000	200,000	200,000
ICT Replacement	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Office Equipment	80,000	82,000	83,640	85,731	87,874	90,071	92,322	94,630	96,996	99,421
Other Open Space Recreation	13,279,574	7,996,338	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Other Structures	869,423	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Plant & Equipment (incl Fleet	2,811,661	3,538,782	4,311,388	3,686,395	1,779,756	5,127,539	5,991,302	3,332,133	2,897,460	1,749,665
Resource and Waste	2,599,838	4,444,189	3,128,277	671,517	347,217	325,597	1,233,636	1,103,917	801,237	239,117
Roads	34,877,083	11,941,567	6,516,666	6,516,666	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Stormwater	1,180,000	0	0	0	0	0	0	0	0	0
Wastewater	11,817,141	2,829,828	6,310,103	2,250,000	4,031,909	8,416,123	2,679,456	6,420,948	14,625,699	2,250,000
Water	16,137,700	9,750,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>49,508,317</b>	<b>28,950,074</b>	<b>21,810,309</b>	<b>14,496,756</b>	<b>22,209,330</b>	<b>18,246,716</b>	<b>19,201,628</b>	<b>26,671,392</b>	<b>12,588,203</b>
<b>Type of Investment</b>										
New	26,917,983	7,256,425	2,500,000	0	0	0	0	0	0	0
Upgrade	28,593,701	5,500,000	0	0	0	0	0	0	0	0
Renewal	55,336,586	36,751,892	26,450,074	21,810,309	14,496,756	22,209,330	18,246,716	19,201,628	26,671,392	12,588,203
<b>Funding</b>										
General Fund - General Revenue	2,407,766	5,021,913	3,083,640	3,085,731	3,087,874	3,090,071	3,092,322	3,094,630	3,096,996	3,099,421
General Fund - Grant Funding	66,922,993	25,659,652	6,773,735	5,534,545	1,086,804	1,081,399	1,308,409	1,275,979	1,200,309	1,059,779
General Fund - Borrowings	150,000	0	2,500,000	2,500,000	0	0	0	0	0	0
General Fund - Reserves	13,412,670	6,246,924	6,032,596	4,190,033	2,040,169	5,371,737	6,916,529	4,160,071	3,498,388	1,929,003
General Fund - Uncompleted works	0	0	0	0	0	0	0	0	0	0
Water Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Water Fund - Reserves	6,137,700	4,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Water Fund - Grant Funding	10,000,000	5,750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Sewer Fund - General Revenue	0	0	0	0	0	0	0	0	0	0
Sewer Fund - Reserves	1,417,141	2,329,828	5,310,103	1,750,000	3,031,909	6,416,123	2,179,456	4,420,948	10,125,699	1,750,000
Sewer Fund - Grant Funding	10,400,000	500,000	1,000,000	500,000	1,000,000	2,000,000	500,000	2,000,000	4,500,000	500,000
<b>TOTAL</b>	<b>110,848,270</b>	<b>49,508,317</b>	<b>28,950,074</b>	<b>21,810,309</b>	<b>14,496,756</b>	<b>22,209,330</b>	<b>18,246,716</b>	<b>19,201,628</b>	<b>26,671,392</b>	<b>12,588,203</b>

Source – Long Term Financial Plan

## 9. CRITICAL ASSETS AND RISK MANAGEMENT

Critical assets are identified in Appendix C.

Risk management strategies currently in place are shown in Table 10.

**Table 19: Risk Management Strategies**

Critical Asset	Risk	Risk Management Strategies
Water Treatment Plants	Failure of treatment Process through loss of power, contamination in catchments	NSW Health Protocols Drinking Water Management Strategy Access to a generators
Pump Stations (water)	Failure of pumps	Access to a generators Access to backup pumps, duty stand by and emergency pumps
Sewer Treatment Plants	Failure of treatment process through loss of power, contamination	NSW EPA requirements Pollution Incident response Management Plan NSW Health notification and Snowy Hydro if applicable
Pump Stations (sewer)	Failure of pumps	Access to a generators Access to backup pumps, duty stand by and emergency pumps
Bridges	Partial or complete loss of service capacity due to structural or other reasons	Detours and prioritisation of resources to restoring access.
Unsealed roads	Partial or complete loss of service capacity due to weather event	Prioritisation of resources to restoring access.

## 10. ACTIONS, TIMEFRAMES AND PROJECTED RESOURCES REQUIRED TO IMPROVE ASSET MANAGEMENT CAPABILITY

The tasks required to improve financial and asset management maturity are shown in Table 20.

**Table 20: Asset Management Improvement Plan**

Ref	Action	Responsibility	Target Date	Resources
1	Review and maintain integrated Resource Strategies, including integration between asset management plans, Asset Management Strategy and the LTFP.	Chief Strategy Officer	Ongoing	N/A
2	Effectively communicate the Council's decisions on policy and strategy throughout the organisation.	General Manager	Ongoing	N/A
3	Establish service planning as central to the integrated planning framework, including community engagement on satisfaction and importance of range and levels of service.	Chief Strategy Officer	Ongoing	N/A
4	Establish the Asset Management Advisory Group and consider an independent observer to assist the formation of the group	General Manager	2023	Internal staff time Meeting fees for external observer
5	Establish an asset performance management framework	Chief Strategy Officer	2023	Internal staff time
6	Review configuration of the asset management information system, including appropriately componentised asset register, works programming, works scheduling/ticketing and reporting.	Chief Strategy Officer	2023	Internal staff time
7	Establish a training and development program aimed at improving the leadership and management of assets.	Chief Workforce Officer	2023	Internal staff time
8	Review the componentisation and useful life assumptions for the valuation of assets and calculation of depreciation.	Chief Finance Officer	2023	Internal staff time
9	Enhance the maturity of the Asset Management Plans, in particular the understanding of assets, inspections and the lifecycle management approach.	Asset Managers	2023	Internal staff time

Ref	Action	Responsibility	Target Date	Resources
10	Review and improve accuracy and currency of asset registers, annually in preparation for asset valuations.	Asset team	Ongoing	Internal staff time
11	Recording of operating and maintenance costs are recorded	Finance and Operational staff	2024	Internal staff time
12	Develop a process to improve linking of customer requests to asset records	Assets & Operational staff	2024	Internal staff time
13	Identify critical assets in each category and develop plans to manage the associated risk	Operational and Risk Management staff	2024	Internal staff time
14	Develop a process to improve the quality of asset condition data	Assets & Operational staff	Ongoing	Internal staff time
15	Progress the maturity of asset management planning from 'core' to 'advanced' level	Asset team	2026	Internal staff time

## **11. APPENDICES**

### **Appendix A: Asset Management Maturity Assessment**

Following amalgamation in May 2016, Council has focused on consolidation of asset data from the three former systems into a single asset register, with the current Civica Authority system going live on July 1, 2020.

No recent Asset Management Maturity Assessment has been undertaken, but with the current review and update of the suite of asset management documentation, we believe that Council will be at a “core” level of asset management maturity.

A formal Asset Management Maturity Assessment will be undertaken and the result included in the next revision of this document.

## Appendix B: Asset Management Policy

# Policy

## Asset Management

<b>Responsible Portfolio</b>	Strategy Portfolio	<b>Document Register ID</b>	250.2022.[document number].1
<b>Policy owner</b>	Team Leader Asset Management	<b>Review date</b>	Date [document date]
<b>Date of Council Meeting</b>	Date Approved [checklist 25002 10 DD LAST VALUE]	<b>Resolution Number</b>	Number [checklist 25002 11 DD LAST VALUE]
<b>Legislation, Australian Standards, Code of Practice</b>	Local Government Act 1993 Local Government (General) Regulation 2021		
<b>Aim</b>	To ensure agreed service levels can be provided throughout the Snowy Monaro Region.		

### 1 Objective

To ensure the appropriate assets are in place to meet the agreed service levels and that those assets are managed efficiently and effectively.

### 2 Policy Statement

- a) All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- b) Asset management principles will be integrated within existing planning and operational processes.
- c) Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- d) Council will move towards ensuring asset renewals and maintenance required to efficiently and effectively manage the assets will be fully funded in the annual budget estimates.
- e) Full lifecycle costs will be reported and considered in all decisions relating to new services and assets as well as the upgrading of existing services and assets.
- f) Asset valuations will be performed on a regular basis.

### 3 Principles

- a) Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- b) Council's assets, including physical assets and employees, will be safeguarded by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- c) An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.

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- d) All councillors and employees will take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- e) Transparent and responsible asset management processes that align with demonstrated best practice will be in place.
- f) Asset management will relate directly to the delivery plan and its actions and activities.

#### 4 Responsibility

Councillors are responsible for:

- a) adopting the policy
- b) adopting and asset management strategy
- c) adopting asset management plans for each class of assets and
- d) ensuring that sufficient resources are applied to manage the assets.

The Chief Executive Officer has overall responsibility for:

- a) assisting the councillors in developing an asset management strategy
- b) enacting the actions within the strategies and plans
- c) establishing procedures to guide the asset management process and
- d) reporting the status and effectiveness of asset management within Council.

#### 5 Review Date

This policy is to be reviewed within 12 months of a Council election unless set out otherwise within legislation.

#### 6 Related Documents

This procedure should be read in conjunction with the following documents:

Documentation	
250.2021.24.1	Asset Valuation Procedure
250.2021.22.1	Asset Data Acquisition and Disposal Procedure
250.2016.212.2	Developer Built Assets Procedure

#### Variation

Council reserves the right to review, vary or revoke this policy.

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## Appendix C: Critical Assets

Critical assets currently identified are shown below. This list will be refined and updated in future revisions of this document.

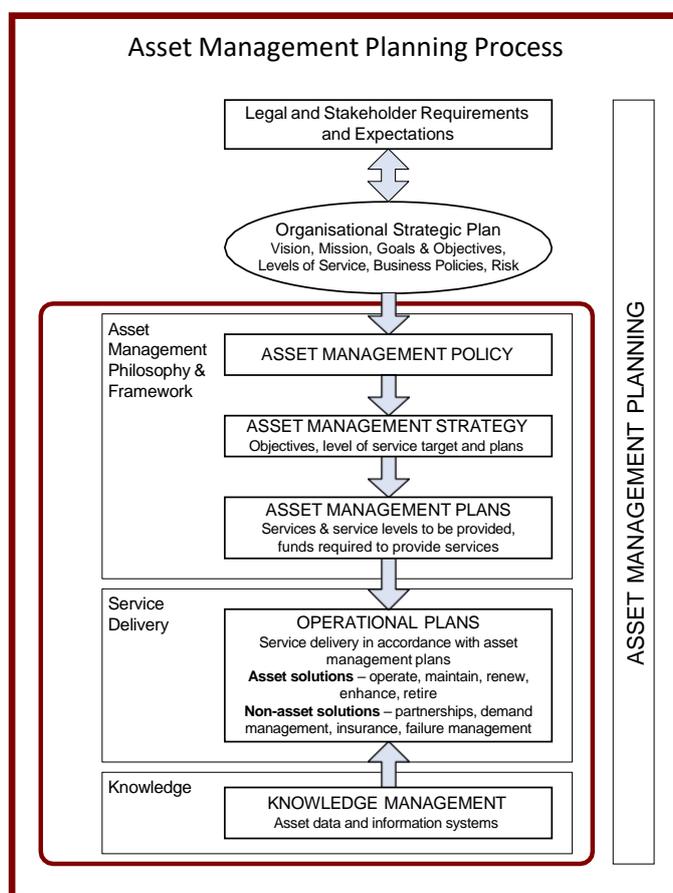
Critical Asset	Failure Mode	Impact
Water Treatment Plants	Failure of treatment process through loss of power, contamination in catchments	Inability to provide safe water to community Impact on public health and essential community services Impact of Council reputation
Pump Stations (water)	Failure of pumps	Inability to provide safe water to community Impact on firefighting capability of community Impact of Council reputation
Sewer Treatment Plants	Failure of treatment process through loss of power, contamination	Potential Environmental pollution incident Impact on Council reputation
Pump Stations (sewer)	Failure of pumps	Potential health hazard if service not provided Impact on Council reputation
Bridges	Partial or complete loss of service capacity due to structural or other reasons	Loss of access to served area Increased travel times Impact on emergency services
Unsealed roads	Partial or complete loss of service capacity due to weather event	Loss of access to served area Increased travel times Impact on emergency services

## Appendix D: Background Information

### D.1 Asset Management Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial strategy and funding plan.



## **D.2 Financial & Asset Management Maturity**

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 practice areas have been developed from these elements to assess maturity under the National Frameworks.

The core competencies are:

### Financial Planning and Reporting

- Strategic Longer-Term Plan
- Annual Budget
- Annual report

### Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council intends to carry out a formal maturity assessment in the near future, and the result of this assessment will be incorporated into future iterations of this strategy.

Anecdotally, Council's level of asset management maturity is rated as being at the "core" level.

### Further Information

The Snowy Monaro 2042 Community Strategic Plan, 2022-26 Delivery Program, Operational Plan and Annual Reports can be viewed on Council's website.

For further information visit:

 [www.snowymonaro.nsw.gov.au](http://www.snowymonaro.nsw.gov.au)

 Snowy Monaro Regional Council

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### Your Feedback

A copy of this Plan can be obtained from Council's website: [www.snowymonaro.nsw.gov.au](http://www.snowymonaro.nsw.gov.au)

We are interested to know your thoughts about this Plan. Your comments and suggestions are valuable because they highlight opportunities for us to improve the quality of our services, plans and reports. If you would like to comment, or require additional information regarding this report please contact us.

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