



Planning for our future

Resourcing Strategy 2023 – 2033

Part 1: Workforce Management Plan

Part 2: Asset Management Strategy

Part 3: Long Term Financial Plan

Living and loving the Tweed

Council values and statements

What we value

We look after people and our places, explore all opportunities, and are proud of our passionate approach.

We care about each other, choose to be here, and are in this together.

We have conversations where everyone can contribute, and we are willing to have a go.

We put back in to make a difference, so that our Tweed community is even better tomorrow than it is today.

Vision

The Tweed will be recognised for its desirable lifestyle, strong community, unique character and environment and the opportunities its residents enjoy.

Mission

Working with community and partners, provide leadership in facilitating and delivering services that manage growth sustainably, create opportunity and enhance the value of our civic and natural assets for this and future generations.



Statement of acknowledgment of the Bundjalung Aboriginal Nation

We wish to recognise the generations of the local Aboriginal people of the Tweed Bundjalung (Bun-ja-lung) Nation who have lived in and derived their physical and spiritual needs from the forests, rivers, lakes and streams of this beautiful valley over many thousands of years as the traditional custodians of these lands.



Contents

Introduction	4
Part 1: Workforce Management Plan	7
What is a workforce management plan?	10
Key themes	11
1. Establish Council as an employer of choice	12
2. Provide professional learning and development opportunities	13
3. Prioritise staff safety, health and well-being	14
4. Strengthen workplace diversity	16
5. Plan for our future workforce	18
Celebrating our successes	19
Part 2: Asset Management Strategy	21
Executive summary	24
Purpose of the Asset Management Strategy	26
Community profile	29
Our shire	30
What is Asset Management?	34
Strategic Asset Management systems	38
Current position and status of our asset planning	40
Long-term financial projections	47
Strategic actions	48
Key performance indicators	52
Strategy review	52
References and appendix	53
Part 3: Long Term Financial Plan	55
Introduction	58
Structure and format	58
Financial goals – consolidated	59
Fit for the Future – general fund	59
Connection to the Integrated Planning and Reporting Framework	96

Introduction

The Resourcing Strategy forecasts Council's ability to deliver assets and services to the community over the next 10 years in line with the adopted *Community Strategic Plan 2022–2032*.

Its aim is to ensure that the resources are available as and when required to achieve the Community Strategic Plan:

- People – Workforce Management Plan
- Assets – Asset Management Planning
- Finances – Long-term Financial Plan



Living and loving the Tweed

Background – legislative framework

The Integrated Planning and Reporting Framework requires that Council prepare:

- A 10-year **Community Strategic Plan** to be developed in consultation with the community, State Government agencies and other relevant stakeholders. The purpose of the plan is to identify the community’s main priorities and aspirations for the future and to plan strategies for achieving these goals.
- A 4-year **Delivery Program** that details all activities Council will be committing to over the next four years to work towards achieving its long term objectives as documented in the Community Strategic Plan.
- An annual **Operational Plan** that specifies individual activities Council will be undertaking during the year together with details of income and expenditure estimates for the year. These activities are drawn from the Delivery Program which is based on the Community Strategic Plan.
- A **Resourcing Strategy** which is aimed at ensuring that the resources – money, assets and people – required to achieve the Community Strategic Plan are available as and when required. The Resourcing Strategy is focussed purely on Council’s responsibilities in the roles of leader and provider.







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Part 2: Asset Management Strategy

Part 3: Long Term Financial Plan



Contents

Part 1: Workforce Management Plan

What is a workforce management plan?	10
Key themes	11
1. Establish Council as an employer of choice	12
2. Provide professional learning and development opportunities	13
3. Prioritise staff safety, health and well-being	14
4. Strengthen workplace diversity	16
5. Plan for our future workforce	18
Celebrating our successes	19

What is a workforce management plan?

At Tweed Shire Council our most important resources are our people, so it's important to regularly review our workforce against our strategic objectives to ensure we have the capacity now and in the future to deliver services and support to the Tweed community.

Workforce management planning ensures that Council has the right people, with the right skills, at the right time, undertaking the right jobs. It supports the achievement of goals detailed in Council's Delivery Program which is informed by the Community Strategic Plan.

Tweed Shire Council delivers a diverse range of services, with a large multi-skilled workforce in a competitive regional employment market.

This presents a number of challenges including:

- Attracting and retaining skilled staff.
- Growing community expectations of Council.
- Technological advancements.
- Skill shortages.
- Ageing workforce issues.

In order to address these challenges Council must:

- Demonstrate strong leadership.
- Have a contemporary, inclusive and adaptable organisational culture.
- Prioritise staff safety, well-being and professional development.
- Meet its legislative requirements.
- Have employee diversity that is reflective of the Tweed community.



Key themes

Council has taken a strategic approach to addressing these key challenges and has identified five core themes as the basis for the Workforce Management Plan:

1. **Establish Council as an employer of choice**
2. **Provide professional learning and development opportunities**
3. **Prioritise staff safety, health and well-being**
4. **Strengthen workplace diversity**
5. **Plan for our future workforce**

The Workforce Management Plan aligns directly with stream 3 of the *Community Strategic Plan 2022–2032*:

Growing

3. **We want to work together to plan for the future so the Tweed grows and evolves in a sustainable way**



Goal 3.3: Make sure Council services are supported to deliver effective, transparent programs and operations.

Service goal: To support a productive, respectful and safe work environment.

As with the Community Strategic Plan, Council's Workforce Management Plan is underpinned by support documents that detail planned projects, budgets, time frames and responsibilities.

Flexibility within the strategies and actions identified within each theme area is required to enable unexpected emerging issues or new ideas and solutions to be included.

Employer of choice



1. Establish Council as an employer of choice

In a competitive labour market, a strong brand reputation and employer profile are essential in recruiting quality people. Being an 'employer of choice' simply means becoming an organisation who potential and existing employees want to work for, over and above others in the same marketplace.

In the modern work environment, employees are seeking more than just job and financial security. Significant value is now being placed on cultural fit and work practices that best suit an individual's lifestyle and career aspirations.

This means placing greater emphasis on workplace culture, communication and consultation, as well as promoting work/life balance initiatives, and staff reward and recognition schemes.

Strategies/actions

We need to:

- Ensure Council's values underpin all policies, protocols, processes and practices.
- Ensure we 'walk the talk' and live our organisational values.
- Have conversations with staff to understand their needs and seek their input on making things better.
- Promote local government as a desirable and progressive career path where you can make a real difference.
- Promote a work environment that recognises the need for work/life balance.
- Celebrate our achievements and successes.
- Ensure contemporary and best practice principles underpin our people management plans.
- Challenge traditional work practices, embrace innovation, flexibility and equal opportunity.

Targets

We aim to:

- Maintain staff turnover in line with industry benchmarks.
- Achieve greater than 75% overall staff satisfaction of Council as an employer.
- Increase the number of employees new to Local Government.

Learning and development



2. Provide professional learning and development opportunities

At Tweed Shire Council our employees are our most important resource – to invest in them is to invest in our future and the future of the community.

With changing technology, community expectations and service delivery models, skills need to be continually updated and new capabilities developed.

Half of Council's current workforce is eligible to retire within the next 10 years.

We need to plan for what these changes will bring by looking at how we work and attracting and nurturing new talent.

Addressing skills shortages, staff retention, and job satisfaction are important areas that can be improved through learning and development programs.

Learning and development opportunities need to be targeted, resource efficient, engaging, valued, timely and result in measurable improvements in knowledge, skill and or behaviour.

Strategies/actions

We need to:

- Deliver a blended learning culture that combines on the job learning with formal training.
- Develop and implement a whole of organisation leadership framework that is visionary and transparent.
- Develop and implement a suite of programs to support and strengthen Council's capacity to deliver.
- Challenge traditional work practices to ensure future outcomes are relevant and contemporary.
- Actively review and seek feedback on our performance embedding a culture of process improvement.
- Nurture the talent of high performing individuals across all levels of the organisation, supporting their potential as future leaders.

Targets

We aim to:

- Implement the Learning and Development Strategy.
- Decrease skill shortage gaps.
- Increase staff satisfaction with organisational leadership.
- Identify employees to participate in Future Leaders Program.

Safety, health and wellbeing

3. Prioritise staff safety, health and well-being

At Tweed Shire Council, the safety, health and well-being of our staff is our number one priority.

Council's approach is that all injuries are unacceptable and our commitment is to provide a safe and healthy work environment for our employees, volunteers, contractors and visitors.

A large percentage of Council's workforce undertakes high risk duties with much of this work being undertaken in public spaces. All our staff have the right to return home safely from work to their loved ones each day.

Safety today is about much more than illness and injury prevention and return to work programs. Our approach also includes broad based health and well-being strategies, programs to manage occupational aggression, transitional strategies for ageing workers and meeting increased legislative obligations relating to design, procurement and contractor management.

Strategies/actions

We need to:

- Embrace an organisational culture that identifies and addresses risks in all facets of work.
- Continue to promote a safe working culture as an organisational priority.
- Integrate safety into project design, procurement and contract management and monitor its implementation.
- Ensure the community understands that aggression and abuse towards Council staff from members of the public will not be tolerated.
- Support staff who have experienced occupational aggression from members of the public.
- Ensure health and well-being initiatives are accessible and relevant to Council's diverse workforce needs.
- Value and actively look after our own and our colleagues' physical and mental wellness.
- Value the contribution of Council's ageing workforce and continue to support these employees through potential new career paths and retirement transition initiatives.



Targets

We aim to:

- Increase participation levels in Council's Health and Well-being initiatives.
- Have less than 3 health and safety incidents per 100 full time equivalent staff each year.
- Have less than 15 lost time injuries each year.
- 3.5% Workers compensation insurance premium (as a percentage of wages cost).
- Less than 50% Staff costs (as a percentage of unrestricted revenue).



Workplace diversity

4. Strengthen workplace diversity

Tweed Shire Council embraces and values people of all abilities and where possible includes identified positions to attract employees from areas that have traditionally had low levels of workplace representation.

Indigenous employment

- 2.71% of the Tweed community identify as Aboriginal or Torres Strait Islander.
- 2.41% of Council employees identify as Aboriginal or Torres Strait Islander.

Youth employment

- 15.10% of Council employees are under 35 years of age.
- Council hosts 16 young trainees and apprentices.

Women employees

- 33.95% of Council employees are women.
- 25.92% of Managers and senior staff are women.
- 52 women are employed in non-traditional female roles such as engineering and trades.

Ageing workforce

- 51.47% of Council's workforce is 50 or older, with 8.42% being 60 or older.
- 34.22% of Council's current workforce will be able to access their superannuation and retire within the next 5 years with 58% eligible to retire within 10 years.

As a local government authority it is important that our workforce reflects the diversity in our communities and positively contributes to correcting historical inequitable imbalances. Given the gaps in diversity and gender representation in our current workforce, the priority areas to help improve this are enhanced employment and promotion opportunities for women, young people and those who identify as Aboriginal and Torres Strait Islanders.

Council should embrace and value people of all abilities and where possible, establish identified positions to attract employees from areas that have traditionally had low levels of mainstream workplace representation. Increasing diversity will also assist with addressing issues associated with our rapidly ageing workforce.



Strategies/actions

We need to:

- Challenge traditional work practices to embrace innovation, flexibility and equal opportunity.
- Promote local government to the broader community as a desirable and progressive career path where ‘you can make a real difference’.
- Develop and implement initiatives to increase the number of Gen Y and millennial employees (those born between 1977 and 1995).
- Develop and implement initiatives that attract and retain employees who identify as Aboriginal/Torres Strait Islander and through culturally safe and sensitive support structures, provide career pathways across Council’s diverse range of services.
- Develop and implement initiatives to increase the number of women employees and provide career development paths for women with a focus on engineering, trades, management and field based roles.

Targets

We aim to:

- Increase representation of employees who identify as Aboriginal or Torres Strait Islander across all service areas of Council and across all job grades.
- Meet local government benchmarks for women employees.
- Increase entry level and youth employment opportunities.



Future workforce



5. Plan for our future workforce

As a community, the Tweed is rapidly evolving and Council needs to keep pace.

The Tweed Shire Council of 10 years ago is very different to the modern local government organisation we are now – and will be very different again in another 10 years' time.

With changing customer expectations, increased cost shifting from other levels of government, technological advancements, legislative changes and reform, Council's workforce needs will change significantly over time.

To remain competitive and to respond to community expectations, Council needs to ensure its workforce management strategies remain contemporary, and that performance data is used to benchmark ourselves against leaders in any field within which we operate.

Strategies/actions

We need to:

- Value and retain organisational knowledge held by individuals ensuring it is preserved and transferred to relevant colleagues.
- Nurture the talent of high performing individuals across all levels of the organisation, recognising their potential as future leaders.
- Implement integrated Human Resource management information practices to provide access to more accurate and timely data, delivering improved operational efficiencies.
- Promote a culture that embraces new technologies and emerging workplace innovations.
- Ensure all employees understand their role in, and are equipped to provide, genuine and responsive customer service delivery.
- Commit to being individually responsible and accountable for performing our roles and make the changes we need to improve our performance in the future.

Targets

We aim to:

- Identify employees to participate in Future Leaders Program.
- Identify critical positions and individuals for knowledge transference.
- Develop and implement a knowledge transference framework.
- Develop and implement a Business Excellence Framework.
- Fully implement an integrated Human Resource Information System.

Celebrating our successes

Recognising our achievements

Industry Awards and Achievements

We're also an award winning organisation – many times over – recognising the professionalism of our teams and employees across a wide range of industries.

Receiving industry awards and acknowledgements is a great way to recognise how Council and our employees make a difference to our community.

Find out more about Council's awards and achievements on our website.

tweed.nsw.gov.au/awards-achievements

Organisational Awards and Achievements

Council's annual **Service and Productivity Excellence Awards** recognise and celebrate the great work we do here at Council and the dedicated and innovative people behind the scenes. Excellence of individuals and teams is recognised in a number of categories which are adjusted each year.







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Contents

Part 2: Asset Management Strategy

Executive summary	24
Purpose of the Asset Management Strategy	26
Community profile	29
What is Asset Management?	34
Strategic Asset Management systems	38
Current position and status of our asset planning	40
Long-term financial projections	47
Strategic actions	48
Strategy 1: Service levels review and monitoring	48
Strategy 2: Advanced condition management	49
Strategy 3: Enhanced long-term modelling	50
Strategy 4: Linking long-term financial planning with advanced asset management	50
Strategy 5: Asset management plans for major asset categories	50
Key performance indicators	52
Strategy review	52
References and appendix	53

Executive summary

Tweed Shire Council is entrusted with providing a wide range of services under the authority and guidance of the NSW Local Government Act, most of which require the use of assets in some form.

This includes infrastructure assets that directly provide services for transport, drainage, recreation, culture, water and wastewater, as well as land, buildings, plant and equipment assets that support these services.

With a replacement value of over \$3.6 billion, these assets play a significant role in Council’s service delivery.

The efficient management of these assets is vital in maintaining safe, reliable and efficient services that help achieve the strategic priorities and goals adopted for the community in the Community Strategic Plan.

This Asset Management Strategy provides clear direction to strive to maximise the return on investment in community assets through:

- understanding the community’s needs, priorities and levels of service
- understanding the current state of assets and their management
- assessing the optimal position and analysing the gap
- determining a required approach and action plan
- setting a performance monitoring process.

Community needs are largely determined through the development and review of the Community Strategic Plan. While it is important to know how well assets are meeting community needs in terms of use, Council has little discretion over the supply levels of most infrastructure such as transport, drainage and water and wastewater utilities. For these assets, usage is mainly applied in setting a hierarchy for priorities and maintenance and renewal schedules.

The current situation with assets looks at:

- asset condition and capacity
- funding capacity for new; renewal and maintenance
- asset management systems and processes.

The overall current condition of assets as reported in the Special Schedules for 2020–21, based on the percentage of gross replacement cost at each grade is shown below:

Excellent/very good	56.6%
Good	24.5%
Satisfactory	14.1%
Poor	2.3%
Very poor	2.5%

Due to the public nature of council assets and the associated risks, as a minimum 'condition' is generally kept to a satisfactory level. It is estimated that the cost to bring the 5% of assets that are below this level up to satisfactory condition is \$37 million.

The funding capacity for asset management considers the issues of sustainability and intergenerational equity.

Long term maintenance of asset condition and service levels is the main focus of sustainability analysis. Due to the long-term nature of this concept, it is difficult to demonstrate with snap shots.

The Special Schedules for 2020–21 show an overall Asset Maintenance ratio (actual/required expenditure) of 98.9% and that a figure close to 100% is generally achieved. The Asset renewal ratio (actual renewal/annual depreciation) of 65% indicates a lack of capacity to replace assets as they reach end of life.

The 100% benchmark for this ratio however is somewhat unrealistic for long-life assets given that annual depreciation is only a measure of deterioration for the year, and renewal is not required until that deterioration falls below satisfactory.

The main aim for Council is to ensure recurrent operating results break even or better to have the capacity to fund depreciation when required.

The legislative framework Council operates in also has a focus on sound asset management and reporting and Council's commitment should be reflected in compliance with these such as:

- maintaining current strategic documents
- undertaking regular asset reviews and revaluations.

The solutions provided in this strategy therefore cover:

- identifying the current and future asset needs and service levels of the community
- improving asset data to accurately predict optimal operating, maintenance and renewal costs
- improving the internal asset management framework of council to promote efficient and effective planning, reporting and delivery of services.



Purpose of the Asset Management Strategy

The objective of this Asset Management Strategy (AMS) is to develop a structured set of strategic actions aimed at enabling Council to improve its asset management practices to support Council’s Asset Management Policy and service delivery needs.

It is an important element of the Integrated Planning and Reporting Framework that guides the strategic process for local government in NSW.

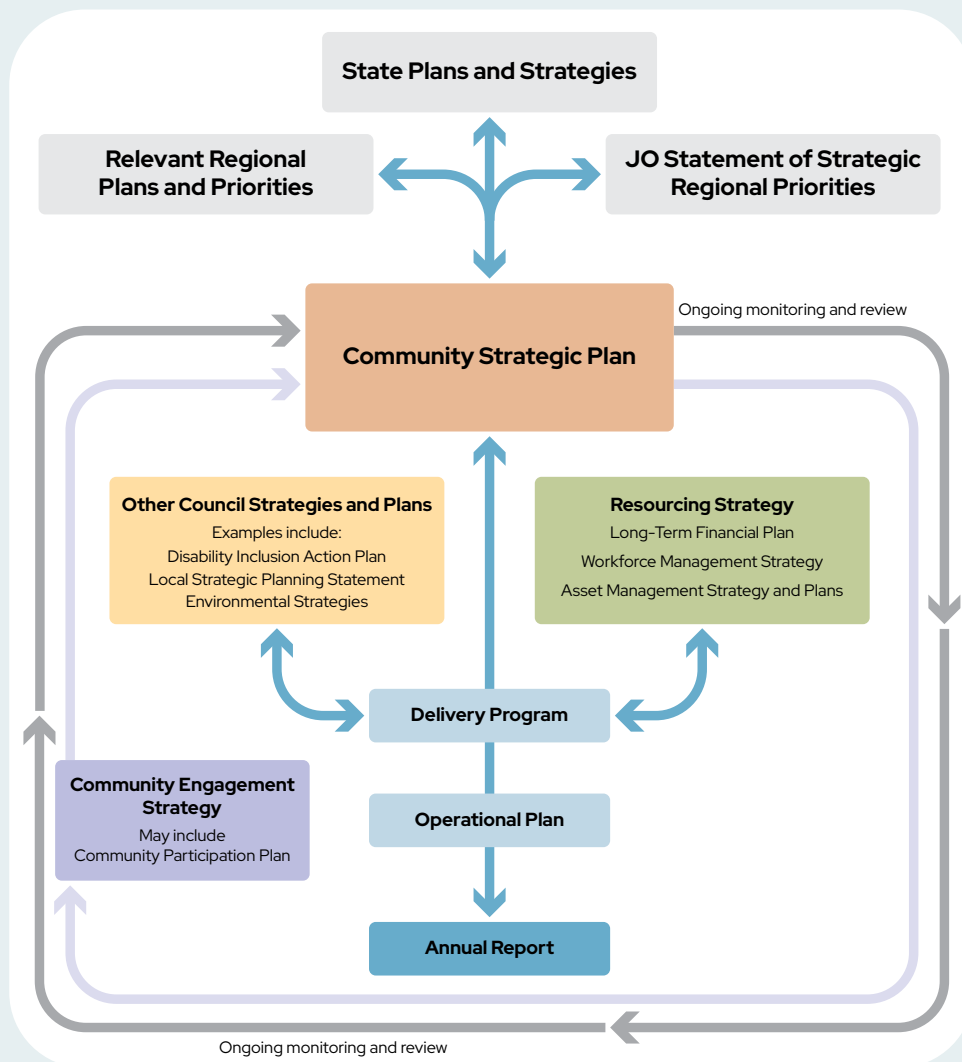


Figure 1: Integrated Planning and Reporting Framework

The Community Strategic Plan (CSP) sets the vision for the Tweed that:

The Tweed will be recognised for its desirable lifestyle, strong community, unique character and environment and the opportunities its residents enjoy.

The key themes of the CSP then demonstrate the importance of assets in the delivery of essential and desirable services.

The Resourcing Strategy determines how the budget, workforce and assets of council can best deliver the objectives of the Community Strategic Plan through the Delivery Program and Operational Plans.

The Asset Management Policy sets the broad framework and key principles that underpin asset management with the vision that the return on investment in community assets is maximised.

With limited resources to meet a vast range of services and functions, this recognises that the asset portfolio should provide the greatest satisfaction of community needs in the most efficient and effective manner.

The Resource and Appendix section of this document provides links to the Asset Management Policy and the Asset Management Plan for each major asset class which provides Council with detailed comprehensive information and knowledge to assist its short and long term service delivery planning.

Key benefits of the strategy implementation

Tweed Shire Council has clearly endorsed a commitment to asset management in its Community Strategic Plan, while the Delivery Program sets the course for Council's delivery of services and projects over the next 4 years.

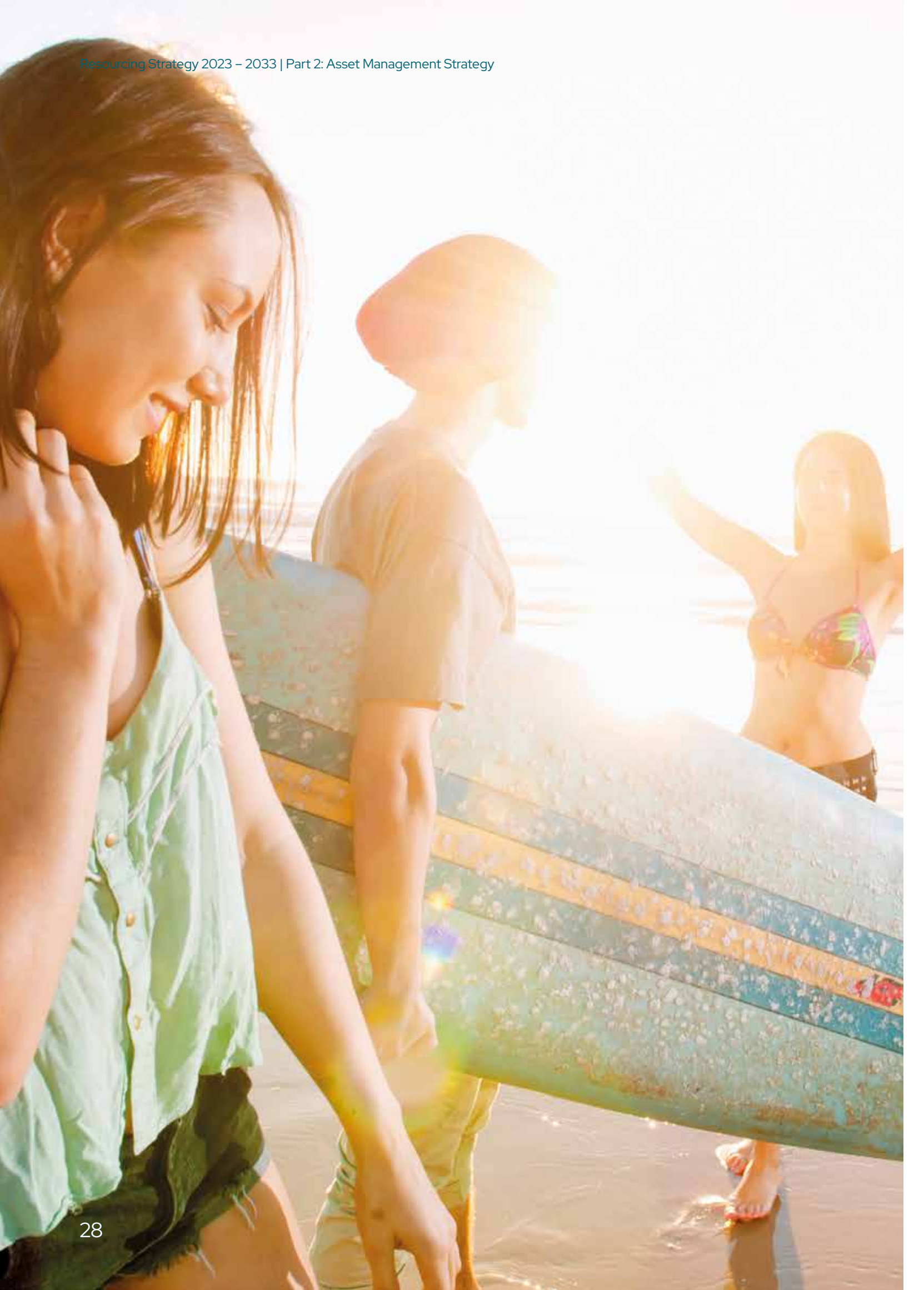
To support Council's vision, it is important that our infrastructure is provided and maintained at a reasonable level, commensurate with the community's expectations and affordability.

As infrastructure is subject to various forms of obsolescence, it is necessary that we have a long-term strategy in place to enable us to determine options for planning, acquiring, refurbishing, upgrading, maintaining, operating and disposing of assets.

By implementing this AMS, we are aiming to improve Council's asset management practices to provide a more sustainable service delivery process.

The key benefits are:

- Ability to provide better outputs with fewer resources by better aligning our resources and needs.
- Ability to understand what condition our assets are in and by monitoring the effect our actions are having on them.
- Having a key set of actions that will allow us to manage the provision of these assets into the future at lowest long-term cost.
- Be able to assign appropriate levels of funding for each asset class in line with the respective service level targets.
- Being able to clearly define what service levels we can deliver to our customers, the rate-payers and users.



Community profile

The Tweed Shire is located in the north east corner of New South Wales, in a diverse area featuring coastal villages, urban centres, rural villages and agricultural activities.

The centrepiece of the Tweed is Wollumbin / Mount Warning, where the sun first hits the Australian continent most of the year. The surrounding McPherson, Tweed, Burringbar and Nightcap Ranges form the caldera of the fertile Tweed Valley.

The Shire stretches over 1,303 square kilometres and adjoins the NSW shires of Byron, Lismore and Kyogle with the Gold Coast City Council area and Scenic Rim Regional Council to its north.

The Shire has 37 kms of natural coastline, wetlands and estuarine forests, and some of the richest pastoral and farm land in NSW. The Tweed River basin is a unique and diverse mountainous region, containing three world-heritage listed national parks.

The 2016 Census confirms that The Tweed is experiencing and will continue to experience growth.

Tweed Shire is home to an estimated 91,371 people (Australian Bureau of Statistics (ABS) 2016), an increase of 7.3% from 85,105 people in 2011.

A substantial population increase is expected to occur in the Tweed LGA by 2031 (128,135). This represents an anticipated annual growth rate of 1.2%. Tweed Heads continues to grow at the fastest rate within the Shire. However over the next 20 years the new areas of Kings Forest and Cobaki Lakes are expected to attract up to 15,000 new residents.

The total population is projected to grow from a 2011 base of 85,106 people past the 2026 figure of 117,310 to 128,135 by 2031. This growth is not expected to occur evenly across the age groups, with relatively little growth anticipated in the younger age groups, especially those under 15 years of age with a very high percentage expected in the retired and frail aged age cohorts.

This projected population profile reflects the socio-demographic changes which have resulted in middle to older age groups undertaking a sea change. This movement to the Tweed Shire up and out from the rest of NSW, as well as the movement of people down from South East Queensland is expected to result in the continuation of the rapid growth rate over the next 2 decades.

Our shire

The Tweed



- Located in NSW North Coast.
- Major population centres: Tweed Heads, Murwillumbah, Kingscliff.
- Gateway between Northern NSW and South East Queensland.
- Gold Coast Airport serves as the major international gateway.
- Access to services and employment opportunities not found in many other regional centres.
- Internationally significant environment

Land use



Council infrastructure in the Tweed

Sport, recreation, community and cultural assets



assets
6000
value
>\$250m

includes parks, sporting facilities, aquatic centres, cemeteries, office buildings, community centres, auditoriums, halls, leased and licensed buildings, art gallery, museum, library facilities, bushland, foreshores and waterways assets.

Water assets



1

dam

3

water treatment plants

27

water pump stations

2

weirs

42

reservoirs

723km

water mains

Stormwater assets



390km

stormwater drainage pipes, channels and minor road culverts

17,650

stormwater pit structures

Wastewater assets



8

wastewater treatment plants

542km

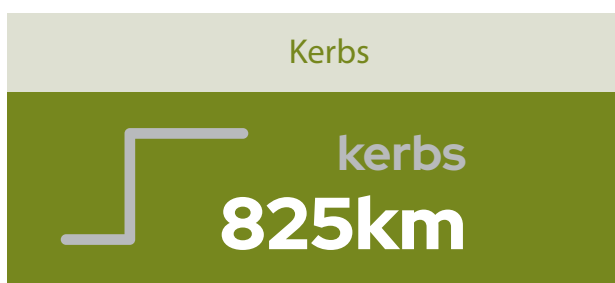
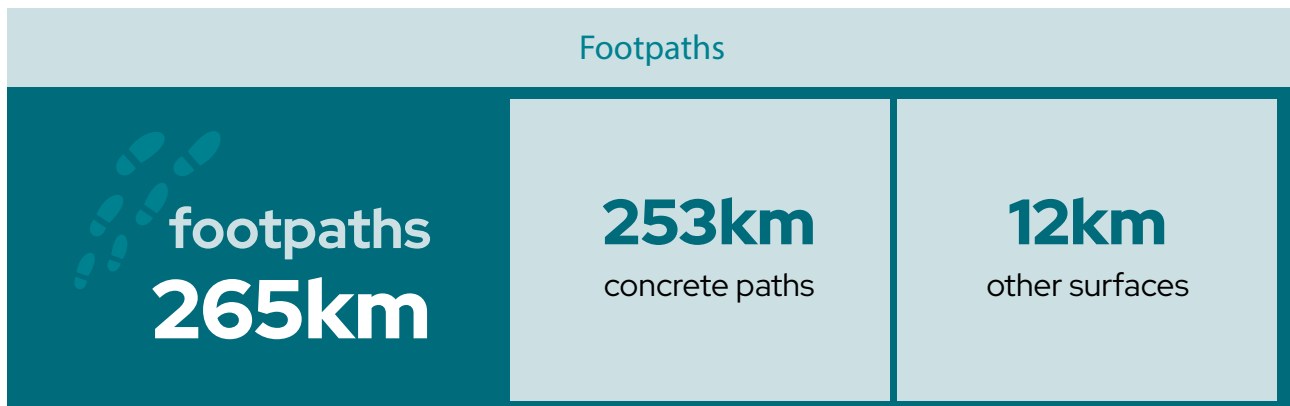
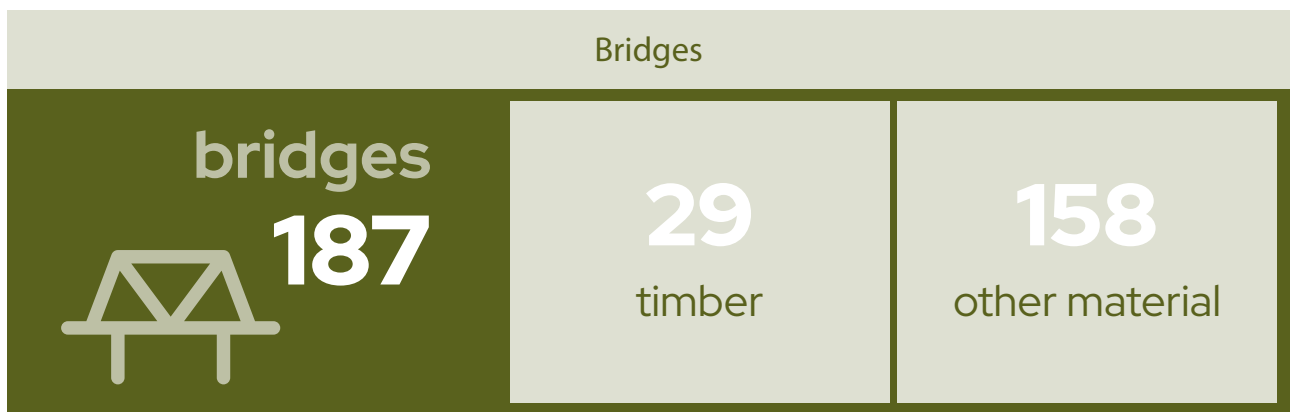
gravity sewer mains

187

sewerage pump stations

174km

sewer rising mains



What is Asset Management?

Asset Management is a process of logic used to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over their entire life cycle.

The following diagram illustrates the typical life cycle of an asset and associated asset management functions. It does this from planning for the need to create an asset through to its ultimate disposal including audit and review of the performance of that asset.

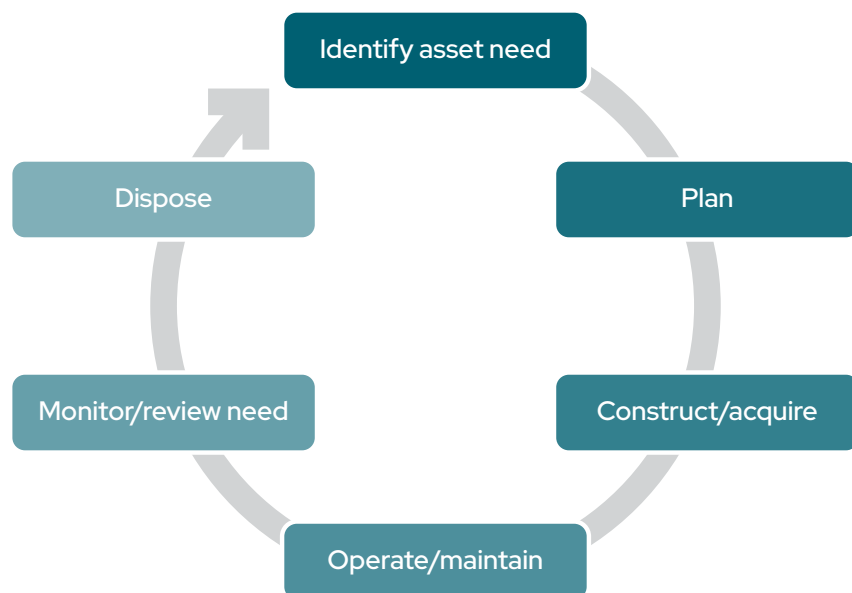


Figure 2: Asset Life cycle Diagram

In line with the Local Government National Asset Management Framework and State-wide Guidelines, Council is committed to the 7 key elements:

1. Development of an asset management policy
2. Strategy and Planning
3. Governance and Management Arrangements
4. Defining Levels of Service
5. Data and Systems
6. Skills and Processes
7. Evaluation

The key strategic actions documented in Section 7 demonstrate Council's direction in achieving the above outcomes. The key performance indicators described in Section 8 demonstrate how Council intends to measure the success of these actions.

In line with the National Framework, this Strategy is a commitment to adopting a service-centric approach based on Strategic Asset Management (SAM). The key to SAM is successive layers of knowledge and decision making. This is best illustrated by the Strategic Asset Management Pyramid shown in the following diagram. The SAM Pyramid shows the Council’s service-centric asset management planning mechanism.

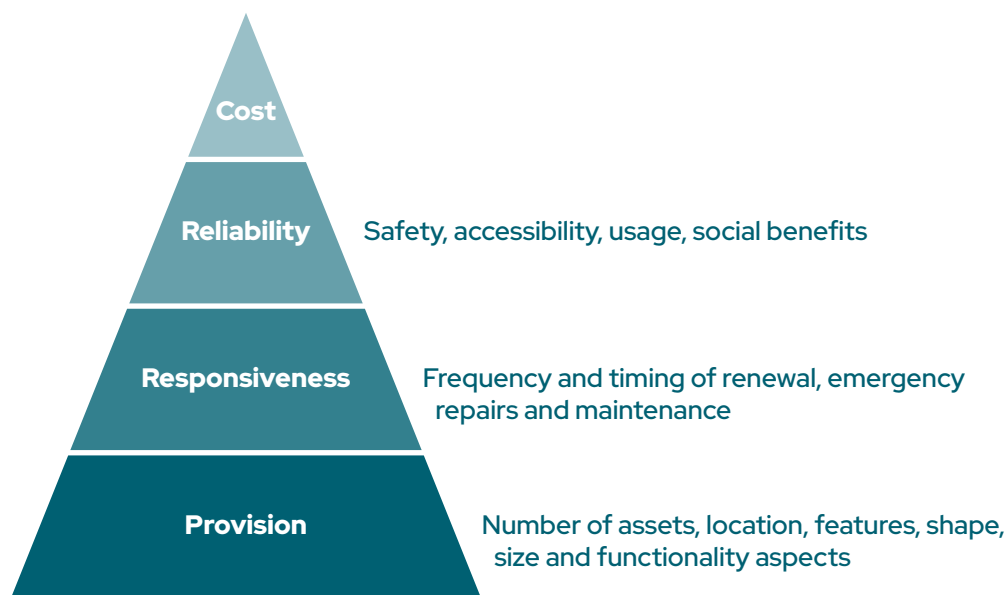


Figure 3: Strategic Asset Management Pyramid

The framework of planning will be:

Asset Provision Layer 1: The foundation of SAM is an understanding of the asset portfolio in terms of its physical attributes and its condition, capacity and functionality as shown by the Provision layer.

Council’s corporate Asset Management System, in conjunction with the corporate GIS system, will hold data, information and attributes that form the ‘footprint’ of Council’s asset stock used in service delivery. This information is now available within the Corporate SAM system.

Service Responsiveness Layer 2: Council’s Decision Matrix is the determinant of the Responsiveness layer.

This is, in effect, a corporate decision matrix and consists of the planned actions to retain the assets at the desired level of usability over their planned life. The key focus is on the type of intervention (minor repairs, major renewal, replacement) and the trigger for action (condition, capacity, functionality). This information is now available within the Corporate SAM system.

Service Reliability Layer 3: The Decision Matrix in the Responsiveness layer will determine asset performance outcomes which are characterised by the Reliability layer.

This is best viewed as the asset performance, as seen and experienced by those using and depending on the assets. Reliability will be measured in terms of performance standards such as safety, condition and functionality. This information is now available within the Corporate SAM system and is constantly monitored with actuals.

Cost of Delivery Layer 4: The top of the pyramid is Cost and this is determined by decisions in the layers below.

Application of the Service Driven Framework results in an active pyramid where the Provision, Responsiveness and Reliability are tuned to give optimal outcomes for an affordable cost, which drives the future financial plan. This information is now available within the Corporate SAM system and is the fundamental basis for community consultation and options analysis.

Legislative control of Asset Management

In addition to using asset management as a tool to manage the community's assets and provide better services to the community, there are also legislative requirements that Council must comply with in relation to the management of its assets.

NSW Local Government Act

The Integrated Planning and Reporting Framework for local government was introduced to NSW in 2010 as part of a national improvement plan for financial sustainability in the sector.

The Local Government Act has since been revised to include guiding principles for councils which promote sound financial management and integrated planning and reporting.

These place a greater focus on long term planning and sound asset management, with a requirement to prepare a long-term Community Strategic Plan and Resourcing Strategy.

Australian Accounting Standards

The Division of Local Government requires that councils comply with the accounting standard AASB 116 for reporting on infrastructure assets.

The data required to provide this level of financial reporting is also essential for the planning of future infrastructure renewal requirements.

The following Australian Accounting Standards apply to Local Government assets:

- AASB 116 Property, Plant and Equipment – prescribes requirements for recognition and depreciation of property, plant and equipment assets
- AASB 136 Impairment of Assets – aims to ensure that assets are carried at amounts that are not in excess of their recoverable amounts
- AASB 138 Intangible Assets – prescribes the accounting treatment for intangible assets not dealt with in another standard.
- AASB 1051 Land Under Roads – allows the recognition of land under roads subject to criteria
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors – specifies the policies that Council is to have for recognition of assets and depreciation
- AASB 013 Fair Value Measurement – prescribes the valuation process for maintaining the value of assets at current replacement cost less accumulated obsolescence. This provides more relevant data for asset management than historical cost.

There are an array of other legislative requirements that need to be considered in managing infrastructure assets such as the *Disability Discrimination Act 1994* and the Building Code of Australia. These legislative requirements are taken into consideration at a more detailed level in each of the specific Asset Management Plans.

Community expectations



Council undertakes biennial Be Our Best Resident Survey to understand community satisfaction and importance levels across Council services.



Strategic Asset Management systems

Council is implementing a number of systems which provide the ability to meet our Strategic Asset Management objectives.

The principle objectives of the Asset Management system are to:

- provide accurate inventory and condition information of Council's assets
- facilitate efficient day-to-day management of the Council's assets
- enable objective long-term asset planning based on a sound knowledge of the current state of the Council's assets i.e. long term impacts of funding decisions.

The software solution chosen by Council has been a) the Assetic system and b) the Enterprise Asset Management system – which integrates to the financial system – that have been developed specifically to meet the needs of Local Government authorities in Australia.

The following diagram illustrates a systematic representation of the Assetic system showing the links to other the Council computer-based systems. Linked systems provide tangible benefits to Council through the removal of data double-handling which is both inefficient and a potential source of errors.

Inventory and condition based data has been collected by a range of specialist contractors and consultants for roads, bridges, footpaths and kerb assets. The data collection task is ongoing and there are a number of asset categories which will require further data to be collected.

As new data becomes available, it is being quality-checked and then imported into the Assetic system by the Asset Management business unit. As a future project, the Asset Management business unit will integrate the data in Assetic and the existing GIS system.



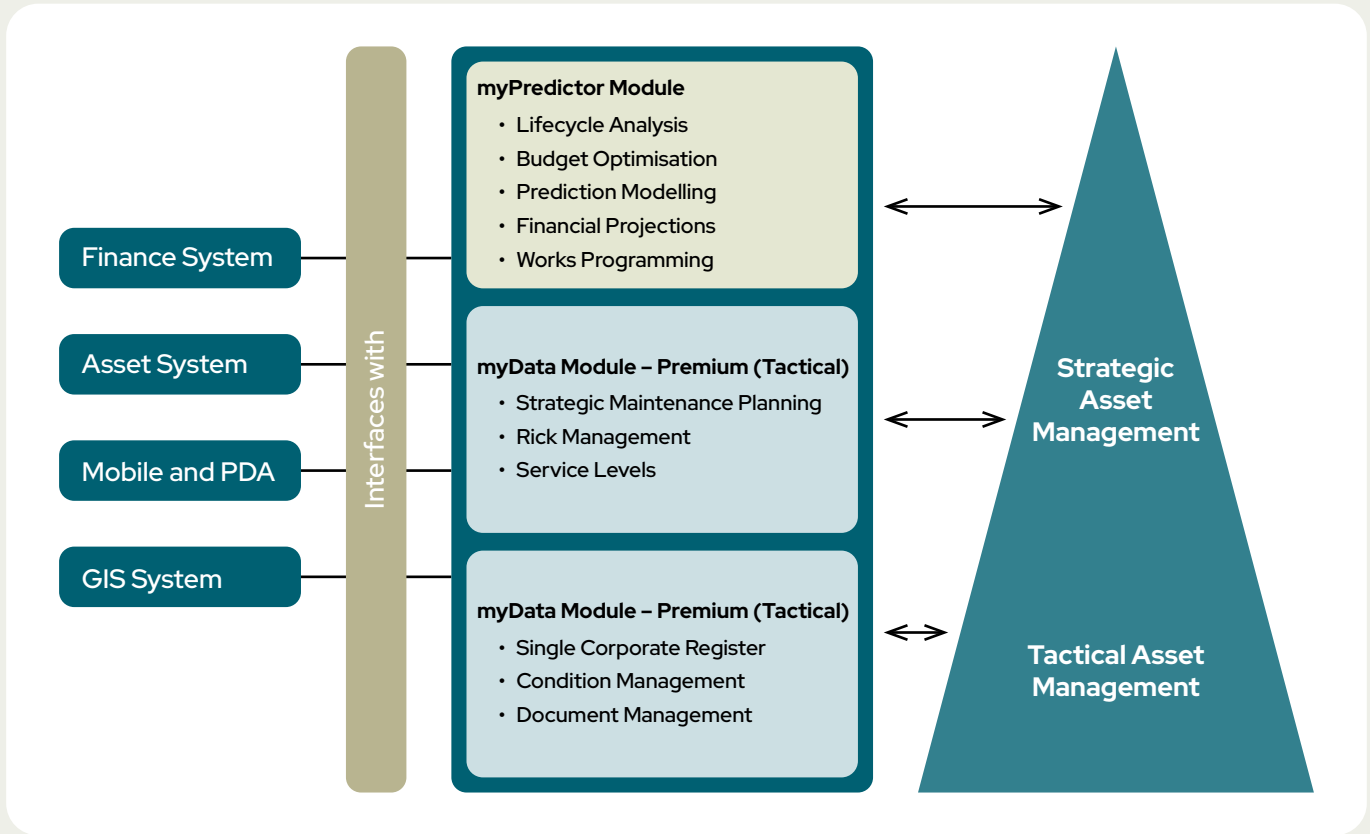


Figure 4: Systematic representation of the Asset Management System



Current position and status of our asset planning

Council’s asset stock

This Asset Management Strategy is designed to take into consideration all of the Council assets. Assets can be described as the physical objects owned, controlled and/or maintained by Council to support the community’s social and economic activities. Assets provide the foundation on which the community carries out its everyday activities whilst contributing to our overall quality of life.

Council manages a broad range of assets that have been grouped into 10 key asset categories.

The challenge for asset management is to understand the manner in which the Council’s assets perform over time and whether they can be maintained in a ‘fit for purpose’ condition, given that many cannot be seen and/or were built many years ago.

Asset category	Assets
Roads	Sealed Roads, Unsealed Roads, Kerbing, Bridges and Major Culverts, Carparks, Traffic Management Devices and Roadside Furniture
Footpaths	Pathways in roadways and open spaces such as parks and reserves
Parks and Gardens	Parks, Playgrounds, Irrigation, Park Furniture, Shelters, BBQ’s, Fencing and Foreshore assets
Buildings	Civic, Operational and Community
IT Infrastructure and Furniture	Computer hardware, Computer Software and Furniture
Plant and Equipment	Heavy/Light Plant, Motor Vehicles and other Fleet items
Land	Operational and Community
Storm Water Drainage	Pits, Pipes, Headwalls and Minor Culverts
Water Supply	Pipes, Fittings, Pump Stations, Treatment Plant, Dams, Weirs, Reservoirs and associated assets
Sewerage	Pipes, Manholes, Pump Stations, Treatment Plant and associated assets

Table 1: Asset categories

Asset replacement costs

The value, condition and expenditure on assets are reported each year in Council's Annual Report. The values are documented in Section C1 of the Financial Statements, and the condition and expenditures are documented in the Report on Infrastructure Assets.

Note C1-7 in Council's Financial Statements sets out the current values and categories of infrastructure assets that the Council is responsible for.



C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period								At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	25,424	–	25,424	16,018	9,650	–	–	(13,052)	(218)	–	–	37,822	–	37,822
Plant and equipment	40,884	(15,385)	25,499	3,240	983	(1,166)	(3,300)	54	–	–	–	42,383	(17,073)	25,310
Office equipment	1,480	(1,014)	466	256	–	–	(162)	–	–	–	–	1,609	(1,049)	560
Furniture and fittings	3,293	(2,397)	896	–	9	–	(148)	–	–	–	–	3,302	(2,545)	757
Land:														
– Operational land	334,292	–	334,292	–	2,880	(50)	–	79	–	–	–	337,201	–	337,201
– Community land	71,564	–	71,564	–	1,296	–	–	–	–	–	–	72,860	–	72,860
– Crown land	74,842	–	74,842	–	–	–	–	–	–	(940)	–	73,902	–	73,902
– Land under roads (pre 1/7/08)	58,814	–	58,814	–	–	(144)	–	–	–	(359)	–	58,311	–	58,311
– Land under roads (post 30/6/08)	1,413	–	1,413	–	78	–	–	–	–	–	–	1,491	–	1,491
Infrastructure:														
– Buildings	187,110	(45,509)	141,601	938	1,299	(435)	(2,676)	1,210	–	–	111	190,009	(47,961)	142,048
– Other structures	695	(379)	316	–	3	–	(14)	22	–	–	–	720	(393)	327
– Roads	736,171	(123,697)	612,474	8,525	5,022	(4,507)	(14,171)	5,149	–	(120)	19	746,573	(134,182)	612,391
– Bridges	201,932	(24,215)	177,717	3	–	(122)	(2,269)	507	–	(209)	–	202,036	(26,409)	175,627
– Footpaths	43,133	(18,618)	24,515	50	968	(15)	(761)	507	–	–	110	44,718	(19,344)	25,374
– Bulk earthworks (non-depreciable)	164,971	–	164,971	–	613	–	–	78	–	–	–	165,662	–	165,662
– Stormwater drainage	243,386	(87,790)	155,596	25	8,287	(55)	(2,664)	133	–	–	455	252,274	(90,497)	161,777
– Water supply network	627,678	(120,278)	507,400	2,560	2,258	(5,072)	(7,609)	2,354	(603)	–	5,099	630,961	(124,574)	506,387
– Sewerage network	716,212	(179,560)	536,652	320	7,033	(956)	(11,810)	1,223	–	–	5,565	729,070	(191,043)	538,027
– Swimming pools	5,180	(3,026)	2,154	–	–	–	(265)	–	2	–	–	5,182	(3,291)	1,891
– Other open space/recreational assets	46,070	(16,261)	29,809	–	656	(241)	(1,742)	1,473	–	–	–	47,561	(17,606)	29,955
– Other infrastructure	21,021	(7,721)	13,300	–	438	–	(687)	263	–	–	1,451	24,090	(9,325)	14,765
Other assets:														
– Artworks	8,416	–	8,416	–	433	–	–	–	–	–	–	8,849	–	8,849
Reinstatement, rehabilitation and restoration assets														
– Tip assets	2,228	(1,336)	892	–	–	–	(385)	–	2,961	–	–	5,190	(1,722)	3,468
– Quarry assets	847	(531)	316	–	–	–	(80)	–	(58)	–	–	788	(610)	178
Total infrastructure, property, plant and equipment	3,617,056	(647,717)	2,969,339	31,935	41,906	(12,763)	(48,743)	–	2,084	(1,628)	12,810	3,682,564	(687,624)	2,994,940

Levels of Service

Tweed Shire has set a series of strategic Levels of Service (LoS) to guide the management of its assets. For each major asset category, the LoS define a number of service level outcomes in terms of performance outcomes and measures, KPIs and Targets for achievement.

The detailed Levels of Service are available in the respective Asset Management Plan.

Snapshot of health of asset stock

By understanding the condition of Council's assets and the various types of distresses that affect them, Council can utilise this data to assist in maintaining the level of service the community desires, in the context of affordability, provide intergenerational benefits and also minimise the risk of asset failure.

The consequences of asset failures will result in loss of service delivery and could also lead to legal liability if Council is found to have acted unreasonably in the management of its assets.

There are many reasons why Council assets fail or deteriorate and therefore do not meet current performance standards and community expectations. Among the most common are the following:

- damage by service authorities when installing/constructing their infrastructure within Council's road reservation
- movement of the underlying soils. Much of Tweed has been built on highly reactive clay
- suitability of the asset to meet changing demographics and needs. For example, requiring a building that was once used as a senior citizen centre to be upgraded to a childcare centre to meet the demands for the increase in a younger population. This is often referred to as 'fit for purpose'
- increases in the allowable vehicle load limits on Council's roads
- increases in density of private developments in established suburbs, placing additional capacity requirements on assets not designed to cope such as sewer, water and stormwater pipes and treatment plants.

Condition rating	Community rating	Description of asset condition
0	Brand New	A new asset or recently constructed/reconstructed.
1	Excellent	An asset in excellent overall condition however is not new and shows no signs of distress or defects.
2	Good	Sound construction with good condition and no distortion with limited ageing or may show minor distress upon close inspection such as sporadic fine cracking or isolated minor defects with no associated distortion.
3	Fair	Reasonable construction showing some aging and or signs of distress, such as fine to moderate cracking and or minor distortion. The extent of such defects will typically affect less than 20% of the asset targeted for assessment and can be rectified with minor maintenance works.
4	Poor	Asset displays substantial deterioration (20% to 50%) of distress. Major renewal work required.
5	Very Poor	Asset displays significant locations of distress (greater than 50%). Extensive renewal work required.
6	Unserviceable	Asset can no longer provide the service it is intended to provide. It is beyond practical renewal and requires replacement.

Table 2: Condition scoring table

The condition scoring scale follows internationally accepted good practice of starting with 1 for new or near new and the values increasing as the asset condition deteriorates.

The descriptions in the Condition Scoring Table are a general guide to assist in understanding the meaning of each condition score. In practice the condition score for an asset is determined by a range of measures and indicators that vary for each asset category. The detailed scoring schemes are documented in the separate Asset Management Plans.

The financial implications of the work required for roads, footpaths and buildings are discussed in Section 6.

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance ^a	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					\$ '000	\$ '000	1	2	3
Buildings	Civic Buildings/Admin	497	497	378	320	30,513	42,599	21.3%	37.4%	25.7%	15.0%	0.6%
	Community	311	311	153	210	14,965	20,375	34.7%	25.7%	28.9%	7.5%	3.3%
	Cultural	33	33	36	150	24,851	32,566	36.4%	56.7%	5.4%	1.4%	0.0%
	Emergency	108	108	46	53	2,519	3,828	10.0%	23.4%	49.9%	14.1%	2.6%
	Operational	302	302	195	154	31,139	40,932	12.5%	46.2%	27.8%	7.7%	5.8%
	Public Toilets	93	93	66	184	5,985	7,852	31.2%	25.3%	31.0%	8.6%	3.9%
	Recreation	287	287	274	307	29,107	38,071	14.1%	44.2%	31.8%	9.6%	0.4%
	Residential	69	69	38	45	2,969	3,786	64.2%	0.2%	13.9%	21.7%	0.0%
	Sub-total	1,700	1,700	1,186	1,423	142,048	190,009	23.0%	41.2%	24.7%	9.1%	2.0%
Other structures	Other structures	145	145	120	–	327	720	51.2%	4.7%	5.1%	30.6%	8.5%
	Sub-total	145	145	120	–	327	720	51.2%	4.7%	5.1%	30.6%	8.5%
Roads	Sealed roads	720	720	1,587	2,653	530,257	646,935	72.1%	21.4%	6.0%	0.5%	0.0%
	Unsealed roads	–	–	15	671	5,596	8,400	74.5%	21.7%	3.7%	0.0%	0.0%
	Bridges	–	–	69	330	175,627	202,036	93.2%	6.7%	0.0%	0.0%	0.0%
	Footpaths	57	57	583	520	25,374	44,718	7.7%	36.8%	55.0%	0.4%	0.1%
	Kerb and gutter	831	831	296	92	53,188	65,185	72.5%	13.7%	8.7%	4.4%	0.7%
	Street furniture	18	18	10	170	16,421	17,405	95.2%	3.2%	1.2%	0.3%	0.1%
	Car parks	106	106	39	3	6,929	8,648	75.2%	9.3%	10.9%	4.1%	0.5%
	Bulk earthworks	–	–	–	–	165,662	165,662	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	1,732	1,732	2,599	4,439	979,054	1,158,989	77.7%	15.6%	6.1%	0.6%	0.1%

Report on infrastructure assets as at 30 June 2021 (continued)

Asset Class	Asset Category	Estimated cost				Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	to bring to the agreed level of service set by Council \$ '000	2020/21 Required maintenance ^a \$ '000	2020/21 Actual maintenance \$ '000			1	2	3	4	5
Water supply network	Dams/weirs	75	75	467	317	67,572	78,582	10.0%	81.0%	9.0%	0.0%	0.0%
	Mains	1,560	1,560	2,950	2,834	315,977	377,849	76.0%	18.0%	5.0%	1.0%	0.0%
	Pumping station/s	576	576	983	868	12,226	24,761	13.0%	44.0%	33.0%	9.0%	1.0%
	Reservoirs	701	701	595	574	36,007	50,184	10.0%	39.0%	38.0%	13.0%	0.0%
	Treatment	289	289	2,723	2,752	73,878	98,858	60.0%	34.0%	5.0%	1.0%	0.0%
	Other	–	–	–	–	727	727	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	3,201	3,201	7,718	7,345	506,387	630,961	57.5%	31.0%	9.2%	2.1%	0.2%
Sewerage network	Mains	7,272	7,272	2,481	2,150	330,470	408,198	66.0%	19.0%	6.0%	2.0%	7.0%
	Pumping station/s	508	508	4,597	3,710	55,957	93,964	20.0%	46.0%	31.0%	3.0%	0.0%
	Treatment	829	829	5,225	4,608	151,600	226,907	24.0%	42.0%	31.0%	3.0%	0.0%
	Sub-total	8,609	8,609	12,303	10,468	538,027	729,069	47.0%	29.6%	17.0%	2.4%	3.9%
Stormwater drainage	Stormwater drainage	17,552	17,552	981	1,041	161,777	252,274	15.9%	23.3%	48.3%	1.6%	10.8%
	Sub-total	17,552	17,552	981	1,041	161,777	252,274	15.9%	23.3%	48.3%	1.6%	10.8%
Open space / recreational assets	Swimming pools	387	387	42	34	1,891	4,992	0.3%	84.8%	1.1%	13.9%	0.0%
	Recreation other structures	2,644	2,644	828	761	29,955	47,561	32.4%	20.9%	5.4%	15.4%	25.8%
	Sub-total	3,031	3,031	870	795	31,846	52,553	29.4%	27.0%	5.0%	15.3%	23.4%
Other infrastructure assets	Other	1,043	1,043	287	266	14,765	21,722	62.0%	5.0%	22.0%	5.0%	6.0%
	Sub-total	1,043	1,043	287	266	14,765	21,722	62.0%	5.0%	22.0%	5.0%	6.0%
	Total – all assets	37,013	37,013	26,064	25,777	2,374,231	3,036,297	56.6%	24.5%	14.1%	2.3%	2.5%

Long-term financial projections

Assets are necessary products that provide a service to an end user, in Council's case the community.

Even though the service may be required indefinitely like a residential street or park, no asset will last forever without proper management. Even with good maintenance, assets may deteriorate well before reaching their design life (useful life) dependent upon many unplanned factors such as ground conditions and the environment.

Tweed Shire Council's situation is challenging as the municipality had bursts of urban development in 1940-1950's – which results in significant demands for reconstruction in the 2020's and is also seeing increases in new assets being contributed to Council from developers.

In a constantly changing environment, Council is committed to responsible financial management. In order that Council make responsible financial decisions, it is imperative to understand and plan for the future to ensure there is adequate funding available to properly manage Council's assets in accordance with Council's strategies and best practice.

Council utilises a modern local government asset modelling and prediction tool that has applied asset performance and life-cycle models which simulate the behaviour of the asset in real-life.

The life-cycle models are capable of infrastructure modelling to take account of different:

- service level objectives for the Council's assets
- asset management practices
- financial strategies for funding asset maintenance, renewal and upgrade.

Council currently has a backlog of assets that require renewal and/or rehabilitation.

By incrementally increasing the annual capital works expenditure, together with the actions identified in this AMS (such as setting agreed and affordable levels of service that will be provided to the community and implementing systems and frameworks), Council will be in a better position to maximise the use of its existing assets to better allow Council to manage its assets and meet its vision and goals for the Tweed community.

Strategic actions

Council has made significant improvements in asset management practices over the past several years and has also invested in modern advanced asset management tools and an Asset Management Software System.

It is vital that Council capitalises on its efforts to date and keeps on travelling down a path of continuous improvement.

Importantly, the following strategies are a series of linked steps that will enable the Council to produce advanced Asset Management Plans that will guide the long-term financial planning for its assets.

Strategy 1: Service levels review and monitoring

Council has already established Strategic Service Levels for its key infrastructure asset categories. Moving forward, Council should:

- Review its Strategic Service Levels to ensure they provide adequate guidance for the strategic decisions required for effective asset management and all have measurable performance targets

Responsibility: Asset Management Business Unit (AMBU)

Target: Biennial

- Review Operational Service Levels that provide Performance Outcomes, Measures and Targets for day-to-day asset management activities and decision making. The targets set should be consistent with delivering the desired Strategic Service Levels.

Responsibility: Asset Management Business Unit

Target: Biennial

- Annually monitor the Council's performance with respect to the Strategic and Operational Service Levels and recommend changes of practices or Service Levels if necessary.

Responsibility: Asset Management Business Unit

Target: Annual



Strategy 2: Advanced condition management

Tweed Shire can improve the quality of its asset decision making and prediction through adopting more advanced asset condition assessment practices:

- Determine the appropriate range of condition, capacity and functionality measures for each asset category that will provide a cost-effective measure of the condition of each asset.
Responsibility: Asset Management Business Unit
Target: In conjunction with Asset Management Plan updates
- Develop cost-effective assessment tools for each condition, capacity and functionality measure and document in Asset Assessment Manuals for each asset category.
Responsibility: Asset Management Business Unit
Target: In conjunction with Asset Management Plan updates.
- Update asset condition assessment scores using Advanced Condition Management tools.
Responsibility: Relevant Business Unit for each asset category.
Target: In conjunction with Asset Management Plan updates.
- Undertake Community Satisfaction Surveys to gauge the community’s satisfaction with the current levels of service being delivered.
Responsibility: Communication and Customer Experience Unit in conjunction with the relevant Business Unit for each asset category
Target: Biennial



Strategy 3: Enhanced long-term modelling

The Advanced Condition Management practices will allow Council to undertake enhanced long-term modelling of its asset portfolios and thus generate more robust financial projections:

- Develop enhanced model cost parameters to match the advanced condition management practices.

Responsibility: Relevant Business Unit for each asset category.

Target: In conjunction with Asset Management Plan updates.

- Generate enhanced long-term financial projections from myPredictor using the scores obtained through Strategy 2.

Responsibility: Asset Management Business Unit

Target: In conjunction with Asset Management Plan updates.

Strategy 4: Linking long-term financial planning with advanced asset management

Developing long-term financial projections for infrastructure assets is of little value unless the process is linked in to the long-term financial process of the Council. This step is critical for success:

- Integrate the asset long-term financial projections into the Council's Long-Term Financial Plan, making adjustments to Service Levels and/or funding source models as necessary to achieve asset portfolios that are both affordable and sustainable in the long-term.

Responsibility: Asset Management Business Unit and Finance

Target: Annual each December.

Strategy 5: Asset management plans for major asset categories

The key asset management plans for Council are:

- Transportation Asset Management Plan (TAMP) incorporating footpaths and bridges
- Building Asset Management Plan (BAMP)
- Water Activity Management Plan
- Wastewater Activity Management Plan
- Stormwater Drainage Asset Management Plan (DAMP)
- Open Space Asset Management Plan (OSAMP)
- Fleet Asset Management Plan (FAMP)

- Review Asset Management Plans on rolling 4 to 5 year cycle.

Responsibility: Asset Management Business Unit

Target: Rolling cycle.



Key performance indicators

The following below sets out the relevant Key Performance Indicators (KPIs) that Council will use to assess the quality and effectiveness of its asset management practices.

KPI	Measurement Method
Asset Service Levels	Measuring actual vs targets.
Renewal Funding Index	Ratio of Net Present Worth (NPW)of planned capital expenditure (LTFFP) divided by the desired capital expenditure (as per the AM plans)
Customer Satisfaction	Measured in terms of customer response through the Council surveys.
Asset Condition Index	Ratio of average condition loss over two network level condition audits
Asset Consumption Index	The current written down book value divided by the current gross value
Sustainability Index	Capital Expenditure on Replacement and Renewal divided by Depreciation Expense
Asset Health Index	Ratio of the Network Level Remaining Life to the Expected Useful Life at a Portfolio Level.

Table 3: Key performance indicators for quality assessment of asset management practices

Strategy review

Any Strategy must be a dynamic document, reflecting and responding to changes over time. A full review of this Asset Management Strategy should take place every 4 years to document progress and set out proposals for the next Community Strategic Plan.

References and appendix

References

Tweed Community Strategic Plan
Tweed Shire Financial Statements
Tweed Shire Council Annual Report
Tweed Shire Urban Land Release Strategy
Tweed Shire Council Community Profiles

Appendix A – Asset Management Policy

Tweed Shire Asset Management Policy 2022

Appendix B – Asset Management Plans

Buildings Asset Management Plan
Stormwater Drainage Asset Management Plan
Open Space Asset Management Plan
Plant and Fleet Asset Management Plan
Transportation Asset Management Plan
Wastewater Asset Management Plan
Water Asset Management Plan





Planning for our future

Resourcing Strategy 2022 – 2032

Part 1: Workforce Management Plan

Part 2: Asset Management Strategy

Part 3: Long Term Financial Plan



Contents

Part 3: Long Term Financial Plan

Introduction	58
Structure and format	58
Financial goals – consolidated	59
Fit for the Future – general fund	59
Assumption and estimates	60
Income statement – revenue	61
Income statement – expenditure	62
Balance sheet – assets	62
Balance sheet – liabilities & equity	62
Cash flow – investing activities	63
Cash flow – financing activities	63
Reviewing of the Long Term Financial Plan	63
Attachments – planned scenario	64
Attachment 1 – income statement consolidated	66
Attachment 2 – funding statement consolidated	68
Attachment 3 – balance sheet – consolidated	70
Attachment 4 – cash flow statement – consolidated	72
Attachment 5 – income statement – general fund	73
Attachment 6 – funding statement – general fund	74
Attachment 7 – balance sheet – general fund	76
Attachment 8 – cash flow statement – general fund	78
Attachment 9 – income statement – water fund	79
Attachment 10 – funding statement – water fund	81
Attachment 11 – balance sheet – water fund	83
Attachment 12 – cash flow statement – water fund	85
Attachment 13 – income statement – sewer fund	86
Attachment 14 – funding statement – sewer fund	87
Attachment 15 – balance sheet – sewer fund	89
Attachment 16 – cash flow statement – sewer fund	91
Attachment 17 – unrestricted current ratio – consolidated	92
Attachment 18 – capital works	93
Attachment 19 – sensitivity analysis – consolidated	94
Attachment 20 – rate notice estimate	95
Attachment 21 – debt service ratio	95
Connection to the Integrated Planning and Reporting Framework	96

Introduction

The *Long Term Financial Plan* forecasts the financial capacity of Tweed Shire Council to meet the objectives adopted in the *Community Strategic Plan*.

Estimates, projections and assumptions have been used to develop a picture of how Council's finances will progress over each of the next 10 years by quantifying revenue growth, expenditure commitments, and funding capacity. It also serves to measure to what extent Council is able to finance its asset management commitments as determined in the various asset management plans, outlined in Section 2.

Structure and format

Council's financial structure is divided into three separate funds: general, water and sewerage. These funds are subject to legislative restrictions which do not permit monetary transfers between funds. They could be considered to be three separate businesses but they can also be combined to present a single consolidated result.

The *Long Term Financial Plan* is presented for both consolidated and individual fund/s using the annual financial statements format of:

Income statement – presents the operating result and change in net assets from operations for the year.

Balance sheet – discloses the assets, liabilities and equity of Council.

Cash flow statement – shows the cash flows associated with Council's operating, financing and investing activities.

A funding statement has also been included that explains the source and application of funds.

Financial goals – consolidated

The following financial goals have been adopted by Council in developing the *Long Term Financial Plan*:

- The current range of services remains unchanged.
- Progressive increases to asset maintenance and renewal funding; in order to maintain or improve current asset conditions.
- Eliminate the reliance on debt to finance asset renewals, as opposed to major new projects where inter-generational equity issues justify borrowing.
- Achieve long term financial sustainability by generating surplus operating results before capital grants and contributions.
- Performance indicators to be at the following levels:

	Consolidated	General	Water	Sewer
Unrestricted Current ratio	> 2:1	> 2:1	n/a	n/a
Unrestricted Cash	>\$16m	>\$9.6m	>\$3.2m	>\$3.2m
Debt Service Ratio	<=15%	<=10%	<=25%	<=25%

Unrestricted current ratio – the total current cash or cash convertible assets available, divided by current liabilities, excluding assets and liabilities which relate to activities that are restricted to specific purposes by legislation. This is a measure of Council’s liquidity.

Unrestricted cash – the amount of unrestricted cash needed to meet the day-to-day operations of Councils; including the financing of hard core debtors and to provide a buffer against unforeseen and unbudgeted expenditures.

Debt service ratio – the amount used to repay borrowings as a percentage of total operating revenues. The indicator shows the amount of revenue necessary to service annual debt obligations.

Fit for the Future – general fund

The NSW Government’s Fit for the Future reforms aim to improve the strength and effectiveness of local government in providing services and infrastructure that communities need.

The reform process is expected to benefit ratepayers by leading to councils that will be financially sustainable into the future, and more capable of being strategic partners with other levels of government.

As a result of these reforms NSW councils are required by the NSW Government to meet a variety of financial criteria in their general funds to prove they are ‘fit’ for the future.

The financial criteria are:

Measure	Definition	Benchmark
Sustainability		
Operating performance ratio	$\frac{\text{Total continuing operating revenue (excluding capital grants and contributions) less operating expenses}}{\text{Total continuing operating revenue (excluding capital grants and contributions)}}$	Greater than or equal to break-even average over 3 years
Own source revenue ratio	$\frac{\text{Total continuing operating revenue less all grants and contributions}}{\text{Total continuing operating revenue inclusive of capital grants and contributions}}$	Greater than 60% – average over 3 years
Building and asset renewal ratio	$\frac{\text{Asset renewals (building and infrastructure)}}{\text{Depreciation, amortisation and impairment (building and infrastructure)}}$	Greater than 100% – average over 3 years
Infrastructure and service management		
Infrastructure backlog ratio	$\frac{\text{Estimated cost to bring assets to satisfactory condition}}{\text{Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets}}$	Less than 2%
Asset maintenance ratio	$\frac{\text{Actual asset maintenance}}{\text{Required asset maintenance}}$	Greater than 100% – average over 3 years
Debt service ratio	$\frac{\text{Cost of debt service (interest and principal)}}{\text{Total continuing operating revenues (excluding capital grants and contributions)}}$	Greater than 0% and less than or equal to 20% – average over 3 years
Efficiency		
Real operating expenditure	$\frac{\text{Operating expenditure}}{\text{Population}}$	A decrease in real operating expenditure per capita over time

Assumption and estimates

The following assumptions and estimates have been adopted as a general guide in formulating the *Long Term Financial Plan*. Specific items may have been treated differently than presented:

Global

- Local and national economic activity to remain similar to current conditions.
- Asset management or service expenditures created by new infrastructure and facilities, funded from Section 7.11 plans or contributed by developers, will commence in the year following construction/contribution.
- Any budget surplus for General Fund has been placed into a reserve to cover any future budget deficit and/or asset renewal works. Any surpluses in Water and Sewer Funds have been placed into reserves for future asset replacement works.

Income statement – revenue

Rates and annual charges	<p>For 2023/24, the Independent Pricing and Regulatory Tribunal has set the rate peg at 4.0% (3.7% + 0.3% growth) for Tweed Shire Council.</p> <p>Council has also applied for an above pegging increase of 2.35% (6.35% in total increase) which has been budgeted for in the 2023/24 financial year.</p> <p>Water Access Charges are predicted to increase by CPI for 2023/24 and by similar indexation thereafter.</p> <p>Sewer Access Charges are predicted to increase by CPI for 2023/24 and by similar indexation thereafter.</p> <p>Domestic Waste Management charges are based on the reasonable costs calculations as required by legislation.</p>
User charges and fees	<p>Statutory fees where the fee is set by the State Government, such as most planning fees, to remain static for the life of the Plan.</p> <p>Water Volumetric Charges are predicted to increase approximately 6c/kl per annum for each of the 10 years.</p> <p>Other fees and charges to increase by CPI.</p>
Interest received	Interest on investments estimated at 1%.
Other revenues	Other revenues to increase by 3% per annum.
Operating grants and contributions	<p>Financial Assistance Grant to increase 1% per annum.</p> <p>Pensioner Rate Subsidies to remain static.</p> <p>Recurring operating grants and contributions to increase by 2% per annum.</p>
Capital grants and contributions	<p>Section 7.11 fees to have variable increase approximating 2% per annum.</p> <p>Projects funded from Section 7.11 plans will commence only when the relevant plan/s have accumulated sufficient funds. The projection of Section 7.11 receipts is highly uncertain due to the unpredictable timing of developments.</p> <p>Section 64 fees are based on predicted population increases used in the calculation of Developer Services Plan charges.</p>

Income statement – expenditure

Employee benefits and on-costs	Employee costs are expected to increase at various rates of between 2.5% and 4.75% over the next 10 years.										
Borrowing costs	<p>Interest rate for new borrowings predicted to be 6%.</p> <p>Repayments of interest and principal of existing loans are known from current loan repayment schedules.</p> <p>The proposed borrowings program provides for annual borrowings of approximately:</p> <table border="0"> <thead> <tr> <th style="text-align: left;">General</th> <th style="text-align: right;">Annual</th> </tr> </thead> <tbody> <tr> <td>Public Toilets</td> <td style="text-align: right;">\$100,000</td> </tr> <tr> <td>Bridges (average annual)</td> <td style="text-align: right;">\$776,000</td> </tr> <tr> <td>Drainage</td> <td style="text-align: right;">\$600,000 to \$1,100,000</td> </tr> <tr> <td>Flood Mitigation</td> <td style="text-align: right;">\$200,000 to \$700,000</td> </tr> </tbody> </table>	General	Annual	Public Toilets	\$100,000	Bridges (average annual)	\$776,000	Drainage	\$600,000 to \$1,100,000	Flood Mitigation	\$200,000 to \$700,000
General	Annual										
Public Toilets	\$100,000										
Bridges (average annual)	\$776,000										
Drainage	\$600,000 to \$1,100,000										
Flood Mitigation	\$200,000 to \$700,000										
Materials and contracts	Materials, contracts, and other costs to increase on average by 3% per annum.										
Depreciation and amortisation	Depreciation expense has been calculated based on expected acquisitions and useful lives.										
Other expenses	Other expenses to increase on average by 3% per annum.										

Balance sheet – assets

Cash and cash equivalents	Balance from changes in Cash Flow Statement.
Investments	Maintained at current levels.
Receivables	Maintained at current levels.
Inventories	Maintained at current levels.
Other assets	Maintained at current levels.
Infrastructure, property, plant and equipment	<p>Additions – from capital expenditure list.</p> <p>Disposal – from cash flow statement.</p> <p>Depreciation – income statement.</p>
Investment property	Maintained at current levels.
Intangible assets	Maintained at current levels.

Balance sheet – liabilities & equity

Payables	Maintained at current levels.
Borrowings	Balance from loan borrowings and repayments in cash flow statement.
Provisions	Maintained at current levels.
Equity	<p>Retained earnings from income statement.</p> <p>Revaluation reserves maintained at current level.</p>

Cash flow – operating activities

Receipts	From income statement.
Payments	From income statement.

Cash flow – investing activities

Receipts	Disposals from budget.
Payments	Additions – from capital expenditure list.

Cash flow – financing activities

Receipts	Balance from loan borrowings in budget.
Payments	Balance from repayments in budget.

* Changes in accrual values have not been estimated as the timing of receipts and payments is too difficult to predict.

A listing of proposed Capital Expenditure projects contained with the *Long Term Financial Plan* and a forecast of a typical rate notice for each year of the plan have also been included below.

Reviewing of the *Long Term Financial Plan*

A review of the *Long Term Financial Plan* in relation to results, estimates and forecasts will be under taken in conjunction with the annual operational plan.

Commentary on projections:

Operating result (attachments 1, 5, 9, 13)

The operating results for the consolidated and the general, water and sewerage fund income statements show surpluses before capital contributions in all years. The surplus is a positive result and meets one of the key financial goals of providing surplus results before capital grants and contributions.

It is important to note that a surplus result indicates the funding of depreciation (i.e. asset consumption) for the year, while a deficit result indicates under funding of depreciation for the year.

Unrestricted current ratio (attachment 17)

The unrestricted current ratio maintains a balance above 1.5:1 for all 10 years of the *Long Term Financial Plan*, which is considered acceptable. This ratio is sensitive to the amount of funds Council places in non-current investments (i.e. investments due longer than 12 months).

Debt service ratio (attachment 22)

The predicted debt service ratios for the individual and consolidated funds are within the *Long Term Financial Plan* goals from year 2 onwards.

Sensitivity analysis (modelling scenarios) (attachment 19)

Attachment 19 presents a listing of the sensitivity to the *Long Term Financial Plan* assumptions.

Attachments – planned scenario

Fund	Attachment	Attachment No.
Consolidated	Income statement	1
	Funding statement	2
	Balance sheet	3
	Cash flow statement	4
General fund	Income statement	5
	Funding statement	6
	Balance sheet	7
	Cash flow statement	8
Water fund	Income statement	9
	Funding statement	10
	Balance sheet	11
	Cash flow statement	12
Sewer fund	Income statement	13
	Funding statement	14
	Balance sheet	15
	Cash flow statement	16
Consolidated	Unrestricted current ratio	17
	Capital expenditure	18
	Sensitivity analysis	19
	Rate notice estimate	20
Consolidated and funds	Debt service ratio	21



Attachment 1 – income statement consolidated

<i>Source and Application of Funds</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Result (Income Statement)	21,295	22,713	24,073	23,578	20,824	23,483	25,703	27,132	28,744	28,310
<i>Add Back non-funded items:</i>										
Depreciation	53,053	54,441	55,806	57,326	59,402	61,068	62,461	63,778	64,936	66,102
<i>Add non-operating funding sources</i>										
Transfers from Externally Restricted Cash	39,850	30,832	44,382	80,776	60,071	38,115	31,024	20,207	19,488	34,233
Transfers from Internally Restricted Cash	16,453	14,727	1,133	4,455	2,937	3,762	2,776	1,478	949	781
Proceeds from sale of assets	1,597	1,953	1,460	1,361	1,695	1,470	1,955	1,989	2,024	1,964
Loan Funds Utilised	2,276	2,276	2,276	1,400	1,200	1,200	1,200	1,200	1,200	1,200
Repayments from Deferred Debtors	20	20	20	20	20	20	15	-	-	-
Funds Available	134,543	126,962	129,149	168,917	146,149	129,119	125,134	115,783	117,340	132,589
<i>Funds were applied to:</i>										
Purchase and construction of assets	80,720	85,426	74,361	115,654	76,167	56,897	50,680	38,693	38,893	55,326
Repayment of principal on loans	7,817	7,784	8,206	8,678	9,068	9,256	9,540	9,389	9,802	10,051
Transfers to Externally Restricted Cash	35,649	24,502	37,800	34,639	46,374	48,333	49,156	50,472	52,166	53,479
Transfers to Internally Restricted Cash	10,357	9,250	8,783	9,946	14,539	14,633	15,758	17,230	16,479	13,734
Funds Used	134,543	126,962	129,149	168,917	146,149	129,119	125,134	115,783	117,340	132,589
<i>Increase/(Decrease) in Available Working Capital</i>	0	0	0	0	0	0	0	0	0	0

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates & Annual Charges	135,914	139,943	143,864	147,662	151,569	155,517	159,642	163,848	168,159	172,586
User Charges & Fees	57,093	57,869	59,542	61,102	62,699	64,344	66,029	67,763	69,541	70,064
Interest Received	7,397	7,006	6,874	6,242	5,864	6,007	6,081	6,260	6,617	6,925
Other Operating Revenues	2,658	2,706	2,756	2,792	2,841	2,892	2,943	2,996	3,050	3,095
Operating Grants & Contributions	21,591	19,807	20,014	20,224	20,437	20,653	20,872	21,098	21,324	20,832
Capital Grants & Contributions	8,032	7,866	7,345	7,162	7,486	7,705	7,835	8,113	8,374	8,428
	232,685	235,196	240,396	245,185	250,897	257,118	263,403	270,078	277,067	281,930
Expenditure										
Employee Costs	69,363	69,453	71,515	73,765	75,986	77,971	80,055	82,361	84,812	87,023
Borrowing Costs	7,923	7,490	7,047	6,613	6,110	5,541	5,000	4,411	3,754	3,104
Materials & Contracts	63,123	62,793	63,267	64,821	69,095	69,162	69,874	71,655	73,644	75,772
Depreciation	53,053	54,441	55,806	57,326	59,402	61,068	62,461	63,778	64,936	66,102
Other Expenses	17,929	18,306	18,688	19,081	19,481	19,893	20,311	20,741	21,177	21,620
	211,390	212,483	216,323	221,606	230,073	233,635	237,701	242,946	248,323	253,620
Net Operating Result	21,295	22,713	24,073	23,578	20,824	23,483	25,703	27,132	28,744	28,310
Capital Grants/Contributions	8,032	7,866	7,345	7,162	7,486	7,705	7,835	8,113	8,374	8,428
Net Operating Result before Capital Grants & Contributions	13,263	14,847	16,728	16,416	13,337	15,778	17,867	19,019	20,369	19,882

Attachment 2 – funding statement consolidated

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	18,201	18,200	18,200	18,200	18,200	18,200	18,200	18,199	18,200	18,200
Investments	193,487	181,660	182,707	142,041	174,927	195,996	227,096	273,113	291,321	313,520
Receivables	15,090	15,090	15,090	15,090	15,090	15,090	15,090	15,090	15,090	15,090
Inventories	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
Contract assets	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730
Other	637	637	637	637	637	637	637	637	637	637
Total current assets	234,838	223,010	224,057	183,391	216,277	237,346	268,446	314,462	332,671	354,870
Non-current assets										
Investments	215,953	215,953	215,953	215,953	180,953	180,953	180,953	180,953	210,953	220,953
Receivables	480	480	480	480	480	480	480	480	480	480
Infrastructure, property, plant and equipment	3,169,455	3,198,488	3,215,583	3,272,550	3,287,620	3,281,978	3,268,240	3,241,167	3,213,099	3,200,359
Investments Accounted for using the equity method	269	269	269	269	269	269	269	269	269	269
Intangible assets	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347
Right of use assets	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279
Other	-	-	-	-	-	-	-	-	-	-
Total non-current assets	3,388,783	3,417,816	3,434,911	3,491,878	3,471,948	3,466,306	3,452,568	3,425,495	3,427,427	3,424,687
Total assets	3,623,620	3,640,825	3,658,968	3,675,269	3,688,224	3,703,652	3,721,014	3,739,957	3,760,098	3,779,557

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES										
Current liabilities										
Payables	23,236	23,236	23,236	23,236	23,236	23,236	23,236	23,236	23,236	23,236
Contract liabilities	11,301	11,301	11,301	11,301	11,301	11,301	11,301	11,301	11,301	11,301
Lease liabilities	59	59	59	59	59	59	59	59	59	59
Borrowings	7,664	7,664	7,664	7,664	7,664	7,664	7,664	7,664	7,664	7,664
Provisions	20,959	20,959	20,959	20,959	20,959	20,959	20,959	20,959	20,959	20,959
Total current liabilities	63,219	63,219	63,219	63,219	63,219	63,219	63,219	63,219	63,219	63,219
Non-current liabilities										
Payables	744	744	744	744	744	744	744	744	744	744
Lease liabilities	229	229	229	229	229	229	229	229	229	229
Borrowings	107,629	102,121	96,191	88,913	81,045	72,989	64,649	56,461	47,858	39,007
Provisions	8,954	8,954	8,954	8,954	8,954	8,954	8,954	8,954	8,954	8,954
Total non-current liabilities	117,556	112,048	106,118	98,840	90,972	82,916	74,576	66,388	57,785	48,934
Total liabilities	180,775	175,267	169,337	162,059	154,191	146,135	137,795	129,607	121,004	112,153
Net assets	3,442,845	3,465,558	3,489,631	3,513,210	3,534,033	3,557,516	3,583,219	3,610,350	3,639,094	3,667,404
EQUITY										
Retained earnings	1,612,273	1,634,986	1,659,059	1,682,637	1,703,461	1,726,944	1,752,647	1,779,779	1,808,522	1,836,832
Revaluation reserves	1,830,572	1,830,572	1,830,572	1,830,572	1,830,572	1,830,572	1,830,572	1,830,572	1,830,572	1,830,572
Council equity interest	3,442,845	3,465,558	3,489,631	3,513,209	3,534,033	3,557,516	3,583,219	3,610,351	3,639,094	3,667,404
Total equity	3,442,845	3,465,558	3,489,631	3,513,209	3,534,033	3,557,516	3,583,219	3,610,351	3,639,094	3,667,404

Attachment 3 – balance sheet – consolidated

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities										
Receipts:										
Rates and annual charges	135,914	139,943	143,864	147,662	151,569	155,517	159,642	163,848	168,159	172,586
User charges and fees	57,093	57,869	59,542	61,102	62,699	64,344	66,029	67,763	69,541	70,064
Investment revenue and interest	7,397	7,006	6,874	6,242	5,864	6,007	6,081	6,260	6,617	6,925
Grants and contributions	29,623	27,673	27,359	27,387	27,923	28,358	28,707	29,211	29,699	29,259
Bonds and Deposits received	-	-	-	-	-	-	-	-	-	-
Other	2,658	2,706	2,756	2,792	2,841	2,892	2,943	2,996	3,050	3,095
Payments:										
Employee benefits and on-costs	(69,363)	(69,453)	(71,515)	(73,765)	(75,986)	(77,971)	(80,055)	(82,361)	(84,812)	(87,023)
Materials & contracts	(63,123)	(62,793)	(63,267)	(64,821)	(69,095)	(69,162)	(69,874)	(71,655)	(73,644)	(75,772)
Borrowing costs	(7,923)	(7,490)	(7,047)	(6,613)	(6,110)	(5,541)	(5,000)	(4,411)	(3,754)	(3,104)
Bonds and Deposits refunded	-	-	-	-	-	-	-	-	-	-
Other	(17,929)	(18,306)	(18,688)	(19,081)	(19,481)	(19,893)	(20,311)	(20,741)	(21,177)	(21,620)
Net cash provided in operating activities	74,348	77,154	79,879	80,904	80,226	84,552	88,164	90,909	93,680	94,412
Cash flows from investing activities										
Receipts:										
Sale of investments	5,458	12,502	10,401	44,339	28,529	589	-	-	-	3,371
Sale of infrastructure, property, plant & equipment	1,597	1,953	1,460	1,361	1,695	1,470	1,955	1,989	2,024	1,964
Payments:										
Purchase of investments	(7,946)	(675)	(11,448)	(3,673)	(26,415)	(21,658)	(31,100)	(46,017)	(48,208)	(35,570)
Purchase of infrastructure property, plant & equipment	(80,720)	(85,426)	(74,361)	(115,654)	(76,167)	(56,897)	(50,680)	(38,693)	(38,893)	(55,326)
Purchase of real estate	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash used in Investing activities	(81,612)	(71,647)	(73,948)	(73,627)	(72,358)	(76,495)	(79,824)	(82,721)	(85,077)	(85,560)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities										
<i>Receipts:</i>										
Borrowings and advances	2,276	2,276	2,276	1,400	1,200	1,200	1,200	1,200	1,200	1,200
Other										
<i>Payments:</i>										
Borrowings and advances	(7,817)	(7,784)	(8,206)	(8,678)	(9,068)	(9,256)	(9,540)	(9,389)	(9,802)	(10,051)
Lease Liabilities										
Other										
Net cash provided by financing activities	(5,541)	(5,508)	(5,930)	(7,278)	(7,868)	(8,056)	(8,340)	(8,189)	(8,602)	(8,851)
Net increase/(decrease) in cash and cash equivalents	(12,805)	(1)	1	(0)	(0)	0	(0)	0	0	0
Cash and cash equivalents at beginning of reporting period	31,005	18,200	18,199	18,200	18,200	18,199	18,200	18,200	18,200	18,200
Cash and cash equivalents at end of reporting period	18,200	18,199	18,200	18,200	18,199	18,200	18,200	18,200	18,200	18,200

Attachment 4 – cash flow statement – consolidated

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates & Annual Charges	93,755	96,224	98,752	101,352	104,030	106,722	109,560	112,442	115,399	118,438
User Charges & Fees	25,626	25,095	25,708	26,339	26,983	27,652	28,336	29,044	29,772	29,219
Interest Received	4,421	4,103	4,120	4,137	4,155	4,172	4,190	4,208	4,226	4,242
Other Operating Revenues	2,333	2,370	2,409	2,434	2,471	2,509	2,548	2,588	2,629	2,659
Operating Grants & Contributions	20,882	19,094	19,296	19,502	19,710	19,921	20,135	20,357	20,579	20,082
Capital Grants & Contributions	3,293	3,244	2,616	2,152	2,194	2,238	2,282	2,329	2,376	2,425
	150,311	150,130	152,902	155,915	159,543	163,214	167,051	170,968	174,981	177,064
Expenditure										
Employee Costs	52,517	51,813	53,158	54,528	55,941	57,359	58,860	60,366	61,914	63,475
Borrowing Costs	4,318	4,034	3,789	3,538	3,215	2,864	2,549	2,189	1,809	1,432
Materials & Contracts	40,194	39,123	39,006	39,444	42,699	42,167	42,392	43,101	44,127	45,388
Depreciation	27,955	28,635	29,266	29,956	30,669	31,404	32,162	32,945	33,753	34,586
Other Expenses	13,830	14,106	14,385	14,673	14,965	15,267	15,572	15,887	16,204	16,525
	138,813	137,710	139,604	142,139	147,489	149,060	151,534	154,487	157,808	161,407
Net Operating Result	11,497	12,420	13,298	13,776	12,054	14,154	15,517	16,481	17,173	15,658
Capital Grants/Contributions	3,293	3,244	2,616	2,152	2,194	2,238	2,282	2,329	2,376	2,425
Net Operating Result before Capital Grants & Contributions	8,205	9,176	10,682	11,624	9,860	11,916	13,235	14,152	14,797	13,233

Attachment 5 – income statement – general fund

<i>Source and Application of Funds</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Result (Income Statement)	11,497	12,420	13,298	13,776	12,054	14,154	15,517	16,481	17,173	15,658
<i>Add Back non-funded items:</i>										
Depreciation	27,955	28,635	29,266	29,956	30,669	31,404	32,162	32,945	33,753	34,586
<i>Add non-operating funding sources</i>										
Transfers from Externally Restricted Cash	15,364	2,121	1,040	2,040	2,165	1,026	1,012	1,012	1,012	1,012
Transfers from Internally Restricted Cash	16,453	14,727	1,133	4,455	2,937	3,762	2,776	1,478	949	781
Proceeds from sale of assets	1,597	1,953	1,460	1,361	1,695	1,470	1,955	1,989	2,024	1,964
Loan Funds Utilised	2,276	2,276	2,276	1,400	1,200	1,200	1,200	1,200	1,200	1,200
Repayments from Deferred Debtors	20	20	20	20	20	20	15	-	-	-
Funds Available	75,163	62,151	48,493	53,010	50,740	53,036	54,638	55,105	56,110	55,201
<i>Funds were applied to:</i>										
Purchase and construction of assets	42,662	46,334	29,182	36,862	21,576	23,575	23,766	22,908	24,282	25,905
Repayment of principal on loans	5,627	5,446	5,669	5,959	6,169	6,139	6,197	5,816	5,953	5,929
Transfers to Externally Restricted Cash	16,516	1,121	4,858	243	8,456	8,689	8,916	9,151	9,396	9,634
Transfers to Internally Restricted Cash	10,357	9,250	8,783	9,946	14,539	14,633	15,758	17,230	16,479	13,734
Funds Used	75,163	62,151	48,493	53,010	50,740	53,036	54,638	55,105	56,110	55,201
<i>Increase/(Decrease) in Available Working Capital</i>	-	-	0	(0)	0	-	-	0	(0)	(0)

Attachment 6 – funding statement – general fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	14,999
Investments	93,945	87,449	98,897	102,570	120,443	138,957	159,828	183,719	207,633	229,208
Receivables	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,522
Inventories	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
Contract assets	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730	3,730
Other	568	568	568	568	568	568	568	568	568	568
Total current assets	126,458	119,962	131,410	135,083	152,956	171,470	192,341	216,232	240,146	261,720
Non-current assets										
Investments	134,953	134,953	134,953	134,953	134,953	134,953	134,953	134,953	134,953	134,953
Receivables	480	480	480	480	480	480	480	480	480	480
Infrastructure, property, plant and equipment	2,051,655	2,067,401	2,065,857	2,071,401	2,060,614	2,051,315	2,040,964	2,028,938	2,017,443	2,006,797
Intangible assets	1,303	1,303	1,303	1,303	1,303	1,303	1,303	1,303	1,303	1,303
Right of use assets	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279
Investments Accounted for using the equity method	269	269	269	269	269	269	269	269	269	269
Other										
Total non-current assets	2,189,939	2,205,685	2,204,141	2,209,685	2,198,898	2,189,599	2,179,248	2,167,222	2,155,727	2,145,081
Total assets	2,316,397	2,325,647	2,335,551	2,344,769	2,351,854	2,361,069	2,371,589	2,383,454	2,395,873	2,406,801
LIABILITIES										
Current liabilities										
Payables	21,746	21,746	21,746	21,746	21,746	21,746	21,746	21,746	21,746	21,746
Contract liabilities	11,301	11,301	11,301	11,301	11,301	11,301	11,301	11,301	11,301	11,301
Lease liabilities	59	59	59	59	59	59	59	59	59	59
Borrowings	5,613	5,613	5,613	5,613	5,613	5,613	5,613	5,613	5,613	5,613
Provisions	20,959	20,959	20,959	20,959	20,959	20,959	20,959	20,959	20,959	20,959
Total current liabilities	59,678	59,678	59,678	59,678	59,678	59,678	59,678	59,678	59,678	59,678

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current liabilities										
Payables	744	744	744	744	744	744	744	744	744	744
Lease liabilities	229	229	229	229	229	229	229	229	229	229
Borrowings	58,017	54,846	51,453	46,894	41,925	36,987	31,990	27,373	22,620	17,891
Provisions	8,954	8,954	8,954	8,954	8,954	8,954	8,954	8,954	8,954	8,954
Total non-current liabilities	67,944	64,773	61,380	56,821	51,852	46,914	41,917	37,300	32,547	27,818
Total liabilities	127,622	124,451	121,058	116,499	111,530	106,592	101,595	96,978	92,225	87,496
Net assets	2,188,775	2,201,195	2,214,493	2,228,270	2,240,324	2,254,477	2,269,995	2,286,475	2,303,648	2,319,306
EQUITY										
Retained earnings	1,100,848	1,113,268	1,126,566	1,140,343	1,152,397	1,166,550	1,182,068	1,198,548	1,215,721	1,231,379
Revaluation reserves	1,087,927	1,087,927	1,087,927	1,087,927	1,087,927	1,087,927	1,087,927	1,087,927	1,087,927	1,087,927
Council equity interest	2,188,775	2,201,195	2,214,493	2,228,270	2,240,324	2,254,477	2,269,995	2,286,475	2,303,648	2,319,306
Total equity	2,188,775	2,201,195	2,214,493	2,228,270	2,240,324	2,254,477	2,269,995	2,286,475	2,303,648	2,319,306

Attachment 7 – balance sheet – general fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities										
Receipts:										
Rates and annual charges	93,755	96,224	98,752	101,352	104,030	106,722	109,560	112,442	115,399	118,438
User charges and fees	25,626	25,095	25,708	26,339	26,983	27,652	28,336	29,044	29,772	29,219
Investment revenue and interest	4,421	4,103	4,120	4,137	4,155	4,172	4,190	4,208	4,226	4,242
Grants and contributions	24,175	22,337	21,912	21,654	21,904	22,159	22,418	22,686	22,955	22,506
Bonds and Deposits received	-	-	-	-	-	-	-	-	-	-
Other	2,333	2,370	2,409	2,434	2,471	2,509	2,548	2,588	2,629	2,659
Payments:										
Employee benefits and on-costs	(52,517)	(51,813)	(53,158)	(54,528)	(55,941)	(57,359)	(58,860)	(60,366)	(61,914)	(63,475)
Materials & contracts	(40,194)	(39,123)	(39,006)	(39,444)	(42,699)	(42,167)	(42,392)	(43,101)	(44,127)	(45,388)
Borrowing costs	(4,318)	(4,034)	(3,789)	(3,538)	(3,215)	(2,864)	(2,549)	(2,189)	(1,809)	(1,432)
Bonds and Deposits refunded	-	-	-	-	-	-	-	-	-	-
Other	(13,830)	(14,106)	(14,385)	(14,673)	(14,965)	(15,267)	(15,572)	(15,887)	(16,204)	(16,525)
Net cash provided in operating activities	39,453	41,055	42,564	43,733	42,723	45,557	47,679	49,426	50,925	50,244

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities										
Receipts:										
Sale of investments	-	6,496	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant & equipment	1,597	1,953	1,460	1,361	1,695	1,470	1,955	1,989	2,024	1,964
Sale of interests in joint ventures/associates										
Other										
Payments:										
Purchase of investments	(7,946)	-	(11,448)	(3,673)	(17,873)	(18,514)	(20,871)	(23,891)	(23,914)	(21,575)
Purchase of infrastructure property, plant & equipment	(42,662)	(46,334)	(29,182)	(36,862)	(21,576)	(23,575)	(23,766)	(22,908)	(24,282)	(25,905)
Purchase of real estate										
Purchase of interests in joint ventures/associates										
Other	-	-	-	-	-	-	-	-	-	-
Net cash used in Investing activities	(49,012)	(37,885)	(39,171)	(39,174)	(37,754)	(40,619)	(42,682)	(44,810)	(46,172)	(45,515)
Cash flows from financing activities										
Receipts:										
Borrowings and advances	2,276	2,276	2,276	1,400	1,200	1,200	1,200	1,200	1,200	1,200
Other										
Payments:										
Borrowings and advances	(5,627)	(5,446)	(5,669)	(5,959)	(6,169)	(6,139)	(6,197)	(5,816)	(5,953)	(5,929)
Lease Liabilities	-	-	-	-	-	-	-	-	-	-
Other										
Net cash provided by financing activities	(3,351)	(3,170)	(3,393)	(4,559)	(4,969)	(4,939)	(4,997)	(4,616)	(4,753)	(4,729)
Net increase/(decrease) in cash and cash equivalents	(12,911)	(1)	0	0	(0)	(0)	0	(0)	(0)	(0)
Cash and cash equivalents at beginning of reporting period	27,911	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Cash and cash equivalents at end of reporting period	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	14,999

Attachment 8 – cash flow statement – general fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates & Annual Charges	6,931	7,199	7,439	7,645	7,857	8,071	8,290	8,516	8,748	8,986
User Charges & Fees	28,120	29,312	30,267	31,101	31,956	32,834	33,734	34,657	35,604	36,576
Interest Received	1,175	1,189	1,144	731	314	310	317	391	547	720
Other Operating Revenues	308	318	329	340	352	363	376	389	402	415
Operating Grants & Contributions	364	366	368	371	373	375	377	380	382	384
Capital Grants & Contributions	2,945	2,792	2,861	3,027	3,197	3,304	3,355	3,496	3,625	3,622
	39,843	41,177	42,408	43,214	44,049	45,257	46,450	47,828	49,308	50,703
Expenditure										
Employee Costs	7,268	7,671	8,018	8,333	8,684	8,929	9,182	9,569	9,914	10,196
Borrowing Costs	3,605	3,456	3,258	3,075	2,895	2,677	2,451	2,222	1,945	1,672
Materials & Contracts	11,085	11,448	11,660	12,184	12,738	12,856	13,056	13,651	14,081	14,403
Depreciation	11,184	11,511	11,811	12,184	12,931	13,687	14,040	14,329	14,542	14,751
Other Expenses	1,477	1,514	1,551	1,589	1,628	1,668	1,709	1,750	1,793	1,837
	34,619	35,600	36,298	37,364	38,874	39,817	40,438	41,522	42,276	42,859
Net Operating Result	5,224	5,577	6,110	5,850	5,175	5,440	6,013	6,306	7,033	7,845
Capital Grants/Contributions	2,945	2,792	2,861	3,027	3,197	3,304	3,355	3,496	3,625	3,622
Net Operating Result before Capital Grants & Contributions	2,279	2,786	3,249	2,823	1,977	2,136	2,657	2,811	3,407	4,223

Attachment 9 – income statement – water fund

<i>Source and Application of Funds</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Result (Income Statement)	5,224	5,577	6,110	5,850	5,175	5,440	6,013	6,306	7,033	7,845
<i>Add Back non-funded items:</i>										
Depreciation	11,184	11,511	11,811	12,184	12,931	13,687	14,040	14,329	14,542	14,751
<i>Add non-operating funding sources</i>										
Transfers from Externally Restricted Cash	13,808	14,751	18,279	45,785	47,402	20,727	15,327	10,593	10,485	8,365
Transfers from Internally Restricted Cash										
Proceeds from sale of assets										
Loan Funds Utilised										
Repayments from Deferred Debtors										
Funds Available	30,216	31,839	36,200	63,818	65,508	39,854	35,380	31,228	32,060	30,961
<i>Funds were applied to:</i>										
Purchase and construction of assets	15,969	14,076	18,737	43,512	43,735	16,598	12,146	6,999	6,534	4,478
Repayment of principal on loans	2,189	2,338	2,536	2,719	2,899	3,117	3,343	3,572	3,849	4,122
Transfers to Externally Restricted Cash	12,058	15,426	14,927	17,587	18,873	20,138	19,890	20,657	21,677	22,361
Transfers to Internally Restricted Cash										
Funds Used	30,216	31,839	36,200	63,818	65,508	39,854	35,380	31,228	32,060	30,961
<i>Increase/(Decrease) in Available Working Capital</i>	-	-	-	-	-	-	-	-	-	-

<i>Source and Application of Funds</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Result (Income Statement)	5,224	5,577	6,110	5,850	5,175	5,440	6,013	6,306	7,033	7,845
<i>Add Back non-funded items:</i>										
Depreciation	11,184	11,511	11,811	12,184	12,931	13,687	14,040	14,329	14,542	14,751
<i>Add non-operating funding sources</i>										
Transfers from Externally Restricted Cash	13,808	14,751	18,279	45,785	47,402	20,727	15,327	10,593	10,485	8,365
Transfers from Internally Restricted Cash										
Proceeds from sale of assets										
Loan Funds Utilised										
Repayments from Deferred Debtors										
Funds Available	30,216	31,839	36,200	63,818	65,508	39,854	35,380	31,228	32,060	30,961
<i>Funds were applied to:</i>										
Purchase and construction of assets	15,969	14,076	18,737	43,512	43,735	16,598	12,146	6,999	6,534	4,478
Repayment of principal on loans	2,189	2,338	2,536	2,719	2,899	3,117	3,343	3,572	3,849	4,122
Transfers to Externally Restricted Cash	12,058	15,426	14,927	17,587	18,873	20,138	19,890	20,657	21,677	22,361
Transfers to Internally Restricted Cash										
Funds Used	30,216	31,839	36,200	63,818	65,508	39,854	35,380	31,228	32,060	30,961
<i>Increase/(Decrease) in Available Working Capital</i>	-	-	-	-	-	-	-	-	-	-

Attachment 10 – funding statement – water fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Investments	35,177	35,852	32,500	4,303	10,774	10,185	14,749	24,813	6,005	10,000
Receivables	3,099	3,099	3,099	3,099	3,099	3,099	3,099	3,099	3,099	3,099
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-	-	-	-	-
Other	28	28	28	28	28	28	28	28	28	28
Total current assets	40,304	40,979	37,627	9,430	15,901	15,312	19,876	29,940	11,132	15,127
Non-current assets										
Investments	35,000	35,000	35,000	35,000	-	-	-	-	30,000	40,000
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	562,428	564,992	571,918	603,246	634,050	636,962	635,068	627,738	619,729	609,456
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Intangible assets	19	19	19	19	19	19	19	19	19	19
Right of use assets										
Investments Accounted for using the equity method										
Other										
Total non-current assets	597,447	600,011	606,937	638,265	634,069	636,981	635,087	627,757	649,748	649,475
Total assets	637,751	640,990	644,564	647,695	649,970	652,293	654,963	657,697	660,880	664,603
LIABILITIES										
Current liabilities										
Payables	865	865	865	865	865	865	865	865	865	865
Borrowings	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051
Provisions										
Total current liabilities	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current liabilities										
Payables										
Borrowings	49,613	47,275	44,738	42,019	39,120	36,002	32,659	29,087	25,238	21,116
Provisions										
Total non-current liabilities	49,613	47,275	44,738	42,019	39,120	36,002	32,659	29,087	25,238	21,116
Total liabilities	52,529	50,191	47,654	44,935	42,036	38,918	35,575	32,003	28,154	24,032
Net assets	585,222	590,800	596,910	602,760	607,935	613,375	619,387	625,694	632,726	640,571
EQUITY										
Retained earnings	229,068	234,646	240,756	246,606	251,781	257,221	263,233	269,540	276,572	284,417
Revaluation reserves	356,154	356,154	356,154	356,154	356,154	356,154	356,154	356,154	356,154	356,154
Council equity interest	585,222	590,800	596,910	602,760	607,935	613,375	619,387	625,694	632,726	640,571
Total equity	585,222	590,800	596,910	602,760	607,935	613,375	619,387	625,694	632,726	640,571

Attachment 11 – balance sheet – water fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities										
Receipts:										
Rates and annual charges	6,931	7,199	7,439	7,645	7,857	8,071	8,290	8,516	8,748	8,986
User charges and fees	28,120	29,312	30,267	31,101	31,956	32,834	33,734	34,657	35,604	36,576
Investment revenue and interest	1,175	1,189	1,144	731	314	310	317	391	547	720
Grants and contributions	3,309	3,158	3,230	3,397	3,570	3,679	3,733	3,875	4,007	4,006
Bonds and Deposits received	-	-	-	-	-	-	-	-	-	-
Other	308	318	329	340	352	363	376	389	402	415
Payments:										
Employee benefits and on-costs	(7,268)	(7,671)	(8,018)	(8,333)	(8,684)	(8,929)	(9,182)	(9,569)	(9,914)	(10,196)
Materials & contracts	(11,085)	(11,448)	(11,660)	(12,184)	(12,738)	(12,856)	(13,056)	(13,651)	(14,081)	(14,403)
Borrowing costs	(3,605)	(3,456)	(3,258)	(3,075)	(2,895)	(2,677)	(2,451)	(2,222)	(1,945)	(1,672)
Bonds and Deposits refunded	-	-	-	-	-	-	-	-	-	-
Other	(1,477)	(1,514)	(1,551)	(1,589)	(1,628)	(1,668)	(1,709)	(1,750)	(1,793)	(1,837)
Net cash provided in operating activities	16,409	17,089	17,921	18,034	18,106	19,127	20,053	20,635	21,575	22,595
Cash flows from investing activities										
Receipts:										
Sale of investments	1,823	-	3,352	28,197	28,529	589	-	-	-	-
Sale of infrastructure, property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Sale of interests in joint ventures/associates	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of investments	-	(675)	-	-	-	-	(4,564)	(10,064)	(11,192)	(13,995)
Purchase of infrastructure property, plant & equipment	(15,969)	(14,076)	(18,737)	(43,512)	(43,735)	(16,598)	(12,146)	(6,999)	(6,534)	(4,478)
Purchase of real estate	-	-	-	-	-	-	-	-	-	-
Purchase of interests in joint ventures/associates	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net cash used in Investing activities	(14,146)	(14,751)	(15,385)	(15,315)	(15,206)	(16,009)	(16,710)	(17,063)	(17,726)	(18,473)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities										
Receipts:										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other										
Payments:										
Borrowings and advances	(2,189)	(2,338)	(2,536)	(2,719)	(2,899)	(3,117)	(3,343)	(3,572)	(3,849)	(4,122)
Lease Liabilities										
Other										
Net cash provided by financing activities	(2,189)	(2,338)	(2,536)	(2,719)	(2,899)	(3,117)	(3,343)	(3,572)	(3,849)	(4,122)
Net increase/(decrease) in cash and cash equivalents	73	(0)	0	(0)	0	0	(0)	0	0	0
Cash and cash equivalents at beginning of reporting period	1,927	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cash and cash equivalents at end of reporting period	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Attachment 12 – cash flow statement – water fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates & Annual Charges	35,229	36,520	37,673	38,665	39,683	40,725	41,792	42,889	44,013	45,162
User Charges & Fees	3,346	3,461	3,567	3,662	3,760	3,858	3,959	4,061	4,165	4,270
Interest Received	1,800	1,713	1,610	1,374	1,395	1,525	1,574	1,661	1,844	1,964
Other Operating Revenues	17	18	18	18	19	19	19	20	20	21
Operating Grants & Contributions	345	348	350	352	354	357	359	361	363	366
Capital Grants & Contributions	1,793	1,830	1,868	1,984	2,095	2,164	2,198	2,289	2,373	2,381
	42,531	43,890	45,085	46,055	47,305	48,648	49,901	51,281	52,778	54,163
Expenditure										
Employee Costs	9,579	9,969	10,338	10,905	11,361	11,682	12,013	12,425	12,983	13,352
Borrowing Costs	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	11,844	12,223	12,601	13,193	13,658	14,140	14,426	14,903	15,436	15,981
Depreciation	13,913	14,295	14,728	15,186	15,803	15,978	16,259	16,504	16,641	16,765
Other Expenses	2,622	2,687	2,752	2,819	2,888	2,958	3,030	3,104	3,180	3,257
	37,958	39,174	40,420	42,103	43,710	44,758	45,729	46,937	48,239	49,355
Net Operating Result	4,573	4,716	4,665	3,952	3,595	3,889	4,173	4,345	4,539	4,808
Capital Grants/Contributions	1,793	1,830	1,868	1,984	2,095	2,164	2,198	2,289	2,373	2,381
Net Operating Result before Capital Grants & Contributions	2,780	2,885	2,797	1,969	1,500	1,726	1,975	2,056	2,165	2,426

Attachment 13 – income statement – sewer fund

<i>Source and Application of Funds</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Result (Income Statement)	4,573	4,716	4,665	3,952	3,595	3,889	4,173	4,345	4,539	4,808
<i>Add Back non-funded items:</i>										
Depreciation	13,913	14,295	14,728	15,186	15,803	15,978	16,259	16,504	16,641	16,765
<i>Add non-operating funding sources</i>										
Transfers from Externally Restricted Cash	10,678	13,961	25,063	32,951	10,503	16,362	14,685	8,602	7,991	24,855
Transfers from Internally Restricted Cash	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets										
Loan Funds Utilised										
Repayments from Deferred Debtors										
Funds Available	29,164	32,972	44,456	52,089	29,901	36,229	35,116	29,450	29,170	46,427
<i>Funds were applied to:</i>										
Purchase and construction of assets	22,089	25,016	26,442	35,280	10,856	16,723	14,767	8,786	8,077	24,943
Repayment of principal on loans	-	-	-	-	-	-	-	-	-	-
Transfers to Externally Restricted Cash	7,075	7,955	18,014	16,809	19,045	19,506	20,350	20,664	21,093	21,484
Transfers to Internally Restricted Cash	-	-	-	-	-	-	-	-	-	-
Funds Used	29,164	32,972	44,456	52,089	29,901	36,229	35,116	29,450	29,170	46,427
<i>Increase/(Decrease) in Available Working Capital</i>	-	-	-	-	-	-	-	-	-	-

Attachment 14 – funding statement – sewer fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Investments	64,365	58,359	51,310	35,168	43,710	46,854	52,519	64,581	77,683	74,312
Receivables	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets										
Other	41	41	41	41	41	41	41	41	41	41
Total current assets	68,075	62,069	55,020	38,878	47,420	50,564	56,229	68,291	81,393	78,022
Non-current assets										
Investments	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Receivables										
Infrastructure, property, plant and equipment	555,373	566,094	577,808	597,902	592,955	593,700	592,208	584,490	575,927	584,105
Investments Accounted for using the equity method										
Intangible assets	25	25	25	25	25	25	25	25	25	25
Right of use assets										
Investments Accounted for using the equity method										
Other										
Total non-current assets	601,398	612,119	623,833	643,927	638,980	639,725	638,233	630,515	621,952	630,130
Total assets	669,473	674,188	678,853	682,805	686,400	690,289	694,462	698,806	703,345	708,152
LIABILITIES										
Current liabilities										
Payables	625	625	625	625	625	625	625	625	625	625
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions										
Total current liabilities	625	625	625	625	625	625	625	625	625	625

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current liabilities										
Payables										
Borrowings	-	-	-	-	-	-	-	-	-	-
Provisions										
Total non-current liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	625	625	625	625	625	625	625	625	625	625
Net assets	668,848	673,563	678,228	682,180	685,775	689,664	693,837	698,181	702,720	707,527
EQUITY										
Retained earnings	282,356	287,072	291,737	295,689	299,284	303,173	307,346	311,691	316,229	321,037
Revaluation reserves	386,491	386,491	386,491	386,491	386,491	386,491	386,491	386,491	386,491	386,491
Council equity interest	668,847	673,563	678,228	682,180	685,775	689,664	693,837	698,182	702,720	707,528
Total equity	668,847	673,563	678,228	682,180	685,775	689,664	693,837	698,182	702,720	707,528

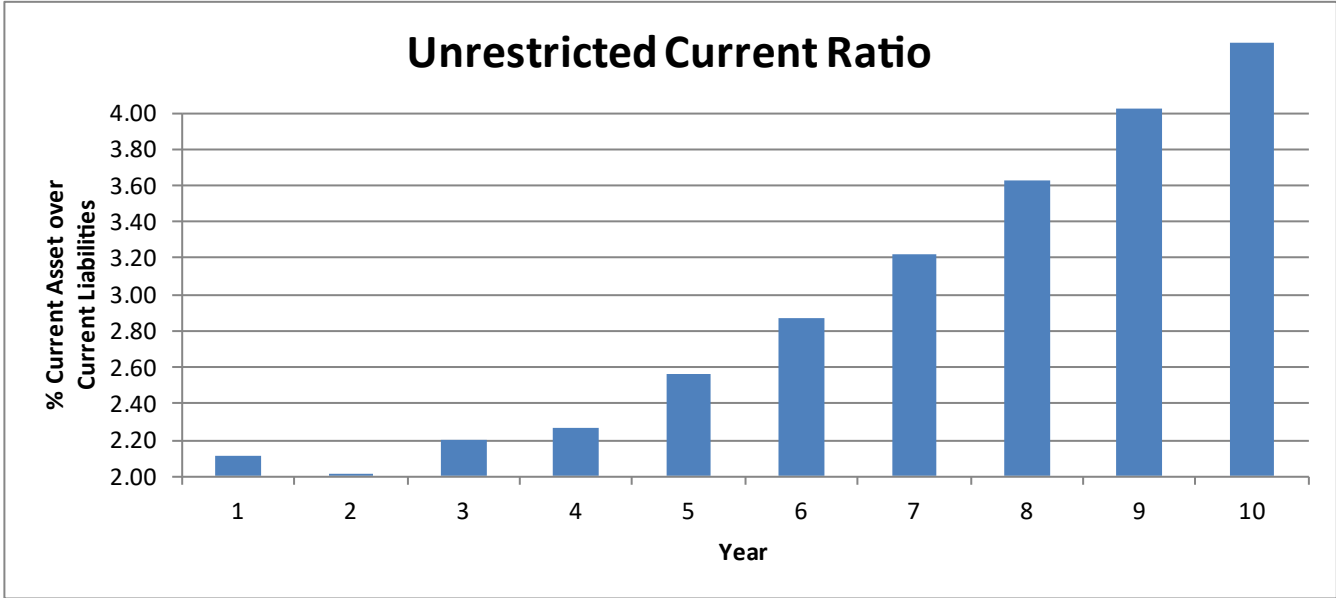
Attachment 15 – balance sheet – sewer fund

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities										
Receipts:										
Rates and annual charges	35,229	36,520	37,673	38,665	39,683	40,725	41,792	42,889	44,013	45,162
User charges and fees	3,346	3,461	3,567	3,662	3,760	3,858	3,959	4,061	4,165	4,270
Investment revenue and interest	1,800	1,713	1,610	1,374	1,395	1,525	1,574	1,661	1,844	1,964
Grants and contributions	2,139	2,178	2,217	2,336	2,449	2,520	2,557	2,650	2,737	2,747
Bonds and Deposits received	-	-	-	-	-	-	-	-	-	-
Other	17	18	18	18	19	19	19	20	20	21
Internal transfers										
Payments:										
Employee benefits and on-costs	(9,579)	(9,969)	(10,338)	(10,905)	(11,361)	(11,682)	(12,013)	(12,425)	(12,983)	(13,352)
Materials & contracts	(11,844)	(12,223)	(12,601)	(13,193)	(13,658)	(14,140)	(14,426)	(14,903)	(15,436)	(15,981)
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Bonds and Deposits refunded	-	-	-	-	-	-	-	-	-	-
Other	(2,622)	(2,687)	(2,752)	(2,819)	(2,888)	(2,958)	(3,030)	(3,104)	(3,180)	(3,257)
Net cash provided in operating activities	18,486	19,011	19,393	19,138	19,398	19,867	20,432	20,849	21,179	21,572
Cash flows from investing activities										
Receipts:										
Sale of investments	3,635	6,006	7,049	16,142	-	-	-	-	-	3,371
Sale of infrastructure, property, plant & equipment										
Sale of interests in joint ventures/associates										
Other										
Payments:										
Purchase of investments	-	-	-	-	(8,542)	(3,144)	(5,665)	(12,062)	(13,102)	-
Purchase of infrastructure property, plant & equipment	(22,089)	(25,016)	(26,442)	(35,280)	(10,856)	(16,723)	(14,767)	(8,786)	(8,077)	(24,943)
Purchase of real estate										
Purchase of interests in joint ventures/associates										
Other										
Net cash used in Investing activities	(18,454)	(19,010)	(19,393)	(19,138)	(19,398)	(19,867)	(20,432)	(20,848)	(21,179)	(21,572)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities										
Receipts:										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Other										
Payments:										
Borrowings and advances	-	-	-	-	-	-	-	-	-	-
Lease Liabilities										
Other										
Net cash provided by financing activities	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	33	0	0	(0)	(0)	0	(0)	0	0	(0)
Cash and cash equivalents at beginning of reporting period	1,167	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Cash and cash equivalents at end of reporting period	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200

Attachment 16 – cash flow statement – sewer fund

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
2.12	2.01	2.20	2.26	2.56	2.87	3.22	3.62	4.02	4.39



Attachment 17 – unrestricted current ratio – consolidated

Asset Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Artworks	35	36	36	37	38	38	39	40	41	42
Bridges	776	776	776	0	0	0	0	0	0	0
Community Land	0	0	0	0	0	388	0	0	0	0
Equipment	130	83	335	338	141	143	146	150	153	156
Fleet	4,921	5,733	4,539	5,281	4,844	4,279	5,992	5,892	4,737	4,264
Intangibles: Software	167	170	174	177	181	185	188	192	196	200
Kerb & Gutter	83	85	87	88	90	92	94	96	98	100
Non Specialised Buildings	13,388	7,320	400	100	100	100	100	100	100	100
Operational Land	4,597	38	40	641	42	43	44	45	46	48
Other Infrastructure	5,030	15,630	5,600	15,000	0	0	0	0	0	0
Roads	15,892	16,190	15,181	14,956	15,218	15,486	15,758	16,036	16,320	16,610
Sewer Infrastructure	22,021	25,016	26,242	35,080	10,856	16,723	14,767	8,786	8,077	24,943
Stormwater Drainage	1,432	1,438	1,445	1,452	1,459	1,466	1,474	1,481	1,489	1,496
Street Furniture	48	49	50	51	52	53	54	55	56	57
Water Infrastructure	11,388	14,054	18,715	42,890	43,712	16,187	12,122	6,974	6,508	4,452
Grand Total	79,908	86,618	73,620	116,091	76,733	55,184	50,778	39,847	37,821	52,468

Attachment 18 – capital works

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Fund Rates	O	+2.00%	1,224	1,245	1,299	1,325	1,352	1,379	1,406	1,434	1,463	1,492
	A		62,248	64,955	66,255	67,580	68,931	70,310	71,716	73,150	74,613	76,106
	W	-1.00%	(612)	(622)	(650)	(663)	(676)	(689)	(703)	(717)	(732)	(746)
User Charges & Fees (non statutory)	O	+1.00%	544	551	567	582	597	613	629	645	662	667
	A		57,093	57,869	59,542	61,102	62,699	64,344	66,029	67,763	69,541	70,064
	W	-2.00%	(1,087)	(1,102)	(1,134)	(1,164)	(1,194)	(1,226)	(1,258)	(1,291)	(1,325)	(1,335)
Interest Received	O	+2.00%	4,227	4,003	3,928	3,567	3,351	3,433	3,475	3,577	3,781	3,957
	A		7,397	7,006	6,874	6,242	5,864	6,007	6,081	6,260	6,617	6,925
	W	-2.00%	(4,227)	(4,003)	(3,928)	(3,567)	(3,351)	(3,433)	(3,475)	(3,577)	(3,781)	(3,957)
Employee Costs	O	-1.00%	(673)	(676)	(698)	(723)	(747)	(769)	(793)	(818)	(846)	(871)
	A		69,363	69,453	71,515	73,765	75,986	77,971	80,055	82,361	84,812	87,023
	W	+0.50%	336	338	349	361	374	385	396	409	423	435
Borrowing Costs	O	-2.00%	(40)	(85)	(131)	(176)	(204)	(228)	(252)	(276)	(300)	(324)
	A		7,923	7,490	7,047	6,613	6,110	5,541	5,000	4,411	3,754	3,104
	W	+2.00%	40	85	131	176	204	228	252	276	300	324
Materials & Contracts	O	-1.00%	(614)	(611)	(616)	(631)	(672)	(673)	(680)	(697)	(717)	(737)
	A		63,123	62,793	63,267	64,821	69,095	69,162	69,874	71,655	73,644	75,772
	W	+1.00%	614	611	616	631	672	673	680	697	717	737

O = Optimistic

A = Adopted

W = Worse case

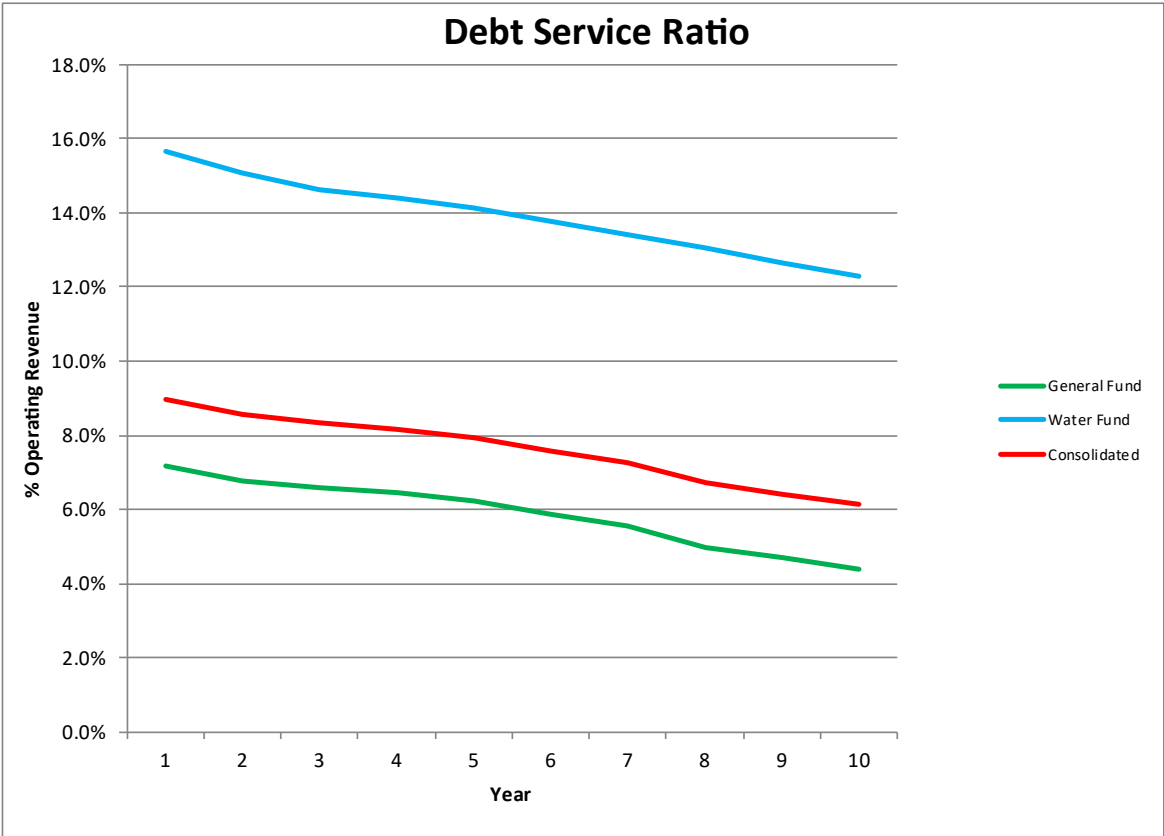
Attachment 19 – sensitivity analysis – consolidated

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rates - minimum										
Residential - @ 2% increase	\$1,166.65	\$1,190.00	\$1,213.80	\$1,238.10	\$1,262.90	\$1,288.20	\$1,314.00	\$1,340.30	\$1,367.10	\$1,394.40
Waste Management										
Domestic Waste Service Charge *	\$200.10	\$206.10	\$212.30	\$218.70	\$225.30	\$232.10	\$239.10	\$246.30	\$253.70	\$261.30
Domestic Waste Management Charge	\$78.50	\$80.90	\$83.30	\$85.80	\$88.40	\$91.10	\$93.80	\$96.60	\$99.50	\$102.50
Waste Minimisation and Recycling Charge *	\$85.00	\$87.60	\$90.20	\$92.90	\$95.70	\$98.60	\$101.60	\$104.60	\$107.70	\$110.90
Organic Waste Collection Charge	\$115.00	\$118.50	\$122.10	\$125.80	\$129.60	\$133.50	\$137.50	\$141.60	\$145.80	\$150.20
Landfill Management Charge	\$62.50	\$64.40	\$66.30	\$68.30	\$70.30	\$72.40	\$74.60	\$76.80	\$79.10	\$81.50
	\$541.10	\$557.50	\$574.20	\$591.50	\$609.30	\$627.70	\$646.60	\$665.90	\$685.80	\$706.40
Sewer Access Charge	\$943.60	\$957.75	\$972.12	\$986.70	\$1,001.50	\$1,016.52	\$1,031.77	\$1,047.25	\$1,062.96	\$1,078.90
Water Access Charge										
20mm service	\$193.20	\$196.10	\$199.04	\$202.03	\$205.06	\$208.14	\$211.26	\$214.43	\$217.65	\$220.91
Water Volumetric										
@ 200 KI	\$722.00	\$734.00	\$746.00	\$758.00	\$770.00	\$784.00	\$798.00	\$812.00	\$826.00	\$840.00
Water Volumetric /KI	\$3.61	\$3.67	\$3.73	\$3.79	\$3.85	\$3.92	\$3.99	\$4.06	\$4.13	\$4.20
Total for a Residential Property	\$3,566.55	\$3,635.35	\$3,705.16	\$3,776.33	\$3,848.76	\$3,924.56	\$4,001.63	\$4,079.88	\$4,159.51	\$4,240.61

* based on typical bin sizes and collection frequency

Attachment 20 – rate notice estimate

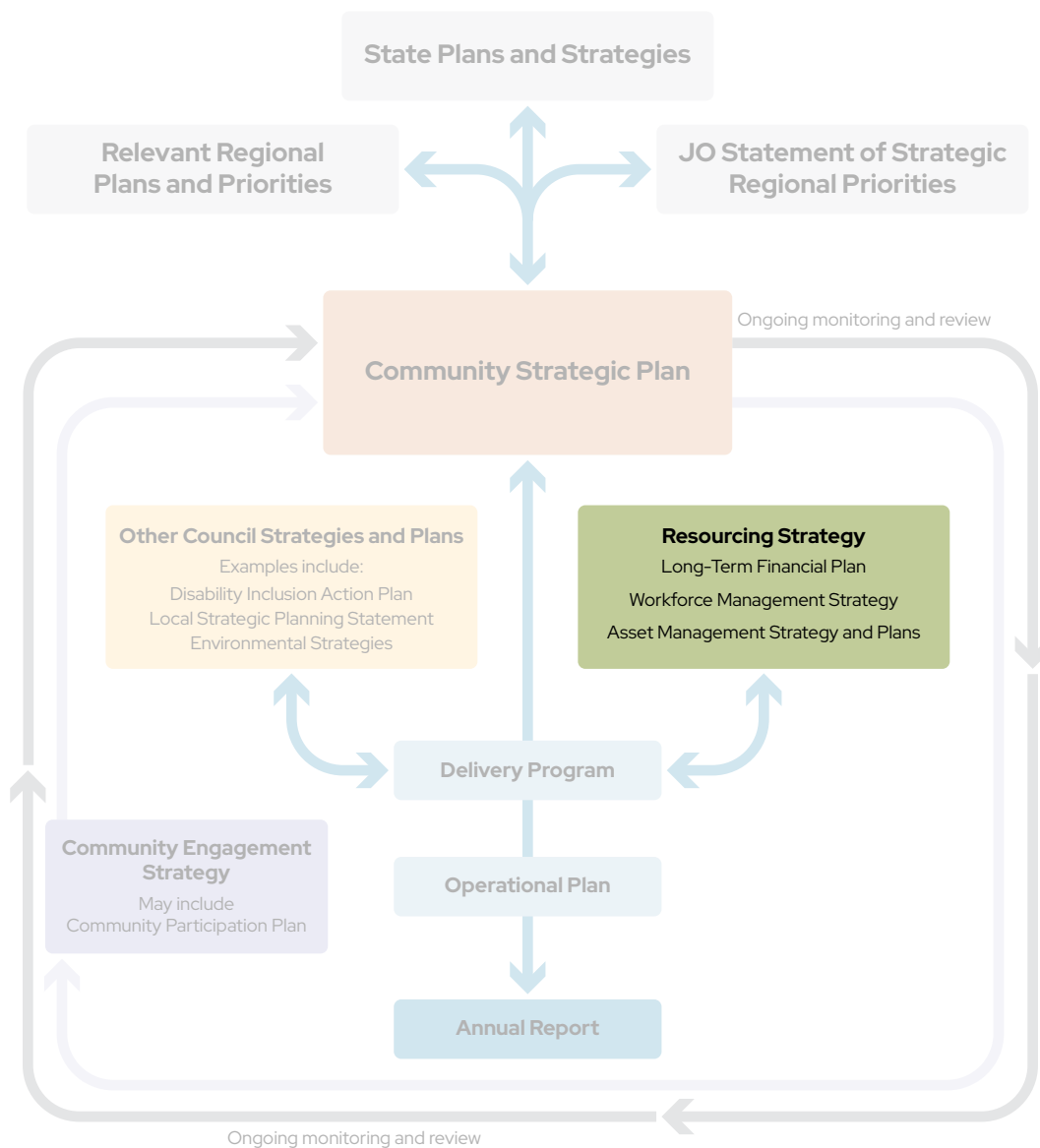
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Financial Goals
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
General Fund	7.2%	6.8%	6.6%	6.5%	6.2%	5.9%	5.6%	5.0%	4.7%	4.4%	10.0%
Water Fund	15.7%	15.1%	14.6%	14.4%	14.2%	13.8%	13.4%	13.0%	12.7%	12.3%	25.0%
Consolidated	8.98%	8.56%	8.34%	8.18%	7.94%	7.56%	7.25%	6.71%	6.43%	6.12%	15.00%



Connection to the Integrated Planning and Reporting Framework

For Tweed Shire Council this document is the 10-year Resourcing Strategy which includes the *Long Term Financial Plan*, *Workforce Management Strategy* and *Asset Management Strategy* and plans as part of the NSW Government’s [Integrated Planning and Reporting framework](#).

Find out more about planning and reporting for the Tweed community at: tweed.nsw.gov.au/planning-reporting-to-community



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