

Draft Resourcing Strategy

2022-26

2023-24 Version



Acknowledgment of country



We acknowledge the traditional owners and custodians of this country and their continuing connection to the land through culture and community. We pay our respects to Elders past, present and future.

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Collaboration

We enjoy working together to deliver for our community

Adaptability

We are ready for change and willing to embrace a new situation

Integrity

We are committed to maintain high ethics and standards

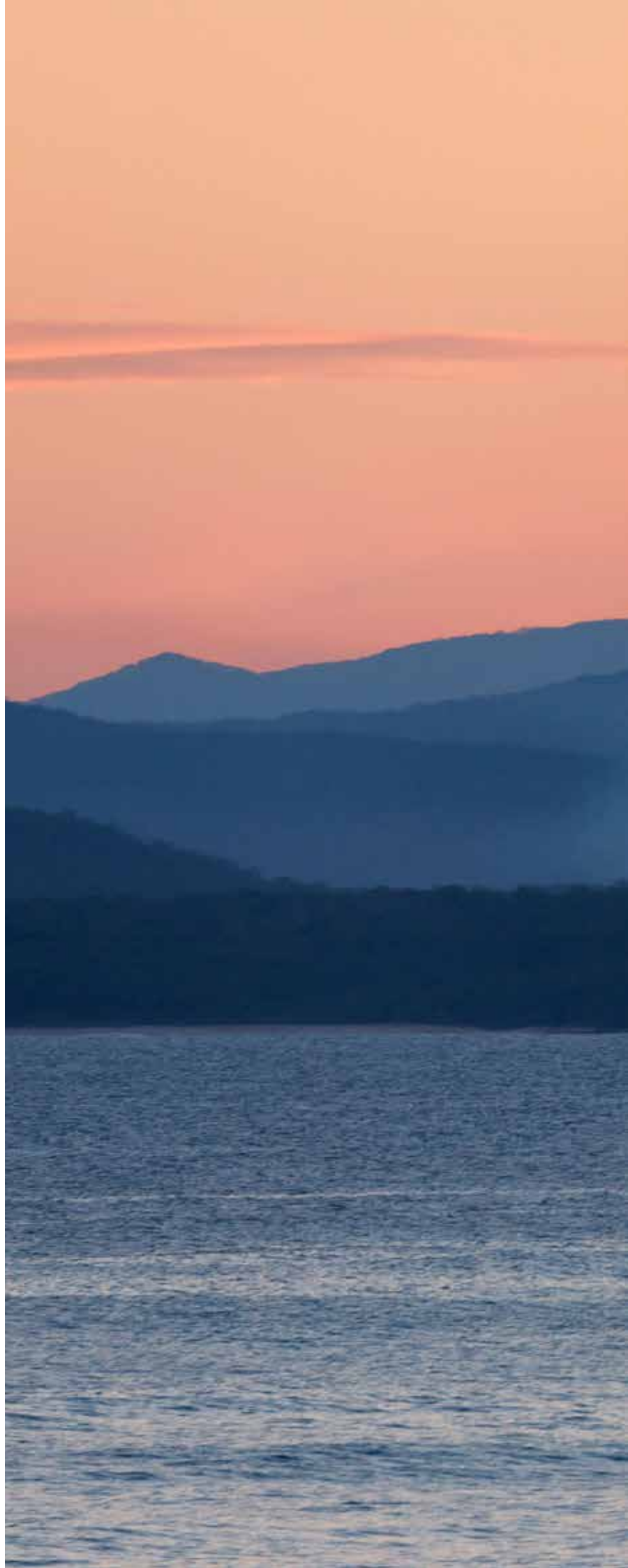
Respect

We are mindful of and care about the feelings, wishes and rights of others

Values are the fundamental beliefs of a person or organisation.

These principles guide behaviour and help organisations to determine if they are on the right path and fulfilling their goals by creating an unwavering guide for all to follow.

Shoalhaven City Council has chosen four Core Values: Council's Core Values are reflected throughout the Code of Conduct.



Our Vision For the Future

“We will work together in Shoalhaven to foster a safe & attractive community for people to live, work, stay & play; where sustainable growth, development & environmental protection are managed to provide a unique & relaxed lifestyle”





Introduction

The Shoalhaven City Council Resourcing Strategy forms part of Council's Integrated Planning and Reporting suite of documents.

The Resourcing Strategy supports the Community Strategic Plan - Shoalhaven 2032, the Delivery Program 2022-2026, and the annual Operational Plans. While the Community Strategic Plan describes the long-term goals of our community, the Resourcing Strategy outlines how we will help achieve these in terms of time, money, assets and people.

The Resourcing Strategy is the link between the Community Strategic Plan and the Delivery Program, detailing the resources needed to implement the strategies.

The actions outlined in this Resourcing Strategy are included in the Delivery Program 2022-2026 and annual Operational Plans as required across each of the key priorities.

The Resourcing Strategy contains the following elements:

Workforce Management Strategy 2022-26

Builds the capability and capacity of the workforce to achieve Council's strategic goals and objectives. It considers what people, with what capabilities and experience are required to deliver Council's four-year Delivery Program.

Asset Management Strategy and Plan 2022-26

Includes the Asset Management Policy, Strategy and related Asset Management Plans which provide direction for continuous improvement in the asset management of Council's \$5.5 billion in infrastructure, community, operational and commercial assets.

Information Communication Technology Strategy 2022-26

Outlines opportunities to build on the recent investment made in systems and technologies to create an exceptional customer experience.

Long Term Financial Plan 2024-2034

A 10-year rolling plan that informs decision-making and demonstrates how objectives of the Community Strategic Plan and Delivery Program commitments will be resourced and funded. It outlines Council's ability to deliver cost-effective services to our community with a focus on financial sustainability.



Planning & Reporting Framework

Shoalhaven's plans are developed in conjunction with State and Regional Plans, the Resourcing Strategy, other supporting plans, Councillors, staff and the community.

The community plan for the Shoalhaven over the next ten years is captured in the Community Strategic Plan 2032 (CSP). While Council will use the plan to develop its objectives and actions, other government and non-government organisations can and will use the CSP to align their activities to meet Shoalhaven's needs.

Our future planning documents are made up of four key components (Figure 1):

1. Shoalhaven 2032 Community Strategic Plan (10 years)
2. Delivery Program Objectives (4 years)
3. Operational Plan & Budget (annual)
4. Council's Resourcing Strategy (4 years)

Community Strategic Plan

The community plan for the Shoalhaven over the next ten years is captured in the Community Strategic Plan (CSP). The purpose of the plan is to identify the community's main aspirations and priorities for the future. The CSP is organised under four themes and eleven key priorities.

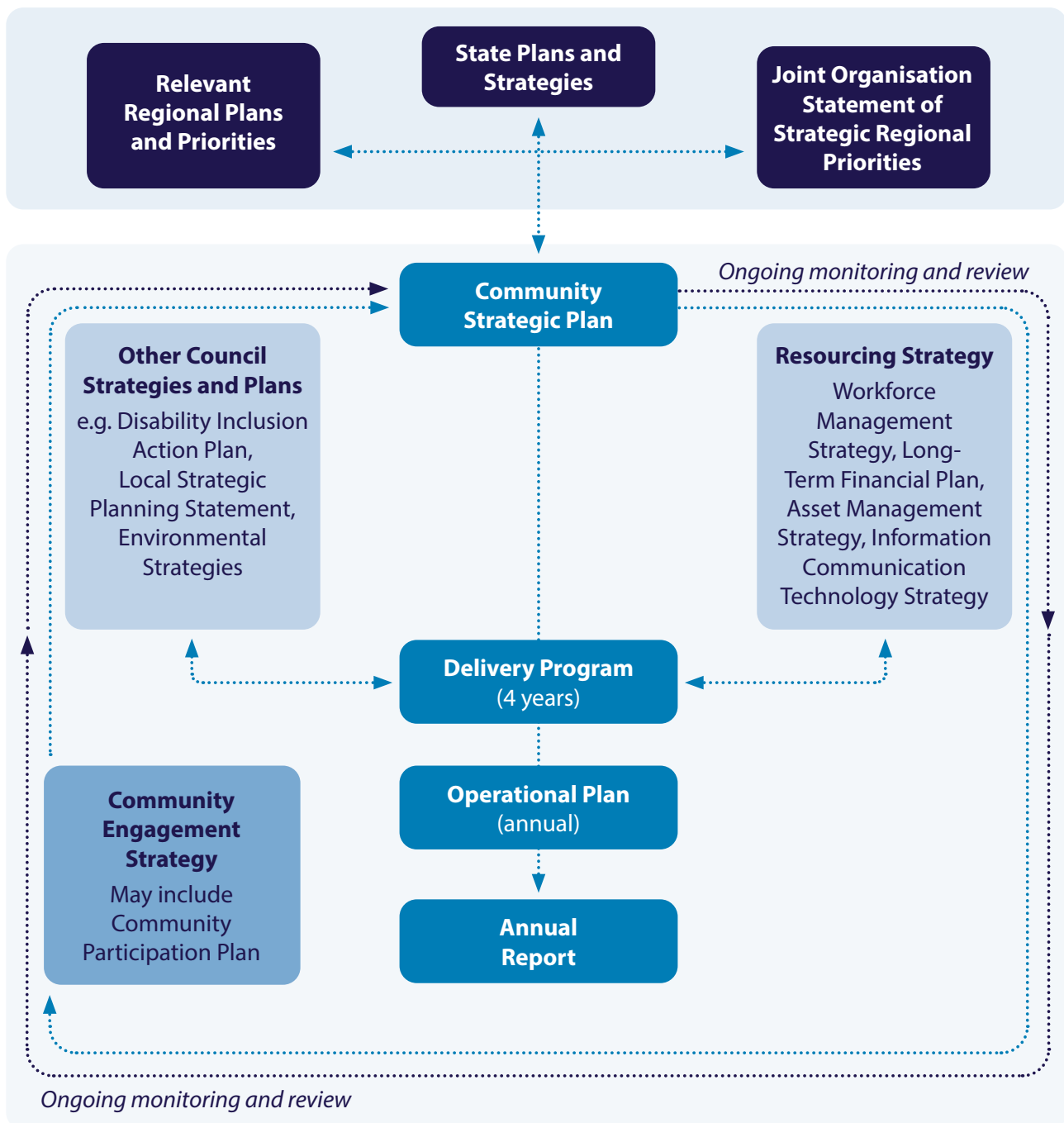
While Council will use the plan to develop its objectives and actions, not everything in the plan is Council's responsibility. Other government and non-government organisations can and will use the CSP to align their activities to meet Shoalhaven's needs.

Delivery Program Operational Plan

The Delivery Program Objectives are Council's response to the Community Strategic Plan and what Council can do within each term of the elected Council. The one-year Operational Plan Actions detail what will be completed over the next 12 months to address the Delivery Program Objectives. Budget, staff resources and assets are allocated to ensure the Actions are undertaken.

Resourcing Strategy

While the Community Strategic Plan describes the long-term goals of our community, the Resourcing Strategy outlines how we will help achieve these in terms of time, money, assets and people. It is used to address the budget needs through the Long Term Financial Plan, assets required through the Asset Management Framework, technology needs through the ICT Strategy and Council's workforce through the Workforce Strategy.



(Figure 1): Integrated Planning and Reporting Framework

Draft Workforce Management Planning Strategy 2022-26



Workforce Management Strategy

The Workforce Management Planning Strategy is a document that shapes the capacity and capability of the workforce to achieve Council's strategic goals and objectives over the next four years in alignment with Council's core values of Respect, Integrity, Adaptability and Collaboration.

It will act as a roadmap to guide key workforce initiatives to ensure Council can meet future workforce and organisational challenges. The document includes an assessment of workforce trends, needs, current challenges and forecasts future needs. The development of the Workforce Management Planning Strategy is aligned to the 2032 Community Strategic Plan and will support Council to achieve our Delivery Program objectives and positive outcomes for our community.

Given that employee costs are approximately one third of total operating expenses for the Council, how the Council plan and manages the workforce will have a significant impact upon the Council's financial sustainability. Furthermore, the capability, performance and productivity of the workforce are essential components of achieving long term financial sustainability for the Council. Therefore, the following plan for the management of the workforce as been developed to integrate with the other resourcing plans – Long Term Financial Plan, the Asset Management Strategy and the ICT Strategy – to enable the Council to deliver on the Community Strategic Plan in an approach that is financially sustainable.

In response to the recommendations of the Financial Sustainability Review amendments to the Workforce Management Planning Strategy have included strategies to enhance the asset management and project management capabilities across the workforce, as well as general improvements to the financial acumen at all levels of management.

Consistent with the other resourcing plans, the following plan includes three potential scenarios that the Council may decide to adopt – the base case scenario (not increase in rates above the rate peg) and two additional scenarios that include an increase in the rates above the rate peg. The rate peg is the maximum percentage increase that the Council is allowed to increase the general rate revenue and is determined by the Independent Pricing and Regulatory Tribunal (IPART). While enhancements to asset management, project management and financial management are essential for all three scenarios, with additional revenue through a special rate variation (increase above the rate peg) the Council will need to enhance the workforce capability to deliver the additional works, including the need to plan, deliver and report on the additional investments made.

Workforce Trends & Needs

As at November 2023, Shoalhaven City Council had a total headcount of 1556 staff (includes 403 casuals). Staff are distributed across seven areas as shown in Table 1. Full-time equivalent numbers in Table 1 exclude casual positions.

Table 1. Workforce Distribution

Group	Headcount	Percentage of workforce (%)	Full time Equivalent (includes fixed-term excludes casuals)	Percentage of FTE (%)
CEO	18	1.16	15	1.36
City Performance	188	12.08	146	13.24
Shoalhaven Water	238	15.30	214	19.40
City Services	431	27.70	405	36.72
City Development	177	11.38	141	12.78
City Lifestyles	452	29.05	145	13.15
City Futures	52	3.34	37	3.35
Total	1,556	100%	1,103	100%

Age

Shoalhaven has an ageing workforce, with 40% of staff aged 50 or older. In contrast only 20.1% of workers are aged under 30. While the ageing workforce is an issue across the organisation, it is most pertinent in City Services, where 46.4% of staff are 50 years or older. Table 2 displays the age distribution across Council. Council has in place an established traineeship and apprenticeship program to assist in attracting and retaining young people within the organisation through an agreement with a third-party provider with on average 50 participants involved. These externally engaged trainees are not included within the numbers below.

Table 2. Age Distribution by Directorate (%)

Age	Total (%)	CEO Group (%)	City Performance (%)	City Lifestyles (%)	Shoalhaven Water (%)	City Services (%)	City Futures (%)	City Development (%)
16 – 19	5.53	0.0	0.0	17.0	1.7	0.5	0.0	0.0
20 – 29	15.36	11.1	12.2	20.6	19.7	12.1	7.7	10.2
30 – 39	18.54	11.1	18.6	15.9	17.6	20.2	13.5	25.4
40 – 49	20.57	22.2	25.5	15.7	21.4	20.9	26.9	23.7
50 – 59	25.19	33.3	29.3	16.8	26.9	30.2	25.0	27.1
60 - 69	13.20	5.6	14.4	11.5	11.8	15.3	21.2	12.4
70+	1.61	16.7	0.0	2.4	0.8	0.9	5.8	1.1

Annual permanent turnover for 2022/23 was 15.61%. This included 159 permanent exits from an average of permanent staff of 1022.5 for the year. The permanent headcount at 30 June 2023 was 1024. The turnover can be compared to the national turnover rate of 15% for Local Government and close to 20% turnover rate for rural areas.

Gender

The overall percentage of women in the Shoalhaven City Council workforce as at November 2023 was 44%. As Table 3 displays, the percentage of women is highest in the City Performance, and lowest in Shoalhaven Water.

<i>Table 3. Gender Diversity</i>		
Directorate	Women (%)	Men (%)
CEO Group	63	37
City Performance	70	30
Shoalhaven Water	16	84
City Services	22	78
City Lifestyles	61	39
City Futures	75	25
City Development	55	45
Total Workforce	44%	56%

In reviewing the gender balance in management levels, the following statistics are relevant:

<i>Table 4. Gender Balance in Management Levels</i>		
Directorate	Women	Men
Supervisors/Managers = 234	99 (42%)	135 (58%)
Senior Managers (Grade 13 [^]) = 78	26 (33%)	52 (67%)

Current Workforce Challenges

Current workforce challenges facing SCC are focused around building a capable and agile workforce. Based on consultation and the need to respond to the workforce profile identified above the workforce plan should target the following areas:

- Planning for an ageing workforce
- Addressing knowledge management
- Succession Planning
- Attraction and retention
- Staff capability and capacity to harness technological advances
- Developing a resilient and agile workforce
- Capability uplift around effective stakeholder management (both community and councillors)
- Attracting and retaining local staff including youth, ATSI and people with a disability
- Increasing operational effectiveness through communication and collaboration across Council
- Employee learning and development
- Leadership and Management Capability development

Forecasted Future Needs

Shoalhaven City Council needs to remain agile, with a continuing focus on customer service while developing a more proactive and planned approach to undertaking work. Council needs to position itself as an employer of choice and effectively plan for the retirement of a large portion of the workforce. The SCC workforce needs to be in a position to:

- Plan and deliver services and infrastructure as efficiently as possible
- Research and implement best practice and productivity improvements
- Collect, access and analyse data and information in making good decisions
- Retain knowledge as older workers exit the workforce
- Have a cohort of leaders ready to step into management positions as older workers retire
- Collaborate effectively across the different areas of Council
- Harness innovations in technology
- Remain agile in changing environments
- Meet and manage the needs of stakeholders
- Attract and retain the right staff for the right roles.

Strategic Action Plan

In the context of the challenges faced by Council, we have identified nine areas with related strategic actions which form the basis of the Workforce Management Planning Strategy. These priorities were developed in collaboration with staff, to align and address behaviours and capabilities to achieve the community goals of the Community Strategic Plan. Each of these priorities have actions to be implemented across the organisation over the next four years. The following sections outline each action, what is the success indicator and who is accountable. Actions from this strategy will be incorporated into the Delivery Program Operational Plan with implementation progress reported through the quarterly performance report.

1. Strategy

The workforce needs to understand how their work aligns with Council strategy. Team and individual activities should clearly link to overarching strategic objectives. The following actions will assist SCC to achieve strategic priorities.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Align strategic language about future direction in all relevant documents	1. Review key strategic documents, to ensure alignment and consistency 2. All managers to regularly communicate with staff regarding the strategic intent and how their work aligns with the approach	Staff use a shared language to articulate the future direction of SCC and can see how their work supports the strategy	CEO EMT Media & Communications Manager		✓	✓	
Enhance clarity and line of sight between teams and individual roles, & organisational strategy	1. Cascade organisational strategies into team and individual work plans 2. Ensure performance management system shows clear link to strategic plan and priorities.	All teams can articulate how their work contributes to achieving the Community Strategic Plan and the boarder direction of Council.	EMT Media & Communications Manager	✓	✓	✓	

2. Organisational Structure

The workforce structure will be instrumental in driving and supporting Council's strategy. The structure needs to support an agile workforce and should position staff to incorporate technological innovations in their work.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Align structure to support future direction of Council.	1. Review changes to organisational structure and ensure outcomes are being met.	Staff and management report a high degree of confidence in the structure	People & Culture (Human Resources) SLT	✓	✓		
	2. Commence review of those areas not changed in most recent restructure.	Higher levels of lateral integration can be observed		✓	✓		
	3. Assess and quantify the benefits of offering more roles with flexible working arrangements or part-time/ casual arrangements to better meet the needs of council and staff within the structure	SCC developed and reported on metrics to align workforce to business strategy		✓	✓	✓	✓

3. Resourcing

Strategic recruitment and forecasting of resource needs will enable an effective workforce. Recruitment processes will be transparent and implemented Council-wide and SCC will be recognised as an employer of choice in the region. To recruit the most suitable candidates, recruitment processes will consider both internal and external candidates and Council will engage in targeted recruitment of minority groups. Council will effectively utilise the skill sets of the workforce and resource requirements will be regularly forecast to prepare for any potential skill gaps. The resourcing requirements will be assessed to enable the delivery of the scenarios in the Long Term Financial Plan (LTFP) and Asset Management Strategy (AMS) as well as the strategies and actions listed in the delivery program and operational plan.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Forecasting and resourcing needs	1. Actively forecast human resourcing trends at enterprise level throughout the year taking into account peak periods and staff leave	Resourcing needs are identified in advance and can be planned for	EMT SLT People & Culture (Human Resources)		✓	✓	✓
	2. Forecast resourcing required to deliver the additional capital scenarios (Scenarios 2 and 3) presented in the LTFP and AMS	Resourcing needs are identified to enable the delivery of the additional capital works in Scenarios 2 and 3 presented in the LTFP and AMS			✓	✓	✓

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
	3. Complete a Council wide resourcing assessment to determine the staffing level required to deliver the different scenarios as outlined in the LTFP, Asset Management Strategy, Delivery Program and Operational Plan	Resourcing requirements for all Integrated Planning and Reporting documents are completed for each of the three scenarios.				✓	✓
	4. Identify the resourcing gaps where positions are required, vacancies need to be filled, additional training is required, or where current positions may have additional capacity	Resourcing gaps and additional capacity are identified				✓	✓
Implementation of Strategically Aligned Recruitment Practices	1. Re-define the recruitment processes to align with the workforce plan	Standardised recruitment practices are utilised through SCC	People & Culture (Human Resources)	✓			
	2. Develop consistent processes for including both internal and external applicants in the recruitment process			✓			

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Ensure recruitment practices deliver a diverse workforce that is representative of the Community	1. Develop practices to attract the recruitment of minority groups and work with community organisations to increase application rates	Higher representation of Aboriginal and Torres Strait Islander, minority groups and people with a disability in applicant pools	People & Culture (Human Resources)	✓	✓		
	2. Partner with employment providers to ensure recruitment practices are inclusive of people with a disability			✓	✓		
Develop and refine strategies to attract and recruit staff	1. Develop an Employee Value Proposition seeking staff input.	Employee Value Proposition (EVP) developed	People & Culture (Human Resources & Organisational Development)		✓	✓	✓
	2. Investigate options to develop stronger and more positive brand recognition for Council	Staff survey shows staff awareness of EVP and positive brand association		✓	✓	✓	
	3. Develop strategies which encourage youth within the local area to consider Council as a career option	Consideration given to defining customer survey metrics related to brand recognition		✓	✓		

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Proactively manage skills utilisation across Council	1. Undertake Council wide skills audit of current staff skills which includes disability access 2. Utilise skills audit to support forecasting requirements and determine gaps 3. Utilise skills audit to undertake staff rotation program and cross skill staff across multiple roles and through cross-functional projects and improvement activities	Skills audit is undertaken No of staff attending training or professional development Staff are agile and able to fill multiple roles across Council Levels of staff winning roles internally in different areas to current roles increases	People & Culture (Organisational Development)				✓
Review of Remuneration offering	1. Undertake a review and update of the salary table, benefits, reward and recognition program.	Updated salary table and remuneration system every 4 years Reward & Recognition program implemented	People & Culture (Human Resources)	✓	✓		

4. Succession Planning

Council will engage in organisation wide skills development and knowledge sharing to effectively address succession planning requirements. Council will utilise the knowledge of experienced staff through knowledge management processes to ensure in-depth Council knowledge is retained. Transition programs will support staff as they enter retirement and create appropriate time for handover to their successors.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Organisational-wide approach to succession planning	1. Council to develop a Succession strategy and guidelines for all key roles	Number of internal staff applying for roles is increasing Numbers of internal verses external appointment (based on merit)	People & Culture (Human Resources & Organisational Development) SLT		✓	✓	✓
	2. Develop a targeted succession plan for City Services to address the high percentage of aged workers	Age profile of City Services is more balanced			✓	✓	
	3. Use Performance Review process to assist employees identify their careers paths and the milestones they need to achieve the outcomes	Numbers of internal promoted is increasing over time (based on merit)			✓	✓	✓

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Ensure effective knowledge management processes are core to operational approach	1. Implement mentoring programs and internal professional development sessions run by subject matter experts 2. Involve experienced staff in developing training materials and 'handover guides' for new staff or those who may take over in the future staff	Council will have formalised processes for retaining key knowledge from experienced and retiring staff	People & Culture (Organisational Development) SLT		✓	✓	✓
Refresh Transition to Retirement Support Services	1. Review the existing Planned Departure Program to support staff as they transition to retirement	Knowledge is retained within SCC	People & Culture (Human Resources & Organisational Development)	✓			

5. Leadership and Professional Development

Council will look to innovative ways to include professional development opportunities into every-day work. There will be opportunities for staff to act in different roles and learn from internal subject matter experts. Professional development activities will be informed by a capability framework aligned to strategic objectives, which will outline behaviours needed for success at each level of Council. Leaders will understand what behaviours are required for success. Leaders will be effective in having performance conversations and giving feedback to staff. Performance management processes will be transparent and consistent across Council. Financial sustainability and asset management will be integrated into Council's training programs.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Capability Framework aligned to Strategic Workforce Plan	1. Develop a capability framework aligned to the Workforce Plan and use this when assessing professional development needs of staff and future recruitment needs 2. Utilise subject matter experts for internal training and capability uplift for staff	Capability framework developed and incorporated into professional development process Internal capability will be built in identified areas of skill development	People & Culture (Organisational Development)		✓	✓	
Create strong focus on Leadership Development Opportunities	Continue roll-out of a leadership program to support staff to experience different leadership roles and grow their leadership skills	More experienced staff will be actively involved in developing the capabilities and knowledge of other staff Increased awareness of staff regarding the opportunity for professional development through secondments,	People & Culture (Organisational Development) EMT	✓	✓	✓	✓

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
		education sessions and role shadowing.					
Proactively develop Leaders	1. Implement leadership development program for middle management staff including consideration of a 360degree assessment process	Self-Assessments of Leaders pre and post development programs show increase in confidence and capability	People & Culture (Organisational Development)		✓		
	2. Implement coaching and mentoring program	360degree process shows perceptions of leaders have improved		✓	✓		
Capability uplift to enhance performance outcomes in engaging in difficult conversations	Professional development for leaders to increase capability and confidence in having feedback conversations and managing difficult interactions	Self-Assessments of Leaders pre and post education sessions show increase in capability and confidence	People & Culture (Human Resources & Organisational Development)	✓	✓	✓	✓
Create a consistent approach to performance management across Council	Upskill all leaders such that they understand how to effectively utilise existing performance management processes	People management practices are consistent across SCC.	People & Culture (Human Resources & Organisational Development)	✓	✓	✓	✓
Leadership capabilities clearly defined	1. Leadership capability framework developed that clearly	Integration of leadership capability	People & Culture (Organisational Development)	✓	✓	✓	

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
	aligns with strategic direction 2. Integrate into the performance management processes.	framework into the performance management processes					
Financial sustainability training	Financial sustainability strategies identified in the financial sustainability review are integrated into the employee induction, Councillor induction program and the leadership development program	Financial sustainability strategies are integrated in training programs	People & Culture (Organisational Development)		✓		
Asset management and project management training to empower the Councillors and workforce to excel in managing and delivering infrastructure	1. Develop asset management training program covering strategic, technical and operational elements across the lifecycle of an asset and deliver to Councillors and identified staff. 2. Support the implementation of a new Project Management Framework with a gap analysis and training framework.	The asset management and project management training programs are developed and delivered to all Councillors and identified staff	People & Culture (Organisational Development) EMT		✓	✓	✓

6. Community

Council will utilise training programs to increase employment of local staff. Council will use innovations in technology to effectively communicate and interact with the community. Staff will have the capabilities to effectively navigate interactions with the community. Also, where possible and appropriate, Council will engage in partnering relationships with local organisations.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Capability Uplift for Staff Engagement with Community	1. Provide training for best ways to manage community expectations and hold effective conversation with stakeholders 2. Provide training/guidance in verbal and written communication skills for staff when engaging with the local community	Staff feel confident when engaging with stakeholders and the community The community is satisfied with Council interactions	People & Culture (Org Development) Media & Communications Manager	✓	✓	✓	✓
Ensure SCC is an inclusive employer and is representative of the Shoalhaven community	1. Work with community organisations to increase application rates from diverse segments of the community 2. Partner with employment providers to ensure increase applications from people with a disability	Higher representation of Aboriginal and Torres Strait Islander, minority groups and people with a disability in applicant pools	People & Culture (Human Resources) Community Connections	✓	✓		

7. Culture

The workforce will have a strong culture of Integrity, Respect, Adaptability and Collaboration. Staff will be able to clearly see how desired behaviours to support the culture are aligned with achieving strategic goals. The workforce will adhere to the strategies outlined in the Financial Sustainability Review to ensure that the future financial targets are met and the Asset Management principles are embedded into the workforce culture.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Proactively work on enhancing and aligning Councils culture to align with strategic direction	1. Develop Corporate behaviours aligned to core values 2. Involve staff to refresh the values and develop behaviours that align to the future culture 3. Include the corporate behaviours in the performance development and management process	Staff engagement survey shows awareness of and commitment to the SCC values and desired behaviours	People & Culture (Human Resources & Organisational Development) SLT	✓	✓	✓	✓
Financial sustainability culture	1. Financial sustainability strategies identified in the financial sustainability review are communicated by leaders to the workforce	Staff response to survey questions on importance and observed culture that supports the financially sustainable approach.	EMT SLT		✓	✓	✓

	2. Executive to be role models by leading discussions and making day to day decisions consistent with a financially sustainable approach. Budget managers are to be made responsible and accountable for their performance against budget		EMT SLT		✓	✓	✓
Asset management culture	1. The asset management principals of community benefit, financial sustainability, environmental sustainability, and continuous improvement are integrated into Council's workforce culture	The asset management principles are communicated to the workforce and are part of the induction training and the asset management training program.	People & Culture (Human Resources & Organisational Development) EMT SLT		✓	✓	✓

8. Communication

Collaboration and communication between Council areas will become integrated into Council's way of working. Communication will be aligned with strategic objectives to ensure the strategy is part of core shared language at Council. There will be clear processes for internal communication throughout Council such that messages are effectively cascaded to all levels of Council. External communications to stakeholders and the community will harness technological innovations.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Strategy is part of core shared language	1. Communication session is conducted with managers and leaders regarding the SCC strategies in the CSP and Resourcing Strategies and the requirements to cascade goals to teams and individuals 2. Common language is used and promoted throughout SCC regarding strategy and its role	Staff have a shared language regarding strategy Sessions on cascading strategy are completed.	CEO EMT Media & Communications Manager		✓	✓	

9. Technology

Technology will become an integral part of how Council operates and how Council interacts with the community. Council will harness technological advances to increase internal efficiencies and improve interactions with the community.

Strategy	Actions	Success Indicator	Accountable	2022/23	2023/24	2024/25	2025/26
Enable the workforce through the provision of technology and systems that allow them to work flexibly anywhere, anytime.	1. Work in collaboration with the Information Services team to ensure technology and systems deployed support flexible working arrangements, with remote system access as opposed to working offline.	Increase in percentage of mobile/laptops in the device fleet and number of SaaS/Cloud based systems.	People & Culture (Human Resources) Information Technology	✓			
Empower staff through effective learning and development programs/approaches centered around technology and systems.	1. Capability uplift for staff and increase in skills in using systems and technology	Increased completion rates of technology and systems learning and development programs	People & Culture (Organisational Development) Information Technology	✓	✓	✓	✓



Draft Asset Management Strategy 2022-26



Asset Management Strategy

Adoption Date:	15/05/2012
Amendment Date:	15/04/2014, 18/07/2017, 27/06/2022, 10/11/2023 (draft)
Minute Number:	MIN12.524, MIN14.266, MIN17.624, MIN22.425
Review Date:	1/12/2024
Directorate:	City Services
Record Number:	POL22/147

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1 Executive Summary

1.1 Introduction

Shoalhaven City Council offers a broad range of services, with many of them enabled by our infrastructure assets. The replacement cost of these assets, for which Council is the custodian of, is \$5.89 billion, as reported in the June 2022 Financial Statements.

The purpose of the Asset Management Strategy is to provide strategic direction for Asset Management at Council. The Asset Management Strategy is a dynamic high-level action plan that will adapt in response to the evolving strategic objectives of Council, aimed at meeting customer service needs. The essential stages in this process involve understanding community requirements, service expectations and legislative requirements, analysing strategic trends, evaluating potential asset impacts, and identifying gaps in the necessary asset knowledge for enhancing Asset Management Plans.

The strategy identifies assets that are critical to Council's operations, and includes specific actions required to improve Council's asset management capability.

1.2 Asset Management Objectives

Council's Asset Management Objectives have been identified as follows:

- Ensure the alignment of asset service provision and Levels of Service (LoS) with community expectations and priorities, as outlined in the Community Strategic Plan 2032 (CSP).
- Establish a structured and effective approach to developing Council's Asset Management Plans (AMPs) that adheres to best practices, supporting informed decision-making.
- Enhance and streamline Council's Asset Management practices to optimise the efficiency, and effectiveness of the Asset Management System.
- Contribute to the long-term financial sustainability of assets, safeguarding them for future generations by implementing strategic asset management practices and financial planning.

As the Asset Management Strategy is aligned with the CSP, it adopts a minimum timeframe of 10 years. This alignment is also consistent with the Long-Term Financial Plan (LTFP) and the AMP's, however, it also has a view to sustainability beyond the 10-year timeframe.

1.3 Establishing a Corporate Approach

Recognising that asset management is a corporate responsibility, not solely a technical one, is imperative. A robust asset management framework relies on collaboration across various teams within Council. Several key areas where a corporate approach is essential include:

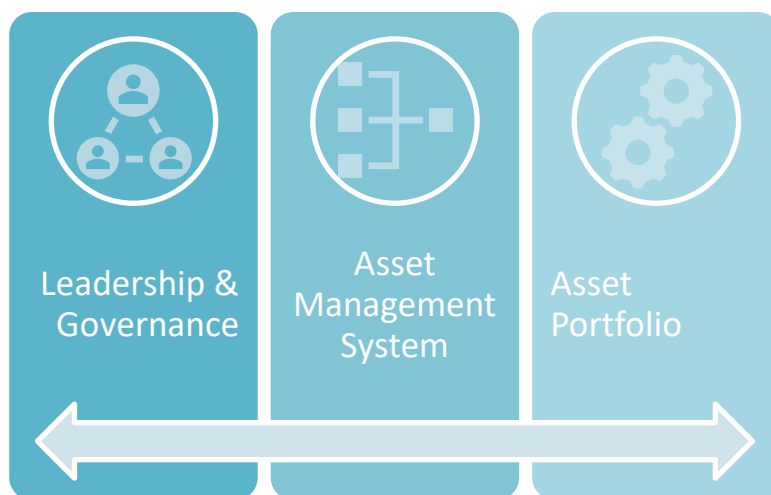
- Community involvement in establishing what is desired for service provisions and standards from the Community Strategic Plan and other strategic plans.
- Reliable information and systems.
- Comprehensive Asset Management Planning undertaken by the Asset Strategic Planner and the Asset Custodian.
- Rigor in financial and asset assessments to determine present costs, affordability, and the optimal timing for asset renewal, replacement, or upgrades.
- Performance measurement of asset management. To advise 'How much we did, How well we did it, and the associated costs'.

To develop a strong corporate approach to Asset Management a cross directorate Enterprise Asset Management (EAM) Steering Committee has been established to define and review the Improvement Plan. An EAM Oversight Group, comprising of key asset management leaders from across the organisation has also been established, to oversee and facilitate the implementation of the Improvement Plan.

1.4 Asset Management Vision

The strategy addresses three components of an effective asset management approach: leadership and governance, the asset management system, and asset portfolio management.

All three components are interrelated, and each must be successfully delivered for the others to succeed. The Asset Management Vision is supported by strategic outcomes that have been developed with consideration to each of these components.



Our vision can be realised through the embodiment of effective leadership and sound governance. Our leadership team is dedicated to instilling a culture marked by accountability, transparency, and excellence. In doing so, we aim to foster an inclusive and collaborative work environment where our team can truly flourish. Our philosophy centres on empowering our staff, enabling them to unleash their full potential, and thereby delivering high-quality services to our community.

Our systematic approach is anchored in processes and systems designed to consistently provide quality services to our customers and community. We hold an unwavering commitment to ongoing improvement, continually refining our processes and systems, enabling the delivery of quality services.

Effective asset management is imperative for the comprehensive management of assets throughout their entire lifecycle, spanning from acquisition to disposal. While overarching objectives are determined by leadership and governance, and the asset management system provides essential tools and support, the proficient management of the asset portfolio demands expertise in comprehending and overseeing these assets. At Council, we recognise that embracing an asset lifecycle management approach is a pivotal strategy for enhancing asset management and controlling lifecycle costs, improving asset reliability and performance, by ensuring that assets are maintained and replaced at the opportune moment.

The strategic outcomes, targeted through the implementation of this strategy, are outlined in the following table.

1.5 Integration with the Long Term Financial Plan

The following Asset Management Strategy has been prepared to integrate with the Long Term Financial Plan, Workforce Management Strategy and the ICT Strategy, with particular focus on responding to the financial sustainability challenges outlined in the Financial Sustainability Review. The Asset Management Strategy may differ depending upon which scenario the Council decides to implement. Three scenarios are considered as follows:

1.5.1 Scenario One – Base Model

The Base Model (Scenario One) is a planned approach to the continued delivery of services and provision of infrastructure based on a revenue base that does not increase the general rates income above the projected rate peg (as set by IPART) and current service charges only increasing each year by the projected annual indexation.

The capital works program, being constrained by the cash generated from operations (including rates, grants, and charges) and financing (borrowings) activities, is below what is necessary to maintain the current levels of service provided by the infrastructure. Assets such as roads, buildings and stormwater are expected to deteriorate over time, requiring future Councils to make decisions on rationalisation of assets when assets begin to fail. This is not considered to be a sustainable approach over the long term.

1.5.2 Scenario Two – Enhanced Asset Investment – 1 Yr SRV

The Enhanced Asset Investment – 1 Year SRV (Scenario Two) entails an increased commitment to investing in the renewal and replacement of assets. This higher level of investment is strategically designed to ensure the sustained functionality of our assets, while also factoring in the present capacity of Council. There is a substantially increased investment in roads, to address part of the backlog, as well as increased investment in buildings, stormwater, footpaths, open space, and maritime assets over the 10 years.

The Scenario Two is presumed to be funded through the introduction of a special rate variation in general rates, increasing the general rate in year 1 by 29% above the rate peg (a permanent increase) and general rate increase in the following years, returning to the projected rate peg approved by IPART.

To guarantee that Council possesses the necessary financial resources to effectively respond to various disasters and unforeseen emergencies, there was a sustainable target of \$15 million set for unrestricted cash. Keeping the community at the forefront of everything we do, this decision serves as a financial safety net, ensuring that we have the financial capacity to execute timely responses, support affected communities, and provide vital services when they are most needed. While this results in a reduced investment in year 1 for buildings and open space, investment in these areas increases in year 2 to balance this.

The current investment in water and sewer assets continues in this scenario, however it will be important for this to be reviewed in detail, to ensure that the current pricing model enables adequate infrastructure investment to maintain the existing levels of service into the future.

1.5.3 Scenario Three – Enhanced Asset Investment – 3 Yr SRV

The Enhanced Asset Investment – 3 Year SRV (Scenario Three) entails an increased commitment to investing in the renewal and replacement of assets, as identified in Scenario Two, however this investment does not occur to the same level in the first few years, due to the reduced funding assumptions.

The Scenario Three is presumed to be funded through the introduction of a special rate variation in general rates increasing the general rate over 3 years above the rate peg, 15% in year 1, 10% in year 2, and 5% in year 3, (a permanent increase year on year) and then returning the general rates increase to the projected rate peg approved by IPART.

As with Scenario Two, Council is ensuring they have the necessary financial resources to effectively respond to various disasters and unforeseen emergencies, however the sustainable target of \$15 million set for unrestricted cash will not be achieved until year 3, achieving \$12.8 million in year 1, and increasing this to \$13.1 million in year 2.

In addition to the reduction of investment in both buildings and open space in year 1, an investment reduction across asset classes spanning the first 1-3 years is required. This reduction is temporary, with increased investment in later years, but initially affects transport assets (kerb & gutters, roads, footpaths), coastal management programs, Council's depots & administration buildings, library resources, and office furniture. There is an element of risk in the initial years of this scenario, and Council will develop mitigation plans to reduce this where possible.

This scenario does enable increased investment in outer years, above that provided in Scenario Two, largely in roads, bridges, stormwater, and open space.

As with Scenario Two, the current investment in water and sewer assets continues in this scenario, however it will be important for this to be reviewed in detail, to ensure that the current pricing model enables adequate infrastructure investment to maintain the existing levels of service into the future.

Component of Asset Management Vision	Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
Leadership & Governance	Integrated Planning Framework	Council and Executive Leadership Team maintain an ongoing commitment to review and uphold an integrated Resourcing Strategy. This strategy serves as the foundation for delivering the Community Strategic Plan. The Resourcing Strategy encompasses the Long-Term Financial Plan, Workforce Management Plan, Asset Management Strategy and Asset Management Plans. All plans are aligned with organisational and service objectives, and the allocation of resources.		
	Asset Management Policy and Strategy	Council's decisions on policy and strategy are clearly documented and communicated effectively throughout the organisation. Both demonstrate a high level of Asset Management maturity, based on Council's self-assessment. The Policy and Strategy clearly outline the asset management objectives to be implemented, and responsibilities and accountability are clear and understood across the organisation. This framework is further fortified by a culture that places a high value on asset management, primarily aimed at enhancing the asset management system and optimising the management of asset portfolios. They are subject to regular review and updates to ensure their continued relevance and effectiveness in steering our endeavors.		
	Service Planning	Service planning is a core component of the integrated planning framework. Council's decision on the services offered and the levels of service are informed by asset management impacts and whole of life costing for acquisition and upgrading assets.		
		Decisions will likely need to be made on a reduction in the range of services offered and/or levels of service to be sustainable over the medium and long term. Rationalisation of assets will need to be considered.	Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service.	Sufficient funding is available to maintain current levels of service, however there is an element of risk in the initial years of this scenario, and Council will develop mitigation plans to reduce this where possible.
	Enterprise Asset Management Steering Committee	With the establishment of the Enterprise Asset Management Steering Committee, we will seek to enhance our accountability, collaboration, and strategic thinking towards the implementation of our Asset Management Strategy. The Committee will be pivotal in maintaining the alignment of our asset management performance with our strategic objectives.		
	Decision Making	The decisions taken by both the Council and the management are aligned with the Asset Management Policy, Asset Management Strategy, and the adopted scenario of the Long-Term Financial Plan. Decisions are evidence based and guided by the Enterprise Asset Management Steering Committee. To substantiate the necessity for new assets or upgrades, comprehensive business cases are employed, adopting a holistic "whole of life" perspective.		
	Asset Management Culture	Our Workforce Management Plan holds a pivotal role in nurturing a workplace culture that embodies the finest principles of asset management. Across the organisation we understand our strategy, objectives and goals. We look for opportunities to collaborate on joint improvement initiatives, working towards the achievement of shared goals. We adhere to clearly defined processes and procedures and have a continuous improvement and proactive approach in all that we do. We ensure that roles and responsibilities are clearly defined and understood, with a clear line of accountability throughout the asset lifecycle, to further strengthen our asset management practices.		

Component of Asset Management Vision	Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
	Resource Allocation	Resources are constrained and allocated to address priorities based on asset criticality and risk.	Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service.	Sufficient funding is available to maintain current levels of service, however there is an element of risk in the initial years of this scenario, and Council will develop mitigation plans to reduce this where possible.
	Performance Framework	To effectively manage risk, we are committed to providing regular reporting on performance against established objectives and performance targets to both Council and management. This reporting will encompass a thorough assessment of the strategic, tactical, and operational aspects of our asset management practices. By adopting a comprehensive approach to performance reporting, we aim to facilitate well-informed decision-making and prompt intervention when needed.		
Asset Management System	Asset Management Information System (AMIS)	Council has achieved an ideal setup of the asset management information system. This includes a well-structured asset register, accurate asset valuations, efficient works programming, streamlined works scheduling and ticketing processes, as well as comprehensive reporting capabilities.		
	GIS Mapping	Enhancing the GIS capability to boost the precision of asset mapping is a top priority. This involves harmonizing GIS data and systems with asset categorisation, the Asset Register, capital projects, and work planning, all aimed at optimising spatial strategic planning.		
	Asset Management Team	Improved leadership, offering strong support, and prioritising comprehensive training and skill development, ensuring that Asset Management proficiency is solid among our asset management team. This commitment will empower our existing resources to provide more informed guidance, and enhanced support for decision-making processes, ultimately elevating the management of our asset portfolios.		
	Asset Management Plans	We have a defined process and timeframe for updating our Asset Management Plans, which is adhered to. Our planning is strong and supported by cyclic revisions of demand projections. We have improved planning through scheduling of condition assessments, inspections, operations, maintenance, and renewal/replacement activities, defined by our funding constraints.		
	Data Driven Asset Planning	In our pursuit of data-driven asset planning, we envision a future where every decision is powered by insights derived from a wealth of information. Our vision is to foster a culture where data is not just a tool, but the cornerstone of our strategic asset planning, ensuring that our organisation thrives through informed choices, innovation, and sustainability. With data as our compass, we're committed to building a smarter, more resilient future for our assets and the services they provide to our community.		
	Processes & Procedures	Council has quality processes and procedures that are efficient and consistent, enabling improved data.		

Component of Asset Management Vision	Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
	Asset Valuations	Recognition and measurement of asset valuations are consistent with the enhanced asset management planning, including the measurement of fair value and depreciation expense based on enhanced understanding of useful lives and deterioration of assets.		
		Asset valuations are planned with the aim of addressing asset data deficiencies. Asset condition assessments are undertaken by adequately skilled and trained inspectors to provide reliable condition assessments. The asset condition assessments are used to update the asset register and GIS mapping in a timely manner.		
	Training and Development	Our vision for training and development is to create a dynamic and empowered workforce that excels in managing our infrastructure and resources. We aspire to foster a culture of continuous learning, where every team member is equipped with the knowledge and skills necessary to optimise the performance and longevity of our assets. Through robust training and development, we will empower our workforce to drive efficiency, sustainability, and excellence in asset management, benefiting both our organisation and the community we serve.		
Asset Portfolio	Understanding the Assets	Councillors, management, and officers have a good understanding of the current state of our assets, including access to accurate information on condition, capacity, functionality, criticality, common asset failure causes, risk, future demand, lifecycle deterioration. An Annual whole of Council report, <i>State of the Assets</i> is presented to Council, in addition to cyclic workshops on asset classes within Council's Asset Portfolio.		
	Asset Inspections	Condition and maintenance inspections are planned and scheduled with relevant updates applied to the asset register in a timely manner. Reactive inspections are undertaken as required to respond in a timely manner to damage or defects.		
	Planning	Asset managers maintain current Asset Management Plans that plan to deliver on the asset management objectives outlined in this Strategy. Planning is based upon better understanding of the assets and access to improved data within the AMIS and GIS.		
		Enhanced scheduling of maintenance aims to transition from a high reliance upon reactive works to a target balance of 70% scheduled & 30% reactive works. Council acknowledges that some assets are run to fail and therefore the response will always be reactive, as well as reactive maintenance being a requirement of a weather event or disaster management situation.		
	Acquisition	Acquisition of assets (including construction) is based upon enhanced planning and understanding of service needs. Decision gateways have been developed within the Project Management Framework and ensure the acquisition of assets does not progress unless funding and other considerations are acceptable to proceed.		
	Operations	In our vision for operations in asset management, we recognise the importance of adapting to the current funding landscape while striving for excellence. We envision a future where our resource allocation and utilisation are optimised to achieve maximum efficiency, even in the face of existing budget constraints. Our commitment to innovation and smart practices will ensure that we make the most of the resources available, maintaining and enhancing the performance and longevity of our assets.		

Component of Asset Management Vision	Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
	Maintenance	We acknowledge that maintenance resources are currently constrained, leading to accelerated asset deterioration, which necessitates more frequent interventions, however despite this, our investment in asset renewals remains at its current level. This situation underscores the imperative of shifting our focus towards critical assets, prioritising them for optimised maintenance strategies. Our vision is to not only address these constraints effectively but to transform them into an opportunity for innovative and targeted asset management.	In the coming year, we acknowledge the potential for increased maintenance needs in both buildings and open space asset classes. While this presents a challenge, we are committed to implementing robust mitigation plans to minimise these risks. Additional investment in later years for the renewal of roads, buildings, stormwater, footpaths, open space, and maritime assets, will yield benefits by reducing maintenance requirements. Our vision is to leverage the additional investment to ensure that our overall asset portfolio is not only well-maintained but also poised for long-term sustainability and efficiency.	An initial reduction in asset renewal investment may increase maintenance needs across a range of asset classes, making it imperative to shift focus towards critical assets, prioritising them for optimised maintenance strategies. This will be a temporary constraint, with increased renewal investment in the later part of the 10-year yielding benefits by reducing maintenance requirements. Our vision is to leverage the additional investment to ensure that our overall asset portfolio is not only well-maintained but also poised for long-term sustainability and efficiency.
	Renewal/Replacement	Renewals and replacement of assets are constrained at the current levels.	Renewals and replacement of assets are constrained in year 1.	Renewals and replacement of assets are constrained in the initial years, but increase in outer years, particularly in our roads.
	Disposal	Asset rationalisation is to be considered to reduce the funding burden on maintenance and renewals mitigating risks that assets will deteriorate to an unacceptable condition.	Disposals will occur when assets are renewed, with consideration to minimal asset rationalisation, with minimal impact to the current overall asset portfolio.	

2 Introduction

Shoalhaven City Council (Council) is the custodian of assets with a replacement cost of nearly \$6 billion funded by a revenue generated from the rateable population of over 109,600. The asset management approach by the Council is essential to continue to maintain the services and infrastructure that provide the liveability that our community and tourists enjoy and value.

A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement, while at the same time providing growth assets to enable and meet the demand of growth and changing demands from the community. Infrastructure assets such as roads, drains, bridges, water and sewerage networks and public buildings present challenges, particularly given the age, as a large portion of the infrastructure is nearing end of life and requiring a higher level of investment than historically provided. Assets such as buildings and recreational facilities need to meet the changing demands of what is considered necessary for a contemporary liveable environment.

While age is a strong basis of an assets condition, the actual useful life can vary significantly based on exposure to the local environment and the intensity of the use of the assets. Assessing the condition of assets, estimating the remaining useful life of the asset, and planning for the renewal or replacement is a core requirement of modern Councils. Financing the planned renewals and replacements can be a significant challenge, requiring planning for cash availability to address large peaks and the discipline to accumulate reserves during troughs.

The demand for new and improved services adds to the planning and financing complexity. The creation of new assets also presents challenges in funding the ongoing operating, maintenance, and replacement costs necessary to provide the needed service over the assets' full life cycle.

The lack of funding to address all demands is a reality for all local governments. Planning and prioritisation is essential, as is the need to prolong the life of assets without exposing the community and the Council to unacceptable risks associated with ageing assets.

2.1 Asset Management Strategy Definition

The definition of an Asset Management Strategy is – *A strategy for asset management covering development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure desired level of service and other operational objectives are achieved at optimum cost.*

2.2 Asset Management Strategy Purpose

Council must account for and plan for all the existing assets under its control, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.

The Asset Management Strategy must:

- include the council-adopted Asset Management Policy,
- identify assets that are critical to Council's operations and outline risk management strategies for these assets, and
- include specific actions required to improve Council's asset management capability and projected resource requirements and timeframes.

2.3 Legislative Requirements

The NSW Integrated Planning and Reporting (IP&R) Framework guides planning and reporting requirements, which are set out in the Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2021 (the Regulation).

The main components of the Framework include:

- Community Strategic Plan
- Resourcing Strategy, including 3 inter-related documents:
 - Long-Term Financial Plan
 - Workforce Management Plan
 - Asset Management Strategy
- Delivery Program
- Operational plan
- Annual Report

Council is governed by the principles of the Local Government Act 1993 (NSW), which require councils to consider asset management as part of their [Resourcing Strategies](#).

Following is an extract from the Local Government Act 1993 (NSW):

403 Resourcing strategy

(1) A council must have a long-term strategy (called its resourcing strategy) for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for.

(2) The resourcing strategy is to include long-term financial planning, workforce management planning and asset management planning.

Following is an extract from the Local Government (General) Regulation 2021:

196A Integrated planning and reporting guidelines—the Act, s 406

A council must comply with the integrated planning and reporting guidelines in the document entitled Integrated Planning and Reporting Guidelines for Local Government in NSW, published on the website of the Department, as in force from time to time.

[Guidelines](#) issued by the [NSW Office of Local Government \(OLG\)](#) are referenced in the legislation and Councils must comply with these.

The OLG has the following requirements regarding asset management (references to Asset Management Strategy are in bold) –

General requirements for asset management planning

- Each Council must account for and plan for all of the existing assets under its ownership, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.
- Each Council must prepare an **Asset Management Strategy** and Asset Management Plan/s to support the Community Strategic Plan and Delivery Program.

Minimum timeframe for the Asset Management Strategy and Plans

- The **Asset Management Strategy** and Plan/s must be for a minimum timeframe of 10 years.

Basic Structure of the Asset Management Strategy

- The **Asset Management Strategy** must include a council endorsed Asset Management Policy.

- The **Asset Management Strategy** must identify assets that are critical to the council's operations and outline risk management strategies for these assets.
- The **Asset Management Strategy** must include specific actions required to improve council's asset management capability and projected resource requirements and timeframes.

Basic Structure of the Asset Management Plans

- The Asset Management Plans must encompass all the assets under a council's control.
- The Asset Management Plans must identify asset service standards.
- The Asset Management Plans must contain long term projections of asset maintenance, rehabilitation and replacement costs.

Asset Management Reporting

- Councils must report on their assets in the annual financial statements, in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including condition assessment, renewal and maintenance expenditure.

2.4 Roles & Responsibilities

Shoalhaven City Council has adopted an Asset Custodian model that assigns responsibility for service provision and the development, implementation and reviewing of Asset Management Plans (AMP's) for the various services to the Asset Custodians.

Council has defined the roles of Technical Services and Asset Custodian within the Asset Management System, identifying the following responsibilities.

The responsibility of Technical Services is to:

- Provide leadership.
- Provide governance (Asset Management Policy, Asset Management Strategy, Template Asset Management Plan, Configuration of Asset Register).
- Advisor

The responsibility of the Asset Custodian is to:

- Deliver a great customer experience
- Know what assets they have
- Maximise value from the investment
- Know the service levels and their cost
- Know where the assets are in their life cycle
- Understand the annual consumption cost (Operations, Maintenance, Depreciation)
- Understand future demands
- Manage the risks
- Develop and use asset management and long-term financial plans

The supporting roles provided by Information Services and Financial Services teams, are responsible for providing:

- Support to enable the Asset Custodians to provide great customer experiences through good Asset Management

While Council acknowledges that the initial identification of roles in asset management and operation is a positive step, there is a recognised opportunity for further enhancement in this regard.

2.5 Asset Management System

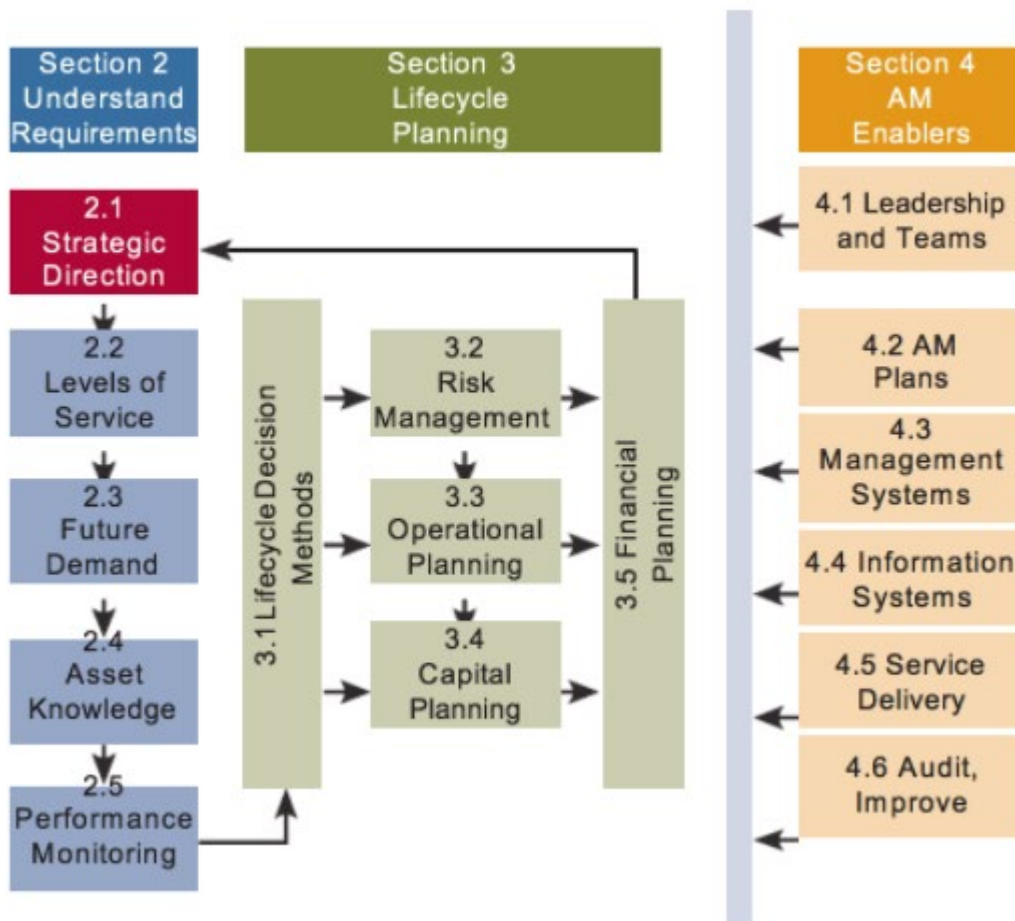
An Asset Management system must include:

- Organisational context
- Leadership & governance
- Asset registers
- Asset condition assessments
- Asset maintenance and management systems
- Strategic planning capabilities
- Predictive modelling
- Deterioration modelling
- Risk analysis and management
- Lifecycle costing
- Performance evaluation
- Improvement Plan

A component of the Asset Management Strategy must be a plan to fully develop, implement and continuously improve the Asset Management system as well as lead corporate change to improve asset management.

A comprehensive Asset Management (AM) system is required to meet community expectation and to satisfy statutory and financial imperatives.

Council's Asset Management System aligns with [IPWEA](#). See extract from section 2.1. defining scope of Asset Management - IIMM



2.6 Assets classes included in the Asset Management Strategy

This AMS includes all Council's infrastructure assets, typically known by Asset Class as:

- Public and Community Buildings
- Recreation & Leisure
- Road Network
- Stormwater
- Water and Sewerage
- Land
- Plant & Equipment (including fleet)
- Recycling and Waste
- Commercial Activities
- Office equipment, furniture & IT hardware

Council has the following 37 Asset Management Plans published on the website, (not all are current).

Administration Buildings	Cultural Centres	Shoalhaven Animal Shelter
Aquatic Facilities	Drainage	Shoalhaven Entertainment Centre
Arts & Crafts Buildings	Early Childhood Services	Streetscapes
Bridges & Culverts	Emergency Services	Surf Lifesaving Clubs
Bus Shelters	Flood Mitigation Drainage Structures	Traffic Facilities
Bushwalks	Footpaths and Cycleways	Transport Infrastructure (Sealed Roads)
Car Parks - Commercial	Kerb and Gutter	Transport Infrastructure (Unsealed Roads)
Cemeteries	Libraries	Wastewater Supply
Coastal & Estuary Assets	Parks & Reserves	Water Supply
Commercial Buildings	Parks & Reserves - Playgrounds	Waterways Infrastructure (Boating Facilities)
Communications Facilities	Public Amenities	Works Depots
Community Buildings	Public Halls & Community Centres	Shoalhaven Animal Shelter
Courts - Tennis & Netball	Scout & Guide Club Facilities	Shoalhaven Entertainment Centre

It should be noted that Council's Financial Statements report on the Financial Asset Class, which is different to the Asset Class, and different again to the Asset Management Plan structure.

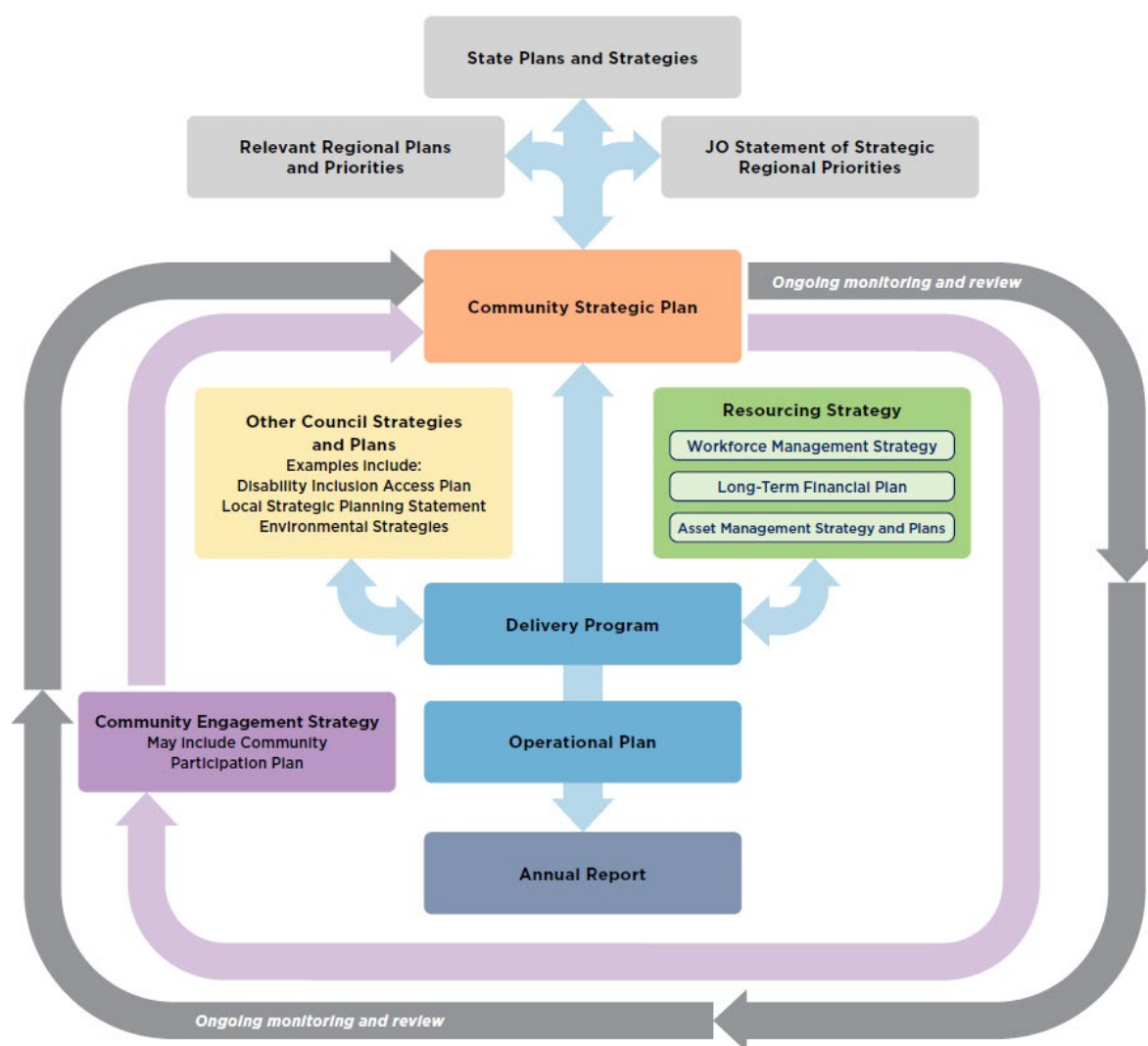
3 Strategic Alignment

As part of the Integrated Planning and Reporting Framework, the Community Strategic Plan (CSP) identifies “What the community told us”, that is their main priorities and expectations for the future.

The Resourcing Strategy identifies ways to achieve these goals, within the limits of Council’s available resources.

The [Office of Local Government Integrated Planning and Reporting framework](#) extract below demonstrates that all IP&R documents should connect and integrate well together. The documents need to be developed in an iterative way, with each informing development of the others.

The Asset Management Strategy demonstrates how the asset portfolio will achieve Council’s vision and goals in a sustainable way. To demonstrate this, the strategy needs to document the current state and identify how sustainable Council’s assets are to achieve the vision set by the CSP, considering what the gap is, and what improvements are required to achieve this.



Referencing the above diagram, Asset Management Plans align with the service provisions to meet the agreed levels of service in an optimum way that is financially sustainable. AMP’s

provide essential corporate information to assist in the preparation of the *Community Strategic Plan*, *Long Term Financial Plan* and the *Delivery Program*.

3.1 Community Strategic Plan

Within the Community Strategic Plan, the vision for the future is identified as:

“We will work together in Shoalhaven to foster a safe & attractive community for people to live, work, stay & play; where sustainable growth, development & environmental protection are managed to provide a unique & relaxed lifestyle”.

Council’s CSP identifies the following four themes based on the community priorities:

- Resilient, safe, accessible, and inclusive communities.
- Sustainable, liveable environments.
- Thriving local economies that meet community needs.
- Effective, responsible, and authentic leadership.

3.2 Asset Management Policy

Asset Management is understanding the community’s desired level of service and then coordinating activity of management, physical, financial, economic, engineering, and other practices applied to the assets for the whole of their life with the objective of providing the required levels of service in the most cost-effective manner whilst balancing risk and trade.

The primary objective of the Asset Management Policy is to underpin Council’s responsibility to achieve sustainable asset outcomes for the community, with consideration of the long term and cumulative effects of decisions and their impact on current and future generations. The detail of this consideration is captured in our Asset Management Plans.

In support of the Shoalhaven community’s vision, the objective of the Policy is to align Council’s asset management activities with the following asset management principles:

Community benefit

- Continuously work toward an appropriate balance of community expectations and the resources of Council through the development and monitoring of agreed levels of service and appropriate community engagement.
- Improve the resilience of Council’s infrastructure to support communities.
- Enhance the protection of the community against future natural hazards and climate change.

Financial Sustainability

- Asset planning decisions for infrastructure will consider the “Life Cycle Cost” of an asset including costs of construction, operation, maintenance, and disposal.
- Asset planning decisions will be made in the context of a sustainable Long Term Financial Plan.
- Adopt a ‘Renewal before Upgrade or New’ philosophy for asset planning as appropriate. The intent of this philosophy is to ensure priority is given to sustainable management of renewals to deliver optimal asset lifecycle before implementing asset upgrades or new assets.

Environmental Sustainability

- Encourage the efficient use of resources in the planning and delivery of infrastructure activities.
- Embed protection of the natural environment into asset strategies and asset planning, utilising a risk-based approach in decision making.
- Acknowledge that climate adaptation and environmental protection considerations are fundamental to sustainable asset management.

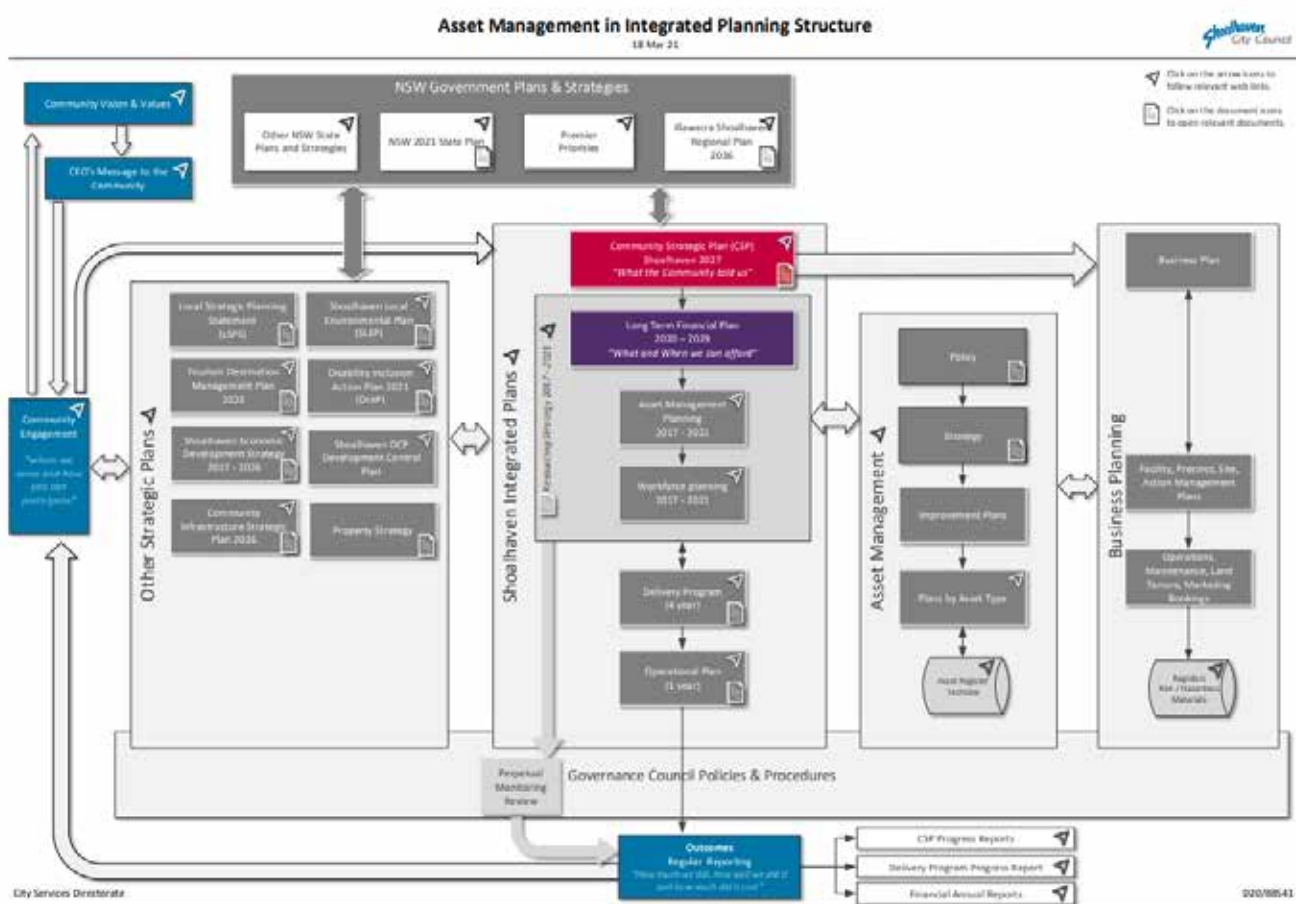
Continuous Improvement

- Support the continuous improvement of Council's asset management practices by providing and maintaining systems and data necessary to achieve Policy outcomes and facilitate informed asset planning decisions based on reliable data and consistent with an Intermediate maturity (as defined in IIMM 2020).
- Continually develop and maintain digital platforms that enable community access to data where appropriate.

3.3 Integration with Resourcing Strategy

The Asset Management Strategy has been prepared through integration with the Long-Term Financial Plan and the Workforce Management Strategy – collectively providing the Resourcing Strategy to deliver the adopted Delivery Program and Strategic Community Plan, as per the Integrated Planning and Reporting Framework.

The following table shows how Council's Asset Management integrates with the Integrated Planning Structure.



3.4 Other Related Strategies & Plans

In addition to Council's Community Strategic Plan and the Resourcing Strategy, there are numerous interconnected strategies and plans that contribute to the realisation of Council's objectives. Ensuring a strong alignment between these strategies and the Resourcing Strategy is important. Such strategies and plans include Shoalhaven Heritage Strategy, Shoalhaven Property Strategy, Disability Inclusion Action Plan, numerous Transport studies and strategies etc

The Resourcing Strategy plays a pivotal role in delineating the Council's areas of responsibility within the Community Strategic Plan, given that various stakeholders, including other government levels, businesses, non-government organisations, community groups, and individuals, share a collective role in achieving the Community Strategic Plan's outcomes. This alignment is critical for effective coordination and collaboration across diverse sectors to maximise the plan's impact.

3.5 Stakeholders

The international standard for Asset Management, ISO 55001, places significant importance on the alignment of an Asset Management System with the requirements and desires of its stakeholders.

Council's asset management realm comprises of both internal and external stakeholders, who are outlined below. As Council advances in its asset and service planning endeavours, it becomes increasingly vital to enhance engagement with external stakeholders. This proactive engagement ensures that Council's infrastructure and assets align closely with the desired expectations of these external stakeholders.

Council's internal stakeholders include: Councillors, Executive Management, Asset Management Steering Committee (AMSC), service and asset planners, service delivery managers and asset operators and maintainers.

Council's external stakeholders include: Community members, Federal & State governments, developers, industry/businesses, utilities, other agencies, visitors / tourists and goods and service providers to Council.

4 Description of Scenarios

4.1 Scenario One – Base Model

The Base Model (Scenario One) is a planned approach to the continued delivery of services and provision of infrastructure based on a revenue base that does not increase the general rates income above the projected rate peg (as set by IPART) and current service charges only increasing each year by the projected annual indexation.

The capital works program, being constrained by the cash generated from operations (including rates, grants, and charges) and financing (borrowings) activities, is below what is necessary to maintain the current levels of service provided by the infrastructure. Assets such as roads, buildings and stormwater are expected to deteriorate over time, requiring future Councils to make decisions on rationalisation of assets when assets begin to fail. This is not considered to be a sustainable approach over the long term.

4.2 Scenario Two – Enhanced Asset Investment – 1 Yr SRV

The Enhanced Asset Investment – 1 Year SRV (Scenario Two) entails an increased commitment to investing in the renewal and replacement of assets. This higher level of investment is strategically designed to ensure the sustained functionality of our assets, while also factoring in the present capacity of Council. There is a substantially increased investment in roads, to address part of the backlog, as well as increased investment in buildings, stormwater, footpaths, open space, and maritime assets over the 10 years.

The Scenario Two is presumed to be funded through the introduction of a special rate variation in general rates, increasing the general rate in year 1 by 29% above the rate peg (a permanent increase) and general rate increase in the following years, returning to the projected rate peg approved by IPART.

To guarantee that Council possesses the necessary financial resources to effectively respond to various disasters and unforeseen emergencies, there was a sustainable target of \$15 million set for unrestricted cash. Keeping the community at the forefront of everything we do, this decision serves as a financial safety net, ensuring that we have the financial capacity to execute timely responses, support affected communities, and provide vital services when they are most needed. While this results in a reduced investment in year 1 for buildings and open space, investment in these areas increases in year 2 to balance this.

The current investment in water and sewer assets continues in this scenario, however it will be important for this to be reviewed in detail, to ensure that the current pricing model enables adequate infrastructure investment to maintain the existing levels of service into the future.

4.3 Scenario Three – Enhanced Asset Investment – 3 Yr SRV

The Enhanced Asset Investment – 3 Year SRV (Scenario Three) entails an increased commitment to investing in the renewal and replacement of assets, as identified in Scenario Two, however this investment does not occur to the same level in the first few years, due to the reduced funding assumptions.

The Scenario Three is presumed to be funded through the introduction of a special rate variation in general rates increasing the general rate over 3 years above the rate peg, 15% in year 1, 10% in year 2, and 5% in year 3, (a permanent increase year on year) and then returning the general rates increase to the projected rate peg approved by IPART.

As with Scenario Two, Council is ensuring they have the necessary financial resources to effectively respond to various disasters and unforeseen emergencies, however the sustainable target of \$15 million set for unrestricted cash will not be achieved until year 3, achieving \$12.8 million in year 1, and increasing this to \$13.1 million in year 2.

In addition to the reduction of investment in both buildings and open space in year 1, an investment reduction across asset classes spanning the first 1-3 years is required. This reduction is temporary, with increased investment in later years, but initially affects transport assets (kerb & gutters, roads, footpaths), coastal management programs, Council's depots & administration buildings, library resources, and office furniture. There is an element of risk in the initial years of this scenario, and Council will develop mitigation plans to reduce this where possible.

This scenario does enable increased investment in outer years, above that provided in Scenario Two, largely in roads, bridges, stormwater, and open space.

As with Scenario Two, the current investment in water and sewer assets continues in this scenario, however it will be important for this to be reviewed in detail, to ensure that the current pricing model enables adequate infrastructure investment to maintain the existing levels of service into the future.

5 State of the Assets / Current State

5.1 Asset Value

The total (Gross carrying) value of all infrastructure assets is \$5.9 billion. The net carrying amount (also known as written down value, which consists of the gross carrying amount less accumulated depreciation,) is \$4.1 billion.

The annual depreciation is \$79.4 million as per the [2021-22 Financial Statements](#) - C1-7 Infrastructure, property, plant & equipment, of which an extract is below.

C1-7 Infrastructure, property, plant and equipment

	At 1 July 2021			Asset movements during the reporting period										At 30 June 2022		
	Gross carrying amount Restated \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount Restated \$ '000	Additions: renewals \$ '000	Additions: new assets \$ '000	Carrying value of disposals \$ '000	Depreciation expense \$ '000	Impairment losses / revaluation decrements (recognised in P/L) \$ '000	Capitalised WIP \$ '000	Adjustments and transfers \$ '000	Revaluation increments to equity (ARR) \$ '000	Revaluation decrements to equity (ARR) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000	
By aggregated asset class	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Capital work in progress	79,015	–	79,015	–	137,224	–	–	–	(56,854)	–	–	–	155,385	–	155,385	
Plant and equipment	75,344	(20,333)	48,011	8,050	5,262	(1,472)	(9,948)	–	–	(101)	–	–	82,886	(35,084)	47,802	
Rural Fire Service Red Fleet	26,566	(23,014)	3,552	–	527	–	(816)	–	–	101	–	–	27,848	(24,120)	3,764	
Office equipment	14,261	(11,811)	2,450	–	220	(1)	(499)	–	–	–	–	–	14,417	(12,247)	2,170	
Furniture and fittings	4,948	(2,435)	2,513	–	103	–	(271)	–	–	7	–	–	5,061	(2,709)	2,352	
Land:																
– Crown land	119,623	–	119,623	–	–	–	–	–	–	–	–	26,207	145,830	–	145,830	
– Operational land	184,590	–	184,590	–	592	–	–	–	–	694	–	22,305	208,181	–	208,181	
– Community land	117,327	–	117,327	–	–	–	–	–	–	(694)	–	81,902	197,635	–	197,635	
– Land under roads post 30/6/08	1,744	–	1,744	–	–	–	–	–	–	–	–	–	1,744	–	1,744	
Land improvements – non-depreciable	127,740	–	127,740	–	–	–	–	(3)	–	(80,955)	–	565	47,347	–	47,347	
Land improvements – depreciable	1,829	(1,449)	380	229	515	–	(51)	–	–	7,876	–	1,390	14,983	(5,444)	9,539	
Infrastructure:																
– Buildings – non-specialised	1,909	(101)	1,808	–	328	–	(37)	–	–	8	–	235	2,472	(130)	2,342	
– Buildings – specialised	415,479	(128,224)	287,255	4,055	2,771	(127)	(8,131)	–	–	(18)	(335)	44,408	466,049	(136,171)	329,878	
– Other structures	40,132	(23,918)	16,214	1,003	741	(97)	(1,269)	–	–	85,150	(2,998)	18,389	148,011	(30,878)	117,133	
– Roads	1,384,719	(458,420)	926,299	6,414	1,994	–	(24,104)	–	–	18,392	(768)	118,744	1,556,326	(509,345)	1,046,981	
– Bridges	114,688	(51,597)	63,091	515	80	–	(1,615)	–	–	1,534	(161)	9,867	129,289	(55,978)	73,311	
– Footpaths	73,859	(25,852)	48,007	343	1,892	–	(1,556)	–	–	6,571	–	18,398	105,539	(31,884)	73,655	
– Bulk earthworks	291,873	–	291,873	5	–	–	–	–	–	–	(1,364)	26,453	318,431	(1,364)	317,067	
– Stormwater drainage	261,047	(106,934)	154,113	911	1,340	–	(2,687)	–	–	1,067	(45)	24,189	291,174	(112,286)	178,888	
– Water supply network	680,983	(333,542)	347,441	2,561	2,148	(118)	(8,822)	–	–	–	(968)	80,298	858,129	(435,591)	422,538	
– Sewerage network	874,356	(288,172)	576,184	2,791	8,521	(7)	(13,285)	–	–	3	–	82,529	947,709	(292,853)	654,856	
– Swimming pools	23,372	(13,048)	9,724	–	–	–	(452)	–	–	(784)	–	3,203	25,791	(14,100)	11,691	
– Other open space/recreation	47,305	(26,158)	21,147	2,655	6,146	–	(2,348)	–	–	2,425	(2)	8,260	66,741	(28,458)	38,283	
– Other infrastructure	118,554	(59,838)	58,716	746	74	(6)	(2,664)	–	–	(40,476)	–	15,657	57,724	(25,877)	31,847	
Other assets:																
– Library books	9,583	(8,448)	1,135	–	429	–	(205)	–	–	–	–	–	10,012	(8,653)	1,359	
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):																
– Tip assets	2,542	(1,703)	839	–	3,020	–	(484)	–	–	–	–	–	5,562	(2,187)	3,375	
Total infrastructure, property, plant and equipment	5,053,488	(1,604,597)	3,448,891	30,278	171,925	(1,828)	(79,424)	(3)	(56,854)	–	(6,631)	582,199	5,893,912	(1,765,309)	4,128,603	

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

5.2 Asset Condition

Asset Custodians are responsible for ensuring that the condition of assets is updated in the asset register when assets have been inspected or assessed. Asset Condition is reported in the [2021-22 Financial Statements](#) - Report on Infrastructure Assets, of which an extract follows.

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard ¹	Estimated cost to bring to the agreed level of service set by Council ²	2021/22 Required maintenance ³	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1 ⁴	2 ⁵	3 ⁶	4 ⁷	5 ⁸
Buildings	Buildings	6,744	4,132	11,206	9,956	—	468,521	26.5%	39.0%	29.7%	4.0%	0.9%
	Sub-total	6,744	4,132	11,206	9,956	332,220	468,521	26.5%	39.0%	29.7%	4.0%	0.9%
Other structures	Other structures	1,976	2,992	476	348	117,133	148,011	42.6%	31.9%	22.2%	1.3%	2.0%
	Sub-total	1,976	2,992	476	348	117,133	148,011	42.6%	31.9%	22.2%	1.3%	2.0%
Roads	Sealed roads	74,519	24,348	11,859	10,570	798,189	1,205,274	4.7%	44.1%	28.5%	20.7%	2.0%
	Unsealed roads	3,022	2,413	2,428	2,211	6,424	23,412	2.0%	10.3%	46.4%	31.0%	10.3%
	Bridges	3,007	2,805	410	252	73,472	129,289	42.2%	26.0%	24.7%	5.0%	2.2%
	Footpaths	598	243	828	429	73,655	105,539	33.4%	45.3%	19.3%	1.8%	0.2%
	Other road assets	1,238	1,069	2,158	1,930	243,099	327,640	87.9%	7.7%	3.3%	0.9%	0.3%
	Bulk earthworks	—	—	—	—	318,431	318,431	100.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	—	—	—	—	—	—	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	82,384	30,878	17,683	15,392	1,511,014	2,109,585	35.7%	30.4%	19.8%	12.7%	1.5%
Water supply network	Water supply network	27,889	8,581	8,986	8,099	422,538	858,129	5.0%	26.0%	57.0%	11.0%	1.0%
	Sub-total	27,889	8,581	8,986	8,099	422,538	858,129	5.0%	26.0%	57.0%	11.0%	1.0%
Sewerage network	Sewerage network	14,216	9,477	12,994	12,981	654,856	947,709	15.0%	37.0%	43.0%	4.0%	1.0%
	Sub-total	14,216	9,477	12,994	12,981	654,856	947,709	15.0%	37.0%	43.0%	4.0%	1.0%
Stormwater drainage	Stormwater drainage	8,444	6,988	1,213	1,377	178,926	291,174	4.5%	63.3%	23.0%	6.8%	2.4%
	Sub-total	8,444	6,988	1,213	1,377	178,888	291,174	4.5%	63.3%	23.0%	6.8%	2.4%
Open space / recreational assets	Swimming pools	731	—	3,372	2,621	11,691	25,791	5.0%	6.9%	76.8%	11.3%	0.0%
	Other open space / Recreational Assets	790	655	2,603	1,801	38,283	66,741	42.4%	21.1%	32.7%	2.8%	1.0%
	Sub-total	1,521	655	5,975	4,422	49,974	92,532	32.0%	17.1%	45.0%	5.2%	0.7%
Other infrastructure assets	Other infrastructure assets	2,912	3,863	800	632	31,847	57,724	17.0%	19.5%	50.0%	6.8%	6.7%
	Sub-total	2,912	3,863	800	632	31,847	57,724	17.0%	19.5%	50.0%	6.8%	6.7%
Total – all assets		146,086	67,566	59,333	53,207	3,298,470	4,973,385	23.7%	33.3%	32.6%	9.0%	1.4%

Council will implement detailed condition ratings for each Asset Class, with a particular focus on adhering to recognised industry standards, such as those set by the Institute of Public Works Engineers Australia, which can serve as valuable benchmarks or models for our asset assessment and evaluation processes.

Example: Road condition ratings

- Very Good – Roads are very trafficable with very minimal road defects noticeable.
 - Very smooth ride – comfortable / safe driving.
 - Extents of defects is less than 0.1% and required action is Nil.
 - Negligible cracking, rutting, deformation.
- Good – Roads are very trafficable with minor road defects encountered.
 - Some minor bumps encountered.
 - Extent of defects is 0.1% to 2% and required actions is minor maintenance.
- Fair - Minor cracking, rutting, deformation – Roads are trafficable with road defects noticeable such as filled in potholes.
 - constant small up and down and/ or sideways movement – reasonably comfortable driving.
 - Extent of defects is 2% to 5% and required actions are significant maintenance.
- Poor - Moderate cracking, rutting, deformation – Roads are potholed, have rough ride quality, major pavement failures and access is limited at times.
 - Driving bearable, but with low comfort.
 - Extent of defects is 5% to 20% and required actions are significant maintenance and part renewal/ replacement.
 - Extensive cracking, rutting, deformation.
- Very Poor – Roads are almost un-trafficable, have extensive surface defects and pavement failures and access is severely constrained.

- a. Uncomfortable driveability experiencing severe up/down and/ or sideways movement. Drivers must maintain good control of steering and reduce speed in some circumstances.
 - b. Extent of defects is more than 20% and required actions are complete renewal / replacement.
 - c. Extreme cracking, rutting, deformation.
6. Failed – Road is closed for public use.

It is noted that extreme weather events are having an impact on the condition of assets especially the transport network and the assets are deteriorating at a rate greater than designed and constructed for, over and above utilisation demands.

Council is currently reporting assets to be generally in good condition, with a relatively small backlog of asset renewals and the targeted expenditure on maintenance being close to what has been achieved. This assessment is based on a current low level of asset management maturity, with a lack of quantitative evidence to support the assessment. Council has set an objective to improve the asset management (as outlined in this document) which will provide a higher level of confidence and reliability in the reporting of the asset condition and measurement of the backlog and maintenance expenditure required.

5.3 Asset Data

Accurate data and a robust planning process is required to ensure that assets are managed and accounted for in an efficient and sustainable way on behalf of the community and with a service delivery focus.

Asset Custodians are responsible for compiling comprehensive and up to date asset data, including monitoring asset condition, performance and managing asset risk. This includes ensuring an Asset Book (capital value, life expectancy and replacement rates and replacement cost) for capital assets and ensuring spatial mapping of the asset is accurate.

Asset Data, includes the following core data:

- Asset description
- Asset type/ class/ category
- Asset measurements
- Asset construction material
- Asset condition
- Insurance details
- Asset strategy – AMP what to do and when to it
- Replacement details, including asset life, and remaining useful life (RUL)
- Physical location – required for stocktake.
- Where it is spatially – Area Location - required for stocktake.

Asset Data also has other non-core data to assist the Asset Custodians in managing the service provision the assets enable and is configured based on Asset Type for additional attribute fields.

Stocktake inspections, surveys and condition inspections are undertaken, and details must be updated in the Asset register and mapping solutions by the Asset Custodians

The current financial/costing system allows for Capital (Renewal, New, Growth or refurbish) or operating/maintenance costs to be attributed to an asset through a work order to enable whole of life costing.

Further work on processes, procedures and forms are required to continuously improve how Asset Custodians are ensuring their asset data is kept up to date and valid.

It is expected that data accuracy will continuously improve as Asset Custodians mature in their roles.

5.3.1 Fair Valuation - Asset Revaluations by Financial Reporting categories

Asset revaluations are conducted on a regular basis, not being more than 5 years subject to capacity as has been an issue with recent events from the 2019 to 2022 i.e. drought, bushfires, covid, extreme weather events (storms, tidal events and flooding), to assess the assets carrying value against the assets fair value at reporting date.

This has also been a requirement of [Office of Local Government](#) which mandated the process in 2006 with [circular 08-07](#) – Valuation of Property, plant & Equipment at fair value in accordance with Australian Accounting Standards Board [AASB116 Property, Plant & equipment](#).

5.3.2 Asset Stocktakes

The Asset Custodian is responsible for ensuring the asset exists, is performing to meet the agreed levels of service for the customer, and to ensure the condition reported is accurate.

Stocktakes are required to be undertaken by Asset Custodians, based on Financial Reporting Categories prior to asset revaluation, with the following exceptions:

- Roads are to be completed by a detailed laser assessment and visual inspection.
- Plant & equipment is to be completed annually and often conducted when servicing occurs.
- Intangible assets carried at cost are to be conducted on an annual basis.

The purpose of the stocktake is to verify the physical existence of items recorded in the asset register. It also seeks to identify assets that are under-utilised or those that are surplus to requirement and may require disposal. The stocktake also ensures that Asset Register and Asset Book details are true and correct. The Asset Accounting policy/ procedure will identify how to process and account for financial changes to Asset Book values.

5.4 Asset Type & Asset Custodian Alignment

Council has undertaken a review of service provisions, asset types, and precincts with the aim of enhancing asset management and creating a community or customer-centric focus. The following table provides a summary of asset types and their respective responsible asset custodians.

(Details regarding the Asset Custodians & their responsibilities is available in the appendix)

Asset Type	Asset Custodian
Administrative Centres and Works depots	Building Services Manager
Aquatic facilities	Swim, Sport & Fitness
Arts & Culture Buildings	Building Services Manager
Asset Protection Zones (APZ's)	Roads Manager & District Engineers
Bridges and Major Culverts	Roads Manager & District Engineers
Carparks – Public Areas	Roads Manager & District Engineers
Cemeteries	Manager Bereavement Services
Commercial buildings and property	Building Services Manager
Communication facilities (Towers) - Shoalwater	Shoalwater
Communication facilities (Towers) – General Sites	Building Services Manager
Community Buildings	Building Services Manager
Community Nursery	Building Services Manager
Foreshore Protection Assets (Constructed seawalls)	Roads Manager & District Engineers
Emergency Services Buildings	Building Services Manager
Fleet Services	Fleet Manager
Flood Mitigation Structures	Roads Manager & District Engineers
Holiday Haven (HH) Tourist Parks	Manager Tourist Parks
Industrial land	Manager Economic Development
Libraries and Shoalhaven Regional Gallery	Building Services Manager
Maritime Business	Economic Development
Natural areas (Infrastructure assets)	Roads Manager & District Engineers
Natural areas (Natural assets)	Manager Environmental Services
Navigation Channels	Roads Manager & District Engineers
Open Drains	Roads Manager & District Engineers
Parks & Reserves (Grounds)	Roads Manager & District Engineers
Parks & Reserves Precincts – Destination locations	Swim, Sport & Fitness
Pathways	Roads Manager & District Engineers
Public Amenities (Toilets)	Building Services Manager
Public Halls & Community Centres	Building Services Manager
Recycling & Waste Depots	Manager Waste Services
Roads	Roads Manager & District Engineers
Shoalhaven Animal Shelter	Building Services Manager
Shoalhaven Entertainment Centre (SEC)	Building Services Manager
Shoalhaven Indoor Sports Centre (SISC)	Swim, Sport & Fitness
Showground Precinct's	Swim, Sport & Fitness
Sporting Precincts	Swim, Sport & Fitness
Stormwater structure	Roads Manager & District Engineers
Surf Life Saving Clubs (SLSC)	Building Services Manager
Town Centres/ CBD's	Roads Manager & District Engineers
Tree's identified as Community Significant	Roads Manager & District Engineers
Ulladulla Civic Centre	Building Services Manager
Vacant Land	Building Services Manager
Wastewater Supply	Shoalwater
Water Supply	Shoalwater
(Waterway's) Jetties, wharves & boat ramps	Roads Manager & District Engineers
Work Depots	Building Services Manager

5.5 Critical Assets

Asset criticality is determined by considering the interplay between the risks associated with an asset and the potential consequences of its failure. Identifying critical assets is a

fundamental step in effective asset management, ensuring prioritised resource allocation and risk mitigation strategies.

Critical assets are those whose failure or disruption significantly impacts Council's operations, safety, and overall performance of service offerings, resulting in a significant social, environmental, or financial cost to Council.

While previous versions of Council's Asset Management Strategy identified both the depots and administration buildings as critical, given the recent learnings from the COVID-19 pandemic, the administration buildings are no longer considered critical, however it may be that components of the buildings are critical.

The following table summarises council's critical assets as identified by the Asset Custodians.

Asset Class / AMP	Asset Type			Details
Water	Asset		Quantity	% Critical
	Water Storage Dams		3 of 5	60%
	Service Reservoirs Pipe System	Service Reservoirs	17 of 39	43%
		Balance Tanks	1 of 2	50%
		Raw Water Mains	28km of 29km	96.5%
		Reticulation Mains	136km of 1,151km	12%
		Trunk Mains	304km of 449km	68%
		Total Pipes	468km of 1,629km	29%
		PRV's	3 of 8	3.7%
		Control Valves	699 of 8,043	8.6%
		Air Valves	4,529 of 939	56%
	Pump stations		11 of 25	44%
Sewer	Asset		Quantity	% Critical
	Pipe System	Gravity Pipes – Gravity Mains	440km of 1,039km	42%
		Gravity Pipes – Overflow Mains	1.5 of 1.9km	79%
		Rising Mains	176km of 205km	86%
		Manholes	4,387 of 23,579	19%

Asset Class / AMP		Asset Type			Details
		Pump stations		133 of 222	59%
Waste Transfer Stations & Landfill	Waste transfer stations and landfill sites. Critical assets within the sites include: • Compactors and Shredders • Weighbridges • Leachate Management Systems • Landfill cell construction and lining • Fire suppression equipment				Within these facilities, certain assets play a critical role in ensuring the smooth and safe operation of waste handling processes. The availability of sufficient landfill capacity is critical.
Roads & Bridges	Roads that provide access to hospitals, and emergency shelters are critical, in addition to those that provide access to key utilities such as water, wastewater, power and telecoms, to ensure continuity of essential services. Roads that are the only access to an area are deemed critical as there is no back up. Roads that enable heavy vehicles to transport goods are critical to provide the Level of Service required for road loads. Traffic volumes and connectivity are also key factors in identifying critical roads assets. Bridges that are the only access to an area are deemed critical, with the criticality rating increasing based on the likely hood of flooding.				The accessibility of access roads, as well as the condition of surrounding roads, directly impacts accessibility to areas.
Stormwater	Criticality of the stormwater network involves a multi-faceted approach that considers zoning, proximity to essential services, buildings and other infrastructure, design, redundancy, and climate change resilience.				The stormwater network represents a critical and integral component of Council's infrastructure assets, playing a pivotal role in managing drainage and safeguarding against potential flooding and environmental risks.
Buildings	Crematorium is a critical asset as there is no other in the LGA. Buildings at locations identified as evacuation areas. Generators – power back up supply.				Electricity supply requires generators, demonstrated during the recent bushfires where power outages necessitated food preservation measures like ice, noting backup generators are not universally available across sites.
Flood Management Systems	Levees, flood walls, and floodgates that manage coastal flooding and drainage.				Flood management systems are critical assets because they serve as the first line of defense against coastal flooding and drainage issues, protecting communities, infrastructure, and valuable coastal ecosystems from the devastating impact of storm surges and rising sea levels.
Coastal Management	Seawalls, breakwaters, and revetments that protect coastlines from erosion and storm surges.				The revetment wall at Lake Conjola, stretching 600 meters, serves a multifaceted purpose by preventing lake intrusion and supporting lake access.

Asset Class / AMP	Asset Type	Details
		Ulladulla Park's boardwalk and stairs to the beach are the sole access points.
	Wetlands and Mangroves	Ecologically sensitive areas act as natural barriers, absorbing floodwater and providing habitat for marine life.
	Sand Dunes	Natural sand barriers that mitigate coastal erosion and act as habitats for various species.
Natural assets	Asset Protection Zones	Asset Protection Zones around the park perimeters serve to mitigate bushfire risks by reducing fuel load.
Information Technology	Booking software & website for Holiday Haven (online reservations)	Loss of service will disrupt bookings and revenue streams, particularly considering the current trend towards digital bookings.
	NBN and WiFi connectivity (critical for operational efficiency).	A particular concern is highlighted at remote sites like Bendalong Park due to inadequate NBN facilities and phone reception.
	Digital Information Boards	Four Holiday Haven sites have digital boards, that play a fundamental role in disseminating emergency information to the community, with the sites often functioning as community endpoints and emergency evacuation sites during adverse weather events.
	IT Disaster Recovery assets	Ensure continuity of essential services and data integrity in the face of unforeseen disruptions, such as natural disasters or technological failures.
	Cyber security assets, particularly firewalls	Firewalls act as the first line of defense against un-authorised access, data breaches, and cyber threats that could compromise sensitive information and disrupt operations.

Risk management procedures have been developed for these assets including emergency response, business continuity and condition monitoring.

5.6 Asset Management Information System

Council has purchased an integrated software solution and is implementing this over the current and next financial years, and all assets are to be within asset registers of this software solution. The success of this integration is considered essential for better asset management.

6 Asset Management Plans

6.1 AMP Alignment with Asset Custodian

The AM Strategy is developed by Technical Services and Asset Custodians are responsible for individual Asset Management Plans.

Council has adopted [Asset Management Plans on Council's webpage](#)

However, the Asset Custodian model has highlighted that not all Service Provisions/ assets have corresponding Asset Management Plans. The current structure for Asset Management Plans is detailed in the table below, however as Council's Asset Management maturity improves, this structure should be reviewed with consideration of Asset Management Plans being aligned to Asset Classes.

Asset Management Plan	Asset Custodian
Administration & Depot Buildings	Building Services
Bereavement Facilities	Bereavement Services
Bridges & Major Culverts > 6 metres	District Engineers Coordinated by Roads Manager
Commercial Property	Building Services
Community Buildings	Building Services
Cultural Buildings	Building Services
Destination Parks Precincts	Swim, Sport & Fitness
Economic Development	Economic Development
Emergency Services Buildings	Building Services
Flood Mitigation Infrastructure	District Engineers Coordinated by Roads Manager
Holiday Haven Facilities	Holiday Haven
Natural Areas	Environmental Services
Natural Areas (Infrastructure)	District Engineers Coordinated by Roads Manager
Parks & Open Spaces	District Engineers Coordinated by Roads Manager
Pathways	District Engineers Coordinated by Roads Manager
Plant & Fleet	Plant & Fleet
Public Amenities (Toilets)	Building Services
Recycling & Waste	Recycling & Waste
Road Network	District Engineers Coordinated by Roads Manager
Showground Facilities	Swim, Sport & Fitness
Sporting Facilities	Swim, Sport & Fitness
Standalone Off Street Public Parking	District Engineers Coordinated by Roads Manager
Stormwater Infrastructure	District Engineers Coordinated by Roads Manager

Asset Management Plan	Asset Custodian
Street Infrastructure	District Engineers Coordinated by Roads Manager
Wastewater Supply	Shoalwater
Water Supply	Shoalwater
Waterways Infrastructure	District Engineers Coordinated by Roads Manager

With the proposed reviewed structure, all like assets would be combined, for example buildings would be consolidated into a single Asset Management Plan. This is based on the rationale that any legislative changes would universally impact all buildings, and the specialised knowledge and oversight for compliance would be entrusted to the Asset Custodian or Asset Manager. Consolidation of plans will also reduce the administrative time and cost in preparing, updating, and reviewing the plan.

6.2 AMP Document Structure

Asset Management Plans contain:

1. Executive Summary
2. Asset Description
3. Levels of Service
4. Future Demand
5. Lifecycle Management Plan
6. Risk Management Plan
7. Financial Summary
8. Plan for improvement and Monitoring

Reference: *Section 4.2, pg4/33, IMM 2015*

- A description of the asset category and the services delivered
- The key standards, systems and guidelines which influence asset management activities
- Levels of service (current and desired) and a system of performance measures
- Factors influencing future demand and the impacts of changing demand
- Management of risk
- Summary of life cycle strategies
- Long term cash flow projections
- Links to the Community Strategic Plan, Long Term Financial Plan, Delivery Program and Operational Plan, through capital and maintenance programs.

As indicated in the Asset Management Policy, Council is guided in the development of asset management by the *IPWEA International Infrastructure Management Manual (2015)* and has adopted the NAMS AMP Template for consistency with Shoalhaven referencing to be consistent across all AMP's.

6.3 AMP Recommendations

The following recommendations were included in the adopted AMPs and require consideration. However, these have not been based on the refined SLOS considerations but rather on preliminary community consultation and operational or efficiency grounds.

- Annual capital budget for all asset types should be prepared on an ‘activity’ basis not a ‘resource’ basis, while this transition has occurred, predominantly for transport assets, but could be further improved, and applied across all relevant asset classes.
- An appropriate occupation of Council owned or managed land policy has been adopted and should be adhered to.
- Monitoring and Improvement Programme – Asset Management Plans are dynamic documents reflecting and responding to changes over time. Monitoring of the AMPs is required to ensure compliance with the proposed improvement program milestones and to ensure compliance with adopted standards and procedures for condition and performance.

7 Levels of Service

Levels of Service have been specified in most AMPs.

- The current Community Strategic Plan can realign AMPs to “what the community told us”, and the resourcing strategy “what we can do and when we can do it”
- The current adopted AMPs were publicly advertised; however, engagement through technology has improved to achieve a greater audience for future engagement.
- LOS surveys have been undertaken via Council’s website in past years, incorporating pictures, from which respondents identify what is or is not acceptable.
- Council also undertakes [Community Satisfaction surveys](#) to determine how we went and what we can do better.

The AM Policy includes an objective –

Continuously work toward an appropriate balance of community expectations and the resources of Council through the development and monitoring of agreed levels of service and appropriate community engagement.

To achieve appropriate community engagement in the reviewing of sustainable ‘levels of service’ (SLOS), Council utilises the Community Strategic Plan development and “Get Involved Shoalhaven” where the Community “can have their say”. This webpage has a timeline to keep all that have an interest in proposals to improve “service provision” informed.

Each Asset Custodian must undertake this process to understand the customers current and future demands, especially in relation to level of service provision.

Effective asset management within an organisation plays a pivotal role in shaping customer satisfaction. Customers expect the assets of Shoalhaven City Council to provide them with defined service levels. For example, a building that is clean, vibrant, in the right location, will make a difference to the community perception of what is a good service.

The agreed levels of service are important as they influence all asset management decisions. The community needs to be aware of resourcing, environmental, legal, political, and other constraints before agreement can be reached on sustainable levels of service. Previous community engagements on levels of service have included surveys and targeted community meetings. The key is to obtain consensus of “sustainable levels of service”. That is, understanding the desired level of service and delivering an outcome that manages risk, ensures optimum performance, and is financially sustainable.

Effective asset management within an organization plays a pivotal role in shaping customer satisfaction. At Shoalhaven City Council, our constituents anticipate that our assets will

consistently deliver specific service standards, such as maintaining clean, vibrant, and well-located facilities, all of which significantly influence their perception of quality service.

These agreed-upon service standards serve as the bedrock for all asset management decisions. To establish sustainable service levels, it is imperative that the community is well-informed about the various constraints, including resource availability, environmental considerations, legal factors, and political dynamics. This requires engaging with the community through methods like surveys and targeted meetings to achieve consensus on what constitutes a sustainable service level.

The ultimate objective is to harmonize the desired service standards with prudent risk management, optimal performance, and financial viability, ensuring that we deliver outcomes that meet these criteria and align with our commitment to excellence.

Current adopted Asset Management Plans (AMPs) contain Levels of Service (LOS) based on historic operational and risk management needs and budgets.

The approach to refine LOS will be to:

- Assume current levels remain until changes are discussed with the community and adopted by the Council for each service provision/ asset class
- Continue the LOS community engagement for service provision especially for critical assets
- Some asset types may not require or benefit from community engagement where there are overriding legislative safety requirements that determine LOS e.g. Asset Protection Zones (APZ's)
- Define a LOS at the lowest financially feasible and environmentally practical levels for each service provision of infrastructure asset classes, consistent with CSP objectives. These will be known as the Sustainable Levels of Service (SLOS).
- Assets will then be maintained in a condition to meet the SLOS for that service provision/ precinct/ asset category

It is important to note that the SLOS condition is NOT the same as the Office of Local Government (OLG) defined 'satisfactory standard' LOS or 'FAIR condition'. These could be described as the desirable condition of assets whereas the SLOS condition is a minimum acceptable level.

A key challenge for Councils is the very large 'gap' between the current condition of their assets and the condition required to deliver the OLG's satisfactory standard. In fact, the gap, both in terms of clawing back the backlog of renewal and maintenance and continuing to fund asset investment at adequate levels, is arguably too large to bridge without extreme changes. This is compounded further by the increasing frequency of extreme weather events negatively impacting on asset condition and performance.

In response to this, a key component of this strategy is to define SLOS condition as well as the OLG defined "satisfactory standard", to use this as a medium-term target, and to report to the community accordingly.

8 Asset Management Maturity

The starting point on an asset management improvement journey is to obtain a clear understanding of the level of maturity and performance that currently exists. Asset management maturity assessments are also valuable in tracking progress towards your desired goal, ensuring alignment with best practice, and that the Asset Management System is equipped to efficiently deliver the desired outcomes.

In recognition of the need to address existing challenges within the current state, a self-assessed Asset Management Maturity Assessment was conducted. This assessment was carried out utilising the NAF Assessment Model, a structured online questionnaire created to gauge the progress made in implementing the components of the National Asset Management Assessment Framework (NAMAF). This framework, custom-tailored for Local Government use, encompasses specific elements and characteristics outlined in the following table.

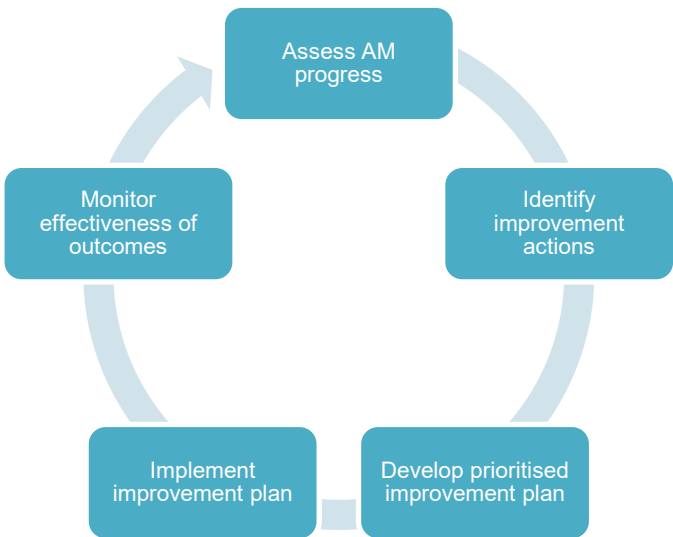
Table 6.1 National Asset Management Assessment Framework, Elements & Characteristics

Element	Characteristic
Financial Planning and Reporting	Strategic Longer-Term Plan
	Annual Budget
	Annual Report
Asset Management & Planning	Asset Management Policy
	Asset Management Strategy
	Asset management Plans
	Governance and Management
	Levels of Service
	Data and Systems
	Skills and Processes
	Evaluation

Source: IPWEA.

Based on the 11 characteristics within the tool, Shoalhaven City Council completed the self-assessment to aid the development of this document. Council is committed to continuing to use the maturity tool to assess the progress in implementing better practices in asset and financial management, aligned with the IPWEA Asset Management Continuous Improvement Cycle, identified in the following figure.

Figure 6.1 Asset Management Continuous Improvement



Source: IPWEA.

The following figure identifies the five levels of maturity identified in the assessment, represented as a scale of 1 to 5, with 1 being aware and 5 advanced.

Figure 6.2 Asset Management Maturity Levels – 1 to 5 scale



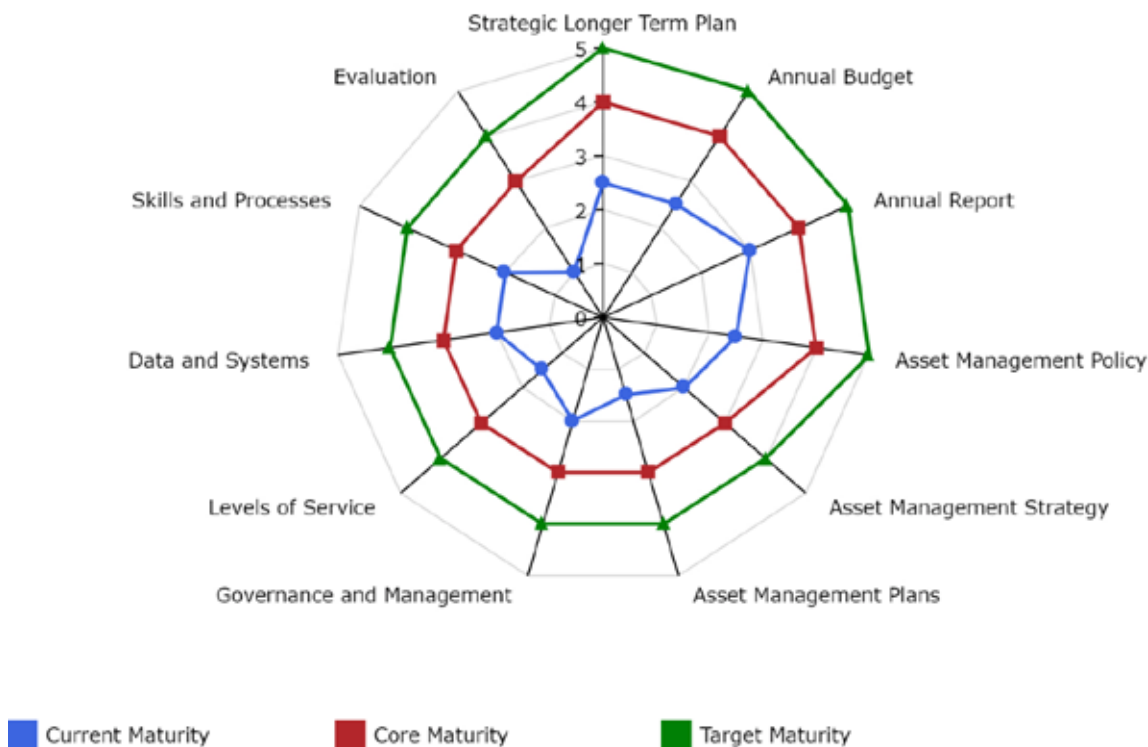
Source: IPWEA.

Based on the scale and type of assets Council manages, and considering the business context and resource capacity, seeking Advanced Maturity in all areas of practice is not the best solution for Council.

The results of the self-assessment are presented in the following spider graph. This visual representation offers an overview of Council's current state of asset management maturity.

Council’s main objective is to focus on achieving and maintaining what it has identified as a core level of maturity. In the context of asset management, this core maturity level has been predominantly identified as a score of 3, with the exception being the asset management policy, for which a score of 4 is identified as the core level. Additionally, for financial planning, a score of 4 has been established as the core level across all three characteristics within the assessment tool.

Figure 6.3 Current, Core and Target Self-assessed Maturity Assessment



Source: IPWEA NAMS+, and AEC (unpublished).

The Enterprise Asset Management (EAM) Steering Committee will periodically complete a self-assessment to review the current maturity and target maturity, and to track progress over time, ensuring that Council are consistently progressing towards the desired level of maturity, and were possible benchmarking this against the maturity of other councils that are similar in size and characteristics, such as geography.

Every 5-10 years, Council will look to engage an independent assessor to complete an Asset Management maturity assessment, to maintain transparency, identify risks and appropriate mitigation plans, and to adjust the improvement roadmap as required.

The maturity assessment was a key factor in the development of this Asset Management Strategy, and a review of the results identified three components of an effective asset management approach:

- Leadership & Governance,
- Asset Management System, and
- Asset Portfolios.

Following is the current context identified through the assessment, for each of these components.

8.1 Leadership & Governance

The results of the maturity assessment reveal that the Council's asset management practices currently fall below the core level of maturity identified. This assessment highlights significant areas for potential improvement. At present, the Council's asset management practices are categorised as operational, whereas the aspiration of Council is to optimise the asset management practice by ensuring alignment with best practice, being an organisationally integrated Asset Management System, with a strong emphasis on strategic focus.

In order to lift council's asset management maturity, Leadership & Governance must be prioritised throughout all aspects of the maturity assessment. Governance is the foundational framework that facilitates informed decision-making, accountability, and promotes transparency.

8.1.1 Asset Management Policy

The Asset Management Policy is a vital component of the overall Asset Management Strategy of Council, as its role is to provide a framework for the effective management of the Council's assets and the responsible allocation of resources.

The maturity assessment highlights the policy's strengths but the need for improvements. These improvements encompass the following points:

- Referencing a defined process for assessing and delivering training in financial and asset management practices across the organisation, to ensure staff are well-equipped to implement the policy effectively.
- Provide additional clarity and detail in defining roles and responsibilities within the asset lifecycle. Specifically, identifying positions responsible for determining levels of service, managing assets to meet service delivery needs, as well as maintenance and operations positions is key across all asset classes. By outlining and communicating these roles clearly, Council can enhance accountability and ensure that all aspects of asset management are effectively coordinated and aligned with organisational objectives, while mitigating inefficiencies and contributing to improved service outcomes.
- Decision making should be strengthened, and the policy should establish a strong foundation for long-term integrated decision-making. Simultaneously, it should encourage participative decision-making involving the community. This entails integrating data, information, and knowledge to assess trade-offs among economic, social, cultural, and environmental consequences, facilitating a holistic approach to decision-making. Basically, it should identify a prioritisation approach regarding available funding.
- The current policy does not identify the process and timeframes for community consultation and adoption of Asset Management Plans.

8.1.2 Asset Management (EAM) Steering Committee

To develop a strong corporate approach to Asset Management a cross directorate Enterprise Asset Management (EAM) Steering Committee has been established to define and review this Strategy and the EAM implementation Road Map. An EAM Oversight Group comprising key asset management leaders from across the organisation to oversee and facilitate the implementation of both the strategy and road map has also been established.

The maturity assessment identified a requirement to ensure processes are in place regarding the meeting structure and frequency, to provide assurance that both the committee and group are leading strategically while addressing the 11 elements of the maturity assessment, and successfully implementing this Asset Management Strategy.

8.1.3 Roles & Responsibilities

Council has documented the asset management roles and responsibilities within the Asset Management Policy and there is reference to an Asset Custodian model however, this is not inclusive of all roles, or all asset classes.

The current documentation lacks identification of roles responsible for determining levels of service and managing the assets to meet service delivery needs.

It is recommended that roles, and their relevant responsibilities, within the categories of Service Owner, Asset Custodian and Asset Operator and Maintainer are identified and documented (to assist with full lifecycle knowledge, including financial requirements).

Figure 6.4 Example of Asset Management Roles within the Categories Identified

Service Owner	Asset Custodian	Asset Operator & Maintainer
• Service Planner	• Asset Manager • Asset Data Analyst	• Asset Inspector • Asset Operator • Asset Maintainer • Maintenance Scheduler

Source: AEC (unpublished).

Gaps in roles and responsibilities, as well as capacity have not been formally assessed. (for example, there is no clarity on responsibilities relating to the Maritime Asset Class, also referred to as Boating Facilities).

8.1.4 Allocation of resources & decision making

Current practice is predominantly reactive as opposed to planned and is often based on historical data as opposed to forward projections. An enhanced systemic approach to resource planning, which is aligned with forward projections, is needed to shift the current practice.

8.1.5 Performance reporting

Currently there is no Asset Management performance reporting developed.

8.2 Asset Management System

An Asset Management System (AMS) is a structured and organised approach to managing and optimising an organisation's assets throughout their entire lifecycle. It involves processes, procedures, and tools to acquire, operate, maintain, upgrade, and dispose of assets in a cost-effective and efficient manner, while ensuring that they deliver on Council's strategic goals and objectives.

The AMS enables an organisation to track and monitor its assets, assess their condition and performance, and make data-driven decisions on their utilisation and replacement.

This strategy identifies that Council's Asset Management System aligns with IPWEA, however documenting this with regards to Shoalhaven City Council will assist with communicating this to the whole of Council.

8.2.1 Asset Management Information Systems

Council has purchased Technology One's OneCouncil, an integrated software solution and is implementing this over the current and next financial years. The success of this integration is considered essential for better asset management.

The Council currently maintains a basic inventory of fixed assets, encompassing their location, size, and type in an asset register. However, not all assets are included in this system, both financial and non-financial. Some major asset classes, like Buildings, have a

more robust corporate asset register, supported by technical asset registers that require regular manual data validation, as the systems are not integrated.

ESRI (Environmental Systems Research Institute) GIS (Geographic Information System) serves as the corporate mapping software, but ongoing enhancements are needed to align asset types with spatial mapping.

While condition assessments are conducted, the data is not consistently updated in the asset register.

Some of the identified AMIS improvement areas of focus include:

- Linking work orders to assets, both capital and operating, and incorporating forecasts for maintenance and renewal expenditures through the Asset Management Information System.
- Connecting customer service requests to assets through work orders for streamlined service delivery.
- Streamlining the use of multiple software solutions for works programming, ensuring better integration with OneCouncil.
- Mapping work orders and projects to visualise ongoing tasks, locations, and timeframes.
- Coordinating Enterprise Content Management (ECM) and Electronic Document and Records Management Systems (EDRMS) for a more comprehensive data approach, including survey and design registers.
- Developing digital Asset Management Plans to provide customers with details on assets by type, capital and operating aspects, maintenance programs, and future projects.

8.2.2 Asset Data

Accurate data and a robust planning process is required to ensure that assets are managed and accounted for in an efficient and sustainable way on behalf of the community and with a service delivery focus.

To address the need for data integrity and a single source of truth, Council will look to develop a comprehensive Asset Data Framework and Improvement Plan. This initiative will not only provide governance of asset information but also establish clear processes for data throughout the asset lifecycle, including acquisition, operations, maintenance, renewal, and disposal.

This Framework will also look to provide consistency across stocktakes, inspections, surveys, and condition inspections, and the process for ensuring a seamless and accurate update to the asset register and mapping solutions.

Council conducts asset revaluations every five years, subject to capacity constraints resulting due to disaster events (2019-2022: drought, bushfires, COVID, extreme weather). These revaluations compare asset carrying values to their fair values at the reporting date. To maximise valuation accuracy and value, the Council will look to conduct condition assessments that inform the valuation process. These assessments will also offer insights into future maintenance and renewal needs, while also improving the asset data.

8.2.3 Asset Planning

Historical underinvestment in asset renewals, especially in roads and stormwater, poses a high risk for the Council, resulting in potential future cost escalation. The Asset Management policy emphasises a 'Renewal before Upgrade or New' philosophy but this is not always the reality.

To enhance maturity in Asset Planning, Council will consider implementing the following in the first instance:

- Integrate service planning and the budget process, to align service levels with strategic objectives, optimising resource allocation.
- Learn from improvements made in the Water & Sewer Asset Classes and apply those principles to other Asset Classes, such as Transport and Stormwater, to define clear service levels, strategic planning, and efficient resource allocation.
- Address the current reactive approach in asset planning by investing in data, resources, and expertise for proactive asset lifecycle planning.
- Prioritise capital works through a quadruple bottom line assessment, aligning investments with financial, social, environmental, and community well-being considerations.

8.2.4 Process & Practices

Council presently follows operational procedures to meet its objectives. To enhance asset management and safeguard critical knowledge held by key personnel, the Council should assess, document, and implement improved processes and practices.

The Maturity Assessment indicates that initial emphasis should be placed on the following processes:

- **Process for updating Asset Management Plans:** The minimum timeframe for the Asset Management Strategy and Asset Management Plans is 10 years, and while the principles and objectives outlined in the Asset Management Policy and strategy guide the development and maintenance of Asset Management Plans, the strategy should also include the process for updating the plans, ideally mapping this, and incorporating regular cyclic updates to the demand and financial projections, while also identifying the timeline for review.
- **Process for Condition Assessments:** The condition of Council's assets is shown in the Report on Infrastructure Assets, a special schedule attached to the Annual Financial Statements. Through the engagement sessions with key stakeholders across Council, it was identified that the reported condition is not reflective of the assets on the ground, and that Condition Assessments are not completed on a regular cyclic schedule. This strategy should be updated to reflect the process for condition assessments, including the budget requirements, to ensure that assets are managed in line with their optimal useful life, and adequate renewal and maintenance programs are developed based on this, enabling evidence based decision making.
- **Process for Management Review:** Council lacks a structured Management Review process for Asset Management. A process should be developed for regular review of the following:
 - Audit recommendations and actions

- Asset Management Maturity
- Asset Management Strategy Improvement Plan
- Individual Asset Management Plans

Incorporating these components into regular management reviews will facilitate tracking the status of actions derived from improvement plans and previous management reviews against planned deadlines and deliverables, ensuring the allocation of sufficient budget, tracking shifts in identified risks and opportunities, and maintaining well-documented records to substantiate the management review process.

- **Process for New Assets:** Council lacks a consistent process for new assets. A process should be developed and documented for recording new assets, adjusting budgets for new assets, and valuing assets, while providing necessary staff training. This should cover Council constructed, developer contributed and donated assets. Implementing this process will not only improve operational efficiency but also promote uniformity and facilitate knowledge retention.

8.2.5 Asset Management Capability & Capacity

While Council presently provides on-the-ground experience and safety-related training, it recognises significant opportunities for growth and development in the realm of asset management, however detailed training programs are yet to be developed or commissioned.

Council is actively taking steps to enhance its Asset Management Plans, leveraging training programs like IPWEA NAMs+ as a clear indication of its dedication to bolstering asset management capabilities, which will yield benefits for both the organisation and the community it serves.

Developing training packages for Asset Management that reflect the entire asset lifecycle is essential for building a well-rounded and proficient workforce. These training programs should be developed covering every phase of the asset lifecycle, from planning, acquisition and commissioning to operation, maintenance, and eventual disposal, incorporating Council's systems and processes. Including real-world case studies and practical exercises into these packages can provide a hands-on understanding of how asset management principles apply in various scenarios.

Such comprehensive training equips employees with the knowledge and skills needed to make informed decisions, optimise asset performance, and ensure the efficient allocation of resources throughout an asset's lifespan.

A capacity assessment is required to identify gaps in resourcing, and to ensure that Council is aware of the risks associated with this. Capacity planning should also predict the gap between future demand and workforce capacity to identify the shortfall/ excesses of resources.

By understanding and addressing capacity concerns, Council can potentially benefit from cost savings through more efficient asset utilisation, reduced downtime, enhanced risk management, and improved decision-making based on a more thorough understanding of the asset landscape.

8.3 Asset Portfolio

Asset Custodians across Council are responsible for managing assets throughout the asset lifecycle. While leadership and governance provide high level objectives, and the asset management system provides tools and support, managing the asset portfolio requires expertise in understanding and managing at the asset class level.

The method for determining renewal and replacement requirements differs for different asset classes, and in cases where metrics are not readily available to inform the investment required, various other approaches, such as asset data analysis, business collaboration, and service level considerations have been used. These approaches are consolidated and presented in the table below.

Financial Asset Class	Renewal Approach
Bridges	Metrics / Activity basis
Buildings	Asset data
Footpaths	Metrics / Activity basis
Furniture and Fitting	Business engagement
Library Books	Service levels
Office equipment	Asset data
Other Infrastructure	Asset data
Other Open Space / Recreation	Asset data
Plant and Equipment	Asset data
Roads	Metrics / Activity basis
Sewer Infrastructure	Asset data
Stormwater Drainage	Metrics / Activity basis
Water Infrastructure	Asset data

Ideally the methods of metrics and asset data would be used across all asset classes, with the asset data improving, and informed by condition assessments, to ensure evidence-based planning.

9 - 10 Year Capital Works Program

The 10 Year Capital Works Program (CWP) includes activities that are considered necessary for ensuring the long-term sustainability of Council services and facilitating future growth within the City of Shoalhaven.

The capital works program is developed based on levels of service, asset data and considerations for the city's anticipated expansion, all of which are closely aligned with our Asset Management Plans as part of the overarching Resourcing Strategy.

Activities can include renewal, upgrade, expansion, and the creation of entirely new assets. Potential projects are justified and grouped into asset class specific programs, but not approved for implementation until adoption of the annual budget.

The annual budgetary process refines the prioritisation of capital projects, a process that considers various factors such as alignment with the Community Strategic Plan, risk management, optimising asset renewal for best value, and adherence to statutory obligations. To ensure ongoing adaptability and responsiveness to changing circumstances, Quarterly Reviews are conducted, which assess factors impacting the capital works programs, including but not limited to weather events, resource availability (personnel, materials, etc.), and cost evaluations.

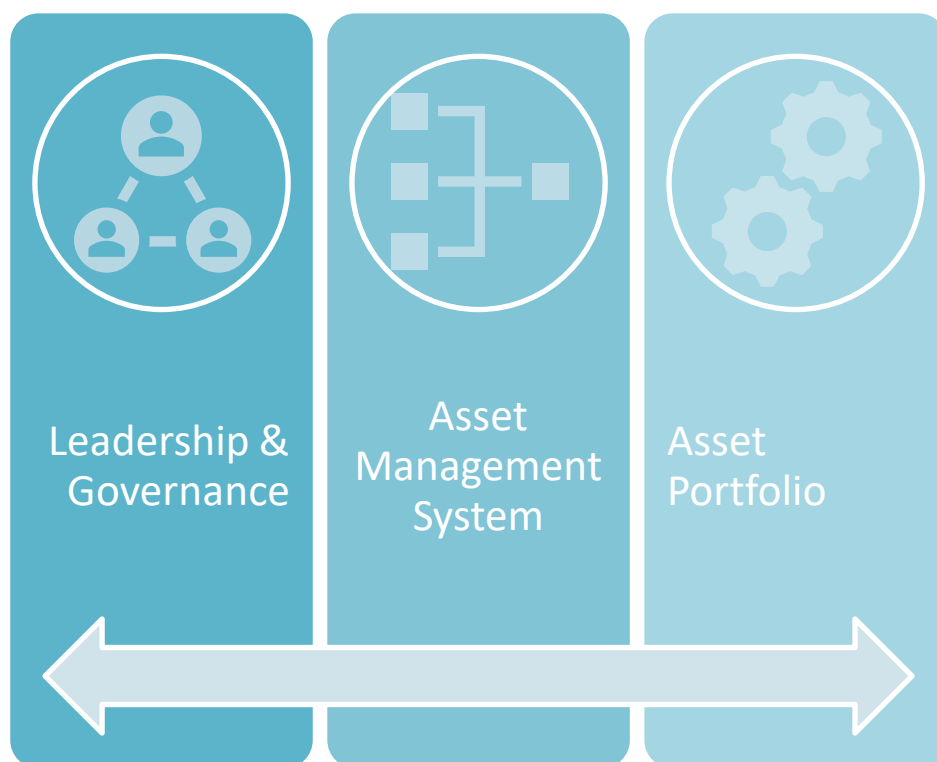
The following table compares the capital works, by asset class, for the three scenarios identified in Council's Long-Term Financial Plan (LTFP), a key component of the resourcing strategy. Further details, by financial year, are provided in Appendix B.

Planned Capital Works by Asset Class		Scenario One	Scenario Two	Scenario Three
Bridges		8,534,234	12,449,693	14,303,305
Buildings		79,842,528	140,081,959	140,207,413
Footpaths		6,576,942	27,034,419	27,211,113
Furniture and Fitting		0	0	0
Land		0	0	0
Land for Resale (inventory not IPPE)		50,080,005	50,080,005	50,080,005
Library Books		2,444,214	2,444,214	2,457,014
Office equipment		7,887,608	7,887,608	8,062,908
Other Infrastructure		78,321,081	90,498,878	90,877,107
Other Open Space / Recreation		26,380,802	38,210,872	42,126,331
Plant and Equipment		144,783,794	144,783,794	144,783,794
Roads		109,101,888	329,186,791	337,513,289
Sewer Infrastructure		271,187,167	271,511,195	271,511,195
Stormwater Drainage		15,562,627	18,993,795	25,827,447
Water Infrastructure		249,965,541	249,965,541	249,965,541
TOTAL EXPENSES		1,050,668,430	1,383,128,763	1,404,926,462
	New	457,628,986	457,953,013	457,953,013
	Upgrade	0	0	0
	Renewal	593,039,444	925,175,750	946,973,449
TOTAL EXPENSES		1,050,668,430	1,383,128,763	1,404,926,462
	Depreciation	1,216,283,054	1,125,915,307	1,126,083,454
	Renewal Ratio	49%	82%	84%
PLANNED CAPITAL FUNDING				
General	General Revenue	171,520,040	503,656,346	525,454,045
General	Borrowings	15,000,000	15,000,000	15,000,000
General	Grants and contributions provided for capital purposes	60,978,218	60,978,218	60,978,218
General	Reserves	176,861,008	176,861,008	176,861,008
Water	General Revenue	0	0	0
Water	Borrowings	0	42,139,355	42,139,355
Water	Grants and contributions provided for capital purposes	44,288,295	44,288,295	44,288,295
Water	Reserves	205,677,246	163,537,891	163,537,891
Sewer	General Revenue	0	0	0
Sewer	Borrowings	0	0	0
Sewer	Grants and contributions provided for capital purposes	13,812,941	13,812,941	13,812,941
Sewer	Reserves	257,374,226	257,698,254	257,698,254
Waste	General Revenue	0	0	0
Waste	Borrowings	19,779,389	19,779,389	19,779,389
Waste	Grants and contributions provided for capital purposes	0	0	0
Waste	Reserves	85,377,067	85,377,067	85,377,067
TOTAL FUNDING		1,050,668,430	1,383,128,763	1,404,926,462

10 Council's Asset Management Vision

Our vision for Asset Management in Council is to establish a strategic, systematic, and sustainable approach, guided by effective leadership and governance. Our Asset Management System is underpinned by quality people, processes, and systems. We are committed to delivering efficient and effective asset management to support the delivery of quality services to our community, while optimising the value of our assets through continuous improvement and innovation.

The following three components of an effective asset management approach will be used to identify the strategies to achieve Council's Asset Management vision through our journey of continuous improvement:



10.1 Leadership & Governance Strategies

Our vision can be realised through the embodiment of effective leadership and sound governance. Our leadership team is dedicated to instilling a culture marked by accountability, transparency, and excellence. In doing so, we aim to foster an inclusive and collaborative work environment where our team can truly flourish. Our philosophy centres on empowering our staff, enabling them to unleash their full potential, and thereby delivering high-quality services to our community.

The International Standard for Asset Management (ISO55000) identifies that leadership and commitment from all managerial levels is essential for successfully establishing, operating, and improving asset management within an organisation. A key point is that the standard requires leadership, rather than management, and that requires more than a dedicated team or function that focuses on the asset-management system and management of asset portfolios.

Effective leadership in the realm of asset management within our Council is characterised by a spectrum of fundamental behaviours and actions. Leaders are entrusted with ensuring the

availability and efficient allocation of resources to support asset management activities geared towards achieving organisational goals. Leaders communicate the value of asset management throughout the organisation, stimulating cross-functional collaboration, and offering guidance and support to enable team members to make substantial contributions to asset management initiatives, and in doing so develop a culture of continuous improvement, championing ongoing learning and development aligned to evolving organisational requirements and industry best practices.

The strategic outcomes, targeted through the implementation of this strategy, are outlined in the following table, with the functions of:

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

Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
Integrated Planning Framework	Council and Executive Leadership Team maintain an ongoing commitment to review and uphold an integrated Resourcing Strategy. This strategy serves as the foundation for delivering the Community Strategic Plan. The Resourcing Strategy encompasses the Long-Term Financial Plan, Workforce Management Plan, Asset Management Strategy and Asset Management Plans. All plans are aligned organisational and service objectives, and the allocation of resources.		
Asset Management Policy and Strategy	Council's decisions on policy and strategy are clearly documented and communicated effectively throughout the organisation. Both demonstrate a high level of Asset Management maturity, based on Council's self-assessment. The Policy and Strategy clearly outline the asset management objectives to be implemented, and responsibilities and accountability are clear and understood across the organisation. This framework is further fortified by a culture that places a high value on asset management, primarily aimed at enhancing the asset management system and optimising the management of asset portfolios. They are subject to regular review and updates to ensure their continued relevance and effectiveness in steering our endeavors.		
Service Planning	Service planning is a core component of the integrated planning framework. Council's decision on the services offered and the levels of service are informed by asset management impacts and whole of life costing for acquisition and upgrading assets.		
	Decisions will likely need to be made on a reduction in the range of services offered and/or levels of service to be sustainable over the medium and long term. Rationalisation of assets will need to be considered.	Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service.	Sufficient funding is available to maintain current levels of service, however there is an element of risk in the initial years of this scenario, and Council will develop mitigation plans to reduce this where possible.
Enterprise Asset Management Steering Committee	With the establishment of the Enterprise Asset Management Steering Committee, we will seek to enhance our accountability, collaboration, and strategic thinking towards the implementation of our Asset Management Strategy. The Committee will be pivotal in maintaining the alignment of our asset management performance with our strategic objectives.		
Decision Making	The decisions taken by both the Council and the management are aligned with the Asset Management Policy, Asset Management Strategy, and the adopted scenario of the Long-Term Financial Plan. Decisions are evidence based and guided by the Enterprise Asset Management Steering Committee. To substantiate the necessity for new assets or upgrades, comprehensive business cases are employed, adopting a holistic "whole of life" perspective.		
Asset Management Culture	Our Workforce Management Plan holds a pivotal role in nurturing a workplace culture that embodies the finest principles of asset management. Across the organisation we understand our strategy, objectives and goals. We look for opportunities to collaborate on joint improvement initiatives, working towards the achievement of shared goals. We adhere to clearly defined processes and procedures and have a continuous improvement and proactive approach in all that we do. We ensure that roles and responsibilities are clearly defined and understood, with a clear line of accountability throughout the asset lifecycle, to further strengthen our asset management practices.		

Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
Resource Allocation	Resources are constrained and allocated to address priorities based on asset criticality and risk.	Sufficient funding is available to maintain current levels of service. No funding is available to enhance levels of service.	Sufficient funding is available to maintain current levels of service, however there is an element of risk in the initial years of this scenario, and Council will develop mitigation plans to reduce this where possible.
Performance Framework	To effectively manage risk, we are committed to providing regular reporting on performance against established objectives and performance targets to both Council and management. This reporting will encompass a thorough assessment of the strategic, tactical, and operational aspects of our asset management practices. By adopting a comprehensive approach to performance reporting, we aim to facilitate well-informed decision-making and prompt intervention when needed.		

10.2 Asset Management System Strategies

The International Standard for Asset Management (ISO55000) sets out the requirements for establishing, maintaining, and improving an Asset Management System. The Standard is designed to enable an organisation to align and integrate its asset management systems with the strategic objectives and to support and enable management of the assets.

The Asset Management System comprises the following components:

- Asset management information systems.
- Tools and reporting for management and decision support.
- Centralised processes and practices overseen by the corporate asset management team.
- Tools and systems provided to asset managers to facilitate completion of asset management tasks.
- Training and development to enhance the capability and capacity of asset management roles and responsibilities.

Our systematic approach is anchored in processes and systems designed to consistently provide quality services to our customers and community. We hold an unwavering commitment to ongoing improvement, continually refining our processes and systems, enabling the delivery of quality services.

The strategic outcomes, targeted through the implementation of this strategy, are outlined in the following table, with the functions of:

- Asset Management Information System (AMIS)
- GIS Mapping
- Asset Management Team
- Asset Management Plans
- Data Driven Asset Planning
- Processes & procedures
- Asset Valuations
- Training and Development

Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
Asset Management Information System (AMIS)	Council has achieved an ideal setup of the asset management information system. This includes a well-structured asset register, accurate asset valuations, efficient works programming, streamlined works scheduling and ticketing processes, as well as comprehensive reporting capabilities.		
GIS Mapping	Enhancing the GIS capability to boost the precision of asset mapping is a top priority. This involves harmonizing GIS data and systems with asset categorisation, the Asset Register, capital projects, and work planning, all aimed at optimising spatial strategic planning.		
Asset Management Team	Improved leadership, offering strong support, and prioritising comprehensive training and skill development, ensuring that Asset Management proficiency is solid among our asset management team. This commitment will empower our existing resources to provide more informed guidance, and enhanced support for decision-making processes, ultimately elevating the management of our asset portfolios.		
Asset Management Plans	We have a defined process and timeframe for updating our Asset Management Plans, which is adhered to. Our planning is strong and supported by cyclic revisions of demand projections. We have improved planning through scheduling of condition assessments, inspections, operations, maintenance, and renewal/replacement activities, defined by our funding constraints.		
Data Driven Asset Planning	In our pursuit of data-driven asset planning, we envision a future where every decision is powered by insights derived from a wealth of information. Our vision is to foster a culture where data is not just a tool, but the cornerstone of our strategic asset planning, ensuring that our organisation thrives through informed choices, innovation, and sustainability. With data as our compass, we're committed to building a smarter, more resilient future for our assets and the services they provide to our community.		
Processes & Procedures	Council has quality processes and procedures that are efficient and consistent, enabling improved data.		
Asset Valuations	Recognition and measurement of asset valuations are consistent with the enhanced asset management planning, including the measurement of fair value and depreciation expense based on enhanced understanding of useful lives and deterioration of assets.		
	Asset valuations are planned with the aim to address asset data deficiencies. Asset condition assessments are undertaken by adequately skilled and trained inspector to provide reliable condition assessments. The asset condition assessments are used to update the asset register and GIS mapping in a timely manner.		
Training and Development	Our vision for training and development is to create a dynamic and empowered workforce that excels in managing our infrastructure and resources. We aspire to foster a culture of continuous learning, where every team member is equipped with the knowledge and skills necessary to optimise the performance and longevity of our assets. Through robust training and development, we will empower our workforce to drive efficiency, sustainability, and excellence in asset management, benefiting both our organisation and the community we serve.		

10.3 Asset Portfolio Strategies

Effective asset management is imperative for the comprehensive management of assets throughout their entire lifecycle, spanning from acquisition to disposal. While overarching objectives are determined by leadership and governance, and the asset management system provides essential tools and support, the proficient management of the asset portfolio demands expertise in comprehending and overseeing these assets.

At Council, we recognise that embracing an asset lifecycle management approach is a pivotal strategy for enhancing asset management and controlling lifecycle costs, improving asset reliability and performance, by ensuring that assets are maintained and replaced at the opportune moment.

The strategic outcomes, targeted through the implementation of this strategy, are outlined in the following table, with the functions of:

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

Asset Management Functions	Scenario One Strategy Outcomes	Scenario Two Strategy Outcomes	Scenario Three Strategy Outcomes
Understanding the Assets	Councillors, management, and officers have a good understanding of the current state of our assets, including access to accurate information on condition, capacity, functionality, criticality, common asset failure causes, risk, future demand, lifecycle deterioration. An Annual whole of Council report, <i>State of the Assets</i> is presented to Council, in addition to cyclic workshops on asset classes within Council's Asset Portfolio.		
Asset Inspections	Condition and maintenance inspections are planned and scheduled with relevant updates applied to the asset register in a timely manner. Reactive inspections are undertaken as required to respond in a timely manner to damage or defects.		
Planning	Asset managers maintain current Asset Management Plans that plan to deliver on the asset management objectives outlined in this Strategy. Planning is based upon better understanding of the assets and access to improved data within the AMIS and GIS.		
	Enhanced scheduling of maintenance aims to transition from a high reliance upon reactive works to a target balance of 70% scheduled & 30% reactive works. Council acknowledges that some assets are run to fail and therefore the response will always be reactive, as well as reactive maintenance being a requirement of a weather event or disaster management situation.		
Acquisition	Acquisition of assets (including construction) is based upon enhanced planning and understanding of service needs. Decision gateways have been developed within the Project Management Framework and ensure the acquisition of assets does not progress unless funding and other considerations are acceptable to proceed.		
Operations	In our vision for operations in asset management, we recognise the importance of adapting to the current funding landscape while striving for excellence. We envision a future where our resource allocation and utilisation are optimised to achieve maximum efficiency, even in the face of existing budget constraints. Our commitment to innovation and smart practices will ensure that we make the most of the resources available, maintaining and enhancing the performance and longevity of our assets.		
Maintenance	We acknowledge that maintenance resources are currently constrained, leading to accelerated asset deterioration, which necessitates more frequent interventions, however despite this, our investment in asset renewals remains at its current level. This situation underscores the imperative of shifting our focus towards critical assets, prioritising them for optimised maintenance strategies. Our vision is to not only address these constraints effectively but to transform them into an opportunity for innovative and targeted asset management.	In the coming year, we acknowledge the potential for increased maintenance needs in both buildings and open space asset classes. While this presents a challenge, we are committed to implementing robust mitigation plans to minimise these risks. Additional investment in later years for the renewal of roads, buildings, stormwater, footpaths, open space, and maritime assets, will yield benefits by reducing maintenance requirements. Our vision is to leverage the additional investment to ensure that our overall asset portfolio is not only well-maintained but also poised for long-term sustainability and efficiency.	An initial reduction in asset renewal investment may increase maintenance needs across a range of asset classes, making it imperative to shift focus towards critical assets, prioritising them for optimised maintenance strategies. This will be a temporary constraint, with increased renewal investment in the later part of the 10-year yielding benefits by reducing maintenance requirements. Our vision is to leverage the additional investment to ensure that our overall asset portfolio is not only well-maintained but also poised for long-term sustainability and efficiency.
Renewal/Replacement	Renewals and replacement of assets are constrained at the current levels.	Renewals and replacement of assets are constrained in year 1.	Renewals and replacement of assets are constrained in the initial years, but increase in outer years, particularly in our roads.
Disposal	Asset rationalisation is to be considered to reduce the funding burden on maintenance and renewals mitigating risks that assets will deteriorate to an unacceptable condition.	Disposals will occur when assets are renewed, with consideration to minimal asset rationalisation, with minimal impact to the current overall asset portfolio.	

11 Asset Management Improvement Plan (AMIP)

An AM Improvement Plan details actions necessary to progress from the current state to achieving the expected outcomes of the CSP, and Council's Asset Management vision. The Improvement Plan therefore needs to address existing gaps or deficiencies in asset knowledge, systems, resources and service levels to meet these outcomes. The AM Improvement Plan is aligned to the Asset management vision, with the following categories:

- Leadership & Governance
- Asset Management System
- Asset Portfolio

The deficiencies in AM capability have been recognised by various methods including:

- Asset Management Maturity self-assessment (Section 8);
- comparison with 'best practice' AM publications e.g. International Infrastructure Management Manual;
- discussions with reference groups; and
- staff knowledge and experience.

11.1 Leadership & Governance Improvements

Asset Management Functions	Improvement Priorities
Integrated Planning Framework	• Develop process map for developing the Resourcing Strategy ensuring ongoing alignment of all strategies & plans (Long-Term Financial Plan, Workforce Management Plan, Asset Management Strategy and Asset Management Plans). • Asset Custodians to review Business Plans to ensure they contain adequate interrelationship with good asset management.
Asset Management Policy and Strategy	• AM Policy to be reviewed and updated, focusing on: ◦ Training; ◦ Roles & responsibilities across the asset lifecycle (including data); ◦ Long-term integrated decision-making; and ◦ Process and timeframes for community consultation and adoption of Asset Management Plans. • Document and communicate the engagement completed to develop and update the Policy and Strategy. • Communicate the objectives of the Policy and Strategy so that there is organisational clarity.
Service Planning	• Enhance the business case approach for service provision to determine quadruple bottom line outcomes i.e. social, environmental, financial and good governance. • Develop a forward estimate of our capacity to fund new services and new capital project works (by asset class) and confirm the extent to which this projected capacity will meet anticipated demands and ambitions.
Enterprise Asset Management Steering Committee	• Define meeting structure and frequency. • Regularly review performance against the 11 elements of the maturity assessment. • Ensure successful implementation of this Asset Management Strategy. • Develop and deliver an annual State of the Assets report.
Decision Making	• Workshop with stakeholders of community infrastructure various delivery models to seek best value outcomes. • Review the structure and number of AMP documents, with the aim being to group by asset class.

	- Develop protocols for inputting AMP information into the annual budget process for operational and capital works programs. - Develop strategies to meet financial challenges e.g., how fast to bridge the maintenance and renewal 'gap'; how much and how quickly to contribute to 'growth' assets.
Asset Management Culture	- Enhance culture & leadership, with Asset Management being treated the same as "safety". It's everyone's responsibility. - Develop and implement a comprehensive leadership training program that equips our team with the skills and tools to promote and embody accountability, transparency, and excellence in all aspects of Asset Management.
Resource Allocation / Roles & Responsibilities	- Document corporate responsibilities for the maintenance of asset information. - Complete a capacity assessment, identifying gaps in roles and responsibilities. - Review the management & leasing arrangements for assets to determine service levels, rentals and sustainable subsidisation of each service provision in line with the Community Infrastructure Strategic Plan. - Review resource requirements as AM system functionality and maturity changes.
Performance Framework	- Develop a comprehensive set of performance measures that align with our strategic objectives. - Implement a systematic review process that involves analyzing key performance indicators, evaluating asset management plans, and assessing asset utilisation and performance, to continuously identify areas for improvement and ensure our practices are in line with organisational goals.

11.2 Asset Management System Improvements

Asset Management Functions	Improvement Priorities
Asset Management Information System (AMIS)	- Link the financial system with AM database. - Link all Maintenance Management Systems and Inspections software solutions with Asset Register. - Implement a replacement customer request system (Merit) to Asset register/ Work Planning. - Provide definitions, data, and links from the AM information system for statutory and financial reporting to allow automated and consistent completion of reports. - Complete the integration of the AM system with corporate systems and processes/ procedures/ forms.
GIS Mapping	- Improve links of the Geographic Information System (GIS) with Asset register. - Include proposed assets and predicted cash-flows in a Capital Works Database and link the database to a mapping system.
Asset Management Team	- Review resource requirements for system functionality and maturity changes as to core data as Asset custodians mature. - Review the frequency of condition assessments and risk inspections for various asset categories and ensure adequate resources are available. - Develop detailed condition ratings for each Asset Class, with a particular focus on adhering to recognised industry standards.
Asset Management Plans	- Complete Asset Management Plans (AMPs) in a timely manner to inform the Resourcing Strategy – especially Long-Term Financial Plan. - Update financial and demand projections when reviewing AMPs. - Continuously update and review AMPs. - Review annual renewal funding needs for all service provision/ precincts/ asset classes and revise the 10 Year Financial Plan. - Review AMPs for data reliability. Improve the accuracy and categorisation of the data and expenditure forecasts held for asset management planning. - Review AMPs for maintenance timing/requirements.

Data Driven Asset Planning	• Develop an Asset Data Framework and Improvement Plan specifically for asset data. • Develop & implement an asset service investment model for all new and replaced or proposed to be replaced assets, with whole of life costs. • Develop utilisation measures and record utilisation for all assets, enabling the recommendation to dispose of surplus assets, example being land and buildings. • Develop a Capital Works database to show the priority and whole of life costs of all identified future projects with projects able to be viewed spatially. • Record outcomes of statutory inspections per asset in Asset register.
Processes & Procedures	• Map process for updating Asset Management Plans, incorporating regular cyclic updates to the demand and financial projections, while also identifying the timeline for review. • Document processes/procedures for updating asset information. • Establish appropriate valuation, depreciation, and effective life procedures for each financial asset category. • Refine the procedure for recording asset acquisition and ensure project managers are educated to improve this procedure with reliable data. • Develop the procedure for recognition of contributed assets through the implementation of ADAC – Asset Design As Constructed. • Develop procedure to ensure that annual operation/maintenance budgets include an allowance for additional costs arising from the addition of new assets through development, acquisition, dedication or leasing and/or licensing as well as an allowance to cover cost increases in line with indices relevant to each asset class.
Asset Valuations	• Determine and enter in the asset register the remaining life for all assets. • Document asset register replacement unit rate calculations and enter rates in Asset register. Ensure optimum alignment between asset management planning and financial accounting and reporting in relation to assets, in particular the relationship between depreciation and asset renewal.
Training and Development	• Review how we do business and current resource requirements for immediate needs (particularly for Asset Custodians to maintain concise asset registers).

11.3 Asset Portfolio Improvements

Asset Management Functions	Improvement Priorities
Asset Inspections	• Undertake stocktakes as identified and more regular condition audits to all assets especially Road Network if impacted by events that may reduce customer satisfaction.
Planning	• Define current and ideal levels of service and performance measures for each asset management plan. • Undertake Community engagement to review levels of service and agree on the 'sustainable' level of service (SLOS) for each asset category. • Identify potential asset rationalisation opportunities which would ultimately facilitate the continued provision of services but reduce maintenance and ultimate renewal costs and engage the community on key issues associated with asset rationalisation. • Develop risk management strategies for critical assets.
Operations & maintenance	• Record works and cost information through work orders per asset/ service provision for optimum whole-of-life calculations.

12 Performance Measurement & Review

Performance measures will be developed to provide a structured and systematic way to assess the effectiveness of our asset management practices and ensure that they align with our strategic objectives.

By analysing key performance indicators, reviewing asset management plans, and evaluating the utilisation and performance of our assets, we gain valuable insights into where we are meeting expectations, and where there is room for enhancement.

This Strategy will be reviewed:

- As part of the 4-yearly review of the Resourcing Strategy
- Within 12 months of the election of a new Council
- As directed by Council
- A change occurs to legislation that affects the policy

The Enterprise Asset Management Steering Committee will review and discuss the achievement of the strategies outlined in this document, on a periodical basis, and Council will be provided with regular updates from the Committee.

APPENDIX A Asset Custodians

The Asset Custodian is required to manage assigned assets on behalf of the Asset Owner (usually, Council) given Levels of Service expectations and available funding.

Asset Custodians are:

- Bereavement Services
- Building Services
- Economic Development
- Holiday Haven Tourist Parks
- Natural Resources
- Plant & Fleet
- Recycling & Waste
- Roads Manager (District Engineers)
- Shoalwater
- Swim, Sport & Fitness

Key responsibilities for Asset Custodians are:

1. Establish (or adopt) technical and acceptable Levels of Service to be provided by an asset having regard to the Asset Owner's responsibility and ability to ultimately fund the adopted Levels of Service and the Asset Owner's understanding of the Service Owner/Provider and customer needs.
2. [Develop and implement Asset Management Plan\(s\)](#) and ensure they are updated annually and comprehensively reviewed (and adopted by the Asset Owner) at least every four years. Note: It may be necessary to outsource the development of parts of the initial AMP and comprehensive reviews of the AMP say every 5 years. The Asset Custodian will need to determine and resource this.
3. Compile a comprehensive and up-to-date Asset Information System, including monitoring asset condition and performance and monitoring and control of asset risks. Note: This database must be stored on a Corporate Approved Asset Management System which is audit able by and accessible to Senior Management. The initial development of this Information System may need to be outsourced or developed by a fixed term team. The Asset Custodian will need to arrange and resource this. Corporately, Council is migrating ALL asset register details to [Technology One](#)
4. Obtain and manage the maintenance budget for reactive and programmed works. Example replacement of roof sheeting, external paint etc. An exception is for tenant / occupier responsibilities. Example is fit out specific to occupancy or service provided. Items identified in occupation agreement. Obtain and manage the operating budget and arrange for operations such as statutory test and inspections of fire compliance measures and lifts. etc. An exception is for tenant / occupier responsibilities (utilities, cleaning, security, etc.). If No tenant then wholly responsible.
5. Incorporate a Strategic Asset Development Plan, looking forward at least 10 years, into the Asset Management Plan (at Section 4 Future Demand). Asset Custodians are stakeholders in this strategic process; however, the Asset Owner will rely heavily on Strategic Asset Planners to undertake the extensive consultation and justification required for strategic asset investment or divestment. Note: Strategic Planning may be a project on its own and funding allocated to this process. Often strategic plans will be referred to within the AMP as a reference document, i.e. Business Plan, Management

Plan, Growth Plan, etc. Also, Strategic Planning may have an impact on current and future Levels of Service, as well as technology changes and operating laws.
(see Strategic Asset Planners below)

6. Document all of the above in an Asset Management Plan (that conforms to corporate standards) and obtain the Asset Owner's approval of the Plan. Prior to Asset Owner's approval, the Executive Team will be required to sign off on each Asset Plan; this will ensure that each plan has been considered widely within the organisation and all the relevant organisational stakeholders have contributed appropriately. Note: All AMPs will require sign off by the CEO (and appropriate GD's) and thus Strategic Asset Planners input to the AMP and collaboration with respect to Levels of Service will be assured before the plan is considered by Council.
7. Ensure draft budget allocations are proposed in accordance with the adopted Asset Management Plans and the resultant allocated budgets are expended (Operating, Capital including Major Projects). If required, refine the Asset Management Plans to reflect the actual annual asset expenditure (i.e., defer items within the 10-year timeframe and/or revise levels of service). Note: Council has a Major Projects and Contracts Section that can assist Asset Custodians deliver Strategic Capital Projects. An Asset Custodian cannot "outsource" or delegate this responsibility unless agreed to in writing.
8. Prepare and supervise contracts, leases, conditions of use and other agreements (i.e. EPA licences etc). Note: Experts within Council can assist with this. Similar to safety, an Asset Custodian cannot "outsource" or delegate this responsibility.
9. Will be responsible for the asset creation standards and the acceptance of assets into Council ownership either from Contractor, Developer or Community constructed assets. (via a service level agreement between units of Council or directly inspecting)
10. Must ensure that all existing assets which require insurance are declared under the State-Wide Property Scheme and reviewed during the policy renewal. All newly constructed, purchased or acquired assets must be declared to the Insurance Claims Officer using the [State-Wide New Building Checklist](#)

APPENDIX B Capital Works Plan by Scenario

Scenario One – Base Model

Planned Capital Works by Asset Class		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Bridges		581,950	599,409	617,391	636,912	654,980	799,657	2,432,891	716,725	737,107	759,312	8,534,234
Buildings		28,502,840	13,821,353	8,241,657	8,363,677	8,893,409	3,998,881	4,118,848	4,242,413	4,369,688	4,509,778	79,842,528
Footpaths		573,710	590,921	608,649	626,908	645,716	865,087	685,040	709,591	726,759	748,561	8,576,942
Land for Resale (Inventory not IPPE)		7,822,850	7,934,471	10,632,452	5,589,522	2,699,466	3,760,250	3,378,709	2,684,539	2,737,808	2,819,940	50,090,005
Library Books		213,210	219,606	226,194	232,980	239,970	247,169	254,584	262,221	270,088	278,191	2,444,214
Office equipment		688,040	708,661	728,942	751,840	774,385	797,627	821,556	846,302	871,588	897,730	7,887,608
Other Infrastructure		8,784,555	8,136,254	5,457,570	6,744,949	8,965,504	9,004,110	9,355,528	7,093,256	7,828,751	8,062,474	79,321,081
Other Open Space / Recreation		2,690,360	2,757,279	2,824,699	2,893,683	2,952,167	2,422,732	2,495,414	2,570,376	2,647,385	2,728,806	26,380,802
Plant and Equipment		15,261,439	10,733,264	10,730,743	13,934,362	15,168,522	15,405,066	17,194,375	14,813,168	14,876,309	16,066,512	144,703,794
Roads		24,295,919	23,619,582	17,266,179	7,384,254	5,646,824	5,816,229	6,000,716	6,170,437	6,355,650	6,545,217	109,101,888
Sewer Infrastructure		20,869,448	43,196,241	27,642,278	25,451,777	25,024,786	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536	271,187,167
Stormwater Drainage		1,484,230	1,439,652	1,314,520	1,530,692	1,548,472	1,563,014	1,580,386	1,597,387	1,614,004	1,632,858	13,562,627
Water Infrastructure		6,568,700	9,675,408	12,369,670	17,242,795	17,725,301	16,919,721	60,313,164	63,553,856	20,980,753	21,612,175	240,966,541
TOTAL EXPENSES		122,317,396	120,321,623	96,861,944	87,563,232	85,326,629	85,185,183	135,876,834	133,752,693	89,842,894	93,839,096	1,050,646,430
New	Upgrade	61,670,307	55,851,127	41,123,006	33,489,432	30,209,059	29,378,651	75,882,111	74,289,716	27,509,707	28,334,909	467,626,986
	Renewal	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		61,670,307	55,851,127	41,123,006	33,489,432	30,209,059	29,378,651	75,882,111	74,289,716	27,509,707	28,334,909	467,626,986
TOTAL EXPENSES		122,317,396	120,321,623	96,861,944	87,563,232	85,326,629	85,185,183	135,876,834	133,752,693	89,842,894	93,839,096	1,050,646,430
Depreciation	Renewal Ratio	94,291,694	98,246,939	101,882,953	105,595,362	109,610,476	113,621,367	118,674,349	123,750,655	127,967,934	132,311,483	1,215,283,054
		65%	66%	55%	51%	50%	49%	51%	49%	48%	50%	49%
PLANNED CAPITAL FUNDING												
General	General Revenue	14,901,780	15,410,623	15,972,652	16,348,141	16,839,615	17,344,804	17,865,146	18,401,102	18,953,135	19,521,728	171,520,940
General	Borrowings	7,500,000	7,500,000	0	0	0	0	0	0	0	0	15,000,000
General	Grants and contributions provided for capital purposes	32,428,879	16,617,938	10,070,572	0	0	125,017	1,737,812	0	0	0	80,976,218
General	Reserves	22,270,016	22,419,257	24,785,615	21,751,021	12,844,641	14,107,968	15,283,026	13,636,147	13,973,599	15,093,716	179,861,009
Water	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Water	Borrowings	0	0	0	0	0	0	0	0	0	0	0
Water	Grants and contributions provided for capital purposes	0	0	0	0	0	597,028	21,522,793	22,198,476	0	0	44,280,295
Water	Reserves	6,568,700	9,675,408	12,369,670	17,242,795	17,725,301	16,322,695	38,706,371	41,385,379	20,980,753	21,612,175	205,677,246
Sewer	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Sewer	Borrowings	0	0	0	0	0	0	0	0	0	0	0
Sewer	Grants and contributions provided for capital purposes	2,029,100	8,954,605	3,819,238	0	0	0	0	0	0	0	13,812,941
Sewer	Reserves	16,840,348	34,231,636	24,623,042	23,491,777	25,024,786	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536	257,374,226
Waste	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Waste	Borrowings	7,038,548	0	0	2,945,006	8,673,477	3,124,357	0	0	0	0	19,770,389
Waste	Grants and contributions provided for capital purposes	0	0	0	0	0	0	0	0	0	0	0
Waste	Reserves	7,677,929	5,802,146	8,110,857	5,623,492	6,218,810	9,717,675	13,421,859	10,563,576	10,118,386	10,421,937	85,377,067
TOTAL FUNDING		122,317,396	120,321,623	96,861,944	87,563,232	85,326,629	85,185,183	135,876,834	133,752,693	89,842,894	93,839,096	1,050,646,430

Scenario Two – Enhanced Asset Investment – 1 Yr SRV

Planned Capital Works by Asset Class		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Bridges		591,950	599,409	617,391	635,912	654,990	799,657	2,432,691	1,982,495	2,041,970	2,103,229	12,449,693
Buildings		27,266,840	19,138,073	9,519,838	10,302,908	11,417,690	11,760,221	12,113,020	12,476,419	12,850,711	13,236,232	140,081,959
Footpaths		2,119,229	2,230,563	2,348,144	2,472,339	2,603,533	2,742,136	2,888,580	3,043,327	3,206,863	3,379,704	27,034,419
Land for Resale (Inventory not IPPE)		7,822,850	7,934,471	10,632,452	5,589,502	2,699,486	3,780,250	3,378,709	2,684,539	2,737,806	2,819,940	50,080,005
Library Books		213,210	219,606	226,194	232,980	239,970	247,169	254,584	262,221	270,088	278,191	2,444,214
Office equipment		638,040	708,681	729,942	751,840	774,395	797,627	821,556	846,202	871,588	897,736	7,827,608
Other Infrastructure		9,764,555	5,136,294	5,457,570	6,744,949	10,124,868	9,004,110	10,585,401	11,160,181	11,100,684	11,420,265	90,498,878
Other Open Space / Recreation		1,557,360	6,003,453	3,917,426	4,019,192	3,511,441	3,616,784	3,725,288	3,837,047	3,952,158	4,070,723	38,210,872
Plant and Equipment		15,261,459	10,733,284	10,730,743	13,934,362	15,168,522	15,405,066	17,194,375	14,813,166	14,876,396	16,666,512	144,783,794
Roads		35,625,949	35,319,483	34,203,448	27,060,608	28,861,287	29,727,126	33,078,687	34,071,048	35,093,180	36,145,975	329,186,791
Sewer Infrastructure		20,869,440	37,891,741	28,735,005	26,828,303	26,184,060	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536	271,511,195
Stormwater Drainage		1,484,230	2,029,502	2,060,883	2,093,446	2,126,109	2,160,041	2,195,325	1,597,397	1,614,004	1,632,858	18,993,795
Water Infrastructure		9,568,700	9,675,408	12,369,670	17,242,795	17,725,301	16,919,721	60,319,164	63,553,855	20,980,753	21,610,175	249,965,541
TOTAL EXPENSES		132,823,819	137,619,968	121,548,706	117,909,137	122,091,651	120,705,547	176,237,211	177,926,511	135,413,136	140,853,077	1,383,128,763
	New	61,070,307	50,556,627	42,216,633	36,865,929	31,368,333	29,878,651	75,882,111	74,269,716	27,509,707	28,334,999	457,953,013
	Upgrade	0	0	0	0	0	0	0	0	0	0	0
	Renewal	71,753,512	87,063,341	79,332,073	81,043,209	90,723,317	90,826,896	100,355,100	103,656,794	107,903,429	112,518,078	925,175,750
TOTAL EXPENSES		132,823,819	137,619,968	121,548,706	117,909,137	122,091,651	120,705,547	176,237,211	177,926,511	135,413,136	140,853,077	1,383,128,763
	Depreciation	94,591,694	98,150,843	101,778,720	105,578,657	109,616,957	113,627,847	118,680,829	123,757,376	127,974,414	132,317,964	1,125,915,307
	Renewal Ratio	76%	89%	78%	77%	83%	80%	85%	84%	84%	85%	82%
PLANNED CAPITAL FUNDING												
General	General Revenue	25,468,299	38,013,478	39,466,980	43,518,520	52,445,363	52,885,168	58,225,526	62,573,920	64,523,374	66,535,711	503,666,346
General	Borrowings	7,500,000	7,500,000	0	0	0	0	0	0	0	0	15,000,000
General	Grants and contributions provided for capital purposes	32,426,879	16,617,938	10,070,572	0	0	125,017	1,737,612	0	0	0	60,978,218
General	Reserves	22,276,016	22,419,257	24,795,615	21,751,021	12,844,641	14,187,960	15,283,028	13,635,147	13,973,599	15,693,718	176,861,008
Water	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Water	Borrowings	0	0	0	0	0	0	0	0	0	0	0
Water	Grants and contributions provided for capital purposes	0	0	0	0	0	0	20,758,303	21,381,052	0	0	42,139,355
Water	Reserves	9,568,700	9,675,408	12,369,670	17,242,795	17,725,301	16,322,695	18,038,068	20,004,326	20,980,753	21,610,175	163,537,891
Sewer	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Sewer	Borrowings	0	0	0	0	0	0	0	0	0	0	0
Sewer	Grants and contributions provided for capital purposes	2,029,100	8,964,605	2,819,236	0	0	0	0	0	0	0	13,812,941
Sewer	Reserves	18,840,348	28,927,136	25,915,769	26,828,303	26,184,060	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536	257,698,254
Waste	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Waste	Borrowings	7,036,548	0	0	2,945,006	6,673,477	3,124,357	0	0	0	0	19,779,389
Waste	Grants and contributions provided for capital purposes	0	0	0	0	0	0	0	0	0	0	0
Waste	Reserves	7,677,929	5,502,146	6,110,857	5,623,492	6,218,810	9,717,675	13,421,859	10,563,975	10,118,386	10,421,937	85,377,067
TOTAL FUNDING		132,823,819	137,619,968	121,548,706	117,909,137	122,091,651	120,705,547	176,237,211	177,926,511	135,413,136	140,853,077	1,383,128,763

Scenario Three – Enhanced Asset Investment – 3 Yr SRV

Planned Capital Works by Asset Class		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
Bridges		290,975	299,704	1,234,782	635,912	654,990	1,396,683	3,662,564	1,982,495	2,041,970	2,103,229	14,303,305
Buildings		25,206,840	19,138,073	11,705,292	10,362,909	11,417,690	11,760,221	12,113,029	12,476,419	12,850,711	13,236,232	140,207,413
Footpaths		0	1,878,344	4,350,571	2,472,339	3,249,249	2,742,136	2,888,580	3,043,327	3,206,863	3,379,704	27,211,113
Land for Resale (inventory not IPPE)		7,822,850	7,934,471	10,632,452	5,589,502	2,699,486	3,780,260	3,378,709	2,684,539	2,737,806	2,819,940	60,080,005
Library Books		6,180	432,847	6,556	459,208	239,970	247,169	254,584	262,221	270,088	278,191	2,457,014
Office equipment		0	0	729,942	751,840	1,548,790	1,595,254	821,556	846,202	871,588	897,736	8,062,908
Other Infrastructure		8,006,685	5,136,294	5,457,570	8,578,403	8,965,594	9,004,110	10,585,401	9,893,411	12,405,457	12,754,182	90,877,107
Other Open Space / Recreation		1,557,360	6,003,453	3,917,426	4,019,192	3,511,441	3,616,784	3,725,288	5,103,817	5,256,931	5,414,639	42,126,331
Plant and Equipment		15,261,459	10,733,284	10,730,743	13,934,362	15,168,522	15,405,066	17,194,375	14,813,166	14,876,306	16,866,512	144,783,794
Roads		32,206,349	35,319,483	34,809,911	25,935,100	30,907,406	32,115,231	33,078,687	36,604,588	37,702,726	38,833,808	337,513,289
Sewer Infrastructure		20,869,448	37,891,741	28,735,005	26,828,303	26,184,060	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536	271,511,196
Stormwater Drainage		1,484,230	1,499,052	2,060,883	2,093,446	2,126,109	2,693,782	3,360,015	3,430,413	3,502,011	3,577,505	25,827,447
Water Infrastructure		9,568,700	9,675,408	12,369,670	17,242,795	17,725,301	16,919,721	60,319,164	63,553,855	20,980,753	21,610,175	249,965,541
TOTAL EXPENSES		122,361,075	135,942,154	126,740,803	118,843,310	124,398,606	125,022,046	178,631,775	182,293,067	142,520,236	148,173,389	1,404,326,482
	New	61,070,307	50,556,627	42,216,633	36,865,929	31,368,333	29,878,651	75,882,111	74,269,716	27,509,707	28,334,999	457,953,813
	Upgrade	0	0	0	0	0	0	0	0	0	0	0
	Renewal	61,290,768	85,385,526	84,524,169	81,977,381	93,030,273	95,143,395	102,749,665	108,023,351	115,010,529	119,838,391	946,973,445
TOTAL EXPENSES		122,361,075	135,942,154	126,740,803	118,843,310	124,398,606	125,022,046	178,631,775	182,293,067	142,520,236	148,173,389	1,404,326,482
	Depreciation	94,391,694	98,296,939	101,862,956	105,595,362	109,610,476	113,621,367	110,674,349	123,750,896	127,967,934	132,311,483	1,126,083,454
	Renewal Ratio	65%	87%	83%	78%	85%	84%	87%	87%	90%	91%	84%
PLANNED CAPITAL FUNDING												
General	General Revenue	15,005,555	36,335,665	44,650,084	44,452,692	54,752,318	57,201,667	60,620,090	66,940,477	71,630,474	73,886,023	525,454,045
General	Borrowings	7,500,000	7,500,000	0	0	0	0	0	0	0	0	15,000,000
General	Grants and contributions provided for capital purposes	32,426,879	16,617,938	10,070,572	0	0	125,017	1,737,812	0	0	0	60,978,218
General	Reserves	22,276,015	22,419,257	24,795,615	21,751,021	12,844,641	14,187,968	15,283,028	13,636,147	13,973,599	15,693,718	176,861,008
Water	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Water	Borrowings	0	0	0	0	0	0	20,758,303	21,381,052	0	0	42,139,355
Water	Grants and contributions provided for capital purposes	0	0	0	0	0	597,026	21,522,793	22,168,476	0	0	44,288,295
Water	Reserves	9,568,700	9,675,408	12,369,670	17,242,795	17,725,301	16,322,696	18,038,068	28,004,326	20,980,753	21,610,175	163,537,891
Sewer	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Sewer	Borrowings	0	0	0	0	0	0	0	0	0	0	0
Sewer	Grants and contributions provided for capital purposes	2,029,100	8,964,605	2,819,236	0	0	0	0	0	0	0	13,812,941
Sewer	Reserves	18,840,348	28,927,136	25,915,769	26,828,303	26,184,060	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536	257,698,254
Waste	General Revenue	0	0	0	0	0	0	0	0	0	0	0
Waste	Borrowings	7,036,548	0	0	2,945,006	6,673,477	3,124,357	0	0	0	0	19,779,389
Waste	Grants and contributions provided for capital purposes	0	0	0	0	0	0	0	0	0	0	0
Waste	Reserves	7,677,929	5,502,146	5,110,857	5,623,492	6,218,810	9,717,675	13,421,859	10,563,976	10,118,386	10,421,937	85,377,067
TOTAL FUNDING		122,317,300	120,321,623	96,861,944	87,363,232	85,326,629	85,165,183	135,876,834	133,753,693	89,842,898	93,839,096	1,404,326,482

APPENDIX C Asset Management Policy

<<To be inserted>>

Copy is available on Council's website -

<https://doc.shoalhaven.nsw.gov.au/displaydoc.aspx?record=POL22/146>

APPENDIX D EAM Steering Committee Terms of Reference

<<To be inserted>>

Terms of Reference is under development

APPENDIX E AMIP Implementation Schedule

Leadership & Governance Improvements

Asset Management Functions	Improvement Priorities	Responsible	Expected Completion Date
Integrated Planning Framework	- Develop process map for developing the Resourcing Strategy ensuring ongoing alignment of all strategies & plans (Long-Term Financial Plan, Workforce Management Plan, Asset Management Strategy and Asset Management Plans). - Asset Custodians to review Business Plans to ensure they contain adequate interrelationship with good asset management.	- Manager Corporate Performance & Reporting - Manager Technical Services	Mar 2025
Asset Management Policy and Strategy	- AM Policy to be reviewed and updated, focusing on: - Training; - Roles & responsibilities across the asset lifecycle (including data); - Long-term integrated decision-making; and - Process and timeframes for community consultation and adoption of Asset Management Plans. - Document and communicate the engagement completed to develop and update the Policy and Strategy. - Communicate the objectives of the Policy and Strategy so that there is organisational clarity.	Manager Technical Services	Mar 2025
Service Planning	- Enhance the business case approach for service provision to determine quadruple bottom line outcomes i.e. social, environmental, financial and good governance. - Develop a forward estimate of our capacity to fund new services and new capital project works (by asset class) and confirm the extent to which this projected capacity will meet anticipated demands and ambitions.	- Manager Corporate Performance & Reporting - Manager Technical Services	Aug 2024
Enterprise Asset Management Steering Committee	- Define meeting structure and frequency. - Regularly review performance against the 11 elements of the maturity assessment. - Ensure successful implementation of this Asset Management Strategy.	Manager Technical Services	Mar 2024
Decision Making	- Workshop with stakeholders of community infrastructure various delivery models to seek best value outcomes. - Review the structure and number of AMP documents, with the aim being to group by asset class. - Develop protocols for inputting AMP information into the annual budget process for operational and capital works programs. - Develop strategies to meet financial challenges e.g., how fast to bridge the maintenance and renewal 'gap'; how much and how quickly to contribute to 'growth' assets.	- Asset Custodians - Manager Technical Services	Mar 2025
Asset Management Culture	- Enhance culture & leadership, with Asset Management being treated the same as "safety". It's everyone's responsibility. - Develop and implement a comprehensive leadership training program that equips our team with the skills and tools to promote and embody accountability, transparency, and excellence in all aspects of Asset Management.	EMT	Mar 2024
Resource Allocation / Roles & Responsibilities	- Document corporate responsibilities for the maintenance of asset information. - Complete a capacity assessment, identifying gaps in roles and responsibilities. - Review the management & leasing arrangements for assets to determine service levels, rentals and sustainable subsidisation of each service provision in line with the Community Infrastructure Strategic Plan. - Review resource requirements as AM system functionality and maturity changes.	- Manager Technical Services - Manager Recreational Planning - Manager Building Services	Jul 2024
Performance Framework	- Develop a comprehensive set of performance measures that align with our strategic objectives. - Implement a systematic review process that involves analyzing key performance indicators, evaluating asset management	Manager Technical Services	Dec 2024

	continuously identify areas for improvement and ensure our practices are in line with organisational goals.		
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Asset Management System Improvements

Asset Management Functions	Improvement Priorities	Responsible	Expected Completion Date
Asset Management Information System (AMIS)	- Link the financial system with AM database. - Link all Maintenance Management Systems and Inspections software solutions with Asset Register. - Implement a replacement customer request system (Merit) to Asset register/ Work Planning. - Provide definitions, data, and links from the AM information system for statutory and financial reporting to allow automated and consistent completion of reports. - Complete the integration of the AM system with corporate systems and processes/ procedures/ forms.	- Chief Information Officer - Manager Technical Services	Jun 2024
GIS Mapping	- Improve links of the Geographic Information System (GIS) with Asset register. - Include proposed assets and predicted cash-flows in a Capital Works Database and link the database to a mapping system.	- Chief Information Officer - Manager Technical Services	Jun 2025
Asset Management Team	- Review resource requirements for system functionality and maturity changes as to core data as Asset custodians mature. - Review the frequency of condition assessments and risk inspections for various asset categories and ensure adequate resources are available. - Develop detailed condition ratings for each Asset Class, with a particular focus on adhering to recognised industry standards.	- Manager Technical Services - Asset Custodians	Jun 2025
Asset Management Plans	- Complete Asset Management Plans (AMPs) in a timely manner to inform the Resourcing Strategy – especially Long-Term Financial Plan. - Update financial and demand projections when reviewing AMPs. - Review annual renewal funding needs for all service provision/ precincts/ asset classes and revise the 10 Year Financial Plan. - Review AMPs for data reliability. Improve the accuracy and categorisation of the data and expenditure forecasts held for asset management planning. - Review AMPs for maintenance timing/requirements.	- Manager Technical Services - Asset Custodians	Jun 2026
Data Driven Asset Planning	- Develop & implement an asset service investment model for all new and replaced or proposed to be replaced assets, with whole of life costs. - Develop utilisation measures and record utilisation for all assets, enabling the recommendation to dispose of surplus assets, example being land and buildings. - Develop a Capital Works database to show the priority and whole of life costs of all identified future projects with projects able to be viewed spatially. - Record outcomes of statutory inspections per asset in Asset register.	- Manager Technical Services - Asset Custodians	Dec 2025
Processes & Procedures	- Map process for updating Asset Management Plans, incorporating regular cyclic updates to the demand and financial projections, while also identifying the timeline for review. - Document processes/procedures for updating asset information. - Establish appropriate valuation, depreciation, and effective life procedures for each financial asset category. - Refine the procedure for recording asset acquisition and ensure project managers are educated to improve this procedure with reliable data. - Develop the procedure for recognition of contributed assets through the implementation of ADAC – Asset Design As Constructed. - Develop procedure to ensure that annual operation/maintenance budgets include an allowance for additional costs arising from the	- Manager Technical Services - Chief Financial Officer	Jul 2024

	addition of new assets through development, acquisition, dedication or leasing and/or licensing as well as an allowance to cover cost increases in line with indices relevant to each asset class.		
Asset Valuations	- Determine and enter in the asset register the remaining life for all assets. - Document asset register replacement unit rate calculations and enter rates in Asset register. Ensure optimum alignment between asset management planning and financial accounting and reporting in relation to assets, in particular the relationship between depreciation and asset renewal.	- Manager Technical Services - Chief Financial Officer	Jun 2024
Training and Development	Review how we do business and current resource requirements for immediate needs (particularly for Asset Custodians to maintain concise asset registers).	Manager Technical Services	Mar 2024

Asset Portfolio Improvements

Asset Management Functions	Improvement Priorities	Responsible	Expected Completion Date
Asset Inspections	Undertake stocktakes as identified and more regular condition audits to all assets especially Road Network if impacted by events that may reduce customer satisfaction.	- Manager Technical Services - Asset Custodians	Ongoing
Planning	- Define current and ideal levels of service and performance measures for each asset management plan. - Undertake Community engagement to review levels of service and agree on the 'sustainable' level of service (SLOS) for each asset category. - Identify potential asset rationalisation opportunities which would ultimately facilitate the continued provision of services but reduce maintenance and ultimate renewal costs and engage the community on key issues associated with asset rationalisation. - Develop risk management strategies for critical assets.	- Manager Technical Services - Asset Custodians	Dec 2025
Operations & maintenance	Record works and cost information through work orders per asset/ service provision for optimum whole-of-life calculations.	- Chief Information Officer - Asset Custodians	Jun 2024

APPENDIX F Glossary

This glossary is provided for use with the Asset Management Policy, Asset Management Strategy and Asset Management Plans.

Advance Asset Management

Asset Management which employs predictive modelling, risk management and optimised decision making techniques to establish asset lifecycle treatment options and related long term cash flow predictions.

Asset

A resource controlled by Council to provide a service.

Asset Book – Financial Asset

An asset shall be recognised in the statement of financial position when and only when:

- It is probable that the future economic benefits embodied in the asset will eventuate; and
- The asset possesses a cost or other value that can be measured reliably.

Most transport /road infrastructure assets satisfy both criteria. Exceptions are land under roads and bulk earthworks. For network assets such as roads, the combined application of the concept of materiality and high variability of the road attributes across the network has resulted in the almost universal and correct practice that assets be broken into categories/ components and with Transport assets of roads - segments. Each asset has a current replacement value, written down current replacement value, annual depreciation amount, and economic and remaining life.

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset category

Sub-group of assets within an asset classification hierarchy.

Asset classification

The main asset types (Buildings, Land, Open Spaces, Stormwater, Transport) further categorised by (Asset Categories and asset components) which have different life expectancies and different replacement costs.

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset Component

Individual Assets in a hierarchy from Asset Classification/ Asset Category/ Asset component. Example Transport/ Road/ Wearing course (Surface).

Asset Management

A systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of asset based on the combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Asset Management Framework

The overarching Asset Management Hierarchy and includes the Asset Management Policy, Strategy, Objectives, Plans.

Asset Management Information Systems

A combination of processes, data, software and hardware applied to provide the essential outputs for effective Asset Management.

Asset Management Plan (AMP)

Long term plans for infrastructure assets that outline the asset activities for each service area and resources applied to provide a defined level of service in the most cost effective way.

Asset Register

A record of asset information including condition, construction, financial, historical, inventory and technical details.

Asset renewal funding ratio

The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

Asset Resilience

The ability of an asset to perform at an acceptable / desired level when subject to a hazard event.

Average annual asset consumption (AAAC)*

The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Benefit – Cost Analysis (BCA)

A decision technique that quantifies the benefits and costs in monetary terms over the life of the decision for the service provision. Usually for the life of the asset.

Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

Business Plan

A plan produced by the Asset Custodian for the service provision.

Capital expansion expenditure

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital expenditure - new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, e.g. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the organisation's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capitalisation threshold

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Capital new expenditure

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure

Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or subcomponents of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing a road. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital Works

The creation of new assets or an increase in the capacity of existing assets beyond their original design capacity or service potential.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Component

An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

Condition

The physical state of the asset measured by Very good, good, fair, poor, very poor or failed.

Condition assessment

The process of scheduled or periodic inspection, assessment, measurement and interpretation of the resultant data to record the condition of the asset and identify "what to do and when to do it".

Consequence

A result or effect or outcome of an event.

Core asset management

Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment,

simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision- making).

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

Council

Shoalhaven City Council.

Critical assets

Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than noncritical assets.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Current replacement cost “As New” (CRC)

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value.

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Depreciation / amortisation

The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted by the allocation of the cost (or revalued amount) of the asset less its residual value over its useful life.

Disposal

Activities necessary to dispose of decommissioned assets.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital.

Facility

A complex comprising many assets which represent a single management unit for financial, operational, maintenance and other purposes.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Financing gap

A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels.

GIS

Geographical Information System, mapping and spatial location technology systems which show location and relationship to key geographical datum points.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Infrastructure assets

Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business (AASB 140.5).

Level of service

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

Life Cycle Cost *

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

Loans / borrowings

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance

All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

1. Planned maintenance

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

2. Reactive maintenance

Unplanned repair work that is carried out in response to service requests and management/ supervisory directions.

3. Specific maintenance

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

4. Unplanned maintenance

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

Maintenance expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques.

Net present value (NPV)

The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from e.g. the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

New Works

New work expenditure is Capital Works expenditure, i.e. money spent on new works (development costs) and upgrades to an existing asset or on creating a new asset.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

OLG

NSW Office of Local Government.

Operations

Regular activities to provide services such as public health, safety and amenity, e.g. street sweeping, grass mowing and street lighting.

Operating expenditure

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, e.g. power, fuel, staff, plant equipment, on-costs and overheads.

Operational Plan

Generally comprise detailed implementation plans and information with a 1-3 year outlook (short-term). The plans detail structure, authority, responsibilities, defined levels of service and emergency responses.

Process

A structured, measured set of activities designed to produce a specific output.

Rate of annual asset consumption *

The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

Rate of annual asset renewal *

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade/new *

A measure of the rate at which assets are being upgraded and expanded per annum with capital upgrade/new expenditure expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Reactive maintenance

Unplanned repair work that carried out in response to service requests and management/supervisory directions.

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining Useful life

Remaining useful life is determined for each individual asset from the condition rating. It is the time that the asset provides future economic benefit, from acquisition to expected replacement, renewal in full or replacement / disposal.

Renewal

Works or actions to upgrade, refurbish or replace components of an asset to restore it to near new and required functional condition, extending its current remaining life.

Replacement cost

The cost to replace the asset with a new current (modern equivalent) with same benefits.

Residual value

The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Resilience

The concept is wider than natural disasters and covers the capacity to withstand disrupting and to effectively continue operations during a crisis by adapting to changing conditions.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, e.g. public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment

A self-contained part or piece of an infrastructure asset.

Service

A benefit gained from utilising or accessing an asset and the associated work done by Council staff or others associated with the Council.

Service expectation

The description of Level of Service available to users of an asset and any associated services, as described in consultation for developing and reviewing the Community Strategic Plan.

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Stakeholder

A person; group; company or government department representing an interest in an asset; project or service utilising an asset.

Strategic Longer-Term Plan

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

Value in Use

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated

replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.



Draft Information Communications Technology Strategy 2022-26



Information Communications Technology Strategy

Information, systems and technology are major contributors in driving business change and decision making across a number of industries.

Local government is no exception to this requiring the use of new technologies and systems to support our workforce in delivering services and providing an outstanding customer experience.

Shoalhaven City Council is a large coastal council that offers its community a diverse range of service offerings from water supply through to tourism and accommodation. Council has recognised in recent years the value of refreshing systems moving away from multiple on premise, disconnected bespoke solutions to consolidated Cloud based offerings that centralise data and reporting as well as enabling flexible working and access anywhere, anytime.

Council has also been subject to a number of natural disasters in recent times from bushfires to major flood events damaging infrastructure and impacting supporting services. To create a more resilient environment, Council's existing Microwave network infrastructure which connects the majority of sites needs to be gradually upgraded and blended with more contemporary technologies such as satellite Internet, fibre and SD WAN.

Above all else, Council prides itself on delivering an exceptional customer experience and has recently created a centralised Customer Experience function to better serve the community. An opportunity exists to build on this investment through online self-service systems and channels to provide an opportunity to interact with Council 24/7 and create a more personalised customer experience.

As identified in the Long Term Financial Plan and the Asset Management Strategy, the management of Council's asset information is essential to ensure long term financial sustainability. Council's asset management information systems is currently lacking and requires improvement which has been included as a major initiative under the 'Treat data as a strategic assets to drive the decision-making process' strategic objective.

The Council is also seeking enhancements to the project initiation and selection processes to enable financially responsible decisions to be made when approving and funding capital works projects. Improvements to information systems will support an enhanced project management framework, enabling an effective decision making framework for the initiation, selection, prioritisation and reporting of projects.

Opportunities also exist to develop internal capabilities and maturity regionally through Council's Illawarra Shoalhaven Joint Organisation (ISJO) membership, collaborating with other Council's across areas of interest such as cyber security, CCTV management and Smart Cities.

Shoalhaven's ICT strategy outlines how we will address the factors and opportunities described above and build on the recent investment made in systems and technologies to create an exceptional customer experience.

Elements of the ICT Strategy

Vision Statement

At the centre of the ICT strategy is Council's vision statement.

'To create an exceptional customer experience through the delivery of a secure, efficient and innovative service'

The vision statement implies that regardless of what systems, technologies and solutions are provided - customer experience for our community is paramount and we as a Council must strive to set an exceptional standard for service delivery.

Strategic Objectives

The ICT Strategy has five strategic objectives which have been derived from the following themes that are significant to Council and the community:

- Customer Experience
- Data
- Partnership
- Resiliency/Sustainability
- Mobility

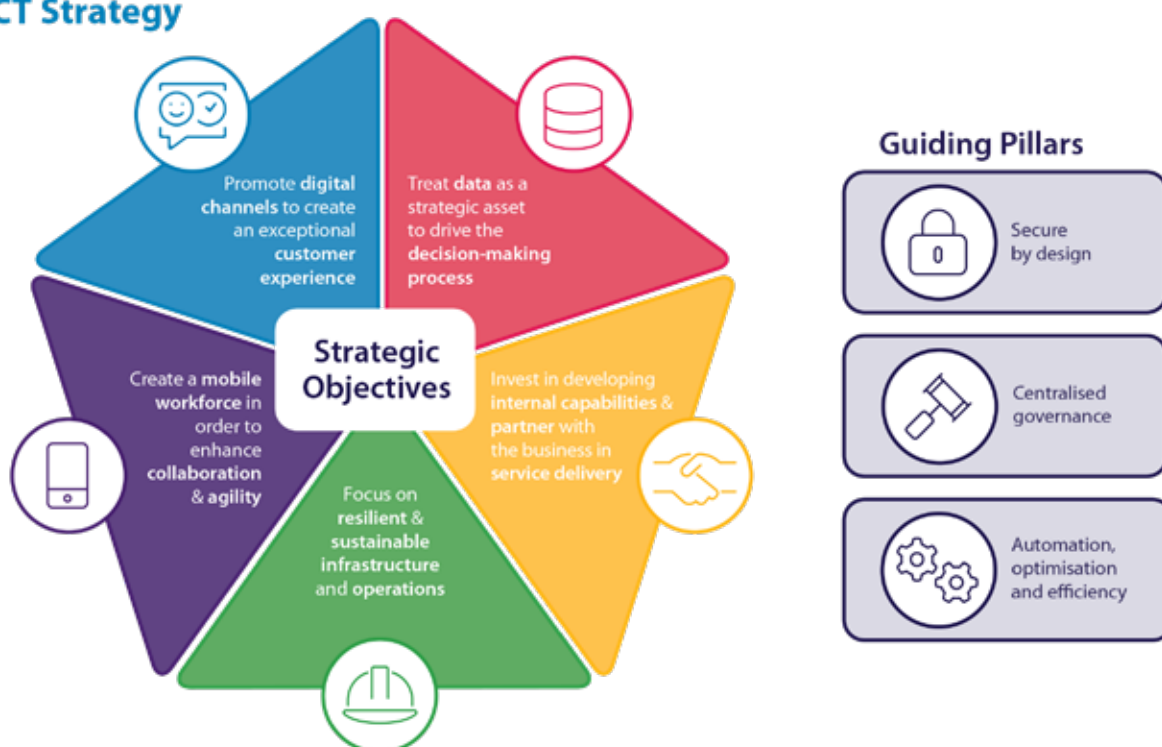
The strategic objectives will be used over the life of the ICT strategy to guide the adoption and investment in initiatives, projects and technologies.

Guiding Pillars

The ICT Strategy is underpinned by three guiding pillars and it is expected that any initiatives, projects and technologies satisfy these pillars in the following ways:

- Demonstrated to be SECURE and doesn't expose Council to unnecessary risk
- Passes through a CENTRALISED GOVERNANCE process so visibility and requirements to support the solution can be maintained
- Creates measurable EFFICIENCIES and savings through OPTIMISATION or AUTOMATION

The ICT Strategy



Supporting Projects and Initiatives

Promote DIGITAL CHANNELS to create an exceptional CUSTOMER EXPERIENCE

How we will achieve this objective	Projects/Initiatives
Promote solutions that allow the customer to self-service	• Online request implementation • Bookings system refresh • IT Service Management (ITSM) platform review/refresh • Review/refresh of online mapping solution
Create a single view of the customer and personalise service offerings based on our communities needs	• Single view of the customer solution
Collaboratively review and improve our customer service offerings	• Establishment of a cross functional customer digital services working Group • Employ an agile/design thinking approach to solve problems and improve customer experience offerings • Website information architecture and content review

Treat data as a STRATEGIC ASSET to drive the DECISION-MAKING PROCESS

How we will achieve this objective	Projects/Initiatives
Ensure the Council's Asset Management Information System (AMIS), project management and spatial systems are optimised to provide meaningful information to support capital works planning, project prioritisation and asset management planning processes and decision making.	• Review and enhance the current use of the OneCouncil asset register, maintenance planning and work management systems – including linking work orders to assets, both capital and operating, and incorporating forecasts for maintenance and renewal expenditures through the Asset Management Information System. • Support the enhancement and integration of the Project Management Framework with systems that enable efficient selection, prioritisation and reporting of projects – including the capital works plan.
Take measures to identify key datasets and manage them to ensure their accuracy	• Develop and implement a data governance and reporting framework across core systems and GIS
Provide intelligent centralised reporting solutions	• Implement intelligent/self-service reporting solutions to support operational and management reporting as well as strategic analysis/modelling
Invest in 'Smart' initiatives in order gain insights and improve services	• Adopt and invest in a Smart Cities strategy to derive insights

Invest in developing INTERNAL CAPABILITIES AND PARTNER with the business in SERVICE DELIVERY

How we will achieve this objective	Projects/Initiatives
Proactive and strategic approach to partner with the business in service delivery	- Establishment of business partner model to support service provision - Development of an information management strategic plan and staff education program - Introduction of corporate GIS steering Group to improve governance and coordination
Invest in staff through mentoring and capability uplift across core systems, technologies and methodologies	- Invest in professional development in core systems and technologies - Engage external experts to help drive major projects and build in-house knowledge and capability - Develop standardised methodologies and procedures around project management, change management and communications
Partner with Council's within the region to further develop capability in specialised areas and share ideas	- Partner with Council's across the region to lift maturity and knowledge across: - Cyber Security - Smart Cities/IoT - CCTV Management

Focus on RESILIENT AND SUSTAINABLE INFRASTRUCTURE AND OPERATIONS

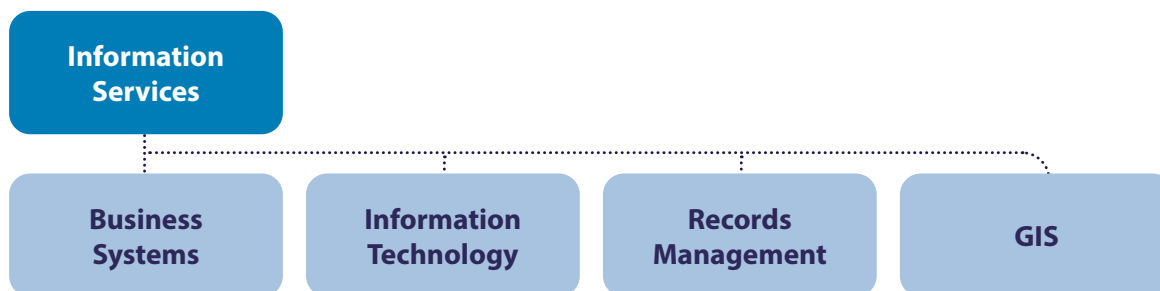
How we will achieve this objective	Projects/Initiatives
Invest in outsourcing technical complexity	- Implement a Cloud strategy to migrate systems that do not support staff in working anywhere, anytime - Implement a cloud disaster recovery solution
Review and standardise integration layers to make them more robust	Identify key integration points and review standardised integration options
Revitalise network connectivity with high bandwidth, lower cost technologies	- Progress SD WAN implementation - Review and upgrade Council's corporate internet connection - Wireless Internet (WiFi) Rollout - Support the Recovery into Resilience Project (RRP) through the provision of satellite internet connections and interactive screens

Create a MOBILE WORKFORCE in order to enhance COLLABORATION AND AGILITY

How we will achieve this objective	Projects/Initiatives
Increase the rollout of mobile devices and systems so staff can work anywhere, anytime	- Increase the percentage of laptops or equivalent mobile devices to increase mobility - Renew the mobile telecommunications contract - Implement a position and role-based Identity framework to simplify, standardise and automate our access management demands
Standardise, consolidate and improve Council's field mobility solution	Consolidate and further develop Council's field mobility solutions across works, assets, and regulatory functions
Enhance and uplift shared spaces to promote collaboration in the workforce	Meeting room video conferencing refresh

Resourcing the Strategy

Council's Information Services Department will be primarily responsible for the delivery of this strategy. The department has four teams that will collaboratively work together to deliver the projects and initiatives outlined.



Business Systems – Responsible for strategically managing and driving the development of corporate information systems

Information Technology – Responsible for managing Council's IT infrastructure, service desk and telecommunications ensuring services levels meet the needs of the organisation

Records Management – Responsible for the management of Council records including storage, archiving, retention, and disposal

GIS – Responsible for the governance and management of corporate spatial data and mapping based solutions

Actions from this strategy will be incorporated into the Delivery Program Operational Plan with implementation progress reported through quarterly performance report.



Draft Long Term Financial Plan 2024-34



DRAFT Long Term Financial Plan 2024-2034

Chief Executive Officer Message



In adopting the 2023/24 Delivery Program, Operational Plan and Budget, Shoalhaven City Council resolved to “ensure that the comprehensive review of the Council’s long-term financial plan scheduled for the first quarter of 2023/24 addresses the budget deficit and includes the development of a 10-year strategic financial and capital works plan.”

In response to that resolution, Councillors and staff have worked collaboratively with the assistance of specialist independent consultants AEC to undertake a Financial Sustainability Review – the results of which are now presented in a revised Long Term Financial Plan, which has been developed following the completion of detailed Financial Sustainability Review that both the Councillors and Executive collectively have carefully considered.

The challenges to our Council’s financial sustainability have been clearly outlined:

- The General Fund has historically produced significant operating deficits, resulting in insufficient cash generated to fund an adequate investment in the renewal of assets.
- To address the demand of the growing population the Council has in recent years invested in enhancements and new assets to service the demand, increasing further operational costs and further deteriorating the operating deficit in the General Fund.
- As a result of a lack of funding in the renewal of assets, public infrastructure and other assets used to provide public services have deteriorated and Council needs to invest substantially in the renewal of assets.
- Impacts from eleven (11) declared natural disasters in recent years, compounded by the COVID-19 Pandemic, have significantly depleted Council’s cash position to the point that there is insufficient unrestricted cash to mitigate risks from, or respond to, unplanned events or other financial stresses.

Council must address these challenges as a matter of priority.

The following Long Term Financial Plan outlines three options the Council must manage the financial sustainability concerns. In consultation with the community, the Council will need to decide which roadmap to follow.

Two of the three scenarios outlined include a Special Rate Variation – that is, raising rates above the rate peg set by the Independent Pricing and Regulatory Tribunal (IPART). The rate peg is set each year by IPART which constrains how much the Council can increase the total rate revenue received from ratepayers. If approved, a Special Rate Variation allows Council to exceed the rate peg to the amount that is approved by IPART.

The amount the rates need to increase has been considered following consideration of service efficiencies and prioritisation of future services and investment in assets. The administration of the Council is dedicated to efficiency in the delivery of our responsibilities to limit any future increase in rates.

Best practice financial management systems and practices will be maintained to enable timely and accurate recognition and reporting of performance issues with the plan, including productivity and efficiency measures. The administration will ensure the Council is provided with adequate advice and recommendations to mitigate or prevent any further impact upon the long-term sustainability of the Council. We will ensure Council’s considerations and decisions are supported by good governance arrangements that control resources and directs best practice within the administration of the Council.

Finally, I wish to thank the Mayor and Councillors for their dedication to ensuring the Long Term Financial Plan provides clear direction to the administration and enables a strong and sustainable future for our Council.

Stephen Dunshea
Chief Executive Officer

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INTRODUCTION

The following Long-Term Financial Plan (LTFP) provides a roadmap for the achievement of Council's planned services and infrastructure while maintaining long-term financial sustainability and affordability for current and future generations. It is one of the four key resourcing strategies – alongside the Workforce Plan, Asset Management Strategy and Information Communication Technology Strategy - Council has established to ensure the vision and planned services and infrastructure as outlined in the Our Future – Shoalhaven 2032 is achieved.

KEY POINT OF THE LTFP

The plan includes the following considerations and determinations of the Council.

- Current and future planning context, including the projected socioeconomic profile of our region.
- Alignment with other key plans and strategies
- Assumptions used to develop the plan.
- Sensitivity analysis highlighting factors/assumptions most likely to affect the plan.
- Financial modelling of projected income and expenditure, balance sheet and cash flow statements for the budgeted scenario, as well as two alternative scenarios
- Methods of monitoring financial performance

PURPOSE OF THE LTFP

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

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

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

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

The LTFP outlines how Council will resource the achievement of the vision and planned services outlined in the 'Our Future – Shoalhaven 2032', as well as the four-year Delivery Program. As such, it provides a framework for ensuring financial sustainability is at the core of decision making during the preparation and finalisation of the Our Future – Shoalhaven 2032 and the development of the Delivery Program.

DEVELOPMENT OF THE LTFP

In development the LTFP the Council has fulfilled the general requirements for long-term financial planning, as outlined in the Integrated Planning and Reporting Framework, as follows:

- The Council has prepared the LTFP to be used to inform decision-making during the future preparation and finalisation of the Community Strategic Plan and the development of the Delivery Program.
- In addition to fulfilling the IP&R requirement, due regard has been given to promoting the financial sustainability of the council through:
 - progressive elimination of operating deficits
 - establishment of a clear revenue path for all rates linked to specific expenditure proposals.
 - ensuring that any proposed increase in services and/or assets is within the financial means of the council.
 - to monitor the adequacy of funding for infrastructure maintenance and renewal and
 - the use of borrowings, where appropriate and financially responsible.

In doing so, Council is ensuring compliance with the requirements of section 403 which requires a council to have a long-term resourcing strategy for the provision of the resources required to perform its functions (including implementing the strategies set out in the Community Strategic Plan – *Shoalhaven 2032* that it has responsibility for); and Chapter 3 of the Local Government Act which requires Council to consider the long term and cumulative effects of its decisions on future generations.

LTFP OBJECTIVES

The LTFP is a requirement under the Integrated Planning and Reporting framework for NSW Local Government. It is an annual process and part of the continuous improvement cycle.

Primarily, Council's LTFP provides a framework, on a 10-year rolling horizon, to assess its revenue generating capacity towards meeting the activities and level of services outlined in its Community Strategic Plan.

In developing the LTFP, Shoalhaven City Council has within that framework:

- addressed how various plans align.
- set greater transparency and accountability of Council to the community.
- provided prospects for early identification of financial issues and any likely impacts in the longer term to the delivery program of the Community Strategic Plan.

The LTFP is thus a tool to complement decision making that continuously reviews what Council may deliver as outcomes given the level of resources.

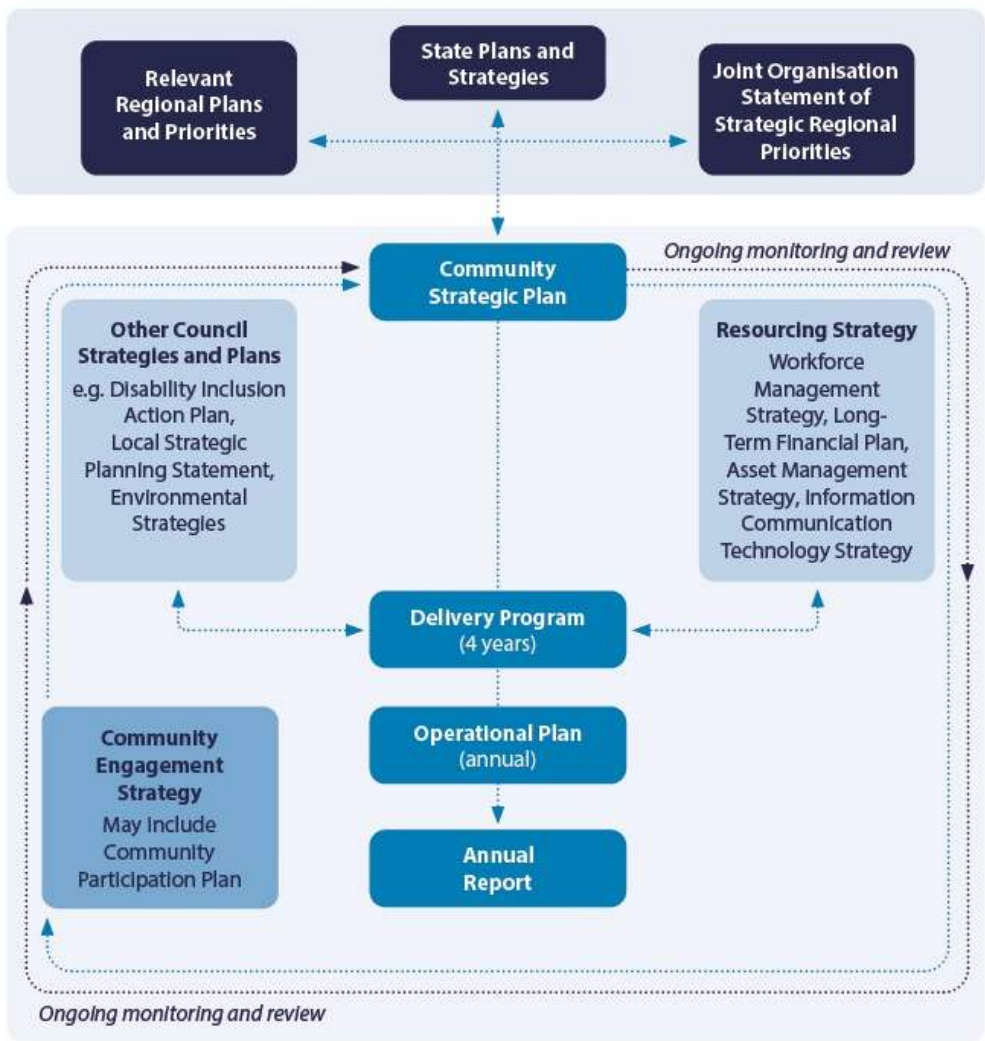
INTEGRATED PLANNING & REPORTING FRAMEWORK (IP&R)

The integrated planning and reporting framework (see Figure below) allows the Council to bring plans and strategies together in a way that supports a clear vision for the future and provides an agreed roadmap for delivering community priorities and aspirations. Shoalhaven City Council views this as a journey that they undertake in close consultation with the community. Engagement with the community is critical to understand the community's vision for the future and priorities to feed into key elements of the framework. In this way, decision making is informed through an evidence base and the representative views of the community, rather than specific interests or assumptions.

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

The Community Strategic Plan – *Shoalhaven 2032* has a direct link to the Delivery Program and Operational Plan, and is informed and supported by the financial, asset and workforce planning undertaken by Council as part of the resourcing strategy. It is important that any community-endorsed changes to council's strategic direction and priorities should also be informed, supported, and reflected in resource planning and allocation.

Figure 1 Integrated Planning and Reporting Framework



Source: Shoalhaven 2032 Community Strategic Plan

TIMEFRAMES

The Office of Local Government has set the minimum timeframe of ten years. In this report, Council's LTFP covers the period from financial years 2024/2025 to 2033/2034.

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

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

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

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

FINANCIAL SUSTAINABILITY STRATEGY

Council is committed to fulfilling all responsibilities outlined in the Local Government Act 1993 – Section 8B which outlines the principles of sound financial management. The Council considers that the responsibilities under the Local Government Act 1993 will be filled, and that the Council can demonstrate financial sustainability, if it can deliver the Community Strategic Plan and Delivery Program while demonstrating capacity to maintain financial capital and infrastructure capital over the short (1-4 years), medium (4-10 years) and long term (10-25 years).

Council can remain financially sustainable into the future based on the following Financial Sustainability objectives:

- **Operating position** – Council will generate sufficient revenue and control the costs of services and infrastructure to produce sufficient cash from operations to invest in assets and meet the servicing of borrowings. This must be demonstrated over the 10-year period, acknowledging that annual budgets will vary, with some annual budgets necessarily producing higher or lower operating positions. Annual budgets must not burden future budget decisions with unfunded commitments and must not unnecessarily defer decisions that could be made to correct the operating position within the current budget.
- **Availability of cash** – Council will maintain sufficient cash (or access to cash) to meet the current and future needs of operating, investing, and financing activities as needed to maintain the desired levels of services and infrastructure. This must be demonstrated over the 10-year period. Council will use reserves to quarantine cash earned for material future commitments and maintain a balance of unconstrained revenue to mitigate risk of unplanned or shocks to the annual budget. Borrowings are to be used where appropriate to spread the burden of funding assets over the generations that will consume the asset.
- **Investment in assets** – Council prioritises the renewal or replacement of assets to maintain the desired level of service and the provision of new assets to meet demand for growth in services. New assets that increase levels of service or add new services must be supported by a business case that demonstrates the new investment will not increase the risk to Council's financial sustainability.
- **Responsible use of public finances** - Spending by the Council will be responsible and sustainable, aligning general revenue and expenses.

In November 2023, Shoalhaven City Council has completed a financial sustainability review and Council's management, and elected members are working together to implement the recommendations provided through the review. The LTFP documents reflect the key observations, recommendations, and scenarios of the review. A copy of this review can be found on Council website ([##### website link](#)).

One of the recommendations was for Council to consider a Special Rate Variation (SRV) commencing 2024/25. The LTFP scenarios would reflect Council's financial position with no SRV (only with rate peg) and two options of SRV, either in one year or over three years.

Through implementing the Financial Sustainability objectives, Council aims to be in a financial position to invest in developing and growing the local economy, and can withstand, react, and adapt to unplanned shocks. The Council must maintain a financial position to manage likely developments and unexpected financial changes in future periods without unplanned increases in rates and charges or disruptive cuts to services. It is also important that Council provides a degree of stability and predictability in the overall rate burden allowing for an equitable distribution of council resources between current and future ratepayers.

In adopting this LTFP, the Council understands that being financially sustainable ensures future generations are not burdened with excessively high debt, rates charges or assets in serious disrepair.

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

Capital expenditure regarding infrastructure assets will be guided by principles outlined in the Asset Management Strategy. The focus of Council's capital expenditure will be renewal of existing assets. Consideration of new assets will be assessed through Council's project management framework, including the development of a business case to support the expenditure.

Council is currently looking to invest in a Project Management Office (PMO) function that will assist with the rationalisation, prioritisation, and selection of capital works projects with a consideration and understanding of Council's cash position in making these decisions.

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

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

The preparation of the Long-Term Financial Plan has been guided by the following objectives to ensure the long-term financial sustainability of Council is achieved. These financial sustainability goals have been agreed by the management and governing body through the Financial Sustainability Review project:

- Council's services will produce sufficient operating surpluses to fund annual operations, renewal of Council's existing assets and fund existing borrowing requirements. In the current LTFP, Council would like to achieve more than the Office of Local Government (OLG) industry benchmark of greater than 0% in operating result.
- Council would like to have an unrestricted cash of approximately \$15.0 million to fund an unforeseen or unplanned events and situations.
- Commencing a service review as outlined in the Delivery Program will inform decisions of sustainable range and levels of services, also reflected in the revision of Asset Management Plans.
- Significant business units (such as Water, Sewer, Waste and Holiday Haven) will operate on a full cost pricing basis, including the provision of a dividend payment to Council's general fund.
- The feasibility of planned major investments will be investigated through the completion of feasibility and/or a business case (including a capital expenditure review in compliance with OLG guidelines).
- While seeking to set discretionary fees at full cost price, Council will consider the works and services provided, the comparable commercial value of the works and services provided, and the ability of residents to pay at the pricing level determined appropriate.
- Community service obligations will be provided where supported by a positive public interest assessment.
- The plan will be implemented through good governance arrangements and decision making for a sustainable future.
- Borrowings will be used responsibly as a last resort (after exhausting other sources such as grants, reserves, and contributions) to fund intergenerational assets and to support investments that provide a positive cost benefit assessment (as supported by a feasibility and/or business case).
- Best practice financial management systems and practices will be maintained to enable timely and accurate recognition and reporting of performance issues with the plan, and that Council is provided with adequate advice and recommendations to mitigate or prevent any impact upon the long-term sustainability of the Council.

RISK MANAGEMENT

Council has a cautious risk appetite for financial risks and will manage risks that have the potential to adversely impact on its long-term sustainable future.

The Council's activities expose it to a variety of risks which are considered in preparing the LTFP. Council recognises the importance of a risk framework to strengthen its capacity to effectively identify, understand, and capitalise on challenges and pursue opportunities. Council has different levels of risk that it is prepared to accept before mitigation action is deemed to be necessary.

Council has a cautious risk appetite for financial risks. Cautious means that Council's preference is for safe options that are very low risk, tightly controlled, and which only pursue a potential for reward when it safely outweighs the risk/s taken. Council manages its budgets and financial commitments prudently to remain within its approved annual and long-term plans.

To strengthen its budgeting process, Council will be implementing further financial planning action (which is also identified in the Financial Sustainability Review) for effective short-, medium-, and long-term financial planning and investment strategies and long-term asset management plans to maintain a disciplined approach to financial sustainability. Council has a great scope to grow its asset management maturity. The review of asset management plans (AMPs) is at the forefront of future improvements.

The risk of Council's financial position becoming unsustainable has been identified as a strategic area of risk for the organisation. There are a number of likely causes, both external and internal, that could lead to this situation without the presence of risk controls. Several controls are in place to mitigate this risk including the preparation of this LTFP informed by Council's Asset Management, Workforce Management, and ICT Strategies.

However, long term planning in a dynamic environment has some level of uncertainty. Risks such as changes in legislative requirements and economic risks are discussed below. These risks could materially change the outcome and projected results of this plan. The Sensitivity Analysis within this LTFP tests the impact of inherent economic risks.

The following issues and risks are highlighted as threats and/or constraints to the financial sustainability of Council.

Economic Conditions

Council was significantly impacted by the volatility of recent economic conditions. This has been experienced most significantly during the recent COVID-19 outbreak and the disasters of fire and flooding. The income earned by Council for a range of services was significantly reduced during the COVID-19 outbreak.

As such any further impacts leading to significant change from the market assumptions adopted will require further revision by Council of planned investments and service expenditure.

Like most councils within the region, Shoalhaven City Council is coming to terms with the fact that natural disasters like fire and floods should be part of Council's future planning.

Rate Capping

The ability of Council to align rating revenue with the increased cost of providing services has been restrained by rate pegging. Rate pegging is a legislative instrument whereby the maximum increase in rating revenue is set by the Independent Pricing and Regulatory Tribunal (IPART) – the NSW State Government independent pricing regulator.

As an example, in developing the Long-Term Financial Plan 2032, Council has been advised by IPART that the rate peg for 2022/23 will be 1.7% (indexation of 0.7% plus 1% for growth), while during the same period of time the ABS announced that over the twelve months to the March 2022 quarter the CPI rose 5.1%. The difference between the actual inflation impacting the cost of services and the rate peg must be addressed over the long term by Council through budgetary consideration of the range and levels of services.

Accordingly, any significant changes to the rate capping assumptions used for the Long-Term Financial Plan will require Council to review this plan.

Capping S7.11 Contribution Plans

The NSW State Government regulates a cap on the per lot contributions paid under a Section 7.11 plan (unless the plan is grandfathered) and limits the types of infrastructure that a council could levy for a plan. This limitation has required Councils to use other funding sources (including renewal of assets and funding services) in order to provide infrastructure Council is responsible to provide for new development. This is particularly important for areas of greenfield development, impacting on the Council's ability to fund infrastructure such as community centres, libraries and recreational facilities for greenfield development.

CONTEXT AND STRATEGIC ALIGNMENT

The Long-Term Financial Plan 2032 has been developed to respond to the resourcing requirements of the 'Our Future – Shoalhaven 2032', as well as the challenges, constraints and opportunities presented by the socio-economic context for our region.

As part of the Resourcing Strategy, the Long-Term Financial Plan focuses on the funding requirements of the responsibilities of Shoalhaven City Council to achieve the vision for the community as outlined in 'Our Future – Shoalhaven 2032'.

ASSET MANAGEMENT STRATEGY (AMS)

The Asset Management Strategy is a high-level action plan that will continuously evolve as the strategic objectives of Council develop and change to meet the customer service provision. The key steps in this process include understanding the customer requirements/ expectations for service provisions, reviewing the strategic trends, assessing potential impacts on the assets and assessing gaps in the asset knowledge required to review and develop the Asset Management Plans.

WORKFORCE MANAGEMENT STRATEGY (WMS)

The Workforce Management Strategy is a document that shapes the capacity and capability of the workforce to achieve Council's strategic goals and objectives over the next four years in alignment with Council's core values of Respect, Integrity, Adaptability and Collaboration. It will act as a roadmap to guide key workforce initiatives to ensure Council can meet future workforce and organisational challenges.

INFORMATION COMMUNICATION TECHNOLOGY (ICT) STRATEGY

Information, systems, and technology are major contributors in driving business change and decision making across Council whilst priding itself on delivering an exceptional customer experience to better serve the community. Opportunities also exist to develop internal capabilities and maturity regionally through Council's Illawarra Shoalhaven Joint Organisation (ISJO) membership, collaborating with other Council's across areas of interest such as cyber security, CCTV management and Smart Cities. Shoalhaven's ICT strategy outlines how Council will address the factors and opportunities described above and build on the recent investment made in systems and technologies to create an exceptional customer experience.

SHOALHAVEN 2032

Shoalhaven 2032 is the roadmap devised by our community for the future of Shoalhaven City. The vision outlined in the plan for our community is:

"We will work together in Shoalhaven to foster a safe & attractive community for people to live, work, stay & play; where sustainable growth, development & environmental protection are managed to provide a unique & relaxed lifestyle".

The plan also outlines the challenges expected by the Council to achieve the Vision:

"Shoalhaven City is shaped by the extremes of our natural environment and the challenges of accessibility to appropriate housing and employment opportunities. These challenges are not unique to the Shoalhaven community, and we will need to work in collaboration to address them."

Our Future – Shoalhaven 2032 acknowledges that the COVID-19 pandemic has been an unexpected stress that Council and the community had to cope with over several years along with the impact of bush fire and floods. The impact of COVID-19 and the recent disasters continues to present uncertainty and challenges to the preparation of the Long-Term Financial Plan 2034.

The anticipated increase in frequency and severity of extreme storm events and droughts is a high risk to public infrastructure and assets, requiring Council to invest in mitigation and adaptation to continue to provide adequate

and safe services and places to our community. In resourcing growth and development in our community, our investments in infrastructure and land use needs to consider the cumulative impacts of urban development on our environmental assets – our beaches, creeks, and lagoons - including impacts of pollution and sedimentation and habitat loss.

The distance between settlements presents challenges in connecting communities, including single road access during emergencies. Our plan considered limited public transport connectivity in several areas and ensures continued investment in transport infrastructure to improve regional connections such as the Milton-Ulladulla bypass and Nowra bypass.

An important strategy underpinning the implementation of the plan will be the close monitoring of our financial performance and flexibility in our decision making to address the future unknown risks and uncertainties.

OTHER COUNCIL PLANS AND STRATEGIES

Other relevant plans and strategies adopted by Council that impact upon the Long Term Financial Plan includes:

- **Acquisition of Land by Shoalhaven City Council** - provides sound, transparent criteria and procedures designed to minimise Council's exposure to risk and give due consideration to the community's best interests at all times when acquiring land.
- **Community Infrastructure Strategic Plan 2017 - 2036** - The Plan makes recommendations for the future provision, priorities and funding of community infrastructure at local, district and regional levels.
- **Community Service Obligations - Water Supply, Wastewater, Effluent, Trade Waste Services and Section 64 Contributions** - outlines Council's determining criteria for recognition of Community Service Obligation and the charging policy of water, wastewater, effluent, trade waste services and Section 64 contributions for approved Community Service Obligation organisations or projects.
- **Contributions Plan 2019** – "Development Contributions" or "Section 7.11 Contributions" are a levy that Council can impose on development consent to help fund the delivery of infrastructure that is needed for that development. In order to levy a contribution, Council must first adopt a Contributions Plan.
- **Investment Policy** - Provides a framework for making decisions concerning the appropriate investment of Council's funds, at the most favourable rate of interest available to it at the time to maximise returns, whilst having due consideration of risk, liquidity and security for its investments.
- **Nowra CBD Contributions Discount Subsidy** - Encourages the delivery of redevelopment within the Nowra CBD through the provision of a short-term discount subsidy that is applied to the Nowra Car Parking Contributions Project.
- **Shoalhaven City Council Property Strategy** - assist Council in the efficient and effective management of this property portfolio and to ensure current and future community and operational needs are met.
- **Water and Sewerage Headworks Charges (Section 64 Contributions) - Assistance for Developments** - To assist all types of developments (subject to approval under the Environment Planning & Assessment Act) within the Shoalhaven Local Government area in relation to granting a concession to the calculated equivalent tenement loading imposed on the water supply and sewerage systems. This Policy was revised as a result of Council's resolution to provide further economic stimulus following the impacts of the Coronavirus.
- **Liquidity Contingency Plan** - establish liquidity monitoring framework and to set out the steps to be taken if Council experiences a significant reduction in its liquidity position due to abnormal or extraordinary circumstances that would limit Council's ability to pay for its day-to-day operations and maintain services to the community.

SOCIO-ECONOMIC PROFILE - SHOALHAVEN LGA

GENERAL OVERVIEW

Outside of Sydney, Wollongong and Newcastle, the Shoalhaven is the second largest regionally based Council by population size in NSW. The region's economy supports an estimated workforce of almost 36,000 people, with a population estimated at almost 100,000¹. Council's Economic Development Strategy expects the population to grow by at least another 20% by 2036, with around 7,400 new jobs to be created.

The need to manage and fund the growth in services and infrastructure for a rapid population growth presents a significant challenge. With an expanding real estate sector now driving a new series of residential and commercial development opportunities which are likely to lead to even further growth.

Within the Long-Term Financial Plan 2022-33 there are a limited range of mechanisms available to Council to fund and deliver community infrastructure. One of the mechanisms available to provide community infrastructure demanded or generated by new development is development contributions. Planned projects addressing growth that are to be part or fully funded pursuant to the development contributions provisions are outlined in the Contributions Plan 2019.

Other funding mechanisms within the Long-Term Financial Plan to address the growth requirements include:

- General Revenue (i.e., rate income)
- Special Rate Levy
- Grant funding and
- Borrowings

In addition to the planned investments made by Shoalhaven City Council, partnering and advocating to other levels of government is considered an important mechanism to address the challenge of managing growth. The Shoalhaven's position as a gateway to the South Coast, and with close market access and available employment land stocks, places it as a meeting point for many regional, State and Federal programs. Along with organisations such as NSW Department of Premier & Cabinet and Planning & Environment, the Illawarra-Shoalhaven Joint Organisation and Regional Development Australia (Far South Coast and Illawarra), there are a range of partners that Council plans to work with to support and manage sustainable growth.

As part of the Financial Sustainability Review, a socio-economic profile was also completed for Shoalhaven LGA with comparisons made to other regions across New South Wales where relevant. The comparison regions included the Local Government Areas of Coffs Harbour, Eurobodalla, Lake Macquarie, Maitland, Mid-Coast, Newcastle, Port Macquarie-Hastings, Port Stephens, Shellharbour, Tweed, Wingecarribee, and Wollongong as well as New South Wales as a whole.

The following are key attributes of the existing socio-economic environment in Shoalhaven:

- **Shoalhaven records a population of approximately 109,400 people, which is anticipated to increase faster than the New South Wales average rate to 2041:** The population of Shoalhaven has increased over the decade to 2022, growing from approximately 97,200 residents in 2012 to 109,400 in 2022 (ABS, 2023a). The growth of approximately 12,200 residents, which corresponds to an average annual rate of 1.3%, was slightly more pronounced than the comparison regions and New South Wales (which both growth at an average annual rate of 1.1%). This trend is anticipated to be more pronounced over the coming years, with Shoalhaven anticipated to experience an increase of approximately 33,700 people over the nineteen years to 2041, an average annual growth of 1.6%, to reach a population of approximately 143,100 people (NSW Department of Planning and Environment, 2022). Meanwhile, the comparison regions and New South Wales are anticipated to continue growing similar to their historical rate (both at an average annual rate of 1.0%).

¹ Shoalhaven Economic Development Strategy 2017 - 2026

- **Shoalhaven's economy has grown at a stronger rate than the comparison regions, reaching a Gross Regional Product of over \$6.6 billion by 2021-22:** Over the ten years to 2021-22, Shoalhaven's Gross Regional Product (GRP) increased from \$5.1 billion in 2011-12 to \$6.6 billion in 2021-22, which corresponds to an average annual rate of 2.9% per annum (AEC, unpublished a). GRP growth in Shoalhaven over the last ten years has been more subdued in comparison to New South Wales more broadly, where GRP growth has averaged 4.1% per annum. Shoalhaven, however, has recorded more pronounced GRP growth than the comparison regions, which experienced an average annual rate of 2.0%. Public Administration and Safety was the largest contributor to GRP in 2021-22 with an Industry Value Added (IVA) of approximately \$855.0 million, representing 15.9% of the Shoalhaven's total IVA. This was followed by Construction and Health Care and Social Assistance, representing 13.3% and 12.2% of IVA, respectively.
- **Shoalhaven has seen growth in population servicing industries over the past five years:** Shoalhaven's economic activity is primarily comprised of that which serves the growing population, including Public Administration and Safety, Construction, Healthcare and Social Assistance, Retail Trade and Professional, Scientific and Technical Services (AEC unpublished a). These sectors comprised 50.0% of Industry Value Add (IVA) in 2016-17, which increased to around 55.0% by 2021-22. The comparison regions and New South Wales more broadly are more diversified and do not have this level of concentration in their top industries, typical of larger geographical catchments. The broader comparison region's economy relies less heavily on Public Administration and Safety activity, though more heavily on Professional, Scientific and Technical Services (compared to Shoalhaven).
- **The number of jobs in Shoalhaven has grown stronger than the comparison region averages to reach around 41,500 jobs by 2021-22:** Shoalhaven provided approximately 41,500 jobs in 2021-22, representing an increase of around 10,400 jobs from approximately 31,100 jobs in 2011-12 (AEC, unpublished b). Employment growth in Shoalhaven (average annual rate of 3.3%) was more pronounced than in the comparison regions (average annual growth of 2.3%) and New South Wales (average annual growth of 1.8%). Healthcare and Social Assistance was the largest employer in Shoalhaven, representing 18.1% of jobs in 2021-22, followed by Construction and Public Administration and Safety at 11.8% and 11.4% of jobs, respectively. Over the last decade to 2021-22, the key population servicing industries of Healthcare and Social Assistance and Education and Training have recorded the largest increases in the number of jobs in Shoalhaven (2,100 and 1,500 jobs respectively), whilst the tourism sector has also recorded strong growth (with Accommodation and Food Services increasing by around 2,000 jobs).
- **Shoalhaven has historically recorded a higher unemployment rate than the comparison regions and New South Wales, although this has changed recently:** The unemployment rate in Shoalhaven has typically been larger than both the comparison regions and New South Wales (ABS, 2023b; Jobs and Skills Australia, 2023), with high rates of unemployment typical in coastal cities (McDowell, 2019; Cunningham, 2011). Periods of pronounced unemployment (over 10.0%) occurred between June 2006 and June 2007, June to December 2013, March to June 2018, and September 2019 to March 2020. Shoalhaven, however, experienced a decrease in the unemployment rate during the COVID-19 pandemic, counter-cyclical to the increases experienced across Australia (and specifically in the comparison regions and New South Wales). Over the last year, the unemployment rate has fallen from 7.3% in March 2022 to 1.8% in March 2023 (a decrease of approximately 2,700 unemployed persons across the year). During the same period, the comparison regions and New South Wales experienced a less pronounced decrease in the unemployment rate, with both now experiencing a higher unemployment rate than Shoalhaven, at 3.3% and 3.5%, respectively.
- **Shoalhaven has strong labour market resilience against adverse events:** During the largest economic crises of the last two decades, the Global Financial Crisis (GFC) and the COVID-19 pandemic, Shoalhaven has seen a sharp decrease in unemployment, an increase in the labour force, and slightly more pronounced population growth, indicating that Shoalhaven has strong resilience to and residential attraction during economic crises.
- **Weekly household incomes in Shoalhaven averaged approximately \$240 less than the comparison regions:** In 2021, weekly household incomes in Shoalhaven averaged approximately \$1,670 per week, around \$240 lower than the comparison regions average of \$1,910 per week (ABS, 2022a). The average incomes in both Shoalhaven and the comparison regions were lower than New South Wales, which recorded an average

weekly household income of approximately \$2,270 a week. This may be the result of the lower proportion of Shoalhaven residents employed in the Professional, Scientific and Technical Services (average weekly income of approximately \$1,600) and Financial and Insurance Services (average weekly income of approximately \$1,800) industries in comparison to New South Wales (and to a lesser extent the comparison regions) and the relatively higher proportion of people employed in the Health Care and Social Assistance (average weekly income of approximately \$1,200) as well as Construction (average weekly income of approximately \$1,300).

- **Despite a reduction in the dwelling vacancy rate, Shoalhaven's rate is still substantially higher than in the comparison regions and New South Wales:** In 2011, Shoalhaven recorded a dwelling vacancy rate of 26.5%, which has decreased in successive census reporting periods to record a vacancy rate of 21.8% in 2021, a 4.7 percentage point decrease (ABS, 2022a). Despite this decrease, Shoalhaven still has a substantially higher vacancy rate compared to the comparison regions and New South Wales (both at 8.9% in 2021).
- **Residential building approvals in Shoalhaven have increased in value and number since 2018-19:** Building approvals have averaged between 772 and 960 approvals over 2018-19 and 2021-22, with growth recorded year on year since 2018-19 (ABS, 2023). Building approval numbers have been relatively stable over the past five years, reflecting the consistent population growth experienced in Shoalhaven (ABS, 2023a). Higher growth in both values and volumes was recorded in 2020-21 and 2021-22, which may reflect the adoption of residential home building initiatives in 2020 and 2021, including the Federal HomeBuilder grant (Australian Government, n.d.) in combination with low interest rates over the same period (Reserve Bank of Australia, 2023). The comparison regions displayed a similar trend over the last five years, whilst New South Wales has experienced consistent growth in the number of residential building approvals.

TOURISM

- **Shoalhaven attracted 2.3 million visitors in 2021-22, down from the pre-pandemic visitation of 3.0 million in 2018-19:** From 2010-11 to 2016-17, visitation to Shoalhaven fluctuated between 2.3 million and 2.7 million visitations per year (TRA, 2023a; 2023b; 2023c). Visitation numbers dipped in 2012-13 and 2013-14, caused in part by the combination of high exchange rates, subdued economic conditions in source markets, and slow growth in domestic spending, which affected the demand for visitation across Australia (Dobson, 2015). The effect of which eased, as the number of visitors increased and stabilised around 3.0 million in the subsequent three-year period (between 2017-19 to 2019-20). Visitors then declined to 2.3 million in 2021-22 and to 2.2 million by 2021-22, constituted by a 95.9% decrease in international and a 22.3% decrease in domestic visitors between 2019-20 and 2021-22, caused by the significant impact the COVID-19 pandemic had on the tourism industry (Behsudi, 2020; Bruno, 2022). For the first three-quarters (3/4) of 2022-23, visitation has nearly matched the previous year's total, at 2.2 million through to December 2022, indicating that visitation may return to pre-pandemic level by the end of the year.
- **In 2021-22, visitors to Shoalhaven stayed on average 3.5 nights:** Before the COVID-19 pandemic, the average length of stay average around 3.0 nights to 4.0 nights from 2010-11 to 2018-19 (TRA, 2023a; 2023b; 2023c). The COVID-19 pandemic had negligible effect on the average length of stay, with 2019-20 and 2020-21 outcomes falling within the long-term average at 3.4 and 3.2 nights, respectively. In 2020-21, just over half (54.2%) of visitors to Shoalhaven stayed overnight (with 47.1% of all visitors being interstate overnight visitors) (TRA, 2023a; 2023b; 2023c).
- **The average visitor spend per trip to Shoalhaven is approximately \$260:** In 2019, the average spend per visitor trip to Shoalhaven was approximately \$260 (TRA, 2023d). International visitors recorded the highest average spend at around \$550, higher than both domestic overnight visitors and day trip visitors, averaging approximately \$430 and \$100 per trip, respectively.
- **Holiday and visiting friends and family are main drivers of visitation to Shoalhaven:** In 2021-22, almost half (46.0%) of domestic visitors to Shoalhaven came for a holiday (TRA, 2023b). This was followed by 27.8% of domestic visitors coming to visit friends and relatives, 8.4% visiting for business and 6.6% visiting for medical reasons. Meanwhile, two-thirds (63.9%) of international visitors came to visit friends and relatives, 17.4% for holiday, and 16.1% on business.

SERVICES PROVIDED BY FUND TYPE

The services and infrastructure provided by Council to the community are planned and managed through the use of different fund types. Creating fund types enables the Council to consider separately the financial sustainability of different grouped services, and to avoid subsidisation of the general rate for services that should be funded by separate user charges. The LTFP outlines the resource planning for the following five fund types:

General Fund – Primarily for services and infrastructure funded by general rate revenue and untied grant funding. It is also used for all other services that are not included in the defined use of the other four fund types.

Sewer Fund – only services and infrastructure used in the provision of the sewer network.

Water Fund – only services and infrastructure used in the provision of the treated water network.

Waste Fund - only services and infrastructure used in the provision of waste management, including the provision of domestic waste collection.

The following Figure outlines the service provided from within each fund type:

Figure 2 Services provided by each fund type

General Fund	
Affordable Housing Strategies	IT and Smart Cities Innovation
Animal Management	Library Services
Arts and Culture	Long-term Financial Planning
Asset Strategy	Maintenance & Construction
Building Assessment	Natural Areas (Infrastructure, APZs, REFs)
Certification	Natural Areas (Waterways, Beaches, Bushland)
City Growth, Advocacy & Tourism	Parks & Open Space
Commercial Services	People & Culture (HR, Recruitment, Training & Development, Industrial Relations, Volunteering)
Community Capacity Building	Placemaking & Urban Renewal
Community Development	Procurement and Stores
Community Resilience Planning	Project Delivery
Community Wellbeing & Lifestyle Strategies	Ranger Services
Compliance	Risk & Insurance
Corporate Finance	Shoalhaven Entertainment Centre
Corporate Performance Measurement & City Project Monitoring	Shoalhaven Swim Sport & Fitness
Council Buildings & Property Services	Social & Community Infrastructure Planning
Customer Service Strategy & Contact Ctr	Social Planning
Development Assessment	Strategic Infrastructure Planning
Economic Development	Strategic Land Use Planning
Emergency Management	Strategic Property Asset Ventures
Energy Management & Sustainability	Technical Services
Environmental Services (Policy, Regulation, Compliance, Weeds)	Transformational City Projects
Family Day Care	Ulladulla Service Centre
Governance and Legal	Urban Release Areas
Integrated Planning & Reporting	Work Health & Safety

Sewer Fund

Provision of safe, compliant, reliable, and sustainable sewer services 24 hours a day, seven days a week.

Water Fund

Provision of safe, reliable, compliant, and sustainable water supply services 24 hours a day, seven days a week.

Waste Fund

Management of waste transfer facilities and waste disposal to landfill, collection of general waste, recyclables and green waste from commercial and domestic premises, special events, bulk kerbside collection and community education.

Source: Council's Organisational Structure

We provide a vast range of services and facilities to our community and provide more than just the standard "roads, rates and rubbish". Council is part of the everyday life of our community, from the footpaths used each day to work or school, to the water that comes out of the tap, the roads that you drive on and the recreational activities that you enjoy.

The range and levels of service that Council provides significantly impacts upon the short- and long-term financial sustainability of the Council. It is important that Council continues to review the services we provide – as well as the assets required to deliver the services – to ensure affordability within the capacity of current and future generations. Council has established a Service Review Program which outlines the services that will be reviewed over the next four years.

The Long-Term Financial Plan 2032 has been developed with the assumption of continued delivery of the current services, as well as enhancements outlined in the Delivery Program.

COUNCIL'S HISTORICAL FINANCIAL POSITION

COUNCIL'S HISTORICAL PERFORMANCE HIGHLIGHTS

- Council has produced a net operating deficit in the last three financial years.
- The General Fund's net operating position has been in a deficit position over the past eight years. It is predicted that the structural deficit within the General Fund whereby the recurrent revenue is not able to fund the recurrent expenditure is around the \$25-\$35 million.
- The Water Fund experienced surpluses until 2018/19 and since then for the last three years produced increasing deficits.
- The reported net operating result for the Sewerage Fund is a surplus of between \$8.3 million and \$14.3 million over the past eight financial years – although a notable deterioration in recent years.
- Council has a lower average rate for residential and business rating categories comparable to neighbouring Councils. While each Council is different, and it is difficult to compare levels of service, a general comparable lifestyle is offered by Shoalhaven compared to neighbouring Councils (such as Shellharbour) but provided from a lower comparable rate base.
- It is estimated that the net cost of the disasters, including the subsidies and waivers on fees and charges, impact the unrestricted cash position of Council by approximately \$14.6million.
- Total cash, cash equivalents and investments increased from 2014/15 until 2017/18 and then fluctuated over the most recent four-years until 2021/22.
- The council has in recent financial years increased the use of borrowings, increasing the interest expense and the requirement for repayment of the borrowings.
- At the end of 2021/22, Council had total cash, cash equivalents and investments of \$197.2 million, of which \$113.4 million is externally restricted, \$33.2 million is internally restricted and a further \$48.0 million is held in reserve for commitments in reported liabilities (mostly contracted grant liabilities). The residual amount of \$2.6 million is considered unrestricted and considered significantly insufficient.
- Shoalhaven City Council has spent in total \$821.5 million over eight years till 2021/22 on capital expenditure, at an average of \$102.7 million annually.
- Through the acquisition of new and upgraded assets the Council has significantly increased the annual cost of ownership, including operating costs, interest expense on borrowings, maintenance, and depreciation expense. There has been significant investment in new or upgraded recreational and community facilities over the past eight years, from which little to no additional revenue is received.
- The building and infrastructure renewals ratio indicates that Council has not invested in asset renewals sufficiently to meet the 100% target as set by Office of Local Government. If considered at an asset class level, the indicator would highlight considerable lack of investment in transport assets and a high investment in recreational and community facilities.
- Shoalhaven in the past six years of the eight financial years assessed historically has not met the asset backlog ratio performance measure with the reported backlog in asset renewals greater than 2.0% of the gross replacement cost of the assets. The ratio has deteriorated to 4.2% as reported in 2021/22.
- While there has been an accumulation of cash over the past eight financial years, the cash has accumulated mostly in external restricted reserves. The deterioration of the unrestricted cash balance is a concern and indication that Council is not generating sufficient cash from operations. It is also evident from the asset renewal ratio that the Council is significantly under investing in the renewal of existing assets. Declining availability of unrestricted cash, a deteriorating operating deficit and an increasing backlog in asset renewals are strong indicators that the historical financial performance of the Council is not sustainable.

Historically, Council has reported a consolidated position as well as three fund types that are included in the consolidated position:

- Water Fund – Provision of water network services to properties within the serviceable areas and funded through the water access charge, consumption charge and other water fees.
- Sewer Fund - Provision of sewer network services to properties within the serviceable areas and funded through the sewerage access charge and other sewerage fees.

- General Fund – All other services and infrastructure provided by Council not funded by water or sewerage revenue. Revenue for the general fund is predominantly general rate revenue and grant funding, as well as revenue earned from fees and charges for services provided.

OPERATING POSITION

Council is required to prepare financial statements to report the operating result in two ways:

- Operating result from continuing operations, and
- Net operating result for the year before grants and contributions provided for capital purposes.

It is generally considered more appropriate to consider the operating result excluding the grants received for capital purposes, as such revenue is not able to be used to fund operating expenditure. However, a major expense contributing to the operating result is depreciation, and it should be noted that Council receives grants for capital purposes that are used to renew depreciating assets.

Furthermore, while the policy positions of State and Federal governments will almost certainly impact on the quantum and the recurrent nature of capital grants, sources of grant funding for capital such as Roads to Recovery, Regional Roads, and Block Grant, which are used by Council to renew depreciating assets, have been established for some time and likely to continue. Therefore, from an assessment of whether Council can fund all operating expenses, particularly when depreciation is a major expense item, some caution needs to be applied when just considering the financial operating position excluding all capital grant revenue.

Consolidated Operating Position

Table 1 below outlines the reported consolidated income statement for Council from 2014/15 to 2021/22 with 2022/23 quarter three budgets and 2023/24 original budgets as adopted by Council. The consolidated position is determined by the average net operating result of the three fund types.

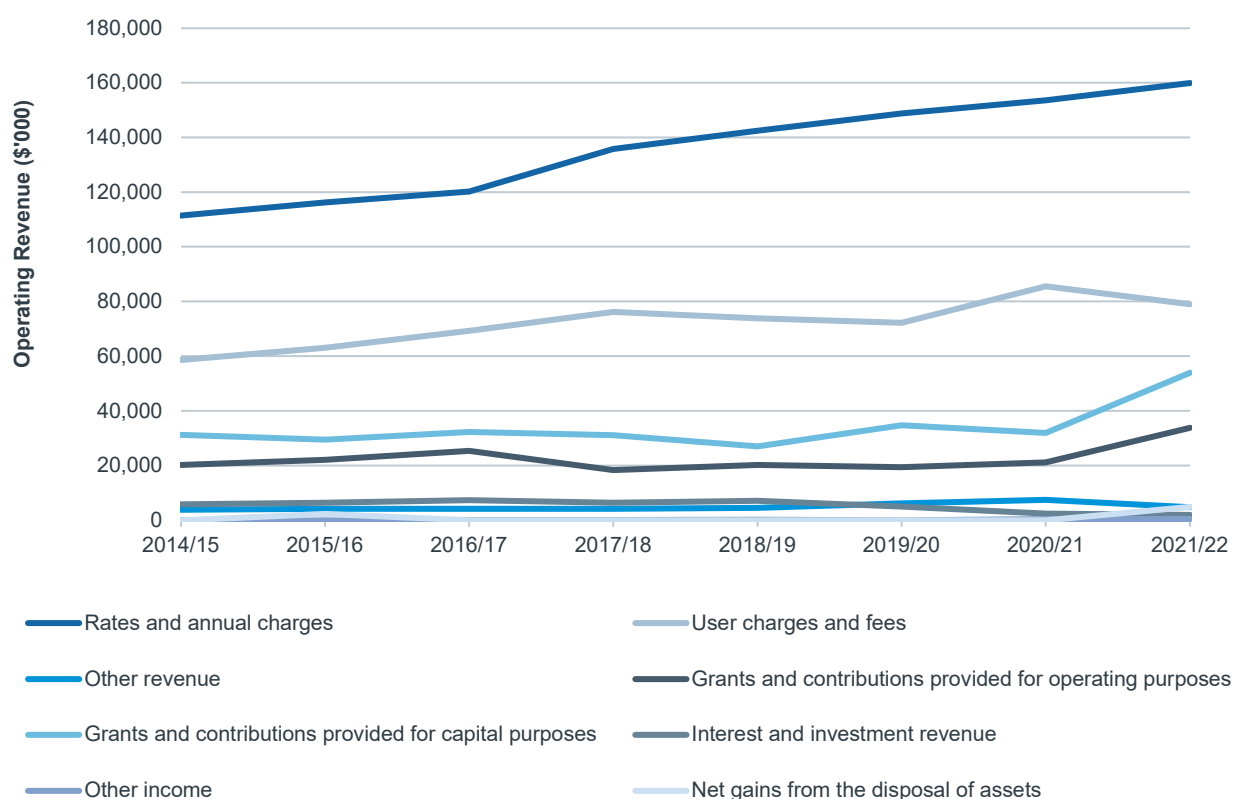
Table 1 Income Statement – Consolidated

INCOME STATEMENT – CONSOLIDATED	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ACTUAL								BUDGET	
Income from continuing operations										
Rates and annual charges	111,460	116,238	120,157	135,722	142,417	148,819	153,519	159,895	169,184	177,338
User charges and fees	58,676	63,003	69,204	76,177	73,857	72,139	85,590	78,955	92,101	95,621
Other revenue	3,799	4,163	4,103	4,167	4,492	6,175	7,439	4,685	5,489	4,772
Grants and contributions provided for operating purposes	20,178	22,063	25,328	18,419	20,170	19,370	21,164	33,831	42,000	21,294
Grants and contributions provided for capital purposes	31,246	29,424	32,229	31,136	27,092	34,683	31,895	54,029	91,347	47,922
Interest and investment revenue	5,765	6,388	7,348	6,339	7,061	5,020	2,402	1,922	6,911	7,550
Other income	-	-	20	10	135	-	349	400	-	-
Net gains from the disposal of assets	-	2,219	-	-	-	-	-	4,928	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	231,124	243,498	258,389	271,970	275,224	286,206	302,358	338,645	407,032	354,497
Expenses from continuing operations										
Employee benefits and on-costs	61,715	68,226	75,144	77,712	83,694	87,023	94,756	101,588	107,796	108,473
Materials and services	43,221	46,091	51,704	48,372	56,320	98,502	90,493	90,161	113,060	104,540
Borrowing costs	4,292	3,960	4,479	5,431	6,604	6,115	5,574	5,702	6,146	7,453
Depreciation, amortisation and impairment of non-financial assets	54,062	55,138	59,213	59,412	63,595	66,000	70,507	79,521	84,610	90,200
Other expenses	26,103	30,412	29,413	32,022	34,280	15,740	18,407	18,102	17,195	16,973
Internal expenditure	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	3,478	-	1,792	174	1,283	272	7	-	-	-
Total expenses from continuing operations	192,871	203,827	221,745	223,123	245,776	273,652	279,744	295,074	328,807	327,639
Operating result from continuing operations	38,253	39,671	36,644	48,847	29,448	12,554	22,614	43,571	78,225	26,858
Net operating result for the year before grants and contributions provided for capital purposes	7,007	10,247	4,415	17,711	2,356	(22,129)	(9,281)	(10,458)	(13,122)	(21,064)

Source – Council Published Financial Statements

Council has produced a net operating deficit in the last three years of the eight past financial years. The deficit in the 2019/20 financial year was due to a significant increase in material and services (\$42.2 million), reduced investment and interest income (\$2.0 million) and increase in employee costs (\$3.3 million). The significant increase in materials and services was due to accounting changes in the treatment of some expenses previously stated as other expenses (\$36.6 million)

Figure 3 Operating Revenue Trend - Consolidated



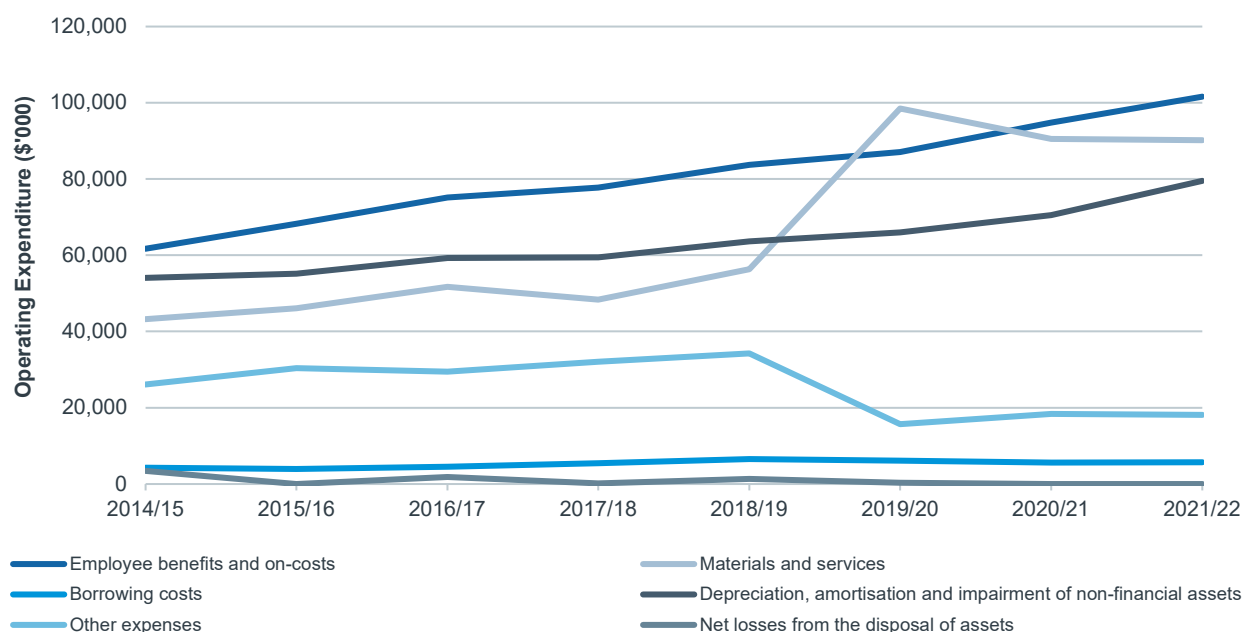
Source – Council Published Financial Statements

Table 2 Income Percentage (%) Changes over 8-year period - Consolidated

P&L Items	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Rates and annual charges	4.3%	3.4%	13.0%	4.9%	4.5%	3.2%	4.2%
User charges and fees	7.4%	9.8%	10.1%	-3.0%	-2.3%	18.6%	-7.8%
Other revenue	9.6%	-1.4%	1.6%	7.8%	37.5%	20.5%	-37.0%
Grants and contributions provided for operating purposes	9.3%	14.8%	-27.3%	9.5%	-4.0%	9.3%	59.9%
Grants and contributions provided for capital purposes	-5.8%	9.5%	-3.4%	-13.0%	28.0%	-8.0%	69.4%
Interest and investment revenue	10.8%	15.0%	-13.7%	11.4%	-28.9%	-52.2%	-20.0%
Other income			-50.0%	1250.0%	-100.0%		14.6%
Net gains from the disposal of assets		-100.0%					

Source – Council Published Financial Statements

Figure 4 Operating Expense Trend - Consolidated



Source – Council Published Financial Statements

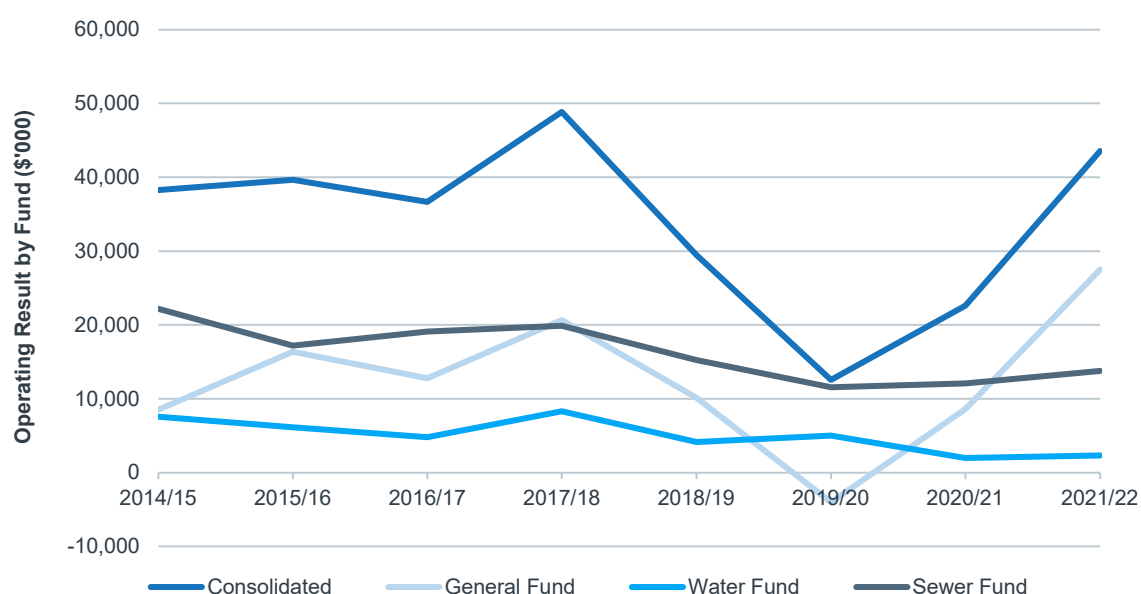
Table 3 Expense Percentage (%) Changes over 8-year period - Consolidated

P&L Items	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Employee benefits and on-costs	10.6%	10.1%	3.4%	7.7%	4.0%	8.9%	7.2%
Materials and services	6.6%	12.2%	-6.4%	16.4%	74.9%	-8.1%	-0.4%
Borrowing costs	-7.7%	13.1%	21.3%	21.6%	-7.4%	-8.8%	2.3%
Depreciation, amortisation and impairment of non-financial assets	2.0%	7.4%	0.3%	7.0%	3.8%	6.8%	12.8%
Other expenses	16.5%	-3.3%	8.9%	7.1%	-54.1%	16.9%	-1.7%
Net losses from the disposal of assets	-100.0%		-90.3%	637.4%	-78.8%	-97.4%	-100.0%

Source – Council Published Financial Statements

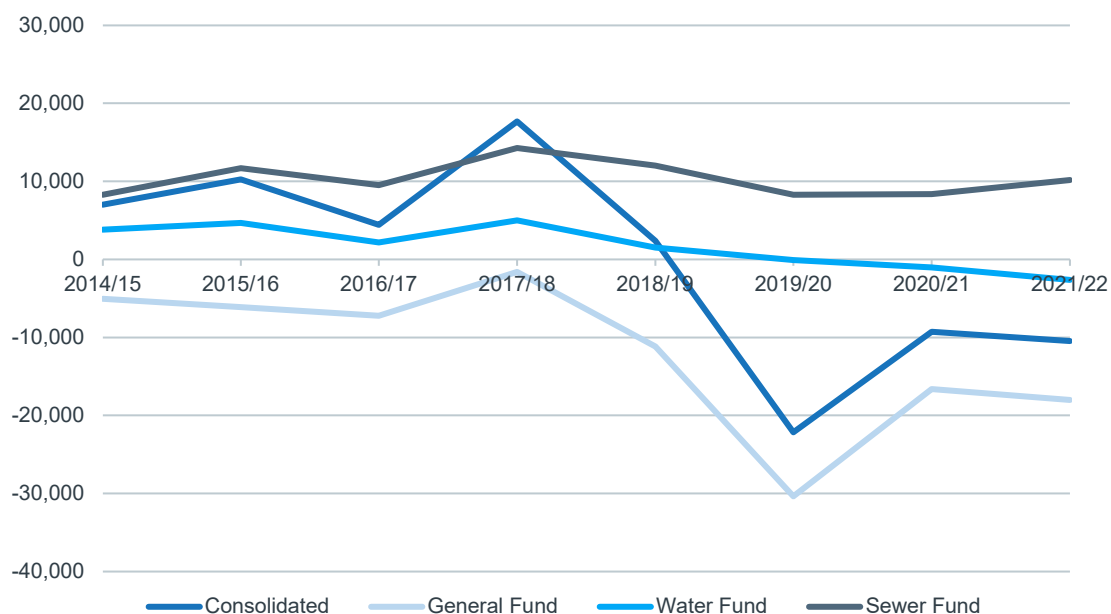
Overview results by Fund

Figure 5 Operating Result by Fund



Source – Council Published Financial Statements

Figure 6 Operating Result before Capital Grants & Contributions by Fund



Source – Council Published Financial Statements

General Fund

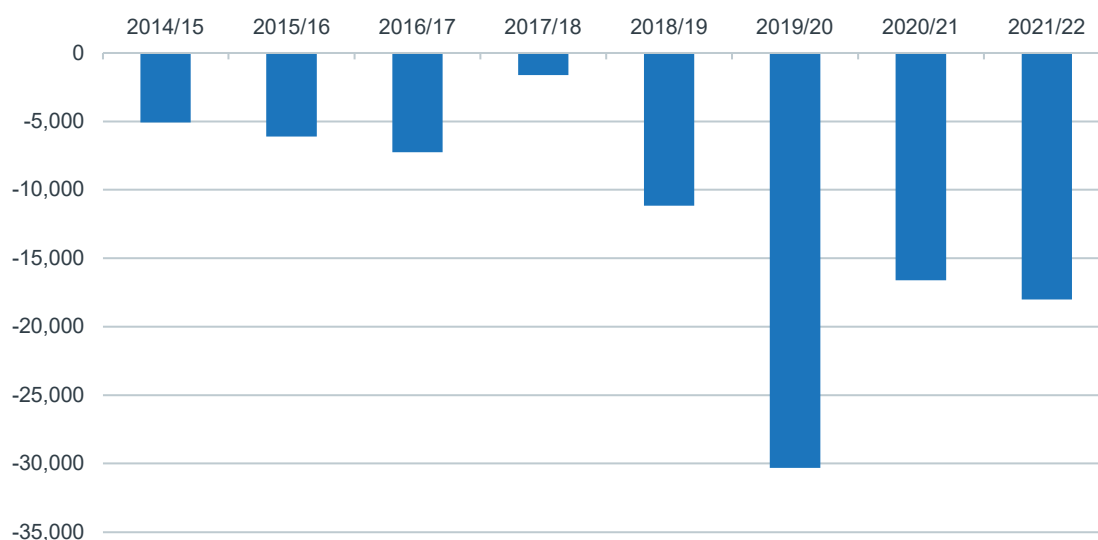
Table 4 and Figure 7 below outline Council's income statement for the General Fund from 2014/15 to 2021/22 and 2022/23 Q3 budget and 2023/24 original budget.

Table 4 Income Statement – General Fund

INCOME STATEMENT – GENERAL	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
	ACTUAL								BUDGET	
Income from continuing operations										
Rates and annual charges	70,950	74,278	77,173	89,493	93,144	98,657	101,442	107,311	115,399	120,973
User charges and fees	39,738	40,639	44,303	46,173	45,571	42,161	56,321	53,875	65,419	67,920
Other revenue	3,084	4,051	3,907	4,059	2,588	5,683	6,972	4,454	5,386	4,671
Grants and contributions provided for operating purposes	19,125	21,011	24,290	17,387	20,170	19,370	21,164	33,836	41,999	21,294
Grants and contributions provided for capital purposes	13,563	22,469	20,001	22,260	21,281	26,312	25,201	45,531	82,397	43,490
Interest and investment revenue	2,888	3,375	3,899	3,054	3,594	2,757	1,016	837	4,906	5,633
Other income	-	-	20	10	135	-	349	400	-	-
Net gains from the disposal of assets	-	1,820	-	-	-	-	(373)	4,834	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	63,058
Total income from continuing operations	149,348	167,643	173,593	182,436	186,483	194,940	212,092	251,078	315,506	327,039
Expenses from continuing operations										
Employee benefits and on-costs	46,442	50,763	57,767	58,662	63,802	66,402	78,106	82,265	88,556	87,777
Materials and services	33,472	36,395	40,851	37,360	43,538	82,894	60,833	66,985	94,394	82,316
Borrowing costs	1,570	1,561	1,606	1,442	1,564	1,455	1,216	1,926	2,786	4,278
Depreciation, amortisation and impairment of non-financial assets	38,636	38,168	39,591	40,774	43,313	44,056	45,051	54,262	55,828	59,740
Other expenses	20,225	24,596	23,264	23,448	24,235	5,125	18,295	18,123	17,122	16,879
Internal expenditure	-	-	-	-	-	-	-	-	-	54,628
Net losses from the disposal of assets	508	(206)	(2,241)	98	(83)	(977)	7	-	-	-
Total expenses from continuing operations	140,853	151,277	160,838	161,784	176,369	198,955	203,508	223,561	258,686	305,618
Operating result from continuing operations	8,495	16,366	12,755	20,652	10,114	(4,015)	8,584	27,517	56,820	21,421
Net operating result for the year before grants and contributions provided for capital purposes	(5,068)	(6,103)	(7,246)	(1,608)	(11,167)	(30,327)	(16,617)	(18,014)	(25,577)	(22,069)

Source – Council Published Financial Statements

Figure 7 Net Operating Result (before grants and contributions for capital) – General Fund



Source – Council Published Financial Statements

The General Fund's net operating position has been in a deficit position over the past eight years, most notably impacted by accounting recognition of events such as losses on disposal of assets, asset revaluation decrements and the reversal of asset revaluation decrements.

The next two years (2022/23 & 2023/24) is also predicting significant deficits in the General Fund of \$25.6 million and \$28.5 million, respectively. This is not a sustainable position for the general fund.

Water Fund

Table 5 below outlines the reported income statement for the Water Fund from 2014/15 to 2021/22 and budgets for 2022/23 (Q3) and 2023/24. Figure 8 depicts the actual operating result of the fund before capital grants and contributions over the eight years.

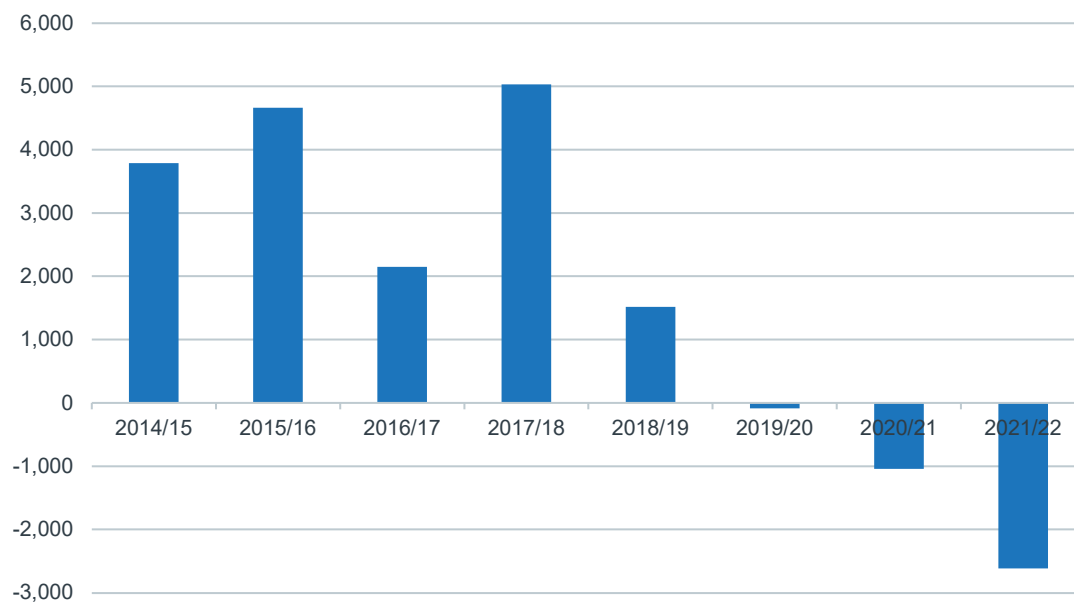
The Water Fund experienced surpluses until 2018/19 and since then for the last three years produced increasing deficits. The subsequent budgets for 2022/23 and 2023/24 are planning to produce deficits. There was a significant reduction in annual charges in the 2021/22 dropping by 17.4% (\$0.96 million) and a reduction in user charges and fees of 9.7% (or approx. \$2.2 million).

Table 5 Income Statement – Water Fund

INCOME STATEMENT – WATER	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
	ACTUAL								BUDGET	
Income from continuing operations										
Rates and annual charges	4,095	4,090	4,078	4,336	5,267	4,843	5,548	4,585	4,649	4,981
User charges and fees	16,206	18,802	19,721	24,229	22,883	24,232	23,028	20,802	22,645	23,711
Other revenue	496	87	168	80	638	300	363	227	91	96
Grants and contributions provided for operating purposes	532	527	524	517	-	-	-	(5)	1	-
Grants and contributions provided for capital purposes	3,766	1,458	2,622	3,282	2,597	5,105	3,017	4,917	4,551	2,327
Interest and investment revenue	2,300	2,023	1,933	1,872	1,935	1,519	953	741	1,231	1,167
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	245	11	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	3,483
Total income from continuing operations	27,395	26,987	29,046	34,316	33,320	35,999	33,154	31,278	33,168	34,765
Expenses from continuing operations										
Employee benefits and on-costs	5,492	8,001	6,812	8,505	8,806	9,883	7,287	8,007	8,038	8,316
Materials and services	3,559	3,174	4,414	4,903	5,971	6,469	13,602	10,324	7,696	8,228
Borrowing costs	22	10	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment of non-financial assets	7,727	7,471	8,877	8,783	9,617	10,854	10,177	10,694	13,482	14,269
Other expenses	2,247	2,004	2,137	3,769	4,275	3,353	111	(47)	38	57
Internal expenditure	-	-	-	-	-	-	-	-	-	6,282
Net losses from the disposal of assets	793	206	2,033	45	536	420	-	-	-	-
Total expenses from continuing operations	19,840	20,866	24,273	26,005	29,205	30,979	31,177	28,978	29,254	37,152
Operating result from continuing operations	7,555	6,121	4,773	8,311	4,115	5,020	1,977	2,300	3,914	(2,387)
Net operating result for the year before grants and contributions provided for capital purposes	3,789	4,663	2,151	5,029	1,518	(85)	(1,040)	(2,617)	(637)	(4,714)

Source – Council Published Financial Statements

Figure 8 Net Operating Result (before grants and contributions for capital) – Water Fund



Source – Council Published Financial Statements

Sewerage Fund

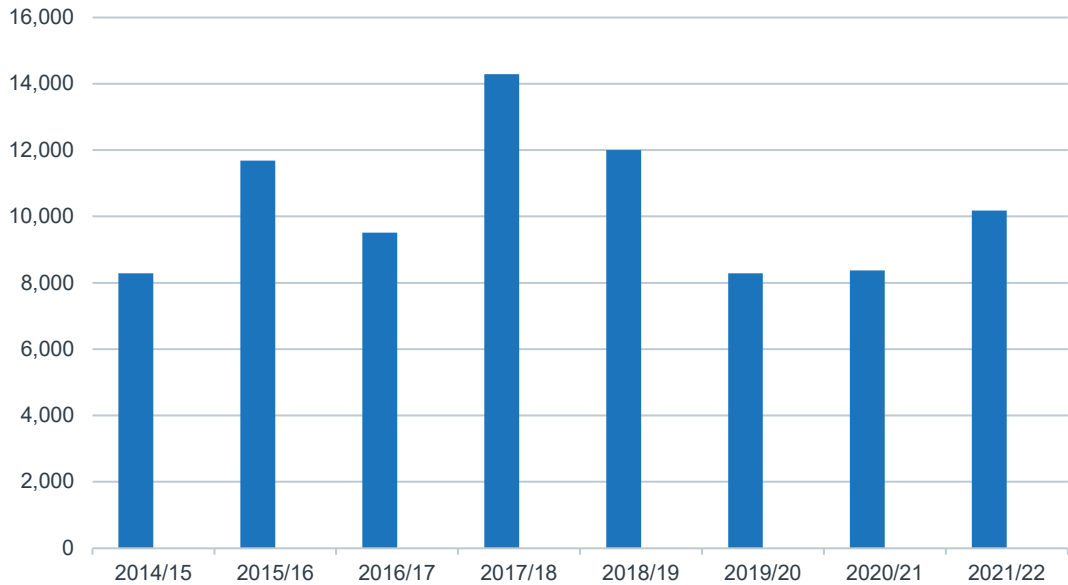
Table 6 below outlines the reported income statement for the Sewerage Fund from 2014/15 to 2021/22 and budgets for 2022/23 (Q3) and 2023/24. Figure 9 depicts the actual operating result of the fund before capital grants and contributions over the eight years.

Table 6 Income Statement – Sewerage Fund

INCOME STATEMENT – SEWER	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
	ACTUAL								BUDGET	
Income from continuing operations										
Rates and annual charges	36,415	37,870	38,906	41,893	44,006	45,319	46,529	47,999	49,136	51,384
User charges and fees	2,732	3,562	5,180	5,775	5,403	5,746	6,241	4,278	4,037	3,990
Other revenue	219	25	28	28	1,266	192	104	4	12	5
Grants and contributions provided for operating purposes	521	525	514	515	-	-	-	-	-	-
Grants and contributions provided for capital purposes	13,917	5,497	9,606	5,594	3,214	3,266	3,677	3,581	4,399	2,105
Interest and investment revenue	577	990	1,516	1,413	1,532	744	433	344	774	750
Other income	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	399	-	-	-	-	128	83	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	1,765
Total income from continuing operations	54,381	48,868	55,750	55,218	55,421	55,267	57,112	56,289	58,358	59,999
Expenses from continuing operations										
Employee benefits and on-costs	9,781	9,462	10,565	10,545	11,086	10,738	9,363	11,316	11,202	11,881
Materials and services	6,190	6,522	6,439	6,109	6,811	9,139	16,058	12,852	10,970	12,067
Borrowing costs	2,700	2,389	2,873	3,989	5,040	4,660	4,358	3,776	3,360	3,175
Depreciation, amortisation and impairment of non-financial assets	7,699	9,499	10,745	9,855	10,665	11,090	15,279	14,565	15,300	16,191
Other expenses	3,631	3,812	4,012	4,805	5,770	7,262	1	26	35	37
Internal expenditure	-	-	-	-	-	-	-	-	-	7,007
Net losses from the disposal of assets	2,177	-	2,000	31	830	829	-	-	-	-
Total expenses from continuing operations	32,178	31,684	36,634	35,334	40,202	43,718	45,059	42,535	40,867	50,358
Operating result from continuing operations	22,203	17,184	19,116	19,884	15,219	11,549	12,053	13,754	17,491	9,641
Net operating result for the year before grants and contributions provided for capital purposes	8,286	11,687	9,510	14,290	12,005	8,283	8,376	10,173	13,092	7,536

Source – Council Published Financial Statements

Figure 9 Net Operating Result (before grants and contributions for capital) – Sewerage Fund



Source – Council Published Financial Statements

The reported net operating result for the Sewerage Fund is a surplus of between \$8.3 million and \$14.3 million over the past eight financial years. It is notable that, like the Water Fund, there has been a deterioration in the user charges and fees for the Sewer Fund by 31.5% (\$1.97 million) in 2021/22.

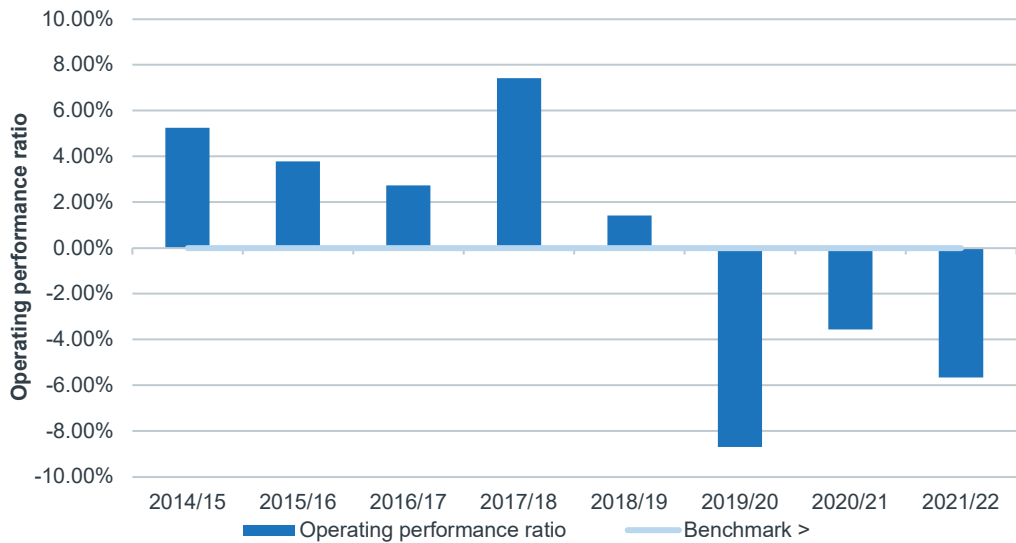
FINANCIAL PERFORMANCE MEASURES

Operating Performance Ratio

This performance ratio measures Council's achievement of containing operating expenditure within operating revenue. The industry benchmark is for councils to be greater than 0.00%.

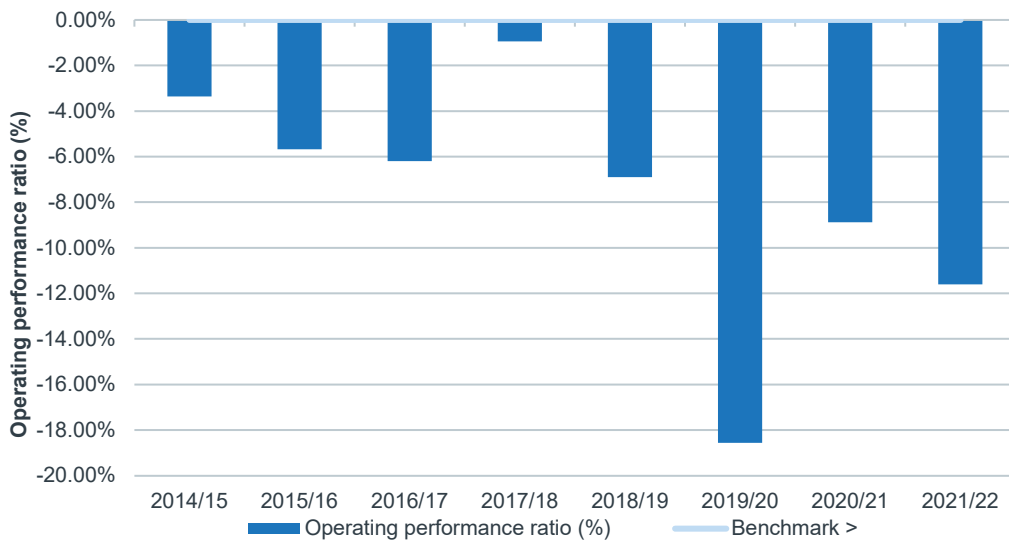
Council's operating performance ratio in 2019/20 deteriorated mainly due to \$14.8 million of additional expenses recognized for COVID-19 financial assistance to ratepayers and decrease of revenue because of bush fires and COVID-19 pandemic. The sewer operations is the only fund that has met the industry performance measures over the eight years of assessment.

Figure 10 Operating Performance Ratio – Consolidated



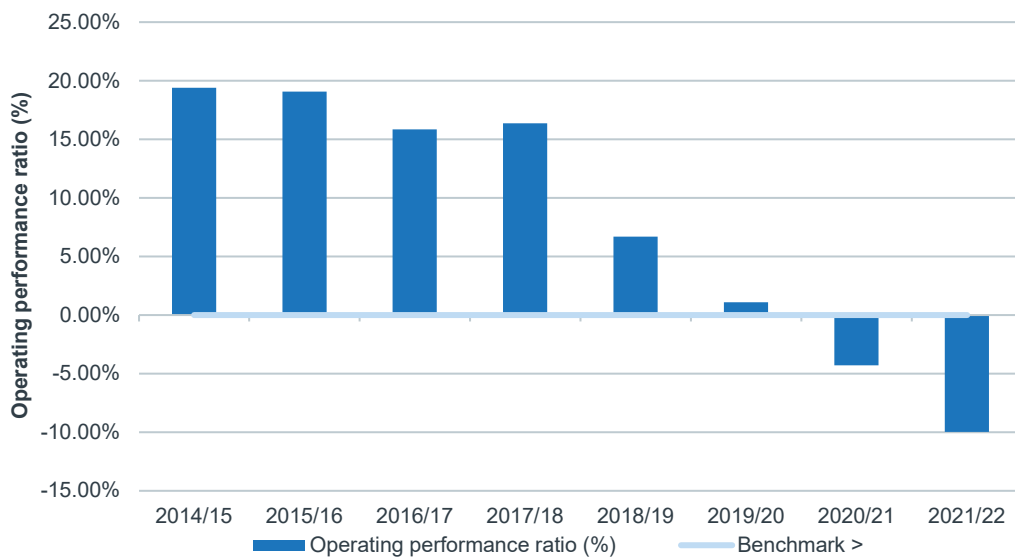
Source – Council Published Financial Statements

Figure 11 Operating Performance Ratio – General Fund



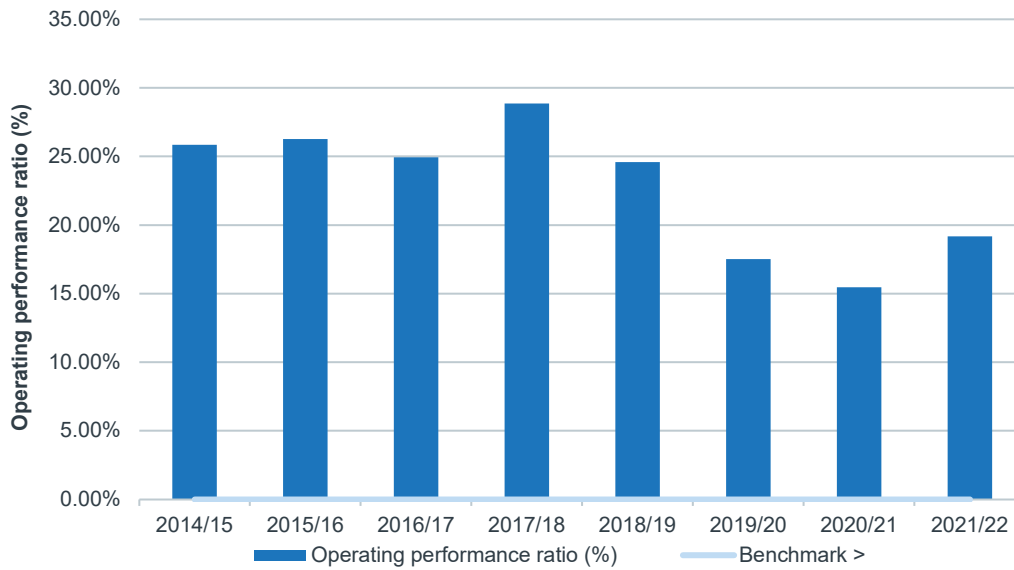
Source – Council Published Financial Statements

Figure 12 Operating Performance Ratio – Water Fund



Source – Council Published Financial Statements

Figure 13 Operating Performance Ratio – Sewer Fund



Own Source Operating Revenue Ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. The benchmark is set at greater than 60%. Council has met this performance measure over the eight years but 2021/22 is the lowest over the period at 73.6% and this is due to an increase in capital grants and contributions received by Council.

All Council funds have met the performance measure over the eight-year period.

Figure 14 Own Source Operating Revenue Ratio – Consolidated

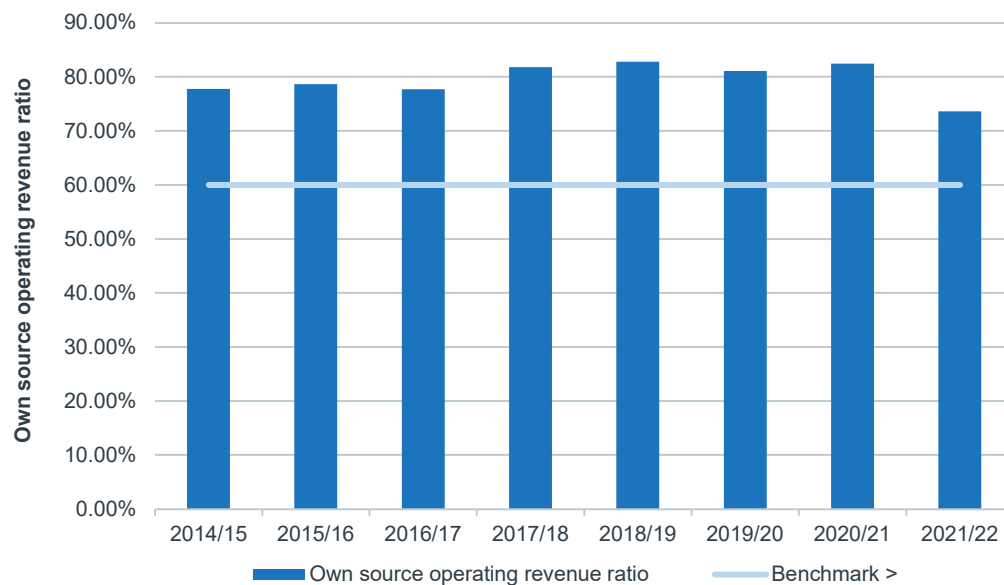
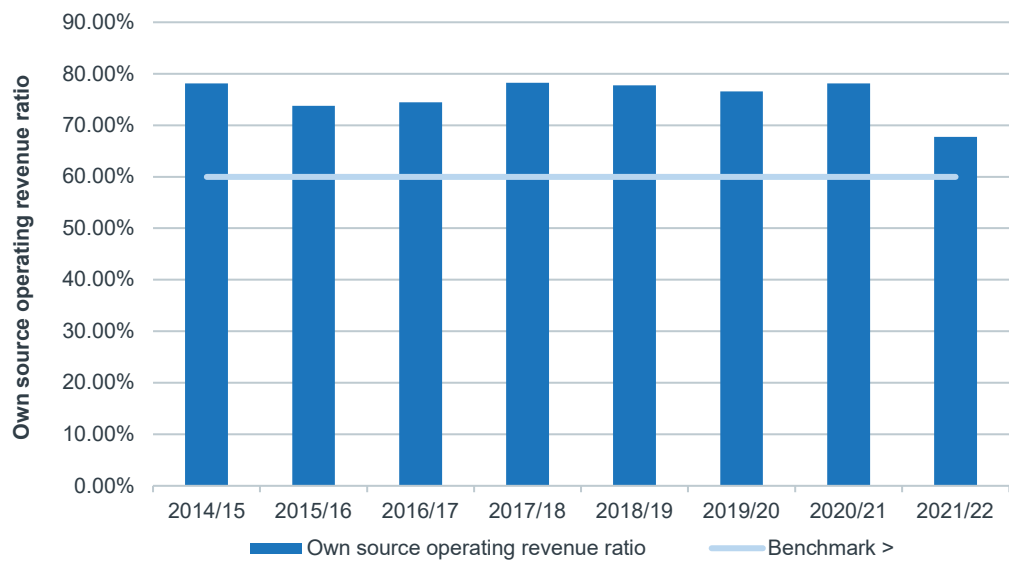
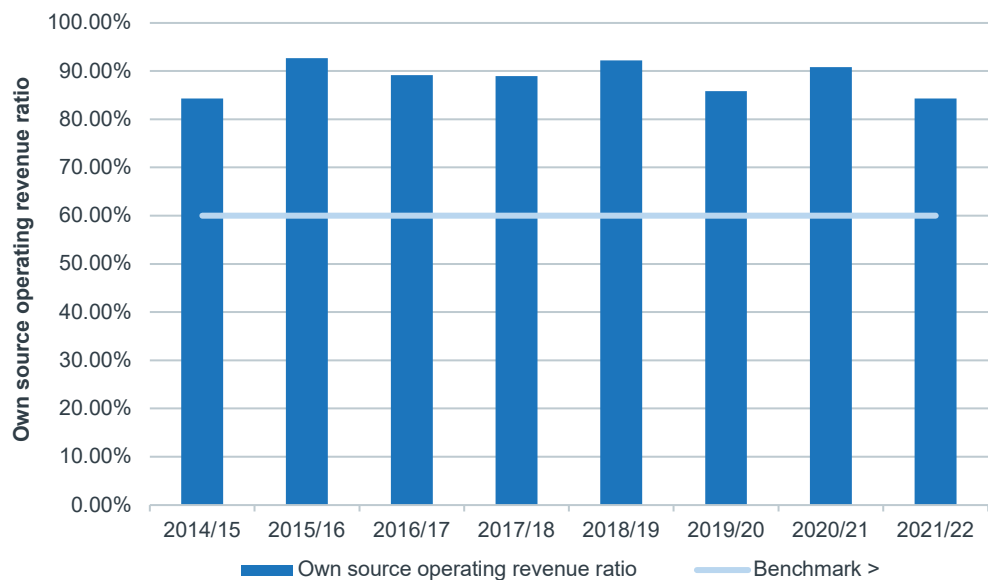


Figure 15 Own Source Operating Revenue – General Fund



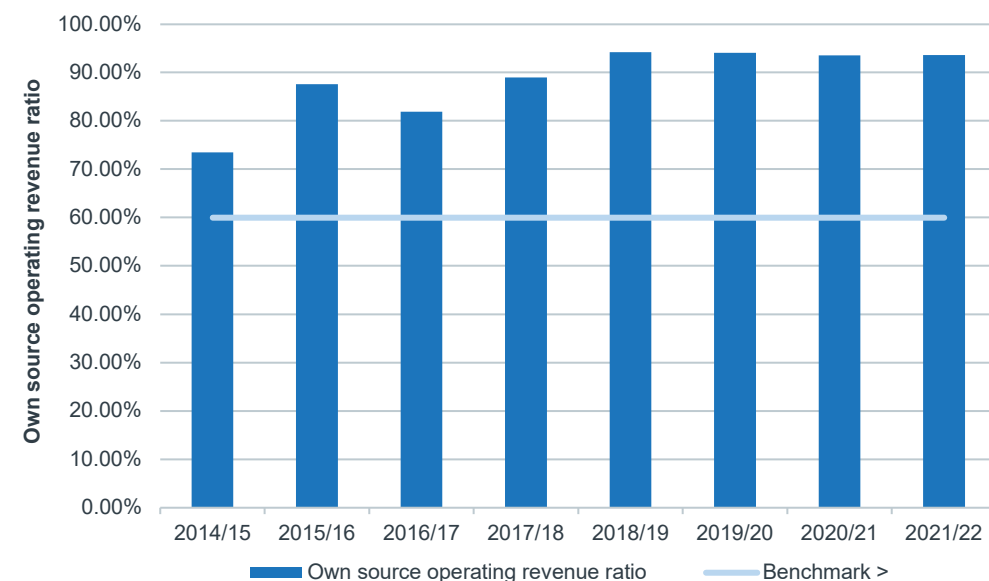
Source – Council Published Financial Statements

Figure 16 Own Source Operating Revenue – Water Fund



Source – Council Published Financial Statements

Figure 17 Own Source Operating Revenue – Sewer Fund



Source – Council Published Financial Statements

Unrestricted Current Ratio

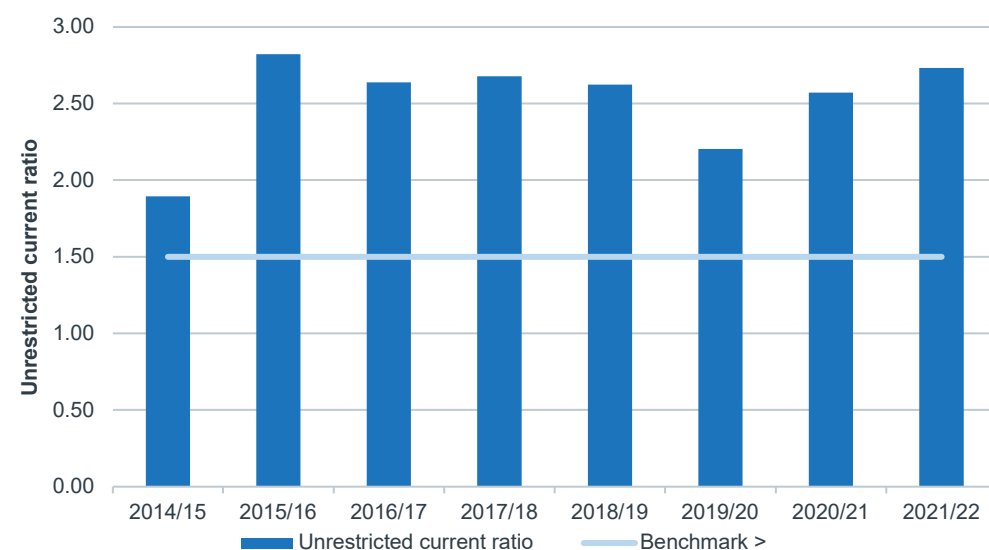
The purpose of this ratio is to assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council. Benchmark been greater than 1.5.

Council has met this benchmark through all its fund and financial years with the exception for General Fund in 2014/15. Since then, Council has improved its performance and maintain a higher level of current assets over its current obligations or liability.

It should be noted that Council funds carried over capital works from previous year from the residual unrestricted cash available as at the end of the previous year. This results in minimal unrestricted cash available to mitigate risk to budgets and unforeseen events effecting services that are within the General Fund.

It should also be further noted that the adequacy of internal and external reserves will be further assessed as to whether the reserves are sufficient to address the infrastructure investments required for both asset renewals and investment in new assets to meet growth requirements.

Figure 18 Unrestricted Current Ratio – Consolidated



Source – Council Published Financial Statements

Figure 19 Unrestricted Current Ratio – General Fund

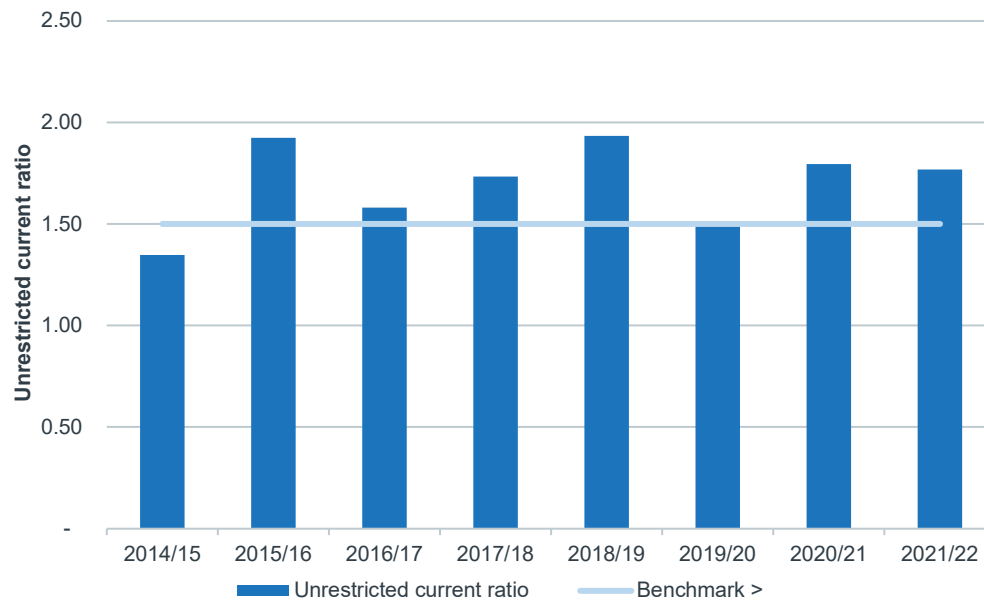


Figure 20 Unrestricted Current Ratio – Water Fund

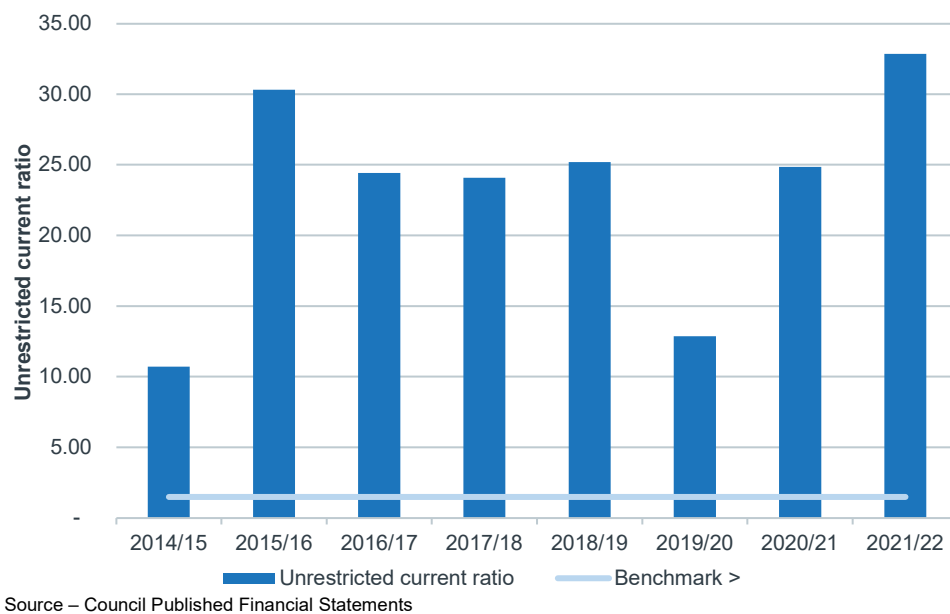
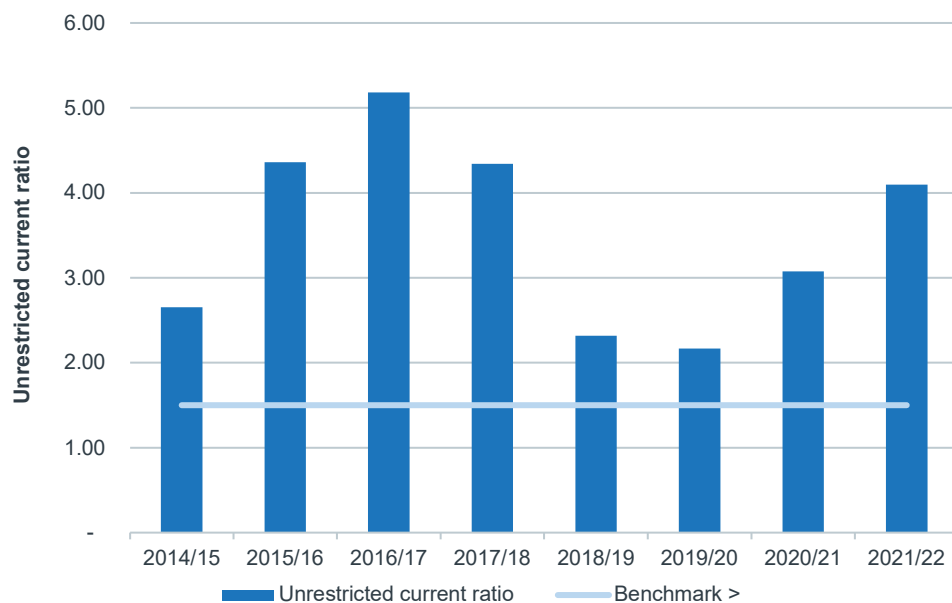


Figure 21 Unrestricted Current Ratio – Sewer Fund

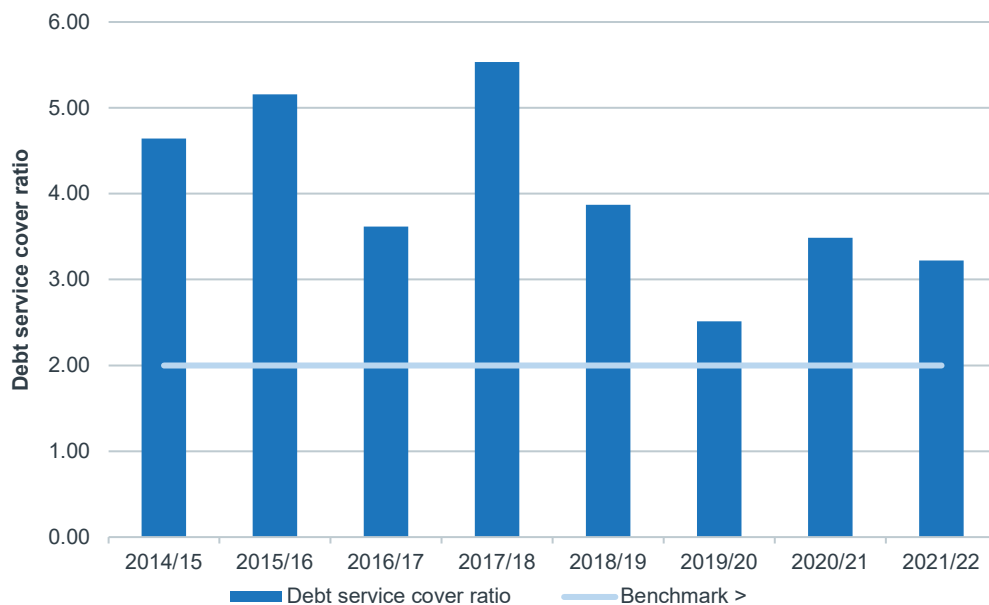


Source – Council Published Financial Statements

Debt Service Cover Ratio

The rationale of the debt service cover ratio measures the availability of operating cash to service debt including interest, principal, and lease payments. Council has at a consolidated level met the benchmark of 2.00. The lowest ratio was in 2019/20 at 2.51, which was due to the impact of the Bushfire and COVID 19 during the year which impacted Council's operating cash. However, Council was still able to generate sufficient cash to cover its debt with a ratio of 2.67 higher than the benchmark of 2.00.

Figure 22 Debt Service Cover Ratio – Consolidated



Source – Council Published Financial Statements

AVAILABILITY OF CASH

The following sections provide analysis of Council's historical performance in generating and using cash for operating, investing, and financing activities. Council does not report a cashflow by fund type in the financial statements and therefore the following analysis is on a consolidated basis.

Consolidated Cashflow

Table 7 below outlines the reported consolidated cashflows for financial years from 2014/15 to 2021/22 and the two preceding years of budgets. The cash generated from operating activities fluctuated significantly over the period, most notably due to grants and contributions. The fluctuations in grants received differs from the Income Statement due to a change in accounting standards (reflected from 2019/20 onwards) that require Council to recognise the grants provided for specific purposes to be aligned with the delivery of the service or asset acquisition that the grant has been provided for. In the Statement of Cashflows, the grant is recognised when received. It is therefore important that Council accounts for grants within constrained reserves to ensure the cash received is quarantined for the purposes of the grant.

Total cash, cash equivalents and investments increased in the first four years till 2017/18 and then fluctuated over the other four-year period. This has been further analysed to identify which funding types and what service areas have accumulated cash and what is the unrestricted component of the cash that Council has accumulated.

Figure 23 highlights the consolidated cash flows for operating, investing, and financing activities. Both the cash flows generated from operating activities and the cash flows used in investing activities fluctuate. The fluctuation is due to grant funding received and used in investment in assets, as well as the annual completion of other investments in the annual capital works plan.

Figure 24 highlights what proportion of the cash that has been accumulating is managed from within readily accessible cash accounts (cash & cash equivalent) and what is used in investments – investments return a higher return than cash within readily accessible bank accounts. Forward planning of the use of Council's cash enables the interest earned from cash to be maximised by investing responsibly. Investments have increased from \$111.6 million at the end of 2014/15 to \$175.8 million at the end of 2021/22.

Table 7 Statement of Cash Flows - Consolidated

[illegible]

STATEMENT OF CASH FLOWS – CONSOLIDATED	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash provided (or used in) investing activities	(67,644)	(84,213)	(107,923)	(151,610)	(100,289)	(101,209)	(98,834)	(136,087)	(171,105)	(182,681)
Cash Flows from financing activities										
<i>Receipts:</i>										
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	7,873	9,724	50,750	59,262	9,875	-	50,457	2,601	55,895	18,356
Other financing	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Repayment of borrowings and advances	(9,788)	(9,484)	(14,351)	(9,484)	(12,149)	(13,764)	(13,595)	(17,517)	(18,844)	(19,098)
Principal component of lease payments	-	-	-	-	-	8	-	-	-	-
Other financing	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	(1,915)	240	36,399	49,778	(2,274)	(13,756)	36,862	(14,916)	37,051	(742)
Net increase/(decrease) in cash and cash equivalents	8,706	3,017	26,143	9,203	(9,448)	(34,975)	27,862	(23,329)	37,275	(66,365)
Cash and cash equivalents - beginning of year	14,237	22,943	25,960	52,103	61,306	51,858	16,883	44,745	21,416	89,208
Cash and cash equivalents - end of the year	22,943	25,960	52,103	61,306	51,858	16,883	44,745	21,416	58,691	22,843
Investments on hand - end of year	111,634	139,763	152,949	160,192	158,711	171,368	174,775	175,778	105,778	105,778
Total cash, cash equivalents and investments	134,577	165,723	205,052	221,498	210,569	188,251	219,520	197,194	164,469	128,621

Source – Council Published Financial Statements

Figure 23 Cash Flows for Operating, Investing and Financing Activities - Consolidated

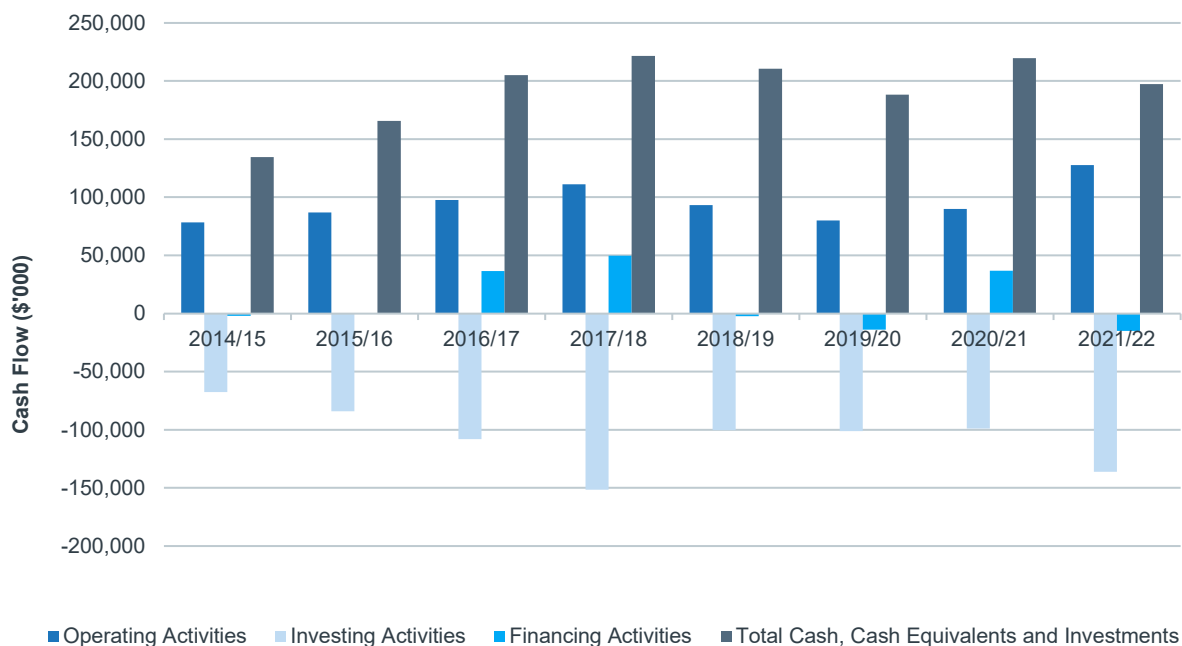
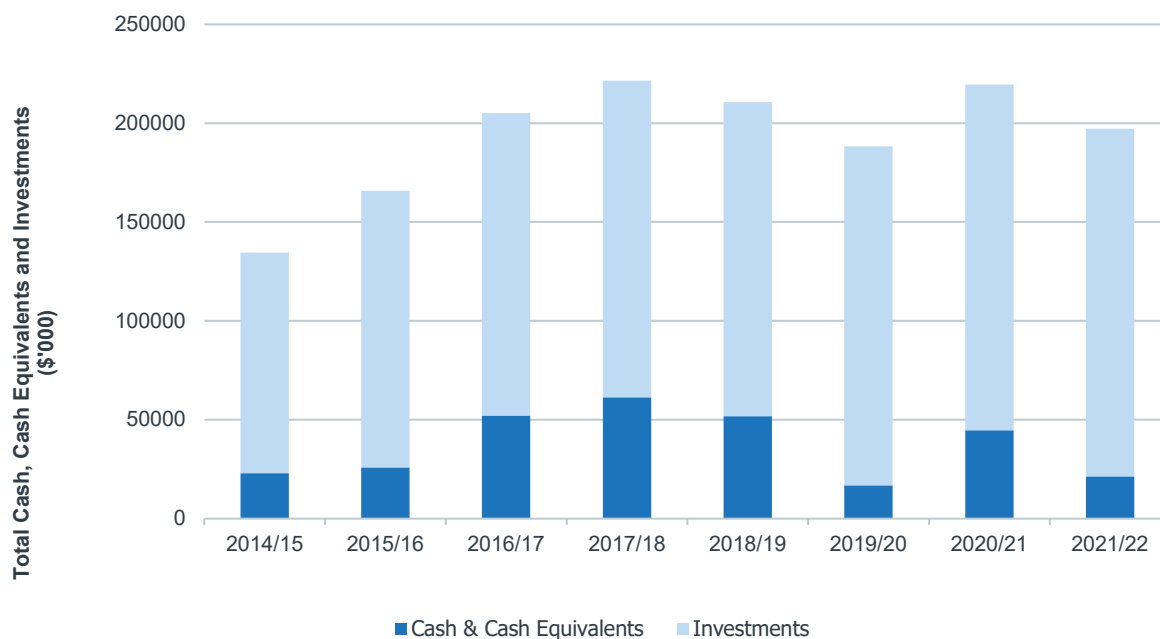


Figure 24 Total Cash and Investments at end of financial year - Consolidated



Cash restrictions

Table 8 below outlines the balance of cash held within the different reserves and what cash is unrestricted.

Table 8 Cash Reserves – Consolidated – as at 30 June 2022

	2021/22 \$'000
Externally Restricted – Liabilities	
Specific purpose unexpended loans - general fund	12,636
Self-insurance claims	4,048
Specific purpose unexpended grants - general fund	30,239
Specific purpose unexpended grants - water fund	583
Specific purpose unexpended grants - sewer fund	520
External restrictions - included in liabilities	48,026
Externally Restricted – other	
Developer contributions – general	18,145
Developer contributions – water	19,148
Specific purpose unexpended grants (recognised as revenue) – general fund	612
Water fund	35,460
Sewer fund	30,661
Stormwater management	233
Other special levies	341
Domestic waste management	8,774
External restrictions – other	113,374
Internally Restricted	
Art collection	48
Coastal management	392
Committed capital works	1,140
Communication towers	4,431
Critical asset compliance	480
Deposit, retentions & bonds	4,862
Dog off leash	91
Economic development projects	637
Employees leave entitlements	5,881
Financial assistance grant	3,904
General insurance	208
Jervis Bay territory	93
Land decontamination	19
Land development reserve	-
Plant & vehicle replacement	4,138
Plant replacement cemeteries	1,224
Renewal energy reserve	100
S7.11 matching funds	311
S7.11 recoupment funds	3,261
Shoalhaven foreshore development	1,097
Sporting facilities	-
Strategic projects	867
Strategic property acquisitions	-
Total internal allocations	33,213
Total internal and external restrictions	194,613
Total cash, cash equivalents and investments	197,194
Externally restricted cash	113,374
Internally restricted cash	33,213
External restrictions - included in liabilities	48,026
Unrestricted and unallocated cash, cash equivalents and investments	2,581

Source – Council Published Financial Statements

At the end of 2021/22, Council had total cash, cash equivalents and investments of \$197.2 million, of which \$113.4 million is externally restricted, \$33.2 million is internally restricted and a further \$48.0 million is held in reserve for commitments in reported liabilities (mostly contracted grant liabilities). The residual amount of \$2.6 million is considered unrestricted.

Internal reserves have been created by historical Council resolutions. Council should review its internal reserves at least on an annual basis for its relevance

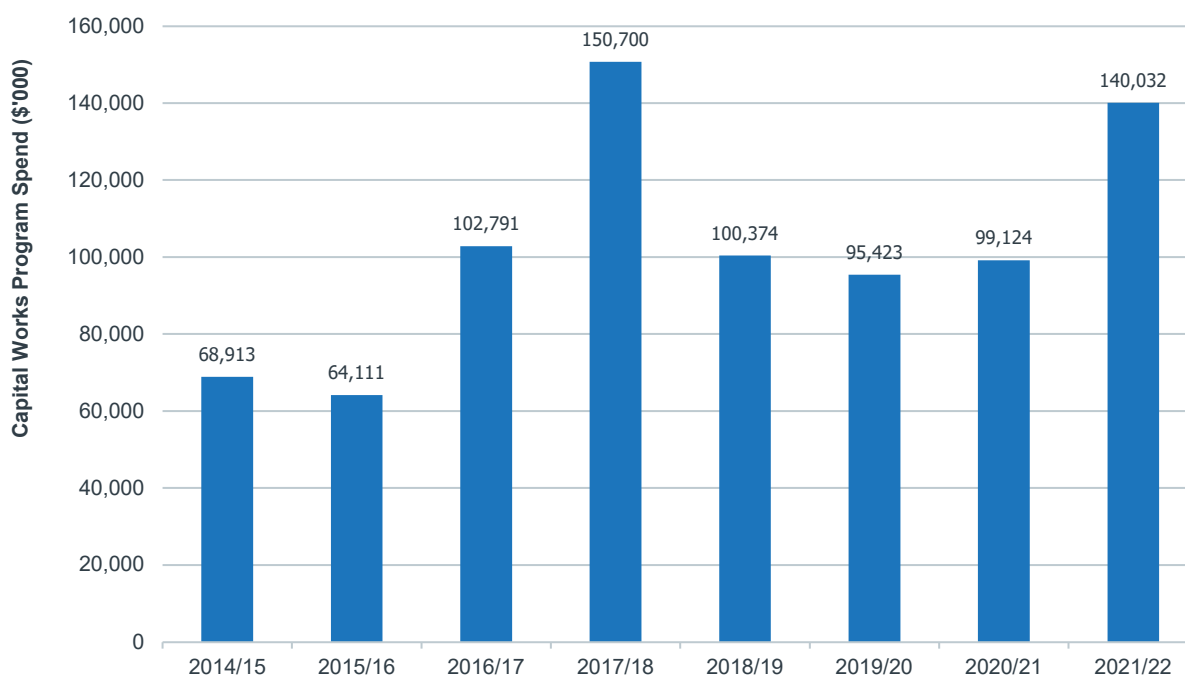
INVESTMENT IN ASSETS

The following sections outline Council's historical approach to investing in assets and performance measures achieved. Asset management component of the project will be revaluated in more detail through the course of the project. Asset management is a core discipline and an essential management approach to ensuring Council's investment in assets delivers on both the sustainability of physical assets and fiscal capital (that is, Council's ability to access cash). The following analysis outlines Council's current approach to asset management, followed by analysis of Council's performance of investing in assets by fund type.

Capital Works Spend

Shoalhaven City Council has spent in total \$821.5 million over eight years on capital expenditure, an average of \$102.7 million annually.

Figure 25 Capital Program Spend – Consolidated



Source – Annual Financial Statements

Performance Measure – Building and Infrastructure Renewals Ratio

Figure 26 above outlines the Council's consolidated historical performance based on the building and infrastructure renewals ratio. The ratio is calculated by the value of asset renewals on buildings and infrastructure divided by the depreciation of buildings and infrastructure. If the ratio is above 100%, the cost of renewals in the financial year exceeds the estimate of the value of the assets consumed within the year (that is, depreciation expense). Over the long term, the average building and infrastructure renewal need to be at least 100% to indicate that Council is replacing assets at the same rate as the assets are being consumed. The ratio will only be accurate if the calculation of annual depreciation expense materially reflects actual consumption.

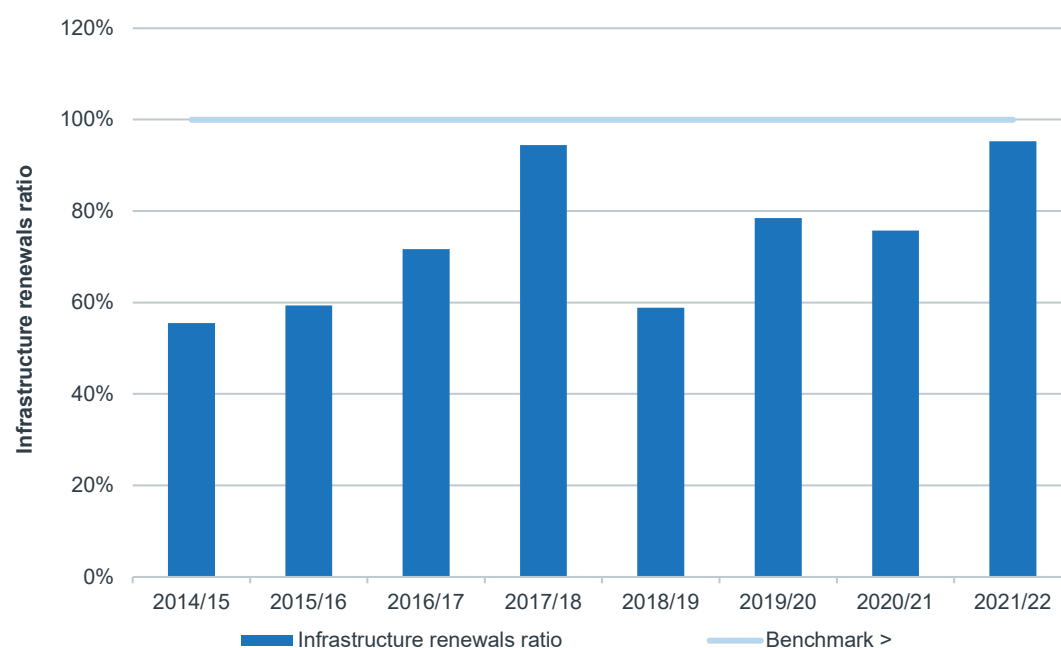
The building and infrastructure renewals ratio indicated that Council has spent less on building and infrastructure asset renewals than its forecast depreciation of buildings and infrastructure assets.

Shoalhaven City Council has not met this ratio over the past eight years whereby indicating that the renewal of building and infrastructure assets are less than the depreciation (or consumption) of assets. If a majority of Council's assets are new, and in early years of life, that may not be a problem. However, if the majority of assets are in later years of life than the renewal ratio is an indication of a significant underinvestment in asset renewals and an increase in the backlog of renewals would be expected (deferring the need to fund the treatments in future years).

It should also be noted, if renewal treatments are required to protect other asset components, such as reseals and roof replacements, deferring the renewal treatment increases the risk of early deterioration of the other asset components, which typically result in a

significantly higher cost – for example, water penetrating into the pavement of the road and requiring rehabilitation of the pavement which is approximately \$200/m2 compared to reseal at approximately \$8-10/m2.

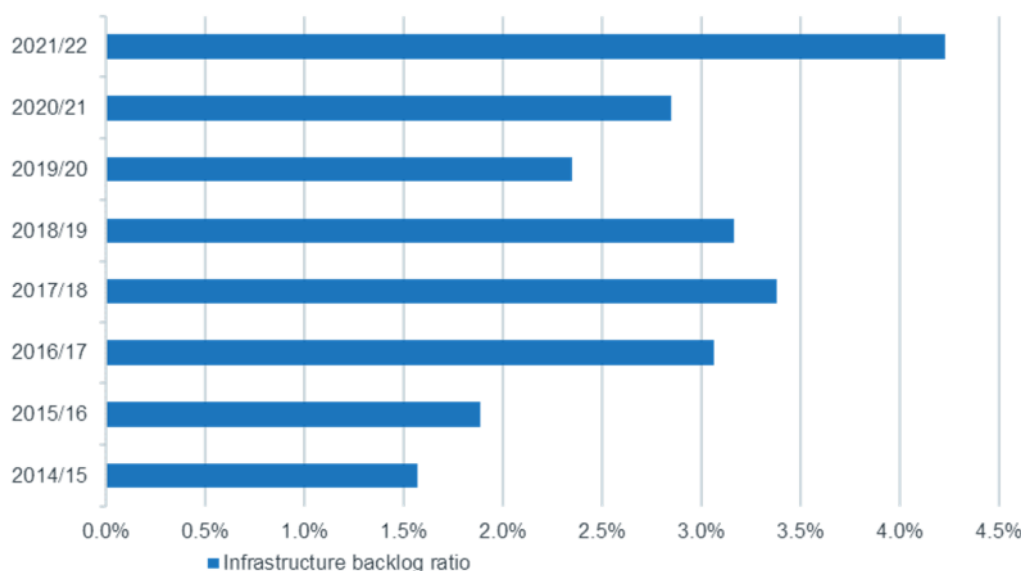
Figure 26 Building and Infrastructure Renewals Ratio – Consolidated



Source – Annual Financial Statements

Performance Measure – Infrastructure Backlog Ratio

Figure 27 Infrastructure Backlog Ratio – Consolidated



Source – Annual Financial Statements

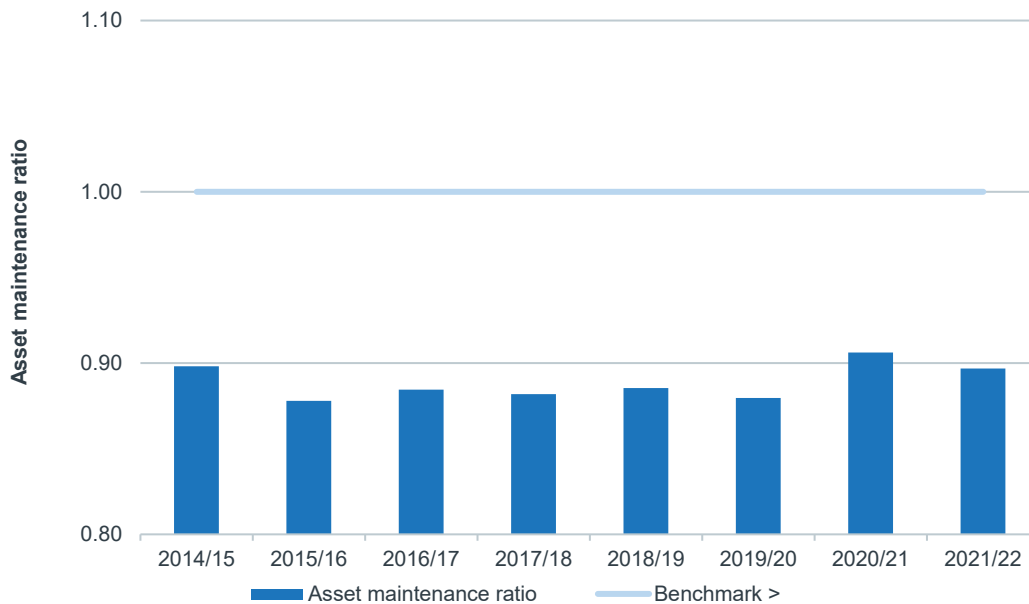
The infrastructure backlog ratio is calculated by dividing the total estimated cost to bring assets back to satisfactory standard by the total gross replacement cost of assets. A target of below 2% is the established industry benchmark. The reported ratio for Council has fluctuated across the previous five financial years, most likely due to a difference in the measurements used rather than being indicative of the investment made to reducing the actual backlog.

Shoalhaven in the past six years of the eight financial years assessed has not met this performance measure as it has been over 2%. 2021/22 financial year been the worst with 4.22%.

The accuracy of the performance reported depends upon how accurate the Council has been in estimating the cost of the backlog.

Performance Measure – Asset Maintenance Ratio

Figure 28 Asset Maintenance Ratio – Consolidated



Source – Annual Financial Statements

The asset maintenance ratio is calculated by dividing the actual maintenance spend for the reported financial year by the total cost of planned asset maintenance (as outlined in the Asset Management Plans). Figure 3.27 indicates that the Council's actual expenditure on maintenance has been reasonably consistent with the planned maintenance.

Shoalhaven City Council again is below the industry performance measure of 1.0, indicating that Council's actual asset maintenance is below the planned asset maintenance as stated in Council's Asset Management Plans.

KEY FACTORS CONTRIBUTING TO THE HISTORICAL FINANCIAL PERFORMANCE

This section outlines the factors that most likely have contributed to the historical financial performance of the Council.

A Structural Operating Deficit

Shoalhaven City Council has produced operating deficits in its General Fund over the past eight years with forecast showing a further deterioration of the operating result. It is predicted that the structural deficit within the General Fund whereby the recurrent revenue is not able to fund the recurrent expenditure is around the \$25-\$35 million.

Growing Gap Between Operating Revenue and Operating Expenditure

Not dissimilar to many other NSW rural councils, Council has experienced in recent years a growing gap between operating revenue and operating expenditure. The growth in the cost base of current services provided has exceeded the growth in revenue.

The growth in the cost base is due to several factors including:

- Growth in service demand
- Growth in levels of services (improvements to the range and quality of the services provided)
- New and upgraded assets (related to growth in levels of service) increasing operational costs and depreciation expense.
- Increased regulatory responsibilities imposed upon Council.
- Cost shifting – as outlined in the biannual LGNSW report - "The Impact of Cost Shifting on NSW local government: A Survey of Councils".

Rate-pegging has limited the ability of the Council to increase its rating revenue to support increasing operating expenditure arising from escalating costs, increased depreciation, and cost-shifting.

Limited asset management maturity across the organisation has also been a contributing factor to a reactive rather than planned approach to asset expenditure resulting in less-than-optimal asset maintenance costs. Generally, a heavy reliance upon reactive approach to asset maintenance can cost a Council up to 3.5 times the cost of planned maintenance, and up to 5 times for breakdown maintenance – and often the cost-of-service disruption is not reflected in the estimates of maintenance costs.

Benchmarking with similar councils has indicated that the growing gap between operating revenue and expenditure experienced historically, and especially in recent years, is an industry wide issue rather than a challenge unique to Shoalhaven City Council.

While improvements to the efficiency and productivity of service delivery will assist in closing the gap between revenue and costs, there is a need for Council to significantly increase the revenue generated from operations. Given the quantum of the correction required – as outlined further in this report - this will need to be predominantly through increases in the general rate revenue to improve the operation performance of the General Fund.

Lower Rating Revenue Comparable to Neighbouring Councils

Council has a lower average rate for residential and business rating categories comparable to neighbouring Councils. While each Council is different, and it is difficult to compare levels of service, a general comparable lifestyle is offered by Shoalhaven compared to neighbouring Councils (such as Shellharbour) but provided from a lower comparable rate base. It could also be argued that the road network and coastline that Shoalhaven is required to provide and maintain is greater than other comparable Councils, placing further cost pressures on a comparable smaller rate base.

Increase in Borrowings

The council has in recent financial years increased the use of borrowings, increasing the interest expense and the requirement for repayment of the borrowings. It is acknowledged that the Council implemented an intentional borrowing program to take advantage of low interest borrowings with the intention to address capital works requirements. However, this was only one component of the borrowings entered, with a substantial increase in borrowings placing additional pressure on the sustainability of the General Fund in particular.

Increase in the Cost of Asset Ownership

Through the acquisition of new and upgraded assets the Council has increased the annual cost of ownership, including operating costs, maintenance, and depreciation expense. The increase in the cost of asset ownership is expected to continue through the delivery of the 2023/24 Operational Plan and future planned capital works program.

In the current 2023/24 Budget there is a total of \$249.5 million in capital works, of which \$119.5 million of expenditure is on new assets and \$5.8 million of expenditure is on upgraded assets.

In the current adopted Long -Term Financial Plan, across the 2024/25 and 2025/26 financial years Council is planning to add an additional \$117.2 million in new and upgraded assets.

Additional cost of asset ownership through new and upgraded assets, without an adequate increase in revenue generated from the project, is a significant contributor to the underlying operating deficit for Council.

SCENARIO PLANNING

The following scenarios have been developed to forecast Council 10-year financial position:

1. Scenario One - Base Model

The Base Model (Scenario One) is a planned approach to the continued delivery of services and provision of infrastructure based on a revenue base that does not increase the general rates income above the projected rate peg (as set by IPART) and current service charges only increasing each year by the projected annual indexation.

The capital works program, being constrained by the cash generated from operations (including rates, grants, and charges) and financing (borrowings) activities, is below what is necessary to maintain the current levels of service provided by the infrastructure. Assets such as roads, buildings and stormwater are expected to deteriorate over time, requiring future Councils to make decisions on rationalisation of assets when assets begin to fail. This is not considered to be a sustainable approach over the long term.

2. Scenario Two - Enhanced Asset Investment – One Year Special Rate Variation (SRV)

The Enhanced Asset Investment – 1 Year SRV (Scenario Two) entails an increased commitment to investing in the renewal and replacement of assets. This higher level of investment is strategically designed to ensure the sustained functionality of our assets, while also factoring in the present capacity of Council. There is a substantially increased investment in roads, to address part of the backlog, as well as increased investment in buildings, stormwater, footpaths, open space, and maritime assets over the 10 years.

The Scenario Two is presumed to be funded through the introduction of a special rate variation in general rates, increasing the general rate in year 1 by 32% including the rate peg (a permanent increase) and general rate increase in the following years returning to the projected rate peg approved by IPART.

To guarantee that Council possesses the necessary financial resources to effectively respond to various disasters and unforeseen emergencies, there was a sustainable target of \$15 million set for unrestricted cash. Keeping the community at the forefront of everything we do, this decision serves as a financial safety net, ensuring that we have the financial capacity to execute timely responses, support affected communities, and provide vital services when they are most needed. While this results in a reduced investment in year 1 for buildings and open space, investment in these areas increases in year 2 to balance this.

The current investment in water and sewer assets continues in this scenario, however it will be important for this to be reviewed in detail, to ensure that the current pricing model enables adequate infrastructure investment to maintain the existing levels of service into the future.

3. Scenario Three - Enhanced Asset Investment – Three (3) Years SRV

The Enhanced Asset Investment – 3 Year SRV (Scenario Three) entails an increased commitment to investing in the renewal and replacement of assets, as identified in Scenario Two, however this investment does not occur to the same level in the first few years, due to the reduced funding assumptions.

The Enhanced Asset Investment – 3 Year SRV scenario is presumed to be funded through the introduction of a special rate variation in general rates increasing the general rate over 3 years including the rate peg, 18% in year 1, 13% in year 2, and 8% in year 3, (a permanent increase year on year) and then returning the general rates increase to the projected rate peg approved by IPART.

In addition to the reduction of investment in both buildings and open space in year 1, an investment reduction across asset classes spanning the first 2-3 years is required. This reduction is temporary, with increased investment in later years, but initially affects transport assets (kerb & gutters, roads, footpaths), coastal management programs, Council's depots & administration buildings, library resources, and office furniture. There is an element of risk in the initial years of this scenario, and Council will develop mitigation plans to reduce this where possible.

This scenario does enable increased investment in outer years, above that provided in Scenario Two, especially in roads, bridges, stormwater, and open space.

As with Scenario Two, the current investment in water and sewer assets continues in this scenario, however it will be important for this to be reviewed in detail, to ensure that the current pricing model enables adequate infrastructure investment to maintain the existing levels of service into the future.

SPECIAL RATE VARIATION FACTS

Shoalhaven City Council completed an independent Financial Sustainability Review, completed by AEC Group, and has now resolved to proceed with the preparation of an application to the Independent Pricing and Regulatory Tribunal (IPART) to raise the general rate as outlined below.

Council is considering the following options to implement the increase in general rate revenue:

Table 9 Cumulative Rates Impact by Scenarios

Options Being Considered	2024/25	2025/26	2026/27	Cumulative Increase
Base Case – Assumed Rate Peg Only	3.0%	3.0%	3.0%	9.27% (over three years)
Option 1 – One Year SRV (including rate peg)	32.0%	3.0%	3.0%	40.04% (over three years)
Option 2 – Three Year Staged SRV (including rate peg)	18.0%	13.0%	8.0%	44.01% (over three years)

Source: Council (unpublished)

How Much More Revenue Will Council Receive?

The table below outlines the additional revenue Council will receive in 2024/25 and increase from cumulative increases for the following 2025/26 and 2026/24 financial years.

Table 10 Summary of Proposed Scenarios

3-Year Comparison of Cash Generated by Scenario		2023/24	2024/25	2025/26	2026/27
Rates and annual charges (General Fund Only) - \$'000s					
Base Scenario	90,820	93,541	96,344	99,231	
Option One	90,820	120,327	123,941	127,663	
Options Two	90,820	107,396	121,562	131,414	
Cumulative Increase as a Percentage Compared to 2023/24					
Base Scenario		3.0%	6.1%	9.3%	
Option One		32.0%	36.0%	40.0%	
Option Two		18%	34%	44.0%	
Increase in Cash Generated from General Rates Compared to 2023/24 - \$'000s					
Base Scenario		2,721	5,524	8,411	
Option One		29,507	33,121	36,843	
Options Two		16,576	30,742	40,594	

Source: Council (unpublished)

What is the impact of the SRV on my rates?

The following tables show the impact of implementing the SRV on the average rates by rate category.

Table 11 Impact on Average Ratepayers by Rating Category

Base Case	2023/24 Average Rate	2024/25 Average Rate	2025/26 Average Rate	2026/27 Average Rate	Cumulative increase % from 2023/24
Residential	\$1,459.40	\$1,503.18	\$1,548.27	\$1,594.72	9.27%
Residential Non-Urban	\$126.65	\$130.45	\$134.36	\$138.39	
Farmland	\$2,983.38	\$3,072.88	\$3,165.06	\$3,260.02	
Farmland - Dairy Farmers	\$2,196.64	\$2,262.54	\$2,330.42	\$2,400.33	
Business – General	\$41.68	\$42.93	\$44.22	\$45.55	
Business – Nowra	\$4,472.78	\$4,606.97	\$4,745.18	\$4,887.53	
Business - Commercial/Industrial	\$2,371.16	\$2,442.29	\$2,515.56	\$2,591.03	

Option 1 – One Year SRV		2024/25 Average Rate	2025/26 Average Rate	2026/27 Average Rate	Cumulative increase % from 2023/24
Residential	\$1,459.40	\$1,926.40	\$1,984.20	\$2,043.72	40.0%
Residential Non-Urban	\$126.65	\$167.18	\$172.19	\$177.36	
Farmland	\$2,983.38	\$3,938.06	\$4,056.20	\$4,177.88	
Farmland - Dairy Farmers	\$2,196.64	\$2,899.56	\$2,986.55	\$3,076.15	
Business – General	\$41.68	\$55.02	\$56.67	\$58.37	
Business – Nowra	\$4,472.78	\$5,904.08	\$6,081.20	\$6,263.63	
Business - Commercial/Industrial	\$2,371.16	\$3,129.93	\$3,223.83	\$3,320.54	

Option 2 – Three Year SRV		2024/25 Average Rate	2025/26 Average Rate	2026/27 Average Rate	Cumulative increase % from 2023/24
Residential	\$1,459.40	\$1,722.09	\$1,945.96	\$2,101.64	44.0%
Residential Non-Urban	\$126.65	\$149.44	\$168.87	\$182.38	
Farmland	\$2,983.38	\$3,520.38	\$3,978.03	\$4,296.28	
Farmland - Dairy Farmers	\$2,196.64	\$2,592.04	\$2,929.00	\$3,163.32	
Business – General	\$41.68	\$49.19	\$55.58	\$60.03	
Business – Nowra	\$4,472.78	\$5,277.89	\$5,964.01	\$6,441.13	
Business - Commercial/Industrial	\$2,371.16	\$2,797.97	\$3,161.70	\$3,414.64	

Source: Council (unpublished)

PLANNING ASSUMPTIONS

Council Revenue

The major sources of revenue for councils are:

- Rates and Annual Charges
- User Charges & Fees
- Grants & Contributions
- Investment Revenue
- Other Revenues

Rates and Annual Charges

Ordinary Rates

Council major source of operating income is via the levying of rates. Section 492 of the Local Government Act 1993 provides two types of rates: Ordinary rates and Special rates.

By virtue of section 494 of the Act, Council is required to make and levy an ordinary rate for each year on all rateable land in its area. This is a mandatory requirement. Land is rated based upon the use of that land or the zoned use of that land. There are four main rating categories, within which Council can create additional sub-categories. The four broad categories provided by Section 493 of the Act are:

- Farmland
- Residential
- Business
- Mining

All rateable land is classed within one of the four categories unless it is deemed non-rateable, such as a church or school or similar institution, as specified in the Local Government Act.

Special Rates

Council has discretion to levy special rates. Special rates must be made pursuant to section 495 of the Local Government Act 1993 but may be levied under either section 495 or the provisions of Division 2 of Part 5 of Chapter 15 of the act.

Shoalhaven City Council in accordance with Section 501 of the Local Government Act 1993, has proposed to levy an annual charge on:

Special Category Rates – Sussex Inlet CBD Promotion

Council has maintained a special category rate for 2023/24 for the promotion of Sussex Inlet, pursuant to Section 495 of the Local Government Act 1993. The structure of this special rate is an ad valorem rate only, levied on the land value of each rateable property, as supplied by the NSW Valuer General. The Sussex Inlet special rate applies to all properties within the Sussex Inlet area that are categorised as Business for rating purposes.

Resolving Small Lot Rural Subdivisions (Paper Subdivisions)

Council also levies a number of special rates, pursuant to Section 495 of the Local Government Act 1993, on all small lot rural subdivisions (Residential Non-Urban rating category), which in Council's opinion will benefit from rezoning investigations, road design and construction works.

The proposed 2023/24 Special Levies as per Council's Operational Plan is yielding approximately \$468,605 levied on 376 properties.

Rate Pegging

The limitation on rates income is set by the Independent Pricing and Regulatory Tribunal (IPART). This limitation is known as Rate Pegging and involves a percentage cap on the income raised from ordinary and special rates from one year to another. It is important to note that this limit (in the form of a percentage cap) does not apply to an individual's rate levy but rather the total rate levies raised from ordinary and special rates. IPART advises Councils of the allowable rate increase in December each year for the coming financial year.

The proposed rate pegging increase for Shoalhaven City Council is 3.5%, which is applied to the total rate yield. It is also important to note that the Valuer General's office has also issued new land valuations which will be applied in levying rates from 1 July 2023.

Special Rate Variation (SRV)

Council can apply for a Special Rate Variation under section 508A of the Local Government Act 1993, should Council and community adopt an approved program of works funded by the levy.

A Special Rate Variation, if approved, overrides the rate pegging limit.

As stated in the Scenarios outlined above, Council is in principle is intending to apply for a SRV in 2024/25 financial year to correct Council's recurrent financial position.

User Charges & Fees

In accordance with Sections 496, 501 and 502 of the Local Government Act 1993, Council can charge for the provision and use of sewerage, water, and domestic waste services. Council aims to set user charges and fees at a full cost recovery rate.

The Local Government Act 1993 requires that Domestic Waste Management Charges must reflect the actual cost of providing this service.

Sewerage Charges

The base charge for a sewer connection will continue to increase as required to support ongoing capital works programs.

The sewer availability charge for a residential premise is based on a common service connection and discharge to the system, regardless of the size of the connection.

The sewer availability charge for commercial and non-strata properties is based on the proportional size of the water meter service connection and discharge to the system.

Sewer charges include a two-part tariff structure (availability and usage) for commercial customers together with trade waste charges, if applicable.

Water Charges

Pricing strategies and water tariffs are modelled to:

- Generate sufficient income to ensure full cost recovery and maintain the long-term financial viability of the business and aim to recover at least 75% of revenue from customers in the residential category from the water usage charge.

A residential two-part tariff which encompasses a usage charge, and a fixed availability charge is applied as applicable. This pricing tariff accords with the most recent NSW Department of Planning & Environment Water Pricing Guidelines.

Waste Management Charges

All rateable properties categorised as residential for rating purposes, and comprising of a building which is deemed to be a dwelling and located within the defined (urban) waste collection area are required to pay an annual charge of \$468 for the availability of a standard Domestic Waste Management Service (Section 496(1) of the Local Government Act).

GST is not applicable to the domestic waste management service.

Domestic Waste Management Service means services comprising the periodic collection of domestic waste from individual parcels of rateable land and services that are associated with those services.

- The standard domestic waste collection service comprises of one 120 litre mobile garbage bin (MGB) for landfill waste and one 240 litre MGB for recycling. The landfill bin is collected weekly and recycling bin is collected fortnightly.
- For a higher annual charge of \$810, the 120-litre landfill bin may be substituted for a large 240 litre landfill bin.
- For a lower annual charge of \$356, the 120-litre landfill bin may be substituted for a small 80 litre landfill bin.

Properties commencing a service part way through the year (e.g., new houses) and services commencing part way through the year will be charged on a pro rata basis.

The service also includes a subsidised on-call “user pays” collection service for garden organics waste and bulky waste. The service is subsidised by the Rural Domestic Waste Management service with user charges payable directly to Council.

The service allows free access to the annual household chemical drop off service, the provision of two “no charge” Domestic Waste Vouchers per year and the provision of two “no charge” Green Waste Vouchers per year. The recycling and waste depots are also provided as a service to cater for those domestic wastes that cannot be handled by the collection service.

Statutory Charges

Council has no discretion to determine the amount of a fee for service when the amount is fixed by regulation or by another authority. Examples of statutory fees include development assessment fees and planning certificates.

Most statutory charges do not increase annually in line with CPI, however for the purposes of financial modelling these fees are assumed to increase in line with CPI over the long term.

Other Fees

User fees and charges include library fees (photocopying, binding etc.), fees for use of Council facilities (hall hire etc.) and fees for private works undertaken.

Grants & Contributions

Council has assumed recurrent grant revenue will continue with an increase determined by projected CPI.

The Financial Assistance Grant is calculated using a formula that considers the population of the Local Government areas, road lengths and other factors. Given the complexity of the formula, Council has assumed that these grants will increase in line with the forecast CPI in the budget year.

Projecting 2024/25 onwards, Council has also made some assumptions on maintaining a relevant amount of capital grants and contributions. The standard roads to recovery and other roads infrastructure grants are taken at CPI adjusted and a moderate application of other non-recurrent infrastructure grants.

Investment Revenue

Council has a fiduciary and legislative responsibility to manage public monies in a prudent and diligent manner. The Investment Policy sets the tone and expectations of Council and establishes guidelines and parameters for management and relevant staff.

Council's investment strategy is to undertake investment of surplus funds, maximising earnings. Investments are limited to those allowed by the most current Ministerial Investment Order (2011) that has been issued by the NSW Minister for Local Government, which safeguards the security of Council funds.

Council also aims to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the early redemption of an investment.

Forecast returns on Council's investment portfolio are based on current actual year average return plus a small margin to reflect strategic investments in longer-term investment products.

Council has assumed a conservative average 4.0% return on investment in 2024/25. The table below provides the different interest rates applied for forecast purposes:

Table 12 Interest Rate applied.

Type	Interest Rate
Interest on outstanding rates	6.00%
Interest on cash balance	1.50%
Interest on investments	4.00%
Interest on outstanding water utility charges	6.00%
Interest on cash balance	1.50%
Interest on investments	4.00%
Interest on outstanding sewer utility charges	6.00%
Interest on cash balance	1.50%
Interest on investments	4.00%
Interest on cash balance	1.50%
Interest on investments	4.00%
Developer contributions – water fund	4.00%
Developer contributions – sewer fund	4.00%
S7.11 recoupment funds	4.00%

Source: Council (unpublished)

Other Revenues

Other revenues include recoup of work compensation, commission and agency fees, rental of Council properties, and diesel fuel rebate from the Australian Taxation Office.

Commission and agency fees are likely to continue in line with CPI over the long term, as will be rental of Council properties.

Council's Operating Expenditure

The major sources of operating expenditure for councils are:

- Employee Costs
- Materials & Services
- Borrowing Costs
- Other Expenses

Employee Costs

For projecting future employee costs (including salaries & wages) and employee leave costs to Council a percentage increase of 3.0% has been applied. This is to account for future Award increases and staff competency/performance increases.

Further details about Council's staffing are included in the Workforce Management Strategy.

Materials, Contracts and Other Operating Costs

Expenditure on materials, contracts and other operating costs has been generally based on CPI. The first year it is an increase of 3.0% and 3.0% thereafter. The exceptions to this are expenditures that are either:

- not recurrent every year, or
- have been identified as increasing by an amount different to CPI e.g., Insurance premiums.

Borrowing costs

Council has anticipated new borrowings for General, Water and Waste funds to fund major capital expenditure. The table below provides the new proposed borrowing for the forecast period:

Table 13 New Borrowing

Fund	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	TOTAL
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
General	7.5	7.5	-	-	-	-	-	-	-	-	15.0
Water	-	-	-	-	-	-	20.8	21.4	-	-	42.1
Sewer	-	-	-	-	-	-	-	-	-	-	-
Waste	7.0	-	-	2.9	6.7	3.1	-	-	-	-	19.8

Source: Council (unpublished)

FORECAST - SCENARIO ONE - BASE MODEL

ASSUMPTIONS AND QUALIFICATIONS

The following key assumptions have been made in the compilation of the Base Model, which represents the forecast position on the assumption that Council continues with the current policy settings, levels of service and current operational funding throughout the forecast period:

- Council's forecast capital works program (new assets and renewals) is projected with significant revisions to ensure that the forward capital works program was undertaken by EMT to be able to include in the forecast. Revisions were required due to the initial capital works program including projects that had not been assessed, approved, or prioritised – more like a consolidation of “budget requests”.
- The calculation of the forecast position of internal and external reserves includes escalation of operating revenues and costs, together with other cash flows based on continuation of existing practices and capital works funding advised in Council's 10-year capital works program.
- The Base Model also includes the Sanctuary Point Library capital works project and the associated operational costs.

CONSOLIDATED OPERATING POSITION

The historical operating deficit position is forecast to continue and to deteriorate further over the forecast period. Under the Base Model, Council will deliver an average consolidated operating deficit of approximately \$5.1 million over the forecast period (excluding capital grants and contributions), with individual annual results ranging from approx. \$16.6 million deficit to \$13.5 million surplus.

Table 9 below outlines the forecast operating position (Income Statement) for Council showing historical audited financial results, 2022/23 draft financial results, 2023/24 adopted budget and forecast, and ten years forecast from 2024/25 to 2033/34. The consolidated position is determined by the aggregate net operating result of the four Funds. The forecast operating position for the General Fund is outlined in Table 10, followed by tables outlined the operating position for the Water Fund, Sewer Fund and Waste Fund.

General Fund under the Base Model will produce an average deficit across the forecast period of \$25.9 million. This is not sustainable scenario for Council although the Sewer and Waste are making average surplus of \$17.5 million and \$7.8 million, respectively. Water fund is also producing deficits of approximately \$2.3 million annually.

Table 14 Income Statement – Consolidated - Base Model

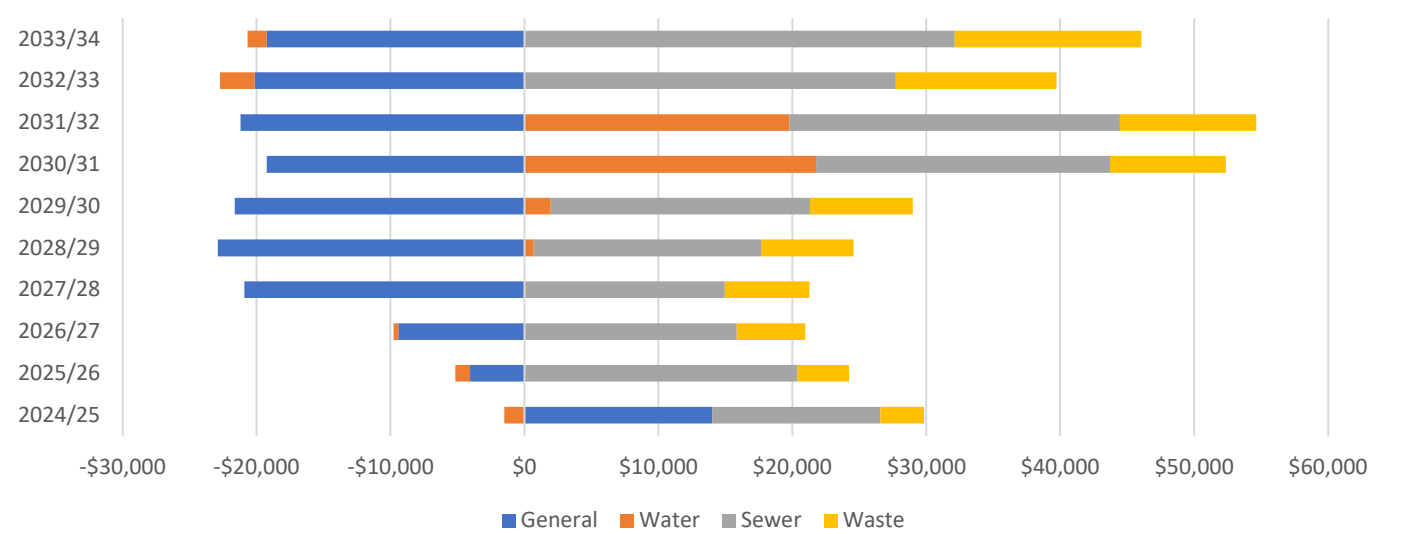
INCOME STATEMENT - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	169,536	177,338	177,339	184,887	192,783	201,044	209,687	218,731	228,197	238,104	248,476	259,335	270,705
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Other revenue	6,356	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
Grants and contributions provided for operating purposes	33,286	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	65,857	47,922	121,662	42,542	33,810	21,262	8,521	8,675	9,555	32,257	31,332	9,337	9,500
Interest and investment revenue	7,867	7,550	5,677	5,675	5,434	5,375	5,534	5,631	5,977	6,437	6,650	7,635	8,793
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	247	-	-	4,929	3,799	5,604	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	375,679	354,497	427,092	364,127	366,815	369,379	369,085	381,684	398,942	438,202	453,083	449,638	469,243
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>120,620</i>	<i>117,567</i>	<i>116,795</i>	<i>120,344</i>	<i>123,955</i>	<i>127,052</i>	<i>130,227</i>	<i>133,481</i>	<i>136,817</i>	<i>140,235</i>	<i>143,740</i>	<i>147,331</i>	<i>151,013</i>
<i>Staff costs capitalised</i>	<i>8,702</i>	<i>9,094</i>	<i>9,094</i>	<i>9,412</i>	<i>9,694</i>	<i>9,937</i>	<i>10,185</i>	<i>10,440</i>	<i>10,701</i>	<i>10,968</i>	<i>11,242</i>	<i>11,523</i>	<i>11,811</i>
Employee benefits and on-costs	111,918	108,473	107,702	110,933	114,261	117,116	120,042	123,042	126,116	129,267	132,497	135,808	139,201
Materials and services	117,782	104,540	102,494	107,660	111,976	115,917	120,068	124,431	128,807	134,219	139,664	144,278	149,030
Borrowing costs	6,495	7,453	7,397	7,206	7,232	6,813	5,977	5,348	4,920	4,255	4,536	4,800	2,918
Depreciation, amortisation and impairment of non-financial assets	83,435	90,200	90,200	94,392	98,191	101,779	105,579	109,617	113,628	118,681	123,757	127,974	132,318
Other expenses	20,887	16,973	16,973	17,482	18,006	18,546	19,103	19,676	20,266	20,874	21,500	22,145	22,810
Internal expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	341,683	327,639	324,764	337,673	349,665	360,171	370,769	382,114	393,737	407,296	421,956	435,006	446,277
Operating result from continuing operations	33,996	26,858	102,328	26,454	17,150	9,208	(1,684)	(430)	5,205	30,906	31,128	14,632	22,966
Net operating result for the year before grants and contributions provided for capital purposes	(31,861)	(21,064)	(19,334)	(16,089)	(16,660)	(12,053)	(10,205)	(9,105)	(4,350)	(1,350)	(205)	5,295	13,466

Source – Council (unpublished)

Overview Results by Fund

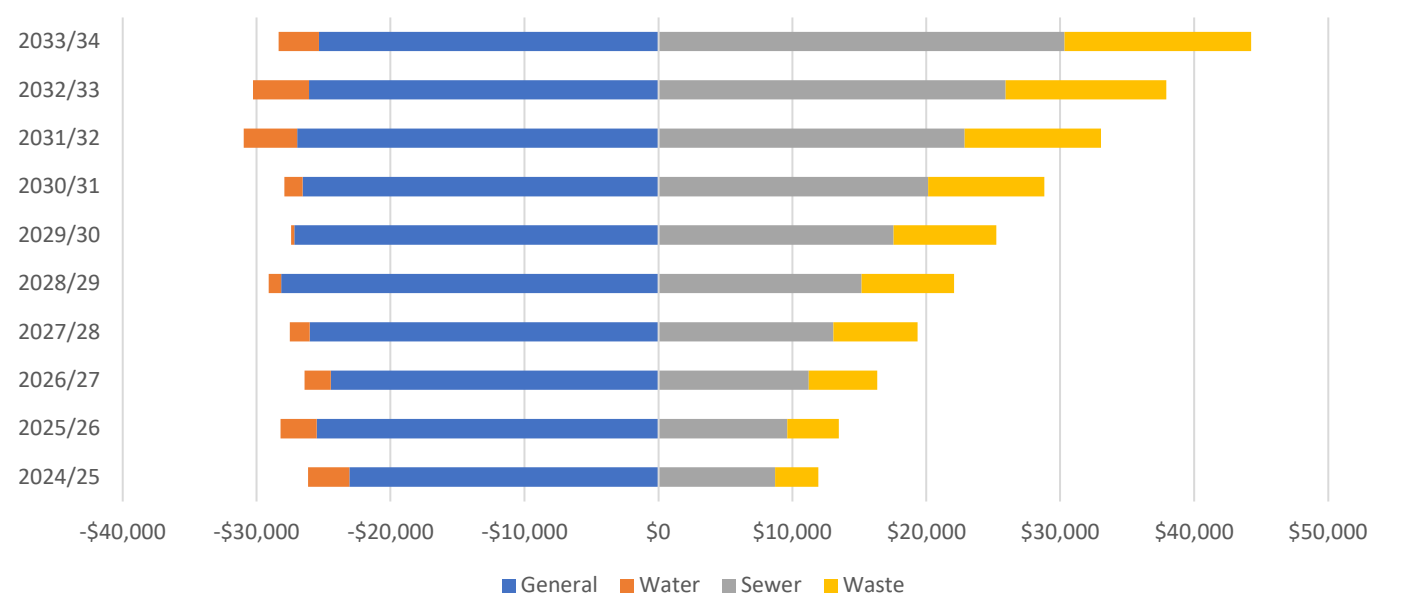
The following figure indicate the forecast contribution by Fund to the consolidated forecast Operating Result in the Base Model.

Figure 29 Operating Result from Continuing Operations by Fund (includes capital grants)



Source – Council (unpublished)

Figure 30 Operating Result before Capital Grants & Contributions by Fund



Source – Council (unpublished)

Table 15 Income Statement – General - Base Model

INCOME STATEMENT - GENERAL	2022/23 \$'000	2023/24 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	86,329	90,820	90,820	93,541	96,344	99,231	102,204	105,267	108,421	111,670	115,017	118,464	122,014
User charges and fees	50,268	51,030	51,030	52,561	54,138	55,762	57,435	59,158	60,933	62,761	64,644	66,583	68,571
Other revenue	5,583	4,321	4,322	4,451	4,584	4,721	4,863	5,008	5,158	5,313	5,472	5,636	5,804
Grants and contributions provided for operating purposes	33,164	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	60,876	43,446	117,263	37,113	21,445	15,042	5,121	5,275	5,558	7,334	5,764	5,937	6,100
Interest and investment revenue	4,942	5,496	5,496	4,628	4,748	4,721	4,838	4,961	5,213	5,751	6,466	7,295	8,166
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	(81)	-	-	4,929	3,799	5,604	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	34,772	35,771	36,845	37,950	39,088	40,261	41,469	42,713	43,994	45,314	46,674	48,074
Total income from continuing operations	241,081	251,179	326,723	255,691	245,270	247,092	242,246	247,112	255,467	265,184	270,718	279,544	288,555
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>89,840</i>	<i>86,537</i>	<i>86,537</i>	<i>89,165</i>	<i>91,840</i>	<i>94,136</i>	<i>96,490</i>	<i>98,902</i>	<i>101,375</i>	<i>103,909</i>	<i>106,507</i>	<i>109,169</i>	<i>111,899</i>
<i>Staff costs capitalised</i>	<i>6,243</i>	<i>6,524</i>	<i>6,524</i>	<i>6,752</i>	<i>6,955</i>	<i>7,129</i>	<i>7,307</i>	<i>7,490</i>	<i>7,677</i>	<i>7,869</i>	<i>8,065</i>	<i>8,267</i>	<i>8,474</i>
Employee benefits and on-costs	83,597	80,013	80,013	82,413	84,886	87,008	89,183	91,412	93,698	96,040	98,441	100,902	103,425
Materials and services	82,382	63,509	63,510	66,632	69,056	71,284	73,422	75,593	77,841	80,167	82,537	84,978	87,492
Borrowing costs	2,454	3,290	3,291	3,403	3,362	3,301	2,814	2,364	1,919	1,475	1,032	621	314
Depreciation, amortisation and impairment of non-financial assets	52,267	57,340	57,340	59,530	61,462	63,431	65,311	67,247	69,242	71,313	73,429	75,608	77,853
Other expenses	5,009	4,992	4,992	5,142	5,296	5,455	5,618	5,787	5,961	6,139	6,324	6,513	6,709
Internal expenditure	-	23,812	23,812	24,526	25,262	26,020	26,800	27,604	28,432	29,285	30,164	31,069	32,001
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	226,875	232,956	232,956	241,646	249,324	256,498	263,149	270,008	277,093	284,421	291,927	299,692	307,793
Operating result from continuing operations	14,206	18,224	93,767	14,044	(4,054)	(9,406)	(20,902)	(22,896)	(21,626)	(19,237)	(21,209)	(20,148)	(19,238)
Net operating result for the year before grants and contributions provided for capital purposes	(46,670)	(25,222)	(23,496)	(23,069)	(25,499)	(24,449)	(26,023)	(28,170)	(27,184)	(26,571)	(26,973)	(26,085)	(25,339)

Source – Council (unpublished)

Table 16 Income Statement – Water - Base Model

INCOME STATEMENT - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	4,443	4,981	4,981	5,281	5,597	5,930	6,282	6,654	7,046	7,460	7,896	8,357	8,843
User charges and fees	21,447	23,711	23,711	24,973	26,302	27,704	29,181	30,738	32,379	34,109	35,933	37,855	39,881
Other revenue	503	96	96	99	102	105	108	111	115	118	122	125	129
Grants and contributions provided for operating purposes	58	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	1,306	2,327	1,985	1,600	1,600	1,600	1,600	1,600	2,197	23,123	23,768	1,600	1,600
Interest and investment revenue	1,662	1,167	1,167	2,298	2,170	2,295	2,400	2,380	2,419	2,249	1,696	1,662	1,623
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	129	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	2,483	2,483	2,558	2,634	2,713	2,795	2,879	2,965	3,054	3,146	3,240	3,337
Total income from continuing operations	29,548	34,765	34,425	36,809	38,405	40,348	42,366	44,362	47,120	70,113	72,561	52,839	55,414
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>10,074</i>	<i>9,795</i>	<i>9,795</i>	<i>10,096</i>	<i>10,399</i>	<i>10,659</i>	<i>10,926</i>	<i>11,199</i>	<i>11,479</i>	<i>11,766</i>	<i>12,060</i>	<i>12,361</i>	<i>12,670</i>
<i>Staff costs capitalised</i>	<i>1,415</i>	<i>1,479</i>	<i>1,479</i>	<i>1,530</i>	<i>1,576</i>	<i>1,616</i>	<i>1,656</i>	<i>1,698</i>	<i>1,740</i>	<i>1,783</i>	<i>1,828</i>	<i>1,874</i>	<i>1,921</i>
Employee benefits and on-costs	8,659	8,316	8,316	8,566	8,823	9,043	9,269	9,501	9,739	9,982	10,232	10,488	10,750
Materials and services	7,608	8,228	8,228	8,494	8,777	9,067	9,529	9,912	10,315	11,566	12,855	13,272	13,702
Borrowing costs	-	-	-	-	-	-	-	-	-	-	1,142	2,229	2,044
Depreciation, amortisation and impairment of non-financial assets	13,519	14,269	14,269	14,717	15,187	15,669	16,329	16,916	17,529	18,997	20,509	21,155	21,821
Other expenses	219	57	57	58	60	62	64	65	67	69	72	74	76
Internal expenditure	-	6,282	6,282	6,471	6,665	6,865	7,071	7,283	7,501	7,726	7,958	8,197	8,443
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	30,005	37,152	37,152	38,306	39,511	40,706	42,262	43,677	45,151	48,341	52,767	55,414	56,835
Operating result from continuing operations	(457)	(2,387)	(2,727)	(1,497)	(1,106)	(358)	104	685	1,969	21,772	19,793	(2,575)	(1,422)
Net operating result for the year before grants and contributions provided for capital purposes	(1,763)	(4,714)	(4,712)	(3,097)	(2,706)	(1,958)	(1,496)	(915)	(228)	(1,351)	(3,975)	(4,175)	(3,022)

Source – Council (unpublished)

Table 17 Income Statement – Sewer - Base Model

INCOME STATEMENT - SEWER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	49,691	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	4,469	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Other revenue	24	5	5	5	5	5	5	5	5	6	6	6	6
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	3,265	2,105	2,369	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Interest and investment revenue	901	750	750	564	450	372	379	415	508	683	854	1,071	1,371
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	118	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	1,765	1,765	1,818	1,873	1,929	1,987	2,047	2,108	2,171	2,236	2,304	2,373
Total income from continuing operations	58,468	59,999	60,264	64,656	74,764	72,009	72,853	76,745	80,905	85,368	90,062	95,049	100,380
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>12,535</i>	<i>12,939</i>	<i>12,938</i>	<i>13,332</i>	<i>13,731</i>	<i>14,075</i>	<i>14,427</i>	<i>14,787</i>	<i>15,157</i>	<i>15,536</i>	<i>15,924</i>	<i>16,322</i>	<i>16,730</i>
<i>Staff costs capitalised</i>	<i>1,012</i>	<i>1,058</i>	<i>1,058</i>	<i>1,095</i>	<i>1,127</i>	<i>1,156</i>	<i>1,184</i>	<i>1,214</i>	<i>1,244</i>	<i>1,276</i>	<i>1,307</i>	<i>1,340</i>	<i>1,374</i>
Employee benefits and on-costs	11,523	11,881	11,881	12,237	12,604	12,919	13,242	13,573	13,913	14,260	14,617	14,982	15,357
Materials and services	12,323	12,067	12,067	12,693	13,500	14,132	14,771	15,373	15,962	16,592	17,254	17,896	18,557
Borrowing costs	3,415	3,175	3,175	2,907	2,683	2,457	2,245	2,048	1,861	1,666	1,464	1,254	-
Depreciation, amortisation and impairment of non-financial assets	15,364	16,191	16,191	17,029	18,107	18,953	19,808	20,614	21,403	22,247	23,133	23,993	24,878
Other expenses	1,603	37	37	38	39	40	41	43	44	45	47	48	49
Internal expenditure	-	7,007	7,007	7,217	7,434	7,657	7,886	8,123	8,367	8,618	8,876	9,142	9,417
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	44,228	50,358	50,357	52,120	54,367	56,158	57,994	59,773	61,549	63,429	65,390	67,314	68,258
Operating result from continuing operations	14,240	9,641	9,907	12,535	20,397	15,851	14,859	16,972	19,356	21,939	24,672	27,735	32,122
Net operating result for the year before grants and contributions provided for capital purposes	10,975	7,536	7,538	8,706	9,633	11,232	13,059	15,172	17,556	20,139	22,872	25,935	30,322

Source – Council (unpublished)

Table 18 Income Statement – Waste - Base Model

INCOME STATEMENT – WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations												
Rates and annual charges	30,153	30,153	31,830	33,599	35,465	37,434	39,512	41,704	44,017	46,457	49,031	51,747
User charges and fees	16,890	16,890	17,817	18,796	19,828	20,917	22,066	23,278	24,557	25,906	27,329	28,830
Other revenue	350	350	360	371	382	393	405	417	430	443	456	470
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	44	44	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	137	137	56	(5)	(29)	(38)	(18)	6	(11)	(64)	(22)	74
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	28,286	28,286	29,135	30,009	30,909	31,836	32,792	33,775	34,789	35,832	36,907	38,014
Total income from continuing operations	75,860	75,860	79,198	82,769	86,556	90,544	94,756	99,181	103,781	108,573	113,701	119,135
Expenses from continuing operations												
<i>Estimated total staff costs</i>	<i>7,798</i>	<i>7,798</i>	<i>8,032</i>	<i>8,273</i>	<i>8,480</i>	<i>8,692</i>	<i>8,909</i>	<i>9,132</i>	<i>9,360</i>	<i>9,594</i>	<i>9,834</i>	<i>10,080</i>
<i>Staff costs capitalised</i>	<i>33</i>	<i>33</i>	<i>35</i>	<i>36</i>	<i>37</i>	<i>37</i>	<i>38</i>	<i>39</i>	<i>40</i>	<i>41</i>	<i>42</i>	<i>43</i>
Employee benefits and on-costs	7,764	7,764	7,997	8,237	8,443	8,654	8,871	9,092	9,320	9,553	9,792	10,036
Materials and services	18,807	18,807	19,961	20,767	21,562	22,477	23,689	24,828	26,037	27,166	28,284	29,436
Borrowing costs	988	988	897	1,186	1,055	918	936	1,140	1,113	899	696	559
Depreciation, amortisation and impairment of non-financial assets	2,400	2,400	3,116	3,435	3,726	4,131	4,840	5,454	6,123	6,687	7,218	7,766
Other expenses	11,887	11,887	12,244	12,611	12,990	13,379	13,781	14,194	14,620	15,059	15,510	15,976
Internal expenditure	30,816	30,816	31,741	32,693	33,674	34,684	35,725	36,796	37,900	39,037	40,208	41,415
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	72,662	72,662	75,956	78,930	81,449	84,243	87,841	91,505	95,113	98,400	101,709	105,188
Operating result from continuing operations	3,197	3,197	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947
Net operating result for the year before grants and contributions provided for capital purposes	3,153	3,153	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947

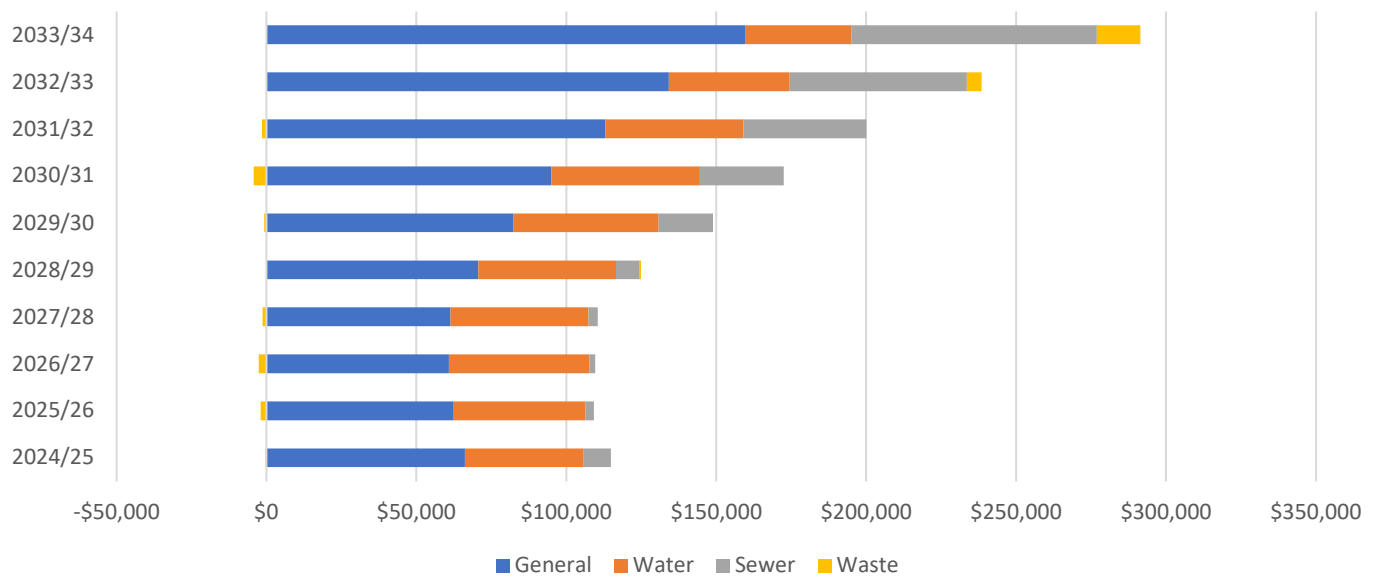
Source – Council (unpublished)

AVAILABILITY OF CASH

The Statement of Cashflows in Table 14 and Figure 31 below forecast for the Base Scenario currently indicates an increase in total cash and investments from \$166.4million based on Draft 2022/23 actuals to \$291.5 million by the end of 2033/34. With the current Capital Works Plan, the Water fund maintains its cash, Waste by 2033/34 return a small amount of cash. Sewer and General Funds continue to build cash balance due to insufficient investment in assets – which is not sustainable.

The Base Case scenario is not sustainable. There is insufficient cash being generated from operations in the earlier years to fund the proposed Capital Works Plan – this is despite as outlined later an insufficient investment in asset renewals in the Base Case scenario to maintain the infrastructure capital. From 2027/28 onwards, with reduced asset renewals and borrowing declining, the General Fund starts to accumulate cash.

Figure 31 Cash Availability by Fund - Base Model



Source: Council (unpublished)

Table 19 Statement of Cash Flows – Consolidated - Base Model

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	6,015	177,338	177,339	184,887	192,783	201,044	209,687	218,731	228,197	238,104	248,476	259,335	270,705
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Investment and interest revenue received	7,867	7,550	5,677	5,675	5,434	5,375	5,534	5,631	5,977	6,437	6,650	7,635	8,793
Grants and contributions	99,143	69,216	154,657	64,165	56,071	44,183	32,122	32,977	34,581	58,029	57,875	36,674	37,658
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	741,886	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
<i>Payments:</i>													
Employee benefits and on-costs	(111,918)	(108,473)	(107,702)	(110,933)	(114,261)	(117,116)	(120,042)	(123,042)	(126,116)	(129,267)	(132,497)	(135,808)	(139,201)
Materials and services	(117,782)	(104,540)	(102,494)	(107,660)	(111,976)	(115,917)	(120,068)	(124,431)	(128,807)	(134,219)	(139,664)	(144,278)	(149,030)
Borrowing costs	(6,495)	(7,453)	(7,397)	(7,206)	(7,232)	(6,813)	(5,977)	(5,348)	(4,920)	(4,255)	(4,536)	(4,800)	(2,918)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(20,887)	(16,973)	(16,973)	(17,482)	(18,006)	(18,546)	(19,103)	(19,676)	(20,266)	(20,874)	(21,500)	(22,145)	(22,810)
Net cash provided (or used in) operating activities	690,359	117,058	203,502	115,917	111,541	105,383	99,971	107,515	116,389	146,999	153,386	140,987	153,617
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	5,000	95,306	108,927	92,450	87,450	87,450	87,450	87,450	77,450	61,829	74,829	92,829
Sale of infrastructure, property, plant and equipment	247	2,195	2,133	2,959	3,427	3,739	3,385	5,300	5,043	5,002	5,019	4,282	4,410
Sale of real estate	-	3,318	3,318	8,962	6,908	10,189	7,133	3,040	4,443	4,705	2,725	2,944	3,032
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	(5,000)	(65,306)	(92,450)	(87,450)	(87,450)	(87,450)	(87,450)	(85,450)	(66,829)	(79,829)	(94,829)	(118,829)
Purchase of infrastructure, property, plant and equipment	(692,963)	(186,972)	(247,079)	(114,494)	(107,083)	(87,322)	(85,150)	(83,786)	(81,385)	(132,498)	(131,069)	(87,105)	(91,019)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	(1,222)	(2,399)	(7,823)	(7,934)	(10,632)	(5,590)	(2,699)	(3,780)	(3,379)	(2,685)	(2,738)	(2,820)
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(692,716)	(182,681)	(214,027)	(93,919)	(99,683)	(84,026)	(80,221)	(78,146)	(73,678)	(115,549)	(144,010)	(102,617)	(112,397)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities													
<i>Receipts:</i>													
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	14,907	18,356	9,455	14,537	7,500	-	2,945	6,673	3,124	20,758	21,381	-	-
<i>Payments:</i>													
Repayment of borrowings and advances	(6,535)	(19,098)	(20,288)	(20,528)	(21,577)	(21,524)	(20,598)	(20,356)	(20,621)	(21,461)	(18,452)	(18,381)	(14,315)
Net cash provided (or used in) financing activities	8,372	(742)	(10,833)	(5,991)	(14,077)	(21,524)	(17,653)	(13,682)	(17,497)	(703)	2,929	(18,381)	(14,315)
Net increase/(decrease) in cash and cash equivalents	6,015	(66,365)	(21,358)	16,006	(2,218)	(167)	2,097	15,687	25,214	30,748	12,306	19,989	26,904
Cash and cash equivalents - beginning of year	21,416	89,208	27,431	6,073	22,080	19,862	19,694	21,791	37,478	62,692	93,439	105,745	125,734
Cash and cash equivalents - end of the year	27,431	22,843	6,073	22,080	19,862	19,694	21,791	37,478	62,692	93,439	105,745	125,734	152,638
Investments on hand - end of year	138,927	105,778	108,927	92,450	87,450	87,450	87,450	87,450	85,450	74,829	92,829	112,829	138,829
Total cash, cash equivalents and investments	166,358	128,621	115,000	114,530	107,312	107,144	109,241	124,928	148,142	168,268	198,574	238,563	291,467

Source – Council (unpublished)

Table 20 Statement of Cash Flows – General - Base Model

STATEMENT OF CASH FLOWS - GENERAL	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
<i>Receipts:</i>												
Rates and annual charges	90,820	90,820	93,541	96,344	99,231	102,204	105,267	108,421	111,670	115,017	118,464	122,014
User charges and fees	51,030	51,030	52,561	54,138	55,762	57,435	59,158	60,933	62,761	64,644	66,583	68,571
Investment and interest revenue received	5,496	5,496	4,628	4,748	4,721	4,838	4,961	5,213	5,751	6,466	7,295	8,166
Grants and contributions	64,739	151,361	58,736	43,707	37,963	28,722	29,577	30,584	33,107	32,307	33,274	34,258
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	29,709	30,709	41,295	42,534	43,810	45,124	46,477	47,871	49,307	50,786	52,309	53,878
<i>Payments:</i>												
Employee benefits and on-costs	(80,013)	(80,013)	(82,413)	(84,886)	(87,008)	(89,183)	(91,412)	(93,698)	(96,040)	(98,441)	(100,902)	(103,425)
Materials and services	(63,509)	(63,510)	(66,632)	(69,056)	(71,284)	(73,422)	(75,593)	(77,841)	(80,167)	(82,537)	(84,978)	(87,492)
Borrowing costs	(3,290)	(3,291)	(3,403)	(3,362)	(3,301)	(2,814)	(2,364)	(1,919)	(1,475)	(1,032)	(621)	(314)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(28,803)	(28,804)	(29,668)	(30,558)	(31,474)	(32,419)	(33,391)	(34,393)	(35,425)	(36,487)	(37,582)	(38,710)
Net cash provided (or used in) operating activities	66,178	153,800	68,646	53,609	48,421	40,485	42,679	45,172	49,488	50,721	53,841	56,947
Cash Flows from investing activities												
<i>Receipts:</i>												
Sale of investments	-	78,829	58,829	58,829	53,829	53,829	53,829	53,829	53,829	61,829	74,829	92,829
Sale of infrastructure, property, plant and equipment	3,198	1,793	2,678	3,077	3,234	2,926	4,823	4,593	4,409	4,409	3,653	3,763
Sale of real estate	1,975	3,318	8,962	6,908	10,189	7,133	3,040	4,443	4,705	2,725	2,944	3,032
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Purchase of investment securities	(5,000)	(58,829)	(58,829)	(53,829)	(53,829)	(53,829)	(53,829)	(61,829)	(66,829)	(79,829)	(94,829)	(118,829)
Purchase of infrastructure, property, plant and equipment	(129,975)	(173,498)	(69,342)	(54,013)	(40,107)	(32,511)	(26,985)	(27,878)	(31,507)	(29,353)	(30,189)	(32,396)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	(1,222)	(2,399)	(7,823)	(7,934)	(10,632)	(5,590)	(2,699)	(3,780)	(3,379)	(2,685)	(2,738)	(2,820)
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(131,024)	(150,786)	(65,525)	(46,963)	(37,315)	(28,040)	(21,821)	(30,621)	(38,771)	(42,903)	(46,330)	(54,421)

STATEMENT OF CASH FLOWS - GENERAL	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities												
<i>Receipts:</i>												
Proceeds from borrowings	18,356	9,455	7,500	7,500	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Repayment of borrowings and advances	(11,546)	(11,545)	(12,667)	(12,849)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Net cash provided (or used in) financing activities	6,810	(2,090)	(5,167)	(5,349)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Net increase/(decrease) in cash and cash equivalents	(58,035)	923	(2,046)	1,296	(1,668)	542	9,364	3,659	(378)	114	1,073	(404)
Cash and cash equivalents - beginning of year	56,717	8,469	9,392	7,346	8,642	6,974	7,517	16,881	20,540	20,162	20,276	21,349
Cash and cash equivalents - end of the year	(1,318)	9,392	7,346	8,642	6,974	7,517	16,881	20,540	20,162	20,276	21,349	20,945
Investments on hand - end of year	74,753	58,829	58,829	53,829	53,829	53,829	53,829	61,829	74,829	92,829	112,829	138,829
Total cash, cash equivalents and investments	73,435	68,221	66,175	62,471	60,803	61,346	70,710	82,369	94,991	113,105	134,178	159,774

Source – Council (unpublished)

Table 21 Statement of Cash Flows – Water - Base Model

STATEMENT OF CASH FLOWS - WATER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
<i>Receipts:</i>												
Rates and annual charges	4,981	4,981	5,281	5,597	5,930	6,282	6,654	7,046	7,460	7,896	8,357	8,843
User charges and fees	23,711	23,711	24,973	26,302	27,704	29,181	30,738	32,379	34,109	35,933	37,855	39,881
Investment and interest revenue received	1,167	1,167	2,298	2,170	2,295	2,400	2,380	2,419	2,249	1,696	1,662	1,623
Grants and contributions	2,327	1,452	1,600	1,600	1,600	1,600	1,600	2,197	23,123	23,768	1,600	1,600
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	2,579	2,579	2,657	2,736	2,818	2,903	2,990	3,080	3,172	3,267	3,365	3,466
<i>Payments:</i>												
Employee benefits and on-costs	(8,316)	(8,316)	(8,566)	(8,823)	(9,043)	(9,269)	(9,501)	(9,739)	(9,982)	(10,232)	(10,488)	(10,750)
Materials and services	(8,228)	(8,228)	(8,494)	(8,777)	(9,067)	(9,529)	(9,912)	(10,315)	(11,566)	(12,855)	(13,272)	(13,702)
Borrowing costs	-	-	-	-	-	-	-	-	-	(1,142)	(2,229)	(2,044)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(6,339)	(6,339)	(6,529)	(6,725)	(6,926)	(7,134)	(7,348)	(7,569)	(7,796)	(8,030)	(8,270)	(8,519)
Net cash provided (or used in) operating activities	11,882	11,009	13,220	14,081	15,311	16,433	17,601	19,498	40,768	40,302	18,580	20,399
Cash Flows from investing activities												
<i>Receipts:</i>												
Sale of investments	5,000	-	43,621	33,621	33,621	33,621	33,621	33,621	23,621	-	-	-
Sale of infrastructure, property, plant and equipment	120	120	124	127	131	135	139	143	148	152	157	161
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	1,190	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Purchase of investment securities	-	-	(33,621)	(33,621)	(33,621)	(33,621)	(33,621)	(23,621)	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(17,303)	(27,181)	(9,569)	(9,675)	(12,370)	(17,243)	(17,725)	(16,920)	(60,319)	(63,554)	(20,981)	(21,610)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(10,993)	(27,061)	555	(9,548)	(12,239)	(17,108)	(17,586)	(6,776)	(36,551)	(63,402)	(20,824)	(21,449)

STATEMENT OF CASH FLOWS - WATER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities												
<i>Receipts:</i>												
Proceeds from borrowings	-	-	-	-	-	-	-	-	20,758	21,381	-	-
<i>Payments:</i>												
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	(1,612)	(3,362)	(3,546)
Principal component of lease payments		-	-	-	-	-	-	-	-	-	-	-
Other financing	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	(200)	(206)	(213)	(219)
Net cash provided (or used in) financing activities	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	20,558	19,562	(3,574)	(3,765)
Net increase/(decrease) in cash and cash equivalents	726	(16,215)	13,607	4,360	2,894	(858)	(174)	12,527	24,776	(3,537)	(5,819)	(4,815)
Cash and cash equivalents - beginning of year	13,098	8,613	(7,602)	6,005	10,364	13,259	12,401	12,227	24,754	49,529	45,992	40,173
Cash and cash equivalents - end of the year	13,824	(7,602)	6,005	10,364	13,259	12,401	12,227	24,754	49,529	45,992	40,173	35,358
Investments on hand - end of year	28,230	43,621	33,621	33,621	33,621	33,621	33,621	23,621	-	-	-	-
Total cash, cash equivalents and investments	42,054	36,019	39,626	43,985	46,880	46,022	45,848	48,375	49,529	45,992	40,173	35,358

Source – Council (unpublished)

Table 22 Statement of Cash Flows – Sewer - Base Model

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
<i>Receipts:</i>												
Rates and annual charges	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Investment and interest revenue received	750	750	564	450	372	379	415	508	683	854	1,071	1,371
Grants and contributions	2,105	1,800	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	1,770	1,770	1,823	1,878	1,934	1,992	2,052	2,113	2,177	2,242	2,309	2,379
<i>Payments:</i>												
Employee benefits and on-costs	(11,881)	(11,881)	(12,237)	(12,604)	(12,919)	(13,242)	(13,573)	(13,913)	(14,260)	(14,617)	(14,982)	(15,357)
Materials and services	(12,067)	(12,067)	(12,693)	(13,500)	(14,132)	(14,771)	(15,373)	(15,962)	(16,592)	(17,254)	(17,896)	(18,557)
Borrowing costs	(3,175)	(3,175)	(2,907)	(2,683)	(2,457)	(2,245)	(2,048)	(1,861)	(1,666)	(1,464)	(1,254)	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(7,044)	(7,044)	(7,255)	(7,473)	(7,697)	(7,928)	(8,165)	(8,410)	(8,663)	(8,923)	(9,190)	(9,466)
Net cash provided (or used in) operating activities	25,832	25,529	29,564	38,505	34,804	34,667	37,586	40,759	44,187	47,805	51,727	57,000
Cash Flows from investing activities												
<i>Receipts:</i>												
Sale of investments	-	16,477	6,477	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	100	100	103	106	109	113	116	119	123	127	130	134
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Purchase of investment securities	-	(6,477)	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(23,950)	(30,655)	(20,869)	(37,892)	(28,735)	(26,828)	(26,184)	(23,746)	(27,250)	(27,599)	(25,817)	(26,592)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(23,850)	(20,555)	(14,289)	(37,786)	(28,626)	(26,716)	(26,068)	(23,626)	(27,127)	(27,472)	(25,687)	(26,457)

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities												
<i>Receipts:</i>												
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Repayment of borrowings and advances	(6,023)	(6,023)	(5,045)	(5,268)	(5,160)	(4,968)	(4,761)	(4,948)	(5,143)	(5,345)	(5,556)	(5,774)
Other financing	(1,654)	(1,654)	(1,704)	(1,755)	(1,807)	(1,862)	(1,917)	(1,975)	(2,034)	(2,095)	(2,158)	(2,223)
Net cash provided (or used in) financing activities	(7,677)	(7,677)	(6,748)	(7,023)	(6,967)	(6,829)	(6,679)	(6,923)	(7,177)	(7,441)	(7,714)	(7,997)
Net increase/(decrease) in cash and cash equivalents	(5,695)	(2,704)	8,526	(6,304)	(789)	1,122	4,839	10,209	9,882	12,892	18,327	22,546
Cash and cash equivalents - beginning of year	12,298	3,254	550	9,076	2,773	1,984	3,106	7,945	18,154	28,037	40,929	59,256
Cash and cash equivalents - end of the year	6,603	550	9,076	2,773	1,984	3,106	7,945	18,154	28,037	40,929	59,256	81,802
Investments on hand - end of year	2,795	6,477	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	9,398	7,027	9,076	2,773	1,984	3,106	7,945	18,154	28,037	40,929	59,256	81,802

Source – Council (unpublished)

Table 23 Statement of Cash Flows – Waste - Base Model

STATEMENT OF CASH FLOWS - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
<i>Receipts:</i>												
Rates and annual charges	30,153	30,153	31,830	33,599	35,465	37,434	39,512	41,704	44,017	46,457	49,031	51,747
User charges and fees	16,890	16,890	17,817	18,796	19,828	20,917	22,066	23,278	24,557	25,906	27,329	28,830
Investment and interest revenue received	137	137	56	(5)	(29)	(38)	(18)	6	(11)	(64)	(22)	74
Grants and contributions	44	44	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	38,020	38,020	29,495	30,380	31,291	32,230	33,197	34,193	35,218	36,275	37,363	38,484
<i>Payments:</i>												
Employee benefits and on-costs	(7,764)	(7,764)	(7,997)	(8,237)	(8,443)	(8,654)	(8,871)	(9,092)	(9,320)	(9,553)	(9,792)	(10,036)
Materials and services	(18,807)	(18,807)	(19,961)	(20,767)	(21,562)	(22,477)	(23,689)	(24,828)	(26,037)	(27,166)	(28,284)	(29,436)
Borrowing costs	(988)	(988)	(897)	(1,186)	(1,055)	(918)	(936)	(1,140)	(1,113)	(899)	(696)	(559)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(42,704)	(42,704)	(43,985)	(45,304)	(46,664)	(48,063)	(49,505)	(50,991)	(52,520)	(54,096)	(55,719)	(57,390)
Net cash provided (or used in) operating activities	14,982	14,982	6,358	7,274	8,832	10,431	11,756	13,130	14,791	16,859	19,210	21,713
Cash Flows from investing activities												
<i>Receipts:</i>												
Sale of investments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	120	120	55	117	264	211	222	187	322	332	341	352
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(15,744)	(15,744)	(14,714)	(5,502)	(6,111)	(8,568)	(12,892)	(12,842)	(13,422)	(10,564)	(10,118)	(10,422)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(15,624)	(15,624)	(14,660)	(5,385)	(5,847)	(8,357)	(12,671)	(12,655)	(13,100)	(10,232)	(9,777)	(10,070)

STATEMENT OF CASH FLOWS - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities												
<i>Receipts:</i>												
Proceeds from borrowings	-	-	7,037	-	-	2,945	6,673	3,124	-	-	-	-
<i>Payments:</i>												
Repayment of borrowings and advances	(2,719)	(2,719)	(2,816)	(3,459)	(3,591)	(3,728)	(4,100)	(4,782)	(5,223)	(3,790)	(3,026)	(2,065)
Net cash provided (or used in) financing activities	(2,719)	(2,719)	4,221	(3,459)	(3,591)	(783)	2,573	(1,657)	(5,223)	(3,790)	(3,026)	(2,065)
Net increase/(decrease) in cash and cash equivalents	(3,362)	(3,362)	(4,080)	(1,570)	(605)	1,291	1,658	(1,182)	(3,533)	2,837	6,407	9,578
Cash and cash equivalents - beginning of year	7,095	7,095	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955
Cash and cash equivalents - end of the year	3,733	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533
Investments on hand - end of year	-	-	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	3,733	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533

Source – Council (unpublished)

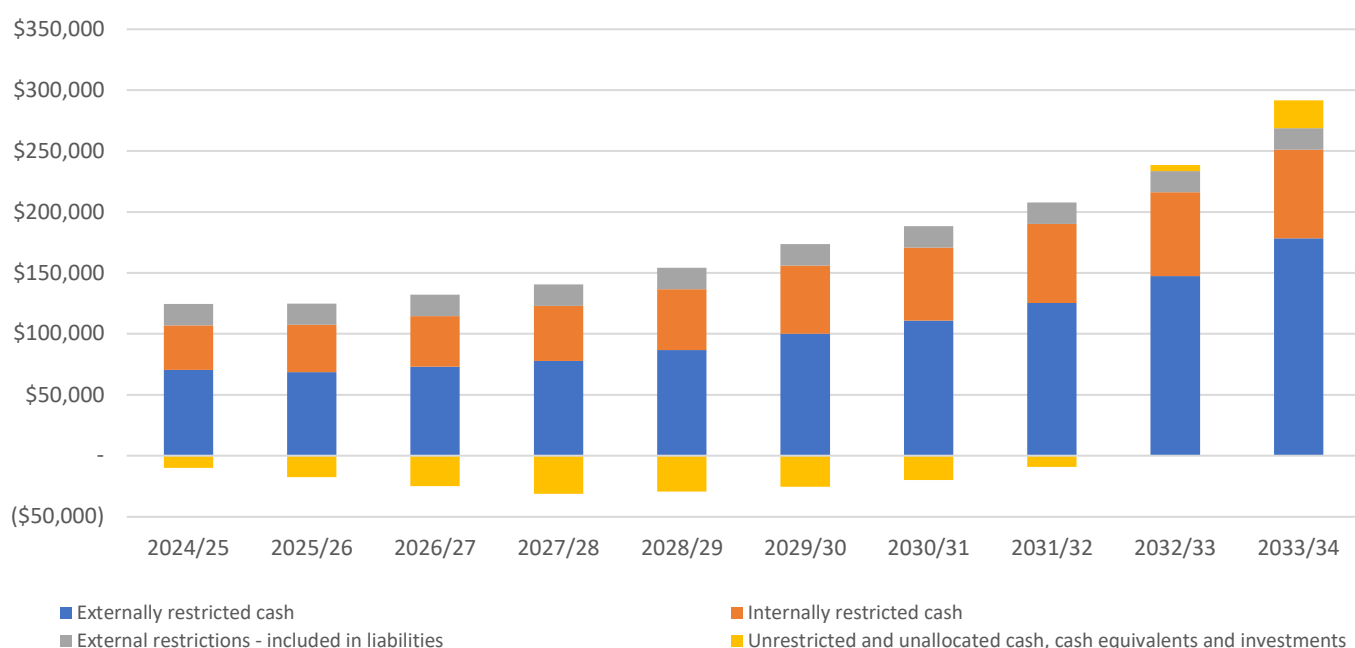
Cash Reserves and Unrestricted Cash Available

Council currently manages and reports 36 separate internal and external cash reserves including externally restricted and internally restricted cash reserves. The balance of cash in the externally restricted cash reserves in the Base Case is projected to increase especially within the water and waste reserves as this is supported by future year borrowings. Combined, water and waste funds require a total of \$62.0 million in borrowings between 2024/25 and 2031/32 to pay for the increased capital works.

Internal reserve increases from \$39.1 million in draft 2022/23 actuals to \$72.9 million in 2033/34. The major increases are reflected in communications tower (\$2.7 million), s7.11 recoupment fund (\$14.0 million), general insurance (\$3.0 million), strategic projects (\$3.6 million) and strategic property acquisition (\$8.3 million).

The unrestricted cash position is forecast to deteriorate into a negative balance, which Council must avoid. Council is not allowed to access cash from restricted reserves to fund activities and capital works outside of the purposes of the restricted funds. A negative unrestricted cash indicates Council will be using restricted cash for other purposes, which is not permissible under the regulatory responsibilities of the Council.

Figure 32 Restricted and Unrestricted Cash – Base Case Model



Source: Council (unpublished)

Table 24 Reserves Summary – Consolidated - Base Model

RESERVES - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ACTUAL	BUDGET	FORWARD PLAN									
Externally Restricted - Liabilities												
Specific purpose unexpended grants – general fund	21,960	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876	2,876
Specific purpose unexpended grants – water fund	582	48	48	48	48	48	48	48	48	48	48	48
Specific purpose unexpended grants – sewer fund	2,054	1,485	1,485	1,485	1,485	1,485	1,485	1,485	1,485	1,485	1,485	1,485
Specific purpose unexpended loans – general	31,014	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022
Specific purpose unexpended loans – sewer	-	-	-	-	-	-	-	-	-	-	-	-
Self-insurance claims	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094
External restrictions included in liabilities	61,704	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524
Externally Restricted - Other												
Developer contributions – general	20,551	15,331	16,849	18,504	20,301	22,811	25,472	28,288	31,264	34,405	37,716	41,187
Developer contributions – water fund	16,245	15,435	17,035	18,465	19,910	19,651	20,580	21,544	21,942	22,305	23,395	24,470
Developer contributions – sewer fund	-	-	-	-	-	-	-	-	-	-	-	-
Specific purpose unexpended grants (recognised as revenue) – general fund	4,957	4,957	4,957	4,957	4,957	4,957	4,957	4,957	4,957	4,957	4,957	4,957
Specific purpose unexpended grants (recognised as revenue) – water fund	-	-	-	-	-	-	-	-	-	-	-	-
Specific purpose unexpended grants (recognised as revenue) – sewer fund	-	-	-	-	-	-	-	-	-	-	-	-
Water fund	29,960	17,093	18,953	21,094	22,549	21,110	20,007	20,672	21,577	16,719	9,877	4,053
Sewer fund	17,677	5,542	7,592	1,288	499	1,621	6,460	16,670	26,552	39,445	57,772	80,318
Stormwater management	24	0	0	0	1	1	1	1	0	(0)	0	(0)
Other special levies	-	4,972	5,339	6,088	7,238	8,807	8,807	8,807	8,807	8,807	8,807	8,807
Domestic waste management	7,095	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533
Externally Restricted - Other	96,509	67,063	70,376	68,479	72,933	77,725	86,709	100,182	110,810	125,184	147,478	178,324
Internally Restricted												
Arts collection	45	45	45	45	45	45	45	45	45	45	45	45
Coastal Management	477	156	40	0	0	(0)	1	(0)	1	1	0	(0)
Committed capital works	-	-	-	-	-	-	-	-	-	-	-	-
Communication towers	12	(32)	16	225	987	28	838	1,673	1,305	2,192	3,108	2,707
Communication towers (water)	5,391	3,386	3,533	4,320	4,312	5,149	5,142	6,031	5,871	6,816	6,733	6,648

RESERVES - CONSOLIDATED	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ACTUAL	BUDGET	FORWARD PLAN									
Critical asset compliance	314	0	0	0	0	0	0	0	0	0	0	0
Deposits, retentions and bonds	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761
Dog Off Leash	40	-	72	146	223	302	383	466	552	641	732	827
Economic development projects	233	333	333	333	333	333	333	333	333	333	333	333
Employees leave entitlement	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880	5,880
Financial assistance grant	14,882	14,882	14,882	14,882	14,882	14,882	14,882	14,882	14,882	14,882	14,882	14,882
General insurance	296	305	564	832	1,107	1,390	1,682	1,983	2,293	2,612	2,941	3,279
Jervis Bay Territory	56	56	57	57	60	64	71	80	91	104	120	139
Jetty Licensing	19	19	19	19	19	19	19	19	19	19	19	19
Land decontamination	-	-	-	-	-	-	-	-	-	-	-	-
Land development reserve	1,846	2,427	3,117	1,627	709	1,766	1,606	1,757	2,557	2,057	1,709	1,352
Maritime Reserve	-	-	-	-	-	-	-	-	-	-	-	-
North Nowra link road	-	-	-	-	-	-	-	-	-	-	-	-
Plant and vehicle replacement	419	122	412	710	1,031	1,376	1,340	1,318	1,310	1,318	1,342	1,384
Plant replacement cemeteries	60	92	125	159	194	231	268	306	346	386	428	472
Renewable Energy Fund	244	238	238	238	238	238	238	238	238	238	238	238
S7.11 matching funds	-	-	-	-	-	-	-	-	-	-	-	-
S7.11 recoupment funds	2,292	266	861	2,446	4,023	5,591	7,169	8,914	10,649	12,376	14,093	16,259
Shoalhaven Foreshore Development	985	918	849	777	704	629	552	474	393	310	224	137
Sporting facilities	28	54	110	169	229	291	355	421	488	558	630	704
Strategic projects	-	79	12	2	50	157	326	558	855	1,219	1,652	3,594
Strategic property acquisition	856	336	604	1,198	1,876	2,172	4,112	5,738	7,091	8,354	8,769	9,198
Internally Restricted	39,136	34,322	36,529	38,827	41,664	45,304	50,003	55,874	59,959	65,102	68,639	72,856
Total internal and external restrictions	197,349	118,910	124,430	124,830	132,121	140,552	154,236	173,580	188,294	207,811	233,642	268,704

Total cash, cash equivalents and investments	166,358	115,000	114,530	107,312	107,144	109,241	124,928	148,142	168,268	198,574	238,563	291,467
Externally restricted cash	96,509	67,063	70,376	68,479	72,933	77,725	86,709	100,182	110,810	125,184	147,478	178,324
Internally restricted cash	39,136	34,322	36,529	38,827	41,664	45,304	50,003	55,874	59,959	65,102	68,639	72,856
External restrictions - included in liabilities	61,704	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524	17,524
Unrestricted and unallocated cash, cash equivalents and investments	(30,991)	(3,910)	(9,901)	(17,518)	(24,977)	(31,312)	(29,309)	(25,439)	(20,025)	(9,237)	4,921	22,764

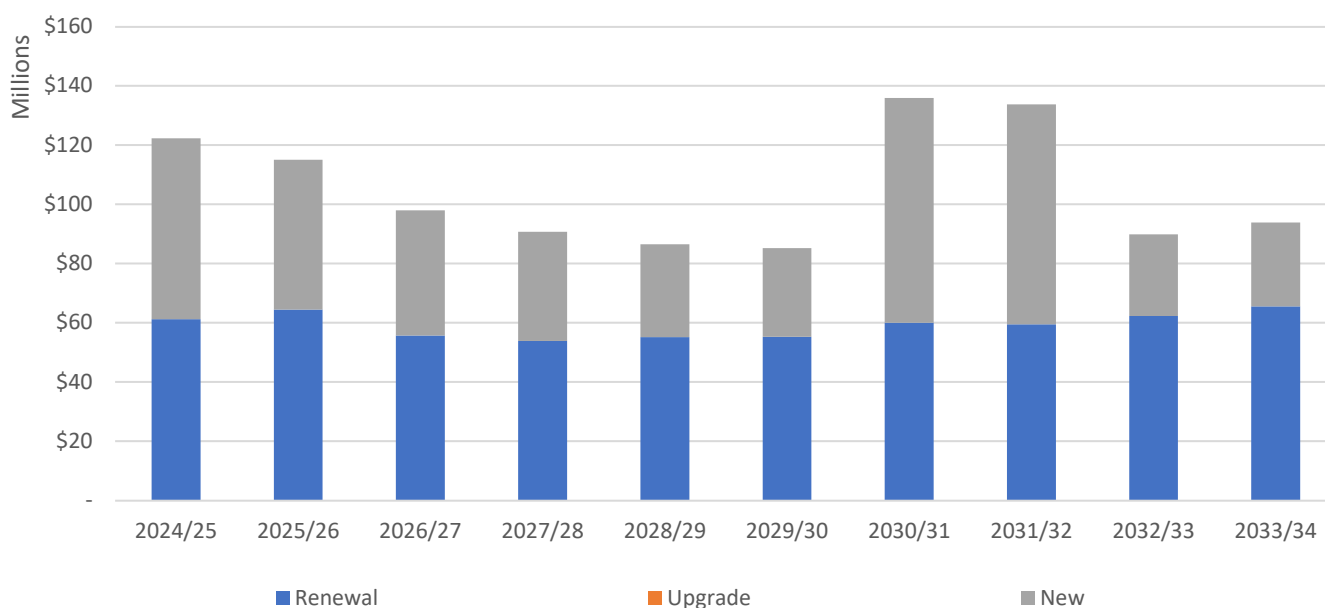
INVESTMENT IN ASSETS

The Base Model includes a total of \$1,051.0 million over the next ten years on capital expenditure, comprising \$458.0 million (43.6%) of new and upgraded assets and \$593.0 million (56.4%) of asset renewals over the forecast period.

Theoretically, applying the Office of Local Government indicators, in order to maintain assets sustainably, the investment in the asset renewal program is required at the same level as the depreciation expense over the same assessment period. The depreciation on all assets held (all asset classes) is an average during the forecast period of \$112.6 million. By comparison, Council's annual programmed expenditure on asset renewals during the forecast period is at an average of \$59.3 million annually. This reflects a shortfall compared to depreciation expense of \$53.3 million annually.

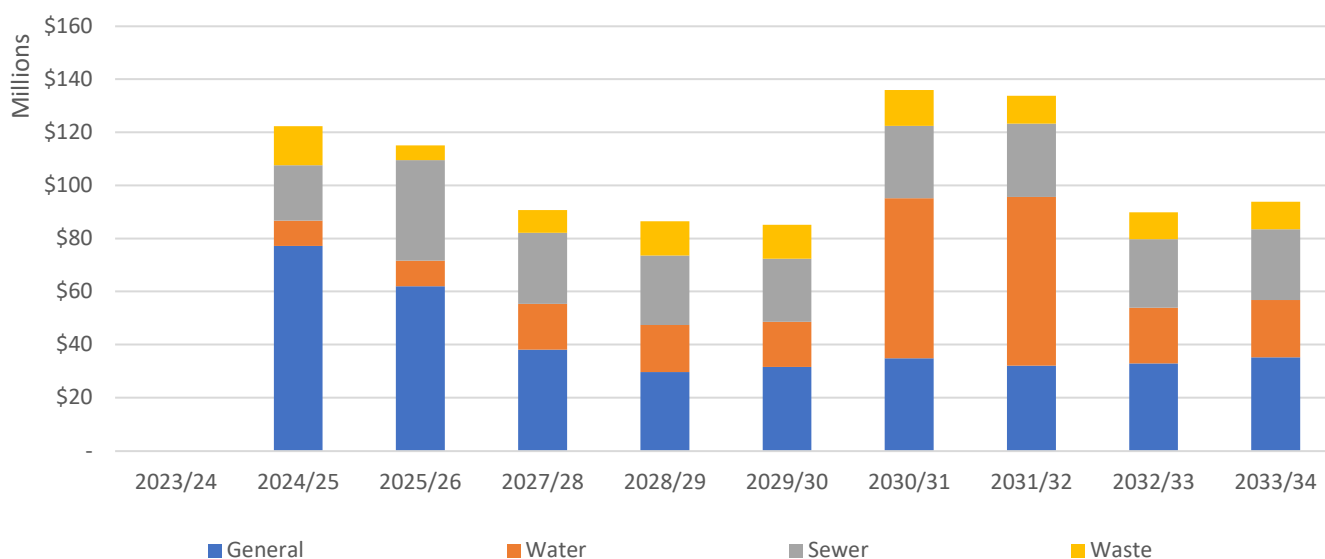
Based on Council's current renewals expenditure represents an average renewal ratio over the forecast period of 53%, which is substantially below the Office of Local Government target indicator of 100%.

Figure 33 Capital Program Spend – Consolidated [Base Model]



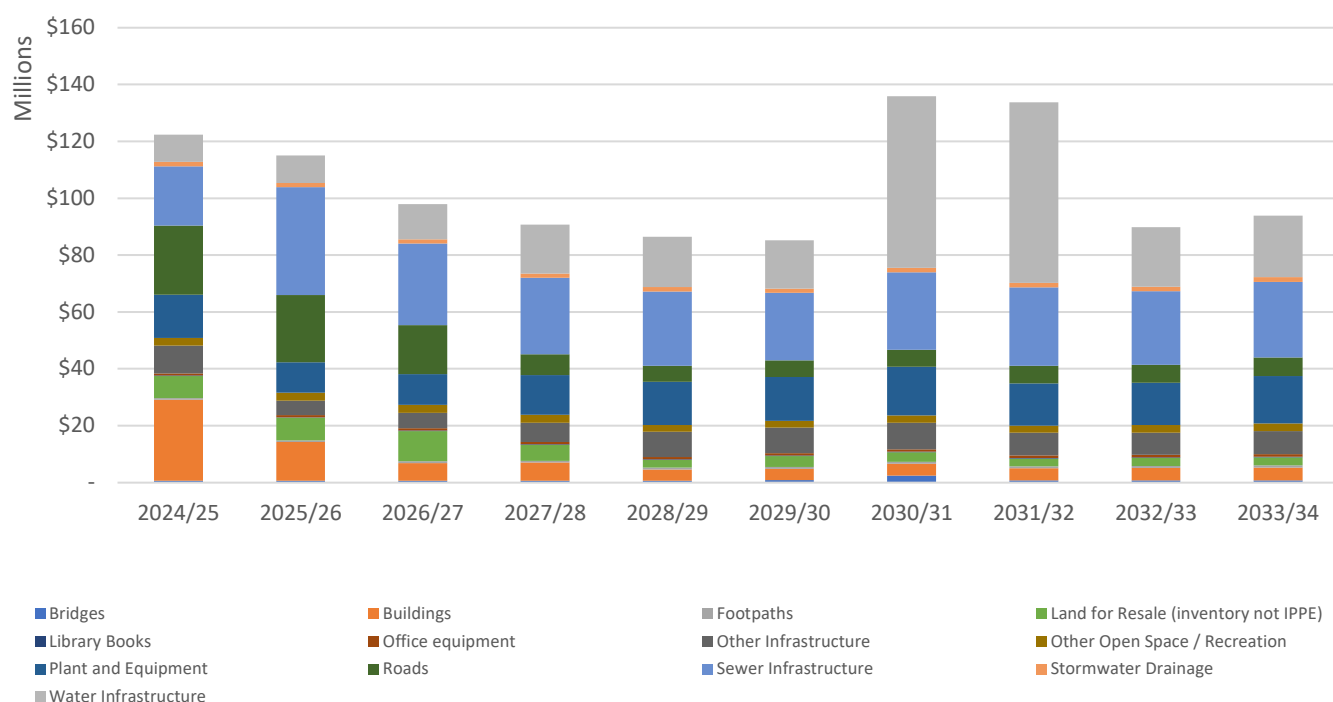
Source – Council (unpublished)

Figure 34 Capital Works Program by Fund – Base Model



Source – Council (unpublished)

Figure 35 Capital Program Spend – by Asset Class [Base Model]



Source – Council (unpublished)

Table 25 Capital Program Spend – by Asset Class (Base Model)

Planned Capital Works by Asset Class	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Bridges	10,708,860	581,950	599,409	617,391	635,912	654,990	799,657	2,432,691	715,725	737,197	759,313
Buildings	14,823,757	28,502,840	13,621,393	6,241,657	6,363,627	3,882,409	3,998,881	4,118,848	4,242,413	4,369,685	4,500,776
Footpaths	12,426,611	573,710	590,921	608,649	626,908	645,716	665,087	685,040	705,591	726,759	748,561
Land for Resale (inventory not IPPE)	2,398,765	7,822,850	7,934,471	10,632,452	5,589,502	2,699,486	3,780,250	3,378,709	2,684,539	2,737,806	2,819,940
Library Books	430,000	213,210	219,606	226,194	232,980	239,970	247,169	254,584	262,221	270,088	278,191
Office equipment	202,284	688,040	708,681	729,942	751,840	774,395	797,627	821,556	846,202	871,588	897,736
Other Infrastructure	24,022,108	9,764,555	5,136,294	5,457,570	6,744,949	8,965,594	9,004,110	9,355,528	7,993,256	7,838,751	8,060,474
Other Open Space / Recreation	28,190,393	2,690,360	2,757,279	2,824,699	2,893,683	2,352,167	2,422,732	2,495,414	2,570,276	2,647,385	2,726,806
Plant and Equipment	9,806,223	15,261,459	10,733,284	10,730,743	13,934,362	15,168,522	15,405,066	17,194,375	14,813,166	14,876,306	16,666,512
Roads	88,296,598	24,295,949	23,649,583	17,266,179	7,364,204	5,646,824	5,816,229	5,990,716	6,170,437	6,355,550	6,546,217
Sewer Infrastructure	30,655,257	20,869,448	37,891,741	28,735,005	26,828,303	26,184,060	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536
Stormwater Drainage	2,994,259	1,484,230	1,499,052	1,514,520	1,530,692	1,546,472	1,563,014	1,580,388	1,597,397	1,614,004	1,632,858
Water Infrastructure	24,522,460	9,568,700	9,675,408	12,369,670	17,242,795	17,725,301	16,919,721	60,319,164	63,553,855	20,980,753	21,610,175
TOTAL EXPENSES	249,477,575	122,317,300	115,017,123	97,954,671	90,739,758	86,485,903	85,165,183	135,876,834	133,753,693	89,842,898	93,839,096
New	110,037,255	61,070,307	50,556,627	42,216,633	36,865,929	31,368,333	29,878,651	75,882,111	74,269,716	27,509,707	28,334,999
Upgrade	5,798,459	-	-	-	-	-	-	-	-	-	-
Renewal	133,641,861	61,246,993	64,460,496	55,738,037	53,873,830	55,117,570	55,286,532	59,994,723	59,483,976	62,333,190	65,504,097
TOTAL EXPENSES	249,477,575	122,317,300	115,017,123	97,954,671	90,739,758	86,485,903	85,165,183	135,876,834	133,753,693	89,842,898	93,839,096
Depreciation	90,199,600	94,391,694	98,190,849	101,778,720	105,578,657	109,616,957	113,627,847	118,680,829	123,757,376	127,974,414	132,317,964
Renewal Ratio	148%	65%	66%	55%	51%	50%	49%	51%	48%	49%	50%

FORECAST – SCENARIO TWO - ENHANCED ASSET INVESTMENT – ONE YEAR SRV

ASSUMPTIONS AND QUALIFICATIONS

- The Enhanced Asset Investment scenario has been compiled based on the Base Case Scenario, using the same assumptions, but with additional investment in asset renewals and cash enhancement through Special Rate Variation (SRV) in Year One (2024/25) of 32% including the rate peg.

Table 26 Enhanced Cash Option - Enhanced Asset Investment - One Year SRV

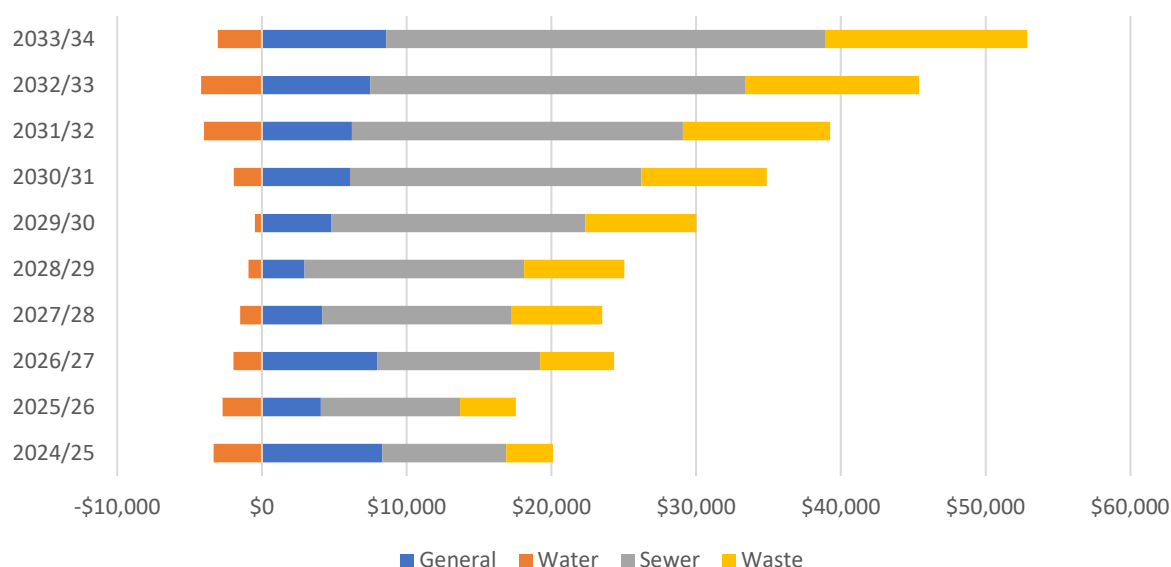
	2024/25
Correction as a % of Ordinary Rates	29.00%
Rate Peg	3.00%

Source: Council (unpublished)

- Due to the cash enhancement from increase in general rate, Council will have the cash to increase the level of asset renewals. The determination of this would be based on determining the priority asset renewals by means of criticality and Council's risk appetite.
- The level of renewals assumed raises the Capital Renewal Ratio to an average of 82% over the forecast period, which is still below the Office of Local Government recommended target of 100%. Rational decision is made within the first year to maintain a low level of renewals thus to ensure Council is able to build up its unrestricted cash for unforeseen events.
- Total Capital Works Program increases from \$1,051.0 million to \$1,383.1 million, an increase of \$332.1 million.

OPERATING POSITION

Figure 36 Operating Result before capital - Enhanced Asset Investment - One Year SRV



Source – Council (unpublished)

Consolidated Operating Position

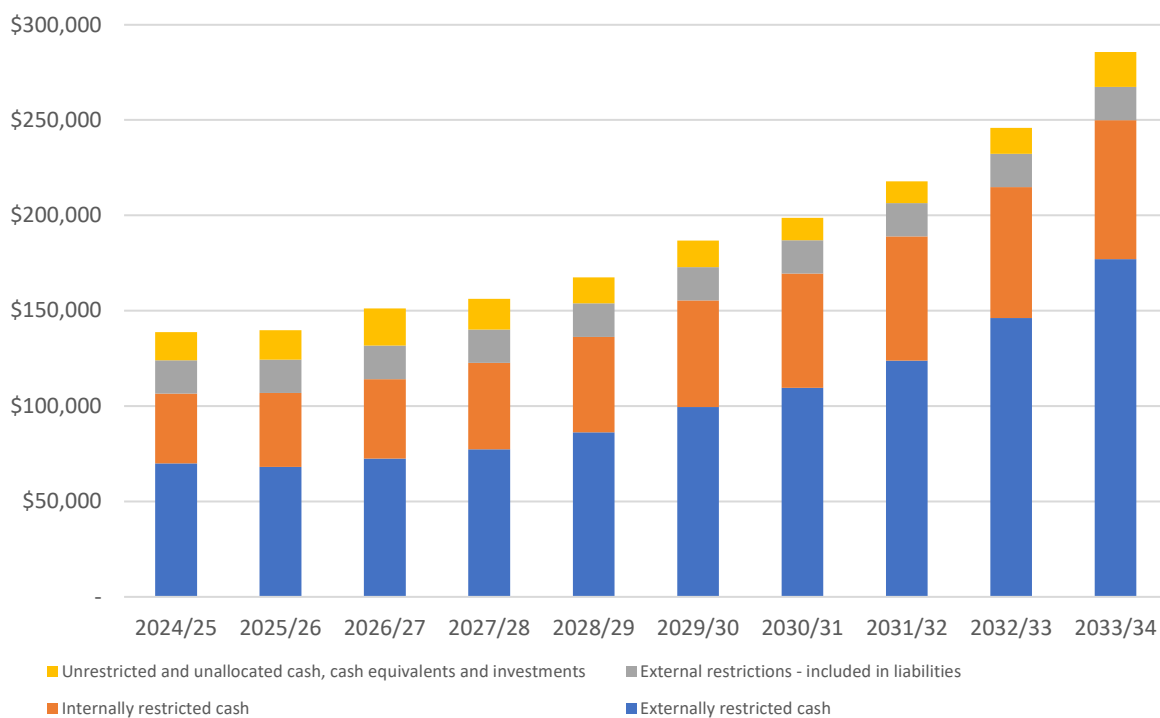
Given that there is correction to the operating revenues through a SRV to the general rates under the Enhanced Asset Investment – One Year SRV Scenario, the net average consolidated operating position over the forecast period does improve compared to the Base Model and therefore reflects an average surplus of \$26.7 million.

AVAILABILITY OF CASH

Under this scenario, the total cash, cash equivalents and investments are forecast to increase from \$166.4 million reported in 2022/23 to \$285.7 million in 2033/34. This reflects an increase of \$119.3 million of Council's cash reserves.

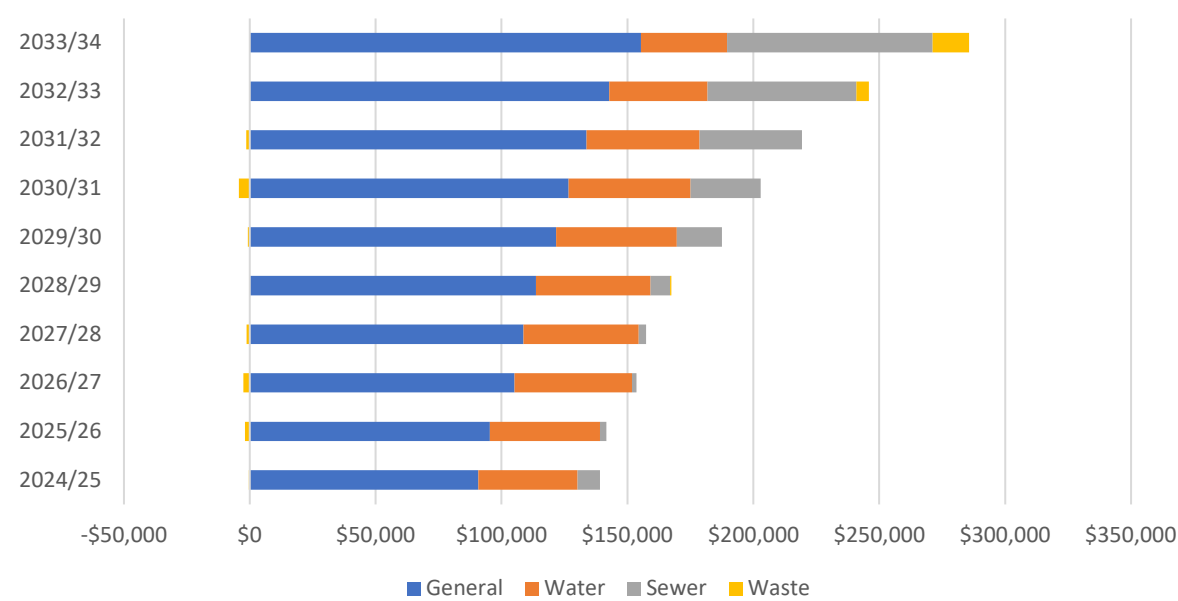
The scenario indicates that Council does have sufficient cash (both Unrestricted and within its reserves) to fund the increased level of renewals over the forecast period and is clearly more sustainable with a correction to the cash generated from operations.

Figure 37 Restricted and Unrestricted Cash - Enhanced Asset Investment – One Year SRV



Source – Council (unpublished)

Figure 38 Cash availability by Fund – Enhanced Asset Investment – One Year SRV

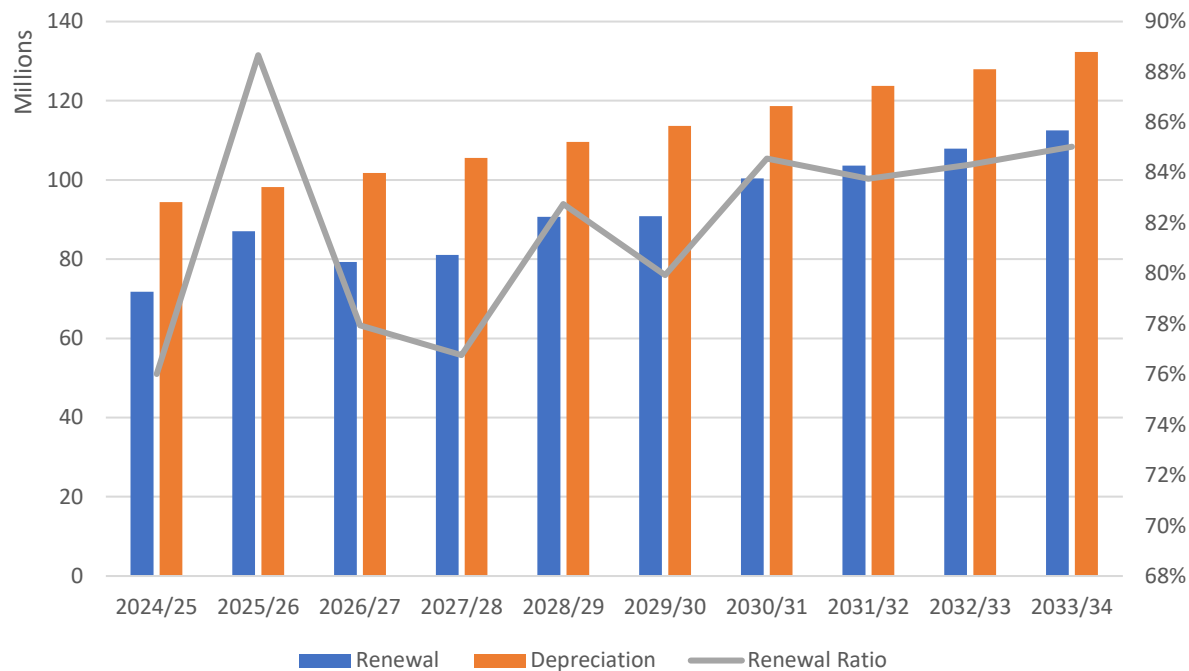


Source: Council (unpublished)

INVESTMENT IN ASSETS

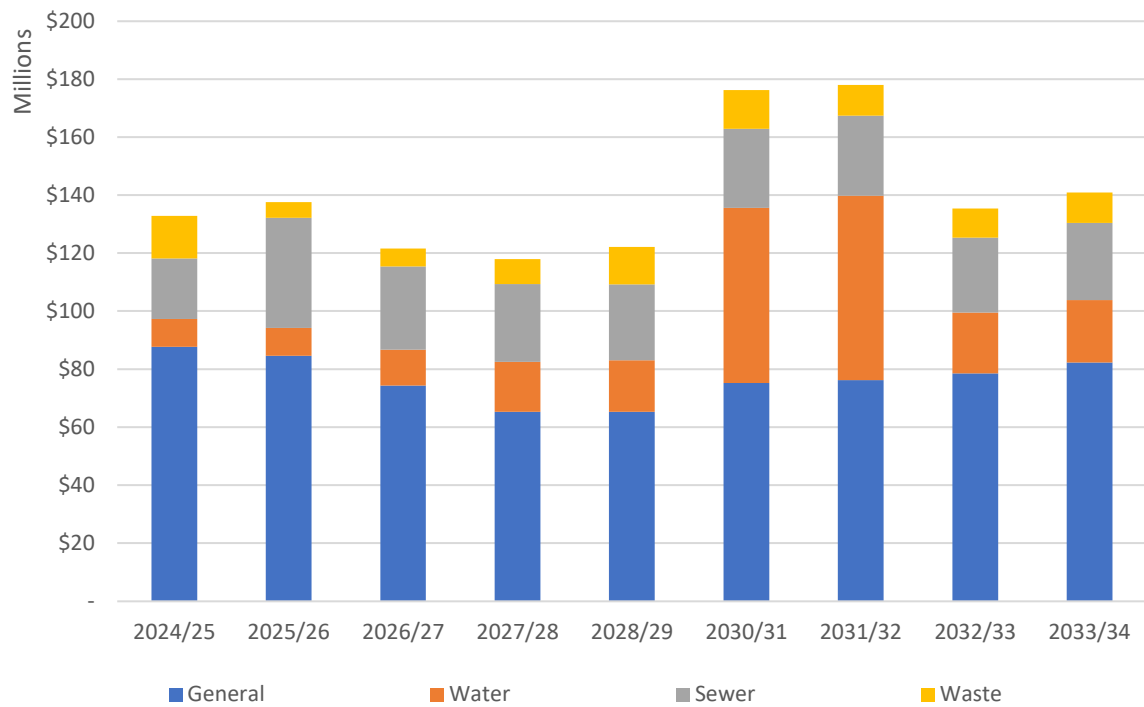
The following tables and figures outline the capital works plan for the Scenario Two.

Figure 39 Capital Works Program – Depreciation versus Renewal - Enhanced Asset Investment Scenario - One Year SRV



Source – Council (unpublished)

Figure 40 Capital Works Program by Fund [Enhanced Asset Investment - One Year SRV



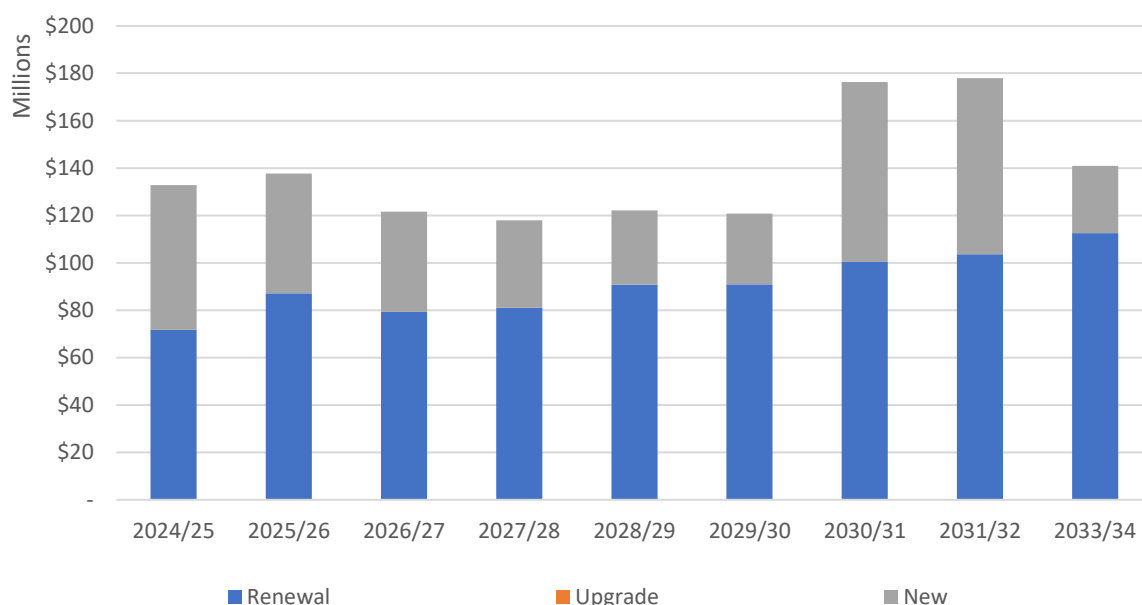
Source – Council (unpublished)

Table 27 Capital Program Spend – by Asset Class - Enhanced Asset Investment - One Year SRV

Planned Capital Works by Asset Class	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Bridges	10,708,860	581,950	599,409	617,391	635,912	654,990	799,657	2,432,691	1,982,495	2,041,970	2,103,229
Buildings	14,823,757	27,266,840	19,138,073	9,519,838	10,302,908	11,417,690	11,760,221	12,113,028	12,476,419	12,850,711	13,236,232
Footpaths	12,426,611	2,119,229	2,230,563	2,348,144	2,472,339	2,603,533	2,742,136	2,888,580	3,043,327	3,206,863	3,379,704
Land for Resale (inventory not IPPE)	-	-	-	-	-	-	-	-	-	-	-
Library Books	-	-	-	-	-	-	-	-	-	-	-
Office equipment	2,398,765	7,822,850	7,934,471	10,632,452	5,589,502	2,699,486	3,780,250	3,378,709	2,684,539	2,737,806	2,819,940
Other Infrastructure	430,000	213,210	219,606	226,194	232,980	239,970	247,169	254,584	262,221	270,088	278,191
Other Open Space / Recreation	202,284	688,040	708,681	729,942	751,840	774,395	797,627	821,556	846,202	871,588	897,736
Plant and Equipment	24,022,108	9,764,555	5,136,294	5,457,570	6,744,949	10,124,868	9,004,110	10,585,401	11,160,181	11,100,684	11,420,265
Roads	28,190,393	1,557,360	6,003,453	3,917,426	4,019,192	3,511,441	3,616,784	3,725,288	3,837,047	3,952,158	4,070,723
Sewer Infrastructure	9,806,223	15,261,459	10,733,284	10,730,743	13,934,362	15,168,522	15,405,066	17,194,375	14,813,166	14,876,306	16,666,512
Stormwater Drainage	88,296,598	35,625,949	35,319,483	34,203,448	27,060,608	28,861,287	29,727,126	33,078,687	34,071,048	35,093,180	36,145,975
Water Infrastructure	30,655,257	20,869,448	37,891,741	28,735,005	26,828,303	26,184,060	23,745,640	27,249,823	27,598,613	25,817,025	26,591,536
TOTAL EXPENSES	249,477,575	132,823,819	137,619,968	121,548,706	117,909,137	122,091,651	120,705,547	176,237,211	177,926,511	135,413,136	140,853,077
New	110,037,255	61,070,307	50,556,627	42,216,633	36,865,929	31,368,333	29,878,651	75,882,111	74,269,716	27,509,707	28,334,999
Upgrade	5,798,459	-	-	-	-	-	-	-	-	-	-
Renewal	133,641,861	71,753,512	87,063,341	79,332,073	81,043,209	90,723,317	90,826,896	100,355,100	103,656,794	107,903,429	112,518,078
TOTAL EXPENSES	249,477,575	132,823,819	137,619,968	121,548,706	117,909,137	122,091,651	120,705,547	176,237,211	177,926,511	135,413,136	140,853,077
Depreciation	90,199,600	94,391,694	98,190,849	101,778,720	105,578,657	109,616,957	113,627,847	118,680,829	123,757,376	127,974,414	132,317,964
Renewal Ratio	148%	76%	89%	78%	77%	83%	80%	85%	84%	84%	85%

Source – Council (unpublished)

Figure 41 Capital Program Spend (Enhanced Asset Investment – One Year SRV)



Source – Council (unpublished)

The Enhanced Asset Investment Scenario does not include a specific program to address the backlog for asset renewals.

Through enhanced asset management the Council will determine more accurately the estimated backlog and an understanding of risks associated with the backlog and a funding plan to address the unacceptable risk the backlog exposes the Council to.

The assumed increase in total renewals expenditure is summarised as follows:

Table 28 Comparison of the Annual Renewal Expenditure – Base Model compared to Enhanced Asset Investment

Year	Total Annual Renewal Program - Base Model (\$m)	Total Annual Renewal Program - Enhanced Asset Investment Scenario (\$m)	Increase in Asset Renewal Program Assumed (\$m)
2024/25	61.25	71.75	10.51
2025/26	64.46	87.06	22.60
2026/27	55.74	79.33	23.59
2027/28	53.87	81.04	27.17
2028/29	55.12	90.72	35.61
2029/30	55.29	90.83	35.54
2030/31	59.99	100.36	40.36
2031/32	59.48	103.66	44.17
2032/33	62.33	107.90	45.57
2033/34	65.50	112.52	47.01

Source: Council (unpublished)

FORECAST – SCENARIO THREE - ENHANCED ASSET INVESTMENT – THREE (3) YEARS SRV

ASSUMPTIONS AND QUALIFICATIONS

- The Enhanced Asset Investment scenario has been compiled based on the Base Case Scenario, using the same assumptions, but with additional investment in asset renewals and cash enhancement through Special Rate Variation (SRV) in a staged approach over 3 years.

Table 29 Cash Enhancement - Enhanced Asset Investment - 3 Years SRV

	2024/25	2025/26	2026/27
Correction as a % of Ordinary Rates	15.00%	10.00%	5.00%
Rate Peg	3.00%	3.00%	3.00%

Source: Council (unpublished)

- Due to the cash enhancement from increase in general rate, Council will have the cash to increase the level of asset renewals. The determination of this would be based on determining the priority asset renewals by means of criticality and Council's risk appetite.
- The level of renewals assumed raises the Capital Renewal Ratio to an average of 84% over the forecast period, which is still below the Office of Local Government recommended target of 100%. Rational decision is made within the first year to maintain a low level of renewals thus to ensure Council is able to build up its unrestricted cash for unforeseen events.
- Total Capital Works Program increases from \$1,051.0 million to \$1,404.9 million, an increase of \$353.9 million.

OPERATING POSITION

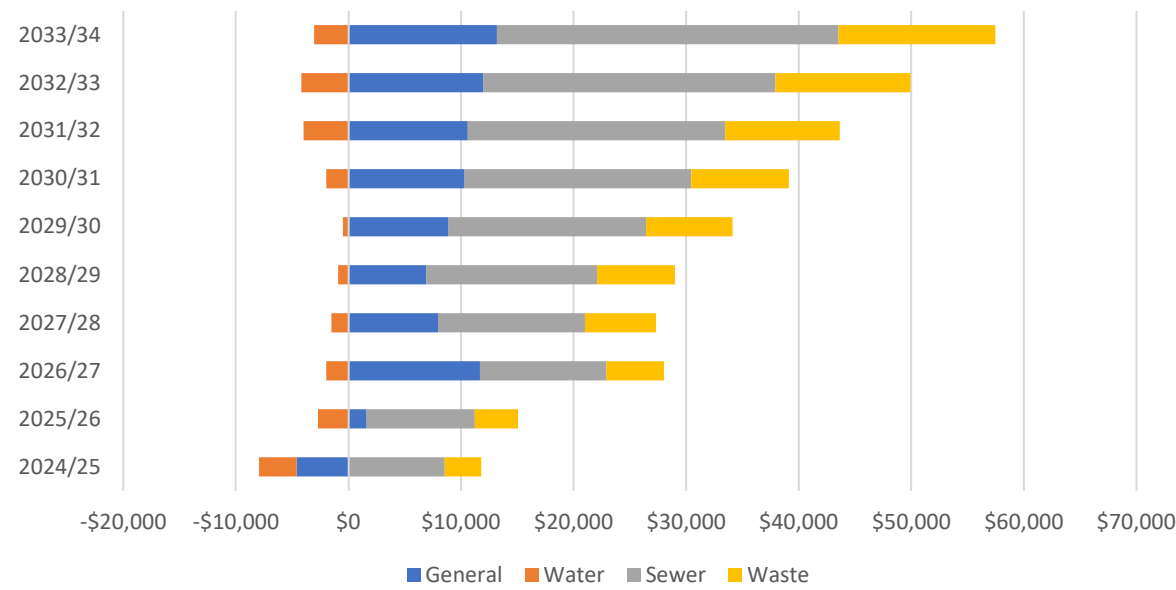
Consolidated Operating Position

Under the Enhanced Asset Investment – 3 Year SRV Scenario, the net average consolidated operating position over the forecast period reflects a surplus of \$28.5 million. This corrects the Net Operating Position and meets the Office of Local Government performance targets.

General Fund in 2024/25 still forecasts an operating deficit as the revenue generated is not sufficient to cover the operating expenditure and produces a deficit of \$4.6 million. The fund projects an average operating surplus of \$9.2 million from 2025/26 onwards.

Although, it should be noted that the Water Fund is forecast to produce operating deficits that deteriorates in future years due to increased depreciation introduced by planned new and upgraded capital works investments.

Figure 42 Net Operating Result before Capital – By Fund – Enhanced Asset Investment - 3 Years SRV



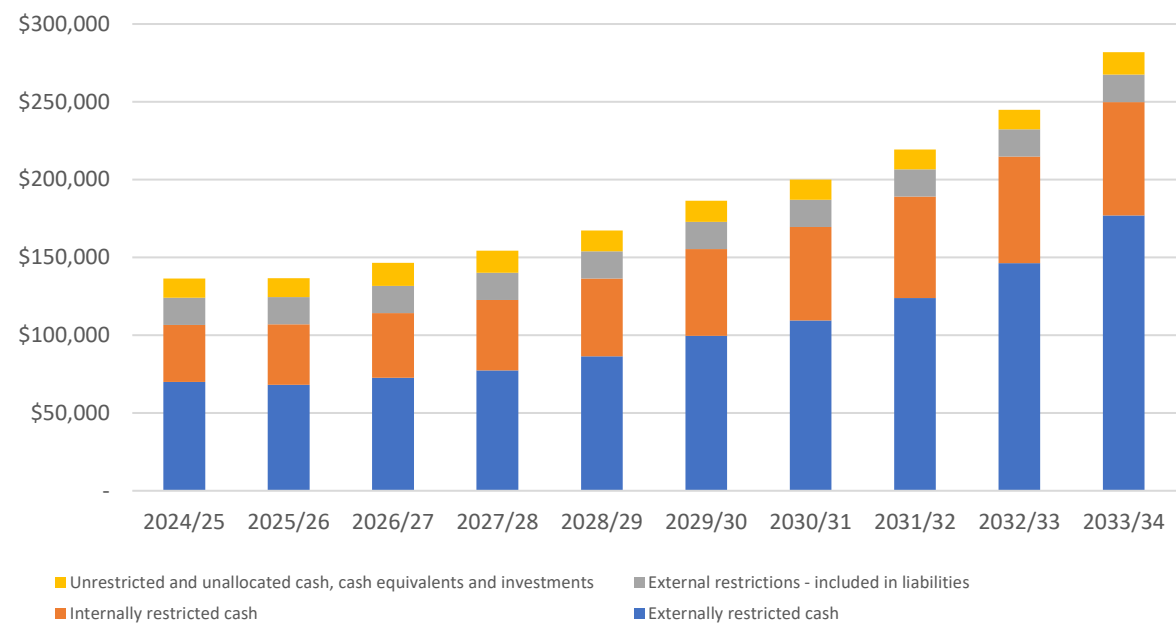
Source – Council (unpublished)

AVAILABILITY OF CASH

Under this scenario, the total cash, cash equivalents and investments are forecast to decrease, commencing at \$166.4 million in 2022/23 to \$281.8 million in 2033/34.

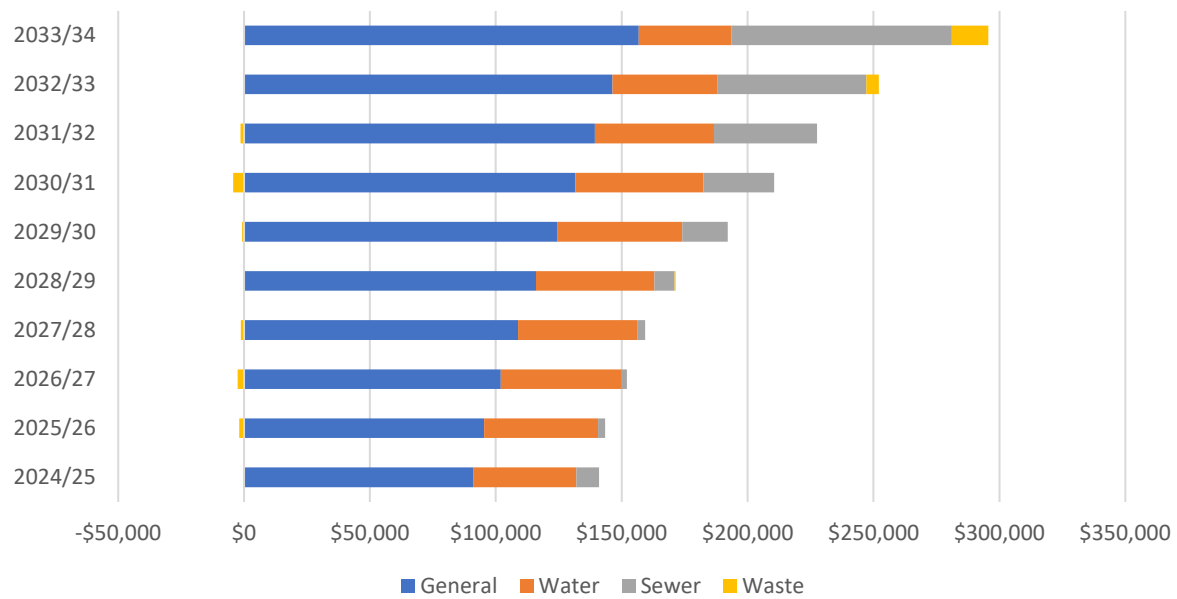
Under this scenario unrestricted cash is forecast to remain in a positive balance and improves in the later years of the 10-year forecast. Council could improve the balance in the short term (over the next 12-24mths) by selling assets and not using the revenue received to increase the balance of unrestricted cash to a target \$15 million. A balance of \$15 million in unrestricted cash would provide adequate mitigation for unplanned events.

Figure 43 Restricted and Unrestricted Cash – Enhanced Asset Investment - 3 Years SRV



Source – Council (unpublished)

Figure 44 Cash and cash equivalents by Fund – Enhanced Asset Investment - 3 Years SRV



Source – Council (unpublished)

INVESTMENT IN ASSETS

The asset investment assumptions in this scenario achieves an Asset Renewal Ratio of 84%. Note that the Base Model had a renewal ratio of 53%.

It should also be noted that the proposed asset renewals in the first few years of the Scenario to protect the positive balance in unrestricted cash position. Should Council pursue sale of assets to improve the unrestricted cash position, the reduction in the asset renewals in these years could be removed.

Both scenarios with enhanced asset investment, still does not include a specific program to address the backlog for asset renewals. Through improved asset management the Council will determine more accurately the estimated backlog and an understanding of risks associated with the backlog and a funding plan to address the unacceptable risk the backlog exposes the Council to.

Figure 45 New versus Renewal Capital Program – Enhanced Asset Investment - 3 Years SRV

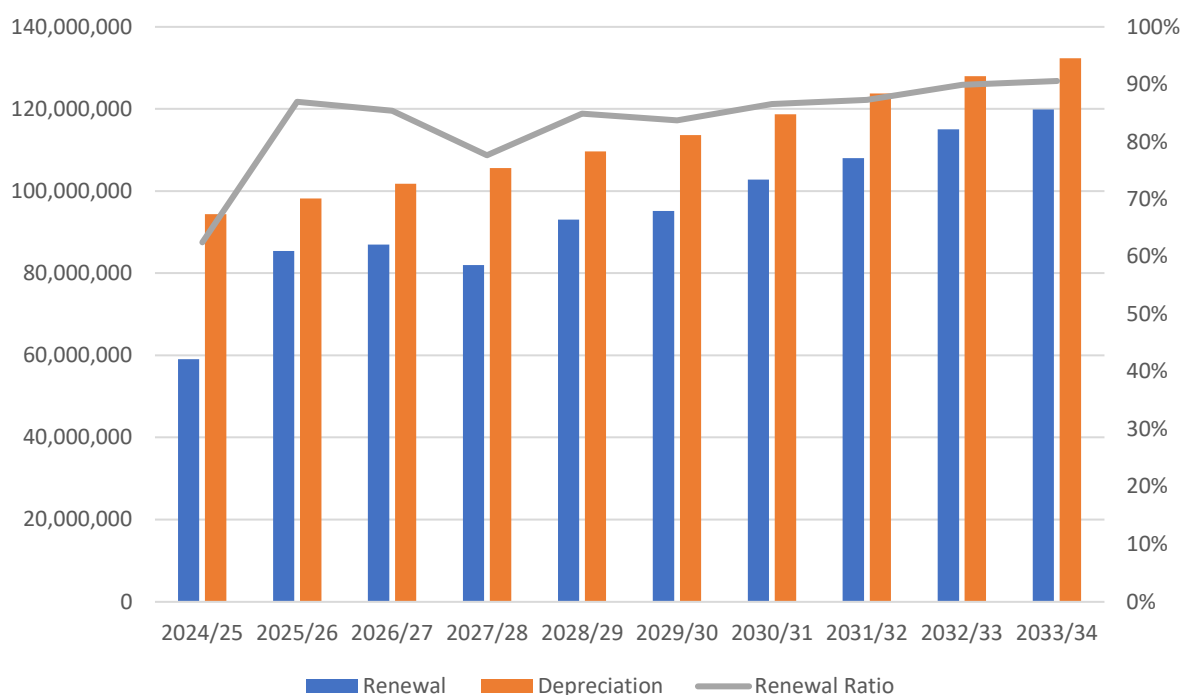
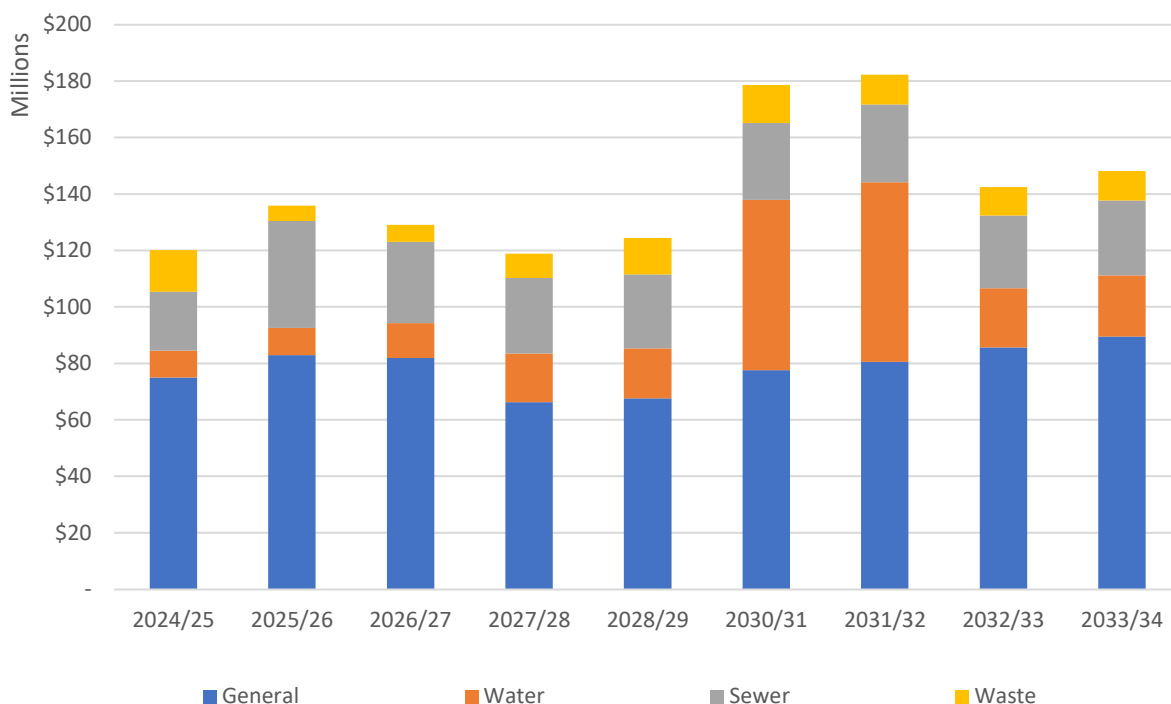


Figure 46 Capital Works Plan by Fund – Enhanced Asset Investment - 3 Years SRV



Source – Council (unpublished)

Table 30 Increase in Renewal Expenditure – Enhanced Asset Investment - 3 Years SRV

Year	Total Renewal Program -Base Case Scenario (\$m)	Total Renewal Program - Enhanced Asset Investment – 3 yrs SRV Scenario (\$m)	Increase in Asset Renewal Program Assumed (\$m)
2024/25	61.25	61.29	0.04
2025/26	64.46	85.39	20.93
2026/27	55.74	84.52	28.78
2027/28	53.87	81.98	28.10
2028/29	55.12	93.03	37.91
2029/30	55.29	95.14	39.86
2030/31	59.99	102.75	42.75
2031/32	59.48	108.02	48.54
2032/33	62.33	115.01	52.68
2033/34	65.50	119.84	54.33

Source: Council (unpublished)

In this scenario, as the rates increased proposed in the first year is only 15%, the renewals are not accelerated as quickly as it was in scenario two. 2024/25 barely experiences an increase and it is only from 2028/29 onwards that there is sufficient investment made in asset renewals.

The average renewal increase over the forecast period is approximately \$35.4 million annually or an equivalent of 31% more than the Base Model.

RISKS AND SENSITIVITY ANALYSIS

RISKS

The following risks have been identified as the major threats to the successful outcomes of implementing the Long-Term Financial Plan.

Certainty of Revenue Streams

Projections of revenue streams over the period of the Long-Term Financial Plan are based upon historical trends, anticipated economic conditions, planned pricing, known grants and current statutory prices.

Furthermore, the rates increase has been assumed to be the rate peg at 2.5% from 2027/28 onwards, plus growth of 0.5%.

Expenditure Estimates

During the preparation period of this LTFP there were significant inflationary pressures being experienced nationwide. The inflationary pressures were assumed to be mostly due to supply constraints and international affairs. Projections for operating expenditure from 2025/26 onwards is based on CPI or any relevant indexation. Extended periods of higher inflation remain a risk to the accuracy of operating expenditure projections.

Interest rates on borrowings that are significantly above the assumed rates will impact on the plan. As noted above, during the preparation of this plan there were significant inflationary pressures resulting in an increase in interest rates increasing from a record low base. It should be noted however that current borrowings that Council has committed to include low interest borrowings organized through TCorp, supported by the State Government. Low interest borrowings include a cost sharing arrangement with the State Government bearing responsibility for 50% of interest costs. Council is therefore partly protected from full impact of future increases in interest on borrowings.

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

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

Impairment and Early Deterioration of Assets

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

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

Section 7.11 Cash Reserves

Council has prepared the Contributions Plan in line with projected development. However, actual development may occur at different timing, and construction of assets triggered by development may be necessary without required funding available in the Section 7.11 cash reserve.

Council continues to review Section 7.11 plans to ensure cash flow is consistent with the timing of planned capital works programs. Plans are assessed for cash shortfalls and if required other funding sources identified.

The Section 7.11 cap placed on contributions from developers and the removal of some infrastructure (non-essential) able to be funded through Section 7.11 has made delivering Greenfield sites challenging.

SENSITIVITY ANALYSIS

The following assessment has been completed upon the major assumptions included in the preparation of the Long-Term Financial Plan. The tables below indicate the impact to the relevant financial element due to a change in an assumption included in the Plan.

Financial Element	Change	Impact
Revenue		(\$)
Rates and Annual Charges	Reduction in the rates by 1%	(1,773,390)
User Charges and Fees	Reduction on charges and fees by 1%	(956,220)
Investment Interest	Interest rate increased by 1%	56,770
Operating Expenditure		
Employee benefits	Employee costs increase by 1% higher	1,077,020
Materials and contracts	Costs increase by 1% higher	1,024,940
Capital Expenditure		
Total construction costs	Costs increase by 1% higher	2,470,790

PERFORMANCE MONITORING

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

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

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

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

APPENDIX A: PERFORMANCE INDICATORS – SCENARIO ONE: BASE MODEL

Indicator	Target	Fund	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Local Government Industry Indicators													
Operating Performance Ratio	Greater than 0%	TARGET	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Consolidated	-6.33%	-6.64%	-6.21%	-5.16%	-3.96%	-2.90%	-1.76%	-0.98%	-0.41%	0.84%	2.58%
		General	-11.22%	-13.10%	-13.32%	-13.27%	-12.84%	-12.43%	-11.97%	-11.42%	-10.81%	-10.19%	-9.62%
		Water	-14.53%	-8.80%	-7.35%	-5.05%	-3.67%	-2.14%	-0.51%	-2.88%	-8.15%	-8.15%	-5.62%
		Sewer	13.02%	14.31%	15.05%	16.67%	18.38%	20.24%	22.19%	24.10%	25.91%	27.81%	30.76%
		Waste	4.16%	4.09%	4.64%	5.90%	6.96%	7.30%	7.74%	8.35%	9.37%	10.55%	11.71%
		TARGET	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Own Source Operating Revenue Ratio	Greater than 60%	Consolidated	66.36%	82.14%	84.55%	87.85%	91.20%	91.32%	91.28%	86.68%	87.18%	91.81%	91.95%
		General	57.37%	76.58%	81.90%	84.28%	87.95%	87.95%	87.91%	87.39%	88.00%	88.03%	88.06%
		Water	94.23%	95.65%	95.83%	96.03%	96.22%	96.39%	95.34%	67.02%	67.24%	96.97%	97.11%
		Sewer	96.07%	94.08%	85.60%	93.59%	97.53%	97.65%	97.78%	97.89%	98.00%	98.11%	98.21%
		Waste	99.94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
		TARGET	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
		Consolidated	0.58	0.27	0.20	0.11	0.02	0.05	0.01	0.00	0.07	0.21	0.35
Unrestricted Current Ratio	Greater than 1.5	General	0.36	0.11	0.02	-0.09	-0.20	-0.17	-0.23	-0.25	-0.19	-0.02	0.15
		Water	8.30	4.30	4.58	4.58	4.89	4.89	5.22	3.25	2.48	2.39	2.31
		Sewer	1.17	0.71	0.73	0.75	0.77	0.75	0.73	0.71	0.68	0.66	0.64
		Waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		TARGET	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
		Consolidated	10.58	11.87	12.27	14.17	16.96	19.79	23.21	28.58	28.24	28.76	50.97
		General	11.28	11.71	11.70	12.81	14.96	17.53	22.92	31.32	46.02	80.73	168.20
Debt Service Cover Ratio	Greater than 2.0	Water	58.63	69.21	72.17	76.98	80.85	84.68	88.89	88.02	13.11	7.87	9.21
		Sewer	5.57	6.21	6.85	7.65	8.55	9.54	10.64	11.91	13.34	15.00	24.83
		Waste	6.62	8.09	7.13	9.37	12.37	13.56	12.51	14.29	19.76	28.59	39.82
		TARGET	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
		Consolidated	1.73%	2.01%	1.99%	1.87%	1.64%	1.41%	1.24%	0.98%	1.00%	1.07%	0.62%
		General	1.01%	1.36%	1.39%	1.37%	1.18%	0.96%	0.76%	0.56%	0.38%	0.22%	0.11%
		Water	0.47%	0.46%	0.45%	0.44%	0.43%	0.43%	0.41%	0.29%	1.86%	4.62%	4.08%
Debt Service Ratio	Less than 15%	Sewer	8.01%	7.13%	5.94%	5.92%	5.64%	5.17%	4.74%	4.33%	3.95%	3.59%	2.21%
		Waste	1.30%	1.13%	1.43%	1.22%	1.01%	0.99%	1.15%	1.07%	0.83%	0.61%	0.47%

Indicator	Target	Fund	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
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Local Government Industry Indicators

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APPENDIX B: PRIMARY STATEMENTS – SCENARIO ONE: BASE MODEL

INCOME STATEMENT - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	169,536	177,338	177,339	184,887	192,783	201,044	209,687	218,731	228,197	238,104	248,476	259,335	270,705
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Other revenue	6,356	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
Grants and contributions provided for operating purposes	33,286	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	65,857	47,922	121,662	42,542	33,810	21,262	8,521	8,675	9,555	32,257	31,332	9,337	9,500
Interest and investment revenue	7,867	7,550	5,677	5,675	5,434	5,375	5,534	5,631	5,977	6,437	6,650	7,635	8,793
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	247	-	-	4,929	3,799	5,604	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	375,679	354,497	427,092	364,127	366,815	369,379	369,085	381,684	398,942	438,202	453,083	449,638	469,243
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>120,620</i>	<i>117,567</i>	<i>116,795</i>	<i>120,344</i>	<i>123,955</i>	<i>127,052</i>	<i>130,227</i>	<i>133,481</i>	<i>136,817</i>	<i>140,235</i>	<i>143,740</i>	<i>147,331</i>	<i>151,013</i>
<i>Staff costs capitalised</i>	<i>8,702</i>	<i>9,094</i>	<i>9,094</i>	<i>9,412</i>	<i>9,694</i>	<i>9,937</i>	<i>10,185</i>	<i>10,440</i>	<i>10,701</i>	<i>10,968</i>	<i>11,242</i>	<i>11,523</i>	<i>11,811</i>
Employee benefits and on-costs	111,918	108,473	107,702	110,933	114,261	117,116	120,042	123,042	126,116	129,267	132,497	135,808	139,201
Materials and services	117,782	104,540	102,494	107,660	111,976	115,917	120,068	124,431	128,807	134,219	139,664	144,278	149,030
Borrowing costs	6,495	7,453	7,397	7,206	7,232	6,813	5,977	5,348	4,920	4,255	4,536	4,800	2,918
Depreciation, amortisation and impairment of non-financial assets	83,435	90,200	90,200	94,392	98,191	101,779	105,579	109,617	113,628	118,681	123,757	127,974	132,318
Other expenses	20,887	16,973	16,973	17,482	18,006	18,546	19,103	19,676	20,266	20,874	21,500	22,145	22,810
Internal expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	341,683	327,639	324,764	337,673	349,665	360,171	370,769	382,114	393,737	407,296	421,956	435,006	446,277
Operating result from continuing operations	33,996	26,858	102,328	26,454	17,150	9,208	(1,684)	(430)	5,205	30,906	31,128	14,632	22,966
Net operating result for the year before grants and contributions provided for capital purposes	(31,861)	(21,064)	(19,334)	(16,089)	(16,660)	(12,053)	(10,205)	(9,105)	(4,350)	(1,350)	(205)	5,295	13,466

[illegible]

STATEMENT OF FINANCIAL POSITION - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	124,042	124,330	105,404	106,453	106,400	105,475	105,232	105,498	106,337	103,328	103,257	99,192	98,634
Non-Current Liabilities													
Lease liabilities	55	75	55	55	55	55	55	55	55	55	55	55	55
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	177,999	176,284	166,969	159,929	145,905	125,306	107,896	93,948	75,611	77,918	80,918	66,602	52,844
Employee benefit provision	1,217	1,368	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217
Provisions	11,599	8,030	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	190,870	185,757	179,840	172,800	158,776	138,177	120,767	106,819	88,482	90,789	93,789	79,473	65,715
TOTAL LIABILITIES	314,912	310,087	285,244	279,253	265,176	243,652	225,999	212,316	194,819	194,117	197,046	178,665	164,349
NET ASSETS	4,669,779	4,213,351	4,772,107	4,798,560	4,815,710	4,824,918	4,823,234	4,822,805	4,828,010	4,858,916	4,890,044	4,904,676	4,927,642
EQUITY													
Accumulated surplus	1,786,879	1,842,384	1,889,207	1,915,660	1,932,810	1,942,018	1,940,335	1,939,905	1,945,110	1,976,017	2,007,144	2,021,776	2,044,742
Revaluation reserves	2,882,900	2,370,967	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	4,669,779	4,213,351	4,772,107	4,798,560	4,815,710	4,824,918	4,823,235	4,822,805	4,828,010	4,858,917	4,890,044	4,904,676	4,927,642
Total equity	4,669,779	4,213,351	4,772,107	4,798,560	4,815,710	4,824,918	4,823,235	4,822,805	4,828,010	4,858,917	4,890,044	4,904,676	4,927,642

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	6,015	177,338	177,339	184,887	192,783	201,044	209,687	218,731	228,197	238,104	248,476	259,335	270,705
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Investment and interest revenue received	7,867	7,550	5,677	5,675	5,434	5,375	5,534	5,631	5,977	6,437	6,650	7,635	8,793
Grants and contributions	99,143	69,216	154,657	64,165	56,071	44,183	32,122	32,977	34,581	58,029	57,875	36,674	37,658
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	741,886	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
<i>Payments:</i>													
Employee benefits and on-costs	(111,918)	(108,473)	(107,702)	(110,933)	(114,261)	(117,116)	(120,042)	(123,042)	(126,116)	(129,267)	(132,497)	(135,808)	(139,201)
Materials and services	(117,782)	(104,540)	(102,494)	(107,660)	(111,976)	(115,917)	(120,068)	(124,431)	(128,807)	(134,219)	(139,664)	(144,278)	(149,030)
Borrowing costs	(6,495)	(7,453)	(7,397)	(7,206)	(7,232)	(6,813)	(5,977)	(5,348)	(4,920)	(4,255)	(4,536)	(4,800)	(2,918)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(20,887)	(16,973)	(16,973)	(17,482)	(18,006)	(18,546)	(19,103)	(19,676)	(20,266)	(20,874)	(21,500)	(22,145)	(22,810)
Net cash provided (or used in) operating activities	690,359	117,058	203,502	115,917	111,541	105,383	99,971	107,515	116,389	146,999	153,386	140,987	153,617
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	5,000	96,623	108,927	92,450	87,450	87,450	87,450	87,450	77,450	61,829	74,829	92,829
Sale of infrastructure, property, plant and equipment	247	2,195	2,133	2,959	3,427	3,739	3,385	5,300	5,043	5,002	5,019	4,282	4,410
Sale of real estate	-	3,318	3,318	8,962	6,908	10,189	7,133	3,040	4,443	4,705	2,725	2,944	3,032
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	(5,000)	(65,306)	(92,450)	(87,450)	(87,450)	(87,450)	(87,450)	(85,450)	(66,829)	(79,829)	(94,829)	(118,829)
Purchase of infrastructure, property, plant and equipment	(692,963)	(186,972)	(247,079)	(114,494)	(107,083)	(87,322)	(85,150)	(83,786)	(81,385)	(132,498)	(131,069)	(87,105)	(91,019)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	(1,222)	(2,399)	(7,823)	(7,934)	(10,632)	(5,590)	(2,699)	(3,780)	(3,379)	(2,685)	(2,738)	(2,820)
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(692,716)	(182,681)	(212,710)	(93,919)	(99,683)	(84,026)	(80,221)	(78,146)	(73,678)	(115,549)	(144,010)	(102,617)	(112,397)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities													
<i>Receipts:</i>													
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	14,907	18,356	9,455	14,537	7,500	-	2,945	6,673	3,124	20,758	21,381	-	-
<i>Payments:</i>													
Repayment of borrowings and advances	(6,535)	(19,098)	(20,288)	(20,528)	(21,577)	(21,524)	(20,598)	(20,356)	(20,621)	(21,461)	(18,452)	(18,381)	(14,315)
Net cash provided (or used in) financing activities	8,372	(742)	(10,833)	(5,991)	(14,077)	(21,524)	(17,653)	(13,682)	(17,497)	(703)	2,929	(18,381)	(14,315)
Net increase/(decrease) in cash and cash equivalents	6,015	(66,365)	(20,041)	16,006	(2,218)	(167)	2,097	15,687	25,214	30,748	12,306	19,989	26,904
Cash and cash equivalents - beginning of year	21,416	89,208	27,431	7,390	23,397	21,179	21,011	23,108	38,795	64,009	94,756	107,062	127,051
Cash and cash equivalents - end of the year	27,431	22,843	7,390	23,397	21,179	21,011	23,108	38,795	64,009	94,756	107,062	127,051	153,955
Investments on hand - end of year	138,927	105,778	108,927	92,450	87,450	87,450	87,450	87,450	85,450	74,829	92,829	112,829	138,829
Total cash, cash equivalents and investments	166,358	128,621	116,317	115,847	108,629	108,461	110,558	126,245	149,459	169,585	199,891	239,880	292,784

INCOME STATEMENT - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	86,329	90,820	90,820	93,541	96,344	99,231	102,204	105,267	108,421	111,670	115,017	118,464	122,014
User charges and fees	50,268	51,030	51,030	52,561	54,138	55,762	57,435	59,158	60,933	62,761	64,644	66,583	68,571
Other revenue	5,583	4,321	4,322	4,451	4,584	4,721	4,863	5,008	5,158	5,313	5,472	5,636	5,804
Grants and contributions provided for operating purposes	33,164	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	60,876	43,446	117,263	37,113	21,445	15,042	5,121	5,275	5,558	7,334	5,764	5,937	6,100
Interest and investment revenue	4,942	5,496	5,496	4,628	4,748	4,721	4,838	4,961	5,213	5,751	6,466	7,295	8,166
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	(81)	-	-	4,929	3,799	5,604	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	34,772	35,771	36,845	37,950	39,088	40,261	41,469	42,713	43,994	45,314	46,674	48,074
Total income from continuing operations	241,081	251,179	326,723	255,691	245,270	247,092	242,246	247,112	255,467	265,184	270,718	279,544	288,555
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>89,840</i>	<i>86,537</i>	<i>86,537</i>	<i>89,165</i>	<i>91,840</i>	<i>94,136</i>	<i>96,490</i>	<i>98,902</i>	<i>101,375</i>	<i>103,909</i>	<i>106,507</i>	<i>109,169</i>	<i>111,899</i>
<i>Staff costs capitalised</i>	<i>6,243</i>	<i>6,524</i>	<i>6,524</i>	<i>6,752</i>	<i>6,955</i>	<i>7,129</i>	<i>7,307</i>	<i>7,490</i>	<i>7,677</i>	<i>7,869</i>	<i>8,065</i>	<i>8,267</i>	<i>8,474</i>
Employee benefits and on-costs	83,597	80,013	80,013	82,413	84,886	87,008	89,183	91,412	93,698	96,040	98,441	100,902	103,425
Materials and services	82,382	63,509	63,510	66,632	69,056	71,284	73,422	75,593	77,841	80,167	82,537	84,978	87,492
Borrowing costs	2,454	3,290	3,291	3,403	3,362	3,301	2,814	2,364	1,919	1,475	1,032	621	314
Depreciation, amortisation and impairment of non-financial assets	52,267	57,340	57,340	59,530	61,462	63,431	65,311	67,247	69,242	71,313	73,429	75,608	77,853
Other expenses	5,009	4,992	4,992	5,142	5,296	5,455	5,618	5,787	5,961	6,139	6,324	6,513	6,709
Internal expenditure	-	23,812	23,812	24,526	25,262	26,020	26,800	27,604	28,432	29,285	30,164	31,069	32,001
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	226,875	232,956	232,956	241,646	249,324	256,498	263,149	270,008	277,093	284,421	291,927	299,692	307,793
Operating result from continuing operations	14,206	18,224	93,767	14,044	(4,054)	(9,406)	(20,902)	(22,896)	(21,626)	(19,237)	(21,209)	(20,148)	(19,238)
Net operating result for the year before grants and contributions provided for capital purposes	(46,670)	(25,222)	(23,496)	(23,069)	(25,499)	(24,449)	(26,023)	(28,170)	(27,184)	(26,571)	(26,973)	(26,085)	(25,339)

[illegible]

STATEMENT OF FINANCIAL POSITION - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	109,059	111,701	91,312	91,495	91,423	90,556	90,153	89,555	89,763	84,723	84,120	80,410	80,385
Non-Current Liabilities													
Lease liabilities	55	75	55	55	55	55	55	55	55	55	55	55	55
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	78,886	84,936	75,620	70,271	64,993	53,086	41,588	30,692	19,592	13,538	6,436	3,708	802
Employee benefit provision	1,217	1,368	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217
Provisions	11,599	8,030	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	91,757	94,409	88,491	83,142	77,864	65,957	54,459	43,563	32,463	26,409	19,307	16,579	13,673
TOTAL LIABILITIES	200,816	206,109	179,803	174,636	169,287	156,514	144,611	133,117	122,226	111,131	103,427	96,989	94,059
NET ASSETS	3,273,184	2,951,454	3,366,951	3,380,995	3,376,942	3,367,536	3,346,633	3,323,738	3,302,111	3,282,874	3,261,665	3,241,517	3,222,279
EQUITY													
Accumulated surplus	1,063,804	1,102,219	1,157,571	1,171,615	1,167,562	1,158,156	1,137,253	1,114,358	1,092,731	1,073,494	1,052,285	1,032,137	1,012,899
Revaluation reserves	2,209,380	1,849,235	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	3,273,184	2,951,454	3,366,951	3,380,995	3,376,942	3,367,536	3,346,633	3,323,738	3,302,111	3,282,874	3,261,665	3,241,517	3,222,279
Total equity	3,273,184	2,951,454	3,366,951	3,380,995	3,376,942	3,367,536	3,346,633	3,323,738	3,302,111	3,282,874	3,261,665	3,241,517	3,222,279

STATEMENT OF CASH FLOWS - GENERAL	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Receipts:												
Proceeds from borrowings	18,356	9,455	7,500	7,500	-	-	-	-	-	-	-	-
Payments:												
Repayment of borrowings and advances	(11,546)	(11,545)	(12,667)	(12,849)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Net cash provided (or used in) financing activities	6,810	(2,090)	(5,167)	(5,349)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Net increase/(decrease) in cash and cash equivalents	(58,035)	923	(2,046)	1,296	(1,668)	542	9,364	3,659	(378)	114	1,073	(404)
Cash and cash equivalents - beginning of year	58,034	8,469	9,392	7,346	8,642	6,974	7,517	16,881	20,540	20,162	20,276	21,349
Cash and cash equivalents - end of the year	(1)	9,392	7,346	8,642	6,974	7,517	16,881	20,540	20,162	20,276	21,349	20,945
Investments on hand - end of year	74,753	58,829	58,829	53,829	53,829	53,829	53,829	61,829	74,829	92,829	112,829	138,829
Total cash, cash equivalents and investments	74,752	68,221	66,175	62,471	60,803	61,346	70,710	82,369	94,991	113,105	134,178	159,774

INCOME STATEMENT - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	4,443	4,981	4,981	5,281	5,597	5,930	6,282	6,654	7,046	7,460	7,896	8,357	8,843
User charges and fees	21,447	23,711	23,711	24,973	26,302	27,704	29,181	30,738	32,379	34,109	35,933	37,855	39,881
Other revenue	503	96	96	99	102	105	108	111	115	118	122	125	129
Grants and contributions provided for operating purposes	58	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	1,306	2,327	1,985	1,600	1,600	1,600	1,600	1,600	2,197	23,123	23,768	1,600	1,600
Interest and investment revenue	1,662	1,167	1,167	2,298	2,170	2,295	2,400	2,380	2,419	2,249	1,696	1,662	1,623
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	129	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	2,483	2,483	2,558	2,634	2,713	2,795	2,879	2,965	3,054	3,146	3,240	3,337
Total income from continuing operations	29,548	34,765	34,425	36,809	38,405	40,348	42,366	44,362	47,120	70,113	72,561	52,839	55,414
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>10,074</i>	<i>9,795</i>	<i>9,795</i>	<i>10,096</i>	<i>10,399</i>	<i>10,659</i>	<i>10,926</i>	<i>11,199</i>	<i>11,479</i>	<i>11,766</i>	<i>12,060</i>	<i>12,361</i>	<i>12,670</i>
<i>Staff costs capitalised</i>	<i>1,415</i>	<i>1,479</i>	<i>1,479</i>	<i>1,530</i>	<i>1,576</i>	<i>1,616</i>	<i>1,656</i>	<i>1,698</i>	<i>1,740</i>	<i>1,783</i>	<i>1,828</i>	<i>1,874</i>	<i>1,921</i>
Employee benefits and on-costs	8,659	8,316	8,316	8,566	8,823	9,043	9,269	9,501	9,739	9,982	10,232	10,488	10,750
Materials and services	7,608	8,228	8,228	8,494	8,777	9,067	9,529	9,912	10,315	11,566	12,855	13,272	13,702
Borrowing costs	-	-	-	-	-	-	-	-	-	-	1,142	2,229	2,044
Depreciation, amortisation and impairment of non-financial assets	13,519	14,269	14,269	14,717	15,187	15,669	16,329	16,916	17,529	18,997	20,509	21,155	21,821
Other expenses	219	57	57	58	60	62	64	65	67	69	72	74	76
Internal expenditure	-	6,282	6,282	6,471	6,665	6,865	7,071	7,283	7,501	7,726	7,958	8,197	8,443
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	30,005	37,152	37,152	38,306	39,511	40,706	42,262	43,677	45,151	48,341	52,767	55,414	56,835
Operating result from continuing operations	(457)	(2,387)	(2,727)	(1,497)	(1,106)	(358)	104	685	1,969	21,772	19,793	(2,575)	(1,422)
Net operating result for the year before grants and contributions provided for capital purposes	(1,763)	(4,714)	(4,712)	(3,097)	(2,706)	(1,958)	(1,496)	(915)	(228)	(1,351)	(3,975)	(4,175)	(3,022)

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STATEMENT OF FINANCIAL POSITION - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	3,976	2,834	3,442	3,442	3,442	3,442	3,442	3,442	3,442	5,055	6,804	6,989	7,184
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	19,146	37,166	33,619	29,878
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	19,146	37,166	33,619	29,878
TOTAL LIABILITIES	3,976	2,834	3,442	3,442	3,442	3,442	3,442	3,442	3,442	24,201	43,969	40,608	37,061
NET ASSETS	598,065	529,849	595,175	593,510	592,231	591,696	591,616	592,113	593,887	615,458	635,045	632,257	630,616
EQUITY													
Accumulated surplus	228,999	231,889	226,109	224,444	223,166	222,630	222,551	223,047	224,821	246,392	265,979	263,191	261,550
Revaluation reserves	369,066	297,960	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	598,065	529,849	595,175	593,510	592,232	591,696	591,617	592,113	593,887	615,458	635,045	632,257	630,616
Total equity	598,065	529,849	595,175	593,510	592,232	591,696	591,617	592,113	593,887	615,458	635,045	632,257	630,616

STATEMENT OF CASH FLOWS - WATER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Receipts:												
Proceeds from borrowings	-	-	-	-	-	-	-	-	20,758	21,381	-	-
Payments:												
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	(1,612)	(3,362)	(3,546)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-	-	-
Other financing	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	(200)	(206)	(213)	(219)
Net cash provided (or used in) financing activities	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	20,558	19,562	(3,574)	(3,765)
Net increase/(decrease) in cash and cash equivalents	726	(16,215)	13,607	4,360	2,894	(858)	(174)	12,527	24,776	(3,537)	(5,819)	(4,815)
Cash and cash equivalents - beginning of year	13,098	8,613	(7,602)	6,005	10,364	13,259	12,401	12,227	24,754	49,529	45,992	40,173
Cash and cash equivalents - end of the year	13,824	(7,602)	6,005	10,364	13,259	12,401	12,227	24,754	49,529	45,992	40,173	35,358
Investments on hand - end of year	28,230	43,621	33,621	33,621	33,621	33,621	33,621	23,621	-	-	-	-
Total cash, cash equivalents and investments	42,054	36,019	39,626	43,985	46,880	46,022	45,848	48,375	49,529	45,992	40,173	35,358

INCOME STATEMENT - SEWER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	49,691	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	4,469	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Other revenue	24	5	5	5	5	5	5	5	5	6	6	6	6
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	3,265	2,105	2,369	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Interest and investment revenue	901	750	750	564	450	372	379	415	508	683	854	1,071	1,371
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	118	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	1,765	1,765	1,818	1,873	1,929	1,987	2,047	2,108	2,171	2,236	2,304	2,373
Total income from continuing operations	58,468	59,999	60,264	64,656	74,764	72,009	72,853	76,745	80,905	85,368	90,062	95,049	100,380
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>12,535</i>	<i>12,939</i>	<i>12,938</i>	<i>13,332</i>	<i>13,731</i>	<i>14,075</i>	<i>14,427</i>	<i>14,787</i>	<i>15,157</i>	<i>15,536</i>	<i>15,924</i>	<i>16,322</i>	<i>16,730</i>
<i>Staff costs capitalised</i>	<i>1,012</i>	<i>1,058</i>	<i>1,058</i>	<i>1,095</i>	<i>1,127</i>	<i>1,156</i>	<i>1,184</i>	<i>1,214</i>	<i>1,244</i>	<i>1,276</i>	<i>1,307</i>	<i>1,340</i>	<i>1,374</i>
Employee benefits and on-costs	11,523	11,881	11,881	12,237	12,604	12,919	13,242	13,573	13,913	14,260	14,617	14,982	15,357
Materials and services	12,323	12,067	12,067	12,693	13,500	14,132	14,771	15,373	15,962	16,592	17,254	17,896	18,557
Borrowing costs	3,415	3,175	3,175	2,907	2,683	2,457	2,245	2,048	1,861	1,666	1,464	1,254	-
Depreciation, amortisation and impairment of non-financial assets	15,364	16,191	16,191	17,029	18,107	18,953	19,808	20,614	21,403	22,247	23,133	23,993	24,878
Other expenses	1,603	37	37	38	39	40	41	43	44	45	47	48	49
Internal expenditure	-	7,007	7,007	7,217	7,434	7,657	7,886	8,123	8,367	8,618	8,876	9,142	9,417
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	44,228	50,358	50,357	52,120	54,367	56,158	57,994	59,773	61,549	63,429	65,390	67,314	68,258
Operating result from continuing operations	14,240	9,641	9,907	12,535	20,397	15,851	14,859	16,972	19,356	21,939	24,672	27,735	32,122
Net operating result for the year before grants and contributions provided for capital purposes	10,975	7,536	7,538	8,706	9,633	11,232	13,059	15,172	17,556	20,139	22,872	25,935	30,322

[illegible]

STATEMENT OF FINANCIAL POSITION - SEWER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	9,478	7,076	7,930	8,153	8,046	7,853	7,647	7,834	8,029	8,231	8,441	8,660	8,887
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	74,206	69,161	69,161	63,893	58,733	53,766	49,004	44,056	38,913	33,568	28,012	22,238	16,237
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	74,206	69,161	69,161	63,893	58,733	53,766	49,004	44,056	38,913	33,568	28,012	22,238	16,237
TOTAL LIABILITIES	83,684	76,237	77,091	72,047	66,779	61,619	56,651	51,890	46,942	41,798	36,453	30,898	25,124
NET ASSETS	758,973	689,294	767,226	778,058	796,701	810,745	823,742	838,796	856,177	876,082	898,659	924,235	954,134
EQUITY													
Accumulated surplus	454,519	465,522	462,772	473,604	492,247	506,291	519,288	534,342	551,723	571,628	594,205	619,781	649,680
Revaluation reserves	304,454	223,772	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	758,973	689,294	767,226	778,058	796,701	810,745	823,742	838,796	856,177	876,082	898,659	924,235	954,134
Total equity	758,973	689,294	767,226	778,058	796,701	810,745	823,742	838,796	856,177	876,082	898,659	924,235	954,134

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
Receipts:												
Rates and annual charges	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Investment and interest revenue received	750	750	564	450	372	379	415	508	683	854	1,071	1,371
Grants and contributions	2,105	1,800	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	1,770	1,770	1,823	1,878	1,934	1,992	2,052	2,113	2,177	2,242	2,309	2,379
Payments:												
Employee benefits and on-costs	(11,881)	(11,881)	(12,237)	(12,604)	(12,919)	(13,242)	(13,573)	(13,913)	(14,260)	(14,617)	(14,982)	(15,357)
Materials and services	(12,067)	(12,067)	(12,693)	(13,500)	(14,132)	(14,771)	(15,373)	(15,962)	(16,592)	(17,254)	(17,896)	(18,557)
Borrowing costs	(3,175)	(3,175)	(2,907)	(2,683)	(2,457)	(2,245)	(2,048)	(1,861)	(1,666)	(1,464)	(1,254)	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(7,044)	(7,044)	(7,255)	(7,473)	(7,697)	(7,928)	(8,165)	(8,410)	(8,663)	(8,923)	(9,190)	(9,466)
Net cash provided (or used in) operating activities	25,832	25,529	29,564	38,505	34,804	34,667	37,586	40,759	44,187	47,805	51,727	57,000
Cash Flows from investing activities												
Receipts:												
Sale of investments	-	16,477	6,477	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	100	100	103	106	109	113	116	119	123	127	130	134
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of investment securities	-	(6,477)	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(23,950)	(30,655)	(20,869)	(37,892)	(28,735)	(26,828)	(26,184)	(23,746)	(27,250)	(27,599)	(25,817)	(26,592)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(23,850)	(20,555)	(14,289)	(37,786)	(28,626)	(26,716)	(26,068)	(23,626)	(27,127)	(27,472)	(25,687)	(26,457)
Cash Flows from financing activities												

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Receipts:												
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of borrowings and advances	(6,023)	(6,023)	(5,045)	(5,268)	(5,160)	(4,968)	(4,761)	(4,948)	(5,143)	(5,345)	(5,556)	(5,774)
Other financing	(1,654)	(1,654)	(1,704)	(1,755)	(1,807)	(1,862)	(1,917)	(1,975)	(2,034)	(2,095)	(2,158)	(2,223)
Net cash provided (or used in) financing activities	(7,677)	(7,677)	(6,748)	(7,023)	(6,967)	(6,829)	(6,679)	(6,923)	(7,177)	(7,441)	(7,714)	(7,997)
Net increase/(decrease) in cash and cash equivalents	(5,695)	(2,704)	8,526	(6,304)	(789)	1,122	4,839	10,209	9,882	12,892	18,327	22,546
Cash and cash equivalents - beginning of year	12,298	3,254	550	9,076	2,773	1,984	3,106	7,945	18,154	28,037	40,929	59,256
Cash and cash equivalents - end of the year	6,603	550	9,076	2,773	1,984	3,106	7,945	18,154	28,037	40,929	59,256	81,802
Investments on hand - end of year	2,795	6,477	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	9,398	7,027	9,076	2,773	1,984	3,106	7,945	18,154	28,037	40,929	59,256	81,802

INCOME STATEMENT - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations												
Rates and annual charges	30,153	30,153	31,830	33,599	35,465	37,434	39,512	41,704	44,017	46,457	49,031	51,747
User charges and fees	16,890	16,890	17,817	18,796	19,828	20,917	22,066	23,278	24,557	25,906	27,329	28,830
Other revenue	350	350	360	371	382	393	405	417	430	443	456	470
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	44	44	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	137	137	56	(5)	(29)	(38)	(18)	6	(11)	(64)	(22)	74
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	28,286	28,286	29,135	30,009	30,909	31,836	32,792	33,775	34,789	35,832	36,907	38,014
Total income from continuing operations	75,860	75,860	79,198	82,769	86,556	90,544	94,756	99,181	103,781	108,573	113,701	119,135
Expenses from continuing operations												
<i>Estimated total staff costs</i>	<i>7,798</i>	<i>7,798</i>	<i>8,032</i>	<i>8,273</i>	<i>8,480</i>	<i>8,692</i>	<i>8,909</i>	<i>9,132</i>	<i>9,360</i>	<i>9,594</i>	<i>9,834</i>	<i>10,080</i>
<i>Staff costs capitalised</i>	<i>33</i>	<i>33</i>	<i>35</i>	<i>36</i>	<i>37</i>	<i>37</i>	<i>38</i>	<i>39</i>	<i>40</i>	<i>41</i>	<i>42</i>	<i>43</i>
Employee benefits and on-costs	7,764	7,764	7,997	8,237	8,443	8,654	8,871	9,092	9,320	9,553	9,792	10,036
Materials and services	18,807	18,807	19,961	20,767	21,562	22,477	23,689	24,828	26,037	27,166	28,284	29,436
Borrowing costs	988	988	897	1,186	1,055	918	936	1,140	1,113	899	696	559
Depreciation, amortisation and impairment of non-financial assets	2,400	2,400	3,116	3,435	3,726	4,131	4,840	5,454	6,123	6,687	7,218	7,766
Other expenses	11,887	11,887	12,244	12,611	12,990	13,379	13,781	14,194	14,620	15,059	15,510	15,976
Internal expenditure	30,816	30,816	31,741	32,693	33,674	34,684	35,725	36,796	37,900	39,037	40,208	41,415
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	72,662	72,662	75,956	78,930	81,449	84,243	87,841	91,505	95,113	98,400	101,709	105,188
Operating result from continuing operations	3,197	3,197	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947
Net operating result for the year before grants and contributions provided for capital purposes	3,153	3,153	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947

[illegible]

STATEMENT OF FINANCIAL POSITION - WASTE	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	2,719	2,719	2,719	3,362	3,489	3,622	3,990	4,667	5,103	5,320	3,892	3,134	2,178
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	24,907	22,187	22,187	25,765	22,178	18,455	17,304	19,200	17,106	11,667	9,304	7,037	5,927
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	24,907	22,187	22,187	25,765	22,178	18,455	17,304	19,200	17,106	11,667	9,304	7,037	5,927
TOTAL LIABILITIES	27,626	24,907	24,907	29,127	25,668	22,077	21,294	23,867	22,210	16,987	13,196	10,170	8,106
NET ASSETS	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
EQUITY													
Accumulated surplus	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
Revaluation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
Total equity	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613

STATEMENT OF CASH FLOWS - WASTE	2023/24	2024/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
Receipts:												
Rates and annual charges	30,153	30,153	31,830	33,599	35,465	37,434	39,512	41,704	44,017	46,457	49,031	51,747
User charges and fees	16,890	16,890	17,817	18,796	19,828	20,917	22,066	23,278	24,557	25,906	27,329	28,830
Investment and interest revenue received	137	137	56	(5)	(29)	(38)	(18)	6	(11)	(64)	(22)	74
Grants and contributions	44	44	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	38,020	38,020	29,495	30,380	31,291	32,230	33,197	34,193	35,218	36,275	37,363	38,484
Payments:												
Employee benefits and on-costs	(7,764)	(7,764)	(7,997)	(8,237)	(8,443)	(8,654)	(8,871)	(9,092)	(9,320)	(9,553)	(9,792)	(10,036)
Materials and services	(18,807)	(18,807)	(19,961)	(20,767)	(21,562)	(22,477)	(23,689)	(24,828)	(26,037)	(27,166)	(28,284)	(29,436)
Borrowing costs	(988)	(988)	(897)	(1,186)	(1,055)	(918)	(936)	(1,140)	(1,113)	(899)	(696)	(559)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(42,704)	(42,704)	(43,985)	(45,304)	(46,664)	(48,063)	(49,505)	(50,991)	(52,520)	(54,096)	(55,719)	(57,390)
Net cash provided (or used in) operating activities	14,982	14,982	6,358	7,274	8,832	10,431	11,756	13,130	14,791	16,859	19,210	21,713
Cash Flows from investing activities												
Receipts:												
Sale of investments	1,317	1,317	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	120	120	55	117	264	211	222	187	322	332	341	352
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(15,744)	(15,744)	(14,714)	(5,502)	(6,111)	(8,568)	(12,892)	(12,842)	(13,422)	(10,564)	(10,118)	(10,422)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(14,307)	(14,307)	(14,660)	(5,385)	(5,847)	(8,357)	(12,671)	(12,655)	(13,100)	(10,232)	(9,777)	(10,070)
Cash Flows from financing activities												

STATEMENT OF CASH FLOWS - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Receipts:												
Proceeds from borrowings	-	-	7,037	-	-	2,945	6,673	3,124	-	-	-	-
Payments:												
Repayment of borrowings and advances	(2,719)	(2,719)	(2,816)	(3,459)	(3,591)	(3,728)	(4,100)	(4,782)	(5,223)	(3,790)	(3,026)	(2,065)
Net cash provided (or used in) financing activities	(2,719)	(2,719)	4,221	(3,459)	(3,591)	(783)	2,573	(1,657)	(5,223)	(3,790)	(3,026)	(2,065)
Net increase/(decrease) in cash and cash equivalents	(2,045)	(2,045)	(4,080)	(1,570)	(605)	1,291	1,658	(1,182)	(3,533)	2,837	6,407	9,578
Cash and cash equivalents - beginning of year	5,778	5,778	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955
Cash and cash equivalents - end of the year	3,733	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533
Investments on hand - end of year	-	-	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	3,733	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533

APPENDIX C: PERFORMANCE INDICATORS – SCENARIO TWO: ENHANCED ASSET INVESTMENT – ONE YEAR SRV (32% IN 2024/25)

Indicator	Target	Fund	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Local Government Industry Indicators													
Operating Performance Ratio	Greater than 0%	TARGET	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Consolidated	-6.33%	1.56%	2.13%	3.09%	4.15%	5.05%	5.95%	6.46%	6.94%	7.88%	9.29%
		General	-11.22%	-0.50%	-0.50%	-0.36%	0.09%	0.47%	0.84%	1.21%	1.59%	1.92%	2.20%
		Water	-14.53%	-9.57%	-7.36%	-5.06%	-3.68%	-2.15%	-1.08%	-4.20%	-8.18%	-8.18%	-5.65%
		Sewer	13.02%	14.08%	15.05%	16.66%	18.38%	20.24%	22.19%	24.10%	25.91%	27.81%	30.76%
		Waste	4.16%	4.09%	4.64%	5.90%	6.96%	7.30%	7.74%	8.35%	9.37%	10.55%	11.71%
Own Source Operating Revenue Ratio	Greater than 60%	TARGET	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
		Consolidated	66.36%	83.36%	85.66%	88.76%	91.87%	91.98%	91.92%	87.59%	88.06%	92.38%	92.49%
		General	57.37%	78.84%	83.78%	85.97%	89.30%	89.31%	89.27%	88.79%	89.32%	89.32%	89.32%
		Water	94.23%	95.62%	95.83%	96.03%	96.22%	96.39%	95.31%	66.74%	67.24%	96.97%	97.11%
		Sewer	96.07%	94.06%	85.60%	93.58%	97.53%	97.65%	97.78%	97.89%	98.00%	98.11%	98.21%
		Waste	99.94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Unrestricted Current Ratio	Greater than 1.5	TARGET	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
		Consolidated	0.58	0.54	0.58	0.59	0.53	0.51	0.51	0.49	0.49	0.54	0.60
		General	0.36	0.43	0.46	0.46	0.39	0.37	0.36	0.35	0.34	0.39	0.46
		Water	8.30	4.30	4.58	4.58	4.89	4.89	5.22	3.25	2.48	2.39	2.31
		Sewer	1.17	0.71	0.73	0.75	0.77	0.75	0.73	0.71	0.68	0.66	0.64
		Waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service Cover Ratio	Greater than 2.0	TARGET	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
		Consolidated	10.58	16.17	16.36	18.93	22.00	25.61	29.66	36.11	35.55	35.75	62.59
		General	11.28	20.94	20.49	22.64	25.68	30.69	39.58	53.45	78.17	134.79	276.20
		Water	58.63	67.72	72.15	76.96	80.83	84.66	87.59	85.04	13.10	7.86	9.20
		Sewer	5.57	6.18	6.85	7.65	8.55	9.54	10.64	11.90	13.34	15.00	24.83
		Waste	6.62	8.09	7.13	9.37	12.37	13.56	12.51	14.29	19.76	28.59	39.82
Debt Service Ratio	Less than 15%	TARGET	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
		Consolidated	1.73%	1.87%	1.85%	1.73%	1.51%	1.30%	1.15%	0.91%	0.94%	1.00%	0.58%
		General	1.01%	1.23%	1.25%	1.22%	1.05%	0.85%	0.67%	0.50%	0.34%	0.20%	0.10%
		Water	0.47%	0.46%	0.45%	0.44%	0.43%	0.43%	0.42%	0.29%	1.86%	4.62%	4.09%
		Sewer	8.01%	7.15%	5.94%	5.92%	5.64%	5.17%	4.74%	4.33%	3.95%	3.59%	2.21%
		Waste	1.30%	1.13%	1.43%	1.22%	1.01%	0.99%	1.15%	1.07%	0.83%	0.61%	0.47%

[illegible]

APPENDIX D: PRIMARY STATEMENTS – SCENARIO TWO: ENHANCED ASSET INVESTMENT – ONE YEAR SRV (32% IN 2024/25)

INCOME STATEMENT - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	169,536	177,338	177,339	211,673	220,380	229,476	238,980	248,911	259,289	270,137	281,478	293,334	305,732
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Other revenue	6,356	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
Grants and contributions provided for operating purposes	33,286	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	65,857	47,922	121,662	42,542	33,810	21,262	8,521	8,675	9,555	32,257	31,332	9,337	9,500
Interest and investment revenue	7,867	7,550	5,677	6,175	6,402	6,602	6,944	7,098	7,386	7,604	7,388	7,770	8,260
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	247	-	-	9,541	5,309	8,901	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	375,679	354,497	427,092	396,025	396,890	402,335	399,789	413,330	431,445	471,403	486,824	483,773	503,738
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>120,620</i>	<i>117,567</i>	<i>116,795</i>	<i>120,344</i>	<i>123,955</i>	<i>127,052</i>	<i>130,227</i>	<i>133,481</i>	<i>136,817</i>	<i>140,235</i>	<i>143,740</i>	<i>147,331</i>	<i>151,013</i>
<i>Staff costs capitalised</i>	<i>8,702</i>	<i>9,094</i>	<i>9,094</i>	<i>9,412</i>	<i>9,694</i>	<i>9,937</i>	<i>10,185</i>	<i>10,440</i>	<i>10,701</i>	<i>10,968</i>	<i>11,242</i>	<i>11,523</i>	<i>11,811</i>
Employee benefits and on-costs	111,918	108,473	107,702	110,933	114,261	117,116	120,042	123,042	126,116	129,267	132,497	135,808	139,201
Materials and services	117,782	104,540	102,494	107,660	111,976	115,917	120,068	124,431	128,807	134,219	139,664	144,278	149,030
Borrowing costs	6,495	7,453	7,397	7,206	7,232	6,813	5,977	5,348	4,920	4,255	4,536	4,800	2,918
Depreciation, amortisation and impairment of non-financial assets	83,435	90,200	90,200	94,392	98,191	101,779	105,579	109,617	113,628	118,681	123,757	127,974	132,318
Other expenses	20,887	16,973	16,973	17,482	18,006	18,546	19,103	19,676	20,266	20,874	21,500	22,145	22,810
Internal expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	341,683	327,639	324,764	337,673	349,665	360,171	370,769	382,114	393,737	407,296	421,956	435,006	446,277
Operating result from continuing operations	33,996	26,858	102,328	58,352	47,224	42,164	29,020	31,216	37,708	64,107	64,868	48,767	57,461
Net operating result for the year before grants and contributions provided for capital purposes	(31,861)	(21,064)	(19,334)	15,810	13,415	20,902	20,499	22,541	28,153	31,850	33,536	39,430	47,960

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STATEMENT OF FINANCIAL POSITION - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	124,042	124,330	105,404	106,453	106,400	105,475	105,232	105,498	106,337	103,328	103,257	99,192	98,634
Non-Current Liabilities													
Lease liabilities	55	75	55	55	55	55	55	55	55	55	55	55	55
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	177,999	176,284	166,969	159,929	145,905	125,306	107,896	93,948	75,611	77,918	80,918	66,602	52,844
Employee benefit provision	1,217	1,368	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217
Provisions	11,599	8,030	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	190,870	185,757	179,840	172,800	158,776	138,177	120,767	106,819	88,482	90,789	93,789	79,473	65,715
TOTAL LIABILITIES	314,912	310,087	285,244	279,253	265,176	243,652	225,999	212,316	194,819	194,117	197,046	178,665	164,349
NET ASSETS	4,669,779	4,213,351	4,772,107	4,830,459	4,877,683	4,919,847	4,948,867	4,980,083	5,017,791	5,081,898	5,146,766	5,195,533	5,252,993
EQUITY													
Accumulated surplus	1,786,879	1,842,384	1,889,207	1,947,559	1,994,783	2,036,947	2,065,967	2,097,183	2,134,891	2,198,998	2,263,866	2,312,633	2,370,094
Revaluation reserves	2,882,900	2,370,967	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	4,669,779	4,213,351	4,772,107	4,830,459	4,877,683	4,919,847	4,948,867	4,980,083	5,017,791	5,081,898	5,146,766	5,195,533	5,252,994
Total equity	4,669,779	4,213,351	4,772,107	4,830,459	4,877,683	4,919,847	4,948,867	4,980,083	5,017,791	5,081,898	5,146,766	5,195,533	5,252,994

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	6,015	177,338	177,339	211,673	220,380	229,476	238,980	248,911	259,289	270,137	281,478	293,334	305,732
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Investment and interest revenue received	7,867	7,550	5,677	6,175	6,402	6,602	6,944	7,098	7,386	7,604	7,388	7,770	8,260
Grants and contributions	99,143	69,216	154,657	64,165	56,071	44,183	32,122	32,977	34,581	58,029	57,875	36,674	37,658
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	741,886	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
<i>Payments:</i>													
Employee benefits and on-costs	(111,918)	(108,473)	(107,702)	(110,933)	(114,261)	(117,116)	(120,042)	(123,042)	(126,116)	(129,267)	(132,497)	(135,808)	(139,201)
Materials and services	(117,782)	(104,540)	(102,494)	(107,660)	(111,976)	(115,917)	(120,068)	(124,431)	(128,807)	(134,219)	(139,664)	(144,278)	(149,030)
Borrowing costs	(6,495)	(7,453)	(7,397)	(7,206)	(7,232)	(6,813)	(5,977)	(5,348)	(4,920)	(4,255)	(4,536)	(4,800)	(2,918)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(20,887)	(16,973)	(16,973)	(17,482)	(18,006)	(18,546)	(19,103)	(19,676)	(20,266)	(20,874)	(21,500)	(22,145)	(22,810)
Net cash provided (or used in) operating activities	690,359	117,058	203,502	143,203	140,107	135,042	130,675	139,161	148,892	180,200	187,126	175,122	188,111
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	5,000	16,477	128,927	112,450	112,450	112,450	112,450	112,450	102,450	78,829	78,829	78,829
Sale of infrastructure, property, plant and equipment	247	2,195	2,133	2,959	3,427	3,739	3,385	5,300	5,043	5,002	5,019	4,282	4,410
Sale of real estate	-	3,318	3,318	17,347	9,652	16,183	7,133	3,040	4,443	4,705	2,725	2,944	3,032
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	(5,000)	(6,477)	(112,450)	(112,450)	(112,450)	(112,450)	(112,450)	(102,450)	(78,829)	(78,829)	(78,829)	(78,829)
Purchase of infrastructure, property, plant and equipment	(692,963)	(186,972)	(247,079)	(125,001)	(129,685)	(110,916)	(112,320)	(119,392)	(116,925)	(172,859)	(175,242)	(132,675)	(138,033)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	(1,222)	(2,399)	(7,823)	(7,934)	(10,632)	(5,590)	(2,699)	(3,780)	(3,379)	(2,685)	(2,738)	(2,820)
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(692,716)	(182,681)	(234,027)	(96,040)	(124,541)	(101,627)	(107,391)	(113,752)	(101,219)	(142,909)	(170,182)	(128,188)	(133,411)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities													
<i>Receipts:</i>													
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	14,907	18,356	9,455	14,537	7,500	-	2,945	6,673	3,124	20,758	21,381	-	-
Other financing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Repayment of borrowings and advances	(6,535)	(19,098)	(20,288)	(20,528)	(21,577)	(21,524)	(20,598)	(20,356)	(20,621)	(21,461)	(18,452)	(18,381)	(14,315)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	8,372	(742)	(10,833)	(5,991)	(14,077)	(21,524)	(17,653)	(13,682)	(17,497)	(703)	2,929	(18,381)	(14,315)
Net increase/(decrease) in cash and cash equivalents	6,015	(66,365)	(41,358)	41,172	1,489	11,891	5,631	11,727	30,176	36,588	19,873	28,553	40,385
Cash and cash equivalents - beginning of year	21,416	89,208	27,431	(13,927)	27,245	28,734	40,625	46,256	57,983	88,160	124,748	144,621	173,174
Cash and cash equivalents - end of the year	27,431	22,843	(13,927)	27,245	28,734	40,625	46,256	57,983	88,160	124,748	144,621	173,174	213,559
Investments on hand - end of year	138,927	105,778	128,927	112,450	112,450	112,450	112,450	112,450	102,450	78,829	78,829	78,829	78,829
Total cash, cash equivalents and investments	166,358	128,621	115,000	139,695	141,184	153,075	158,706	170,433	190,610	203,577	223,450	252,003	292,388

INCOME STATEMENT - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	86,329	90,820	90,820	120,327	123,941	127,663	131,497	135,446	139,514	143,703	148,019	152,463	157,042
User charges and fees	50,268	51,030	51,030	52,561	54,138	55,762	57,435	59,158	60,933	62,761	64,644	66,583	68,571
Other revenue	5,583	4,321	4,322	4,451	4,584	4,721	4,863	5,008	5,158	5,313	5,472	5,636	5,804
Grants and contributions provided for operating purposes	33,164	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	60,876	43,446	117,263	37,113	21,445	15,042	5,121	5,275	5,558	7,334	5,764	5,937	6,100
Interest and investment revenue	4,942	5,496	5,496	5,128	5,716	5,948	6,248	6,427	6,623	6,919	7,204	7,430	7,633
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	(81)	-	-	9,541	5,309	8,901	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	34,772	35,771	36,845	37,950	39,088	40,261	41,469	42,713	43,994	45,314	46,674	48,074
Total income from continuing operations	241,081	251,179	326,723	287,589	275,345	280,047	272,950	278,758	287,969	298,385	304,458	313,679	323,049
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>89,840</i>	<i>86,537</i>	<i>86,537</i>	<i>89,165</i>	<i>91,840</i>	<i>94,136</i>	<i>96,490</i>	<i>98,902</i>	<i>101,375</i>	<i>103,909</i>	<i>106,507</i>	<i>109,169</i>	<i>111,899</i>
<i>Staff costs capitalised</i>	<i>6,243</i>	<i>6,524</i>	<i>6,524</i>	<i>6,752</i>	<i>6,955</i>	<i>7,129</i>	<i>7,307</i>	<i>7,490</i>	<i>7,677</i>	<i>7,869</i>	<i>8,065</i>	<i>8,267</i>	<i>8,474</i>
Employee benefits and on-costs	83,597	80,013	80,013	82,413	84,886	87,008	89,183	91,412	93,698	96,040	98,441	100,902	103,425
Materials and services	82,382	63,509	63,510	66,632	69,056	71,284	73,422	75,593	77,841	80,167	82,537	84,978	87,492
Borrowing costs	2,454	3,290	3,291	3,403	3,362	3,301	2,814	2,364	1,919	1,475	1,032	621	314
Depreciation, amortisation and impairment of non-financial assets	52,267	57,340	57,340	59,530	61,462	63,431	65,311	67,247	69,242	71,313	73,429	75,608	77,853
Other expenses	5,009	4,992	4,992	5,142	5,296	5,455	5,618	5,787	5,961	6,139	6,324	6,513	6,709
Internal expenditure	-	23,812	23,812	24,526	25,262	26,020	26,800	27,604	28,432	29,285	30,164	31,069	32,001
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	226,875	232,956	232,956	241,646	249,324	256,498	263,149	270,008	277,093	284,421	291,927	299,692	307,793
Operating result from continuing operations	14,206	18,224	93,767	45,943	26,021	23,550	9,801	8,750	10,876	13,964	12,531	13,987	15,256
Net operating result for the year before grants and contributions provided for capital purposes	(46,670)	(25,222)	(23,496)	8,829	4,576	8,507	4,680	3,476	5,318	6,630	6,767	8,050	9,156

STATEMENT OF FINANCIAL POSITION - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	109,059	111,701	91,312	91,495	91,423	90,556	90,153	89,555	89,763	84,723	84,120	80,410	80,385
Non-Current Liabilities													
Lease liabilities	55	75	55	55	55	55	55	55	55	55	55	55	55
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	78,886	84,936	75,620	70,271	64,993	53,086	41,588	30,692	19,592	13,538	6,436	3,708	802
Employee benefit provision	1,217	1,368	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217
Provisions	11,599	8,030	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	91,757	94,409	88,491	83,142	77,864	65,957	54,459	43,563	32,463	26,409	19,307	16,579	13,673
TOTAL LIABILITIES	200,816	206,109	179,803	174,636	169,287	156,514	144,611	133,117	122,226	111,131	103,427	96,989	94,059
NET ASSETS	3,273,184	2,951,454	3,366,951	3,412,894	3,438,915	3,462,465	3,472,266	3,481,016	3,491,893	3,505,856	3,518,387	3,532,374	3,547,630
EQUITY													
Accumulated surplus	1,063,804	1,102,219	1,157,571	1,203,514	1,229,535	1,253,085	1,262,886	1,271,636	1,282,513	1,296,476	1,309,007	1,322,994	1,338,250
Revaluation reserves	2,209,380	1,849,235	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	3,273,184	2,951,454	3,366,951	3,412,894	3,438,915	3,462,465	3,472,266	3,481,016	3,491,893	3,505,856	3,518,387	3,532,374	3,547,630
Total equity	3,273,184	2,951,454	3,366,951	3,412,894	3,438,915	3,462,465	3,472,266	3,481,016	3,491,893	3,505,856	3,518,387	3,532,374	3,547,630

STATEMENT OF CASH FLOWS - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	BUDGET	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	(3,076)	90,820	90,820	120,327	123,941	127,663	131,497	135,446	139,514	143,703	148,019	152,463	157,042
User charges and fees	50,268	51,030	51,030	52,561	54,138	55,762	57,435	59,158	60,933	62,761	64,644	66,583	68,571
Investment and interest revenue received	4,942	5,496	5,496	4,628	5,209	5,433	5,725	5,897	6,084	6,372	6,649	6,867	7,061
Grants and contributions	94,040	64,739	151,361	58,736	43,707	37,963	28,722	29,577	30,584	33,107	32,307	33,274	34,258
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	446,640	29,709	30,709	41,295	42,534	43,810	45,124	46,477	47,871	49,307	50,786	52,309	53,878
<i>Payments:</i>													
Employee benefits and on-costs	(83,597)	(80,013)	(80,013)	(82,413)	(84,886)	(87,008)	(89,183)	(91,412)	(93,698)	(96,040)	(98,441)	(100,902)	(103,425)
Materials and services	(82,382)	(63,509)	(63,510)	(66,632)	(69,056)	(71,284)	(73,422)	(75,593)	(77,841)	(80,167)	(82,537)	(84,978)	(87,492)
Borrowing costs	(2,454)	(3,290)	(3,291)	(3,403)	(3,362)	(3,301)	(2,814)	(2,364)	(1,919)	(1,475)	(1,032)	(621)	(314)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(5,009)	(28,803)	(28,804)	(29,668)	(30,558)	(31,474)	(32,419)	(33,391)	(34,393)	(35,425)	(36,487)	(37,582)	(38,710)
Net cash provided (or used in) operating activities	419,372	66,178	153,800	95,432	81,667	77,565	70,666	73,794	77,136	82,142	83,907	87,413	90,869
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	-	78,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829
Sale of infrastructure, property, plant and equipment	(81)	3,198	1,793	2,678	3,077	3,234	2,926	4,823	4,593	4,409	4,409	3,653	3,763
Sale of real estate	-	1,975	3,318	17,347	9,652	16,183	7,133	3,040	4,443	4,705	2,725	2,944	3,032
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	(5,000)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	-
Purchase of infrastructure, property, plant and equipment	(437,274)	(129,975)	(173,498)	(79,848)	(76,616)	(63,701)	(59,680)	(62,591)	(63,418)	(71,868)	(73,526)	(75,759)	(79,409)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	(1,222)	(2,399)	(7,823)	(7,934)	(10,632)	(5,590)	(2,699)	(3,780)	(3,379)	(2,685)	(2,738)	(2,820)
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(437,355)	(131,024)	(150,786)	(67,646)	(71,822)	(54,916)	(55,210)	(57,427)	(58,162)	(66,132)	(69,076)	(71,900)	(16,606)

STATEMENT OF CASH FLOWS - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	BUDGET	FORWARD PLAN									
Cash Flows from financing activities													
<i>Receipts:</i>													
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	14,907	18,356	9,455	7,500	7,500	-	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Repayment of borrowings and advances	-	(11,546)	(11,545)	(12,667)	(12,849)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	14,907	6,810	(2,090)	(5,167)	(5,349)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Net increase/(decrease) in cash and cash equivalents	(3,076)	(58,035)	923	22,619	4,496	9,876	3,553	4,874	8,083	4,916	7,126	9,074	71,334
Cash and cash equivalents - beginning of year	11,545	58,034	8,469	9,392	32,011	36,507	46,383	49,936	54,810	62,893	67,809	74,935	84,010
Cash and cash equivalents - end of the year	8,469	(1)	9,392	32,011	36,507	46,383	49,936	54,810	62,893	67,809	74,935	84,010	155,343
Investments on hand - end of year	78,829	74,753	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	-
Total cash, cash equivalents and investments	87,298	74,752	68,221	90,840	95,336	105,212	108,765	113,639	121,722	126,638	133,764	142,839	155,343

INCOME STATEMENT - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	4,443	4,981	4,981	5,281	5,597	5,930	6,282	6,654	7,046	7,460	7,896	8,357	8,843
User charges and fees	21,447	23,711	23,711	24,973	26,302	27,704	29,181	30,738	32,379	34,109	35,933	37,855	39,881
Other revenue	503	96	96	99	102	105	108	111	115	118	122	125	129
Grants and contributions provided for operating purposes	58	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	1,306	2,327	1,985	1,600	1,600	1,600	1,600	1,600	2,197	23,123	23,768	1,600	1,600
Interest and investment revenue	1,662	1,167	1,167	2,298	2,170	2,295	2,400	2,380	2,419	2,249	1,696	1,662	1,623
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	129	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	2,483	2,483	2,558	2,634	2,713	2,795	2,879	2,965	3,054	3,146	3,240	3,337
Total income from continuing operations	29,548	34,765	34,425	36,809	38,405	40,348	42,366	44,362	47,120	70,113	72,561	52,839	55,414
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>10,074</i>	<i>9,795</i>	<i>9,795</i>	<i>10,096</i>	<i>10,399</i>	<i>10,659</i>	<i>10,926</i>	<i>11,199</i>	<i>11,479</i>	<i>11,766</i>	<i>12,060</i>	<i>12,361</i>	<i>12,670</i>
<i>Staff costs capitalised</i>	<i>1,415</i>	<i>1,479</i>	<i>1,479</i>	<i>1,530</i>	<i>1,576</i>	<i>1,616</i>	<i>1,656</i>	<i>1,698</i>	<i>1,740</i>	<i>1,783</i>	<i>1,828</i>	<i>1,874</i>	<i>1,921</i>
Employee benefits and on-costs	8,659	8,316	8,316	8,566	8,823	9,043	9,269	9,501	9,739	9,982	10,232	10,488	10,750
Materials and services	7,608	8,228	8,228	8,494	8,777	9,067	9,529	9,912	10,315	11,566	12,855	13,272	13,702
Borrowing costs	-	-	-	-	-	-	-	-	-	-	1,142	2,229	2,044
Depreciation, amortisation and impairment of non-financial assets	13,519	14,269	14,269	14,717	15,187	15,669	16,329	16,916	17,529	18,997	20,509	21,155	21,821
Other expenses	219	57	57	58	60	62	64	65	67	69	72	74	76
Internal expenditure	-	6,282	6,282	6,471	6,665	6,865	7,071	7,283	7,501	7,726	7,958	8,197	8,443
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	30,005	37,152	37,152	38,306	39,511	40,706	42,262	43,677	45,151	48,341	52,767	55,414	56,835
Operating result from continuing operations	(457)	(2,387)	(2,727)	(1,497)	(1,106)	(358)	104	685	1,969	21,772	19,793	(2,575)	(1,422)
Net operating result for the year before grants and contributions provided for capital purposes	(1,763)	(4,714)	(4,712)	(3,097)	(2,706)	(1,958)	(1,496)	(915)	(228)	(1,351)	(3,975)	(4,175)	(3,022)

[illegible]

STATEMENT OF FINANCIAL POSITION - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	3,976	2,834	3,442	3,442	3,442	3,442	3,442	3,442	3,442	5,055	6,804	6,989	7,184
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	19,146	37,166	33,619	29,878
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	19,146	37,166	33,619	29,878
TOTAL LIABILITIES	3,976	2,834	3,442	3,442	3,442	3,442	3,442	3,442	3,442	24,201	43,969	40,608	37,061
NET ASSETS	598,065	529,849	595,175	593,260	591,978	591,438	591,355	591,847	593,368	614,341	633,911	631,106	629,448
EQUITY													
Accumulated surplus	228,999	231,889	226,109	224,194	222,912	222,372	222,289	222,781	224,302	245,275	264,845	262,040	260,382
Revaluation reserves	369,066	297,960	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	598,065	529,849	595,175	593,260	591,978	591,438	591,355	591,847	593,368	614,341	633,911	631,106	629,448
Total equity	598,065	529,849	595,175	593,260	591,978	591,438	591,355	591,847	593,368	614,341	633,911	631,106	629,448

STATEMENT OF CASH FLOWS - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	2,128	4,981	4,981	5,281	5,597	5,930	6,282	6,654	7,046	7,460	7,896	8,357	8,843
User charges and fees	21,447	23,711	23,711	24,973	26,302	27,704	29,181	30,738	32,379	34,109	35,933	37,855	39,881
Investment and interest revenue received	1,662	1,167	1,167	2,048	2,166	2,292	2,396	2,376	2,165	1,651	1,679	1,645	1,605
Grants and contributions	1,364	2,327	1,452	1,600	1,600	1,600	1,600	1,600	2,197	23,123	23,768	1,600	1,600
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	83,989	2,579	2,579	2,657	2,736	2,818	2,903	2,990	3,080	3,172	3,267	3,365	3,466
<i>Payments:</i>													
Employee benefits and on-costs	(8,659)	(8,316)	(8,316)	(8,566)	(8,823)	(9,043)	(9,269)	(9,501)	(9,739)	(9,982)	(10,232)	(10,488)	(10,750)
Materials and services	(7,608)	(8,228)	(8,228)	(8,494)	(8,777)	(9,067)	(9,529)	(9,912)	(10,315)	(11,566)	(12,855)	(13,272)	(13,702)
Borrowing costs	-	-	-	-	-	-	-	-	-	-	(1,142)	(2,229)	(2,044)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(219)	(6,339)	(6,339)	(6,529)	(6,725)	(6,926)	(7,134)	(7,348)	(7,569)	(7,796)	(8,030)	(8,270)	(8,519)
Net cash provided (or used in) operating activities	94,104	11,882	11,009	12,970	14,077	15,307	16,430	17,597	19,244	40,170	40,285	18,563	20,382
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	5,000	43,621	33,621	33,621	33,621	33,621	33,621	23,621	-	-	-	-
Sale of infrastructure, property, plant and equipment	129	120	120	124	127	131	135	139	143	148	152	157	161
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	1,190	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	-	(33,621)	(33,621)	(33,621)	(33,621)	(33,621)	(23,621)	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(92,105)	(17,303)	(27,181)	(9,569)	(9,675)	(12,370)	(17,243)	(17,725)	(16,920)	(60,319)	(63,554)	(20,981)	(21,610)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(91,976)	(10,993)	(17,061)	(9,445)	(9,548)	(12,239)	(17,108)	(7,586)	6,845	(60,172)	(63,402)	(20,824)	(21,449)

STATEMENT OF CASH FLOWS - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN							
Cash Flows from financing activities											
<i>Receipts:</i>											
New Residential Accommodation Bonds	-		-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	20,758	21,381
Other financing	-		-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-	(1,612)
Principal component of lease payments	-		-	-	-	-	-	-	-	-	-
Other financing	-	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	(200)	(206)
Net cash provided (or used in) financing activities	-	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	20,558	19,562
Net increase/(decrease) in cash and cash equivalents	2,128	726	(6,215)	3,357	4,356	2,891	(862)	9,822	25,894	556	(3,554)
Cash and cash equivalents - beginning of year	6,485	13,098	8,613	2,398	5,755	10,111	13,001	12,140	21,962	47,856	48,412
Cash and cash equivalents - end of the year	8,613	13,824	2,398	5,755	10,111	13,001	12,140	21,962	47,856	48,412	44,858
Investments on hand - end of year	43,621	28,230	33,621	33,621	33,621	33,621	33,621	23,621	-	-	-
Total cash, cash equivalents and investments	52,234	42,054	36,019	39,376	43,732	46,622	45,761	45,583	47,856	48,412	44,858

INCOME STATEMENT - SEWER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	49,691	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	4,469	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Other revenue	24	5	5	5	5	5	5	5	5	6	6	6	6
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	3,265	2,105	2,369	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Interest and investment revenue	901	750	750	402	447	370	376	412	505	680	851	1,068	1,368
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	118	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	1,765	1,765	1,818	1,873	1,929	1,987	2,047	2,108	2,171	2,236	2,304	2,373
Total income from continuing operations	58,468	59,999	60,264	64,494	74,762	72,007	72,850	76,743	80,902	85,365	90,059	95,046	100,377
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>12,535</i>	<i>12,939</i>	<i>12,938</i>	<i>13,332</i>	<i>13,731</i>	<i>14,075</i>	<i>14,427</i>	<i>14,787</i>	<i>15,157</i>	<i>15,536</i>	<i>15,924</i>	<i>16,322</i>	<i>16,730</i>
<i>Staff costs capitalised</i>	<i>1,012</i>	<i>1,058</i>	<i>1,058</i>	<i>1,095</i>	<i>1,127</i>	<i>1,156</i>	<i>1,184</i>	<i>1,214</i>	<i>1,244</i>	<i>1,276</i>	<i>1,307</i>	<i>1,340</i>	<i>1,374</i>
Employee benefits and on-costs	11,523	11,881	11,881	12,237	12,604	12,919	13,242	13,573	13,913	14,260	14,617	14,982	15,357
Materials and services	12,323	12,067	12,067	12,693	13,500	14,132	14,771	15,373	15,962	16,592	17,254	17,896	18,557
Borrowing costs	3,415	3,175	3,175	2,907	2,683	2,457	2,245	2,048	1,861	1,666	1,464	1,254	-
Depreciation, amortisation and impairment of non-financial assets	15,364	16,191	16,191	17,029	18,107	18,953	19,808	20,614	21,403	22,247	23,133	23,993	24,878
Other expenses	1,603	37	37	38	39	40	41	43	44	45	47	48	49
Internal expenditure	-	7,007	7,007	7,217	7,434	7,657	7,886	8,123	8,367	8,618	8,876	9,142	9,417
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	44,228	50,358	50,357	52,120	54,367	56,158	57,994	59,773	61,549	63,429	65,390	67,314	68,258
Operating result from continuing operations	14,240	9,641	9,907	12,373	20,395	15,849	14,856	16,969	19,353	21,936	24,669	27,732	32,119
Net operating result for the year before grants and contributions provided for capital purposes	10,975	7,536	7,538	8,544	9,630	11,230	13,056	15,169	17,553	20,136	22,869	25,932	30,319

[illegible]

STATEMENT OF FINANCIAL POSITION - SEWER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	9,478	7,076	7,930	8,153	8,046	7,853	7,647	7,834	8,029	8,231	8,441	8,660	8,887
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	74,206	69,161	69,161	63,893	58,733	53,766	49,004	44,056	38,913	33,568	28,012	22,238	16,237
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	74,206	69,161	69,161	63,893	58,733	53,766	49,004	44,056	38,913	33,568	28,012	22,238	16,237
TOTAL LIABILITIES	83,684	76,237	77,091	72,047	66,779	61,619	56,651	51,890	46,942	41,798	36,453	30,898	25,124
NET ASSETS	758,973	689,294	767,226	777,896	796,536	810,578	823,572	838,624	856,002	875,905	898,479	924,053	953,949
EQUITY													
Accumulated surplus	454,519	465,522	462,772	473,442	492,082	506,124	519,118	534,170	551,548	571,451	594,025	619,599	649,495
Revaluation reserves	304,454	223,772	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	758,973	689,294	767,226	777,896	796,536	810,578	823,572	838,624	856,002	875,905	898,479	924,053	953,949
Total equity	758,973	689,294	767,226	777,896	796,536	810,578	823,572	838,624	856,002	875,905	898,479	924,053	953,949

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
<i>Receipts:</i>												
Rates and annual charges	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Investment and interest revenue received	750	750	402	447	370	376	412	505	680	851	1,068	1,368
Grants and contributions	2,105	1,800	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	1,770	1,770	1,823	1,878	1,934	1,992	2,052	2,113	2,177	2,242	2,309	2,379
<i>Payments:</i>												
Employee benefits and on-costs	(11,881)	(11,881)	(12,237)	(12,604)	(12,919)	(13,242)	(13,573)	(13,913)	(14,260)	(14,617)	(14,982)	(15,357)
Materials and services	(12,067)	(12,067)	(12,693)	(13,500)	(14,132)	(14,771)	(15,373)	(15,962)	(16,592)	(17,254)	(17,896)	(18,557)
Borrowing costs	(3,175)	(3,175)	(2,907)	(2,683)	(2,457)	(2,245)	(2,048)	(1,861)	(1,666)	(1,464)	(1,254)	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(7,044)	(7,044)	(7,255)	(7,473)	(7,697)	(7,928)	(8,165)	(8,410)	(8,663)	(8,923)	(9,190)	(9,466)
Net cash provided (or used in) operating activities	25,832	25,529	29,402	38,502	34,802	34,664	37,583	40,757	44,184	47,802	51,725	56,997
Cash Flows from investing activities												
<i>Receipts:</i>												
Sale of investments	-	16,477	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	100	100	103	106	109	113	116	119	123	127	130	134
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(23,950)	(30,655)	(20,869)	(37,892)	(28,735)	(26,828)	(26,184)	(23,746)	(27,250)	(27,599)	(25,817)	(26,592)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(23,850)	(14,078)	(20,766)	(37,786)	(28,626)	(26,716)	(26,068)	(23,626)	(27,127)	(27,472)	(25,687)	(26,457)

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities												
<i>Receipts:</i>												
New Residential Accommodation Bonds		-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Other financing		-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Repayment of borrowings and advances	(6,023)	(6,023)	(5,045)	(5,268)	(5,160)	(4,968)	(4,761)	(4,948)	(5,143)	(5,345)	(5,556)	(5,774)
Principal component of lease payments		-	-	-	-	-	-	-	-	-	-	-
Other financing	(1,654)	(1,654)	(1,704)	(1,755)	(1,807)	(1,862)	(1,917)	(1,975)	(2,034)	(2,095)	(2,158)	(2,223)
Net cash provided (or used in) financing activities	(7,677)	(7,677)	(6,748)	(7,023)	(6,967)	(6,829)	(6,679)	(6,923)	(7,177)	(7,441)	(7,714)	(7,997)
Net increase/(decrease) in cash and cash equivalents	(5,695)	3,773	1,887	(6,306)	(791)	1,119	4,837	10,207	9,880	12,890	18,324	22,543
Cash and cash equivalents - beginning of year	12,298	3,254	7,027	8,914	2,608	1,817	2,936	7,773	17,980	27,860	40,749	59,074
Cash and cash equivalents - end of the year	6,603	7,027	8,914	2,608	1,817	2,936	7,773	17,980	27,860	40,749	59,074	81,617
Investments on hand - end of year	2,795	-	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	9,398	7,027	8,914	2,608	1,817	2,936	7,773	17,980	27,860	40,749	59,074	81,617

INCOME STATEMENT - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations												
Rates and annual charges	30,153	30,153	31,830	33,599	35,465	37,434	39,512	41,704	44,017	46,457	49,031	51,747
User charges and fees	16,890	16,890	17,817	18,796	19,828	20,917	22,066	23,278	24,557	25,906	27,329	28,830
Other revenue	350	350	360	371	382	393	405	417	430	443	456	470
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	44	44	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	137	137	56	(5)	(29)	(38)	(18)	6	(11)	(64)	(22)	74
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	28,286	28,286	29,135	30,009	30,909	31,836	32,792	33,775	34,789	35,832	36,907	38,014
Total income from continuing operations	75,860	75,860	79,198	82,769	86,556	90,544	94,756	99,181	103,781	108,573	113,701	119,135
Expenses from continuing operations												
<i>Estimated total staff costs</i>	<i>7,798</i>	<i>7,798</i>	<i>8,032</i>	<i>8,273</i>	<i>8,480</i>	<i>8,692</i>	<i>8,909</i>	<i>9,132</i>	<i>9,360</i>	<i>9,594</i>	<i>9,834</i>	<i>10,080</i>
<i>Staff costs capitalised</i>	<i>33</i>	<i>33</i>	<i>35</i>	<i>36</i>	<i>37</i>	<i>37</i>	<i>38</i>	<i>39</i>	<i>40</i>	<i>41</i>	<i>42</i>	<i>43</i>
Employee benefits and on-costs	7,764	7,764	7,997	8,237	8,443	8,654	8,871	9,092	9,320	9,553	9,792	10,036
Materials and services	18,807	18,807	19,961	20,767	21,562	22,477	23,689	24,828	26,037	27,166	28,284	29,436
Borrowing costs	988	988	897	1,186	1,055	918	936	1,140	1,113	899	696	559
Depreciation, amortisation and impairment of non-financial assets	2,400	2,400	3,116	3,435	3,726	4,131	4,840	5,454	6,123	6,687	7,218	7,766
Other expenses	11,887	11,887	12,244	12,611	12,990	13,379	13,781	14,194	14,620	15,059	15,510	15,976
Internal expenditure	30,816	30,816	31,741	32,693	33,674	34,684	35,725	36,796	37,900	39,037	40,208	41,415
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	72,662	72,662	75,956	78,930	81,449	84,243	87,841	91,505	95,113	98,400	101,709	105,188
Operating result from continuing operations	3,197	3,197	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947
Net operating result for the year before grants and contributions provided for capital purposes	3,153	3,153	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947

[illegible]

STATEMENT OF FINANCIAL POSITION - WASTE	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	2,719	2,719	2,719	3,362	3,489	3,622	3,990	4,667	5,103	5,320	3,892	3,134	2,178
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	24,907	22,187	22,187	25,765	22,178	18,455	17,304	19,200	17,106	11,667	9,304	7,037	5,927
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	24,907	22,187	22,187	25,765	22,178	18,455	17,304	19,200	17,106	11,667	9,304	7,037	5,927
TOTAL LIABILITIES	27,626	24,907	24,907	29,127	25,668	22,077	21,294	23,867	22,210	16,987	13,196	10,170	8,106
NET ASSETS	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
EQUITY													
Accumulated surplus	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
Revaluation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
Total equity	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613

[illegible]

STATEMENT OF CASH FLOWS - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Net cash provided (or used in) investing activities	(14,307)	(15,624)	(14,660)	(5,385)	(5,847)	(8,357)	(12,671)	(12,655)	(13,100)	(10,232)	(9,777)	(10,070)
Cash Flows from financing activities												
Receipts:												
New Residential Accommodation Bonds		-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	7,037	-	-	2,945	6,673	3,124	-	-	-	-
Other financing		-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of borrowings and advances	(2,719)	(2,719)	(2,816)	(3,459)	(3,591)	(3,728)	(4,100)	(4,782)	(5,223)	(3,790)	(3,026)	(2,065)
Principal component of lease payments		-	-	-	-	-	-	-	-	-	-	-
Other financing		-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	(2,719)	(2,719)	4,221	(3,459)	(3,591)	(783)	2,573	(1,657)	(5,223)	(3,790)	(3,026)	(2,065)
Net increase/(decrease) in cash and cash equivalents	(2,045)	(3,362)	(4,080)	(1,570)	(605)	1,291	1,658	(1,182)	(3,533)	2,837	6,407	9,578
Cash and cash equivalents - beginning of year	7,095	7,095	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955
Cash and cash equivalents - end of the year	5,050	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533
Investments on hand - end of year	-	-	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	5,050	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533

APPENDIX E: PERFORMANCE INDICATORS – SCENARIO THREE: ENHANCED ASSET INVESTMENT – THREE YEAR SRV (18%, 13% & 8%, START 2024/25)

Indicator	Target	Fund	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Local Government Industry Indicators													
Operating Performance Ratio	Greater than 0%	TARGET	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		Consolidated	-6.33%	-2.29%	1.45%	4.04%	5.08%	5.98%	6.87%	7.36%	7.83%	8.76%	10.13%
		General	-11.22%	-6.22%	-1.51%	1.07%	1.51%	1.90%	2.27%	2.65%	3.02%	3.35%	3.61%
		Water	-14.53%	-9.57%	-7.36%	-5.06%	-3.68%	-2.15%	-1.08%	-4.20%	-8.18%	-8.18%	-5.65%
		Sewer	13.02%	14.08%	15.05%	16.66%	18.38%	20.24%	22.19%	24.10%	25.91%	27.81%	30.76%
		Waste	4.16%	4.09%	4.64%	5.90%	6.96%	7.30%	7.74%	8.35%	9.37%	10.55%	11.71%
Own Source Operating Revenue Ratio	Greater than 60%	TARGET	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
		Consolidated	66.36%	82.78%	85.57%	88.86%	91.95%	92.06%	92.00%	87.70%	88.17%	92.46%	92.56%
		General	57.37%	77.80%	83.63%	86.16%	89.45%	89.46%	89.42%	88.95%	89.47%	89.47%	89.47%
		Water	94.23%	95.62%	95.83%	96.03%	96.22%	96.39%	95.31%	66.74%	67.24%	96.97%	97.11%
		Sewer	96.07%	94.06%	85.60%	93.58%	97.53%	97.65%	97.78%	97.89%	98.00%	98.11%	98.21%
		Waste	99.94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Unrestricted Current Ratio	Greater than 1.5	TARGET	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
		Consolidated	0.58	0.53	0.56	0.55	0.53	0.53	0.53	0.53	0.52	0.53	0.56
		General	0.36	0.40	0.42	0.41	0.37	0.37	0.36	0.37	0.36	0.37	0.40
		Water	8.30	4.30	4.58	4.58	4.89	4.89	5.22	3.25	2.48	2.39	2.31
		Sewer	1.17	0.71	0.73	0.75	0.77	0.75	0.73	0.71	0.68	0.66	0.64
		Waste	-0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service Cover Ratio	Greater than 2.0	TARGET	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
		Consolidated	10.58	14.37	16.02	19.47	22.64	26.35	30.49	37.10	36.51	36.70	64.17
		General	11.28	17.14	19.76	23.76	27.03	32.37	41.72	56.32	82.42	142.06	290.91
		Water	58.63	67.72	72.15	76.96	80.83	84.66	87.59	85.04	13.10	7.86	9.20
		Sewer	5.57	6.18	6.85	7.65	8.55	9.54	10.64	11.90	13.34	15.00	24.83
		Waste	6.62	8.09	7.13	9.37	12.37	13.56	12.51	14.29	19.76	28.59	39.82
Debt Service Ratio	Less than 15%	TARGET	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
		Consolidated	1.73%	1.93%	1.86%	1.72%	1.50%	1.29%	1.14%	0.90%	0.93%	0.99%	0.58%
		General	1.01%	1.29%	1.26%	1.20%	1.03%	0.84%	0.66%	0.49%	0.34%	0.20%	0.10%
		Water	0.47%	0.46%	0.45%	0.44%	0.43%	0.43%	0.42%	0.29%	1.86%	4.62%	4.09%
		Sewer	8.01%	7.15%	5.94%	5.92%	5.64%	5.17%	4.74%	4.33%	3.95%	3.59%	2.21%
		Waste	1.30%	1.13%	1.43%	1.22%	1.01%	0.99%	1.15%	1.07%	0.83%	0.61%	0.47%

APPENDIX F: PRIMARY STATEMENTS – SCENARIO THREE: ENHANCED ASSET INVESTMENT – THREE YEAR SRV (18%, 13% & 8%, START 2024/25)

INCOME STATEMENT - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	169,536	177,338	177,339	198,742	218,001	233,227	242,844	252,891	263,390	274,363	285,831	297,819	310,352
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Other revenue	6,356	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
Grants and contributions provided for operating purposes	33,286	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	65,857	47,922	121,662	42,542	33,810	21,262	8,521	8,675	9,555	32,257	31,332	9,337	9,500
Interest and investment revenue	7,867	7,550	5,677	6,193	6,340	6,563	6,904	7,102	7,416	7,632	7,443	7,826	8,278
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	247	-	-	9,541	5,309	8,901	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total income from continuing operations	375,679	354,497	427,092	383,112	394,448	406,047	403,612	417,314	435,575	475,655	491,232	488,313	508,376
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>120,620</i>	<i>117,567</i>	<i>116,795</i>	<i>120,344</i>	<i>123,955</i>	<i>127,052</i>	<i>130,227</i>	<i>133,481</i>	<i>136,817</i>	<i>140,235</i>	<i>143,740</i>	<i>147,331</i>	<i>151,013</i>
<i>Staff costs capitalised</i>	<i>8,702</i>	<i>9,094</i>	<i>9,094</i>	<i>9,412</i>	<i>9,694</i>	<i>9,937</i>	<i>10,185</i>	<i>10,440</i>	<i>10,701</i>	<i>10,968</i>	<i>11,242</i>	<i>11,523</i>	<i>11,811</i>
Employee benefits and on-costs	111,918	108,473	107,702	110,933	114,261	117,116	120,042	123,042	126,116	129,267	132,497	135,808	139,201
Materials and services	117,782	104,540	102,494	107,660	111,976	115,917	120,068	124,431	128,807	134,219	139,664	144,278	149,030
Borrowing costs	6,495	7,453	7,397	7,206	7,232	6,813	5,977	5,348	4,920	4,255	4,536	4,800	2,918
Depreciation, amortisation and impairment of non-financial assets	83,435	90,200	90,200	94,392	98,191	101,779	105,579	109,617	113,628	118,681	123,757	127,974	132,318
Other expenses	20,887	16,973	16,973	17,482	18,006	18,546	19,103	19,676	20,266	20,874	21,500	22,145	22,810
Internal expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	341,683	327,639	324,764	337,673	349,665	360,171	370,769	382,114	393,737	407,296	421,956	435,006	446,277
Operating result from continuing operations	33,996	26,858	102,328	45,439	44,783	45,876	32,844	35,201	41,839	68,359	69,276	53,307	62,099
Net operating result for the year before grants and contributions provided for capital purposes	(31,861)	(21,064)	(19,334)	2,896	10,973	24,614	24,323	26,526	32,284	36,103	37,944	43,971	52,599

[illegible]

STATEMENT OF FINANCIAL POSITION - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	124,042	124,330	97,165	98,721	98,967	98,377	97,774	97,938	97,664	99,584	98,051	97,085	92,633
Non-Current Liabilities													
Lease liabilities	55	75	55	55	55	55	55	55	55	55	55	55	55
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	177,999	176,284	175,208	167,661	153,338	132,404	115,354	101,507	84,284	81,662	86,124	68,709	64,619
Employee benefit provision	1,217	1,368	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217
Provisions	11,599	8,030	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	190,870	185,757	188,079	180,532	166,209	145,275	128,225	114,378	97,155	94,533	98,995	81,580	77,490
TOTAL LIABILITIES	314,912	310,087	285,244	279,253	265,176	243,652	225,999	212,316	194,819	194,117	197,046	178,665	170,123
NET ASSETS	4,669,779	4,213,351	4,772,107	4,815,575	4,858,357	4,902,202	4,932,985	4,966,094	5,005,810	5,072,014	5,139,103	5,190,190	5,250,036
EQUITY													
Accumulated surplus	1,786,879	1,842,384	1,889,207	1,932,675	1,975,457	2,019,303	2,050,085	2,083,194	2,122,910	2,189,114	2,256,203	2,307,290	2,367,136
Revaluation reserves	2,882,900	2,370,967	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900	2,882,900
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	4,669,779	4,213,351	4,772,107	4,815,575	4,858,357	4,902,203	4,932,985	4,966,094	5,005,810	5,072,014	5,139,103	5,190,190	5,250,036
Total equity	4,669,779	4,213,351	4,772,107	4,815,575	4,858,357	4,902,203	4,932,985	4,966,094	5,005,810	5,072,014	5,139,103	5,190,190	5,250,036

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	6,015	177,338	177,339	198,742	218,001	233,227	242,844	252,891	263,390	274,363	285,831	297,819	310,352
User charges and fees	92,530	95,621	95,622	99,555	103,665	107,960	112,450	117,142	122,048	127,178	132,542	138,152	144,011
Investment and interest revenue received	7,867	7,550	5,677	5,513	6,062	6,281	6,618	6,811	6,871	6,738	7,127	7,505	7,952
Grants and contributions	99,143	69,216	154,657	64,165	56,071	44,183	32,122	32,977	34,581	58,029	57,875	36,674	37,658
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	741,886	4,772	4,772	4,915	5,062	5,213	5,369	5,530	5,696	5,866	6,042	6,223	6,409
<i>Payments:</i>													
Employee benefits and on-costs	(111,918)	(108,473)	(107,702)	(110,933)	(114,261)	(117,116)	(120,042)	(123,042)	(126,116)	(129,267)	(132,497)	(135,808)	(139,201)
Materials and services	(117,782)	(104,540)	(102,494)	(107,660)	(111,976)	(115,917)	(120,068)	(124,431)	(128,807)	(134,219)	(139,664)	(144,278)	(149,030)
Borrowing costs	(6,495)	(7,453)	(7,397)	(7,206)	(7,232)	(6,813)	(5,977)	(5,348)	(4,920)	(4,255)	(4,536)	(4,800)	(2,918)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(20,887)	(16,973)	(16,973)	(17,482)	(18,006)	(18,546)	(19,103)	(19,676)	(20,266)	(20,874)	(21,500)	(22,145)	(22,810)
Net cash provided (or used in) operating activities	690,359	117,058	203,502	129,610	137,387	138,472	134,212	142,855	152,477	183,558	191,218	179,341	192,423
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	5,000	128,927	92,450	92,450	92,450	92,450	92,450	82,450	58,829	58,829	58,829	58,829
Sale of infrastructure, property, plant and equipment	247	2,195	2,133	2,959	3,427	3,739	3,385	5,300	5,043	5,002	5,019	4,282	4,410
Sale of real estate	-	3,318	3,318	17,347	9,652	16,183	7,133	3,040	4,443	4,705	2,725	2,944	3,032
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	(5,000)	(92,450)	(92,450)	(92,450)	(92,450)	(92,450)	(82,450)	(58,829)	(58,829)	(58,829)	(58,829)	-
Purchase of infrastructure, property, plant and equipment	(692,963)	(186,972)	(247,079)	(114,538)	(128,008)	(116,108)	(113,254)	(121,699)	(121,242)	(175,253)	(179,609)	(139,782)	(145,353)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	(1,222)	(2,399)	(7,823)	(7,934)	(10,632)	(5,590)	(2,699)	(3,780)	(3,379)	(2,685)	(2,738)	(2,820)
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(692,716)	(182,681)	(207,550)	(102,054)	(122,863)	(106,819)	(108,325)	(106,059)	(91,914)	(168,925)	(174,549)	(135,295)	(81,902)

STATEMENT OF CASH FLOWS - CONSOLIDATED	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities													
<i>Receipts:</i>													
New Residential Accommodation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	14,907	18,356	9,455	14,537	7,500	-	2,945	6,673	3,124	20,758	21,381	-	-
Other financing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Repayment of borrowings and advances	(6,535)	(19,098)	(20,288)	(20,528)	(21,577)	(21,524)	(20,598)	(20,356)	(20,621)	(21,461)	(18,452)	(18,381)	(14,315)
Principal component of lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	8,372	(742)	(10,833)	(5,991)	(14,077)	(21,524)	(17,653)	(13,682)	(17,497)	(703)	2,929	(18,381)	(14,315)
Net increase/(decrease) in cash and cash equivalents	6,015	(66,365)	(14,881)	21,564	447	10,129	8,234	23,114	43,066	13,931	19,598	25,665	96,206
Cash and cash equivalents - beginning of year	21,416	89,208	27,431	12,550	34,115	34,561	44,690	52,924	76,038	119,104	133,035	152,633	178,299
Cash and cash equivalents - end of the year	27,431	22,843	12,550	34,115	34,561	44,690	52,924	76,038	119,104	133,035	152,633	178,299	274,504
Investments on hand - end of year	138,927	105,778	102,450	102,450	102,450	102,450	102,450	92,450	68,829	68,829	68,829	68,829	10,000
Total cash, cash equivalents and investments	166,358	128,621	115,000	136,565	137,011	147,140	155,374	168,488	187,933	201,864	221,462	247,128	284,504

INCOME STATEMENT - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	86,329	90,820	90,820	107,396	121,562	131,414	135,361	139,427	143,615	147,929	152,372	156,948	161,662
User charges and fees	50,268	51,030	51,030	52,561	54,138	55,762	57,435	59,158	60,933	62,761	64,644	66,583	68,571
Other revenue	5,583	4,321	4,322	4,451	4,584	4,721	4,863	5,008	5,158	5,313	5,472	5,636	5,804
Grants and contributions provided for operating purposes	33,164	21,294	22,020	21,623	22,262	22,921	23,601	24,303	25,026	25,773	26,543	27,337	28,158
Grants and contributions provided for capital purposes	60,876	43,446	117,263	37,113	21,445	15,042	5,121	5,275	5,558	7,334	5,764	5,937	6,100
Interest and investment revenue	4,942	5,496	5,496	4,628	5,128	5,376	5,667	5,881	6,095	6,380	6,685	6,903	7,059
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	(81)	-	-	9,541	5,309	8,901	3,923	1,672	2,444	2,588	1,499	1,619	1,668
Internal Revenue	-	34,772	35,771	36,845	37,950	39,088	40,261	41,469	42,713	43,994	45,314	46,674	48,074
Total income from continuing operations	241,081	251,179	326,723	274,158	272,377	283,226	276,232	282,193	291,542	302,071	308,292	317,636	327,096
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>89,840</i>	<i>86,537</i>	<i>86,537</i>	<i>89,165</i>	<i>91,840</i>	<i>94,136</i>	<i>96,490</i>	<i>98,902</i>	<i>101,375</i>	<i>103,909</i>	<i>106,507</i>	<i>109,169</i>	<i>111,899</i>
<i>Staff costs capitalised</i>	<i>6,243</i>	<i>6,524</i>	<i>6,524</i>	<i>6,752</i>	<i>6,955</i>	<i>7,129</i>	<i>7,307</i>	<i>7,490</i>	<i>7,677</i>	<i>7,869</i>	<i>8,065</i>	<i>8,267</i>	<i>8,474</i>
Employee benefits and on-costs	83,597	80,013	80,013	82,413	84,886	87,008	89,183	91,412	93,698	96,040	98,441	100,902	103,425
Materials and services	82,382	63,509	63,510	66,632	69,056	71,284	73,422	75,593	77,841	80,167	82,537	84,978	87,492
Borrowing costs	2,454	3,290	3,291	3,403	3,362	3,301	2,814	2,364	1,919	1,475	1,032	621	314
Depreciation, amortisation and impairment of non-financial assets	52,267	57,340	57,340	59,530	61,462	63,431	65,311	67,247	69,242	71,313	73,429	75,608	77,853
Other expenses	5,009	4,992	4,992	5,142	5,296	5,455	5,618	5,787	5,961	6,139	6,324	6,513	6,709
Internal expenditure	-	23,812	23,812	24,526	25,262	26,020	26,800	27,604	28,432	29,285	30,164	31,069	32,001
Net losses from the disposal of assets	1,166	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	226,875	232,956	232,956	241,646	249,324	256,498	263,149	270,008	277,093	284,421	291,927	299,692	307,793
Operating result from continuing operations	14,206	18,224	93,767	32,512	23,054	26,728	13,084	12,185	14,449	17,649	16,365	17,944	19,302
Net operating result for the year before grants and contributions provided for capital purposes	(46,670)	(25,222)	(23,496)	(4,602)	1,609	11,685	7,963	6,910	8,891	10,316	10,601	12,008	13,202

[illegible]

STATEMENT OF FINANCIAL POSITION - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	109,059	111,701	91,312	91,495	91,423	90,556	90,153	89,555	89,763	84,723	84,120	80,410	80,385
Non-Current Liabilities													
Lease liabilities	55	75	55	55	55	55	55	55	55	55	55	55	55
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	78,886	84,936	75,620	70,271	64,993	53,086	41,588	30,692	19,592	13,538	6,436	3,708	802
Employee benefit provision	1,217	1,368	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217	1,217
Provisions	11,599	8,030	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599	11,599
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	91,757	94,409	88,491	83,142	77,864	65,957	54,459	43,563	32,463	26,409	19,307	16,579	13,673
TOTAL LIABILITIES	200,816	206,109	179,803	174,636	169,287	156,514	144,611	133,117	122,226	111,131	103,427	96,989	94,059
NET ASSETS	3,273,184	2,951,454	3,366,951	3,399,463	3,422,516	3,449,244	3,462,328	3,474,513	3,488,962	3,506,611	3,522,976	3,540,920	3,560,223
EQUITY													
Accumulated surplus	1,063,804	1,102,219	1,157,571	1,190,083	1,213,136	1,239,864	1,252,948	1,265,133	1,279,582	1,297,231	1,313,596	1,331,540	1,350,843
Revaluation reserves	2,209,380	1,849,235	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380	2,209,380
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	3,273,184	2,951,454	3,366,951	3,399,463	3,422,516	3,449,244	3,462,328	3,474,513	3,488,962	3,506,611	3,522,976	3,540,920	3,560,223
Total equity	3,273,184	2,951,454	3,366,951	3,399,463	3,422,516	3,449,244	3,462,328	3,474,513	3,488,962	3,506,611	3,522,976	3,540,920	3,560,223

STATEMENT OF CASH FLOWS - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	(3,076)	90,820	90,820	107,396	121,562	131,414	135,361	139,427	143,615	147,929	152,372	156,948	161,662
User charges and fees	50,268	51,030	51,030	52,561	54,138	55,762	57,435	59,158	60,933	62,761	64,644	66,583	68,571
Investment and interest revenue received	4,942	5,496	5,496	4,628	5,128	5,376	5,667	5,881	6,095	6,380	6,685	6,903	7,059
Grants and contributions	94,040	64,739	151,361	58,736	43,707	37,963	28,722	29,577	30,584	33,107	32,307	33,274	34,258
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	446,640	29,709	30,709	41,295	42,534	43,810	45,124	46,477	47,871	49,307	50,786	52,309	53,878
<i>Payments:</i>													
Employee benefits and on-costs	(83,597)	(80,013)	(80,013)	(82,413)	(84,886)	(87,008)	(89,183)	(91,412)	(93,698)	(96,040)	(98,441)	(100,902)	(103,425)
Materials and services	(82,382)	(63,509)	(63,510)	(66,632)	(69,056)	(71,284)	(73,422)	(75,593)	(77,841)	(80,167)	(82,537)	(84,978)	(87,492)
Borrowing costs	(2,454)	(3,290)	(3,291)	(3,403)	(3,362)	(3,301)	(2,814)	(2,364)	(1,919)	(1,475)	(1,032)	(621)	(314)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(5,009)	(28,803)	(28,804)	(29,668)	(30,558)	(31,474)	(32,419)	(33,391)	(34,393)	(35,425)	(36,487)	(37,582)	(38,710)
Net cash provided (or used in) operating activities	419,372	66,178	153,800	82,501	79,207	81,258	74,471	77,760	81,247	86,375	88,295	91,933	95,487
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	-	78,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829
Sale of infrastructure, property, plant and equipment	(81)	3,198	1,793	2,678	3,077	3,234	2,926	4,823	4,593	4,409	4,409	3,653	3,763
Sale of real estate	-	1,975	3,318	17,347	9,652	16,183	7,133	3,040	4,443	4,705	2,725	2,944	3,032
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	(5,000)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)	(58,829)
Purchase of infrastructure, property, plant and equipment	(437,274)	(129,975)	(173,498)	(69,386)	(74,938)	(68,893)	(60,614)	(64,897)	(67,734)	(74,262)	(77,892)	(82,866)	(86,730)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	(1,222)	(2,399)	(7,823)	(7,934)	(10,632)	(5,590)	(2,699)	(3,780)	(3,379)	(2,685)	(2,738)	(2,820)
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(437,355)	(131,024)	(150,786)	(57,183)	(70,144)	(60,108)	(56,144)	(59,734)	(62,478)	(68,526)	(73,443)	(79,007)	(82,755)

STATEMENT OF CASH FLOWS - GENERAL	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities													
<i>Receipts:</i>													
New Residential Accommodation Bonds	-		-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	14,907	18,356	9,455	7,500	7,500	-	-	-	-	-	-	-	-
Other financing	-		-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Repayment of borrowings and advances	-	(11,546)	(11,545)	(12,667)	(12,849)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Principal component of lease payments	-		-	-	-	-	-	-	-	-	-	-	-
Other financing	-		-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	14,907	6,810	(2,090)	(5,167)	(5,349)	(12,773)	(11,902)	(11,494)	(10,891)	(11,095)	(7,704)	(6,438)	(2,930)
Net increase/(decrease) in cash and cash equivalents	(3,076)	(58,035)	923	20,151	3,714	8,377	6,424	6,532	7,878	6,754	7,148	6,488	9,802
Cash and cash equivalents - beginning of year	11,545	58,034	8,469	9,392	29,543	33,257	41,634	48,058	54,590	62,468	69,222	76,370	82,858
Cash and cash equivalents - end of the year	8,469	(1)	9,392	29,543	33,257	41,634	48,058	54,590	62,468	69,222	76,370	82,858	92,660
Investments on hand - end of year	78,829	74,753	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829	58,829
Total cash, cash equivalents and investments	87,298	74,752	68,221	88,372	92,086	100,463	106,887	113,419	121,297	128,051	135,199	141,687	151,489

INCOME STATEMENT - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	4,443	4,981	4,981	5,281	5,597	5,930	6,282	6,654	7,046	7,460	7,896	8,357	8,843
User charges and fees	21,447	23,711	23,711	24,973	26,302	27,704	29,181	30,738	32,379	34,109	35,933	37,855	39,881
Other revenue	503	96	96	99	102	105	108	111	115	118	122	125	129
Grants and contributions provided for operating purposes	58	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	1,306	2,327	1,985	1,600	1,600	1,600	1,600	1,600	2,197	23,123	23,768	1,600	1,600
Interest and investment revenue	1,662	1,167	1,167	2,048	2,166	2,292	2,396	2,376	2,165	1,651	1,679	1,645	1,605
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	129	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	2,483	2,483	2,558	2,634	2,713	2,795	2,879	2,965	3,054	3,146	3,240	3,337
Total income from continuing operations	29,548	34,765	34,425	36,559	38,401	40,344	42,362	44,358	46,866	69,514	72,544	52,822	55,396
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>10,074</i>	<i>9,795</i>	<i>9,795</i>	<i>10,096</i>	<i>10,399</i>	<i>10,659</i>	<i>10,926</i>	<i>11,199</i>	<i>11,479</i>	<i>11,766</i>	<i>12,060</i>	<i>12,361</i>	<i>12,670</i>
<i>Staff costs capitalised</i>	<i>1,415</i>	<i>1,479</i>	<i>1,479</i>	<i>1,530</i>	<i>1,576</i>	<i>1,616</i>	<i>1,656</i>	<i>1,698</i>	<i>1,740</i>	<i>1,783</i>	<i>1,828</i>	<i>1,874</i>	<i>1,921</i>
Employee benefits and on-costs	8,659	8,316	8,316	8,566	8,823	9,043	9,269	9,501	9,739	9,982	10,232	10,488	10,750
Materials and services	7,608	8,228	8,228	8,494	8,777	9,067	9,529	9,912	10,315	11,566	12,855	13,272	13,702
Borrowing costs	-	-	-	-	-	-	-	-	-	-	1,142	2,229	2,044
Depreciation, amortisation and impairment of non-financial assets	13,519	14,269	14,269	14,717	15,187	15,669	16,329	16,916	17,529	18,997	20,509	21,155	21,821
Other expenses	219	57	57	58	60	62	64	65	67	69	72	74	76
Internal expenditure	-	6,282	6,282	6,471	6,665	6,865	7,071	7,283	7,501	7,726	7,958	8,197	8,443
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	30,005	37,152	37,152	38,306	39,511	40,706	42,262	43,677	45,151	48,341	52,767	55,414	56,835
Operating result from continuing operations	(457)	(2,387)	(2,727)	(1,747)	(1,109)	(362)	101	681	1,715	21,173	19,777	(2,592)	(1,439)
Net operating result for the year before grants and contributions provided for capital purposes	(1,763)	(4,714)	(4,712)	(3,347)	(2,709)	(1,962)	(1,499)	(919)	(482)	(1,950)	(3,992)	(4,192)	(3,039)

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STATEMENT OF FINANCIAL POSITION - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	3,976	2,834	3,442	3,442	3,442	3,442	3,442	3,442	3,442	5,055	6,804	6,989	7,184
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	19,146	37,166	33,619	29,878
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	19,146	37,166	33,619	29,878
TOTAL LIABILITIES	3,976	2,834	3,442	3,442	3,442	3,442	3,442	3,442	3,442	24,201	43,969	40,608	37,061
NET ASSETS	598,065	529,849	595,175	593,260	591,978	591,438	591,355	591,847	593,368	614,341	633,911	631,106	629,448
EQUITY													
Accumulated surplus	228,999	231,889	226,109	224,194	222,912	222,372	222,289	222,781	224,302	245,275	264,845	262,040	260,382
Revaluation reserves	369,066	297,960	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066	369,066
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	598,065	529,849	595,175	593,260	591,978	591,438	591,355	591,847	593,368	614,341	633,911	631,106	629,448
Total equity	598,065	529,849	595,175	593,260	591,978	591,438	591,355	591,847	593,368	614,341	633,911	631,106	629,448

STATEMENT OF CASH FLOWS - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities													
<i>Receipts:</i>													
Rates and annual charges	2,128	4,981	4,981	5,281	5,597	5,930	6,282	6,654	7,046	7,460	7,896	8,357	8,843
User charges and fees	21,447	23,711	23,711	24,973	26,302	27,704	29,181	30,738	32,379	34,109	35,933	37,855	39,881
Investment and interest revenue received	1,662	1,167	1,167	2,048	2,166	2,292	2,396	2,376	2,165	1,651	1,679	1,645	1,605
Grants and contributions	1,364	2,327	1,452	1,600	1,600	1,600	1,600	1,600	2,197	23,123	23,768	1,600	1,600
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	83,989	2,579	2,579	2,657	2,736	2,818	2,903	2,990	3,080	3,172	3,267	3,365	3,466
<i>Payments:</i>													
Employee benefits and on-costs	(8,659)	(8,316)	(8,316)	(8,566)	(8,823)	(9,043)	(9,269)	(9,501)	(9,739)	(9,982)	(10,232)	(10,488)	(10,750)
Materials and services	(7,608)	(8,228)	(8,228)	(8,494)	(8,777)	(9,067)	(9,529)	(9,912)	(10,315)	(11,566)	(12,855)	(13,272)	(13,702)
Borrowing costs	-	-	-	-	-	-	-	-	-	-	(1,142)	(2,229)	(2,044)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(219)	(6,339)	(6,339)	(6,529)	(6,725)	(6,926)	(7,134)	(7,348)	(7,569)	(7,796)	(8,030)	(8,270)	(8,519)
Net cash provided (or used in) operating activities	94,104	11,882	11,009	12,970	14,077	15,307	16,430	17,597	19,244	40,170	40,285	18,563	20,382
Cash Flows from investing activities													
<i>Receipts:</i>													
Sale of investments	-	5,000	43,621	33,621	33,621	33,621	33,621	33,621	23,621	-	-	-	-
Sale of infrastructure, property, plant and equipment	129	120	120	124	127	131	135	139	143	148	152	157	161
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	1,190	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Purchase of investment securities	-	-	(33,621)	(33,621)	(33,621)	(33,621)	(33,621)	(23,621)	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(92,105)	(17,303)	(27,181)	(9,569)	(9,675)	(12,370)	(17,243)	(17,725)	(16,920)	(60,319)	(63,554)	(20,981)	(21,610)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(91,976)	(10,993)	(17,061)	(9,445)	(9,548)	(12,239)	(17,108)	(7,586)	6,845	(60,172)	(63,402)	(20,824)	(21,449)

STATEMENT OF CASH FLOWS - WATER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities													
<i>Receipts:</i>													
New Residential Accommodation Bonds	-		-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	20,758	21,381	-	-
Other financing	-		-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>													
Repayment of borrowings and advances	-	-	-	-	-	-	-	-	-	-	(1,612)	(3,362)	(3,546)
Principal component of lease payments	-		-	-	-	-	-	-	-	-	-	-	-
Other financing	-	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	(200)	(206)	(213)	(219)
Net cash provided (or used in) financing activities	-	(163)	(163)	(168)	(173)	(178)	(183)	(189)	(195)	20,558	19,562	(3,574)	(3,765)
Net increase/(decrease) in cash and cash equivalents	2,128	726	(6,215)	3,357	4,356	2,891	(862)	9,822	25,894	556	(3,554)	(5,836)	(4,832)
Cash and cash equivalents - beginning of year	6,485	13,098	8,613	2,398	5,755	10,111	13,001	12,140	21,962	47,856	48,412	44,858	39,022
Cash and cash equivalents - end of the year	8,613	13,824	2,398	5,755	10,111	13,001	12,140	21,962	47,856	48,412	44,858	39,022	34,190
Investments on hand - end of year	43,621	28,230	33,621	33,621	33,621	33,621	33,621	23,621	-	-	-	-	-
Total cash, cash equivalents and investments	52,234	42,054	36,019	39,376	43,732	46,622	45,761	45,583	47,856	48,412	44,858	39,022	34,190

INCOME STATEMENT - SEWER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations													
Rates and annual charges	49,691	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	4,469	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Other revenue	24	5	5	5	5	5	5	5	5	6	6	6	6
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	3,265	2,105	2,369	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Interest and investment revenue	901	750	750	402	447	370	376	412	505	680	851	1,068	1,368
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	118	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	1,765	1,765	1,818	1,873	1,929	1,987	2,047	2,108	2,171	2,236	2,304	2,373
Total income from continuing operations	58,468	59,999	60,264	64,494	74,762	72,007	72,850	76,743	80,902	85,365	90,059	95,046	100,377
Expenses from continuing operations													
<i>Estimated total staff costs</i>	<i>12,535</i>	<i>12,939</i>	<i>12,938</i>	<i>13,332</i>	<i>13,731</i>	<i>14,075</i>	<i>14,427</i>	<i>14,787</i>	<i>15,157</i>	<i>15,536</i>	<i>15,924</i>	<i>16,322</i>	<i>16,730</i>
<i>Staff costs capitalised</i>	<i>1,012</i>	<i>1,058</i>	<i>1,058</i>	<i>1,095</i>	<i>1,127</i>	<i>1,156</i>	<i>1,184</i>	<i>1,214</i>	<i>1,244</i>	<i>1,276</i>	<i>1,307</i>	<i>1,340</i>	<i>1,374</i>
Employee benefits and on-costs	11,523	11,881	11,881	12,237	12,604	12,919	13,242	13,573	13,913	14,260	14,617	14,982	15,357
Materials and services	12,323	12,067	12,067	12,693	13,500	14,132	14,771	15,373	15,962	16,592	17,254	17,896	18,557
Borrowing costs	3,415	3,175	3,175	2,907	2,683	2,457	2,245	2,048	1,861	1,666	1,464	1,254	-
Depreciation, amortisation and impairment of non-financial assets	15,364	16,191	16,191	17,029	18,107	18,953	19,808	20,614	21,403	22,247	23,133	23,993	24,878
Other expenses	1,603	37	37	38	39	40	41	43	44	45	47	48	49
Internal expenditure	-	7,007	7,007	7,217	7,434	7,657	7,886	8,123	8,367	8,618	8,876	9,142	9,417
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	44,228	50,358	50,357	52,120	54,367	56,158	57,994	59,773	61,549	63,429	65,390	67,314	68,258
Operating result from continuing operations	14,240	9,641	9,907	12,373	20,395	15,849	14,856	16,969	19,353	21,936	24,669	27,732	32,119
Net operating result for the year before grants and contributions provided for capital purposes	10,975	7,536	7,538	8,544	9,630	11,230	13,056	15,169	17,553	20,136	22,869	25,932	30,319

[illegible]

STATEMENT OF FINANCIAL POSITION - SEWER	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	9,478	7,076	7,930	8,153	8,046	7,853	7,647	7,834	8,029	8,231	8,441	8,660	8,887
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	74,206	69,161	69,161	63,893	58,733	53,766	49,004	44,056	38,913	33,568	28,012	22,238	16,237
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	74,206	69,161	69,161	63,893	58,733	53,766	49,004	44,056	38,913	33,568	28,012	22,238	16,237
TOTAL LIABILITIES	83,684	76,237	77,091	72,047	66,779	61,619	56,651	51,890	46,942	41,798	36,453	30,898	25,124
NET ASSETS	758,973	689,294	767,226	777,896	796,536	810,578	823,572	838,624	856,002	875,905	898,479	924,053	953,949
EQUITY													
Accumulated surplus	454,519	465,522	462,772	473,442	492,082	506,124	519,118	534,170	551,548	571,451	594,025	619,599	649,495
Revaluation reserves	304,454	223,772	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454	304,454
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	758,973	689,294	767,226	777,896	796,536	810,578	823,572	838,624	856,002	875,905	898,479	924,053	953,949
Total equity	758,973	689,294	767,226	777,896	796,536	810,578	823,572	838,624	856,002	875,905	898,479	924,053	953,949

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
Receipts:												
Rates and annual charges	51,384	51,384	54,236	57,244	60,417	63,766	67,298	71,025	74,958	79,106	83,483	88,101
User charges and fees	3,990	3,990	4,204	4,429	4,666	4,916	5,180	5,458	5,751	6,060	6,385	6,729
Investment and interest revenue received	750	750	402	447	370	376	412	505	680	851	1,068	1,368
Grants and contributions	2,105	1,800	3,829	10,765	4,619	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	1,770	1,770	1,823	1,878	1,934	1,992	2,052	2,113	2,177	2,242	2,309	2,379
Payments:												
Employee benefits and on-costs	(11,881)	(11,881)	(12,237)	(12,604)	(12,919)	(13,242)	(13,573)	(13,913)	(14,260)	(14,617)	(14,982)	(15,357)
Materials and services	(12,067)	(12,067)	(12,693)	(13,500)	(14,132)	(14,771)	(15,373)	(15,962)	(16,592)	(17,254)	(17,896)	(18,557)
Borrowing costs	(3,175)	(3,175)	(2,907)	(2,683)	(2,457)	(2,245)	(2,048)	(1,861)	(1,666)	(1,464)	(1,254)	-
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(7,044)	(7,044)	(7,255)	(7,473)	(7,697)	(7,928)	(8,165)	(8,410)	(8,663)	(8,923)	(9,190)	(9,466)
Net cash provided (or used in) operating activities	25,832	25,529	29,402	38,502	34,802	34,664	37,583	40,757	44,184	47,802	51,725	56,997
Cash Flows from investing activities												
Receipts:												
Sale of investments	-	16,477	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	100	100	103	106	109	113	116	119	123	127	130	134
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(23,950)	(30,655)	(20,869)	(37,892)	(28,735)	(26,828)	(26,184)	(23,746)	(27,250)	(27,599)	(25,817)	(26,592)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(23,850)	(14,078)	(20,766)	(37,786)	(28,626)	(26,716)	(26,068)	(23,626)	(27,127)	(27,472)	(25,687)	(26,457)

STATEMENT OF CASH FLOWS - SEWER	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities												
<i>Receipts:</i>												
New Residential Accommodation Bonds		-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Other financing		-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Repayment of borrowings and advances	(6,023)	(6,023)	(5,045)	(5,268)	(5,160)	(4,968)	(4,761)	(4,948)	(5,143)	(5,345)	(5,556)	(5,774)
Principal component of lease payments		-	-	-	-	-	-	-	-	-	-	-
Other financing	(1,654)	(1,654)	(1,704)	(1,755)	(1,807)	(1,862)	(1,917)	(1,975)	(2,034)	(2,095)	(2,158)	(2,223)
Net cash provided (or used in) financing activities	(7,677)	(7,677)	(6,748)	(7,023)	(6,967)	(6,829)	(6,679)	(6,923)	(7,177)	(7,441)	(7,714)	(7,997)
Net increase/(decrease) in cash and cash equivalents	(5,695)	3,773	1,887	(6,306)	(791)	1,119	4,837	10,207	9,880	12,890	18,324	22,543
Cash and cash equivalents - beginning of year	12,298	3,254	7,027	8,914	2,608	1,817	2,936	7,773	17,980	27,860	40,749	59,074
Cash and cash equivalents - end of the year	6,603	7,027	8,914	2,608	1,817	2,936	7,773	17,980	27,860	40,749	59,074	81,617
Investments on hand - end of year	2,795	-	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	9,398	7,027	8,914	2,608	1,817	2,936	7,773	17,980	27,860	40,749	59,074	81,617

INCOME STATEMENT - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Income from continuing operations												
Rates and annual charges	30,153	30,153	31,830	33,599	35,465	37,434	39,512	41,704	44,017	46,457	49,031	51,747
User charges and fees	16,890	16,890	17,817	18,796	19,828	20,917	22,066	23,278	24,557	25,906	27,329	28,830
Other revenue	350	350	360	371	382	393	405	417	430	443	456	470
Grants and contributions provided for operating purposes	-	-	-	-	-	-	-	-	-	-	-	-
Grants and contributions provided for capital purposes	44	44	-	-	-	-	-	-	-	-	-	-
Interest and investment revenue	137	137	56	(5)	(29)	(38)	(18)	6	(11)	(64)	(22)	74
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Internal Revenue	28,286	28,286	29,135	30,009	30,909	31,836	32,792	33,775	34,789	35,832	36,907	38,014
Total income from continuing operations	75,860	75,860	79,198	82,769	86,556	90,544	94,756	99,181	103,781	108,573	113,701	119,135
Expenses from continuing operations												
<i>Estimated total staff costs</i>	<i>7,798</i>	<i>7,798</i>	<i>8,032</i>	<i>8,273</i>	<i>8,480</i>	<i>8,692</i>	<i>8,909</i>	<i>9,132</i>	<i>9,360</i>	<i>9,594</i>	<i>9,834</i>	<i>10,080</i>
<i>Staff costs capitalised</i>	<i>33</i>	<i>33</i>	<i>35</i>	<i>36</i>	<i>37</i>	<i>37</i>	<i>38</i>	<i>39</i>	<i>40</i>	<i>41</i>	<i>42</i>	<i>43</i>
Employee benefits and on-costs	7,764	7,764	7,997	8,237	8,443	8,654	8,871	9,092	9,320	9,553	9,792	10,036
Materials and services	18,807	18,807	19,961	20,767	21,562	22,477	23,689	24,828	26,037	27,166	28,284	29,436
Borrowing costs	988	988	897	1,186	1,055	918	936	1,140	1,113	899	696	559
Depreciation, amortisation and impairment of non-financial assets	2,400	2,400	3,116	3,435	3,726	4,131	4,840	5,454	6,123	6,687	7,218	7,766
Other expenses	11,887	11,887	12,244	12,611	12,990	13,379	13,781	14,194	14,620	15,059	15,510	15,976
Internal expenditure	30,816	30,816	31,741	32,693	33,674	34,684	35,725	36,796	37,900	39,037	40,208	41,415
Net losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses from continuing operations	72,662	72,662	75,956	78,930	81,449	84,243	87,841	91,505	95,113	98,400	101,709	105,188
Operating result from continuing operations	3,197	3,197	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947
Net operating result for the year before grants and contributions provided for capital purposes	3,153	3,153	3,243	3,839	5,106	6,300	6,915	7,676	8,668	10,173	11,992	13,947

[illegible]

STATEMENT OF FINANCIAL POSITION - WASTE	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	DRAFT ACTUAL	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Total Current Liabilities	2,719	3	3	549	579	611	874	1,440	1,762	1,859	1,959	2,066	2,178
Non-Current Liabilities													
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	24,907	24,904	24,904	28,578	25,088	21,466	20,420	22,427	20,448	15,128	11,237	8,105	5,927
Employee benefit provision	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	24,907	24,904	24,904	28,578	25,088	21,466	20,420	22,427	20,448	15,128	11,237	8,105	5,927
TOTAL LIABILITIES	27,626	24,907	24,907	29,127	25,668	22,077	21,294	23,867	22,210	16,987	13,196	10,170	8,106
NET ASSETS	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
EQUITY													
Accumulated surplus	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
Revaluation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Council equity interest	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613
Total equity	39,557	42,754	42,754	45,997	49,836	54,942	61,243	68,158	75,835	84,502	94,675	106,666	120,613

STATEMENT OF CASH FLOWS - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from operating activities												
<i>Receipts:</i>												
Rates and annual charges	30,153	30,153	31,830	33,599	35,465	37,434	39,512	41,704	44,017	46,457	49,031	51,747
User charges and fees	16,890	16,890	17,817	18,796	19,828	20,917	22,066	23,278	24,557	25,906	27,329	28,830
Investment and interest revenue received	137	137	56	(5)	(29)	(38)	(18)	6	(11)	(64)	(22)	74
Grants and contributions	44	44	-	-	-	-	-	-	-	-	-	-
Bonds, deposits and retention amounts received	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	38,020	38,020	29,495	30,380	31,291	32,230	33,197	34,193	35,218	36,275	37,363	38,484
<i>Payments:</i>												
Employee benefits and on-costs	(7,764)	(7,764)	(7,997)	(8,237)	(8,443)	(8,654)	(8,871)	(9,092)	(9,320)	(9,553)	(9,792)	(10,036)
Materials and services	(18,807)	(18,807)	(19,961)	(20,767)	(21,562)	(22,477)	(23,689)	(24,828)	(26,037)	(27,166)	(28,284)	(29,436)
Borrowing costs	(988)	(988)	(897)	(1,186)	(1,055)	(918)	(936)	(1,140)	(1,113)	(899)	(696)	(559)
Bonds, deposits and retention amounts refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other operating	(42,704)	(42,704)	(43,985)	(45,304)	(46,664)	(48,063)	(49,505)	(50,991)	(52,520)	(54,096)	(55,719)	(57,390)
Net cash provided (or used in) operating activities	14,982	14,982	6,358	7,274	8,832	10,431	11,756	13,130	14,791	16,859	19,210	21,713
Cash Flows from investing activities												
<i>Receipts:</i>												
Sale of investments	1,317	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	120	120	55	117	264	211	222	187	322	332	341	352
Sale of real estate	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Purchase of investment securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(15,744)	(15,744)	(14,714)	(5,502)	(6,111)	(8,568)	(12,892)	(12,842)	(13,422)	(10,564)	(10,118)	(10,422)
Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred debtors and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Other investing	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) investing activities	(14,307)	(15,624)	(14,660)	(5,385)	(5,847)	(8,357)	(12,671)	(12,655)	(13,100)	(10,232)	(9,777)	(10,070)

STATEMENT OF CASH FLOWS - WASTE	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	ADOPTED BUDGET	FORECAST	FORWARD PLAN									
Cash Flows from financing activities												
<i>Receipts:</i>												
New Residential Accommodation Bonds		-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	7,037	-	-	2,945	6,673	3,124	-	-	-	-
Other financing		-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>												
Repayment of borrowings and advances	(2,719)	(2,719)	(2,816)	(3,459)	(3,591)	(3,728)	(4,100)	(4,782)	(5,223)	(3,790)	(3,026)	(2,065)
Principal component of lease payments		-	-	-	-	-	-	-	-	-	-	-
Other financing		-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used in) financing activities	(2,719)	(2,719)	4,221	(3,459)	(3,591)	(783)	2,573	(1,657)	(5,223)	(3,790)	(3,026)	(2,065)
Net increase/(decrease) in cash and cash equivalents	(2,045)	(3,362)	(4,080)	(1,570)	(605)	1,291	1,658	(1,182)	(3,533)	2,837	6,407	9,578
Cash and cash equivalents - beginning of year	7,095	7,095	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955
Cash and cash equivalents - end of the year	5,050	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533
Investments on hand - end of year	-	-	-	-	-	-	-	-	-	-	-	-
Total cash, cash equivalents and investments	5,050	3,733	(347)	(1,918)	(2,523)	(1,233)	426	(756)	(4,289)	(1,452)	4,955	14,533

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