

# Resourcing Strategy

**Long Term Financial Plan | Workforce Management  
Strategy | Revised Asset Management Strategy**

Central  
Coast  
Council



# **Acknowledgement of Country**

**We acknowledge the traditional  
owners of the land on which we live  
and pay our respects to elders past,  
present and emerging**



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# Introduction

## About the Resourcing Strategy

The Resourcing Strategy is a key aspect of the Integrated Planning and Reporting framework and is Council’s means of supporting the Community Strategic Plan through effective resource allocation. The three elements of the Resourcing Strategy are the:

- Long Term Financial Plan – a ten year plan that details financial projections based on key assumptions. This will also include financial projection based on continuation of the 15% (inclusive of the rate peg) special variation (SV) and without the SV from the 2024-25 financial year
- Workforce Management Strategy – a four year strategy that details the workforce challenges and opportunities and the actions that will be undertaken to ensure continued service delivery.
- Asset Management Strategy – a ten year strategy that details Council’s asset portfolio and guides the planning, acquisition, operation, maintenance, renewal and disposal of assets.



## Relationship with the Community Strategic Plan

The Community Strategic Plan (CSP) is a ten year plan that reflects the aspirations and what matter most to the people of the Central Coast. It is the highest-level plan within Council, with Council’s role to implement and deliver these aspirations as well as advocate on behalf of the community for its delivery. All other strategies and programs of work that are developed are in response to the CSP. The Delivery Program outlines the programs and activities that Council has committed in order to achieve these aspirations, with the Resourcing Strategy then detailing the resources needed to effectively deliver these.

# Community Strategic Plan Vision and Framework

## Belonging

### Our community spirit is our strength

**A1** Work within our communities to connect people, build capacity and create local solutions and initiatives.

**A2** Celebrate and continue to create opportunities for inclusion where all people feel welcome and participate in community life.

**A3** Work together to solve a range of social and health issues that may impact community wellbeing and vulnerable people.

**A4** Enhance community safety within neighbourhoods, public spaces and places.



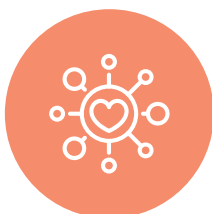
### Creativity, connection and local identity

**B1** Support reconciliation through the celebration of Aboriginal and Torres Strait Islander cultures.

**B2** Promote and provide more sporting, community and cultural events and festivals, day and night, throughout the year.

**B3** Foster creative and performing arts through theatres, galleries and creative spaces, by integrating art and performance into public life.

**B4** Activate spaces and places to complement activity around town centres, foreshores, lakes and green spaces for families, community and visitors.



## Smart

### A growing and competitive region

**C1** Target economic development in growth areas and major centres and provide incentives to attract businesses to the Central Coast.

**C2** Revitalise Gosford City Centre, Gosford Waterfront and town centres as key destinations and attractors for businesses, local residents, visitors and tourists.

**C3** Facilitate economic development to increase local employment opportunities and provide a range of jobs for all residents.

**C4** Promote and grow tourism that celebrates the natural and cultural assets of the Central Coast in a way that is accessible, sustainable and eco-friendly.



### A place of opportunity for people

**D1** Foster innovation and partnerships to develop local entrepreneurs and support start-ups.

**D2** Support local business growth by providing incentives, streamlining processes and encouraging social enterprises.

**D3** Invest in broadening local education and learning pathways linking industry with Universities, TAFE and other training providers.

**D4** Support businesses and local leaders to mentor young people in skills development through traineeships, apprenticeships and volunteering.



## Green

### Environmental resources for the future

**E1** Educate the community on the value and importance of natural areas and biodiversity, and encourage community involvement in caring for our natural environment.

**E2** Improve water quality for beaches, lakes, and waterways including minimising pollutants and preventing litter entering our waterways.

**E3** Reduce littering, minimise waste to landfill and educate to strengthen positive environmental behaviours.

**E4** Incorporate renewable energy and energy efficiency in future design and planning, and ensure responsible use of water and other resources.



### Cherished and protected natural beauty

**F1** Protect our rich environmental heritage by conserving beaches, waterways, bushland, wildlife corridors and inland areas, and the diversity of local native species.

**F2** Promote greening and ensure the wellbeing of communities through the protection of local bushland, urban trees, tree canopies and expansion of the Coastal Open Space System (COSS).

**F3** Improve enforcement for all types of environmental non-compliance including littering and illegal dumping, and encourage excellence in industry practices to protect and enhance environmental health.

**F4** Address climate change and its impacts through collaborative strategic planning and responsible land management and consider targets and actions.



**We are one Central Coast.**  
**A Smart, Green and Liveable region with a shared sense of Belonging and Responsibility**



## Responsible

### Good governance and great partnerships

- G1** Build strong relationships and ensure our partners and community share the responsibilities and benefits of putting plans into practice.
- G2** Engage and communicate openly and honestly with the community to build a relationship based on trust, transparency, respect and use community participation and feedback to inform decision making.
- G3** Provide strong leadership that is accountable, makes decisions in the best interest of the community and ensures Council is financially sustainable.
- G4** Serve the community by providing great customer experience, value for money and quality services.



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### Delivering essential infrastructure

- H1** Solve road and drainage problem areas and partner with the State Government to improve road conditions across the region.
- H2** Improve pedestrian movement safety, speed and vehicle congestion around schools, town centres, neighbourhoods, and community facilities.
- H3** Create parking options and solutions that address the needs of residents, visitors and businesses.
- H4** Plan for adequate and sustainable infrastructure to meet future demand for transport, energy, telecommunications and a secure supply of drinking water.



### Balanced and sustainable development

- I1** Preserve local character and protect our drinking water catchments, heritage and rural areas by concentrating development along transport corridors and town centres east of the M1.
- I2** Ensure all new developments are well planned with good access to public transport, green space and community facilities and support active transport.
- I3** Ensure land use planning and development is sustainable and environmentally sound and considers the importance of local habitat, green corridors, energy efficiency and stormwater management.
- I4** Provide a range of housing options to meet the diverse and changing needs of the community and there is adequate affordable housing.







## Liveable

### Reliable public transport and connections

**J1** Create adequate, reliable and accessible train services and facilities to accommodate current and future passengers.

**J2** Address commuter parking, drop-off zones, access and movement around transport hubs to support and increase use of public transport.

**J3** Improve bus and ferry frequency and ensure networks link with train services to minimise journey times.

**J4** Design long-term, innovative and sustainable transport management options for population growth and expansion



### Healthy lifestyle for a growing community

**L1** Promote healthy living and ensure sport, leisure, recreation and aquatic facilities and open spaces are well maintained and activated

**L2** Invest in health care solutions including infrastructure, services and preventative programs to keep people well for longer.

**L3** Cultivate a love of learning and knowledge by providing facilities to support lifelong learning.

**L4** Provide equitable, affordable, flexible and co-located community facilities based on community needs.



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### Out and about in the fresh air

**K1** Create a regional network of interconnected shared pathways and cycle ways to maximise access to key destinations and facilities.

**K2** Design and deliver pathways, walking trails and other pedestrian movement infrastructure to maximise access, inclusion and mobility to meet the needs of all community members.

**K3** Provide signage, public facilities, amenities and playgrounds to encourage usage and enjoyment of public areas.

**K4** Repair and maintain wharves, jetties, boat ramps and ocean baths to increase ease of access and enjoyment of natural waterways and foreshores.



# Long Term Financial Plan



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# Overview

## Introduction

The Long Term Financial Plan (LTFP):

- Is a planning and decision tool that shows the long-term financial impacts of Council's decisions based on assumptions
- Provides financial projections, scenario modelling and performance measures
- Highlights issues and helps assess the long-term fiscal sustainability of Council and whether service levels need to be adjusted now or into the future
- Details the assumptions and drivers that help form the LTFP.

Central Coast Council is both a Local Government Authority regulated by the *Local Government Act 1993* and a Water Supply Authority regulated by the *Water Management Act 2000*. This means that Council has the following funds to ensure appropriate reporting of services based on restrictions. The LTFP refers to Consolidated Fund which is the total of all the funds. The Water Supply Authority refers to only the water, sewer and drainage funds.

Fund	Consolidated	Water Supply Authority
General	✓	
Water	✓	✓
Sewer	✓	✓
Drainage	✓	✓
Domestic Waste	✓	

There are key reporting documents included in the LTFP, which include:

- The income statement (or profit and loss statement) details Council's operating revenue and expenditure associated with ongoing activities with a focus on the operating results which shows whether Council is spending more or less than it earns.
- The statement of financial position (or balance sheet) details changes in Council's assets and liabilities.
- The statement of cash flows details where Council plans to generate and spend its cash in operating (ongoing) activities and capital programs (renewals, upgrades and new assets).

# Financial Sustainability

## Financial Recovery

Council's financial recovery plan put in place in October 2020 has been successfully executed and Council has met all major milestones and targets in this recovery plan.

Council has implemented cost management measures including structural reduction of staffing by \$30 million, ongoing annual reduction of materials and contracts by \$20 million, capped capital works programs at \$175 million annually, selling at least \$60 million in property assets and made wholesale changes to the management team, implemented tighter budget management controls and productivity improvements. In 2019-20 Council's actual audited operational employee costs totalled \$220.9 million. The 2021-22 Q1 budget for operational employee costs is \$172.6 million which is a reduction of \$48.3 million or 21.9% from 2019-20.

Council also had to secure \$150 million in emergency commercial bank loans to reimburse the restricted funds that had been spent unlawfully on projects that the community had benefited from. These loans must be repaid within 10 years.

The cost management measures made up 70% of what Council needed to do to satisfy the external lenders that Council's finances were getting back on track. The other 30% came from the temporary 15% (includes 2% rate peg) rate increase approved by the Independent Pricing and Regulatory Tribunal (IPART) in May 2021 and implemented from 1 July 2021 for three years only, expiring in June 2024.

This is why Council is proposing to apply to IPART in February 2022 to maintain the current ordinary rate for an additional seven (7) years, or ten years in total through to June 2031. Council can then not put at risk its financial sustainability and loan repayment ability and can continue to demonstrate to the commercial lenders that we are able to pay back the loans and maintain the current service levels for the Central Coast community. If the current rates are not maintained beyond this date, Council will have an average annual income loss of \$25.8 million. This means Council will need to reduce or cease many services.

Council's revised Long-Term Financial Plan shows that with a 15% Special Variation (inclusive of 2% rate peg), continuing, Council will be able to stay on its clear path to financial recovery and sustainability and maintain at least the current service delivery for the community.

Diagram 1: Summary of Financial Recovery Plan

# Financial Recovery Plan

## Securing revenue



Temporary 15% rate increase (\$25m) for 3 years

Maintain the temporary rate 15% for further 7 years

## Reducing costs



\$30m employee cost savings



\$20m materials and services savings



\$20m internal restrictions that did not need to be repaid



\$175m capital expenditure capped

on track  
30 June  
2022

\$60m property asset sales

## Go forward plan

New revenue streams

One way = better customer experience

- property and rating system
- public tree service
- outdoor dining
- road, drainage and pavement design
- cemeteries management system
- theatre management system

Many more improvements to help reduce costs and improve services

## Productivity Improvements

Significant productivity improvements have also been made through better management of staff time, technological improvements that have transitioned manual processes into digital ones, and better equipment to help staff do their jobs effectively and efficiently.

This means Council has stopped some clunky and inefficient processes. These productivity improvements over a number of years have ensured the necessary cost-cutting measures have meant minimal service reductions for the community. Some of these productivity gains will continue to have an ongoing positive impact on improved service delivery and the community will see the benefits year on year.

Council continues to be committed to reducing the burden on ratepayers and has built into its service delivery model performance improvements across the diverse range of activities.

## Situational analysis / Long Term Financial Plan

The Long Term Financial Plan for the next 10 years has been exhibited using three (3) different scenarios. The three (3) scenarios are explained below, in addition to two (2) non-budgeted scenarios with the reasons why, for completeness. The Maintain Special Variation scenario shows Council's income including a continuation of the 15% (including the 2% rate peg) Special Variation, which is aligned with Council's proposal to make an application to the Independent Pricing and Regulatory Tribunal (IPART) in February 2022.

Maintaining the Special Variation of Council's general income beyond the current three-year period for an additional seven years will allow Council to:

- Demonstrate to commercial lenders that Council is able to meet ongoing loan commitments

- Maintain services at least current levels
- Embed further productivity improvements across the organisation
- Establish an ongoing business improvement and service review program.

### **What are the scenarios**

- Baseline scenario – catastrophic / bankruptcy impact. This scenario maintains the current, baseline service levels and keeps the status quo of annual expenditure, while sustaining an unmitigated \$25.8 million annual loss in Special Variation (SV) revenue, which is lost from Council's revenue base at the end of 2023-24. This is a theoretical scenario only and has been presented because of the requirement for Council to show a status quo scenario, meaning maintaining current services at current levels. Council notes this scenario cannot be operationalised because Council cannot sustain seven (7) years of operational deficits, as it has insufficient unrestricted cash buffer to sustain such a protracted loss-making operation. This scenario, however, clearly shows the significant quantum of annual deficits generated by changing nothing, other than losing the annual SV. This scenario is unsustainable and sets Council on a pathway towards a bankruptcy.
- Maintain Special Variation (SV) scenario – financially sustainable impact. This scenario projects the maintenance of the current rate base, which contains the one-off 15% SV that was implemented in 2021-22. This scenario embeds millions of dollars in annual productivity savings by growing annual expenditure at significantly lower levels than inflation. This scenario represents the continuation of the successfully implemented Recovery Plan and it satisfies Council's debt responsibilities associated with the principal and interest repayments of the \$150 million in emergency loans and all other Council debt. The maintenance and/or improvement of current service levels reflects the vast majority of the community sentiment, as canvassed in a statistically representative community survey sample and it represents Council's preferred long-term path to financial sustainability.
- Deteriorate scenario – distressed community impact. This scenario projects a wholesale restructure which results in a significant reduction and / or cessation of many of Council's services in order to compensate for the loss of SV revenue at the end of 2023-24. This scenario compromises the community, Council's service delivery and the community's ability to secure a respectable standard of living by hacking Council into a shadow of its former size and community capability. This scenario is in direct opposition to the vast majority of the community's sentiment who are wanting to maintain or increase current service levels, as canvassed in a statistically representative community survey sample. The impacts of the projected service reductions are outlined under the scenarios in the Delivery Program on page 31. The community and its standard of living will significantly decline, and this would manifest in the deterioration of assets, visual reduced amenity of the Coast, decline in social support and community programs and reduced resourcing capacity of the organisation with flow on impacts to the broader economic profile of the region. This option is not only not reflective of the community's sentiment but also it is not in the best interest of the community.
- Enhance scenario – improved services impact. A scenario projecting for improved and / or increased community services is not forecasted because such a scenario will require a much larger than 15% SV rate increase and taking into consideration the community's anger and frustration surrounding Council's financial situation, a decision was made to only focus on maintaining Council's financial sustainability and securing the emergency loans repayments, rather than forecasting an increase in Council's services, which will cost more.

- Less than seven (7) years extension scenario – community destabilising impact. A scenario projecting another temporary SV application of less than the requested seven (7) years has not been projected as it will limit Council's ability to fix the repayment terms of the emergency loans for the remaining seven (7) years. This indecisiveness will hit a permanent pause for the community and Council's staff, as it will prevent Council from securing its loan repayment capacity and as a result will keep the community and staff on edge to go through another SV application or face major redundancies and service reductions. This is not a conducive landscape for Council and the community to move on.



# Financial Drivers

The following financial objectives are the drivers to the Long Term Financial Plan. Tracking of the key performance indicators (KPIs) the projections are detailed under *Financial Performance*.

Financial Objective	KPI	Target
<b>Positive Operating Performance</b>	<ul style="list-style-type: none"> <li>Council to deliver a modest surplus</li> <li>Achieve surplus in all funds</li> </ul>	<ul style="list-style-type: none"> <li>Operating performance ratio &gt;0</li> <li>Balanced budget</li> <li>Own source operating ratio &gt;=60%</li> </ul>
<b>Strong Liquidity</b>	<ul style="list-style-type: none"> <li>Maintain a strong cash position</li> <li>Restricted cash and liabilities fully funded</li> <li>Sufficient unrestricted cash to seize opportunity or cater for shocks</li> </ul>	<ul style="list-style-type: none"> <li>Unrestricted current ratio &gt;=1.5</li> <li>Rate and charges outstanding &lt;5%</li> <li>Cash expense cover ratio &gt;=3 months</li> </ul>
<b>Focus on Assets</b>	<ul style="list-style-type: none"> <li>Align to Asset Management Policy and Strategy</li> <li>Capital ambitions fully funded</li> <li>Attract funding from government and partners</li> <li>Reduce and eliminate the asset backlog</li> </ul>	<ul style="list-style-type: none"> <li>Asset renewal ratio &gt;1</li> <li>Asset maintenance ratio &gt;=1</li> <li>Infrastructure backlog &lt;=2%</li> <li>Capital expenditure ratio &gt;=1</li> </ul>
<b>Manage Debt Levels</b>	<ul style="list-style-type: none"> <li>Reduce debt levels over the medium term</li> <li>Focus on intergenerational equity</li> <li>Reduce funding costs</li> </ul>	<ul style="list-style-type: none"> <li>Debt service coverage ratio 2.00x</li> <li>Debt ratio &lt;15%</li> </ul>
<b>Leverage Assets</b>	<ul style="list-style-type: none"> <li>Improve returns from assets</li> <li>Invest in value accretive strategic assets</li> <li>Build a strategic property portfolio to supplement other income streams and fund catalyst projects</li> </ul>	<ul style="list-style-type: none"> <li>Return on invested capital</li> <li>Improvements in property portfolio</li> <li>Increased rental income and gains on sale</li> <li>Jobs growth</li> </ul>
<b>Maintain or Enhance Service Levels</b>	<ul style="list-style-type: none"> <li>Alignment to CSP Objectives (prioritised expenditure)</li> <li>Best value service delivery</li> <li>Measurable productivity / efficiency improvements</li> <li>Outcome focused</li> </ul>	<ul style="list-style-type: none"> <li>Reduced net cost of service</li> <li>Asset management ratio &gt;1</li> <li>All plans adopted by Council are incorporated in and integrated with the Long Term Financial Plan</li> </ul>

# Financial Impacts

## State or Federal Legislation

All aspects of Council operations are heavily regulated and are therefore highly sensitive to State or Federal Government legislative changes. Legislative decisions, for example increases to Waste Levy and Cost Shifting have a material impact on Council's financial position. Every service Council offers can potentially be materially impacted by legislative change. For example, changes to childcare staff ratios impact the costs associated with delivering the service.

## Cost Shifting

Cost shifting is where the responsibility and/or costs of providing a certain service, asset or regulatory function, are shifted from a higher level of government to a lower level of government. The cost is shifted without providing corresponding funding or adequate revenue raising capacity.

Cost shifting continues to place a significant burden on Council's financial situation, to the tune of approximately \$45 million per annum. Despite the recognition of cost shifting and its adverse impacts on NSW Local Government there has been no change in funding for these costs.

Examples of cost shifting include contributions to the NSW Fire and Rescue, NSW Rural Fire Services and NSW State Emergency Service, lack of adequate funding for public libraries and the failure to fully reimburse Councils for mandatory pensioner rebates.

## Section 88 Waste Levy

Included in the cost shifting analysis, but worthy of specific mention, is the NSW Government's Waste Levy in s. 88 of the *Protection of the Environment Operations Act 1997*. This levy requires Council to pay a contribution to the NSW Government for each tonne of waste received for disposal at Council's waste management facilities. It presents a particularly material impost on Council. In 2021-22 the budgeted expenditure on the Waste Levy is \$28.3 million.

Traditionally this State Government tax has been passed on to consumers and businesses through the Domestic Waste Management Charge (for kerbside collections), and waste disposal fees (for waste received over the weighbridge at Council's Waste Management Facilities).

Waste facility revenue will be impacted by the increasing Waste Levy, as both domestic and commercial tippers find less expensive disposal methods and / or resort to illegal dumping.

We will continue to analyse the feasibility of alternate waste management techniques in an attempt to reduce the volume of waste going to landfill and increase the amount of waste diverted. This will reduce the total Waste Levy charged as the levy only applies to waste going to landfill. A recent

initiative to divert waste from going to landfill is the Curby soft plastics program. As at September 2021 over 11,000 kgs of soft plastics has been diverted from landfill and nearly 10,000 households joining the program.

## **IPART Water and Sewerage and Stormwater Drainage Pricing**

Water, sewerage and stormwater drainage prices are regulated by IPART. As the pricing regulator, IPART undertakes periodic reviews and determines maximum price levels for the services provided for a predetermined number of years, also known as the price path.

Council submitted a pricing proposal to IPART for water, sewerage and stormwater drainage prices, on 10 September 2021, for a 4 year determination period from 1 July 2022 to 30 June 2026. Council's submission has been reflected in the LTFP.

## **Natural Disasters**

In recent times natural disasters have impacted significantly on the Central Coast economy. Natural disasters such as droughts, bush fires, storm events and pandemics negatively impact on the services which Council provides and may cause damage to Council assets. Natural disaster events impact on the delivery of services and the progress of the capital works program all of which will have a financial impact, such as additional costs for clean-up and repairs, additional costs for materials due to scarcity, cost to replace damaged assets and loss of income where services are reduced or ceased temporarily. Natural disasters have not been factored into the LTFP as the financial impact will be different for each event. However, the financial impact will be factored into the forecast results for the reporting periods which the natural disaster impacts.

## **Optimising Property Portfolio**

Council continues on the path to financial recovery and sustainability and is pursuing over \$60 million in property asset sales as outlined in Council's Financial Recovery Plan. The sale of Council assets which are underperforming or surplus to Council's current and future needs is crucial to deliver a much-needed boost to Council's financial position. The review and sale of Council assets will be an ongoing process, undertaken in a strategic and well-considered manner for both the immediate and future prosperity of the Central Coast. The properties will be sold through a complete sales and marketing campaign to achieve the best sale's price for no less than the market value.

At Council's Ordinary Meeting held on the 14 December 2021 an update was provided on the progress of the property assets sales. To date Council has sold a number of properties generating \$34.7million in proceeds from the disposal of the properties. Council is on track to achieve asset sales of over \$60 million, with a number of properties now under contracts of sale and awaiting settlement.

Council is in negotiations with the State Government on the sale of the Gosford Administration Building with a view to having a Memorandum of Understanding in place by the end of the year.

## **Projected Population Growth**

The population of the Central Coast is approximately 343,968 with projections for 415,000 people by 2036. To meet the projected population growth it is estimated that an additional 41,500 dwellings and 24,600 new jobs will be needed to support the increase in the population.

## **Ageing Population**

There has been noticeable legislative change in response to the ageing population such as phased increases to the age pension retirement age and the level of the superannuation guarantee charge. As detailed in the Workforce Management Strategy, the current compulsory superannuation levy of 9.5% is expected to increase to 12% by 2025-26 financial year. The financial implications of these changes include compounding increases in employee costs. Key considerations need to be given to how we will manage this generational diversity and provide financially sustainable solutions in the area of workforce management.

An overall increase in the ageing population will increase revenue pressures generated by additional pensioner rebates which are partially subsidised by the State Government. Councils which have a higher percentage of pensioners than the State average will need to fund more in pensioner rebates. Our region has a higher proportion of aged pensioners compared to other local government authorities.

As the number of eligible pensioners increases in our local government area Council must fund a larger amount of pensioner rebate.

## **Development Activity**

Development activity is closely aligned to the broader economic climate and remains difficult to project future trends.

In recent years income related to development applications has fallen and a significant proportion of this is a result of changes to State Significant Development (SSD) provisions, including specific provisions of the Gosford City Centre. Under these circumstances applications are lodged (and fees paid) directly to the Department of Planning Industry and Environment. These SSD provisions are generally for larger applications and therefore the fees are significant on a per application basis. Note Council officers are still required to undertake assessment work for these applications, through formal referral processes, so whilst the fees are reduced, the level of work remains approximately the same.

During 2021-22 financial year the number of development assessments submitted has increased from prior years. This trend is expected to continue for the next 12 – 24 months which is largely attributed to the exit of people from Sydney moving into regional areas due to COVID-19 lock downs and people wanting space for their growing families. The Central Coast is also a designated growth area in NSW.

## Sensitivity Analysis

Long term financial plans are inherently uncertain. They contain a wide range of assumptions that can impact future outcomes, and future patterns of income and expenditure will rarely behave as they have in the past. However, understanding the events of the past and factors that may create impacts in the future assist with testing LTFP parameters to determine whether it is flexible enough to endure such pressures. The sensitivity analysis models impacts to variability of key assumptions that will most likely affect the LTFP.

The table below shows financial impacts to our operating result by individual key drivers. These are based on high level assumptions and 2022-23 budgeted estimates and may have other consequential outcomes if they are realised.

<b>Key Driver</b>	<b>Variation (+ or -)</b>	<b>Approximate Operational Impact 2022-23</b>
<b>Rate Peg</b>	1.0% rates	\$2.1 million change in revenue
<b>Interest Rate</b>	1.0% rate	\$4.5 million change in revenue
<b>Water Usage</b>	1.0% consumption	\$0.6 million change in revenue
<b>Waste Disposal Volumes</b>	1.0% tonnages	\$0.2 million change in revenue
<b>Inflation Other Expenses</b>	0.5% cost base	\$0.2 million change in expenses
<b>Inflation Materials</b>	0.5% cost base	\$0.9 million change in expenses
<b>Staff Establishment</b>	1.0% increased turnover rate	\$2.0 million change in expenses

Assumptions for each scenario are covered in Scenarios. It is important to remember that the LTFP is subject to uncertainties and change including changes due to uncontrollable events such as legislative changes, natural disasters, and economic shock.

# Special Rate Variation

## What are the scenarios?

- Baseline scenario – catastrophic / bankruptcy impact. This scenario maintains the current, baseline service levels and keeps the status quo of annual expenditure, while sustaining an unmitigated \$25.8 million annual loss in Special Variation (SV) revenue, which is lost from Council's revenue base at the end of 2023-24. This is a theoretical scenario only and has been presented because of the requirement for Council to show a status quo scenario, meaning maintaining current services at current levels. Council notes this scenario cannot be operationalised because Council cannot sustain seven (7) years of operational deficits, as it has insufficient unrestricted cash buffer to sustain such a protracted loss-making operation. This scenario, however, clearly shows the significant quantum of annual deficits generated by changing nothing, other than losing the annual SV. This scenario is unsustainable and sets Council on a pathway towards a bankruptcy.
- Maintain Special Variation (SV) scenario – financially sustainable impact. This scenario projects the maintenance of the current rate base, which contains the one-off 15% SV that was implemented in 2021-22. This scenario embeds millions of dollars in annual productivity savings by growing annual expenditure at significantly lower levels than inflation. This scenario represents the continuation of the successfully implemented Recovery Plan and it satisfies Council's debt responsibilities associated with the principal and interest repayments of the \$150 million in emergency loans and all other Council debt. The maintenance and/or improvement of current service levels reflects the vast majority of the community sentiment, as canvassed in a statistically representative community survey sample and it represents Council's preferred long-term path to financial sustainability.
- Deteriorate scenario – distressed community impact. This scenario projects a wholesale restructure which results in a significant reduction and / or cessation of many of Council's services in order to compensate for the loss of SV revenue at the end of 2023-24. This scenario compromises the community, Council's service delivery and the community's ability to secure a respectable standard of living by hacking Council into a shadow of its former size and community capability. This scenario is in direct opposition to the vast majority of the community's sentiment who are wanting to maintain or increase current service levels, as canvassed in a statistically representative community survey sample. The impacts of the projected service reductions are outlined under the scenarios in the Delivery Program on page 31. The community and its standard of living will significantly decline, and this would manifest in the deterioration of assets, visual reduced amenity of the Coast, decline in social support and community programs and reduced resourcing capacity of the organisation with flow on impacts to the broader economic profile of the region. This option is not only not reflective of the community's sentiment but also it is not in the best interest of the community.

# Scenarios

## Assumptions

General assumptions across all of the scenarios are as follows:

- The LTFP is based on the 2021-22 Q1 forecast as this is the latest information available
- Rates: Rate peg applies each year. Rate peg is forecasted at 2.5% from 2023-24 and onwards in accordance with the IPART SV application. It should be noted that IPART determine the rate peg each year and it will differ from year to year. The rate peg for Central Coast Council for the 2022-23 was released by IPART on the 13 December 2021 and is a base rate peg of 0.7% for all Councils and 0.3% for growth within the Central Coast Council local government area. This differs by 1.5% from the rate peg assumption which equates to \$3.0 million revenue reduction when compared to the original budget for 2022-23.
- All other sources of income excluding Grants and Contributions are forecasted to increase at 0.5% to reflect increase in fees and charges and assumptions about fee volumes.
- Operating and Capital Grants and Contributions are not forecasted to increase, as a conservative notion, as grant funding is expected to be available for Council to apply for and contributions receipts will be dependent on other economic forces such as the impact of the property market and demand for housing on developer contributions.
- Employee costs are forecasted to increase at 2.0% each year to reflect the forecasted Award increases and an annual 0.5% superannuation increase from 2022-23 to 2025-26 to reflect the annual increase in superannuation until the superannuation rate reaches 12% in July 2025.
- Borrowing costs are based on loan repayments schedules and forecasted refinancing with an expected increase in interest rates when loans are refinanced to 2.5% to 3.0%.
- Materials and services are forecasted to increase by 0.35% annually. This increase is building in productivity / efficiency savings within the budget as the CPI is forecast at 2%. In Council's previous LTFP for the initial SV application materials and contracts were forecasted to increase by 0.5% and there was no forecasted increase in Other Expenses - another built-in annual, productivity / efficiency savings of approximately 2%. The reduction in this LTFP is due to changes in reporting categories with the OLG Code of Accounting Practice and Financial Reporting which have moved costs from Other Expenses to Materials and Services. Below is a list of the key expenditure items which have moved:
  - Bank Charges
  - Councillor Expenses
  - Electricity and Gas
  - Election Costs
  - Insurance
  - Postage
  - Software
  - Street Lighting
  - Telephone and Communications
  - Training
- Other Expenses are not forecasted to increase above the amount budgeted in 2021-22 - once again building-in annual, productivity / efficiency savings

- Water, Sewer and Drainage Funds reflect Council’s pricing submission to IPART on 10 September 2021 and does not change under any of the scenarios.
- Domestic Waste Fund reflects the expected charges based on current customer numbers and corresponding expenditure which does not change under any of the scenarios.
- Election costs have been included in the financial years when elections are scheduled to be held. The estimated cost for the elections including indexation in the LTFP is as follows:
  - \$2.6 million in 2022-23 (includes referendum)
  - \$2.5 million in 2025-26 and
  - \$2.7 million in 2029-30.

## **Baseline Scenario**

Catastrophic / bankruptcy impact. This scenario maintains the current, baseline service levels and keeps the status quo of annual expenditure, while sustaining an unmitigated \$25.8 million annual loss in Special Variation (SV) revenue, which is lost from Council’s revenue base at the end of 2023-24. This is a theoretical scenario only and has been presented because of the requirement for Council to show a status quo scenario, meaning maintaining current services at current levels. Council notes this scenario cannot be operationalised because Council cannot sustain seven (7) years of operational deficits, as it has insufficient unrestricted cash buffer to sustain such a protracted loss-making operation. This scenario, however, clearly shows the significant quantum of annual deficits generated by changing nothing, other than losing the annual SV. This scenario is unsustainable and sets Council on a pathway towards a bankruptcy.

## **Assumptions**

The key assumptions contrasting for baseline scenario are:

- Rating income drops in 2024-25
- Operating expenditure is maintained at the current, status-quo levels as updated per the assumptions above
- The loss in annual, SV revenue is resulting in operating losses from 2024-25 and onwards
- This is not financially sustainable, and Council cannot proceed with this scenario as there is insufficient unrestricted funds to support such protracted operating deficits.



## Baseline Scenario – Primary Financial Reports

The following are the reports for Council's General Fund and Consolidated model.

### Long Term Financial Plan Baseline Scenario General Fund Income Statement

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Income from Continuing Operations</b>											
Rates & Annual Charges	204,234	205,998	211,183	192,293	197,134	202,097	207,183	212,396	217,738	223,214	228,826
User Charges & Fees	60,746	62,491	62,200	62,511	62,824	63,138	63,454	63,771	64,090	64,410	64,732
Interest & Investment Revenue	2,339	2,361	2,382	2,374	2,386	2,398	2,410	2,422	2,434	2,446	2,459
Other Revenue	10,122	9,160	9,206	9,252	9,298	9,345	9,391	9,438	9,486	9,533	9,581
Other Income	7,595	7,901	7,941	7,980	8,020	8,060	8,101	8,141	8,182	8,223	8,264
Grants & Contributions provided for Operating Purposes	42,126	42,033	42,446	42,864	43,289	43,720	44,158	44,602	45,053	45,510	45,975
Grants & Contributions provided for Capital Purposes	49,775	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890
Net Internal Revenue	70,474	70,826	71,180	71,536	71,894	72,254	72,615	72,978	73,343	73,709	74,078
<b>Other Income:</b>											
Net gains from the disposal of assets	25,740	5,294	1,412	284	1,730	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>473,152</b>	<b>453,954</b>	<b>455,840</b>	<b>436,985</b>	<b>444,466</b>	<b>448,901</b>	<b>455,201</b>	<b>461,637</b>	<b>468,214</b>	<b>474,935</b>	<b>481,804</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	143,292	150,858	154,015	157,865	161,812	165,048	168,349	171,716	175,150	178,653	182,226
Borrowing Costs	3,391	3,342	3,441	3,393	3,319	3,164	2,907	2,750	2,441	2,180	1,869
Materials & Contracts	130,297	133,158	130,524	130,502	131,688	129,097	128,946	129,292	132,388	129,992	130,443
Depreciation & Amortisation	88,394	83,100	86,898	89,695	92,492	95,290	98,087	100,885	103,682	106,479	109,277
Other Expenses	22,613	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607
<b>Total Expenses from Continuing Operations</b>	<b>387,987</b>	<b>393,065</b>	<b>397,485</b>	<b>404,062</b>	<b>411,918</b>	<b>415,206</b>	<b>420,895</b>	<b>427,250</b>	<b>436,268</b>	<b>439,911</b>	<b>446,422</b>
<b>Operating Result from Continuing Operations</b>	<b>85,164</b>	<b>60,889</b>	<b>58,355</b>	<b>32,923</b>	<b>32,548</b>	<b>33,695</b>	<b>34,305</b>	<b>34,387</b>	<b>31,946</b>	<b>35,024</b>	<b>35,382</b>
<b>Net Operating Result for the Year</b>	<b>85,164</b>	<b>60,889</b>	<b>58,355</b>	<b>32,923</b>	<b>32,548</b>	<b>33,695</b>	<b>34,305</b>	<b>34,387</b>	<b>31,946</b>	<b>35,024</b>	<b>35,382</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	35,389	13,000	10,466	(14,967)	(15,342)	(14,194)	(13,584)	(13,502)	(15,943)	(12,865)	(12,508)

## Long Term Financial Plan

### Baseline Scenario

#### General Fund Statement of Financial Position

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	52,262	58,028	54,854	60,536	59,689	63,845	68,716	68,687	71,556	72,948	80,470
Investments	167,529	217,529	217,529	217,529	217,529	217,529	217,529	217,529	217,529	217,529	217,529
Receivables	61,912	61,733	61,722	60,531	60,503	60,481	60,715	60,955	61,201	61,454	61,714
Inventories	1,416	1,421	1,426	1,431	1,436	1,441	1,446	1,451	1,456	1,461	1,466
Other	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386
Non-current assets classified as "held for sale"	19,646	4,460	1,706	1,360	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>306,152</b>	<b>346,558</b>	<b>340,624</b>	<b>344,773</b>	<b>342,543</b>	<b>346,682</b>	<b>351,792</b>	<b>352,008</b>	<b>355,128</b>	<b>356,779</b>	<b>364,565</b>
<b>Non-Current Assets</b>											
Investments	131,378	131,378	146,378	156,378	171,378	181,378	191,378	206,378	216,378	231,378	241,378
Receivables	20,402	18,988	17,492	15,908	14,232	12,457	10,579	8,591	6,487	4,260	1,903
Infrastructure, Property, Plant & Equipment	3,495,080	3,550,547	3,583,438	3,596,719	3,625,676	3,683,397	3,716,791	3,730,218	3,757,950	3,814,303	3,846,304
Intangible Assets	15,501	12,146	10,958	9,864	8,720	7,526	6,282	4,988	3,644	2,250	2,250
Right of Use Assets	2,183	1,890	1,598	1,306	1,014	721	547	456	366	286	249
Other	623	623	623	623	623	623	623	623	623	623	623
<b>Total Non-Current Assets</b>	<b>3,665,168</b>	<b>3,715,572</b>	<b>3,760,487</b>	<b>3,780,798</b>	<b>3,821,642</b>	<b>3,886,103</b>	<b>3,926,200</b>	<b>3,951,254</b>	<b>3,985,448</b>	<b>4,053,100</b>	<b>4,092,707</b>
<b>TOTAL ASSETS</b>	<b>3,971,319</b>	<b>4,062,130</b>	<b>4,101,111</b>	<b>4,125,570</b>	<b>4,164,185</b>	<b>4,232,785</b>	<b>4,277,992</b>	<b>4,303,262</b>	<b>4,340,576</b>	<b>4,409,879</b>	<b>4,457,271</b>

## Long Term Financial Plan

### Baseline Scenario

#### General Fund Statement of Financial Position

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	44,869	44,930	44,991	45,052	45,113	45,175	45,237	45,299	45,362	45,424	45,487
Income Received in Advance	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846
Contract Liabilities	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372
Borrowing	12,594	92,740	9,779	46,123	10,114	10,288	37,118	11,042	28,267	11,015	4,170
Lease Liabilities	261	271	278	291	305	319	193	98	102	93	41
Employee Benefit Provisions	46,940	49,053	51,281	53,618	56,069	58,515	61,074	63,752	66,554	69,487	72,555
Provisions	4,108	2,948	1,948	1,697	1,659	1,593	1,544	1,511	1,511	1,561	1,649
<b>Total Current Liabilities</b>	<b>124,990</b>	<b>206,159</b>	<b>124,495</b>	<b>162,999</b>	<b>129,478</b>	<b>132,109</b>	<b>161,385</b>	<b>137,921</b>	<b>158,015</b>	<b>143,798</b>	<b>140,120</b>
<b>Non-Current Liabilities</b>											
Income Received in Advance	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501
Lease Liabilities	2,049	1,768	1,484	1,179	861	527	461	458	351	267	279
Borrowings	140,776	48,037	90,856	44,733	70,805	60,517	23,399	38,658	10,390	16,461	12,290
Employee Benefit Provisions	3,002	3,152	3,310	3,475	3,649	3,822	4,004	4,194	4,393	4,602	4,820
Provisions	73,090	71,090	71,060	70,353	69,364	68,464	67,464	66,364	65,163	63,840	63,840
<b>Total Non-Current Liabilities</b>	<b>223,418</b>	<b>128,547</b>	<b>171,210</b>	<b>124,241</b>	<b>149,179</b>	<b>137,831</b>	<b>99,828</b>	<b>114,174</b>	<b>84,798</b>	<b>89,670</b>	<b>85,730</b>
<b>TOTAL LIABILITIES</b>	<b>348,408</b>	<b>334,707</b>	<b>295,704</b>	<b>287,240</b>	<b>278,658</b>	<b>269,940</b>	<b>261,213</b>	<b>252,095</b>	<b>242,813</b>	<b>233,469</b>	<b>225,850</b>
<b>Net Assets</b>	<b>3,622,911</b>	<b>3,727,423</b>	<b>3,805,407</b>	<b>3,838,330</b>	<b>3,885,527</b>	<b>3,962,845</b>	<b>4,016,779</b>	<b>4,051,167</b>	<b>4,097,763</b>	<b>4,176,410</b>	<b>4,231,421</b>
<b>EQUITY</b>											
Retained Earnings	3,490,939	3,551,828	3,610,184	3,643,106	3,675,654	3,709,349	3,743,654	3,778,043	3,809,989	3,845,013	3,880,395
Revaluation Reserve	131,972	175,595	195,224	195,224	209,873	253,496	273,124	273,124	287,774	331,397	351,025
<b>Total Equity</b>	<b>3,622,911</b>	<b>3,727,423</b>	<b>3,805,407</b>	<b>3,838,330</b>	<b>3,885,527</b>	<b>3,962,845</b>	<b>4,016,779</b>	<b>4,051,167</b>	<b>4,097,763</b>	<b>4,176,410</b>	<b>4,231,421</b>

**Long Term Financial Plan**  
**Baseline Scenario**  
**General Fund Cashflow Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000

**Cash Flows from Operating Activities**

Receipts:

Rates & Annual Charges	209,922	205,921	210,939	193,228	196,907	201,864	206,944	212,150	217,486	222,956	228,561
User Charges & Fees	60,834	62,487	62,197	62,508	62,820	63,134	63,450	63,767	64,086	64,406	64,728
Investment & Interest Revenue Received	2,339	2,361	2,382	2,374	2,386	2,398	2,410	2,422	2,434	2,446	2,459
Grants & Contributions	91,901	89,923	90,335	90,754	91,179	91,610	92,047	92,491	92,942	93,400	93,864
Internal Revenue	70,474	70,826	71,180	71,536	71,894	72,254	72,615	72,978	73,343	73,709	74,078
Other	15,312	18,734	18,902	19,075	19,254	19,438	19,379	19,576	19,781	19,992	20,211

Payments:

Employee Benefits & On-Costs	(139,182)	(148,596)	(151,629)	(155,363)	(159,187)	(162,429)	(165,608)	(168,848)	(172,149)	(175,512)	(178,939)
Materials & Contracts	(130,264)	(133,125)	(130,491)	(130,468)	(131,655)	(129,064)	(128,912)	(129,259)	(132,355)	(129,958)	(130,409)
Borrowing Costs	(2,252)	(2,203)	(2,302)	(2,254)	(2,180)	(2,025)	(1,768)	(1,611)	(1,302)	(1,041)	(730)
Other	(22,613)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)

**Net Cash provided (or used in) Operating Activities**

	<b>156,471</b>	<b>143,723</b>	<b>148,907</b>	<b>128,784</b>	<b>128,812</b>	<b>134,574</b>	<b>137,950</b>	<b>141,061</b>	<b>141,660</b>	<b>147,792</b>	<b>151,217</b>
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**Cash Flows from Investing Activities**

Receipts:

Sale of Investment Securities	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sale of Infrastructure, Property, Plant & Equipment	58,350	24,940	5,872	1,990	3,090	-	-	-	-	-	-
Receipts from internal loan to Water Fund	1,262	1,336	1,414	1,496	1,584	1,676	1,774	1,878	1,988	2,104	2,227

Payments:

Purchase of Investment Securities	(150,000)	(100,000)	(65,000)	(60,000)	(65,000)	(60,000)	(60,000)	(65,000)	(60,000)	(65,000)	(60,000)
Purchase of Infrastructure, Property, Plant & Equipment	(101,054)	(101,640)	(104,225)	(106,810)	(109,395)	(111,981)	(114,566)	(117,151)	(119,736)	(122,322)	(124,907)

**Net Cash provided (or used in) Investing Activities**

	<b>(141,442)</b>	<b>(125,364)</b>	<b>(111,939)</b>	<b>(113,323)</b>	<b>(119,722)</b>	<b>(120,304)</b>	<b>(122,791)</b>	<b>(130,273)</b>	<b>(127,748)</b>	<b>(135,218)</b>	<b>(132,680)</b>
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**Cash Flows from Financing Activities**

Receipts:

Borrowings and advances	-	-	52,598	-	36,186	-	-	26,301	-	17,086	-
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Payments:

Borrowings and advances	(12,665)	(12,594)	(92,740)	(9,779)	(46,123)	(10,114)	(10,288)	(37,118)	(11,042)	(28,267)	(11,015)
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**Net Cash provided (or used in) Financing Activities**

	<b>(12,665)</b>	<b>(12,594)</b>	<b>(40,142)</b>	<b>(9,779)</b>	<b>(9,937)</b>	<b>(10,114)</b>	<b>(10,288)</b>	<b>(10,817)</b>	<b>(11,042)</b>	<b>(11,182)</b>	<b>(11,015)</b>
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**Net Increase/(Decrease) in Cash & Cash Equivalents**

	<b>2,364</b>	<b>5,766</b>	<b>(3,174)</b>	<b>5,681</b>	<b>(847)</b>	<b>4,156</b>	<b>4,871</b>	<b>(29)</b>	<b>2,869</b>	<b>1,392</b>	<b>7,521</b>
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plus: **Cash & Cash Equivalents - beginning of year**

	49,899	52,262	58,028	54,854	60,536	59,689	63,845	68,716	68,687	71,556	72,948
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**Cash & Cash Equivalents - end of the year**

	<b>52,262</b>	<b>58,028</b>	<b>54,854</b>	<b>60,536</b>	<b>59,689</b>	<b>63,845</b>	<b>68,716</b>	<b>68,687</b>	<b>71,556</b>	<b>72,948</b>	<b>80,470</b>
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## Long Term Financial Plan

### Baseline Scenario

#### General Fund Performance Measurement Indicators

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
TARGET	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000		
<b>Budget Performance</b>													
1	Operating Performance Ratio	>0%	2.43%	1.92%	2.23%	-3.92%	-4.32%	-3.54%	-3.34%	-3.26%	-3.79%	-3.01%	-2.88%
	<i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue</i>		✓	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗
2	Own Source Operating Revenue Ratio	> 60%	80.58%	80.19%	80.18%	79.23%	79.49%	79.59%	79.78%	79.96%	80.15%	80.33%	80.52%
	<i>measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>													
3	Unrestricted Current Ratio	>1.5	2.84	1.54	3.16	1.74	2.38	2.09	1.26	1.45	0.89	0.81	0.66
	<i>assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</i>		✓	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗
4	Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	< 5%	5.0%	5.0%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
	<i>assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts expressed as a percentage of total rates and charges available for collection in the financial year</i>		✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Cash Expense Cover Ratio	>3 months	8.59	10.36	8.18	10.41	9.20	10.35	10.43	9.56	10.22	9.75	10.40
	<i>liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Liability and Debt Management</b>													
6	Debt Service Cover Ratio	2.00x	6.32	5.91	1.03	5.91	1.59	6.35	6.62	2.26	6.69	3.15	7.66
	<i>measures the availability of operating cash to service debt including interest and principal.</i>		✓	✓	✗	✓	✗	✓	✓	✓	✓	✓	✓

**Long Term Financial Plan**  
**Baseline Scenario**  
**Consolidated Income Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Income from Continuing Operations</b>											
<i>Revenue:</i>											
Rates & Annual Charges	362,210	418,492	426,537	410,506	418,268	426,071	433,555	441,203	449,019	457,007	465,172
User Charges & Fees	141,332	148,071	148,279	149,113	149,963	150,733	151,486	152,244	153,005	153,770	154,539
Interest & Investment Revenue	4,442	4,753	4,776	4,769	4,782	4,796	4,820	4,844	4,868	4,892	4,917
Other Revenue	10,122	9,160	9,206	9,252	9,298	9,345	9,391	9,438	9,486	9,533	9,581
Other Income	7,621	7,927	7,966	8,006	8,046	8,087	8,127	8,168	8,208	8,250	8,291
Grants & Contributions provided for Operating Purposes	42,176	42,798	43,211	43,630	44,055	44,486	44,924	45,368	45,819	46,276	46,741
Grants & Contributions provided for Capital Purposes	67,675	81,530	62,425	57,565	51,964	59,571	59,571	59,571	59,571	59,571	59,571
Net Internal Revenue	72,955	73,320	73,687	74,055	74,425	74,797	75,171	75,547	75,925	76,305	76,686
<i>Other Income:</i>											
Net gains from the disposal of assets	25,740	5,294	1,412	284	1,730	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>734,273</b>	<b>791,346</b>	<b>777,499</b>	<b>757,180</b>	<b>762,532</b>	<b>777,885</b>	<b>787,045</b>	<b>796,383</b>	<b>805,901</b>	<b>815,604</b>	<b>825,497</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	172,594	195,854	201,875	206,152	210,219	213,544	217,815	222,172	226,615	231,147	235,770
Borrowing Costs	12,689	12,760	12,056	11,187	10,199	9,036	8,779	8,622	8,313	8,052	7,741
Materials & Contracts	244,749	267,413	267,024	272,239	271,483	271,470	272,127	273,293	277,215	275,655	276,950
Depreciation & Amortisation	170,021	158,321	163,318	167,314	171,310	175,306	179,303	183,299	187,295	191,292	195,288
Other Expenses	37,712	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705
<b>Total Expenses from Continuing Operations</b>	<b>637,765</b>	<b>672,053</b>	<b>681,978</b>	<b>694,597</b>	<b>700,915</b>	<b>707,062</b>	<b>715,730</b>	<b>725,091</b>	<b>737,144</b>	<b>743,851</b>	<b>753,455</b>
<b>Operating Result from Continuing Operations</b>	<b>96,508</b>	<b>119,293</b>	<b>95,521</b>	<b>62,583</b>	<b>61,617</b>	<b>70,824</b>	<b>71,316</b>	<b>71,292</b>	<b>68,757</b>	<b>71,754</b>	<b>72,042</b>
<b>Net Operating Result for the Year</b>	<b>96,508</b>	<b>119,293</b>	<b>95,521</b>	<b>62,583</b>	<b>61,617</b>	<b>70,824</b>	<b>71,316</b>	<b>71,292</b>	<b>68,757</b>	<b>71,754</b>	<b>72,042</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	28,833	37,763	33,096	5,018	9,653	11,252	11,744	11,721	9,186	12,183	12,471

**Long Term Financial Plan**  
**Baseline Scenario**  
**Consolidated Statement of Financial Position**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	54,856	82,979	72,731	80,716	81,368	85,096	95,153	98,527	104,268	109,514	117,254
Investments	263,561	323,561	338,561	343,561	353,561	358,561	368,561	378,561	388,561	398,561	408,561
Receivables	65,219	71,134	71,255	70,196	70,301	70,382	70,669	68,959	67,249	64,541	61,834
Inventories	1,416	1,421	1,426	1,431	1,436	1,441	1,446	1,451	1,456	1,461	1,466
Other	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608
Non-current assets classified as "held for sale"	19,646	4,460	1,706	1,360	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>408,306</b>	<b>487,164</b>	<b>489,287</b>	<b>500,872</b>	<b>510,274</b>	<b>519,088</b>	<b>539,438</b>	<b>551,105</b>	<b>565,143</b>	<b>577,685</b>	<b>592,723</b>
<b>Non-Current Assets</b>											
Investments	264,750	269,750	294,750	309,750	324,750	344,750	364,750	394,750	419,750	449,750	479,750
Receivables	3,423	3,616	3,643	3,670	3,697	3,715	3,731	3,747	3,763	3,779	3,795
Infrastructure, Property, Plant & Equipment	7,284,051	7,364,204	7,436,795	7,476,752	7,531,709	7,623,186	7,694,725	7,735,472	7,790,721	7,874,787	7,945,829
Intangible Assets	17,204	13,849	12,661	11,567	10,423	9,229	7,985	6,691	5,347	3,953	3,953
Right of Use Assets	2,183	1,890	1,598	1,306	1,014	721	547	456	366	286	249
Other	623	623	623	623	623	623	623	623	623	623	623
<b>Total Non-Current Assets</b>	<b>7,572,235</b>	<b>7,653,933</b>	<b>7,750,070</b>	<b>7,803,668</b>	<b>7,872,216</b>	<b>7,982,224</b>	<b>8,072,360</b>	<b>8,141,739</b>	<b>8,220,569</b>	<b>8,333,177</b>	<b>8,434,199</b>
<b>TOTAL ASSETS</b>	<b>7,980,541</b>	<b>8,141,096</b>	<b>8,239,357</b>	<b>8,304,540</b>	<b>8,382,490</b>	<b>8,501,313</b>	<b>8,611,798</b>	<b>8,692,844</b>	<b>8,785,712</b>	<b>8,910,863</b>	<b>9,026,922</b>

## Long Term Financial Plan Baseline Scenario

### Consolidated Statement of Financial Position

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	63,198	63,282	63,367	63,452	63,537	63,623	63,709	63,795	63,882	63,969	64,056
Income Received in Advance	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916
Contract Liabilities	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526
Borrowing	34,001	114,723	32,110	69,564	31,047	27,408	52,902	27,247	44,393	25,689	18,960
Lease Liabilities	261	271	278	291	305	319	193	98	102	93	41
Employee Benefit Provisions	56,633	59,177	61,860	64,673	67,623	70,568	73,648	76,872	80,245	83,774	87,467
Provisions	5,825	4,665	3,665	3,414	3,376	3,310	3,261	3,228	3,228	3,278	3,366
<b>Total Current Liabilities</b>	<b>176,360</b>	<b>258,560</b>	<b>177,722</b>	<b>217,837</b>	<b>182,331</b>	<b>181,670</b>	<b>210,155</b>	<b>187,683</b>	<b>208,293</b>	<b>193,246</b>	<b>190,333</b>
<b>Non-Current Liabilities</b>											
Income Received in Advance	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766
Contract Liabilities	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255
Lease Liabilities	2,049	1,768	1,484	1,179	861	527	461	458	351	267	279
Borrowings	279,910	171,424	198,149	134,822	146,198	125,028	78,363	83,654	45,498	43,132	30,409
Employee Benefit Provisions	3,427	3,598	3,778	3,967	4,166	4,363	4,571	4,788	5,015	5,253	5,503
Provisions	75,322	73,322	73,292	72,585	71,596	70,696	69,696	68,596	67,395	66,072	66,072
<b>Total Non-Current Liabilities</b>	<b>369,730</b>	<b>259,134</b>	<b>285,724</b>	<b>221,575</b>	<b>231,841</b>	<b>209,635</b>	<b>162,112</b>	<b>166,517</b>	<b>127,281</b>	<b>123,746</b>	<b>111,284</b>
<b>TOTAL LIABILITIES</b>	<b>546,090</b>	<b>517,694</b>	<b>463,446</b>	<b>439,412</b>	<b>414,173</b>	<b>391,305</b>	<b>372,267</b>	<b>354,200</b>	<b>335,574</b>	<b>316,992</b>	<b>301,617</b>
<b>Net Assets</b>	<b>7,434,451</b>	<b>7,623,402</b>	<b>7,775,911</b>	<b>7,865,128</b>	<b>7,968,317</b>	<b>8,110,007</b>	<b>8,239,531</b>	<b>8,338,644</b>	<b>8,450,138</b>	<b>8,593,871</b>	<b>8,725,305</b>
<b>EQUITY</b>											
Retained Earnings	7,052,957	7,172,248	7,267,773	7,330,356	7,391,972	7,462,796	7,534,112	7,605,405	7,674,162	7,745,916	7,817,959
Revaluation Reserve	381,493	451,155	508,138	534,773	576,345	647,211	705,419	733,239	775,975	847,955	907,346
<b>Total Equity</b>	<b>7,434,451</b>	<b>7,623,402</b>	<b>7,775,911</b>	<b>7,865,128</b>	<b>7,968,317</b>	<b>8,110,007</b>	<b>8,239,531</b>	<b>8,338,644</b>	<b>8,450,138</b>	<b>8,593,871</b>	<b>8,725,305</b>



**Long Term Financial Plan**  
**Baseline Scenario**  
**Consolidated Cashflow Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Cash Flows from Operating Activities</b>											
<u>Receipts:</u>											
Rates & Annual Charges	368,883	417,223	426,170	411,310	417,910	425,713	433,200	440,841	448,648	456,628	464,784
User Charges & Fees	139,951	146,801	148,429	149,309	150,211	151,063	151,885	152,709	153,540	154,379	155,227
Investment & Interest Revenue Received	3,523	4,753	4,776	4,769	4,782	4,796	4,820	4,844	4,868	4,892	4,917
Grants & Contributions	109,851	124,328	105,636	101,195	96,019	104,058	104,495	104,939	105,390	105,848	106,312
Internal Revenue	72,955	73,320	73,687	74,055	74,425	74,797	75,171	75,547	75,925	76,305	76,686
Other	15,312	18,734	18,902	19,075	19,254	19,438	19,379	19,576	19,781	19,992	20,211
<u>Payments:</u>											
Employee Benefits & On-Costs	(167,749)	(193,139)	(199,012)	(203,150)	(207,070)	(210,402)	(214,527)	(218,731)	(223,015)	(227,380)	(231,828)
Materials & Contracts	(245,422)	(267,356)	(266,967)	(272,181)	(271,425)	(271,412)	(272,070)	(273,235)	(277,157)	(275,596)	(276,892)
Borrowing Costs	(11,550)	(11,621)	(10,917)	(10,048)	(9,060)	(7,897)	(7,640)	(7,483)	(7,174)	(6,913)	(6,602)
Other	(37,712)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>248,042</b>	<b>275,338</b>	<b>262,997</b>	<b>236,628</b>	<b>237,341</b>	<b>252,450</b>	<b>257,009</b>	<b>261,302</b>	<b>263,101</b>	<b>270,450</b>	<b>275,110</b>
<b>Cash Flows from Investing Activities</b>											
<u>Receipts:</u>											
Sale of Investment Securities	71,779	80,000	70,000	100,000	85,000	80,000	95,000	85,000	80,000	90,000	80,000
Sale of Infrastructure, Property, Plant & Equipment	58,350	24,940	5,872	1,990	3,090	-	-	-	-	-	-
<u>Payments:</u>											
Purchase of Investment Securities	(180,000)	(145,000)	(110,000)	(120,000)	(110,000)	(105,000)	(125,000)	(125,000)	(115,000)	(130,000)	(120,000)
Purchase of Infrastructure, Property, Plant & Equipment	(177,791)	(179,391)	(183,231)	(184,760)	(187,638)	(198,911)	(195,781)	(199,566)	(203,350)	(207,134)	(210,918)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(227,662)</b>	<b>(219,451)</b>	<b>(217,358)</b>	<b>(202,770)</b>	<b>(209,548)</b>	<b>(223,911)</b>	<b>(225,781)</b>	<b>(239,566)</b>	<b>(238,350)</b>	<b>(247,134)</b>	<b>(250,918)</b>
<b>Cash Flows from Financing Activities</b>											
<u>Receipts:</u>											
Borrowings and advances	3,000	-	52,598	-	46,023	-	-	28,301	2,000	20,086	3,000
<u>Payments:</u>											
Borrowings and advances	(34,243)	(27,764)	(108,486)	(25,873)	(73,164)	(24,810)	(21,170)	(46,664)	(21,010)	(38,156)	(19,452)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(31,243)</b>	<b>(27,764)</b>	<b>(55,888)</b>	<b>(25,873)</b>	<b>(27,141)</b>	<b>(24,810)</b>	<b>(21,170)</b>	<b>(18,363)</b>	<b>(19,010)</b>	<b>(18,070)</b>	<b>(16,452)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(10,863)</b>	<b>28,123</b>	<b>(10,249)</b>	<b>7,986</b>	<b>651</b>	<b>3,729</b>	<b>10,057</b>	<b>3,373</b>	<b>5,741</b>	<b>5,246</b>	<b>7,740</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	<b>65,719</b>	<b>54,856</b>	<b>82,979</b>	<b>72,731</b>	<b>80,716</b>	<b>81,368</b>	<b>85,096</b>	<b>95,153</b>	<b>98,527</b>	<b>104,268</b>	<b>109,514</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>54,856</b>	<b>82,979</b>	<b>72,731</b>	<b>80,716</b>	<b>81,368</b>	<b>85,096</b>	<b>95,153</b>	<b>98,527</b>	<b>104,268</b>	<b>109,514</b>	<b>117,254</b>

## Maintain SV Scenario

Financially sustainable impact - This scenario projects the maintenance of the current rate base, which contains the one-off 15% SV that was implemented in 2021-22. This scenario embeds millions of dollars in annual productivity savings by growing annual expenditure at significantly lower levels than inflation. This scenario represents the continuation of the successfully implemented Recovery Plan and it satisfies Council's debt responsibilities associated with the principal and interest repayments of the \$150 million in emergency loans and all other Council debt. The maintenance and/or improvement of current service levels reflects the vast majority of the community sentiment, as canvassed in a statistically representative community survey sample and it represents Council's preferred long-term path to financial sustainability.

Based on consultation and research received from the community through the Maintaining Rates and Services and service level investment engagement, Council does not believe that the community is willing to accept reduced service levels.

To date, residents and ratepayers have told us the following about the options on services:

- 82% of respondents want overall service investment to remain the same or more.
- the individual service that had the highest level of support for service reduction, still had 64% of respondents identifying they wanted the same or more investment for that service
- At its peak, only 36% of respondents identified a particular service that could be reduced. This percentage dropped to 3% across all the service lines i.e. from 36% to 3%.
- 73% of respondents would like to see investment in new assets remain the same (47%) or increase (26%)
- Respondents were split when asked to choose their preference for either extending the existing Special Variation or reducing services. Of the online survey respondents who wanted to reduce services – 31% indicated that they would like Council to invest less on services generally, which means 69% would like Council to invest the same or more on services generally
- 1 in 2 respondents made some comment that Council should be held responsible for its financial situation
- More work can be done to improve the community's overall satisfaction with the quality of services delivered with an average score of 3.31 out of 5

The Maintain SV scenario shows a path that allows Council to maintain the current level of services for the community via the SV being maintained for a further seven (7) years and restraining its expenditure through productivity / efficiency savings with limited adjustments to service levels. It assumes that these shifts can be sustained in the long-term. Council's Recovery Plan outlines its path to financial sustainability with ongoing actions Council is taking to achieve its objective of delivering sustainable best value to the community, noting that Council has achieved everything it has set to achieve in its Recovery Plan

The Maintain SV scenario represents the community's (as confirmed by the statistically relevant community survey) and Council's preferred long-term path to financial sustainability.

## Assumptions

The key assumptions contrasting for Maintain SV scenario are:

- The SV will remain in Council's rating income for a further 7 years from 2024-25 to 2030-31.
- The SV amount will be removed from Council's rating income in 2031-32.
- The annual increase for ratepayers is the rate peg (to be determined by IPART annually and is assumed to be 1% for 2022-23 and 2.5% from 2023-24.
- Reduction in depreciation from a focus on asset renewals. Limited new assets constructed.
- The annual operating surpluses match the expected principal repayment requirements for Council's loan load. In 2031-32 an assumed organisational restructure is undertaken to rebalance the organisation to the reduced revenue, which leads to an offset to the reduction in Council's rating income from the removal of the SV there is a reduction of \$7.8 million in employee costs and \$5.2 million in materials and services. This results in an estimated operating surplus of \$1.5 million which is necessary for remaining principal debt repayment

## Maintain SV Scenario – Primary Financial Reports

The following are the reports for Council's General Fund and a consolidated model

### Long Term Financial Plan Maintain SV Scenario General Fund Income Statement

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Income from Continuing Operations</b>											
Rates & Annual Charges	204,234	205,998	211,183	216,497	221,944	227,527	233,248	239,113	245,123	251,284	228,826
User Charges & Fees	60,746	62,491	62,200	62,511	62,824	63,138	63,454	63,771	64,090	64,410	64,732
Interest & Investment Revenue	2,339	2,361	2,382	2,519	2,665	2,813	2,966	3,122	3,279	3,443	3,522
Other Revenue	10,122	9,160	9,206	9,252	9,298	9,345	9,391	9,438	9,486	9,533	9,581
Other Income	7,595	7,901	7,941	7,980	8,020	8,060	8,101	8,141	8,182	8,223	8,264
Grants & Contributions provided for Operating Purposes	42,126	42,033	42,446	42,864	43,289	43,720	44,158	44,602	45,053	45,510	45,975
Grants & Contributions provided for Capital Purposes	49,775	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890
Net Internal Revenue	70,474	70,826	71,180	71,536	71,894	72,254	72,615	72,978	73,343	73,709	74,078
<b>Other Income:</b>											
Net gains from the disposal of assets	25,740	5,294	1,412	284	1,730	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>473,152</b>	<b>453,954</b>	<b>455,840</b>	<b>461,334</b>	<b>469,554</b>	<b>474,746</b>	<b>481,822</b>	<b>489,054</b>	<b>496,445</b>	<b>504,002</b>	<b>482,867</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	143,292	150,858	154,015	157,865	161,812	165,048	168,349	171,716	175,150	178,653	174,426
Borrowing Costs	3,391	3,342	3,441	3,393	3,319	3,164	2,907	2,750	2,441	2,180	1,869
Materials & Contracts	130,297	133,158	130,524	130,502	131,688	129,097	128,946	129,292	132,388	129,992	125,243
Depreciation & Amortisation	88,394	83,100	86,898	89,695	92,492	95,290	98,087	100,885	103,682	106,479	109,277
Other Expenses	22,613	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607
<b>Total Expenses from Continuing Operations</b>	<b>387,987</b>	<b>393,065</b>	<b>397,485</b>	<b>404,062</b>	<b>411,918</b>	<b>415,206</b>	<b>420,895</b>	<b>427,250</b>	<b>436,268</b>	<b>439,911</b>	<b>433,422</b>
<b>Operating Result from Continuing Operations</b>	<b>85,164</b>	<b>60,889</b>	<b>58,355</b>	<b>57,272</b>	<b>57,636</b>	<b>59,540</b>	<b>60,927</b>	<b>61,805</b>	<b>60,176</b>	<b>64,091</b>	<b>49,445</b>
<b>Net Operating Result for the Year</b>	<b>85,164</b>	<b>60,889</b>	<b>58,355</b>	<b>57,272</b>	<b>57,636</b>	<b>59,540</b>	<b>60,927</b>	<b>61,805</b>	<b>60,176</b>	<b>64,091</b>	<b>49,445</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	35,389	13,000	10,466	9,382	9,747	11,651	13,037	13,915	12,287	16,201	1,555

## Long Term Financial Plan

### Maintain SV Scenario

#### General Fund Statement of Financial Position

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	52,262	58,028	59,854	58,699	47,911	57,882	59,343	61,699	52,766	58,191	61,151
Investments	167,529	217,529	227,529	247,529	257,529	272,529	292,529	312,529	332,529	342,529	352,529
Receivables	61,912	61,733	61,722	61,717	61,719	61,727	61,992	62,264	62,543	62,829	61,714
Inventories	1,416	1,421	1,426	1,431	1,436	1,441	1,446	1,451	1,456	1,461	1,466
Other	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386
Non-current assets classified as "held for sale"	19,646	4,460	1,706	1,360	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>306,152</b>	<b>346,558</b>	<b>355,624</b>	<b>374,122</b>	<b>371,981</b>	<b>396,965</b>	<b>418,696</b>	<b>441,329</b>	<b>452,680</b>	<b>468,397</b>	<b>480,246</b>
<b>Non-Current Assets</b>											
Investments	131,378	131,378	131,378	151,378	191,378	206,378	226,378	246,378	276,378	306,378	326,378
Receivables	20,402	18,988	17,492	15,908	14,232	12,457	10,579	8,591	6,487	4,260	1,903
Infrastructure, Property, Plant & Equipment	3,495,080	3,550,547	3,583,438	3,596,719	3,625,676	3,683,397	3,716,791	3,730,218	3,757,950	3,814,303	3,846,304
Intangible Assets	15,501	12,146	10,958	9,864	8,720	7,526	6,282	4,988	3,644	2,250	2,250
Right of Use Assets	2,183	1,890	1,598	1,306	1,014	721	547	456	366	286	249
Other	623	623	623	623	623	623	623	623	623	623	623
<b>Total Non-Current Assets</b>	<b>3,665,168</b>	<b>3,715,572</b>	<b>3,745,487</b>	<b>3,775,798</b>	<b>3,841,642</b>	<b>3,911,103</b>	<b>3,961,200</b>	<b>3,991,254</b>	<b>4,045,448</b>	<b>4,128,100</b>	<b>4,177,707</b>
<b>TOTAL ASSETS</b>	<b>3,971,319</b>	<b>4,062,130</b>	<b>4,101,111</b>	<b>4,149,920</b>	<b>4,213,623</b>	<b>4,308,068</b>	<b>4,379,896</b>	<b>4,432,583</b>	<b>4,498,128</b>	<b>4,596,497</b>	<b>4,657,953</b>

## Long Term Financial Plan

### Maintain SV Scenario

#### General Fund Statement of Financial Position

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	44,869	44,930	44,991	45,052	45,113	45,175	45,237	45,299	45,362	45,424	45,487
Income Received in Advance	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846
Contract Liabilities	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372
Borrowings	12,594	92,740	9,779	46,123	10,114	10,288	37,118	11,042	28,267	11,015	4,170
Lease Liabilities	261	271	278	291	305	319	193	98	102	93	41
Employee Benefit Provisions	46,940	49,053	51,281	53,618	56,069	58,515	61,074	63,752	66,554	69,487	72,555
Provisions	4,108	2,948	1,948	1,697	1,659	1,593	1,544	1,511	1,511	1,561	1,649
<b>Total Current Liabilities</b>	<b>124,990</b>	<b>206,159</b>	<b>124,495</b>	<b>162,999</b>	<b>129,478</b>	<b>132,109</b>	<b>161,385</b>	<b>137,921</b>	<b>158,015</b>	<b>143,798</b>	<b>140,120</b>
<b>Non-Current Liabilities</b>											
Income Received in Advance	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501
Lease Liabilities	2,049	1,768	1,484	1,179	861	527	461	458	351	267	279
Borrowings	140,776	48,037	90,856	44,733	70,805	60,517	23,399	38,658	10,390	16,461	12,290
Employee Benefit Provisions	3,002	3,152	3,310	3,475	3,649	3,822	4,004	4,194	4,393	4,602	4,820
Provisions	73,090	71,090	71,060	70,353	69,364	68,464	67,464	66,364	65,163	63,840	63,840
<b>Total Non-Current Liabilities</b>	<b>223,418</b>	<b>128,547</b>	<b>171,210</b>	<b>124,241</b>	<b>149,179</b>	<b>137,831</b>	<b>99,828</b>	<b>114,174</b>	<b>84,798</b>	<b>89,670</b>	<b>85,730</b>
<b>TOTAL LIABILITIES</b>	<b>348,408</b>	<b>334,707</b>	<b>295,704</b>	<b>287,240</b>	<b>278,658</b>	<b>269,940</b>	<b>261,213</b>	<b>252,095</b>	<b>242,813</b>	<b>233,469</b>	<b>225,850</b>
<b>Net Assets</b>	<b>3,622,911</b>	<b>3,727,423</b>	<b>3,805,407</b>	<b>3,862,679</b>	<b>3,934,965</b>	<b>4,038,128</b>	<b>4,118,683</b>	<b>4,180,488</b>	<b>4,255,315</b>	<b>4,363,028</b>	<b>4,432,102</b>
<b>EQUITY</b>											
Retained Earnings	3,490,939	3,551,828	3,610,184	3,667,456	3,725,092	3,784,632	3,845,559	3,907,363	3,967,540	4,031,631	4,081,076
Revaluation Reserve	131,972	175,595	195,224	195,224	209,873	253,496	273,124	273,124	287,776	331,398	351,026
<b>Total Equity</b>	<b>3,622,911</b>	<b>3,727,423</b>	<b>3,805,407</b>	<b>3,862,679</b>	<b>3,934,965</b>	<b>4,038,128</b>	<b>4,118,683</b>	<b>4,180,488</b>	<b>4,255,315</b>	<b>4,363,028</b>	<b>4,432,102</b>

**Long Term Financial Plan**  
**Maintain SV Scenario**  
**General Fund Cashflow Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Cash Flows from Operating Activities</b>											
<u>Receipts:</u>											
Rates & Annual Charges	209,922	205,921	210,939	216,247	221,687	227,263	232,978	238,835	244,839	250,992	229,937
User Charges & Fees	60,834	62,487	62,197	62,508	62,820	63,134	63,450	63,767	64,086	64,406	64,728
Investment & Interest Revenue Received	2,339	2,361	2,382	2,519	2,665	2,813	2,966	3,122	3,279	3,443	3,522
Grants & Contributions	91,901	89,923	90,335	90,754	91,179	91,610	92,047	92,491	92,942	93,400	93,864
Internal Revenue	70,474	70,826	71,180	71,536	71,894	72,254	72,615	72,978	73,343	73,709	74,078
Other	15,312	18,734	18,902	19,075	19,254	19,438	19,379	19,576	19,781	19,992	20,211
<u>Payments:</u>											
Employee Benefits & On-Costs	(139,182)	(148,596)	(151,629)	(155,363)	(159,187)	(162,429)	(165,608)	(168,848)	(172,149)	(175,512)	(171,139)
Materials & Contracts	(130,264)	(133,125)	(130,491)	(130,468)	(131,655)	(129,064)	(128,912)	(129,259)	(132,355)	(129,958)	(125,209)
Borrowing Costs	(2,252)	(2,203)	(2,302)	(2,254)	(2,180)	(2,025)	(1,768)	(1,611)	(1,302)	(1,041)	(730)
Other	(22,613)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>156,471</b>	<b>143,723</b>	<b>148,907</b>	<b>151,947</b>	<b>153,870</b>	<b>160,388</b>	<b>164,541</b>	<b>168,446</b>	<b>169,858</b>	<b>176,825</b>	<b>166,655</b>
<b>Cash Flows from Investing Activities</b>											
<u>Receipts:</u>											
Sale of Investment Securities	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sale of Infrastructure, Property, Plant & Equipment	58,350	24,940	5,872	1,990	3,090	-	-	-	-	-	-
Receipts from internal loan to Water Fund	1,262	1,336	1,414	1,496	1,584	1,676	1,774	1,878	1,988	2,104	2,227
<u>Payments:</u>											
Purchase of Investment Securities	(150,000)	(100,000)	(60,000)	(90,000)	(100,000)	(80,000)	(90,000)	(90,000)	(100,000)	(90,000)	(80,000)
Purchase of Infrastructure, Property, Plant & Equipment	(101,054)	(101,640)	(104,225)	(106,810)	(109,395)	(111,981)	(114,566)	(117,151)	(119,736)	(122,322)	(124,907)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(141,442)</b>	<b>(125,364)</b>	<b>(106,939)</b>	<b>(143,323)</b>	<b>(154,722)</b>	<b>(140,304)</b>	<b>(152,791)</b>	<b>(155,273)</b>	<b>(167,748)</b>	<b>(160,218)</b>	<b>(152,680)</b>
<b>Cash Flows from Financing Activities</b>											
<u>Receipts:</u>											
Borrowings and advances	-	-	52,598	-	36,186	-	-	26,301	-	17,086	-
<u>Payments:</u>											
Borrowings and advances	(12,665)	(12,594)	(92,740)	(9,779)	(46,123)	(10,114)	(10,288)	(37,118)	(11,042)	(28,267)	(11,015)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(12,665)</b>	<b>(12,594)</b>	<b>(40,142)</b>	<b>(9,779)</b>	<b>(9,937)</b>	<b>(10,114)</b>	<b>(10,288)</b>	<b>(10,817)</b>	<b>(11,042)</b>	<b>(11,182)</b>	<b>(11,015)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,364</b>	<b>5,766</b>	<b>1,826</b>	<b>(1,155)</b>	<b>(10,788)</b>	<b>9,970</b>	<b>1,461</b>	<b>2,356</b>	<b>(8,933)</b>	<b>5,426</b>	<b>2,960</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	49,899	52,262	58,028	59,854	58,699	47,911	57,882	59,343	61,699	52,766	58,191
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>52,262</b>	<b>58,028</b>	<b>59,854</b>	<b>58,699</b>	<b>47,911</b>	<b>57,882</b>	<b>59,343</b>	<b>61,699</b>	<b>52,766</b>	<b>58,191</b>	<b>61,151</b>

## Long Term Financial Plan

### Maintain SV Scenario

#### General Fund Performance Measurement Indicators

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
TARGET	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000

Budget Performance													
1	Operating Performance Ratio	>0%	2.43%	1.92%	2.23%	2.20%	1.91%	2.73%	3.00%	3.15%	2.74%	3.55%	0.36%
	<i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Own Source Operating Revenue Ratio	> 60%	80.58%	80.19%	80.18%	80.33%	80.58%	80.70%	80.90%	81.09%	81.28%	81.47%	80.56%
	<i>measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Operational Liquidity													
3	Unrestricted Current Ratio	>1.5	2.84	1.54	3.41	2.04	2.86	2.91	2.03	2.91	2.14	2.65	2.80
	<i>assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	< 5%	5.0%	5.0%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
	<i>assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts expressed as a percentage of total rates and charges available for collection in the financial year</i>		✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Cash Expense Cover Ratio	>3 months	8.59	10.36	8.63	11.47	10.13	12.15	12.83	12.49	13.62	13.46	15.01
	<i>liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liability and Debt Management													
6	Debt Service Cover Ratio	2.00x	6.32	5.91	1.03	7.76	2.10	8.29	8.64	2.95	8.78	4.10	8.75
	<i>measures the availability of operating cash to service debt including interest and principal.</i>		✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓



**Long Term Financial Plan**  
**Maintain SV Scenario**  
**Consolidated Income Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Income from Continuing Operations</b>											
<i>Revenue:</i>											
Rates & Annual Charges	362,210	418,492	426,537	434,710	443,077	451,500	459,620	467,920	476,404	485,077	465,172
User Charges & Fees	141,332	148,071	148,279	149,113	149,963	150,733	151,486	152,244	153,005	153,770	154,539
Interest & Investment Revenue	4,442	4,753	4,776	4,914	5,061	5,211	5,376	5,544	5,713	5,889	5,980
Other Revenue	10,122	9,160	9,206	9,252	9,298	9,345	9,391	9,438	9,486	9,533	9,581
Other Income	7,621	7,927	7,966	8,006	8,046	8,087	8,127	8,168	8,208	8,250	8,291
Grants & Contributions provided for Operating Purposes	42,176	42,798	43,211	43,630	44,055	44,486	44,924	45,368	45,819	46,276	46,741
Grants & Contributions provided for Capital Purposes	67,675	81,530	62,425	57,565	51,964	59,571	59,571	59,571	59,571	59,571	59,571
Net Internal Revenue	72,955	73,320	73,687	74,055	74,425	74,797	75,171	75,547	75,925	76,305	76,686
<i>Other Income:</i>											
Net gains from the disposal of assets	25,740	5,294	1,412	284	1,730	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>734,273</b>	<b>791,346</b>	<b>777,499</b>	<b>781,529</b>	<b>787,621</b>	<b>803,730</b>	<b>813,667</b>	<b>823,800</b>	<b>834,131</b>	<b>844,671</b>	<b>826,560</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	172,594	195,854	201,875	206,152	210,219	213,544	217,815	222,172	226,615	231,147	227,970
Borrowing Costs	12,689	12,760	12,056	11,187	10,199	9,036	8,779	8,622	8,313	8,052	7,741
Materials & Contracts	244,749	267,413	267,024	272,239	271,483	271,470	272,127	273,293	277,215	275,655	271,750
Depreciation & Amortisation	170,021	158,321	163,318	167,314	171,310	175,306	179,303	183,299	187,295	191,292	195,288
Other Expenses	37,712	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705
<b>Total Expenses from Continuing Operations</b>	<b>637,765</b>	<b>672,053</b>	<b>681,978</b>	<b>694,597</b>	<b>700,915</b>	<b>707,062</b>	<b>715,730</b>	<b>725,091</b>	<b>737,144</b>	<b>743,851</b>	<b>740,455</b>
<b>Operating Result from Continuing Operations</b>	<b>96,508</b>	<b>119,293</b>	<b>95,521</b>	<b>86,932</b>	<b>86,705</b>	<b>96,668</b>	<b>97,937</b>	<b>98,709</b>	<b>96,988</b>	<b>100,821</b>	<b>86,105</b>
<b>Net Operating Result for the Year</b>	<b>96,508</b>	<b>119,293</b>	<b>95,521</b>	<b>86,932</b>	<b>86,705</b>	<b>96,668</b>	<b>97,937</b>	<b>98,709</b>	<b>96,988</b>	<b>100,821</b>	<b>86,105</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	28,833	37,763	33,096	29,367	34,742	37,097	38,366	39,138	37,416	41,249	26,534

**Long Term Financial Plan**  
**Maintain SV Scenario**  
**Consolidated Statement of Financial Position**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	54,856	77,979	72,731	78,880	74,590	84,133	90,780	91,539	85,478	94,757	97,935
Investments	263,561	323,561	348,561	363,561	383,561	403,561	433,561	463,561	493,561	513,561	533,561
Receivables	65,219	71,134	71,255	71,382	71,516	71,628	71,947	70,268	68,591	65,916	61,834
Inventories	1,416	1,421	1,426	1,431	1,436	1,441	1,446	1,451	1,456	1,461	1,466
Other	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608
Non-current assets classified as "held for sale"	19,646	4,460	1,706	1,360	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>408,306</b>	<b>482,164</b>	<b>499,287</b>	<b>520,221</b>	<b>534,712</b>	<b>564,371</b>	<b>601,342</b>	<b>630,427</b>	<b>652,694</b>	<b>679,303</b>	<b>698,404</b>
<b>Non-Current Assets</b>											
Investments	264,750	274,750	284,750	314,750	349,750	374,750	404,750	444,750	489,750	534,750	574,750
Receivables	3,423	3,616	3,643	3,670	3,697	3,715	3,731	3,747	3,763	3,779	3,795
Infrastructure, Property, Plant & Equipment	7,284,051	7,364,204	7,436,795	7,476,752	7,531,709	7,623,186	7,694,725	7,735,472	7,790,721	7,874,787	7,945,829
Intangible Assets	17,204	13,849	12,661	11,567	10,423	9,229	7,985	6,691	5,347	3,953	3,953
Right of Use Assets	2,183	1,890	1,598	1,306	1,014	721	547	456	366	286	249
Other	623	623	623	623	623	623	623	623	623	623	623
<b>Total Non-Current Assets</b>	<b>7,572,235</b>	<b>7,658,933</b>	<b>7,740,070</b>	<b>7,808,668</b>	<b>7,897,216</b>	<b>8,012,224</b>	<b>8,112,360</b>	<b>8,191,739</b>	<b>8,290,569</b>	<b>8,418,177</b>	<b>8,529,199</b>
<b>TOTAL ASSETS</b>	<b>7,980,541</b>	<b>8,141,096</b>	<b>8,239,357</b>	<b>8,328,889</b>	<b>8,431,928</b>	<b>8,576,595</b>	<b>8,713,703</b>	<b>8,822,165</b>	<b>8,943,264</b>	<b>9,097,481</b>	<b>9,227,603</b>

## Long Term Financial Plan

### Maintain SV Scenario

#### Consolidated Statement of Financial Position

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	63,198	63,282	63,367	63,452	63,537	63,623	63,709	63,795	63,882	63,969	64,056
Income Received in Advance	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916
Contract Liabilities	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526
Borrowings	34,001	114,723	32,110	69,564	31,047	27,408	52,902	27,247	44,393	25,689	18,960
Lease Liabilities	261	271	278	291	305	319	193	98	102	93	41
Employee Benefit Provisions	56,633	59,177	61,860	64,673	67,623	70,568	73,648	76,872	80,245	83,774	87,467
Provisions	5,825	4,665	3,665	3,414	3,376	3,310	3,261	3,228	3,228	3,278	3,366
<b>Total Current Liabilities</b>	<b>176,360</b>	<b>258,560</b>	<b>177,722</b>	<b>217,837</b>	<b>182,331</b>	<b>181,670</b>	<b>210,155</b>	<b>187,683</b>	<b>208,293</b>	<b>193,246</b>	<b>190,333</b>
<b>Non-Current Liabilities</b>											
Income Received in Advance	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766
Contract Liabilities	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255
Lease Liabilities	2,049	1,768	1,484	1,179	861	527	461	458	351	267	279
Borrowings	279,910	171,424	198,149	134,822	146,198	125,028	78,363	83,654	45,498	43,132	30,409
Employee Benefit Provisions	3,427	3,598	3,778	3,967	4,166	4,363	4,571	4,788	5,015	5,253	5,503
Provisions	75,322	73,322	73,292	72,585	71,596	70,696	69,696	68,596	67,395	66,072	66,072
<b>Total Non-Current Liabilities</b>	<b>369,730</b>	<b>259,134</b>	<b>285,724</b>	<b>221,575</b>	<b>231,841</b>	<b>209,635</b>	<b>162,112</b>	<b>166,517</b>	<b>127,281</b>	<b>123,746</b>	<b>111,284</b>
<b>TOTAL LIABILITIES</b>	<b>546,090</b>	<b>517,694</b>	<b>463,446</b>	<b>439,412</b>	<b>414,173</b>	<b>391,305</b>	<b>372,267</b>	<b>354,200</b>	<b>335,574</b>	<b>316,992</b>	<b>301,617</b>
<b>Net Assets</b>	<b>7,434,451</b>	<b>7,623,402</b>	<b>7,775,911</b>	<b>7,889,478</b>	<b>8,017,755</b>	<b>8,185,290</b>	<b>8,341,435</b>	<b>8,467,965</b>	<b>8,607,690</b>	<b>8,780,489</b>	<b>8,925,987</b>
<b>EQUITY</b>											
Retained Earnings	7,052,958	7,172,252	7,267,773	7,354,705	7,441,410	7,538,079	7,636,016	7,734,725	7,831,713	7,932,533	8,018,639
Revaluation Reserve	381,492	451,151	508,138	534,773	576,345	647,212	705,419	733,240	775,977	847,956	907,348
<b>Total Equity</b>	<b>7,434,451</b>	<b>7,623,402</b>	<b>7,775,911</b>	<b>7,889,478</b>	<b>8,017,755</b>	<b>8,185,290</b>	<b>8,341,435</b>	<b>8,467,965</b>	<b>8,607,690</b>	<b>8,780,489</b>	<b>8,925,987</b>

**Long Term Financial Plan**  
**Maintain SV Scenario**  
**Consolidated Cashflow Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Cash Flows from Operating Activities</b>											
<u>Receipts:</u>											
Rates & Annual Charges	368,883	417,223	426,170	434,329	442,690	451,113	459,235	467,526	476,001	484,664	466,159
User Charges & Fees	139,951	146,801	148,429	149,309	150,211	151,063	151,885	152,709	153,540	154,379	155,227
Investment & Interest Revenue Received	3,523	4,753	4,776	4,914	5,061	5,211	5,376	5,544	5,713	5,889	5,980
Grants & Contributions	109,851	124,328	105,636	101,195	96,019	104,058	104,495	104,939	105,390	105,848	106,312
Internal Revenue	72,955	73,320	73,687	74,055	74,425	74,797	75,171	75,547	75,925	76,305	76,686
Other	15,312	18,734	18,902	19,075	19,254	19,438	19,379	19,576	19,781	19,992	20,211
<u>Payments:</u>											
Employee Benefits & On-Costs	(167,749)	(193,139)	(199,012)	(203,150)	(207,070)	(210,402)	(214,527)	(218,731)	(223,015)	(227,380)	(224,028)
Materials & Contracts	(245,422)	(267,356)	(266,967)	(272,181)	(271,425)	(271,412)	(272,070)	(273,235)	(277,157)	(275,596)	(271,692)
Borrowing Costs	(11,550)	(11,621)	(10,917)	(10,048)	(9,060)	(7,897)	(7,640)	(7,483)	(7,174)	(6,913)	(6,602)
Other	(37,712)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>248,042</b>	<b>275,338</b>	<b>262,997</b>	<b>259,791</b>	<b>262,400</b>	<b>278,264</b>	<b>283,599</b>	<b>288,687</b>	<b>291,299</b>	<b>299,483</b>	<b>290,548</b>
<b>Cash Flows from Investing Activities</b>											
<u>Receipts:</u>											
Sale of Investment Securities	71,779	80,000	70,000	100,000	85,000	80,000	95,000	85,000	80,000	90,000	80,000
Sale of Infrastructure, Property, Plant & Equipment	58,350	24,940	5,872	1,990	3,090	-	-	-	-	-	-
<u>Payments:</u>											
Purchase of Investment Securities	(180,000)	(150,000)	(105,000)	(145,000)	(140,000)	(125,000)	(155,000)	(155,000)	(155,000)	(155,000)	(140,000)
Purchase of Infrastructure, Property, Plant & Equipment	(177,791)	(179,391)	(183,231)	(184,760)	(187,638)	(198,911)	(195,781)	(199,566)	(203,350)	(207,134)	(210,918)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(227,662)</b>	<b>(224,451)</b>	<b>(212,358)</b>	<b>(227,770)</b>	<b>(239,548)</b>	<b>(243,911)</b>	<b>(255,781)</b>	<b>(269,566)</b>	<b>(278,350)</b>	<b>(272,134)</b>	<b>(270,918)</b>
<b>Cash Flows from Financing Activities</b>											
<u>Receipts:</u>											
Borrowings and advances	3,000	-	52,598	-	46,023	-	-	28,301	2,000	20,086	3,000
<u>Payments:</u>											
Borrowings and advances	(34,243)	(27,764)	(108,486)	(25,873)	(73,164)	(24,810)	(21,170)	(46,664)	(21,010)	(38,156)	(19,452)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(31,243)</b>	<b>(27,764)</b>	<b>(55,888)</b>	<b>(25,873)</b>	<b>(27,141)</b>	<b>(24,810)</b>	<b>(21,170)</b>	<b>(18,363)</b>	<b>(19,010)</b>	<b>(18,070)</b>	<b>(16,452)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(10,863)</b>	<b>23,123</b>	<b>(5,249)</b>	<b>6,149</b>	<b>(4,290)</b>	<b>9,543</b>	<b>6,647</b>	<b>759</b>	<b>(6,061)</b>	<b>9,279</b>	<b>3,178</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	65,719	54,856	77,979	72,731	78,880	74,590	84,133	90,780	91,539	85,478	94,757
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>54,856</b>	<b>77,979</b>	<b>72,731</b>	<b>78,880</b>	<b>74,590</b>	<b>84,133</b>	<b>90,780</b>	<b>91,539</b>	<b>85,478</b>	<b>94,757</b>	<b>97,935</b>

## **Deteriorate Scenario**

Deteriorate scenario – distressed community impact. This scenario projects a wholesale restructure which results in a significant reduction and / or cessation of many of Council's services in order to compensate for the loss of SV revenue at the end of 2023-24. This scenario compromises the community, Council's service delivery and the community's ability to secure a respectable standard of living by hacking Council into a shadow of its former size and community capability. This scenario is in direct opposition to the vast majority of the community's sentiment who are wanting to maintain or increase current service levels, as canvassed in a statistically representative community survey sample. The impacts of the projected service reductions are outlined under the scenarios in the Delivery Program on page 31. The community and its standard of living will significantly decline, and this would manifest in the deterioration of assets, visual reduced amenity of the Coast, decline in social support and community programs and reduced resourcing capacity of the organisation with flow on impacts to the broader economic profile of the region. This option is not only not reflective of the community's sentiment but also it is not in the best interest of the community.

## **Assumptions**

The key restructuring assumptions for the Deteriorate scenario are:

- Reduction in employee costs in 2024-25 of \$14.5 million. In future financial years the forecasted award (2% annually) and superannuation (0.5% annually to 2025-26) increases will apply.
- Reduction in materials and services of \$9.7 million in 2024-25. In the future financial years the forecasted increase of 0.35%.
- These reductions will ensure that Council will make a small operating surplus each year to be able to repay its loans.

## Deteriorate Scenario – Primary Financial Reports

The following are the reports for Council's General Fund and a consolidated model

### Long Term Financial Plan Deteriorate Scenario General Fund Income Statement

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Income from Continuing Operations</b>											
Rates & Annual Charges	204,234	205,998	211,183	192,293	197,134	202,097	207,183	212,396	217,738	223,214	228,826
User Charges & Fees	60,746	62,491	62,200	62,511	62,824	63,138	63,454	63,771	64,090	64,410	64,732
Interest & Investment Revenue	2,339	2,361	2,382	2,510	2,661	2,813	2,967	3,124	3,283	3,443	3,606
Other Revenue	10,122	9,160	9,206	9,252	9,298	9,345	9,391	9,438	9,486	9,533	9,581
Other Income	7,595	7,901	7,941	7,980	8,020	8,060	8,101	8,141	8,182	8,223	8,264
Grants & Contributions provided for Operating Purposes	42,126	42,033	42,446	42,864	43,289	43,720	44,158	44,602	45,053	45,510	45,975
Grants & Contributions provided for Capital Purposes	49,775	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890
Net Internal Revenue	70,474	70,826	71,180	71,536	71,894	72,254	72,615	72,978	73,343	73,709	74,078
<i>Other Income:</i>											
Net gains from the disposal of assets	25,740	5,294	1,412	284	1,730	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>473,152</b>	<b>453,954</b>	<b>455,840</b>	<b>437,121</b>	<b>444,741</b>	<b>449,316</b>	<b>455,758</b>	<b>462,339</b>	<b>469,063</b>	<b>475,932</b>	<b>482,951</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	143,292	150,858	154,015	143,377	146,802	149,593	152,370	155,246	158,193	161,152	173,723
Borrowing Costs	3,391	3,342	3,441	3,393	3,319	3,164	2,907	2,750	2,441	2,180	1,869
Materials & Contracts	130,297	133,158	130,524	120,843	121,889	119,168	118,838	119,035	121,990	119,421	126,067
Depreciation & Amortisation	88,394	83,100	86,898	89,695	92,492	95,290	98,087	100,885	103,682	106,479	109,277
Other Expenses	22,613	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607	22,607
<b>Total Expenses from Continuing Operations</b>	<b>387,987</b>	<b>393,065</b>	<b>397,485</b>	<b>379,915</b>	<b>387,109</b>	<b>389,821</b>	<b>394,809</b>	<b>400,522</b>	<b>408,912</b>	<b>411,839</b>	<b>433,542</b>
<b>Operating Result from Continuing Operations</b>	<b>85,164</b>	<b>60,889</b>	<b>58,355</b>	<b>57,206</b>	<b>57,631</b>	<b>59,495</b>	<b>60,949</b>	<b>61,817</b>	<b>60,151</b>	<b>64,094</b>	<b>49,408</b>
<b>Net Operating Result for the Year</b>	<b>85,164</b>	<b>60,889</b>	<b>58,355</b>	<b>57,206</b>	<b>57,631</b>	<b>59,495</b>	<b>60,949</b>	<b>61,817</b>	<b>60,151</b>	<b>64,094</b>	<b>49,408</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	35,389	13,000	10,466	9,316	9,742	11,605	13,059	13,927	12,262	16,204	1,519

## Long Term Financial Plan

### Deteriorate Scenario

#### General Fund Statement of Financial Position

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	52,262	58,028	59,854	51,118	44,920	54,442	50,502	47,426	53,001	52,941	58,941
Investments	167,529	217,529	227,529	232,529	242,529	257,529	282,529	307,529	327,529	352,529	367,529
Receivables	61,912	61,733	61,722	60,531	60,503	60,481	60,715	60,955	61,201	61,454	61,714
Inventories	1,416	1,421	1,426	1,431	1,436	1,441	1,446	1,451	1,456	1,461	1,466
Other	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386	3,386
Non-current assets classified as "held for sale"	19,646	4,460	1,706	1,360	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>306,152</b>	<b>346,558</b>	<b>355,624</b>	<b>350,355</b>	<b>352,775</b>	<b>377,279</b>	<b>398,578</b>	<b>420,747</b>	<b>446,574</b>	<b>471,771</b>	<b>493,036</b>
<b>Non-Current Assets</b>											
Investments	131,378	131,378	131,378	166,378	201,378	216,378	236,378	256,378	271,378	291,378	301,378
Receivables	20,402	18,988	17,492	15,908	14,232	12,457	10,579	8,591	6,487	4,260	1,903
Infrastructure, Property, Plant & Equipment	3,495,080	3,550,547	3,583,438	3,596,719	3,625,676	3,683,397	3,716,791	3,730,218	3,757,950	3,814,303	3,846,304
Intangible Assets	15,501	12,146	10,958	9,864	8,720	7,526	6,282	4,988	3,644	2,250	2,250
Right of Use Assets	2,183	1,890	1,598	1,306	1,014	721	547	456	366	286	249
Other	623	623	623	623	623	623	623	623	623	623	623
<b>Total Non-Current Assets</b>	<b>3,665,168</b>	<b>3,715,572</b>	<b>3,745,487</b>	<b>3,790,798</b>	<b>3,851,642</b>	<b>3,921,103</b>	<b>3,971,200</b>	<b>4,001,254</b>	<b>4,040,448</b>	<b>4,113,100</b>	<b>4,152,707</b>
<b>TOTAL ASSETS</b>	<b>3,971,319</b>	<b>4,062,130</b>	<b>4,101,111</b>	<b>4,141,153</b>	<b>4,204,417</b>	<b>4,298,382</b>	<b>4,369,777</b>	<b>4,422,001</b>	<b>4,487,022</b>	<b>4,584,871</b>	<b>4,645,743</b>

**Long Term Financial Plan**  
**Deteriorate Scenario**  
**General Fund Statement of Financial Position**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	44,869	44,930	44,991	45,052	45,113	45,175	45,237	45,299	45,362	45,424	45,487
Income Received in Advance	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846
Contract Liabilities	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372	13,372
Borrowings	12,594	92,740	9,779	46,123	10,114	10,288	37,118	11,042	28,267	11,015	4,170
Lease Liabilities	261	271	278	291	305	319	193	98	102	93	41
Employee Benefit Provisions	46,940	49,053	51,281	45,514	47,559	49,601	51,737	53,971	56,309	58,754	61,313
Provisions	4,108	2,948	1,948	1,697	1,659	1,593	1,544	1,511	1,511	1,561	1,649
<b>Total Current Liabilities</b>	<b>124,990</b>	<b>206,159</b>	<b>124,495</b>	<b>154,895</b>	<b>120,969</b>	<b>123,195</b>	<b>152,047</b>	<b>128,140</b>	<b>147,770</b>	<b>133,066</b>	<b>128,879</b>
<b>Non-Current Liabilities</b>											
Income Received in Advance	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501	4,501
Lease Liabilities	2,049	1,768	1,484	1,179	861	527	461	458	351	267	279
Borrowings	140,776	48,037	90,856	44,733	70,805	60,517	23,399	38,658	10,390	16,461	12,290
Employee Benefit Provisions	3,002	3,152	3,310	2,879	3,023	3,167	3,317	3,475	3,640	3,813	3,994
Provisions	73,090	71,090	71,060	70,353	69,364	68,464	67,464	66,364	65,163	63,840	63,840
<b>Total Non-Current Liabilities</b>	<b>223,418</b>	<b>128,547</b>	<b>171,210</b>	<b>123,645</b>	<b>148,554</b>	<b>137,175</b>	<b>99,142</b>	<b>113,455</b>	<b>84,045</b>	<b>88,881</b>	<b>84,904</b>
<b>TOTAL LIABILITIES</b>	<b>348,408</b>	<b>334,707</b>	<b>295,704</b>	<b>278,540</b>	<b>269,523</b>	<b>260,371</b>	<b>251,189</b>	<b>241,595</b>	<b>231,815</b>	<b>221,948</b>	<b>213,782</b>
<b>Net Assets</b>	<b>3,622,911</b>	<b>3,727,423</b>	<b>3,805,407</b>	<b>3,862,613</b>	<b>3,934,894</b>	<b>4,038,011</b>	<b>4,118,588</b>	<b>4,180,406</b>	<b>4,255,207</b>	<b>4,362,923</b>	<b>4,431,961</b>
<b>EQUITY</b>											
Retained Earnings	3,490,939	3,551,828	3,610,184	3,667,389	3,725,022	3,784,515	3,845,464	3,907,282	3,967,433	4,031,527	4,080,936
Revaluation Reserve	131,972	175,595	195,224	195,224	209,873	253,496	273,124	273,124	287,774	331,397	351,025
<b>Total Equity</b>	<b>3,622,911</b>	<b>3,727,423</b>	<b>3,805,407</b>	<b>3,862,613</b>	<b>3,934,894</b>	<b>4,038,011</b>	<b>4,118,588</b>	<b>4,180,406</b>	<b>4,255,207</b>	<b>4,362,923</b>	<b>4,431,961</b>



**Long Term Financial Plan**  
**Deteriorate Scenario**  
**General Fund Cashflow Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Cash Flows from Operating Activities</b>											
<b>Receipts:</b>											
Rates & Annual Charges	209,922	205,921	210,939	193,228	196,907	201,864	206,944	212,150	217,486	222,956	228,561
User Charges & Fees	60,834	62,487	62,197	62,508	62,820	63,134	63,450	63,767	64,086	64,406	64,728
Investment & Interest Revenue Received	2,339	2,361	2,382	2,510	2,661	2,813	2,967	3,124	3,283	3,443	3,606
Grants & Contributions	91,901	89,923	90,335	90,754	91,179	91,610	92,047	92,491	92,942	93,400	93,864
Internal Revenue	70,474	70,826	71,180	71,536	71,894	72,254	72,615	72,978	73,343	73,709	74,078
Other	15,312	18,734	18,902	19,075	19,254	19,438	19,379	19,576	19,781	19,992	20,211
<b>Payments:</b>											
Employee Benefits & On-Costs	(139,182)	(148,596)	(151,629)	(149,575)	(144,612)	(147,408)	(150,084)	(152,854)	(155,690)	(158,534)	(170,984)
Materials & Contracts	(130,264)	(133,125)	(130,491)	(120,810)	(121,856)	(119,134)	(118,804)	(119,001)	(121,956)	(119,387)	(126,032)
Borrowing Costs	(2,252)	(2,203)	(2,302)	(2,254)	(2,180)	(2,025)	(1,768)	(1,611)	(1,302)	(1,041)	(730)
Other	(22,613)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)	(22,607)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>156,471</b>	<b>143,723</b>	<b>148,907</b>	<b>144,366</b>	<b>153,460</b>	<b>159,939</b>	<b>164,139</b>	<b>168,014</b>	<b>169,367</b>	<b>176,339</b>	<b>164,696</b>
<b>Cash Flows from Investing Activities</b>											
<b>Receipts:</b>											
Sale of Investment Securities	50,000	150,000	150,000	150,000	150,000	200,000	150,000	200,000	200,000	200,000	150,000
Sale of Infrastructure, Property, Plant & Equipment	58,350	24,940	5,872	1,990	3,090	-	-	-	-	-	-
Receipts from internal loan to Water Fund	1,262	1,336	1,414	1,496	1,584	1,676	1,774	1,878	1,988	2,104	2,227
<b>Payments:</b>											
Purchase of Investment Securities	(150,000)	(200,000)	(160,000)	(190,000)	(195,000)	(230,000)	(195,000)	(245,000)	(235,000)	(245,000)	(175,000)
Purchase of Infrastructure, Property, Plant & Equipment	(101,054)	(101,640)	(104,225)	(106,810)	(109,395)	(111,981)	(114,566)	(117,151)	(119,736)	(122,322)	(124,907)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(141,442)</b>	<b>(125,364)</b>	<b>(106,939)</b>	<b>(143,323)</b>	<b>(149,722)</b>	<b>(140,304)</b>	<b>(157,791)</b>	<b>(160,273)</b>	<b>(152,748)</b>	<b>(165,218)</b>	<b>(147,680)</b>
<b>Cash Flows from Financing Activities</b>											
<b>Receipts:</b>											
Borrowings and advances	-	-	52,598	-	36,186	-	-	26,301	-	17,086	-
<b>Payments:</b>											
Borrowings (External Loans)	(12,665)	(12,594)	(92,740)	(9,779)	(46,123)	(10,114)	(10,288)	(37,118)	(11,042)	(28,267)	(11,015)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(12,665)</b>	<b>(12,594)</b>	<b>(40,142)</b>	<b>(9,779)</b>	<b>(9,937)</b>	<b>(10,114)</b>	<b>(10,288)</b>	<b>(10,817)</b>	<b>(11,042)</b>	<b>(11,182)</b>	<b>(11,015)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,364</b>	<b>5,766</b>	<b>1,826</b>	<b>(8,736)</b>	<b>(6,198)</b>	<b>9,521</b>	<b>(3,940)</b>	<b>(3,076)</b>	<b>5,576</b>	<b>(61)</b>	<b>6,001</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	49,899	52,262	58,028	59,854	51,118	44,920	54,442	50,502	47,426	53,001	52,941
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>52,262</b>	<b>58,028</b>	<b>59,854</b>	<b>51,118</b>	<b>44,920</b>	<b>54,442</b>	<b>50,502</b>	<b>47,426</b>	<b>53,001</b>	<b>52,941</b>	<b>58,941</b>

## Long Term Financial Plan

### Deteriorate Scenario

#### General Fund Performance Measurement Indicators

		Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
TARGET		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Budget Performance</b>													
1	Operating Performance Ratio	>0%	2.43%	1.92%	2.23%	2.32%	2.03%	2.89%	3.20%	3.36%	2.91%	3.79%	0.35%
	<i>measures the extent to which a council has succeeded in containing operating expenditure within operating revenue</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Own Source Operating Revenue Ratio	> 60%	80.58%	80.19%	80.18%	79.24%	79.50%	79.61%	79.80%	79.99%	80.19%	80.38%	80.56%
	<i>measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Operational Liquidity</b>													
3	Unrestricted Current Ratio	>1.5	2.84	1.54	3.41	1.79	2.52	2.56	1.78	2.54	2.04	2.67	2.99
	<i>assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	< 5%	5.0%	5.0%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
	<i>assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts expressed as a percentage of total rates and charges available for collection in the financial year</i>		✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Cash Expense Cover Ratio	>3 months	8.59	10.36	8.63	11.16	10.22	12.43	13.17	12.78	14.61	14.75	15.44
	<i>liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow</i>		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Liability and Debt Management</b>													
6	Debt Service Cover Ratio (OLG)	2.00x	6.32	5.91	1.03	7.75	2.10	8.29	8.64	2.95	8.78	4.10	8.74
	<i>measures the availability of operating cash to service debt including interest and principal.</i>		✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓

**Long Term Financial Plan**  
**Deteriorate Scenario**  
**Consolidated Income Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Income from Continuing Operations</b>											
<i>Revenue:</i>											
Rates & Annual Charges	362,210	418,492	426,537	410,506	418,268	426,071	433,555	441,203	449,019	457,007	465,172
User Charges & Fees	141,332	148,071	148,279	149,113	149,963	150,733	151,486	152,244	153,005	153,770	154,539
Interest & Investment Revenue	4,442	4,753	4,776	4,905	5,057	5,211	5,377	5,546	5,717	5,889	6,064
Other Revenue	10,122	9,160	9,206	9,252	9,298	9,345	9,391	9,438	9,486	9,533	9,581
Other Income	7,621	7,927	7,966	8,006	8,046	8,087	8,127	8,168	8,208	8,250	8,291
Grants & Contributions provided for Operating Purposes	42,176	42,798	43,211	43,630	44,055	44,486	44,924	45,368	45,819	46,276	46,741
Grants & Contributions provided for Capital Purposes	67,675	81,530	62,425	57,565	51,964	59,571	59,571	59,571	59,571	59,571	59,571
Net Internal Revenue	72,955	73,320	73,687	74,055	74,425	74,797	75,171	75,547	75,925	76,305	76,686
<i>Other Income:</i>											
Net gains from the disposal of assets	25,740	5,294	1,412	284	1,730	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>734,273</b>	<b>791,346</b>	<b>777,499</b>	<b>757,316</b>	<b>762,807</b>	<b>778,300</b>	<b>787,602</b>	<b>797,085</b>	<b>806,750</b>	<b>816,601</b>	<b>826,644</b>
<b>Expenses from Continuing Operations</b>											
Employee Benefits & On-Costs	172,594	195,854	201,875	191,664	195,209	198,090	201,836	205,702	209,658	213,646	227,267
Borrowing Costs	12,689	12,760	12,056	11,187	10,199	9,036	8,779	8,622	8,313	8,052	7,741
Materials & Contracts	244,749	267,413	267,104	262,580	261,684	261,640	262,422	263,745	267,840	266,426	274,242
Depreciation & Amortisation	170,021	158,321	163,318	167,314	171,310	175,306	179,303	183,299	187,295	191,292	195,288
Other Expenses	37,712	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705	37,705
<b>Total Expenses from Continuing Operations</b>	<b>637,765</b>	<b>672,053</b>	<b>682,058</b>	<b>670,450</b>	<b>676,106</b>	<b>681,777</b>	<b>690,045</b>	<b>699,073</b>	<b>710,811</b>	<b>717,121</b>	<b>742,243</b>
<b>Operating Result from Continuing Operations</b>	<b>96,508</b>	<b>119,293</b>	<b>95,441</b>	<b>86,866</b>	<b>86,701</b>	<b>96,523</b>	<b>97,557</b>	<b>98,012</b>	<b>95,939</b>	<b>99,481</b>	<b>84,401</b>
<b>Net Operating Result for the Year</b>	<b>96,508</b>	<b>119,293</b>	<b>95,441</b>	<b>86,866</b>	<b>86,701</b>	<b>96,523</b>	<b>97,557</b>	<b>98,012</b>	<b>95,939</b>	<b>99,481</b>	<b>84,401</b>
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	28,833	37,763	33,016	29,301	34,737	36,952	37,986	38,441	36,368	39,910	24,830

**Long Term Financial Plan**  
**Deteriorate Scenario**  
**Consolidated Statement of Financial Position**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash & Cash Equivalents	54,856	82,979	77,650	69,497	64,711	73,619	74,374	73,896	81,222	83,569	88,012
Investments	263,561	323,561	348,561	358,561	378,561	398,561	433,561	468,561	498,561	533,561	558,561
Receivables	65,219	71,134	71,255	70,196	70,301	70,382	70,669	68,959	67,249	64,541	61,834
Inventories	1,416	1,421	1,426	1,431	1,436	1,441	1,446	1,451	1,456	1,461	1,466
Other	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608	3,608
Non-current assets classified as "held for sale"	19,646	4,460	1,706	1,360	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>408,306</b>	<b>487,164</b>	<b>504,206</b>	<b>504,653</b>	<b>518,617</b>	<b>547,611</b>	<b>583,658</b>	<b>616,475</b>	<b>652,097</b>	<b>686,741</b>	<b>713,482</b>
<b>Non-Current Assets</b>											
Investments	264,750	269,750	279,750	319,750	354,750	379,750	409,750	444,750	474,750	509,750	539,750
Receivables	3,423	3,616	3,643	3,670	3,697	3,715	3,731	3,747	3,763	3,779	3,795
Infrastructure, Property, Plant & Equipment	7,284,051	7,364,204	7,436,795	7,476,752	7,531,709	7,623,186	7,694,725	7,735,472	7,790,721	7,874,787	7,945,829
Intangible Assets	17,204	13,849	12,661	11,567	10,423	9,229	7,985	6,691	5,347	3,953	3,953
Right of Use Assets	2,183	1,890	1,598	1,306	1,014	721	547	456	366	286	249
Other	623	623	623	623	623	623	623	623	623	623	623
<b>Total Non-Current Assets</b>	<b>7,572,235</b>	<b>7,653,933</b>	<b>7,735,070</b>	<b>7,813,668</b>	<b>7,902,216</b>	<b>8,017,224</b>	<b>8,117,360</b>	<b>8,191,739</b>	<b>8,275,569</b>	<b>8,393,177</b>	<b>8,494,199</b>
<b>TOTAL ASSETS</b>	<b>7,980,541</b>	<b>8,141,096</b>	<b>8,239,277</b>	<b>8,318,321</b>	<b>8,420,834</b>	<b>8,564,836</b>	<b>8,701,019</b>	<b>8,808,214</b>	<b>8,927,666</b>	<b>9,079,918</b>	<b>9,207,680</b>

**Long Term Financial Plan**  
**Deteriorate Scenario**  
**Consolidated Statement of Financial Position**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Payables	63,198	63,282	63,367	63,452	63,537	63,623	63,709	63,795	63,882	63,969	64,056
Income Received in Advance	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916
Contract Liabilities	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526	13,526
Borrowings	34,001	114,723	32,110	69,564	31,047	27,408	52,902	27,247	44,393	25,689	18,960
Lease Liabilities	261	271	278	291	305	319	193	98	102	93	41
Employee Benefit Provisions	56,633	59,177	61,860	54,931	57,394	59,853	62,425	65,115	67,930	70,874	73,954
Provisions	5,825	4,665	3,665	3,414	3,376	3,310	3,261	3,228	3,228	3,278	3,366
<b>Total Current Liabilities</b>	<b>176,360</b>	<b>258,560</b>	<b>177,722</b>	<b>208,095</b>	<b>172,102</b>	<b>170,956</b>	<b>198,932</b>	<b>175,926</b>	<b>195,978</b>	<b>180,346</b>	<b>176,820</b>
<b>Non-Current Liabilities</b>											
Income Received in Advance	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766	6,766
Contract Liabilities	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255	2,255
Lease Liabilities	2,049	1,768	1,484	1,179	861	527	461	458	351	267	279
Borrowings	279,910	171,424	198,149	134,822	146,198	125,028	78,363	83,654	45,498	43,132	30,409
Employee Benefit Provisions	3,427	3,598	3,778	3,287	3,451	3,615	3,787	3,967	4,155	4,353	4,560
Provisions	75,322	73,322	73,292	72,585	71,596	70,696	69,696	68,596	67,395	66,072	66,072
<b>Total Non-Current Liabilities</b>	<b>369,730</b>	<b>259,134</b>	<b>285,724</b>	<b>220,895</b>	<b>231,127</b>	<b>208,887</b>	<b>161,329</b>	<b>165,697</b>	<b>126,421</b>	<b>122,845</b>	<b>110,341</b>
<b>TOTAL LIABILITIES</b>	<b>546,090</b>	<b>517,694</b>	<b>463,446</b>	<b>428,990</b>	<b>403,230</b>	<b>379,843</b>	<b>360,260</b>	<b>341,623</b>	<b>322,399</b>	<b>303,191</b>	<b>287,161</b>
<b>Net Assets</b>	<b>7,434,451</b>	<b>7,623,402</b>	<b>7,775,831</b>	<b>7,889,331</b>	<b>8,017,604</b>	<b>8,184,993</b>	<b>8,340,758</b>	<b>8,466,591</b>	<b>8,605,267</b>	<b>8,776,727</b>	<b>8,920,520</b>
<b>EQUITY</b>											
Retained Earnings	7,052,957	7,172,248	7,267,693	7,354,558	7,441,260	7,537,783	7,635,339	7,733,352	7,829,291	7,928,772	8,013,174
Revaluation Reserve	381,493	451,155	508,138	534,773	576,345	647,211	705,419	733,239	775,975	847,955	907,346
<b>Total Equity</b>	<b>7,434,451</b>	<b>7,623,402</b>	<b>7,775,831</b>	<b>7,889,331</b>	<b>8,017,604</b>	<b>8,184,993</b>	<b>8,340,758</b>	<b>8,466,591</b>	<b>8,605,267</b>	<b>8,776,727</b>	<b>8,920,520</b>

**Long Term Financial Plan**  
**Deteriorate Scenario**  
**Consolidated Cashflow Statement**

Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
<b>Cash Flows from Operating Activities</b>											
<u>Receipts:</u>											
Rates & Annual Charges	368,883	417,223	426,170	411,310	417,910	425,713	433,200	440,841	448,648	456,628	464,784
User Charges & Fees	139,951	146,801	148,429	149,309	150,211	151,063	151,885	152,709	153,540	154,379	155,227
Investment & Interest Revenue Received	3,523	4,753	4,776	4,905	5,057	5,211	5,377	5,546	5,717	5,889	6,064
Grants & Contributions	109,851	124,328	105,636	101,195	96,019	104,058	104,495	104,939	105,390	105,848	106,312
Internal Revenue	72,955	73,320	73,687	74,055	74,425	74,797	75,171	75,547	75,925	76,305	76,686
Other	15,312	18,734	18,902	19,075	19,254	19,438	19,379	19,576	19,781	19,992	20,211
<u>Payments:</u>											
Employee Benefits & On-Costs	(167,749)	(193,139)	(199,012)	(199,083)	(192,581)	(195,467)	(199,093)	(202,831)	(206,655)	(210,505)	(223,980)
Materials & Contracts	(245,422)	(267,356)	(267,047)	(262,523)	(261,626)	(261,583)	(262,364)	(263,687)	(267,782)	(266,367)	(274,183)
Borrowing Costs	(11,550)	(11,621)	(10,917)	(10,048)	(9,060)	(7,897)	(7,640)	(7,483)	(7,174)	(6,913)	(6,602)
Other	(37,712)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)	(37,705)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>248,042</b>	<b>275,338</b>	<b>262,917</b>	<b>250,489</b>	<b>261,904</b>	<b>277,629</b>	<b>282,706</b>	<b>287,452</b>	<b>289,686</b>	<b>297,551</b>	<b>286,813</b>
<b>Cash Flows from Investing Activities</b>											
<u>Receipts:</u>											
Sale of Investment Securities	71,779	180,000	170,000	200,000	185,000	230,000	195,000	235,000	230,000	240,000	180,000
Sale of Infrastructure, Property, Plant & Equipment	58,350	24,940	5,872	1,990	3,090	-	-	-	-	-	-
<u>Payments:</u>											
Purchase of Investment Securities	(180,000)	(245,000)	(205,000)	(250,000)	(240,000)	(275,000)	(260,000)	(305,000)	(290,000)	(310,000)	(235,000)
Purchase of Infrastructure, Property, Plant & Equipment	(177,791)	(179,391)	(183,231)	(184,760)	(187,638)	(198,911)	(195,781)	(199,566)	(203,350)	(207,134)	(210,918)
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(227,662)</b>	<b>(219,451)</b>	<b>(212,358)</b>	<b>(232,770)</b>	<b>(239,548)</b>	<b>(243,911)</b>	<b>(260,781)</b>	<b>(269,566)</b>	<b>(263,350)</b>	<b>(277,134)</b>	<b>(265,918)</b>
<b>Cash Flows from Financing Activities</b>											
<u>Receipts:</u>											
Borrowings and advances	3,000	-	52,598	-	46,023	-	-	28,301	2,000	20,086	3,000
<u>Payments:</u>											
Borrowings (External Loans)	(34,243)	(27,764)	(108,486)	(25,873)	(73,164)	(24,810)	(21,170)	(46,664)	(21,010)	(38,156)	(19,452)
<b>Net Cash provided (or used in) Financing Activities</b>	<b>(31,243)</b>	<b>(27,764)</b>	<b>(55,888)</b>	<b>(25,873)</b>	<b>(27,141)</b>	<b>(24,810)</b>	<b>(21,170)</b>	<b>(18,363)</b>	<b>(19,010)</b>	<b>(18,070)</b>	<b>(16,452)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(10,863)</b>	<b>28,123</b>	<b>(5,329)</b>	<b>(8,153)</b>	<b>(4,786)</b>	<b>8,908</b>	<b>754</b>	<b>(477)</b>	<b>7,326</b>	<b>2,347</b>	<b>4,443</b>
plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	65,719	54,856	82,979	77,650	69,497	64,711	73,619	74,374	73,896	81,222	83,569
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>54,856</b>	<b>82,979</b>	<b>77,650</b>	<b>69,497</b>	<b>64,711</b>	<b>73,619</b>	<b>74,374</b>	<b>73,896</b>	<b>81,222</b>	<b>83,569</b>	<b>88,012</b>

## Financial Expenses Assumptions

The financial assumptions that have been included in this LTFP include the following and are applicable to all scenarios.

Type	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
CPI	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

### Revenue

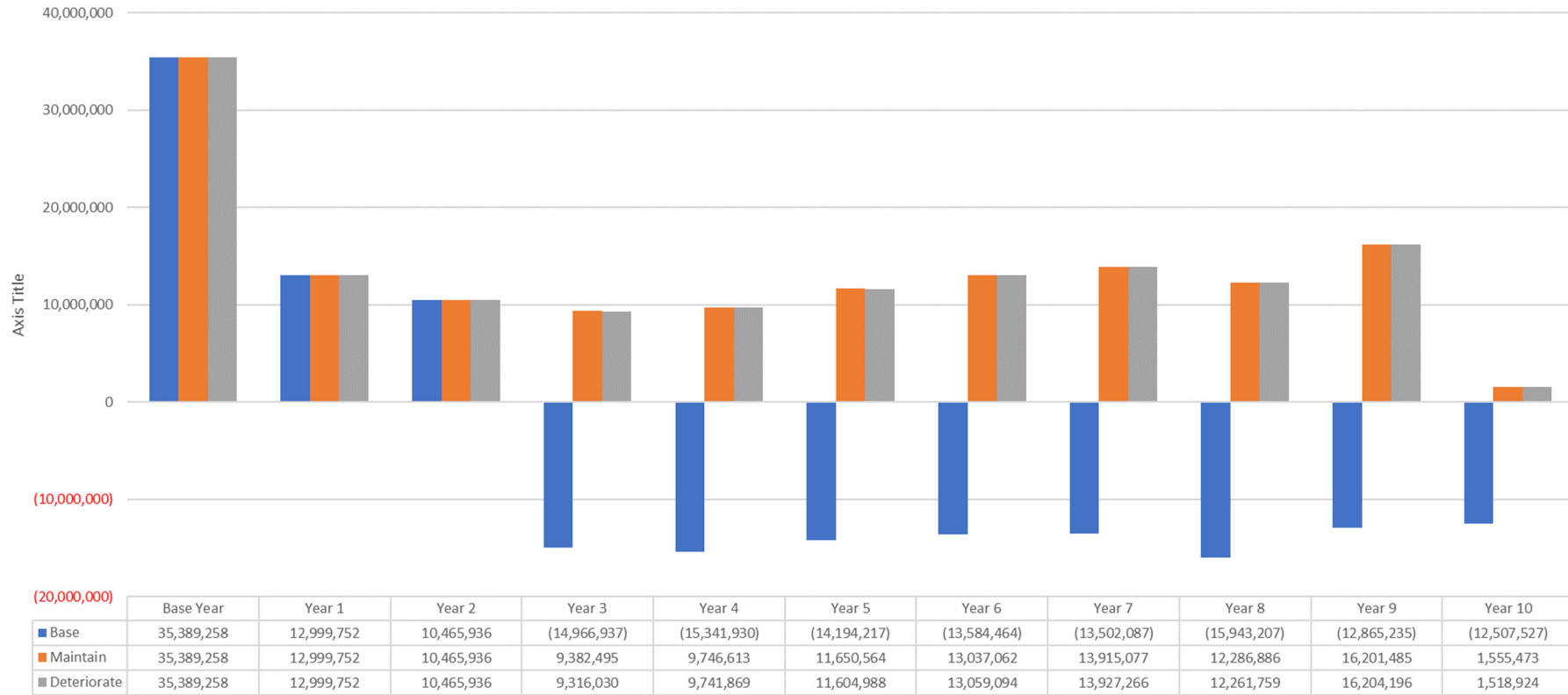
Rates	2.00%	1.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Annual Charges	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
User Charges & Fees	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Other Revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Other Income	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Grants and Contributions - Operating	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest & Investment Revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Internal Revenue	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Gain on Asset Disposal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants and Contributions - Capital	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

### Expenses

Employee Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Borrowing Costs	Based on loan repayment schedules and forecasted increase in interest rates when loans are refinanced										
Materials and Services	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Other Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss On Asset Disposal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Internal Expenses	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

## Comparison of Net Operating Results for the Three Scenarios (excluding Capital Income)

Net Operating Result excluding Capital Income





# Financial Performance

## Methods of Monitoring Financial Performance

The following information details the mathematical formula for each of the financial ratios above.

### Operating Performance Ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue. This ratio focuses on operating performance and excludes capital income from grants and contributions.

$$= \frac{\text{Total continuing operating revenue (excluding capital grants and contributions) less operating expenses}}{\text{Total continuing operating revenue (excluding capital grants and contributions)}}$$

### Own Source Operating Revenue Ratio

This ratio measures fiscal flexibility and the degree of reliance on external funding sources. A Council's fiscal flexibility improves the higher the level of its own source of revenue.

$$= \frac{\text{Total continuing operating revenue excluding all grants and contributions}}{\text{Total continuing operating revenue inclusive of capital grants and contributions}}$$

### Unrestricted Current Ratio

The purpose of this ratio is to demonstrate whether there are sufficient funds available to meet short term obligations.

$$= \frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$

### Cash Expense Cover Ratio

This liquidity ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow.

$$= \frac{\text{Cash and cash equivalents plus term deposits}}{\text{Cash flows from operating and financing activities}}$$

**Rates and Annual Charges Outstanding Percentage**

The purpose of this measure is to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.

$$= \frac{\text{Rates and annual charges outstanding}}{\text{Rates and annual charges collectible}}$$

**Debt Service Cover Ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.

$$= \frac{\text{Operating result before capital (excluding interest and depreciation, amortisation, impairment)}}{\text{Principal repayments and borrowing costs}}$$

# Revised Asset Management Strategy



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# Introduction

## What is the Asset Management Strategy

The Asset Management Strategy provides the overarching framework in how Council manages its assets and details:

- Council's asset portfolio and how these assets support service delivery to the community
- The total value and value of each asset class, as well as the current condition of assets
- Asset management practices and improvement actions

## Asset Management and the Special Variation

In May 2021 the Independent Pricing and Regulatory Tribunal (IPART) approved a temporary rate increase of 15% (including the 2% rate peg) which is retained in the rate base for three years and removed from the rate base at the end of the 2023-24 financial year. Council is currently exploring with ratepayers and residents the option to maintain the current temporary rate variation for a further seven years. It should be noted that the rate variation is to ensure the financial sustainability of Council, not to fund the upgrades of assets or enhance services.

As such this Asset Management Strategy contains only minor revisions. A comprehensive review of the Asset Management Strategy will be undertaken in preparation for the local government elections for the Central Coast have been held, which is likely to be in 2022.

Council has undertaken a preliminary consultation process to gauge expectations of the infrastructure assets and services that it provides. As part of the Special Variation (SV) submission that Council is proposing to maintain the current temporary rate, a number of consultation processes have been undertaken including a representative telephone survey, where residents were asked to explore the importance of, and satisfaction with, existing assets and services as well as investment for the construction of new assets. This information will be used to further explore acceptable condition levels for the asset categories and where funds should be spent in the future.

# About this Revised Asset Management Strategy

This Asset Management Strategy was originally prepared by Morrison and Low Consultants and adopted in 2018. This Strategy has been revised to include, where possible, more current information, but is largely based on the version adopted in 2018. Where information is no longer relevant to the current environment or is out of date it has been removed and will be incorporated into the comprehensive review.

Council has an Asset Management Policy which is contained within this Strategy. It provides a framework for managing infrastructure assets to support the delivery needs of the community. The Asset Management Strategy and Policy will be reviewed once local government election have been held for the Central Coast.

# Council's Asset Portfolio

Central Coast Council's total asset portfolio as at 30 June 2020 was \$9.3 billion across eight asset classes. These asset classes includes:

- Buildings
- Other Structures
- Roads
- Water Supply
- Sewerage Network
- Stormwater Drainage
- Open Space / Recreational
- Other Infrastructure

## Asset Values

As at 30 June 2020, the value of Council's assets were as follows.

Asset Class	Gross Replacement Cost (GRC)	Net Carrying Amount
Buildings	\$805,452,000	\$471,635,000
Other Structures	\$44,156,000	\$30,517,000
Roads	\$2,611,141,000	\$1,905,102,000
Water Supply	\$1,857,037,000	\$1,035,739,000
Sewerage Network	\$2,346,757,000	\$1,411,723,000
Stormwater Drainage	\$1,514,849,000	\$1,030,632,000
Open Space / Recreational	\$131,232,000	\$82,475,000
Other Infrastructure	\$48,508,000	\$28,938,000
<b>Total</b>	<b>\$9,359,132,000</b>	<b>\$5,996,761,000</b>

## Asset Backlog

As at 30 June 2020, the cost to bring Council's assets to satisfactory standard was over \$205 million or a backlog ratio of 3.43%. The breakdown of backlog per asset class is as follows. This backlog is above the 2% benchmark set by the Office of Local Government.

Asset Class	Cost to bring to a satisfactory standard	Backlog Ratio
Buildings	\$1,180,000	0.25%
Other Structures	\$244,000	0.80%
Roads	\$62,935,000	3.30%

Asset Class	Cost to bring to a satisfactory standard	Backlog Ratio
Water Supply	\$48,293,000	4.66%
Sewerage Network	\$73,226,000	5.19%
Stormwater Drainage	\$16,917,000	1.64%
Open Space / Recreational	\$967,000	1.17%
Other Infrastructure	\$1,666,000	5.76%
<b>Total</b>	<b>\$205,428,000</b>	<b>3.43%</b>

## Asset Condition

As at 30 June 2020, most of Council's assets were in 'excellent' or 'very good' condition. The asset condition of each asset class is as follows, with the condition represented as a percentage of the gross replacement cost of Council's eight asset classes.

Asset Class	Asset Condition (% of Gross Replacement Cost)				
	Very Good	Good	Satisfactory	Poor	Very Poor
Buildings	28.1%	38.0%	33.2%	0.7%	0.0%
Other Structures	57.3%	20.1%	20.0%	2.3%	0.3%
Roads	54.1%	21.8%	20.1%	2.6%	1.4%
Water Supply	17.1%	46.5%	31.3%	0.8%	4.3%
Sewerage Network	13.5%	70.6%	10.0%	0.6%	5.3%
Stormwater Drainage	12.6%	76.3%	9.5%	0.6%	1.0%
Open Space / Recreational	49.3%	31.7%	15.0%	3.8%	0.2%
Other Infrastructure	31.3%	28.6%	25.3%	12.8%	2.0%

## Asset Expenditure

Council's income for water supply, sewerage network and the stormwater drainage network is controlled by IPART, who provide independent regulatory advice and decisions on fees and charges. A determination of Council's water, sewer and stormwater pricing is currently under review, with IPART to provide final determination in May 2022. This directly impacts on the funds able to be expended on these assets. Due to Council's financial situation, the focus for the remainder of Council's assets is to maintain and renew existing assets and to address the asset backlog. There is a limited expenditure on new assets.

## Asset Classes and Services

Council's assets assist in Council delivering services to its community. The eight asset classes are linked to the following services. Note: Some asset classes can be linked to more than one service.

Asset Class	Service Link
<b>Buildings</b>	<ul style="list-style-type: none"> <li>Galleries</li> <li>Stadium</li> </ul>
<b>Other Structures</b>	<ul style="list-style-type: none"> <li>Theatres</li> <li>Child Care</li> </ul>



Asset Class	Service Link
	<ul style="list-style-type: none"> <li>• Community Facilities Management</li> <li>• Rangers (Animal Care Facility)</li> <li>• Airport</li> <li>• Commercial Properties and Leasing</li> <li>• Libraries</li> <li>• Beach Safety (Surf Life Saving Clubs and Lifeguard towers)</li> <li>• Corporate Facilities Management</li> </ul>
<b>Roads</b>	<ul style="list-style-type: none"> <li>• Car Park Operations</li> <li>• Traffic and Safety Regulation</li> <li>• Roads</li> <li>• Bridges</li> <li>• Wharves and Jetties</li> <li>• Shared Pathways</li> <li>• Street Lighting</li> <li>• Streetscapes</li> </ul>
<b>Water Supply</b>	<ul style="list-style-type: none"> <li>• Water Supply and Sewer Treatment</li> </ul>
<b>Sewerage Network</b>	
<b>Stormwater Drainage</b>	<ul style="list-style-type: none"> <li>• Drainage Network</li> </ul>
<b>Open Space / Recreational</b>	<ul style="list-style-type: none"> <li>• Boat Ramps</li> <li>• Parks and Playgrounds</li> <li>• Leisure Centres and Pools</li> <li>• Sportsgrounds</li> </ul>
<b>Other Infrastructure</b>	<ul style="list-style-type: none"> <li>• Resource Recovery</li> <li>• Plant and Fleet Management</li> <li>• Stores and Inventory</li> <li>• Information Management</li> </ul>

# Asset Management Policy

## Policy Statement

This asset management policy has been developed to ensure that the assets utilised by Council to ensure quality services to the Central Coast community are managed, maintained and renewed in a manner that is sustainable and meets Community expectations.

To meet the objectives of Council's Community Strategic Plan, Council should:

- Prepare an integrated Asset Management Strategy and Asset Management Plan(s) which supports the Community Strategic Plan, Delivery Plan and Resourcing Strategy
- Ensure that the Asset Management Strategy and Plan(s) cover a minimum timeframe of ten years
- Ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy
- Engage with community to establish agreed levels of service for delivery of infrastructure assets
- Ensure that the Asset Management Strategy identifies assets that are critical to the Council's operations and outline risk management strategies for these assets as per Enterprise Risk Management Framework
- Ensure that the Asset Management Strategy includes specific actions required to improve the Council's asset management capability and projected resource requirements and timeframes

The principals of asset management have been built around 'strong customer focus' where communities have a say in the future decision making. These principles are:

- Have good understanding of our infrastructure assets, their criticality and consequences associated with poor management of assets
- Identify key issues with asset management practices and continuously work towards improvement
- Consult and engage with community on key issues affecting the delivery of services and infrastructure assets
- Provide value for money solutions for community through effective planning around budget and operations
- Clearly define infrastructure asset service levels and communicate outcomes with community
- Take life cycle approach in managing infrastructure assets
- Manage risks associated with infrastructure assets
- Strive for sustainable environmental performance

The policy objectives are:

- Provide infrastructure and services that:
  - Meet the needs of the community including vulnerable members of community
  - Support quality of life and amenity
  - Adapt to emerging needs in sustainable transport
  - Contribute to sustainable lifestyle
- Implement transparency and trust in management of infrastructure assets by:
  - Engaging with community to establish satisfactory and agreed level of services
  - Consulting with community on all 'new' initiatives or projects
  - Increasing community involvement in initiatives which contribute to sustainable lifecycle
  - Providing access to community to prioritised schedule of infrastructure works
- Implement a life-cycle approach to the management of infrastructure assets where:
  - Asset planning decisions are based on an evaluation of alternatives that consider the 'whole of life' of an asset through acquisition, operation, maintenance, renewal and disposal
  - The asset management cycle considers the current and future environmental, economic, cultural and social outcomes
- Continuously address key issues related asset to assets by:
  - Creating an asset management improvement plan
  - Developing and continuously updating asset management plans
- Provide a sustainable funding model that aligns with the Central Coast Council's long term plans and community needs by:
  - Funded model for all asset related services extending at least 10 years into the future that addresses the need for funds, considers renewal peaks and troughs and identifies how the funds will be sourced
- Provide reliable asset and infrastructure data through supported digital platforms demonstrated by:
  - Implementation of sound data governance and data quality management
  - Access to systems and information wherever possible
- Ensure compliance with legislative requirements by:
  - Having clear policies, processes and information to ensure that organisational objectives and legislative requirements are met
- Allocate asset management responsibilities where:
  - The roles and responsibilities of Council, CEO and Unit Managers are clearly identified

# Purpose

The purpose of this Asset Management Policy is to set out principles which guide how asset management will be implemented to achieve the asset management objectives set by Central Coast Council.

The aim of the policy is to ensure that the Council has information, knowledge and understanding about the long-term consequences of being the custodian of public infrastructure.

The policy will also demonstrate Council's commitment to the responsible management of its assets and set guidelines for implementing consistent asset management processes throughout Central Coast Council.

# Scope

This policy applies to all infrastructure assets owned or controlled by Central Coast Council related to the service provision to the community including:

- Transport assets (roads, bridges, footpaths, etc.),
- Drainage assets
- Water supply assets
- Sewerage assets
- Parks and recreation assets
- Buildings assets
- Environment and waterways assets
- Plant and fleet assets

# General

The implementation of this policy will rely upon the efforts of three key groups. The responsibilities of these groups are:

- Elected Council:
  - Provide stewardship
  - Consider the impact on Council's asset base of planning, financial and service level decisions
  - Adopt the Asset Management Policy and Strategy
- General Manager (CEO), Executive and Unit Managers:
  - Ensure that sound business principles are reflected in the Asset Management Strategy and Plans that are developed and implemented
  - Ensure community is involvement and engaged on all key Council matters affecting service delivery
  - Ensure service levels are communicated and agreed for all main asset groups

- Support the implementation of the Asset Management Strategy and associated Asset Management Improvement Plan
- Approve the Asset Management Plans
- Ensure the integration and compliance with the Asset Management Policy and Strategy with other policies and business processes of the organisation
- Facilitate 'best appropriate practice in asset management'
  
- Technical Asset Working Group:
  - Review Asset Management Policy and Strategy
  - Take responsibility for the implementation of the Asset Management Improvement Plan
  - Identify and develop appropriate policies and procedures to ensure effective Asset Management across the organisation
  
- Unit Managers and Coordinators:
  - Develop and maintain Asset Management Plans
  - Facilitate community consultation to establish agreed service levels
  - Develop and maintain asset maintenance and renewal plans
  - Provide professional advice and comments to other departments of Council in relation to asset management
  - Develop and maintain an Asset Management Information System to facilitate efficient and effective asset management

## Adoption of the policy

This Asset Management Policy was adopted in 2018. A review of the Policy will be undertaken as part of the comprehensive review of the Asset Management Strategy in 2022.

# Asset Management Practices

## Current Operating Status

Central Coast Council is an amalgamated Council. As part of the “merger” process significant effort has been undertaken to merge information, processes and data sources from the former councils. As would be expected this is a lengthy and ongoing process, and staff are working to ensure accuracy and currency of data.

As such, Council has been utilising the existing systems and hybrids of those systems to manage assets. The asset management practices are evolving and improving with decisions regarding asset systems being addressed.

Work will continue to ensure that there is one Central Coast Council asset management system and processes that will ensure that best value in asset management is achieved.

## Asset Management System

Central Coast Council uses Oracle Fusion Financials as the corporate software solution for the Financial Management System (FMS). Accounting and financial reporting on information provided by FMS will be provided through a corporate reporting tool.

The Finance department has overall responsibility and accountability for maintaining data in the FMS. All directorates with assets are responsible and accountable for ensuring that Asset Management (AM) data required for the FMS is accurate and that budgets are incorporated into the Delivery Program and Operational Plan.

## Data Collection and Validation

As part of the Asset Management Improvement Plan asset conditions will be continually monitored with particular focus on the poor condition assets.

In the roads asset the aim is to optimise Council’s road renewal expenditure and develop services levels based on overall pavement conditions. This index looks at a range of factors impacting on the road condition and assists in optimising Council’s renewal expenditure and achieving best value while minimising overall lifecycle cost of the assets.

Council will continue to collect and monitor asset conditions and improve its asset data collection practices, but ongoing validation of condition data and reviews of the asset registers is necessary.

## Confidence in Data

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system.

Confidence Grade	Definition
<b>Highly Reliable</b>	Data based on sound records, procedure, investigations, and analysis that is properly documented and recognised as the best method of assessment
<b>Reliable</b>	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation
<b>Uncertain</b>	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample
<b>Very Uncertain</b>	Data based on unconfirmed verbal reports and/or cursory inspection and analysis

Summary of confidence in asset data for all asset classes is detailed in the table below.

Asset Class	Confidence Grade
<b>Roads and Transport</b>	Reliable
<b>Stormwater Drainage</b>	Reliable
<b>Parks and Recreation</b>	Uncertain
<b>Buildings</b>	Reliable
<b>Water Supply</b>	Reliable
<b>Sewerage</b>	Reliable
<b>Natural Environment and Waterways</b>	Uncertain
<b>Plant and Fleet</b>	Reliable

# Funding Strategy

The fundamental approach that Council has taken is to align the financial strategy to the asset management policy and have budgets based on lifecycle requirement of assets.

Council will plan capital upgrade and new projects to meet the Level of Service objectives by:

- Planning and scheduling capital upgrades and new projects to deliver the defined level of service in the most efficient manner.
- Undertake project scoping for all capital upgrade and new projects to identify:

- The service delivery 'deficiency', present risk and required timeline for delivery of the upgrade and new asset.
- The project objectives to rectify the deficiency including value management for major projects.
- The range of options, estimated capital and life cycle costs for each option that could address the service deficiency.
- Management of risks associated with alternative options.
- Evaluate the options against evaluation criteria adopted by Council.
- Select the best option to be included in capital upgrade and new programs, with any focus on new projects generally from existing grant commitments and Developer Contributions
- Review current and required skills base and implement training and development to meet required construction and project management needs.
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade and expansion of existing assets are the same as those for asset renewals.

## Strategic Actions

Since the Asset Management Strategy was originally adopted in 2018, Council has progressed a range of governing actions to improve its asset management approach, including but not limited to:

- Implementation of a new internal committee and internal working group to oversee asset management decisions
- Implemented a new Asset Responsibility Matrix to improve internal decision making and improve stakeholder engagement
- Implementation of a capital works committee that oversees the delivery of the entire capital program across all directorates adding additional governance to the delivery of the program
- Addressing the impacts of the infrastructure backlog through improved planning
- Improved the 10 year planning for assets with completed plans for the following asset classes:
  - Roads and Drainage Assets
  - Water and Sewer Assets.

Taking this into consideration the following strategic actions that were developed in 2018 are still applicable across all asset classes, with continued review and improvements being implemented.

No	Strategy	Desired Outcome
1	Further develop and revise Asset Management Plan expenditure projections to incorporate the Long Term Financial Plan forecasting a ten year period	Sustainable funding model to provide Council services
2	Review and update asset management plan financial projections and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions



No	Strategy	Desired Outcome
3	Continue to report Council's financial position at Fair Value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis	Financial sustainability information is available for Council and the community
4	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
5	Implement an improvement plan to initially realise 'core' maturity for the financial and asset management competencies, then progress to 'advanced' maturity	Improved financial and asset management capacity within Council

# Levels of Service

## Defining Levels of Service

There are a variety of ways to describe Levels of Service (also known as service level). The concept adopted in this strategy is that *Levels of Service are output descriptions supported by quantifiable performance measures.*

A level of service is a measurable description of what Council delivers (or intends to deliver) in a particular activity which relates to something that can be controlled. Service levels may relate to:

- How reliable the asset is?
- The right quality of the assets
- Having the right quantity of assets
- The safety/risk/security of the assets.

The objective of asset management is to enable assets to be managed in the most cost-effective way, based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the Levels of Service.

## Performance Measures

The level of service statement is supported by performance measure(s), also referred to as performance indicators that express how the organisation is performing in relation to that level of service. The performance measure includes targets that are devised from customer and technical measures. Customer measure focus is how the customer receives the service, technical measures support the customer measures ensuring all aspect of organisational performance are monitored, even those that may not be understood by customers.

In the individual asset management plans, the level of services is prepared so that they are clearly and directly linked with the performance measures. For some performance measures in this plan, Council will have full control over the outcome (for example 'respond to service requests within seven days').

It is important to recognise that some performance measures will be influenced by external factors (for example, the number of fatalities can be influenced by road management, but driver behaviours, police enforcement and number of other factors also strongly contribute to the overall outcome).

# Service Level Outcomes

The Levels of Service in the individual asset management plans have been developed with a customer focus and are grouped into core customer value areas that are referred to as 'Service Level Outcomes'. These service level outcomes (sometimes referred to as service criteria) encompass:

- Accessibility and/or availability
- Affordability
- Health and safety
- Quality and condition
- Reliability and responsiveness
- Customer satisfaction
- Sustainability

## **Accessibility**

To ensure the asset base performs as required it is essential that the asset, no matter which type of asset, is generally available to the community as required. As a service outcome the Council's customer will require assets that are accessible and can be relied upon to deliver the services that are not only expected, but the services that are required.

## **Affordability**

Council will maintain its infrastructure assets in a cost effective affordable manner in accordance with responsible economic and financial management.

In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to ensure that assets are maintained in their current condition.

## **Health and Safety**

Council will endeavour to identify and mitigate all key health and safety risks created by provision of services. Examples of level of service based on safety might include the following:

- Services do not cause a hazard to people
- Water is safe to drink
- Sewage is managed without risk to public health

Each of the service level outcomes is related directly to the Community Strategic Plan by the way each asset class helps deliver the services required by the community. These service level outcomes are essential to ensure the asset portfolio is not only maintained to a satisfactory level but also caters for the future demands of the community while balancing the potential risks to the community and Council.

## Quality and Condition

Asset quality is also very important. Council should determine the quality of the assets required. Quality will have more to do with manner and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.

Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition.

Council uses a scale of 0 - 5, where 0 = new and 5 = totally failed. A typical condition rating matrix is detailed below.

Rating	Condition	Description	Guide	Residual life as a % of total life	Mean percentage residual life
1	Very Good	An asset in excellent overall condition however is not new and providing its intended level of service.	Normal maintenance required	>86	95
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very Poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep	Over 50% of the asset requires renewal	<10	5

Rating	Condition	Description	Guide	Residual life as a % of total life	Mean percentage residual life
		the asset in service in the near future			

## Responsiveness

Council will maintain assets in a workman-like manner and be responsive to current and future needs of the community. Whilst this may be difficult in some instances, Council places a high emphasis on customer service and its responsiveness to customer enquiries. Strategies will be implemented to ensure that Council maintains a high level of customer support.

## Customer Satisfaction

Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

## Sustainability

Council will ensure that its assets are maintained in a manner that will ensure the long term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets within available funding limits.

# Financial Based Service Levels

The premise of asset management is that asset requirements and strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the Levels of Service for Council's assets that have been used to provide the basis for the life cycle management strategies and works programme identified within this AM strategy.

Levels of Service is a generic term used to describe the quality of services provided by an asset. Some specific financial based service levels are described below.

## Asset Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a Council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the Carrying value of infrastructure, building, other structures and depreciable land improvement assets.

### **Asset Consumption Ratio**

This ratio is the average proportion of 'as new' condition remaining for assets. The ratio shows the written down current value of the local government's depreciable assets relative to their 'as new' value. It highlights the aged condition of a local government's stock of physical assets and the potential magnitude of capital outlays required in the future to preserve their service potential. This ratio is also a measure of Council's past commitment to renewal of the asset class. A consumption ratio of less than 50% would suggest that past renewal funding has been inadequate or that the asset could expect to decay more rapidly.

### **Asset Sustainability Ratio**

Are assets being replaced at the rate they are wearing out? This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the rate of depreciation of assets for the same period. A local government would need to understand and be measuring its renewal expenditure to be able to determine this ratio.

### **Asset Renewal and Renewals Funding Ratio**

Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its long term financial plan to adequately fund asset renewals.

### **Asset Maintenance Ratio**

This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that the council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100%.

# Future Demand

## Demand Forecast

The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in:

- Population growth and reduction
- Changes in the demography of the community
- Lifestyle changes
- Residential occupancy levels
- Commercial and industrial demand
- Technological changes which impact the asset
- The economic situation
- Government policy
- Environmental.

The Central Coast Regional Plan 2036 will help guide the NSW government’s land use planning use planning priorities and decisions over the next 20 years. The Regional Plan provides an overarching framework that will guide the preparation of detailed land use plans.

Demand Drivers	Present Position	Projection	Impact on Services
<b>Residential Development</b>	<ul style="list-style-type: none"> <li>• Estimated population in 2016 of 335,309</li> <li>• Currently 157,650 dwelling</li> </ul>	<ul style="list-style-type: none"> <li>• Estimated population of 415,000 by 2036 an increase of 79,691 people</li> <li>• This will result in an additional 41,500 dwellings by 2036</li> </ul>	Increased demand for services and increased usage of Community facilities
<b>Commercial Development</b>	<ul style="list-style-type: none"> <li>• Currently 115,443 jobs</li> </ul>	<ul style="list-style-type: none"> <li>• It is estimated that by 2036 there will be an additional 24,674 jobs created</li> </ul>	

## Changes in Technology

Technology changes may affect the delivery of infrastructure services as a result of improvements to construction materials, methods, maintenance and operations. These may potentially increase the life of some assets and reduce susceptibility to damage.

## Demand Management Strategies

Demand management strategies will be developed for each asset class to effectively manage the growth of the Central Coast. The plans will also need to manage the changing expectations of the community as the demographic profile of the area changes and develops.

## Demand Management Plan

The following general implications and impacts predicted on the Council assets, based upon changes and trends, are detailed below.

<b>Demand Factor</b>	<b>Impact on Services</b>
<b>Population</b>	Population growth will place an increased demand on assets, especially libraries and community centres
<b>Demographics</b>	The trend towards multicultural society, an increasing and older population will place an increased demand on some assets, especially aged care facilities, community centres and recreation assets
<b>Social/Economic</b>	Not directly applicable
<b>Transportation Changes</b>	Smart, multi-modal transport solutions will be required to keep up with the growth and provide cheap, efficient and sustainable means of transport
<b>Increasing Costs</b>	Requirement to continue to maximise service delivery within the funding limitations
<b>Environment and Climate</b>	Some assets may be impacted by change such as more severe weather events
<b>Lifestyle</b>	Will impact on the type and size of facilities provided into the future
<b>Technology</b>	May require improved environmental management of facilities



# Risk Management

## Asset Management and Risks

Risk Management is defined in AS/NZS 4360:2004 as *the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects*. A high level risk assessment process to identify risks and to outline a plan to address the risks relating to assets was undertaken. The risk assessment process was carried out generally in accordance with Australian Standard for Risk Management AS/NZS 4360:2004.

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
<b>Almost certain</b>	Medium	High	Extreme	Extreme	Extreme
<b>Likely</b>	Medium	Medium	High	Extreme	Extreme
<b>Possible</b>	Low	Medium	High	Extreme	Extreme
<b>Unlikely</b>	Low	Low	Medium	High	Extreme
<b>Rare</b>	Low	Low	Medium	High	High

The risk assessment process identified and evaluated community and service risks that may impact on the community and delivery of services and developed a risk treatment plan.

## Enterprise Risk Management Framework

Council's Enterprise Risk Management (ERM) Framework covers wide range of projects, programs and activities. The plan feeds into the Delivery Program and Operational Plan and is also to be used in management of assets or infrastructure related risk.

Council's risk management process closely follows guidelines that set out in AS/NZ 31000:2009.

Council operates a wide range of diverse projects, programs and activities and has a large number of diverse stakeholders with varying needs and expectations. Therefore, the scope of Council's organisation-wide risk management must encapsulate all activities. Specifically, the context of risk management will include:

<b>Governance</b>	Sound processes for decision-making i.e. the processes by which decisions are implemented or not implemented
<b>Compliance</b>	Meeting the expectations and requirements of those stakeholders who regulate the organisation
<b>WH&amp;S</b>	Achieve fewer and less severe injuries, better trained and informed employers and workers, improved morale among workers
<b>Financial</b>	Includes strategic and business planning, financing and accounting
<b>Operational</b>	Includes programs, activities and processes to deliver internal and external services
<b>Environmental</b>	Given exposure or series of exposures that may damage human health or the physical environment

## Critical Assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas.

ISO 55001 Cl 6.2.1.2b requires organisations to *review the importance of assets related to their intended outcomes, objectives and product or service requirements*. ISO 55002 Cl 6.2.2.1 suggests that a *risk ranking process can determine which assets have a significant potential to impact on the achievement of AM objectives*.

Council has used a basic approach in identifying critical assets for each major asset class. The approach uses the 'Critical Asset Risk Matrix' developed by Morrison Low Consultants that rates Council-owned assets from high to low in importance, significance and consequences. The assets identified as high have currently been ranked as critical. Taking into account the critical risk matrices and based on the operational expertise and experience of Council officers, the following assets have been considered the most critical assets for the organisation as a whole. Risk mitigation strategies should be developed for all critical assets.

<b>Asset Class</b>	<b>Organisational Critical Asset</b>
<b>Buildings</b>	<ul style="list-style-type: none"> <li>• Wyong Administration Building</li> <li>• Erina Works Depot</li> <li>• Woy Woy Works Depot</li> <li>• Charmhaven woks Depot</li> <li>• Long Jetty Works Depot</li> <li>• Kariong Fire Control Centre</li> <li>• Charmhaven Fire Control Centre</li> <li>• Wyong SES</li> </ul>
<b>Water Supply</b>	<ul style="list-style-type: none"> <li>• Water treatment plants</li> <li>• Dam</li> <li>• Water pump stations</li> </ul>
<b>Sewer network</b>	<ul style="list-style-type: none"> <li>• Sewer treatment plants</li> <li>• Sewer pump stations</li> </ul>
<b>Roads</b>	<ul style="list-style-type: none"> <li>• Sealed and unsealed roads</li> </ul>

Asset Class	Organisational Critical Asset
	<ul style="list-style-type: none"><li data-bbox="491 230 635 266">• Bridges</li><li data-bbox="491 271 660 306">• Footpaths</li></ul>
<b>Stormwater drainage</b>	<ul style="list-style-type: none"><li data-bbox="491 315 639 351">• Culverts</li><li data-bbox="491 356 740 392">• Detention basins</li><li data-bbox="491 396 584 432">• Pits</li><li data-bbox="491 436 603 472">• Pipes</li><li data-bbox="491 477 687 512">• Open drains</li></ul>

# Workforce Management Strategy



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# Introduction

## What is the Workforce Management Strategy

The Workforce Management Strategy is an essential component of the Resourcing Strategy, designed to ensure Council is appropriately staffed to meet the current and future service needs of the Central Coast community over the three years of the Delivery Program, and more generally over the ten years of the Community Strategic Plan.

It is important to note that the Workforce Management Strategy has been developed based on Council maintaining the rate variation of 15% (including rate peg). Failing to maintain the rate variation beyond the 2023-24 financial year will result in service changes and subsequent workforce changes. More information on the services Council delivers and the likely impacts of not maintaining the SV are included in the Delivery Program (including Operational Plan).

## Council's Workforce and its Financial Recovery

In order for Council to achieve financial sustainability a number of cost management measures have been implemented, which includes a \$30 million reduction in employee costs. At its peak Council's headcount was 2,719. During 2020-21, an organisational restructure was undertaken, with voluntary redundancies offered as part of the process. At the conclusion of the restructure, the headcount had been reduced to 2,183. This Strategy follows that process and focusses on maintaining current employee costs, with the assumption that the SV will continue beyond June 2024.

# Statement of Workplace Culture

*The Central Coast is a stunningly unique region, with diverse natural assets, lakes, beaches, bushland and forests, a complex tapestry of environmental beauty and economic prospects. The biodiversity of our landscape is strengthened with a passionate and committed community supported by the workforce of Central Coast Council.*

*The past few years have proven difficult for many and we are no exception. We all want to see Central Coast Council as a capable, responsible and efficient organisation that is trusted and respected by its staff and community, embracing a culture that is informed and driven by our people and Corporate Values.*

*The implementation of this strategy will assist us in rebuilding the foundations of our workplace to create a successful organisation that puts the community at the heart of everything we do.*

**David Farmer,**  
Chief Executive Officer

# Organisational Structure

<b>Administrator</b> - Rik Hart				
<b>Chief Executive Officer</b> - David Farmer				<b>Internal Ombudsman</b>
<b>Corporate Affairs</b> Natalia Cowley	<b>Community and Recreation Services</b> Brian Bell (acting)	<b>Environment and Planning</b> David Milliken (acting)	<b>Infrastructure Services</b> Boris Bolgoff	<b>Water and Sewer</b> Jamie Loader
Communications, Marketing and Customer Engagement	Community and Culture	Development Assessment	Engineering Services	Headworks and Treatment
Economic Development and Property	Leisure, Recreation and Community Facilities	Environmental Compliance and Systems	Roads and Drainage Infrastructure	Planning and Delivery
Facilities, Asset and Energy Management	Libraries and Education	Environmental Management	Roads Construction and Maintenance	Network Operations and Maintenance
Finance	Open Space and Recreation	Strategic Planning	Waste and Resource Recovery	
Governance and Risk				
Information and Technology				
Legal				
People and Culture				
Plant and Fleet				
Procurement and Project Management				



# Organisational Vision and Values

A vibrant organisation doing great things



BE SAFE



BE POSITIVE



BE YOUR BEST



SERVE



COLLABORATE



IMPROVE

# About the Workforce

## Key Metrics

Central Coast Council is a complex organisation employing 2,172 people (headcount) across a range of services. These services include community development and programs, engineering, construction and design, recreational services, information services, administration and support, economic development, and land use planning.

To deliver such a diverse range of services, we need a workforce that has a range of capabilities, knowledge and qualifications. In order to meet the needs of the community this means regularly monitoring our workforce profile to ensure that Council continues to have a diverse workforce with the right skills, knowledge and behaviours.

The Historic workforce data below is as at 30 June 2021, while the Present figures are as at 1 December 2021 (unless stated otherwise). Any projections assumes the rate variation has been applied. If the rate variation of 15% (including rate peg) is not maintained then services will need to be reduced or ceased, which would also mean headcount and positions would be reduced. More information on the services Council delivers and the likely impacts of not maintaining the rate variation are included in the Delivery Program (including Operational Plan).

## Headcount and Turnover Rate

Headcount*		Turnover Rate**	
Historic	Present	Historic	Present
2020-21	2021-22	2020-21	2021-22
2,183	2,172	25.2%	15.37%

\*This includes all employees (full time, part time, temporary and casual workers. This number fluctuates as roles are filled or become vacant.

\*\*This historic rate includes redundancies as part of the 2021 restructures.

## Gender



## Gender of Leadership

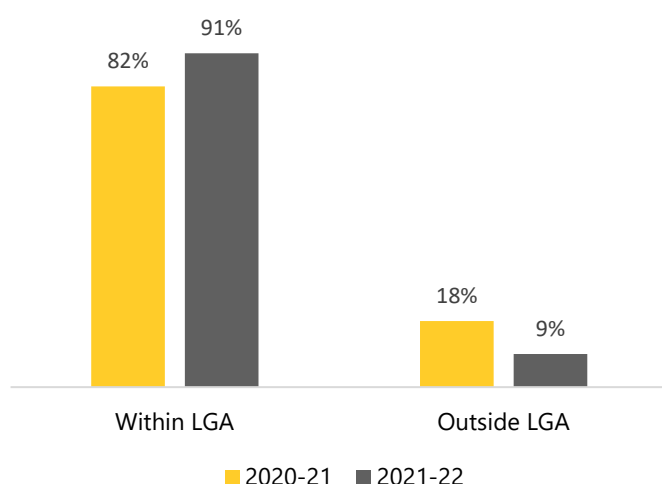
Leadership Category	Female	Male	Total
Executive Leadership Team	1	5	6
Unit Manager	6	17	23
Section Manager	32	43	75
Team Leader	58	91	149
<b>Grant Total</b>	<b>97</b>	<b>156</b>	<b>253</b>

## Employment Type by Department

Employment Type	Community and Recreation Services	Corporate Affairs	Environment and Planning	Infrastructure Services	Water and Sewer	CEO Office	Total
Permanent	394	514	259	302	244	5	1,718
Apprentice	0	4	0	1	5	0	10
Casual	362	9	0	9	0	0	380
Trainee	8	0	1	0	1	0	10
Temporary*	35	5	6	2	6	0	54
<b>Total</b>	<b>799</b>	<b>532</b>	<b>266</b>	<b>314</b>	<b>256</b>	<b>5</b>	<b>2,172</b>

\*Temporary – fixed term

## Employees who live within the LGA



## Length of Service and Age of Workforce

Length of Service Years	Historic	Present	Age of Workforce Age	Historic	Present
	2020-21	2021-22		2020-21	2021-22
<1	109	170	<18	19	12
1 – 5	801	748	18 - 25	201	203
6 – 10	346	327	26 - 35	355	344
11 – 15	325	329	36 - 45	525	525
16 – 20	267	263	46 - 55	567	565
21 – 24	120	117	56 - 65	456	459
25 – 29	123	129	66 - 75	59	63
>30	92	89	75 >	1	1

## Workforce Distribution\*

Directorate	Headcount		Gender Diversity	
	Headcount	Percentage	Men	Women
Chief Executive Officer	5	0.23%	20%	80%
Community and Recreation Services	800	36.78%	41.5%	58.5%
Corporate Affairs	532	24.46%	48.7%	51.3%
Environment and Planning	263	12.09%	53.3%	43.7%
Infrastructure Services	317	14.57%	87.7%	12.3%
Water and Sewer	258	11.86%	85.3%	14.7%
<b>Total</b>	<b>2,175</b>	<b>100%</b>	<b>57%</b>	<b>43%</b>

\*As at 30 September 2021 – includes all permanent, temporary fixed term and casual employees

# Current and Future Workforce Needs

## Workforce Planning

### Guiding Principles

- Building a capable, responsible and efficient organisation that is trusted and respected by its staff and community.
- Attracting and Retaining Talent to deliver services to the Central Coast.
- Robust talent, succession and workforce planning to ensure we have ability to deliver on Council's strategic and operational programs
- Effective capability building and development of our people to enable peak performance
- Financially accountable and fiscally responsible workforce
- Continue to nourish and improve on our culture of safety and wellness through ensuring the ongoing demonstration of our constructive safety attitude and behaviour

### Workforce Planning Process

Workforce planning is a continuous process which involves analysis of future workforce needs with current workforce capability, to determine actions required to meet strategic objectives that support community outcomes. In its most simplistic form, it's about having the right number of people, with the right skills, in the right jobs, at the right time.

#### Workforce Planning Process e Planning Process

Analysing the current workforce	Does our current workforce and structure help meet community needs?
Forecasting future needs	What labour will we need to deliver the programs of work the community are expecting?
Capability gaps identified	What skills do our current and future people need to deliver on our plans for our community?
Developing plans to address need	Creating opportunities and actions to address the development and performance needs of our people.
Implementing actions	Action the programs of work for our people to ensure we have right skills to deliver to the best of our ability.
Assess and review strategy	Test how we are going and review any amendments required.



## Council Services

As detailed in the table below Council delivers a range of services to the community. In delivering these services a range of skills, knowledge and experience is required for each, which are considered as part of the workforce planning process.

Service Area	Service	Service Outputs
Arts and Entertainment	Galleries	<ul style="list-style-type: none"> <li>Exhibitions</li> <li>Venue for display of community art groups</li> <li>Art classes</li> <li>Garden maintenance</li> </ul>
	Stadium	<ul style="list-style-type: none"> <li>Community and corporate events</li> <li>Venue hire</li> <li>Venue marketing</li> <li>Signage sales</li> </ul>
	Theatres	<ul style="list-style-type: none"> <li>Theatre space hire</li> <li>Theatrical productions</li> <li>Community organisation partnership</li> <li>Internal / external TV content</li> </ul>
Cemeteries	Cemeteries	<ul style="list-style-type: none"> <li>Interment sites</li> <li>Bereavement and cemetery services</li> <li>Perpetual maintenance and care of cemeteries</li> <li>Community events and information sessions</li> </ul>

Service Area	Service	Service Outputs
Childcare	Childcare	<ul style="list-style-type: none"> <li>• Early childhood education and preparedness for school</li> <li>• Support for children with additional needs / vulnerable or at risk</li> <li>• Speech therapy assessment / referral and support</li> <li>• Provision of care for working and studying families</li> </ul>
Community Connections	Community Development	<ul style="list-style-type: none"> <li>• Community programs and activities</li> <li>• Community network co-ordination</li> </ul>
	Community Education	<ul style="list-style-type: none"> <li>• Workshops, tours and events</li> <li>• Program, resource and collateral development</li> <li>• Schools education</li> <li>• Community education</li> </ul>
	Community Grants and Sponsorship	<ul style="list-style-type: none"> <li>• Administer Council funded grants program</li> <li>• Administer externally funded grants programs</li> </ul>
	Community Programs	<ul style="list-style-type: none"> <li>• Youth Services</li> <li>• Senior Services</li> <li>• Social Planning</li> <li>• Cultural Planning</li> </ul>
Community Facilities	Community Facilities Management	<ul style="list-style-type: none"> <li>• Programmed building maintenance works</li> <li>• Reactive building maintenance works</li> <li>• Community facilities operation and hire</li> <li>• Lease and license management</li> <li>• Security access and monitoring</li> <li>• Graffiti removal</li> </ul>
	Public Conveniences	<ul style="list-style-type: none"> <li>• Clean and hygienic public toilets</li> <li>• Graffiti removal</li> <li>• Maintenance and vandalism reports</li> <li>• Minor repairs</li> </ul>
Community Relations	Community Engagement	<ul style="list-style-type: none"> <li>• Online consultation hub</li> <li>• Community engagement events</li> <li>• Engagement analysis and reports</li> <li>• Community engagement advice</li> </ul>
	Customer Services	<ul style="list-style-type: none"> <li>• Call centre operations</li> <li>• Front counter service and reception</li> <li>• Counter service in libraries</li> </ul>
Corporate Communications	Communications	<ul style="list-style-type: none"> <li>• Internal communications</li> <li>• Corporate communications</li> <li>• Website development and management</li> <li>• Digital advertising and social media management</li> </ul>
Corporate Facilities	Corporate Facilities Management	<ul style="list-style-type: none"> <li>• Programmed building maintenance works</li> <li>• Reactive building maintenance works</li> <li>• Building construction and maintenance advice</li> <li>• Security access and monitoring</li> </ul>
	Energy Advisory Service	<ul style="list-style-type: none"> <li>• Energy account management and procurement</li> </ul>

Service Area	Service	Service Outputs
		<ul style="list-style-type: none"> <li>• Carbon management and reporting</li> <li>• Community carbon and energy services</li> </ul>
	Plant and Fleet Management	<ul style="list-style-type: none"> <li>• Fleet management</li> <li>• Plant maintenance</li> <li>• Plant pool services</li> </ul>
	Stores and Inventory	<ul style="list-style-type: none"> <li>• Inventory management</li> </ul>
Corporate Governance	Civic Services	<ul style="list-style-type: none"> <li>• Council meeting business papers</li> <li>• Councillor request system administration</li> <li>• Councillor briefing support</li> <li>• Committee meeting support</li> <li>• Mayoral office support and administration</li> </ul>
	Governance	<ul style="list-style-type: none"> <li>• Legislation compliance</li> <li>• Privacy guidance and training</li> <li>• Policy management</li> <li>• Council elections</li> </ul>
	Insurance and Risk Management	<ul style="list-style-type: none"> <li>• Business Continuity Plans</li> <li>• Operational risk management</li> <li>• Insurance portfolio management</li> <li>• Insurance claims management</li> </ul>
	Internal Audit	<ul style="list-style-type: none"> <li>• Business assurance to CEO and ARIC</li> <li>• Consultancy and advisory activities</li> <li>• Risk analysis and audit work programming</li> <li>• Quality and performance of IA services</li> </ul>
	Legal	<ul style="list-style-type: none"> <li>• Legal advice</li> <li>• Legal services</li> <li>• Legal support</li> <li>• Legal advocacy</li> </ul>
	Ombudsman Services	<ul style="list-style-type: none"> <li>• Community complaint mechanism</li> <li>• Corrupt conduct and maladministration investigation</li> <li>• Councillor complaint co-ordination</li> <li>• Protected Interest Disclosure co-ordination</li> </ul>
Corporate Strategy	Integrated Planning and Performance	<ul style="list-style-type: none"> <li>• Operational Plan</li> <li>• Quarterly / Annual Report</li> <li>• Community Strategic Plan</li> <li>• Resourcing Strategy</li> </ul>
Development Assessment	Development Advisory Service	<ul style="list-style-type: none"> <li>• Advice to internal and external customers</li> <li>• Development application assessment</li> <li>• Development Application lodgement triage</li> </ul>
	Development Application Determination	<ul style="list-style-type: none"> <li>• Development application determinations</li> <li>• Court appeals</li> <li>• Legislative assessments and approvals</li> <li>• Engineering assessments</li> <li>• Legislative certificates</li> </ul>
Development Regulation	Building Regulation Compliance	<ul style="list-style-type: none"> <li>• Legislative approvals and certificates</li> <li>• Legislative compliance inspections</li> <li>• Legislative enforcement</li> <li>• Complaint investigation and response</li> </ul>



Service Area	Service	Service Outputs
	Health and Environmental Compliance	<ul style="list-style-type: none"> <li>Legislative compliance inspections</li> <li>Complaint investigation and response</li> <li>Legislative approvals and certificates</li> <li>Legislative enforcement</li> <li>Environmental Management System</li> </ul>
	Rangers	<ul style="list-style-type: none"> <li>Animal registration</li> <li>Complaint investigation and response</li> <li>Legislative enforcement</li> <li>Legislative compliance inspections</li> <li>Ranger patrols</li> </ul>
Economic Growth	Airport	<ul style="list-style-type: none"> <li>Safe operations at the airport</li> <li>Airport facility and asset maintenance</li> <li>Revenue from landing fees</li> </ul>
	Business Development and Innovation	<ul style="list-style-type: none"> <li>Business advice, education and support</li> <li>Data</li> <li>Smart cities infrastructure</li> <li>Smart cities planning and framework</li> </ul>
	Major Economic Projects	<ul style="list-style-type: none"> <li>Precinct plans</li> </ul>
	Visitor Economy	<ul style="list-style-type: none"> <li>Visitor information services</li> <li>Sales and information</li> <li>Destination Marketing and Brand</li> </ul>
	Events	<ul style="list-style-type: none"> <li>Community events</li> </ul>
	Commercial Properties and Leasing	<ul style="list-style-type: none"> <li>Smart work hub</li> <li>Programs and activities</li> <li>Commercial management of Councils lettable real estate portfolio</li> <li>Real estate asset maintenance</li> <li>Property sales, acquisition and development</li> </ul>
	Holiday Parks	<ul style="list-style-type: none"> <li>Manage holiday parks</li> <li>Maintain holiday parks</li> <li>Market holiday parks</li> </ul>
	Town and City Centre Management	<ul style="list-style-type: none"> <li>Programs and activities</li> </ul>
Finance	Financial Analysis and Business Support	<ul style="list-style-type: none"> <li>Financial data</li> <li>Statutory financial reporting requirements</li> <li>Monthly, quarterly and annual reporting on financial results</li> <li>Financial budgeting and reporting tools</li> </ul>
	Financial Control and Compliance	<ul style="list-style-type: none"> <li>Rates and water notices and debtor invoices</li> <li>Management of customer and property data</li> <li>Invoice payment</li> <li>Treasury and taxation payment</li> <li>Data collection</li> </ul>
	Payroll	<ul style="list-style-type: none"> <li>Payroll processing</li> </ul>
Human Resource Management	Organisational development and culture	<ul style="list-style-type: none"> <li>Organisational culture programs</li> <li>Employee relations</li> <li>Learning and development</li> </ul>

Service Area	Service	Service Outputs
		<ul style="list-style-type: none"> <li>• Union relationship management</li> <li>• Remuneration and benefits</li> </ul>
	Recruitment	<ul style="list-style-type: none"> <li>• Job advertisements</li> <li>• Interviews</li> <li>• Candidate selection</li> <li>• Candidate onboarding</li> </ul>
	Workplace health and safety	<ul style="list-style-type: none"> <li>• Safety management system</li> <li>• Risk management</li> <li>• Reporting</li> <li>• Legislative compliance</li> <li>• Workers compensation claim management</li> <li>• Self-insurer license</li> </ul>
Information and technology	Information Management	<ul style="list-style-type: none"> <li>• Property and customer data maintenance</li> <li>• Data analysis and modelling</li> <li>• Geospatial system and data management</li> <li>• Records and archive management</li> <li>• Mailroom Management</li> <li>• Business insights</li> </ul>
	Systems Development	<ul style="list-style-type: none"> <li>• Enterprise architecture</li> <li>• Portfolio management and governance</li> <li>• Information asset protection</li> <li>• Information technology solutions</li> </ul>
	Systems Maintenance and Support	<ul style="list-style-type: none"> <li>• IT equipment and application maintenance</li> <li>• IT Support to staff and councillors</li> <li>• Protection from cyber security threats and risks</li> </ul>
Libraries	Libraries	<ul style="list-style-type: none"> <li>• Programs</li> <li>• Physical and digital collections</li> <li>• Historical records</li> <li>• Access to technology</li> <li>• Home Library Service and mobile library</li> <li>• Courier service</li> </ul>
Natural Assets	Beach Management	<ul style="list-style-type: none"> <li>• Beach access maintenance and dune fencing</li> <li>• Beach cleaning</li> <li>• Lagoon opening</li> <li>• Beach scraping</li> </ul>
	Biodiversity	<ul style="list-style-type: none"> <li>• Monitoring vegetation conditions and natural asset reserves</li> <li>• Biodiversity strategies and actions</li> </ul>
	Biosecurity	<ul style="list-style-type: none"> <li>• Weed inspections</li> <li>• Pest animal control</li> </ul>
	Environmental and Sustainability Education	<ul style="list-style-type: none"> <li>• Workshops, tours and events</li> <li>• Education programs</li> <li>• Bushcare volunteer programs</li> </ul>
	Natural Bushland Reserves	<ul style="list-style-type: none"> <li>• Bush regeneration</li> <li>• Natural based recreation infrastructure</li> <li>• Wetlands</li> </ul>

Service Area	Service	Service Outputs
	Waterways and Coasts	<ul style="list-style-type: none"> <li>• Policy and planning tools</li> <li>• Coastal Zone Management Plans</li> <li>• Coastal Management Works</li> <li>• Preservation activities</li> <li>• Rockpools and Swimming enclosures</li> </ul>
	Tree Management	<ul style="list-style-type: none"> <li>• Nursery plants</li> <li>• Public tree management</li> </ul>
Procurement	Contract Management	<ul style="list-style-type: none"> <li>• Tender process facilitation</li> <li>• Tender development framework</li> <li>• Contract management framework</li> <li>• Contract management</li> <li>• Contractor management</li> </ul>
	Project Management	<ul style="list-style-type: none"> <li>• Contract management</li> <li>• Procurement compliance</li> <li>• Project management</li> <li>• Project and contract delivery</li> </ul>
	Purchasing	<ul style="list-style-type: none"> <li>• Procurement framework</li> <li>• Vendor and supplier management</li> <li>• Procurement system administration</li> <li>• Corporate contract administration</li> <li>• Logistics and supply chain support</li> </ul>
Sport, Leisure and Fitness	Beach Safety	<ul style="list-style-type: none"> <li>• Lifeguard patrols</li> <li>• Partnership with Surf Life Saving to deliver weekend/public holiday service</li> <li>• Safe swim messaging to the community</li> <li>• Management of Grant McBride Ocean Baths and other ocean pools</li> </ul>
	Boat Ramps	<ul style="list-style-type: none"> <li>• Capital project delivery to upgrade/renew infrastructure</li> </ul>
	Leisure Centres and Pools	<ul style="list-style-type: none"> <li>• Swimming lessons</li> <li>• Fitness centre</li> <li>• Sporting competitions</li> <li>• Swimming pool maintenance</li> <li>• Pool lifeguard management</li> </ul>
	Parks and Playgrounds	<ul style="list-style-type: none"> <li>• Park and Reserve vegetation maintenance</li> <li>• Playground maintenance</li> <li>• Park and Reserve asset, facilities and furniture maintenance</li> </ul>
	Sportsgrounds	<ul style="list-style-type: none"> <li>• Sporting facilities maintenance, repairs and management</li> <li>• Sportsgrounds, parks and reserves bookings</li> <li>• Commercial licensing of land</li> <li>• Event management at CCRSRC</li> <li>• Sports Activation programs and activities</li> </ul>
Stormwater drainage	Drainage Network	<ul style="list-style-type: none"> <li>• Drainage infrastructure maintenance</li> <li>• Treated and discharged stormwater</li> <li>• Drainage network investigations</li> <li>• Drainage asset management</li> </ul>

Service Area	Service	Service Outputs
Strategic Urban Planning	Contribution Plans	<ul style="list-style-type: none"> <li>• Developer contributions</li> <li>• Contribution plan work schedules</li> <li>• Manage development contributions</li> </ul>
	Strategic Urban Planning	<ul style="list-style-type: none"> <li>• Town Centre Structure Plans, Precinct Plans and Master Plans</li> <li>• Reviewed planning proposals and SEPPs</li> <li>• Planning instruments</li> <li>• Development Control Plans and policies</li> <li>• Heritage assessment</li> </ul>
Transport Network	Bridges	<ul style="list-style-type: none"> <li>• Asset condition assessment</li> <li>• Safety inspections</li> </ul>
	Car Parking Operations	<ul style="list-style-type: none"> <li>• Car parks</li> <li>• Car parking stations</li> <li>• Smart parking technology</li> </ul>
	Roads	<ul style="list-style-type: none"> <li>• Proactive and reactive inspection program</li> <li>• CAPEX construction program delivery</li> <li>• Pothole and edge patching</li> <li>• Heavy Patching either stabilised or A/C</li> </ul>
	Street Lighting	<ul style="list-style-type: none"> <li>• Street lighting on local roads, main roads, traffic facilities, carparks and town centres</li> <li>• Decorative street lighting management</li> </ul>
	Shared Paths	<ul style="list-style-type: none"> <li>• Capital works program</li> <li>• Shared path construction and maintenance</li> </ul>
	Street Scapes	<ul style="list-style-type: none"> <li>• Roadside and laneway vegetation management</li> <li>• Streetscape and priority garden maintenance</li> </ul>
	Traffic and Safety Regulation	<ul style="list-style-type: none"> <li>• Local Traffic Committee operation</li> <li>• Investigation and resolution of customer enquiries</li> <li>• Capex program delivery</li> <li>• Reviewed traffic studies, management plans and control plans</li> </ul>
	Wharves and Jetties	<ul style="list-style-type: none"> <li>• Asset condition assessment</li> <li>• Safety inspections</li> <li>• Contract management and delivery</li> </ul>
Waste Services	Public Place Waste Management	<ul style="list-style-type: none"> <li>• Public place waste infrastructure</li> <li>• Promotion of recycling</li> <li>• Public place litter collection</li> </ul>
	Resource Recovery	<ul style="list-style-type: none"> <li>• Waste product disposal</li> <li>• Useable product recycling</li> <li>• Public waste facility</li> <li>• Domestic waste resource recovery</li> </ul>
	Waste and Recycling Collection	<ul style="list-style-type: none"> <li>• Waste collection and safe disposal</li> <li>• Waste education programs</li> </ul>
Water and Sewer	Water Supply and Sewer Treatment	<ul style="list-style-type: none"> <li>• Potable and non-potable water</li> <li>• Treatment plants maintenance</li> <li>• Pump stations maintenance</li> <li>• Laboratory management</li> </ul>

Service Area	Service	Service Outputs
		<ul style="list-style-type: none"> <li>• Capital project delivery to upgrade/renew infrastructure</li> <li>• Dam safety management</li> <li>• Bulk water resource supply</li> <li>• Reactive maintenance of water system</li> <li>• Water asset operation and maintenance</li> <li>• Capital project delivery to upgrade/renew infrastructure</li> <li>• Liquid trade waste management</li> </ul>

## Challenges and Opportunities

The Local Government Workforce Development Group report 2018<sup>1</sup> identifies a number of significant challenges and opportunities that exist in the workforce composition of all local governments in Australia and Central Coast Council is no different.

### Employment Costs

The costs associated with employment for Council staff will need to remain in line with the current long term financial plan. One of the greatest challenges on top of wage costs is the ability to ensure Council has the right skills in the right areas of the business and this comes in the form of training courses and professional development expenses. The financial constraints have demanded an innovative solution to continue to foster competency development and succession planning for Council and has created the opportunity for internally developed bespoke programs to suit the needs of our employees.

### Hard-to-Recruit Roles, Competition with the Private Sector

Council is currently seeing a decline in the number of candidates applying for roles advertised in the market, especially those roles that are specific to local government. As a result of increased job competition, strong global economic forecasts and renewed consumer confidence, there are more jobs available but fewer candidates in the market to fill them.

From an employer brand point of view Council is currently facing issues regarding reputation. Job security, and overall culture / morale is also impacting on the number of candidates seeking employment with Council.

Independent research conducted for SEEK, suggests that inherent barriers exist to those considering working in government broadly which include:

- Workplace culture is unappealing

<sup>1</sup> [https://cdn.alga.asn.au/wp-content/uploads/Skills-Plan\\_ALGA.pdf](https://cdn.alga.asn.au/wp-content/uploads/Skills-Plan_ALGA.pdf)

- Too much bureaucracy / rigid working environment
- Salaries are not competitive with the private sector
- The sector is stale and not innovative.

## **Changing Work Environment**

Recent local government reforms have seen the internal landscape change from predictability and stability to transition, change and disruption. COVID-19 has also impacted the way the workforce works, with the need to capture the competitive advantage this brings. The opportunity is to respond and move from a static to an agile workplace and reshape the workforce to incorporate changes in business which will include but are not limited to:

- Technological advances and access to devices for staff
- The need for increased digital literacy
- Adapting to the COVID-19 "new normal"
- Flexible agile working / bookable hot desks at multiple locations

## **Ageing Population and Workforce**

With 56 % of Councils workforce over the age of 45 years, it indicates that Council is highly reliant on mature aged workers. This reliance is not yet conversely supported by the recruitment and retention of younger staff where people aged between 16 and 25 represent only 1.8 % of permanent employees, opening a terrific opportunity for youth employment programs.

For Council 41.1 % of the working population is aged between 51 and 70 years of age which is significantly higher than the Local Government area statistic of 25.7 % and that of Greater Sydney at 21.7 %<sup>2</sup>.

Knowing this, it is essential that Council place emphasis on the recruitment of young people and provide career opportunities for this cohort, all whilst paying attention to the succession planning of the ageing workforce and supporting them through to retirement.

## **Education and Unemployment**

One of the greatest challenges faced by residents on the Central Coast is unemployment which sits at 6.7%<sup>3</sup>, however, this is below the national average of 6.9%. The labour force participation rate (derived from those aged 15+) in the Central Coast LGA is 56%, which is significantly lower than NSW (59.2%) and Australia (60.3%). The proportion of residents with lower levels of education and qualifications compared with the national average can also attribute to unemployment.

In the Central Coast LGA, 41.8% of people aged over 15 years have selected 'no qualification achieved' in the 2016 census which is higher than the national average of 39.9%<sup>4</sup>. A starker comparison,

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<sup>2</sup> <https://profile.id.com.au/central-coast-nsw/service-age-groups>

<sup>3</sup> <https://profile.id.com.au/central-coast-nsw/employment-status?BMID=50>

<sup>4</sup> <https://profile.id.com.au/central-coast-nsw/qualifications?BMID=50>

however, is the disparity between those in the region who hold a Bachelor degree or higher, where the Central Coast achievement is 8% lower than the national achievement response of 22%. A report by the Australian Local Government Association reported that of the Australian local governments who responded to (the 2018 Local Government Workforce and Future Skills Report survey) 35.7% of Councils are “growing their own” to combat skill shortages using cadetships<sup>5</sup>.

## **Local Workforce**

The Central Coast Regional Plan (CCRP)<sup>6</sup> focus is to increase the number of local jobs and to reduce the necessity for workers to commute out of the region. Journey to work data shows that of the total employed residents on the Central Coast (139,597)<sup>7</sup>, 95,389 (68.4%)<sup>8</sup> live and work in the local government area.

Lower rates of education mean specialist roles are difficult to fill with local people and with an inability to compete on salary and meet flexibility expectations, Council will struggle to draw candidates from bordering local government areas and regions.

## **Forecasting Workforce Demand**

The current environment in which Council exists requires targeted and specific workforce demand forecasting. Council will need to be agile to adapt to planned and unplanned changes in service delivery, working within budgetary constraints and have the ability to respond to legislative requirements.

## **Workforce Diversity**

The Central Coast is a wonderful place to live and work and is located at the centre of the state’s fastest growing corridor – between Sydney and Newcastle<sup>9</sup>, where a population influx is inevitable. We recognise that it is not only beneficial but expected that Council has a workforce reflective of the community it serves. The 2016 Census data for the Central Coast reflects a population that is shifting to become a more multicultural region. This includes a population where 13.9% were born overseas, an increase from 12.7% in 2011<sup>10</sup>.

The Central Coast is home to three Indigenous tribes, the Darkinjung, the Awabakal, and the Guringai, with the Indigenous population for the Central Coast is 12,489 or 5.8%<sup>11</sup>. Council will focus on improving workforce diversity and inclusion (in many of its forms) over the lifetime of the strategy. This is not just to reflect the local government area demographic mix, but to also comply with

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<sup>5</sup> [https://cdn.alga.asn.au/wp-content/uploads/Skills-Plan\\_ALGA.pdf](https://cdn.alga.asn.au/wp-content/uploads/Skills-Plan_ALGA.pdf)

<sup>6</sup> <https://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Central-Coast/Central-Coast-regional-plan>

<sup>7</sup> <https://profile.id.com.au/central-coast-nsw/employment-status>

<sup>8</sup> <https://profile.id.com.au/central-coast-nsw/residents>

<sup>9</sup> <https://www.planning.nsw.gov.au/-/media/Files/DPE/Plans-and-policies/Plans-for-your-area/Regional-plans/Central-Coast-Regional-Plan-2036.pdf>

<sup>10</sup> <https://profile.id.com.au/central-coast-nsw/overseas-born-introduction>

<sup>11</sup> <https://profile.id.com.au/central-coast-nsw/indigenous-keystatistics>

Council's Equal Employment Management Plan, allowing all people equal opportunity to apply for roles with Council.

The Australian Bureau of Statistics data for 2016 shows that the gender profile of the Australian local government workforce has changed slightly over the last decade, with more females employed in 2016 than in 2006.

- 2006: 56.9% males and 43.1% females
- 2016: 52.6% males and 47.4% females

Despite this increase in female representation, local government employs a lower percentage of women compared to other government levels in Australia and Central Coast Council is no exception with female representation sitting at around 43% which is significantly lower than both the Commonwealth and State government female populations.

- Commonwealth – 49.7%
- State Government – 65.2%<sup>12</sup>

## Resource Considerations

### Employee Costs

The below table details the operating employee costs that will occur during the next four years. Note: this information is based on Council's Long Term Financial Plan and is subject to change.

Whilst the recently approved Special Variation (SV) provides Council with short term stability it does not provide for long term financial stability and a further SV will be required. The forecast below includes the assumption that Council will apply for and be awarded a seven-year 15% SV (including rate peg) at the expiration of the current three year period (June 2024).

	Historic Data			Future Planning*		
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Employee Benefits and On-Costs</b>	\$222,616,000	\$172,594,000	\$195,854,000	\$201,875,000	\$206,152,000	\$210,219,000
<b>Escalation percentage applied each year</b>	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

\* These forecasts align with the IPART submission for Water, Sewer and Stormwater Drainage pricing.

### Future Staffing Needs

<sup>12</sup> [https://cdn.alga.asn.au/wp-content/uploads/Skills-Plan\\_ALGA.pdf](https://cdn.alga.asn.au/wp-content/uploads/Skills-Plan_ALGA.pdf)



The below table details the additional resource requirements needed to ensure the appropriate workforce mix is available to accomplish Council’s planned goals and objectives over the next four years.

Establishment of these roles requires the upskilling of existing staff or repurposing of existing positions or increased budgeted headcount to fund future staffing requirements. Noting the need to do so within the confines of the financial parameters and budget.

Unit	Resource	Comment	Timeframe
<b>Corporate Affairs</b>			
Communications / Marketing and Customer Engagement	Customer Experience Officer	There is a need to better understand and be able to quantify customer insights, create new surveys and assess ongoing customer sentiment and further activate the “Voice of Customer” program.	2022-23
<b>Community and Recreation Services</b>			
Open Space and Recreation	Planners/Scheduler (OSR)	This specific skillset needs development in the organisation to maximise scheduling opportunities.	2022-23
<b>Infrastructure Services</b>			
Roads and Drainage Infrastructure	Engineering Undergraduates	Engineering undergraduates take on asset investigations and respond to internal and external customer requests for entry level work. Undergraduates will support future succession planning and talent development.	2023-24
<b>Water and Sewer</b>			
Headworks and Treatment	Undergraduate Process Engineer or Graduate positions	Undergraduate Process Engineer positions required in Headworks and Treatment to build talent pipeline for highly technical roles.	2022-23

## Skills or Knowledge Considerations

The workforce planning process has indicated that there are specific skill sets that Council will require in its future workforce to keep pace with service delivery requirements and community expectations.

Unit	Skill / Knowledge Gap	Comment
Plant and Fleet	Upskilling in planning and scheduling to better allocate resources and work	Investigate bespoke e-learning and in house training around planning and scheduling.
Governance and Risk / Procurement and Project Management	One approach to contracts management. Many parts of the business have complex contracts that are not consistently managed	This skills gap will be addressed with the introduction of corporate contracts management tool

Unit	Skill / Knowledge Gap	Comment
All Units	All staff understanding financial programs, budgets, and reading a profit and loss statements.	Internal refresher training designed on software for all Team Leaders and above.
All Units	Electronic documents management training	All staff to complete refresher training on how and when to use Councils electronic documents management system. The training will also be added into new staff onboarding processes.
Finance	Effective business planning and collaboration with Infrastructure Services on the design and submission of IPART applications.  Support the retention of existing drainage asset staff	In lieu of the development of a specialised drainage fund accountant, more collaboration and integrated partnering and planning required.
Roads Construction Maintenance / Roads and Drainage Infrastructure	Training required to alleviate cross directorate asset responsibility misalignment that creates inefficiencies.	This will be addressed with the finalisation of the of asset responsibility matrix.
Waste and Resource Recovery	Gaps in capabilities within the Unit across large / complex contracts and meeting evolving and changing opportunities for innovation, with a heavy reliance on key management.	Contracts Performance Management position created, and a succession opportunity exists to upskill existing staff.
Planning and Delivery	Asset Management gaps skills gaps exist. The asset management team needs development into strategic working. Without this, it impacts on being able to deliver on planned operational activities when reactive jobs pop up.	This will be addressed with the finalisation of the of asset responsibility matrix.
Network Operations and Maintenance	Upskilling in planning and scheduling in Water Operations Centre	Investigate bespoke e-learning and in house training around planning and scheduling.

# Strategic Action Plan

## How will we get there?

### **Strategic Action Plan Pillars**

This action plan will ensure Council meets its strategic priorities and ensure workforce sustainability through the following pillars:

#### **Capable and Agile People**

The capability development of Council staff will be essential to ensure the ongoing delivery of the Community Strategic Plan. Staff need to have the right skills and competency to not only address the changing needs of our community and internal and external environmental demands but to also maintain relevance in their fields of expertise.

Education and training improve the employment prospects of individuals, the productivity of workplaces and the capacity of people and organisations to adapt to changes. Investment in technical and 'soft' skills occurs in a number of forms, from investment in tertiary education, vocational education and training (VET) or other forms of structured programs. It also is experienced learning through others from coaching and mentoring and most commonly, through on-the-job informal learning.

#### **Engaged and Motivated Workforce**

An engaged and motivated workforce will deliver higher customer service outcomes, deliver more discretionary effort and yield lower incidences of workplace health and safety occurrences. By regularly checking in and addressing staff needs, Council will be able to adapt its workforce approach to meet the expectations of its people.

Attraction and retention strategies are crucial in ensuring Council is well placed to compete for and retain high quality, high performing people who demonstrate high levels of engagement and commitment that assist in Council's ability to perform at its best.

#### **Community Centred Focus**

The Central Coast community is the sole reason Council exists. Customer centricity and walking in the shoes of community members will ensure with each step staff take Council puts customers first.

## **Financial Discipline and Performance**

Delivering services to the community in a fiscally responsible way is essential for the long term effectiveness of Council. The performance of the organisation will be measured on delivery of budgets, reduction of debt and continued productivity improvements.

## **One Way**

The concept of operating 'One Way' is a guiding principle and support mechanism in driving engagement in Council's workforce. This will provide a focus on ensuring Council has processes and systems that provide consistent management, cohesive policies, and direction for each area of the organisation.

The opportunity to create and strengthen consistent platforms and unified arrangements throughout Council will continue to harmonise the organisation. This also helps staff maintain a healthy relationship with the work environment, and the ability to continue to improve productivity and efficiency for Council.

# Four Year Action Plan

## Capable and Agile People

What	How	Why	Responsible	Metric	Timeframe
<b>Implement Leadership Development and capability framework</b>	<ul style="list-style-type: none"> <li>Design and embed a leadership capability framework, training and opportunities that includes all leaders as part of their development.</li> <li>Implement the <i>Leading our way</i> leadership program</li> </ul>	To develop leaders who are accountable for themselves and their people. Council wants leaders who can communicate organisational goals, priorities and vision and recognise achievements in others.	People and Culture	<ul style="list-style-type: none"> <li><i>Leading our way</i> leadership program rolled out to all leaders by 2024</li> </ul>	2022-23 2023-24 2024-25
				<ul style="list-style-type: none"> <li>3 Council specific programs delivered per year.</li> </ul>	2025-26
<b>Managing Talent and Performance</b>	<p>Create content that is accessible to all employees to support having courageous conversations and giving and receiving feedback.</p> <ul style="list-style-type: none"> <li>Simplify and harmonise annual performance review process including one method of salary progression and identification of specific learning requirements of all staff through automated performance review process and implementation of LMS.</li> </ul>	Effective 2-way conversations where feedback is regular, in the moment and reciprocal	People and Culture	<ul style="list-style-type: none"> <li>Number of leaders going through leading our way.</li> <li>Content available on the intranet</li> <li>Exit survey feedback</li> </ul>	2022-23
				<ul style="list-style-type: none"> <li>Improved employee net promoter score (e-NPS) in staff pulse survey and increased performance review completion rates.</li> </ul>	2022-23

What	How	Why	Responsible	Metric	Timeframe
	<ul style="list-style-type: none"> <li>Including the review of all Annualised Salary Agreements and Total Remuneration Packages for staff.</li> </ul>				
	<ul style="list-style-type: none"> <li>Workforce Planning process built into People and Culture calendar of events for leaders annually.</li> <li>Build in missing skills matrix to calibrate across the organisation</li> </ul>	Key to succession planning and high potential staff identification	People and Culture  (Organisational Development)	Succession plans (both for existing employees to replace or demonstrate the need to invest in a successor) built into performance conversations	2022-23 2023-24 2024-25 2025-26
<b>Change Management</b>	Change management framework, tools, and e-learning available to all staff with trained project champions	Employees who run projects learn to apply the concepts of change management with a clear understanding of the people side of change.	People and Culture	Project change assessments (using the ADKAR principal) taken before during and after large projects to determine efficacy.	2022-23
	Change management training/approach designed for community engagement and communications teams.	Fewer community complaints about works undertaken	People and Culture	Improved customer experience/ improved customer net promoter score.	2023-24
<b>Project and Asset Management</b>	<ul style="list-style-type: none"> <li>Finalise Asset responsibility matrix from Technical Asset Working Group project.</li> <li>Ensure change practitioner is available to support project and train internal staff on approach</li> </ul>	Reduced duplication of effort, a clear understanding of ownership and responsibility of assets. Finalise a review of assets.	Procurement and Project Management	Improvement in survey results in relation to responsibilities around project and asset management	2022-23

What	How	Why	Responsible	Metric	Timeframe
	to managing assets and project management.				
<b>E-learning and Development</b>	<ul style="list-style-type: none"> <li>Create e-learning for the business to be able to understand the principals of adult learning.</li> <li>Design templates that the business can use to capture e-learning content prior to it going to be built in Learning and Development.</li> </ul>	Content designed by subject matter experts that follow adult learning principals.	People and Culture	Increased participation by business units in e-learning development.	2022-23
	Orientation, induction, and onboarding redesign to adapt to the remote working environment	To ensure all staff regardless of location and flexibility options receive access to a full induction, orientation, and appropriate training to set them up for success.	People and Culture	Quarterly new starter performance conversations.	2022-23 2023-24 2024-25 2025-26
	<p>Pull together a Council suite of Linked In learning (and other internal e-learning) for all staff that looks at simple software we use /valuable training for example:</p> <ul style="list-style-type: none"> <li>Content Manager training</li> <li>Inbox to zero on LinkedIn</li> <li>Smart Sheet training on LinkedIn</li> <li>Articulate</li> <li>Excel</li> <li>Report writing</li> </ul>	Understanding the programs and software available to staff will create efficiency and enhance productivity.	People and Culture	List completion as a key performance indicator for all existing staff and put in 12 month plan for new starters to complete a defined suite of courses.	2022-23

What	How	Why	Responsible	Metric	Timeframe
	<ul style="list-style-type: none"> <li>• Microsoft office</li> <li>• Decision making – empowering others to make decisions</li> </ul>				

## Engaged and Motivated Workforce

What	How	Why	Responsible	Metric	Timeframe
<b>Culture</b>	Re-launch Family and Domestic Violence project, with Family and Domestic Violence Officer training	Address the Central Coast's family and domestic violence statistics	People and Culture	Minimum 10 family and domestic violence officers trained.	2022
	Maintain an age-friendly work environment and continue to support the professional development and wellbeing of mature aged Council staff, guided by Council policies and implementation of the Ageing Positively at work strategy	Council benefits from an age-diverse workforce, with skills and experience shared across the generations.	People and Culture	<ul style="list-style-type: none"> <li>• Mature age staff are provided with support and flexibility as they move towards retirement.</li> <li>• Tools are provided on intranet for leaders to manage conversations with mature workers.</li> </ul>	2022-23 2023-24 2024-25 2025-26
	Develop a diversity and inclusion strategy that includes a focus on women in leadership and Aboriginal employment.	Support the implementation of equal employment opportunity management plan.	People and Culture	Endorsement of the strategy by Executive Leadership team.	2023-24



What	How	Why	Responsible	Metric	Timeframe
	Explore options to improve Council and community awareness of people living with dementia and other age-related illnesses, their families, and carers, through the delivery of training and seminars	Central Coast is a dementia friendly community where Council staff and community members can recognise and respond to the signs of dementia and can provide support and referral to appropriate services when required.	People and Culture	Dementia training rolled out for front facing staff; especially libraries; customer service.	2023-24
<b>Industrial Relations / Employee Relations Strategy</b>	Development of Industrial Relations strategy	Many of Councils operations experience seasonal peaks and troughs in work volume. An improved industrial relations strategy will begin to address the seasonality of work.	People and Culture	Endorsement of Industrial Relations strategy from Unions with supported implementation	2023-24
<b>Reward and Recognition</b>	Redesign the reward and recognition approach, better understanding the motivators for employees	Employee engagement is integral to improved customer experience. Understanding the motivators will drive discretionary effort.	People and Culture	Improved employee net promoter score in employee engagement surveys.	2022-23
<b>Staff Progression and development</b>	Learning happens in a variety of ways, the 70/20/10 model is an approach to development where 70% of learning is experienced on the job, 20% from interactions such as mentoring and coaching from others and only 10% from formal education.	Improve the legacy understanding of staff that learning is only formal in classroom education / training.	People and Culture	<ul style="list-style-type: none"> <li>Decrease in spend for formal training</li> <li>Increase in developmental relationships and experience based learning.</li> </ul>	2023-24

What	How	Why	Responsible	Metric	Timeframe
	Seek expressions of interest for a staff exchange with other local councils with the intention to develop a model where staff can shadow and or mentor others to create relationships to develop skills in difficult areas to recruit.	There are often very specialized and difficult to recruit roles in local government with a small pool of candidates for specific roles.	People and Culture	<ul style="list-style-type: none"> <li>Decrease in spend for formal training</li> <li>Increase in developmental relationships and experience-based learning.</li> </ul>	2023-24
	Menu of development options designed to support employee development including lateral transfers and secondment guidelines / mentoring and coaching programs / job rotations/ acting opportunities and approach to joining cross functional project teams.	With limited spend available for formal learning, opportunities for growth and development can be harnessed in the knowledge and support of others.	People and Culture	Succession and development plans for high potential employees finalized and calibrated across the organisation.	2023-24

## Community Focus

What	How	Why	Responsible	Metric	Timeframe
<b>Develop an Equal Employment Opportunity (EEO) Management Plan</b>	Expanding on the existing Equity Diversity and Respect policy and Disability Inclusion action plan, finalise Council's approach to Equal Employment Opportunities.	It is a prerequisite of the Local Government Act (Section 345) that local Councils have an EEO management plan.	People and Culture	EEO Management plan that reflects Disability Inclusion Action Plan.	2022-23
<b>Disability Inclusion Action Plan 2022-2026</b>	<ul style="list-style-type: none"> <li>Build capacity of Council staff to be disability confident.</li> </ul>	All frontline service staff are disability confident and	People and Culture	At least 100 customer facing staff complete disability confidence e-	2022-23

What	How	Why	Responsible	Metric	Timeframe
	<ul style="list-style-type: none"> <li>Disability confidence training and universal planning and design training.</li> </ul>	provide a positive customer experience to people with disability.		learning or face to face training each year.	
	Measure employment of people with disability	Council can measure any increase or decrease of employment of people with disability and make changes to improve it.	People and Culture	Data collected on annual basis	2022-23
	<ul style="list-style-type: none"> <li>Support people with disability in the workplace and ensure they are heard, including through an investigation into a staff driven disability employee network.</li> <li>The network can provide insight specifically in relation to recruitment, inclusive entry level opportunities, career development and leadership for people with lived experience of disability.</li> </ul>	Staff with disability feel supported and have a say in making Council a more inclusive workplace.	People and Culture	Staff consulted and appropriate network established	2022-23 2023-24
	Council to work with disability agencies supporting local people to provide volunteer opportunities and investigate the community's appetite for an industry day.	People with disability, including young people, can gain work experience and volunteer on the Central Coast	People and Culture	A number of people with disability participate in a work experience or Industry Day.	2024-25

What	How	Why	Responsible	Metric	Timeframe
	Recognition of carers in policies and procedures	Staff who are carers are well supported by Council, making our community more inclusive and supportive.	People and Culture	The revised policy recognises the role of carers and outlines how they can be supported	2022-23
	Council information is available and accessible to people with disability	Staff know how to make documents accessible, and they do this as part of their core work.	People and Culture	Number of people who have completed accessible document training	2022-23 2023-24
<b>Roll out of the 10 Child Safe Standards</b>	Develop project plan, working group and actions to respond to the Royal Commission into Institutional responses to Child Sexual Abuse	New Legislation comes into effect late 2021	<ul style="list-style-type: none"> <li>• People and Culture and</li> <li>• Libraries and Education</li> </ul>	Child safety policy, procedures, and programs in place to minimize risk of harm to children	2022-23
<b>Youth Programs to address youth unemployment in the region.</b>	Traineeships, apprenticeships, undergraduate positions, and work experience can incentivise people with skills in high demand to work with you. Build on existing programs to include <ul style="list-style-type: none"> <li>• Work experience</li> <li>• Trainees/ apprentices</li> <li>• Undergrad Program</li> </ul>	Address national skills shortages in trades and provide local young people with employment opportunities and training.	People and Culture	Youth employment programs and experiences to be reintroduced where budget is allocated to fund positions and administrative support.	2023-24
<b>Strategic Partnerships</b>	Connect with universities, peak bodies, and offer undergraduate work placements.	Build talent pipelines for succession opportunities. Address ageing workforce issues.	People and Culture	Agreements with key university partners to host students each year.	2022-23
<b>Recruitment and Attraction Strategy</b>	Reinvigorate the employee value proposition (EVP) project and work on new	Demonstrate the positive attributes of working for Council	People and Culture	Endorsement of new employee value proposition	2022-23

What	How	Why	Responsible	Metric	Timeframe
	brand / market position for Council				
<b>Customer Centricity</b>	Understanding the customer experience travelling through our organisation. Develop an engaging 'Mock customer journey' program for staff to live our customer's experience.	To put the customer at the heart of everything we do.	Communications, Marketing and Customer Engagement	2 'Mock Journeys' per year	2023-24
	Pulse engagement surveys undertaken annually to measure the staff's engagement and commitment to strategy	To test and retest progression against strategic focus areas	People and Culture	3 surveys per year with improving employee net promoter scores.	2022-23 2023-24 2024-25 2025-26

## Financial Discipline and Performance

What	How	Why	Responsible	Metric	Timeframe
<b>Improve Grant Funding solutions</b>	Determine centralized approach to managing grant applications across council	To centralise grant funding visibility, expenditure and reporting.	Procurement and Project Management	Investigate budget and FTE to enable delivery.	2022-23
<b>Align process to adopt corporate contracts management tool</b>	Training for staff on use of contracts management tool using a change management approach to the implementation.	More rigor around contracts management approach and capitalising on economies of scale by harmonising processes and reducing number of contracts.	<ul style="list-style-type: none"> <li>Headworks and treatment</li> <li>Planning and Delivery</li> <li>Network Operations and Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Delivery and expenditure compliance (% completion to forecast)</li> <li>Positive long-term trend in infrastructure backlog reduction</li> </ul>	2022-23

What	How	Why	Responsible	Metric	Timeframe
			<ul style="list-style-type: none"> <li>Procurement and Project Management</li> </ul>		
<b>Investigate the capability gaps in financial acumen for all staff</b>	<ul style="list-style-type: none"> <li>Develop training in foundational finance skills for crew leaders and above.</li> <li>Improved self service reporting through instructional videos on using 'Magiq' Council's budget management system.</li> </ul>	Increased capability in understanding and managing budgets	<ul style="list-style-type: none"> <li>People and Culture and</li> <li>Finance</li> </ul>	All staff who have a budget and financial delegations complete online training by 2023	2022-23

## One Way

What	How	Why	Responsible	Metric	Timeframe
<b>Consolidated property and ratings system implementation</b>	Utilise change management approach to embed new property and ratings project for both staff and community	To maximise opportunity to streamline staff processes and customer experiences	<ul style="list-style-type: none"> <li>Information Technology</li> <li>Finance</li> <li>Environment and Planning</li> </ul>	Consolidated property and rating system implementation	2022-23
<b>Process Improvement</b>	Advanced Kronos rostering	Remove paper timesheets and streamline staff payment processes.	People and Culture	Implementation in Water and Sewer business with removal of paper time sheets	2023-24
	License data remediation	To meet legislative compliance	People and Culture	All licenses managed in single system with Leaders self service portal.	2022-23
	Implementation of learning management system.	Enhance staff capability to undertake self directed	People and Culture	Phase 1 implementation of learning cloud module	2022-23

What	How	Why	Responsible	Metric	Timeframe
		learning and centralise license data.			
	Annual Safety Strategy and Workplace Health and Safety Management system	Set organisational safety KPIs	People and Culture	Endorsement of workplace health and safety strategy	2022-23 2023-24 2024-25 2025-26
<b>Innovation</b>	People and Culture tools page on the Intranet with videos, resources, frequently asked questions documents and how to guides.	Allow more self service for staff to free up Human Resources team to focus on strategy.	People and Culture	Development of leaders' portal intranet	2023-24



## Resourcing Strategy

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