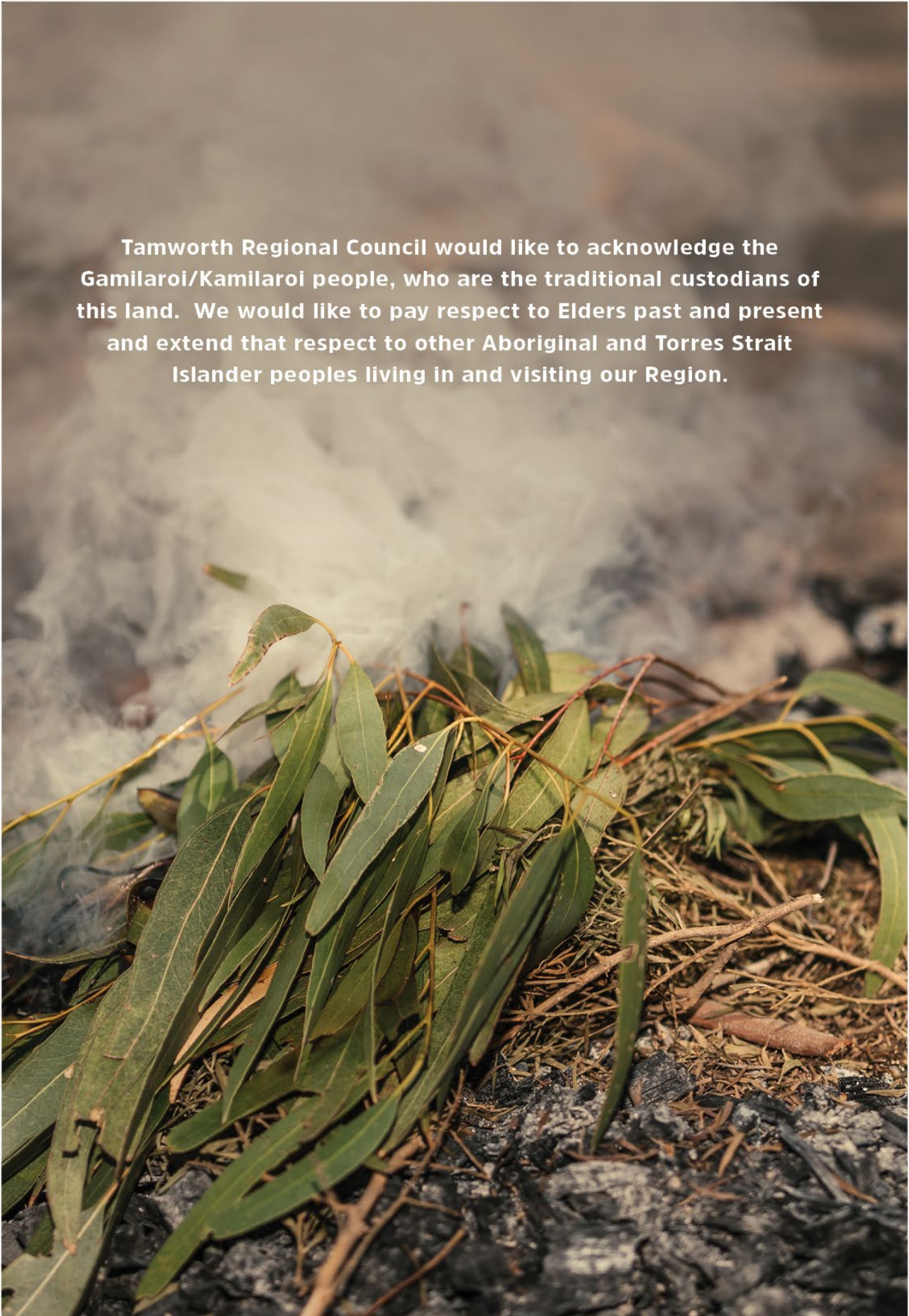


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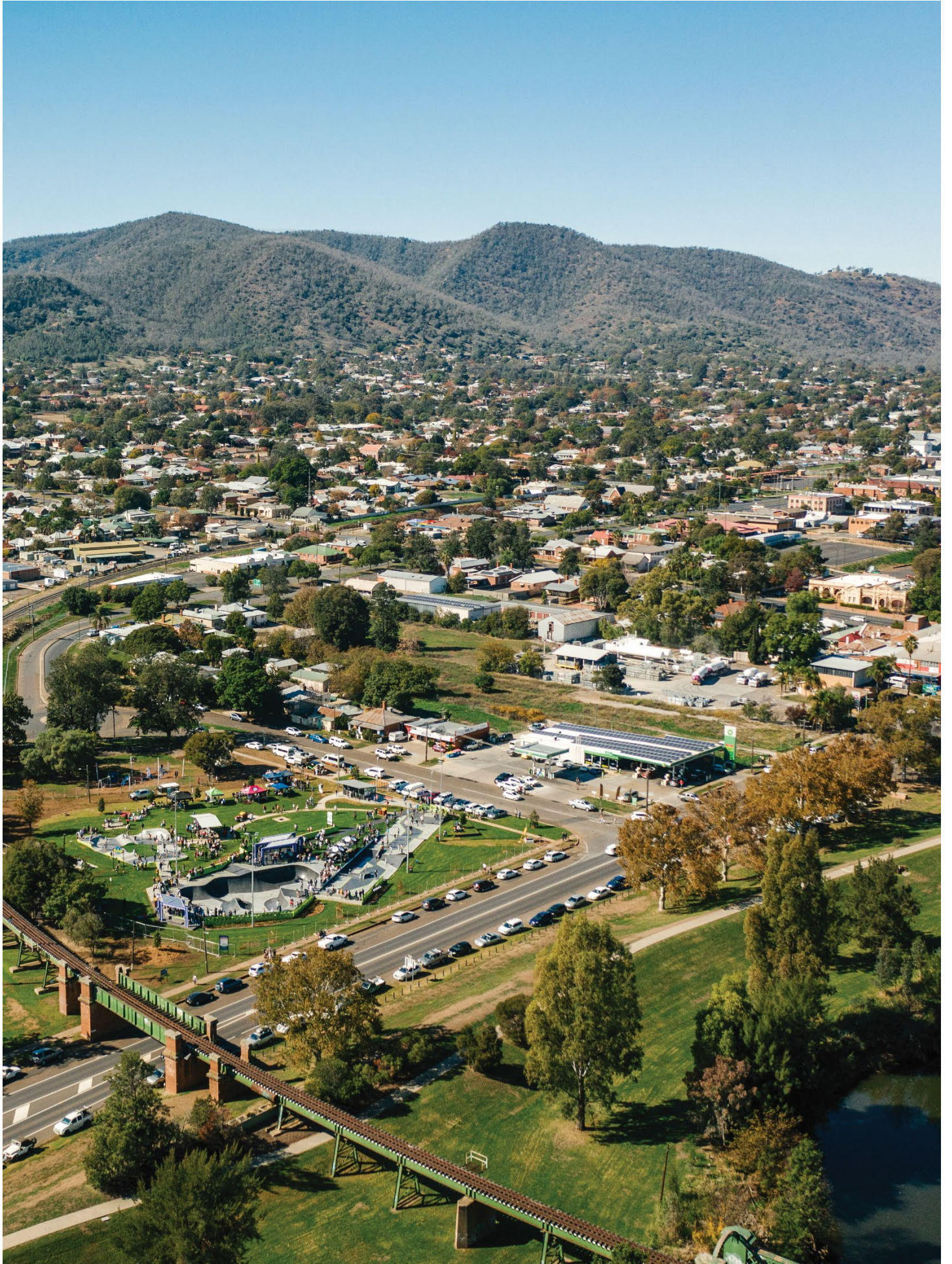
Our Resourcing Plan

2023 - 2034





Tamworth Regional Council would like to acknowledge the Gamilaroi/Kamilaroi people, who are the traditional custodians of this land. We would like to pay respect to Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander peoples living in and visiting our Region.



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OUR VISION

“Our region will be thriving, modern and prosperous, with compassion for our people, reverence for our culture, and respect for nature.”

We will build a more resilient, inclusive community. We will protect and support our natural environment. We will celebrate our rich culture and heritage. We will expand our proud identity. We will enable prosperity by supporting businesses to grow, through better housing options, thriving town centres and productive employment areas.

We will deliver water infrastructure and security that supports the growth of our region and economic aspirations. We will attract new businesses, support educational opportunities, and make it easier to do business. We will connect our region and its citizens through a safe and efficient movement network.

And we will achieve this with openness and accountability.



OUR MISSION

Tamworth Regional Council is committed to serving the community with:

- ✓ integrity
- ✓ efficiency
- ✓ fairness
- ✓ impartiality
- ✓ the encouragement of mutual respect
- ✓ Council promotes and strives to achieve a climate of respect for all

OUR VALUES

Here at Council, we endeavour to uphold our values in all that we do:

- ✓ Accountability
- ✓ Safety and health
- ✓ Customer Orientation
- ✓ Equity
- ✓ Teamwork

OUR PROMISE

Tamworth Regional Council is committed to making it simple for you to get in touch, have your questions answered and find the information you need.

PLANNING FOR OUR FUTURE

What is Integrated Planning & Reporting?

Integrated Planning and Reporting (IP&R) is the framework Tamworth Regional Council uses to work towards achieving our community's vision. It is an opportunity for everyone to join the conversation about the future of our region, what our priorities are, how projects and services are funded, and how we move forward sustainably.

Under NSW Government legislation, every council must prepare a number of connected plans that provide details on how a council intends to deliver works and services in the short and long term.

The plans in the framework are all connected, and are based on the community's priorities.

The plans are designed to cascade through a number of levels of detail, starting with the key Focus Areas in the document "Our Community Plan", and ending in actions and measures set out in the document "Our Annual Plan".

The framework also uses a reporting structure to communicate progress on the plans to our community, as well as a structured timeline for reviewing plans to ensure the goals and actions remain current.

You can find more information about the framework we use at the New South Wales Government website [Integrated Planning and Reporting - Office of Local Government NSW](#)

What is "Our Resourcing Plan"?

Our Resourcing Plan 2023 – 2025 sets out how council will implement and resource the community's vision described in "Our Community Plan" in terms of money, people and assets.

The Plan contains three chapters:

1. Our Long Term Financial Plan- addresses the financial challenges that impact on Council's ability to fund its services and projects whilst remaining financially sustainable
2. Our Workforce Management Plan – addresses current and future staffing needs to ensure Council has the right people, in the right roles, at the right time to deliver services to our community, and;
3. Our Asset Management Plan – addresses the infrastructure required to meet future community needs

What is the Long Term Financial Plan?

The Long Term Financial Plan (LTFP) sets out how the vision in "Our Community Plan" can be achieved in terms of money. The LTFP addresses the financial challenges that impact on Council's ability to fund its services and projects whilst remaining financially sustainable.

The LTFP is used as a tool to aid decision making, to set priorities, and to solve problems. Although it has a 10 year horizon, the plan is reviewed and updated annually to keep pace with any changes that might impact council's financial environment.

The LTFP includes information on:

- How council will survive future financial pressures
- Opportunities for future income and economic growth

- Whether council can afford what the community requests, and
- How council can achieve outcomes agreed with the community

What is the Workforce Management Plan?

The Workforce Management Plan maximises the capacity of Council's workforce resources to meet the vision and goals of "Our Community Plan". The Plan focuses on current and future staffing needs to ensure Council has the right people, in the right roles, at the right time to deliver services to our community. The Plan helps Council to prepare for future needs and address emerging challenges early.

The Workforce Management Plan includes;

- A profile of our existing workforce
- How we will build our future workforce
- Identification of future challenges
- Financial considerations
- How the plan links to other IP&R plans
- How we will measure progress

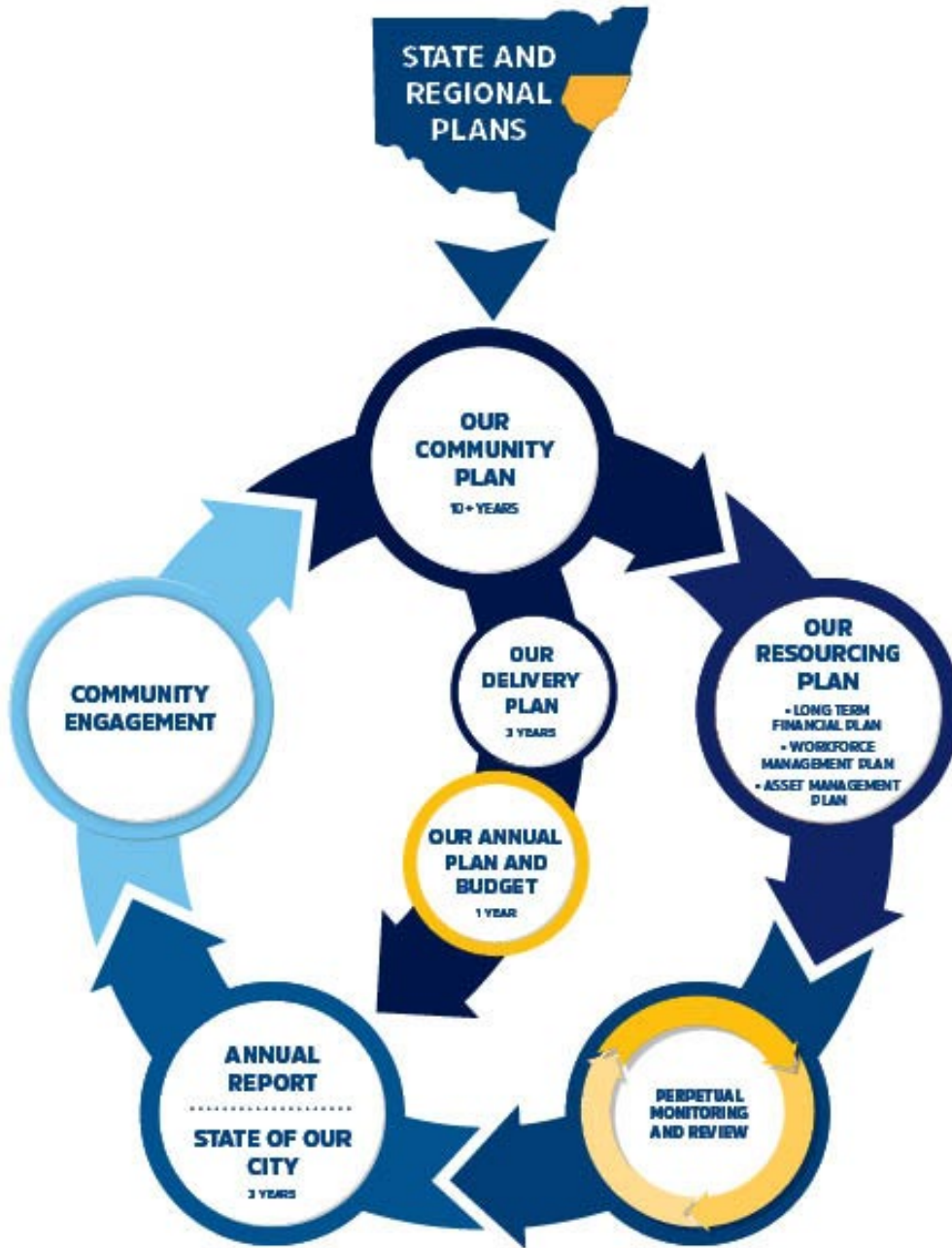
What is the Asset Management Plan?

The Asset Management Plan sets out how council will manage and account for the assets it manages on behalf of the community in an efficient and sustainable way.










Assets include roads, water & sewerage systems, bridges, buildings, footpaths, parks and gardens, and other physical infrastructure.

The Asset Management Plan sets out the cost to the community of each asset, and how the asset fits into the cost-effective delivery of services to the community. Importantly the plan helps council to plan for the financial impact of future assets.

INTEGRATED PLANNING AND REPORTING



Our Community Plan – Focus Areas and Priorities

FOCUS AREA 1 Water Security 	FOCUS AREA 2 A Liveable Built Environment 	FOCUS AREA 3 Prosperity and Innovation 	FOCUS AREA 4 Resilient and Diverse Communities 	FOCUS AREA 5 Connect Our Region and its Citizens 	FOCUS AREA 6 Working with and Protecting our Environment 	FOCUS AREA 7 Celebrate our Cultures and Heritage 	FOCUS AREA 8 A Strong and Vibrant Identity 	FOCUS AREA 9 Open and Collaborative Leadership 
<p>W.01 A region with a safe and secure water supply</p>	<p>L.01 The right growth in the right locations</p>	<p>P.01 Be an attractive region for new and existing businesses to invest</p>	<p>R.01 Our towns, villages and communities grow and prosper</p>	<p>C.01 A thriving aviation hub supporting travel and investment in our region</p>	<p>E.01 Increase the take up and use of affordable and clean energy across the region</p>	<p>H.01 Enhance our lives through the lived experience of arts and culture</p>	<p>S.01 Be known for country music and so much more</p>	<p>T.01 Conduct the business of Council with transparency and accountability</p>
<p>W.02 A region with a safe and secure water supply</p>	<p>L.02 Vibrant city and town centres</p>	<p>P.02 Our community has access to vocational education and skills development</p>	<p>R.02 Our community has improved outcomes and access to community and social services that are inclusive and meet their needs and expectations</p>	<p>C.02 A safe and efficient transport network</p>	<p>E.02 A region where sustainable design of facilities, infrastructure and development are rule not the exception</p>	<p>H.02 Our aboriginal community's history and culture is protected and celebrated</p>	<p>S.02 Tell the world who we are and what we have</p>	<p>T.02 Our financial position is strong and able to meet our current and future obligations to our community</p>
<p>W.03 Efficient and fit for purpose waste water management</p>	<p>L.03 More diverse and affordable housing</p>	<p>P.03 Our industries are successful and opportunities for other initiatives/business in the downstream economy grow</p>	<p>R.03 Meet the 17 targets of the "Closing the Gap" national agreement for our community</p>	<p>C.03 Expanded public transport options to meet the needs of our community in the future</p>	<p>E.03 Reduce our waste and manage it responsibly</p>	<p>H.03 Our region's heritage assets are protected</p>	<p>S.03 Show who we are when people arrive by land or air to our towns and region</p>	<p>T.03 Everyone in our community feels informed, heard and understood</p>
<p>W.04 Our urban planning, design and operations use sustainable water and waste water approaches</p>	<p>L.04 Providing high quality lifestyle, recreational and community facilities such as library's, pools, park, sports facilities, arts centres and cemeteries</p>	<p>P.04 The Tamworth region is Country Australia's leading and most vibrant destination with a sustainable and dynamic visitor economy</p>	<p>R.04 Improve the health outcomes for all residents</p>	<p>C.04 Improved access to active transport options for movement between places</p>	<p>E.04 We care for our natural environment (including animals, plants, birds, insects, and aquatic life</p>			<p>T.04 Our workforce is agile and future ready</p>
	<p>L.05 Providing high quality lifestyle, recreational and community facilities such as library's, pools, park, sports facilities, arts centres and cemeteries</p>		<p>R.05 Be a safer and more resilient community</p>	<p>C.05 Our community is enabled by technology</p>				<p>T.05 Build strategic partnerships and advocate to other levels of government to ensure our community needs are met and concerns heard</p>

BLUEPRINT 100

Long Term Financial Plan

2023 - 2033

PART ONE



Introduction

Council's Long-Term Financial Plan (LTFP) forecasts the financial capacity of Tamworth Regional Council to meet the objectives adopted in the Community Strategic Plan. It is vital for informing both Council and our community about the long-term financial position of our organisation. Council's Long-Term Financial Plan covers a period of 10 years and will be updated annually following the adoption of each of Council's Annual Operational Plans.

Estimates, projections and assumptions have been used to develop a picture of how Council's finances will progress over each of the next 10 years by quantifying revenue growth, expenditure commitments, and funding capacity. This provides various results and performance indicators in relation to Council's financial sustainability, which is the degree to which revenues can meet commitments to operations, services and infrastructure.

Council's financial structure is divided into three separate funds: General, Water and Sewer. Within the General Fund, Council operates its Domestic Waste operations, which like the three funds, are subject to legislative restrictions and subsidisation between funds is not permitted. They operate as separate businesses with appropriate inter-entity charging where required to ensure full and accurate cost absorption.

The Long-Term Financial Plan is presented using three of the main statements provided in the annual financial reports:

- **Income Statement** - this statement shows the operating result and change in net assets from operations for the year.
- **Balance Sheet** – this discloses the assets, liabilities and equity of Council.
- **Cash Flow Statement** – this statement presents the cash flows associated with Council's operating, financing and investing activities.

The Long-Term Financial Plan is an important component of Council's strategic planning tools. It is where the community's long-term vision and aspirations are tested against financial realities. Council can use the plan to model different scenarios to understand the longer-term impacts of financial decisions made now.

Tamworth Regional Council adopted an overarching strategic document, Blueprint100 on 26 May 2020. The purpose of Blueprint100 is to guide the development of the Tamworth Region to 2041. Long Term Financial Plans are living documents and the forecasts for the years outlined in this plan will change as Council progresses the strategies encompassed within Blueprint100.

Parameters and Principles

In preparing Council's Long-Term Financial Plan the following principles have been adopted. Council will:

- maintain a cash balance that can meet short term commitments;
- maintain service levels to the community as defined in the Community Strategic Plan;
- maintain sufficient reserves for identified commitments;
- review operating expenditure and improve efficiency;
- pursue cost recovery on fees for service, and
- maximise investment returns within statutory guidelines.

Council has several policies in place that support these principles, which are outlined in the Annual Operational Plan each year. The main focus of these parameters is financial sustainability.

Financial Sustainability

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets, while ensuring sustainable funding sources. A key indicator for this is the net operating result before capital grants and contributions which can be found in the final line of the Income Statement. This shows the degree to which operating revenues can cover commitments for operating costs and asset renewals. A focus on achieving a positive or surplus result will enable Council to adopt capital programs and asset management plans, sustainable organisational structures and annual budgets within a prudent long-term financial framework. Longer term economic modelling is critical to the success of meeting the needs of the community it serves. Council has established the following financial objectives and strategies to ensure its continuing sustainability:

- maintain service levels where possible and fund other recurrent obligations such as loan repayments, plant replacement and employee leave entitlements;
- pursue strategic management objectives identified in the Community Strategic Plan;
- preserve the investment of the community in the many assets to which Council is custodian; and
- protect itself against financial setbacks, and where possible, unknown contingencies.

Tamworth Regional Council's approach to improved financial sustainability includes a continuous review of its efficiency and effectiveness and catering for what Council "can do" in keeping with the overall aim of fiscal responsibility. However, the constraints on Council's ability to raise general fund income and limited recurrent government funding, combined with inflationary pressures on the costs of labour, plant and materials, are so significant that they are potentially leading to:

- a widening gap between the amount of funding needed and the amount of funding available for the maintenance and renewal of assets; and
- a lack of capacity to provide new facilities or increase current service levels without a consideration for offsets or funding options.

Council needs to balance these financial responsibilities with the various desires of the community to ensure the maximum benefit is returned from resource allocation.

Measuring Financial Sustainability

A review, undertaken by the Independent Pricing and Regulatory Tribunal (IPART) into the Revenue Framework for Local Government, identified a number of performance indicators which measure Council's financial performance and position. The indicators measure both recurrent operations and capital sustainability. Council's results against these indicators are outlined under the section financial performance.

Ratio	Calculation	What is Being Measured	Sustainable Target
Operating Performance Ratio (%)	Operating revenue (excluding capital income) less operating expenditure divided by operating revenue	The ability to contain operating expenditure within operating revenue	Greater than equal break even average (0%) over three years
Unrestricted Current Ratio (%)	Unrestricted current assets (excludes externally restricted assets) less unrestricted current liabilities	The ability to meet short term financial obligations such as loans, payroll and leave entitlements (measures liquidity)	> 1:1 Sustainable < 1:1 Unsustainable
Own Source Revenue Ratio (%)	Operating revenue (excluding capital grants and contributions) divided by operating revenue (inclusive of capital grants and contributions)	The degree of fiscal flexibility and the degree of reliance on external funding sources	Greater than 60% average over three years
Debt Service Cover	Operating result before capital excluding interest and depreciation/impairment/amortisation divided by principal repayments and borrowing costs	The availability of operating cash to service debt including interest, principal and lease payments	Greater than or equal to two
Building and Infrastructure Renewal Ratio (%)	Asset renewal expenditure divided by depreciation compared to the estimated annualized rate of decline	The rate that assets are being renewed	Greater than 100% average over three years
Infrastructure Backlog Ratio (%)	Estimated cost to bring assets to a satisfactory condition divided by carrying value of infrastructure, buildings, other structures and depreciable land improvement assets.	This ratio shows what proportion the infrastructure backlog is against the total value of a council's infrastructure	Less than 2%

Planning Assumptions

It is mentioned above that the Long-Term Financial Plan is a modelling tool as well as a guide for Council. By developing and applying different scenarios, Council and the community can understand the different implications of different scenarios over the longer term. Council has developed three scenarios focused on its general fund to model options to ensure Council's ongoing financial sustainability. These scenarios are:

1. A Base Case
2. A Sustainability Scenario with a one-year permanent Special Variation to general rates from 1 July 2024
3. A Sustainability Scenario with a two-year permanent Special Variation to general rates from 1 July 2024.

All three scenarios are based on many of the same planning assumptions. The tables in this section documents planning assumptions that apply to and are assumed for all scenarios as follows:

- Key Factors
- Revenue Factors
- Expense Factors

As two of the three scenarios include a Special Variation commencing in 2024-25, this LTFP has been forecast over 11 years to 2033-34, so that a full ten year of the SV has been modelled.

KEY FACTORS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Inflation (CPI)	4.8%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Interest Rates (borrowings)	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Interest Rates (investments)	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%

The inflation assumptions in the modelling are based on the Reserve Bank of Australia (RBA) forecasts, which are that CPI will remain above the 2-3% target range for the next two years but be maintained within the target range from then on. As the RBA has used the cash rate to bring inflation back to the target range and the long-term outlook does not predict reductions in the cash rate to stimulate economic activity, the assumption for interest rates remains stable at current levels.

REVENUE FACTORS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Rate Peg	3.7%	4.9%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Annual Charges	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
User Fees & Charges	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Grants & Contributions	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

The rate peg assumption is based on the announced rate peg for 2024-25 and mid-point of RBA inflation target thereafter and in line with cost inflation expectations. It should be noted that IPART is has recently reviewed its rate peg methodology which may impact this assumption in future LTFPs.

EXPENSE FACTORS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Materials & Contracts	5.0%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Other expenses	3.8%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Employee costs	5.0%	4.0%	3.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Headcount growth	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Material & contract cost increases are modelled slightly higher in 2023-24 to account for the current high level of inflation in key input costs of electricity and construction that Council is incurring. Employee costs increases are in line with relevant Award increases and compulsory superannuation contributions. Headcount growth assumption is modest and in line with historical growth, it assumes that efficiency improvements will also contribute to keeping growth modest even with increase in population growth.

Council's Current Financial Position

At the time of preparing the LTFP, Council was in the process of finalising its 2022-23 financial statements.

Council's 2021-22 Financial Statements reported a Net Operating Deficit (before capital items) of \$274 thousand, which was an improvement from the 2020-21 deficit of \$7.8 million. As at the March 2023 Quarterly Review, Council was budgeting for a \$6.2 million deficit in 2022-23.

While Council held \$204 million in cash as at 30 June 2022, only \$542 thousand of this was unrestricted. However, Council's Unrestricted Current Ratio was 2.5 times, well above the 1.5 times benchmark.

Asset renewal ratio was below the benchmark of 100% in 2021-22, the consolidated renewal ratio was 75.7%, which means the General Fund renewal ratio was better at 84.5%.

Council's overall infrastructure backlog ratio was 0.39% in 2021-22, which is well within the benchmark of less than 2%.

The current financial situation of Council was one of relatively persistent deficits. Assets renewals were not funded sufficiently to maintain their current conditions, but Council's overall backlog of capital works to bring asset to a satisfactory condition was relatively low. Council had limited unrestricted cash balances for day-to-day operations but was managing cashflow to ensure sufficient working capital.

Planning Scenarios

Council has developed three scenarios that are relevant to its current financial position. These scenarios are:

1. A Base Case
2. A Sustainability Scenario with a one-year permanent Special Variation to general rates from 1 July 2024
3. A Sustainability Scenario with a two-year permanent Special Variation to general rates from 1 July 2024.

Council's financial structure is divided into three separate funds: General, Water and Sewer. These funds are subject to legislative restrictions, and subsidisation between funds is not permitted. They operate as three separate businesses with appropriate inter-entity charging where required to ensure full and accurate cost absorption.

Council also delivers Domestic Waste services through its General Fund. Revenues for Domestic Waste must be spent on Domestic Waste services, therefore for the purposes of this Long Term Financial Plan, Domestic Waste has been treated as though it were entirely separate to the General Fund. This allows for a more unfiltered view of the financial sustainability of Council's day-to-day operations and infrastructure.

All three scenarios focus on the sustainability of the General Fund (excluding Domestic Waste), which is the fund that covers the majority of the services and infrastructure that Council provides. General Rates is the primary source of revenue for General Fund operations. Council does receive income from other sources, such as fees and charges, grants and contributions and investments. It also uses borrowings to fund specific General Fund projects.

Water, Sewer and Domestic Waste operations are forecast to continue as they are currently run, in line with the general assumptions provided for all three scenarios.

As the scenarios focus on the health and sustainability of the General Fund, forecasted statements and ratios will be reported in this LTFP for both the General Fund and the Consolidated organisation.

Scenario 1: The Base Case

This scenario was constructed on a no change basis to existing funding levels and existing levels of service provided in current operations. Some of the key points of this scenario for the General Fund are as follows:

- The base year of 2022-23 has been used as at the 31 December 2021 Budget Review with 2023-24 aligned to the Operating Plan and original budget, and the years 2024-25 to 2033-2034 projections based on assumptions.
- At the time of preparing the LTFP, the 2022-23 actual results were not yet finalised, the capital expenditure for 2022-23 was estimated at \$58 million, which was significantly less than the original \$83 million budgeted. As a result, the LTFP has been adjusted to capture the actual expenditure for 2022-23, with the remaining undelivered capital works forecasted to be completed between 2023-24 and 2025-26.
- Forecasted asset expenditure is based on existing funding levels, the 2022-25 Delivery Program and Asset Management Plans (planned expenditure only).
- The Base Case has assumed that the level of capital grant income over the forecast period is consistent with recent actuals and budget. While the Base Case reflects the current experience, there are risks around whether this level of funding is realistic into the future and this assumption was relaxed for the sustainability scenarios.
- Budget projections allow for the full employment of all current Council staff positions and plant items.
- Past improvement initiatives as per Council's Organisational Sustainability and Improvement Plan as already baked into the base year and therefore the costs and benefits of these are captured in the Base Case.
- Revenue and cost assumptions are in line with the planning assumptions set out above.

Council has committed to several major projects that are included in the Base Case; these include:

➤ **Tamworth Regional Skywalk**

The Skywalk project accessing Oxley Lookout is expected to become an iconic tourist attraction, as well as protect the safety of local walkers. Currently in the design phase, its construction is expected to commence in mid-2024. The project is funded with a \$14.3 million NSW Government grant, with Council borrowing to fund the remaining \$3.7 million.

➤ **Ray Walsh House**

Council has allocated a budget of \$2 million to address the main issues with Ray Walsh House, these being the remediation of asbestos containing materials. This work is to be completed in the 2023-24 financial year. Council is actively looking at options to redesign its administrative office that offers the best value of money and has the minimal impact on its community. These studies are at their early stages and more community consultation will occur once those options become apparent.

➤ **Digital Blueprint**

A Technology Strategy and Roadmap has been developed which outlines how technology will be used and managed to deliver Blueprint 100. The roadmap will ensure Tamworth Regional Council has the IT capabilities needed to effectively deliver services to our community in coming years. This program will be delivered over three years from 2023-24.

➤ **Organic Recycling Facility**

Currently, Tamworth Regional Council's processing and composting of organic material is restricted to green waste only at the Forest Road Waste Management Facility. The facility processes approximately 15,000 tonnes per annum of green waste to produce a high-grade mulch. The composting facility has reached maximum processing and storage capacity and additional organic waste such as food are being placed into landfill. It is estimated that these additional organic waste streams could be in the order of up to 10,000 tonnes per annum.

Construction of this facility is scheduled to commence in 2022-23. The facility is expected to commence operating in 2024-25. Staff have been optimistic in estimating the operational results for the facility, which is having a positive impact on General Fund financial results and indicators. More accurate financial information will be able to be determined as the facility gets closer to commencing operations.

CONSOLIDATED INCOME STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<i>Income from Continuing Operations</i>											
Rates & Annual Charges	\$84,278	\$90,640	\$93,531	\$96,478	\$99,557	\$102,738	\$106,023	\$109,416	\$112,883	\$116,463	\$120,160
User Charges & Fees	\$47,812	\$49,871	\$51,767	\$53,670	\$55,644	\$57,691	\$59,813	\$62,015	\$64,218	\$66,500	\$68,864
Other Revenue	\$4,427	\$4,582	\$4,696	\$4,814	\$4,934	\$5,057	\$5,184	\$5,313	\$5,446	\$5,582	\$5,722
Grants & Contributions - Operating Purpose	\$22,716	\$23,170	\$23,634	\$24,106	\$24,588	\$25,080	\$25,582	\$26,093	\$26,615	\$27,148	\$27,691
Grants & Contributions - Capital Purposes	\$25,632	\$28,387	\$30,278	\$26,062	\$21,320	\$21,878	\$22,034	\$22,197	\$22,366	\$22,541	\$22,710
Interest & Investment Revenue	\$7,523	\$8,082	\$8,814	\$9,944	\$11,233	\$12,808	\$14,304	\$16,056	\$17,840	\$20,012	\$22,377
Total Income from Continuing Operations	\$192,388	\$204,732	\$212,720	\$215,075	\$217,276	\$225,252	\$232,940	\$241,091	\$249,369	\$258,246	\$267,523
<i>Expenditure from Continuing Operations</i>											
Employee Benefits & On-Costs	\$62,766	\$65,867	\$68,789	\$71,147	\$73,587	\$76,111	\$78,722	\$81,423	\$84,218	\$87,109	\$90,101
Borrowing Costs	\$7,432	\$7,833	\$7,486	\$6,955	\$6,337	\$5,676	\$4,966	\$4,205	\$3,388	\$2,821	\$2,526
Materials & Contracts	\$48,716	\$50,650	\$52,194	\$53,756	\$55,401	\$57,099	\$58,851	\$60,659	\$62,487	\$64,372	\$66,316
Depreciation & Amortisation	\$41,249	\$42,916	\$44,349	\$45,628	\$46,676	\$47,788	\$48,908	\$50,075	\$51,214	\$52,385	\$53,583
Other Expenses	\$4,268	\$4,417	\$4,527	\$6,154	\$6,270	\$6,388	\$6,510	\$6,635	\$6,763	\$6,895	\$7,029
Total Expenses from Continuing Operations	\$164,430	\$171,683	\$177,345	\$183,639	\$188,271	\$193,061	\$197,957	\$202,997	\$208,070	\$213,582	\$219,555
Gains (Losses) from Asset Sales	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Operating Result from Continuing Operations	\$32,988	\$37,959	\$40,166	\$34,506	\$30,415	\$33,601	\$36,394	\$39,504	\$41,623	\$44,664	\$47,969
Net Operating Result before Capital Grants and Contributions	\$7,356	\$9,572	\$9,888	\$8,444	\$9,095	\$11,723	\$14,360	\$17,307	\$19,257	\$22,123	\$25,259
Net Operating Result before Capital Grants and Asset Sales	\$2,326	\$4,662	\$5,097	\$5,373	\$7,685	\$10,312	\$12,949	\$15,897	\$18,933	\$22,123	\$25,259

CONSOLIDATED BALANCE SHEET \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$73,000	\$93,334	\$124,733	\$160,518	\$204,282	\$245,839	\$294,492	\$344,062	\$404,384	\$470,077	\$540,339
Investments	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500
Receivables	\$17,054	\$18,027	\$18,619	\$19,224	\$19,848	\$20,493	\$21,160	\$21,849	\$22,552	\$23,279	\$24,030
Contract Assets	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981
Inventories	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332
Other	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560
Non-current assets "held for sale"	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total Current Assets	\$249,478	\$270,784	\$302,775	\$339,165	\$383,552	\$425,755	\$475,075	\$525,333	\$586,359	\$652,779	\$723,792
Non-Current Assets											
Investments	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
Infrastructure, Property, Plant & Equipment	\$2,134,598	\$2,196,825	\$2,249,686	\$2,292,460	\$2,324,443	\$2,360,012	\$2,395,335	\$2,433,432	\$2,468,641	\$2,505,481	\$2,543,092
Intangible Assets	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853
Contract Assets	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693
Investment Property	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615
Total Non-Current Assets	\$2,205,759	\$2,267,986	\$2,320,847	\$2,363,621	\$2,395,604	\$2,431,173	\$2,466,496	\$2,504,593	\$2,539,802	\$2,576,642	\$2,614,253
TOTAL ASSETS	\$2,455,237	\$2,538,770	\$2,623,623	\$2,702,786	\$2,779,156	\$2,856,928	\$2,941,571	\$3,029,926	\$3,126,161	\$3,229,421	\$3,338,045

CONSOLIDATED BALANCE SHEET (cont.) \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
LIABILITIES											
Current Liabilities											
Payables	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967
Contract Liabilities	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586
Lease Liabilities	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349
Borrowings	\$8,989	\$9,155	\$8,987	\$9,605	\$10,266	\$10,976	\$11,737	\$8,085	\$5,170	\$5,464	\$5,464
Provisions	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504
Total Current Liabilities	\$59,395	\$59,561	\$59,393	\$60,011	\$60,672	\$61,382	\$62,143	\$58,491	\$55,576	\$55,870	\$55,870
Non-Current Liabilities											
Lease Liabilities	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489
Borrowings	\$96,451	\$103,319	\$98,907	\$90,914	\$80,648	\$69,672	\$57,934	\$49,849	\$44,680	\$39,216	\$33,753
Provisions	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034
Total Non-Current Liabilities	\$110,974	\$117,842	\$113,430	\$105,437	\$95,171	\$84,195	\$72,457	\$64,372	\$59,203	\$53,739	\$48,276
TOTAL LIABILITIES	\$170,370	\$177,403	\$172,823	\$165,448	\$155,843	\$145,577	\$134,601	\$122,863	\$114,778	\$109,609	\$104,145
NET ASSETS	\$2,284,867	\$2,361,367	\$2,450,800	\$2,537,338	\$2,623,313	\$2,711,351	\$2,806,970	\$2,907,062	\$3,011,382	\$3,119,812	\$3,233,900

CONSOLIDATED CASH FLOW STATEMENT	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
\$000											
Cash Flows from Operating Activities											
Receipts:											
Own source revenue	\$144,040	\$153,175	\$158,809	\$164,906	\$171,367	\$178,293	\$185,324	\$192,801	\$200,388	\$208,558	\$217,123
Grants & Contributions	\$22,716	\$23,170	\$23,634	\$24,106	\$24,588	\$25,080	\$25,582	\$26,093	\$26,615	\$27,148	\$27,691
Other Income	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments											
Employee Benefits & On-Costs	\$62,766	\$65,867	\$68,789	\$71,147	\$73,587	\$76,111	\$78,722	\$81,423	\$84,218	\$87,109	\$90,101
Materials & Contracts	\$48,716	\$50,650	\$52,194	\$53,756	\$55,401	\$57,099	\$58,851	\$60,659	\$62,487	\$64,372	\$66,316
Other	\$4,268	\$4,417	\$4,527	\$6,154	\$6,270	\$6,388	\$6,510	\$6,635	\$6,763	\$6,895	\$7,029
Net Cash from Operating Activities	\$56,036	\$60,321	\$61,723	\$61,027	\$62,109	\$65,186	\$68,233	\$71,587	\$73,859	\$77,329	\$81,368
Cash Flows from Investing Activities											
Receipts:											
Sale of Real Estate	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	\$80,105	\$72,485	\$53,326	\$40,044	\$25,134	\$30,975	\$27,083	\$29,683	\$24,754	\$26,187	\$25,826
Net Cash from Investing Activities	-\$75,075	-\$67,575	-\$48,536	-\$36,973	-\$23,724	-\$29,565	-\$25,672	-\$28,272	-\$24,430	-\$26,187	-\$25,826

CONSOLIDATED CASH FLOW STATEMENT (Cont.) \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Capital Grants and Contributions	\$25,632	\$28,387	\$30,278	\$26,062	\$21,320	\$21,878	\$22,034	\$22,197	\$22,366	\$22,541	\$22,710
Proceeds from Borrowings & Advances	\$21,765	\$16,023	\$4,575	\$1,612	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments:											
Repayment of Borrowings & Advances	\$15,289	\$16,823	\$16,641	\$15,942	\$15,942	\$15,942	\$15,942	\$15,942	\$11,473	\$7,990	\$7,990
Net Cash Flow provided (used in) Financing Activities	\$32,108	\$27,587	\$18,212	\$11,732	\$5,378	\$5,936	\$6,092	\$6,255	\$10,893	\$14,551	\$14,720
Net Increase/(Decrease) in Cash & Cash Equivalents	\$13,069	\$20,334	\$31,399	\$35,785	\$43,763	\$41,557	\$48,653	\$49,569	\$60,322	\$65,694	\$70,262
plus: Cash, Cash Equivalents & Investments - beginning of year	\$211,431	\$224,500	\$244,834	\$276,233	\$312,018	\$355,782	\$397,339	\$445,992	\$495,562	\$555,884	\$621,577
Cash & Investments - end of the year	\$224,500	\$244,834	\$276,233	\$312,018	\$355,782	\$397,339	\$445,992	\$495,562	\$555,884	\$621,577	\$691,839
Representing:											
- External Restrictions	\$157,939	\$158,058	\$159,352	\$176,314	\$196,575	\$216,194	\$232,353	\$251,651	\$277,818	\$306,087	\$341,953
- Internal Restrictions	\$45,252	\$39,078	\$19,648	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901
- Unrestricted	\$21,309	\$47,699	\$97,233	\$127,803	\$151,305	\$173,244	\$205,738	\$236,009	\$270,165	\$307,590	\$341,985

CONSOLIDATED PERFORMANCE RATIOS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Operating Performance Ratio (%)	1.4%	2.6%	2.8%	2.8%	3.9%	5.1%	6.1%	7.3%	8.3%	9.4%	10.3%
Unrestricted Current Ratio (%)	291.7%	339.7%	402.3%	447.8%	508.1%	561.8%	634.2%	749.6%	898.5%	1012.2%	1127.4%
Own Source Revenue Ratio (%)	73.0%	73.1%	73.0%	75.6%	78.4%	78.7%	79.1%	79.5%	80.3%	80.8%	81.2%
Debt Service Cover Ratio	3.34	3.29	3.42	3.64	3.81	4.00	4.19	4.40	6.41	9.68	10.18
Building and Infrastructure Renewal Ratio (%)	88.7%	87.0%	61.5%	58.3%	53.2%	58.9%	50.6%	50.6%	49.1%	49.9%	48.0%
Infrastructure Backlog Ratio (%)	0.6%	0.7%	0.9%	1.0%	1.1%	1.3%	1.4%	1.6%	1.7%	1.9%	2.0%

GENERAL FUND INCOME STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<i>Income from Continuing Operations</i>											
Rates & Annual Charges	\$49,961	\$53,044	\$55,030	\$57,049	\$59,142	\$61,312	\$63,562	\$65,894	\$68,273	\$70,737	\$73,291
User Charges & Fees	\$29,678	\$30,994	\$32,210	\$33,430	\$34,695	\$36,009	\$37,372	\$38,787	\$40,201	\$41,666	\$43,185
Other Revenue	\$4,345	\$4,497	\$4,610	\$4,726	\$4,844	\$4,965	\$5,089	\$5,217	\$5,347	\$5,480	\$5,617
Grants & Contributions - Operating Purpose	\$22,710	\$23,164	\$23,627	\$24,100	\$24,582	\$25,073	\$25,575	\$26,086	\$26,608	\$27,140	\$27,683
Grants & Contributions - Capital Purposes	\$22,417	\$22,129	\$24,025	\$17,902	\$17,320	\$17,878	\$18,034	\$18,197	\$18,366	\$18,541	\$18,710
Interest & Investment Revenue	\$2,755	\$4,007	\$4,492	\$5,493	\$6,285	\$7,265	\$8,213	\$9,386	\$10,646	\$11,879	\$13,235
Total Income from Continuing Operations	\$131,866	\$137,836	\$143,994	\$142,699	\$146,868	\$152,502	\$157,845	\$163,567	\$169,440	\$175,444	\$181,722
<i>Expenditure from Continuing Operations</i>											
Employee Benefits & On-Costs	\$56,725	\$59,584	\$62,286	\$64,481	\$66,754	\$69,108	\$71,544	\$74,065	\$76,676	\$79,379	\$82,177
Borrowing Costs	\$4,436	\$4,983	\$4,801	\$4,456	\$4,093	\$3,769	\$3,423	\$3,053	\$2,658	\$2,236	\$1,995
Materials & Contracts	\$20,703	\$21,725	\$22,578	\$23,433	\$24,320	\$25,241	\$26,197	\$27,188	\$28,179	\$29,207	\$30,271
Depreciation & Amortisation	\$29,124	\$30,363	\$31,286	\$32,180	\$32,918	\$33,712	\$34,485	\$35,263	\$36,062	\$36,879	\$37,715
Other Expenses	\$2,640	\$2,732	\$2,800	\$4,383	\$4,455	\$4,529	\$4,604	\$4,681	\$4,760	\$4,842	\$4,925
Total Expenses from Continuing Operations	\$113,627	\$119,387	\$123,751	\$128,933	\$132,541	\$136,358	\$140,252	\$144,251	\$148,336	\$152,543	\$157,084
Gains (Losses) from Asset Sales	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Operating Result from Continuing Operations	\$23,269	\$23,359	\$25,034	\$16,836	\$15,737	\$17,554	\$19,004	\$20,726	\$21,428	\$22,901	\$24,638
Net Operating Result before Capital Grants and Contributions	\$853	\$1,230	\$1,009	-\$1,066	-\$1,583	-\$324	\$970	\$2,529	\$3,062	\$4,360	\$5,928
Net Operating Result before Capital Grants and Asset Sales	-\$4,178	-\$3,680	-\$3,782	-\$4,136	-\$2,993	-\$1,734	-\$441	\$1,118	\$2,738	\$4,360	\$5,928

GENERAL FUND BALANCE SHEET \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$75,077	\$88,542	\$116,360	\$138,351	\$165,573	\$191,923	\$224,499	\$259,500	\$293,745	\$331,424	\$371,238
Investments	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882
Receivables	\$10,759	\$11,423	\$11,851	\$12,286	\$12,736	\$13,204	\$13,688	\$14,191	\$14,703	\$15,234	\$15,783
Contract Assets	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793
Inventories	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332
Other	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560
Non-current assets "held for sale"	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total Current Assets	\$148,453	\$162,582	\$190,828	\$213,254	\$240,927	\$267,744	\$300,805	\$336,308	\$371,064	\$409,275	\$449,639
Non-Current Assets											
Investments	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343
Infrastructure, Property, Plant & Equipment	\$1,594,962	\$1,638,269	\$1,666,002	\$1,693,564	\$1,715,848	\$1,741,421	\$1,764,669	\$1,787,663	\$1,812,282	\$1,837,747	\$1,863,755
Intangible Assets	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
Contract Assets	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693
Investment Property	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615
Total Non-Current Assets	\$1,644,897	\$1,688,204	\$1,715,937	\$1,743,499	\$1,765,783	\$1,791,356	\$1,814,604	\$1,837,598	\$1,862,217	\$1,887,682	\$1,913,690
TOTAL ASSETS	\$1,793,350	\$1,850,786	\$1,906,765	\$1,956,752	\$2,006,710	\$2,059,100	\$2,115,408	\$2,173,906	\$2,233,281	\$2,296,957	\$2,363,328

GENERAL FUND BALANCE SHEET (CONT.) \$000	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24
LIABILITIES											
Current Liabilities											
Payables	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479
Contract Liabilities	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218
Lease Liabilities	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349
Borrowings	\$8,119	\$8,000	\$6,147	\$4,850	\$5,174	\$5,520	\$5,890	\$6,285	\$4,089	\$4,330	\$4,330
Provisions	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504
Total Current Liabilities	\$56,669	\$56,550	\$54,697	\$53,400	\$53,724	\$54,070	\$54,440	\$54,835	\$52,639	\$52,880	\$52,880
Non-Current Liabilities											
Lease Liabilities	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489
Borrowings	\$57,631	\$65,654	\$64,082	\$60,845	\$55,671	\$50,151	\$44,261	\$37,977	\$33,887	\$29,557	\$25,227
Provisions	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034
Total Non-Current Liabilities	\$72,154	\$80,177	\$78,605	\$75,368	\$70,194	\$64,674	\$58,784	\$52,500	\$48,410	\$44,080	\$39,750
TOTAL LIABILITIES	\$128,823	\$136,727	\$133,302	\$128,767	\$123,918	\$118,744	\$113,224	\$107,334	\$101,050	\$96,960	\$92,630
NET ASSETS	\$1,664,527	\$1,714,059	\$1,773,463	\$1,827,985	\$1,882,792	\$1,940,356	\$2,002,185	\$2,066,571	\$2,132,231	\$2,199,997	\$2,270,698

GENERAL FUND CASH FLOW STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Operating Activities											
Receipts:											
Own source revenue	\$86,739	\$92,543	\$96,342	\$100,697	\$104,966	\$109,551	\$114,236	\$119,283	\$124,466	\$129,763	\$135,329
Grants & Contributions	\$22,710	\$23,164	\$23,627	\$24,100	\$24,582	\$25,073	\$25,575	\$26,086	\$26,608	\$27,140	\$27,683
Other Income	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments											
Employee Benefits & On-Costs	\$56,725	\$59,584	\$62,286	\$64,481	\$66,754	\$69,108	\$71,544	\$74,065	\$76,676	\$79,379	\$82,177
Materials & Contracts	\$20,703	\$21,725	\$22,578	\$23,433	\$24,320	\$25,241	\$26,197	\$27,188	\$28,179	\$29,207	\$30,271
Other	\$2,640	\$2,732	\$2,800	\$4,383	\$4,455	\$4,529	\$4,604	\$4,681	\$4,760	\$4,842	\$4,925
Net Cash from Operating Activities	\$34,412	\$36,576	\$37,095	\$35,570	\$35,429	\$37,158	\$38,878	\$40,845	\$41,782	\$43,476	\$45,638
Cash Flows from Investing Activities											
Receipts:											
Sale of Real Estate	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	\$52,723	\$53,071	\$29,866	\$25,561	\$17,994	\$21,153	\$16,803	\$16,509	\$17,285	\$18,012	\$18,209
Net Cash from Investing Activities	-\$47,693	-\$48,161	-\$25,076	-\$22,490	-\$16,584	-\$19,743	-\$15,392	-\$15,098	-\$16,961	-\$18,012	-\$18,209

GENERAL FUND CASH FLOW STATEMENT (Cont.) \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Capital Grants and Contributions	\$22,417	\$22,129	\$24,025	\$17,902	\$17,320	\$17,878	\$18,034	\$18,197	\$18,366	\$18,541	\$18,710
Proceeds from Borrowings & Advances	\$21,765	\$16,023	\$4,575	\$1,612	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments:											
Repayment of Borrowings & Advances	\$11,689	\$13,102	\$12,801	\$10,603	\$8,943	\$8,943	\$8,943	\$8,943	\$8,943	\$6,325	\$6,325
Net Cash Flow provided (used in) Financing Activities	\$32,493	\$25,050	\$15,799	\$8,911	\$8,377	\$8,935	\$9,091	\$9,254	\$9,423	\$12,216	\$12,385
Net Increase/(Decrease) in Cash & Cash Equivalents	\$19,213	\$13,465	\$27,819	\$21,991	\$27,222	\$26,350	\$32,577	\$35,001	\$34,244	\$37,680	\$39,814
plus: Cash, Cash Equivalents & Investments - beginning of year	\$92,089	\$111,302	\$124,767	\$152,585	\$174,576	\$201,798	\$228,148	\$260,724	\$295,725	\$329,970	\$367,649
Cash & Investments - end of the year	\$111,302	\$124,767	\$152,585	\$174,576	\$201,798	\$228,148	\$260,724	\$295,725	\$329,970	\$367,649	\$407,463
Representing:											
- External Restrictions	\$44,740	\$37,990	\$35,705	\$38,872	\$42,592	\$47,003	\$47,086	\$51,815	\$51,904	\$52,159	\$57,578
- Internal Restrictions	\$45,252	\$39,078	\$19,648	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901
- Unrestricted	\$21,309	\$47,699	\$97,233	\$127,803	\$151,305	\$173,244	\$205,738	\$236,009	\$270,165	\$307,590	\$341,985

GENERAL FUND PERFORMANCE RATIOS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Operating Performance Ratio (%)	-3.8%	-3.2%	-3.2%	-3.3%	-2.3%	-1.3%	-0.3%	0.8%	1.8%	2.8%	3.6%
Unrestricted Current Ratio (%)	183.0%	220.3%	283.6%	326.6%	369.2%	408.3%	466.1%	518.8%	606.3%	675.3%	741.4%
Own Source Revenue Ratio (%)	65.8%	67.1%	66.9%	70.6%	71.5%	71.8%	72.4%	72.9%	73.5%	74.0%	74.5%
Debt Service Cover Ratio	2.51	2.42	2.52	3.07	3.80	4.00	4.19	4.41	4.64	6.87	7.22
Building and Infrastructure Renewal Ratio (%)	102.9%	98.3%	69.1%	59.7%	58.1%	57.8%	51.1%	51.6%	52.9%	54.1%	53.5%
Infrastructure Backlog Ratio (%)	0.3%	0.4%	0.5%	0.7%	0.8%	0.9%	1.1%	1.2%	1.4%	1.5%	1.7%

Sustainability Scenarios

The next two scenarios look at two different Special Variations (SV) to ensure Council is sustainable, they make all the same assumptions except for the level and timeframe of the Special Variation that is modelled.

A Special Variation (SV) is an increase over and above the set rate peg. In order to increase rates in line with an SV, Council must apply to the Independent Pricing and Regulatory Tribunal (IPART) for the increase, who will then assess the application against the Office of Local Government's (OLG) Guidelines for Special Rate Variations.

The sustainability scenarios start with the same key revenue and expenditure assumptions as outlined in the Base Case. They also include all the committed projects that are in the Base Case scenario. In addition to this, the sustainability scenarios:

- Model the required asset renewal and maintenance, instead of the planned numbers. This ensures that Council is adequately planning to renew and maintain assets at their current levels.
- Include the costs and benefits of the present initiatives outlined in Council's Organisational Sustainability and Improvement Plan.

In addition to the Base Case projects, these scenarios include:

- Invest adequately in its transport and road network; detailed below.
- Deliver the actions in sports and recreation strategies and masterplans for key sites such as Victoria Park, Bicentennial Park and Chaffey Park.
- Re-invest in Council's aging aquatics facilities; detailed below.
- Undertake key transport upgrades for example: Jewry Street, Moore Creek Road and CBD Traffic plans.
- Bring key asset classes back to a satisfactory condition, particularly in stormwater and buildings (such as Town Hall, Community Centre and Tamworth Regional Events and Conference Centre).
- Build a new animal rehoming pound.

➤ Tamworth Regional Transport and Roads Network

Tamworth community has signalled the quality of its road and transport infrastructure is a top priority. The recent extreme rainfall and flooding events has required Council to divert extra resources to address the fast- deteriorating status of our roads network. If left unaddressed, these events have the potential to cause serious safety issues to motorists and other road users, as well as disrupt the economic activities and region's connectivity. Unfortunately, those extreme events are forecasted to occur more often in the future.

The average increase in expenditure for maintenance and operations and in renewal expenditure is expected to be \$8.7 million per annum combined. Council has also earmarked \$25.7 million for some road upgrade works to address backlog and/or ensure capacity for future population growth, these include upgrades to Jewry Street, Moore Creek Road and CBD Traffic upgrades.

➤ Tamworth Regional Aquatic Centre and Northern Inland Centre of Sport and Health

Tamworth Olympic Swimming Pool and South West Tamworth War Memorial Pool are aging facilities with increasing subsidies required to operate them. They do not meet current community needs and require significant investment to renew and bring to current standards. To meet the regions aquatic sport needs, Council has sought and received commitment from the NSW Government for a \$15 million grant contribution to build the Tamworth Regional Aquatic Centre and Northern Inland Centre of Sport and Health. This combined with a \$15 million budgeted contribution from Council, which is not significantly

greater than the investment required to renew both assets to a satisfactory condition, and a \$15 million contribution from the Federal Government will complete the project scope.

The aquatics facility with contemporary elements for social engagement, fitness health and active recreation will provide for the needs of current and future generations. The Northern Inland Centre of Sport and Health will integrate with the Aquatics Centre to provide a sports hub with business accommodation, integrated learning, sport and health research along with medical and allied health services. This development will be the regions centre for aquatic sport and aligns with Blueprint 100 as it will contribute to economic sustainability, growth and liveability for the Tamworth region, through employment generation, tourism and increased visitation associated with sporting events and an extraordinary recreational facility.

➤ **Tamworth Adventure Pool**

Tamworth Olympic Swimming Pool and South West Tamworth War Memorial Pool are aging facilities with increasing subsidies required to operate them. They do not meet current community needs and require significant investment to renew and bring to current standards. The Tamworth Adventure Pool will meet the regions aquatic recreation needs, in the north-western end of Bicentennial Park. It will include unique and iconic components, including a free-formed lagoon-style body of water that has space capable of lap-style swimming. A variety of interactive and engaging water play facilities are proposed as well as recreation and social areas. Council intends to invest \$15 million over four years to develop the Tamworth Adventure Pool. This development will be the regions centre for aquatic recreation and aligns with Blueprint 100. The centre will contribute to economic sustainability, growth and liveability for the Tamworth region, through employment generation, and further activation of the CBD.

The current Long Term Financial Plan and Special Variation scenarios are focused on ensuring financial sustainability for Council whilst recognising the capacity of the community to pay in these times of high inflationary pressure.

For this reason, the following growth projects have been excluded pending more favourable economic conditions, possible financial support from other levels of government and appropriate community consultation:

- Redesign of Ray Walsh House
- Construction of Performing Arts Centre
- Additional car parking for the Tamworth CBD
- Sustainable improvements at the Pilot Training Facility including solar energy.

These projects remain important to Council and to supporting growth in the Tamworth region. Given the current increasing costs of living, Council has made the decision to focus on seeking only the sufficient revenue needed to renew current assets and remaining financially sustainable. Council is still looking at completing its studies on the best options to procure and fund the above projects with the least financial impact on the wider community.

Without a Special Variation, the Sustainability Scenario assumptions are not viable, as shown in the graphs below. If Council were to invest adequately in asset and deliver the infrastructure backlog and upgrade works identified, then it would experience an average operating deficit of \$11 million over the forecast period and run out of unrestricted cash around 2025-26.

Figure 1 General Fund Operating Result – Sustainability Scenario with no SV

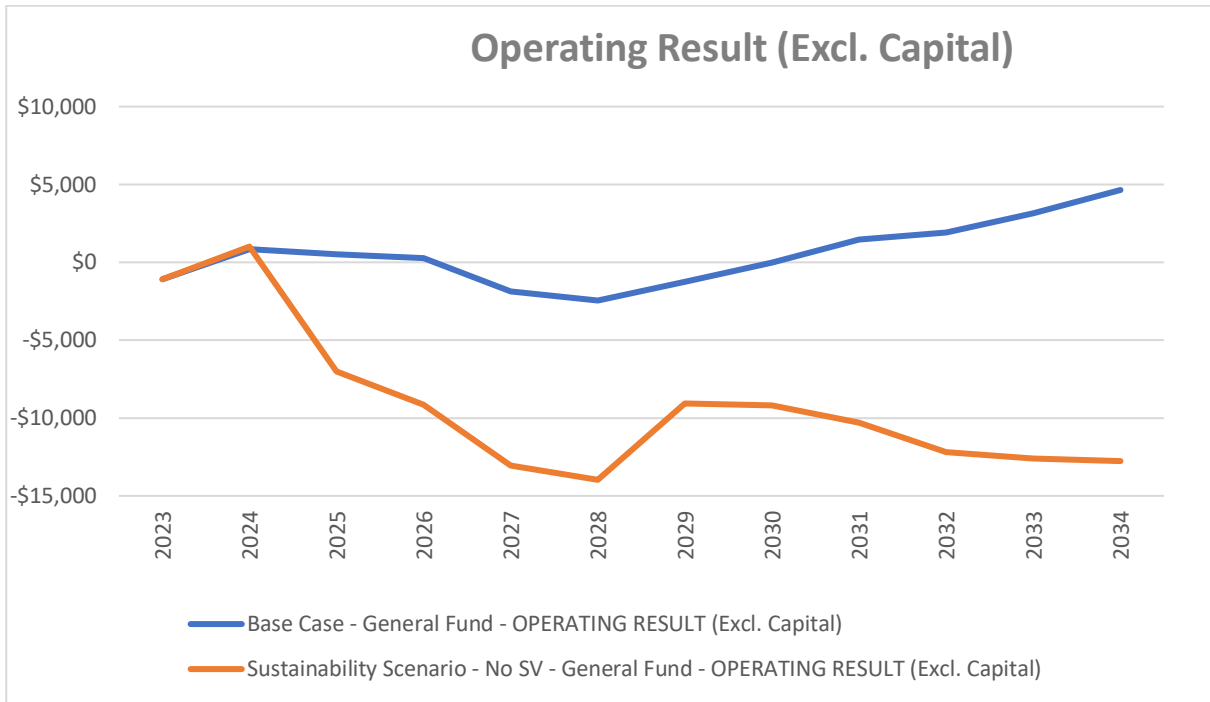
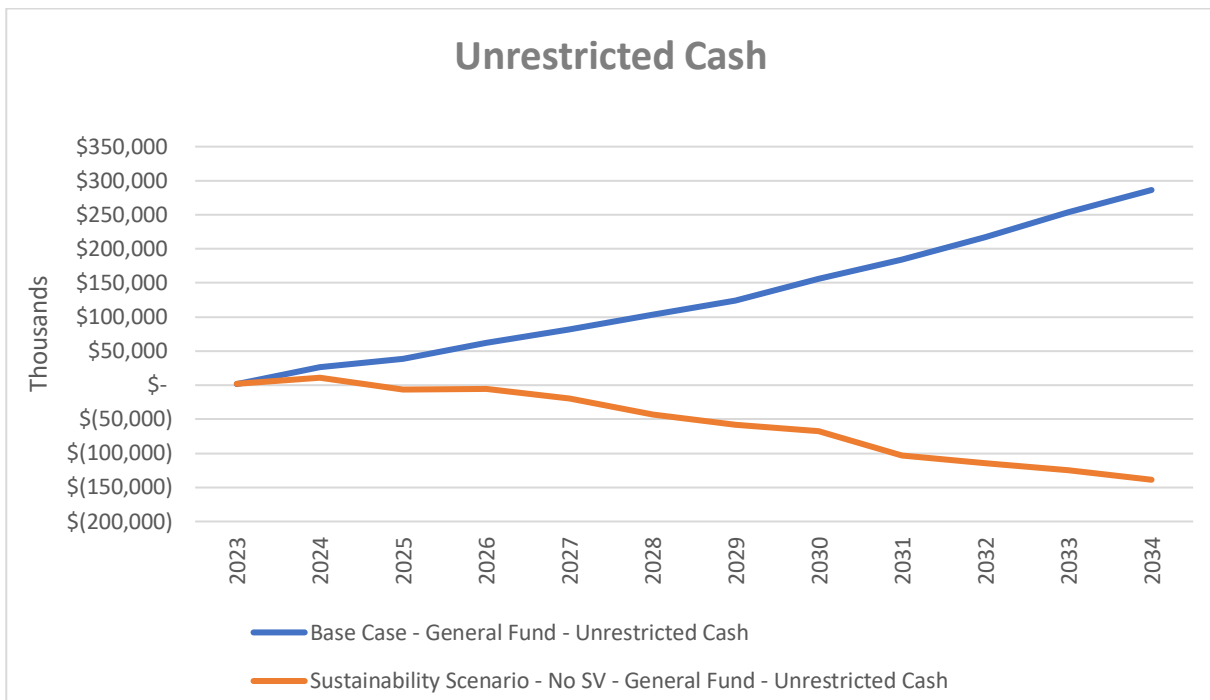


Figure 2 General Fund Unrestricted Cash – Sustainability Scenario with no SV



As a result, Council has considered two options for a Special Variation to understand the level of rate revenue increase that would be required to ensure the Sustainability Scenario is indeed financially sustainable.

These two options are outlined in the table below, note that the amounts stated in the table are inclusive of the forecast rate peg assumption outlined in the revenue assumptions section above.

Pensioner Rate Concessions

As a result of feedback from community consultation on the SV, it is proposed to implement additional voluntary pensioner rate concessions if the proposed SV application is proposed. These measures, in addition to the revised hardship policy, are aimed at supporting more vulnerable fix-income ratepayers.

Should Council resolve to proceed with an SV application and IPART approves the proposed rate increase, it is proposed that Council increase the voluntary component of the pensioner rate concessions as follows:

- Increase the pensioner rate concession for eligible pensioner card holders for the 2024-25 financial year by \$50.00 to \$300.00; and
- Increase the pensioner rate concession for eligible pensioner card holders from the 2025-2026 financial year by another \$50.00 (i.e. total increase = \$100.00) per annum to \$350.00.

These proposed increases will increase operating cost in 2023-24 by \$221,600 and from 2024-25 by \$443,200 annually. It is proposed that Council continue to review the voluntary component of the pensioner rate concessions annually to ensure that it remains effective and affordable.

These proposed increases are included in this LTFP.

Scenario 2: Sustainability (One-Year Special Variation)

The first sustainability scenario modelled is for a single year permanent increase to general rates of 30%, inclusive of the forecast rate peg.

The impact on Tamworth's average rates of a one-year SV of 30% are as per the table below.

Table 1 – One Year SV impact of Average Rates

Rating Category	2023-24 Average Rates	2024-25 Average Rate	Increase
Residential	\$1,197.28	\$1,556.46	\$359.18
Business	\$4,154.01	\$5,400.21	\$1,246.20
Farming	\$2,147.96	\$2,792.35	\$644.39
Mining	\$10,073.39	\$11,936.97	\$1,863.58

The one-year Special Variation will ensure that the scenario is sustainable, as the tables below indicate with a reasonable General Fund surplus (excluding capital items) averaging \$4.6 million and unrestricted cash remaining positive as outlined in the forecasted financial statements below.

CONSOLIDATED INCOME STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<i>Income from Continuing Operations</i>											
Rates & Annual Charges	\$84,278	\$102,958	\$106,098	\$109,522	\$113,096	\$116,789	\$120,606	\$124,551	\$128,580	\$132,743	\$137,043
User Charges & Fees	\$47,812	\$49,871	\$51,767	\$53,670	\$55,644	\$57,691	\$59,813	\$62,015	\$64,218	\$66,500	\$68,864
Other Revenue	\$4,427	\$4,582	\$4,696	\$4,814	\$4,934	\$5,057	\$5,184	\$5,313	\$5,446	\$5,582	\$5,722
Grants & Contributions - Operating Purpose	\$22,716	\$23,170	\$23,634	\$24,106	\$24,588	\$25,080	\$25,582	\$26,093	\$26,615	\$27,148	\$27,691
Grants & Contributions - Capital Purposes	\$33,573	\$24,987	\$25,378	\$8,312	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Interest & Investment Revenue	\$7,523	\$7,708	\$7,144	\$6,751	\$6,660	\$6,769	\$7,278	\$7,835	\$7,581	\$8,450	\$9,488
Total Income from Continuing Operations	\$200,329	\$213,276	\$218,717	\$207,175	\$209,580	\$214,264	\$221,497	\$229,006	\$235,808	\$243,965	\$252,518
<i>Expenditure from Continuing Operations</i>											
Employee Benefits & On-Costs	\$62,766	\$65,867	\$68,789	\$71,147	\$73,587	\$76,111	\$78,722	\$81,423	\$84,218	\$87,109	\$90,101
Borrowing Costs	\$7,432	\$7,833	\$7,486	\$6,955	\$6,337	\$5,676	\$4,966	\$4,205	\$3,388	\$2,821	\$2,526
Materials & Contracts	\$48,716	\$50,650	\$52,194	\$53,756	\$55,401	\$57,099	\$58,851	\$60,659	\$62,487	\$64,372	\$66,316
Depreciation & Amortisation	\$41,340	\$43,357	\$45,108	\$46,422	\$47,488	\$48,617	\$49,755	\$51,283	\$52,449	\$53,647	\$54,872
Other Expenses	\$4,020	\$11,149	\$11,259	\$12,886	\$11,752	\$6,470	\$6,652	\$7,527	\$7,655	\$7,787	\$7,921
Total Expenses from Continuing Operations	\$164,274	\$178,856	\$184,837	\$191,166	\$194,565	\$193,973	\$198,946	\$205,098	\$210,197	\$215,736	\$221,736
Gains (Losses) from Asset Sales	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Operating Result from Continuing Operations	\$41,085	\$39,331	\$38,670	\$19,080	\$16,426	\$21,702	\$23,961	\$25,318	\$25,935	\$28,229	\$30,781
Net Operating Result before Capital Grants and Contributions	\$7,512	\$14,344	\$13,292	\$10,768	\$11,768	\$18,824	\$20,927	\$22,121	\$22,569	\$24,688	\$27,071
Net Operating Result before Capital Grants and Asset Sales	\$2,482	\$9,433	\$8,502	\$7,697	\$10,357	\$17,413	\$19,517	\$20,711	\$22,245	\$24,688	\$27,071

CONSOLIDATED BALANCE SHEET \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$62,621	\$46,941	\$36,018	\$33,503	\$36,522	\$50,658	\$66,150	\$59,092	\$83,230	\$112,043	\$144,104
Investments	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500
Receivables	\$17,054	\$20,727	\$21,421	\$22,128	\$22,859	\$23,614	\$24,396	\$25,203	\$26,028	\$26,881	\$27,762
Contract Assets	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981
Inventories	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332
Other	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560
Non-current assets "held for sale"	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total Current Assets	\$239,099	\$227,092	\$216,862	\$215,054	\$218,804	\$233,695	\$249,968	\$243,718	\$268,681	\$298,346	\$331,288
Non-Current Assets											
Investments	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
Infrastructure, Property, Plant & Equipment	\$2,140,701	\$2,228,723	\$2,304,039	\$2,348,443	\$2,380,891	\$2,416,937	\$2,452,746	\$2,513,999	\$2,549,873	\$2,587,392	\$2,625,698
Intangible Assets	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853
Contract Assets	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693
Investment Property	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615
Total Non-Current Assets	\$2,211,862	\$2,299,884	\$2,375,200	\$2,419,604	\$2,452,052	\$2,488,098	\$2,523,907	\$2,585,160	\$2,621,034	\$2,658,553	\$2,696,859
TOTAL ASSETS	\$2,450,961	\$2,526,976	\$2,592,061	\$2,634,658	\$2,670,856	\$2,721,793	\$2,773,876	\$2,828,877	\$2,889,715	\$2,956,900	\$3,028,147

CONSOLIDATED BALANCE SHEET cont. \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
LIABILITIES											
Current Liabilities											
Payables	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967
Contract Liabilities	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586
Lease Liabilities	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349
Borrowings	\$8,989	\$9,155	\$8,987	\$9,605	\$10,266	\$10,976	\$11,737	\$8,085	\$5,170	\$5,464	\$5,464
Provisions	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504
Total Current Liabilities	\$59,395	\$59,561	\$59,393	\$60,011	\$60,672	\$61,382	\$62,143	\$58,491	\$55,576	\$55,870	\$55,870
Non-Current Liabilities											
Lease Liabilities	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489
Borrowings	\$96,451	\$103,319	\$98,907	\$90,914	\$80,648	\$69,672	\$57,934	\$49,849	\$44,680	\$39,216	\$33,753
Provisions	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034
Total Non-Current Liabilities	\$110,974	\$117,842	\$113,430	\$105,437	\$95,171	\$84,195	\$72,457	\$64,372	\$59,203	\$53,739	\$48,276
TOTAL LIABILITIES	\$170,370	\$177,403	\$172,823	\$165,448	\$155,843	\$145,577	\$134,601	\$122,863	\$114,778	\$109,609	\$104,145
NET ASSETS	\$2,280,591	\$2,349,573	\$2,419,238	\$2,469,210	\$2,515,013	\$2,576,217	\$2,639,275	\$2,706,014	\$2,774,937	\$2,847,291	\$2,924,002

CONSOLIDATED CASH FLOW STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Operating Activities											
Receipts:											
Own source revenue	\$144,040	\$165,119	\$169,705	\$174,756	\$180,334	\$186,306	\$192,881	\$199,715	\$205,826	\$213,276	\$221,117
Grants & Contributions	\$22,716	\$23,170	\$23,634	\$24,106	\$24,588	\$25,080	\$25,582	\$26,093	\$26,615	\$27,148	\$27,691
Other Income	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments											
Employee Benefits & On-Costs	\$62,766	\$65,867	\$68,789	\$71,147	\$73,587	\$76,111	\$78,722	\$81,423	\$84,218	\$87,109	\$90,101
Materials & Contracts	\$48,716	\$50,650	\$52,194	\$53,756	\$55,401	\$57,099	\$58,851	\$60,659	\$62,487	\$64,372	\$66,316
Other	\$4,020	\$11,149	\$11,259	\$12,886	\$11,752	\$6,470	\$6,652	\$7,527	\$7,655	\$7,787	\$7,921
Net Cash from Operating Activities	\$56,284	\$65,534	\$65,887	\$64,145	\$65,593	\$73,117	\$75,648	\$77,609	\$78,405	\$81,156	\$84,470
Cash Flows from Investing Activities											
Receipts:											
Sale of Real Estate	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	\$98,673	\$110,312	\$94,913	\$63,712	\$52,700	\$47,327	\$48,659	\$73,333	\$46,484	\$47,894	\$48,129
Net Cash from Investing Activities	-\$93,643	-\$105,401	-\$90,123	-\$60,642	-\$51,290	-\$45,916	-\$47,249	-\$71,923	-\$46,160	-\$47,894	-\$48,129

CONSOLIDATED CASH FLOW STATEMENT (Cont.) \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Capital Grants and Contributions	\$33,573	\$24,987	\$25,378	\$8,312	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Proceeds from Borrowings & Advances	\$21,765	\$16,023	\$4,575	\$1,612	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments:											
Repayment of Borrowings & Advances	\$15,289	\$16,823	\$16,641	\$15,942	\$15,942	\$15,942	\$15,942	\$15,942	\$11,473	\$7,990	\$7,990
Net Cash Flow provided (used in) Financing Activities	\$40,049	\$24,187	\$13,312	-\$6,018	-\$11,284	-\$13,064	-\$12,908	-\$12,745	-\$8,107	-\$4,449	-\$4,280
Net Increase/(Decrease) in Cash & Cash Equivalents	\$2,690	-\$15,680	-\$10,924	-\$2,515	\$3,019	\$14,136	\$15,492	-\$7,058	\$24,139	\$28,813	\$32,061
plus: Cash, Cash Equivalents & Investments - beginning of year	\$211,431	\$214,121	\$198,441	\$187,518	\$185,003	\$188,022	\$202,158	\$217,650	\$210,592	\$234,730	\$263,543
Cash & Investments - end of the year	\$214,121	\$198,441	\$187,518	\$185,003	\$188,022	\$202,158	\$217,650	\$210,592	\$234,730	\$263,543	\$295,604
Representing:											
- External Restrictions	\$157,939	\$152,698	\$146,278	\$155,076	\$166,069	\$178,168	\$184,765	\$194,227	\$209,136	\$225,683	\$248,655
- Internal Restrictions	\$45,252	\$39,078	\$19,648	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901
- Unrestricted	\$10,930	\$6,666	\$21,592	\$22,026	\$14,052	\$16,089	\$24,983	\$8,463	\$17,693	\$29,959	\$39,048

CONSOLIDATED PERFORMANCE RATIOS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Operating Performance Ratio (%)	1.5%	5.0%	4.4%	3.9%	5.1%	8.2%	8.9%	9.2%	9.6%	10.3%	10.9%
Unrestricted Current Ratio (%)	274.3%	266.4%	257.6%	241.0%	236.5%	249.0%	272.0%	268.1%	326.9%	377.8%	424.8%
Own Source Revenue Ratio (%)	70.1%	75.7%	75.9%	83.1%	85.5%	86.4%	86.5%	86.7%	87.2%	87.4%	87.6%
Debt Service Cover Ratio	3.35	3.60	3.67	3.83	4.03	4.50	4.66	4.78	6.81	10.16	10.57
Building and Infrastructure Renewal Ratio (%)	88.7%	117.0%	109.0%	112.9%	119.0%	96.4%	99.5%	95.5%	95.4%	95.0%	93.4%
Infrastructure Backlog Ratio (%)	0.7%	0.6%	0.7%	0.7%	0.8%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%

GENERAL FUND INCOME STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<i>Income from Continuing Operations</i>											
Rates & Annual Charges	\$49,961	\$65,362	\$67,596	\$70,093	\$72,681	\$75,364	\$78,145	\$81,029	\$83,970	\$87,017	\$90,174
User Charges & Fees	\$29,678	\$30,994	\$32,210	\$33,430	\$34,695	\$36,009	\$37,372	\$38,787	\$40,201	\$41,666	\$43,185
Other Revenue	\$4,346	\$4,498	\$4,610	\$4,726	\$4,844	\$4,965	\$5,089	\$5,216	\$5,347	\$5,480	\$5,617
Grants & Contributions - Operating Purpose	\$22,710	\$23,164	\$23,627	\$24,100	\$24,582	\$25,073	\$25,575	\$26,086	\$26,608	\$27,140	\$27,683
Grants & Contributions - Capital Purposes	\$30,358	\$22,729	\$23,125	\$4,152	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Interest & Investment Revenue	\$2,755	\$3,633	\$3,014	\$2,770	\$2,477	\$2,324	\$2,556	\$2,879	\$2,454	\$2,790	\$3,241
Total Income from Continuing Operations	\$139,807	\$150,380	\$154,183	\$139,270	\$143,936	\$146,613	\$151,771	\$157,194	\$161,946	\$167,635	\$173,611
<i>Expenditure from Continuing Operations</i>											
Employee Benefits & On-Costs	\$56,725	\$59,584	\$62,286	\$64,481	\$66,754	\$69,108	\$71,544	\$74,065	\$76,676	\$79,379	\$82,177
Borrowing Costs	\$4,436	\$4,983	\$4,801	\$4,456	\$4,093	\$3,769	\$3,423	\$3,053	\$2,658	\$2,236	\$1,995
Materials & Contracts	\$20,703	\$21,725	\$22,578	\$23,433	\$24,320	\$25,241	\$26,197	\$27,188	\$28,179	\$29,207	\$30,271
Depreciation & Amortisation	\$29,215	\$30,804	\$32,045	\$32,974	\$33,730	\$34,541	\$35,332	\$36,471	\$37,297	\$38,141	\$39,005
Other Expenses	\$2,392	\$9,464	\$9,532	\$11,115	\$9,937	\$4,611	\$4,746	\$5,573	\$5,652	\$5,734	\$5,817
Total Expenses from Continuing Operations	\$113,470	\$126,560	\$131,243	\$136,459	\$138,834	\$137,269	\$141,241	\$146,352	\$150,463	\$154,697	\$159,265
Gains (Losses) from Asset Sales	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Operating Result from Continuing Operations	\$31,367	\$28,731	\$27,731	\$5,881	\$6,512	\$10,754	\$11,940	\$12,253	\$11,807	\$12,938	\$14,345
Net Operating Result before Capital Grants and Contributions	\$1,009	\$6,002	\$4,606	\$1,729	\$1,854	\$7,876	\$8,906	\$9,056	\$8,441	\$9,397	\$10,635
Net Operating Result before Capital Grants and Asset Sales	-\$4,021	\$1,091	-\$184	-\$1,342	\$444	\$6,465	\$7,496	\$7,646	\$8,117	\$9,397	\$10,635

GENERAL FUND BALANCE SHEET \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$64,698	\$47,509	\$40,720	\$32,574	\$28,320	\$34,768	\$43,745	\$31,954	\$41,273	\$53,793	\$68,302
Investments	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882
Receivables	\$10,759	\$14,124	\$14,653	\$15,190	\$15,748	\$16,325	\$16,924	\$17,545	\$18,179	\$18,835	\$19,515
Contract Assets	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793
Inventories	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332
Other	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560
Non-current assets "held for sale"	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total Current Assets	\$138,074	\$124,250	\$117,989	\$110,381	\$106,684	\$113,710	\$123,286	\$112,116	\$122,069	\$135,245	\$150,434
Non-Current Assets											
Investments	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343
Infrastructure, Property, Plant & Equipment	\$1,601,065	\$1,670,167	\$1,720,354	\$1,749,546	\$1,772,297	\$1,798,346	\$1,822,080	\$1,868,230	\$1,893,514	\$1,919,659	\$1,946,360
Intangible Assets	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
Contract Assets	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693
Investment Property	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615
Total Non-Current Assets	\$1,651,000	\$1,720,102	\$1,770,289	\$1,799,481	\$1,822,232	\$1,848,281	\$1,872,015	\$1,918,165	\$1,943,449	\$1,969,594	\$1,996,295
TOTAL ASSETS	\$1,789,074	\$1,844,352	\$1,888,279	\$1,909,863	\$1,928,916	\$1,961,992	\$1,995,302	\$2,030,281	\$2,065,517	\$2,104,839	\$2,146,729

GENERAL FUND BALANCE SHEET cont. \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
LIABILITIES											
Current Liabilities											
Payables	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479
Contract Liabilities	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218
Lease Liabilities	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349
Borrowings	\$8,119	\$8,000	\$6,147	\$4,850	\$5,174	\$5,520	\$5,890	\$6,285	\$4,089	\$4,330	\$4,330
Provisions	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504
Total Current Liabilities	\$56,669	\$56,550	\$54,697	\$53,400	\$53,724	\$54,070	\$54,440	\$54,835	\$52,639	\$52,880	\$52,880
Non-Current Liabilities											
Lease Liabilities	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489
Borrowings	\$57,631	\$65,654	\$64,082	\$60,845	\$55,671	\$50,151	\$44,261	\$37,977	\$33,887	\$29,557	\$25,227
Provisions	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034
Total Non-Current Liabilities	\$72,154	\$80,177	\$78,605	\$75,368	\$70,194	\$64,674	\$58,784	\$52,500	\$48,410	\$44,080	\$39,750
TOTAL LIABILITIES	\$128,823	\$136,727	\$133,302	\$128,767	\$123,918	\$118,744	\$113,224	\$107,334	\$101,050	\$96,960	\$92,630
NET ASSETS	\$1,660,251	\$1,707,625	\$1,754,976	\$1,781,095	\$1,804,998	\$1,843,248	\$1,882,078	\$1,922,947	\$1,964,467	\$2,007,879	\$2,054,099

GENERAL FUND CASH FLOW STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Operating Activities											
Receipts:											
Own source revenue	\$86,739	\$104,487	\$107,431	\$111,018	\$114,697	\$118,661	\$123,162	\$127,911	\$131,972	\$136,954	\$142,218
Grants & Contributions	\$22,710	\$23,164	\$23,627	\$24,100	\$24,582	\$25,073	\$25,575	\$26,086	\$26,608	\$27,140	\$27,683
Other Income	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments											
Employee Benefits & On-Costs	\$56,725	\$59,584	\$62,286	\$64,481	\$66,754	\$69,108	\$71,544	\$74,065	\$76,676	\$79,379	\$82,177
Materials & Contracts	\$20,703	\$21,725	\$22,578	\$23,433	\$24,320	\$25,241	\$26,197	\$27,188	\$28,179	\$29,207	\$30,271
Other	\$2,392	\$9,464	\$9,532	\$11,115	\$9,937	\$4,611	\$4,746	\$5,573	\$5,652	\$5,734	\$5,817
Net Cash from Operating Activities	\$34,660	\$41,789	\$41,453	\$39,159	\$39,677	\$46,186	\$47,662	\$48,581	\$48,396	\$49,775	\$51,635
Cash Flows from Investing Activities											
Receipts:											
Sale of Real Estate	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	\$71,291	\$89,538	\$67,931	\$45,536	\$41,058	\$35,083	\$34,186	\$56,037	\$33,824	\$34,470	\$34,511
Net Cash from Investing Activities	-\$66,261	-\$84,627	-\$63,141	-\$42,465	-\$39,647	-\$33,673	-\$32,776	-\$54,626	-\$33,500	-\$34,470	-\$34,511

GENERAL FUND CASH FLOW STATEMENT (Cont.) \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Capital Grants and Contributions	\$30,358	\$22,729	\$23,125	\$4,152	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Proceeds from Borrowings & Advances	\$21,765	\$16,023	\$4,575	\$1,612	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments:											
Repayment of Borrowings & Advances	\$11,689	\$13,102	\$12,801	\$10,603	\$8,943	\$8,943	\$8,943	\$8,943	\$8,943	\$6,325	\$6,325
Net Cash Flow provided (used in) Financing Activities	\$40,434	\$25,650	\$14,899	-\$4,839	-\$4,285	-\$6,065	-\$5,909	-\$5,746	-\$5,577	-\$2,784	-\$2,615
Net Increase/(Decrease) in Cash & Cash Equivalents	\$8,834	-\$17,189	-\$6,789	-\$8,146	-\$4,255	\$6,448	\$8,977	-\$11,791	\$9,319	\$12,520	\$14,508
plus: Cash, Cash Equivalents & Investments - beginning of year	\$92,089	\$100,923	\$83,734	\$76,945	\$68,799	\$64,545	\$70,993	\$79,970	\$68,179	\$77,498	\$90,018
Cash & Investments - end of the year	\$100,923	\$83,734	\$76,945	\$68,799	\$64,545	\$70,993	\$79,970	\$68,179	\$77,498	\$90,018	\$104,527
Representing:											
- External Restrictions	\$44,740	\$37,990	\$35,705	\$38,872	\$42,592	\$47,003	\$47,086	\$51,815	\$51,904	\$52,159	\$57,578
- Internal Restrictions	\$45,252	\$39,078	\$19,648	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901
- Unrestricted	\$10,930	\$6,666	\$21,592	\$22,026	\$14,052	\$16,089	\$24,983	\$8,463	\$17,693	\$29,959	\$39,048

GENERAL FUND PERFORMANCE RATIOS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Operating Performance Ratio (%)	-3.7%	0.9%	-0.1%	-1.0%	0.3%	4.5%	5.0%	5.0%	5.1%	5.7%	6.3%
Unrestricted Current Ratio (%)	164.7%	152.5%	150.4%	133.9%	119.3%	123.4%	140.0%	110.0%	133.3%	157.1%	175.6%
Own Source Revenue Ratio (%)	59.9%	67.3%	67.6%	78.0%	78.9%	80.2%	80.4%	80.6%	81.3%	81.7%	81.9%
Debt Service Cover Ratio	2.53	2.81	2.86	3.40	4.28	5.01	5.17	5.27	5.38	7.87	8.16
Building and Infrastructure Renewal Ratio (%)	102.9%	137.8%	126.6%	127.8%	140.3%	105.5%	110.0%	104.9%	105.0%	104.7%	102.5%
Infrastructure Backlog Ratio (%)	0.3%	0.3%	0.3%	0.4%	0.5%	0.5%	0.6%	0.7%	0.7%	0.8%	0.9%

Scenario 3: Sustainability (Two-Year Special Variation)

The second sustainability scenario modelled is for a two-year permanent increase to general rates of 18.5% in 2024-25 and 15.0% in 2025-26, inclusive of the forecast rate peg. Over the two-year implementation period, the cumulative percentage of the Special Variation in this scenario is 36.3%.

The impact on Tamworth's average rates of a two-year SV of 36.3% are as per the table below.

Table 2 – Two Year SV impact of Average Rates

Rating Category	2023-24 Average Rates	2024-25 Average Rates	2025-26 Average Rate	Increase
Residential	\$1,197.28	\$1,418.78	\$1,631.59	\$434.31
Business	\$4,154.01	\$4,922.50	\$5,660.88	\$1,506.87
Farming	\$2,147.96	\$2,545.33	\$2,927.13	\$779.17
Mining	\$10,073.39	\$11,936.97	\$13,727.51	\$3,654.12

The two-year Special Variation will ensure that the scenario is sustainable, as the tables below indicate with a reasonable General Fund surplus (excluding capital items) averaging \$4.6 million and unrestricted cash remaining positive as outlined in the forecasted financial statements below.

CONSOLIDATED INCOME STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<i>Income from Continuing Operations</i>											
Rates & Annual Charges	\$84,278	\$96,891	\$106,870	\$110,323	\$113,926	\$117,650	\$121,499	\$125,476	\$129,539	\$133,736	\$138,072
User Charges & Fees	\$47,812	\$49,871	\$51,767	\$53,670	\$55,644	\$57,691	\$59,813	\$62,015	\$64,218	\$66,500	\$68,864
Other Revenue	\$4,427	\$4,582	\$4,696	\$4,814	\$4,934	\$5,057	\$5,184	\$5,313	\$5,446	\$5,582	\$5,722
Grants & Contributions - Operating Purpose	\$22,716	\$23,170	\$23,634	\$24,106	\$24,588	\$25,080	\$25,582	\$26,093	\$26,615	\$27,148	\$27,691
Grants & Contributions - Capital Purposes	\$33,573	\$24,987	\$25,378	\$8,312	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Interest & Investment Revenue	\$7,523	\$7,708	\$6,925	\$6,552	\$6,483	\$6,616	\$7,150	\$7,735	\$7,511	\$8,412	\$9,483
Total Income from Continuing Operations	\$200,329	\$207,210	\$219,271	\$207,777	\$210,233	\$214,971	\$222,261	\$229,830	\$236,695	\$244,919	\$253,542
<i>Expenditure from Continuing Operations</i>											
Employee Benefits & On-Costs	\$62,766	\$65,867	\$68,789	\$71,147	\$73,587	\$76,111	\$78,722	\$81,423	\$84,218	\$87,109	\$90,101
Borrowing Costs	\$7,432	\$7,833	\$7,486	\$6,955	\$6,337	\$5,676	\$4,966	\$4,205	\$3,388	\$2,821	\$2,526
Materials & Contracts	\$48,716	\$50,650	\$52,194	\$53,756	\$55,401	\$57,099	\$58,851	\$60,659	\$62,487	\$64,372	\$66,316
Depreciation & Amortisation	\$41,340	\$43,357	\$45,108	\$46,422	\$47,488	\$48,617	\$49,755	\$51,283	\$52,449	\$53,647	\$54,872
Other Expenses	\$4,020	\$11,149	\$11,259	\$12,886	\$11,752	\$6,470	\$6,652	\$7,527	\$7,655	\$7,787	\$7,921
Total Expenses from Continuing Operations	\$164,274	\$178,856	\$184,837	\$191,166	\$194,565	\$193,973	\$198,946	\$205,098	\$210,197	\$215,736	\$221,736
Gains (Losses) from Asset Sales	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Operating Result from Continuing Operations	\$41,085	\$33,264	\$39,225	\$19,682	\$17,079	\$22,409	\$24,726	\$26,143	\$26,823	\$29,183	\$31,806
Net Operating Result before Capital Grants and Contributions	\$7,512	\$8,277	\$13,847	\$11,370	\$12,421	\$19,531	\$21,692	\$22,946	\$23,457	\$25,642	\$28,096
Net Operating Result before Capital Grants and Asset Sales	\$2,482	\$3,366	\$9,056	\$8,300	\$11,011	\$18,121	\$20,281	\$21,535	\$23,132	\$25,642	\$28,096

CONSOLIDATED BALANCE SHEET \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$62,621	\$40,875	\$30,505	\$28,593	\$32,265	\$47,109	\$63,365	\$57,131	\$82,157	\$111,924	\$145,010
Investments	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500	\$118,500
Receivables	\$17,054	\$19,421	\$21,587	\$22,300	\$23,038	\$23,800	\$24,588	\$25,403	\$26,235	\$27,094	\$27,983
Contract Assets	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981	\$11,981
Inventories	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332
Other	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560
Non-current assets "held for sale"	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total Current Assets	\$239,099	\$219,719	\$211,516	\$210,316	\$214,726	\$230,331	\$247,375	\$241,957	\$267,815	\$298,442	\$332,416
Non-Current Assets											
Investments	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000	\$33,000
Infrastructure, Property, Plant & Equipment	\$2,140,701	\$2,228,723	\$2,304,039	\$2,348,443	\$2,380,891	\$2,416,937	\$2,452,746	\$2,513,999	\$2,549,873	\$2,587,392	\$2,625,698
Intangible Assets	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853	\$2,853
Contract Assets	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693
Investment Property	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615
Total Non-Current Assets	\$2,211,862	\$2,299,884	\$2,375,200	\$2,419,604	\$2,452,052	\$2,488,098	\$2,523,907	\$2,585,160	\$2,621,034	\$2,658,553	\$2,696,859
TOTAL ASSETS	\$2,450,961	\$2,519,603	\$2,586,715	\$2,629,920	\$2,666,778	\$2,718,429	\$2,771,283	\$2,827,116	\$2,888,849	\$2,956,995	\$3,029,275

CONSOLIDATED BALANCE SHEET (cont.) \$000	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24
LIABILITIES											
Current Liabilities											
Payables	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967	\$17,967
Contract Liabilities	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586	\$18,586
Lease Liabilities	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349
Borrowings	\$8,989	\$9,155	\$8,987	\$9,605	\$10,266	\$10,976	\$11,737	\$8,085	\$5,170	\$5,464	\$5,464
Provisions	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504
Total Current Liabilities	\$59,395	\$59,561	\$59,393	\$60,011	\$60,672	\$61,382	\$62,143	\$58,491	\$55,576	\$55,870	\$55,870
Non-Current Liabilities											
Lease Liabilities	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489
Borrowings	\$96,451	\$103,319	\$98,907	\$90,914	\$80,648	\$69,672	\$57,934	\$49,849	\$44,680	\$39,216	\$33,753
Provisions	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034
Total Non-Current Liabilities	\$110,974	\$117,842	\$113,430	\$105,437	\$95,171	\$84,195	\$72,457	\$64,372	\$59,203	\$53,739	\$48,276
TOTAL LIABILITIES	\$170,370	\$177,403	\$172,823	\$165,448	\$155,843	\$145,577	\$134,601	\$122,863	\$114,778	\$109,609	\$104,145
NET ASSETS	\$2,280,591	\$2,342,200	\$2,413,892	\$2,464,472	\$2,510,935	\$2,572,852	\$2,636,682	\$2,704,253	\$2,774,070	\$2,847,386	\$2,925,130

CONSOLIDATED CASH FLOW STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Operating Activities											
Receipts:											
Own source revenue	\$144,040	\$159,053	\$170,259	\$175,359	\$180,987	\$187,013	\$193,646	\$200,540	\$206,714	\$214,230	\$222,141
Grants & Contributions	\$22,716	\$23,170	\$23,634	\$24,106	\$24,588	\$25,080	\$25,582	\$26,093	\$26,615	\$27,148	\$27,691
Other Income	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments											
Employee Benefits & On-Costs	\$62,766	\$65,867	\$68,789	\$71,147	\$73,587	\$76,111	\$78,722	\$81,423	\$84,218	\$87,109	\$90,101
Materials & Contracts	\$48,716	\$50,650	\$52,194	\$53,756	\$55,401	\$57,099	\$58,851	\$60,659	\$62,487	\$64,372	\$66,316
Other	\$4,020	\$11,149	\$11,259	\$12,886	\$11,752	\$6,470	\$6,652	\$7,527	\$7,655	\$7,787	\$7,921
Net Cash from Operating Activities	\$56,284	\$59,467	\$66,441	\$64,747	\$66,246	\$73,824	\$76,413	\$78,434	\$79,293	\$82,110	\$85,494
Cash Flows from Investing Activities											
Receipts:											
Sale of Real Estate	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	\$98,673	\$110,312	\$94,913	\$63,712	\$52,700	\$47,327	\$48,659	\$73,333	\$46,484	\$47,894	\$48,129
Net Cash from Investing Activities	-\$93,643	-\$105,401	-\$90,123	-\$60,642	-\$51,290	-\$45,916	-\$47,249	-\$71,923	-\$46,160	-\$47,894	-\$48,129

CONSOLIDATED CASH FLOW STATEMENT(Cont.) \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Capital Grants and Contributions	\$33,573	\$24,987	\$25,378	\$8,312	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Proceeds from Borrowings & Advances	\$21,765	\$16,023	\$4,575	\$1,612	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments:											
Repayment of Borrowings & Advances	\$15,289	\$16,823	\$16,641	\$15,942	\$15,942	\$15,942	\$15,942	\$15,942	\$11,473	\$7,990	\$7,990
Net Cash Flow provided (used in) Financing Activities	\$40,049	\$24,187	\$13,312	-\$6,018	-\$11,284	-\$13,064	-\$12,908	-\$12,745	-\$8,107	-\$4,449	-\$4,280
Net Increase/(Decrease) in Cash & Cash Equivalents	\$2,690	-\$21,746	-\$10,370	-\$1,913	\$3,673	\$14,843	\$16,256	-\$6,234	\$25,026	\$29,767	\$33,086
plus: Cash, Cash Equivalents & Investments - beginning of year	\$211,431	\$214,121	\$192,375	\$182,005	\$180,093	\$183,765	\$198,609	\$214,865	\$208,631	\$233,657	\$263,424
Cash & Investments - end of the year	\$214,121	\$192,375	\$182,005	\$180,093	\$183,765	\$198,609	\$214,865	\$208,631	\$233,657	\$263,424	\$296,510
Representing:											
- External Restrictions	\$157,939	\$152,698	\$146,278	\$155,076	\$166,069	\$178,168	\$184,765	\$194,227	\$209,136	\$225,683	\$248,655
- Internal Restrictions	\$45,252	\$39,078	\$19,648	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901
- Unrestricted	\$10,930	\$599	\$16,080	\$17,116	\$9,795	\$12,540	\$22,198	\$6,503	\$16,621	\$29,840	\$39,954

CONSOLIDATED PERFORMANCE RATIOS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Operating Performance Ratio (%)	1.5%	1.7%	4.5%	4.0%	5.2%	8.4%	9.1%	9.3%	9.7%	10.4%	11.0%
Unrestricted Current Ratio (%)	274.3%	253.7%	247.7%	231.4%	227.4%	240.3%	263.9%	260.0%	318.9%	370.5%	418.1%
Own Source Revenue Ratio (%)	70.1%	74.9%	75.9%	83.1%	85.5%	86.4%	86.5%	86.7%	87.2%	87.4%	87.6%
Debt Service Cover Ratio	3.35	3.23	3.68	3.84	4.04	4.51	4.67	4.80	6.83	10.20	10.62
Building and Infrastructure Renewal Ratio (%)	88.7%	117.0%	109.0%	112.9%	119.0%	96.4%	99.5%	95.5%	95.4%	95.0%	93.4%
Infrastructure Backlog Ratio (%)	0.7%	0.6%	0.7%	0.7%	0.8%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%

GENERAL FUND INCOME STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
<i>Income from Continuing Operations</i>											
Rates & Annual Charges	\$49,961	\$59,296	\$68,369	\$70,893	\$73,511	\$76,224	\$79,037	\$81,954	\$84,928	\$88,010	\$91,203
User Charges & Fees	\$29,678	\$30,994	\$32,210	\$33,430	\$34,695	\$36,009	\$37,372	\$38,787	\$40,201	\$41,666	\$43,185
Other Revenue	\$4,346	\$4,498	\$4,610	\$4,726	\$4,844	\$4,965	\$5,089	\$5,216	\$5,347	\$5,480	\$5,617
Grants & Contributions - Operating Purpose	\$22,710	\$23,164	\$23,627	\$24,100	\$24,582	\$25,073	\$25,575	\$26,086	\$26,608	\$27,140	\$27,683
Grants & Contributions - Capital Purposes	\$30,358	\$22,729	\$23,125	\$4,152	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Interest & Investment Revenue	\$2,755	\$3,633	\$2,796	\$2,572	\$2,300	\$2,170	\$2,428	\$2,779	\$2,384	\$2,751	\$3,236
Total Income from Continuing Operations	\$139,807	\$144,314	\$154,737	\$139,872	\$144,590	\$147,320	\$152,535	\$158,019	\$162,834	\$168,589	\$174,635
<i>Expenditure from Continuing Operations</i>											
Employee Benefits & On-Costs	\$56,725	\$59,584	\$62,286	\$64,481	\$66,754	\$69,108	\$71,544	\$74,065	\$76,676	\$79,379	\$82,177
Borrowing Costs	\$4,436	\$4,983	\$4,801	\$4,456	\$4,093	\$3,769	\$3,423	\$3,053	\$2,658	\$2,236	\$1,995
Materials & Contracts	\$20,703	\$21,725	\$22,578	\$23,433	\$24,320	\$25,241	\$26,197	\$27,188	\$28,179	\$29,207	\$30,271
Depreciation & Amortisation	\$29,215	\$30,804	\$32,045	\$32,974	\$33,730	\$34,541	\$35,332	\$36,471	\$37,297	\$38,141	\$39,005
Other Expenses	\$2,392	\$9,464	\$9,532	\$11,115	\$9,937	\$4,611	\$4,746	\$5,573	\$5,652	\$5,734	\$5,817
Total Expenses from Continuing Operations	\$113,470	\$126,560	\$131,243	\$136,459	\$138,834	\$137,269	\$141,241	\$146,352	\$150,463	\$154,697	\$159,265
Gains (Losses) from Asset Sales	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Operating Result from Continuing Operations	\$31,367	\$22,664	\$28,285	\$6,483	\$7,166	\$11,461	\$12,705	\$13,078	\$12,695	\$13,892	\$15,370
Net Operating Result before Capital Grants and Contributions	\$1,009	-\$65	\$5,160	\$2,331	\$2,508	\$8,583	\$9,671	\$9,881	\$9,329	\$10,351	\$11,660
Net Operating Result before Capital Grants and Asset Sales	-\$4,021	-\$4,975	\$370	-\$739	\$1,097	\$7,172	\$8,260	\$8,470	\$9,004	\$10,351	\$11,660

GENERAL FUND BALANCE SHEET \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
ASSETS											
Current Assets											
Cash & Cash Equivalents	\$64,698	\$41,442	\$35,207	\$27,664	\$24,063	\$31,219	\$40,960	\$29,994	\$40,200	\$53,675	\$69,208
Investments	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882	\$21,882
Receivables	\$10,759	\$12,817	\$14,819	\$15,363	\$15,926	\$16,511	\$17,116	\$17,744	\$18,385	\$19,049	\$19,736
Contract Assets	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793	\$11,793
Inventories	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332	\$28,332
Other	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560	\$560
Non-current assets "held for sale"	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Total Current Assets	\$138,074	\$116,877	\$112,643	\$105,644	\$102,606	\$110,346	\$120,693	\$110,355	\$121,202	\$135,341	\$151,561
Non-Current Assets											
Investments	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343	\$14,343
Infrastructure, Property, Plant & Equipment	\$1,601,065	\$1,670,167	\$1,720,354	\$1,749,546	\$1,772,297	\$1,798,346	\$1,822,080	\$1,868,230	\$1,893,514	\$1,919,659	\$1,946,360
Intangible Assets	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
Contract Assets	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693	\$4,693
Investment Property	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615	\$30,615
Total Non-Current Assets	\$1,651,000	\$1,720,102	\$1,770,289	\$1,799,481	\$1,822,232	\$1,848,281	\$1,872,015	\$1,918,165	\$1,943,449	\$1,969,594	\$1,996,295
TOTAL ASSETS	\$1,789,074	\$1,836,979	\$1,882,932	\$1,905,125	\$1,924,838	\$1,958,627	\$1,992,709	\$2,028,520	\$2,064,651	\$2,104,935	\$2,147,857

GENERAL FUND BALANCE SHEET cont. \$000	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24	2023- 24
LIABILITIES											
Current Liabilities											
Payables	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479	\$16,479
Contract Liabilities	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218	\$18,218
Lease Liabilities	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349	\$1,349
Borrowings	\$8,119	\$8,000	\$6,147	\$4,850	\$5,174	\$5,520	\$5,890	\$6,285	\$4,089	\$4,330	\$4,330
Provisions	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504	\$12,504
Total Current Liabilities	\$56,669	\$56,550	\$54,697	\$53,400	\$53,724	\$54,070	\$54,440	\$54,835	\$52,639	\$52,880	\$52,880
Non-Current Liabilities											
Lease Liabilities	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489	\$3,489
Borrowings	\$57,631	\$65,654	\$64,082	\$60,845	\$55,671	\$50,151	\$44,261	\$37,977	\$33,887	\$29,557	\$25,227
Provisions	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034	\$11,034
Total Non-Current Liabilities	\$72,154	\$80,177	\$78,605	\$75,368	\$70,194	\$64,674	\$58,784	\$52,500	\$48,410	\$44,080	\$39,750
TOTAL LIABILITIES	\$128,823	\$136,727	\$133,302	\$128,767	\$123,918	\$118,744	\$113,224	\$107,334	\$101,050	\$96,960	\$92,630
NET ASSETS	\$1,660,251	\$1,700,252	\$1,749,630	\$1,776,358	\$1,800,920	\$1,839,884	\$1,879,485	\$1,921,186	\$1,963,601	\$2,007,974	\$2,055,226

GENERAL FUND CASH FLOW STATEMENT \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Operating Activities											
Receipts:											
Own source revenue	\$86,739	\$98,421	\$107,985	\$111,620	\$115,350	\$119,369	\$123,927	\$128,736	\$132,860	\$137,908	\$143,242
Grants & Contributions	\$22,710	\$23,164	\$23,627	\$24,100	\$24,582	\$25,073	\$25,575	\$26,086	\$26,608	\$27,140	\$27,683
Other Income	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments											
Employee Benefits & On-Costs	\$56,725	\$59,584	\$62,286	\$64,481	\$66,754	\$69,108	\$71,544	\$74,065	\$76,676	\$79,379	\$82,177
Materials & Contracts	\$20,703	\$21,725	\$22,578	\$23,433	\$24,320	\$25,241	\$26,197	\$27,188	\$28,179	\$29,207	\$30,271
Other	\$2,392	\$9,464	\$9,532	\$11,115	\$9,937	\$4,611	\$4,746	\$5,573	\$5,652	\$5,734	\$5,817
Net Cash from Operating Activities	\$34,660	\$35,722	\$42,007	\$39,761	\$40,331	\$46,893	\$48,426	\$49,406	\$49,284	\$50,729	\$52,660
Cash Flows from Investing Activities											
Receipts:											
Sale of Real Estate	\$5,031	\$4,911	\$4,791	\$3,071	\$1,411	\$1,411	\$1,411	\$1,411	\$324	\$0	\$0
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	\$71,291	\$89,538	\$67,931	\$45,536	\$41,058	\$35,083	\$34,186	\$56,037	\$33,824	\$34,470	\$34,511
Net Cash from Investing Activities	-\$66,261	-\$84,627	-\$63,141	-\$42,465	-\$39,647	-\$33,673	-\$32,776	-\$54,626	-\$33,500	-\$34,470	-\$34,511

GENERAL FUND CASH FLOW STATEMENT (Cont.) \$000	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Capital Grants and Contributions	\$30,358	\$22,729	\$23,125	\$4,152	\$4,658	\$2,878	\$3,034	\$3,197	\$3,366	\$3,541	\$3,710
Proceeds from Borrowings & Advances	\$21,765	\$16,023	\$4,575	\$1,612	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments:											
Repayment of Borrowings & Advances	\$11,689	\$13,102	\$12,801	\$10,603	\$8,943	\$8,943	\$8,943	\$8,943	\$8,943	\$6,325	\$6,325
Net Cash Flow provided (used in) Financing Activities	\$40,434	\$25,650	\$14,899	-\$4,839	-\$4,285	-\$6,065	-\$5,909	-\$5,746	-\$5,577	-\$2,784	-\$2,615
Net Increase/(Decrease) in Cash & Cash Equivalents	\$8,834	-\$23,255	-\$6,235	-\$7,543	-\$3,601	\$7,156	\$9,741	-\$10,966	\$10,207	\$13,475	\$15,533
plus: Cash, Cash Equivalents & Investments - beginning of year	\$92,089	\$100,923	\$77,667	\$71,432	\$63,889	\$60,288	\$67,444	\$77,185	\$66,219	\$76,425	\$89,900
Cash & Investments - end of the year	\$100,923	\$77,667	\$71,432	\$63,889	\$60,288	\$67,444	\$77,185	\$66,219	\$76,425	\$89,900	\$105,433
Representing:											
- External Restrictions	\$44,740	\$37,990	\$35,705	\$38,872	\$42,592	\$47,003	\$47,086	\$51,815	\$51,904	\$52,159	\$57,578
- Internal Restrictions	\$45,252	\$39,078	\$19,648	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901	\$7,901
- Unrestricted	\$10,930	\$599	\$16,080	\$17,116	\$9,795	\$12,540	\$22,198	\$6,503	\$16,621	\$29,840	\$39,954

GENERAL FUND PERFORMANCE RATIOS	2023- 24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Operating Performance Ratio (%)	-3.7%	-4.2%	0.2%	-0.7%	0.7%	4.9%	5.4%	5.4%	5.5%	6.2%	6.7%
Unrestricted Current Ratio (%)	164.7%	139.4%	140.3%	124.3%	110.7%	115.8%	133.5%	104.6%	129.0%	154.2%	174.1%
Own Source Revenue Ratio (%)	59.9%	65.9%	67.6%	78.0%	78.9%	80.2%	80.4%	80.7%	81.4%	81.7%	81.9%
Debt Service Cover Ratio	2.53	2.35	2.90	3.45	4.33	5.06	5.23	5.34	5.45	7.98	8.28
Building and Infrastructure Renewal Ratio (%)	102.9%	137.8%	126.6%	127.8%	140.3%	105.5%	110.0%	104.9%	105.0%	104.7%	102.5%
Infrastructure Backlog Ratio (%)	0.3%	0.3%	0.3%	0.4%	0.5%	0.5%	0.6%	0.7%	0.7%	0.8%	0.9%

Impact on Average Rates

The impact on an individual's rates will be different depending on the unimproved land value of their property. The following table provides an indication of the annual rates increase likely to be experienced by the average land value for each rating category. The increases include the forecast rate peg.

The following tables outlined the percentage rate increases of each of the scenarios and the impact on average rates for each rating category over the next three years.

Table 3 Sustainability Scenario SV options

SV Options	2024-25	2025-26	Cumulative increase over SV implementation period
Base Case	4.9%	2.5%	6.1%
Sustainability Scenario – One-year SV	30.0%		30.0%
Sustainability Scenario – Two-year SV	18.5%	15.0%	36.3%

Table 4 Average Residential Rates Impact of Scenarios

Impact on Council's Residential Rates			
	2023-24	2024-25	2025-26
Base Case	\$1,197.28	\$1,255.95	\$1,287.35
	Increase:	\$58.67	\$31.40
Sustainability Scenario - One-year SV	\$1,197.28	\$1,556.46	\$1,595.38
	Increase:	\$359.18	\$38.91
Sustainability Scenario - Two-year SV	\$1,197.28	\$1,418.78	\$1,631.59
	Increase:	\$221.50	\$212.82

Table 5 Average Business Rates Impact of Scenarios

Impact on Council's Business Rates			
	2023-24	2024-25	2025-26
Base Case	\$4,154.01	\$4,357.56	\$4,466.50
	Increase:	\$203.55	\$108.94
One-year SV	\$4,154.01	\$5,400.21	\$5,535.22
	Increase:	\$1,246.20	\$135.01
Two-year SV	\$4,154.01	\$4,922.50	\$5,660.88
	Increase:	\$ 768.49	\$ 738.38

Table 6 Average Farming Rates Impact of Scenarios

Impact on Council's Farming Rates			
	2023-24	2024-25	2025-26
Base Case	\$2,147.96	\$2,253.21	\$2,309.54
	Increase:	\$105.25	\$56.33
One-year SV	\$2,147.96	\$2,792.35	\$2,862.16
	Increase:	\$644.39	\$69.81
Two-year SV	\$2,147.96	\$2,545.33	\$2,927.13
	Increase:	\$397.37	\$381.80

Table 7 Average Mining Rates Impact of Scenarios

Impact on Council's Mining Rates			
	2023-24	2024-25	2025-26
Base Case	\$10,073.39	\$10,566.99	\$10,831.16
	Increase:	\$493.60	\$264.17
One-year SV	\$10,073.39	\$13,095.41	\$13,422.79
	Increase:	\$3,022.02	\$327.39
Two-year SV	\$10,073.39	\$11,936.97	\$13,727.51
	Increase:	\$1,863.58	\$1,790.55

What would happen if Council did not receive a Special Variation?

If Council could not increase its rates revenue through an SV, it would not be able to adequately fund its asset renewal and maintenance, particularly in roads. It would also not be able to deliver the projects identified to address key areas of asset backlog, particularly in sports and recreation (including pools), stormwater, roads and buildings.

As this investment in infrastructure is critical to supporting a growing population, Council’s Blueprint 100 strategy and commitments to the community under the Community Strategic Plan are jeopardised if a Special Variation is not approved.

Sensitivity Analysis and Risk Assessment

An important component of modelling is being able to understand which factors in the model are the most sensitive to variance. Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

FACTORS

Interest Rates Estimates of interest rates are used to calculate the cost of new loans and the revenue from cash investments. There are many factors that impact on the rates for both borrowers and lenders. Current economic analysis indicates that after a two-year period of consistent increases in the cash rate, we are entering a period of more stable interest rates.

Employee Costs Employee costs are a major component of Council's operational costs and total and estimated \$58m in 2022/2023. The recently adopted 2023 Award set out increases of 4.5%, 3.5% and 3.0% over the next three years. At the same time, the compulsory superannuation contribution increases by 0.5% each year (resulting in overall increases of 5.0%, 4.0% and 3.5% respectively). While these factors have been included in the model. In addition, Council has modelled a small increase in headcount to service an increasing population.

Out of the COVID pandemic, which saw a period of limited inbound migration, there has been a significant tightening of the labour market. While there has been pressure on wages, this has mostly come out in a difficulty to attract qualified staff, particularly in a number of technical areas. This may impact wage costs if Council is forced to offer above award salaries to attracted qualified staff.

Operational Costs and Revenues While most of Council's operating costs and revenue streams are reasonably predictable and controllable, there are a number of areas which are subject to uncertain external factors such as airport, sporting and entertainment facilities; other user charges such as water consumption; and funding from other levels of government.

While ever Council's General Fund is recording operating deficits (before capital income) or small operating surpluses, any further decrease to the net operating result will further reduce the ability to fund asset renewals. Council needs to ensure the ongoing net costs of any new assets or facilities are fully considered before approving them, even where the asset is provided at no cost. This was one of the objectives of introducing the Integrated Planning and Reporting Framework reforms, especially the requirement to consider assets on a 'whole of life basis' from acquisition to disposal.

Cost Shifting Cost-shifting describes the situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset or regulatory function, are "shifted" from a higher level of government on to a lower level of government without the provision of corresponding funding or the conferral of corresponding and adequate revenue raising capacity. Cost-shifting has been a major concern for local governments for many years. The overall cost to local governments due to cost-shifting is significant. In most cases where cost-shifting has occurred, Council has not been provided additional funds or the opportunity to generate additional funds to cover costs of providing the service.

The most significant form of cost shifting is the transfer of major roads and infrastructure built by other levels of government and transferred to Local Government to operate and maintain. Other examples include changes to the New

South Wales Rural Fire Service funding model, pensioner rates rebates, companion animal act and environmental regulation.

Payments from Other Levels of Government

Grants from other levels of government are a significant source of revenue for Local Government. Council is also awarded significant contract works each year on State Roads which helps maintain existing workforce and plant resource levels. This model relies on the existing levels of government funding being available into the future and in most cases to increase annually by the Consumer Price Index.

Pilot Training Facility

In December 2018, Council purchased the Pilot Training Facility that previously operated at the Tamworth Regional Airport precinct. Due to Covid-19, the facility is not operating for the purpose for which it was acquired. In the current environment it is expected that the Technical Centre arm of the operation will not improve for some time. Council is mitigating losses by sourcing alternative clientele for the accommodation facilities. The situation however places strain on the General Fund to cover the effects on operating results whilst the Pilot Training Facility business downturn continues.

BLUEPRINT 100

Workforce Management Plan

2023 - 2025

PART TWO

Our Workforce Management Plan

At Tamworth Regional Council we use workforce planning to ensure our vision and goals are achieved through our people and their commitment to our community.

Our workforce plan helps us to understand the current workforce, highlight potential skills shortages, associated risks and to identify any new skills required. It allows Council to prepare for future needs and address emerging challenges early, including the reality of an aging workforce.

Council aims to build an agile and engaged workforce who are equipped to achieve our commitments to the community now and into the future.

Our Workforce Profile

Tamworth Regional Council has a large workforce which encompasses a broad range of disciplines across the organisation. Our employees work across community and external facing services including planning, construction, waste facilities, sport and recreation through to entertainment, libraries, art, museums and delivery of the Country Music Festival. Our Council is also supported by internal services such as legal, finance, IT, customer service, communications and People and Culture.

Our workforce comprises of 614 employees with 93% being permanent staff (full or part time). Only 5 percent of staff are employed on a casual, temporary or fixed term basis. 2% are currently participating in tertiary/vocational education programs.

Our employee base is supplemented by contract employees or external labour hire which fluctuates with operational short-term demand. This approach allows flexibility to meet periods of peak demand while protecting ongoing job security for our employees. Over reliance on this type of labour can present challenges and on-going viability and utilisation is reviewed regularly.

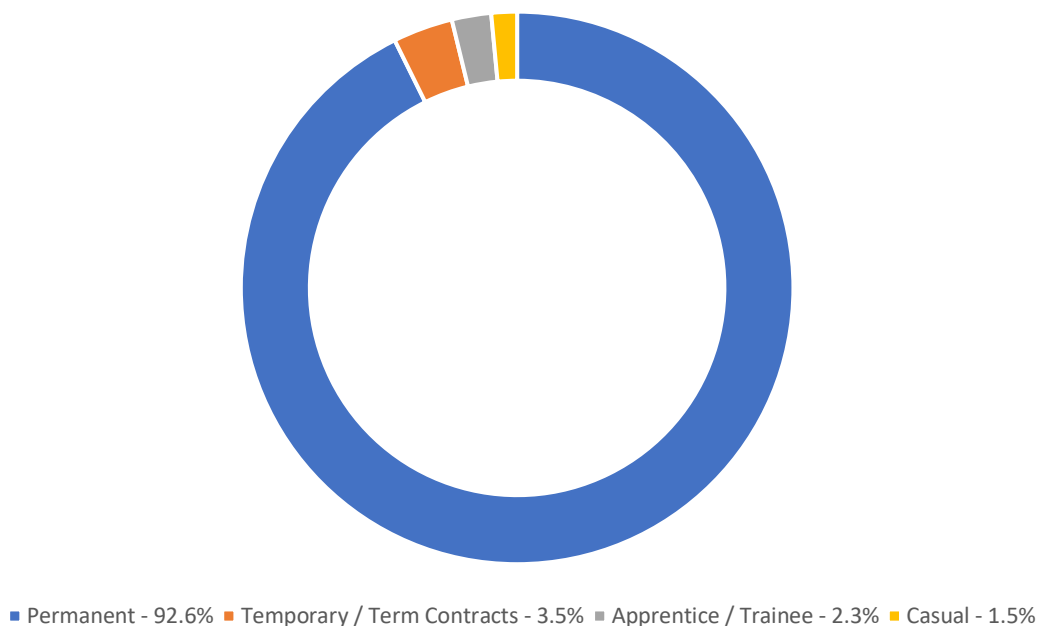


Figure 3 – Workforce Breakdown
(at 1 Jan 2022)

Age

Just over 27% of our workforce are approaching retirement age (55 years and over) and this has increased by over 3% in the last four years. It is anticipated that this will continue to grow and with it, the number of employees planning for retirement and exiting the organisation. This will become a significant challenge to particular parts of the workforce and highlights the need for stronger emphasis on succession planning and career development.

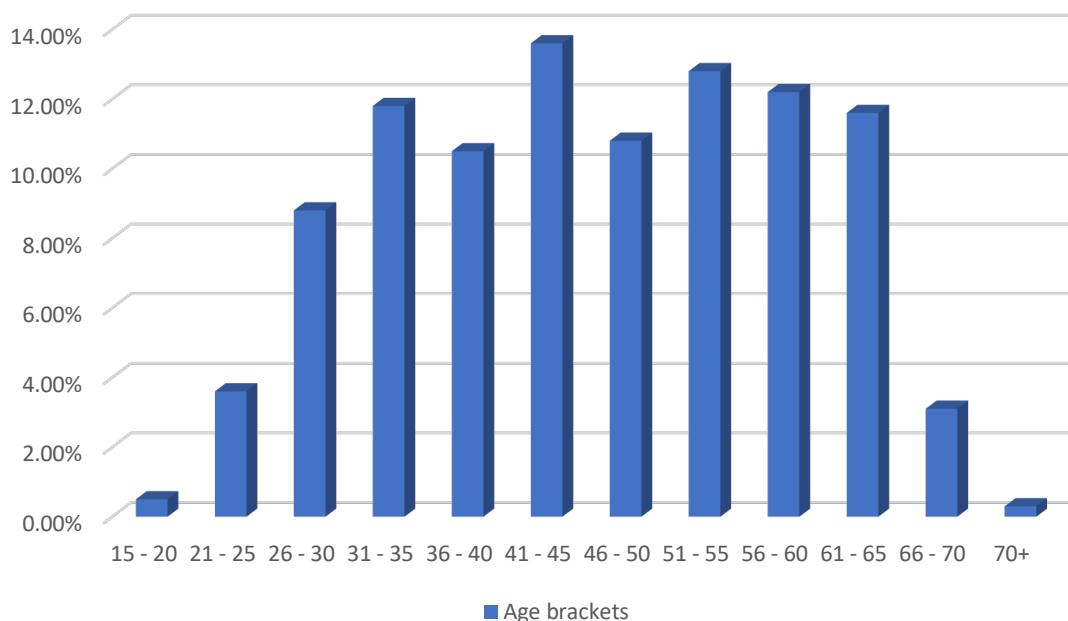


Figure 4 – Age Profile
(at 1 Jan 2022)

Gender

Council is an Equal Opportunity Employer and recognises the benefits that a diverse workforce brings. Our total workforce comprises 35.7% female and 64.2% male. The Regional Services and Water & Waste Directorates have a high proportion of male employees, particularly in outdoor occupations. Predominantly female employees are largely seen in indoor occupations. The number of female employees in senior leadership positions has increased over the last 12 months.

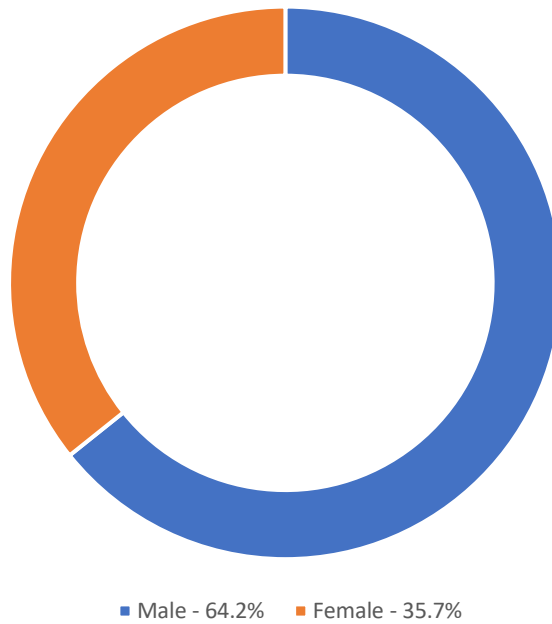


Figure 5 – Diversity Breakdown
(at 1 Jan 2022)

Tenure and Turnover

Turnover at Council has increased significantly in the last two years since the COVID-19 pandemic. Staff turnover rate in 2016 was 6.4% compared with 15.72% in 2021.

15% of our employees have up to 20 or more years of service at Council, 40% have 5 years or less with Council and in the last 12 months Council has welcomed 70 new employees, meaning over 10% of the organisation are new to their roles with Council.

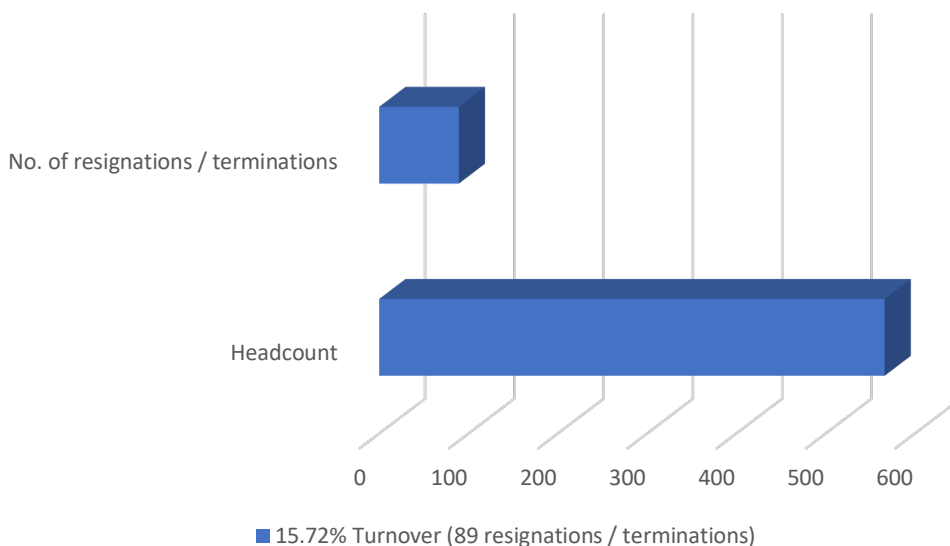


Figure 6 – Turnover as a Percentage of Headcount (2021)

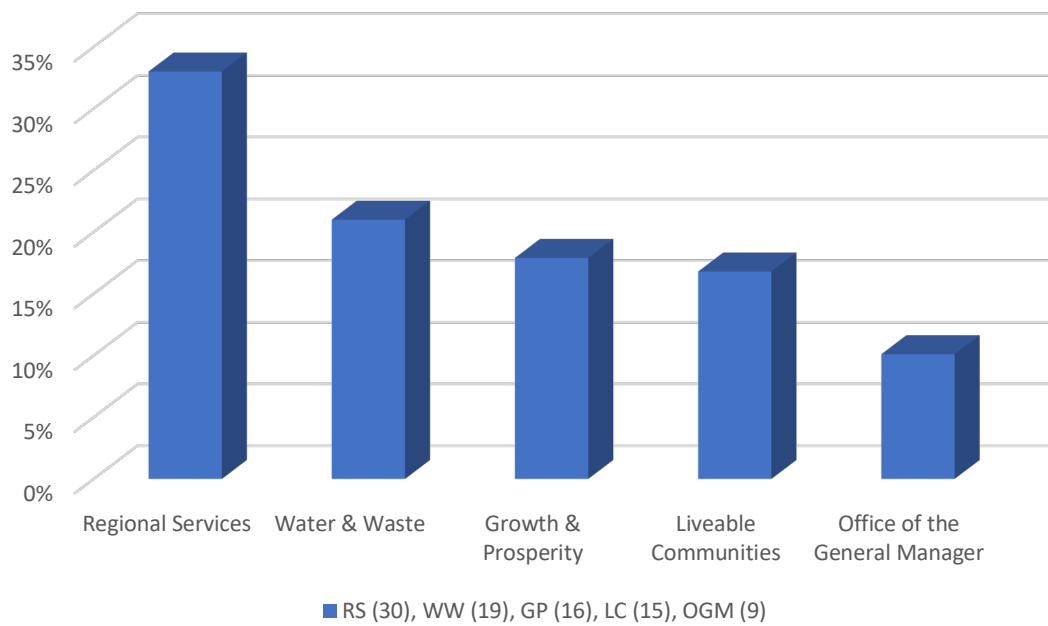


Figure 7 – Resignations/Terminations by Directorate (2021)

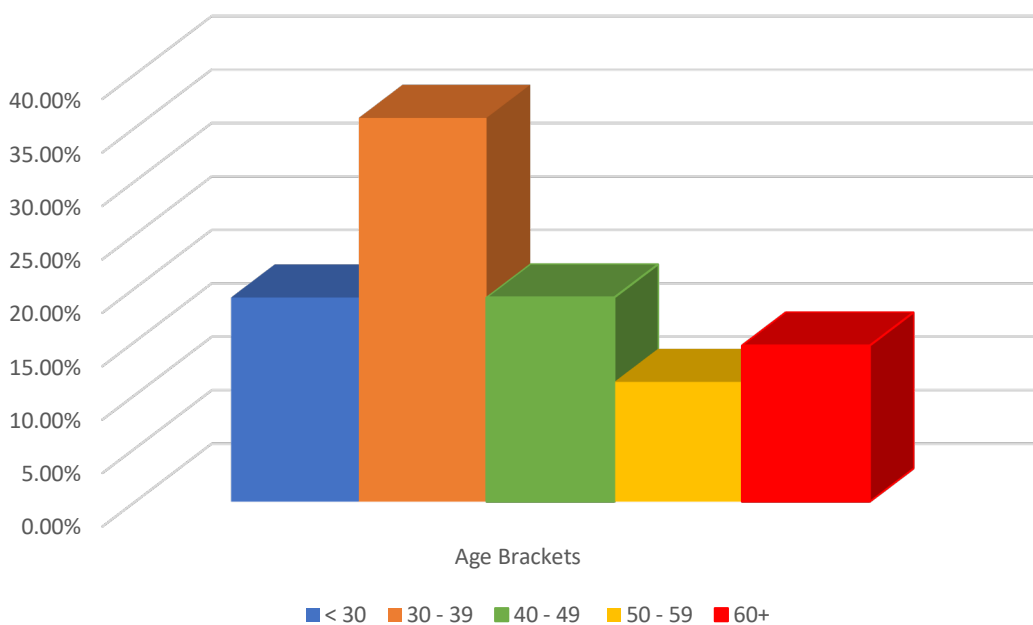


Figure 8 – Resignations/Terminations by Age (2021)

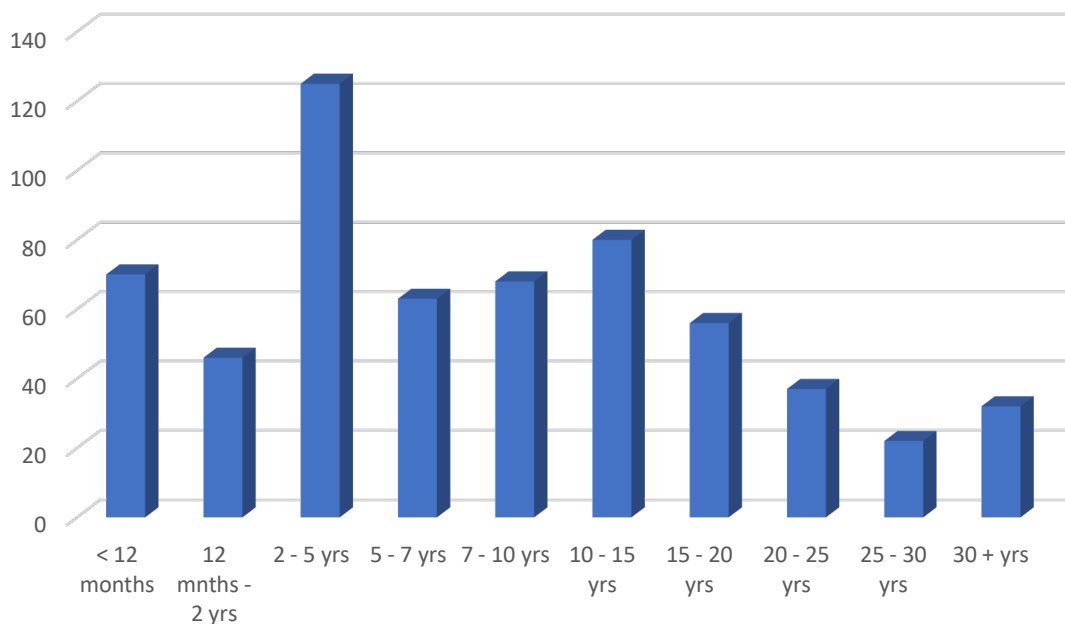


Figure 9 – Years of Service
(at 1 Jan 2022)

COVID-19

Similar to many other organisations COVID-19 has had a significant impact on our workforce. We have worked with our people to adapt to the changing environment including implementing a Covid Safe Workplace Policy. The pandemic has changed the way we work and there is an expectation of increased flexibility in the workplace. Working from home, condensed hours and 9 day fortnights are trending in the increasing number of Flexible Work Arrangement requests.

Our Future

Tamworth Regional Council is committed to building a future-ready workforce which is agile and able to pivot in line with the priorities of Blueprint 100 and the expectations of our community. We are committed to our people, from attracting, retaining and engaging employees, through to developing their skills using career pathways and increased opportunities. A strong focus on leadership development will be the foundation of enhancing our culture of respect, excellence and wellbeing.

One element of building and maintaining an agile workforce is to ensure we continue to focus on the health and wellbeing of our people. This encompasses both physical and psychological wellbeing. As part of our wellbeing strategy, we continue to research and promote best practice tools and supports. This includes pro-active programs, engaging health and wellbeing experts to educate and promote a healthy workplace. We will continue to work with our employees to promote and implement a philosophy of recovery at work.

We will champion a continuous improvement philosophy to ensure our operations are ethical, efficient and based on evidence and best practice.

Council is committed to delivering its goals as part of Blueprint 100 and recognises the need for a sustainable workforce to ensure we can continue the delivery of services to our community.

Council’s Workforce Plan’s overarching priority is to build an agile and future-ready workforce. This is underpinned by five key strategies and subsequent action items.

PRIORITY: BUILD AN AGILE AND FUTURE-READY WORKFORCE

1. OUR PEOPLE Attract and retain a high performing and engaged workforce	2. OUR DEVELOPMENT Create opportunities for learning and the development of our people	3. OUR CULTURE Facilitate a culture of innovation, respect, excellence and wellbeing	4. OUR OPERATIONS Promote ethical operations, efficient processes and systems of work	5. OUR FUTURE Plan for our future workforce
1.1 Develop and implement a Talent Acquisition Strategy including an Employee Value Proposition	2.1 Develop and implement a learning and development framework to support current and future skill requirements	3.1 Develop a framework to enhance our organisational culture	4.1 Develop and implement agreed service levels	5.1 Develop a Strategic Workforce Plan in consultation with leaders and employees to ensure our workforce is sustainable
1.2 Refine recruitment processes to create positive experience for candidates	2.2 Develop and implement a succession planning framework for critical, emerging roles and retirement planning	3.2 Document and implement a Diversity Management Plan	4.2 Ensuring operations are aligning with regulatory and compliance requirements	5.2 Identify critical roles and retirement trends to forecast future needs that align with achieving Blueprint 100 strategies
1.3 Set up new employees ready for success with an informative induction and onboarding experience	2.3 Invest in a leadership development program as a foundation for leaders at all levels	3.3 Design and implement a health and wellbeing strategy	4.3 Embed continuous improvement to ensure efficiency in processes and systems of work	5.3 Align learning and development, vocational and tertiary recruitment programs to future needs
1.4 Develop and implement a holistic performance and development program which is aligned to Council strategic objectives	2.4 Facilitate the introduction of coaching and mentoring programs	3.4 Introduce and develop a culture of integrated risk management across all functions and levels of the organisation		5.4 Formally develop and implement transition to retirement arrangements to facilitate knowledge transfer
1.5 Review and promote flexible work arrangements		3.5 Improve and expand the positive beliefs, values, attitudes and perceptions relating to workplace health and safety		5.5 Review job design of Council roles to meet market demand
1.6 Review use of contingent labour (contractors, contracts, labour hire)				
1.7 Develop and implement an improved salary system				

BLUEPRINT 100

Asset Management Plan

2023 - 2033



PART THREE

Our Asset Management Plan

Asset Management refers to:

“the combination of financial, engineering, economic and other practices applied to physical assets in order to provide a service to an acceptable level in a cost-effective manner.”

- International Infrastructure Management Manual version 5.0 © Institute of Public Works Engineering Australasia 2015

Asset Management Policy

Tamworth Regional Council’s Asset Management Policy sets out the adopted approach to asset management to ensure that Council has information, knowledge and understanding about the long term and cumulative consequences of being the custodian of public infrastructure. This is achieved by ensuring systems, processes and people are able to inform decisions on the most effective and efficient options for delivering infrastructure related services whilst controlling exposure to risk and loss.

The full Asset Management Policy is contained in the [General Policy Register | Tamworth Regional Council \(nsw.gov.au\)](#)

Asset Management Strategy and Plans

This section of the Resourcing Plan outlines strategic objectives and outcome measures and identifies actions for improving capability related to asset management in the context of supporting the delivery of Our Community Plan.

Asset Management Plans for each asset class inform the Asset Management Strategy and set out the services provided by assets and the funds required to meet the lifecycle costs as appropriate for each asset class. Asset management plans describe agreed levels of service, document management of risk and outline continuous improvement goals.

Budget and Projected Expenditure

Budgets for each asset class are allocated on the basis of a no change scenario for existing funding levels and levels of service provided in current operations. In addition, Asset Management Plans for each Asset Class detail multiple budget vs expenditure scenarios for strategic planning purposes.

Information relating to asset management budget allocations is contained the Long-Term Financial Plan – Part One of this Resourcing Plan.

Asset Value and Service

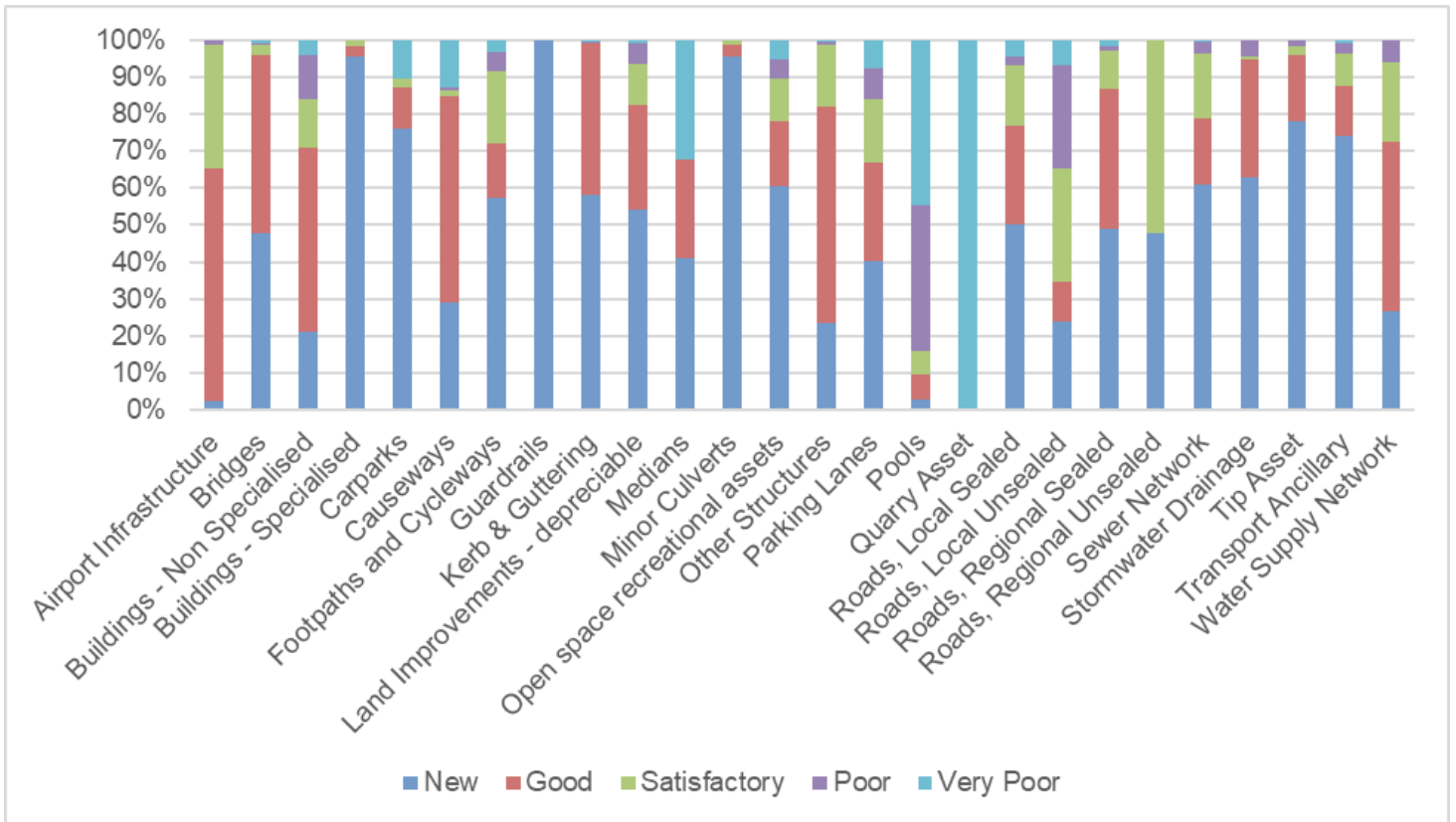
We manage over \$2.6b worth of assets for our community



Asset Portfolio

Asset	Gross Replacement Cost (\$m)	Written Down Value (\$m)	Annual Depreciation (\$m)
Depreciable Land Improvements	16.53	10.56	-0.35
Buildings Non-Specialised	139.06	89.78	-1.19
Buildings Specialised	37.14	32.20	-0.26
Other Structures	20.39	9.53	-0.36
Roads	3.09	1.69	-0.05
Bridges	352.89	223.53	-3.27
Footpaths	46.90	28.33	-0.65
Transport Ancillary	31.52	21.19	-0.33
Stormwater	313.65	215.73	-2.68
Water Supply	470.07	242.45	-5.53
Sewerage	380.71	255.86	-5.46
Swimming Pools	14.97	5.82	-0.14
Open Space	68.83	45.37	-0.98
Kerb and Gutter	85.06	57.27	-0.79
Minor Culverts	88.57	70.10	-0.82
Causeways	17.33	9.02	-0.20
Roads Local Sealed	322.51	238.73	-4.49
Roads Local Unsealed	91.32	66.60	-1.71
Roads Regional Sealed	71.85	53.21	-0.86
Roads Regional Unsealed	1.15	0.92	-0.02
Carparks	8.27	6.28	-0.11
Airport Infrastructure	64.73	41.21	-1.09
Tip assets	16.32	5.58	-1.28
Quarry assets	0.17	0.01	-0.01
Total	2663.03	1730.93	-32.62

Asset Condition



Asset Management Strategy

Tamworth Regional Council has developed Asset Management Plans to identify required expenditure with respect to the management of its assets. These plans interact with Council's other strategic documentation including the Long Term Financial Plan (LTFP), Community Strategic Plan (CSP), Delivery Plan and the Blueprint 100.

Asset plans help Council with budgeting for the renewal, expansion, operating and maintenance costs of its assets over the period of the LTFP. They also assist with the needs of managing resources, systems, and planning for the delivery of works with an appropriate combination of contractors and internal staff.

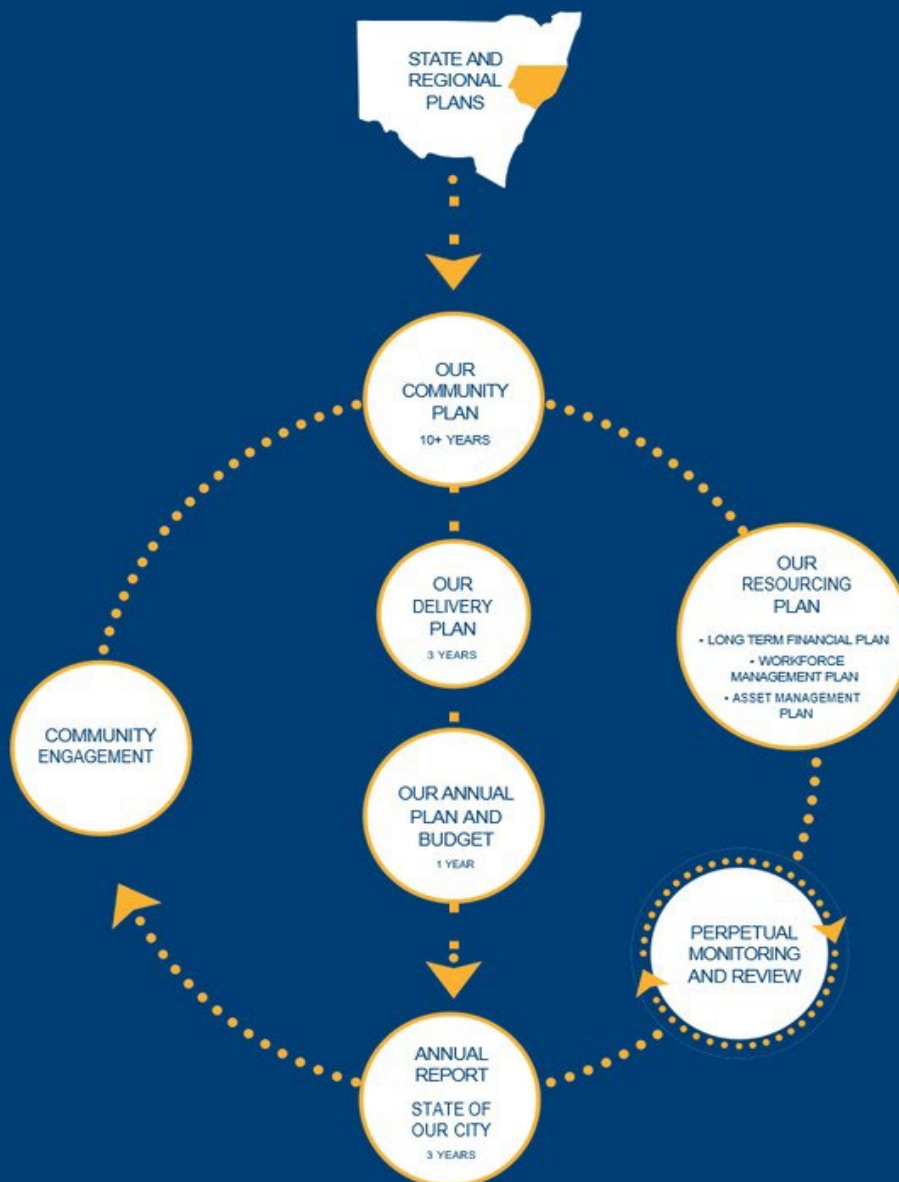
Planning and Reporting

Integrated Planning and Reporting (IP&R) is the framework Tamworth Regional Council uses to work towards achieving our community's vision. It is an opportunity for everyone to join the conversation about the future of our region, what our priorities are, how projects and services are funded, and how we move forward sustainably. Under NSW Government legislation, every council must prepare a number of connected plans that provide details on how a council intends to deliver works and services in the short and long term.

The plans in the framework are all connected and are based on the community's priorities.

The plans are designed to cascade through a number of levels of detail, starting with the key Focus Areas in the document "Our Community Plan", and ending in actions and measures set out in the document "Our Annual Plan". The framework also uses a reporting structure to communicate progress on the plans to our community, as well as a structured timeline for reviewing plans to ensure the goals and actions remain current.

You can find more information about the framework we use at the New South Wales Government Website [Integrated Planning and Reporting - Office of Local Government NSW](#)



Stakeholders and Responsibilities

The audience for this asset management strategy is Council staff, Council Executive Leadership Team, elected representatives (Councillors), interest groups and all members of the community.

Asset Class	Description	Owner - Directorate
Airport	Runways, taxiways, aprons, access roads Flight Training College Instrument Landing System Landside – Carparks Landside – Open Space	Growth & Prosperity
	Landside – Roads	Regional Services
Buildings and Other Improvements	AELEC Precinct Buildings at Barraba and Tamworth Airport Buildings constructed by others, but on Council owned land Entertainment Venues Externally leased buildings and associated assets	Growth & Prosperity
Information Technology	Closed Circuit Television Information Technology Assets	Office of the General Manager
Land	Land where Council is Trust Manager Vacant land not presently used or planned to be used as a green space, sporting area or for some other specific purpose	Growth & Prosperity
Sewer	Sewer Pump Station at AELEC	Growth & Prosperity
	Sewer Pump Station at Barraba Showground Sewer Pump Station at Tamworth Sports Dome	Regional Services
	Reticulation network, pumping stations, rising mains, trunk mains, treatment plants, and effluent reuse systems including at the Tamworth Airport.	Water and Waste
Sports and Recreation	NICSE Precinct (Including Tamworth Sports Dome) Sports Grounds, Parks, Passive Recreation Areas, Playgrounds and Cemeteries Swimming Pools (and Associated Buildings)	Regional Services
Stormwater and Flood Mitigation	Stormwater Network located Airside at Tamworth Airport	Growth & Prosperity

Asset Class	Description	Owner - Directorate
	Flood Mitigation; Levees, Flood Gates Stormwater Network: Pit and Pipe, Open channels, Detention Basins, Stormwater Quality Devices	Regional Services
Transport	Carparks - Tamworth Regional Airport	Growth & Prosperity
	Bridges and Major Culverts Carparks - Not Otherwise Stated Footpaths and Cycleways on Levee Banks Footpaths and Cycleways within Parks Footpaths and Cycleways within the Road Reserve Kerb and Gutter Roads (Pavements and Seals), Traffic Facilities, Street Furniture	Regional Services
Waste Management	Garbage, green waste, recycling, commercial and public bins, transfer stations and landfill disposal areas.	Water and Waste
Water supply	Storage dams, trunk supply mains, treatment plants, pumping stations, service reservoirs, reticulation network and water services including at the Tamworth airport. Water Licences and Approvals	Water and Waste
Other	Capitol Theatre – Equipment Caravan Parks	Growth & Prosperity
	Art collection (Excludes Public Art) Library	Livable Communities
	Plant and Fleet Public Art – located within a park, garden, green space Public Art – located within a road reserve	Regional Services
	Laboratory	Water and Waste

Focus Area	Airport	Buildings and Other Improvements	Information Technology	Land	Sports and Recreation	Stormwater Drainage & Flood Mitigation	Transport Infrastructure	Waste Facilities	Wastewater	Water	Other
OUR WATER SECURITY "Deliver durable water infrastructure including raw water"											
W1. A region with a safe and secure water supply		✓									
W2. A region that prioritises water conservation and sustainability	✓	✓			✓					✓	
W3. Efficient and fit for purpose wastewater management									✓		
W4. Our urban planning, design and operations use sustainable water and waste water approaches	✓	✓	✓		✓				✓	✓	
A LIVEABLE BUILT ENVIRONMENT "Facilitate smart growth and housing choices"											
L1. The right growth in the right locations			✓	✓			✓				
L2. Vibrant city and town centres		✓	✓		✓						
L3. More diverse and affordable housing											
L4. Providing high quality lifestyle, recreational and community facilities such as libraries, pools, park,sports facilities, arts centres and cemeteries		✓	✓		✓						
PROSPERITY AND INNOVATION "Create a Prosperous Region"											
P1. Be an attractive region for new and existing businesses to invest.	✓	✓	✓		✓						
P2. Our community has access to vocational education and skills development		✓									
P3. Our Industries are successful and opportunities for other initiatives/businesses in the downstream economy grow	✓	✓			✓		✓			✓	
P4. The Tamworth region is Country Australia's leading and most vibrant destination with a sustainable dynamic visitor economy	✓	✓	✓		✓						
RESILIENT AND DIVERSE COMMUNITIES "Build resilient communities"											
R1. Our towns, villages and communities grow and prosper			✓								
R2. Our community has improved outcomes and access to community and social services that are inclusive and meet their needs and expectations											
R3. Meet the 17 targets of the "Closing the Gap" national agreement for our community		✓									
R4. Improve the health outcomes for all residents					✓		✓				

Focus Area	Airport	Buildings and Other Improvements	Information Technology	Land	Sports and Recreation	Stormwater Drainage & Flood Mitigation	Transport Infrastructure	Waste Facilities	Wastewater	Water	Other
CONNECT OUR REGION AND ITS CITIZENS											
C1. A thriving aviation hub supporting travel and investment in our region	✓										
C2. A safe and efficient transport network							✓				
C3. Expanded public transport options to meet the needs of our community in the future							✓				
C4. Improved access to active transport options for movement between places					✓		✓				
C5. Our community is enabled by technology			✓								
WORKING WITH AND PROTECTING OUR ENVIRONMENT "Design with Nature"											
E1. Increase the take up and use of affordable and clean energy across the region		✓			✓						
E2. A region where sustainable design of facilities infrastructure and development are rule and not exception		✓	✓		✓						
E3. Reduce our waste and manage it responsibly	✓	✓			✓			✓			
E4. We care for our natural environment (including animals, plants, birds, insects, and aquatic life)		✓	✓	✓	✓				✓	✓	
CELEBRATE OUR CULTURE AND HERITAGE											
H1. Enhance our lives through the lived experience of arts and culture		✓									
H2. Our aboriginal community's history and culture is protected and celebrated		✓			✓						
H3. Our region's heritage assets are protected		✓	✓								
A STRONG AND VIBRANT IDENTITY "Strengthen our proud identity"											
S1. Be known for country music and so much more		✓	✓		✓						
S2. Tell the world who we are and what we have			✓								
S3. Show who we are when people arrive by land or air to our towns and region	✓				✓						
OPEN AND COLLABORATIVE LEADERSHIP											
T1. Conduct the business of Council with transparency and accountability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
T2. Our financial position is strong and able to meet our current and future obligations to our community	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
T3. Everyone in our community feels informed heard and understood			✓								
T4. Our workforce is agile and future ready											
T5. Build strategic partnerships and advocate to other levels of government to ensure our community needs are met											

Asset Management Practices

Asset Management Systems

Council's asset knowledge, information and data are corporate assets and are managed as part of the asset management framework. Council has recently migrated to the TechnologyOne Asset Management System to provide an all-encompassing source of truth system for its Financial and Technical data.

Data Collection and Validation

In the preparation of this Strategy, Council has used the most current and up to date information available.

Council's condition and defect assessment processes are evolving.

Generally condition assessments are done in conjunction with the revaluation process and defects are identified through a range of measures, including (but not limited to) customer feedback, assessments triggered by specific events (such as weather and natural disasters), and scheduled inspections, in conjunction with assessments conducted as part of regular maintenance activities. The type of asset involved determines the nature and frequency or trigger for assessment.

Council is working towards an increasingly proactive approach, enabled by an expanding electronic work order system to manage both regular and ad hoc inspection and maintenance requirements.

Monitoring and Review Processes

Council has developed a 'whole of organisation' approach to asset management through the establishment of a cross directorate Asset Management Working Group. The benefits of a corporate wide approach include:

- demonstration of corporate support for sustainable asset management
- encourages corporate buy-in and responsibility
- coordination of strategic planning, information technology and asset management activities
- promotes uniform asset management practices across the organisation,
- information sharing across IT hardware and software
- pooling of corporate expertise
- championing of asset management process

- wider accountability for achieving and reviewing sustainable asset management practices.

Council's Asset Management Reference Group is chaired by one of Council's directors and membership includes Asset Owners and staff from Asset Management, Finance, Risk & Safety, IT, and Economic Development & Investment.

The reference group meets monthly and additional attendees are included as required when discussing specific topics such as Fire Safety.

Confidence in Data

To support our journey in improving our asset management maturity and supporting the sustainable management of our assets, Council has recently engaged Morrison Low Consultants to undertake an assessment of the quality of our current data.

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

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	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.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	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
Buildings (inc. AELEC, Entertainment, Depot, Museum)	Reliable
Transport Assets	Reliable
Stormwater	Uncertain
Water and Sewer	Reliable
Open Space	Very uncertain
NICSE	Reliable
Swimming Pools	Acceptable
Airport and IFTT	Uncertain
Waste	Reliable

Assets Funding Strategy

Council's funding strategy aims to align Council's Long Term Financial Plan, Asset Management Plans and annual budget to accommodate the lifecycle requirements of its assets. By having a unified process, all decision-making numbers can be traced back to the AMPs, thereby informing the annual budgets, Delivery Program and forward programs providing a degree of certainty for delivery timeframes and resourcing requirements. Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense).

Council's current strategy is to fully fund current levels of service and to ensure adequate maintenance expenditure for its assets. There is currently a funding gap to meet the capital expenditure needs of its assets which council is seeking to address, this may include either a reduction in the current levels of service or by seeking additional funding from our community.

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 plan 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 an activity which relates to something that can be controlled. Service levels may relate to:

- the reliability of an asset
- the quality of an asset
- 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 indicator(s), that indicate how the organisation is performing in relation to that level of service. The performance measure includes targets that are made up of community and technical measures. The customer measure relates to how the community receives the service, whereas technical measures support customer measures to ensure all aspects of organisational performance are being monitored, even those that may not be understood by customers.

In this plan, the level of service 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. However, it is important to recognise that some performance measures may be influenced by external factors. For example, the number of fatalities can be influenced by road management, but driver behaviours, police enforcement and a number of other factors also strongly contribute to the overall outcome.

Service Level Outcomes

The levels of service in this plan 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 encompass:



Condition

Accessibility - To ensure the asset base performs as required, it is essential that the asset is generally available to the community as required. As a service outcome, Council's customers will require assets that are accessible and can be relied upon to deliver the services that are not only expected but required.

Quality - 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 state relative to when it was first constructed. When rating asset condition, a scale of 1 – 5 if used, where 1 = new and 5 = totally failed. Condition descriptors are provided below.

Condition rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	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 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 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 the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

Function

Responsiveness - Council will maintain assets in a diligent manner and be responsive to the needs of the community now and into the future. 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.

Capacity

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 the provision of services.

Financial

The premise of asset management is that asset requirements and asset management 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 lifecycle management strategies and works program identified within this strategy.

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.

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

Infrastructure Renewals 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. The benchmark is 100%.

Future Demand

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

- **Growth**
 - Increased urbanisation - Australia is ahead of this global megatrend with the majority of Australia's population already living in urban areas.
- **Social**
 - **Health and aging population** - Globally there is a shift towards an aged demographic. This will be more pronounced in developed countries such as Australia. It is expected that there will be a growing demand for a range of health and other services. Safe and accessible dwellings, movement networks and public facilities will also become increasingly important to meet the needs of all age groups and support active ageing.
 - **Smart settlements and new technology** - Technology offers the potential for change, including disruption in significant industries and new lifestyle and behaviour patterns for individuals and society.
 - Some examples of emerging technology that are of particular interest to Australia include: autonomous and electric cars, solar storage batteries and 3D printing.
- **Economic**
 - **Global connectedness** - A significant megatrend is the shift in global power from northwest to

southeast. This provides Australia with a global locational advantage, being one of few English language nations in this growing region and able to service emerging economies and the middle classes of China and India in particular.

- **Emerging digital economy** - The rise of the digital economy will change our transport infrastructure over time, as the way people work and the transport task changes. As our population ages, health infrastructure will be under increasing pressure and the ability to deliver services through non-built (remote) infrastructure solutions will become more acute. Advances in fields like e-health will see the demand for traditional infrastructure solutions change.
- **Collaborative consumption** - The sharing economy is allowing for the optimisation of resources, with collaborative consumption being a form of trading resulting in new businesses that are disrupting old modes of business and changing how we consume. Implications for planning include increased pressure for flexible zoning provisions or performance based measures to enable innovation and support the sharing economy.

- **Environmental**

- **Increase in resource dependence** - Population growth and development are both highly dependent on a range of natural resources, including minerals, water, food and energy. Resource security and allocation will become an increasing concern as these resources become scarcer and more expensive.
- **Pressure on biodiversity** - Australia's natural environment is unique and includes some of the most biologically diverse ecosystems in the world. If not planned and managed well, population growth will place pressure on natural habitats and has the potential to contribute to the decline of our endemic species.
- **Climate change and disaster resilience** – Australia, as an arid continent, is particularly vulnerable to climate change risks, such as bushfires and droughts. It is expected that climate change will have wide ranging and significant impacts on the infrastructure critical to the operation of settlements and industries across Australia. Planning must take into consideration the need to create a more resilient built environment.



Risk Management

Council is committed to a structured and systematic approach to the management of risk. This aims to embed the principles of risk management in all aspects of Council's operations, which ultimately:

- increases the likelihood of Council achieving its objectives
- creates an environment where all employees have a key role in managing risk
- encourages proactive management
- improves the identification of opportunities and threats
- improves stakeholder confidence and trust
- improves financial stability and minimise losses
- improves organisational performance.

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 our Councils' objectives. By identifying critical assets and critical failure modes, we can target investigative activities, maintenance plans and capital expenditure plans at critical areas.

The following criteria are considered in assessing asset criticality:

- Complexity
- Impact of loss of service
- Environmental impact
- Health and safety impact
- Cost of failure.

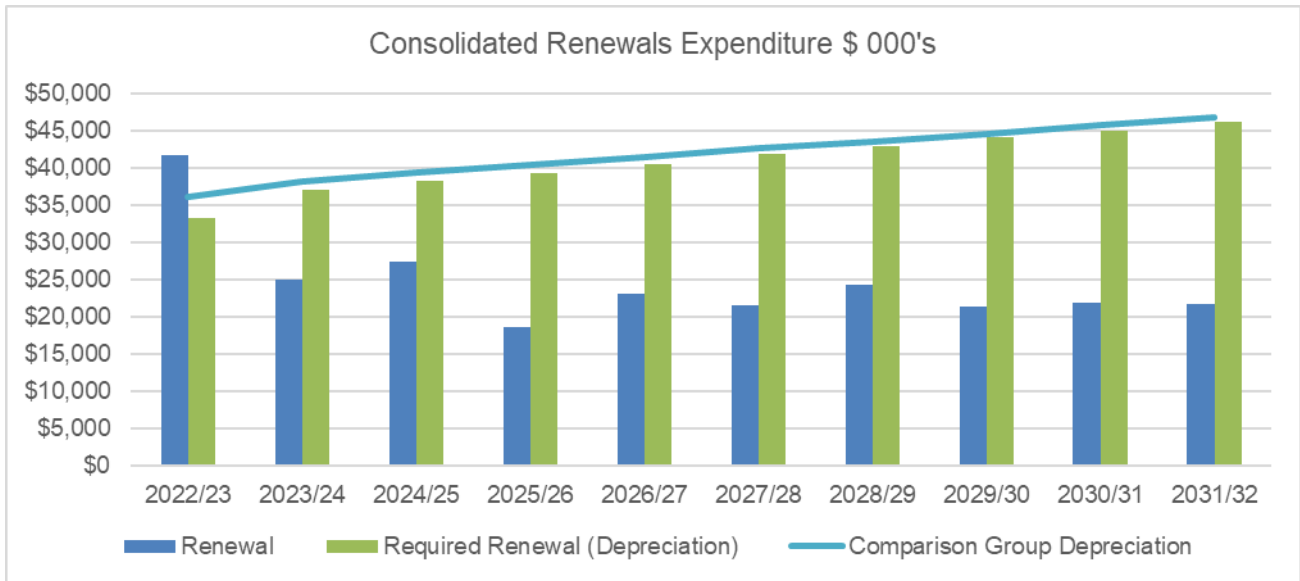
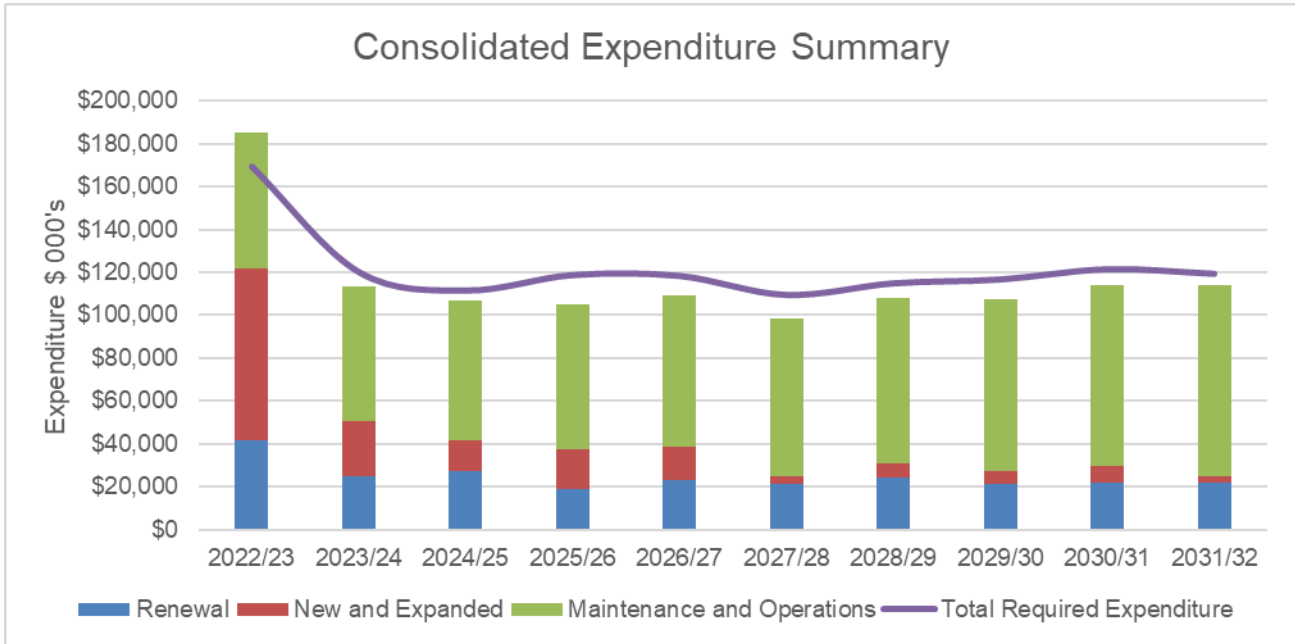
Expenditure Projections

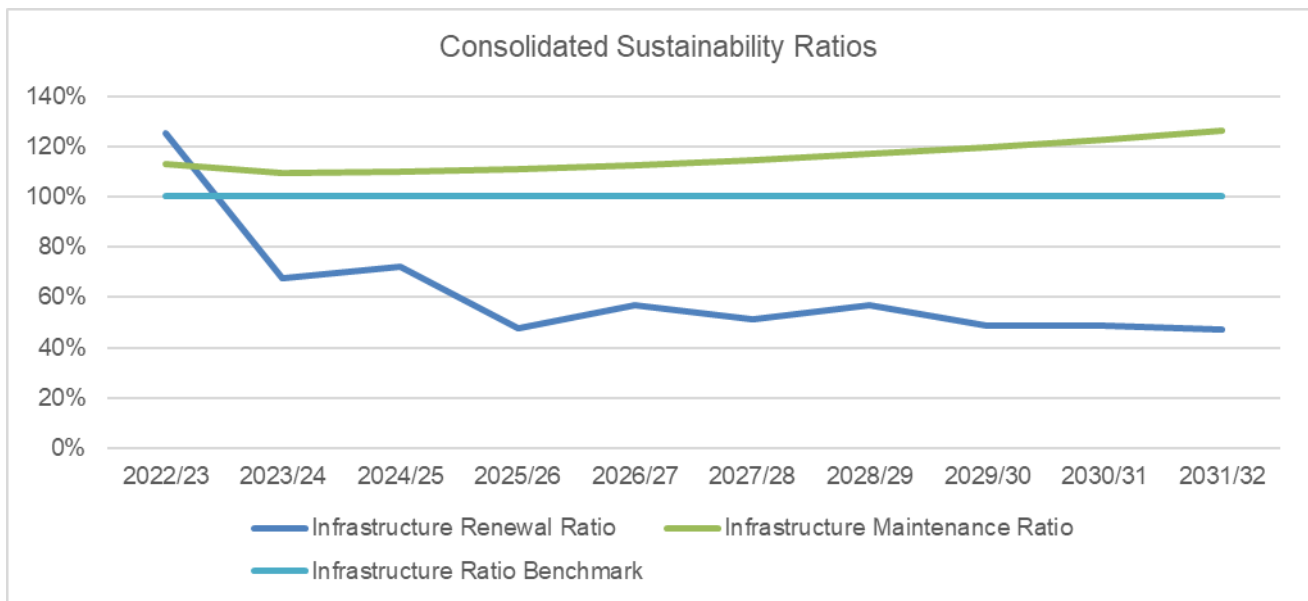
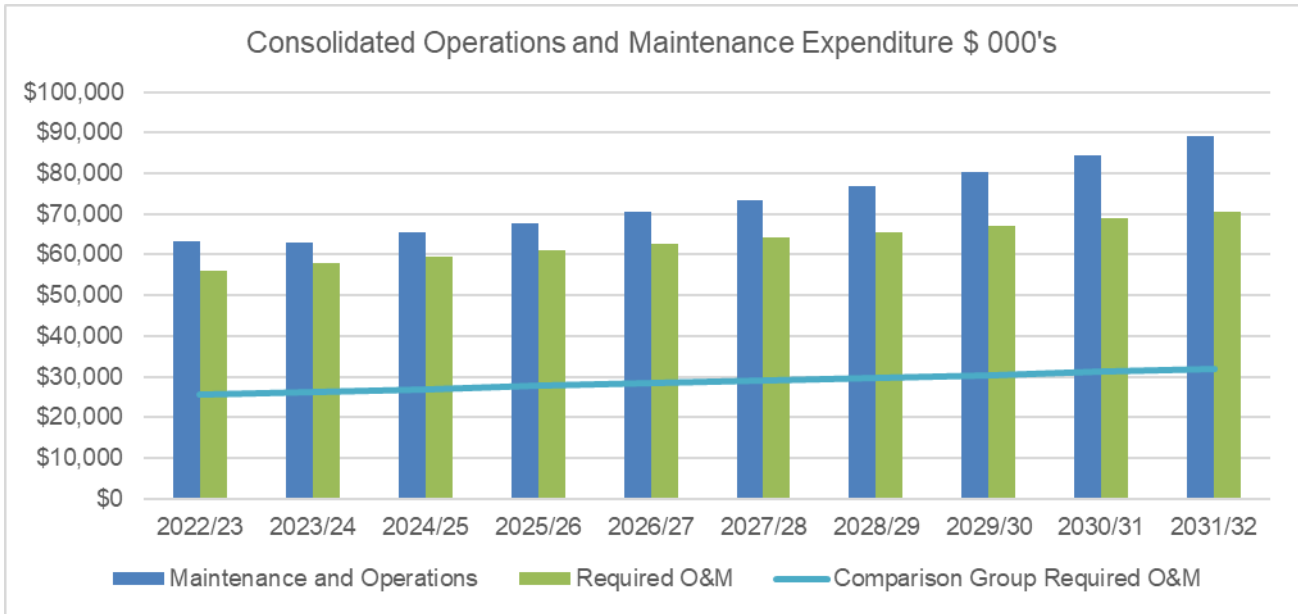
The known projected requirements are compared with current available budgets and, where applicable, budgets are adjusted to ensure allocation of funds occur in the right areas. Ten year expenditures are created for integration and inclusion in the Long Term Financial Plan (LTFP). Council's LTFP base case scenario reflects the asset funding gap identified in Council's Asset Management Strategy and Plans, as shown in the following table and graphs.

This funding gap, averaging \$8.4 million per annum over a ten year period, would be fully addressed under Council's Sustainability Scenarios in the Long Term Financial Plan, which required a Special Variation to be approved.

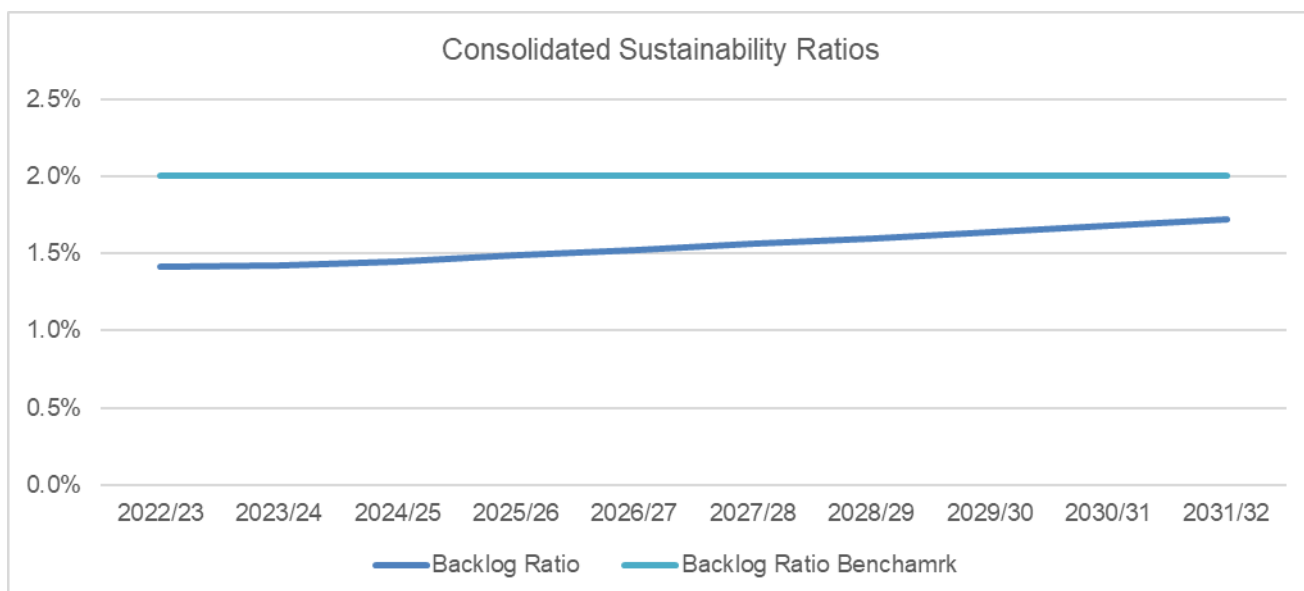
It is important to note that the annual renewal requirements fluctuate based on the assets age and condition. These can be averaged out and standardised to produce a more gradual trend. A better understanding and planning of renewals work will allow for accurate allocation of funds to the appropriate areas.

Expenditure Type (\$ 000's)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Actual (Budgeted) Expenditure										
Renewal	\$41,752	\$25,011	\$27,476	\$18,682	\$23,067	\$21,506	\$24,379	\$21,447	\$21,959	\$21,805
New and expanded	\$80,052	\$25,524	\$14,144	\$18,451	\$15,363	\$3,629	\$6,597	\$5,636	\$7,724	\$2,950
Maintenance and Operations	\$63,260	\$63,103	\$65,328	\$67,783	\$70,495	\$73,490	\$76,799	\$80,458	\$84,505	\$88,984
Total Expenditure	\$185,064	\$113,638	\$106,948	\$104,917	\$108,925	\$98,624	\$107,775	\$107,541	\$114,188	\$113,738
Required Expenditure										
Required Renewal (Depreciation)	\$33,334	\$36,980	\$38,181	\$39,289	\$40,399	\$41,846	\$42,802	\$43,993	\$45,020	\$46,092
New and expanded	\$80,052	\$25,524	\$14,144	\$18,451	\$15,363	\$3,629	\$6,597	\$5,636	\$7,724	\$2,950
Required O&M	\$55,988	\$57,759	\$59,343	\$61,125	\$62,692	\$64,137	\$65,618	\$67,185	\$68,855	\$70,424
Total Required Expenditure	\$169,374	\$120,264	\$111,668	\$118,865	\$118,453	\$109,612	\$115,017	\$116,814	\$121,599	\$119,466
OPEX Balance (GAP)	\$7,272	\$5,343	\$5,985	\$6,659	\$7,803	\$9,352	\$11,181	\$13,274	\$15,651	\$18,560
RENEWAL Balance (GAP)	\$8,419	-\$11,969	-\$10,705	-\$20,607	-\$17,332	-\$20,340	-\$18,423	-\$22,547	-\$23,061	-\$24,288
TOTAL Balance (GAP)	\$15,691	-\$6,626	-\$4,720	-\$13,948	-\$9,529	-\$10,988	-\$7,242	-\$9,273	-\$7,410	-\$5,728





A comparison of other regional councils was undertaken against the required renewal and required maintenance spend for our assets. We see that while we are on par with respect to our renewals there is a discrepancy with respect to our operational spend. However, this could reflect differences in either service levels or reporting between the different councils.



Improvement Plan

Based on the observations and analysis of current asset management practices, a range of strategic actions have been developed that apply to all asset groups. These strategic actions are to ensure adequate provision is made for the long term management of Council's infrastructure assets.

Improvement Plan tasks	Priority	Suggested Timeframe
Asset Data and Knowledge		
Clean asset data to ensure that asset condition is measured consistently across the various asset classes and sub classes.	High	
Develop an asset condition inspection strategy that ensures all assets are inspected on a regular basis.	High	
Ensure asset register is maintained at an appropriate granularity to ensure currency and usability of data	Medium	
Asset Knowledge Processes		
Valuation methodology and assumptions must be fully documented and applied.	High	
Undertake review of cost-code allocation in Councils OPEX budgets, particularly with respect to whether works are capital in nature.	Medium	
Undertake an annual desktop review of asset valuations ensuring that there is an annual review of useful life of assets.	High	
Council to review required maintenance and depreciation budgets for each asset class particularly where there is a significant disparity between the group average and councils current adopted targets.	High	
Strategic Asset Planning Processes		
Determine the long-term expenditure requirements for Council's assets based on a sustainable asset approach and incorporate findings in the Council's LTFP.	Very High	

Ensure that all asset classes have up to date asset management plans.	Very High	
Review and update asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Very High	
Review the Asset Management Strategy to ensure that it incorporates the most up to date and relevant information on each asset class.	Very High	
Consider consolidating asset management plans by asset custodian to minimise required annual workload to keep strategic documentation current and relevant.	Medium	
Operations and Maintenance Work Practices		
Identify critical assets and incorporate critical asset risk mitigation plans into Council's emergency response planning procedures.	High	
Organisational Context		
Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	High	



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