



RESOURCING STRATEGY

2022-2032

**WENTWORTH
SHIRE COUNCIL**
WORTH  DRIVE

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**Wentworth Shire Council would like to
acknowledge the Traditional Custodians
of the Land and pay its respects to Elders
past, present and emerging.**

This Plan has been prepared in accordance with the legislative requirements established under Section 403(2)
of the *Local Government Act 1993*.

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INTRODUCTION

To achieve our long-term vision, Council must assess what resources we need in order to do what the community wants. Resources include people, money, and assets.

The reality is, Council can't afford to do everything that the community desires all at once. This Resourcing Strategy allows Council to map out the community's needs in an affordable way over the next 10 years.

The context and role of the Resourcing Strategy and each of its 3 component parts is explained in this introductory section.

Council operates within a limited financial framework. Council's revenue is generated by a combination of rates, annual charges, user charges and fees, interest on investments and grants and contributions. This gives Council a budget of approximately \$45 million in 2022/23. Although this is a large budget, the constraints on our income and our existing expenditure commitments limit what Council can achieve over any financial year.

Thus, the long-term plans contained in this document are very important to maximise the outcomes of the strategies contained in the Community Strategic Plan and address not only short-term issues but also long-term challenges.

INTEGRATED PLANNING AND REPORTING FRAMEWORK

Integrated Planning & Reporting Framework (IP&R) is a strategic planning framework mandated by the NSW State government. The aim is to improve long-term financial sustainability, asset management, community consultation and business planning in local government.

IP&R recognises local government's unique position as the only agency with an interest in all aspects of a local area. It formalises the role of Council as the key advocate for the community for all issues.

The framework requires Council to take a comprehensive and rigorous approach to strategic organisational planning, resourcing, reporting and community engagement.

Council is required to prepare a set of planning documents:

- Community Strategic Plan (covering a minimum of 10 years)
- Community Engagement Strategy
- Resourcing Strategy consisting of:
 - o Long-term financial plan (minimum of 10 years)
 - o Asset management strategy (minimum of 10 years)
 - o Workforce management plan (minimum of 4 years)
- 4-year delivery program for each elected Council term
- Detailed operational plan that include the annual statement of revenue and annual budget.

COMMUNITY STRATEGIC PLAN

Council's Community Strategic Plan identifies the main priorities and aspirations for the future of the Wentworth Shire. It is the roadmap of what is important to the community and will guide the Shire over the course of the next 10 years.

Council has a clear strategic and integrated framework that is led by the Community Strategic Plan. The other plans are developed to support and deliver on the Community Strategic Plan.

Future documents produced by Council and subsequent decisions made by Council will be tested against the Community Strategic Plan to ensure that Council is working towards the achievement of the vision for the Shire. In short, the Community Strategic Plan is Council's foundation planning document.

RESOURCING THE COMMUNITY STRATEGIC PLAN

The Resourcing Strategy outlines Council's resourcing commitment over the next 10 years to implementing the objectives and strategies of our Community Strategic Plan. The Resourcing Strategy allocates Council's available resources to realise the aspirations of the Community Strategic Plan.

It seeks to support the most effective, efficient use of those resources to deliver the services the community needs and values and realise the vision of the Community Strategic Plan.

The Resourcing Plan is vital to ensure that Council and the community understand the major requirements in delivering all of Council's services and maintaining its assets.

We review the Resourcing Strategy annually to ensure it aligns with the diverse range of services identified in the Delivery Program and Operational Plan. The Resourcing Strategy consists of 3 key components:

- Long Term Financial Plan
- Asset Management Strategy
- Workforce Management Plan.

The **Long-Term Financial Plan** covers a 10-year period and outlines the financial implications of delivering on Council's responsibilities contained in the Community Strategic Plan. The purpose of the plan is to ensure that Council is a financially viable, adequately funded and sustainable organisation which can meet community expectations.

The **Asset Management Strategy** covers a 10-year period. It includes what Council needs to do to improve asset management and project resources. The strategy identifies the critical assets under Council's responsibility and outlines risk management strategies for these assets. It also contains long-term projections of asset maintenance, renewal and replacement costs.

The **Workforce Management Plan** covers a 4-year period. It helps ensure Council has the right staffing to handle the changes and challenges Council will face to meet the current and future service and operational needs of Wentworth Shire Council.

LONG TERM FINANCIAL PLAN

The first part of the Resourcing Strategy consists of Council's Long-Term Financial Plan (LTFP). The LTFP is Council's 10-year financial planning document and the emphasis is on long term financial sustainability. Financial sustainability is one of the key issues facing local government, due to several contributing factors including cost shifting from other levels of government, ageing infrastructure and constraints on revenue growth (including the NSW rate pegging system for local government).

The LTFP tests the community aspirations and planned objectives against financial realities. Contained in the LTFP are:

- Assumptions used to develop the plan;
- Projected income and expenditure, balance sheet and cash flow statements;
- A range of scenarios based on different financial settings; and
- Methods of monitoring financial performance.

Balancing community expectations, uncertainty of future revenue and expenditure forecasts is one of the most challenging aspects of the financial planning process. As such, the longer the planning horizon, the more general the plan will be in the later years. Every effort has been taken to present the most current estimates and meaningful data in this plan.

As it is difficult to predict the future in details, the later years in the plan don't contain the same level of detail. This information is kept contemporary by an annual review and a more comprehensive strategic review each 4 years.

ASSET MANAGEMENT STRATEGY

The second component of the Resourcing Strategy is Council's Asset Management Strategy. This plan deals with Council's Asset Management Policy, asset strategy, life cycle asset planning and links to specific asset category plans.

Local government is responsible for many billions of dollars' worth of community assets, which enable Council's to provide services to their local communities. These assets need to be managed sustainably and in the most appropriate manner on behalf of the community. Wentworth Shire Council is the custodian of around \$700 million of community infrastructure assets.

Council's Asset Management planning framework includes:

- Council's overall asset management principles and goals;
- Asset Management Policy;
- Life cycle management planning;
- Asset management systems and service delivery; and
- Action plan for asset improvement.

The Asset Management Strategy is the summary of the relevant strategies, plans and actions for the assets critical to Council's operations. It is a reflection of Council's intention that our community's infrastructure network is maintained in partnership with other levels of government and stakeholders to meet the needs of the local community. The plan is predicated on the need for assets to be maintained at a safe and functional standard.

Critical to the achievement of the Asset Management Strategy will be the provision of sufficient funding over its life to ensure that infrastructure provides services at the standard that the community expects and can reasonably afford.



WORKFORCE MANAGEMENT PLAN

The third component of the Resourcing Strategy is the Workforce Management Plan. This plan sets out future service and operational needs of Council and helps us make sure that our staff can handle the changes and challenges we will face over the next 10 years.

Workforce planning is the process of identifying current and future staffing needs on the basis of current internal and external information.

The Workforce Management Plan is a 4-year big picture view of workforce issues. It takes into account:

- How our current workforce is made up across the entire range of Council's services;
- What staff we need to keep our Council working well and serve our community; and
- How we can staff our Council in the most cost-effective way now and into the future.

LONG-TERM FINANCIAL PLAN

2022-2032

WENTWORTH
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LONG-TERM FINANCIAL PLAN

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OVERVIEW

Background

A Long-Term Financial Plan is a key Resourcing Strategy document required under the New South Wales Integrated Planning and Reporting framework. Local government operations are vital to the community, and it is important for stakeholders to have the opportunity to understand the financial implications arising from its Community Strategic Plan, Delivery Program and Annual Operational Plan and to be assured that these plans are financially achievable and sustainable.

Wentworth Shire Council's Long-Term Financial Plan recognises its current and future financial capacity to continue delivering high quality services and infrastructure to the community while undertaking the initiatives and projects that will contribute towards the aspirations set down in the Community Strategic Plan.

Council's ability to deliver community wants is dependent on the level of financial resources earned. Good financial management requires the understanding of the short and long term financial impacts of decisions taken now, in the past and in the future. It also requires consideration of the potential influences from outside of Council's control that may impact on the finances of Council.

Local government is reasonably unique in the breadth of the services it delivers and its reliance on assets, that have a high cost and long lives, which are used to provide a significant proportion of those services. Long lived assets are particularly difficult to manage from a financial perspective as the funding required to build, maintain and replace them can be extremely variable from one period to the next.

The Long-Term Financial Plan also aims to:

- Establish greater transparency and accountability of Council to the community;
- Provide an opportunity for early identification

of financial issues and any likely impacts in the longer term;

- Provide a mechanism to solve financial problems and understand the financial impact of Council's decisions; and
- Provide a means of measuring Council's success in implementing strategies.

Projecting over a ten-year timeframe necessitates the use of a variety of underlying assumptions. The Long-Term Financial Plan will therefore be closely monitored, and regularly revised to reflect changing circumstances.

Section 8B of the *Local Government Act 1993 (NSW)*, outlines the Principles of sound financial management that Council is required to adhere to. Therefore:

- Council spending should be responsible and sustainable, aligning general revenue and expenses.
- Council should invest in responsible and sustainable infrastructure for the benefit of the local community.
- Council should have effective financial and asset management, including sound policies and processes for the following:
 - o Performance management and reporting;
 - o Asset maintenance and enhancement;
 - o Funding decisions; and
 - o Risk management practices.
- Council should have regard to achieving intergenerational equity, including ensuring the following:
 - o Policy decisions are made after considering their financial effects on future generations; and
 - o The current generation funds the cost of its services.

These principles have informed and been incorporated into the development of Council's Long-Term Financial Plan.

CURRENT FINANCIAL SITUATION

Operating Results

The following table details Council's operating results for each of the last five years.

WENTWORTH SHIRE COUNCIL INCOME STATEMENT					
Year Ending June 30th	2017	2018	2019	2020	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Revenue					
Rates & Annual Charges	7,938	8,163	8,635	8,822	9,164
User Charges & Fees	5,570	6,759	5,422	7,798	7,582
Interest	808	765	886	586	245
Grants & Contributions (Op)	13,789	10,247	9,713	10,307	10,384
Grants & Contributions (Cap)	2,472	1,505	6,544	8,300	11,724
Other Operating Revenue	692	840	1,118	1,028	1,020
Net gain/loss Disposal of Assets	310	121	215	80	135
Total Revenue	31,579	28,400	33,994	36,921	40,306
Operating Expenses					
Employee Costs	8,478	9,656	9,280	8,790	8,792
Materials & Contracts	5,296	5,708	5,464	7,859	9,553
Interest Charges	74	191	216	206	375
Depreciation & Amortisation	7,713	7,533	8,956	8,941	8,077
Other Operating Expenses	3,391	3,331	3,618	3,490	982
Total Expenses	24,952	26,419	27,534	29,286	27,779
OPERATING RESULT	6,627	1,981	6,460	7,635	12,527

Balance Sheet Results

The following table details the balance sheet results for the past 5 years.

WENTWORTH SHIRE COUNCIL BALANCE SHEET					
Year Ending June 30th	2017	2018	2019	2020	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash and cash equivalents	7,523	4,968	6,327	10,413	12,393
Investments	21,000	22,313	24,000	18,005	26,000
Receivables	4,593	5,666	3,456	5,546	3,985
Inventories	507	184	207	202	166
Other	162	141	156	213	156
Current Assets	33,785	33,272	34,146	34,379	42,700
Non-Current Assets					
Investments	-	1,000	1,461	1,359	1,140
Infrastructure	399,223	415,975	422,775	442,194	453,683
Intangible Assets	-	184	184	184	184
Non-Current Assets	399,223	417,159	424,420	443,737	455,007
Total Assets	433,008	450,431	458,566	478,116	497,707
Current Liabilities					
Payables	2,027	1,526	1,537	3,578	2,905
Income Received in Advance	395	434	487	-	-
Provisions	2,003	2,224	2,110	2,212	2,263
Contract Liabilities	-	-	-	1,056	6,318
Borrowings	311	187	247	262	499
Current Liabilities	4,736	4,391	4,381	7,108	11,985
Non-Current Liabilities					
Provisions	664	1,042	1,504	2,720	2,837
Borrowings	3,440	4,592	4,292	4,032	5,522
Non-Current Liabilities	4,104	5,634	6,752	5,796	8,359
Total Liabilities	8,840	10,025	10,177	13,860	20,344
NET ASSETS	424,168	440,406	448,389	464,256	477,363
Restrictions					
External restrictions	11,445	12,217	14,495	13,498	22,181
Internal restrictions	10,010	10,767	11,199	10,583	10,928
Unrestricted cash	7,068	5,297	4,633	4,337	5,284
Capital expenditure	14,128	10,338	14,459	19,766	19,162

Financial Sustainability

Council supports the definition of financial sustainability set out by NSW T-Corp that:

“A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community.”

The key principles driving Council’s long-term planning include:

- The Community Strategic Plan will continue to guide Council’s actions, with annual reviews of progress and priorities as required by the IP&R framework;
- Long-term financial planning will manage operating costs to deliver operating surpluses to fund infrastructure and facilities;
- A workforce plan to be an employer of choice;
- Infrastructure and asset maintenance monitored on a regular basis to maximise renewal levels without over-servicing;
- Policies and procedures regularly reviewed to improve Council’s approach and ability to respond to emerging needs and community expectations; and
- Regular assessment of funding projections to determine appropriateness of debt to meet the need for future infrastructure.

Council’s short to medium term financial capacity is considered to be very sound.

Council has:

- A large portfolio of operational and community assets;
- An ability to balance cash flows over the next ten years;
- A positive financial asset position with manageable levels of debt; and
- Strong cash holdings that provide capacity to manage normal variations that occur in operational performance and to provide cash for investment opportunities that may arise.

In many cases external factors exert significant pressure on Council’s long-term sustainability.

Some of these external factors include:

- The regulatory environment that defines the scope and boundaries by which Council must conduct its business;
- Continual lower than anticipated allowable rate peg increases;
- Cost shifting by government such as contributions to emergency services, inadequate funding for public libraries and the cost of regulation of companion animals; and
- Growth and urban development increasing the Shire’s population and therefore increasing the demands on existing infrastructure, facilities and services provided.

Each of the above results in an income gap with costs increasing at a greater rate than revenue. Council continues to conduct comprehensive reviews of all budgets which demonstrates its commitment to remaining financially sustainable and reducing the income gap.

With each annual budget process Council aims at a minimum, to achieve a balanced budget which allows the organisation to maintain a positive unrestricted cash and investment balance. This position gives Council the flexibility to maintain liquidity and fund any unforeseen expenditures or discretionary funding deficits.



Economic Conditions

Fluctuations in inflation rates over time impact upon both income and expenditure. To reflect current economic conditions appropriately, and to safeguard against the risk of detrimental fluctuations in the Consumer Price Index in the medium to long term, Council applies an inflationary factor of 2% in the short term, escalating to 3% in the medium to long term of the Plan.

The rate of wages growth is a significant issue for Council in managing its underlying operating expenditure over a ten-year timeframe, as employee costs currently represent approximately 40% of Councils total operating expenditure.

Council adopts conservative assumptions in financial projections, to mitigate the risk of economic fluctuations adversely affecting financial sustainability. The assumed escalation rates for both income and expenditure are regularly reviewed and updated as appropriate.

PLANNING FOUNDATIONS

Wentworth Shire Council remains committed to operating within a financially sustainable framework, to ensure that its community and other stakeholders can rely upon the ongoing provision of a full and diverse range of high-quality community services, facilities and infrastructure.

Council plans to maintain its financial position and performance, to ensure resilience and maintain capacity to adapt and respond to emerging community needs in a measured and equitable manner.

Planning Assumptions

Key principles employed in the financial planning process include but are not limited to the following:

- Financial sustainability;
- Maintain diversity of income sources;
- Generate significant operating surpluses;
- Maintain tight control over expenditure and staff numbers;
- Deliver best value services, facilities and infrastructure;
- Effective and efficient utilisation of funding sources to fund capital works and asset acquisitions;
- Prudent financial investment;
- Consider appropriate use of debt;

These principles have informed and been incorporated into the development of Council's Long-Term Financial Plan.

Council has also considered the following assumptions:

- Council will maintain its existing service level to residents;
- Any changes to future services will be determined in consultation with the community; and
- Consideration of the financial effects of Council's decisions on future generations. Council shall strive to achieve equity between generations of ratepayers (intergenerational equity) whereby the mechanisms to fund specific capital expenditure and operations takes into account the ratepayers who benefit from the expenditure and therefore on a user pay basis who should pay for the costs associated with such expenditure.

The Long-Term Financial Plan continues Council's commitment to maintain tight control over its financial position and performance, an achievement that has been continually demonstrated through strong operating results.

Council is committed to the ongoing review of its service delivery as part of a continuous improvement process. Specifically, Council is seeking to identify if the services it delivers are relevant and necessary to the community as well as appropriate in the current environment. The continual improvement process includes determining if the service meets the needs and expectations of the community as set out in the Community Strategic Plan.

The continuous improvement process aims to achieve the following objectives:

- Assist in informing Councillors, the community and Council's staff on what, how and why it delivers the current list of services. It endeavours to answer questions surrounding the need to provide the service, service delivery alternatives such as contracting resources, outsourcing some activities, joint delivery with other councils/ organisations, what can be provided at what cost and if any efficiencies can be found.
- Finding savings that are real, sustainable and are able to be entrenched into future budgets. This strategic approach to budget management is to identify lasting solutions for the provision of services in contrast to common short-term budget management strategies which include delaying the implementation of projects and unfunded activities or by making budget cuts that may not align with the Community Strategic Plan.
- Embedding the realisation of continuous improvement. In providing an environment where continuous improvement to service delivery is expected, staff are encouraged and supported to identify opportunities to make the services that Council provides the best value for its community.

Council will continue to prudently manage its cash reserves and investments, to ensure that appropriate financial reserves are available to meet Council's liabilities and commitments as

they fall due, and manage cash flow demands to ensure responsible financial management control. While externally restricted reserves will be maintained in accordance with legislative requirements, a number of internally restricted reserves are used to ensure that funds are set aside to directly support the Community Strategic Plan's priority initiatives and projects.

The Capital Program is forecast over the ten-year frame of the plan. In later years, where specific projects may not have been fully identified, provisional sums are included reflecting historical works patterns, and in line with renewal requirements identified as part of the Asset Management Strategy.

The Long-term capital works program identifies the various funding sources proposed for each capital project. Council will utilise grant funding where available, internal reserves where applicable and borrowing where it is deemed necessary and intergenerational equity is considered appropriate.

Revenue Forecasts

This section includes a review of the major sources of income received by Council, including explanatory information along with a discussion of any risks and assumptions. Council aims to maintain a diverse income base, with income sources outside Rates and Annual Charges vital to reducing the burden on rate payers of funding all of Council's ongoing operations, minimising the impact of rate-pegging.

The major sources of revenue for Council are:

- Rates and Annual Charges
- User Charges and Fees
- Interest
- Grants and Contributions
- Other Revenue

Rating and Annual Charges

The total income that can be raised from levying rates on property is capped by the State Government via the Independent Pricing and Regulatory Tribunal. The current rate structure for Wentworth Shire Council will be maintained; rate assessments are based on a combination property valuations (ad valorem) and base rates. The continuing constraint of rate pegging imposed by the State Government limits Council's ability to provide additional services or borrow additional funds and has focused considerable attention to the need for and efficiency of each service provided.

Council's general rates income can grow when new properties are developed that require additional local government services. Property growth impacts on Council's financial performance by increasing rate revenue as a result of the increased number of rateable assessments. It is important to note however, that the increase in rate revenue resulting from property growth is generally not in direct proportion to the increase in the number of rateable assessments.

Council has been experiencing a growth in rateable assessment in the Buronga/Gol Gol locality in recent years, this is expected to continue into the short to medium term. Council's financial modelling includes an anticipated increase in income and expenditure associated with the growth in population. Whilst it is anticipated that service priorities will change as the area's population grows, it is assumed that the range of services will be consistent to that currently being delivered.

The general allowable increase for 2022/2023 has been set at 0.70%. This is the lowest increase in more than 20 years and considerably less than the 2.50% that had been previously forecasted. Assuming everything else remains equal the impact of this lower than expected increase will result in a reduction in rate revenue of approximately \$1,000,000 over the next ten years.

Beyond 2022/2023, Council has estimated increases for years 2-5 at 2.5% pa and

increases in years 6-10 at 3.0% pa.

For rating purposes land in Wentworth Shire is categorised as residential, farmland or business. Each of these categories has a number of sub-categories. The current rates structure is as follows:

Farmland	Business	Residential
Dry Land Grazing Licence/Pump Site/Pipeline Farmland	Wentworth Mourquong Trentham Cliffs Arumpo Pooncarie	Wentworth Buronga Gol Gol Gol Gol East Pooncarie Dareton Rural Residential

Council will continue to closely monitor its rating path and the best way to equitably align its rating structure to ensure the fair and equitable distribution of the rates burden for all our rate payers.

Domestic Waste Management Charges

Domestic waste management charges are provided on a full cost recovery basis and are determined each year pursuant to Section 496 of the *Local Government Act, 1993*. The charge is based on a 120 litre capacity mobile garbage bin. Additional charges are made in the event that householders require additional capacity for general waste.

Tourism Levy

A special variation for Tourism was approved in 1998 for \$10 per assessment and is still in place.

Water and Sewer

The pricing of water and sewerage services is guided by the State Government Best Practice Pricing Guidelines. Council has adopted a two-part tariff for water supply, consisting of an access charge and a usage charge. Access charges are related to the size of the water meter installed on each property. Sewerage tariffs adopted by Council consist of a uniform sewerage charge for all relevant properties as outlined in the Operational Plan. Water and Sewer services are a full cost recovery user pays service provided to those who access the network.

Pensioners who hold a Pensioner Concession card and own and occupy rateable property in Wentworth Shire receive a mandatory rebate on their rates and annual charges. Council continues to provide a 100% rebate for eligible pensioners, this provides an additional rebate on top of the mandatory 55% rebate that is funded by the State Government and in total costs Council approximately \$80,000 per year.

Whilst this cost has remained reasonably consistent, Council will continue to assess the long term impact to ensure the sustainability of this policy and consider the long term benefits and impacts on Council.

Interest charges on unpaid rates and charges will accrue on a daily basis at the rate advised in accordance with Section 566 of the *Local Government Act, 1993*.

User Charges & Fees

Many of the services provided by Council are offered on a user pays basis. Fees and Charges relate mainly to the recovery of service delivery costs through the charging of fees to users. All fees in this category are annually reviewed, published in the fees and charges schedule which is part of the Annual Statement of Revenue within the Operational Plan, and incorporated within the annual operational budget. Assessment of fees and charges is based on:

- the cost of providing the service
- whether the goods or service are provided

- on a commercial basis
- the importance of the service to the community
- the capacity of the user to pay
- the impact of the activity on public amenity
- competitive market prices
- prices dictated by legislation
- factors specified within relevant local government regulations as applicable.

Council needs to be mindful of using fees and charges as an avenue to increase revenue over the life of the Long-Term Financial Plan in that it can create issues around maintaining equitable access to services and facilities for residents. The Shire's relatively low population base does not provide a large market from which significant fees and charges can be obtained.

There are a mixture of commercial, regulatory and statutory fees in addition to user based fees, which are subsidised to provide wider community outcomes. The Long-Term Financial Plan assumes that fees will rise, in general terms, in line with CPI over the course of the ten years. The level of fees and charges income will fluctuate moderately from year to year depending on patronage and demand for facilities and services.

The Transport for NSW Roads Maintenance Council Contract (RMCC) for the Sturt and Silver City Highways is classed as a fee for service contract and accounts for approximately \$2 million of revenue annually.

Interest on Investments

Council invests funds that are surplus to its current needs in accordance with the approved "Ministerial Investment Order" and its own Investment Policy and Strategy, which is reviewed annually.

Council's Investment Policy and Strategy for the management of surplus funds was last endorsed by Council in January 2022. It reflects a prudent and conservative approach to achieving reasonable returns ensuring the safeguarding of Council's funds for their intended purpose.

The size of the investment portfolio and interest rate returns determines the revenue generated from Council's cash investment portfolio, this is expected to decline or stay very stagnant given the continuing ultra-low interest rate environment and the utilisation of cash reserves for which they have been set aside. With this in mind it has become apparent that Council can no longer continue to rely on additional investment income in the short to medium term.

Council will continue to carefully manage its cash reserves and investments to ensure that appropriate financial reserves are available to meet Council's liabilities and commitments, along with managing cash flow demands to ensure responsible financial management control.

Council will closely monitor its investment performance as part of its monthly reporting and quarterly budget reviews to demonstrate its financial health and sustainability.

GRANTS & CONTRIBUTIONS

Operational Grants

Council receives grant funding from other government bodies to supplement its other sources of income and provide additional funding for specific projects or programs where there may be shared outcomes.

Council is currently allocated \$6.5M annually from the Commonwealth Government in the form of the Financial Assistance Grants (FAG). These are general purpose grants paid to local councils under the provisions of the *Commonwealth Local Government (Financial Assistance) Act 1995*. These funds are paid to Council as an unconditional grant.

Other specific grants are allocated to individual projects or programs, either as part of a National or State scheme, or as a result of a specific grant funding application.

The Long-Term Financial Plan allows for a notional annual increase in line with CPI. Other grant programs have been reviewed and modelled based on their individual project

timelines. It is assumed that in the future, new grants will be received but will be offset by commensurate expenditures, resulting in no net financial impact.

There is an ongoing risk that the funding methodology applied to the allocation of the Federal Assistance Grants could be altered and that Council receives a reduction in grant allocations. If this was the case, Council would need to assess its response to any proposed change.

CAPITAL GRANTS & CONTRIBUTIONS

Developer Contributions

Developer contributions provide significant funding towards the cost of essential public facilities, amenities and infrastructure provided by Council. Developer contributions are heavily reliant on the property development cycles influenced by demand, availability of land, interest rates and access to funding. As a result there are substantial risks of cash flow not aligning with planned expenditure to be funded by development contributions funding, leaving funding "gaps" that need to be supplemented by other sources until contributions are received.

Capital Grants

Capital grants are received by Council for specific projects to assist in the funding of community facilities or infrastructure. The grants provide additional levels of funding that can assist in accelerating the commencement of a project, demonstrate a shared commitment from the funding body or provide a greater benefit arising from the additional funding.

A number of proposed projects over the ten years will require significant additional sources of funding for the projects to progress. Each of these projects is assessed, and where the funding sources are known, included in the Long-Term Financial Plan.

The plan incorporates known committed grants and a conservative allowance for capital grants income in future years based on historical availability of grant funding assistance. As specific projects are identified as eligible for grants, the income and budgeted capital expenditure are matched within the plan.

OTHER REVENUE

Miscellaneous revenue is obtained from a variety of sources including insurance recoveries, property rentals, etc. It is anticipated that other revenue will be maintained at current levels with an increase for CPI factored in.

Council may carry out work on private land, either on request or arrangement with the land owner or under relevant legislation. The amount or rate to be charged will be the appropriate commercial rate, being the actual cost of the works and standard on-costs to provide full cost recovery plus a return to Council.

Expenditure Forecasts

The major sources of expenditure for Council are:

- Employee Expenses
- Borrowing Costs
- Materials & Contracts
- Depreciation
- Other Expenditure

This section includes a review of Council's major expenditure commitments over the next ten years, together with background information and a discussion of any key risks and assumptions. Operating expenditure is expected to increase in general terms over the next ten years and an average increase for annual growth of 0.5% less than expected CPI growth has been applied to all costs, unless specifically modified on the basis of other data or assumptions.

Employee Expenses

Council is a leading employer in the region both directly through its full-time equivalent workforce of 132.45 budgeted positions and indirectly through the services it contracts to ensure an efficient, affordable and sustainable service delivery model for the community.

Council aims to build its reputation as an "employer of choice" in order to attract and retain quality staff that it will continue to develop, support and assist. The challenge in a competitive market place is to achieve these goals and enhance Council's service delivery capability while maintaining salary and wages that are sustainable over the long term.

Direct employee costs represent approximately 40% of Council's total operational expenditure, therefore it warrants specific strategic planning, ongoing monitoring and tight management control to ensure financial sustainability.

Under the NSW Local Government State Award, on average staff receive a 2% pay increase each year. Combining the award increase with performance-based increases and other employee on costs such as superannuation and workers compensation insurance, the annual increase factored into the budget for employee costs is 2.5% in the short term and 3% in the medium to long term.

Council's Workforce Management Plan has been prepared in line with the development of this Long-Term Financial Plan and considers the current and future workforce challenges and the skill sets of employees required to meet our key objectives.

The Workforce Management Plan is intended to provide an understanding of the internal and external issues facing the organisation now and into the future in terms of the capability of our people, the quality of management and leadership and our workforce culture.

The delivery of major projects in line with the Community Strategic Plan will rely on the effectiveness of Council's workforce to plan, implement and manage the many projects, facilities and services.

Council will continue to develop strategies that enhance recruitment and attraction, customising learning and development needs, building leadership and management capability and supporting effective performance development and management. These programs are incorporated within the current provisions contained in this Long-Term Financial Plan.

Council Employee Leave Entitlements reserve is used to fund unanticipated changes in termination payments each year. The number of staff who might leave is difficult to predict and the Long-Term Financial Plan modelling has a provision added to represent the projected levels of retirements, to accommodate the challenges of an ageing workforce.

Council's policy is to fully fund the leave entitlements of staff in the Employee Leave Entitlements Reserve. In recent years the reserve has been used to assist in the funding of costs associated with the resignation/retirement of a number of long serving employees. Council has been fortunate in recent years that it has had enough surplus cash to fund 100% of this reserve. It is projected that the reserve will maintain a balance of 100% over the life of the Long-Term Financial Plan. However, if surplus funds were to decrease Council may have to revisit this policy.

Workers Compensation premiums increase and decrease significantly with claims history. Council continues to be proactive in order to minimise any potential for claims.

Borrowing Costs

Wentworth Shire Council in the past has been debt averse and viewed the achievement of a low level of debt or even a debt free status as a primary goal. However, we appreciate that the use of loan funding can be a critical

component of the funding mix to deliver much needed infrastructure to the community. The beneficiaries of these projects will assist in their funding as their rates will be applied in part to repaying the loans. This is in contrast to current ratepayers bearing the entire burden in one year, possibly at the expense of other worthwhile expenditure.

Debt is seen as a method of more fairly spreading capital costs to deliver intergenerational equity. Keeping this in mind there are limits to the amount Council can borrow without impacting on its financial sustainability and Council is mindful of not wanting to impose an excessive debt burden on current or future generations.

Council's borrowing strategy projected in the LTFP is to restrict the debt service ratio to less than the industry benchmark of 20%. Before embarking on any new debt Council will consider the following:

- Debt financing is only to be used for clearly identifiable major projects and the Capital Works Program.
- Debt finance will not be used to meet operational shortfalls.
- The period of repayment of debt finance shall not exceed the period over which the benefits are received from a project, or the life of the asset whichever is lesser.

The principles of intergenerational equity are supported in respect of the Council contribution to the funding of major projects, the benefits of which will be shared by future generations. Loans shall only be raised after taking into consideration future known specific capital funding requirements and, when raised, shall only fund the specific project or purpose approved.

Materials and Contracts

Materials and contract expenditures are another significant proportion of total operating expenditure, with the amount expended fluctuating moderately from year to year, depending on the specific needs and priorities of the services and projects within this category.

Council has a significant infrastructure portfolio that needs to be maintained to a quality standard, whilst providing a broad and diverse range of quality services for its community. Expectations for increasing levels of service and new community assets will lead to future cost pressures. Asset management and service planning, together with on-going reviews of contract and services, will aim to defray some of these increasing cost demands.

Major financial risks within this category of expenditure include:

- increased costs of inputs to operations (waste costs, fuel, labour)
- increased levels of service expected by the community and other stakeholders
- new services expected to be delivered by local government and potential government cost-shifting
- additional asset maintenance costs (new parks, roads, cycle ways, trees, facilities etc)
- limited competitive supply for some specific service areas.

Council's Asset Management Strategy incorporates the over-arching framework, policies and strategies to manage the critical assets under Council's control, a key measure of long-term sustainability.

The Long-Term Financial Plan provides estimates of the planned maintenance levels for each of the major categories of infrastructure assets including forward estimates for asset maintenance activities including new assets developed, together with provisions for projects that refurbish, upgrade or create new community facilities and essential infrastructure.

The Long-Term Financial Plan and Asset Management Strategy together demonstrate Council's capacity to fund the required

maintenance and renewal of its critical operational and community assets, in a condition appropriate to meet the needs of the community and its expectations over the next ten years.

Depreciation

Depreciation of assets is a non-cash expense that systematically allocates the financial benefit of a fixed asset, and recognises degradation of its capacity to continue to provide functionality over time. Depreciation provides an approximate indicator of the reduction of the asset's estimated useful life, on the proviso that it is maintained in a standard condition.

Depreciation is based upon each asset's value and an annual rate of depreciation calculated on the estimated useful life for each asset class. Depreciation is not influenced by other factors such as CPI and will only change if asset values or depreciation rates vary, or assets are acquired or disposed of. NSW Office of Local Government guidelines require that all assets are revalued to "fair value" within a five-year cycle.

Valuation and depreciation methodologies are regularly reviewed, as part of cyclical asset revaluations and in the interim, as improved asset data is incorporated into depreciation calculations, with the aim of better aligning asset depreciation with consumption of economic benefit as closely as practical, using available information.

However, depreciation – a notional calculation of asset consumption over its useful life – is not a measure of the required renewal expenditure on an asset in any given year. It does not reflect the actual physical degradation of the asset condition. Depreciation is therefore merely a guide towards the funds that should be allocated towards the renewal of assets on an annual basis.

Council's investment in new community facilities and other assets, and periodic revaluation of our existing assets will see the depreciable asset base rise over time. The Long-Term Financial Plan assumes a continuation of present-day depreciation methodology.

Other Expenses

This incorporates costs relating to ordinary goods and services which are recurrent in nature and relatively stable as a proportion of total expenditure, such as postage, printing and insurance. It also includes payments to utilities, donations to other organisations, tourism activities and contributions to other levels of government that can significantly change over time.

Total costs for this category fluctuate over time, reflecting specific payments for individual projects and periodic events, payments to other government bodies and local government elections.

CAPITAL EXPENDITURE PROGRAM

Council's existing infrastructure assets are generally in good condition, and Council is in a position whereby it can maintain the current levels of service and budget allocation towards asset maintenance and renewal expenditure.

Consistent with previous iterations of the Long-Term Financial Plan, Council continues to plan for an extensive capital expenditure program with approximately \$100 million in expenditure forecast over the next ten years.

Council, through its capital works program, delivers vital improvements to the Shire's public areas, roads, water, sewer, footways, stormwater, parks and open spaces, pools and other community facilities. New or replacement facilities are designed and constructed to meet growing community needs, while the existing essential infrastructure and community facilities require upgrades and renewal in addition to their annual maintenance programs.

Capital works funding is the largest program of expenditure in Council's Long-Term Financial Plan and is therefore the subject of rigorous planning to ensure a sustainable level of funding for the timely delivery of projects. The capital works schedule incorporates estimates of the scope, value and timing of the works and projects based upon Council's priorities, current level of knowledge and best estimates.

Substantial capital programs are in place to continue the renewal of Council's infrastructure network. The programs will ensure that these key asset groups meet or exceed Council's determined 'minimum' service levels and continue to provide the expected amenity to the community.

The capital works program prioritises projects based on asset condition, risk, community need and other opportunities as they arise with other entities. Over shorter periods, some areas of the Shire may require more capital works than others to reflect short term needs and opportunities.

The need for new assets is constantly assessed and verified against current population and development projects, community feedback and alternative means of supplying services. A further consideration is the priority of refurbishing existing assets that provide community benefits or operational service that require regular refurbishment to enable the overall safety and quality of the facility to be maintained.

The ten-year capital works schedule comprises a mixture of specifically identified and budgeted projects over a shorter term and contains provisional sums over the longer term for programs of work where individual project opportunities have not been determined as yet.

Apart from funding constraints, Council has capacity constraints which determine the capital works program delivery timeframe. The constraints in project delivery include community consultation, state government approvals, design, procurement processes and availability of labour resources to project

manage and implement the projects.

In addition to the renewal and expansion of Council's asset base delivered through the capital works program, Council undertakes a replacement (and, where appropriate) upgrade/expansion program for its plant and equipment assets including motor vehicles, furniture, plant and IT hardware.

This significant capital program requires careful planning and financial management, in order to ensure that delivery is achievable whilst maintaining operational service standards.

	Asset Class Total
Plant & Equipment	\$20,825,000.00
Office Equipment	\$2,000,000.00
Furniture & Fittings	\$202,000.00
Land	\$750,000.00
Land Improvements	\$1,349,700.00
Buildings	\$13,998,109.00
Other Structures	\$725,000.00
Roads	\$39,925,030.00
Bridges	\$200,000.00
Footpaths	\$794,000.00
Stormwater	\$6,560,000.00
Water	\$10,225,936.00
Sewerage	\$18,722,849.00
Swimming Pools	\$446,522.00
Open Space/Recreation	\$5,582,500.00
Other Infrastructure	\$1,297,000.00
Library Books	\$865,000.00
Tip Assets	\$17,275,000.00
	\$141,443,946.00

Asset Management

Wentworth Shire Council is responsible for a large and diverse asset base. These assets include roads, bridges, footpaths, drains, halls, parks, sporting facilities, water and sewerage infrastructure. The infrastructure assets owned or controlled by Council are required for service delivery, not for profit making. The key objective therefore in assessing infrastructure assets is that a specific level of service can be provided now and into the future.

Service provision, in particular service levels, ultimately determine the infrastructure asset requirements of a Council. In turn all assets that are utilised for service provision require proper maintenance and replacement, over a period of time, to guarantee that the specific service levels are actually achieved now and into the future.

In order to manage this asset base, strategies and plans have been developed which are designed to address issues regarding asset life cycles and risk. The Asset Management Plans that have been developed include information on existing asset condition, deemed acceptable base condition and any associated funding shortfalls together with revised financial models providing affordability data.

The data from these plans have been used to populate the Long-Term Financial Plan and act as a guide to assist Council in its decision making processes and is based on best available financial data and assumptions regarding projected movements in future years. It is expected that, as these plans evolve, projected indicators may look decidedly different as further knowledge and expertise is developed.

The program for asset renewal, enhancement and for the creation of new assets will be informed by Council's Asset Management Strategy. Over the long term, proposed capital expenditure for replacement and refurbishment of key asset classes is expected to meet or exceed the required level, as identified in the Asset Management Strategy.

The need for new assets is constantly assessed and verified against current population and development projects, community feedback and alternative means of supplying services. A further consideration is the priority of refurbishing existing assets that provide community benefits or operational service that require regular refurbishment to enable the overall safety and quality of the facility to be maintained.

FINANCIAL MODELLING

The Long-Term Financial Plan modelling has been devised with three scenarios, as per the Integrated Planning and Reporting requirements.

OPTION 1 (BASE CASE) – (refer financial summary pages Option 1)

This is based on Council's 2021/2022 budget and includes only a major review of expenditure. This is Council's base case scenario and focuses on what it costs to provide basic services to the community at current levels. No new major capital works have been included other than capital renewals and projects already included for future years. This scenario assumes that all projects were completed as planned in their respective years.

This scenario also includes the following:

- Council continues to run the caravan park in its current format following completion of the redevelopment. No further capital expenditure has been planned for the immediate future.
- Council's application to expand the Buronga Landfill is unsuccessful resulting in:
 - o The landfill closing at the end of the 2023/2024 financial year
 - o Kerbside collection has to be transported interstate to be disposed
 - o Transfer stations and smaller sites continue to operate.

Revenue Assumptions

- Ordinary Rates will continue to increase annually in line with State Government rate pegging policy.
- General User Fees and Charges will rise annually by forecasted CPI.
- Regulatory Fees and Charges will stay the same with any increase attributable to extra service provision.
- There are no new capital grants forecasted and income will rise by forecasted CPI.
- Recurrent Operating Grants will increase by forecasted CPI.
- Investment income is to remain at current levels to reflect current historic low interest rates.
- Growth Rate is based on the historical trends of 1.0%

Expenditure Assumptions

- Employee costs will increase by forecasted 3.00% per annum for four years then 3.50% for every year thereafter. There is no increase in staff numbers forecasted.
- Other operating expenditure all increased in line with CPI (3%).
- Asset renewal rate is projected to be above 100% for the remaining period of the plan.
- Service levels to remain at current provisions.
- This scenario includes only capital expenditure requirements required to keep maintaining current service standards.

OPTION 2 (Preferred Option) – (refer financial summary pages Option 2)

This is based on Council's 2022/2023 budget and includes a major review of revenue, operating expenditure and capital expenditure. This option includes the following considerations:

- Council no longer operates the Willowbend Caravan Park having sold the long term lease to a 3rd party to operate the park.
 - o Council has completed the redevelopment of the park during the 2022/2023 financial year. Any future improvements at the park becomes the responsibility of the operator.

- Council continues to operate the Buronga Landfill
 - o Application to expand the site and increase the EPA licence was approved
 - o \$9M of capital works to expand the site had been programmed to commence in the 2024/2025 financial year
 - o Tonnage to increase to 50,000 tonnes per annum from 2025/2026 financial year
 - o \$2M in remediation expenditure has been programmed for the 2026/2027 financial year.
 - o Capital expansion and remediation expenditure to be funded via long term loans.
 - o \$200K has been allowed in the 2022/2023 financial year to continue progressing the expansion.
- Ongoing significant grant programs in the early years of the plan including:
 - o Resources for Regions
 - o Local Roads and Community Infrastructure
 - o Fixing Local Roads
 - o Stronger Country Communities Fund

Revenue Assumptions

- Ordinary Rates, User Fees and Charges, Operating Grants will be increased by the following amounts:
 - o Years 2 – 5 increase by 2.0%
 - o Years 6 –10 increase by 2.5%
- Investment income to remain relatively static to reflect expected low interest rates that is offset by increases in cash on hand and held for investment.
- Growth rate in rateable properties is anticipated to total 25%. This assumption assumes a conservative increase over the first 5 years of the plan.
- Developer Contributions have been factored in line with growth in rateable assessments, however there is expected to be a lag between the need for Council to spend funds and when developer contributions are received.

Expenditure Assumptions

Expenditure is critically reviewed on an annual basis. Where there is no justification for an increase in operational expenditure then it is held at current year's levels or even reduced.

- Materials and Contracts and Other Expenses have been forecast to increase by the following amounts:
 - o Years 2 – 5 1.5% increase in operational expenditure
 - o Years 6 – 10 2.0% increase in operational expenditure
- Borrowing costs will change annually in line with approved loan repayment requirements
- Employee Expenses have been forecasted to increase by 2.80% per year based on the current structure of 132.45
- Assumes no new services and factors in a growth in existing service levels in line with conservative increase in rateable assessments.

OPTION 3 (Alternative Option) – (refer financial summary pages Option 3)

This is based on Council's 2022/2023 budget and includes a major review of revenue, operating expenditure and capital expenditure.

This option includes the following considerations:

- Council no longer operates the Willowbend Caravan Park having sold the long-term lease to a 3rd party to operate the park.
 - o Council has completed the redevelopment of the park during the 2022/2023 financial year. Any future improvements at the park becomes the responsibility of the operator.
- Council outsources the operations of the Buronga Landfill
 - o Application to expand the site and increase the EPA licence was approved
 - o \$9M of capital works to expand the site had been programmed to commence in the 2024/2025 financial year
 - o Council operates the landfill until the end of the 2024/2025 financial year, then contractors out the operation of the site, receiving an annual rebate in return

- based on total tonnage received.
 - o Revenue and Expenditure is reduced to reflect change in operations
 - o Tonnage to increase to 50,000 tonnes per annum from 2025/2026 financial year
 - o \$2M in remediation expenditure has been programmed for the 2026/2027 financial year.
 - o Capital expansion and remediation expenditure to be funded via long term loans.
 - o Contractor will be reasonable for funding any further upgrades and remediation costs.
 - o \$200K has been allowed in the 2022/2023 financial year to continue progressing the expansion.
- Ongoing significant grant programs in the early years of the plan including:
 - o Resources for Regions
 - o Local Roads and Community Infrastructure
 - o Fixing Local Roads
 - o Stronger Country Communities Fund

Revenue Assumptions

- Ordinary Rates, User Fees and Charges, Operating Grants will be increase by the following amounts:
 - o Years 2 – 5 increase by 2.0%
 - o Years 6 -10 increase by 2.5%
- Investment income to remain relatively static to reflect expected low interest rates that is offset by increases in cash on hand and held for investment.
- Growth rate in rateable properties is anticipated to total 25%. This assumption assumes a more rapid increase over the first 3 years of the plan.
- Developer Contributions have factored in line with growth in rateable assessments, however there is expected to be a lag between the need for Council to spend funds and when developer contributions are received.

Expenditure Assumptions

Expenditure is critically reviewed on an annual basis. Where there is no justification for an increase in operational expenditure then it is held at current year's levels or even reduced.

- Materials and Contracts and Other
Expenses have been forecast to increase by the following amounts:
 - o Years 2 – 5 2.0% increase in operational expenditure
 - o Years 6 – 10 2.5% increase in operational expenditure
- Borrowing costs will change annually in line with approved loan repayment requirements
- Employee Expenses have been forecasted to increase by 2.80% per year based on the current structure of 132.45.
- Assumes no new services and factors in a growth in existing service levels in line with increase in rateable assessments.

Summary of Planning Assumptions

2022/23 Planning Assumptions		CPI & Inflation	Rates	Employee Costs	Grants	Interest on investments	Interest on borrowings	Growth
Option 1	2022/23	2.00%	2.50%	3.00%	2.50%	0.50%	2.50%	1.00%
	Future	3.00%	2.80%	3.33%	2.50%	1.50%	2.50%	1.00%
Option 2	2022/23	2.00%	0.70%	2.80%	2.50%	0.50%	2.50%	20.00%
	Years 2-5	2.00%	2.50%	2.80%	2.50%	0.75%	3.50%	20.00%
	Years 6-10	2.50%	3.00%	2.80%	3.00%	2.00%	4.00%	1.00%
Option 3	2022/23	2.00%	0.70%	2.80%	2.50%	0.50%	2.50%	33.00%
	Years 2-5	2.00%	2.50%	2.80%	2.50%	0.75%	3.50%	17.00%
	Years 6-10	2.50%	3.00%	2.80%	3.00%	2.00%	4.00%	1.00%

SENSITIVITY ANALYSIS

Although the assumptions used in the Long-Term Financial Plan are informed estimates based on reliable information at that point in time, long term financial plans are inherently uncertain. They contain a wide range of assumptions, including assumptions about interest rate movements and the potential effect of inflation on revenue and expenditure which are largely outside of Council's control.

Any major changes in these assumptions will have an impact on the financial projections contained therein. The level of impact depends not only on the level of change but also on the nature of the assumption.

A minor variance in some of the assumptions will have a relatively small impact on the projections contained in the Long-Term Financial Plan. Sensitivity analysis has been undertaken to assess the impact of changes in the factors which have been used to project future revenue and expenditure.

Sensitivity analysis involves developing different scenarios by varying critical assumptions, such as the projected level of rates revenue and employee costs. The different scenarios demonstrate the impact of these changes on Council's financial projections.

Council has applied a relatively conservative approach in developing this Long-Term Financial Plan, so as to ensure that the forecast financial modelling is more likely to succeed and reduces the financial exposure risk for Council.

The official cash rate set by the Reserve Bank are currently at historical low levels. Whilst it is anticipated that the official rate will increase over time, it will still remain relatively low throughout the term of the Long-Term Financial Plan.

Inflation assumptions are heavily used throughout the Long-Term Financial Plan and is an assumption used on both income and expenditure projections and as such mitigates

any substantial impact on the results of the financial modelling should there be any significant variance.

The following may affect the outcome of the above scenarios in the following way:

Rates

Rates comprise 25% of Council's total operating income. As stated earlier, rates are capped by the State Government. The Plan has assumed an increase of 2%-2.5% in the short to medium term and 2.5%-3.0% in the medium to longer term.

Risk

There is a **High Risk** that the rate pegging increase is less than anticipated. Variances between the forecast and the actual rate peg of 10% would result in an average shortfall per annum of \$23,500 over the length of plan.

Employee Costs

Salary growth is largely subject to the NSW Local Government Award. Council has factored in a 2.5-3.0% annual increase in employee expenses and that the current staffing and organisational structure remains constant.

Risk

There is a **Moderate Risk** should there be changes to levels of service resulting in an increase in employee costs.

As Council is a service provider, employee costs are a large portion of operating expenses. Forecasting assumptions used are based on expected Local Government Award variations and performance-based increases. An increase of 10% above forecast would increase employee costs by \$326,000 over the life of the plan.

Interest Revenue

Interest on investments is calculated at 1% for the medium to longer term of the Plan.

Risk

There is a **Moderate Risk** that interest rates will vary from those projected.

Rates used are based on detailed analysis. If actual interest rates are lower than the assumed rate, expenditure priorities would be re-evaluated or alternative funding mechanisms utilised. It should be noted that any increases in revenue due to increased rates may be partially offset by increased interest borrowing costs on any new loan borrowings or offset by larger funds on investments.

Cost Shifting

Cost shifting describes the situation where the responsibility for, or the cost of, providing a certain service, concession, facility or regulatory function is shifted from a higher level of government without the provision of corresponding funding or an ability to raise revenue to adequately fund the shifted responsibility. Cost shifting to local government from both federal and state governments is an area of significant concern to Council.

Risk

There is a **Moderate Risk** that new or increased services and functions will be transferred to Council's responsibility.

Should the federal or state governments continue to transfer responsibility and associated costs for service provision to Council, this will have a negative impact on Council's financial performance and place additional pressure on its financial sustainability.

Population Increase/Growth

Council needs to ensure that there are sufficient resources available in the right place at the right time, with the right skills to deliver on the community's vision and aspirations.

A growing population brings many challenges

and opportunities for Council. Known challenges include urban transformation as new residential developments change the urban environment. More people in the same place will put pressure on open spaces and service provision and there is a greater expectation from the community that services and facilities will be accessible for all.

Some growth in demand for services can be accommodated by efficiency gains, however, there will be a point where the population growth will require Council to fund additional services or increase the level of resources required to deliver existing services.

Risk

There is a **High Risk** that should growth in the number of properties vary considerably from forecasts, this will result in revenue collected from rates being too low to fund Council's services and capital program.

There is also a **High Risk** that if the timing of growth differs significantly from forecast, that this will impact on Council's cash flows and may necessitate changes to planned borrowings for capital purposes.

Growth projections are based on the expected lot yield based on known planned development. These projections are not expected to change in the immediate future, however the timing of that growth and its impacts on Council's revenue will affect the funds available for service provision.

Legislative Change

Council will continue to operate within the same general legislative environment and with the same authority as it currently does through the life of this plan.

Risk

There is a **Moderate Risk** that should the Local Government legislative environment change, the services and functions Council plans to provide over the 10-year life of the Plan could change.

At the time of writing this Plan, Council is unable to determine how potential legislative change might impact its operations or quantify the potential impact.

Fees & Charges

Based on historical trends, fees and charges are assumed to increase by an average of 5% per year.

Risk

There is a **Low Risk** that fees and charges increase by less than the assumed rate. There is a **High Risk** should Council's current sources of fees and charges revenue change significantly.

Fees and charges make up approximately 15% of Council's revenue base and as such changes in this amount is not likely to materially impact on Council's financial viability.

Council has limited ability to raise additional revenue, fees and charges are one area that gives Council that additional capacity. In particular Council receives significant revenue from the Transport for NSW RMCC contract and the Buronga Landfill. The loss or significant reduction in one of these sources of revenue will significantly impact on Council's ability to generate additional discretionary revenue.

Service Levels

Service levels largely remain the same throughout the life of the plan.

Risk

There is a **Moderate Risk** that there will be a demand for service levels to increase. The provision of current service level requires 100% of current income streams. Any increase in service levels will require sourcing of new/increased income streams or the reduction of another service to offset the increase cost.

Inflation

In developing the Plan, Council has based inflation at an average of 2.0%-2.5% in the short to medium term and 2.5%-3.0% in the medium to longer term.

Risk

There is a **Low Risk** should inflation be higher or lower than anticipated. However, there is a **Moderate Risk** should inflation on expenditure not be offset by inflation on revenue.

Inflation is affected by external economic factors outside Council's control. However, any inflationary increase in Council's costs that is not offset by efficiency gains or revenue increases is likely to impact service levels and programmed works.

Borrowing Costs

Council's proposed a long-term borrowing plan is based on a conservative interest rate of 3% which is subject to market lending conditions and Council's financial position.

Risk

There is a **Low Risk** should interest rates vary from those projected.

The Reserve Bank continues to hold its stance that it will not raise interest rates until 2024. However, this may change should inflation increase at a rate higher than anticipated.

If the actual interest rates are higher than assumed, it should be noted it will be hedged by increased interest on investments therefore the impact of any interest rate fluctuations are expected to be minimal.

PERFORMANCE MONITORING

Council is committed to ensuring that Council and its community are sustainable and able to continue to grow in the long term. Accordingly, it will measure its financial performance on a continuing basis. We will ensure that its financial management policies and procedures are reviewed and updated as circumstances change, to ensure our long-term financial sustainability and growth are not compromised. A set of key performance indicators have included in each scenario to measure Council's performance.

These include:

SUSTAINABILITY MEASURES

Operating Performance Ratio (Benchmark: greater than 0%)

Widely acknowledged within the sector as a core measure of financial sustainability, this ratio essentially measures Council's operating result excluding Capital Grants and Contributions (which are typically variable in nature and shouldn't be relied on as ongoing income). Performance at or above benchmark indicates that Council has the ability to generate sufficient recurrent income to fund its ongoing operations.

Year Ending June 30th			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ratio	Bench mark	Scenario										
Operating Performance ratio	Greater than 0%	3	4.47%	8.68%	10.67%	8.28%	9.04%	10.34%	10.99%	12.65%	13.78%	14.85%
		2	3.93%	7.81%	9.39%	20.26%	22.02%	23.14%	23.72%	25.12%	26.08%	26.99%
		1	4.43%	5.42%	0.14%	1.62%	2.46%	3.62%	3.82%	5.38%	6.36%	7.22%

Own-Source Operating Revenue Ratio (Benchmark: greater than 60%)

A measure of fiscal flexibility, Own Source Revenue refers to Council's ability to raise revenue through its own internal means, thereby reducing reliance on external sources of income and insulating against negative fluctuations in external funding.

Year Ending June 30th			2023	2024	2025	2026	2027	2028	2029	2030	2031	2031
Ratio	Bench mark	Scenario										
Own Source Operating Revenue ratio	Greater than 60%	3	34.53%	58.13%	62.26%	60.44%	60.57%	60.73%	60.85%	60.97%	61.05%	61.16%
		2	34.24%	57.26%	61.05%	66.62%	67.17%	67.32%	67.43%	67.54%	67.61%	67.72%
		1	49.15%	56.46%	53.02%	53.08%	53.20%	53.35%	53.46%	53.56%	53.63%	53.72%

Building and Infrastructure Asset Renewal Ratio (Benchmark: greater than 100%)

This measure is intended to indicate the extent to which Council is replenishing the deterioration of its building and infrastructure assets. The implication of the benchmark is that Council's annual depreciation expense is the indicative level of required annual renewal of its assets.

However, the use of depreciation in calculating the required level of asset renewal is flawed, as depreciation patterns do not necessarily match the decline in asset service potential and should therefore should be viewed with caution as a benchmark level for asset renewals.

Year Ending June 30th			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ratio	Bench mark	Scenario										
Building and Infrastructure Asset Renewal ratio	Greater than 100%	3	392.25%	113.62%	207.58%	77.32%	105.74%	79.75%	81.41%	82.81%	83.98%	88.69%
		2	397.08%	93.79%	209.52%	77.72%	110.02%	83.42%	85.69%	87.74%	174.30%	88.51%
		1	173.33%	71.62%	72.88%	69.92%	71.39%	72.61%	74.41%	75.97%	77.29%	79.15%

**EFFECTIVE INFRASTRUCTURE AND
SERVICE MANAGEMENT**

Infrastructure Backlog Ratio
(Benchmark: less than 2%)

Infrastructure Backlog, in the context of this ratio, refers to an estimated cost to restore Council’s assets to a “satisfactory standard”, typically through renewal works. With renewal cycles that typically take place over the longer term, it is not unusual that some backlog will occur. Maintaining this ratio at lower levels over the long term will indicate that the service capacity of assets is being effectively maintained.

Year Ending June 30th			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ratio	Bench mark	Scenario										
Infrastructure Backlog ratio	Less than 2%	3	2.50%	2.50%	2.00%	2.50%	2.00%	2.00%	2.25%	2.50%	2.50%	2.50%
		2	2.50%	2.50%	2.00%	2.50%	2.00%	2.00%	2.25%	2.50%	2.00%	2.00%
		1	3.00%	3.00%	3.25%	3.50%	3.75%	4.00%	4.25%	4.50%	4.75%	5.00%

Asset Maintenance Ratio
(Benchmark: greater than 100%)

The extent to which Council is adequately maintaining its building and infrastructure asset base is measured by expressing actual maintenance as a proportion of the “required” maintenance expenditure. A ratio result of greater than 100% will indicate that council is exceeding its identified requirements in terms of maintenance, which in turn should impact positively upon infrastructure backlog and required renewal levels.

Year Ending June 30th			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ratio	Bench mark	Scenario										
Asset Maintenance ratio	Greater than 100%	3	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		2	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Debt Service Ratio
(Benchmark: greater than 0, less than 20%)

The effective use of debt may assist in the management of “intergenerational equity” and help to ensure that an excessive burden is not placed on a single generation of Council’s ratepayers to fund the delivery of long-term infrastructure and assets.

Year Ending June 30th			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ratio	Bench mark	Scenario										
Debt Service ratio	Greater than 0, less than 20%	3	7.77%	6.23%	5.07%	5.05%	4.94%	5.16%	5.66%	5.92%	6.16%	6.86%
		2	7.63%	6.06%	4.87%	7.13%	7.19%	7.50%	8.25%	8.58%	8.92%	9.92%
		1	6.36%	6.33%	5.44%	6.07%	6.38%	6.75%	7.67%	8.11%	8.49%	9.69%



ATTACHMENT - FINANCIAL STATEMENT SUMMARIES

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
INCOME STATEMENT - CONSOLIDATED
 Scenario: Base Case Scenario

	2022/23	2023/24	2024/25	2025/26	Projected Years					2030/31	2031/32
	\$	\$	\$	\$	2026/27	2027/28	2028/29	2029/30	\$	\$	\$
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	9,608,338	9,852,934	10,103,645	10,360,824	10,676,707	11,002,274	11,337,607	11,683,000	12,038,296	12,398,345	
User Charges & Fees	5,631,731	5,788,164	3,779,227	3,869,347	3,980,196	4,094,370	4,211,969	4,333,086	4,457,857	4,586,361	
Other Revenues	1,238,484	1,251,059	1,263,948	1,297,159	1,313,409	1,310,146	1,327,385	1,346,142	1,383,431	1,402,344	
Grants & Contributions provided for Operating Purposes	9,676,457	9,891,485	10,111,906	10,337,829	10,615,714	10,901,936	11,196,744	11,500,397	11,813,159	12,135,832	
Grants & Contributions provided for Capital Purposes	4,511,256	553,426	563,249	573,318	585,703	598,459	611,597	625,130	639,069	653,426	
Interest & Investment Revenue	342,532	351,095	359,873	368,870	379,936	391,334	403,074	415,186	427,621	440,450	
Other Income:											
Net Gains from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-	
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-	
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-	
Other Income	-	-	-	-	-	-	-	-	-	-	
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-	
Total Income from Continuing Operations	31,008,799	27,668,173	26,181,848	26,907,145	27,551,665	28,298,518	29,088,376	29,901,931	30,757,433	31,616,757	
Expenses from Continuing Operations											
Employee Benefits & On-Costs	10,530,350	10,834,312	11,147,016	11,488,708	11,792,042	12,124,543	12,466,472	12,818,084	13,179,886	13,551,526	
Borrowing Costs	406,012	385,006	353,017	323,541	293,568	264,966	238,901	211,326	187,947	162,837	
Materials & Contracts	3,875,800	3,826,381	3,208,956	3,222,864	3,314,330	3,314,760	3,362,165	3,435,562	3,460,072	3,484,210	
Depreciation & Amortisation	7,154,848	7,188,583	7,224,242	7,261,859	7,301,657	7,343,605	7,386,019	7,429,705	7,474,702	7,522,897	
Impairment of Investments	-	-	-	-	-	-	-	-	-	-	
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	
Other Expenses	3,356,353	3,410,838	3,650,288	3,531,768	3,622,893	3,650,755	3,935,449	3,807,010	3,000,510	4,006,011	
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-	
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-	
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	
Total Expenses from Continuing Operations	25,323,363	25,645,121	25,583,519	25,808,799	26,303,480	26,698,529	27,389,007	27,701,697	28,202,916	28,727,480	
Operating Result from Continuing Operations	5,685,435	2,023,052	598,329	998,346	1,248,185	1,599,989	1,699,370	2,200,234	2,554,517	2,889,277	
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	
Net Operating Result for the Year	5,685,435	2,023,052	598,329	998,346	1,248,185	1,599,989	1,699,370	2,200,234	2,554,517	2,889,277	
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,174,180	1,469,626	35,080	428,028	662,483	1,001,530	1,087,772	1,575,104	1,915,448	2,235,851	

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
 BALANCE SHEET - CONSOLIDATED
 Scenario: Base Case Scenario

	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
ASSETS										
Current Assets										
Cash & Cash Equivalents	13,910,533	15,818,696	17,267,832	17,921,143	19,644,429	20,897,178	22,465,211	24,089,089	26,158,007	28,565,495
Investments	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Receivables	4,051,709	3,937,322	3,404,206	3,489,417	3,594,977	3,700,306	3,810,707	3,924,468	4,044,085	4,168,735
Inventories	90,310	48,261	31,676	31,214	31,972	31,451	31,567	32,320	31,796	31,233
Contract assets	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	169,726	109,199	100,763	97,948	100,437	100,591	106,552	104,512	106,016	107,737
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	38,122,280	39,913,478	40,804,477	41,539,722	43,371,815	44,729,525	46,414,037	48,150,389	50,339,903	52,903,200
Non-Current Assets										
Investments	6,000,001	6,000,001	6,000,001	6,000,001	6,000,001	6,000,001	6,000,001	6,000,001	6,000,001	6,000,001
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	478,943,017	477,544,450	476,288,214	475,538,504	474,901,159	474,269,310	473,769,922	473,309,254	472,941,640	472,629,540
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	486,167,017	484,868,450	483,612,214	482,862,505	482,225,160	481,593,311	481,093,922	480,633,255	480,265,641	479,953,540
TOTAL ASSETS	524,289,297	524,781,928	524,416,691	524,402,227	525,596,974	526,322,836	527,507,959	528,783,644	530,605,544	532,856,740
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	5,235,356	5,328,786	5,546,784	5,486,211	5,631,456	5,712,865	5,839,718	5,982,299	6,130,574	6,291,892
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	2,624,794	2,044,550	1,909,815	1,952,831	2,005,711	2,060,176	2,116,273	2,174,051	2,233,560	2,294,817
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	1,043,608	1,046,829	995,253	967,469	1,010,000	997,196	924,908	940,401	860,656	306,156
Provisions	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	11,215,275	10,731,663	10,783,370	10,718,028	10,956,685	10,981,754	11,392,416	11,408,269	11,536,307	11,206,383
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	11,169,593	10,122,764	9,127,511	8,160,042	7,865,948	6,968,752	6,043,843	5,103,442	4,242,786	3,934,630
Provisions	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	13,958,076	12,911,247	11,915,994	10,948,525	10,654,431	9,757,235	8,832,326	7,891,925	7,031,269	6,723,113
TOTAL LIABILITIES	25,173,351	23,642,929	22,679,364	21,666,553	21,611,116	20,739,989	20,224,742	19,300,193	18,567,576	17,929,496
Net Assets	499,115,946	501,138,999	501,737,328	502,735,674	503,983,859	505,583,848	507,283,218	509,483,451	512,037,968	514,927,245
EQUITY										
Retained Earnings	104,351,946	106,374,999	106,973,328	107,971,674	109,219,859	110,819,848	112,519,218	114,719,451	117,273,968	120,163,245
Revaluation Reserves	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	-	-	-	-	-	-	-	-	-	-
Non-controlling equity interests	499,115,946	501,138,999	501,737,328	502,735,674	503,983,859	505,583,848	507,283,218	509,483,451	512,037,968	514,927,245
Total Equity	499,115,946	501,138,999	501,737,328	502,735,674	503,983,859	505,583,848	507,283,218	509,483,451	512,037,968	514,927,245

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
 CASH FLOW STATEMENT - CONSOLIDATED
 Scenario: Base Case Scenario

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	9,593,837	9,838,071	10,088,410	10,345,008	10,657,500	10,982,490	11,317,229	11,662,011	12,014,009	12,375,955
User Charges & Fees	5,554,688	5,732,662	4,167,044	3,842,573	3,947,263	4,060,440	4,207,110	4,420,702	4,548,183	4,548,183
Investment & Interest Revenue Received	3,964,418	3,311,728	3,447,591	3,544,907	3,641,637	3,754,896	3,885,459	3,989,975	4,088,602	4,177,083
Grants & Contributions	12,898,427	10,017,239	10,701,571	10,938,222	11,234,698	11,534,874	11,843,647	12,161,890	12,488,681	12,827,808
Dividends & Deposits Received	1,367,062	1,291,512	1,283,720	1,293,391	1,309,652	1,305,682	1,322,763	1,340,391	1,378,304	1,397,295
Other	(10,517,405)	(10,018,376)	(11,130,647)	(11,451,802)	(11,774,408)	(12,106,421)	(12,447,849)	(12,798,655)	(13,150,016)	(13,511,312)
Payments:										
Employee Benefits & On-Costs	(3,754,112)	(3,823,487)	(3,183,813)	(3,219,258)	(3,286,165)	(3,313,671)	(3,367,893)	(3,433,831)	(3,480,593)	(3,484,900)
Materials & Consumables	(4,057,917)	(3,977,060)	(3,855,065)	(3,825,506)	(3,829,916)	(3,868,656)	(3,920,940)	(3,981,250)	(4,048,786)	(4,104,497)
Borrowing Costs	(905,194)	(3,340,378)	(3,485,918)	(3,616,701)	(3,596,671)	(3,597,030)	(3,637,963)	(3,694,628)	(3,763,189)	(3,870,658)
Other	14,167,864	8,641,787	8,483,971	8,180,754	8,039,181	8,074,565	8,351,650	8,517,824	10,116,400	10,585,940
Net Cash provided (or used in) Operating Activities										
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Sale of non-current assets classified as 'held for sale'	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(13,300,082)	(6,340,016)	(6,418,005)	(6,962,160)	(7,114,312)	(7,161,756)	(7,335,630)	(7,419,038)	(7,567,098)	(7,940,746)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(12,810,082)	(5,980,016)	(5,968,005)	(6,612,160)	(6,664,312)	(6,711,756)	(6,886,630)	(6,969,038)	(7,107,098)	(7,210,796)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	1,000,000	-	-	-	750,000	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(868,251)	(1,043,698)	(1,045,829)	(995,253)	(1,001,563)	(1,010,000)	(897,196)	(924,008)	(940,401)	(880,604)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	131,749	(1,043,698)	(1,045,829)	(995,253)	(251,563)	(1,010,000)	(897,196)	(924,008)	(940,401)	(860,604)
Net Increase/(Decrease) in Cash & Cash Equivalents										
plus: Cash & Cash Equivalents - beginning of year	12,027,002	13,910,533	15,810,696	17,267,832	17,921,143	19,644,429	20,897,178	22,465,211	24,089,089	26,158,007
Cash & Cash Equivalents - end of the year	13,910,533	15,810,696	17,267,832	17,921,143	19,644,429	20,897,178	22,465,211	24,089,089	26,158,007	28,595,495
Cash & Cash Equivalents - end of the year	13,910,533	15,810,696	17,267,832	17,921,143	19,644,429	20,897,178	22,465,211	24,089,089	26,158,007	28,595,495
Cash & Cash Equivalents - end of the year	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Cash, Cash Equivalents & Investments - end of the year	39,910,533	41,818,696	43,267,832	43,921,143	45,644,429	46,897,178	48,465,211	50,089,089	52,158,007	54,595,495
Representing:										
- External Restrictions	22,021,925	22,598,704	22,509,795	22,541,164	22,503,886	22,464,430	22,422,742	22,378,765	22,332,441	22,286,565
- Internal Restrictions	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000
- Unrestricted	6,360,608	8,293,992	9,770,037	10,451,979	12,121,543	13,504,747	15,114,409	16,782,325	18,897,565	21,380,930
	39,910,533	41,818,696	43,267,832	43,921,143	45,644,429	46,897,178	48,465,211	50,089,089	52,158,007	54,595,495

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
 INCOME STATEMENT - CONSOLIDATED
 Scenario: Scenario 1 - preferred scenario

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	10,098,339	10,845,185	11,610,702	12,395,357	13,262,483	13,665,622	14,080,856	14,508,547	14,949,068	15,401,845
User Charges & Fees	6,330,822	6,705,398	7,259,952	12,211,434	12,572,581	12,944,562	13,327,703	13,722,338	14,128,812	14,547,481
Other Revenues	1,228,245	1,241,414	1,254,296	1,287,501	1,303,743	1,300,473	1,317,704	1,335,452	1,373,733	1,392,562
Grants & Contributions provided for Operating Purposes	9,900,850	9,812,247	10,030,677	10,254,568	10,529,957	10,813,606	11,105,764	11,406,687	11,716,638	12,036,416
Grants & Contributions provided for Capital Purposes	20,180,509	1,803,846	527,267	528,936	530,989	533,104	535,282	537,526	539,837	542,217
Interest & Investment Revenue	238,500	244,463	250,575	256,839	264,545	272,482	280,656	289,076	297,748	306,681
Other Income:										
Net Gains from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	47,977,265	30,652,553	30,973,468	36,934,636	38,464,298	39,529,849	40,647,965	41,799,626	43,005,835	44,227,201
Expenses from Continuing Operations										
Employee Benefits & On-Costs	10,744,520	11,054,476	11,373,340	11,701,368	12,031,198	12,370,378	12,719,172	13,077,853	13,446,700	13,826,000
Borrowing Costs	391,209	515,005	826,871	778,320	806,501	754,631	703,026	665,168	604,872	553,837
Materials & Contracts	4,262,582	3,626,531	3,762,620	4,601,447	4,690,517	4,766,382	4,843,829	4,922,885	5,003,863	5,071,000
Depreciation & Amortisation	8,024,848	8,024,848	8,024,848	8,424,848	8,424,848	8,424,848	8,424,848	8,424,848	8,424,848	8,424,848
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses	3,280,709	3,374,563	3,599,089	3,524,928	3,625,841	3,655,777	3,907,587	3,816,317	3,912,439	4,020,188
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	26,703,868	26,595,422	27,566,769	29,030,911	29,578,905	29,972,017	30,598,462	30,897,070	31,392,722	31,895,873
Operating Result from Continuing Operations	21,273,397	4,057,130	3,386,699	7,903,725	8,885,393	9,557,832	10,049,503	10,902,556	11,613,114	12,331,328
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	21,273,397	4,057,130	3,386,699	7,903,725	8,885,393	9,557,832	10,049,503	10,902,556	11,613,114	12,331,328
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,092,888	2,253,284	2,859,433	7,374,790	8,354,404	9,024,728	9,514,221	10,365,030	11,073,277	11,789,111

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
 BALANCE SHEET - CONSOLIDATED
 Scenario: Scenario 1 - preferred scenario

	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
ASSETS										
Current Assets										
Cash & Cash Equivalents	8,458,247	17,070,434	11,160,110	19,177,478	24,811,450	34,038,858	42,525,837	51,732,511	56,422,827	66,942,323
Investments	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958
Receivables	5,201,310	4,460,792	4,665,754	6,307,191	6,585,968	6,827,064	7,069,483	7,321,989	7,553,716	7,826,159
Inventories	57,203	39,766	42,042	62,259	63,056	63,811	64,576	65,352	66,146	66,555
Contract assets	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	113,726	101,602	108,065	122,835	125,557	126,783	132,589	131,334	133,955	136,505
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	32,044,444	38,886,552	34,189,929	43,883,721	49,799,989	59,270,473	68,006,443	77,465,144	82,390,602	93,185,500
Non-Current Assets										
Investments	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	501,903,588	503,068,687	510,726,222	509,900,299	511,456,532	511,036,193	511,167,579	511,059,120	517,167,383	517,414,426
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	510,703,560	511,868,659	519,526,194	518,700,271	520,256,504	519,836,165	519,867,551	519,859,092	525,967,355	526,214,398
TOTAL ASSETS	542,748,004	551,755,211	553,716,123	562,583,992	570,056,493	579,106,638	587,873,994	597,324,235	608,357,957	619,399,897
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	5,221,995	5,320,897	5,592,984	5,652,375	5,808,407	5,888,593	6,197,134	6,175,046	6,332,611	6,499,941
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	5,181,107	2,299,769	2,181,487	2,632,833	2,704,697	2,778,715	2,854,952	2,933,475	3,014,351	3,097,616
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	1,267,488	1,579,593	1,547,092	1,640,289	1,671,892	1,556,924	1,608,749	1,217,909	1,539,983	1,126,330
Provisions	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	13,982,107	11,511,777	11,633,081	12,237,514	12,486,513	12,545,750	12,972,352	12,637,947	13,198,462	13,035,405
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	11,182,337	18,602,744	17,055,652	17,415,363	15,743,471	15,186,547	13,577,798	12,359,890	11,219,882	10,083,652
Provisions	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	13,970,820	21,391,227	19,844,135	20,203,846	18,531,954	17,975,030	16,366,281	15,148,373	14,008,465	12,882,135
TOTAL LIABILITIES	27,952,927	32,903,004	31,477,215	32,441,359	31,028,466	30,520,780	29,338,633	27,786,319	27,206,927	25,917,540
Net Assets	514,795,078	518,852,208	522,238,908	530,142,633	539,028,026	548,585,858	558,635,361	569,537,916	581,151,030	593,482,358
EQUITY										
Retained Earnings	120,031,078	124,088,208	127,474,908	135,378,633	144,264,026	153,821,858	163,871,361	174,773,916	186,387,030	198,718,358
Revaluation Reserves	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	514,795,078	518,852,208	522,238,908	530,142,633	539,028,026	548,585,858	558,635,361	569,537,916	581,151,030	593,482,358
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	514,795,078	518,852,208	522,238,908	530,142,633	539,028,026	548,585,858	558,635,361	569,537,916	581,151,030	593,482,358

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
 CASH FLOW STATEMENT - CONSOLIDATED
 Scenario: Scenario 1 - preferred scenario

Cash Flows from Operating Activities	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Receipts:										
Rates & Annual Charges	10,030,293	10,775,438	11,539,211	12,322,079	13,183,060	13,837,361	14,651,747	14,478,555	14,918,188	15,370,010
User Charges & Fees	6,074,800	6,621,247	7,171,629	11,220,596	12,488,388	12,857,641	13,238,380	13,650,335	14,084,049	14,449,875
Investment & Interest Revenue Received	213,268	186,907	264,731	185,166	221,747	208,252	230,639	224,444	259,755	233,515
Grants & Contributions	30,645,654	9,505,709	10,437,104	10,809,389	11,092,761	11,379,478	11,674,795	11,978,874	12,292,277	12,615,482
Bonds & Deposits Received										
Other	1,162,481	1,443,961	1,259,616	1,229,933	1,296,767	1,259,512	1,310,304	1,327,829	1,385,658	1,384,478
Payments:										
Employee Benefits & On-Costs	(10,724,570)	(11,041,952)	(11,688,095)	(12,017,244)	(12,017,244)	(12,352,401)	(12,700,895)	(13,058,893)	(13,427,183)	(13,805,941)
Materials & Contracts	(4,181,916)	(3,595,168)	(3,770,134)	(4,635,184)	(4,692,671)	(4,767,850)	(4,849,877)	(4,921,893)	(5,006,177)	(5,073,393)
Borrowing Costs	(376,853)	(408,530)	(830,031)	(777,146)	(809,782)	(755,846)	(706,123)	(658,371)	(606,366)	(557,063)
Bonds & Deposits Refunded	(862,387)	(3,337,589)	(3,360,027)	(3,503,352)	(3,507,692)	(3,598,538)	(3,630,834)	(3,660,236)	(3,788,369)	(3,885,654)
Other										
Net Cash provided (or used in) Operating Activities	31,083,820	10,689,822	11,361,851	15,163,386	17,256,341	17,903,868	18,600,137	19,131,811	20,041,261	20,731,369
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(37,296,664)	(9,639,947)	(16,132,383)	(8,048,325)	(10,431,081)	(8,454,509)	(9,006,234)	(8,786,385)	(14,393,112)	(9,121,880)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(36,846,664)	(9,189,947)	(15,682,383)	(7,588,925)	(9,381,081)	(8,004,509)	(8,556,234)	(8,316,389)	(14,533,112)	(8,671,880)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	7,500,000	9,000,000	-	2,000,000	-	1,000,000	-	-	831,409	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(854,458)	(1,267,488)	(1,579,593)	(1,547,092)	(1,640,269)	(1,671,892)	(1,556,824)	(1,808,749)	(1,649,243)	(1,538,985)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	6,645,542	7,732,512	(1,579,593)	452,908	(1,640,269)	(671,892)	(1,556,824)	(1,608,749)	(817,834)	(1,539,985)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,762,708	8,612,187	(5,910,325)	8,017,369	5,633,972	9,227,408	8,496,979	9,206,674	4,690,316	10,519,486
plus: Cash & Cash Equivalents - beginning of year	6,675,539	8,458,247	17,070,434	11,160,110	19,177,478	24,811,450	34,038,858	42,525,837	51,732,511	56,422,827
Cash & Cash Equivalents - end of the year	8,438,247	17,070,434	11,160,110	19,177,478	24,811,450	34,038,858	42,525,837	51,732,511	56,422,827	66,942,313
Cash & Cash Equivalents - end of the year	8,438,247	17,070,434	11,160,110	19,177,478	24,811,450	34,038,858	42,525,837	51,732,511	56,422,827	66,942,313
Representing:										
- External Restrictions	21,841,502	21,753,665	21,683,088	21,568,828	21,462,604	21,411,253	21,357,214	21,300,418	21,240,785	21,181,123
- Internal Restrictions	10,928,000	10,928,000	10,928,000	12,720,000	14,528,000	16,328,000	18,128,000	19,928,000	18,728,000	17,528,000
- Unrestricted	34,148,177	42,768,364	36,850,039	44,867,408	50,501,380	59,728,787	68,215,767	77,422,440	82,112,757	92,632,253

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
INCOME STATEMENT - CONSOLIDATED
 Scenario: Scenario 2 - alternative scenario

	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	10,413,338	11,483,069	12,603,523	12,922,988	13,315,953	13,720,697	14,137,583	14,566,975	15,006,790	15,457,953
User Charges & Fees	6,330,822	6,705,398	7,299,952	5,911,434	6,083,561	6,260,892	6,443,523	6,631,633	6,825,386	7,024,951
Other Revenues	1,228,245	1,241,414	1,254,296	1,287,501	1,303,743	1,300,473	1,317,704	1,335,452	1,373,733	1,392,637
Grants & Contributions provided for Operating Purposes	9,900,850	9,812,247	10,030,677	10,254,569	10,529,957	10,813,606	11,105,764	11,406,687	11,716,638	12,036,416
Grants & Contributions provided for Capital Purposes	20,373,074	1,803,846	527,267	528,936	530,989	533,704	535,282	537,526	539,837	542,217
Interest & Investment Revenue	238,500	244,462	250,574	256,835	264,543	272,480	280,654	289,074	297,746	306,678
Other Income:										
Net Gains from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	48,484,829	31,280,426	31,966,289	31,162,276	32,028,766	32,901,252	33,820,510	34,767,347	35,760,129	36,760,851
Expenses from Continuing Operations										
Employee Benefits & On-Costs	10,744,520	11,054,476	11,373,340	11,701,368	12,031,188	12,370,378	12,719,172	13,077,853	13,446,700	13,826,000
Borrowing Costs	391,209	515,005	826,871	776,320	806,501	754,631	703,026	655,168	604,872	553,837
Materials & Contracts	4,400,482	3,912,738	4,206,515	3,633,544	3,736,293	3,790,122	3,845,050	3,901,086	3,958,562	3,989,716
Depreciation & Amortisation	8,024,648	8,024,848	8,024,848	8,424,848	8,424,848	8,424,848	8,424,848	8,424,848	8,424,848	8,424,848
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-
Other Expenses:										
Interest & Investment Losses	3,293,409	3,419,712	3,651,621	3,558,848	3,651,959	3,681,897	3,933,711	3,842,444	3,938,569	4,046,321
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	26,854,468	26,926,778	28,083,196	26,096,928	28,650,799	29,021,876	29,625,806	29,901,409	30,373,551	30,840,722
Operating Result from Continuing Operations	21,630,362	4,353,649	3,883,093	3,065,347	3,377,967	3,879,375	4,194,704	4,865,938	5,386,578	5,920,130
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	21,630,362	4,353,649	3,883,093	3,065,347	3,377,967	3,879,375	4,194,704	4,865,938	5,386,578	5,920,130
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,257,288	2,559,803	3,385,826	2,536,411	2,846,978	3,346,272	3,659,422	4,328,412	4,846,741	5,377,913

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
 BALANCE SHEET - CONSOLIDATED
 Scenario: Scenario 2 - alternative scenario

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
ASSETS										
Current Assets										
Cash & Cash Equivalents	8,704,987	17,385,218	11,605,756	15,956,983	16,181,028	19,781,301	22,466,342	26,339,934	29,996,004	34,161,648
Investments	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958	18,213,958
Receivables	5,261,655	4,560,362	4,820,574	4,483,448	4,623,393	4,774,370	4,923,909	5,084,578	5,248,117	5,418,589
Inventories	60,524	46,669	52,738	37,185	38,655	38,846	39,036	39,224	39,417	38,905
Contract assets	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	116,665	108,098	117,771	103,320	106,424	107,195	112,537	110,808	112,945	114,753
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Assets	32,357,789	40,314,305	34,810,796	38,804,894	39,163,459	42,915,670	45,755,782	49,788,501	53,610,440	57,947,853
Non-Current Assets										
Investments	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972	7,475,972
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	502,002,390	503,373,595	511,356,538	510,705,145	512,281,673	511,882,308	512,035,367	511,949,304	512,080,708	512,351,663
Investment Property	-	-	-	-	-	-	-	-	-	-
Intangible Assets	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000	184,000
Right of use assets	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	510,802,362	512,173,567	520,156,510	519,505,117	521,081,645	520,682,280	520,835,339	520,749,276	520,880,680	521,151,635
TOTAL ASSETS	543,160,151	552,487,873	554,967,306	558,310,011	560,245,103	563,597,950	566,591,121	570,537,777	574,491,120	579,099,488
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	5,246,818	5,390,076	5,684,291	5,593,409	5,735,038	5,822,946	6,119,159	6,096,079	6,249,310	6,412,907
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	5,211,466	2,299,769	2,181,487	2,096,819	2,152,603	2,210,059	2,269,236	2,330,187	2,392,965	2,457,588
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	1,267,488	1,579,593	1,547,092	1,640,289	1,671,892	1,556,924	1,598,332	1,649,243	1,539,983	1,126,275
Provisions	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517	2,311,517
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	14,037,290	11,580,955	11,724,388	11,642,034	11,871,051	11,901,446	12,298,245	12,387,027	12,493,775	12,308,287
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	11,182,336	18,602,744	17,055,651	17,415,363	15,743,471	15,186,547	13,588,215	12,580,151	11,040,168	9,913,894
Provisions	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483	2,788,483
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	13,970,819	21,391,227	19,844,134	20,203,846	18,531,954	17,975,030	16,376,698	15,368,634	13,828,651	12,702,377
TOTAL LIABILITIES	28,008,108	32,972,182	31,568,522	31,845,879	30,403,004	29,876,475	28,674,943	27,755,660	26,322,426	25,010,664
Net Assets	515,152,043	519,515,691	523,398,784	526,464,132	529,842,099	533,721,474	537,916,179	542,782,116	548,168,694	554,088,824
EQUITY										
Retained Earnings	120,388,043	124,751,681	128,634,784	131,700,132	135,078,089	138,957,474	143,152,179	148,018,116	153,404,694	159,324,824
Revaluation Reserves	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000	394,764,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	515,152,043	519,515,691	523,398,784	526,464,132	529,842,089	533,721,474	537,916,179	542,782,116	548,168,694	554,088,824
Non-controlling equity interest	-	-	-	-	-	-	-	-	-	-
Total Equity	515,152,043	519,515,691	523,398,784	526,464,132	529,842,099	533,721,474	537,916,179	542,782,116	548,168,694	554,088,824

Wentworth Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
 CASH FLOW STATEMENT - CONSOLIDATED
 Scenario: Scenario 2 - alternative scenario

Cash Flows from Operating Activities	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Receipts:										
Rates & Annual Charges	10,310,373	11,377,520	12,482,707	12,900,514	13,286,297	13,692,212	14,108,243	14,536,756	14,975,584	15,425,770
User Charges & Fees	6,074,800	6,821,247	7,171,629	6,178,977	6,037,137	6,213,056	6,394,251	6,590,893	6,773,113	6,971,110
Investment & Interest Revenue Received	206,224	181,041	226,441	226,441	250,833	241,000	254,426	255,415	265,189	270,830
Grants & Contributions	30,853,208	9,483,700	10,437,104	10,809,388	11,092,761	11,379,478	11,674,796	11,978,974	12,292,277	12,615,482
Bonds & Deposits Received										
Other	1,160,326	1,446,116	1,259,616	1,300,426	1,298,862	1,296,680	1,312,547	1,350,140	1,388,038	1,387,004
Payments:										
Employee Benefits & On-Costs	(10,726,887)	(11,044,366)	(11,362,954)	(11,686,825)	(12,015,980)	(12,352,516)	(12,700,817)	(13,058,999)	(13,427,311)	(13,806,072)
Materials & Contracts	(4,326,499)	(3,868,927)	(4,220,410)	(3,602,981)	(3,740,203)	(3,790,563)	(3,850,047)	(3,899,006)	(3,960,437)	(3,990,437)
Borrowing Costs	(376,853)	(498,530)	(830,031)	(777,146)	(899,782)	(755,846)	(706,122)	(656,983)	(608,157)	(557,002)
Bonds & Deposits Refunded	(850,331)	(3,334,629)	(3,397,456)	(3,676,822)	(3,536,236)	(3,824,859)	(3,667,405)	(3,897,661)	(3,816,846)	(3,915,254)
Other										
Net Cash provided (or used in) Operating Activities	32,329,362	30,343,772	31,807,921	31,671,774	31,865,708	32,297,648	32,819,872	33,189,529	33,881,568	34,401,430
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Sale of non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Deferred Dividends Received	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(37,306,456)	(9,846,052)	(16,457,791)	(8,223,455)	(10,451,376)	(8,475,483)	(9,027,307)	(8,788,785)	(9,006,253)	(9,146,802)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(36,945,456)	(9,396,052)	(16,007,791)	(7,773,455)	(10,001,376)	(8,025,483)	(8,577,607)	(8,338,765)	(8,556,253)	(8,695,602)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	7,500,000	9,000,000	2,000,000	2,000,000	-	1,000,000	-	651,567	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(854,458)	(1,207,488)	(1,579,593)	(1,547,092)	(1,640,289)	(1,871,892)	(1,556,924)	(1,608,749)	(1,640,243)	(1,539,983)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	6,645,542	7,792,512	(1,579,593)	462,908	(1,640,289)	(871,892)	(1,556,924)	(957,182)	(1,640,243)	(1,539,983)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,029,448	8,680,231	(5,779,462)	4,351,227	224,045	3,600,273	2,686,041	3,873,592	3,685,070	4,165,845
plus: Cash & Cash Equivalents - beginning of year	6,675,539	8,704,997	17,385,218	11,605,756	15,956,983	16,191,028	19,781,301	22,466,342	26,339,934	29,996,004
Cash & Cash Equivalents - end of the year	8,704,987	17,385,218	11,605,756	15,956,983	16,181,028	19,781,301	22,466,342	26,339,934	29,996,004	34,161,849
Cash & Cash Equivalents - end of the year	8,704,987	17,385,218	11,605,756	15,956,983	16,181,028	19,781,301	22,466,342	26,339,934	29,996,004	34,161,849
Investments - end of the year	25,689,930	25,689,930	25,689,930	25,689,930	25,689,930	25,689,930	25,689,930	25,689,930	25,689,930	25,689,930
Cash, Cash Equivalents & Investments - end of the year	34,394,917	43,075,148	37,295,686	41,646,913	41,870,958	45,471,231	48,156,272	52,029,864	55,685,933	59,851,779
Representing:										
- External Restrictions	21,898,664	21,687,499	21,560,151	21,479,288	21,336,487	21,188,550	21,035,510	20,877,236	20,715,588	20,547,309
- Internal Restrictions	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000	10,928,000
- Unrestricted	1,659,253	10,459,649	4,807,535	9,239,625	9,606,471	13,354,681	16,192,762	20,224,627	24,044,335	28,376,469
Total	34,394,917	43,075,148	37,295,686	41,646,913	41,870,958	45,471,231	48,156,272	52,029,864	55,685,933	59,851,779



Our values: Honesty and Integrity | Accountability and Transparency | Respect | Quality | Commitment

WORKFORCE MANAGEMENT PLAN

2022-2026





WORKFORCE MANAGEMENT PLAN 2022-2026

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GENERAL MANAGER'S FOREWORD



The Community Strategic Plan (CSP) for the Wentworth Shire concentrates on four (4) key strategies to move the Wentworth Shire forward, and form the structure for our community's priorities. The 4 CSP strategies are:



Council has worked hard over the last four years to increase our focus on creating a sustainable workforce, becoming an employer of choice, respect and accountability, personal development for staff and work health and safety.

This Workforce Management Plan builds upon our previous plan.

This Plan supports Council's corporate values and assists Council in achieving its community vision for Wentworth Shire to be a great place to live.

These strategies enable Council to present a workforce that can respond to emerging community needs now and into the future. Specifically, these strategies are aimed at creating sustainability for Council to be able to effectively attract, engage, develop, recognise and retain talented people.

Like all businesses and industries across Australia, Council faces continuing and increasing people challenges ahead of us, including an ageing workforce, skill gaps and retaining quality people.

This Plan acknowledges that our major asset – our people, are fundamental for Council to successfully deliver on the communities emerging and changing needs and challenges.

This Plan is built on four principles:

1. Workforce engagement
2. Growing our capabilities
3. Having a safe and healthy workforce
4. Planning for the future

By putting our people at the heart of everything we do, we will deliver well-managed and sustainable services and programs to assure community confidence.

We have great people, and we continue to aspire to be a great workplace. This Plan will enable us to become a great workplace.

Ken Ross
General Manager



INTRODUCTION

The Workforce Management Plan is part of the planning and reporting framework for local government. It forms part of the Resourcing Strategy.

The aim of the Resourcing Strategy is to ensure that the goals and aspirations of the community as outlined in the Community Strategic Plan can be met in the delivery of actions and services to the community.

This plan aims to ensure that Council can best deliver the needs of the community, whilst ensuring a workforce plan is in place that has the skills, background and experience taking into account the challenges of the future.

The priorities in the Wentworth Shire Council Community Strategic Plan are:

- A vibrant, growing and thriving region
- A great place to live
- A community that works to enhance and protect its physical and natural environment
- Is supported by strong and ethical civic leadership with all activities conducted in an open, transparent and inclusive manner

Workforce planning is a continuous process of shaping the workforce to ensure it is capable of delivering organisational objectives now and into the future.

Effective workforce planning ensures that we have the ability to provide an appropriately skilled workforce to meet future challenges and provide expanded services.

We must ensure the effective integration and alignment of Human Resources strategies to ensure we have the right people in the right position. Other benefits of effective workforce planning include:

- recruiting, developing and deploying a diverse workforce with the required skill sets to meet future workforce needs;
- positioning Council as innovative, creative and outcomes-focused;
- improving productivity through better job design and resourcing decisions
- reducing staff turnover and retaining top talent;
- ensuring corporate knowledge is built, retained and accessible;
- building workforce capacity and capability;

- ensuring Council is responsive to changing business requirements, challenges, and possibilities;
- making evidence-based workforce decisions; and
- fostering an agile, high performance culture through common understanding and goals.

Council is a major employer in the Wentworth Shire and we recognise our role in delivering high quality services to the community, and our role as an employer and trainer in the development of our community.

We recognise that motivated and engaged staff will reinforce Council's vision and values to our community.

We also recognise the human resource challenges ahead, including an ageing workforce, retaining quality staff and talent management for future skills.

Implementation of the workforce management plan, along with an integrated approach to organisational development, will build upon the existing workforce and reinforce what we do and how we deliver services.

Our people are our greatest asset and a committed and engaged workforce results in improved organisational outcomes, and better service delivery and facilities for our community.

In particular this Workforce Management Plan will help Council to:

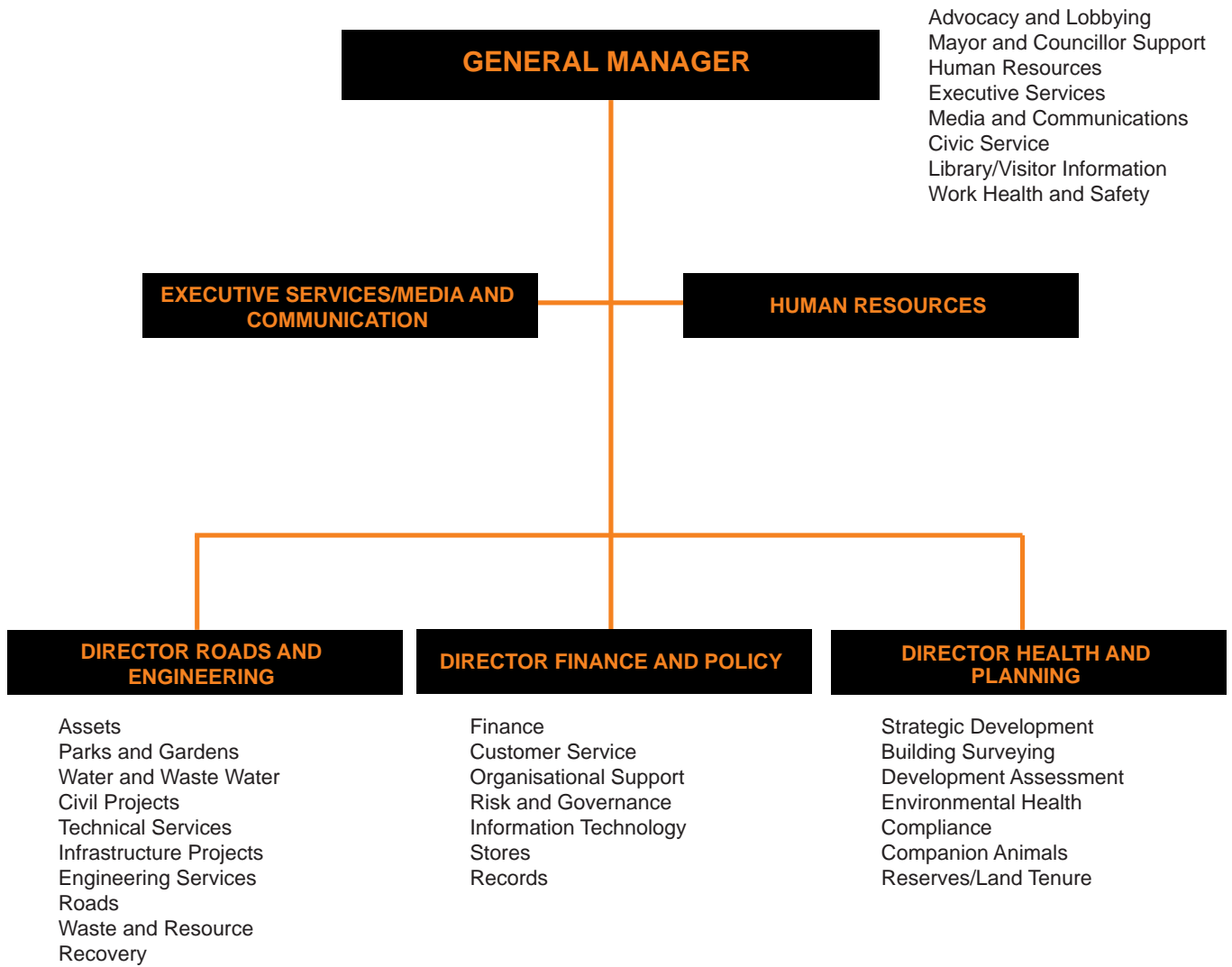
- Make staffing decisions to provide services based on strategic priorities;
- Identify potential resource or skill shortfalls and take steps to address these;
- Improve efficiency, effectiveness and productivity
- Identify and plan for new and emerging roles;
- Recruit appropriate staff to meet future needs;
- Develop workforce skills that take time to grow;
- Provide improved career development opportunities;
- Increase employee motivation and contribution through better job design; and
- Contain human resource costs including the

cost of turnover, absenteeism and injury.

Council aims to have the right people in the right place at the right time with the right skills to meet the community's desired needs and Council's operational objectives.

To ensure Council is best servicing the needs of the community, we will regularly monitor our workforce profile.

ORGANISATION STRUCTURE AND WHAT WE DO



WENTWORTH SHIRE'S WORKFORCE

at a glance

As at February 2022



Staff living within the LGA **71**

57 Staff living outside the LGA

116 Full Time Equivalents

11 Permanent Part Time

6 Casuals

2 Term Contracts

8 Years



**AVERAGE LENGTH
OF EMPLOYMENT**

4 Years



WORKPLACE GENDER



PERMANENT FULL TIME

CASUAL



26



5



83



1

PERMANENT PART TIME

TERM CONTRACT



11



1



0



1

staff age ranges

15 - 24 years 6

25-34 years 34

35-44 years 17

45-54 years 25

55-64 years 33

65+ years 13

12%



STAFF TURNOVER RATE 2021

**9% OF EMPLOYEES
IDENTIFY AS INDIGENOUS**





WORKFORCE ANALYTICS - ISSUES AND OPPORTUNITIES

To meet the challenging internal and external workforce pressures of the future, Council must focus on understanding what has to be done so that our workforce capabilities are enhanced to deliver the services the community desires.

The key workforce and employment challenges which must be continually reviewed include:

- Providing competitive pay and conditions.
- Maintaining and improving work/life balance, thus enabling greater flexibility.
- Delivering learning and development opportunities which provide skills and career focused progression for leaders.
- Ensuring workforce planning remains responsive and transparent in consideration of community changes/pressures.
- Continuing to look for innovative ways to balance available staff resources with the

need to deliver the Operational Plan and Delivery Program.

- Continuing to develop skills to support technology focused approaches to community engagement and service delivery so that use of social media, on-line engagement and mobile technology will be part of day-to-day work.
- A commitment to focus on developing a diverse and inclusive workforce that includes people of different genders, cultural and linguistic backgrounds, Aboriginal people and people with a disability.

Challenges facing Wentworth Shire Council

Skill retention and attraction

Wentworth Shire Council operates in a competitive environment in relation to skills retention and attraction of skilled employees.

In particular, it is difficult to attract and retain trades, engineers, planners and technical specialists.

This is a problem faced by other Councils and is compounded by our remote location.

Average age of the workforce

An ageing workforce is an important consideration for Council.

36% of our staff are over 55 years of age.

An ageing workforce brings with it a number of concerns including increase in injury, increase in workers' compensation costs, loss of corporate knowledge; and challenges with technological changes.

A cohesive organisation

Council operates in four towns, over approximately 26,000 square kilometres.

We have a diverse workforce including corporate staff, outdoor staff, Library/Visitor Information and transfer station staff.

This can result in challenges in creating a cohesive organisation. This has been compounded in the last two years with COVID-19 with some staff working from home for extended periods.

Loss of corporate knowledge

We have an ageing workforce and as a result, the possible loss of corporate knowledge is a real and imminent risk.

Council has already, and will continue to lose long term employees in the next four years.

The corporate knowledge of these employees needs to be captured.

Gender equality and diversity

Currently, Wentworth Shire Council has 85 males and 43 females.

Low levels of employees with a disability, from non-English speaking backgrounds, women and young people.

There is a significant gender disparity at Director/Manager level.

Very few women work in typically male dominated roles such as outdoor staff and engineering services.

Technological change

Technology is evolving and changing at a rapid rate.

Council needs to be looking towards the future and equipping our workforce with the skills and abilities to embrace and utilise all technological change.

Council aims to drive innovation and efficiencies by considering new technologies and providing training to our staff in their use.



WORKFORCE STRATEGY

This workforce strategy is built on 4 principles:

1. Workforce engagement
2. Growing our capabilities
3. Having a safe and healthy workforce
4. Planning for the future

Workforce engagement

To ensure a culture of engagement that is fostered throughout the organisation where the views of our staff are considered and valued.

What challenges are we meeting?

Average age of the workforce | Skill retention and attraction | A cohesive organisation | Gender equality | Skilled, agile and diverse workforce

		Year 1	Year 2	Year 3	Year 4
Objectives	Actions				
Corporate Values	Embed the values outlined in the community strategic plan throughout all workplace strategies and documents when documents are reviewed	●	●	●	●
Onboarding Problems	Develop and implement a new onboarding procedure to help new employees settle into the organisation	●	●	●	●
Employer Branding	Develop new employment brand and remarket Wentworth Shire Council as a great place to work using information gained during the workforce planning sessions		●		
Employee Survey	Determine best product for employee surveys and conduct on an annual basis	●	●	●	●
Annual Action Plan	Create an annual action plan based on employee survey		●	●	●
Flexible Workplace	Review flexible workplace practises ensuring we meet the needs of our people and the services we provide	●			
Recruitment	Review recruitment process to ensure the best possible candidates are being sourced and processes support the employment brand		●		
Leadership Presence	Increase executive presence on outdoor work sites by scheduling site visits throughout the year	●	●	●	●
Gender Equality & Diversity Action Plan	Develop Gender Equality & Diversity Action Plan			●	

Progress/success measure

- Onboarding Procedure developed and implemented
- Annual Employee Survey Conducted
- % of Annual Action Plan items completed
- Gender Equity Plan Developed
- % change in workforce profile

Growing our capabilities

We strive to provide a supportive and productive environment that ensures our workforce can grow knowledge and capability to meet the needs of our community.

What challenges are we meeting?

Average age of the workforce | Technological change | Skill retention and attraction | A cohesive organisation | Gender equality | Loss of corporate knowledge | Skilled, agile and diverse workforce

		Year 1	Year 2	Year 3	Year 4
Objectives	Actions				
Learning and development framework	Establish a new learning and development framework to grow our people and support our strategic direction	●			
Corporate training calendar	Develop and implement an annual training calendar for our people	●	●	●	●
Professional development	Develop and implement further education programmes that focus on the professional development of our people			●	●
Induction program	Implement new induction program with a management, corporate and safety focus	●			
Leadership development programmes	Leadership programmes are established to build capability across the organisation		●	●	●
Position descriptions	Review position descriptions and amend accordingly	●	●	●	●
Succession / transition planning / career planning	A succession / transition plan and programme is developed and clear pathways identified for our people	●	●	●	●
Other programmes – graduate / trainee / apprenticeships	Review opportunities for graduate apprenticeship and training programmes as vacancies arise	●	●	●	●

Progress/success measure

- Learning and Development Framework Established
- % of Corporate Training completed
- New Induction program developed and implemented
- Number of trainees/apprentices employed

Having a safe and healthy workplace

We foster a culture of safety and well-being for our workforce.

What challenges are we meeting?

Average age of the workforce

		Year 1	Year 2	Year 3	Year 4
Objectives	Actions				
Health and well-being	Develop a Health and Well-Being Strategy	●			
Safety Management	Review current safety management system and determine whether it meets Council's needs		●		
Well-being initiatives	Implement Health and Well-being strategy with a strong focus on our people		●	●	●
Operator verification of competency	Define a verification process for determining operator competencies		●		
Volunteer management	Review and standardise volunteer management practises			●	
Injury management initiatives	Implement injury management initiatives to assist in managing workers' compensation premiums		●		●

Progress/success measure

- Health and Well-Being Strategy Developed
- Safety Management System review completed
- % of Wellbeing Initiatives implemented annually
- % of injury management initiatives implement annually

Planning for the future

We are an employer of choice for the region.

What challenges are we meeting?

Average age of the workforce | Technological change | Skill retention and attraction | A cohesive organisation | Gender equality | Loss of corporate knowledge | Skilled, agile and diverse workforce

		Year 1	Year 2	Year 3	Year 4
Objectives	Actions				
Policies, procedures, and processes	Streamline our systems to increase efficiencies (ongoing)	●	●	●	●
Centralised payroll and online leave system	Create efficiencies in the payroll area by centralising the function and introducing a new online leave function		●		
Overtime and leave liability	Review overtime and leave liability in order to reduce levels	●	●	●	●
Ageing workforce	Build multi-generational teams and bridge the knowledge gap		●	●	●
Technology	Review how technology impacts our organisation into the future			●	●

Progress/success measure

- Number of policies/procedures/processes reviewed annually
- % reduction in leave liability total each year

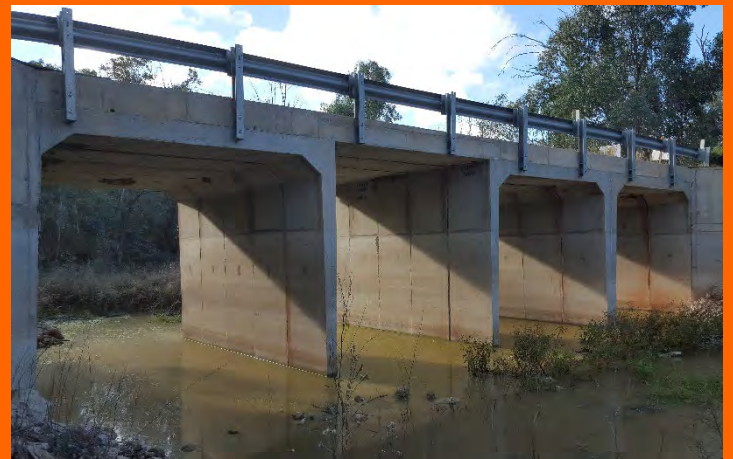
Monitoring and evaluation

The workforce priorities identified will be consistently reviewed to determine their success and relevance to our changing community needs and expectations, as well as our changing environment and labour market.

Progress against the effective implementation of the Plan will be measured and reported annually in our Annual Report.



Our values: Honesty and Integrity | Accountability and Transparency | Respect | Quality | Commitment



2022-2026

**WENTWORTH
SHIRE COUNCIL**

WENTWORTH SHIRE COUNCIL STRATEGIC ASSET MANAGEMENT PLAN

Document status

Job #	Version	Approving Director	Date
		Mark Wood	09/05/22

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1 EXECUTIVE SUMMARY

This Strategic Asset Management Plan (SAMP) states the approach to implementing the principles and the objectives set out in the Asset Management Policy. It includes specific requirements to outline the processes, resources, structures, roles and responsibilities necessary to establish and maintain the asset management system. The asset groups covered by this SAMP are Buildings, Transport Infrastructure, Stormwater Assets, Open Space Assets as well as Water and Sewer Network assets.

The SAMP highlights major issues which need to be addressed for each of the asset classes over the next ten years. The strategy also highlights the necessary actions for Wentworth Shire Council ('Council') to help close the gap between current asset management practice and move towards a 'good practice' position in the future.

Both the SAMP and the asset management plans (AMPs) have been prepared in accordance with the International Infrastructure Management Manual (IIMM) and the Institute of Public Works Engineering Australasia (IPWEA) National Asset Management Strategy (NAMS) guidelines. Development of an asset management strategy and plans for council infrastructure assets is a mandatory requirement for NSW local government. The key findings for each asset class are included in the asset management plans section of this strategy and are covered in a concise but detailed manner.

This strategy includes Council's Asset Management Policy. The policy provides a framework for managing infrastructure assets to support the delivery needs of the community.

1.1 ASSET VALUES

In preparing this SAMP, it has been identified that Wentworth Shire Council has an infrastructure and asset portfolio with a current replacement cost of approximately \$629 million. The asset values are estimates of the value of assets, as at 30 June 2021, based on our best estimate of asset values, taking into account recent asset revaluations. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 1 Asset classes and values

Asset	GRC \$ 000's	WDV \$ 000's	DEP \$ 000's
Buildings	\$72,601	\$34,416	\$907
Other Structures	\$5,533	\$3,481	\$216
Roads - Sealed Roads	\$187,048	\$88,852	\$3,440
Roads - Unsealed Roads	\$6,077	\$2,661	
Bridges	\$12,632	\$6,864	\$84
Footpaths	\$6,488	\$3,188	\$57
Bulk Earthworks	\$190,626	\$190,626	\$0
Stormwater	\$25,198	\$15,221	\$216
Water	\$58,394	\$30,672	\$681
Sewer	\$47,306	\$18,353	\$751
Swimming Pools	\$3,137	\$1,724	\$65
Open Space	\$662	\$189	\$59
Other Infrastructure (wharves)	\$13,386	\$10,486	\$154
Grand Total	\$629,088	\$406,733	\$6,630

1.2 ASSET BACKLOG

As per the 2020/21 Special Schedule 7, Council has a combined asset backlog of \$21.45 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2021 is shown in the following table.

Table 2 Asset backlog summary

Asset Class	Backlog (\$ 000's) (Cost to Satisfactory)	Backlog Ratio (Cost to Satisfactory / WDV)
Buildings	\$1,871	4.94%
Roads & Transport	\$5,158	1.77%
Stormwater	\$318	2.09%
Water and Sewer	\$13,017	26.55%
Open Space	\$1,086	8.76%
Combined Assets	\$21,450	5.27%

1.3 ASSET CONDITION

Reviewing asset condition data shows that most of Council's assets are in a satisfactory or better condition. The reliability of Council's condition data varies between the asset classes with most data being reliable, or highly reliable. Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets.

Table 3 Asset condition

Asset Class	Asset Condition (% of CRC)				
	1	2	3	4	5
Buildings	39.29%	36.06%	19.65%	5.00%	0.00%
Roads & Transport	65.85%	25.81%	5.23%	2.81%	0.30%
Stormwater	25.00%	55.00%	18.00%	2.00%	0.00%
Water and Sewer	15.00%	31.05%	28.43%	13.29%	12.24%
Open Space	28.42%	44.19%	17.64%	9.64%	0.12%
Combined	51.35%	29.63%	11.77%	5.00%	2.25%

1.4 EXPENDITURE AND REPORTING

Table 4 Combined asset expenditure projections

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$12.5 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being \$14.5 million per year.

A summary of the projected expenditure requirements can be found in the following table.

Expenditure projections (\$,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	13,019	5,258	5,397	5,611	5,841	5,926	6,035	6,166	6,262	6,418
	New and expanded assets	14,526	2,131	676	999	1,078	1,112	1,148	1,184	1,221	1,276
	Maintenance and operational	3,020	3,086	3,154	3,224	3,295	3,367	3,441	3,517	3,594	3,673
	Total expenditure	30,565	10,475	9,228	9,834	10,214	10,406	10,624	10,867	11,077	11,368
Required	Required renewal (depreciation)	6,577	6,890	7,084	7,267	7,459	7,657	7,860	8,068	8,281	8,501
	New and expanded assets	14,526	2,131	676	999	1,078	1,112	1,148	1,184	1,221	1,276
	Required O&M	3,862	3,971	4,074	4,182	4,293	4,407	4,524	4,644	4,767	4,894
	Total	24,965	12,992	11,834	12,449	12,831	13,176	13,531	13,895	14,270	14,671
Maintenance Gap		-842	-885	-920	-958	-998	-1,040	-1,083	-1,127	-1,173	-1,220
Renewals Gap		6,442	-1,632	-1,687	-1,657	-1,618	-1,730	-1,825	-1,901	-2,020	-2,083
Overall (GAP)		5,599	-2,517	-2,607	-2,615	-2,616	-2,770	-2,907	-3,028	-3,193	-3,303

1.5 LEVELS OF SERVICE

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 level of service.

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. Council has prepared specific community and technical levels of service which cover the accessibility, quality, responsiveness, affordability, customer satisfaction, sustainability, health and safety and financial performance regarding the delivery of their infrastructure assets.

These have been developed for all asset classes and are detailed in the respective AMPs and address the adopted lifecycle management of assets. The overarching SAMP establishes a basic framework to measure service level outcomes. It is important to note that while service levels have been developed and are informed by Council's Community Strategic Plan, Council is yet to undertake community and stakeholder consultation to 'accept' the service levels.

1.6 HIGH LEVEL STRATEGIC ACTIONS

Table 5 High level strategic actions

No	Strategy	Desired outcome
1	Continue the move from annual budgeting to long term financial planning for all asset classes	The long-term implications of Council services are considered in annual budget deliberations.
2	Further develop and review the Long-Term Financial Plan covering ten years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
3	Review and update asset management plan financial projections and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Continue to report Council's financial position at fair value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis.	Financial sustainability information is available for Council and the community.
5	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
6	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
7	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Assess whether current resourcing is sufficient to cover all asset management functions for all asset classes.	Responsibility for asset management is defined.
8	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	Improved financial and asset management capacity within Council.
9	Develop and implement an asset condition inspection strategy which ensures that council has a complete data set for an asset class the year prior to a revaluation	Asset condition inspection strategy.
10	Report annually to Council on development and implementation of the Asset Management Strategy, plans and long-term financial plans.	Oversight of resource allocation and performance.

2 INTRODUCTION

2.1 ASSET PLANNING

Development of AMPs for Council’s infrastructure is a mandatory requirement for NSW councils, as per the *NSW Local Government Act 1993* and its subsequent amendments. As such, Wentworth Shire Council has developed the following SAMP to cover the period 2021/22 – 20/3031. The key findings for each asset class are included in the asset management plans section of this strategy and are covered in a concise but detailed manner.

The provision of infrastructure is one of the most important roles of Council, as assets support the delivery of services that deliver on Council’s long-term objectives. A formal approach to asset management is essential to ensure that services are provided in the most cost-effective and value-driven manner. To ensure this, it is essential that asset management is fully aligned and integrated with Council’s Community Strategy, Long-Term Financial Plan and Workforce Plan. This ensures that community needs, and expectations are well understood, and that funding requirements and consequences are understood and available.

Council’s current planning framework is based on the ‘Local Government Financial Asset Sustainability Framework’.

Figure 1 Wentworth Shire Council asset management planning framework



Council has adopted a ‘whole of council’ approach, beyond just a ‘lifecycle’ approach, and is committed to delivering value for money to the current and future generations of the community. The Strategic Asset Management Plan is underpinned by Council’s Community Strategic Plan which was developed using the guiding principles of:

A Vibrant Thriving and Growing Region

- Promote the Shire as an ideal location for investment and establishment of innovative, sustainable and diversified industries

- Promote the Wentworth Region as a desirable visitor and tourism destination
- High quality connectivity across the region
- Encourage lifelong learning opportunities
- Encourage and support initiatives that improve local employment opportunities

A Great Place to Live

- Continue to create opportunities for inclusion where all people feel welcome and participate in community life
- Work together to solve a range of social and health issues that may impact community wellbeing and vulnerable people
- To have a safe community
- A well informed, supported and engaged community
- To have a strong sense of place

A Community that works to enhance and protect its physical and natural environment

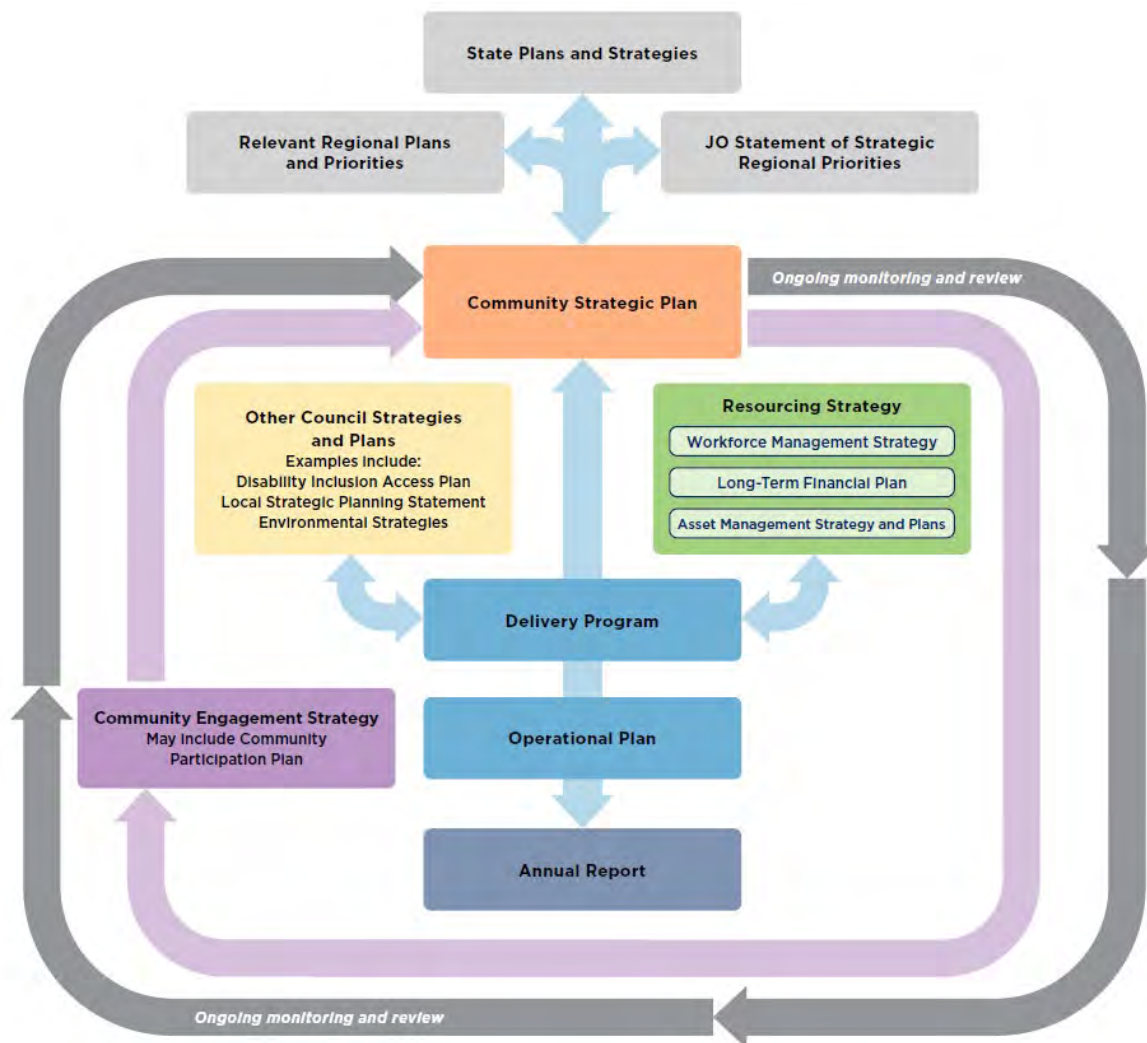
- Ensure our planning decisions and controls enable the community to benefit from development
- Ensure that community assets and public infrastructure are well maintained
- Minimise the impact on the natural environment
- Use and manage our resources wisely
- Infrastructure meets the needs of our growing shire

Is supported by strong and ethical civic leadership with all activities conducted in an open, transparent and inclusive manner

- Consistently engage and consult the whole community to ensure feedback is captured and considered as part of decision-making advocating processes
- A strong responsible and representative government
- An effective and efficient organisation
- Provide strong leadership and work in partnership to strategically plan for the future
- Adopt practices of prudent asset, financial and human resource management across Council to ensure long term sustainability and efficiency

This framework aligns with the updated 2021 Integrated Planning and Reporting guidelines.

Figure 2 Relationship between Council's plans and resourcing strategies



- **Community Strategic Plan** - outlines what the community wants; the objectives of the community and strategies to achieve those objectives.
- **Resourcing Strategy** - details the resources available to Council to deliver the Community Strategic Plan.
- **Delivery Program/Operational Plan** - details how Council will use the resources that it has, to meet the objectives in the Community Strategic Plan, specifically where Council has been identified as responsible or as a supporting partner in the identified strategies.
- **Annual Report** - is the reporting mechanism used by Council to report on those activities and actions that Council proposed in its Delivery Program and Operational Plan.

This SAMP establishes a framework to enable the prioritisation of asset groups through planning, construction, maintenance and operation of infrastructure necessary to achieve the goals and objectives as set out in:

- Wentworth Shire Council Resource Strategy
- Sustainable Wentworth Strategy
- NSW State Plan and Premier Priorities
- Western Murray Regional Economic Development Strategy
- Far West Regional Action Plan

2.2 SCOPE OF THIS STRATEGIC ASSET MANAGEMENT PLAN

This SAMP has been developed to provide the framework to ensure that Council's new and existing infrastructure assets are operated, maintained, renewed and upgraded to ensure that the levels of service are achieved in the most cost effective and sustainable way. It meets Council's commitments under the IP&R Framework in that all Council's infrastructure assets are fully accounted for. Details on each asset class, including the inventory, condition, predicted and required expenditure are included in the appendices.

The audience for this SAMP is Council staff, the Council executive management team, elected representatives (Councillors), interest groups, stakeholders and other interested members of the general community.

The specific objectives of this strategy are:

- to ensure a sustainable service offering to the community by evolving and embedding a culture of asset management
- to ensure decision-making reflects community value for this generation and the next
- to develop clearly defined and agreed service levels, to inform asset investment, to support the community's quality of life
- to drive quality service outcomes by taking a risk-based approach to the way assets are managed
- to ensure availability of resources to maintain assets over the longer term.

The strategy identifies the future funding requirements and service delivery in the context of:

- current asset condition and performance
- levels of service
- forecasted demand for infrastructure and services
- funding constraints.

This strategy supports Council's aim to have 'best value' asset management strategies and practices. This is achieved by continually developing and improving the whole of Council's knowledge, systems, processes and strategies. This will ensure that Council is providing the level of asset management necessary to competently, responsibly and sustainably manage the community assets for current and future generations.

This SAMP has been prepared using a 'top down' approach whereby analysis is applied at the 'system' or 'network' level. The focus is on current levels of service and current practices. It includes expenditure forecasts for asset maintenance, renewal and replacement based on local knowledge of assets and options for meeting current levels of service.

Future revisions of this SAMP will use a 'bottom up' approach for gathering information for individual assets to support the optimisation of activities and programs to meet the levels of service. The focus of future plans developed in this manner will include risk and performance optimisation, risk-based strategies, use of predictive methods and optimised decision-making techniques.

The format of this SAMP is outlined in the table on the following page.

Table 6 Asset management plan structure

Sections	Guidelines
1. Executive summary	Provides a high-level summary of the combined asset management plans and highlights the main issues for consideration.
2. Introduction	Outline of the purpose and scope of the plan and how the plan relates to other key policies and strategies.
3. Asset Management Policy	Excerpt from Council's adopted Asset Management Policy outlining the principles guiding Council's asset management practices.
4. Asset management practices	Provision of a comprehensive strategic asset management gap analysis process for asset management.
5. Levels of service	Outline of levels of service and asset performance standards and customer/community expectations and feedback regarding levels of service.
6. Future demand	Identification of demand trends, factors which may influence demand, forecast changes in demand, impacts and implications of future demand and effects on future planning.
7. Risk management plan	Provision of an asset-based risk management plan.
8. Overarching Strategic Asset Management Plan	Provision of a summary of Council's overall Asset Strategy including Asset Management Policy and identification of critical assets.

2.3 COUNCIL'S ASSETS

Council uses infrastructure assets to provide services to the community. An outline of the range of infrastructure assets and the services provided from the assets is shown below:

Table 7 Range of infrastructure assets and services

Asset class	Description
Buildings and Other Structures	This includes office/administration centres, libraries, community centres, halls, sheds, public toilets and other miscellaneous structures.
Transport infrastructure	This includes roads, kerb and guttering, bridges, footpaths and cycleways.
Drainage	This includes drainage pipelines, pits, inlets and outlets; gross pollutant traps; drainage basins and headwalls
Water and Sewer	This includes the water and sewerage pipelines, pumping stations, storage and treatment plants
Open Space and Other Assets	This includes Council's recreational assets, such as playgrounds, ovals, swimming pools, etc.

Full details of Council's assets are covered in the individual asset management plans found in the appendices.

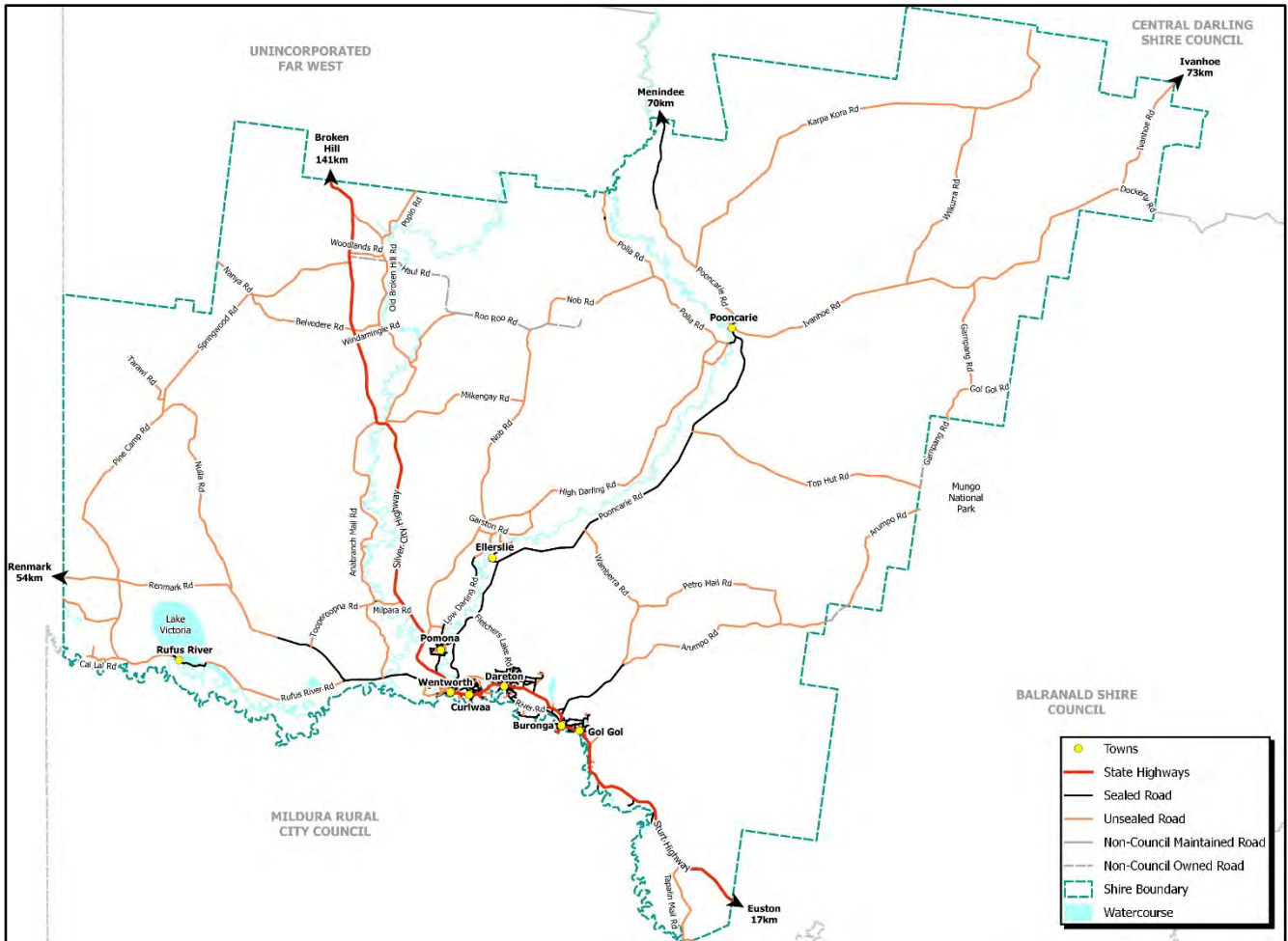
2.4 ABOUT WENTWORTH SHIRE COUNCIL

Wentworth Shire is located in the far south west Riverina region and is considered the gateway to Outback NSW and is situated on the junction of the Murray and Darling Rivers in South-Western New South Wales. The area has a rich history with Wentworth once being the busiest inland port in NSW. Wentworth is situated 1,075 km from Sydney, 585 km from Melbourne and 420 km from Adelaide and sprawls across more than 26,000 square kilometres of predominantly semi-arid grazing lands and reserves in the south west.

The key towns and areas (20 Estimated ABS Population - REMPLAN) within the LGA include:

- Gol Gol (1,525)
- Wentworth (1,437)
- Buronga (1,215)
- Coomealla (826)
- Dareton (505)
- Curlwaa (390)
- Pooncarie (163)

Figure 3 Wentworth Shire Council LGA



2.5 LINKS TO COUNCIL PLANS AND STRATEGIES

The Strategic Asset Management Plan and asset management plans have been prepared in line with the vision and strategy outlined in the ‘Wentworth Shire Community Strategic Plan 2022-2032’ (CSP).

Infrastructure assets will play both a direct and indirect role in achieving the strategic objectives of the CSP. The following table indicates how Council’s assets play a role in the delivery of the key strategies outlined in the CSP.

Table 8 Linkages to the Community Strategic Plan

Strategy	Buildings	Transport	Stormwater	Water and Sewer	Open Space and Other Assets
A Vibrant Thriving and Growing Region					
<input type="checkbox"/> Promote the Wentworth Region as a desirable visitor and tourism destination	x	x			x
<input type="checkbox"/> High quality connectivity across the region		x			
<input type="checkbox"/> Encourage lifelong learning opportunities	x				x
A Great Place to Live					
Continue to create opportunities for inclusion where all people feel welcome and participate in community life		x			
<input type="checkbox"/> To have a safe community	x	x			x
To have a strong sense of place	x				x
A Community that works to enhance and protect its physical and natural environment					
<input type="checkbox"/> Ensure that community assets and public infrastructure are well maintained	x	x	x	x	x
<input type="checkbox"/> Minimise the impact on the natural environment		x	x	x	
<input type="checkbox"/> Use and manage our resources wisely	x	x	x	x	x
<input type="checkbox"/> Infrastructure meets the needs of our growing shire	x	x	x	x	x
Is supported by strong and ethical civic leadership with all activities conducted in an open, transparent and inclusive manner					
<input type="checkbox"/> Consistently engage and consult the whole community to ensure feedback is captured and considered as part of decision-making advocating processes	x	x	x	x	x
<input type="checkbox"/> Adopt practices of prudent asset, financial and human resource management across Council to ensure long term sustainability and efficiency	x	x	x	x	x

3 ASSET MANAGEMENT POLICY

3.1 STATEMENT OF POLICY INTENT

The intent of this policy is to set guidelines for implementing systematic practices and coordinated activities to optimally manage Council assets as per the direction provided from the Community Strategic Plan.

3.2 POLICY SCOPE

This policy applies to all Council owned and controlled assets. The policy will provide direction regarding the measurable service levels, management, maintenance and operation of assets.

This policy together with the Asset Management Strategy and Asset Management Plans will provide the framework for asset management practices and processes for all assets.

3.3 DEFINITIONS AND ABBREVIATIONS

All definitions and abbreviations used in this policy are contained in the International Infrastructure Management Manual, 2011

3.4 BACKGROUND INFORMATION

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.

Adopting asset management principles will assist Council in achieving its strategic longer-term planning and its long-term financial objectives.

A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:

- Members of the public and staff;
- Council's Financial Position;
- The ability of Council to deliver the expected level of service and infrastructure;
- The political environment in which Council operates; and
- The legal liabilities of Council.

3.5 POLICY

It is the policy of this Council that:

Adequate Provision is Made for the Long-Term Replacement of Major Assets by:

- ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment; and
- safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets; and

- creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development; and
- meeting legislative requirements for asset management; and
- ensuring resources and operational capabilities are identified and responsibility for asset management is allocated; and
- demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

Asset Management Principles

The following key principles for Asset Management are established within this policy:

- the establishment of a consistent Asset Management Strategy to implement systematic asset management and appropriate asset management best practice standards for Asset Management throughout all Departments of Council. The Asset Management Strategy is to also outline the risk management strategies for Council assets.
- the adherence to relevant legislative requirements together with consideration of the quadruple bottom line (political, social, economic and environment) are to be taken into account in asset management.
- the integration of Asset Management planning with the Resourcing Strategy, the Delivery Program and the Operational Plan
- the development of Asset Management Plans for major service/asset categories. The plans will be informed by community consultation, financial planning and the development of current and agreed service levels.
- the development of an inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- the renewal of assets required to meet agreed service levels as identified in the adopted asset management plans, and long term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.
- the development of asset renewal plans, which are to be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- the systematic and cyclic reviews for all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- the development of lifecycle costing, whereby the future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- the development of future service levels will be determined in consultation with the community.
- the delivery of training in asset and financial management for councillors and relevant staff.

4 ASSET MANAGEMENT PRACTICES

4.1 ASSET MANAGEMENT INFORMATION SYSTEMS

Wentworth Shire Council's asset knowledge, information and data are corporate assets and are managed as part of the asset management framework. The current applications used by Council include:

- Financial System – Practical (With current migration to Open Office)
- Asset Management System – Asset Master (Open Office)
- Road Capital Works Programming – Moloney Asset Management Systems
- Road Maintenance Management System – Reflect
- End-User Geographic Information System - IntraMaps
- Power-User GIS – QGIS (Data editing, map production, design and further spatial analysis)

4.2 DATA COLLECTION AND VALIDATION

In the preparation of this Strategic Asset Management Plan, Council has used the most current and up to date information available to Council.

As part of Council's asset management improvement plan, Council aims to foster a culture of continuous improvement in service delivery to ensure best value in service provision for the community. This will be supported by the asset management plans including ongoing monitoring, audit and improvement practices which are to be used to optimise Council's operational and renewal expenditure.

4.3 MONITORING AND REVIEW PROCEDURES

Council utilises a performance management framework to track the achievement of the CSP, Delivery Program, Operational Plan and asset management improvement plan outcomes. This will be reviewed and reported on annually by the executive team.

4.4 CONFIDENCE IN DATA

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

Table 9 Asset data confidence scale

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.

Table 10 Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Buildings	Acceptable	Acceptable	Acceptable	Acceptable
Transport	Highly Reliable	Reliable	Reliable	Reliable
Stormwater	Reliable	Reliable	Acceptable	Reliable
Water and Sewer	Reliable	Acceptable	Acceptable	Acceptable
Open Space and Other Assets	Uncertain	Uncertain	Acceptable	Uncertain

4.5 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 and forward programs providing a degree of certainty for delivery timeframes and resourcing requirements.

In order to ensure value, Council will plan capital upgrade and new projects to meet level of service objectives by:

- planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- undertaking project scoping for all capital upgrade/new projects to identify:
 - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
 - the project objectives to rectify the deficiency including value management for major projects
 - the range of options, estimated capital and lifecycle costs for each option that could address the service deficiency

- management of risks associated with alternative options
- evaluate the options against evaluation criteria adopted by Council
- select the best option to be included in capital upgrade/new programs
- reviewing current and required skills base and implement training and development to meet required construction and project management needs
- reviewing the current resources and capacity of the organisation to deliver the Capital Works Program on an annual basis
- reviewing management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal, as shown in the appendices.

5 LEVELS OF SERVICE

5.1 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:

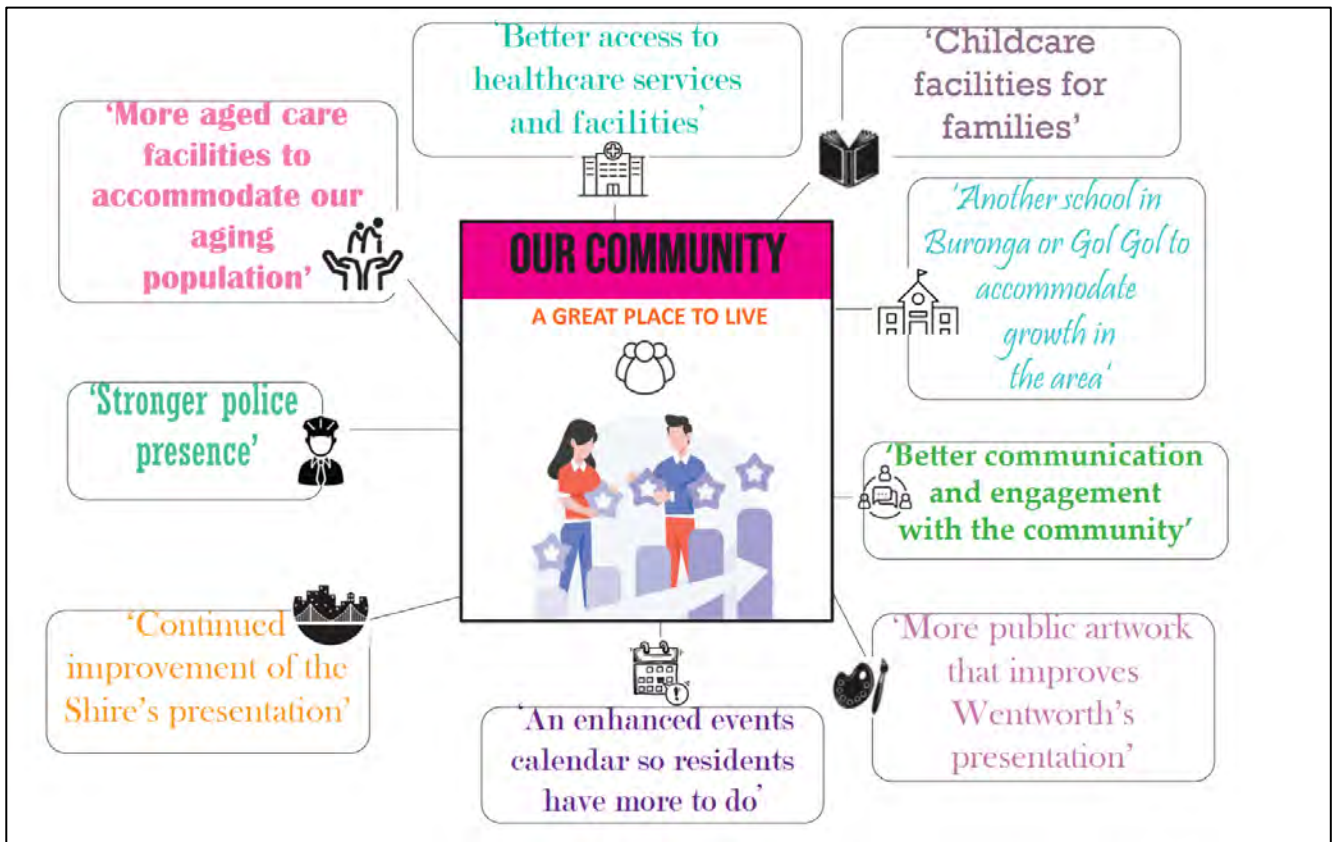
- the reliability of an asset
- the quality of an asset
- having the right quantity of assets
- the safety/risk/security of the assets.

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.

5.2 KEY ISSUES FROM COMMUNITY CONSULTATION

As part of Council’s community consultation for the Community Strategic Plan, Council conducted extensive surveys to determine what areas were priorities for the community. The following series of graphics highlights the key findings of the consultation for each of council’s strategic pillars:

Figure 4 Key emerging issues





5.3 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 services is prepared so that they are clearly and directly linked with the performance measures. For some performance measures in this plan, Council will have full control over the outcome, for example 'respond to service requests within seven days'. 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.

5.4 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 (sometimes referred to as service criteria) encompass:

- condition
 - accessibility and/or availability
 - quality/condition
- functionality
 - reliability/responsiveness
 - sustainability
 - customer satisfaction
- capacity
 - affordability
 - health and safety.

5.4.1 CONDITION

Accessibility

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

Quality/condition

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

Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 0 - 5, where 0 = new and 5 = totally failed. A copy of a typical condition rating matrix is detailed below.

Table 11 Asset condition rating matrix

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

Condition rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten-year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

5.4.2 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.

5.4.3 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.

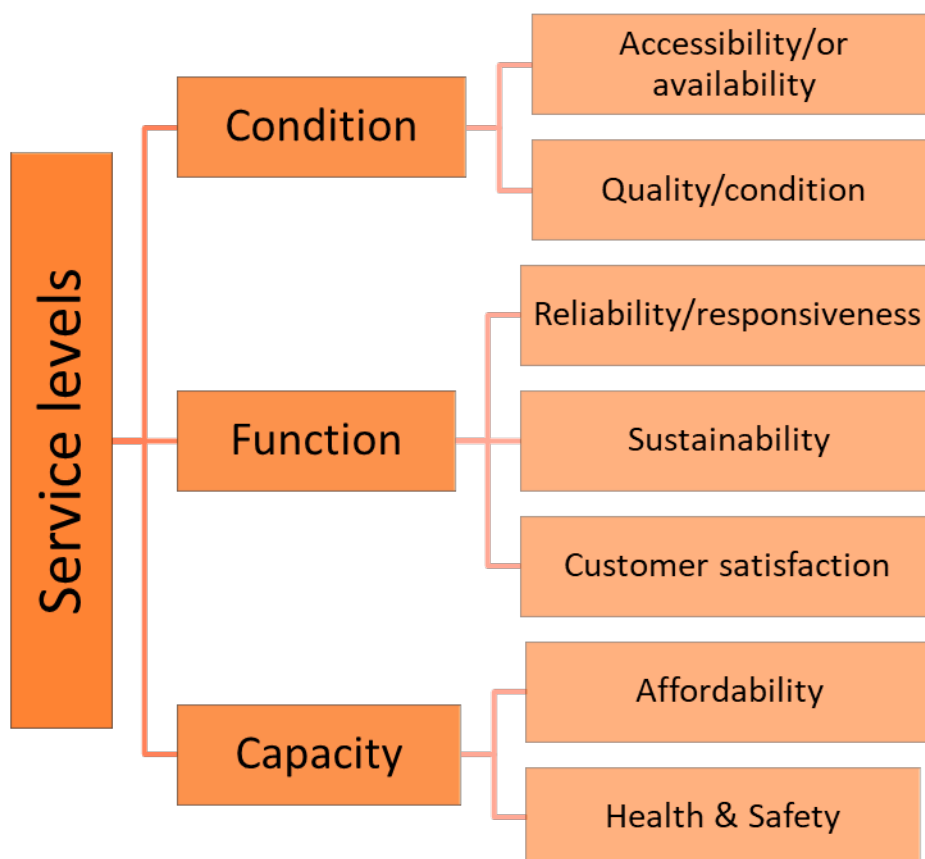
Health and safety

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

- services do not cause a hazard to people
- water is safe for swimming.

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

Figure 5 Service level framework



5.5 FINANCIAL BASED SERVICE LEVELS

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 Strategic Asset Management Plan.

5.5.1 ASSET BACKLOG RATIO

This ratio shows what proportion the infrastructure backlog is against the total value of a Council's infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets (averaged over 3 years).

5.5.2 ASSET CONSUMPTION RATIO

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

5.5.3 ASSET SUSTAINABILITY RATIO

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

5.5.4 ASSET RENEWAL AND RENEWALS FUNDING RATIO

Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its Long Term Financial Plan to adequately fund asset renewals. The benchmark is 100% (averaged over 3 years).

5.5.5 ASSET 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% (averaged over 3 years).

Table 12 Service levels

Key performance indicator	Level of service	Performance measurement process	Target performance	Current performance
Accessibility	Provision of quality of assets to meet community needs	Condition of assets are measured and reported annually	No net decrease in condition across all asset classes	
	Community has confidence in Council to manage assets	Community satisfaction survey and Community engagement strategy	Increased level of confidence from previous survey	
Quality/condition	Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%	
Reliability/ responsiveness	Provision of sufficient assets to meet community needs	Number of requests for additional/ increased level of service	Number of requests for additional/ increased level of service less than rolling previous three-year average	
Customer satisfaction	Be responsive to the needs of customers using asset	No customer requests received	85% of requests are completed within Council's service charter	
	Opportunity for community involvement in decision making are provided	Asset management plan	All asset management plans are available on the website and for circulation to the public	
Sustainability	Assets are managed with respect for future generations	Lifecycle approach to managing assets	Prepare a ten-year asset condition and age-based renewals plan - ensure the plan is approved by Council and updated annually	
	Continuous improvement in asset knowledge, systems and processes.	Asset Management Working Group meets regularly to report on performance of strategic asset improvement program	100% of the strategic asset improvement actions completed annually	
	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%	
Affordability	Council maintains its assets	Asset maintenance ratio, measured by (actual maintenance expenditure and required maintenance expenditure)	OLG benchmark 100%	
Health and safety	Ensure all assets are safe and do not cause a hazard to people	Safety audits	The three-year rolling average of total claims decreases	

6 FUTURE DEMAND

6.1 DEMAND FORECAST

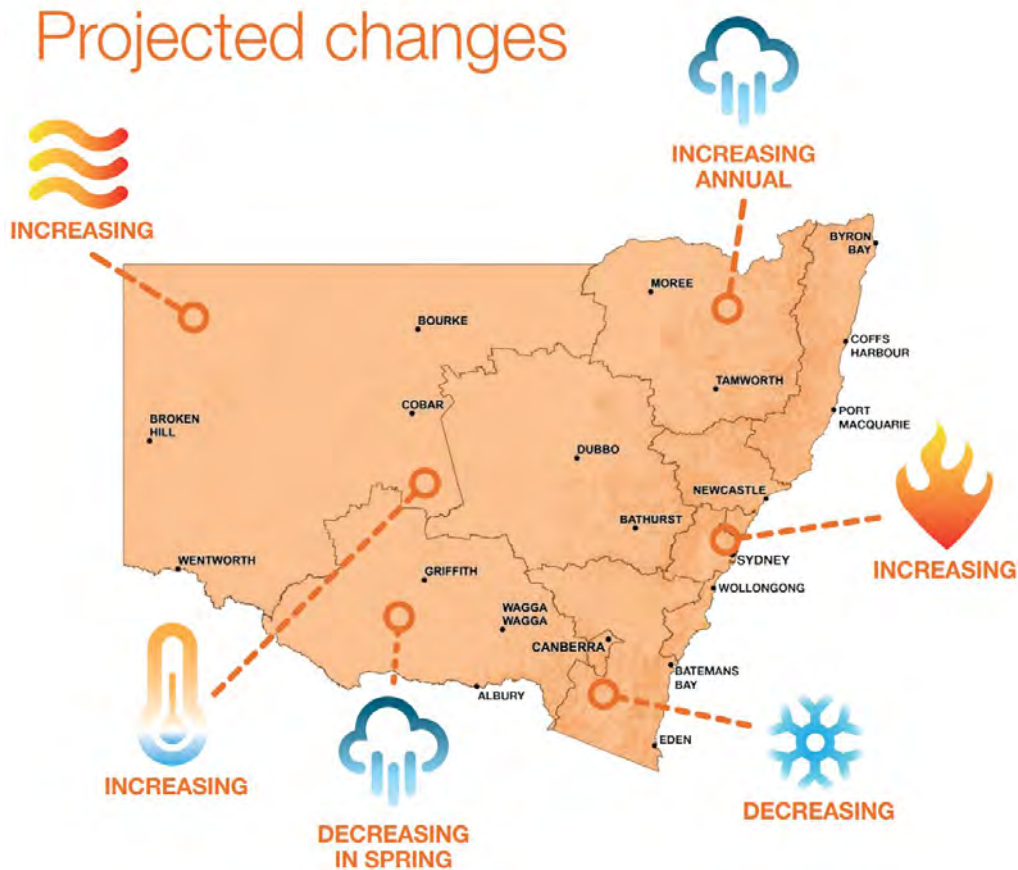
The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in:

- population growth
- changes in the demography of the community
- urban planning
- residential occupancy levels
- commercial/industrial demand
- technological changes which impact the asset
- the economic situation
- government policy
- the environment.

Table 13 Future demand impacts

Demand drivers	Present position	Projection	Impact on services
Population growth and residential development	Current estimated population is 7,142 (REMPAN)	2019 NSW government estimates expected a contraction in the population of the LGA. However there has been an annualised growth rate of just under 0.6%. Throughout the forecasting horizon of this plan it is expected that the population of the LGA will not change significantly	Population growth will have limited impact on demand for assets. Council could expect a natural demand for increased services as community expectations and demands change over time.
Demographics	Around 25% of the population was over the age of 60 in the 2016 Census.	The population is expected to continue to age. With the expected increase in average age of the population.	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and open space assets.
Lifestyle	Predominantly rural lifestyle.	Community engagement identified that the community wishes to maintain its rural lifestyle.	N/A
Economic	Transport infrastructure utilised by GHV due to mining activity in the region	Expectation of 2 additional mines to open either within or in close proximity to the LGA	Additional movements of GHV will create additional strain on the road network and reduce the useful lives of affected roads
Environment	The NSW and ACT Regional Climate Modelling (NARClIM) Project has undertaken climate modelling of the region for 2020-2039 and 2060-2079.	Expected climatic changes can be found in figure six. This includes: <ul style="list-style-type: none"> - overall increased temperatures - increased risk and intensity of natural disaster (fire) events. 	Assets may be impacted by changes such as more severe weather events.

Figure 6 NARClm Modelling and Expectations



6.2 DEMAND MANAGEMENT STRATEGIES

Demand management strategies have been developed to effectively manage the change in Wentworth Shire Council. These strategies will need to be monitored to ensure that they capture and are responsive to changing community expectations and demographic profile as the region develops.

Table 14 Demand management strategies

Demand factor	Impact on services
Population	Population growth will place a limited increased demand on assets, especially roads, water and sewer assets.
Demographics	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and open space assets.
Road utilisation changes	Smart, multi-modal road solutions will be required to keep up with the growth and provide cheap, efficient and sustainable means of road transport.
Increasing costs	Requirement to continue to maximise service delivery within the funding limitations.
Environment and climate	Assets may be impacted by changes such as increased severity of natural disasters and weather events.
Technology	May require improved environmental/economical management of assets.

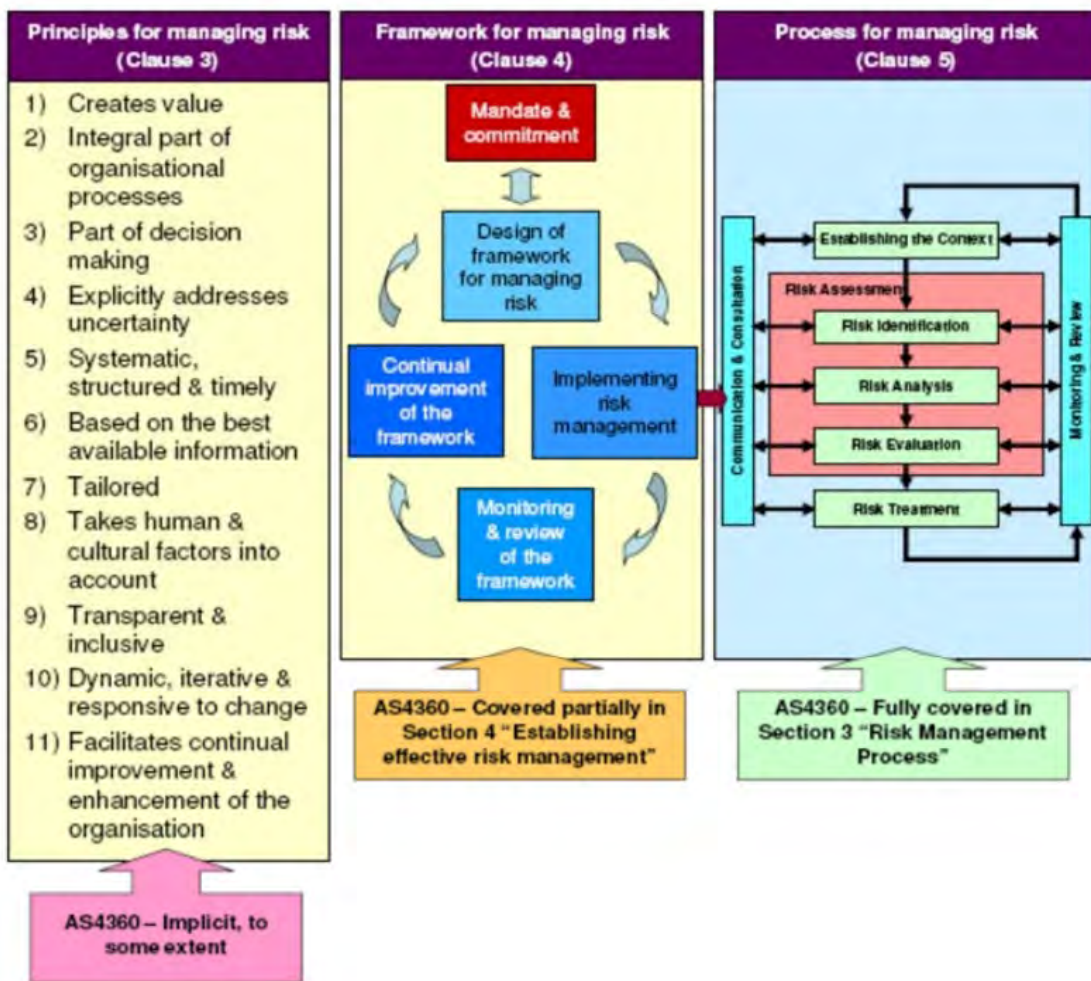
7 RISK MANAGEMENT

Risk management is defined in 'AS/NZS 4360:2004' as: "the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects".

Wentworth Shire Council is committed to a structured and systematic approach to the management of risk with Council's enterprise risk management framework aligned with ISO 31000:2018. 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.

Figure 7 ISO 31000 Framework



This is a structured, best-practice and proven approach that is to be applied Council-wide to support the management of strategic, operational, financial, regulatory, and other risk. Under this approach, there are five key stages to the risk management process:

- communicate and consult - with internal and external stakeholders
- establish context - the boundaries
- risk assessment - identify, analyse and evaluate risks
- treat risks - implement and assess controls to address risk
- monitoring and review - risks reviews and audit.

7.1 INFRASTRUCTURE RISK MANAGEMENT FRAMEWORK

Council is currently developing 'infrastructure risk management plans' for each of its asset classes. These plans provide greater detail on Council's risk management approach for each of its infrastructure assets, including the risk analysis (likelihood and consequence) and treatment criteria specific to each asset class.

In general, risks are evaluated in the following way in Council's asset risk registers:

- risk identification
 - which asset is at risk?
 - what can happen?
 - when can it occur?
 - what are the possible causes?
 - what are the existing controls?
 - is the risk credible?
- risk analysis
 - what is the likelihood of occurrence?
 - what are the consequences of occurrence?
 - risk rating
 - what action is required?
 - is the risk acceptable?
- risk treatment
 - what treatment options are available?
 - what is the plan to treat the risk?
 - what is the residual risk?
- risk treatment plan
 - actions
 - responsibility
 - resource
 - budget
 - due date.

7.2 STRATEGIC INFRASTRUCTURE RISKS

Using Council's Risk Management Framework, some high-level infrastructure-based risks have been identified that are associated with the management of the assets. These strategic risks are identified in following table.

Table 15 Risk identification table

Asset at risk	What can happen?	Possible cause	Risk rating	Treatment option(s)
Urban road	Unserviceable, water over road due to flooding	Flooding/damage caused by under capacity	Very high	Communications/community awareness of Council policies
Road base (pavement)	Asset failure	Inadequate funding leading to continued deterioration of asset condition	Very high	Ensure renewal funding is optimised and available; develop and coordinate long term capital investment plan to fund renewal
Footpath or shared path	Asset failure	Inadequate funding leading to continued deterioration of asset condition	Very high	Ensure renewal funding is optimised and available; develop and coordinate long term capital investment plan to fund renewal
Kerb and gutter	Asset failure	Inadequate funding leading to continued deterioration of asset condition	Very high	Ensure renewal funding is optimised and available; develop and coordinate long term capital investment plan to fund renewal
All assets	Defect inspection program not implemented	Lack of resources; responsibility not clearly defined	Very high	Resolve asset management role and responsibility
Urban road	Unserviceable, due to major damage by developer	Inappropriate construction management by developers for high-risk work	High	Proactive public domain inspections
Urban road	Unserviceable, due to damage by utility provider or their contractor	Inappropriate construction management by utility providers and their contractors	High	Review utility provider work management practices; proactive precinct inspections
Urban road	Unserviceable, road blocked/water over road due to flooding	Due to defects of stormwater pit/pipe on/under a road	High	Proactive precinct inspections
Urban road	Unserviceable, road blocked/water over road due to flooding	Due to condition of stormwater pit/pipe on/under a road	High	Proactive condition inspection process
Urban road	Unserviceable, oil/chemical spill	As a result of a vehicular or industrial accident	High	Critical assets
Urban road	Unserviceable, water over road due to flooding	Flooding caused by trunk stormwater drainage asset failure	High	Critical assets
Urban road	Unserviceable, water over road due to flooding	Illegal dumping causing trunk drainage blockage	High	Critical assets
Road base (pavement)	Asset failure	Pavement condition due to poor wearing surface condition	High	Proactive precinct inspections; proactive condition inspection process
Bridge or culvert	Asset failure	Structural fatigue; traffic loads	High	Proactive precinct inspections; proactive condition inspection process

Asset at risk	What can happen?	Possible cause	Risk rating	Treatment option(s)
Bridge or culvert	Structure deterioration	Lack of planned or reactive maintenance	High	Proactive precinct inspections; maintenance program
Footpath or shared path	Unserviceable, due to damage by utility provider or their contractor	Inappropriate construction management by utility providers and their contractors	High	Review utility provider work management practices; proactive precinct inspections
Footpath or shared path	Trip or fall	Service pits	High	Review utility provider work management practices; proactive precinct inspections
Footpath or shared path	Trip or fall	Surface	High	Proactive precinct inspections; maintenance program
Footpath or shared path	Trip or fall	Tree roots/slab lift or tilt	High	Proactive precinct inspections; maintenance program
Footpath or shared path	Waste containers/materials on footpath causing obstruction	Skip bins placed in inappropriate location	High	Continue existing regulatory controls; proactive precinct inspections
Kerb and gutter	Cyclist crash/collision, due to stormwater grate	Stormwater grate missing	High	Proactive precinct inspections
Kerb and gutter	Poor condition causing injury	Slip, trip and fall from pedestrians crossing roads	High	Proactive precinct inspections
Traffic facility/ pedestrian crossing	Collision - motor vehicle and pedestrian	Facilities not maintained to appropriate condition	High	Proactive precinct inspections; maintenance program
All assets	Unserviceable, due to damage caused by natural disaster	Natural disaster emergency	High	Review critical assets and disaster management responsibilities

7.3 CRITICAL ASSETS

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

ISO 55001 Cl 6.2.1.2b requires organisations to 'review the importance of assets related to their intended outcomes, objectives and product or service requirements.' ISO 55002 Cl 6.2.2.1 suggests that 'a key aspect of planning is the identification of events in which the functionality of assets is compromised, including potentially catastrophic events in which function is completely lost'. Council determines the criticality of assets based upon the following criteria:

- complexity
- impact of loss of service
- environmental impact
- health and safety impact
- cost of failure.

Critical assets for each asset class have been identified in their respective asset management plans.

8 EXPENDITURE PROJECTIONS

8.1 ASSET VALUES

In preparing this SAMP, it has been identified that Wentworth Shire Council has an infrastructure and asset portfolio with a current replacement cost of approximately \$629 million. The asset values are estimates of the value of assets, as at 30 June 2021, based on our best estimate of asset values, taking into account recent asset revaluations. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 16 Asset Classes and Values

Asset	GRC \$ 000's	WDV \$ 000's	DEP \$ 000's
Buildings	\$72,601	\$34,416	\$907
Other Structures	\$5,533	\$3,481	\$216
Roads - Sealed Roads	\$187,048	\$88,852	\$3,440
Roads - Unsealed Roads	\$6,077	\$2,661	
Bridges	\$12,632	\$6,864	\$84
Footpaths	\$6,488	\$3,188	\$57
Bulk Earthworks	\$190,626	\$190,626	\$0
Stormwater	\$25,198	\$15,221	\$216
Water	\$58,394	\$30,672	\$681
Sewer	\$47,306	\$18,353	\$751
Swimming Pools	\$3,137	\$1,724	\$65
Open Space	\$662	\$189	\$59
Other Infrastructure (wharves)	\$13,386	\$10,486	\$154
Grand Total	\$629,088	\$406,733	\$6,630

8.2 ASSET BACKLOG

As per the 2020/21 Special Schedule 7, Council has a combined asset backlog of \$21.45 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2021 is shown in the following table.

Table 17 Asset backlog summary

Asset Class	Backlog (\$ 000's) (Cost to Satisfactory)	Backlog Ratio (Cost to Satisfactory / WDV)
Buildings	\$1,871	4.94%
Roads & Transport	\$5,158	1.77%
Stormwater	\$318	2.09%
Water and Sewer	\$13,017	26.55%
Open Space	\$1,086	8.76%
Combined Assets	\$21,450	5.27%

8.3 ASSET CONDITION

Reviewing asset condition data shows that the most of Council's assets are in a satisfactory or better condition. The reliability of Council's condition data varies between the asset classes with most data being reliable, or highly reliable. Details of Council's current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council's assets.

Table 18 Asset Condition Data

Asset Class	Asset Condition (% of CRC)				
	1	2	3	4	5
Buildings	39.29%	36.06%	19.65%	5.00%	0.00%
Roads & Transport	65.85%	25.81%	5.23%	2.81%	0.30%
Stormwater	25.00%	55.00%	18.00%	2.00%	0.00%
Water and Sewer	15.00%	31.05%	28.43%	13.29%	12.24%
Open Space	28.42%	44.19%	17.64%	9.64%	0.12%
Combined	51.35%	29.63%	11.77%	5.00%	2.25%

8.4 EXPENDITURE AND REPORTING

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$12.5 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being \$14.5 million per year.

A summary of the projected expenditure requirements can be found in the following table.

Table 19 Combined asset expenditure projections

Expenditure projections (\$,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	13,019	5,258	5,397	5,611	5,841	5,926	6,035	6,166	6,262	6,418
	New and expanded assets	14,526	2,131	676	999	1,078	1,112	1,148	1,184	1,221	1,276
	Maintenance and operational	3,020	3,086	3,154	3,224	3,295	3,367	3,441	3,517	3,594	3,673
	Total expenditure	30,565	10,475	9,228	9,834	10,214	10,406	10,624	10,867	11,077	11,368
Required	Required renewal (depreciation)	6,577	6,890	7,084	7,267	7,459	7,657	7,860	8,068	8,281	8,501
	New and expanded assets	14,526	2,131	676	999	1,078	1,112	1,148	1,184	1,221	1,276
	Required O&M	3,862	3,971	4,074	4,182	4,293	4,407	4,524	4,644	4,767	4,894
	Total	24,965	12,992	11,834	12,449	12,831	13,176	13,531	13,895	14,270	14,671
Maintenance Gap		-842	-885	-920	-958	-998	-1,040	-1,083	-1,127	-1,173	-1,220
Renewals Gap		6,442	-1,632	-1,687	-1,657	-1,618	-1,730	-1,825	-1,901	-2,020	-2,083
Overall (GAP)		5,599	-2,517	-2,607	-2,615	-2,616	-2,770	-2,907	-3,028	-3,193	-3,303

Table 20 General Fund Expenditure Projection

Expenditure projections (\$,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	11,695	3,645	3,619	3,664	3,709	3,715	3,741	3,788	3,796	3,824
	New and expanded assets	13,970	1,536	11	261	261	261	261	261	261	261
	Maintenance and operational	2,182	2,230	2,279	2,329	2,380	2,433	2,486	2,541	2,597	2,654
	Total expenditure	27,847	7,410	5,909	6,254	6,350	6,408	6,488	6,590	6,653	6,739
Required	Required renewal (depreciation)	5,043	5,300	5,447	5,583	5,725	5,871	6,020	6,173	6,330	6,490
	New and expanded assets	13,970	1,536	11	261	261	261	261	261	261	261
	Required O&M	3,185	3,273	3,355	3,440	3,528	3,618	3,709	3,804	3,900	3,999
	Total	22,197	10,109	8,812	9,284	9,514	9,749	9,990	10,237	10,491	10,750
Maintenance Gap		-1,003	-1,043	-1,076	-1,111	-1,147	-1,185	-1,223	-1,263	-1,303	-1,345
Renewals Gap		6,652	-1,656	-1,828	-1,919	-2,016	-2,156	-2,279	-2,385	-2,534	-2,666
Overall (GAP)		5,650	-2,699	-2,904	-3,030	-3,164	-3,341	-3,502	-3,648	-3,837	-4,012

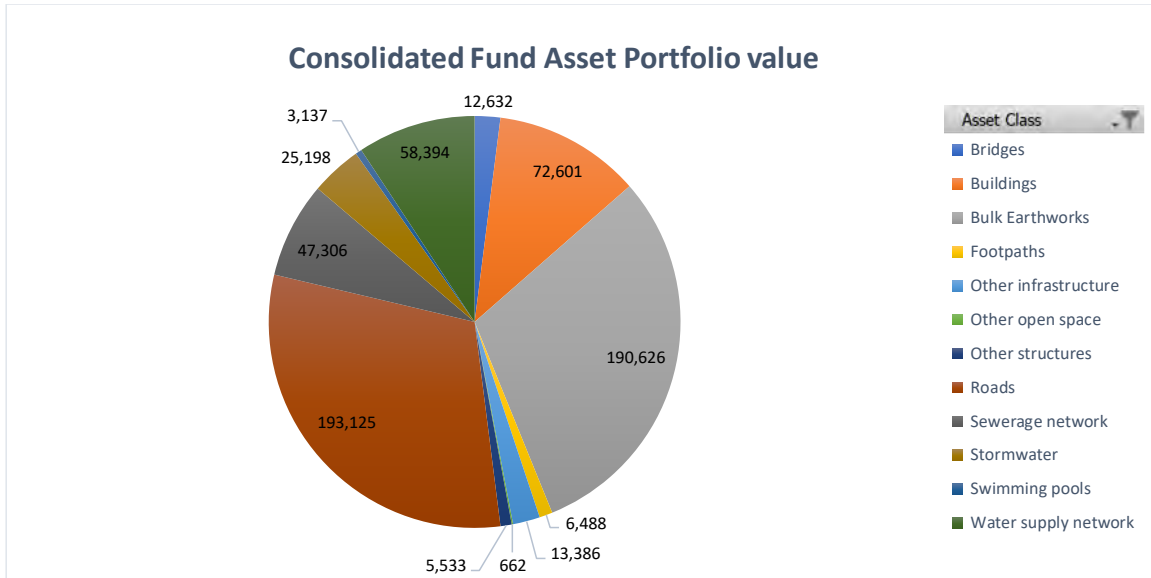
Table 21 Water and Sewer Fund Expenditure Projection

Expenditure projections (\$,000s) – combined assets		2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031
Actual	Renewal	1,324	1,613	1,778	1,947	2,132	2,212	2,294	2,378	2,466	2,594
	New and expanded assets	556	595	666	738	818	852	887	923	961	1,016
	Maintenance and operational	838	856	875	895	914	934	955	976	997	1,019
	Total expenditure	2,717	3,065	3,319	3,580	3,865	3,998	4,136	4,278	4,424	4,629
Required	Required renewal (depreciation)	698	719	741	764	787	812	838	865	892	921
	New and expanded assets	556	595	666	738	818	852	887	923	961	1,016
	Required O&M	677	698	719	742	765	790	815	841	868	896
	Total	1,931	2,012	2,126	2,244	2,371	2,454	2,540	2,629	2,721	2,833
Maintenance Gap		161	159	156	153	149	145	140	135	129	123
Renewals Gap		626	894	1,037	1,183	1,345	1,399	1,456	1,514	1,574	1,673
Overall (GAP)		787	1,053	1,193	1,336	1,494	1,544	1,596	1,648	1,703	1,797

8.5 FINANCIAL PERFORMANCE

The Office of Local Government has established financial benchmarks for councils to strive towards and adhere to. The charts below showcase Council's current financial service levels and the impacts of Council's projected expenditure upon these service levels

Figure 8 Consolidated Portfolio overview 1



Infrastructure Ratios	Budget 2021/22	Estimated 2031/32	Funding gap	
Infrastructure Renewals ratio	197.94%	75.50%	Yr 1	\$6,442
			5 Yr Average	(-\$30)
			10 Yr Average	(-\$971)
Infrastructure Backlog Ratio	4.72%	4.31%	Yr 1	(-\$11,715)
			5 Yr Average	(-\$11,844)
			10 Yr Average	(-\$12,027)
Infrastructure Maintenance Ratio	78.19%	75.06%	Yr 1	(-\$842)
			5 Yr Average	(-\$921)
			10 Yr Average	(-\$1,025)
Total Infrastructure Funding Gap			Yr 1	(-\$6,115)
			5 Yr Average	(-\$12,795)
			10 Yr Average	(-\$14,023)

Figure 9 Consolidated Portfolio overview 2

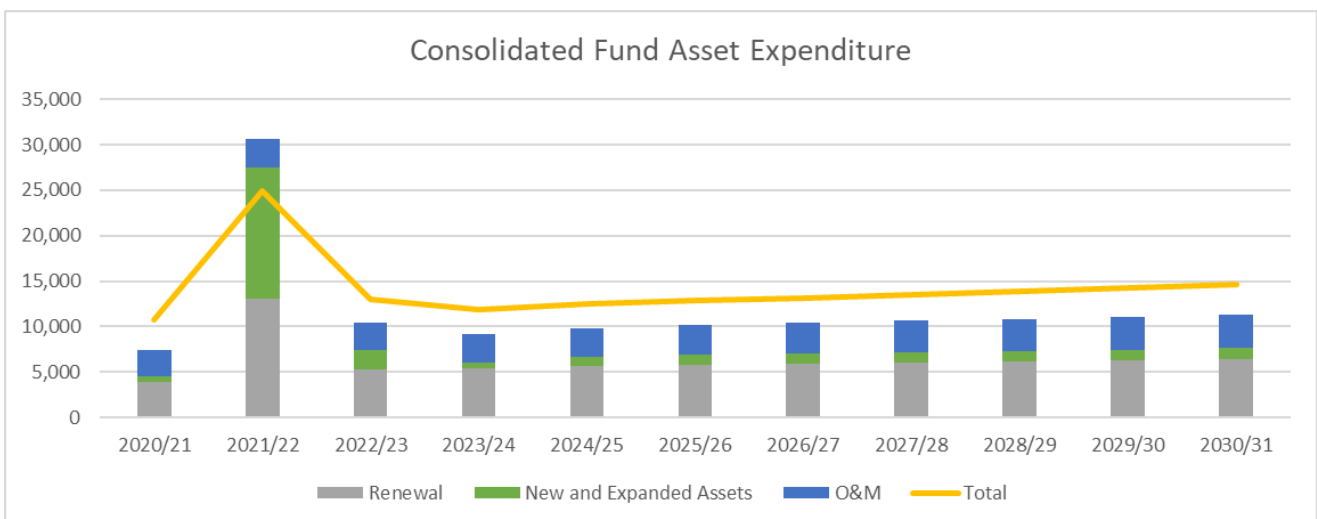


Figure 10 Consolidated OLG asset expenditure ratios

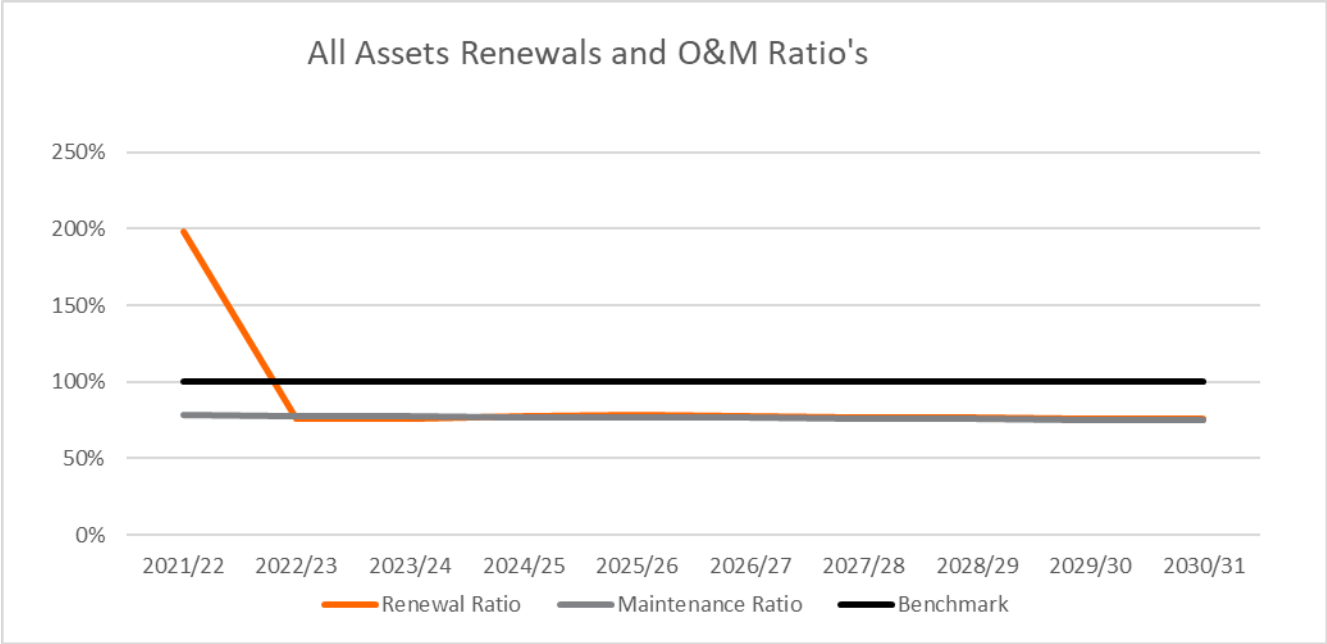


Figure 11 Consolidated OLG backlog ratio

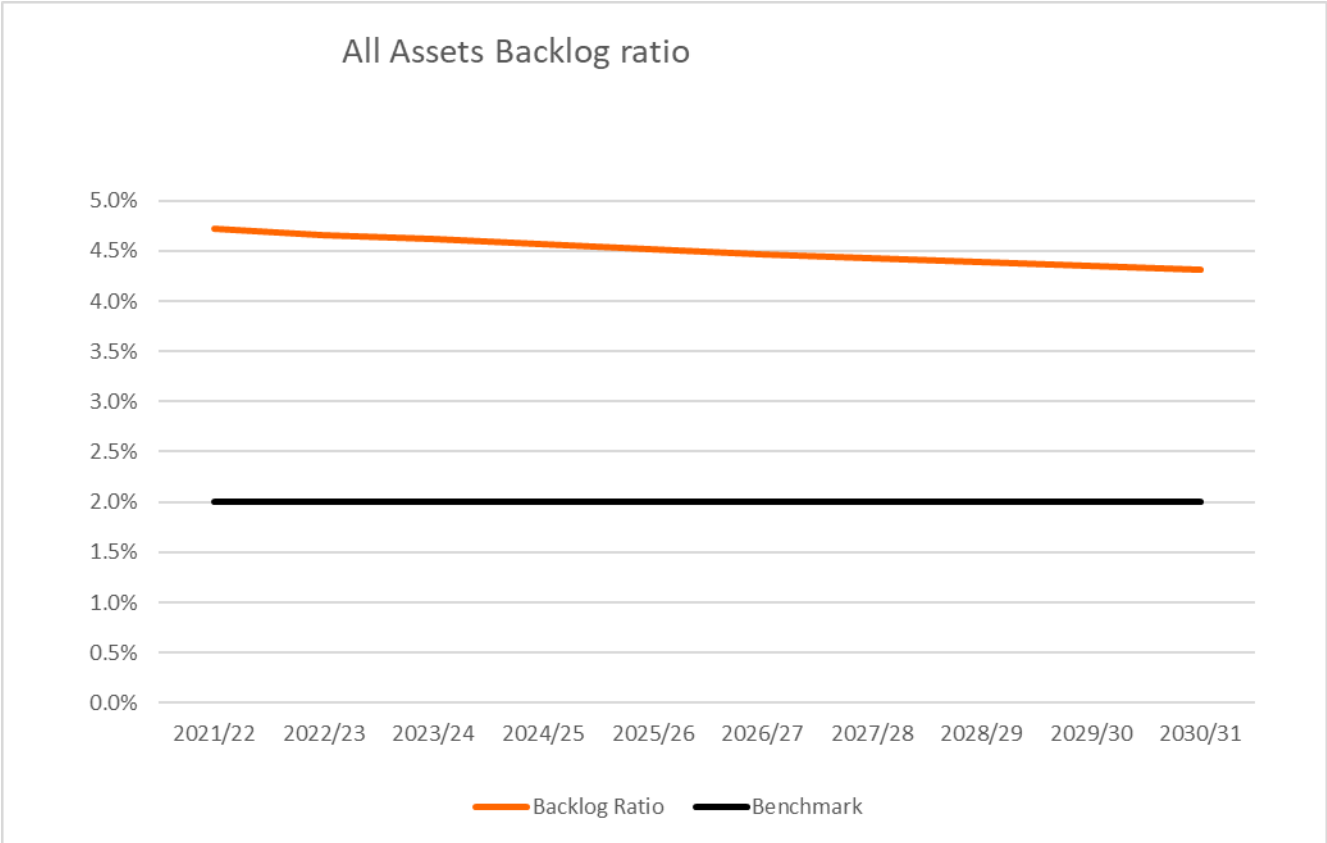
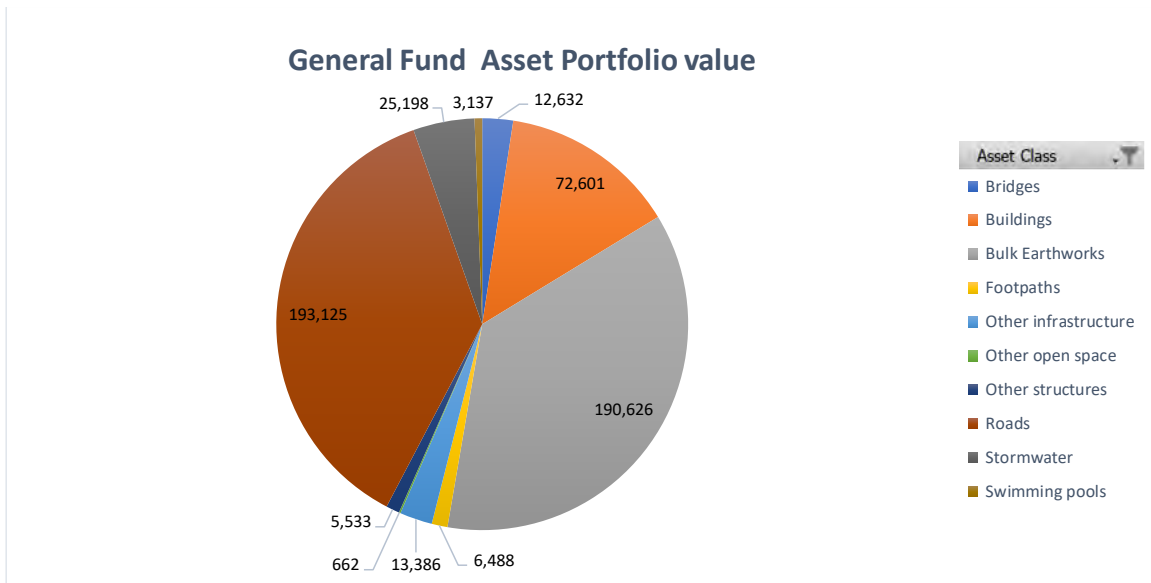


Figure 12 General Fund Portfolio overview 1



Infrastructure Ratios	Budget 2021/22	Estimated 2031/32	Funding gap	
Infrastructure Renewals ratio	231.91%	58.92%	Yr 1	\$6,652
			5 Yr Average	(-\$153)
			10 Yr Average	(-\$1,279)
Infrastructure Backlog Ratio	1.91%	2.28%	Yr 1	\$0
			5 Yr Average	\$0
			10 Yr Average	(-\$387)
Infrastructure Maintenance Ratio	68.52%	66.36%	Yr 1	(-\$1,003)
			5 Yr Average	(-\$1,076)
			10 Yr Average	(-\$1,170)
Total Infrastructure Funding Gap			Yr 1	\$5,650
			5 Yr Average	(-\$1,229)
			10 Yr Average	(-\$2,836)

Figure 13 General Fund Portfolio overview 2

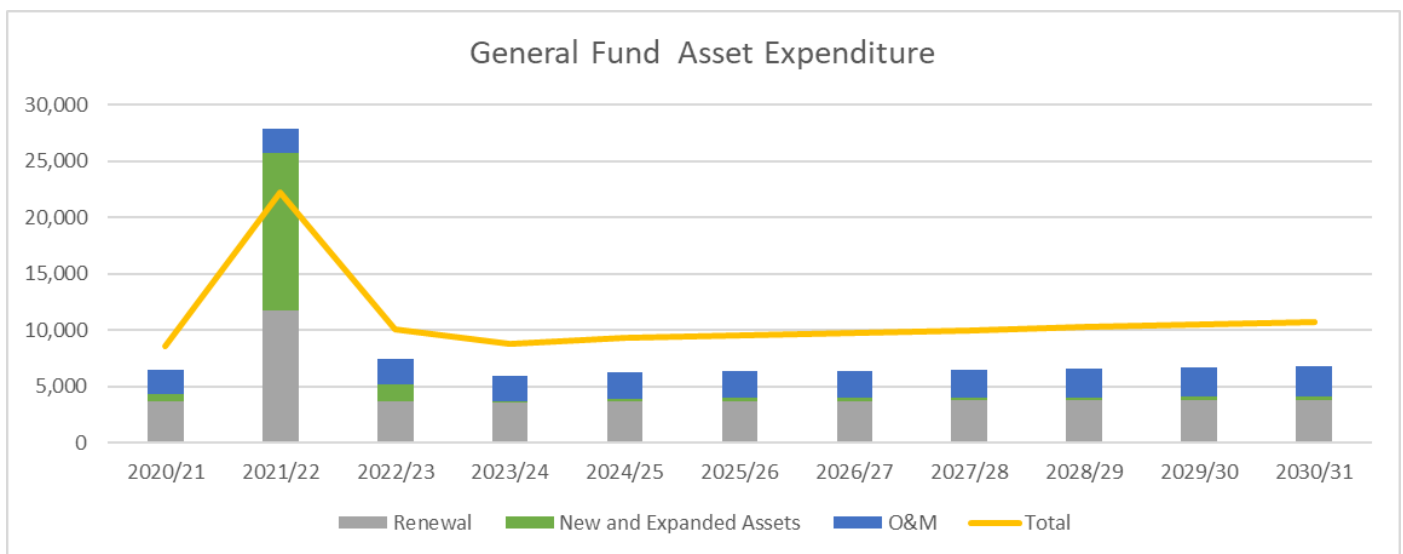


Figure 14 General Fund OLG asset expenditure ratios

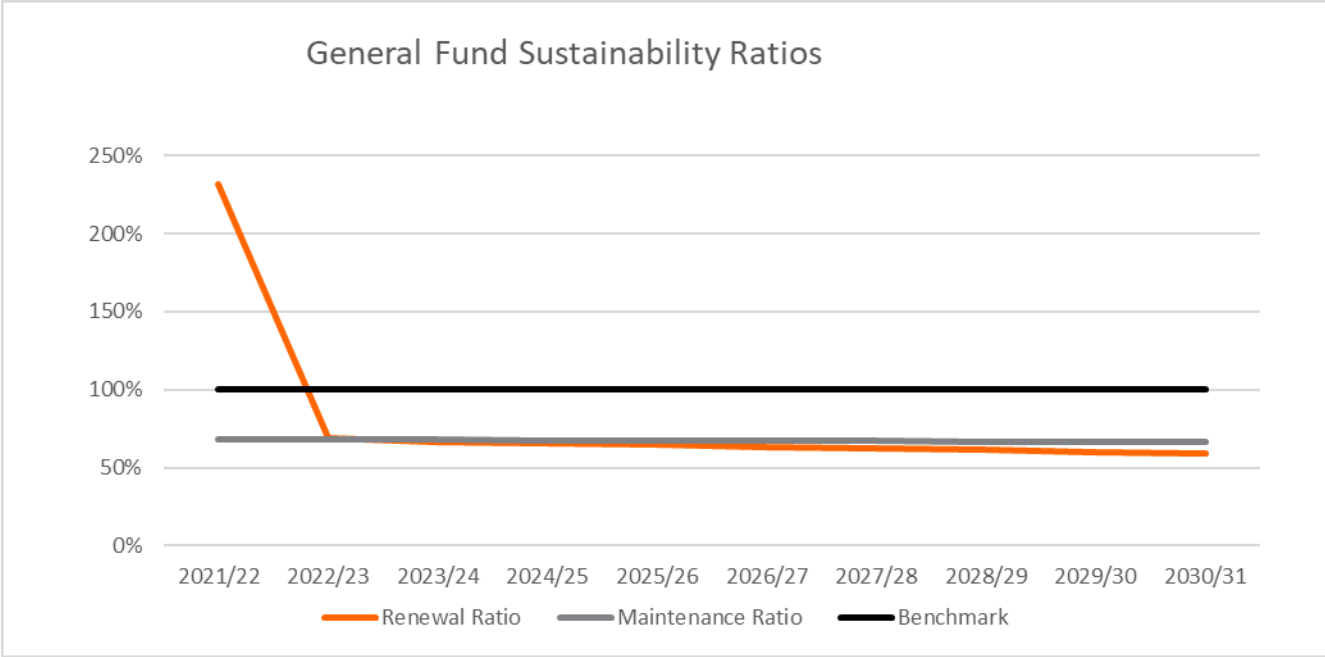


Figure 1215 General Fund OLG backlog ratio

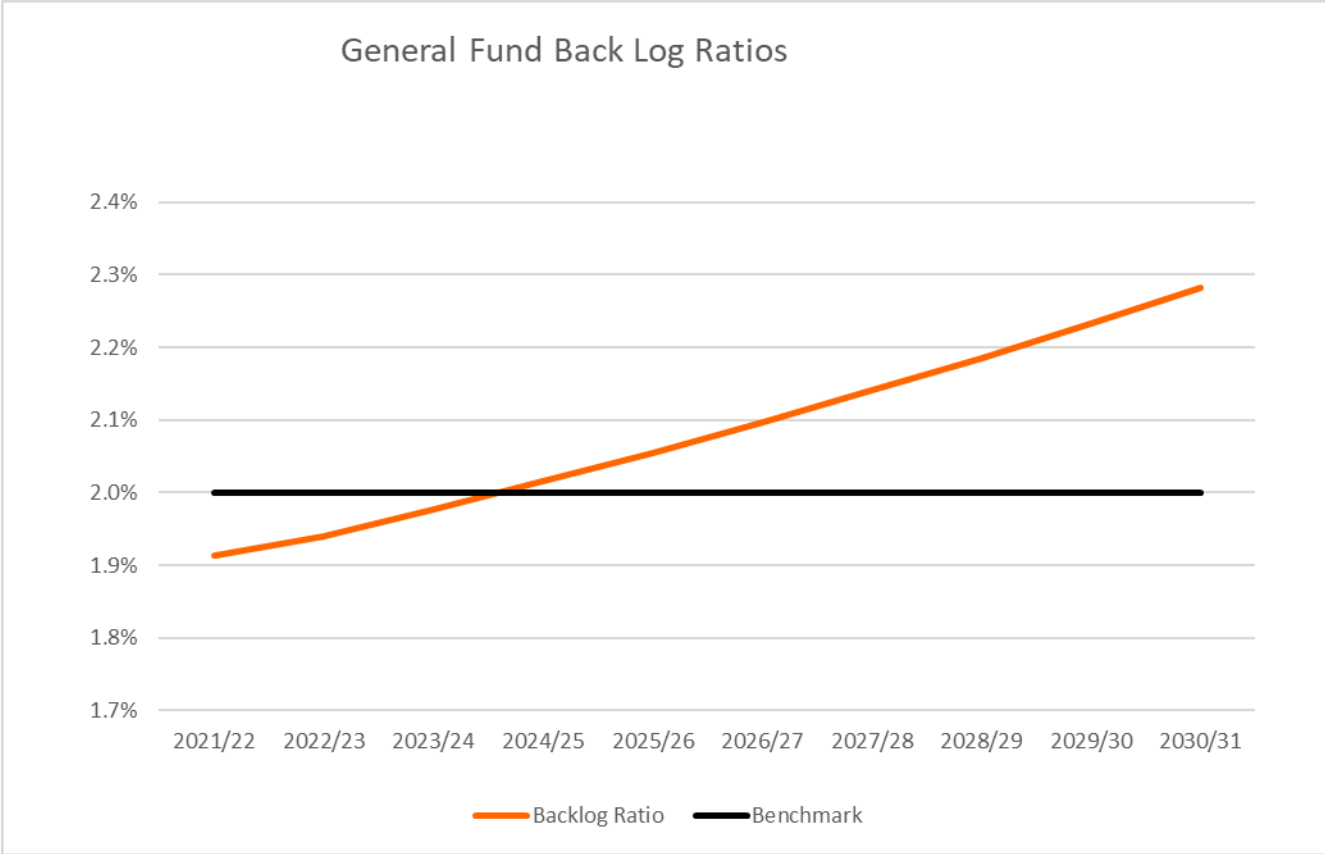
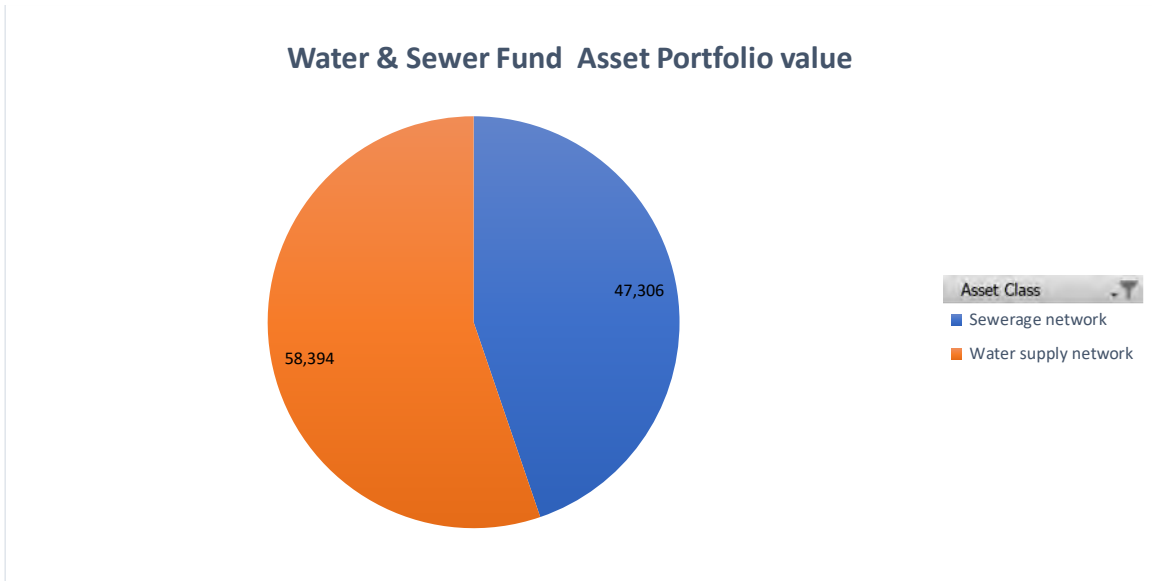


Figure 13 Water and Sewer Fund Portfolio overview 1



Infrastructure Ratios	Budget 2021/22	Estimated 2031/32	Funding gap	
Infrastructure Renewals ratio	189.65%	281.74%	Yr 1	\$626
			5 Yr Average	\$1,017
			10 Yr Average	\$1,270
Infrastructure Backlog Ratio	25.05%	13.59%	Yr 1	(-\$11,877)
			5 Yr Average	(-\$11,404)
			10 Yr Average	(-\$10,652)
Infrastructure Maintenance Ratio	123.81%	113.76%	Yr 1	\$161
			5 Yr Average	\$156
			10 Yr Average	\$145
Total Infrastructure Funding Gap			Yr 1	(-\$11,090)
			5 Yr Average	(-\$10,231)
			10 Yr Average	(-\$9,237)

Figure 17 Water and Sewer Fund Portfolio overview 2

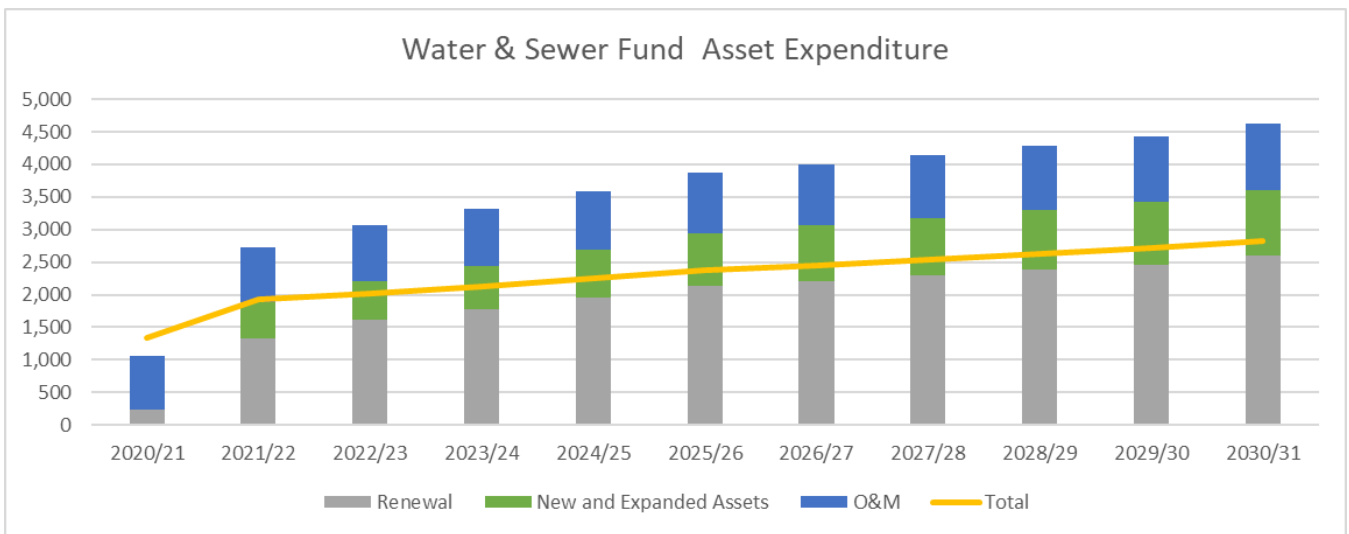


Figure 1814 Water and Sewer Fund OLG asset expenditure ratios

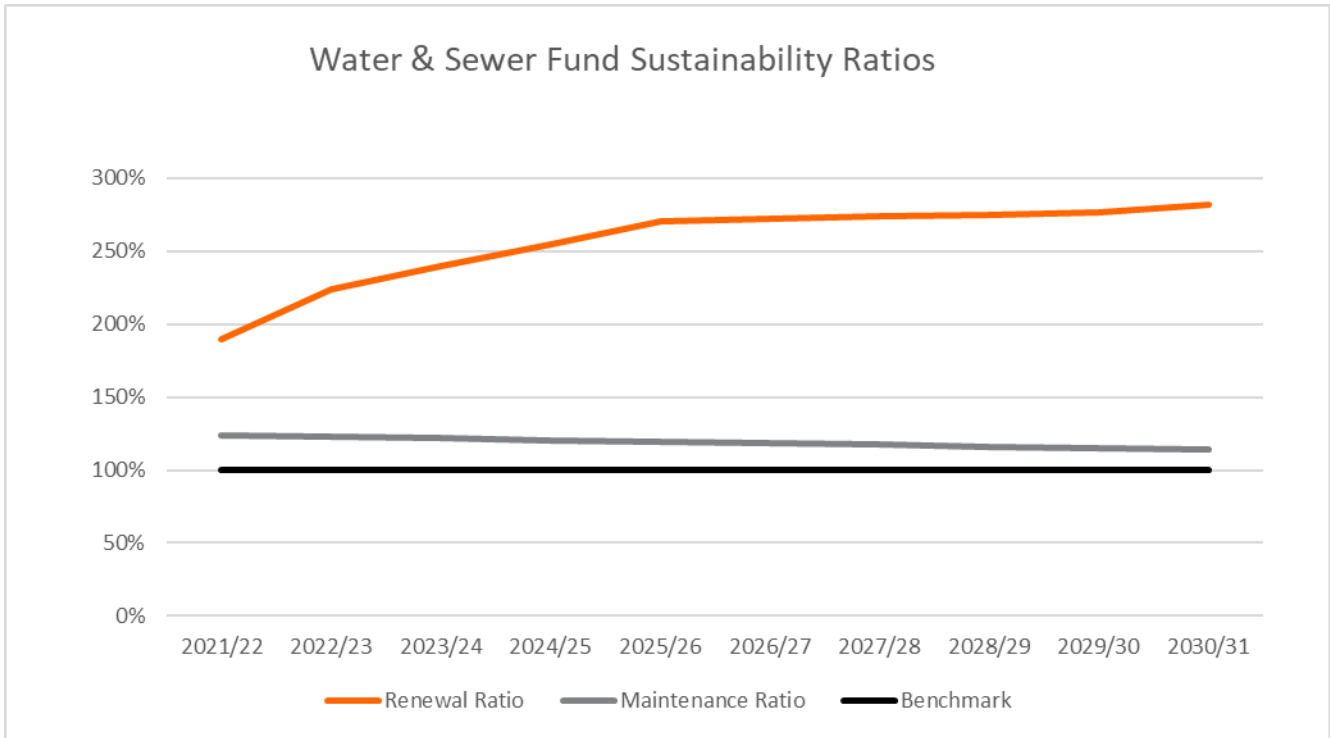
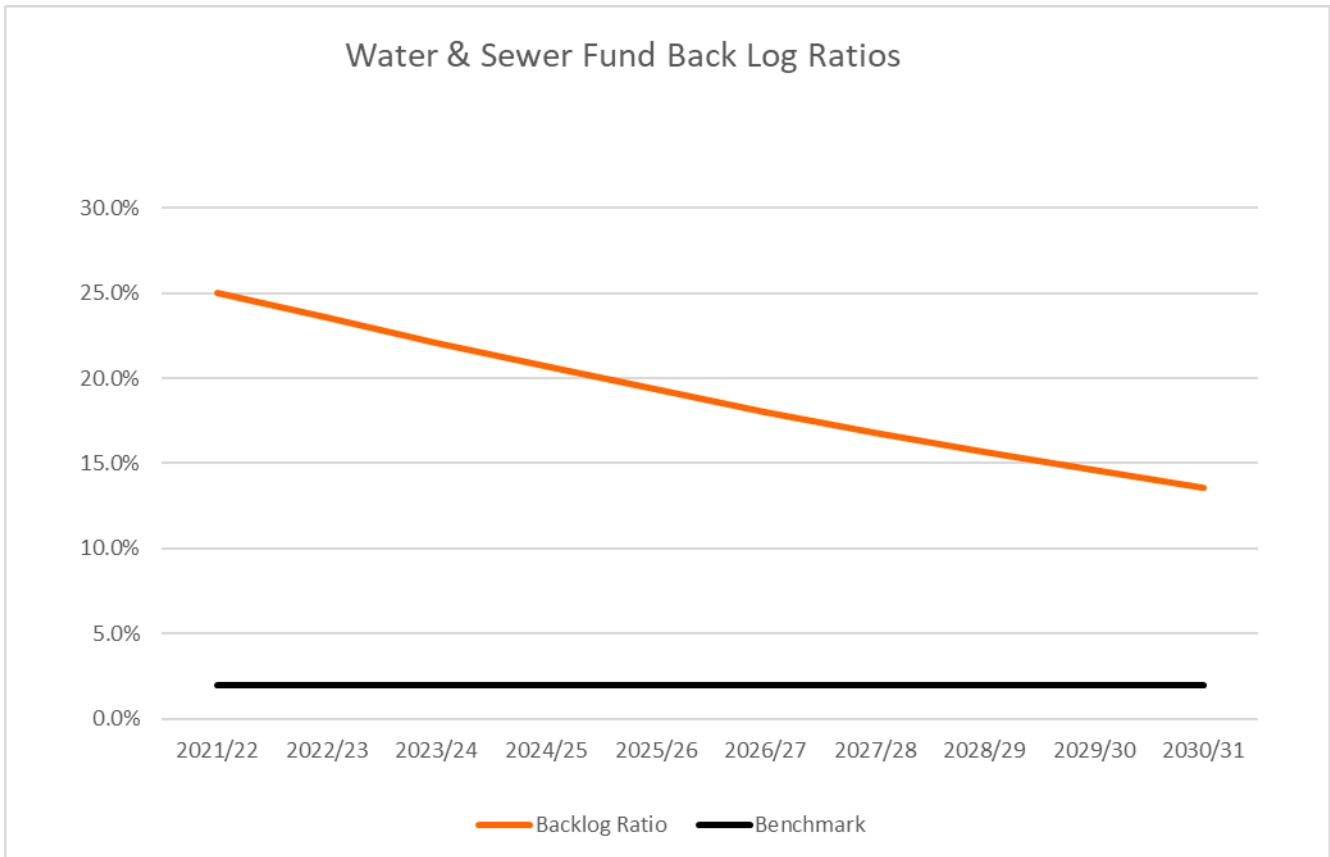


Figure 19 Water and Sewer Fund OLG backlog ratio



9 OVERARCHING IMPROVEMENT PLAN

The Strategic Asset Management Plan is to enable Council to:

- demonstrate how its asset portfolio will meet the service delivery needs of its community into the future
- ensure the integration of Council's asset management with its Community Strategic Plan.

The Strategic Asset Management Plan proposes the following strategies to enable the objectives of the Community Strategic Plan to be achieved.

Table 22 Asset management strategic actions

No	Strategy	Desired outcome
1	Continue the move from annual budgeting to long term financial planning for all asset classes	The long-term implications of Council services are considered in annual budget deliberations.
2	Further develop and review the Long-Term Financial Plan covering ten years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
3	Review and update asset management plan financial projections and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Continue to report Council's financial position at fair value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis.	Financial sustainability information is available for Council and the community.
5	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
6	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
7	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Assess whether current resourcing is sufficient to cover all asset management functions for all asset classes.	Responsibility for asset management is defined.
8	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	Improved financial and asset management capacity within Council.
9	Develop and implement an asset condition inspection strategy which ensures that council has a complete data set for an asset class the year prior to a revaluation	Asset condition inspection strategy.
10	Report annually to Council on development and implementation of asset management strategy and plan and long-term financial plans.	Oversight of resource allocation and performance.

Ref no.	Improvement plan tasks	Priority	Suggested timeframe
1.	Asset management maturity		
1.1	Council is to achieve a core level of asset management.	High	2024
2.	Asset data and knowledge		
2.1	Clean asset data to ensure that asset condition is measured consistently across the various asset classes and sub classes.	High	2024
2.2	Review Asset Hierarchy and asset class and sub class categorisation of buildings, open space and other assets.	Medium	2025
2.3	Develop an asset condition inspection strategy that ensures all assets are inspected on a regular basis.	High	2024
2.4	Clearly identify maintenance and operational activities as part of a maintenance management system, and clearly identify capital works projects as renewal, expansion or new asset expenditure.	Medium	2025
2.5	Develop and implement asset lifecycle strategy and processes for operations, maintenance, renewal, development and disposal of assets.	Low	2026
3.	Asset knowledge processes		
3.1	Valuation methodology and assumptions must be fully documented and applied.	High	2024
3.2	Undertake an annual desktop review of asset valuations ensuring that there is an annual review of useful life of assets.	High	2024
3.3	Ensure that the asset data in the asset management system is the true record of Council's assets and is up to date.	High	2024
3.4	Adopt consistent reporting methodology across all asset classes informed by current asset data.	Medium	2025
4.	Strategic asset planning processes		
4.1	Determine the long-term expenditure requirements for Council's assets based on a sustainable asset approach and incorporate findings into the Council's LTFP.	High	2024
4.2	Review and readopt the Asset Management Policy to ensure that it is up to date and remains relevant.	Medium	2025
4.3	Ensure that all asset classes have up to date asset management plans.	High	2024
4.4	Revise Asset Management Plans to include: <ul style="list-style-type: none"> - refined level of service statements and clearly defined community and technical level of service targets - forward programs identifying forecasts for renewals, new assets, upgrades, maintenance, operations and depreciation expenditure - asset performance and utilisation measures with associated links to levels of service - identify critical assets for each asset class. 	Medium	2025
4.5	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.	Medium	2025
4.6	Review the Asset Management Strategy to ensure that it incorporates the most up to date and relevant information on each asset class.	Medium	2025
4.7	Integrate asset lifecycle planning and costing into the LTFP.	Medium	2025
5.	Operations and maintenance work practices		
5.1	Implement a maintenance management system for maintenance planning and ensure that operational and maintenance requirements are specified against asset performance and service level expectations for all asset classes.	Medium	2025
5.2	Identify critical assets and incorporate critical asset risk mitigation plans into Council's emergency response planning procedures.	Medium	2025

5.3	Ensure that all works are costed correctly to either operational, maintenance, renewal, or new asset expenditure.	High	2024
6.	Information systems		
6.1	Review needed for single source of truth asset register for councils assets, currently data for each asset class is stored separately and does not fully integrate with the Finance System.	High	2024
6.2	Develop an operational process to ensure that the asset register integrates with the maintenance system, financial system and the spatial system. Ensure that that these are reconciled and aligned on a regular basis.	Medium	2025
7.	Organisational context		
7.1	Implement a process for reporting on asset management progress and improvement plan status and create a process for annual reporting to senior management.	Medium	2025
7.2	Ensure that asset reporting in the financial statements is up to date and consistent across each asset class.	Medium	2025
7.3	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Review current asset management capacity and capability for all asset classes to ensure council can undertake strategic planning for all asset classes.	High	2024