

Resourcing Strategy

2025 - 2036



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



The artwork on this page was created by Gomeroi artist Tess Reading. Her artwork was selected through an expression of interest where Aboriginal artists with a connection to the Kamilaroi/Gomeroi Nation were asked to create an artistic element for inclusion in Council's corporate brand.

Ms Reading describes her work as depicting the land and communities that spread across the Tamworth Regional Council footprint. Elements of the artwork will start to appear on Council's letterheads, business cards, signage and uniforms in 2025.



ENGAGE WITH US

You can be actively involved in decision making for your region through the MyTRC Online Community, Council's online engagement platform <https://have.yoursay.tamworth.nsw.gov.au/>

CONTACTING US

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Visit Us

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- » Barraba Branch Office, 108 Queen Street, Barraba NSW 2340
- » Manilla Branch Office, 210 Manilla Street, Manilla NSW 2346
- » Nundle Branch Office, 58 Jenkins Street, Nundle NSW 2340



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OUR VISION

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

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

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

And we will achieve this with openness and accountability.



FOCUS AREA 1

OUR WATER SECURITY

"Deliver durable water infrastructure including raw water"



FOCUS AREA 2

A LIVEABLE BUILT ENVIRONMENT

"Facilitate smart growth and housing choices"



FOCUS AREA 3

PROSPERITY AND INNOVATION

"Create a Prosperous Region"



FOCUS AREA 4

RESILIENT AND DIVERSE COMMUNITIES

"Build resilient communities"



FOCUS AREA 5

CONNECT OUR REGION AND ITS CITIZENS



FOCUS AREA 6

WORKING WITH AND PROTECTING OUR ENVIRONMENT

"Design with Nature"



FOCUS AREA 7

CELEBRATE OUR CULTURES AND HERITAGE



FOCUS AREA 8

A STRONG AND VIBRANT IDENTITY

"Strengthen our proud identity"



FOCUS AREA 9

OPEN AND COLLABORATIVE LEADERSHIP



Our values

We endeavour to uphold our values in all that we do:

- one team
- accountability
- excellence
- wellbeing

Our mission

Tamworth Regional Council is committed to serving the community with:

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

Our promise

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

Sunset over Loomberah Road

PLANNING FOR OUR FUTURE

What is Integrated Planning & Reporting?

Legislated by the Local Government Act 1993, the Integrated Planning and Reporting (IP&R) Framework provides a structured approach for NSW Councils in developing and implementing a comprehensive suite of strategic planning and reporting documents.

Occupying the highest level of this framework is a plan owned by the community, known as the **Community Strategic Plan (CSP)**.

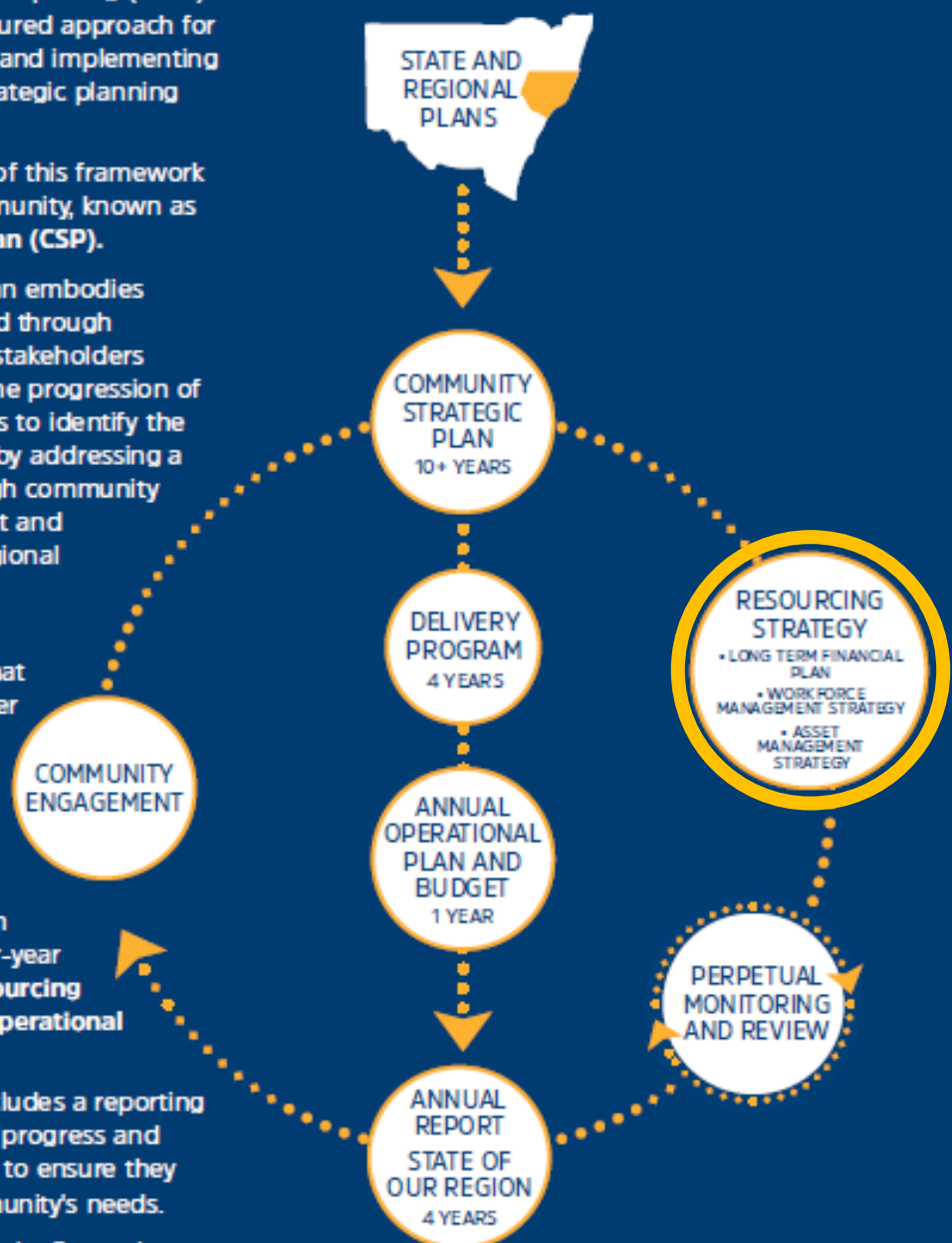
The Community Strategic Plan embodies a collective vision, formulated through collaborative efforts among stakeholders whose aspirations support the progression of our community. Its purpose is to identify the community's main priorities by addressing a broad range of issues through community and stakeholder engagement and alignment with state and regional planning priorities.

This process results in the development of strategies that will guide our community over the next 10 years.

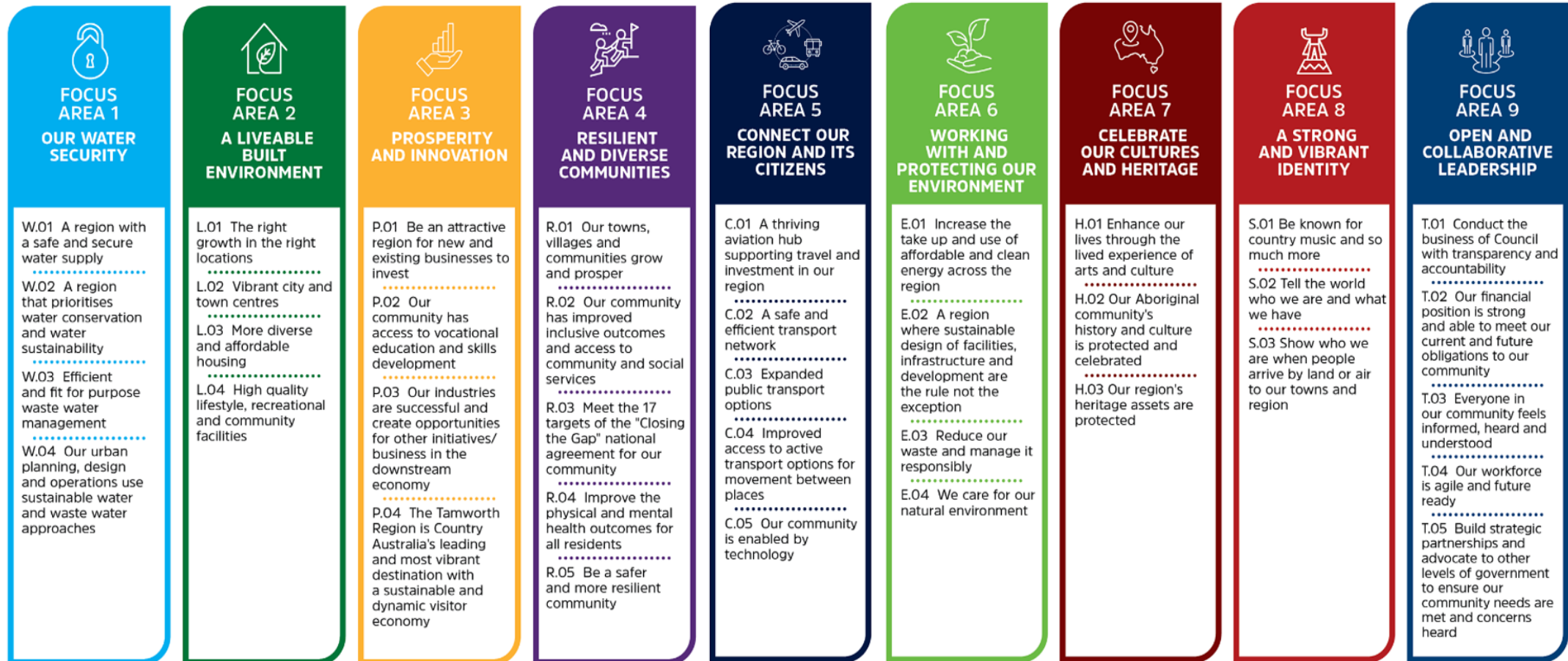
With this long-term vision established, Council is then able to translate the community's strategic goals into actionable plans through the implementation of a four-year **Delivery Program (DP)**, **Resourcing Strategy (RS)**, and **Annual Operational Plans (AOP / OP)**.

The IP&R framework also includes a reporting mechanism to communicate progress and a schedule for revising plans to ensure they continue to reflect the community's needs.

As custodians of the Community Strategic Plan, Council leads its development and implementation. However, achieving its vision requires collective efforts from the entire community.



Our Community Plan – Focus Areas and Priorities



Long Term Financial Plan 2025 - 2036

PART ONE



Introduction

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

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

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

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

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

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

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

Parameters and Principles

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

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

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

Financial Sustainability

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without incurring excessive debt or rate increases. A key indicator for this is the net operating result before capital grants and contributions which can be found in the final line of the Income Statement. This shows the degree to which operating revenues can cover commitments for operating costs and asset renewals. A focus on achieving a positive or surplus result will enable Council to adopt capital programs and asset management plans, sustainable organisational structures and annual budgets within a prudent long term financial framework. Longer term economic modelling is critical to the success of meeting the needs of the community it serves. Council has established the following financial objectives and strategies to ensure its continuing sustainability:

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

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

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

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

Measuring Financial Sustainability

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

Ratio	Calculation	What is Being Measured	Sustainable Target
Operating Performance Ratio (%)	Operating revenue (excluding capital income) less operating expenditure divided by operating revenue	The ability to contain operating expenditure within operating revenue	Greater than equal break even average (0%) over three years
Unrestricted Current Ratio (%)	Unrestricted current assets (excludes externally restricted assets) less unrestricted current liabilities	The ability to meet short term financial obligations such as loans, payroll and leave entitlements (measures liquidity)	> 1:1 Sustainable < 1:1 Unsustainable
Own Source Revenue Ratio (%)	Operating revenue (excluding capital grants and contributions) divided by operating revenue (inclusive of capital grants and contributions)	The degree of fiscal flexibility and the degree of reliance on external funding sources	Greater than 60% average over three years
Debt Service Ratio (%)	Loan interest and principal divided by operating revenue	The level of discretionary revenue required to repay the principal and interest on loans	Greater than 0% and less than or equal to 20% over three years
Debt Service Cover Ratio	Operating result before capital excluding interest and depreciation/impairment/amortisation divided by principal repayments and borrowing costs	The availability of operating cash to service debt including interest, principal and lease payments	Greater than or equal to two
Building and Infrastructure Renewal Ratio (%)	Asset renewal expenditure divided by depreciation compared to the estimated annualized rate of decline	The rate that assets are being renewed	Greater than 100% average over three years

Planning Scenarios

It is mentioned above that the Long-Term Financial Plan is a modelling tool as well as a guide for Council. By developing and applying different scenarios, Council and the community can understand the different implications of different scenarios over the longer-term. The Office of Local Government recommends that Council develop at least three scenarios – a planned scenario, a conservative scenario and an optimistic scenario.

Due to Council only being part way through an approved two-year Special Variation rating increase, only one scenario is being considered in this document. Council considered alternative scenarios as part of the special variation application process.

PLANNING ASSUMPTIONS COMMON TO ALL FUNDS

The tables in this section document four factors that apply to and are assumed for all Funds as follows:

- Key Factors
- Revenue Factors
- Expenditure Factors
- Internal Employee Costs and Overheads Factors

KEY FACTORS	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Inflation (CPI)	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest Rates (borrowings)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Interest Rates (investments)	4.75%	4.25%	4.25%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

REVENUE FACTORS	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Rate Peg (scenario 1)	15.0%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water Annual Charges	3.8%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water Consumption Charges	3.8%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Sewer Annual Charges	0.0%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Waste Annual Charges	3.8%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Waste User Charges (Gate Fees)	2.5%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Financial Assistance Grants - General	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Financial Assistant Grants - Roads	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Government Grants (misc.)	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Airport fees	3.8%	3.0%	3.0%	3.0%	2.5%	2.5%	2.50%	2.50%	2.50%	2.50%
Developer Contributions	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

EXPENDITURE FACTORS	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Electricity	2.50%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
General materials increase	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Plant and Fleet – internal charges	5.0%	3.0%	3.0%	3.0%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Telephone/ communication costs	2.50%	2.5%	2.5%	2.5%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Waste Collection Services (contract)	7.50%	7.50%	7.50%	7.50%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Insurance premiums	2.50%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

INTERNAL EMPLOYEE COSTS AND OVERHEADS FACTORS	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Wages (Industry Award increases)	4.0%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Training (% of total wages)	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Superannuation Contributions (% of total wages)	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Workers Compensation (% of total wages)	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

Consolidated Funds Planning Scenario

CURRENT FUNDS - PROJECTED BUDGET FORECAST

The Consolidated Fund is simply a compilation of the General, Water and Sewer Funds.

Individual planning scenarios for each of the funds are documented separately within this Long-Term Financial Plan in the following order:

- Consolidated Fund
- General Fund
- Water Fund
- Sewer Fund

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles. The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital income provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

These statements are produced for the Consolidated Fund and for each fund separately.

CONSOLIDATED INCOME STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
<i>Income from Continuing Operations</i>										
Rates & Annual Charges	101,683,423	104,520,568	107,462,931	110,464,700	113,219,553	116,043,175	118,937,286	121,905,371	124,945,826	128,093,556
User Charges & Fees	50,416,108	51,086,567	55,008,873	56,570,629	57,848,373	59,180,061	60,566,502	61,967,851	63,380,371	64,850,201
Other Revenue	8,050,310	9,999,883	10,770,858	11,349,054	11,629,531	11,917,019	12,211,695	12,513,737	12,823,330	13,140,664
Grants & Contributions - Operating Purposes	25,430,247	26,583,580	27,388,955	27,760,343	26,920,024	27,418,547	28,022,068	28,471,832	28,981,092	29,510,655
Grants & Contributions - Capital Purposes	41,901,069	29,032,184	7,898,372	12,993,173	7,231,187	7,375,810	7,523,324	7,673,794	7,827,272	7,983,819
Interest & Investment Revenue	9,155,809	9,021,402	9,285,595	9,669,582	9,702,841	9,829,512	9,959,442	11,054,555	12,535,464	13,876,177
Total Income from Continuing Operations	236,636,966	230,244,184	217,815,584	228,807,481	226,551,509	231,764,124	237,220,315	243,587,140	250,493,355	257,455,071
<i>Expenses from Continuing Operations</i>										
Employee Benefits & On-Costs	73,578,661	74,795,470	76,686,365	77,787,455	79,727,019	81,720,195	83,763,200	85,857,280	88,003,712	90,203,805
Borrowing Costs	3,631,309	6,185,035	6,646,906	6,158,965	5,716,911	5,304,321	4,945,961	4,699,637	4,387,494	4,046,106
Materials & Contracts	55,421,094	56,614,684	62,066,435	63,289,096	65,054,264	65,574,096	68,329,635	69,377,300	71,493,125	72,096,777
Depreciation & Amortisation	47,556,540	48,128,080	50,031,267	50,328,447	50,563,603	50,847,462	51,158,889	51,222,043	51,261,580	51,301,253
Other Expenses	3,331,365	3,262,702	3,381,898	3,506,721	3,594,633	3,685,277	3,778,749	3,875,147	3,974,576	4,077,026
Total Expenses from Continuing Operations	183,518,969	188,985,971	198,812,871	201,070,684	204,656,430	207,131,350	211,976,435	215,031,408	219,120,487	221,724,967
Operating Result from Continuing Operations	53,117,997	41,258,213	19,002,713	27,736,797	21,895,079	24,632,774	25,243,880	28,555,733	31,372,867	35,730,104
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	11,216,928	12,226,029	11,104,341	14,743,624	14,663,892	17,256,964	17,720,556	20,881,939	23,545,595	27,746,285

CONSOLIDATED BALANCE SHEET	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	4,058,090	4,130,074	4,101,516	4,372,452	4,551,817	4,716,690	5,333,565	6,093,130	6,882,055	7,670,679
Investments	153,885,662	156,533,701	154,338,442	165,257,373	172,676,911	180,296,173	203,952,642	233,021,553	263,097,863	293,194,805
Receivables	19,064,408	18,626,534	19,344,102	20,047,887	20,445,337	21,014,952	21,641,840	22,271,880	22,927,590	24,107,284
Inventories	21,090,615	21,209,608	21,468,915	21,551,023	21,590,681	21,665,138	21,751,637	21,853,110	21,905,619	21,983,219
Contract Assets	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000
Other	877,910	912,072	992,145	1,018,116	1,031,617	1,055,285	1,083,081	1,115,018	1,132,574	1,157,341
Non-current assets "held for sale"	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Current Assets	209,918,686	212,353,988	211,187,119	223,188,852	231,238,364	239,690,238	264,704,766	295,296,691	326,887,700	359,055,329
Non-Current Assets										
Investments	36,406,993	36,976,668	36,727,429	39,636,650	41,265,850	43,559,042	48,958,995	55,248,917	61,862,185	68,757,605
Receivables	606,626	648,101	674,120	697,803	715,156	732,942	751,173	769,871	789,024	808,873
Contract Assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Infrastructure, Property, Plant & Equipment	2,630,678,203	2,672,840,136	2,680,793,722	2,687,995,929	2,689,434,663	2,697,896,027	2,688,336,285	2,675,840,698	2,664,466,970	2,657,340,493
Investment Property	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000
Intangible Assets	2,979,000	2,979,000	2,979,000	2,979,000	2,979,000	2,979,000	2,979,000	2,979,000	2,979,000	2,979,000
Right of Use Assets	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000
Total Non-Current Assets	2,700,400,823	2,743,173,905	2,750,904,271	2,761,039,382	2,764,124,670	2,774,897,011	2,770,755,453	2,764,568,485	2,759,827,178	2,759,615,970
TOTAL ASSETS	2,910,319,508	2,955,527,893	2,962,091,390	2,984,228,234	2,995,363,034	3,014,587,249	3,035,460,219	3,059,865,176	3,086,714,878	3,118,671,299

CONSOLIDATED BALANCE SHEET (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
LIABILITIES										
Current Liabilities										
Payables	29,164,074	29,882,035	31,694,779	32,298,397	32,854,681	33,435,699	34,291,973	35,047,358	35,720,086	36,352,714
Contract Liabilities	18,647,503	15,621,022	9,804,851	11,108,440	9,099,917	9,269,476	9,470,922	9,626,638	9,800,605	9,981,074
Borrowings	11,158,512	11,049,812	11,336,272	10,215,221	7,069,461	6,342,180	5,978,731	6,290,104	5,985,496	5,834,662
Employee Benefit Provisions	12,326,244	12,460,766	12,598,652	12,717,538	12,839,397	12,964,303	13,092,331	13,223,560	13,358,070	13,495,942
Provisions	1,661,637	1,725,123	1,788,609	1,852,096	1,915,582	1,979,068	2,042,554	2,106,041	2,169,527	2,233,013
Total Current Liabilities	72,957,969	70,738,758	67,223,163	68,191,692	63,779,038	63,990,726	64,876,511	66,293,700	67,033,783	67,897,405
Non-Current Liabilities										
Lease Liabilities	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000
Borrowings	97,966,604	103,413,740	93,767,762	86,477,541	79,408,080	73,065,900	67,087,169	60,797,065	54,811,570	49,451,909
Employee Benefit Provisions	400,231	404,599	409,076	412,937	416,893	420,949	425,106	429,367	433,735	438,211
Provisions	18,789,151	19,507,030	20,224,909	20,942,787	21,660,666	22,378,545	23,096,424	23,814,302	24,532,181	25,250,060
Total Non-Current Liabilities	121,865,987	128,035,369	119,111,747	112,543,265	106,195,640	100,575,394	95,318,699	89,750,734	84,487,486	79,850,180
TOTAL LIABILITIES	194,823,956	198,774,127	186,334,910	180,734,957	169,974,678	164,566,120	160,195,210	156,044,434	151,521,269	147,747,585
NET ASSETS	2,715,495,553	2,756,753,766	2,775,756,479	2,803,493,276	2,825,388,356	2,850,021,129	2,875,265,009	2,903,820,742	2,935,193,609	2,970,923,714
EQUITY										
Retained Earnings	1,501,088,553	1,542,346,766	1,561,349,479	1,589,086,276	1,610,981,356	1,635,614,129	1,660,858,009	1,689,413,742	1,720,786,609	1,756,516,714
Revaluation Reserves	1,213,742,000	1,213,742,000	1,213,742,000	1,213,742,000	1,213,742,000	1,213,742,000	1,213,742,000	1,213,742,000	1,213,742,000	1,213,742,000
Council Equity Interest	2,714,830,553	2,756,088,766	2,775,091,479	2,802,828,276	2,824,723,356	2,849,356,129	2,874,600,009	2,903,155,742	2,934,528,609	2,970,258,714
Minority Equity Interest	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000
TOTAL EQUITY	2,715,495,553	2,756,753,766	2,775,756,479	2,803,493,276	2,825,388,356	2,850,021,129	2,875,265,009	2,903,820,742	2,935,193,609	2,970,923,714

CONSOLIDATED CASH FLOW STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	101,552,873	104,444,339	107,384,396	110,384,429	113,137,871	115,959,453	118,851,472	121,817,391	124,855,670	128,000,742
User Charges & Fees	50,361,312	51,013,576	54,479,859	56,345,086	57,661,670	58,985,855	60,364,676	61,763,525	63,174,011	64,635,848
Interest & Investment Revenue Received	9,060,041	8,982,584	9,238,033	9,521,290	9,639,805	9,688,129	9,775,996	10,874,048	12,337,062	13,645,643
Grants & Contributions	71,211,262	52,620,901	29,511,363	42,045,711	32,155,422	34,962,234	35,744,932	36,299,730	36,980,586	37,673,142
Other	7,749,127	9,844,940	10,753,906	11,200,932	11,630,911	11,850,540	12,141,990	12,444,490	12,752,731	13,067,485
Payments										
Employee Benefits & On- Costs	(73,371,465)	(74,630,436)	(76,488,021)	(77,629,164)	(79,542,935)	(81,531,509)	(83,569,797)	(85,659,042)	(87,800,518)	(89,995,531)
Materials & Contracts	(66,198,722)	(64,076,260)	(68,896,523)	(69,912,359)	(67,081,420)	(67,737,832)	(70,348,217)	(71,632,201)	(76,629,080)	(80,838,212)
Borrowing Costs	(2,742,027)	(5,385,993)	(5,887,666)	(5,396,725)	(4,961,236)	(4,543,719)	(4,183,645)	(3,936,356)	(3,625,124)	(3,282,742)
Other	(3,498,551)	(3,275,058)	(3,335,575)	(3,478,289)	(3,566,687)	(3,653,720)	(3,745,508)	(3,839,957)	(3,942,820)	(4,042,446)
Net Cash provided (or used in) Operating Activities	(73,371,465)	(74,630,436)	(76,488,021)	(77,629,164)	(79,542,935)	(81,531,509)	(83,569,797)	(85,659,042)	(87,800,518)	(89,995,531)
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	3,982,686	-	7,259,598	2,153,837	1,013,439	7,151,365	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	5,766,644	3,625,927	2,474,149	2,435,635	2,396,980	2,358,075	1,234,693	873,124	834,409	407,527
Payments:										
Purchase of Investment Securities	(5,338,365)	(3,217,713)	(4,815,100)	(15,981,989)	(10,062,176)	(17,063,819)	(29,056,422)	(35,358,832)	(36,689,578)	(36,992,362)
Purchase of Infrastructure, Property, Plant & Equipment	(139,671,494)	(86,028,311)	(52,347,461)	(53,006,185)	(52,027,058)	(59,190,717)	(40,251,114)	(36,907,624)	(35,168,320)	(35,504,972)
Net Cash provided (or used in) Investing Activities	(135,260,529)	(85,620,097)	(47,428,815)	(64,398,702)	(58,678,815)	(66,745,096)	(68,072,843)	(71,393,331)	(71,023,490)	(72,089,807)

CONSOLIDATED CASH FLOW STATEMENT (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	51,045,000	17,312,000	1,690,295	2,925,000	0	0	0	0	0	0
Payments:										
Repayment of Borrowings & Advances	(9,869,878)	(11,158,512)	(11,049,812)	(11,336,272)	(10,215,221)	(7,069,461)	(6,342,180)	(5,978,731)	(6,290,104)	(5,985,496)
Net Cash Flow provided (used in) Financing Activities	41,175,122	6,153,488	(9,359,517)	(8,411,272)	(10,215,221)	(7,069,461)	(6,342,180)	(5,978,731)	(6,290,104)	(5,985,496)
Net Increase/(Decrease) in Cash & Cash Equivalents	38,442	71,984	(28,559)	270,936	179,365	164,873	616,875	759,565	788,924	788,625
plus: Cash, Cash Equivalents & Investments - beginning of year	4,019,648	4,058,090	4,130,074	4,101,516	4,372,452	4,551,817	4,716,690	5,333,565	6,093,130	6,882,055
Cash & Cash Equivalents - end of the year	4,058,090	4,130,074	4,101,516	4,372,452	4,551,817	4,716,690	5,333,565	6,093,130	6,882,055	7,670,679
Investments - end of the year	190,292,655	193,510,368	191,065,871	204,894,024	213,942,761	223,855,215	252,911,638	288,270,469	324,960,048	361,952,410
Cash, Cash Equivalents & Investments - end of the year	194,350,745	197,640,443	195,167,387	209,266,476	218,494,578	228,571,905	258,245,203	294,363,600	331,842,102	369,623,089
Representing:										
- External Restrictions	177,832,293	182,771,069	181,287,842	190,992,013	197,503,120	204,219,532	228,946,019	260,083,267	291,992,386	323,837,824
- Internal Restrictions	7,561,247	8,308,737	11,850,433	14,445,677	18,660,987	21,320,684	25,565,796	29,733,473	34,724,124	39,935,943
- Unrestricted	8,957,206	6,560,636	2,029,112	3,828,786	2,330,471	3,031,689	3,733,389	4,546,860	5,125,592	5,849,323
TOTAL	194,350,745	197,640,443	195,167,387	209,266,476	218,494,578	228,571,905	258,245,203	294,363,600	331,842,102	369,623,089

General Fund Planning Scenarios

The General Fund scenario is based on an increase of 15% (inclusive of 3.8% Rate Peg) from 2025/2026. The 2024/2025 increase was the initial year of an approved Special Rate Variation, to be rolled out over 2 years, and was based on a rate rise of 18.5% (inclusive of 4.9% rate peg). For the three years from 2026/2027 to 2028/2029, an increase of 3% has been allowed, with a 2.5% increase for all years thereafter.

The results of this scenario can then be used as a base for the analysis of other potential scenarios.

SCENARIO – WHAT WE CAN DO NOW

Some of the key points of this scenario for the General Fund are as follows:

- asset expenditure is based on existing funding levels, the 2025-2029 Delivery Program and Asset Management Plans (planned expenditure only);
- the base year of 2024/2025 is from the 31 December 2024 Budget Review with 2025/2026 to 2034/2035 projections based on assumptions;
- existing services are maintained at current levels of service;
- in-built savings of \$1,600,000 are included to cater savings occurring from vacant positions as a result of timing differences between termination and recruitment of employees and for cumulative minor budget savings across the array of Divisions within Council
- budget projections allow for the full employment of all current Council staff positions and plant items;
- projected unrestricted cash results for General Fund are at a level sufficient to maintain an acceptable unrestricted cash balance.
- a conservative level of Developer Contribution works have been included to offset expected revenues from Developer Contributions Plans.
- very conservative level of population growth for the region.

Major Projects Scheduled

➤ SKYWALK

In 2025/26 construction of the Tamworth Regional Skywalk will continue with construction anticipated to be completed by mid-2026. The Skywalk is an elevated platform that will extend from the top of Brisbane Street through the natural bushland of Victoria Park up to the Oxley Scenic Lookout giving excellent views towards the Liverpool Ranges. Total construction cost is \$18 million with \$14.3 million coming from the NSW Governments Regional Tourism Activation Fund, the remaining \$3,700,000 is coming from Council.

➤ AQUATIC CENTRE

Included in the LTFP is the construction and operation of an indoor multi-activity aquatic hall, along with a sport and health hub to the west of the Tamworth Regional Hockey Centre on Jack Smyth Drive. Total construction cost is set at \$45 million. The facility will be constructed with the assistance of grant funds; \$9 million from the Federal Government Growing Regions Program Round 2 and \$15 million from the state's NSW Government Centre of Excellence scheme. Construction of the long-awaited facility will commence in the 2025/26 financial year and it is anticipated that the centre will be operational from the 2027/28 financial year. Along with casual recreational swimming the centre will provide programs for Learn to Swim as well as water exercise classes and a 24/7 commercial gym.

➤ ORGANIC RECYCLING FACILITY

NSW has a state wide mandate for Food Organics and Garden Organics (FOGO) recycling, to reduce food waste and stop food waste going to landfill. The NSW Parliament has passed legislation to mandate FOGO collection services for households by July 2030, and for businesses and institutions, in stages, from July 2026. Council currently undertakes source separation of Garden Organics (GO) and operates a modest Composting Facility at the Forest Road Landfill Site. In anticipation of this mandate coming in to effect, Council has developed an Organics Recycling Strategy for the processing of organic waste in the region. This strategy included investigating the development of a regional scale Organics Recycling Facility compared with options to improve the processing capability of the existing Composting Facility.

In July 2024, Council resolved to accept the organics recycling strategy and enter into a contract for Design and Construction of the facility at Gidley Appleby Road. Construction of this facility is scheduled to commence in 2025/26, subject to a target price being met and a Capital Expenditure Review approval. If approved the facility is expected to commence operating in 2027/2028. More accurate financial information will be able to be determined once construction details are finalised and as the facility gets closer to commencing operations.

➤ INFORMATION AND COMMUNICATION TECHNOLOGY PLAN

Council started developing the Technology Strategy (also known as Technology Blueprint) to provide clear direction and support Council to deliver against its community strategic vision as depicted in Blueprint100 and Community Strategic Plan, in particular around focus area 5 "Support the community through improved digital services that meet the community's need" and all aspects of focus area 9, in particular "Provide customer services that are proactive, available, helpful, and accessible to everyone in the region".

The implementation of this program is well underway and will continue for the next few years. Council is investing in excess of \$10m towards this program, by far the largest financial investment in technology at Tamworth Regional Council in 20 years. The ultimate objectives are to upgrade our IT infrastructure and introduce contemporary solutions and tools to enable various

functions in Council to effectively deliver services to the community who should ultimately reap the benefits in the form of better experience dealing with Council and quality services received. The other aspect of this program is to address the increasing cybersecurity and data breach incidents risk which will, if not mitigated, expose Council to huge financial and reputational risk, in addition to be in direct breach of relevant federal and state regulations.

Major Projects Unscheduled

In addition to projects captured in this plan, Tamworth Regional Council is currently considering several other major projects. The timing and instigation of these projects will need to be considered in conjunction with current undertakings outlined in this long-term financial plan as well as the future priorities set by the community. As more detailed financial information becomes available and suitable feasibility studies undertaken, each project will be presented to the community and council for endorsement. If formally adopted, projects will be incorporated into the Long-Term Financial Plan which is reviewed every year.

➤ RAY WALSH HOUSE

In 2022, Council's administrative headquarters, Ray Walsh House (RWH), was vacated due to the failure of the air conditioning system which was unable to be repaired or serviced due to the presence of friable asbestos. At the time of writing, an expressions of interest process is underway to help inform options for the site. This Long-Term Financial Plan contains no costing scenario's for possible options for RWH.

➤ TAMWORTH GLOBAL GATEWAY PARK

Council has been developing a 246 hectare landholding on the outskirts of the western side of the city of Tamworth, bounded by the Oxley Highway, Goddard Lane, Goonan and Marathon Street. To date gross income from Phase 1 land sales exceeds \$15.8 million. With only 5 remaining lots available for sale, work needs to commence on the development of Phase 2. A Business Case Study is being prepared, which will outline forecast development costs and estimated sales proceeds. In the LTFP, income streams have been matched to loan repayments, noting that the timing of income streams cannot be reliably determined.

GENERAL FUND - PROJECTED BUDGET FORECAST

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles. The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital income provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

The General Fund result is in surplus for all financial years. This is primarily due to increased rates and annual charges on the Special Rates Variation, approved from 2024/2025 financial year, which now provides a sustainable financial result.

GENERAL FUND INCOME STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
<i>Income from Continuing Operations</i>										
Rates & Annual Charges	71,162,183	73,294,457	75,515,014	77,777,623	79,715,299	81,701,315	83,736,879	85,824,954	87,963,398	90,186,568
User Charges & Fees	30,575,675	31,490,220	34,877,163	35,888,152	36,648,834	37,450,533	38,293,736	39,138,267	39,980,046	40,864,868
Other Revenue	7,955,448	9,902,225	10,670,320	11,245,553	11,523,442	11,808,278	12,100,235	12,399,491	12,706,229	13,020,634
Grants & Contributions - Operating Purposes	25,061,747	26,205,785	27,001,622	27,363,221	26,512,974	27,001,321	27,594,411	28,033,484	28,531,785	29,050,115
Grants & Contributions - Capital Purposes	36,195,569	25,130,174	3,897,514	8,891,074	3,025,398	3,085,906	3,147,622	3,210,577	3,274,790	3,340,286
Interest & Investment Revenue	3,566,046	3,366,674	3,451,245	3,584,313	3,648,621	3,770,871	3,900,204	4,036,944	4,481,431	4,872,741
Total Income from Continuing Operations	174,516,668	169,389,535	155,412,878	164,749,936	161,074,568	164,818,225	168,773,087	172,643,717	176,937,679	181,335,212
<i>Expenses from Continuing Operations</i>										
Employee Benefits & On-Costs	66,694,054	67,778,017	69,493,484	70,414,744	72,169,990	73,974,240	75,823,596	77,719,186	79,662,166	81,653,720
Borrowing Costs	2,184,959	4,982,903	5,729,893	5,528,252	5,387,001	5,078,231	4,774,219	4,479,380	4,182,468	3,897,044
Materials & Contracts	29,919,461	31,848,345	36,256,129	37,961,583	38,162,456	39,016,089	40,086,431	41,429,276	41,820,022	42,678,417
Depreciation & Amortisation	33,200,558	33,665,486	35,513,083	35,606,109	35,679,409	35,803,577	35,857,865	35,897,269	35,936,806	35,976,479
Other Expenses	2,744,487	2,631,908	2,703,898	2,777,975	2,850,026	2,924,017	3,000,005	3,078,047	3,158,202	3,240,445
Total Expenses from Continuing Operations	134,743,519	140,906,659	149,696,487	152,288,663	154,248,882	156,796,155	159,542,117	162,603,158	164,759,664	167,446,105
Operating Result from Continuing Operations	39,773,149	28,482,876	5,716,391	12,461,273	6,825,686	8,022,070	9,230,970	10,040,558	12,178,015	13,889,107
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	3,577,580	3,352,702	1,818,877	3,570,199	3,800,288	4,936,164	6,083,348	6,829,981	8,903,225	10,548,821

GENERAL FUND BALANCE SHEET	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	1,296,212	1,311,428	1,326,512	1,459,176	1,506,001	1,631,456	1,806,210	1,977,871	2,168,605	2,394,080
Investments	45,434,505	45,967,848	46,496,568	51,146,671	52,787,984	57,185,408	63,310,824	69,327,843	76,013,422	83,916,716
Receivables	12,456,067	12,836,511	13,404,813	13,955,275	14,200,409	14,614,031	15,081,029	15,547,186	16,034,916	16,567,434
Inventories	21,090,615	21,209,608	21,468,915	21,551,023	21,590,681	21,665,138	21,751,637	21,853,110	21,905,619	21,983,219
Contract Assets	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000	10,892,000
Other	873,281	907,603	987,428	1,013,517	1,026,692	1,050,458	1,077,909	1,109,937	1,127,140	1,151,991
Non-current assets "held for sale"	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Current Assets	92,092,680	93,174,998	94,626,235	100,067,661	102,053,767	107,088,491	113,969,609	120,757,946	128,191,702	136,955,440
Non-Current Assets										
Investments	18,079,877	18,292,112	18,502,507	20,352,935	21,006,067	22,755,946	25,193,450	27,587,819	30,248,229	33,393,209
Receivables	606,626	648,101	674,120	697,803	715,156	732,942	751,173	769,871	789,023	808,873
Infrastructure, Property, Plant & Equipment	1,917,917,967	1,954,032,494	1,950,038,264	1,954,318,017	1,950,984,097	1,947,284,268	1,943,190,876	1,940,446,345	1,938,410,467	1,937,039,587
Investment Property	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000	25,155,000
Intangible Assets	294,000	294,000	294,000	294,000	294,000	294,000	294,000	294,000	294,000	294,000
Right of Use Assets	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000	4,570,000
Total Non-Current Assets	1,966,623,471	2,002,991,707	1,999,233,890	2,005,387,755	2,002,724,320	2,000,792,156	1,999,154,498	1,998,823,034	1,999,466,719	2,001,260,668
TOTAL ASSETS	2,058,716,151	2,096,166,705	2,093,860,125	2,105,455,416	2,104,778,088	2,107,880,647	2,113,124,108	2,119,580,980	2,127,658,421	2,138,216,108

GENERAL FUND BALANCE SHEET (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
LIABILITIES										
Current Liabilities										
Payables	26,748,657	27,548,966	29,263,679	29,927,800	30,345,354	30,971,382	31,674,983	32,472,252	32,988,891	33,659,496
Contract Liabilities	18,377,195	15,400,788	9,578,732	10,876,289	8,861,512	9,026,168	9,222,610	9,373,218	9,541,973	9,717,120
Borrowings	7,088,480	6,529,650	6,656,772	6,812,972	6,620,521	5,801,102	5,448,418	5,706,210	5,100,887	4,685,170
Employee Benefit Provisions	12,326,244	12,460,766	12,598,652	12,717,538	12,839,397	12,964,303	13,092,331	13,223,560	13,358,070	13,495,942
Provisions	1,661,637	1,725,123	1,788,609	1,852,096	1,915,582	1,979,068	2,042,554	2,106,041	2,169,527	2,233,013
Total Current Liabilities	66,202,211	63,665,293	59,886,444	62,186,694	60,582,366	60,742,023	61,480,896	62,881,281	63,159,347	63,790,741
Non-Current Liabilities										
Lease Liabilities	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000	4,710,000
Borrowings	77,777,794	88,560,144	83,593,666	79,705,694	73,085,173	67,284,071	61,835,653	56,129,443	51,028,556	46,343,387
Employee Benefit Provisions	400,231	404,599	409,076	412,937	416,893	420,949	425,106	429,367	433,735	438,211
Provisions	18,789,151	19,507,030	20,224,909	20,942,787	21,660,666	22,378,545	23,096,424	23,814,302	24,532,181	25,250,060
Total Non-Current Liabilities	101,677,177	113,181,773	108,937,651	105,771,418	99,872,733	94,793,565	90,067,183	85,083,112	80,704,472	76,741,658
TOTAL LIABILITIES	167,879,388	176,847,066	168,824,095	167,958,112	160,455,099	155,535,588	151,548,079	147,964,393	143,863,819	140,532,399
NET ASSETS	1,890,836,763	1,919,319,639	1,925,036,030	1,937,497,303	1,944,322,989	1,952,345,059	1,961,576,029	1,971,616,587	1,983,794,602	1,997,683,709
EQUITY										
Retained Earnings	1,047,192,763	1,075,675,639	1,081,392,030	1,093,853,303	1,100,678,989	1,108,701,059	1,117,932,029	1,127,972,587	1,140,150,602	1,154,039,709
Revaluation Reserves	842,979,000	842,979,000	842,979,000	842,979,000	842,979,000	842,979,000	842,979,000	842,979,000	842,979,000	842,979,000
Council Equity Interest	1,890,171,763	1,918,654,639	1,924,371,030	1,936,832,303	1,943,657,989	1,951,680,059	1,960,911,029	1,970,951,587	1,983,129,602	1,997,018,709
Minority Equity Interest	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000
TOTAL EQUITY	1,890,836,763	1,919,319,639	1,925,036,030	1,937,497,303	1,944,322,989	1,952,345,059	1,961,576,029	1,971,616,587	1,983,794,602	1,997,683,709

GENERAL FUND CASH FLOW STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	71,052,491	73,266,908	75,486,325	77,748,390	79,690,264	81,675,656	83,710,580	85,797,977	87,935,770	90,157,845
User Charges & Fees	30,840,558	31,372,378	34,440,744	35,757,883	36,550,817	37,347,232	38,185,086	39,029,446	39,871,580	40,750,856
Interest & Investment Revenue Received	3,474,308	3,331,354	3,407,286	3,439,732	3,588,767	3,632,750	3,720,102	3,859,864	4,286,543	4,645,807
Grants & Contributions	65,087,013	48,379,395	25,117,954	37,541,141	27,537,027	30,250,785	30,937,165	31,393,665	31,974,204	32,564,382
Other	7,660,457	9,748,463	10,655,924	11,100,048	11,527,924	11,744,978	12,033,789	12,333,584	12,639,053	12,950,965
Payments										
Employee Benefits & On- Costs	(66,486,858)	(67,612,983)	(69,295,140)	(70,256,453)	(71,985,906)	(73,785,554)	(75,630,193)	(77,520,948)	(79,458,972)	(81,445,446)
Materials & Contracts	(37,708,165)	(36,146,135)	(40,053,184)	(41,998,638)	(39,859,304)	(40,650,044)	(41,760,865)	(43,133,547)	(46,590,503)	(50,847,346)
Borrowing Costs	(1,283,056)	(4,172,058)	(4,958,982)	(4,754,464)	(4,621,217)	(4,311,947)	(4,005,807)	(3,710,051)	(3,413,809)	(3,127,871)
Other	(2,911,673)	(2,644,264)	(2,657,575)	(2,749,543)	(2,822,080)	(2,892,461)	(2,966,765)	(3,042,857)	(3,126,446)	(3,205,866)
Net Cash provided (or used in) Operating Activities	69,725,074	55,523,058	32,143,353	45,828,097	39,606,294	43,011,396	44,223,093	45,007,134	44,117,420	42,443,326
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	3,982,686	0	0	0	0	0	0	0	0	0
Sale of Infrastructure, Property, Plant & Equipment	5,766,644	3,625,927	2,474,149	2,435,635	2,396,980	2,358,075	1,234,693	873,124	834,409	407,527
Payments:										
Purchase of Investment Securities	-	(745,577)	(739,115)	(6,500,531)	(2,294,445)	(6,147,303)	(8,562,920)	(8,411,389)	(9,345,989)	(11,048,274)
Purchase of Infrastructure, Property, Plant & Equipment	(125,201,920)	(68,611,713)	(29,023,948)	(37,898,764)	(32,849,031)	(32,476,192)	(30,919,011)	(31,848,790)	(29,708,895)	(26,476,217)
Net Cash provided (or used in) Investing Activities	(115,452,590)	(65,731,363)	(27,288,914)	(41,963,660)	(32,746,496)	(36,265,420)	(38,247,238)	(39,387,055)	(38,220,475)	(37,116,964)

GENERAL FUND CASH FLOW STATEMENT (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	54,305,208	18,127,052	1,690,295	2,925,000	0	0	0	0	0	0
Payments:										
Repayment of Borrowings & Advances	(8,658,971)	(7,903,532)	(6,529,650)	(6,656,772)	(6,812,972)	(6,620,521)	(5,801,102)	(5,448,418)	(5,706,210)	(5,100,887)
Net Cash Flow provided (used in) Financing Activities	45,646,237	10,223,520	(4,839,355)	(3,731,772)	(6,812,972)	(6,620,521)	(5,801,102)	(5,448,418)	(5,706,210)	(5,100,887)
Net Increase/(Decrease) in Cash & Cash Equivalents	(81,279)	15,216	15,084	132,664	46,825	125,455	174,753	171,661	190,734	225,475
plus: Cash, Cash Equivalents & Investments - beginning of year	1,377,491	1,296,212	1,311,428	1,326,512	1,459,176	1,506,001	1,631,456	1,806,210	1,977,871	2,168,605
Cash & Cash Equivalents - end of the year	1,296,212	1,311,428	1,326,512	1,459,176	1,506,001	1,631,456	1,806,210	1,977,871	2,168,605	2,394,080
Investments - end of the year	63,514,383	64,259,960	64,999,075	71,499,606	73,794,051	79,941,354	88,504,273	96,915,662	106,261,651	117,309,925
Cash, Cash Equivalents & Investments - end of the year	64,810,595	65,571,387	66,325,586	72,958,782	75,300,052	81,572,810	90,310,483	98,893,533	108,430,256	119,704,005
Representing:										
- External Restrictions	48,292,142	50,702,014	52,446,041	54,684,319	54,308,594	57,220,437	61,011,299	64,613,199	68,580,540	73,918,739
- Internal Restrictions	7,561,247	8,308,737	11,850,433	14,445,677	18,660,987	21,320,684	25,565,796	29,733,473	34,724,124	39,935,943
- Unrestricted	8,957,206	6,560,636	2,029,112	3,828,786	2,330,471	3,031,689	3,733,389	4,546,860	5,125,592	5,849,323
TOTAL	64,810,595	65,571,387	66,325,586	72,958,782	75,300,052	81,572,810	90,310,483	98,893,533	108,430,256	119,704,005

SENSITIVITY ANALYSIS AND RISK ASSESSMENT – GENERAL FUND

An important component of modelling is being able to understand which factors in the model are the most sensitive to variance. By testing different variables in the LTFP, Council and the community can understand what the financial impact might be if the variables change. The variables tested in the sensitivity analysis are based on the planning assumptions.

Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

FACTORS

<i>Interest Rates</i>	<p>Estimates of interest rates are used to calculate the cost of new loans and the revenue from cash investments. There are many factors that impact on the rates for both borrowers and lenders.</p> <p>Council's General Fund borrowings are forecast to increase from \$39 million in 2024/2025 to \$95 million in 2026/2027. As most existing loans are generally fixed for at least five years these loans are protected, in the short to medium term, from any rate increases.</p> <p>Based on estimated cash held at the beginning of financial year 2025/2026, a 1% decrease in investment interest rates would indicate an unfavourable effect to income in the order of \$680,000.</p>
<i>Employee Costs</i>	<p>Employee costs are one of the major components of Council's operational costs and total an estimated \$67m for the 2025/2026 financial year. A 1% increase in wages would result in an increase of \$667k in total wage costs. The type of expenditure includes workers compensation which continues to increase annually. Recent changes to workers compensation calculation formula have negated savings made in this area.</p>
<i>Materials & Contracts</i>	<p>Operational Materials & Contracts are estimated to be \$30m in the 2025/2026 financial year. Increases to this expenditure type generally approximates the inflation rate, except for items such as electricity/insurance which historically have tended to increased greater than the underlying inflation rate.</p> <p>A 1% increase/decrease to materials & contracts would equate to \$300,000.</p>
<i>Workforce Levels</i>	<p>Workforce levels have been assumed to remain the same over the next 10 years. At any point in time there will be outstanding leave entitlements owed to the employees of Tamworth Regional Council. These future entitlements to employee leave create a liability for Council that needs to be met at some point of time in the future. Council does not maintain cash reserves to fully extinguish the leave liabilities because, as a going concern, Council does not expect to pay these liabilities in full at any one point in time. However, given the size of the liability and the potential for large payments on termination or resignation of employees, it is prudent to have an appropriate level of cash reserves to meet future employee leave liabilities. Council has strategies to proactively manage leave taken in service to reduce the accumulation of future leave liabilities.</p>
<i>Operational Costs and Revenues - General</i>	<p>While most of Council's operating costs and revenue streams are reasonably predictable and controllable, there are a number of areas which are subject to uncertain external factors such as; airport, sporting and entertainment facilities and funding from other levels of government.</p> <p>Any significant decreases to the net operating result, reduces the ability to fund asset renewals. Council needs to ensure the ongoing net costs of any new assets or</p>

facilities are fully considered before approving them, even where the asset is provided at no cost. This was one of the objectives of the Integrated Planning and Reporting Framework reforms, especially the requirement to consider assets on a 'whole of life basis' from acquisition to disposal.

Rate-Pegging

Councils are currently limited by rate-pegging legislation when determining income from rates. Increases outside this limit require approval through a special rate variation process to the Independent Pricing and Regulatory Tribunal (IPART). While IPART is generally receptive of genuine cases for rate variations, it is a difficult decision for council to make, a difficult assignment to undertake, and difficult for the public to understand, accept and show support for an increase. To maintain existing service levels within rate pegging limits, Council will have limited capacity to absorb any increased operational costs, unfavourable budget results or additional commitments.

Cost Shifting

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

Payments from Other Levels of Government

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

International Flight Training Tamworth

The International Flight Training Tamworth (IFTT) is now tenanted and student numbers are anticipated to increase annually. Work is being undertaken to ensure that the facility is operating at fully capacity. Council is availing itself of opportunities to source grant funds for future improvements at the site. The LTFP is forecasting that the IFTT will be contributing positively to General Fund by 2028/29.

Water Fund Planning Scenarios

The Water Fund scenario is based on a 3.8% increase for 2025/2026 to annual charges and consumption revenue and 3% for years 2026/2027 to 2028/2029 and 2.5% thereafter.

SCENARIO – WHAT WE CAN DO NOW

Some of the key points of this scenario for the Water Fund are as follows:

- asset expenditure is based on the existing 20 Year Capital Works Program, the 2025/2029 Delivery Program and Asset Management Plans (planned expenditure only);
- the base year of 2024/2025 is from the 31 December 2024 Budget Review with 2025/2026 to 2034/2035 projections based on assumptions;
- existing services are maintained at current levels of service;
- budget projections allow for the full employment of all current Council staff positions and plant items;
- projected unrestricted cash results for Water Fund are at a level sufficient to maintain an acceptable unrestricted cash balance.
- Developer Contribution works have been included for new works relating to rate base growth.
- a very conservative level of rate base growth as the region continues to provide attractive facilities and opportunities for residents and businesses alike.

WATER FUND - PROJECTED BUDGET FORECAST

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles. The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital income provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

The Water Fund has a negative net operating result before capital income result for the first eight years of the model but moves into a slight surplus from 2033/2034. This indicates that insufficient funds are being generated for asset renewal.

Further review is required of operating income and expenditure to ascertain whether charges will need to be raised in future years, to ensure that asset are being maintained in satisfactory condition.

The more sizeable deficits in 2025/2026 and 2026/2027 are due to significant non-recurrent operating expenditure for a Water Safety & Consequence Review.

It is important note that actual operating results in this fund can be affected by the impact of climatic conditions and dam levels on water consumption income estimates.

WATER FUND INCOME STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
<i>Income from Continuing Operations</i>										
Rates & Annual Charges	9,420,694	9,703,556	9,994,909	10,295,008	10,552,383	10,816,193	11,086,598	11,363,763	11,647,857	11,939,053
User Charges & Fees	15,577,302	15,252,615	15,705,707	16,172,500	16,576,813	16,991,233	17,416,014	17,851,414	18,297,699	18,755,142
Other Revenue	1,462	1,506	1,552	1,598	1,638	1,679	1,721	1,764	1,808	1,853
Grants & Contributions - Operating Purposes	192,500	198,275	204,223	210,350	215,609	220,999	226,524	232,187	237,992	243,942
Grants & Contributions - Capital Purposes	4,702,500	2,868,750	2,936,529	3,005,872	3,076,813	3,138,349	3,201,116	3,265,139	3,330,441	3,397,051
Interest & Investment Revenue	1,603,540	1,675,223	1,777,803	1,947,085	1,764,847	1,702,020	1,344,106	1,549,760	1,808,544	1,976,248
Total Income from Continuing Operations	31,497,998	29,699,925	30,620,723	31,632,413	32,188,102	32,870,472	33,276,078	34,264,026	35,324,341	36,313,288
<i>Expenses from Continuing Operations</i>										
Employee Benefits & On-Costs	3,891,607	3,949,624	4,048,362	4,149,572	4,253,312	4,359,644	4,468,635	4,580,351	4,694,860	4,812,232
Borrowing Costs	702,501	629,241	542,535	479,186	416,619	361,592	268,529	278,329	224,383	149,062
Materials & Contracts	15,814,533	15,924,561	15,768,028	16,070,613	16,390,890	16,805,987	17,232,766	17,671,607	18,122,896	18,586,292
Depreciation & Amortisation	7,667,835	7,695,742	7,717,743	7,725,531	7,823,787	7,897,387	8,066,713	8,081,766	8,081,766	8,081,766
Total Expenses from Continuing Operations	332,322	357,145	383,827	412,510	412,559	412,609	412,661	412,713	412,767	412,794
Operating Result from Continuing Operations	28,408,798	28,556,313	28,460,495	28,837,412	29,297,166	29,837,219	30,449,304	31,024,767	31,536,673	32,042,146
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	3,089,200	1,143,612	2,160,228	2,795,001	2,890,936	3,033,253	2,826,774	3,239,260	3,787,668	4,271,142

WATER FUND BALANCE SHEET	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	855,376	886,328	990,840	935,613	909,628	726,259	843,306	1,029,291	1,226,063	1,391,088
Investments	28,534,240	29,566,728	33,053,127	31,210,840	30,343,994	24,227,066	28,131,569	34,335,811	40,899,860	46,404,872
Receivables	3,556,789	3,509,535	3,613,922	3,721,457	3,814,466	3,909,727	4,007,368	4,107,447	4,210,027	4,315,169
Other	2,445	2,466	2,446	2,496	2,545	2,608	2,672	2,739	2,807	2,877
Total Current Assets	32,948,851	33,965,057	37,660,335	35,870,407	35,070,633	28,865,661	32,984,914	39,475,288	46,338,757	52,114,006
Non-Current Assets										
Investments	4,825,443	5,000,047	5,589,634	5,278,084	5,131,491	4,097,054	4,757,347	5,806,550	6,916,600	7,847,556
Infrastructure, Property, Plant & Equipment	365,404,310	363,708,568	360,067,825	363,587,086	365,983,503	375,021,034	371,741,535	366,126,292	360,572,712	356,878,202
Intangible Assets	1,296,000	1,296,000	1,296,000	1,296,000	1,296,000	1,296,000	1,296,000	1,296,000	1,296,000	1,296,000
Total Non-Current Assets	371,525,753	370,004,615	366,953,459	370,161,170	372,410,994	380,414,088	377,794,882	373,228,842	368,785,312	366,021,758
TOTAL ASSETS	404,474,604	403,969,672	404,613,794	406,031,578	407,481,627	409,279,749	410,779,796	412,704,130	415,124,069	418,135,764

WATER FUND BALANCE SHEET (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
LIABILITIES										
Current Liabilities										
Payables	1,398,910	1,402,307	1,385,369	1,405,074	1,423,639	1,450,534	1,477,931	1,506,323	1,535,451	1,566,008
Contract Liabilities	143,796	90,097	92,263	94,480	96,718	98,684	100,690	102,737	104,826	106,958
Borrowings	1,598,242	1,501,333	1,399,140	1,461,690	1,263,992	1,356,130	1,345,365	1,398,946	1,292,135	1,149,492
Total Current Liabilities	3,140,948	2,993,737	2,876,771	2,961,244	2,784,349	2,905,348	2,923,986	3,008,006	2,932,413	2,822,457
Non-Current Liabilities										
Borrowings	15,276,745	13,775,412	12,376,272	10,914,582	9,650,590	8,294,460	6,949,095	5,550,149	4,258,014	3,108,522
Total Non-Current Liabilities	15,276,745	13,775,412	12,376,272	10,914,582	9,650,590	8,294,460	6,949,095	5,550,149	4,258,014	3,108,522
TOTAL LIABILITIES	18,417,693	16,769,149	15,253,043	13,875,826	12,434,939	11,199,808	9,873,081	8,558,155	7,190,427	5,930,979
NET ASSETS	386,056,911	387,200,523	389,360,751	392,155,752	395,046,688	398,079,941	400,906,715	404,145,975	407,933,643	412,204,785
EQUITY										
Retained Earnings	191,530,911	192,674,523	194,834,751	197,629,752	200,520,688	203,553,941	206,380,715	209,619,975	213,407,643	217,678,785
Revaluation Reserves	194,526,000	194,526,000	194,526,000	194,526,000	194,526,000	194,526,000	194,526,000	194,526,000	194,526,000	194,526,000
TOTAL EQUITY	386,056,911	387,200,523	389,360,751	392,155,752	395,046,688	398,079,941	400,906,715	404,145,975	407,933,643	412,204,785

WATER FUND CASH FLOW STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	9,398,769	9,684,524	9,975,306	10,274,816	10,535,066	10,798,443	11,068,404	11,345,114	11,628,742	11,919,460
User Charges & Fees	15,279,442	15,309,885	15,625,788	16,090,164	16,505,498	16,918,135	17,341,088	17,774,616	18,218,981	18,674,456
Interest & Investment Revenue Received	1,599,511	1,671,725	1,774,200	1,943,374	1,761,664	1,698,758	1,340,762	1,546,333	1,805,031	1,972,647
Grants & Contributions	4,947,312	3,025,282	3,142,436	3,217,945	3,294,162	3,360,876	3,429,199	3,498,917	3,570,057	3,642,649
Other	(1,444)	2,065	772	795	942	966	990	1,015	1,040	1,066
Payments										
Employee Benefits & On- Costs	(3,891,607)	(3,949,624)	(4,048,362)	(4,149,572)	(4,253,312)	(4,359,644)	(4,468,635)	(4,580,351)	(4,694,860)	(4,812,232)
Materials & Contracts	(17,858,525)	(17,943,325)	(17,845,522)	(17,494,668)	(16,365,802)	(16,773,473)	(17,199,337)	(17,637,233)	(18,087,548)	(18,549,997)
Borrowing Costs	(710,776)	(636,426)	(549,284)	(485,476)	(423,190)	(367,274)	(274,625)	(284,377)	(230,672)	(154,871)
Other	(332,322)	(357,145)	(383,827)	(412,510)	(412,559)	(412,609)	(412,661)	(412,713)	(412,767)	(412,794)
Net Cash provided (or used in) Operating Activities	8,430,360	6,806,961	7,691,507	8,984,869	10,642,469	10,864,177	10,825,185	11,251,319	11,798,003	12,280,384
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	0	0	0	2,153,837	1,013,439	7,151,365	0	0	0	0
Payments:										
Purchase of Investment Securities	(2,059,130)	(1,207,093)	(4,075,985)	-	-	-	(4,564,795)	(7,253,445)	(7,674,100)	(6,435,968)
Purchase of Infrastructure, Property, Plant & Equipment	(4,477,778)	(3,970,675)	(2,009,676)	(9,794,792)	(10,220,204)	(16,934,918)	(4,787,214)	(2,466,523)	(2,528,186)	(4,387,256)
Net Cash provided (or used in) Investing Activities	(6,536,908)	(5,177,768)	(6,085,661)	(7,640,955)	(9,206,765)	(9,783,553)	(9,352,009)	(9,719,968)	(10,202,286)	(10,823,224)

WATER FUND CASH FLOW STATEMENT (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings & Advances	(1,840,654)	(1,598,242)	(1,501,333)	(1,399,140)	(1,461,690)	(1,263,992)	(1,356,130)	(1,345,365)	(1,398,946)	(1,292,135)
Net Cash Flow provided (used in) Financing Activities	(1,840,654)	(1,598,242)	(1,501,333)	(1,399,140)	(1,461,690)	(1,263,992)	(1,356,130)	(1,345,365)	(1,398,946)	(1,292,135)
Net Increase/(Decrease) in Cash & Cash Equivalents	52,798	30,951	104,512	(55,227)	(25,986)	(183,368)	117,046	185,986	196,772	165,025
plus: Cash, Cash Equivalents & Investments - beginning of year	802,578	855,376	886,328	990,840	935,613	909,628	726,259	843,306	1,029,291	1,226,063
Cash & Cash Equivalents - end of the year	855,376	886,328	990,840	935,613	909,628	726,259	843,306	1,029,291	1,226,063	1,391,088
Investments - end of the year	33,359,683	34,566,776	38,642,761	36,488,924	35,475,485	28,324,120	32,888,915	40,142,361	47,816,460	54,252,428
Cash, Cash Equivalents & Investments - end of the year	34,215,059	35,453,103	39,633,601	37,424,538	36,385,113	29,050,380	33,732,221	41,171,652	49,042,523	55,643,516
Representing:										
- External Restrictions	20,533,886	22,874,750	26,782,880	23,831,657	22,190,907	13,171,213	15,738,943	19,633,098	23,748,321	28,094,763
- Internal Restrictions	12,963,050	11,648,050	11,671,050	12,196,050	12,446,133	13,756,352	15,528,831	18,662,308	22,034,122	23,946,866
- Unrestricted	718,123	930,303	1,179,671	1,396,831	1,748,073	2,122,815	2,464,447	2,876,246	3,260,080	3,601,887
TOTAL	34,215,059	35,453,103	39,633,601	37,424,538	36,385,113	29,050,380	33,732,221	41,171,652	49,042,523	55,643,516

SENSITIVITY ANALYSIS AND RISK ASSESSMENT – WATER FUND

An important component of modelling is being able to understand which factors in the model are the most sensitive to variance. By testing different variables in the LTFP, Council and the community can understand what the financial impact might be if the variables change. The variables tested in the sensitivity analysis are based on the planning assumptions.

Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

FACTORS

Chaffey Dam and Dungowan Dam	<p>The Department of Climate Change, recently announced, via government gazette, the handover of a pipeline linking Chaffey Dam to Dungowan Dam. Vesting orders have not been received for the pipeline as yet, delaying commissioning and the amount to be capitalised. Any future entries for estimated depreciation or operational costs have not been included in this model. Financial transactions will be included in future Long-Term Financial Plan iterations, when final information relating to the handover is received.</p> <p>Capitalised value is expected to be in the order of \$30m-\$50m.</p>
Water User Charges /Consumption Income	<p>Based on the 2025/2026 financial year, water user charges and fees, predominately from water consumption, equate to approximately 60% of total income before capital.</p> <p>These figures can be significantly impacted by climatic conditions and dam levels.</p> <p>Total estimated income from water user charges is approximately \$16m. A fluctuation of 10% to this figure equates to \$1.6m, which can have similar affects to operating results.</p>
Interest Rates	<p>At the beginning of financial year 2025/2026, Water Fund borrowings are estimated to be \$19m. As most existing loans are generally fixed for at least five years and there are no new loans anticipated, a change in interest rates will mainly affect investment income.</p> <p>Based on the estimated cash held at the beginning of the 2025/2026 financial year, a 1% decrease in investment interest rates would indicate an unfavourable effect to income in the order of \$321,000.</p>
Materials & Contracts	<p>Operational materials & contracts are estimated to be \$16m for the 2025/2026 financial year. This expenditure type approximates the inflation rate, except for items such as electricity/insurance which historically increased greater than the underlying inflation rate.</p> <p>A 1% increase/decrease to materials & contracts would equate to \$160,000.</p>

Sewer Fund Planning Scenarios

The Sewer Fund scenario is based on a 0.0% increase for 2025/2026 in annual charges and consumption revenue and 3% for years 2026/2027 to 2028/2029 and 2.5% thereafter.

The results of this scenario are then used to discuss other potential scenarios.

SCENARIO – WHAT WE CAN DO NOW

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

- asset expenditure is based on the existing 20 Year Capital Works Program, the 2025-2029 Delivery Program and Asset Management Plans (planned expenditure only);
- the base year of 2024/2025 is from the 31 December 2024 Budget Review with 2025/2026 to 2034/2035 projections based on assumptions;
- existing services are maintained at current levels of service;
- budget projections allow for the full employment of all current Council staff positions and plant items;
- projected unrestricted cash results for Sewer Fund are at a level sufficient to maintain an acceptable unrestricted cash balance.
- Developer Contribution works have been included for new works relating to rate base growth.
- a very conservative level of rate base growth as the region continues to provide attractive facilities and opportunities for residents and businesses alike.

SEWER FUND - PROJECTED BUDGET FORECAST

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles.

The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital grants and contributions provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

The Sewer Fund result is in a very healthy surplus for all years of the model. This supports the decision of 0.0% increase for the 2025/2026 financial year.

Further review of the operations and Asset Management Plans are required, as the Sewer Fund is generating abnormally high levels of cash and performance ratios, over the term of this Long-Term Financial Plan.

SEWER FUND INCOME STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
<i>Income from Continuing Operations</i>										
Rates & Annual Charges	21,100,546	21,522,555	21,953,008	22,392,069	22,951,871	23,525,667	24,113,809	24,716,654	25,334,571	25,967,935
User Charges & Fees	4,263,131	4,343,732	4,426,003	4,509,977	4,622,726	4,738,295	4,856,752	4,978,171	5,102,625	5,230,191
Other Revenue	93,400	96,152	98,986	101,903	104,451	107,062	109,738	112,482	115,294	118,176
Grants & Contributions - Operating Purposes	176,000	179,520	183,110	186,772	191,441	196,227	201,133	206,161	211,315	216,598
Grants & Contributions - Capital Purposes	1,003,000	1,033,260	1,064,329	1,096,227	1,128,976	1,151,555	1,174,586	1,198,078	1,222,041	1,246,482
Interest & Investment Revenue	4,330,022	4,269,867	4,308,194	4,351,116	4,463,591	4,492,123	4,811,919	5,525,923	6,264,845	7,027,189
Total Income from Continuing Operations	30,966,099	31,445,086	32,033,630	32,638,064	33,463,056	34,210,929	35,267,937	36,737,469	38,250,691	39,806,571
<i>Expenses from Continuing Operations</i>										
Employee Benefits & On-Costs	2,993,000	3,067,829	3,144,519	3,223,139	3,303,718	3,386,311	3,470,968	3,557,743	3,646,686	3,737,853
Borrowing Costs	1,087,648	863,253	626,125	364,459	87,508	-	-	-	-	-
Materials & Contracts	9,687,100	8,841,778	10,042,278	9,256,900	10,500,918	9,752,020	11,010,439	10,276,417	11,550,207	10,832,068
Depreciation & Amortisation	6,688,147	6,766,852	6,800,441	6,996,807	7,060,407	7,146,498	7,234,311	7,243,008	7,243,008	7,243,008
Other Expenses	254,556	273,649	294,173	316,236	332,048	348,650	366,083	384,387	403,606	423,786
Total Expenses from Continuing Operations	20,710,451	19,813,361	20,907,536	20,157,541	21,284,599	20,633,479	22,081,801	21,461,555	22,843,507	22,236,716
Operating Result from Continuing Operations	10,255,648	11,631,725	11,126,094	12,480,523	12,178,457	13,577,451	13,186,137	15,275,914	15,407,184	17,569,856
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	9,252,648	10,598,465	10,061,765	11,384,296	11,049,481	12,425,896	12,011,551	14,077,836	14,185,143	16,323,374

SEWER FUND BALANCE SHEET	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	1,906,502	1,932,319	1,784,164	1,977,663	2,136,188	2,358,974	2,684,050	3,085,968	3,487,386	3,885,511
Investments	79,916,916	80,999,124	74,788,748	82,899,862	89,544,933	98,883,699	112,510,250	129,357,899	146,184,581	162,873,217
Receivables	4,176,552	3,095,539	3,140,418	3,186,207	3,245,514	3,306,246	3,368,495	3,432,299	3,090,173	3,224,681
Contract Assets	0	0	0	0	0	0	0	0	0	0
Other	2,184	2,003	2,271	2,103	2,380	2,219	2,500	2,342	2,626	2,473
Total Current Assets	86,002,155	86,028,986	79,715,601	88,065,835	94,929,015	104,551,138	118,565,294	135,878,509	152,764,767	169,985,883
Non-Current Assets										
Investments	13,501,673	13,684,508	12,635,288	14,005,631	15,128,292	16,706,042	19,008,199	21,854,548	24,697,355	27,516,840
Receivables	5,772,839	5,772,839	4,957,787	4,142,735	3,327,683	2,512,631	1,697,579	882,527	475,001	-
Inventories	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Infrastructure, Property, Plant & Equipment	347,355,926	355,099,074	370,687,633	370,090,826	372,467,063	375,590,725	373,403,874	369,268,061	365,483,791	363,422,704
Intangible Assets	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000	1,389,000
Total Non-Current Assets	368,024,438	375,950,421	389,674,708	389,633,192	392,317,038	396,203,398	395,503,652	393,399,136	392,050,147	392,333,544
TOTAL ASSETS	454,026,593	461,979,407	469,390,309	477,699,027	487,246,053	500,754,536	514,068,946	529,277,645	544,814,914	562,319,426

SEWER FUND BALANCE SHEET (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
LIABILITIES										
Current Liabilities										
Payables	1,016,507	930,762	1,045,731	965,523	1,085,687	1,013,783	1,139,059	1,068,783	1,195,743	1,127,211
Contract Liabilities	126,513	130,137	133,856	137,672	141,687	144,624	147,621	150,682	153,806	156,996
Borrowings	3,596,790	3,833,881	4,095,412	2,755,611	0	0	0	0	0	0
Total Current Liabilities	4,739,810	4,894,780	5,275,000	3,858,806	1,227,375	1,158,407	1,286,681	1,219,465	1,349,550	1,284,207
Non-Current Liabilities										
Borrowings	10,684,904	6,851,023	2,755,611	0	0	0	0	0	0	0
Total Non-Current Liabilities	10,684,904	6,851,023	2,755,611	-	-	-	-	-	-	-
TOTAL LIABILITIES	15,424,714	11,745,803	8,030,611	3,858,806	1,227,375	1,158,407	1,286,681	1,219,465	1,349,550	1,284,207
NET ASSETS	438,601,879	450,233,604	461,359,698	473,840,221	486,018,678	499,596,129	512,782,266	528,058,180	543,465,364	561,035,220
EQUITY										
Retained Earnings	262,364,879	273,996,604	285,122,698	297,603,221	309,781,678	323,359,129	336,545,266	351,821,180	367,228,364	384,798,220
Revaluation Reserves	176,237,000	176,237,000	176,237,000	176,237,000	176,237,000	176,237,000	176,237,000	176,237,000	176,237,000	176,237,000
TOTAL EQUITY	438,601,879	450,233,604	461,359,698	473,840,221	486,018,678	499,596,129	512,782,266	528,058,180	543,465,364	561,035,220

SEWER FUND CASH FLOW STATEMENT	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	21,101,613	21,492,906	21,922,766	22,361,222	22,912,541	23,485,354	24,072,488	24,674,301	25,291,158	25,923,437
User Charges & Fees	4,241,312	4,331,313	4,413,327	4,497,039	4,605,355	4,720,488	4,838,501	4,959,463	5,083,450	5,210,536
Interest & Investment Revenue Received	4,330,022	4,269,867	4,308,194	4,351,116	4,463,591	4,492,123	4,811,919	5,525,923	6,264,845	7,027,189
Grants & Contributions	1,176,938	1,216,224	1,250,973	1,286,625	1,324,233	1,350,573	1,378,568	1,407,148	1,436,325	1,466,111
Other	90,114	94,413	97,210	100,090	102,044	104,596	107,210	109,891	112,638	115,454
Payments										
Employee Benefits & On- Costs	(2,993,000)	(3,067,829)	(3,144,519)	(3,223,139)	(3,303,718)	(3,386,311)	(3,470,968)	(3,557,743)	(3,646,686)	(3,737,853)
Materials & Contracts	(10,632,032)	(9,986,801)	(10,997,817)	(10,419,053)	(10,856,314)	(10,314,316)	(11,388,015)	(10,861,421)	(11,951,029)	(11,440,869)
Borrowing Costs	(1,091,995)	(867,871)	(631,048)	(369,717)	(91,046)	-	-	-	-	-
Net Cash provided (or used in) Operating Activities	(254,556)	(273,649)	(294,173)	(316,236)	(332,048)	(348,650)	(366,083)	(384,387)	(403,606)	(423,786)
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	0	0	7,259,598	0	0	0	0	0	0	0
Deferred Debtors Receipts	4,015,052	1,940,052	815,052	815,052	815,052	815,052	815,052	815,052	815,052	407,526
Payments:										
Purchase of Investment Securities	(3,279,235)	(1,265,043)	-	(9,481,458)	(7,767,732)	(10,916,516)	(15,928,708)	(19,693,998)	(19,669,489)	(19,508,121)
Purchase of Infrastructure, Property, Plant & Equipment	(9,991,796)	(13,445,923)	(21,313,837)	(5,312,629)	(8,957,822)	(9,779,607)	(4,544,889)	(2,592,311)	(2,931,239)	(4,641,498)
Deferred Debtors & Advances Made	(3,260,208)	(815,052)								
Net Cash provided (or used in) Investing Activities	(12,516,187)	(13,585,966)	(13,239,187)	(13,979,035)	(15,910,502)	(19,881,072)	(19,658,545)	(21,471,257)	(21,785,676)	(23,742,093)

SEWER FUND CASH FLOW STATEMENT (Cont.)	Budget 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$	Projected 2032/2033 \$	Projected 2033/2034 \$	Projected 2034/2035 \$
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	0	0	0	0	0	0	0	0	0	0
Payments:										
Repayment of Borrowings & Advances	(3,385,305)	(3,596,790)	(3,833,881)	(4,095,412)	(2,755,611)	0	0	0	0	0
Net Cash Flow provided (used in) Financing Activities	(3,385,305)	(3,596,790)	(3,833,881)	(4,095,412)	(2,755,611)	0	0	0	0	0
Net Increase/(Decrease) in Cash & Cash Equivalents	66,923	25,817	(148,155)	193,499	158,525	222,786	325,076	401,918	401,418	398,125
plus: Cash, Cash Equivalents & Investments - beginning of year	1,839,579	1,906,502	1,932,319	1,784,164	1,977,663	2,136,188	2,358,974	2,684,050	3,085,968	3,487,386
Cash & Cash Equivalents - end of the year	1,906,502	1,932,319	1,784,164	1,977,663	2,136,188	2,358,974	2,684,050	3,085,968	3,487,386	3,885,511
Investments - end of the year	93,418,590	94,683,633	87,424,035	96,905,493	104,673,225	115,589,741	131,518,449	151,212,447	170,881,936	190,390,057
Cash, Cash Equivalents & Investments - end of the year	95,325,091	96,615,952	89,208,199	98,883,156	106,809,413	117,948,716	134,202,499	154,298,415	174,369,323	194,275,568
Representing:										
- External Restrictions	19,808,263	21,103,510	23,024,386	25,058,797	21,739,986	18,202,758	19,520,724	21,461,653	23,504,182	25,652,853
- Internal Restrictions	74,236,043	73,968,561	64,194,613	71,609,665	82,400,234	96,865,530	111,379,874	129,287,731	146,944,045	164,469,650
- Unrestricted	1,280,785	1,543,881	1,989,200	2,214,694	2,669,193	2,880,428	3,301,901	3,549,031	3,921,096	4,153,065
TOTAL	95,325,091	96,615,952	89,208,199	98,883,156	106,809,413	117,948,716	134,202,499	154,298,415	174,369,323	194,275,568

SENSITIVITY ANALYSIS AND RISK ASSESSMENT – SEWER FUND

An important component of modelling is being able to understand which factors in the model are the most sensitive to variance. By testing different variables in the LTFP, Council and the community can understand what the financial impact might be if the variables change. The variables tested in the sensitivity analysis are based on the planning assumptions.

Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

FACTORS

Sewer Usage Charges	Sewer user charges and fees, equate to 13% of total income before capital. Total estimated income from sewer user charges is approximately \$4m. Fluctuation of 10% to this figure equates to \$400k, which can have similar affects to operating results.
Interest Rates	<p>At the beginning of the 2025/2026 financial year, Sewer Fund borrowings are estimated to be \$18m. As most existing loans are generally fixed for at least five years and there are no new loans anticipated, a change in interest rates will mainly affect investment income.</p> <p>Based on estimated cash held at the beginning of financial year 2025/2026, a 1% decrease in investment interest rates would have an unfavourable effect to income in the order of \$920,000.</p>
Materials & Contracts	<p>Operational materials & contracts equate to an estimated \$10m in the 2025/2026 financial year. Increases to this expenditure type approximate the inflation rate, except for items such as electricity/insurance which historically have increased greater than the underlying inflation rate.</p> <p>A 1% increase/decrease to materials & contracts would equate to \$100,000.</p>

Financial Performance

Note: Minor variations occur between the Long Term Financial Plan and 2025-2029 Delivery Program Performance indicators primarily due to differing Income Statement classifications of Internal Rates & Charges.

OPERATING PERFORMANCE

This ratio measures Council's ability to contain operating expenditure within operating revenue. The ratio is a measure of sustainability and compares the operating result before capital income to total operating revenue (before capital). The benchmark is a greater than or equal to break even average over three years.

The Consolidated Fund ratio is positive each year, primarily due to the General and Sewer Fund having positive operating performance ratios, partially offset by Water Fund which has a negative operating performance ratio until 2033/2034.

The General Fund has a positive operating ratio due to the recent approved Special Rates Variation which has significantly increased operating income.

In order to remain sustainable and deliver on planned works, the organisation must be especially vigilant in controlling the operating budget and disciplined in not introducing any new items without considering offsets or funding options. The financial results within this LTFP indicate that Council has limited capacity to fund expenditure on further new assets without a corresponding detrimental effect on funding available for renewal on existing assets.

The Water Fund has a negative operating performance ratio through years 2025/2026 to 2032/2033. The larger negative results in 2025/2026 and 2026/2027 are due to large non-recurrent operating expenditure on a Water Safety & Consequence Review. Operating results in this fund can be affected by the impact of climatic conditions and dam levels on water consumption income estimates.

The Sewer Fund has a very high operating ratio in order to service loans required for infrastructure and to fund future asset renewal. The high ratio supports the decision for a 0.0% increase to annual charges for 2025/2026.

OPERATING PERFORMANCE RATIO	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Consolidated Fund	5.76%	6.08%	5.29%	6.83%	6.69%	7.69%	7.71%	8.85%	9.70%	11.12%
General Fund	2.59%	2.32%	1.20%	2.29%	2.40%	3.05%	3.67%	4.03%	5.13%	5.93%
Water Fund	-6.02%	-6.43%	-2.80%	-0.74%	-0.64%	-0.35%	-1.24%	-0.08%	1.43%	2.66%
Sewer Fund	30.88%	34.85%	32.49%	36.09%	34.17%	37.59%	35.23%	39.61%	38.31%	42.33%

UNRESTRICTED CURRENT RATIO

This ratio measures 'liquidity' by assessing the adequacy of working capital to meet unrestricted obligations in the short term. Short-term debts include loans, accounts payable and employee entitlements due within 12 months. A sustainable ratio is greater than 1:1. The result is above 1:1 for all years.

All funds are above 1:1, indicating a strong short-medium term financial position

UNRESTRICTED CURRENT RATIO	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Consolidated Fund	1.25	1.21	1.15	1.26	1.32	1.43	1.55	1.64	1.79	1.92
General Fund	1.25	1.21	1.15	1.25	1.32	1.42	1.54	1.63	1.78	1.92
Water Fund	5.49	5.37	5.72	5.85	6.47	6.81	7.53	8.53	10.06	11.29
Sewer Fund	16.81	16.06	13.14	19.96	71.96	88.96	91.75	111.42	113.20	132.37

OWN SOURCE OPERATING REVENUE RATIO

This ratio measures the fiscal flexibility and the degree of reliance on external funding sources such as operating grants and contributions.

Consolidated Fund - The ratio is well above the three-year industry benchmark, of greater than 60% average over three years.

General Fund – The ratio for 2025/2026 is just above benchmark due to Council receiving a high level of capital grants for projects, including the new Aquatic Centre. The ratio for all other years is well above benchmark which reflects the increased own-source income from the approved Special Rates Variation.

Water and Sewer Funds - This ratio should always be high given the nature of water and sewer funds being able to raise annual charges in a manner to support a sustainable business operation. The ratios for both funds are both well above the industry benchmark.

OWN SOURCE OPERATING REVENUE RATIO	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Consolidated Fund	71.55%	75.84%	83.80%	82.19%	84.93%	84.99%	85.02%	85.16%	85.31%	85.44%
General Fund	64.90%	69.69%	80.12%	77.99%	81.66%	81.75%	81.78%	81.90%	82.02%	82.14%
Water Fund	84.46%	89.67%	89.74%	89.83%	89.77%	89.78%	89.70%	89.79%	89.90%	89.97%
Sewer Fund	96.19%	96.14%	96.11%	96.07%	96.05%	96.06%	96.10%	96.18%	96.25%	96.32%

DEBT SERVICE RATIO (%)

The Debt-Service Ratio shows Council's level of commitment to loan repayments. The debt-service ratio is calculated by dividing the amount of loan principal and interest by operating revenue. The industry benchmark is an average of greater than 0% and less than or equal to 20% over three years.

The Consolidated, General, Water and Sewer Funds are all above 20% over the three years 2025/2026 to 2027/2028.

General Fund is high due to significant planned loan raising funds for the Aquatic Centre, Organics Recycling Facility, Skywalk and Blueprint Technology projects.

Water Fund is high due to borrowings for the Automatic Meter Reader program.

Sewer Fund Debt Service Ratio is high in early years but reduces in later years to 0% as all loans will be fully paid.

DEBT SERVICE RATIO	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Consolidated Fund	6.93%	8.75%	8.57%	8.22%	7.29%	5.45%	4.82%	4.42%	4.29%	3.90%
General Fund	7.89%	9.13%	8.23%	7.94%	7.77%	7.25%	6.35%	5.80%	5.63%	4.95%
Water Fund	9.56%	8.36%	7.44%	6.61%	6.50%	5.51%	5.44%	5.28%	5.11%	4.41%
Sewer Fund	15.02%	14.75%	14.49%	14.22%	8.85%	0.00%	0.00%	0.00%	0.00%	0.00%

DEBT SERVICE COVER RATIO

The Debt-Service Cover ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The debt-service cover ratio is calculated by dividing the operating result (before interest and depreciation) by the amount of loan principal and interest payments.

The industry benchmark for the ratio is greater than or equal to two. The Consolidated, General and Sewer Funds meet the industry benchmarks for all years.

The Water Fund is below benchmark due to a negative operating performance result and a loan draw down for the automatic meter reader program.

To maintain positive results, Council needs to be vigilant to achieving planned operating results in the case of the General and Sewer Funds.

In the case of the Water Fund, review is required of operating revenue and the major components for the operating expenditure, particularly depreciation and materials.

DEBT SERVICE COVER RATIO	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Consolidated Fund	4.62	3.84	3.83	4.07	4.45	5.93	6.54	7.19	7.42	8.28
General Fund	3.59	3.26	3.51	3.67	3.68	3.92	4.42	4.75	4.96	5.60
Water Fund	-0.29	0.39	0.79	1.06	1.01	1.15	0.96	1.11	1.30	1.60
Sewer Fund	3.81	4.09	3.92	4.20	6.40	0.00	0.00	0.00	0.00	0.00

BUILDING AND INFRASTRUCTURE RENEWAL RATIO (%)

This ratio shows the rate that assets are being renewed compared to the estimated annualised rate of decline. This ratio provides an indication of Council's ability to renew its building and infrastructure compared with their depreciation. Ideally the ratio should be greater than 100%, however the timing of required works will not always align with annualised depreciation.

For a Council to be able to afford an asset renewal ratio of 100%, it must consistently record operating surpluses before capital.

Areas within General Fund where annual renewal is unable to be fully funded to the required levels are Buildings, Stormwater Drainage and Entertainment Venues. Council will review useful lives of assets and renewal requirements.

The figures across all funds indicate that significant additional expenditure may be required on asset renewal.

BUILDING AND INFRASTRUCTURE RENEWAL RATIO	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
Consolidated Fund	102.81%	98.40%	75.73%	81.42%	62.71%	64.92%	62.80%	57.68%	58.96%	67.40%
General Fund	120.20%	92.88%	70.22%	103.58%	67.73%	71.33%	70.34%	70.39%	71.07%	73.32%
Water Fund	55.70%	54.78%	43.81%	46.00%	55.93%	47.05%	42.74%	28.85%	29.46%	50.93%
Sewer Fund	84.09%	166.84%	131.03%	29.93%	49.56%	57.44%	53.37%	36.50%	40.39%	60.13%

UNRESTRICTED CASH RESULT

Unrestricted cash is the amount of cash and investments that can be used for any purpose. The cash result shows how much the balance has been increased or decreased by in each financial year. It reflects the amount of untied revenues that have not been used to fund operating costs or internal reserves for asset renewals and leave provisions. Ideally the result should be positive to ensure a satisfactory level of accumulated cash is maintained.

For General Fund, the model shows that a minor surplus each year, given the total size of the General Fund Budget.

Water Fund and Sewer Funds also both return a modest cash surplus each year to maintain a satisfactory accumulated unrestricted cash balance, with any cash excesses available to be transferred to internal reserves for asset renewal.

The projected results for General Fund are reliant on a number of factors including; operating budgets being vigilantly achieved each year; and new unfunded costs not being added.

For Water Fund year to year results can be affected by the volatile nature of the accuracy of water consumption estimates, due to climatic conditions and dam levels.

UNRESTRICTED CASH RESULT	Budget 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032	Projected 2032/2033	Projected 2033/2034	Projected 2034/2035
General Fund	\$357,788	\$354,762	\$509,271	\$520,338	\$414,229	\$440,165	\$400,836	\$483,948	\$469,934	\$532,796
Water Fund	\$316,045	\$215,248	\$368,508	\$302,823	\$423,496	\$441,205	\$409,934	\$481,506	\$455,265	\$414,331
Sewer Fund	\$369,267	\$389,022	\$371,778	\$347,507	\$389,903	\$340,773	\$355,730	\$377,993	\$307,663	\$364,193

Workforce Management Strategy 2025 - 2028

PART TWO

Introduction

The Workforce Management Strategy assists Tamworth Regional Council (Council) to identify its current and future staffing needs based on internal and external information for the duration of the Delivery Program and beyond. Planning includes initiatives and priorities to make sure Council attracts and retains talent to ensure we have the right people, with the right skills in the right jobs at the right time. The availability and quality of our workforce is a critical element to delivering each of Council's plans, outlined in the Integrated Planning & Reporting (IP&R) documents.

Council's Workforce Management Strategy reviews the evidence, trends, issues and strategies required to sustainably resource the delivery of our services to the Tamworth region now and in the future. The Strategy aims to provide the following benefits:

- Improve our capacity to deliver strategic and operational plans
- Improve our current and future capability and performance by understanding our workforce profile
- Enable us to be more agile in response to change
- Create career paths and develop our people
- Forecast and mitigate risks that impact our workforce

Successful workforce planning is an active process which Council will continually monitor and adjust when required, to address new workforce or organisational issues and opportunities. This strategy is based on Council delivering on nine (9) focus areas as part of its Community Strategic Plan (CSP) including:



The CSP is the leading component of the IP&R Framework mandated for all NSW councils by the State Government and requires councils to demonstrate how they will deliver aspects of the CSP through a detailed four-year Delivery Program and annual Operational Plan.

How we developed our strategy

Our Workforce Management Strategy is the result of extensive review of data, engagement and collaboration across Council. Council engaged an external consultant in 2023-2024 to assist with a strategic workforce planning project which included a combination of data analysis, interviews and workshops with Executive Leadership Team and Blueprint Management Group of leaders. The recommended actions were then reviewed in light of current trends and progress on initiatives in consultation with Council's People and Culture leadership team, Risk and Safety Manager and Executive Leadership Team to formulate the framework of strategies and actions for the 2025-2028 Workforce Management Strategy. Planning and review has focused on evidence and insights about Council's current workforce, future requirements and skills and capability gaps to inform the plan.

Consultation with Council's Consultative Committee, divisional managers and inclusion of feedback from Council's employee survey in 2024 was also integral in the development of this plan.

Review Cycle

The Workforce Management Strategy is reviewed annually by:

- Reviewing current statistical information and identifying trends
- Reporting on the progress and success of initiatives
- Considering whether strategies remain current and prioritise accordingly
- Gathering feedback from the organisation through surveys
- Determining whether new issues are relevant and actions need to be added
- Evolving the document in response to any significant organisational change including restructures

Community Vision

The Tamworth region will be thriving, modern and prosperous, with compassion for our people, reverence for our culture, and respect for nature.

We will build a more resilient, inclusive community. We will protect and support our natural environment. We will celebrate our rich culture and heritage. We will expand our proud identity. We will enable prosperity by supporting businesses to grow, through better housing options, thriving town centres and productive employment areas. We will deliver water infrastructure and security that supports the growth of our region and economic aspirations. We will attract new businesses, support educational opportunities, and make it easier to do business. We will connect our region and its citizens through a safe and efficient movement network. We will achieve this with openness and accountability.

Values

Council is committed to being a local government of excellence that enhances our region's quality of life and environment through effective leadership, community involvement and commitment to service. We strive to be a purpose-led, values driven organisation which sees our values shape everything we do every day. They provide the foundation of our organisational culture and guide how we deliver the strategies and actions outlined in the Delivery Program.



Who are we?

Our Workforce

Council has a large workforce spread throughout a wide geographic area, which encompasses a broad range of disciplines across the organisation. Our employees work across community and external facing services including planning, construction, road and asset maintenance, waste and water facilities, sport and recreation through to entertainment, libraries, art, museums and delivery of the Country Music Festival. Our Council is also supported by internal services such as legal, finance, IT, customer service, communications, risk, safety, people and culture.

Council's organisational structure comprises of 5 directorates being:

- Regional Services
- Water and Waste
- Liveable Communities
- Creative Communities and Experiences
- Office of the General Manager

Services are provided to the community through 33 Divisions aligned to these directorates and Council's focus areas.

Executive Leadership Team

The Executive Leadership Team is comprised of 8 leaders including:

- General Manager
- Director Regional Services
- Director Water and Waste
- Director Liveable Communities
- Chief People Officer
- Chief Financial Officer
- Executive Manager Strategy and Performance
- Executive Manager Creative Communities and Experiences

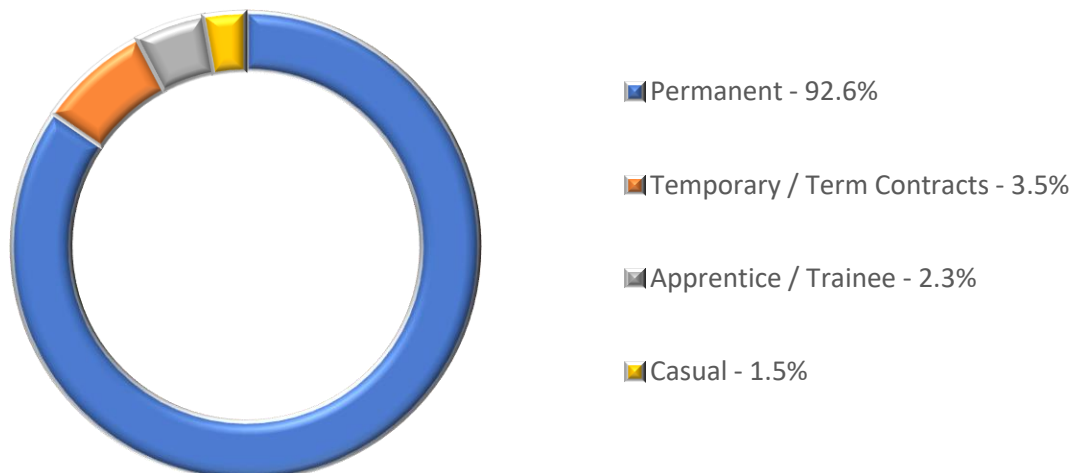
Workforce Snapshot

678 Employees ➡ **630 Full Time Equivalent (FTE)**

Our workforce comprises of 678 employees with 88% being permanent staff (full or part time). Eleven (11)% of staff are employed on a casual, temporary or fixed term basis. Five (5) % are currently participating in tertiary/vocational education programs.

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

Workforce Breakdown at 1 Jan 2025



Age

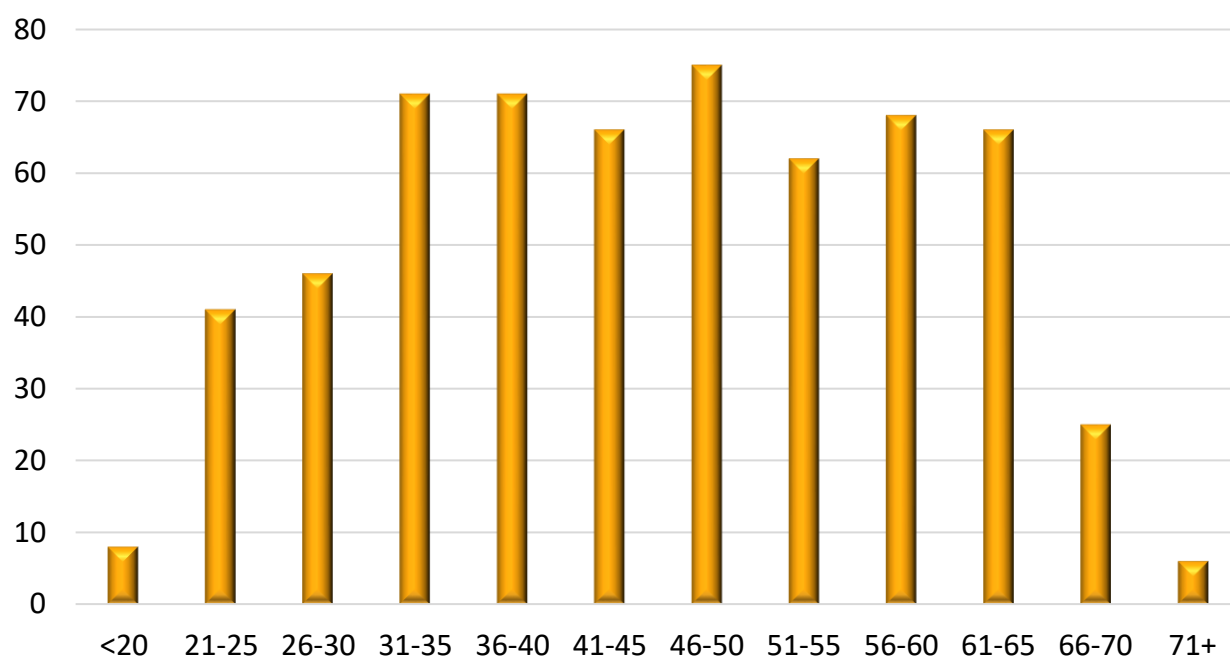
Average Age: 44.4

Highest Age Profile: 46-50yrs range with 11% of the workforce

Council continues to manage an aging workforce with 33% of our employees approaching retirement age (56 years and over), which has increased by over 3% in the last four years. It is anticipated that this will continue to grow and with it, the number of employees planning for retirement and exiting the organisation. This will become a significant challenge to particular parts of the workforce and highlights the need for stronger emphasis on succession planning and career development.

Council increased its proportion of employees under 25 years of age from 4.5% in 2023 to 7.5% in 2024. This is largely due to an injection of additional traineeship and apprenticeship positions into the workforce. This is anticipated to continue to increase with the *Fresh Start for Local Government: traineeship and apprenticeship grant* launched by the Office of Local Government in 2024.

Demographic Age Groups



Generation	%
Baby Boomers (1946-1962)	15%
Generation X (1963-1980)	37%
Generation Y (1981-1994)	36%
Generation Z (1995-2009)	12%

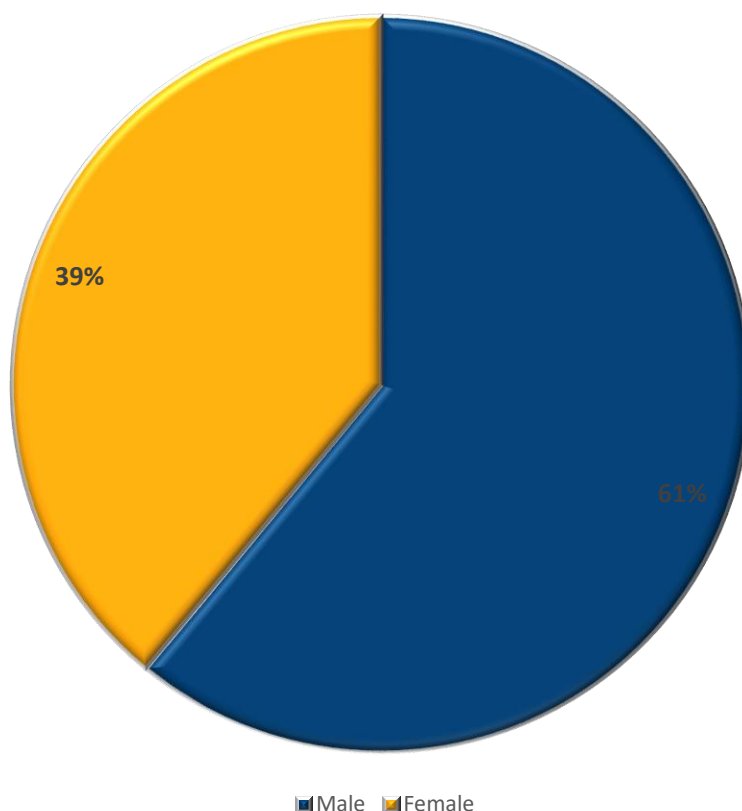
Gender

The proportion of female employees has increased from 35% to 39% in the last 3 years, with 61% of Council's workforce being male. 0.2% of respondents to Council's employee survey in 2024 indicated that they identified as 'another gender'.

Currently Council's leadership teams reflect similar proportions of female to male ratio, being 36% female and 64% male.

The Regional Services and Water & Waste Directorates have a high proportion of male employees, particularly in outdoor occupations. Predominantly female employees are largely seen in indoor occupations. The number of female employees in senior leadership positions has increased over the last 12 months.

Gender 2024



Years of Service

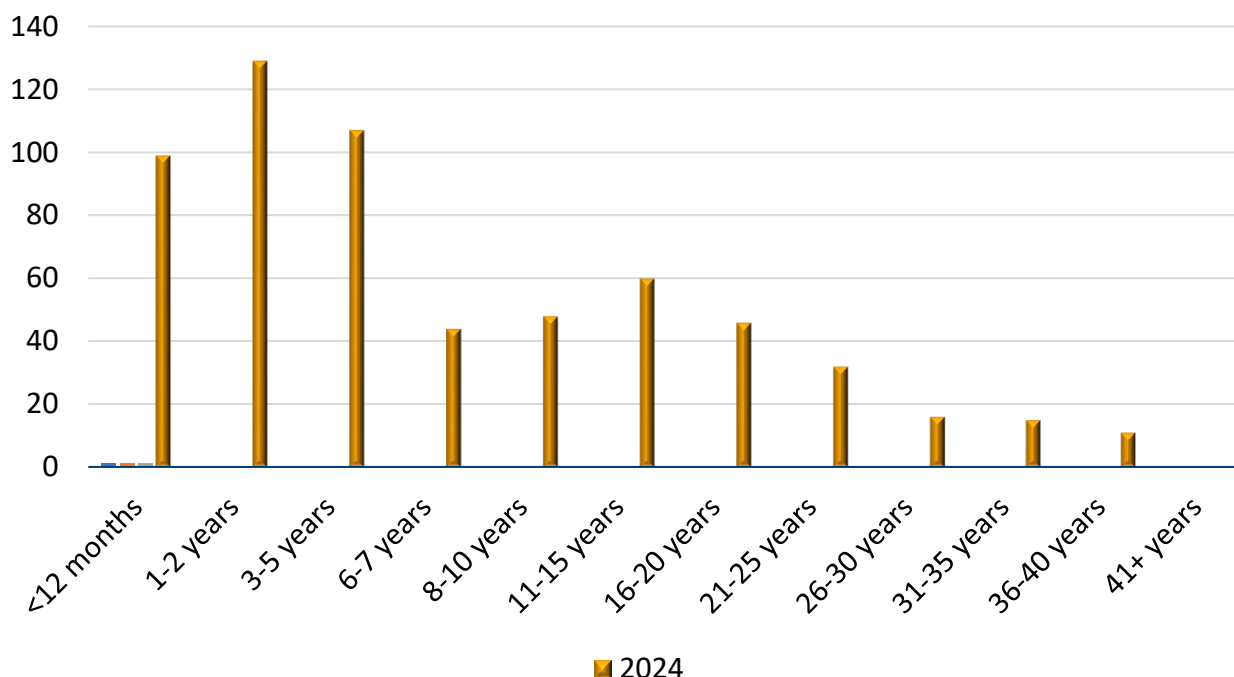
17% of our employees have up to 20 or more years of service at Council.

33% have 2 years or less service with Council.

15% have been in their role less than 12 months.

Council's Executive Leadership Team and Management Team has more than 50% of employees with over 10 years tenure at Council. This presents the risk of significant organisational knowledge deficit should these leaders leave the organisation and demonstrates the need for knowledge transfer and succession planning programs to be prioritised.

Years of Service



Diversity

Council's employee survey in 2024 recorded the following figures from respondents:

8% Aboriginal or Torres Strait Islander

52% have caring responsibilities

8% are from ethnic backgrounds outside Australia

6% speak languages other than English

3% identify as being a part of the LGBTQIA+ community

2% are living with a disability or require additional support to do their job

3% identify as being neurodivergent

Council understands the benefits of attracting and retaining a diverse workforce to bring the breadth and calibre of skills needed to sustainably service our community's needs. Currently the proportion of employees identifying as being Aboriginal and Torres Strait Islander is 8%, which is less than the Tamworth Region's population of 12%. Council has more than half its workforce caring for others, a growing number of employees are living with a disability and identify as being neurodivergent, requiring strategies for education and training, the provision of reasonable adjustments and for flexible working arrangements to become more important.

Turnover and vacancies

Average annual turnover rate at Council continues to sit at around 16%, similar to 2021. This more than doubled from Council's turnover rate of 6.4% prior to the COVID-19 pandemic. Council's vacancy rate fluctuates over the course of time depending on resignations and creation of additional role that are not yet filled.

Council did however, see a decline in terminations from 119 in 2023 to 104 in 2024. Terminations include resignations, retirements, end of contracts and dismissals.

Achievements from Workforce Management Plan – 2022-2025

Our previous workforce management plan detailed five strategies to achieve its objective:

Our People – Our Development – Our Culture – Our Operations – Our Future

The progress that has been made against each of these strategies is outlined below.

Our People

Attract and retain a high performing and engaged workforce

Employee Value Proposition

Council created an Employee Value Proposition and associated brand elements in 2023 to provide a consistent and compelling message for Council as an employer of choice. Through extensive consultation with the organisation, Council finalised its employee brand logo with new tag line – ‘A great place to live and work’. The key EVP message is ‘It’s worth working at Tamworth Regional Council’ or ‘It’s worth it’, backed by four pillars for promotion being:

- For your lifestyle
- For our community
- For your career
- To belong

Council implemented numerous brand awareness and role specific campaigns with its new branding, associated imagery and videos and will continue to utilise EVP messaging to promote working for and attracting talent.

Flexible Working Arrangements

In response to market expectations following the COVID-19 pandemic, enhanced flexible working arrangements were introduced in 2022. These included options for a compressed work week, opportunities for hybrid or remote working arrangements, access to a 9-day fortnight for management positions and changes to Council’s Executive Leave offering, replacing this with Discretionary Leave. All arrangements are considered reasonably on the basis of operational requirements and impacts on outputs and sustainable resourcing. Feedback from the enhancements has been positive with 91% of respondents in Council’s 2024 employee survey agreeing that the flexible work arrangements were suitable for their team.

Induction and Onboarding

Following recommendations from an internal audit into Council’s Induction and Onboarding processes, Council invested in its learning and development function bringing on an Organisational Trainer position, supported by an existing Learning and Development Associate and new Assistant role. A new Induction and Onboarding Framework was developed and implemented including the creation of an online ‘Welcome Module’, face to face ‘Foundations Masterclass’ corporate induction, ‘Lead the Way’ workshop with the Executive Leadership Team, supported by a range of online and face-to-face corporate training programs. Council also implemented its Candidate Care program which includes personal phone call surveys to new starters at 1 week, 1 month and 3 months after commencement. Feedback from new starters over the last 12 months improved significantly with 89% of new starters saying they felt the first 3 months has set them up for success in their role. An average

response of 4.7 star rating out of 5 was received for questions regarding how supported, comfortable and positive employees feel about their role at Council.

Our Development

Create opportunities for learning and the development of our people

Learning and Development Framework

Council developed and continues to implement and evolve its Learning and Development Framework. Key achievements include the creation of a training needs analysis matrix for all positions at Council covering qualifications, licences and accreditations such as corporate and digital training, work health and safety, compliance, professional development and leadership training. This information coupled with existing training data assisted with the creation of Council's Corporate Training Plan which spans over a 5 year period, focusing on mandatory and high frequency programs and continues to evolve and grow.

Our Culture

Facilitate a culture of innovation, respect, excellence and wellbeing

Employee Survey

In 2024, Council undertook a survey of staff in order to create positive change in our workplace and enable the Executive Leadership Team to improve staff wellbeing and overall satisfaction at work. The survey included questions on the following themes:

- Ways of work, including IT, equipment and TRC facilities
- Leadership, including communication and values
- People Development and Contribution, including career development, recognition and learning and development
- Safety
- Diversity and inclusion

83% of staff completed the survey which provided an accurate snapshot of the current work environment. Each division was then given the opportunity to hold a workshop to receive the survey results and create relevant actions to improve and enhance their workplaces.

Child Safe Framework

In response to the Royal Commission into Institutional Responses to Child Sexual Abuse, and the requirement to implement the 10 Child Safe Standards, Council has developed a Child Safe Framework. With the aim to ensure that children in our community feel heard, respected and included, the development of the framework considered not only the problems of here and now, but the innovation and solutions for a sustained long-term culture where the care and protection of children is a part of our everyday actions. The Framework continues to strive forward with the appointment of a Child Safe Leader, and Child Safe Champions Group who work together to continuously improve and embed child safety at Tamworth Regional Council. The Framework emphasises the importance of transparency and accountability. It has introduced robust policies for reporting addressing concerns related to child safety, ensuring that any issues are identified early and appropriately dealt with. Council has focused these efforts not only internally through extensive communication and a multi-tiered education program, but also externally through the creation of a webpage for community

members to access, ensuring there are a number of different ways to report to assist members of the community to speak up and report any concerns.

Values Review and Relaunch

There was an overwhelming level of feedback received in the 2024 Employee Survey in relation to how Council manages performance. The Executive Leadership Team determined that Council's corporate values and alignment to our purpose - to be in service of our community - are the foundational pieces to a performance framework. Council is currently undertaking a consultation process with staff to ensure the values are relevant and fit for purpose as we look to the future. The consultation process to date has included two phases of employee surveys and the formation of a Values Champions group made up of representatives across the organisation to review and provide advice on the survey results. Council's refreshed values will be communicated and embedded across recruitment, induction and onboarding, training and performance related processes such as probation and appraisals. The values will guide behaviours and decision making, influencing Council's culture and identity in the community.

Health Monitoring

Council's Health Monitoring program continues to evolve with initial focus on the provision of education and training for managers. Health monitoring requirements are specified in work health and safety legislation and the responsibility of Council is to monitor the health of workers who may be exposed to particular chemical, noise, or biological hazards (where immunisations are required). The program focuses on identifying the hazards, determining the health monitoring requirements, consulting with relevant employees and coordinating the health monitoring appointment and record management. Relevant Council divisions conduct risk assessments and contribute to the health monitoring requirements plan.

In 2023 an Occupational Hygienist was engaged to provide additional expertise, attending a number of operational sites to identify the health monitoring risks and recommendations for each relevant area. Employees who were identified as having a risk of exposure to asbestos received respiratory testing through the iCare Lung Bus, a practice which will continue bi-annually. Respirator fit mask testing was also undertaken for employees required to wear specific PPE for high-risk work. Audiometric testing was undertaken in August 2023 and February 2024 and is scheduled in again for August 2025.

The program continues with testing to identify specific levels and measurements of potential exposures on Council worksites. This information will inform the ongoing risk management and health monitoring requirements.

Risk Management

The introduction of the Office of Local Government's Risk Management and Internal Audit Guidelines required Council to implement a Risk Management Framework that aligned with ISO 31000:2108. A revised risk management framework consisting of the Risk Management Policy, Risk Management guidelines and Risk Management Plan were adopted by Council and the Executive Leadership team in June 2024. Since adoption, Council has defined its strategic risks and aligned them to the Community strategic plan focus areas. Internal education and implementation of the framework continues, and the development of Council's Operational risk profile is underway. The Executive Leadership team and key management representatives participated in a business continuity exercise during November 2024. The exercise provided a safe environment for the Leadership team to work through a business disruption scenario, increase response capabilities and identified areas for improvement.

Work Health and Safety

Council maintained its Integrated Management System certification for Construction. Council's incident reporting system is transitioning during 2025 to HSI Donesafe. The system provides enhanced functionality and will complement the technology upgrades being rolled out across Council.

Our Operations

Promote ethical operations, efficient processes and systems of work

Technology enhancements

Upgrades to Council's Human Resource Information System (HRIS) is underway with improvements to processes such as training, performance, onboarding, offboarding anticipated to positively impact efficiency, quality of experience for candidates, employees and leaders. The new programs will give additional visibility and self-service to employees and leaders to assist with managing their careers and team members.

Our Future

Plan for our future workforce

Strategic Workforce Blueprint

Council engaged the University of Newcastle to assist with developing a future focused Strategic Workforce Blueprint to help align people initiatives with Council objectives. These recommendations have been embedded into this Workforce Management Plan 2205-2028, forming the foundation of our priorities.

Factors Considered in Developing this Strategy

Ways of working and impacts in our organisation

Council has identified numerous impacts on our workforce that have been taken into account when formulating this plan:

- Current and prospective employee expectations of technology in the workplace must be met to attract and retain an engaged and high performing workforce
- Diversity, inclusion and belonging are increasingly important factors to the current generation
- A focus on positive duty towards hostile workplace behaviour is more heavily regulated, as compliance and expectations continue to grow
- Innovative technology, automation and artificial intelligence are expected by employees to boost productivity
- Disparate locations of our administration offices make it even more important to reduce silos and increase collaboration
- A focus on capability and growing our own talent to reduce loss of skills and knowledge due to a retiring workforce
- A changing culture with higher turnover, more employees from outside local government, a variety of different generations, backgrounds and experiences in the workplace
- Keeping our people safe and well with increasing focus on psychosocial hazards and psychological wellness
- Change is constant and needs to be managed appropriately
- Attraction and retention of particular professions and roles continues to be challenging
- Changing work arrangements including increased demand for hybrid and flexible working
- Need for greater agility and evolving workforce to meet skills gaps and strategic priorities
- Changes and increasing legislation require specialist skills in governance and quality
- Impacts of the COVID 19 pandemic continue to be felt in expectations for flexible work and attitude toward illness in the workplace
- Social media, Councillor and community sentiment have an adverse impact on wellbeing of employees, prompting proactive and reactive measures to protect employees and provide a safe working environment
- Ongoing challenges of managing changing expectations of the community
- Employee sentiment in recent surveys focused on the need for improved performance management processes, better change management, updated technology and a salary system review

Challenges in the current and future external environment

External impacts that influence our workforce include:

- Council's ambition for a growing region by 2041 and continued growth rate of 1.1% means there will be increased demand for Council services
- Migration to Tamworth from Central Coast and Hawkesbury areas. Most popular migration destinations away from Tamworth include Newcastle, Port Macquarie, Coffs Harbour and Gold Coast
- The expectation that Council's workforce reflects the community, for example; 12.5 % of residents in the Tamworth Region identify as Aboriginal or Torres Strait Islander, and residents from migrant backgrounds continue to increase
- Council is committed to focusing on the national Closing the Gap agreement, including continuing its relationship with the Tamworth Aboriginal Community Controlled Organisations

- Continued increases in overseas migration to Tamworth Region could address skills shortage through programs to bridge the gap with English language barriers
- The housing market in the region is tight and unless our staff already live in Tamworth, people find it hard to relocate
- Tamworth region has historically low levels of unemployment of 2.1% which makes recruitment a challenge
- Council competes with the agriculture, mining, tourism and electricity generation sectors in the region for rewarding work and salaries
- There is an increasing short to medium term requirement for clean energy skills such as trades, truck drivers etc across the region which will continue to put pressure on attraction and retention, due to the Tamworth region's location in the New England Renewable Energy Zone
- Council's assets and community face increasing impacts of climate change
- Our community wants more active engagement and participation in decisions which affect them
- There is more rapid digitisation and technological change ahead, increasing reliance on systems/technology including automation and artificial intelligence

Long Term Needs - Links to Council's Long Term Financial Plan

Council's Long Term Financial Plan identifies key initiatives that will impact the Council's resourcing strategy, funded by Council's approved Special Rate Variation. Initiatives include increased funding for road maintenance and renewal programs, Council's commitment to build a new Aquatic Centre and investment and significant upgrades to Council's technology.

Roads Maintenance and Renewal Program

As a result of community sentiment and the requirement of Council's asset management program, Council has prioritised an additional focus on its road maintenance and asset renewal program. The Special Rate Variation has injected approximately \$4 million of additional road maintenance funding into budgets for the 2024-2025 financial year. When combined with a further funding increase anticipated in subsequent years, it has been recognised that the delivery of this program will require additional resources within the Transport Operations division of Regional Services, as well as a number of other supporting functions.

Current Workforce

In addition to its current FTE of 87, Transport Operations added nine new operator positions to its structure in early 2025. There have also been a number of existing positions altered with the aim of improving the span of control within the Division. With a focus on growing our own talent through learning and development, it is anticipated that both internal and external appointments will occur to fill these positions. Delivery of the program will also utilise contractors for specialist projects such as pavement stabilising and resealing, as well as using labour hire to maintain productivity during work fluctuations.

The Transport Operations Division requires a team of multi-skilled operators that are able to apply themselves to the various road maintenance tasks as they arise. Skills required include sealed road pothole patching, heavy patching, pavement reconstruction, maintenance grading, gravel resheeting and concrete repairs. As such, Council staff need to be able to operate a variety of machinery and apply themselves to a variety of work types.

Future Workforce

It is anticipated that the second year of the Special Rate Variation will inject an additional \$4.7 million into Council's budget for our roads. This will increase Transport Operations asset renewal program by approximately 50%.

It is anticipated that the structural changes of 2025 will accommodate this additional work when combined with prudent use of contractors, however there will need to be a continued focus on recruitment, skill development, team building and supervisory capability. It is also anticipated that, as teams get close to being fully staffed, Council will recruit a “labour pool” aimed at reducing our reliance on external labour hire. This could see a further 10 positions added to the organisational structure including Specialist Operators, operators and labourers.

In order to manage the organisational change across this period, it will be important that supervisory skills are developed across the senior operational team.

Aquatic Centre

The approved Tamworth Aquatic Centre, following completion of the build, will be operated largely in-house by Council employees for the first three years. Leased spaces include a gym, café and sports science facility. Other activities such as cleaning will be contracted and resourced externally, and therefore will not impact Council’s requirement for employees or skills.

Current Workforce

Resources include the following positions engaged by Council:

- 1 x Aquatics Coordinator
- 1 x Aquatics Specialist
- 6 x Pool Supervisors
- 1 Duty Manager
- 1 x Trainee

Due to the nature of seasonal work for the six current outdoor facilities across Tamworth region, Duty Managers and Lifeguards are engaged via labour hire. The 26-week season engages approximately 40 casual lifeguards for 7,000 hours, equating to 8.3 Full Time Equivalent (FTE).

Total resources required to operate the pool facilities is 15 FTE.

Skills and qualifications include Certificate IV in Community Recreation (Aquatics), Pool Lifeguard Licence, First Aid certificate and confined spaces qualification. In addition to customer service and emergency management skills, aquatics employees are required to have de-escalation and confrontation management skills to manage abusive customers. Staff are also required to hold valid working with children check.

Future Workforce

Upon completion and handover of the new facility, Council will take responsibility for Aquatic Centre operations, learn to swim programs, member administration and may continue to maintain one of the existing Tamworth town pools. It is anticipated that there will be an increase in membership administration, programs and events attracted to the new facility.

The following positions and skills are anticipated to be required, but will be assessed at the appropriate time, pending the outcome of leasing additional space to the community:

- | | |
|-----------------------------|-----------------------------|
| ▪ Centre Manager | ▪ Learn to Swim Instructors |
| ▪ Up to 3 x Leaders | ▪ Member Administration |
| ▪ Duty Managers | ▪ Lifeguards |
| ▪ Aquatics Services Officer | |

It is anticipated that the total resources required would be approximately 20 FTE. Use of labour hire for seasonal positions will be determined closer to the time of handover.

Skills and qualifications required for the future, in addition to current requirements, include knowledge and experience of modern plant room equipment, learn to swim programs, event and facility management.

Technology Blueprint

Council's investment in upgrading technology will require additional skills and capability for the short-term implementation, longer term operations as well as continuous improvement and response to new advancements.

In order to deliver priority projects, Council has identified the need for the following skills to be developed and/or injected into the workforce:

- Strategic Planning
- Project Management
- Change Management
- Technology One expertise
- Microsoft 365 expertise
- Benefits Realisation and Digital Readiness
- Cyber Security
- Training and Communication
- Information Management and Data Governance
- Asset Maintenance and Renewal
- IT Engineering and Support

Council also recognises the need to invest in backfilling current functions in order for subject matter experts to adequately resource project implementation in a timely manner. This is anticipated to occur in a range of work units such as People and Culture, Finance, Communications and Marketing.

These skills will be resourced through the development of existing employees, internal and external recruitment, short term and longer-term contracts, labour hire and specialist consultants and contractors.

The ongoing resourcing needs of the workforce to support technology change and implementation at Council will be continuously reviewed to ensure it is fit for purpose.

Funding Strategies

The Workforce Management Strategy is funded by a number of internal and external sources including general revenue, including existing human resources, reserve funds from Council's training budget and government funding initiatives. A number of actions are not currently funded, however, as projects are scoped and business cases formulated, Council will consider suitable funding options and prioritise accordingly.

Council utilises a number of government funding initiatives to support the changing demands of our workforce, ensuring our employees are suitably trained and upskilled. These funding initiatives include, but are not limited to:

- Smart & Skilled funding – Used to fully fund or subsidise training programs for eligible employees
- Office of the Local Government (OLG) – 'Fresh Start Program' funding – Used to support Council to add more Trainee, Apprentice and Cadet positions to their structure to support succession planning and internal growth opportunities
- General and Priority Hiring and Wage Subsidies and Incentives – Federal Government funding used to subsidise wages of Trainees and Apprentices under the Australia Apprenticeships Incentive System (AAIS)

Council has benefited from around \$2 million worth of government funding for training and resourcing initiatives over the last four years and will continue to seek and capitalise on opportunities as they become available.

Workforce Management Action Plan

Objective: Build an agile and future ready workforce to deliver community priorities and respond to changing needs.

Our plan to achieve our workforce objective sits under four key strategies:



The tables on the following pages detail specific actions identified against each strategy

#	ELEMENT	ACTION	BENEFIT
1.1	Talent Acquisition	Continue to evolve and implement Council's Talent Acquisition strategy including promotion of Employee Value Proposition and Tamworth Region Place Brand.	Build employer of choice brand awareness through consistent brand elements and messaging. Attract employees to Tamworth Region. Include brand awareness and role specific focus. Increase number of quality candidates, increase retention rates, decrease vacancy rates.
1.2	Onboarding	Set up new employees ready for success with an informative induction and onboarding experience	Positive experiences for new starters impact retention. Quicker return on investment for Council with new starter capability and output. Focus on upskilling supervisors to deliver experiences positively and consistently.
1.3	Performance Management	Design and implement a holistic performance management framework which is aligned to Council's strategic objectives and delivery targets, leadership capability framework and to support the learning and development needs of the organisation	Enhance employee performance through clear goals and feedback. Consistent management of misconduct and under performance. Reward and recognition for employees.
1.4	Salary System	Review salary system procedures and technology to ensure consistent, transparent approach.	Ensure consistent approach for fairness, transparency and benchmarking. Improves efficiency and timeliness of evaluations.
1.5	Flexible Working	Continuous review of flexible work arrangements, impact of organisation and relevance in current market	Attraction and retention of employees. Employer of choice benefit. Ensure fit for purpose and meet operational need. Meet expectation of current market. Ensure productive use of Council resources and identify impacts on structure.
1.6	External Resourcing	Complete the review of contingent labour levels (contractors, contracts, labour hire) to understand ongoing workforce needs	Understand full picture of resourcing expenditure. Sustainable return on investment. Impact on compliance, safety and culture with numerous external resources.
1.7	Internal Resourcing	Creation of talent development programs for critical areas to increase availability of skilled workforce at short notice	Business continuity for high turnover areas, reduce lag time for recruitment, succession plan, knowledge transfer from experienced employees.
1.8	Grow our Own Strategy	Continue to develop Council's 'Grow our Own' strategy to increase younger demographic within the workforce through career pathways such as traineeships, apprenticeships, cadetships, internships and work experience	Increase pipeline of talent for Council's workforce. Increase proportion of younger demographic making up workforce. Succession plan for critical areas.

Increase capability through continuous learning

#	ELEMENT	ACTION	BENEFIT
2.1	Learning and Development Strategy	Continue to implement and evolve Council's Learning and Development strategy to support current and future skill requirements, aligned to Council strategic objectives and future needs, including diversity, equity and inclusion, and cultural sensitivity	Build capability of Council employees to increase performance outcomes. Meet legislative requirements. Increase retention and satisfaction of existing employees. Meet the needs of future service requirements through critical skill development.
2.2	Succession Planning	Develop and implement a succession planning framework for critical, emerging roles and retirement planning	Enable knowledge transfer to ensure business continuity. Increase retention due to career pathways. Increase capability of existing workforce. Mitigate risk of gaps in knowledge due to short notice exits.
2.3	Leadership Capability	Create a leadership capability framework and invest in leadership development programs as a foundation for leaders at all levels	Positive cultural and performance influence. Increase retention and satisfaction. Ensure consistent management approach.
2.4	Coaching and mentoring	Design and implement coaching and mentoring programs at all levels to take advantage of Council's intergenerational workforce	Transfer knowledge and experience between generations and peers. Utilise existing skills and resources to develop our people, minimising external costs. Forge internal relationships.

Our Culture

Cultivate innovation, diversity, respect and wellbeing

#	ELEMENT	ACTION	BENEFIT
3.1	Employee Feedback	Continue to monitor and measure organisational culture via annual and ongoing pulse surveys	Monitor culture and engagement. Identify meaningful action to improve morale and retention. Focus attention on meaningful change. Give employees a voice.
3.2	Corporate Values	Relaunch and embed Council's values across the organisation through consultation, education, procedures and documents to reinforce a values based culture	Create a foundation for communicating and measuring positive behaviours and managing performance. Create benchmark for behaviour, decisions and culture.
3.3	Diversity, Equity and Inclusion	Develop a Diversity, Equity and Inclusion strategy to attract and retain employees from diverse backgrounds, including Aboriginal and Torres Strait Islander and Culturally and Linguistically Diverse backgrounds, and create an inclusive working environment which reflects our community. Include review of Council's Equal Employment Opportunity Management Plan	Capitalise on diverse strengths of workforce for innovation and skills. Minimise the risk of bullying, psychosocial hazards and discrimination.
3.4	Healthy Workforce Strategy	Design and implement a Healthy Workforce strategy including physical and mental health, addressing psychosocial hazards and psychological safety	Decrease the risk of psychosocial hazards. Decrease risk of physical and psychological workers compensation claims. Improve health and mental wellness of employees.
3.5	Child Safety	Continue to embed Council's Child Safe Framework to improve positive culture toward child safety	Decrease risk of abuse to children in Council facilities and programs. Deter negative behaviours and practices. Lead the community in our approach to Child Safety.
3.6	Change Management	Research, design and develop capability in change management to provide consistency across the organisation to support change initiatives	Increase likelihood of realising benefits of change early. Influence smoother transitions to change initiatives. Increase resilience and adaptability of employees to workplace change. Mitigate risk of psychosocial hazards with regard to workplace change.
3.7	Risk Management	Embed and maintain an organisational wide positive culture of risk management to enable the ongoing development and innovation required for our Community Strategic Plan and its associated strategic initiatives while supporting the efficient delivery of essential services to our community.	Plan for and mitigate risk of adverse events that effect Council's sustainability and commitment to community.
3.8	Health and Safety	Provide a workplace that protects both the physical and psychological safety and wellbeing of all people through education and awareness, competency based programs and continual improvement.	Decrease likelihood of injury, illness or death. Protect employees from adverse events.

#	ELEMENT	ACTION	BENEFIT
4.1	Workforce Planning	Continue to develop and improve Workforce Planning toward best practice to ensure our workforce is sustainable through systematic and proactive engagement with business units	Proactively plan Council's approach to resourcing in a sustainable manner. Increase quality of performance outcomes aligned to community priorities due to adequate skills, resources.
4.2	Evaluation and Reporting	Design and implement a monitoring and evaluation framework to measure impact of Workforce Management Plan	Monitor trends, positive and negative impacts of initiatives. Identify hotspots and priorities, measure benefits.
4.3	Structural Design	Continue to design and evolve a sustainable organisational structure that aligns with Council's strategic priorities, changing needs, technological change and future ways of working	Fit for purpose structure, aligned to priorities. Remove barriers and increase collaboration, increase agility to respond when needed.
4.4	Technology Upgrade	Implement additional technology to increase efficiency, automation, use of AI and integration with Council's corporate systems, and provide a positive experience for workers	Increase efficiency through automation. Keep up with current technology. Repurpose resources by monitoring changes to work design.

Implementation and Progress Measures

Workforce planning is an ongoing exercise in a dynamic operating environment. These organisational actions are balanced with the service planning needs of Council's divisions. Organisational initiatives are generally implemented by Council's divisions of People and Culture, and Risk and Safety, with the support of Business Systems and Solutions for technology implementation.

Progress in relation to the plan is reviewed regularly and documented annually through reporting processes.

Relevance of the strategies are also continuously reviewed, adjusted and reprioritised based on current and emerging impacts during the course of the period, including responding to regulatory changes, audit recommendations, employee feedback, internal data trends and external influences.

High level indicators to assist in measuring success will include:

- Stability of employee numbers
- Vacancy rates
- Staff turnover rate
- Employee satisfaction rate
- Diversity indicators
- Training effectiveness
- Work Health and Safety indicators
- Workers Compensation lost time and injuries

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Asset Management Strategy 2025 - 2036

PART THREE

Introduction

Asset Management refers to:

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

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

This asset management strategy is prepared to document how Council plans to deliver services via AELEC, airport, building, bridge, cultural, entertainment venue, flood mitigation, footpath, park, recreational, road, sporting, stormwater drainage, technology, waste, wastewater, and water assets.

These assets have a replacement cost of \$3.5 billion.

The asset management strategy is to enable Council to:

- show how its asset portfolio will meet the service delivery needs of its community into the future,
- enable Councils' asset management policies to be achieved, and
- ensure the integration of Councils' asset management practices with its long-term strategic plan.

Adopting this asset management strategy will assist council in meeting Integrated Planning & Reporting requirements¹ by demonstrating what level of service can be delivered in a financially sustainable manner.

The asset management strategy is prepared following a review of the Council's service delivery practices, financial sustainability indicators, asset management maturity and fit with council's vision for the future outlined in the Community Strategic Plan. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required to enable council to achieve target levels of asset maturity and competence.

Legislative Requirements

Asset Management for all assets managed by Council is conducted in adherence to the legislative Acts and Regulations set out in the table below, along with legislation specific to individual asset classes.

Legislation	Requirement
Local Government (General) Regulation 2005	Sets out standards, requirements and conditions relating to approvals for water supply, sewerage and stormwater drainage work, management of waste, activities on community land, public roads and other public spaces
Local Government Act - Annual Reporting Section 428(2)(d)	<p>A report of the condition of the public works (including public buildings, public road and water sewerage and drainage works) under the control of council as at the end of that year; together with</p> <ul style="list-style-type: none">- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and- An estimate (at current values) of the annual expense of maintain the works at that standard; and- The Council's programme for maintenance for that year in respect of the works

¹ [Integrated Planning & Reporting Guidelines for Local Councils in NSW](#) and [Integrated Planning & Reporting Handbook for Local Councils in NSW](#)

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Public Health Act 2010 and Public Health Regulation 2012	<p>The purpose of the Act is to promote, protect and improve public health, control risks to public health, promote control of infectious diseases, prevent the spread of infectious diseases, recognise the role of local government in protecting public health, and monitor diseases and conditions affecting public health.</p> <p>Under the Act a local government authority has, in relation to its area, the responsibility to take appropriate measures to ensure compliance with the requirements of this Act in relation to private water suppliers, water carters, public swimming pools and spa pools, regulated systems and premises on which skin penetration procedures are carried out.</p> <p>In particular, a local government authority has the responsibility of appointing authorised officers to enable it to exercise its functions under this Act and ensuring that its authorised officers duly exercise their functions under this Act.</p> <p>The Regulation makes provision for: installation, operating and maintenance requirements for air-conditioning systems and other regulated systems; operating requirements for public swimming pools and spa pools.</p>
Public Records Act 2002	This act sets out requirements with respect to maintaining Public Records
Work Health & Safety Act 2012, Work Health & Safety Regulation 2011, Workplace Injury Management and Workers Compensation Act 1998 and Workers Compensation Act 1987	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
Work Health and Safety Act 2011	Sets out the roles and responsibilities to secure the health, safety and welfare of persons at work
Disability Discrimination Act 1992, Disability Discrimination and Other Human Rights Legislation Amendment Act 2009	An act relating to discrimination on the ground of disability. The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Government Information (Public Access) Act 2009	The purpose of the Act is to open government information to the public by (a) authorising and encouraging the proactive public release of government information by agencies, (b) giving members of the public an enforceable right to access government information, and (c) providing that access to government information is restricted only when there is an overriding public interest against disclosure.

Organisational Asset Management

Asset Management Policy

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

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

Asset Management Governance and Planning Structure

The governance structure for Asset Management within Tamworth Regional Council is shown in Figure 1 below.

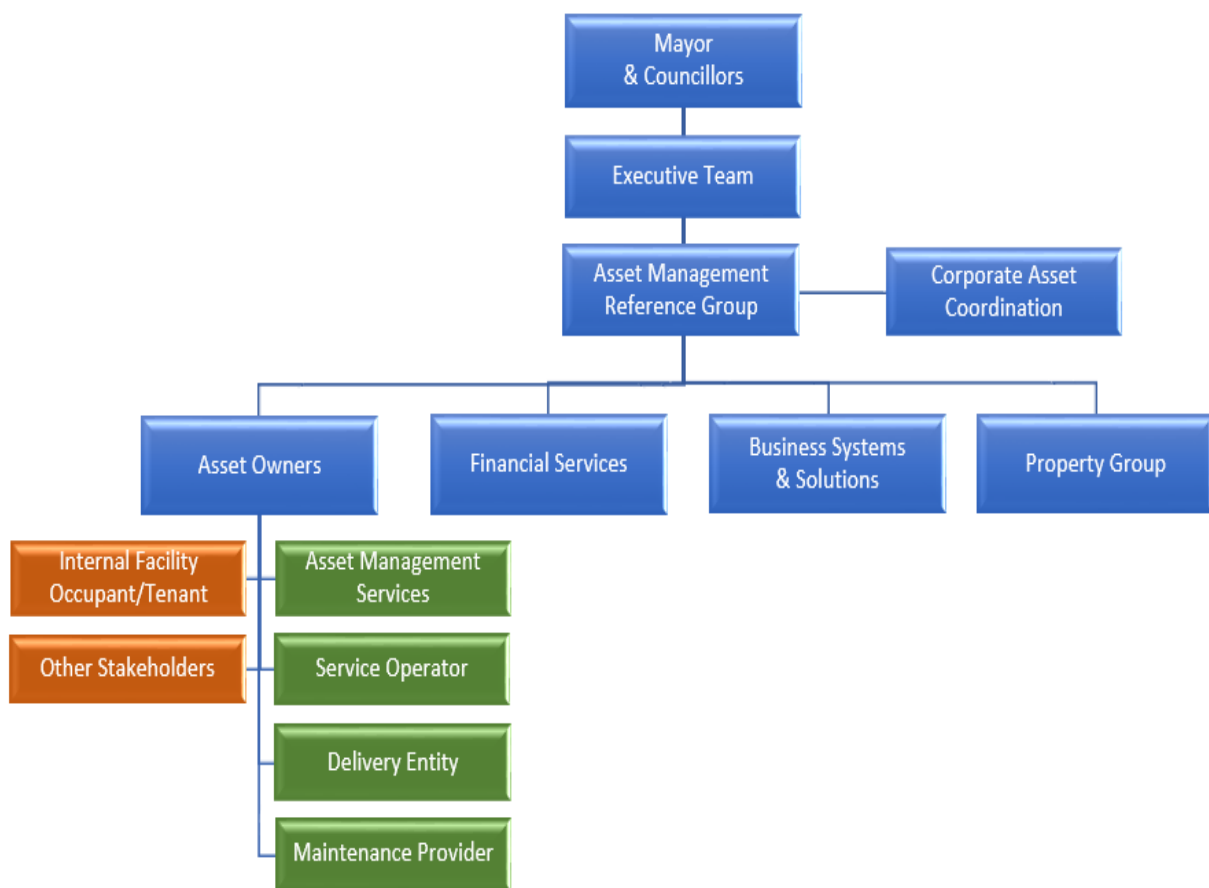


Figure 1 - Asset Management Governance

Responsibilities

The responsibilities for each role relating to Asset Management within Tamworth Regional Council are as follows:

Elected Council adopts the asset management policy objectives and ensure sufficient resources are applied to manage the assets.

General Manager has overall responsibility for developing infrastructure asset management systems, policies and procedures and financial models and reporting on the status and effectiveness of asset management.

Directors (Executive Team) and Managers are responsible for implementing infrastructure asset management plans, systems, policies and procedures.

Asset Management Reference Group is responsible for ensuring that all asset management activities are consistent with asset management objectives. They will oversee the development and implementation of asset management plans and systems.

Corporate Asset Coordinator is responsible for coordinating the activities of the Asset Management Reference Group.

Asset Owner(s) are identified for all Council assets. This information is stored in the Asset Register. The Asset Owner ensures the following:

- The asset/s are in the organisation's asset register and the information is kept accurate;
- Fund and arrange planned inspections to ensure register currency and risk mitigation is achieved;
- The assets are included in an Asset Management Plan, in accordance with various requirements and the Asset Management Plan is kept accurate;
- Undertake statutory reporting functions as required;
- Identify, report, and, where necessary, mitigate unacceptable risks to TRC associated with ownership of the asset/s;
- Ensure the necessary level of funding is available to adequately maintain assets or if not bring the lack of funds to the attention of EMT and/or Council and provide options for addressing any shortfall;
- Manage budgets associated with the asset/s including income and expenditure, both capital and recurrent, either by the owner or by a third party and administer arrangements accordingly;
- Ensure the 4-year delivery plan and annual operations plan include provision for maintenance and renewal of assets under their ownership;
- Arrange for maintenance and renewal identified to be undertaken in accordance with the AMP and as funding allows;
- If the asset is to be leased decide how the lease will be undertaken, either by the owner or by a third party and administer arrangements accordingly; and
- Regularly review the use and/or ownership of the asset to ensure the use and ownership of the asset is appropriate/in Council's best interest.

Corporate Asset Management Team

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

- demonstration of corporate support for sustainable asset management
- encourages corporate buy-in and responsibility

- coordination of strategic planning, information technology and asset management activities
- promotes uniform asset management practices across the organisation,
- information sharing across IT hardware and software
- pooling of corporate expertise
- championing of asset management process
- wider accountability for achieving and reviewing sustainable asset management practices.

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

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

Asset Management Planning Process

Asset values, condition, lifecycle budgets and costs are reviewed and reported on annually, along with any significant factors or changes that need to be considered in the coming 12 months.

Review of all asset management plans is carried out annually and reported to the Executive Leadership Team.

Updates of individual asset management plans for each asset class are carried out at maximum intervals of 4 years, with more frequent updates made in the event of a significant change to an asset class, election of a new Council, or Integrated Planning & Reporting cycles.

Our Assets

Council has an asset portfolio that includes equestrian, aviation, building, bridge, cultural, entertainment venue, flood mitigation, footpath, park, recreational, road, sporting, stormwater drainage, technology, waste, wastewater, and water assets.

These assets have a total replacement cost of \$3.5B.

Figure 2 shows the value and percentage breakdown of assets in Council's portfolio.

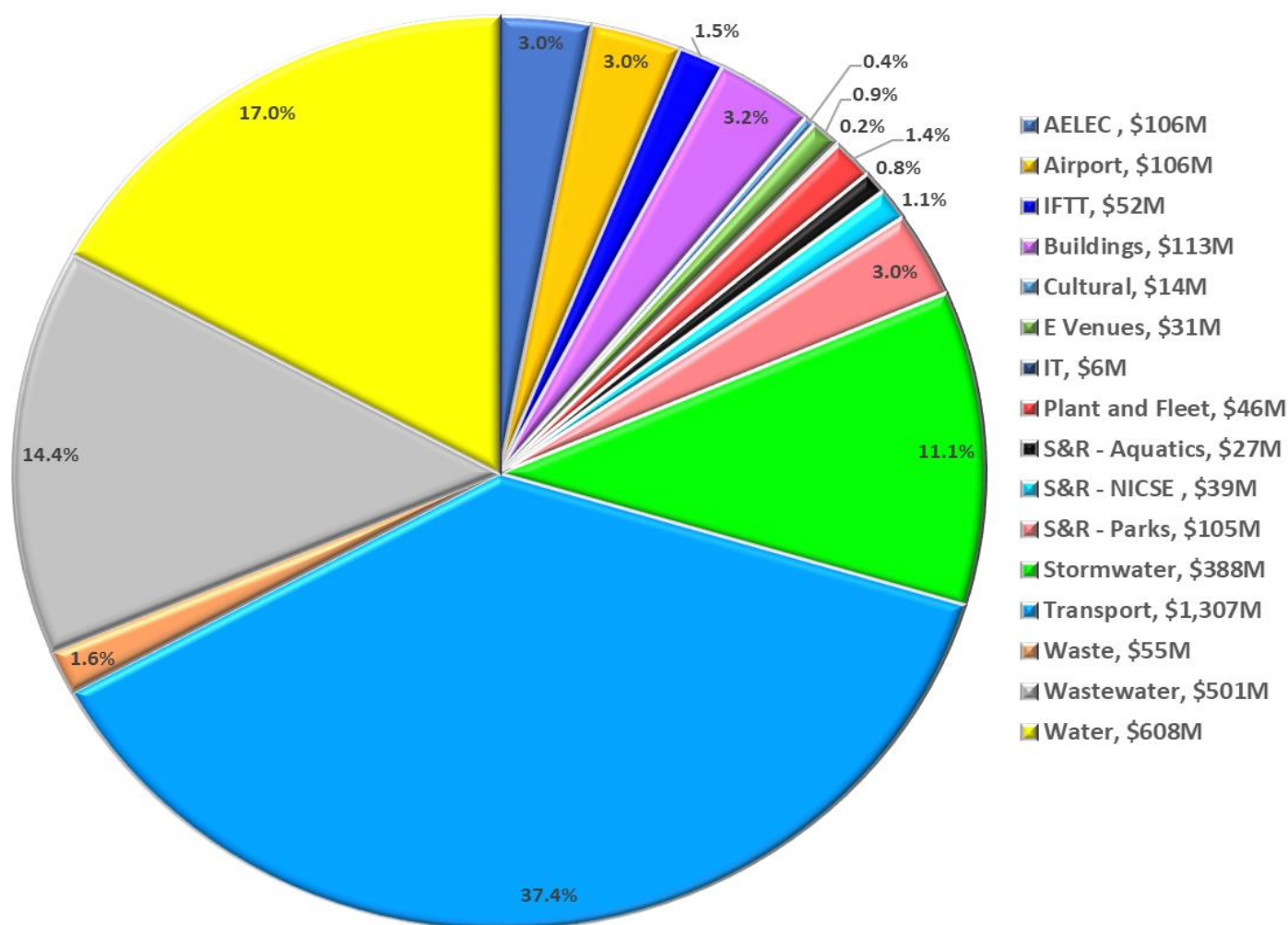


Figure 2 – Asset Values

Asset Value and Service

Council assets are tabled below along with their service description, current replacement value and percentage of total portfolio value.

Table 1 - Asset Value and Description

Asset Management Plan	Service Description	Value (\$)	Value (%)
AELEC	Provide equine and livestock events in a state-of-the-art facility.	\$105,912,672	3.0%
Airport	Provide a critical transport network for air travel that provides the region with the opportunity to experience growth and prosperity through enhanced connectivity.	\$105,704,792	3.0%
Buildings	Provide and operate buildings and facilities for specialised or general purposes for the benefit of Council functions, economic purposes and/or community needs. Provide a fleet depot network to enable Council to function in an efficient and effective manner. Provide public toilets, showers, change rooms and clubhouses to the community and tourists/visitors.	\$112,988,440	3.2%
Cultural Collections	Provide access to a visual arts and cultural resource that inspires, enriches and informs the community; enhances experiences through the visual arts; and is a model in the delivery of cultural services to the community.	\$13,774,935	0.4%
Entertainment Venues	Provide spaces for performing arts, conferences and community needs.	\$31,297,033	0.9%
IFTT (Flight College)	Provide a flight training facility.	\$53,200,582	1.5%
Information Technology	Provide computers, storage, network and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data to support Council needs.	\$5,647,832	0.2%
Plant & Fleet	Purchase and maintain vehicles, plant and equipment to meet Council business needs and enable work capacity.	\$48,358,391	1.4%

Asset Management Plan	Service Description	Value (\$)	Value (%)
Sports & Recreation – Aquatics	Provide a safe and healthy environment to swim in.	\$26,955,945	0.8%
Sports & Recreation – NICSE	Provide the community with a modern well-equipped sports facility suitable for a wide range of different sports and activities.	\$39,466,181	1.1%
Sports & Recreation – Parks	Maintain and develop appealing and safe spaces for public use and recreation.	\$105,390,171	3.0%
Stormwater Drainage & Flood Mitigation	Collect and discharge urban surface and building water drainage from road and residential areas. Provide protection from localised flooding.	\$387,536,152	11.1%
Transport Infrastructure	Enable movement of people, freight and equipment throughout and beyond the Council area in a safe and efficient manner, supporting industry, commerce and tourism.	\$1,306,672,222	37.4%
Waste Facilities	Collect, process and dispose of municipal domestic and commercial waste in accordance with environmental and legislative requirements.	\$54,872,361	1.6%
Wastewater	Provide essential public sanitation services of collecting and treating effluent so it is suitable for discharge.	\$501,551,193	14.4%
Water	Obtain, treat and distribute safe, potable drinking water for human use and consumption. Provide raw water for identified industrial or community purposes.	\$595,055,282	17.0%

Note: Asset values are as at March 2025

Asset Condition

Asset condition ratings are applied according to internationally recognised standards as follows:

Condition Grading Descriptions

Very Good	1	Only planned maintenance required
Good	2	Minor maintenance in addition to planned maintenance required
Fair	3	Significant maintenance required
Poor	4	Significant renewal/rehabilitation required
Very Poor	5	Physically unsound and/or beyond rehabilitation

Current Condition States

The majority of Council assets (74%) are in a condition state of Very Good or Good, with a small representation of condition states Fair (13%), Poor (3%) or Very Poor (1%).

Only 9% of Council's assets are Unrated. This grading is applied for instances where condition data is either not yet collected or has been collected but not yet documented for reporting purposes. Data improvement strategies have been identified to reduce this percentage.

The condition state of Council's assets is shown in the figures below.

Figure 3 shows the overall condition of the asset portfolio.

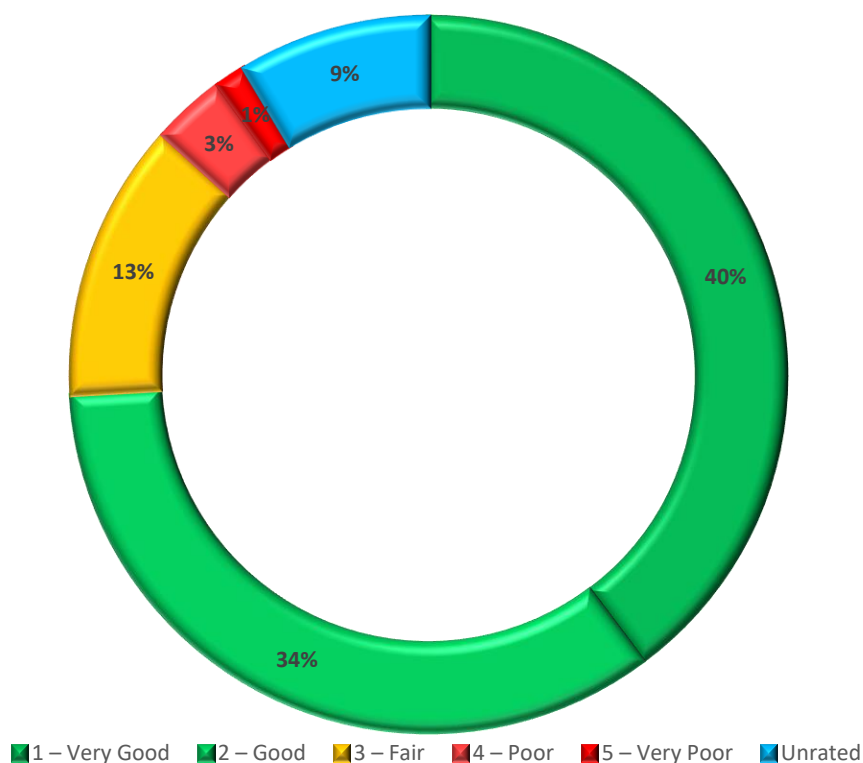


Figure 3 – Asset Condition – All Asset Classes

Figure 4 shows a breakdown of the condition state of assets in each class



Figure 4 – Asset Condition – Breakdown by Asset Class

It should be noted that the majority of IT assets are unrated because their condition is based on a binary functional vs non-functional, fit-for-purpose criteria.

Future Assets

Planned future assets are documented in **Major Projects Scheduled and Major Projects Unscheduled in the Long Term Financial Plan (LTFP)** on pages 23 and 24 in Part One of this document.

In addition to the future assets listed in the LTFP, various asset classes have identified future assets that will enable respective strategic plans and objectives to be achieved. These assets will be included in this strategy when they have received commitment to proceed from Council.

Lifecycle Costs and Budget

Lifecycle Costs

Lifecycle costs (or whole of life costs) are the average annual costs required to sustain service levels over the longest asset life. Lifecycle costs include operations, maintenance, renewal, and acquisition costs.

The lifecycle cost for the services covered in the asset management plan(s) is shown in Table 2.



Table 2: Lifecycle Costs for Council Services

Asset Class	Average annual forecast lifecycle costs				Lifecycle Cost (\$/yr)
	Operations	Maintenance	Renewal	Acquisition	
AELEC	\$904,133	\$1,801,384	\$337,330	\$0	\$3,042,847
Airport	\$618,334	\$535,472	\$1,507,513	\$29,820	\$2,691,139
Buildings	\$2,368,089	\$1,226,064	\$2,517,579	\$315,541	\$6,427,273
Cultural Collections	\$145,898	\$9,474	\$5,000	\$28,500	\$188,873
Entertainment Venues	\$776,580	\$221,245	\$626,775	\$8,748	\$1,633,348
IFTT (Flight College)	\$1,727,209	\$295,222	\$1,194,444	\$12,000	\$3,228,875
Information Technology	\$2,410,334	\$1,580,726	\$365,598	\$0	\$4,356,657
Plant & Fleet	\$4,413,742	\$3,022,839	\$5,434,481	\$281,131	\$13,152,193
Aquatics	\$4,003,778	\$501,931	\$170,071	\$4,804,679	\$9,480,459
NICSE	\$380,873	\$241,362	\$393,546	\$15,516	\$1,031,297
Parks	\$1,946,592	\$3,901,347	\$284,896	\$2,769,141	\$8,901,976
Stormwater Drainage & Flood Mitigation	\$509,346	\$998,272	\$0	\$721,894	\$2,229,512
Transport Infrastructure	\$3,631,387	\$16,388,503	\$20,401,314	\$2,858,043	\$43,279,247
Waste Facilities	\$5,503,354	\$5,089,824	\$601,186	\$4,589,042	\$15,783,407
Wastewater	\$8,563,699	\$997,490	\$5,364,743	\$3,404,800	\$18,330,731
Water	\$14,455,259	\$1,998,169	\$3,436,200	\$2,626,179	\$22,515,807
TOTAL	\$52,358,606	\$38,809,324	\$42,640,675	\$22,465,035	\$156,273,640

Lifecycle costs can be compared to the lifecycle funding allocated in the financial plan to give an indicator of sustainability in service provision.

Lifecycle Budget

The lifecycle planned budget includes operations, maintenance, capital renewal and acquisition expenditure annualised over the planning period. The lifecycle planned budget can vary depending on the timing of asset renewals.

The annualised life cycle planned budget at the start of the plan is shown in Table 3.



Table 3: Lifecycle planned budget for Council Services

Asset Class	Average annual forecast lifecycle budget				Lifecycle Budget (\$/yr)
	Operations	Maintenance	Renewal	Acquisition	
AELEC	\$904,133	\$1,801,384	\$688,119	\$0	\$3,393,636
Airport	\$616,896	\$534,208	\$1,507,513	\$29,820	\$2,688,437
Buildings	\$2,314,601	\$1,198,407	\$1,975,073	\$315,541	\$5,803,622
Cultural Collections	\$144,201	\$6,400	\$5,000	\$28,500	\$184,101
Entertainment Venues	\$774,627	\$220,686	\$177,594	\$8,748	\$1,181,655
IFTT (Flight College)	\$1,723,710	\$294,628	\$88,120	\$12,000	\$2,118,458
Information Technology	\$2,410,334	\$1,580,726	\$466,610	\$0	\$4,457,670
Plant & Fleet	\$4,413,742	\$3,022,839	\$5,434,481	\$281,131	\$13,152,193
Aquatics	\$3,997,264	\$495,417	\$157,307	\$4,804,679	\$9,454,668
NICSE	\$379,532	\$240,510	\$156,465	\$15,516	\$792,023
Parks	\$1,823,920	\$3,778,675	\$284,896	\$2,769,141	\$8,656,632
Stormwater Drainage & Flood Mitigation	\$471,239	\$922,057	\$0	\$721,894	\$2,115,190
Transport Infrastructure	\$3,561,152	\$16,318,268	\$20,401,314	\$2,858,043	\$43,138,777
Waste Facilities	\$5,442,716	\$5,029,186	\$601,186	\$4,589,042	\$15,662,130
Wastewater	\$8,563,699	\$997,490	\$5,364,743	\$3,404,800	\$18,330,731
Water	\$14,455,259	\$1,998,169	\$3,436,200	\$2,626,179	\$22,515,807
TOTAL	\$51,997,024	\$38,439,050	\$40,744,620	\$22,465,035	\$153,645,730

Lifecycle Indicators

The lifecycle costs and planned budget comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the lifecycle budget is less than the lifecycle cost, it is most likely that outlays will need to be increased in the budget or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is unavailable will assist council in providing services to their communities in a financially sustainable manner. This is the purpose of integrating the AM Plans with the long-term financial plan.

A shortfall between lifecycle costs and planned budgets gives an indication of the lifecycle gap to be addressed in the asset management and long-term financial plan.

The lifecycle gap and lifecycle indicator for services covered by the asset management plan(s) is summarised in Table 4.

Table 4: Lifecycle Indicators

Asset Class	Lifecycle Cost (\$/y)	Lifecycle Budget (\$/y)	Lifecycle Gap (\$/y)
AELEC	\$3,042,847	\$3,393,636	\$350,790
Airport	\$2,691,139	\$2,688,437	-\$2,702
Buildings	\$6,427,273	\$5,803,622	-\$623,651
Cultural Collections	\$188,873	\$184,101	-\$4,772
Entertainment Venues	\$1,633,348	\$1,181,655	-\$451,693
IFTT (Flight College)	\$3,228,875	\$2,118,458	-\$1,110,417
Information Technology	\$4,356,657	\$4,457,670	\$101,012
Plant & Fleet	\$13,152,193	\$13,152,193	\$0
Aquatics	\$9,480,459	\$9,454,668	-\$25,791
NICSE	\$1,031,297	\$792,023	-\$239,274
Parks	\$8,901,976	\$8,656,632	-\$245,344
Stormwater Drainage & Flood Mitigation	\$2,229,512	\$2,115,190	-\$114,322
Transport Infrastructure	\$43,279,247	\$43,138,777	-\$140,470
Waste Facilities	\$15,783,407	\$15,662,130	-\$121,277
Wastewater	\$18,330,731	\$18,330,731	\$0
Water	\$22,515,807	\$22,515,807	\$0
TOTAL	\$156,273,640	\$153,645,730	-\$2,627,911

Note: * The lifecycle gap calculated is the LCC less the LCB reported as a negative value.

Figure 5 shows the planned budget line against the total forecast lifecycle costs for the next 10 years.

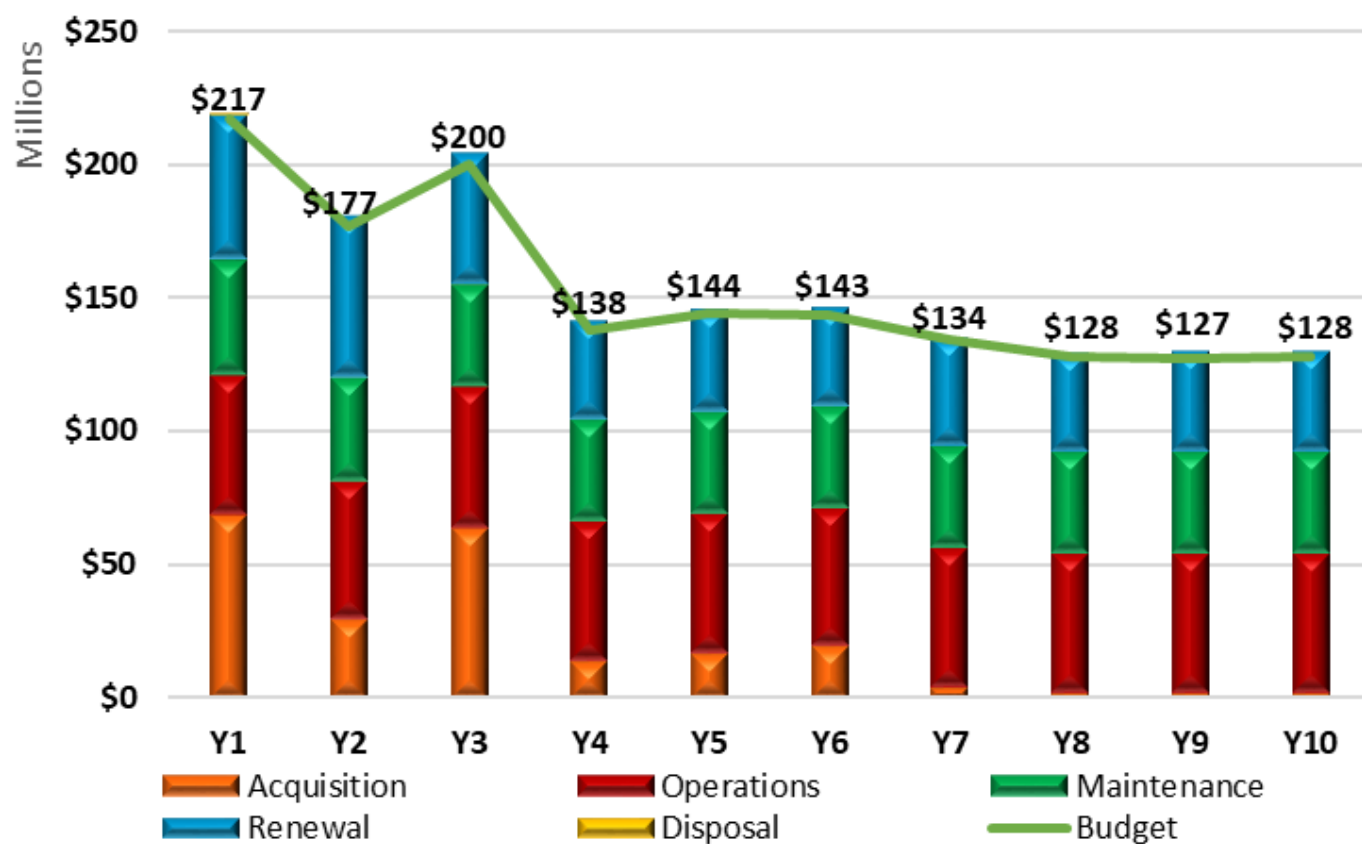


Figure 5 – Lifecycle Costs and Budget

Funding Gaps

As shown in Table 4, funding gaps exist for 11 of the 16 asset classes, with a total annual gap of \$2,627,911.

Over 10 years, this represents a gap of \$26M, or 1.68% of the total forecast costs for Council's asset portfolio.

Of this annual gap, the respective lifecycle cost breakdown is as follows:

Lifecycle Cost Type	Lifecycle Gap	% of Total Gap
Operations	\$361,582	13.76%
Maintenance	\$370,274	14.09%
Renewal	\$1,896,055	72.15%
TOTAL GAP	-\$2,627,911	100%

Note: There is no identified gap in the areas of acquisition or disposal.

Figure 6 below shows the cost-type gaps as percentages.

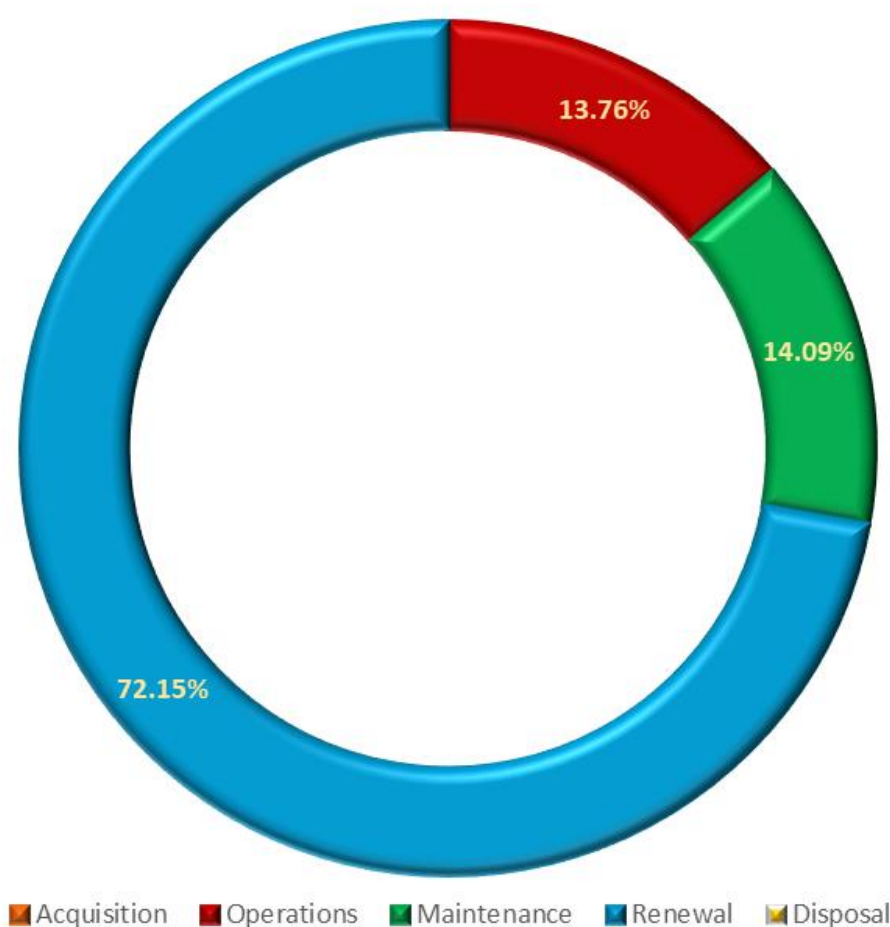


Figure 6 – Budget vs Cost Gaps

Managing Funding Gaps

While the funding gap represents less than 2% of the total forecast costs to manage the assets in Council's portfolio, it is necessary to be proactive to reduce this gap and mitigate its potential impacts wherever possible.

Operations & Maintenance

Funding gaps in the areas of operations and maintenance are evenly distributed and represent 28% of the total gap. Managing this area of the gap will include:

- Continued implementation and expansion of electronic work orders to manage inspection and maintenance activities for assets, helping to optimise these activities and reduce the likelihood of more costly repair and downtime, so available funding realises maximum benefit.
- Identifying opportunities for centralising activities to produce economies of scale where possible and appropriate.
- Reassessing the respective level/s of service that can be delivered from the assets.

Renewal

As the majority (72%) of the gap exists in the area of renewal costs, management of this gap will involve a number of strategies for affected assets, including:

- Optimising their useful life (i.e., how long they can continue to be used to adequately fulfil their service description);
- Reassessing the respective level/s of service that can be delivered from the assets;
- Rationalising renewal to determine whether the asset continues to benefit the community or if it no longer fulfils its service target;
- Continually improving the data held for the asset to ensure renewal needs are accurately represented;
- Seeking opportunities for grant funding to assist funding of asset renewals.

A number of the activities in the Asset Management Improvement Plan (refer page 99 of this document) directly support the actions outlined above to reduce the funding gap and mitigate its potential impacts wherever possible

Strategic Alignment

The Asset Management Strategy and Plans have been prepared in line with the focus areas and priorities outlined in the Community Strategic Plan. Council assets will play both a direct and an indirect role in achieving the strategic objectives. The following table indicates where Council's assets play a role in delivering or influencing the objectives of the Community Strategic Plan.

Focus Area	Priority	AELEC	Airport	Buildings	Cultural Collections	Entertainment Venues	IFTT	Information Technology	Plant & Fleet	Aquatics	NICSE	Parks	Stormwater	Transport	Waste	Wastewater	Water
FOCUS AREA 1 Our Water Security	W.01 A region with a safe and secure water supply																✓
	W.02 A region that prioritises water conservation and water sustainability	✓	✓	✓		✓				✓	✓	✓		✓		✓	✓
	W.03 Efficient and fit for purpose waste water management															✓	
	W.04 Our urban planning, design and operations use sustainable water and waste water approaches	✓	✓	✓		✓				✓	✓	✓		✓		✓	✓
FOCUS AREA 2 A Liveable Built Environment	L.01 The right growth in the right locations																
	L.02 Vibrant city and town centres	✓			✓	✓						✓					
	L.03 More diverse and affordable housing																
	L.04 High quality lifestyle, recreational and community facilities	✓				✓				✓	✓	✓					
FOCUS AREA 3 Prosperity and Innovation	P.01 Be an attractive region for new and existing businesses to invest	✓	✓		✓	✓				✓	✓	✓		✓			
	P.02 Our community has access to vocational education and skills development	✓															
	P.03 Our industries are successful and create opportunities for other initiatives/business in the downstream economy	✓	✓		✓	✓					✓	✓		✓			
	P.04 The Tamworth Region is Country Australia's leading and most vibrant destination with a sustainable and dynamic visitor economy	✓	✓		✓	✓					✓	✓					

Focus Area	Priority	AELEC	Airport	Buildings	Cultural Collections	Entertainment Venues	IFTT	Information Technology	Plant & Fleet	Aquatics	NICSE	Parks	Stormwater	Transport	Waste	Wastewater	Water
FOCUS AREA 4 Resilient and Diverse Communities	R.01 Our towns, villages and communities grow and prosper			✓				✓									
	R.02 Our community has improved inclusive outcomes and access to community and social services			✓													
	R.03 Meet the 17 targets of the "Closing the Gap" national agreement for our community			✓	✓					✓	✓	✓					
	R.04 Improve the physical and mental health outcomes for all residents									✓	✓	✓		✓			
	R.05 Be a safer and more resilient community							✓									
FOCUS AREA 5 Connect Our Region and Its Citizens	C.01 A thriving aviation hub supporting travel and investment in our region		✓														
	C.02 A safe and efficient transport network													✓			
	C.03 Expanded public transport options													✓			
	C.04 Improved access to active transport options for movement between places													✓			
	C.05 Our community is enabled by technology							✓									
FOCUS AREA 6 Working with and Protecting Our Environment	E.01 Increase the take up and use of affordable and clean energy across the region	✓		✓						✓	✓						
	E.02 A region where sustainable design of facilities, infrastructure and development are the rule not the exception			✓						✓	✓						
	E.03 Reduce our waste and manage it responsibly	✓	✓	✓						✓	✓	✓			✓		
	E.04 We care for our natural environment			✓								✓					

Focus Area	Priority	AELEC	Airport	Buildings	Cultural Collections	Entertainment Venues	IFTT	Information Technology	Plant & Fleet	Aquatics	NICSE	Parks	Stormwater	Transport	Waste	Wastewater	Water
FOCUS AREA 7 Celebrate Our Cultures and Heritage	H.01 Enhance our lives through the lived experience of arts and culture				✓	✓											
	H.02 Our Aboriginal community's history and culture is protected and celebrated				✓	✓											
	H.03 Our region's heritage assets are protected			✓	✓												
FOCUS AREA 8 A Strong and Vibrant Identity	S.01 Be known for country music and so much more	✓			✓	✓				✓	✓	✓					
	S.02 Tell the world who we are and what we have	✓			✓	✓				✓	✓	✓					
	S.03 Show who we are when people arrive by land or air to our towns and region		✓											✓			
FOCUS AREA 9 Open and Collaborative Leadership	T.01 Conduct the business of Council with transparency and accountability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	T.02 Our financial position is strong and able to meet our current and future obligations to our community	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	T.03 Everyone in our community feels informed, heard and understood																
	T.04 Our workforce is agile and future ready																
	T.05 Build strategic partnerships and advocate to other levels of government to ensure our community needs are met and concerns heard																

Asset Management Targets

Financial and Asset Management Maturity

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. Eleven practice areas have been developed from these elements² to assess maturity under the National Frameworks. The core competencies are:

Financial Planning and Reporting

- Strategic Longer-Term Plan
- Annual Budget
- Annual report

Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council's asset maturity was externally assessed by GHD in August 2018.

At that time, the overall score was assessed as competent.



Figure 7 – Asset Management Maturity Assessment 2018

This equates to a **CORE** level of asset management maturity.

Since this external assessment, Council has achieved a number of improvements. Table 5 on the following page details the key Asset Management Strategies identified as targets and shows the status of progress against each.

An internal assessment against the indicators set out in the International Infrastructure Management Manual (IIMM) will be conducted during the next 12 months, and an external assessment will be scheduled thereafter.












² Asset Planning and Management Element 2 *Asset Management Strategy and Plans* divided into Asset Management Strategy and Asset Management Plans practice areas.

Improvement Strategies

A number of strategies are proposed or underway to enable the strategic asset management objectives to be achieved. These strategies and their current status are documented in Table 5 below.

Table 5: Asset Management Strategies
Status Key

Achieved  Nearing Completion  In Progress  Planned  Not Yet Started 

#	Strategy	Desired Outcome	Status
1	Move from Annual Budgeting to Long Term Financial Planning	The long-term implications of Council services are considered in annual budget deliberations.	
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (ideally for more than 80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.	
3	Adopt a Long-Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.	
4	Incorporate Year 1 of Long-Term Financial Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.	
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 risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.	
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability, and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.	
7	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.	
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Service delivery is matched to available resources and operational capabilities.	
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.	
10	Implement an Improvement Plan to improve maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within Council.	
11	Report annually to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Plans.	Oversight of resource allocation and performance.	









Asset Management Improvement Plan

Tasks required to achieve financial and asset management maturity targets and their current status are shown in Table 6.

Table 6: Asset Management Improvement Tasks

Status Key

Achieved  Nearing Completion  In Progress  Planned  Not Yet Started 

Ref	Task	Status
1	Develop and Implement plans for improved confidence in data held for assets across all asset classes.	
2	Increase integration of community consultation outcomes with service level outcomes and targets.	
3	Continue implementation of an electronic Work Order System across the organisation to optimise assignment of and reporting on asset inspection and maintenance activities.	
4	Continue implementation of scheduled asset inspections to increase accuracy of data held for assets across all asset classes.	
5	Coordinate asset management activities (e.g., condition assessments, asbestos inspections, fire safety actions) across asset classes where appropriate to optimise consistency and realise economies of scale.	
6	Apply the newly developed Risk Management Framework when preparing asset management plans to optimise mitigation of risks relating to assets.	
7	Review internal responsibility ('asset ownership') for assets (individually or grouped) as required to ensure best asset management outcomes.	
8	Conduct an internal Maturity Assessment based on asset management criteria as set out in the International Infrastructure Management Manual (IIMM).	



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