



BLAND SHIRE COUNCIL
questing along



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Resourcing Strategy 2017-2027

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

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Message from the Mayor and General Manager

It is with pleasure we present to you the Bland Shire Council Resourcing Strategy. This strategy supports and underpins the Community Strategic Plan *Your Vision, Our Future 2017-2027*.

Local Government service provision has transformed significantly over recent years and local Councils have moved beyond the traditional narrow emphasis of roads, rates and rubbish towards broader objectives to promote the social, economic, environmental and cultural wellbeing of communities.

Over a similar period, community expectations of local government have increased while other levels of government have devolved various functions to local government. The overall effect is that councils must provide a greater range of services while endeavouring to meet higher standards and the Resourcing Strategy will assist Council to achieve the goals and strategies outlined in the Community Strategic Plan, Delivery Program and Operational Plan.

The Resourcing Strategy comprises of the Long Term Financial Plan, Asset Management Strategy, policy and plans and the Workforce Management Plan.

The Long Term Financial Plan is designed as a high level document forecasting the financial capacity of the Bland Shire Council to meet the long term objectives adopted in the Community Strategic Plan.

Projections, assumptions and estimates have been used to develop an overview of how Council's finances will progress over the next ten years. Key components that have been considered include, but are not limited to, rate pegging, service levels to our community, major infrastructure asset replacement and renewals, new infrastructure, as well as borrowings and cash reserves. The plan is a decision making tool. It is not intended to be a document that specifically indicates what services or which proposals funds are to be allocated to, rather it addresses areas that impact on Council's ability to fund its services and capital works, whilst living within its means and ensuring financial sustainability.

The Asset Management Strategy provides an overall to guide future renewal/replacement and maintenance of assets. The majority of Council's assets are comprised of major community infrastructure assets such as roads, footpaths, stormwater drainage and sewer management systems, therefore it is imperative that there is an appropriate link and consistency between the Asset Management Strategy and supporting plans and the Long Term Financial Plan. In this way the Long Term Financial Plan ensures the necessary capital outlays (as per the asset management plans) are identified for the renewal and replacement of existing community assets, as well as earmarking funding for new community assets that are essential to the overall development of the shire.

The third linking document that has informed the Long Term Financial Plan is the Workforce Strategy. This document has assisted with long term planning around staffing and future works balanced with achieving the objectives of the Community Strategic Plan.

The Bland Shire is proud that it has a workforce dedicated to self improvement and the acquisition of additional skills and knowledge so they can provide the most efficient and cost effective delivery of services across a very wide and diverse range of activities.

With prudent financial planning and commitment to community, Council has been able to meet the goals it set itself on the road to becoming Fit for the Future and continues to streamline and review process while meeting challenges head on to ensure financial sustainability for many years to secure a vibrant and prosperous future.



Tony Lord
Mayor



Ray Smith
General Manager

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Our Shire

The Local Government Area of Bland is located on the northern fringes of the Riverina, New South Wales.

The Shire's major centre of West Wyalong is located on the junction of the Newell and Mid Western Highways and within a 160 kilometre radius of Wagga Wagga, Griffith, Forbes, Parkes and Cowra and within 300 kilometres of Canberra – providing an authentic rural lifestyle with the conveniences of the city well within reach.

Communities located within the Bland Shire include Barmedman, Tallimba, Ungarie, Weethalle, Wyalong, Kikora, Naradhan and Mirrool.

TOTAL POPULATION

5959

(Source: ABS Bland (A) (LGA) Regional Population Table, Created March 2017)

POPULATION—MALE

3054

POPULATION—FEMALE

2905

COUNCIL AREA (SQ KM)

8557.7

MEDIAN AGE

41.7 Years

MEDIAN TOTAL INCOME

2013 - \$36,390

POPULATION DENSITY

0.7 PERSONS per KM²

OUR VISION, MISSION AND VALUES



The Bland Shire offers outstanding Council owned parks and gardens, sporting and community facilities, terrific schools, key medical and business facilities and boasts a fierce and unique community spirit.

The community is proud of its facilities and services but Council and the community believe the Shire's greatest asset is its people.

The Bland Shire has a rich history and a vibrant future. Today the Shire is a blossoming rural economy built around sheep, cattle, wheat and other crop varieties while in more recent times the Shire has also experienced significant developments away from agriculture. Evolution Mining operates a gold mine at Lake Cowal while Pace Farm has the biggest egg producing facility in the southern hemisphere.

Our Council

The Integrated Planning and Reporting Framework sets the strategic direction for the provision of infrastructure and services throughout the Shire. Bland Shire Council provides and maintains millions of dollars worth of assets, from the essential infrastructure of roads, paths, kerb and gutter, wastewater and waste management, to the parks, playgrounds, community buildings and amenities that enhance the quality of life for our residents and visitors.

Council's road network comprises:

- 707km of sealed roads
- 184km of Regional sealed roads
- 2,370km of unsealed roads
- 34km of footpaths and shared pathways
- 190km of kerbs and gutters
- 9 bridges
- 46 pedestrian bridges
- 2 car parks
- 1,269 culverts

Materials for the construction and maintenance of these road and infrastructure assets are provided by 99 privately owned gravel pits and 3 Council owned pits located on road reserves, while its equipment is stored at two Council depots.





Council also provides many facilities to help create a strong, cohesive and creative community.

There are a total of 143 buildings and structures including:

- Library/Visitor Information Centre/ Administration offices
- Children's Services Unit
- Community Care Centre
- Public Halls
- Museums
- Men's Shed
- Buildings under Crown Trust reserves and Council Section 355 Committees.

To encourage the community to get active and enjoy our enviable climate

Council provides:

- 17 parks and recreational spaces
- 14 playgrounds
- 7 sporting precincts including 9 ovals
- Wetlands
- 2 swimming complexes
- Outdoor fitness circuit





In addition, Council operates and maintains:

- 17 public toilets/amenities blocks
- 5 cemeteries
- 3 sewerage treatment plants
- Livestock saleyards
- Aerodrome
- 8 landfills
- Animal pound

Introduction to Integrated Planning and Reporting

YOUR VISION, OUR FUTURE – Bland Shire Council Community Strategic Plan

The Community Strategic Plan provides objectives for both the Council and the community to strive for in cooperation with each other and will determine the future direction of Council and its resources. Strategies within this plan are presented in the following themes:



Our People



Our Places



Our Leadership



Our Prosperity

Delivery Program and Operational Plan

The Delivery Program is adopted every four years and is essentially a statement of commitment to the community from the Council. The delivery program is directly linked to the objectives within the Community Strategic Plan. The Delivery Program is designed to be the single point of reference and all plans, projects, activities and funding allocations must be directly linked to this program.

The operational component of the plan is updated on an annual basis and supports the actions and objectives of the Delivery Program and Community Strategic Plan. The annual budget is based on the operational plan as it details projects and activities that will be undertaken each year. The Operational plan identifies measures to determine the effectiveness of the programs, projects and services contained within the plan.

Resourcing Strategies

For the strategies within the Community Strategic Plan to be realised, the Resourcing Strategy, consisting of the Long Term Financial Plan, Asset Management Strategy and Workforce Assessment Plan outlines how Council will achieve the relevant objectives with enough time, money, assets and people.

How the IP4R Framework Works





Asset Management strategy



Introduction

To support the community, Council maintains a network of physical infrastructure within the Bland Local Government Area. This infrastructure provides a platform for economic and social development, strengthens the link between the community and the natural environment and creates a sense of place for the local community and its visitors. This infrastructure is integral to the community's wellbeing and their quality of life.

What is Asset Management?

Asset management is the process of logic used to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Strategic Asset management is the way in which Council looks after its assets on both a day-to-day basis (maintenance and operations) and in the medium to long term basis (strategic and forward planning).

Asset Management Objectives

The infrastructure assets managed by Council include formed roads, bridges and culverts, footpaths, kerb and gutter, stormwater and sewer infrastructure, recreational assets, open spaces, landfills, Council business and community buildings.

Council's primary objectives in managing its assets are to:

- Manage all assets in a sustainable and cost effective manner
- Review and reassess service levels and ensure service provision is within desirable levels for future and existing community members

To assist with making optimal decisions relating to our assets, Council has recently engaged Assetic to assist with the strategic asset development within Council. By applying analytics to life-cycle and maintenance data, Assetic enables visualisation of strategy and service level scenarios to manage and maintain assets, improve service levels and reduce capital and maintenance spending. The scenarios produced work hand in hand with the Long Term Financial Plan to achieve optimum asset management strategy. Work is still being undertaken linking the resultant asset management

plans to the LTFP, but when finished will give a complete picture.

Asset Management --Now and the Future

The assets in the Bland Local Government area are audited under Council's inspection regime, rated against the condition rating sheets and captured in Council's asset registers. This process allocates a condition rating to each individual asset, or section of asset. This condition rating scale ranges from 1-5. A condition rating of average (condition 3) is considered to be a satisfactory level of service or condition. The condition of the Assets is captured within Council's asset management software and GIS system with a direct relationship to the service levels agreed to as part of the Integrated Planning and Reporting process.

Using this data the Gross Current Replacement value of the existing network can be calculated and the cost of returning all infrastructure identified as being in unsatisfactory condition (condition 1 & 2) to a condition deemed satisfactory which is at the least a condition 3, can be calculated.

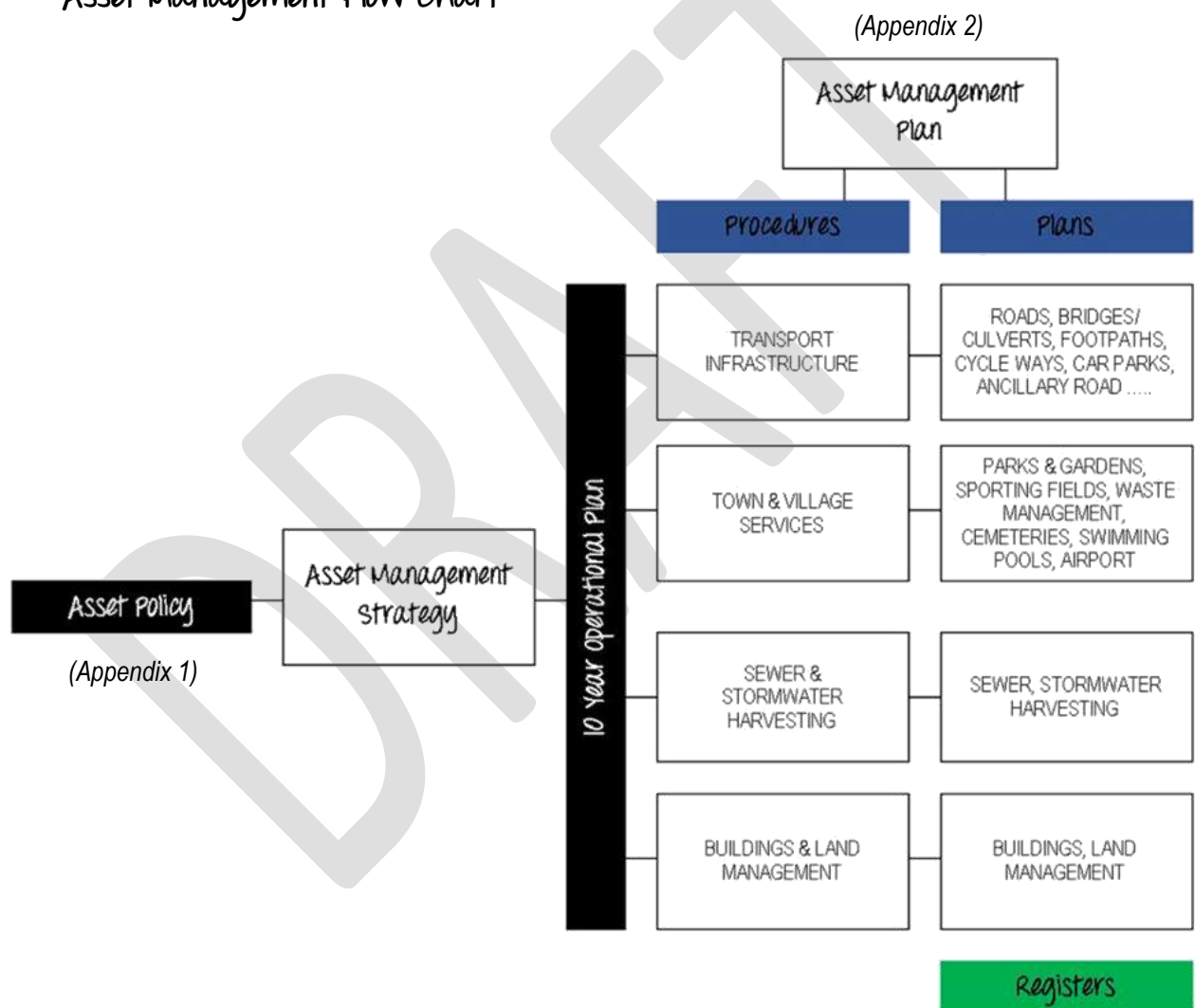
Utilising this information, along with Assetic Predictor allows Council to model scenarios providing support tools for long-term planning of infrastructure assets while optimising service level outcomes and capital and maintenance expenditure. The software assists to predict the future behaviour of assets given available funding levels and enable scenario comparison to aid decision making.

How We Manage our Assets

The relationship between the Asset Policy, Asset Management Strategy, Delivery Program, Operational Plan, Assets plans and procedures can be seen in the diagram below.

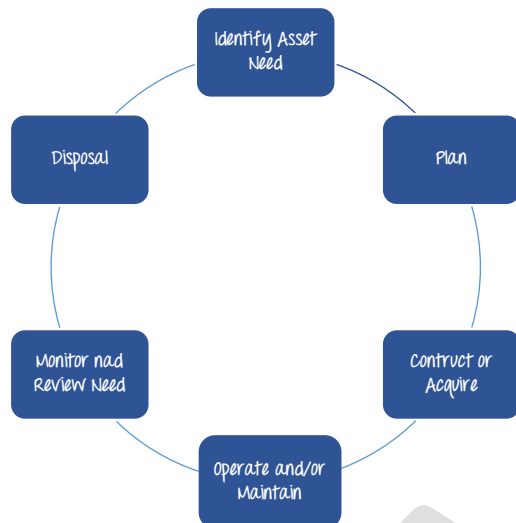
Council has entered the strategic asset management phase that “employs predictive modelling, risk management and optimised decision making techniques to establish asset life cycle treatment options and related long term cash flow predictions.” (IIMM 2006).

Asset Management Flow Chart

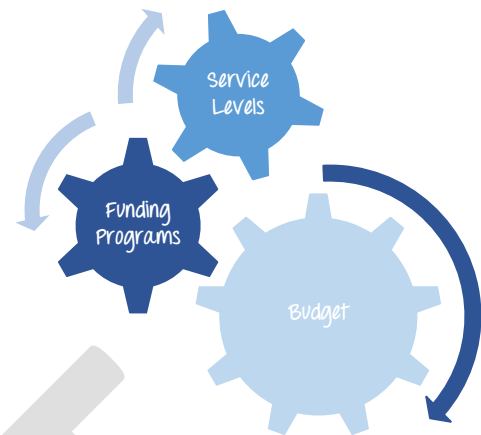


Lifecycle Management

Life cycle management details how Council plans to manage and operate the asset category at the agreed level of service while minimising life cycle costs throughout the useful life of the asset.



The traditional approach of “last year plus 5%” resulted in budget driven asset management. Bland Shire is currently undertaking extensive work across all assets and has recognised that this approach leads to a lack of organisation and communication between the service delivery and financial planning. As a result Strategic Asset Management (SAM) is currently being implemented along with asset management software (Assetic) to deliver a long term approach to Asset management delivering informed predictions that will result in a service centric outcome.



The diagram above illustrates the three aspects are required to work together and are dependent upon each other to achieve maximum outcome, value and efficiency across the asset management system.

Lifecycle Costs

The lifecycle costs (whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation) expense.

This value must be used in the development of estimates for the delivery of new assets for Council. The introduction of life cycle costing will dramatically change the forecast capital expenditure listed above as capital costs. Capital costs will no longer reflect just ‘build’ cost but will include whole of life.



Our Assets

Introduction

Council's goal in managing infrastructure assets is to meet the required level of service for each asset category in the most cost effective manner, within available funds, for present and future consumers. The key elements of Council's infrastructure asset management are:

- Taking a life cycle approach
- Utilising cost effective management strategies for the long term
- Reviewing defined levels of service and monitoring performance
- Understanding and meeting the demands of growth through demand management and infrastructure investment
- Managing community expectations
- Managing risks associated with asset failures
- Sustainable use of physical resources
- Continuous improvement in asset management practices

To achieve these goals, Bland Shire is currently building on existing systems and implementing new strategic asset management software to ensure:

- Accurate inventory and condition information
- Facilitate efficient day-to-day management of assets
- Enable objective long term asset planning based on informed knowledge across all asset classes.

The chosen system – Assetic, integrates with Technology One financial system and Mapinfo GIS system to provide a comprehensive insight to the current condition and future needs of Council's assets.

What We Have

Council's mission "*Working together to improve the quality of life*" guides staff in the way the assets are managed.

This strategy is designed to include all of council's assets, which encompasses a broad range grouped into key asset categories as tabled below.

Asset Category	Assets Included
Transport Infrastructure	Sealed Roads, Unsealed Roads, Kerbing, Stormwater drainage, Bridges, Culverts, Footpaths, car parks, signs and roadside infrastructure
Parks and Open Spaces	Sporting fields, Parks and Gardens, Courts Playgrounds, Irrigation, Park Furniture, Shelters, BBQ's, Public reserves, Skate Park
Buildings and Land	Civic buildings Community Buildings, Land
Plant and Equipment	Light Plant, Heavy Plant, Motor Vehicles, ancillary plant and equipment
Sewer	Sewerage pipes and pits, sewerage treatments plants, pump stations, manholes

Condition Assessment

The condition assessment specifies the technical tools used to assess the condition of each asset. Bland Shire Council uses a 1-5 measure. An example of condition assessment methodology utilised can be found in Appendix 3.

Service Levels

Current Levels of Service

“An objective of Asset Management Planning is to match the level of service provided by the asset with the expectations of the customer. Asset Management Planning will enable the relationship between level of service and cost of service (the price/quality relationship) to be determined. This relationship can then be evaluated in consultation with customers to determine the optimum level of service that the community is prepared to pay for”. (Page 3.6, IMM (2006)).

Council has characterised service levels in two definitions aligned with the IIM. These two levels of service are a community level of service and a technical level of service.

Community levels of service relate to how the community receives or derives benefit from the service of each asset in terms of safety, quality, quantity, reliability and responsiveness.

Supporting the community service levels are operational or technical measures of service developed to ensure that the minimum community levels of service are met. These technical levels of service may relate to cost/efficiency and legislative compliance.

Council’s assets team continues to use a ‘satisfactory’ condition (condition 3) as a desired level of service for all asset categories covered by this Strategy. The use of ‘condition 3’ as the desired service level allows Council to develop projections of asset renewal funding requirements for the future in support of the Long Term Financial Plan, providing estimates of the funding required for each category to be remediated or renewed so the majority of Council’s infrastructure asset is ‘condition 3 or above.

Supporting the service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met as long as it is within the available budget.

These technical measures relate to service criteria such as:

SERVICE CRITERIA	TECHNICAL MEASURES MAY RELATE TO
Quality	Component deterioration
Quantity	Area of parks per resident
Availability	Number of users versus need
Safety	Pavement width and condition

Desired Levels of Service

Community engagement has assisted Council to determine levels of service within the community.

The community engagement took several forms and was based on the simple principle of Council going into the community to meet with people to:

- Gather information from the community regarding the condition of assets that is satisfactory to them
- Gather information from key stakeholder groups and Government departments about satisfactory levels of asset condition
- Gather information from Councillors and council staff about satisfactory levels of asset condition.

In addition to this, information was also gathered from the Customer Satisfaction Survey (2005, 2011, 2016), Integrated Planning and Reporting Community Consultation process (2011-2012, 2016-2017) and ongoing residents’ feedback to councillors and staff through service requests and correspondence and community forums undertaken across the villages within the shire.

From the information gathered, a base line for the community’s minimum standard requirement was derived, along with what are the most important factors and which are the least.

The information obtained from the community, balanced with reducing budgets, frozen funding streams and limited income sources has resulted in the need to reduce service levels in some areas, while ensuring a cost effective, reliable and safe asset based on future budget forecasts.

For example, traditionally, Council provided a “one size fits all” approach to their assets, particularly roads. The road hierarchy as shown in the Asset Management Plan, considers the functionality of the asset including, user rates, type of users, community benefit, whole of life cost of providing the asset, risk and safety to the community.

Road infrastructure service levels have been developed based on the adopted road hierarchy, also shown in the Asset Management Plan. Service levels and condition assessment ratings have been developed for all asset classes.

Council has also reviewed the operational process and contracted an independent review in 2015. This review found the changes previously identified and implemented from the original asset management planning process has ensured Bland Shire Council is equal to or better than like size Council's in their processes and value for money.



Financial Sustainability

Financial Statements & Projections

The financial projections are shown in the following graph for projected operating expenditure (renewal, maintenance and depreciation). Major capital works will be funded from reserves and additional grant funding.

Depreciation Methodology

Council adopted a depreciation methodology used to develop the fair value of its assets as required by the Office of Local Government.

The depreciation methodology adopted is a Straight Line Depreciation Method.

Australian Accounting Standards

The following Australian Accounting Standards apply to Local Government:

AASB13 – Fair Value Measurement

A market-based measurement to estimate the price at which the asset would be sold or transferred.

AASB 116 – Property, Plant and Equipment

Prescribes the requirements for the recognition and depreciation of property, plant and equipment assets

AASB 136 – Impairment of Assets

Aims to ensure that assets are carried at amounts that are not in excess of their recoverable amounts

AASB 138 – Intangible Assets

Prescribes the accounting treatment for intangible assets not dealt with in another standard

AASB 1021 – Depreciation on Non Current Assets

Specifies how depreciation is to be calculated

AAS 1001 – Specifies the policies that Council is to have for recognition of assets and depreciation

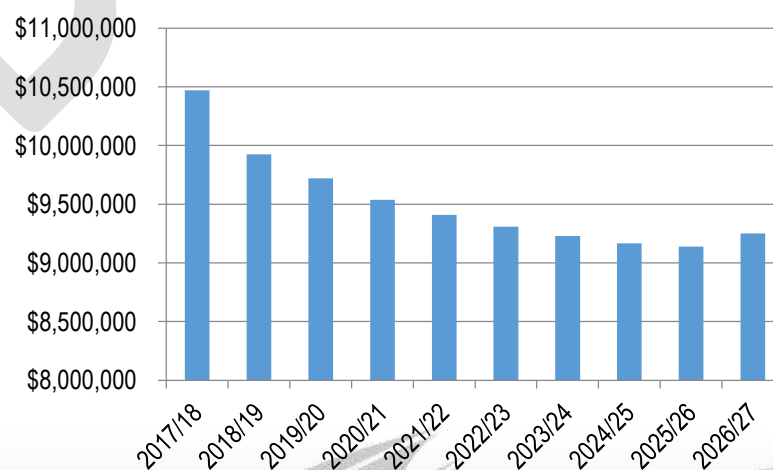
AAS 1015 – Accounting for the acquisition of assets Method of allocating the value to new assets on acquisition, and

AAS 27 – Financial Reporting by Local Government

There is a plethora of other legislative requirements that need to be considered, including but not limited to:

- Disability Discrimination Act 1994
- Building Code of Australia
- Work health and Safety
- EP&A Act

Long Term Financial Plan Renewal and Maintenance Expenditure -2017-2027



References

- International Infrastructure Management Manual, Institute of Public Works Engineering Australia, Sydney, IPWEA, 2006
- Institute of Public Works Engineering Website: www.ipwea.org.au
- Bland Shire Council, Community Strategic Plan
- Bland Shire Council, Risk Management Policy
- Bland Shire Council, Long Term Financial Plan
- Bland Shire Council, Ancillary Asset Assessments, Business Process Manual and cheat sheets

Appendix

- Appendix 1 – Asset Management Policy
- Appendix 2 – Asset Management Plan
- Appendix 3 – Asset Condition Assessment

Appendix I – Asset Management Policy



POLICY STATEMENT ASSET MANAGEMENT POLICY

POLICY ADOPTED: 27 MAY 2011

Statement of Commitment

Bland Shire Council recognises that care and management of its infrastructure assets is an essential element in achieving the organisations stated mission and to meet the present and future needs of the shire community.

Aims and Objectives

Aims

To provide the overall framework to guide the strategic management of Bland Shire Council's infrastructure assets in a co-ordinated and structured manner whilst complying with the following legislation;

Local Government Amendment (Planning and Reporting) Act 2009
Roads Act 1993, by:

- Establishing corporate and community objectives for asset management based on service delivery needs
- Account and plan for all of the existing assets and any new asset solutions proposed in Councils Community Strategic Plan and Delivery Program
- Prepare an Asset Management Strategy and relevant Asset Management Plans to support the Community Strategic Plan and Delivery Program
- Provide resources to capture asset data and integrate asset information as a core component of Councils corporate database in order to provide support for the implementation of Integrated Planning and Reporting legislation
- To establish procedures that provide a simple, systematic and readily usable risk management approach to the maintenance of public roads and infrastructure
- Maximising value for money by adoption of life – cycle costing, combined with disciplined performance management and review of asset utilisation and service levels
- Assigning accountability and responsibility for service delivery together with asset management
- Provide relevant information for the annual financial statements in line with the Local Government Code of Accounting Practice and Financial Reporting
- Promoting sustainability to plan for the needs of future generations

Objectives

To ensure that the importance of effectively and efficiently managing Council's assets for present and future generations is clearly recognised by Council and the community, in accordance with the Council's Charter under Section 8 of the Local Government Act 1993 (as amended).

To reinforce Council's commitment to ensuring a sustainable future, whilst complying with the Local Government Amendment (Planning and Reporting) Act 2009.

To provide a systematic method of identification, evaluation and prioritisation of maintenance works on Council's road network that will assist Council's decision-making process in its annual budget formulation.

Overview

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over the entire life of the asset.

The importance of infrastructure assets to the Bland Shire community and their significance for Council budgets means that asset management is an essential component to support the Community Strategic Plan and Delivery program of Council.

Infrastructure assets are fundamental to Council's overall service delivery and planning and responsibility for them requires strong and informed Councillor and management oversight. This oversight is crucial to achieving the change management essential for effective strategic asset management.

The long lived nature of many assets and the need for their ongoing renewal means that planning must be based on an understanding of the full costs throughout each asset's life cycle, and address both short and long term planning needs.

Infrastructure costs consume a large part of Council's budget and dependent on their timing the impact will vary greatly on planning for and allocation of financial, human and capital resources.

Accordingly, infrastructure asset management planning must be integrated with Council's overall financial and management planning process in order for Council (and the community) to understand each asset's full life cycle costs to plan effectively for asset acquisition, operation and maintenance, renewal and disposal.

This policy provides the overall framework to guide the strategic management of Bland Shire Council's infrastructure assets and will be supported with the development of a more detailed Asset Management Strategy and Asset Management Plan- The Corporate Approach.

Asset Management Principles

Council acknowledges the following principles in determining its approach to asset management:

- **Service delivery** forms the basis for asset management
- Asset management will be integrated with **corporate, financial, business and budgetary planning and will form an essential component of the Community Strategic Plan and Delivery programs**

- **Informed decision making**, incorporating a life cycle approach to asset management whilst minimising public liability exposure and providing a best value service to the community
- **Establishing accountability and responsibility** for asset condition, use and performance
- **Sustainability**, providing for present needs while sustaining resources for future generations

Philosophy Underlying the Policy

Councils stated outcome for Community Works and Services is:

“We will work with the community to provide services and facilities that support our lifestyles and economy and make the shire and region an attractive place to live, work and visit”

Councils stated indicator to this end is to provide and maintain infrastructure assets in accordance with legislative requirements, agreed standards, budgetary constraints and to exceed community expectations where possible.

Policy in Expressed Terms

In order to achieve Councils stated corporate and community objectives, Council is committed to:

- Achieving financial sustainability of its assets over a period of time through the following measures
 - Ensuring that the asset base is not increased without considering the impact on Councils ability to fund future maintenance and renewal of the asset
 - Not replacing those assets that are determined to be underutilised, at the end of their useful lives, following consultation with the community and determining the impact of not replacing the asset will have on the community
 - Continually improving Councils maintenance and renewal practices and adopting best practice wherever possible
 - Increasing grant, contributions and other funding to ensure that assets are maintained in an optimum condition
 - Utilising technology advances and innovative solutions that assist and are relevant to asset preservation, maintenance and reducing overall life costs
- Maintaining and renewing Councils existing assets in a manner which is acceptable to Council and the community in terms of safety, access, quality, impact on the environment, meeting community needs and Council's ability to fund those works.
- Maximising resources to achieve the best outcome for the community.
- Regularly consulting with the community to determine whether its needs are being met.
- Preparation and review of detailed asset management plans for all major classes of assets and using these plans to assist Council to determine the priorities for capital, renewal and maintenance expenditure.

Asset Management Responsibilities

Council will;

- act as responsible custodians and trustees for infrastructure assets and maintain accurate and reliable asset registers
- approve the Asset Management Policy and monitor its outcomes
- set the corporate Asset Management Strategy and Plan
- approve the annual Budget and ensure appropriate resources for Asset Management activities are made available

- evaluate Asset Management improvement and utilise Councils Audit Committee to assist in regular reviews

General Manager

- develop and agree on the corporate Asset Management Policy with Council
- develop and implement the corporate Asset Management Strategy and Plan with agreed resources
- deliver Council's "best value" services review program
- monitor, review and report performance of the organisation in achieving the Asset Management Strategy
- set levels of service, risk and cost within available resources
- ensure that accurate and reliable information is presented to Council for decision making

Directors and Managers

- assist the General Manager to develop the Corporate Asset Management Policy, Strategy and Plan
- as asset "owners" develop and take responsibility for asset management plans for individual asset groups, using the principles of life cycle analysis
- develop and implement asset improvement plans for individual asset groups
- implement improvement plans (maintenance programs, capital works programs) in accordance with Asset Management Plan and Councils Management Plan and Budget targets
- deliver levels of service to agreed service, risk and costs standards
- present information to the GM and Council in terms of asset life cycle risks and costs

Asset Management Program

The Asset Management Program consists of this Asset Management Policy, Asset Management Strategy, Asset Management Plan- The Corporate Approach and various individual Asset Management Plan supported by Statements of Operation that are endorsed through Councils Community Strategic Plan and Delivery Program, and further supported by documented Procedures, Work Instructions and Checklists and any other documentation that may be deemed necessary for the effective implementation, training, operation and monitoring of the Asset Management Program within Bland Shire Council.

Definitions

Asset Management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets.

Infrastructure Assets includes roads, footpaths, kerb and gutter, street trees, bridges, public buildings and amenities, drainage, playgrounds, land under Council's ownership, control or management including open space, community parks and gardens, ovals and recreation reserves, cemeteries, street signs, street furniture, parking areas, sewerage systems, saleyards, caravan park, aerodrome, swimming pools, Council vehicle and plant fleet and Council owned housing and buildings, Information Technology (IT) computer networks and equipment.

Sustainability is achieved when Council allocates sufficient resources to the maintenance and renewal of its assets to ensure that they can be replaced or renewed at the end of the assets useful life.

Related Policies

- Community Strategic Plan Policy
- Risk Management Policy

Related Legislation

- Local Government Act 1993 (as amended)
- Local Government Amendment (Planning and Reporting) Act 2009
- Roads Act 1993
- Civil Liabilities Act 2002

References

1. Councils Charter – Section 8 NSW Local Government Act 1993 (as amended)
2. NSW Government Integrated Planning and Reporting Guidelines
3. NSW Government Integrated Planning and Reporting Manuals
4. Department Local Government Integrated Planning and Reporting Workshop
5. Bland Shire Council Management Plan 2010/2015
6. IPWEA NAMS Plus Guidelines
7. International Infrastructure Management Manual
8. Statewide Mutual Best Practice Manuals
9. AustRoads Guide and RTA specifications and guidelines
10. AS/NZS ISO Standards
11. ARRB Transport research and publications

Review

The Policy will be reviewed with Council and community input within 4 years from date of adoption, with operational amendments as required in accordance with Council's approval.

Authorisation:

Authorisation			
Status	Committee		
	Manex		
Owner	DIRECTOR ENGINEERING SERVICES		
EDRMS Doc. ID	332821		
Superceded Policy			
Date of Adoption/ Amendment	Revision Number	Minute Number	Review Date
20 December 2005	0	33/12/05	
21 March 2006	1	8/3/06	18 April 2011
27 May 2011	2		May 2015

Related Council Policy / Procedure
Community Strategic Plan Policy
Risk Management Policy

Appendix 2 Asset Management Plan

2017



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Introduction

Aim

The purpose of the Asset Management Plan is to support the individual asset class plans and to inform the Long Term Financial Plan to ensure adequate funding levels are provided to maintain and improve Council's assets in line with established service levels.

The infrastructure assets managed by Council include formed roads, bridges and culverts, footpaths, kerb and gutter, stormwater and sewer infrastructure, recreational assets, open spaces, landfills, Council businesses and community buildings.

A comprehensive list of these infrastructure assets is maintained in Council's Asset Register and details of the individual asset categories are held in the supporting sections of this Asset Management Plan.

The Value of Infrastructure

The assets in the Bland Local Government Area included in this Asset Management Plan are audited under Council's inspection regime, condition rated and captured in Council's asset and GIS registers. This process allocates a condition rating to each individual asset, or section of asset. This condition rating scale ranges from 1-5. A condition rating of average (condition 3) is considered to be a satisfactory level of service or condition.

Infrastructure Categories

The table providing details of asset categories included in this Asset Management Plan is included in attachment 1. It includes the size of each network, the gross replacement value and written down value of each network, taken from Council's Special Schedule 7 from the previous financial year.

Asset Category	Assets Included
Transport Infrastructure	Sealed Roads, Unsealed Roads, Kerbing, Stormwater drainage, Bridges, Culverts, Footpaths, car parks, signs and roadside infrastructure
Parks and Open Spaces	Sporting fields, Parks and Gardens, Courts Playgrounds, Irrigation, Park Furniture, Shelters, BBQ's, Public reserves, Skate Park
Buildings and Land	Civic buildings Community Buildings, Land
Plant and Equipment	Light Plant, Heavy Plant, Motor Vehicles, ancillary plant and equipment
Sewer	Sewerage pipes and pits, sewerage treatments plants, pump stations, manholes

Asset Management Goals

Council's goal in managing infrastructure assets is to meet the required level of service for each asset category in the most cost effective manner for present and future consumers. The key elements of Council's infrastructure asset management are:

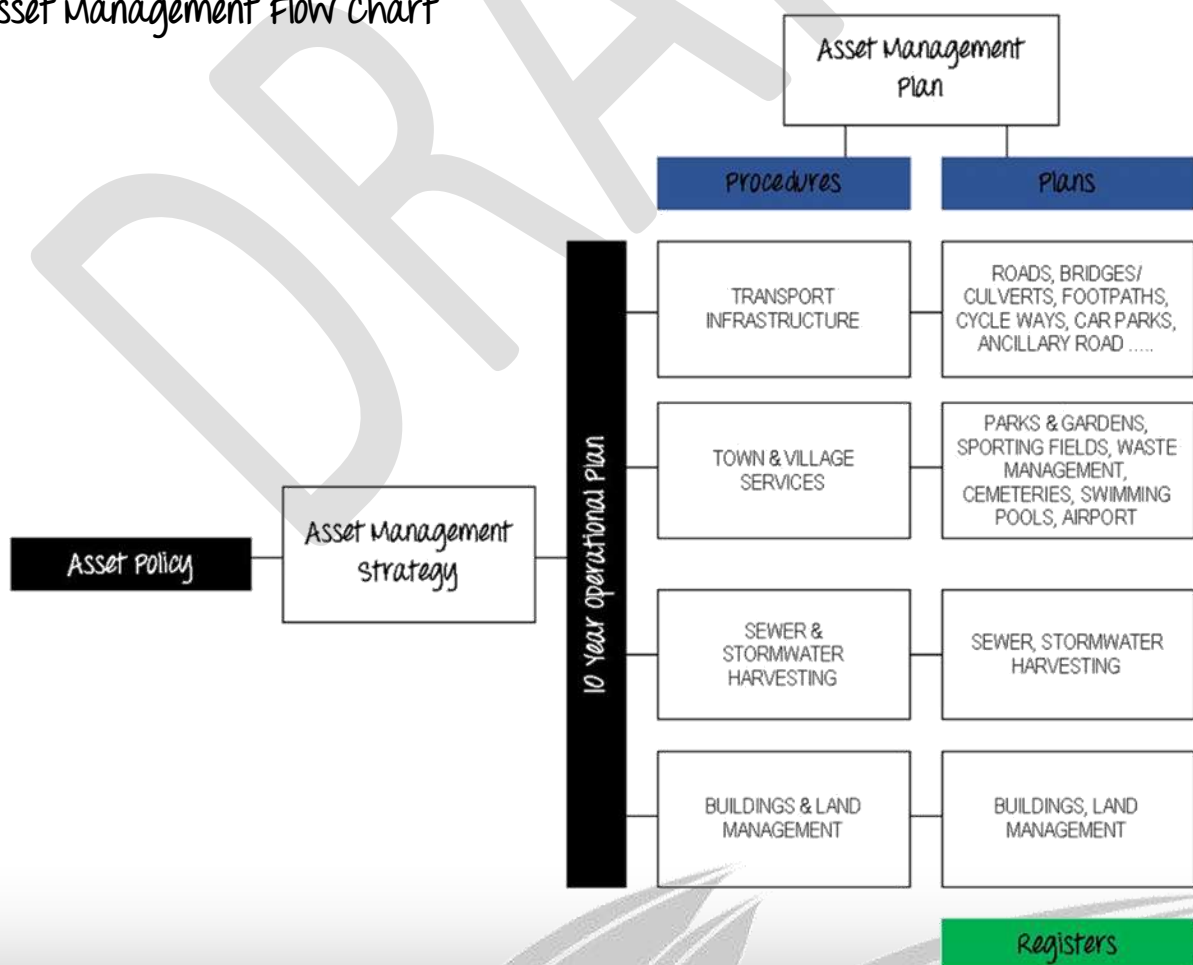
- Taking a life cycle approach
- Developing cost effective management strategies for the long term
- Providing a defined level of service and monitoring performance
- Understanding and meeting the demands of growth through demand management and infrastructure investment
- Managing risks associated with asset failures
- Sustainable use of physical resources
- Continuous improvement in asset management practices

The Asset Management Plan and supporting sections are fundamental to the achievement of these key elements of asset management. The cornerstones of the Plan are:

- Condition assessment – specifies the technical tools used to assess the condition of each asset
- Life cycle management – how Council will manage its existing and future assets to provide the required services
- Financial summary – what funds are required to provide the required services
- Monitoring – how the Plan will be monitored to ensure it is meeting Council's objectives
- Asset management improvement plan

The flow chart showing the relationships of the Asset Management Plan to the Asset Management Policy, Asset Management Strategy, and its supporting plans is as follows:

Asset Management Flow Chart



Service Levels

Current Levels of Service

“An objective of Asset Management Planning is to match the level of service provided by the asset with the expectations of the customer. Asset Management Planning will enable the relationship between level of service and cost of service (the price/quality relationship) to be determined. This relationship can then be evaluated in consultation with customers to determine the optimum level of service that the community is prepared to pay for”. (Page 3.6, IMM (2006)).

Council has characterised service levels in two definitions aligned with the IIM. These two levels of service are a community level of service and a technical level of service.

Community levels of service relate to how the community receives or derives benefit from the service of each asset in terms of safety, quality, quantity, reliability and responsiveness.

Supporting the community service levels are operational or technical measures of service developed to ensure that the minimum community levels of service are met. These technical levels of service may relate to cost/efficiency and legislative compliance.

Council’s assets team continues to use a ‘satisfactory’ condition (condition 3) as a desired level of service for all asset categories covered by this Plan. The use of ‘condition 3’ as the desired service level allows Council to develop projections of asset renewal funding requirements for the future in support of the Long Term Financial Plan, providing estimates of the funding required for each category to be remediated or renewed so the majority of Council’s infrastructure asset is ‘condition 3 or above.

Desired Levels of Service

Community engagement has assisted Council to determine levels of service within the community.

The community engagement took several forms, as outlined in the Engagement Strategy, and was based on the simple principle of Council going into the community to meet with people to:

- Gather information from the community regarding the condition of assets that is satisfactory to them
- Gather information from key stakeholder groups and Government departments about satisfactory levels of asset condition
- Gather information from Councillors and council staff about satisfactory levels of asset condition.

In addition to this, information was also gathered from the Customer Satisfaction Survey (2005, 2011, 2016), Integrated Planning and Reporting Community Consultation process (2011-2012, 2016-2017) and ongoing residents’ feedback to councillors and staff through service requests and correspondence and community forums undertaken across the villages within the shire.

From the information gathered, a base line for the community’s minimum standard requirement was derived, along with what are the most important factors and which are the least.

Road infrastructure service levels (attachment 2), have been developed based on the adopted road hierarchy as shown in attachment 3. Service levels and condition assessment ratings have been developed for all asset classes.

Future Demand

Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness and increased Government pressure for heavy vehicle loads for example.

Demand for infrastructure is generated predominantly through either:

- An increased utilisation of existing infrastructure brought about by the factors above or
- The requirement for new infrastructure to meet the needs of growth in new development.

The demand created by these two circumstances requires analysis to consider the ramifications to existing infrastructure networks and the ability of these networks to cope. This analysis applies in all cases ranging from new subdivisions creating an increased load on an existing sewer network and treatment plant, to that same subdivision increasing traffic across existing road networks potentially creating the need to upgrade that existing infrastructure to cope with the increased utilisation and demand.

Demand Management Plan

Demand for new services will be managed through a combination of managing and maintaining existing assets, upgrading of existing assets and providing new assets to meet this demand. Demand management practices include non asset solutions, insuring against risk and managing failures.

The planning for infrastructure due to demand is a constant process of review and assessment of existing infrastructure and its ability to cope with increasing demand, versus the need to augment with new infrastructure.

Council develops strategies for demand management on single or groups of affected assets and continues to manage the relationship between existing and new asset requirements in the context of asset management. This demand management also includes asset rationalisation as discussed in this plan.

This demand forecasting and analysis is based on Australian Bureau of Statistics 2011 data and the NSW Department of Planning projections. The outcomes of these plans form elements of future capital works programs captured in Council's Long Term Financial Plan.

One of the main elements that is required to be taken into consideration is the aging population. This has been address within the Community Strategic Plan. The theme Our People, gives particular emphasis on the aging and the provision of services to that demographic.

NSW PLANNING AND ENVIRONMENT POPULATION PROJECTIONS

	2011	2016	2021	2026	2031	2036
Total Population	6050	5950	5650	5350	5100	4850
Total Households	2450	2350	2300	2200	2100	2050
Demographics - 65+ Years	1200	1250	1250	1250	1250	1200
Demographics - 50-65 years	1200	1200	1050	950	1200	900

Scenarios

	2011	2016	2021	2026	2031	2036
DoP Projections	6050	5950	5650	5350	5100	4850
Current Trend	6021	5870	5723	5580	5440	5304
Low Growth	6150	6304	6462	6624	6790	6960
High Growth	6300	6615	6946	7294	7659	8042

Changes in Technology

Technology changes are forecast to have little effect on the delivery of services covered by this Plan at present time.

Changes in technology will however impact on the decision making processes employed. Utilisation of Assetic Predictor will assist staff to develop work plans through prediction modelling and support tools for long-term planning of infrastructure assets. Predictor will assist Council to optimise service level outcomes and capital and maintenance expenditure, giving best value outcome for each dollar spent.

New Assets for Declining Growth

Population forecast indicate that there will be very few new assets required to meet growth as this data indicates that Council has a negative growth of -0.75%.

The demographics indicate Bland Shire has an ageing population. In the future capital items required will be to be funded from the Council's general income. With decreasing revenue streams from a declining population and increasing demands from an ageing population upgrading or renewal of existing infrastructure, will need to be reviewed with this in mind.



Lifecycle Management

Life cycle management details how Council plans to manage and operate the asset category at the agreed level of service while minimising life cycle costs throughout the useful life of the asset.

Acquisition

There are six elements of the asset acquisition phase of the cycle. They are:

1. Planning
2. Assessment of requirements
3. Feasibility study
4. Acquire (procure or construct)
5. Asset identification, recognition and recording
6. Recording and accounting

These elements are not carried out in an entirely sequential manner; some elements overlap and the planning element should be evident in all other elements.

Congruence of the asset management process with all stages of planning is vital to ensure the process adds value to an organisation. Ad hoc assessment processes are unlikely to result in optimum asset management, for example to have assets acquired, maintained or disposed of in accordance with the organisation's goals and objectives. It can have serious consequences for Council, particularly in longer term sustainability. Sound and effective use of planning in all phases of the asset management cycle will assist Council in:

- Setting levels for service delivery
- Assessing the functional adequacy of existing assets
- Identifying surplus or under performing assets
- Assessing the assets required for new policy initiatives
- Evaluating options for asset provision (for example, private versus public investment)
- Evaluating options for funding asset acquisition
- Ensuring funds are available when required
- Ensuring assets are maintained and disposed of in an optimum manner
- Evaluating asset management performance, with the goal of continuous improvement.

The development of an Asset Management Plan as part of Council's planning processes provides the best means of delivering value added asset management. The plan must cover the complete asset management cycle and be integrated with Council's strategic and other planning documents.

Assessment of Requirements

Assessing Council's requirements for assets is a major and evolving challenge. It involves making judgements on future services and organisational direction and the making of predictions that may change at the next election. Appropriate and effective asset planning, however, is driven by the longer term Financial Plan requirements that must transcend the impacts of elections. Council should deliberately apply strategic thinking in making predictions to minimise risk and uncertainty.

Questions that must be satisfactorily answered are:

- What alternatives are available for service delivery?
- What changes can be expected to service demand over the planning time frame?
- What is the condition of existing asset holdings?
- What are the short term asset requirements?
- What are the long term asset requirements?
- What existing assets meet the requirements?
- What further assets are required?
- Does Council need to acquire further assets or can the service be met by a service provider?
- What assets are no longer viable to retain?
- What alternatives are available for asset provision (public or private)?
- What alternatives are available for asset acquisition (purchase or construct)?
- What new skills will be needed to operate new assets?

Requirements need to be regularly reviewed, particularly as circumstances change. Such reviews should be part of the ongoing planning processes of Council. Once requirements have been defined and the options costed, a decision on the best option can be made. This decision will be the beginning of further planning – the plan to acquire the asset.

A purchasing/design and/or construction specification and a budget for the asset should be developed as well as, a time frame for its acquisition and obtaining the necessary funding. A realistic budget, cash flow and timetable must be set as insufficient funds or project management might seriously jeopardise the asset acquisition process. This must include whole of life costing for the new asset including acquisition, maintenance, renewal and disposal.

The key to adding value to the organisation in the asset acquisition element is project management. Once the broad asset requirements are known, the process should be managed through Council's Project Management Framework utilising a project team that has the necessary skills and experience to ensure all aspects of the acquisition process are completed in a way that meets the service delivery and economic objectives of Council.

Asset Identification and Recording

Australian Accounting Standards (AAS) require Local Government to identify value and record all of their assets. Council has recently undertaken a complete revaluation of all asset classes and carried this data across to ensure the asset register is correct and reflective of the Council owned assets.

There is much information that can be recorded about assets. Council needs to be diligent and apply a strategically driven approach to the data held and used. Data held needs to be regularly subject to executive management scrutiny so that information can be reliably provided without the unnecessary overhead of gathering, storing and cleansing data that is not explicitly used by Council and is not required for decision making or reporting purposes.

Councils are custodians of a significant portfolio of community assets for which they are held accountable. Councils therefore need information about the portfolio to fulfil this reporting duty and also to enable them to manage the assets effectively. In order for this information to be provided efficiently and effectively it is kept in one integrated data set.

Whilst recording or accounting for assets may be regarded by some as an issue for accountants, it is important to recognise that engineers and asset managers utilise the same information. It is important, therefore, that the professions work together to establish accepted methodologies and

approaches. Bland Shire Council has recently developed an asset management team including staff from Assets, engineering and finance to achieve the best outcome for the Council and community as a whole.

On acquisition, an asset is usually valued at its purchase price. The purchase price includes any costs necessary to place the asset into service. It is important that a value is placed on all assets, as the value and its diminution over time, provide information for decisions made about the contribution, or otherwise, by assets to an organisation's goals and objectives from an economic perspective.

Most public sector assets, particularly long lived assets such as buildings, roads and footpaths require maintenance over their lives. There are basically four matters for asset maintenance consideration. They are:

1. Planned maintenance
2. Unplanned maintenance
3. Maintenance of asset records
4. Revaluation and reassessment

Planning is an important part of the maintenance phase. The time frame over which some assets are to be maintained adds a degree of complexity to the planning involved. The development of planned maintenance schedules should involve a multidisciplinary approach. It is critical that the planning is undertaken as the resources required to maintain the assets in optimum condition for the least cost will require the evaluation of a range of factors for different assets.

The selection of appropriate maintenance schedules is crucial to minimise asset maintenance costs while prolonging the service effectiveness of assets. It may appear to be a paradox to plan for unplanned maintenance, but unplanned maintenance consumes resources. It is essential that provision be made for time, money and skills to be available to quickly restore assets that fail in service to their operating effectiveness. Alternatively, contingency plans (business continuity planning/disaster recovery planning) should be made where catastrophic failure of major infrastructure assets has the potential to severely disrupt the provision of services to the community.

Asset Creation and Acquisition

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development however it would appear from population projections that Bland Shire will not acquire any significant assets in the foreseeable future.

Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as the Community Strategic Plan, Development Control Plans and other planning documents and proposals identified by partnerships with other organisations. Proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. New assets and services are funded from Council's capital works program and grants when available.

At present Council has no definitive plans relating to new infrastructure, however has allocated \$200,000 in the 2017/2018 budget to develop several projects to the 'shovel ready' stage for future consideration.

Capital renewal

When an asset reaches a very poor condition, Council may choose to complete an asset renewal on the asset. This would mean rather than maintaining the asset at the very poor state, the asset is renewed from the very poor state to an average or even to an excellent state. An example of this is a gravel re-sheet on a rural road.

In general Council's annual Operational Program would have a mixture of maintenance and capital renewal.

Routine Maintenance Plan

Routine maintenance is the regular ongoing work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again. Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to customer or service requests and management/supervisory directions. Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

Planned maintenance is work identified and recorded through Assetic Predictor. The schedule is developed following inspections, assessing the condition, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is the replacement of higher value components or sub components of assets that is undertaken on a regular cycle, for example repainting and building roof replacement. This work generally falls below the capital threshold.

Maintenance expenditure trends are reported via Special Schedule 7 in Councils annual financial statements.

Maintenance of Asset Records

Generally maintenance expenditure levels are considered to be inadequate to meet required service levels.

The supporting sections of this Asset Management Plan contain information relating to various scenarios and the resultant outcome for each specified asset category.

In addition to the financial and technical information requirements for statutory reporting and to enable effective management, asset records must be kept. Maintenance of asset records adds value to the asset management process. Appropriate asset records that record relevant acquisition, operation maintenance, renewal and disposal information can be invaluable sources of information throughout the asset management process. The benefits of comprehensive asset records include:

- A record for each asset containing information such as condition, fair value, location, materials and so on
- Recording maintenance performed ensure that it is not done twice and enables a review to confirm that it has been carried out, the expenditure of that maintenance and the subsequent change to the asset value

Australian Accounting Standards require assets to be re-valued on a regular basis. This requirement ensures that assets are recorded at a value that reflects what the market would pay to acquire the asset or what it might cost to replace the asset in its present form. The Integrated Planning Reporting Bill (2009) requires assets to be re-valued annually. This can only be achieved with high quality asset data.

The value of asset holdings recorded provides an indication of the level of resources that might be required to replace those assets in their current form.



Risk Management

Categories of Risk

Council has an adopted management framework which identifies risk in three major categories which are as follows.

1. Opportunity Based Risk

There are two main aspects of opportunity based risks: risks associated with not taking an opportunity and those associated with taking an opportunity.

Opportunity based risk may or may not be visible or physically apparent, it is often financial, it can have a positive or negative outcome, and it can have both short term and longer term outcomes. It can be managed by assessing the upside and downside of the risk. The use of cost benefit analysis will make the nature of the risks clearer.

An example of an opportunity based risk in Council is the acquisition of new financial software. Should the software meet expectations then productivity is likely to be increased, along with staff morale. However, should the software prove difficult to implement or unable to meet Council's expectations, then both productivity and staff morale will fall and stakeholder confidence will be lost.

2. Uncertainty Based Risk

Uncertainty based risk is the risk associated with unknown and unexpected events. Uncertainty based risks are: unknown or extremely difficult to quantify, catastrophic or disastrous in nature, associated with negative outcomes, and not possible to control or influence.

Examples of uncertainty based risks for Council include: physical damage or damage to buildings by fire or flood, and loss of a vital supplier.

3. Hazard Based Risk

Hazard based risk is the risk associated with a source of potential harm or a situation with the potential to cause harm. This is the most common risk associated with Council, as addressed by work health and safety programs. Hazard based risks include:

- Physical hazards – including noise, temperature or other environmental factors
- Chemical hazards – including storage and/or use of flammable, poisonous, toxic or carcinogenic chemicals
- Biological hazards – that may result in physical or psychological harm, including bullying, sexual discrimination, workload or mismatch of job specification to employee capability. Council generally addresses hazard based risks through its WHS program.

Areas of Risk

Council faces two main risk areas, strategic risk and operational risk:

Strategic Risk

Council has identified the following strategic risk areas:

- Financial
- Governance
- Stakeholder management
- Corporate planning
- Environmental
- Asset/project management
- Procurement and contract management
- Human resource management
- Knowledge management (including Information Technology)

Strategic risk is managed through Council's annual risk management plan due to the potential affect a failure in this area can have on Council's operations.

Operational Risk

These are risks that relate to the day to day operations of Council. They result from inadequate or failed internal processes, people and systems. The two main interdependent components are operational integrity and service delivery.

Operational risk arises from inadequate internal controls, inadequate or no documentation, poor planning and implementation, or inadequate supervision.

Council has identified the following operational risk areas or categories:

- Contract administration and procurement
- Work health and safety management
- Project management and delivery
- Public liability management
- Human resource management
- Fraud and corruption
- Business continuity management

An assessment of risks associated with service delivery from infrastructure assets has identified critical risks to Council in both categories of risk. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non acceptable risk.

Critical risks, being those assessed as 'High' – requiring immediate corrective action and 'Significant' – requiring prioritised corrective action identified in the Risk Management Framework (2010) are summarised in the following table.

Risk Level	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Significant	Significant	High	High	High
Likely	Moderate	Significant	Significant	High	High
Possible	Low	Moderate	Significant	High	High
Unlikely	Low	Low	Moderate	Significant	High
Rare	Low	Low	Moderate	Significant	Significant

Asset Renewal

Renewal is the periodic replacement of assets or asset components. It is the renewal of existing assets that returns the service potential or the life of the asset to that which it had originally. Work over and above restoring an asset to original capacity is upgrade/expansion or new works expenditure.

In the asset operation and maintenance phase, there will have been assessment of the asset on a regular basis. This history of assessment provides valuable information as the asset nears the end of its useful life, and during its useful life at times when major expenditures are approaching.

The usage of the asset, the regularity of its maintenance, the extent of unplanned maintenance and any associated downtime, can help to determine the retirement or disposal date of the asset. The current value of the asset is also a factor that should be considered. Its value may be such that an earlier or later disposal date is indicated. Two other factors that must be carefully considered in assessing the condition of an asset are the technical and commercial obsolescence aspects of an asset's condition.

In developing an asset renewal profile, there are a number of concepts to consider:

- asset age – the elapsed time since the asset was constructed or acquired and brought into service
- current replacement cost as new – the cost to reconstruct/renew the asset. This cost is calculated on a full-cost attribution basis. In the case of major infrastructure assets, the cost will include the cost of design and construction and the indirect costs of the construction/acquisition
- useful life of the asset -generally, there are two approaches typically used to develop the asset renewal profile

One uses the age of the asset, in conjunction with its useful life and current replacement cost as new, to develop the profile. The other uses the current replacement cost of the remaining asset and its remaining useful life in lieu of asset age. Once the renewal profile is created, consideration can be given to strategies to deal with expenditure peaks and troughs.

Typically, the strategies may include:

- extending the life of existing assets by specific maintenance strategies
- renewing some assets earlier than planned
- where the increase in expenditure appears to be of a permanent nature, planning for the transfer of funds from other areas or additional rate revenue

Asset Renewal Plan

Assets requiring renewal are identified from condition data obtained from the asset register. Assets are inspected to verify accuracy of condition and to develop a preliminary renewal estimate based on adopted unit rates. Assets identified for renewal are ranked by priority and available funds and scheduled in future works programs.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the asset at a cost less than replacement cost where possible. Renewals are to be funded from Council's capital works program and grants where available.

Asset Disposal

Disposal, retirement or rationalisation of assets generally will occur due to changes in community demands or needs. Assessment of the need for assets is a part of the Council review process that determines whether it is meeting the needs and expectations of the community. Challenging the status quo and investigating innovative options for meeting the community service needs is all part of this process. Extensive community consultation is required to confirm community acceptance of disposal.

As with acquisition decisions, to dispose of an asset requires thorough examination and must be taken within the integrated planning framework of Council that takes account of service delivery needs, corporate objectives, financial and budgetary constraints and the overall resource allocation objectives. Disposal options including demolition should be considered at the outset when completing the acquisition plan.

The preservation of some assets means that, while the asset life cycle applies to all assets, some may not be considered for disposal for cultural or heritage reasons. There must be a defined relationship between the growth of Council's asset base, its income and capacity to maintain the service delivery of that asset base to meet community expectation, whilst continuing to deliver all the services required of Council.

Currently there is no defined relationship between the growth of Council's asset base and the subsequent funding to maintain the asset. This shortfall will be addressed by:

- improving the distribution of funds to these assets
- funding asset renewal and maintenance based on condition
- rationalising assets as required
- managing assets to meet community service expectations.

Asset Rationalisation

The reassessment of an asset's usefulness to Council should be made on a regular basis, on two criteria. They are:

1. the need for the asset. Does the organisation have a continuing need for the asset? Is the asset still providing a required service to the community? Is that service provision what the customers expect? Is there a more cost-effective way to provide that service?
2. the useful life of the asset. At acquisition, the asset will have been designed for a useful life, dependent on the factors outlined in the section on useful life. Where factors change, the useful life of the asset should be reassessed. Usage of the asset may have been more or less than planned. The condition of the asset may be better or worse than expected at this point in its life. Any change in the expected useful life of an asset will have accounting implications – the value of the asset may need to be adjusted.

Plan Improvement and Monitoring

This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The attached individual asset plans give further financial considerations and several scenarios are provided for future consideration.

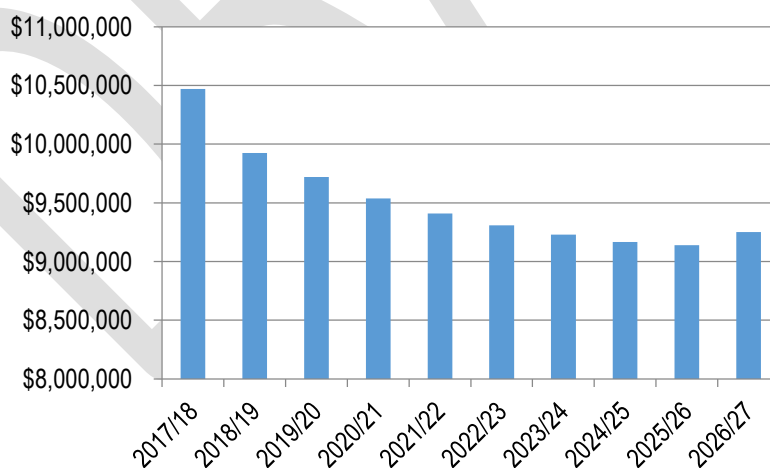
Financial Statements & Projections

The financial projections are shown in the following graph for projected operating expenditure (renewal, maintenance and depreciation) in line with scenario 1(Standard Scenario) in the Long Term Financial

Plan. This scenario is the same as that outlined in Council Fit for the Future Plan. Major capital works will be funded from reserves and additional grant funding.

Council is currently waiting for the RMS to assess Flood Damage sustained in 2016 and if additional funding is received to assist with rectifying the extensive damage, an additional long term scenario will be developed and the asset plan for the roads infrastructure will be reviewed based on the additional funding.

Long Term Financial Plan Renewal and Maintenance Expenditure -
2017-2027



Life Cycle Costs

The life cycle cost of an asset is defined as ‘the total cost of that asset throughout its useful life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.’ This value must be used in the development of estimates for the delivery of new assets for Council.

The introduction of life cycle costing will dramatically change the forecast capital expenditure listed above as capital costs. Capital costs will no longer reflect just ‘build’ cost but will include whole of life.

Valuation Forecasts

Asset values are forecast to remain steady as there will be very few additional assets added to the asset base from construction and acquisition by Council.

The carrying amount of the asset categories (depreciated replacement cost or fair value) will vary depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

The entire asset base is required to be revalued annually under the Integrated Planning and Reporting Bill (2009). This requirement has been met on a rolling basis, however in 2016-2017 Council undertook a major assets project and has verified and updated the assets register, undertaken an asset condition assessment for all classes and completed a total revaluation of all asset classes. This has placed Council in an extremely good place in relation to knowing our assets and being able to maintain, renew and manage our assets. With regard to ongoing funding to reduce the infrastructure backlog, the asset team (including assets, engineering and finance staff) are working together to ascertain the best way forward.



Key Assumptions Made in Financial Forecasts



This section details the key financial assumptions made in presenting the information contained in this infrastructure Asset Management Plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key financial assumptions made in this Asset Management Plan are:

1. Unit Rates

Council has quantified unit rates for all assets for the construction or purchase cost of each asset. In some cases these unit rates are simply the purchase price of an asset for example a pit lid, or as complex as the inclusion of a variety of materials, plant and labour rates combined to create a single unit rate for an asset.

2. Annual Maintenance Cost per Unit

In addition to the above, Council has determined an annual maintenance cost or rate per asset unit to create the direct and quantifiable link between the quantity of the asset and the funds required on an annual basis to maintain that asset, and the delivery of that asset's service level or standard.

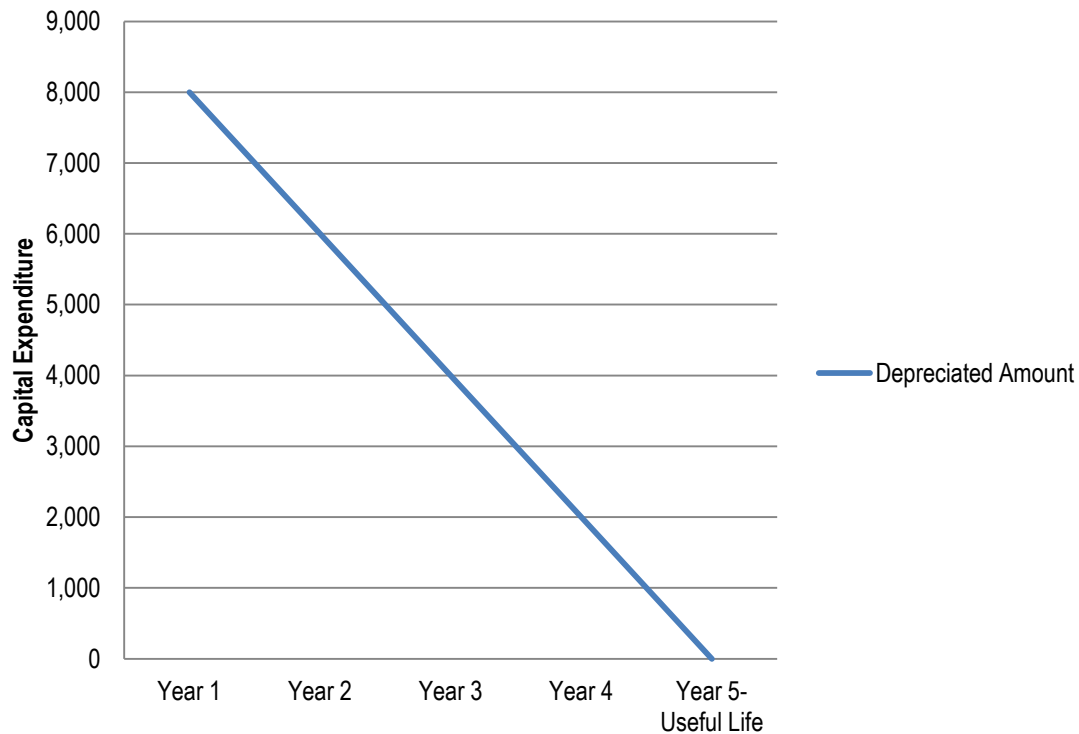
There is the potential for error to exist in these maintenance unit rates as the complex nature of the development of these rates can lead to the over or under stating of a particular element of a particular maintenance event. For example pot holing in sealed roads is quantified at a rate of \$881.34m³. This figure is extrapolated from the per tonne rate of the material divided by the potential depth and area of average pot holes to create a unit rate.

3. Depreciation Methodology

Council adopted a depreciation methodology used to develop the fair value of its assets as required by the Office of Local Government.

The depreciation methodology adopted is a Straight Line Depreciation Method. The methodology can be diagrammatically represented as follows:

Flat Line Depreciation



Essentially, the asset lifecycle is divided into five distinct phases. These phases are categorised by the condition of the asset.

Due to the significant uncertainty about predicting the eventual total life of an asset there is only small room for error using the traditional straight-line approach. A miscalculation of 5% in total life will drive a 5% (material) error in the annual calculation of depreciation.

Improvements to Key Assumptions

Accuracy of future financial forecasts may be improved by the following actions.

1. Improving Unit Rate Accuracy

As described above Council has quantified unit rates for all assets for the construction or purchase cost of each asset. Whilst the complexity of the development of these unit rates may allow an element of error to be included in the original rate, the continual review of these rates, based on financial data captured against each asset, will see a reduction of error in the unit rates. The Asset Management 'system', by capturing the necessary data to supply the legislated financial reporting requirement, will itself redefine the unit rates as more and more data is captured to refine the values.

2. Improving Maintenance Rate Accuracy

As with the unit rate above, there is the potential for error to exist in these maintenance unit rates as the complex nature of the development of these rates can lead to the over or under stating of a particular element of a particular maintenance event. A periodic review of these figures utilising the information captured against each asset will refine these unit rates.

3. Improving Condition Data

As the depreciation associated with each asset is determined by the asset condition, a continual 'live' update of asset condition and the continual surveillance of the community's asset will improve the financial information of the organisation.



Asset Management System

Council will maintain all future asset data in Assetic software with the high level data being encapsulated in Council's Corporate system Tech 1. This data will be linked to Council's Geospatial Information System (Mapinfo). This data is readily available to be exported from that format into a variety of formats to suit a variety of needs. These needs include:

- Works programming
- Current Asset Fair Value data
- Expenditure forecasting
- Condition summary
- Extrapolation/manipulation of data and
- Asset location and details

Information Processes

The key information sources into this Asset Management Plan are:

- the asset register data on size, age, value, remaining life of the network
- the unit rates for categories of work/material
- the adopted service levels
- depreciation rates etc
- projections of various factors affecting future demand for services
- correlations between maintenance and renewal, including consumption models
- data on new assets acquired by Council

The key information sources from this infrastructure Asset Management Plan are:

- the assumed Works Program and trends
- the resulting budget, valuation and depreciation projections
- the useful life analysis
- current condition ratings and

- business rules associated with Asset Management for any infrastructure asset category as contained in this Plan

These will impact Council's Long Term Financial Plan, Delivery Program, Operational Plan, strategic business plans, annual budget and departmental business plans and budgets.

Performance Measures

The effectiveness of the infrastructure Asset Management Plan can be measured in the following ways:

- the degree to which the required cashflows identified in this infrastructure Asset Management Plan are incorporated into Council's Long Term Financial Plan and Strategic Management Plan
- the degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the infrastructure Asset Management Plan

Monitoring and Renewal Procedures

This infrastructure Asset Management Plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

Asset Management Action Plan





work in partnership with key stakeholders to provide equitable access to Council's road and infrastructure, services & facilities

	Action	Timeframe	status	strategy
1.1	Process heavy vehicle road usage application	2017/18 – 2019/20		CSP5 DP5.2 OP5.2.1
1.2	Apply, when the opportunity arises, for external grant funding to implement engineering works and projects including additional funding for roads	2017/18 – 2019/20		CSP5 DP5.2 OP5.2.2
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan				

2.

Manage waste and recycling to improve the utilisation of existing resources, including exploring new technologies

Action	Timeframe	status	strategy
2.1 Investigate, review and monitor viable recycling options	2017/18 – 2019/20		CSP6 DP6.1 OP6.1.2
2.2 Liaise with recycle organisations and neighbouring councils regarding recycling options	2017/18 – 2019/20		CSP6 DP6.1 OP6.1.2
2.3 Provide education to community to promote and support waste avoidance and resource recovery	2017/18-2019/20		CSP6 DP6.1 OP6.1.3
2.4 Ensure waste management operations are in line with the implementation of Council's waste strategy	2017/18-2019/20		CSP6 DP6.2 OP6.2.1
2.5 Work in partnership with neighbouring Councils to implement waste programs	2017/18-2019/20		CSP6 DP6.2 OP6.2.2
2.6 Provide waste collection and management services to community	2017/18-2019/20		CSP6 DP6.2 OP6.2.4
2.7 Investigate new innovations in waste management	2017/18-2019/20		CSP6 DP6.2 OP6.2.5
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan			

Action	Timeframe	Status	Strategy
3.1 Maximise water storage with budgetary constraints	2017/18 – 2019/20		CSP7 DP7.1 OP7.1.1
3.2 Monitor irrigation system performance	2017/18 – 2019/20		CSP7 DP7.1 OP7.1.2
3.3 Incorporate in the annual works program, ideas to streamline stormwater flow	2017/18-2019/20		CSP7 DP7.1 OP7.1.3
3.4 Investigate external funding opportunities to maximise future water storage options	2017/18-2019/20		CSP7 DP7.1 OP7.1.4
3.5 Review the Stormwater Management Plan	2017/18-2019/20		CSP7 DP7.2 OP7.2.1
3.6 Review the Sewerage Management Plan	2017/18-2019/20		CSP7 DP7.2 OP7.2.2
3.7 Undertake Sewerage System Inspections	2017/18-2019/20		CSP7 DP7.2 OP7.2.3
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan			

4.

Ensure that public places and facilities are well maintained and easily accessible

Action	Timeframe	status	strategy
4.1 Liaise with User Groups regarding Memorandum of Understandings	2017/18 – 2019/20		CSP8 DP8.1 OP8.1.1
4.2 Ensure access to public facilities and buildings meet the Access Premises Standards	2017/18 – 2019/20		CSP8 DP8.2 OP8.2.1
4.3 Undertake work health and safety audits	2017/18 – 2019/20		CSP8 DP8.2 OP8.2.2
4.4 Implement signs as remote supervision	2017/18-2019/20		CSP8 DP8.2 OP8.2.3
4.5 Review Heritage Policies	2017/18-2019/20		CSP8 DP8.4 OP8.4.1
4.6 Review Development Control Plan and undertake review of heritage items across the Shire	2017/18-2019/20		CSP8 DP8.4 OP8.4.3
4.7 Promote and implement the verandah upgrade program	2017/18-2019/20		CSP8 DP8.4 OP8.4.5
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan			

5.

Develop, implement and monitor appropriate programs, plans and budgets for the effective and efficient management of Council's asset and infrastructure

Action	Timeframe	status	strategy
5.1 Review the Building Management Plan	2017/18 – 2019/20		CSP9 DP9.1 OP9.1.1
5.2 Monitor and implement the Annual Works Program	2017/18 – 2019/20		CSP9 DP9.1 OP9.1.2
5.3 Develop, review and implement works programs in accordance with Council's road hierarchy and Asset Management Plan	2017/18 – 2019/20		CSP9 DP9.1 OP9.1.3
5.4 Review Asset Management Policy and Strategy	2017/18 – 2019/20		CSP9 DP9.1 OP9.1.4
5.5 Review and implement the annual and long term plant and equipment replacement program	2017/18 – 2019-20		CSP9 DP9.1 OP9.1.5
5.6 Undertake maintenance and repairs in accordance with maintenance program in consultation with Contractor (pool facilities)	2017/18 – 2019/20		CSP9 DP9.2 OP9.2.1
5.7 Develop master plan for future renewal and upgrade of pool facilities	2017/18 – 2019/20		CSP9 DP9.2 OP9.2.2
5.8 Inspect parks, ovals and recreational facilities	2017/18 – 2019/20		CSP9 DP9.4 OP9.4.1
5.9 Conduct playground inspections for all playgrounds within the shire	2017/18 – 2019/20		CSP9 DP9.4 OP9.4.2
5.10 Review the Open Space Management Plan	2017/18 – 2019/20		CSP9 DP9.4 OP9.4.4
5.11 Carry out maintenance in Wyalong Cemetery	2017/18 – 2019/20		CSP9 DP9.4 OP9.4.5
5.12 Inspect and maintain village cemeteries regularly	2017/18 – 2019/20		CSP9 DP9.4 OP9.4.6
5.13 Develop a master plan for identified infrastructure	2017/18 – 2019/20		CSP9 DP9.5 OP9.5.2

CSP: Community Strategic Plan, **DP:** Delivery Program, **OP:** Operational Plan



To provide quality leadership, governance and management
to develop strong community partnerships

	Action	Timeframe	status	strategy
6.1	Maintain and renew network infrastructure hardware and software to ensure effective delivery of services	2017/18 – 2019/20		CSP10 DP10.5 OP10.5.1
6.2	Implement web based Spatial mapping for public use	2017/18 – 2019/20		CSP10 DP10.5 OP10.5.2
6.3	Ensure progressive upgrade of computers, phones and other IT equipment	2017/18 – 2019/20		CSP10 DP10.5 OP10.5.3
6.4	Investigate potential strategic property acquisition opportunities as they arise	2017/18 – 2019/20		CSP14 DP14.1 OP14.1.4
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan				

References

- International Infrastructure Management Manual, Institute of Public Works Engineering Australia, Sydney, IPWEA, 2006
- Institute of Public Works Engineering Website: www.ipwea.org.au
- Bland Shire Council, Community Strategic Plan
- Bland Shire Council, Risk Management Policy
- Bland Shire Council, Long Term Financial Plan
- Bland Shire Council, Asset Management Policy for Infrastructure Assets
- Bland Shire Council, Asset Management Strategy for Infrastructure Assets

Attachments

- Attachment 1 – *Please note: awaiting document*
- Attachment 2 – Road Classification Hierarchy
- Attachment 3 – Service Levels

Attachment 2 – Road Classification Hierarchy

Road Classification	Service Function Description	Class
State Highway (SH)	Classified main road fully funded and maintained by RTA	1
Regional Roads (MR)	Classified main roads and roads predominantly funded by RTA	
Arterial Route (AR)>150vpa	Roads distributing traffic directly between towns and villages	2
CBD/Commercial Access Street (CA)	A CBD/Commercial Access Street is a street that provides access to properties and businesses within the commercial centres of towns and surrounding villages including Council owned car parks	
Industrial Access Street (IA)	An industrial access street is a street that provides direct access to industrial properties or streets that when connected provide a direct link to arterial routes for heavy transport vehicles.	
Urban Street (US)	Access street is an urban street that provides direct primary access to adjoining residential properties	3
Internal Road (IR)	An internal road is a road located within a Bland Shire Council owned facility, such as a Sewer Treatment Plant, Waste Disposal Centre or Sports Facility.	
Principal Rural Road (PR)>100	A principal rural road is a road that provides a connection between rural villages/townships	
Rural Collector Road (RC)>50	A rural collector road is a road that provides a connection between rural access roads distributing traffic onto the arterial road network including school bus routes	4
Access Lane (AL)	An Access Lane provides secondary access to adjoining residential properties.	5
Rural Access Road (RA)	A Rural Access Road is a road that provides direct access to adjoining rural and/or residential properties	
Tracks/Roads not listed for maintenance (T)	Unmaintained Council Roads, Crown or private roads	6

Attachment 3 –

Service Levels

Service Levels- Road Hierarchy	1	2		3		4	5		6
		Urban	Rural	Urban	Rural		Urban	Rural	
Design Speed KPH	100	50	100	50	100	80	50	60	NA
Surface	Sealed	Sealed	Sealed		Sealed / Gravel				NA
Travel lanes	2 lane	2 lane	2 lane		2 lane	2 lane		1 lane	NA
Lane Width (metres)	3.5	3	3		3	3		4	NA
1m sealed shoulder	Yes	Yes	No		No	No		No	NA
500mm sealed shoulder	Yes	Yes	Yes		No	No		No	NA
1m gravel shoulder	Yes	No	Yes		Yes	Yes		Yes	NA
Line marking	Yes	No	Over crests		Over crests				NA
Guideposts	Yes spaced 150m	No	Yes spaced 250m	No	Yes spaced 250m	Only at culverts & curves		Only at dangerous locations	NA
Roughness Counts / intervention	4		5		4-6	6-8		8-11	NA
Signs-Crests	Yes	NA	Yes	NA	Yes	Yes	NA	No	NA
Signs-Curves	Yes	NA	Yes	NA	Yes	Yes	NA	No	NA
Signs-Speed advisory	Yes	NA	Yes	NA	Yes	Yes	NA	No	NA
Vegetation clearance-shoulder	6m	NA	4m	NA	4m	4m	NA	2m	NA
Vegetation clearance-heights	5.5m	NA	4.6m	NA	4.6m	4.6m	NA	4.6m	NA
Shoulder grass sprayed annually	Yes	NA	Yes	NA	Yes	Yes	NA	Yes	NA
Roadside slashing	If required	NA	If required	NA	If required	If required	NA	No	NA
Pothole patching response time	2 days	1 week	1 week	NA	1 month	3 months	NA	12 months	NA
Guidposts defect response time	1 month	NA	3 months	NA	3 months	6 months	NA	6 months	NA
Warning sign defect response time	24 hours	NA	1 week	NA	1 week	2 weeks	NA	2 weeks	NA
Vegetation defect response time	1 month	NA	3 months	NA	6 months	9 months	NA	12 months	NA

Appendix 3 – Asset Condition Assessment



Bland Shire Council

Ancillary Asset Assessments

Business Process Manual and Cheat Sheets

Version 0.1 --- February 2017

1 SCOPE

The Ancillary Assets Business Process Model includes the following areas

- a. Hierarchy / Criticality Definitions and Framework.
- b. Condition Assessment Methods
- c. Levels of Service.

The type of assets contained in this model are listed in **Table 1** below.

Table 1 – Recreation Facilities and Site Improvements assets

Assets	Asset Type
Recreation Facilities	Public Reserves, Parks and Gardens, Land Playing Fields and Sports Facilities Public Swimming Pools

2 HIERARCHY / CRITICALITY DEFINITIONS AND FRAMEWORK

2.1 Hierarchy Structure & Level of Service Structure

This plan refers to the following Open Space Types and Sub Classifications.

Open Space Type	Sub Classification (Hierarchy)
Recreation Park	Regional
	District
	Local
Sports Grounds and courts	Regional
	District
Specialised Sport and Recreation	Indoor
	Aquatic
	Specialised
Other Open Space	Amenity
	Utility
	Urban Bushland
Recreation Corridors	District--- Regional

Each recreation facility will be given a 1 to 4 hierarchy rating for allocation of the Maintenance Intervention response times.

The Asset Classification for Council Recreation Facilities is shown in **Table 2** below.

Table 2: Recreation Facilities

Asset Class	Asset Sub Class
Park Furniture	BBQ Rubbish Bins, including dog poo bag dispensers Seating Tables and Seats Bicycle Racks Drinking Fountains Shelters
Sporting Facilities	Tennis Courts Cricket Wickets Practice Nets Basketball Courts Goal Posts Scoreboards
Recreational Structures	Skate Parks Half Courts
Playgrounds	Play Equipment, such as swings, monkey bars, combination units Softfall
Irrigation	Pumps Controllers Infield Irrigation Bores
Other	Grassed area suitable for passive recreation Signs (informative/interpretive/ entrance statement) Fencing Landscaping Garden Beds Pathways Signs Lighting
Buildings	Club rooms, public toilets Refer to Buildings Business Process Model

2.2 Useful Lives – Open Space Assets

The lives of the asset groups set out in **Table 3** are used for forecasting and planning purposes.

Table 3 – Asset Lives

Asset Group	Life in years
BBQs	15
Bike Racks	15
Bins	10
Bollards & Barriers	25
Court Synthetic Surfaces	10
Courts --- Asphalt	30
Courts --- Concrete	50
Cricket Pitches	30
Drinking Fountains	15
Fences	25
Grassed Areas – General	15
Lighting	20
Park Furniture	15 to 25
Parks & Street Trees	100
Pavement	60
Playground Items	15 to 25
Playground Softfall	15
Retaining Walls & Edging	75
Seating	30
Signage	7
Skate Parks	60
Sporting Equipment	15
Sports Oval Irrigation	30
Structures & Fountains	50

3 CONDITION ASSESSMENT METHODS

The overall condition rating for Recreation Facilities is as follows.

Rating	Status	Condition
1	Nil	<ul style="list-style-type: none"> no defects as new condition and appearance
2	Negligible	<ul style="list-style-type: none"> minor defects superficial wear and tear some deterioration to finishes major maintenance not required

3	Minor	<ul style="list-style-type: none"> • average condition • significant defects are evident • worn finishes require maintenance • services are functional but need attention • deferred maintenance work exists
4	Moderate	<ul style="list-style-type: none"> • badly deteriorated • potential structural problems • inferior appearance • major defects • components fail frequently
5	Extreme	<ul style="list-style-type: none"> • Facility has failed • not operational • not viable • unfit for occupancy or normal use • environmental /contamination / pollution issues exist

The following tables provide a general overview of the condition indicators and corresponding condition score grade for the relevant distresses for each of the Recreation Facilities.

3.1 Park Furniture---BBQ

3.1.1 BBQs Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in good working condition, but the cooking plate is showing signs of wear.
4	Moderate	Indicators in need of repair work to maintain the minimum acceptable performance e.g. cooking plate is worn, warped or not working sufficiently and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Cooking plate is worn and requires major replacement or decommissioning.

3.1.2 BBQ Adequacy Indicators

BBQ Adequacy	
Indicator	Aspects Considered
Structural	Cooking plate warping or rusting Bench top e.g. tiles chipped, poor surface condition BBQ surrounds e.g. render chipped or timber needs painting BBQ door safety e.g. exposure to electricals
Finished surfaces	Vandalism e.g. graffiti BBQ door e.g. corroded, paint finish
Functional	Cooking plate heating unevenly or not working Accessible --- Location suitable Free from obstructions e.g. vegetation

3.1.3 BBQ Reference Photos



3.2 Park Furniture – Rubbish Bins

3.2.1 Bins Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Bin is still in working condition. An 'operational' indicator identifies that the bin is in need of aesthetic maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major maintenance work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major repair or replacement.

3.2.2 Bins Adequacy Indicators

BBQ Adequacy	
Indicator	Aspects Considered
Structural	Lid in place Wheels operational Base surface level Secured to mounting base
Finished surfaces	Graffiti Dirty and unsightly
Functional	Accessible i.e. no vegetation obstruction Meeting current needs

3.2.3 Bin Reference Photos

Condition 1	Condition 2	Condition 3
		
Condition 4	Condition 5	
		

3.3 Park Furniture – Tables and Seating

3.3.1 Tables and Seating Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition, but the seat is poor and in need of aesthetic maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major repair work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires replacement.

3.3.2 Tables and Seating Adequacy Indicators

Seating Adequacy	
Indicator	Aspects Considered
Structural	Seat and table e.g. rot, chipping, loose slats Bracing e.g. corrosion, rot Fixing plate e.g. bolts secure, missing, corrosion Concrete pad e.g. level, edges, cracking & trip hazards
Finished surfaces	Vandalism e.g. graffiti
Functional	Location suitable Free from obstructions e.g. vegetation

3.3.3 Table and Seat Reference Photos



3.4 Park Furniture – Bicycle Racks

3.4.1 Bicycle Racks Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. Paint fading and wearing away. Moderate amount of rust.
4	Moderate	Appearance is worn and requires major repair work.
5	Extreme	Structurally damaged. Need replacement of the asset.

3.5 Park Furniture – Drinking Fountains

3.5.1 Drinking Fountains Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition.
3	Minor	Fountain is in working condition. An 'operational' indicator identifies that the fountain is in need of aesthetic maintenance.
4	Moderate	Two or more indicators in need of repair work to maintain the minimum required standard. Failing to meeting functional requirements and requires significant work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Functionality fails and requires major replacement.

3.5.2 Drinking Fountains Adequacy Indicators

Seating Adequacy	
Indicator	Aspects Considered
Structural	Secure and vertical e.g. no movement Base damaged e.g. leaking, cracking Draining freely e.g. waste collection operating correctly Fountain head e.g. cracked, split or broken Hose tap e.g. cracked, split or broken
Finished surfaces	Surface condition e.g. paint Graffiti Splintering Stained
Functional	Meeting current demands Accessible e.g. vegetation, surface level for disability Drainage Blockage

3.5.3 Drinking Fountain Reference Photos



3.6 Park Furniture – Shelters

3.6.1 Shelters Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.6.2 Shelters Adequacy Indicators

Seating Adequacy	
Indicator	Aspects Considered
Structural	Roof <ul style="list-style-type: none"> Type e.g. asbestos or sheet metal, Age Fixings e.g. signs of visible corrosion Dints or holes e.g. leaks
	Frame <ul style="list-style-type: none"> Wood rot Corrosion in plates and anchors Twisting or warping
	Posts <ul style="list-style-type: none"> Wood rot or corrosion or cracking Hold down bolts e.g. corrosion Splitting or cracking
	Slab <ul style="list-style-type: none"> Cracked or broken Level e.g. puddles rip hazard e.g. height of slab to surrounding ground level
	Finished surfaces <ul style="list-style-type: none"> Painting, Aesthetics e.g. graffiti Rough surfaces e.g. splitters
Finished surfaces	Surface condition e.g. paint Graffiti Splintering Rust stains, pitting
Functional	Accessibility --- Level with surrounding grass surface e.g. disability
	Design --- Orientation appropriate, Design functionality e.g. style appropriate
	Shelter capacity --- Meeting current demands

3.6.3 Shelter Reference Photos



3.7 Sporting Facilities

Sporting Facilities includes active space open areas (Tennis Courts, Cricket Wickets, Practice Nets, and Basketball Courts), Goal Posts and Scoreboards.

3.7.1 Active Open Space Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.7.2 Active Open Space Adequacy Indicators

Active Open Space Adequacy	
Indicator	Aspects Considered
Structural	Playing Surface Condition <ul style="list-style-type: none"> • Surface e.g. signs of visible cracking, movement or general wear and tear, surface is it level or undulating • Surface level e.g. water pooling and ground undulation • Turf coverage and species e.g. couch, kikuyu, percentage • Weed infestation e.g. bindii, clover, wire grass
	Playing Surface Soil Structure <ul style="list-style-type: none"> • Compaction via density test e.g. clegg hammer rating • Soil pH • Soil texture e.g. clay, silt and sand ratio
	Surrounding Surface Condition <ul style="list-style-type: none"> • Surface level e.g. water pooling and ground undulation • Turf coverage percentage • Weeds e.g. bindii, clover
	Vandalism --- Wheel ruts
Finished surfaces	Grassed surrounds level e.g. wear ditches in run---ups, trip hazards
	Synthetic wear patches
Functional	Access to playing surface e.g. access over drainage
	Is the sports field layout functioning as designed
	Meeting current demands

3.7.3 Active Open Space Reference Photos



3.8 Practice Wickets

3.8.1 Practice Wickets Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is severely worn and requires major work or replacement.

3.8.2 Practice Wickets Adequacy Indicators

Practice Wickets Adequacy	
Indicator	Aspects Considered
Structural	Concrete e.g. signs of visible cracking, movement or general wear and tear, Level surface
	Posts and rails plumb, stable, rot, cracking, corrosion
	Chain wire fence/nets secured at sufficient anchor points and bolts and fastenings not protruding
	Synthetic surface secure e.g. no trip hazards
	Grassed surrounds level e.g. wear ditches in run---ups, trip hazards
Functional	Synthetic wear patches
	Vandalism --- Wheel ruts
	Location suitable for access
	Wicket fit for purpose
	Meeting current demands

3.8.3 Practice Wickets Reference Photos



3.9 Playgrounds – Play Equipment

Play Equipment includes swings, monkey bars, slides, combination units,

3.9.1 Play Equipment Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.9.2 Play Equipment Adequacy Rating

Play Equipment Adequacy	
Indicator	Aspects Considered
Structural	Complies to Australian Standards for equipment Visible cracking, movement or corrosion Visible signs of wear e.g. hinges Play equipment level and alignment Parts missing
Finished surfaces	Fading material

Play Equipment Adequacy	
Indicator	Aspects Considered
	Paint finishes Graffiti
Functional	Location suitable for access e.g. disabled Offers a range of play opportunities Fit for play purpose Meeting current demands

3.9.3 Play Equipment Reference Photos



3.10 Playgrounds – Softfall

3.10.1 Softfall Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.10.2 Softfall Adequacy Rating

Softfall Adequacy	
Indicator	Aspects Considered
Structural	Complies to Australian Standards for equipment Softfall depth
Finished surfaces	Visible wear under swings Compaction of softfall Weeds Movement of softfall e.g. erosion, wash out Edging e.g. concrete cracking, timber splintering, joints sitting proud Contamination
Functional	Fit for purpose Meeting current demands

3.10.3 Softfall Reference Photos



3.11 Irrigation

3.11.1 Irrigation Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.11.2 Irrigation Adequacy Rating

Irrigation Adequacy	
Indicator	Aspects Considered
Structural	Pressure flow e.g. clear of obstruction restricting flow, perished or cracked pipe work and or connections Solenoid valve e.g. leaking, split etc. Electrical controller e.g. lightning strike failure Electrical solenoid cable e.g. break or corrosion Sprinkler head correct depth, plumb, cracked or broken
Finished surfaces	Grass level , Inspection lid and grass surrounds level
Functional	Rain sensor not working correctly e.g. corrosion and wiring Solenoid valve not functioning e.g. coil malfunction, grit under diaphragm or wire broken Controller not sending electrical pulse Vegetation overgrowth e.g. grass and tree roots Broken or stolen heads, broken wiring, broken and stolen controllers Meeting current demands

3.11.3 Irrigation Reference Photos



3.12 Passive Open Space

3.12.1 Passive Open Space Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.12.2 Passive Open Space Adequacy Rating

Passive Open Space Adequacy	
Indicator	Aspects Considered
Structural	Passive Open Space Surface <ul style="list-style-type: none"> • Level surface e.g. devoid of undulation e.g. trip hazards • Turn coverage e.g. percentage of cover, • Weed infestation e.g. bindii, clover
	Garden Beds <ul style="list-style-type: none"> • Weed Infestation • Plant health & densities e.g. plants free of pest & disease, adequate plant numbers for garden size • Garden edging e.g. no trip points or unsafe weathering, Mulch coverage e.g. adequate cover ~100mm depth
	Trees <ul style="list-style-type: none"> • Healthy specimens e.g. free of disease & deadwood • Tree canopy height e.g. safe height for pedestrians, visibility & mower access, Roots e.g. trip hazards or inter fearing with other assets
	Fittings <ul style="list-style-type: none"> • Gates/restricted access appropriate e.g. chains, rails and or bollards in place
Functional	Accessible e.g. level from one major access point Trees and garden beds layout appropriately (As design intent) Meeting current demands

3.12.3 Passive Open Space Reference Photos



3.13 Park Signs

3.13.1 Park Signs Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.13.2 Park Signs Adequacy Rating

Park Signs Adequacy	
Indicator	Aspects Considered
Structural	Sign plate is missing Sign substrate e.g. sharp edges, corrosion, splitting, rotten Post e.g. rotten, corrosion, movement, plumb Fastenings e.g. corrosion
Finished surfaces	Painted surface e.g. corrosion, graffiti, flaking, peeling
Compliance	Ordinance signage compliance e.g. fines current
Functional	Vegetation overgrowth Legibility e.g. text size, font & colour appropriate/contrast Headings clear Competition with nearby signs Location – appropriate for intended audience

3.13.3 Park Sign Reference Photos



3.14 Fencing

3.14.1 Fencing Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Appearance is worn and requires major work or replacement.

3.14.2 Fencing Adequacy Rating

Fencing Adequacy	
Indicator	Aspects Considered
Structural	Chain wire secured at all anchor points e.g. broken strands Posts and rails plumb, stable, rot, cracking, corrosion
Finished surfaces	Painting Graffiti Posts/Rails splintering or jagged or catch points
Functional	Location suitable for access Fencing fit for purpose Chain wire secured Bolts and fastenings secure and not protruding

3.14.3 Fencing Reference Photos



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3.15 Sports Field and Park Lighting

3.15.1 Sports Field and Park Lighting Rating Table

Rating	Status	Description
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Failing to meet functional requirements and requires significant work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Failing to meeting functional requirements and requires major work or replacement.

3.15.2 Public Open Space Lighting Adequacy Rating

Fencing Adequacy	
Indicator	Aspects Considered
Structural	Vertical e.g. movement Damage e.g. cracking, corrosion, deformation Switches e.g. vandalized, cracked
Finished surfaces	Painted surfaces, corrosion, staining, flaking Graffiti
Functional	PE cells and timers working Globes working Functioning as designed e.g. lux appropriate Meeting current demands e.g. logged complaints

3.15.3 Sports Field Lighting Adequacy Rating

Fencing Adequacy	
Indicator	Aspects Considered
Structural	Pole <ul style="list-style-type: none"> • Timber e.g. cracking, white ants, rot • Steel e.g. corrosion, cracks, deformation • Concrete e.g. cracking, concrete cancer
	Cross Members <ul style="list-style-type: none"> • Cross members e.g. corrosion, bolts missing • Brackets & bracing e.g. corrosion, missing
	Electrical --- Damaged conduit, Electrical box e.g. vandalised
Finished surfaces	Globes are clean, No Graffiti, Pole aesthetic condition

Fencing Adequacy	
Indicator	Aspects Considered
Functional	<p>Compliance to current Australian Standards</p> <ul style="list-style-type: none"> • Light distribution over field is even and uniform e.g. no darker or lighter areas • Lux (brightness) complies with the Australian Standards based on Councils designation for use for that field. <p>All globes in working order Light switch location appropriate e.g. obstructions such as vegetation Locking device to a safe standard Door or box enclosure secure e.g. bent or corroded Meeting current demands e.g. logged complaints</p>

3.16 Other Facilities

Rating	Status	Condition of building asset
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Failing to meet functional requirements and requires significant work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Failing to meeting functional requirements and requires major work or replacement.

3.16.1 Landscaping and Garden Beds

Rating	Status	Condition of building asset
1	Nil	All indicators are in excellent condition.
2	Negligible	All indicators are in good condition and limited signs of wear and require only cyclic maintenance.
3	Minor	Indicators still in working condition. One indicator is poor and in need of maintenance.
4	Moderate	Two or more indicators in need of minor repair work to maintain the minimum acceptable performance. Failing to meet functional requirements and requires significant work.
5	Extreme	Two or more indicators in need of major repair work to maintain the minimum acceptable performance. Failing to meeting functional requirements and requires major work or replacement.

3.16.2 Pathways

Refer to Transport Business Process Model for details of ratings for pathway defect ratings. Defects can always be attributed to the following, or a combination, of the following factors:

- Cracking due to shrinkage or inadequate pavement strength (asphalt footpaths only);
- Poor pavement subgrade, resulting in differential movement;
- Tree root movement and penetration either from Council's street trees or trees within private property;
- Unauthorised vehicles driving on the footpath (which have not been designed to carry vehicle loads); and
- Poorly reinstated openings in the footpath due to public utility works or tradespeople undertaking connection activities to private properties.

The overall condition rating for pathways is summarised as follows.

Rating	Status	Description of Condition
1	Nil	Excellent Condition: Only planned maintenance required
2	Negligible	Good: Minor maintenance required plus planned maintenance
3	Minor	Fair: Significant maintenance required
4	Moderate	Poor: Significant renewal/upgrade required
5	Extreme	Very Poor: Unserviceable

3.17 Buildings

Refer to Building Process Model for full details on Buildings ratings and assessment

3.17.1 Buildings Rating Table

Rating	Status	Description
1	Nil	Looks brand new, in good condition, no obvious defects
2	Negligible	Generally good condition, but some defects shown,
3	Minor	Structurally still functional but is showing obvious signs of deterioration
4	Moderate	Generally in a poor condition, significant damage in a few areas requiring urgent attention
5	Extreme	No longer useful --- needs replacement

3.17.2 Grandstands Adequacy Rating

Fencing Adequacy	
Indicator	Aspects Considered
Structural	Roof <ul style="list-style-type: none"> • Cladding e.g. integrity, asbestos, damage • Support frame e.g. corrosion, rot, damage, loose fittings
	Posts & Frames <ul style="list-style-type: none"> • Timber e.g. rot, cracking, termites, loose fittings • Steel e.g. corrosion, cracks, deformation, loose fittings • Railings secure e.g. corrosion, damage, loose fittings
	Base <ul style="list-style-type: none"> • Timber e.g. rot, cracking, termites, loose fittings. • Steel e.g. corrosion, cracks, deformation, loose fittings. • Concrete e.g. cancer, cracks, level.
	Seating/Steps <ul style="list-style-type: none"> • Rising and Going to meet BCA • Timber e.g. rot, cracking, termites, loose fittings • Metal e.g. corrosion, cracks, deformation, loose fittings • Concrete e.g. cancer, cracks, level
Finished surfaces	Catch points, splinters, sharp edges
Functional	Weather protection (rain, wind & sun), where applicable. Sight lines --- Poles and other objects obstructing view e.g. trees. Fire Risk --- Rubbish collection points, construction material, fire protection systems, storage areas under grandstand. Accessibility <ul style="list-style-type: none"> • Accessible e.g. vegetation, trip hazards • Comply with BCA as a class 9b structure Grandstand capacity --- Meeting current demands e.g. logged complaints

3.17.3 Grandstand Reference Photos



3.18 Recreational Structures

Recreation Facilities includes skate parks, half courts and other structures

3.18.1 Recreational Structures Rating Table

Rating	Status	Description
1	Nil	Looks brand new, in good condition, no obvious defects.
2	Negligible	Generally good condition, but some defects shown.
3	Minor	Structurally still functional but is showing obvious signs of deterioration.
4	Moderate	Generally in a poor condition, significant damage in a few areas requiring urgent attention.
5	Extreme	No longer useful --- needs replacement.

3.18.2 Recreational Structures Adequacy Rating

Fencing Adequacy	
Indicator	Aspects Considered
Structural	Surface e.g. signs of visible cracking, movement or general wear and tear, surface is it level or undulating
Finished surfaces	Graffiti and Vandalism
Functional	Location suitable for access Is the location fit for purpose



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Long Term Financial Plan

2017-2027

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Financial Sustainability

Council's key objective is financial sustainability in both the short and long term, demonstrating the Council's capacity to deliver the objectives in the Community Strategic Plan, Delivery Program and Operational Plan.

A financially sustainable Council is one that can:

1. Achieve a fully funded operating position resulting in a zero or surplus bottom line result, including repayment of debt and depreciation.
2. Maintain sufficient cash reserves to ensure Council can meet working capital and operational requirements and externally contracted agreements.
3. Has a fully funded capital program, where the source of funding is identified and secure.
4. The asset base is maintained by renewing infrastructure and ensuring cash reserves are set aside for future works.

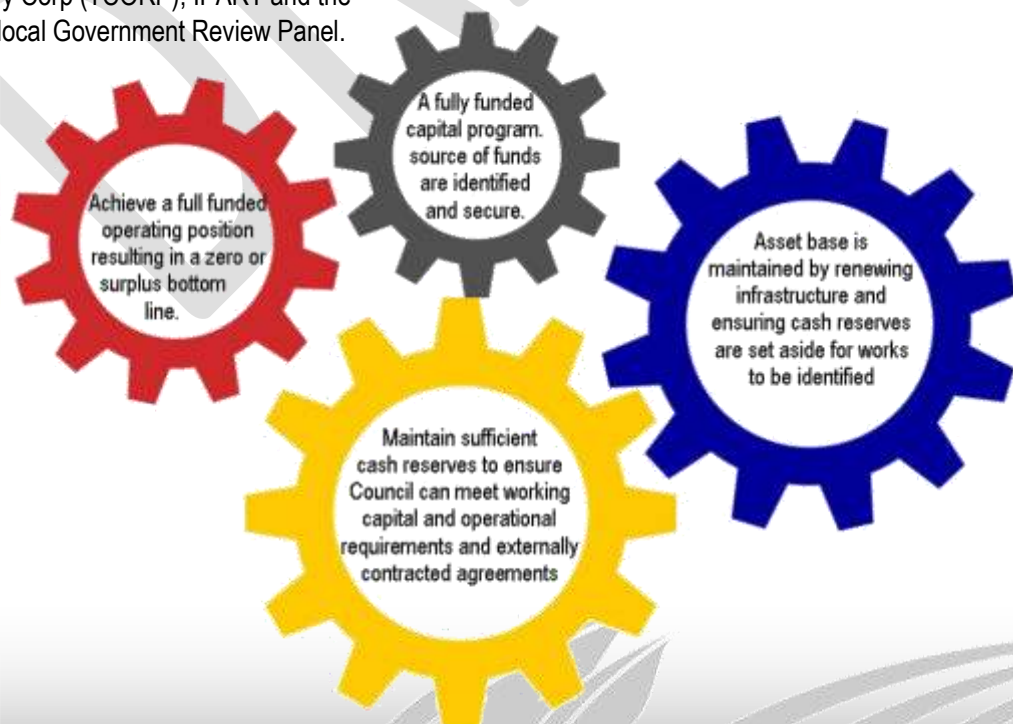
The Office of Local Government (OLG) has developed a set of criteria and benchmarks to measure if Council's across NSW are operating strategically and Fit for the Future. The indicators were developed and based on work undertaken by NSW Treasury Corp (TCORP), IPART and the Independent local Government Review Panel.

Following the review, Council developed an action plan to ensure long term sustainability against the criteria set. To date Council has met all projections and the Long Term Financial Plan (LTFP) will assist with meeting the balance with the actions embedded in the delivery program and operational plan.

Of the six financial indicators, Bland Shire meets five. It will be extremely difficult for the sixth indicator to be met with Council's small rate base, with Rates and Annual Charges only making 31.8% of the total income and user charges and fees accounting for 4% (2015/16 FY).

Additional income received from mining rates continues to be placed in an infrastructure fund for discretionary spending and has allowed, and will continue to allow, Council to undertake major projects with particular focus on infrastructure renewal.

Council is continually looking for opportunities that will be mutually beneficial to both the community and council, while meeting the KPI's outlined within the Community Strategic Plan, keeping the Fit for the Future benchmarks in mind and meeting the goals and objectives outlined in Council's Fit for the Future proposal.



Our Challenges

Council has been able to maintain consistently high levels of service for many of its functions and has achieved it without reliance on additional rate increases above rate pegging. However, our Long Term Financial Plan has revealed that these service levels are unsustainable with the current revenue streams versus expenditure.

In 2015/16 a Special Rate Variation was proposed, however after strong community support against an increase, Council withdrew its application. This has resulted in Council reviewing service levels, staffing levels and how we provide services to our community, all in an effort to meet our Fit for the Future Plan and be financially sustainable moving forward.

Therefore, the key considerations when developing the Long Term Financial Plan included:

- Level of Service – Do the levels of service provided align with the amount of revenue available
- Infrastructure Management – Is there adequate expenditure on existing assets
- Borrowings and Financial Position – When should a Council Borrow? How much can be borrowed?
- Financial Sustainability – What is affordable in the Long-Term
- What other efficiencies can be achieved

Many challenges face Local Government, particularly those based in rural and remote areas with limited income streams.

New South Wales Councils can access revenue in a variety of ways including:

- Rates and annual charges
- Fees and charges
- Grants
- Contributions
- Loan arrangements
- Revenue from investments
- Sale of assets/property

Limited Income Streams

Revenue from rates and charges makes up approximately 32% of Council's total operating income. This means Council relies heavily on

grants and contributions (55%) as many rural and remote Council's do. As a result, Council is constantly reviewing the provision of services and trying to do more with less. This, coupled with reviewing fees and charges and working towards a fee recovery process where possible, is a delicate balance.

Rate Pegging

Council is restricted by the amount it can levy in ordinary rates by the Local Government Act (1993). The rate increase is determined annually under delegated authority by IPART. Over the last 5 years (2012/13 – 2016/17), the average increase has been 2.7% with the 2017/18 increase being just 1.5%.

Cost Shifting

Cost shifting is another significant issue being faced by Local Government. A survey undertaken by Local Government New South Wales for the 2013/14 financial year indicates the issue is increasing from previous surveys (2011/12) and represents 6.96% across New South Wales.

Declining Population

Declining population in rural areas is also a real factor for rural New South Wales. Predictions for the Shire indicate a growth of -0.7%, meaning a prediction of slight decline over the next 10 years. Therefore future planning and the economic development of the Shire is paramount in negating or reversing this trend and assisting Council to work towards long term sustainability.

Budgeting

It is important the budget reflects the priorities within the Community Strategic Plan as expressed by the community during the engagement process. This then provides a direct link to the actions and strategies in the Delivery Program and Operational Plan.

Ensuring Council has the funds to meet these actions, while remaining sustainable with a zero based or surplus budget in the long term is a challenge for both the community and council.

Assumptions & Forecasts

The Long Term Financial Plan utilises the current operating budget as the base. It then uses a number of internal and external assumptions to project revenue and expenditure for the following ten years.

The main external assumptions include: interest rates, rate pegging limits, CPI and State government charges. These assumptions are out of Council's Control however have been estimated based on industry advice and historic trends.

The specific assumptions underpinning the Long Term Financial Plan are:

Revenue

The revenue against expenditure across the life of the long term financial plan aims to be proportionately stable. Council's conservative approach to revenue prediction has ensured Council does not overstate income and not meet required targets.

Rates and Charges

Revenue from rates and charges makes up approximately 32% of Council's total operating income (2015/16). The general rate is indexed by IPART and not released until December. The modelling for the long term financial plan is based on the trends (declining) of the last 10 years (with the average being 2.7)

User Fees and Charges

Many of the services provided by Council are "user pays" and working towards a cost recovery model. As council continues to strive to be Fit for the Future, the review of fees and charges and the communities capacity to pay will continue.

Statutory fees where the fee is set by the State Government, such as most planning fees, have mainly remained static due to the uncertain nature of the States propensity for changing these fees.

Interest and Investments

The long term financial plan investment income has been based on the rates being achieved on existing term deposits and Australian Governments 10 year Bond rate, the Long tem financial plan has been based on a rate of 3-4%.

Grants

Council receives many grants across the service functions with the core revenue stream being the Financial Assistance Grants. This revenue has been frozen since 2013/14 but is predicted to be increase with indexation from 2017/18.

Contributions and Donations

As part of the Fit for the Future action plan, Council committed to reviewing the Section 94 and 94A contributions plans. This process is underway and will be presented to Council in conjunction with the review of the Local Environment Plan.

Asset Disposal

Disposal of plant is assumed to be at a nil gain/loss due to their operational nature. The disposal of all other assets is budgeted for gain on disposal. Council is required to revalue assets on a rotating schedule and this, in addition to improvements in depreciation modelling and a review of useful life will potentially reduce the over depreciation liability.

Expenditure

Consumer Price Index (CPI)

The Reserve Bank of Australia Governor and Treasurer have agreed that the appropriate target for monetary policy in Australia is to achieve an inflation rate of 2-3 per cent, on average, over the cycle (RBA). The long term financial plan has taken this policy into consideration and where real costs are unable to be determined; an increase based on the Reserve Bank policy has be applied.

Employee Costs

Employee costs represent the cost to Council for salary & wages, leave entitlements, superannuation, workers compensation and training costs. These costs represent approximately 30% of Councils total operating expenditure.

Under the New South Wales Local Government Award, Council employees receive a salary increase each year. These costs have been projected at 2.8%in addition to the increases in superannuation guarantee.

Council's Workforce Plan has identified a number of potential key position movements over the term of the Plan. The recruitment for these positions have been included within the overall costs of salaries and wages for the Long Term Financial Plan. Any future workforce requirements as identified will need to be provided from the existing structure by identifying opportunities for improved services and/or redeployment where necessary.

Borrowings

If Council is to renew community infrastructure or build new infrastructure, it is recommended to borrow funds so the costs of the assets can be shared equitably between current and future generations.

Council has current borrowings from the Holland Park Pool upgrade that were renegotiated in 2014/15 for a 15 year term.

Council has no present plans to borrow additional funds, however if this changes in future years, modelling will be based on actual and predicted borrowing rates.

Materials and Contracts

Council maintains a number of contractual arrangements for the provision of goods and materials. As these contracts are renewed, economic and market conditions will influence price. Where possible, Council will attempt to fix prices to prevent large fluctuations. For goods and materials not supplied under contract, averaging and forecasting has been applied within the long term financial plan.

Depreciation and Amortisation

Council is required to revalue different asset classes on a rotating basis in line with the Office of Local Governments scheduled program. This revaluation program has the potential to have significant effect on depreciation expense.

Council utilises a straight line depreciation approach for its infrastructure assets. Depreciation levels and implementation relating to useful life and residual values are subject to ongoing review.

The useful life of the asset is dependent on the associated service levels being provided by the asset and in line with the communities expectations.

Depreciation on Council's road network makes up a large proportion of the depreciation costs.

General Assumptions

Capital Expenditure

Capital expenditure is in line with detailed Capital Works Program.

Capital expenditure will be focused on asset renewal rather than new assets as council continues to reach the guidelines of Fit for the Future.

Review of Service Levels

A review of existing service levels in line with public expectations and consultation is to be completed by September 2020 (FFTF submission). This review will be completed taking available funds into consideration and will continue to be monitored as Council and the community progress through the Long Term Financial Plan and integrated planning and reporting cycle.

Councils Community Grants Program

Council's community grants program is to be reviewed with a view of reducing the amount available to the community with the expectation that community groups will present self sustaining events.

Financial Strategies

Strategy 1

Balanced Budgets

With each budget process, Council aims to achieve at the minimum, a balanced budget or a small operating surplus. This will allow Council to maintain a positive working funds balance and be in a better position to fund unforeseen expenditure without utilising reserve funds and meet the requirement of Fit for the Future..

Strategy 2

Ongoing Identification of Efficiencies

Council is committed to identifying and implementing initiatives which reduce expenditure and or/increase income to improve the 'bottom-line' and its capacity to improve services.

The initiatives below are under review and are in the process of being implemented

- Review of Fees and charges to ensure closer alignment with costs
- Improved utilisation of Information Management systems and technology systems including remote links.
- Incorporation of Asset management software to assist with ten year planning and costings
- Sourcing grant funds to support capital programs and new initiatives
- Review of Capital project processes, procedures and outcomes
- Sourcing contract works to increase Council's own source revenue and better utilise existing Council resources

Strategy 3

Management of Cash and Investments

Council funds are invested in high rated, low risk categories. This approach, although conservative, ensures funds assist Council to meet its interest projections in the Long Term Financial Plan and are not at risk of loss as during the Global Financial Crisis.

Strategy 4

Narrow the Infrastructure Funding Gap

Council's Asset Management Plan identifies a shortfall in current maintenance expenditure of approximately \$856,000. This position is not sustainable and may have long term effects associated with failing assets due to lack of maintenance. Council is attempting to address this by working within the identified Assets Management Goals of:

- Implementation of Asset Management software
- Taking a life cycle approach to assets
- Cost effective management strategies
- Defined level of service
- Monitoring service performance
- Understanding Community demands
- Risk Management approach
- Sustainable practices with regard to physical resources
- Continuous improvement practices

Strategy 5

Asset renewal has a higher priority than the creation of new assets

If asset renewal is prioritised over new assets, this will allow Council to reduce the infrastructure backlog, reduce maintenance costs in the long term and provide assets of a high quality to the community.

Strategy 6

Maintain Outstanding Ratio at or below

Accepted Benchmarks

This ratio measures the percentage of Councils total rates and annual charges that are outstanding. A lower percentage indicates that less income is outstanding and unpaid. The Office of Local Government's accepted benchmark for outstanding rates in rural councils is less than 10%.

As at 30 June 2016, the ratio for Bland Shire Council was 7.43%. Council aims to keep this ratio below 10%. This will largely depend on the state of the local economy.

Reserves

Council has a number of externally and internally restricted reserves. External restrictions relate to those funds held for developer contributions (s94 funds) specific purpose unexpended grants, and money held in reserve for sewer and domestic waste services.

Internal reserves are those funds that have been set aside at Council's discretion for funding of future projects/programs or in the case of employee leave entitlement future liabilities.

All these restricted funds are held in reserve so they are utilised for their intended purpose.

Externally Restricted Reserves

Council externally restricted reserves are those that are restricted by law, or by conditions placed on the funds by the provider. They include the following:

- Development Contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans
- Specific Purpose Unexpended Grants – Grants which are not yet expended for the purposes for which the grants were obtained
- Sewerage Service – Sewer and domestic waste management and other special rates/levies/charges are extremely restricted assets and must be applied for the purposes for which they are raised.

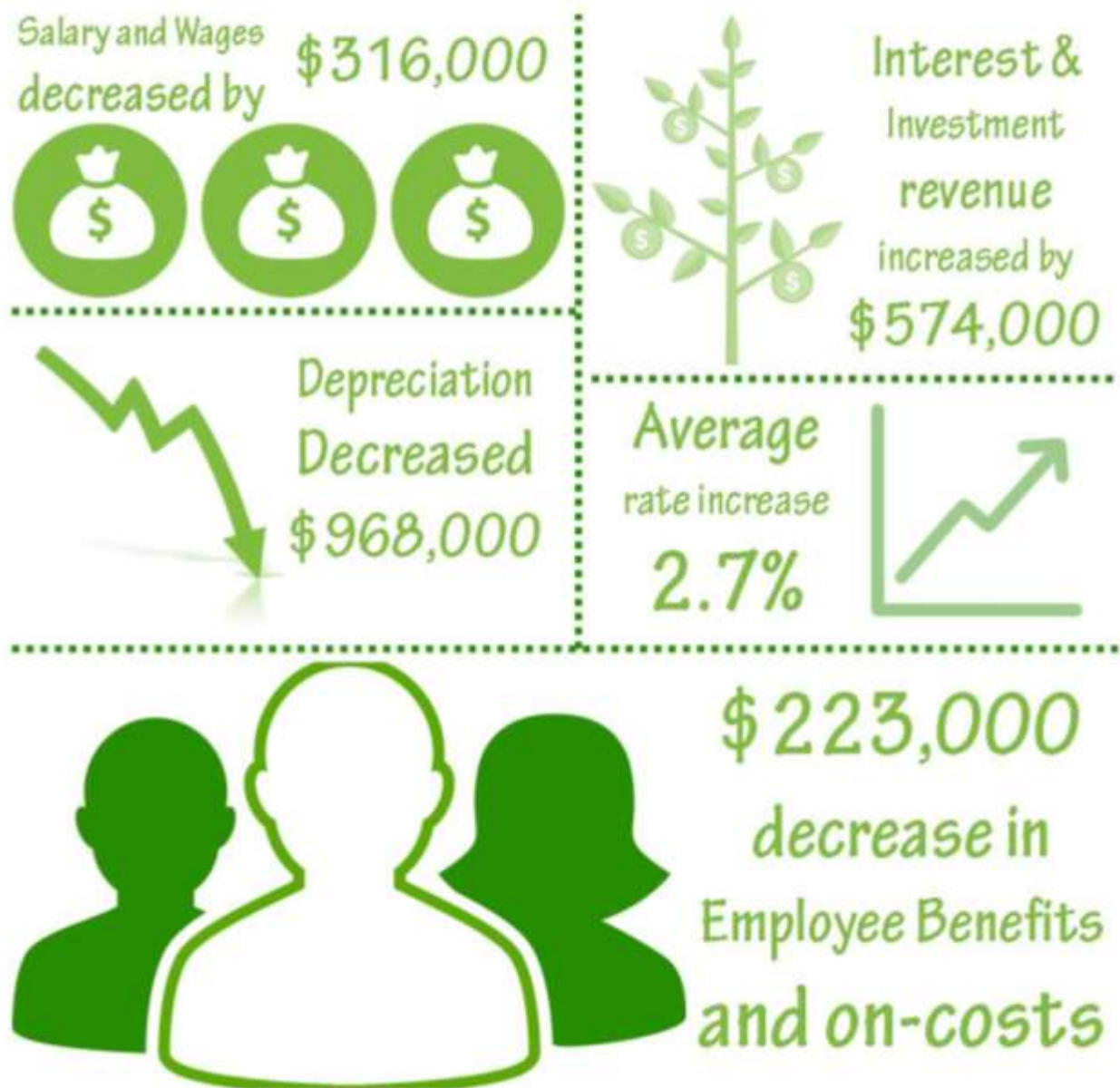
Internally Restricted Reserves

Council maintains a wide variety of reserves as detailed in note 6 of the 2015/2016 annual Financial Statements. These reserves have been established by Council resolution, and include provisions for future projects such as asset maintenance and renewal, plant and vehicle replacements and employee leave entitlements. The main purpose of internal reserves is to ensure that Council has the ability to utilise these funds at a date when and as required.



Financial Snapshot

The following is based on actual results from the 2015/2016 financial year.



Sensitivity Analysis and Risk Management

The purpose of the sensitivity analysis is to identify significant risk to the projections provided within the long term financial plan. Council's objective is to be financially viable and sustainable with the key factors being the ability to create additional own source revenue and the condition of the Council's infrastructure assets being at the forefront.

Identified Risks

Financial Assumptions

The financial factors of CPI, rate pegging, interest rates (both loans and investments) and frozen grant income will all impact on the operating performance of Council.

'Acts of God'

The condition of Council's infrastructure is an identified risk as "Acts of God" can seriously impact on the condition of the road network and general infrastructure. This risk needs to be assessed along with the resultant potential increase in infrastructure backlog.

Wage Increases

Long term forecasts have been calculated with a 2.8% increase for staff wages each year. This will be monitored as the plan progresses and in conjunction with the workforce management plan. Staff numbers are expected to remain at a similar level, with all new positions requiring approval from the Management executive team (Manex).

Wage Liabilities

Superannuation has been forecast in line with superannuation guarantee. Leave and entitlements are monitored bimonthly by Manex. Funds have been restricted to cover the leave provisions and are deemed sufficient by Council's external auditors.

Unfunded Maintenance and Depreciation

A review of Council's assets, service agreements and fees and charges will assist Council to meet expenditure associated with unfunded maintenance and depreciation. Opportunities to increase own source revenue, public/private partnerships and contracting of works will all contribute towards meeting the shortfall.

Rate Pegging

Council long term forecast is based on 2-3%. If the rate pegging amount is less than this, the income shortfall will need to be recovered through alternative streams or expenditure reduced to account for the variance.

Financial Assistance Grants

At present, the FAG funding is frozen. It has been presumed that the funding will increase as advised by government and Council has estimated a minimal increase of 1.5%. If this does not occur or the increase is less, the shortfall will need to be recovered from other sources or estimated expenditure reduced, or reduced service levels.

Financial Benchmarks

Based on Scenario 1

2015/16 2026/27

Operating Performance Ratio

OLG benchmark set at 0%

15.05%



10.85%

Own Source Revenue

OLG Benchmark set at 60%

43.79%



47.60%

Rates Outstanding

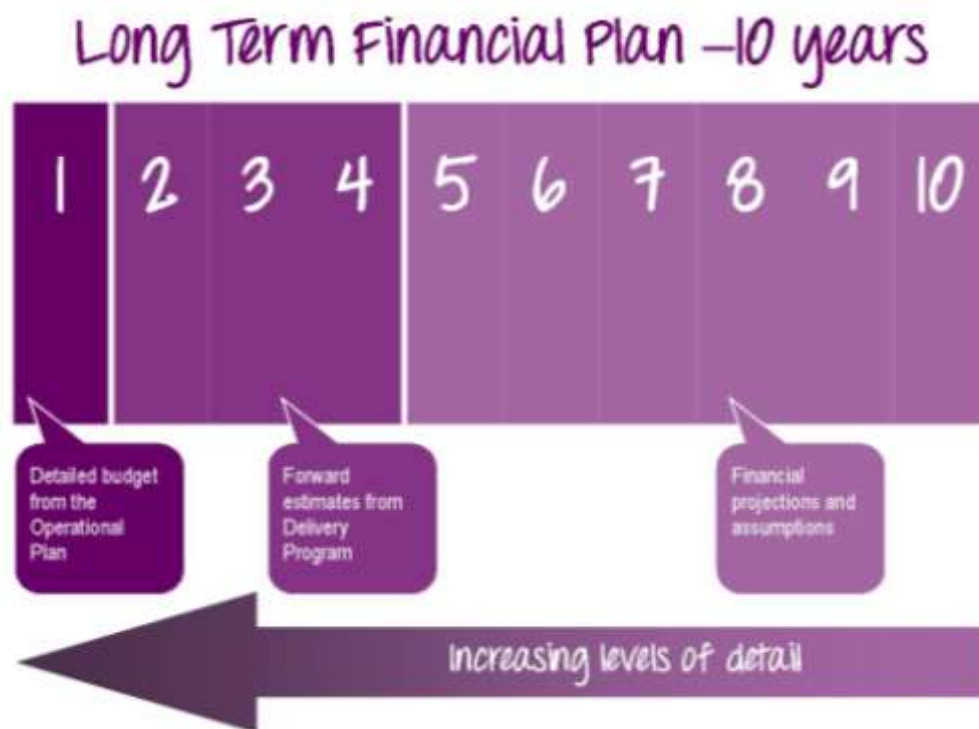
OLG Benchmark set at less than 10%

7.43%



5.88%

Financial Scenarios



Scenario 1

Scenario 1 or the 'Standard' scenario is based on the Fit for the Future scenario.

This scenario predicts Council will:

- Have a surplus net operating result before grants and contributions from 2017/18
- Will have a surplus bottom line by 2020/21
- Have total equity of \$381 Million (increasing) by 2017/18
- Cash Budget Surplus of \$238k (increasing) from 2017/18

Appendix

- Appendix 1 – Income Statement – Consolidated
- Appendix 2 – Balance Sheet - Consolidated
- Appendix 3 – Budget Summary - Consolidated
- Appendix 4 – Financial Sustainability Charts - Consolidated
- Appendix 5 – Budget Summary – Sewer Services

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
INCOME STATEMENT - CONSOLIDATED
Scenario: Standard

	Actuals 2015/16	Current Year 2016/17	2017/18	2018/19	2019/20	2020/21	Projected Years					
	\$	\$	\$	\$	\$	\$	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
							\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	8,147,000	8,343,819	8,490,658	8,671,603	8,856,443	9,077,896	9,304,843	9,537,464	9,775,901	10,020,298	10,270,806	10,527,576
User Charges & Fees	1,438,000	1,286,467	1,312,649	1,339,487	1,366,998	1,395,197	1,424,186	1,454,101	1,484,476	1,517,930	1,555,404	1,594,289
Interest & Investment Revenue	1,065,000	276,654	281,654	291,654	316,654	366,654	373,454	386,454	386,454	416,454	416,454	416,454
Other Revenues	242,000	8,624,518	8,754,681	8,870,862	8,974,540	9,079,788	9,196,069	9,314,373	9,434,739	9,557,212	9,700,570	9,846,079
Grants & Contributions provided for Operating Purposes	12,616,000	389,971	336,080	342,341	348,974	355,553	361,475	367,831	374,124	380,576	388,155	395,920
Grants & Contributions provided for Capital Purposes	1,364,000	5,500,016	2,517,400	2,518,828	2,520,285	2,521,770	2,523,286	2,524,831	2,526,408	2,528,016	2,529,656	2,557,981
Other Income:												
Net gains from the disposal of assets	288,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	25,160,000	24,421,446	21,693,122	22,034,774	22,383,894	22,796,858	23,183,312	23,585,054	23,982,103	24,420,486	24,861,045	25,338,299
Expenses from Continuing Operations												
Employee Benefits & On-Costs	6,361,000	6,170,385	6,296,358	6,473,653	6,656,902	6,844,870	7,039,729	7,239,031	7,444,252	7,655,572	7,873,872	8,098,645
Borrowing Costs	288,000	66,189	61,419	56,655	52,300	46,844	42,339	37,569	32,884	28,029	23,259	18,489
Materials & Contracts	6,118,000	5,482,738	5,274,021	4,729,898	4,523,455	4,342,409	4,213,141	4,112,405	4,032,413	3,970,624	3,942,622	4,054,083
Depreciation & Amortisation	5,206,000	6,445,800	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,998,000	2,063,947	2,063,112	2,109,055	2,168,212	2,269,414	2,278,125	2,330,965	2,394,531	2,505,680	2,523,017	2,598,017
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	19,971,000	20,229,060	18,890,669	18,565,020	18,596,628	18,699,297	18,769,092	18,915,729	19,099,839	19,355,665	19,558,529	19,964,993
Operating Result from Continuing Operations	5,189,000	4,192,386	2,802,453	3,469,755	3,787,267	4,097,561	4,414,220	4,669,325	4,882,263	5,064,822	5,302,517	5,373,306
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	5,189,000	4,192,386	2,802,453	3,469,755	3,787,267	4,097,561	4,414,220	4,669,325	4,882,263	5,064,822	5,302,517	5,373,306
Net Operating Result before Grants and Contributions provided for Capital Purposes	3,825,000	(1,307,630)	285,053	950,927	1,266,982	1,575,791	1,890,934	2,144,494	2,355,855	2,536,805	2,772,860	2,815,325

Appendix 1

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
BALANCE SHEET - CONSOLIDATED
Scenario: Standard

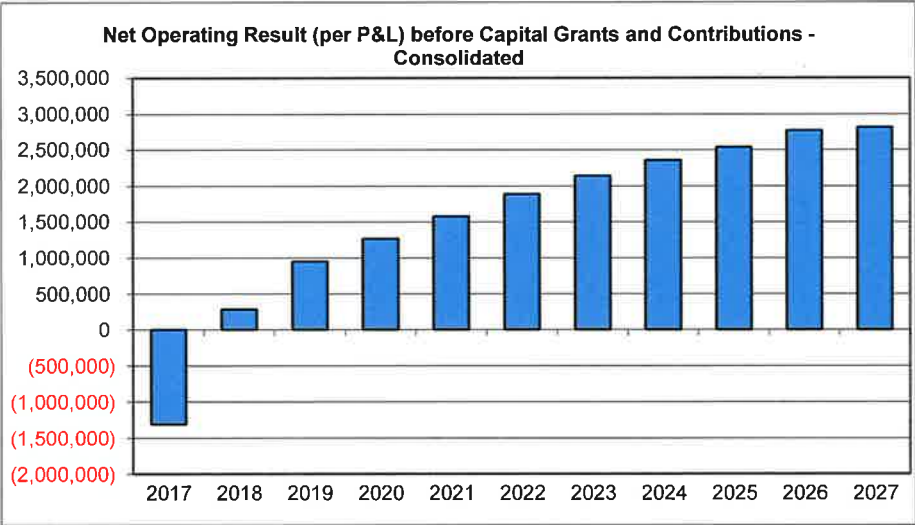
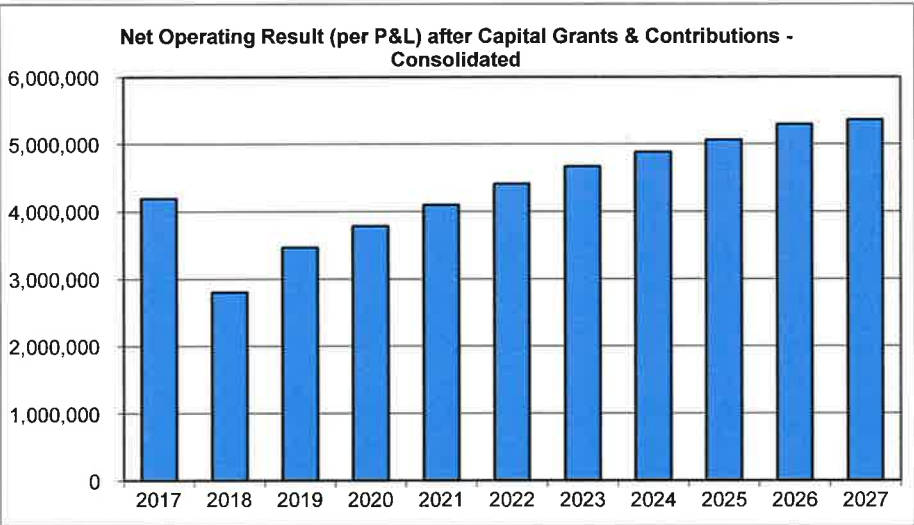
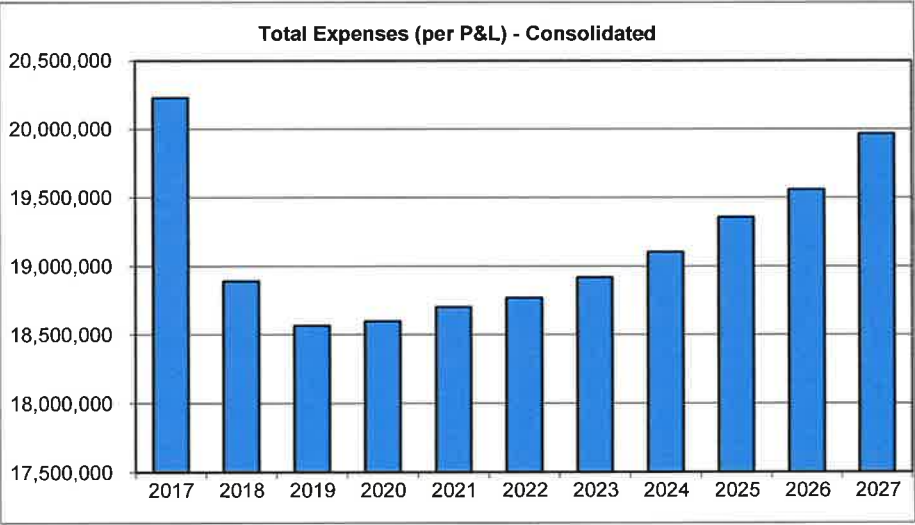
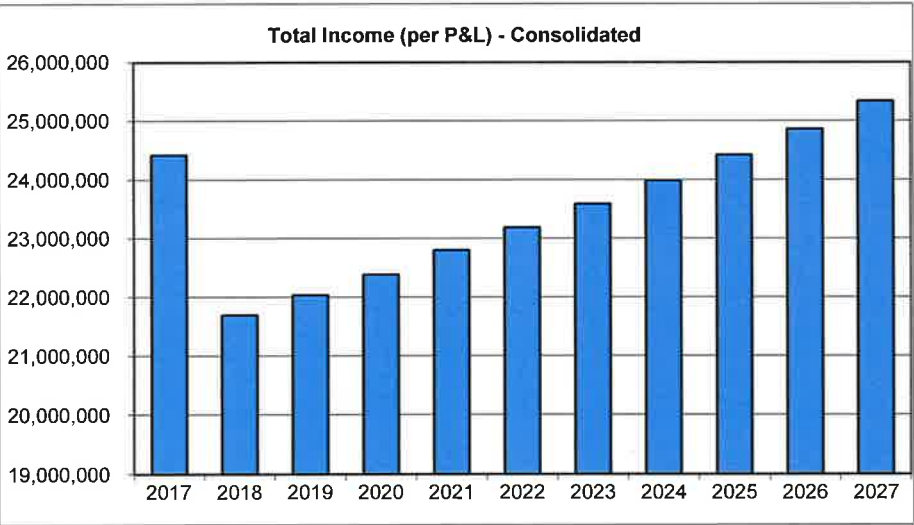
	Actuals 2015/16	Current Year 2016/17	2017/18	2018/19	2019/20	2020/21	Projected Years					
	\$	\$	\$	\$	\$	\$	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
							\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	2,113,000	5,680,445	10,608,307	16,124,109	21,952,819	28,196,576	35,054,374	42,025,511	49,198,834	56,867,379	64,545,133	72,194,127
Investments	14,000,000	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268
Receivables	863,000	1,478,425	1,503,606	1,592,352	1,670,641	1,755,253	1,847,412	1,941,168	2,037,423	2,139,706	2,243,207	2,347,204
Inventories	614,000	592,751	555,500	518,466	496,082	476,274	461,845	450,325	440,865	433,167	426,788	434,681
Other	-	22,915	21,717	20,679	20,151	19,843	19,402	19,198	19,095	19,204	19,047	19,533
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	17,590,000	23,002,804	27,917,399	33,483,875	39,367,962	45,676,214	52,611,300	59,664,471	66,924,487	74,687,724	82,462,444	90,223,813
Non-Current Assets												
Investments	2,200,000	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732
Receivables	292,000	259,371	263,580	269,015	274,563	281,429	288,464	295,676	303,068	310,645	318,411	326,371
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	363,902,000	363,920,194	361,688,384	359,280,178	357,070,055	354,748,852	352,115,208	349,622,529	347,137,546	344,335,419	341,754,880	339,269,341
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	198,000	149,001	141,211	134,462	131,028	129,022	126,156	124,832	124,161	124,869	123,846	127,008
Total Non-Current Assets	366,592,000	365,300,298	363,064,907	360,655,387	358,447,377	356,131,034	353,501,560	351,014,768	348,536,507	345,742,664	343,168,869	340,694,452
TOTAL ASSETS	384,182,000	388,303,102	390,982,306	394,139,261	397,815,340	401,807,249	406,112,861	410,679,239	415,460,993	420,430,388	425,631,313	430,918,265
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	888,000	915,522	892,273	679,474	668,286	662,634	654,026	651,079	650,570	655,143	653,552	667,197
Borrowings	170,000	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233
Provisions	2,809,000	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	3,867,000	3,861,314	3,838,064	3,625,265	3,614,077	3,608,425	3,599,817	3,596,871	3,596,361	3,600,934	3,599,343	3,612,988
Non-Current Liabilities												
Payables	-	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193
Borrowings	1,456,000	1,371,767	1,271,767	1,171,767	1,071,767	971,767	871,767	771,767	671,767	571,767	471,767	371,767
Provisions	4,048,000	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,504,000	5,438,402	5,338,402	5,238,402	5,138,402	5,038,402	4,938,402	4,838,402	4,738,402	4,638,402	4,538,402	4,438,402
TOTAL LIABILITIES	9,371,000	9,299,715	9,176,466	8,863,667	8,752,479	8,646,827	8,538,219	8,435,272	8,334,763	8,239,336	8,137,745	8,051,390
Net Assets	374,811,000	379,003,386	381,805,840	385,275,594	389,062,861	393,160,422	397,574,642	402,243,967	407,126,230	412,191,052	417,493,568	422,866,874
EQUITY												
Retained Earnings	124,420,000	128,612,386	131,414,840	134,884,594	138,671,861	142,769,422	147,183,642	151,852,967	156,735,230	161,800,052	167,102,568	172,475,874
Revaluation Reserves	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000
Council Equity Interest	374,811,000	379,003,386	381,805,840	385,275,594	389,062,861	393,160,422	397,574,642	402,243,967	407,126,230	412,191,052	417,493,568	422,866,874
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	374,811,000	379,003,386	381,805,840	385,275,594	389,062,861	393,160,422	397,574,642	402,243,967	407,126,230	412,191,052	417,493,568	422,866,874

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
BUDGET SUMMARY - CONSOLIDATED
Scenario: Standard

	Current Year	Projected Years									
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	8,343,819	8,490,658	8,671,603	8,856,443	9,077,896	9,304,843	9,537,464	9,775,901	10,020,298	10,270,806	10,527,576
User Charges & Fees	1,286,467	1,312,649	1,339,487	1,366,998	1,395,197	1,424,186	1,454,101	1,484,476	1,517,930	1,555,404	1,594,289
Interest & Investment Revenue	276,654	281,654	291,654	316,654	366,654	373,454	386,454	386,454	416,454	416,454	416,454
Other Revenues	8,624,518	8,754,681	8,870,862	8,974,540	9,079,788	9,196,069	9,314,373	9,434,739	9,557,212	9,700,570	9,846,079
Grants & Contributions provided for Operating Purposes	389,971	336,080	342,341	348,974	355,553	361,475	367,831	374,124	380,576	388,155	395,920
Grants & Contributions provided for Capital Purposes	5,500,016	2,517,400	2,518,828	2,520,285	2,521,770	2,523,286	2,524,831	2,526,408	2,528,016	2,529,656	2,557,981
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	24,421,446	21,693,122	22,034,774	22,383,894	22,796,858	23,183,312	23,585,054	23,982,103	24,420,486	24,861,045	25,338,299
Expenses from Continuing Operations											
Employee Benefits & On-Costs	6,170,385	6,296,358	6,473,653	6,656,902	6,844,870	7,039,729	7,239,031	7,444,252	7,655,572	7,873,872	8,098,645
Borrowing Costs	65,000	60,229	55,466	50,977	45,789	41,149	36,379	31,694	26,839	22,069	-
Materials & Contracts	5,482,738	5,274,021	4,729,898	4,523,455	4,342,409	4,213,141	4,112,405	4,032,413	3,970,624	3,942,622	4,054,083
Depreciation & Amortisation	6,445,800	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,063,947	2,063,112	2,109,055	2,168,212	2,269,414	2,278,125	2,330,965	2,394,531	2,505,680	2,523,017	2,598,017
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	20,227,871	18,889,479	18,563,831	18,595,305	18,698,242	18,767,903	18,914,539	19,098,650	19,354,475	19,557,339	19,946,504
Net Operating Profit /(Loss) for the Year	4,193,575	2,803,643	3,470,944	3,788,590	4,098,616	4,415,410	4,670,515	4,883,453	5,066,011	5,303,706	5,391,795
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(6,759,244)	(3,265,549)	(3,088,903)	(3,287,736)	(3,111,026)	(2,760,305)	(3,005,010)	(2,979,276)	(2,781,578)	(2,965,220)	(3,060,220)
Loan Repayments (External)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Loan Repayments (Internal)	-	-	-	-	-	-	-	-	-	-	-
Finance Lease Repayments	-	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (External)	-	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (Internal)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of intangible & tangible Assets	380,250	301,600	301,350	302,100	236,470	198,190	301,930	268,500	387,945	350,000	350,000
Deferred Debtors and Advances received (External)	-	-	-	-	-	-	-	-	-	-	-
Internal Loans - Principal Receipt (rec'd from other Funds)	-	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits received	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions received (from other Councils)	-	-	-	-	-	-	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
Non-cash Expense Contra Income	-	-	-	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	(995,305)	(1,051,033)	(1,072,845)	(1,100,511)	(1,080,916)	(1,196,238)	(1,237,958)	(1,280,214)	(1,272,749)	(1,349,531)	(1,046,748)
Total Capital (Balance Sheet) and Reserve Movements	(7,474,299)	(4,114,982)	(3,960,398)	(4,186,147)	(4,055,472)	(3,858,353)	(4,041,038)	(4,090,990)	(3,766,382)	(4,064,751)	(3,856,968)
Net Result (including Depreciation & Other non-cash items)	(3,280,724)	(1,311,339)	(489,454)	(397,558)	43,144	557,056	629,477	792,463	1,299,630	1,238,955	1,534,827
Add back Depreciation Expense (non-cash)	6,445,800	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759	5,195,759
Add back ELE Expense (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Cash Budget Surplus/(Deficit)	3,165,076	3,884,420	4,706,305	4,798,201	5,238,903	5,752,815	5,825,236	5,988,222	6,495,389	6,434,714	6,730,586

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
CHARTS - ALL FUNDS (CONSOLIDATED)
Scenario: Standard

Income Statement Charts



Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
BUDGET SUMMARY - SEWER FUND
Scenario: Standard

	Current Year	Projected Years									
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	1,305,410	1,338,045	1,371,496	1,405,784	1,440,928	1,476,952	1,513,875	1,551,722	1,590,515	1,630,278	1,671,035
User Charges & Fees	10,500	10,762	11,031	11,307	11,589	11,879	12,176	12,481	12,793	13,112	13,440
Interest & Investment Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Revenues	40,000	40,600	41,209	41,827	42,455	43,091	43,738	44,394	45,060	45,736	46,422
Grants & Contributions provided for Operating Purposes	20,000	20,500	21,013	21,538	22,076	22,628	23,194	23,774	24,368	24,977	25,602
Grants & Contributions provided for Capital Purposes	1,000	-	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	1,381,910	1,414,907	1,449,749	1,485,456	1,522,049	1,559,550	1,597,983	1,637,370	1,677,736	1,719,104	1,761,499
Expenses from Continuing Operations											
Employee Benefits & On-Costs	-	-	-	-	-	-	-	-	-	-	-
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	1,005,304	1,026,149	1,051,727	1,077,944	1,104,816	1,131,608	1,159,069	1,187,216	1,216,066	1,246,386	1,277,463
Depreciation & Amortisation	243,076	238,556	238,556	238,556	238,556	238,556	238,556	238,556	238,556	238,556	238,556
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	87,099	89,692	92,383	95,154	98,009	100,949	103,978	107,097	110,310	113,619	117,028
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	1,335,479	1,354,397	1,382,666	1,411,655	1,441,381	1,471,114	1,501,603	1,532,869	1,564,932	1,598,561	1,633,047
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Operating Profit/(Loss) for the Year	46,431	60,510	67,083	73,801	80,668	88,437	96,380	104,501	112,804	120,542	128,452
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(50,000)	-	-	-	-	-	-	-	-	-	-
Loan Repayments (External)	-	-	-	-	-	-	-	-	-	-	-
Loan Repayments (Internal)	-	-	-	-	-	-	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
Non-cash Expense Contra Income	-	-	-	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	3,569	(60,512)	(58,245)	(64,855)	(71,611)	(79,267)	(87,094)	(95,096)	(103,276)	(110,889)	-
Total Capital (Balance Sheet) and Reserve Movements	(46,431)	(60,512)	(58,245)	(64,855)	(71,611)	(79,267)	(87,094)	(95,096)	(103,276)	(110,889)	-
Net Result (including Depreciation & Other non-cash items)	(0)	(2)	8,838	8,946	9,057	9,170	9,286	9,405	9,528	9,653	128,452
Add back Depreciation Expense (non-cash)	243,076	238,556	238,556	238,556	238,556	238,556	238,556	238,556	238,556	238,556	238,556
Add back ELE Expense (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Cash Budget Surplus/(Deficit)	243,076	238,554	247,394	247,502	247,613	247,726	247,842	247,961	248,084	248,209	367,008

Scenario 2

Scenario 2 or the 'Post Budget Workshop' scenario is based on the revised figures following the Councillor budget workshop.

This scenario allows for:

- Minor capital works
- Creation of up to 4 'Shovel ready' projects for future consideration
- Continued segregation of mining rates for infrastructure fund (reserve)

This scenario predicts Council will:

- Have a surplus net operating result before grants and contributions from 2017/18
- Will have a surplus bottom line by 2021/22
- Have total equity of \$381 Million (increasing) by 2017/18
- Cash Budget Surplus of \$248k (increasing) from 2017/18

Appendix

- Appendix 6 – Income Statement – Consolidated – post budget workshop
- Appendix 7 – Balance Sheet – Consolidated – post budget workshop
- Appendix 8 – Budget Summary – Consolidated – post budget workshop
- Appendix 9 – Financial Sustainability Charts – Consolidated – post budget workshop
- Appendix 10 – Budget Summary – Sewer Services – post budget workshop

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
INCOME STATEMENT - CONSOLIDATED
Scenario: Post Budget Workshop

	Actuals 2015/16	Current Year 2016/17	2017/18	2018/19	2019/20	2020/21	Projected Years					
	\$	\$	\$	\$	\$	\$	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
							\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	8,147,000	8,343,819	8,506,517	8,687,763	8,872,912	9,094,777	9,322,188	9,555,243	9,794,124	10,038,977	10,289,951	10,547,200
User Charges & Fees	1,438,000	1,286,467	1,409,921	1,353,565	1,382,929	1,413,026	1,443,960	1,376,870	1,410,315	1,446,914	1,482,612	1,519,678
Interest & Investment Revenue	1,065,000	276,654	289,654	299,654	324,654	374,654	381,554	394,554	394,554	424,554	424,554	424,554
Other Revenues	242,000	8,624,518	8,974,232	9,093,587	9,200,481	9,308,990	9,428,642	9,550,367	9,674,203	9,800,196	9,947,199	10,096,407
Grants & Contributions provided for Operating Purposes	12,616,000	389,971	364,932	347,302	354,045	360,737	366,776	373,251	379,667	386,243	393,951	401,847
Grants & Contributions provided for Capital Purposes	1,364,000	5,500,016	2,555,518	2,554,418	2,555,846	2,557,303	2,558,788	2,561,504	2,564,279	2,567,117	2,570,017	2,599,667
Other Income:												
Net gains from the disposal of assets	288,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	25,160,000	24,421,446	22,100,774	22,336,289	22,690,867	23,109,487	23,501,909	23,811,788	24,217,142	24,664,002	25,108,285	25,589,353
Expenses from Continuing Operations												
Employee Benefits & On-Costs	6,361,000	6,170,385	6,180,318	6,355,818	6,537,237	6,723,332	6,916,273	7,113,612	7,316,824	7,526,086	7,742,278	7,964,892
Borrowing Costs	288,000	66,189	61,419	56,655	52,300	46,844	42,339	37,569	32,884	28,029	23,259	18,489
Materials & Contracts	6,118,000	5,482,738	6,198,696	5,828,897	5,634,714	5,171,908	5,078,736	5,013,804	4,969,444	4,941,371	4,940,487	5,070,820
Depreciation & Amortisation	5,206,000	6,445,800	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,998,000	2,063,947	1,799,359	1,837,701	1,887,579	1,980,718	1,981,171	2,023,771	2,076,640	2,176,333	2,181,923	2,246,661
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	19,971,000	20,229,060	19,445,551	19,284,829	19,317,588	19,128,561	19,224,278	19,394,514	19,601,550	19,877,577	20,093,705	20,506,620
Operating Result from Continuing Operations	5,189,000	4,192,386	2,655,224	3,051,460	3,373,279	3,980,926	4,277,632	4,417,274	4,615,592	4,786,425	5,014,580	5,082,733
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	5,189,000	4,192,386	2,655,224	3,051,460	3,373,279	3,980,926	4,277,632	4,417,274	4,615,592	4,786,425	5,014,580	5,082,733
Net Operating Result before Grants and Contributions provided for Capital Purposes	3,825,000	(1,307,630)	99,706	497,042	817,433	1,423,623	1,718,843	1,855,770	2,051,312	2,219,308	2,444,563	2,483,066

Appendix 6

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
BALANCE SHEET - CONSOLIDATED
Scenario: Post Budget Workshop

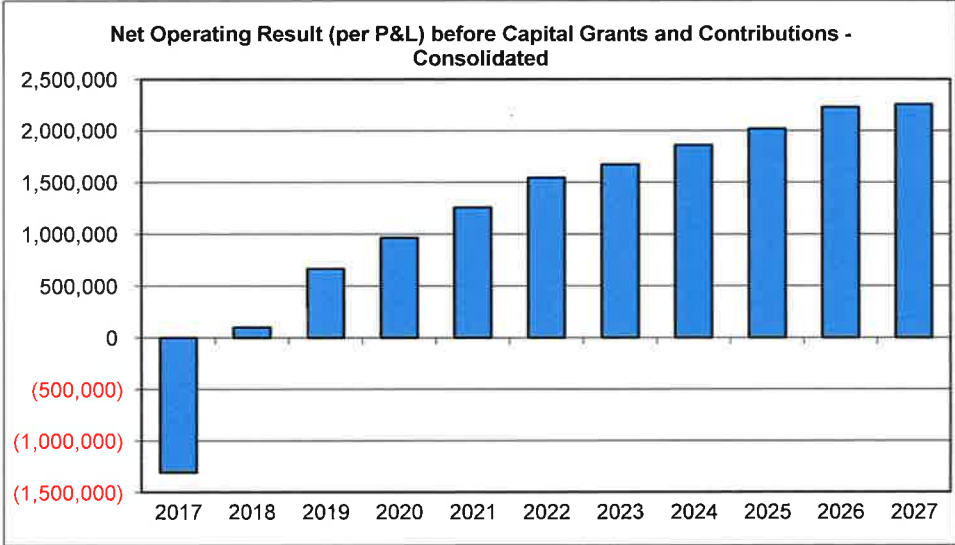
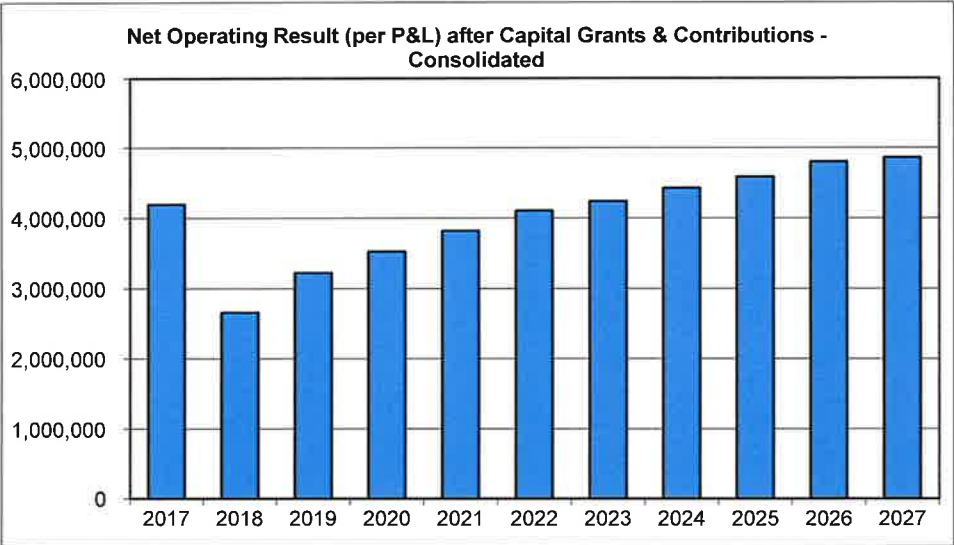
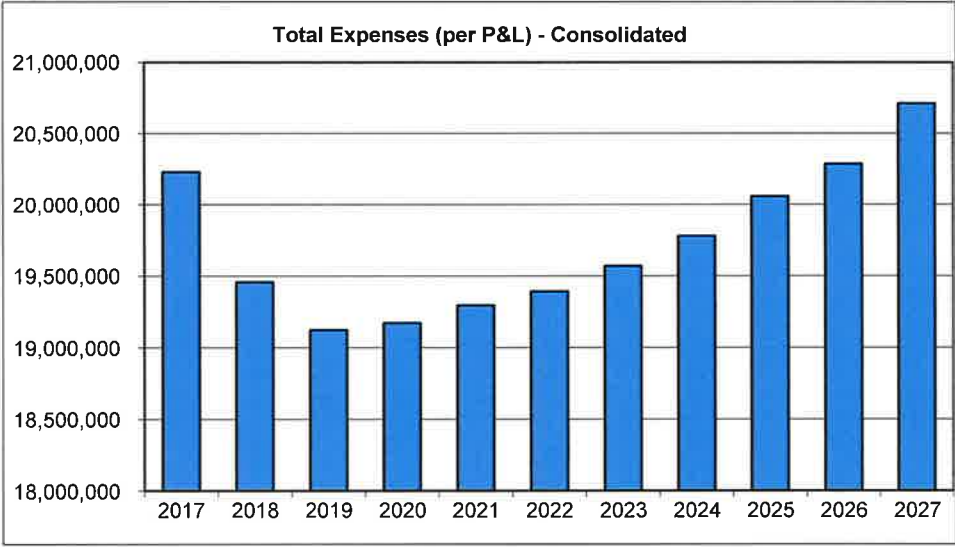
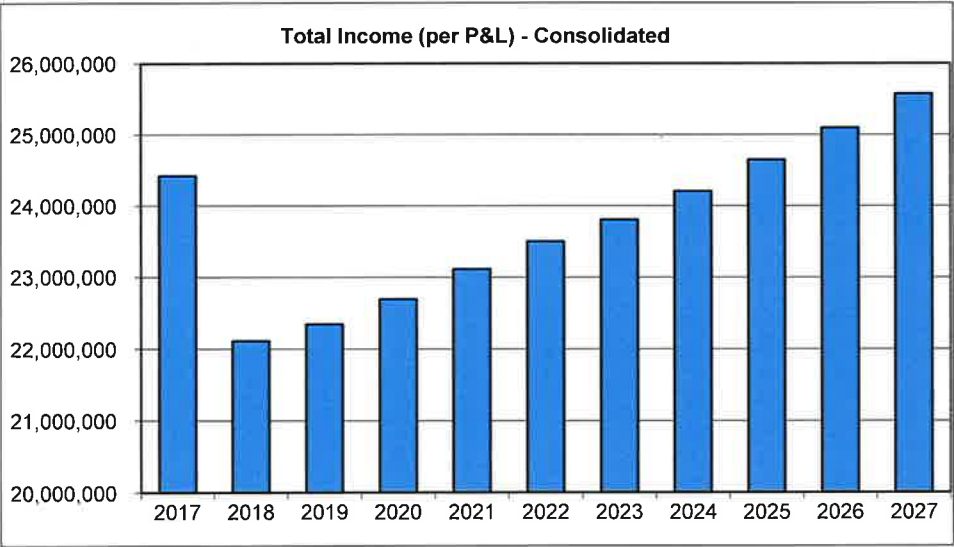
	Actuals 2015/16	Current Year 2016/17	2017/18	2018/19	2019/20	2020/21	Projected Years					
	\$	\$	\$	\$	\$	\$	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
							\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	2,113,000	5,680,445	10,141,336	15,501,308	21,120,227	27,436,007	34,305,611	41,266,650	48,379,393	55,957,927	63,520,554	71,052,303
Investments	14,000,000	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268	15,228,268
Receivables	863,000	1,478,425	1,528,149	1,588,037	1,664,466	1,749,922	1,842,261	1,919,187	2,015,221	2,116,848	2,218,960	2,321,544
Inventories	614,000	592,751	538,135	498,141	476,180	426,503	414,908	406,170	399,452	394,358	390,479	400,015
Other	-	22,915	23,567	22,412	21,870	20,586	20,211	20,065	20,017	20,174	20,061	20,569
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	17,590,000	23,002,804	27,459,455	32,838,167	38,511,012	44,861,285	51,811,259	58,840,340	66,042,352	73,717,576	81,378,323	89,022,701
Non-Current Assets												
Investments	2,200,000	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732	971,732
Receivables	292,000	259,371	263,355	268,781	274,320	281,179	288,210	295,416	302,801	310,371	318,130	326,084
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	363,902,000	363,920,194	362,031,653	359,389,665	356,976,540	354,480,037	351,696,025	348,975,416	346,282,698	343,291,012	340,537,271	337,878,530
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	198,000	149,001	153,239	145,731	142,203	133,855	131,417	130,469	130,157	131,179	130,443	133,747
Total Non-Current Assets	366,592,000	365,300,298	363,419,979	360,775,909	358,364,794	355,866,803	353,087,384	350,373,032	347,687,388	344,704,293	341,957,577	339,310,093
TOTAL ASSETS	384,182,000	388,303,102	390,879,434	393,614,076	396,875,806	400,728,088	404,898,643	409,213,372	413,729,740	418,421,869	423,335,899	428,332,793
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	888,000	915,522	936,631	719,813	708,264	679,621	672,544	669,999	670,775	676,480	675,930	690,091
Borrowings	170,000	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233	154,233
Provisions	2,809,000	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558	2,791,558
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	3,867,000	3,861,314	3,882,422	3,665,604	3,654,056	3,625,412	3,618,335	3,615,790	3,616,566	3,622,271	3,621,721	3,635,882
Non-Current Liabilities												
Payables	-	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193
Borrowings	1,456,000	1,371,767	1,271,767	1,171,767	1,071,767	971,767	871,767	771,767	671,767	571,767	471,767	371,767
Provisions	4,048,000	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442	4,065,442
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,504,000	5,438,402	5,338,402	5,238,402	5,138,402	5,038,402	4,938,402	4,838,402	4,738,402	4,638,402	4,538,402	4,438,402
TOTAL LIABILITIES	9,371,000	9,299,715	9,220,824	8,904,006	8,792,457	8,663,814	8,556,737	8,454,192	8,354,968	8,260,673	8,160,123	8,074,284
Net Assets	374,811,000	379,003,386	381,658,610	384,710,070	388,083,349	392,064,274	396,341,906	400,759,180	405,374,772	410,161,196	415,175,776	420,258,509
EQUITY												
Retained Earnings	124,420,000	128,612,386	131,267,610	134,319,070	137,692,349	141,673,274	145,950,906	150,368,180	154,983,772	159,770,196	164,784,776	169,867,509
Revaluation Reserves	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000	250,391,000
Council Equity Interest	374,811,000	379,003,386	381,658,610	384,710,070	388,083,349	392,064,274	396,341,906	400,759,180	405,374,772	410,161,196	415,175,776	420,258,509
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	374,811,000	379,003,386	381,658,610	384,710,070	388,083,349	392,064,274	396,341,906	400,759,180	405,374,772	410,161,196	415,175,776	420,258,509

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
BUDGET SUMMARY - CONSOLIDATED
Scenario: Post Budget Workshop

	Current Year	Projected Years									
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	8,343,819	8,506,517	8,687,763	8,872,912	9,094,777	9,322,188	9,555,243	9,794,124	10,038,977	10,289,951	10,547,200
User Charges & Fees	1,286,467	1,409,921	1,353,565	1,382,929	1,413,026	1,443,960	1,376,870	1,410,315	1,446,914	1,482,612	1,519,678
Interest & Investment Revenue	276,654	289,654	299,654	324,654	374,654	381,554	394,554	394,554	424,554	424,554	424,554
Other Revenues	8,624,518	8,974,232	9,093,587	9,200,481	9,308,990	9,428,642	9,550,367	9,674,203	9,800,196	9,947,199	10,096,407
Grants & Contributions provided for Operating Purposes	389,971	364,932	347,302	354,045	360,737	366,776	373,251	379,667	386,243	393,951	401,847
Grants & Contributions provided for Capital Purposes	5,500,016	2,555,518	2,554,418	2,555,846	2,557,303	2,558,788	2,561,504	2,564,279	2,567,117	2,570,017	2,599,667
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	24,421,446	22,100,774	22,336,289	22,690,867	23,109,487	23,501,909	23,811,788	24,217,142	24,664,002	25,108,285	25,589,353
Expenses from Continuing Operations											
Employee Benefits & On-Costs	6,170,385	6,180,318	6,355,818	6,537,237	6,723,332	6,916,273	7,113,612	7,316,824	7,526,086	7,742,278	7,964,892
Borrowing Costs	65,000	60,229	55,466	50,977	45,789	41,149	36,379	31,694	26,839	22,069	-
Materials & Contracts	5,482,738	6,198,696	5,828,897	5,634,714	5,171,908	5,078,736	5,013,804	4,969,444	4,941,371	4,940,487	5,070,820
Depreciation & Amortisation	6,445,800	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,063,947	1,799,359	1,837,701	1,887,579	1,980,718	1,981,171	2,023,771	2,076,640	2,176,333	2,181,923	2,246,661
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	20,227,871	19,444,361	19,283,640	19,316,265	19,127,506	19,223,088	19,393,325	19,600,361	19,876,388	20,092,516	20,488,131
Net Operating Profit /(Loss) for the Year	4,193,575	2,656,413	3,052,649	3,374,602	3,981,981	4,278,821	4,418,463	4,616,781	4,787,614	5,015,770	5,101,222
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(6,759,244)	(3,591,518)	(2,865,121)	(3,094,734)	(2,945,726)	(2,619,937)	(2,787,080)	(2,781,541)	(2,602,018)	(2,802,018)	(2,897,018)
Loan Repayments (External)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Loan Repayments (Internal)	-	-	-	-	-	-	-	-	-	-	-
Finance Lease Repayments	-	-	-	-	-	-	-	-	-	-	-
Non-cash Income Contra Expense	-	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (External)	-	-	-	-	-	-	-	-	-	-	-
New Loan Borrowings (Internal)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of intangible & tangible Assets	380,250	374,300	301,350	302,100	236,470	198,190	301,930	268,500	387,945	350,000	350,000
Deferred Debtors and Advances received (External)	-	-	-	-	-	-	-	-	-	-	-
Internal Loans - Principal Receipt (rec'd from other Funds)	-	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits received	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions received (from other Councils)	-	-	-	-	-	-	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
Non-cash Expense Contra Income	-	-	-	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	(995,305)	(660,217)	(1,065,814)	(1,096,380)	(1,077,541)	(1,171,637)	(1,222,504)	(1,269,086)	(1,266,138)	(1,350,996)	(1,337,840)
Total Capital (Balance Sheet) and Reserve Movements	(7,474,299)	(3,977,435)	(3,729,585)	(3,989,014)	(3,886,797)	(3,693,384)	(3,807,654)	(3,882,127)	(3,580,211)	(3,903,014)	(3,984,858)
Net Result (including Depreciation & Other non-cash items)	(3,280,724)	(1,321,022)	(676,936)	(614,412)	95,184	585,437	610,809	734,654	1,207,403	1,112,756	1,116,364
Add back Depreciation Expense (non-cash)	6,445,800	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759	5,205,759
Add back ELE Expense (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Cash Budget Surplus/(Deficit)	3,165,076	3,884,737	4,528,823	4,591,347	5,300,943	5,791,196	5,816,568	5,940,413	6,413,162	6,318,515	6,322,123

Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
CHARTS - ALL FUNDS (CONSOLIDATED)
Scenario: Post Budget Workshop

Income Statement Charts



Bland Shire Council
10 Year Financial Plan for the Years ending 30 June 2027
BUDGET SUMMARY - SEWER FUND
Scenario: Post Budget Workshop

	Current Year 2016/17	2017/18	2018/19	2019/20	2020/21	Projected Years					
	\$	\$	\$	\$	\$	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
						\$	\$	\$	\$	\$	\$
Income from Continuing Operations											
Rates & Annual Charges	1,305,410	1,360,000	1,394,000	1,428,850	1,464,572	1,501,186	1,538,716	1,577,183	1,616,613	1,657,028	1,698,454
User Charges & Fees	10,500	30,500	31,262	32,044	32,845	33,666	34,508	35,371	36,255	37,161	38,090
Interest & Investment Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Revenues	40,000	40,000	40,600	41,209	41,827	42,455	43,091	43,738	44,394	45,060	45,736
Grants & Contributions provided for Operating Purposes	20,000	20,000	20,500	21,013	21,538	22,076	22,628	23,194	23,774	24,368	24,977
Grants & Contributions provided for Capital Purposes	1,000	1,000	-	-	-	-	-	-	-	-	-
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	1,381,910	1,456,500	1,491,363	1,528,116	1,565,782	1,604,383	1,643,943	1,684,486	1,726,035	1,768,617	1,812,257
Expenses from Continuing Operations											
Employee Benefits & On-Costs	-	-	-	-	-	-	-	-	-	-	-
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	1,005,304	1,088,761	1,115,930	1,143,777	1,172,320	1,200,825	1,230,043	1,259,990	1,290,686	1,322,899	1,355,916
Depreciation & Amortisation	243,076	248,556	248,556	248,556	248,556	248,556	248,556	248,556	248,556	248,556	248,556
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	87,099	64,601	66,539	68,535	70,591	72,709	74,890	77,137	79,451	81,835	84,290
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	1,335,479	1,401,918	1,431,025	1,460,868	1,491,467	1,522,090	1,553,489	1,585,683	1,618,693	1,653,289	1,688,761
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Net Operating Profit/(Loss) for the Year	46,431	54,582	60,338	67,248	74,315	82,293	90,454	98,802	107,342	115,328	123,496
Capital (Balance Sheet) and Reserve Movements											
Capital Expenditure	(50,000)	(150,000)	-	-	-	-	-	-	-	-	-
Loan Repayments (External)	-	-	-	-	-	-	-	-	-	-	-
Loan Repayments (Internal)	-	-	-	-	-	-	-	-	-	-	-
Finance Lease Repayments	-	-	-	-	-	-	-	-	-	-	-
ELE Provisions received (from other Councils)	-	-	-	-	-	-	-	-	-	-	-
Other Capital Receipts	-	-	-	-	-	-	-	-	-	-	-
Non-cash Expense Contra Income	-	-	-	-	-	-	-	-	-	-	-
Net Transfers (to)/from Reserves	3,569	95,416	(58,245)	(64,855)	(71,611)	(79,267)	(87,094)	(95,096)	(103,276)	(110,889)	-
Total Capital (Balance Sheet) and Reserve Movements	(46,431)	(54,584)	(58,245)	(64,855)	(71,611)	(79,267)	(87,094)	(95,096)	(103,276)	(110,889)	-
Net Result (including Depreciation & Other non-cash items)	(0)	(2)	2,094	2,393	2,704	3,026	3,360	3,706	4,066	4,439	123,496
Add back Depreciation Expense (non-cash)	243,076	248,556	248,556	248,556	248,556	248,556	248,556	248,556	248,556	248,556	248,556
Add back ELE Expense (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Add back Other Expenses (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Less Other Income (non-cash)	-	-	-	-	-	-	-	-	-	-	-
Cash Budget Surplus/(Deficit)	243,076	248,554	250,650	250,949	251,260	251,582	251,916	252,262	252,622	252,995	372,052

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Workforce Assessment Plan



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Developing the Plan

Workforce planning is a continual process used to align the needs and priorities of the organisation with those of its workforce to ensure it can meet its legislative, regulatory, service and production requirements and organisational objectives. It is a process aimed at analysing the existing workforce and identifying potential emerging issues and future needs. Recognising gaps between current and future requirements allows the development and implementation of strategies to ensure the activities in Council's Delivery Program can be achieved.

The Community Strategic Plan, Delivery Program and Operational Plan are developed balancing the wants and needs of the community with Council's available resources.

The resourcing strategy is developed from feedback from the community and includes the Workforce assessment Plan and Strategy, Long Term Financial Plan and Asset Management Plan that allows Council to meet its objectives.

Data collated from the following publications has been used to develop the Workforce Assessment Plan and Strategy:

- An analysis of the current workforce and the external environment
- A review of reports and workforce related documents including:
 - Community Strategic Plan
 - Delivery Program
 - Operational Plans
 - EEO Management Plan
 - EEO and Employee Engagement Survey
 - Australian Bureau of Statistics Census 2011
 - Department of Premier and Cabinet – 2010 Census of Local Government Employees
 - Riverina Cities Forecast Id
 - Australian Centre for Excellence for Local Government – National Workforce Strategy 2013-2020

As opportunities arise, senior management will review Departmental structures to ensure best practice delivery of services through realignment of positions, skills training and succession planning.



Workforce Analysis

The total number of employees at Bland Shire Council as at 31 March 2017 is 125.

Year	Full time	Part time	Casual	Total
2013	104	16	26	146
2014	108	11	23	142
2015	102	15	26	143
2016	95	12	22	129
2017	93	16	16	125

Staff members over the five years have decreased by 21, with specific reference to 2016. There has been a decrease in full time, part time and casual employment across all of Council's functions.

Staff Turnover

Statistics include all classifications, eg; full time, part time, temporary, casual and contract

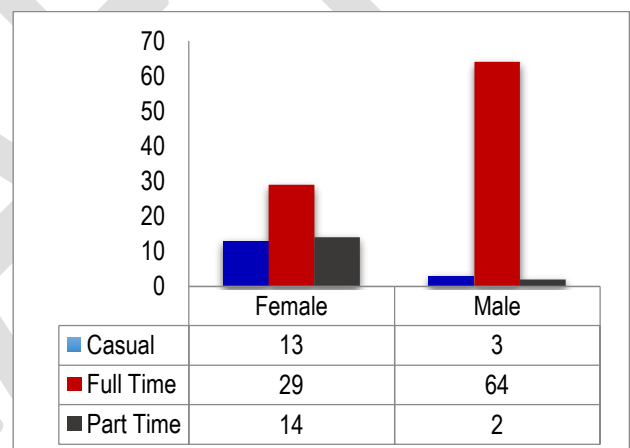
Year	Number	Turnover rate
2012/13	10	6.84%
2013/14	12	8.45%
2014/15	14	9.79%
2015/16	7	5.42%
2016/17	4	3.2%

Staff turnover has decreased. The highest turnover in staff is Casual staff, permanent and part time staff turnover is lower. The average period of employment at Bland Shire Council is 2.8 years.

The main reason for staff turnover is retirement. The majority of the male retirees were outdoor staff.

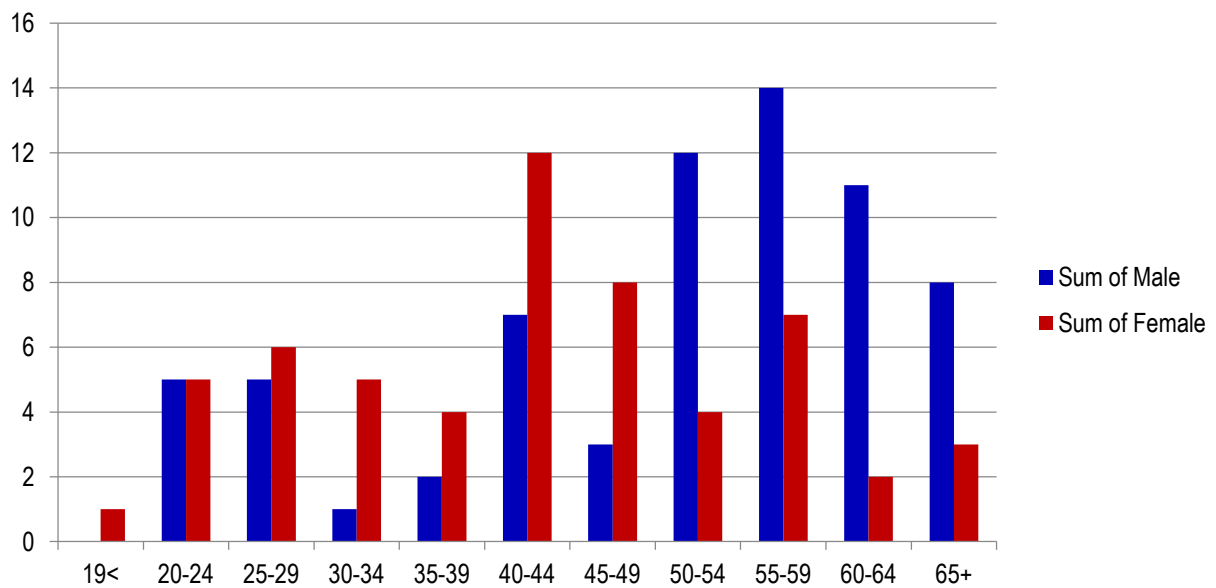
Reason	Male	Female
Retire	6	1
Resign	1	3
Contract expire	1	1
Total	7	4

Staff by Gender and Employment Type



Council supports work-life balance, this is evident in the 48% of female employees that are employed on a casual or part-time basis.

Staff by Age and Gender



One of Council's challenges is the ageing workforce, 20% of the total workforce reaches retirement age in the next 2-5 years. Succession planning and transition to retirement programs are in place to maintain the workforce and transfer skills and knowledge.

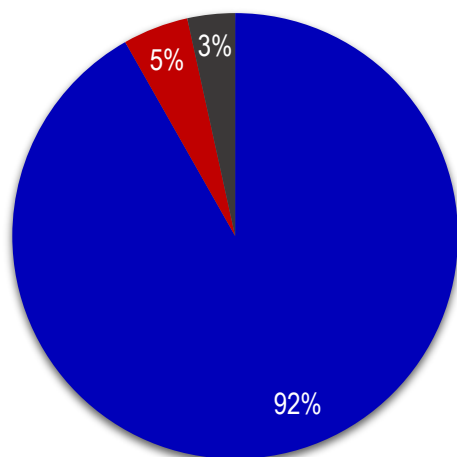
Diversity

Number of Female Staff	56 (44%)
Number of Male Staff	69 (56%)

There had been an increase of 2% from the period 2015/2016 in the numbers of female staff and a 5% decrease in male staff for the same period. This is linked to the resignation of male employees and not recruiting for the vacant positions.

Staff Performance

■ Total hrs worked ■ Unplanned absences
■ Overtime



Unplanned absenteeism accounts for 5% of the total hours worked and the overtime worked is 4%. Unplanned absenteeism includes sick leave, compassionate leave, carers leave, natural disaster leave and work cover.

EEO

The EEO Survey conducted in 2015 revealed the following.

Positive Response:

- 22% of respondents plan on staying with Council for the next 5-10 years.
- Approximately 60% of responses indicated that communication had improved.
- The respondents indicated that the decline in workplace bullying and harassment has continued (less witnesses and victims).
- 70% of respondents are given opportunities for career development and progression.
- 81% of staff is proud to tell people they work for Council.
- 80% of staff are satisfied in their jobs.
- 80% felt emotionally well at work.
- Staff tend to stay with Council due to the work-life balance.

Challenges:

- At least 80% of respondents believe Council could be better at learning from mistakes.
- 71% of respondents are proud to work for Council compared to 79% in 2013.
- Encourage increased participation in the 2017 EEO survey.



Emerging Issues

Politico-legal Environment

The current State Government's arduous 'Fit for the Future' process is placing significant pressure on Council to reduce operational expenditure, reduce capital expenditure and to concentrate on asset maintenance and renewal. This has implications for Council's workforce and Council has been reviewing each position as it becomes vacant using 'natural attrition' to reduce the workforce over a period of time.

Economic Development

Evidence indicates that the Australian economy is performing well after the Global Financial crisis. Capacity issues and competition of labour is an ongoing issue.

Ecological Environment

Climate change, environmental sustainability and energy efficiency will particularly affect Local Government.

It could result in legislative requirements, policy imperatives and consumer expectations, that impact on the work of the sector. Furthermore, climate change has direct implications for the Government and community safety and industry sectors, such as water, as well as service implications for Local Government, public safety and public sector.

Consideration of sustainable planning and development is pertinent across all areas of Local Government. Local Council's increasingly seek workers skilled in environment management and sustainability in order to deliver sustainable services, such as waste and recycling management, public works maintenance and construction, and management of water resources.

Climatic conditions such as bushfires, storms and droughts influence Council's capacity to service the community.

Sociological Environment

An ageing workforce, baby boomers approaching retirement and people seeking work/life balance will impact on Council's workforce both now and into the future.

Initiatives need to be considered to retain skill and expertise and holistically as a region introduce incentives to attract people to the area both from a work and regional growth perspective.

However, as we move into a period of labour shortage, due to economic expansion combined with demographic changes and an ageing population, local government will need to demonstrate that it is an attractive employer.

To do that local authorities will look again at employee relations, focusing on increasing its appeal to young employees and answering the challenge of flexibility and career development. Furthermore, the complexity of the problems facing local government will lead councils to put more trust in frontline staff, allowing them to operate with greater autonomy.

Technological Environment

Advancements in technology will require a workforce that is adaptive to change who have the ability to cope with and learn new skills and processes. The ability of staff to adapt to these changes will pose some challenges.

The impact of social media will transform the concept of public services, as well the way local authorities communicate with their communities. These changes will bridge some of the current gaps between users and providers of services, and will improve the perception and quality of services. These changes will also influence the nature of the relationship between people, communities and councils.

Demand for Council Services

Council is facing a number of challenges predominantly related to the nature of our industry, the diversity of our organisation and the expectations of our community. Some of the challenges have an impact on and are addressed in this Workforce Assessment Plan and Strategy including:

- Close proximity to mining and other large employers.
- An ageing workforce.
- Skill shortages in specific occupational groups.
- Increasing compliance requirements.
- Achieving high levels of employee engagement.
- Succession planning and knowledge transfer.
- Budgetary and funding restraints.
- Attraction and retention of staff.
- Proposed infrastructure works and projects.
- Climatic conditions and events.
- Changes in State and Federal Governments

Citizenship and Participative Governance

People engage with what they feel part of and value what they help to build. Engaging citizens and local communities is indispensable when it comes to developing a sense of ownership in local decision-making and service delivery.

Working with our community allows councils to fine tune services based on actual needs. Needs assessments are a valuable research tool for prioritising services to address unmet and under-met needs; they are essential to organisational and community planning efforts.

Our ageing population, combined with increased life expectancy will place considerable strain on government resources. It will lead to a rethink and recognition the role of older people and their important, yet often invisible, contributions to society – from caring for grandchildren to mentoring future business leaders.



Strategy Development

The focus of the Workforce Assessment Plan and Strategy 2017/18 - 2020/21 is to address the challenges and issues and close the gaps identified to ensure Council can attract, develop and retain a highly skilled workforce that is able to meet current and future needs.

Provide sustainable, productive, highly skilled and committed workforce which supports current and future service delivery needs.

- Assist in the management of workforce relations and provision of timely advice on workplace relations matters.
- Ensure Council's recruitment and selection procedure continues to deliver suitable pools of candidates in a timely manner.
- Review and monitor the implementation of the workforce plan.
- Establish and support staff reference groups to identify process improvement and deficiencies across all of Council's functional areas.
- Maintain register of delegations and issue authorities to relevant employees.
- Develop, implement and monitor Learning and Development Plan utilising traditional and alternative measures.
- Maintain and promote the Employee Assistance Program (EAP).
- Promote and encourage employee representation on workforce committees.

Develop, implement and monitor HR programs to solidify Council's reputation as an employer of choice.

- Oversee the implementation and monitoring of the EEO Management Plan.

- Identify and support opportunities for resource sharing arrangements.
- Implement workforce programs ensuring Council remains as an employer of choice.
- Review the performance management system and process.

Ensure Council's workforce is provided with appropriate equipment, resources, training and development to meet the needs of Council and the community.

- Ensure progressive upgrade of computers, phones and other IT and office equipment.
- Continue to develop Council's induction program ensuring appropriate content and delivery.
- Create and enhance learning and development systems that support continuous learning to ensure Council's workforce skills meet the organisational needs.
- Develop skills and provide opportunities within the local community through apprenticeships and trainee positions.

Review and implement Council policies and comply with WHS and Risk Management requirements.

- Ensure WHS Committee meets in accordance with approved schedule.
- Develop and maintain Council's Risk Management Action Plan (RAMP).
- Promote and support a positive WHS culture throughout the organisation.
- Undertake consultation with the workforce in regards to WHS matters.

Through partnerships with stakeholders foster our education, learning and training industry and increase employment opportunities within the shire.

- Ensure progressive upgrade of computers, phones and other IT and office equipment
- Continue to develop Council's induction program ensuring appropriate content and delivery
- Create and enhance learning and development systems that support continuous learning to ensure Council's workforce skills meet the organisational needs.
- Investigate alternative employment opportunities within Council
- Develop skills and provide opportunities within the local community through apprenticeships and trainee positions

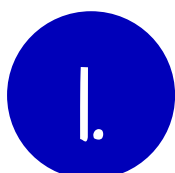
Strategy Implementation

Implementation of the Workforce Assessment Plan and Strategy is directly aligned with the goals and objectives of the Bland Shire Council Community Strategic Plan 2017 - 2027. It is the responsibility of all levels of staff to support and engage in ensuring that Council's Integrated Planning and Reporting Framework including this Workforce Assessment Plan and Strategy is implemented.

The Workforce Assessment Action Plan will be coordinated by Human Resources and monitored by the Senior Management Team (Manex) and relevant workplace committees on a quarterly basis.



Workforce Assessment Action Plan



Provide sustainable, productive, highly skilled & committed workforce which supports current and future service delivery needs

Action	Timeframe	Status	Strategy
1.1 Assist in the management of workforce relations and provision of timely advice on workplace relations matters	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.1
1.2 Ensure Council's recruitment and selection procedure continues to deliver suitable pools of candidates in a timely and cost effective manner	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.2
1.3 Review and monitor the implementation of the workforce plan	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.3
1.4 Establish and support staff reference groups to identify process improvement and deficiencies across all of Council's functional areas	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.4
1.5 Maintain register of delegations and issue authorities to relevant employees	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.5
1.6 Develop, implement and monitor Learning and Development Plan utilising traditional and alternative measures	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.6
1.7 Maintain and promote the Employee Assistance Program (EAP)	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.7
1.8 Promote and engage employee representation on workforce committees	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.8

CSP: Community Strategic Plan, **DP:** Delivery Program, **OP:** Operational Plan

2.

Develop, implement and monitor HR programs to solidify Council's reputation as an employer of choice

Action	Timeframe	Status	Strategy
2.1 Oversee the implementation and monitoring of the EEO Management Plan	2017/18 – 2020/21		CSP12 DP12.3 OP12.3.1
2.2 Identify and support opportunities for resource sharing arrangements with other Council's	2017/18 – 2020/21		CSP12 DP12.3 OP12.3.2
2.3 Implement workforce programs ensuring Council remains as an employer of choice	2017/18 – 2020/21		CSP12 DP12.3 OP12.3.3
2.4 Review the performance management system and process	2017/18 – 2020/21		CSP12 DP12.3 OP12.3.4
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan			

3.

Review and implement Council policies and comply with WHS and Risk Management requirements

Action	Timeframe	Status	Strategy
3.1 Ensure WHS Committee to meet in accordance with approved schedule	2017/18 – 2020/21		CSP12 DP12.4 OP12.4.1
3.2 Develop and maintain Council's Risk Management Action Plan (RAMP)	2017/18 – 2020/21		CSP12 DP12.4 OP12.4.2
3.3 Promote and support a positive WHS culture throughout the organisation	2017/18-2020/21		CSP12 DP12.4 OP12.4.3
3.4 Undertake consultation with the workforce in regards to WHS matters	2017/18-2020/21		CSP12 DP12.4 OP12.4.4
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan			



Through partnerships with stakeholders foster our education, learning and training industry and increase employment opportunities within the shire

Action	Timeframe	status	strategy
4.1 Ensure progressive upgrade of computers, phones and other IT and office equipment	2017/18 - 2020/21		CSP10 DP10.5 OP10.5.3
4.2 Continue to develop Council's induction program ensuring appropriate content and delivery	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.9
4.3 Create and enhance learning and development systems that support continuous learning to ensure Council's workforce skill meet the organisational needs	2017/18 – 2020/21		CSP12 DP12.2 OP12.2.6
4.4 Investigate alternate employment opportunities within Council	2017/18 – 2020/21		CSP16 DP16.2 OP16.2.6
4.5 Develop skills and provide opportunities within the local community through apprenticeships and trainee positions	2017/18 – 2020/21		CSP16 DP16.2 OP16.2.1

CSP: Community Strategic Plan, **DP:** Delivery Program, **OP:** Operational Plan



In collaboration with users provide facilities that are accessible
+ meet acceptable health and safety standards

Action	Timeframe	Status	Strategy
5.1 Undertake WHS Audits	2017/18 – 2020/21		CSP8 DP8.2 OP8.2.1
5.2 Implement signs and remote supervision	2017/18 – 2020/21		CSP8 DP8.2 OP8.2.2
CSP: Community Strategic Plan, DP: Delivery Program, OP: Operational Plan			

Monitoring

The plan, including the output and actions as detailed in the four year Delivery Program and one year Operational Plan will be monitored by senior management. The collective outcomes will be formally reported to Council, the community and staff on at least a six monthly basis.





6 Shire Street
PO Box 21
West Wyalong NSW 2671
Ph: 02 6972 2266
Fax: 02 6972 2145
Email: council@blandshire.nsw.gov.au
Web Page: www.blandshire.nsw.gov.au

Resourcing Strategy
Asset Management Strategy
Long Term Financial Plan
Workforce Management Plan



Your Vision, Our Future – Bland Shire
Workforce Assessment Plan and Strategy
Adopted: ?? ?? 2017