

Sustainable Modern Family  
Heritage Green Clean

**DRAFT**  
BURW2030D  
**RESOURCING  
STRATEGY**

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Vibrant Multicultural  
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# Foreword:

## Mayor and General Manager



**Cr John Faker**  
Mayor of Burwood

Following extensive community consultation between November 2017 and March 2018, Council adopted its revised Community Strategic Plan.

In order to ensure that we can deliver on the community's vision and aspirations for our area into the future, we have developed a Resourcing Strategy which provides mid and long term plans on our finances, assets and workforce.

This Resourcing Strategy follows on from our existing best practice which will ensure Burwood remains one of the most financially sustainable organisations across NSW while continuing to deliver high quality services.



**Bruce Macdonnell**  
General Manager

The Resourcing Strategy is a critical link to translate the strategic objectives identified in Council's Community Strategy Plan and Delivery Program into actions.

The Strategy includes the Long Term Financial Plan, Asset Management Plan and Workforce Plans.

These Plans were developed following the adopting of the current Community Strategic Plan and Delivery Program in consultation with various internal and external stakeholders.

# Introduction

The NSW Government's Integrated Planning and Reporting framework requires that all councils develop a Resourcing Strategy to support and achieve the objectives identified in the Community Strategic Plan.

The Resourcing Strategy includes the Long Term Financial Plan, Asset Management Plan and Workforce Plan, and is a critical link to translate strategic objectives into actions.



# The Plans

## Long Term Financial Plan

The Long Term Financial Plan (LTFP) reflects Council's capacity to deliver the strategies, programs and works identified in our Community Strategic Plan and Delivery Program. The LTFP includes:

- Projected income and expenditure
- Balance sheet and cash flow statement
- Planning assumptions used to develop the Plan
- Financial modelling for different scenarios

The LTFP is underpinned by the Financial Management Policy which outlines Council's guiding principles in the preparation of its LTFP and its ongoing financial sustainability.

## Asset Management Plan

The Asset Management Plan (AMP) identifies all built assets under Council's control and provides risk management strategies for them.

Council undertakes an assessment and plans for all assets under its ownership, and for any new asset solutions proposed in the Community Strategic Plan and Delivery Program.

## Workforce Plan

The Workforce Plan (WFP) addresses the human resourcing requirements of Council's four year Delivery Program.

The Plan ensures Council has the people and the capacity to continue its strategic direction and deliver services in an efficient and effective manner. The WFP includes:

- Analysis of current workforce
- Forecast of future workforce requirements
- Strategies to address gaps or needs
- Methods of monitoring

## Timeline

While the LTFP covers a period of ten years between 2018 and 2028, the AMP and WFP address the needs of Council's Delivery Program 2018-2021.

## Burwood2030: Community Strategic Plan

The Resourcing Strategy is an objective of the Burwood2030 Community Strategic Plan and Delivery Program 2018-2021.

*2.3.2.1. - Develop, review and monitor a Resourcing Strategy including a Workforce Plan, Asset Management Plan and Long Term Financial Plan.*

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BURW2030D  
**LONG TERM  
FINANCIAL PLAN**

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# Introduction

The Long Term Financial Plan (LTFP) provides a financial assessment of activities and projects that Council proposes to undertake in the short, medium and long term and will guide our future strategies to ensure financial sustainability.

The Long Term Financial Plan 2018-22 includes projects income and expenditure, balance sheets and cash flow statements, planning assumptions used to develop the Plan, sensitivity analysis, financial modeling and methods of monitoring financial performance.



# Our LTFP

## Purpose of the LTFP

The LTFP acts as a tool for stakeholders (Council and the community) to use in deciding what resources Council needs to apply to deliver on the outcomes contained with the Community Strategic Plan. The LTFP seeks to answer the following questions:

- Can we survive the financial pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

## Purpose of the LTFP

A financially sustainable Council is one that has the ability to fund ongoing service delivery, and the renewal and replacement of assets without imposing excessive debt or rate increases on future generations.

This definition has been translated into four key financial sustainability principles:

1. Council should achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation
2. Council should maintain sufficient cash reserves to ensure that it can meet its short term working capital requirements
3. Council should have a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capitals works

4. Council should maintain its asset base, by renewing ageing infrastructure which is identified, and by ensuring cash reserves are set aside for those works which are yet to be identified

It is important to note that while these principles represent financial sustainability, in the current environment, most Councils will find it difficult to obtain this level of sustainability as:

*As rates are pegged to CPI by the NSW Government many councils struggle to keep up with their asset renewal requirements and other cost increases progressively erode the funding base.*

The problem with deferring asset renewals the older the assets get the more they cost a council to maintain This in part is being addressed through the implementation of IP&R by allowing Councils to demonstrate to their communities the long term financial ramifications of not renewing assets now.

## Measuring Long Term Financial Sustainability

A review undertaken by the Independent Pricing and Regulatory Tribunal (IPART) into the Revenue Framework for Local Government identified a number of performance indicators which measure Council's financial performance and position.

The indicators measure both recurrent operations and capital sustainability. Council will review the LTFP against these indicators as part of assessing the long term financial health of the organisation and its capacity to fund any proposed Delivery Program.

## Indicators

Ratio	Calculations	Sustainable target	2017/18 Ratio (as per Annual Report)	Commentary
<b>Operating Result</b>	Total operating revenue less total operating expenditure	>0	\$16,482,000	Indicates Council has a balanced Budget and achieves operating surplus
<b>Operating Performance Ratio</b>	Operating Result divided by operating revenue	Positives ratio, > 10% - Sustainable Negative ratio - Unsustainable	6.96%	A measure of Council's sustainable operating position
<b>Working Capital</b>	Unrestricted current assets (excludes externally restricted assets) less unrestricted current liabilities	>\$1m - Sustainable <\$0 - Unsustainable	\$1,108,000	Provides a buffer to ensure Council can withstand any fluctuations in working capital requirements
<b>Unrestricted Current Ratio</b>	Unrestricted current assets (excludes externally restricted assets) divided by unrestricted current liabilities	Over 2:1 - Sustainable 1:1 to 2:1 - Satisfactory Less than 1:1 - Unsustainable	4.90%	Indicates Council's ability to fund its short term expenditure needs
<b>Rates and Annual Charges Outstanding Ratio</b>	Amount of rates uncollected as a percentage of the total rates	<5%	2.61%	To assess the impact of uncollected rates and annual charges on Council's liquidity
<b>Asset Renewal Ratio</b>	Asset renewal expenditure divided by depreciation	>1:1 - Good <1:1 - Unsustainable	171%	Indicates the level of asset renewal expenditure is not sufficient to maintain assets in the long term
<b>Debt Service Cover Ratio</b>	Operating result (excluding capital interest and depreciation) divided by Principal and Interest Repayments	<10% - Sustainable 10% to 15% - Satisfactory >15% - Unsustainable	13.49%	Indicates Council's availability of operating cash to service debt servicing costs
<b>Infrastructure Backlog Ratio</b>	Estimated cost to bring assets to a satisfactory condition divided by total value of infrastructure, building growth, structures and depreciable land improvement assets	TCorp benchmark of 0.02	7.1	Indicates what proportion of infrastructure backlog is against the total value of Council's infrastructure

# Environment and influences

## Community Strategic Plan

Burwood has been identified as a strategic centre by the NSW Government and is set to grow significantly in the next 25 years building on the strong local economy, location and transport infrastructure.

Council undertook extensive community consultation between November 2017 and March 2018 as part of a review of its Community Strategic Plan. The revised plan was adopted by Council on 26 June 2018.

The Plan sets out five key themes that are supported by strategic goals and actions. The timeframes proposed for implementing each of the actions identified to achieve the strategic goals range from short term to long term. A number of actions are ongoing and are to be undertaken on a regular basis.

Medium and long term actions have not been incorporated into the LTFP at this stage. As the strategies and actions are crystallised, the financial implications will be incorporated into the future revisions of the LTFP and the other resourcing strategies. Ongoing actions are assumed to be supported by the current resource base and therefore included in the Delivery Program and LTFP.

## External influences

### Regulatory Environment

Council operates in a highly regulated environment driven by the *Local Government Act 1993* (NSW) that defines the scope and boundaries of Council's role and the way it must conduct its business.

### Wider State Environment

The focus of Council service delivery is impacted by the governing State in relation to the availability of external funding and key State priorities for State growth and management.

### Rate Pegging

Council's ability to align rating revenues with the increased cost of providing local government services has been constrained for a number of years by rate pegging, a legislative instrument whereby the maximum increase in rating revenues is set by IPART NSW.

### Balancing the Budget

Council's budget has faced significant pressures including:

- An increasing burden as a result of cost shifting from other levels of government
- Greater competition in the allocation of external funding such as the Financial Assistance Grants.

More recently, the effects of the global financial crisis, which heavily impacted Council's investments portfolio, the housing (development) market, and the economy in general has also impacted on Council.

The above factors mean that, as with many Councils in NSW, Burwood is faced with an "income gap" with costs increasing at a greater rate than revenues. This "income gap" has been addressed by the way of productivity gains and efficiency savings however service level reductions are likely to occur if this structural funding issue is not addressed.

# Current scenario

The Current Scenario provides an assessment of the financial sustainability of the Council to continue to deliver the current services as outlined in the Delivery Program over the longer term.

Council faces two significant challenges. Firstly, Council must generate sufficient revenue to balance the budget and sustain this into the future. Secondly, Council must address its infrastructure assets backlog.

The following key principles have been used in the development of the model:

- Council should maintain its existing service level to residents
- Minimum cash liquidity of \$2 million should be maintained at all times
- Budgets should aim to maintain assets to at least the same condition as they were at the start of each financial year, and where possible improve
- Management should continually look for ways to structurally realign resources and/or increase income opportunities without changes to service standards
- Councils should continue to improve its capacity to fund its recurrent operations and renew critical infrastructure through sustainable financial decision making

The assumptions and financial drivers that have been used are outlined in *Base financial assumptions*.

## Base financial assumptions

In preparing the Long Term Financial Plan Current State Scenario the following has been used:

- Budget 2018/19 as adopted by Council at its June 2018 meeting
- The four year Delivery Program Forecasts for 2018/19, 2019/20, 2020/21 and 2021/22 as developed by Council officers

## Inflation/Consumer Price Index

Applying an inflation/consumer price index increase across Council's discretionary budget allocations ensures that Council budgets reflect projected movements in real dollar terms.

The inflationary increase assumptions for 2018/19 onwards have been based on the Australia Consumer Price Index average increases over the past six years.

This assumption has been applied across discretionary budget allocations, where specific data modeling or specific internal assumptions cannot be determined or where the amounts are determined as immaterial

## Revenue assumptions

### Rates

The council area is developed urban area with potential growth only arising from infill development and densification. Council

estimates growth in the order of an additional 7500 new ratable properties at the minimum rate level, over the next 20 years.

The annual rate increase has been forecast at 2.3% per annum for 2018/19 onwards. This is based on IPART's historical assumptions that the annual rate increase will be set at a level that will incorporate a "discount" to ensure Councils seek ongoing efficiency gains in service delivery.

Council currently does not have a Special Rate Variation (SRV) for any specific infrastructure activities however it has been assumed that the SRV in options 2 and 3 will be introduced in 2019/20. This additional revenue will be used for capital infrastructure renewal programs The Domestic Waste Charge has been set at the level that reflects the cost of service and it is assumed the growth of the charge will be similar to that of the Annual Charges.

### Financial Assistance Grants

The financial assistance grant will remain at a constant level and it is expected to be adjusted by a conservative 2% per annum to reflect inflationary pressures.

### Operating Grants

Although the operating grants vary each year dependent on the programs, the assumption applied is that the current level of grant support will continue and the funding of the grants will increase by a conservative 3% per annum to reflect inflationary pressures.

### Capital Grants

The capital grants applied in the model are based on the funding sources as indicated in the Delivery Program four year capital program. These assumptions have been carried out into latter years. The detail of the capital expenditure program is contained in the following section (*Capital Expenditure Program*).

### Fees and Charges

Council has the ability to raise revenue through the adoption of a fee or a charge for services or facilities.

The fees and charges which Council can charge are split into two categories:

1. *Regulatory Fees* – These fees are generally determined by State Government Legislation, and primarily relate to building, development or compliance activities. Council has no control over the calculation or any annual increase of these fees and charges.
2. *Discretionary Fees* - Council has the capacity to determine the charge or fee for discretionary works or services such as the use of community facilities and access to community services.

Council applies the general principle that fees and charges should be set at appropriate levels that reflects user pay principles.

### Interest and Investment Revenue

The project interest revenue is based on the outstanding cash balances at the end of the financial year.

### Section 7 Developer Contributions

Sections 7 and 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (NSW) enables Council to collect contributions towards the provision, extension or augmentation of public amenities and services required as a consequence of development.

Section 7.12 Contributions Plan for the Burwood Town Centre was first effective on 10 May 2010. Section 7.12 Contributions Plan for the rest of the Burwood LGA became effective on 1 September 2012. When becoming effective, these two Section 7.12 Plans repealed all preceding Section 7.11 Plans.

*Section 7.12 Contributions Plan for the Burwood Town Centre:*

There is no specific expiry date for this plan and therefore it has been included in the model for the full 20 year period. Contribution is based on a levy of 4% of the total cost of development, which exceeds \$250,000. Forecast income is \$1,400,000 (2011/12 base year) increasing at a rate of 3% per annum.

### Section 7.11 Contributions Plan for the Burwood LGA (excluding the Burwood Town Centre)

There is no specific expiry date for this plan. Contribution is based on the following levies:

*For all development excluding dwelling houses and alterations and additions to a dwelling house:*

Cost of development	Levy
Up to and including \$100,000	Nil
> \$100,000, <=\$200,000	0.5%

Cost of development	Levy
>\$200,000	1%

*For the construction of a dwelling house, or alterations and additions to a dwelling house*

Cost of development	Levy
Up to and including \$100,000	Nil
> \$100,000, <=\$200,000	0.5%
>\$300,000	0.25%

Forecast income is \$132,680 (2018/19 base year), increasing at a rate of 3% per annum.

### Other Revenue

This revenue has been assumed as being constant over the period adjusted by CPI per annum after 2018/19.

### Fines

Council has completed a Parking Strategy and the revenue forecast is based on implementation of the strategy. Post 2018/19, the fine revenue is increased by CPI per annum.

### Capital Revenue

Council has sold a number of properties over the past years via public auction or expression of interest. The cash that has been realised is being used to improve Council's infrastructure and amenities. Council holds the realised cash as cash reserves.

## Expenditure assumptions

### Salaries, Wages & Employee Costs

Salaries, Wages and Employee Costs have increased inline with the award expectations.

### Materials & Supplies

Materials and Supplies consist of a range of expenditure to support the delivery of services including stores, materials, travel and audit fees. It has been assumed the expenditure will remain constant over the period adjusted by CPI per annum post 2018/19.

### Contracts

The contracts area includes a number of major delivery contracts including the parking fees contract, domestic waste contract, refuse collection and recycling and civil engineering contracts. In consideration that the review of these significant contracts should provide opportunities for efficiency reviews, it has been assumed that the overall expenditure can be held at 2018/19 levels adjusted by CPI per annum.

### Insurance

It is assumed the expenditure for insurance will remain constant over the period, adjusted by CPI per annum post 2018/19.

### Legal Fees

Council has implemented a Legal Panel to address probity issues and reduced costs. The reduced reliance on external legal services has resulted in a significant forecast in the reduction of legal expenditure. An ongoing annual increase in line with CPI has been applied from 2018/19 onwards.

### Other Expenses

Other expenses include general operational expenditure plus the Fire Levy, street lighting expenditure and the software licenses for Tech One. The level of expenditure is predicted to remain constant with little opportunity to reduce costs due to the fixed and external nature of the charges. An assumption of CPI adjustment per annum has been applied from 2018/19 onwards.

### Depreciation

The depreciation charge has been included in the model on the basis that depreciation is a proxy charge for the consumption of the assets and should be used as the basis for determining renewal expenditure. Including depreciation provides a more accurate reflection of the overall costs that ratepayers should fund to allow Council to maintain the current level of services.

The base depreciation is increased by a conservative 1% per annum as an indication increase in the asset base.

### Interest on Overdraft

This is calculated based on cash balance.

### Borrowing Costs

During 2018/19, Council will be taking out a ten year long term loan to assist in the Asset Renewal Program.

### Rent

The rent expense is based on the cost of location in the current premises. The annual rent is increased on the CPI factor of 3% per annum.

### Overheads

The overall allocation is fully recovered each year and therefore has a nil impact on the financial position.



## Capital Expenditure Program

The capital expenditure program incorporated in the current state scenario is based on the four year Delivery Program capital program provided as follows:

2021/22	Capital Expenditure	Grants	s 7.11 & Planning Agreements	Reserves	Loans	Operating Revenue
Renewals	7,578,500	-	200,000	830,000	-	6,578,500
Operational	991,000	-	-	100,000	-	891,000

2018/19	Capital Expenditure	Grants	s 7.11 & Planning Agreements	Reserves	Loans	Operating Revenue
New works	2,900,000	-	2,000,000	900,000	-	-
Renewals	7,948,000	-	400,000	1,450,000	1,000,000	5,098,000
Operational	1,055,000	-	-	270,000	-	785,000

2019/20	Capital Expenditure	Grants	s 7.11 & Planning Agreements	Reserves	Loans	Operating Revenue
New works	2,600,000	-	2,000,000	600,000	-	-
Renewals	7,374,250	-	150,000	970,000	-	6,254,250
Operational	1,002,000	-	-	270,000	-	732,000

2020/21	Capital Expenditure	Grants	s 7.11 & Planning Agreements	Reserves	Loans	Operating Revenue
New works	2,600,000	-	2,000,000	600,000	-	-
Renewals	7,418,950	-	200,000	830,000	-	6,388,950
Operational	989,000	-	-	100,000	-	889,000

2021/22	Capital Expenditure	Grants	s 7.11 & Planning Agreements	Reserves	Loans	Operating Revenue
New works	2,100,000	-	600,000	1,500,000	-	-

This capital expenditure program is a reflection of the requirements identified in Council's Asset Management Plans. The capital expenditure program continues past 2018/19 based on the Asset Management Plan requirement factored by an annual CPI increase and including the additional infrastructure spend indicated below.

Council has completed Asset Management Plans for the following:

- Buildings Asset Management Plan (Version 1.01 February 2010)
- Infrastructure (Roads, Kerbs & Gutters, Drainage) Asset Management Plan (Version 1.01 June 2009)

The Building Asset Management Plan states the 10 year sustainability index is 0.39. This has been calculated on the significant gap between the planning maintenance and renewal expenditure and the required maintenance and renewal expenditure.



## Balance Sheet/Cash Assumptions

### Reserves

Council has a number of cash reserves which are either a legislative requirement (externally restricted) or through a Council decision (internally restricted).

The establishment and funding of cash reserves is a financial management strategy to provide funds for future expenditure that could not otherwise be financed during a single year without having a material impact on the budget. For example, local government elections occur every four years, so Council sets aside one quarter of the estimated cost of this activity each financial year.

The reserves utilised are as follows:

Reserve	Levy
<b>Externally restricted reserves</b>	
s 7.11 and 7.12 Developer Contributions	In accordance with s 7.11 of the <i>Environmental Planning and Assessment Act</i> all unexpended s 7.11 contributions are to be restricted and only used for the purpose for which they were collected under the various contributions plans Council has adopted

Reserve	Levy
Domestic Waste Management	An annual amount based upon the actual surplus between expenditure and income from the domestic waste service is transferred to the Domestic Waste Management Reserve. This reserve is externally restricted and is a statutory responsibility of Council. The level of funds is audited each year by Council's external auditor

Reserve	Levy
<b>Internally restricted reserves</b>	
Employee Leave Entitlements	The level of the reserve should be maintained at a level equivalent to the accrued employees' entitlement of staff eligible to retire. This reserve should be maintained at the industry benchmark equivalent to 20% of the outstanding Employee Leave Entitlement Liability as at 30 June each year
Plant Replacement	Funds are allocated to this reserve to fund the replacement of Council's plant and equipment
Local Government Election	An annual provision is allocated from general revenue each year towards the cost of conducting Council's general elections every four years
Parking Meter Replacement	Funds are allocated to this reserve to fund the replacement of Council's parking meter fleet
Commercial Property/Investment	This reserve was established to accumulate the funds from commercial property/investment asset realisation

Reserve	Levy
Infrastructure Works Program	This reserve was established to accumulate the funds relating to infrastructure projects
Loan Fund Reserve	Holds the balance of loan funds to be repaid
Other Reserves	General reserve
Operating Revenue	Includes rates and annual charges, user fees and other contributions

### Current Assets and Liabilities

The level of current assets and liabilities will remain static throughout the course of the LTFP.

# Scenarios

Based on the above assumptions, Council has provided a 10 year forward forecast under two different funding models.

## Special Variation Application

Council issued a notice of intent to the Independent Pricing and Regulatory Tribunal in November 2018 to apply for a multi-year special rate variation commencing 2019-20 under s 508A.

The Delivery Program 2018-21 provides further information on the proposal for a special variation.

<b>MAINTAIN IN SERVICE</b> (Option 1)	<b>Current service levels would be maintained in the short term, but later decline.</b> Rates increase only by approved 'rate peg' amount. Council's capital works program may be compromised and priority will be given to essential infrastructure projects.
<b>IMPROVE SERVICE</b> (Option 2)	<b>Improved service levels, new capital projects, upgrading and maintaining of existing infrastructure.</b> Rates will increase progressively each year over four years.

## Breakdown of scenarios over 10 years

	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025	2025 /2026	2026 /2027	2027 /2028
<b>MAINTAIN SERVICE</b>	2.3% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)
<b>IMPROVE SERVICE</b>	2.3% (rate peg)	4.7%	4.5%	4.5%	4.5%	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)	2.5% (rate peg)

Note: All scenarios include the rate peg adjustment by IPART estimated at 2.5% except 2019/20 (2.7%) and 2018/19 (2.3%)

# Scenario 1: Maintain Service 2018-2028

# Income Statement

2018-19 to 2027-28

	Budget 2018-19	Budget 2019-20	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28
Income from Continuing Operations										
Rates & Annual Charges	27,641,284	28,766,775	29,984,441	31,038,261	32,199,509	33,343,082	34,333,812	35,675,264	36,735,809	38,000,671
User Charges & Fees	10,361,515	10,758,553	11,173,575	11,496,247	11,828,294	12,154,828	12,550,591	12,887,350	13,243,923	13,610,592
Interest & Investment Revenue	1,300,000	1,421,500	1,547,500	1,728,500	1,879,500	1,930,500	1,985,500	2,010,500	2,045,500	2,070,500
Other Revenues	4,646,813	4,808,149	4,904,312	5,002,398	5,102,446	5,204,495	5,308,585	5,414,757	5,523,052	5,633,513
Grants & Contributions provided for Operating Purposes	3,286,542	3,362,203	3,447,258	3,534,696	3,628,836	3,726,854	3,830,613	3,938,105	4,048,672	4,162,406
Grants & Contributions provided for Capital Purposes	4,530,000	4,595,000	4,655,000	4,691,570	5,533,486	5,630,791	5,718,469	5,856,524	5,894,959	6,138,809
<b>Total Income From Continuing Operations</b>	<b>51,766,154</b>	<b>53,712,180</b>	<b>55,712,086</b>	<b>57,491,672</b>	<b>60,172,071</b>	<b>61,990,550</b>	<b>63,727,571</b>	<b>65,782,500</b>	<b>67,491,916</b>	<b>69,616,490</b>
Expenses From Continuing Operations										
Employee Benefits & On-Costs	20,651,120	21,206,830	21,812,444	22,508,575	23,227,307	23,935,661	24,670,767	25,428,387	26,179,687	26,953,416
Borrowing Costs	346,640	341,171	315,467	288,384	265,817	244,037	227,737	221,001	211,440	206,136
Materials & Contracts	10,730,579	10,843,365	11,282,856	11,506,755	11,714,719	11,968,548	12,713,893	13,242,033	13,571,497	14,013,422
Depreciation & Amortisation	7,175,000	7,246,750	7,319,218	7,392,410	7,466,334	7,540,997	7,616,407	7,692,571	7,769,497	7,847,192
Other Expenses	9,670,207	9,893,872	10,383,718	10,702,632	11,001,336	11,244,276	11,512,762	11,849,325	12,111,750	12,455,638
<b>Total Expenses From Continuing Operations</b>	<b>48,573,546</b>	<b>49,531,988</b>	<b>51,113,703</b>	<b>52,398,756</b>	<b>53,675,512</b>	<b>54,933,519</b>	<b>56,741,564</b>	<b>58,433,316</b>	<b>59,843,871</b>	<b>61,475,803</b>
Operating Result from Continuing Operations	3,192,608	4,180,192	4,598,383	5,092,916	6,496,558	7,057,031	6,986,007	7,349,184	7,648,045	8,140,687
Net Operating Result before Capital Items	(1,337,392)	(414,808)	(56,617)	401,346	963,073	1,426,240	1,267,537	1,492,660	1,753,086	2,001,878
Depreciation Contra	7,175,000	7,246,750	7,319,218	7,392,410	7,466,334	7,540,997	7,616,407	7,692,571	7,769,497	7,847,192
Disposal of Assets	700,000	950,000	960,000	970,000	970,000	970,000	970,000	970,000	970,000	970,000
<b>Operating Funds Available</b>	<b>6,537,608</b>	<b>7,781,942</b>	<b>8,222,601</b>	<b>8,763,756</b>	<b>9,399,406</b>	<b>9,937,238</b>	<b>9,853,945</b>	<b>10,155,231</b>	<b>10,492,583</b>	<b>10,819,070</b>

# Balance Sheet

2018-19 to 2027-28

	Budget As at 30 June 2019	Budget As at 30 June 2020	Budget As at 30 June 2021	Budget As at 30 June 2022	Budget As at 30 June 2023	Budget As at 30 June 2024	Budget As at 30 June 2025	Budget As at 30 June 2026	Budget As at 30 June 2027	Budget As at 30 June 2028
Assets	\$									
<b>Current Assets</b>										
Cash & Cash Equivalents	6,696,736	9,076,005	12,478,419	15,543,842	20,124,170	25,030,356	30,046,851	35,048,086	40,141,912	45,497,711
Investments	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000
Receivables	2,907,791	3,001,371	3,105,557	3,135,982	3,234,001	3,340,200	3,447,827	3,563,340	3,669,357	3,792,733
Other	357,684	363,583	379,877	389,394	398,277	406,987	424,762	439,923	450,300	464,078
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>49,712,211</b>	<b>52,190,959</b>	<b>55,713,853</b>	<b>58,819,218</b>	<b>63,506,448</b>	<b>68,527,543</b>	<b>73,669,441</b>	<b>78,801,348</b>	<b>84,011,569</b>	<b>89,504,521</b>
<b>Non-Current Assets</b>										
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	384,221,894	387,001,394	389,730,127	392,037,217	393,300,783	394,826,786	396,421,379	398,471,808	400,684,311	403,127,119
Investment Property	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>387,821,894</b>	<b>390,601,394</b>	<b>393,330,127</b>	<b>395,637,217</b>	<b>396,900,783</b>	<b>398,426,786</b>	<b>400,021,379</b>	<b>402,071,808</b>	<b>404,284,311</b>	<b>406,727,119</b>
<b>Total Assets</b>	<b>437,534,105</b>	<b>442,792,353</b>	<b>449,043,980</b>	<b>454,456,435</b>	<b>460,407,231</b>	<b>466,954,329</b>	<b>473,690,820</b>	<b>480,873,156</b>	<b>488,295,879</b>	<b>496,231,640</b>
<b>Liabilities</b>										
<b>Current Liabilities</b>										
Payables	8,808,750	8,410,975	8,573,675	8,671,629	8,763,276	8,853,368	9,031,844	9,185,540	9,292,537	9,432,730
Income Received in advance	830,401	861,295	889,579	912,859	936,767	960,480	988,136	1,012,643	1,038,364	1,064,764
Borrowings	705,061	737,741	701,697	661,315	623,739	455,648	345,051	358,039	371,518	201,560
Provisions	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883
<b>Total Current Liabilities</b>	<b>16,940,095</b>	<b>16,605,894</b>	<b>16,760,834</b>	<b>16,841,686</b>	<b>16,919,665</b>	<b>16,865,379</b>	<b>16,960,914</b>	<b>17,152,106</b>	<b>17,298,302</b>	<b>17,294,936</b>
<b>Non-Current Liabilities</b>										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	6,142,386	5,404,644	4,702,948	4,041,633	3,417,894	2,962,245	2,617,194	2,259,155	1,887,637	1,686,077
Provisions	202,117	202,117	202,117	202,117	202,117	202,117	202,117	202,117	202,117	202,117
<b>Total Non-Current Liabilities</b>	<b>6,344,503</b>	<b>5,606,761</b>	<b>4,905,065</b>	<b>4,243,750</b>	<b>3,620,011</b>	<b>3,164,363</b>	<b>2,819,311</b>	<b>2,461,272</b>	<b>2,089,754</b>	<b>1,888,194</b>
<b>Total Liabilities</b>	<b>23,284,598</b>	<b>22,212,656</b>	<b>21,665,899</b>	<b>21,085,436</b>	<b>20,539,675</b>	<b>20,029,742</b>	<b>19,780,226</b>	<b>19,613,378</b>	<b>19,388,056</b>	<b>19,183,130</b>
<b>Net Assets</b>	<b>414,249,507</b>	<b>420,579,697</b>	<b>427,378,081</b>	<b>433,370,999</b>	<b>439,867,556</b>	<b>446,924,587</b>	<b>453,910,594</b>	<b>461,259,778</b>	<b>468,907,823</b>	<b>477,048,510</b>
<b>Equity</b>										
Accumulated Surplus	213,210,507	219,540,697	226,339,081	232,331,999	238,828,556	245,885,587	252,871,594	260,220,778	267,868,823	276,009,510
Revaluation Reserves	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000
<b>Total Equity</b>	<b>414,249,507</b>	<b>420,579,697</b>	<b>427,378,081</b>	<b>433,370,999</b>	<b>439,867,556</b>	<b>446,924,587</b>	<b>453,910,594</b>	<b>461,259,778</b>	<b>468,907,823</b>	<b>477,048,510</b>

# Cash Flow Statement

2018-19 to 2027-28

	<i>Budget As at 30 June 2019</i>	<i>Budget As at 30 June 2020</i>	<i>Budget As at 30 June 2021</i>	<i>Budget As at 30 June 2022</i>	<i>Budget As at 30 June 2023</i>	<i>Budget As at 30 June 2024</i>	<i>Budget As at 30 June 2025</i>	<i>Budget As at 30 June 2026</i>	<i>Budget As at 30 June 2027</i>	<i>Budget As at 30 June 2028</i>
Cash Flows from Operating Activities										
	\$									
Receipts										
Rates & Annual Charges	27,619,388	28,740,601	29,956,123	31,013,754	32,172,503	33,316,487	34,310,772	35,644,067	36,711,145	37,971,256
User Charges & Fees	10,364,308	10,747,357	11,161,871	11,487,148	11,818,930	12,145,620	12,539,431	12,877,854	13,233,868	13,600,252
Interest & Investment Revenue Received	1,290,678	1,402,390	1,523,953	1,707,898	1,848,808	1,898,282	1,953,093	1,977,175	2,012,507	2,035,234
Grants & Contributions	10,346,422	10,109,589	10,298,002	9,151,930	9,161,535	9,353,382	9,544,905	9,789,270	9,940,380	10,293,411
Other	4,775,396	4,799,558	4,896,235	5,023,798	5,096,183	5,194,293	5,299,400	5,403,129	5,513,720	5,619,361
	<b>54,396,192</b>	<b>55,799,495</b>	<b>57,836,184</b>	<b>58,384,528</b>	<b>60,097,959</b>	<b>61,908,064</b>	<b>63,647,601</b>	<b>65,691,495</b>	<b>67,411,620</b>	<b>69,519,513</b>
Payments										
Employee Benefits & On-Costs	20,611,502	21,665,814	21,812,444	22,508,575	23,227,307	23,935,661	24,670,767	25,428,387	26,179,687	26,953,416
Materials & Contracts	10,925,015	10,786,102	11,134,405	11,416,373	11,630,124	11,885,437	12,551,930	13,102,541	13,473,886	13,885,977
Borrowing Costs	344,982	343,126	317,512	290,328	267,649	245,765	228,999	221,957	212,432	207,165
Other	9,670,207	9,893,872	10,383,718	10,702,632	11,001,336	11,244,276	11,512,762	11,849,325	12,111,750	12,455,638
	<b>41,551,706</b>	<b>42,688,914</b>	<b>43,648,079</b>	<b>44,917,908</b>	<b>46,126,416</b>	<b>47,311,139</b>	<b>48,964,458</b>	<b>50,602,210</b>	<b>51,977,755</b>	<b>53,502,196</b>
Net Cash provided (or used in) Operating Activities	<b>12,844,486</b>	<b>13,110,581</b>	<b>14,188,105</b>	<b>13,466,620</b>	<b>13,971,543</b>	<b>14,596,925</b>	<b>14,683,143</b>	<b>15,089,285</b>	<b>15,433,865</b>	<b>16,017,317</b>
Cash Flows from Investing Activities										
Receipts										
Sale of Infrastructure, Property, Plant & Equipment	700,000	950,000	960,000	970,000	985,000	1,000,000	1,030,000	1,030,000	1,045,000	1,060,000
Payments										
Purchase of Infrastructure, Property, Plant & Equipment	11,903,000	10,976,250	11,007,950	10,669,500	9,714,900	10,067,000	10,241,000	10,773,000	11,027,000	11,350,000
Net Cash provided (or used in) Investing Activities	(11,203,000)	(10,026,250)	(10,047,950)	(9,699,500)	(8,729,900)	(9,067,000)	(9,211,000)	(9,743,000)	(9,982,000)	(10,290,000)
Cash Flows from Financing Activities										
Receipts										
Proceeds from Borrowings & Advances	1,000,000.00	-	-	-	-	-	-	-	-	-
Payments										
Repayment of Borrowings & Advances	632,807	705,061	737,741	701,697	661,315	623,739	455,648	345,051	358,039	371,518
Net Cash Flow provided (used in) Financing Activities	367,193	(705,061)	(737,741)	(701,697)	(661,315)	(623,739)	(455,648)	(345,051)	(358,039)	(371,518)
Net Increase / (Decrease) in Cash & Cash Equivalents	2,008,679	2,379,270	3,402,414	3,065,423	4,580,328	4,906,186	5,016,495	5,001,234	5,093,826	5,355,799
Cash at the beginning of the reporting period	44,438,055	46,446,734	48,826,004	52,228,418	55,293,841	59,874,169	64,780,355	69,796,850	74,798,083	79,891,909
Cash & Cash Equivalents - end of the year	46,446,734	48,826,004	52,228,418	55,293,841	59,874,169	64,780,355	69,796,850	74,798,083	79,891,909	85,247,709

# Scenario 2: Improve Service 2018-2028

# Income Statement

2018-19 to 2027-28

	Budget 2018-19	Budget 2019-20	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28
Income from Continuing Operations	\$									
Rates & Annual Charges	27,641,284	29,206,902	30,904,231	32,479,707	34,205,463	35,409,215	36,461,929	37,867,224	38,993,528	40,326,122
User Charges & Fees	10,361,515	10,758,553	11,173,575	11,496,247	11,828,294	12,154,828	12,550,591	12,887,350	13,243,923	13,610,592
Interest & Investment Revenue	1,300,000	1,421,500	1,547,500	1,728,500	1,879,500	1,930,500	1,985,500	2,010,500	2,045,500	2,070,500
Other Revenues	4,646,813	4,808,149	4,904,312	5,002,398	5,102,446	5,204,495	5,308,585	5,414,757	5,523,052	5,633,513
Grants & Contributions provided for Operating Purposes	3,286,542	3,362,203	3,447,258	3,534,696	3,628,836	3,726,854	3,830,613	3,938,105	4,048,672	4,162,406
Grants & Contributions provided for Capital Purposes	6,930,000	6,745,000	6,855,000	5,591,570	5,533,486	5,630,791	5,718,469	5,856,524	5,894,959	6,138,809
<b>Total Income From Continuing Operations</b>	<b>54,166,154</b>	<b>56,302,307</b>	<b>58,831,876</b>	<b>59,833,119</b>	<b>62,178,025</b>	<b>64,056,683</b>	<b>65,855,688</b>	<b>67,974,460</b>	<b>69,749,635</b>	<b>71,941,941</b>
Expenses From Continuing Operations										
Employee Benefits & On-Costs	20,651,120	21,206,830	21,812,444	22,508,575	23,227,307	23,935,661	24,670,767	25,428,387	26,179,687	26,953,416
Borrowing Costs	345,999	341,172	315,468	288,384	265,817	244,037	227,737	221,001	211,440	206,136
Materials & Contracts	10,730,579	10,843,365	11,282,856	11,506,755	11,714,719	11,968,548	12,713,893	13,242,033	13,571,497	14,013,422
Depreciation & Amortisation	7,175,000	7,246,750	7,319,218	7,392,410	7,466,334	7,540,997	7,616,407	7,692,571	7,769,497	7,847,192
Other Expenses	9,670,207	9,893,872	10,383,718	10,702,632	11,001,336	11,244,276	11,512,762	11,849,325	12,111,750	12,455,638
<b>Total Expenses From Continuing Operations</b>	<b>48,572,905</b>	<b>49,531,989</b>	<b>51,113,703</b>	<b>52,398,755</b>	<b>53,675,512</b>	<b>54,933,519</b>	<b>56,741,564</b>	<b>58,433,316</b>	<b>59,843,871</b>	<b>61,475,803</b>
Operating Result from Continuing Operations	5,593,249	6,770,318	7,718,173	7,434,364	8,502,512	9,123,164	9,114,124	9,541,144	9,905,764	10,466,138
Net Operating Result before Capital Items	(1,336,751)	25,318	863,173	1,842,794	2,969,027	3,492,373	3,395,654	3,684,620	4,010,805	4,327,329
Depreciation Contra	7,175,000	7,246,750	7,319,218	7,392,410	7,466,334	7,540,997	7,616,407	7,692,571	7,769,497	7,847,192
Disposal of Assets	700,000	950,000	960,000	970,000	970,000	970,000	970,000	970,000	970,000	970,000
<b>Operating Funds Available</b>	<b>6,538,249</b>	<b>8,222,068</b>	<b>9,142,391</b>	<b>10,205,204</b>	<b>11,405,361</b>	<b>12,003,370</b>	<b>11,982,061</b>	<b>12,347,191</b>	<b>12,750,302</b>	<b>13,144,521</b>



# Balance Sheet

2018-19 to 2027-28

	Budget 2018-19	Budget 2019-20	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28
\$										
Assets										
Current Assets										
Cash & Cash Equivalents	6,696,736	9,066,667	12,460,435	15,518,765	20,104,698	25,015,925	30,038,298	35,044,633	40,144,189	45,505,811
Investments	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000	39,750,000
Receivables	2,907,791	3,012,837	3,129,458	3,173,422	3,272,526	3,379,915	3,488,771	3,605,543	3,712,860	3,837,576
Other	357,684	363,583	379,877	389,394	398,277	406,987	424,762	439,923	450,300	464,078
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>49,712,211</b>	<b>52,193,086</b>	<b>55,719,770</b>	<b>58,831,581</b>	<b>63,525,502</b>	<b>68,552,826</b>	<b>73,701,831</b>	<b>78,840,098</b>	<b>84,057,350</b>	<b>89,557,465</b>
Non-Current Assets										
Receivables	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	384,221,894	387,439,394	391,084,126	394,826,217	398,089,048	401,674,954	405,390,556	409,626,585	414,089,776	418,850,872
Investment Property	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>387,821,894</b>	<b>391,039,394</b>	<b>394,684,126</b>	<b>398,426,217</b>	<b>401,689,048</b>	<b>405,274,954</b>	<b>408,990,556</b>	<b>413,226,585</b>	<b>417,689,776</b>	<b>422,450,872</b>
<b>Total Assets</b>	<b>437,534,105</b>	<b>443,232,480</b>	<b>450,403,896</b>	<b>457,257,798</b>	<b>465,214,550</b>	<b>473,827,780</b>	<b>482,692,387</b>	<b>492,066,683</b>	<b>501,747,126</b>	<b>512,008,337</b>
Liabilities										
Current Liabilities										
Payables	8,808,750	8,410,975	8,573,675	8,671,629	8,763,276	8,853,368	9,031,844	9,185,540	9,292,537	9,432,730
Income Received in advance	830,401	861,295	889,579	912,859	936,767	960,480	988,136	1,012,643	1,038,364	1,064,764
Borrowings	705,061	737,741	701,697	661,315	623,739	455,648	345,051	358,039	371,518	201,560
Provisions	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883	6,595,883
<b>Total Current Liabilities</b>	<b>16,940,095</b>	<b>16,605,894</b>	<b>16,760,834</b>	<b>16,841,686</b>	<b>16,919,665</b>	<b>16,865,379</b>	<b>16,960,914</b>	<b>17,152,106</b>	<b>17,298,302</b>	<b>17,294,936</b>
Non-Current Liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	6,142,386	5,404,644	4,702,948	4,041,633	3,417,894	2,962,245	2,617,194	2,259,155	1,887,637	1,686,077
Provisions	202,117	202,117	202,117	202,117	202,117	202,117	202,117	202,117	202,117	202,117
<b>Total Non-Current Liabilities</b>	<b>6,344,503</b>	<b>5,606,761</b>	<b>4,905,065</b>	<b>4,243,750</b>	<b>3,620,011</b>	<b>3,164,363</b>	<b>2,819,311</b>	<b>2,461,272</b>	<b>2,089,754</b>	<b>1,888,194</b>
<b>Total Liabilities</b>	<b>23,284,598</b>	<b>22,212,655</b>	<b>21,665,899</b>	<b>21,085,436</b>	<b>20,539,675</b>	<b>20,029,742</b>	<b>19,780,226</b>	<b>19,613,378</b>	<b>19,388,056</b>	<b>19,183,130</b>
<b>Net Assets</b>	<b>414,249,507</b>	<b>421,019,825</b>	<b>428,737,997</b>	<b>436,172,362</b>	<b>444,674,874</b>	<b>453,798,038</b>	<b>462,912,161</b>	<b>472,453,306</b>	<b>482,359,070</b>	<b>492,825,206</b>
Equity										
Accumulated Surplus	213,210,507	219,980,825	227,698,997	235,133,362	243,635,874	252,759,038	261,873,162	271,414,306	281,320,070	291,786,208
Revaluation Reserves	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000	201,039,000
<b>Total Equity</b>	<b>414,249,507</b>	<b>421,019,825</b>	<b>428,737,997</b>	<b>436,172,362</b>	<b>444,674,874</b>	<b>453,798,038</b>	<b>462,912,162</b>	<b>472,453,306</b>	<b>482,359,070</b>	<b>492,825,206</b>

# Cash Flow Statement

2018-19 to 2027-28

	<i>Budget As at 30 June 2019</i>	<i>Budget As at 30 June 2020</i>	<i>Budget As at 30 June 2021</i>	<i>Budget As at 30 June 2022</i>	<i>Budget As at 30 June 2023</i>	<i>Budget As at 30 June 2024</i>	<i>Budget As at 30 June 2025</i>	<i>Budget As at 30 June 2026</i>	<i>Budget As at 30 June 2027</i>	<i>Budget As at 30 June 2028</i>
Cash Flows from Operating Activities										
	\$									
<b>Receipts</b>										
Rates & Annual Charges	27,619,388	29,170,492	30,864,759	32,443,068	34,165,330	35,381,221	36,437,447	37,834,543	38,967,335	40,295,131
User Charges & Fees	10,364,308	10,747,357	11,161,871	11,487,148	11,818,930	12,145,620	12,539,431	12,877,854	13,233,868	13,600,252
Interest & Investment Revenue Received	1,290,678	1,401,160	1,522,672	1,706,490	1,847,288	1,898,165	1,952,888	1,976,970	2,012,293	2,035,015
Grants & Contributions	10,346,422	10,109,589	10,298,002	9,151,930	9,161,535	9,353,382	9,544,905	9,789,270	9,940,380	10,293,411
Other	4,775,396	4,799,558	4,896,235	5,023,798	5,096,183	5,194,293	5,299,400	5,403,129	5,513,720	5,619,361
	<b>54,396,193</b>	<b>56,228,156</b>	<b>58,743,538</b>	<b>59,812,435</b>	<b>62,089,264</b>	<b>63,972,681</b>	<b>65,774,071</b>	<b>67,881,766</b>	<b>69,667,596</b>	<b>71,843,170</b>
<b>Payments</b>										
Employee Benefits & On-Costs	20,611,502	21,665,814	21,812,444	22,508,575	23,227,307	23,935,661	24,670,767	25,428,387	26,179,687	26,953,416
Materials & Contracts	10,925,015	10,786,102	11,134,405	11,416,373	11,630,124	11,885,437	12,551,930	13,102,541	13,473,886	13,885,977
Borrowing Costs	344,982	343,126	317,512	290,328	267,649	245,765	228,999	221,957	212,432	207,165
Other	9,670,207	9,893,872	10,383,718	10,702,632	11,001,336	11,244,276	11,512,762	11,849,325	12,111,750	12,455,638
	<b>41,551,706</b>	<b>42,688,914</b>	<b>43,648,079</b>	<b>44,917,908</b>	<b>46,126,416</b>	<b>47,311,139</b>	<b>48,964,458</b>	<b>50,602,210</b>	<b>51,977,755</b>	<b>53,502,196</b>
<b>Net Cash provided (or used in) Operating Activities</b>	<b>12,844,487</b>	<b>13,539,242</b>	<b>15,095,459</b>	<b>14,894,527</b>	<b>15,962,848</b>	<b>16,661,542</b>	<b>16,809,613</b>	<b>17,279,556</b>	<b>17,689,841</b>	<b>18,340,974</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts</b>										
Sale of Infrastructure, Property, Plant & Equipment	700,000	950,000	960,000	970,000	985,000	1,000,000	1,030,000	1,030,000	1,045,000	1,060,000
<b>Payments</b>										
Purchase of Infrastructure, Property, Plant & Equipment	11,903,000	11,414,250	11,923,950	12,104,500	11,714,165	12,126,903	12,362,009	12,958,600	13,277,688	13,668,288
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(11,203,000)</b>	<b>(10,464,250)</b>	<b>(10,963,950)</b>	<b>(11,134,500)</b>	<b>(10,729,165)</b>	<b>(11,126,903)</b>	<b>(11,332,009)</b>	<b>(11,928,600)</b>	<b>(12,232,688)</b>	<b>(12,608,288)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts</b>										
Proceeds from Borrowings & Advances	1,000,000.00	-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of Borrowings & Advances	632,807	705,061	737,741	701,697	661,315	623,739	455,648	345,051	358,039	371,518
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>367,193</b>	<b>(705,061)</b>	<b>(737,741)</b>	<b>(701,697)</b>	<b>(661,315)</b>	<b>(623,739)</b>	<b>(455,648)</b>	<b>(345,051)</b>	<b>(358,039)</b>	<b>(371,518)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,008,680</b>	<b>2,369,931</b>	<b>3,393,768</b>	<b>3,058,330</b>	<b>4,572,368</b>	<b>4,910,900</b>	<b>5,021,956</b>	<b>5,005,905</b>	<b>5,099,114</b>	<b>5,361,168</b>
<b>Cash at the beginning of the reporting period</b>	<b>44,438,055</b>	<b>46,446,735</b>	<b>48,816,666</b>	<b>52,210,434</b>	<b>55,268,764</b>	<b>59,841,133</b>	<b>64,752,032</b>	<b>69,773,989</b>	<b>74,779,894</b>	<b>79,879,008</b>
<b>Cash &amp; Cash Equivalents - End of the Year</b>	<b>46,446,735</b>	<b>48,816,666</b>	<b>52,210,434</b>	<b>55,268,764</b>	<b>59,841,133</b>	<b>64,752,032</b>	<b>69,773,989</b>	<b>74,779,894</b>	<b>79,879,008</b>	<b>85,240,176</b>

Sustainable Modern Family  
Heritage Green Clean

BURW2030D  
**ASSET  
MANAGEMENT  
PLAN**

Safe  
Vibrant Multicultural  
SHOPPING Creative  
Parks Inclusive

Delivered by 

*Burwood Council*  
heritage • progress • pride

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## **Acknowledgements**

The Asset Management Plan was written and prepared by Jeff Roorda & Associates (JRA) a TehnologyOne company.

The dashboard material utilised in the Plan is the intellectual property of JRA (2018).

# Introduction

The Asset Management Plan contains an assessment and strategic plan for all the assets under Council ownership and for any new asset solutions proposed in the *Burwood2030* Community Strategic Plan.

In addition, the Asset Management Plan (AMP) identifies all built assets under Council's control and provides risk management strategies for them.



# Summary

## Context

Burwood Council is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of Building and Infrastructure assets with a total replacement value nearing \$423.1 million.

The building and Infrastructure assets include:

- Transport
- Drainage
- Buildings
- Parks & Recreation

These assets contribute to provision of services essential to our community's quality of life. Like many NSW councils, Burwood experiences a funding infrastructure backlog due to aging infrastructure and a funding gap between current and required capital expenditure. Therefore, long term Capital Plans and Long-Term Financial Planning is required to ensure that service delivery is sustainable.

This Asset Management Plan (AMP) takes the organisational objectives in our *Burwood2030* Community Strategic Plan, develops the asset management objectives, principles, framework and strategies required to achieve our organisational objectives. The plan summarises activities and expenditure projections from individual asset modelling to achieve the asset management objectives.

## Current situation

The objective of the AMP is to describe how Council will meet its commitment to asset management as documented in the Draft Asset Management Policy. It will achieve this by developing a structured set of Strategic Actions aimed at enabling Council to improve its asset management practices and service delivery needs.

Our aim is to achieve a 'core' maturity for asset management activities and continued maturity improvement where the benefits exceed the costs. Improvement tasks have been identified and documented in *Table 7.2* improvement plan.

## Strategic Asset Management Plan Methodology

This AMP has been developed in line with Council's proposed special rate variation. The AMP contains two scenarios as outlined below.

Scenario 1 compares council's required asset renewals, accumulated backlog and additional operations and maintenance to control high risk assets against council's Long term Financial Plan. Scenario 1 represents council's current funded position with respect to the management of physical assets.

SRV Scenario 1 considers the accumulated consequences of additional revenue to address council's unfunded high risk assets (Backlog) including the additional operations and maintenance to manage these risks. Scenario 2 has been developed based on Council's proposed special rate variation of an additional 2% over existing rate pegging.

Scenario 1 is a reflection of the actual funding available. The difference between Scenario 1 and SRV Scenario 1 represents "what we can't do". The discussion about this "gap" will lead us into a much better informed community discussion about what are achievable and acceptable service levels, as well as giving a focus on managing risk.

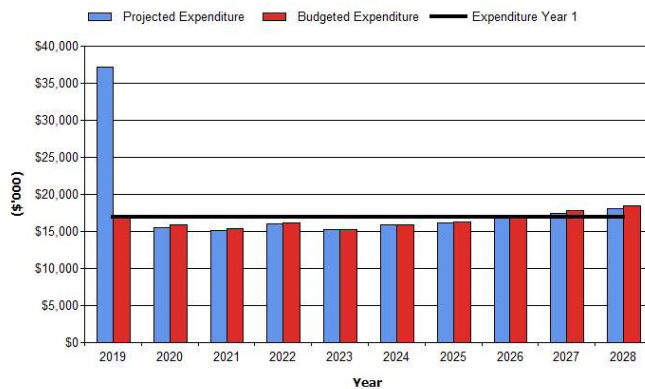
## What does it cost?

The forecast of the projected outlays necessary to provide the services covered by this AMP includes operations, maintenance, capital renewal and upgrade of existing assets. Over the 10 year planning period the projected outlays is \$183.53m or \$18.35m on average per year.

Estimated available funding (scenario 1) for this period is \$165.34m or \$16.53m on average per year which is 90% of the cost to provide the service. This is a funding shortfall of -\$1.82m on average per year. This modelling includes backlog which was reported at 30th June 2018 at \$20.6m.

Projected expenditure required to provide services in the AMP compared with planned expenditure currently included in the Long Term Financial Plan are shown in the following graph.

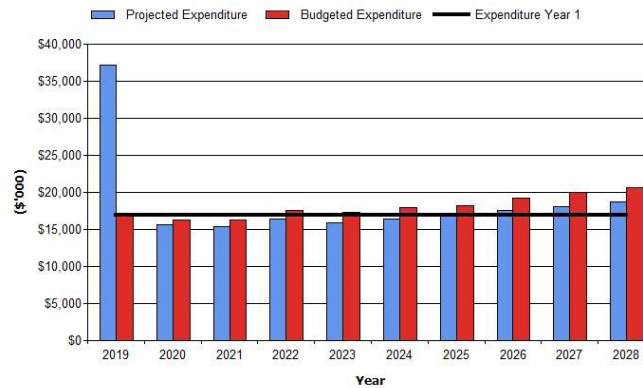
**Burwood - Projected and Budget Expenditure for (Strategy)**



This modelling can be compared to the SRV scenario which shows over the 10 year planning period the projected outlays is \$188.03m or \$18.8m on average per year.

Estimated available funding including the special rate variation for this period is \$180.3m or \$18.03m on average per year which is 96% of the cost to provide the service. This is a funding shortfall of -\$770,000 on average per year. This is shown in the following graph.

**Burwood - Projected and Budget Expenditure for (Strategy)**



## What will we do?

Council has previously been driven by funding availability and been reactive to customer requests. A shift towards a strategic approach to effective asset management provides better accountability, sustainability, risk management, service management and financial efficiency.

Our aim is to provide the services needed by the community in a financial sustainable manner. Achieving financial sustainability requires balancing service levels and performance with cost and risk. Over the next 10 years council plans to sustain current service levels and continue its strong focus in the high-risk areas of Transport and Stormwater Drainage.

Major projects and initiatives include:

- Upgrade of George Street, Burwood which includes reconstruction of footpath, kerb and gutter, storm water drainage and road pavement
- Continued rolling works program for roads, footpaths, kerb and gutter and storm water drainage
- Continual upgrade of the Enfield Aquatic Centre
- Blair Park and Henley Park Embellishment and Upgrade works.

## What we have deferred

Whilst it's not be possible to meet all expectations for services within current financial resources, we will continue to work with the community to ensure that needed services are provided at appropriate levels of service and at an affordable cost while managing risks.

There are major initiatives and projects that have been identified under the SRV scenario that will be deferred for the next 10 years under present funding levels (Scenario 1). These include:

- Acceleration of the stormwater drainage upgrade and renewals program to address current quality and functional network issues
- Complete renewal of poor condition footpaths and kerb & gutter sections.

## Managing the risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified major risks as:

- Increasing financial pressure to adequately maintain the roads portfolio due to increasing costs
- Flooding caused by inadequate or lack of stormwater systems
- Highly variable and unpredictable extreme weather events, and the impact this will have on transport assets. What seemingly is a manageable position can change very quickly
- Modelling shows that building renewal forecasts are to significantly increase in the next 10 to 15 years

We will endeavour to manage these risks within available funding by implementation of asset management systems, to provide a sound platform for understanding the condition, maintenance and replacement schedule for all our assets, which will in turn inform our ongoing budgeting process.

## Confidence levels

This AMP is based on a mix of confidence levels as data and information varies greatly across different asset areas.

## The next steps

The actions resulting from this asset management plan are:

- We need to regularly engage with our community to understand the level of service they expect and to help them understand the level of service we can deliver. This information is important in setting priorities and determining resource allocation
- Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels
- Improving our efficiency in operating, maintaining, renewing and replacing existing assets to optimise life cycle costs
- Identifying and managing risks associated with providing services from assets
- Making trade-offs between service levels and costs to ensure that the community receives the best return from assets
- Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs
- Consulting with the community to ensure that services and costs meet community needs and are affordable
- Developing partnership with other bodies, where available to provide services
- Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to asset intensive services



# Asset Management Strategy

## 2.1 Asset Management System

Asset management enables an organisation to realise value from assets in the achievement of organisational objectives, while balancing financial, environmental and social costs, risk, quality of service and performance related to assets.<sup>1</sup>

An asset management system is a set of interrelated and interacting elements of an organisation to establish the asset management policy and asset management objectives, and the processes, needed to achieve those objectives. An asset management system is more than a 'management information system'. The asset management system provides a means for coordinating contributions from and interactions between functional units within an organisation.<sup>2</sup>

The asset management system includes:

- The asset management policy
- The asset management objectives
- The asset management plan
- The asset management plans, which are implemented in:

- Operational planning and control
- Supporting activities
- Control activities
- Other relevant processes<sup>3</sup>

### 2.1.1 Asset Management Policy

The draft asset management policy sets out the principles by which the organisation intends applying asset management to achieve its organisational objectives.<sup>4</sup> Organisational objectives are the results the organisation plans to achieve, as documented in its Strategic Plan. Our draft asset management policy is attached as *Appendix A*.

### 2.1.2 Asset Management Objectives

The asset management objectives, developed in this asset management plan provide the essential link between the organisational objectives and the strategic asset management plan that describe how those objectives are going to be achieved. The asset management objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the strategic asset management plan. Asset management objectives should be specific, measurable, achievable, realistic and time bound (i.e. SMART objectives).<sup>5</sup>

### 2.1.3 Strategic Asset Management Plan

This strategic asset management plan combines our 4 major engineering asset categories. It includes analysis at sub-category asset level. The purpose is to document the relationship between the organisational objectives set out in the Community Strategic Plan, Resourcing Strategy, Delivery Program, and the asset management (or service) objectives and define the strategic framework required to achieve the asset management objectives.<sup>6</sup>

This asset management plan encompasses the following services:

- Transport including footpaths, kerb, gutter
- Buildings
- Parks & Recreation
- Stormwater Drainage

The asset management framework incorporates strategies to achieve the asset management objectives. The strategies are developed in 4 steps:

1. What assets do we have?
2. Our assets and their management
3. Where do we want to be?
4. How will we get there?<sup>7</sup>

1 ISO, 2014, ISO 55000, Sec 2.2, p 2.  
2 ISO, 2014, ISO 55000, Sec 2.5.1, p 5.  
3 ISO, 2014, ISO 55002, Sec 4.1.1, p 2.  
4 ISO, 2014, ISO 55002, Sec 5.2, p 7.  
5 ISO, 2014, ISO 55002, Sec 6.2.1, p 9.  
6 ISO, 2014, ISO 55002, Sec 4.1.1, p 2.  
7 LGPMC, 2009, Framework 2, Sec 4.2, p 4.

## 2.2 What assets do we have?

We manage assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life.

*Table 2.2 - Assets covered by this Plan*

Asset Class	Description	Service provided
<b>Transport</b>	Sealed Footpaths and cycleways Kerb and gutter Traffic facilities	The Transport assets provided by Burwood Council are used to support transportation and are an important to the community and economic activities of the region.
<b>Drainage</b>	Stormwater pipes Stormwater pits and grates	Stormwater drainage assets provide protection from flooding and minimise the impacts of stormwater runoff. Reduce impacts of pollutants carried by stormwater runoff on the receiving waters.
<b>Buildings</b>	Council Offices & Administration Sport/Recreation Buildings Aquatic Centre Public Halls Emergency (SES) Commercial Car Parks	Council owns and maintains a wide variety of buildings. These buildings provide services for all members of our community – providing places to hold events, meet up with friends, attend a playgroup or borrow a book. Council also owns buildings that provide us with a source of income as well as providing a service, such as our child care centres and the Enfield Aquatic Centre.
<b>Parks &amp; Recreation</b>	Parks & Playgrounds Sports Fields Skate Park Tennis Courts BBQ facilities	Our parks and sports fields give our residents and those in surrounding areas the chance to be active in many ways, participate in organised sport or just relax and enjoy being outside.

## 2.3 Our assets and their management

### 2.3.1 Asset values

This physical assets covered by this AMP are shown in *Table 2.3.1*. These assets are used to provide services to the community.

Burwood LGA Note 9a	As at 30/6/18			
	\$'000	Current Replacement Cost	Carrying Value	Depreciation Expense
Transport		\$267,776.00	\$183,679.00	\$2,851.00
Stormwater		\$68,832.00	\$27,848.00	\$656.00
Buildings		\$77,450.00	\$58,609.00	\$1,304.00
Parks and reserves		\$9,026.00	\$6,807.00	\$215.00
<b>Total</b>		<b>\$423,084.00</b>	<b>\$276,943.00</b>	<b>\$5,026.00</b>

*Figure 1* shows the replacement value of our assets. *Figure 2* shows the asset consumption ratio of Council's assets (average proportion of 'as new' condition left in assets).

Figure 1: Asset Replacement Values (\$'000's)

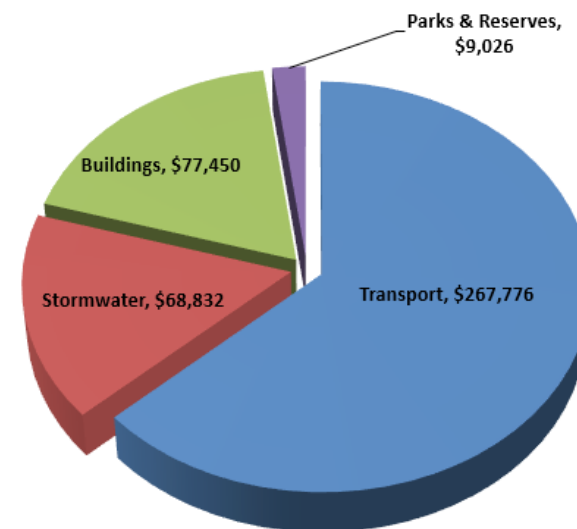
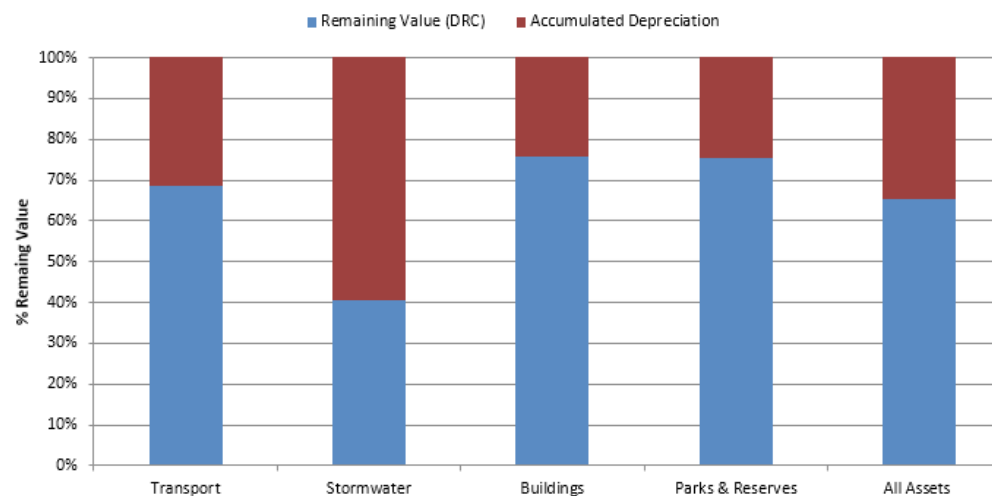


Figure 2 - Asset Remaining Value (\$)



### 2.3.2 Asset conditions

Condition is measured using a 1 – 5 grading system<sup>8</sup> as detailed in *Table 2.3.2* and presented in summary format.

*Table 2.3.2 - Simple Condition Grading Model*

Condition Grading	As at 30/6/18
1	<b>Very Good:</b> New condition only planned maintenance required
2	<b>Good:</b> Minor defects only requiring minimal maintenance plus planned maintenance
3	<b>Fair:</b> Programmed maintenance required to return to accepted level of service (Low Risk & acceptable level of service to community)
4	<b>Poor:</b> Consider rehabilitation/renewal (Moderate Risk & low level of service to community)
5	<b>Very Poor:</b> Approaching unserviceable requires renewal (High Risk & unacceptable level of service to community)

*Figure 2.2 - Condition of assets (%)*



*Figure 2.2 - Condition of assets (\$)*



8 IPWEA, 2011, IIMM, Sec 2.5.4, p 2|79.

### 2.3.3 Lifecycle costs

Lifecycle costs (or whole of life costs) are the average annual costs that are required to sustain the service levels over the longest asset life. Lifecycle costs include operations and maintenance expenditures plus asset consumption (depreciation). Life cycle costs can be compared to lifecycle expenditure to give an indication of sustainability in service provision.

Lifecycle expenditures include operations and maintenance expenditures (excluding depreciation) plus capital renewal expenditure. The capital renewal component of lifecycle expenditure can vary depending on the timing of asset renewals.

The lifecycle costs and expenditures for both scenarios are shown in comparison in *Table 2.3.3*.

**Table 2.3.3 - Asset Lifecycle Costs - All Infrastructure**

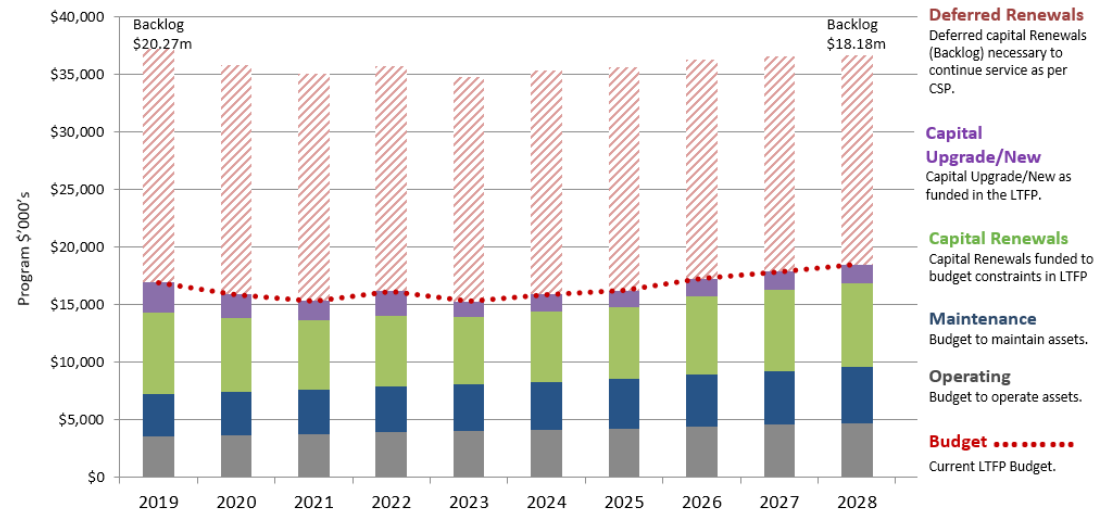
Life Cycle Cost (long term)'(\$000)	Scenario 1 No SRV (\$000's)	SRV Scenario (\$000's)
Life Cycle Cost (depreciation + ops. and maintenance expenditure – 10 year average)	\$13,289	\$13,289
Life Cycle Exp. (Capital renewal. + operations + maintenance expenditure 10 year average)	\$14,771	\$15,823
Life Cycle Gap [life cycle expenditure - life cycle cost [-ve = gap]	\$1,482	\$2,534
Life Cycle Sustainability Indicator [life cycle expenditure / LCC]	111%	119%

### 2.3.4 Asset Management Indicators

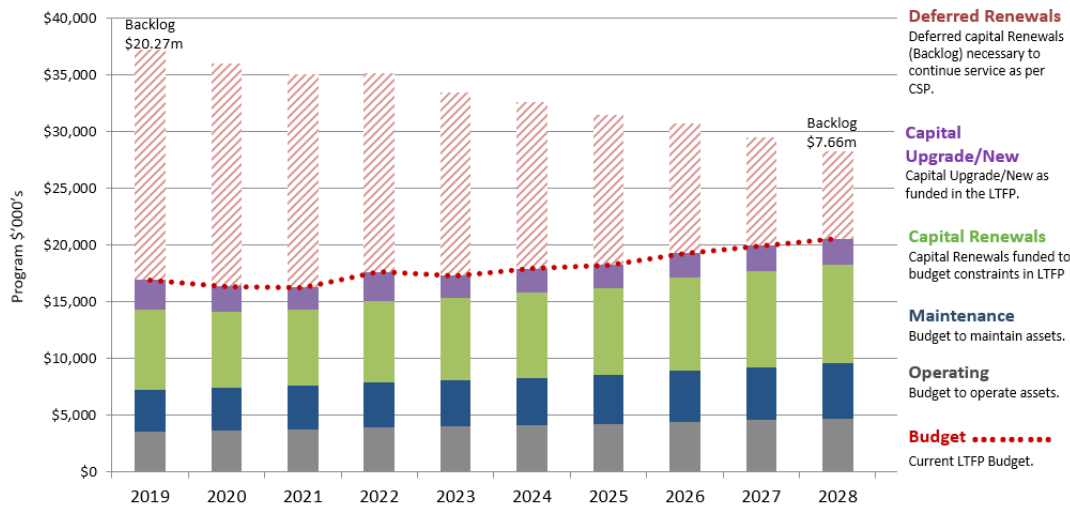
An asset management objective is to provide the services that the community needs at the optimum lifecycle cost in a financially sustainable manner. *Figure 4.1* shows the projected operations, maintenance, capital renewal, capital upgrade/new expenditure compared with financial outlays in the long-term financial plan.

*Figures 4.1* shows that whilst lifecycle expenditure exceeds requirements existing service levels can only be maintained and not significantly improved. Subsequently under scenario 1 the existing funding gap or backlog is expected to decrease slightly from the projected \$20.27m in 2019 to \$18.18m by 2028.

**Figure 4.1 - Projected Operating and Capital Expenditure (Scenario 1)**



**Figure 4.1 - Projected Operating and Capital Expenditure (SRV Scenario)**



Under the SRV scenario however (*Figure 4.2*) the additional revenues will allow council to improve service levels by significantly addressing current existing backlog issues reducing it from the projected \$20.27m to just \$7.66m in 2028.

The purpose of this AMP is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.

### 2.3.5 Opportunities

We have identified opportunities relevant to the services included in this AMP including:

- We need to regularly engage with our community to understand the level of service they expect and to help them understand the level of service we can deliver. This information is important in setting priorities and determining resource allocation
- Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels
- Improving our efficiency in operating, maintaining, renewing and replacing existing assets to optimise life cycle costs
- Identifying and managing risks associated with providing services from assets
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- Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to asset intensive services

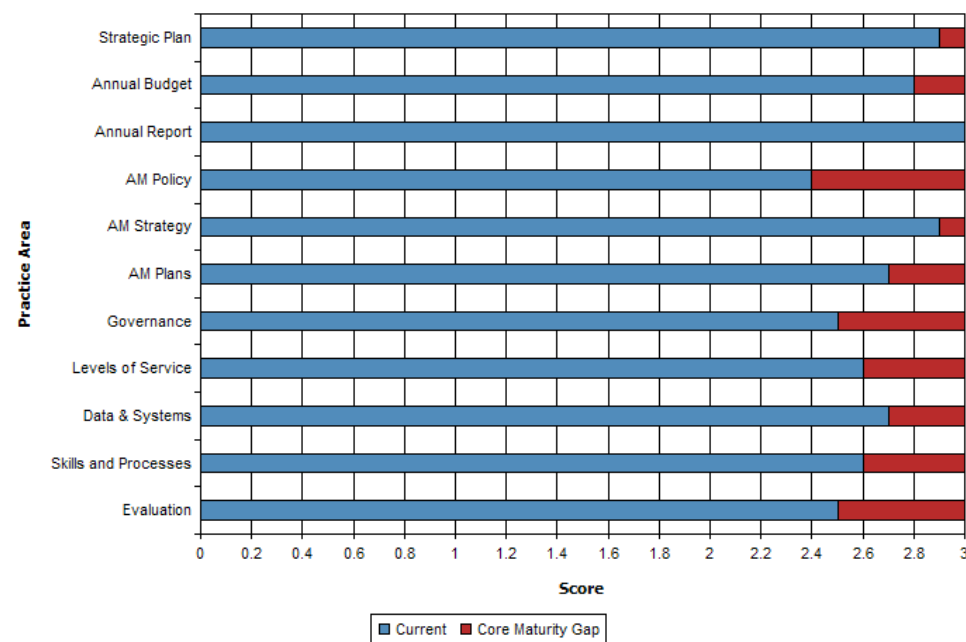
### 2.3.6 Asset and Financial Management Maturity

We have taken steps to improve our asset and financial management performance including assessing our asset management maturity against the 3 Frameworks of the Local Government Financial Sustainability National Consistent Frameworks. The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 core competencies have been developed from these elements to assess 'core' competency under the National Frameworks.

Council's maturity assessment for the core competencies is summarised in Figure 5. The current maturity level is shown by the blue bars. The maturity gap to be overcome for Council to achieve a core financial and asset management competency is shown by the red bars.

Following work over the last 5 years a core level of maturity is now achievable within the next 12-18 months. Council has an improvement plan in place for all areas of practice and a future maturity audit will be scheduled to validate that core maturity has been achieved.

**Figure 4 - Maturity assessment**



## 2.3 Where do we want to be?

### 2.4.1 Community Expectations

The organisation exists to provide services to its community. Some of these services are provided by infrastructure assets.

We have identified community expectations for service levels to be generally consistent with current levels of service.

We have acquired physical assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Our goal in managing these assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. Community engagement is necessary to ensure that informed decisions are made on future levels of service and costs and that service and risk consequences are known and accepted by stakeholders.

### 2.4.2 Organisational Objectives

The community and Councillors set priorities for the services we deliver, and the level to which we deliver them. How we operate as an organisation also influences how we deliver services, and our four key organisational goals, with specific actions to address areas for improvement.

This asset management plan is prepared under the direction of the organisation's vision, mission, goals and objectives.

#### Our Vision is:

*"A well connected, innovative, sustainable and safe community that embraces and celebrates its diversity"*

**Equity** - involving fairness in decision making, prioritising and allocation of resources, particularly for those in need.

**Participation** - maximise opportunities to genuinely participate in decision making.

**Rights** - equal rights established and promoted, with opportunities provided for people from diverse linguistic, cultural and religious backgrounds to participate in community life.

**Access** - having fair access to services, resources and opportunities to improve quality of life.

The organisation objectives developed for priority areas are shown in *Table 2.4.2*.



**Table 2.4.2 - Strategic priority areas and organisational goals**

Theme	Description	Strategic Goals
<b>Community and lifestyle</b>	<p>The theme 'community and lifestyle' relates to supporting the community to create a feeling of belonging, inclusiveness and wellbeing amongst Burwood's diverse population.</p> <p>Community and lifestyle is about people being proud of where they live, feeling safe and engaged in the community and having access to facilities and services that ensure they can lead a healthy and satisfying lifestyle.</p>	<ul style="list-style-type: none"> <li>● High quality activities and services to meet the diverse needs of the community</li> <li>● Well informed, supported and engaged community</li> <li>● Safe community for residents, workers and visitors</li> <li>● An inclusive community that celebrates diversity</li> </ul>
<b>Leadership and innovation</b>	<p>This theme relates to the leadership not only of our elected representatives but also leaders in our business, volunteer, spiritual and environmental community. It is about encouraging greater participation and engagement in decision making processes and involving people in local activities and programs.</p> <p>Leadership through innovation is also about thinking outside the square to resolve some of the challenges facing our community as we strive to be a leading community in economic prosperity, environmental sustainability and social responsibility.</p> <p>We strive for community leadership that fosters our community values and celebrates our culture, diversity and heritage.</p>	<ul style="list-style-type: none"> <li>● Community confidence in Council's decision making</li> <li>● Strong partnerships to benefit the community</li> <li>● Ensure financial sustainability and organisational effectiveness</li> <li>● Efficient and innovative customer focused services.</li> <li>● Leaders in the Local Government sector</li> </ul>
<b>Healthy and sustainable environment</b>	<p>This theme is focused on maintaining and ensuring we live in a healthy, safe and sustainable natural environment.</p> <p>This theme aims to protect our natural resources and assets including parks, trees, open green spaces and ensure that our impact on the environment is reduced so that we continue to live in a clean and sustainable environment.</p> <p>The community, Council and other governments all have a role to play in protecting our environment and taking responsibility for preserving our natural resources for future generations.</p>	<ul style="list-style-type: none"> <li>● Enhanced green and open spaces, and streetscapes</li> <li>● Sustainable waste management practices</li> <li>● Community education on sustainable practices</li> <li>● Leadership in environmental sustainability</li> <li>● Public health and welfare</li> </ul>
<b>Planning and Infrastructure</b>	<p>This theme relates to the services and infrastructure that supports our community including roads, public transport, health facilities and education providers. It also encompasses our strategic planning to ensure we can accommodate our growing population.</p> <p>This theme aims to improve the quality and equitable access to services in our community and also to enhance the visual appearance of our neighbourhoods, streetscapes and town centre.</p> <p>Transport plays a major role in keeping our community physically connected to work, recreational spaces and services. Being able to move around easily plays a key role in the liveability and sustainability of our area.</p>	<ul style="list-style-type: none"> <li>● Effective regional traffic and parking strategies</li> <li>● Connected and accessible infrastructure</li> <li>● Burwood's existing heritage integrated with high quality urban design</li> <li>● Participation in regional planning and infrastructure projects to ensure the best outcomes for the community</li> <li>● Customer focused processes for development services</li> </ul>
<b>Vibrant city and villages</b>	<p>This theme relates to harnessing Burwood's strategic status and supporting the businesses and services that contribute to the wider Burwood economy.</p> <p>Burwood is characterised by a vibrant CBD and several business and shopping precincts.</p> <p>This theme aims to ensure an economically sustainable and prosperous future in Burwood with a strong network of services that support existing businesses and institutions, and attract new and diverse organisations.</p> <p>It also aims to stimulate the local economy and activate our surrounding villages to foster a sense of pride and enhance our local identity.</p>	<ul style="list-style-type: none"> <li>● Stimulate Burwood's regional status and strategic status within inner western Sydney</li> <li>● Supported and local business</li> <li>● Enhance and foster the local identity</li> <li>● Activated village precincts and preserve the distinct heritage characters of surrounding residential areas</li> </ul>

## 2.5 Asset Management Vision

To ensure the long-term financial sustainability of the organisation, it is essential to balance the community's expectations for services with their ability to pay for the assets used to provide the services. Maintenance of service levels for physical assets requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, we aspire to:

*Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the futures, in the most cost-effective and fit for purpose manner.*

In line with the vision, the objectives of the asset management plan are to:

- Ensure that our services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to our financial sustainability
- Safeguard our assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets
- Adopt the long-term financial plan as the basis for all service and budget funding decisions
- Meet legislative requirements for all our operations
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated
- Provide high level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to council/board on development and implementation of the CSP, AMP and LTFP

Strategies to achieve this position are outlined in *Section 2.6*.

## 2.6 How will we get there?

The asset management plan proposes strategies to enable the organisational objectives and asset management policies to be achieved.

## 2.7 Asset Management Improvement Plan

The tasks required achieving a 'core' financial and asset management maturity are shown in the asset management improvement plan in *Section 7.2*.

## 2.8 Consequence if actions are not completed

There are consequences for the Council if the improvement actions are not completed. These include:

- Inability to achieve strategic and organisational objectives
- Inability to achieve financial sustainability for the organisation's operations

- Current risks to service delivery are likely to eventuate and response actions may not be appropriately managed
- We may not be able to accommodate and/or manage changes in demand for asset intensive services.

**Table 2.6 - Asset management strategies**

No	Strategy	Desired outcome
1	Move from annual budgeting to long term financial planning.	The long-term implications of all services are considered in annual budget deliberations
2	Develop and annually review strategic asset management plans that covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Develop and maintain a long-term financial plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide our services
4	Incorporate Year 1 of long-term financial plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update strategic asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	We and the community are aware of changes to service levels and costs arising from budget decisions
6	Report our financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against organisational objectives in annual reports	Financial sustainability information is available for Council and the community
7	Ensure council/board decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
8	Report on our resources and operational capability to deliver the services needed by the community in the annual report	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
10	Implement an improvement plan to realise 'core' maturity for the financial and asset management competencies within 2 years	Improved financial and asset management capacity within the organisation
11	Report six monthly to Council/Board by Audit Committee/CEO on development and implementation of AM Plans and long-term financial plans	Oversight of resource allocation and performance.

# Levels of service

## 3.1 Consumer research and expectations

The expectations and requirements of various stakeholders were considered in the preparation of asset management plans summarised in this asset management plan. The following results have been extracted from Council's CSP Survey conducted between November 2017 and February 2018.

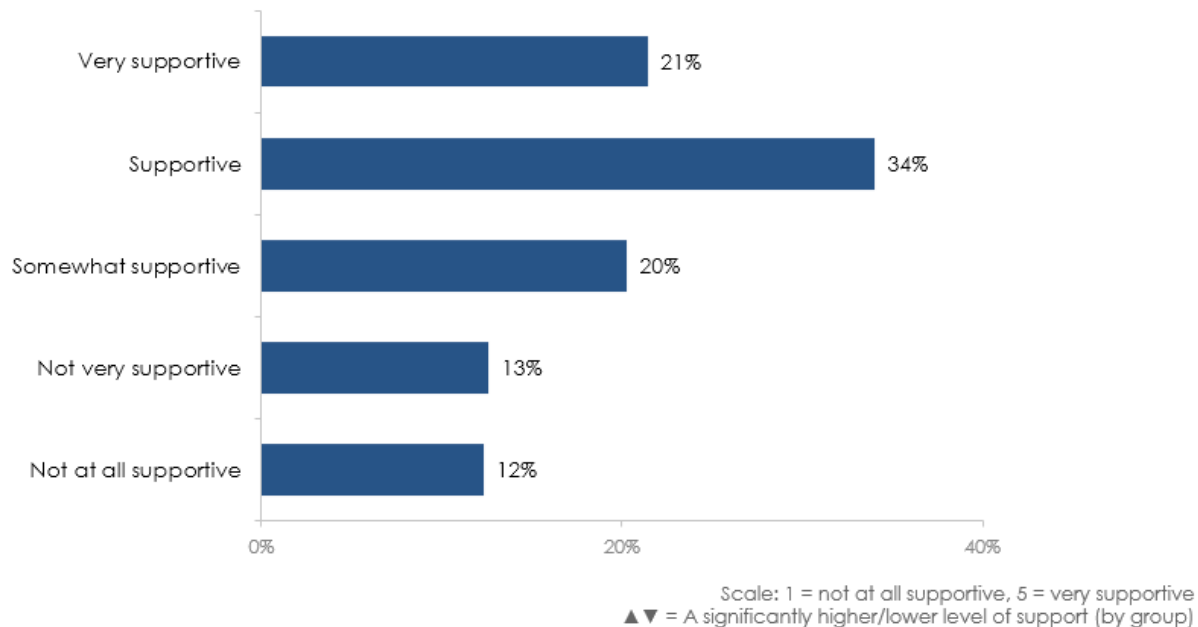
The purpose of the resident survey was to:

- Measuring the community's priorities and aspiration for the LGA against proposed CSP
- Identifying the community's overall level of satisfaction with Council's performance and quality of life
- Validate the community's level of agreement with prompted CSP statements
- Measure community views on a potential SRV continuation

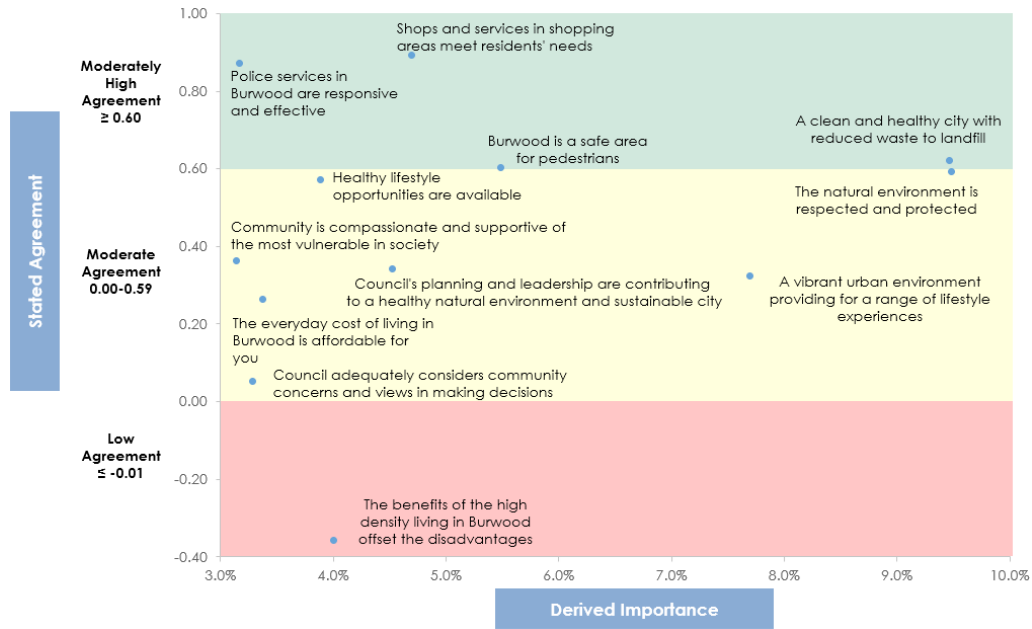
Key findings from the survey included:

1. 75% of residents stated they are at least 'somewhat supportive' of continuing the current SRV
2. Providing more community services, clean public places, waste management and a responsibly managed council for the area were all identified as the most important components to be included in the 10-year plan, with 98% of respondents stating these were important
3. Residents expressed concerns for the impacts and management of high density living and road safety, with all the bottom 5 agreement statements falling within the 'Local Spaces, Economy and Transport' pillar
4. 95% rated their quality of life as 'good' to 'excellent'
5. 85% of residents were at least 'somewhat satisfied' with the performance of Council

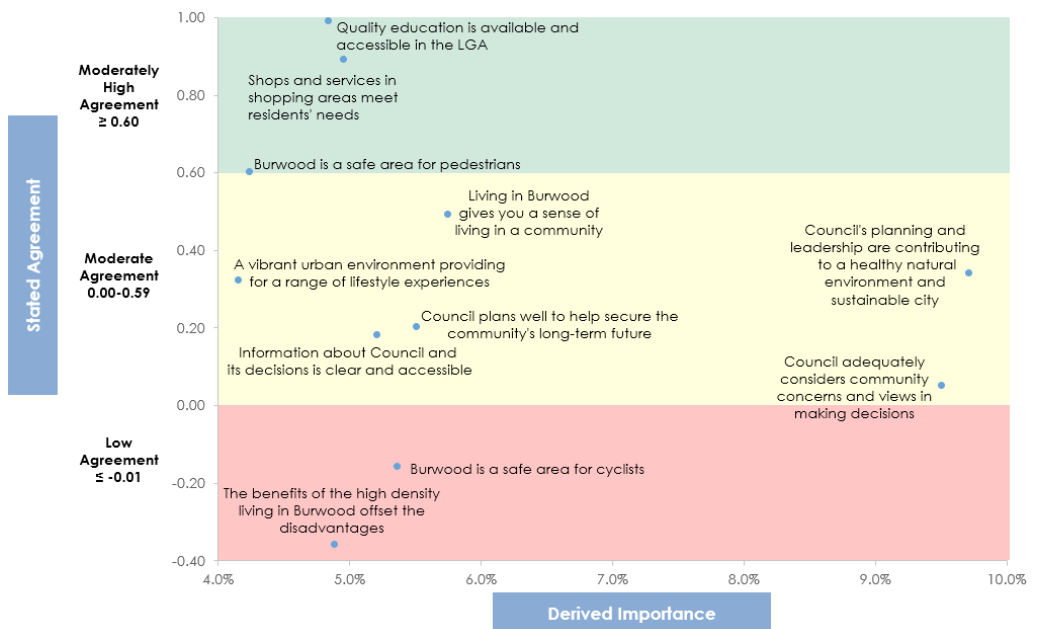
Figure 5 - Support for the proposed extended SRV



**Figure 5.1 - Quality of life key drivers**



**Figure 5.2 - Overall satisfaction key drivers**



## 3.2 Organisational objectives

Sections 2.4.2 and 2.5 of this AMP reported the organisational objectives from the Strategic Plan and asset management objectives developed from the organisational objectives.

The organisational and asset management objectives provide focus for the community and technical level of service tables in Section 3.4.

## 3.3 Legislative requirements

We have to meet many legislative requirements including Australian and State legislation and State regulations. These include:

**Table 3.3 - Legislative requirements**

Legislation	Requirement
<i>Local Government Act 1993</i>	<p>Sets out role, purpose, responsibilities and powers of local governments.            The purposes of this Act are as follows:</p> <ul style="list-style-type: none"> <li>(a) to provide the legal framework for an effective, efficient, environmentally responsible and open system of local government in New South Wales,</li> <li>(b) to regulate the relationships between the people and bodies comprising the system of local government in New South Wales,</li> <li>(c) to encourage and assist the effective participation of local communities in the affairs of local government,</li> <li>(d) to give councils:               <ul style="list-style-type: none"> <li>- the ability to provide goods, services and facilities, and to carry out activities, appropriate to the current and future needs of local communities and of the wider public</li> <li>- the responsibility for administering some regulatory systems under this Act</li> <li>- a role in the management, improvement and development of the resources of their areas,</li> </ul> </li> <li>(e) to require councils, councillors and council employees to have regard to the principles of ecologically sustainable development in carrying out their responsibilities.</li> </ul> <p>The land management provisions of the Act require that Council prepare plans of management for all community land. The plan of management identifies the management objectives for the land category, performance indicators and performance measures to meet the objectives identified</p>
<i>Local Government Amendment (Planning and Reporting) Act 2009</i>	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery

Legislation	Requirement
<i>Disability Discriminations Act 1992</i>	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people. (a) to eliminate, as far as possible, discrimination against persons on the ground of disability in the areas of: (i) work, accommodation, education, access to premises, clubs and sport; and (ii) the provision of goods, facilities, services and land; and (iii) existing laws; and (iv) the administration of Commonwealth laws and programs; and (b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community
<i>Work Health &amp; Safety Act 2011</i>	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety
<i>Environmental Planning and Assessment Act 1979</i>	An Act to institute a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements
<i>Plant Protection Act 1989</i>	This act sets out requirements in respect to Flora Protection
<i>Environmental Protection Act 1994</i>	This act sets out requirements in respect to environmental protection
<i>Threatened Species Conservation Act 1995</i>	An Act to conserve threatened species, populations and ecological communities of animals and plants. Under the terms of this Act Council is required to ensure the long-term survival of the species identified
<i>Rivers and Foreshores Improvements Act 1948</i>	An Act to provide for the carrying out of works for the removal of obstructions from and the improvement of rivers and foreshores and the prevention of erosion of lands by tidal and non-tidal waters
<i>Protection of the Environment Operations Act 1997</i>	Council is required to exercise due diligence to avoid environmental impact and among others are required to develop operations emergency plans and due diligence plans to ensure that procedures are in place to prevent or minimise pollution
<i>National Parks and Wildlife Act (1974)</i>	An Act relating to the establishment, preservation and management of national parks, historic sites and certain other areas and the protection of certain fauna, native plants and Aboriginal objects
<i>Native Vegetation Act 2003</i>	This Act regulates the clearing of native vegetation on all land in NSW, except for excluded land listed in Schedule 1 of the Act. The Act outlines what landowners can and cannot do in clearing native vegetation
<i>Public Works Act 1912</i>	Sets out the role of Council in the planning and construction of new assets
<i>Road Transport (General) Act 2005</i>	Provides for the administration and enforcement of road transport legislation. It provides for the review of decisions made under road transport legislation. It makes provision for the use of vehicles on roads and road related areas and also with respect to written off and wrecked vehicles

<b>Legislation</b>	<b>Requirement</b>
<i>Road Transport (Safety and Traffic Management) Act 1999</i>	Facilitates the adoption of nationally consistent road rules in NSW, the Australian Road Rules. It also makes provision for safety and traffic management on roads and road related areas including alcohol and other drug use, speeding and other dangerous driving, traffic control devices and vehicle safety accidents
<i>Roads Act 1993</i>	Sets out rights of members of the public to pass along public roads, establishes procedures for opening and closing a public road, and provides for the classification of roads. It also provides for declaration of the RTA and other public authorities as roads authorities for both classified and unclassified roads, and confers certain functions (in particular, the function of carrying out roadwork) on the RTA and other roads authorities. Finally it provides for distribution of functions conferred by this Act between the RTA and other roads authorities, and regulates the carrying out of various activities on public roads
<i>Local Government (Highways) Act 1982</i>	An Act to consolidate with amendments certain enactments concerning the functions of the corporations of municipalities with respect to highways and certain other ways and places open to the public
<i>NSW Road Rules 2008</i>	A provision of road rules that are based on the Australian Road Rules so as to ensure that the road rules applicable in this State are substantially uniform with road rules applicable elsewhere in Australia
<i>Valuation of Land Act 1916</i>	This act sets out requirements in respect Land Valuation
<i>Crown Lands Act 1989</i>	An Act to provide for the administration and management of Crown land in the Eastern and Central Division of the State of NSW. Council has large holdings of Crown land under its care, control and management
<i>Heritage Act 1977</i>	An Act to conserve the environmental heritage of the State. Several properties are listed under the terms of the Act and attract a high level of maintenance cost, approval and monitoring
<i>Building Code of Australia</i>	The goal of the BCA is to enable the achievement of nationally consistent, minimum necessary standards of relevant, health, safety (including structural safety and safety from fire), amenity and sustainability objectives efficiently
<i>Building Fire and Safety Regulation 1991</i>	This Act sets out the regulations for things such as means of escape, Limitation of people in buildings, Fire and evacuation plans and testing of special fire services and installations
<i>Electrical Safety Act 2002</i>	This act sets out the installation, reporting and safe use with electricity
<i>Building Regulation 2003</i>	This act sets out requirements in respect to Building Requirements
<i>Plumbing and Drainage Act 2002</i>	This act sets out requirements in respect to Plumbing Requirements
<i>Rural Fires Act 1997</i>	An Act to establish the NSW Rural Fire Service and define its functions; to make provision for the prevention, mitigation and suppression of rural fires. Under the terms of this Act Council is required to mitigate any fire that emanate from bushland
<i>Dangerous Goods Safety Management Act 2001</i>	This act sets out the safe use, storage and disposal of dangerous goods
<i>Public Records Act 2002</i>	This act sets out requirements in respect maintaining Public Records
<i>Surveillance Devices Act</i>	This act sets out requirements in respect use of Surveillance Devices
<i>Civil Liability Act 2002</i>	An Act to make provision in relation to the recovery of damages for death or personal injury caused by the fault of a person
<i>Companion Animals Act 1998</i>	An Act to provide for the identification and registration of companion animals and for the duties and responsibilities of their owners



## 3.4 Levels of service

We have defined service levels in two terms.

**Community Levels of Service** measure how the community receives the service and whether the organisation is providing community value.

Community levels of service measures used in the asset management plan are:

<b>Quality:</b>	How good is the service?
<b>Function:</b>	Does it meet users' needs?
<b>Capacity/Utilisation:</b>	Is the service usage appropriate to capacity?

**Technical Levels of Service** - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

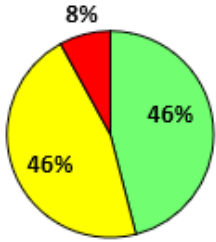
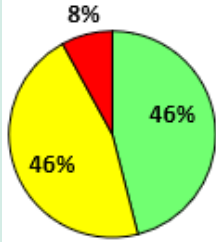
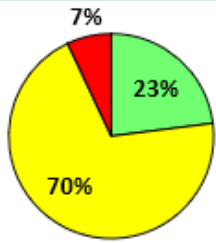
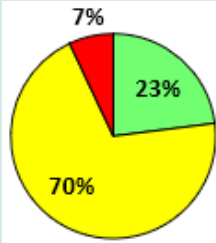
Technical service measures are linked to annual budgets covering:

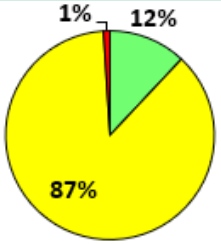
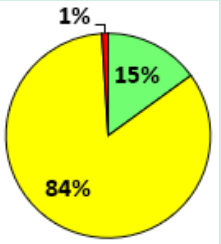
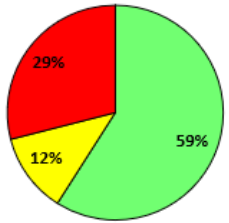
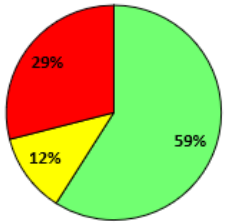
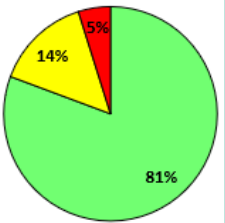
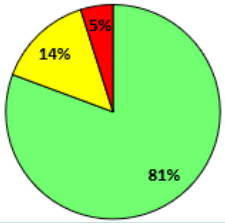
- *Operations* – the regular activities to provide services such as cleansing, mowing etc
- *Maintenance* – the activities necessary to retain an assets as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs)
- *Renewal* – the activities that return the service capability of an asset up to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement)
- *Upgrade* – the activities to provide an higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library)

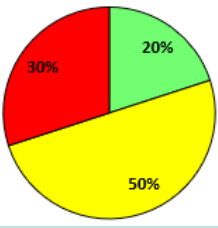
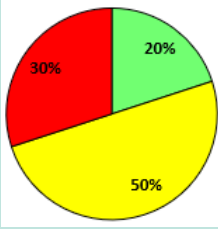
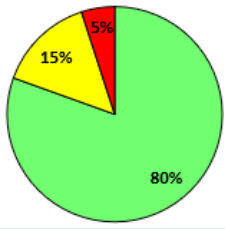
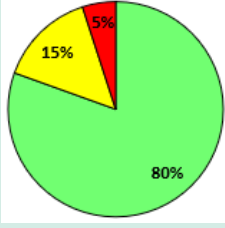
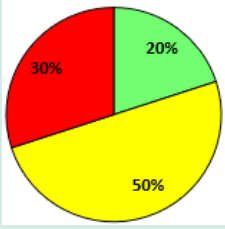
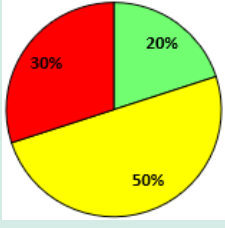
Service managers plan, implement and control technical service levels to influence the customer service levels.<sup>9</sup>

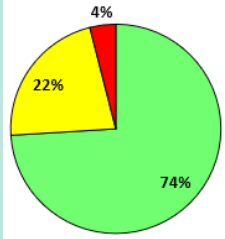
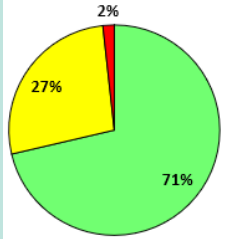
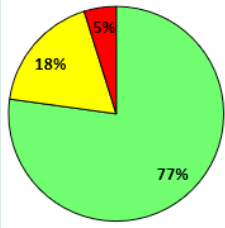
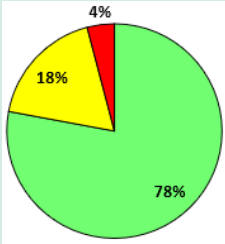
Together the community and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

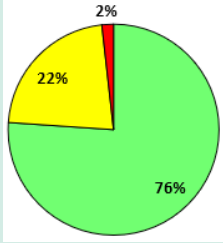
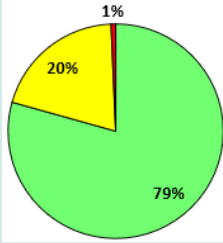
Table 3.4 - Community level of services

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	10 Year Projection Current LTFP Funding
<b>Community Levels of Service – Transport &amp; Stormwater Drainage</b>				
<b>Quality</b>	Well maintained roads, footpaths and Kerb and Gutter  Do not pond water  Look well maintained  Transport infrastructure condition meets hierarchy requirements for condition measures	Customer surveys         Customer requests	<i>Public transport is adequate for your needs:</i> 15% disagree  <i>Burwood is a safe area for pedestrians:</i> 13% disagree  <i>Traffic systems provide for safe and efficient traffic flow:</i> 33% disagree  <i>Burwood is a safe area for cyclists:</i> 37% disagree  Has not been fully assessed at this time	It is anticipated that customer requests and community satisfaction would remain the same if not improve over the next 10 years
	Roads State of the Assets Report Condition Profiles		 <p>Confidence Level: High</p>	 <p>Confidence Level: Medium</p>
	Footpaths State of the Assets Report. Condition Profiles		 <p>Confidence Level: High</p>	 <p>Confidence Level: Medium</p>

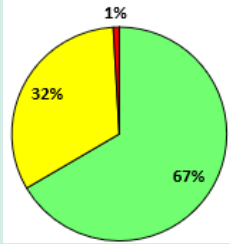
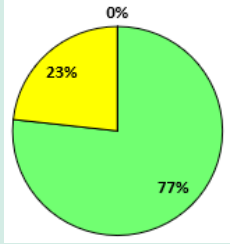
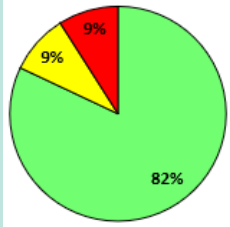
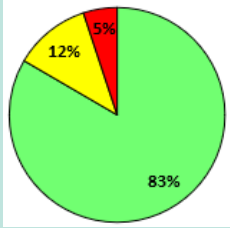
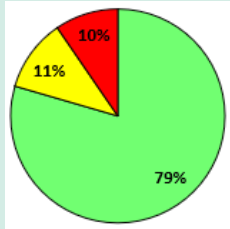
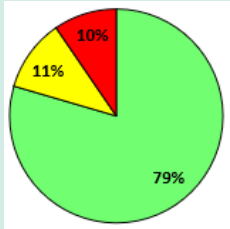
Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	10 Year Projection Current LTFP Funding
Quality	Footpaths State of the Assets Report. Condition Profiles	Kerb & Gutter State of the Assets Report. Condition Profiles	 <p>Confidence Level: High</p>	 <p>Confidence Level: Medium</p>
	Provide efficient method of collection and disposal stormwater. Stormwater Drainage condition meets hierarchy requirements for condition measures	Customer surveys Customer requests	Has not been fully assessed at this time	It is anticipated that customer requests and community dissatisfaction would remain the same over the next 10 years
		State of the Assets Report. Condition Profile	 <p>Confidence Level: Low</p>	 <p>Confidence Level: Low</p>
Function	Ensure access to facilities and services is provided that is suited to the use Transport Infrastructure meets hierarchy requirements for traffic volumes, design speed, width, alignment, access etc.	Customer requests Function Profile	<p>Has not been fully assessed at this time</p>  <p>Confidence Level: Low</p>	<p>Requests received should not increase annually</p>  <p>Confidence Level: Low</p>

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	10 Year Projection Current LTFP Funding
<b>Function</b>	Ensure stormwater system meets community expectations  Removal of Gross Pollutants	Customer requests  Function Profile	Has not been fully assessed at this time    Confidence Level: Low	Requests received should not increase annually.    Confidence Level: Low
<b>Capacity/ Utilisation</b>	Transport network meets the capacity requirements appropriate to hierarchy	Customer requests  Capacity Profile	Has not been fully assessed at this time    Confidence Level: Low	Requests received should not increase annually.    Confidence Level: Low
	Stormwater network meets the capacity requirements appropriate to hierarchy	Customer requests  Capacity Profile	Has not been fully assessed at this time    Confidence Level: Low	Requests received should not increase annually.    Confidence Level: Low

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	10 Year Projection Current LTFP Funding
<b>Community Levels of Service – Buildings</b>				
<b>Quality</b>	Service the needs of the community and Council to an appropriate standard  Buildings and facilities to be safe and suitable to users  At a quality or standard suitable for their use	Customer surveys	<i>There is a good range of opportunities for cultural and artistic activities and expression:</i> 22% disagree  <i>There is a good range of leisure, sport and recreation opportunities:</i> 15% disagree  Has not been fully assessed at this time	It is anticipated that customer requests will not increase and community dissatisfaction would remain steady over the next 10 years
		Customer requests  Buildings State of the Assets Report  Condition Profiles	 <p>Confidence Level: High</p>	 <p>Confidence Level: Medium</p>
<b>Function</b>	Buildings and facilities to be suitable for customer activities  Easy to access  Fit for their purpose  Create a pleasant experience	Customer requests  Function Profile	Has not been fully assessed at this time   <p>Confidence Level: Low</p>	Requests are likely to increase slowly annually   <p>Confidence Level: Low</p>

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	10 Year Projection Current LTFP Funding
<b>Capacity/ Utilisation</b>	Building facilities meet program delivery needs  Available  Sufficient facilities for the number of users  Not overused	Customer requests  Capacity Profile	Has not been fully assessed at this time   Confidence Level: Low	Requests are likely to increase slowly annually   Confidence Level: Low

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	10 Year Projection Current LTFP Funding
<b>Community Levels of Service – Parks &amp; Recreation</b>				
<b>Quality</b>	Look well maintained and clean  Fields have playable surface  At a quality or standard suitable for their purpose	Customer surveys    Customer requests	<i>Sporting facilities in the area meet your needs:</i> 18% disagree  <i>There is a good range of leisure, sport and recreation opportunities:</i> 15% disagree  Has not been fully assessed at this time	It is anticipated that customer requests will decrease and community dissatisfaction would decline over the next 10 years

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	10 Year Projection Current LTFP Funding
<b>Quality</b>		Parks & Recreation Assets State of the Assets Report Condition Profiles	 <p>Confidence Level: High</p>	 <p>Confidence Level: Medium</p>
<b>Function</b>	Easy to access Fit for their use Create a pleasant experience	Customer requests Function Profile	Has not been fully assessed at this time  <p>Confidence Level: Low</p>	Requests received should not increase annually  <p>Confidence Level: Low</p>
<b>Capacity/ Utilisation</b>	Available Sufficient facilities for the number of users Not overused	Customer requests Capacity Profile	Has not been fully assessed at this time  <p>Confidence Level: Low</p>	Requests received should not increase annually.  <p>Confidence Level: Low</p>

Technical levels of service for each asset category are detailed in Appendix C

# Future demand

## 4.1 Demand drivers

Drivers affecting demand include population change, changes in demographics, seasonal factors, climate change, vehicle ownership rates, consumer preferences and expectations, government decisions, technological changes, economic factors, agricultural practices, environmental awareness etc.

## 4.2 Demand forecast

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in *Table 4.3*.

## 4.3 Demand impact on assets

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in *Table 4.3*.

**Table 4.3 - Demand drivers, projections and impact on services**

Demand drivers	Present position	Projections	Impact on services
<b>Development</b>	Population increase and higher density development	Steady growth anticipated to continue	Increase in demand for services supported by infrastructure due to development and population growth
<b>Community expectations</b>	There is a desire from the community for a high standard of services	Expectations will continue to increase	Existing networks may not be fully suitable for the purpose
<b>Increasing Costs</b>	The cost to construct, maintain and renew infrastructure is increasing at a rate greater than council's revenue	Cost of renewing infrastructure systems is increasing. Cost increases are anticipated to continue and will likely be at a higher rate than CPI	The need to carefully target and plan infrastructure is increasing in importance as maximising the service that can be delivered within the funding limitations will be under pressure
<b>Environment and climate change</b>	it is widely accepted that climate is changing	Future is uncertain but is likely that climate change will impact on the delivery of the services provided by infrastructure. Weather extremes will have significant impact on infrastructure	Some services such as the Transport and stormwater drainage may be impacted directly by climate/rainfall and severe events. Higher frequency and larger flood events



## 4.4 Demand Management Plan

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures.<sup>10</sup>

Examples of non-asset solutions include providing joint services from existing assets such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

Opportunities identified for demand management are shown in *Table 4.4*.

## 4.5 Asset programs to meet demand

The new assets required to meet growth will be acquired free of cost from land developments and constructed/acquired by the organisation. New assets constructed/acquired by the organisation are discussed in *Section 5.5*.

Acquiring these new assets will commit the organisation to fund ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs in *Section 5*.

**Table 4.4 - Demand Management Plan summary**

Service impact	Demand Management Plan
Communicate options and capacity to fund infrastructure works with the community	Monitor community expectations and communicate service levels and financial capacity with the community to balance priorities for infrastructure with what the community is prepared to pay for
Funding priority works	Link asset management planning to long term financial plans and community strategic plans Continue to seek grant funding for projects identified in Burwood's Community and Asset Management Plans
Improve understanding of costs and capacity to maintain current service levels	Continue to analyse the cost of providing service and the capacity to fund at the current level of service
Climate Change	Increased understanding of climate change effects and required management techniques

<sup>10</sup> IPWEA, 2011, IIMM, Table 3.4.1, p 3158.

# Lifecycle Management Plan

The lifecycle management plan details how the organisation plans to manage and operate the assets at the agreed levels of service (defined in *Section 3*) while optimising life cycle costs.

## 5.1 Background data

### 5.1.1 Physical Parameters

The assets covered by this asset management plan are shown in *Tables 2.2 and 2.3.1*.

### 5.1.2 Asset capacity and performance

The organisation's services are generally provided to meet design standards where these are available.

## 5.2 Infrastructure Risk Management Plan

An assessment of risks associated with service delivery from infrastructure assets conducted for each relevant asset management plan identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the organisation.

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 risks.

Critical risks, being those assessed as 'Very High' – requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan(s) and the adopted treatment plan are summarised in *Table 5.2*. These risks are regularly reported to management and Council/Board.

**Table 5.2 - Critical risks and treatment plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
<b>Roads</b>			
Increasing financial pressure to adequately maintain the roads portfolio	The long-term renewal of road seals is not adequate	Very High	Roads resealing program focusing on high priority areas determined by road hierarchy, condition data, and priorities identified in the Community Strategic Plan
Road Maintenance	Increasing maintenance requirements	High	Continue to improve data
Road Damage	Damage to roads as a result of major storm events	Very High	At present this can be only partially managed within councils resourcing. Council is reliant on assistance funding from other levels of government to manage these events
<b>Stormwater Drainage</b>			
Stormwater Network	General deterioration of the network resulting in structural and capacity failures	High	Assess adequacy of inspections, particularly in aged network areas. Keep data up to date so that renewals can be planned
	Flooding due to blockages	High	Assess adequacy of programs and monitor frequency of problems due to inadequate cleaning or maintenance
	Flooding caused by inadequate or lack of stormwater systems	High	Review stormwater management program
<b>Footpaths</b>			
Footpaths	Path user trips and injure themselves on damaged path surface.	High	Regular inspection of path condition and defects in accordance with footpath policy. Inspections by Council personnel for any hazards reported by public. Use of materials in new path construction to increase life of footpath
<b>Buildings</b>			
Building Renewal	Buildings deteriorate to a lesser service standard and higher risk situation	Medium - High	Future planning improvements can be made by further documented service level risks and utilisation of these in establishing future renewal priorities
Utilisation	Buildings not suiting the needs of service providers	Medium	Continue to monitor not only the condition of buildings, but how well they suit the needs of users
<b>Parks and recreations</b>			
Playgrounds	Incident or injury for the Community using facilities		Regular renewal of softfall, prevention of usages if broken, repair faulty or broken equipment through regular inspection and maintenance

## 5.3 Routine Operations and Maintenance Plan

Operations include regular activities to provide services such as public health, safety and amenity, e.g. cleansing, utility services, street sweeping, grass mowing and street lighting.

Routine maintenance is the regular on-going 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.

### 5.3.1 Operations and Maintenance Plan

Operations activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal.

Maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AMP and service risks considered in the Infrastructure Risk Management Plan.

### 5.3.2 Operations and maintenance strategies

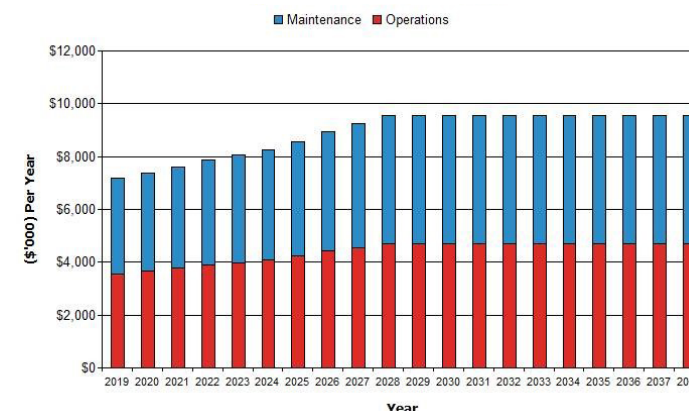
We will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50–70% planned desirable as measured by cost)
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council/Board
- Review current and required skills base and implement workforce training and development to meet required operations and maintenance needs
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operations and maintenance activities
- Develop and regularly review appropriate emergency response capability
- Review management of operations and maintenance activities to ensure we are obtaining best value for resources used.

### 5.3.3 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in *Figure 6.1* with estimated available operating budget funding. Note that all costs are shown in current dollar values (i.e. real values).

**Figure 6.1 - Projected operations and maintenance expenditure and budget (Scenario 1)**



## 5.4 Renewal/Replacement Plan

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

### 5.4.1 Renewal/Replacement strategies

We will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner
- Undertaking project scoping for all capital renewal and replacement projects to identify
  - o the service delivery 'deficiency', present risk and optimum time for renewal/replacement
  - o the project objectives to rectify the deficiency
  - o the range of options, estimated capital and life cycle costs for each options that could address the service deficiency
  - o and evaluate the options against evaluation criteria adopted by Council/Board, and
  - o select the best option to be included in capital renewal programs
- Using optimal renewal methods (cost of renewal is less than replacement) wherever possible
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council/Board

- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required
- Review management of capital renewal and replacement activities to ensure we are obtaining best value for resources used

### 5.4.2. Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replace a bridge that has a 5t load limit), or To ensure the infrastructure is of sufficient quality to meet the service requirements (eg roughness of a road).

It is possible to get some indication of capital renewal and replacement priorities by identifying assets or asset groups that:

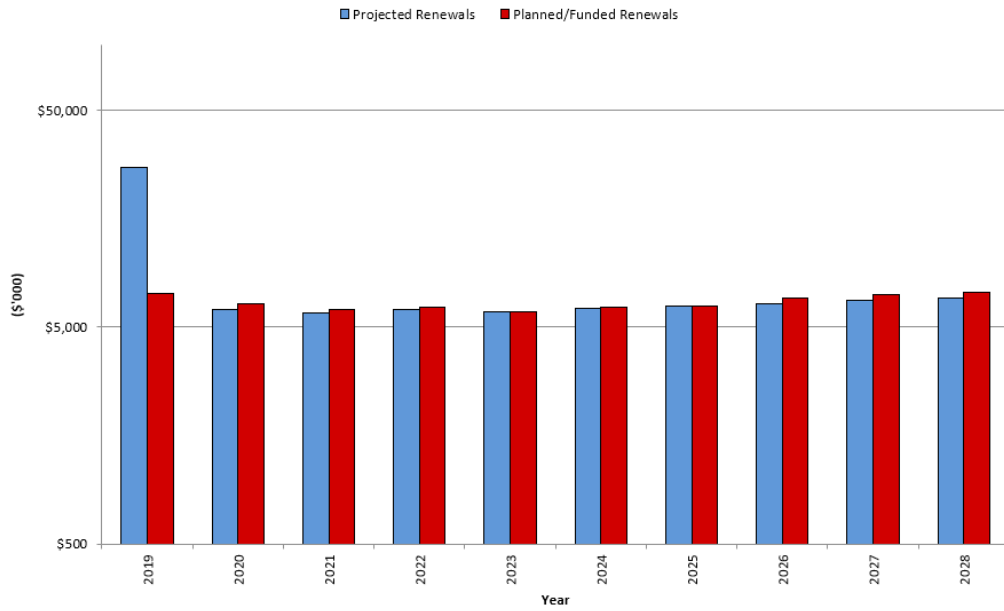
- have a high consequence of failure;
- have a high utilisation and subsequent impact on users would be greatest;
- the total value represents the greatest net value to the organisation;
- have the highest average age relative to their expected lives;
- are identified in the AM Plan as key cost factors;
- have high operational or maintenance costs; and
- where replacement with modern equivalent assets would yield material savings.

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in the respective asset management plans.

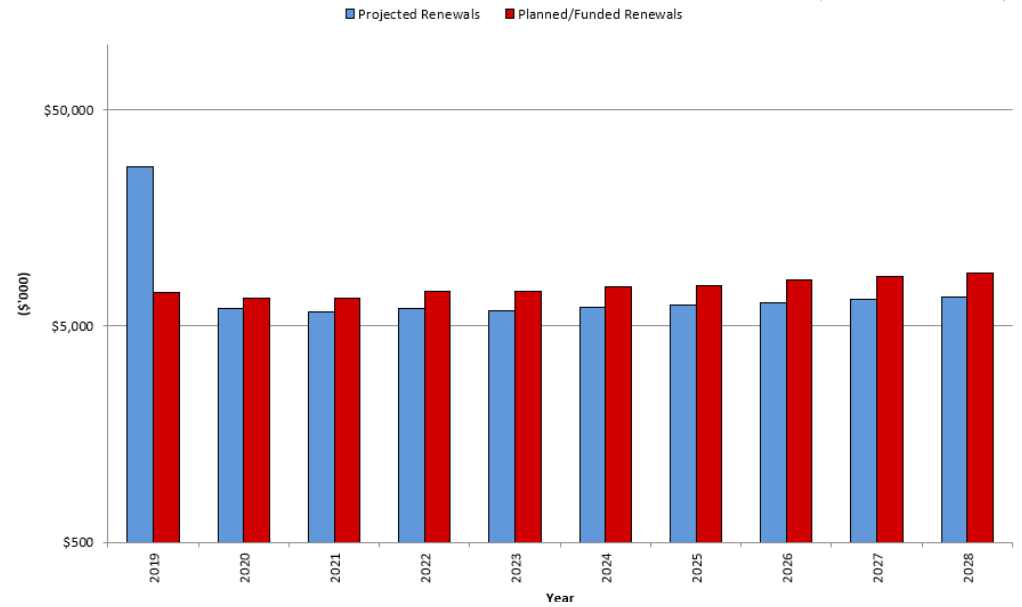
### 5.4.3 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases from growth. The projected expenditure and estimated available capital renewal budget funding is summarised in *Figures 7.0 and 7.1.*

**Figure 7.0 - Projected capital renewal and replacement expenditure (Scenario 1 - No SRV)**



**Figure 7.1 - Projected capital renewal and replacement expenditure (SRV Scenario)**



## 5.5 Creation, Acquisition, Upgrade Plan

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 organisation from land development. These assets from growth are discussed in *Section 4.5*.

### 5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate 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. The priority ranking criteria is detailed in the respective asset management plans.

### 5.5.2 Capital Investment Strategies

We will plan capital upgrade and new projects to meet level of service objectives by:

- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- Undertake project scoping for all capital upgrade/new projects to identify
  - o the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset;
  - o the project objectives to rectify the deficiency including value management for major projects;
  - o the range of options, estimated capital and life cycle costs for each options that could address the service deficiency;
  - o management of risks associated with alternative options;
  - o and evaluate the options against evaluation criteria adopted by Council/ Board; and
  - o select the best option to be included in capital upgrade/new programs
- Review current and required skills base and implement training and development to meet required construction and project management needs
- Review management of capital project management activities to ensure we are obtaining best value for resources used

Standards and specifications for maintenance of existing assets and construction of new assets and upgrade/expansion of existing assets are detailed in relevant asset management plans.

### 5.5.3 Summary of future upgrade/new assets expenditure

Over the next 10 years Council is planning to invest \$17.6m to improve services by upgrading or building new infrastructure to service the Burwood community.

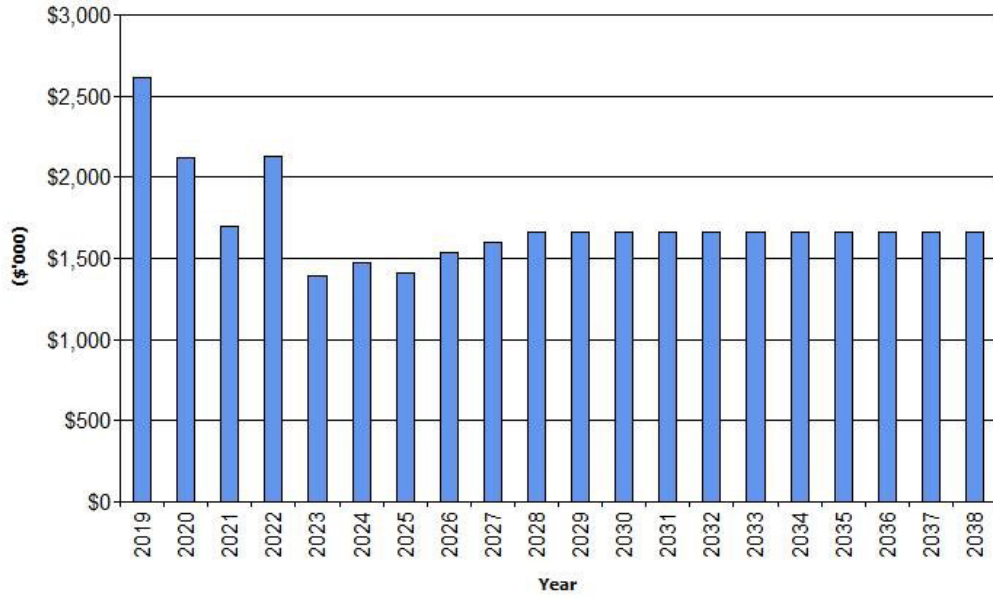
This is predominately made up of Transport \$7m, Stormwater Drainage \$3.6m, Buildings \$3.5m and Parks \$3.4m. Under the proposed SRV an additional \$8.6m is planned for Stormwater Drainage to resolve existing capacity and functional issues of the network.

Proposed upgrade/new expenditures for both scenarios are shown in *Figures 8.0* and *8.1* on the next page.

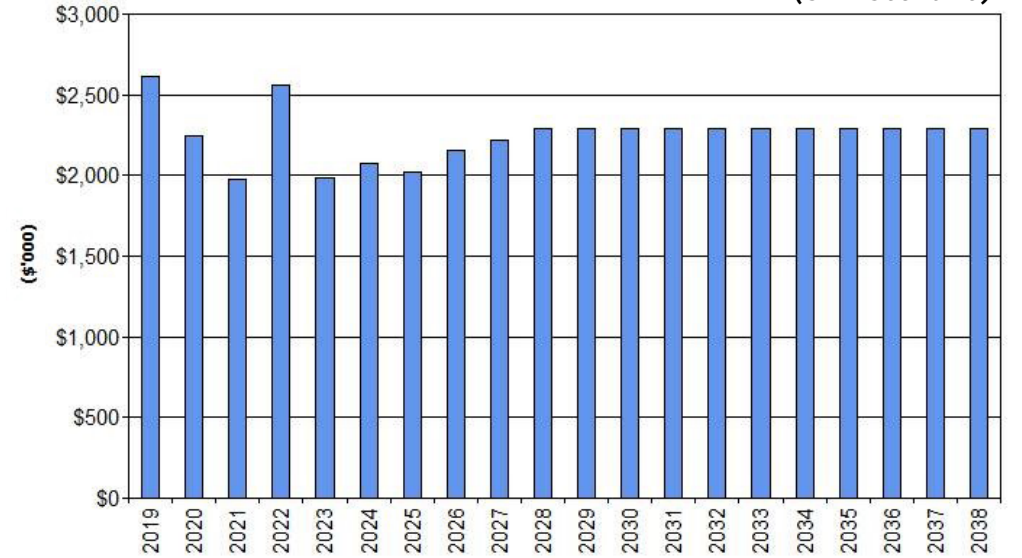
## 5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. No assets have been identified for possible decommissioning or disposal in this plan.

**Figure 8.0 - Projected capital upgrade/New asset expenditure (Scenario 1 - No SRV)**



**Figure 8.1 - Projected capital upgrade/New asset expenditure (SRV Scenario)**





# Financial Summary

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 1.0 for the first years of the asset management plan and ideally over the 10 year life of the LTFP.

Figures 9.0 and 9.1 (on the next page) show the projected asset renewal and replacement expenditure over the 10 years of the AMP. The graph also importantly shows the accumulated impact that each funding scenario is having on council's reported backlog.

## 6.1 Financial indicators and projections

### 6.1.1 Sustainability of service delivery

In addition to long term life cycle costs/ expenditures there are 3 key indicators for service delivery sustainability that have been considered within this plan, these being the asset renewal funding ratio and the medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

The Asset Renewal Funding Ratio is the most important indicator and reveals whether projected capital renewal and replacement expenditure can be financed in the long-term financial plan. It is calculated by dividing the projected capital renewal expenditure shown in the AM Plan by the estimated capital renewal budget provided in the long-term financial plan.

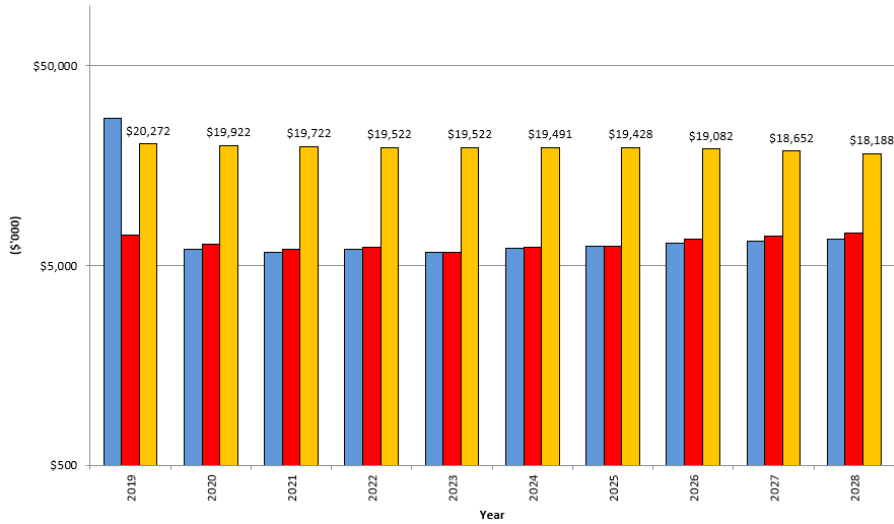
Table 6.1.1 shows sustainability of service calculations for Buildings & Infrastructure and each of council's major funds.

Under the current LTFP council can fund 75% of the projected asset renewals (Including existing backlog) in the next 10 years. Whilst not at 100% Council is slowly (10%) addressing its current backlog issues. Under the proposed SRV however this funding is increased to 86% and would allow Council to materially reduce (62%) its current backlog.

**Table 6.1.1 - Sustainability of service delivery (including current backlog)**

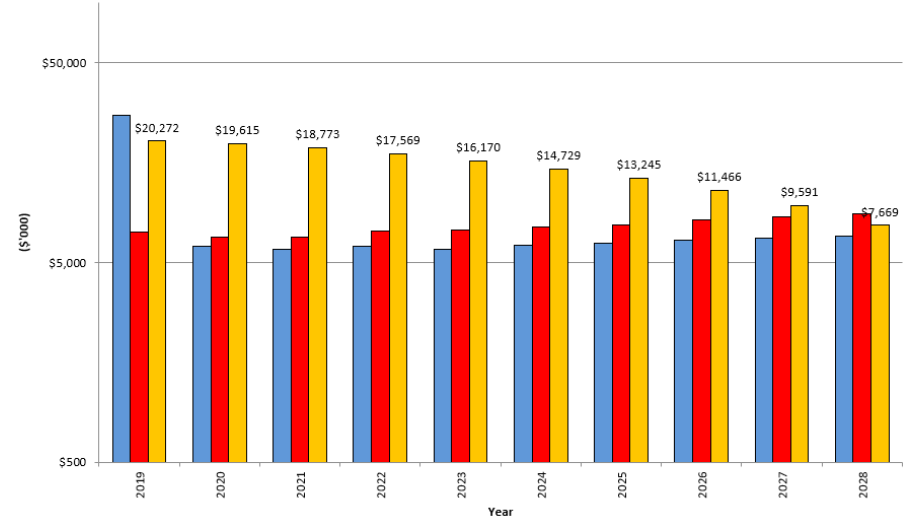
Sustainability of service delivery (Including Backlog)	Scenario 1 (\$'000s)	SRV Scenario (\$'000s)
<b>Asset Renewal Funding Ratio</b>		
Asset Renewal Funding Ratio	75%	86%
<b>Medium Term Sustainability (10 years)</b>		
10 year Operations, Maintenance & Renewal Projected Expenditure	\$16,590	\$16,590
10 year Operations, Maintenance & Renewal Planned (Budget) Expenditures	\$14,771	\$15,823
10 year Funding Shortfall (10 year Projected Expenditures Planned (Budget) Expenditures)	-\$1,819	-\$767
10 year Sustainability Indicator (10 year Planned Expenditure/ Projected Expenditure)	89%	95%
<b>Short Term Sustainability (5 years)</b>		
5 year Operations, Maintenance & Renewal Projected Expenditure	\$17,839	\$17,839
5 year Operations, Maintenance & Renewal Planned (Budget) Expenditure	\$13,935	\$14,605
5 year Funding Shortfall - 5 year Projected Expenditures Planned (Budget) Expenditures	-\$3,904	-\$3,234
5 year Sustainability Indicator (5 year Planned Expenditures/ Projected Expenditures)	78%	82%

**Figure 9.0 - Projected and LTFP budgeted renewal expenditure including backlog (Scenario 1 - No SRV)**



Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$27,372	\$7,100	-\$20,272	\$20,272
2020	\$6,053	\$6,403	\$350	\$19,922
2021	\$5,836	\$6,036	\$200	\$19,722
2022	\$5,992	\$6,192	\$200	\$19,522
2023	\$5,843	\$5,843	\$0	\$19,522
2024	\$6,126	\$6,157	\$31	\$19,491
2025	\$6,208	\$6,271	\$63	\$19,428
2026	\$6,424	\$6,770	\$346	\$19,082
2027	\$6,605	\$7,035	\$430	\$18,652
2028	\$6,806	\$7,270	\$464	\$18,188

**Figure 9.0 - Projected and LTFP budgeted renewal expenditure including backlog (SRV Scenario)**



Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$27,372	\$7,100	-\$20,272	\$20,272
2020	\$6,053	\$6,403	\$350	\$19,922
2021	\$5,836	\$6,036	\$200	\$19,722
2022	\$5,992	\$6,192	\$200	\$19,522
2023	\$5,843	\$5,843	\$0	\$19,522
2024	\$6,126	\$6,157	\$31	\$19,491
2025	\$6,208	\$6,271	\$63	\$19,428
2026	\$6,424	\$6,770	\$346	\$19,082
2027	\$6,605	\$7,035	\$430	\$18,652
2028	\$6,806	\$7,270	\$464	\$18,188

## 6.2 Funding Strategy

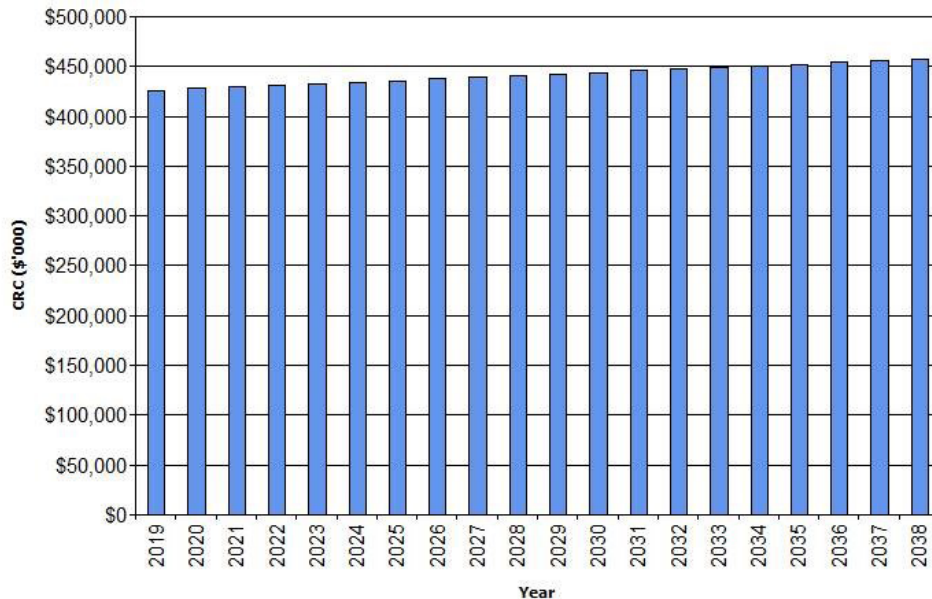
The funding strategy to provide the services covered by this asset management plan is contained within the organisation's 10 year long term financial plan.

## 6.3 Funding Valuation forecasts

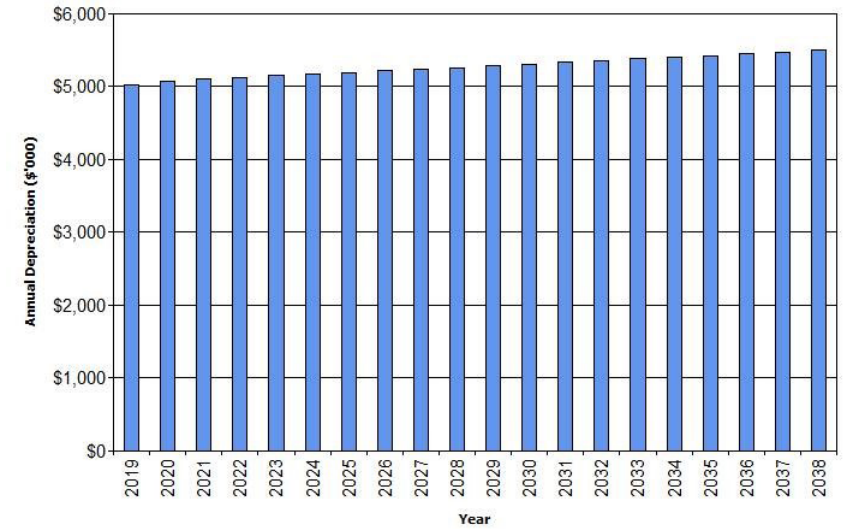
Asset values are forecasted to increase as additional upgraded and new assets are added to the asset stock from construction and acquisition by the organisation. *Figure 10* shows the projected replacement cost asset values over the planning period in real values.

Depreciation expense values are forecast in line with asset values as shown in *Figure 11*.

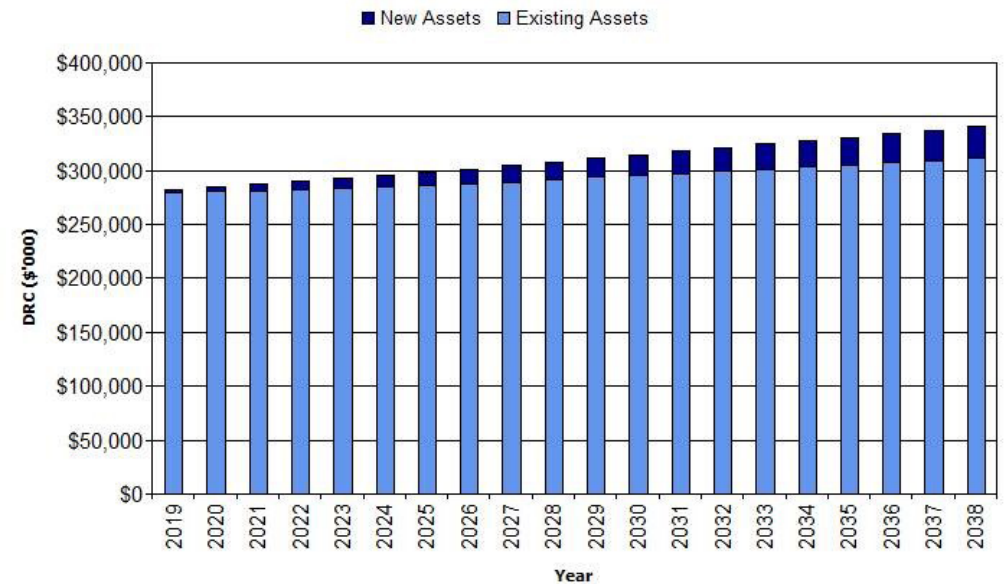
**Figure 10 - Projected asset values (Scenario 1)**



**Figure 11 - Projected depreciation expenses (Scenario 1)**



**Figure 12.1 - Projected depreciated replacement cost (Scenario 1)**



## 6.4 Key assumptions made in financial forecasts

This section details the key assumptions made in presenting the information contained in this AMP 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 assumptions made in this AMP and risks that these may change are shown in *Table 6.4*.

**Table 6.4 - Key assumptions made in AMP and risk of change**

Key Assumptions	Risks of change to assumptions
Projected renewal data including average annual asset consumption which is used for the Long Term sustainability assessments	Buildings - <i>Medium</i> Parks - <i>Low</i> Stormwater - <i>Med/High</i> Transport - <i>Low</i>
Use of existing valuations, useful lives and remaining lives determined from the condition rating	Buildings - <i>Medium</i> Parks - <i>Low</i> Stormwater - <i>Medium</i> Transport - <i>Low</i>
Use of current expenditure information as best as this can be determined	Capital forecasts - <i>Low</i> Operational & Maintenance Forecasts - <i>Medium</i>

## 6.5 Forecast reliability and confidence

The expenditure and valuations projections in this strategic AM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. The estimated confidence level for and reliability of data used in this AM Plan is shown in *Table 6.5*.

Over all data sources, the data confidence is assessed as medium to high confidence level for data used in the preparation of this AMP. Actions to mitigate the adverse effects of data quality are included within *Table 7.2*.

**Table 6.5 - Data Confidence Assessment for AMPs summarised in AMP**

Data	Strategy	Desired outcome
Demand drivers	C Uncertain	Estimated, further substantiation required for next revision of the SAMP
Growth projections	B Reliable	Estimated, further substantiation required for next revision of the SAMP
Operations expenditures	B Reliable	From budget however, additional analysis required. Breakdown into operations and maintenance is estimated and requires further development.
Maintenance expenditures	B Reliable	From budget however, additional analysis required. Breakdown into operations and maintenance is estimated and requires further development.
Projected Renewal expenditures		
Asset Values	B Reliable	From 2017-18 Financial Report
Asset useful lives	B Reliable	Ongoing substantiation required always required
Condition modelling	B Reliable	Buildings – Medium Confidence Parks – High Confidence Stormwater Drainage – Low Confidence Transport – High Confidence
Network renewals	B Reliable	Buildings – Medium Confidence Parks – High Confidence Stormwater Drainage – Low Confidence Transport – High Confidence
Upgrade/New expenditures	B Reliable	Could be identified or slip from total capital works budget budget
Disposal expenditures	B Reliable	None Identified

# Plan improvement and monitoring

## 7.1 Funding Strategy

The asset management improvement tasks identified from an external Asset Management Maturity Audit and preparation of this AMP are shown in *Table 7.2*.

*Table 7.2 - AM Maturity key strategies*

National Framework	National Framework Element	Core Element	Key Strategy Number	Task/Action	Responsibility	Resources Required	Timeline	Current Status Comments
AM Planning	AM Policy	Y	KS-1	<p>Ensure that the AM Policy is implemented and communicated to key stakeholders.</p> <p>Annual review of policy implementation by the Project Management Working Party and Audit Committee.</p> <p>Ensure Council is briefed on their roles and governance responsibilities under the reviewed AM policy</p>				
AM Planning	Governance & Management	Y	KS-2	<p>Implement this asset management development program to improve Councils asset management maturity, particularly in the area of measurement and reporting of trends in service levels and risk that result from the available funding scenarios in the long term financial plan</p>				
AM Planning	AM Plans	Y	KS-3	<p>Continue to develop and update Strategic Asset Management Plans for the major asset groups</p>				

National Framework	National Framework Element	Core Element	Key Strategy Number	Task/Action	Responsibility	Resources Required	Timeline	Current Status Comments
Financial Planning	Annual Budget	Y	KS-4	Identify infrastructure expenditure by both: - Expenditure Category i.e. the Asset Group it is associated with; for example, road pavement - Expenditure Type – operating, maintenance, capital renewal, capital upgrade or capital expansion				
AM Planning	Governance & Management	Y	KS-5	Consider the ongoing ownership costs of new capital works proposals in budget deliberations. This is achieved by identifying the renewal and capital upgrade/expansion components of all capital works projects, and providing for the ongoing operational and maintenance requirements				
AM Planning	Skills & Processes	Y	KS-6	Develop Risk Delivery Programs for all major asset classes				
AM Planning	Data & Systems	Y	KS-7	Review the completeness and accuracy of the data for all major infrastructure classes				
AM Planning	Data & Systems		KS-8	Use a knowledge management strategy to ensure that appropriate and optimal decision support information is available to clearly communicate the cumulative consequences of decisions				
AM Planning	Data & Systems	Y	KS-9	Develop a corporate asset register meeting both technical and financial reporting requirements				
Financial Planning	Annual Report	Y	KS-10	Develop and adopt an Asset Accounting and Capitalisation Policy that assists in meeting the intention of Fair Value Reporting (AASB116)				

National Framework	National Framework Element	Core Element	Key Strategy Number	Task/Action	Responsibility	Resources Required	Timeline	Current Status Comments
AM Planning	AM Plans	Y	KS-11	Continue to develop funding models which address the need for sustainable renewal of infrastructure and which identifies all asset life cycle costs				
Financial Planning	Strategic Longer Term Plan	Y	KS-12	The 10 year financial sustainability plan for all Council functions will consider both the future anticipated income projections, and the future expenditure requirements to sustain services. This plan will consider the expenditures identified in the Asset Management Plans and will provide input into the annual Council budget				
AM Planning	Levels of Service	Y	KS-13	Continue to improve the information on the relationship between the service level and cost so that future community consultation will be well informed of the options and costs				
AM Planning	Evaluation	Y	KS-14	Undertake a detailed assessment of the resources required to implement this Asset Management Improvement Plan so that a program of improvement and milestones can be implemented and monitored				

### 7.3 Monitoring and review procedures

The AMP has a life of four years (Council election cycle) and is due for complete revision and updating within one year of each Council election.

### 7.4 Performance measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this asset management plan are incorporated into the organisation's long term financial 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 summarised asset management plans
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the organisation's Strategic Plan and associated plans
- The Asset Renewal Funding Ratio achieving the target of 100%.



# References

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IPWEA, 2011, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, [www.ipwea.org/IIMM](http://www.ipwea.org/IIMM)

Sustainable Modern Family  
Heritage Green Clean

BURW2030D  
**WORKFORCE  
PLAN**

Safe  
Vibrant Multicultural  
Creative  
SHOPPING  
Parks  
Inclusive

Delivered by



*Burwood Council*  
heritage • progress • pride

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# Introduction

**The Workforce Management Plan 2018-22 addresses the priorities and manages the human resources required to achieve the activities from Council's Delivery Program by identifying current and forecasted capacity ensuring the right people are in the right place at the right time.**

This plan forms part of Council's Resourcing Strategy which has been developed in conjunction with the revised Community Strategic Plan which was adopted by Council on 26 June 2018. It presents a snapshot of Council's current workforce profiles and opportunities that are designed to build a flexible, customer centric, contemporary and adaptive workforce that is ready and able to respond proactively to the challenges of the future.



# The process



# Our workforce



**45%**  
of staff younger  
than 45

**246**  
employees  
153.55 FTE

**42** median age (49  
years excluding  
casuals)



**12.35%**  
turnover rate

**56%**  
greater than 5  
years of service

**50.5%**  
male

**49.5%**  
female



Greater female  
representation  
in Engineering/  
Infrastructure  
and Planning/  
Environment than  
across the sector  
Australia wide



**34%**  
part time or casual

**11%**  
increase in total  
staff from 2011  
to 2015

**\$78,784**  
average salary



Data as of May 2018



# The Strategies

Burwood Council's Workforce Management Plan 2018-2022 is the third of the workforce plans for Council as part of the resourcing strategy.

This plan builds on and reinforces existing good practices, workforce planning strategies outlined in Council's Workforce Plans for 2011-2015 and 2015-2019 and continues the focus on our people ensuring the right people are in the right place at the right time to deliver the Delivery Program.

Workforce planning is an ongoing strategic process, which aligns Council's workforce requirements to its business objectives. This involves considering emerging challenges and opportunities, the current and future business environment and identifying the current skill gaps in service delivery, expected future demand for workforce capacity, skills and capabilities.

## Opportunities

- Burwood is identified as a Strategic Centre with strong economic, commercial and population growth forecasted
- Long term financial stability of the Council through prudent asset and financial management
- Council is recognised as an innovative, fair and ethical employer
- Strong collegiate executive leadership
- Development of our future leaders
- Competitive flexible employment benefits provided
- Multi skilled employees providing greater range of services

## Challenges

- An ageing workforce and development of appropriate management strategies
- Effective succession planning strategies
- Opportunities to create and recruit positions for young people
- Programs and incentives that will support the Council to be an employer of choice
- Provision of modern learning and development activities with greater use of technology
- Effective performance management
- Recruitment strategies to fill identified skills gaps
- Encouragement of workforce diversity and work/life balance

## Objectives

The Workforce Strategies have been developed using four themes:

1. Learning and Development
2. Employee and Workforce Relations
3. Injury Prevention and Risk Management
4. People Planning

Each theme provides a range of objectives to be achieved within the organisation between 2018 to 2022. These objectives take into consideration the future opportunities and challenges for the organisation.

The Workforce Plan was developed utilising the the themes of Council's Burwood2030 Community Strategic Plan. Within each theme, emerged clear operational objectives for the organisation which are known as 'The Six Pillars'. The Pillars are as follows:

- Customer Service
- Cleanliness
- Beautification
- Development Applications
- Capital Works
- Organisation Effectiveness

These Pillars provide a clear direction and focus for the actions in the Workforce Plan.

# 1. Learning and Development

Objective	Description	Key Elements for 2018-2022	Timeframe			
			2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022
Support and strengthen workforce capability and development	Align individual objectives with the business unit and Council objectives.	<ul style="list-style-type: none"> <li>Broaden existing leadership development programs both within Council and in partnership with other Councils.</li> </ul>		X		X
	Identify learning and development needs for individual, business unit and Council levels and provide programs to develop skills, competencies and knowledge to employees.	<ul style="list-style-type: none"> <li>Conduct of a quality provision of customer service program to all employees</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Conducting skills audits, identifying skills needs and ensuring skills utilisation and analysis of learning and development budget.</li> </ul>		X		X
	Strengthening and fostering strong and positive leadership behaviours at all levels of management	<ul style="list-style-type: none"> <li>Develop and maintain annual learning and development plan in accordance with CaP program.</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Strengthen the business units and employees that would benefit from further formal qualifications as identified in Council's Training and Development Corporate Practice.</li> </ul>	X		X	
		<ul style="list-style-type: none"> <li>Focus on the development areas for Managers and Supervisors in: recognising, acknowledging and developing good performance and providing open and constructive communication with their peers, employees and stakeholders.</li> </ul>	X		X	



## 2. Employee and Workforce Relations

Objective	Description	Key Elements for 2018-2022	Timeframe				
			2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	
<b>Develop and promote cohesive best practice people strategies</b>	Manage the employment relationship between employees and Council.	<ul style="list-style-type: none"> <li>Review and introduction of contemporary flexible work practices and procedures to optimise workforce flexibility and responsiveness through further application and use of technology and workforce configuration.</li> </ul>	X		X		
	<b>Satisfied and engaged employees</b>	Develop and maintain an effective entitlements, conditions and performance management system.	<ul style="list-style-type: none"> <li>Review and update all Organisation Development corporate practices and procedures in accordance with Council's review cycle.</li> </ul>	X	X	X	X
		Provide recognition for employees and manage underperformance.	<ul style="list-style-type: none"> <li>Review, streamline and automate our recruitment and selection processes for better candidate sourcing and selection, talent management and on-boarding activities.</li> </ul>		X	X	
		Source and select employees to fill vacancies and capability gaps.	<ul style="list-style-type: none"> <li>Review and update Council's Equal Employment Opportunity Management Plan.</li> </ul>		X		X
		Develop and maintain contemporary, innovative, flexible and responsive people management policies, procedures, guidelines and practices.	<ul style="list-style-type: none"> <li>Biennial conduct of Employee Opinion Survey and address the top three (3) performance areas identified for improvement.</li> </ul>	X		X	

# 3: Injury Prevention and Risk Management

Objective	Description	Key Elements for 2018-2022	Timeframe			
			2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022
<b>Provide a healthy and safe workplace with a high commitment to risk management</b>	Ongoing management of health, safety and welfare of employees, volunteers, contractors at work.	<ul style="list-style-type: none"> <li>Conduct of Biennial Employee Health Expo.</li> </ul>		X		X
	Controlling and mitigating risk of Council activities on customers, suppliers and wider community.	<ul style="list-style-type: none"> <li>Implement and maintain a employee wellbeing program to promote work/life balance and healthy initiatives (i.e. quit smoking, nutrition/ healthy eating, healthy heart, skin cancer checks, audio testing, fitness classes, mindfulness, financial planning, relaxation, transition to retirement, Influenza and Hepatitis B immunisation, etc.)</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Continuous improvement, update and education on all Safe Work Method Statements and Standard operating procedures to maintain a robust and proactive safety culture.</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Finalise the update and revision of all Business Continuity Plans (BCP) for all Council sites and conduct biennial testing and revision of theses BCP's.</li> </ul>	X		X	
		<ul style="list-style-type: none"> <li>Annual review and update of the Enterprise Risk Register.</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Pro-active member of CivicRisk Mutual risk management and insurance scheme and participation in associated learning and development programs.</li> </ul>	X	X	X	X

# 4: People Planning

Objective	Description	Key Elements for 2018-2022	Timeframe			
			2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022
<b>Support Council's ability to deliver future programs and services</b>	Integrate HR principles into the resource planning process and ensure the size, shape and mix of workplace is balanced against Council objectives and ongoing financial sustainability requirements.	<ul style="list-style-type: none"> <li>Co-ordinate with the Executive Team (3) service delivery reviews each financial year and actively promote and apply the Australian Business Excellence Framework to improve organisation effectiveness.</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Succession plan – Annual review and update of plan and identification of critical roles.</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Develop and apply effective Human Resources metrics and data sets for informed decision making</li> </ul>	X	X	X	X
	Optimise and appreciate the diverse skills, talents and backgrounds of employees.	<ul style="list-style-type: none"> <li>Ensure accuracy of workforce and establishment data to inform future discussions and directions as a consequence of any organisational restructuring decisions.</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Survey and collect EEO data set. This can be either confidential and identifiable or statistical and non-identifiable.</li> </ul>		X		X
	Identify current and desired workplace culture and implement programs to encourage behaviours supporting Council's corporate values.	<ul style="list-style-type: none"> <li>Develop an annual learning and development plan in accordance with the CaP program</li> </ul>	X	X	X	X
		<ul style="list-style-type: none"> <li>Investigate the establishment of a Business Improvement Coordinator to assist in the facilitation, identification and implementation of process improvement initiatives, monitor efficiency gains to build organisational capacity for continuous improvement and organisational effectiveness.</li> </ul>	X	X		
	Address workplace reforms occurring in a changing legislative, political and operating environment.	<ul style="list-style-type: none"> <li>Investigate the establishment of a Project Management Officer to assist in the delivery of all capital works and grant application projects across Council.</li> </ul>	X	X		
		<ul style="list-style-type: none"> <li>Develop, implement and monitor a strategic Mature Age Workforce Strategy</li> </ul>	X		X	
	Effective management of Council's mature age employees.	<ul style="list-style-type: none"> <li>Investigate and apply a methodology of accessing the accuracy of council's resources compliment for service delivery with an increasing population and client base in the LGA and in particular Burwood CBD</li> </ul>		X	X	

# Appendices

**Appendix A** Burwood Council Draft Asset Management Policy

**Appendix B** General Fund Asset Class Modelling

**Appendix C** Technical Levels of Service

**Appendix D** Abbreviations

**Appendix E** Glossary

# Appendix A

## Burwood Council Draft Asset Management Policy

Burwood Council	Policy Name	Doc No	
	ASSET MANAGEMENT	Version	Date
		1	

### 1.0 Purpose

The purpose of this policy is to set guidelines for implementing consistent asset management processes throughout Burwood Council.

### 2.0 Scope

This policy applies to all Burwood Council departments, officers, employees and contractors.

### 3.0 Objectives

To ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment.
- Safeguarding infrastructure assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining an asset management awareness throughout Burwood Council by training and development.
- Meeting any legislative and regulatory requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

### 4.0 Policy

#### 4.1 Background

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

Adopting asset management principles will assist in achieving our Strategic Long Term Plan and Long Term Financial objectives.

Sustainable Service Delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

Sound Asset Management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.

## 4.2 Principles

Burwood Council's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

1. Ensuring that Burwood Council's capital assets are provided in a manner that respects financial, cultural, economic and environmental sustainability;
2. Meeting all relevant legislative and regulatory requirements;
3. Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
4. Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them by:
5. Asset Management plans will be completed for all major asset / service areas.
6. Expenditure projections from Asset Management Plans will be incorporated into Burwood Council Long Term Financial Plan.
7. Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
8. Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
9. Asset renewals required to meet agreed service levels and identified in adopted asset management plans, and when applicable long term financial plans, will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented.
10. Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
11. Future service levels with associated delivery costs will be determined in consultation with the community.
12. Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
13. Creating a corporate culture where all employees play a part in overall care for Burwood Council's assets by providing necessary awareness, training and professional development; and
14. Providing those we serve with services and levels of service for which they are willing and able to pay.

## 5.0 Related Documents

- Burwood Council's Strategic Asset Management Plan
- Community Strategic Plan – BURW2030D
- Long Term Financial Plan

## 6.0 Responsibility

Councillors are responsible for adopting the policy, allocating resources, and providing high level oversight of the delivery of the Burwood Council's asset management strategy and plans. The council is also responsible for ensuring that Burwood Council resources are appropriately allocated to ensure sustainable service delivery.

The Chief Administrative Officer has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within the Burwood Council.

## 7.0 Review Date

This policy has a life of 4 years or less at the discretion of the current Council.

.....  
Authorisation

.....  
Council Meeting Date

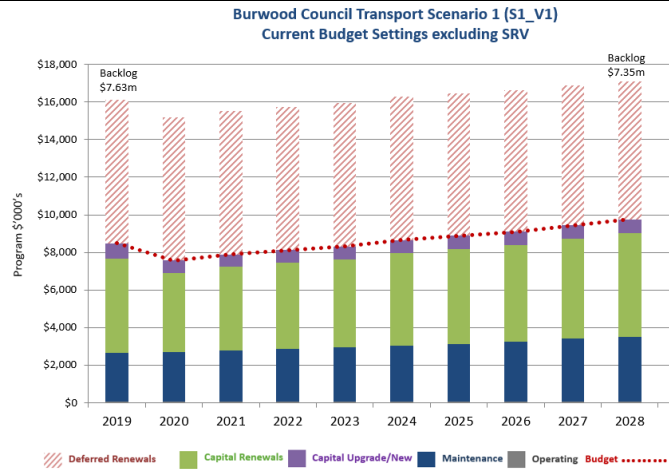
# Appendix B

## Major Asset Class Modelling

### Transport - Scenario 1 (No SRV)

Assets (\$,000):  
 Roads including Kerb & Gutter \$201,457  
 Footpaths \$57,761  
 Other Road Assets \$8,538

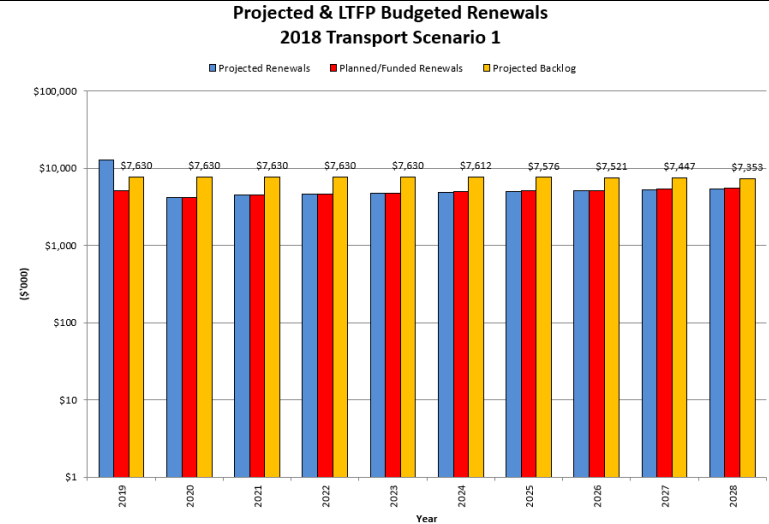
#### Projected Operating & Capital Expenditure



#### Sustainability of service delivery (Including Backlog) (\$,000)

Asset Renewal Funding Ratio	
Asset Renewal Funding Ratio	85%
Medium Term (10 yrs) Sustainability	
10 year Operations, Maintenance & Renewal Projected Expenditure	\$8,656
10 year Operations, Maintenance & Renewal Planned (Budget) Expenditures	\$7,921
10 year Funding Shortfall (10 year projected. expenditures. - Planned (Budget) Expenditures)	-\$735
10 year Sustainability Indicator (10 year planned exp. / projected. Expenditure)	92%
Short Term (5 years) Sustainability	
5 year Operations, Maintenance & Renewal Projected Expenditure	\$8,908
5 year Operations, Maintenance & Renewal Planned (Budget) Expenditure	\$7,382
5 year Funding Shortfall (5 year projected expenditures. - planned (budget) expenditures)	-\$1,526
5 year Sustainability Indicator (5 year planned expenditures. / projected expenditures)	83%

#### Projected & LTFP Budgeted Renewals



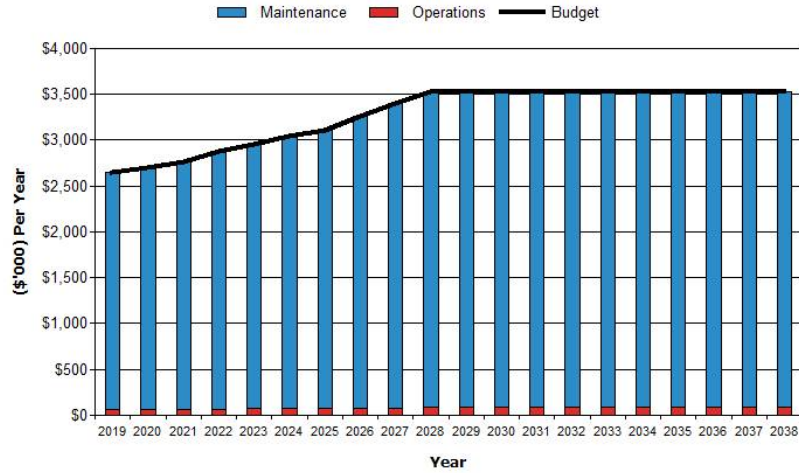
#### Renewal Financing

Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$12,668	\$5,038	-\$7,630	\$7,630
2020	\$4,213	\$4,213	\$0	\$7,630
2021	\$4,455	\$4,455	\$0	\$7,630
2022	\$4,569	\$4,569	\$0	\$7,630
2023	\$4,684	\$4,684	\$0	\$7,630
2024	\$4,897	\$4,915	\$18	\$7,612
2025	\$5,034	\$5,070	\$36	\$7,576
2026	\$5,085	\$5,140	\$55	\$7,521
2027	\$5,260	\$5,334	\$74	\$7,447
2028	\$5,393	\$5,487	\$94	\$7,353



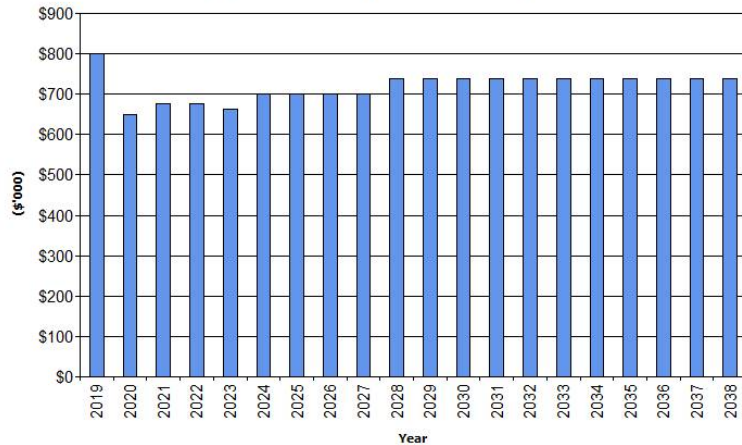
**Projected Operations & Maintenance Expenditure**

**Burwood - Projected Operations & Maintenance Expenditure (2018 Transport\_S1\_V1)**



**Projected Capital Upgrade/New Asset Expenditure**

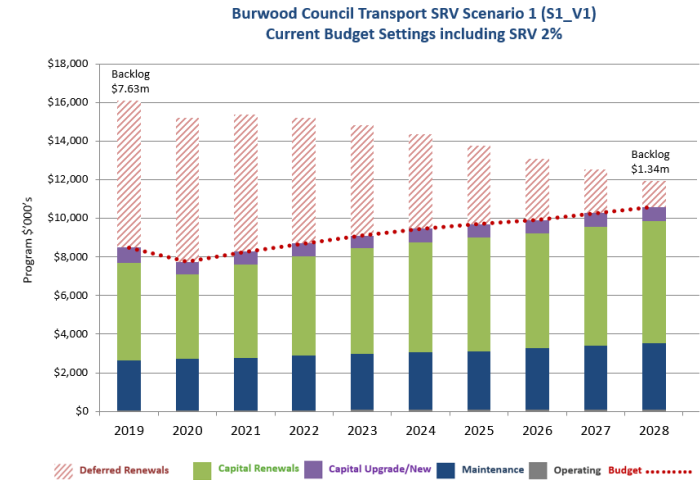
**Burwood - Projected Capital Upgrade/New Expenditure (2018 Transport\_S1\_V1)**



**Transport - SRV Scenario**

Assets (\$,000):  
 Roads including Kerb & Gutter \$201,457  
 Footpaths \$57,761  
 Other Road Assets \$8,538

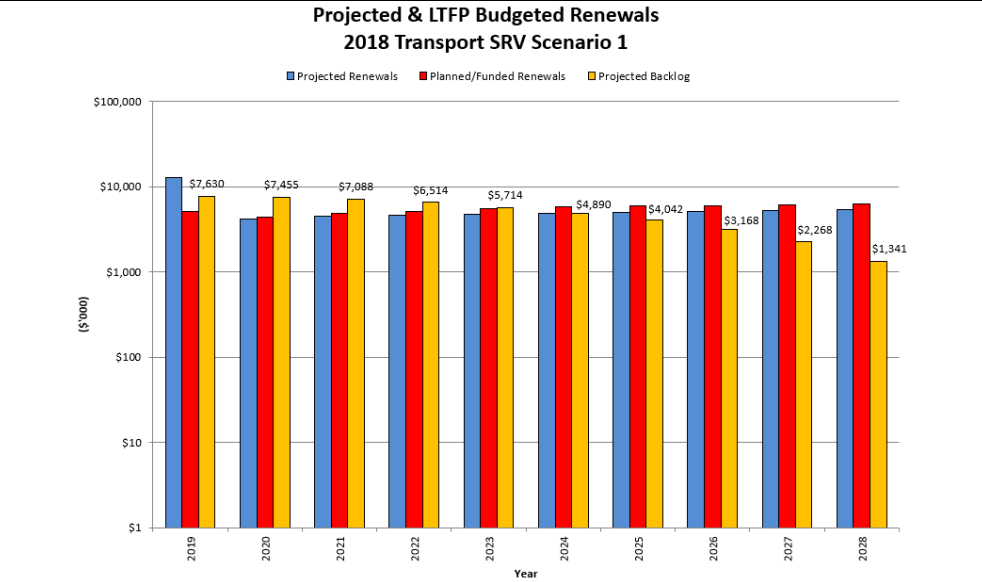
**Projected Operating & Capital Expenditure**



**Sustainability of service delivery (Including Backlog) (\$,000)**

<b>Asset Renewal Funding Ratio</b>	
Asset Renewal Funding Ratio	95%
<b>Medium Term (10 yrs) Sustainability</b>	
10 year Operations, Maintenance & Renewal Projected Expenditure	\$8,656
10 year Operations, Maintenance & Renewal Planned (Budget) Expenditures	\$8,522
10 year Funding Shortfall (10 year projected. expenditures. - Planned (Budget) Expenditures)	-\$134
10 year Sustainability Indicator (10 year planned exp. / projected. Expenditure)	98%
<b>Short Term (5 years) Sustainability</b>	
5 year Operations, Maintenance & Renewal Projected Expenditure	\$8,908
5 year Operations, Maintenance & Renewal Planned (Budget) Expenditure	\$7,765
5 year Funding Shortfall (5 year projected expenditures. - planned (budget) expenditures)	-\$1,143
5 year Sustainability Indicator (5 year planned expenditures. / projected expenditures)	87%

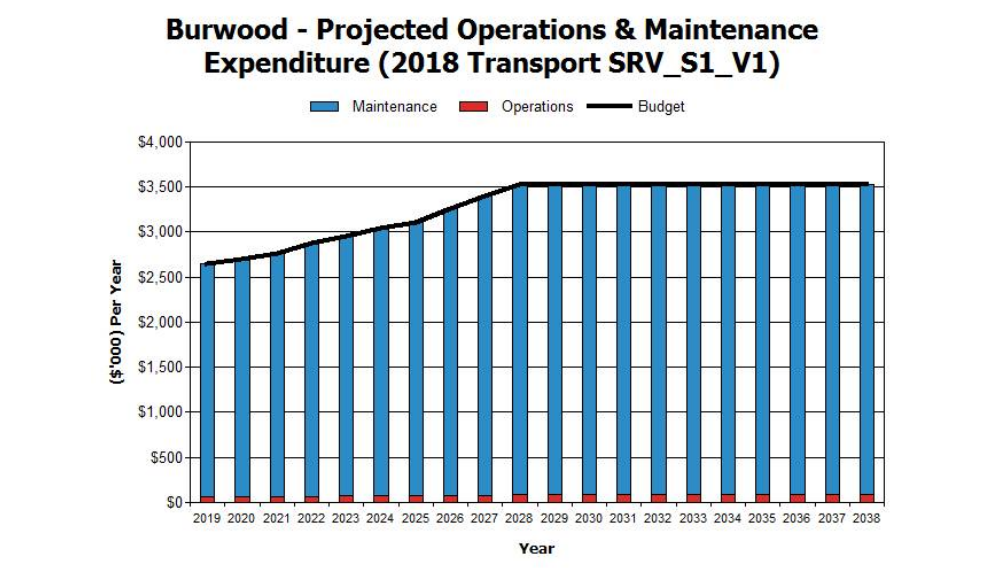
**Projected & LTFP Budgeted Renewals**



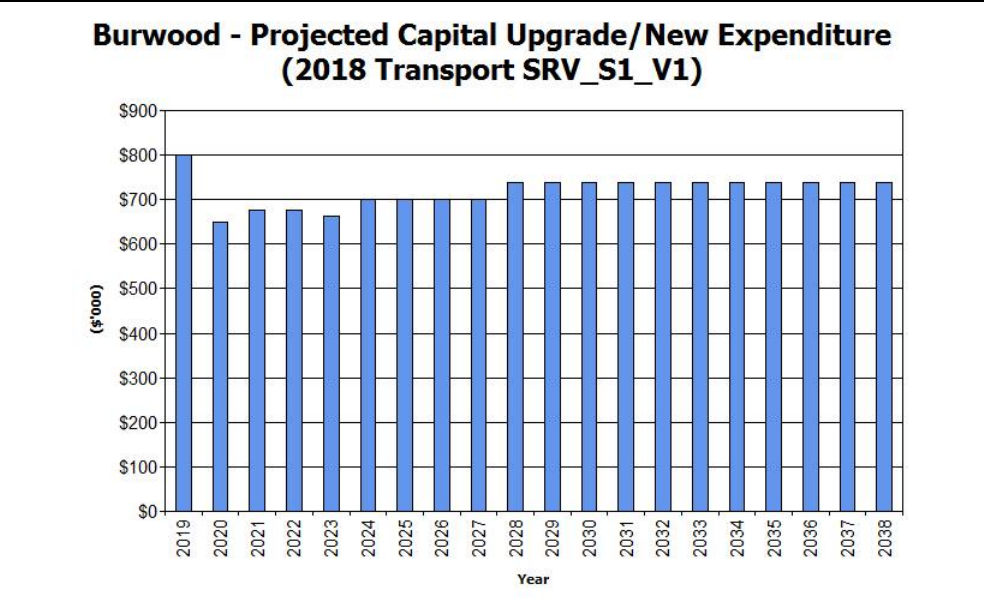
**Renewal Financing**

Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$12,668	\$5,038	-\$7,630	\$7,630
2020	\$4,213	\$4,388	\$175	\$7,455
2021	\$4,455	\$4,822	\$367	\$7,088
2022	\$4,569	\$5,143	\$574	\$6,514
2023	\$4,684	\$5,484	\$800	\$5,714
2024	\$4,897	\$5,721	\$824	\$4,890
2025	\$5,034	\$5,882	\$848	\$4,042
2026	\$5,085	\$5,959	\$874	\$3,168
2027	\$5,260	\$6,160	\$900	\$2,268
2028	\$5,393	\$6,320	\$927	\$1,341

**Projected Operations & Maintenance Expenditure**



**Projected Capital Upgrade/New Asset Expenditure**

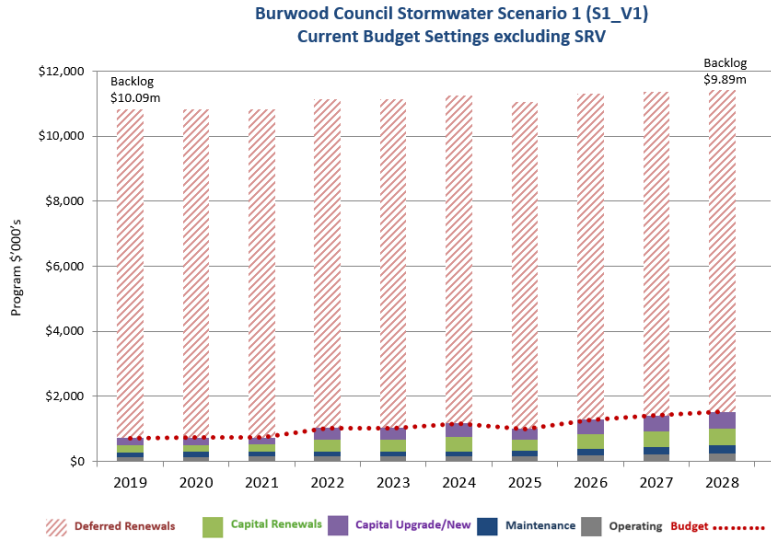


**Stormwater Drainage - Scenario 1 (No SRV)**

Assets (\$,000):

Stormwater Drainage \$68,832

**Projected Operating & Capital Expenditure**

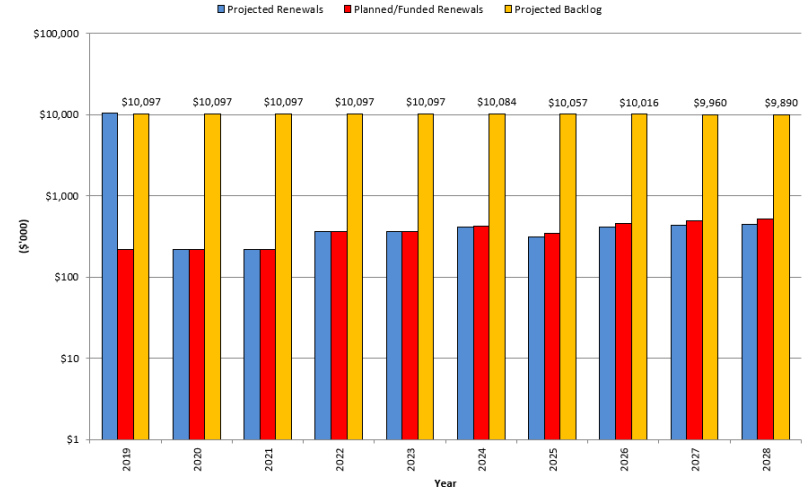


**Sustainability of service delivery (Including Backlog) (\$,000)**

Asset Renewal Funding Ratio	
Asset Renewal Funding Ratio	23%
Medium Term (10 yrs) Sustainability	
10 year Operations, Maintenance & Renewal Projected Expenditure	\$1,694
10 year Operations, Maintenance & Renewal Planned (Budget) Expenditures	\$705
10 year Funding Shortfall (10 year projected. expenditures. - Planned (Budget) Expenditures)	-\$989
10 year Sustainability Indicator (10 year planned exp. / projected. Expenditure)	42%
Short Term (5 years) Sustainability	
5 year Operations, Maintenance & Renewal Projected Expenditure	\$2,594
5 year Operations, Maintenance & Renewal Planned (Budget) Expenditure	\$574
5 year Funding Shortfall (5 year projected expenditures. - planned (budget) expenditures)	-\$2,019
5 year Sustainability Indicator (5 year planned expenditures. / projected expenditures)	22%

**Projected & LTFP Budgeted Renewals**

**Projected & LTFP Budgeted Renewals**  
**2018 Stormwater Scenario 1**

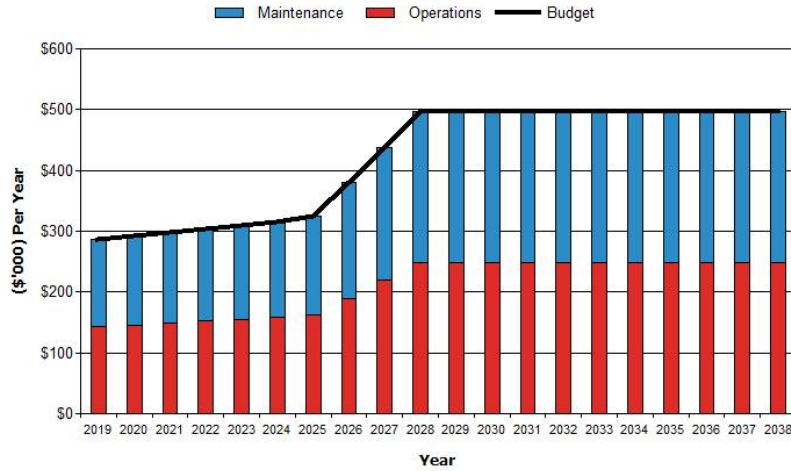


**Renewal Financing**

Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$10,315	\$218	-\$10,097	\$10,097
2020	\$218	\$218	\$0	\$10,097
2021	\$219	\$219	\$0	\$10,097
2022	\$363	\$363	\$0	\$10,097
2023	\$363	\$363	\$0	\$10,097
2024	\$413	\$426	\$13	\$10,084
2025	\$313	\$340	\$27	\$10,057
2026	\$413	\$454	\$41	\$10,016
2027	\$430	\$486	\$56	\$9,960
2028	\$448	\$518	\$70	\$9,890

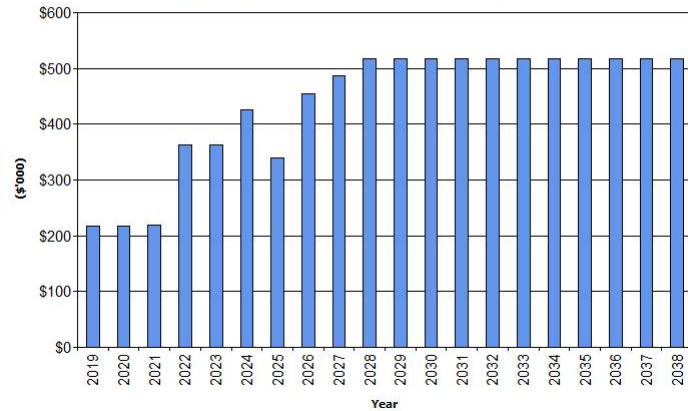
**Projected Operations & Maintenance Expenditure**

**Burwood - Projected Operations & Maintenance Expenditure (2018 Stormwater\_S1\_V1)**



**Projected Capital Upgrade/New Asset Expenditure**

**Burwood - Projected Capital Upgrade/New Expenditure (2018 Stormwater\_S1\_V1)**

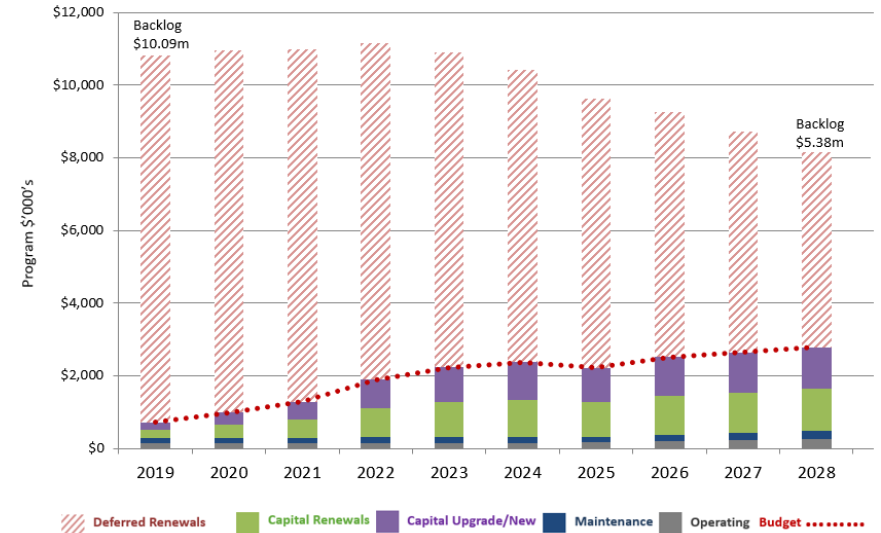


**Stormwater Drainage - SRV Scenario**

Assets (\$,000):  
Stormwater Drainage \$68,832

**Projected Operating & Capital Expenditure**

**Burwood Council Stormwater SRV Scenario 1 (S1\_V1)  
Current Budget Settings including SRV 2%**

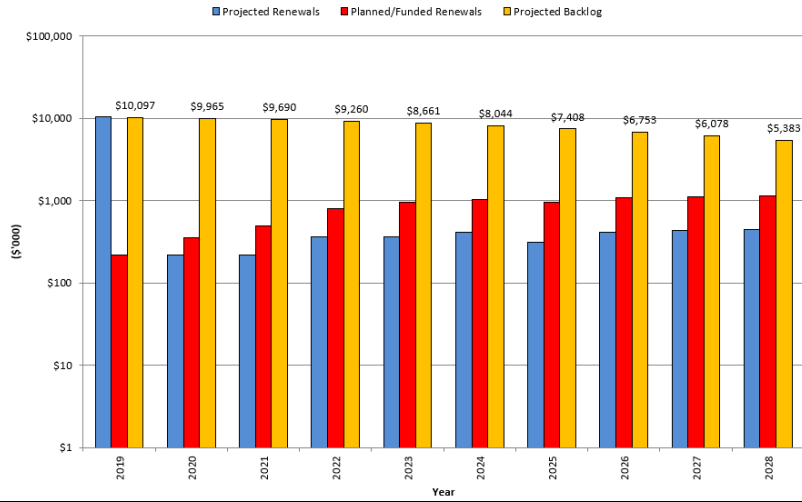


**Sustainability of service delivery (Including Backlog) (\$,000)**

<b>Asset Renewal Funding Ratio</b>	
Asset Renewal Funding Ratio	51%
<b>Medium Term (10 yrs) Sustainability</b>	
10 year Operations, Maintenance & Renewal Projected Expenditure	\$1,694
10 year Operations, Maintenance & Renewal Planned (Budget) Expenditures	\$1,156
10 year Funding Shortfall (10 year projected. expenditures. - Planned (Budget) Expenditures)	-\$538
10 year Sustainability Indicator (10 year planned exp. / projected. Expenditure)	68%
<b>Short Term (5 years) Sustainability</b>	
5 year Operations, Maintenance & Renewal Projected Expenditure	\$2,594
5 year Operations, Maintenance & Renewal Planned (Budget) Expenditure	\$861
5 year Funding Shortfall (5 year projected expenditures. - planned (budget) expenditures)	-\$1,732
5 year Sustainability Indicator (5 year planned expenditures. / projected expenditures)	33%

**Projected & LTFP Budgeted Renewals**

**Projected & LTFP Budgeted Renewals  
2018 Stormwater SRV Scenario 1**

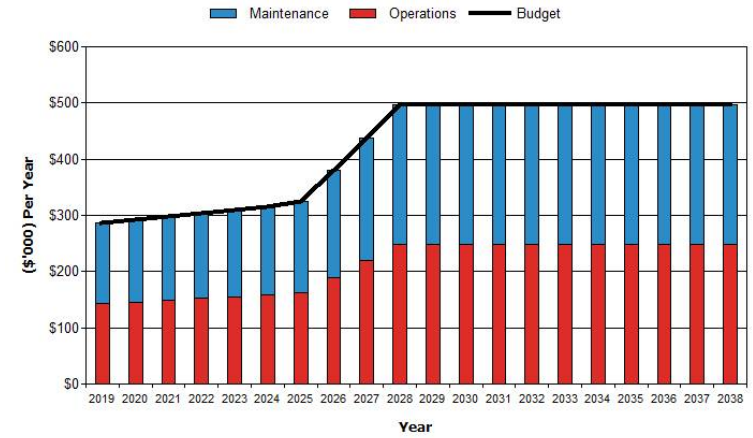


**Renewal Financing**

Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$10,315	\$218	-\$10,097	\$10,097
2020	\$219	\$494	\$132	\$9,965
2021	\$363	\$793	\$275	\$9,690
2022	\$363	\$962	\$430	\$9,260
2023	\$413	\$1,030	\$599	\$8,661
2024	\$413	\$1,068	\$636	\$8,044
2025	\$430	\$1,105	\$675	\$7,408
2026	\$448	\$1,143	\$695	\$6,753
2027	\$448	\$1,143	\$695	\$6,078
2028	\$448	\$1,143	\$695	\$5,383

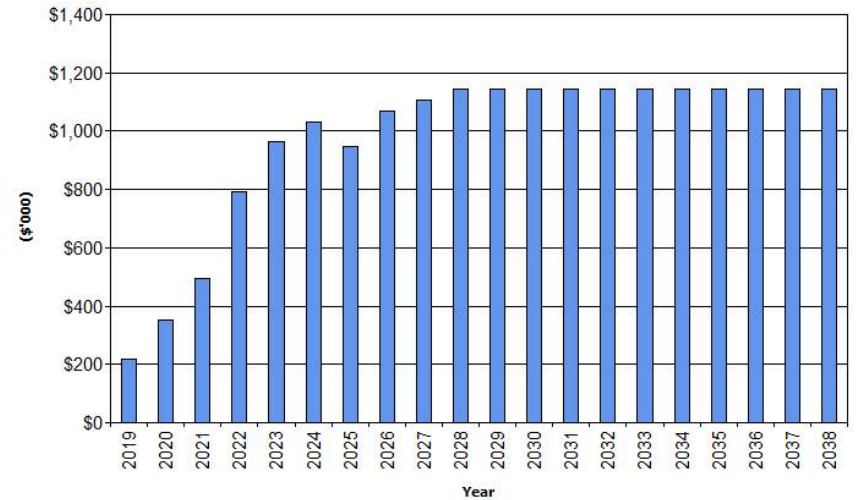
**Projected Operations & Maintenance Expenditure**

**Burwood - Projected Operations & Maintenance Expenditure (2018 Stormwater SRV\_S1\_V1)**



**Projected Capital Upgrade/New Asset Expenditure**

**Burwood - Projected Capital Upgrade/New Expenditure (2018 Stormwater SRV\_S1\_V1)**





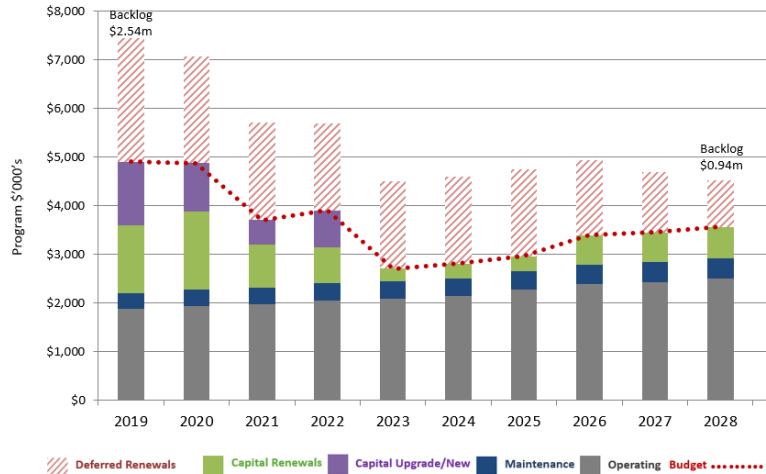
**Buildings – Scenario 1**

Assets (\$,000):

Buildings – Non-Specialised	\$4,582
Buildings - Specialised	\$63,266
Other Structures	\$3,594
Swimming Pool	\$6,008

**Projected Operating & Capital Expenditure**

Burwood Council Buildings Scenario 1 (\$1\_V1)  
Current Budget Settings

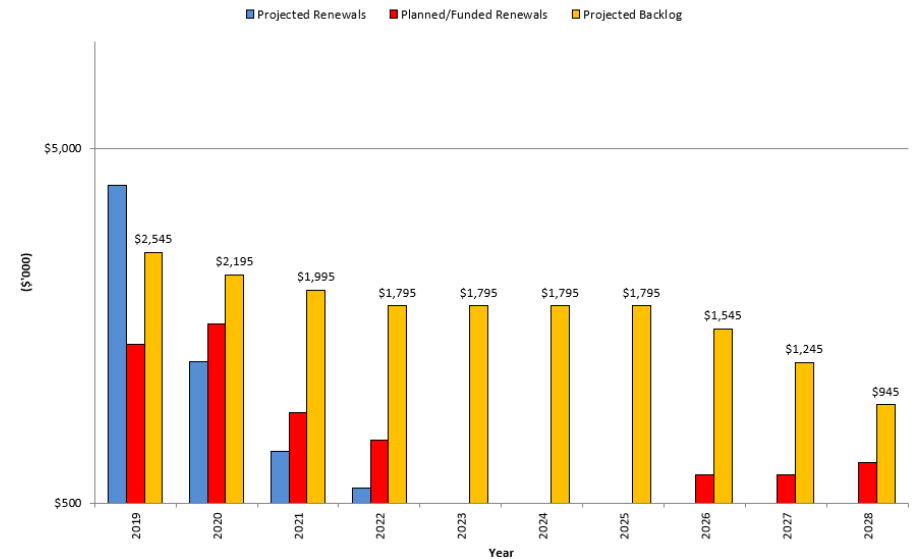


**Sustainability of service delivery (Including Backlog) (\$,000)**

Asset Renewal Funding Ratio	
Asset Renewal Funding Ratio	84%
Medium Term (10 yrs) Sustainability	
10 year Operations, Maintenance & Renewal Projected Expenditure	\$3,365
10 year Operations, Maintenance & Renewal Planned (Budget) Expenditures	\$3,270
10 year Funding Shortfall (10 year projected. expenditures. - Planned (Budget) Expenditures)	-\$95
10 year Sustainability Indicator (10 year planned exp. / projected. Expenditure)	97%
Short Term (5 years) Sustainability	
5 year Operations, Maintenance & Renewal Projected Expenditure	\$3,666
5 year Operations, Maintenance & Renewal Planned (Budget) Expenditure	\$3,307
5 year Funding Shortfall (5 year projected expenditures. - planned (budget) expenditures)	-\$359
5 year Sustainability Indicator (5 year planned expenditures. / projected expenditures)	90%

**Projected & LTFP Budgeted Renewals**

Projected & LTFP Budgeted Renewals  
2018 Buildings Scenario 1

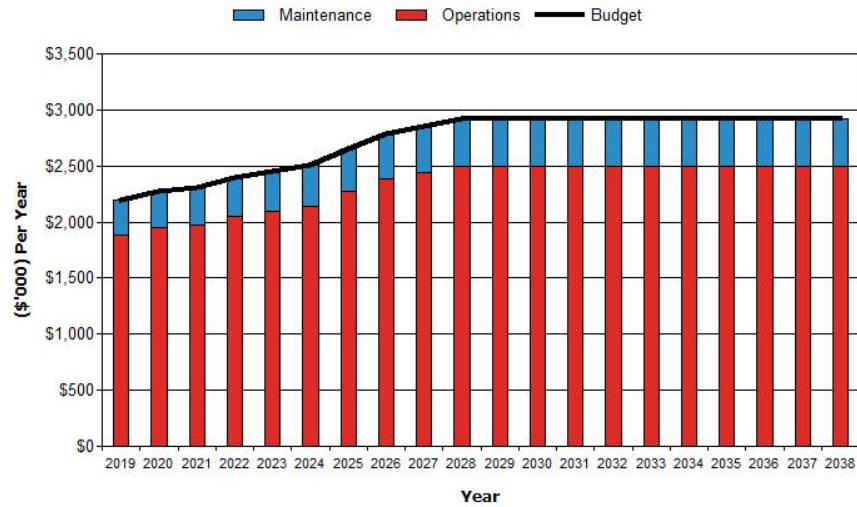


**Renewal Financing**

Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$3,945	\$1,400	-\$2,545	\$2,545
2020	\$1,250	\$1,600	\$350	\$2,195
2021	\$700	\$900	\$200	\$1,995
2022	\$550	\$750	\$200	\$1,795
2023	\$250	\$250	\$0	\$1,795
2024	\$300	\$300	\$0	\$1,795
2025	\$300	\$300	\$0	\$1,795
2026	\$350	\$600	\$250	\$1,545
2027	\$300	\$600	\$300	\$1,245
2028	\$350	\$650	\$300	\$945

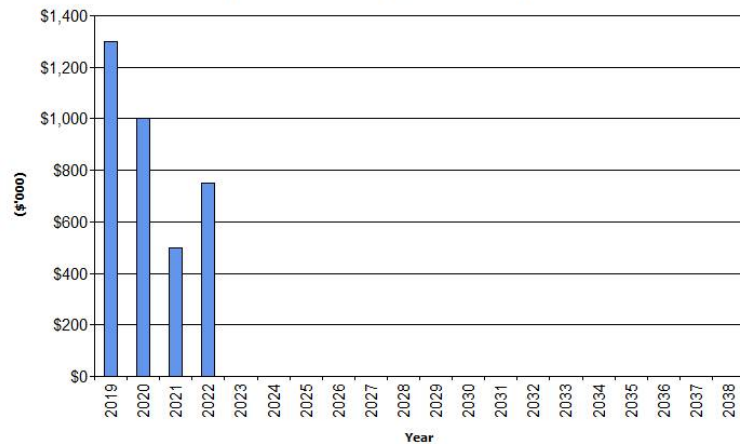
**Projected Operations & Maintenance Expenditure**

**Burwood - Projected Operations & Maintenance Expenditure (2018 Buildings\_S1\_V1)**



**Projected Capital Upgrade/New Asset Expenditure**

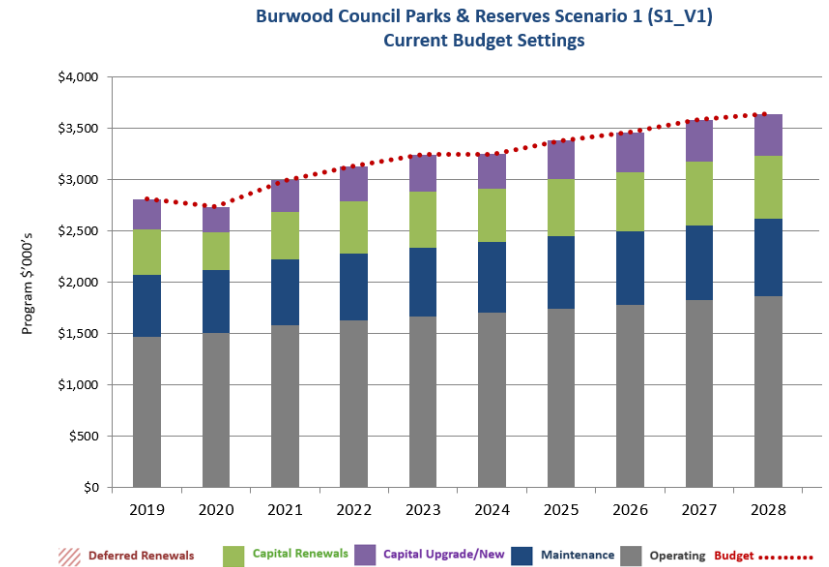
**Burwood - Projected Capital Upgrade/New Expenditure (2018 Buildings\_S1\_V1)**



**Parks - Scenario 1**

Assets (\$,000):  
Open Space and Recreational Assets \$9,026

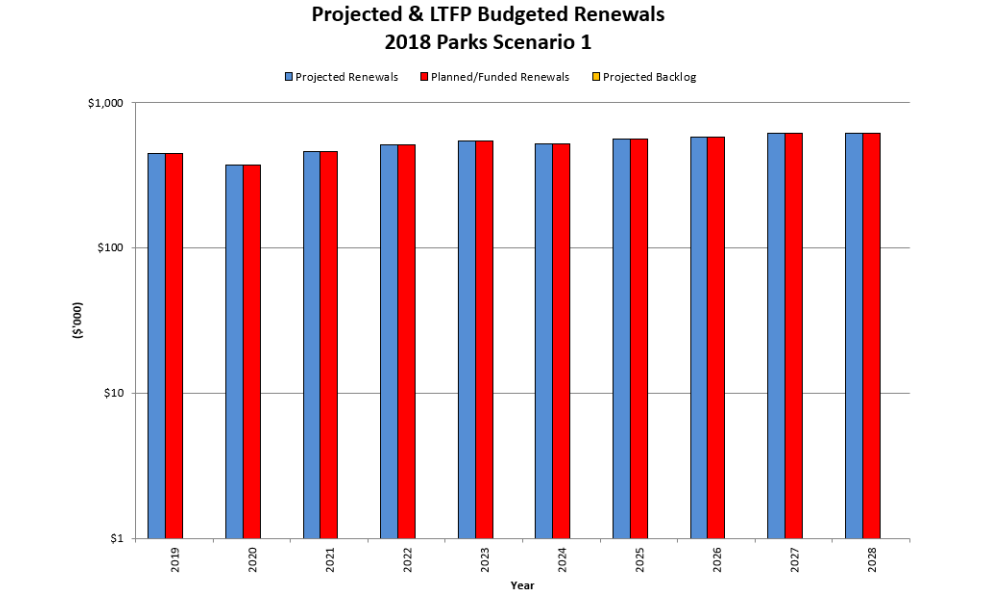
**Projected Operating & Capital Expenditure**



**Sustainability of service delivery (Including Backlog) (\$,000)**

<b>Asset Renewal Funding Ratio</b>	
Asset Renewal Funding Ratio	100%
<b>Medium Term (10 yrs) Sustainability</b>	
10 year Operations, Maintenance & Renewal Projected Expenditure	\$2,875
10 year Operations, Maintenance & Renewal Planned (Budget) Expenditures	\$2,875
10 year Funding Shortfall (10 year projected. expenditures. - Planned (Budget) Expenditures)	\$0
10 year Sustainability Indicator (10 year planned exp. / projected. Expenditure)	100%
<b>Short Term (5 years) Sustainability</b>	
5 year Operations, Maintenance & Renewal Projected Expenditure	\$2,671
5 year Operations, Maintenance & Renewal Planned (Budget) Expenditure	\$2,671
5 year Funding Shortfall (5 year projected expenditures. - planned (budget) expenditures)	\$0
5 year Sustainability Indicator (5 year planned expenditures. / projected expenditures)	100%

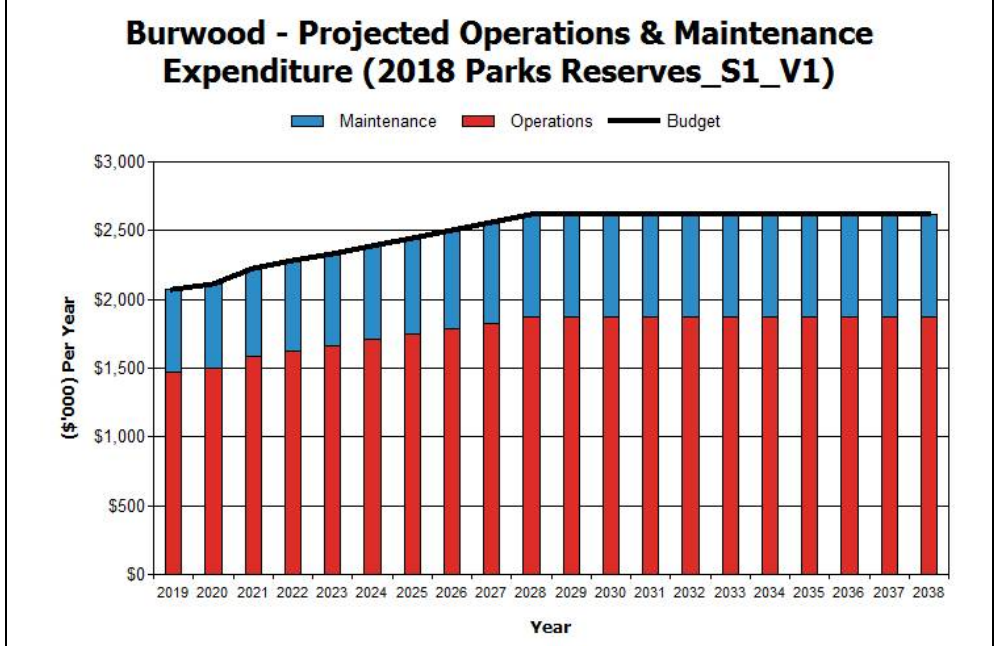
**Projected & LTFP Budgeted Renewals**



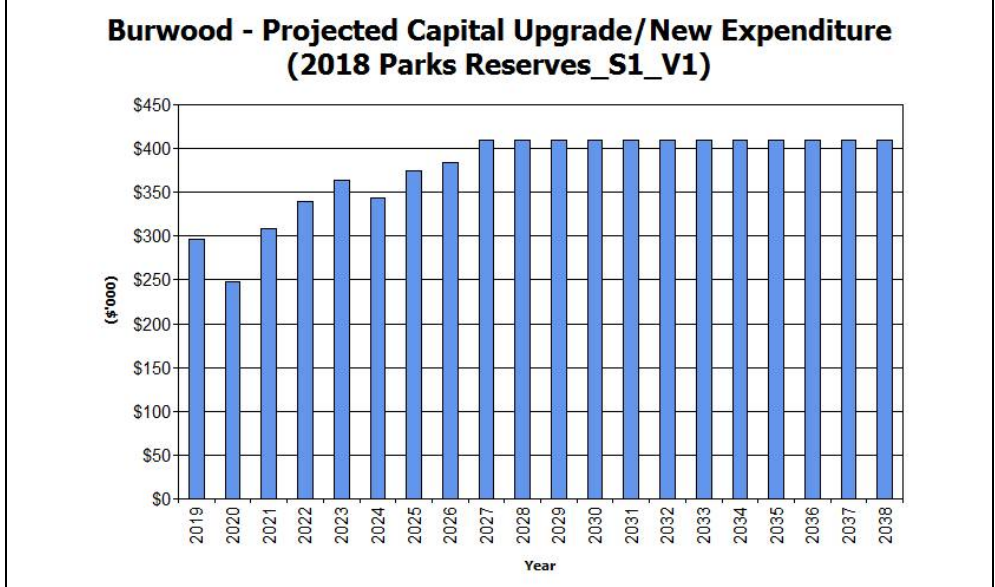
**Renewal Financing**

Year	Projected Renewals	Planned/Funded Renewals	Annual Shortfall	Projected Backlog
2019	\$444	\$444	\$0	\$0
2020	\$372	\$372	\$0	\$0
2021	\$462	\$462	\$0	\$0
2022	\$510	\$510	\$0	\$0
2023	\$546	\$546	\$0	\$0
2024	\$516	\$516	\$0	\$0
2025	\$561	\$561	\$0	\$0
2026	\$576	\$576	\$0	\$0
2027	\$615	\$615	\$0	\$0
2028	\$615	\$615	\$0	\$0

**Projected Operations & Maintenance Expenditure**



**Projected Capital Upgrade/New Asset Expenditure**





# Appendix C

## Technical Levels of Service

### Acknowledgement

The Institute of Public Works Engineering Australasia and NAMS Canada

Technical Level of Service - Transport and Drainage			
Budget Area	Activities	Measure	Current LTFP Funded Level of Service Scenario 1
Operations	Number of prompted Inspections	Number of prompted Inspections	Decreasing trend
	Number of stormwater service requests received	Number of requests received	Not expected to increase Passive reporting
<b>Operational Cost</b>			<b>\$2.45m over the next 10 years</b>
Maintenance	Remove hazards	Respond to complaints	Reactive maintenance to limit of budget allocation.
	Roads Defect Completion Rate	Defects completed during the year as a percentage of defects identified during the year	Not increasing trend
	Number of defects outstanding	Number of defects outstanding	Declining trend
<b>Maintenance Cost</b>			<b>\$31.38m over the next 10 years</b>
Renewal	Renewal of assets	Replacement Cycle	Further assessment required to inform future revisions of this Asset Management Plan.
<b>Renewal Cost</b>			<b>\$52.5m over the next 10 years</b>
Upgrade/New	Provide services in a cost-effective manner	Cost, Meet Corporate Strategy	Achieved by a combination of Council and Contract works. The augmentation of Transport Infrastructure systems to meet appropriate service and risk outcomes is not being funded
<b>Upgrade/New Cost</b>			<b>\$10.6m over the next 10 years</b>

Technical Level of Service - Buildings			
Budget Area	Activities	Measure	Current LTFP Funded Level of Service
Operations	Number of prompted Inspections	Number of prompted Inspections	decreasing trend
	Percentage of Buildings inspected as per inspection calendar	Percentage of Buildings inspected as per inspection calendar	100%
	Number of Building service requests received	Number of requests received	Expected to remain the same
<b>Operational Cost</b>			<b>\$21.6m over the next 10 years</b>
Maintenance	Remove hazards	Respond to complaints	Reactive maintenance to limit of budget allocation.
	Building Defect Completion Rate	Defects completed during the year as a percentage of defects identified during the year	Trend to remain steady
	Unresolved Building defects	Number of open Building defects at the end of the year	Trend to remain steady
<b>Maintenance Cost</b>			<b>\$3.6m over the next 10 years</b>
Renewal	Renewal of assets	Replacement Cycle	Building renewals funded in the current LTFP Projected building renewals to start to increase over the next 10-15 years
<b>Renewal Cost</b>			<b>\$7.35m over the next 10 years</b>
Upgrade/New	Provide services in a cost-effective manner	Cost, Meet Corporate Strategy	Achieved by a combination of Council and Contract works. New or planned building upgrades have been funded in the current LTFP.
<b>Upgrade/New Cost</b>			<b>\$3.55m over the next 10 years</b>

<b>Technical Level of Service - Parks</b>			
<b>Budget Area</b>	<b>Activities</b>	<b>Measure</b>	<b>Current LTFP Funded Level of Service</b>
Operations	Number of prompted Inspections	Number of prompted Inspections	Decreasing trend
	Parks & gardens effectiveness and risk management.	Percentage of scheduled playground inspections completed	100%
<b>Operational Cost</b>			<b>\$16.77m over the next 10 years</b>
Maintenance	Parks defects identified	Number of requests received	Expected to Decrease
	Defects outstanding for the reporting period	Number of defects outstanding	Expected to decrease
<b>Maintenance Cost</b>			<b>\$6.7m over the next 10 years</b>
Renewal	Renewal of assets	Replacement Cycle	Parks renewals funded in the current LTFP. Projected Parks renewals to remain constant over the next 10 years
<b>Renewal Cost</b>			<b>\$5.2m over the next 10 years</b>
Upgrade/New	Provide services in a cost-effective manner	Cost, Meet Corporate Strategy	Achieved by a combination of Council and Contract works. New or planned Park Asset upgrades have been funded in the current LTFP.
<b>Upgrade/New Cost</b>			<b>\$3.47m over the next 10 years</b>

# Appendix D

## Abbreviations

<b>AAAC</b>	Average annual asset consumption
<b>AM</b>	Asset management
<b>AM Plan</b>	Asset management plan
<b>ARI</b>	Average recurrence interval
<b>ASC</b>	Annual service cost
<b>BOD</b>	Biochemical (biological) oxygen demand
<b>CRC</b>	Current replacement cost
<b>CWMS</b>	Community wastewater management systems
<b>DA</b>	Depreciable amount
<b>DRC</b>	Depreciated replacement cost
<b>EF</b>	Earthworks/formation
<b>IRMP</b>	Infrastructure risk management plan
<b>LCC</b>	Life Cycle cost
<b>LCE</b>	Life cycle expenditure
<b>LTFP</b>	Long term financial plan
<b>MMS</b>	Maintenance management system
<b>PCI</b>	Pavement condition index
<b>RV</b>	Residual value
<b>SoA</b>	State of the Assets
<b>SS</b>	Suspended solids
<b>vph</b>	Vehicles per hour
<b>WDCRD</b>	Written down current replacement cost

# Appendix E

## Glossary

### **Annual service cost (ASC)**

1) Reporting actual cost

The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.

2) For investment analysis and budgeting

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

### **Asset**

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

### **Asset category**

Sub-group of assets within a class hierarchy for financial reporting and management purposes.

### **Asset class**

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

### **Asset condition assessment**

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

### **Asset hierarchy**

A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function or asset type or a combination of the two.

### **Asset management (AM)**

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

### **Asset renewal funding ratio**

The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in an asset management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

### **Average annual asset consumption (AAAC)\***

The amount of an organisation's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

### **Borrowings**

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

### **Capital expenditure**

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

**Capital expenditure - expansion**

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the organisation's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

**Capital expenditure - new**

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

**Capital expenditure - renewal**

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

**Capital expenditure - upgrade**

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the organisation's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

**Capital funding**

Funding to pay for capital expenditure.

**Capital grants**

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

**Capital investment expenditure**

See capital expenditure definition

**Capitalisation threshold**

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

**Carrying amount**

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

**Class of assets**

See asset class definition

**Component**

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

**Core asset management**

Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision-making).

**Cost of an asset**

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

**Critical assets**

Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than noncritical assets.

**Current replacement cost (CRC)**

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

**Deferred maintenance**

The shortfall in rehabilitation work undertaken relative to that required to maintain the service potential of an asset.

**Depreciable amount**

The cost of an asset, or other amount substituted for its cost, less its residual value.

**Depreciated replacement cost (DRC)**

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

**Depreciation/amortisation**

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

**Economic life**

See useful life definition.

**Expenditure**

The spending of money on goods and services. Expenditure includes recurrent and capital outlays.

**Fair value**

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

**Financing gap**

A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels.

**Heritage asset**

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

**Impairment Loss**

The amount by which the carrying amount of an asset exceeds its recoverable amount.

**Infrastructure assets**

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

**Investment property**

Property held to earn rentals or for capital appreciation or both, rather than for:  
(a) use in the production or supply of goods or services or for administrative purposes; or  
(b) sale in the ordinary course of business.

**Key performance indicator**

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

**Level of service**

The defined service quality for a particular service/ activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

### **Life Cycle Cost\***

1. Total LCC The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

2. Average LCC The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

### **Life Cycle Expenditure**

The Life Cycle Expenditure (LCE) is the average operations, maintenance and capital renewal expenditure accommodated in the long term financial plan over 10 years. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of affordability of projected service levels when considered with asset age profiles.

### **Loans/borrowings**

See borrowings.

### **Maintenance**

All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

#### *- Planned maintenance*

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

#### *- Reactive maintenance*

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

#### *- Specific maintenance*

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

#### *- Unplanned maintenance*

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

#### *- Maintenance expenditure\**

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

### **Materiality**

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

### **Modern equivalent asset**

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

### **Net present value (NPV)**

The value to the organisation of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

### **Non-revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.



**Operations**

Regular activities to provide services such as public health, safety and amenity, eg street sweeping, grass mowing and street lighting.

**Operating expenditure**

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

**Operating expense**

The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

**Operating expenses**

Recurrent expenses continuously required to provide a service, including power, fuel, staff, plant equipment, maintenance, depreciation, on-costs and overheads.

**Operations, maintenance and renewal financing ratio**

Ratio of estimated budget to projected expenditure for operations, maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

**Operations, maintenance and renewal gap**

Difference between budgeted expenditures in a long term financial plan (or estimated future budgets in absence of a long term financial plan) and projected expenditures for operations, maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

**Pavement management system (PMS)**

A systematic process for measuring and predicting the condition of Transports and wearing surfaces over time and recommending corrective actions.

**PMS Score**

A measure of condition of a road segment determined from a Pavement Management System.

**Rate of annual asset consumption\***

The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

**Rate of annual asset renewal\***

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

**Rate of annual asset upgrade/new\***

A measure of the rate at which assets are being upgraded and expanded per annum with capital upgrade/new expenditure expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

**Recoverable amount**

The higher of an asset's fair value, less costs to sell and its value in use.

**Recurrent expenditure**

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

**Recurrent funding**

Funding to pay for recurrent expenditure.

**Rehabilitation**

See capital renewal expenditure definition above.

**Remaining useful life**

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

**Renewal**

See capital renewal expenditure definition above.

**Residual value**

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Revenue generating investments**

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

**Risk management**

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

**Section or segment**

A self-contained part or piece of an infrastructure asset.

**Service potential**

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

**Service potential remaining**

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/ Depreciable Amount).

**Specific Maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

**Strategic Longer-Term Plan**

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the asset management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

**Sub-component**

Smaller individual parts that make up a component part.

**Useful life**

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the Council.

**Value in Use**

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

**Source:** IPWEA, 2009, Glossary  
Additional and modified glossary items shown \*