



2011-2013 DRAFT RESOURCING STRATEGY

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Resourcing Strategy

Background

This Resourcing Strategy has been prepared in accordance with the requirements of the Integrated Planning and Reporting (IP&R) Framework. It gives consideration to the capacity for Council to deliver on its responsibilities within Wingecarribee 2031+ (W2031+), our future our choice – our Shire's community strategic plan.

The diagram below outlines Council's IP&R framework and the relationship between the Resourcing Strategy and other elements of the framework.



The Resourcing Strategy incorporates the following components:

Council's Workforce Plan

The Workforce Plan is focused on:

- Developing and maintaining skilled workforce
- Our workforce is structured to achieve W2031+
- Workforce attraction and retention
- Workforce equity and diversity

Council's Asset Management Plan

Council's overarching Asset Management Plan is part of a larger asset management framework. That framework represents Council's intention to maintain our community's infrastructure, together with other levels of government and stakeholders, to meet the needs of our community. It is critical to achievement of the Plan that sufficient funding is provided over the life of the Plan, to ensure that infrastructure provides services to a standard our community agrees to and can afford.

Council's Long Term Financial Plan

The Long Term Financial Plan (LTFP) focuses on Council's goal of financial sustainability and delivering quality services to the community. The LTFP is a decision making tool and is not intended as a document that specifically indicates what services or proposed funds should be allocated. This plan address the areas that impact Council's ability to fund services and capital works, whilst ensuring Council operates within its means to enable financial sustainability.

Community vision enabled through Council

In the development of W2031+ our community developed a vision for the future, that being:

'A healthy and productive community, learning and living in harmony, proud of our heritage and nurturing our environment'

Council has several roles in making the vision a reality, as a leader, facilitator and advocate. These roles are enabled through Council's Charter and Mission, Vision and Values.

The Local Government Act 2009 provides Council with the following Charter:

- To facilitate the involvement of Councillors, members of the public, users of facilities and services and council employees in the development, improvement and co-ordination of local government
- To raise funds for local purposes by the fair Imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grant
- To keep the local community and the State Government (and through it, the wider community) informed about its activities
- To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected; and
- To be responsible employer

Council's Mission

'To create and nurture a vibrant and diverse community, growing and working harmony with our urban, agricultural and natural environments.'

Council's Vision

- A community that values and protects the natural environment enhancing its health and diversity
- A strong economy that encourages and provides employment, business opportunities and tourism
- An innovative and effective organisation with strong leadership
- A vibrant and diverse community living harmoniously, supported by innovative services and effective communication with Council
- Places that are safe, maintained accessible, sympathetic to the built and natural environment, that support the needs to the community

Council's Values

- Integrity, Trust and Respect
- Responsibility and Accountability
- Communication and Teamwork
- Service Quality

Workforce Plan

W2031+ and our Workforce Plan

The purpose of this organisation wide Workforce Plan is to ensure Wingecarribee Shire Council (WSC) has the right employees, in the right place, at the right time with the rights skills and motivation to deliver the highest quality services to the people of the Shire. The overall purpose of the Plan is to identify the key challenges facing the Council over the next four to five years in attracting, retaining and developing the workforce it require and suggesting actions that can be taken in response.

The Workforce Plan is complementary to the Council's Delivery Plan which sets out the priorities for the years ahead via policy, objectives and performance measures with targets for achievement. The Workforce Plan informs human resources, training and development strategies and the Council Delivery Plan.

Local Government is at the heart of every community, with knowledge and local needs and is in the front line of delivery; in its community leadership role it needs to lead local action to promote diversity and equality. As a democratically accountable body we need to ensure that council services are responsive and designed to meet the needs of local people and their communities.

We recognise the benefits of building on our existing workforce achievements, reviewing and revising current initiatives and ensuring that we have the right workforce now and for the future to provide low cost, best value services for our residents. We are committed to ensuring effective leadership at all levels and to providing opportunities and support for all employees in developing their skills.

What does the Wingecarribee community need and expect from Council? The Wingecarribee Community Strategic Plan (W2031+) identified the following themes:

- Leadership
- People
- Places
- Environment
- Economy

More information about these themes and their goals can be found in the W2031+.

Our Workforce Plan aims to achieve implementation of best practice workforce management strategies and organisation branch performance is linked to W2031+ objectives through four key people management areas:

- A Skilled Workforce
- Workforce Structure for Achieving W2031+
- Workforce Attraction and Retention
- Workforce Equity and Diversity

Organisational structure

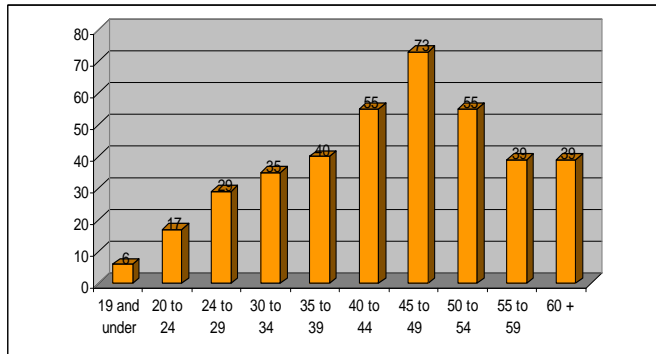
Our Workforce

Wingecarribee Shire Council (WSC) is situated in the Southern Highlands of NSW which presents a unique local government environment nestled between the city, coast and country. To establish possible strengths and weaknesses within our workforce it is vital to maintain a clear picture of our make up to ensure possible future issues are dealt with proactively. This includes examining

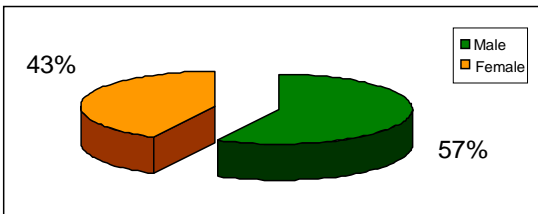
statistical trends, ensuring that we are able to recruit the staff we need, and that the workforce has the right skills to work effectively.

During pool season our workforce can peak at about 460 employees, however we have a stable workforce of about 360 employees in various forms of employment. 39% of our workforce have been employed with Council for under 5 years demonstrating that we have a generous proportion of the workforce who are relatively new to WSC. In the period from March 2010 to March 2011 13% of our workforce chose to resign which was up from 8.6% in the previous period. 53% of our workforce are aged forty-five or older indicating that over half of the workforce is likely to retire in the next fifteen years.

Age Distribution of Council's Workforce



On average each employee attends twenty hours of training and development per year and in addition to this 1.6% of Council's workforce is an apprentice, trainee or cadet.



Gender Distribution of Council's Workforce

Only 1% of Council's workforce have identified as having a disability, 3% identified as coming from a Non English Speaking Background and 1.5% identified as being an Aboriginal or Torres Strait Islander. 43% of council's workforce is female however of all people manager roles only 25% are held by women. An analysis of Council's workforce demographics forms Appendix 1.

How we got here

The work undertaken to produce this plan involved consultation with senior managers, the consultative committee and a cross section of individuals throughout Council.

In 2010 Council recognised that there was a need to change its culture and attitudes and provide clarity of purpose and investment which focuses on priorities. Council management recognised that silos existed within directorates, departments and professions and identified the need for new approaches to communication and networking so that people can work in the new ways demanded.

Council management developed a structure based on a project management approach, which pulls together people from different parts of the organisation to tackle change and work on creative solutions that will enhance both the organisation and the career development of individuals.

In addition to this in 2010, the WSC General Manager identified a number of issues that the Council needed to address in developing an organisational structure to improve services to the community and position Council for industry structural changes which may occur over the next 5-10 years. These included identifying skills that are priorities for a future WSC workforce. These include:

- Creating a culture of continuous improvement
- Strategic leadership
- Change management and organisational development
- Developing a learning culture, flexibility, re-skilling and developing staff potential
- Attracting staff to work in shortage areas
- Coaching front line managers and staff development

- Developing self directed work teams to make better use of employee skills
- Performance management
- Managing and delivering best value through procurement and contract management
- Information and Communications Technology and e-govt
- Customer service focus
- Project management

In 2010 a Staff Survey was undertaken which has enabled us to understand the perceptions that our staff have of their workplace and allows us to identify the strengths and present opportunities for improvement in the organisation's culture. The survey was completed by 72% of staff. An overview of results is included in Appendix 2.

Overall 58% of employees feel that Wingecarribee Shire Council is a great place to work. They indicated they feel a sense of pride in their work (70%). They like having responsibility and feel that they make a difference to their community (70%). They feel Council has a safe working environment (75%) and they have indicated that they want to work at WSC for a long time.

The major themes to emerge when asked if there was anything unique or unusual about Council that makes it a great place to work were:

- Friendly, caring staff
- Interesting work
- Flexible work practices and rostered day off scheme

The survey also provided information on areas for improvement. These were:

- Work overload
- Lack of autonomy
- A culture of backstabbing and playing politics
- Poor communication
- Management accountability
- Skimpy remuneration

Implementation and review

The General Manager and Directors are responsible for the implementation of the plan in conjunction with the Organisation Performance Branch. Council's workforce will be invited to comment on the plan through the Consultative Committee and will be informed of the finalised plan upon implementation. This is in addition to being invited to provide feedback for consideration at the next annual review of the plan.

Each Branch will utilise a workforce planning process that allows for the consideration within the context of W2031+ of critical roles, development priorities, future requirements and employees who will be retiring shortly in order for actions and responsibilities to be captured in Council's performance and development process.

The next review of the Plan is due in April 2012.

Measurement and monitoring

Council will periodically monitor and evaluate implementation of the Action Plan to ensure it is appropriate to workforce needs.

Performance will be monitored by Council's Senior Management Team via annual progress reports tracking implementation of the Action Plan and the key performance indicators outlined below.

Key Focus Area	Key Performance Indicators
1. A Skilled Workforce	<ul style="list-style-type: none">• Performance Planning and Assessment System in place• Training and Development plans in place for each employee• Staff perception of training and development (identified by training feedback forms and Exit Interviews)
2. Workforce Structure for Achieving W2031+	<ul style="list-style-type: none">• Benchmarking of key HR metrics• Workforce contingency plans in place• Currency of HR policies• Number of staff who have completed Code of Conduct training
3. Workforce Attraction and Retention	<ul style="list-style-type: none">• Number of new cadetships, traineeships and apprenticeships• Proportion of employees working in part-time, job share and flexible arrangements• Employee engagement level (identified through Employee Culture survey)• Staff turnover• Number of incidents/injuries• Unplanned absences
4. Workforce Equity and Diversity	<ul style="list-style-type: none">• Proportion of employees working across age groups, gender and cultural backgrounds• EEO statistics

Achieving W2031+ through our People

Four ways have been identified in which our workforce can describe and measure the progress of the achievement of W2031+. These are through:

1. A skilled workforce
2. Workforce structure for achieving W2031+
3. Workforce attraction and retention
4. Workforce equity and diversity

A Skilled Workforce

The development of a skilled workforce enables Council to achieve its strategic goals efficiently and effectively. With an ageing workforce, increasing turnover and the changing nature of work increasing skill levels are becoming more and more challenging but increasingly important to equipping performance hence achieving W2031+. Council's Training and Development Plan can be utilised to provide a framework for skill requirements to be determined and skills to be captured, measured and enhanced.

How will we know that we are on our way to achieving a skilled workforce?

1. Every people manager holds a minimum of CertIV in Frontline Management or equivalent by 2015
2. Every permanent employee holds a minimum of a CertIII or equivalent, or be studying to achieve one by 2015
3. Implementation of cadetships, apprenticeships and traineeships in addition to school based apprenticeships and traineeships in priority areas (e.g. engineering, ranger and environmental) so the workforce contains a minimum of 5% by 2016
4. Implementation of development programs for cadets, trainees, apprentices and other identified roles including a mentoring program and rotation program in Council by 2014
5. Annual review of Council's Training and Development Plan to ensure consistency with W2031+ objectives inclusive of the implementation of the Councillor training program
6. All permanent staff who utilise computers as a regular part of their role to hold an International Computer Driver's Licence (ICDL) or equivalent by 2015
7. Training and development budget to be increased from 1.14% of labour cost to 2% of labour cost by 2014 to allow for greater investment in the skills of our workforce
8. Implementation of a leadership program to support community leadership needs identified in W2031+ including the implementation of competencies for leadership positions within Council by 2013
9. Produce a qualifications and competency strategy which encompasses basic skills, vocational and professional qualifications and continuous professional development by 2013

Workforce Structure for Achieving W2031+

The efforts of each individual employee combined are what will enable Council to contribute to realisation of the community vision, W2031+. Linking individual performance to the strategic direction of Council will assist Council in ensuring that the workforce are mobilised towards the same goal and each employee experiences pride and achievement in their role for contributing to the success of Council.

How will we know that we are on our way to achieving individual performance towards W2031+?

1. All employees are kept informed of the strategic direction of Council through induction programs and annual presentations
2. All permanent employees have on an annual basis performance objectives set, reviewed and concluded with objectives and outcomes linked to the strategic direction of Council and W2031+, including performance requirements linked to competence-based appraisal resulting in the delivery of improvements in quality and efficiency
3. Regular cross council meetings are held for leadership which include the promotion of agreement in the utilisation of the workforce for the achievement of W2031+
4. Performance requirements of employees in people management roles to include principles of 'good' leadership by 2013
5. Implementation of a program to enable flexible movement of people between jobs into short term placements or projects by 2013
6. Review Council's reward and remuneration process including Council's salary system and pay benefits by 2012
7. Create a program to take into account work life balance issues and offer reward packages that retain people and attract and meet the needs of a greater range of potential employees by 2013

Workforce Attraction and Retention

Attraction and retention of skilled staff is a challenge in today's employment marketplace. Reviewing recruitment activities to ensure that prospective employees are not only attracted to Council, but also have an accurate impression of employment with Council is imperative to attracting staff that will remain. With an ageing workforce and increasing expectations of workplace flexibility Council will need to review internal practices that promote attraction and retention of its workforce.

In addition the following areas have been identified as future requirements for Council in which roles will be required to be developed or skills developed internally to accommodate the changing nature of WSC's role

- Community Engagement
- Environmental Review and Measurement
- Energy Management
- Heritage Land Use
- Vegetation and Noxious Weeds
- Sustainability
- Landscape and Tree Management
- Aged and Disability Services
- Asset Management Modelling
- Trade Waste
- Online Customer Service
- Electrical Work
- Carpentry Work

How will we know that we are on our way to achieving workforce attraction and retention?

1. Review of recruitment, selection and induction to increase attraction and retention of younger workers (employees 30 and under), people with a disability, people from a non English speaking background and Aboriginal Torres Strait Islanders with in increased attraction of candidates evident by 2016
2. Self directed work teams implemented by 2014 where appropriate to allow autonomy, increased performance and greater workplace satisfaction
3. Biennial staff survey conducted with results reported to staff and working parties established to address issues identified
4. An organisational culture assessment to be conducted by 2013 and actions implemented accordingly
5. Implementation of processes for succession strategies for critical roles and career planning for employees by 2012
6. Maintain voluntary employee turnover at 10% or less, inclusive of turnover within the group of employees who have been with Council for under two years
7. Simplification of the recruitment process, particularly for positions at lower grades, simplification of position descriptions and use of plain English in advertisements, position titles and position descriptions
8. Review of Council's Remuneration and Reward framework to increase the ability to attract and retain staff by 2014

Workforce Equity and Diversity

Promoting workforce equity and diversity not only assists in increasing retention but also enables Council to best represent and serve the community which it services. Council's EEO Management Plan sets the framework for this, however embedding these principles in every employment practice is required to ensure that discrimination or any form of workplace conflict do not negatively impact any Council employees, customer, or the direction of Council as a whole.

How will we know that we are on our way to achieving workforce equity and diversity?

1. Transition to retirement options available to retiring employees with at least 25% of employees who retire choosing to use one of these options by 2015
2. Increase workforce flexibility to include part time, job share and casual employment along with other initiatives to see women and Aboriginal and Torres Strait Islander representation increased across the workforce, including in leadership positions by 2015
3. Implement work experience or traineeship programs for people with a disability with the aim to have by 2016 the equivalent of two full time positions in Council provided for a person with a disability
4. The biennial review of all people management and employment policies to ensure consistency and fairness

5. Review of Council Cadetship, Apprenticeship and Traineeship program for fairness and equity by 2013

Action Plans 2011-2014

Key Focus Area	Goal	Strategies	Responsibility	Timeframe	Status
1. A Skilled Workforce	1.1 Be a learning organisation where we assist all our employees to realise their potential whilst at the same time providing WSC with a skilled, capable and flexible workforce	1.1.1 Provide base level skills development: <ul style="list-style-type: none"> • literacy • numeracy • communication • Information Technology • career development 	Organisational Performance Branch	Ongoing	Offered on a needs basis
		1.1.2 Encourage a continuous learning environment by training and development opportunities to all staff, as identified in their individual learning plans	Organisational Performance Branch & all Branch Managers	July 2012	Learning plans need to be developed for all employees linked to skills and competency requirements
		1.1.3 Prepare and educate workforce at all levels for workplace changes – including change management, organisational structure change training	Organisational Performance Branch	Ongoing	In progress
		1.1.4 Ensure Performance Management System is linked with Learning and Development system	Organisational Performance Branch	Review systems by June 2012	In progress
		1.1.5 Continuous improvement of front line management and leadership programs to ensure our leaders are able to respond to emerging challenges	Executive and Organisational Performance Branch	Ongoing	In progress
	1.2 A workforce that is capable of dealing with advances in new technology and to maximize labour via improved technology	1.2.1 Take advantage of improved technology relating to plant and machinery that increases efficiency and/or reduces manual handling risks to employees	Executive	Ongoing	In progress

Key Focus Area	Goal	Strategies	Responsibility	Timeframe	Status
		1.2.2 Providing E-learning as a supplement to face-to-face learning. Also provide flexible delivery options: <ul style="list-style-type: none"> • Computer kiosks • Intranet 	Organisational Performance Branch and Information & Customer Services Branch	July 2013	
	1.3 A workforce that is capable of dealing with environmental sustainability	1.3.1 Build capability in the workforce via training in areas such as recycling, energy efficiency, green construction and other environmental sustainability projects	Environment & Sustainability Branch	Ongoing	In progress
2. Workforce Structure for achieving W2031+	2.1 Efficient and effective system for the compilation and reporting of appropriate data	2.1.1 Improve usability and access to Chris21 system	Organisational Performance Branch & Financial Services Branch	Ongoing	In progress
		2.1.2 Benchmarking of key HR metrics across similar sized Councils	Organisational Performance Branch	2012/13	Participation on LGSA pilot program 2011
	2.2 Workplace culture aligns to Council's mission, vision and core values	2.2.1 Ensure changes to the Code of Conduct are regularly and effectively communicated	Governance Branch	Ongoing	Ongoing
		2.2.2 Ensure Council's Management and Deliver Plan is communicated to employees at every induction	Organisational Performance Branch	Ongoing	Ongoing
		2.2.3 Integrate desired management and leadership culture into recruitment for senior management	Executive	Ongoing	Research
2.3 Continuity of Council's operations	2.3.1 Develop contingency plans for positions identified as critical and essential	Executive & Organisational Performance Branch	2012/13	In progress	

Key Focus Area	Goal	Strategies	Responsibility	Timeframe	Status
		2.3.2 Ensure key work practices are documented	Governance Branch & all Branch Managers	Review annually	Audit required to identify gaps
	2.4 Flexible organisational structures with appropriate staffing levels	2.4.1 Seize opportunities, as/when they arise to review positions including redesign/ restructure in response to changes in business direction	Executive & Branch Managers	Ongoing	In progress
	2.5 Risks and skills shortages minimised through resource sharing	2.5.1 Explore opportunities for resource sharing or collaborative partnerships with neighbouring councils	Executive	Ongoing	In progress
		2.5.2 Explore cadetships, traineeships or apprenticeship opportunities for job roles that are in short supply	Executive & Branch Managers	Annually	In progress
		2.5.3 Provide work experience opportunities to promote Council as an attractive career option	Organisational Performance Branch	Ongoing	In progress
3. Workforce Attraction and Retention	3.1 Retain skilled, experienced employees and attract new, competent and qualified employees as necessary	3.1.1 Compete effectively with other employers to attract and retain talented employees: <ul style="list-style-type: none"> Review HR Recruitment policies Review market relativities of salaries and benefits Review staff benefits 	Organisational Performance Branch	Salary System Review 2011/12	In progress
				Other policies reviewed every 2 years	
				2012/13	
	3.1.2 Review marketing of WSC brand and reputation	Organisational Performance Branch	2012/13		
	3.1.3 Ensure employee feedback opportunities are in place	General Manager	Ongoing	In progress	
	3.2 Have a balanced workforce – renewal through attraction	3.2.1 Provide mentoring opportunities that meet a wide range of staff needs	Executive	Ongoing	Not funded

Key Focus Area	Goal	Strategies	Responsibility	Timeframe	Status
	and retention of both younger and mature age workers	3.2.2 Explore innovative, flexible work options such as phased retirement	Organisational Performance Branch	2011/12	In progress
	3.3 Retain an organisational culture that is engaged	3.3.1 Conduct Employee Culture Surveys and measure engagement every 2-3 years	Organisational Performance Branch	2012/13	
		3.3.2 Review Reward and Recognition Scheme to celebrate successes	Organisational Performance Branch	2012/13	
		3.3.3 Continuous improvement of welcoming new employees through an effective induction and orientation program	Organisational Performance Branch	Ongoing	In progress
		3.3.4 Exit interviews: analysis of reasons for leaving	Organisational Performance Branch	Annually	Ongoing
		3.3.5 Update and implement internal communication mechanisms to optimise communication between business units	Executive & Media & Communication Officer	2013/14	
	3.4 Encourage employee wellbeing to ensure ongoing productivity and organisational sustainability	3.4.1 Provide and promote effective Employee Assistance Program	Organisational Performance Branch	Ongoing	Ongoing
		3.4.1 Provide a range of health and wellbeing programs	Organisational Performance Branch	Ongoing	In progress
	3.5 Decrease costs, associated with turnover, unplanned absenteeism, incidents and accidents by encouraging good physical health and mental fitness	3.5.1 Safe Work Practices by promoting a culture of zero harm	Organisational Performance Branch, all Branch Managers, Coordinators & Team Leaders	Ongoing	Ongoing

Key Focus Area	Goal	Strategies	Responsibility	Timeframe	Status
4. Workforce Equity and Diversity	4.1 Workforce that draws on the diversity of people in the Wingecarribee community and surrounding areas	4.1.1 Analyse Council's workforce demographic against the community profile	Organisational Performance Branch	Annually	Complete for 2010/11
	4.2 Workforce participation and social inclusion	4.2.1 Provide training to overcome limitations relating to language, literacy, numeracy and computer technology skills	Organisational Performance Branch	Ongoing	Offered on a needs basis
		4.2.2 Develop programs that improve career development of women at WSC and help to remove any identified barriers	Organisational Performance Branch	2012/13	
		4.2.3 Continue to monitor Equal Employment issues, in line with EEO Management Plan	Organisational Performance Branch	Annually – reported in Annual Report	In progress
		4.2.4 Streamline recruitment processes and use available tools such as the internet and social/virtual networks to be more inclusive	Organisational Performance Branch	2012/13	

Appendix 1 – Workforce composition

A snapshot of employee data is taken at the end of every financial year to monitor the composition of the workforce and gain an understanding of developing trends.

- The Council's headcount at July 2010 was 395. The full time equivalent(FTE) number of employees is 307.68 which has been fairly stable for a number of years.
- 41.3% of the workforce is female. Of the female employees 24.7% are in the Operational Band; 56.8% in the Administrative Trades Band; 17.3% in the Professional Specialist Band and 1.2% in Senior Management role. The Wingecarribee Shire is 52% female indicating that females are underrepresented in Council's workforce.
- 58.7% of the workforce is male. Of the male employees 42% are in the Operational Band; 28.1% in the Administrative Trades Band; 24.1% in the Professional Specialist Band and 5.8% in Senior Management roles.
- Council's Executive staff consists of 4 staff, all of whom are male. Males continue to occupy a greater proportion of staff in Professional Specialist Band and in Senior Management roles.
- 67% of the workforce is aged over 40, with 34% aged over 50. The age profile shows the major peak of employees to be 45-49 years. Infrastructure Services in particular has 70% of its workforce aged over 40 and 55% aged over 45. This is particularly concerning with regards to Operational employees as their jobs are usually physically more demanding.
- Numbers of younger people aged under 30 comprise only 13.1% of the workforce.
- The rate for voluntary resignations was 8.6%. Stated reasons for resignations in 2010 included career development 41%; retirement 23%; family relocation 12%; work closer to home 8%; Other (lifestyle, not given) 14%
- The years of service for voluntary resignations in 2010 included less than 2 years 14%; 3-5 years 17%; 6-10 years 26%; 11-15 years 3% and Over 20 years 9%.
- Greatest turnover in 2010 occurred within the professional engineering employees with 5 voluntary resignations or 33%: 3 employees with less than 2 years service and 2 employees with service between 3-5 years.
- Unplanned absence in 2009/2010 was 6.89 days per person.
- The proportion of employees with a disability in the workforce is 1%; employees identifying as Aboriginal and Torres Strait Islanders is 1.5% and Non English Speaking Background employees is 3%. A long term aim is to increase these to more closely match the proportions in the economically active local population, particularly in the disability employees where the percentage in the community is identified at 4%.

Appendix 2 – Employee Survey

Understanding our workforce, their needs and their views on working for WSC is essential to position us to deliver the highest quality services to the people of the Shire. One of the methods used to engage our workforce and to assess their views is the Staff Survey, conducted biennially to assess levels of employee engagement and give employees an opportunity to provide feedback.

The latest survey, undertaken in 2010, has enabled us to understand the perceptions that our staff have of their workplace and allows us to identify the strengths and present opportunities for improvement in the organisation's culture. The survey was completed by 275 employees or 72% of staff.

Overall 58% of employees feel that WSC is a Great Place to Work. They indicated they feel a sense of pride in their work (70%). They like having responsibility and feel that they make a difference to their community (70%). They feel Council has a safe working environment (75%) and they have indicated that they want to work at Wingecarribee Council for a long time.

The major themes to emerge when asked if there was anything unique or unusual about Council that makes it a Great Place to Work were:

- Friendly, caring staff
- Interesting work
- Flexible work practices and Rostered Days Off Scheme

The survey also provided information on areas for improvement. These were:

- Work overload
- Lack of autonomy
- A culture of backstabbing and playing politics
- Poor communication
- Management accountability
- Skimpy remuneration

Council's recruitment and retention strategy was reviewed in 2009 which highlighted some critical issues:

- There is increasing competition to secure highly skilled employees
- The image of local government as an employer is varied and is often not considered by young people
- Demography, transport and house prices may discourage people from working in Wingecarribee Shire
- There are positions that are difficult to recruit both in Wingecarribee and nationally, e.g. civil engineers, town planners, tradespeople, water and sewer engineers
- Methods and processes of recruitment can be bureaucratic and inhibit creative solutions

The Great Place to Work survey conducted during 2010 amongst existing staff identified some key factors that could be attributed to a 'preferred employer'. Responses also highlight what priorities people value within their employment:

- The most popular reasons for retention are job security and the good working conditions
- The most popular benefits were flexible working practices, 9 day fortnight, superannuation scheme.
- Only 40% of the workforce found Council to be a psychologically and emotionally healthy place to work. Both workload and management were indicated as a stressor.
- There were concerns about promotion and career development

Asset Management Plan

Executive Summary

What Council Provides

Wingecarribee Shire Council (WSC) has a significant number of assets under its care and control to provide safe and efficient services for the community within the shire. Council maintains, rehabilitates and upgrades the assets on behalf of the community. The following assets categories are valued at over \$1.2B:

- Road and Road Infrastructure including Bridges, Kerb & Gutter, Footpaths etc
- Traffic Control and Road Safety assets
- A significant Drainage network of pipes and pits
- A significant portfolio of buildings, both community and commercial
- Recreation Facilities including sports fields, halls, sheds, amenities
- General public amenities
- Significant parks, gardens and reserves

But also:

- Water Facilities and a significant water network
- Sewerage Facilities and a significant sewer network
- An award winning Waste & Recycling facility (RRC)

What does it Cost?

Currently, the total lifecycle cost of all Infrastructure assets (including networks) is \$34.5M per annum. The current expenditure on maintenance and renewal for 2009/10 was some \$22M delivering an overall sustainability index (SI) of 0.63 with SI varying between 0.53 and 0.67 – Parks & Property (0.53), Roads & Traffic (0.61) and Water & Sewer (0.67).

The following terminology is used in this document.

AAAC (Annual Average Asset Consumption) = Value/Life

ALCC (Annualised Life Cycle Cost) = AAAC + Actual Maintenance cost

ALCE (Annualised Life Cycle Expenditure) = Actual renewal costs + Actual Maintenance cost

Sustainability Index = ALCE/ALCC = SI

Across all WSC assets 2010 SI = 0.64 with the 2011 SI forecast trending up to 0.68. The forecast ALCE for 2011 is \$25M.

Plans for the Future

Council plans to operate and maintain its asset infrastructure and networks to ensure that the service level provided by all assets meets a desired standard as set out in the individual Asset Management Plans (AMP) and to achieve the following strategic objectives:

- Ensure all assets are maintained at a safe and functional standard.
- Manage the utilisation of Council's assets to maximise the provision of the Council's community service obligations within the defined limitations (budgets) and the Community Strategic Plan, Wingecarribee 2031+ (W2031+), and other plans including the Delivery Program and Workforce Plan.

Council is developing asset management (funding) strategies for Shire assets that identify the funding requirements necessary to maintain the service levels and priorities as part of an integrated approach to service delivery and achieving the best use of Council assets.

Council is progressively moving to an advanced asset management plan. This move will entail some key improvements to the AMP planning process and considerations, including;

- Close alignment between W2031+ and AMPs
- Long term, whole of life financial plans will include cost/risk/performance optimisation and be linked to the Long Term Financial Plan (LTFP)

As well as:

- Levels of Service (LoS) and associated expenditure, across all assets will be determined and agreed with the community
- A focused community engagement process will be put in place and executed to ensure community agreement as part of implementation of our Community Strategic Plan (W2031+)
- Information Technology systems, particularly the Asset Management System will be integrated with other corporate systems (e.g. Finance and GIS) and used across all asset management activities to provide monitoring and control of asset activities, asset conditions and valuations.

Measuring our Performance

Quality

All assets will be maintained in a safe and usable condition so that they can meet required service levels. Defects found or reported will be repaired as part of this overall approach to asset management. However, strict guidelines will be developed that define expected/agreed LoS and specify projects and expenditure to ensure these levels are maintained.

Function

Our intention is to maintain an appropriate asset infrastructure and networks in partnership with other levels of government and the community to provide safe, comfortable and reliable services within the shire.

The following key functional objective to be met:

- All assets will be maintained, renewed or upgraded to deliver agreed service levels to the community in a safe and reliable manner, within budget constraints

The main functional purpose of this shire-wide asset management plan is to provide a summary of the current and future state of assets (and how this will affect agreed service levels).

The following principles will be used to achieve improved asset management across Wingecarribee Shire:

1. Achieve optimal value for the council budget,
2. Manage public risk (liability) and safety
3. Design, operate and maintain Infrastructure to minimize life cycle costs.

Safety

We should inspect and record condition of all assets regularly and place priorities on the repair of defects in accordance with our service level agreements and our maintenance capabilities and schedules to ensure that all assets are safe and available for public use.

Community Engagement

The current AMPs assume past levels of service are appropriate for the community. This will allow a concerted effort to be carried out to identify and quantify current LOS and to relate this to the costs associated with achieving this LOS. Subsequent plans ('advanced') will feed off community engagement processes that will determine the community required service levels and what these LOS will cost the community.

The proposed community engagement process is to:

1. Prepare documentation and a presentation that outlines specific Council asset management plan (AMP) setting out the impact this plan will have on the community.
2. Prepare and present the current levels of service (re specific assets) delivered to the community.
3. Determine and advise the community on the costs to deliver the current LOS.
4. Present the community with alternative, affordable scenarios for asset management.
5. Revise this AMP taking into account the community input on LOS and cost expectations.
6. Provide continuous feedback on plans to the community, through a community consultation process.

Asset Management at WSC

Introduction

Council is custodian for approximately \$1.2B of physical assets that support its core business, the delivery of service to the community. Council assets affect the day to day activities of the community and include:

- Roads and all associated support systems like footpaths, gutters, kerbs, signs etc
- Bridges
- Stormwater assets like pipes drainage, headwalls, detention basins and associated infrastructure
- Parks and the associated built assets like swimming pools, amenity blocks, playing fields
- Public reserves including walking tracks, picnic areas, lookouts
- Trees, gardens, floral gardens and associated assets
- Buildings for community, council and even commercial use
- Waste management facilities for garbage collection, recycling and waste management and reuse facilities.
- Water assets including pump stations, reservoirs, a network of pipes and associated infrastructure
- Sewerage assets including pumping stations, sewerage treatment plants, a network of pipes and other infrastructure
- Other community facilities

And some of the assets are buried underground, like:

- Water supply reticulation pipes
- Sewerage pipes
- Drainage pipes

This asset management plan demonstrates Council's ability to:

1. Be proactive in asset management
2. Define the annual budget (based on life cycle costs) for asset maintenance, renewal, upgrading and expansion to ensure the agreed levels of service are met now and in the future.
3. Proactively look to improve the efficiency (cost) and the effectiveness of service provision

The challenge for Council is to facilitate the provision of sustainable assets used in the effective delivery of services to the community for both current and future generations.

Asset Management is a strategic process and a journey. Consequently it needs to start with a vision and objectives (developed in conjunction with the community). The vision and objectives are set by the W2031+. This is an important link required to ensure the asset management planning process is synchronised with the overall vision and community direction.

This plan should be read in conjunction with the following documents:

- W2031+
- 2011-13 Delivery Program
- Long Term Financial Plan (LTFP)
- Workforce Plan

Asset Management Framework

Council's Asset Management Framework includes the following components:

- Asset Management Policy (AMP)
- Asset Management Strategy (AMS)
- Overarching Asset Management Plan - State of our Assets (OAMP)
- Delivery Program and Operational Plan

This asset management plan consolidates information from the following infrastructure asset management plans:

- Roads & Traffic AMP, including a separate Drainage AMP
- Water AMP & Sewer AMP
- Parks & Property AMP
- Waste Management AMP

These individual documents should be seen as essential elements of the overall framework and will be under continuous review and adjustments as annual budgets and operating plans are developed.

Asset Management Policy & Strategy

Council's Asset Management Policy was adopted on 28 July 2010 (Appendix 1). To ensure corporate asset management the objectives of the policy are:

1. Full life cycle costs will be used as the basis for decisions on asset maintenance and asset acquisition, replacement and disposal.
2. An Asset Management Plan will be developed that will ensure systematic and appropriate asset management best-practice is implemented throughout Council.
3. The Asset Management Plan will be aligned to the Community Strategic Plan and the Long Term Financial Plan to meet legislative requirements.
4. Service levels will be defined by the community consultation process and will be reflected into the Asset Management Plan.
5. The Asset Management Plan will include initiatives to reduce the exposure to asset failure by the continued application of risk management and asset condition assessment. The need for regular condition assessment is now mandated in the new legislation.
6. Systematic and cyclic reviews will be applied across all asset classes to ensure that the assets are managed, depreciated and valued in accordance with appropriate best practice and applicable Australian Standards.
7. Current asset performance and future life cycle costs will be reported as part of the decision process for new services and upgrading of existing services (assets). A measurement of overall sustainability will be made and reported annually as part of the monitoring process for good asset management practice.

A copy of the Asset Management Policy is included as Appendix 1

Goals and Objectives of Asset Management

Council's charter is to provide cost effective, sustainable services to the community. A large proportion of these services are provided by infrastructure assets. Council has acquired infrastructure assets by purchase, by contract, construction by Council, and by transfer of assets constructed by developers and others to meet increased levels of service.

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

- Taking a 'whole of life' approach to financial management (particularly expenditure) for all assets
- Developing a cost-effective and integrated management strategy
- Delivering an agreed level of service and monitoring delivery of the service
- Understanding and meeting the demands of growth through demand management and infrastructure investment
- Managing risks associated with asset failures
- Sustainable use of physical resources
- Consideration of Social and Environmental issues
- Continuous improvement in asset management practices¹

Core and Advanced Asset Management

AMP's have been initially prepared as 'core', in accordance with the International Infrastructure Management Manual.

This plan has been prepared to consolidate the results from each individual AMP. Future revisions of this AMP will move towards 'advanced' asset management using a 'bottom up' approach, gathering asset information for individual assets to support the optimisation of activities, programs and expenditures to meet agreed service levels. Key components required to move to an Advanced Asset Management Plan are a well implemented Asset Management System and all plans linked to the LTFFP.

This plan and the associated Asset Management Plans are now at an advanced level.

AMP Framework

Key elements of the each AMP are:

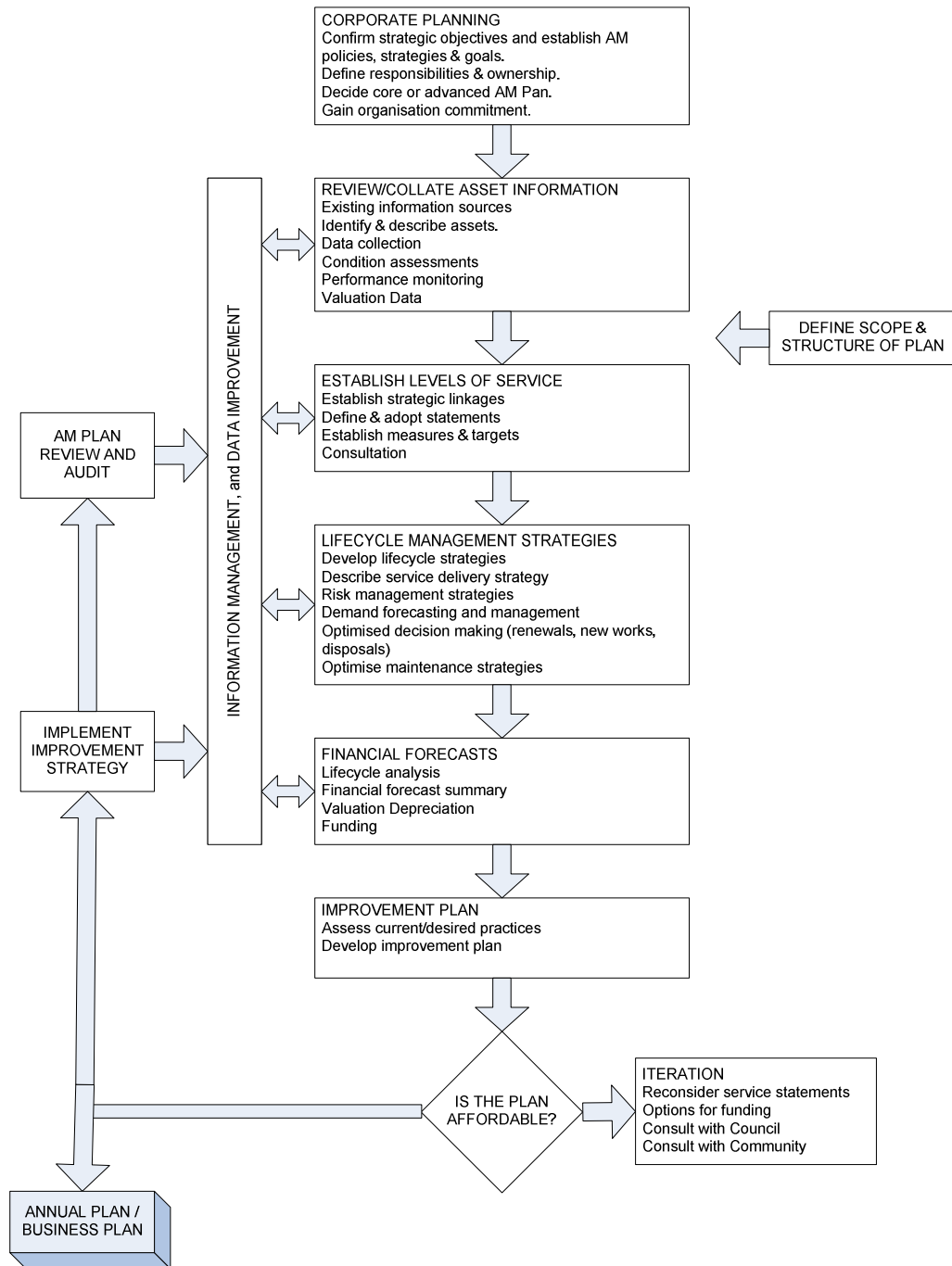
- Levels of service: Specifies the services and levels of service to be provided by Council
- Life cycle management: How Council is managing its existing assets to provide the required services
- Financial Forecasts: What funds are required to provide the required services now and in the future, how Council will manage its current & future assets to provide the required services. Future sustainability will be forecast as a performance monitoring measure
- Other issues including asset management practices, systems and continuous improvement will be discussed in this overarching WSC State of Assets plan

Refer to the following diagram for the AMP Framework documented in the International Infrastructure Management Manual (IIMM).

¹ IIMM 2006 Sec 1.1.3, p 1.3

Road Map for preparing the Asset Management Plans

Source: IIMM Fig 1.5.1, p 1.11



Levels of Service

Customer Research and Expectations

Council currently does research on customer expectations. However the new IP&R process emphasises the importance on community engagement. Currently Council gauges the community's expectations from:

- Customer Request and Complaint Management System
- Councillors and Community representatives
- Feedback from interest groups
- Various regulatory authorities' guidelines
- Community feedback on plans

Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

Legislation	Requirement
Local Government Act (LGA) 1993 and Local Government Regulation 1999	This Act and Regulation sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Protection of the Environment Operations (POEO) Act 1997 and POEO Regulation 2000	That Council comply with Environment Protection Licences issued by Environment Protection Authority to wilfully or negligently harming the environment.
Public Health Act 1991	That Council comply with Australian Drinking Water Guidelines (ADWG).
OHS Act 2000 and OHS Regulation 2001	Council must provide safe conditions of workplace for all its employees, customers, contractors and volunteers.
Water Management Act 2000	That Council comply with requirements of Sydney Catchment Authority, Department of Energy, Utilities and Sustainability (DEUS) in regards to water extraction.

Current Levels of Service

Council has defined service levels in two terms.

- Community Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.
- Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met.

Council's current service levels are detailed in Table 3.3 of each specific Asset Management Plan. Levels of Service are specifically defined for individual asset categories within specific asset management plans.

Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including the Customer Satisfaction survey, residents' feedback to Councillors and staff, service requests and correspondence. Council needs to quantify desired levels of service. Linking the service levels and the cost of service delivery is an essential component of strategic asset management. As part of the community engagement process, the desired services levels need to be understood. The community also needs to be informed of the cost to delivery of the desired service levels.

Level of Service is an important driver for the Asset Management Plans of Council. Each AMP needs to correlate the levels of service (gathered as part of the community engagement process)

and the physical condition attributes of assets so that the costs to bring the assets to a different level of condition (e.g. to provide a different level of service to the community) can be determined.

Once these correlations are in place, Council will have the relationship between levels of service/condition of assets/cost to deliver required condition. Council will then be able to predict what costs (expenditure) in the future will be required to deliver specific levels of service from infrastructure assets. This will be essential for future planning and the forecasts in this AMP.

Future Demand

Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, business practices, environmental awareness, etc.

Population growth trends are summarised below. Further work will be done on how population growth affects service delivery in future versions.

	2006	2016	2026	2036
Bowral/Burradoo	10,855	11,678	12,032	12,397
Moss Vale	7,205	8,360	9,702	11,258
Bundanoon	2,190	2,721	3,157	3,662
Mittagong, Welby, Willow Vale, Braemar	7,717	1,0942	13,689	16,114
Hill Top, Colo Vale, Aylmerton	2,731	3,805	4,458	4,629
Berrima & New Berrima	915	936	966	951
Yerrinbool	1,094	1,355	1,672	2,018
Shire	44,025	51,600	59,000	67,000

Relevant effects from growth and detailed, increased services required are detailed in the specific AMP.

Changes in Technology

Technology and engineering changes will have an effect on the delivery of services and are specifically discussed in each AMP. However technology will be introduced to drive the AMP process and to ensure efficiency and effectiveness of the AM processes and practices. This new technology will include an asset management system, hand-held devices in the field, greater use of GIS and integrated communications technology for engaging the community.

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. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Demand management will also include Asset Disposal Management (as part of future plans).

Opportunities for demand management (including Disposal Management) will be developed in future revisions of the AMPs.

New Assets from Growth

New assets required to meet growth will be acquired from both land developers and from construction works by Council. Acquiring these new assets will commit council to fund ongoing operations and maintenance costs as well as rehabilitation/renewal costs for the assets over the

asset's life. Demand driven, new assets will be included in future revisions of the asset management plans as it will affect forecasts of future operating, maintenance and renewal costs.

Lifecycle Management Plan

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service, while optimising life cycle costs.

Background Data

Physical parameters

The key assets (by asset class) covered by this asset management plan are shown below.

Summary for Roads:

SUBCATEGORY	AREA (sq m)	Values 2009	Values 2010
Local Sealed Roads	4,505,000	\$301,805,000	\$316,025,911
Local Unsealed Roads	1,976,000	\$30,250,000	\$31,664,158
Regional Sealed Roads	659,000	\$52,182,000	\$54,693,095
Regional Unsealed Roads	207,000	\$3,293,000	\$3,446,618
Ancillary Equip + Traffic	NA	\$103,919,000	\$87,925,916
Drainage Conduits	217km	\$47,060,000	\$48,431,223
Drainage Structures	4929	\$11,175,000	\$11,761,098
TOTALS	7,347,000	\$549,734,000	\$553,948,019

Summary for Parks & Property:

SUBCATEGORY	Numbers	Values 2009	Values 2010
Buildings	160	\$43,000,000	\$43,000,000
Swimming Centers	4	\$25,000,000	\$25,000,000
Playgrounds	46	\$4,500,000	\$4,500,000
Cemeteries	13	\$1,500,000	\$1,500,000
Sale Yards	1	\$13,000,000	\$13,000,000
Parks & Gardens	129	\$17,000,000	\$17,000,000
Natural resources	68	\$25,000,000	\$25,000,000
TOTALS		\$ 129,000,000	\$129,000,000

Summary for Water:

SUBCATEGORY	Numbers	Values 2009	Values 2010
Dams	2	\$15,940,000	\$15,940,297
Treatment Works	3	\$41,167,000	\$41,393,460
Pump Stations	15	\$5,550,000	\$5,708,298
Reservoirs	29	\$26,015,000	\$26,657,379
Service Lines	17,168	\$30,179,000	\$30,517,415
Water Reticulation including Mains, Hydrants, Vales, Meters etc	Mains - 653km Hydrants – 6307 Valves – 3,919 Meters – 16,947 UFS - 6	\$166,472,000	\$166,315,750
TOTALS		\$ 285,321,000	\$286,532,599

Summary for Sewer

SUBCATEGORY	Numbers	Values	Values 2010
Pumping Stations	69	\$ 29,397,000	\$29,398,359
Mains (Gravity + Rising)	512km	\$ 102,882,000	\$106,082,841
Reticulation Assets	Valves – 74 Vents – 108 Access Chambers – 8500	\$ 38,079,000	\$38,650,667
Service Lines	13801	\$ 30,050,000	\$30,371,000
Treatment Plants	5	\$ 40,461,000	\$51,572,633
TOTALS		\$ 240,829,000	\$265,075,500

Summary for Waste Management:

SUBCATEGORY	Numbers	Values 2009	Values 2010
RRC including Buildings, Roads and Plant & Equipment	N/A	\$5,860,000	\$5,900,000
TOTALS		\$ 5,860,000	\$5,900,000

Some of the current issues are:

The investment into building a considerable portion of Council's assets occurred between 40 - 60 years ago. Consequently many of these assets are now requiring increased levels of maintenance and/or replacement. Assets in this category include roads, drainage, water & sewer network assets, buildings and recreation facilities

There is an increase in the expectation of the community in relation to the level of service provided by Council's assets. This change in expectation, coupled with a generally more litigious society is causing a significant increase in public liability risk. It is anticipated that this trend will continue.

There is a definite need to ensure that the community's expectations are matched to their ability to pay for any increased level of service.

Asset capacity and performance

Council's services are generally provided to meet design standards where these are available as well as meeting the general requirements of the public (the WSC community).

The capability and performance of assets in a particular class (required to deliver a specific levels of service) are detailed in each individual AMP.

The performance of these assets is heavily dependent on the condition of the particular assets. Hence there is a growing emphasis on collecting detailed condition information and rating the condition of different assets on a relative scale.

The details of how Council rates assets is summarised in the following section.

Asset condition

The condition distribution of Council's assets also needs to be monitored and controlled. Condition is measured using a 1 – 5 rating system.²

Rating	Description of Condition
1	Excellent condition: Only cyclic maintenance required.
2	Very good: Minor maintenance required plus cyclic maintenance.
3	Good: Significant maintenance required.
4	Average: Significant renewal/upgrade required.
5	Poor: Unserviceable.

² IIMM 2006, Appendix B, p B:1-3, also now specified in Local Government Act (legislation)

Asset valuations

The current year asset valuations (for all asset categories) is summarised below. Assets are valued at greenfield rates with detailed breakdown provided in each specific AMP at section 5.1.4.

Current Year Summary from each AMP is included here:

Asset Group Summary	2 – Current Replacement Value	3 - Average Asset Consumption (AAAC)	4 - Current Expenditure (Maintenance + Renewal)	5 - Annualised LCC (AAAC+Maint)	6 - Sustain Index(4)/(5)
R&T FY 09 + SW	\$ 550,000,000	\$11,325,000	\$ 8,468,000	\$13,991,000	0.61
P&P FY 09	\$ 129,000,000	\$ 4,750,000	\$ 3,680,000	\$ 6,730,000	0.54
W&S	\$ 526,000,000	\$ 8,135,000	\$ 8,103,000	\$12,254,000	0.66
R&T FY10	\$ 553,948,000	\$12,140,507	\$ 9,437,832	\$15,501,972	0.61
P&P FY10	\$ 129,000,000	\$ 4,750,000	\$ 3,800,000	\$ 6,960,000	0.53
W&S FY10	\$ 543,000,000	\$ 7,432,570	\$12,000,000	\$14,200,000	0.72
All FY10	\$1,225,948,000	\$24,323,077	\$25,237,832	\$36,661,972	0.64

Council's sustainability index reports the rate of annual asset consumption and compares this to asset renewal and asset maintenance. A Sustainability Index between 0.7 and 1.0 indicates that the current funding is sufficient (statistically) to provide the required lifecycle funding to sustain services. A Sustainability Ratio of less than 0.7 indicates a significant funding gap may exist and this should be investigated. If the funding is kept at an unacceptable level the funding gap will continue to grow and certain services based on these assets will be unsustainable in the long term.

Routine Maintenance Plan

Routine maintenance is the regular ongoing work that is performed to keep assets operating. It includes planned, preventative (scheduled) maintenance and reactive (unscheduled) maintenance. Reactive maintenance can be more costly as it includes required work where the asset has failed and needs immediate repair to make the asset operational again. The aim is to have a proactive maintenance regime where scheduled maintenance is preferable to the more costly, ad-hoc unscheduled (breakdown) maintenance. The maintenance plan will look to improve the ratio of planned to reactive maintenance for increased efficiency.

Maintenance plan

Maintenance includes unscheduled (reactive) and scheduled (planned and cyclic) maintenance activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. This is generally the most expensive and often diverts resources from planned work.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS), part of the asset management system (AMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance. The MMS provides the ability to track maintenance performance and to provide future expectations on maintenance requirements (by analysing history of asset performance).

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including re-surfacing, heavy patching programme, etc. This work generally falls below the capital/maintenance threshold.

It is targeted to have planned maintenance work to be 80% of total maintenance expenditure.

Assessment and prioritisation of reactive maintenance is currently undertaken by Council staff using experience and judgement. In future there is a need to take a more systematic approach to determining the maintenance regime that suits the various asset classes. Data for this analysis will be provided by the Asset Management System.

Standards and specifications

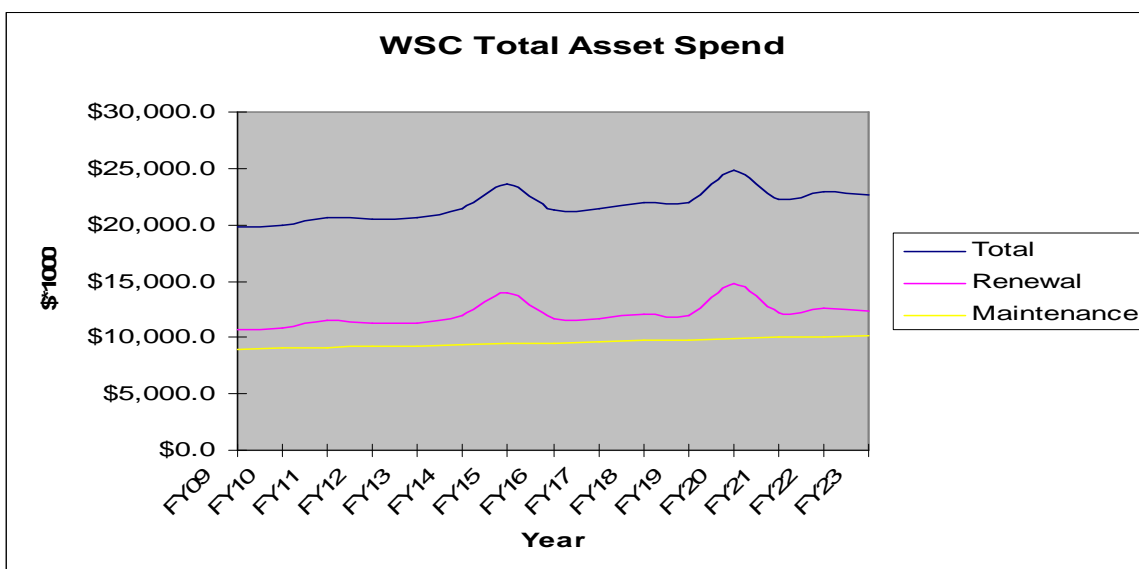
There are many standards and specifications that apply to how work must be performed on infrastructure assets. These apply to how Council builds, renews and maintains its infrastructure assets. The detailed standards are specified in each specific asset class AMP.

Summary of future costs

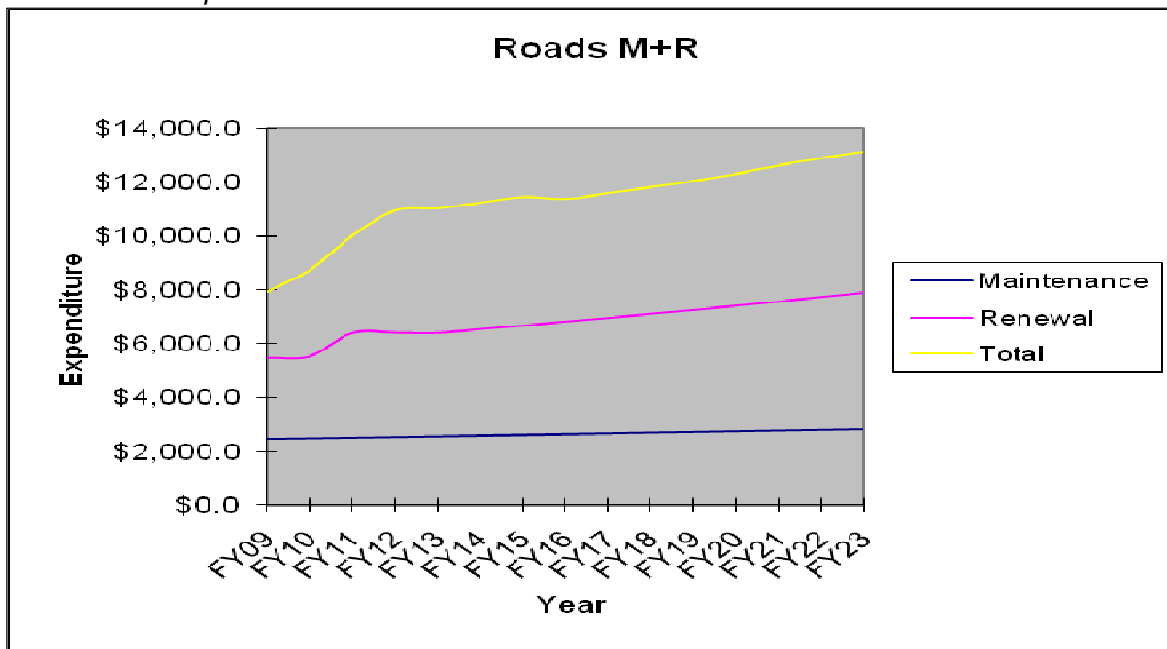
The projected expenditure (included in the Long Term Financial Plan) is summarised here for all Asset Groups. The detailed breakdown of expenditures for major contributors is included here while individual expenditure forecasts will be included in each specific AMP.

Projected 15 Year Forecast (Maintenance + Renewal)

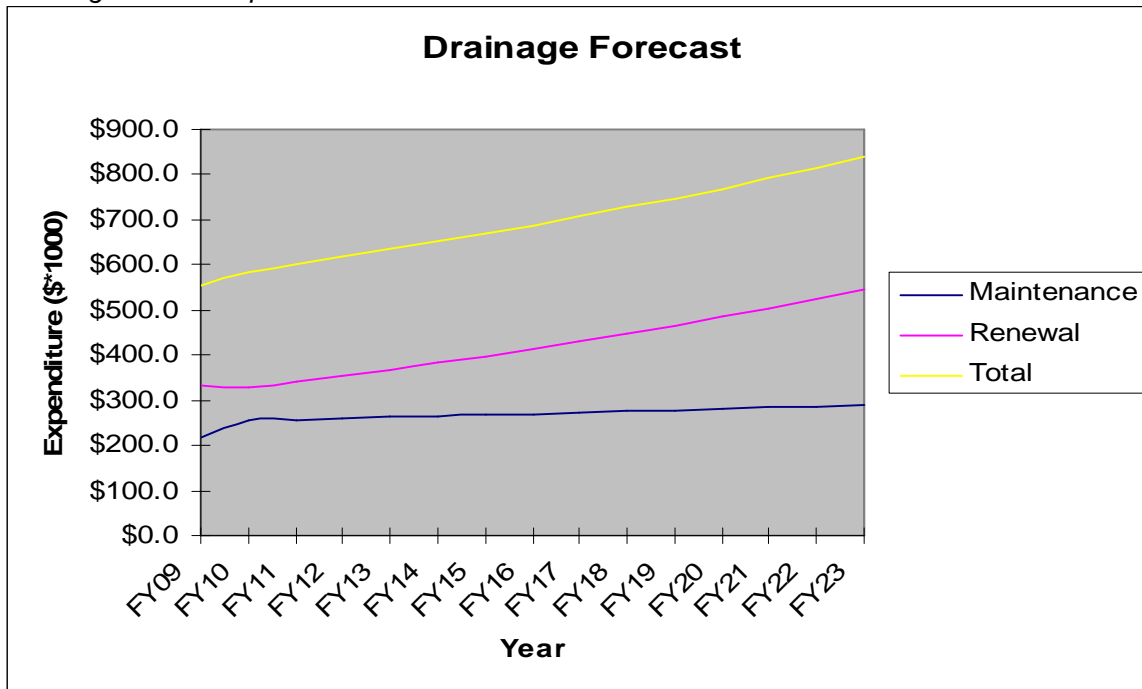
WSC Total Assets Expenditure Forecast



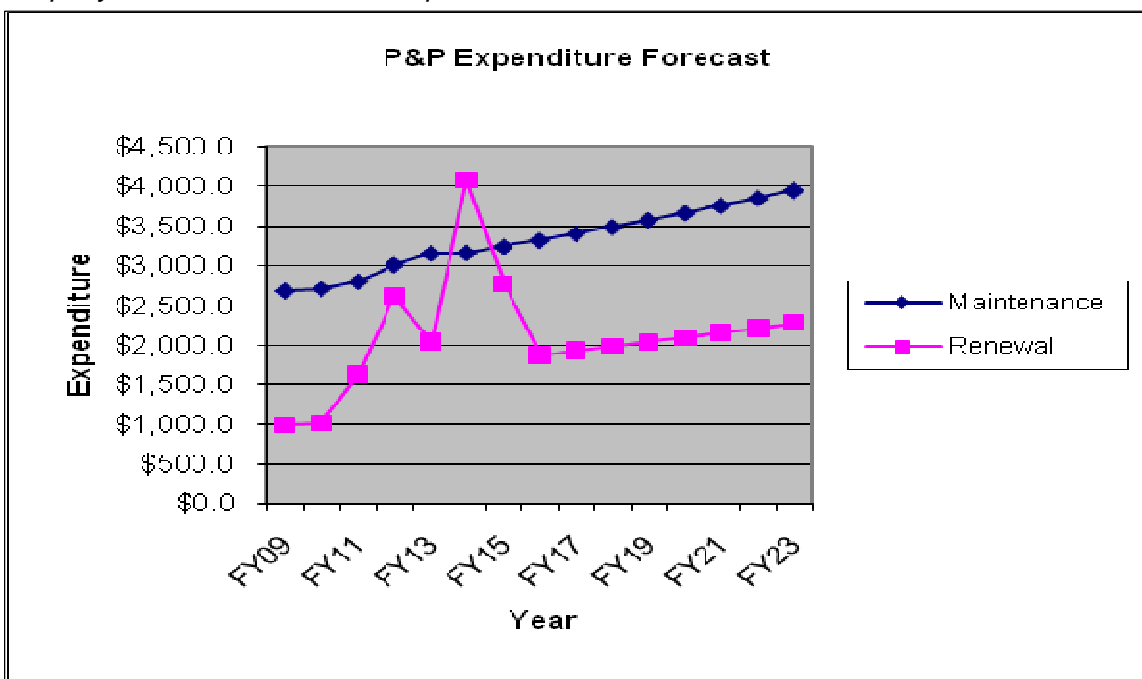
Road Assets Expenditure Forecast



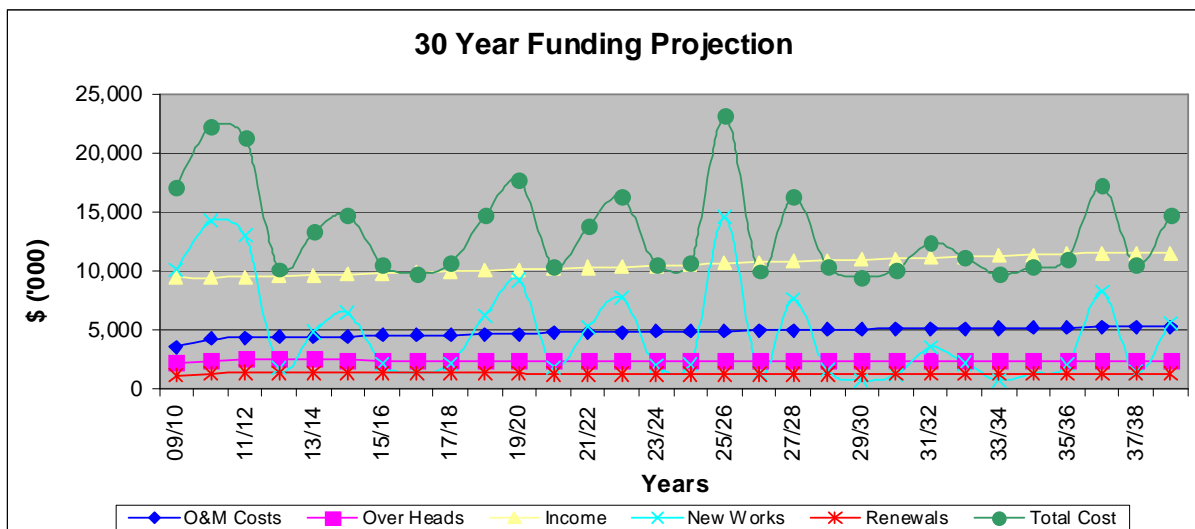
Drainage Assets Expenditure Forecast



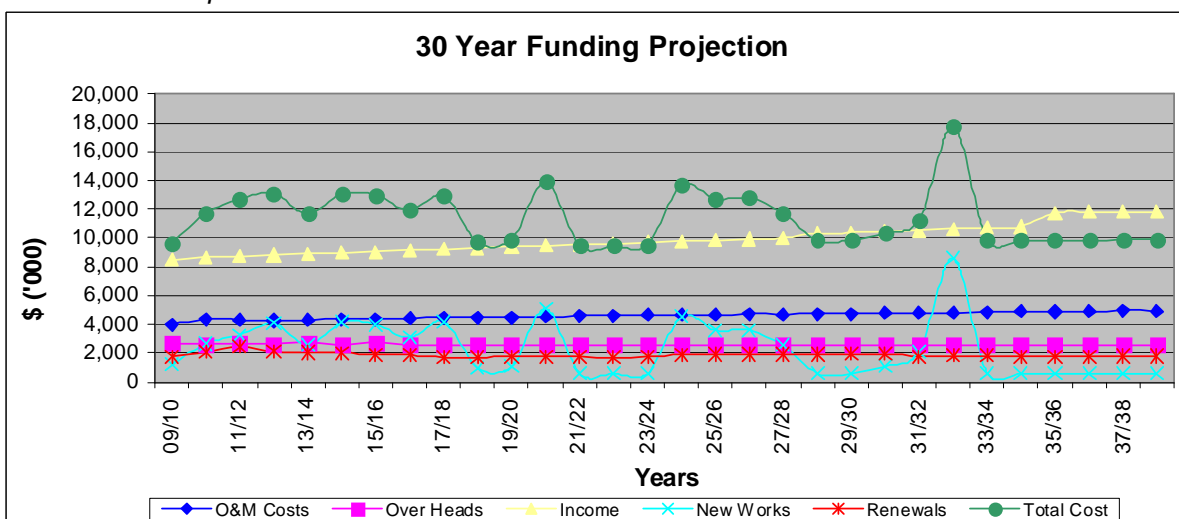
Property & Parks Infrastructure Expenditure Forecast



Sewerage Assets Expenditure Forecast



Water Assets Expenditure Forecast



Deferred maintenance, (i.e. on assets identified for maintenance where funding is not available for maintenance) needs close analysis including risk assessment to determine whether particular maintenance should be deferred and if so, when it should be performed.

Maintenance is funded from Council's base operating budget and grants where available. This funding forecast also needs to take account of life cycle costs of assets through carefully planned capital renewal expenditure.

Renewal/Replacement Plan

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

Renewal plan

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register. Candidate proposals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified renewal proposals are ranked by priority (based

on criticality and risk rating) and expenditure requirements are compared with available funds. A programme of future renewal works is then developed.

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Renewal standards

Renewal work will be carried out following all applicable standards. Refer to each individual AMP.

Summary of future costs

Future renewal costs are forecast to increase over time as the asset stock ages. However, renewal costs need to be allocated annually to ensure assets remain in a viable state to deliver sustainable services into the future. The various costs are listed in each specific AMP.

Deferred renewal, i.e. those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in the risk management plan. Deferred renewal work needs to be included in a "backlog" list of works to be completed at a later (more appropriate) time.

Renewals are to be funded from Council's capital works program and grants where available.

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 Council from land development.

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 the need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

Standards and specifications

Standards and specifications for new assets constructed by developers are as per Development Control Plan 41 (DCP 41).

Disposal Plan

Disposal is any activity associated decommissioning an asset including sale, demolition or relocation.

Cash flow projections for asset disposals should be made available in the future and these will be included in future revisions of each asset management plan.

Sustainability Index ('SI')

The following terminology is used in this document.

AAAC (Annual Average Asset Consumption) = Value/Life

ALCC (Annualised Life Cycle Cost) = AAAC + Actual Maintenance cost

Sustainability Index = (Actual Maintenance +Renewal cost)/ALCC

The aim is to move the sustainability index into a range that provides a good level of confidence for the long term management of these asset groups. Continued monitoring and review should be undertaken as the renewal pattern of infrastructure can fluctuate from year to year.

Sustainability Index (Summary from each specific AMP)

Asset Group	SI - 2008	SI - 2009	SI - 2010	SI - FY2011 (Forecast)	1Y Forecast R+M(2011)
R&T	0.53	0.60	0.61	0.62	\$ 9M
Drainage	0.68	0.63	0.61	0.60	\$ 0.6M
P&P	0.47	0.55	0.53	0.70	\$ 4M
Water	0.62	0.68	0.76	0.80	\$ 5M
Sewer	0.71	0.64	0.68	0.70	\$7M
Waste	0.65	0.65	-	0.65	-
All Categories-Summary	0.61	0.62	0.64	0.68	\$ 25 – 26M

Refer to each individual AMP for the detailed expenditures related to capital (renewal, upgrade and new) and maintenance expenditures and the calculation of specific sustainability indices.

Financial Summary

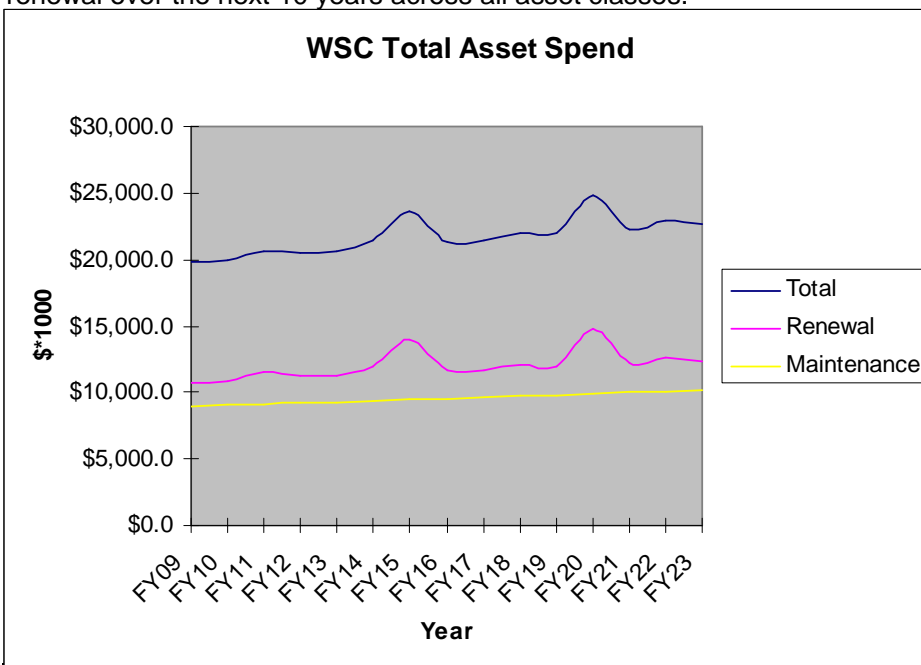
This section contains the financial requirements resulting from the information presented in the previous sections of this asset management plan. The financial projections will be enhanced as further information becomes available on desired levels of service and current and projected future asset performance.

Financial Statements and Projections

The financial projections are shown in Fig 6.1 in each specific AMP. They are summarised here. The projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets) are included.

Forecast Expenditures for Maintenance and Capital (Renewal) – next 10 years

The following figure shows the financial forecast for expenditure on Maintenance and capital renewal over the next 10 years across all asset classes.



More detail information can be reviewed in the individual AMPs.

One key parameter that gives a good indication of whether appropriate funds are being allocated to asset renewal is the sustainability index ('SI'). This index is defined in section 5 and the forecasted SI is plotted below. Individual SI can be found in the specific Asset Management Plans.

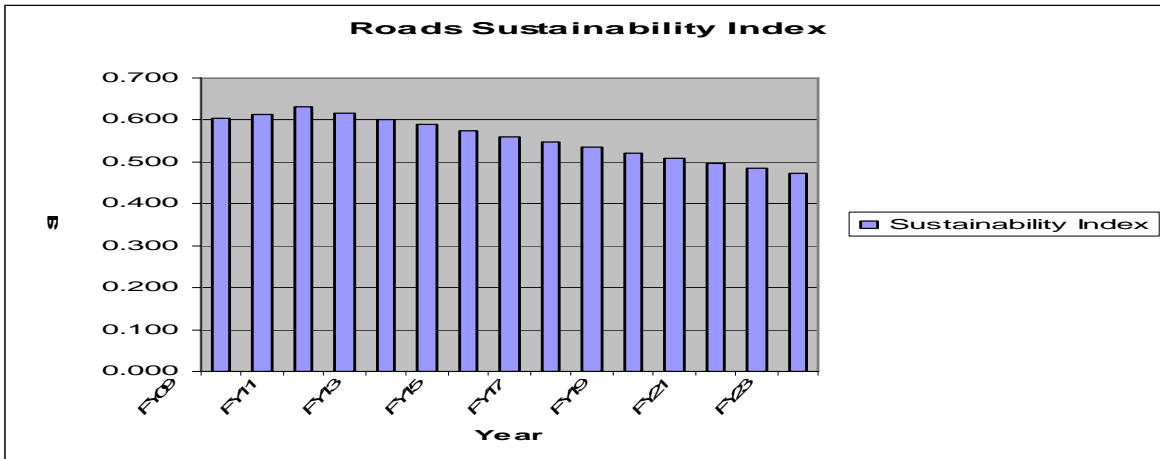
Life Cycle Costs

Life cycle costs (or whole of life costs) are the average annual costs that are required to sustain the service levels. Life cycle costs include maintenance and asset consumption (depreciation) expense.

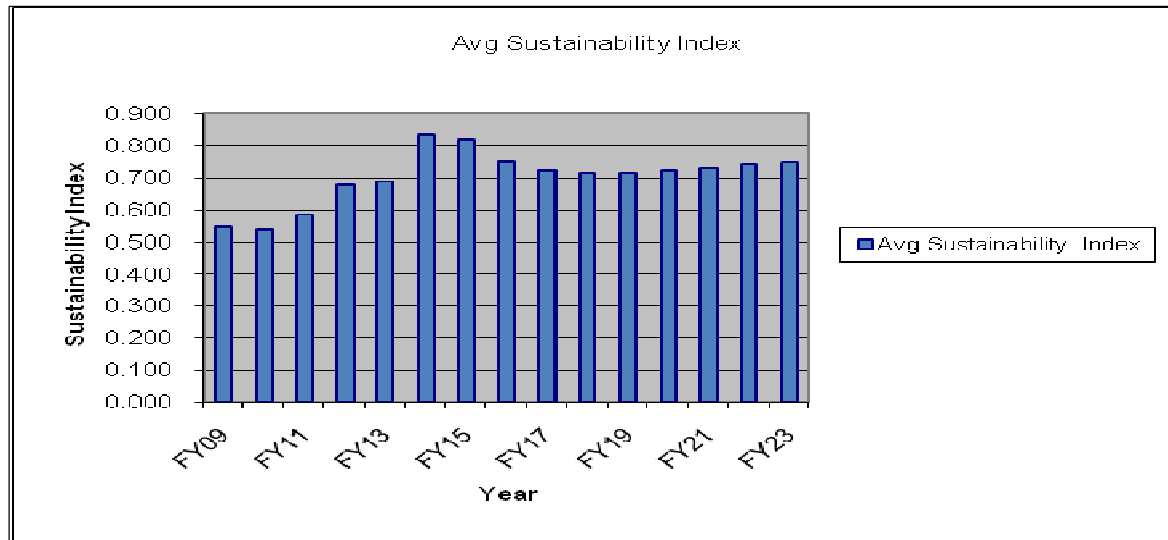
Sustainability Considerations

Sustainability index (SI) is a measure of whether the current community is paying their fair share of asset renewal. This indicates whether council expenditure on renewal (rehabilitation) is adequate. A declining SI indicates that more money needs to be allocated to renewal in future budgets. Below is a summary of Sustainability Index Forecast

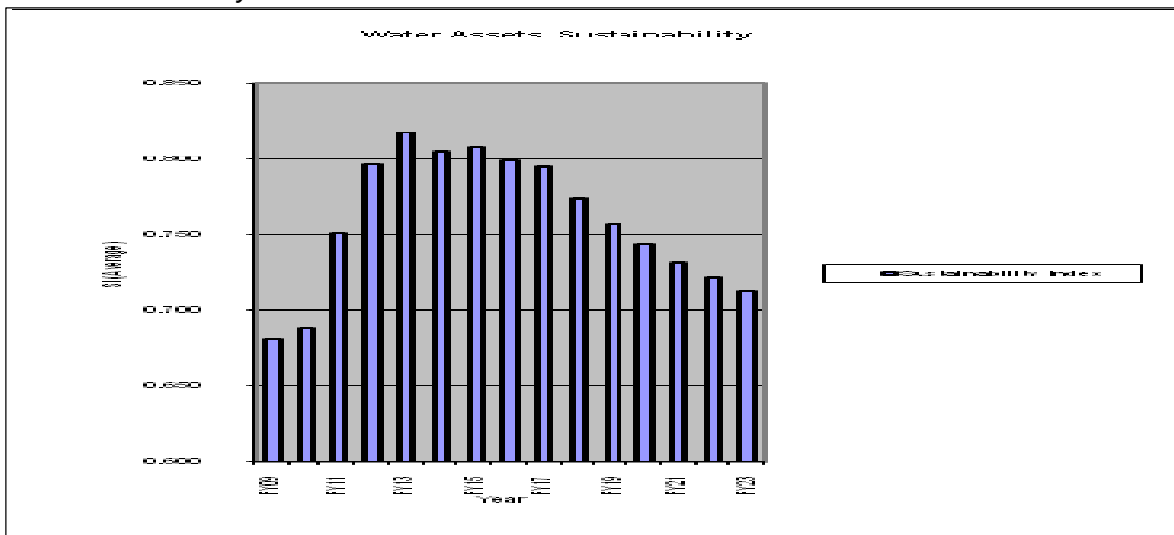
Roads Sustainability Index Forecast



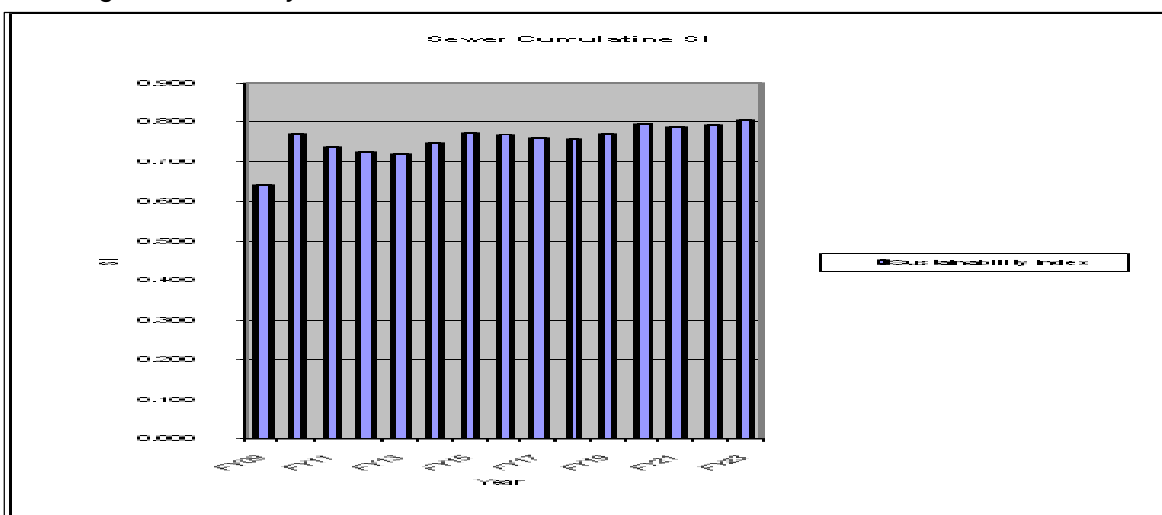
Parks Infrastructure & Buildings Sustainability Index Forecast



Water Sustainability Index Forecast



Sewerage Sustainability Index Forecast



This can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditures will vary depending on the timing of asset renewals.

A gap between life cycle costs and life cycle expenditure gives an indication of whether present consumers are paying their share of services delivered today. The purpose of this asset management plan is to identify levels of service that the community needs and can afford and to develop the long term financial (funding) plan to provide the services within the constraints of the budget and revenue expectations.

Asset Category	Year	ALCC – Cost (\$*1000)	ALCE – Expenditure (\$*1000)	Funding Gap (\$*1000)
Roads	2009	\$14,000K	\$ 8,500K	\$ 5,500K
Drainage	2009	\$ 866K	\$ 549K	\$ 317K
Parks	2009	\$ 2,400K	\$ 700K	\$ 1,700K
Water	2009	\$ 6,400K	\$ 4,400K	\$ 2,000K
Sewer	2009	\$ 5,900K	\$ 3,740K	\$ 2,160K
Waste	2009	\$ 560K	\$ 360K	\$ 200K
Total	2009			\$11,900K
Roads	2010	\$14,500K	\$ 8,900K	\$ 5,600K
Drainage	2010	\$ 962K	\$ 582K	\$ 380K
Parks	2010	\$ 7,000K	\$ 3,700K	\$ 3,300K
Water	2010	\$ 7,500K	\$ 5,700K	\$ 1,800K
Sewerage	2010	\$ 6,700K	\$ 4,600K	\$ 2,100K
Waste	2010	\$ 560K	\$ 340K	\$ 220K
Total	2010			\$13,320K

Council will manage the life cycle 'gap' by developing specific asset management plans to provide for the expenditures to deliver future required service levels.

Funding Strategy

Projected expenditure identified in this plan is to be funded from Council's base operating and capital budgets. The funding strategy will be determined in Council's LTFP.

A more detailed review of the required service levels versus costs to provide these desired service levels is needed. Adjustments to service levels (including disposal of assets or reduction of service levels) may be required to ensure long term sustainability of service levels to the community.

Valuation Forecasts

Overall asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and for assets constructed by land developers and others and donated to Council.

Carrying amount of the assets (depreciated replacement cost or Fair Value) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

Key Assumptions made in Financial Forecasts

Key assumptions are listed in each relevant AMP. This asset management plan includes forecasts of required maintenance and capital expenditure and asset values, depreciation expense and carrying amount estimates. The details are 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 current infrastructure and asset management plan are:

- Assets from growth are included
- A more detailed analysis of renewal/upgrade work is included
- A detailed review of assets that are nearing the end of their useful life will be undertaken
- A more detailed breakdown of asset expenditure history and future projections for:
 - Maintenance
 - Renewal
 - Upgrade
 - Expansion

Asset Management Practices

Accounting/Financial Systems

Finance One is used for all the accounting and financial requirements and hence there will need to be close integration between the Asset Management System and Finance One.

There will also be a close working relationship between Asset Managers (and their AMP) and the finance department, the financial systems and the long term financial plan.

Asset Management Systems

WSC has adopted the Asset Management System from Conquest Solutions. The system was installed in late 2008 (November) with major implementation occurring January 2009 to September 2009, including Action Requests and full asset valuations.

Subsequently further AM functionality (including Defects, Works Orders and field data entry) have been progressively rolled out across Council. (October 2009 to December 2010).

In January 2011 an MMS (Reflect) was purchased to manage maintenance work in the Roads area.

Information Flow Requirements and Processes

The key information flows into this asset management plan are:

- The asset register data on size, age, unit rates, value, remaining life of the network;
- Available data for current asset condition;
- The unit rates for categories of work/material;
- The required service levels;
- Risk assessments and 'risk rating' for all asset group;
- Projections of various factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models; and
- Data on new assets acquired by council.

The key information flows *from* this infrastructure and asset management plan are:

- The proposed Works Program (short, medium & longer term);
- The history of works carried out and the costs of these activities;
- The resulting budget, valuation and depreciation projections (annually);
- The whole of life analysis; and
- The long term strategic financial forecasts (for expenditures) – over 10 years.

This information will contribute to the Long Term Financial Plan, Delivery Program and annual budget and guide the Branch operations plans and budgets.

Standards and Guidelines

The guidelines for this Asset Management Plan will be line with W2031+.

Each AMP will include relevant standards for the specific management of the asset class covered.

Staffing for Asset Management Functions

It is important to get the staffing for the asset management function correct, so that the required level of effort goes into the asset management process and its improvement. There are key positions in Council to ensure that asset management is an ongoing corporate activity.

The current asset management structure and responsibilities (in the Asset branch) includes;

1. AM Planning Engineers: These positions manage all AM strategic matters and AM staff (below). There are currently 6 positions (2 focussing on Roads & Traffic, 2 focussing on Water & Sewer, 2 focussing on Parks & Property).

2. AM System (AMS) support positions: Manages the AMS and ensures it is up-to-date and delivering functionality to all staff involved - 1 part time position
3. AM Data position: Getting data into the AMS and maintaining the data quality. Currently 1 position focussing on Roads & Traffic, 1 position part time focussing on Water & Sewer, 1 position part time focussing on Parks & Property.
4. AM condition monitoring team (1–3): These positions/team carry out condition assessment for the asset owner and ensures that this information gets into the AMS so it can be used for planning & reporting. This function is currently carried out by positions/teams in the Operations Branch.

This is a basic team that will be required at a minimum to ensure the longevity and continuous improvement of the Asset Management processes.

Plan Improvement and Monitoring

Performance Measures

It will be important to have performance measures (Key Performance Indicators – KPI) that allow ongoing scrutiny of the AM Planning process and this AMP. This will be important to monitor the effectiveness of the individual asset management plans and will allow for a continuous improvement process to be applied. The performance of the AM planning process can be measured in the following ways:

- The degree to which the required cash flows identified in this plan are incorporated into council's long term financial plan and Community Strategic Plan;
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the infrastructure and asset management plan;
- How each AMP is driving Sustainability

Improvement Plan

An asset management improvement plan (AMIP) has been developed as part of the AM Strategy and includes key asset management activities as shown in the following table:

Asset Management Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1.	Implement corporate Asset Management System (as per council report 22/11/2006)	Director Technical Services	\$ 800,000	December 2010
2.	Gather/consolidate all relevant data on current assets	Asset Manager	Asset Engineers/Consultants	December 2011
3.	Deliver Customer Action Request System	Asset Management Coordinator	Request Entry Staff	April 2009
4.	Deliver Asset Valuations from the Asset Management System	Asset Management Coordinator	Asset Engineers	June 2009
5.	Deliver Asset Actions and Works Orders from the AMS	Asset Management Coordinator	Asset Engineers	June 2011
6.	Deliver Integration & Mobility	Manager Assets	Asset Engineers	December 2011
7.	Long Term Financial Plan	Manager Finance	Manager Finance Manager Assets Asset Engineers	April 2011

Task No	Task	Responsibility	Resources Required	Timeline
8.	4 Year Delivery Plan	Corporate Planner	Manager Assets Manager Operations Asset Engineers	June 2011
9.	Agreed levels of service with Community	Manager Assets Manager Community & Strategic Development	W2031+ Resourcing Strategy 2011-13 Delivery Program	June 2012
10.	Optimised AM Processes	Manager Assets Manager	Manager Assets Manager Operations Asset Engineers	On-going
11.	Optimised AM performance	Manager Assets Manager Director Infrastructure Services	Manager Assets Manager Operations Asset Engineers	On-going

This plan summarises all the various important activities from individual Asset Management Plans, and is informed by the two key strategic plans, W2031+ and the AMS. It will provide essential information the other key plans required by Council (Delivery Program and Operational Plan. These plans will all provide the key information to ensure the integrity of the integrated LTFP.

Monitoring and Review Procedures

Each asset management plan should be reviewed quarterly and major changes and updates incorporated into to the OAMP annually. This plan and the supporting asset management plans will need to be reviewed and adjusted (as appropriate) as part of the annual budget process and amended to recognise any changes in service levels required, asset condition changes, risk profiles and will cater for the resources available (to provide these services) as a result of the budget considerations as part of the financial decision making process.

This Plan will incorporate information from the 10 year financial forecast used in the specific, individual AMPs and will link the AMPs to W2031+ and to the Delivery Program. The OAMP will be reviewed annually with major update every 4 years. This timeframe reflects continuous the development a new Delivery Program at the commencement of a new Council term, and provides a mechanism for improvement feedback to the planning process in each AMP.

Risk Management Plan

Strategic Risk Management issues will be included here while the detailed risk management considerations will be included in each relevant individual AMP.

Background Data

Risk Matrix to apply to Critical Assets

The individual Risk Management Plans, including the Risk Matrix will be included in the specific assets' AMP. The key consideration here will be on the critical assets which should attract increased attention as a driver for asset management.

Risk Management Considerations

The investment into building a considerable portion of Council's assets occurred between 40 - 60 years ago. Consequently many of these assets are now requiring increased levels of maintenance and/or replacement.

There is an increase in the expectation of the community in relation to the level of service provided by Council's assets. This change in expectation, coupled with a generally more litigious society is causing a significant increase in public liability risk. It is anticipated that this trend will continue. Current age of an asset, its expected (economic) life and its remaining life become very important considerations in calculating the 'whole of life' (Life Cycle) costs related to an asset, particularly when risk and risk alleviation need to be key considerations in the AMP process.

Asset Condition and Risk Profile

A key determinant of Risk profile for assets is the current asset condition. The condition distribution (condition rating) of Council's assets needs to be determined as a starting point for Risk Management considerations.

There is a need across all asset classes for more information on asset condition. This requires an Asset Management System where this information can be stored and analysed following a concerted effort to gather the specific condition information.

Currently asset condition is generally being assessed by Consultants or outside organisations. This is necessary to get the large amount of basic condition information required (on most assets). The road pavement assets along with the water & sewer assets have recent (good) condition information available.

However inspection regimes for Condition Assessment (carried out on a regular basis) need to be put in place so that asset condition is collected and updated (internally) as part of Good Asset Management Practice. Moving to specific inspection regimes (and maintaining these regimes) will ensure that asset condition (and hence serviceability of the assets) is reliably recorded so it can be used for future risk and asset management decisions.

Risk Management Plan

An assessment of risks³ associated with service delivery from infrastructure assets has identified critical risks to Council. 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.

There is a need for more Risk Analysis across all asset classes and provision of a Risk Rating for all asset categories. This Risk Rating can then be used to determine the priority that needs to be applied to assets when maintenance, renewal and replacement work is proposed.

Risk Rating will be held as part of the asset information (in the Asset Register) and used to determine the criticality and hence priority of works to be carried out as part of the asset works programmes.

Standards and specifications

There are standards and specifications that cover all (most) of the assets that Council is responsible for. These are listed in the relevant individual AMP.

Council has a risk management policy and practices in place that need to be catered for in each individual AMP.

Critical Assets

Critical asset assessment becomes very important as a determinant of what programmes (for expenditure) have the highest priority. Critical assets should get attention before less critical assets when it comes to renewal or maintenance.

These are listed in each relevant individual AMP.

³ Council's Risk Management Procedures

References

Wingecarribee 2031+

Wingecarribee Shire Management Plan 20010/2013

Long Term Financial Plan (10 Year forecast).

Wingecarribee Shire Council Asset Management Policy (Appendix 1)

Wingecarribee Shire Council Asset Management Strategy

Wingecarribee Shire Council Roads & Traffic AMP and the Drainage AMP

Wingecarribee Shire Council Water AMP and Sewerage AMP

Wingecarribee Shire Council Parks & Property AMP

Wingecarribee Shire Council Waste Management AMP

Wingecarribee Shire Council Infrastructure Priority List 2011/2012 – All assets

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au



REVISED ASSET MANAGEMENT POLICY

POLICY STATEMENT:

Asset Management is a key functional part of the Integrated Planning & Reporting process and needs to be integrated across Council. This policy aims to provide the platform for this endeavour.

RELATED LEGISLATION, CIRCULARS OR GUIDELINES:

- *Local Government Act 1993* No. 30 and Regulation for example
 Local Government Act 1993
 Proposed amendments “Planning a Sustainable Future” - 2009
 Local Government Act 1993 – Revised 2009

DOES THIS DOCUMENT REPLACE AND EXISTING POLICY, PROCEDURE OR PLAN?

Yes, this document replaces Council's:

- **Asset Management Policy (November 2007)**

RELATED COUNCIL POLICY OR PROCEDURE:

- Community Strategic Plan
- Asset Management Strategy
- Delivery Plan 2009/2010
- DLG Position Paper (“Asset Management Planning for NSW Local Government”) - Circular No. 07-20 Dated 16th May 2007
- DLG “Planning Future Sustainability” documents issued May 2009
- IPWEA CD Presentation – “Sustainable Communities – Critical Insight”

APPLICATION AND DISTRIBUTION

It is mandatory for all Council officials to comply with this Policy.

This Policy and Guidelines are available on Council's website under Council Policies.

APPROVED BY:

Council: 28 July 2010 MN316/10

EFFECTIVE:

28 July 2010

REVIEW DATE:

28 July 2010

DISTRIBUTION:

Intranet, Internet, Dataworks

RESPONSIBLE COUNCIL DEPARTMENT/OFFICER:

Director Infrastructure Services

VERSION HISTORY TABLE:

Appendix 1

POLICY

KEY RESPONSIBILITIES

<i>Position</i>	<i>Responsibility</i>
Mayor	To lead Councillors in their understanding of, and compliance with, this Policy and Guidelines.
General Manager	To lead staff (either directly or through delegated authority) in their understanding of, and compliance with, this Policy and Guidelines. To approve resources to develop, implement and review this Policy and Guidelines.
Responsible Officer	Responsibilities <ul style="list-style-type: none"> ▪ In adopting this policy, Councillors acknowledge their stewardship role over the Community assets and the need to take a longer term view to financial planning. ▪ Councillors as part of their governance role understand the importance of “Good Asset Management Practice” in delivering sustainable services (assets) and will support these endeavours. ▪ Councillors will need to be aware of Community service expectations and associated costs and allocate adequate resources for the provision of sustainable services and the management of assets. ▪ Councillors realise the importance of having a long term approach to asset management and financial planning and that there needs to be synergy across all strategic plans of Council. ▪ The General Manager has overall responsibility for driving the asset management plan reporting to Council and ensuring that the plan supports the business principles encapsulated in the Community Strategic Plan while providing direct links to the long term financial plan. ▪ The Asset Management Plan will be executed in a timely fashion and will comply with regulatory obligations. ▪ The Asset Management Plan will accommodate community requirements over the longer term (and be informed by the Community Strategic Plan). ▪ The effectiveness of asset management within Council will be measured for reporting and continuous improvement purposes. ▪ Asset expenditure reports to Council will consider and account for life cycle costing.
Directors	To communicate, implement and comply with this Policy and related Guidelines.
Director of Corporate Services	To ensure (directly or through delegation) the distribution and communication of the Policy and Guidelines to specified persons. To ensure (directly or through delegation) the approved Policy and Guidelines are available in hard copy and electronically on Council’s website.
Manager Organisational Development	Facilitate the provision of regular training to all Council officials on their role and responsibilities in relation to this Policy, Guidelines and related procedures.
Executive and Managers	To implement this Policy, Guidelines and related procedures. To lead staff in their understanding of, and compliance with, this Policy and Guidelines
Information Technology Manager	To assist with the development of systems to support public access to this Policy, Guidelines and related information.
All Council officials	To comply with this Policy, Guidelines and related procedures.



CORPORATE ASSET MANAGEMENT POLICY GUIDELINES

DIVISION: INFRASTRUCTURE SERVICES

SECTION:

SUBJECT: ASSET MANAGEMENT

FILE NOS: 508/1

APPROVAL DATE:

MINUTE NO:

BACKGROUND – The original asset management policy was adopted by Council November 2007. This revised policy is written with two aims in mind;

- 1 The current policy needed to be revised to ensure it addressed the issues highlighted in the new, legislated Integrated Planning and Reporting process
- 2 The current council needs to review this policy (adopted by previous council) and fully understand its implications.

OBJECTIVE – Council delivers services through physical assets (infrastructure). This policy provides guidelines and a framework for asset management that is required to deliver safe, efficient, reliable services that can be utilised by current and future generations.

In summary, the objectives are;

- Provide sustainable services (and infrastructure)
- Meet new legislative requirements (listed in the 2009 revised Local Government Act 1993) for long term asset management and financial planning and reporting
- Implement & maintain an appropriate corporate asset management approach

SCOPE

Background

Council is custodian for approximately \$990M of physical assets that support its core business, the delivery of service to the community

Assets covered by this policy include (but are not limited to);

- Roads, road reserve including footpaths, kerbs, gutters, signage,
- Bridges
- Sewerage plant, networks and systems
- Water plant, networks and systems
- Stormwater and drainage assets
- Waste and recycling assets
- Buildings
- Parks and open space
- Plant, vehicles
- Communications and information technology

Appendix 1



POLICY

The challenge for Council is to facilitate the provision of sustainable assets used in the effective delivery of services to the community for both current and future generations.

The resources available to Council to deliver services are limited. Council has identified a strategic approach to asset management that will ensure that resources are deployed efficiently and effectively to deliver an agreed level of service. The levels of service will be agreed with the community as part of the Community Strategic Plan (refer revised LGA 1993 – 2009).

To facilitate this, Council shall deploy “Good Asset Management Practice”.

The following 1 aspects are key components of Good Asset Management Practice.

- 1 Asset Management Focus
Asset Management shall embrace a “whole of council” approach and apply to all assets managed by Council, with Council responsible for delivering sustainable services to the community.
- 2 Asset Management Compliance
Strategic Asset Management Planning and long term Financial Planning are required as part of the revised legislation for local government in NSW. Asset Management shall be a corporate responsibility that is integrated with financial management and Council’s Community Strategic Plan, to ensure sustainability.
- 3 Asset Management Plan
A long term Asset Management Plan will identify agreed Levels of Service (LOS) and costs to deliver services now and in the future (10 year horizon).
- 4 Financial Management Plan
Asset Management Plan will provide Financial Management with the information required for long term financial forecasts regarding asset management and service sustainability.
- 5 Workforce Management Plan
Asset Management Plan will provide information to support the Workforce Planning process (required under new legislation) related to the long term commitment to good asset management practice.
- 6 Asset Management System
Asset Management software has been installed to support the efficient and effective delivery of Council’s service obligations, the delivery of critical data for long term financial and workforce management and provide for continuous improvement in asset management by monitoring adherence to legislative requirements and agreed standards.
The system will monitor the progress of all key asset management functions and monitor the condition of all key assets and provide a condition report annually as part of the new legislative requirements.

Appendix 1



POLICY

POLICY

To ensure that Corporate Asset Management is realised, the following will be ratified under this Policy;

1. Full life cycle costs will be used as the basis for decisions on asset maintenance and asset acquisition, replacement and disposal.
2. An Asset Management Plan will be developed that will ensure systematic and appropriate asset management best-practice is implemented throughout Council.
3. The Asset Management Plan will be aligned to the Community Strategic Plan and the Long Term Financial Plan to meet legislative requirements.
4. Service levels will be defined by the community consultation process and will be reflected into the Asset Management Plan.
5. The Asset Management Plan will include initiatives to reduce the exposure to asset failure by the continued application of risk management and asset condition assessment. The need for regular condition assessment is now mandated in the new legislation.
6. Systematic and cyclic reviews will be applied across all asset classes to ensure that the assets are managed, depreciated and valued in accordance with appropriate best practice and applicable Australian Standards.
7. Current asset performance and future life cycle costs will be reported as part of the decision process for new services and upgrading of existing services (assets). A measurement of overall sustainability will be made and reported annually as part of the monitoring process for good asset management practice.

DEFINITIONS/RELATED INFORMATION – Possible matters to consider:

- i. Legislation and explanatory information
- ii. Cross reference other policies
- iii. Define unfamiliar or technical terms
- iv. When the policy should be reviewed
- v. Should authority be delegated to amend this policy

CONTACT – The Director of Infrastructure Service is the responsible person for this policy.

REVIEW – This policy should be reviewed every 3 years to ensure it reflects the latest asset management thinking.

Appendix 2 – Asset Management related terminology

Annual service cost (ASC)

The Annual Service Cost includes operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset class

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

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 management

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

Assets

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with economic benefits expected to last more than 12 month.

Average annual asset consumption (AAAC)*

The dollar amount of an asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for all asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for all asset in an asset category or class.

Brownfield asset values**

Asset (re)valuation based on the cost to replace the asset including demolition and restoration costs.

Capital expansion expenditure

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council'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

Relatively large (material) expenditure which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade..

Capital grants

Monies received generally tied to a specific project for which it was granted and can include upgrade and/or expansion or new investment proposals.

Capital new expenditure

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure

Expenditure on an existing asset, which returns the asset to as new condition but providing the same level of service that it was originally designed for. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure

Expenditure, which enhances an existing asset to provide a higher level of service Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base..

Carrying amount

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

Component

An individual part of an asset which contributes to the composition of the whole and can be separated from the asset or a system.

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, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

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.

Current replacement cost "As New" (CRC)

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Cyclic Maintenance**

Work on an asset that is undertaken on a regular cycle. This work generally falls below the capital/maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Also referred to as the "Fair Value".

Economic life

See useful life definition.

Fair value

This is the depreciated current replacement cost. It also is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

Greenfield asset values **

Asset (re)valuation based on the cost to initially acquire the asset.

Impairment Loss

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

Infrastructure assets

Physical facilities that contribute to meeting the public's need for services (including roads, buildings, sporting facilities, water & sewerage networks etc). Generally the assets have long lives. They are fixed in place and are often have no market value.

Level of service

A measure of how well a service is provided. Service levels are usually judged on a combination of quality, quantity, reliability, responsiveness, environmental, acceptability and cost.

Life Cycle Cost **

The life cycle cost (LCC) is the average cost to provide the service over the asset's economic life. It comprises annual maintenance and operations costs and an annual asset consumption expense (depreciation expense).

Life Cycle Expenditure **

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Cost to give an indicator of sustainability.

Maintenance and renewal gap

This is the difference between estimated budgets and projected expenditures for maintenance and renewal of assets.

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.

Materiality

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset.

A structure similar to an existing structure and having the equivalent service capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

Operating expenditure

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, eg power, fuel, staff, plant equipment, on-costs and overheads.

Pavement management system

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time with recommendations on corrective actions.

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.

Rate of annual asset consumption*

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Reactive maintenance

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

Recurrent expenditure

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

Rehabilitation

This is capital renewal expenditure defined above.

Remaining life

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

Residual value

The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Risk management

A process for managing the probability of failure against the consequence of failure (of an asset).

Useful life

The period over which an asset is expected to be available for use by an entity.

Value in Use

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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 new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary

Note: Items shown * modified to use DA instead of CRC

Additional glossary items shown **

Long Term Financial Plan

Executive Summary

The Long Term Financial Plan (LTFP) has been developed using a new financial model that is very complex and detailed. It is presented in the same format as Council's consolidated Financial Reports.

This document provides the consolidated result for Council but there are significant issues relating to the Water and Sewerage schemes that are impacted in the consolidated report.

The LTFP is a living document and is to be reviewed at least annually.

The current Draft LTFP has been compiled based on the 2010/11 Original Budget and will be updated on completion of the 2011/12 budget.

Unknown capital grants have not been included in the future years. If received they will fund the capital expenditure resulting in a nil change but may have an effect on improving the Building and Infrastructure Ratio.

Council is undergoing significant restructure that is not yet reflected in this document.

Asset Management Plans and Systems are being developed. Until these are completed to a consistent level across all areas reliance on the measure of depreciation in the Building and Infrastructure Renewal Ratio may lead to anomalies in its measurement.

Results

Included in the plan are a number of Financial Health Checks for information. Many are monitored by the Division of Local Government. Other comments are:

1. Council is not achieving a surplus, after capital grants and contributions are removed, due to the fact that Council at this stage does not fund 100% of depreciation. This is effectively due to the impact of depreciation and Council's inability to fully fund this expense.
2. The Buildings and Infrastructure Renewal Ratio is only achieving around 40% in the long term and should be significantly higher over the long term. This is compared to a forecasted sustainability ratio of around 60% included in the Overarching Asset Management Plan.
3. The unrestricted current ratio while adequate for Council's needs has been impacted by the mix of current V's non- current investments. This ratio should improve as some of the held to maturity investments mature.
4. Council's rate coverage increases to over 60% at the end of the 10 year period. This figure indicates a significant reliance on rate revenue for Councils income and should be reduced over the years by identifying new sources of revenue for Council.

Issues that Council needs to consider and have been identified in this process:

1. New Sewerage Schemes, in the latter years of the Plan, will need additional funding in order to provide for capital and renewal expenditure due to the scheduled upgrade of the Mittagong and Moss Vale Sewerage Treatment Plants from 2016/17 onwards. This may be achieved by a combination of increased user charges and loan borrowings. The impact of this can be seen in the decrease of cash or cash equivalents in the later years of the plan.
2. The current effect on the Sewer Fund is a significantly high debt service ratio before item 1 above of around 30% until the later years where it drops back to around 17%. Consolidated result for all funds is still within benchmark tolerances.
3. In 2020/21 Council has an Infrastructure loan maturing, which results in improved results for that year.

Assumptions

In compiling this document it required a number of assumptions to be made to enable future predictions:

- Rate pegging of 3% after current 9.5% finishes in 2011/12
- Population growth at 0.5%
- CPI at 3%
- Employee cost increases at 3.25%
- Revenue increases by 3% with some exceptions
- The mix of current V non-current investments
- Predicted Reserve movements
- Future capital programs included in the plan but have not yet been formally adopted by council are:
 - Moss Vale Pool \$6M funded from Loan funds and sale of Land (adopted)
 - Mittagong Pool upgrade \$1.76M funded from Loan funds of \$1.6M and IRS funds \$160,000
 - Bowral Pool upgrade of \$1.885M funded from Loans of \$1.2M and \$465,000.00 IRS Funds
 - The IRS ongoing program adjusted for additional costs for pools etc.
 - Bowral, Moss Vale and Mittagong STP upgrades \$22.06M
 - Mittagong/Willow Vale Water Supply network development \$11M
 - Ongoing IRS Program
 - Welby rehabilitation \$2M funded from loan funds \$1M and Domestic Waste Reserve \$1M

Income Statement

Wingecarribee Council
10 Year Financial Plan for the Years ending 30 June 2021

INCOME STATEMENT - CONSOLIDATED	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	38,789,000	41,840,545	45,321,977	47,261,214	48,679,050	50,139,422	51,643,604	53,192,912	54,788,700	56,432,361	58,125,332	59,869,092
User Charges & Fees	16,697,000	17,347,443	17,867,866	18,403,902	18,956,019	19,524,700	20,110,441	20,713,754	21,335,167	21,975,222	22,634,478	23,313,513
Interest & Investment Revenue	1,829,000	1,763,555	2,191,733	2,291,319	2,195,885	2,305,680	2,420,964	2,542,012	2,669,112	2,802,568	2,942,696	3,089,831
Other Revenues	1,621,000	826,271	494,410	509,243	524,520	540,256	556,463	573,157	590,352	608,062	626,304	645,093
Grants & Contributions provided for Operating Purposes	9,923,000	8,093,873	8,301,572	8,515,502	8,735,850	8,962,808	9,196,575	9,437,355	9,685,358	9,940,802	10,203,909	10,474,909
Grants & Contributions provided for Capital Purposes	10,467,000	6,537,218	19,227,196	3,159,196	3,159,196	3,159,196	3,159,196	3,159,196	3,159,196	3,159,196	3,159,196	3,159,196
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	79,326,000	76,408,904	93,404,754	80,140,376	82,250,520	84,632,061	87,087,243	89,618,386	92,227,885	94,918,211	97,691,915	100,551,634
Expenses from Continuing Operations												
Employee Benefits & On-Costs	23,272,000	24,997,278	26,795,732	27,665,459	28,563,451	29,490,629	30,447,939	31,436,363	32,456,910	33,510,625	34,598,586	35,721,905
Borrowing Costs	1,638,000	2,251,510	2,228,439	2,922,607	2,861,665	3,154,200	3,508,581	3,413,895	3,230,429	3,149,356	2,735,706	2,482,389
Materials & Contracts	18,340,000	16,802,431	17,609,732	17,743,891	18,140,696	18,610,134	19,118,188	19,620,302	20,122,388	20,733,497	21,239,918	21,761,509
Depreciation & Amortisation	19,539,000	19,538,708	19,966,111	20,643,579	20,873,045	21,071,467	21,349,263	21,521,799	21,639,382	21,789,686	21,948,935	22,164,538
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	11,277,000	12,548,575	12,900,105	13,301,718	13,705,380	14,121,151	14,549,396	14,992,488	15,448,872	15,919,948	16,405,157	16,904,922
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	108,000	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	74,174,000	76,138,502	79,500,119	82,277,254	84,144,238	86,447,581	88,973,367	90,984,847	92,897,982	95,103,112	96,928,302	99,035,263
Operating Result from Continuing Operations	5,152,000	270,402	13,904,636	(2,136,878)	(1,893,717)	(1,815,521)	(1,886,124)	(1,366,461)	(670,097)	(184,901)	763,613	1,516,371
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	5,152,000	270,402	13,904,636	(2,136,878)	(1,893,717)	(1,815,521)	(1,886,124)	(1,366,461)	(670,097)	(184,901)	763,613	1,516,371
Net Operating Result before Grants and Contributions provided for Capital Purposes	(5,315,000)	(6,266,816)	(5,322,560)	(5,296,074)	(5,052,913)	(4,974,717)	(5,045,320)	(4,525,657)	(3,829,293)	(3,344,097)	(2,395,583)	(1,642,825)

Balance Sheet

Wingecarribee Council
10 Year Financial Plan for the Years ending 30 June 2021

BALANCE SHEET - CONSOLIDATED	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	11,931,000	7,796,165	4,156,829	4,000,000	4,498,139	4,000,000	3,832,750	3,278,511	3,312,022	3,690,874	4,000,000	3,000,000
Investments	30,141,000	30,224,694	30,849,589	26,419,219	27,051,404	26,224,203	25,127,955	26,501,138	27,115,148	29,015,056	30,901,343	31,757,714
Receivables	7,909,000	5,979,784	6,365,634	6,660,554	6,858,476	7,062,336	7,272,312	7,488,423	7,711,017	7,940,206	8,176,271	8,419,418
Inventories	512,000	481,316	507,465	508,029	518,961	532,152	546,520	560,644	574,713	592,192	606,282	620,795
Other	670,000	850,466	903,692	920,666	946,756	974,852	1,004,309	1,034,275	1,064,886	1,098,293	1,130,343	1,163,399
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	51,163,000	45,332,426	42,783,210	38,508,467	39,873,736	38,793,544	37,783,845	38,862,991	39,777,786	42,336,621	44,814,239	44,961,326
Non-Current Assets												
Investments	25,135,000	25,333,602	24,889,057	22,455,656	23,089,012	22,903,260	22,486,188	23,788,045	26,238,240	28,138,149	30,022,974	31,384,937
Receivables	330,000	476,630	505,604	520,426	535,785	551,603	567,897	584,657	601,920	619,689	637,992	656,844
Inventories	-	10,861	10,019	11,522	11,868	12,224	12,590	12,967	13,356	13,757	14,169	14,594
Infrastructure, Property, Plant & Equipment	1,112,935,000	1,118,256,494	1,143,719,812	1,147,266,916	1,147,657,353	1,151,545,602	1,150,785,881	1,144,791,078	1,140,553,194	1,136,357,356	1,135,723,580	1,131,171,298
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,138,400,000	1,144,077,588	1,169,124,493	1,170,254,520	1,171,294,017	1,175,012,689	1,173,852,557	1,169,176,747	1,167,406,710	1,165,128,951	1,166,398,715	1,163,227,673
TOTAL ASSETS	1,189,563,000	1,189,410,014	1,211,907,703	1,208,762,987	1,211,167,753	1,213,806,233	1,211,636,402	1,208,039,738	1,207,184,496	1,207,465,572	1,211,212,954	1,208,189,000
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	641,314	5,272,622	12,151,920	10,593,379
Payables	5,451,000	7,262,954	7,695,833	7,850,986	8,073,547	8,312,078	8,561,712	8,816,030	9,076,083	9,358,190	9,630,921	9,912,203
Borrowings	2,212,000	2,339,826	2,762,989	2,924,078	3,284,530	3,701,141	3,984,521	4,086,513	4,447,437	4,168,260	3,263,066	3,429,447
Provisions	5,667,000	5,677,789	5,677,789	5,677,789	5,677,789	5,677,789	5,677,789	5,677,789	5,677,789	5,677,789	5,677,789	5,677,789
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	13,330,000	15,280,569	16,136,611	16,452,853	17,035,865	17,691,008	18,224,022	18,580,331	19,842,623	24,476,861	30,723,695	29,612,817
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	34,032,000	31,668,832	39,405,844	38,081,764	41,797,234	45,596,092	44,779,372	42,192,859	40,745,422	36,577,161	33,314,097	29,884,648
Provisions	252,000	241,211	241,211	241,211	241,211	241,211	241,211	241,211	241,211	241,211	241,211	241,211
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	34,284,000	31,910,043	39,647,055	38,322,975	42,038,445	45,837,303	45,020,583	42,434,070	40,986,633	36,818,372	33,555,308	30,125,859
TOTAL LIABILITIES	47,614,000	47,190,612	55,783,666	54,775,828	59,074,311	63,528,311	63,244,605	61,014,402	60,829,256	61,295,233	64,279,004	59,738,676
Net Assets	1,141,949,000	1,142,219,402	1,156,124,036	1,153,987,159	1,152,093,442	1,150,277,922	1,148,391,797	1,147,025,336	1,146,355,240	1,146,170,339	1,146,933,951	1,148,450,323
EQUITY												
Retained Earnings	519,478,000	519,748,402	533,653,037	531,516,159	529,622,442	527,806,921	525,920,797	524,554,336	523,884,240	523,699,338	524,462,952	525,979,322
Revaluation Reserves	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000	622,471,000
Council Equity Interest	1,141,949,000	1,142,219,402	1,156,124,037	1,153,987,159	1,152,093,442	1,150,277,921	1,148,391,797	1,147,025,336	1,146,355,240	1,146,170,338	1,146,933,952	1,148,450,322
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,141,949,000	1,142,219,402	1,156,124,037	1,153,987,159	1,152,093,442	1,150,277,921	1,148,391,797	1,147,025,336	1,146,355,240	1,146,170,338	1,146,933,952	1,148,450,322

Cash flow

Wingecarribee Council

10 Year Financial Plan for the Years ending 30 June 2021

CASH FLOW STATEMENT - CONSOLIDATED	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	42,624,212	44,992,823	47,005,825	48,518,891	49,974,412	51,473,599	53,017,895	54,608,383	56,246,652	57,934,000	59,671,969
User Charges & Fees	18,352,965	17,792,009	18,354,490	18,907,964	19,475,189	20,059,431	20,661,241	21,281,063	21,919,500	22,577,070	23,254,366
Interest & Investment Revenue Received	1,763,555	2,191,733	2,291,319	2,195,885	2,305,680	2,420,964	2,542,012	2,669,112	2,802,568	2,942,696	3,089,831
Grants & Contributions	14,631,091	27,528,768	11,674,698	11,895,046	12,122,004	12,355,771	12,596,551	12,844,554	13,099,998	13,363,105	13,634,105
Other	867,221	488,133	504,302	519,454	535,097	551,209	567,817	584,915	602,533	620,677	639,364
Payments:											
Employee Benefits & On-Costs	(24,138,563)	(26,586,547)	(27,591,845)	(28,455,448)	(29,374,427)	(30,325,999)	(31,311,845)	(32,329,248)	(33,371,778)	(34,464,147)	(35,582,811)
Materials & Contracts	(16,231,640)	(17,472,742)	(17,697,609)	(18,073,451)	(18,538,252)	(19,043,145)	(19,544,171)	(20,044,895)	(20,649,351)	(21,159,164)	(21,678,644)
Borrowing Costs	(2,251,510)	(2,228,439)	(2,922,607)	(2,861,665)	(3,154,200)	(3,508,581)	(3,413,895)	(3,230,429)	(3,149,356)	(2,735,706)	(2,482,389)
Other	(12,374,325)	(12,895,470)	(13,285,501)	(13,695,434)	(14,112,348)	(14,540,935)	(14,983,287)	(15,439,043)	(15,912,121)	(16,394,173)	(16,893,592)
Net Cash provided (or used in) Operating Activities	23,243,006	33,810,268	18,333,072	18,951,241	19,233,155	19,442,313	20,132,317	20,944,414	21,588,646	22,684,358	23,652,199
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	-	452,301	8,108,176	323,708	3,653,635	3,495,924	222,966	-	-	-	2,527,958
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-
Payments:											
Purchase of Investment Securities	(282,296)	(632,650)	(1,244,405)	(1,589,249)	(2,640,682)	(1,982,604)	(2,898,005)	(3,064,205)	(3,799,817)	(3,771,112)	(4,746,293)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(24,860,202)	(45,429,429)	(24,190,683)	(21,263,483)	(24,959,717)	(20,589,542)	(15,526,996)	(17,401,498)	(17,593,847)	(21,315,159)	(17,612,256)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(25,142,498)	(45,609,779)	(17,326,912)	(22,529,023)	(23,946,764)	(19,076,222)	(18,202,035)	(20,465,704)	(21,393,664)	(25,086,271)	(19,830,591)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	-	10,500,000	1,600,000	7,000,000	7,500,000	3,200,000	1,500,000	3,000,000	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-
Payments:											
Repayment of Borrowings & Advances	(2,235,342)	(2,339,826)	(2,762,989)	(2,924,078)	(3,284,530)	(3,733,342)	(3,984,521)	(4,086,513)	(4,447,437)	(4,168,260)	(3,263,066)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(2,235,342)	8,160,174	(1,162,989)	4,075,922	4,215,470	(533,342)	(2,484,521)	(1,086,513)	(4,447,437)	(4,168,260)	(3,263,066)
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,134,835)	(3,639,336)	(156,829)	498,139	(498,139)	(167,250)	(554,239)	(607,802)	(4,252,455)	(6,570,173)	558,542
plus: Cash, Cash Equivalents & Investments - beginning of year	11,931,000	7,796,165	4,156,829	4,000,000	4,498,139	4,000,000	3,832,750	3,278,511	2,670,708	(1,581,747)	(8,151,920)
Cash & Cash Equivalents - end of the year	7,796,165	4,156,829	4,000,000	4,498,139	4,000,000	3,832,750	3,278,511	2,670,708	(1,581,747)	(8,151,920)	(7,593,379)
Cash & Cash Equivalents - end of the year	7,796,165	4,156,829	4,000,000	4,498,139	4,000,000	3,832,750	3,278,511	2,670,708	(1,581,747)	(8,151,920)	(7,593,379)
Investments - end of the year	55,276,000	55,558,296	55,738,646	48,874,875	50,140,415	49,127,463	47,614,143	50,289,183	53,353,388	57,153,205	60,924,317
Cash, Cash Equivalents & Investments - end of the year	63,072,165	59,715,126	59,738,646	53,373,014	54,140,415	52,960,213	50,892,654	52,959,891	51,771,641	49,001,284	53,330,938
Representing:											
- External Restrictions	22,977,590	22,221,339	21,467,689	21,837,107	20,221,574	17,869,809	19,257,238	19,944,413	16,737,318	10,592,298	11,916,076
- Internal Restrictions	33,258,926	28,510,201	20,307,170	20,983,106	20,473,195	19,441,971	18,919,159	18,468,159	15,253,627	9,609,481	4,183,572
- Unrestricted	6,835,649	8,983,585	17,963,787	10,552,801	13,445,646	15,648,433	12,716,257	14,547,319	19,780,696	28,799,505	37,231,290
63,072,165	59,715,126	59,738,646	53,373,014	54,140,415	52,960,213	50,892,654	52,959,891	51,771,641	49,001,284	53,330,938	

Equity Statement

Wingecarribee Council
10 Year Financial Plan for the Years ending 30 June 2021

EQUITY STATEMENT - CONSOLIDATED	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	1,141,949,000	1,142,219,402	1,156,124,037	1,153,987,159	1,152,093,442	1,150,277,921	1,148,391,797	1,147,025,336	1,146,355,240	1,146,170,338	1,146,933,952
a. Current Year Income & Expenses Recognised direct to Equity											
- Transfers to/(from) Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-
- Transfers to/(from) Other Reserves	-	-	-	-	-	-	-	-	-	-	-
- Other Income/Expenses recognised	-	-	-	-	-	-	-	-	-	-	-
- Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
Net Income Recognised Directly in Equity	-	-	-	-	-	-	-	-	-	-	-
b. Net Operating Result for the Year	270,402	13,904,636	(2,136,878)	(1,893,717)	(1,815,521)	(1,886,124)	(1,366,461)	(670,097)	(184,901)	763,613	1,516,371
Total Recognised Income & Expenses (c&d)	270,402	13,904,636	(2,136,878)	(1,893,717)	(1,815,521)	(1,886,124)	(1,366,461)	(670,097)	(184,901)	763,613	1,516,371
c. Distributions to/(Contributions from) Minority Interests	-	-	-	-	-	-	-	-	-	-	-
d. Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	1,142,219,402	1,156,124,037	1,153,987,159	1,152,093,442	1,150,277,921	1,148,391,797	1,147,025,336	1,146,355,240	1,146,170,338	1,146,933,952	1,148,450,322

Snapshot

Wingecarribee Council

10 Year Financial Plan for the Years ending 30 June 2021

KEY PERFORMANCE INDICATORS - CONSOLIDATED

Scenarios		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
KPI within Council's target benchmark																
Scenario 1 - Base Model																
Unrestricted Current Ratio	Scenario 1	-2	-2	-2	-2	1	1	1	1	1	1	1	1	1	1	1
Debt Service Ratio	Scenario 1	-2	-2	-2	-2	1	1	1	1	1	1	1	1	1	1	1
Rates & Annual Charges Coverage Ratio	Scenario 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Rates, Annual Charges, Interest & Extra Charges	Scenario 1	-2	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Outstanding Building & Infrastructure Renewals Ratio	Scenario 1	-2	-2	-2	-2	-2	1	-2	-2	-2	-2	-2	-2	-2	-2	-2

KPI within LG Financial Health Check Guidelines

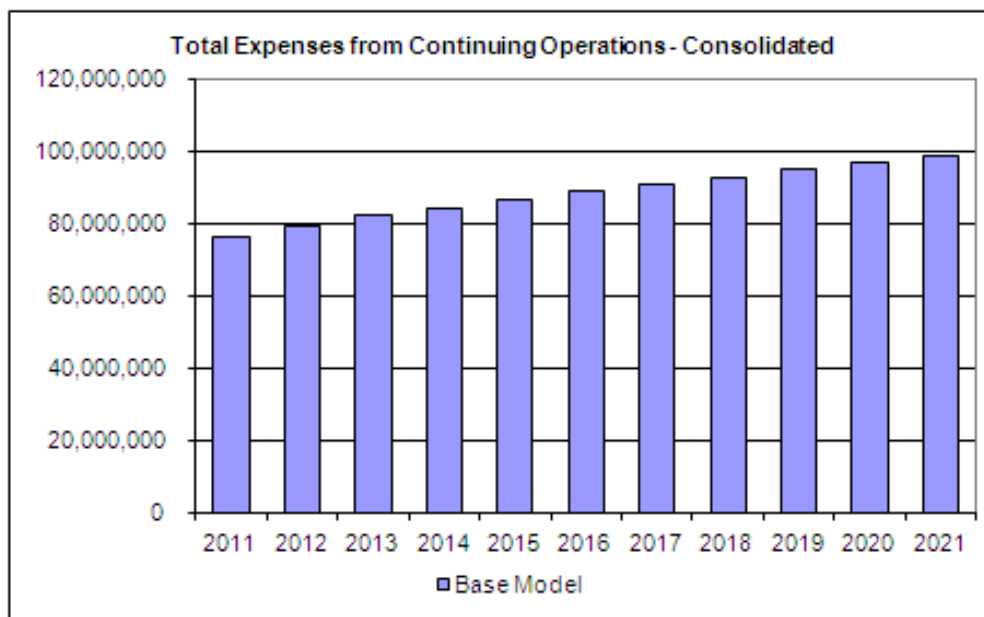
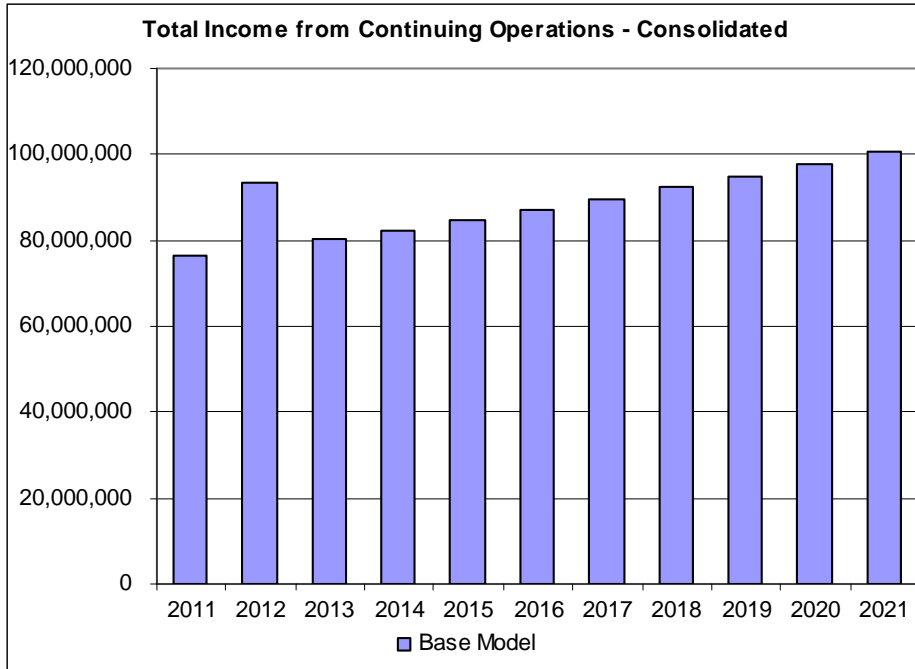
Scenario 1 - Base Model																
Operational Result before capital Grants & Contributions	Scenario 1					-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
Unrestricted Current Ratio	Scenario 1					0	0	0	0	0	0	1	1	1	0	1
Debt Service Ratio	Scenario 1					1	1	1	1	1	1	1	1	1	1	1
Building & Infrastructure Renewals Ratio	Scenario 1					-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2

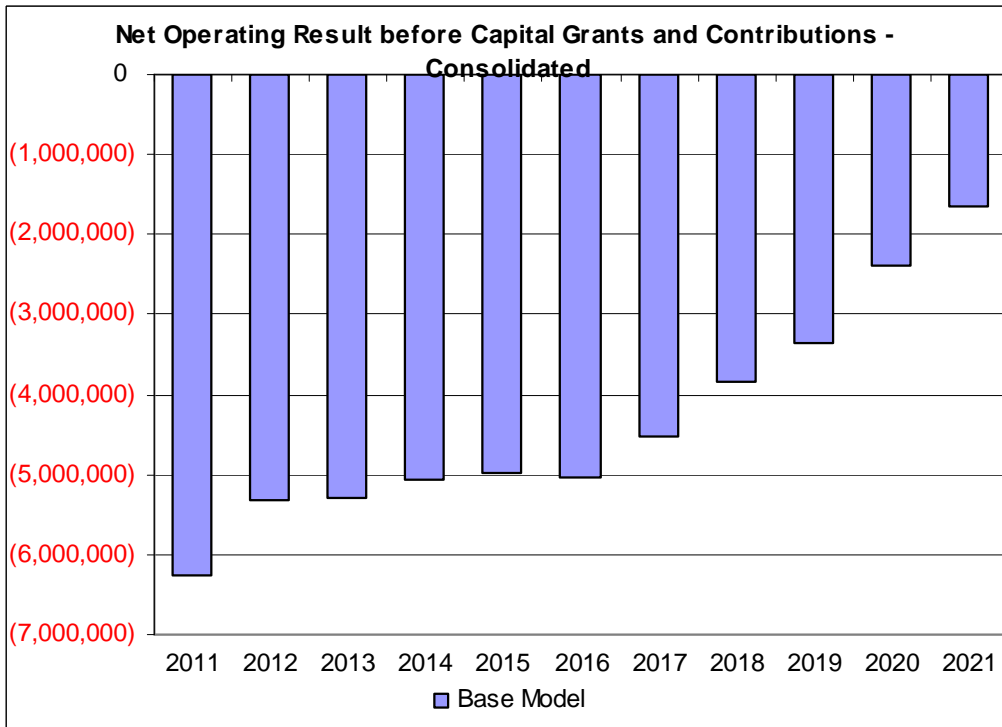
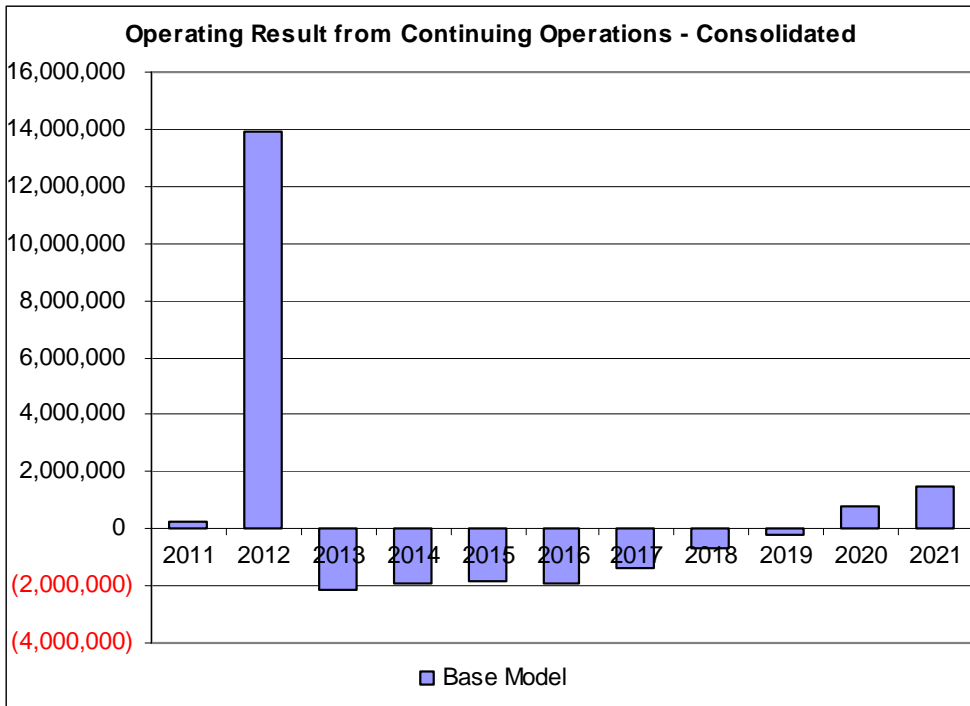


Graphs

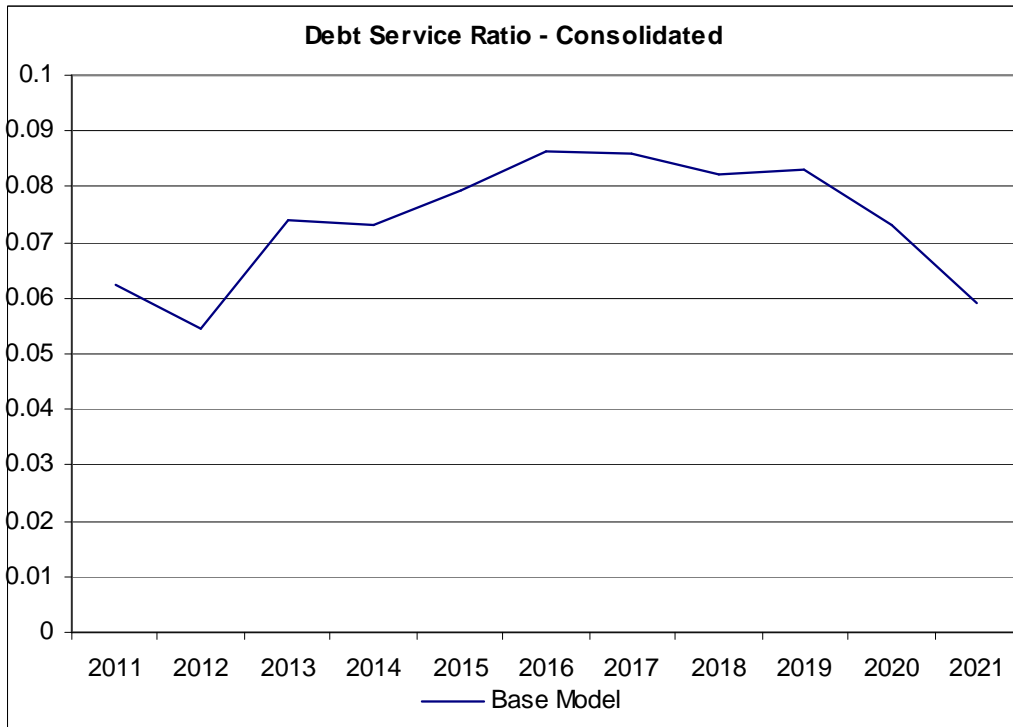
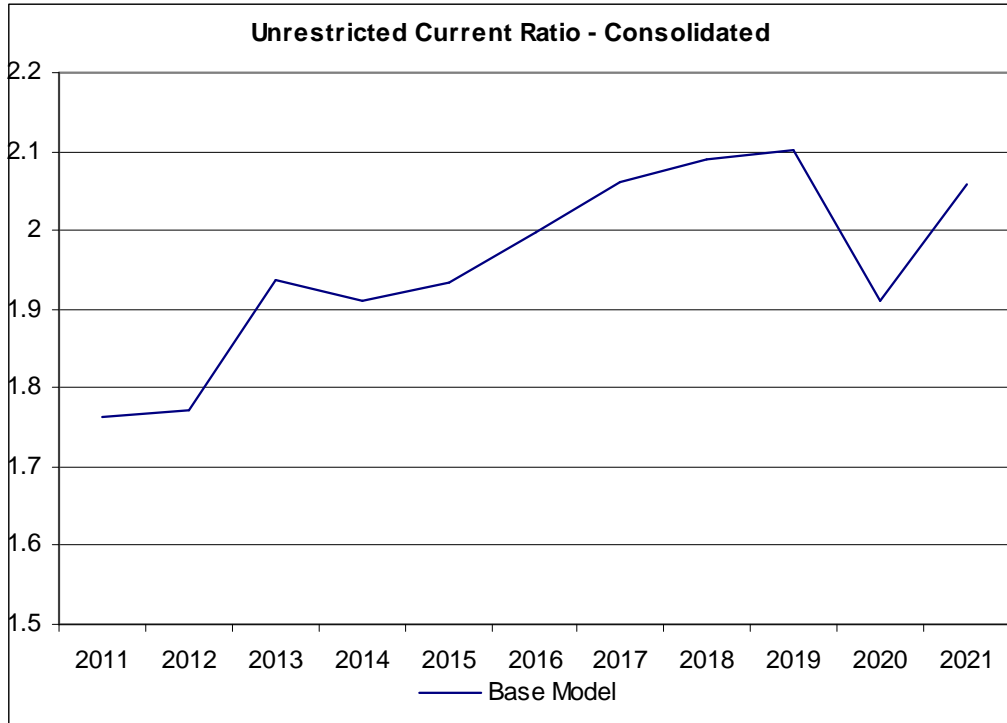
Wingecarribee Council 10 Year Financial Plan for the Years ending 30 June 2021 CHARTS – ALL FUNDS (CONSOLIDATED)

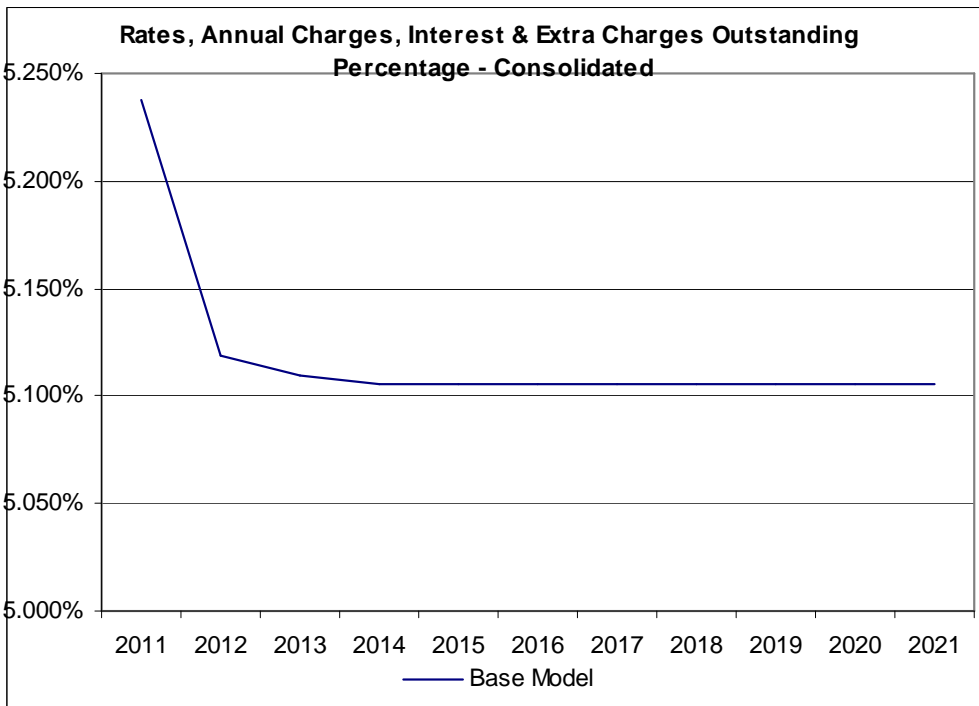
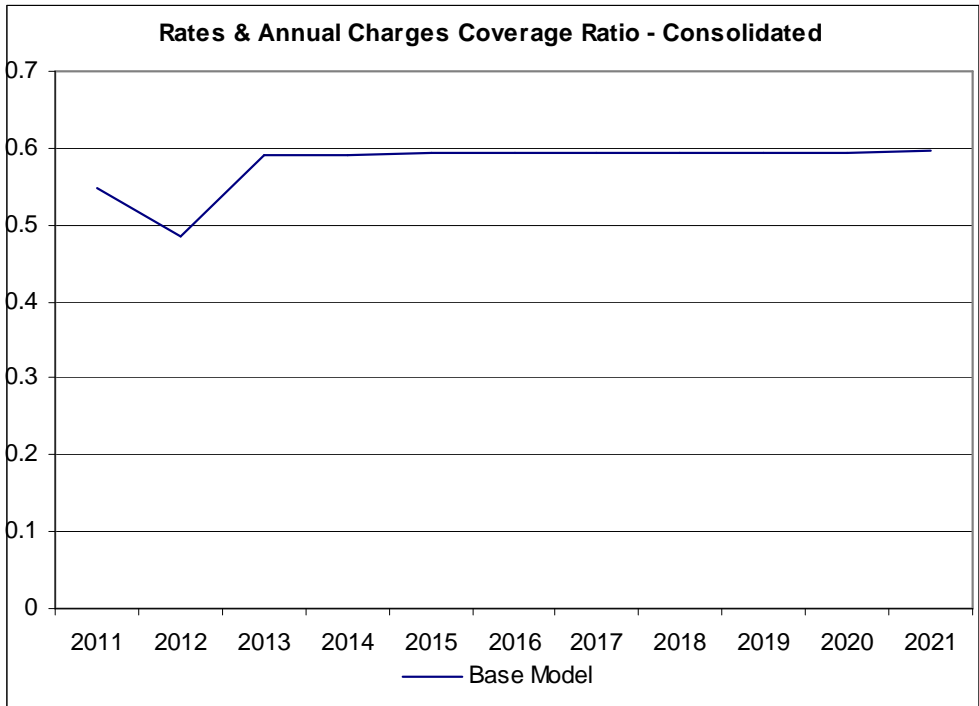
Income Statement Charts

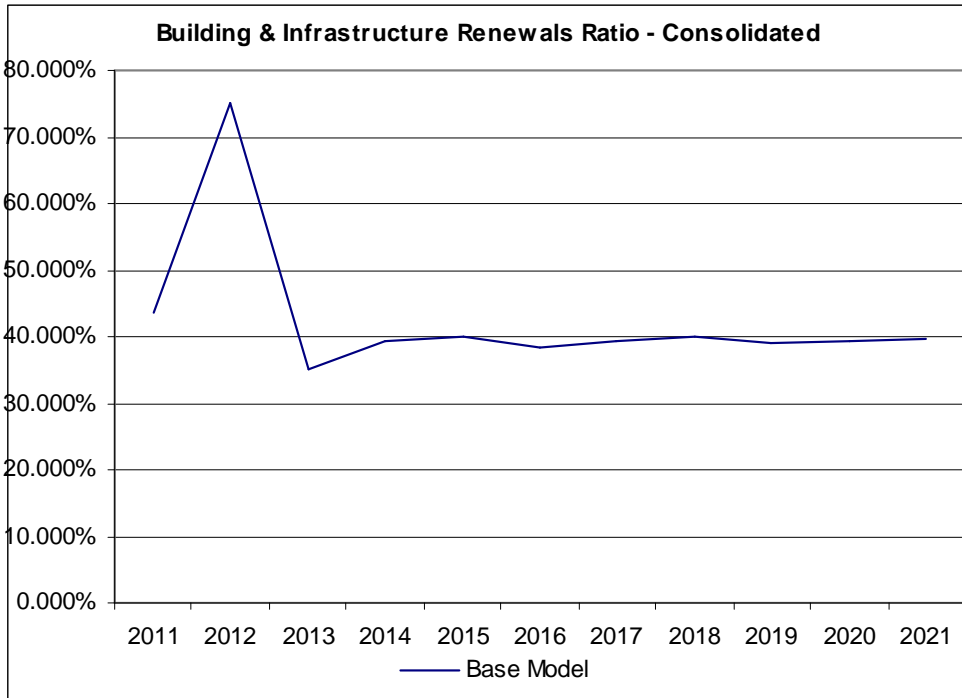




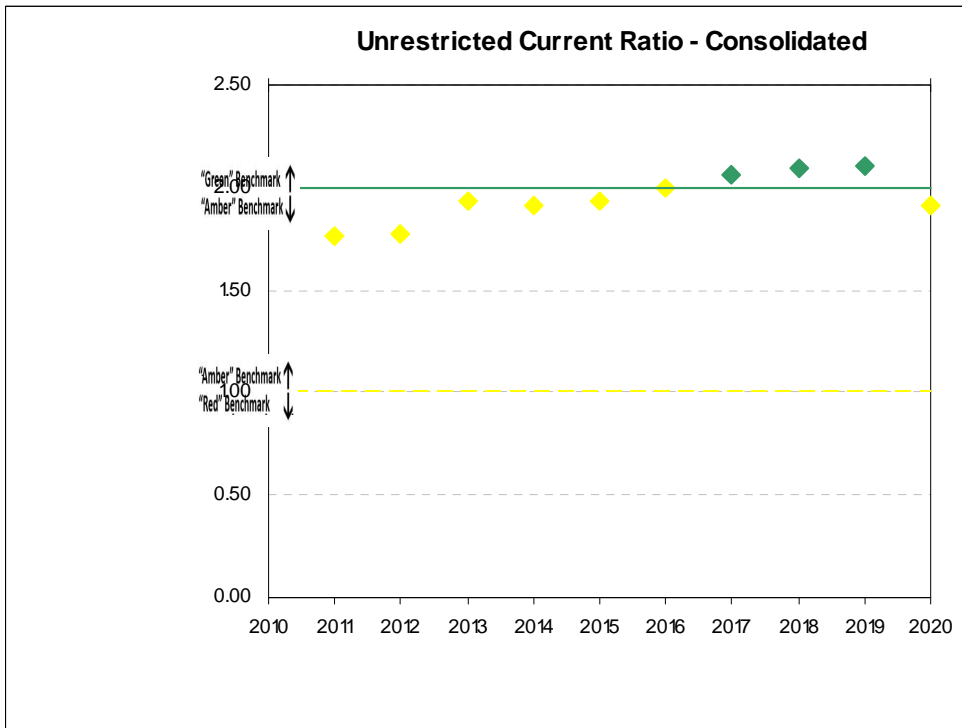
Ratio Charts

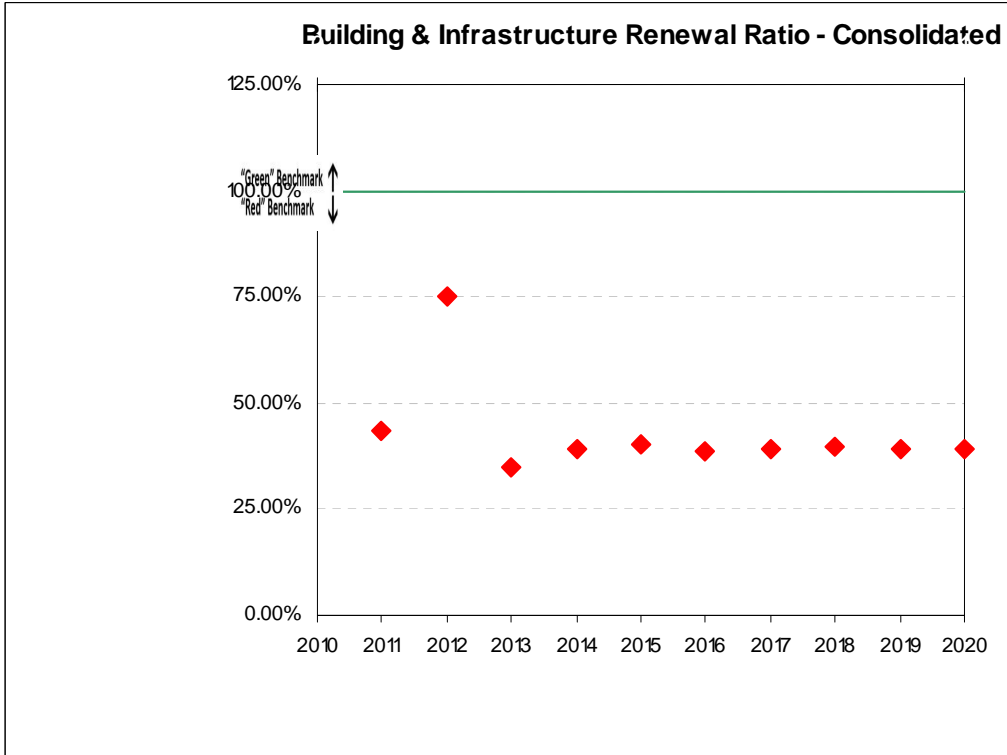
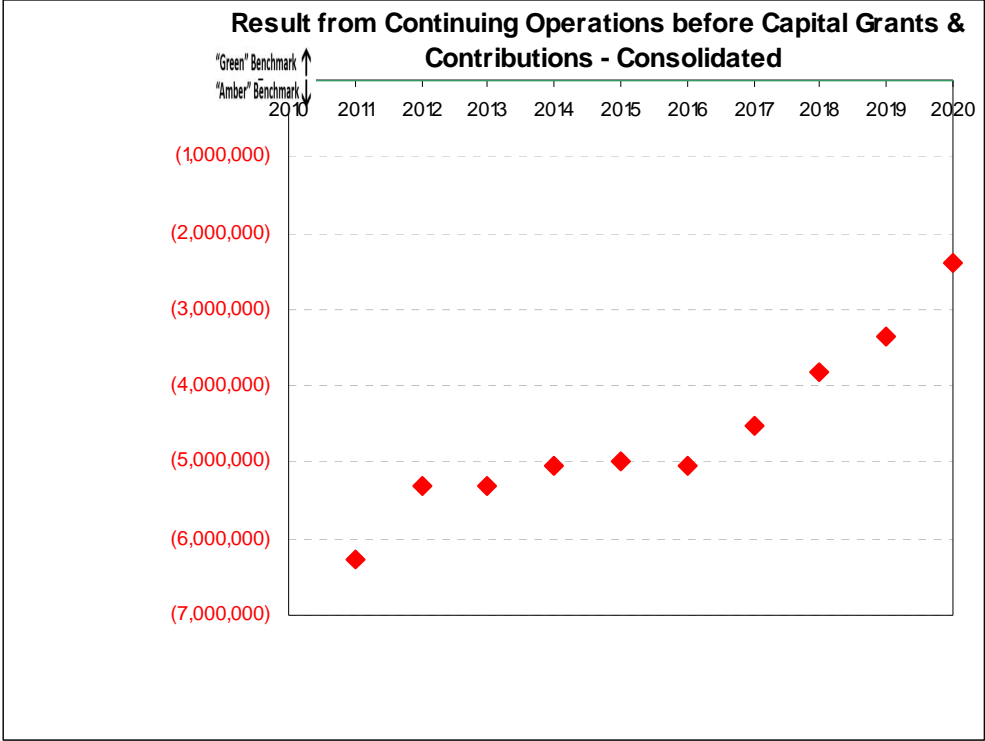


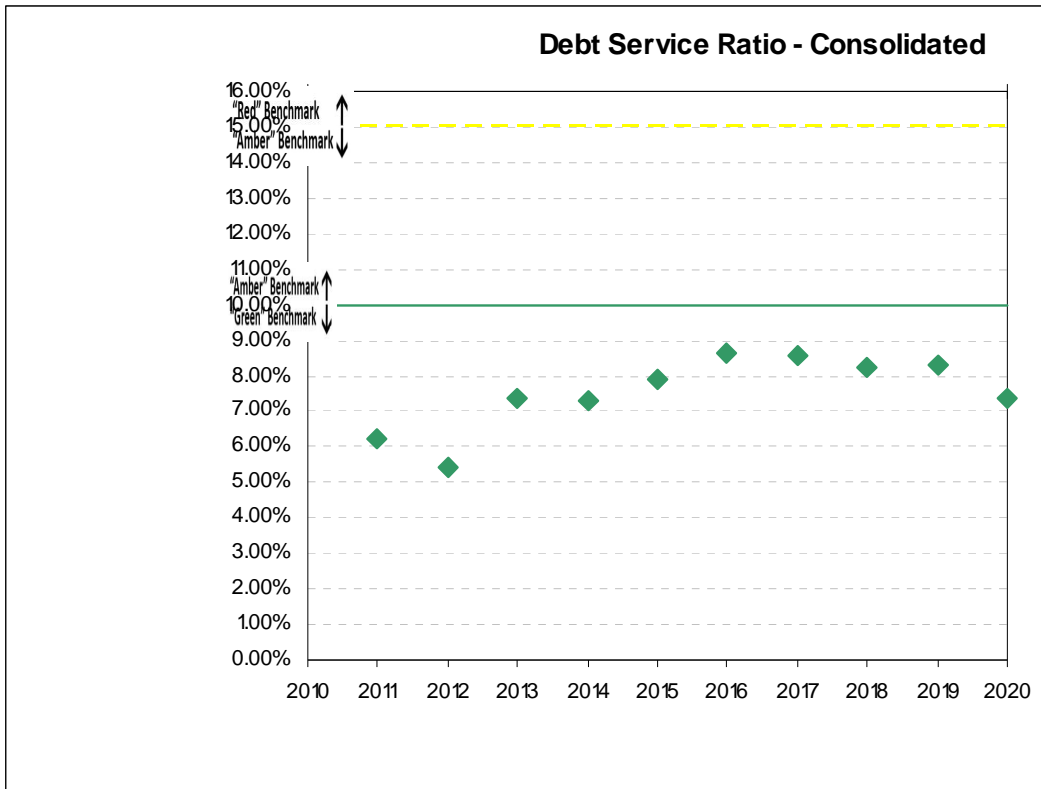




NSW Local Government Financial Health Check Performance Indicator Charts







Annual Review

In order to maintain currency of this plan for use as a decision making tool Council will conduct annual reviews to assess the assumption underlying the plan as well as performance against the forecast.

The LTFP will be required to be updated annually to enable development of Council's annual Operational Plan.

Future budgets should be prepared so that they remain consistent with the targets set by the Plan. Each year budgets will need to be reassessed in light of any need to adjust service levels or to maximise funding from sources such as grants. Examination also needs to be undertaken to assess alternative means of service delivery that may result in savings without compromise to service, quality or safety standards.